

Got Marketing?

Being better than the next guy does not mean much unless you have a way to spread the word. Learn how other electronic security contractors have developed creative residential marketing schemes, tapped into vertical opportunities and forged key partnerships to become some of the industry's biggest success stories.

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AT A GLANCE

- A strong marketing plan requires developing and executing a campaign that is deliberate, organized and well constructed
- Creativity can be a company's "ace in the hole" — think of unconventional devices, partnerships
- Best opportunities for new business may reside in vertical markets
- Targeting homebuilders and buyers can lead to lucrative, long-term relationships
- All marketing initiatives must be tracked and measured for efficiency and cost-effectiveness

"The harder you work, the harder it is to fail!"
—Vince Lombardi.

Marketing is one of the most important weapons you have in your toolbox. It adds strength to your overall business model. A well-defined plan helps you target your marketing campaign and streamline

your message. Success follows a good marketing plan. Hard work and preparation precedes it all.

With the plethora of marketing opportunities available, it's critical to understand the most cost-effective means of channeling valuable resources. An endless list of marketing opportunities is available (advertising, yellow pages, door hangers, etc.),



planned, executed and evaluated their own campaigns.

Be Creative! Your Best Marketing Move May Be Inside Your Head

Ackerman Security Systems in Atlanta knows you have to spend money to make money. The company starts with a five-year budgeting process, which includes figuring projected sales. Ackerman then backs into that number to determine its marketing dollars available. Typically, the firm's marketing budgets are a specific percentage of expected annual sales.

Once Ackerman's budget is determined, it engages in the following three projects:

Project 1: Analyze the success of previous promotional events.

Project 2: Evaluate the validity of previous ideas collected throughout the year.

Project 3: Brainstorm new marketing ideas that can be implemented and fall within budgeted parameters (see "9 Steps" sidebar on page 38).

Jim Callahan, vice president of marketing for Ackerman, says "Based on our planning protocol, our team has designed and executed numerous creative marketing campaigns that ended very successfully. One such program included a partnership with several local insurance companies. We designed a letter [template], which informed homeowners about the various security options we offered. Insurance agents could personalize it by using their own stationery."

Each insurance company sent one mailing each month, which consisted of 300-400 homeowners per mailing. The letter instructed the homeowner to call Ackerman directly, and Ackerman funded the cost of the postage.

Continues Callahan, "This program benefited both Ackerman and insurance agents alike. As the rewards pertained to the insurance companies, it enabled them to get in front of homeowners without looking like they were making a sales call. Furthermore, expensive claims were reduced once preventative solutions were put into

place, such as moisture detection sensors, CO detection sensors and alarm monitoring."

Ackerman benefited from this program by having its name promoted and endorsed by reputable companies located in the community. It introduced Ackerman to homeowners who otherwise might not have responded to sales calls or traditional marketing campaigns.

This innovative program rewarded Ackerman with a 5-percent response rate, and a closing rate of 60 to 70 percent. Callahan adds, "We know most homeowners are more likely to open mail sent from their current service provider. This was one of the factors we took into consideration when developing the program, and why we paid for the postage."

Get Established in Key Niches by Targeting Hot Vertical Markets

Creative plans are derived when the target market is clearly identifiable and reachable. A "catch-all, catch-can" approach usually ends up in a lot of wasted money. It is important to select the market(s) you wish to reach.

According to Cheryl Perez, director of marketing for Alarm Detection Systems (ADS) in Aurora, Ill., "We target vertical markets, such as schools or new developments. Our message is



The challenge in marketing is to be in front of homeowners without looking like you're on a sales call.

but the real challenge is the ability to develop and execute a campaign that is deliberate, organized and well constructed.

Several security dealers serving the residential sector have risen above the ranks by successfully creating and implementing cost-effective marketing programs. Read on to discover their secrets as these dealers share how they have precisely

10 Ways Manufacturers Can Boost Your Marketing Efforts

Unknown to many dealers and integrators, there is no lack of marketing dollars available to help businesses grow. This comes in the form of market development funds (MDF), which significantly stretch your marketing budget.

The following activities are typically supported through MDF programs:

1. Co-op dollars for advertising, direct marketing, etc.
2. Reduced pricing and/or extended terms for demo products
3. Trade-show assistance
4. Special pricing for model homes
5. Training
6. Discounts to promote new products
7. Literature or images for literature
8. Incentives for the dealer's sales force
9. Merchandise displays (point of sales)
10. Interest-free purchasing



very focused and straightforward. We have a direct marketing campaign, which is very pointed.”

One such vertical market that ADS targeted was Del Web, a retirement community located in Illinois. The demographics of homeowners were active retired people over 55.

Says Perez, “Our message illustrated how senior citizens could become vulnerable to crime or natural destruction when going without the proper protec-

tion. Furthermore, we knew seniors might often need reassurance that a service provider is a reputable company. Armed with that knowledge, we reached out to them repeatedly by carefully crafting similar literature that let them know we care. Our campaign consisted of direct mail, the yellow pages and door-hangers.”

