

GAME CHANGER

RECESSION, DEMOGRAPHIC TURNOVER, AND UNLIMITED DATA HAVE DONE A MAKEOVER ON THE HOME IMPROVEMENT CUSTOMER, AND YOU NEED A NEW PLAYBOOK TO STAY IN THE GAME


BY JIM CORY / SENIOR CONTRIBUTING EDITOR

Matt LeFaivre and his wife were recently at a mall where marketers had set up a booth advertising a free cruise. Ten years ago, LeFaivre says, he would have filled out a form. This time, it wasn't even a consideration. Things have changed. "I thought, they just don't get it," says the owner of LeFaivre Construction, in Taneytown, Md. "Anyone can see that they just want your information. Gimmicks like that don't work anymore."

What LeFaivre sees, he says, is that the homeowners he talks with and sells his company's projects to have changed in pretty much the same ways. He dates the start of that change to 2007, right before the start of the Great Recession. Since then, homeowners are short on time but more demanding of his; they're

skeptical about product and service claims; and they respond with scorn or indifference to anything that seems like pressure. If they haven't seen it all, they've read it all—online.

The digital age gave consumers access to limitless information, and ever since 2010, more and more of them make use of it, thanks to smartphones. This has completely shifted the marketing and selling paradigm in the home improvement business. Say, for instance, you're a homeowner looking for a contractor to build your new deck. From your seat in Starbucks, you tap on an app, thumb in some keystrokes, and in an instant you know who in your area builds decks, what products they build with, and what their past clients think about the experience.



“MARKETING USED TO BE ABOUT GETTING A UNIFIED MESSAGE OUT TO THE WORLD, AND SELLING WAS THE ACT OF CLOSING THE SALE. NOW MARKETING IS ABOUT THE CONTENT WE PRODUCE THAT ALLOWS PEOPLE TO MAKE AN INFORMED DECISION.”

— DAN STREETER, CO-AUTHOR, “OLD SCHOOL WITH NEW TOOLS”

Different Methods, Same Purpose

The point of marketing and selling remains the same: Create a message, identify interested parties, convert those parties into buyers. What’s changed are the expectations and the process. “Marketing used to be about getting a unified message out to the world, and selling was the act of closing the sale,” says Dan Streeter, co-author of *Old School With New Tools*, a book about blending today’s technology with the tried-and-true of modern sales techniques. “Now,” Streeter says, “marketing is about the content we produce that allows people to make an informed decision.”

The implications for home improvement marketing and sales are huge. “I believe there has been a cosmic shift,” says speaker and sales and marketing consultant Tony Hoty. “In the past, everything was a giant pitch.” Today, depending on the demographic you’re addressing, that pitch can backfire. Here’s why:

1] CONSUMERS OFTEN KNOW A LOT ABOUT FIXING, MAINTAINING, OR IMPROVING THEIR HOMES. In the “old-school” sales and marketing days, homeowners relied on the contractor to inform them and tell them what they didn’t know. Today, homeowners have done their own research. “It’s a similar thing with doctors,” says David Alpert, president of Continuum Marketing, in Great Falls, Va., which works with design/build remodeling companies. “Patients come in and they’ve researched their disease. The doctor isn’t the only one in the room who understands what’s going on anymore.”

2] THEY’VE BEEN TO YOUR WEBSITE. Companies used to instruct homeowners to “visit our website.” Today, if the homeowner is calling you, you can guarantee they’ve already been to your site and have read reviews of your company. And chances are good that they did all that on a smartphone. Nearly two-thirds of American adults own a smartphone, according to a recent study by the

Pew Research Center, a figure that rises with education and income level. One recent UK study shows that the number of hours adults spend online has doubled during the last 10 years—to 20 hours per week, largely because of the use of mobile phones.

3] THEY’LL DO THE QUALIFYING. Conventional wisdom suggests that homeowners get three bids, that is, three contractors look at the house and each submit a proposal. But today, instead of arranging to talk with four or five contractors, says speaker, author, business consultant, and remodeling company owner Dennis Schaefer, “they’re checking out four or five contractors online; they’re just not having them come to the house.” Time now has a different value, so online reviews plus a well-maintained profile on Houzz are all that many homeowners need to figure out which contractor they want to talk with.

