Strategic Marketing for Roofloor Enterprises Corporation: Building a Framework for the Future

Elsa Quintos was recently promoted to be the new marketing head of Roofloor Enterprises Corporation (RFEC). Quintos was chosen to join RFEC as a marketing executive at the age of 50 because she had the grit and determination to make the most out of her skill set, something RFEC desired in a candidate. Two years later, Quintos had displayed exemplary performance by generating Php 10 million in sales in a span of one year. With guidance from her mentor, RFEC's president, Quintos developed a marketing style worth emulating by her coworkers. Her promotion gave her new responsibilities that were time-consuming and a huge accountability, but Quintos felt confident in her ability to lead the marketing team.

Quintos didn't have the impressive credentials that other managers at RFEC had in regards to educational background and professional exposure, but her high performance alone was considered substantial evidence for the promotion. She did not have a bachelor's degree, but had years of job experience, a lengthy track record of achievement, and a high quality reputation, all of which were considered valuable characteristics by RFEC's management.

Published by GlobaLens, a division of the William Davidson Institute at the University of Michigan.
© 2014. Raquel Laquiores. This case was written by Professor Raquel Laquiores at the Technological Institute of the Philippines. This case was prepared as the basis for class discussion rather than to illustrate either effective or ineffective handling of a situation. This publication is made possible by the generous support of the American people through the United States Agency for International Development (USAID) under the terms of Cooperative Agreement #AID-492-A-13-00011. The contents do not necessarily reflect the views of USAID or the United States Government.

Understanding the different needs and backgrounds of her colleagues was Quintos' focus so she could determine how to effectively communicate with her team. A sampling of those she worked with concluded that there was a wide girth of differences among them. Quintos' subordinates ranged in ages from 22 to 45 years old, all with varying marital statuses. Each subordinate had differing education credentials, adding another layer of difficulty on how to manage them appropriately. She worked to earn the respect of each of her co-workers to strengthen her understanding on how to address their needs in the future. Two members of Quintos' marketing staff were her nephews. The three were all close to each other and, because of the family bond, Quintos was always making sure that both nephews gave their best work performance. Quintos felt obligated to guide the pair, not just because they worked at RFEC, but because they contributed to the financial support of her family.

Sitting at her desk, Quintos looked at each member of her team, focusing specifically on her nephews, pondering how she would handle her new role at RFEC. Ten minutes later, the president approached her and informed her of an upcoming board meeting. The president wanted her to be ready to present her future plans and strategies for the marketing department in one week. Quintos was excited in her new role; however, the growing list of responsibilities that she needed to manage made her anxious and she wasn't sure how to proceed with setting up a strategy for the department.

Roofloor Enterprises Corporation[1]

RFEC was a roofing and flooring company that catered to the needs of the construction industry. The company had two locations: Marilao in Bulacan and Mandaue in Cebu City. RFEC was established in 2010 with a staff made up of seasoned veterans. The average experience level of RFEC workers was about 10 years. Since its inception, RFEC had helped engineers, architects, builders, and house owners with their services, expertise, and assistance in relation to RFEC's product line. RFEC even sold their products to other competitors at a cost below what they sold to end-customers.

RFEC imported and distributed quality asphalt roof shingles, wood veneers, roof clay tiles, and thatch roofing.[2] To assure the manufactured goods saturated the local market, RFEC carried out a prompt, professional, and friendly installation service.[3] RFEC assured the quality of its products and services by committing itself to provide a well-defined operation inclined to meet the specific requirements of each project. The company believed that going beyond client expectations without sacrificing the excellence and quality of their products added significant value to their brand. RFEC's priority was to assist customers in attaining their desired design by offering them the best quality roofing and flooring products at a competitive price.[4] See **Exhibit 1** for the organizational structure of RFEC's operations.

