

A well-designed and consistently
intense networking program will
outperform advertising in its ability to
generate leads and sales.



Strategic Networking— The Kind Of Publicity That Money Can't Buy

Strategic networking is a new twist on an old marketing standby—grass roots promotions. You might know it by other names: community outreach, community affairs, or referral-based marketing. “Strategic” means that your efforts are integrated with every aspect of your marketing plan. “Networking” implies a deliberate and highly structured method of building market awareness, one individual and one organization at a time. This chapter looks at the many ways this fundamental marketing component is used to increase the quality and quantity of your leads.

Before we get into specific networking techniques, let's step back and look at how networking strategically fits into your overall marketing plan. So far we have covered six critical components. They have been deliberately sequenced to prepare you for the promotional phase of your marketing program. You have learned whom to target (environmental scan), how many leads and sales you need (objectives), and how these leads and sales will be serviced (customer service, manpower, MKIS, and the information center).

The next component, strategic networking, is an important mile marker, for it represents the point where the marketing program actually shifts into its promotional phase. You're now ready to address how leads will be generated through networking and the remaining marketing components—events, collateral materials, direct mail, print media, and electronic media.

Networking in the Scheme of Things

A marketing program is designed to generate leads using a blend of promotional components, from networking to direct mail, print media, and even electronic media. Your lead and sales source profiles and the assigned marketing strategy determine the intensity with which these promotional components are employed.

Networking, however, is the only component whose use is consistently vigorous during the life of the marketing program. Why? Because collective experience

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has taught us that over time, a concentrated networking initiative will outperform paid advertising in its ability to generate sales. This phenomenon moves strategic networking to the front of the promotional pack.

The value of networking is made clear if you think of it this way: The more leads that you derive from referral-based marketing, the fewer leads you need to generate through paid media.

You can see this concept at work when you look at a community's age and the promotional mix it employs.

For example, suppose that your established community enjoys a high referral volume as a by-product of its strong reputation and years of service. The referral volume is so strong, in fact, that it's sufficient to support the lead objective. In this case, you would use strategic networking to further leverage established relationships and sustain referral momentum. You would use paid media minimally, as a way to maintain market awareness and to make up any potential lead objective shortfalls.

Now consider a situation where your community is newly opened or is in pre-marketing. You're at ground zero on lead activity of any kind, especially referral-based leads. Although you would implement networking to establish relationships and further the community's reputation, it will take time to carry out and realize any appreciable results.

In this circumstance, you would need to use paid media to expediently shore up the lead base and to achieve the sales objective. As your community's reputation grows, so does the referral volume. This volume, in combination with your ongoing networking, begins to supplant the need for paid advertising.