



# Embracing a Changing Market

Transforming a B2B Manufacturer into a Sophisticated Consumer Marketer

## What You'll Learn

- How to sell a premium brand directly to a value-conscious market
  - The best marketing mix to drive quality leads
- Top 10 steps to being a consumer marketing powerhouse

# Hello!



Dear Executive:

Sometimes organizations must turn on a dime to adapt to a changing market. This is the story of James Hardie Building Products, a dominant B2B international home siding manufacturer that needed to become a consumer marketing powerhouse in order to thrive.

CBD partnered with James Hardie in the spring of 2012. In the time that most companies may take to evaluate a capital investment, we worked together to develop and execute a transformational business strategy.

The housing bust of 2009 hit siding manufacturers hard, and James Hardie was no exception. After two years weathering the recession, James Hardie anticipated the opportunity to be well positioned for economic recovery. Homeowners who had been putting off major renovation projects would be buying again, and our client wanted to be ready. That meant urgently integrating robust consumer marketing to achieve an audacious market share goal.

Our journey would take us through the complete realization of a new direct-to-consumer division of the organization. This included the creation of a more consumer-friendly brand, a breakthrough go-to-market strategy and campaign, the development of a robust marketing technology infrastructure, and the innovation of a game-changing proprietary app.

We hope you find the chronicle of this transformation inspiring and useful as we outline strategy and development, all the way through marketing and measurement infrastructure development and integrated campaign components. The James Hardie case study is strategically innovative, and a model in best practices for B2B and B2C marketers alike.

Enjoy!

A handwritten signature in black ink, appearing to read "Gina Miller". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Gina Miller

VP, Director of Customer Experience and Demand Management

# An Audacious Goal: Double-Digit Growth

## *The Bold Mission of a Market Leader*

The housing bust of 2009 hit the home-siding industry hard, and James Hardie was no exception as new construction, the core driver of their business, dried up. While weathering the recession, our client planned to be well positioned for an economic recovery. Homeowner renovations would be the first area to recover, and James Hardie wanted to be ready to dramatically increase market share in the residential repair and remodeling market segment. To do so they would need to focus on regions where homeowners typically choose vinyl replacement siding instead of James Hardie fiber cement products.

### **OWNING THE CUSTOMER**

The largest challenge to growth in the residential repair and remodeling market is the traditional siding sales model where virtually everything is controlled by the contractor—lead generation, the sales process, and the products that are sold. Even contractors who advocate for the James Hardie product would often gladly sell vinyl if a prospect balked at the marginally higher cost of fiber cement.

Homeowners can take up to two years to move forward with a siding project after they recognize a need or receive a quote. Contractors generally don't nurture leads over this long period.

To achieve their goal, James Hardie had to generate and convert a high volume of qualified consumer leads by pre-selling James Hardie siding, ensuring that allied contractors sold only James Hardie to those prospects, and nurturing homeowner relationships over an extended consideration style.

All this meant that James Hardie needed to transform their historically B2B-focused, sales-driven organization into a strategic consumer marketing powerhouse in a matter of months.

### James Hardie Building Products

- Objective: Lift U.S. market share by double digits
- Goal: Thousands of new sales annually

### Who is James Hardie?

- Leading fiber cement building products manufacturer
- The most popular brand of siding in America, found on over 5.5 million homes



Our mission was to develop a scalable pilot program in two major markets that would be the model for expansion into other major metro areas.

### **STRATEGIES FOR TRANSFORMATION**

To extend their reach beyond affiliated contractors, James Hardie needed to get really good at generating their own leads. But would this require an expensive advertising campaign, or was there another solution? To decide, we sought a deep understanding of the homeowner and the sales process. We studied the landscape, using several methods including consumer focus groups.

Consumers know little to nothing about exterior siding. From their perspective, a contractor will recommend the type of siding they passionately endorse. But

often, the contractor is offering: 1) the type of siding they know how to install, 2) a product that helps them maintain a profitable margin, and 3) a product from a siding manufacturer who rewards their business. In most neighborhoods, that product will be some type of vinyl siding. In fact, even if a contractor sells another siding type, this contractor will default to presenting only vinyl at the first inkling that price will be an issue for the homeowner.

Price and trust in a contractor are principal barriers to the sale. As homeowners like to get multiple bids, contractors must first sell themselves and their price to the homeowner. Highlighting the value or comparative features and benefits of the siding product they are selling takes a back seat, and touting the virtues of the siding brand is unheard of.

