

Marketing Secrets

**Simple ideas
to turbo-charge your growth
and separate you from the crowd**

1031 Training

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Introduction

A common misconception that many professionals have is that they will draw customers simply by handing out a few business cards. They have forgotten that they themselves are a business and, like any business, they have competitors and need a plan to compete. Some may be lucky by being located in an area or profession that doesn't have much competition, others may be in a heavily competitive market with lots of competition, making it more difficult to not only attract new customers but even retain the customers they do have.

If the profession that you decided to do business in has low barriers to entry, then not only is there already lots of competition, but over time you can expect even more to enter the market especially with the future trends of business models pointing to consolidation and bundled services. These newcomers will not only crowd the market with competition reducing already thin profit margins, but there will be an attempt to cannibalize already established customers bases making some industries nearly impossible to even make a living in.

That's why we've written this booklet. We know that many of these techniques and strategies by themselves will yield immediate bankable results. But we don't want you to stop there. Eventually, over time and through a consistent and repetitive process, you will see your business explode with new referrals and you will have a steadily growing and loyal customer base.

Where are we now?

Sadly, the public's current perception for professional services in a side by side comparison is that one service is basically the same as the next. The public doesn't seem to see any real differentiating factor which makes one service provider more appealing than another. As a result, the public has come to view professional services as nothing more than a basic commodity and being of equal value. This is why many professionals have come to view customers as being fickle and having no loyalty.

Pull away from the pack!

How does one move from being perceived as being merely equal to their competitors to being actively sought out and winning true client loyalty, repeat business, and a growing list of referrals? You need to create the perception to the public that you are somehow different than the others and separate yourself from the pack.

Brand yourself!

Sadly, most professionals fall into the trap of doing what they see everyone else doing, and they develop an entire marketing plan that feeds the public's perception that "everyone's the same". They do some simple networking, hand out their cards everywhere they go, join a few clubs, offer some free services to a few non-profits, and perhaps place small ads in the local newspapers stating what services they offer. Other than that, they do little more than show up at the office and hope the phone rings.

Using this type of approach is the same as using a shotgun: shoot aimlessly and hope that you'll hit someone and make them your client. Sure, this will work for a little while. You may even land a couple of large clients. But this type of shotgun approach will leave you with a high client turnover rate and force you to constantly seek new ways to replenish the clients you lose to someone else's shotgun marketing.

What you need to do is to realize that YOU are the product that you're offering. Whether you are an accountant, attorney, insurance agent, real estate agent, mortgage broker or financial planner, it is still about you and not the industry that you are in. It is not even about your grades or titles that you hold. The public's perception of someone is far more important than graduating first in your class, holding a special certificate or as my uncle George says, have a string of letters after your name that to the public might as well say ABC or FBI. You need to remember that in all probability your competition has the same degrees, background, and string of letters after their name as well.

Industry consolidation and increasing competition have changed the dynamics of the localized professional market; no longer can you hang your shingle and build a practice with simple marketing techniques. The market at every level is forcing you to rethink *who* you are and *what* you are and how you should promote yourself to your customers. The public is constantly being bombarded with over 3,000 pieces of information every day, and when it comes time to use a service like yours for the first time, do you honestly think that your business card, ad, or announcement is going to make them remember you? Does belonging to some local clubs or donating time to a non-profit make customers seek you out? I DON'T THINK SO. These are things that you are expected to do as a normal part of your business. These should not be your basic marketing plan because everyone, especially in a small localized market, is doing it too!

Above the noise

So how do you have your message heard above the noise of all the other messages? How can you somehow plant a thought in your customer's brain that when a service is required YOU are the one they seek?

The answer to all of these questions is to learn to brand yourself. To create a perception in the public's mind that you have a special attribute which separates you from your competition. Proper branding will eventually lead to enhancing your sphere of influence and an increase of market share while creating a sense of value, regardless of your price.

What separates Ben & Jerry's ice cream from their competition? After all, ice cream is nothing more than frozen milk, sugar, and some flavoring.

What allows Godiva chocolates to charge \$40 per pound while other chocolates made with the same ingredients and just as good charge only \$10.00 per pound?

Both of these products have an image that, over time, has been branded to be perceived to be best of breed in their product class. You have to be naïve though to think that the brand is about the product instead of the product's perception. Millions of dollars are spent by companies to create that special identity and to help customers reach a favorable opinion.

When that product is you and your service, it's even more critical that the branding process be perfected and that the opinion is nothing less than favorable in the mind of the public.

So what is branding?

Branding is a process and it's not easy to sum it up in a simple sentence. What you must realize, though, is that branding is not a logo or slogan, not a brochure or the look and feel of a website, and definitely not an advertisement. Branding is all of these things and more, each a separate component of a larger marketing plan and through consistent and repetitive usage work together with a simple and clear objective, to create a positive identity to the public. As we said, branding is a series of separate smaller plans, many of which, when applied, will yield you immediate bankable results and be considered by many as a successful marketing plan in and of itself while others may have not seem to have any immediate payback. Eventually all these smaller parts will pull together as a larger whole and create the brand.

How do we begin?

We will begin by breaking down the separate pieces of the larger plan into smaller manageable plans that can be implemented separately.

- Your “it”
- Know your competition
- Know your customer
- What industry are you in?
- Target marketing
- Niche marketing
- Who are your clients, really?
- Logos and slogans
- Look and feel
- Value added
- Constant contact
- Seminars
- Free giveaways
- Testimonials
- Feedback
- Expansion and the developing of new profit centers
- Co-marketing and co-selling

The 18 Secrets to Successful Marketing

Study each of the following steps carefully and start working them into your marketing plan. You'll be surprised at the results!

