

**A STUDY OF**  
**THE MANAGEMENT OF PROMOTION FOR COMPETITIVE ADVANTAGE**  
**IN UK CONSTRUCTION FIRMS.**

**BY**  
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## ABSTRACT.

This empirical research study focuses on the application of promotional management in UK construction firms. Relevant theories are reviewed and a model is developed. Promotion is seen within the context of the strategic and marketing management of the firm.

The study provides an insight into the management organisation, processes and relative importance of promotional techniques for competitive differentiation through research involving construction firms and their promotional design and public relations consultants and advertising agents. The research examines the effectiveness of promotion, through surveys of client organisations and professional architectural, quantity surveying and other advisors.

The combination of theoretical prediction and empirical research indicates an emphasis by construction firms on personal contacts and sales presentation across the design and management services offered, supported by other non-personal promotional techniques. Clients and their professional advisors rely on word-of-mouth recommendations from previous clients and to a much lesser extent on the promotion of construction firms.

Problems of promotion identified in the research concern promotional material used as direct mail or in pre-selection presentations. These can be specified in terms of a lack of tailoring, targeting of efforts, and competitive differentiation through communication of specific benefits or the problem solving skills of the management team.

Firms recognise the importance of good personal relationships with clients. However promotion is not given a sufficient priority in a highly competitive and dynamic environment.

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## Symbols and Abbreviations.

%.	-- --	Percentage.
Ass.	-- --	Assistant.
B.B.C	-- --	British Broadcasting Corporation.
B.R.A.D	-- --	British Rate And Data.
C.F.C	-- --	Chlorofluorocarbons.
C.I.O.B	-- --	Chartered Institute of Building.
Const.	-- --	Construction.
C.S.S.C	-- --	Centre for Strategic Studies.
C.V	-- --	Curriculum Vitae.
Dept.	-- --	Department.
D.M.U	-- --	Decision Making Unit.
F.T	-- --	Financial Times.
Inc.	-- --	Incorporated.
L.T.D	-- --	Limited.
N.B	-- --	New Builder.
N.C.E	-- --	New Civil Engineer.
P.L.C	-- --	Public Limited Company.
P and O	-- --	Peninsular and Orient.
P.R	-- --	Public Relations.
P.S.A	-- --	Property Services Agency.
R.I.C.S	-- --	Royal Institute of Chartered Surveyors.
U.S.A	-- --	United States of America.
V.I.P	-- --	Very Important Person.

## Glossary.

### **Advertising**

#### **Agency**

- Team of outside specialists who plan, prepare and place advertisements. Staff consist of media buyers, creative and production executives (1).

#### **Audiences**

- Also refered to as the publics of an organisation. Those whom the firm wishes to communicate, including clients, advisers, potential recruits, shareholders etc (2).

#### **Brand loyalty**

- Willingness of consumers to make repeat purchases, refuse substitutes or competitive products and recommend the favourable brand (3).

#### **Buy classes**

- Three types of organisational buying classes have been identified: Straight rebuy (a repeat purchase from the same supplier), modified rebuy (some degree of change in product or supplier) and new buy (greatest change in product, supplier and management involvement throughout the client company) (4).

#### **Communication**

- Art of expressing and receiving messages so that they are properly understood (5).

#### **Copy**

- In printing, everything to do with the text. In advertising, words of an advertisement (6).

#### **Design and build**

- Where the contractor provides the design and construction under one contract (7).

**Management**

**Contractor**

- Where the contractor works alongside the design and cost consultants, providing a construction management service. The management contractor does not undertake either design or direct construction work. Design requirements are met by letting elements of the construction to specialist sub-contractors (8).

**Media Buyer**

- Executive who negotiates purchase of space and time with media owners ie. editors of newspapers or television or radio companies (9).

**Negotiated**

**contracts**

- Where the client selects, at the outset, one main contractor with whom to negotiate. In essence the arrangement is the same as that for two-stage tendering (10).

**Offerings**

- The organisations products or services (11).

**Procurement**

- The amalgamation of activities undertaken by the client to obtain a building (12).

**Project**

**management**

- Concerned with the overall planning and coordination of a project from inception to completion aimed at meeting the clients requirements, ensuring completion on time, within costs and to the required quality standards (13).

**Public Relations**

**Consultant**

- Outside public relations unit with advice on P.R and conducting activities for an organisation (14).