With limited resources, contractors try to avoid “tire-kickers,” to focus instead on ready-to-buy prospects. They frequently advertise low-price offers to move consumers off the fence, and rely heavily on search marketing for a steady stream of prospects who have specifically requested a quote. They rarely nurture leads that aren’t ready to buy, let alone follow up more than once after a quote is given.

So how does a product like fiber cement ever get into the consumer’s consideration set in a vinyl-dominated market? And how could an unknown siding manufacturer like James Hardie stay top of mind over the months or years it might take before a homeowner is ready to re-side?

## **MATCHING APPROACH TO OBJECTIVES**

Our first step was to size the opportunity for James Hardie. Making a business case for a marketing initiative enables CBD to match investment and tactics to the challenge.

James Hardie had identified key geographic areas in which they intended to pilot awareness and lead generation programs. These neighborhoods contained their best target customers, based on demographic and psychographic markers.

The number of ideal targets in these tight geographic areas is relatively small. Homes clad with brick, stone or stucco are not eligible, and only a slim percentage of homeowners will consider re-siding their homes each year.

CBD recognized that to generate the lead volume needed to drive such a high sales goal, we would have to take a more disruptive approach than vinyl-selling contractors or competitive manufacturers could. However, the cost per new customer needed to be tightly managed in light of the small market size.

### **Need to know**

When approaching any new market, it’s important to ask the right questions. For instance:

- What is the true size of a specific opportunity?
- How fast is the market growing?
- How intense is the competition?
- How much of the market can we expect to capture?
- How profitable can this market be?
- What investments are required?
- What barriers would we need to overcome?
- How attractive is this opportunity given our goals, capabilities, constraints and other available options?

# Building a Hyper-Local Lead Generation Powerhouse

## FROM INDUSTRIAL TO INSPIRATIONAL

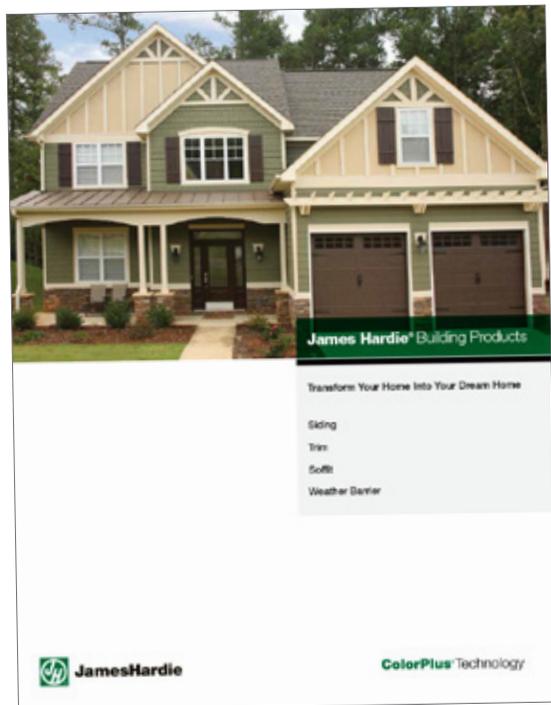
Our next priority was to position this primarily B2B-focused brand to appeal to homeowners, especially the female head of the household. To differentiate James Hardie from a commoditized competitive field, CBD worked to elevate the buying experience and “pride of place” satisfaction customers have when they choose James Hardie siding.

Consumers rarely look at re-siding as an opportunity to dramatically transform the look—and their experience—of their home. But if they are considering James Hardie, it’s truly a rare chance to “Dream and Design.” We recognized that building the desire for this new home experience is often more important than all of the rational reasons to choose James Hardie. Our approach would be to inspire property owners and let them see how James Hardie transforms homes. This

was a dramatic departure from the traditional focus on functional value propositions and proof points.

To engage the value-minded homeowner, it was also critical to ensure that the brand would represent “an affordable upgrade” over vinyl siding instead of a high-priced option. Our creative therefore stressed the lifetime value of James Hardie.

The consumer brand platform brings the siding product into sharp focus, accurately capturing the crisp, polished look of the products. Graphic elements elevate the brand dramatically from the look and feel of other industrial-looking siding manufacturers. We additionally developed a more aspirational tagline that paid off one of the meaningful experiences offered by owning James Hardie siding: “The Beautiful Backdrop to your Life.”



