

Frank Klesitz:

So welcome to Listing Lead Show. I'm your host or co-host rather Frank Klesitz. I'm here with my co-host Chris Watters. Say hi, Chris.

Chris Watters:

The one and only. Lets do this.

Frank Klesitz:

Yeah. Thanks for listening to the show. We actually just talked before the show that we're going to go for exactly about an hour today because Chris, you have your first seller workshop live coming up in an hour. Is that right?

Chris Watters:

I was so inspired by Sue Adler, who was a guest on the show just a few weeks ago. She had over 1,000 attendees or she's had over 1,000 attendees in the past two years. And so we send an email to my database and we've got a couple of dozen people registered. So we're doing our first seller workshop tonight at 7.00 p.m.

Frank Klesitz:

You're doing it on Zoom?

Chris Watters:

We are. We are doing it on Zoom.

Frank Klesitz:

And people registered and they're going to show up, we hope.

Chris Watters:

That's right. Yeah. We've got a couple dozen registered. We'll see how it goes.

Frank Klesitz:

Good. So today we have our guests Kelly Cook. Kelly Cook is in Phoenix so he's in the same market of one of our previous interviews, Dan Noma. The market where all the disruptors go and that everyone's fighting over the agent commission, what the pay agents and is fighting for all the seller leads there. I mean, Kelly, how many listings are there currently in Phoenix as the time of this recording?

Kelly Cook:

About 4,800.

Frank Klesitz:

And how many would you say would be like maybe pre-COVID at this time of the year?

Kelly Cook:

You probably have around 13,000.

Frank Klesitz:

So significant difference.

Kelly Cook:

Yes. And that's not a good market by the way.

Frank Klesitz:

Significant difference.

Kelly Cook:

About, we're talking 20,000, right?

Frank Klesitz:

Yeah. So Kelly's going to go through his three main listing lead sources today because we're going to cut right to the chase. Kelly does farming number one. So we're going to talk about his farming strategy. And has a direct mail component but we'll get to that. He works his sphere with lots of events and gifting. I'm excited to go into that with Kelly. And then also you have a pretty good plan for reaching out to For Sale By Owners. Is that right?

Kelly Cook:

That's right, Frank.

Frank Klesitz:

Thanks for coming on here and sharing all this. It's really nice if you.

Kelly Cook:

I appreciate it, man. Hey you and Chris this is good stuff.

Frank Klesitz:

All right. So we want to know how to get listings. You're in Phoenix, there's 4,800 listings when there should be about three times as many. Before we go into what you're doing for farming, just kind of what's the temperature, so to speak of the market down there? What are you talking to buyers and sellers? What's the message right now that's resonating with a homeowner who wants to sell their home? What are the magical words you have to say on the phone or at the listing presentation or in your marketing that speaks the pain and the needs and where homeowners are in Phoenix? I'm curious.

Kelly Cook:

Two words. Post possession. Where am I going to go when I sell, right? And then on the sell side, the word would be auction, right? Let's create an auction type environment. We've got to get over asking price 48 to 72 hours on market, offer review period after that time and then drive that price up.

Frank Klesitz:

So how do you compete in your messaging? How do you get those two messages across to people that that was what makes you different in a very competitive market at Phoenix?

Kelly Cook:

Yeah. We're actually telling stories right now, right? On some of our direct mail, some are email marketing, we're telling stories about actually people that are doing just that. And a good agent can sell your house, of course, in this market and even not so good agent can sell your house. But the really good great agents are going to get you more than your your own fair share. They're going to pay for themselves and then some by driving that price up, inserting themselves in the middle of the conversation and negotiating that so the price goes up and they make more money than they probably should have.

Frank Klesitz:

So before you dive in the farm, I'm just curious, how do you create that auction environment?

Kelly Cook:

Yeah, it's done I mean, primarily through direct mail marketing. We're doing some of that. The biggest thing would be the demographic target marketing and then that we're doing online through Facebook. I know obviously you can't do it nearly as much as you could in terms of dialing down demographics but we still blast it out to that 15 plus mile radius around. And then we do email marketing as well, email marketing through our database.

Chris Watters:

Kelly-

Frank Klesitz:

Okay.

Chris Watters:

Are you licensed as an auctioneer?

Kelly Cook:

I am not. -

Chris Watters:

So-

Kelly Cook:

But I can talk almost as fast as one.

Chris Watters:

So as from a marketing perspective, when you use the word like auction, for example, is there any compliance issues around using the word auction and not being a licensed auctioneer? Because just speaking like in Texas for example, you have to be a licensed auctioneer to actually do the auction process. And so I'm just wondering are you using that key word auction in your marketing collateral? And is there any compliance issues with that? With the Real Estate Board?

Kelly Cook:

Yeah. I think there might be. Chris, it's a good question. I don't know. We haven't used that in anything that's like an email or a direct mail piece. That's all the verbal piece. What we say in the email and the direct mail pieces and offer a review period in two to three days or 48 hours to 72 hours. And we will escalate prices. That sort of thing. So we don't really use the word auction in writing because there could be.

Chris Watters:

So-

Kelly Cook:

And frankly, I haven't looked into it.

Chris Watters:

Yeah. It's a hot key word though. I mean, that would be a great keyword to use from a copy perspective to drive leads.

Frank Klesitz:

Yeah. There's someone I want to give a shout out to if you're listening. I live in San Diego as of right now. And I can't drive around anywhere without seeing signs and billboards and radio and Becca Park best bunches and transit buses for Dan Beer. And he is really big into his Five-Day Blitz to basically only show the property for a couple short period of time and put all the buyers through it at one time. I don't know how you did it with COVID or whatnot, but I think that was something that was used to help drive up the price or at least something you show the seller that you can do to help drive up more auction manner.

Chris Watters:

What's the call to action on the billboards Frank, that you're seeing?

Frank Klesitz:

A guaranteed offer.

Chris Watters:

Okay.

Frank Klesitz:

So the billboards all over town are a guaranteed offer. That's it. Honestly it's guaranteed offer with an asterisk literally on the billboard. The asterisk every time I see it, I laugh. But it's a guaranteed offer and you can go to a soldbyDanBeer.com. He's one of the top 50 agents in the country and you can kind of see the offer there. It a very nice job.

Kelly Cook:

How would you change that Frank? What would you call to action?

Frank Klesitz:

Well, I was actually going to bring that up. There's another competitor in town in San Diego called Sunday. And they specialize in kind of buying more investor grade properties. And they just put billboards up everywhere. And I immediately pulled over, I almost caused a traffic jam when I saw the messages. Because it was right down the billboard messages on the geek like that. Whatever someone puts on a billboard, they probably put a lot of thought into it, Kelly. So when I see the headline on there, I'm like, "Oh, I'll write that down." So the headline for Sunday, would you like to know what's on their billboard, Chris?

Chris Watters:

We buy ugly houses.

Frank Klesitz:

No. Sell your house as is for cash. That's all it is in the billboard and it goes-

Frank Klesitz:

To their thing. So anyways, we're getting off topic. I just want to kind of share that with you from I guess an auction environment. But Kelly, let's go into this. So you're doing farming. What does that mean? How are you getting listings through farming?

Kelly Cook:

Farming is a slow moving process, right? We've doing it for a while now. So we have that-

Chris Watters:

How long?

Kelly Cook:

How long? At least 12 months.

Frank Klesitz:

That's not that long.

Kelly Cook:

No I mean-

Frank Klesitz:

We know people that have been farming for years and years. That's your number one lead source right now?

Kelly Cook:

Oh, no. For me, no. I've been doing it for seven years.

Frank Klesitz:

Oh, got it. Okay.

Kelly Cook:

I'm saying [crosstalk 00:07:45]

Frank Klesitz:

So you've been farming for seven years?

Kelly Cook:

Yeah.

Chris Watters:

He said it doesn't work for 12 months.

Kelly Cook:

Yes. Correct.

Frank Klesitz:

Got it. I did not hear that.

Kelly Cook:

Unless you're just lucky, right? Unless you're lucky. So that aspect that has to be a multi-pronged if you-

Frank Klesitz:

Yeah. I was like "Wow, your number one lead source in 12 months from farming? I'm excited for this." Okay. So seven years farming. How do you mail? What do you mail? What do you send out? Give us kind of the parameters of how you go about doing this.

