



# Reaping Referrals

## Promoting Self-generated Leads as a Marketing Tactic Can Reap Great Rewards

By Andrew Shore, CGP, CAPS

I have talked to professionals across the country in a range of industries about marketing tactics, customer satisfaction and boosting referrals. All these conversations have a common theme: Relationship building and face-to-face meetings are the most successful marketing tactics. As the doldrums of the economy continued, we quickly realized that as a company, we cannot continue to pour thousands of dollars into our marketing initiatives. This resulted in us reviewing the effectiveness of our current marketing efforts, the relationships we have built with our clients and trade partners, and the way in which we receive referrals.

We have always known referrals are our best possible future clients, as they are for all of us. But what many remodelers forget is referrals do not only have to come from past clients. Referrals just as easily can be generated by forming personal contacts within the community by participating in networking opportunities.

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I have always verbally encouraged our sales team to become involved in professional organizations and the community, such as interior designer associations, construction groups, local

chambers of commerce and real-estate organizations. Networking with associations, such as the American Society of Interior Designers and the American Institute of Architects, has enabled our sales team to establish very successful relationships that continue to bring new and repeat clients. More often than not, these relationships create leads with a much higher conversion rate because of these close-working ties.

Forging relationships with designers and architects also helps them feel confident that the clients they have referred will be treated professionally and responsibly, which, in turn, will reflect well on them. The same is true of working within the real-estate community, although these may be a bit more difficult to sell because of the struggling economy.

In addition to generating leads, participating in these organizations has helped individual salespeople build credibility and visibility within the community. This has led to establishing a higher profile for the salesperson and our company. Some of our staff have embraced these opportunities and established very gratifying relationships; it has been a struggle to get others to participate. In response to our internal reactions and the residential remodeling market slumps, we now reward our sales team members who have welcomed these initiatives by revising our compensation plan.

The new compensation plan creates three tiers of payment based on how the lead came to us. Each lead is categorized as company-produced from in-house marketing efforts, self-generated



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or a past client. Each lead type has a commission percentage tied to it with self-generated being the most rewarded; followed by a referral or past client; and, lastly, company-produced. Our goal is to have each team member focus on generating his or her own leads to help reduce the company's overall marketing expenses and cost per lead. We recognize some of our consultants will be better at forging relationships and getting involved in organizations than others, but we are confident this new structure will benefit the company as a whole moving forward.

Of course, this is not a quick or simple change of tactics. A sales team that has become accustomed to being spoon-fed its leads does not suddenly embrace networking and developing its own leads. It takes nurturing, celebrating little wins and continuing to reinforce new programs. We believe developing these lasting relationships and creating loyal clients is the way to build sustainable, long-term growth in the years to come. | QR