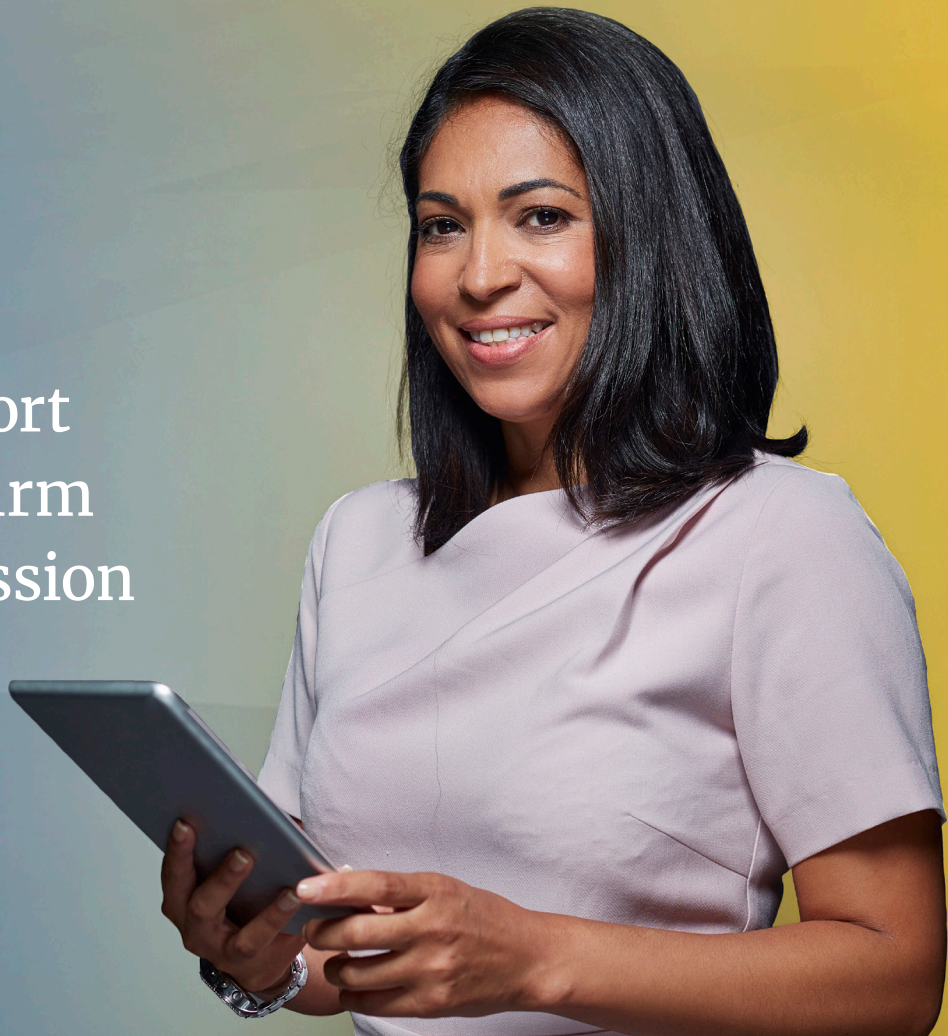




4 Proven

Strategies to Support Your Real Estate Firm in a Housing Recession



It's no secret that the housing market has shifted unfavorably, the news is impossible to avoid. The data is painting a picture that the near-term future of the housing market will be bleak. Rate hikes that **don't appear to be slowing** down are discouraging would-be sellers from listing their property, and many homeowners are unwilling to trade up or trade down after locking in historically-low mortgage rates in the recent boom years. There's an increased need for more new-home construction to boost supply, but as mortgage rates keep increasing, a boosted supply may still not be enough to combat the inflated marketplace.

With shrinking inventory, sellers who are afraid to list and rising rates simply pricing more and more Americans out of the market, agents are going to have a tougher time winning new listings, which will in turn impact your bottom line.

What are you doing to support your agents in this challenging environment?

This paper will discuss how brokers like you can prepare for what's ahead, and offer recommendations every broker should implement today to ensure you're ready to take on any market challenges that may occur during these uncertain times.

Prepare for the housing market recession with best-practice marketing strategies:



Target your advertising based on demonstrated behaviors



Scrape your database for repeat and referral business



Optimize your marketing spend by fine tuning your channels



Present best-in-class advertising as part of every listing presentation



This is the worst time to cut your ad budget

It's not unique to real estate: When businesses begin to see declines in revenue, they take a hard look at expenses, and make cuts. We're seeing it all over the industry right now, with layoffs being all too commonplace among some of the country's most successful firms. It makes sense for a business owner to streamline by reducing overhead, and oftentimes that also means slashing marketing and advertising budgets, which are commonly viewed as discretionary expenses.

If this aligns with your line of thinking, you need to revisit your strategy. Marketing shouldn't be viewed as optional, but rather as a "good cost," essential to bringing in revenue from key customers and referrals.

In fact, building and maintaining a strong brand—one that your customers recognize and trust—remains one of the best ways to reduce business risk. As a broker, you should be encouraging your agents to lean into marketing, not away from it.

While your advertising spend may not generate as many new listings as it ordinarily would, as other firms pull back their budgets, you can position yourself to come out on top. If your firm is the one keeping agents in front of potential clients, when the market begins climbing again, you will have set your firm and your agents to be at a competitive advantage.

It's tough to watch the housing boom we've experienced the last few years fade away, but the reality is that as a real estate leader, you've likely been through this before. In the end, you'll be okay, but you need to learn from the past and set yourself up for success down the road. The current housing market gives brokerage leaders a window of opportunity to differentiate themselves against competitors by impressing seller clients and helping agents market themselves better.

