

**Final thesis**

**International Business and Languages**

**Utrecht University of Applied Sciences**

**By Tom Charley Heuves, 1216301**

**Class H4AV**

**May 2009Index**

**1. Foreword 3**

**2. Introduction 4**

**3. Internal and external analysis 5**

**3.1 Internal analysis 5**

**3.2 External analysis 8**

**3.2.1 Customer analysis 8**

**3.2.2 Market analysis 11**

**3.2.3 Competitor analysis 20**

**3.2.4 SWOT-analysis 21**

**3.2.5 Confrontation Matrix 22**

**4. Sub-questions 24**

**4.1 What is Romacon’s target customer group and how**

**can it reach them? 24**

**4.2 Who are the biggest players on the Andalusian**

**construction market? 29**

**4.3 What are the strengths and weaknesses of**

**Romacon? 31**

**4.4 What are the most interesting channels to improve**

**the exposure of the name of Romacon and how can**

**Romacon effectively make use of these channels? 34**

**4.5 Which marketing communication strategies are to**

**be used in order to communicate the Romacon**

**services to its target customer market? 37**

**5. Conclusion and advice 41**

**6. Literature 44**

**Appendixes**

**Appendix 1: Competitor analysis**

**Appendix 2: Suggested keywords**

**Appendix 3: Useful channels for company promotion**

**Appendix 4: Promoters****1. Foreword**

This investigation is part of the completion of my studies, International Business and Languages at the Utrecht University of Applied Sciences.

During my final internship I have been acting as a marketing intern at Romacon Albañilería S.L.U. in Jerez de la Frontera, Spain. During this internship I have been working under the supervision of the General Manager, Miguel Angel Román Cabral, whom I would like to thank for the opportunity to do my internship at his company whilst guiding and teaching me in the day-to-day activities of a Spanish construction company. I would also like to thank Miguel Ángel Sanchez del Pozo, Marketing Manager, for the brain storm sessions and the help and information provided.

All content of this thesis should be considered confidential, since the subject of investigation is strategy based and contains several in-house company details which are not to be made public.

**2. Introduction**

Romacon Albañilería S.L.U. is a construction company, established in Jerez de la Frontera in Spain. The company focuses on the top segment of the construction market in Andalucía, with a focus on UK and Spanish clients. For its clients, Romacon builds mostly villas, chalets and land houses, but offers also a wide-scale of secondary services as installation of elevators, reparations and maintenance as well as reformations.

Romacon is mostly active in the provinces of Cádiz, Sevilla and Malaga, but takes also projects/orders outside these provinces into consideration. Currently Romacon is in the process of repositioning itself in the market from sub-contractor to contractor, although especially in the first stages of this process they will also keep on operating on sub-contracting level.

Romacon is searching for the right push and pull strategies to further strengthen its current market position as sub-contractor, whilst penetrating the market as contractor and establishing recognition and awareness as such.

In completing this investigation, I will provide the Marketing Department of Romacon with an overview of the available and useful channels, theories and processes and an advice on how to use these in order to reach the company’s marketing objectives. These objectives are based on recognition, awareness and increase in turn-over due to an increase of the projects.

In order to provide the above stated products I will answer the following question:

*Which marketingcommunication strategy/strategies should Romacon develop/use to reach its target customer group of Spanish and UK promoters and contractors in Andalusia in order to realize its marketingobjective, being an increase in turnover?*

The answer to this question I will obtain through answering several sub-questions, which are the following:

1. What is Romacon’s target customer group and how can it reach them?
2. Who are the biggest players on the Andalucian construction market?
3. What are the strengths and weaknesses of Romacon?
4. What are the most interesting channels to improve the exposure of the name of Romacon and how can Romacon effectively make use of these channels?
5. Which marketing-communication strategies are to be used in order to communicate the Romacon services to its target customer market?

With these sub-questions I have structured the process of data collection needed for my investigation. Going through these sub-questions I will go into all necessary aspects required for the forming of my answer on the main question.

The information needed to answer these questions I will obtain through quantified desk research and some field research on active competitors in Romacon’s target market. I have chosen for these researches since the information can easily be found on the internet and in publications and in the field one can easily see which companies are to be considered to be active competitors.

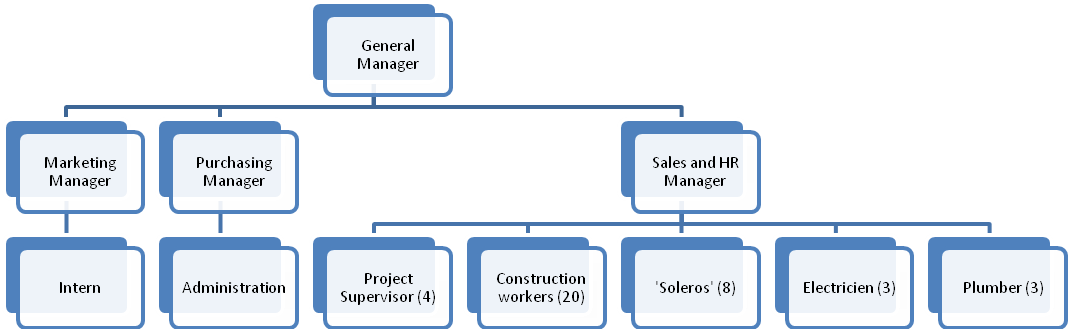
**3. Internal and external analysis**

**3.1 Internal analysis**

Romacon Albañilería S.L.U. (further on referred to as ‘Romacon’) is a construction company based in Jerez de la Frontera, Cádiz, Spain with a focus on the higher segment within the construction market.

Although the main product of the company is the provision of housing structures for villas, chalets and land houses, Romacon offers a wide-scale of services as for example installation of elevators, reparations and maintenance as well as reformations.

Romacon is a medium sized company with a hierarchical organization structure, which looks as following:



This is a simplified projection of the company structure since in reality the relations between the different hierarchical layers is slightly different. The General Manager works more or less on a horizontal base with the Marketing, Purchasing and Sales & HR Managers and all Managers work on a more or less horizontal base with the Administration.

Furthermore, all four (4) Managers are in contact with all employees, indirect through telephone, email and the supervisors, as well as direct in person, at the office as well as at the construction site.

The function of the intern, in this case the writer of this investigation, being me, is to directly assist the Marketing Manager in the daily Marketing activities as well as organizing and trafficking the communication to and from non-Spanish speaking clients, which makes the intern a temporal account manager for international non-Spanish speaking clients.

Romacon currently works mostly as a sub-contractor but is now starting to aim at projects on a contractor base. Currently the division between sub-contracted projects and contracted projects is around 90-10 and in the next three (3) years, Romacon would like to see this changed to a 40-60 division. Already Romacon sub-contracts parts of their projects, which is an advantage due to already established relations with other sub-contractors when Romacon starts operating more as a contractor.

Although at this moment the construction market is under heavy stress due to the economical downfall of the last trimester of 2008, Romacon can still maintain a sharp price-setting and a relatively good turn-over due to their choice of target market and their expertise in their business. Over the past two (2) months, Romacon has obtained three (3) big reformation projects based on former projects, close relationships with some important contractors in their target area and a positive mouth-to-ear promotion from their former and current clients.

However, Romacon doesn’t reach its full potential, since they neither have got a website, nor a balanced marketing promotion. In such, possible clients investigating the construction market will not be likely to get to be interested in contracting Romacon, due to lack of information and public access to company details. Also, the lack of in-company knowledge of foreign languages makes it difficult for Romacon to reach the non-Spanish speaking part of the market.

Another point of interest that keeps Romacon from growing to and reaching its full potential are its limited resources. Romacon at this stage has not got the financial resources to assure a safe growth in personnel, material and machinery, which evidently keeps the company from growing.**3.2 External analysis**

**3.2.1 Customer analysis**

**Segments**

Although Romacon has a focus on the higher segment of the market, there are multiple customer groups on which Romacon directs its Marketing and/or Sales:

* Top niche of the private customer market
* Companies and landlords
* Promoters and contractors

**Motivations**

Since there are different types of customers, the motivations also differ. Not only do these differ in demand, but also in style. For example, promoters and constructors are part of the target market for the Marketing Department because it is important to establish relationships between Romacon and its target promoters and constructors, but they are not buying/ordering customers.

In such I will go into the motivations per segment;

Top niche of the private customer market

This segment is very interesting for Romacon since it is the most lucrative due to the, sometimes extravagant, big projects. There are a lot of retired foreigners coming to Andalusia to enjoy their retirement in a sunny and relaxing environment, where they can build their dream house or a luxurious summer house.

Another group of foreigners exists of wealthy businessmen who want to have a luxurious house outside their country of origin to enjoy a nice long holiday or those who have made a lot of money in their country of origin and want to start a new business here in Andalusia.

