

STRUCTURAL BUILDING COMPONENTS MAGAZINE

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Director's Message



Market Research Survey Results by Kirk Grundahl, WTCA Executive Director

One of the key courses in business school is marketing. Anyone who majored in marketing can recall that one of the key classes was market research. Its fundamental purpose is to find out what customers are thinking and then use this information to make adjustments in business strategy. To that end, the WTCA Board recently asked the University of Wisconsin-Madison's MBA Market Research class to undertake a survey to assess BCMC, SBC Magazine and WTCA. To reach the diverse WTCA membership, a separate survey was created for component manufacturer and supplier members.

This article contains the results of this survey, broken down into the three areas that were assessed:

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SURVEY DETAILS:

A total of 850 surveys were sent to component manufacturers. Eighty-two responses were received, yielding a response rate of 10.4 percent. The supplier survey was sent to 497 suppliers. A total of 34 supplier surveys were returned, resulting in a 6.8 percent response rate. Given that the market research team had one semester to accomplish their task, the survey process and response rate was better than expected. A summary of the results developed by UW Research Team members Jen Ciulla, Becky Lidstrom, Kyetaik Oh and Michael Stolper is detailed below. The survey results are reported on a five-point scale, with 1 being the least favorable response

and 5 being the most favorable response.

BCMC

In the past few years at BCMC, some suppliers have brought up questions and caused the WTCA Board to take a serious look into the format of its annual trade show. The main issue is related to whether or not machinery should be exhibited at every BCMC. Some machinery manufacturers believed that BCMC should only hold a machinery show every other year, largely because of the expense associated with transporting large pieces of machinery to different locations. Currently, these manufacturers feel they must have a presence at BCMC every year in order to remain competitive. These manufacturers are also concerned that WTCA only sees BCMC as a revenue generator for its other services.

The opposite opinion is based on discussions that the WTCA Board has had with members and exhibitors over the past several years. These conversations have led to the conclusion that WTCA should provide a complete show at the best possible BCMC venue every year. This population felt that WTCA should not base industry tradeshow decisions on the competitive factors of some of its exhibitors and that individual exhibitors should be able to make their own decisions based on the cost of attendance. For example, if a supplier decides that a new piece of machinery warrants attending the show in a given year, they should be provided a forum in which to do so. These manufacturers felt that funding WTCA's projects is one important benefit of hosting BCMC. The WTCA Board wanted to gauge the opinions of its members before making any changes to BCMC.

Component Manufacturer Responses

Overall, WTCA members rated BCMC overall at 4.02 out of 5. They rated the activities that are provided at BCMC at 3.97 out of 5.

On average, members showed higher satisfaction on questions related to an annual BCMC (3.7) than a biennial BCMC (2.6). Finally, on average, respondent members had neutral feelings about location, price and quality of suppliers BCMC (3.23, 2.94 and 3.09, respectively).

Ninety percent of respondents indicated that they had attended past BCMC shows. Nearly half (39 members) attended the conference every year, while one fifth of members surveyed attended every other year. In general, about 20-30 percent of members who responded to this survey reported positive opinion about a biennial conference, while 40-50 percent of members showed positive opinions about an annual conference. However, bimodal distribution rather than unimodal distribution was observed, meaning that the opinions on this matter are quite diverging across members. While some members quite strongly supported one option, a number of members did not agree with the other option.

Some members had strong opinions about the location, price, and suppliers, while other members were more ambivalent about these considerations. Members who cared about location were also more likely to care about price. Members who cared about price also tended to care about supplier issues such as the number of suppliers or the quality of suppliers. There did not appear to be a correlation between location and supplier issues.

Ninety-five percent of members believed that WTCA is on the right track overall, including the decisions it is making regarding BCMC.

