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Real Estate Investing Podcast

5 Do's And 5 Don'ts When It Comes To Direct Mail

Hosted by: Joe McCall

Hey, what's up guys? Joe McCall. REI In Your Car.

Hope you're doing well. I gotta tell ya, I kind of miss my big Ford beast but I kinda don't. My neck is actually feeling better because I'm not bouncing around all the time and, um, I kinda like this little Nissan that I have. I might just keep it a few months but, uh, it's kind of, it's got the sports package so you can accelerate pretty quick and it's kinda like a sports car a little bit... kind of. I know some of you are laughing at me right now, but anyway, I'll shut up about cars.

I wanted to talk with you about something pretty cool. I want to talk about the four or five... I haven't decided yet because I had a hard time trimming this list down... Do's and Don'ts for direct mail. Like five Do's and five Don'ts, okay? And I might give you one or two bonus ones in there, but these are real important to talk about and think about. And why? Well, because direct mail works, it still works. It's not dead and a lot of the people that I know that are doing a lot of deals still do direct mail. And a lot of their deals come from direct mail. So, don't quit doing direct mail.

So, I just kinda gave you two of them right then and there. But uh, let's jump right into some of the Do's. Obviously do it, just do it. Send out the direct mail. I have a student and a friend that I interviewed a couple times. His name is Gregory Hodges and I would strongly recommend... I've interviewed him three times I think but go listen to the first one I did with him. This is three years ago, maybe two or three years ago. And his name is Gregory Hodges and this was, it was hilarious. And I won't tell you that much about it, but he dropped the F bomb a couple of times but it was totally appropriate.

I love his philosophy and it specifically was about direct mail, you know. He was just getting started. He didn't know what he was doing. He didn't know what, um, you know, what list to send to. Well, he did actually, but he didn't know, like he didn't know what contracts to use. He didn't know what... um, he didn't have any buyers on his buyers list. He didn't have the money to buy the homes, but he was just like, F it. I'm going to do it anyway. And he just did a bunch of direct mail. He didn't have all the systems in place, but he just F-d it and he did it. Go



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listen to that podcast, Gregory Hodges. I have three of them but listen to the oldest one. Um, so you got to do it and you got to be consistent, okay?

The second Do you gotta do is get a schedule. Get a schedule and do your direct mail religiously. Uh, you've got to be consistent with your marketing. So, put it on a schedule. And you know what? Don't let yourself be the one that do it. Send it to a mail house, a printing company or something. And tell them, all right, here's 5,000 postcards, mail out of a thousand a week for five weeks. And just have them do it for you. The other, the other Do is go big or go home. Really, you can't just think that you're going to send 200 postcards here, 200 postcards there and expect to do a deal. It does not work that way. You've got to get well, what's the correct thing to say? You got to get some, um, oh, I don't know. You know what I mean? And do some more direct mail. Don't be such a wimp about it and get out there and do it, and you got to do it big, right?

You've got to get over that fear that you're going to be wasting a lot of money. Now having said that, I understand if you're in San Diego and you want to, you only have a few thousand dollars budgeted for direct mail. Maybe that's not what you should be doing yet, but there's other things you can be doing. I mean like once you start doing deals and once you've got money, you know you're going to have to spend \$4,000 to \$5,000 minimum in marketing and direct mail to do a deal in San Diego, right? ... Nashville maybe or Denver or whatever, but um, yeah, you know, I could go into a whole topic on that, but like when you're in those competitive areas, you've got to be really hyper focused on a few ZIP codes and you really need to be a fish, big fish in a small pond anyway. You've got to go big or go home.

The other Do is track your numbers. It's important to track your numbers as calls are coming in, and the way I do this is I have a different virtual phone number from Vumber or CallRail... Vumber with a V or CallRail. So, I know when the leads come in, what campaign they're coming from... so different lists, postcards, letters, etc. they get a virtual phone number. And it's only like three to \$4 a month extra for that. Uh, the other Do is always, always skip trace your returned mail. And I'm not good at this, but I should be. And it's important that you get returned mail, especially if you're mailing a popular list. You need to find out who the owner is and find their phone number and call them.

