



SETTING A MARKETING BUDGET

You Can't Manage What You Don't Measure

Your marketing budget will depend on your income and the support/resources you have available. Many Realtors® use the 10% rule (spending 10% of your commission on marketing) as an easy way to carve out marketing dollars. It also depends on where you are in your Realtor® journey. New agents may struggle to find \$300, while tenured others may spend anywhere from 12% to 20% of their income on marketing. And then others spend upwards of 30% or more in a specific time period, especially if they are trying to hit ambitious growth goals.

What do other Realtors® recommend?

Jessica Lamker, Prior Lake (Edina Realty): I'm shooting for 7-8% of my gross revenue for marketing. 2019 was my fourth year in real estate, and my budget was based on actual tactics. With the uncertainty of 2020, the business plan strategies did not change, but some tactics were adjusted. Our team never stopped advertising in three local newspapers, where we committed to four spots per month for 2020. We also sent neighborhood newsletters, and Just Listed, Just Sold cards to a targeted area. There's a business adage that you can't manage what you can't measure. Each month, I'm tracking the results of every tactic, from the money spent, to the phone calls generated.

Brandon Johnson, Alexandria (Coldwell Banker Crown Realtors®): I spend around \$1,500/month on online advertising and lead generation.

Brandon Johnson's Top 5 Tools for Promoting Listings

- 1** **MLS** — the amount of exposure through our members and affiliate networks websites is massive for Sellers.
- 2** **Facebook** — with the average age of a home buyer being mid-forties, this is also the prime demographic of Facebook. Ads are easy to setup and run for effective results.
- 3** **Instagram** — with the average age of a first-time home buyer in their mid-thirties, Instagram is a great tool to reach them.
- 4** **YouTube** — I'm finding incredible results running ads on YouTube. Using a small video to promote a listing and drive traffic to my website for lead capture is relatively inexpensive and yields strong leads.
- 5** **Email** — as much as people overlook a simple email blast/newsletter, I continue to see great return on sending good, valuable content to my database. I can track several sales each year to simply an email of "Just Listed" to my sphere of influence.