But not all the money comes from abroad. There is also a huge group of Spanish from all corners of the country that want to build a house in sunny Andalusia. A lot of Catalan, Galician and other groups are attracted by the open, folklore and sunny atmosphere that is so typical for Andalusia. About 20% of Romacon’s projects come from this segment.

Companies and landlords

This segment normally gets in contact with Romacon for reforms, amplifications and/or adjustments of/to their establishments. As stated before, Romacon offers more than building houses and within this segment its major product is reforming and adjusting. For example: implementing the installation and the end-product for an elevator in a building with 4 plants, or installing air-conditioning and therefore redirecting of the existing electricity flow. Another reform for example, is the reform of a bedroom into a bathroom, in a house that is going to be partly rented out, or division of a big land house into multiple smaller apartments. This segment provides Romacon with about 15-20% of their projects.

Promoters and contractors

This segment is interesting for the Marketing Department of Romacon since here is where the most part of their projects is coming from.

Promoters are the leading top of the construction hierarchy and always looking for the best partners for each project. Since Romacon in the nearby future wants to reposition itself as a contractor, it is of relatively high importance to already start establishing relationships and knowledge among the active promoters in Andalusia.

Contractors, however, are still and will be important targets for Romacon, since they are direct deliverers of the projects Romacon works on as a sub-contractor. Most of the projects will be assigned to a sub-contractor, based on relationships and past working experience. Word-to-mouth promotion, however, can provide, together with good direct marketing, good probabilities to obtain large quantities of projects, though from time to time only based on part of the products and services Romacon can deliver. About 60% of Romacon’s projects come from this segment.

**Unmet needs**

Of course does Romacon strive to satisfy the unmet needs of its customers. But what are these unmet needs?

When contracting a construction company, usually one is in need of a shelter; a home. However, a house is not solemnly a shelter, it is also a way of expressing one’s feelings, taste, status, et cetera. Focusing on this segment, Romacon can provide the customer with the basis, the structure, of this need.

Providing a shelter or a reflection of one’s personality, though, is not the only need Romacon can satisfy. Looking at the second customer segment, companies and landlords, there are different needs to satisfy. Companies and landlords are mostly looking for construction companies to implement reforms, restructuration and reparations. Maintenance on buildings, implementation of elevators, separation of floors, paving, implementation of a (second) bathroom, building in of the airconditioning, replacement of the garage, all these and more services are provided by Romacon to satisfy the needs of this segment.

Promoters and contractors have other needs to meet. They are always looking for the adequate partner to execute their projects. Their search is mostly focused on partners with solid networks and relationships, knowledge of the market and experience in the construction industry. Romacon can provide all of these, due to their experience in the field and their solid network of distributors, suppliers and sub-contractors with whom they have worked together on numeral occasions. **3.2.2 Market analysis**

**General information**

As in the whole of Europe, in Spain the current crisis has had (and still has) its influence on the economy. Unemployment rate in Spain is higher than ever with over four (4) million people without a job, which is a 17.36% of the total population. For the first time since the euro, deflation will take place in the Spanish economy by -0.7% and the Gross Domestic Product falls down by -3.3%. Businesses are going bankrupt, debts are going up and consumption is falling down.

Last December, the Spanish construction industry suffered a pushback of 23.7% and most public construction projects are put on hold due to a huge fall in demand. In the first trimester of 2009, Spanish production output climbed back up some 11%, but this was mostly due to government investments in public construction and maintenance work.

However, although the economic downfall has had a tremendous influence on the middle and lower classes, the upper class of the Spanish (and foreign) population now finds a market that is more than interesting. Mortgages have fallen down, loans are easier and cheaper to get and the same accounts for subsidies. When there is money to invest, now is the time. Not only the initial investment is more attractive than in the past years, also project execution can be lucrative for the initiator, since competition has gone up due to fall back in projects. Promoters and contractors have to provide their clients with sharp quotations since the still existing construction companies all want to obtain the projects.

For the promoters, contractors and sub-contractors however, the market is not that attractive at this moment due to this high competitive level and the up going prices of the material. Bankruptcy applications have tripled throughout Spain, and around two-thirds come from the construction industry.

According to the INE (Instituto Nacional de Estadísticas), in the first trimester of 2009 there were 1,738,500 persons in the age from 20-54 working in the construction industry which are 357,700 persons less than in the same period the year before and for the next year an even further downfall is expected.

**Andalusia**

Andalusia is the biggest autonomous region of Spain, covering almost 20% of the Spanish land-size with over nineteen (19) million people living here and is expected to grow with another one (1) million persons in the next fifteen (15) years.

Based on statistics from the Junta de Andalucia and the INE, over the years the percentage of UK residents amongst the foreigners in Andalusia was determined to be around 15%, which makes the British the second biggest group of foreigners living in Andalucia.

Looking at the National Statistics centre (INE), in the first trimester of 2009 there were 304,200 persons actively working in the construction industry, a downfall of 37.21% comparing to the year before.

Economic data are unfortunately not up-to-date. The Spanish national and European communitarian statistics databases both don’t have their statistical data up-to-date regarding number of active constructors/promoters, nor for the total amount of money circulating in the business. The latest economical data are provisional expectations for 2006, with which it is impossible to work due to the current financial crisis and too much unspecified variables. The Spanish Chambers of Commerce and the Junta de Andalusia also don’t have any publications or data regarding this subject.

I have spoken with an expert in statistics, Sra Ester Fernandez Cervera, to discuss whether there is an opportunity to mathematically convert the available data in a more or less representative estimation, but there are too many unspecified variables to make a statistically reliable estimation.

In order to provide an estimate about the market, I wanted to use the available percentage of the downfall in employment combined with the average amount of employees per company in 2006, to get an estimation of the new to expect average amount of employees per company, divided by the amount of active construction labourers to determine an estimation of the active construction companies in Andalusia. However, since it is unclear how many companies have merged, gone bankrupt, disappeared, are newly established, expanded or had to shrink in their personnel archive, this would be a complete unreliable figure.

The available directories as <http://www.einforma.com> and the Spanish Yellow Pages are also unreliable, since a large number of companies have not registered their company herein. Also, the registered companies are not all active anymore or have merged into fewer, bigger companies.

Although there are some companies who have made their turnover and profits public over 2007, a complete market overview is necessary to give importance to these figures.

**Market entry**

It may be clear, that now is not a very good moment to enter the Spanish construction market, since already all active constructors are heavily competing for each and every project.

However, in the Spanish construction market is having the right connections sometimes more important than competitive pricing and/or an impressive portfolio. The right connections at the right moment can be more lucrative than actively competing for every project, and Romacon should therefore, now more than ever, maintain their current relationships and look for interesting and interested future co-operations, promoters and sub-contractors.

Although it is a hard time for construction companies, there are still enough possibilities and interesting projects for Romacon to reel in. Especially on the private (foreign) construction market there is a lot of money to be made. Due to the crisis, the wealthier upper layer of society finds itself in the ideal moment to reform their houses and build luxurious second houses. Companies with a focus on this type of projects, like Romacon, have good opportunities to maintain and expand their current market and turnover focusing on these clients.

Repositioning from contractor to sub-contractor does not, in first line, involve new legislative manners or administrative hassle. Nevertheless, it is important to improve external (marketing) communication to the market of this planned repositioning, since Romacon in doing so will compete on a different level with some of their current contractors.

It is important that Romacon realizes that in repositioning itself as a contractor, they will need to increase their resources and to expand their network of co-operations and sub-contractors. When contracting a construction project, Romacon will face an increase in responsibility directly towards the client (either directly to the initiator or to the executing promoter) and unforeseen obstacles can directly influence their overall company image in the Andalusian construction market.

Given that Romacon has indicated to have a (side) focus on promoters from the United Kingdom, it is highly recommended to invest in language trainings and in international management courses. Romacon has to realize that it is not possible to treat promoters from the United Kingdom in the same style as Spanish promoters. Not only will they encounter languages barriers, but also aspects as time-management, negotiation style, work and result expectations and interpersonal communication and relationships are interpreted differently between these two cultures.

**Trends**

Although it may seem a bit strange, but one of the most important trends in the Spanish construction market for Romacon to take into account, is the tightened up control on the invoicing, since a lot of black money is washed white through reform or construction projects. It is very common in Spain to arrange special payment methods with clients in order to avoid taxes or to pay less and it is estimated that there are millions of Euros circulating in the construction industry without government knowledge due to not declared cash payments.

There are several changes in needs and demands from the market regarding environmental improvements/maintenance. Nowadays ecology is getting more and more important and this is reflected in requirements from the clients. People want their homes to be better isolated, where possible functioning by natural energy means (solar, wind or water energy) and also the heating systems are different. Hot air goes up, that is not something new, but in the traditional heating installation the majority has a horizontal heating output. This way, the blown air goes up first and then has to heat the room from upwards-down. Through heating systems implemented in the floor, the heat will first warm up the floor and from there irradiate warmth downwards up. The upper part of the room will take longer to reach the desired temperature, but at least in-house everyone has warm feet and a feeling of cosy warmth when seated. Environmental durability and self-sufficiency are herein keywords.

