

THE 4 STEP LISTING CONVERSATION

How to **LOVE** Going on Listing
Appointments and Never Have to
Memorize a Script Again



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The 4 Step Listing Conversation

I can either explain the ABC version ... or the one I teach in *The POWER Program*. The ABC version is very simplistic. “A” would be to ask for the listing. “B” is when you start to beg. “C” is your cue to cry. I’ve met some agents you have been doing the ABC technique for some time now, but I’m going to teach you what we teach our *Power Agents*. In this method, rather than calling it the “selling process,” we’re going to call it the “coaching process.” Doesn’t that sound better? I want to take the words “selling” and “close” out of our vocabulary because they have a negative connotation. I believe that we “coach” buyers and sellers into making a decision. They ultimately choose, but we coach them to get there.

Step 1: Build Rapport

We’ve all heard how important it is to build rapport with buyers and sellers. Let me take a deeper cut at this concept with you. We tell *Power Agents* in this step that you want to do a little bit more than just build rapport. You want to connect with the sellers at a deeper level. You do this by “being present”. I believe the reason my closing ratio was four listings out of five presentations wasn’t in the dialogue, the visuals or any of that other stuff. It was all in this concept of being present. To simplify this concept, being present means that you’re so tuned into them, so connected, that your focus is more on what they are saying versus the next thing you’re going to say when they stop talking. When you get this connected with them, you not only REALLY hear what they are saying, but also what they are not. When you master this skill, the dialogue you use with these sellers will be based on what they need to hear. In other words, instead of “doing a script” (which really only works when they know their “part”) your dialogue is shaped based on who they are. When you start to do this you can “dance” on the listing appointment, create your own objection handling techniques, and it will feel more like a conversation versus a sales pitch.

Step 2: Find Out What They Are Committed To

This is the same thing we mentioned in the *Prospecting* chapter. Other speakers would say “find out what their goals are”, or “find a problem and offer them a solution.” I prefer my terminology because it’s more consultative and more about serving them. It’s a deeper way to connect with them.



If they sense that you are really interested in them and care about them, they will choose you over the best salesperson because, quite frankly, they don't want a salesperson, they want someone to take care of them.

When you focus on what they are committed to versus what *you* want (i.e., to get their listing), you can be more creative in helping them. Let me give you an example. One of my students in a **POWER Program** went on a listing presentation. The sellers wanted to buy a house in the same neighborhood for \$275K. Their own house was listed for \$169K, which was \$10K more than fair market value. So they've got an over-priced listing and the reason they're selling is to buy a house for \$275K. Now, based on this scenario it looked like there was no way they could make all this work. It wasn't going to happen. That's one way the agent could have listened to them.

But instead, the agent *listened for their commitment* and focused on what was possible. So he said to the sellers "If you can buy that house for \$239K or \$245K, would you drop your list price \$10K to make the move?"

The seller said, "Yeah, but there's no way that's going to happen."

The **Power Agent** said, "It doesn't hurt to ask." So he called the sellers of the \$275K home and made them an offer. They accepted \$235K ... down from \$275K. His seller then dropped his price \$10K and now they had a line out the door for the other house. This agent really looked for what was possible, based on the seller's burning commitment to make this move. All that mattered was the commitment. That's what he listened for, that's why he acted, and that's how he achieved success.

Step 3: Coach Them

Based on what they're committed to, what would be the best coaching to give them? Ninety nine percent of the time it will be to hire a real estate agent. So it's in this step you would actually start sharing with them, how you would help them to sell their house and meet their commitment. We do this by putting the house on MLS, doing open houses, advertising, etc.

The 4 Step Listing Conversation

Step 4: Invite Action

Here's where we invite them to move forward and hire us to market their home



Now let's break down each step in greater detail and with actual dialogue.

Step 1: Build Rapport

Make sure that you bring the right attitude to the door. Give them a friendly greeting when you arrive, and guide them to the kitchen table. Why the kitchen table? Because that's where friends go; it's more comfortable. Here's how I did it.

I would take my briefcase and say, "Let me just go put this down" and I'd walk right into the kitchen. When you walk right in and say those words, I promise you they will follow you.

Preview the house.

Before I sat down and opened up my book and did anything, I would preview the house. Here is when you begin to communicate, connect and coach. I believe that we owe it to them to first preview the home.

My suggestion is to have them take you through the house. You do this to build rapport and show them that you care. This is an opportunity to bond. You see golf clubs, you can talk about sports. You see a workbench and you're handy, start a conversation about that. You can spend a half hour previewing the home and there's nothing wrong with that. Why? Because they're not going anywhere tonight. If you need to take two hours with these people, take it. As long as it takes for them to feel comfortable about you and what you're doing. Have a genuine interest in them and their home; don't just zip through.

