

The New Now

- Marketing and Media for Construction

September 21, 2011

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New Research From Hanley Wood

- **Hanley Wood sponsored a research program to:**
 - Assess how building product buyers (builders, remodelers, and architects) are using media
 - Determine if building industry marketing strategies match what building and design professionals want
- **Two studies were conducted:**
 - Study of marketers
 - Study of buyers

2011 Hanley Wood Survey of Marketers

- **Surveyed 100 building product manufacturers**
 - Only 1 respondent per company was allowed to complete the survey
 - Conducted by email and telephone
 - Fielded May 25 to July 11, 2011
- **Surveyed builders, remodelers, and architects**
 - 281 builders
 - 591 remodelers
 - 313 architects
- **Conducted by third-party research companies**
 - OpinionPath
 - MSA Research

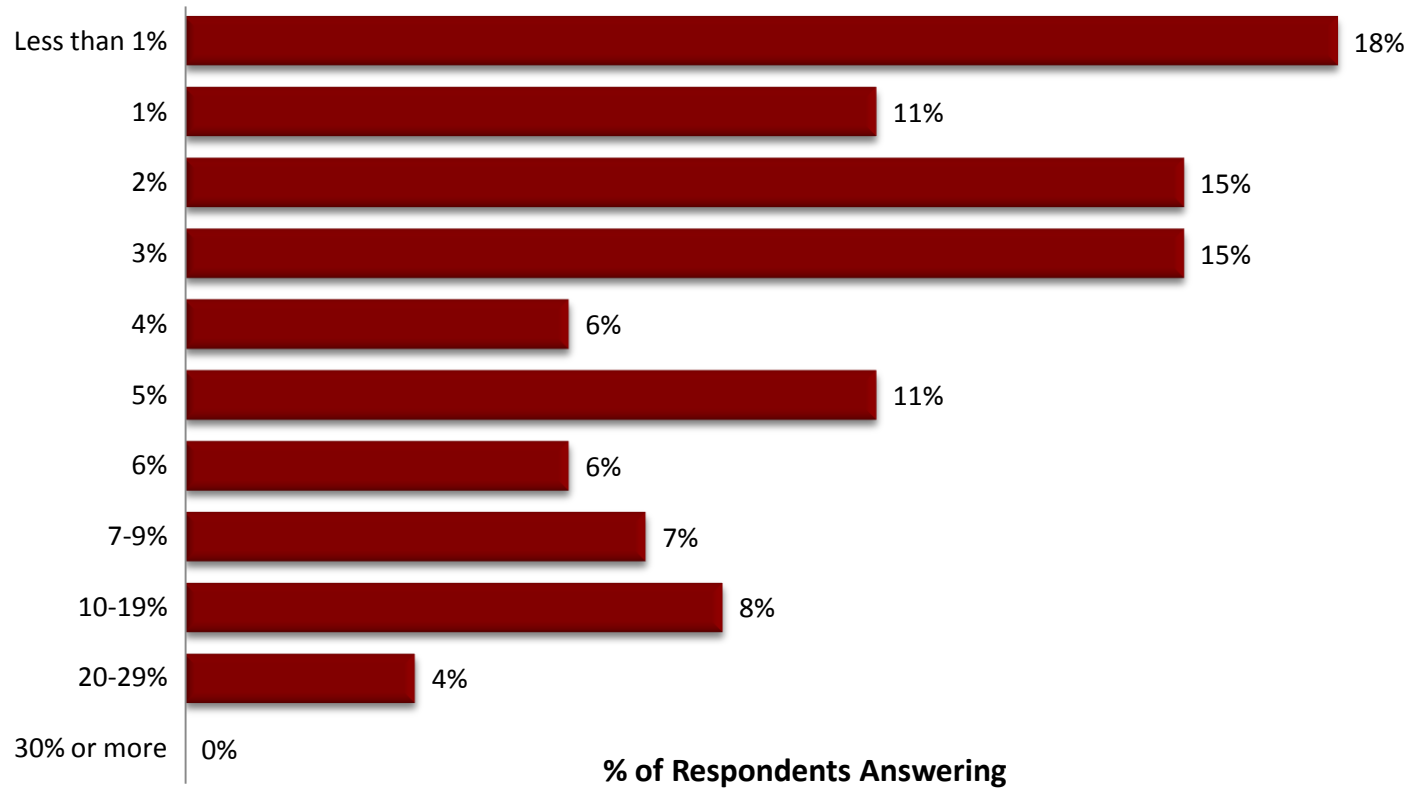
Show Me the Money



What percentage of revenue does the typical building product manufacturer spend on marketing?

- 1) 5%**
- 2) 3%**
- 3) 7%**

Modest Spending



Q. Roughly what share of your company's total revenue goes to marketing expenditures for its building products?

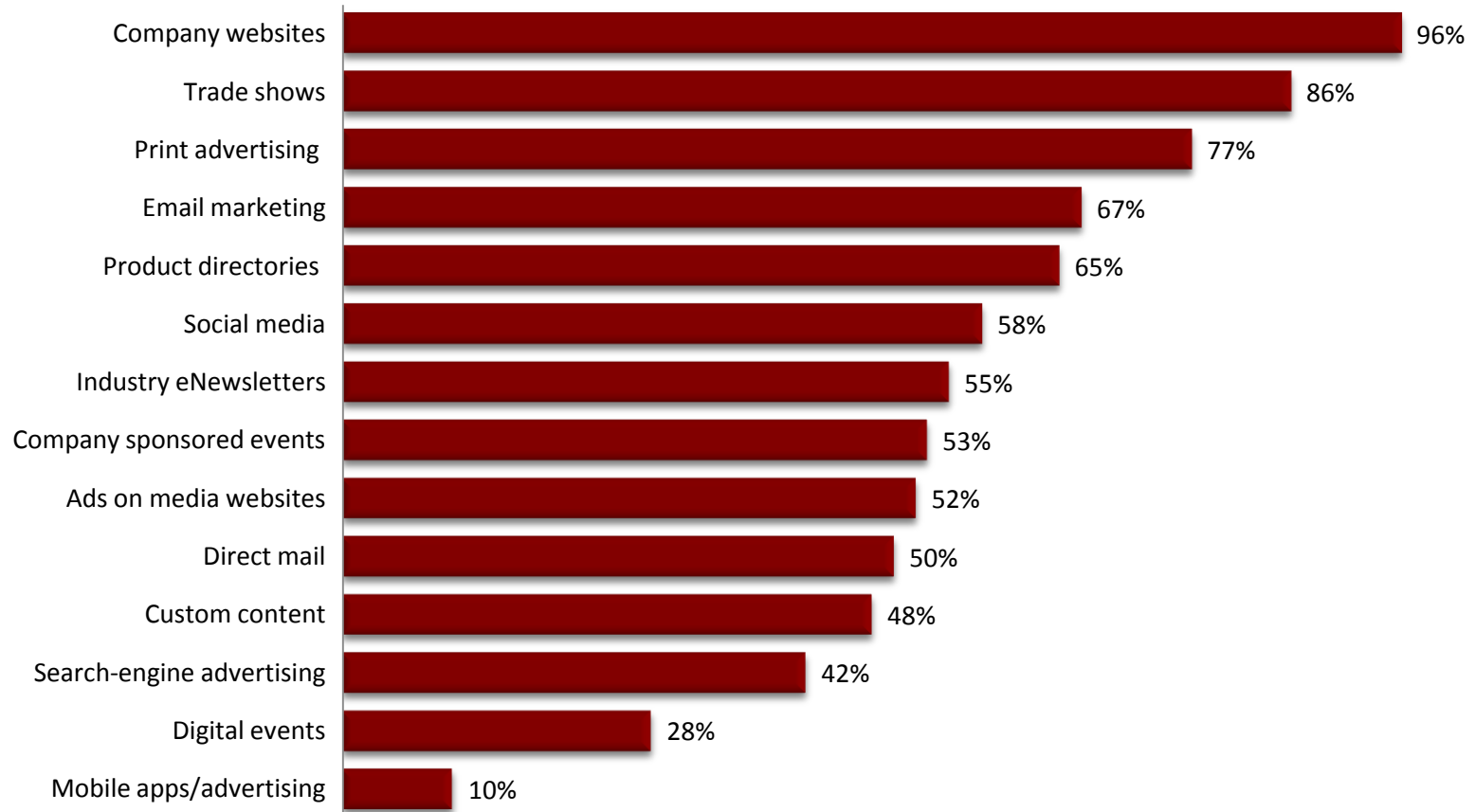
Base: All qualified respondents less those answering Don't know (Manufacturers, 85)

Feeling Shortchanged

- **Only 43% indicated that their annual marketing budget was sufficient to meet their needs**



Lots of Buckets

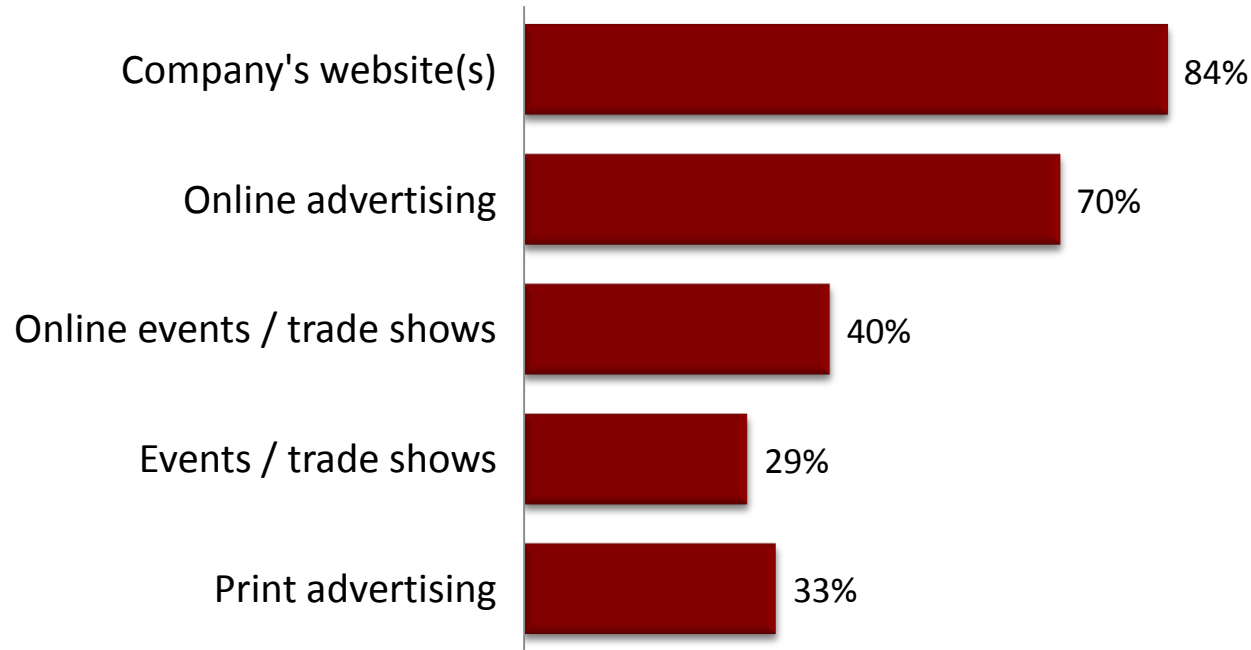


Q. Which of these marketing activities did your company engage in within the last 12 months, to market to builders, architects and/or remodelers?

Base: All qualified respondents (Manufacturers, 100)

Buckets to Fill

- **The two-year forecast: Where increases will occur**



% Answering "Increase Sharply" or Increase Somewhat"

Q For each, please use the scale to indicate how you think the annual building-industry-marketing dollars that your company spends will change over the next two years. Scale: Increase sharply, Increase somewhat, Stay about the same, Decrease somewhat, Decrease sharply.

