

# 6 Steps to an Effective Construction Marketing Plan

By Michael Moore



## How to create a simple, efficient & effective marketing plan that will help your business grow

Developing a construction marketing plan is critical to the success of your organization. Marketing is the strategic plan that looks at your company's strengths and weaknesses; the areas in which you have a competitive advantage; the market(s) in which you will target your sales focus; the demographics of your chosen market; and the pricing structure you plan to use.

Your company's marketing plan must be monitored and adjusted as needed, and it must also be adaptable to changing competitive environments. The construction market looks very different today than it did 2 or 3 years ago. Your construction marketing plan must change accordingly in order to capitalize on potential avenues for revenue development.

### I. Determine Your Objective

What is the goal of your marketing plan? Is it to increase market share of a particular area or service (such as performing 10 percent of all window replacements in your locality)? Is it to grow gross revenue by determining your highest grossing service and adapting the plan accordingly to sell more of the higher grossing service?

Whether it's growing your market share in a particular area of the industry (healthcare, schools, kitchen and baths, etc.) or based more on pure dollars, a solid strategy must first begin with a measurable objective against which you can quantitatively discuss your results. If you have a company with multiple revenue streams, such as a commercial construction group that specializes in health care and a residential unit that specializes in historic preservation, you should have a distinct marketing plan for each business line.

They may overlap in places, and actually should, but your market for each is very different and should be treated accordingly.

### 2. Perform a SWOT Analysis

Performing a strengths, weaknesses, opportunities and threats (SWOT) analysis will not only help in developing a marketing strategy and plan, but it is also essential for keeping any eye on the competitive landscape in which your company operates. The steps of a SWOT analysis include:

#### Strengths

What does your company do well? Where does it have a competitive advantage? How strong is the core of your organization (people, processes, etc.)?

#### Weaknesses

Where does your organization need improvement? Where is your company left at a competitive disadvantage? Are you lacking key team members or processes in your core business?

#### Opportunities

Where do you see potential opportunities? What services could you begin to provide as add-ons that are tangential to your core business and appear to be a natural fit? In which areas of processes and staffing is your company strong when your competitors are weak? Can you go after their clients? Brainstorm for opportunities and get the entire staff involved—you will be amazed at some of the ideas field staff sees on the jobsite that you don't see in the corner office.

#### Threats

What market conditions exist to challenge your current business? Is your core business in danger of becoming obsolete or replaced with new technologies? If so, are you developing strategies to adapt and offer revised services? What other potential problems exist (financing, overall economy, changing demographics, etc.)?

Whether it's growing your market share in a particular area of the industry or based more on pure dollars, a solid marketing strategy must first begin with a measurable objective against which you can quantitatively discuss your results.

### 3. Analyze the Current Market

Creating a marketing objective and performing a SWOT analysis provides you with two important pieces of the marketing puzzle:

1. A result you want to achieve
2. An analysis of potential new markets for growth and options for strengthening current markets

This point in the process of developing your marketing plan involves melding the two together. Your team should ask themselves what market(s) or opportunities align most closely with your objective? Where does your firm have a competitive advantage? Does this area of strength align with your strategy? At this point, you may find your strengths don't necessarily fit into your initial marketing objective. Don't be afraid to adjust your objective accordingly. At all times, compete in the areas in which you see potential for growth—play to your company's strengths and competitive advantages.

This approach doesn't mean you shouldn't begin to work in areas in which you see potential for growth that don't yet have an advantage. Your goal should be to develop an advantage quickly. It is also important to consider the cost and barriers to entry. If it will cost you tons of equity and take years to implement for a small payback, this market may not be for you. However, if the return on investment (ROI) is fairly quick and the initial investment can be comfortably absorbed by your company, don't be afraid to challenge new markets. If you see an advantage to building custom cabinets and, over the years, you have accumulated an entire cabinet shop worth of equipment, go for it. However, if you would have to spend tens of thousands of dollars and weeks of training for a few custom jobs per year, then it probably isn't worth it this go-round. The goal of a construction marketing plan is not to stifle growth, but to strategically allocate capital to its most efficient use.

### 4. Create a Marketing Budget

Creating a marketing budget isn't easy. As a starting point, a company might use anywhere from 0.5% to 4% of revenues for marketing efforts, and then adjust according to the success of the plan. If your plan calls for radio and television spots, then your budget will probably trend toward the higher end, but you will reach more people. If you don't want to commit that many dollars, you will have to be creative and efficient and will probably reach fewer people.

You must set a solid dollar figure you are willing to spend and develop the mix within your budget. It is important to develop and use estimated budgets for your increased sales—if your marketing plan works, do you have enough people to handle additional work? Do you have a backup plan for hiring, just in case?

### 5. Develop a Strategy & List Tactics

Once you have created your marketing objective, performed a SWOT analysis on your organization, developed a core list of opportunities you feel confident in marketing and created your budget, the object at this stage is then to determine the avenues you will take to achieve your objective. Community outreach, writing articles for the local paper, a podcast—the list is nearly endless.

The takeaway here is to develop the right mix of strategies to reach the target market. Magazine and print advertisements; your website; local radio station ads; local TV station ads; sponsoring a hole at a golf tournament; or sponsoring the local high school or college career fairs—these are all methods of getting the word out to potential clients. It is very important to understand your target demographic when creating this mix.

If market research (a composite client created from your current and past clients; Google Analytics; a public relations firm, etc.) has helped you determine your target market, then allocate your strategy and tactics to most efficiently reach that market. If your composite client is in his early 50s, think of not only what he does, but also what his children and grandchildren do. At first, it may seem foolhardy to sponsor a half-pipe at the local skatepark, but you never know who sits on the city council or brings their grandchildren there to skate. Analyze, analyze and reanalyze your target market, and plan to promote to them accordingly. Your current and past clientele are a wonderful resource for defining your average client and creating a mix that will bring you to them as often and as efficiently as possible. And don't be afraid to think outside of the ordinary. For instance, web videos are excellent low-cost methods of promotion.

### 6. Monitor the Results

If you planned on gaining 10% of the local market for kitchen and bath renovations, you have to check it out to see if your efforts are working. See where you are now compared to last year. To get a good sense of the market, check statistics with the local permit office to see how many permits are being pulled in a certain time frame. Monitor feedback from clients. Just like job costs, marketing must be measured.

Creating a marketing plan in itself won't magically bring results. It won't repair a poor record of client service or fix a modest reputation. Conversely, it won't make a great company better. But, if created faithfully, it will allow you the opportunity to truly get to know your business and how best it fits into the competitive marketplace. It's a very competitive landscape, and a well-constructed, thoughtful marketing plan will assist your construction business in working to allocate resources most efficiently and earn business in markets where you have a competitive advantage.

For more articles about marketing your construction company, visit [constructionbusinessowner.com/marketing](http://constructionbusinessowner.com/marketing)