Also the use of ‘green materials’ is getting more and more important in private property construction. Recycled (from older, disused or demolished buildings for example) and less toxic materials are used where possible in order to diminish the hazardous effects on the environment but also on the health of the people that are to be living there.

Another trend we find nowadays is that more and more people tend to want spacious rooms and open kitchens, mostly even integrated in the living room or as an extension of it. Although the Spanish family life has always been very tight bound and together, nowadays people seem to not want to be separated whilst in the central parts of their homes. In the current society where the majority of the family members are working during the day, in their free-time they tend to want to spend their free time as much together as possible whilst at home, without being separated by walls. Togetherness and functionality are keywords.

Last but not least, there is a growing demand for electronic security systems. Since Romacon already has a side-focus on several technological installations, maybe they can consider implementing a security system installation service.**Porter’s five (5) forces**

Looking at Porter’s five (5) forces (see figure) we can determine five (5) important factors that directly influence Romacon’s position in the market; the bargaining power of customers, the threat of new entrants, the bargaining power of suppliers the threat of substitute products and

competitive rivalry within an industry.

The bargaining power of customers, is something I have already gone into



shortly and is a pretty important

factor nowadays. As stated before,

companies are fighting for each

project, which has provided the

customer with a huge benefit.

Customers have a wide selection of

contractors to choose from, and will therefore settle for the lowest price for what they think is the best quality.

These days, one of the most used phrases by project initiators is: *‘my current best price is X% lower than yours; if you match that, the project will be yours’*. It may be obvious that companies still need to show their portfolio and need to transmit a feeling of professionalism and transparency in order to reach this level in the negotiations with the customer.

The threat of new entrants will presumably not be an issue within the next two (2) to three (3) years, since for new companies it is not an interesting market to enter. However, Romacon may not be the only sub-contractor aiming at repositioning itself at this moment; other sub-contractors may also feel that the moment is now to put into process their repositioning. In order to prevent negative effects of other companies’ repositioning, Romacon has to start lobbying and promoting the change already in order to penetrate de inner circle of trusted contractors within the market of promoters.

The next decisive factor is the threat of substitute products. Let us take a look at this per product/service.

Building houses, chalets, villas and land houses are considered basic needs. After all, everyone needs a shelter. Although it can be discussed whether or not these types of shelter are basic needs (some say, with reason, that these types of shelter are luxury goods), for this segment it is their home. They know what they want and, normally, how they want it done, and the only aspect that can be substituted is the contractor.

When looking at reforms, we encounter the same situation. It would be possible to maintain the house as it is (if it is not a reform due to damage), but the customer does not like it/feels him-/herself at home or simply wants something new. One can substitute the material and the personnel, but not the action.

Reparations and maintenance is very clear: it has a reason to be done and has no direct substitute. The only thinkable substitute is replacing it or, in case of a home, moving out. Though normally, people contracting a company for reparation and/or maintenance have their reasons not to substitute.

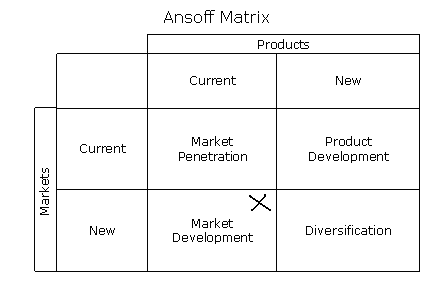
The only aspect of Romacon’s service pack that can be substituted is part of the installation-package. Drainage, heating, air-conditioning, gas-installation and electricity are normally to be found in every building in Andalusia, but some people choose for not contracting these services. There are people that prefer natural water sources for fulfilling their need of water, prefer not to install a heating system since in the winter time they are good enough off with a stove and there are still many households in Andalusia without air-conditioning.

Implementation of elevators is another service that is usually not substitutable, since the companies that want to implement an elevator in their building want something extra than the basic stairs which form a basic part of every multiple floor building. The only choice they have to make is to implement it or not.

In short: the risk of substitution for Romacon does not exist in their field of operations, only in the company. Project initiators can choose to directly contract the different sub-contractors and thus by-passing the contractor level.

Competitive rivalry within the industry is the second most important factor of this model for Romacon. There is a lot of competition between the different active contractors and sub-contractors in the market, and even when contracting a project, Romacon can still lose it to a sub-contractor or another contractor if they play it nasty. It occurs from time to time that sub-contractors negotiate with the project initiator over the back of the contractor and even the promoter, to reel in the project for themselves against a slightly lower price and with a handful of promises. This, unfortunately, is almost impossible to counter, unless Romacon really exceeds in satisfying the project initiator for 100% during the whole process.

**Ansoff matrix**



Looking at the Ansoff-matrix, we can

use the dimensions ‘product’ and ‘market’ to

determine which strategy to follow in order to

reach the desired objective. This model is a

simple means to get a rough insight in how to

target the company’s strategy. In deciding

to focus on (a) ‘current’ or ‘new’ market(s) with the ‘current’ or ‘new’ service and product package, Ansoff provided companies with a guideline for which strategy to use whilst focusing on specific aspects of the market. In this Ansoff determined four (4) different growth strategies, being: market penetration, product development, market development and diversification.

In the Ansoff matrix I have marked Romacon’s course of action, based on their desired change in operating level from sub-contractor to contractor. Although the area of operations does not change (Romacon will still be targeting their segments in the regions Cádiz, Malaga and Seville), their field of operations undergoes a slight change since they have to change their strategic activities. As a contractor, Romacon will have a more complex web of responsibilities, communication, co-operations, and distributors and it will have to adjust its strategic operations as such.

**Demographical factors**

A lot of Spanish companies have gone bankrupt due to the crisis and other companies had to heavily decrease the number of employees. Because of this, the unemployment rate in Spain is very high, which of course has its effects on the housing market. The public property construction is laid down, houses are empty and a lot of people cannot pay their mortgages which has made them obliged to put their houses for sale.

This is of course a terrible situation, but it is even worse for the generation between 18 and 35 years old, who, now more than ever, almost don’t have the possibility to work (due to lack of work experience and heavy competition with older, more experienced applicants for each job), let alone to afford a place of their own. This leads to younger generations living with their parents with only the parents’ income to spend.

It is, however, not because of the level of education amongst the younger generation in Spain, that they cannot get a job; the majority of the Spanish between 24 and 35 years old have at least one master degree and has done at least one extra curricular course. It is simply due to the fact that companies still prefer work experience above anything else, and studying the only thing one misses is exactly that.

**Economical factors**

As stated before; the current economical crisis has had a huge impact on Spanish society. Unemployment in Spain has never been so high, and is currently among the highest within the European Union. For the first time since the euro, deflation will take place in the Spanish economy by -0.7% and the Gross Domestic Product falls down by -3.3%. Businesses are going bankrupt, debts are going up and consumption is falling down.

Especially for the property market, this is an awful situation. People cannot pay their mortgages and have to sell their homes, requests for new to build properties are cancelled and planned reforms are put back on hold.

Only the wealthier individuals can profit from this situation. Due to high competition quotations and materials can be obtained against very low prices and even houses can be bought below market value. Once again it takes money to make money.

**Socio-cultural factors**

Regarding the property market there are several interesting socio-cultural factors influencing the market.

As in the rest of the world, Spanish life expectancy grows which leads to lesser properties made available for re-using. Also there are to be found more and more single-parent and single-person households which lead to more demand for houses. Where the Spanish used to marry at an early age, nowadays marriage and living together is not culturally obligatory anymore. A lot of couples maintain their bachelor lofts, apartments and houses or simply choose not to live together. Although due to the economical crisis this last trend is to be found less and less, these factors have highly influenced the housing boom found in Spain until the year 2006.

Another interesting factor was and is having a holiday house at or near the beach or in the mountains. Especially in Andalusia there are a lot of these kinds of properties to be found, for Spanish as well as foreigners. Although many of these houses are now for sale due to the economic crisis, having an outhouse for the weekends and/or holidays is something typical for the Spanish.

There is however also a less interesting factor for the property construction industry, being that offspring leaves their parental homes ever later. Especially since it is so hard for the younger generation to find a job with which they can provide in their basic needs, the younger generation stays with their parents until their late twenties, early thirties.

**Technological factors**

In our current society, we are always looking for new technologies to make life easier and better, for humankind as well as for nature. In such, new technologies are developed to obtain energy from natural resources with the aim to protect the natural environment as well as the well-being of people.

Solar, wind and water energy is more and more used and optimized for domestic use and property constructors are more and more required to work with these kinds of installations.

