



Six Steps to Lead Nurturing Success

What You'll Learn

- How to make a solid business case
- Fundamentals and advanced tactics
 - Best-practice measurement tips

Hello!



Dear Executive:

When fiber cement siding manufacturer James Hardie Building Products partnered with CBD in the spring of 2012, they had very aggressive short and long term market penetration goals. They wanted to enter neighborhoods in which vinyl siding was the standard choice, make homeowners aware that they had a better alternative with James Hardie siding, and compel them to get a siding quote.

Directing efforts to the consumer market is a highly unusual move for a siding manufacturer, as traditionally the industry relies almost exclusively on local contractors to generate and convert residential leads. The problem is, most contractors aren't good at nurturing leads across what can be a very long consideration cycle. They know homeowners may be getting multiple quotes, and with limited resources they focus on those homeowners who are ready to buy now.

Adding to the challenge for James Hardie's contractor network is the fact that its fiber cement products can be a tough sell to value-minded homeowners who are primarily concerned with price, rather than total cost of ownership and the opportunity to beautifully transform their home.

If James Hardie were going to realize their goals, they would need to be prepared to respond quickly to a homeowner's desire to get a quote, sample or product information. From there, they would have to continually reinforce the value and beauty of their product by staying in touch with homeowners over a long period of time. They asked CBD to help them map out and execute a strategic lead management and communications plan.

Within, you'll learn about the strategies and processes that enabled James Hardie to execute a best-in-class program combining innovative technology, engaging and inspiring content, and superior measurability. It's been a transformative undertaking for the traditionally B2B sales-focused organization, and they are earning new customers every day who are directly attributable to this initiative.

Enjoy!

A handwritten signature in black ink, appearing to read "Gina Miller". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Gina Miller

VP, Director of Customer Experience and Demand Management

Six Steps to Lead Nurturing Success

How a Manufacturer Broke the Mold and Took Control

Volumes of statistics have been cited about the efficiencies and revenues that B2B and B2C marketers can realize by instituting a lead nurturing program. Yet many companies have still not adopted the discipline.

Both business buyers and consumers can go “dark” for long periods of time without losing interest in what you have to sell. However, if buyers perceive you’ve lost interest in them by the time they *are* ready to act, they are likely to seek out other sources. With a relatively small investment, organizations can stay top of mind and relevant over long consideration and sales cycles.

Our client, James Hardie Building Products, knew that homeowners could take a very long time to decide to buy their fiber cement home siding products. Two years or more can pass from the first day consumers recognize a need, start considering products, and request a quote from a contractor. Likewise, homeowners often wait months to begin a project. What’s more, as soon as they receive a quote, homeowners are highly likely to call other contractors and receive bids on cheaper, inferior products.

With extremely aggressive goals for growth, James Hardie recognized that they simply could not leave the entire sale process in the hands of contractors. They planned to generate their own leads, and then provide the kind of ongoing education and inspiration homeowners would need to close the sale. They turned to CBD to help them develop and implement a strategic program that would accelerate sales conversion, and help them stay top of mind with different types of leads.

James Hardie Building Products

- Objective: Lift U.S. market share by double digits
- Goal: Drive and nurture leads to realize thousands of new sales annually

Who is James Hardie?

- Pioneer and global leader in the development of fiber cement building products
- The most popular brand of siding in America, found on over 5.5 million homes



Our **six-step** approach encompassed:

1. Building a business case
2. Defining objectives and strategies
3. Analyzing prospects' needs
4. Communications mapping
5. Infrastructure development
6. Message development

Step 1. Building a Business Case

Many times, executive leadership needs to be convinced that lead nurturing is a better investment than an incremental lead generation investment. Even if you do not have to sell the concept in, it's smart to build a business case for it so that you can understand what level of investment makes sense for your organization.

- 1. Start** by compiling these lead metrics: cost per active lead, conversion rate, quantity of active leads, and projected revenue at the current conversion rate. To take a long view on ROI, include the projected lifetime value of a customer.
- 2. Calculate** the projected revenue generated by an incremental lift in conversions, as well as the reduction in lead generation investment you will be able to affect without loss of revenue. A 20% lift in conversion is the industry benchmark.
- 3. Project** the total value and cost of the program, as well as revenue for a five-year period.

