

**THE 7 BIGGEST MISTAKES MOST  
REMODELERS MAKE EVERY DAY THAT ARE  
WASTING YOUR HARD EARNED LEADS  
AND CAUSING YOU TO LOSE SALES!**



*...and how your solutions may lie in your own database*



**Presented by:**

**MarketSharp**  
Contractor CRM Solutions

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The revealing information provided in this exclusive Industry INSIDER Report was commissioned with over \$25,000 in research by an outside team of fact-finding analysts from Empire Research Group to study the most common issues facing home remodelers. The purpose of the report is to offer details about balancing the demands of running a profitable remodeling business by taking advantage of the best sales and marketing strategies that are working in today's competitive market.

# ARE YOU RUNNING YOUR COMPANY OR IS IT RUNNING YOU?

Owning and running a business is never easy. It often requires blood sweat and tears with many business owners feeling worked to the bone.

55%

of all small business owners work more than 50 hours a week,

and

22%

of those work 70+ hours a week!

But it doesn't stop there. 90% percent work weekends and 80% are stuck working from home even after they leave the office. The worst part is that a majority of business owners (56%) feel like they can never step away from their business if they want to succeed. Any of this sound familiar?

So what do we have to show for it all? Many of your peers are running on fumes. Sadly 35% of SMB owners carry business costs on personal credit cards. Even more disturbingly, one in five owners is forced to put up personal property as collateral just to keep things operating... and those are the "lucky ones." In the last four years, almost 2,000,000 American businesses either closed shop or filed for bankruptcy.

**That is one in every 10 businesses—poof—gone.  
New startups have it even rougher:**

24%

of those work 70+ hours a week!

only 50% make it through the fourth year;

and

by the 10th year, 71% of all startups are history.

# THE BIG QUESTION:

## WHY ARE SO MANY BUSINESSES FAILING OR CLOSING?

**46%** of all business closures can be chalked up to owner incompetence

Almost half **(43%)** of business owners manage everything themselves.

**68%** of US adults believe their home is in need of a make-over, renovation or repair.

Most business owners don't like to hear this, but **46% of all business closures can be chalked up to owner incompetence.** Even with all the hours you are working, the number one challenge facing most business owners is they never have enough time to get everything done. Almost half (43%) of business owners manage everything themselves.

Which brings us to the number two factor that causes most businesses to fail... marketing. When it comes to marketing, **81% of owners do all their marketing activities themselves.** Is it any wonder that 20% of entrepreneurs, if given the chance to turn back time, say they would spend more money on marketing so it would be done right the first time!

However, all is not as bleak as it may seem. There is great news for anyone currently in the remodeling and home services marketplace. Since the market crash of 2008 our economy, has slowly recovered. In the last year, consumer confidence levels and home improvement spending have both reached pre-crash 2007 levels and are trending even higher.

So how does this positively affect you? **Today 68% of US adults believe their home is in need of a makeover, renovation or repair.** Currently 1 in 10 homeowners is planning to do a major home renovation repair in the next six months. But even more important is that 55% of adults feel they are financially secure enough to afford major work on their homes.

There was over **\$300 billion in home improvement dollars up for grabs in 2015**, and analysts predict even more for 2016. Would you like to increase your share of that pie?

Obviously, to do that you will need to increase sales. And what is your biggest roadblock to making those sales? Ineffective marketing practices. Today we are going to focus on the most common problem area for the remodeling and home services industry: Leads. Let's take a look at the biggest mistakes small to medium business owners make while generating leads, following up with leads, closing leads, nurturing leads, etc.

# MISTAKE #1:

## NOT DOING ENOUGH TO GENERATE QUALITY LEADS



Everyone is looking for new customers. A study by lead360.com found that lead conversion is 57% determined by the quality of the lead and only 43% by the sales process. But as you are surely aware, generating qualified leads is no easy feat—37% of all businesses cite it as their biggest challenge, and for good reason. The amount of work required to be successful can be daunting.

A recent study by the North American Content Marketing Institute showed that best-in-class B2C marketers used on average 15 tactics, 8 social media platforms, and 5 paid advertising methods.

Yet, even in today's highly internet-focused society, 47% of small businesses still do not have a website; and of those that do, 35% don't even bother to try and capture leads from it!

In fact, a recent study showed that only 38% of B2C marketers would rate themselves as effective content marketers. So the question that we should all be asking ourselves is how can I be doing more? And how can I do it without working even more hours? We'll get to that. A first step is to stop wasting the leads you're already generating, which brings us to...

