

## Targeting Neighborhoods

A Special Report on Targeting Neighborhoods



You go to their barbecues, watch their kids from time to time, and run into them at the community pool. You have developed a sense of community together, and some of them may even be your closest friends. But do all of your neighbors know what you do for a living, and how much help you can be when they are in need of your particular services? If the answer to this question is a flat “No” (or even a hesitant “I don’t know”) you should probably start thinking about marketing to your neighborhood.

If you’ve got your neighborhood covered, you might want to consider marketing yourself in similar neighborhoods or in those communities you have a competitive advantage in. Targeting neighborhoods allows you to build trust faster and more easily than other marketing because the residents know you’re a member of the community.

### Choosing a neighborhood

Prospecting a neighborhood can be highly profitable and rewarding, when done consistently and over time. First, though, you want to determine which neighborhood(s) you are going to focus on:

- **Start in your own backyard.** Targeting your own neighborhood is a great place to start prospecting for new clients. Many times, there will already be some personal connection with your neighbors, no matter how small, and human nature tells us that people would prefer to do business with someone they know over a perfect stranger. Also, you have a natural competitive advantage since you live in the community and know the features that make it unique.
- **Stay close to the office.** Did you know that most clients live within 2-5 miles of their insurance agency, according to Health Insurance Underwriter Magazine? Whatever profession you are in, if you’re not contacting the neighborhoods surrounding your office, you are letting a wonderful opportunity for new business pass you by. After all, people like to stay close to home!
- **Look for subdivisions.** An ideal subdivision would have 500-750 homes, although your budget will really determine the number you can consistently market to. Know who your competition is – if there is another agent that already has 20% of the market share you may want to consider a different neighborhood. Finally, you want to make sure the turnover ratio is not below 12-15%: turnover ratio = total number of homes / number of closings per year.

### Getting Started

- **Get to know your neighborhood.** Become the expert on your chosen target neighborhood by previewing current homes in the area and learn the features and benefits of the various models.

Also, don’t forget to collect these important statistics for the area:





- Names and Numbers of Subdivisions
- Total Number of Homes
- Total Sales in Previous Year
- Turnover Ratio (see above)
- Total Sales Year To Date
- Model Homes and Square Foot Range
- Neighborhood Features, Benefits, and Amenities

• **Build your list.** Your local title company should be able to provide you with a packet that gives you detailed reports about your neighborhood in an easy-to-use electronic format. From there you can import the data into your contact management system for mail merging letters, mailing labels or addressing envelopes.

### Marketing to neighborhoods

Marketing yourself to a neighborhood involves becoming the local expert about that community. Here are some ways to contact this niche while showcasing your expertise at the same time:

• **Monthly mailings.** Send a high quality monthly mailer with information about local activities and events. For example, include a local recipe exchange, community calendar and news, local job postings and classifieds, district school information, and fun things to do with kids in the area. Also, don't forget to send Just Listed / Just Sold postcards every time you list or sell a home in the neighborhood!

• **Valuable offers.** Offer something of value to get prospects raising their hands in interest. Host an educational seminar at a local library or elementary school, or offer to mail them informational custom brochures regarding industry news affecting their neighborhood. The more value you can provide with your marketing, the more trustworthy and experienced you become in their eyes.

• **Walking.** Taking the time to walk a neighborhood accomplishes a number of things: it lets you get one-on-one face time with your prospects, increasing the likelihood of recognition later on; and it shows your dedication to the community. Bring some door hangers along with helpful housekeeping tips to leave for those not home (and, for those that are!).

• **Keeping it personal.** When placing "For Sale" signs or holding open houses, be sure to personalize the signs with your contact information. When you do list or sell a property in the area, call the entire neighborhood or knock on 30-50 doors to get the word out. Make your presence known by involving yourself in local community activities, such as sponsoring a neighborhood garage sale or helping to establish neighborhood watches. Finally, don't forget to celebrate holidays with the neighbors, such as by handing out yard flags for the 4th of July or pumpkins for Halloween.

Again, the key to prospecting is to maintain consistent, frequent contact over a period of time. While it can take a couple of years to receive up to 75% of a new area's business, isn't it worth the potential profit?

