

Workforce Relations

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# Marketing Best Practices

LowesForPros.com  
Business Plan Series

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## SUMMARY

Many contractors confuse a solid marketing plan with a random and expensive splurge of ad spending. To get the most bang for your buck, create a long-term strategic marketing plan that plays to your company's strengths.

That was the case for Bill Camp, president of Triangle Design Kitchens in Raleigh, N.C.: "I was spending money on listings in the Yellow Pages, and the results were hit or miss," he says. "The ads were not that effective."

These 10 tips will help ensure your strategic marketing plan hits the appropriate market in a cost-effective manner:

**Hire a professional.** "Having professional help makes a big difference," says Philip Zaleon, Chapel Hill., N.C.-based president of Z Promotion & Design, who helped produce Triangle's plan. An agency can help with strategizing and target marketing, as well as handling calls from media salespeople, freeing contractors from dealing with those calls.

"Remodeling is a design-oriented industry, but contractors typically don't have ad-designing skills," says Beverly A. Koehn, president of Beverly Koehn & Associates in San Antonio, Texas. "An expert can help you target buyers and create a greater impact for your campaign."

**Analyze your market.** "You have to make a decision about what your company is and who it best serves," Zaleon says. "Determine what niches are open and what special skills you offer that aren't available already."

Review other contractors' Web sites to learn who does similar work. Talk with competitors' employees at home shows and review their booths. You also can talk with their suppliers, including distributors, subcontractors and vendor reps. Keep up with their market advertising, too, and watch for any changes in their direction.

**Assess your strengths and weaknesses.** Knowing your weaknesses as well as your strengths can help you improve or adapt your approach. Ask former customers about good and bad points, and determine your reputation in the community. For more information, see "Focus on SWOT" on Pg. 2.

**Set a strategy.** For instance, target jobs no smaller than \$80,000 within a 20-minute radius of your office or within specific neighborhoods. "Don't try to be everything to everybody. Set a goal and then decide what tactics would be needed to reach that goal," Zaleon says.

Koehn offers one caveat: "Planning must be done on a yearly basis and completed early for the next year," she says. "If you plan late, you end up taking whatever's left in terms of magazine position or broadcast times."

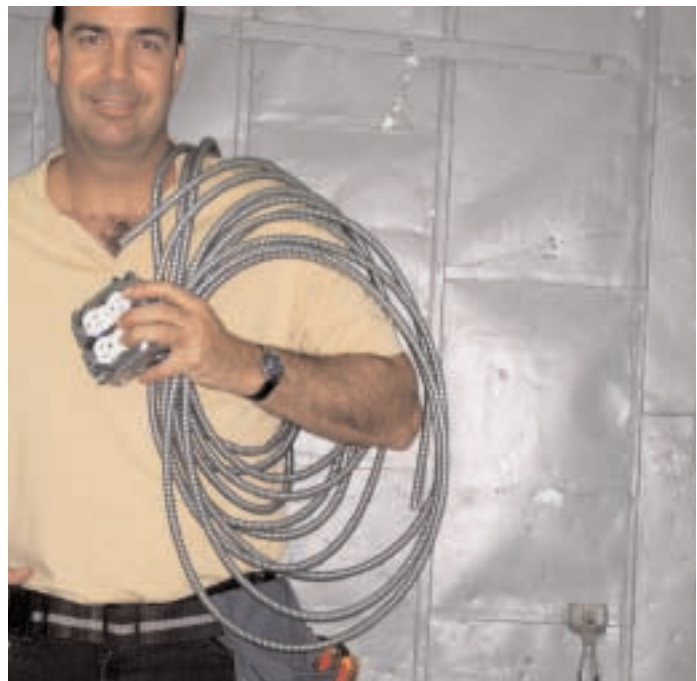
**Set a budget.** Zaleon recommends spending approximately 5 percent of gross sales, with more spent early as long-term investments (Web sites, stationery, brochures) are made. He notes kitchen and bath industry guidelines indicate 2 to 3 percent is sufficient. "But I think you're fooling yourself at that level unless you're a huge company," Zaleon says. Camp says he spends about 6 to 8 percent of sales on marketing.

**Determine the best media.** When Camp bought his business, he inherited a Yellow Pages campaign and a newspaper contract. "We tracked our leads, and those were the worst performers for the customers we wanted to serve, with the lowest average sales for the most expense," he says. That's typical, Koehn adds. "Too many contractors use a shotgun approach," she says.

Working with his agency, Camp created a program that drives interested consumers to his Web site, which was greatly enhanced. "It shows off our capabilities and alerts everyone—including architects and designers—that we have what they need," he says.