# MISTAKE #2:

## LOW CONVERSION RATES AND WASTED LEADS

Creating issued leads for the remodeling and home services industry can be quite costly. A recent survey showed that the average issued lead cost \$339—and that is a bit dispiriting since our industry only averages a 28% closing ratio on issued leads. This is a common problem, with almost one in three businesses saying they have issues converting their leads into customers.

Just how poorly do most companies perform? One recent study of 10,000 companies reported that 71% of the leads these companies generated on the Internet were wasted! So what are the 3 biggest sins most companies commit on a daily basis?

### Sin #1: Poor response time

Speed is everything. The longer you wait to contact leads the less chance you have of reaching them. A recent study showed that if a company attempts a phone contact within five minutes of a lead submission, the odds that the lead is contacted are 100 times greater than if you wait 30 minutes after submission. More importantly, a lead contacted within five minutes has a conversion rate 22 times greater than a lead contacted within 30 minutes. Plus, whoever makes first contact has a 238% higher conversion rate than the 2nd company to make contact. Even more impressive is that 78% of prospects will convert with the first party to contact them.

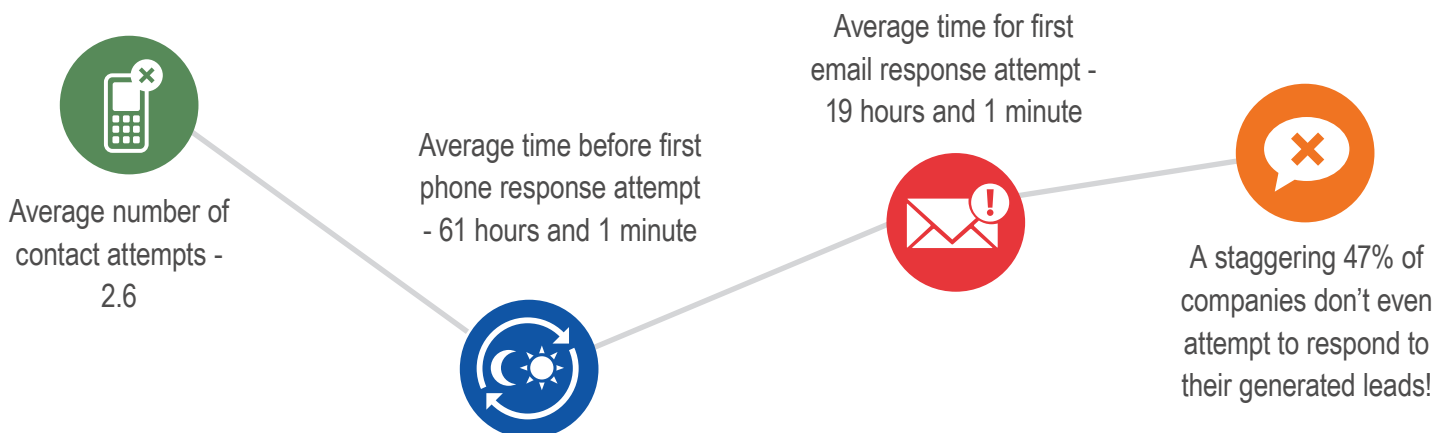
### Sin #2: Minimal contact effort

An annual study by InsideSales shows that on average it takes five attempts to make contact with a lead. Unfortunately, only 11% of companies ever make that many attempts. Do you have procedures in place that guarantee each lead is contacted at least five times?

### Sin #3: Not staying for the long haul

As we all know, most leads take time to close. On average only 20% of leads will close on the first contact. If you're willing to stick it out, however, 44% of first-contact leads will eventually close with long-term follow up.

## So how badly are businesses failing?



# MISTAKE #3:

## FAILING TO TAKE ADVANTAGE OF BEING LOCAL

There is a well-known adage: People would rather do business with people they know—or know of—than with strangers. People just prefer to work with local businesses. 96% of customers think that local businesses offer more personalized service than national chains. They (72%) are even willing to pay more for local business services and products.

**96%**

of customers think that local businesses offer more personalized service than national chains.

# MISTAKE #4:

## TARNISHING YOUR BRAND

I am sure you are no stranger to how most consumers perceive construction and remodeling services. According to the Better Business Bureau, the number of consumer complaints for construction industries has skyrocketed in the last five years. Roofing contractors ran away from the rest of the pack with over 4.2 million complaints last year. One of the fastest growing industry for complaints was construction and remodeling services, ranking eighth overall. Shockingly the number of negative inquiries for construction and remodeling services has more than doubled to 2.1 million over the last five years, beating out new-car dealers for 2014. To put this in perspective, lawyers ranked 15th and banks ranked 51st. In a similar 2015 survey conducted by the Consumer Federation of America, remodeling and home services companies ranked second overall for consumer complaints.