Your "It"

Before any branding process can begin, you first need to determine "IT", i.e., how you want your identity to be perceived. This is probably the hardest of all these steps. If you do not know what you want or need additional information to help make the decision you should read through all the steps to help you find your "IT".

Don't bother picking some quality that everyone else has or that people expect you to have, such as "a caring professional". It is important to use this identity to differentiate yourself from the other competition and not look like everyone else.

Let's consider a plumber as an example. Tony lives in a good size town west of Boston. Tony is 29 years old and single and just beginning to build his plumbing practice. Tony wants to stay local and work within the few towns surrounding where he lives. Tony knows right now that no one even knows he exists or is in business. He understands a great deal about his competition and the perception that the public has of them and of his industry in general. Armed with this information Tony realizes that he can pretty much capture a large percentage of the market within a few short years if he develops a proper marketing plan. Tony wants his "IT" to be "Always available 24/7 when you need me the most". By staying local, Tony also wants the public to know him as a neighbor who happens to be a plumber.

Once you decide your "IT", your entire marketing plan needs to be implemented by stressing the perception that you want the public to know you by.

Here's another example. George has an accounting and tax practice and the number of tax returns he completes has been dropping continuously over the years. George knows that although he is considered to be a capable tax preparer, the local franchise tax return firms are cannibalizing his clients because of price. Rather than competing on price, which he cannot do, George decides that he needs an entire new marketing plan which will change the public's perception of him from an everyday tax preparer to that of a trusted financial advisor who can assist with more than just tax return preparation.

As we discuss the remainder of the steps, we will follow not only Tony and George but also Jean, a real estate agent, and the 1031 Exchange Group to see how they have successfully used these steps.

Know your competition

This may sound simple enough but it is *very* important that you *know* who it is that you are competing against. We do not mean your competition's names and phone numbers, what we mean is that you need to know how the public perceives your competition. Are they considered acceptable, excellent or something else? Do not be scared if there are one or two strong competitors in your market, you can still gain market penetration and begin the branding process by using target and niche marketing plans.

Tony, our plumber, knows that although there are some large plumbing companies in his market, plumbers as a whole have a bad reputation. His largest competitor is considered to be acceptable only by virtue of being in business in the local area for over 30 years. They have never had any real competition, which is evident in their customer service and marketing. All they do is place some small ads in the local papers and drive around in big, new vans emblazoned with the company name and phone number.

George has seen the face of his industry change dramatically over the last five years. Many of his clients started using software for both general accounting and payroll, two services that he had initially hoped to use as profit centers. As these opportunities started to dry up, George relied more heavily on tax preparation. Soon the franchise firms of H&R Block, Jackson Hewitt, and Liberty started to gain market share with the use of lower pricing, and George has begun to see his tax preparation sales slip. He understands that many of his clients who use him need only a simple tax return prepared and are driven by price to the franchise firms. George discovered that many of the other general tax and accounting firms had seen this change earlier and had begun to merge and have started to introduce new profit centers to counter the competition. Many of these larger firms are perceived as being driven by the time clock approach to billing and lack any personal touch. There are a few smaller firms that have stayed small and still continue to maintain a one-on-one approach with their clients but have expanded into other financial services and seem to have a public perception of being small and capable while maintaining a personal touch. George realizes that each distinct fragment of the market has competitors who maintain a decent level of acceptance within the public. George now knows he will need special ways to gain acceptance and quickly build market share.

Know your customer

Each industry is fragmented with many types of clients each having a special need which must be identified and satisfied if you wish to do business with them. You should not attempt to do business with everyone so it is important that you know who your typical customers are and understand their wants and needs which will make the development of a marketing plan easier with results that can yield immediate increases in market share.

Many business people do not even know who their customers are or what makes them tick. Some think that by having a sale or by offering a special introductory package, they can attract new clients who will stay with them, even after they revert back to their regular prices.

Many of these new clients will leave for the next sale from the nearest competitor. Consistent cash flow is important if a business is to survive, and a good business person knows that you need to create a loyal client base – people who are not driven by pricing, but still need to see value in your regular fees.

As a plumber, Tony knew that he had the choice of either dealing with small homeowners and smaller jobs or working with larger real estate developers and real estate property managers that could give him bigger jobs. Tony realized that working with the larger developers and builders as a subcontractor would create a steady cash flow for him, but he would be competing with all the other plumbing firms for these jobs and price would be a deciding factor on who got the job. Tony didn't want to lower his hourly billing rate and didn't like the idea of bidding on every job, and feeling he would be 'fired' after each one was completed and have to start all over again. Instead, he decided that he would go after the smaller mom-and-pop clients and learn everything about them. Tony soon discovered that they wanted someone whom they could contact, not only to schedule a service call, but get some simple free advice when necessary. They also didn't like the idea of paying \$50.00 just to have a plumber show up and just give a quote. They also wanted someone that they could consider a friend, who would show up during an emergency regardless of the time. Tony also realized that many of these clients shopped at Home Depot and Lowes, considered themselves do-it-yourselfers, and would try to fix a problem first and only call a plumber if they couldn't fix it or decided the job was too big or complex for them. Tony knew that many of his clients went the do-it-yourself route because of the reputation of tradesmen as being unreliable and overpriced. Tony also knew that this type of client wouldn't make him bid on a job but would consider his hourly rate a fair wage if he met their other criteria.

