FORMATION OF INVESTOR ATTRACTION FUNNELS AND WORK WITH THE CLIENT BASE OF AN INVESTMENT CONSULTING COMPANY IN RESIDENTIAL REAL ESTATE

Abstract. An analysis of the potential and scope of the domestic real estate market was carried out. A strategy for forming funnels for attracting investors of an investment consulting company in residential real estate is proposed and an algorithm for working with the client base of the enterprise is defined.

Keywords: system approach, system management, construction, construction company, real estate market, task manager, investments, management systems.

Formulation of the problem. Today, the construction industry is recovering in Ukraine after the upheavals caused by the war. It is being patched to meet the current needs of consumers and the development of infrastructure, which until recently appeared only in movies and games about the apocalypse. Foreign investors are active in financing reconstruction projects. The Ukrainian real estate market has experienced perhaps the biggest crisis this year, especially in the eastern and southern regions of the country. But we must not forget that Ukraine has already experienced more than one economic downturn and every time everything gradually returned to its place. Although it sometimes took several years to recover, it did happen, and property prices eventually rose anyway. Taking into account the state programs E-restoration and E-certificate available today, it is possible to assert the formation of further construction demand for real estate. Peculiarities of attracting investors to the financing of the construction industry contributed to the determination of the relevance of this study.

Analysis of recent research and publications. The question of the application of investment channels of residential real estate financing in domestic and foreign practice was reflected in the works of such scientists as O. V. Shkurupii, T. O. Bilobrova, S. Blumin, N. Blagorozumova, Y. Brikham, L.J. Gitman, O.V. Yefimov, I.D. Lazaryshyn, E.V. Mnykh, V.F. Sukhanov, J. Friedman, L.V. Chizhevskaya, A.V. Cherep, M.G. Chumachenko, A.D. Sheremet, S.I. Skaraban and others. However, not all problematic issues of investment and financing of
investment real estate are currently resolved, especially in the conditions of martial law, which requires more attention.

**The purpose of the article:** The purpose of the study is to find possible investors to finance the construction of residential buildings under martial law and existing state support programs. The object of research in this work is the methods of finding sources of investment for the construction of residential facilities. The subject of the study is the theoretical and methodological foundations and practical aspects of attracting investment in residential real estate.

**Presenting main material.**

Some construction companies face exceptional challenges when it comes to marketing and sales. Unlike companies that sell everyday goods, construction companies usually sell high-value services. Construction companies also operate in limited geographic areas, which means their market is more narrow and they are subject to cyclical expansion and contraction.

Builders are often less experienced in managing, developing and marketing their business than they are in practical construction. And while most may have heard of ways to determine where their business is growing and where it's stagnating, only the most successful construction businesses actually use them. Investing in learning these techniques can help improve the business as well as address potential "problem" areas that need to be fixed so that the business can effectively grow as intended. [6]

Using a product model and sales funnels for the real estate market, you can get a better picture of your business. This "picture" will help the company to work more coherently and efficiently, implementing practices with reliable metrics and a process that can be repeated.

Despite the full-scale war, real estate remains one of the most understandable assets that continue to be invested in. The legislation of Ukraine is concise and "dry" enough to form a legal framework for investment activities. There is a current Law of Ukraine "On Investment Activities" [1], which provides general information about investors, investment activities and the obligations of the parties, but that is where it all ends.

But having some type of lead qualification process is very important. It is necessary to determine whether the potential client wants and can finance the project. Then you need to make sure that your company remains in the investor's mind - providing all the resources to help your potential customer make the best decision.

Figurative concepts are often used in marketing, including the sales funnel. This is usually the path that customers take from learning about a product to buying it. There is a funnel in the concept, because the number of users is reduced by screening from the first attempts of attraction to the full purchase of goods or services. At first, a large number of customers get to know the product, but gradually
they are filtered out, the funnel narrows to the neck - that is, not all reach the moment of purchase.

Fundraising can be linked to sales, but it's a longer cycle and there are challenges along the way. There are more non-linear scenarios, so we consider the features separately. No matter what the fundraising project is, the idea should be interesting and understandable so that the right people immediately appreciate its importance. People who will pass through the funnel must understand what and how much they will get from the interaction.

Depending on the field of application, there may be a different number of stages of passing through the sales funnel. In English-language sources, 4 main stages are distinguished: Lead, Suspect, Prospect, Customer (Fig. 1). But all concepts can be interpreted in different ways, so their sequence can also differ.[2]

The sales funnel has its name for a reason: if you imagine the number of people at each of the stages, you will get a funnel that goes down to the bottom. At the very top of the sales funnel are people who realize that they are interested in a certain product or service. The goal at this stage is to make potential buyers aware of the offer. At the next stage, people start to feel interest. The conversion of the sales force in this case will depend on the key characteristics of the services provided: how quickly you are able to complete the project, how well it will cost, how much it will cost the client, and so on.

Next, we proceed to the decision to purchase services. At this stage, the work of the content maker is important. If it is bad, the other stages of the sales funnel will not matter, the smallest part of people reach this stage. If you managed to bring the

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Fig. 1. Four stages of the sales funnel [3]
buyer to this decision, then there is a great chance that he will remain a regular
customer of the company, if, of course, this is not a coincidence, but the effect of a
smartly configured sales funnel.

