

The best way to build business

There's no argument, times have changed in the landscaping industry. Take customer composition.

We've all heard "The rich are getting richer and the poor are getting poorer" — not to mention the fact that the middle class is cutting back on its discretionary spending at an accelerated pace.

A recent study conducted by the Deloitte Center for Financial Services on the rise of the affluent points out that the number of U.S. millionaire households is expected to reach 20.6 million by 2020, nearly doubling the amount existing today. This segment of the population still has money to spend, is the last group to be impacted by economic turmoil and is developing more and more concentrated money circles.

Just what does that mean for landscapers? It's rather obvious: Go after the affluent.

But, according to landscape consultant Jeffrey Scott, a Connecticut-based business coach for the landscaping industry, there's a catch. In order to do this successfully, he says, it's vital to gain a clear picture of who your unique affluent prospects are, how they think and how best to snag and hold onto them.

Know your audience

Affluent consumers find word-of-mouth and referrals from friends and colleagues extremely important when making buying decisions, according to a study by Entrepreneur magazine. As a group, they are very well informed and are often influenced by the reputation

Affluent customer referrals are worth pursuing, but be ready when they come in.

BY TOM CRAIN

of a product and its seller. Affluent consumers like to be acknowledged as special (smarter, more sophisticated and so on), and they respond well to the notion of exclusivity.

"The best place to get referrals is through professionals and tradespeople that service the affluent," says Scott. "It's important to understand that the affluent use a lot of different consultants. They use interior designers, estate planners, builders and realtors. So, for the affluent, you can get referred by those who service the affluent. You want to be at the tip of their tongue."

Scott also runs a peer program for landscape professionals and is the author of "The Referral Advantage" that includes how to generate more referrals from high-end clients. When he ran his family's landscaping and pool business, he grew referral sales from \$50,000 up to \$2 million, a 2,000% increase.

Scott attributes this remarkable growth to focusing on referrals from the affluent. When he owned his business, he zeroed in on real estate agents who sold high-end real estate. He conducted direct mail and email marketing campaigns to them. He joined the realtors associations being the only

landscaper in his area to do so. He took out advertisements in magazines that he knew real estate agents would read. He would also ask his already existing affluent clients to introduce him to their 'favorite' real estate agent.

Scott also took it one step further by actually helping real estate agents to close their home sales. "For example, if one of their homes had a swimming pool, my company would conduct a free inspection for them," he explains.



"I would do all these things," he says. "I call it 'marketing gravity' — you want your referrals to see you everywhere."



Affluent clients' projects often force landscaping professionals to stretch their skills.

Targeted contact

Scott Cahill, a member of Scott's landscaper peer group and owner and president of Botanical Decorators, Washington, D.C., believes it's important to conduct traditional marketing to the affluent, such as running full page spreads in glossy society magazines strictly for image purposes. His landscaping company caters to residential customers living in high-end residential properties. Although it serves fewer than 100 clients a year, several of Botanical Decorators' individual projects can bill out well over \$1 million each.

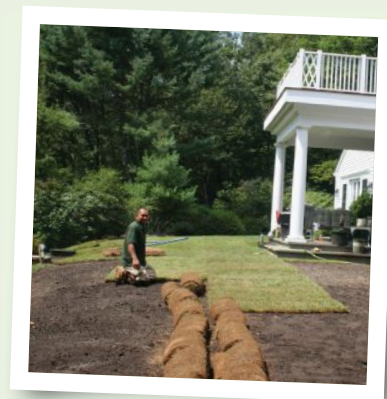
"I know these ads and other promotions won't necessarily result in any direct sales for us, but it helps create a reinforcing image," says Cahill. "We spent a lot of money on customized uniforms, painting graphics on our fleet vehicles and upgrading our logo and website. It's very important in the affluent market to create just the right visual impression consistently."

When shopping for services, affluent consumers do find price highly important, according to The American Express/Roper ASW Global Affluent Study (AE Roper). The affluent appreciate saving money. While most will pay extra for convenience and to get what they want, eight out of 10 told AE Roper they enjoy their purchases more

if they get a bargain. So, just because you are targeting the affluent doesn't mean you should raise your prices.

