

THE SALES UPDATE

FOR TODAY'S SALES PROFESSIONAL AND ENTREPRENEUR

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An Historic Opportunity Awaits America MARKETING THE TAX CREDIT

As we have found out in the past few years, housing drives the American economy. The government recognizes the importance of the housing industry with regard to our economic recovery. That is exactly why our government has extended and expanded the tax credit to purchase a home. Businesses that benefit will go beyond the construction industry, Realtors® and banks. Accountants, financial planners, insurance companies and many, many others will reap the benefits of the resulting increase in home purchases. So, the next question is—how do you make sure your business benefits greatly during this historic opportunity?

We call this an historic opportunity because there are few times in our history in which homes have been more affordable. Home prices are down because of the preponderance of foreclosures. Rates are at historic lows, making monthly payments very affordable. In addition, the government is now subsidizing home purchases with a \$6,500 tax credit for move-up buyers and an \$8,000 tax credit for first-time buyers. One word of caution. This is a historic opportunity, but it is for a limited time only. Contracts must be signed by April 30th of 2010 and closings must occur by June 30th of 2010. So there is a sense of urgency.

Marketing the tax credit. We are going to be referring to the rules of maximum synergy marketing in Dave Hershman's book by a similar title. When you have a limited opportunity and limited resources, you must make every second and every dollar count.

Rule #1: *You must achieve more than one objective with every action.* What we are saying here is that the tax credit opportunity should be part of everything you are already doing instead of ramping up new efforts. This includes your present advertising as well as efforts you might not consider marketing. For example, make sure

your professional email signature has a statement regarding the tax credit. You can offer to send them a "Free Report" on the details of the credit in the same signature (keep it short). Don't have access to such an article? That is no problem because the person who sent you this article has one! You can even include a short statement in your voice mail message as well.

Rule #2: *If you are marketing by yourself you are wasting synergy.* We all know how important leverage is with regard to home ownership. Leverage is just as important in marketing. Don't market the tax credit alone! Partner up with other businesses that will achieve the same benefit as you. For example, a real estate agent and a loan officer could market jointly. If both partners mail to their customer base, you will be reaching twice the number of recipients. That is what synergy is all about: achieving more results from the same action.

Rule #3: *Some targets are more important than others.* This rule is the rule of prioritization. We can't emphasize enough how important this word is in regard to marketing. With limited resources, everything you decide to do and every dollar you decide to spend must achieve maximum results. Going back to rule number two, remember that others in business will benefit from tax credit marketing. While direct consumer marketing can be very beneficial, advertising is generally expensive and generates cold calls which are difficult to close.

On the other hand, referrals are a great source of business and they are much easier to close and more profitable. For example, tax preparers can offer their services to file the form to receive the tax



credit. If you set up a referral relationship with such a person, you would both be benefiting. One deep relationship with such a referral relationship could mean 10 to 50 transactions per year. These transactions would come at a much lower cost than through advertising. Also, remember the golden rule. The relationship must benefit both individuals. That means you must be referring them business as well for the relationship to really work.

Rule #4: *Some tools are more effective than others.* We can't spend a lot of time on this issue, but we have already mentioned some tools such as an article that you can provide your clients on the tax credit. You must have specific tools to provide your clients on this subject. The person who provided this article has a series of tools, from letters to flyers, to help you market this opportunity.

The final rule: *you must provide value.* We talk about value in referral relationships, but you also must provide *unique* value to your targets as well. For one thing, how are you helping your clients get prepared for purchasing a home? What if they need financial help such as counseling or a higher credit score? The partnerships you set up must also be with those who can provide this value. Today every prospect is an opportunity to provide value... ▢

"It is imperative to define what is right and do it."
...Barbara Jordan

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