This exercise has the added benefit of helping you understand the viability of investing in integrated technologies that can boost the effectiveness and speed of your communications. It should be said, based on an organization's business model, that varying levels of investment are appropriate for developing a program. But it is not unreasonable to expect that a program will quickly pay for itself.

Nurtured leads make
47% larger purchases
than non-nurtured leads.
The Annuitas Group

Business Case for Lead Nurturing	
Average active lead investment	\$
Total active leads in pipeline	#
Total active lead investment	\$
Average conversion rate	%
Projected conversions	#
Average sale	\$
Projected lifetime value	\$
Cost per conversion	\$
Projected sales from active leads	\$
Average margin	%
Projected profit on active lead conversions	\$
Projected incremental lift in conversion (20% is industry standard)	%
Projected incremental conversions	#
Projected reduction in lead generation investment with no revenue loss	\$
Projected incremental revenue	\$
Projected incremental profit over customer lifetime	\$
Projected incremental profit in 5 years (at current lead gen investment levels)	\$
Estimated program development cost	\$
Estimated program budget (annual)	\$
Projected program costs over 5 years	\$
Return on five-year investment	\$

This handy tool will help guide you through the business case development process.

Step 2: Design Around the Audience: Objectives and Strategies

Some companies take a one-size-fits-all approach to lead nurturing. While basic programs like those are better than nothing, they will fail to perform at the level of those that take into account how an individual found you, what actions they took, and what they need in order to move to the next step. Start by understanding the nuances of your leads' process, timing and needs, determine objectives and strategies, and then build the systems to support delivery and tracking.

CBD helped James Hardie to characterize the different types of audiences to address—taking into account the channel they came through and the actions they

took. At this phase, we prioritized the emphasis we would place on each audience.

Based on James Hardie's audiences and objectives, CBD's program would require two tactical approaches:

- Drip communications that arrive at predetermined intervals: perfect for prospects, inquiries, and promotion entrants.
- Trigger communications that correspond to actions taken: most appropriate for speed-to-lead and demonstrating brand responsiveness.

Tier	Description	Objectives
1	<p>Leads Homeowners who have requested a quote from a James Hardie contractor. Among this group, leads are segmented into groups based on the status of the lead as reported by the contractor. Leads are collected through a field sales team and through various online channels.</p>	Convert to a sale, drive future referrals
2	<p>Inquiries Website visitors who download or request content of a nature that does not indicate specific purchase intent.</p> <p>Warm prospects Homeowners who agree to receive information due to outbound marketing, but who are not necessarily considering a purchase.</p> <p>Hot prospects Homeowners who request product information, mainly from the website and the field sales teams. These are further segmented into brochure requestors and sample requestors.</p>	Convert to lead
3	<p>Sweepstakes or promotion participants These cold prospects are generally qualified, and are collected through both inbound and outbound channels.</p> <p>Third party prospects Subscribers of advertising partners who indicate interest in home renovation projects.</p>	Convert to inquiry or lead

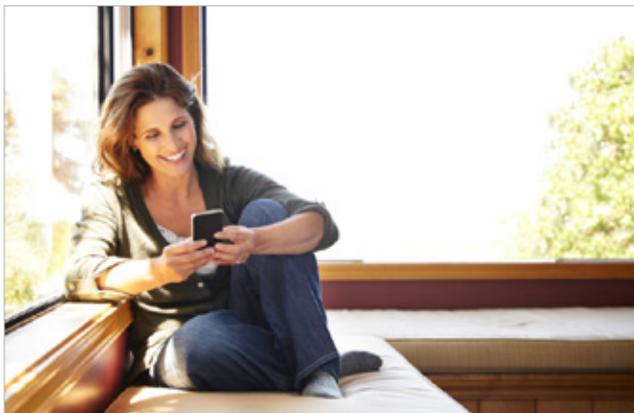
Step 3. Taking a Deeper Dive on Prospect Needs

Before communications are planned, it is vital to know as much as you can about the audience’s mindset and processes. This is just as important for consumer audiences as for the “more complex” business buyers. You’ll need to understand:

- What problems do they need to solve?
- What information is needed when they are *planning* a purchase versus *considering* a purchase?
- How do they prefer to be contacted?
- What media channels do they prefer?
- What barriers, if any, must they overcome?
- Who influences their choices?
- What factors cause a delay in purchasing?
- What are the stages in the sales process in which the sale is “vulnerable”?
- What are their interests, outlooks, and lifestyles?