What is the number one complaint? Shoddy work being done and/or failure to start or complete the job. Another top complaint is lack of contact. People want to be in the know. If you are not keeping your clients up to date and warm, you are giving them something else to complain about.

The bottom line is that most people don't trust contractors. Only

25% of Americans rate the ethics and honesty of building contractors as very high—compared to 85% for nurses.

## Why is it so important to keep customers happy?

**96%**

of customers share bad experiences with others.

**54%**

of customers share bad experiences with 5+ people.

**45%**

of customers share negative reviews on social media.

**87%**

of customers share good experiences with others.

**33%**

of customers share good experiences with 5+ people.

**30%**

of customers share positive reviews on social media.

# MISTAKE #5:

## NOT ASKING FOR / OR POSTING REVIEWS

**9 IN 10**

consumers have read online reviews to determine the quality of a local business

The internet has made it much easier for consumers to know whom they are doing business with. And your prospects are doing their research.

Nearly 9 in 10 consumers have read online reviews to determine the quality of a local business, and 39% read reviews on a regular basis. It can take up to 10 separate reviews before the majority of consumers feel they have read enough reviews to

pass judgment. When it comes to trusting online reviews, 80% of consumers say they carry as much weight as personal recommendations. This presents an excellent opportunity because positive reviews make 72% of consumers trust a local business more.

When it comes to converting leads to sales, a good reputation is crucial. 88% of customers are influenced by online customer reviews when making buying decisions.

And here is the kicker: 89% of customers are willing to write a review of a local business but only 7% have been asked for reviews!

This brings us to our two most critical mistakes...

# MISTAKE #6:

## NOT PURSING REPEAT BUSINESS

80% of successful entrepreneurs know that developing customer relationships is more important than developing new products or services. When it comes to generating high-quality leads, current and former happy customers are king.

A well-known study by the Harvard Business Review found that a 10% increase in customer retention yields a 20% rise in company value; furthermore, a mere 5% increase in customer retention rate increases profits by 25 to 95%!

As we said before, people prefer to do business with those they know and trust. In our industry a whopping 74% of all high-quality leads come from current and former customers. These leads also have the highest closing rate of any lead type at 53%.

**74%**

of all high-quality leads come from current and former customers.

**How often are you following up with your existing client database?**

# MISTAKE #7:

## FAILURE TO LEVERAGE CURRENT CUSTOMERS



Strong referral programs are the last missing piece of the lead puzzle. Why? Referred customers have the second highest closing rate of any lead type at 45%. A 2013 study at the Wharton school of business showed that the lifetime value of referred customers over a six-year period was 16% higher than that of non-referred customers.

Another 2015 study found that the most successful organizations have a formal referral program in place:

- Their sales efforts are TWICE as effective as companies without one
- And when software tools designed specifically for referrals are used, the creation and conversion of leads are 3x more likely to accelerate
  - 69% faster time to close
  - 59% higher lifetime value
  - 71% higher conversion rates

With such a clear advantage over competitors why do only 30% of all companies have a formal sales referral program?

So where does this leave us? The bottom line is companies that are successful at converting leads are far more successful than their competitors. Unfortunately, the competition is stiff: 93% of construction industry organizations plan to increase their marketing budget this year. Which begs the question, if you're already increasing your budget why not use that budget in the most effective way possible?

# 45%

Referred customers have the second highest closing rate of any lead type at 45%.