Base: All qualified respondents (Manufacturers, 100)

Buckets to Empty

- Where decreases will occur



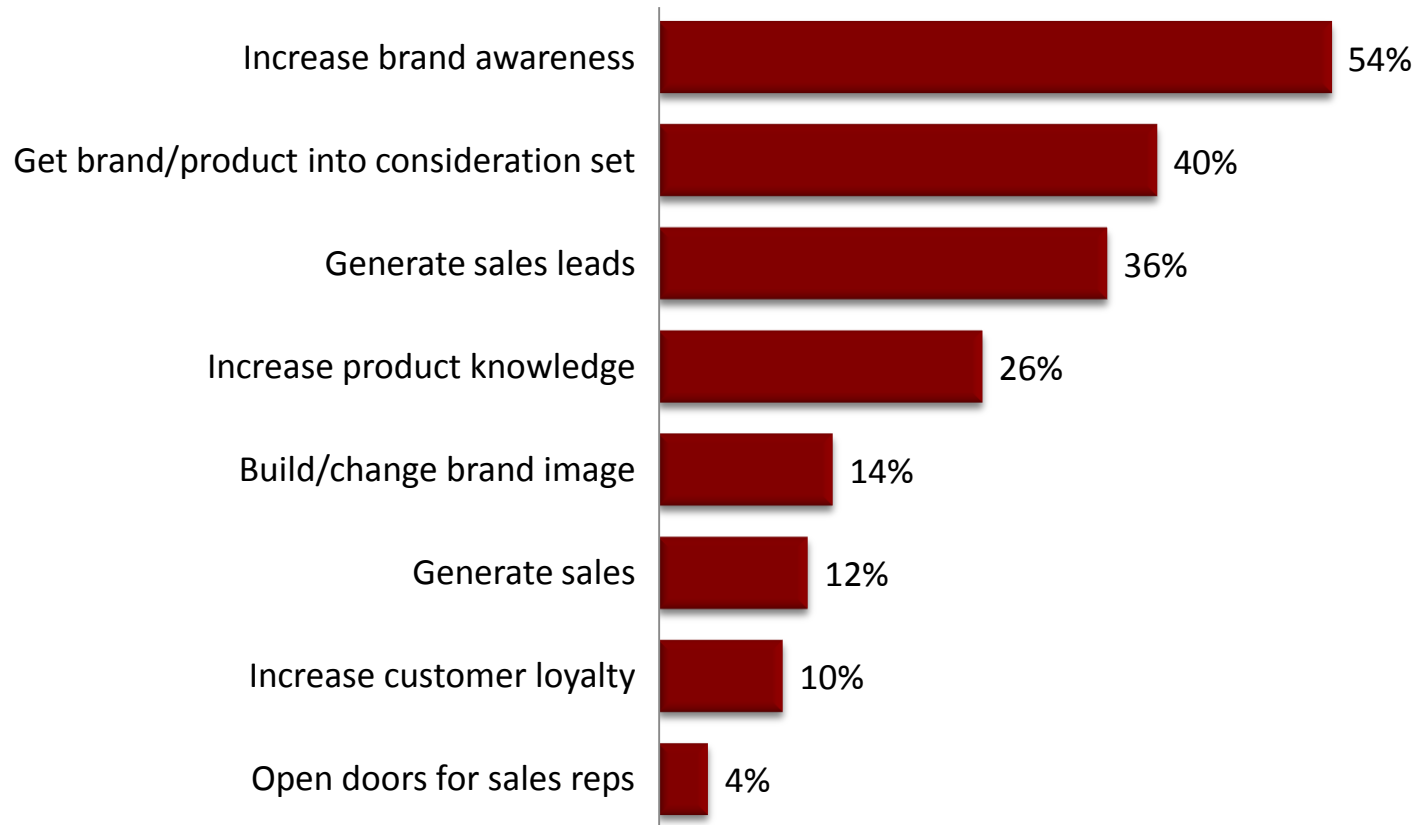
Goals and Strategy



What is the top marketing objective for building product manufacturers?

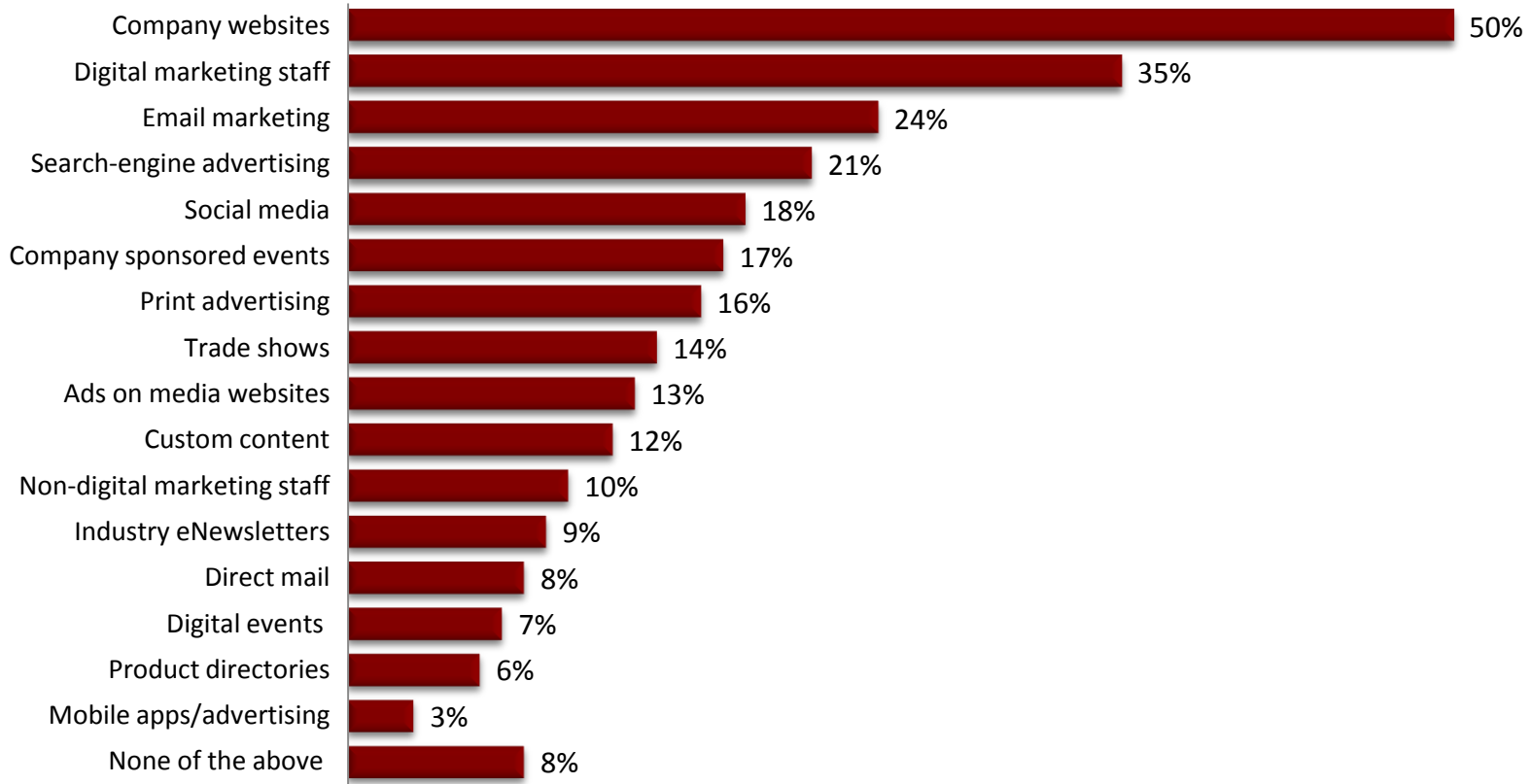
- 1) Generating leads
- 2) Building customer loyalty
- 3) Increasing brand awareness

Manufacturers' Top Marketing Objectives



Q. Which two of these objectives most drive your company's marketing expenditures aimed at builders, architects and/or remodelers?
Base: All qualified respondents (Manufacturers, 100)

Where should spending increase?



Q. Which of these do you believe your company should have been spending significantly more on during the last 12 months than was budgeted, to meet your company's business objectives?

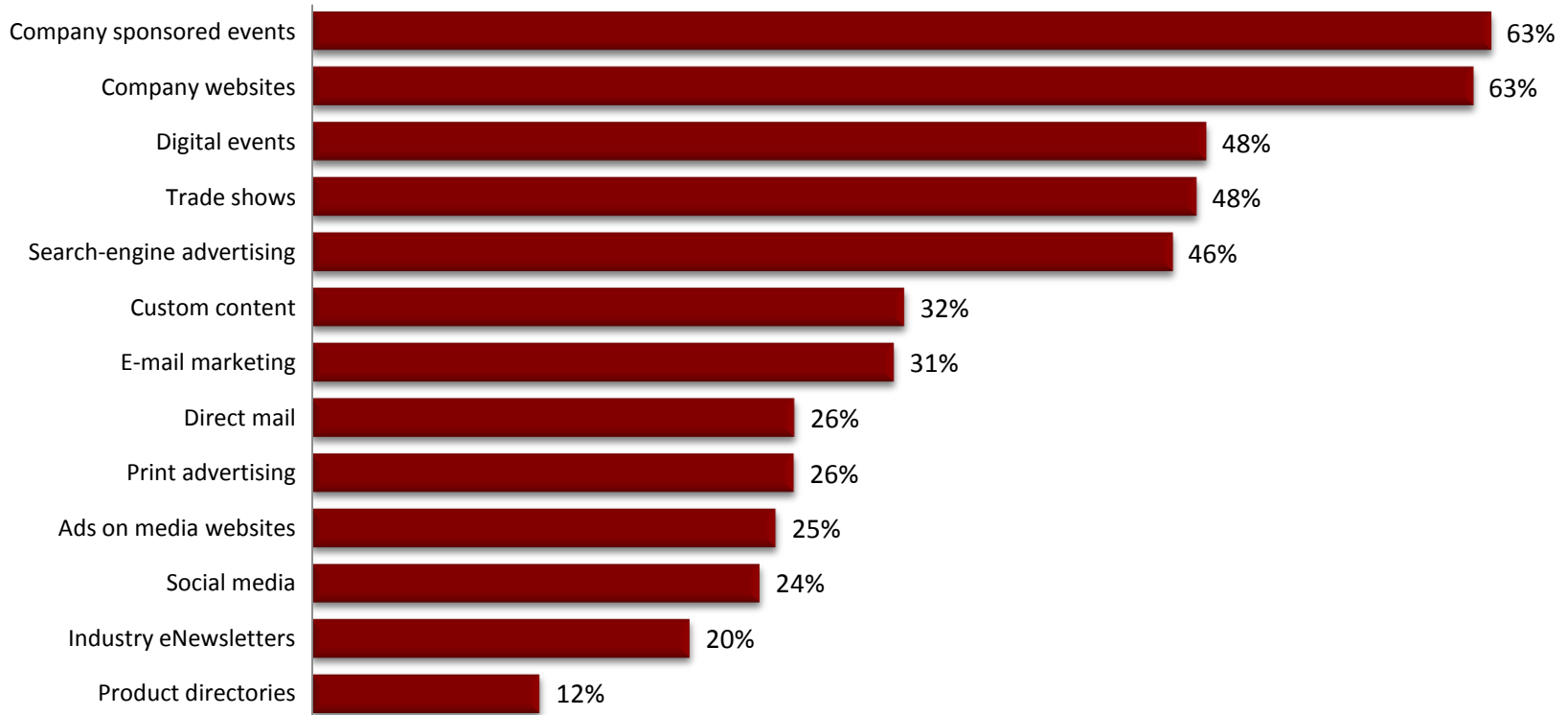
Base: All qualified respondents (Manufacturers, 100)

Matching Strategy to Objectives

Among those doing marketing activity in row, rank of % stating that it best meets objective in column	Increase brand awareness	Increase product knowledge	Build/change brand image	Generate sales	Open doors for sales reps	Get brand/product into consideration set	Generate prompt purchase of brand/product	Increase loyalty of current customers
Company websites	2	1	4	4	7	3	6	8
Trade shows	2	3	5	1	8	4	6	7
Print advertising	1	2	4	3	7	5	6	7
E-mail marketing	1	2	4	3	8	4	6	7
Product directories	2	3	5	4	5	1	5	8
Social media content	1	3	2	6	6	4	8	5
Industry eNewsletters	1	2	5	2	6	4	7	7
Company sponsored events	5	2	6	4	3	8	6	1
Ads on media websites	1	2	4	3	6	5	6	6
Direct mail (marketing materials sent by postal mail)	1	3	6	1	7	3	5	8
Custom content	2	1	2	5	6	2	8	6
Search-engine advertising	1	7	5	2	5	3	3	7
Digital events	2	1	5	5	3	3	5	5

Q. For each marketing activity, please mark the one objective your company best meets, when using that activity to market its products to builders, architects and/or remodelers. Row bases: Used marketing activity in last 12 months (27-96). Mobile apps not reported, because of insufficient users. Note that the above question was asked before the top-two-objectives question shown on the prior slide, so respondents were not predisposed to pick awareness or knowledge in this question.

