

# LEAD GENERATION

Best Practices for Construction

 **CONSTRUCTION**  
MARKETING ASSOCIATION

[ConstructionMarketingAssociation.org](http://ConstructionMarketingAssociation.org)

*Building Expertise™*

# Lead Generation Best Practices for Construction

## LEADS ARE IMPORTANT!

With both commercial and residential construction down by 50% in many markets from pre-recession highs, sales lead generation has never been more important to marketers targeting construction decision makers, whether construction firms or building product manufacturers. This fact is reinforced by a recent [Construction Marketing Association](#) survey—2011 Construction Marketing Outlook—which ranked Lead Generation as one of the top priorities for next year.

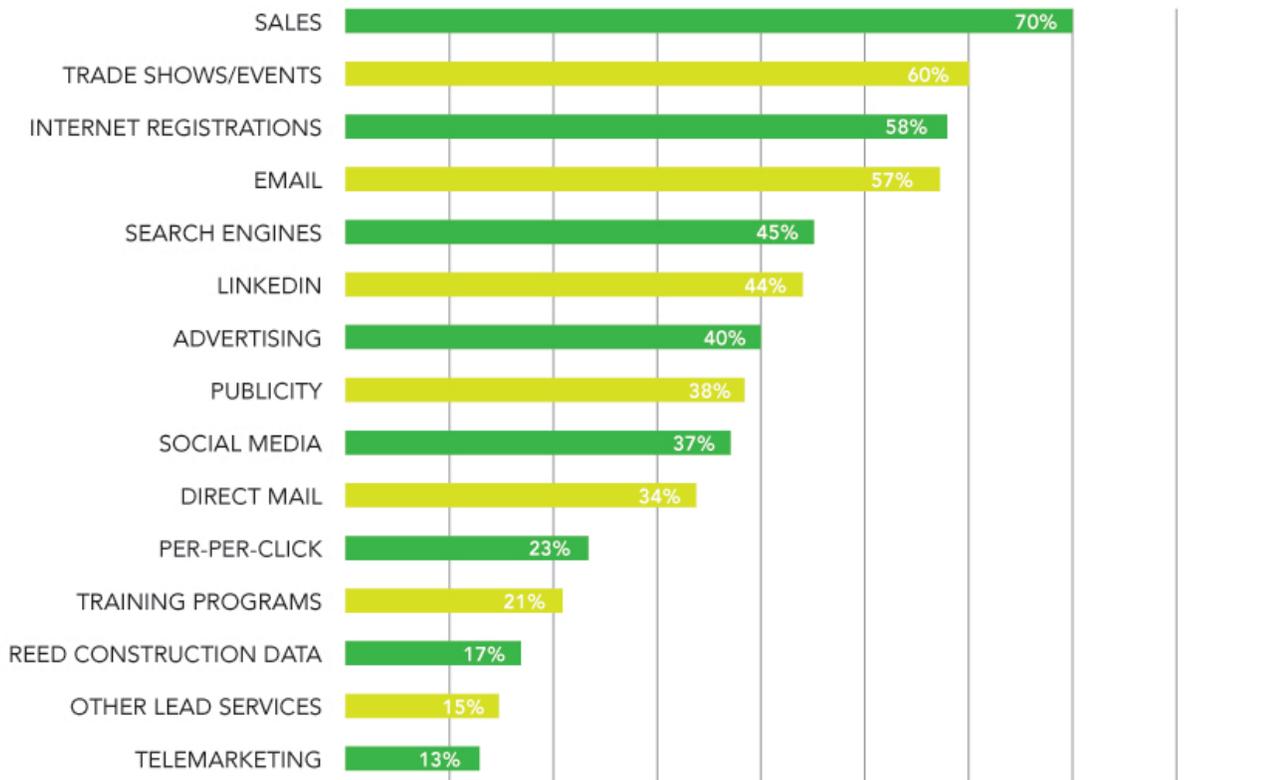
So to understand where construction marketers are with lead generation—a baseline—we conducted another survey and share the results here, along with some checklists of key lead generation types, and an evaluation of the two largest lead services in the construction market—McGraw-Hill Dodge Reports and Reed Construction Data. Finally, we identified several other construction lead sources that tend to specialize in regions, type of construction project or service offerings.