Members generally affirmed the following statements (in order of decreasing assent):

- My company finds value in the fact that the tradeshow aspect of BCMC is combined with educational sessions. (mean response = 4.5)
- The fact that BCMC revenue is reinvested in WTCA programs to advance the component industry has value for me. (mean response = 4.3)
- BCMC should not place limitations on the size, extent, or cost of the exhibits at the tradeshow portion of the show. (mean response = 4.2)
- I have valuable networking opportunities at BCMC. (mean response = 4.0)
- The existing format of BCMC is meeting my tradeshow needs. (mean response = 4.0)
- The funding contributions that the industry receives from an annual BCMC show are necessary because they help fulfill the overall interests and mission of the component manufacturing industry. (mean score = 3.9)
- A professional tradeshow like BCMC in its current form every year enhances the industry's professional image. (mean response = 3.9)

Members were more ambivalent about the following statements (in order of decreasing agreement). Interestingly, most of the comments in this section were related to the timing or thoughts of switching to an every other year format.

- The fall of each year is the best time to hold BCMC. (mean score = 3.5)
- Having the machinery portion of the BCMC show every year is important to me because I have more flexibility in choosing which year to attend. (mean score = 3.4)

Members showed the highest level of DISAGREEMENT on the following items.

- Independent of costs, having a machinery show every other year is the best way to serve the overall interests and mission of the component manufacturing industry. (mean score = 2.9)
- WTCA should change the BCMC venue to an every other year machinery show to reduce the machinery manufacturers' expense of attending (mean score = 2.5)
- Alternating years between a Software & Technology show and a full machinery show is the best way to serve the overall interests and mission of the component manufacturing industry. (mean score = 2.4)

Supplier Responses

The majority of the supplier respondents exhibited at BCMC last year.

Suppliers indicated that the benefits of attending BCMC outweighed the costs. Overall, a majority of suppliers felt that they benefited because they could keep up on industry trends, meet with their customers, see new products and gain exposure. The reasons for not having participated in BCMC were fewer. As mentioned above, the major reasons for not having attended were cost, small business size and the impact of September 11. Therefore, the research team concluded that suppliers believe value is added to their business by exhibiting at

the BCMC. To get more participation in future shows, WTCA may need to take a close look at the pricing policy of the show and see how this can better align with exhibitor needs. Additionally, smaller-sized companies seemed to be having the most difficulties with the show price.

The format of the show was also a concern for suppliers. The data showed that suppliers prefer to keep BCMC in its current annual format.

Suppliers generally agreed with the following statements.

- The fact that BCMC revenue is reinvested in WTCA programs to advance the component industry has value for me. (mean score = 3.8)
- The existing format of BCMC is meeting my tradeshow marketing needs. (mean score = 3.7)
- BCMC should not place limitations on the size, extent or cost of the exhibits at the tradeshow portion of the show. (mean score = 3.7)

Suppliers showed a lower level of agreement with the following statements.

- Independent of costs, having a machinery show every other year is the best way to serve the overall interests and mission of the component manufacturing industry. (mean score = 2.9)
- WTCA should change the BCMC venue to an every other year machinery show to reduce the machinery manufacturers' expenses of attending BCMC every year. (mean score = 2.8)
- Alternating years between a Software & Technology show and a full machinery show is the best way to serve the overall interests and mission of the component manufacturing industry. (mean score = 2.7)

Recommendations

A thorough analysis of the survey results above led the UW Research Team to make the following recommendations to WTCA Board of Directors with respect to BCMC:

1. **Continue with a machinery show at BCMC on an annual basis.** The analysis showed that there was overwhelming evidence that manufacturers and suppliers both find value in offering the machinery show at BCMC every year.
2. **Examine alternative locations and seasons for BCMC.** Many respondents commented that the timing and location of BCMC are recurring concerns.
3. **Conduct research concerning member satisfaction with the educational seminars at BCMC.** Another area of expressed concern was the educational seminars that take place during the BCMC. Many individuals commented that this is a very important reason for attending the show.

SBC MAGAZINE

SBC Magazine has recently gone through several changes. Its goal is to continue to provide relevant and valuable content and good advertising value for the component industry. The WTCA Board of Directors asked that the current view of SBC Magazine be evaluated.

Summary of Responses

The WTCA members rated SBC Magazine overall at 4.33 out of 5. Only one member said that they did not read SBC Magazine due to available time. Interestingly, the average readers per company were 7.3.

Component Manufacturer Responses

There is great overall satisfaction with SBC Magazine.

