

Home Buyer Mythology

As with any activity involving large numbers of people over long periods of time, legends, stories, and stereotypes have evolved regarding home buyers. Most home buyer folklore carries a kernel of truth wrapped in a heavy coating of exaggeration. The collection of home buyer myths that follow will help prepare new staff members for their assignments and at the same time stimulate reminiscences for veterans.

The Free Change Order Myth

This is where the sales person sighs heavily and says in a discouraged voice, "If we can't do this change order for free, we'll lose this contract."

It may in fact be true that the buyer will walk out. However, if there is no profit left in the deal, the builder isn't losing much. Few builders are satisfied with "practice"; most prefer to make some money.

It makes sense for the sales person to have some latitude, perhaps with a preset margin. A bit of flexibility, applied as good judgment indicates, is an essential sales tool. But at some point flexibility becomes financial suicide for the builder.

As a last resort, of course, allow the sales person the option of contributing all or part of the cost of the change order from the sales commission. The relationship between "free" change orders and financial reality becomes quite vivid when the money being sacrificed is, at least in part, coming from the sales person's pocket.

Circumstances can arise when a builder will proceed with a contract that provides minimal financial reward. For instance, if the home in question is the last one in a community and the builder is motivated to close out the area, or if the home would establish the builder's presence in a new area and serve future marketing needs, such a choice might make sense.

Just Let Us Move-In Early & We'll Understand if a Few Things Aren't Done

Yes, they will understand; but they'll never forget.

While closing earlier than planned may be unavoidable on occasion, a wise builder realizes the leverage this gives to the customer: "This house wasn't really finished when we moved in, you know. There are just a few dozen things we still need to have completed..."

Defining the criteria for setting a closing date and communicating it clearly to the customer when the contract is signed can prevent anxious buyers from applying pressure for an earlier delivery. By volunteering the builder's position on this issue before the question arises, a good many problems can be forestalled.

Orientation Predictions

Many well-meaning sales people attempt to prepare an unsuspecting orientation rep with an estimate of how a particular customer will behave at the orientation. Comments range from "This young couple is so cute! They are so excited about the home! She's just as sweet as she can be. You'll love them." to "These people won't take no for an answer. If you think Mr. & Mrs. Pickygrump were bad, wait 'til you get these two!"

All predictions about buyers at this point are suspect. Near closing, a chemical reaction takes place in buyers. Their behavior defies prediction. Every orientation should be approached with an enthusiastic commitment to satisfy the buyer. Familiarity with company standards, details shown in the models, objectivity, and common sense will assure survival.

"I'm Not Picky"

Anytime a buyer begins a conversation with the disclaimer, "I'm not picky", brace yourself. The very next word, *guaranteed*, will be "but". What follows is most often an editorial about quality, culminating in a request that is difficult to refuse because the customer has just explained how important this detail is.

To make matters worse, the item in question often involves a detail that is *technically* within tolerances, but not exactly terrific. Any correction would (a) cost a fortune, (b) create a terrible mess, or c) both.

Upon hearing "I'm not picky", resist the urge to comment, "You could have fooled me". Follow normal standards. If the item is a "gray area" item, fall back on the basic question, "What if this home were mine?"

The Customer Smiled Calmly When You Said "No"

As they say, it's not over 'til it's over. Just because the customer did not make a scene when a warranty request was denied does not mean the issue is settled. In fact, it is often the calm, quiet customers who are most persistent (and successful). Their inner peace can signify absolute confidence in their ability to get what they want.

This is why service denials should be stated clearly, include informational assistance if available, and be followed up in writing. Avoid the trap of thinking that since the customer did not debate the issue, the matter is settled and the final follow up letter can be overlooked.

Keep such letters short, friendly, and factual. State the service denial clearly and include any available information that may assist the customer with repairs. Always be prepared to explain your reasons to your boss.

We Haven't Heard from Them So They Must Be Satisfied

If the world were a fair place this might be true. However, one of the ironies of customers picketing models, putting signs in front yards, or contacting local media is that the instigator of such drama is frequently someone who has not complained to the builder.

The assumption that silence indicates satisfaction is a dangerous one. Builders should proactively plan two routine warranty checkpoints (*and* be good sports about intermittent reports from fussier customers), survey every homeowner a few months after move-in, conduct a minimum of one focus group each year, and investigate any rumored dissatisfaction thoroughly.

Perhaps most important, be approachable. If something is wrong (real, imagined, or in between), it is far better to have the buyer tell the builder than the buying public. Random phone calls to check on satisfaction, placed by the owner or an officer of the company are an inexpensive but effective way to stay in touch with the reality of your reputation.

If You Say “No” They’ll Never Buy Another House or Refer Anyone

It is strange, if not frightening, to note that often the customers who are most difficult to get along with are the ones who return. They can even be a significant source of new business.

Perhaps the explanation is that such customers operate on the "It can't hurt to ask" philosophy. They may have an innate sense of justice that allows them to see they have been treated fairly even if they did not receive everything they requested. Their second purchase may proceed more smoothly; they have tested and found the limits. This possibility leads directly to the next myth.

They Were Wonderful the First Time, So They’ll Be Easy to Work Again

Wrong. There are no such guarantees. People do change; circumstances change. A successful first sale does not mean a successful second sale is automatic. Prices will have increased, the buyers are now more sophisticated, and they know are more opinionated about what they want in their new home. Their expectations will have changed.

While their satisfaction is *probable*, taking it for granted is the surest way to lose it. Maintaining healthy relationships with past buyers, whether or not they are in a purchasing mode, is an important part of a builder's marketing program. A customer's goodwill should be thought of as a living thing, in need of ongoing care and attention and never taken for granted.

All Customers Are Out to Take Advantage of Us

Not true, although some days it can certainly feel that way. The customers who use exaggeration, manipulation, or threats to achieve their housing goals stand out vividly in our memories because of the outrage we feel in response. Our own adrenaline reinforces the unpleasant memories.

For everyone who behaves in these undesirable ways, there are many who are reasonable, even enjoyable to work with. Because they do not make the lasting impression on our nervous systems that the demanding people do, they fade from memory more readily. Some customers are out "for all they can get"; most are out for a fair deal, for their money's worth. It pays to keep reminding yourself of that.

Now I've Seen It All Myth

Promise, every time you utter these words, the next phone call or the next letter will contain an even more bizarre story. The variety of people and situations that come together under the heading of new home construction knows no measure. While you may feel for a brief moment that you have "seen it all" a moment later you will realize the error of your thinking.

This is what makes your work so appealing; you cannot get bored. Just as we begin to understand the rules, they change. The one principle that always remains is to treat buyers as you would wish to be treated.