But also in company communication, technology has its input. If a company is not found on the Internet, for example because of the lack of an Internet website, people will not be likely to find and contract them. Nowadays professionalism is directly linked to the presence on the Internet.

**Ecological factors**

Nowadays ecology is getting more and more important. People want their homes to be better isolated, where possible functioning by natural energy means (solar, wind or water energy) and also the heating systems are different. Through heating systems implemented in the floor, the heat will first warm up the floor and from there irradiate warmth downwards up. Environmental durability and self-sufficiency are herein keywords.

Also the use of ‘green materials’ is getting more and more important in private property construction. Recycled (from older, disused or demolished buildings for example) and less toxic materials are used where possible in order to diminish the hazardous effects on the environment but also on the health of the people that are to be living there.

**Political-Juridical factors**

As mentioned before, the Spanish government is heavily controlling the financial transactions of construction companies. It has always been very common to pay the construction companies partially with ‘black money’ and this has cost the government a lot of money. But not only the quotations are paid with black money; if the services of the construction company is paid ‘in black’, these companies will also strive to arrange (partially) black payments with their suppliers. It may be clear that the government is not very happy about this and in such it has heavily increased governmental control on all transactions made. There is also heavier control on safety measures at the construction sites and payrolls are automated in order to have a better control on tax payments as well as loan payments for the construction workers.

**3.2.3 Competitor analysis**

There are different types of competitors in the market for Romacon, based on type, specialty and origin. Since Romacon is more or less an all-in-one construction company, in this thesis I will take into account those companies that provide services comparable to Romacon.

In making this competitor analysis I have separated the competitors in heavy, medium and light competitors, based on services and products provided, size, importance and marketing communication.

In order to provide this analysis as transparent as possible, I have made an Excel table with company name, area of activities, city of establishment, URL and a note with some company specific points of interest. This table can be found in *APPENDIX 1*.

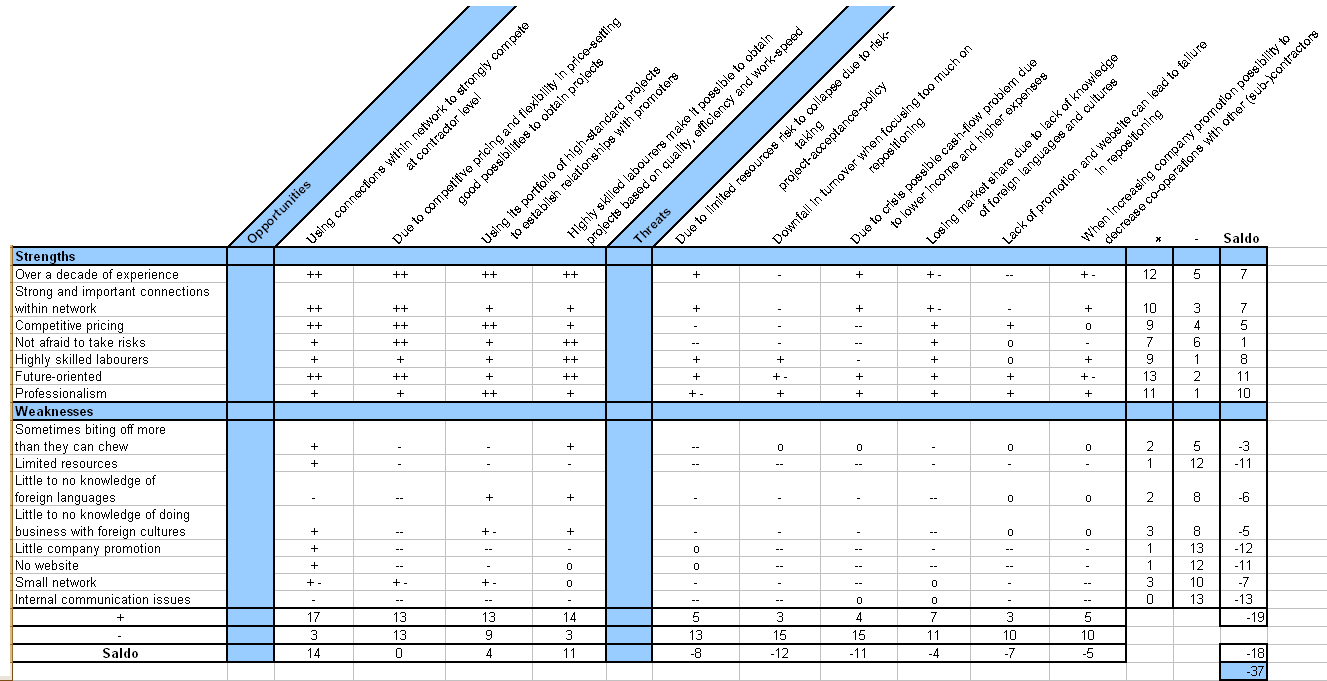
However, in the construction market, competitors are not always simply competitors. When working as a contractor it is sometimes necessary to contract sub-contractors that are normally to be considered a competitor. The other way around works more or less the same; as a sub-contractor it is of high importance to maintain close relationships with (some of) the contractors since they are mostly the ones to provide the work. In such Romacon has to keep in mind to compete not too aggressively since that can diminish their activity instead of increasing it.

In this competitor analysis I have maintained a focus on companies within the area of operations of Romacon and mostly from within the Cádiz province, since that is where the majority of their projects has its origin.

**3.2.4 SWOT-analysis**

|  |  |
| --- | --- |
| **Strengths** | **Weaknesses** |
| * Over a decade of experience * Strong and important connections within network * Competitive pricing * Not afraid to take risks * Highly skilled labourers * Future-oriented * Professionalism | * Sometimes biting off more than they can chew * Limited resources * Little to no knowledge of foreign languages * Little to no knowledge of doing business with foreign cultures * Little company promotion * No website * Small network * Internal communication issues |
| **Opportunities** | **Threats** |
| * Using connections within network to strongly compete at contractor level * Due to competitive pricing and flexibility in price-setting good possibilities to obtain projects * Using its portfolio of high-standard work, solid proof of high-quality labour, to establish work-relationships with important promoters * Due to highly skilled labourers opportunity to obtain projects based on efficiency, quality and work-speed, as well as possible increase in number of projects. | * Due to limited resources risk to collapse due to risk-taking project-accepting policy * Downfall in turnover when focusing too much on repositioning * Due to crisis possible cash-flow problem due to lower income and higher expenses * Losing market share due to lack of knowledge of foreign languages and cultures * Lack of promotion and website can lead to failure in repositioning * When increasing company promotion possibility to decrease co-operations with other (sub-)contractors |

**3.2.5 Confrontation matrix**



Although we can see that the balance of the confrontation matrix turns out slightly negative, this does not mean that it will be impossible or a bad idea for Romacon to start their repositioning. Due to the complexity of the relations between the four (4) aspects of the confrontation matrix, changes in one of these aspects will have a direct important effect on the balance.

If Romacon extricates time and money to invest in a website, promotion and language and international business training for its employees, Romacon can easily turn the tables.

The same accounts for their internal communication. When Romacon structures their internal communication, for example by implementing daily obligatory meetings, they can simplify a lot of internal processes which will improve the overall execution of their processes. Currently their communication processes are very slow and incomplete what hampers the execution of these processes.

Last but not least, they can highly improve the balance of this confrontation matrix by investing in personnel and material. A growing company, wanting to reposition itself has to invest in order to reach their objectives. The same accounts for Romacon. An increase in resources will give Romacon a stronger competitive position and will also diminish the possibility of collapsing due to lesser impact of weaving issues.

**Confrontation strategies**

Strength and opportunity (attack strategy):

S: Over a decade of experience.

O: Using its portfolio of high-standard projects to establish relationships with promoters.

*Over the years, Romacon has executed a large number of high-standard projects, what provides them with an impressive portfolio. With this portfolio Romacon has good opportunities to create a network of promoters interested in contracting them for their projects.*

Strength and threat (defence strategy):

S: Competitive pricing.

T: Losing market share due to lack of knowledge of foreign languages and cultures.

*With their competitive pricing, Romacon lets the quotations speak for themselves. Although negotiations and direct communication will suffer from misunderstandings and distortions in the message, Romacon can still actively and competitively operate on the foreign part of their target market due to their low-cost high-quality pricing strategy.*

Weakness and opportunity (strengthening strategy):

W: Little to no knowledge of doing business with foreign cultures.

O: Using connections within network to strongly compete at contractor level.

*Romacon can counter its own lack of knowledge of doing business with foreign cultures by sub-contracting part of the project to or co-operating with a more internationalized company from within their network.*

Weakness and threat (withdrawal strategy):

W: Small network.

T: Due to limited resources risk to collapse due to risk-taking project-acceptance policy.