Kelly Cook:

Yeah, so we do a mailing piece, direct mail pieces, number one, right? That's one time a month. Now when we first started, for the first two months, we did three times a month on the direct mail piece and we always do a newsletter. So that direct mail piece is a newsletter, one time a month. What we do is once a quarter, at the end of every quarter, we send out a newsletter in eight excuse me, four pages. Okay. Four pages. But typically we just do a front back full sheet of really nice glossy Hearts Doc. That goes out in say January, February, then March will be the four page with more data, more information, et cetera. And then back to two page, two page, four page. So that's our rhythm that we have in the farming piece. We provide-

Chris Watters:

Kelly.

Kelly Cook:

Yeah.

Chris Watters:

Are you using a company to help you with content or are you creating all of this in-house?

Kelly Cook:

We're creating all that in house.

Frank Klesitz:

My man.

Kelly Cook:

Yeah.

Chris Watters:

Do you have any co-sponsors on the actual newsletter to drive down the cost?

Kelly Cook:

We don't. That's a good question, Chris. We tried that and at one point we had three. We got to three, but I guess we're about it stuck it. I know if be profitable if we would have stuck with it. But the bandwidth to go around and try to get that all collected and then figure out the e-commerce side of it and click payment and all that stuff. We just punted on it. But I know there's a girl who has a whole different area in Scottsdale that does a phenomenal job with that. One of the very few I've seen though, by the way. The co-sponsors and business is all over it. I mean, it's like 16 pages and half of it is ads.

Frank Klesitz:

How did you pick your farm to mail this every month? You mail something every month, then you spend a little more money every quarter for a bigger piece. Got it.

Kelly Cook:

Yep.

Frank Klesitz:

How did you pick who you're going to mail?

Kelly Cook:

The turnover rate has to be for me, at least 6%. And I was-

Frank Klesitz:

And you're seeing that in Phoenix?

Kelly Cook:

6%?

Frank Klesitz:

Yeah.

Kelly Cook:

Oh yeah.

Frank Klesitz:

So explain to the audience what a turn over rate is and how you calculate that and find that.

Kelly Cook:

Yeah, so we took the sales of the entire year. We were on the farm for the last 12 months, divided by the amount of houses in that area. And there should be at least 6% of those properties turning over in the last 12 months. And this is in Scottsdale. So we're based really in Scottsdale, our office. I live in Scottsdale. The farm is in an entire zip code in Scottsdale. And-

Frank Klesitz:

Got it. You picked a zip code. So let's just say theoretically, if it was a 1000 houses in the zip code, you want to see 60 sales over the past 12 years.

Kelly Cook:

Yep.

Frank Klesitz:

Got it.

Chris Watters:

What happens-

Frank Klesitz:

So you doubled down on one... Go ahead Chris.

Chris Watters:

What happens if a year goes by and that conversion rate crashes, right? It goes from 6% to 2%. Would you stop mailing in that area?

Kelly Cook:

No.

Chris Watters:

Nope?

Kelly Cook:

Nope.

Chris Watters:

Absolutely not.

Frank Klesitz:

The emotional strength Kelly has. Kelly, how did you build such emotional strength to keep mailing every month?

Kelly Cook:

It goes back to, well for A, you got to have some business coming in with other sources, right? Can't just put it all in that basket. But it goes back to running a budget, right? On a P and L and knowing what your expenses are and then breaking down the advertising budget of 10% a month into segments within that 10%. And farming is a good size segment of that.

Frank Klesitz:

So, I want to give out to the audience. I think there's a tool Melissa Data puts out. I remember you could type in any zip code into Melissa Data and it will tell you all the sales every month. So I know you could probably do it in the MLS, but I think I was looking online to figure out like, Hey, there's this zip code that I was interested with the turnover it was.

Frank Klesitz:

So I need to know how many homes sold and I'm not licensed. So I didn't have the MLS. And I typed into Melissa Data had something and it showed you like every single sale that was every month. So I just took 12 months, added it up, divided by how many homes were in the zip code. Where did you get your data to find out how many single family homes were in the zip code that you picked?

Kelly Cook:

Title company.

Frank Klesitz:

So the title company helped you. So the title company helps and how many homes are in zip code and they found the turnover rate.

Kelly Cook:

That's right.

Frank Klesitz:

Nice.

Kelly Cook:

And then, because we're doing the whole thing, we went to the EDDM website, right? For the US Postal Service and they have all the data as well.

Frank Klesitz:

Got it. So you picked all the courier routes inside the zip code?

Kelly Cook:

Yep.

Frank Klesitz:

Got it.

Kelly Cook:

That's the cheapest way to do it. Absolutely. And I live there and so there's a multi-prong approach to this as well, right?

Frank Klesitz:

Oh, you see Kelly, I love the laziness of not wanting to drive very far for listing. See, I'm the same way.

Chris Watters:

You are totally right.

Frank Klesitz:

I only want to market around where I can walk.

Chris Watters:

Hung around.

Frank Klesitz:

So if I were ever to start a farm, it would be like my neighbors purely out of like, I don't even care what the turnover rate is. I just don't want to pick one far away because someone's going to come out to my house like. So you picked the primary. So you lucked out zip code that you live in Scottsdale actually has a great turnover rate.

Kelly Cook:

Yeah. And it's diverse in terms of the housing product, right? That's what helped. So the area I'm in, you have large lots, you have acre lots, you have no wait your way, flat usable lots, very desirable, very good price points. That sort of thing.

Frank Klesitz:

Do you play that up in your messaging that you live there?

Kelly Cook:

Oh yeah.

Frank Klesitz:

Is that a big piece of the... Yeah, I'm sure that's a huge advantage.

Chris Watters:

What is the average price Kelly?

Kelly Cook:

The average price point in the area I'm at is just over a million dollars. And then the entire zip code it's currently at I think six, 645, 640 because you have condos and mixture of condos, right? And townhouses as well.

Chris Watters:

At least you have condos.

Frank Klesitz:

Do you mail the condos and townhouses.

Kelly Cook:

I do.

Frank Klesitz:

Yeah. I think it's a part of EDDM. So why don't you explain to the audience really quick what that stands for and how that works?

Kelly Cook:

Yeah. Every Door Direct Mail. That's what it is. And so it's cheap because I think it's 18 cents still a door. And the US Postal Service outlines the routes in a certain area and you get to choose the route you want to do. And they just slam on every single house on that route. Downside is you can't geographic. You can't pick who you want to send it to you, right? It's that entire route. But-

Frank Klesitz:

Mailing list, it just goes to occupant. It's called a saturation mailing.

Kelly Cook:

That's right. The downside is about once every, I don't know, it seems like 16, 18 months somewhere in there, maybe two years the US Postal Service does change those routes, which is very frustrating. You got to watch out for that, right? Because then you get that one route you were doing might include other different properties you don't want to farm.

Chris Watters:

Do you like to-

Frank Klesitz:

How big is your farm now?

Chris Watters:

Let me interrupt you real quick Frank. So from a unit economics perspective, if your sales price wasn't that high, let's say it was only 300,000 and your gross revenue was only X per deal. You might need a higher conversion rate in terms of how many homes sale relative to the total number of homes. You may need a higher conversion rate or turnover rate to make money.

Kelly Cook:

Yeah.

Chris Watters:

What's your average gross commission check in that farm?

Kelly Cook:

In that farm, it's a, I don't know how to run that down. I think it's right around 24,000 or something like that.

Chris Watters:

Wow. That's huge.

Frank Klesitz:

Yeah.

Chris Watters:

So if you were in an area, I'm asking this question for people that are listening, that are in an area where the average sales price mail will only be 300,000. Let's say the average sales price is only 300,000, your gross commission is less than half while you're getting called 10,000. Would a 6% turnover rate be enough to make it profitable?

Kelly Cook:

Yeah, it's a good question. It depends on how big you go, right? I think in that point, you have to go bigger because on the printing cost, you also get breaks as you go and scale, right? So 2,500 to 5,000 to 10,000 to 25,000 depending on who your printer is but that you have to go bigger, I think. Yeah, I think it's a good point, Chris. I haven't ran those numbers because we were not operating in the average price point in that farm.

Chris Watters:

So you're bringing in 24,000. And is it safe to say 10% of your gross revenue is going to the cost of the direct mail?

Kelly Cook:

Roughly. Yeah.

Chris Watters:

So \$2,400 is going towards the cost of direct mail.

Kelly Cook:

Yeah.

Chris Watters:

So I mean, if you're bringing in a nine to \$10,000 on a commission check, that's 25% or higher of your gross commission.

Kelly Cook:

Yup. But I think and over time it starts to snowball and I think you can go bigger, right? Because we didn't start with 10,000. That's what we do right now. We do 10,000 addresses. But we didn't start with that, right? And then we eventually grew it over time as we had revenue coming in, which I think is very important. That's right, yeah.

