

EPISODE 1311

[INTRODUCTION]

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Royce King (RK): But do you know that there have been studies that show just a 5% increase in customer retention translates to as little as 25% increase in profits, and some people have shown as much as a 95% increase in profit.

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Whitney Sewell (WS): Branding versus marketing. Marketing versus branding – which one should we focus on, how much of both, and what do we need the most? If you have a massive budget or if you have almost no budget, you have to think through these things. You have to have a brand, you have to have a website, and you have to have other professional presence. But then you still have to market, you still have to have some budget for that, you have to think through what that looks like, and then also you're doing all that to get people in the door, but then how do you keep them there? How do you retain them? What does that process look like? Oftentimes, we don't know, and we are not the experts on the marketing or branding front. And so, we either bootstrap it and do the best we can, or we find somebody, we hire somebody to do it for us, or we find a mentor, somebody that's gonna help us.

And our guest today is just that, Royce King, she's been on the show once before. You're gonna hear me talk about that. She knows this stuff inside. Now, she's a real estate investor also, so she knows that side of the business, which is very helpful, but she's a marketing strategist and copywriter, she's helped dozens of real estate professionals to create a marketing strategy that doesn't make them dependent on paid ads or methodology, engages prospects, that takes them through the customer journey to convert them from a lead to a sale. Now, Royce and I go through many things about budgeting for marketing and branding and what that looks like, which one of those things you should focus on. But some of the statements are that is studies that she talked about, ones she's mentioned was just a 5% retention rate can show up to, or more than a 25% increase in profit. And she said some studies will even show up to a 90 or 95% increase in profit with just a 5% retention rate, and so often times in our business, I know I have been guilty of this,

it's like we're so focused on lead generation that we don't focus on or enough anyway on the investors that we've already got in the door, we already have them there, they're already interested. They may have, are invested with us as well. Wow, they are, they try already trust us and like us, know us, all those components, but we're not doing enough to nurture them, and so they are ready to invest in our next project, on our next project, and even more so telling their friends about us as well.

Like, how are we doing that? And are you doing that well, and she's gonna go through how that is less expensive than the lead generation part and getting new people in the door, new investors. So I want you to listen to this interview, and she also has an amazing offer at the end, you need to listen up for that, she created this offer just for you, for our listeners. And I've known Royce for a while and I just, she blows my way about how much she wants to serve our listeners, how much she's gonna help you in this interview, but also in this offer, you better take her up on it if you're having some marketing issues, which let me tell you, most of us are.

[INTERVIEW]

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WS: Royce, welcome back to the show. Honored to have you. Your expertise is definitely needed in our business, in any business, I believe it. Because it's so important, such an important part of the business, what you do or you're gonna help myself and the listeners today to do this better, or at least understand better what we need on the marketing front, I get questions all the time about marketing or, and I'm not the expert by any means. So glad you're here to help answer some of those things. I wanna just jump right in, I wanna give the listeners, let them know also you were on the show WS1041 and where we talked about different marketing strategies, and it was August 27th of last year, so I encourage them to go back and listen to that and even to get to know you better, but then wanna I jump in today to branding versus marketing. I know you're gonna help us better understand what we need. But, welcome back.

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RK: Thank you very much, Whitney. It's a pleasure to be back.

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WS: Awesome. Well, let's jump right in. You're an expert in this field. Help us better understand branding versus marketing, which we need, And I know there are some specific things that we're gonna dive into that the listener needs to know about.

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RK: Yeah. I get asked all the time. So what's the difference? Isn't branding important? And for Nike and Coca-Cola, it is, right, they keep their brand in front of us, that we know when we hear "Just do it," that it's Nike. Most of us have not positioned ourselves so that when people hear our tagline, they know who we are and what we do, or where we can just have the swish in front of us and people know that that's us, right? They don't recognize Real Estate Syndication Show by your swisher, your logo, because you're not Nike. And so many people spend all their money on branding and then have nothing left to market. I paid someone seven or 10 or 20,000 to build me this cool awesome website and 5,000 to design this amazing logo, and now I have no money to hire you to write content, what do I do? Well, don't spend all your money on branding. Because while it's important, a brand is designed to express your brand in the market through your purpose, your position, your personality, and all of that is encompassed by your logo and your colors and your feel and your look, right, but don't spend all your money there because you're not going to be able to compete with the big brands because no one knows your brand yet, so allocate some money for marketing because that is the process of promoting your brand to drive sales, and isn't that what your small business needs that's struggling to define a niche and capture market share?

