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CHAPTER 25

INTRODUCTION TO MARKETING

Learning Objectives

After studying this chapter, a student should be able to:

- ✓ Discuss the purpose of target markets in real estate
- ✓ Explain the marketing theories pertaining to needs and motives
- ✓ Discuss product positioning and its application to the real estate industry
- ✓ Define the marketing and promotional mix
- ✓ Explain the SMART acronym and provide examples of SMART business goals
- ✓ Discuss why a personal brand is important
- ✓ Identify design components for visual advertisements
- ✓ Describe different marketing methods and types of advertisements
- ✓ Describe the listing presentation and listing marketing program

INTRODUCTION

Broadly defined, marketing is the business of communicating the value of a product or service to consumers with the goal of increasing sales. People often think that marketing is synonymous with advertising. While advertising is a form of marketing, there is much more to marketing: it involves a broad spectrum of actions and initiatives, from pricing to packaging to public relations. Nearly every step of delivering a product or service into the hands of the consumer involves a form of marketing.

For all businesses, resources such as time, money, and equipment are limited. A marketing strategy develops an action plan for allocating these finite resources in order to achieve the end objective, which might be to increase sales, create a profit, or generate awareness. The execution of the marketing strategy for a real estate licensee is multi-faceted, involving advertising, public relations, face-to-face communication, and a strong listing presentation.

Although the end goal of the marketing strategy typically revolves around the product or the service in question, marketing at its core is not about the product or service: it is about the consumer. The *marketing concept* involves focusing on the client's needs and using need satisfaction as the starting point for the development of a marketing program. It recognizes that all the activities of the representative are aimed at getting:

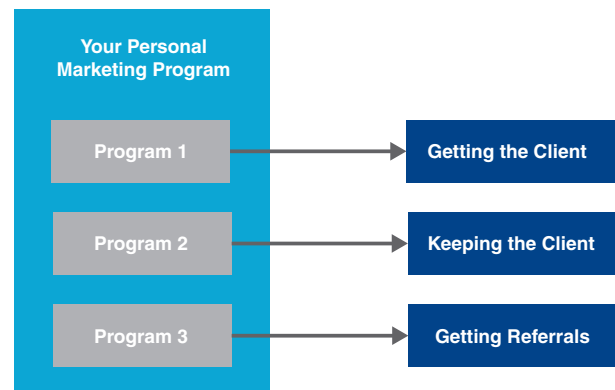
- new clients;
- repeat business from present and past clients; and
- new business from referrals.

A simple but highly effective marketing concept is to view every decision and every action as directed at getting and keeping a client and obtaining referrals. To apply this concept, a licensee should continuously consider, “Is what I am doing now helping to find a new client, keep an existing client, or obtain referral business?”

As well, each licensee should develop their own personal *marketing program*, which should consist of three distinct but integrated programs or strategies, as shown in Figure 25.1. The long-term aim of a personal marketing program should be for roughly two-thirds of the licensee's business to come from repeat business and referrals and one-third from new business.

Marketing is about understanding the consumer that is being served. It is about determining what that consumer's needs are and how they can be satisfied, then effectively communicating these solutions to the consumer.

FIGURE 25.1: The Real Estate Representative's Personal Marketing Program



marketing concept
focusing on the client's needs and using need satisfaction as the starting point for the development of a marketing program

marketing program
a licensee's marketing strategy that involves getting the client, keeping the client, and getting referrals

MARKETING AND REAL ESTATE: AN OVERVIEW

Marketing can be applied to a real estate licensee's business in several different ways, including the following:

- **A real estate brokerage marketing to prospective licensees:** a real estate brokerage must employ an effective marketing strategy to attract the real estate licensees who will best represent and accomplish the real estate brokerage's goals and objectives.
- **A real estate licensee's business:** within the constraints set by the brokerage and the *Real Estate Services Act*, a real estate licensee considers themselves to be an entrepreneur. A real estate licensee needs to market their business in order to attract buyers and sellers who will employ the licensee to represent them in the purchase or sale of their home. This marketing initiative consists of the licensee's personal marketing program.
- **A real estate licensee's duty to a seller:** when a licensee obtains a listing, they are being contracted to market the property. The licensee must therefore develop a marketing program for the listing, which is distinct from their own personal marketing program. As each property is unique, each listing requires its own tailored marketing program.

MARKETING THEORY

Marketing is a specialized field with many different theories and applications. It would be impossible to discuss them all in this chapter; however, some theories are especially relevant to the real estate industry and are worth exploring in further detail in the context of this chapter. In particular, those involving market segmentation, target markets, and positioning should be understood and integrated into a real estate licensee's marketing programs.

Market Segmentation

In real estate, buyers and sellers have varied needs. They have different goals regarding property location, property type, budget, investment objectives, etc. They are at varying stages of life, have different preferred methods of conducting business, and work better with certain types of people. A real estate licensee has limited resources and is faced with many competitors. Given these facts, it would be nearly impossible to develop a marketing program that would fit with every single potential buyer and seller.

To overcome this problem, a licensee should segment the market into distinct subsets, with each subset having a common need. The licensee then selects a segment of the market, called the *target market*, and develops an integrated marketing plan to service the needs of that particular market. By working with a defined target market, a real estate licensee has the opportunity to deliver a service that satisfies that target market's specific needs.

target market
a segment of the market
sharing a common need

To understand why a real estate licensee would choose to focus on a target market instead of the market as a whole, consider the degree of expertise demanded of a real estate licensee. A one-size-fits-all approach does not work well because it does not allow the real estate licensee to become an expert in any one particular area, property type, etc. Over time, a real estate licensee might gain sufficient knowledge in more than one area, but the real estate licensee who can do it all is rare, particularly given the limited resources at their disposal and the degree of competition that exists in most real estate markets.

Selection of Target Markets

The target market selected by a real estate licensee will shape their entire marketing strategy; as such, the licensee should choose the target market with care and consideration. This requires understanding the different segments in the local market, analyzing each potential market, and determining which one provides the best opportunity. Markets can be subdivided in many different ways, including by:

- **property type:** commercial properties could be segmented into retail, industrial, or office, while residential properties could be segmented into condominiums, town houses, or single family residences
- **location:** a region, a town, or a specific neighbourhood
- **consumer type:** families, luxury buyers, or institutional investors

The following factors, among others, will contribute to the selection of a target market in a licensee's own business:

- resources (primarily time and money)
- profit and growth potential
- existing and potential competition
- the licensee's affinity for that market
- whether the licensee can reach the market in a profitable manner
- whether that market will be responsive to the licensee's efforts

The licensee's brokerage may have a defined target market, which will define the target market that is available to its licensees.

Understanding the Target Market

Effective marketing revolves around the client, therefore it is imperative for the licensee to understand their target market. Determining the target market's needs allows the licensee to develop a marketing program geared towards satisfying those needs; this is the entire basis of the marketing concept.

Marketing begins with an analysis of consumer needs in the target market. In the purchase and sale of real estate, this includes the needs of both the buyer and the seller. A successful marketer attempts to understand the motives of individual consumers. This can be difficult, as people are complex and their behaviours are often not easily understood. To further complicate matters, it is rarely a single motive that drives a consumer to make a decision. It is usually a combination of factors, some that they are expressly aware of and others that are less obvious.

There are several theories that can help provide insight into consumer needs and buying behaviour. An understanding of the following theories will help a licensee develop their marketing strategy.

Needs and Motives

The starting point in the purchase decision process is the recognition of a need. A *need* is a lack of something essential or very important. This typically creates tension, causing the consumer to take action. A consumer usually has many unsatisfied needs and, if sufficiently strong, these needs will become motives. *Motives* are inner states that direct the consumer towards satisfying a need.

need
a lack of something essential or very important

motive
an inner state that directs towards satisfying a need

The needs of the buyers and sellers in the real estate market are wide-ranging. However, there are three basic needs that are satisfied by the services of a real estate licensee. They are:

- **Information:** A primary role of the licensee is to supply all information that a buyer or seller needs. This involves educating the buyer or seller about the market, the buying and selling processes, the associated paperwork, and the parties involved in a real estate transaction.
- **Knowledge and skills:** Buyers and sellers often lack the knowledge or skills required to buy or sell properties. These needs can be satisfied by a competent licensee who has the education and experience needed to guide a client through a real estate transaction.
- **Trust and confidentiality:** To be successful in sales, it is necessary to quickly build a trusting relationship. A high degree of professionalism can assist in building this trust. Information given by the client to the licensee must be held in confidence. This is particularly important in the commercial market, where buyers and sellers can be sensitive about their privacy, their reputation, and their financial situation. Trust requires a licensee to listen to their client's needs and concerns, and to follow through on promised actions.

To operate successfully in a real estate market, the licensee must be able to satisfy the information needs of the client by providing the knowledge that a particular buyer or seller requires or by directing the client to those who can provide the knowledge, such as a lawyer or an accountant. By being informed and knowledgeable, and by respecting the client's requirements of trust and confidentiality, the real estate licensee can truly satisfy the needs of the client.

Buyer Behaviour Models

There are two particular models that have been developed from marketing research and psychology that can help a real estate licensee understand a buyer's behaviour in the real estate context. Note that these models are not mutually exclusive.

Model 1 – Shopping Behaviour Model

The Shopping Behaviour Model classifies products and services based on the amount of effort that a consumer is willing to go through to obtain that product or service. This classification system is established on how a majority of consumers view the particular product or service. Each category requires a different marketing approach.

- *Convenience goods* are products and services that the consumer purchases frequently and uses immediately, such as groceries or the newspaper.

convenience goods
in the Shopping Behaviour Model, products and services that the consumer purchases frequently and uses immediately

shopping goods

in the Shopping Behaviour Model, products and services that the consumer purchases only after they have made comparisons of competing goods

specialty goods

in the Shopping Behaviour Model, products and services that possess some characteristic causing the consumer to want that particular product or service and no other substitute

unsought goods

in the Shopping Behaviour Model, products and services that potential consumers do not necessarily want or know about, or that are purchased based on fear or as a form of precaution

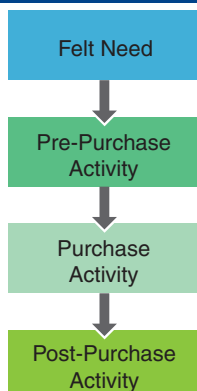
- *Shopping goods* are products and services that the consumer purchases only after they have made comparisons of competing goods on the basis of factors such as price, quality, style, colour, and service quality. These items are typically more expensive than convenience goods and are purchased less frequently. Shopping goods include real estate services, homes, cars, and appliances.
- *Specialty goods* are products and services that possess some characteristic causing the consumer to want that particular product or service and no other substitute. The purchaser has enough information about the product or service prior to the purchase and does not do any additional shopping. These items are typically high priced, complex, and/or unusual. They can be a physical product (e.g., a Ferrari), or the services of a highly skilled professional.
- *Unsought goods* are products or services that potential consumers do not necessarily want or know about, or that are purchased based on fear or as a form of precaution (e.g., life insurance or a fire extinguisher). Consequently, little search activity is undertaken in the case of unsought goods. Potential consumers are unlikely to buy the product or service, unless they see or hear about it through initiatives such as personal marketing or promotional items.

FIGURE 25.2: Amount of Effort Required by Consumer for Different Types of Products in a Shopping Behaviour Model

**felt need**

in the Process Model of Buying Behaviour, the initial need or trigger that starts the buying process

FIGURE 25.3: Four Distinct Phases for Buyer Behaviour



Model 2 – Process Model of Buying Behaviour

The Process Model of Buying Behaviour helps to explain how consumers go about the purchase of shopping goods (i.e., real estate services) and looks at the buying process from the consumer's perspective. In examining buying behaviour, the purchase can be viewed as a process of sequential activities with the consumer's needs, anxieties, fears, doubts, and feelings changing as they move through the buying process. The model suggests that the consumer moves through four distinct phases when purchasing shopping goods.