Chris Watters:

Have you looked at... What's your market share for those 10,000 homes?

Kelly Cook:

Last three years, we sold the most real estate in the entire zip code. So that's pure evidence that we're gaining steam and we have been gaining steam. Market share, I think I'm right around 16% or so.

Frank Klesitz:

Okay, cool.

Kelly Cook:

And then by the way, I made that mistake. When I first started farming, it wasn't this area. It was a different area, but I figured, you know what? There's one girl who had... I knew that turn a break was there. I knew she was big in that area and she'd been there for a while but I figured it was a big master plan community. I figured if I just used the EDDM postal routes in one little section, she can't do the whole thing, right? Well, I was wrong. I mean, I spent about two years in that farm and losing money on the entire deal because she just had a stranglehold and she had about 20%.

Frank Klesitz:

That's another thing you have to think about with the farm. It's not the turnover rate. It's how much market share one person has, right?

Kelly Cook:

Yep, absolutely.

Frank Klesitz:

Did you factor that into your current? Obviously I'm sure you did, learning facts.

Kelly Cook:

Yeah. And here's a little secret too that I didn't have on this farm that I think a lot of people, if they have this ability to do so they should. And that is especially right now in this market, a lot of new construction is going on in multiple cities around the country obviously. So if you have the ability to start a farm in an area that is building brand new homes in the community, especially one with an HOA where they might have a community center, they run their own events that you could piggyback off of and co-sponsor, that's the way to do it. That is the way to do it.

Frank Klesitz:

Do you think the HOA would let you take over the newsletter if you help pay for it out to everyone?

Kelly Cook:

I think somebody always willing to, yeah. That are underfunded a little bit, I think its-

Frank Klesitz:

Did you guys catch that? Did you think the HOA, you approached it saying, "I'm the community agent. I'm the local expert. Could my newsletter also be the HOA updates?"

Kelly Cook:

Hey, works for my kids at school. I paid for the whole newsletter and they let me in [crosstalk 00:19:12] right?

Frank Klesitz:

Nice. Yeah. Well, I'm on Every Door Direct Mail's website. So if you just Google EDDM and it'll show up Every Door Direct Mails website. I typed in when I go out to a Scottsdale, I think of Talking Stick Resort and right next to Talking Stick is 85250 I picked for a zip code. It's kind of out in your area. And it's actually interesting because I typed it in 85250 in Phoenix and I can choose it all at business or residential obviously residential only, but I could also choose age. I can say also the age of the person between the ages of 1980 and 85. Do you mail everyone regardless of age Kelly?

Kelly Cook:

We do.

Frank Klesitz:

Or do you drill it down to maybe a little older or do you find your sales skew older?

Kelly Cook:

They do skew a little older. That is true. But we do mail the entire age.

Frank Klesitz:

Just everyone regardless of age.

Kelly Cook:

Yeah.

Frank Klesitz:

Okay.

Kelly Cook:

But no businesses we can use like the down the residential.

Frank Klesitz:

But if you're going to mail about 5,000 addresses, you're looking at just under about a thousand dollars plus that's for postage. So it's about a little under a 1000 dollars for postage to reach 5000 homes at Sunbury, Kelly.

Kelly Cook:

Yep. That's right.

Frank Klesitz:

And then what's the cost per newsletter piece that you get with your printing company?

Kelly Cook:

Let's see here. Let me do the math real fast here.

Frank Klesitz:

So its about 19 cents to send it. Actually, I have exactly what it is. It's actually 19.20 cents for postage using Every Door Direct Mail. And then you add to that, the cost of whatever the printing is, which obviously comes down per unit when you do more from the mail house. And you definitely, I mean, I don't know this, but does the mail house fulfill it for you, Kelly or do you sort them?

Kelly Cook:

No. They do it for me. Yeah by more definitely.

Frank Klesitz:

So you definitely want the mail house. There's special sorting parameters of like how you had to combine everything for the courier out, and the mail house does that for you. Right Kelly?

Kelly Cook:

Yep.

Frank Klesitz:

Yeah. And do you know what your per unit cost is for the mailer?

Kelly Cook:

Yeah. Right now I'm looking at it going into about 14 cents.

Frank Klesitz:

I'm going to do math 19 plus 14. Let's see here three, 33 cents. Is that correct?

Kelly Cook:

Yeah.

Frank Klesitz:

Thank you. So 30, we're at a podcast that'd be called out for my terrible math skills. That's pretty good, man. I do direct mail. I mail 10,000 a month for an investment business that I'm involved in and my cost

is 74 cents a piece. But I go first-class because I want to do a little more targeting across the county. And you yours are saturation. You're at 33 cents. You're more than half the price for what I paid for a letter when I do the M. I never thought about that.

Kelly Cook:

Yup.

Frank Klesitz:

Good to know.

Kelly Cook:

It's awesome. And it's because I'm doing 10,000, right? If you're at 5000, it'd be a little more and so-

Frank Klesitz:

So you know it's not that big of a deal. I mean, you're only paying \$2,000 a month in postage. That's not a terrible. That's a very reasonable cost and you're getting in to marketing. At least for somebody to listen to show that's the more marketing savvy to drive leads. Interesting. Let's go into the messaging a little bit. How did you come up with what you're going to say in these newsletters? What are the key pillars of content you put in there?

Kelly Cook:

Okay. They keep pillars for us is number one, have the heading always be the same, right? Consistency of color.

Frank Klesitz:

The masthead.

Kelly Cook:

Correct. The masthead and the color, the title, we call it the zip code and then we call it the report as opposed in newsletter because kind of everyone uses the word newsletter. So-

Frank Klesitz:

So you name it the zip code report or the area report.

Kelly Cook:

Yep.

Frank Klesitz:

That's the whole title of it? So it looks like a real piece of news?

Kelly Cook:

Correct. That's right. And then we make sure we ask people to join the conversation offline at our Facebook group for that community.

Frank Klesitz:

Nice.

Kelly Cook:

Which organically has been growing slowly but it's growing. And that's cool because when people go in there and they start just selling used purses or getting TaeKwonDo lessons from the local guy down the street whatever, right?

Frank Klesitz:

Yeah.

Kelly Cook:

So that's cool. And then what we do is we always do a featured piece of real estate that's in that zip code. And it's usually one that we're obviously selling or going to be selling or have sold.

Frank Klesitz:

What if it wasn't yours, could you feature someone else's? Is that okay?

Kelly Cook:

As long as you get permission.

Frank Klesitz:

Well, permission.

Kelly Cook:

Get permission from that broker. Otherwise if you have a big brokerage, right? Where that has 400 agents or whatever, you can just go ahead and use them there without permission because-

Frank Klesitz:

Oh if it's not the other broker, definitely get permission.

Kelly Cook:

Bingo. That's right. But we always make it very clear that this is our stuff, right? It's our listing, it's our sell, whatever it is, right? So people know it's not just random stuff that a lot of the agents will throw out there. And then we always have a call to action, I'm just skipping around here, but on the back page we always have a call to action in highlighted yellow. So that stands out. And that call to action, the vast majority of time is to get the value of your house, click here. And we have a link that goes... Yeah.

Frank Klesitz:

It's-

Kelly Cook:

Right.

Frank Klesitz:

Give me specifically the headline free home valuation.

Kelly Cook:

Yes. Let's see here. Got it. Let me get one right here. It says.

Frank Klesitz:

You can send it to us.

Kelly Cook:

Yeah. All right. The market is changing. Find out how much your home is worth today. And then we have it again, a real big bold find out your home's value right now. And then myhomevaluecalculator.com.

Frank Klesitz:

And you own that?

Kelly Cook:

Correct.

Frank Klesitz:

Very nice. How much of you and as a newsletter, this sounds unbranded. Am I mistaken?

Kelly Cook:

That's right. Well, okay. We do have our logo on there. We want the main thing, the mask like I said, the header to be unbranded, which it is. But we do have our logo at the bottom.

Frank Klesitz:

It sounds like it's you're your own advertiser in it.

Kelly Cook:

Kind of.

Frank Klesitz:

Yeah.

Kelly Cook:

And then we have, I think the picture is huge so that people in the neighborhood, it can recognize me and my family potentially, right? As they're walking around or whatever. So we had a family picture at the top of the left on the back page. And then we have data. We have data on every single address that have sold in the zip code in the newsletter and home sold.

Frank Klesitz:

And when the price and sold for.

Kelly Cook:

Correct. And the subject is-

Frank Klesitz:

Because the neighbors are like, "That's home sold for what? Joe's home sold for what? Right?"

