

Masco Corporation: Where Should Enterprise Commercial Capability Go?

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Decision owner: Masco CEO and Chief Marketing Officer

Decision date: October 2, 2026

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Case convention: This is an author-created classroom decision exercise based on public information. Masco has not disclosed this specific resource-allocation meeting or alternatives.

The decision

Masco has created an enterprise Chief Marketing Officer role spanning marketing, commercial excellence, digital acceleration, and customer capabilities. CEO and CMO must decide where to direct the next wave of commercial attention and investment as the company pursues its 2028 goals: deepen Behr's professional-paint partnership with The Home Depot, grow other brands and channels, or stage both efforts with different tests for each business.

The choice has no clean public-evidence answer. Home Depot represented about 38% of Masco's 2025 consolidated sales, and Behr is exclusive to Home Depot in North American retail. The relationship offers scale and access to professional painters, yet the companywide sales figure says nothing about Home Depot-specific profit. Meanwhile, plumbing, wellness, and hardware products use multiple routes to market, but expanding them elsewhere could require different capabilities, costs, and channel choices.

Decision question: How should Masco allocate scarce enterprise commercial capability between deepening Behr/Home Depot Pro growth and building growth through other brands and channels?

Prepare a recommendation to the CEO and CMO. Specify which initiatives to prioritize, what evidence and measures should govern each, and what conditions would lead Masco to deepen, pause, or redirect investment. Do not assume a disclosed budget, contract negotiation, or management plan.

Masco's position

Masco sells branded plumbing products and decorative architectural products. Its brands include Delta, hansgrohe, Behr, Kilz, Liberty, and HotSpring. Products reach consumers, contractors, and installers through home centers, online retailers, wholesalers, distributors, independent dealers, and specialty retailers; the mix differs by business. Home centers increasingly sell directly to contractors, while online price transparency can intensify channel conflict. Masco warns that customer and channel shifts may affect sales, pricing, and margins.

[1]

The 2025 annual report identifies Home Depot as Masco's largest customer: approximately \$2.9 billion, or about 38% of consolidated sales. Architectural coatings represented approximately 31% of company sales. Behr is sold through Home Depot, which has exclusivity for the brand in the North American retail channel. This does not mean that all Home Depot sales are Behr, that all Masco sales are exposed to Behr's exclusivity, or that 38% of profit depends on the retailer. Masco does not disclose customer-specific contribution or the economics and duration of the exclusivity arrangement. [1]

The relationship also appears to offer a platform for professional painters. At Masco's May 2026 Investor Day, Behr's president described Behr as the fastest-growing U.S. Pro paint brand and said its Pro business had grown at a 12% compound annual rate over the preceding ten years. Home Depot's paint merchandising vice president said the partnership consistently delivers growth for both companies. Behr described more than 15 joint initiatives underway. These are management and partner statements in a company event transcript; underlying sales data and initiative returns were not provided or independently verified. [2]

Masco appointed Brad Hiranaga as its first CMO in a newly created role in July 2026. The company said the role combines marketing, commercial excellence, digital acceleration, and customer capabilities to support growth across its portfolio. The announcement disclosed neither an initiative budget nor expected returns. [3]

The performance question

Masco reported 2025 sales of \$7.562 billion, down 3% as reported and 2% excluding divestitures and currency. Management attributed the organic decline primarily to volume, down 4%, partly offset by 2% higher net selling prices in Plumbing Products. Plumbing sales rose 3% to \$4.992 billion; Decorative Architectural Products sales fell 14% to \$2.570 billion, including the effect of the Kichler divestiture. Segment profit also reflected differing product mixes, prices, tariffs, costs, and investments. These segment results cannot be read as channel-level returns. [1]

In Q2 2026, sales were \$1.992 billion, down 3% year over year; Plumbing Products declined 3% and Decorative Architectural Products declined 4%. First-half sales increased 2% as reported but were flat excluding currency. Q2 operating profit rose 14% to \$470 million, including an approximately \$95 million net benefit from IEEPA tariff refunds, principally in Plumbing. The refund is nonrecurring and does not establish demand growth or a return on commercial initiatives. [4]

Management's May 2026 targets for 2028 are approximately 3-4% annual organic sales growth, assuming low-single-digit industry growth; at least 18% adjusted operating margin; and approximately 10% adjusted EPS CAGR. These are forward-looking goals, not achieved results. Management has not disclosed how much the new CMO's work is expected to contribute. [5]

Two strategic paths and a staged option

1. Deepen Behr/Home Depot Pro

Masco could direct more commercial and digital capacity to professional painters: for example, improve product discovery, contractor service, fulfillment, loyalty, and joint planning with Home Depot. The rationale is to build on an established retail relationship and reported Pro momentum. The risks include retailer leverage, dependence, the inability to sell Behr through other North American retail customers, and investment returns that are not yet measured. Students should distinguish growth in sales from incremental contribution after promotions, service costs, and any displaced channel sales.