Members affirmed the following statements (in order of decreasing assent):

- The magazine provides value back to the industry. (mean response = 4.4)
- The magazine provides useful information about the work of our association and its activities. (mean response = 4.4)
- The magazine fulfills its mission statement: “to increase the knowledge of and to promote the common interests of those engaged in manufacturing and distributing structural building components.” (mean response = 4.4)
- The magazine provides me with useful information that is beneficial to my business. (mean response = 4.3)
- The magazine strives to ensure growth, continuity and increased professionalism in our industry, and to be the information conduit by staying abreast of leading-edge issues. (mean response = 4.3)
- I read every issue of the magazine. (mean response = 4.2)
- The magazine provides a win-win investment—suppliers can promote products and services and the magazine provides valuable industry information. (mean response = 4.0)

Supplier Responses

The WTCA suppliers rated SBC Magazine overall at 4.09 out of 5. Fifty-nine percent of the respondents were advertisers in SBC Magazine. Of those that did not, several said they were planning to advertise at some point in the future. Those that were not did not see that value, had budget constraints or questioned the cost versus the reward.

There was strong overall satisfaction with SBC Magazine. Suppliers affirmed the following statements (in order of decreasing assent):

- I read the magazine regularly. (mean response = 4.4)
- The magazine provides useful information about the work of our association and its activities. (mean response= 4.3)
- The magazine provides value back to the industry. (mean response = 4.2)
- The magazine provides useful information that is geared toward the business of my customers. (mean response = 4.2)
- The magazine fulfills its mission statement: “to increase the knowledge of and to promote the common interests of those engaged in manufacturing and distributing structural building components.” (mean response = 4.2)
- The magazine strives to ensure growth, continuity and increased professionalism in our industry, and to be the information conduit by staying abreast of leading-edge issues. (mean response = 4.1)
- I believe my customers find value in the magazine. (mean response = 4.0)
- The magazine provides a win-win investment—I can promote my products and services and the

- magazine provides valuable industry services. (mean response = 4.0)
- Advertising in the magazine is an effective way to reach the current and potential customers I want to reach with my message. (mean response = 3.9)
 - The Industry News section of the magazine provides useful information about activities of suppliers. (mean response = 3.9)
 - The magazine provides useful information that is beneficial to my business. (mean response = 3.8)

Recommendations

A thorough analysis of the survey results above led the UW Research Team to make the following recommendations to WTCA Board of Directors:

1. **Continue with SBC in its present format and style.** The analysis showed that there was overwhelming evidence that manufacturers and suppliers find value in SBC Magazine. The work that needs to be done now must be focused on making improvements in editorial content that will continue to increase the value of the magazine to both component manufacturers and suppliers.
2. **Encourage Suppliers to be more creative with their advertising programs.** Many respondent comments suggested that the advertising they see is always the same. Component manufacturers want to know more about the companies' business and details about what makes the company different. If there is a weakness in SBC Magazine, it is that the advertisers are not getting as much value out of their advertising as they could by devoting more time to the message development process. In general, from what the data indicates, suppliers to this industry show a need for improvement in the area of marketing. BCMC and SBC Magazine provide very strong marketing tools for suppliers to get key proprietary messages to customers. Combining these two tools into a comprehensive marketing plan should add a great deal of value to the companies that focus marketing energy on this opportunity.

WTCA

WTCA has recently gone through questions surrounding the effectiveness and direction that the Board of Directors is taking in guiding WTCA. The WTCA Board of Directors therefore asked that the current view of WTCA be evaluated by this survey.

Component Manufacturer Responses

Of the 82 respondents, 98.8 percent were members. Only one current member said that they were not planning to renew their membership. The average number of years that the companies responding to the survey have been members of WTCA was 8.6 years. Given that WTCA has existed since 1983, this average represents a good distribution of new and long-time WTCA members. WTCA members gave the association an overall rating of 4.48 out of 5. Finally, 97 percent affirmed that staff effectively implements the policies and directions given by the WTCA Board of Directors.

Members gave higher satisfaction ratings to general activities of WTCA such as implementation of mission, contribution to the wood truss industry, and services for members (4.26). Members were also satisfied with WTCA benefits (4.09) and WTCA products (4.06). Members were quite pleased with SBC Magazine (4.33).