Your Own Best Friend



% Rating Interest-Generating Effectiveness of Activity As an 8, 9 or 10 on an 11-Point Scale

Q. For each marketing activity, please rate how effectively you think it increases the interest of builders, architects and/or remodelers in your company's brands/products. 11-Point Scale: Extremely effective 10, 9, 8, 7, 6, Of average effectiveness 5, 4, 3, 2, 1, Not at all effective 0 Chart

* Small sample size could exaggerate the difference between smaller and large-company percents. Row Base: Used that marketing activity in the past 12 months (Manufacturers, 27-96). Mobile apps not reported, because of sample size of users too small.

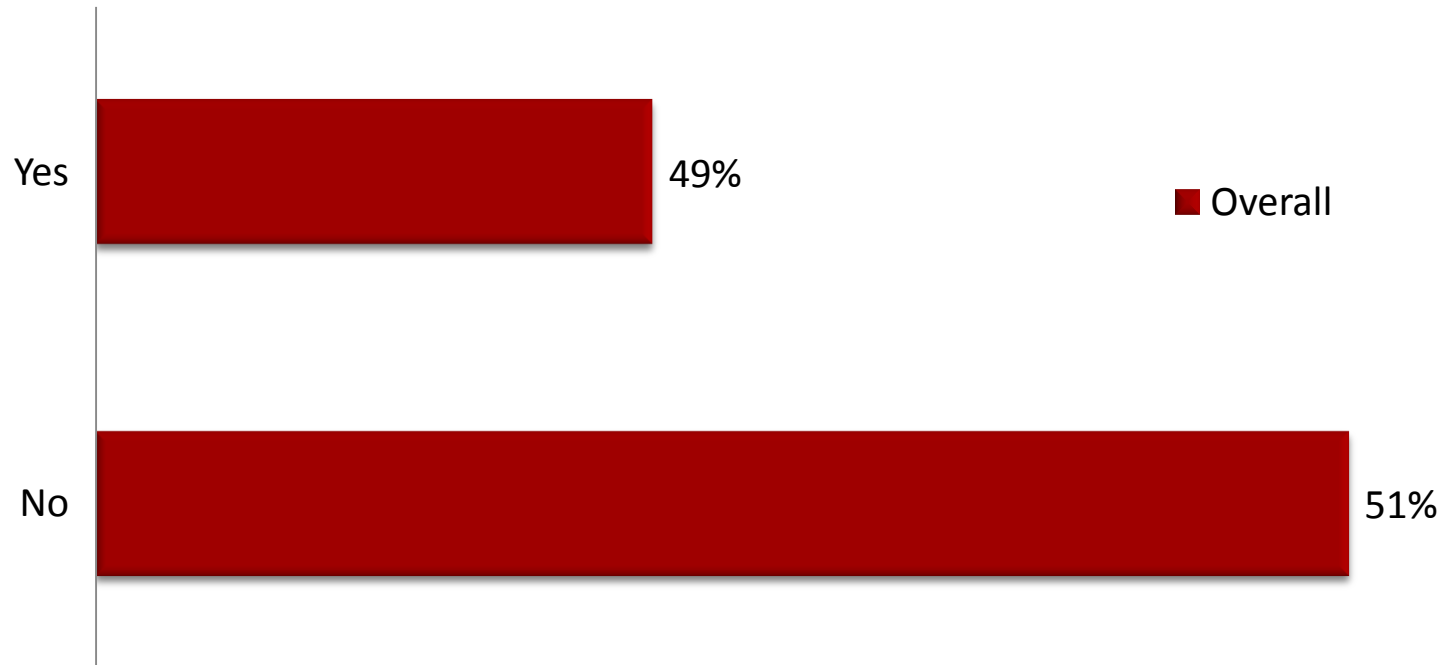
Going It Alone



What percentage of building product manufacturers use agencies?

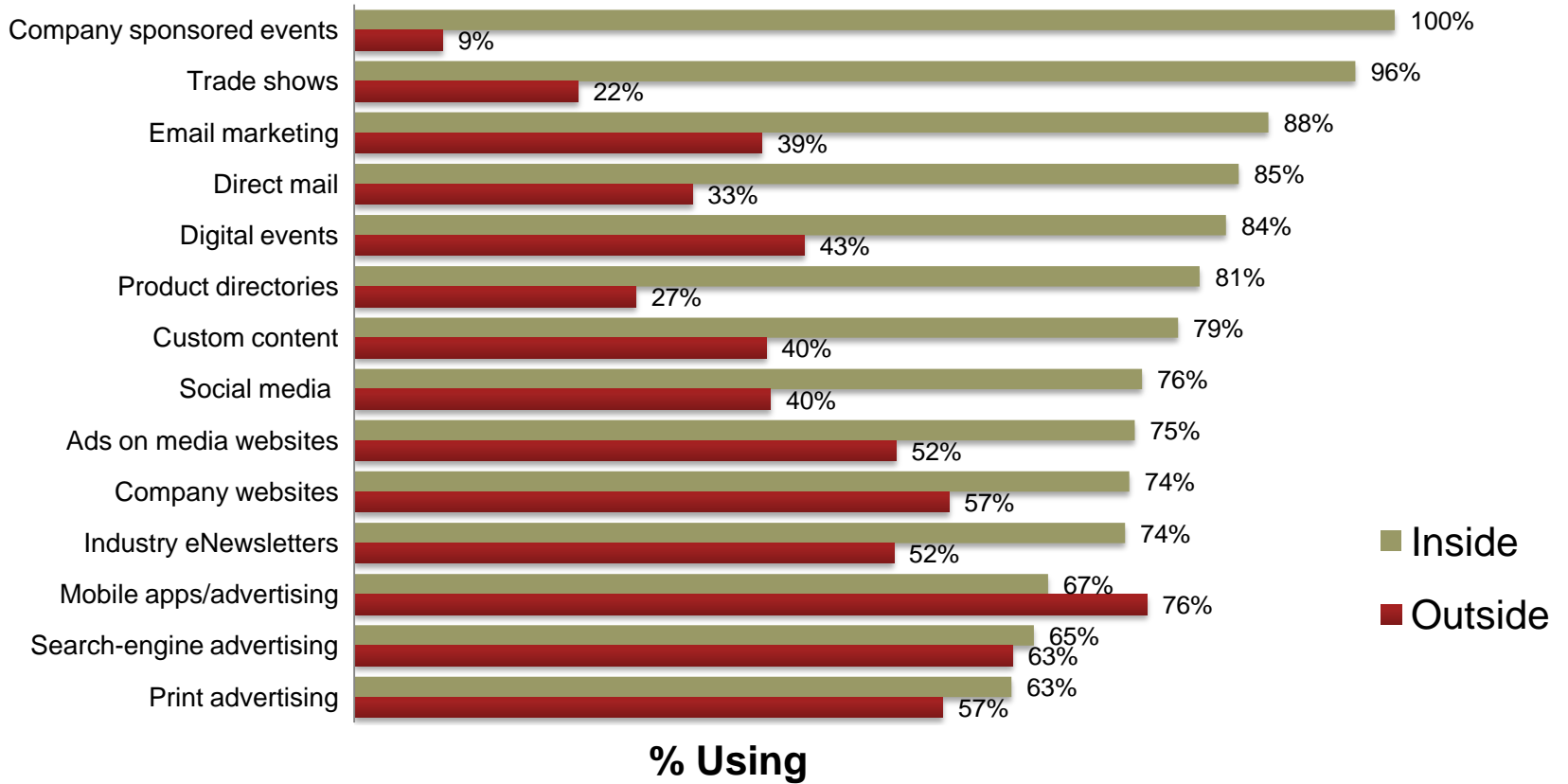
- 1) 49%
- 2) 63%
- 3) 81%

Self-Help



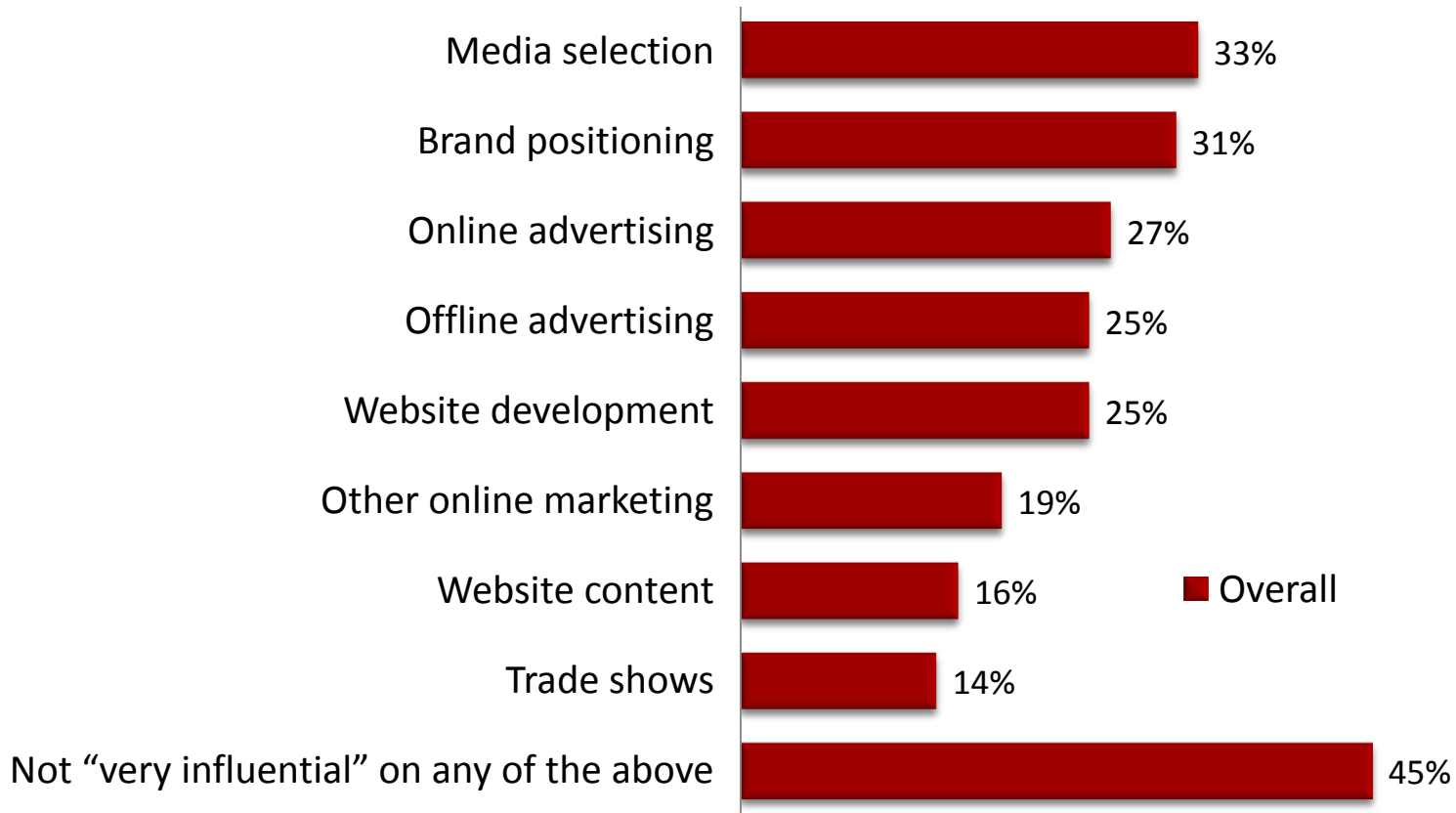
Q. Over the last 12 months, has your company used an advertising/digital agency to market to builders, architects or remodelers?
Bases: All qualified respondents (Overall, 130; 1-499 employees, 62; 500+ employees, 64)

What Agencies Do (or Don't Do)



Q. For each marketing activity that you expect your company to spend on in the next 12 months, please check which resources are likely to be used.
 Column bases: Firm expects to do that activity in next 12 months (Manufacturers, 24-99). "Outside" is a net of respondents that clicked agencies, consultants or media company's marketing services department.