*Although Romacon has some strong and important within their network, their network is not very expanded. Because of this there exists a risk to collapse when Romacon accepts too many projects, weaving deadlines. If these deadlines are woven together and something does not go exactly as planned, time wise, then Romacon can come in a difficult situation since they lack finances, material and personnel to solve this in a fast and efficient***4. Sub-questions**

**4.1 What is Romacon’s target customer group and how can it reach them?**

As mentioned in part 3.2, at this stage Romacon’s target customer group is divided into three segments being:

* Top niche of the private customer market
* Companies and landlords
* Promoters and contractors

For these different segments there are to be used different communication styles and channels.

**Top niche of the private customer market**

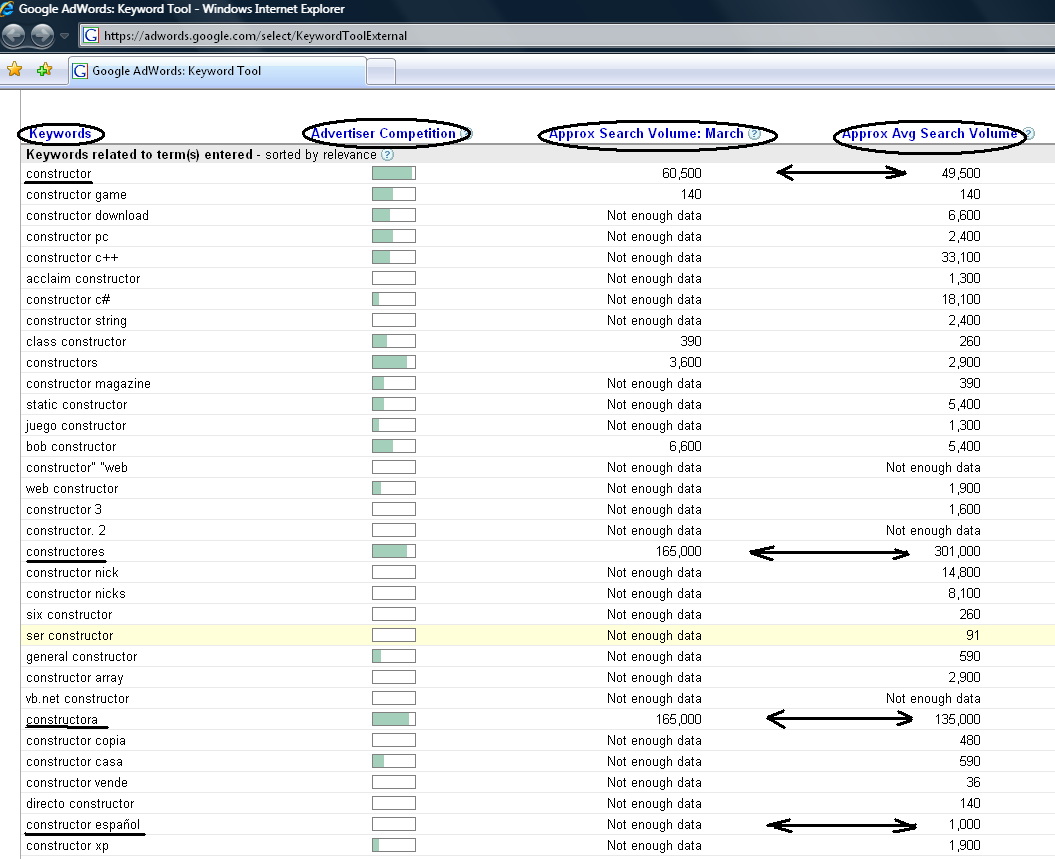
This segment of Romacon’s target customer group can be reached and attracted in different ways. Both pull as well as push strategies can be used to attract the customer’s attention, since normally the customer knows what he/she wants, but doesn’t know the market.

A lot of potential customers will use the internet as database for their research, and in such it is important for Romacon to develop a high-ranked website. However, making a website and putting it online will not directly lead to more traffic; traffic needs to be generated by promoting the website on different platforms and by investing in search engine optimization.

Websites have to appear within the first 10-20 search results in order to really be beneficial, since most of the internet users will only scroll the first two pages of the search results before changing their search terms. In order to reach this, Romacon has to determine the key words of their product/service, as used by their target customer group and not only their own preferred key words. For example: Romacon wants to be found on the search term *‘constructor’* but their target market uses the term *‘contractor’*, in this case Romacon has to invest in the key word *‘contractor’*

since this is the search term used by their target customer group. In the case of Romacon, an interesting keyword would be *‘constructor’* but as one can see in the screenshot below, isn’t the most optimized keyword for the Spanish market. As shown it would be more interesting to choose *‘constructora’* or *‘constructores’* since those have a higher search average than *‘constructor’*.

Keyword tool from Google



In *APPENDIX 2* can be found a more detailed and complete overview of suggested keywords.

But keywords are not the only point of attention; it is also important that there exist various links to and from your website to other relevant/important/high-traffic-generating websites. Portals and directories can be a huge boost to your traffic, not only because of the traffic they can generate for you, but also because these generally have a high link-rating which can highly benefit your ranking in the search engines. An interesting directory for Romacon for example is: [www.qweb.es/\_empresa-constructora.html](http://www.qweb.es/_empresa-constructora.html) where one can alphabetically search for constructors. Linking to and from partner websites can also improve the traffic to the website, especially when the partner website appears within the first 10-20 search results. If Romacon can agree with, for example, Predio (a partner, mostly active in Sotogrande) to link their websites, this can be of a huge benefit for the traffic of Romacon, since Predio is a strong name within the Andalusian construction market.

The last point I would like to stress out, regarding search engine optimization, is relevance of the information. This seems a bit obvious but it really is not that simple. In writing the website, it is important that the most relevant or unique information is to be found in headers, headlines and background scripts or repeatedly used within a specified amount of text. The search engine bots are not that intelligent to scan a whole website when giving their ranking. They have special tracking (scrolling) processes that scroll the above mentioned parts on the search terms, and of course, the more they find here the higher one will appear in the search results. Thus; once all the keywords are known, it is important to use the majority of these in the background script of the website. It is a wise strategy to also use the keywords wisely in the headers and headlines and to repeat them a couple of times throughout the website. However, don’t exaggerate repeating because that makes the text terrible to read and after 2-3 repetitions the extra effect of extra repetitions will be minimal.

Another point of interest is that part of the contracts can be obtained whilst already under supervision/execution of other contractors. This because of possible dissatisfaction with the execution of the work by the current constructor. This may seem a bit odd, but unfortunately not every company in the construction industry works as the customer would like them to. Therefore it is important to keep on promoting the company amongst construction sites already in progress. However, this has to be done delicately, since Romacon wants to reposition itself in the market and therefore will need to establish a solid and large network of close relationships with many of the other construction companies that are active in the same area. The best way to do this would be personal sales; in person contacting the owner of the construction site (house, chalet, villa, parcel, et cetera) and selling Romacon’s products and services. This is a very time-consuming process though, and unfortunately time is not Romacon’s biggest asset at the moment. Direct communication by mail or flyering would be the least time-consuming method, although this can be visible for the executing construction company. When Romacon decides to use this method of communication it has to be done deliberately.

Another important push-strategy is the communication of the repositioning. This is of course for the most part information giving, but will also increase (if not active, at least passive) awareness for the company name and its positioning and products/services. This communication is to be done partly online (advertisements, publications, banners) and partly in hard-copy (direct e-mails, flyers, advertisements, publications, interviews) and not only to this segment, but to all three of them.

**Companies and landlords**

Since the products and services to this segment differ from the needs of our first segment, the marketing communication should be (slightly) adjusted. In part, the same channels and methods can be used, but since there are different needs, the content of the message should be adjusted and some channels have to be changed or new channels have to be implemented. For example: in order to reach companies, it can be a wise decision to advertise in branch-specific magazines or newsletters. It would also be nice to advertise or publicize in product/service specific magazines. For example: since Romacon installs elevators, it is wise to look for possibilities to advertise in this product-specific communications. But not only end-product communications/companies are interesting, also the primary means are to be considered a potential benefactor. Means like mortar, bricks, metal, wiring and tools, are all possibly interesting target communication groups.

Regarding landlords, it could be interesting to keep track of sales of big houses/properties that are possibly to be reformed into separated apartments or even bigger projects (think of rural tourism and the reforms/constructions that have to be done to put up a business in this area). With this we come to another channel: real estate agencies and real estate sections of for example eBay and Marktplaats. Real estate agencies can be a partner of huge interest if they are willing to let Romacon advertise within their newsletters, magazines and maybe even offices. eBay and Marktplaats are the online variants and in such are to be addressed concerning banners, advertisements and links.

An overview of interesting online channels is to be found in *APPENDIX 3*.

