

ProSales

Strategies for Today's Construction Supply Leaders / July/August 2011

Sales Drivers

Ross Ridout, VP
Ridout Lumber

How Arkansas' Ridout Lumber
and other dealers combine
incentives and guarantees
to motivate sales reps

5 Key Negotiation Tactics
Reps' Most Wanted Sales Tool
Online Opportunities

The Search for Siding

Pros capture web-savvy clients online with instant, customizable, and free design options.



Fast Track: Web tools like the Design Showcase from Alside (A), the Dream Designer from Exterior Portfolio by Crane (B), and the Exterior Design Center by James Hardie (C) allow pros and consumers to see dozens of siding and accent options instantly.

Everyone is looking for the Holy Grail in siding, the next big product, the new standard, says Van Garber, vice president of marketing for Norandex. And they're going where 21st-century crusaders go to find anything these days: the Internet.

The biggest news in siding this year isn't about styles or colors. Rather, the most notable development is the interactive online design programs that allow users to change the exterior look of a home with a digital photo and the click of a mouse. Such programs have been around for 10 years, but recently there has been a jump in the number of dealers and remodelers tapping into the tools to generate leads, tip the scales of competition, and cater to homeowners' Internet-born desire to customize, visualize more op-

tions, and picture the end result.

"You can walk into a home to make a presentation on new siding, or roofing, or windows, and you already have the picture of Mr. and Mrs. Smith's home in the laptop," Garber says. "You bring it up and you start showing them immediately what their house could look like. When you walk in, you're ready to hammer home a great presentation."

Norandex recently launched an online version of its HomeVisions Design Visualization Tool (circle 150) to show products from its 10 largest vendor partners along with its 100% recyclable Everlast Polymeric Cladding (circle 151). Homeowners and pros can change vinyl siding to stone or add shakes and rounds in the gables of one of 11 house styles, or upload a photo of their own. Dealers can turn off options from vendors they don't support and show remodelers and homeowners how an existing home could look with CertainTeed's Wolverine Vinyl Siding Line (circle 152), Style Crest's Cedar Cove rough-sawn vinyl siding (circle 153), or Exteria Building Product's Stacked Stone Core (circle 154).

The tool generates customer leads that the company passes on to local dealers, and beyond: "A neighbor could send [the design] to another neighbor or a relative across town and it could have a snowball effect," Garber speculates.

Other manufacturers also have caught on to the selling possibilities of these online tools. Mastic Home Exterior by Ply Gem uses the Dreamhome Visualizer to show Web surfers how its polymer Cedar Discovery hand-split shakes (circle 155) could look on a selection of exteriors; users can change Mitten vinyl products with the enVISION it tool, including all nine colors of its latest InsulPlank siding (circle 156). And users of Revere Building Product's MyDesign Home Studio can add shingles, soffits, and shutters to renderings of its insulated

Sovereign Select EnergySmart siding (circle 157).

Wise Buys "The homeowner is spending a lot of time researching what materials and what siding is best for their home," says Sean Gadd, trim business unit manager for James Hardie. "All you need to do is go to Google and type in 'siding' and you can get drunk on the information."

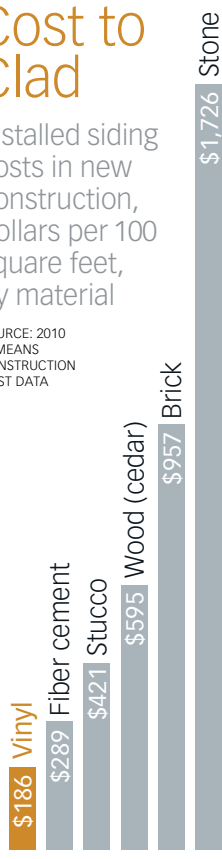
Even though the new wave of Internet-educated clients irritates some pros like exterior remodeler Cameron Robidoux of Robidoux Brothers in New Berlin, Wis., he has turned to online tools like the Dream Designer from Exterior Portfolio by Crane to attract business.

"If we're at a home show, we can use it as a tool for 'Hey, go onto our website; you can tinker around with what your house could look like,'" says Robidoux. "Or you can

Cost to Clad

Installed siding costs in new construction, dollars per 100 square feet, by material

SOURCE: 2010 RSMEANS CONSTRUCTION COST DATA



Comparison figures are a mere website search away for most homeowners.

“They know a lot more than even the builder and remodeling contractor because they’ve done this online homework,” notes Jerry Y. Huntley, president and CEO of the Vinyl Siding Institute.

use it after you’re already in the home and the homeowners are unsure of what colors would look best on their house.”