# LET'S LOOK AT THE STEPS YOU CAN TAKE TO ENSURE THAT YOU STAY AHEAD OF THE PACK.

## STEP #1:

### USE A WELL-ROUNDED MARKETING APPROACH

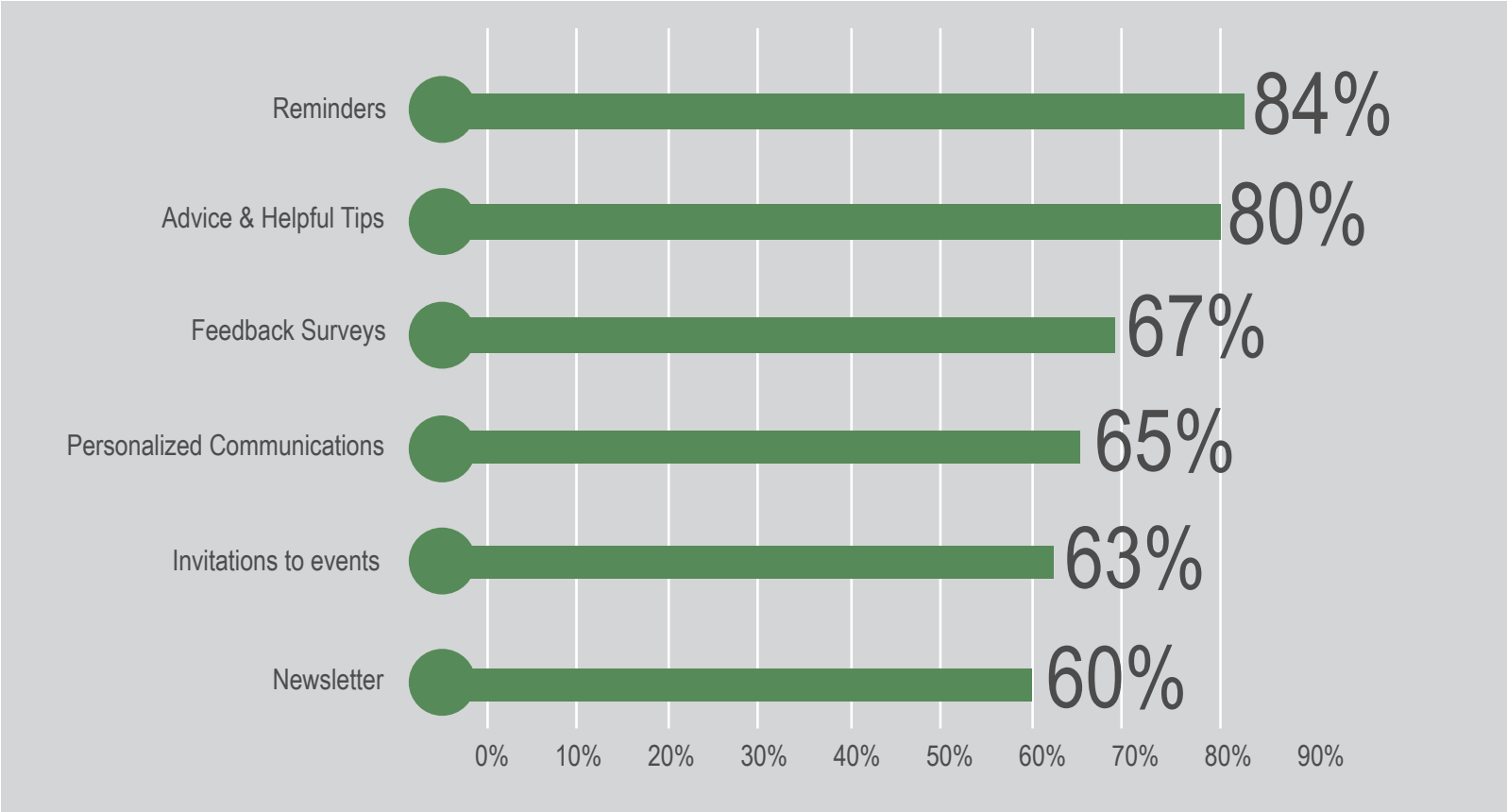
It is crucial to approach your marketing campaign from multiple angles. Your goal is to get your brand and message to targeted consumers who are actively interested in your products or services.

The best marketing strategies include both modern methodologies and long-established techniques. There are numerous ways to effectively spread your gospel online: SEO, social media campaigns, advertising, pay per click, PR campaigns, video, native and sponsored content, banner ads, mobile, etc.

It doesn't stop there; your customers want to hear from you.

To do this on your own you will need strong analytical, creative, and managerial skills. It is rare for a person to excel in all three of these areas. An honest assessment of your strengths and weaknesses can help you determine what you are truly capable of.

Let's explore a little deeper to see how effective some tactics may be.





## TACTIC #1: EMAIL MARKETING

80% of all B2C marketers use email marketing for good reason. Email provides the highest median ROI at 21 to 23% and has the lowest cost per acquisition, averaging \$11-\$15.

69% of consumers prefer to be contacted by companies via email.

The good news for us is 95% of US adults planning home improvements use email



## TACTIC #2: LEAD TARGETING

Targeted mailing and emailing campaigns can be highly effective. For example, emails sent to an in-house list will average twice the open rate as those sent to new prospects.