**Promoters and contractors**

Since the relationship between promoters and contractors is mostly based on confidence, loyalty and personal relationships, this is the hardest to successfully reach segment. First of all, the promoters and contractors have their own market position to maintain and therefore are not allowed to blindly trust and partner-up with every company available. Second, as stated above, they normally already have their established partner relationships and are normally fully booked with those. Especially with the current economic downfall, most of the promoters and contractors will not be overflowed with projects and will probably just have enough work for their existing relationships and partners.

However, if Romacon can arrange a meeting with the promoters and contractors of their choice, through showing their portfolio and based on their social skills it could be possible to enter in their network, since professionalism and quality still are some of the most important deciding factors.

Repositioning themselves as contractor, means that Romacon has to carefully decide which promoters to contact and which sub-contractors to keep in their network. Since there currently exists an excess on contractors and sub-contractors (there are more companies in the market than projects nowadays), it is important to communicate the strengths of Romacon to the market and to establish and maintain close relationships with more than just a few promoters and sub-contractors. However, engaging themselves with more than one, means that Romacon will have to be able to deliver the sufficient amount of workers for each job when required, since saying ‘no’ to a job too many times because of lack of means can be damaging to the relationship with their partner(s) and the image of Romacon in the market.

As a side note I would therefore like to point out that in repositioning itself within the market and before engaging new relationships, Romacon should carefully consider a growth in personnel and means.

First contact with promoters still is recommended to be done by email or telephone, at least to determine a date for a first personal encounter. In order to facilitate the filtering of promoters of interest for Romacon, an overview of active promoters in Romacon’s target area can be found in *APPENDIX 4*.

**4.2 Who are the biggest players on the Andalusian construction market?**

As already mentioned in part 3.2.2 and 3.2.3, there are several things to take into account regarding the Andalusian construction market.

First of all I would like to stress out once more that economical and statistical data concerning the Andalusian construction market is far from up-to-date and therefore not representative for the current market situation.

Also it is important to realize that not all constructors operate in the same field of operations. The majority of the constructors have their activities aimed on public construction works, while Romacon has aimed its activities at the private construction.

Another important barrier I encountered is that the majority of the constructors have little to none public information published, which has made it very complex to encounter the right information for my investigation. The only publically accessible site I have found with seemingly interesting company data, is a paid site for registered Spanish companies (<http://www.axesor.es>) and Romacon has indicated that at this moment they do not feel the need to register here and pay for financial reports of other companies.

There are six (6) important, active players in the target area of Romacon, which exists of the provinces Cádiz, Seville and (to lesser extent) Malaga. I have based this on presence of these companies in the regions and the quantity of projects running, executed by these companies (according to the signs at the construction sites) and on their websites if available.

Marvi S.L.

Marvi S.L. is a very active, well-known and established name within the Andalusian construction market. Marvi is active in the same area of operations as Romacon and does also offer a very similar service package. Marvi is heavily competitive in the market for chalets, villas and land houses, as well as for reforms, apartment complexes and urbanizations. Also its portfolio of past and current projects is highly impressive and seemingly has an important network.

Grupo Bi

Grupo Bi is an important promoter/constructor in the Cádiz region with control over the complete process from design to construction to sales. In such, Grupo Bi is not necessarily solemnly a competitor, but can also be considered an interesting promoter to open negotiations with. Grupo Bi has an internet website, but uses this only to promote real estate sales. However, when moving through the Cádiz region there are several construction sites with company promotion (mostly through billboards as: Here builds Grupo Bi) that indicate current activity in the market.

Donacon

Donacon is a constructor active in the province of Seville, mostly focused on the direct surroundings of the province’s Capitol, Seville. Although Donacon has an obvious single target area, within this area it is an important name in the property construction industry. Donacon provides the market with experience in the construction, reform and rehabilitation of houses, apartment complexes, chalets and company buildings and has an extensive portfolio to show its work and experience in image.

Roalesa Construcciones S.A.

Roalesa Construcciones S.A is another all-round promoter/constructor with over a decade of experience in the construction market. Over the years, Roalesa has executed a large number of impressive projects in the province of Seville. Main activities are promotion, construction, reforms and rehabilitation of chalets, houses, offices, apartment complexes, retirement homes and more. Although Seville is Roalesa’s main area of activity, they will also consider projects in the (northern) Cádiz region.

Arquitécnia

Arquitecnia is an architect and constructor, which executes private, public and industrial projects. Arquitecnia is above all specialist in architecture, but over the years has started to contract its own project designs. This company offers a broad package of services to its clients, amongst which the technical drawings of the projects, the execution of these and reforms. In this, Arquitecnia has already executed a lot of projects regarding the construction and reform of houses, chalets, commercial spaces, urbanizations and company buildings. Their area of operations is Cádiz.

Romacon itself has indicated that their biggest direct competitor Tacys Proyectos y Construcciones S.L.U is. Tacys operates in the same area and same line of products as Romacon. However, little information is available on Tacys and I can only work with the information provided by Romacon.

Romacon has told me that although Tacys is not a very big company, they encounter this company throughout the three (3) provinces of operation in the same areas as where Romacon is active. They could not indicate to what extend they compete for the same projects, but they have indicated that they happened to see Tacys communication at construction sites they also competed for.

**4.3 What are the strengths and weaknesses of Romacon?**

Though I have partly shown this already in section 3.5, in this section I will go a bit deeper into the strengths and weaknesses of Romacon.

**Strengths**

* Over a decade of experience: Romacon, though not in this form, has been active in the construction market for over more than a decade and this is reflected in their work. The company has grown into an experienced, professional and structured company that delivers what their customers are looking for. They do not just deliver a product or service, they put a feeling in it.
* Strong and important connections within network: Due to their long activeness in the market, Romacon has already established a lot of important relationships. In its network, Romacon has several important and strong connections with contractors and sub-contractors that will surely help them in their repositioning. With these connections Romacon has already managed to obtain a lot of projects and to successfully execute to them conform the clients’ expectations.
* Competitive pricing: Romacon not only has strong connections with other (sub-) contractors, but also with a lot of suppliers. Due to these relationships, Romacon is able to provide its clients with very competitive prices for high-quality material which is reflected in a competitive quotation for the project.
* Not afraid to take risks: Although this can turn out to be a threat at times, mostly I consider this a strength. Because Romacon takes risks now and then, they have been able to pull-in more projects than their competitors and are able to lower the initial costs for their material which leads to higher turnover.
* Highly skilled labourers: The labourers in service of Romacon are some of the better in their field and that is reflected in their work. Not only do they deliver high-quality work, but they also work fast and efficient.
* Future-oriented: Although every company should be future-oriented, in the case of Romacon it is a strength. Whenever an opportunity for future business or future co-worker-ship presents itself, Romacon jumps right into it. The management is also very aware of what they want in the future and tries to act always in such a way that future goals and targets can possibly be easier achieved.
* Professionalism: Romacon knows what they do and how to do it and this benefits not only the company, but also the client. Through heavy contact between Romacon and their client and distributors/ suppliers, during the whole project the progress is clear and transparent and both Romacon and the client have a clear and transparent view on what is done and what still has to be done. Deadlines are given with a margin for unexpected difficulties/issues, so that the project will almost never end later than expected and normally the projects will end on an earlier date than given in the quotation.

**Weaknesses**

* Sometimes biting off more than they can chew: Romacon sets its deadlines sharp (with a margin though) but is weaving its deadlines together. Obviously this can lead to nasty situations when one project takes longer than expected whilst the next project is already scheduled to start. The same risk-taking is to be found in their acceptance of projects, which sometimes seem to be a more difficult job than at first sight appeared. I have seen this happening and things like this can cost Romacon a lot of unnecessary losses.
* Limited resources: Although this seems to be a threat, in the case of Romacon it is more a weakness, since they have not got the financial resources to back up differences between incomes and expenditures. A lot of their partners had to increase their pricing but their clients had to sharpen the quotations, since both are equally affected by the crisis. Romacon is now in between and has to carefully monitor their finances and their projects in order not to go down. They have also reached more or less their roof on capacity, so if they want to keep on growing, a growth in their material and personnel resources is also required.
* Little to no knowledge of foreign languages: Romacon is a pure Spanish company and they do not master foreign languages. In the current state of the market, where the money is to find in negotiating with foreigners coming to Spain, this is probably one of their biggest issues to solve in the nearby future.
* Little to no knowledge of doing business with foreign cultures
* Little company promotion: Word-of-mouth has always been the promotion style of Romacon, and thus far they have done well doing so. However, in their current repositioning it will not be sufficient to communicate this change to the market. Romacon has to actively promote itself as a contractor to the active promoters, contractors and sub-contractors, as well as to their target market. This is not simply done by one publication or by word-to-mouth; it requires an active and regular promotion, at least during the first period.
* No website: Nowadays, companies need a website. Almost every household is connected to the internet and will also perform most of its researches online. First they will make their selection of seemingly interesting companies and then they will scroll through websites in order to determine which company seems to be the most promising for their project. Especially when side-focusing on the international market, it is important that the company can and will be found on the internet and not having a website will make this a lot harder. This should be one of the priorities of Romacon.
* Small network: Although Romacon has some strong connections within its network, it relatively has a small network. Though in the past three months their network has been growing significantly, they could still need some extension when wanting to operate as a contractor.
* Internal communication issues: Within Romacon there have been a lot of misunderstandings and delays due to internal communication issues. Everyone within Romacon has so many things on their minds, that communicating within the company has grown into a minor importancy. However, this has lead to several uncomfortable situations where a simple one-on-one would have done the trick. I have already spoken about this with the manager, and although they are on the right way, they still have to put more interest in internal communication to prevent face-loss and loss of projects.

