

Marketplace Dynamics in the Construction Industry

Background

The client for this study was a major manufacturer of construction materials, both bulk and packaged materials. The core business for the client, and most of its revenues, is in the sale of bulk construction materials. As a result, very little marketing support or marketing research had been commissioned for the Packaged Materials division. The new marketing department for packaged materials was provided with few objective insights into the dynamics of the marketplace, specifically how is the brand decision made and how much influence each of the key role players have—the information that would be key for directing the ongoing marketing strategy for that division.

The research challenge, therefore, was finding the right methodology and study design to balance the client's information needs within a limited budget. The objectives set forth for this research study were:

- Explore how parties in the marketplace interact and to understand their roles in the market dynamics
- Identify the degree to which “role-players” such as Architects and Home Builders impact the sale and specification for packaged construction materials
- Better understand the role that brand can play in the purchase decision
- Identify opportunities for Client brands to improve their existing equity or other advantages to improve their position in the market
- Determine what factors are the primary drivers behind the purchase decision from the perspective of the Distributor, Contractor, Architect, and Home Builder

Methodology

Because the client had little research on this market, a multi-methodology approach was needed to meet the research objectives. RTS Marketing Research conducted first a series of In-Depth Interviews to provide qualitative insights into the marketplace and to help inform the design of the questionnaire for the second-stage follow-up Telephone Survey.

Results

By combining both qualitative with quantitative research, RTS Marketing Research was able to achieve its goals of providing a rich set of research results for the client, while working within a limited budget. The results provided insights into the purchase behaviors of each of four key audiences, how they select a brand, their level of awareness and perceptions of the major brands in the marketplace, and also helped to clarify the role and relative influence each segment has on the selection of brands.

“The research conducted by RTS Marketing Research provided key insights into every step of our value chain. Prior to the study there were several opinions about the strength of our brands and the value of each of the products and services we offer to each of our customers and to their customers. The results have allowed us to effectively focus our efforts on the key decision makers and to approach each with a value offering that is specific to their needs. Had I moved forward with a marketing plan prior to RTS' assistance it would have been more costly and less effective.”

Director of Marketing, Packaged Goods