

The grocery store next to my house is ancient. The building and product racks are about 50-years-old and the parking lot is a nightmare. However, I like the employees who work there, I can't beat the location for stopping in on the way home from work, and I've been reeled in by

BUILDER, a sister publication of ProSALES.

Based in Norcross, Ga., The Builder's Circle manages programs that enable participating contractors to earn points for purchases of sponsoring manufacturers' products, and then redeem them for sports tickets, hunting and fishing gear, golf outings and equipment, or rebates and future product discounts. Participating manufacturers currently include Alcoa Home Exteriors, Arm-

at your yard versus the competition.

Absent critical relationship-building and service, however, reward programs in and of themselves may not make much of an impact. Bruce Kunz, purchasing manager for Highland Homes, which builds about 120 homes a year in the Austin, Texas, metro area, tells BIG BUILDER that many of his purchasing decisions are made "out of habit, for lack of a better word." Kunz is less interested in freebies, but The Builder's Circle program does offer him a tangible incentive in the form of rebate dollars that keeps

Ultimate Rewards



WHEN BACKED WITH CONSISTENT QUALITY AND SERVICE, **LOYALTY POINTS PROGRAMS AND INCENTIVE PERKS** CAN PUT A SMILE ON YOUR CONTRACTORS' FACES.

the store's customer loyalty discounts. When the checkout person asks for my bonus rewards card, I happily oblige and watch the dollars and cents subtracted from my grand total.

Systems like these are all over the place now, from credit card rewards to frequent flyer miles. I even get "points" at my local record store. And now, it seems, more and more builders and dealers also are getting into the game, using similar programs that have been gaining ground in residential construction supply, according to "Loyalty Points," an article by Wendy Leibowitz on The Builder's Circle reward program in the June 2004 issue of Big

strong World Industries, Atrium Windows and Doors, Boral Bricks, Daltile, International Comfort Products, Maxim Lighting, Schulte, Siemens AG, Tamko Roofing Products, and Windsor Door. Contractors can submit purchase receipts from any local source of supply directly to The Builder's Circle. As such, the program is not pro dealer-inclusive.

Even if you aren't aligned with any of these manufacturers, you still can get into the loyalty program game. Similar pro dealer-tailored plans offered by firms like Elk River, Minn.-based Builders Incentives Group—or even in-house developed projects—can have you off the ground in no time tracking contractor purchases, rewarding loyal accounts, and offering incentives to buy

him coming back for more. "I think we'll see more groups like this assemble and go after the builder trade," he says. "These types of programs are advantageous to everybody."

Above all, whether shopping for a simple tool or a whole-house lumber package, loyal customers return regardless of points and perks, looking for the consistency and quality of product and service that will always be the best reward. Loyalty programs should be the icing on the cake. Used correctly by dealers, they can promote larger volume purchasing, entice contractors toward certain vendor lines, and—all other competitive aspects being equal—serve as one more reason for product-needy contractors to pull into your yard. —Chris Wood