

Is Your Marketing Working?

Have you ever wondered if all that effort you're putting into marketing and lead generation is really working? Which tactics generate the most leads and are they the right kind of leads? Sometimes it's hard to know, but there are steps you can take to find out.

If you're serious about developing a marketing program that attracts the leads, prospects, and projects that you really want, one of the most important things you can do is to track the marketing tactics you're using to find out what's working and what's not. As business guru Peter Drucker said, what gets measured improves. So you have to measure the results you're getting now and work to continually improve. The easiest way to do this is to put everything into a spreadsheet where it will be easy to analyze the data and generate useful insights into the effectiveness of your marketing plan.

Here's the list of items to include:

Tactics. That's every type of marketing you're using, including direct mail, newsletters, home shows, radio, and so on.

Dollars spent on each tactic. This will combine with other data to tell you which tactics give you the best bang for the buck.

Total leads needed per month. Combined with dollars spent, you can use this information to calculate the cost per lead and the cost per sale. (You can track weekly lead requirements if you're doing lots of smaller projects—in a handyman division, for example).

Number of actual leads generated. This is the total number of leads, whether or not you pursue them.

Number of leads for each tactic that turn into qualified prospects. These "qualified leads" are people that you feel it's worth spending additional time with in a face-to-face meeting.

Number of qualified leads that turn into paying customers. This is not limited only to signing a construction contract—a design-build company prospect, for example, may sign a design agreement. That counts, even if you don't end up building the project.

TRACK EVERY LEAD

One big mistake I see is that contractors who take a call from someone who isn't a prospect for the company usually pass them along to someone else and don't track those leads. But you need to track every lead that comes into the company so that you can determine if your marketing is attracting the kind of customers you want.

You also need to ask every lead how they heard about your company. Even if it's clearly a non-qualified lead, asking how they found out about

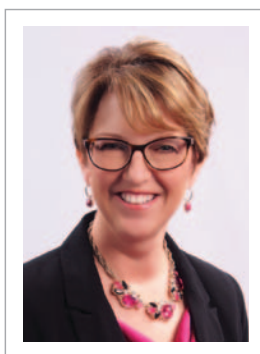
your business may tell you something about the effectiveness of the particular marketing tactic that caught their attention.

Remember also that most people will tell you the thing that happened most recently, but that might not be the whole story. For example, they might say, "I was talking with my neighbor at a cook-out." But they may also have been reading your newsletter or seen your booth at a home show or received a mailing. All of those things together may have eventually led them to contact you.

Difficult as it is to get back to the true, original source of the lead, any information about where the homeowner heard about your company is valuable, if only as a starting point.

REVIEW THE DATA

Once you start to collect this information, review it weekly. That will give you time to quickly make adjustments if you see that you are falling behind your monthly goal. Remember that the whole point of setting monthly marketing goals is to deliver consistency throughout the year, instead of having a spike in leads one month and no leads the next.



While frequent monitoring is important, don't make major changes in your tactics too frequently. Marketing is a long-term investment and it takes a little time to get things rolling. Don't make significant changes more often than quarterly. This will give you enough data to spot trends without ruining the momentum you're building with some of your tactics.

Serious marketers track the tactics they use to see what's working and what's not, then use the results to make adjustments.

TWEAK, TRACK, REPEAT

Typically, for every 10 leads you generate, seven or eight will be real prospects—people who want the services you offer and are willing to invest in the kind of experience your company provides. Of those, about 20% will turn into paying clients.

Tracking your marketing should improve both the quality of your prospects as well as your close ratio. But remember, it's a cycle: Tweak, track, repeat. Once you are plugged into the feedback loop, you'll be better able to use this data to achieve your broader business goals. **PR**

Victoria Downing, president of Remodelers Advantage, works with remodeling company owners to help them build strong, consistently profitable businesses. She is known for her high-energy educational seminars and her expertise around business best practices. victoria@remodelersadvantage.com



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