

# Low Cost Marketing that Works for Contractors

If you are a trades person or contractor in Ireland this how-to paper can help you boost your sales by teaching you how to use straightforward, no-cost and low-cost marketing techniques.

## Basic Strategy

1. You are only as good as other people think you are so build, nurture and protect your reputation. If you have a good reputation, you'll get more business and can charge higher prices. With a tarnished reputation, potential clients may not even ask you to quote.

Statistically, happy clients may tell 3 others why they like you. Unhappy clients may tell 9 others about why they dislike you. With social media you can multiply those numbers hundreds or thousands of times, and the reviews don't go away.

2. Always look and act professionally. Have a set of standards and stick to them.
3. Communicate regularly and consistently with prospective clients. Every communication should remind them what you can do for them. That value statement can be a short sentence (e.g. "Quality Electrical Services!") Regular communications help them remember you and what you do.
4. People can't buy what they don't know about, so promote your services.
5. Maintain a list of prospective clients in a format that's easy for you to contact them. Email is the easiest way to contact a group. Telephoning or texting is possible, but not as easy. Paper mail works, but it's slower and more expensive.

## Say What You Sell

You know what you do and what services and/or products you can provide, but you shouldn't assume that prospective clients know that. If they do know what you sell, you shouldn't assume that they'll remember.

**Rule: Make it crystal clear what you sell on every document, on every sign, and in every conversation.**

If you are listed in a directory, like a phone book, under what heading do you appear? Plumbers? Roofers?

### Our Sample Contractor



For the examples in this paper we've selected a sample contractor. He's an experienced Limerick electrician called Pat Duffy with an Electrical Engineering Systems qualification. His business is called Pat Duffy Electrical Ltd.

He mostly works by himself. He owns a van and all the tools he needs. He uses his smart phone for almost everything. He has a computer at home, but he does not consider himself a power user.

Electricians? Take that heading and add it to everything, especially your promotions and business cards.

You can categorise your business with a simple statement, by adding the category to your business name, or by using a self-explanatory picture.



**Rule: Articulate what the prospective client gets by hiring you rather than your competitor.**

**In other words, say what makes you better and/or worth more money.**

Valued Values:

- Competency. List your certifications, qualifications and/or years of experience.
- Trustworthiness or Reliability. List awards, ratings, and/or selected testimonials. You can also win trust by offering a warranty or guaranteeing your work.

**Tip: The absence of contact details, such as an address and land line phone number, may undermine a prospect's perception of your trustworthiness.**

Contractors with local addresses and telephone area codes may be preferred by prospective clients. If you service a wide area it may be in your interest to mention the counties that you serve. If you cover the whole country, you can mention "Nationwide service."

In the absence of other information, a recognised contractor is twice as likely to be selected over an unrecognised contractor, assuming the contractor is not perceived negatively. Assumed trustworthiness is often the payoff for advertising, using signs and being seen about town.

- Value for Money. Value does not necessarily mean cheap. Sure, some prospects want the least expensive service, but many people will gladly pay

more to get more. However, in the absence of clear value-added features prospects will use price to determine which contractor gets the business.

If you use a low price as a key benefit of your service you may attract and win clients by publishing a price list. A strong price list might compare your prices to a competitor's prices. Assuming your competitors will react, you can still solicit calls by stating something like: *"We'll match or beat any competitor's price!"*

- **Fast.** Someone is not going to wait two days to fix a burst pipe or to fix a damaged roof. If speed is often an important feature of your service, you can offer a response time like: *"4 hour rapid response in the Dublin area"* or *"24 hour emergency service."* You may be able to charge extra for immediate or off-hour responses.

## Attracting Business

People can't buy from you if they don't know about you. If they don't already have a preferred contractor, prospective clients will search for one (or two, or three.) Therefore, you need to be:

1. Find-able.
2. Differentiated from all the similar contractors.

Prospective clients find contractors by:

- Seeking recommendations.
- Searching the internet with keywords (e.g. electrician limerick).
- Looking up directories such as a phone book (probably online.)
- Reading advertisements in the paper or online.
- Picking up a business card or flyer left in a shop.
- Noticing a sign or a vehicle with a sign at one of their neighbours.
- Noticing a post on social media (e.g. Facebook.)
- Reading posters on notice boards.

With many competitors, contractors need a quick way to differentiate themselves wherever the prospective client first encounters them. After all, a directory may list 50 contractors, but your prospective client will only contact one, two, or three of them.