Where They're Influential

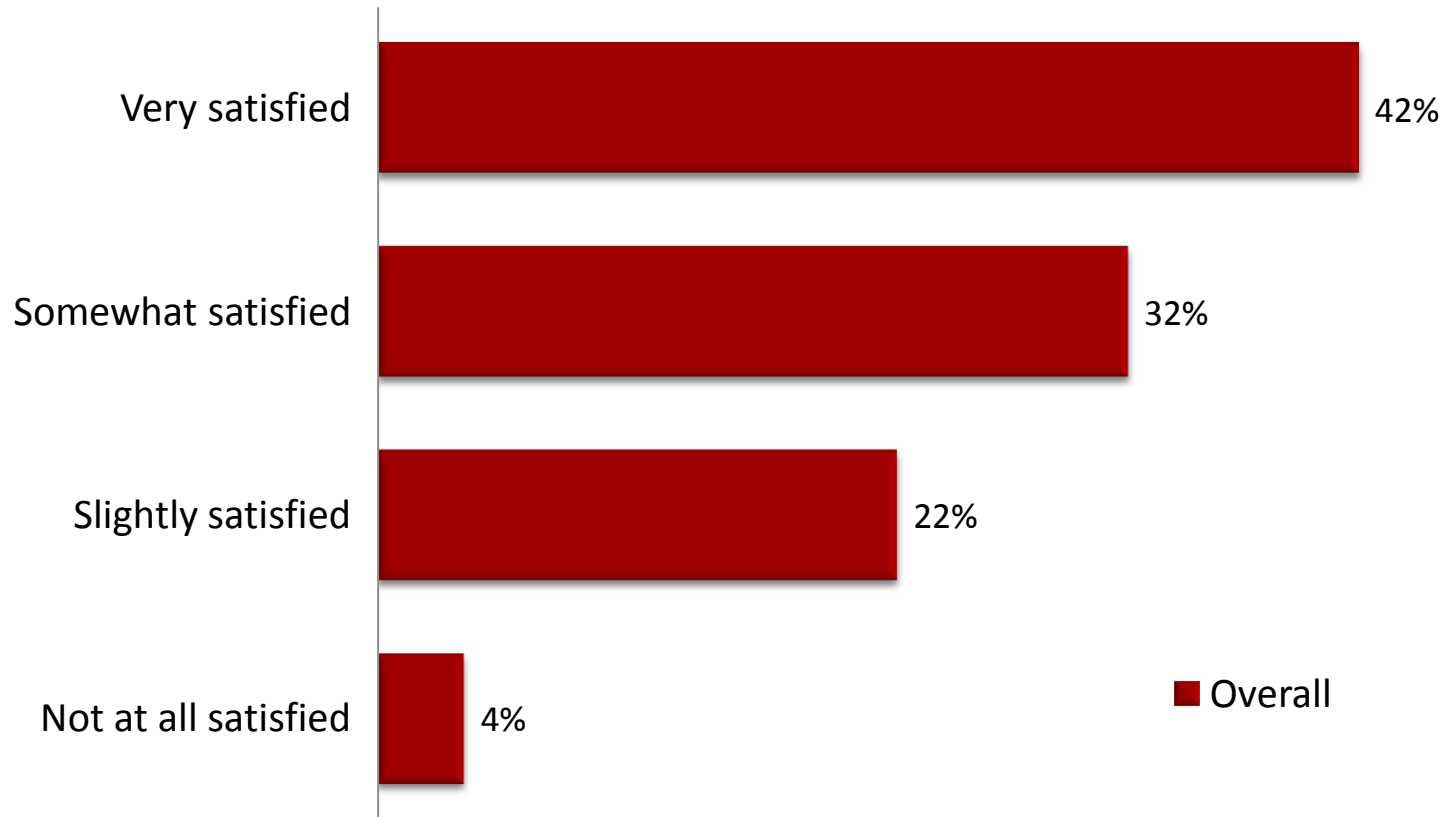


Q. Overall, how influential are your advertising agencies (or agency) over each of these, when your company markets to builders, architects and/or remodelers? Very influential, Somewhat influential, Slightly influential, No influence. %s refer to overall result.

Bases: Used ad agency in the past 12 months to market to builders, architects or remodelers (Overall, 64; 1-499 employees, 23; 500+ employees, 38)

Note: small base sizes for 1-499 and 500+ may exaggerate differences shown between the two groups.

Passing Grades



Q. How satisfied are you with your company's current advertising agency of record for marketing to the building industry? %s refer to overall result.

Differences between results for 1-499 and 500+ were not statistically significant.

Bases: All, less those not having such an agency. (Overall, 81; 1-499 employees, 34; 500+ employees, 41)

Note: small base sizes for 1-499 and 500+ may exaggerate differences shown between the two groups.

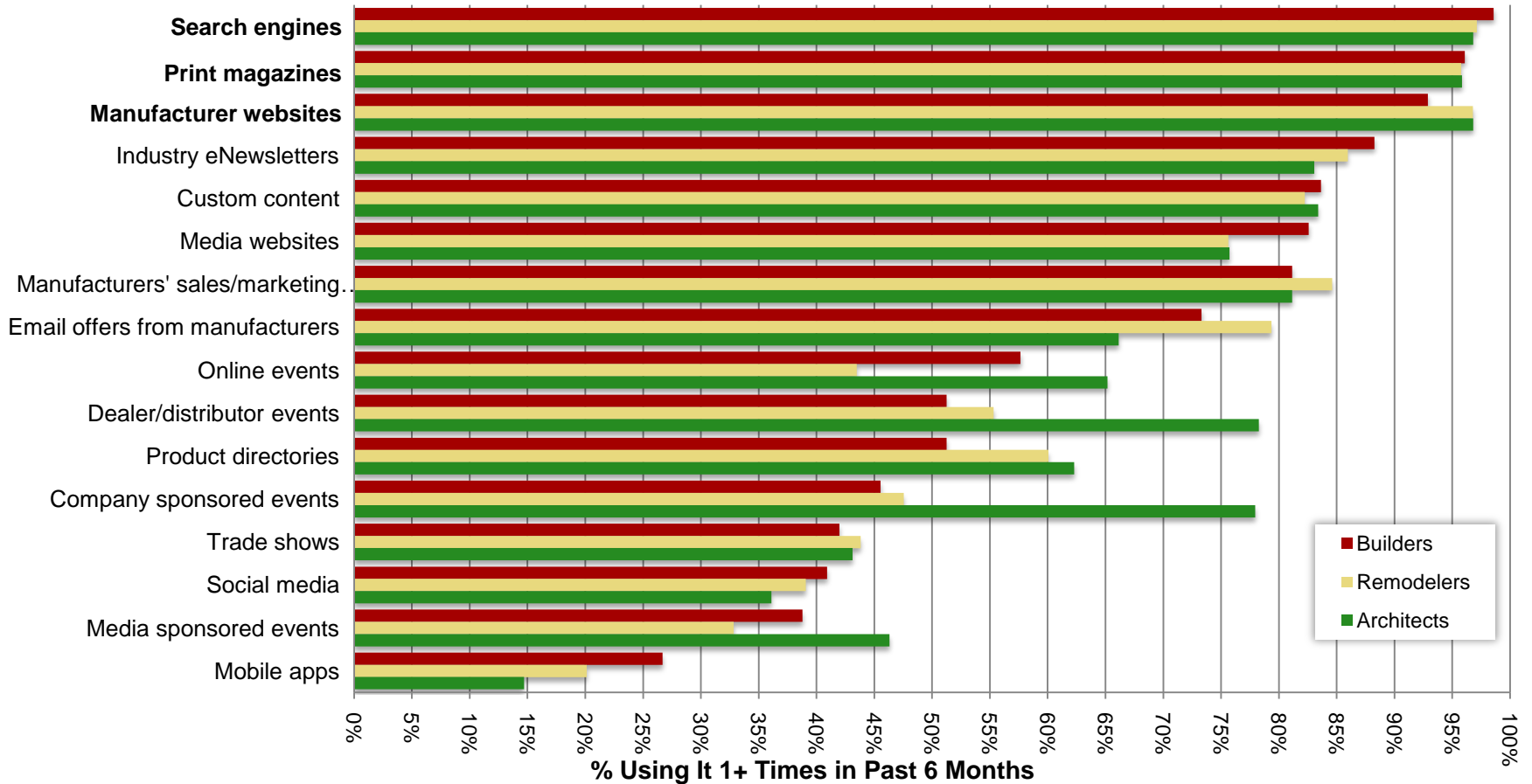
Where Are Your Buyers?



What percentage of your customers regularly read industry magazines?

- 1) 71%
- 2) 47%
- 3) 96%

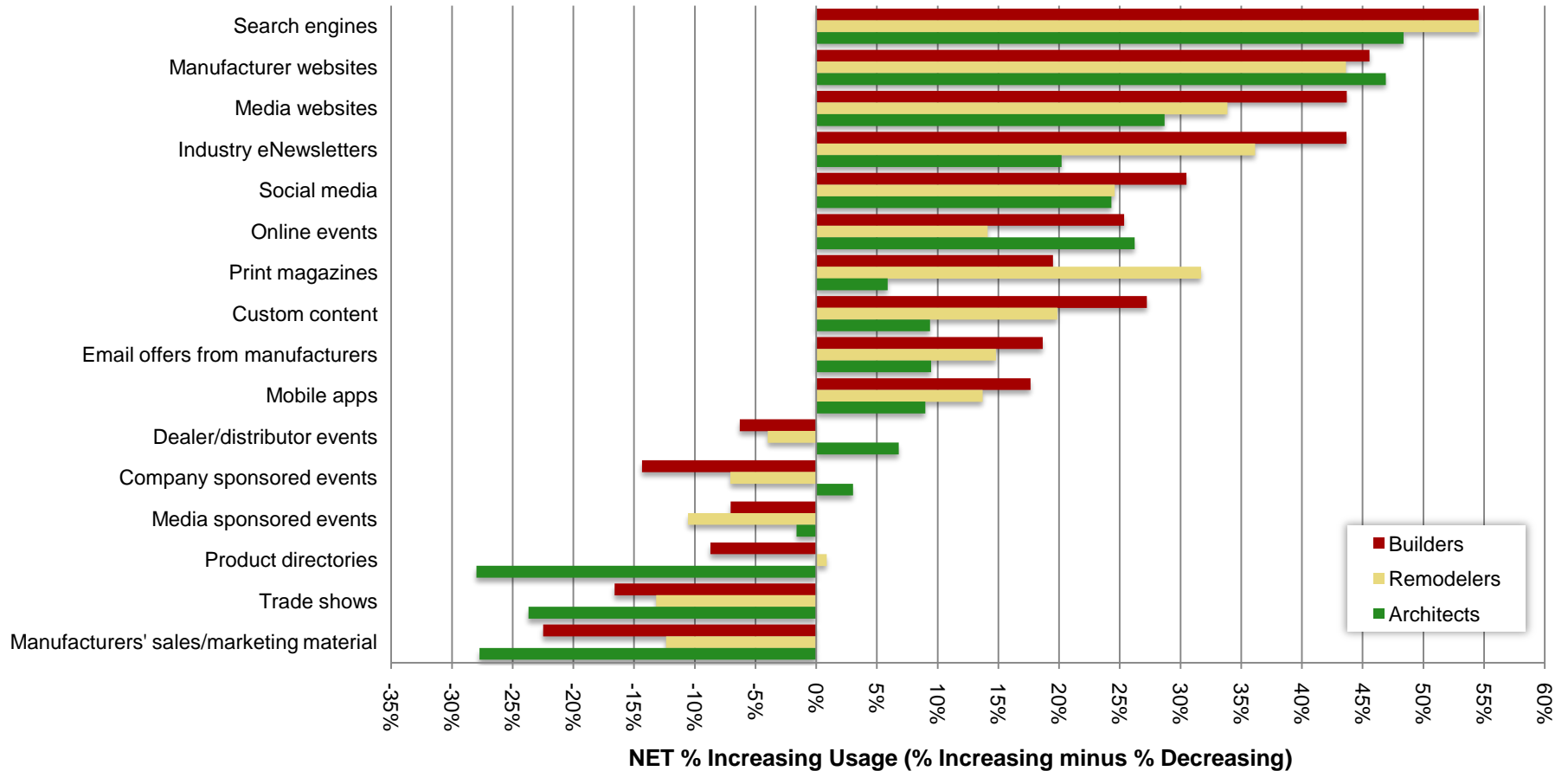
Everywhere



Q. Please mark the phrase that best describes how frequently you have used, viewed or attended it over the past 6 months to get information about building design, products or construction. 2+ times a day. Once a day. 3-4 times a week. 1-2 times a week. 1-3 times a month. At least once in the past 6 months.