1. A *felt need* is the initial need or trigger that starts the buying process. In real estate, many events can trigger the felt need to sell a property, such as:
 - change in the family life cycle (e.g., starting a family, children leaving home, retirement, death in the family, or divorce);
 - job promotion or layoff;
 - financial difficulties;
 - expiry of a lease;
 - increased interest rates;
 - increased rent;
 - increased property values; or
 - company re-organization, diversification, expansion, or retrenchment.

The felt need is generally caused by events over which the real estate licensee has little control. However, the real estate licensee might stimulate a felt need by pointing out to the owners the benefits of selling their property, which the owners might not have previously considered. Being aware of the felt need allows licensees to target their efforts to potential clients who may soon be in the market to sell their property. For example, a residential licensee could select a target area where many young couples with growing families are living in starter homes that are becoming too small for their needs.

2. The *pre-purchase activity stage* is the period during which the consumer is gathering information and becoming knowledgeable about the product or service. This stage is driven by the importance of the decision and the consumer's current lack of knowledge.

The pre-purchase activity is especially important in real estate because the consumer is purchasing a service that is intangible and difficult to evaluate or compare. A real estate licensee therefore needs to clearly demonstrate the value that they offer to consumers. Pre-purchase activity in real estate might include:

- reading real estate-specific publications;
- visiting open houses;
- talking with friends;
- browsing real estate licensee websites;
- interviewing real estate licensees; and
- paying special attention to “for sale” signs.

During this process, the potential purchaser becomes familiar with the services that real estate brokerages provide and are continually making judgments regarding the capabilities of a licensee or brokerage. The pre-purchase activity may be relatively short (if the client has previously used real estate services) or it could be very lengthy.

3. The *purchase activity stage* in a real estate context involves the negotiation and signing of the listing agreement. Research of consumer behaviour suggests that consumers make the decision of which real estate licensee to engage within one week of completing their pre-purchase activity, highlighting the importance of maintaining appropriate contact with a potential client throughout the decision process.
4. The *post-purchase activity stage* can cause some consumers to experience feelings of anxiety, regret, and doubt regarding their decision, particularly after making a major purchase such as a home. The psychological term for these strong feelings is *cognitive dissonance*, which means the awareness of a disharmony caused by conflicting thoughts. Licensees sometimes call cognitive dissonance “buyer’s blues” or “buyer’s remorse”.

Cognitive dissonance can occur after the listing agreement is signed and may include thoughts on the part of both the buyer and seller such as:

- “Do we really want to move?”
- “Will the children be upset?”
- “Should we have set a higher price?”
- “Should we have used that other licensee?”
- “Should we have considered other properties?”

There are many other points of the real estate transaction during which cognitive dissonance may occur, including the signing of the listing, the acceptance of an offer with subject clauses, the removal of subject clauses, and physically moving homes. At each of these stages, a client may experience a variety of strong feelings including guilt, anger, excitement, frustration, or elation. It is important to understand and recognize these feelings: listening skills, empathy, and the ability to handle anger are all useful selling skills for a licensee.

pre-purchase activity stage

in the Process Model of Buying Behaviour, the period during which the consumer is gathering information and becoming knowledgeable about the product or service

purchase activity stage

in the Process Model of Buying Behaviour, the stage that involves the negotiation and signing of the listing agreement

post-purchase activity stage

in the Process Model of Buying Behaviour, the stage where consumers may experience feelings of anxiety, regret, and doubt regarding their decision

cognitive dissonance

the awareness of a disharmony caused by conflicting thoughts

product positioning
the position a product or service holds within its consumers' minds

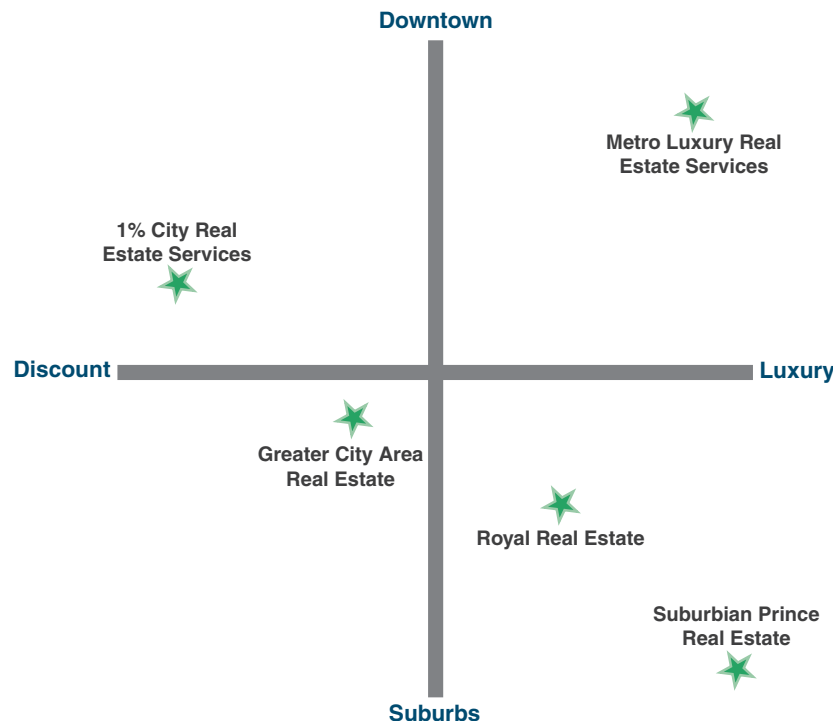
Product Positioning

Product positioning refers to the position a product or service holds within its consumers' minds. Positioning involves interpreting how the targeted consumer feels towards a product or service and undertaking measures to shift this perspective to be as positive as possible.

Positioning Maps

Positioning maps (sometimes called perceptual maps) are a useful way to represent consumer perceptions of alternative products in a visual format. They are typically confined to two attributes, but three-dimensional models are also possible. Dimensions used can vary considerably and can include both factual and subjective variables. Figure 25.4 illustrates a positioning map for a real estate brokerage. Note that there can be a fair amount of discretion and subjectivity needed to draw the map.

FIGURE 25.4: Example of a Positioning Map within the Real Estate Service Industry



In this positioning map, the “discount/suburbs” quadrant appears to be relatively empty, especially near the extremes of either axis. It would thus appear that there is an opportunity in the marketplace for a discount real estate services brokerage specializing in the suburban market.

On the other hand, it might mean that there is no market for a discount suburban real estate services enterprise – perhaps the suburb in question is a high-end area that values service over price. Further, if there was such a market, “1% City Real Estate Services” might open an office in the suburb or hire a professional to specialize in the suburban market, thus filling the void in that quadrant. The idea behind the positioning map is to extract potential clues about the market, which can then be followed up upon. Predictions can also be made of how the positions may change in the future and appropriate strategies can be formulated accordingly.

Product Differentiation and Positioning

differentiated product or service
a product or service that is seen as being different from the viewpoint of the consumer

A *differentiated product or service* is one that is seen as being different from the viewpoint of the consumer. In deciding whether or not to differentiate a product or service, there are three things to consider:

- What attributes or characteristics are important to the buyer or seller?

- How is the competition positioning their products or services relative to these attributes?
- Where should licensees position their services relative to the competition?

Product Differentiation by Product Attribute

Products and services are often differentiated on the basis of attributes such as size, colour, taste, name, texture, price, specific amenities, and knowledge. For example, condominiums can be differentiated on the basis of price, size, location, amenities, and architectural style, among other attributes.

In differentiating products, it is important to discover which attributes are important to clients. For example, are condominium buyers concerned about the structural aspects of a building or the quality of the wiring – or are attributes such as attractive landscaping, outdoor space, exercise rooms, and sound-proofing more important? Identifying which attributes are important is not an easy task because the consumer often cannot verbalize or even clearly understand why they favour one product over the other. Finding attributes that are important to the consumer not only helps a licensee cater to the needs of the market, but also helps in the development of advertising appeals. In order to find what is important, probing and good listening skills are essential.

Product (Service) Differentiation Strategies

Licensees sometimes attempt to diversify in order to reduce the risk of deterioration in one particular market, but it is very difficult for an individual to be effective in a variety of areas. As previously discussed, each market requires a particular technical knowledge that takes time to acquire and an inventory of buyers, sellers, and properties that takes an even greater amount of time to develop.

To continually match the product or service to the consumer's needs, three basic types of product and market matching strategies can be used: undifferentiated marketing, differentiated marketing, and niche marketing.

1. Undifferentiated Marketing

Businesses practising *undifferentiated marketing* produce one product or service and market it to all potential consumers with a single marketing program. This would be the case where a real estate licensee attempts to cater to the entire residential market. The real estate licensee then becomes vulnerable to competition, as other licensees select smaller markets and become particularly good at servicing the needs of these smaller segments. A licensee who attempts to satisfy everyone continually faces threats from other licensees who decide to cater to the specific needs of a small segment of the total market.

undifferentiated marketing
one single product or service is marketed to all potential consumers with a single marketing program

2. Differentiated Marketing

Businesses practising *differentiated marketing* can have numerous similar products that are catered to different market segments using different marketing programs. A business employing differentiated marketing attempts to satisfy the needs of a large part of a total market, but instead of marketing one product with a single marketing program, the company designs several separate products with specific appeals to satisfy individual parts of the total market. Real estate brokerages can practise differentiated marketing by having several branch offices, each servicing a different market area, and by employing different types of licensees.

differentiated marketing
numerous similar products are marketed to different market segments using different marketing programs

3. Niche Marketing

Using the concept of *niche marketing*, the licensee selects a relatively small target market and focuses their entire effort on satisfying the needs of this target market. This method is particularly appropriate for individual licensees, who are usually constrained by limited resources. The objective is to focus on a small but active and growing market segment (i.e., the target market, as addressed earlier in this section) and to excel at servicing that market such that a significant barrier to entry is established. Licensees have become very successful by concentrating on a market segment and expertly understanding and servicing the needs of this chosen target market.

niche marketing
marketing effort is focused on a relatively small, but active and growing, target market

Servicing too many markets may seriously weaken the marketing effort and can result in less than satisfactory performance. It can be tempting to accept a listing just because the opportunity is there. For example, a successful residential licensee considering specializing in commercial properties in addition to residential properties should think about this move very carefully, as success in one area will not necessarily guarantee success in another. There might be a temptation for a residential licensee to take on a commercial listing because it is available, but unless the licensee is prepared to devote the time to learn about the product and promote the listing properly, the chances of making a sale and providing the client with the appropriate level of service are slim. In addition, because the licensee is no longer concentrating solely on residential sales, other sales may suffer. A more appropriate strategy might be to refer the property to a competent commercial licensee, take a referral fee, and concentrate on selling residential properties. Taking on work for which the licensee lacks expertise may not only have adverse marketing consequences, but would also likely constitute a breach of professional ethics (i.e., a licensee's duty of competence).