Before



After

# A Business Transformation

## CREATING A BRAND EXPERIENCE AND ACCELERATING THE SALE

The program we've developed with James Hardie utilizes integrated and highly targeted direct marketing. Our objective was to be where our local prospect could be found—at home, in stores and at events, and with contractors. We would leverage a variety of tactics under three areas of focus:

	<b>High Reach</b>	Targeted Inquiry and Lead Generation
	<b>High Touch</b>	Leverage/Strengthen Big Box Retail Activity
	<b>High Impact</b>	Hyper-local and Contractor Initiatives

### HIGH REACH

There is literally no way to determine whether a home qualifies for a James Hardie re-siding project until the current siding type and condition is known.

Our solution was to utilize field sales teams to introduce homeowners to the brand, put a sample of the product in their hands, and collect leads and inquiries. This tactic allowed us to avoid wasted budget by targeting only eligible homeowners, create maximum impact where we needed it most, and put a face on an otherwise invisible entity—a siding manufacturer.

The client immediately recognized the power of the concept, and the James Hardie Sales Ambassador was born.

### Need to know

Major initiatives, like this one, often require cross-organization cooperation – from IT to external partners. First, plan who will be impacted, and what they need to do to ensure success, then create a structure for collaboration.

To bring the program to fruition, a new field sales division was created and staffed. This was no lightweight feat. In a brief window of time we would:

- Develop job descriptions and compensation packages
- Define the Ambassador persona
- Identify needed materials and tools
- Structure a specialized training program
- Choose field gear and uniforms
- Write strategic canvassing and event scripts
- Implement new accountability, management and measurement processes, and more

### HIGH TOUCH

While James Hardie products are sold in the stores of big box retail partners Home Depot and Lowe's, the primary buyers in these channels are commercial contractors and Do-It-Yourself homeowners. These venues allow little opportunity to conduct in-store promotions. Therefore, CBD recommended creating a steady stream of retail events that could build awareness and engage consumers when home improvement is top of mind.

Ambassadors utilize a custom-built mobile showroom at the entrances of partner stores, offering premium items and inviting homeowners to enter a Sweepstakes. Ready-to-buy prospects can set an appointment to receive a quote, request that information be sent to them, or order a product sample.



*James Hardie Mobile Showroom*

## HIGH IMPACT

Our vision also called for Ambassador teams to become fixtures in local neighborhoods and at-large community events. Ambassadors would “own” their communities—networking with local businesses, homeowners’ associations and key community organizations that are vitally important to the mission of nimbly capitalizing on hyper-local opportunities.

CBD developed comprehensive market plans for the launch markets that mapped these events and organizations, and worked with James Hardie to create repeatable “win-win” partnership concepts and promotional campaigns.

Key elements of our detailed plans included resource allocation to drive maximum results, event evaluation and budgeting, homeowner universe statistics, and key metric projections by ZIP code.

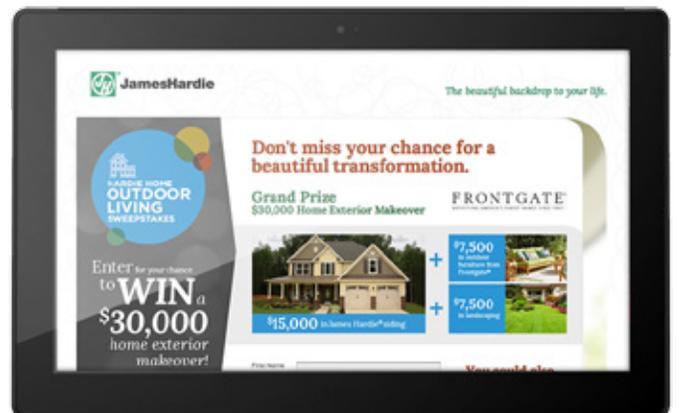
## TACTICS AND TOOLS

CBD’s plan included customized marketing pieces that no field or event sales team should be without, including promotional door hangers, sell sheets, and premium items.

We created a new Inspiration Guide, which brought to life the beauty and fun of siding with James Hardie. We also developed unique tools, such as a Vinyl Fade Display to show the dramatic color fading of vinyl versus James Hardie siding.

To increase our ability to deliver qualified leads, CBD created an exciting \$30,000 Home Exterior Makeover Sweepstakes. Participants could win siding, landscaping and outdoor furniture. For efficiency, the promotion was structured to award three grand prize winners over the course of a year.

Leads originating from our marketing outreach are captured via an experiential microsite where homeowners can register for the sweepstakes, explore James Hardie projects in their own neighborhood, learn about the product and financing, find a contractor, download information, and more.



