

INSTITUTE *for*
LUXURY HOME
MARKETING®



HOW TO BE A DOMINANT
FORCE IN UPPER TIER
REAL ESTATE

INTRODUCTION

Diversity has become the new barometer in the real estate market and real estate professionals should recognize that homeowner's needs are very different from ten or even five years ago.

As historical trends show, the high-net-worth individual will continue to drive demand for real estate, consequently impacting other real estate market segments.

This guide will outline some key strategies to help you become a dominant player in the affluent market.

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CHAPTER 1: UNDERSTAND THE HIGH-NET-WORTH CLIENT



Succeeding with affluent clients means understanding their motivations and how their specific luxury market is reacting to changes in the current political and economic landscape.

As you work with an affluent client, you will find it important to change any preconceived notions of how high-net-worth individuals go about purchasing a home. This mindset shift is crucial to understanding the realities of what these clients are looking for and expect.

Here's what you should remember when it comes to affluent clients:

1. AFFLUENT CLIENTS VALUE EXPERIENCE OF LIFESTYLE

Over the past five to ten years, the lifestyle of the high-net-worth individual has become increasingly global. Traveling the world for work and pleasure alike, these individuals may want multiple homes across the country and the world to better support their transient lifestyle.



What you should do: One of the key factors that the real estate professional should recognize is the importance of lifestyle. Whether you are working with a seller or a buyer, it's important to showcase the unique experiences that the location has to offer.

Picking up on the attributes of the location and the distinctive nuances that come with the home is critical when marketing that home, compared to reporting solely on the cold, hard facts like square footage and amenities.

2. AFFLUENT CLIENTS HAVE OPTIONS

Wealth also brings the privilege of choice. If a second home is not a necessity, you could find that you are competing against an investment in a plane or a yacht. Instead, recognize the importance of establishing a strong and lasting relationship.



What you should do: Don't take it personally if a current opportunity proves to be exceedingly challenging. Instead, recognize it's important to establish a great relationship and focus on building trust. Being honest by providing realistic information and setting reasonable expectations will ultimately win their respect. Keep the communication channels open and continue to be their spokesperson.

3. AFFLUENT CLIENTS INCLUDE INFLUENCERS IN THE DECISION-MAKING PROCESS

Typically, the more money an individual has, the more people influence their financial decisions. These influencers can range from assistants and lawyers to family and friends. Depending on the client, you could be meeting these influencers, either as a part of a screening process before meeting the client, or sometimes in place of the client altogether.

It's important to familiarize yourself with these influencers and understand how their opinion will affect your client to have a smooth and successful transaction

What you should do: Get to know these gatekeepers as they'll probably screen all aspects of the real estate transaction. The important thing to remember is not to be intimidated. Just because you may have more people to impress, doesn't mean you aren't an exceptionally capable professional. Exuding confidence is half the battle when it comes to real estate!



4. NOT ALL AFFLUENT CLIENTS ARE THE SAME

One thing to consider when it comes to upper tier real estate is that there are many sub-tiers and niches within the general categorization of the “luxury client.” This is important to understand as a real estate professional since not all affluent clients want the same things or spend money the same way.



Tiers of wealth

There are eight different tiers of wealth: The Affluent, The Wealthy, High-Net-Worth Individuals, The Very Rich, The Ultra-High-Net-Worth Individual, Centi-Millionaires, Demi-Billionaires, and Billionaires. The net worth of these various tiers range from \$100,000 for the affluent and, as the name would suggest, \$1 billion when referring to billionaires. These various tiers of individuals tend to have a preference for certain markets and have quirks and attributes that are unique to each level.

New money vs. old money

The concept of “old money” and “new money” goes back centuries, with “old money” meaning the generational trend of inheriting money from family as opposed to “new money” meaning coming into money independently.

“Old money” spenders were born into wealth, so they usually haven’t experienced life without the money they currently have. Generally speaking, this leads them to spend cautiously to maintain family traditions and ensure their family line stays at the top. Frivolous purchases aren’t as common for this psychographic, as they usually choose to spend their money on private education, travel, and specialty training programs.

