

# The Truth About Real Estate Advertising

**Real Estate Agents Tell You Advertising is for Your Benefit. Find Out Who's Really Benefiting from Their Ads and How to Select the Right Real Estate Professional For Your Needs.**

Congratulations! You're about to learn valuable insider information about the real estate industry that will make you a much more savvy consumer. This information is based on years of experience in the industry, and is designed to help you make the most of your next real estate transaction.

Unfortunately, many consumers end up experiencing a frustrating or difficult real estate transaction because they selected the wrong Realtor<sup>®</sup> to represent them. The most unfortunate aspect of this is that armed with the information in this report, these situations could have been avoided. You see, consumers' choices are often made due to the false perception they have of real estate advertising. I'm here to educate and help you as a consumer make intelligent real estate decisions.

In the following pages, I'm going to address four of the biggest myths in real estate advertising, in the process educating you on how to select the best real estate professional the next time you're ready to move. I invite you to read this report and hold on to it until the need arises to hire a Realtor<sup>®</sup>. And in the meantime, if you have any questions or need any assistance, please feel free to call me anytime. I hope to hear from you soon.

*Sincerely, Jon Hall*

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## Myth No. 1

**If you hire a Realtor<sup>®</sup> who will advertise your home, it will help your house sell.**

Surely you've seen the ads. In fact, as a whole, they're hard to miss. Newspaper real estate sections and the free real estate magazines you pick up in grocery stores and realty offices are full of page after page of nothing but house advertisements. However, decades of research show that less than one percent of buyers actually buy the house they called on from the ad. How can this be? Why would Realtors<sup>®</sup> keep paying for these ads, you ask? Well, keep reading.

House ads are designed to serve Realtors<sup>®</sup>, not maximize value for the consumer. When you select a real estate company or Realtor<sup>®</sup> based on the quantity of house ads they run, it's a recipe for disaster. In essence, you're selecting a Realtor<sup>®</sup> by default, and in hindsight, I don't think anyone wants to do that.

Realtors<sup>®</sup> who run house ads do so as an enticement for you to call them. When you call, the Realtor<sup>®</sup> immediately knows you're a hot prospect, and they begin asking questions about what type of home you're looking for. They now have the opportunity to convince you they can help you find a match. As soon as you agree, you've selected your Realtor<sup>®</sup> by default.

In reality, consumers should be the ones doing the interviewing by calling Realtors<sup>®</sup> and asking about their qualifications and experience. We all have access to the same property information, so anyone you work with should be able to find a match to your property. What you should be looking for in a Realtor<sup>®</sup> is a match to your personality and style.

## **Myth No. 1 Cont.**

It's important to me for my prospective clients to understand how the Multiple Listing Service (MLS) works (see "Solving the MLS Riddle"). The truth of the matter is that more than 60 percent of all homes sold are sold through the MLS by effective real estate agents, not classified real estate advertising or house ads. Additionally, those agents who consistently run tons of house ads often have less time and money to provide high-quality service.

Rather than advertising homes, I choose to advertise myself and the services I can provide. I know long-term success in real estate is ultimately about developing a partnership with my clientele, and I don't want clients to choose me by happenstance. This creates a win-win situation in that consumers who choose me as their Realtor<sup>®</sup> have a knowledgeable sounding board for any questions that might arise at any time. Much like having a family doctor or lawyer, many savvy consumers prefer to have a Realtor<sup>®</sup> with whom they have developed a relationship long before they need to buy or sell a home.

So when selecting your Realtor<sup>®</sup>, pay no attention to who is running the most house ads. Agents who tell you they'll advertise your house are only serving their own needs, not helping you. If at the listing presentation the agent promises to advertise your home, they're doing so primarily for their own personal gain, leaving less time to focus on doing the most effective things to get your house sold.

## **Myth No. 2**

### **Open houses will sell your home.**

Selling a home is perhaps an even more stressful process than buying a home. First of all, you're going to have many Realtors<sup>®</sup> vying for your listing. They're going to try to tell you all the great things they'll do to sell your home. Chances are many agents will try to tell you how much they'll advertise your house in house ads (which we've already dismissed as useless), and they'll also try to convince you by pulling out the old signs from their trunk and promising an Open House every weekend until the house sells.

Now, let's see how closely you've been paying attention. Remember how house ads only serve the real estate agents' interests? Now, think about an Open House. What does it bring into your home? It brings a steady stream of people interested in buying a house – not necessarily your house, mind you, but interested in some house in the near future.

And as a Realtor<sup>®</sup> always on the lookout for the next client, it sure is nice to have people practically wave their hands and say, “Hey, look at me. I'm interested in buying a house and I don't have a Realtor.<sup>®</sup>”

Basically, the Open House is another lead-generating tool for Realtors<sup>®</sup> that requires you to leave your house for a day while complete strangers take an unsupervised tour of your house and possessions. The truth of the matter is less than one of 10,000 people who walk into an Open House actually buy the house. It requires a great sacrifice on your part while providing very limited results.