## SURVEY SAYS

A recent (November 2010) survey about lead generation in construction conducted by the Construction Marketing Association via SurveyMonkey posed the following questions:

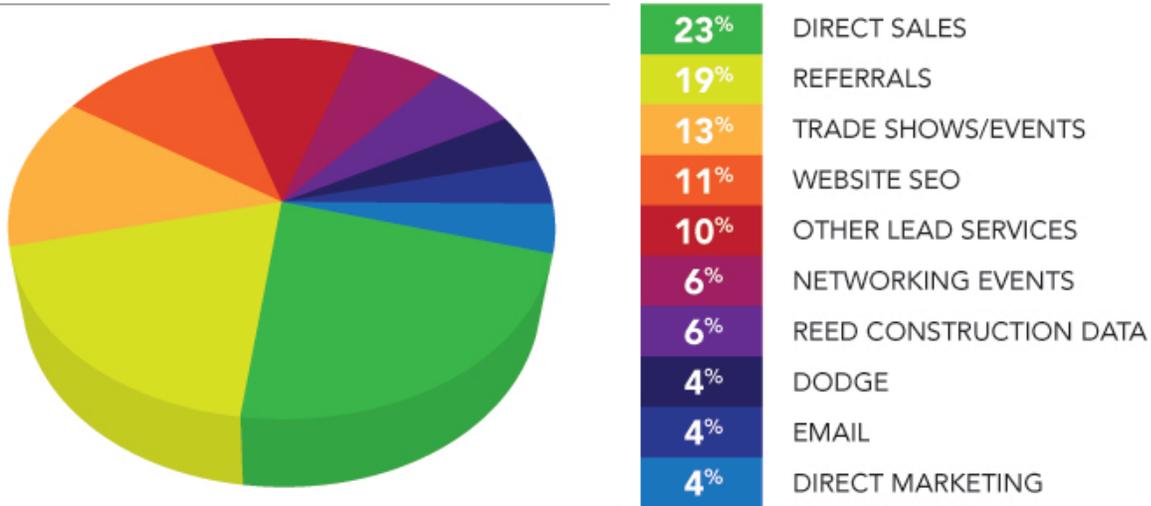
1. What lead generation techniques or sources do you use in marketing to the construction industry?
2. Which lead generation technique/source has shown the best results for your company?
3. Which lead generation technique/source has shown the worst results for your company?
4. Which lead generation technique/source do you foresee using more in the future?
5. What type of company are you?

# Lead Generation Techniques



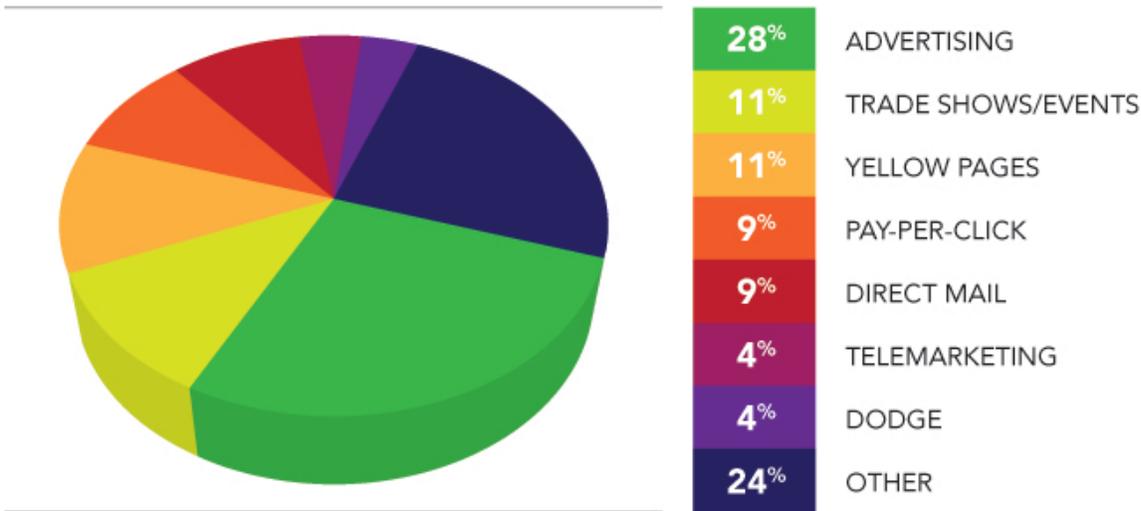
Regarding the types of lead generation techniques/sources used, Sales Prospecting ranked highest with 70% of respondents using, followed by Trade Shows/Events (60%), Internet Registrations (58%), Email (57%), Search Engines (45%), LinkedIn (44%), Advertising (40%), Publicity (38%), Social Media (37%), Direct Mail (34%), Per-Per-Click (PPC, 23%), Training Programs (21%), Reed Construction Data (17%), other Lead Services (15%), and Telemarketing (13%). Dodge Reports, Networking via associations and Referrals tied at 11%. Specification services like ARCAT, CSI and e-specs were used by 4% of respondents.