## TACTIC #3: INTERNET SEARCHES

75% of consumers will go online to research a business before they decide if it's the right choice to meet their needs.

Even better news is that 95% US adults planning home improvements surf the web for home improvement ideas. Also 78% use mobile apps.

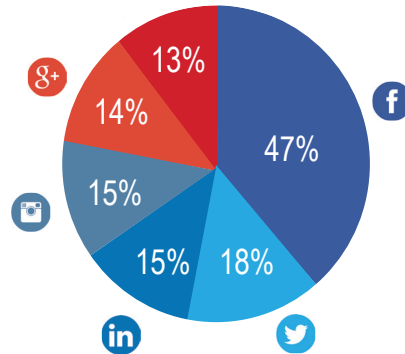


## TACTIC #4: HOME SHOWS AND EVENTS

67% of marketers report in-person events as one of the most effective marketing tactics, with 73% attending shows and events.



## TACTIC #5: SOCIAL MEDIA CAMPAIGNS



Consumers love to follow businesses on social media:

Home renovators also love their social media. 75% check social media at least once a week for home improvement ideas. They (24%) also love to share information about a service, product or brand they've searched online.

A recent study showed that marketing campaigns with social media tactics experienced 1.5 times higher click through rates than those without.



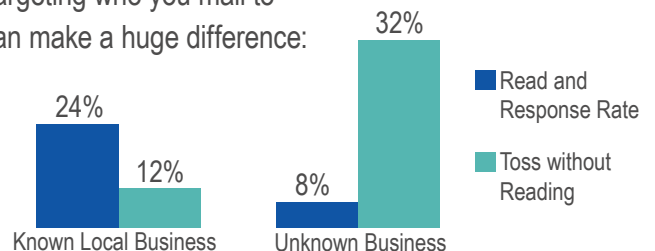
## TACTIC #6: INTERNET DISPLAY ADS

US adults planning home improvements are twice as likely (22% vs 11%) to be influence by display ads, email ads, social media ads, blogs, web radio ads, video ads, texts, and mobile advertisements.



## TACTIC #7: DIRECT MAIL

Targeting who you mail to can make a huge difference:



This is just the tip of the iceberg. Remember the most successful marketers will use 15 different tactics, 8 social media platforms, and 5 paid advertising methods. Which brings us to our next step...

# STEP #2:

## REDUCE STRESS AND IMPROVE RESULTS BY PUTTING YOUR MARKETING ON AUTOPILOT

As we discussed earlier, simply running a business can eat up nearly all of your time.

This can be compounded by the fact that over half of all business owners say that they lack the tools and technologies to help themselves efficiently market. So what are you to do?

Studies have found that the best way to combat your marketing challenges is through technology and automation. For example, one study showed that best-in-class marketers are 75% more likely to have a strong integrated and automated marketing system.

The results of using automation speak for themselves:

- 91% of the most successful companies report that automation is critical to achieving multichannel marketing success.
- Those who automate receive 53% higher conversion rates than nonusers.
- And they enjoy an annualized revenue growth rates 3.1% higher than nonusers.

Four of the biggest benefits of marketing automation are time saved, increased customer engagements, prompt communication, and increased opportunities and leads. Automation can also help alleviate the peaks and valleys many business owners experience from sporadic marketing campaigns.

But it is not just owners who benefit from a marketing automation system. When employees have a system they can easily use, they are more likely to be engaged in the workplace. This engagement can lead to performance boosts of up to 240%, and up to 18% higher revenues per employee.

So what do numerous studies and CEOs say is the best technology for marketing automation? Customer relationship management (CRM) software.

And for good reason; for starters, you will see an average return of \$5.60 for every one dollar spent. Plus, salespeople love CRMs: mobile access to CRM applications can increase productivity by 15% and access to social capabilities can improve productivity by an additional 12%.

Three major advantages of a CRM (over specific marketing automation software) are that a CRM can 1) provide you with a centralized database 2) track revenues and key metrics 3) track all customer interactions. When it comes to marketing automation, CRMs stands alone at the top of all other solutions.