The other Do is, and this is kind of related... think about alternative things that you can mail. For example, start thinking about maybe sending blind offers. I do... I do this for land and it works really, really well. And, um, I've also done it before for owner financing deals where I find free and clear properties and I put them in a spreadsheet. My assistant does this. And then we send them blind offers... owner financing offers based on



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Zillow estimates. That's a whole 'nother topic, but it worked pretty well. We didn't get a huge response rate from it. Got a lot of angry calls, but very pleased with that campaign.

All right, so really quickly, the Don'ts when it comes to direct mail. Don't do what everyone else is doing. Is it okay to do that? Don't do, that's a don't, right? I was just looking at my notes. Oh, anyway, never mind. Don't do what everyone else is doing, right? Everybody is sending the uh, the third notice... one time, everybody was sending the third notice postcard, right?

Well, it doesn't work as well as it used to and the handwritten postcard maybe doesn't work as well as it used to. You just gotta change it up, right? And everybody's mailing to absentee owners who bought over 10 years ago who have a lot of equity like that might be the most competitive list that you don't want to mail to right now. So, don't do what everyone else is doing. Change it up, mix it up. Don't have that... you can't have this attitude of like, I'm just going to try it and test it and see if it works. Don't do that. That kind of relates to what I was talking to before, but you can't just dip your toe in the water and say, I want to try this and see if it works. Because I guarantee you it won't work if that's what your attitude is.

And the... the other thing is related to that. It's don't just only send one time to a seller. So, if you buy a list of probates or divorces or evictions or like a specialty list, right, code violations, delinquent taxes or whatnot... don't just mail them once. If it's a small specialty list like that, like a hard-to-get list, you need to be mailing them every one or two weeks for at least like three months. Those are smoking hot deals that not a lot of people have because they're a hard-to-get list. You need to be mailing them regularly, frequently, right? So, don't just mail once. A lot of times deals come from the third or fourth mailing.

The other Don't... don't let your calls go to voicemail. Let me repeat that. Don't let your calls go to voicemail. Response rates are lower right now in direct mail than they used to be. They will rebound by the way, they always do. But, um, you know, those leads are precious. They're valuable. Your cost per lead is higher now than it's probably ever been. Why aren't you answering the phones live? You know, how hard it is to call sellers back these days? And you do it... somebody calls you and it's from an unrecognized number and you just send it to voicemail. So, you need to answer those phones because it's important. And if you can't do it, that's fine. Get an assistant to do it or get PATLive or there's a service called Answering Service.com, I think is what it is. And you just have them, uh, have them answer the phone, answer a few questions. That way you know that it's a, uh, it's a good seller. And that's a seller lead. I had a friend who on his postcard would say, call 24-hour recorded voicemail and uh, when you have that on your postcard, it always gets more calls than just a regular phone



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number, right? And so, but he would still answer the phones whenever they called. And uh, he said he, you know, we never have anybody really complain about that. It's just, just do it.

The other one, the big Don't do is don't get discouraged and don't believe the lie that direct mail is dead. It's not dead. It's still alive and active. Don't get discouraged. I know it's hard, um, and maybe you don't have a ton of money right now. If you don't have a ton of money, I tell you to focus on the specialty list, the hard-to-get lists. Focus in on a few ZIP codes and just commit to whatever you can to go fast and often, and mail as many times as you can. Now may be that you have to handwrite the letters yourself. I don't know but, like, direct mail is not dead. If you don't have a bunch of money yet, um, try to find maybe a partner that does have money. Maybe you can partner with them. They pay for the marketing. You do the leads like you, you take the calls and you work the leads that somebody else invests the money into the marketing for, right?

So, hope that helps guys, some Do's and Don'ts when it comes to direct mail. And I probably had way more than five of each of those, but that's the way it goes. I appreciate you all. Will see you later.