Another thing here is to acknowledge the pluses and point out some of the flaws. I used to think that if you went through the house and said, "That's a really nice room and it's spacious," they were



going to expect me to give them a really high appraisal. But that's not true. When you go through a house and say, "Hey, nice windows," "Cool carpeting," whatever it is, you're really acknowledging them personally. After all, a home is a very personal thing, right? Besides, if you don't do this, and if your CMA shows a lower price than what they expected, they won't trust your price because they'll be thinking, *"Well, of course Darryl would price it low because he doesn't appreciate the house the way it should be."*

Now, you should point out some of the flaws, too, but be subtle about it. I mean if a room smells from the dogs you can say, (sniff, sniff) "Hmmm. So you folks are dog lovers, huh? Yeah, I like a dog or two. Six is my limit." I'm just kidding. The best way to point out flaws is to ask about it and whatever they say, jot it down in your notes. For example, if you see a stain in the ceiling look up at it and ask, "What happened here?" They'll say what they say, make a "hmmm" sound and just make a note of it. This will help with their possible viewpoint about how great their house is.

Go back to the kitchen table after you've previewed the home. This is when you sit down.

A side note: I want to address something here. As you're walking through their house, or just when you sit down to the table, the sellers may throw out a few questions. They might even do this in the middle of your presentation. Here's how to handle what comes up.

Mr. Seller: Now that you've seen my home, what do you think it's worth?

Darryl: Well, Mr. Seller, you know that the price on your home is determined by how much marketing you do. Here, let me show you what I'm talking about. To get the best possible price, we want to get as many buyers to the door to look at the house, wouldn't you agree? It's better to have 100 buyers interested versus just one. How we do that is we give the house as much exposure as possible. That means we expose the house to anybody looking in this price range for this style home. How we do that is through a number of marketing tools. The more tools you use as a homeowner to market your house, the more exposure, the more potential buyers, and the better your odds of getting the best price. Does that make sense? So I can't tell you the price right now because I'm simply sharing with you the tools that I use to get the best possible price, and you're looking for the highest price, aren't you?

And you pick up where you left off. Don't let them distract you from your presentation. Meaning, if you've got ten things you want to share — MLS, lock box, etc. — and right around item number three they jump in, don't feel compelled to answer at that time.

After we've built rapport, we move forward.

The 4 Step Listing Conversation

Step 2: Find Out What They Are Committed To

We do that by asking questions. When you first sit down with them, don't open up your presentation book just yet. Start asking questions about where they're moving to, by when they need to get there, why they are moving there, etc. Some of you may want to write down their answers, but I don't recommend that. I also don't think your questions should be pre-printed. That's too scripted, almost like a survey.

You see, if you're being present, you won't need to write down their answers. Some folks would say that writing it down it shows them you're really interested in them. I'd rather show them I'm really interested in them by looking in their eyes, being attentive and empathetic. These questions should flow like a conversation. Ask whatever you need to find out what they're committed to. I've culled it down to a few key questions. (For some of these questions, you'll know the answer beforehand from having spoken to them on the telephone. Nevertheless, it doesn't hurt to recap. Remember, you don't want to take anything for granted.)

- Have you looked at any houses yet?
- When do you need to make this move?
- Have you ever sold a home before? (Why is this question important? They might say to you, "Yeah, we've sold a house before, that's why we think we can do it on our own." If this is the case, ask: "Oh, really, when was that?" "Ten years ago." To this, you can say, "I see. Well, things have changed....")
- Why are you trying to sell it on your own?
- What is the next step in your marketing plan? (They might say, "My what?" You say, "Marketing plan." "We don't have one," they say. "Well, aren't you lucky that I just happened to bring mine?")
- What is the most important thing to you, the price or time? (Watch this. If they say that price is the most important, you follow it up with, "So, in other words, if it took you nine months to a year to get the price you want for the house, would that be okay with you?" "No." "Oh, so we're saying time is more important?" See, right there in the beginning you're putting the entire conversation in its proper context; it's not about price.)
- If I could help you get moved to Florida, would you be interested in me doing that? (That's



an important question. After you get clear about what they're committed to you ask them, "If I can help you do that would that be of interest to you?" By them saying "yes" you're getting permission to give them some coaching, which leads you into sharing about your marketing plan.)

- When you're dealing with an Expired, the best question to start off with is "So tell me, what happened?" Let them get off their chest whatever they need to share about their previous experience.

