

Setting Your Annual Ad Budget

How can a real estate agent justify a generous advertising budget?

Just take a look at the nation's top producers and you'll quickly recognize a trend: Many set aside 10 to 15 percent of their annual income for advertising and marketing. Here are some steps that can help you earn your spot at the top:

1. Decide what you're going to advertise.

Advertising is simply a prospecting method. If understood and used correctly, it is the most efficient prospecting tool available for individual real estate agents.

Some agents go overboard on personal image advertising and forget to promote their listings. Strike a balance between the two: Establish a solid personal image approach with photo and tag line to generate future listings. Combine it with your current listings to satisfy sellers and keep the phone ringing.

2. Decide how you're going to spend your marketing budget.

The difference between traditional prospecting methods and advertising is simply a trade off between time and money. Your advertising is actually knocking on doors for you, giving you the time to work with your clients one-on-one, service your listings and show property.

So while you are concentrating on giving your clients the best possible service, your advertising is assuring a continuous flow of new business.

3. Select an advertising medium.

When you're ready to move your sales to the next level through increased advertising, do some calculating. Determine the number of transactions and commissions you can attribute to your current ads, then determine a cost/benefit ratio. Don't be afraid to hold your advertising medium accountable.

4. Commit to a monthly budget.

Be sure to commit to a set amount of spending per month. Advertising is like investing – the only way to assure you'll make money is to keep investing regularly, whether the markets are up or down.

A good rule of thumb is to take 10 to 15% from your previous year's income and divide it by 12. This will give you a fair starting budget. You can then prioritize the advertising and marketing medium from there.

5. Maximize your advertising dollar.

Make your print advertising dollars go further with reprints. Homes & Land's reprint program can turn your full-color ads into flyers and direct mail pieces.

If you're not getting the results you expect from your advertising, we'll work with you to evaluate your marketing budget.

