

## Welcome.

Effective sales and marketing efforts typically include five phases of integrated sales and marketing activities:

### Foresight Marketing

Team building for possibility thinking leadership.

### Pre-flight Marketing

Planning, budgeting and organization.

### Off-site Marketing

Advertising for public awareness.

### On-site Marketing

Merchandising for appeal.

### Insight Marketing

Effective sales management.

The five phases of marketing, when well organized, are a seamless blend of two distinct processes: the sales process and the closing process, each differing significantly from the other.

From this point forward, we will no longer call the overall effort of sales and marketing the “Sales and Marketing” process, but the “Sales and Closing” process.

The sales process relative to the buyer begins when a buyer first becomes aware of a development of new homes by whatever media they come upon that communicates its existence. Should a need or desire to buy a new home exist, the sales process continues. It may proceed to the point where the buyer makes a decision to visit the project, but a visit is not necessarily the next step.

Before visiting, buyers will make a con-

## The Psychology of New Home Sales by Al Lewis

siderable investment in the sales process themselves. The first investment they will make is personal: the loss of anonymity, and the insecurity that goes with it by acknowledging a need to answer self-revealing questions sure to be asked by a project salesperson should they like one of the homes they visit.



They know they will have to answer probing questions related to their jobs, their incomes and their personal lives.

But that's not all. Because they will want to be held in high regard by the project's salespeople they'll have to wash their cars before visiting to help ensure a good first impression as well and make a special trip to the cleaners or laundry to get their best clothes ready for the visit.

These procedures and our understanding of them is a significant part of the sales and closing process.

Each player in the sales process has a relative role that each must act out.

The builder, for example, has a relative role to prepare for and act out, as well as the project's superintendent of construction, the interior designer, the advertising company, the escrow company, the lenders, the salespeople, the buyers.

Upon a buyer's visit to a project, the sales process continues.

The project's curb appeal, the appeal of the model complex, the overall appeal of the total sales environment, including the sense of professionalism gained or lost by project signage, etc., will cumulatively impact the buyer favorably or unfavorably: a favorable impact being a vital element related to sales success.

Should a buyer walk into the sales office for a model preview, the sales process continues. Sales office appeal, the project's printed literature and the personal, professional demeanor of the on-site sales personnel will, again, cumulatively impact the buyer favorably or unfavorably.

The sales process is not yet completed though. It is continued by the buyer's personal preview of the models. The models are, perhaps, the most influential part of the sales process. It is hoped they will appeal to the buyer's emotional desire to want and to own; but whether they succeed or fail in that regard, the sales process doesn't end there.

The buyers must continue the sales

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process, themselves, by returning to the sales office and expressing an interest in owning to a salesperson. That's why a model "trap" is paramount to effective selling.

A buyer can express an interest in owning by their saying so directly, "I like the models, especially Plan B," for example. Or they can express an interest in owning indirectly by stating an objection, "Plan B doesn't have enough cabinet space in the kitchen."

In either case, guess which plan they are interested in?

**Whether the buyer's interest in owning is stated directly or indirectly, it is a closing cue, a prompt requiring acknowledgment and a specific response by the on-site salesperson; but more importantly, it is the end of the sales process and the beginning of the closing process.**

The role of the on-site salesperson is "Closing," not "Selling."

It is paramount to success that the sales personnel not make their presence felt during the sales process any sooner than the very end of the process itself.

Their roll in the sales process should hardly be any greater than unlocking the sales office door and models for buyer entry. That's about it outside of a polite greeting. They should never even think about selling.

Should a salesperson begin the closing process before the buyer has decided they could own, by asking or answering closing-related questions or by pointing out special features or financing when the buyer first enters the sales office, they will stifle a project's maximum sales potential.

Even though it may seem the proper thing to do, to point out special features, financing or some of the special value-buy incentives that may be offered, it just shouldn't be done.

They must let the sales process take care

of itself and implement the closing process appropriately when the time is right.

There is no magic to closing. It merely requires that a salesperson be astutely aware of the difference between the sales process and the closing process and realize closing is nothing more than a step by step process just the other side of the sales process that acts on implied consent.

There's an old saying salespeople should keep in mind. It goes something like this... *"Nobody will buy a home from you until they have already bought it themselves."*

### The Closing Process.

The following steps outline a typical closing process that might occur on any project and are my thoughts about closing in a nutshell.

There are, of course, an endless number of variations of the process that may be played out, but all should follow the general theme closely.

I will present the steps in the first party as though you are to be the on-site salesperson.

#### Step One

Greet the buyer properly.

A proper greeting is merely a warm welcome and thank you for coming. Immediately offer a brochure and direct the buyer to the models.

Do not handout price lists and do not offer statements or answer questions related to the benefits of owning.

If questioned, just politely refuse to enter value-buy oriented closing conversations at this time and lead them toward the models offering to answer all of their questions upon their return.

#### Step Two

Upon the buyer's return from the models ask these four questions to help determine if this buyer is one you will

select from among many buyers that are visiting to spend time with; and when they answer, just listen.