INTEGRATED MARKETING

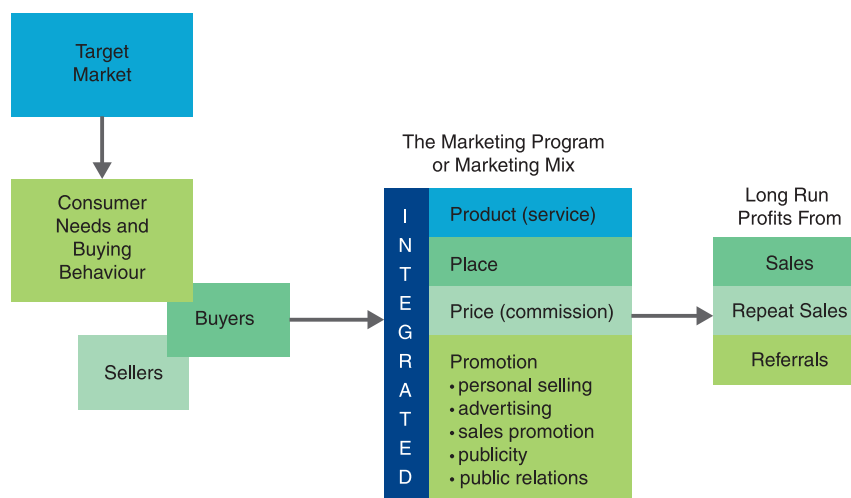
Developing an Integrated Marketing Program

Real estate licensees, particularly those getting started in the business, need to develop a multi-faceted personal marketing program that will connect them to their chosen target market. Developing a personal marketing program involves evaluating options and making decisions about how the licensee chooses to run their business, including how to allocate time, money, and other resources. The development of an integrated marketing program consists of identifying a profitable target market, identifying the needs of the target market, and then developing the *marketing mix* or program that aims to satisfy the needs of the chosen target market. The marketing mix, which is also called the four Ps of marketing, consists of product, place, price, and promotion. Figure 25.5 demonstrates how the marketing concept fits into the integrated marketing process.

marketing mix

the details of the product or service that is being offered; its price; the place where it can be found; and the promotion techniques that will be used to reach the relevant audience

FIGURE 25.5: The Marketing Concept and Integrated Marketing



Marketing Mix

Product (Service)

Real estate services are primarily an intangible product, meaning that unlike a physical product, it cannot be seen, touched, or experienced ahead of time. The product or service being provided is an ongoing performance – it cannot easily be test-driven, like a car, or sampled, like a food product. This has major implications for the marketing of real estate services. The process that consumers use to select a service provider can be vastly different from how they select and buy tangible products.

The intangible product that a real estate licensee provides is the experience of helping a client sell or purchase a property, which is based on the licensee's experience, knowledge, buying/selling techniques, negotiation skills, communication skills, and personality traits.

Place

Place refers to the channels used to place a product or service in front of the target market. Place is about providing the consumer with a convenient location to access the product or service. For a real estate licensee, their physical “place” is often based out of the brokerage’s office. The real estate brokerage determines its place based on various factors, including:

- access to consumers;
- access to employees (labour pool);
- access to suppliers;
- climate and geography;
- cost of facilities (rent); and
- visibility to the target market.

However, a real estate licensee’s place is not limited to the office facilities. The licensee’s place can be on the internet, by providing consumers with a convenient place to access information (a website) or to communicate with the licensee (via email). A licensee’s place can also be mobile, moving around to access consumers instead of having consumers come directly to them.

Price

The pricing decision refers to the fees charged for the services provided. It can be challenging to determine the correct price. The price should be low enough to appeal to the targeted market and high enough to attain the desired profit. When determining price, both the economic and psychological considerations of the consumer should be taken into account. For example, luxury goods and services are often priced higher not only to cover the higher costs involved – as is usually the case – but also to create a perception in the consumer’s mind that they are receiving a superior product or service.

The frequency of sales is another important consideration in the pricing process. In general, successful businesses rely on repeat sales and not solely on one-time purchases. Figure 25.6 outlines some of the more common ways that pricing can be formulated. No single way is deemed better than another; rather, most businesses and professionals try out several of these strategies to determine the best pricing strategy.

FIGURE 25.6: Common Methods to Determine Pricing

Pricing Method	Description
Value Pricing	Finding a balance between quality and price that will give the target customers value that they seek
Prestige Pricing	Set high prices to send a message of uniqueness or premium quality. The image must be fulfilled in the long-term to sustain a premium price
Cost-Plus Pricing	Take cost of providing the product/service and add a desired profit margin in dollars
Mark-Up Pricing	Take cost of providing the product/service and add a desired pre-determined percentage
Penetration Pricing	Deploy a low price during the early stages of production/servicing to gain market share. For example, Japanese firms used this strategy to dominate consumer electronics. Toyota also priced the Prius \$3,000 below cost to secure leadership in the hybrid car market
Skimming Pricing	Opposite of penetration. Charge higher during the early stages when the product or service is novel and there are few competitors to take the early profits. Very common in technology markets
Meet or Beat Competitors	Match or undercut rivals. Very common in the service industry
Tiered Pricing	Set different prices for different levels of service
Promotion Pricing	Offer coupons and promotions to stimulate demand

Licensees should be prepared to answer questions and to defend the pricing decision chosen for their business. Remember, the price reflects the value that is offered to clients: it is the licensee’s job to communicate that value to the client. A licensee should create a comprehensive list of the services offered to clients throughout each step of the real estate transaction, allowing clients to understand the areas in which the licensee adds value.

Promotion

Licensees must communicate with their target market and, to be successful, must choose the appropriate mix of promotion (or communication activities). The five basic promotional activities that combine to form the promotional or communications mix are:

- personal selling (e.g., sales presentations, prospecting);
- advertising (e.g., “For Sale” or “Sold” signs, newspaper, internet, or magazine advertisements);
- sales promotion activities (e.g., calendars, memo pads, doorstep flyers, pens);
- public relations (e.g., coaching a local junior hockey team, joining a service club, sponsoring an event); and
- publicity (e.g., articles in a local newspaper; can be favourable or unfavourable).

Note that this last element is somewhat less controllable than the others.

Promotional Mix

promotional mix
proper blending of components to satisfy the needs of the target market and to accomplish the desired promotional objectives

The *promotional mix* (or communications mix), like the marketing mix, involves the proper blending of components to satisfy the needs of the market that the brokerage and salesperson have targeted and to accomplish the desired promotional objectives. In the real estate sales industry, the promotional mix – particularly personal selling, advertising, and publicity – plays a major part in the marketing effort, both for the brokerage and for sales personnel. Therefore, it is very important to develop a clearly focused, long-term, integrated promotional program.

Personal Selling

Personal selling is face-to-face communication with a potential customer. The major advantage of personal selling is flexibility because a salesperson can react to quickly changing situations. Personal selling is often appropriate for complex or expensive products, such as real estate services.

Advertising

Advertising is defined as any paid form of non-personal sales presentation that provides information, enhances the image of the brokerage or licensee, or sells products or services to potential customers. Advertising reaches a larger audience than personal selling and is sometimes referred to as mass communications. The means through which advertising may be conducted are endless and include television, radio, billboards, direct mail, newspapers, magazines, trade magazines, and property signs. The internet is another widely used medium for advertising.

Public Relations

Public relations refers to a firm or salesperson's communications (other than personal selling and advertising) with employees, stockholders, clients, and the general public. The objective of public relations is to enhance the image, recognition, and reputation of the brokerage or the licensee. The public relations program has broader objectives than other components of the communications mix. It indirectly helps sales by making the public favourably disposed toward the firm or salesperson, and it can be useful in attracting good employees.

Sales Promotion

Sales promotion is any form of non-personal selling that does not fall under the heading of advertising, public relations, or publicity. Sales promotion includes gifts such as pens, calendars, note pads, and mortgage tables. Strategies to motivate the salesforce (i.e., sales contests) are also considered sales promotions. Sales promotion techniques are generally designed to reinforce personal selling and advertising efforts and are typically more short-term. Given the latter, the effects of sales promotion techniques tend to be easier to measure than those of other marketing activities, such as advertising.

Publicity

Publicity refers to communications to the public about the licensee or their services by people not employed by the licensee. For example, an innovative real estate developer may have a favourable article about its developments appear in a local newspaper. On the other hand, an article written about the poor quality of the construction, together with interviews with dissatisfied owners, would create poor publicity. The greatest asset of publicity is the public reaction to it. Because the information is not from, or paid for by the firm, readers may perceive it as unbiased, more objective, and more believable.

SMART Business and Marketing Goals

The selection and analysis of the target market, combined with the establishment of the marketing mix, will help a licensee develop the foundation of their marketing plan. These elements are the core of the licensee's business: any marketing initiatives that they choose to undertake will complement the decisions that have been made regarding the target market and the four Ps.

The next step involves the transformation of the foundation of the licensee's marketing plan into action items. In order to accomplish this, the licensee needs to set out business goals that can be measured, tracked, and accomplished. The mnemonic acronym *SMART* is useful for developing effective goals. It represents five criteria: specific, measurable, achievable, relevant, and timely.

SMART goals

an acronym used to develop goals that are specific, measurable, achievable, relevant, and timely

- **Specific:** Refine broad ideas and visions into specific goals that are clear and unambiguous. Consider the who/what/where/why/when of a goal: if a licensee cannot answer each of these elements, then the goal is not specific enough.
- **Measurable:** The desired outcome of a goal should be measurable, allowing its progress to be tracked. Use concrete measurable factors, such as specific dates, quantities, or indicators, that will help determine whether or not a goal is being accomplished.
- **Achievable:** Establish goals that are realistic and attainable. Goals should be challenging, but not impossible. Achievable goals can be accomplished using tools that a licensee has or that can be acquired over the timeline of the goal. When a licensee sets a goal, they should consider the steps required to achieve it. If these steps cannot be clearly determined, the goal should be reworked to ensure that it is attainable.
- **Relevant:** Goals are intended to drive a licensee's business forward. A licensee's goals must be in alignment with one another and within the availability of resources, knowledge, and time.
- **Timely:** Avoid vagueness by attaching dates and timelines to goals. Realistic deadlines provide motivation and help with measurability. Timelines allow a licensee to manage their time efficiently and to determine what day-to-day tasks and activities will help attain the goal.

Specific marketing methods to achieve these goals will be discussed in a later section. Creating a vision and establishing goals will help a licensee determine which marketing methods should be prioritized in their personal marketing plan.

Marketing Budget

In an ideal world, a real estate licensee would launch a comprehensive marketing strategy that covers all potential marketing avenues, increasing their chances for success. In reality, real estate licensees must work with limited resources. Time, money, equipment, and existing skillsets are just some of the factors that will limit a marketing plan.

Real estate licensees who are just beginning in the industry will find money to be a particularly restricting resource. However, it will be difficult to generate business without first employing some kind of marketing initiative, which typically requires an upfront financial investment.

The following list describes some common methods used by real estate licensees to establish a marketing budget:

- **Percentage-of-Sale Method:** as the name suggests, this method allocates the marketing budget as a percentage-of-sales (either current or anticipated). Advantages to this method include:
 - advertising expenditures vary with affordability;
 - the licensee is encouraged to think about the relationships among marketing costs, commissions charged, and profit;
 - the method encourages competitive stability, if all licensees use a similar percentage; and
 - it is simple and easy to implement.

Despite these claimed advantages, the percentage-of-sales method may not be the most desirable. Advertising is supposed to cause sales, not vice versa. Using this method, the conceptual orientation is reversed and, if sales decline, advertising expenditures would be reduced.

- **Follow-the-Competition Method:** using this method, licensees set their budgets to match competitors' outlays. Advantages to this method include:
 - theoretically, competitors' expenditures represent the collective wisdom of the industry; and
 - maintaining competitive parity prevents advertising wars.

Neither of these arguments is very strong: there are no grounds for assuming that a competitor's method is sound. Advertising resources, opportunities, and strategies differ so much between licensees and brokerages that one licensee's budget can hardly be the guide for another. There is no evidence that this method stabilizes advertising expenditures for the industry. Knowing what the competition is spending on advertising is undoubtedly useful information; however, it is one thing to know it and another to follow it blindly.

- **Objective/Task Method:** this method requires that the licensee first establish the objectives of the advertisement, and then determine the tasks and activities necessary to reach the objective. This involves defining a SMART marketing objective, outlining the tasks required to attain the objective, and estimating the cost of performing these tasks.

The major flaw with this method is that it fails to question whether an objective is worth pursuing, given its costs. The real need is to evaluate objectives in light of their costs and to choose among the more productive objectives. With this modification, the objective/task method provides a logical method for establishing how much money should be spent on marketing initiatives.