A 2015 survey showed that the top six most valuable features of CRM marketing automation are:

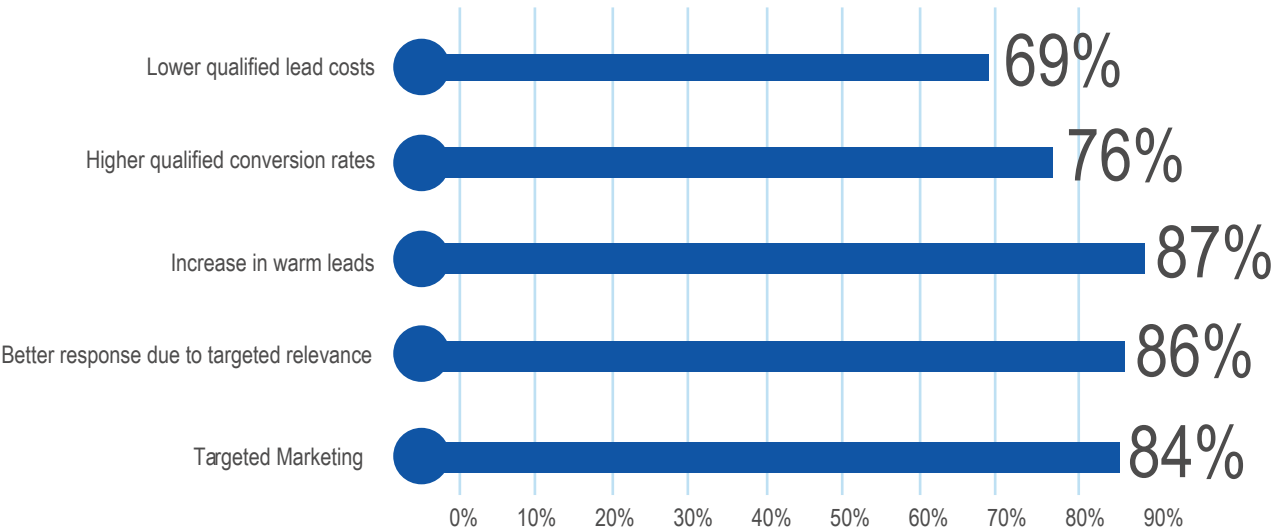
- lead nurturing
- analytics and reporting
- list segmentation
- integration capabilities
- email marketing
- customer feedback and reviews

Let's investigate lead nurturing a little further.

Why should you be nurturing your leads? It's simple math—95% of companies that use a lead nurturing system experience better response rates, and 55% of those see 20% or higher response rates.

**Remember, 44% of first-contact leads will eventually close with long-term follow up. And in 2016, postponed projects are projected to be the number one driver of remodeler growth.**

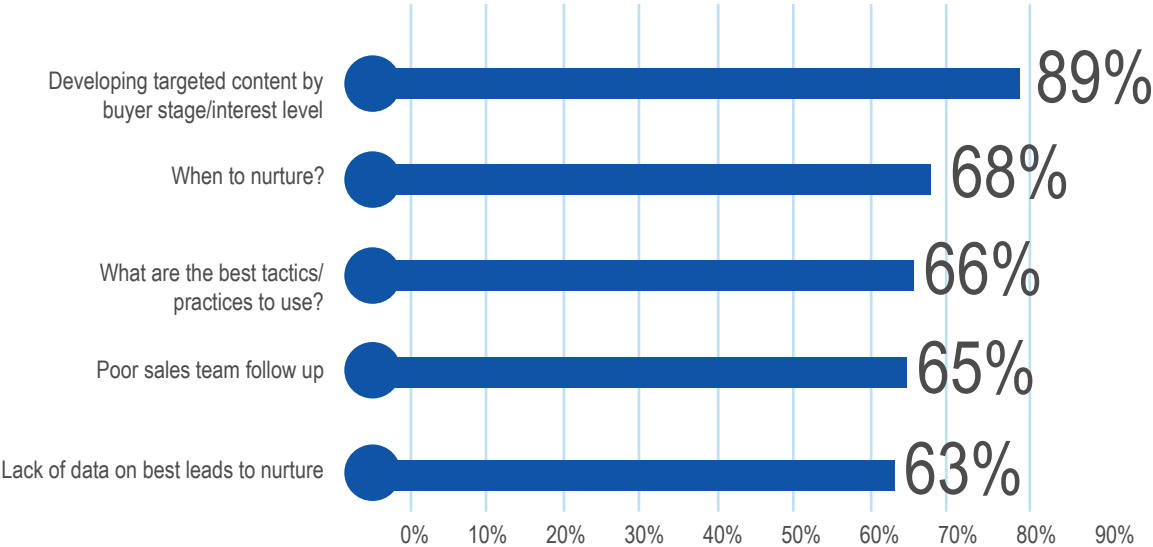
According to the 2015 Lead Nurturing Benchmark Study, there are some significant benefits to nurturing your leads. Of companies surveyed:



The study goes on to show there are numerous effective tactics you can employ:

- |                           |                 |                             |
|---------------------------|-----------------|-----------------------------|
| 1. White Papers           | 4. E-mail       | 8. Demos                    |
| 2. Webinars               | 5. Blog posts   | 9. In-person meetings       |
| 3. Research based content | 6. Infographics | 10. Account based marketing |
|                           | 7. Sales Calls  | 11. Direct mail             |

It makes you wonder why only 50% of qualified leads are nurtured?  
Yes, trying to successfully nurture leads does come with its own set of challenges:



But with a comprehensive and well-designed CRM system, you can easily overcome any of these challenges. This brings us to our final step...

