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Role of Communication in Initiating Business Relationships with Specifiers in the Construction Sector

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Executive Summary

This study emanated from the need for construction supply firms to initiate business relationships with Specifiers (professionals, such as architects and engineers) in the construction sector. This is important as it may be impossible to establish business relationships without both parties interacting to know their wants, priorities and inputs to the relationship.

The focus of the study is to examine the way in which communication can enable relationship initiation between suppliers and Specifiers in the construction industry. These professionals have an influence over the type of construction material to be used for a particular project in terms of approving the suitability of each material and in some cases, state the exact material to be used. Some suppliers have discovered that for the increase in sales of their materials, these Specifiers need to be made aware of the material and its functions. This means the attention of suppliers should not only be on contractors alone, but also Specifiers.

The need to start business relationships arise due to the strong competition amongst sellers in the Business to Business market. Although the benefits of the relationship initiation will be for both parties, suppliers particularly strive towards developing relationships with buyers for their business growth and source of competitive advantage over other suppliers. The study highlights the necessity for suppliers to be able to begin lasting relationships with the Specifiers in their sector to increase the chances of obtaining profitable businesses. This can be achieved through communication, which is an important factor to consider in choosing firms to begin business relationship with.

The results from the rigorous research carried out show that communication plays a vital role in developing business relationships. This will provide firms with insights as to the kind of information that Specifiers need about a material to make it the best choice for a construction project, how communication can be used as a strong tool to convey the appropriate messages to these Specifiers and more importantly generate awareness and interest necessary in creating the need for a business relationship.

Communication and Relationship Initiation with Specifiers in the Construction Industry

Communication has been perceived to be the foundation of relationship formation. Relationship initiation begins with the identification of a possible relationship between two parties and ends when a business agreement is made. Relationship is enhanced when both

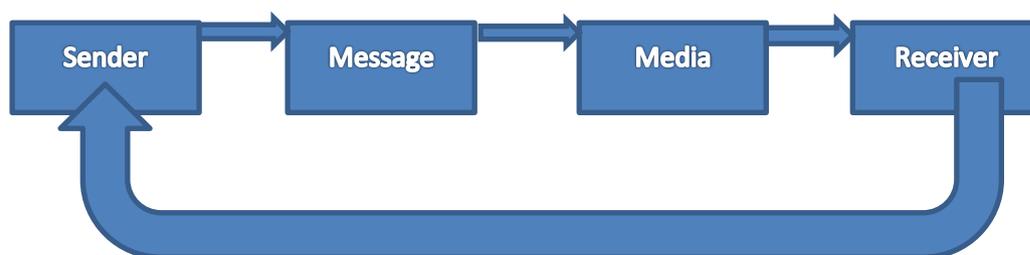
parties share information. This helps both parties get familiar and find means of building a business relationship and this can be achieved through communication.

By communicating with architects and engineers, construction supplier firms will be able to provide adequate information about their competencies and capabilities in their area of expertise. In communication it is vital for the information and the means of sharing the information to be tailored towards the identified target audience. The architects and engineers have been discovered to be influencers in the buying decision process and so they should be a target audience for construction supplier firms. This makes it important to investigate the:

- Appropriate message in terms of information needs, priorities, what is of value to them in terms of construction supplier firm's materials and services.
- The means to reach them in terms of the preferred media channel to ensure that the message is conveyed to the target audience. This is in line with the communication loop.

The communication loop shows how information is passed on to audience. It begins with the sender passing the appropriate message through the right channel to the receiver (consumers). The communication loop, shown below, illustrates the stages in creating awareness and more importantly reaching out to targeted audience, which is an important step before a business relationship can begin.

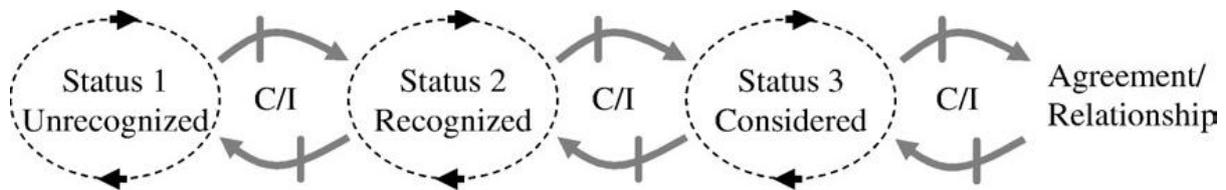
Figure 1: The communication loop



Source: Pickton and Boderick, 2005: p.43.

The part that communication plays in initiating business relationship is made evident in the relationship initiation model of Edvardsson et al. (2008), below, where communication is seen to be important in taking a supplier firm from the unrecognized stage to been recognized by its target audience and further considered to be suitable for a business relationship.

Figure 2: Relationship Initiation Model



Source: Edvardsson et al. 2008: p. 342.

Importance of Product Information to Specifiers in the Construction Industry

A mixed method research (qualitative and quantitative research) was carried out to investigate the needs and priorities of Specifiers in order to assist construction suppliers in communicating with them. From the research, it was established that these professionals influence and also stipulate the materials to be used for a construction project.

Figure 3 shows the various material information required by architects and engineers to enable them to specify materials to be used in construction projects. The technical description and material performance of the material is an important part of the communication message necessary to create awareness for the supplier company. This is the foundation necessary in developing lasting business relationships with these Specifiers.