Kelly Cook:

Yeah. We put specifically for things, the address, the subdivision, the sales price and the square footage of the house.

Frank Klesitz:

Who pulls that for you?

Kelly Cook:

Staff. I make sure-

Frank Klesitz:

I'm going to be only doing it before it goes out.

Kelly Cook:

Yeah. And then we have some data that are on points, right? Like what's the average... We break down price point. We go between up to 500000, 500 to 800, 800 to like 1.2 or above.

Frank Klesitz:

Nice. Kelly, I got to ask you, you've been selling real estate for how long?

Kelly Cook:

16 years now, Frank.

Frank Klesitz:

Okay. 16 years in a competitive Phoenix. And you pick to do farming of all the strategies. I guess I want to go back and just ask you why after I ask these questions.

Kelly Cook:

Okay. Because there was a really successful agent in Phoenix and he ran TV commercials. He killed it. He's still has a team kind of going but he's retired. And I was at a workshop, whatever, when he's teaching whatever guest speaker one day when I was young in real estate. And I'll never forget what he said. And he said that, "If I could do all over again," and this guy is wildly successful on TV commercials, right? Everyone knows the slogan, blah, blah. "If I could do it all over again, I would choose farming."

Kelly Cook:

That's the moment I stopped writing those fat checks for the radio and TV commercials, my business stops, whereas farming is the best thing to organic there is." And obviously this is 2005 just before organic marketing and blogs and YouTube. So that's why I did it. So I didn't jump in right away like I

should have probably. If I had been doing it... I've been in this farm for seven years but I've been in other farms. I failed that for a good four to five years. So that's why I did it. It always stuck with me. And so I said-

Frank Klesitz:

That's nice.

Kelly Cook:

When I'm older, I want to take that wise man's advice and I'm going to do fine.

Chris Watters:

I got a lot of questions for you now, Kelly.

Kelly Cook:

Oh.

Chris Watters:

So lets dive into digital side of this. So you mentioned back in 05 blogs and all that, not a big a deal. Are you doing things now to rank at the top of the Google organic search results for the keywords of like, for example, the name of different neighborhoods in that area where you're farming?

Kelly Cook:

Yeah. We actually are. And I didn't have a solid approach on that. I was using active rank for a long time. Remember that?

Chris Watters:

Yeah.

Kelly Cook:

I don't know, right? That's a, yeah. [crosstalk 00:28:11]

Frank Klesitz:

I think its still okay though because they have really good SEO and he paid 200 bucks a year. Because you get specially do follow links for back links. So it's good for linking back to, I hear maybe not, I don't know.

Kelly Cook:

Yeah. It seemed like it kind of went by the wayside four or five years ago or three years ago, whatever. I just kind of stopped with it. And then with viral, right? We've been doing that for a while, right? So we're doing topics on certain things to try to get organically ranked. And they actually put the blog actually now on my custom WordPress site that I own, which is nice.

Frank Klesitz:

That company by the way, it's a great company. It's called viral marketing. You should go check it out.

Kelly Cook:

It is a good company, viral marketing. This guy who runs it, he's pretty cool, I guess. I don't know.

Frank Klesitz:

I think his name is Frank.

Kelly Cook:

And so but now the newer thing that I'm really focusing on now with that is I'm trying to do a lot more with YouTube. And if you go to YouTube channel, you won't see much yet. Because I'm back logging videos as we speak right now, that will start being released consistently. So the approach with vlogging with viral and then I've had a marketing coordinator off and on and write blogs but that's been sporadic. And then of course YouTube from an organic standpoint.

Chris Watters:

So it safe to say most of the leads are coming as a result of the direct mail versus digital?

Kelly Cook:

For farming yeah.

Chris Watters:

That's going in to... Yeah.

Kelly Cook:

Okay.

Chris Watters:

They are.

Frank Klesitz:

In any given year, how much business are you getting from your farm? I haven't asked you that question yet.

Chris Watters:

I think we're at, lets see here. I can pull up this right now. I want to say that was-

Frank Klesitz:

Sounds like you're spending about \$3,300 a month. Is that right?

Kelly Cook:

Yeah. And lets see if I can pull this up here. I think we had, I think 27 deals before our farm last year.

Frank Klesitz:

So let me hear this, that's not a bad deal. You're investing \$3,300 a month to saturate 10,000 in a specific area. That correct?

Kelly Cook:
That's right.

Frank Klesitz:
Got it. I get 27 deals.

Kelly Cook:
Yeah.

Frank Klesitz:
So 36,000 spent 27 deal. That's good.

Kelly Cook:
Yeah and I don't know the average price point on those 27 specifically.

Frank Klesitz:
Oh, well assuming it's like 24,000 like you said before, that's very good.

Chris Watters:
If my math is right, call it \$20,000 per deal times 27 deals that's like 600 grand.

Frank Klesitz:
Yeah. Its 20 times ROI.

Chris Watters:
Yeah. 20 X ROI. Holy shit. That's amazing.

Kelly Cook:
Is it, right? Now obviously when I first started the price point wasn't that high and I was getting some... The people I was relating to, because I was younger, obviously were still, that was actually signing listing agreements with were lower price points because again, it has a variety of product in the zip code. So that was good for me. But yeah, now it's like a snowball effect, right?

Frank Klesitz:
Chris is there anyone else you've heard of that has a 20 X ROI on farming? Did you get your ass handed to you doing that?

Chris Watters:
I literally probably lost easily over a quarter of a million dollars in farming. I mean, easy 250, maybe close to 300.

Kelly Cook:

Wow.

Chris Watters:

I don't know of anybody with a 20 X ROI on farming. I don't know if anybody, I think that's the record.

Frank Klesitz:

Nice.

Chris Watters:

So let me ask you some more questions. So the people that I've met that do a lot of direct mail farming, they have to do a lot of other things to drive results. So for example, they are very involved with the community and the schools and they have open house bandit signs out every weekend. They've got banners at the sporting events and stuff. Are you doing all those things in addition to your magazine?

Kelly Cook:

Yes. A lot of those we are. We do sponsor a local school in the area. So if the charity events where all the title sponsor for that.

Frank Klesitz:

In the same zip code?

Kelly Cook:

Yes. Its right at the border.

Frank Klesitz:

Okay.

Kelly Cook:

Technically it's not to be honest, but it's like right there.

Frank Klesitz:

Real close.

Kelly Cook:

Extremely close, right? So I mean there-

Frank Klesitz:

So there's a force multiplier there. They're getting hit that way at the live there. What are some other force multipliers you have going in that same zip code to get that ROI?

Kelly Cook:

So what we did is we took with the emails that we could find from the people that we don't know in a zip code through Cole Realty Resource and through our title company, combine those lists together. And we upload them as a custom audience in the Facebook.

Frank Klesitz:

Nice.

Kelly Cook:

And we hit them with the same digital version of that newsletter every single month. We also send out through a mail client, email client, excuse me. We use Mailchimp the same as that people the direct email with that digital flyer and a message as well. And then we upload it to our website as well. So we blog about anything there, then they can link it back to that digital same newsletter for that month as well. So, and then the direct mail component, and then of course sponsorships, that's really what we're doing on a consistent basis.

Frank Klesitz:

So there's, there's a lot more to this. Let me see if I can break this down. Monthly piece of mail every quarter, it's a little more than there was normally getting every single month. Then you appended email addresses to all the probably mailing addresses on the deeds of those 10,000 houses. And you upload it to Facebook as a custom audience. There's a little campaign sitting for that zip code inside of your Facebook that you probably went through five bucks a day deal. Is that-

Kelly Cook:

That's right. And if that.

Frank Klesitz:

Probably not even that, too small.

Kelly Cook:

Yeah.

Frank Klesitz:

\$2 a day-

Kelly Cook:

Yeah, some ads as well.

Frank Klesitz:

With some types of ads.

Kelly Cook:

Yeah.

Frank Klesitz:

And then you took all those emails and not through viral but through my Mailchimp, you-

Kelly Cook:
Send all an email.

Frank Klesitz:
Send them all an email, right?

Kelly Cook:
Right.

Frank Klesitz:
You use their email servers, but I get it what you're saying. So that-

Kelly Cook:
Not yours.

Frank Klesitz:
Yup. So you send out a email to everybody. And then you went to the school really close to it and co-advertised that way. That's a very focused strategy, man. How does a-

Kelly Cook:
I think something kind of a recurring theme I picked up on is everybody I know that is getting a great ROI on direct mail and farming is doing a lot more than just direct mail. There are other components. The bandit signs involved in the community it's like hyper intensive branding in that area. When I did direct mail and I was literally, I remember a palette. I had a palette of direct mail that I saw, right. I mean, we're talking like a real legit palette right? We sent out 250,000 pieces of mail. Yeah, 250,000 pieces of mail very two weeks.