**Create a targeted message.** "Focus on your services and benefits in your ads," Koehn says. "Use endorsements and before-and-after photos—that's what sells." She also stresses that every ad should have some call to action: call us, visit us and/or visit our Web site.

**Be consistent.** Use the same imagery, benefits and display styles in all brochures, print ads, flyers, business cards and



on the Web site. "We went through a branding process that gave everything the same high-end look," Camp says. Consistency builds an image that consumers remember.

**Keep at it.** "Too many contractors advertise only when business is bad, to jump start sales," Koehn says. "But advertising takes a while to create an impact. It must be done on an ongoing basis." Zaleon agrees: "Marketing a contracting business isn't for the faint of heart," he says. "It requires investment, time and patience."

**Try trade shows.** Your attendance at a trade show expands your reach. Take care when planning your schedule for the show and you may gain qualified leads for easier sales.

## Part 1: Analyze Your Market

Getting a leg up on the competition requires time and a competitive advantage. This type of advantage will come only to your company when it thinks and acts progressively and when it has a close eye on the individuals within its marketplace and their needs.

Some basic market analysis can provide a unique competitive advantage, according to Robbie Kellman Baxter, principal and strategy consultant with Menlo Park, Calif.-based Peninsula Strategies. “Often, smaller companies assume that market analysis is only for big companies and that they can’t afford it,” Baxter says. “On the contrary, firms that aren’t doing some ongoing research and analysis are missing a valuable opportunity to drastically increase both the value they provide for their customers and the profits generated for their businesses.”

According to Brad Seipel, marketing research strategist with Winston-Salem, N.C.-based AllPoints Research Inc., effective marketing is about knowing your audience and its needs. “If you don’t know who you’re talking to, and what’s important to them, you’re wasting your money on marketing efforts,” Seipel says. “Only once you understand your audience can you build a marketing plan that speaks to their needs and desires. An advertisement about a product that functions maintenance-free won’t speak to a customer who loves to get his hands dirty.”

Seipel adds that each type of market analysis solves a different problem. “If you need a basic understanding of your market, you’ll want to gain a solid view of your customer base,” he says. “You could accomplish that through general research or proprietary research.”

However, when a business is well established, but its growth has stalled, a proprietary review of both your competition and your business’ status in the market may be worth the investment. “This is when we would look at what products and other services are used in their market, how the target market decides what to use and how their needs are currently satisfied,” Seipel says. “We’d also do a competitive opportunity matrix to find out how your company is perceived as opposed to the competition.”



## Questions to Ask When Starting a Market Analysis

Robbie Kellman Baxter of Menlo Park, Calif.-based Peninsula Strategies recommends that business owners begin the market analysis process by asking themselves the following questions, as they apply to their individual businesses:

- Who is my target customer?
- What are they looking for?
- How do they describe what they need?
- How do they evaluate their options?
- What other options do they have?
- When is my option best?
- How do my target customers decide on a vendor?
- What are the best techniques/channels to reach my customers?

## Part 2: Focus on SWOT

Another way to determine your place in the market is through SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis. Contractors who regularly run a SWOT analysis of their company ensure they stay on track to succeed. Gathering the necessary information is the key challenge, but it's one contractors can meet.

Businesses of all sizes and types run SWOT analyses, which examine the internal workings of a company and the market in which it operates. It analyzes what a company does well (Strengths) and the areas in which the company needs to improve (Weaknesses). It also looks at where the company could be gaining more business (Opportunities) and what competition or market conditions could hold it back (Threats).

"A SWOT analysis won't solve all of your problems," says Erik Anderson, vice president of Anderson-Moore Builders Inc. in Winston-Salem, N.C. "But it will help you understand where they are and point you in the right direction to work on them."

Key information can come from your own employees, adds Jeffrey S. Brown, owner of J.S. Brown & Co. in Columbus, Ohio. He holds an all-day employee retreat each year and every area of the company's past-year performance is reviewed, improvements are suggested and new goals are set. This helps address the Strengths and Weaknesses areas. The meetings also address how the company fits into the market and discusses whether any customers need to be marketed to more aggressively.

Peer groups also offer significant insights, Anderson says. These groups are operated by the Remodelers Council of the National of Association Home Builders, as well as other management-consulting groups around the country. They allow non-competing contractors to discuss concerns and review marketing and financial information without revealing secrets. "It gives us a chance to see where others are doing better than we are, and then ask how they do it," Anderson says. The groups provide



benchmarks, or at least averages, against which contractors can measure themselves.