There is no magic number that indicates the perfect marketing budget for a real estate licensee; there are simply too many individual factors that come into play. To determine the right budget, a licensee should create a list of potential marketing opportunities that might accomplish the goals needed to build the business. The licensee should then research the estimated costs for each of these marketing initiatives. Once the licensee has determined the costs, they must prioritize which initiatives will create the most impact for the business. The final ranking of marketing initiatives will be based on a combination of the cost and the impact, and will provide an idea of the amount of capital required in order to get the business up and running.

COMMUNICATION PROCESS

Understanding the fundamentals of communications in the context of advertising and personal selling is necessary for designing effective communications.

Personal Brand

Branding is a basic element of any business; it is the factor that differentiates a business from its competitors. For the real estate licensee, the *personal brand* is a reflection of self and how other people, including existing and future clients, perceive the licensee. When a brand eventually becomes recognizable, the audience is able to anticipate the quality of the service or product based solely on the branding cues.

A licensee's personal brand serves as a theme to the entire business, from business practices to website design, from promotional materials to the range

personal brand

the theme of a personal business, encompassing a variety of attributes, that distinguishes the business from its competitors

and quality of services offered. The most effective brands are consistently integrated through every aspect of the business, including all marketing and advertising. The development of a brand includes visual design elements (e.g., logos, colour schemes, symbols, names, and fonts). A licensee might choose to develop their own brand components or engage a professional consultant with intricate knowledge of branding and graphic design.

Visual branding elements should align with the licensee's brand as a whole: the tone of the design should match the overall tone of the business and target market. For example, a real estate licensee focusing on a luxury market might choose classic fonts and subdued colours. When developing a personal brand, a licensee should keep the following tips in mind:

- **Keep it simple:** stick to a few basic branding elements, especially if establishing a brand without the help of a professional.
- **Be consistent:** use the same scheme throughout every part of the business and each marketing initiative.
- **Integrate the brand:** the personal brand is not limited to design elements; it affects each of the 4Ps.
- **Be different:** the personal brand reflects a unique identity and business – copying someone else's brand defies the purpose of having a brand.

Many real estate licensees choose to use their personal photographs in their marketing materials. A headshot should always be in line with the licensee's personal branding. If the licensee decides to use a portrait, they should use a professional headshot and ensure that the appearance is in line with the overall marketing plan. Licensees should update their photos every few years – it is evident when a licensee uses a photograph that is several decades old!

Message

The word “communicate” implies that a message is being conveyed. The *message* is the thought, idea, attitude, or image that the sender wishes to convey to the intended audience. At the core of every marketing plan is a key message. A real estate licensee needs to be able to clearly define the message that they want to convey to potential and existing consumers within the marketing materials.

message
the thought, idea, attitude, or image that the sender wishes to convey to the intended audience

Themes

Different marketing initiatives can convey different messages. When a licensee establishes a marketing campaign to promote their personal business, they must establish a theme to serve as the foundation of the campaign. The *theme* is the fundamental message behind the campaign; each element of the campaign should support and reinforce the central theme. Having a central theme or message will ensure that the marketing initiatives are clear, refined, and are not trying to convey too much information at once.

theme
the fundamental message of a marketing campaign

Themes are developed by finding something unique to say about the product, advertiser, audience, or property. For example, a licensee's theme might be “family-oriented”, “luxury condo specialist”, or “a la carte service”. The objective is to have a statement that will capture the intended audience's attention. The intent of the theme is to be set apart from the competition and to trigger a basic consumer need. Themes may use a rational or emotional appeal. Above all, themes should be kept simple and contain only one main idea.

Developing a theme requires much thought and a clear understanding of the product or service, and the needs, fears, characteristics, and behaviours of the target market. Theme development demands creativity, a willingness to explore various possibilities, open-mindedness, and the ability to view the situation from many perspectives. Ideas can be gleaned from marketing research, by analyzing the attributes of the services offered, from talking to consumers and peers, and by developing test campaigns to determine which initiatives yield the desired results.

Effective messages start with an appeal to the needs and interests of the audience and end with an appeal that is relevant to the sender's needs. Most effective advertisements end by telling the audience exactly what the sender wants them to do: closing with a suggested action is more likely to produce the action than not

closing with such an action. The message represents the value that is provided to existing and potential clients. A licensee's marketing program cannot rely on the message "I am a real estate licensee" – it is simply not enough. There are many real estate professionals and clients who will only select a particular licensee if they have a clear understanding of the value that the licensee can provide.

Developing a Communications Message

The steps involved in developing a communications message are as follows:

- **Identify the target audience:** Who do you want to receive the message? What are their needs and their media habits? The target audience could be potential buyers, sellers, other licensees, or influencers such as bankers, appraisers, or lawyers.
- **Decide on the desired response:** The ultimate response is for the receiver to use the licensee or their brokerage's services. However, there may be intermediate responses such as a request for a brochure or a visit to an open house.
- **Choose the message:** A common approach to message design is to use the AIDA approach, which means that good messages should create Attention, Interest, Desire, and lead to an Action – which is hopefully the desired response.
- **Develop the message content:** The next step is to decide what to say to the audience to generate the desired response. This is called the theme, appeal, or unique selling proposition. The approach is to select some reason why the audience will benefit by responding. Two common types of appeal used are:
 - Rational appeal, where the message appeals to rational needs, such as the need for good value, economy, quality, savings in use, or security; and
 - Emotional appeal, aimed at stirring up some positive or negative emotions such as joy, happiness, pride, vanity, or fear.
- **Choose the medium/media:** The next step is to select the most appropriate way to reach the target audience. There are generally two choices:
 - Personal communications, which can be through sales staff, experts, outside consultants, or word of mouth and are particularly effective for products or services that are complex and need explaining, such as real estate services. One form of personal communication involves a licensee's online presence, including their website and social media accounts.
 - Non-personal communications, which convey the message without direct contact between the sender and the receiver. There are two types of non-personal channels: mass media, which includes television, radio, billboards, and some forms of internet marketing (e.g., blogs), and selective media targeted to specific audiences such as local newspapers, real estate weeklies, direct mail, and other forms of internet marketing (e.g., email marketing and search engine marketing).

The selection of the medium/media is often limited by the licensee's resources. For example, using television may be appropriate, but beyond financial reach. In this case, the licensee has to select another form of media that is more affordable, such as direct mail.

Messages are subject to all kinds of disturbances, or noises, which distort the message and reduce the chances that the message will be received properly. A licensee must develop a plan to ensure that their message is able to get through the noises that affect prospective clients.

Using the right source to communicate the message is almost as important as the message itself. The credibility of the message source can have a profound impact on how the message is interpreted:

- Informal sources, such as families, friends, and advisors, tend to have a great deal of credibility because they are considered to be relatively unbiased, without a vested interest. Because of this, word-of-mouth from a respected source is a powerful form of advertising and is particularly effective in real estate.

- Formal sources, such as personal selling, direct mail, telemarketing, and advertising by individuals or organizations, are often perceived as being biased and as not necessarily acting in the best interest of the receiver. Messages sent through formal sources can be effective, but are not nearly as powerful as messages conveyed through informal sources.

A licensee can help establish credibility as a message source by:

- providing a good service, which delivers on advertised promises;
 - using appropriate media (e.g., a high-quality magazine to advertise a luxury service);
 - being confident, knowledgeable, concerned, honest, and ethical; and
 - using testimonials from experts or satisfied clients.
- **Develop a feedback system:** The final step is to develop a plan to check the actual response against the desired response. Feedback can involve tracking calls from advertisements, awareness surveys, or measuring the attitudes or opinions before and after the message has been sent.

ADVERTISING

Advertising was defined earlier as any paid form of non-personal sales presentation that provides information, enhances the image of the firm, or sells products or services to potential customers. Advertising is used to communicate informational, persuasive, or reminder-oriented messages. Informational messages are designed to provide information and create awareness, while persuasive messages are aimed at generating a response from the recipient, such as making a phone call or sending an e-mail. Reminder-oriented messages focus on keeping the product, service, and the licensee at the “top-of-mind”. Many well-known companies or licensees that have achieved a favourable image employ reminder-oriented promotions to continually assert their position in the segment. Advertising that reaches a large audience is sometimes referred to as mass communications.

Advertising is a considerable concern to most real estate licensees, as advertising costs can consume a significant portion of the operating budget. Therefore, it is important to continually reassess details regarding the objectives of advertising, how much to spend, and what form of advertising will best help achieve the marketing goals.



ALERT

Advertising and the *Real Estate Services Act*

The *Real Estate Services Rules* (the “Rules”) made under the *Real Estate Services Act* (“RESA”) address several topics pertaining to licensees and advertising. These provisions extend to pamphlets, letters, and electronic communications, and also cover press releases about real estate deals and even references in letters to matters pertaining to properties. If photographs are used in advertising materials, licensees must use caution not to alter or enhance them in any way that would misrepresent aspects of the property.

Section 37: Restrictions Relating to Home and Other Personal Offices

Licensees are permitted to maintain personal offices (as opposed to their related brokerage office) from which they provide real estate services. Personal offices include an office that is in the residence of the licensee or of any other person. However, the following restrictions apply to personal offices (section 37 of the Rules):

- no sign may be placed outside the office or the building in which the office is located, or from where it is visible from outside the office or building, that indicates real estate services are provided from the office;
- the phone for the office must not be answered in the name of the related brokerage of the licensee; and
- the licensee must not indicate the office address on any real estate advertising or on any other records relating to the provision of real estate services.

continued next page



ALERT, *continued*

Section 40: Restrictions and Requirements Relating to Advertising Generally

When a licensee advertises real estate, section 40 of the Rules requires the following:

- the licensee name of the brokerage must be displayed in a prominent and easily readable way;
- if the advertising identifies a managing broker, associate broker, or representative, it must be done using the licensee name of the individual or the personal real estate corporation (if applicable);
- with respect to real estate teams: (1) a team member must identify their team's name in all published real estate advertising with respect to trading services, excluding rental property management services; and (2) a team must identify the team's name in all published real estate advertising, including advertising for rental property management services; and
- if an office address for the licensee is included, it must be the address of the related brokerage office.

Section 41: False or Misleading Advertising Prohibited

A licensee must not publish real estate advertising that they know, or reasonably ought to know, contains a false or misleading statement or misrepresentation concerning real estate, a trade in real estate, or the provision of real estate services.

Section 42: Advertising in Relation to Specific Real Estate

A licensee is prohibited from publishing real estate advertising indicating that specific real estate is being offered for sale or other disposition unless the owner of the real estate, or an authorized agent of the owner, has consented to the advertising.

Objectives of Advertising

Advertising requires a significant investment of money and time, but it is an important component of any personal marketing plan and listing marketing plan. Advertisements can help create awareness, provide information, change an attitude, differentiate a product or service, or stimulate demand – or any combination of these elements. More specifically, advertising can help a licensee's business and listings in the following ways:

- increasing awareness and recognition of services offered;
- developing a favourable image;
- educating the public, correcting misinformation, or changing attitudes;
- increasing the market share;
- offsetting the advertising of competitors;
- differentiating a service from that of competitors;
- increasing listing inventory;
- making buyers aware of properties for sale;
- communicating to the sellers that their property is being actively marketed;
- generating phone calls, emails, and leads;
- increasing attendance at open houses; and
- making other sales representatives aware of a licensee's offerings.

A licensee should employ the SMART mnemonic to develop effective advertising objectives that are specific, measurable, achievable, relevant, and timely. For instance, "generate new listings" would not be considered to be a SMART objective. This objective could be restructured (become SMART) as, "generate 15 new listings from phone calls in response to a direct mailer to 100 households over the next 6 months."

