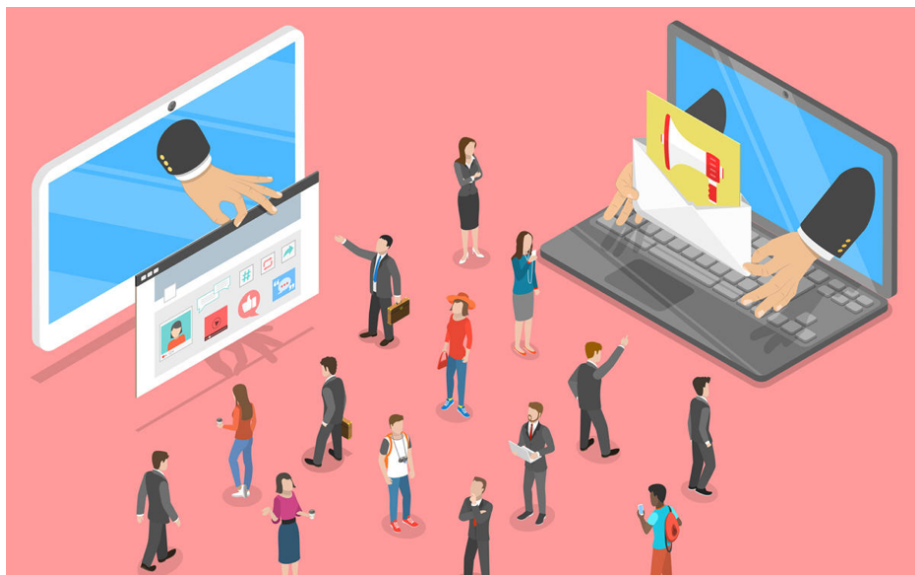


To snag clients, resi brokers are going all in on #branding. But does it work?

Agents are spending more money and time on marketing

By [Meenal Vamburkar](#) | July 25, 2018 08:30AM



Broker marketing (Credit: iStock)

As Kylian Mbappe, Lionel Messi and Neymar were slicing through defenses to bring glory to their respective nations, Alex Lavrenov was curating a list of bars where his clients in downtown Brooklyn could watch the beautiful game. He's previously given away Yankees tickets, and when autumn comes around, he'll offer Thanksgiving pie. None of that relates to real estate — but it's part of how the Warburg broker is **building** his brand.

As they seek to add and retain clients, residential brokers are forced to become more creative in their approach to marketing. In a soft market and changing cultural landscape, that's entailed adopting new technology as well as shifting how they interact with consumers. The strategy treats agents as their own businesses: enlisting personal branding consultants and proactively reaching out to potential buyers.

"All the same opportunities and rules that apply to luxury brands also apply to real estate," said Clelia Peters, president of Warburg Realty.

To that end, Warburg has committed to investing in [personal branding](#) at the individual level. The firm's six-person marketing team creates a brand development plan for each agent. What that means can vary dramatically — sometimes it's focused more on social media and digital tools, and others rely on handwritten notes and dinner parties. There's no one-size-fits-all approach, Peters said.

But the underlying premise is consistent: a self-promotional tactic that goes beyond firm marketing and listings marketing. For Warburg's Lisa Larson, that's meant creating and updating her personal website — as well as hosting cocktail parties and dinners for clients. She tries to have brainstorming meetings with the marketing team once a month. Branding success is difficult to quantify, but Peters noted that Larson has tripled her business in the last few years.

At the same time, firms aren't entirely abandoning traditional channels like print advertising. But gimmicky open houses and broker tours aren't luring buyers anymore. As [Brown Harris Stevens'](#) Mike Lubin puts it: Nobu sushi and a marching band isn't the way to sell an apartment. It feels stale now, he said. And if no one shows up, "you look like a loser." Instead, Lubin has spent more money advertising on Facebook, Instagram and LinkedIn — which can be more targeted. His costs fluctuate, but he believes they're necessary.

To support their agents — and to ensure they stay — firms have had to loosen their purse strings. At Warburg, agents are given a monthly budget, specifically for business development, that varies based on performance. They're generally in the "four- to five-figures range" annually, Peters said. The brokerage — which covers agents' listings costs — has nearly doubled its marketing spending over the last three years. Douglas Elliman agents receive budgets that are a specific percentage of the business they bring in, said COO Scott Durkin. They're free to spend that money however they please, whether it's a direct mail campaign, StreetEasy programs or an open house sponsored by a furniture company. The in-house creative department can help with branding efforts.

Brokers are frequently reaching into their own pockets, too. Warburg's Lavrenov said he realized, "at some point I'm going to have to spend some money on this." While his own budget is a moving target, allotting "about 20 percent of what you make to marketing" is a fair rule of thumb, he said. That money covers

expenses like his giveaways, handwritten cards and the occasional personalized gift.

“Real estate has been done a certain way for so long,” he said. But “if you’re running a business, how can you not be doing this?”

At Stribling & Associates, marketing costs have increased across the board because there are more outlets where [agents](#) want to be seen, a spokesperson said. Agents interested in personalized branding are referred to outside consultants, such as Camilla Papale of Madison Avenue Creative. Papale was previously chief marketing officer at Elliman. When Nicole Grandelli and her team recently redid their platform, they shared the costs with Stribling. Whereas the team previously mostly socialized with clients, “at least 30 percent of our day now is spent on marketing,” Grandelli said.

The tepid market has added a layer of urgency. Sales volume in Manhattan has [declined](#), year-over-year, for three consecutive quarters. At the same time, in the second quarter, the median sales price dipped 7.5 percent to \$1.1 million — as inventory remains abundant. And the rental market has faced a similar trend, with declining prices and rampant concessions.

Against this backdrop, brokers have had to do more to court clients.

“We are inundated right now with inventory,” Lubin said. “Buyers know prices are going down and there’s no rush.”

Because of that, Lubin said he and other brokers are reaching out to peers who may have a suitable buyer for their listings. It’s a role reversal of sorts. Similarly, Larson said she’s been approached by many more brokers this year, which demonstrates the need to maintain relationships within the industry as well.

The newer approaches to marketing are helpful regardless of the market, said CORE’s Danielle Garofalo. But “it’s also to prepare for markets like this. It’s good to have the right things in place.”

At [Corcoran Group](#), one focus has been on response time and automation. It’s about making sure to engage a potential client before they go elsewhere, said Lindsay Rapoport, the firm’s senior director of digital marketing. In practice, that means consumers who fill out forms online will get automated texts before an agent can step in. The platforms for this can provide a simple acknowledgement to more of a conversation.

The firm designated people specifically to educate agents on how to communicate with leads, Rapoport said. It also has a team focused on content, such as blogs, and social media. Instagram “stories,” she said, is Corcoran’s best-performing social tactic measured in engagement metrics like comments.

“Agents didn’t used to have to hire people for these things,” Rapoport said. “They have to realize it’s additional work. It’s not a fun afterthought.”

Tags: Residential Brokers, Residential Real Estate

