



YOUR CASTLE
REAL ESTATE

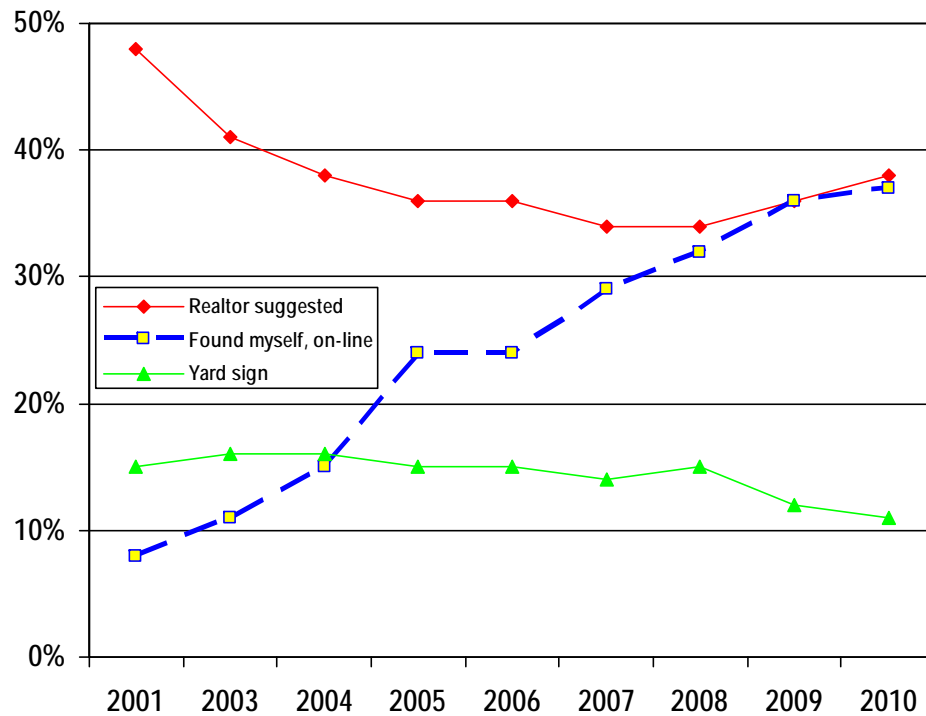
What We Learned from 28 Internet Mastermind Sessions

DMCAR Convention

November 9, 2011

How buyers and sellers find their Realtor has changed over time. Buyers are as likely to find the home they purchase via the internet as they are to buy a home recommended by their Realtor.

Where Buyer Found Home They Purchased
Residential



Consumer Behavior Highlights

- NAR asked “What was your first step in the purchase process”
 - “Look online” 50%
 - “Contact Realtor” 19%
 - “Contact Lender” 8%
- “Usefulness of different information sources”
 - Realtor 81%
 - On-line 81%
 - Home Builder 41%
- “Actions taken as a result of internet home search”
 - Virtual tour on-line 49%
 - Found agent to buy home 29%
 - Drove by home 21%

There is a range of potential clients with whom you can work. You “lead” with character in the off-line world, and lead with competence in the on-line world.

| | Description | Relative importance “Character” to decision | Relative importance of perceived “Competency” to decision |
|---------------------------------|---|--|--|
| Repeat client | 26% of sellers use Realtor that sold them the house | Usually High - Very High | Medium. If they like you as a person and you do a reasonably good job, you will usually get the business. You don’t have to be the best agent, though |
| Referral client | 38% of sellers use Realtor recommended to them by SOI | Med - High... you’ll usually be recommended on the basis of competence | Med - High... since you don’t have much time to establish rapport, the relative importance of competence is higher |
| Off-Line client | Someone you met at a networking event and built relationship | Med - High... you’ll usually build the relationship equally on character and competence | High... you’ll usually build the relationship equally on character and competence |
| On-line Marketing client | Client met and “stalked” you online, decided to use you, then contacted you after making decision | Low... they won’t meet you as a person until after they have decided to work with you | Very High... since you can’t “sell” yourself from a character standpoint, competency (and/or expertise) is what you have to offer on-line |

