



Jefferson County Home Builders Association's Building Community Newsletter

February 2005
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Word-of-mouth is a useful marketing tool

Word-of-mouth is the center of the marketing universe. Research has found word-of-mouth marketing to be a major influence on consumer behavior, even more important than advertising or the personal sales pitch. In fact, advice from other consumers has a greater influence than the effects of all intentional marketing combined.

When Promotion Marketing Association asked consumers about the top influencers of their purchase decisions: 48.5 percent said word-of-mouth; 27 percent said advertising. A PlanetFeedback poll showed 61 percent of consumers trusted word-of-mouth, 47 trusted percent print ads, 42 percent TV ads, and only 21 percent trusted direct mail.

Word-of-mouth is cheap, highly infectious and very effective. It's much easier to sell a prospect who's been referred to you. After all, he's halfway sold before he even walks in your door.

Referrals tend to generate better quality customers in terms of profitability and loyalty, than those attracted by a low-price promotion. Studies have shown that 90 percent of advertising isn't credible, but 90 percent of word-of-mouth can be trusted.

The success of word-of-mouth marketing depends on quality customer service and quality product, consistently. Rarely is there one little thing you've done that creates excitement. It's usually the result of repeatedly outperforming your competition. That might not necessarily mean cheaper and faster, but it does mean delivering what you promise and repeatedly exceeding your

customers' expectations.

When your customers have a good experience, they'll tell three friends. When it's a bad experience, they'll tell 11 people.

That's why it's important to welcome customer complaints—and make that point obvious. The vast majority of dissatisfied customers won't voice complaints to those with authority; they'll just take their business elsewhere and let all of their friends know why.

Word-of-mouth can "just happen," but it's smart business to give it a boost.

Make sure your customers all realize how important referrals are to the success of your business—and how much you appreciate them. Do this tactfully. When a client tells you what a great job you did, thank him sincerely, and then tell him how much of your business comes from client referrals.

Your existing customers are gold. (Well, most of them are.) It will cost you six times more in marketing dollars to attract a new customer than to do more business with your existing client. Don't let your customers forget about

you. A Christmas card, or a reminder for an oil change/teeth cleaning/kitty shots, is a great way to keep in touch. A phone call, just to see how they're doing, is even better.

Collect testimonials from your customers. Use them in your brochure and mailings, and on your Web site. One of the most effective print advertising campaigns I ever suggested was to use customer testimonials in ads.

Satisfied customers tell all their friends about your great product and service.

Mr. Satisfied

If a customer has a great experience, he'll tell at least three friends. When they have a great experience, they'll tell a few friends. . .and so on, and so on. That principle is the basis of word-of-mouth marketing.

The long-running campaign has generated lots of positive buzz. People love to see their friends' faces in ads—and they trust the message.

Make sure your cheerleaders are knowledgeable about your business. If mom, sis, and the neighbor are clueless

JCHBA party was a blast!



Building Industry Association of Washington President Lyle Fox installed the 2005 JCHBA board of directors at our Jan. 22 party. From left, Bill Irwin, Rick Tollefson, Fred Kimball, Lyle Fox, Jim Groves, Marianne Moe and Rick Gore.

If you weren't at the Jan. 22 installation party, you truly missed a fun time. Nearly 80 people gathered in Port Ludlow's Beach Club to enjoy food, drink, live music and a chance to visit with old friends—and make new acquaintances.

After the installation of officers by 2005 BIAW President Lyle Fox, and our awards presentation, guests enjoyed the music of Captain Fever—and danced the night away.

“Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has.”

—Margaret Mead



Talk to Olympia

BIAW President Lyle Fox and JCHBA President Marianne Moe, pictured on the left, invite all of you to meet with your legislators at the reception in Olympia on March 8. The BIAW-hosted event provides the perfect venue to share your industry-related concerns with those who create Washington State policies and laws.

Member drive is still on

The JCHBA has an anonymous benefactor. We have been offered a **\$500 prize** for attracting 20 new members between Nov. 15, 2004 and May 1, 2005.

The \$500 can easily be yours. Be the first one to have six new members

to your credit, by the time we reach the 20 new member mark—and the \$500 goes in your pocket.

If you need help, give Sandy a call at 379.8784. Recruitment materials are available at the office, or they can be e-mailed or snail mailed to you.

The small print: Credit given for new members only. Full payment must accompany application. Applicant must be approved by JCHBA board of directors. Applications are in the JCHBA office, at www.jeffcohomebuilders.com, hanging on the JCHBA office door, or call 379.8784. Whoever actually “closes the sale” gets the credit towards the \$500. First one to tally six new members, after we hit 20 new members, walks off with \$500! Deadline May 1, 2005.

Thank you, sponsors...

Because of the generous donations from the following businesses, food, drink, live music and gifts were freely offered at the Jan. 22 installation party.

