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Real Estate Investing Podcast

Brilliant at the Basics Part 15: Direct Mail Is Alive and Very Well

Hosted by: Joe McCall

Featuring Special Guest: Peter Vekselman

Joe: Hey guys. Joe McCall back here with Peter Vekselman in the Real Estate Investing Mastery Podcast. And, this is the "Brilliant at the Basics" series where Peter Vekselman and I try to just break things down into the simplest, most basic form and talk about this business. Those of you who were listening to the previous episode that we just did, I talked about how Peter is doing 30, 40 deals a month in multiple different markets all over the country doing really, really well, and we talked about marketing. And, we are going to dive into a little bit more detail about marketing. Peter, I know you send a lot of postcards. You do a lot of direct mail. How much...? Of all the marketing that you do and those leads that come from your marketing, what percent of that marketing comes from direct mail?

Peter: Well, I've been involved in the industry for a long time and throughout my business, I've utilized different systems and different ways of getting deals. As we sit here today, an overwhelming majority of our deals come as a result of direct mail. I mean, I'd say probably 80, 90% of our deals come in that because we are in a very competitive market right now. I mean, across the country, definitely in the market that I'm in, Atlanta.

And so, in today's world you really, really have to know how to market which direct mail allows you to do to the seller. And so, yeah, an overwhelming majority of our deals right now. In fact, my whole company right now is set up. You've been here to my office. It's really set up around negotiators and in an overwhelming majority of their time, the negotiators are working directly with sellers which come as a result of our direct mail postcards.

Joe: Direct mail has always worked and it always will work. If we can get all fancy, and advanced, and technical, and I was just talking to Peter about an app called Slack. Those



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of you that... Peter, I always give him a hard time. He gives me a hard time actually about technology. It's the way it is. I have an iPhone right here and an iPad right there. I have two iPads right here actually and my MacBook Pro and Peter is on this old Windows PC that can barely work but guess who does more deals? I don't know. I showed you how important all these technology really is, but I'm just kidding in seriousness.

Direct mail, I remember hearing a few years ago that all direct mail is dead. The Internet is where it's at. All of the leads, we don't need to do direct mail anymore. You can just do Internet marketing, and do social media, and SEO, and do YouTube and Facebook and Twitter. And, to get all the seller leads, you could use for a lot cheaper, more efficiently and all of that. But, you know what? In direct mail, even though you could call the post office or the old dinosaur, it still refuses to die. People still open their mail. They still look at their postcards. And, as long as the USPS is delivering mail, it's going to get in people's hands.

And, there are a lot of advantages to direct mail, Peter. One of the things I can think about is, when you're doing Internet marketing you can't target specific properties that are owned by specific people in specific neighborhoods, right? But, with direct mail, you can say, "Send this mail to specific targeted areas that I'm interested in." These are like specific type of homes: maybe only three bedrooms, maybe only properties that have garages or only specific owners who meet certain criteria: they're landlords or maybe they're over 55 years old, right? So, there is a targeted list that you can use for direct mail. Now, before we get into the type of direct mail, Peter, could you elaborate on that a little bit? And, who do you like to target in your direct mail?

Peter:

Well, let me tell you another big advantage. You're talking about advantages. I mean, I think if you compare the seller marketing to sellers. There are really a couple of ways to do that. For instance, you got the direct mail. Maybe you got some web base. You could put some billboards up and stuff like that.

So, you're right. The targeting is the key there, but the other key is the cost. We've utilized pretty much all seller form of marketing: very heavily on the web, done huge



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billboards across Atlanta and all of these. And, I can tell you bar none, when you compare it, the cost on the direct mail side is not even close. It's not one of those things where you have to keep these unbelievable spreadsheets on.

Joe: Yeah.

Peter: So, the other huge advantage to the direct mail is the cost. Now, I go back to your question in terms of what to utilize, what kind of postcards and all of that. A lot of times it, depends on the individual. For instance, again, you've seen my office here. I'm fully staffed with 12 full-time negotiators. They are here six days a week from morning till at night.

So, if you've got a sizeable operation, and enough resources, and enough infrastructures, the goal is to use the type of postcard that's going to generate calls. We are in a numbers game here. We know that if we get enough cracks at it, the ability to talk to sellers on a daily basis, the numbers are going to work out on our favor. We get our phones ringing here with sellers sometimes as many... Well, on a daily basis, we get between 500 to 1,000 seller calls coming into our office.

Joe: That's insane.

Peter: No. Well, but again, I'm staffed for it. I'm able to handle that kind of volume and I just play the numbers. Now, on the other hand, if I'm an individual that's a one-man show... I got a fulltime job. I'm doing real estate on the side. I'm not going to try to blow up my phone. I'm not going to try to get that phone to ring 50 times a day just for a simple reason. I can't handle that. So, in that regard, you want to go with a postcard that's a little more targeted specifically. Now, I'm not just talking about targeted towards the areas which you do want to do but targeted towards the message too.