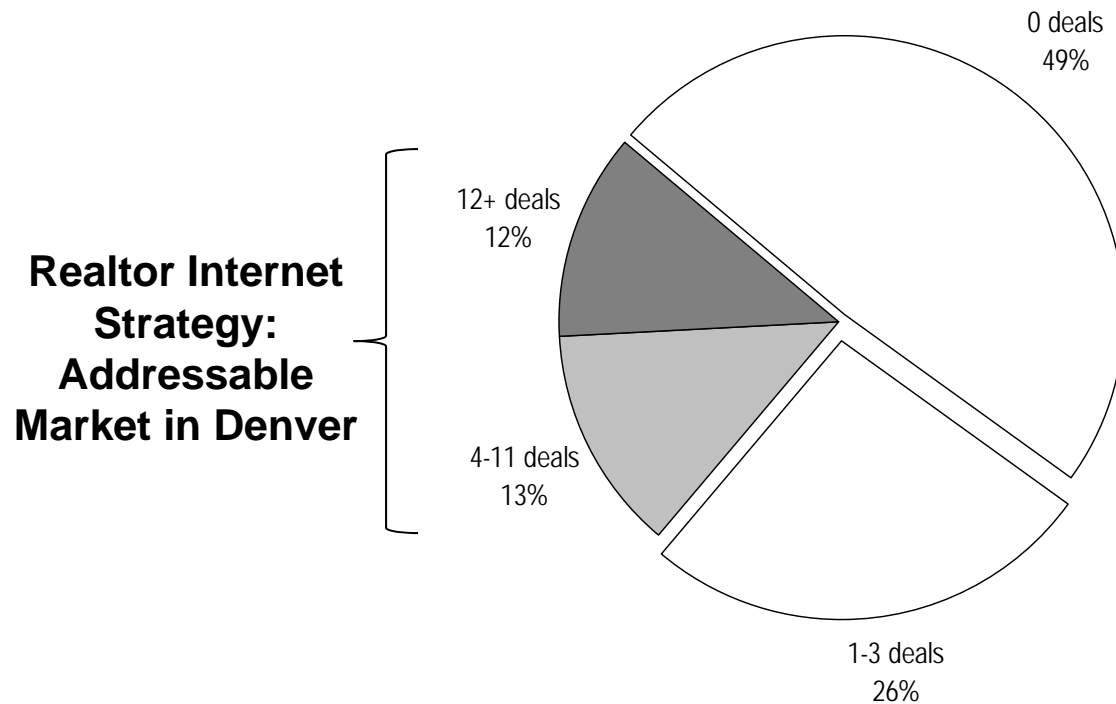


There are several segments of internet marketing that a Realtor could embrace

| Realtor's on-line "style" | 1: Do Nothing | 2: Bare Minimum | 3. Farmer / Networker SOI Support | 4. Basic Expert Approach | 5. Advanced Expert Approach |
|---|---------------|--|--|---|---|
| Commitment | None | One-time; 3-5 hr | Weekly, 1 hr | Weekly 2 hr | Weekly, 2-4 hr |
| Types of prospects targeted | -- | Known: Referrals from SOI | Known: Referrals + SOI relationship management | Known: Referrals + SOI mgmt + Unknown: clients that need your expertise (narrow) | Known: Referrals + SOI mgmt + Unknown: clients that need your expertise (broad) |
| Tools used for on-line presence | -- | Linked In (basic profile - contact info and not much more) | Linked In: basic + many testimonials Facebook (mostly to connect and read what friends are doing) | Linked In (all) Facebook Infrequent blog (perhaps 1x / month) | Linked In (all) Facebook (fan page) Frequent blog (2x+ / month) Frequent Craig's List |
| Tools used for listing promotion | -- | -- | -- | Realtor.com Virtual tour | Realtor.com Virtual tour Property web site Populate Zillow, etc with links Frequent CList |



There are 16,000 people with a license to practice real estate in the Denver Metro area. In 2010, half of licensees did not complete even one transaction. The 10% (at most) of Realtors that should have a Level IV or V internet strategy are at the 4+ deal per year production level.