# STEP #3:

## FIND THE RIGHT SYSTEM FOR YOUR INDIVIDUAL SITUATION

Here is where things may get a little bit tricky. There are some downsides to trying to implement technology. Most companies that have implemented a CRM are only reaping 20% of the potential benefits of their system. This means 80% of their system is underutilized. 50% of unrealized CRM ROI opportunities come from poor integration extension and collaboration.

It's not always easy to find what works best for you. There are over 393 different CRM solutions currently available for you to choose from. 40% of all CRM purchasers have tried multiple CRMs.

### What you need to look out for? The top five biggest complaints users have about their CRM are:

1. Features are lacking
2. It's too expensive
3. They received poor support
4. Didn't upscale with company growth
5. Or it's just too hard to use.

One of the top reasons employees will not use the software is because it isn't user-friendly. It is easy to see why most compa-

nies consider "ease of use" the second-most important factor for purchasing a CRM.

Another huge problem can be the length of time it takes to actually implement the CRM solution. One in three CRM users are up and running within six months. Some applications can take as long as two years or more.

Which brings us to another area of concern you should be aware of: customization.

Many providers will offer an out-of-the-box solution for a relatively cheap price. For example, one of the largest online CRM providers has an entry point solution with no customization that is only \$25 per user per month. However, if you want to access any of the specific bells and whistles that make a CRM worthwhile, it can run you up to \$150 per user per month. To add insult to injury, most of those bells and whistles have nothing to do with the unique and specific needs of the remodeling and home services industry. Industry specific customization can run you tens of thousands of dollars and create months if not years of implementation delays.

**80%** of most CRMs capabilities are being underutilized!



# STEP #4:

## MAKE SURE YOU ARE WELL TRAINED



If you don't know how to easily use your technology, you won't. As we said before, one of the top reasons CRM users were dissatisfied with their CRM was because it was hard to use.

Make sure, whatever technology you do choose to implement, that you are well trained and versed in the usage of that technology.

Companies that focus on training and development enjoy the following benefits:

- 21% income increase per employee
- 24% profit margin increase
- 37% higher productivity rate
- 65% of employees say that training and development positively affects their attitude about their job

Unfortunately, 41% of American employees have not received any skills training in the past two years.

Any quality CRM provider should offer you complementary comprehensive employee training!

So the big question you must be asking yourself at this point... Where can I find the best possible solution for me?

Before we give you an answer, let's do a quick recap. Most companies are struggling. Everyone is looking to increase lead generation and sales. Yet most companies fail at doing both. To be an effective marketer you need to have a multichannel approach. The most efficient way to achieve your marketing goals is to automate. The most successful tool for marketing automation is a CRM system. The biggest hurdle you now face is finding the best possible system for your specific needs.

We would like to introduce to you the industry-leading CRM exclusively designed for the remodeling and home services industry.



For the last **20 years**, MarketSharp has specialized in developing a CRM system for to address the issues you face every day specifically in the remodeling and home-services industry. We cover contractors, home-improvement, and remodelers—over 50 specific industries in total.

#### YOU WANT TO WORK LESS AND MAKE MORE...

So our CRM was developed to streamline, automate, and improve every aspect of your business: administration/business management, production (including products and services), and of course sales and marketing.

#### YOU WANT TO MONITOR YOUR BUSINESS AT A GLANCE...

So we feature 12 specialized dashboards to choose from and customize to your specific needs.

#### THE BEST BUSINESS OWNERS KNOW THEIR NUMBERS...

If you can measure it, you can improve it. That's why our CRM offers 27 standard reports. Also, if those are not enough, as part of our training and set up, we can help you create custom reports that cover all the metrics you will need to spot trends and masterfully adjust your business to peak efficiency.

