

Direct mail marketing isn't dead! Here's how to do it right

Statistics show that this old-school marketing strategy is coming back in a big way. Find out why — and how to implement it — from 2 of the industry's biggest names

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According to various <u>expert sources</u>, the long-anticipated end of <u>direct mail marketing</u> has been turned upside down by the pandemic. Held as a captive audience in their homes, homeowners are more likely to check the mail every day and more open to the messages they find there. In fact, last year, <u>almost half of retailers</u> raised their distribution of physical, direct mail catalogs from the previous year.

Although much of real estate marketing is focused on online communications, direct mail is making a comeback here as well. We reached out to two of the industry's heavy hitters to find out how direct mail is working for agents and brokers as they build their brands and look for their next listing.

Are people still using direct mail?



David Collins

If you're thinking, *wait, I thought direct mail marketing was dead.* Think again. According to David Collins, President of REAL Marketing, reports of direct mail's death were based on a fundamental misunderstanding of marketing statistics associated with real estate.

We've all heard the assertion that 98 percent of real estate searches start online. People then used that number to suggest that digital marketing is the only thing that matters. However, according to Collins, NAR has been saying for the past 12 years, ever since the introduction of the iPhone, that only 5 percent of clients find their agents online. "That number has never moved," he said.

Statistically, 20 years ago, every neighborhood was dominated by one or two agents, according to Collins. As marketing efforts shifted online and onto social media in the ensuing years, agents lost touch with their <u>geographic farm</u>s.

"The internet promised us something for nothing, and we dropped all of our communities. Now you go, and there's 48 agents selling 50 houses," Collins said. Now, 78 percent of homeowners say that they would work with a neighborhood expert if there was one in their area. "That desire has never gone away," Collins said.

By facilitating old-school circle prospecting, direct mail marketing allows agents to reinvent the focused hometown expert concept. Also, it offers the ability to bypass the clutter of online marketing and become top-of-mind for homeowners in a specific area.

How can I make my direct mail campaign more effective?

Collins offers the following tips for implementing or improving a direct mail campaign.

Pick the right neighborhood

According to Collins, it's important to find neighborhoods where no one agent is dominating the market. That gives you the ability to position yourself as the go-to agent for that neighborhood.

Consistency is critical

"You build trust over time. The industry is spoon-fed magic bullets, but marketing is all about consistency," Collins said. He says that, on average, it takes 8.4 contacts within a 30-day or less timeframe to get people to remember your name. Start strong with frequent communications, and then continue to send ongoing, consistent messages to your target audience.

Variable data for higher ROI

According to REAL Marketing, variable data adds a 700 percent return on investment when compared to the normal return. "That means that if you and I both mail the same piece, and I put the first and last name on it, the response rate will be seven times higher," Collins said.

Go for quality

Response is tied to placement and design, according to Collins. It's important to know where each photo should go on a postcard or brochure and why. You need a well-designed impact side, not just an address label.

"In my 25 years, any single brochure or postcard had an error on it when it comes from a template-driven site," Collins said. "If it's not grammar or spelling, it's a layout issue. Agents tell homeowners to hire a professional, then they go and design a postcard like they're a graphic designer."

The 3 E's of direct mail marketing



Luke Acree

According to Luke Acree, president of ReminderMedia and host of the Stay Paid Podcast, "Most businesses make the common mistake of sending only transactional or me-based information. You need a piece of that, but that's what causes most consumers to treat direct mail like lottery marketing. You have to have the three E's: entertainment, education and endearment."

Entertainment

Entertainment content can include fun items like recipes, local events, and lifestyle tips and insights. This is designed to maximize engagement and stick around in the recipients' homes — ideally, by hanging on the refrigerator.

Education

Educational content can include market reports, mortgage information and other value-added professional content. This increases credibility and brand authority and offers homeowners a reason to respond for more information.

Endearment

Acree says that endearment is one of the best strategies, yet few people take advantage of it. It can involve partnering with a local charity or organization to do a food drive in the neighborhood you're farming. You help the community, and you have an excuse for coming face-to-face with homeowners when you collect the needed pantry items.

Acree suggests sponsoring a little league team, working in the schools, or committing to other service opportunities to increase endearment. "This means people see you not just as a transaction-based person but as part of the community," he said.

ReminderMedia's flagship magazine has seen a huge increase in demand during the pandemic, according to Acree. Agents "knew their clients were stuck at home and looking for entertaining things. They were looking for a way to show 'I'm here for you, and I care for you."

"Guests on our podcast said, 'I want to be remembered as the agent who cared and reached out to my clients during COVID," Acree said.

How are agents using direct mail today?

We reached out to several agents to find out how they're putting direct mail to work for their businesses.



Paul Saperstein

Paul Saperstein, eXp Realty, Delray Beach, Florida

Paul Saperstein uses a variety of online resources to focus his direct mail farming efforts. Saperstein specializes in condominiums and senior living communities in his Southeast Florida markets, so he gathers data on the number of units, average price, and turnover and then cross-references to determine if any big agents are already working in his target markets.