Frank Klesitz:
What?

Kelly Cook:
Yeah. I'm not even kidding.

Frank Klesitz:
You never told me this.

Kelly Cook:
Yeah. 250,000 pieces of mail

Frank Klesitz:
Talking all on Austin Chris.

Kelly Cook:

It came in on a pallet, we hit up literally 50%.

Frank Klesitz:

Why just throw it out on the plane? I didn't do like the guy, these propaganda things in war. They're all staying there and they get like, we're coming for you.

Chris Watters:

So amazing.

Kelly Cook:

We have just over 400,000 single family homes in the Greater Austin area with an average of like 3.5 people per home, which makes up our two million population plus the apartments. And I was hitting up over 50% of them with direct mail. And I did it for six months and I literally, I got three listings in six months. The thing I did not do, which I hear from-

Frank Klesitz:

It was postcards that was it Chris? It was post cards.

Kelly Cook:

So it started off with direct mail. I'm sorry. It started off with a monthly mailer I'm sorry. A monthly magazine. It was like-

Frank Klesitz:

Okay.

Kelly Cook:

Six pages and we were sending it out every month. And then I was supplementing postcards in between the weeks. Like weeks one was the magazine, weeks, two, three, and four were the postcard and did that for six months straight and only got three listings in those first six months. And so there's so many things I screwed up. One, you got to do it for a year, two you've got to be super... You got to penetrate the market at a higher level than just postcards. You got to be doing the open house bandit signs and digital marketing, be involved in the community. So those are... I mean, just don't do what I did. Listen to Kelly's advice.

Frank Klesitz:

I just think it was just relevant. I mean, the marketer in me looks at it, you have something extremely messaging niche for a zip code. Is there anyone else sending out any type of niche material in that area that you're competing with Chris or Kelly? I apologize.

Kelly Cook:

No.

Frank Klesitz:

No. That's cool, man.

Kelly Cook:

No.

Frank Klesitz:

Well there you go. There's about 40 minutes on some good farming tips. That was interesting. Wasn't it, Chris?

Chris Watters:

That was. We... Who was it? There's another guy in Phoenix that has a program for farming.

Kelly Cook:

Yeah. Kenny Klaus.

Chris Watters:

Yeah. Kenny Klaus. And-

Kelly Cook:

He's a great guy. He's a Mesa. He does a great job as well. And we-

Chris Watters:

He said very similar things. Like bandit signs, the digital marketing of the magazine, Facebook group. I think he hits up two zip codes. Does the seven, eight page thing, but you can't.... Yeah, you got to pick 10 to 20,000 homes, tops. Keep it relevant to the area. Obviously the formula, 20 X ROI ratio. Yeah.

Kelly Cook:

So now I'm trying to figure out what the next step is when I expand that and going bigger into another zip code.

Frank Klesitz:

No. Just go to another farm and just repeat it.

Kelly Cook:

Yeah. That's what I have not done yet and I need to do that because I have proof of concept.

Frank Klesitz:

Yeah.

Frank Klesitz:

Kelly is selling the services to do this for you. He's launching a new advertising agency across the country. He's selling exclusives, zip codes, reach out to him.

Kelly Cook:

Yes, sir.

Frank Klesitz:

Kelly, let's move on. So the second thing that you said outside of farming was your sphere of the people that and you were really big into holding events and gifting. Can you give people now... So we kind of talked about marketing to strangers you haven't met, now we're shifting to marketing to your mets. What's your philosophy? How do you do it? Give us the overview.

Kelly Cook:

Yeah. So I'm not the smartest guy in the world here, right? So I literally just started doing what the old red book Bible says in terms of like keeping in touch with past clients. Now, I didn't do a great job of it, but I tried to model it around that. The whole 36 touch or 39 touch or whatever you guys want to do. But I wanted to do, okay, the events, right? I hate events. I just, don't like, it's not my thing, right. I'm very sociable. I'm outgoing, but for some reason the events thing, just, I don't know.

Kelly Cook:

So when COVID came we got this idea from this guy in Florida, I was doing this and I was like, this is, this is amazing right? And it's basically a reverse client event. So instead of use on a party and have them come to you, they actually don't physically come to you, but they call you. So what we do is we put out a prize. Maybe a first place prize, a second place prize, maybe even a third place prize. And it's been wildly successful for us, right?

Kelly Cook:

And then we market it to our database and say, Hey, we're giving away a Green Egg barbecue on this day. You get a call in though between 9:00 and 5:00 pm on this day and only that day. And then when you call in, just by calling in, just all you got to do is call in and we get your information, right. We actually have a system it. We're just going to verify it. You get one drawing, right? And then if you like our Facebook page, you get two. If you share our posts on your Facebook page of our event, you get three. And -

Frank Klesitz:

Three tickets. Man.

Kelly Cook:

Yep. And if you refer us to somebody or more, you get one more drawing per referral. And then we're going to pick the drawing the very next day and announce it Facebook Live, and that person wins. And so that-

Frank Klesitz:

You send that out and it's just getting people to call you. So instead of having to make a 100 of dials.

Kelly Cook:

Yeah.

Frank Klesitz:

To speak to someone, you just pick up the phone and you're getting all these contacts from inbounds.

Kelly Cook:

It's amazing. Yep. So we literally have agents that sign up for a shift, right? So two agents or three agents will take eight to nine or nine and 10, excuse me, nine to 11 and so on and so forth. And they're just going through the script, ask the questions and here's the also cool thing is per phone call I receive, I'm now on the hook to donate \$5 per phone call to a local food bank.

Frank Klesitz:

Yeah. Nice. That's great.

Kelly Cook:

So it's raising money for charity as well.

Chris Watters:

This is brilliant.

Frank Klesitz:

Yeah, okay. So I've heard this and I want to... The audience is going, huh? So let's bring this back.

Chris Watters:

Yeah.

Frank Klesitz:

So Kelly is antisocial. So he figured out of pure pain of the events, it was so painful. Pressure makes diamonds. And he figured that I'm just going to throw a giveaway event by giving away something. Market the giveaway. And then people, when they call just by the act of calling, they get an entry. There's no purchase necessary. There's some legal stuff here, right?

Kelly Cook:

That's right.

Frank Klesitz:

So there's no purchase necessary. And then they do some other things to get other entries.

Chris Watters:

Yep.

Frank Klesitz:

I want to read an email for the audience that you can just replay this and write it out of exactly what to send to your database, to get the phone, to ring just like what Kelly Cook is doing. What'd you guys like to hear it?

Kelly Cook:

Love it.

Frank Klesitz:

So the subject line is I'm giving away a prize. Now I'm going to recommend-

Kelly Cook:

Okay. Yeah a drink. Will that get flagged prize in the same way?

Frank Klesitz:

Hold on. Yes. You interrupted me when I was just going to say this. All right. So I'm giving away a free X, a Yeti cooler, a trigger grill. I don't know whatever. I recommend though now I'm not attorney. This is not legal advice, but keep it under \$500 in value. Okay. Now there's specific language in this email. I'm just going to read it all to you. Are you ready? Clients and friends, I want to give back and create some excitement for my friends and clients who subscribed to my emails. Thanks for reading these and staying on my list. Chris Waters, I'm giving away a free what Kelly?

Kelly Cook:

Green egg smoker.

Frank Klesitz:

Great. The prize is valued at how much?

Kelly Cook:

Well that it depends on the size, like 800 dollars.

Chris Watters:

A 1000 dollars

Frank Klesitz:

800 bucks. Okay. They're not affiliated with sponsoring endorsing or administrating this event in any way. And here's a picture of it. To win the prize simply call me at this number by this date and time zone between the hours of X and X. Leave your name and contact information on my voicemail to enter yourself in the drawing. That's it. You can also write me at this address to enter for the giveaway. There's no purchase necessary. It's free to enter.

Frank Klesitz:

The winner will be chosen live on Facebook by my colleague at this Facebook link at this date and time with times zone randomly. My assistant will inspect the entries prior to the drawing. If there are technical issues the drawing will be held immediately on a teleconference line at this number. The giveaway starts today at this date and time. And the deadline to enter is this date and time. That's a 100% from deadline.

Frank Klesitz:

You're only allowed one entry per person. Everyone has the equal opportunity to win. Now upon winning, we will call you to inform you've won the day of the drawing. You have 30 days to claim your prize. We will FedEx the prize to you provided address at our expense. You will receive a tracking number upon shipment and a release. So we may share your winning status to prove that, of course, we actually awarded the prize. This is a 100% real giveaway. The prize will be awarded and you can verify it. Avoid where prohibited. You must reside in the United States to be eligible.