#### BUT MARKETING AND SALES ARE WHERE WE REALLY SHINE...

Often business owners don't have the time, or the experience to create new, or professional sales scripts and marketing campaigns. The good news is you don't have to. Our CRM comes equipped with a vast library of over 330 built-in, industry-specific letters, forms, mailers, flyers, emails and other marketing materials so you don't have to create them on your own.

#### OBVIOUSLY, YOU KNOW THAT THE RIGHT TOOL GETS THE JOB DONE BETTER AND FASTER...

And we have developed unique tools for your industry, like SmartMail Plus, which is designed to help you get another job for every job you install. SmartMail Plus accomplishes this through "radius marketing," which leverages social proof for instant trust, credibility, and familiarity to produce highly-targeted auto-generated leads. And It takes LESS than 5 minutes. Not to mention, this is just one of the many tools MarketSharp places at your disposal.

#### MarketSharp also features:

- Combination of online and offline marketing
- Lead capturing
- Unparalleled lead nurturing
- Lead warming (a specifically designed tool to increase customer trust levels)
- Referral marketing
- Inbound lead scripting with complete interactive scripts for successful handling and conversion of live leads

#### YOU ALREADY HAVE TOOLS YOU LIKE?

We integrate seamlessly with those too:

- For sales events and canvassing tools: we integrate with industry leaders like Sales Rabbit, iCapture and Renoworks.
- Customer feedback software: Listen360, GuildQuality.
- All major databases and QuickBooks.
- Major lead providers:
  - CraftJack
  - HomeProHeroes
  - HomeAdvisor
  - Home Depot
  - iCapture
  - Keyword Connects
  - Metal Roofing Alliance
  - Modernize
  - QuinStreet
  - Renovation Experts
  - Renoworks
  - Sales Rabbit
  - And so many more

We even offer industry-specific partner programs.

#### BUT DO YOU HAVE THE TIME TO MAKE THE CHANGE?

We save the best for last—our speed to implementation. We don't take months or years to get you up and running. We know you need to be making money back on your investments ASAP. **That is why MarketSharp guarantees to have you up and running within four weeks** (*our average implementation time is 2.6 weeks, including training for you and your staff*).

**The bottom line?** Our goal at MarketSharp is to get you up and running as quickly and efficiently as possible

# DON'T TAKE OUR WORD FOR ALL THIS, LET THE FACTS DO THE TALKING...

2016 was a **great year** for our clients

Number of  
Inquiries (Leads)  
**1,841,510**

Number of  
Appointments Set  
**1,244,190**

Number of  
Leads Issued  
**1,212,727**

Number of  
Net Sales  
**338,600**

Total Sales - **\$2,520,326,359**  
NSLI (net sales per lead issued) - \$2078.23

# WHAT IS YOUR NEXT STEP TO CREATING FUTURE SUCCESS?

First you need to ask yourself a couple questions.



Do you agree that you need to utilize technology to improve your marketing and lead generation systems?

Do you and your employees need to become more efficient and effective with your clientele?

Can you see the positive impact the right CRM would have on your bottom line?

If you want to dramatically improve the way your company markets and drives in sales to increase your profits, MarketSharp wants to help you achieve that goal.

What you've seen today is only the tip of the iceberg of what MarketSharp offers. We would like to invite you to attend a personalized Profit Discovery Session. During this meeting you will be shown how to implement 7 proven marketing tactics that you can utilize to increase your profits. We will also cover the simplest and fastest way to achieve results with each tactic.

Some of the areas covered:

- How to get a new job for every job installed—in 5 minutes flat
- How to increase your repeat and referral business substantially
- How to stop your unsold leads from falling through the cracks, turning them into paying clients instead
- How to increase positive online reviews by 75+%

- How to have the critical numbers your business needs for optimal operation right at your finger fingertips:
- Where are your leads coming from?
- What are the costs per sale?
- Key performance metrics
  - Cost per lead
  - Cost per sale
  - Salespeople closing ratios
  - Inquiry to set appointment rate
    - Set appointment to issued lead
    - Issued lead to demoed lead
    - Demoed to sales
- How effective is this lead source?
- How effective is this salesperson?

As a bonus, we will also give you our in-house guide on how to implement each of these tactics at the end of the session.

THE FINAL QUESTION YOU NEED  
TO ASK YOURSELF IS...

*Do you want to explosively improve your profits,  
by working smarter not harder?*

Call  
**1-800-335-4254**  
to schedule your  
personalized online  
Discovery Demo!

It only takes 23 minutes to discover  
how easily you can generate more  
leads, convert more sales and  
grow your business!





1-800-335-4254 | [www.marketsharp.com](http://www.marketsharp.com)

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