**Traditional  
contracting**

- Where the client appoints an architect or other professional in producing the design, selecting the contractor and the supervision of the works through to completion. The contractor is selected on some basis of competition (15).

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**CHAPTER ONE:**

**INTRODUCTION.**

## CHAPTER ONE.

### INTRODUCTION.

It has been acknowledged widely that despite the importance of the construction industry to the UK economy, and the role of major firms in that industry, little empirical data exists on the strategic management of these firms. It is not surprising therefore, that a literature search was unable to provide a detailed insight into the management of the promotion of UK construction firms. The lack of previous empirical data, or indeed theoretical development in this area, justifies the approach adopted in this research project.

The study offers the following original principal contributions.

1. The research focuses specifically on the contribution of promotion as part of marketing for competitive advantage in UK construction firms.

2. An improved understanding of the management processes and techniques used in the promotion of construction enterprises using more general management theories.

3. The research contributes to the general theory of construction management.

## 1.1 THE SIGNIFICANCE OF THE STUDY.

A recent report highlighted the need for UK construction firms to examine their image, to improve the perceptions of clients, potential recruits, the media, the general public and others influential in the financial world (1).

Firms were encouraged to improve their media relations to provide more positive images of innovation, technological and management achievements, quality, fast construction and satisfied clients and successful projects.

They were urged to form long-term relationships with clients, and encourage a move away from existing tendering systems and forms of contract, seen as a cause of an adversarial culture. Emphasis was placed on training, to improve quality and eliminate inconsistencies of performance.

The environment in which major construction firms operate has become more competitive and is likely to become even more so given the opening of European markets.

Construction firms have developed new services with the consequence of greater opportunities for differentiation. Negotiated tenders and the existence of pre-selection procedures offer greater possibilities for firms to differentiate their offerings from their competitors.

Promotion encompasses corporate image and reputation, seen as particularly important in the marketing of industrial or business services. This study focuses on companies' promotion to clients and their consultants, perhaps the most significant in commercial terms, but acknowledges the importance of the network of audiences that a firm needs to communicate with.

Further objectives of this research project were to determine the processes and techniques currently being applied by firms, and to establish whether promotional outputs ie. advertising, public relations activities and corporate identity programmes are supported by an intelligence system, as part of the general competitive and marketing processes of the firm.

In addition, the study explored the perceptions of clients and other audiences to promotional outputs, in particular, promotional literature, to identify the perceived effectiveness of these media in the competitive differentiation of construction firms.

## 1.2 RESEARCH PROPOSITIONS.

The research propositions which are the foundations to the study are:

**Proposition 1:** The larger the construction firm, the more sophisticated the approach to the management of promotion and the more effective the promotional output.

**Proposition 2:** The promotional approaches will differ between speculative development ie. house building, and contractual services ie. project management and design and build.

**Proposition 3:** Construction firms are able to differentiate themselves through a promotional mix of activities.

**Proposition 4:** Given the importance of management in the provision of construction services, promotion would concentrate on projecting the human resource.

**Proposition 5:** Internal communication to management and staff would receive a high priority in encouraging a client orientation.

**Proposition 6:** The client and particularly professional advisors ie. architects, quantity surveyors and others will be a principal audience of promotional messages.

**Proposition 7:** Given a more sophisticated business clientele, the promotional communications of construction firms would be of less importance than word-of-mouth recommendation on selection or buying decisions.

### 1.3 BRIEF OUTLINE OF RESEARCH METHODOLOGY.

The theoretical and empirical developments propounded in this thesis are based on a grounded theory approach (3, 4). The theory is inductively derived from the study of the phenomenon it represents. Theory is discussed derived and provisionally verified through systematic data collection and analysis of data pertinent to the phenomenon. Unlike a classic scientific approach, the research does not start with a theory and then reject or accept the hypotheses. Rather it begins with an area of study, and a series of research propositions, and whatever is relevant to the area is allowed to emerge.

The principle methods of data collection were personal interviews (face-to-face and telephone), focus groups, mailed interim reports and an examination of documents.

Interviews were held with executives from UK construction firms, promotional consultants and agents, client organisations and professional advisors ie. architects, quantity surveyors etc.

Focus groups of mature postgraduates in the Department of Building Engineering and Surveying, Heriot-Watt University, examined and discussed the promotional literature produced by construction firms. Observations were cross validated with the researcher's analysis of promotional brochures and other documentaion produced by construction firms.