Not surprisingly, overall satisfaction was positively related to satisfaction of activities, satisfaction with benefits, product satisfaction, and SBC magazine satisfaction. As expected, SBC Magazine satisfaction was also positively correlated with each of these factors.

Members affirmed the following statements (in order of decreasing assent):

- I agree with the mission, goals and objectives of WTCA. (mean response = 4.6)
- I believe in and embrace the work of the WTCA Board of Directors on behalf of the component manufacturing industry. (mean response = 4.5)
- The WTCA Board of Directors successfully and aggressively fulfills its mission of providing the services our membership needs to continue expanding wood truss market share by promoting the common interests of those engaged in manufacturing wood trusses and related components to ensure growth, continuity, and increased professionalism in our industry, which will strengthen the component manufacturing industry's influence. (mean response = 4.4)
- The WTCA Board of Directors' oversight of WTCA and the implementation of its mission and WTCA Policies is effective. (mean response = 4.2)
- I trust that the WTCA Executive Committee (responsible for day to day operations) is making wise decisions on behalf of WTCA and our industry overall. (mean response = 4.2)

The following statement is negative, but because it received a low rating it indicated that members were less concerned that it was a problem.

- I believe that the Board of Directors of WTCA is controlled by a single or small group of individuals that place their personal interests above the interests of the industry overall. (mean response = 2.4)

Supplier Responses

Of the 34 respondents, 87.8 percent were members. Only two current members said that they were not planning to renew membership. The WTCA suppliers rated WTCA overall at 4.09 out of 5.

Members affirmed the following statements (in order of decreasing assent):

- I agree with the mission, goals and objectives of WTCA. (mean response = 4.2)
- The WTCA Board of Directors successfully and aggressively fulfills its mission of providing the services our membership needs to continue expanding wood truss market share by promoting the common interests of those engaged in manufacturing wood trusses and related components to ensure growth, continuity and increased professionalism in our industry, which will strengthen the component manufacturing industry's influence. (mean response = 4.1)
- I believe in and embrace the work of the WTCA Board of Directors on behalf of the component manufacturing industry. (mean response = 3.8)
- The WTCA Board of Directors' oversight of WTCA and the implementation of its mission and WTCA Policies is effective. (mean response = 3.7)
- I trust that the WTCA Executive Committee (responsible for day-to-day operations) is making

wise decisions on behalf of WTCA and our industry. (mean response = 3.5)

The following statement is negative, but because it received a low rating, it indicates that members were less concerned that this was a problem.

- I believe that the Board of Directors of WTCA is controlled by a single or small group of individuals that place their personal interests above the interests of the industry overall. (mean response = 1.8)

Recommendations

1. **WTCA Performance.** The analysis showed that there was overwhelming evidence that both manufacturers and suppliers find value in WTCA. The work that needs to be done must now be focused on making minor strategic adjustments in the path of the organization to build on the areas of current satisfaction. Some time should be spent on the negative comments to understand these and determine how the strategic plan can address concerns. However, we should not focus heavily or make significant strategic moves based on these comments because they are primarily the comments of the minority. Suppliers are less positive than regular members about the performance of WTCA, which suggests that WTCA focuses on serving its primary membership.
2. **Use the WTCA web site as the primary means of online member communication.** The research suggested that a large percentage of the manufacturers and suppliers visit the WTCA web site on a monthly basis. This further confirms that WTCA should work to fully develop their online training programs and additional services provided on the web site. Looking ahead to long-term success, this will allow members greater access to WTCA services and allow the organization to provide more far-reaching assistance as it works to accomplish its mission. This will also provide more effective use of services, reduce operational expenses and help to streamline the organization.

There is a great deal more detail in the individual reports. If you would like to obtain a copy of any or all of the reports, please email us at uwmarketresearch@woodtruss.com. Our goal is to use this information to create as valuable and effective an organization as we can. To all who participated in this market research survey: thanks for your insight. We hope to do this survey periodically to ensure we are staying on the proper course and truly serving your needs.

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