George knew that the tax and financial markets were fragmented with many types of clients and each type had special requirements and expectations. Some preferred having one person know all about their financial history, goals, and objectives so that with a simple phone call they could get an answer to any financial question or be pointed in the right direction. Some were price driven only and really didn't need any other type of service except a tax return, so the franchise tax firms were for them. George also knew that many people liked the feel of a large firm behind them and felt the larger firms had more resources to draw from than the smaller firms. George concluded that his optimum client was from the first group - someone who liked the feel of a smaller firm that could handle all his needs and knew everything about his financial goals and objectives. To attract this type of client, George decided his firm needed a complete makeover involving changes to marketing and the development of new profit centers offering bundled services to attract and retain this type of client and make a solid living. The typical client that George was hoping to attract had investments that included stocks, bonds and investment real estate, and wanted someone who could handle other aspects of their financial life or work closely with someone who could.

What industry are you in?

Ask someone what industry they are in and they will probably look at you funny. After all, an attorney is in the business of providing legal advice, an accountant is in the business of providing advice for taxes and accounting. Not knowing who you are is the worst trap to fall into.

Look at the telephone industry, especially Verizon. They are in the business of providing telephone service, right? Wrong, they are in the *telecommunications* industry and provide their customers (both corporate and the general public) with the ability to *communicate*; using voice, data, information, and entertainment with all known delivery systems including both hardwire and wireless. Verizon, as well as their competitors, has created a whole new industry, offering one-stop shopping for all telecommunication and entertainment products and introducing additional profit centers that now allow clients choices for ease of use and reduced pricing.

Look at Wal-Mart – they’re experimenting with offering banking through all their locations. Costco has started to offer real estate and insurance services. We are seeing more and more industries rethink themselves and break the perception of who and what industry that they are in.

It is important that you know everything about your industry from both a local level as well as a national level. You need to know the trends that are happening and what your competition is doing. You need to constantly be on the lookout for new threats and be seeking new opportunities and profit centers that will allow for both expansion as well as survival. Over time, you may even have to change your perception of who and what you are and possibly begin the process of re-branding yourself again.

George, our accountant, realizes that his industry has changed. These changes have been brought on by both the public’s acceptance of small franchise tax-only services and from the mergers of smaller firms to create larger firms that can compete and offer more. George now knows that he is not in the tax and accounting business, but rather in the financial services industry. This industry requires George to offer more specialized personal services and information to his clients. George knows that he needs to change the public’s perception of him from tax preparer to that of trusted financial advisor.

Target marketing

Target marketing, required for any marketing plan to be successful, is a simple strategy of identifying a specific group of consumers who share similar characteristics, needs, and wants within a broader group of consumers and who would be considered your prospective customers. Identifying this segment of the entire market will allow you to narrow your focus and customize your ads to attract these customers with words and slogans aimed directly at them.

When we first decided to add exchanges as a new profit center to our tax and accounting practice, we realized that our target market for clients of this center would be limited to owners of investment property, a smaller sub-segment of all owners of real estate.

Sometimes a target market that you identify may even be too large to effectively market yourself to properly. To gain quicker market share with faster results you may soon find it necessary to limit the size of the target market by reducing the segment even further, using additional filtering techniques.

Niche marketing

Niche marketing is one of the most powerful and easy ways to gain market share. Unlike mass marketing, which is similar to selecting everyone in the target market, niche marketing is the process of locating and identifying a smaller core group of consumers who share a specific trait. Not needing large amount of dollars to reach everyone, niche marketing allows a concentration of advertising dollars to seek out this smaller subgroup of the entire larger target market. The most powerful advantage of niche marketing though, is that this smaller subgroup usually becomes your best and most loyal clients to whom you begin the branding process. Eventually this group with whom you create total customer loyalty will be your catalyst for growth through personal referrals. This group will also be the least price sensitive and not jump because of special offers from the competition. Reducing the larger group to find your niche is not always easy and may require you to learn more than you know about your clients; we'll discuss this later in the section "Who are Your Clients, Really?".

When we first started performing exchanges, we, like every other business, announced our new division to our current clients and to the world at large. We knew that our market was limited to owners of investment property, but what we soon discovered was that of the new clients that used us only for an exchange, most owned five or fewer pieces of investment property and had little or no other financial team to assist them. They thought that using an exchange company with a tax and real estate background made up for not having a financial advisor and we could bring more to the table to assist them. ***Our niche market became smaller owners of investment property that did not have a personal financial team.*** We will discuss some of the techniques that we used to learn more about our clients and, more importantly, how we reached them.

Sometimes your niche market is bigger than you realize.

Jean was a real estate agent with over 20 years experience and saw the competition offering lower commissions and using shotgun-like marketing approaches to attract clients. Jean realized that this trend was not going to go away and decided to narrow her focus to concentrating on buyers and sellers of investment real estate only. Jean decided that the primary marketing tool that she was going to use to reach this market will be the 1031 exchange and the use of tenant in common interests and zero cash flow replacement properties. This limited her to the smallest of niches in real estate, or so she thought: real estate investors looking to sell their property through the use a 1031 exchange.

She soon learned that her understanding of exchanges and her growing reputation not only led to large repeat customers but also to calls from people who had already sold their investment real estate using an exchange from someone other than her and now needed help in identifying solid replacement properties. They were looking for someone who was experienced enough and could easily explain all the pros and cons of using some of the advanced strategies of tenant in common properties and zero cash flow properties.

Who are your clients, really?

Over time many of you will discover that your clients are not who you think they are. If you dig deeper, you will be shocked to learn that they may have even more in common than you think. If you begin the discovery process early and learn as much as you can about your clients, you will unlock powerful marketing information to assist you in reaching this special group of clients and attain your goal faster.