“New money” spenders on the other hand usually take a personal stake in their riches. Since people in the “new money” category are usually self-made, they’re more inclined to believe that if they continue working, they can earn back any money they’ve spent. For this psychographic, think a little more flashy and less conservative with spending.



Pro Tip: Curious to know more about your clients and prospects? Exclusive to our members, The Institute’s [Online Wealth Lookup \(OWL\)](#) gives you a quick and easy way to get a financial “snapshot” of prospects, helping you quickly assess credibility, begin your qualifying process, gain leverage in negotiations, strengthen relationships, and earn trust.



CHAPTER 2: GIVE YOUR MARKETING A MAKEOVER

When it comes to real estate, it's important to differentiate yourself, especially in a competitive market such as the high end real estate market. Here are the four basic marketing essentials that you need to adopt to stand out as an upper tier real estate professional:



1. INVEST IN HIGH-QUALITY PRINT MATERIALS

Affluent clients are a tactile group of people. They appreciate quality brochures and market reports so don't skimp on these types of materials. A clean, professional design and high-quality paper is a must.

Here are some of the types of print collateral that you should consider having in your marketing arsenal:

- Property brochures
- Postcards for direct mail
- Pre-listing marketing books or pamphlets
- Local market reports (monthly)
- Personal and referral brochures
- Buyer's and seller's guides

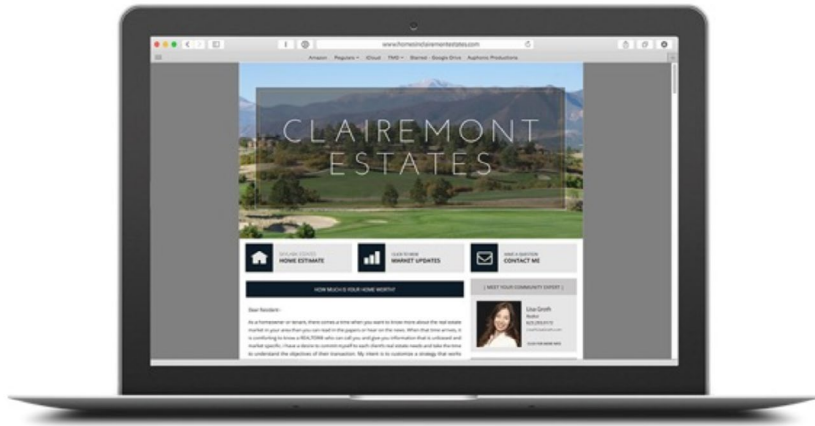
As always, make sure you have professional business cards on you at all times. You never know when you might run into someone who is looking to buy or sell a home.



Pro Tip: Want to go above and beyond with your marketing? Institute Members enjoy access to professionally designed luxury print and digital marketing through REAL Marketing's comprehensive platform of products and services.

2. STEP UP YOUR WEB PRESENCE

In order to become a dominant force in the upper tier real estate market, one simple solution should be to create a separate personal luxury website that establishes your expertise in this niche. Ensure you showcase your luxury properties on this website and also consider creating a dedicated website for the actual property. This will allow you to customize the type of content and information you create for each property as well as promote the property globally, not just locally.



3. ENGAGE ON SOCIAL MEDIA

Social media is often an afterthought for real estate professionals. But, given that 79% of Americans have a social media profile*, not having a presence on social media can be a big missed opportunity to get your business in front of the right people.



Here are some things you should include on your professional social media platforms:

- Professional profile picture
- Contact information
- High-quality photos
- Local and national news pertaining to the real estate industry
- Event invites to open houses, networking events, etc.
- “Behind the scenes” photos or videos showing you in your element

*Source: Statista 2019.

4. TELL YOUR STORY WITH VIDEO

Video is a great way to tell your story to your audience. It allows people to get a sense of your personality and communicates information in an engaging way. Plus, with a staggering 72% of customers* reporting that they prefer learning about a product or service by way of video, video is just going to get more and more important.