Base: All qualified respondents (Builders, 278; Remodelers, 587; Architects, 312)

Ups and Downs

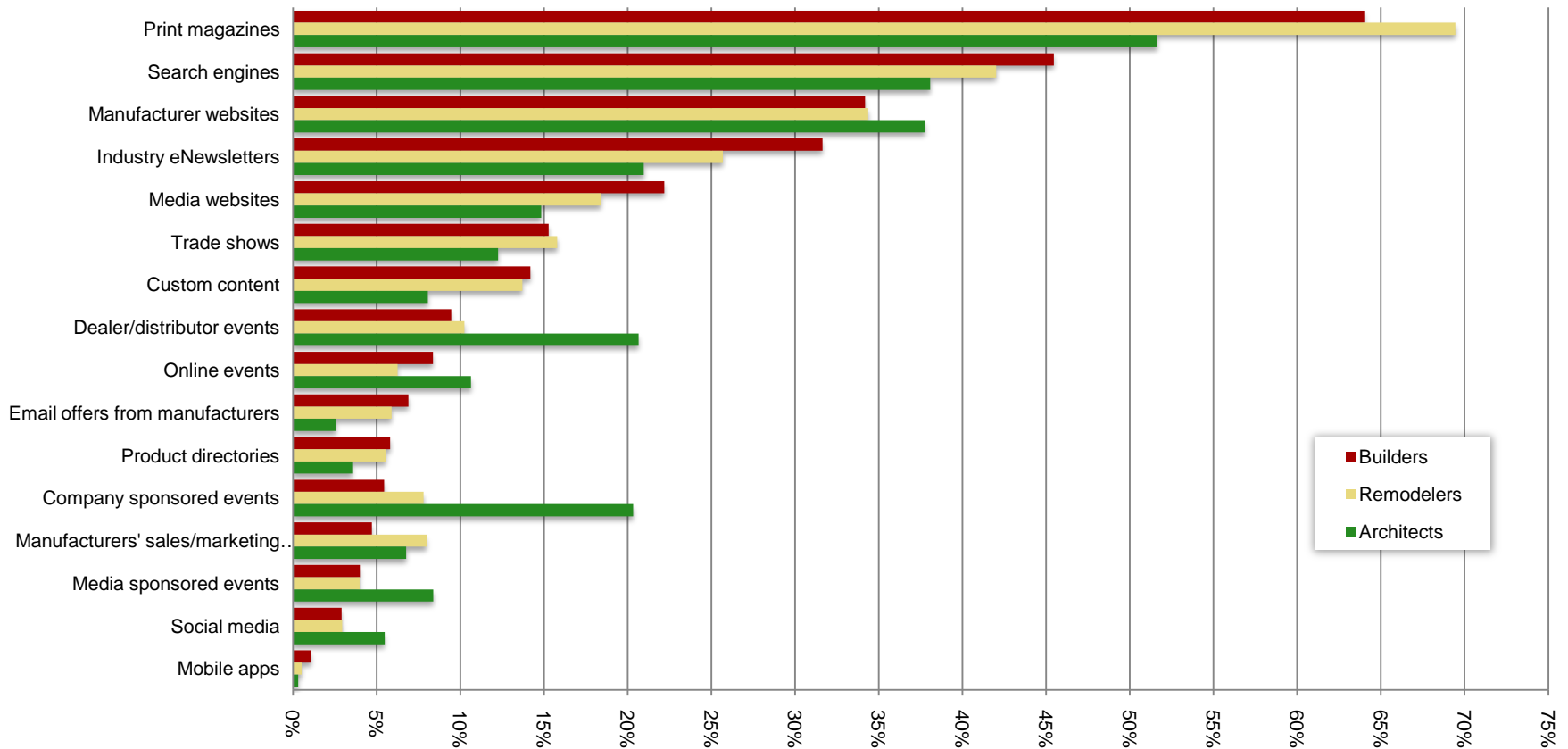


Q. Please choose the answer that best describes how your use, viewing or attending of it—to get information about building design, products or construction—has changed in the last 12 months, when compared to usage in the 12 months prior to that. Increased significantly, Increased moderately, Stayed about the same, Decreased moderately, Decreased significantly. Row bases: Ever used that media for work (78-573)

Learning Centers



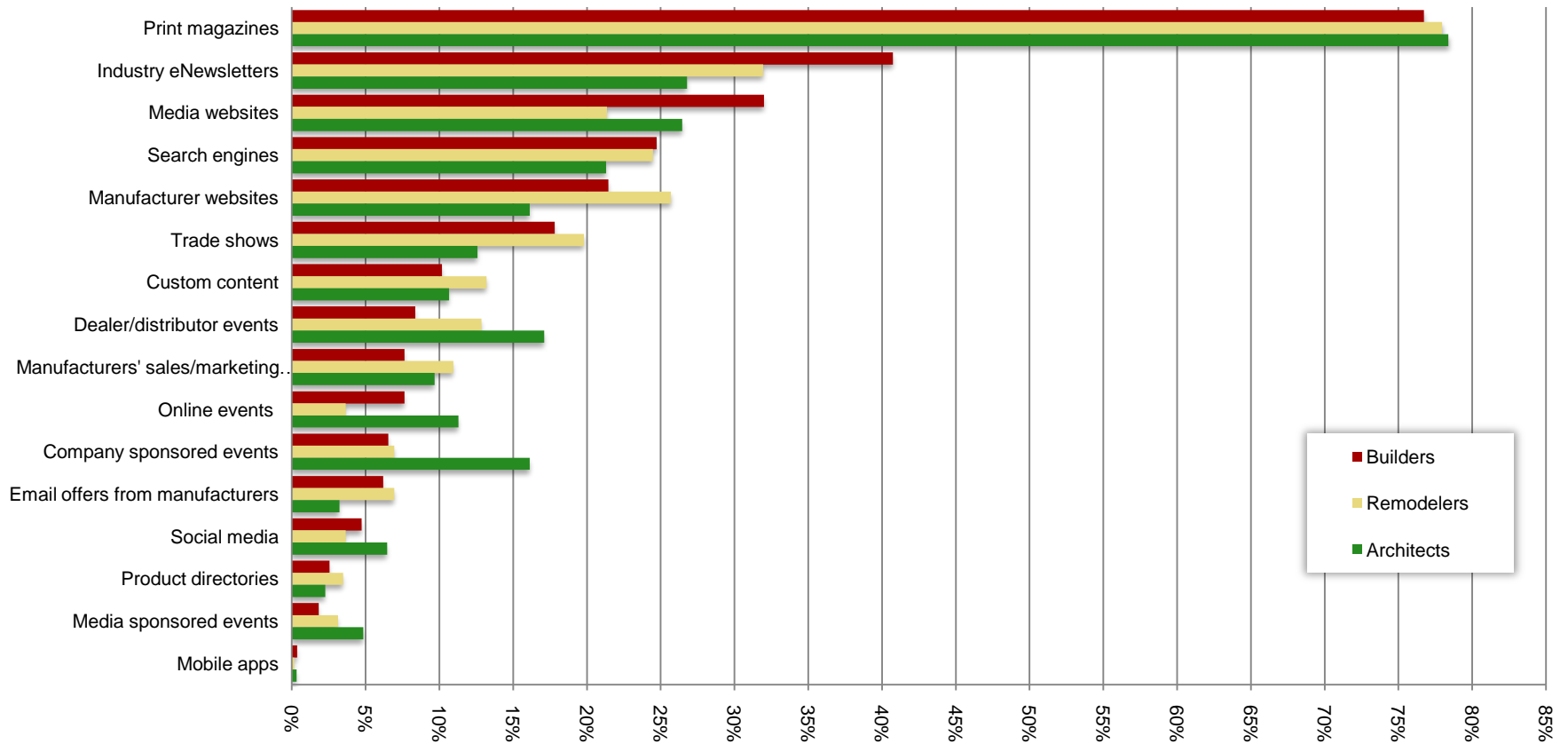
Business Strategy



Q. Which 3 of these most inform you about business/marketing strategies in the building design/construction industry?

Base: Used 4+ media in the past 6 months (Builders, 275; Remodelers, 576; Architects, 310)