Exhibit 1

RFEC Organizational Chart

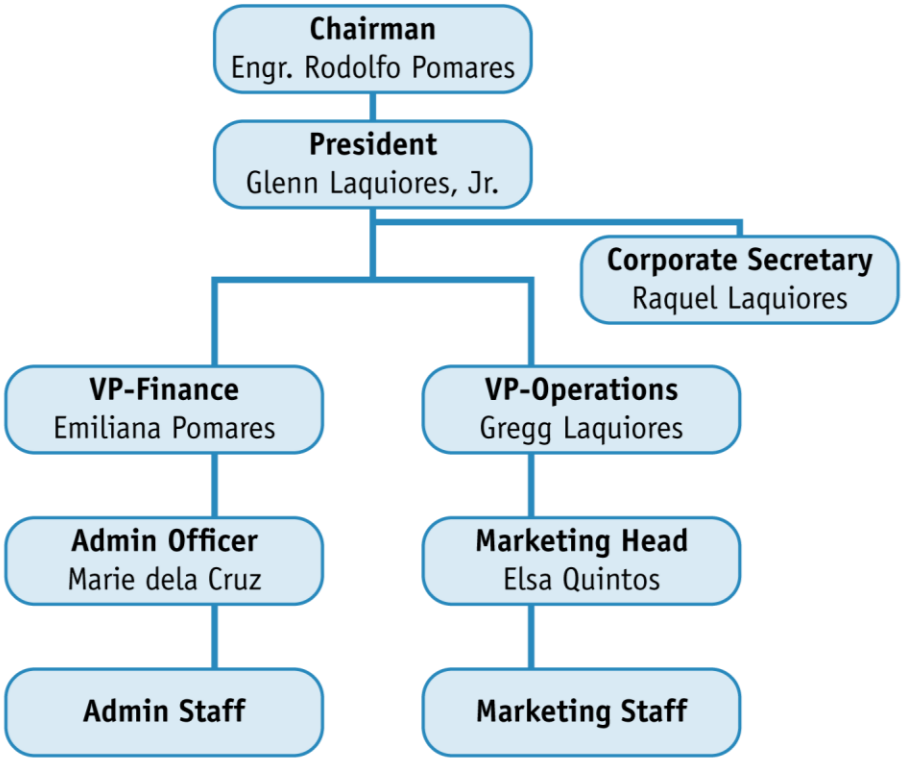


Exhibit created by the author from the source: Laquiores, Glenn. Personal interview, July 2014.

Weather Conditions in the Philippines

Since RFEC catered to the flooring and roofing needs of houses or buildings, they considered the weather conditions in the Philippines as a driver of sales and workload. There were two seasons in the Philippines: wet and dry.[5] Though it varied by location, there were cases where some areas experienced rain throughout the entire year. Based on temperature, the seven warmest months of the year were from March to October, while November to February was cooler from the winter monsoon.[6] May was the Philippine's warmest month, while January was the coolest.[7] From July through October, up to six tropical storms or typhoons could make landfall in the Philippines.[8]

Most typhoons hit northern Luzon at an annual average of 3.7 storms.[9] This influenced sales at RFEC. During warmer months, sales increased because it allotted ample time for RFEC's installers to work on exterior-driven projects without the hassle of rain or thunderstorms. There were few Filipino residents that rushed re-do or fix a roof prior to the rainy season. However, there were unlikely events from fierce winds or typhoon aftermath that caused severe damage to houses or buildings that called for an immediate fix.[10]

RFEC'S Product Line[11]

Most of RFEC's products were imported from Italy, Canada, Malaysia, China, and Taiwan. RFEC also carried local goods in its product line. RFEC's products included clay roof tiles, asphalt fiberglass roof shingles, stone coated metal roofing, asbestos-free fiber cement sheets, PVC decking, synthetic roofing, various flooring types, lumber, and various products made using western red cedar wood.

Authorized Suppliers

The Philippines' economy was affected by the financial crisis experienced by the United States and European countries starting in 2008. However, the construction industry in the Philippines steadily increased from 2006 to 2010, despite the financial downturn and continues to provide employment opportunities to Filipinos.[12] The increase in construction material pricing in 2011 was attributed to an overall global increase in material pricing.[13] There was also a strong demand for the construction industry in the first half of 2011 in the Philippines.[14] Despite the increase in prices, RFEC bought products from various suppliers to create a wide selection. Some companies that RFEC bought from were Landini, Imerys Roof Tiles, Decra, GAF, Real Cedar, Kleer, EcoStar, and Waldun.

Imerys Roof Tiles

Imerys Roof Tiles was known as one of Europe's leading manufacturers of clay roof tiles. It carried an extensive and imaginative range of clay roofing tiles that enabled one to create a roof of character and distinction, while being conscious of the environmental costs of production.[15] Due to its eco-friendly nature, the supplier seemed a natural fit for RFEC's model of sustainability. Imerys clay tiles were Europe's largest clay tile manufacturer and selected RFEC to be the sole distributor of its unique Diamant clay tiles in the Philippines (see **Exhibit 2**).