Discussions with local contractors also offer an opportunity to learn about your company and your competitors, Anderson notes. "You don't get the same information at local meetings as you can from a peer group, but you learn about them and see how they work. I consider them my friends as well as competitors. I know their basic strategies, and I can see what works for them and what doesn't." The meetings also allow contractors to get to know the key players in the market. "You can't just pop into a market and

expect to gain business,” he adds. “You have to know the competition there.”

Customers are another strong source of information. Customer-satisfaction surveys show where stumbling blocks or poor perceptions exist. “Surveys provide a tremendous amount of information about how you’re performing,” Anderson says. Written evaluations work best, he adds, as customers have an easier time writing down negative responses rather than telling you directly.

Informal talks also can provide a wealth of information. Anderson, who makes sales calls for his company, contacts customers when the job begins to ask what they liked and didn’t like about the information he provided. Brown even calls customers who used another contractor to ask why they decided against using his services. “Most are willing to talk because they’re impressed that you care about improving your company,” he says. Even better, if the project doesn’t go

well with the other contractor, the customer may recommend Brown’s company to friends, remembering the follow-up.

Opportunities can be evaluated by watching local competitors and by determining which projects sell best. Brown, for instance, saw sales rise in his kitchen and bath division, so he put more resources toward marketing in that area. He produced ads and direct-mail pieces that stressed those services and mailed them to areas where demographics matched his customer base for such projects.

Keeping abreast of educational offerings, seminars, magazines and Web sites helps ensure contractors are aware of new ideas and trends.

“A SWOT analysis is one tool to help your business,” Anderson says. “You have to keep up with education, networking opportunities and what’s happening in your market—a SWOT analysis is not difficult to do, and it’s easy to understand.”

## SWOT Matrix



The usefulness of SWOT analyses depends primarily on the information you analyze. Here are some guidelines to follow when creating one for your company.

- Be realistic in analyzing your strengths and weaknesses.
- Distinguish between where you are today and where you would like to be in the future; don’t take credit for programs you haven’t put resources into.
- Be specific in your descriptions. Avoid gray areas.
- Analyze strengths and weaknesses in the context of how your competition achieves those areas—i.e., are you better or worse than your competition?
- Keep the analysis short and simple.
- Remember that it is subjective and must be done regularly (usually once a year) to account for changing variables.

	<b>Strengths</b>	<b>Weaknesses</b>
<b>Opportunities</b>	S-O strategies	W-O strategies
<b>Threats</b>	S-T strategies	W-T strategies

Source: [www.quickmba.com](http://www.quickmba.com)



## Part 3: The Power of PR

You have finished your SWOT analysis, but now you wonder how your competition received a mention or a feature article in the local newspaper. Most likely, he called the editor and pitched the idea. It's also possible the editor called him when a story idea came up, because he was familiar with the contractor.

Creating a public relations program and staying in touch with editors and broadcasters can produce a significant return, especially since the publicity provides the credibility of a third-party source, which advertising doesn't offer. Here are some tips on how to see your name and your company's name in the media.

Many times, contractors' skills don't include writing, so it's best to hire a writer who can do it quickly and well, says Nicole A. Young, marketing director for Gehman Custom Remodeling in Harleysville, Pa. Local college advertising or journalism schools are great sources, and you can pay a student for each press release. An internship program can help students gain experience and keep expenses down.

"Write press releases on anything," suggests Victoria Downing, president of Remodelers Advantage in Laurel, Md. That includes hiring new employees, adding new software, joining new organizations, attending a trade show or seminar, finishing a unique project or celebrating a company anniversary. "There are so many newsworthy things in companies, and the owners don't realize it," she says.

Newsworthiness is in the eye of the beholder, and small, community-based outlets are the best place to start. A mention in the *Washington Post* is great, but those aren't easy to come by, Downing notes. Small papers and Chamber of Commerce newsletters are looking for news of local companies, and once coverage of a project or other newsworthy mention appears, the clipping can be sent to larger papers. In some cases, a mention in one publication will result in calls from others, as media, too, are on the lookout for sources.

You should provide sufficient information about the event so that the media outlet has a good story if it simply runs the press release. But don't send enormous packages. Young typically sends a one-page release, she says, and

requests a follow-up. Downing suggests using color photocopies of key photos from a project to give a feel for the scope of work and quality of existing photos. Any projects entered in awards competitions also can be sent to media outlets, she adds.

Organizations, especially the National Association of Home Builders and the National Association of the Remodeling Industry offices, often receive calls from local media looking for comments or new projects. Let staff and officers know of your interest in participating, and join committees to gain credibility as a spokesperson. Those groups also will have lists of local media contacts.

