

The Evolution of Real Estate Marketing

or

HOW TO MAKE HOME SELLING FUN AGAIN

by
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Real Estate

GIVE P'S A CHANCE PRODUCT PRICE PLACE PROMOTION

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Chapter 1. A New Kid in Town

Marty Maven turned her little Honda off the busy thoroughfare into the entrance to Oak Valley Farms and took a deep breath. She was having a moment of un-certainty like many others she had had during the two years or so since she decided to get her real estate license.

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“Marty,” she addressed herself out loud, “you did well in one tough field, you can do well in this one.”

She watched closely for the street sign where her friend Louise lived. She had met Louise at the gym several months ago and they had hit it off immediately. Louise was a trained as a biochemist and ran a small business out of her home editing journal articles for clients all over the world, often taking their mangled syntax and making the papers as readable as possible for other scientists. Marty’s visit today wasn’t strictly a social call. Louise had mentioned that another one of her friends in the neighborhood was going to put her home on the market. Marty’s little spasm of anxiety was not whether she could do the job as much as her right as a rookie to get the job.

She had been home twice the streets same from the this massive of mid-priced fact, she development



to Louise’s before but all looked the main drag in development homes. In reckoned the looked like at

least a thousand others throughout the Southeast Sun Belt.

Most of the homes were built on quarter acre lots in the 90's and were in pretty good condition. The average size was about 2200 square feet. The original developer gave the county land to build an elementary school and

it had a nice strip shopping center anchored by a good grocery store and pharmacy nearby. There is lots of green space, a walking trail and a community pool and club house. The landscaping throughout is mature and families take pride in their yards. Many other real estate agents actively “farm” the community. Because of the nearby university there has been a constant turnover of young doctors and other professionals.

She continued to herself, “You can do it. You know you can do it well. Stop worrying about rocking the boat. The boat *needs* to be rocked.”

Everybody including her broker has told Marty that she was doing well for a rookie. In the months since she had gotten her license she had sold 4 homes, 3 as the listing agent and 1 as a buyer agent. But it was a really slow start until an experienced colleague at her firm had passed along three listings that he didn’t want to handle. They were small but they gave her an opportunity to get some valuable experience under her belt. And, of course, she had paid a referral fee which added to the split with the office and her expenses didn’t leave her much money to brag about.

Today would be the first real opportunity to start pursuing a lead from what Joe, her broker, euphemistically called her “sphere of influence.”

“Some sphere,” she continued out loud to herself, recalling when she really had a sphere of influence back in the marketing world of Metropolis, “Louise is my best friend here and most of her acquaintances are in Japan and don’t do English very well.”

She also had to admit to herself that she wasn’t used to soliciting referrals from friends. It felt really awkward. She had been considered something of a marketing whiz kid but had never had to drum up business in her old world. That was a different group in the company. She just put the marketing plans together and helped coordinate implementation. “But now Booger,” she said using her father’s affectionate name for her, “you are the whole company,” mocking herself as her voice rose dramatically, “an entrepreneur, an independent contractor, no less...so now... you do everything!”

She cursed under her breath as she sped past the turn just as she was able to make out the sign. She turned around at the next opportunity and made

her entrance into Louise's neighborhood. She drove slowly down the street trying to spot Louise's little red Corolla in the driveway. She had gone less than a quarter mile when she finally saw it. She had already spotted two other homes for sale on the street.

This didn't surprise her even though she didn't particularly like the neighborhood. She had done a little homework and there were over 30 homes in the subdivision currently on the market. She also knew that on average about 25 closed every quarter with a little seasonal variation which was closely related to the university's academic schedule. Although the homes were attractive and comfortable the sameness put her off a little bit.

She and Matt had fallen in love with a small home in an older neighborhood when they moved here. Within a week of starting her real estate training she had begun to worry about her decision. The sameness of Oak Valley Farms and the steady market for the Oak Valley homes made them attractive to the transient academics. Marty had finally decided to stop worrying about it and just enjoy the home both she and Matt loved. "Maybe, she thought we'll settle here for a while anyway."

When she pulled into Louise's driveway, Louise was walking up and down the front porch gesticulating to an unseen caller that she was talking to through a headphone and mike. When she spotted Marty she smiled broadly. She flipped a mute button on the cord but whispered anyway, "Tokyo. Go on in the house and pour a cup of coffee...I'll be there in a minute." She flipped the mute button back on and did a few quick Uh huh's without missing a beat.