Targeted advertising will reap long term benefits

In order to succeed in this nightmarish market cycle, your firm needs to maintain focus on reaching the right consumers. Ensure your marketing is targeted to the right people, at the right place, at the right time: don't waste money and valuable impressions with a spray & pray approach.

- ✓ **Right People:** Today's digital marketing tools allow you to reach potential clients based on browsing behaviors. Adwerx, for example, targets consumers who have demonstrated interest in buying or selling real estate through their browsing history: activities such as looking for listings online, using online mortgage calculators, or researching moving companies.
- ✓ **Right Place:** Nothing is more fundamental and proven to be successful than hyperlocal marketing. Don't blanket large areas and hope for the best, reach specific radius' or zip codes where your agents are doing business. This, overlaid with the behavioral targeting mentioned above, can put your agents in front of consumers who are ready to make a move.
- ✓ **Right Time:** Because digital advertising offers you the ability to target consumers who have shown demonstrated interest in the services you offer, you can feel more confident that your dollars are being spent strategically. There is no proven way to know who is driving by that billboard, sitting on that park bench, or viewing that yard sign, and certainly no way to guarantee the right people, who are interested in buying/selling happen to be passing by. These out of home (OOH) advertising methods are costly and often times ineffective. If you have the majority of your ad dollars invested in OOH advertising, consider reallocating to digital.

Plus: do not waste valuable ad dollars on driving leads that won't convert for your agents! According to NAR, **the typical REALTOR® did not receive any business through paid third-party lead generation.** In fact, **65%** of all REALTORS® reported winning no business from this channel.

Go back to basics: dive into your database

Even if spending more on marketing isn't an option for your business, there are ways to intensify your agents' exposure to potential clients. Spend some time in your CRM and get in front of your database. If you have a large one, you'll often find a good amount of business available. It's certainly possible that in the hustle and bustle of the last few years, when business was walking in the door, your agents slipped on keeping up with past clients and referral sources. But, no matter what is going on with interest rates or consumer interest, reconnecting with those who have been loyal to your firm in the past can be enough to get you through a market slump.

Every year the data shows us that staying in touch with past clients, and your sphere-of-influence, can be your surefire way to not only survive challenges, but thrive and grow your business. With up to 75% of business coming from repeat clients and referrals, agents need a plan to stay in front of these key contacts.



Fine tune your marketing channels

In the spirit of reducing unnecessary costs, consolidate marketing efforts to the channels most strategically important for your firm. Consider:

- ▶ **Where are you getting the best results?**
- ▶ **What is the easiest way to get up and running without taking agents away from other valuable activities, like serving your clients?**
- ▶ **What are your competitors doing?**

Don't skip out on digital

According to NAR, [41%](#) of recent buyers' first step in the homebuying process was to search online. As their hunt for a new home progressed, a total of [97%](#) used the internet at some point in the process. Consumers depend on the internet for day-to-day tasks like research, digital transactions, and communications, and real estate leaders should expect a continuous increase in homebuyers searching online.

Take advantage of this digital shift by building your firm's brand presence online, and encourage your agents to do the same.

Combine with email for increased ROI

Email marketing offers the best value of all available marketing channels, as it's highly affordable, and highly effective. According to recent [email marketing data](#) released by Litmus, email consistently delivers an unmatched return on investment.

A well-thought-out email marketing strategy increases your chances of delivering a strong ROI. Once you realize this return, you can increase spending and allocate money to different parts of your business.

Keep your sellers happy

Once you've seen the fruits of your labor and get new clients in the door, ensure your agents are set up with a robust marketing plan to give their sellers confidence that your agent is the right one to help sell their property. Don't forget, the last few years sellers have experienced multiple offers, often coming in the day the property was listed for well over the listed price. Today's sellers may have unrealistic expectations regarding their home's value and ability to sell given the craziness of the last couple of years.

Your agents are going to have to work harder to demonstrate that they have a full marketing playbook in place to get the home advertised and in front of potential buyers.

Tips for marketing the seller's home online:



Use video:

real estate property listings with video received a **403% increase** in inquiries compared to property listings without a video.

Advertise the property online and retarget the seller:

automate ads for each property your agents win and add your seller clients to the campaign. One study showed a **35% increase in listings won** for agents who received this advertising from their brokers.

Recap

1

Focus on targeted reach

65% of REALTORS® see no business from lead gen tools.

2

Reconnect with your database

Up to **75%** of business comes from repeat clients and referrals.

3

Consolidate your marketing

97% of home buyers use the internet in their home search.

4

Focus on impressing sellers

Agents who receive listing automation from their brokers see a **35%** increase in listings won.

In times of uncertainty, there is always a light at the end of the tunnel. Over the next several months, your competition will likely be cutting their advertising spend because of this downward economic cycle. But, history has shown that increasing marketing during these cycles can pay off generously in the future, and we know enough about the housing industry to know it always bounces back. The conclusion is clear: if you're able to continue spending on advertising, right now is the best time to do it.



<https://go.adwerx.com/talk-to-sales>

About Adwerx

Adwerx delivers personalized digital advertising for more than 500 enterprises and 400,000 individual customers. Scalable for real estate and mortgage firms of any size, Adwerx enables brokerages to deliver completely frictionless, strategic services to their agents and loan officers while boosting their brand, and increasing **retention** and **productivity**.

The customized ads feature brokerage branding, the producers' headshots and contact information, and appear across popular websites, Facebook and Instagram, mobile apps, and streaming TV.

Adwerx's platform is fully automated, always-on, and requires no additional work from the firm or the producer. This helps keep existing agents and loan officers happy while making it easier for brokerage leaders to recruit new talent with a service that works to help grow their businesses. Learn more at **adwerx.com**.