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RK: You need sales. And without being able to promote your brand to drive sales, you're gonna fall flat, so some of the marketing activities are SEO, content creation, nurture and sales email sequences. Save some money for those marketing initiatives.

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WS: Would you help us to understand maybe even a budget, I was just thinking, I don't know, it could be all over the place, right, depending on the business and their budget that they already have that they can spend on something like this, but maybe it could even be a percentage, but it's

like if we have \$5,000 to get some of this started or even \$2,000, somebody that's just getting into this, maybe help them to think through, okay, how much of this should be put towards branding versus marketing, or how should we think about some of that, or maybe that's a budget that low may be way out of the ballpark, as far as even considering this, help us to think through that.

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RK: The Small Business Development Center that has business plan templates suggest somewhere in the range of 10% for a marketing budget, but until you're generating revenue, 10% of zero is still zero. So, it goes back to not spending all of your money on branding, and if you're an existing business with revenue is being generated, think about what one sale means to you, and we're gonna talk more about that as we go into the steps of marketing, which are attract, nurture, sell, and then retain. You want those returning customers, so I'll dive more into that when we start talking about the steps in your marketing process.

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WS: No, it's just good to know how you laid out, when we jump in, we do think about the name and the logo, the website, all these things that you do need for a professional business and presence, but we probably focus so much on that initially that we don't focus on the marketing side and the selling side, what sells. It's just important to think that through and the budget before we get started, but let's do that, obviously, we got to attract, nurture, sell, retain, that is like, that's a great process to think through as well. How are we doing that? And I feel that oftentimes, even when we jumped in with the podcasts and some of that stuff, we didn't have a process around those things, very well anyway, not good enough, not thought through well enough. And so help us to think through that, how do we create a plan around those things? What does that look like?

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RK: Well, since you have an audience that understands real estate, let's talk in terms of real estate lingo, right? When you pull up to a house, what attracts you first makes you wanna come inside, it's the curb appeal, right? Your website is your curb appeal, your front door, and when that's attractive, people will stick around long enough to want to come in and sit in your living room to be invited in to have a conversation, so your front door has to be attractive. Our inbox is so full of junk every day that the last thing we need is more emails. But, when your website offers

something of value and they catch that within three or seven seconds maximum, usually they'll sign up for whatever valuable offer you're giving them those downloadable reports that you see on almost every website, and that's making sure that your front door is attractive enough that they wanna do that.

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WS: Give us, we won't spend a ton of time there, but it is important, help us to know a couple of things or common mistakes around that curb appeal on our website that we need to know.

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RK: Yeah, so often we'll have generic language like save time, save money. I love using this example. It's found in Donald Miller's *Marketing Made Simple* book, and he talks about if someone invented an oil change service where you had to only change your oil once a year, but you put some generic thing like save time, save money, that could be referring to anything. But if you said your oil only has to be changed once a year, now you're really defining what differentiates you from the other things out in the market. You're giving specifics so that customers understand you and they remember you. Marketing is an exercise in memorization, and they have to know, oh, that's the oil change I want, because it's going to save me time and money by only doing that once a year, I'll keep going for 15,000 miles on that oil change, right? So, we want to position ourselves in the way that they know we are the expert, the go-to brand for that, whatever it is we offer. And then in the second part, I've mentioned going into the living room, Whitney. And the living room is when they want to sit and read what you said, that can be your lead magnet or your downloadable report. That can be your blogs, you do a great job with podcasts.

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RK: I think you mentioned that you've done 300 podcasts since I've been on your ship, so that valuable content is what gets them in the front door and nurtures them to build trust because we said it's attract and then nurture. If you don't nurture your audience, it's like ghosting someone after your first date, right? You don't, if that person doesn't like you they'll never call you again. We don't want our customers to question whether or not we've ghosted them, we want to keep in touch because they've given the signs to say that they're interested in our brand by downloading

that report. I spoke to someone last week and they said, well, just get a lead magnet up and I'll build my database up, and then I'll go back and get the emails going once I have a database built up, oh gosh, by the time you get 100 or 1000 emails or whatever your magic number is, number one has long forgotten you've existed and they bought from your competitor, nurture them, continue to engage and converse with them after that initial conversation.

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WS: What do we need to do to ensure that we have a process for that? That nurturing process gives us a few details or maybe ways that if somebody, especially if they're getting started or they have a not so big budget or profitability, what are some things they can do to help that nurture process even on a lower budget?