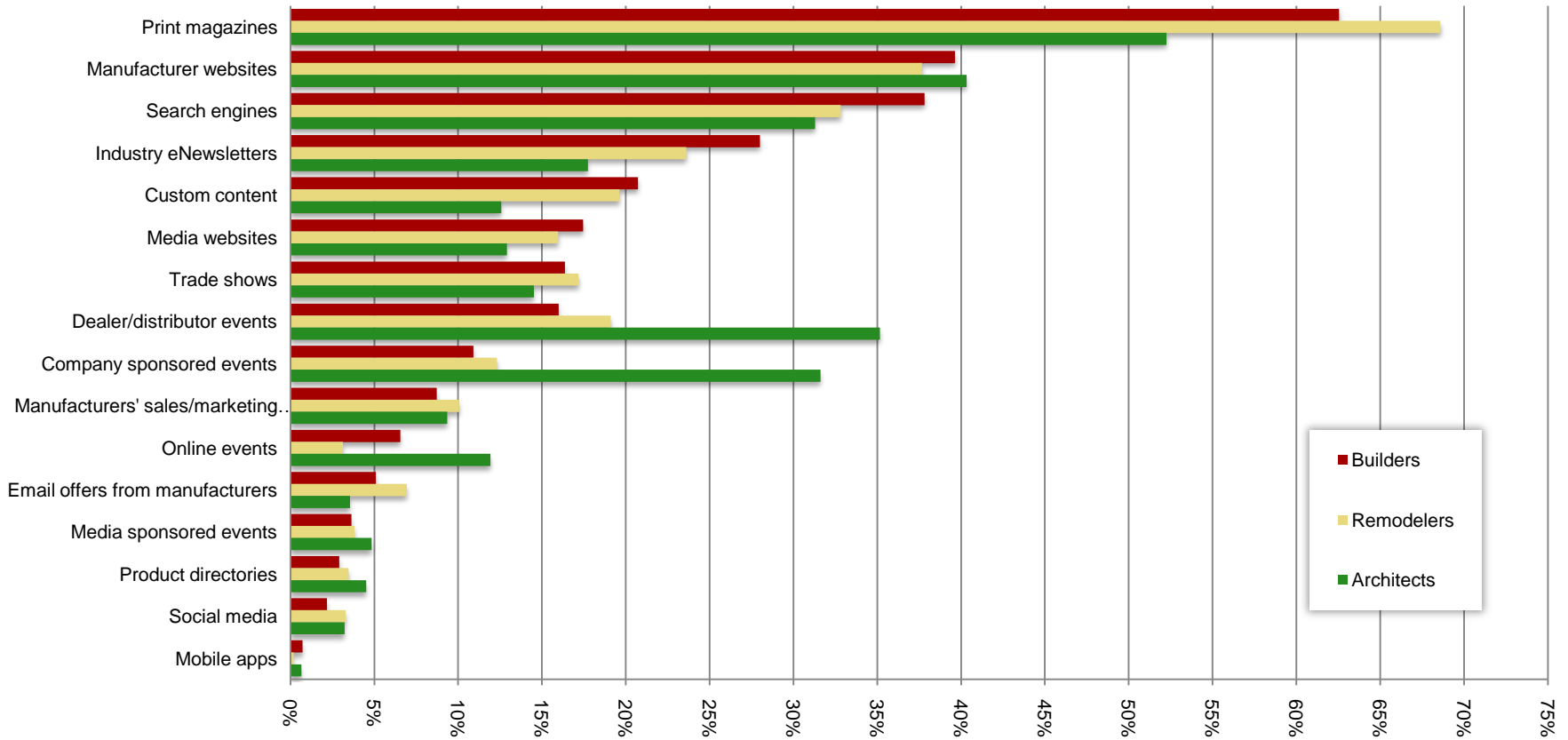
Design Trends



Q. Which 3 of these most inform you about new design trends for building?

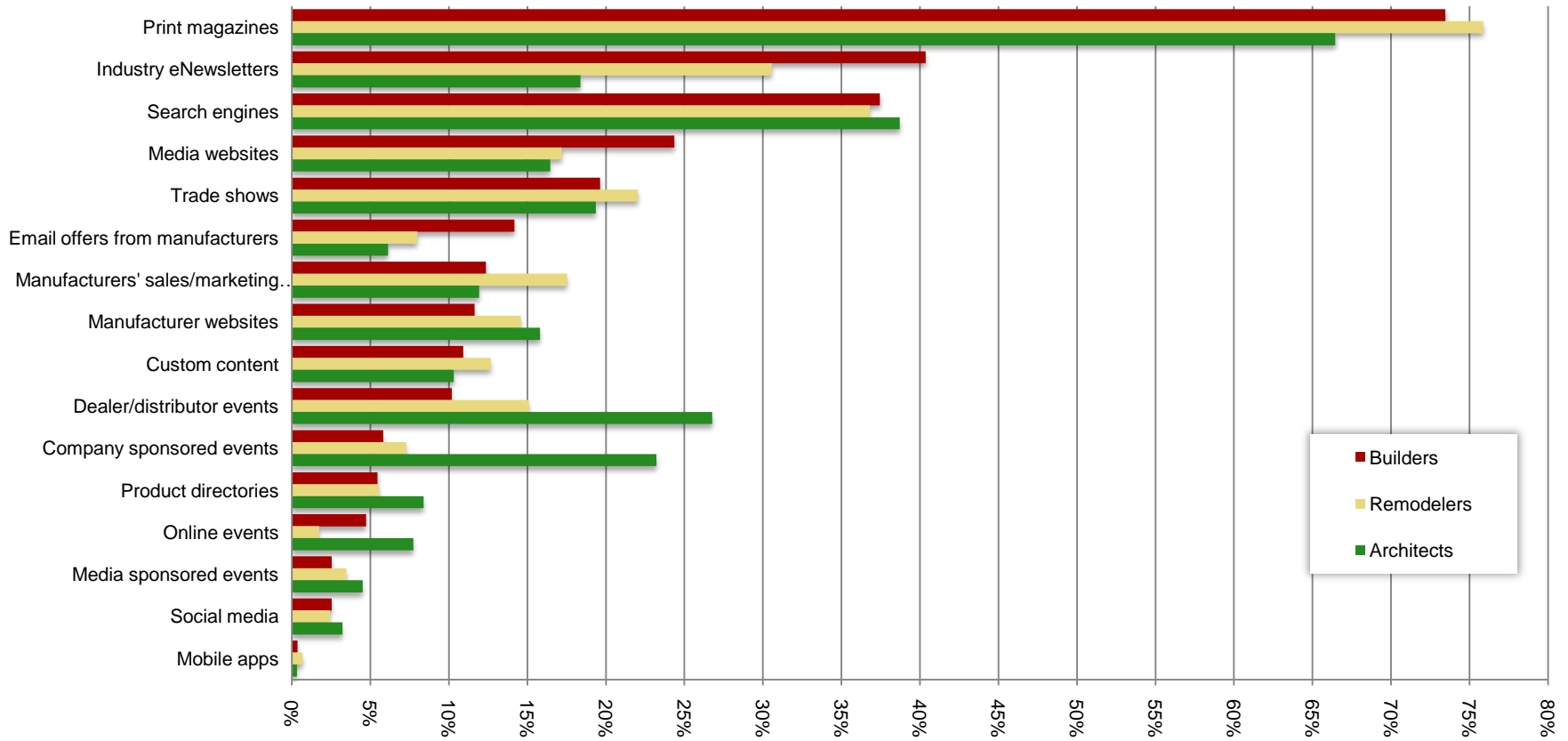
Base: Used 4+ media in the past 6 months (Builders, 275; Remodelers, 576; Architects, 310)

Construction Technology



Q. Which 3 of these most inform you about new techniques for using building products?
 Base: Used 4+ media in the past 6 months (Builders, 275; Remodelers, 576; Architects, 310)

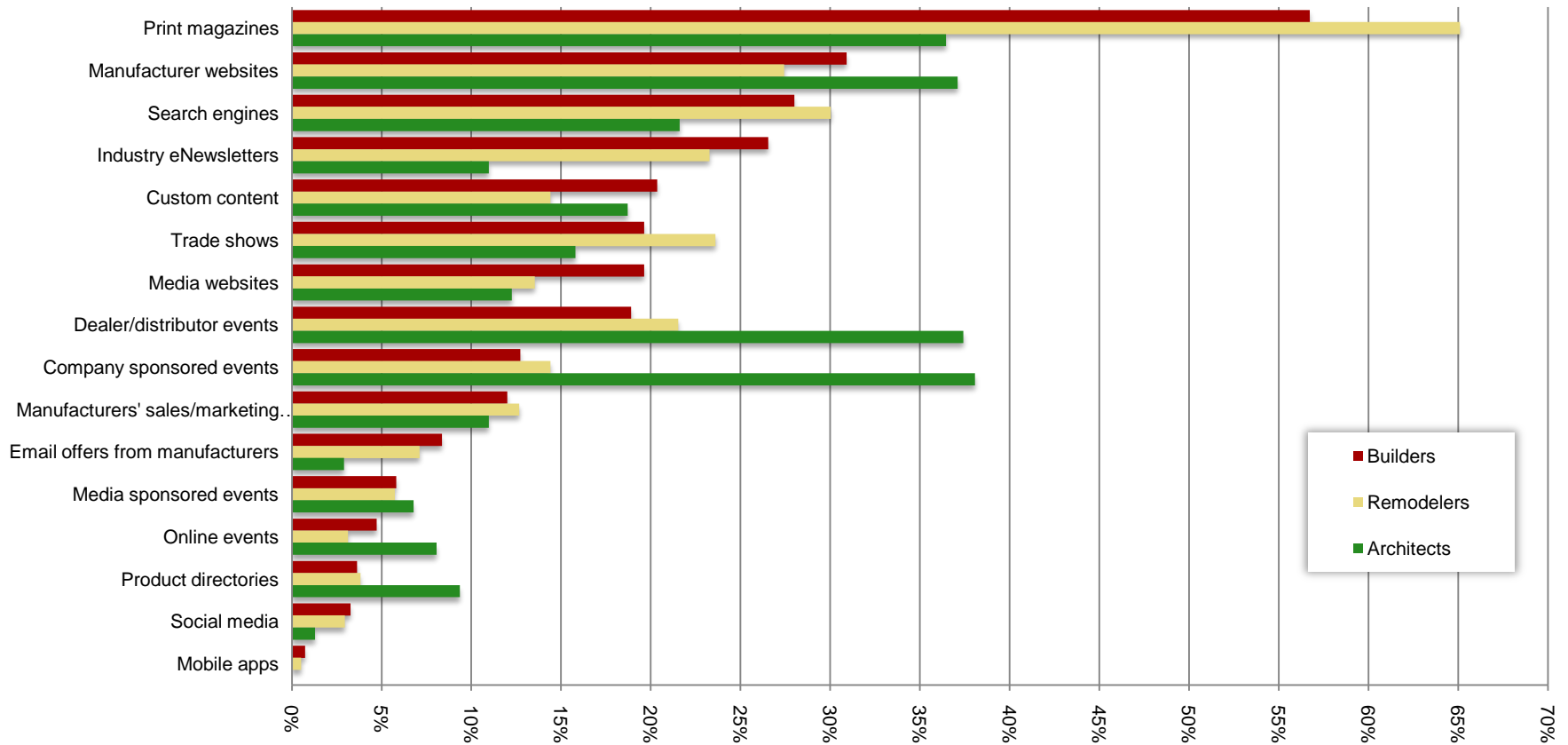
Brand Awareness



Q. Which 3 of these are most likely to make you aware of a building-product manufacturer you had never heard of before?

Base: Used 4+ media in the past 6 months (Builders, 275; Remodelers, 576; Architects, 310)

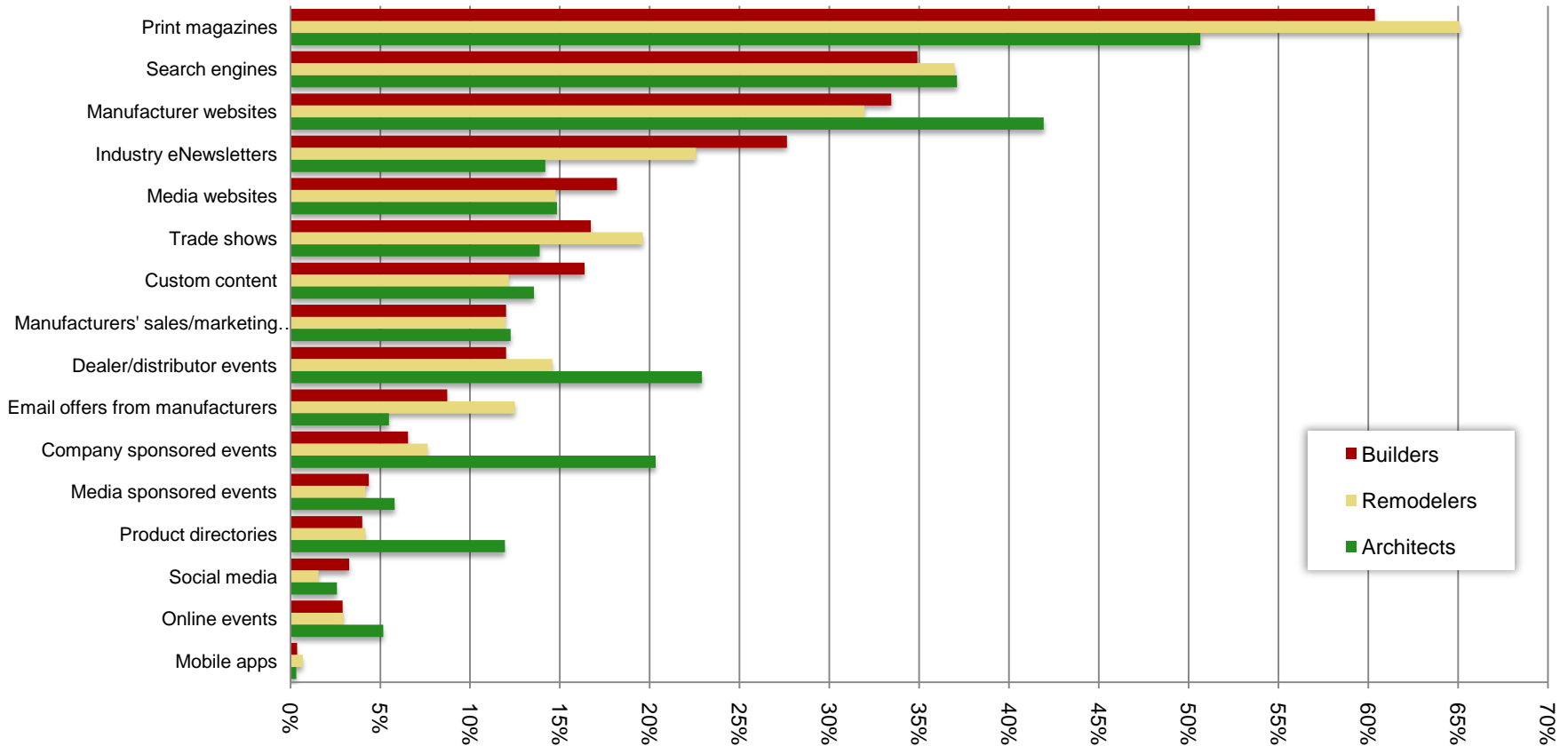
Product Consideration



Q. Which 3 of these are most likely to lead you to consider using a building product that your company is not using?

Base: Used 4+ media in the past 6 months (Builders, 275; Remodelers, 576; Architects, 310)

Customer Calling!