Frank Klesitz:

You're also not eligible if you are under 18 years of age or you're my family or an employee or a contractor for a copy of the official rules and a copy of our policy. And or a list of winners, simply call this number. I am the promoter of the giveaway and my physical address is this address. So call me right now at this number to enter yourself into free giveaway drawing. Tune into my Facebook page with this link at this date and time to watch the live drawing to see if you win. Let's have some fun Kelly Cook.

Kelly Cook:

Dude my-

Chris Watters:

Frank, what drugs are you taking right now? Seriously man..

Frank Klesitz:

So I called an attorney to look at sweepstakes rules and that covers all the sweepstakes rules in there. And when I wrote it, I'm like, man, this is good. It sounds so legit. When you write like all the little nuances of how to do a giveaway. Mail that out a couple of times a year with a gift and the phone will blow up.

Kelly Cook:

I'm going to call you to get that script.

Frank Klesitz:

Well, you have it. Your a client will get it for you.

Kelly Cook:

It's amazing. What is-

Frank Klesitz:

Chris are you impressed?

Kelly Cook:

I want to know because I am a paying viral customer. I can't even believe-

Frank Klesitz:

You guys need to open your emails.

Kelly Cook:

Hey, after all these years, I still pay for Vyrat Marketing. All these years.

Frank Klesitz:

I appreciate that. Well, there it goes. So that's what at viral we call a direct offer message to spike response from your list.

Chris Watters:

So Frank, I'm going to ping my viral person and then I expect this email to be sent out tomorrow. And I'm going to give away a trigger grill.

Chris Watters:

Love it.

Frank Klesitz:

Oh yeah. That sounds pretty good with the pellets too.

Chris Watters:

Yeah. Why not. This is great. Kelly, this is an amazing idea. Running events I mean, it is a pain in the ass and I'm not extrovert. So dude, I'm right there with you. This is incredible. We need to change the headline of this whole show Frank.

Kelly Cook:

Right? It's amazing.

Frank Klesitz:

There's so much knowledge.

Kelly Cook:

The best part was we just did one last week. And we gave away four two day park hopper passes to Disneyland. That one-

Frank Klesitz:

Did you just pay them retailers or did you partner with a company that gave certificates to it anything like that?

Kelly Cook:

Yeah retail.

Frank Klesitz:

Yeah.

Kelly Cook:

Yup. And Disney just announced were going to open up what June 15th or something. So its okay.

Frank Klesitz:

Here's one thing I will say is that just because if you're listening to this and you have haters of other agents like to turn you in or someone there are rules and laws with regards to giving away offers and sweepstakes. So if you listen to that, look I'd listen back to my spiel there of this letter it kind of covers like all the rules and official rules and what happens if this... It's kind of all covered in there. So just be just aware of that. It's not a big deal, but be aware of it, but-

Kelly Cook:

Will do it now.

Frank Klesitz:

Yeah, which I'm not attorney reviewed by an attorney.

Kelly Cook:

There you go.

Frank Klesitz:

Got it. But there you go. So awesome. I love it, man.

Kelly Cook:

Yeah.

Frank Klesitz:

So, I mean, I don't really have anything else to ask. I mean, I don't really want to go deeper on that. Let's just do that. Right, Chris?

Chris Watters:

I just want to hang up and go and implement on this.

Frank Klesitz:

What has been your best prize to give away Kelly?

Kelly Cook:

Okay. That has been old school, wartime, leather initialed luggage tags.

Frank Klesitz:

What?

Kelly Cook:

Yeah.

Frank Klesitz:

Where do you come up with this stuff?

Kelly Cook:

Okay. So I'll plug this company. There's a company called Giftology.

Frank Klesitz:

Chris and I are typing that there right now.

Kelly Cook:

And they're amazing. The guys amazing there. That's what they do. The whole permit of book to a book two the game genre.

Frank Klesitz:

Oh yeah. It's a book.

Kelly Cook:

Yeah. Great book. But it's all about taking care of your clients randomly or not randomly, but through random deeds.

Frank Klesitz:

The book is 38 dollars Kelly. Is that worth 38 bucks?

Kelly Cook:

Lots way baby. Sweet something.

Frank Klesitz:

Is it absolute paper.

Kelly Cook:

Yeah. Whatever it is. Yeah. That's way.

Frank Klesitz:

All right. Mr. John Ruler, I've never met you, but I'm buying your book for \$38 on Amazon. I think I bought a more expensive book than that. I'm like-

Frank Klesitz:

The only book that's expensive is like Charlie Monger's book on mental model I think.

Chris Watters:

So. Hey, I want to ask something real quick. So Frank and Kelly, have you guys seen on Instagram, these guys that I mean, it's like, they give stuff away every day. Like an iPad or a car like Ty Lopez and these online marketers, right.

Kelly Cook:

Yeah.

Chris Watters:

That are selling a 99 dollar subscription. They give away a ton of stuff. I wonder man, how far can you go with this whole gifting thing to build up a following?

Kelly Cook:

That's a fantastic question. I'm trying to... I'm not pushing really-

Frank Klesitz:

That is a great question, Chris.

Kelly Cook:

Yeah.

Frank Klesitz:

I would love to have the answer Kelly. What is your answer?

Kelly Cook:

I haven't found it out yet, right? Because you have done an ROI, right? You can't do that as soon you think [crosstalk 00:49:30]

Frank Klesitz:

So what is this? That's fine. So we're plugging this dude's Giftology company. Good for you guy. What's his name?

Kelly Cook:

Yeah. John.

Frank Klesitz:

Yeah. So John I'm checking it out right now. So fulfillment laser call. He gives you gift ideas?

Kelly Cook:

Yeah. I know.

Frank Klesitz:

And I don't get it. So he gives you something every... So he sends you something every month to give away?

Kelly Cook:

Or whatever frequency you want to do. It's customizable.

Frank Klesitz:

Nice.

Kelly Cook:

Yeah. And the gift ideas he has are, I mean, they're pretty solid.

Frank Klesitz:

What is the price range for these things? That's still customizable?

Kelly Cook:

It's customizable, but they had, they say the average price per gift that you and want to operate in typically on average, around 250 to \$400 per gift. And then you can go higher. You can go a 1000. You can go whatever-

Frank Klesitz:

Have you advertised this on Facebook, the giveaways.

Kelly Cook:

No, because those gifts I don't use for giveaways. Those gifts I use for my top clients, VIP clients.

Frank Klesitz:

Okay. So you get some ideas what you do for your giveaways, but now, so let's move into this. You also have a list of your top clients. How many people are on that list?

Kelly Cook:

For this is about 73 or something 72.

Frank Klesitz:

And how do they qualify to be on that list?

Kelly Cook:

At least one referral 12 to 18 months-ish.

Frank Klesitz:

And you spend how much a year? You give them a one gift a year or what?

Kelly Cook:

Two.

Frank Klesitz:

For 250 bucks?

Kelly Cook:

Yeah.

Frank Klesitz:

Oh, hey.

Kelly Cook:

Yep. And yeah I'm doing it now for over a year, the response I've been getting is just, it's been awesome, right? Maybe you-

Frank Klesitz:

So you have 75 people that referred you a deal.

Kelly Cook:

Yep.

Frank Klesitz:

And you invest 500 a year into each of them?

Kelly Cook:

Yep. But I-

Frank Klesitz:

I've never heard anyone do anything like that. Have you Chris?

Kelly Cook:

I've only been doing it for a little over a year, right. I've done three gifts.

Frank Klesitz:

I have ever heard little trinkets or something, but not a 250 dollar gift twice a year.

Kelly Cook:

The whole concept is-

Frank Klesitz:

I mean did you say 250 or 500 per person?

Kelly Cook:

Between 250 to 400 because the gift prize and the gift cards-

Frank Klesitz:

Per gift and sends them twice a year.

Chris Watters:

Yeah. So you're talking about 40 to 50 grand a year.

Kelly Cook:

Yes.

Chris Watters:

In gifts. Wow.

Kelly Cook:

Yes.

Chris Watters:

And are they increasing their number of referrals? What's been the results on that the last year?

Kelly Cook:

So far I made money on it and really guys, it hasn't been that many referrals. But just because the price points have been pretty good, I made money on it. I'm not out that much. I'd say it probably it made, I think I had three closing from it, from that specifically, like they call up and be like, this is amazing. And these are people that also may not have referred me also, but they're influential. They're in a position of influence.

