



Lead Generation Strategies that Work

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Lead quality has a direct impact on return on investment for an agent's marketing efforts and budgets, and with new lead generating strategies – partnering with other websites, third-party vendors, utilizing social media sites, QR codes and texting campaigns, for example – it's imperative to know how to use these tools correctly to generate the most quality leads. For instance, using partner sites like Realtor.com and third-party companies might generate a large volume of leads, but are they quality leads? While some agents believe in going after every lead, when it comes to low-quality leads, the benefits of time and energy put into them need to be weighed. Time and effort taken away from focusing on high-quality leads means leads with a high probability to convert aren't receiving the prompt attention needed to convert them. That means prospective clients are lost.

Wasting time on low-quality leads ranks high among the mistakes agents commonly make with lead generation, which also include failing to use questions to qualify leads and measuring the cost per lead (see our sidebar, page 18). Another mistake agents make is not testing all their means of prospecting for leads. Without testing and measuring, agents can't focus on their lead generating tactics that give them proven results; instead, they are focusing across the board on everything, and not getting as many quality leads as they should.

Take QR code and texting campaigns, which are new lead generating strategies that optimize smartphones. Prospective clients, especially younger generations, prefer texting and emailing to talking on the phone – agents should take advantage by testing a QR code campaign, which takes prospects to a specific place on your website offering more information. Texting lead generation tools could be even easier to use – consider using a service that provides listing information with a simple text. Popular services like TextMyMLS and others make it easy to start and provide listing information directly to cell phones.

While keeping up to date on new lead generation tactics and practicing what gets proven results, agents should also be testing methods of lead generation with their spheres of influence, too, a place agents should look to often for referrals.

Don't Put All Your Eggs Online

Yuval Degani, president of Chicago's Dream Town Realty, says that too many real estate agents today, thanks to the ease of sending messages through Facebook and Twitter, forget to develop leads from their base of clients. Although staying at the forefront of technology, as Dream Town does, is imperative, agents often focus too much on technology and forget to develop and sustain the relationships that they've already forged with these ready-made lead sources.

Sure, online-leads-turned-clients are a proven result – so why shouldn't agents connect with them via social media sites or email? It's the way they may have originally connected with these clients in the first place. Today, these agents don't want to go through the work of making phone calls that might take 15 minutes of their time, when a message sent through mail would take them just five seconds. But that phone call, Degani says, could make the difference between working with a new client and not.

"Many real estate agents are trying to repeat their first year in real estate over and over. They are always trying to generate new business. That's the hardest way to get leads," Degani said. "What we have been losing sight of in the past few years is that we must still do the basics. This means that you still have to go for the lowest-hanging fruit out there, your social capital, your current client base. Take care of your past clients and you will get new leads and referrals from them. That's the easiest way to get new leads."

Maria Davies, a real estate agent with the Lincoln Park office of @properties, sends out emails and connects to past clients through social media sites. She sends out an e-newsletter to her sphere of influence every six weeks, and twice a year, she sends out a survey to her clients asking them what topics they'd like to see Davies cover in her next newsletter. She also runs a drip campaign through Facebook and LinkedIn in which at least once a week she comments on something real estate-related. In 2012, she plans to establish herself as an expert in Chicago's Rogers Park neighborhood through an electronic version of farming – sending out newsletters concerning real estate sales and statistics in that city community.

But while Davies has embraced social media, she hasn't forgotten the power of traditional networking. Davies says that even with Facebook, Twitter and LinkedIn, it is still through arranging face-to-face meetings with and making phone calls to her client base that she generates most of her new leads for potential buyers and sellers.

“The face-to-face time is very important, even more important than the technology,” Davies said. “Too many agents today are getting away from face-to-face interaction. So much of our communication today is not even through the phone. It’s through texts or emails.”

That’s not how Davies operates. If a client has a baby, she’ll stop by that client’s house to drop off a gift. If Davies hears that a client’s beloved family dog has been sick – something that she might learn through Facebook or Twitter messages – she’ll make a quick phone call, not write a quick online message, expressing her sympathies.