The preliminary findings of the study were circulated in the form of an interim report, to those construction firms who had taken part in the research, and a wider sample for further validation of the findings.

Confidentiality was assured to all respondents during data collection

#### 1.4 STRUCTURE OF THE THESIS.

The thesis is presented in two Parts.

Part One focuses on theoretical development and analysis of the research framework.

Part Two focuses on to the collection of data, its analysis and a series of conclusions presented with recommendations for further research.

The aspects of each of these Parts is as follows;

##### **Part One:**

Chapter 2 presents an assessment and analysis of the theories concerning the contribution of marketing to competitive advantage. This chapter provides the context of the research.

Chapter 3 provides an examination of the role of promotion in overall competitive and marketing strategy, identifying key elements of promotional management to be analysed. This chapter provides the focus of this research.

Chapter 4 presents an examination of aspects of the construction environment and theoretical development and empirical contributions in the field to date.

Chapter 5 provides a synthesis of the general and applied theories developed by previous writers and researchers to proffer an investigation of the principal variables. A number of general propositions are presented.

Chapter 6 provides a research methodology. The chapter describes the pilot study which preceded the main survey, the methods of data collection chosen and the contents of interview schedules which are grounded in the theoretical analysis of the opening Chapters.

## **Part Two:**

Chapters 6-14 provide a synthesis of the findings of the research with the theory, through discussion and analysis, developing further theories of promotion in construction and a proposed model.

Chapter 15 presents the conclusions and recommendations for further research work.



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PART ONE:

THEORETICAL ANALYSIS

AND

RESEARCH FRAMEWORK.

CHAPTER TWO:

A REVIEW OF GENERAL THEORIES

RELATING TO

STRATEGIC MANAGEMENT AND MARKETING.

## CHAPTER TWO.

### A REVIEW OF GENERAL THEORIES RELATING TO STRATEGIC MANAGEMENT AND MARKETING

#### 2.1 INTRODUCTION.

Promotional management takes place as an integral part of the strategic processes of the firm. Strategic management essentially concerns what the company should be doing and where it should be going (1). It is concerned with how the enterprise manages change in a dynamic environment (2).

The following discussion will review components and concepts of strategic management, particularly focussing on competitive strategy and advantage. The chapter will also introduce and examine important aspects of marketing, highlighting its contribution to competitive strategy as a primary value activity of the firm (3).

Corporate strategy and marketing are intimately related (4). Corporate, business and investment objectives logically precede marketing strategy, which can be regarded as part of the implementation strategy involving all functions of the business.

Marketing and sales provide the channels whereby consumers and customers are made aware of the products and services and are able to make purchases. The area of promotion provides the subject of this research and includes personal selling, advertising and other promotional efforts. This will provide the focus of Chapter 3.

## 2.2 STRATEGIC MANAGEMENT.

This section will review definitions of strategic management and introduce general models and the basic processes involved.

### 2.2.1 Definitions Of Strategic Management.

Strategic management is future orientated and concerned with a firm's ability in making long-term decisions about the relationship of the firm with its environment. The following general definitions provide examples;

"the process of managing the pursuit of organisational mission" [Higgins (5:p.12)].

and;

"relating the organisation to its environment, formulating strategies to adapt to that environment, and assuring that implementation of strategy takes place" [Steiner (6:p.38)].

Ansoff (7:p.112) defines strategic decisions as those pertaining to the relationship between the firm and its environment and involving;

" what kind of business the firm should seek to be in".

Andrews (8:p.17) describes strategic decision-making as;

"agreements reached by top management about how the company should position itself to take advantage of future market opportunity and to outdo its competitors as a result of having investigated market opportunity, appraised and invested in the distinctive competences and total resources of the company, and combined opportunities and resources, consistent with the economic goals, personal values, and official aspirations that define the character or culture of the company."

### 2.2.2 Models Of Strategic Management And Organisational Processes.

Various models provided by writers such as Steiner (9) and Pearce and Robinson (10), contain differences but are prescriptive and according to Thompson (11), will fail to explain what happens in practice.

Chaffee (12) states that a linear approach focuses on planning such that goals, and the means of achieving them are the results of strategic decision making.

Mintzberg and Waters (13) re-affirm Lindblom (14) by stating there is no one best way of formulating strategy; the process appropriate for one organization facing a particular task and environment may not be appropriate for another, in a different setting. Pearce and Robinson (15) found evidence that although firms with formal planning out perform non-planners, different models were used by almost all.