Louise's husband was a history professor and was currently in Europe researching something for a class he had proposed in the political science department. Since Marty had a lot of time on her hands while Matt was getting settled in with his new surgical duties at the hospital she and Louise had had several long dinners, a few bottles of wine and long conversations about life, absent husbands, careers and living in a university town.

When Louise finally came in she pulled off the headphones and flopped down on the couch across from Marty, “He’s the sweetest man and brilliant but he’s going to drive me nuts! He’s doing some really important work but good ol English syntax is getting the best of him. I’m going to know more about nano fibers than he knows about English before this one is done.”

Marty smiled. Louise had shown her some of the papers she had edited. Marty had no idea what they were talking about and she admired her friend for being so normal in spite of this arcane knowledge. “A client’s a client, I guess. I’d have to start over with 4th grade science and work hard for a dozen more years before I could do what you do.”

Louise grimaced, “Yeah, that’s my talent. I really don’t know much about any of these fields but just enough to understand the points they’re making and help them clarify them. I learned my limitations a long time ago. I could never do the research my clients do...just not smart enough. But I’ve been lucky to be able to carve out this little niche and earn some return on all the money my dad spent on my education. But I admire you too for tackling a new field when you were so successful in your old field.”

“I appreciate that, Louise. I also really appreciate that you’re willing to recommend me to your friend even though I don’t have that much experience. I haven’t even got the listing and I’m a little nervous about letting you down.”

“Listen. There are some agents I know very well that I like a lot as people but I wouldn’t recommend them to anybody. I don’t know why I have so much confidence in you...maybe it’s the fact that you can bench press more than I can...that takes some determination.”

They laughed as Marty struck a double biceps flex pose from the couch.

“What can you tell me about your friend and her home?”

“Actually, I’ve talked to Ann and we almost lost it before we got started.”

“Oh oh, what happened?”

“Well, as soon as it hit the rumor mill that Ann and Chuck were moving, she started getting solicited by agents. It’s a very competitive market out there.”

“I know that. And frankly, it’s not the part of the business I really relish. I’m used to an environment where we could decide which clients we wanted to work with... instead of the other way around.”

“That’s ‘cause you were good... and don’t you think you’ll get there in real estate?”

“I think so. Everybody tells me to fake it till I make it. But I hate that idea.”

“How do you deal with that.”

“I’m not faking anything. I’m not going to pretend that I’m a top producer. If I can’t convince somebody that my marketing plan is a good option and I’m a good choice to run it...I’ll move on to the next one. “

“That’s one of the reasons I don’t mind recommending you. I’m not worried about you overselling yourself and have it reflect on me. But let me tell you what I found out.”

“Great. You say it was almost over before it began?”

“Yeah. By the time I talked to her, Ann had already agreed to talk to two other listing agents.”

“And, I’ll bet she thought that would give her enough options.”

“Right. And they’re two heavyweights too. Did you notice the yard signs on the two houses coming up the street?”

“Oh dear, that’s the competition?”

“Fraid so. Do you know them?”

“Mostly by reputation. What do you think?”

“Well, Polly Wysocki is something else.” Louise continued, “I’d probably call her the local listing queen. There seems to be one in every town we’ve

ever lived in. We get a letter or a post card from her just about every month...or at least it seems so. I've seen her picture on billboards, moving vans, bus stop benches...heck, I've seen her ads on shopping carts up at the grocery store. She must spend a fortune."

"Well, she probably has a fortune." Marty responded, "She also has a really first class web site. And you ought to see what she drives, it's a BMW SUV the size of a tank with her website address on the rear window...her license plate is SOCIT2ME."

Louise shrieked, "I've seen it! Isn't that a hoot."

"Yeah, it's a hoot. God knows she's successful but I'm not sure that's my style."

"Is she really successful?"

"Oh yeah. She's got her own little team within her company. She has a couple of buyer agents that she feeds leads and takes referral fees from, a transaction coordinator, and a marketing coordinator. A good team. Rumor has it her boyfriend puts up signs for her and lockboxes too. Maybe he does more than that..."

"Hush up! Let me tell you about your other competitor."

"The lady on the other sign?"

"Right. I actually know BJ. Betty Jo Boteet is her full name. Matt might actually know her husband. He's a fund raising type guy for the medical center. I think he feeds BJ leads or she's gotten to know a lot of the personnel people over there that tip her off when somebody is coming or going."

"There's no problem with that. That's a legit way to get business although I can't imagine Matt ever feeding me leads from the hospital."

"Well, that's silly. Why not?"