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RK: Well, you know that's twice you've mentioned budget. Every business I work with is on a limited budget because they are not Nike, so they come to me and they're like, oh, I just started my business, so I have a list of 250 customers, I don't have a large budget, but, do you know that there have been studies that show just a 5% increase in customer retention translates to as little as 25% increase in profits, and some people have shown as much as a 95% increase in profits. So, let's say that you just had 100 clients or 100 people on your database and they're spending a thousand a year with you, and that can be on whatever product or service that you sell, and I know for real estate investors, you've gotta change these numbers, a little bit because you have investors joining you, and they're worth a lot more than \$1000, but I also speak to clients who are selling some \$30 beauty care products, so just for simplicity of Math, 100 customers spending \$1000 a year equates to \$100,000 a year income. Now, if your retention rate is 84% because you have four stars and most people like you, that's great, but you're still losing 16% of your audience, if you could increase that and capture an additional 5%, only losing 11%. That could mean 25 to 95,000 additional in your pocket.

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RK: The nurture sequences that I write cost nowhere near that. You're spending maybe 10,000 or so a year with me, so if that had a 21/2% return, would that be good? Absolutely. Whitney, you send out those memorandums that show we will have 1.87% projected return or 1.95, right? It's

just shy of 2% usually. And yet we as investors raise our hands and go, oh my gosh, sign me up. Yes, here's \$100,000. I'm telling you that at a minimum, you should be able to generate a two and a half times return, and yet people say, I don't have money to market my business. Of course, you do. Look at what you're losing not marketing.

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WS: Yeah, and if you're (inaudible), it's hard to tell yourself that, you know what I mean, but it is so true. It's so true. We do not think strongly enough on the marketing front. I see brands that do marketing well, and it does compel you to want to work with them, you are so, like it does, it just compels you to want to reach out to them or learn more about them because you already have this confidence built in you, or that you have built-in them because they seemed so professional or they're branded so well, they market it so well, all those things. So no doubt, we've learned some of that the hard way. So, retention rate, I like the quote that you just see just a 5% retention rate shows often a 25% increase in profit or even more, I think you set up to like a 95% increase, allow, and I have thought about that oftentimes in our business, where we may have many thousands of investors on a list, and then it's like we're so focused on getting in front of new investors and getting them in the door that we lose focus sometimes on the nurturing process or the selling process, and the retention of our investors that we already have.

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WS: As you talk about this process, attract, nurture, sell, retain. I know we are talking about nurture, how do we think about investors and you being an investor as well, what do you like to see through this process of nurturing and selling, and what is that, as your expertise, what does that look like?

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RK: Yeah, we nurture people by staying in the conversation. Again, we live in this digital world and we don't tend to take it offline and think about what that looks like in our real-world scenario, like I mentioned, the first date, well, when you ghost someone and you don't call them after that first day, they have to assume you're not interested. We do that online all the time as well, download my great report, but then I'll never speak to you again, or, Oh my gosh. now you've made the sale. And I never hear from you again. I always despise going and buying a high ticket item, like a

house or a new car, or even car insurance, because those are three of the most expensive things that we typically purchase, you ever don't hear from those people again. Does that car salesman honestly think you're gonna keep that car you bought when you're 30 years old and have it in when your 80? Why isn't he keeping in touch with you knowing that your wife will need a car, your 16-year-old kid, will need a car. You need a car. Why is that? We do focus so much on new acquisitions that we forget those who already have fallen in love with us, and you've worked so hard to build trust.

0:18:16.6 RK: Why, and I can say I'm guilty too, when I think back to the fact that I've been in this business since 2014, and how many customers I've served, and I download my annual report from all my invoices every year, I think, oh my gosh, I've served a thousand customers, 1200 customers, whatever the number is, I only have time to write so much content. If I continue to serve 75 customers, I never need to look for someone ever again. And so what is it about that nurture that we fail at and have to continue to seek other customers? It is more expensive to acquire new customers than it is to retain old.

And all of these studies that I'm referring to, you can go find, I can't recall who did the study about the 5% retention but in *Never Lose a Customer Again*, in his book, he refers to that study, And I know you're an avid reader, and I am too. I have a bookshelf, (Julie Coleman) to my left (Never Lose a Customer Again) got it right here.

0:19:27.1 RK: There you go. Yeah, it's on my shelf to my left, and so I don't recall who did the study, but he cites that, and there are studies that site is more expensive to acquire new than it is to retain current, so why aren't we focused on that nurturing process and that's what I do for my customers is really give you the content that keeps you top of mind in front of your customers so that you never have to lose a customer again, and you can get that 2 1/2 to 9X return.