MAPPING AUDIENCE PERSONAS

There is a large role for empathy in developing an effective lead nurturing program. Knowing what your audiences are thinking and feeling is critical to defining what you can provide to assist them, and convince more of them to move forward with you. Plus, there is a direct correlation between relevancy and program performance.



Using primary research, and channel research if applicable, work to create rich personas, and articulate audience needs in a way that can guide both the content and cadence of communications. Here’s an example of some of the key rational and emotional drivers we mapped for James Hardie leads:

Audience Type	Audience Mindset
Lead	<p>Emotional</p> <p>I want my friends and neighbors to admire my home. I want to come back every day to a home I am proud of, and where I can relax. I want to enjoy my back yard more. I’ve never done this before, and I’m not sure what to expect. I want to feel that my business matters to this company, and that they stand behind me. I want a contractor whom I can trust and work with. I don’t want to make a mistake, and then feel angry, embarrassed or taken advantage of. I do want to congratulate myself for making the best choice.</p> <p>Rational</p> <p>I want to understand how much it will cost to re-side my home with James Hardie. Would another siding type be better? I want to know that I’m getting the absolute best I can afford, and that it will last the longest. I don’t want to have to spend more later, or have to do a lot of maintenance. I need my siding to withstand the weather I have here.</p>

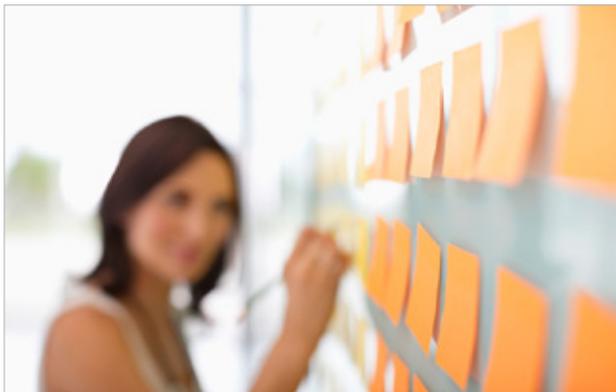
Personas such as these, expressed in the first person, are powerful tools in shaping the type of content most likely to engage a consumer or buyer. Rather than describe a buyer as “skeptical,” “tentative,” or “aspirational,” explore those feelings, insecurities, and doubts—and what content is needed to address their needs and wants.

Step 4. Planning a Phased Approach to Communications

Once you've mapped the needs of your audiences, it's tempting to build a program that addresses all of them. However, it's very wise to develop a phased approach, with stated objectives and manageable tactics. Our approach for James Hardie was to define these phases both strategically and tactically.

A plan like this will help you avoid project "scope creep" and ensure that you have gone all the way through the "crawl" and "walk" phases before you try to "run."

Phase	Objectives	Tactics
"Crawl"	<ol style="list-style-type: none"> 1) Show proof of concept 2) Address priority audiences 3) Establish benchmarks for performance and engagement 	<ul style="list-style-type: none"> ■ Limited, static touch points ■ Email and telemarketing channels only ■ No psychographic or demographic segmentation ■ Subject line testing and optimization
"Walk"	<ol style="list-style-type: none"> 1) Improve performance and engagement 2) Build knowledge of segments 	<ul style="list-style-type: none"> ■ Expanded static touch points ■ Added surgical mail communications ■ Social media integration ■ Content refinement ■ Data overlay and analysis ■ Limited versioning and offer tests
"Run"	<ol style="list-style-type: none"> 1) Improve performance and engagement 2) "One-to-one" messaging 	<ul style="list-style-type: none"> ■ Expanded audiences ■ Demographic, psychographic segmentation ■ Dynamic offers and messaging