Chris Watters:

What motivated you to take that kind of financial risk in those 75 people?

Kelly Cook:

The ability to say thank you. Number one for being awesome clients and for being raving fan, right? And number two there was other agents out there that have some sort of system like this that have proved that it works. I just want to step higher instead of above that-

Chris Watters:

Yeah.

Kelly Cook:

Be the S company. Yeah.

Frank Klesitz:

Okay. Got it.

Chris Watters:

Frank, I don't mean to cut things off. I got to get ready my solo workshop. And-

Frank Klesitz:

No. Chris, you have your solo workshop that you learned from the previous episode with Sue Adler on the Listing Lead Show.

Chris Watters:

People need to tune in and listen.

Frank Klesitz:

So we're excited. Tell us how it goes.

Chris Watters:

I had a couple of dozen people register, so I'm excited to see how it goes.

Frank Klesitz:

Just off one email onto your list?

Chris Watters:

Yep. One email.

Frank Klesitz:

Or did you do more?

Chris Watters:

One email.

Frank Klesitz:

Well, with some email?

Chris Watters:

Well, with some reminders.

Frank Klesitz:

Back to... Did you send them to event ride?

Chris Watters:

Yes. Yep. To an event ride. Yep.

Frank Klesitz:

What was the headline?

Chris Watters:

How to get over asking price on your home.

Frank Klesitz:

Got it. Register now. Free ticket.

Chris Watters:

Yeah. Yup.

Frank Klesitz:

Cool.

Chris Watters:

All right. I'll let you know about-

Frank Klesitz:

They all get called and confirm? I'll let you go. Get out of her.

Chris Watters:

I'm going to report on the next episode how it went. Kelly, thanks for all the nuggets, man. It's been Great.

Kelly Cook:

Love it, Chris. Good luck, man.

Frank Klesitz:

Kelly. This was a great show.

Kelly Cook:

Thank you.

Frank Klesitz:

Thank you, Kelly.

Kelly Cook:

Yeah.

Frank Klesitz:

Yeah. So farming. Awesome. You do a monthly giveaway?

Kelly Cook:

No. For-

Frank Klesitz:

How often do you do the giveaway?

Kelly Cook:

The giveaway right now we're at the marketing calendar right here. We're scheduled to do four this year.

Frank Klesitz:

Okay. So quarterly giveaway.

Kelly Cook:

Yeah.

Frank Klesitz:

And then you have 75 clients to get two amazing gifts a year?

Kelly Cook:

Yeah. This whole concept is random times.

Frank Klesitz:

Yeah.

Kelly Cook:

Don't send it on the birthday. Don't send it on Christmas.

Frank Klesitz:

Yeah.

Kelly Cook:

Just looking at something.

Frank Klesitz:

No, you're right.

Kelly Cook:

Yeah.

Frank Klesitz:

Yeah. I get it. I bought the book. I feel where that book is going and -

Kelly Cook:

Yes.

Frank Klesitz:

And I get it.

Kelly Cook:

Yes.

Frank Klesitz:

Yeah. And then what else are you doing for your sphere? You do your 36 touch with viral or you said. And you send out videos, you stay in touch to educate everyone, right?

Kelly Cook:

Yup. Do that. We also we call them three times a year and that gets backed up sometimes, right. But call three times a year and we can also slide dial, not slide broadcast, but slide dial as well.

Frank Klesitz:

Big difference.

Kelly Cook:

Big difference.

Frank Klesitz:

One by one by one, right?

Kelly Cook:

Yes.

Frank Klesitz:

Yeah.

Kelly Cook:

Personalized, right? To them. And then we do three text messages as well. And then we also do father's day card.

Frank Klesitz:

Who's managing that? That sounds like a full-time job.

Kelly Cook:

Yeah. Well, it pretty much is.

Frank Klesitz:

Yeah.

Kelly Cook:

Yeah. Operations directors. Yeah. Laurie. She's awesome.

Frank Klesitz:

Wow.

Kelly Cook:

Yeah.

Frank Klesitz:

Okay.

Kelly Cook:

Yeah. And then we give birthday cards, mother's day cards, birthday cards, home anniversary cards for one year and then two years. By the way that's a great idea. The second year one, because when you send them a card on the second year home anniversary, you should say something to the effect of, congratulations you've been in the house now two years. If you now want it to sell, you now qualify for the capital gains exemption for any proceeds you will make on sell your property. Let me know.

Frank Klesitz:

Oh, that's nice. That's a good tip. So look do you sell real estate for 16 years. It sounds like you have just through battle damage or what? I don't know what it is. If maybe can just getting beat up, you've ended up with these are your marketing picks, pure fundamentals.

Kelly Cook:

Fundamentals like?

Frank Klesitz:

You know what I mean?

Kelly Cook:

Blocking-

Frank Klesitz:

I mean how many things have you tried over the years that didn't pan out Kelly?

Kelly Cook:

Probably everything. I mean, I don't know. I'm not done a plane that flies a banner behind it yet. I haven't tried that one.

Frank Klesitz:

Okay. You do that. You tried everything and you've settled on picking a zip code for a farm. Two solid gifts a year to your top clients. A giveaway every quarter to your database. The good solid 36 touch with your sphere. All right.

Kelly Cook:

Yep.

Frank Klesitz:

We're not going to take the time to go into it today. This might be another show, but just real briefly, I just like to ask you for your top three listing colors. Your other one is for sale by owner. And I'm just curious, I got asked this question and I want to hear it right from you, the realtor that can confirm this. Kelly, I don't need an agent. I can put my home up in one day and sell it for a gazillion dollars in this hot market. Why would even consider you listing my property?

Kelly Cook:

Yeah, Frank see the conversation. The question is not if you can sell the property or not. I guarantee you whether you're a stew on real estate or not as the homeowner of your house, you'll be able to sell it in this market. Okay. The question is I believe that and no matter what price point your home is at or any home for that matter, the fluctuation of where it could sell or will it will sell is about 10%.

Kelly Cook:

So where if you sell it yourself, the question becomes how much money do you leave on the table? And I would argue that someone who is not very good at real estate, maybe a new vice in Z or, or maybe a homeowner themselves who doesn't do this everyday like myself, would end up selling the property. No question about that, but you'd sell it towards the bottom of that 10% bracket as opposed to myself, we'll get you at the top of that 10% bracket.

Kelly Cook:

And in this market probably stretched even further outside of that bracket. So marketing wise, that's a fundamental aspect that we have in our listing presentation that we'll help you with in a more of a balanced normal market. In this market, marketing becomes somewhat not that much of a value property anymore. Okay. The ability to facilitate and negotiate and insert myself between two offers or more is what's going to make you an extra 10, 20,000 dollars at the end of the day, net in your pocket.

Frank Klesitz:

What if I bring the buyer?

Kelly Cook:

Then we can do a race. I'm happy with that. We'll do a race. And if you sell it first, you owe me nothing, Frank. But if I sell it, then you obviously paid-

Frank Klesitz:

Paid.

Kelly Cook:

More fee.

Frank Klesitz:

Yep. So we don't have time to go into the, how your Facebook thing works. People are on a future show, but man, this is really helpful to anyone. I just want to kind of share just to kind of cue few key takeaways. You decided to attack and very competitive Phoenix through a whole other podcast of all of the pain and suffering of 16 years, trying to make a living in real estate. You've realized that you're going to attack on a narrow front when there's so much competition into one zip code, that's right around you, that happened to have a decent turnover rate. And there wasn't too much of a current agent presence there, am I correct?

Kelly Cook:

Bingo.

Frank Klesitz:

So you started to send out a newsletter, not a postcard, but a newsletter that was actually valuable. Something so good people would arguably play to receive it. That was pretty branded for the area, right.

Kelly Cook:

Yep.

Frank Klesitz:

And you shared what you put in them, and on top of that, you also do Facebook ads to the area. You work with the school kind of close to the area. And you send out via email to everyone as well through Mailchimp. Okay. And over time people call you and then the kind of the whole call to action of that is to go find out what their home is worth on your website, right?

Kelly Cook:

That's right.

Frank Klesitz:

So then the second pillar we talked about today was your sphere. And you started off with the giveaway every quarter like that. And everyone just calls you. Fantastic. And then you also made a list of 75 people that gave you business in the past 12 months and you sent them two amazing gifts a year. I mean, not even one, dude. I mean, one you'd be like, "Man, two or three five bucks." That's one. But you're like, "No I've gone through so much pain the 16 years trying to get listings. I'm going to do two a year." Is that right?

Kelly Cook:

Yeah.