"Oh, it's not that he wouldn't. He's just so absorbed right now in the surgical stuff they're developing, I don't think he could even hold a

mental note long enough to tell me about somebody moving...much less the details.”

“The boys do get lost in their work sometimes, don’t they? BJ isn’t as flashy as Polly but she does put that big picture of herself on all her signs.”

“Nothing wrong with that either...she’s attractive enough.”

“Actually, she’s a very attractive person. She got into this when her kids were old enough to start driving themselves places. She seems to know everybody. She was involved in the school PTA for years, and is still very involved in the big church down on Main Street that’s about a 100 years old. Apparently she and Peter socialize quite a bit at one of the country clubs, the newer one, I think.”

“So, why are you recommending me to Ann instead of BJ?”

“You know, it’s hard to put my finger on. I’ve never heard a complaint about her. She just doesn’t seem that serious about real estate. She apparently doesn’t need to work. Both Peter and BJ have family money and Peter has a good job at the hospital. I don’t know, I just have a feeling about it. Like I said, I wouldn’t recommend anybody if you weren’t in the picture.”

“Well, I owe you for this...and your confidence in me.”

“Yeah, well the next Chinese neurosurgeon type guy that wants to publish something in JAMA...just let him know I can help him out...but I don’t come cheap.”

“Will do. I run into them all the time. Maybe it will be a woman Chinese neurosurgeon.”

“Naw. They actually seem to be much better at English.”

“The old thing about women having to work twice as hard to make their mark?”

“I guess. Or maybe the guys just fake it so they can work with me.”

“Ha! That wouldn’t surprise me.”

“Hey, I’d say let’s go workout and get lunch but I’m expecting a call from Durham in about 15 minutes.”

“Durham?”

“UK. Some of those blokes need my help too.

“Are you helping them with their syntax or....”

They laughed and Louise said “Don’t go there...you don’t know what goes through my imagination while they’re droning on sometimes.”

“Oh...you’ll have to tell me about it sometime.”

“Enough.” She grinned, “Here’s Ann’s phone number. I told her you would enjoy each other even if you didn’t do business...and you will. She’s expecting your call.”

The both got up and embraced warmly and Marty went out into the cool spring day, jumped into the Honda and headed for her office. She checked with the receptionist for messages but she really didn’t expect any because she used her iphone number almost exclusively. In fact, she had gotten a voice mail message from a client whose home she had sold a month earlier that she picked up on the way to the office. The message was just to let Marty know they had gotten settled in their new home in a new city and how they wanted to thank her again. Talking out loud to herself again, she said. “That was nice...” Even though she knew she did good work for the marketing firm in Metropolis, it was a world of big egos that seldom offered compliments. “Maybe real estate ain’t so bad.”

In the office she sat down in one of the cubicles that the agents shared when they were in the office and checked the email on the iphone. While she did, she wondered why she even bothered to come into the office. She had really hoped she would run into John Martin, the senior agent who had passed her the listings that she had sold. She realized that was a long shot. He didn’t come in the office much. Being honest with herself she admitted that she wanted his approval and...well, praise, for beginning to generate her own leads.

In her emails there was one from the same client who had left the voice mail. It had a link to a funny video the client had sent to a hundred of her closest friends...the downside, she reckoned, of providing good service...but it made her smile.

Next she made a phone call to Ann, the potential client. She knew right away that like Louise had predicted that they would get along. They had a pleasant conversation about the house and their schedule for getting it on the market. Ann also mentioned that she was also going to talk to a fourth agent about listing her property. It was Joe Grunge of Sell-It-U-Self Realty. Ann said that he told her he would list the house for a 1% commission. Marty realized that that probably wasn't really correct but it would be better that Ann figured that out herself.

Then she took a deep breath and called John. She knew that he'd answer with a hearty "Lo Marty" when he saw her number pop up on his own cell phone...he's not into iphones yet and swears he never will be.

He answered as expected but not as enthusiastically as she had hoped. She had noticed that his usually buoyant personality could turn melancholy occasionally but he was never cross or less than a gentleman, even apologizing if his language got a little rough when he got excited. Apologies of that nature were unheard of in the big city.

The first time she had seen this melancholy side of him was when he had had to turn all his charm on to convince the owner of one of the listings he had passed along to work with Marty. The client had been a little hurt and he had to promise that he would be involved and would supervise but he had some personal issues that would keep him from giving their listing his full attention.