Please thank them, the next time you do business with:

- First Federal Savings & Loan Assn.
- Carl's Building Supply
- Cotton Redi-Mix
- Evergreen Lumber
- Hadlock Building Supply
- Harold Moe Construction
- Homer Smith Insurance
- Inn at Ludlow Bay
- Kitsap Garage Door
- MarinerBank
- Mountain Propane
- Shine Quarry
- Shold Excavating
- Tollefson Builders



Mutual Admiration Society members, President Marianne Moe and Executive Officer Sandy Hershelman, each surprised the other with an appreciation award from the JCHBA.

Word-of-mouth

◆ Continued from page 1
about what you do, they really aren't helping the cause. Give them a script, if necessary.

Without employee support, your word-of-mouth campaign will fail. Train your employees not to bad-mouth your company, or the competition. Instead encourage them to spread (true!) stories of outstanding customer service. Educate them and reward them.

An aside: Make sure your employees are properly trained before allowing them on the front line. They are your business' first impression. If they look incompetent, the customers may go elsewhere—and tell their friends they left because you employ idiots.

Depending on which marketing book you read, offering cash for referrals is praised or slapped down. The fear is that it feels to many like they're selling their friends' names. Instead of money, offer a special thank you gift, free consultation, or a discount on future services or purchases.

Networking is key to successful word-of-mouth marketing. A person is going to refer someone they know and trust. After all, a referral is a reflection on the referrer, as well. If the person he or she sent your way has an awful experience, the referrer also looks bad.

Promote your name and business by becoming known as a source of knowledge. Offer yourself as a speaker at a seminar, or at the local chamber of commerce meeting. Write articles or informative ads for local publications. Present relevant information your audience can really use, not a thinly veiled commercial.

Free samples can work wonders to attract attention. Better yet, have an event. Brainstorm with your staff about something fun that will attract potential customers. A drawing for prizes, free classes for the public, a fundraiser for a worthy cause—each has its marketing potential.

Members of the Year. . . Fred Kimball & Jim Groves

The Jefferson County Home Builders Association recognized its own at a surprise awards ceremony, during the Jan. 22 party in Port Ludlow. Fred Kimball was named 2004 Builder of the Year, and Jim Groves was honored as 2004 Associate of the Year. Best of all, neither man saw it coming.

Fred is the owner of Kimball Woodworks and a partner in Kimball & Landis, LLC, the creators of The Neighborhood of Umatilla Hill.

Since 2000, Fred has been co-teaching the JCHBA Residential Carpentry Class, operated through Peninsula College. Fred is on the Habitat for Humanity board, and many of the carpentry classes have worked on Habitat homes.

Recently installed for his second term on the JCHBA board, Fred offers a level head, congenial nature, and an ability to analyze an issue. He was instrumental in creating BuiltGreen® within Jefferson County and bringing it to the door of the JCHBA.

Associate of the Year Jim Groves is the owner of Groves & Co., Inc. He has been providing doors and windows to the tri-county area since 1981.

In 1983, Jim was one of the charter members of the JCHBA. For the past nine years, Jim has been the chief organizer of the JCHBA's annual golf tournament, which is our major fund-raiser.

Jim, too, is back on the JCHBA board for another term. He's always there when we need him and can be counted on for sound, and ethical, advice.



Fred Kimball
Builder of the Year



Jim Groves
Associate of the Year



Remember though, word-of-mouth is just one piece of the advertising puzzle. Few of us can afford to rely on it entirely. And, it often takes a really long time to reach its peak. Word-of-mouth campaigns can have the shelf life of a Twinkie. The positive comments will still be spreading, decades after the first happy customer said, "What a great company!"

Every business generates word-of-mouth, be it good or bad. It's your job to make sure it's good!

Apex offers public record

Apex Credit Bureau has generously offered to allow the JCHBA to share our digital copy of its Public Record Bulletin with our members.

The monthly publication provides a wealth of info, including liens, deeds of trust, quit claim deeds, district and superior court filings and judgements, marriages, divorces and bankruptcies.

If you'd like to receive a copy digitally, e-mail jchba@olympus.net. It's another JCHBA membership benefit.

JCHBA Officers

President: Marianne Moe, CAPS
437.2740

Vice President: Rick Tollefson
732.4080

Secretary: Dan Dankert
732.4976

Treasurer: Rick Gore
385.6883

Board Members:

Jim Groves

Kevin Miller Bill Irwin

Fred Kimball

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Spotlight on PT building departments

Speaker for the evening is

Geoff Masci,

Port Townsend city councilman

Port Townsend is known for its rowdy history and charming Victorian "painted ladies," such as the Ann Starrett Mansion (1899).

The city has also earned a reputation as an extremely frustrating place to build a residential or commercial building.

Will the new changes within the building department really make a difference?



Please RSVP

(yes or no)

by Feb. 19.

379-8784

Dinner selection: Prime rib

or honey dijon chicken

\$17

6:30 p.m.

Thursday, Feb. 24

Highway 21 Roadhouse

Reservations made, but not cancelled by Feb. 22, will be invoiced.