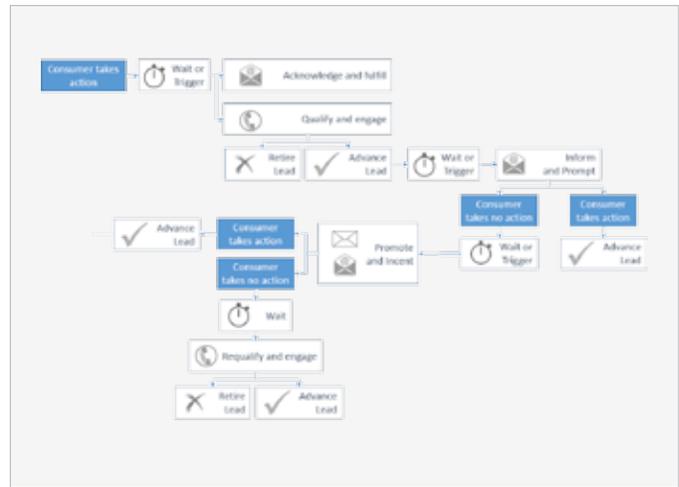
Need to know

Don't "over-engineer" when planning a lead nurturing program. Plan for structured testing and optimization against the biggest opportunities. This approach will make the most of your launch budget, as well as give you the metrics you'll need to justify further investment.

MAP TOUCH POINTS AND FREQUENCY

The next step is marrying your knowledge of the prospect buying process with that of your own internal and channel processes, and developing communications maps.

Process flow charts are invaluable tools for mapping touch points and timing, especially if triggered communications are planned. As this simple illustration demonstrates, include the actions taken or planned and if/then scenarios, to anticipate what will happen if a prospect takes an action.



JAMES HARDIE PHASE 1 PLAN

In alignment with our strategy, the basic framework of the James Hardie Phase 1 lead management program addressed four priority audiences, with limited touch points and channels. The duration of these communications would range from three to six months, based on the audience and their engagement level.

Request for Quote Leads Six-part email series and phone, corresponding to purchase stages	
Requests for Information Fulfillment email, survey and phone followed by "Drop" emails	
Requests for Samples Acknowledgement email and phone followed by "Drip" emails	
Sweepstakes Entries Acknowledgement email and phone followed by "Drip" emails	

After 90 days, results were analyzed and benchmarks were established for both response and engagement. CBD presented a plan for additional testing and program extensions. This cycle continues, honing effectiveness and return on investment.

Need to know

When planning lead nurturing communications, just as with any other strategic marketing campaign, consider the basics:

Channels

In addition to email, consider where it's smart to integrate telemarketing or surgical direct mail to leads and top-tier prospects. Consider how social media might be utilized.

Impressions

Include enough touch points and tactics to validate both approach and messaging. Additional touch points can be added over time to incorporate your learnings.

Frequency and timing

The pace of your communications is an important consideration. You don't want prospects to tune out or opt out. Know, on average, how long it may take for a prospect to act, and distribute drip communications accordingly. Continually test both frequency and timing.

Relevancy

A successful lead nurturing program will keep your brand top of mind while delivering relevant value—through both offers and multiple types of content. Relate, educate, engage, amuse, and entice...but be wary of over-using discount offers that can damage brand perception and eat into your margin.

Testing

Commit to a disciplined approach to testing. Plan and prioritize what you want to learn.

Experience

How can your organization ensure a great buyer experience whenever they take action on anything as a result of the program? Take another look at landing pages and forms, existing content, and processes that could be improved upon.

