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Data-Driven Segmentation of the Construction Products Market: A Practical Marketing Application Model

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Abstract. *The construction products market is usually managed through product categories such as cement, dry mixes, ceramic tiles, insulation, paints, pipes, timber, and finishing materials. However, this approach does not fully explain why different customers buy the same product for different reasons. A household renovator may search for a reliable price and simple advice, while a contractor may value delivery speed, credit terms, and stable stock availability. This article proposes a data-driven segmentation model for improving marketing decisions in the construction products market. The study uses a conceptual IMRAD design based on secondary literature, B2B marketing logic, and practical market observation. The proposed model combines transaction data, customer type, purchase frequency, project scale, technical requirements, and channel preference. The results identify five actionable segments and connect each segment with suitable product, pricing, channel, communication, and service decisions. The article argues that segmentation should not be treated as a one-time classification exercise. It should become a closed-loop management tool supported by customer relationship management, sales dashboards, feedback from sales teams, and periodic revision of segment profitability. The findings can help construction product distributors, manufacturers, and retailers build more precise offers, reduce marketing waste, and strengthen long-term customer loyalty.*

Keywords: *construction products market, market segmentation, B2B marketing, customer relationship management, marketing strategy, pricing, distribution channels*

Introduction

The construction products market is complex because it serves both professional and non-professional buyers. A bag of cement, a box of ceramic tiles, or a roll of insulation may be bought by a household owner, a small repair team, a large contractor, a designer, a developer, or a public procurement unit. Each buyer evaluates value differently. Some customers compare only the visible price, while others calculate total project cost, warranty risk, delivery reliability, and technical compatibility.

Traditional segmentation in many construction product firms is limited to categories such as “retail customers,” “wholesale customers,” or “corporate clients.” This classification is useful for accounting, but it is too broad for marketing decisions. It does not show which customers need credit support, technical consulting, architect recommendations, or digital promotions. Modern marketing theory emphasizes that market segments must be measurable, accessible, substantial, differentiated, and actionable (Kotler & Keller, 2016).

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The problem addressed in this article is the weak connection between segmentation analysis and real marketing application. Many firms collect sales data, but they do not transform it into targeted decisions. As a result, the same discounts, advertisements, product bundles, and service conditions are offered to very different customers. The purpose of the article is to develop a practical segmentation model for the construction products market and to explain how this model can improve pricing, assortment planning, channel selection, communication, and after-sales service.

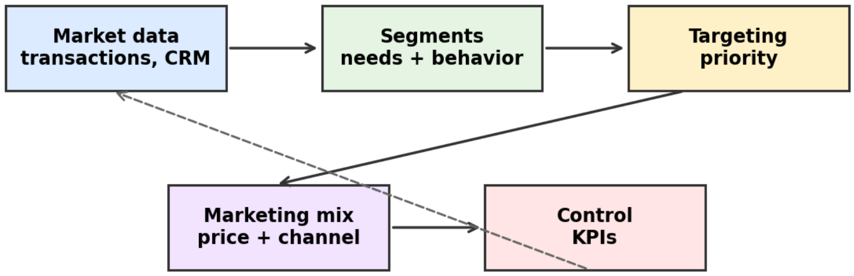

Figure 1
Closed-loop segmentation logic for construction products

The article uses a conceptual research design based on marketing segmentation theory, B2B marketing principles, customer journey logic, and practical features of the construction products market. This method is suitable because the aim is not to measure one company only, but to build a transferable model that can be adapted by manufacturers, distributors, and retailers.

The proposed segmentation procedure has five stages: data audit, variable selection, segment formation, segment evaluation, and marketing application. A company should collect sales invoices, customer profiles, purchase frequency, average order value, payment discipline, return rates, delivery data, complaint history, and product categories. The most useful segmentation variables include project size, buyer role, technical knowledge, urgency, price sensitivity, credit need, channel preference, and dependence on professional recommendations.

The article separates B2C and B2B logic. Household buyers usually need trust, clear explanation, visible samples, and fast problem solving. B2B buyers usually need stable supply, technical documentation, project-based pricing, credit conditions, and dependable delivery. However, the border is not always strict. A small repair team may behave like a household customer in digital search but like a B2B buyer in repeated purchasing.

The model identifies five actionable segments. The first is value-driven household renovators. These customers buy for apartment repair, small house renovation, or seasonal improvement. They are price-sensitive, but they also fear poor-quality materials. Effective marketing tools for this segment are simple comparison, visible price bundles, installation advice, and short educational content. The second segment is quality and design seekers. They value finishing materials, showroom experience, samples, brand trust, and visual communication.

The third segment is contractor volume buyers, including repair teams and subcontractors. Their main needs are stable stock, quick loading, delivery accuracy, flexible payment terms, and volume discounts. A contractor card, fast ordering channel, and dedicated account manager can increase retention. The fourth segment is specification-driven professionals such as architects, engineers, and designers. They require certificates, technical catalogues, samples, training, and professional trust.