After the conversation he said to her in that melancholy voice, "That wasn't totally a lie, but I'm confident you can handle this one without my supervision. If you think you need help, just ask. I sold them that house 25 years ago and we had a good time but we just share Christmas cards now. They're good people and you'll like them."

She did and she had the house under contract before anyone realized it had happened even in a tough market.

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"Hey Buddy" she said into the phone in her sweetest voice trying to cheer him up. She frowned to herself questioning her impulse to try to make things OK for a successful man her father's age. "I need your help. Have you got an hour we can talk some time?"

His tone told her he was trying hard to match her cheerfulness. "Probably I can...for my favorite rookie."

"Oh thanks, John. Nothing heavy, I just want to test some ideas on you for a listing presentation I'm going to make."

"OK! He exclaimed...stepping out of the nest to fly yourself, and you want a push from me."

She laughed, "Something like that." She felt pleased that he was responding.



"Let me think a minute..." he said and paused..."can you meet me at the Oxford Hills Country Club tomorrow about 12:00 and we'll have lunch. I'm playing golf in the morning and I should be finished by then."

They agreed to the meeting. She gathered her purse and her phone and left the office. She had spoken to no one but the receptionist who was scanning People Magazine. She wondered again why she hadn't just done this at home.

When Experience Doesn't Count

The next day is overcast and threatening rain. She has only been in the club once before but the hostess in the dining room seems to recognize and escorts her to a table with a gorgeous view of the 18th fairway and the meticulously manicured green of the final hole. John is there already sipping on a beer and looking wistfully out the window.

He rises as the hostess pulls out Marty's chair. Gesturing to the window he says, "Hey Marty. Three putted that last hole. Terrible round." As he sat back down, "I thought if I practiced more my score would improve. It

hasn't. Sort of like real estate these days. The harder I try the less fun it seems to be. The reason I keep pushing these listings to you is that I'm just not getting the kick out of it as much anymore."

Marty is a little surprised by his mood. To her he has been the stereotypical real estate pro. Sincere, honest, an expert negotiator and never missed a detail. All the referrals John had passed to her had been his clients just like the one she had picked up the message from the day before and were disappointed when he couldn't represent them. She tried to cheer him up a little bit.

"John, your clients love you. My biggest hurdle has been living up to your reputation when you give me a referral. That has to be satisfying!"

The waiter came to take their drink order. John ordered another beer. Marty decides, what the heck, and ordered a glass of wine.

John says, "It was satisfying for a long time. But it seems lately that the magic is gone. It used to be that the hardest part was finding the clients...and I'm good at that. Almost as good as ol' Wysocki...without all the flash."

Marty laughs, "You're not jealous are you?"

He smiles, "No, of course not. Polly's really a sweetie. We've worked a lot of transactions together. She's much softer than she looks." He pauses and looks down at the table, "I'll tell you a secret."

Marty feigns surprise, "Whoa! This might be too much information."

"No, no, no, nothing like that. The secret is Polly isn't having as much fun anymore either. That's the secret. She and I sat at this same table and cried in our beers a few weeks ago."

"You're kidding."

"Actually, she was having some sort of martini. By the way, you came up in that conversation."

"Really! And that brought you to tears?"

The drinks came and Marty took an uncharacteristically long sip of her

wine...a very nice Chardonnay. Her surprise was genuine. As far as she knew she hadn't done anything that would have caught the attention of the local Queen of Real Estate. She put down her glass carefully, crossed her arms on the table and leaned towards John.

"What did I do that would put me on her radar?"

He chuckled and the twinkle in his eye relaxed her a little bit. "You sold a couple of houses."

"She's not the only one who sells houses around here."

"Like I said, she's not having as much fun anymore and you made a couple of those sales look easy. The first one she thought was beginners luck...and I did too, frankly."

Marty waited while John took another sip of his beer and then continued.

"When you sold the second one 20 days after it was listed she looked a little more closely at what you did. When you sold the old Doggett place she called me and started asking all kinds of questions about you."

Marty laughed, "She wants to know my secrets?"

"Maybe. Maybe I do too. I'm an old dog but I can still bark. You're just having way too much fun...and we aren't."

"You two *are* pretty close!"

He looked at her and grinned, "We were once, a long time ago, but she's pretty high maintenance. I guess I like our relationship the way it is now. We meet here every few weeks, have a couple of drinks and talk about real estate. She's pretty passionate about the business. I've never seen her in this kind of funk before. Yeah, she wants to know if you have some kind of mojo."

