



# NAHB Building Business Briefs

A Service of the Business Management & Information Technology Committee

## Profiting from Home Parades

Home parades and tours can produce the best bang for contractors' marketing bucks. The events guarantee lots of traffic and leads, a foot in the door in new neighborhoods, and the opportunity to showcase top-notch work. All this, and your local home builders association does the advertising. What's not to like?

"It gives smaller contractors exposure they can't buy on their own," says remodeler Mike Harris, president of Harris Group Construction in Dearborn Heights, Mich. Some larger events draw thousands of visitors to hundreds of homes over a few weekends.

Home tour participation sometimes yields immediate sales, but the big payoff comes from cultivating a future client base. People tour your houses, seek out your entries in the next parade, and remember you when they're finally ready to build or remodel. Even smaller events are good venues for "institutional marketing," as Barry Rutenberg, president of Rutenberg Homes in Gainesville, Fla., puts it.

You'll get the best results by planning ahead. Here are some pointers on parades and tours from seasoned pros:

- **Set goals.** What do you want to get out of the parade? "Some people just jump in and don't think about it. Consider what aspects of your company you want to promote," advises Nancy Mostad, co-owner of Mostad Construction in Missoula, Mont., who started home parades in her area 13 years ago.
- **Choose entries carefully.** Pick neighborhoods where you want to work and homes the market will buy. "We usually do one new house and one from an existing plan," says Rutenberg. If you can't afford several entries at once, think year to year: Show off a starter home one year, a move-up home the next, etc.
- **Budget for expenses.** Besides entry fees (a couple hundred to a couple thousand dollars per home), parade costs may include cleaning, a decorator's fee, merchandising, marketing materials, security devices, signage, and extra insurance. Check with your association about coverage requirements.
- **Work with your association.** Most associations' parade committees offer training seminars for contractors. Attend them, and bring your employees along too.

Stay on the schedule your association sets. "There are so many deadlines, including naming your house, finishing it, and providing information for the catalog," Mostad says.

Entry fees often include substantial deposits that associations keep if builders blow deadlines. And those entry fees could double if you enter after a certain time.

- **Get homeowners on board.** Make a list of existing homes you'd like to show. Then ask homeowners how they feel about having the public troop through. Doug Nelson, CEO of New Spaces, a Burnsville, Minn., design/build remodeling company, recommends starting the conversation early--at least a year before the parade or tour.

If they're social types and are eager to participate, ask homeowners to talk up their project during the event. If they're concerned about privacy, offer them a weekend getaway package at a nice hotel.

- **Decorate unoccupied homes.** "We've learned over the years that merchandizing helps tremendously," says Dave Baron, president of Baron Custom Homes in Cary, N.C. "People can 'see' themselves in your house."

For models, use a good merchandizing company that understands your market. Alternatively, see if a local furniture store or interior designer will let you borrow furnishings in exchange for some PR in your marketing materials.

- **Protect homes.** With so many people going through your homes, "assume you're going to have some damage or theft," says Rutenberg. But you can cut down on it by having employees circulate through rooms regularly.

Provide safe deposit boxes for homeowners' valuables and install locks on passage doors to keep visitors out of private areas. Ask homeowners what's irreplaceable; "I always have them put away everything they're emotionally attached to," Mostad says.

Supply protective booties and put seating near the door. For memorable giveaways, New Spaces prints its logo on canvas shoe bags that people carry along tours.

- **Provide information.** Prepare an information sheet that lists product brands and colors and contact information for everyone who worked on the house. Hand the sheets out to prospects, and "you are perceived as being very detail-oriented," says Mostad. If someone wants to know what that terrific tile is called or who did the floors, you've got all the information in one place.

For a remodeled home tour, enlarge "before" photos and mount them on an easel where you did the work. "Otherwise, people don't know what you've done with the house," says Nelson.

- **Connect with prospects.** Some builders put Realtors in their parade homes to register prospects and answer questions, but you'll connect better with potential clients if you're on site to provide information and represent your company. That goes a long way toward converting leads to sales when salespeople or designers follow up with prospects after the event.

- **Put a person in every room.** Bring in your entire staff. This helps address security issues and gives prospects more “faces” to associate with your company. Station someone in the entryway to greet visitors and have them enter contact information in the guest book.

Involve the rest of your project team, too. Nelson asks each of his trades and suppliers to donate \$100 toward his tour home. He mentions them in his marketing materials, gives them signage in the house, and lets them put spokespeople on site to describe their services or products. The partnership pays for the entry fee.

*Read [Making the Sale: Getting Great Clients to Choose You](#) for more tips on wowing prospects. The book costs \$39.95 for members and \$49.95 for non-members. Call 800-223-2665 or go to [BuilderBooks.com](http://BuilderBooks.com) to order it online.*

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