4] THEY DON’T WANT TO BE SOLD. Sales systems used by contracting companies move through a multi-step process that includes a warm-up, rapport-building, measuring, company story, product demonstration, and contract proposal—all building to the close. Today, homeowners see that close coming. All they want is for the salesperson to give them the information they need—and quickly. They want to decide on their own time, not according to the company’s marketing/sales business model. Anything that feels like pressure means the salesperson is trying to get prospects to buy something they may not need. And he’s wasting their time.

“Time is the most valuable resource,” says Brien Murphy, president of EZ Exteriors, in Pittsburgh. The prospects Murphy sees have already weeded out competitors, especially those companies with products they don’t care for or which might pressure them into an immediate sale.

5] REVIEWS GIVE HOMEOWNERS THE LAST WORD. So what if the crew never got around to bagging up the

SOCIAL MEDIA: BE A PRESENCE

Many remodeling and home improvement companies recognize the need to master use of social platforms. But those platforms are ever-evolving, and generating content takes time and requires a strategy. What should you post, where should you post, how often should you post? And how do you measure results? “Facebook, or any social platform, is brand-building, not in-your-face selling,” explains author and speaker Dennis Schaefer. “You post about the work you’re doing on a Habitat for Humanity house. You post that Mary in the office got engaged. You throw in some home improvement tips. You’re building a presence so that when [that homeowner is] sitting in the coffee shop and starts thinking about a new bathroom, he remembers your company and says: Oh, I saw them on Facebook.”

Smartphone technology has put quality photos and video within anyone’s reach and made it technically simple to capture information and post it immediately. But though many remodeling companies connect with homeowners via social platforms, relatively few are active there with a continuing, recognizable presence.

Three years ago, while speaking at a forum on marketing for contractors, Schaefer asked the audience members how many would be willing to pay something under \$300 per month for a service that connected them with the reigning social media, such as Facebook and Houzz. Every hand in the room went up. So Schaefer developed a business plan, and after a few months launched an app called Visible Builder. For a monthly fee, Visible Builder creates, manages, and maintains up to nine social platforms relevant to its contractor customers. Adding regular content to Google-searched sites such as Yelp, Facebook, Houzz, and LinkedIn enhances search rankings, builds brand awareness, and steers searchers straight to reviews by happy customers. The power of these media is now huge, Schaefer says, especially Houzz, which he calls “the absolute best.”

“Houzz leads are as good, or better, than referral leads,” Schaefer insists. Although in many cases, companies with a Houzz page have no updated profile, let alone regularly added new content. But, he says, “you can’t just build it and forget it. It’s a weekly conversation. You need two or three posts a week to stay in front of the audience you’re building.” Schaefer says the next wave in social marketing is building five-star reviews on sites that anyone can gain access to—not membership-based sites such as Angie’s List—so that the first thing homeowners doing a Google search for a company in your area encounter are words of praise from your customers. —JC

trash? Nobody’s going to say anything, right? On the contrary, there will be plenty to say, and in a forum where anyone can read it. How important are reviews? “Very, very, very, very important,” says Megan Jansky, at The Marketing Corner. In fact, she points out, research shows that 70 percent of people trust these online recommendations.

6] CUSTOMERS, ESPECIALLY YOUNGER ONES, OFTEN IGNORE CALL-TO-ACTION PROMOTIONS. Such promotions—Buy Four Get One Free, and so on—are meant to trigger a response, and have appeared in home improvement advertising for as long as anyone can recall. They may be effective with the 2 percent of homeowners who are actively looking for a contractor to replace, say, windows or siding, but people have figured out that companies aren’t giving anything anyway. Excellent work, professionalism, and superior customer service are a bigger draw. “When they call us,” says Matt Merrifield, president of Lake Side Exteriors, in the greater St. Louis area, “they know they want us to do their job.”

Selling—Then and Now

These changes in the expectations of homeowner prospects mean that whether you’re a salesperson for a company or an owner who sells his company’s work, you may need to rethink your approach to step-selling.

FIND OUT WHAT THE PROSPECT KNOWS

Then: Home improvement salespeople often set out for their appointment not knowing much about the client, the house, or the neighborhood until they arrived at the home.

Big window or siding replacement companies typically held back information because they were afraid salespeople would pre-qualify prospects and either lose enthusiasm or skip the appointment. Salespeople were expected to be able to gather all the information they needed to close the sale then and there.

