

Real Estate Marketing Tips - "The Power of Marketing Systems"

A series of articles on Real Estate Marketing Tips and "The Power of Marketing Systems"

Part 1 of 4

By Than Merrill



How did you find that deal? That is the number one question I am asked by other investors at my real estate investing seminars whenever I go through different real estate deal case studies. If you are an experienced real estate investor you can probably relate to this statement. The answer is the "Real Secret" to the business. Unfortunately, most real estate guru's only touch on the importance of finding deals. Touching on the importance of marketing is not enough. **YOU MUST SERIOUSLY FONDLE THIS ISSUE!** Most of these so called real estate guru's will give you ideas of how to find deals, but ideas are not enough! I have seen many entrepreneurs fail who have had good ideas. What investors really need is to understand the importance of marketing and marketing systems. Marketing is your business and marketing systems are what bring your deals consistently!

Real Estate Marketing Tip #1 – Become a Marketing Major

The most successful real estate investors have dedicated their time to learning the details of their business. These people have usually sacrificed numerous weekend vacations and instead spent the time learning more about their business. These elite investors understand that successful marketing takes hard work, continual follow up, and a thorough knowledge of marketing. In this game the most informed players always win and the more you know about the subject the more money you will make. The top-tier of investors, who are buying 50-100 houses a year, are continually learning, testing, and improving their marketing campaigns.

Real Estate Marketing Tip #2 - You Must Become Systems Orientated!

You are now a systems producing machine! Congratulations I have given you the highest possible compliment one business person can give another business person. You see, the best marketers are systems-oriented people. They understand ideas are only so valuable and without a system you can not leverage and execute an idea consistently. For example, I can give you an idea of how to find real estate deals below market value by telling you to mail people who have recently inherited properties. However, if I don't show you how to get the data, create a list, and design a system you can outsource then I have not helped you. In fact, I have only confused you and frustrated you which can lead to burnouts and increased male pattern baldness! Developing the systems behind your marketing is the most important thing you can do. Without systems you will continually be short on time and short on quality leads.

Real Estate Investing Tip #3 - Death to Ideas

Ideas mean nothing to you now unless you can build a system for implementing them. Death to ideas! Your new favorite word is Business Process Automation or BPA for short. (No not T&A...Paul). All businesses are made up of a series of processes which can be automated. For example if you ever had the pleasure of visiting our office you would see that we have a system and checklist for everything. From our sixteen different marketing systems that get our marketing out into the marketplace, to our deal analysis and due-diligence systems, to our rehabbing systems that run our projects, and finally down to the way we market our properties. Everything is a system run by different individuals trained on running that part of the business. These systems are what allow me to travel the country speaking without having to worry about my business producing revenue.

Real Estate Marketing Tip #4 - The Bible of Systems

If you don't understand the importance of systems, you need to rip up this article right now and pick up the book entitled "The E-Myth" by Michael Gerber. The E-Myth, or Entrepreneurial Myth as Gerber laments, is single

handedly the best book on how to systemize and run a business effectively. The book does not specifically talk about developing real estate marketing systems, however it does have specific case studies of how some of the most successful business owners use systems within their business. Last time I checked, Howard Schultz the founder of Starbucks, did not serve you your morning “3 Pump Grande Vanilla Latte.” One of his employees did. One of his employees who was working the systems he spent years building.

This idea can be directly applied to your real estate business. If you don’t have marketing systems to get motivated sellers calling you every day then you will struggle to find any good real estate deals. Likewise, if you don’t have marketing systems you can outsource to others then you will never be able to remove yourself from your business.

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Real Estate Marketing Tips - "I Can't Find Deals"

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Part 2 of 4

By Than Merrill

I can't find any deals in my area. This won't work in my area. Why would anybody want to sell their property under market value? You can't buy a property with nothing down. The earth is flat. A man will never walk on the moon. The Red Sox will never win the World Series.

All of these statements have been made by thousands of people and all of them are completely false. Blasphemy! Bologna! Not true! You see what you believe to be true is true for you, not everyone else.

I guarantee you can find deals in your area. As long as there are houses within the vicinity there will be deals. You just have to start marketing and put a little elbow grease into your marketing campaigns.

Real Estate Marketing Tip #1 – Get Started

Whenever someone tells me they can't find enough deals, I always ask them one simple question: What marketing campaigns did you run this month? Inevitably, whenever I ask this question the answer is always "very few" or "none." Well, how do you expect to find deals if you didn't do any proactive marketing? Unfortunately, a space ship is not going to land in your front yard and hand you a bunch of deeds to properties under market value. If you want something you have to go after it! You can not rely on realtors to bring you all your deals. You must get one on one with the seller. In order to do that you must start marketing to them directly.

Your goal should be to get one new marketing campaign going every other month. At the end of a year you would have six campaigns running simultaneously. I guarantee you if you do this one thing you will be purchasing at least one real estate deal a month!

Real Estate Marketing Tip #2 – It Takes a Little Capital...So Look in Your Friends Couch

It does take some initial capital to start marketing and get your phone ringing. You don't have to a huge budget, however I would recommend you start out with at least a budget of \$500 a month. If you don't have any capital don't be discouraged. You will just have to be more creative and do some joint venture marketing campaigns with other professionals.