Most of ADS' planning is done in-house. Senior management — which consists of marketing, sales and cus-

tomers service — gets involved with the project. Then it's up to the marketing director to assemble all of the ideas into an organized plan. The marketing director then executes it.

From time to time, ADS will seek outside help for new and creative ideas. For example, the company utilizes a list service to get names and addresses of local residents. ADS defines the parameters of its target market and submits it to the agency.

Direct Labors Toward New Homebuilders and Buyers

Another vertical segment that is very lucrative is the new construction market. By developing relationships with builders, you'll not only secure ongoing revenue streams but also find an endless sea of potential homeowners to whom you can offer your services.

Irvine, Calif.-headquartered Greater Alarm specializes in the new construction market. The contractor is skilled at promoting both safety and lifestyle. For example, homeowners often want to see who's at the front door before

9 Steps for Creating a Successful Marketing Plan

Every marketing campaign should begin with a clear-cut strategy. Key elements should include the following:

1. Identify the services that you offer
2. Define the message you want to deliver
3. Determine your target market(s)
4. Create a sales forecast
5. Develop marketing budgets
6. Identify overall marketing strategy(s) (the big picture)
7. Identify detailed execution, for example:

- a. Advertising
- b. Direct mail
- c. Public relations
- d. Literature
- e. Door-hangers
- f. Web site

8. Create a tracking system
9. Develop a monthly calendar of activities



When homebuyers are in the process of buying a home, there is a golden opportunity to also inform them of security and other electrical system options. Having a marketing relationship with both homeowner and homebuilder will help get your sales pitch in.



Creating visual and exciting marketing materials can go a long way toward bringing more leads and sales to a company.

opening it. Greater Alarm educates homebuyers on available surveillance systems options that can allow home-

owners to watch modulated video from their front door camera on any TV in the house.

According to Dianne Christie, director of sales for Greater Alarm, "We tailor the services we offer to the demographics of the site. For example, in locations where homes boast 7,000 square feet, we offer homeowners intercom systems to enable them to easily communicate with other family members without having to roam the house."

As with any marketing budget, the annual expenditure is typically based on either the expected percentage of sales, or last year's actual sales. According to Christie, "Our marketing budget is more liberal for sites where we expect higher revenue. Generally speaking, our marketing budget is 10 percent of expected revenue. Our sales force works in conjunction with our marketing team by participating in the budgeting process. Each individual representative is then given a specific quota they're required to meet."

Greater Alarm's marketing strategy includes targeting both the builder and homeowner. With respect to the

Why Your Marketing Program Should Include the SAMMYs

As if generating lots of new business was not enough of an incentive, creative and effective marketing efforts can also bring a SAMMY (Sales and Marketing) Award. Now in its 10th year, *Security Sales & Integration's* annual SAMMY Awards recognize the industry's leading sales/marketing materials and integrated installations.

In addition to the thrill of winning and receiving beautiful trophies at a high-profile ceremony on the eve of ISC West Las Vegas, triumphant entrants are extensively profiled in SSI. Participants have found the program not only boosts company morale but also acts as a powerful marketing tool in its own right. Winners can impress customers and prospects by showing off their award and coverage in the industry's leading trade publication.

"We were honored to receive *Security Sales & Integration's* SAMMY award, which has been an affirmation of success, both inside and outside the company," says Guardian Protection Services (Pittsburgh) Director of Marketing Mary Lynn Moriarity. "We are proud of the enhanced company image it has afforded us within the industry. Additionally, the award adds credibility to our company as we can continue to show potential clients that we are recognized for our expertise. Last, but not least, the award has contributed to the moral of our hardworking employees."

By showcasing the brightest marketing concepts, the SAMMYs also raise the competency of the entire industry as other security companies learn from their peers. This is particularly true for those who



attend the awards event itself, where hundreds of dealers, integrators, manufacturers and other industry professionals mingle and network.

"Whether it's installation expertise or a new creative way to meet the needs of our customers, we have a certain amount of pride in these accomplishments — and the SAMMYs are an extension of that feeling," adds Greater Alarm (Irvine, Calif.) Marketing Director Don Meadows. "We also can see what other companies are doing in delivering their marketing messages. Being a finalist, and in some cases, a winner, lets us know our marketing efforts are moving in the right direction."

Interested North American dealers and integrators can select from among 10 sales and marketing and two installation categories. There is no cost to enter, but the cost of not entering is high, as a golden opportunity may be lost. Act immediately as the deadline is Nov. 30. For more information on the SAMMYs, visit www.securitysales.com.

builder, the firm assembles security upgrade packages, which are featured in its options center. Greater Alarm also trains sales agents in the options center on how to present packages to homeowners. The sales agents are taught "tricks of the trade," such as how to include security features in their homeowner's mortgage.

Greater Alarm further supports sales at the options center by incorporating its security packages into the builder's Web site, enabling homeowners to select their options via the Web. The Web site is designed to access a particular floor plan so homeowners can easily identify their needs, e.g., identify where the motion sensors need to be installed. Homeowners can also access the Web site from home or in their office.

