

Seven Secrets: Converting Real Estate Leads To Customers

Tell the truth...when it comes to leads, are you a leader or a follower? Do you have a strategy to find prospects and turn them into clients and referrals? In the last few years, a dizzying number of lead generation vendors and solutions have emerged to serve real estate professionals. Traditional sources like yard signs, open houses, direct mail and referrals now face stiff competition from websites, e-newsletters, email and other online campaigns.

With so many options, many real estate pros find the choices confusing. If you work for a large real estate organization that already has an effective lead generation and management strategy in place, consider yourself lucky. To be sure, brokerages with the resources to embrace technology and implement a company-sponsored lead management strategy gain a competitive advantage when the system is used effectively.

However, a company-sponsored lead generation solution is no guarantee of success, and many agents have seen profits soar by developing their own individual strategies. Some have found in-house lead generation best, while others prefer the convenience of purchasing leads as they are needed. Some agents have great success working Internet leads, while others prefer tried-and-true flyers, community gatherings and networking events.

Regardless of their source, it's important to make the most of the leads that come your way. Lead management strategies can fail for many reasons, including poor quality leads, administrative issues, lack of training or simply selecting a system that doesn't fit the way your organization does business.

Even more puzzling is how many agents apparently invest time and money to participate in lead generation then don't commit the time required to convert those leads into customers and referrals. Consumer surveys suggest that a large number of agents purchase leads, but fail to follow up on them.

Since failure is not an option in today's cooling-but-competitive real estate market, here are seven eNeighborhoods-endorsed strategies to help you make the most of your lead management program and turn those prospects into customers and referrals!

1. Showcase your neighborhood knowledge

The growth of the Internet has whetted customer appetites for all types of real estate information. This is great in terms of educating buyers and sellers, but it also raises the bar for client expectations. Many consumers are proficient in finding information on their own and are no longer impressed by folders full of MLS and web page printouts.

“Strategy and timing are the Himalayas of marketing. Everything else is the Catskills.”

– Al Reis

To learn more, contact eNeighborhoods at (877) 363-4442
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There are many sources of real estate information online, and the challenge is to deliver localized, targeted information that's highly relevant to individual customers. Delivering highly relevant real estate information that's tailored to individual needs shows prospects you can add value to what they find through their own Web surfing. Agents who show they can provide relevant local information often establish lasting relationships with prospects.

If you can reinforce individual property information with neighborhood knowledge that interests buyers – including school, crime, housing prices and resident demographics – you demonstrate a level of expertise few agents can match. And by positioning yourself as a neighborhood expert, you avoid pinning your hopes of doing business on a single property.

POWER TIP: Neighborhood Reports aren't just for buyers. If you're preparing a CMA for a listing presentation, find out where the seller plans to relocate. Then, prepare a "destination" Neighborhood Report to display a level of service and commitment your competition can't match.

2. Timing is everything

It's well known that most people end up doing business with the first real estate agent they speak to. For this reason, it's critical to contact prospects quickly. Research shows many people have come to expect a response from real estate agents within an hour of requesting information. Many brokerages now train agents on response time, and reward those who respond quickly with additional leads or other incentives.

Your strategy should include plans for both initial response and ongoing contact. For example, your goal may be to respond to phone calls within two hours and emails on the same business day. Your follow-up plan will depend on the information gathered during the initial contact, including:

- The prospect's preferred method of communication
- Buying or selling time horizons
- Prospect intention – searching for an agent or a property?
- How the lead was originally acquired

3. Create a powerful presentation and follow-up package

Many agents prefer to establish face-to-face contact as soon as possible by personally delivering an introductory package of information. Before that all-important initial meeting, be sure you have presentation and leave-behind materials ready to go. Your follow-up package may include:

- A cover letter / thank you letter recapping your initial contact
- Your resume, including professional accreditations
- Relevant reports, such as CMAs and Neighborhood Reports
- Maps, preferably customized for buyers and sellers
- Sample marketing materials, including flyers, newsletters or postcards

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Just as it's reassuring to see a degree from a prominent medical school on your doctor's wall, prospects like to see accreditations. Don't leave them on the wall – deliver them to prospects. If you're a REALTOR®, broker, Buyer Representative, CRS, or e-Pro, include these on a resume in your initial contact package. Also include any professional awards or achievements you can claim. Non real-estate certifications, such as an M.B.A., add to your credibility and should also be included.