Figure 3: Relevant Material Information for Architects and Engineers

Relevant Product Information for Architects and Engineers

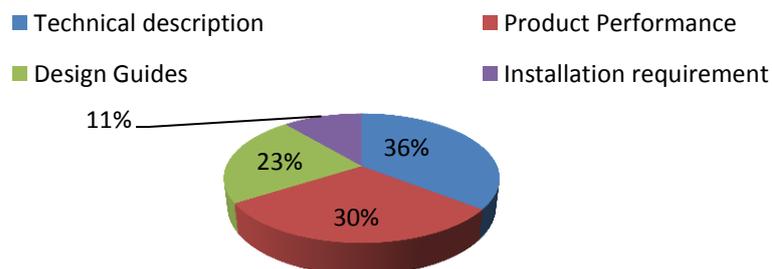


Figure 4 shows different means by which Specifiers source for information. The use of manufacturer's website and internet search engine by these Specifiers has strongly shown its relevance in communicating with these professionals and also create awareness for the construction material. Word of mouth communication by Specifiers in this sector has been identified as a major source of information as this study has identified that Specifiers obtain information from other colleagues in the sector. Also manufacturer's brochure has been

identified to be an important source of information. This implies that print media still has an important role to play despite the digital age.

Figure 4: Information sources for Specifiers in the Construction Sector

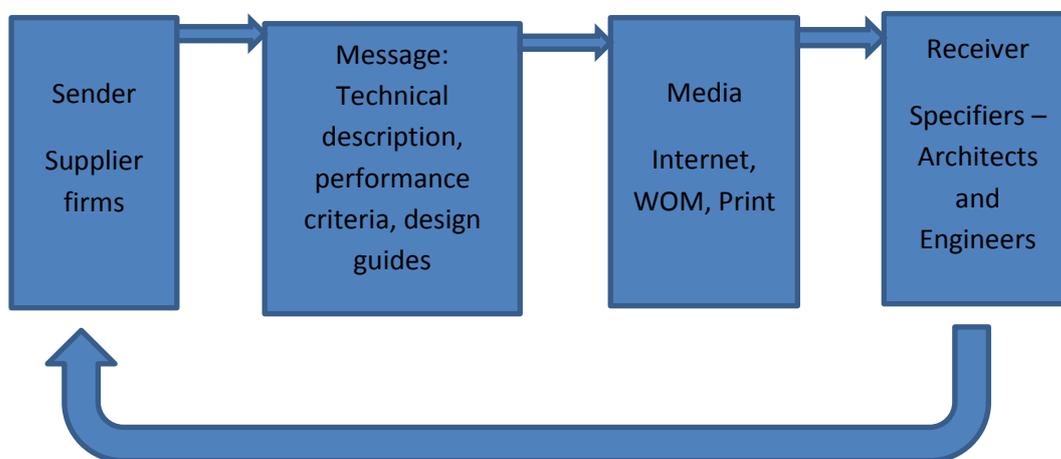


Personal communication is crucial in initiating business relationship; Specifiers revealed that suppliers engage them in continuous professional development seminars to educate them on construction challenges and how their material is the best fit to solve the challenges. Personal communication also fosters social interaction with both parties which is essential for business relationship formation.

In selecting supplier companies to engage in business relationships with, Specifiers regard the quality of the material and the price of supplier's material as very important in their selection process. The Specifiers value good technical support and also efficient customer services from supplier firms.

The findings from the study (figure 3 and 4) and also the communication loop (figure 1) were used to develop another model that can be used to explain how Specifiers in the communication industry can be reached

Figure 5: Communication loop for the construction sector



This shows the transfer of message from a supplier firm to Specifiers through an appropriate media as discovered from this research (Internet, Word of Mouth and Print). The message to be communicated to the Specifiers include: the material, performance criteria, technical description, design guides, past projects and review.

The information sources that are relevant in initiating business relationships involve personal and impersonal sources, these two work together to first make both parties understand their businesses and interact either through social interaction or mere exchange of information.

Summary and Recommendation

The findings from this study have emphasized the need for a good communication strategy to reach these professionals that will cause for maximum impact.

The communication tools that are important in creating awareness for Suppliers in the construction industry include advertising through print media (brochures and industry publications). Other communication tools like internet marketing especially search engine marketing is gaining recognition and it is being used by businesses to increase their chances of been known. And more importantly through personal communication as these have been identified as important in reaching Specifiers and buyer firms.

A good communication strategy is the successful integration of these marketing communication tools to create a consistent message across preferred media to reach the target market.

There is a need for an effective marketing program to be developed to create awareness for supplier firms that intend to initiate relationships with buyers. The first step is to be recognized by the buyer and this can be done through integrated marketing communications. Effort of supplier firms should be towards maintaining communication with buyers for them to remain 'top of the mind' when a purchase decision is to be made. This also applies to Specifiers in the construction industry. The strife towards creating awareness of the supplier firm and its materials is a process to initiating business relationships.

Creating awareness by making use of communication tools with Specifiers is crucial but what is more important is educating Specifiers on company's capability. The communication strategy to be used should be tailored towards meeting the buyer's information need as this will first grab the attention of the buyer. Communication enables awareness which is necessary in initiating business relationships and taking a firm from the unrecognized phase to a recognized phase.