Marty laughed again and had a rush of warm feelings. She wasn't sure whether it was the wine or the flattery. "No mojo, I'm afraid. But getting those listings did let me try some things I've been thinking about."

Marty joked with him, "I don't know. You're a real pal, John, but I don't know if I want to share everything." It was her turn to tease.

John summoned the waiter who seemed to be waiting for his signal, "How about a sandwich or a salad?"

"Sure."

"They have a great chicken salad on a croissant."

"Sounds great."

To the waiter, "Two. And put the tomatoes on the side with an extra helping of those really good potato chips. And bring another glass of wine and another beer."

"Listen John," said Marty, "I'll make you a deal. I'll share with you what I've been doing, if you share some things with me about getting clients. I didn't do business development in my old job."

"Oh yeah, I forgot. You had a life before real estate. In Metropolis no less."

"Yes I did. And believe it or not, I don't feel like I've given anything up. I enjoy real estate and I *am* having fun. It's a challenge. But I can't help but bring my own approach to it. Frankly, I didn't try to at first. I thought you veterans would have had it all figured out by now, so I just tried to do what you did."

"And what happened?"

"It wasn't working and I wasn't having any fun either, so I started asking questions. Then one day it dawned on me, you guys *did* have it figured out for the way things used to work...probably back at least to when Jimmy Carter's was president. But we're in a different world now."

"No crap. Things *have* changed. But the good times didn't go back quite that far. In the late 70's mortgages got up to almost 20% in some places. Somehow it almost feels like it did back then but mortgage rates aren't anywhere near that."

The drinks came. "Listen," Marty said, "I'm flattered that you're interested in my ideas but a lot of them are untested. Some of them will probably be unpopular, so I'll be very grateful for feedback. To tell you the truth I'm surprised you're that interested. I was just hoping to get some insight

today on my competition for a listing."

She took another sip of her wine. "But I'd like to think about how I describe things to you and then get together again. I've got a listing presentation to make next week and I'm going up against your friend Polly. I want that business. If I get it, I'll know I'm on the right track."

She paused to think about what she was saying. "And then I won't mind sharing it with you or Polly or anybody. I don't think I'd be giving up a competitive advantage either. Everybody is going to figure this out sooner or later and when they do the whole market is going to improve."

"That's a pretty big claim...but fair enough. Do you want me to call off Polly? I can probably do it if I tell her about our deal. She doesn't need the sale. She could retire if she wanted to. She just loves the thrill of the hunt. When she lands something though, she likes to mount the trophy and move on. But like the rest of us she's having trouble moving homes that should go easily."

"Yeah, she likes the hunt...and seeing her picture on billboards. No, please don't say anything to her. I want a good test. If I win the business I want to do it fair and square."

She took a sip of the wine. "Boy, does that sound square."

"Huh...I was thinking catty."

"Shush!"

"You know, most of us want to compete fair and square. There are a few who will work every angle. But this business depends on cooperation among rivals. I think that's why Polly and I have stayed friends all these years. She's a great competitor. If I won every listing I'd be really rich but I wouldn't get any better...or have as much fun."

"Yeah, sometimes that cooperation goes too far. That's why the Justice Department is crawling all over us."

John frowned, "Don't get me started on that. They're screwing up a good thing."

"Ah, we *are* going to have some lively discussions!"

"Didn't you tell me you're going to be competing for that listing with Joe Grunge too? Sell-It-Yourself Real Estate my big hairy butt..."

"Now, now. That's part of the way it is. How long did you think you could go on before someone discovered the most powerful of the four Ps? I'm surprised it took as long as it did."

John's eyes twinkled again. "Are you talking dirty to me?"

"Apparently so. The four Ps are the four P's of marketing, Product, Price, Place and Promotion. That's kind of what I want to share with you and how I think it might affect real estate."

"OK."

She continued a little more earnest now, "Price is just one way to compete. But I don't think this has been tested much in real estate in the last couple of decades. Maybe it won't work. I get a lot of blank stares when I talk about it with other agents in the office. That's why I want your help. If you promise to take me seriously and help me develop some of these ideas I'll share what I learned working for the big city marketing company and how I think adopting some techniques from other types of businesses can make real estate fun again."

John took another long tug on the beer. "It's a deal. As long as they don't kick me out of the country club for being too radical. I've gotten fond of this place. "

The waiter delivered lunch. Before they could pick up their sandwiches a fairway shot dropped on the green 30 yards away from the window and rolled across the emerald expanse and stopped a foot from the hole.

Simultaneously they exclaimed "Wow!"