



our philosophy

The world has changed significantly in the last few years. It seems the further we dive into the information age, the faster things change. It's interesting to see how different industries respond to the changes. Some industries are keeping pace; others, like real estate, seem rooted in the past. For consumers to maintain a level of confidence in the industry, it is increasingly important for real estate professionals to align with a marketing model and abandon the traditional sales approach.

It wasn't that long ago that, if we wanted information about practically anything, the solution was to go, during limited hours, to an ugly, quiet, and mildly-depressing place called a library to check out a book. Then, book stores started becoming popular. Instead of going into a fluorescent forest with burnt sienna carpeting, readers flocked to comfy chairs, coffee, and happy people behind a Customer Service counter.

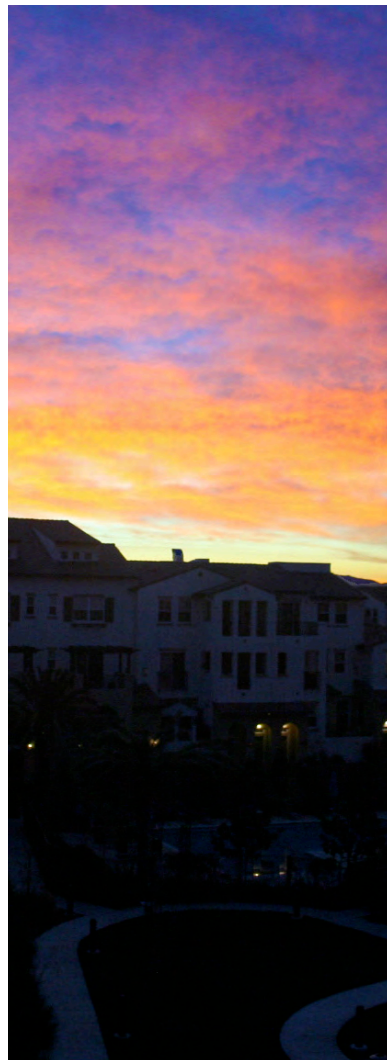
Do you remember the first time you bought something online? I remember when Amazon first started advertising. I signed on with my 9600 baud modem, selected my book, entered my info, and clicked "Buy now." Sure enough, the book showed up a few days later. Internet commerce had begun.

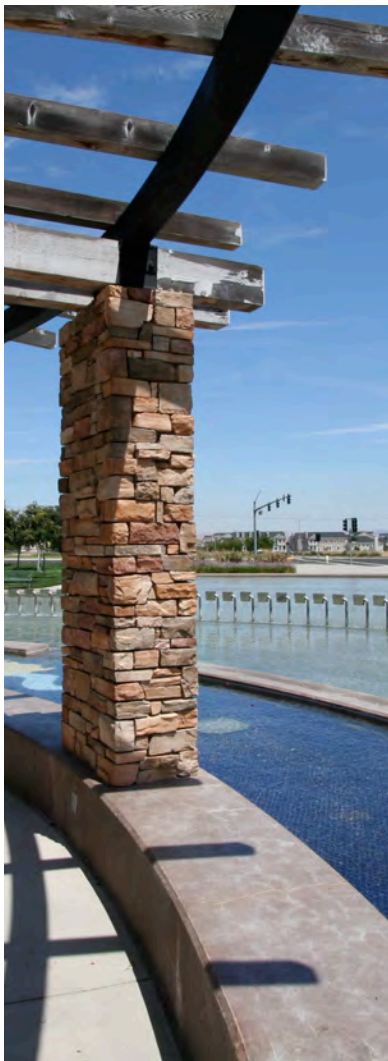
These days, I still like going to a book store; there's just something about holding something in my hands that appeals to me. I can't, however, tell you the last time I set foot in a library -- my best guess is that it was when I was in college. Still, the way I shop now is completely different that it was even a few years ago. I rely on the internet more and more for product information and to make sure I'm getting a good deal. If you don't have an iPhone with the SnapTell app on it, you're really missing out.

Every industry is doing its best to adapt to the new way buyers make purchase decisions. The fact is, we don't want to deal with salespeople anymore; we want to go online, shop around, figure out what we like, get a comfortable level of education about whatever we're interested in, and then either buy it then and there or call someone and give them our credit card info. The "sales model" approach to business is quickly becoming obsolete; as the Information Age progresses, a "marketing model" is taking over.

"Every industry" seems to be changing, that is, except real estate. Real estate is still sold by sales people, and you really have to laugh sometimes at the efforts of sales people trying to do "marketing." Have you ever wondered why real estate is the only industry where a headshot of the agent is the primary focus of branding? Have you ever pulled out a Realtor's note pad and said to yourself, "Hey, I've been thinking about moving -- maybe I'll give her a call." What about your house-shaped letter opener with an agent's name on it? I've actually seen a fly swatter (no, I'm not kidding...), that's shaped like a house, with a Realtor's name on it. That's real estate marketing for you.

