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Real Estate Investing Podcast

Brilliant at the Basics Part 14 - The Key to Marketing Is Never Ever Stop Marketing

Hosted by: Joe McCall

Featuring Special Guest: Peter Vekselman

Joe: Hey, everybody. Welcome! Again, this is the Real Estate Investing Mastery Podcast take two. This is our second recording because I forgot to hit the record button on my dork. But, I'm with Peter. Peter, how are you?

Peter: I'm great. I'm great. How are you?

Joe: Awesome! We are continuing our Brilliant at the Basics Podcast. And, Peter and I, this is our 12th or so episode that we are doing this on. And, we are teaching people kind of like what goes on in our business, what kind of goes on behind the scenes. Those of you who know Peter for a long time, let me just give a quick introduction to him. He is one of the biggest wholesalers in the country doing 30 to 40 deals a month right there in his backyard in Atlanta in a very competitive market. And, he is actually now expanding into other markets. I saw one of your emails, Peter. You are going into Florida right now. Is that right?

Peter: Yeah, we are doing the stuff in Jacksonville. We've been doing stuff over in Charleston area. So, yeah. Absolutely.

Joe: Yeah. And so, I don't do as many deals. I don't work as much as Peter does. But, one of the things that we are doing now is partnering with students all over the country and we are actually setting up their systems, doing marketing for them and coaching them along the way and partnering with some of them on deals. So, I'm really excited about the opportunity that this market has. And, the reason why we do these podcasts is to kind of educate you a little a bit and talk about the opportunities that are out there in this



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business, to make a lot of money and to wholesale a lot of deals. It doesn't have to be complicated.

It just takes being brilliant at the basics. Peter and I did a book together. We wrote a book called "Brilliant at the Basics." And, if you go to FreeBasicBook.com, you can get a copy of that. FreeBasicBook.com, you just got to pay shipping and handling. And, before we jump into our topic, I want to tell you too. You can go get more information on how to work with us at PeterandJoe.com, www.PeterandJoe.com. A little video there that we did talks about the opportunity. We got students all over the country right now that are crushing it. Students that live in California that are doing deals in the Midwest and we're running their marketing campaigns. We are setting up their systems. We are offering the support and the knowledge that they need.

And, it's pretty phenomenal. It's awesome. I really, really enjoy working with Peter even though we give each other a hard time like old... Well, anyway, like good old friends. So, anyway, I wanted to talk about marketing, Peter. You do a lot of it, okay? And, we send tens of thousands of postcards, probably forty, fifty thousand postcards a week for our clients all over the country. But, let's talk about some of the marketing that you do right now at Atlanta. As you are growing into these new markets, what kind of marketing are you doing out there for sellers?

Peter: Sure, you are just talking about some of partners actually. I just got a check to go with it our partner out in in Ontario.

Joe: Yeah.

Peter: And, he and I just did a deal here in Atlanta. So, yeah. It's awesome partnering up with people literally all over the nation and sometimes the deals are happening right in their own backyards. Sometimes we are doing stuff a little bit closer to home so it's really good stuff. But, the key is like you said the marketing piece. And, when I talk about marketing, I really point out to people there's two types of marketing as it relates to sellers. There's one where you have an intermediary involved and there's one direct to seller.



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An intermediary is when you're marketing through someone else, like you get a Realtor to go out there and submit a couple of hundred offers on your behalf. You may get a bird dog to go out there and knock on doors or put some bandit signs out. And then, there's other type of marketing which is direct to seller. The biggest difference in the two really is cost, no cost. Meaning, most of the time, when you have an intermediary involved, there's no cost to that. You can go out there and get yourself five, three or four, five agents. Give them the basic overview of what you are looking for, what kind of deals you are looking for and you send them on their way and they're not going to charge you for their time.

They can literary submit hundreds and thousands of offers on your behalf. They can negotiate on your behalf, they can do pretty much all the grunt work that needs to be done and in the end, they can bring the deal to you on a platter. Now, again, in this intermediary side, there is no cost, but the reality of the situation is most of the time, the downside to it is that most of the time, you are competing in a public arena. Meaning, again let's go back to the agents. They are competing through systems like the MLS or the foreclosure market. So, the upside is it's not costing you money. The downside is it's a very competitive world when you have an intermediary involved.

Now, the other side of the marketing is when you go directly to seller. That's whether you or the company you are with and you are going after sellers. Now, the downside to this kind of marketing is almost always it's going to cost you something to do it. For instance, obviously, the big avenue here is... For instance, like a direct mail piece or sometimes people make outbound calls to these sellers. So, it's a lot more intensive. It's going to require not only financial resources but time resources. Whereas on a free side, like you got an intermediary who's going out there doing all the work, here, when you're going to sellers, you're paying money and you're tying up resources, whether it's your own time and effort or employees.