Quinn (16) develops a strategy formulation process called logical incrementalism. This is concerned with the development of a match between the opportunities and risks present in the external environment and the organisations capabilities and resources. Quinn (17) argues that organisations test out relatively small changes and develop with them, rather than go for major changes. Strategy can result from decisions and information fed upwards from lower management levels. Quinn contends that this is sensible, logical and positive.

Quinn's approach is more continuous and iterative than linear; attention is focused more on means, with goals seen as an alignment of the organisation and environment. Changes in marketing or quality, are seen as strategically important; and although top managers are seen as responsible for guiding strategy, other managers are clearly involved [Chaffee (18)].

Thompson (19) points out that strategy changes that are gradual cannot be encapsulated into a prescriptive model and the strategic management process should not be thought of as having a linear form exclusively. The following section presents an argument to take an approach to strategic management which includes analysis of the strategy makers and prevailing organisational culture.

#### **2.2.2.1 Strategy As A Cultural Process.**

This section presents an argument to take an approach to strategic management which includes analysis of the strategy makers and prevailing organisational culture.

Chaffee (20) notes that the cultural approach sees the organisation and its environment as clearly related, but emphasis is placed on managers' cognitive map that helps interpret the changes the organisation faces (21). The culture and values of the organization are seen as important, as is management motivation. It is one role of the strategic leader (22) to create the appropriate organizational climate to encourage this.

The theme of strategic change and incrementalism is developed further by Johnson (23) who asserts that some organisations have strong systems of beliefs and assumptions shared by management. Management may try to develop a strategy that reflects the common sense way of proceeding but modified by the firm's precise circumstances and objectives. This brings the managers' prior experiences and track record outside the firm into the analysis (24).

A recipe is an aspect of what anthropologists have called culture; ie. a body of learned behaviour, habits and traditions shared by a group of people and successively learned by new members who enter (25). Such a culture may be society, industry or company-bounded. Thompson (26) asserts that culture will affect approaches to marketing, pricing, customer relations, quality, production methods, industrial relations, training, financial controls etc.

According to Johnson and Scholes (27), the traditional view of strategic management omits a major influence on strategy formulation; the strategy makers themselves. Faced with similar environments, organisations respond differently: the response is likely to be influenced by managers' past experience and the wider social and political organisational processes. Strategic decisions are effected by the nature and style of strategic leadership in the organization together with the prevailing culture and values (28, 29).