You may make it to the critical short list with a value statement. Here are some suggestions:

- Trusted Since 1990
- Master Mechanic
- Guaranteed Service
- 5-Star Rated Service
- Lowest Prices – Guaranteed!
- Exclusive Supplier of ...
- Largest Selection

- Free Delivery
- 4 Hour Rapid Response
- 24 Hour Service
- Free Estimates
- Highest Quality
- Widget Specialists

**Tip:** The best promise is (1) highly valued by clients, (2) unique, and (3) can't be easily copied.

Don't make promises you can't keep. Failing to deliver on a promise will damage your reputation, so it can be worse than not making a promise.

Broad generic promises are often mimicked and may have less value than you think (e.g. "Highest Quality and Lowest Prices.")

## Interacting with Potential Clients

Use your voice mail message:

**"You've reached Pat of Duffy Electrical. Sorry I missed you. Please leave your name, phone number and a short message and I'll call you back."**

**Tip:** Not every caller will leave a message, but that doesn't mean they don't want to talk to you. Savvy contractors will return every call using the caller ID number left on their phone.

**"Hi, this is Pat of Duffy Electrical. I see that you tried to reach me earlier today so I thought I'd call you back to ask how I might help."**

When reached on the telephone: state your name and company name. "Hello" is not good enough.

**"Duffy's electrical. This is Pat."**

Thank the caller for calling you and ask their name. Write it down.

**"Thanks for calling us. Can I get your name please? How do you spell that?"**

Ask how you might help. Get an overview of the project including its location and urgency. Use a form to help ensure you ask all the relevant questions.

Make an appointment if you need to go on site. Get the address, phone number and ask for directions if you need them.

Ask how the caller found out about your services (i.e. What promotion method worked for you this time.)

**"Before you go, can I ask how you found out about my services?"**

Be on time for every appointment. Get directions if you need them. Call ahead if you are running late.

Look like a professional contractor. No one expects a plumber or landscaper to wear a suit. However, those who work outside often wear a bright safety vest and/or hard hat. Those with dirty jobs often wear overalls.

Introduce yourself.

**"I'm Pat Duffy from Duffy Electrical. I'm here about the garage renovation project."**

Always present a business card or a brochure/flyer with the same details on it.

Respect your prospective client's home:

- Put on or take off disposable shoe covers (bring them yourself) when you enter or exit the house.
- Ask before opening a door.
- Complement their sense of style, but don't focus on their valuables like a thief casing the joint. Avoid distractions like playing the joint. Avoid distractions like playing with their dog and kicking the cat.

Ask about the prospective client's:

- Preferred contact details (name spelling, phone, email, post.)
- Must-have items versus the like-to-have items.
- What they are looking for in the ideal contractor.
- Budget for the project.
- Time frame for the project's completion.
- When they plan to select the contractor.
- Who will make the contractor selection decision.
- Which other contractors that are talking to.

Take notes and pictures to help you remember the details of the project. Before you leave, review your notes with the prospective client to make sure you both have the same understanding.

If the project is not for you, say so. Don't tarnish your reputation with a disappearing act.

When you present your price be clear about VAT and any potential up-charges. Also suggest your start date for the project to learn if you can immediately close the deal.

**"I can do a great job adding a fuse box, lights, plugs, and the**

**heater you selected for €1500, including VAT. Would it suit you if I got started at 9am on Monday?"**

Ask for a deposit, especially if you are expected to provide products as well as services. Of course, deposit requirements should be clearly stated in your quotation. Always provide a receipt that says, "Thank You!"

**"Since I'm getting these fittings just for you, can I ask you for the deposit of €500?"**

Always follow up to ask for the business or to find out why you did not win the contract.

**"This is Pat from Duffy Electrical. I gave you a quote for your electrical project and didn't hear back from you. I'd like to earn your business so I'm calling to get your feedback and to answer any questions."**

**"Obviously I'm disappointed that I did not get your business this time and I'd like to improve. Can I ask what made you decide to use my competitor?"**

## Negotiating Value

Some people will want the lowest price no matter what. Fortunately, most people buy what they consider to be the best value for what they can afford. Value takes the service's or product's features into account.

**Tip:** Your reputation is a feature of your service. Guard your reputation!

**Rule:** Don't initiate a negotiation. Offer flexibility only if the prospective client tells you that you are not competitive and/or will lose the business due to price.