*How did you like the models?*

*Are you seriously thinking about buying a new home?*

*If yes... Why?*

*So you really want a new home?, or you really need a new home?*

Do not respond to anything the buyer says except by acknowledgment: oh, ah, I see, hmm, etc.

Agree with anything the buyer may say, no matter what, for it is their opinion you are agreeing with, not your own; and, ignore anything they may say about their intentions to buy or not.

It is the buyer's job to continue looking for the perfect home, but you and I know they will eventually settle for the doable, one that is not perfect.

#### Step Three

If they indicate an interest in buying a new home, anywhere, say, "Thank you for that, I appreciate your comments, let me tell you a little more about our homes, our community and the area. It'll just take a second."

Then, standing in front of the map table or whatever presentation tools you have to work with, review benefits and features related to the inside of the units, themselves, then the outside, the neighborhood and area.

Select features that may ignite a spark of interest within the listener.

But you must remember, even though this may appear to be a selling activity, it is not.

This apparent presentation-sale activity is in reality a rapport building, respect generating activity that shows the buyer you respect them as a buyer by paying attention to them.

You are to present a memorized list of features made up of approximately 15

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benefits and items without hardly taking a breath.

You should be animated and are to speak quickly while pointing and gesturing here and there so that the buyer cannot find an opening to interrupt and redirect. It is here that you take the closing initiative.

Lastly, if upon a buyer's return from the models, they respond to your questions negatively about their intent to buy, somewhere, merely thank them for visiting and let them go. Focus your attention and energy on another.

#### **Step Four**

At the end of your presentation, again, without allowing your listeners time to interact, you say, "Let me show you exactly what it would cost to purchase a home here, Plan B for example, that you indicated you liked best. I'll give you some information you can take home with you. Follow me and have a seat at my desk, it will only take a minute."

Always let your buyers off the hook by thinking they get to leave with the information you will prepare for them.

This is what I call "On the Fence, Off the Hook, Authorized Closing."

When the buyer follows you into your closing room, they have authorized you to close them irrespective of anything they may have said about buying or not.

All buyers are on the fence about buying, it is our job to get them off.

Turn, that is very important, "turn" and walk to the closing room, most will follow without hesitation because you have let them off the hook by offering information of value that they can take home with them.

If they do follow, choose to work with this buyer exclusively until they buy (or prove to you they will not) today.

You can only close one buyer at a time.

Once you sit at your desk with a buyer that has gone this far through the sales process, never leave, even to greet other buyers.

It is not your job to act as a professional host or hostess, that is your assistants job if you have one. It is your job to close one buyer at a time.

If you do not have an assistant, when you sit this buyer at your desk, advise them that you will need to greet visitors as they enter your sales office just like you did them, and to perhaps motion them to the brochures and models, but that you will not leave the desk to answer questions or help others in any way that will redirect attention from them to the others.

Doing this will gain permission for you to interrupt your closing session as many times as you must without insulting this buyer for your apparent lack of focus and attention.

#### **Step Five**

Tell your buyer that you are going to prepare financing related to their interest, for example purposes only, but you must know how much money they are considering putting down or have to invest in the purchase.

When they answer that and other relevant questions, prepare a personalized financing and buyer's cost worksheet.

When you have finished preparing it, and take your time, do not review the bottom line numbers, but turn the worksheet around and start a thorough explanation of every financing and closing cost item from the top down.

Explain every element in such detail as though you were training a person to pass the real estate license exam.

Then ballpark qualify the buyer.

If they appear to qualify for a purchase, it's here you discuss the extra special value-buy incentives you may be able to offer: seller assistance, decorator allow-

ances, moving expenses, first-day purchase bonuses, upgrade options, etc.

And it's here you plant ideas related to fear-of-loss by discussing the fast sales pace, coming price hikes, etc.

If you don't give your buyers a reason to buy, they won't.

Then move on to step six.

#### **Step Six**

Pursue a conversation similar to this:

"It appears to me that you could qualify for the purchase of a home here or at any other project with homes similar to ours (off the hook).

"If you have a few moments, before you go (off the hook) I'd like to close the sales office, so to speak, and show you some of the best locations of the plan you like out on the available lots.

"It'll just take a few minutes. And with some of our homes still under construction (or as production units), I can show you some of the special, even hidden, details that make our homes unique in the marketplace. Come on let's go."

Get up and go.

Did you get that, "Get up" and go.

Say, "Follow me!"

If they follow, expect to close.

If you do not have a sales office assistant, merely put up a sign that says you are out on the project showing property and will return shortly. If you leave your sales office unlocked, and I suggest you do, your sign should advise visitors to take a brochure, visit the models and to wait for your return.

#### **Step Seven**

Take a portfolio containing your purchase agreements and a financing calculator with you.

Knowing that people do the doable and work with the workable, if your buyer qualifies, why should you expect them

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to need to go elsewhere to compare homes or to take more time to think about a purchase.

Just believe they are working with you (following your leadership) because they are hoping you will help them buy a home and get off of that fence they've been straddling for so long.