**4.4 What are the most interesting channels to improve the exposure of the name of Romacon and how can Romacon effectively make use of these channels?**

Passive promotion like word-to-mouth is very important for a company, since it is not only promotion, but it gives out positive references at the same time. A lot of times it counts heavier to get recommended by a positive client than to be found through other ways. However, when wanting to realize a real increase of exposure, other channels are required.

National and international exposure on a large scale, will lead to national and international (active as well as passive) awareness which in turn can (and presumably will) lead to a heavy increase in projects and thus turnover.

So what are the channels to use for Romacon to increase the exposure of the company name and activities?

Since Romacon currently does not do anything at all concerning promotion of the company and its activities, let us start at the beginning. The first channel to use is the Spanish yellow pages (Páginas Amarillas). How strange it may seem, but Romacon is not registered here so this will be a good first step in the right direction.

To keep within the same channel type, the next interesting channel would be the biggest Spanish directory of constructors: <http://directorios.netfirms.com/constructoras> which will not only place Romacon in between its competitors, but will also increase the effect of the to be developed website, due to high linking value of this directory.

The same type of directory does also exist for the international market, being: <http://www.directoryspain.com/spain/english/business_,038_economy/construction/>.

Construmatica is another directory annex portal, focused on the construction market. Due to its nature it is a very interesting place for a construction company to be linked to/with since it is very complete in its information provided concerning the complete market and its trends and innovations. The site is to be found at: <http://www.construmatica.com>

The final directory I would like to point out is: <http://www.inmoespaña.com/inmo/prinip/l/en/c/4/PIni/1/Inicio/110/Constructors_Promoters_Spain.htm>, this is a directory of constructors and promoters in Spain from the Inmo, the collective organization for real-estate agencies, promoters and constructors. This directory does also serve Romacon in its search for co-operations and promoters to work together with.

Directing our focus on the construction site itself, there are several possibilities for Romacon to increase its exposure. To start with a simple but effective means: putting up a bill-board type of sign, indicating that it is Romacon that is currently executing the project. This is a one-time investment in a couple of these signs which will pay themselves back in awareness and recognition of the company. The same accounts for the company vehicles: name-tag the company vehicles. In such, when moving to and from the construction site and whilst visiting them, people passing by will notice the name. At the construction site itself, the company name will then automatically be linked to the work in progress which can stimulate the effect of this exposure even more.

Another relatively cheap and effective way to increase the company exposure is to have promotional objects to give away or leave behind as for example pens and calendars. Both are used much by Romacon’s target customer groups and are therefore effective marketing means. Not only are these useful and nice gimmicks, but they will also highly increase the company awareness in the target market and beyond. Both objects are cheap to make and will pay back the investment for sure.

On bigger scale, advertisements are one of the most lucrative means of increasing company awareness in the market. Focusing on promoters, contractors, sub-contractors and the like, “Informes de la construcción”, given out by the “Instituto de Ciencias de la Construcción” can be an effective channel to promote Romacon. This magazine goes deeper into the latest trends and innovations concerning architecture and construction with side-information about the bigger ongoing projects and some company registers. Since this magazine is also open for company publications, it can also be used for company announcements.

Another very interesting and important branch-magazine is “Arquitectura & Construcción”. In the last decade this magazine has grown out to be one of the biggest sources of information about the branch/market, with possibilities for companies to promote themselves. It would not be a bad option for Romacon to send in an article about who they are, what they do and what their future plans are in order to be known in the market amongst their fellow constructors and promoters.

In order to reach a big part of the target customer group, a direct mail campaign can be very effective. This can be executed in hard copy or by email. Although a lot of people can and will think of this as spam or undesired propaganda, it is still an effective and much used method to communicate the company name and activities. In this direct mail campaign, Romacon can introduce itself in the way they seem appropriate (contractor with sub-contracted side projects for example) and give a detailed insight in all the different products and services Romacon provides. The Direct Mail Association (DMA) has investigated that for every one (1) dollar invested in direct mail the ROI is about ten (10) dollar (Mobile Marketing: Consumer Perspectives DMA (US), 2008), however, this accounts only for those companies who have real marketing experts working full days on it, so Romacon should not expect a 1000% ROI. Direct mail normally has a response rate of 1-2%, so in order to really benefit from a direct mail campaign, it has to be done big. But executing a hard copy direct mail campaign can cost a lot of money on stamps, so in deciding to do this, Romacon has to specify the target customer group to send a hard copy direct mail campaign to, or to distribute it themselves, though this will cost a lot of time and therefore money. Nevertheless, Romacon should consider this as a viable communication means, because it will not only lead to awareness and recognition, but it can lead to direct contact/negotiations.

For foreigners looking to build a house or property in Andalusia, there is a very informative portal called Andalusia.com (<http://www.andalucia.com>)

where a lot of information and advices are given to foreigners that want to buy or build in Andalusia. On the site there is some space for banners or ads that is not used and can be a nice opportunity for Romacon to attract this part of the market, after all: a company promoting on a site that warns people for possible disappointments and problems should be a trustworthy company, or at least, that is the background message in an advertisement on such a site.

**4.5 Which marketing communication strategies are to be used in order to communicate the Romacon services to its target customer market?**

Since the construction market in general is suffering under the economic recession and the market is satiated, Romacon has to communicate some unique selling points/strengths since there is a lot of competition for each single project. Romacon has to communicate its strengths and focus on weaknesses/shortcomings of the competition in order to haul in the projects.

Romacon has to communicate to its target customer group that because of their close and strong relationships with their suppliers they can set a very competitive pricing for high-quality material and work very efficiently due to their distribution process, which is fast and efficient.

Another strength of Romacon to emphasize is its experience in the construction market. Not all competitors have been active in the construction market for over a decade and in this Romacon can take a strong position. Over the years Romacon has done a lot of projects and can therefore show an impressive portfolio to convince new clients to contract them.

Due to their portfolio, Romacon can also suggest styles, implementations or complete projects to their clients/prospects that still don’t have 100% clear how their property should look like or to implement some small changes to make the property even more special/prettier. They can give advices about type of floor to make the house look brighter, about the external structure to make the house more unique, about the planning of the garden and the positioning of the bedrooms/bathrooms/study/living in order to get the best and adequate light in every room, et cetera. Romacon is not simply an executor of a project; they can also actively take part in the drawing of the plans.

In short, Romacon should emphasize that they provide better material, faster, more efficient and for cheaper prices and that they are a pro-active company that thinks along with their clients to not only provide them with a property but also gives an extra sentiment to the project.

Romacon should push their company name and information through the market in order to pull clients towards it. **AIDA (AICDAS)**

The AIDA model is used to help structure ones promotion by structuring the process from awareness to sales.

In this model the cycle starts with the creation of attention and awareness of the product, service and/or company to let the possible consumers/clients know that it exists and to establish active and passive awareness within the target market.

The next step is to create interest amongst your target customer group for your product/service or company.

But only interest isn’t enough, a company has to convince its target customer market that they are the best option for their needs. Therefore nowadays a ‘C’ is implemented in the original AIDA model.

When above mentioned aspects are implemented in the message, the next step is to create a desire to buy/contract. The message should persuade the customer that they are in need of the product/service or the professionalism of the company.

The before last step, is then to move the customer into action, mostly done by providing the information on where to get/find what is promoted.

In the ‘new’ model, there is an extra step to complete, which is the ‘S’ of satisfaction. This is a bit harder maybe to implement in the message, but after-sales are nowadays an important part of the selling process. An interesting way to implement this in ones message is simply by stressing out that one’s service doesn’t end after sales or termination of the project.

However, this model is not as rigid as written down here, not all steps are to be followed in this order. It can be perfectly possible that the desire exists before the awareness (this happens for example with products that are in the maturity phase of the Product Life Cycle, or with basic needs) or that the decision making process starts after the action (for example: with impulsive purchases, the decision making process will start after having tested the product of service, when the consumer wants to optimize his/her buying process (cognitive dissonance).

