

REAL ESTATE

## Building trust, leveraging tech key in luxury real estate marketing

January 21, 2021



Home available in Vero Beach, FL. Image credit: Concierge Auction

By NORA HOWE

NEW YORK Building authentic relationships and digital targeting are key to successfully marketing to high-net-worth individuals within the luxury real estate sector.

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During a session at the State of Luxury Real Estate eConference on Jan. 14, luxury real estate leaders discussed the best ways of marketing to HNWI's and mistakes to avoid when building strategies for these individuals. A HWNI is someone whose investable wealth exceeds \$1 million.

"You don't simply sell a high-net-worth individual," said Chris Ramey, CEO of [Home Trust International](#), Palm Beach, Florida. "You build trust with them by matching their values, fascinating them and understanding who they are and what message resonates with them."

*State of Luxury Real Estate was produced by Luxury Daily in association with Luxury Portfolio International*

Do's and don'ts

Especially in the HWN real estate industry, the panelists stressed the importance of utilizing digital and physical tools to target prospective clients and fostering genuine relationships on the foundation of trust.

"You must begin with targeting your prospects," Mr. Ramey said. "Once you have identified your prospects, you must connect with them using omnichannel marketing strategies."

"Once you have successfully marketed to your prospects, it is crucial to create a personal connection, such as with a handwritten note, and ignite that conversation," he said. "The best marketer in real estate always wins the market share, and with today's digital tools, you can find your best prospects."

Krystal Aeby, chief marketing officer at [Concierge Auctions](#), mentioned ways the company utilizes different tools to reach affluent.

"In our most recent auction, 45 percent of our leads came directly from Facebook marketing, but we have always been keen on multichannel marketing: anything from physical signage to IP targeting," Ms. Aeby said. "Over the last

few years, we have seen a significant return to print, and Concierge is a big advocate of direct mail.

"Additionally, we should not underestimate the power of public relations and personalization in this space."



*150 Central Park South in New York City. Image credit: Concierge Auctions*

As social media has become a huge component of digital marketing strategies across all sectors, David Friedman, cofounder of [WealthQuotient](#), expressed the importance of social channels in regards to instigating referrals.

"Referral is one of the most powerful tools to help build trust and accelerate the conversion process from prospect to client," Mr. Friedman said. "At the end of the day, people simply want to hear from others like them.

"Social media is important because it can be such a driving force for referrals," he said. "You must be careful, though, not to pump your channels with mediocre content.

"The biggest mistake people make in social media is building a strategy without good content."

Mr. Ramey was not as keen on social media, claiming the tactic is a vanity play.

"Most [home] designers are not being discovered through social media," Mr. Ramey said. "And, frankly, many of them are on social media so much, it looks like they don't have lives.

"An important thing to remember when approaching the affluent market is that scarcity is a pillar of luxury."

All three panelists agreed that the gravest mistake people make in marketing HNWI's is not targeting them appropriately. Additionally, foregoing the foundation of trust is a huge error.

"Trust is the foundation of a relationship," Ms. Aeby said. "So if you're only reaching out when you need someone, or to strictly buy or sell something, people are not going to trust you on a personal level.

"Reach out and be authentic in times you don't need something," she said. "Mass messaging and blanket statements can be so harmful to a marketing strategy, as they are perceived as inauthentic."

Ms. Aeby also suggested not negating the power of word-of-mouth and the relationships that individuals have with each other.

Understanding the values of potential clients before speaking to them is critical, according to Mr. Ramey.

"Research the interests of your prospects and find ways to communicate your shared values," he said.



*Fairfax & Sammons is an award-winning architecture firm specializing in traditional architectural design and works directly with The Home Trust.*

*Image credit: The Home Trust International*

Another mistake commonly made in the industry is not building a relationship before and after a transaction. Maintaining a relationship post-sale is just as important as planting the seed for a sale.

"Affluents are seeking to join bespoke, niche networks," Ms. Aeby said. "Be sure to maintain your networks and connections for the long term."

According to the panelists, the key to marketing in the high-net-worth realty space is considering what a message will mean to the recipient and not what it means to the marketer.

#### Growth of billionaires

Despite factors such as the global COVID-19 health crisis, personal income has increased significantly, accelerating the number of HWNI.

According to a report released in June 2020 from Wealth-X, the population of very-high-net-worth individuals rose 10 percent in 2019 to 2.7 million to a combined net worth of \$26.6 trillion, suggesting that affluent consumers have been gaining income at a faster rate than in previous years ([see story](#)).

In a series of conversations at the Future of Luxury eConference in September 2020, wealth management experts discussed how ultra-high-net-worth individuals responded to the pandemic. While the global crisis has led to widespread economic uncertainty and anxiety, even among the world's wealthiest, billionaire wealth has grown ([see story](#)).

"Ultra-wealthy people are getting bombarded all the time, so you must think tactically about how to get a genuine connection with them," WealthQuotient's David Friedman said.

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