Diamant clay tiles started a new, innovative breed of roofing material for the Philippines. The Diamant tile was a gold winner in the Batimat, a prestigious construction show in Europe that occurred every two years. During the 2013 introduction of Diamant through Worldbex, it earned positive responses, especially from the younger generations of architects and designers. Worldbex or The Philippine World Building and Construction Exposition had over 150,000 attendees per year, making it an ideal place for business growth and new product roll-outs.[16] Worldbex was known as one of Asia's most attended construction expositions.[17] Worldbex was an international exposition event; businesses from Austria, Australia, Belgium, Brunei, China, Finland, Hong Kong, and Germany, to name a few, came to exhibit.[18]

As an importer and distributor, RFEC strongly advocated for environment protection; thus, it was imperative to secure a product from a supplier that also encouraged the same. Diamant was not made with silicon, unlike competitor's products. With the help of the right distribution channel, RFEC thought it was time to change the mind-set of Filipino end-users by introducing environmentally-driven products with excellent curb appeal.[19]

Exhibit 2

Diamant Clay Tile from Imerys

Source: Roofloor Enterprises Corporation. 1 Jan. 2013. Web. 1 July 2014. <http://roofloorcorp.com/RFEC%20Printable%20Brochures.zip>.

Decra

"Decra, the original stone coated steel roofing system, represent[ed] a perfect blending of over 50 years of research and practical experience."[20] Decra's goal was to offer the ultimate in performance and engineered design. Decra roofing systems were manufactured at top quality enabling facilities in Corona, California.[21] Since 1993, Decra's quality systems have been continuously monitored,[22] which drew RFEC to their products because they felt confident that the products sold to their customers were of top quality.

GAF[23]

"Founded in 1886, GAF has become North America's largest manufacturer of commercial and residential roofing materials." GAF desired to help property owners and architects make the best and safest roofing choices for their structure. They accomplished this by having helpful and supportive distributors and roofing contractors. By distributing through these outlets, GAF was able to build their business to avoid hassles, both in-house and with its customers. RFEC saw this as an opportunity to align their customer service goals with a company determined to find the right distribution channels for its products. It seemed a perfect match.

Real Cedar[24]

Real Cedar products were made of Western Red Cedar that was pitch and resin-free, resistant to rot, decay, and insect infestations. Projects built with Western Red Cedar lasted longer and required less maintenance than other woods. RFEC saw this supplier as one who would enhance its products longevity, which in turn reflected positively on RFEC's image to consumers. **Exhibit 3** and **Exhibit 4** show Real Cedar's interior and exterior products carried by RFEC.

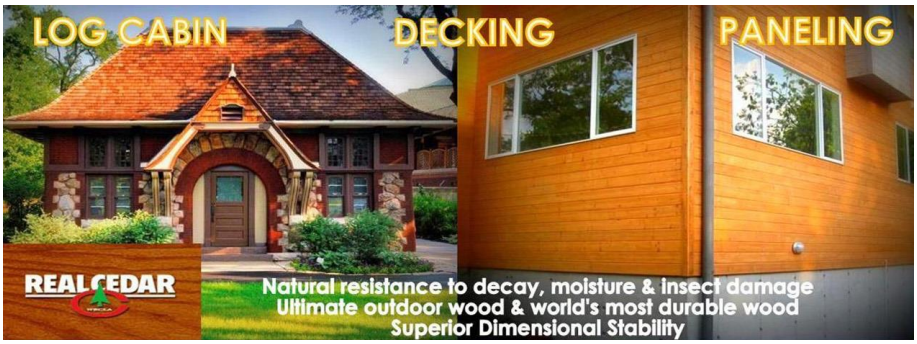
Exhibit 3

Real Cedar's Interior Products

Source: Roofloor Enterprises Corporation. 1 Jan. 2013. Web. 1 July 2014. <http://roofloorcorp.com/>.

Exhibit 4

Real Cedar's Exterior Products



Source: Roofloor Enterprises Corporation. 1 Jan. 2013. Web. 1 July 2014. <http://roofloorcorp.com/>.

LAQsteps Engineered Flooring[25]

LAQsteps Engineered Flooring was a valuable flooring solution. It was manufactured in China using an assembly conveyor system. Its entire production was well managed from the cutting down of the trees to be used, to the highest quality finished products. RFEC liked that the process from raw material to finished good was easily traceable and verifiable.

RFEC Product Specifications[26]

When RFEC was created, it assured that it would only introduce products to the Philippines that would save or minimally impact the Earth. Therefore, RFEC preferred to support European-made products because of its heightened-awareness to climate change. Many European companies introduced products with an eco-friendly impact or a green manufacturing process. Other countries, like China and Taiwan, immediately copy many European sustainability innovations, selling the copied versions for a lower market price, undercutting the original developer's prices and profits.

