

Insider Secrets for Branding and Selling Fractional Ownership to the Elusive Affluent Buyer

by Lawrence Hefler and Susan Adams

It has been said that “a brand is a cow’s only return address”... sort of a brief commentary about trust, relationships, and options....at least, in the world of ranching and livestock. In the world of shared resort real estate, and the increasingly popular fractional ownership option, a brand is not only your home address but just may be what gets you to the customer’s address. That’s where the branding story begins.

A brand needs a story to tell in order for consumers to better connect with the experience in which they will see themselves. Buyers would then have their own story to show and tell. In an expanding marketplace of shared ownership choices (fractionals, residence clubs, destination clubs, and membership clubs) a brand story adds meaning to the consumer experience and provides a conscious or sub-conscious justification for the purchase decision.

Nowadays, many developers are learning more about fractional ownership and are likely to want to include it in their product development. After all, fractional ownership and residence clubs are a rapidly growing industry with a compelling value proposition for both consumers and developers. However, a brand in this co-ownership industry is, in many ways, a marketing and sales experience that leads to building a long term relationship. It’s not appropriate or even desirable to use traditional practices from marketing and selling vacation ownership.

Today’s demographic and psychographic for fractional ownership and leisure real estate is not the mass affluent buyer. It’s an affluent audience sometimes referred to as the new millionaires. As there are nine millions households with a net worth of \$ 1 million or more, it’s as much of a lifestyle and life stage purchase as it is about joining “the club” ...an exclusive club at that. Yet many of the new millionaires do not display their affluence making them even harder to find.

So how do you get your exclusive brand message to the upper affluent market for shared residences and homes? In a recent survey by the American Affluence Research Center, it was quite clear that among the affluent audience, brand awareness of Private Residence Clubs and Destination Clubs was extremely low and misguided.

In reality, it does still take a combination of targeted advertising, public relations, and integrated marketing channels including building awareness and generating interest.

- Strong consumer interest is often seen as a result of solid PR initiatives to a variety of targeted media.
- Advertising, both print and online, in the more obvious upscale, lifestyle, and regional places as well as the less obvious, small business and industry specific media.
- High quality creative and content in direct and e-mail to inquiries, guests, presentations, affinity groups, and lifestyle audiences.

- Event marketing can get you (the brand) face to face with an audience at shows, fundraisers, sponsorships, community and charitable events.
- At your location (once established) with a WOW sales environment, receptions, collateral, presentations, and interactive events.
- Social media with rich content in video, audio, photos mapping, blogs, feeds, wikis, and podcasts.

All of these channels and messages will most likely get you someone to tell your brand story. But, at the end of the day, even the most sophisticated marketing doesn't guarantee the interactions and transactions it takes to close the sale of fractional ownership or a club membership. Prospects don't close themselves! You need to be able to take someone who's interested and convert them into a long-term, satisfied owner or member. That's the second half of the story. It's being able to understand the affluent buyer and develop a sales presentation for this unique group.

Many good sales people don't truly understand or utilize the basics of the sales process. They become immersed in their product and its features and benefits. They forget the most successful client interactions are those **in which the client talks 70% of the time**. Those sales people, who develop good questions and really spend the time to listen, are ultimately successful.

One very telling conversation about the lack of selling skills amongst fractional ownership companies came from a CEO of a Fortune 500 Company. He expressed his amazement at the lack of basic sales skills of those calling on him for fractional ownership of business aircraft. He explained everyone was so busy talking about their company and their product that no one was asking what he needed. This highlighted something critical: The affluent audience for fractional ownership is **not** focused on features and benefits. They are sophisticated buyers who want the sales person to understand what they're trying to accomplish with a purchase, allow them time to do the appropriate due diligence and have everything presented to them in a clear, concise manner.

During the sales process it all starts with asking good questions and listening. Basic? Yes. Effective? Extremely. The secret for building an effective sales presentation lies in these three themes:

1) Service--How you are going to 'own' your client and make sure they receive exceptional service? If you have poor follow up during the sales cycle, what kind of impression are you creating for 'after the sale'? There's no better way to establish your credibility than to take ownership of difficult problems. The return for the sales person is that the best referrals come from clients who have had a problem that was resolved.

2) Convenience--How are you selling the club, the resort, the property or the membership? This is a lifestyle decision that you should incorporate into the sales conversation. When someone asks you, 'Why have others selected your product'?

You need to be ready with a three bullet point reply. "Our owners tell me they selected us for these three reasons". When you're wealthy, you can buy from anyone; so expect to be asked why they should buy from you.

3) Experience—i.e. the enjoyment of the overall experience. Talk about their peers who are owners. This is a perfect opportunity to relay stories you've heard from those who have made a purchase. Maybe they've enjoyed spectacular family reunions or had a special anniversary. Those are the kinds of experiences potential buyers want to know. It helps them see themselves in this environment. It also gives you a perfect opportunity to talk about how you and the staff worked to make those occasions flawless for your owner. Again, mixing exceptional service into the conversation.

By highlighting these few things during the sales process you'll start to move away from selling features and benefits. Potential owners can read all about the stuff the product has in the brochure—they don't need a sales person to recite it to them.

Instead, selling should go back to the basics of the sales process, how to sell service, convenience, the ownership/membership experience. It begins with the ability to have effective conversations. Have a consistent approach. "Let's see if your needs and my product are a good fit." If they are, we have a reason to proceed with more conversations. If we're not compatible, I should be able to direct you to a more appropriate solution.

Only when you're able to focus your sales people on the client, will you begin to develop long-lasting relationships. It's always said that 'people buy from people they like'. It's true. However, what's never said is how you create like-ability. Being a good listener creates immediate rapport. Following up in a professional and timely manner helps establish your credibility.

If you're likeable, credible and have a good product, your message will resonate with the affluent. If you have a message that connects, closing more sales is the immediate result. The story doesn't end there. The next chapter is the one you and your customer write about your brand. The story is one of building trust from your marketing and sales experiences... and that's a message worth repeating until the cows come home.

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