## **Myth No. 3**

### **The best Realtors® will personally have a buyer for my house.**

One of the biggest fears in consumers' minds is that they will list their home with a real estate agent who doesn't bring any buyers to view their home. The reality is that's actually the best-case scenario.

When selling your house, what you want to look for in a Realtor® is a listing specialist. A listing specialist's plan is to "sell" or expose your house to other Realtors®, using the MLS to market your home, and basically making your home the focus of his or her activity. If the agent you choose is constantly out showing homes to buyers, they don't have time for the networking that will expose your house to buyers throughout the region.

When you meet with agents regarding listing your home, make sure they have a plan for other agents to see your home. Evaluate the quality of materials they create for their listings. Research their reputation in the community and in the industry. For a listing specialist, a good reputation will cause other agents to preview your home more willingly and more often. This will maximize exposure for your home, and that's exactly what you want from your Realtor®.

## **Myth No. 4**

### **Working with many Realtors<sup>®</sup> gives you more exposure to the marketplace.**

(The first three myths have been geared toward home sellers. This fourth myth is addressed to buyers.)

It's actually kind of comical. When consumers do not understand how the MLS works, you'll often see them bouncing from agent to agent hoping one agent will magically find the perfect home at the perfect price within an hour of meeting them. If only they knew – there is a better way.

Because all agents have access to the MLS, the best approach to selecting real estate representation is to allow one agent to get to know you and your needs. I've always believed that the better I get to know you and to truly understand your needs, the better chance I have of helping you find the right property.

Furthermore, if I know I have your loyalty, I will be much more willing to do more and go out of my way to help you find exactly what you're looking for. When an agent doesn't have that loyalty, they often don't invest the same effort into the home search, and for good reason.

Rather than rush you into my car, I prefer to have my clients complete a "Buyer Questionnaire" before we look for any properties. The questionnaire allows me to get to know you better and to better understand your needs and desires in a property. Then, once I have done sufficient research, I will present properties to you and take you to those you find worth investigating further.

If a Realtor<sup>®</sup> attempts to immediately put you in the car and look at properties, be careful. They're hoping to "win the lottery" by having you fall in love with a home emotionally without analyzing your actual needs. Often this leads to hasty decisions and buyer's remorse just months later when the new homeowners realize the house they bought, while charming, may not be the best fit for their needs. Meanwhile, the real estate agent has cashed their commission check.

You want to avoid Realtors<sup>®</sup> who operate from such a "sales mentality." Today's leading agents treat their careers like self-owned businesses, which means they take pride in forging long-term relationships that dictate they always act in the clients' best interests. They're not in it for the quick hit. For instance, I'd much rather be a trusted source of information and sell you three or four houses throughout the course of our relationship than make a quick buck never to hear from you again.

## **So, how do you choose a Realtor<sup>®</sup>?** **(Without making your decision by default)**

In the typical scenario, consumers choose a Realtor<sup>®</sup> by opening the paper, seeing a house they're interested in and calling the agent who advertised the house. And before they know it, that person has become their real estate agent – by default.

Remember, regardless of who advertised a house, all real estate agents have access to the same information. That means you can call any agent and they will be able to tell you about the house being advertised. It also means that if you choose your agent based solely on a house he or she advertised, you're doing yourself a huge disservice. You wouldn't select a doctor or lawyer or any other professional without getting to know who they are first, would you?

By keeping these three points in mind and meeting with several agents who meet the criteria, you will choose an agent that's right for you and your individual needs.

### 1. Look for indicators of success

Today's leading Realtors<sup>®</sup> aren't those running house ads or classifieds, but those who have a strong marketing presence with high-quality, personal marketing materials. According to consumer research, there are three traits you should look for in an agent: High-quality personal marketing materials, a personal brochure, and a seller's questionnaire. High-quality marketing materials are full-color, professionally designed and printed on thick stock paper. Collect personal brochures from local agents, read them, and narrow them down to a short list of agents to meet with. Also, make sure each agent provides you with a seller's questionnaire. While it will help them determine what you're looking for, even more importantly, it's an indication that they provide quality service.

### 2. Make a personality match

When you meet with the Realtors,<sup>®</sup> look less for qualifications – after all, all licensed agents are able to do the same things – and focus on personality fit and your ability to relate to them as a person.

### 3. Make sure they understand you

An agent is only going to be as good as their understanding of your needs and desires. Make your intentions clear and specific. Then listen up to ensure they are on the same wavelength and that they are confident they will be able to cater to your specific needs.