*Microsite*

### Need to know

When selling a product with a long consideration cycle, integrate content and devices that amuse and amaze. Every touch point needs to make an indelible impression.

## BUILDING THE BUZZ

A concentrated social media strategy plus a robust PR effort would be keys to building buzz and driving cost-effective awareness.

James Hardie empowers Ambassadors to post tweets regarding their localized plans and activities, and many of these activities are echoed on the corporate site. Being endorsed by contractors underscores credibility and desirability, and the client makes great use of these partnerships: from staging contractor design contests that drive before-and-after photo content, to constantly supplying content for contractors to repost. The James Hardie Facebook site embraces both contractors and homeowners in a way that connects these important audiences.

Likewise, integrated PR acts to capitalize on opportunities generated through the program. Targeted media outreach to home design publications and other outlets began immediately upon the program debut. Hyper-local events and press opportunities supported promotions like our Exterior Home Makeover Sweepstakes. At a more national level, James Hardie products have been featured on *"Fox in the Morning"* (the Fox network's popular morning show), the popular TV series *"Blog Cabin,"* in major metropolitan news sources such as *The Atlanta Constitution*, and in hundreds of community media and home design outlets.

To reach contractors and homebuilders, PR placements have included multiple stories each month in trade media directed to this audience, including

blog posts and "case study" articles of interest to these important influencers. CBD facilitated speaking engagements for James Hardie executives at relevant conferences and trade shows, and created a regular flow of business news for distribution to all relevant trade media.

### Need to know

Social media should be a priority for most organizations with external sales channels. Because social media works best when people connect directly around topics they are passionate about, there is no better group to engage than a company's channel partners. Channel partners know the industry, product, and customer. They also have the independence that lends both authority and authenticity.

## "THERE'S NO APP FOR THAT"

Integral to our plan was providing a way that Ambassadors could collect homeowner lead data in the field, and have it transmitted instantly to the client's database. Leads could then be rapidly assigned to contractors for follow-up. Our speed-to-lead approach, and the highly customized nature of our needs, necessitated the development of a mobile app.

The app enables the field manager to assign neighborhoods to Ambassadors, and helps them manage events. With the app, the Ambassadors are able to capture homeowner data, discern whether a homeowner has previously engaged with James Hardie, and know if an Ambassador has visited a home in the past.

The app also provides the ability to understand the comparative performance of each Ambassador, and the tactics and event partners that yield the highest results.

The app consists of two integrated components: an iOS-based app and a web portal. Data is transmitted and received from the client's database in Salesforce, within which additional customized reporting has been developed to measure a wide variety of metrics to inform optimization and decision-making.



James Hardie Ambassador App

**Need to know**

When developing proprietary technologies, create comprehensive plans for the holistic lifecycle of the program—from design and development through testing, training, launch and maintenance.

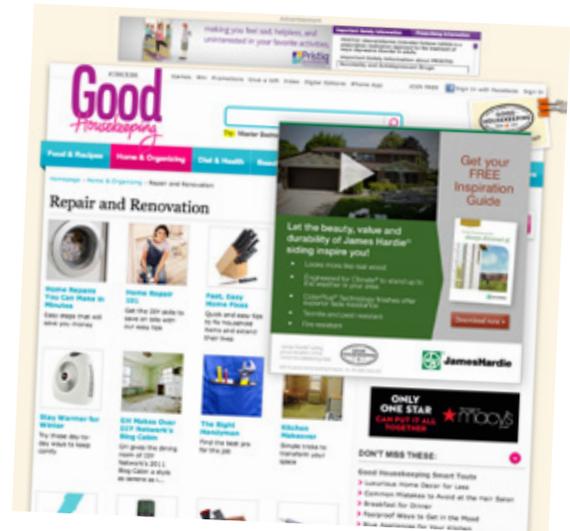
**BUILDING CREDIBILITY**

As a virtual unknown in the consumer marketplace, James Hardie needs every advantage to convince skeptical and reticent homeowners of their credibility. CBD recommended seeking a well-recognized credential to provide instantaneous recognition of quality and stability.

The Good Housekeeping Seal of Approval provides this endorsement, as great scrutiny is given to brands and products that seek it. Scientists and engineers at the Good Housekeeping Research Institute review the product to make sure that it delivers on all claims that appear in its advertising, packaging and other informational materials.