Today's discussion

- Five Levels of Strategy

- Benchmarking the Competition

- Best Ideas

- Next Steps



Where are Realtors today?

PRELIMINARY

| Category | Top Producers | Career Growth | Career Launch | Part Time |
|--|---------------|---------------|---------------|------------|
| Gross Commission Income | \$81K | \$46K | \$22K | \$4K |
| Have profile on Linked In | 9/9 100% | 14/16 88% | 17/17 100% | 12/13 92% |
| Average LI connections | 139 | 177 | 93 | 107 |
| LI photo | 8/9 88% | 12/16 75% | 14/16 88% | 10/13 77% |
| At least one LI testimonial | 7/9 78% | 10/16 63% | 12/16 75% | 9/13 69% |
| | | | | |
| FB profile | 7/9 78% | 15/16 94% | 15/16 94% | 13/13 100% |
| Average friend count | 316 | 310 | 156 | 185 |
| % with post in last seven days (e.g., an active user of FB) | 4/8 50% | 7/10 70% | 5/9 56% | 8/13 62% |
| | | | | |
| Level I strategy | 0 | 2 | 1 | 3 |
| Level II strategy | 2 | 4 | 3 | 1 |
| Level III strategy | 7 78% | 10 63% | 12 75% | 9 69% |



We benchmarked brokerages to assess adoption rate of Linked In.

Overall Score

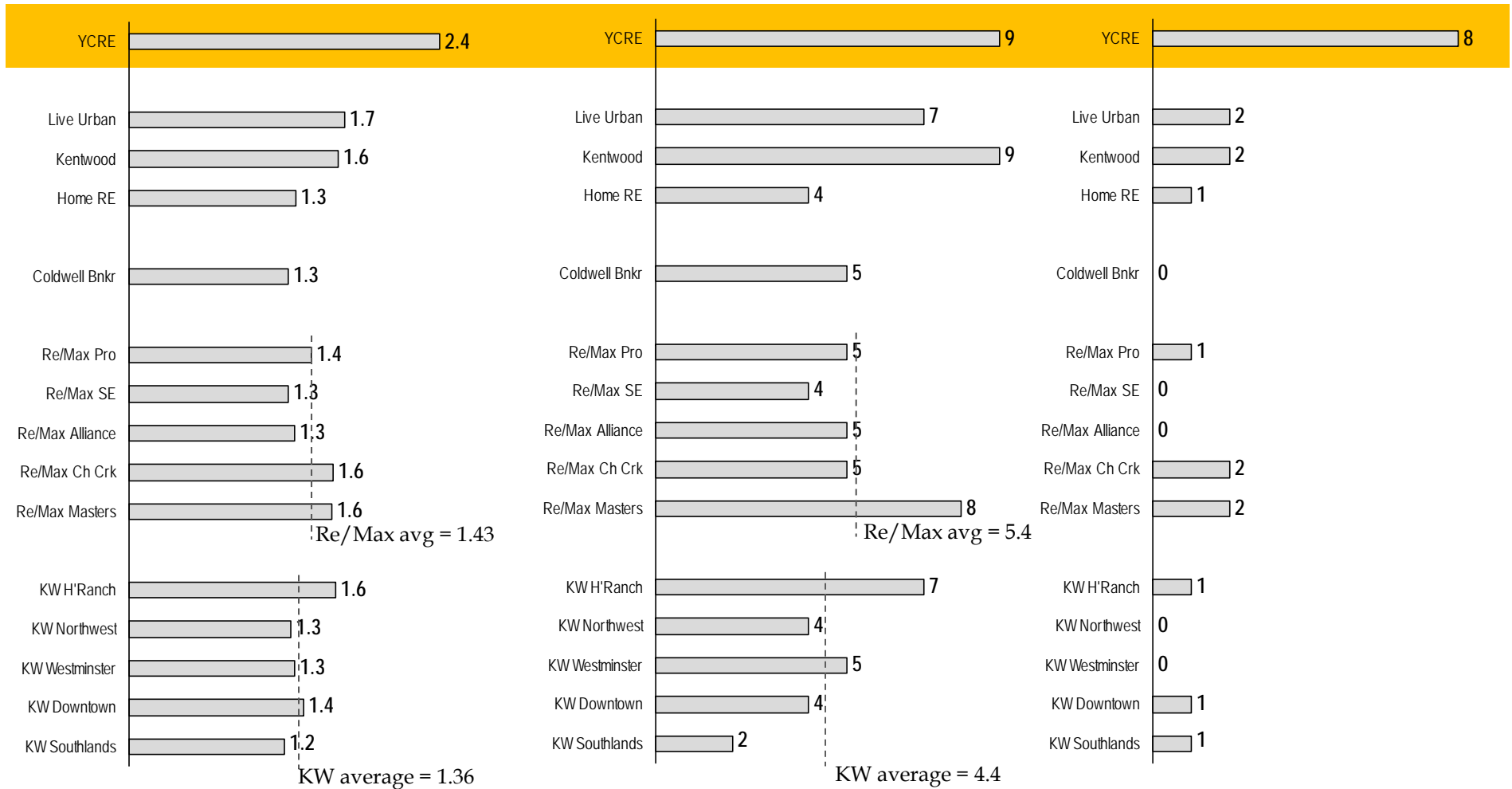
(1 = no profile; 3 = complete profile with 5+ recommendations)