Greater Alarm holds open houses each time a new phase closes. An appointment is set at the company's office where together they can plot what security solutions the homeowner will next have installed. Greater Alarm also meets with the homeowner in the model home for a visual walkthrough.

In the event a homeowner moves in without purchasing the security option, Greater Alarm implements traditional marketing techniques such as direct mail, door-hangers, word-of-mouth and sales calls.

A number of other companies have successfully penetrated the production market, such as Eagle Sentry, based in Las Vegas. According to Greg Simmons,



Knowing the homeowners and fulfilling their individual needs can be an important part of marketing.

vice president and co-owner, "We take a unique approach to working with builders. We implement a multifaceted strategy that starts with a security system in the model homes. We place signage around the perimeter of the lot, which not only provides protection for

the builder's property but also informs homebuyers to include security in their options package.

Often, the sale will close at the options center. However, in many cases, the services are added post-closing. Continues Simmons, "We prewire each home and put a sticker with our phone number on the termination location, which further reminds the homeowner their house has been prewired for security. We then communicate with buyers through direct mail, which tells them about all our services such as monitoring, CO detection and access control."

'Gut Instinct' Only Goes So Far; Analyze Your Marketing Strategies

Most successful campaigns start with a clear vision of desired goals. It is important to diagnose how well your current plan is working so you can modify existing solutions to get the results you need.

According to Mary Lynn Moriarity, director of marketing for Guardian Protection Services of Pittsburgh, "After

12 Services to Up-sell Residential Customers

(In no particular order)

1. Alarm screens
2. Central station monitoring
3. Remote surveillance
4. Front door surveillance
5. Whole-house video
6. CO detectors
7. Water sensors
8. Intercom
9. Whole-house video
10. Whole-house control
11. Home networking
12. HVAC



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we implement our marketing strategy, we follow through with the proper due diligence...evaluating it. We've built our business by quickly and accurately finding the match-ups and misalignments between what our company expects in revenue and the approach to getting it."

Guardian Protection Services utilizes a computerized coding system to track the origin of leads. Different phone numbers and Web links are used for all promotional pieces. For instance, an advertising campaign might direct a potential customer to call a specific phone number. Of course, many consumers will go to the company's Web site first before calling. To account for this, Guardian modifies each campaign so those potential customers are referred to a unique link. The number of hits to a particular link is automatically calculated.

When phone calls come into the company's main line, telemarketers are trained to inquire about the source of the call (e.g. how did the customer learn about Guardian Protection Services?). A two-digit code is masterminded and associated with each promotional activity. Reports are then generated to track how many calls came in from each promotional event. It is also used to track how many leads resulted in a sales presentation and, finally, a sale.

Says Moriarity, "To determine our return on investment, it's simple math — sales vs. the cost of the program. Factors taken into consideration include



Marketing strategies can include building relationships with homebuilders.

the length of the program and the expected response time. For example, if a promotional piece goes out with an expiration date, Guardian knows many consumers will not act until after the promotion expires. Thus, we then begin our analysis a couple months after the promotion ends."

A number of different tracking programs are available. Ackerman Security Solutions uses a "contact management program" that helps analyze the cost per lead and cost per sale. Says Callahan, "Each program has a success benchmark. If it results in the desired goal, the program will be continued, and possibly expanded. If the campaign fails to

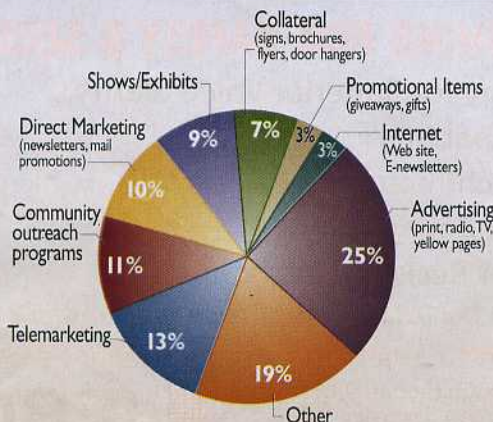
meet the goal, the program will be eliminated. We can trace any program weekly, monthly or annually."

It is common to hold sales representatives accountable for special promotions. Since they frequently request marketing promotions to support their sales efforts, they should be able to provide a solid return on investment. Adds Callahan, "We further utilize our contact management program to identify salespeople who need help promoting a particular campaign. If we determine that one sales representative is not making the sales quota based on a particular promotion in their area, we then try to understand why that program is not working, or perhaps spend more time training the rep."

Greater Alarm's formula is another example of a tracking system. Simply put, when it comes to analyzing new developments, the company compares the number of homes that received pre-wiring versus the number of homeowners who signed up for services. Their marketing department analyzes the various campaigns implemented in similar developments, and then contrasts results.

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How 2003 Marketing Budgets Were Spent



Traditional advertising outlets, such as the phone book, newspapers and TV, drew the largest percentage of dealers marketing dollars in 2003. The top "other" category was referral fees.

Source: Security Sales & Integration 2004 Sales and Marketing Survey