As we stated earlier, when we first decided to add exchanges as a new business center to our tax and accounting work, we thought our market was limited to our accounting clients and to other sellers of real estate looking to perform an exchange. One of the things we did though was track how people found out about us. This enabled us to not only send thank you to the referrer but to learn how they found us and determine which advertisements were working the best. We did have a solid 35% of our clients coming to us from professional referrals but the bulk of our new clients came through our own client referrals. We discovered that many people who owned investment property knew others that owned investment property. What was interesting, though, was that many of our new clients had no one that they could contact for financial advice or planning, no accountant, attorney, or financial planner. Most of them had never even heard of a 1031 exchange. Their real estate agent hadn't mentioned it. They had heard about it directly from one of our accounting clients, who happened to mention it to them as any friend would tell any other friend about something that was good and should be considered. And most of our own clients, we soon discovered, hadn't heard about a 1031 exchange until they attended one of our free client seminars or received a mailing announcing 1031 exchanges.

After digesting all this information we discerned a pattern emerging: the bulk of our clients came to us from either another professional who understood exchanges, was a current tax client whom we'd talked to about exchanges, or was referred to us by a current tax client. What we learned with that little bit of information drove us to learn even more and what we learned shocked us and showed us how to easily triple our business.

To gather more information we immediately began to sample owners of investment properties who had no ties to us. We decided to attend open houses of three- and four-unit investment properties and wait out front to talk to the people who came by. We also cold-called a number of advertisers of "For Sale by Owner" investment properties. After speaking to 182 people, we found the following:

- The average owner of an investment property was 56 years old.
- 54% of all owners of investment real estate had never heard of a 1031 exchange.
- 22% had heard of exchanges but didn't fully understand how they worked.
- 24% had used a 1031 exchange before.
- The average number of investment properties that our clients owned was five.
- A full 48% of them had no professional financial team. They had no accountant, attorney, or financial planner to assist them or explain what an exchange was. Most of them used a franchise tax return preparer or did their own taxes. Many didn't feel that their returns were complicated enough or their financial position warranted any expert advice.

We also discovered that most real estate and financial professionals who thought that they understood exchanges really didn't know anything about them at all! As a matter of fact, they had been misinforming their clients all the time about what their idea of an exchange was. Because of all this misinformation and lack of information about 1031 exchanges, many people who should have performed an exchange didn't and ended up paying thousands in taxes unnecessarily.

These statistics about the real estate industry, other professionals, and the public's general ignorance, was the catalyst that caused us to change our marketing plan. We created a number of both free and paid advertising mediums and made some simple changes to the way we did business that soon had our phone ringing off the hook.

What we also learned later was the other smaller exchange firms just did simple advertising using the shotgun approach. The larger firms however knew these statistics but didn't want what they considered to be the mom-and-pops or smaller clients. The large firms always had their eyes on the big institutional investors who owned hundreds of pieces of property and would be performing exchanges every year. What they didn't realize was that the smaller investors did exchanges on average every three years (we soon figured that statistic out as well) and that some of them ended up becoming large real estate investors.

Discovering this information about our clients was not easy and required over two years of research to complete. The cost to generate this information was minimal; we did it ourselves working weekends and late nights. Putting the advertising plan into action took less time than gathering the information, but the payback was huge. Within six months of the new marketing plan, our exchanges were up 30% and growing.

Look and feel

One of the things that most people do not realize is that when a package arrives or a letter is received or someone visits your web site, this is probably the first time that this prospect is introduced to you or your firm. A first impression is the one that is remembered forever.

Therefore it is important that you chose a look and feel for all your envelopes, letterheads, booklets, and web site that announces who you are and what you are trying to say you are. A sloppy web site says your firm doesn't care and may drop the ball when it counts. Looking at an envelope and even the paper used for the letter says a lot about how you perceive yourself. It should have a professional look and feel and be on quality stock with appropriate printing. We chose to use subtle gold inlay on a heavy cream stock with black print and our logo was columns of a bank. Holding client funds from an exchange in escrow required us to represent ourselves as a strong, stable, conservative company. Look and feel seems like it doesn't yield any tangible results but in reality it is a very important part of the entire branding process. Remember that a picture is worth a thousand words. Check out your competition's look and feel and see what they are using and ask yourself, if I were a potential client what is it they want me to think of them.

Tony considers his van a rolling billboard and as such makes sure it presents his company image in the best possible light. His van is always clean and washed. He makes sure he doesn't double park or block traffic. He also knows that his employees need to have a certain look and feel and requires each of them to wear a uniform, which he supplies, all the time. He also asks them to not smoke on a customer's property, use no foul language, and keep in mind that the client is always right.

Logos and slogans

When I hear the term "golden arches" I think "McDonalds". Over time it is possible for someone's logo to become a symbol of who and what they are and eventually become part of the brand. It is important that you chose a logo that compliments what you are trying to say. Because we are holding clients' funds in escrow, we chose a set of banking columns that we hope represent a sense of stability and trust.

A slogan can say a lot about who you are but can also assist in addressing what it is your business does.

We chose our slogan "1031 Exchanges create and preserve real estate wealth" because of the misunderstanding that exchanges had in the market place. We hoped our slogan would help tell people what we do and what an exchange can do for them.

Tony the plumber chose "Tony's plumbing service available 24/7 when you need me the most", simple and to the point. You need me and I will come.

Your logo and slogan should be on everything that you mail and hand out including giveaways and web site. All of Tony's shirts that he and his employees wear as well as his van have his slogan on it.

Value added

Give people more than they expect because they expect it anyway.