The Seal is actually an extension of Good Housekeeping's Consumer Policy which offers a limited warranty in the form of a refund, repair or replacement if the product carrying the Seal is found to be defective within two years of purchase. Paired with James Hardie's own industry-leading 30-year non-prorated, transferable, limited warranty, consumers should be extremely confident of their purchase.

James Hardie was the only siding manufacturer to be awarded the Seal, and this credential has been integrated into website and field marketing materials.



To correspond with earning the Good Housekeeping Seal of Approval, CBD produced a national lead generation campaign on the goodhousekeeping.com website.

## Pre-Selling Hardie: From Commodity to Transformation Experience

When a homeowner requests a siding quote from a contractor, James Hardie loses all control over the engagement. The contractor may default to selling vinyl, especially in middle class neighborhoods.

Furthermore, homeowners largely approach a siding replacement project as just that—a replacement of what they already have. Few homeowners see their home’s exterior as a canvas to express their tastes or dramatically increase curb appeal. Likewise, a majority of contractors do not talk about design expertise or offer style advice. All too often, the homeowner doesn’t buy because the focus has been placed on the contractor personality, credentials and price instead of the vision of the home of their dreams.

With this in mind, CBD set out to create a powerful brand experience for consumers to build desire for the James Hardie product as well as anticipation of a beautiful home transformation.

The James Hardie Transformation Kit arrives prior to the contractor meeting via express mail. This kit is an interactive tool for the homeowner to use to chronicle their project and explore the products and colors they can discuss with the contractor. Homeowner and contractor response to this piece has been overwhelmingly gratifying, and there are indications that the tactic is driving incremental lift in the conversion rate.

### Need to know

Work to understand the total lifetime value of potential customers. You may find that a higher investment in conversion marketing touch points, like the James Hardie Transformation Kit, is warranted.



James Hardie Transformation Kit



### JAMES HARDIE PROGRAM RESULTS

In the first six months of the program, James Hardie has declared the pilot program a resounding success, and plans to expand the program going forward. In fact, more qualified consumer leads were obtained in the first three months of the program than in the previous three years combined. Virtually every day, a new sale results from this integrated marketing program.

# 10 Steps to Consumer Marketing Success

CBD partners with many organizations that need to build or dramatically improve their integrated demand generation, conversion and retention marketing capabilities. Here are just a few of the practices we recommend for consumer marketing success:

- 1. Approach marketing as “B2P,” not “B2C.”**  
No one thinks of themselves as a consumer, or wants to be treated as a target. Gain a deep and nuanced understanding of the people you seek to attract, no matter what market you’re in.
- 2. Do the math.** Build business cases and realistic projections for performance and growth, and plan for how year one may differ from year five. Then invest sufficiently to ensure that the strategies and tactics you initiate support these goals.
- 3. Create a clear and differentiated consumer brand and voice.** The language, tone and imagery typically used with business buyers are far different than what a shopper wants to engage with. People don’t care about features and benefits until they believe a product fulfills an emotional or visceral need. Firms need solid, clear and resonant value propositions and a good deal of creativity to rise above the thousands of marketing messages that typical consumers receive each day.
- 4. Engineer for measurability, agility, and insight.** Ensure that you have the infrastructure needed to capture, use and measure consumer data. For best results, anticipate the need for campaign coding and tracking protocols, integrated marketing automation platforms, customized database fields and lead routing, and customized reporting dashboards.
- 5. Understand, and plan to address, the buyer’s desires and needs across the entire consideration cycle.** Build an integrated marketing communications strategy to educate, engage, and generate demand. Follow this with a strategic lead nurturing plan, and you have a winning combination.
- 6. Create positive experiences that buyers will want to share.** Take a critical look at all customer and prospect touch points and processes. Optimize where necessary to ensure that you deliver a satisfactory experience—from discovery through transaction and beyond.
- 7. Continuously generate and offer valuable information and experiences across your touch point channels.**
- 8. Constantly learn.** Formalize a process for ongoing research, as well as collecting feedback and insights from your most important audiences and stakeholders. Most of the best ideas for products and improvements come from outside a company, and yet relatively few companies have feedback systems. This can be a key source of insights to drive differentiation and innovation.
- 9. Leverage external third party partnerships.** If your organization is new to consumer marketing, you can gain much needed credibility and exposure through marketing partnerships.
- 10. Test everything.** Test messages, images, colors, fonts, offers, timing, format, time of day, personalization and so on. Build a model that drives efficiencies and higher return on investment over time.



## 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](mailto: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.