# Best Results – Lead Generation



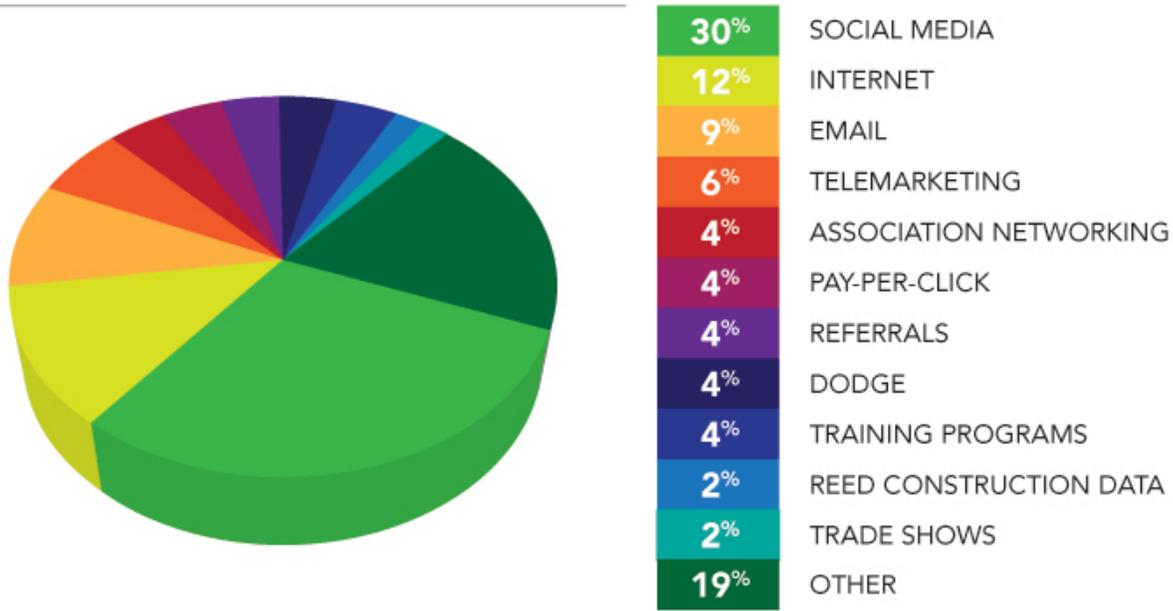
Regarding which lead generation technique/source has shown the best results for your company, Direct Sales ranked highest at 23%, followed by Referrals (19%), Trade Shows (13%), and Website SEO (11%). Networking events and Reed Construction Data tied at 6%, followed by Dodge, other Lead Services, Email and Direct Marketing at 4%. Other mentions included Telemarketing, PPC, Jobsite Visits, LinkedIn and Channel Promotions at 2%.