Creating a sense of value for the services you provide to your clients will help prevent customers from asking you to justify your fees or leave you for another competitor who is beating you on price. Sense of value is also an important step in the branding process that over the short term will yield results in terms of referrals and true customer loyalty. We are not talking about giving away expensive gifts, rather we are saying find a way of doing what you do better than your competition. By providing excellent and superior service to your clients and referrals will make your practice seem like a bargain.

Tony discovered early on that when people called with a plumbing emergency such as a broken pipe that was flooding their home or they had no heat in the middle of a deep freeze, he knew that just by talking to them that they were in a state of fear. They didn't know what to do and just cried for help. Tony used this as part of his marketing and branding plan. Tony knew that many of his clients would need a place to stay if they had no heat or water for some time so Tony worked with the owner of a local motel and put together what they called emergency pricing. This gave Tony's customers a full 30% discount on a room if they used it as part of an emergency plumbing service call. Tony also worked up a standard checklist of specific questions to ask whenever someone called with a certain problem. If the water pipe broke Tony advised them to shut off the water main to prevent more damage. If Tony happened to answer the phone himself and he knew the client, he would even tell them exactly where the shutoff was located. Other times he would advise them to also call their oil company (if they had oil heat) because many of his clients had a service policy that cost less than a plumbing service call. In some cases, Tony had even suggested taking out such a policy, and he also did some side work for many of the local oil heat companies.

One of the most amazing things that we discovered about the world of exchanging is that hardly any exchange company sends a representative to the closing of the sale of the exchanged property. Many people had never met a Qualified Intermediary before, as the bulk of the exchanges were done through faxes, emails, and Fed/Ex. Many people never actually met the person who took their money nor had anyone to fully explain the exchange process while at the closing, when it probably counted the most. What most of the other exchange companies did was ask the closing attorney to do all their work for them and offered them nothing in return. Consequently, many closing attorneys have spent hours of additional time explaining the exchange process to some client on behalf of a Qualified Intermediary who couldn't bother to attend. We used this as one of our key marketing tools and committed ourselves to attending every exchange within 60 miles of our front door. It was to our advantage, as the buyer of our client's property will probably want to perform a 1031 exchange when they sell the property later. Think about it: everybody in the room during the sale is a potential client. We used the time while at the closing to hand out brochures, free booklets, and answer questions. 99% of the time we heard the same thing, "I never met a 1031 guy before", then the next words out of their mouth is, "I have a question" or "I am thinking..." or "my client is thinking of selling and doing an exchange." After hearing all the hoopla of never meeting a 1031 person before,

our client is now happy that they chose us to represent them for the exchange and that we are present at the time of the sale. Many of the closing agents liked having us present as well. If there was a problem we could fix it immediately, they did not have to do our work as well as their own, and the closings were performed faster. After a while we started receiving referrals from many of these closing attorneys. Real estate agents and mortgage brokers were also usually present at the closings as well, and they became a whole new group of professionals to which to market and co-market our exchange services.

Not to get technical, but there are certain rules for mortgages and exchange expenses and how they can impact an exchange. We realized that many mortgage brokers did not understand exchanges and advised our clients improperly. We decided to hand out a guide of what to do and not to do when they are applying for a mortgage and cautioned them to make sure they knew these rules and always to call us if they had any questions. Our clients loved the way we got involved up front and prevented them from making any mistakes. Overall they felt like we did a superior job as we held their hand through every step of the exchange process.

Identify your strengths

Any service firm needs to remember that *they are their own product*. Just like a manufacturer uses the benefits of their product's strengths to sell it to the public, it is necessary to identify you and your firm's strengths and use them as an integral part of your announcement and also work it into your marketing plan. It may sound kind of corny but you should list everything at first and then cull the list after thinking how can this be part of your branding and turned into a marketing advantage?

We identified the following strengths with our list:

- Strong tax background
- Owned and developed rental real estate and had our own tenant issues
- Teaching background
- Public speaking background

This list doesn't look very interesting from a marketing perspective but we identified each element in the list and turned it into part of our advertising.

- As landlords and investors ourselves, we understand real estate.
- We can assist you in developing advanced exchange strategies to double or triple your cash flow and even make it tax free.
- We offer free seminars and personal consultations and take the time to help you achieve your own personal goals.
- We can show you how to eliminate or reduce your real estate management headaches.

It was the teaching and public speaking background that was responsible for our electing to do radio appearances and to become hosts of a financial radio show and to develop the public and professional seminars.

Our goal was to continuously tell our story of how we differed from everyone else and simultaneously explain what a 1031 exchange is and how it can help them. We turned these strengths into our premier flyer announcement for our free seminars and to encourage people to call for a copy of our free book. A copy of our flyer is on the next page.

**Let the experts at 1031 Exchange Group LLC
show you how to sell your investment real
estate 100% tax free using
*the best kept secret in real estate.***

**Attend one of seminars and we can personally show you how others
have been using a 1031 tax free exchange to create, diversify, preserve
and protect their real estate wealth.**

- ◆ **Use an exchange to double or triple your monthly cash flow**
- ◆ **Generate tax free rental income**
- ◆ **Purchase the retirement home of your dreams**
- ◆ **Diversify your real estate portfolio**
- ◆ **Purchase higher quality real estate**
- ◆ **Eliminate management headaches**
- ◆ **Purchase a vacation home**
- ◆ **Cash out your equity and create a land bank**

All this and more, anywhere in the United States!