Let me offer this about finding out what they're committed to. If somebody throws out: "The reason why we want to sell on our own is to try to save the fee," should you handle that now? No. When you're getting clear about what they're committed to, some concerns or objections may come up. They're going to say whatever they say. But this is NOT the time to handle any of these things. You just listen and get it. They want to be heard.

Has it ever happened to you that as you're walking in the door, the sellers say to you, "Listen, I just want to be clear with you, we're not listing our home tonight" ... then two hours later, they've listed with you? My point is that whatever concerns and objections they put out in the first fifteen to twenty minutes of you being there will in most cases disappear after you've spent an hour or two with them. If not, you handle it at the end.

Step 3: Coach Them

This is the step when you use your listing presentation. So, before we go on, I want to review how you put it together and what the sections are. In *The POWER Program*, we teach that there are four sections. However, it doesn't have to be four. It could be five or ten. Four is just an easy way for you to understand the flow of the presentation.

The first section should be **validating you**. The reason that you validate yourself first is because the seller has to buy into you — your credentials and power — before they'll buy into anything else. Here is where you talk about your certificates, your license, the code of ethics, the fact that you're a member of NAR, your community involvement, etc. Once you get a sense that they understand about you and your abilities, even if you have more, skip ahead and go on to the next section.

Section two is where you sell the 'bigness' of **your company**. Here's where you'll probably have a picture of your broker, business cards of the agents in your office, your mission statement (if you have one), your office stats, your market share, etc.

The **4** Step Listing Conversation

For those of you who belong to a national franchise, your company may have something like a national relocation service, national advertising or a very recognizable yard sign. Do NOT use those items in section two of selling the 'bigness' of your company. (The reason I say this is because in section three you will speak about how you market homes. All these above items are part of a marketing effort.) Instead, speak about the franchise in terms of how many offices are located throughout the U.S., Canada and Europe, how long it's been around, etc. Don't get into the specific tools that we use until section 3.

Again, once you sense that the seller has bought into your company and your franchise, move to section three — ***the step-by-step process*** you go through to sell the home. Here's where you speak about the yard sign, MLS, fact sheets, broker's open house, opinion sheet, the local advertising that you do, public open houses, qualifying buyers, mortgage info, etc. My personal preference is to begin with MLS. I believe that this is the foundation of what we do, and it's one of the most powerful tools that we use. Everything else I speak about after MLS ties into it.

Section four is ***additional support material***. This is where you may have your CMA, your objection-handling visuals, your net sheet, etc.



At this point, I want to share with you how to communicate your marketing plan.

There are three components to conveying each step in your marketing plan: They are Features, Benefit/Relate and Acknowledgement.

- **Feature:** This is simply the statement of the item you are presenting. For example, “one of the great tools we use to get your home sold is a Broker’s Open House.”
- **Benefit/Relate:** Here, you share how this tool works, why it’s so effective and how it relates to the seller. For example, “Here’s how the brokers’ open house works. Within the first seven days of the house being on the market, we have one day, for about two hours, where we invite the brokers to come check out the house. My office usually gets about 30 to 40 agents to attend. There a few benefits of holding a Broker’s Open House. Instead of 30 to 40 agents coming over 30 to 40 separate times to see your house, we can accomplish it in just two hours; meaning it saves you a lot of time. Secondly, to help have your house stand out among all the other houses on MLS, this open house acts like a grand opening of a department store.



- **Acknowledgement:** Here we want to see if they understood how this tool can help them accomplish their commitment to selling. For example, “Do you see how the Broker’s Open House could save us a lot of time?” Or, more assumptively, act as if they are going to list by saying, “So, I was thinking Thursday would be the best, just before agents are prepare to show houses on the weekend; would that work for you?” By the way, don’t use this after each tool you share otherwise you’ll sound like a used car salesperson.

Let me go through an example in dialogue using MLS, which, as I stated earlier, was usually the first tool I discussed:

Darryl: *Mr. Seller, another thing we do in putting your house on the market is to put it on MLS. Almost every broker belongs to MLS, in which we put information about your home, including a photo, into a computer and immediately many agents know your house is for sale. It goes onto a list. (Feature) Let me give you an example. This list[show the list] is all the current homes that are for sale on the MLS, meaning these homeowners hired a broker and all the brokers are working together to sell these homes. This is just in our town of [name their town]. Look at this. This is all for sale right here. Can you believe that?*