2. Grow other brands and channels

Masco could prioritize growth initiatives across plumbing, wellness, and hardware, including channels such as distributors, independent dealers, and specialty retail where relevant. This could add customer choice and create capabilities with uses beyond one retailer. However, the businesses have different products and channel economics; a common commercial playbook may not transfer. New channel reach may require distinct selling, service, product, or digital investments and could create conflict with existing partners.

3. Stage investment with distinct gates

Masco could fund a limited portfolio of initiatives and expand only after each passes measures suited to its business and channel. For Behr/Home Depot Pro, candidate evidence might include incremental repeat purchasing, net price, contractor retention, and contribution after retailer support. For other brands and channels, it might include qualified new-customer reach, contribution after channel costs, retention, and evidence of channel compatibility. These are proposed measures for analysis, not disclosed company metrics or targets. A staged portfolio preserves options but adds coordination demands and may slow scale.

No source discloses the current CMO's initiative returns, Home Depot-specific margin, retailer trade spending, exclusivity economics, or the profitability of alternative customer channels. Any numerical thresholds or resource amounts proposed by students must be identified as assumptions, not company facts.

Exhibit 1. Public operating context

Measure	Value	Period and scope
Consolidated net sales	\$7,562 million	FY2025, Masco companywide
Sales to Home Depot	Approximately \$2.9 billion; approximately 38%	FY2025, companywide sales to one customer; profit share not disclosed
Architectural coatings	Approximately 31% of sales	FY2025, companywide
Plumbing Products sales / operating profit	\$4,992 million / \$895 million	FY2025 segment; not channel economics
Decorative Architectural Products sales / operating profit	\$2,570 million / \$443 million	FY2025 segment; Kichler divestiture affected comparability
Q2 2026 net sales	\$1,992 million, down 3% year over year	Three months ended June 30, 2026
Q2 2026 operating profit	\$470 million, up 14%; includes approximately \$95 million net IEEPA benefit	Three months ended June 30, 2026; benefit principally Plumbing and nonrecurring
2028 organic sales-growth goal	Approximately 3-4% annually	Management target; assumes low-single-digit industry growth
2028 adjusted operating-margin goal	At least 18%	Management target
2028 adjusted EPS CAGR goal	Approximately 10%	Management target

Sources and definitions: FY2025 and segment figures are from Masco's 2025 Form 10-K, Item 7 and Item 1A [1]. Q2 data are from the Q2 2026 Form 10-Q, MD&A, and results release [4]. Targets are from the May 13, 2026 strategic update [5]. Values are reported company figures; the approximate Home Depot share is company-stated. Segment results are not channel margins.

Decision assignment

Recommend an allocation approach for the CEO and CMO. Address:

1. Which activities deserve priority in Behr/Home Depot Pro, and which in other brands or channels?
2. What customer and economic evidence would distinguish incremental growth from channel shifting, promotion, mix, or market demand?
3. Which measures and guardrails should be specific to each initiative? What must be baselined before setting a target?
4. What would make you deepen, pause, or redirect each investment? State the strongest counterargument to your choice.
5. Which missing fact most affects your recommendation, and how would you obtain it?

Students may use a qualitative scorecard or clearly labeled hypothetical scenarios. Do not invent Masco budgets, customer margins, market shares, contract terms, or project returns. Keep the \$95 million refund separate from recurring operating performance and account for housing demand, product mix, tariffs, and divestitures as competing explanations.

Sources and cutoff

[1] Masco Corporation, [2025 Form 10-K](#), filed February 10, 2026: Item 1, pp. 2-4; Item 1A, pp. 10-11; Item 7, pp. 20-23; Note X, p. 55.

[2] Masco, [corrected May 13, 2026 Investor Day transcript](#), PDF pp. 12-14. Remarks are attributed to Behr's president and Home Depot's paint merchandising VP; not independently verified performance data.

[3] Masco, [Chief Marketing Officer appointment release](#), July 27, 2026.

[4] Masco, [Q2 2026 Form 10-Q](#), filed July 29, 2026, MD&A pp. 17-23; and [Q2 results release](#), July 29, 2026.

[5] Masco, [May 13, 2026 strategic update and long-term financial targets](#).

The student information set ends October 2, 2026, at 4:00 p.m. ET. No later outcomes are included. Academic research, reading depth, and source-level review are documented in the Masco research packet; academic estimates are not transferred into company forecasts.