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NEW TRENDS AND OPPORTUNITIES IN TENANT DEMANDS PAGE 16

FEATURED ARTICLE

COMMERCIAL REAL ESTATE ADVERTISING STRATEGIES





In the digital age, there can be wide-ranging, and sometimes daunting, options when it comes to advertising. For example, when it comes to social media, should it be Twitter, LinkedIn, Facebook, YouTube, Instagram, Snapchat, or all of the above? Should SIORs blog to enhance their presence as a "Thought Leader?" Learn how to use Google Adwords for online ads? Should they invest in drone photography for their properties? Should they use LoopNet as their listing website? What about CCIM, or CityFeet? How valuable is CoStar?

In general, SIORs have been slow to adopt several of these options; that is not necessarily a bad thing. One of the dangers of playing with these new "toys" is that the user becomes so excited they can take their eye off the basics of advertising. Recent conversations with SIORs indicate there is little chance of that happening.

Football experts will tell you that no matter how sophisticated your playbook is your players must master and focus on the basics of blocking and tackling, and the same is true for advertising. Among those advertising basics are the following: A) Identifying your target audiences; B) Determining the key message(s) for those audiences; C) Finding the appropriate vehicles to communicate those messages; and D) Evaluating the effectiveness of your advertising.

For experienced commercial real estate professionals, "A" and "B" can be fairly straightforward. Their target audiences, at least when it comes to broad, general advertising, can be fairly constant: Potential tenants, potential buyers, sources of finance, attorneys, bankers, etc. Years of experience in these and others areas have helped

them develop extensive lists. For key messages, again, broadly speaking, they seek to communicate their expertise and range of services, as well as the benefits of the specific properties/deals they are representing.

Still, getting those "basics" right, as well as "C" and "D," are essential because, as SIORs agree, advertising is an important element of their success.

For Tom Gerard, SIOR, CCIM, Commercial Real Estate Advisor with KW Commercial Advisors in Halifax, Nova Scotia, advertising is "extremely important." Sellers and landlords, he explains, "are counting on us to promote their property in as many mediums as practical." Advertising, he adds, is one of the keys to leveraging your business and continuing to build your database, creating awareness and reaching out to prospects outside of your network and market.

Steve Eisenshtadt, SIOR, CCIM, JD Senior Vice President - FBC, Brokerage Services, in Farmington Hills, Mich, agrees, noting that it helps him in "reaching a broader group of prospects quicker." He cautions, however that "it doesn't replace the relationship. The most effective technique for filling property requirements is the traditional call."

And for Bryce Custer, SIOR, Real Estate Advisor, Oil and Gas/Energy Services, NAI Spring, Canton, Ohio, "advertising is just one tool in my tool box." His belief is that advertising cannot be used alone, but only in conjunction with the other "tools," such as effective public relations to help build brand. Advertising is most valuable, he adds, when used to create "personal presence," by emphasizing your area of expertise.

A Variety of Vehicles

So, what other "tools" does Custer employ? He targets publications specifically read by his key decision makers and influencers. He also advertises to accountants, attorneys, and bankers.

Another key for Custer is personal presence at conferences and trade shows, either through attendance or display booths emphasizing expertise in Energy Services real estate.

Gerard uses marketing signage on his listings, and a quarterly listing newsletter that is distributed both electronically and via unaddressed mail. "We're on Issue 37 and it pays for itself every time," he shares. His team's website promotes its services as well as its listings. Gerard says he believes in advertising sales successes "because it demonstrates experience and competence."

KNOW WHY YOU ARE ADVERTISING AND THE TYPE OF RESULT YOU ARE LOOKING FOR.

Eisenshtadt relies heavily on e-mail marketing. "Our list management team is focused on developing and maintaining key prospecting lists," he shares. "This investment in list procurement is key to our marketing success." He also believes in equally promoting success and potential transactions, because when you focus on the business or brand it helps to show the quality and depth of your transactions/deals, giving you added leverage.