Mr. Seller, right now you’re not on the list. Until you’re on the list, in my opinion, you’re not even on the market. This is your competition. I don’t care if it’s with me or another broker, but you need to get on this list. Now, once you hire an agent, their job is to make sure that once it’s on the list it stands out among all the other homes — like if I took a yellow highlighter to this list right now. This is a powerful tool that we use. And do you know what it costs you? Nothing. You only pay me if I get the job done — that means that I get this sold and you’re off to Florida. (Benefit/Relate) You told me you wanted to get to Florida in the next three months; do you think that MLS could be a great tool to help you do that? (Acknowledgement)

Here’s one last thought for this section of your listing presentation. As you go through each item (MLS, yard sign, etc.) when you’re talking to a FSBO, focus more on having them buy into “the real estate industry” industry versus you. You see, as a FSBO, they haven’t bought into that yet, which is why they are a FSBO in the first place. Now, if they buy into the industry, and you’re the one communicating the message, they will naturally buy into you.

Step 4: Invite Action

After you’ve finished explaining how you market homes, you move into step four, which is to invite them to take action based on their commitment — once again, the appropriate action, most likely, is that they list with you. In just a few pages to follow, I’ll share the dialogue for this step, but first I need to address something important.

The 4 Step Listing Conversation

Most homeowners make the mistake of hiring an agent based on the price the agent tells them. Unfortunately, some agents tell the homeowner what they want to hear so they can get the listing. The other mistake many homeowners make is they shop for an agent based on the commission they charge. I say this is a mistake because, most likely, their home is one of the most valuable assets they own and they look to put someone in charge that will discount their fee just to get the listing. My point is this: a homeowner should hire an agent based on their skill and ability to get the job done. That said, the dialogue you can use to lead into talking about price is this:

“Mr. and Mrs. Seller, putting price to the side, based on what you’ve seen about how I market houses, do you feel it’s better that we work together?” If they don’t say “yes,” then you need to find out what their concern is and handle their objection. Once they are ready to hire you, then discuss price.

Here is how I believe you should go through price. You have your CMA done prior to the appointment. I’m going to tell you how to present your CMA because you have to be careful here.

I know that some of you present your CMA, the sellers disagree with it, and then you tell them why they’re wrong. You may do it nicely, but still if you disagree with their point of view, they’re going to hear it like you’re making them wrong. What you need to do before even pulling out the CMA is to sell the concept of the CMA itself. This way, they’ll have a different way of relating to the CMA once it’s presented. Let me ask you: which is better, to present your comps and then justify them, or justify your comps BEFORE you present them? You should justify the comps BEFORE you show it to them. Here’s how you do it.

Darryl: Mr. Seller, based on what you’ve seen about how I market homes, my credentials and my company, are you pretty much ready to work with me? I mean with the exception of price. Obviously we have to figure out what’s the best price to put the house on the market, but with the exception of that do you feel comfortable enough about working together?

Mr. Seller: Yes.

Darryl: Okay, great. Then let’s look at how to best price your home, because here’s what I did. After I spoke with you on the phone you sounded serious about selling, so I invested a little time. I did what we call a CMA, which stands for a “comparative market analysis.” This is a listing of all the houses that are on the market in this area, what houses sold for, and what listings have expired. What I’ve done is exactly what a bank appraiser will do. For instance, let’s say we put the house on the market, a buyer offers us \$500K and we accept. Now the buyers have to get the mortgage from the bank, so the bank sends an appraiser. Unless we’ve priced the house properly, the appraiser may tell the bank the house isn’t worth



\$500K. Sometimes, it can take weeks to find this out. At this point, we've already been trying to sell the house for two months, and we have to start the entire process all over again. I'm going to guess that we don't want that to happen. Right?

Mr. Seller: Of course not.

Darryl: So let me show you what I came up with, and I want you to look at it the way a bank appraiser looks at it.

Now you present your CMA.

If a homeowner disagrees with the comps that you show him, explain to him that it doesn't matter whether we agree with them or not ... this is what the bank is going to look at and there's nothing we can do to change that.

Filling out the listing agreement.

Make sure you agree on price and "assumptively" start filling out the form. Just say, "Let me just get some information."

Get them involved. Remember, to keep the momentum going and break silence just ask them, "What is today's date?" Ask other minor point questions, for example, like "Are you folks leaving the washer and dryer?"

Hand them the pen and direct their signature — e.g., "press hard it's cheap carbon" or "this is my good pen, make sure I get it back."

Ask their significant other a question. This is a simple yet powerful technique. When you hand the pen to one spouse (it doesn't matter which one), they usually will look at their partner and say something like, "Well, honey, what do you think?" This is when you start sweating because you know an objection is probably coming. To avoid this, ask the other spouse, the one without the pen, a question. Perhaps inquire about their new house. While you're talking with them, the spouse with the pen can't talk with them, so more times than not, they will just start signing.