Print and Digital Advertisement: An Overview

Not too long ago, print advertisement formed the basis of many marketing strategies in the real estate industry: initiatives such as postcard mailers, newspaper advertisements, brochures, and classified ads comprised the majority of a marketing strategy. As computers became more prevalent and the internet

introduced a variety of online advertising channels, digital advertisements (including ads on websites and digital mailers sent by email) became increasingly popular. Today, most real estate licensees recognize that both print and digital advertising have their own strengths and employ an advertising strategy that involves both components.

Visual advertisements, whether print or digital, are more complex than simply throwing a few words onto a piece of paper or a screen. The development of good print and digital advertisements requires creativity and a good understanding of the basics of advertisement construction.

Copy Strategy Platform

The first stage in the design of an advertisement is the development of the *copy strategy platform*, which serves as the plan that will guide the advertisement. Some industries refer to this as the creative strategy. The advertisement should be consistent with the components of the overall marketing plan. The purpose of the copy strategy platform is to create a “micro” marketing plan for the specific advertisement. The copy strategy platform consists of:

copy strategy platform
the plan that guides an advertisement, also called the creative strategy

- developing objectives and a desired response;
- identifying the target audience and their characteristics;
- developing the most important selling idea or advertisement theme; and
- developing any secondary features.

Consider an example of a real estate licensee who must develop an advertisement to market a condominium development in a ski village. The copy strategy platform for this advertisement might be:

- **Objectives:** To generate 20 phone inquiries per week and have a minimum of 30 prospects attend the weekend open house.
- **Target audience:** Professionals, both single and married, between the ages of 30 and 50, who ski at least once per week during ski season.
- **Selling idea:** Avoid the high cost and aggravation associated with frequent commuting to the ski hill.
- **Secondary:** Investment and revenue potential.

Layout

Once the copy strategy platform has been established, the next stage is to set the layout of the advertisement. Most visual advertisements can be broken down into four basic elements: headline, copy, visualizations, and signature. *Layout* is the way these elements are arranged; it is the blending of the verbal and visible elements into an easily understood message that creates the desired response. The way the words and images are placed; the font, style, and size of lettering; the use of colour and colour combinations; and the presence of white space all determine the effectiveness of the advertisement.

There are multiple components that will affect an advertisement’s layout, which will in turn determine its effectiveness. Some key design points to consider:

- **Focal point:** Eye research suggests that a reader’s eyes focus first at the ten o’clock position and then move upward and to the right (see Figure 25.7). Once the first movement or pass has been made, the skill of the layout takes over and directs the eyes.

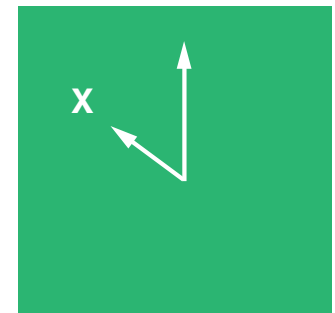
These findings suggest that the ten o’clock position is a good position to start headlines. The element that the reader should see first should be placed in this position. Another finding is that readers will often subconsciously look for logos or other identification symbols at the bottom of the advertisement.

- **Aesthetic considerations:** A common mistake in visual advertising is attempting to fit too many elements into the space, creating clutter. Focus on fewer dominant visual elements, such as a large photograph, a pronounced headline, and a skilful use of white space. Good design has balance, unity, and flow. These components are difficult to describe, but are easily identified by a trained eye.

layout
the arrangement of an advertisement’s headline, copy, visualizations, and signatures

FIGURE 25.7: Initial Focal Point of an Advertisement

The Ten O’Clock Position



- Balance is the visual arrangement of the components of the advertisement and can be either formal or informal. Formal balance uses symmetrical arrangements (evenly balanced), with movement flowing from top to bottom. Informal balance uses a non-symmetrical arrangement. Examples of formal and informal arrangements are shown in Figures 25.8 and 25.9.
- Unity implies that the elements work together instead of contradicting one another.
- Flow in a formally balanced advertisement is simple, from top to bottom. In an informally balanced advertisement, the eye must be led by the arrangement of the elements to its conclusion. Note that the flow in Figure 25.8 is controlled by the profile line.

FIGURE 25.8: Example of an Informally Balanced Ad

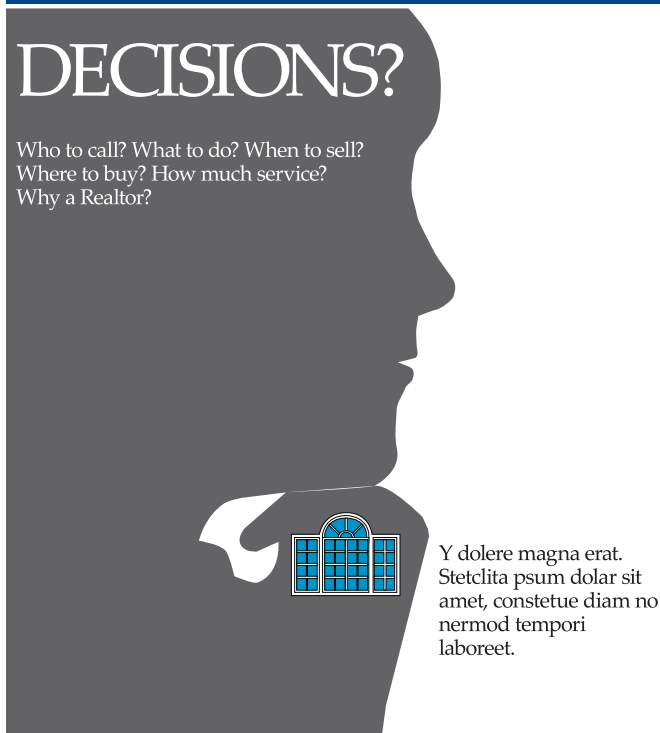
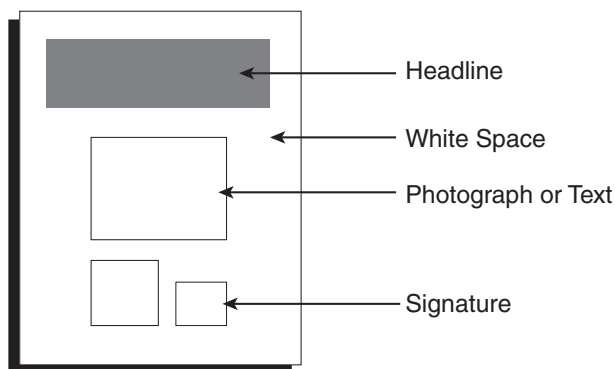


FIGURE 25.9: Example of a Formally Balanced Ad



FIGURE 25.10: Using White Space in Ad Layout Design



- **Control of white space:** White space is the unprinted portion of the advertisement. Successful advertisements use white space skilfully, enabling the other elements to stand out. White space acts like a pointer and is particularly useful above and below headlines, making the headline more prominent. (See Figure 25.10)
- **Colour:** Colour causes headlines to stand out, creates a mood, provides reinforcement of the corporate colours, and draws attention to certain portions of the advertisement. Colour should be used with purpose and restraint to avoid an overwhelming or visually displeasing advertisement.

Headlines

Headlines are the most read component of an advertisement. People read by scanning: the function of a headline is to grab their attention and encourage them to continue reading the advertisement. The basics of designing a good headline include:

- using both upper and lower case letters;
- positioning the headline so it is easy to spot;
- providing white space between the top of the advertisement and the heading; and
- using one or more devices, such as colour, print, style, or white space, to make the headline stand out.

Headlines should be simple, specific, contain one theme, and sell the benefits of the product or service being advertised. Use concrete nouns (i.e., referring to something that can be seen or touched) and active verbs, which help a reader see the product or service more vividly than abstract (i.e., referring to an idea) nouns and verbs. Several approaches can be taken to develop a headline, including the following:

- Benefit appeals take the reader's point of view and show how they will benefit. They often use promises that appeal to the reader's psychological needs. Example: "Finally, a Place to Call Home" or "Luxurious Living at Affordable Prices"
- News headlines reveal something of topical interest that will cause the reader to continue. Example: "Real Estate Prices Drop 5%"
- Curiosity or eye-catching headlines appeal to the reader's sense of curiosity or mystery. Example: "Must Rent. Going to Jamaica" or "XYZ Is Coming: Watch for It"
- Targeted headlines appeal to specific audiences. Example: "Young and Single?" or "Flock Left the Nest?"

Copy

Copy is the text of the advertisement. Generally, copy should be concise and use easily understood language, avoiding jargon and industry-specific abbreviations. Readable copy can be achieved in the following ways:

- Ensure that the text reinforces and expands the idea contained in the headline.
- Use brief sentences and paragraphs that vary in length to create interest.
- Personalize the message by using the words "you" and "yours".
- Generate interest and guide the reader through the advertisement step-by-step, using headings and subheadings.
- Avoid clichés, slang, and colloquialisms.
- Explain the benefits of the service or product. Create images that enable the reader to see themselves owning or using the property or service. When advertising a property, do not just sell its features – promote the entire lifestyle.
- Avoid trite words and phrases such as "great" or "exclusive". Substitute a word from the real estate word finder in Figure 25.11. Use this list to generate interesting words and sentences. Copywriters have found that the following words often strike a responsive chord:

you	money	health	easy
proven	low	discovery	result
safety	save	guarantee	need

Copy should always end with an appeal for action such as visiting a website, visiting an open house, or calling for a free brochure.

FIGURE 25.11: Real Estate Word Finder**Emotional/Excitement Words**

Absorbing	Desirable	Festive	Passionate	Stirring
Affordable	Dreamy	Fiery	Premium	Sunny
Alluring	Dynamic	Friendly	Productive	Tempting
Amiable	Economical	Happy	Profitable	Terrific
Bargain	Effervescent	Imaginative	Prosperous	Thrifty
Bewitching	Electric	Intoxicating	Refreshing	Thrilling
Bold	Electrifying	Invigorating	Relaxing	Triumphant
Breathless	Enchanting	Jovial	Rewarding	Vibrant
Breathtaking	Energetic	Joyful	Romantic	Vivacious
Cheerful	Enjoyable	Jubilant	Satisfying	Whimsical
Cheery	Entertaining	Lively	Sensitive	Wide eyed
Comfort	Enticing	Lucrative	Sharp	Wild
Cordial	Exciting	Magic	Speechless	Zealous
Curious	Fantastic	Magical	Spellbound	Zestful
Dashing	Fascinating	Magnetic	Spirited	Zesty

Sophisticated/Select Words

Acclaimed	Discriminating	Genuine	Noteworthy	Regal
Affluent	Distinguished	Gratifying	Plush	Remarkable
Aristocratic	Dramatic	Heavenly	Polished	Rich
Authentic	Elegant	High fashion	Prestigious	Select
Beneficial	Elite	Impeccable	Prime	Sensible
Brilliant	Eminent	Impressive	Private	Sublime
Cherished	Enriching	Ingenious	Prize	Substantial
Chic	Entrancing	Inspired	Professional	Superior
Choice	Exacting	Judicious	Profound	Uncommon
Commendable	Exquisite	Luxuriant	Prudent	Unequaled
Consummate	Fashionable	Luxurious	Radiant	Unique
Courtly	Faultless	Masterful	Rapturous	Unparalleled
Cultured	Favoured	Matchless	Rare	Winning
Dignified	Fine	Memorable	Rarefied	
Discerning	Formal	Meticulous	Refined	

Words That Describe Large Spaces

Big	Gargantuan	Immense	Rambling
Colossal	Giant	Massive	Roomy
Enormous	Gigantic	Mountainous	Spacious
Expansive	Huge	Oversized	Vast

Visualizations

Visualizations are photographs, pictures, or other artwork. Visualizations are used to attract attention, create a mood, and convey greater meaning than written statements.

Signatures

The advertisement usually ends with a signature, which includes the real estate licensee's name, the name of their brokerage, contact information, and a trademark or logo.