POWER TIP: If you can arrange it, bring your presentation on a laptop and in hard copy. Present on the laptop and later, hand over the hard copy as a leave-behind. This allows you to pace and personalize your presentation, and prevents your prospect from leafing through your materials while you're speaking.

4. Have a unique value proposition

Marketers love to talk about the Unique Value Proposition. It's basically the answer to the question "Of all the real estate agents in the world, why should I choose to do business with you?" Are you an expert on condos or waterfront property? A specific town or neighborhood? Are you knowledgeable about local arts and culture?

While all agents understand the importance of creating a unique impression, it's even more important to make prospects feel unique. After a brief moment in the spotlight, top agents shift their focus to making prospects feel like the center of the universe. To convert leads to sales, personalize materials and presentations as much as possible. Do you provide direct marketing services, such as flyers, newsletters, e-mails or postcards for your buyers and sellers? Put your customer's name on the samples. For a knockout listing meeting, take a digital photo of the prospect's home beforehand and incorporate it into your presentation materials.

5. Making it mobile

Your client has told you she prefers to communicate via text message to her cell phone. Are you ready to go? Mobile technology for real estate is no longer just for gadget-loving geeks. Even if you don't know a Blackberry from a Bluetooth, it's important to maintain a "mobile office" to respond quickly to prospects and clients. Technology is just a means to enable agents to be more responsive to demanding customers. More than ever, it's important for brokers and agents to do their jobs – managing phone calls, customer contacts and accessing listing information – without being tethered to a desk.

If you can respond to leads from the field, you gain an advantage over competitors who wait until they get back to their desks. It's easy for prospects on the Web to send out several requests for information, and the agent with the quickest response often wins the business. There may be a learning curve involved in adopting mobile technology, but agents who can instantly learn a property's current sales status, price and square footage from their phone or PDA are a step ahead of those who need to call the office.

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6. Divide and conquer

While some prospects are close to buying or selling, many are clearly in the research or evaluation stage. Some brokerages who manage a large number of leads have separate strategies for hot leads and those with longer time horizons. Some have automated lead management systems or staff dedicated to prioritizing and distributing leads, but this task often falls to individual agents. In any size organization, it's generally better to have a single source handle leads for consistent distribution and follow-up.

In sorting leads, it's critical to separate long term-leads from those that just won't pan out. Develop a process to eliminate dead-end leads quickly and you'll have more time to spend on prospecting, conversion and sales.

Regardless of who manages leads, an efficient sorting and distribution strategy can help raise conversion rates. Even if you work in a smaller office that can sort leads individually, having business rules in place can help you respond quicker and focus on more qualified leads. If you're shopping for a lead generation service, notice how lead management is handled and whether it fits the way you work.

7. Track lead quality and cost

Clearly, all leads are not created equal. The best lead solution for you will depend on your goals, business requirements, budget and your style of working. You may need to evaluate several lead sources and management strategies before hitting on one that's best for your individual needs.

It takes time to track the life cycle of individual leads, but it's the only way to make the most of your investment – and it's certainly preferable to settling for a lead generation strategy that underperforms your expectations. For your evaluation period, be sure to schedule a reasonable amount of time. You may find that a solution that does well initially does not perform consistently over time.

Evaluate and improve

For many real estate pros, the bottom line is comparing the cost of lead generation with resulting sales. But there's plenty of room to improve this blunt instrument approach. The industry's top programs constantly seek to improve key numbers like average cost of lead, cost of sale, conversion rate (percentage of leads that turn into sales), and approximate handling time to process and assign leads.

Systematic, ongoing evaluation of various lead strategies can help you make the most of your valuable time and resources, while focusing your energies on high-return activities, like closing real estate transactions. Don't settle for Catskill results when your lead conversion and sales numbers can be high in the Himalayas!

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