

Where Do Legitimate Leads Come From?

Written by Doug Kruhm
Monday, 19 March 2012 -

Where do legitimate leads come from?

This is the question I asked a class of new real estate agents I had. Besides a bunch of blank stares for a few moments, they started to call out answers. Here are their answers:

- Internet Leads
- Web Sites
- For Sale By Owners (FSBO's)
- Advertising
- Sphere of Influence
- Referrals
- Facebook
- Twitter

We discussed these opportunities for about 30 minutes or so listing out a few pro's and con's. Then I added in my experience and mentioned that in more than a decade of watching the real estate industry the majority of leads that convert always comes from referrals and sphere of influence.

This is a fancy way of saying from people who know you or people who know someone that knows about you.

This isn't to say the other means of leads aren't valid. It's to say the best bang for your buck is always from referrals.

In some cases, this is easily seen when a child of a well established agent enters the business. The child, usually in their 20's out of college or possibly in their 30's if they had a few false starts or after sowing their wild oats, does well because their parent (or uncle or aunt, etc) refers a good portion to them.

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If that mentor wasn't there to feed business, that individual would probably end up failing like most new agents.

I have witnessed this in a similar way as well. One time an elderly well-established agent was working with a middle-aged less-established agent. The well-established agent passed away and suddenly the less-established agent's business skyrocketed.

For the same reason as the first example. The mentor post-humously feed all the business to the living agent by way of telephone forwarding.

No advertising. No web site. No lead capture. No beating the streets. No FSBO's. No calling on expireds.

Pure and simple networking.