With A Profile

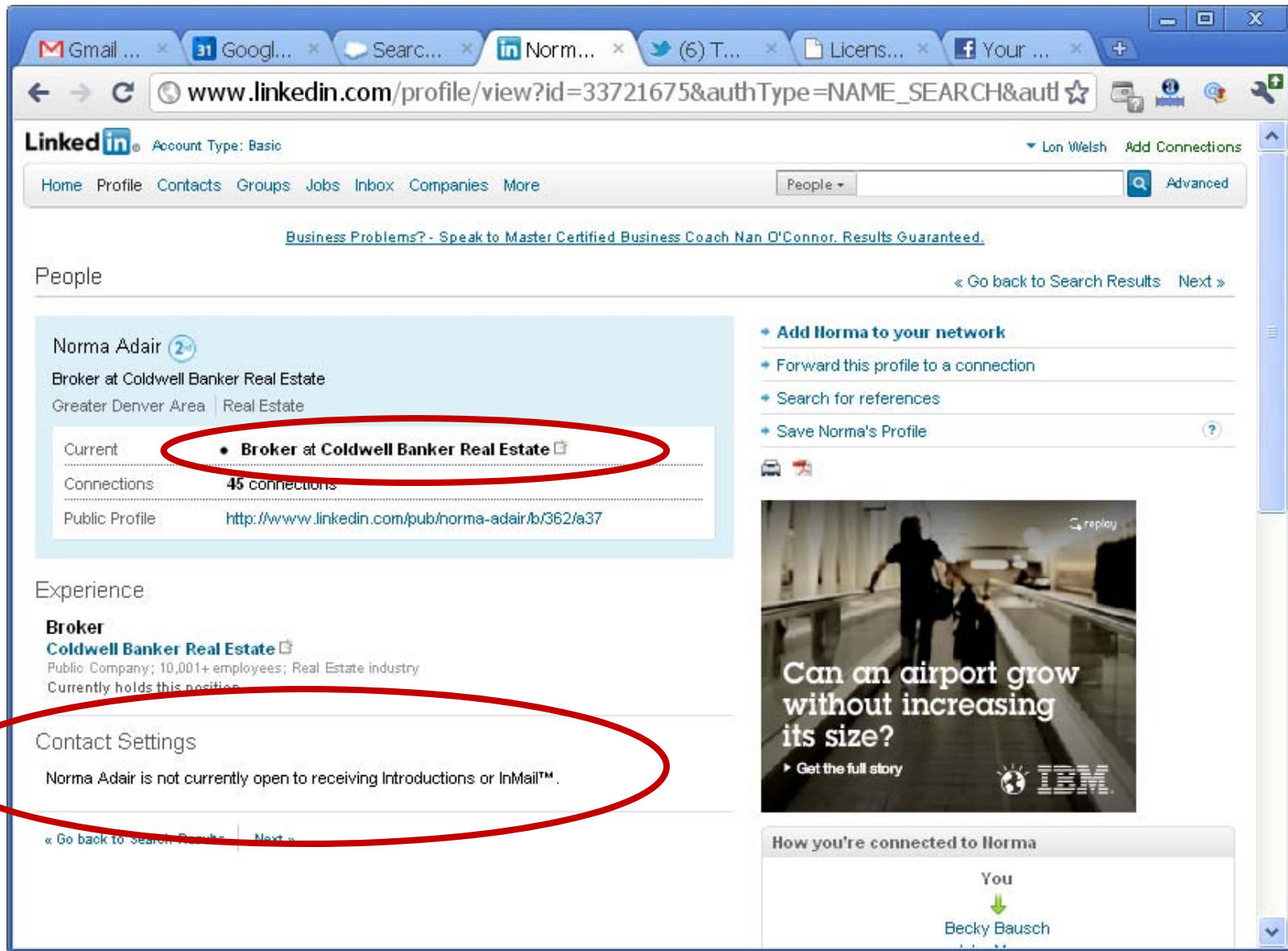
(out of a sample of 10)

