

# Real marketing

Business



In Australia's housing market, consumers are influenced by many factors e. g.

federal government policy and financial assistance to the first home buyers, interest rates and the level of income. If house prices double, mortgage payments will also double, whatever the interest rate. Housing remains the most unaffordable in Australia, except for the single market in China (Hong Kong) (Kotkin 2010). This is because of the more restrictive land use policies introduced by the government. Real estate agents find it challenging, because even the places which had the least affordable homes in the country like Mildura, Launceston, Bunbury, Albury-Wodonga and Shepparton, were all rated seriously unaffordable by the report. Figures from the Council of Australian Government (COAG) Reform Council's first baseline performance report (2009) shows that Perth qualifies to have the least affordable homes in the country, followed by Brisbane.

This makes competition for houses to be high in these areas, and as a result, the prices are highly increased. Marketing real estates in these areas, therefore, needs careful scrutiny of the ideas and strategies put in place to win a target market. Being successful in markets, in which there are many competitors, requires a well-developed marketing strategy. The strategy should take into account the portfolio of products, customers and the expected moves of competitors. A good marketing strategy is one that is absolutely essential to the success of a business. In fact, the ability to properly market a product or service is actually more important than the product itself.

The marketing function in any business therefore requires creativity and absolute judgment. To evaluate Century 21's marketing strategy, the following should be considered: its sales should be going up; what is measured should be considered in this case, since real estate business has a longer sales cycle than others, clients should always be asked to find out where they heard the business; this helps in deciding the best media to advertise and help give have an insight into how clients select products and services, check if advertising produces direct responses; this is determined by the type of media used to target clients, networking activities which are in place to create new opportunities for the business are checked, the marketing tactics, which make it easier to sell services, should be checked; this can only be successful, if qualified prospects are attracted, questions or concerns from prospects are addressed, and clients needs are focused on, clients conversion rate are checked and the return on investment should be positive. Century 21's marketing strategy focuses mostly on the sellers and least on buyers. It is a good marketing approach. They business spend 90 percent marketing towards sellers and 10 percent marketing towards buyers. This shows that they were mainly concerned by their larger market.

Among the sellers, they hav grouped them into three groups: A, B and C. Group C has those that have stayed for more than 20 years. Their concentration mostly based on those that have stayed for more than 20 years. This is a good target, since they are the most probable to move because on average, people move every six and half years in Australia. The business's concentration on baby boomers is another good demographic target.

This is because they have a lot of assets and huge mortgage, but they do not have sufficient savings on their accounts. They are most likely to sell their assets to get cash for retirements. The younger baby boomers also have enough assets, but have not saved a lot. They have also borrowed too much, but have not saved it for the future. This group is also likely to sell their assets at retirement to offset their loans and have some money to use after the retirement. Figure 1 below outlines Century 21 Westside's business focus.

The market choice they target above help them have a ready stock for buyers as well as make their listings (Reality Biz Coach 2008). The listings help them in the following ways: Help them have a predictable income flow: listings are like inventory in a store. If priced well, they sell quickly and generate good commissions to them. Help in networking: listings help them to network with other real estate agents in the area to find a buyer or a seller. It also helps sellers to bring other interested sellers to the agents. This is referred to as referral.

Referral requires a proactive approach to be taken not a passive one. It requires that a client does not assume that a satisfied client will bring a customer to him, he should ask for that referral from the client. Tell people who your ideal clients are and ask for help in finding these clients (Robertson 2011). An agent, for example, who represented a seller, should send the client a card every year reminding him that he loves referrals. Get more loyal clients: through listings, it is easier to get clients who commit to work with them extensively.

It also helps to store clients' contacts and evaluate them. Easy leverage: They can work with more sellers at a time than buyers. This is because they target mostly sellers. Help market services: listing helps to attract both home sellers to list their homes and buyers who are interested in purchasing, to get from the listings. Moreover, the Century 21 only targets 10 percent marketing towards leasing. This is appropriate because, since their business targets individuals, it is not likely to find individuals lease their residential houses.

Individuals and families always either buy or rent. Leasing is mostly done with businesses, which do not form part of the Century 21's larger market target. Since marketing to everyone would be expensive and time consuming, the Century 21's focus on geographical areas is a good marketing strategy. The business, therefore, had to choose their potential customers in terms of geographical locations. The tables below show the employment profile and family characteristics in different regions chosen by the real estate company.

Their focus on postcode area 4069 is a better marketing strategy for the agents. The place has people with the highest income and houses with highest prices. The residents are university educated, have a double income and are families with children. It is also composed of entrepreneurs, managers and chief executive officers. From figure 1 above, their median individual per week is above \$600. This represents the highest end of income.

Residents are therefore financially able to purchase homes. They have the biggest permanent assets. The challenge comes in helping them to procure and sell those their massive assets. Some of the challenges are likely to be faced by the agents. Finding a buyer to such expensive assets is not easy.

Another challenge that the agents are likely to face is shown by table 2.

From the table, the total percentage of couples' families with children is 55.0. This is a high percentage and considering that couples with families do not always like to shift from one house to another, they are most unlikely to sell their houses or buy another. This is because they normally like to settle in one place, so that their children can go to schools in one place.

However, number of the middle income workers like service work, sales workers, technicians and trade workers is more in this post code. This should form the center of their focus while marketing. Their choice of postcodes 4068 is also a good one. From the table 1, we see that there are many people at the higher end and an average number of people at both the middle and lower income earners. The median individual income per week, from table 3, is slightly below \$600 which is average.

The agents, in this case, will have to concentrate mostly on the clients who are middle-level income earners, because they are the most likely to see and buy houses. The post code, from the table 2, has the highest percentage of couples without children. MicGrath (2011) argues that couple families without children have "no money being spent on nappies and child care, they have greater means to buy real estate". Their choice of post code 4070 is not a good strategy for Century 21. It has few populations generally. It also

has the highest percentage of couple families with children from table 2, and couple families are unlikely to move from their residential areas.

The low population may be because the real estate developers have not built their houses in the region, or there is a lack of basic infrastructure such as roads, electricity and water or lack of security in the regions. It is, therefore, not the best market for the real estate business.