“Real estate is a relationship business,” Davies said. “If you don’t cultivate the relationship, people tend to drift away from you.”

Steve Lawrence, branch manager with the Libertyville office of Baird & Warner, agrees that for many agents, social media sites offer a great temptation: because they are so easy to use, agents rely on them at the expense of more personal communication through phone calls and face-to-face contact with their existing client base.

That, Lawrence says, can prove to be a costly mistake. By tracking where your best leads are coming from, you should be able to strategize how to appropriately manage clients from these lead generation strategies and manage your sphere of influence.

“Your little black book is important,” Lawrence said. “Those are your superfans. It’s as true today as it was in 1985 when I started that you have to work with the people who you’ve done business with in the past. You can do that through Facebook, but only partly. A lot of agents have gotten away from face-to-face or phone calls. That’s a big mistake.”

Leads don’t just come from the Internet or cold calling anymore, but can come from just about anywhere. Lawrence points to the local Little League game as an example. Agents watching their children play baseball might during a conversation discover that the shortstop’s parents are expecting an addition to their family and need a bigger house.

To keep accruing quality leads in the future, look at where your best leads have come from in the past three to six months, and make a similar list that notes where leads that did not yield clients came from. For referrals, be more detailed – who referred these clients? Did follow-up help result in a sale? What kind of follow-up? Did these clients refer more clients, in turn, or did they become repeat clients?

Then, look at your lists and find the pattern of leads converted into clients as opposed to those who didn’t. What seemed to have made the difference? Did they come from specific referral partners or referral sources? Were they looking for a specific type of home or neighborhood or area you specialize in? In addition, what were the reasons the leads who did not become clients fell through? Were there any cases where there was a specific reason?

By making sure you are focusing the most of your time and effort dedicated to lead generation on the ways that work best for your business, you will continue to get better leads.

Company Leads: Worthwhile?

Most real estate companies in the Chicago area have a system for handling the leads that come into their brokerages, the late-night calls from buyers who saw a certain listing or the weekend email message from a couple new to the area that is interested in talking with a real estate agent about home values in a community. In addition, most brokerages lure new agents with the promise of leads using its lead generating system.

At Dream Town, which prides itself on having the latest technological features an agent may need, these leads are passed on to agents depending on a variety of factors, Degani said. In some cases, a call might come in about a particular neighborhood in which one of the office agents specializes. In that case, that lead will be passed on to that specialist.

Leads from buyers looking to buy high-end luxury real estate will go toward more experienced agents, though. Leads coming in from first-time homebuyers might go to one of the brokerage's newer agents who has worked with first-time buyers before.

Lawrence says that, in addition to giving certain leads to agents with certain experience levels, he also considers the personalities of the agents when passing out leads that come into the brokerage. Some agents have the patience and experience to know how to develop long-term relationships with clients. Lawrence might pass such agents leads from buyers who aren't ready to make an offer in the next few months but might be ready to start looking a year from now.

This business of passing on leads, then, is more of an art than a science; when an Internet lead comes into Baird & Warner's Libertyville office about a specific property, they are funneled directly to that residence's listing agent, Lawrence said. Often, agents will request leads targeted toward certain neighborhoods, subdivisions or certain price points. Lawrence says that he tries to accommodate those requests when possible.

Not all agents consider company-provided leads to be high-quality. But Nick Powers, a sales associate with Evanston's Weichert, Realtors – Lakeshore Partners, says that he treats company leads with the same care that he gives to any lead he generates. In fact, he says, his brokerage's lead system, the Weichert Lead Network, provides him with very strong leads.

Many of the leads given out by brokerages to their agents amount to nothing. But Lawrence says that some of these leads do become new business for the agents who receive them.

"A lead is what you make of it," Lawrence said. "Agents who expect a company lead to turn into a deal in 30 days are missing the point. If they have that attitude, and if they're not going to work with a long-term lead to eventually turn it into business, that lead is lost. But if instead they stay in contact with those leads and work with them, eventually those leads will become clients of theirs. There is definitely a nurturing of leads that has to happen."