There's a difference between not being able to afford something and not willing to pay the asking price. If the prospective client is initiating a negotiation, find out why:

**"Value for money is obviously a concern for you. I can understand that, and I'd like to work with you so can I ask what budget you had in mind for this project?"**

Getting an answer to the budget question allows you to decide if you are willing to negotiate. You have 6 basic options:

1. Decline the business.
2. Hold your ground.
3. Offer less for a lower price.
4. Offer more for the same price.
5. Offer the same for a lower price.
6. Offer more for a lower price.

### 1. Decline the Business

If the prospect's stated budget and your price are so far apart that you cannot make any money by completing the job you might ask:

"A good electrician can't do a quality job at that price, so they may cut some corners. Can I ask if someone has offered to do that, and if so, are they providing you with... [list what you've quoted for, especially if it includes a guarantee]?"

If you cannot match your competitor's price, walk away but leave the door open for future business:

"I'm sorry but I use high quality parts, I take the time to do the job right and if something goes wrong within 90 days, I'll fix it! However, I can't match that price, so I'll have to pass on this project. If the other guy lets you down, give me a call and I'll do my best to work with you."

Tip: Never say "I told you so" if a client makes a poor decision. Your job is to make them feel good about hiring you, not bad about making a mistake.

### 2. Hold Your Ground

Stress your value, hold your price and offer peace of mind:

"Cheaper contractors often use lower quality parts, rush their jobs or won't stand over their work. If something goes wrong, you may pay more in the long run.

I use high quality parts, I'll do the job right and if something goes wrong within 90 days, I'll fix it! You'll have the peace of mind knowing that you selected the

best. I can start on Monday at 9 am. Would that work for you?"

### 3. Offer Less for a Lower Price

Many people do not have strong opinions on the parts used, especially if they believe they are good quality and can't see them. Use that knowledge to lower your costs so you can lower the price.

"The price is largely based on the items you've selected. Would you be willing to look at some alternative items with similar quality that cost less?"

### 4. Offer More for the Same Price

Offering more for the same price can diminish your profit, but you may be able to limit your loss by:

- Adding something that costs you almost nothing. For example, you might increase your warranty from 90 days to 6 months. This tactic is especially feasible if a low percentage of clients experience problems or you are doing work that is highly unlikely to fail.
- Capitalising on the difference between the wholesale price you pay and the retail price that the client expects. For example, let's assume there are two furnace models that would suit the project and you originally quote for the lower-end furnace (the X200 for €250) but now offer an upgrade (to the X300) for the same price:

Furnace Model	Wholesale (Your Cost)	Retail (Client Cost)	Extra Value to Client
X200	€200	€250	€0
X300	€300	€375	€125

In this scenario, the clients get an extra value of €125 from the upgraded furnace, but it does not cost you €125. You are delivering €125 in value at a cost of €100.

### 5. Offer the same for a lower price

Sometimes you just have to lower your price to win the business, but you can still ask for something valuable to you.

"If I match that lower price, can I start on Monday?"

"If I do a great job will you write a recommendation on my Facebook page?"

Tip: If you give something away, ask for something in return such as a good online review or a recommendation.

## 6. Offer more for a lower price

Offering more for a lower price is the least desirable option, especially if you know that your pricing is competitive. However, you may win the business with a token offer.

*"I'm a good electrician who'll do a great job without cutting corners so it's difficult for me to charge the same as lower quality electricians. However, if you tell me I can start on Monday, I'll match that price and extend your warranty from 90 days to 6 months."*

## Preparing a Winning Quotation

**Rule: Understand what the prospective client wants to achieve and promise to deliver that. For example, a person who asks for land seeding probably wants to achieve a lawn. Deliver the lawn, not just seed.**

All but the simplest, low cost, jobs usually require a written quotation or cost estimate. Prospective clients want them.

Written quotations also help the contractor avoid misunderstandings about:

- The price
- VAT or other taxes,
- What is or is not included
- Terms and conditions

Savvy contractors will also use the quotation document as a contract for the job. All the prospective client must do is sign it to get the job started.

**Tips:** When you list a feature of a product or service, also articulate its benefit to the client. For example:

*"We label every fuse, so you can quickly find every circuit."*

*"We use 25 mm pipe where most plumbers use 16 mm pipe. This means your pipes will be less vulnerable to clogging due to lime build-up."*

SOA (spell out acronyms.)