Types of Advertisements

The broad categories of print and digital advertisement encompass a wide variety of types of advertisements. The following section provides an overview of commonly used advertising initiatives.

Brochures

Brochures are typically created for each individual listing and provide interested parties with a takeaway, summarizing important property features such as the listing price, lot size, square footage of the building or unit, number of rooms, the most recent property taxes, etc. Brochures provide more space than many other forms of advertisement, allowing the advertiser to provide a more descriptive copy. Rich, high quality photographs are essential to an effective brochure. While printed copies of brochures are practical for face-to-face interactions or for mailing, digital copies can be useful for email inquiries pertaining to the property.

Direct Mail and Postcard Mailers

Postcards are smaller versions of brochures and can be used in targeted mailing campaigns. Digital versions can also be used in targeted email campaigns. A postcard mailer typically includes an attention-grabbing headline, concise copy, and one or two quality photos. The purpose of the postcard is to spark an interest that will encourage the recipient to follow up and learn more; as such, providing a website, email address, and/or phone number is essential.

Direct mailers can include other forms of advertisement, such as an introductory memo or a newsletter discussing the local real estate market. Mailers can heighten public awareness of a licensee's services and can result in inquiries and contacts.

There are both advantages and disadvantages to direct mailers and postcards. Properly targeted mail-outs can help communicate the message to the right audience, but improperly targeted campaigns can be costly, wasteful, and ineffective. A target audience can be established based on physical location, stage of life (e.g., new families or retirees), or events that trigger a need for real estate services (e.g., the expansion of a local employer or the end of a lease). These examples are just a few of the criteria that can be used to select a target audience for a direct mail campaign. The key is to sharply focus the effort to ensure that the chances of success are maximized: a random, non-methodical approach tends to be a waste of both time and money.

FIGURE 25.12: Advantages and Disadvantages of Direct Mail

Advantages	Disadvantages
Allows you to zero in on your target audience	Costs of buying, assembling, or updating the mailing lists
The message can be general or personalized for a specific group or individual	Costs of developing, printing, and mailing the material
Provides a good introduction for follow-up by a phone call or personal visit	Can be very wasteful unless directed specifically at your target market
Success of different approaches can be tested by changing the approach and measuring the response	Often treated as junk mail, especially in today's world of "information overload"
Can be used to provide information, to sell, or to do a combination of both	Faces much competition from other firms who also use the direct mail approach
Requires little lead time and can be tailored to suit most budgets	Writing an effective direct mail letter requires a great deal of skill

Classified Advertisements

Classified advertisements are small printed advertisements that are grouped together by theme in a newspaper or magazine. Space is very limited and copy should say as much about the property in as few words as possible. Since a classified advertisement must compete with the other postings in the section, certain elements (e.g., bolded font or solid borders) can be used to make the advertisement stand out. Consumer surveys indicate a preference for advertisements that provide basic information, such as price and address, which will help buyers in their search process.

Newspaper and Magazine Advertisements

Unlike classified advertisements, newspaper and magazine advertisements appear alongside the publication's regular content. Size can vary significantly and will determine the amount of information that can

be included in the advertisement. The choice of publication is arguably the most important element of a newspaper or magazine advertisement: a licensee should pick a publication that corresponds to the targeted audience. For example, a licensee might choose to advertise a ranch in a horse hobby magazine. Prices vary significantly depending on the publication, thus it is a good idea to request an advertising rate card to learn about a publication's prices, ad size options, demographics, and reach.

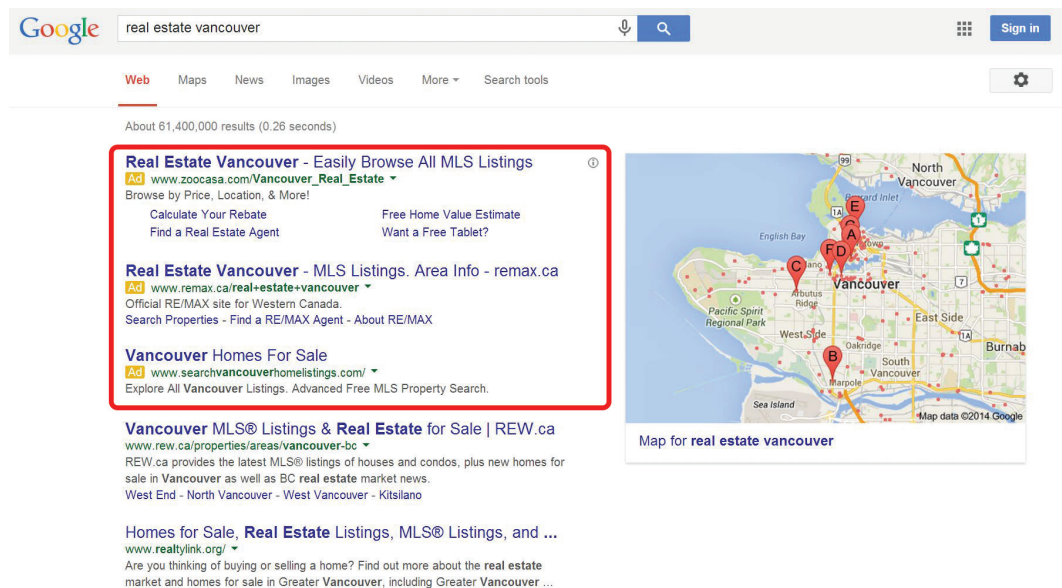
Online Advertisements

This broad category encompasses advertisements placed on websites, advertisements on Facebook and other social media platforms, posts to online classified websites (e.g., Craigslist), and even using sponsored (paid) social media users to promote services or listings. Many of the guidelines for print advertising can be applied to online advertising: choose publications (i.e., the websites advertised on) wisely and use sharp headlines, copy, and images that invite a viewer to click on the advertisement to learn more.

Google Ads

Google Ads is Google's online advertising program. It does not refer to the placement of a website in an organic search (the order in which the website comes up when a person types in certain keywords); instead, it sets the advertisements that appear at the top and side of a page when certain search keywords are entered, as outlined in red in Figure 25.13. Google Ads is fully customizable, allowing advertisers to set their own budget, determine their own keywords, and track multiple advertisements to determine which generates the most clicks. Those choosing to advertise on Google Ads are advised to research the online tool to fully understand its vast capabilities and intricacies.

FIGURE 25.13: Example of Google Ads Advertisements



Property Signs

A “for sale” sign placed in front of an active listing is a form of display advertising intended to generate awareness that the property is available for sale or has been sold. Onlookers are encouraged to contact the sales licensee for more information about the property. Further, property signs can increase a brokerage or licensee's exposure: for instance, multiple signs in one area convey the impression of expertise in that particular neighbourhood. Though property signs might seem straightforward, it is important to remember that they, too, represent the personal brand. Ensure that signs are in good condition with clear lettering. Messages should be kept simple, while names, logos, and contact information should be clearly visible with large, easy to read font.

Radio and Television Advertisements

Television and radio advertisements can be prohibitively expensive in some markets and attainable in others. These forms of advertisement are typically used to promote a personal business rather than a particular listing. Short audio or visual snippets can help keep the sales representative's name at the top of the listener or viewer's mind.

Billboards, Bus Ads, and Bench Ads

Billboards, bus, and bench advertisements are often used by real estate licensees to promote their personal businesses. The purpose of these outdoor advertisements is to remind a local audience of a licensee's presence in the local market. Other examples of this type of advertisement include personalized wraps around a vehicle and ads at local stadiums and arenas.



ALERT

Save Your Money: Avoiding Common Advertising Mistakes Means Avoiding a Possible Administrative Penalty

BC Financial Services Authority (BCFSA) advertising requirements are intended to ensure the public is neither misled nor confused as to who is providing real estate services and to ensure the accuracy of representations being made about real estate and real estate services. The Rules define real estate advertising as “any form of identification, promotion, solicitation, or representation relating to real estate, a trade in real estate, or the provision of real estate services, including a sign or other notice relating to real estate, a trade in real estate, or the provision of real estate services.”

The top five advertising vehicles where BCFSA finds non-compliant licensee advertising are Craigslist, Kijiji, Facebook, Twitter, and YouTube.

BCFSA continues to receive complaints relating to licensees failing to comply with the Rules on advertising. Licensees are reminded that section 57(1) of the *Real Estate Services Act* allows BCFSA to impose administrative penalties on licensees who fail to adhere to specific Rules, including various sections that set out the requirements for advertising. In accordance with section 26 of the Rules, a licensee who fails to comply may be hit in the pocketbook, with financial penalties imposed upon them.

The most common advertising contravention for which a penalty may be imposed is failing to display the name of a licensee's brokerage on an advertisement in a “prominent and easily readable way” as is required under section 40 of the Rules. This means that whether it is a promotional flyer, website, billboard, classified ad, or internet ad, the name of the brokerage must appear. Corporate logos or general franchise identification, which do not include the complete licensee name of the brokerage, are not sufficient to meet the requirements of the Rules.

The second most common advertising contravention for which a penalty may be imposed is the advertising of a team's name for a group of licensees who regularly work together as a team, but where the team has not been registered with BCFSA as is required under the Rules. To register as a team, a completed application (including requested team's name, names of two licensees to be on the team, and managing broker's approval) and the required fee must be submitted to BCFSA, and then BCFSA must process and approve the team. Typically, BCFSA will be able to advise whether a team has been approved within 15 days of receipt of a request. Licensees are reminded that, if they are part of a team, they must include their team's name in advertising (except advertising for the rental property management services they are also licensed to provide) as well as the name of their brokerage. See Guidelines for Team Names for more details.

The third most common contravention for which a penalty may be imposed relates to the advertising of and signage on personal offices. Section 37 of the Rules sets out that, if a licensee maintains a personal office, there must be no indication (signage) that real estate services are provided from the office nor can the address of the personal office be displayed in any advertising or other records relating to the provision of real estate services. If the personal office is in a commercial office space, the licensee may indicate on the building directory, “Mary Smith's personal office”, but may not indicate “Mary Smith, XYZ Realty”.

The Rules require that advertising of Personal Real Estate Corporations must be done in the licensee name of the personal real estate corporation, not in the name of the licensee name of the controlling individual. The words “Personal Real Estate Corporation” must be included in all advertising as shown in the following example: “Susan Wong Personal Real Estate Corporation.” It is not permissible to use the acronym “PREC” in your advertising.

continued next page

**ALERT, continued**

Advertising compliance is a responsibility shared by both licensees and managing brokers, on behalf of their brokerages. In a competitive market, creative advertisements can help brokerages and licensees stand out and differentiate themselves from their competitors. Unfortunately, in some instances, licensees take their advertising creativity beyond acceptable boundaries and into the territory of false and misleading advertising, with overblown promises and inaccurate representations. Managing brokers should also periodically discuss examples of appropriate and inappropriate advertising practices, to ensure licensees' understanding of the requirements of sections 40, 41, and 42 of the Rules. Having "too many ads" does not change the shared responsibility to comply.

Source: BCFSAs Knowledge Base

**ALERT****Guidelines for Team Names****(v) Team Names**

If BCFSAs approves a team name for a group of licensees who regularly work together as a team, real estate advertising must identify the group by its team name (subsection 40(5) of the Rules); e.g., "The AV Team", where "The AV Team" is neither the licensed brokerage nor a registered trade name. The name of the related brokerage must always be included in any form of team advertising.

BCFSAs has indicated the following general guidelines to be applied in the approval of team names:

- To ensure that the public is not misled or confused, a team name must not give the impression of being an incorporated company or brokerage (e.g., Robbie Vendre and Company, Robbie Vendre Realty, Robbie Vendre Real Estate Services).
- Acceptable team names, for example, may include the words, "Team", "Group", "Associates", and "Network". Approvals of team names are made on a case-by-case basis.
- No team name will be approved that may be confused with an existing brokerage.
- No team name will be approved that is identical to an existing, approved team name.