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WS: Speak to the nurture versus sale, 'cause we move through that process. Everybody says, When do you sell, when do you ask? What does that look like through that process?

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RK: You have to attract them first, right, you have to get their attention, it's a noisy world out there, and we have a lot of competition and people see a lot of the ads, so the first thing is to attract their attention and then nurture them until you build trust and you're never going to sell someone until they trust you and you've given them enough content to make a decision. The sales process looks different for all of us because the higher the risk and the more expensive the item, the longer the sales process maybe, not always, but maybe. If I'm buying a 5\$ Starbucks coffee, the buying decision is quick. The other day, my husband and I were shopping for some kind of home item for the house, because we just moved and we walked into Target, and of course, the Starbucks sign was right there at the door with their feature of the month. And then I said, "Oh, do we need a Starbucks?" It's 1:30-2 o'clock in the afternoon, I turned to him and said do we need a Starbucks, we didn't need one until we saw that sign, and five minutes later we get in a check-out line and there in front of us is a Starbucks counter.

0:21:35.9 RK: Well, are we stopping to get a Starbucks, right? That's a five to 10-minute buying decision. It's very short. If we're buying a car, it may take us a week to 30 days to research a new car that we want for doing our due diligence on a multifamily investment that's a few million dollars, it may be a little bit longer due diligence process. So the sale happens through multiple touchpoints, and depending on the risk and the price of your offer, it could require a minimum of five touchpoints or 7, 11, 13 touchpoints, and that nurture process has to keep your customer engaged until they convert from a lead to a customer, and that sales cycle is different for all of us, but no less than five touchpoints is what I recommend, and I work with clients individually to determine how long that sequence needs to be and at what cadence it needs to be to ensure that you stay top of mind.

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WS: Yeah, we don't wanna bug them too much or run them off. But thinking through, obviously, you're talking about those touchpoints, and I was thinking about emails versus calls versus text messages, like all these ways that we can reach out to people, what are your thoughts around emails versus calls, or should we include text sometimes. How do you feel about those things? When we're trying to stay top of mind with that, say, investor in our case.

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RK: It's going to, again, vary on what you're selling for investors. In what you do, a call is very important. I would never send you \$100,000 without having a conversation. I wanna see your body language, see if you can look me in the eye, right. All of those things are important to know if I can trust you. For Starbucks coffee, nothing was needed but the sign at the front door, right? Because it's low risk, low cost. For clients who are investing 10 grand a year with me, usually, a 30-minute call will do the trick, right? And so it's really going to depend on what you're selling and how high the risk is.

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WS: Alright, no, that's a good analogy too, you're not buying a \$100,000 cup of coffee typically.

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RK: Right. It does depend on the risk, you know. We just moved, as I said, I tried a new doctor, we contacted each other through an online portal, you know what, if they're delivering test results that are somewhat serious or concerning, online portal doesn't do the trick, nor does her assistant, the doctor should pick up the phone. So again, think about what you're offering people and what they need from you, and how would you want to be approached.

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WS: Royce, what are some of the most important metrics we should be tracking on just from our conversation today on the marketing front.

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RK: Well, your open rates are important on your emails, and the average open rate varies by industry, so when I talk to a customer, I can pull up their industry averages, some clients I will say, if we haven't increased it by x percent in 30 days, let's tweak something. So we really wanna monitor those open rates and then click through rates. Do we have 40% open and 0% click-through, what's wrong with our offer? Do we have 2% open rates? What's wrong with your subject line, those KPIs can tell us where we need to tweak your messaging, and that's important to monitor. Also the click-through on your lead magnet, how many people are bouncing off your website without getting your free report or your quiz or whatever it is you're offering. If that's not capturing some names, why not? And then, of course, some back-end things and some more

complex things. You are great at podcasts and you know how many downloads, you know how many subscribers you have, those things are important and to anyone listening, you can have a podcast and do five episodes a week, but if you have no listeners maybe one episode a week and figuring out what you're doing wrong and why no one wants to listen would be more important than the quality of the podcast.

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WS: Another question that I get often, I love your opinion about this as far as on the marketing front, is the CRM that you recommend. I hear everybody talk about Salesforce, to HubSpot, to Zoho, or if I'm saying it right. There's so many that are top of mind, but I just wondered if you have a recommendation that you should usually tell a client, I know that's a budget, it comes into play there in a big way as well, but let's say if budget's not an option, not an issue whatsoever versus maybe somebody that's on a lower budget.