# Worst Results – Lead Generation



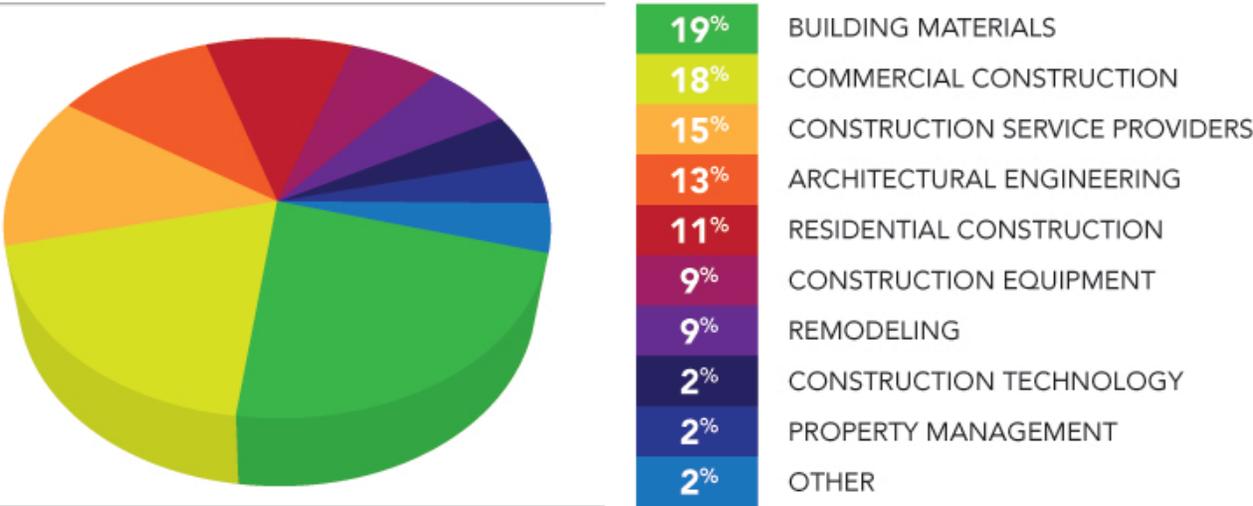
Regarding which lead generation technique/source has shown the worst results for your company, Advertising led all at 28%, followed by Trade Shows and Yellow Pages at 11%; Pay-Per-Click and Direct Mail at 9%. Telemarketing and Dodge Reports followed with 4% of mentions.

# Use More – Lead Generation



Regarding which lead generation technique/source do you foresee using more in the future, not surprisingly Social Media led all at 30%, followed by Internet (12%), Email (9%), Telemarketing (6%); Association Networking, PPC, Referrals, Dodge, and Training Programs and tied at 4% each. Reed Construction Data and Trade Shows follow at 2%.

# Industry Classification



Regarding type of company, 19% of respondents were building materials (manufacturers or suppliers), followed by 18% commercial construction, 15% construction service providers, 13% architectural engineering, 11% residential construction, 9% for both construction equipment and remodeling, and 2% construction technology or property management.

## SO MANY LEADS, SO LITTLE TIME

So what are the sources and types of sales leads? Last month's Construction Marketing Association webcast, Measuring Marketing Results – Best Practices for Construction identified over 70 types of marketing measures, many of which are sources or types of leads that fall into such categories as traditional, internet and social media. Following are many sources of leads by category.

### Traditional Lead Sources

- Direct mail/Email lists
- Online databases (e.g. D&B)
- Customer service telephone surveys
- Outbound telemarketing
- CRM systems
- Customer database entries
- Trade show card readers
- Trade show registration lists
- Association member lists
- Association events
- Trade print advertising reader response
- Secondary market research (published, publicly available, e.g., internet)
- Primary market research
- Syndicated market research (similar to Lead Services)

### Internet Lead Sources

- Website registrations
- Contact/Conversion Forms
- RSS registrations (typically email address)
- Pay-Per-Click (PPC, SEM, e.g., Google Adwords)
- Web Reverse IP Address Services (Lead Advantage, Leadlander)
- Google Alerts
- Urchin Tracking Modules (UTMs)
- Email service provider reports