The repair and remodeling market figured in nearly 75% of the demand for siding in 2010, according to Principia Partners, a construction materials industry consulting firm. Thus, remodelers keen on raking in the siding sales can use online tools to attract business. Exterior Portfolio by Crane allows its pro customers to download the Dream Designer to their sites to draw potential clients and keep them there. Jim Ziminski, president of Exterior Portfolio by Crane, says visitors stay an average of 60 minutes on Dream Designer.

Shopping Spree Twin Cities Siding Professionals, a replacement contractor in St. Paul, Minn., captivates homeowners with the James Hardie Design Center. It places the vendor’s new New HardieShingle fiber cement siding (*circle 161*) with other manufacturers’ trim, windows, shutters, and doors on an existing home. Using a pro version of the tool, office manager Ann Merino uploads a photo of a client’s home, “masks out” tree limbs and bushes (anything that will not get covered with siding), and in about 15 to 20 minutes has the façade ready for swapping materials instantly.

“The prep work takes the longest,” Merino says. “Then if the homeowner says, ‘Now I want to see my house with blue siding,’ it takes two seconds, and I e-mail them a picture.” The contractor offers the service for free to attract customers, and its speed and slick presentation give the company an edge over competitors.

The programs also impel consumers to take risks. Merino will often throw in a bold color with the beige options preferred by most homeowners.

“I can’t tell you how many times people say, ‘OK, I think we are going to go with something a little bit different,’” once they see it on screen, Merino says. “It helps them push themselves and be a little more daring.”

But the benefits don’t add up to the price of the software for some pros, who find the programs too difficult, costly, and unrealistic. Many of the online tools are free, but advanced versions designed for contractors to use in-house, such as James Hardie’s, cost around \$499 with \$99 yearly maintenance fees. And many dealers believe the tools could never replace seeing and touching samples in a showroom.

Gone Viral “All the trends we see are going digital. People used to [show exterior options] with color overlays,” Garber says. “It was extraordinarily expensive; you never could get past the generic aspect, and really tough to do but people still wanted it. So this takes it to a new

Siding Stats

Principia Partners predicts residential siding demand in

North America will grow about 7% each year to hit \$5.6 billion in 2012. The current 3:1 ratio of spending for remodeling and renovation vs. new construction spending will tighten to 2:1.

Darker colors, insulated vinyl siding, and cellular vinyl are not game changers, Principia concludes, based on the uptick by competitors: fiber cement, masonry veneer, and engineered wood alternatives.

The Census Bureau says 36% of new single-family homes completed in the U.S. last year sported vinyl siding as the principal type of exterior wall material, followed by brick (23%), stucco (17%), and fiber cement (13%).

Fiber cement, stucco, and brick siding will grow the fastest through 2014, according to Freedonia, an industry research and analysis group; fiber cement because it’s durable and imitates high-end materials such as wood and brick; stucco because it’s cost effective, easy to install, low maintenance, and durable; and brick for its resistance to fire, its durability, and its aesthetic qualities.

Wood siding had the second-largest market share in 2009, but the future shows a steady decline as fiber cement and stucco take over, Freedonia forecasts. Rotting, maintenance, and durability issues are the cause of the slide.

The 2011 Brand Use Study by BUILDER magazine asked nearly 3,500 builders for their top siding picks for product quality and published the capital contenders:

Vinyl: Reynolds, CertainTeed, and Georgia-Pacific Siding

Brick: Belden, General Shale, and Boral

Fiber cement: HardiePlank and Artisan by James Hardie, and WeatherBoards by CertainTeed

Stucco: Dryvit

Engineered wood: Georgia-Pacific, LP SmartSide, and TruWood

level—so much faster, so much less expensive.”

Market studies and industry professionals agree that an Internet-derived demand for customization and greater options has taken the residential sector by storm. John Burns Real Estate Consulting, an independent housing research, advice, and consulting firm, polled almost 10,000 consumers and found personalization was more important than ever in the decision to buy a home, greater even than investment potential or income tax benefits.

“That’s what this generation wants,” Ziminski says of customization. “So we are investing heavily [in these online tools] as that market is beginning to change to make sure consumers can do some online design work on their own or with an architect.”

And Garber promises the software will only get better: “The graphics will improve; you’ll be able to do all kinds of things, probably explode the roof off and dive into the house and see the insulation in the walls. Like with everything that happens online, it will just get faster, better looking, and probably less and less expensive.”

—Evelyn Royer