Frank Klesitz:

What was your decision to go two a year, I could ask?

Kelly Cook:

Well, okay. So I asked the rep of that company, right? What did she recommend? Because they operate in multiple different spaces and real estate is one of them. And she said, you really should do two, maybe even three. Now honestly, is she trying to sell and she makes more money? I don't know. But I do believe that two make sense because with what we're peppering around the other things that they're receiving and the ability to do one, in the first quarter and then one kind of in the-

Frank Klesitz:

How do you know you have the right mailing address?

Kelly Cook:

Through a database.

Frank Klesitz:

You know it's the right one. Like they got it? I got to be concerned if I was mailing something for 200 bucks and they didn't get it.

Kelly Cook:

We do. I'd be lying if I said we cross-reference every time we do that. We cross-reference to all the tax records, but we do cross-reference when we're kind of... Because here's the thing I'm also or Laurie our persons and database structure we're also in touch with them throughout the year. So we kind of have a decent finger on that pulse.

Frank Klesitz:

Yeah.

Kelly Cook:

There's nothing suspicious that we think is hey, they moved or that kind of thing, right?

Frank Klesitz:

That's great. So all of this here, so then you have your sphere. Your 36 touch with viral marketing. You do the quarterly giveaway and you're calling and birthdays. Anniversary of their home on the second year I live with the capital gains tax.

Kelly Cook:

Yep.

Frank Klesitz:

You have a whole plan and that's pretty fundamental. Let me ask you this. What are you doing in business listings? I should probably have asked you this at the beginning of the show, but all of this has amounted into how much business for you on the listing side?

Kelly Cook:

Yep. On the listing side. Let's see here. I think I have it here. So last year, 2020, we're 134 listings sold. So we were approximately about-

Frank Klesitz:

And that's in the year of COVID.

Kelly Cook:

Yeah. We went down. I mean, when it first hit March, we went down about 30% quick, right.

Frank Klesitz:

Oh yeah.

Kelly Cook:

I mean everything. But then that V shape recovery occurred, right. Just for us, like most people. And-

Frank Klesitz:

What were you the year before that in the 2019, how many listings sold?

Kelly Cook:

I think we're at 91 or 90.

Frank Klesitz:

So you picked it up.

Kelly Cook:

Yeah.

Frank Klesitz:

And then what do you think you'll do this year, man? Do you think it will be up even though it's such low inventory or is it just really hard?

Kelly Cook:

I mean right now we're pacing ahead of where we were last year. Yes.

Frank Klesitz:

Wow.

Kelly Cook:

Yeah. By-

Frank Klesitz:

So you're ahead of where you are, even where it's such low inventory.

Kelly Cook:

Yeah. We're ahead by like 15%.

Frank Klesitz:

I'm just curious. I mean, are still the same number of homes selling. It's just they going to sell faster. So there's nothing sitting there?

Kelly Cook:

Yeah. That's a good point. We've had a supply issue obviously, right? Less homes, but there still are... The bigger issue is that the demand was much higher than as high as the, or low as the supply was. That makes sense, right. That was a bigger driver, the demand. So we still had homes coming on the market.

Frank Klesitz:

So it's not that there's less homes for sale. It's just that they're being eaten up quicker?

Kelly Cook:

There are those homes for sales. So yes, but yes, it's not as bad as, or as dry maybe some places. They're just getting eaten up.

Frank Klesitz:

Yeah.

Kelly Cook:

The Demand was so strong from Seattle and LA and everywhere in California, right so.

Frank Klesitz:

I want to share with the audience something. My wife and I, we live in San Diego and now we're looking to move. And I think we were moved to Tennessee Kelly. Totally random.

Kelly Cook:

Totally random.

Frank Klesitz:

Long story.

Kelly Cook:

But that makes sense.

Frank Klesitz:

No. But I think we're moving to Tennessee. So we're building a house in Tennessee. As of right now, we're under contract to build the house. But the house is going to be done for a year and we're looking to move this summer. So the question was, is because we'll get the kids into a school district would have been. So I need to find that house and is extremely desirable school district that was for sale or maybe I could rent for a year. Because my home will be built in that area, but not for a year. So I need like a year to hold myself over.

Kelly Cook:

Right.

Frank Klesitz:

So there's nothing for end and not much for sale. And what it goes for sale, it's just a mania follow me in the school district. So I decided to send a letter.

Kelly Cook:

I knew it.

Frank Klesitz:

I did. It was 300 homes in the little neighborhood we wanted to be in built homes. And I said, Hey, we're, ex-pats from California. It's the grapes of wrath, reversed. We're traveling back. I think I wrote in

there all these crazy liberal ideas out here, I was trying to appeal to Tennessee a little bit. We want common sense laws and common sense rules of locked down to getting to us. We're moving to Tennessee. So if you have a house we'd like to buy it direct. We had the cash to close, yadi yadi yada. And then I put a bunch of pictures of our family on the second page and mailed that. It cost me 320 bucks. Phone blew up, right? Just like we talked about in the podcast.

Kelly Cook:

Yup.

Frank Klesitz:

And they called me up and said, "Oh yeah, you're looking... There's a lot of people out here moving." I'm like, "Yeah, I will." "We hear you Californians and we get while you're moving. Yeah. You one of us."

Kelly Cook:

I like that.

Frank Klesitz:

I wrote it there. I'm an ex-pat. All that stuff from California, the grapes of wrath reversed. And it was a real personal letter. Like we talked about in the show. Anyways, my wife talked to one of the sellers and the house it was painted and just get a little TLC is probably worth about 600,000. And we got under contract for 465.

Kelly Cook:

Wow.

Frank Klesitz:

We closed in a week. They had backup offers. It was actually their agent called us. It was actually, it was listed and they had plenty of other offers, but they needed out sooner. And we were able to make a buy. And we were able to pick up a house that we could live in for a year before our house is built. Apparently as enclosed, it wasn't a contract. But maybe when we sell it, we can make some money out of it if the good market keeps going.

Kelly Cook:

Absolutely.

Frank Klesitz:

Because it's good to show you like some of these things that you learn on the show you can use for your personal life, sending out letters and getting business that way.

Kelly Cook:

Yeah. It just takes a little bit of time, right? And effort. That's what you got to set aside the difference.

Frank Klesitz:

Yeah. So I'm really glad. I mean, if you look at the equity on the ROI of what, a 350 dollar letter for a 100,000 dollars of say of equity.

Kelly Cook:

Yes. Incredible. That's incredible.

Frank Klesitz:

Now take that. Total amount being shuffled into a bidding situation with a gazillion people.

Kelly Cook:

Right.

Frank Klesitz:

Who wants that, right? Yeah.

Kelly Cook:

That's a great story, man.

Frank Klesitz:

So that's something we did. And I just want to share with the listeners. If you actually made it this far in the podcast. Thank you for listening and listening to Chris and I being here. But Chris and I are like we started... There's a library in downtown San Diego. And there's a quote that I saw everyday going to work is like, if there's a book that you want to read and it hasn't been written, you have to write it. You know what I mean?

Kelly Cook:

Yeah.

Frank Klesitz:

And there was a podcast I wanted to create is like, everyone's interviewing all these people about these big wide scope things in real estate but no one was just doing a podcast. I'm like, "What are you doing to get listings? These exist." So me and Chris were like, I want to know what people are doing that sellers to call you. It sounds pretty straightforward, but it didn't exist. So we decided to create The Listing Lead Show, which is what are you going to get listings? And we've been delivering on that every single week for each show.

Kelly Cook:

Okay.

Frank Klesitz:

So Kelly and you definitely delivered today. So thank you so much.

Kelly Cook:

Thank you Frank.

Frank Klesitz:

How does someone get a hold of you if they have a seller or a buyer out in Scottsdale or Phoenix to where they'd want to work with?

Kelly Cook:

Yeah, that'd be amazing. We love that, agent referrals. And my cell phone number, text or call 480 227 2028

Frank Klesitz:

Cool. All right, everyone. I want to thank you so much for listening and subscribe to the show at Listing Lead Show. We're also on iTunes or Apple Podcasts or who they call it now. And we try to put about two of these out a month. I don't force the show. So we actually record a show. That's not good. I actually deleted Kelly. So we've done that, that published in that for the audience. And we don't stick to a strict publication schedule because then it forces me to kind of publish stuff I don't like. So whenever you see a show pop up, I like it. And that means it's good Kelly, because I would listen to it. All right

Kelly Cook:

[crosstalk 01:08:27]

Frank Klesitz:

Yep. So thanks everyone for listening, and I will see you next time.

Kelly Cook:

See you guys.