A Varied Approach

Powers provides a good example of the many strategies that today's agents use to generate new leads.

Powers uses LinkedIn and Facebook to promote new listings and chat about real estate matters with colleagues. He constantly keeps in touch with his client base, calling his best lead sources at least twice a year. He sends out mailings to specific neighborhoods when he lists properties in them. And he quickly responds when his Lakeshore Partners office sends him a lead that came into the brokerage through a phone call or email message.

Of course, not all of these lead generation strategies bear an equal amount of success. Powers says that the members of his client base generate the highest-quality leads for him. This isn't surprising; these consumers have worked with Powers in the past. If they're pleased with his service, they won't be shy about recommending Powers to their friends, family members and co-workers who are looking to buy or sell homes.

But Powers has had success, too, through mailings and by following up on the leads provided by his brokerage. In fact, Powers says that in 2011 he turned three leads from the Weichert Lead Network into buyers.

"Not all the leads from the brokerage's lead network are people who want to buy now. Some are just thinking of buying. So there are some company-generated leads that you have to work with longer," Powers said. "The key to working with company leads is to respond quickly and then to determine exactly what the people behind them want. Some will want to look at a particular listing. Others have little idea of what kind of home they really want. Depending on how you work with these leads, you really can turn them into business."

Help from the Internet

Successful agents don't forgo the traditional lead generation strategies of meeting in person with their clients or making regular phone calls to them. But they also don't ignore the power that comes from a strong social media and online presence.

Casey Reagan, chief technology officer with RE/MAX Northern Illinois, says that today's top real estate agents recognize just how important their personal websites are to generating new leads. It's why the savviest agents include their web addresses on all of their brochures, listing materials and personal marketing materials, he said.

"Anywhere you advertise yourself, you should be directing people to your website," Reagan said.

But it's not just enough for agents to have a website that touts their years in the business. Agent websites need to provide real services to the consumers who visit them. That's why such services as blogs, when filled with market statistics and advice for buyers and sellers, are so important for agents who want to convince potential clients that they are real estate experts.

Agents should also include extensive information about the properties they are listing on their websites. Potential clients who see such information will be more inclined to work with the agents behind such sites, Reagan said.

"Agents need to provide the consumer with what they are looking for," Reagan said. "That is usually the best property search and extensive property details. It's not enough to just promote yourself. You need to have tangible services that today's consumers can benefit from."

Agents hoping to generate leads from the online world must constantly adapt, too. For instance, a growing number of consumers are doing much of their web browsing through their smart phones, tablets and other mobile devices. This means that agents must have websites and blogs that can be easily read in these devices.

Reagan says that RE/MAX Northern Illinois websites meet this test.

“This allows our agents to promote to existing and potential clients the ability to search, look up listings and set appointments right on their mobile sites,” Reagan said.

Even Degani from Dream Town, who is a big believer in the value of old-fashioned face-to-face networking as the source for the best leads, says that the online component of generating leads has helped level the field for newer agents who can tap the power of social media sites to quickly build a solid referral base.

“In the past, you couldn’t enter this business without having a vast network of people to whom you could turn for leads,” Degani said. “And at that time, there was no easy way to reach these people. The online world affords opportunities for anyone to come into the market and be in front of people. You can create relationships through these sites that lead to referrals. The online world has allowed that to happen.”

Still, even with the help of Facebook, LinkedIn and the rest, newer agents shouldn’t expect to see immediate leads. Powers from Weichert says that it generally takes new agents about two years to develop a client base on which they can reliably count on for new leads.

Degani adds that once agents have this client base, it’s important for them to mine it on a regular basis for the strongest of leads.

“The No. 1 failure I see among agents is that they don’t create a list showing the details and contact information of all the people with whom they’ve done business,” Degani said. “They don’t do the things like call everyone on that list and invite them to a party. Throwing a party for your contacts gives you a reason to talk to the people on your list. You never know who might be ready to buy a new house or who might know someone who is selling. That is the way people used to do business. The online world is a great addition. But you can’t just email people and expect to see good leads.”