



## Make Marketing Dollars Count

by Victoria Downing

Have you noticed (as many other remodelers have) that your main source of leads — referrals — just isn't what it used to be? If so, it may be time to market your services.

Begin with the basics and do them well before branching out to more expensive, less effective tactics. In a few years, your marketing program will be producing enough good leads to allow you to pick and choose more of your projects. That's the goal of a successful program: using your resources to concentrate on the types of jobs you want to do and getting paid a professional rate for doing them.

### How Much Should You Spend?

A rule of thumb says that full-line remodelers should budget 2% to 5% of their annual volume for marketing. Specialty firms that need a larger number of small jobs must market more aggressively, spending from 12% to 15% of their yearly volume to generate leads.

If you've never done any serious marketing before, these percentages may seem high. However, this budget includes items that many people don't readily identify as marketing expenses, such as business cards and stationery, uniforms, job-site signs, truck signs, and the percentage of salary for the staff (whether it's you or someone else) who handles the program.

Still, a small builder or remodeler doesn't usually have a full marketing budget set aside and must pull dollars from other areas of his business

when starting to build a program. In this case, how do you decide on the best way to invest the dollars you do have?

### Image

The first thing to spend marketing money on is creating a dynamic company-image package and presentation book. Visual materials are important. Your company logo, business cards, stationery, job-site signs, and other marketing materials must look professional, and should emphasize the type of work you want to attract. Choose an experienced graphic designer to help you. Because your graphic designer is involved in many areas of your marketing planning, it's important to choose someone with whom you can work comfortably.

Your logo isn't something to leave to your printer or your brother-in-law. You'll be living with the final design for many years, so it's important that it be done well. Graphic designers are trained to create logos that are distinctive and easily recognized. Plan to spend at least \$1,000 for the logo design and printer-ready materials for business cards and stationery.

Your presentation materials are next in line. If you don't have a presentation book, start putting one together (see *Business Forum*, 3/93). After all, your presentation book is often the only concrete evidence of your company's commitment to quality that your clients will ever see before they hire you. If you care about the way you present your

company, your clients will be left with the impression that you will also care about their project and will treat it the same way.

### Target Your Audience

The next step is to pinpoint your market. There are several groups of people who can generate leads for your company:

- past customers;
- friends of the company;
- neighbors near your job sites;
- prospects targeted for specific attributes, such as location, income level, age of building, etc.; and
- mass audiences.

Companies with effective marketing programs have developed lead generation programs for each group. However, if you have limited resources, start by investing in tactics that produce the highest-quality leads.

**Previous customers deliver twice.** If your marketing budget is small, spend most of it on your previous customers. It costs five times as much to capture a new customer as it does to resell to a past customer. This is an compelling reason to keep your company name in front of people who really know your company and who are familiar with the quality of your work. They've already invested in you, so you have a better-than-average chance of capturing their repeat business.

**Referrals.** Even if your customers never remodel again, you'd be wise to contact them regularly, because they're the key to one of the best kinds of leads — referrals. When neighbors and coworkers mention that they're thinking of remodeling, you want your previous customers to speak up and recommend your company. I'm sure you've received regular mailings, coupons, surveys, and sales notices from the salespeople who sold you a car or other large item. They know that marketing back to previous customers really works.

**Friends.** The same philosophy holds true for friends of the company. This audience includes your accountant, lawyer, doctor, insurance agent, material suppliers, subcontractors, and anyone else who might be in a position to give your company a recommendation.

There are many ways to contact all of these people. Newsletters, announcements of upcoming events or recently won awards, and colorful postcards featuring distinctive projects are popular and effective direct mail tools. Even "newsy" letters on company stationery will keep your company's name in front of your customers. Telephone calls and personal visits cost little and are also wonderful work-generators.

Plan on a minimum of four outreach campaigns per year. With a

base of approximately 300 people, your past customer program could cost as little as \$400 per year for a series of letters, to about \$1,200 for a series of full-color postcards.

Marketing to past customers and company associates is important, but don't expect immediate results; you're going for quality with this group, not quantity.

### High Visibility

Save some of your dollars for a good job-site program. There are several reasons to market around the site of an ongoing project:

- Your job-site sign will be seen by hundreds of potential customers each day;
- The neighbors probably have homes that are of a similar age and in need of similar remodeling; and
- Your customers are built-in references for anyone in the area.

Build a job-site sign that stands out. One remodeler told me that he received twice as many leads in one month with his new, 3x4-foot sign, than he had in the previous two years with his standard 2x3-foot sign. Check local ordinances for restrictions on the size of temporary signs, then call a local sign maker to help design it. Once you get the look you want, you can build the sign yourself, but let a professional do the lettering and graphics.

Make yourself known to people in the immediate area. You can use a letter, an advertisement in the community newsletter, a postcard, a flyer, a doorknob hanger, or any combination. For most of these tactics, your graphic designer should be able to recommend a writer and a printer.

The more frequently you expose potential customers to your message, the better the response will be. You should send at least two direct messages to the neighbors. Budget for mailing costs and material production for your neighborhood campaign, and don't forget to increase the amount when your volume goes up. To mail 3 letters to 50 neighbors in the area around each of 20 jobs, you should budget about \$950 for the year.

Savvy remodelers cap their job-site marketing effort with an open house to show off the project. A well-run open house, including announcements, printed handout material, and refreshments, can cost between \$500 and \$1,000. However, combined with a strong flow of information to the neighbors, an open house should attract a healthy number of potential customers. ■

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A graphic artist took this run-of-the-mill business card (top left) through a series of transformations before the builder decided on the final version (bottom right).