Now, the upside to the direct to seller is that especially in today's market, that's where... If you were to lay it all out across the board, I think there's no question. That's where majority of the good deals are located. It's a lot less competitive. It's still a competitive environment but it's a lot less competitive because now, you're taking all the people



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that don't want to invest money into it. You're taking all the people that don't know how to do it. You're taking all of those people out and you're dealing and communicating directly with the sellers. So, it's a lot less competitive. You're working directly with homeowners at that point. So, you're dealing directly with the decision makers.

The other reason I so much like this side of the model when we're going directly to sellers is that the one thing that so many of us forget is in the other side of the model, the non-paid model, a lot of times when you have an intermediary involved, their focus actually changes. For instance, we all know the Realtor's main objective is not to get a property as cheap as possible. Most of the time, a Realtor is trying to get as much as possible for the work. Let's say you are working with probated administrators, right? Well, again, their goal is not to give away things that are being probated. Their goal is to get as much as possible for those.

So, now, whereas again, when you're working on this other side of the model, where you're paying for things but you are dealing directly with owners, you no longer got the intermediary involved. who may try to maybe potentially jack the price up or get a higher price. So, those are really the two sides of the model, but the key to marketing those is you got to do it. So many times, I hear people say, "Well, yeah. There's no question. I love to do direct mail, but I don't have an extra thousand or couple of thousands a month to put into it." Don't ever let that be as a reason not to market. I have built my side. You know my story, Joe. I have built this business off this intermediary working with bird dogs.

We still have a bird dog program involved here. And so, A. Decide which side you want to be on, B. It's okay to be on both sides. But, the real key in my opinion to marketing is never ever, ever, ever stop marketing. I know that if I got into this business tomorrow and if I got into this business with zero money, I know that within the next three to four days, I'll have leads coming in.

Joe: Yeah.



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Peter: It might not be seller direct leads. It might not be paid side of the leads. But, I'll be hitting Craigslist. I'll be talking to bird dogs. I'll find myself a couple of agents who understand the numbers game, who understand the negotiations, who understand how to submit multiple offers. I'd set that all up and I have a variety of leads coming in.

And, in the end, the key to marketing is this. It's a numbers game. And, whichever side of the equation you are on, if you are able to go out there and generate enough numbers and offer opportunities, the numbers will always work out. We just don't know if it's going to be one out of ten. It might be one out of 20 or it might be one out of 50. But, in the end, the numbers will always, always, always work out. So, the critical piece about marketing is to do it. And, if you do the marketing side, it almost forces you to lay out the rest of the business. It forces you then to get into negotiations and get the better negotiations.

It forces you how to learn to do inspections because you're going to have to go out there and look at some properties. If you're going to flip these deals, it forces you to develop a buyers list. So, the marketing is not only the engine that drives the business. Marketing is really the heartbeat of this whole business. If you do nothing but market, forget learning everything else. Do nothing but market. It will actually force you to learn everything else. Marketing is critical. Make sure you're doing it.

Joe: I love that analogy too because it's like... Obviously, you got to do marketing to get leads and you got to have leads to do deals. And, you may not understand and I say this all the time. Don't worry about step seven and eight before you start doing steps one and two, and steps one and two are start marketing and start making offers, right? So, sometimes, it's kind of like a leap of faith. You got to send out that marketing with the faith that, "You know what? When these leads come in, I'll figure it out as I go." And, it's like jumping off a building and figuring out how to fly as you fall.

That sometimes is just... That's what... I've heard somewhere that that's what birds do. When the babies are coming up or they're growing up, they throw them out of the nest and they'll figure out how to fly as they go. Bad analogy, but the point is marketing is so critically important in this business. And, we all have goals of how much money we want



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to make in real estate. We want to make \$100,000 a year, \$100,000 a month, whatever it is. But, you can't control that, right? You can't control how many deals you need to do per month to meet that goal or what your average profit per deal is to meet that goal. But, what you can control is if you work backwards from that \$100,000 a month.

"Okay, how much marketing do I need to do every day, every week to get me enough leads, to get me enough contracts so I can flip enough deals at an average profit of whatever?" So, this is an exercise I walk through. We did this in the book and I walk it through with all of my students and clients that I'm working with. If you want to start here and make \$10 grand a month, how much marketing do you need to do?

We are not in the real estate business. We are in the marketing business, plain and simple. And then, the other half of that is sales or negotiating, knowing how to talk to sellers, but that's a topic for another time. I think it's a good time to cut this one off. We try to keep these about ten minutes long, Peter. Let's do the next one and talk more about direct mail, can we? The types of mail that you send, the type of postcards that you send, things like that. Is that cool?

Peter: Yup, absolutely.

Joe: All right, guys. So, if you want to work with Peter and I or you just want to get some more information, check out PeterandJoe.com, PeterandJoe.com. This is our high-end program. We work with investors all over the country. We do their marketing for them. We set up their systems for them. It's an application process you got to apply. Go to PeterandJoe.com. Fill out the application. Peter will get on the phone and talk with you and hopefully get up and running and we'll take you faster to where you want to go than you could have done it on your own, without a doubt, without a question. So, cool! Thanks a lot, Peter.

Peter: Thanks, Joe.