

# GROWING YOUR



SCHMIDT FAMILY  
OF COMPANIES

CIRCLE OF INFLUENCE

# HOW TO TARGET YOUR CIRCLE OF INFLUENCE



#1 ...AND HOW  
TO KEEP  
THEM  
CLOSE  
TO  
THE  
BULLSEYE





## #1 INTIMATE FRIENDS & FAMILY.

These are people with whom we are intimate to the point where we know that if they buy and sell real estate they would never do so without our involvement. Mostly to refer new clients to you.



## #2 CLOSEST FRIENDS.

These are our trusted allies, extended family, confidants, people we interact with on a regular basis. We can trust them with most of our trusted opinions, values, and day-to-day lifestyles, etc. Very likely to refer new clients to you.



## #3 CASUAL FRIENDS & REFERRALS.

These people we don't see often but we know them, and we would call them friends. We might have attended sport games, church or a past high/college friend. Will refer new clients to you, but only when asked.



## #4 FIRST & LAST NAMES.

These people also know us by our first and last names. We know their families and a good deal about their life, where they work, etc. They also know a good deal about us, our families, our vocation, etc.

## #5 KNOWLEDGE OF.

Chances are these people will know who we are. We may have shaken hands or rubbed shoulders in various committees or as a result of our trade, church, sports, activities, etc.

## #6 RECOGNIZED ONLY.

These are people who may know who I am because I'm a Realtor, my name and picture are publicized. It could be a person who is recognized as a city council member or preacher or coach, etc.

## #7 DO NOT KNOW THEM.

In addition, these people do not know you either.

A recent study was done on the percentage of homes that are listed and sold as a result of our Circle of Influence. The Circle of Influence could be described in a number of ways, but generally speaking it is determined by immediate family, close friends, friendships resulting from church, friendships resulting from community involvement, sports, neighbors, high school or college friends, and much more. This would be considered our Circle of Influence. Most Realtors having been in the market for a number of years have a list of at least 250 people who are a part of our Circle of Influence.

It is interesting to note that the average family purchases and/or sells real estate every eight years. The average family and/or individual buys or sells at least six properties during their lifetime. Most often, each subsequent purchase and/or sale is of significantly higher dollar value than the previous transaction.

This study suggested that something close to 8 out of 10 of our sales and listings are coming from our Circle of Influence, which incidentally is significantly higher than the 62% that has been historically and currently recorded. For the sake of discussion, let's just say that over 60% of all of our transactions are accomplished as a result of our Circle of Influence.

Assuming you agree with the aforementioned facts, why is it that 85% or more of all buyers and sellers end up buying with a different Realtor when it's time for them to make an upward move or relocation, etc.? I suggest that the answer lies within the stark reality that we are not staying connected and marketing to our past clients and our Circle of Influence.

There have been many teachings from coaches, instructors, real estate gurus with various thoughts on how often to be in touch with your Circle of Influence and how. For this writing, I suggest a direct mail at least twelve times per year and a personal phone contact at a minimum of four times per year. In practicing this, along with the social media, personal contact, and keeping our Circle of Influence aware of our services and our passion, we would capture far more of the new purchases and sales than we currently are. To further the understanding, suppose a highly recognized individual has a Circle of Influence of 320 people and we know that the average purchase and/or sale is every eight years. That means 40 members of my Circle of Influence will purchase and/or sell real estate each year. If my average sales price is \$250,000, then  $\$10,000,000 \times 6\%$  is \$600,000 in real estate commissions that are available just inside my personal Circle of Influence.

Our marketing department is fully capable and available to help you implement a proactive plan to stay in touch and to market to your Circle of Influence. This will include postcards, phone calls, Facebook and other social media outlets. We have the most sophisticated marketing team that has capability to accomplish your personal and much needed goals to build your business. Contact your leadership now and begin to implement your success plan.

## *Agents and Colleagues*

*The following are some examples of why Circle of Influence marketing is so valuable and profitable and, in fact, why it is absolutely necessary for a professional real estate sales associate to advance their career without the necessity of starting over on January 1 of each year.*

*We meet persons that are in circle 6 and 7 at an open house or from a floor call. We know and learn that they want to buy and/or sell real estate. In time we get to know them. We know their families, their income, background, schooling, their housing desires and goals, the names of their family members. These people, within a very short time-frame, advance from a 6 or 7 right into a 2 or 3 in a few short days or weeks. They buy and close on a home and at that exact moment we are close friends in the 2 and 3 category in a Circle of Influence. Think back, over 85% of these 2's or 3's buy their home from a different Realtor. Why? A close friend, a circle of influence, buys a FSBO and lists their home with an unknown Realtor. The question is why? We sell a home to a married couple and three years later, they decide to divorce. They sell their home through a different real estate agent and each of the divorced parties buy from a different Realtor. The question is why?*

*The examples go on and on and on. We see a listing come through that we sold to the party two years ago and to find it's listed with someone else. The chat at a sports event where we find someone in our Circle of Influence has just sold or listed with someone else. The relative that bought a FSBO and sold through a distant friend. Most of these instances and more are a result of the reality that our Circle of Influence does not know that we are a professional, serious, committed, dedicated Realtor because we have not shared and stayed in touch with our own Circle of Influence.*

*In summary, during my tenure in the real estate business, I have known numerous sales associates that start their business over every year. They experience very little growth, if any. Their income is relied on new business and their attitude is connected to the economy. The highly productive 10% of sales associates now doing 90% of sales in our industry have come to understand the necessity to market to their Circle of Influence. They pyramid yesterday's accomplishment by expanding the Circle of Influence and systematically staying in touch. In a general sense, the public that we work with will be able to say, "My doctor is...My preacher is...My attorney is...My dentist is..." but they don't have a statement that suggests, "My Realtor is...?" Maybe it's time for you to start or increase Circle of Influence marketing. We can help. Our marketing support team has all of the tools needed to connect you to your circle of influence.*

*Jack Bouman*

*Jack Bouman, President, Southwest Region with "44 Years of Experience"*

**HOME IS MORE THAN WHAT WE SELL.  
HOME IS WHO WE ARE.**

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