In order to have a team name approved, licensees are simply required to submit the applicable completed form (i.e., team registration form or change of team name form) to BCFSAs, setting out, among other things, the team name they would like to have approved.

Licensees may submit more than one team name for consideration, indicating their order of preference of names for approval. Only one name will be approved.

It is the obligation of the licensed team members to advise BCFSAs, in writing, when any team member leaves the team or a new member joins. This requirement also applies when a team member transfers their licence to a different brokerage or surrenders their licence.

It is important that all teams remain mindful of the requirement that in all advertising, the name of their brokerage must be prominently displayed and easily readable in relation to the rest of the advertisement.

Additionally, it is important for all licensed team members to remember that as individual licensees, they maintain their obligation to comply with all of the provisions of RESA, the *Real Estate Services Regulation*, and the Rules. The fact that one licensee member of the team may be promoted as the "lead" licensee of the team in no way diminishes the other licensed team members' legislated responsibilities and obligations to comply.

Source: "Advertising Checklist and Sample Advertising" section in BCFSAs Knowledge Base

Advertising Checklist

- ☐ Is the full name of your brokerage, as registered with BCFSa, clearly and prominently displayed and easily legible?
- ☐ If a brokerage office address is included in the advertisement, is it the correct address for the brokerage office at which you are licensed?
- ☐ If your name is included in the advertisement, is it your licensee name (i.e., your legal name, a recognizable short form of your legal name, or a name that has been approved by BCFSa)?
- ☐ If you have a personal real estate corporation, does the advertisement include the name of the personal real estate corporation?
- ☐ If the advertisement contains a team name, has the team been registered with BCFSa?
- ☐ Are all the representations in the advertisement current, accurate, and verifiable?
- ☐ If a promise or offer is made in the advertisement, have any conditions or limitations been indicated?
- ☐ If a comparative claim, business volume, honour, or award is noted in the advertisement, has the basis of the claim/volume/honour/award (e.g., the source, date and qualifying information) been included to avoid misleading the audience?

Source: BCFSa Knowledge Base

OTHER TYPES OF MARKETING

Stationery, Forms, and Business Cards

The design of stationery, forms, and business cards should reflect an overall image and should be coordinated with the personal brand. Business cards should look professional and be designed to convey the desired image through the appropriate choice of colours, paper texture, and distinctive lettering or styles.

Online Marketing

Online marketing is distinct from online advertising: while advertisements are paid promotions, online marketing refers to a more general online presence in the form of a website, social media profiles, and search engine optimization. Please refer to the chapter on technology for detailed information pertaining to online marketing.

Guerrilla Marketing

Guerrilla marketing is a low-budget approach that relies on ingenuity, cleverness, and surprise rather than traditional techniques. Examples of guerrilla marketing include clever advertising boards, graffiti, “sticker-bombing” (covering areas with promotional stickers), and unexpected public relations stunts. The website www.gmarketing.com defines guerrilla marketing as “unconventional ways of pursuing conventional goals”.

guerrilla marketing
unconventional ways of pursuing conventional goals, relying on low-budget approaches based on ingenuity, cleverness, and surprise

Telemarketing

The term *telemarketing* refers to any method of lead generation or sales of goods or services that uses telephone or fax technology. It can be done live or through automated systems. In the sales industry, this method is referred to as cold calling.

Federal legislation creates a National Do Not Call List (DNCL), establishing certain responsibilities for telemarketers in Canada. The DNCL filters out consumers who do not want to receive unsolicited calls, including both telephone and fax. There are some exemptions to the requirements (e.g., the legislation does not apply to certain charities or to political parties). Calls made to consumers with whom a caller has an existing business relationship, who have provided express consent, or to business telephone numbers are also exempt. However, in all non-exempt cases, telemarketers are not permitted to make unsolicited calls in order to sell or promote a product or service if the telephone number is registered on the DNCL. Note that unlicensed assistants may not telemarket. For further information, see the Do Not Call List website at: www.lnnte-dncl.gc.ca.

telemarketing
any method of lead generation or sales of goods or services that uses telephone or fax technology

Cold calling can be an effective form of marketing, but many real estate licensees find it to be a particularly daunting task. The following tips will help make it a more approachable and effective marketing method:

- Warm calling refers to telemarketing with an individual who you have had previous contact with. The call is then perceived as a follow-up, not an out-of-the-blue contact from a stranger. Many people find that warm calling is more approachable than cold calling.
- Have a clear message, whether it is notifying the recipient of the call of a new listing in their complex or informing about a workshop that you will be holding. Focus on informing and educating, not purely selling.
- Be prepared. Know your facts, have a thorough understanding of the market, and be ready to answer questions.
- Remember to listen – an often-overlooked element of communication.
- Be respectful. Phone during appropriate hours and respect a person's wish to end a conversation and be removed from your calling list.
- Follow up on phone calls; otherwise, the effort may be wasted.
- Take notes that can be referred to at a later time.

Personal Selling

Personal selling involves face-to-face communication with a potential consumer. Personal selling creates an interactive environment, allowing a licensee to react to quickly changing situations. Certain people are more attentive to messages that are delivered face-to-face, since in-person interactions are more intimate than telephone or electronic interactions.

personal selling

a marketing initiative that involves face-to-face communication with a potential consumer

Personal selling can be used in a variety of ways in real estate. For example, real estate licensees might meet new clients by going door-to-door in their target markets. Some people find door-to-door sales to be intrusive – remember, the goal is to communicate the value offered to these potential clients. Instead of

going door-to-door to promote the business generally, a licensee might instead go door-to-door if they have a new listing and to inform neighbours that a property in the area has been listed for sale. Many people like to be informed of activity in their area and might welcome the opportunity to discuss current market conditions. Some might even know potential buyers who are interested in the area. If a licensee chooses to promote a listing door-to-door, they should always be respectful of people's time and preferences.

Personal selling is by no means limited to door-to-door selling; it can occur during any face-to-face interaction. For instance, even small talk at a cocktail party can provide the opportunity for personal selling. Personal selling can also take place at any stage of a real estate transaction; for example, meeting with a client and having them sign an offer face-to-face, versus sending it via email.

Public Relations and Publicity

Public relations refers to a business's communications (other than personal selling and advertising) with employees, stockholders, clients, and the general public. The objective of public relations is to enhance the image, recognition, and reputation of the business. Public relations can apply to a real estate licensee's personal business both positively and negatively; a public relations program can indirectly help sales by making the public perceive the business in a positive manner, just as poor public relations can deter future sales and create a negative view. Here are a few ways of maintaining strong public relations within the community:

public relations

a business's communications with employees, stockholders, clients, and general public, with the aim of enhancing the business's image, recognition, and reputation

- Be the go-to expert in real estate. Inform local publications of major trends or events affecting the real estate market and offer to provide professional interpretation or insight. This is a form of *publicity*, which focuses primarily on receiving media coverage and exposure for free – note that this is different from paid advertisements.
- Support the community. Consider sponsoring a local group that fits with your personal brand. For instance, a family-oriented licensee might sponsor a children's sports team, while a luxury-focused licensee could sponsor a local art walk.

publicity

a form of public relations that focuses on receiving media coverage and exposure

- Get involved in a positive way. Attend city council meetings and participate on boards and committees to show that you care about your community.
- Above all, avoid negative public relations by operating an ethical business, practicing honesty and integrity, and following through on your commitments. It is much more difficult to build up a positive reputation after a negative event.

Sales Promotion

Sales promotion is any form of non-personal selling that does not fall under the heading of advertising, public relations, or publicity. Sales promotion includes gifts such as pens, calendars, and note pads. If a licensee chooses to provide gifts, they should ensure that the gifts are consistent with the licensee's personal brand.

Strategies to motivate a salesforce (e.g., sales contests) are also considered sales promotions. Sales promotions can also include coupons, discounts, and prizes. Sales promotion techniques are generally designed to reinforce personal selling and advertising efforts; they are typically more short-term. Given the latter, the effects of sales promotion techniques tend to be easier to measure than those of advertising.

sales promotion

any form of non-personal selling that does not fall under the heading of advertising, public relations, or publicity

MEASURING THE EFFECTIVENESS OF ADVERTISING AND MARKETING

The execution of a personal marketing plan and listing marketing plans requires a considerable investment of time, money, and other resources. The marketing and advertising initiatives that a licensee chooses to undertake to support their marketing plans will constantly change: the licensee will regularly face decisions such as when (or whether) to send the next email newsletter; where, when, and how frequently to publish an advertisement on social media; etc.

To ensure that they are consistently allocating resources in the most optimal manner, a licensee needs to measure the effectiveness of advertising and marketing efforts. The licensee must then reconcile the results of these efforts with the resources consumed and determine whether the advertisement or marketing method is worth maintaining, increasing, decreasing, or ceasing.

Measuring the effectiveness of marketing efforts involves meticulous tracking; a licensee must maintain detailed records of the results that are generated. For example, they might build a spreadsheet to track a classified advertisement, inputting how many phone calls and emails it generated, how many of those initial contacts continued to express interest after the initial contact, and whether the advertisement ultimately led to a sale.

An ongoing effort must be made to find out how each and every prospect learned about the licensee's business or the property in question. The information and data that is collected should serve as the road map to future marketing and advertising campaigns.



As a Licensee...

Licensees will apply marketing and communication concepts and skills learned in this chapter and in other books, seminars, programs, etc. to enhance their listing presentation and marketing program. Understanding the consumer, determining their needs, and communicating solutions are integral parts of the marketing process that a licensee needs to focus on.

LISTING PRESENTATION

One of a real estate licensee's objectives is to represent sellers in the sales of their properties. A prospective seller will typically want to meet with the licensee to learn more about them, the way they operate the business, and the initiatives that will be undertaken to market and sell the property near the agreed upon price point within a desired timeframe. At this point, the licensee will introduce the listing presentation, which offers a comprehensive overview of everything a potential seller will want to know.

On some occasions, a licensee will be competing with other real estate licensees, who will be meeting with the seller separately and offering their own presentations. Other times, a licensee will not be competing directly with anyone else, but must still satisfy the seller that they are the best person for the job.

The listing presentation typically includes a physical document as well as a face-to-face presentation. Some licensees prefer a formal in-person presentation, complete with a slideshow, while others opt to present the information through a more casual conversation with the seller.

Understanding How Consumers Choose a Licensee

In many markets, buyers and sellers have a large pool of licensees at their disposal, from which they can select their representative. In order for a licensee to convince clients that they are the right choice, it is important to understand how buyers and sellers choose their representative.

As discussed earlier in this chapter, the service provided by a real estate professional is intangible. The perceived cost of the service (i.e., the commission) is considered to be high and can be difficult to justify, given the fact that a buyer or seller cannot easily “try on” a licensee before committing. Research on how consumers choose a licensee suggests that the majority of sellers make the selection based on referrals, reputation, or previous dealings. When a seller decides to interview several licensees, they typically interview an average of three different licensees and the decision is made on average within one week of the initial interviews.

Research on buyer behaviour in residential real estate indicates that consumers choose the licensee rather than the brokerage. In commercial real estate, the name, reputation, and image of the brokerage may play a larger role than it does in the residential market.