Becoming green for RFEC was easy on paper, but the implementation of environmental consciousness was much harder. The green effect had to be consistent throughout all levels of RFEC. For instance, RFEC received a monthly shipment of products or materials. Personnel involved in the unloading of these materials sorted out the usable or recyclable materials from the plastic, metal, and wood materials. Naturally, there were unavoidable damaged tiles from shipment. These ruined tiles were turned into gravel and used as a road construction material. To ensure that RFEC did not contribute to air pollution and to the ozone layer, waste materials were never burned.

RFEC'S Projects

From 1994 forward, architects and designers of the Philippines were keen on copying the century old look of Europe's finest cities such as St. Tropez, Sardegna and Venice. This look was still preferred by most Filipino builders and land developers. For a sampling of projects completed by RFEC, see **Appendix A.**

Competition[27]

RFEC understood that there was tough competition in the construction market. Over the years, RFEC recognized its capabilities and its commitment to reach out to its clients. It valued the strong relationship among the organization and its clients, architects, contractors, suppliers, and competitors. RFEC employees took pride in being significantly different than its competitors by being environmental advocates. RFEC's clients praised them for their reasonable pricing, supportive staff, and their capability in managing projects well. RFEC's competition included Kawara, Multi-Line, and Formaply.

Kawara[28]

Kawara imported its roofing materials from various suppliers around the world, similarly to RFEC. Kawara roofing materials varied in type, shape, profile, texture, color, and installation process. It provided clients with a one-stop shopping center for roofing needs. The company claimed high quality and durable products that were worth a long-term investment. Kawara also developed a Green Roofing System[29] for its clients as a sustainable solution. A Green Roofing System was one that was partially or completely covered with vegetation and a growing medium that absorbed rainwater, provided insulation, and created a habitat for wildlife.[30]

Multi-Line[31]

Multi-Line began operating in the industry in 1986 and was made up of a group of companies that dabbled in products ranging from fire alarms and building management to the distribution and installation of various styles of roofing. Due to their wide array of products and services, Multi-Line's target audience was expansive. They claimed that it was their dedication, expertise, and honest service that satisfied customers and led to profit. Multi-Line declared that they rose and fell with the culture to faster serve customers at a lower cost than its competitors. They had a competitive advantage in the Filipino construction industry because they were a well-known brand by owners, architects, and contractors.

Formaply

In terms of the expertise in the building construction industry, RFEC counted Formaply as its major competitor. Formaply has served the Philippine building and construction industries for more than 4 decades. Its products and services included formworks[i,32] for construction, architectural building products, wood-based materials, and aluminum windows, doors, curtain walls and glass for commercial and residential projects. The company expanded its horizon by having foreign joint-venture subsidiaries in Hong Kong and Singapore.[33]

Formaply fabricated, sold, and leased aluminum formworks equipment and systems for concrete construction to major building constructors throughout the Philippines. The company also supplied the Philippine construction industry with materials and building products such as hardwood lumber, veneered plywood and wood-based panels, roofing, flooring, and more. Selling wood products since 1970, Formaply was known in the furniture, architectural and construction industry. They also served land and residential developments, expanding their clientele further. Like RFEC, Formaply supplied asphalt shingles, concrete tile roofing, wood shakes, bamboo flooring and paneling, solid wood flooring, engineered and wood flooring. This made Formaply a large competitor for RFEC in terms of market share because they directly competed in every aspect of the industry.[34]

Exhibition Marketing Strategy

Since RFEC's conception, it has attended prominent construction exhibitions and events like that of WorldBex and Conex.

WorldBex[35]

By means of targeting the international arena, WorldBex Services International foresaw exhibiting companies as the major advocate of intercontinental trading. Exhibiting internationally helped play a part in depicting the plethora of potential products and services available to the foreign market. WorldBex had connections with 25 countries. RFEC saw that WorldBex was an ideal venue for business transactions to grow within and for the introduction of innovations.

[i] Formwork or falsework is the term given to either temporary or permanent molds into which concrete or similar materials are poured. It supports the shuttering molds in the context of concrete construction.

ConEx[36]

ConEx, or Convention Exhibit, was organized by a group of accredited architects in the Philippines. The ConEx exhibition had a lively showcasing of products, materials, technologies, and services for the building and construction industry. The event encouraged the face-to-face interaction with professional architects about the development and renovation of either a residence or office building. It showcased the best from the country's well-esteemed architects that included prominent names in the field: Raul Locsin, Meloy Casas, William Coscolluela, Ed Calma, and Budji Layug.