Fear and lack of knowledge are what stop 95% of people from getting what they really want in life. Most people consider it too much of a risk to spend a \$500-\$1,000 dollars on marketing for deals, yet they will blow through that same amount in a weekend trip to Vegas. (Just ask Paul) What you may not realize is that a well planned marketing campaign can be implemented with as little as \$500 to \$1,000 dollars which will most likely bring in at least 1 or 2 deals. Not too bad when you consider most deals will have a minimum profit margin of \$15,000 to \$20,000.

Likewise, I have found that real estate investors are generally afraid of spending money on bigger ticket marketing mediums, in contrast to business owners in other industries. Why do you find smaller furniture companies spending thousands to market themselves when they generally work on much smaller profit margins than most real estate investors? It makes no logical sense because most real estate investors can earn a very substantial income fairly easily if they just chose to spend money on marketing their businesses.

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Real Estate Marketing Tips - "Be Consistently Bold"

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Part 3 of 4

By Than Merrill

All marketing experts know the importance of being consistently bold. I have seen some great marketers with a bold message out perform one shot wonders with a more compelling offer. In fact, I think you can probably think of some business owners in your area whom are just plain outrageously consistent with their marketing.

I have experienced this first hand in the world of real estate investing. For example, I was sitting across the kitchen table from a seller one time and asked her why she had decided to call me instead of the 30+ other investors who had mailed her. She said it was because I was the only one wouldn't stop mailing her these outrageous letters and postcards. That deal was worth over \$50,000 to my company's bottom line. You think being consistently bold is important now? You bet it is!

Real Estate Marketing Tip #1

With so many investors in the marketplace, your message can sometimes get lost in the marketing shuffle. That is why you need to do something bold when it comes to your marketing campaigns if you want sellers to remember you.

For example I know of one investor in California who used to run a full page color newspaper ad every week saying "Why Use a Realtor?" The best part was that the ad used to run in the middle of the Realtor homes for sale section of the Sunday paper. Now I am sure he upset many realtors, but his bold marketing tactics are why he is the most successful investor in his area.

Real Estate Marketing Tip #2 – Consistency with Your Marketing is Paramount

On an average day, the typical American sees literally hundreds of advertisements and marketing messages. Of these, only about 10% are actually internalized by target customers. Therefore, you can't expect someone to do business with you after you have contacted them only one time. There is no such thing as a "one-time wonder" in the world of real estate marketing. There is no special secret or magic formula to finding deals as most new investors usually think. Effective marketing requires a compelling message and continual follow-up. On average, a person will not decide they want to do business with you until the fifth or sixth time you have contacted them. For example, our direct mail campaigns usually consist of five to six different letters depending on the list.

Likewise, multiple methods of marketing always work better than one. For example, if a seller drives by your bandit sign, sees you in the newspaper, and then they gets a postcard from you I guarantee they are more apt to call you then if you only run one marketing campaign consistently.

If you are on a fixed budget, make sure that you don't pour all of the money into one or even two different forms of marketing. For every \$1000 dollars per month you are willing to spend you should be able to find three or four different methods to employ. As your budget grows, the number of different forms you use should grow accordingly. There are a lot of very inexpensive forms of marketing you can begin with so start with those and add more expensive ones as you grow.

Additionally, you must have patience with your marketing. Don't expect something to work the first time every time. Some of the best marketing campaigns we have ever run started out lackluster. Only by having patience, adapting, testing, and tweaking the campaign did we get it to produce.

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Real Estate Marketing Tips - “Track Your Marketing Numbers”

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Part 4 of 4

By Than Merrill

One of the most common problems most real estate investors make is not tracking their marketing. When it comes to marketing and running a business the devil is in the details. Marketers are usually ultra-creative people and often times allergic to the bottom line. However, there is nothing more important when it comes to building a business. Your goal as a marketer is to have a system to concisely track your marketing and understand the numbers. Measurement eliminates arguments and tracking your results will help you build a profitable real estate investment company.

Real Estate Marketing Tip #1 – Determining your ROI

Any marketing decision you make should be based upon the past performance of your prior marketing campaigns or research you have gathered from other investors. If you did a good job tracking your marketing expenditures by campaign type and the number of deals you bought from them, then you should be able to calculate a Return on Investment. Return on Investment or ROI for short, is a mathematical calculation that determines how much money was returned by your initial marketing investment. For example, if you invested \$1,000 dollars and at the end of the year it generated \$2,000 in income then your return on investment is 100%. For real estate investors this is important to note because certain marketing campaigns may be much more expensive than others, but if they bring you deals with a higher profit margin, the ROI is going to be much higher. Ideally you should want to make \$20 dollars on every \$1 invested in your marketing campaigns. This is a realistic goal, but something you will never achieve if you have no way of tracking your results.

Real Estate Marketing Tip #2 – Time is Your Most Valuable Asset

Unfortunately, ROI is not everything you need to consider when you are making marketing decisions. Time is a very important element that is much harder to get a grasp on. Some marketing campaigns are very time intensive so there is an opportunity cost associated with your involvement. If you are spending half your week fulfilling your marketing campaign this means other areas of your business may suffer. The only way to factor this into your marketing decisions is to associate a pay rate for your labor hours into your ROI calculations. If you value your time at \$100 an hour, then you need to outsource every other job under that pay scale to someone else. This is not easy to do especially if you are used to trying to do everything yourself. Remember - don't skip over the dollars to save dimes.

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