### Social Media Lead Sources

- LinkedIn Connections (email addresses, InMail)
- LinkedIn Groups (post discussions, offers)
- LinkedIn Companies
- Facebook Friends, Fans, Groups, Likes

Twitter Followers

YouTube Subscribers

WeFollow.com

URL Shortener (e.g. Bit.ly offers tracking)

Bookmarking (Digg, Delicious, StumbleUpon)

Radian6 (identify bloggers, etc)

## CONSTRUCTION-SPECIFIC LEAD SERVICES

### **The Big Dog Lead Generators: McGraw-Hill Construction Dodge and Reed Construction Data**

*By Paul Deffenbaugh*

I recently investigated the project lead generation programs of two service providers for a large manufacturer in the northern Midwest. The company wants to provide leads to its sales force so that its product can be specified in commercial construction projects at an earlier stage. The goal is to get in at the planning, not bid stage to take the competitor out of the equation.

I thought I would share what I learned about McGraw-Hill Construction Dodge (Dodge) and Reed Construction Data (RCD), the two largest lead generators in this area. Most of this information is readily available from their websites or by talking with sales representatives, but I also interviewed a couple of people who had used both systems. It's hard to assess these services because access to the databases is highly restricted – and rightly so.

During my research, I found that surprisingly, there was an incredible lack of real information about these providers. With most products or services, you can go online and find someone has done a comparative review and other users have posted comments to flesh out the information. The only real source of information about these services are from Dodge ([dodge.construction.com](http://dodge.construction.com)) and RCD ([reedconstructiondata.com](http://reedconstructiondata.com)) themselves. For any person doing an analysis, those are hardly reliable sources of information. I have heard, however, of individual companies that have done extensive testing of both services. One company completed a 200-page analysis for its internal use. The manufacturer I represented may choose to take that next step.

First, a disclaimer. I worked at Reed Business Information, which owns RCD, as editorial director for the residential construction media. During a few months of my tenure, my group reported up to RCD. I sat in on meetings

with RCD, but I can honestly state that no information I learned from those meetings – if I could even remember it – is included in this report.

### **HOW THEY WORK.**

The most difficult aspect of generating my report was identifying true points of differentiation. For the most part, Dodge and RCD operate in the same manner and provide the same services, although they compete quite viciously. (More on this later. See the subhead, “Tough Competitors.”)

Both providers pull much of their data from public sources. By law, public projects and many private projects must be advertised. With that information, the services can identify architects, building owners, municipalities, engineering firms, planners and other groups that are planning or putting out to bid commercial projects. The quality of the data is entirely dependent on the relationship with those people preparing the work. Both Dodge and RCD offer incentives to their providers to make it worth their effort to report the data, such as giving them free access to the database. Dodge has a long-term relationship with Associated General Contractors (AGC), which enables their reporting. RCD has a new partnership with American Institute of Architects (AIA) and leverages the work it’s subsidiary, RSMeans, does in gathering cost information.

The companies gather this information by employing phone banks of researchers who call their sources to get updates on projects, secure plans, and identify new projects coming down the pipeline.

All that data, combined with plans, goes into a massive database, which is organized by project. The database is highly searchable and deep with information. Here are some of the kinds of data that is included in these projects.

- *Planning stage, such as proposed, architect selection, schematics, bid stage, etc.*
- *Category, such as commercial, industrial, etc. Both of those will have subcategories. For commercial it may include medical offices, retail, parking garages, etc.*
- *Type of work, such as new construction or addition*
- *Contract type*
- *Location*
- *Company information for planners, general contractors, major trades, etc.*
- *Materials specified including company names and models if appropriate*
- *Value of the project and often value of major subcontracts*

Both companies provide an online interface that gives users access to the databases so they can query for their particular needs. And both companies provide written reports based on selection criteria that are delivered to your company. Pricing is the major motivation for restricting selections, since few companies can afford the cost of full access -- or have the need for all the leads.

Generally, leads can be coordinated in one of three ways.

1. Both Dodge and RCD will link the leads they provide with a proprietary customer relationship management (CRM) software for an individual company
2. Deliver the leads to a lead manager
3. Distribute leads directly to sales people

In addition, both Dodge and RCD are leveraging the strength of these services to build other businesses, such as consulting, costing data, economic data, and more. For our purposes, we are looking only at lead generation services for building product manufacturers.