Now: Salespeople gather as much information as they can before visiting the home. They look at the property on Google Maps, find out when it was built and remodeled, its tax history, and what the owners are like. Not to know is to forfeit a strategic selling advantage. “I don’t think anybody should go out cold to a prospect without knowing anything about them,” Alpert says. “Our clients don’t go out to a homeowner without first spending some time on the phone with them.”

PROVE YOU’RE A GREAT COMPANY TO DO BUSINESS WITH

Then: Fifteen years ago, one essential step in the multi-step sales process involved telling prospects the company story.

Now: Any client who has done some research already knows that

“IN TODAY’S MARKET, PRODUCTS AND PROJECTS ARE COMMODITIES. YOU’RE NO LONGER PEDDLING A PRODUCT. YOUR PRODUCT IS YOU, AND HOW YOU DO THE INSTALLATION.”

—DENNIS SCHAEFER, REMODELER AND BUSINESS CONSULTANT

story. The concept of “story” is still relevant—a passionate, consistent narrative is a more powerful sales tool than ever in its ability to continually engage—but now the narrative needs to be centered on the prospect’s house, project, and needs.

And it’s not enough that your company is a member of such-and-such manufacturer’s Super Elite Installer program. Explain why that will make a difference to the homeowner. “We used to focus on being interesting,” Hoty says. “Now we need to focus on being interested.”

FIND OUT WHO THEY REALLY ARE AND CONNECT TO THAT

Then: Rapport-building often came down to looking for a few quick direction signs pointing the salesperson to where the conversation might go next. “That whole system puts the brakes on right at the door,” Merrifield says. “Not that warm-up isn’t important. But it needs to be genuine.” When the salesperson sees

a golf trophy or diploma and immediately starts a conversation about it, homeowners see through that, Merrifield says. “It’s been done to them too many times.”

Now: According to Streeter, the essential catalyst in any sales transaction is still likeability. With customers often fully briefed on a company and its products, the rapport piece, he points out, consists of “finding out how much the customer knows first, and how much information he or she needs to make this decision,” not trying to connect by commenting on the homeowner’s trophies.

EXPLAIN HOW THE PRODUCT CORRESPONDS TO THE PROSPECT’S NEEDS

Then: Providing details about a product’s features and benefits was a key part of the home improvement sales presentation.

Now: That information is already available to anyone who looks for it. So the new selling identifies the desired outcome and

GAME ON: LET THE SELLING BEGIN

Chip Doyle, author of the recently published *Selling to Homeowners, the Sandler Way*, has a point to make when it comes to how remodeling projects are sold. Yes, people are online scoping out remodeling companies. Yes, homeowners under 40 want instant answers and a complete design and estimate in 30 minutes. And yes, marketing may be the new selling, for small purchases. But when it comes to a remodeling project, he says, “as long as you’re selling to homo sapiens, the technology’s changed, but the psychology hasn’t.”

People still don’t want to be told what to do, the San Francisco Bay Area Sandler Systems trainer says. “They don’t want to be pressured or to discuss pointless options. And they want to be heard.”

Doyle points out that since buying a remodeling project is something that people do only rarely, they’ll need the consultative assistance

of an expert who knows how it’s done, no matter how much they can find out online. “Once you start talking to a homeowner, the selling starts,” he says. Key points:

- **Clarify the purpose.** Before your first homeowner meeting, call to make clear the reasons for your visit and what the conversation will be about. Tell them you’ll be asking a lot of questions. You don’t have to give every homeowner a bid the first time out.
- **Stay in the running.** Don’t assume that if clients insist on getting three bids that your company is out of the picture. “It doesn’t mean they won’t end up with you,” Doyle says. “All you have to do is build some rapport. They may call you later and say: ‘No one’s gotten back to us. Let’s do business.’”
- **Structure the sale.** No matter how many appointments it takes to eventually transact business, know what you want to accomplish

from each of those appointments so you can, through the power of suggestion, move clients forward to the next step. “Because clients buy remodeling so infrequently, the sale needs to be structured to help them to make a decision,” Doyle says.

