



The key to marketing luxury homes -- defining and targeting the best prospect groups

By Laurie Moore-Moore

“How do I market a luxury home? What should my marketing plan look like?” Unfortunately, there is no single “silver bullet” marketing plan. Although you might have a basic foundation or list of things you do for each of your luxury listings, your overall marketing plan should be specific to each luxury property just as your property “campaign theme,” headline, and copy should highlight the unique lifestyle each home represents.

To create your custom plan, ask yourself what types of prospects might be likely buyers for the home you are marketing. The amenities, special features, and even the property’s negative features will help you determine the targeted prospect groups you might want to reach. For instance, a home with an eight bay garage should attract a car collector, while a 1000-bottle wine cellar would appeal to a serious wine aficionado. How might you best reach these two prospect groups? This type of targeting will help you determine your most effective marketing approach for a home.

For example, an agent who listed an historic 19th century North Carolina plantation decided to rent a mailing list of wealthy business people (within a two-hour radius of the property) who might wish to use it as a weekend home or corporate retreat. She also targeted people interested in historic properties by advertising in The National Trust for Historic Preservation’s magazine. After researching the history of the property, she developed a story idea sheet and approached the media about doing possible articles about the home.

When the seller told her the property contained one of only fifty antique camellia gardens in the world, the agent worked with the seller to determine how to target serious gardeners for whom this special feature might be a reason to buy. Sure enough, the buyer was someone who wanted the garden -- the house was secondary – and was willing to pay a premium price to own one of the world’s few antique camellia gardens.

“When I listed the home, I didn’t even know what a camellia looked like,” the agent said. “But I was smart enough to know that the antique camellia garden might be a key reason for someone to buy the home. Part of my job was to determine how to reach that gardening prospect group along with several other groups of prospects.”

You’ll also want to evaluate whether your listing is newsworthy, celebrity-owned, or has another hook which might help you generate media coverage or other PR. Might the home

lend itself to a real estate soiree or other special invitation-only targeted event? Are there opportunities to jointly market with other purveyors of luxury products and services?

Start your marketing plan development by listing all the positive features of the property. Then, make a second list of the negatives. These two lists will give you clues as to the prospect groups you want to try to reach. These lists will also help you develop the theme of your marketing. Sometimes the negative list is more important than the positive one in deciding on what copy you'll use.

Recently, an Atlanta agent told me she was desperate for ideas on how to market a luxury property on a nearby lake. The challenge was that the drought in Georgia was causing the level of the lake to recede. What had been a wonderful waterfront property was now on dry lake bed. This created a real marketing challenge. Someone who wants lakefront right now is not a good prospect for this home. But, might there be prospects for whom the low lake might be a reason to buy? Copy for the property brochure might start like this...

Buy before the rain returns!

*The price of this lakefront beauty
will rise with the level of the water.*

The rains will come, buyers will rush back to the lake, and home prices will rise even faster than the level of the lake. Now's your chance to make the buy of the year! The water level may be low, but so are interest rates.

Enjoy this home's fabulous *inside* features today. After the storm clouds gather, you'll love *outdoor* lakeside living. Bring your suntan lotion, water fins, jet-ski, and party boat – you'll need them.

(Go on to highlight the home's specific features.)

You might end with the line -- Let it rain, let it rain, let it rain!

Remember that your marketing campaign theme and specific copy should spring from your list of the home's amenities and negative features. One key question to ask yourself is , "What is it about this home that is different from the properties with

which it competes?” The answer is often a clue as to how you can differentiate your listing and find just the right buyer. You only need one!

In short, the key to successful luxury home marketing is finding prospects for whom the home and its lifestyle are a match. By analyzing the positive and negative features of your luxury listing, determining the lifestyle the home represents, and then targeting the most likely prospect groups, you can make your marketing more effective and get the most value from your marketing dollars.

Steps for creating a targeted marketing plan

After you've analyzed your new listing to determine the best prospect groups for the lifestyle the home represents, it's time to decide *how* you plan to reach those prospects. In other words, it's time to design your specific property marketing plan.

When developing your plan, follow these steps:

1. Start by creating your marketing “wish list” for the property. Forget about what you plan to spend for marketing (at least for just a few minutes). Then, list all the things you can think of which you would do if money were no object. Let yourself be creative and try to fill a page with ideas.
2. Prioritize the various marketing ideas you've listed by asking yourself, “If I could only do one thing on this list, what would I do? If I could do just two things? Three?” Etc...
3. Once you have a prioritized list, determine the approximate cost of each item on the list.
4. Go down the list adding the cost of each marketing plan element. At some point you will arrive at a cumulative cost which represents what you are willing to budget for the property.
5. Draw a line when you reach your marketing budget total. All the marketing ideas above that line become your property marketing plan.