The right incentives

Just like anyone, the affluent, too, like a good deal. So you would think that incentive programs would be effective. "Not necessarily," according to Scott.



Installing new sod for an upcoming family reunion.

"They rarely respond to incentive programs, yet there are methods that can work. An incentive program alone is not going to motivate them to refer you."

Shayne Newman, CLP, CLT, founder and president of YardApes of New Milford, CT, agrees. YardApes has provided residential and commercial

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landscaping for affluent clients for more than 20 years. "We thought the traditional approach offering incentives would work," says Newman. "We've tried different things such as offering coupons and \$50 credit vouchers in return for referrals. Our higher end clients don't seem to care about a referral fee."



Vinca plant and natural boulder installation.

Scott suggests collective discounts as a good tactic for the affluent such as offering a group discount to an estate cluster in a particular cul-de-sac. "It's not always an easy thing to do, though" explains Scott. "You need to ensure that all the estate owners get along and know each other and that's not always the case."

The affluent sometimes upset neighbors with disruptive remodeling or installation projects or they don't know their neighbors because they are holiday or occasional weekend visitors. "We found that the affluent homeowners in our area were strictly weekend people," says Newman. "Many of our clients are not full-time residents so

they don't have much interaction with their neighbors. It's very difficult to get them to refer their neighbors to us."

You should give something away. "A good idea is to have mixers where your clients bring their friends along," says Scott. "An educational seminar or a party with great food will encourage them." Cahill will provide free maintenance to some of his highest referring clients without giving it a second thought.



An outdoor kitchen acts as a retaining wall for a Koi pond. The stream and waterfall flow into the pond.

Another marketing gravity tactic is to immerse yourself into your affluent client's social circles. That doesn't necessarily mean you have to ante up big bucks to join their golf or yacht clubs — although Scott says that sure can't hurt. "Rather, you can volunteer for their favorite charities where they serve on boards, the private schools where their children attend and community events where they live," he says.

Delivering on expectations

The most important thing about getting referrals from the affluent, though, is to demonstrate that you are worth referring. You must be able to consistently meet their very high expectations. "Referrals are all about how the affluent do business," says Scott. "They will research carefully before they hire you. They will indeed check you out."

No one knows this better than



One affluent customer flew a design team to a hotel in Miami to show the company the structure he wanted his project to resemble.

Cahill. On his wedding day, he got a complaint call from a demanding client whose estate was undergoing a landscaping installation when a set of lights went out. The client was also a high-powered Washington lobbyist. Cahill went out to the job site to find that the lights went out due to an automatic timer deliberately set. "My customer's wife found out that it was my wedding day and not only screamed at her husband for allowing me to come that day, but also repeated the story to all her country club friends later that week resulting in an additional \$5 million of business for me that year," says Cahill. "If you are committed to doing whatever it takes 24/7 for affluent clients, referrals will come in."

Scott says you need to allay any fears that potential affluent clients may have by showing that you are organized.

You want to give off the aura of having plenty of staff and plenty of time. "Don't complain to your current affluent customers that you are too busy," says Scott. "Don't ever show up late. Don't hesitate when asked to perform a service. Make it look like what you do is effortless. Make them think that they are your top priority and you have limitless resources. When they ask you to do the work, never let on that you are overstretched."

"Sometimes the affluent don't want to refer you because they want to keep you all to themselves," says Scott. "If

they perceive you as having limited resources, they don't want to "stretch" your resources for fear that you won't have adequate time for them."

Newman agrees with Scott that a solid relationship with his affluent clients is really what matters. "It's the process and the whole relationship that gets the referral," he says. "Our affluent customers are really busy people. They don't want any problems. We try to be as invisible to them as possible. You have to make their experience with you seamless, including writing out a bill easy to read with no hidden fees and no fine print."

"If you are committed to doing whatever it takes 24/7 for affluent clients, referrals will come in." – SCOTT CAHILL

In the end, Scott explains, you have to be willing to hang in there. "It takes time," he says. "It's not instant gratification. It will take you a few years to get that type of representation in the affluent referral network." **SS**

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