Consider the state of these contacts (conversion coefficients in parentheses). Here everything is quite standard, regardless of industry or stage:

— "Incoming" - they are suitable by stage, sector (B2B / B2C), industry, geography (100%);
— "Leads" - they are actively working, investing today. On this basis, mass written communication takes place (80%);
— "First intro call" - who responded to the mailing and is ready to chat (30%);
— "In negotiations" - who is ready to take a closer look at the business plan, development map, etc. (10%);
— "Signed termsheet" - who has already signed the agreement on the intention to invest, can be considered in 99% of cases - who has already agreed to invest (1%). [4]

Fundraising is not only tools and technologies, but also a way of thinking, a way of behavior of people united by a common idea, a common cause. For a residential real estate investment consulting firm, a fundraising strategy can be broken down into nine sequential steps based on this information. We have provided a detailed structure of the sales funnel, which consists of 9 stages:

— Awareness;
— Interest;
— Consideration;
— Intent;
— Evaluation;
— Preference;
— Purchase;
— Loyalty;
— Advocacy [5]

**Step 1. Planning and development of investment policy.** First of all, you need to study or develop your own fundraising policy. To do this, they study the entire revenue mechanism, the ways in which investments will be made. It is necessary to include analysts and understand in what way from different points of view it will be more expensive to act, which will be cheaper, which of them will be effective, and which will give a little more than zero emissions. It will give an understanding of where you are moving and with what efficiency.

**Step 2. Formation of the image of the investment consulting company on the construction market.** It is necessary to abstract from one's organization and study what in its activity best falls under fundraising, how it will help in the implementation of the corporate mission. When forming an image, you need to think carefully about your own strengths and positioning:
— organization with maximum customer trust;
— an organization that people talk about;
— an organization that solves problems of various scales - from local problems with sales to large-scale ones;
— an organization with a high degree of social responsibility.

**Step 3. Determination of the target audience.** Thanks to competent organization, this is where you will understand who to contact:
— private investors;
— corporations;
— public sector;
— all together.

**Step 4. Determination of the main competitors in the real estate market.** Most likely, in the field of construction there will be a dozen of those who need money for the same activities. It is not surprising that they will also start fundraising and will drag the company's money. You need to study them in general, learn about their strengths, about your own advantages and disadvantages compared to them. It is worth conducting an elementary SWOT analysis.

**Step 5. Identification of opportunities and risks.** The same SWOT data. Opportunities and threats will be needed to find and sustain the former and counter the latter.

**Step 6. Identification of development factors.** It is necessary to take into account the conjuncture;
— economic;
— political;
— social;
— technological, etc.

**Step 7. Analysis of permanent sources of financing.** Here it is necessary to understand which of them should be the main ones, and which should be backup. For example, the main source is contributions from alliance partners, another source is from 2-3 specialized companies, the third is grants, etc. Next, the methods of transferring money for the entire period of the fundraising campaign are determined:
— through electronic payment systems;
— in cash;
— through the terminal, etc.

**Step 8. Forecasting.** It will be necessary to plan the sources of infusion of funds for a certain period of time, to form a list of investors with their division into permanent and situational ones, selection from among those who give a lot of money and, of course, those with minimum and average contributions. This is a vector of development and a reference point, which is better to exceed than to work less than planned.
Step 9. Allocation of resources. Here you determine what needs to be done to increase the number of investors and the total check of funds raised. It can be the expansion of the database of sponsors, the launch of an advertising campaign, meetings with potential investors. If there is an economic crisis in the country, this structure is much broader. It does not end with the sale of the product. In this chain, after the transaction is completed, the buyer is determined not only to continue cooperation, but also to actively promote the already purchased product. It does not matter how many stages of the funnel will be involved here, the most important thing is the essence itself. Any potential customer can turn into a buyer focused on this product. This is helped by the method of push notifications, which quickly turns any visitors to the Internet page into subscribers.

You cannot plan a fundraising project without a verified plan that takes into account:

— project budget;
— algorithm of organizing and conducting events;
— expenses of material means;
— logistics, etc. [7]

All components of the plan must be justified from the point of view of rationality and be beneficial for both the investor and the recipient. Money is more than money. By giving, a person also gains something. This is what is now commonly called a community. Sources of fundraising can be both individuals and legal entities (foundations, companies and non-profit organizations).

— Investors. These can be organizations or private individuals who contribute funds to the project in order to receive further profit from it.

— Sponsors. Individuals or legal entities that invest money in the project under specific conditions. Often they do this to promote their business in general or a specific product (good or service).

— Donors. These are individuals and private individuals who give money on a free basis. Including social funds, banks and firms, whose policies include a large share of social activities. I would like to highlight the approach by which all donors can be divided into two types: mission donors – those who share the values and goals of the company’s activities, know and understand the work, and exchange donors – those to whom the value and usefulness of the company’s activities are not obvious, and who wants to receive something in return for his contribution (services, experience, impressions, etc.).

— patrons. Private individuals who engage in charity work voluntarily. In most cases, these are very wealthy people who donate fantastic sums (millions of dollars) to socially significant projects.

— Grantors. Natural or legal entities providing financing for the purpose of launching a specific project with a scientific, cultural, technological purpose. Regarding the expenditure of grant funds, they are often asked to provide reports,
and very detailed and clear ones. To effectively manage the funding funnel, you need to give potential investors up to two reminders (any more would be pointless and seem intrusive) (after which, if there is no response, you can flag them and send them to another category, only to return at least a quarter later):

- Prepare all scripts of written communications.
- Combine fundraising with the company's PR campaign.

For convenient fundraising, it is appropriate to use CRM systems and task managers. The presentation of the project in this matter is precisely designed to present everything in the most understandable and easily digestible form. Here you need to tell what your organization does in the field of real estate, what you have already done to implement your ideas and what you need funds for. It is also advisable to tell what result and effect is expected from the investments.

Conclusions.

Thus, we formed a universal step-by-step strategy for creating a fundraising funnel for an investment consulting company in the construction market, taking into account the specifics of the field of activity. Mainly, the creation of an investment strategy shows that an effective manager must take into account everything he can and analyze. This is the beginning of any improvement. And if the analytics are timely, adjustments and adaptations will happen organically.

References: