

Your Real Estate Lifeblood: Lead Generation

Definition

This is your ability to find buyers and sellers and to motivate them to come to you.

Research Results

We have done extensive research on this every year in several markets across North America to discover the most lucrative sources of leads. The following 2005 results of that research reveal your highest priority, highest return methods for generating leads.

1. The Agent's Spheres of Influence and Past Clients: 50% to 75%
2. Floor or Opportunity Time (In offices that have it) 6% - 20%
3. Ad Calls, Sign Calls: 8% to 15%
4. Internet Leads: 5% - 15%
5. Farming 5% - 10%
6. Open Houses: 4% to 7%
7. Relocation: 2%
8. Expired: 2%
9. Direct Mail 2%
10. Agent Referrals 2%
11. Cold Calling 2%
12. For Sale By Owners: 1%

These are the ranges and averages from many markets. Please understand that I do not favor one over another except for common sense that tells me to favor the ones that provide the highest return on your time and money invested.

Conclusions and Strategies

We teach our Clients that your first priority is to network with their Spheres of Influence and Past Clients. I want to make one thing very clear. I am not suggesting that you call these people every three months and ask for business. Do not do that! It will make most of them avoid you and your calls.

Instead, start with the most recent clients who bought or sold with you. Call them to see how they are doing with their house or their move. Start this immediately after they move in and then decide for each one how often you want to contact them if at all. Then call the people in your Spheres of Influence. Don't start at the top and call down the list. Go through and pick out the easiest to call first. Call them and check in on their lives. If it is natural and comfortable go ahead and ask for business. If it is not natural and comfortable just give them your sincere attention. This effort combined with the direct mail program we coach delivers huge returns. (We customize this marketing campaign for each Agent.)

Your second priority is to be conscientious in your responding to and following up on internet leads, ad calls, sign calls, floor/opportunity time leads. Let's add holding open houses. This group that I call "response to advertising and marketing leads" makes up the second largest source of most Agents' businesses. How you respond and convert these to appointments, listings and sales is the topic of our article on Lead Conversion and a large part of our coaching program if we determine that is a weakness of yours.

The final source of a significant number of leads is Farming. Done right, this marketing effort can bring a steady stream of leads. Once you learn the correct methodology you can expand your farm areas and increase that stream proportionately. You guessed it. We have an article on that too in addition to specific marketing coaching.

I am not opposed to cold calling, for sale by owners, and expired listings except that the data continuously indicates that there is far less business here than in the previous sources. If you have never engaged in an expired, for sale by owner or cold call campaign I say do it for three months. If you generate a good return on your time and money keep it up. If you don't generate a good return, or if you just don't have the personality to enjoy these efforts, stop. At the same time you must engage in the more lucrative lead generating methods above. You must do this simply to leverage your time, energy, and money.

Some Agents are generating enough buyer leads and want more listing leads. Your Spheres of Influence campaigns, marketing, networking, and farming are the surest ways to generate listings.

The fact is that most Agents don't need to work hard on lead generation. Most Agents generate enough leads to increase their production by fifty to a hundred percent. We know this for a fact. Most of our coaching clients increase their production by these margins without a great deal of effort on lead generation. Instead they focus on contacting more of the leads they generate and maintain contact with the leads until they become a client or until the Agent decides to discard them. This way the leads don't simply fall through the cracks of carelessness.

Rich Levin is a nationally recognized Coach and Trainer. His specialty is taking Real Estate Agents and Brokers to their highest levels of production in their business with greater joy and satisfaction in their lives.

Rich Levin is President of Rich Levin's Success Corps. You can contact him at 585-244-2700 or Rich@RichLevin.com

For more information on how our coaching program can help you find, gain and retain leads. Contact us at 585.244.2700 or email Coaching@RichLevin.com.