With 1+ Testimonials

(out of a sample of 10)



It's amazing how many Realtors in Linked In are not interested in hearing from new customers.



Dozens of agents at YCRE are already getting business from Social Media. Most of them are NOT internet gurus doing advanced internet marketing. Most are simply staying in touch with friends in a new way and reaping the rewards.

- Paulette DePumpo, Level IV, “Likes FB a lot and has gotten business from these relationships.” “Past client found me on FB... are you still in RE?” “Another past client found me on FB and we were not even ‘friends’ ... got a deal done” ... three deals closed.
- Cathy Mosciski, Level II, “got a referral for a client from FB”
- Chris Jensen, Level III, uses FB entirely for personal use, “have two referrals so far from FB”
- Jessica Klingsporn, Level II, “has social media badges on business card and email signature ... gotten clients from this”
- Brooke Hengst, Level IV, “got a FB message from a soft ball friend, never have talked about RE, and wants to see some houses” ... “I have answered questions on Trulia and got a relo client from it.”
- Bob Colby, Level II “gotten several contacts from LI”
- Jacob Bettis, Level IV, has three offers out for relationships from FB
- Melinda Owensby, Level IV, “I have gotten several leads from my ‘dog friendly Denver’ blog” Maybe posting 2x / week.
- Jackie Long, Level II (reluctantly) “has gotten referrals from my reviews on Yelp” (only took two)!
- Nicci Hyatt, Level V, has closed many deals from Craig’s List leads and one from a Trulia write up.
- Demetri Fefes, Level II, used a video of his completed fix and flip, to promote on YouTube and sold house himself (saved a \$17K buyer agency).
 - Also just had a class last Saturday for RE investors. We sold out at 95 attendees and had to turn away almost 20 people. Promoted it on Eventbrite via email and drove traffic through Facebook and Twitter. Get this - I had 400 people view it through Eventbrite and 4000 through Facebook!
- Morgan Leland, Level IV, did weekly video updates on her F+F and sold it.
- Kris Andrea closed almost a dozen deals in 2010 that started from FB interactions.
- Doug Davidson closed three deals in 2010 from SM.

