

THE 5 P's OF MARKETING

ASSESSING YOUR MARKET IS THE ESSENCE OF MARKETING

The age old question for any seller of goods is the same...

- What do my buyers want?*
- Where do they want it?*
- How many, how fast?*
- How much will they pay?*
- **Housing is only different in that we are not able to adjust as fast and our product is the biggest dollar value of all consumer purchases. Thus we are lead to the process to do the very best job we can to get it right the first time.**

The 5 P's OF MARKETING

- **Price:** What will the buyers pay?
- **Product:** At that price point, what features to include and what to do without?
- **Place:** Where do they want to buy this product?
- **Pace:** At what rate (how many, how soon)?
- **Promotion:** How do they know what we have for sale?

OH, YEAH THERE IS ONE MORE P...PROFIT

- The last **P** is really the first!
- Is the Profit sufficient to proceed - that is after all costs, is there enough margin to justify proceeding?

How do we find the first 4 Ps of your market?

One at a time they are:

PRICE

- What will Buyers Pay?
- Aw, let's just mark up our cost!
- Nope, let's price from the market back!

Again, What will Buyers Pay For?

- **Provide excellent perceived value**
 - What to put in, what to leave out
- **Innovate but don't pioneer**
 - The Liability Sharks are circling
- **Buy the best sites available**
 - Can you discount a bad site enough?
- **Don't get greedy**
 - Pigs get fat, Hogs get slaughtered!

PRODUCT

- Build homes for the Market; not what we like, what they will pay for!
- You must know what is really selling and why it is selling.

Pay for good design

Make the PROCESS easy
Coddle buyers, it will make you money

PLACE and PACE

- Place: Location, Location, Location.
- Research, Research, Research
- Study, Study, Study and Study
- Pace: Supply & Demand
- What is available, what is selling

Research, Research, and Research

- **The Internet**
- **Market Reports**
- **Personal Tours**
- **Multiple Listing Service**
- **Advertising**
- **Incentives**
- **Buttonholing**

SO, THERE'S A PATTERN HERE

- When most folks talk about marketing, they seem to forget all the first four “P’s” and discuss models, signage, brochures and advertising, what I refer to as Promotion.
- These first four aren’t glamorous, but are much more important than the last “P” where we seem to spend so much energy and money.
- And, if you do them well, and do a reason-able job of promoting your self, the rest is EASY.

TRUISM NUMBER 1

- *All the Promotion in the world will not make up for the lack of COMPETENCE in the other areas of marketing.*

If, and only if, we have these things in order, do we go on to....Promotion!

The best ***Promotion*** is the referral from a satisfied customer.
If you don’t have a formal organized referral program, begin one now.

PROMOTION includes these things:

- Graphics
 - Signage
- Collateral Material
 - Public Relations
 - Realtor Relations
- Promotional Events
- Media Advertising

These are listed in descending order from lowest cost to highest cost, and, I believe, from most effective to least effective for a small builder.

GRAPHICS

- Start with a logo.
- Set up your graphic standard

SIGNAGE

- Create a distinctive shape
 - A shape that works with your logo
- Use it everywhere.

COLLATERAL MATERIAL

- If you want to sell *Million dollar Homes*, you had better leave something that looks like a *Million Dollars* with your prospect.
- Company Folder
 - some non specific high quality inserts with:
 - your Builder Story
 - you can use for each home you are building spec or custom!
- Create a simple Site Specific Inserts including at least:
 - a clear floor plan,
 - a perspective rendering,
 - unique features of this home
 - location map
- All with your name, address, model name, and model location

Desktop Publishing

- You should at least know *what* you can do.
- Someone to call on with Computer skills
 - preferably in your office; it will save you time and money.

Photographs

- Spend time to find a good Architectural Photographer because Good Photographs tell your story better than a 1,000 words
 - Photographs of unique features
 - Make sure the features that “Position” you in your market are well documented

REALTORS

- They are a Special Category of Promotion because they carry such buyer influence, especially in the higher price points.
 - Realtors may not control what gets sold, but they absolutely control what gets shown.
 - Make sure you get shown!

Cooperate with the Realtor community.

- Get a sales army on your side With no cost to you until a closing occurs.
- The top 20% of the Realtors in your market when they think **builder**, should think of you first. If not get to work.

Have a clear co-op policy

- Clear and Consistent,
- Good Markets and Bad.
- You can Raise Your Price by the Co-op amount, or some portion, but keep a one price policy.

Honor the relationship.

- If most builders in your area don't co-op, you'll be the hero builder.
- And, because you don't pay until closing you manage cash flow, too.

Communicate

- Something written at least once a month
- Visit with them on their turf.
- Join the local board in your market
- What does work to reach them?
 - Open House? - No.
 - Office Tour? - No.
 - Inside Information – Maybe

If you list your homes with a Realtor,

- Set a clear promotional program
 - prior to listing
 - who is responsible for what?
- For that matter ask for a **MARKETING PLAN**

PROMOTIONAL EVENTS

- Memorial Day, Labor Day, July 4th, Halloween, Thanksgiving, Holiday Lights
- Charity Event Sponsorship
- Door Hangers for an Open House.

PUBLIC RELATIONS

- The awareness that *all* we do, in view of the public, influences how people think of our company and the quality of our product.

Get your name out there

- Associate yourself with important newsworthy community activities
- Get to know the media in your community
- When you accomplish *anything* noteworthy, tactfully make sure everyone knows about it. For Example: Being Here.

Consistency

- Keep it going in good times and tough times

Remember though –

- Freedom of the press is guaranteed, but
- ONLY TO THOSE WHO OWN ONE.

You can own a press

- Publish your own newsletter. Electronically.
- If you aren't a good writer, HIRE ONE.
- Make it interesting
 - valuable to your readers-
 - a "brag" sheet, will have the opposite effect
- Your Computer Skills will come in handy here

CIVIC PRESENCE

- GET INVOLVED
 - The local network of business professionals
 - Service clubs
 - Local Popular Charities
 - The local Realtor Board

Membership in Civic Groups

- The influential people in the community
- They influence your Buyers as “spheres of influence”
- They may even be your Buyers
- The added bonus
 - You are contributing something to the community which will be noticed somewhere

SPEAK - If you have the ability

- Speak to all the civic groups
 - Something of specific interest to them.

Host a Chamber Event

- At a spec home...Show ‘em how we build today compared to yesterday
 - or Your **Model Home**.
 - They will appreciate it
 - Get mentioned in the monthly mailer

MEDIA ADVERTISING

- It is expensive, so make it count!!
- Create a distinctive message
- Know where to spend...and where not – Understand “Reach”
- Have a budget and use it
- Repeat an ad that works...until it doesn’t

CONCLUSION

Promotion is Communication

- The Big Guys have BIG budgets... you will need to spend time and get creative to out communicate them!

Follow Through

- All Promotion requires follow through.
- You need to be on the buyer's Mind (or agent's mind) the second the real search begins

One more tip... automation

*You have paid dearly for your prospects Realtor connections,
& "spheres of influence"*

- Don't lose them by forgetting them
- Follow Through by automated communication...letters, e-mail, etc.

REMEMBER...

- Marketing is not just Promotion, and...

Marketing Sure Ain't Sales

- We still need to SELL the prospects we generate, because that is the only act that generates a paycheck. All of marketing is preparation for the chance to face a buyer ...and like the old adage goes:
- Nothing happens until somebody Sells Something