This approach generally leads to a much more creative and effective plan than if you just list the first marketing ideas you think of and then stop because you've fully allocated your budget.

Consider a multi-tier marketing plan or offer additional seller-funded marketing

If you've done a good job of brainstorming the many things you might do to market a property, you will probably have several marketing ideas below the line you've drawn. If that is the case, you may want to consider having the seller fund this additional marketing. Another approach is to develop a multi-tier marketing plan tied to different professional fee (commission) structures.

The sample below is just to jump start your thinking about how you might build a three tiered program to offer to sellers. The ideas under each level will give you a starting point upon which to build a customized, property-specific plan.

The first tier services are priced at what you consider your full fee. Second tier services are full fee plus one percent and third tier services are full fee plus two percent. You may want to "package" the three tiers by giving them names. For instance --Ruby, Sapphire, Diamond.

If you prefer to do a single marketing plan, the first tier program should provide some ideas.

When developing your plan, be sure to start by creating your marketing wish list for the property (all the things you'd do if money were no object), then prioritize the various marketing ideas you've listed, determine what each element of the plan would cost, and decide which elements of the prioritized plan you will invest in at each level of professional fee. This approach generally leads to a more creative and effective plan than if you just list the first marketing ideas you think of and then stop because you've fully allocated your budget.

An approximate allocation of a professional fee is included in the description of each tier. Remember that the professional fee is always negotiable. I have used 6%, 7% and 8% in my three tier example below for illustrative purposes only. Remember this is just a working draft to spark your thought process and start you on the way to creating your own marketing plan.

First Tier marketing services

- Conduct marketing consultation meeting to include pricing recommendation and marketing recommendations
- Create a "property positioning statement" to help identify target prospect groups
- Provide Realtor staging recommendations
- Place the home in the local/regional multiple listing system (MLS) with multiple photographs
- Install lockbox if appropriate

- Plant a for sale sign in the yard if allowed and if appropriate
- Place a brochure box on property (if appropriate) stuffed with nicely done information sheets
- Add property listing on www.Realtor.com
- For homes priced at \$500,000 and above, place in www.WorldProperties.com
- Place property listing on company's website
- Take photographs of exterior views, key rooms, and special features
- Create and reproduce a full color property brochure
- Create and reproduce mini-brochure cards - 200 of these will be provided to seller
- Email color digital flier to a select group of luxury agents
- Create a bound property brochure book to include photos and description of home, area information, school info, neighborhood or building covenants and restrictions (or relevant documents), utility costs, property vendor lists, and other information as agreed upon by seller. This property brochure book will be available in the house for prospect review. Additional copies will be available upon request for serious prospects.
- Offer twice monthly reports on market activity in the relevant area and price point
- Compile follow-up reports for showings
- Host a "broker open" event for area agents
- Work with seller to create a room-by-room showing guide
- Create a digital property brochure on agent's website with website sign rider on yard sign
- Implement additional customized marketing initiatives for the property
- Realtor or Realtor's representative will attend closing

Possible fee allocation:

- Three percent professional fee paid to selling brokerage firm/agent
- Three percent professional fee allocated to marketing costs and to listing brokerage firm and Realtor for professional services

Second Tier marketing services

(in addition to the above services)

- Create a property specific website
- Place a website sign rider on the yard sign
- Have professional still photography done for the home
- Provide one hour consultation with a professional stager selected by Realtor
- Realtor will be present for showings (you can use this service as a "bargaining chip" and choose to provide it as a bonus to the seller by moving it into the list of tier one services.)
- Coordination of "sale ready" seller-paid initiative to maximize property marketability and speed the closing process (to include: pre-appraisal, pre-marketing home inspection, needed repairs, offer two hour consultation with decorator for home buyer)

Possible fee allocation:

- Three percent professional fee paid to selling brokerage firm and agent
- Two percent professional fee allocated to marketing costs
- Two percent allocated for professional services delivered by brokerage firm and listing Realtor

**Third Tier marketing services
(in addition to all above services)**

- Provide buyer's home warranty
- Implement additional marketing budget for customized print, PR, video, event or Online promotion
- Incentive offered to selling agent/firm

Possible fee allocation:

- Three and one-half percent paid to selling brokerage firm and agent
- Two and one-half percent allocated to marketing costs
- Two percent allocated for time and professional services delivered by brokerage firm and listing Realtor

This sample should assist you in developing your own marketing plans; however, remember that this sample is a just foundation upon which you can build a specific targeted plan which is unique to each of your luxury listings.