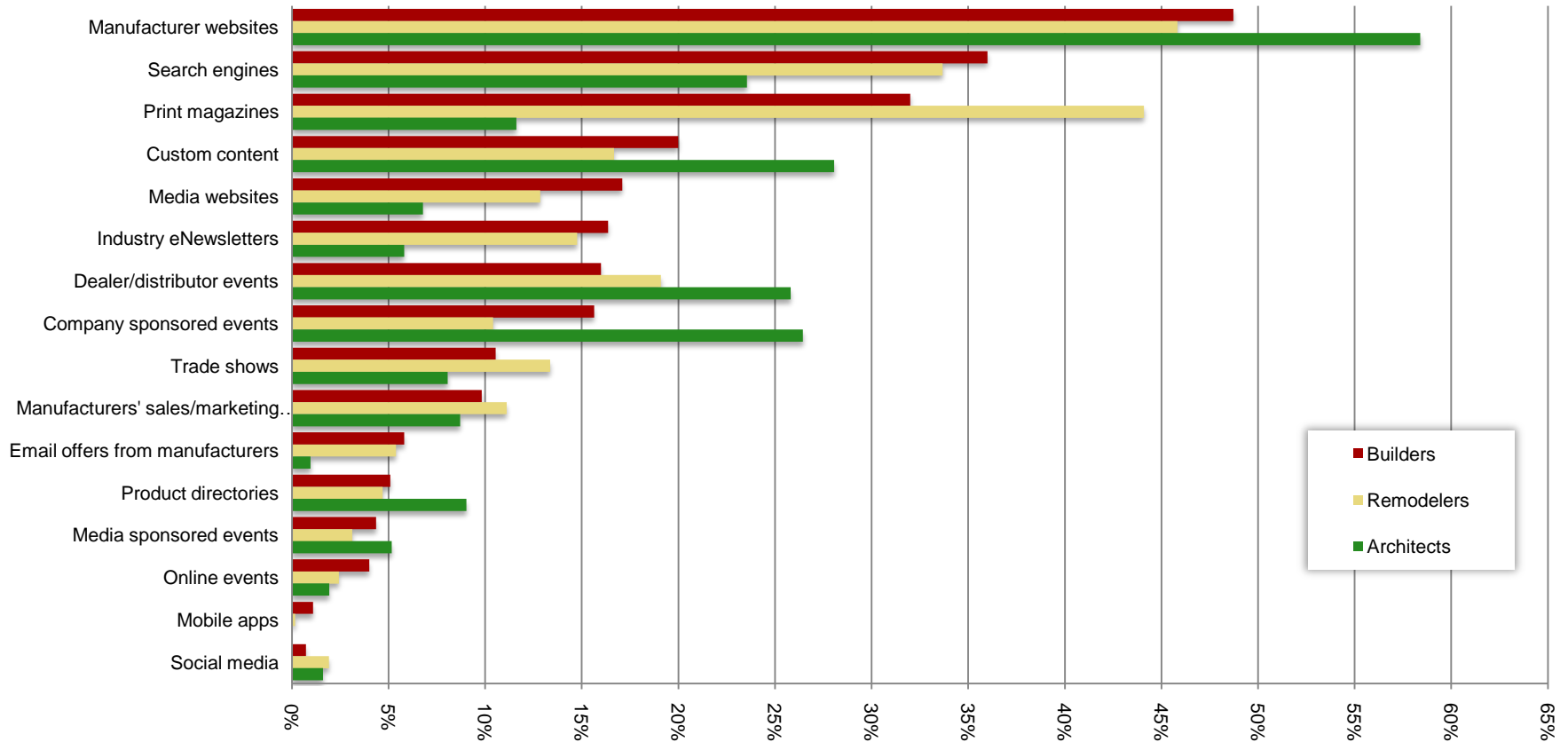
Q. Which 3 of these are most likely to lead you to contact a potential new building-product manufacturer?

Base: Used 4+ media in the past 6 months (Builders, 275; Remodelers, 576; Architects, 310)

When making final product selection, which tool is your customer most likely to rely on?

- 1) Your website**
- 2) Search engines**
- 3) Email offers**

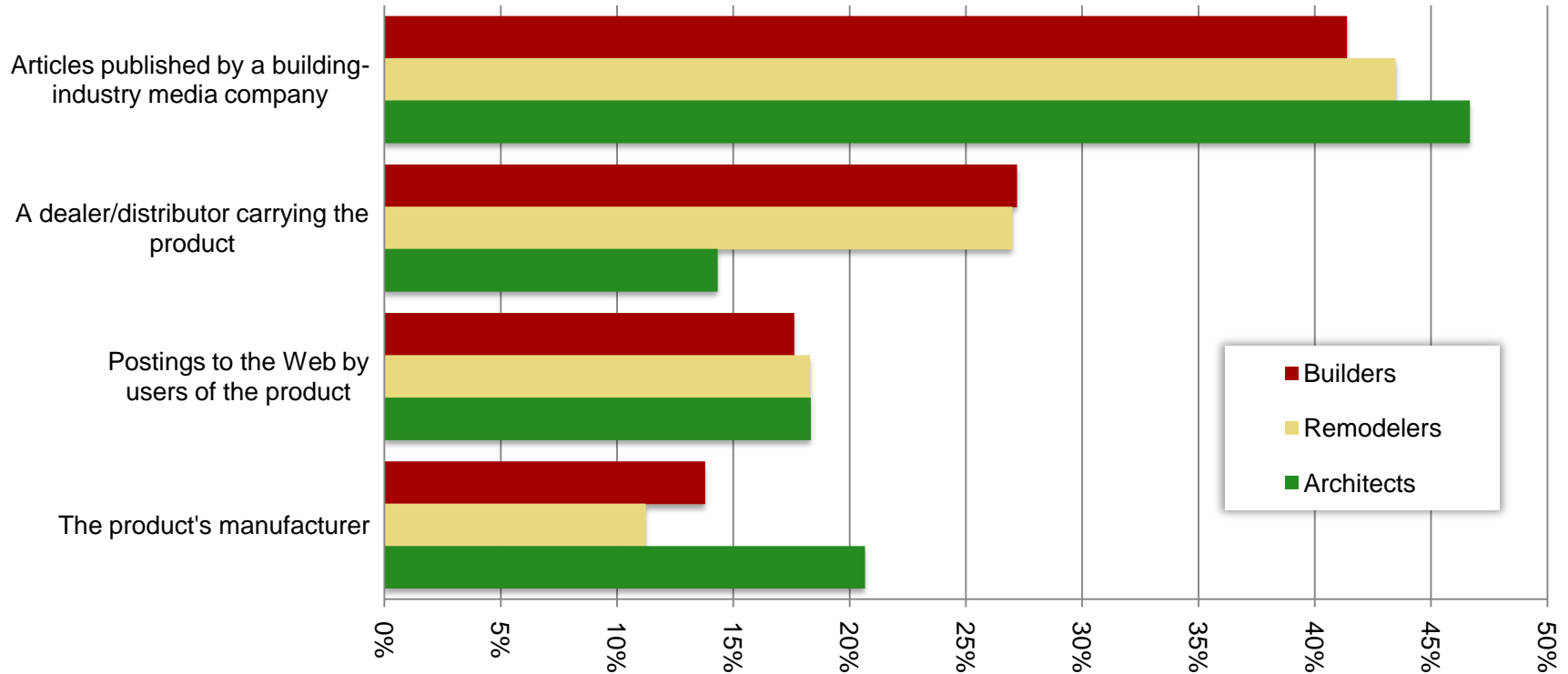
Product Specification (You Win!)



Q. Which 3 of these best help you choose a single manufacturer from a short list of competing building-product manufacturers?
 Base: Used 4+ media in the past 6 months (Builders, 275; Remodelers, 576; Architects, 310)

Product Comparison (You Lose!)

- Preferred sources of building product information



Q. Please mark source you would most prefer to get [Comparison of manufacturer's product to other products] from, when deciding whether to select a manufacturer's building product for a project.

Base: All respondents answering that row (Builders, 261; Remodelers, 552; Architects, 300)

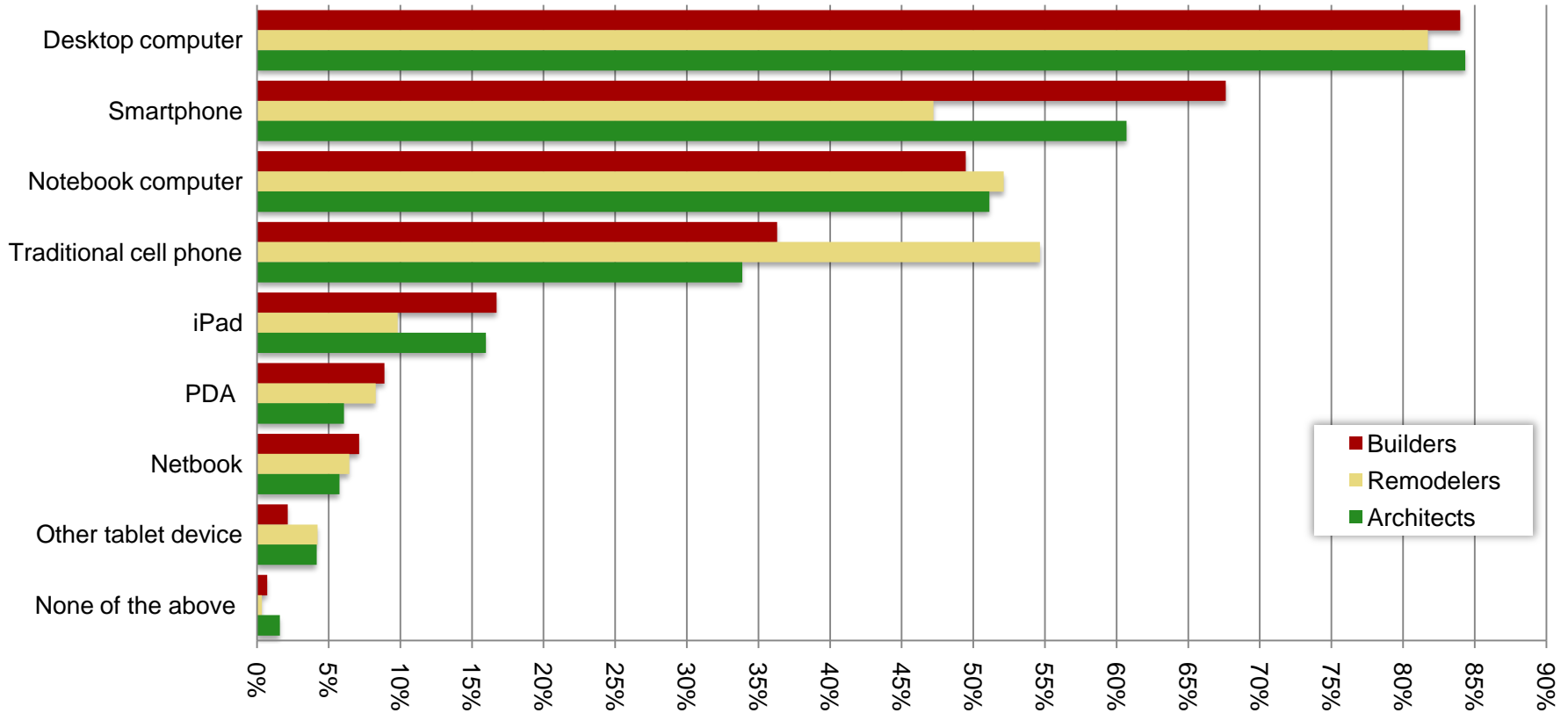
Social Media Update



What percentage of your customers own iPads?

- 1) 20–25%
- 2) 10–15%
- 3) 5–10%

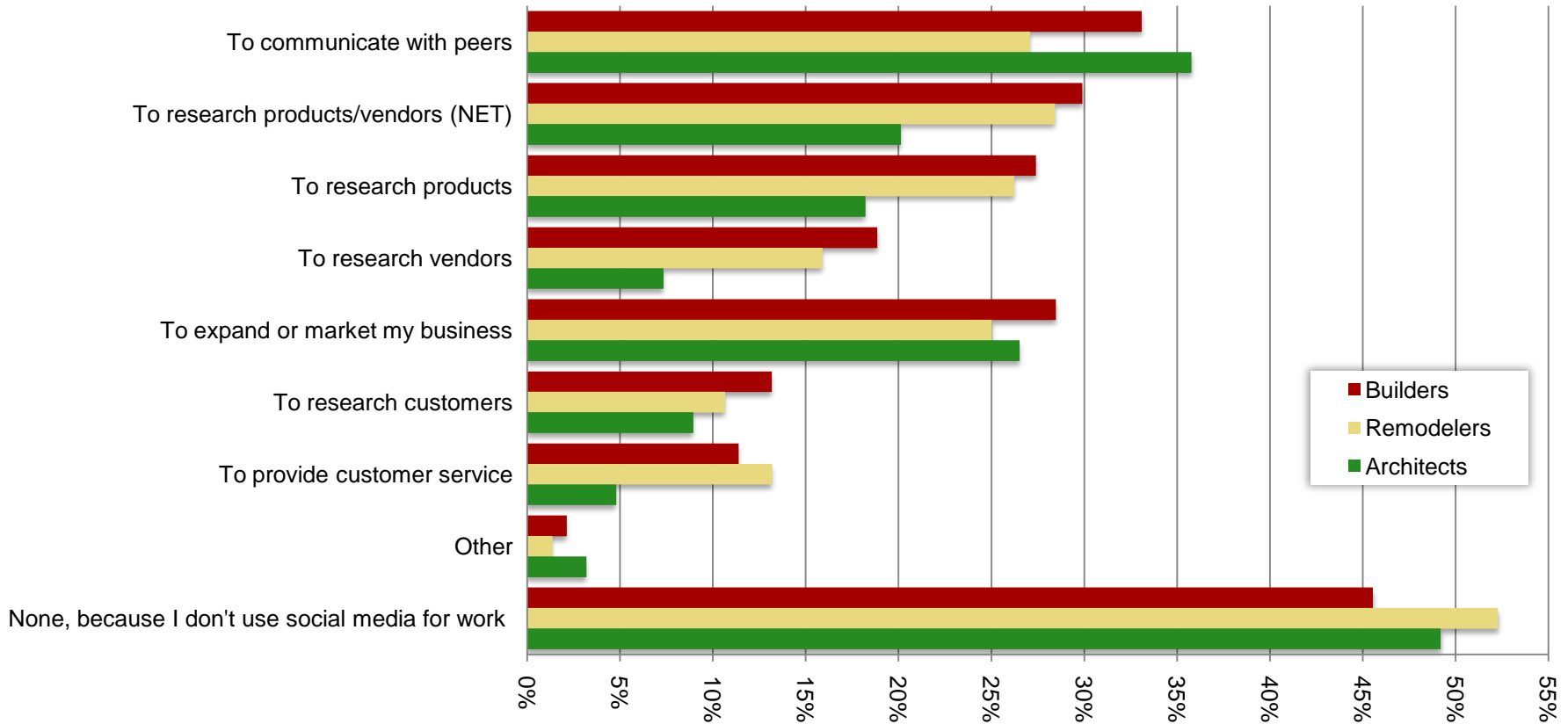
They're Wired



Q. Which of these devices have you used for work in the past month?

Base: All qualified respondents (Builders, 281; Remodelers, 591; Architects, 313)

