

## Where Is Your Next Sale Coming From - Part One

by Pat Zaby



Depending on your fishing or hunting skills, knowing when your next meal would be or if it was coming at all would be problematic. Your next meal might be today, tomorrow, or who knows when.

Some agents don't have any idea where their next sale is coming from. Do you really want to have to sit in an open house to wait for a buyer to say that they want it? Do you really want to wait for someone to call you out of the blue to ask you to sell their home? It certainly makes predicting income uncertain.

Some businesses have recurring customers which allow them to predict their sales and income. They get to know the customer and what they want. They can serve their needs better. Over time, loyalty develops which allows both parties to trust each other. The customer feels so secure that they even recommend the business to their friends which obviously, causes the business to grow.

Dry cleaners, grocers, dentists, housekeepers, barbers, and beauticians all provide products or services on a periodic timetable based on the customer's needs. Instead of having to find new customers each time a sale is made, a finite number of customers purchasing periodically will sustain income.

Internet businesses are frequently built on this model. Instead of selling a CD with 100 pictures that can be used in advertising, graphic arts companies are selling subscriptions to websites with hundreds of thousands of pictures for a monthly fee. They're building a customer base which provides a renewable, monthly income.

Websites, investment newsletters, pre-paid legal, phone service, Internet Service Provider, and literally thousands of other businesses have changed their business model to adopt this type of recurring income.

Real estate doesn't lend itself to a monthly fee because people don't move as frequently as they use other types of services. However, it is predictable and we can structure our business such that a core group of customers buying and selling every six to eight years could provide a great deal of security.

A solid business plan would be to convert one-time customers to repeat customers. The next step would be to get them to invest in rental real estate for all of the same reasons they buy good

homes: they make great investments. By helping them to make money consistently, the next level of conversion should be simple...get them to refer their friends to us.

Let's say you are a department store getting ready to promote their holiday sale. They decide what to promote, develop a marketing piece, and send it to their customers. How do they know who their customers are? They have asked for email addresses to notify customers of sales. They have a list of customers who uses their company credit card.

As a faithful Nordstrom customer, I've noticed that prior to getting the announcement of a sale from the company, I get a letter or email from my personal Nordstrom salesperson offering me additional service. It isn't limited to the salesperson in my local Nordstrom's though; I will get notices from several of the salespeople I've given my contact information at different stores around the country.

The most important asset an agent has is his database of customers; more important than his car, computer, or Smartphone. It must include every person the agent has sold a house to or for regardless of where they are living now. Additionally, it should include close personal friends, relatives, and neighbors they can reasonably expect to do business.

Permission marketing would suggest that you ask if it would be alright to send them things periodically that will help them maintain their real estate and keep them up-to-date with the market. Once the permission is given, it is imperative that you maintain your promise to only send them valuable information. The trust started with the excellent job you did with their last move and it will grow over time unless you abuse it.

Think about your customer's trust as being a bank account. If you make enough deposits, you are entitled to make a few withdrawals. However, if you make too many withdrawals, you could find yourself overdrawn ... a very undesirable position. It takes a long time to build trust and only a short time or even a one-time event to lose trust.

Even if you have a database that you've been accumulating for years, you periodically need to go through it one record at a time and clean it up. You need to consolidate duplicates, add new information, and make sure that you have applied the proper categories to each one.

As you are doing this, if you remember something that might lead to business, pick up the phone immediately and call them. Over the years, this exercise has been the source of lots of unanticipated business. To me, it's one of the best kinds of prospecting.

Next month we'll look into some of the things that you might do to stay in touch and what to send them that they will consider valuable.