Saperstein says that the biggest mistake agents make is targeting a farm that's too big and then being unable to continue mailing consistently. He suggests starting by becoming "the mayor of your neighborhood, then branching out gradually and affordably a little at a time.

Most importantly, your message should "make sense for the demographic," he says. "I target senior homeowners, and all my calls to action are about free, free, free. For my age group, I might put QR codes. Tweak the format and message to your audience."

Saperstein suggests a mailing schedule of once a month for the first six months, then once every two months thereafter. "After homeowners have seen you six or seven times, they start to remember you," he said.



Sep Niakan

Sepehr 'Sep' Niakan, Blackbook Properties, Miami, Florida

Sep Niakan mails quarterly market reports for the Miami market, sub-neighborhood market analyses and market reports specific to buildings in his farm. Blackbook also sends quarterly reports to the entire <u>waterfront neighborhood</u> that they farm.

Niakan sends "just listed" and "just sold" postcards that are relevant to the customers in Blackbook's farm and estimates that they "get about a 5X-plus return on investment. With this constant contact and localized market knowledge we are providing, it makes it a lot easier to get those listings because we have already established a level of familiarity and trust with the people in our farming area," he said.



Latham Jenkins

Latham Jenkins, Live Water Jackson Hole, Jackson Hole, Wyoming

Latham Jenkins sends a notecard that includes a case study of the neighborhood or subdivision surrounding his last sale. There he includes the listing's website and photos to demonstrate his marketing style and includes a testimonial from his seller.

"I take the tacit of show, just don't tell as a way to create a connection with the prospective client. I see great results, and at a minimum, if they are not listing, it's a nice piece to file away until they need me," he said.

Also, Jenkins has developed a magazine that he offers free on his website as a lead generation tool for out-of-state second-home or resort buyers.

"This enables me to get the website user to identify themselves as the lead form will have their email, phone and mailing address for follow-up," he said. "I then can shoot back an email confirming delivery, call them and have them on my email drip campaign."



Dara Martin

Dara Martin, Allison James Estates & Homes, Alexandria, Virginia

Northern Virginia's Dara Martin uses direct mail marketing consistently to farm for listing leads. "I send letters and use first-class postage," she said, and she has seen "very favorable responses. "Even though it's a bit old-school, it works like a charm. It's definitely my go-to when looking for listings in particular areas."



Vida

Vida Ash, Compass, Los Angeles, California

West LA specialist Vida Ash uses a service called Corefact to send out direct mailers that provide a personal key for an immediate digital home valuation. This, in turn, notifies Ash, who can follow up to offer additional information.

Ash chooses her properties based on familiarity, with one single-family residential (SFR) neighborhood chosen because she has lived there and door-knocked there pre-COVID. She chose her other farming neighborhood in a condo community where she had some past sales and because condos tend to sell more than SFRs in her market.



Jim Whatley

Jim Whatley, Uber Realty, Fort Walton Beach, Florida

Whatley uses Every Door Direct through the postal service to send out more than 1,000 postcards each week and has been doing so faithfully for about eight years. He estimates that he averages two deals per 10,000 cards, though he can trace 60 deals to one card alone — a number which he calls "atypical."

Whatley says that EDD includes average income and average age, so he goes for income levels that would qualify for the average home price he sells. Whatley estimates that the program costs him \$650 per home sold per year.

Like many of the direct mail advocates we spoke with, Whatley says that this is a long game, and consistency is key. "I would say it took about six months to get a first response," Whatley said.



Mary Ellen Gallagher

Mary Ellen Gallagher, KMS Partners | Compass, Westport, Connecticut

Mary Ellen Gallagher has seen first-hand the impact that her direct mail has on potential clients. "I send out just-listed and just-sold postcards for nearly every listing I have. Occasionally, when I meet potential sellers in their home, I'm amazed to see my postcards on the table! I have definitely benefited by sending postcards within the radius of a listing."

How do you follow up on direct mail campaigns?

According to Acree, follow-up is an essential part of ensuring a successful direct mail campaign. Here are some of his favorite strategies:

- Combine direct mail advertising with a unique URL, allowing you to retarget using Google display ads online.
- If you have both email and physical addresses for folks in your CRM, you can upload the email address to Facebook as a custom list. "Run an ad for a couple of dollars a day to reinforce the brand they're seeing come through their mailbox."
- Tie postcards to an incentive a home valuation, consultation or another incentive. This is especially apt now as home values go through the roof in the current market.

ReminderMedia's magazine is perceived as a gift, according to Acree, so follow-up doesn't have to be sales or ask-based. "We say the magazine gives you the perfect reason to call and make sure they received it. Use a piece of content that either the client or you resonate with" to spark a conversation, he suggested.