



Cross Border Marketing Programme for the Construction Industry Product Cluster

Project part financed by the European Union



Executive Summary

A.1 Introduction

The Cross Border Marketing Programme for the Construction Industry Product Cluster is a cross border initiative of WESTBIC and NORIBIC. The aim of the project was to strengthen the construction industry product sector, improve its profile in the region and enable it to become more competitive, nationally and internationally. The project arose from the Clusternet (Peace and Reconciliation) Programme, which identified four sectors, including Construction Industry Products, with a potential to develop cross-border clusters. It commenced in January 2005 and ran for 24 months up to December 31, 2006.

The Cross Border Marketing Programme for the Construction Industry Product Cluster was supported by the EU Interreg IIIA Programme for Ireland/Northern Ireland through North West Region Cross Border Group. The project was funded under Measure 1.1 Business and Economic Development of this programme.

The aims and objectives of the project were:

- Increase the level of cross-border collaboration between companies in the construction industry sector.
- Consolidate existing jobs in the construction industry products sector in the North West Region.
- Examine new product development opportunities, new markets and new partners in their own jurisdictions or across the border.
- Encourage strategic development particularly focusing on cross-border partnerships between construction industry products companies leading to additional employment, consolidation of existing jobs and related economic and social benefits to the local community.

The project objectives were:

- Prepare a strategic vision and marketing plan for the group in consultation with participating companies.
- Implement a marketing plan, which included, development of a brand, logo and appropriate name, development of promotional material including brochures, exhibition pop-up stands and other material, implement local and regional advertising and promotion overseas and develop a website and online newsletter.

The key findings and recommendations arising from the evaluation as outlined in Section J are:

A.2 Conclusions and Key Findings

1. The Cross Border Marketing Programme for the Construction Industry Product Cluster was managed and delivered by the cross-border partnership of WESTBIC and NORIBIC, whose experience in providing cross-border innovation and business development programmes made them well placed to implement this project.
2. The targeting strategy adopted by the project was successful in achieving the required number of twenty participant companies. The selection process ensured that the participating companies covered the entire spectrum of construction products and services, display high levels of innovation in product design and development, utilise and develop new technologies and are in so far as practicable environmentally friendly.

3. An excellent North-South balance was achieved with eleven participant companies based in Northern Ireland (Co. Derry and Tyrone) and nine in Border Counties (Co. Donegal).
4. A professional marketing strategy and action plan was prepared and implemented over the life of the project. It is commendable that the marketing strategy and actions was prepared with following extensive consultation and input from the participating companies. In our opinion this has contributed to participating companies taking a certain level of ownership for the project and driving its objectives forward. However we feel that further support is necessary in terms of coordination and facilitation of the cluster to bring it to a fully self governing and self sustaining level.
5. All marketing, promotion and web based materials were produced to a very high and professional standard allowing the cluster to put forward a quality professional image at trade shows and implement a quality advertising campaign. In addition the practical training given by the marketing consultants in areas such as presentation, communication and sales skills was hugely beneficial to the participants in promoting their companies and the cluster at trade shows.
6. The coordination and assistance of WESTBIC and NORIBIC in managing the project has been to the highest professional standard and they ensured ongoing relevant consultation and review of project progress with participants. The input and dedication of the WESTBIC Project Officer charged with the project management should be complemented.
7. The project achieved its recruitment target in terms of participant numbers. The level and spread of activities of the participating companies has been highly impressive. We believe that this is mainly due to the on the ground knowledge of WESTBIC and NORIBIC and enterprise agencies in the respective counties where they were able to identify ambitious companies offering a diverse range of construction products and services. Many participants were young companies with new and innovative products. The programme has assisted them immensely in launching their products to a national market and assisted with much needed marketing in their critical development phase.
8. Despite it being an objective, the project has not engaged in any overseas marketing campaigns. We do not see this as a failure of the project. Rather it was more beneficial to develop substantial new markets nationally during a period of growth in the construction sector. As trading internationally brings new challenges, capitalising on growth opportunities domestically is seen as a much more logical growth step for the cluster members. It is recommended that any future development of the programme would examine export opportunities to a number of safe mature markets.
9. While the project ended with a core group of 13 members from the initial 20, (65% retention rate) in our opinion this is a satisfactory outcome. All such projects will have an element of dropout for many reasons, some will prefer to work independently, some may feel they have nothing more to gain by membership and some companies may cease trading.
10. The project over its life has created new networking and business opportunities for its members. This is evidenced through 16 companies engaging in cross border trade for the first time, 4 cross-border business linkage meetings took place in 2005 and 3 companies have engaged in trade and product development with each other.
11. There is evidence of increased cross border trade, in the participating companies. 4 companies have directly stated that they have formed trading links with other BUILD UP partners, while others have recorded increases of up to 20% in cross border sales. Based on data provided by companies, we estimate that at least an additional €600,000 of cross border sales were developed over the life span of the project. We estimate that at least €400,000 extra sales was also generated for the members as a

result of the marketing activities, excluding any benefits to be derived from participation in Plan Expo 2006, held in November.

Project Impacts on Participant Companies

12. Employment numbers and turnover did increase in participating companies over the life of the project. However this is likely due to a combination of factors including, continued buoyancy in the construction sector, organic growth and impacts of the project itself through new sales and market development from trade show exposure and new trading relations developed between partners.
13. A number of new business opportunities were developed, including some on a cross border basis between participating companies.
14. The project assisted in increasing the profile of all companies nationally, increased their skills in sales and marketing, generated new market opportunities, and provided an opportunity to share ideas, make new contacts and develop solutions to common problems.
15. The project created a strong realisation that collaboration between enterprises can bring increased benefits rather than acting as individuals.
16. The social and networking opportunities offered by the project were seen as one of the most beneficial outcomes for participants, in terms of the opportunities to create new relationships, for business development, discuss and share ideas, solutions and problems, thereby demonstrating the value of clusters as a business development and growth tool.
17. The project meets the objectives of the INTERREG IIIA Programme and Measure 1.1.
18. Increased cross border cooperation between businesses has resulted. (See 11 above)
19. Consultation with project participants showed that all supports were very well received and in the opinion of the participants resulted in many excellent benefits for their business. While the programme was mainly focused on sales and marketing, it is interesting to note that qualitative issues such as raising confidence, increasing general industry knowledge and making new partners, were seen as the outcomes with which participants were most satisfied with. This demonstrates the intrinsic value of business clusters as a forum for exchange of information, acquisition of knowledge and information, which is one of the most essential components in developing a sustainable and competitive business one a level of trust, develops between participants.