Include a quotation expiry date. This date puts some pressure on the prospective client to decide and protects you from being locked into terms over an extended period of time. Remember, costs change.

Always budget for the clean up after the job. Tell prospective clients you'll clean up and remove any waste from their property. You might remind them that some contractors will leave a mess behind for the client to clean up.

Finishing touches to a professional quotation:

- Add a Table of Contents
- Add a Bibliography
- Add a cover page

## On the Job

Always respect your clients and their property so put on disposable shoe covers when you enter their house, ask before opening a door, and don't kick their cat.

**Rule: Clean up and NEVER EVER leave a mess behind. A clean work site may be taken for granted, but a mess will not be forgotten or forgiven.**

Get feedback so you can improve. You might give the client a brief survey form or refer them to an online survey. Or, simply ask if the client is happy with the completed work.

- If they are not happy, fix it.
- If they are happy, ask if they'd be a reference for you and to post a nice online review.

## Thoughts on Marketing Tools

There are thousands of marketing tools such as web sites, brochures, give-aways, social media, adverts, posters, etc. Almost all have some value to someone, but they are not always valuable to small businesses or contractors.

**Rule: An effective marketing tool (1) attracts prospective clients, (2) is cost effective and (3) is affordable.**

## Advertising

The fact that some advertising costs money should not deter you from using it if it is effective.

There are all sorts of places to advertise including:

- DoneDeal (fee based online adverts.)
- Craigslist (free online adverts, but not widely used in Europe.)
- Email (free to your own list, but needs to be done properly to avoid SPAM complaints.)
- Newspaper classifieds (fee based.)
- Directories (e.g. Golden Pages.)
- A post on your Facebook page (free, but you need prospects to "follow" your page to have a useful audience.)
- Notices on notice boards (usually free, except for printing costs.)
- Business cards in local stores (usually free, except for printing costs and a card holder.)
- Stickers on items you supply (free, except for printing costs.) Keep them tasteful and useful.

Tip: When you create a notice, use the bottom of the page for tear-off tabs that contain your contact information. Just cut the vertical lines with a scissors.

This format allows interested people to take your contact information without removing the notice. You can also see how many tabs were removed.



A poster or a notice is improved by having tear-off tabs with your contact information.

Extra Tip: Add a QR Code to your poster that directs interested people with a smart phone to your web site.

<https://createqrcode.appspot.com/>

### Special Offers

Special offers can include discounts, extended warranties, upgraded parts, free gifts, etc. They are useful:

- As a reason to reach out to prospective customers (e.g. by email.)
- To boost off-season business.

Tip: Gift items are most effective if they stay visible to the prospect (e.g. sticker) and are relevant to the service you offer (e.g. a tyre pressure gauge key ring for a tyre service business.)

### Electronics

Many small contractors use a smart phone and paper (e.g. a book of triplicate forms for writing quotes, contracts and invoices.) However, it's easier to type emails, quotes, etc. using a proper keyboard and a computer. You can also manage your accounts, advertising and competitive research on a computer. If you are buying a computer, don't forget a printer and broadband internet service.



When it comes to email, it's best if you use your own business email address. However, it's not uncommon for small contractors to use public email services such as Gmail.

**Rule: Check your spelling and grammar before sending a message.**

sage. **“U is not an acceptable replacement for “You” and “4” is not an acceptable replacement for “for.”**

### Naming Your Business

It's common practice in some countries to use a family name as a business name. That works well when the family name has a great reputation and that goodwill transfers to the business.

There are benefits to a business name that is not the family name. They include:

- Trademark protection for the name.
- Easier to acquire the related web domain.
- Easier to sell the business if the goodwill is not tied to an individual.

Tip: When choosing a business name do your best to achieve all or most of these qualities:

- Early in the alphabet (A's get listed before O's in directories and a prospective client will only call 2 to 5 contractors.)
- Short. Use as few characters as practical.
- Available website domain name.
- Unique enough to trademark the word, not just the logo.
- Includes your business type (e.g. Acme Electrical Services.)

### Web Sites

Web sites are valuable because they help you sell 24 hours a day, 7 days a week. They are a way for prospective clients to find you when they are looking for a service like yours.

Sometimes a Facebook page or a Wordpress blog can work an alternative to maintaining a dedicated web site. They can be easier to edit.

Tip: Own the dot-ie and preferably the dot-com domain. Consider acquiring similar high-level domains to keep them off the market.

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