• **Beware the power of reviews.** The worst reviews on websites such as Yelp and Angie’s List often come from people who never actually did business with the company, but only experienced one of its salespeople, Doyle says. “They write comments like: He got the hair up on my neck; he didn’t seem interested in talking to me; he wouldn’t leave the house; he was too pushy.” It’s essential, according to Doyle, that salespeople conduct every single appointment in the most professional way “or in 12 months you’ll have so many bad reviews that your phone won’t ring anymore,” he warns. —JC

FUTURE SHOCK

It's one thing if the prospect for a high-end kitchen tells you he wants to be assured that your company does good work and that your employees are responsible. But what if, as a sort of test, he wants you to prove that by sending someone over to fix (for free) the bulging seam between pieces of wallboard in his dining room?

Matt LeFaivre, owner of LeFaivre Construction, in Taneytown, Md., was used to homeowners under 35 expecting free design services, or, when things had finally moved forward and a construction contract was prepared for signature, negotiating for a lower price. But free handyman work to qualify for a kitchen job? That was new to LeFaivre, who has worked in the business for 20 or so years.

The remodeler told the 20-something prospect that he would only repair the bulging seam as part of the kitchen job. And that's where the negotiation still stands today.

One thing that LeFaivre has noticed about the younger generation of homeowners—married a few years, often in their first home—is that Millennials are often resistant to his design retainer policy. They want free design—or five, six, seven designs. “My experience with this generation,” he says, “is that they want what they want, and they want it for a little bit less.”

If that's characteristic of a generation's attitudes and ideas, then get ready because Millennials are soon to become

the largest demographic group of homeowners, displacing Baby Boomers. Kermit Baker, an economist and project director of the Remodeling Futures Program at the Joint Center for Housing Studies of Harvard University, says that Millennials are late to homeownership—that is, late to form households and buy—because of the “really serious recession at the beginning of their careers,” an unstable job market, high student-loan debt, and the delay in “getting to significant life events.” But they will be there shortly, he points out.

A recent Better Homes and Gardens survey of Millennials and the housing market shows that once Millennials do begin to buy homes and contract for renovation projects, they turn to social media platforms such as Houzz and Pinterest for renovation ideas, check out product pricing online, and are reluctant to simply turn the project over to the contractor and wait until it's finished. “When they seek professional help, they are unlikely to cede control to the professional; rather, they expect to be partners and collaborators in the process,” notes the website of consulting company Cloverleaf Innovation.

That doesn't mean LeFaivre is avoiding Gen-Y or Millennial customers. On the contrary, he just hired a 20-something to manage his marketing. She is currently making a series of short, 10-second online videos for broadcast to smartphones in pinpointed areas of his company's market. —JC

focuses on asking the right questions to tailor the rest of the presentation to the prospect's wants and needs. For instance, the homeowner may have read up on how roofing systems work and decided on a certain manufacturer's shingle. If you don't regularly install that shingle, do you argue, instead, for the benefits of the shingle you usually install? “In today's market, products and projects are commodities,” Schaefer says. “You're no longer peddling a product. Your product is you, and how you do the installation.”

CREATE A PERSONAL BRAND

Then: You're not selling the job, you're selling the feeling that the prospect likes and trusts you. This isn't a new idea, in fact it's an old sales mantra.

Now: What's new is that the salesperson needs to communicate a company owner's level of professionalism and authenticity. The hundred parts and pieces that go into making a great first impression—arriving on time, wearing ID, being enthused and energetic—have never been more important. Build from there by supplying prospects with the information that helps them make a decision—that makes you, the salesperson, as much of a brand as the company you work for. “Becoming referred is a matter of branding yourself, as opposed to letting the company do it for you,” Hoty points out.

Exovations, an Atlanta roofing, siding, and window company with an on-staff architect who specializes in full exteriors, promotes the identities and personalities of individual salespeople on its website. “People sometimes call and ask for Joy or Terry,” owner Roone Unger says. “Because they've read reviews where customers talk positively about them.”

ALWAYS BE SERVING

Then: Many home improvement salespeople took pride in the number of closes they memorized. If one close failed, they defaulted to the next.

Now: You still need to ask for the business—that hasn't changed—but, Streeter says, you now need to ask for it in a different way. “It's not: If we do this, or because we are this, can we close?” he says. “It's: Now that you have this information, what other information do you need?” In other words, are you ready to move forward? Would now be the time? **PRO**

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