You want to state pretty clearly what it is you're doing: that you are an investor, that you're looking to buy a property, so that when those calls come in, you might not be getting 20, 30, 50 calls a day. You might only be getting two to five calls a day. But, a.) You could handle it, b.) You're not really playing the numbers game at that point. You're



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just talking to very qualified sellers. So, the message really depends on the individual and how they want to handle it.

And, the other thing you want to think about in terms of messaging in direct mail, which almost everybody overlooks, but it's something that I can tell you is a huge determining factor is who's going to take your calls. One of the big things in this industry, I mean, if you talk to 100 random investors, 95% of them will say, "Go to voicemail automatically." It's almost like an assumed thing in this business that you're going to go... There's some kind of answering service, a system or you're going to a voicemail. Very few times do you talk to investors who are active or thinking about being active and you get anything but those kinds of answers.

So, basically, you go to a third party, or as I can tell you from our personal experience, we're in a live environment here, meaning we take our calls live. So, here is what that does immediately overnight. It doubles your numbers. It literally doubles your numbers. And, I think you were telling me you were at some meeting where people were talking about how long it takes them to get a hold of somebody...

Joe: Oh no. That's right.

Peter: ...And, the percentages are staggering. Aren't they?

Joe: Yeah. Well, I'll just tell you this. I wish I can remember the exact numbers. I want to be close. If you can get that seller on the phone or call them back within five minutes, your chances are 95% higher for reaching them and talking to them. It's a curve and it drops dramatically down. If you wait like 10 minutes, your chances are only like 20% to get a hold of them and talk to them.

And also, what was important too in the study... This was a study that these guys did with their own phone tracking system. It takes an average of six to eight calls. If they can make six to eight calls, they will actually talk to 95%. Again, 95% of their customers. So, the point is, answer the phone and call them back quickly and call them back often. But, anyway...



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Peter: Yeah. And, if you think about everything you said there, a lot of that could be literally eliminated if you can go into actually a live environment.

Joe: Yeah.

Peter: Because if you're in a live environment, you don't... Think about it. I agree with this concept of six tries but that takes time. So, think about it, if you can go to direct mail into a live environment, now you don't have to potentially call somebody six times or two times or three times to get a hold of a seller. So, those are other things that you want to be considering when you consider what kind of message you want on your direct mail. It's who's going to take the calls?

And, again from my opinion, whether you... Do whatever you can to get it live, and if you can't get it live, just listen to this tape again when you were talking about a couple of minutes ago about the percentages. You've got to get a hold of these sellers. Look, we're in a world... You and I kid around technology. You were talking about and you're kind of the techno geek. But, think, we're in a world where you can rotate phone numbers now.

I think it's Google Voice that offers the ability to take one phone ring and you can grab like your partner's phone rings and all of that. So, the days of not being able to get to a seller at least in a quick manner are gone by just utilizing some very basic technology out there, and voicemail systems, and apps, and stuff like that.

Joe: Well, and even if you don't have the staff that you can put into your office, you could at least hire a live answering service to take your calls. And, if anything, you can have an assistant like I have a virtual assistant, and I do about 5 to 10 deals a month. In the system we have right now that we're doing is there's a VA in the Philippines with great English who will answer the phones live. We use Skype to do that. But, if she can't, then it goes to a voicemail and she calls them back pretty quickly and immediately after that.

And, I'm to a point now where she's getting pretty busy and pretty soon, I'll probably either going to hire somebody new to help her or have all the calls go right to a live



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answering service. And, right now, my favorite is ContinentalMessage.com. I've heard some really good things about them. I know some guys who are using them and like them a lot. But, the point is, they answer the phone, right?

Peter: Yup.

Joe: And, I need to clarify what I was saying earlier about the number of contacts. They looked at all of the deals they've done, and there is an average of six to eight touches to that seller before getting it under contract and doing the deal, right? So, the point is you got to do what everybody else is not doing. And, I can tell you this. All of your competition that you think is your competition out there is not answering the phone. They are not following up their sellers. They're not making offers. They're not following up over and over and over again. So, good.

Peter: And, let me say something or one thing about these answering services. The cool thing about a lot of them, like I know there's one here in Atlanta, is they'll do live transfers too.

Joe: Yeah.

Peter: So, you could use a call center or a call service to take your call. Make sure you screen them. Make sure you work with somebody that's not going to put people on hold and play background music and all that. But, a lot of the technology now is that you give them a series or whatever, four or five questions to answer, and if they got a live client on there, a live seller who's motivated, boom! All they do is say, "Let me connect you to my partner out in the field."