That's your job, to know they are always on the fence, to gently work a psychology that acts on their hope and gets them down onto the ground, your side of the fence, of course.

### **Step Eight**

While out on the project, show the best available unit you believe they can qualify for.

If in a car, drive up to it from across the street, their window to the house even if you have to face the wrong way on the road and don't say too much.

Don't try to sell. Just say, "This is the house I want to show you, the best one at the best price."

Then get out, escort them to the door and let them in. Indicate that you are going to stand outside a few minutes while they look at it alone.

Listen to their conversations if you can, but let them come to find you before you interact again.

*Once they find you, you can take them back inside the home for product demonstration to point out special details you feel they may find of value.*

If, for some reason, you feel you need to show other homes, or homes with lot premiums, go ahead, but follow the same process at every single showing.

When your buyer shows any interest in owning, Close!

### **Step Nine**

To close, follow a conversation similar to this, "I can see by your interest that you could own this home and really enjoy living here. There's nothing to it."

Pull out a purchase agreement.

"It all starts with this, a purchase agreement and today's date, here at the top. I'm going to take a few minutes to fill it out, right here on the kitchen counter. You keep looking at the home while I work on it."

*"Hold on..." They say, "We're not going to buy today, etc."*

Just continue... "I'm not expecting you to. I'm just going to fill it out and explain to you how it all works, just like I did the financing.

"Then, whether you buy today or not isn't important (off the hook).

"I'll give you this agreement for your take home review. It'll just take a few minutes. I'll come find you when I'm done."

### **Step Ten**

When you complete the purchase agreement, gather the buyer(s) around you and explain it, again, as thoroughly as though you were training a new real estate licensee on the meaning of each clause.

Take your time.

Silence on the buyer's part indicates acceptance.

When you get to the signature lines, Close!

Irrespective of anything the buyer(s) may have said about waiting or looking, etc., you must know they have not followed you this far without wanting to buy and without showing an interest in owning.

You must know they, as anyone else, will do the doable, work with the workable; and, you must know that you have gone a long way toward getting them off the fence.

If you and they have come this far, you must know they may buy, but not if you don't ask.

### **Step Eleven**

When you have finished explaining everything and are at the signature lines, slow down, lower your voice and enter a very solemn conversation something like this.

"Now, if you sign here, here's what will happen: paint and wallpaper will fill this house, it'll become a home; a carpet of your own choosing will cover the floor; landscape of your own design will fill the yards; you'll be having family gatherings, holiday and birthday parties; happiness and laughter will fill your lives; you'll have new friends and neighbors to talk to; new everything.

"But that's not all. You'll have new tax deductions, pride of ownership, a wealth-building investment and a place in the community.

"If you sign here, all of this can start within as little as 30 to 45 days. In only 30 to 45 days a moving van can be driving up to the front of this house with all of your stuff in it. That fast.

"If we have a problem with the loan it could take longer, but I wouldn't count on it. If we have a problem qualifying, well then nothing gained nothing lost, money back guarantee.

"I can see you'd like to own this home. If you sign here, now, I can help you do that."

After saying that, be quiet.

With the agreement turned to the buyer, the first one to talk loses.

### **Summary**

If, by chance, you are able to complete the above eleven steps with a buyer and the buyer still does not buy, well, what can I say, except to congratulate you on a job well done, but you will likely have succeeded in gaining a sale anyway, a future sale that is by earning a be-back.

What other salesperson at any other project will treat the buyer with the attention, courtesy and respect you have shown?

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That is reason enough to buy from you alone.

**People buy for three reasons:  
Emotion... Logic... and Security.**

Their emotion based wants and needs; their logic based wants and needs; and their wants and needs for security: feelings of safeness and trust.

You cannot sell a home to a buyer that has not already bought it themselves: to a buyer that has not gotten emotionally involved with the idea of owning a particular home.

The sales process, appropriately, appeals to emotions first.

When it comes to signing a purchase agreement, however, the emotional affinity a buyer has for a home is likely to be of less significance than the inherent ability of the property to satisfy the logical needs of the buyer for space, price, financing, etc.

Appealing to logic is a closing process and occurs second.

Buyers, additionally, have a tolerance for imperfection in their housing and will often buy the first imperfect home they are led to buy for reasons other than the home itself: for reasons often based on their feelings of safeness and trust at the site, with the salesperson or with the builder.

Feelings of safeness and trust are the result of the overall sales and marketing program, as well as the sales and closing process, but can be considered the third invisible element of effective selling.

Always be conscious of the need to make people feel safe and secure.

Reversing the order of sale by discussing facts, features and figures before a buyer has had the opportunity to gain a personal affinity for any specific model or property can put sale-inhibiting blinders on the buyer if the facts, features and figures are not exactly what the buyer had in mind.

Once a buyer is sold on a property emotionally, however, it is only natural for the buyer to justify any number of logical needs for the home and figure out a way to obtain what they want.

Sell to emotions first, logic second, and security third.

Thank you.



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