### VITAL STATISTICS

	McGraw Hill Dodge Reports	Reed Construction Data
<b>Year Founded</b>	1903	1975
<b>Markets Served</b>	US and Canada	US and Canada
<b>Headquarters</b>	New York	Norcross, Ga.
<b>Online Interface</b>	McGraw-Hill Construction Network	Reed Connect
<b>Print Reports</b>	Dodge Reports	Reed Bulletin

### DIFFERENTIATION AND PRICING

It should be clear by this point that the differentiation between Dodge and RCD is obscure at best, especially to outsiders. In conversation with sales representatives for both companies and users, I asked this very specific question.

Both companies provide deep information on a great breadth of projects. My user sources tell me that the differentiation often comes within particular material areas. One service may be better for interior decorative products while the other have a stronger electrical product information base. The type of differences may vary from the types of products to the company names included, which would be essential if you are searching for competitors.

RCD claims to have a stronger group of reporters on private projects. Their claimed strength is built on the back of RSMean, which is a company that gathers unit costs for building product materials all around the world and has significant interaction with architects who specify those products. RCD uses that information and those relationships to update their information on the harder-to-identify private construction projects.

Both companies quietly admit that their civil and public databases are nearly redundant. The reason is simple. Because, by law those projects must be advertised, finding them is quite simple. In addition, the companies are close on their pricing, which is loosely based on a cost per lead. The best example for pricing that I could find was that RCD's fully-loaded database would run a company about \$60,000 per year. (I'm sure that could go higher if the company were to download more leads, but the governing factor may be not how many leads you can capture, but how many you can handle.)

RCD recently debuted a new interactive program called SmartSpecs ([www.smartprojectnews.com](http://www.smartprojectnews.com)), which aims to make the interface for a company more focused and deliver leads quicker and more easily. The same company with this lead program could see a fee of approximately \$12,000 per year. Entry fee for the service comes in at \$110 per month.

Dodge does the same kind of thing through their hands-on customer service, which they claim as a huge differentiator. By using what they call TargetLeads to pinpoint references and carefully selected keywords, they can bring the costs of lead generation down considerably. As a rule, of course, the cost per lead remains constant. The savings comes in the number of leads and their quality.

Dodge also prices reports on a 10 and 20-pack basis. For \$59 per month, you can get 10 reports covering 2 geographic regions that provides the main details of a project. (Here's a [link](#) to a sample report.) The 20-pack version costs \$79 per month.

RCD has similar kinds of reports at similar costs. These should not be compared to having access to the database, which you can query. That is a much more robust approach that gives greater control and deeper information to the user.

## TOUGH COMPETITORS

RCD and Dodge have been fighting head to head since 1975, when RCD was founded. (The company was originally called Construction Market Data, but Reed Business Information purchased it in May 2000 and changed the name.) Recently, the battle on the commerce field moved to the court system.

In October 2009, RCD filed suit in federal court, accusing Dodge of 11 counts of misconduct, which includes corporate espionage. The basis for the suit is the claim that Dodge used subterfuge and false companies to steal RCD's trade secrets.

In October 2010, RCD put out a press release stating Dodge admitted in court that it paid others to access the RCD database, which is supposed to be available only to customers. The company also claims Dodge shared what it learned with its sales staff.

Dodge responded by denying it has unlawfully accessed RCD's trade secrets or shared them. They counterclaim that RCD itself hired a consultant to access the Dodge database.

This is pretty good spectator sport, and the stakes are high. In October, a judge dismissed three of the counts, but 8 remain. At this writing, the suit has not gone to trial, and the outcome is still up in the air.

## FINAL WORD ON THE BIG DOGS

For manufacturers looking to increase their leads in this tough economy, Dodge and RCD provide great services. Selecting between them is difficult. From the outside, their services are more similar than dissimilar and border on being commodities. When you differentiate yourself on the quality of your reports and the level of your service, which is easily duplicated by a well-funded competitor, you find yourself battling for inches rather than acreage.