Even if local media aren't using your press releases, the material alerts them to your interest and availability, so when they have a story, they call you first, Downing says. Put them on a mailing list to receive newsletters and other information that customers receive. "Contractors can get publicity; it's not brain surgery," Downing says. "They just have to do it."

The best sources for publicity contacts are your own mailbox, radio and television. Learn who the contact is for the news sources you use yourself, typically by calling or visiting the Web site.

Some communities have organizations that publish media lists for local users. For instance, the United Way publishes the Media Fact Book, which lists key media sources in the Washington, D.C., area, Downing says. Young adds that she puts together her list with help from her local library's resources. The ABYZ News Links site ([www.abyznewslinks.com](http://www.abyznewslinks.com)) lists hundreds of newspapers in every state as well in as other countries.

To start a media list, call local newspapers and broadcast stations and ask who to contact. Also determine how they want to receive information—e-mail, mail, fax, etc. In some cases, this information will be posted on the outlet's Web site.

Once a media list is created, it should be updated every year to ensure turnover doesn't prevent releases from reaching the appropriate person, Young says.

## Part 4: Take to the Web

Public relations are one thing, but when the world is connecting via Internet, a Web site can help reach a much larger audience.

Adam Helfman, president of Fairway Construction in Southfield, Mich., has redesigned his company's Web site four times since 1990, continually finding ways to improve it.

"When we started out, our goal was simply to let customers know who we were," Helfman says. "Now, we want to use it for feedback, personal contact with clients and even to generate new employees."

Knowing what you want your site to accomplish is key to making it a success, says Dawn Robuck, owner of Asheville, N.C.-based RKR Associates, which designs Web sites for contractors. "When I ask contractors what the site's purpose is, their eyes go wide and they say they never thought of that," she says.

Typically, as a contractor, you should start small, using their site as an electronic brochure—and not expect bigger results than a brochure achieve. "Your Web site will never generate business for you while it's still in the brochure stage," Robuck says. "It will entice customers to call you, but you still have to make the sale."



To determine your site's appearance and content, visit other sites you like, including those of your competitors, to decide what would work well for your company.

"The best sites are easy to navigate, look smart and can be expanded," Robuck says. "Contractors always want to do fancy, pretty stuff, but pretty stuff is icing on the cake. You need a good, efficient site that lets people find what they're looking for."

Although it's possible to design a site yourself or to hire a local programming student, it usually is clear to customers when a professional has done the work, Helfman says. "A designer will take your ideas and build it for you better than you could," he adds.

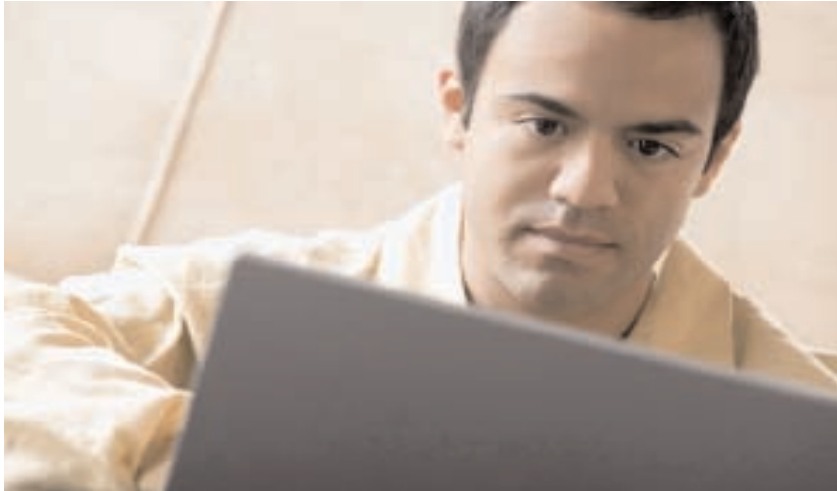
Any newly designed site requires a home page that introduces your company and includes the company's address and phone number. A home page also should feature links to other sections, including referrals, typical materials used and photos.

"Clients won't hire you because of Flash animation; they'll hire you based on your project shots and quality presentation. Your photo gallery can't be too big as long as it's organized," says Christina Patterson, president of PCA Web Design and Hosting in Plano, Texas, who works with many contractors.

Photos tend to be organized by room types, although specialties (roofing, siding, windows) or overall projects (especially whole-house remodeling) offer other options. Both snapshots and digital photos can be used.