Here are some topics you should consider covering in your marketing video(s):

- Who you are and your professional background
- Your specialties as a real estate professional
- Your core values
- Your involvement in the community
- Major successes/certifications
- Your contact information

Remember, there is a lot of content on the internet vying for people's attention so you want to keep your video short and to the point (i.e. no longer than 90 seconds). Otherwise, they will scroll right past you.

*Source: HubSpot 2019.



Pro Tip: Gain valuable insights and see the latest marketing trends specifically curated for luxury real estate professionals with [The Institute's Luxury Insights Blog](#).

CHAPTER 3: STEP UP YOUR NETWORKING GAME

In today's upper tier real estate market where inventory levels are increasing, having a strong network is essential. Networking events provide an opportunity to start building relationships based on getting to know an individual better—not just what they do or know, but more importantly who they are. The art of luxury networking should be seen not as a one-time sales tactic, but as a long-term referral process where visibility creates credibility.



1. JOIN NETWORKING GROUPS AND EVENTS

Building up your sphere of influence with other real estate professionals is a must, especially when it comes to the high end real estate business. As such, it's important to build a database of contacts you meet at conferences, live courses, and other networking opportunities.

It's simple. The more people you know, the more opportunities there are for you to get referrals.



Local level

At its core, real estate is a local business. So, the majority of your networking should be done in and around your area. This could include attending events by local business organizations (like the Chamber of Commerce), associations, or charities. The idea is to see and be seen in your local community at affluent events.

National level

As a high-end real estate professional, you need to go the extra mile and not just be well-known in your local community, but on a national scale as well. Attending luxury events and major trade conferences is a great way to learn more about the latest goings-on in the industry as well as network with other successful agents from across the country.



Pro Tip: The annual Leaders in Luxury conference is an exceptional opportunity to network with like-minded peers while getting exclusive insights and training from high-end real estate industry leaders.



International level

Most luxury clients are very familiar with international travel, some having multiple homes across the world. As such, they expect the people who work for them to be as internationally savvy as well. For those intent on high levels of success in the upper tier real estate industry, international networking is key. While it's possible to make connections through international websites and social media, attending international conferences or other networking opportunities across the globe may be the thing that differentiates you from your competition.



Pro Tip: Members of The Institute receive a free standard account with ProxioPro, a global real estate network that allows you to connect with over one million real estate agents around the world.

2. REINFORCE RELATIONSHIPS

Once you've made the initial connection, it's important to not let that contact turn cold. Keep in touch with the people you meet at these networking events through social media, email, snail mail, or a combination of all three. Better yet, if you're visiting their neck of the woods, reach out and see if they want to grab lunch or dinner. This will show them that you value the relationship on a professional and personal level.



Pro Tip: Joining social media groups, such as [The Institute's Private Facebook Group](#), is a great way to stay in touch with your peers without having to travel hundreds of miles.



3. DON'T FORGET VENDORS!

It's important not to focus solely on other real estate professionals when it comes to networking. Interior designers, decorators, landscape designers, and architects are just some of the types of professionals you should have in your rolodex. These are the people you want to network with because they're often in a position to know when a property is getting ready to be listed.



NEXT STEPS

Now that you know how to be a dominant force in the upper tier real estate market, start by taking a training course to get your Certified Luxury Home Marketing Specialist™ (CLHMS) designation. These live and online training sessions will help give you the tools to demonstrate to clients that you are ready to take on their luxury needs.

Visit [LuxuryHomeMarketing.com](https://www.LuxuryHomeMarketing.com) to learn more about how to jump-start your career into the high-end real estate industry.



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“Informed, actionable ideas and strategies that will help me position my business in the luxury segment and grow it.”

Tom Raney
Nest Realty Group
Charlottesville, VA US



“

“Very useful information that will help out all segments of my business, not just the luxury marketing.”

Amy Kite
Keller Williams
Libertyville, IL US



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