The late Raul Locsin founded Business World, the first business daily newspaper in Southeast Asia.[37] Meloy Casas was the co-founder of the Recio+Casas in Hongkong and was responsible for major design projects in Hong Kong, Macau, and mainland China.[38] William Coscolluela was a fundamentalist to Philippine architecture, with over five decades of experience.[39] He led the industry with notable projects in the Philippines and nearby Asia, along with other international locations.[40] He advocated for Green Growth and pushed an agenda for environmentally-sound ideas and practices.[41] Ed Calma was the recipient of prestigious awards in architecture and design from Spain, Japan, New York, and the Philippines, to name a few.[42] Budji Layug was an international designer of furniture and interiors who became famous because of his unique approach to designs that combined state of the art techniques with original, contemporary furniture designs.[43]

United Architects of the Philippines

RFEC supported the United Architects of the Philippines (UAP) conventions as the organizations main sponsor. UAP was composed of prominent architects with chapters meeting all over the Philippines. UAP held regular meetings and conferences to keep architects abreast of the trends in architecture technologies and other important information about their profession.

UAP also teamed up with colleges and universities that offered an architecture program to help school administrators with the continuous development of curriculums, course offerings, and research. UAP established UAPSA or the United Architects of the Philippines Student Auxiliary as their arm and junior partner. UAPSA wanted to motivate and discipline architectural students to propel the goals and aspirations of the architect profession.[44]

Marketing at RFEC[45]

RFEC's marketing team was the heart and soul of the company. Traditional TV, radio, or print exposure was not used for advertisement. Instead, RFEC attended exhibits related to the construction industry, finding time and allotting finances to exhibit. RFEC believed in traveling globally for events, as well. They attended and sponsored dinners, general assemblies, induction meetings, and such. These activities were what RFEC considered critical in building client trust and preference. RFEC saw it as a great opportunity to make a lasting connection with its customers.

In addition to exhibiting, RFEC also did telephone marketing, or telemarketing, to offer their products to potential customers. They also took advantage of email campaigns that sent information to prospect clients with photos of their product line, past projects, and information about companies already served by RFEC. In addition, RFEC utilized traditional visits to prospect clients for product presentations. Their client-centric marketing approach provided RFEC staff with an exposure to the job market, competitors, and also helped widen product knowledge and its client profile.

As of 2014, sending RFEC's employees to attend trainings and workshops to enhance their marketing capabilities and learn from the best practices of successful dealers was not a priority. Instead, RFEC shared on-the-job experiences among team members, including the do's and don'ts for the industry. Keeping RFEC's employees updated on current events in the construction industry was also regularly discussed among employees to keep them current.

Marketing Moving Forward

Quintos saw a lot of potential and opportunities in RFEC and its employees. She supported RFEC's vision and mission of being an environmental advocate in an industry bursting with less eco-centric competitors. With RFEC's goals in mind, the pressure to prove her support of RFEC and to be of assistance to her staff, came at a high personal cost. For starters, how would Quintos motivate her team? How would she position RFEC in the saturated market as compared to its competitors going forward? Creating a marketing plan and strategy was new to her and she only had a week to plan for her presentation to the board. Quintos pondered her team, their capabilities, the construction industry, RFEC's competitors and goals before starting to draft out the strategy for the marketing department.

Appendices

Appendix A

RFEC's Completed Projects and Costs

Project Name	Owner/Location	Total Project Cost (Php)
Costa Del Sol	Alphaland, Balesin Island	10.7 Million
St. Tropez Hotel & Resort	Alphaland, Balesin Island	8.5 M
Toscana Hotel	Alphaland, Balesin Island	10.5 M
Zamboanga Multi-purpose	LGU, Zamboanga City	5.4 M
The Hillside Subdivision	Manahan, Tagaytay Highlands	1.3 M
The South Lake	Eton Properties Laguna	200K
Riverbend Subdivision	Eton Properties, Laguna	300K
Lepanto Consolidated	Mining (Special Products)	7.0M
Mr. Erwin Reyes Residence	Lucena, Quezon Province	1.3 M
The Woodland Points	HPI, Tagaytay Highlands	5.0 M
Tan Architects	Alewel, Lucena Province	1.4 M
Natmo Architects	Claveria, Ayala, Alabang	450 K
Ashton Fields 3	Filinvest, Calamba, Laguna	400K
Dela Cruz Residence	Anvaya, Zambales	500K
Mabilangan Residence	Dasmariñas Village, Makati	450K
Dr. Arceo Residence	Ridgewood, Lucena	1.2 M
Magat Residence	Westgrove, Silang, Cavite	350K
Tirta Spa	Boracay, Caticlan	450K

Appendix created by the author using the source: Laquiores, Glenn, Personal Interview, July 2014.

Endnotes

[1] The information in this section was compiled from the source: Laquiores, Glenn. Personal Interview. July 2014.
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