

# Referral Networks Barred from The Home Show

Over the past year (2006), it's been brought to our attention that there's a growing problem with "referral networks" exhibiting in The Home Show. Frankly, I, John Neron (CEO), didn't understand or believe the problem was serious enough to warrant review. I was wrong, and for that, I apologize. Upon review, I corrected the problem.

## **Background:**

Since the 90's, referral networks (aka: *Home Improvement Network, Homeowner's Connection, Angie's List, Contractor's Zone, NARI, etc.*) participated in home shows and became very effective at working the shows and collecting leads for their members. They've reported that home shows are their best advertising medium.

Most referral networks sell leads they collect at shows to their clients, who are not exhibitors. Typically, they refer three to six of their members (sometimes more) to attendees who register with the referral network at the show.

## **Problem:**

The result of a referral network's participation in home shows is increased competition between show Exhibitors and non-exhibiting clients of the referral network.

Exhibitors who paid for the show and the show's advertising must then compete with the referral network's clients beyond the competition on the show floor. This is, potentially, an UNLIMITED number of competitors. That can be easily triple the competitors in each trade who've purchased leads from the referral network, without paying the cost of exhibiting or show advertising.

Competition between clients of a referral network (non-exhibiting businesses) and Exhibitors who compete for the same work, is illogical. Exhibitors pay for and support the show's advertising. Referral network clients don't.

When referral networks exhibit in shows, the producer becomes a promoter of businesses who don't exhibit in their show. Referral networks exploit shows by selling leads to non-exhibitors and cause a disproportionate amount of competition for show exhibitors. In effect, the referral network's clients are getting leads 'on the cheap' by allowing the referral network to advertise at home shows for non-exhibitors without participating themselves or supporting the show's advertising, costs of production, or administration.

Shows are a cooperative advertising event for EXHIBITORS. If a single show attendee becomes a customer of a referral network, it's one too many *lost* customers to satisfy our exhibitor's goals, or our own goals and purpose for being in business. Furthermore, that consumer may be lost permanently, using a referral network instead of attending shows. Exhibitors and attendees are our clients and deserve our attention. Non-exhibitors and referral networks are not.

## **Solution:**

The Home Show no longer serves as a gateway for non-exhibitors. Any exhibitor acting as a referral network and soliciting attendees for non-exhibitors is barred from participating in The Home ShowS. To formalize our position, we added the following language to the *Exhibitor Agreement*:

***Referral networks are not permitted to exhibit in the Show.  
Referral networks are for-profit businesses which collect attendee "leads"  
and sell the "referral" to non-exhibiting clients.  
Such activity is detrimental to the goals and purposes of the Show  
and is a breach of this Agreement.***

Should an Exhibitor in The Home Show discover a referral network attempting to exhibit, or actively exhibiting in our Show, inform our staff immediately and we'll take steps to correct the issue.

We stand behind our word, and thank you for your participation, understanding and assistance.



Since 1986 . . .

**Should you have comments or questions,  
direct them to John Neron at:**

**[John@ChicagoHomeShow.Net](mailto:John@ChicagoHomeShow.Net)**



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