Here is an interesting fact that was published by a National Association of Realtors survey in late 2008: of the buyers who had purchased in the twelve months prior, 87% of them had used the internet in their home search. I submit to you if the percentage is that high on a national scale, it is likely to be pretty close to 100% here in the suburbs of Silicon Valley. What that should mean to you is this: most people are depending less on the advice of a salesperson, and are instead looking at how homes are marketed on the internet.





My days in Corporate Marketing Communications taught me a lot. If I could narrow it down, I would make the following three distinctions that separate marketing people from sales people:

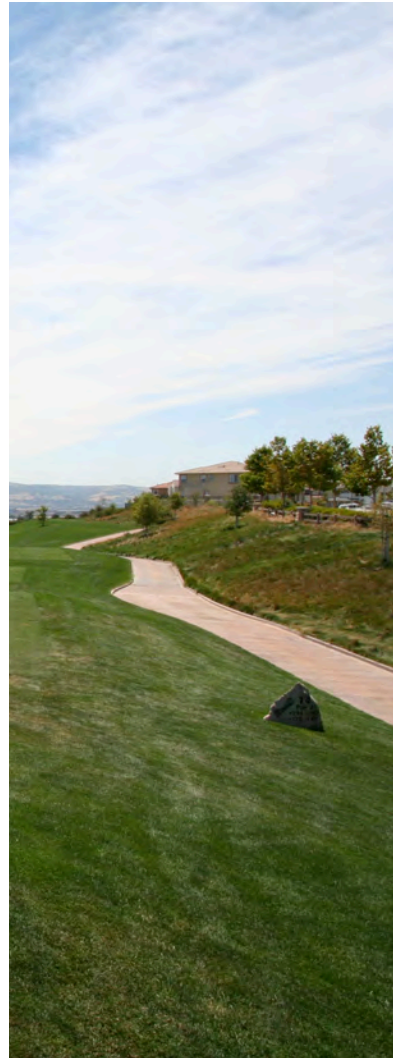
1. Good marketing establishes a connection with you on an emotional level. When is the last time you emotionally connected with a fly swatter? (That episode with your husband doesn't count... ;-)). People don't make purchase decisions based on what a sales person tells them, they make them based on how a marketing person makes them feel about what they are buying. In other words, your home is much less likely to sell because a sales person held it open on a Sunday afternoon. It is much more likely to sell because it has an established marketing presence through various forms of media that are consistent with each other and that are appealing for its target audience.
2. Good marketing always provides a next step, and encourages a response when you are comfortable. Are you really that impressed when you receive a "Just Sold" postcard in the mail or does it go straight to the recycling bin? A sales person thinks that good marketing makes consumers aware of their accomplishments. A marketing person thinks good marketing offers a targeted consumer something of value, and asks you to respond for more information.
3. Good marketing is trackable. When you list your home with an agent, do you wonder what they are doing to get your home sold? Most sales people are hard workers who,

unfortunately, use an outdated philosophy that says “I do as much as possible and see what results I get.” A marketing person believes “focused work gets results.” They live and breathe statistics, and back up their recommendations with reports and data. They can readily and easily provide answers to questions you may have, like How many people have viewed my property online? How did those prospects find my home? Is interest in my home increasing or decreasing? How many calls were received on my home? How many showing appointments did I have? What was the feedback from those appointments? Are the prospects interested in writing me an offer? Why or why not?

Note the above questions follow a progression -- we call that the “Marketing-to-Sales Funnel.” We won’t bore you with the details here, but you should ask about it when we meet. It’s part of what makes our approach to getting your home sold unique, and how we give focus to our efforts of marketing your property for the most effective (read: highest sale price, shortest marketing time) results.

If an agent can show you strong results of their efforts and your home isn’t sold, perhaps a price reduction is in order. If your agent comes to you and says “I need a price reduction.” you should ask what have been the results of what they have done to market your home so far. If they can’t provide you any quantitative results showing they have been doing their job, you don’t need a price reduction -- you need a new agent.

In summary, the future of the real estate business will have less to do with the language and efforts of sales people and more to do





with effective marketing. When you hire someone to sell your home, you are hiring more of an ad agency than a salesperson, and it's best to think of them along those lines. How well does their media represent your home? Is their marketing memorable, or "sticky?" Based on your agent's marketing, if you were a consumer would you want to buy your home?

Always remember, though, good marketing is more than a flyer on glossy paper and a virtual tour. These items may be pieces of the puzzle, but if the effectiveness of these tools is unfocused or not tracked their results are elusive. Tracking efforts through the Marketing-to-Sales Funnel is what will allow you to understand if your agent is doing their job. It's also what helps your agent understand if what they are doing is effective. If they can't show their effectiveness, it stands to reason they may not know what they are doing.

If you are interested in speaking with us about the difference between "real estate sales people" and "marketing people who get real estate sold," we welcome your call and look forward to hearing from you. Drop us a line today.

All the best,

Roger A. Clark
rclark@dublinranchlifestyle.com
925.230.8375 (direct)



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