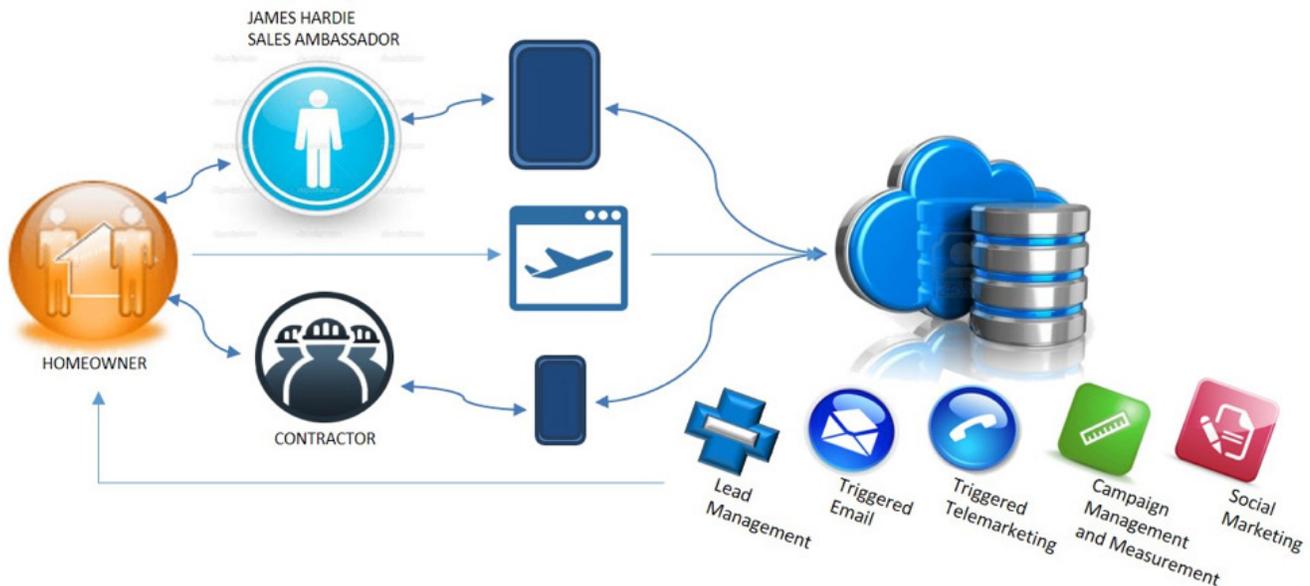
Step 5: Build and Customize Infrastructure: A Nurturing Ecosystem

While integrated CRM and marketing automation systems are not strictly necessary for a basic nurturing program, a speed-to-lead strategy is virtually impossible to execute without a closed-loop system for lead capture and routing, trigger communications, and tools you'll need to nimbly measure and optimize impact.

James Hardie's approach required the integration of their CRM system, Salesforce, with their new marketing automation platform, Marketo. The program

we developed further required the integration of a field sales app with Salesforce, and a suite of standardized landing pages and microsites.

This infrastructure increased the client's ability to capture and quickly act on data, as well as to deploy targeted and relevant communications directly to the homeowner. Moreover, the system vastly increased the ability to measure and optimize campaigns.



Companies that excel at lead nurturing generate 50% more sales-ready leads at 33% lower cost.
Forrester Research

DESIGNING FOR MEASURABILITY

Opens and clicks are great, but the two results you need to demonstrate are that the program:

1. Accelerates the sales cycle
2. Drives incremental sales and/or cost savings

Organizations must often optimize their ability to report on these metrics, and James Hardie was no exception. CBD analyzed practices and infrastructure and developed a new approach which could become a model for the entire organization—applicable to all potential audiences, business units, and activities.

This system included a new, robust campaign coding protocol and the addition of a few database fields. James Hardie is now able to utilize dozens of filters to drill down on results across multiple areas of the organization and understand the value of all marketing initiatives and lead sources. The client can select overarching categories, or any combination of dozens of subcategories, for more granular analysis.

CBD worked with the client to implement customized reporting dashboards within Salesforce, and integrate campaign identification architecture within Marketo.

The advantage of this coding and measurement system is that James Hardie can understand the full lifecycle and costs of lead generation and conversion. They are able to recognize what touch points and tactics have the biggest impact on outcomes, and optimize programs through informed decision-making.