Bad photos can diminish your site's effectiveness, Robuck says. You have to project a quality image, she adds, and bad photos will stand out in potential clients' minds. You are hired in part for your design sense, and if you present a mediocre Web site, potential clients may fear the same at a job site.

Once the site is set up, you then can focus on improving it and adding functionality. Typically, Robuck says, a contractor will set up a site one year, promote it heavily the second and make upgrades the third year. This spreads out the amount of work and the costs.



Helfman estimates he spent about \$5,000 to get his site up and running—at a time Web site design was more expensive than it is today—and he budgets about

\$1,000 per year for upgrades, such as adding new photos, and maintenance. “It’s very inexpensive to upgrade with new photos,” he says.

Helfman says he’s ready to improve the Web site again. He plans to include a password-protected section where clients can log on and see photos of their work in progress. He also hopes to use Web cameras, so clients can see their homes during construction in real time. He also intends to improve communication with clients via e-mail—something Lowe’s can help him with.

“I can go to the Lowe’s Web site and send a link to the client asking about specific products, such as which faucet they like. They can tell me, and I can buy it and install it,” he says. “We want to bring all the Web integration that’s possible to our customers.”

## Signs of a Successful Site

- A clean, professional design
- An inviting home page that stresses your specific expertise
- An easily navigable format—less is best, with a basic menu on every page
- Comprehensive company information
- Many before-and-after photos, professionally taken if possible
- Company contact information, with the phone number highlighted
- A personalized and easy-to-remember Web address. Remember to include it on all marketing material, such as advertisements and business cards.





## Part 5: Master Trade Shows

Now that you have conquered your own marketplace, consider expanding to—and exhibiting at—trade shows to hit a much larger market.

The shows, which can draw as many as 100,000 attendees, are opportunities to launch new products, introduce concepts, find trends, make sales and contacts, foster relationships and help set your business in motion. No matter what aspect of the industry you're in, exhibitors, attendees, sponsors and partners can benefit from participating in a trade show.

Nancy Trent, president of New York-based public relations company Trent & Co. Inc., encourages attendees to speak up. "Speaking opportunities are excellent publicity generators because it enables you to obtain coverage among peers and throughout the industry before, during and after your speech," she says.

Most trade shows feature networking opportunities, so make your trade show experience a social one. "Whether conducted by the show or affiliated organizations, these events provide a great opportunity to make new contacts in a more relaxed setting," Trent says.

Also consider becoming a trade show advisor. "Frequently, trade shows welcome participation on their advisory boards," Trent says. "Being on the board will provide you with the opportunity to expand your trade show involvement and gain considerable visibility throughout the industry."

In addition to sales and seminars, trade shows present excellent publicity opportunities for your products and services, as well as everyone else's. Set aside enough time for spotting the latest trends. Everyone develops their own forecasting techniques. "We all have our gurus who tell us what the general societal trends are and how they apply to our business," Trent says. "Strolling up and down the aisles can give you a good idea of how those trends are translated."

"My top advice for exhibitors regardless of the industry is know who is coming," says Nancy A. Shenker, marketing consultant and principal of Thornwood, N.Y.-based

company theONswitch. Shenker managed trade shows for nearly 25 years as a client and spent three years as head of marketing for Reed Exhibitions, the world's largest trade show organizer.

Shenker suggests obtaining the attendee list in advance. "Put together a detailed sales and marketing plan to reach those key influencers, and look at the speaker/conference program," she says.

Also, by developing clear objectives for your booth before you begin, your booth presence can be created around these goals. Shenker says ask yourself: Is my goal to build traffic and capture lots of leads? Demonstrate a new product or service? Engage in sales conversations?

Think about a show floor "traffic stopper." Free food, entertainment and giveaways can draw a crowd. "But it's important to determine how you're going to engage someone in conversation after they have received their 'goody,'" Shenker adds.

Remember to follow up. Leads often get stuck in a desk drawer after you've returned from the show. "These leads are only valuable if you have a longer-term plan to communicate with the people who expressed an interest in your services," Shenker says.

Exhibiting at trade shows brings new leads, the chance to meet with clients and catch up with old contacts. Trent offers these tips to maximize the experience:

**Don't limit your timeframe to the week of the trade show.** Most trade shows are marketing to attendees year-round. Always take advantage of pre-show marketing opportunities. If the show has a newsletter or press release they send out periodically, try to get your product included.

**Get involved in the show's publicity efforts.** Trade shows usually have a press room. Exhibitors who don't put materials in the press room are opportunities. Contact the trade show publicity office and ask if you can contribute information on new products and trends.

**Don't forget to follow up.** Contact any leads after the show to capitalize on the potential business.