On the inside, the user experience will be different for each company. Those firms that have signed on to one service, without testing the other, are doing themselves a disservice. The other might be better suited to your needs, but you won't know until you try it. And that's the problem. Would you really want to switch lead generating services (or add a duplicate service) at a time when you're desperately trying to control costs?

The company I'm working with will now step in and do individual trials with each service to see which is the best suited for them.

## OTHER LEAD SERVICES

While Dodge Reports and Reed Construction Data are most certainly the big dogs of lead services, there are a number of other services that compete with regional focus, construction project types, service options and pricing models. Following are some other national lead services, regional lead services, local contractor/remodeler lead services, government lead services and other lead services including equipment lease and architectural specification directories.

## Other National Lead Services

<b>BidClerk.com</b> <a href="http://www.bidclerk.com/index.html">http://www.bidclerk.com/index.html</a>	Free listing; \$69.95/month for all leads (\$59.95 for 12 months); public project focus although list private and residential; limited project detail
<b>TheBlueBook.com</b> <a href="http://thebluebook.com/">http://thebluebook.com/</a>	Free listing; covers top metros; various advertising levels determines lead invites; integrated bidding services; affiliated with Dodge Reports
<b>ConstructionWire.com</b> <a href="http://www.constructionwire.com/">http://www.constructionwire.com/</a>	BuildCentral brand name; claim 194,000 projects with focus on private and commercial
<b>NationalContractors.com</b> <a href="http://www.nationalcontractors.com/membership.htm">http://www.nationalcontractors.com/membership.htm</a>	Commercial and residential, Federal and State; starting at \$24.99/month; directory

## Regional Lead Services

<b>CDCnews.com</b> <a href="http://cdcnews.com/">http://cdcnews.com/</a>	Construction Data Corporation; commercial project focus; Eastern (US) seaboard, Texas, Michigan; offers free trial
<b>Construction Information Systems</b> <a href="http://www.cisleads.com/">http://www.cisleads.com/</a>	Northeast focus (NY, NJ, CT, PA, DE); public and private sectors; source directory
<b>ConstructionJournal.com</b> <a href="http://constructionjournal.com/">http://constructionjournal.com/</a>	Eastern seaboard; public and private projects; offers free trial
<b>ConstructionLeadJournal.com</b> <a href="http://www.constructionleadjournal.com/">http://www.constructionleadjournal.com/</a>	Western US incl. CA, AZ, NV, CO, UT, WA, OR; weekly project list from \$84/month for county or metro
<b>iSqFt.com</b> <a href="http://isqft.com/">http://isqft.com/</a>	Partner with AGC (Associated General Contractors of America) for local coverage; SupplyLink LEADS for BPMs; regions incl. North Central, Southwest region, Rocky Mountain region, Oklahoma; integrated bidding and project management
<b>AECleads.com</b> <a href="http://www.aecleads.com/">http://www.aecleads.com/</a>	California; public projects
<b>CNCnewsonline.com</b> <a href="http://www.cncnewsonline.com/">http://www.cncnewsonline.com/</a>	Michigan and Ohio; planning room, CSI specs

## Residential Contractor/Remodeler/Handyman Lead Services

<b>ServiceMagic.com</b> <a href="http://www.servicemagic.com/">http://www.servicemagic.com/</a>	\$99 enrollment fee; \$7-55 per lead depend on size; non-exclusive distribution
<b>HandyAmerican.com</b> <a href="http://www.handyamerican.com/">http://www.handyamerican.com/</a>	Free listing; \$29.95/month all leads with bid capabilities; consumer reviews
<b>ConstructionWork.com</b> <a href="http://www.constructionwork.com/">http://www.constructionwork.com/</a>	Free listing; \$39-\$399/month lead reports; directory; banner ads, RFQs, etc.
<b>Yodle.com</b> <a href="http://www.yodle.com/">http://www.yodle.com/</a>	Manage websites and online marketing for small contractors; \$69 monthly fee with \$447 website set-up; advertising options
<b>ContractorLeads.com</b> <a href="http://www.contractorleads.com/">http://www.contractorleads.com/</a>	Residential construction and remodeling; manage internet, direct mail and advertising for monthly fee
<b>Angie's List</b> <a href="http://www.angieslist.com/angieslist/">http://www.angieslist.com/angieslist/</a>	Consumers pay membership fee; ratings of home services rank high in search; paid advertising options