Joe: Yeah.

Peter: He'll probably be able to go out there and take a look at it," and they can do a three-way call right to you. So, you kind of get rid of the junk up front. They're doing the three-way call to you and you're grabbing. You're talking to the live seller. So, that's probably the



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only way I'd use one. I would always make sure that they can do a live three-way transfer.

Joe: That's really good. Now, we talked a little bit about direct mail postcards. Do you send mostly postcards right now, Peter?

Peter: Yeah, we only send postcards. Again, we're playing the number game. We're not looking to get only the qualified. We just want the phones to ring so we're creating a lot of urgency in our messaging and lighting up our phones.

Joe: Good, good. And then, there are different kinds of postcards. There are more generic general postcards, "Hey we've been trying to reach you. Call me." And, there are more specific postcards, "Hey, I'm an investor and I want to buy your house. Call me." What do you like to send?

Peter: We like to send the ones that create some kind of urgency, whether it's kind of the first one and you say, "Hey! Well, I'm trying to get a hold of you," or "I got into something very important," or "This is the final time I'm going to try to get old." Whatever it is, again, in our thing, we're going not broad but we're going very niched in tremendous urgency. "We have some important information for you. Give us a call."

Joe: And so, what kinds of list do you like to mail to? Do you have a specific target you like to go after?

Peter: Well, again, because we're in a very much numbers driven game here and getting as many calls on a daily basis, we go broad. So, we don't niche it out in a particular probate, or death, or divorce, and all of that. We go down the rocks because that's just the biggest target market to go after, non-owner occupied.

Joe: Non-owner occupied or absentee owners.

Peter: Right! Absentee owners because it's such a broad list. Within there, you're capturing every other list. You're hitting the probates inadvertently. You're hitting the divorces



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inadvertently. You're hitting the evictions inadvertently. So, we're going really broad and trying to get it all to come in here.

Joe: And, how often do you mail the same list?

Peter: I think we.... I want to say about three to four months or somewhere three, four, or five months. We go back to the same areas.

Joe: Excellent.

Peter: Which is going to happen naturally no matter what market you're in. You can never just go through it once.

Joe: Yeah.

Peter: So, that's normal. People sometimes get so discouraged by that. Well, here is the reality. You're not the only one mailing to these people.

Joe: Yeah.

Peter: So, don't think just because you're mailing to the same person, this is like the only time they've seen this. They already got 20 postcards lying there. You know what I mean? You got to go through it multiple times and sometimes even just to catch him at the right time. So, there is nothing wrong with doing that.

Joe: That's one thing too I'd encourage people. Stop overanalyzing it. You got some target zip codes where you know your buyers are hungry and want deals. Just mail every absentee owner in that zip code.

Peter: Uh-huh.

Joe: Stop trying to filter them out for equity or when they bought it, how long ago. Just send them all, because chances are a lot of them have multiple properties. And, sometimes, you're going to find a motivator that's only owned it for six months, and if you're



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filtering it out for people who bought over 10 years ago, you're going to lose those, and there is less competition for those investors that bought just within the last year. So, I agree. I like mailing as many as I can. And, a lot of times, if they don't have a house to sell, they may become a buyer as well.

Peter: No question.

Joe: Well, great. It's been a good podcast and I appreciate it, Peter. Thank you very much. Guys, if you wanted more information about how to work with me and Peter, Peter and I, go to www.PeterandJoe.com, PeterandJoe.com. Notice I put your name first, Peter, in there.

Peter: Thank you.

Joe: I could have done JoandPeter.com.

Peter: I would have lost sleep for sure.

Joe: No, actually I thought... I think it was already taken. That's why I didn't.

Peter: Yeah. I'm sure it was something like that, but that's okay.

Joe: Anyway, we'd like to talk to you guys. If you go to that page, there is a little video explaining about what we do and who we work with, and you could see if you're qualified or not. If you are, fill out that information on that page. Peter will actually call you, get on the phone and talk with you, and see if you're good fit. And, we'd love to help you get your business set up and running and actually do deals with you so you could start seeing the same success, and even fly out to Peter's office and go see his operation there. It's pretty incredible.

He got 12 negotiators on the phone, jam-packed in there. It's not jam-packed, but it blew me away when I was walking through there thinking, "Wow, you got so many people in here!" But, they're on the phone. They're talking to sellers. It's so cool. You see this big board on the wall, the different columns of where the leads are and the



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whole process. So, if you want to learn how to do deals, you need to learn from people who are doing deals, and that's what Peter and I are trying to provide. So, all right. Thanks again, Peter. Take care.

Peter: Thanks, Joe.