However, he adds, he does not have a "favorite" advertising vehicle, but rather sees them all complementing each other. "There are too many variables to try and narrow in on effectiveness

for property marketing," Eisenshtadt asserts. "We like to make sure to cover all relevant media channels and engage in our audience often and with relevant content."

Credibility is Key

When it comes to messaging, the desire among SIORs is universal: To demonstrate what sets them apart, to underscore their expertise, and to convince their target audience that they are the best choice to represent them or to do business with. For Eisenshtadt, that means reminding them whenever possible of his prestigious designations.

"I put a lot of emphasize on the SIOR, CCIM, and JD designations; it sets me apart from most other brokers, adds credibility and gets me noticed," he says. He advertises those designations, he adds, "In everything I do."

Custer clearly understands one of the "golden rules" of advertising.

"Know why you are advertising and the type of result you are looking for," he advises, adding that his goal is to promote his business and his area of expertise. Thus, properties available and done deals will be advertised if it reinforces those other two areas. For example, he shares, in a recent ad in a national publication "The focus was what we can do, recent projects, and most importantly, associations that I am involved with." Clients, he continues, want to partner with the "perceived expert" in their particular area. And like

Eisenshtadt, he promotes his SIOR and CCIM associations.

Gerard promotes his sales successes, he explains, "because it demonstrates experience and competence."

But is it Working?

The effectiveness of specific advertisements and advertising vehicles has traditionally been difficult to prove. However, with a growing number of digital tracking tools available the results have become a bit more reliable.

Gerard's firm, for example, tracks the effectiveness of its e-mail marketing campaigns through MailChimp, which produces statistics on who clicked on their listings, how many times they clicked, whether they opened the message, etc. "This also serves as great feedback to give to property owners on the success of our marketing efforts," he notes. "Our sales team is in the habit of asking prospects where they found the information on the property they are calling upon and we track this information in our database."

They constantly evaluate their advertising efforts in order to generate the highest possible return on their marketing investments, he continues, "For ourselves as business owners and for maximizing results for our clients."

"We are evaluating our advertising efforts every day," says Eisenshtadt. "We know social media works well and we are constantly looking for creative ways to expand our reach." His firm stays on top of these trends and prides itself in keeping up with evolving opportunities, he adds.

Although he employees Loopnet for member profile views, noting an increase from 500 in 2011 to 28,000 currently, Custer refers to such counting tools as "unscientific." He also tracks activity through the NAI Spring website, but he continues to question the

effectiveness of such tools. His bottom line, he insists, involves depending on an old standby. "When dealing with a new client, I always ask 'how did you hear about me?'" he shares.

He has, however, made significant changes in the way he advertises. "In the beginning, I would put properties in an ad and hope that something would sell," he recalls, adding that he realized the properties he was advertising were just to appease the client. That approach, he asserts, benefitted neither himself nor his client. As his business became focused, he says, so did his advertising, resulting in the current emphasis on expertise.

Mixed View on the Future

What will the future of advertising look like to SIORs? Will it become more or less important? Their outlooks are decidedly mixed. For Custer, for example, it appears that the "built-in credibility" of "free media"—articles positioning him as an expert—will always be more important than ads themselves (which would have little effectiveness, he says, without an accompanying article).

"Without 'personal presence' I find advertising does not give me a return on investment," he claims. "Advertising WITH 'presence' is a powerful tool." In

short, Custer believes that it is much more important to be in the article next to the ad, than to be in the ad itself, which is merely there to reinforce presence.

"As time goes on, I find that I spend less on advertising, yet have more print due to being accessible and helping to contribute to the energy story in the Ohio, Western PA, and West Virginia Panhandle area," he concludes.

But Eisenshtadt says advertising will always play a role in his success. He adds this caveat, however: Getting in front of the right audience with relevant information will become increasingly important to his clients. "We need to understand what they are looking for and filter information that matters to them—not to waste their time," he notes.

"We specialize in marketing commercial property," says Gerard. "I personally would never list one of my commercial properties for sale or lease with a brokerage that did not include advertising in multiple mediums. It is now, and will continue to be, a critical component of our overall success." ▾

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