Call us for a free copy of our book

**“1031 Exchanges, a Tax Haven for Preserving Real Estate
Wealth”**

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Constant contact

One of the top reasons that businesses lose customers is from lack of attention. Customers feel they are being taken for granted and being neglected, now that they have become a customer. More often than not, I hear about someone who is shocked that they never heard from their real estate agent after they purchased their home. Keeping in touch with your clients or, as we say, “constant contact”, keeps your name in front of them and continues to build brand and name recognition. Not staying in touch with them causes them to assume you don’t care or, even worse, that you are not a good businessman and soon all your creditability with them is ruined. Remember how hard you worked and the time and energy you put into making them your customer, retaining them with an email newsletter and other contact techniques is less costly than replacing them with new customers.

Not only are newsletters useful for keeping in touch with your current clients, they are also a powerful tool to send prospective clients. Every time someone calls you or your firm, you should not only trap their information (such as telephone number and mailing address), but tell them that you have a newsletter and ask if they would like a copy of it and get their email address.

Why email newsletters? Email newsletters are the easiest and least expensive tool to achieve personal contact. The other advantage of them is that they are non threatening and most people do read them. If used properly though, newsletters can be a marketer’s dream come true. Imagine being given the addresses of a group of people, who are your target market, want to do business with you and read everything that you send to them. That is in essence what a newsletter is, a platform used for farming both new and current customers, to build brand recognition, make announcements of new products, services or upcoming events and as a place to show your expertise with articles, tips and hints.

We use email newsletters as a way to keep our clients, referring partners, and potential new customers abreast of the latest exchange tax rules and ideas for advanced exchange strategies using different replacement type properties and simple tax planning. To keep the newsletter from being boring, we include articles and information about places to go, reviews, general tips, and where to get things for free or with deep discounts. We have also used our newsletters as a delivery platform to announce new seminars, free booklet giveaways, places we will be attending such as a home show, and our radio show schedule. Many clients that read this usually tell friends to listen or to attend the seminars.

There are professional firms that can assist you with newsletters. I strongly suggest that you do not use a simple template program that everyone else is using. Make sure you can add custom content to personalize the newsletter and make yourself different than everyone else.

Seminars and workshops

If there is one marketing tool that shines above every other or if you made me pick just one thing that I know will explode your business, it is hosting free public and professional workshops and seminars. Notice I said *free*. There are a group of individuals who say you should charge for these, but I do not believe in charging.

Seminars are a perfect forum to attract potential customers, interact with old clients, and network with professionals that complement your practice. Seminars are really nothing more than an event that gives you your potential customer's undivided attention. After all, they took time out from their busy schedule to attend. It is a showcase for you and your firm to show your expertise in a specific subject matter, let new potential clients meet you in a non-threatening environment, and make announcements about your new divisions or to cross-sell new products or services. Everyone that attends a seminar should leave with lots of free information, not only to remember you by but to give to other friends whom they know could use your service.

A seminar can be held by you as a single firm event or may even be held jointly with other networking partners or firms that complement your services. Everyone can use these events to invite their own clients as a way to inform and cross-sell or as a heavily advertised event to gain new customers and create public awareness.

We've used seminars extensively to grow our business. After learning about the lack of exchange knowledge among the public and the misconceptions about exchanges in the market place, we knew that seminars were a necessity. They were required not only to showcase our expertise and extensive knowledge about exchanges but to educate the public about exchanging and the opportunities they offer.

After a while we had people calling regularly asking when our next seminar was being held. We also used seminars as a tool to help our partners. We always notified real estate agents, accountants, and attorneys about our seminar schedule so they could attend or invite their own clients. We had many real estate agents actually show up and bring potential sellers of property to our seminars to learn how an exchange can help them and to aid them in getting the listing. We produced another type of seminar that was customized for professionals. For accountants we created a seminar to explain exchanges and their tax implications and how to fill out the required IRS forms for exchanging. For real estate agents we put together a creative marketing program showing them how to use exchanges to make an additional \$100,000 per year.

You've probably never thought to link seminars to plumbers, but Tony discovered seminars to be the perfect forum for him to meet and network with the public. Tony created a series of how-to seminars that he marketed to the general public and even to other tradespeople as well. In his seminars Tony would pick simple topics and, with actual hands-on training, show people the proper way to cut, smooth, and solder copper pipes, handle PVC plastic pipes, and replace washers and fix leaky faucets, toilets, and many other things that everyone should know. Tony also discussed ideas such as building a French drain system and showed them water-saving products and ideas. Tony co-marketed these events with the local hardware stores who announced the events at their

store for a month in advance. They even allowed Tony to hold the seminars in their parking lot. The day of the event and for a week before and after, the hardware stores would offer discounts on all plumbing supplies. Tony even brought T-shirts with his logo and slogan and gave them away. He brought ice cream and drinks as well, knowing that some people would show up with children. This not only reinforced Tony's expertise as a plumber but gave him the image of a neighborly type of guy who really cared and just happened to be a plumber.

The hardware stores saw the success that Tony produced with the seminars and workshops and decided to do their own for painting. They gave hands-on workshops to train people how to do faux painting, the best brushes to use, etc. and the sales of their paint and painting supplies eventually increased by 25%. This is something that we now see Home Depot doing on a regular basis as well, knowing they market to the do-it-yourself crowd.

Testimonials

There's an old saying, "Getting someone else to blow your own horn will sound a thousand times louder than if you blew it yourself."

If you have an office or website that people visit, then you should have a section of a wall in the waiting room of your office or an entire page on your website highlighting customer testimonials. Or if you give away information, you should include testimonials in your giveaways. Testimonials usually sing your praises and should be considered a powerful tool that complements your branding and generates new clients, and should be an integral part of any marketing program. The public is usually skeptical about someone they have not done business with yet, and letting them see how others in their peer group see you and feel about you can change even the most skeptical person or sounds-too-good-to-be-true attitude. Never use made-up testimonials. Even the most skilled copywriter can rarely make up a testimonial that can match the sincerity and credibility of genuine words of praise from a real customer or client.

