

CyberContracting - Part I of a Series To Get More Sales Leads, Try Some "Magic"

You've been told that the Internet is a vast sea of marketing opportunities. You set up a web site to promote your business. But instead of the steady flow of new customers you imagined, there's hardly a trickle. How can you get online prospects to find you?

A number of enterprising dot-coms believe they can answer that question. They've set up systems to match ready-to-hire customers with professional contractors. All you need to do is follow up on the leads they generate. Does it sound too good to be true?

One of those matchmakers, ServiceMagic, has been bringing buyers and sellers together since 1998. Among the million prospects registered in their database on the buying side, nearly one in four has a household income over \$100,000. The company expects to facilitate more than \$3.6 billion in home services spending in the year ahead.

On the selling side, ServiceMagic's business members include landscapers, architects and interior decorators, carpenters, painters, plumbers and masons, specialists in drywall, insulation, wiring, and flooring—even real estate agents and lenders. Practically every service a homeowner might need can be located through the company's virtual network.

According to Geoff Kulesa, a spokesman for ServiceMagic, "We currently work with over 45,000 service professionals, who receive over 100,000 service requests per month."

The key to ServiceMagic's growth has been their partnership with some of the biggest home-improvement and real estate-related web sites on the Internet, including *This Old House* and *Home and Garden Television* (HGTV). They are also affiliated with three major search engines: Google, MSN and Yahoo!

Traffic flows to ServiceMagic.com from these sources by the thousands each day. What is truly significant, however, is that these visitors generate new service requests at a rate of one every 26 seconds! The "flood" of prospects that contractors are looking for appears to be quite real, indeed.

To test how well the process works, we came up with a hypothetical "buyer" who was in need of a replacement garage door for a home in Summerlin. It only took a few clicks of the mouse and filling in some blanks at the ServiceMagic.com web site to narrow the search to two Las Vegas contractors. Within an hour after completing the service request, our buyer received a phone call from a representative of Precision Door Service (PDS), ready to proceed with an estimate. We were very impressed.

But that was just the start. During the next 24 hours, our buyer received three follow-up messages from ServiceMagic: a welcome note, a "final list" of qualified professionals with full contact infor-

mation, and a thank you note. Then, 20 days after the initial contact was made, a fourth e-mail arrived. It was a short survey asking us which contractor we chose and to rate their performance.

We asked PDS how many leads they get from ServiceMagic this way, and they indicated one or two a month. What is more important than quantity, however, is the quality of the leads. Contacts are very well

The screenshot shows the ServiceMagic website interface. At the top, there are navigation links: HOME | ABOUT US | LOGIN | HELP | SEARCH. Below this, there are three main categories: HOME IMPROVEMENT CONTRACTORS, REAL ESTATE AGENTS, and BANKING LENDERS. The main heading reads "Get Matched to Prescreened Contractors, Real Estate Agents & Lenders". Below this, it says "FREE SERVICE. NO OBLIGATION. QUICK & EASY." There are three numbered steps: 1. SELECT A CATEGORY, 2. DECIDE YOUR NEED, and 3. GET MATCHED TO QUALITY PROS. The "SELECT A CATEGORY" step is active, showing a list of services including Additions & Renovations, Appliances, Architects & Engineers, Appraisers & Home Inspectors, Cabinets & Countertops, Carpentry, Cleaning Services, Concrete, Brick & Stone, Decorators & Designers, Decks & Porches, Driveways, Patios, Walks & Steps, Drywall & Insulation, and Electrical, Telephone & Computers. Other categories listed include Fences, Flooring, Foundations, Garages, Doors, Openers, Handyman Services, Heating & Cooling, Landscaping, Lawncare, Sprinklers, Lawn Care, Moving & Real Estate Center, Moving & Real Estate Center, New Homes Builders, Painting & Staining, Planning, Real Estate Agents, Roofing & Gutters, Siding, Swimming Pools, Spas & Saunas, Tile & Stone, Walls & Ceilings, Windows & Doors, and Other Services. At the bottom, there are links for Home | Login | Search | Register | About Us | Help | Contact Us | Member Login | Post a Home | Service | Sitemap | ServiceMagic | Resources | Affiliate Program | Privacy Statement | Careers | Terms & Conditions | Site Map. Copyright 1998-2003, ServiceMagic, Inc. All rights reserved. ServiceMagic is a limited liability company.

screened. The likelihood of a pre-qualified ServiceMagic prospect becoming a customer is much higher than, say, calls coming in from Yellow Pages advertising. All in all, PDS is very happy with the leads they've received, an evaluation echoed by service professionals across the country.

"This is the best lead source I have ever had," says Dale Horton of Cornerstone Construction in Littleton, Colorado. "I have earned over \$50,000 in work so far, and the work I have received from

[ServiceMagic] has kept me busy full time. I just had to learn how the system worked.”

The system is by no means complicated. Contractors visiting the company's homepage are invited to join the ServiceMagic network by filling out a brief questionnaire. Registration is \$99; access to the database of leads is free.

The lead information you receive makes it easy to determine whether

a project is one you want to bid on. A description of the job, including the location, timing and extent of the work required, is accompanied by specific comments from the prospect. A wood-flooring request, for example, might include details on the type of wood and color of stain preferred, as well as which rooms are affected and how many square feet are covered. Even insurance information may be available.

ServiceMagic then gives you the option to accept or reject the lead. You pay nothing for leads you decline to pursue. The only cost is a nominal fee for each lead you accept. Customer feedback is also tracked and provided free of charge.

Chris Rice of Rice Painting in Portland, Oregon, says, “In the first week with ServiceMagic, I bid on four jobs, won two (for a total of \$98 spent) and secured \$3,300 worth of work.”

A similarly satisfied user is Marty Broughton of Home Systems Integration in Katy, Texas. “I love the service because the \$10 I spend on each lead is nothing compared to the three times as much I spent in other forms of advertising. I am landing one in three leads or better.”

Can contractors in Southern Nevada benefit from registering with ServiceMagic? The dot-com is convinced that the market is already here and just waiting to be tapped.

“You tell us the type of customers and business you are looking for,” says Kulesa, “and we will deliver targeted, matching leads to you via email or cell phone. You can be more selective with the customers you work with and avoid wasting time qualifying customers who may not be interested or ready to hire. You can select the types of custom-

ers and specific locations in which you want to work.”

What's more, Kulesa draws attention to the Internet's 24/7, borderless availability: “You can win business during typical ‘down’ time. ServiceMagic leads can be delivered to you via your cell phone at any time, even when you are stuck in an unproductive activity. Imagine learning of a new lead and being instantly connected to the consumer while sitting in traffic.”

That's something to think about next time you are stuck in the Spaghetti Bowl. In the meantime, you can find out more about ServiceMagic at their web site—www.servicemagic.com—or by calling their Customer Service department toll-free at (877) 947-3339.

Next Month: CyberContracting takes a look at ReliableRemodeler.com, Inc.

B/C

Five Steps to CyberSales

1. Service Request

Homeowner

- Identifies services needed.
- Provides contact information.
- Submits request online.

2. Lead Notification

ServiceMagic

- Matches requests to your criteria.
- Sends leads to you immediately.
- Uses e-mail, phone, fax, pager or cell-text.

3. Review and Acceptance

Contractor

- You review leads for free.
- You accept leads for a nominal fee.

4. Consumer Contact

ServiceMagic

- Sends contact information to you.
- Sends your profile to the consumer.

5. New Customers

Contractor

- You connect with the consumer.
- Your provide a service estimate.
- Consumer contracts with you company.

PLEASE... PASS ME AROUND THE OFFICE!

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