## Government Projects

<b>Onvia.com</b> <a href="http://www.onvia.com/">http://www.onvia.com/</a>	Database of government projects in US and Canada for 89,000 agencies; industry solutions for architectural engineering and construction supplies
<b>BidSync.com</b> <a href="http://www.bidsync.com/">http://www.bidsync.com/</a>	Electronic bidding software; claim 70,000 public government agencies
<b>FBO.gov</b> <a href="http://www.fbo.gov/">http://www.fbo.gov/</a>	Federal Business Opportunities including construction projects

## Other Lead Services

<b>Equipment Data Associates</b> <a href="http://www.edadata.com/">http://www.edadata.com/</a>	Equipment lease database of UCC filings; used by construction equipment and capital equipment manufacturers and suppliers
<b>ARCAT.com</b> <a href="http://www.arcata.com/">http://www.arcata.com/</a>	Manufacturers directory and architectural product specifications; target architects and engineers
<b>Sweets Network</b> <a href="http://products.construction.com/">http://products.construction.com/</a>	Catalog and directory of architectural products and specifications from McGraw-Hill Construction

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The Construction Marketing Association (CMA) provides professional development and marketing training, resources and information, networking and recognition. Full information is available at [ConstructionMarketingAssociation.org](http://ConstructionMarketingAssociation.org). The site links to the Construction Marketing Blog with marketing news, resources and related content, and the association's Twitter, Facebook, YouTube and LinkedIn pages. Questions? Contact Neil Brown at 630-579-8383.

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## LEADS SMEADS. WHAT SHOULD I DO NOW?

Sales Leads in the construction category are no simple tactic. There are many options for generating sales leads or purchasing sales leads from one or more services. Construction firms tend toward the latter (purchase), and may integrate with bidding and related services. Building product manufacturers will likely use a combination of sources, from traditional, internet and social, to purchased leads if their products are specified by architects or engineers. With construction project activity at historical lows, there is no question the sales lead generation is more important than ever. Likewise, what you do with sales leads, lead management and measurement, becomes just as important. The holy grail is tracing a sales lead to a sale and measuring financial return on investment, which can be difficult due to long sales cycles, or channels of distribution.

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#### ABOUT PAUL DEFFENBAUGH



Paul Deffenbaugh is Chief Content Officer of Deep Brook Media, which develops content and strategies for leading construction brands. With more than 20 years in the residential construction. His background includes editorial director for the Residential Construction Group at Reed Business Information for Professional Builder, Professional Remodeler, Custom Builder, Housing Giants, and HousingZone.com. In addition, Paul was co-founder of the Remodeler's Guild, a national remodeling company.

Deffenbaugh has appeared on CNBC, Wall Street Reports, and CBS This Morning. He is a three-time winner and five-time finalist of the coveted Jesse H. Neal Award for editorial excellence, and has been recognized by the American Society of Business Publication Editors and the National Association of Real Estate Editors. Paul earned a degree in Philosophy from Wabash College in Crawfordsville, Ind. and has a Master of Fine Arts in creative writing from George Mason University in Fairfax, VA.

#### ABOUT NEIL BROWN



Neil M. Brown is Chairman of the Construction Marketing Association, and Chief Marketing Officer (CMO) of Construction Marketing Advisors. Prior to these roles, Brown was CEO of numerous marketing consulting and creative agencies for the past 15 years, managing some of the biggest brands in the construction sector. Prior to the agency-side, Brown was a brand manager at electrical products marketing powerhouse IDEAL Industries, and later CMO of an architectural metals manufacturer. Neil earned an MBA from Northern Illinois University, and a BS-Marketing from Southern Illinois University. Neil is a frequent author and contributor to Advertising Age, BtoB (formerly Business Marketing), Marketing News and many other