If you do any type of radio advertising, try to get spoken testimonials from real people who live in the area. Such testimonies add the most believability and generate many new clients. A number of website marketing gurus are now suggesting that you add 30-second audio clips of testimonials to your website as well.

Feedback

If anyone really wants to know what is going on in their business, whether or not they're doing a good job, and how they're perceived in the market, they should ask their clients. Your customers have an understanding of the market that is better than you think they do. They're familiar with your competition and are aware of changes and trends taking place in the industry and should be considered an invaluable source of information. Many times you may think everything is going fine only to discover – sometimes when it's too late –

that your business has serious problems. It's important that you make feedback part of your operation and integrate it into your marketing plan.

Think of feedback as a tool that, when used properly, is a way to strengthen relationships with your current clients, increase your perception in the marketplace, and generate new clients. Feedback may reveal problems that can be easily fixed or even expose severe problems that could prevent a possible lawsuit. Feedback may even show no problems and be proof-positive that everything is functioning smoothly. Feedback can also present new opportunities for new products or services to increase market share, create additional profits, and pursue new markets. It is important to remember that most customers usually do not call to give feedback unless asked. Customers feel that if you do not care enough to know what is going on in your business, they should not care either and feel if you fail it's your own fault. It is possible that you may have customers who will never use you again and you don't even know why. Finally, upset clients can be a source of bad publicity that no one can afford.

Feedback can easily change your client's perception of you from one that is okay or even bad, to that of a firm that listens and cares about its clients and cares about *me*, their customer, and that inspires true loyalty.

Calling your customers on the phone can discourage honesty from the client. Sending a form that allows them to remain anonymous and including a self addressed pre stamped return envelope can encourage people to take the time to fill it out with straightforward answers. Ask for general information, no details. Only if they have a problem should you have them give the details and always have a section asking for suggestions on how to increase customer care and expand your offerings to include other products or services they would like to see offered.

Personally we've found feedback to be very valuable. For example, it was our clients who informed us that there was a lot of confusion about taxes with capital gains and the rules of primary residence exclusions, and that prompted us to create two additional books that we now offer for free. Our involvement with replacement properties stemmed from feedback that told us very few people (even professionals) understood 1031 exchanges especially when coupled with advanced replacement property strategies using tenant in common interests, zero cash flow and triple net lease properties.

Giveaways

Nothing makes customers happier than getting something for free. And nothing should make a professional happier than giving away something to customers and prospects, especially if it has his name and phone number on it. Many businesses give away items, but few take the time to *use* the item as a marketing tool and a way to build perception. Most business giveaways seem to be the same as everyone else's: little or no thought is put into it, it's delivered by mail, and it usually ends up in the trash. I receive no fewer than six calendars a year from friends in real estate. After looking at them for one minute I can determine those who put no thought into their purchases and those who come across as cheap and not caring.

Sometimes giving something away can cause more damage than doing nothing at all. For some reason everybody looks through the same booklet that offers promotional items. These items do not have a long life expectancy and are usually cheap. The only thing I purchase from those types of companies is pens with our company name and phone number on them because I consider them a usable “business card” and not a giveaway. Not everyone has lots of money for giveaways and you may have a limited budget. The best thing to do is to think outside the box and try to make your giveaway be something of a perceived value that your client can put to use or as a way to make people feel better. Both of which can be used as marketing tools but try to make it *memorable*.

We decided our giveaway should be educational and so we created a 22-page booklet on exchanges, coupled with other information, and we named it our “educational package”. We hand these out at seminars, and all our advertising has integrated this giveaway as part of our marketing plan by inviting people to call for their free copy. The booklet and package has emerged as our primary tool to generate new client interest, educate and as a way to brand us as experts on the subject of 1031 exchanges. We also encourage cross-marketing with other professionals that complement our business (such as real estate agents, mortgage brokers and accountants) and let them brand the front of the booklet with their name and the words “Compliments of”. This gives our partners a giveaway at no cost to them and offers an opportunity to pre-promote exchanges with a useful marketing tool. It also helps our partners to close more deals, make more money, and make their clients happy by saving taxes – *and we get the referral*.

Tony the plumber does 70% of all his business within his town and four other neighboring towns. This limits the areas in which Tony has to spend marketing dollars. As a result Tony enters every local Town Day parade and has clowns walk next to his van handing out candies and, every once in a while, throw T-shirts with his name and slogan on them to the crowd. Tony feels his participation and giveaways cause the public to perceive him as a neighbor. Tony has also joined a number of non profits and not only donates free plumbing services but also assists in raising funds for them. Whenever any of the non-profits had an event, Tony sponsors a pony for the children to ride or a clown to entertain at these events.

Whenever Tony hosts a seminar or workshop he provides free ice cream and soda to everyone who comes. Tony didn’t want to just give away stuff that everyone else felt required to do, such as a calendar, calculator, or pen. He considers most of these items to be cheap and don’t make a good impression. He likes the idea of having his clients and their children entertained by clowns and getting free ice cream as being much more effective

Expansion and the development of new profit centers

There are some people who believe that you should never venture into other areas but instead stay where you are and become a master of your profession. This may have been true years ago but market conditions, competition, client’s demands, and the need for economic survival may force you to seek diversification into other areas and markets. Diversification not only adds stability and profitability but can also help you deepen and

expand your relationships with your current clients and become a springboard to new clients. Even if *you* don't want to diversify, be aware that your competition is doing so.