Now, how can Romacon effectively make use of this model? Let us go through this model step by step;

Attention/Awareness

Romacon does not provide its target customer market with an unique product, nor will people impulsively create a desire for its products/services. In the case of Romacon, they should mainly focus in this step on creating awareness of the company name and service package. Good use of colours and page-lay-out plays herein an important role. It is important that consumers remember the name of Romacon and that they can link it to construction. Colours play a big part in this, since colours give extra sentiment to images and text. For Romacon it can be very effective to use a combination of brown, light blue, white and black on a beige background, since these colours complement each other. Brown stands for secure and familiarity while light blue and white stand for transparency, openness and truth. The beige background irradiates calmness and concentration while the black colour (for example the text) gives strength to the whole.

An important factor herein, is the company logo. Romacon should create a recognizable logo that relates the company immediately to construction. Since construction is a term used for every aspect of this industry, it is highly recommended to implement in the logo Romacon’s specializations. Since the logo cannot be too big, in order to use it on company paper and business cards, Romacon should carefully determine how to communicate their services in a single image. A hammer combined with a measurement tape and a villa or chalet outline on a background that represents the Cadíz, Malaga and Seville provinces can be a possible interesting logo.

Also the communication of the company name and contact details should be made present at every construction site, for example through billboards and ‘under-construction’-signs as well as on the company vehicles.

Interest

Normally this part focuses on an interesting offer or the brand’s positive aspects. For Romacon, however, it should be more focused on material, production process and competitive pricing. Normal sales techniques as ‘2 for 1’, ‘50% off’, ‘new improved formula’ and ‘buy now, pay later’ are not applicable in this market, so Romacon should try to create an interest by pointing out its strengths. *‘Beating deadlines’*, *‘Your dream, our project’*, *‘More than construction’* are possible slogans that are applicable for each of the three segments.

After determining the message, Romacon should choose the right channels through which to communicate their message to the market.

Direct mail campaigns are expensive to set up and execute, but have a normally high return on investment. This return on investment can be measured in page views, quotation requests and/or contracts. Based on the quotations I have seen from Romacon, I haven’t seen quotations down from €20,000.-, every project is an impressive increase in turnover and with the regular cost per piece for a direct mail campaign it is a pretty safe and lucrative channel. With direct mail it is also less expensive to translate the company promotion in English.

A different but effective channel for promotional activity and personal sales are trade fairs. Yearly there are 2 big trade fairs in Andalusia focused on the construction industry. Feriacon, "la Feria Andaluza Oficial de la Construcción" as they call themselves, is hold in the last trimester of the year in Seville and attracts yearly between 200,000 and 300,000 visitors and has 200 exhibitors. The second yearly trade fair for the construction industry is the ‘Feria Internacional de la Construcción’ that is also held in Seville during the last trimester of the year. This fair attracts around 60,000 visitors and offers space for around 200 exhibitors.

Conviction

This is more or less the conclusion of the above. If interest is attracted in the right way, the consumer will get convinced that he/she should contract Romacon. However, Romacon can stimulate this by communicating testimonials from former clients and by showing images of a construction process and/or completed projects. Visualization is always a good convincing means.

Desire

In this market, consumers thoroughly investigate the market (high involvement) in order to contract the company that seems the most qualified according to their wishes and expectations. Keywords in this search are price-quality relationship, professionalism and transparency (especially in visualisation of past and current (completed) projects and company details/history). Due to the nature of Romacon’s products/services, the desire here for already exists, what has to be created is the desire to hire the company. Continuing on the use of colours, these can also be of effect in creating the desire in the target customer market, since these colours express the values they are looking for. Generally speaking, will the combined effect of the attention, interest and conviction lead to the desire to hire a company.

Action

In order to stimulate an action, contact details are to be given out in the message. Since in this market the first action will be the acquisition of a quotation, it is important to provide the target customer market with the adequate contact details. In this it is important to keep in mind that not all customers like the same communication channels, and Romacon should therefore make use of all their existing methods of communication; telephone, fax and email. It is of no use to give out directions to the office, since the acquisition of quotations will take place through above mentioned channels.

Satisfaction

Nowadays, and especially with the crisis and the fame of Spanish constructors, it is important to provide the customer with security. It is therefore highly recommended to stress out that for Romacon the job does not finish at completion of the project, but that they check up on the results on various moments after completion.

**5. Conclusion and advice**

Concluding this thesis through summarizing the different analyses and the sub-questions I will answer the main question of my investigation, being:

*Which marketingcommunication strategy/strategies should Romacon develop/use to reach its target customer group of Spanish and UK promoters and contractors in Andalucia, in order to realize its marketingobjective, being an increase in turnover?*

The current construction market in Andalusia (and in Spain in general) is heavily suffering under the economic recession. A lot of companies have had to merge, stop their activities, seen a major drawback in their projects or have gone bankrupt. Prices for material have gone up whilst the quotations have to be offered more competitive.

Where Romacon before already offered high-involvement services/products, nowadays the involvement is sky-high. Project initiators spent a lot of time investigating the market on possible interesting companies to work with and in this they make heavy use of internet and company directories to partially filter the possibly interesting companies from the total offer.

Another way to find the right company for their project, is through appointing a promoter or architect for their project, who in turn will guide the selection process of the companies that are possible interesting contractors, to provide the project initiator with an overview of companies to contact concerning a quotation.

Then the client will carefully decide which company to hire, according to presentation, feeling, portfolio and their quotation.

As shown in this simplified selection process there are different phases in the selection procedure to pay attention to and it may be clear that Romacon should push their company further into the market in order to pull in more projects.

First of all, Romacon should increase their company promotion on the internet, staring by putting online the website. The website is a, in the Spanish construction industry, seemingly underestimated tool to pull traffic to the company. Once the website is up and running, Romacon has to increase the traffic to and from the website by optimizing the website’s keywords (a selection of generally interesting keywords is to be found in *APPENDIX* 2) and the linking to and from the website. E-marketing campaigns, as for example banner campaigns in online construction magazines or websites of villa parks as for example <http://www.sotogrande.com>, and inscription in several construction industry focused directories as well as an inscription in the Spanish Yellow Pages (Páginas Amarillas) will definitely bring more traffic to the website, which in turn lead to more quotation requests.

The website itself should be a reflection of the company image. As mentioned in 4.5, good choice and use of company colours can have a big effect on potential clients. As explained, brown, light blue, white and black on a beige background are interesting colours for Romacon to consider since they transmit the company values. But of course does the website have to have an informational function. I highly recommend that Romacon implements a historical overview of selected, past projects and an overview of current projects, so that the potential customer can already see part of Romacon’s extended and high-quality portfolio. It is also recommended to name the area of operations in the company introduction, so that the potential customer directly has an insight in the areas Romacon is active in.

One last recommendation on the website is to provide all company contact details. A lot of competitors provide only electronic contact details, whilst customers want to be able to put themselves directly in person in contact with the company.

But also non-electronic promotion is needed in order to increase the company awareness, active as well as passive. The first point of interest in this is to create a company logo, keeping in mind the compatibility with the company website and transmitting the right message. This logo should then be used in all (hardcopy) promotional expressions which are the next phase in the communication strategy.

Heavy (hardcopy) communication is needed in order to communicate Romacon’s services and repositioning to its target market. Direct mail, company presentations at villaparks and publications in branch magazines are interesting channels through which Romacon can and has to promote itself to the market.

Furthermore should Romacon communicate the company name at every construction site, for example through billboards and ‘under-construction’-signs as well as on the company vehicles.

Romacon can inscribe themselves for the mentioned trade fairs for the construction industry, in order to get into direct contact with part of their target customer market. Visitors of these fairs all have a relation with the construction industry and in such, if it does not lead to quotations, it will most certainly lead to an expansion of Romacon’s network.

Next step for Romacon is to maintain its level of competitive pricing, through continuous research on how to improve their logistics. If prices for material are going up, that will also lead to more competition on that level with slight differences in prices between different providers. Since the quotations have to be adjusted downwards in order to maintain a competitive position in the market, Romacon should also carefully re-initiate their selection process for their suppliers.

Last but not least do I highly recommend to Romacon that they start investing in foreign language and international business trainings for their current employees. For the time being it would not be a bad idea to start a selection process for new personnel who are skilled in these two assets.

**6. Literature**

Here are to be found the sources used for my investigation.

* Book: Floor en Van Raaij; Marketingcommunicatie strategie
* Book: Gb. Rustenburg; Marktonderzoek voor marketingbeslissingen
* Mr Miguel Angel Román Cabral, General Manager of Romacon
* Mr Miguel Ángel Sanchez del Pozo, Marketing Manager of Romacon
* Instituto Nacional de Estadisticas (INE)
* The EU Statistics Authority
* Junta de Andalucia
* eInforma
* Paginas Amarillas
* Google AdWords
* <http://www.wikibizz.bizz>
* El Mundo
* El País
* The Internet (general searches)

Not all information is gathered from a specific source. A lot of information is the result of long and intensive research on various web pages of various institutions, companies, magazines, blogs, forums, newspapers and the like and in such cannot be linked directly to a specific source.