The following list provides useful tips for communicating the value of the services offered by a real estate licensee:

- Provide positive, tangible clues and evidence of performance. A licensee is in the business of marketing impressions, and those impressions need to be professional and first class.
- Pay attention to trivial and mundane items, since attention to detail is evidence of performance and shows concern for the client's needs.
- Turn intangibles into tangibles. For example, a real estate licensee whose listing presentation includes photographs of houses that they have recently sold and testimonials from satisfied clients is turning something intangible (the real estate service) into something tangible that can be more clearly appreciated and understood by a potential seller. The use of “virtual walk-throughs” on the internet is another example of turning intangibles into tangibles.
- Since the seller is often unclear as to what benefits are being provided, it is important to do the following:
 - clearly spell out what services and benefits are being provided;
 - explain the marketing program for the property;
 - keep the seller fully informed throughout the sales process; and
 - be professional and ethical at all times.
- Focus on building repeat business and referrals by satisfying the seller's needs and by maintaining contact after the sale. Trust and respect are two very important dimensions in the marketing of services and it is important to quickly establish a good relationship with a potential client. There are many ways to create trust, including being knowledgeable, meeting commitments, and following up promptly.
- Ask satisfied consumers for a letter of recommendation or a testimonial, which can be used with the personal marketing program and in the listing presentation.
- After making a listing presentation, stay in contact, even if the seller does not commit immediately.

Written Listing Presentation

Licensees need to create a written listing presentation. There are no steadfast rules for an effective listing presentation; however, the following guidelines will be helpful in developing a clear and effective presentation. Note that the order of the different sections can be reorganized to the licensee's individual preference.

Personal Introduction

The listing presentation should include a personal overview of the licensee. The licensee should consider what information a prospective client might want: how long the licensee has lived in the area, how long they have been working in the real estate industry, their educational background, etc. This section should highlight the licensee's background and experience.

Team Introduction

If there are other people who will be involved with the sale of the property, the licensee should include them in this section. This might include assistants, marketing specialists, or even the photographer who will be taking photos of the property.

About the Brokerage

In this section, the licensee should highlight the unique benefits offered by their brokerage. This might include co-operative marketing and advertising initiatives, a global network with other agents, the brokerage's presence and reputation in the community, and other strengths.

Experience

A list of previous sales (with photos and sales prices) is an effective way for a licensee to demonstrate their experience. It is not necessary to list each and every sale that the licensee has ever accomplished; instead, it is suitable to create a highlight sheet with properties that are most similar to the one in question. Innovative and proven listing marketing plans can be an excellent way for a licensee to market and set themselves apart from competition.

Overview of the Listing Marketing Plan

One of the most important sections of the listing presentation is the overview of the listing marketing plan, where the marketing and advertising initiatives that will be undertaken are clearly displayed for the seller to see. A comprehensive marketing strategy reassures the seller that the licensee will ensure that the property is exposed to the right parties – including the eventual buyer. The licensee should include an example of the timeline that will be used to market the property.

Comparative Market Analysis (CMA)

This section must be tailored for the property in question. It should include an overview of the property, details on similar properties presently listed for sale, and details on similar properties that have recently sold. The CMA might also include details on properties that are different from the subject property in order to establish a frame of reference; for example, showing the recent sales details of a larger renovated property on the same street to indicate a price ceiling for the property in question. Similarly, expired listings might be included to indicate properties that were listed too high or that were poorly advertised.

This section can provide a general overview or can be extensively detailed. If the licensee has not had the opportunity to thoroughly examine the property in question prior to the listing presentation, they should focus on providing general market information, saving the analysis for after they have had a chance to see the property.

Some real estate licensees choose to include their recommended listing price for the property within their written listing presentation. Others prefer to discuss it in person or if they have not had the opportunity to tour the house extensively, to wait until they have more information on which to base a price.

Showcasing Strengths

The listing presentation should include a section that specifically addresses the question of why a potential seller should enlist the licensee to sell their property over any other real estate licensee. The section might include relevant statistics based on the data available to the licensee. For example:

- “The average real estate licensee in this area sells their listing after 65 days on the market, while my listings sell on average within 45 days of being listed.”
- “On average, my listings sell at 98% of the listed price, showing that I know how to properly price a property to sell. By contrast, the average listing in this market sells for 92% of its listed price.”
- “In a post-sale survey, 100% of my past clients have said that they would recommend me to their friends and family.”

Any statements that are made must be true and verifiable, and should not be misleading.

Testimonials

A licensee should ask previous clients to provide feedback on their experience working with the licensee; this feedback should be included in the listing presentation. These statements can provide evidence of the licensee's competency and success. Past clients chose their representative for a reason – let them tell the prospective seller why they did so.

Supplemental Documents

The licensee should supplement the listing presentation with additional documents that the potential seller might find informative. For example:

- include samples of brochures and advertisements made for previous listings;
- provide the latest copy of your market update newsletter;
- attach a recent article that featured you as a real estate expert; and
- include copies of the listing documents that the seller will eventually need to sign to list the property. This gives the seller a chance become familiar with the various forms involved in a real estate transaction – and if they decide to list with you on the spot, you will be prepared to do so.

Other Details

As with any of the marketing materials, the design of a licensee's listing presentation is an important element. The written presentation should be clean, well-organized, and appealing to look at. It is important to implement the elements of good design discussed in the advertising section of this chapter. The licensee should consider printing the listing presentation in colour on high quality paper.

There are no hard rules on the optimal length for a listing presentation; it should be long enough to provide the pertinent information without overwhelming or boring the reader. The listing presentation should provide the seller with the information that they need to know – this is not the same as the licensee telling them every single thing that they know. The appropriate length for the listing presentation will depend on the information and amount of detail that is required for the situation.

In-Person Listing Presentation

Many real estate licensees believe that the in-person listing presentation simply involves going through each page of the written listing presentation with the seller. This is incorrect: the in-person listing presentation should complement, not replicate, the written presentation.

The in-person listing presentation is not available in a one-size-fits-all format, as there is not a single presentation that will be suitable for every seller's needs. A licensee should enter a presentation prepared and equipped with the tools that they might need to provide support; however, the licensee should also exercise the ability to be reactive and flexible. The following pointers will help develop an effective in-person presentation:

- Create a dialogue. Do not dominate the presentation by speaking the entire time. Take the time to ask questions that will help you learn about the property and the seller's personal preferences.
- Listen. When the seller speaks, focus intently on what they have to say. If the seller asks a question, be sure to answer it and not to go off on a tangent. Allow your presentation to flow organically by incorporating the seller's comments and questions, and learn from the seller's remarks.
- Use language that is easy to understand. If you must use acronyms or industry terms, be sure to explain them to the seller.
- If there is more than one seller, present to them all. Do not assume that one person is the decision-maker. Maintain eye contact with each party and do not direct your questions to just one person.
- Be professional. The in-person listing presentation sets the tone for the entire transaction. Ensure that your clothing, diction, and presentation materials are consistent with your personal brand.

Whether or not a licensee chooses to include a slideshow presentation is a personal preference. If a slideshow is included, it should not be referred to as a script. Instead, it should supplement what the licensee discusses with the seller.

DEVELOPING A LISTING MARKETING PROGRAM

When a licensee represents the seller of a property, the marketing of the property is a significant component of the services being offered to the client. Just as with a licensee's personal marketing program, a listing marketing program can include a variety of different marketing methods. Ultimately, the licensee needs to ensure that the property is exposed to the right people.

A listing marketing program will be shaped primarily by two factors: the marketing goals for the listing and the budget available to implement the initiatives that will help attain those goals.

Setting Listing Goals

Effective marketing campaigns are driven by clearly articulated and measurable goals. The goals will set the framework for the listing's marketing program. The SMART acronym should be used as a guideline to establish listing goals.

Most listing programs share a common aim to sell the property at the desired price within a reasonable timeframe. The desired price and timeframe to sell should be discussed in detail with the seller in order to establish a shared vision. Several factors, such as the property's unique characteristics, existing market conditions, and neighbourhood trends, will come into play.

Beyond the prevailing aim of selling the property, smaller complementary goals might be set to help achieve the overall objective. Examples could include the following:

- Promote the property in three different publications;
- Generate 10 phone calls in the first week of listing;
- Attain 200 hits on the property's web page; or
- Conduct 10 property showings.

Listing Message

Much like the marketing initiatives that are undertaken for a licensee's personal business, marketing initiatives for property listings should have a central theme to convey a specific message. Many advertising venues for property listings offer limited space, forcing a licensee to use only a few words to communicate the message. With each initiative that is implemented in the listing marketing strategy, the licensee must ensure that they are clearly communicating the intended message. A licensee might seek inspiration for the listing message by analyzing previous and current comparable listings, or by talking with the sellers of the property. A discussion of which features initially attracted the sellers to the property can help the licensee focus on what features to highlight in marketing materials.

The source of the message continues to be an essential part of the communication message. While most listing marketing initiatives rely on formal sources, a licensee can strengthen the impact of the message by choosing sources that the intended recipients of the message (i.e., the potential purchasers of the property) view as credible and relevant.

Listing Budget

As with the personal marketing plan, the listing marketing plan is limited by certain resources, including the monetary budget that is in place for marketing a listing. Establishing a marketing budget for a listing is not always easy; in many cases, the licensee pays listing and marketing fees up front and is, in a way, reimbursed by the eventual commission received when the property sells. Of course, there is no guarantee that the property will sell under the licensee's listing term. In some cases, as with a luxury property requiring a significant marketing budget, the seller might provide the real estate licensee with a marketing budget upfront. These arrangements could include a clause indicating that the seller will be reimbursed for the expenses incurred if the property sells through the hired real estate licensee.

Some real estate licensees establish a rule of thumb whereby the marketing budget for a property is tied to its value. For instance, the marketing budget in place for a condo with a market value around \$250,000 would be significantly less than for a single family home in the \$2,000,000 range. Other real estate licensees employ the same marketing initiatives, more or less, across all property types. A licensee's business plan and goals will help determine which strategy works best for their business.

Real estate licensees who are just starting out in the business are typically eager to secure property listings, but are then met with the challenge of having to market the property out of their own pockets before any revenue has been generated. Licensees should always keep a long-term approach – by investing money into the early listings, the licensee is providing a better service to the clients. Satisfied clients will not only potentially provide a licensee with a lifetime of business, but could also generate additional business through referrals.

Tracking and Reporting the Listing Marketing Plan

Consider the point of view of the seller: they are relying on the real estate licensee to market and sell what is possibly their most valuable asset. As such, the seller deserves to be included in any progress made throughout the listing. It is in the licensee's best interest to create a trusting relationship with the client by openly communicating the listing marketing plan.

First, the licensee must educate the client about the value that they, as their real estate representative, are adding to the sale of the property. The licensee might create a list of the marketing initiatives that will be undertaken as part of the listing marketing plan. The seller should be updated as each of these initiatives is completed and provided with examples (e.g., a link to the web page promoting the property or a sample of a brochure sent to interested parties). The licensees should track all emails, phone calls, property showings, and other listing activity.

A licensee should establish a reporting schedule with the client to provide updates on any activity pertaining to the property. The licensee should establish a frequency (e.g., weekly) and a medium (e.g., in person, by phone, or by email) of the reports and should always follow through with the schedule. Regularly reviewing activity will allow the licensee to manage the listing alongside the client; for example, if the property is generating a lot of showings but is receiving negative feedback about a particular feature, the licensee might use this opportunity to discuss remediation options with the client, such as adjusting the listing price or fixing the feature in question.

By tracking and reporting the listing marketing plan, the licensee is satisfying the client's need for information pertaining to the sales process. The licensee demonstrates their value, holds themselves accountable, and builds trust with the client.

COMPETITION ACT

As discussed in Chapter 11: "Contracts for Real Estate Transactions", the federal Competition Act prohibits misleading advertising and deceptive practices. Section 52 makes it a criminal offence to knowingly or recklessly make an advertisement to the public that is false or misleading, while section 74.01 creates civil liability for similar actions. Section 74.05 is also important, as it prohibits the sale or rental of a product or service at a price that is greater than the advertised price. For a more complete discussion of how the Competition Act applies to the real estate sales industry, refer to Chapter 11.

CONCLUSION

Marketing is all about understanding and providing for the customer. In this chapter, we have introduced a number of marketing concepts and explored the main high-level considerations when developing a marketing plan. The key is to ensure that the needs of the customer are both fully understood and met.