BEYOND THE BASICS

Get more decision-making power, like James Hardie. Expand your reporting capabilities across a more holistic set of filters, like these:

Asset Type	Lead Status
Audience	Lead Type
Business Unit	Offer Type
Campaign Type	Marketing Partner
Channel Partner	Product
Division	Program
Initiative	Promotion Type
Job Price	Representative
Lead Actions	Region
Lead Source	Versions

Need to know

In a recent survey conducted by Fournaise Marketing Group, 80% of CEOs admit they do not really trust and are not very impressed by the work done by marketers—while in comparison, 90% of the same CEOs do trust and value the opinion and work of CFOs and CIOs. If you want to gain more respect and partnership at the CEO level, ensure that you can demonstrate the metrics they are interested in. (Hint: They are all related to revenue and cost savings!)

Step 6. Differentiating your Message

A prospect who is interested in your product has also likely looked into what your competitors offer, and may well be receiving communications from those competitors. Therefore, your lead nurturing communications need to differentiate your brand as well as your products.

The communications CBD developed for James Hardie's launch program were beautifully and profoundly different from what consumers usually see from a manufacturer of any kind. Rather than technical language, copy was written with an approachable tone, and benefits were distilled into messages that inspire and invite exploration.

REQUEST FOR QUOTE LEADS

CBD's strategy was to support the sales process and stay engaged with homeowners as they:

- Receive their quote
- Consider the purchase
- Start their project
- Celebrate their new home look

We developed a six-email series that corresponded to these steps. The series delivers helpful content, like a virtual scrapbook kit to document their project and links to before-and-after photos for inspiration. With a single click, homeowners can let James Hardie know when they will start their renovation. Plus we created the Hardie Hotline, and encouraged leads to reach out directly to James Hardie for any support they might need along the way.

REQUEST FOR INFORMATION PROSPECTS

Homeowners who are not ready to get a quote, but who want to learn more, receive a downloadable Inspiration Guide which is followed with a survey about whether the resource was useful. Immediately thereafter, they begin to receive a series of drip communications.



DRIP COMMUNICATIONS

Homeowners have no idea what to expect when they re-side. Drip communications were needed to build confidence and inspire prospects, sample requesters, and sweepstakes entries. Credibility is key, so CBD worked with a new James Hardie customer to document the story of their journey. This five-part series chronicles how the customer selected and prepared for the contractor meeting, and worked with the contractor to design the home exterior. The series ends with showcasing before-and-after photos of the home.



Need to know

Give careful consideration to the design and content offered in your nurturing communications. Above all, resist the temptation to deliver a continuous stream of “buy now” and discount messages. Ensure that you are providing the most relevant opportunities for prospects to get their questions answered, reaffirm their interest, and prove they are engaged with you.

James Hardie Lead Nurturing Program Results

Four months after launch, the program had already contributed measurable incremental sales. Engagement statistics are exciting, too. Open and click-through rates consistently average between 25% and 45%.

To get the complete James Hardie Building Products case study, download our white paper *Embracing a Changing Market* at cbdmarketing.com.



About CBD Marketing

CBD is a B2C and B2B marketing services agency that clarifies and articulates what's most meaningful about your brand, product or service and helps you build more intimate and profitable relationships with your customers.

At the heart of everything we do is a deep understanding of the rational and emotional drivers that inspire your customers' choices. At CBD, "market what's meaningful" is our mission, guiding all disciplines from brand development to media strategy, from public relations to creative.

Let's Talk!

To talk about how CBD can help you create moments that matter to your audience and better connect them to your brand, product or service, please contact **Doug Davila, Director of Business Development, at 312.661.1050 or ddavila@cbdmarketing.com.**

About the Author

Gina Miller, VP, Director of Customer Experience and Demand Management

Twenty years ago, while pursuing a career in business and operations management, Gina took the reins at a database marketing firm—a role that would change her life. Out of this experience grew a passion for results-focused marketing and analytics. Now a senior integrated marketing strategist, Gina spearheads research initiatives, as well as strategic marketing planning and execution, for both business-to-business and business-to-consumer clients.