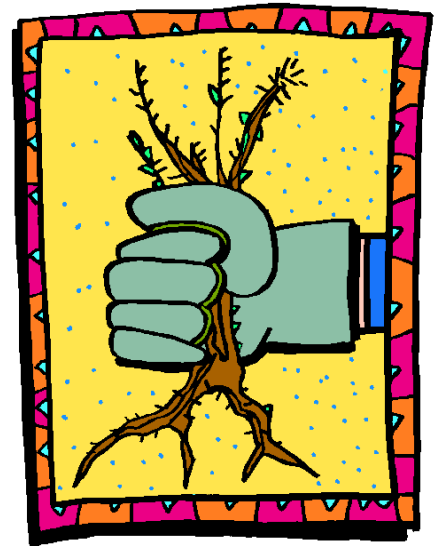


"Pulling Weeds"

Referral Networks Banned

~ Part 2

(January 11, 2008)



Last year, we sent a fax/email about our decision to eliminate *referral networks / services / lists / orgs* from The Home ShowS. We did this to protect our exhibitors against non-exhibitors who belong to these *referral networks*. The first response we received was negative.

"Hello John,

"I received your fax today and I am disappointed to hear you have barred the referral services from your home shows.

"I, as a contractor, am not the type of person who can spend long days standing around talking to the public and I depend on the service to do the job for me. The customers I have received from ... homes shows have been very pleased with the way everything worked out for them.

"They have also told me how they depend on this system when doing future projects."

- - JT (Name withheld to protect the guilty.)

What's significant about this? It came from a contractor who **NEVER** exhibited in **ANY** shows. However, JT likes the leads the *referral network* collected from our shows and passed on to him:

"The customers I have received from ... homes shows (referral network leads) have been very pleased..."

But, JT doesn't want to work for leads:

"I, as a contractor, am not the type of person who can spend long days standing around talking to the public..."

I wonder, is the "public" he doesn't like "standing around talking to" the same public he's selling? And yet he relies upon the *referral service* to exhibit and feed him leads:

"I depend on the referral service to do the job for me."

These *non-exhibitors*, belonging to *referral networks*, refuse to exhibit. They reject the very home shows from which they derive their livelihood.

Is that ignorance, apathy or arrogance? I say it's genius, as long as the *Other Guys* (other producers) allow referral businesses in their shows to sell leads to guys like JT.

Selling Leads is Growing Like Weeds

Referral businesses depend upon home shows. They sell show leads to *non-exhibitors* – the very same leads YOU paid to generate and YOU'RE calling upon to set appointments and, hopefully, sell jobs. They're competing with you on your dime. Regular exhibitors refer to them as "parasites."

There's one referral network that sends emails to homeowners promoting upcoming shows in which they exhibit. And why not?! They benefit directly by promoting the "network" – *at the expense of all show exhibitors*.

And, *referral businesses* are growing like weeds – eight or more to our count. At a St. Charles show, four or more *referral businesses* exhibited: *Home Improvement Network; Angie's List; Home Builders Assn. of Fox Valley; NARI - Natl. Assn. of the Remodeling Indy.; and, others* (posted on the web, Oct 8, 2007). Each organization, in one way or another, points business toward *members / clients*.

When we at The Home ShowS barred *referral businesses* from exhibiting last year (May 2007), one *referral network* simply shifted their budget to the *Other Guys*, reserving larger, front row booths in every show with a banner that said, “The Home Improvement Show Starts Here!” ----- Wow!

Lost Business ~ FOREVER

Another issue that should be addressed is the *referral network / service / list / org* pitch to consumers. The terms they use are “quality,” “qualified,” “reliable,” and “pre-screened.” At shows, they claim to be “better than the rest” of the exhibitors in the hall. Exhibitors repeatedly complain about *referral networks* ‘bad-mouthing’ them.

Based upon what authority? Who’s watching the ‘watch-dog’? Selling “credibility” is just another ploy.

When a *referral network* gets a lead, they work it to death. Sometimes, they sell the same lead to 6 or more contractors. That creates “PRICE ONLY” competition. Some *members / clients* of the *referral networks* eventually realize this and drop out. Even they see the fallacy of becoming ‘bidder number X.’

And after they convert a lead to a customer, did ya think the *referral networks* let go? No. As *JT* states, “(T)hey (consumers) *depend on this system* (referral network) *when doing future projects.*” Each customer becomes “money in the bank.” In the age-old vernacular of *tin men*, these customers become a target on a “mooch list.”

Sidebar: Read between the lines

Why do *referral networks* always exhibit in home shows? – and seldom advertise by direct mail, newspapers, radio, or TV? Because home shows work better than anything else.

Are you missing how important show marketing is? Read *between* the lines and you’ll understand shows are effective – the ‘best bang for the buck’ in advertising. Where else can you meet thousands of potential customers?! Not even a *referral service* can provide the customers The Home Show produces at a single expo.

The “fine print” don’t taketh away

If you’ve ever heard, “The large print giveth, and the small print taketh away” well, ours doesn’t. Every *Exhibitor Agreement* supports our commitment in writing:

“Referral networks are not permitted to exhibit in the Show.”

Stewardship

Our job is to manage this “cooperative advertising event” for YOU – and not allow competition from outsiders. The goal: produce successful home shows so our exhibitors are successful – NOT allow *referral networks* as ‘middle-men’ to sell show leads to *non-participants*. We call it “stewardship” – representing you effectively and ethically.

We’ve produced The Home ShowS since 1986. If we fail to protect exhibitors **now**, in an economic downturn, we won’t be around for the next 23+ years, and neither will you.

Here’s a couple of questions you have to ask yourself:

- 1) Why haven’t other producers barred *referral networks* in their contracts?
- 2) Who should YOU exhibit with?

**The Home ShowS
... where referral networks CAN’T exhibit.**

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... separating the chaff from the wheat