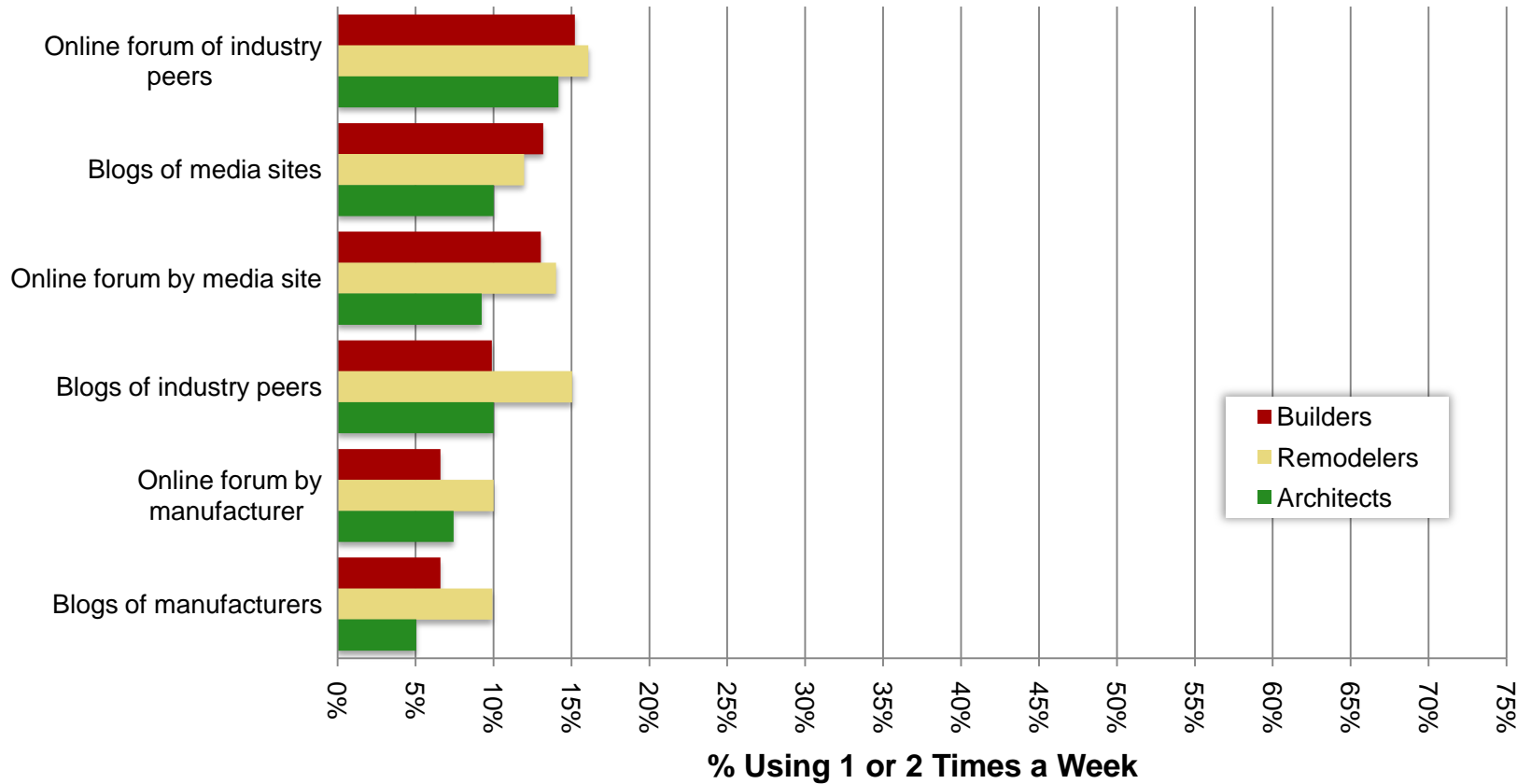
About 50% Use Social Media



Q. For which work-related reasons have you used social media over the last six months? In this survey, the phrase social media refers to use of any of the following: Social networks (e.g., Twitter, LinkedIn, Facebook); User-content-aggregation sites (e.g., YouTube, SlideShare); Social-bookmarking sites (e.g., digg.com, del.icio.us); Discussion forums or blogs run by individuals.

Base: All qualified respondents (Builders, 281; Remodelers, 591; Architects, 313)

But Not So Much ...



Q. Over the last six months, how frequently have you accessed each of these for work-related reasons? 2+ times a day. Once a day. 3-4 times a week. 1-2 times a week. 1-3 times a month. At least once in the past 6 months. Row base: Used social media for work in the past 6 months and answered row (Builders, 92; Remodelers, 267; Architects, 124) (Question closed mid-survey)

Some Opinions



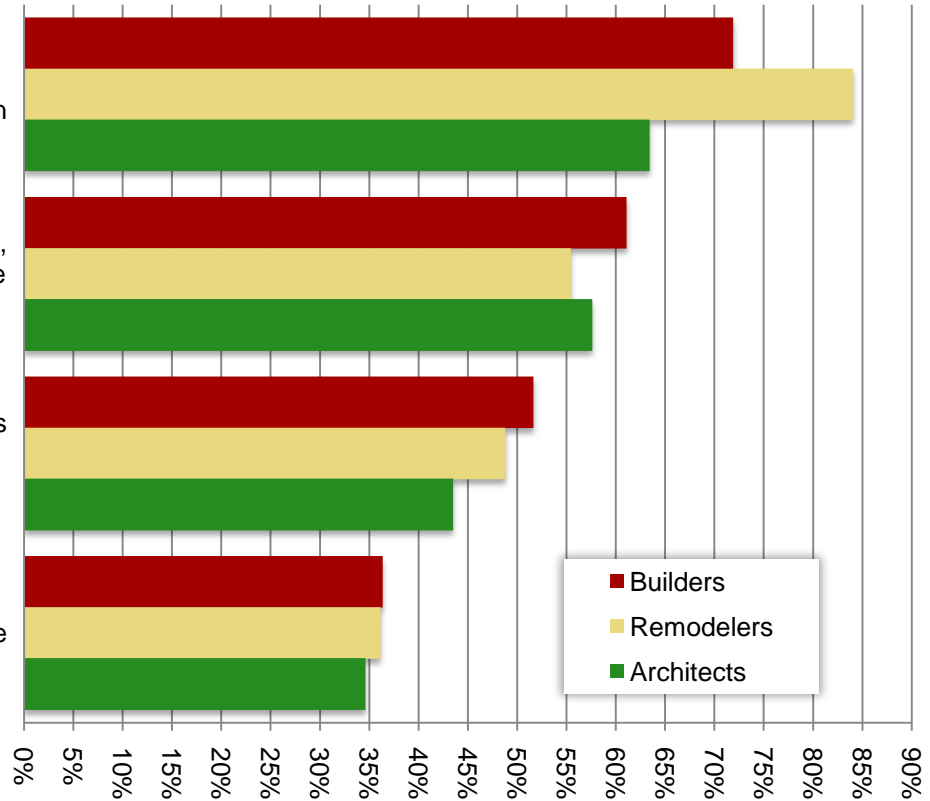
Print Might Not Be Dead

Magazine articles about design/building are still my favorite way for keeping up with my profession

Mobile computing technologies (e.g., wireless broadband, smartphones, tablets) are increasing my ability to get building/design information while in the field

Using the search features on a building product manufacturer's website is a more effective way of getting information on a product than using a search engine (e.g., Google)

Building product manufacturers are doing a good job of modifying their product offerings to sustain demand in the current economic environment



% Answering "Agree" or "Strongly Agree"

Q. Using the scale, please indicate how much you agree or disagree with each statement.

Bases: All qualified respondents that answered (Builders, 275; Remodelers, 586; Architects, 311)

Synchronicity (or Not)



Usage vs. Spending Trends

Each Media's Ranks Compared Across the 2 Surveys (1 = Highest Increase for That Survey)	Media's Rank in Increase in Buyer Usage	Media's Rank in Increase in Marketer Spend
Search engines	1	4
Manufacturer websites	2	1
Media websites	3	8
Industry eNewsletters	4	8
Social media	5	2
Online events	6	5
Print magazines	7	11
Custom content	8	7
Email offers from manufacturers	9	3
Mobile apps	10	6
Dealer/distributor events	11	8
Product directories	12	14
Trade shows	13	13
Manufacturers' sales/marketing material	14	12

Buyer Q. Please choose the answer that best describes how your use, viewing or attending of it—to get information about building design, products or construction—has changed in the last 12 months, when compared to usage in the 12 months prior to that. Row base: Ever used that media for work (583-1,150). Marketer Study Q. To market to builders, architects and/or remodelers, please mark the phrase that best describes how your company's next 12 months' spending on each activity listed will probably compare to your last 12 months' spending. Base: All qualified survey respondents (Mfrs., 100)

Give Me A Chance

Each Media's Ranks Compared Across the 2 Surveys (1 = Highest Increase for that Survey)	Media's Rank in How Much Buyers Say It Increases Their Interest	Media's Rank in How Marketers Believe it Increases Buyer's Interest
Print magazines	1	10
Manufacturer websites	2	2
Search engines	3	5
Industry eNewsletters	4	12
Trade shows	5	4
Custom content	6	6
Dealer/distributor events	7	1
Media websites	8	13
Manufacturers' sales/marketing material	9	9
Email offers from manufacturers	10	7
Product directories	11	14
Online events	12	3
Social media	13	8
Mobile apps	14	11

Pick Me

Each Media's Ranks Compared Across the 2 Surveys (1 = Highest Increase for that Survey)	Media's Rank in How Much Buyers Say It Leads Them to Contact Mfr.	Media's Rank in How Well Marketers Believe it Generates Leads Among Buyers
Print magazines	1	8
Search engines	2	4
Manufacturer websites	3	2
Industry eNewsletters	4	11
Trade shows	5	3
Media websites	6	9
Custom content	7	7
Manufacturers' sales/marketing material	8	9
Dealer/distributors events	9	1
Email offers from manufacturers	10	6
Product directories	11	13
Online events	12	5
Social media	13	12
Mobile apps	14	14

Buyer Q. Which 3 of these are most likely to lead you to contact a potential new building product manufacturer? Base: Used 4+ media for work in past 6 months (1,162) Marketer Study Q. For each marketing activity listed, please rate how effectively you think it generates leads about potential customers that are builders, architects and/or remodelers. Row Bases: Used that marketing activity in the past 12 months (28-98).

**plus ça change, plus c'est
la même chose**

**The more things change,
the more they stay the same**

- **You shouldn't put all your eggs in one basket**
- **Media and marketing go hand in hand**
- **Digital marketing is a tactic, not a strategy ... and tactics employed to date are old school**