It is important that you chose to diversify into opportunities that compliment your current customer base and industry. Wal-Mart has recently begun to venture into banking and soon we will see them offering mortgages, Costco now offers real estate services, and banks are entering the life insurance and financial products market. Many insurance companies now offer mortgages and sell real estate, and real estate companies have added mortgages. Many industries have found it necessary to rethink what they are and the services that they sell due to new and existing competition and technology. The accounting and payroll services offered by accounting firms have been devastated by the introduction of cheap do-it-yourself software, and franchise tax firms are beginning to eat into the tax preparations industry, forcing accounting firms to be the first major service industry to diversify to survive. Many times you not only have to diversify to compete, but just to keep your bottom line stable, because of rising expenses and lower prices resulting from increased competition.

A recent study expects the face of the real estate, accounting, and financial services industry to undergo a major transition over the next ten years. They expect consolidations of firms to begin shortly, in an attempt to grow by purchasing their competitors. This is thought to give them the ability to operate more efficiently and to lower expenses by achieving economies of scale. Lowering costs through consolidation, though, leads many industry experts to think that lower prices will soon follow and the smaller firms and sole proprietor will see margins squeezed to the point where it is impossible to make a living anymore.

The biggest change expected to come is that of the large financial companies beginning the process of cross-selling by offering new products and services from their own newly created subsidiary companies termed ***bundled services***. They will be offering products and services in direct competition to us, except they will have massive marketing money and, more importantly, the names of thousands of past clients. They will not only offer these new services but in all possibility, offer them for less, putting pressure on prices again. Most financial services have a low barrier to entry and will allow these larger companies to test the waters with a minimum amount of money. The experts expect them to use mortgages as the key product and then branch into insurance, financial planning, stocks and bonds, and real estate. With the exception of some banks that offer life insurance, this business model has yet to live up to its full promise but with so many institutions trying to make it work, but it is just a matter of time until it is perfected.

Cross-selling products to your current client base enables you to provide your customers with not only a single point-of-contact purchasing system, but also a one-stop shop that can handle all their needs. There are many customers who would prefer to just pick up the phone and have everything done all at once. The other advantage is that by offering complementary services and products, you can assure your clients that all the separate pieces will be done correctly and professionally and possibly at a lower price.

Introducing new products to your current customer base almost guarantees a minimum amount of business for that division but you can also use it as a tool to grow your primary business by attracting new customers with the new services.

As we saw earlier, Jean began to offer 1031 exchange seminars to help her to get listings of properties to sell. Initially, she thought that her own clients would purchase the more advanced replacement properties that she spoke about at her seminars. But soon she started to attract people who had sold their home through an exchange and had not used her to sell their property but now sought her out to help purchase replacement properties. Thus, Jean became a specialist in replacement properties for 1031 exchanges.

George's wife had acquired her real estate broker license many years ago and was already selling real estate with her own firm. George decided to diversify his tax practice into 1031 exchange services and, with his wife, offer replacement properties. George immediately put together a seminar for both his own tax clients and his wife's real estate clients. In these seminars he stressed that the team of him and his wife had an extensive background in taxes and real estate and could service all their needs. Soon he picked up tax clients from people who had performed 1031 exchanges with other exchange companies but found their own accountants lacked the knowledge to complete IRS Form 8824. At the same time, George's wife was receiving calls from sellers of real estate who performed exchanges using someone other than her and her husband. Now, because of her and her husband's knowledge of advanced exchange strategies and replacement properties they wanted to engage her as a buyer's agent to assist them in finding replacement property. George is branding both he and his wife and using a team approach to stress that they have more depth to assist people with all their tax and real estate needs. George is also exploring adding insurance and mortgages to their joint companies and is continuing his education by taking some financial planning courses.

Co-marketing and co-selling

One of the biggest trends within the financial services and real estate industries is co-marketing – complementary businesses *jointly* working together to offer both public and private seminars to increase market share. If used properly, co marketing becomes a powerful tool, allowing everyone to benefit. Having access to each other's database of clients for marketing purposes has many advantages. It allows you to not only offer more events, split costs, and keep in contact with your current customers, but at the same time attract new clients from your co-marketers' databases as well as their clients' friends and the general public.

We have seen many mortgage companies offering first-time home buying seminars which are usually co-sponsored by real estate agents and real estate attorneys. This is a great forum that allows someone to attend and get answers to almost any real estate question on home buying. I have attended some to get ideas and have even seen information about insurance and home inspections being offered as well.

We have performed many joint seminars with complementary companies. For example, a number of real estate agents asked us to offer a seminar about 1031 exchanges to their

own clients in a closed, by-invitation-only, event. Because everyone at the seminar was already a client of the firm, they included a free dinner as a super giveaway. The event was very successful with four homes being listed and sold as a result of the event.

We have worked with many mortgage companies that offered a 1031 exchange seminar and invited all their clients who purchased investment properties. Along with information about exchanges, there was a real estate agent that spoke about the future of the local real estate market and the new types of mortgages available.

Jean realized that many of her clients were going to purchase future retirement homes with their exchange proceeds, so she decided to create a referral network of real estate agents in the top retirement destination areas and to refer her exchange clients to them. She worked out a system where she would send the real estate agents the names and addresses of her clients, with their requirements as to the type of property and price range they were seeking. When her clients arrived to look at properties, her referral network assisted them in finding a place to stay at either a local B&B or hotel. The agents also picked up many of her clients at the airport and had an itinerary of property to look at already lined up. Jean used this service as part of her marketing plan, adding value to her services and solidifying her relationship with her clients. Jean could also receive commissions and referral fees for any properties that her clients purchased.