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RK: There are more than HubSpot and Salesforce out there, but again, that goes back to branding, right? We know Nike and McDonalds, we know HubSpot and Salesforce because they've done a great job of imprinting their brand on our mind, but it's not budget-friendly for most of the clients I work with, and because I've been a mentor at some startup hubs, I love to find startups who are doing a good job, and there are some great ones out there, I've actually been looking at this, and if you just pull up CRM options on a budget, they usually do an annual report of the best ones out there, and there are some great ones, I'm not going to recommend one in particular because I don't have a dog in the fight, and the features are different.

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WS: Some are better for marketing than others, so I didn't know if you thought there was something that stands out to you.

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RK: No, look at the features and what you need, and they can have all the robust features in the world, but if you're not going to use them, they're worthless. I know I had my website on Kajabi for a while, and it is robust and I know some people that love it, and I know a couple of friends

that do a great job with it. I found it to be very non-user-friendly and did not appreciate the robust features because I couldn't graduate the 101 class.

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WS: Yeah, that's a great response. If you're not using it or you don't learn to use it, or nobody in your team learns and it's pointless. It's wasted. So what about any daily disciplines that you have, or what is the daily discipline that you have that's contributed maybe the highest return for you?

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RK: Reading. And I have always been a voracious reader, but I have not always consumed enough books because I'll start one, get halfway through it and get interested in another, so this year, I have made a commitment to myself to read 52 books, and I'm, I think last the last count was 26 and I'm halfway through to others, I listen audibly a lot, so I can learn well on the go, but I still like my hard copies like you have behind you.

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WS: Yeah, that's awesome. That's a great habit. I love the goal of 52, I think you said so, I love that goal and tracking that as well. I'm trying to do something similar as I'm trying to read a bunch also. What about number one thing that's contributed to your success?

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RK: Having a mentor, having a coach. I'm a business coach, and I work with a lot of startups who need direction and need to make sure that they're doing product-customer fit, and honing their offers, yet, I still have a couple of coaches that I work with because you always have blind spots, and they're called blind spots because you can't see them. Right? Someone said, "You can't read the label when you're inside the bottle." And we're all inside our own bottle, were inside their own business, and we don't have the outside perspective or the 360 view when we're inside that bottle. So grab a coach.

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WS: What about how do you like to give back?

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RK: I'm a startup mentor with a couple of programs, and I don't get paid to do that. I just love to mentor the next generation of students, there's college in Austin, Texas called Trinity, and they have an MIT-produced program, MIT licenses they're startup cohort program to a lot of colleges, and I'm part of that group and a couple of others.

0:30:44.1

WS: Royce, always pleasure to have you on the show and to, just for your expertise, and I mean on the marketing front, 'cause it's so important. Tell the listeners how they can get in touch with you and learn more about you. I know you have an offer for them as well, that I wanna ensure that they know about.

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RK: I do, Whitney, I created this offer especially for your listeners because I received five or six emails the week that our last show aired in August, and so I want to offer your listeners something special because they really received the information I had so well that I know they'll want this offer. Email Royce@yourstartup.coach, not yourstartup.com, but royce@yourstartup.coach and mention The Real Estate Syndication Show to redeem something that's a value of \$397. Yep, I'm giving away four \$100 bills to everyone who emails, and what you're going to get for that is a 31-point marketing assessment to find those blind spots and those gaps to determine what the right marketing plan is for you so that you're not wasting dollars investing in areas that are not going to give you that return that we talked about, and a 30-minute audit where you are going to meet one-on-one with me and go over that report and get answers to your questions, so, \$400 value, Whitney.

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WS: What a great offer. Royce, I'm grateful. I just wanna personally say thank you for offering that to the listeners, and I hope that they will take you up on that. Why they wouldn't, I have no idea, but I hope that they will do that. Right? It's taking action. Taking the time. Oftentimes, people don't reach out to people on the shows when they hear them as a guest, but you've made an amazing offer for them that I hope that they will take you upon. So, Royce, thank you again, and have a blessed day.

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Whitney Sewell: Thank you for being a loyal listener of the Real Estate Syndication Show, please subscribe and like the show, share it with your friends so we can help them as well. Don't forget, go to LifeBridgeCapital.com, where you can sign up and start investing in real estate today. Have a blessed day.

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