The fifth segment is institutional and project procurement. These buyers include developers, large contractors, and public or corporate procurement units. Their decisions depend on tender requirements, delivery schedules, legal documentation, risk reduction, and transparent pricing. For this segment, marketing must cooperate closely with finance, logistics, legal, and technical departments.

Table 1
Practical segment-action matrix for construction product marketing

Segment	Main need	Recommended action	Key indicator
Household renovators	Affordable and safe choice	Bundles, advice cards, comparison	Conversion rate
Quality seekers	Design and brand confidence	Showroom, samples, visual content	Average basket value
Contractor buyers	Speed, stock, credit	Contractor card, fast ordering	Repeat purchase rate
Spec-driven professionals	Technical certainty	Catalogues, training, certificates	Specification share
Institutional procurement	Reliability and risk control	Project offers, documentation	Tender win rate

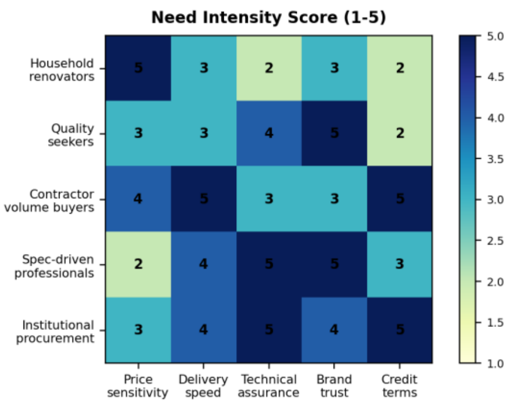

Figure 2
Illustrative segmentation heat map for marketing decisions

The model shows that marketing improvement starts when the company stops treating all buyers as equal. Price discounts are powerful for household renovators and contractor buyers, but they may weaken the premium image for quality seekers. Technical seminars are useful for specification-driven professionals, while institutional buyers often need a formal documentation package more than creative advertising. Segmentation also supports disciplined inventory decisions because each customer group requires a different depth of assortment.

The proposed model supports the idea that segmentation is not only a research activity, but also a management system. In the construction products market, customer value is created through a combination of material quality, information, delivery, trust, and financial convenience. A company that understands these differences can design a more precise marketing mix. This is consistent with the broader marketing view that segmentation should guide targeting and positioning rather than remain a formal description of the market (Wedel & Kamakura, 2000).

One important implication is the need for customer relationship management. Construction product companies often have rich transaction data but weak customer profiles. A CRM system can connect purchase history with customer type, project information, sales manager notes, complaints, delivery records, and promotional response. When this information is structured, the company can identify high-value segments, inactive customers, cross-selling opportunities, and risky accounts.

Channel and pricing strategy should also be segment-based. Some customers want to visit a physical store because they need to compare colors or receive advice. Others prefer digital ordering, phone-based reordering, or direct communication with an account manager. Household renovators can receive package offers, contractor buyers can receive volume-based terms, professionals can receive project support, and institutional buyers can receive tender-based quotations. In B2B markets, relationship value and service reliability are often as important as the unit price (Hutt &Speh, 2012). The model has limitations. First, it proposes a conceptual framework and does not test one firm's confidential sales data. Second, segments may differ between regions because income level, construction activity, retail culture, and logistics conditions are not identical. Third, segmentation can become too complicated if a company creates many small groups that cannot be served differently. For practical use, four to six strong segments are usually more useful than dozens of narrow labels.

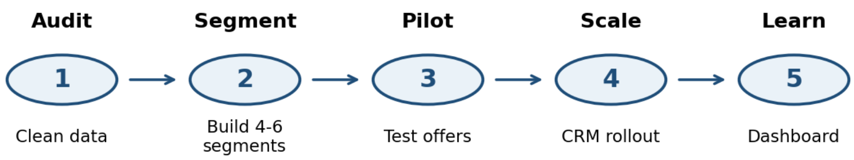

Figure 3
Five-stage implementation roadmap for marketing improvement

This article developed a practical model for optimizing segmentation in the construction products market and improving marketing application. The main conclusion is that segmentation should move beyond product categories and broad customer labels. The market should be understood through buyer needs, purchase behavior, project scale, technical expectations, channel preference, and financial requirements. Five segments were proposed: value-driven household renovators, quality and design seekers, contractor volume buyers, specification-driven professionals, and institutional procurement buyers.

Each segment requires a different marketing response. Effective segmentation influences assortment planning, price architecture, communication, distribution, technical support, and after-sales service. The best result is achieved when segmentation becomes a closed-loop process: data are collected, segments are formed, offers are tested, indicators are measured, and the model is updated. Future empirical research may test the model using survey data, customer interviews, and transaction databases from construction product retailers or distributors.

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