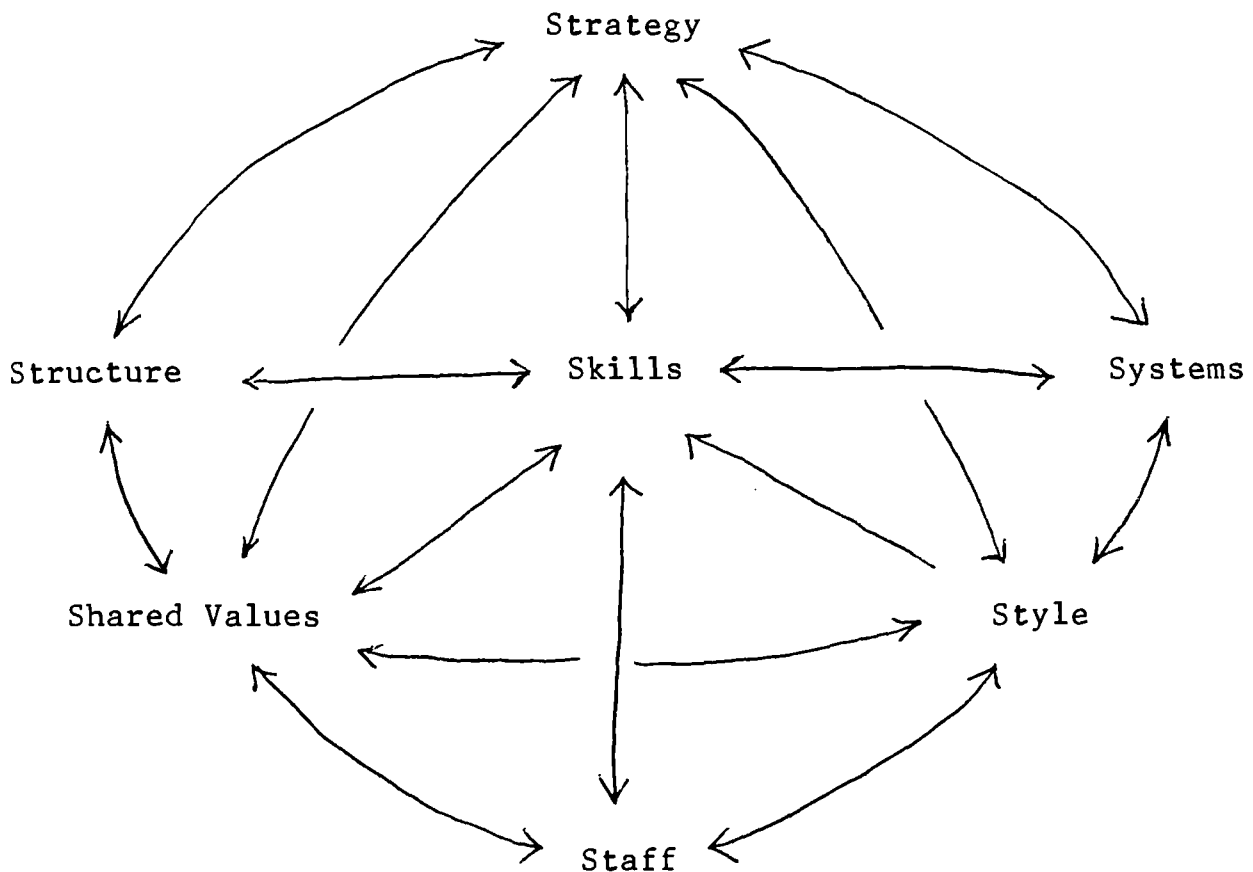
#### 2.2.2.2 The McKinsey Seven S's Framework.

The McKinsey Seven S's model (30, 31, 32) has been developed over the last decade, and is appropriate to this research given the emphasis in the previous sections on the need to take an approach to strategy which includes corporate culture and the values of managers. There is a belief that it is the shared values and beliefs of an organisation that binds together the fabric of successful and enduring corporations (33).

The complexities of sustaining successful performance has been addressed by a number of authors (34, 35). Pascale and Athos (36) and Pascale (37) in their empirical studies of major American and Japanese firms, used the McKinsey seven S's framework as the basis of interviews of top management.

This framework has the advantage of parsimony: factors are encompassed under seven headings (See Figure 2.1).

Figure 2.1. Diagrammatical Presentation of The McKinsey Seven S's.



Source: Adapted from Pascale (38).

The value of the above model, according to Pascale (39) is that it covers an organisation from all perspectives, both hard (strategy, structure and systems) and soft (style, staff and shared values).

\* Strategy, as was seen in earlier discussions, pertains to the firm's plan of action that causes it to allocate its resources over time to get to where it wants to go.

\* Structure refers to the way a firm is organised.

- \* Systems refer to how information moves around within the organisation. Some systems may be computer print-outs or ink-on-paper. Others are more informal such as meetings.
- \* Staff are the people who collectively comprise the organisation.
- \* Style refers to the pattern of behaviour of the top executive or senior management team. Style also refers to distinct traits of an organisation as a whole.
- \* Shared values pertain to the overriding purposes to which an organisation and its members dedicate themselves.
- \* Skills is seen as both hard and soft, referring to those things which the organisation and its key personnel do well - the distinctive capabilities that set a company apart from competitors.

More often than not managers are charged with the task of improving on skills ie. building a marketing capability, upgrading quality or customer service. The seven S's framework stresses that to achieve these objectives requires systematic finetuning of all seven variables.

Behind each dimension is a history that is important to understand. For example, strategies that have been tried, organisational structures that have been cast aside, shared values that have been announced and then abandoned (40). Pascale (41) asserts that it is important that strategy is reinforced by organisational structure, which is supported by its measurement and rewarding style, its staff, values etc. The resulting coherence contributes to focus, and success in the market place.

In empirical research using the seven S's framework, Pascale and Athos (42) found that Japanese firms differed from American corporations in the soft areas. The Japanese were found to be more careful in attending to human resources from initial recruitment through to retirement. They encouraged a degree of effective collaboration and used consensus to accomplish smooth implementation. According to Pascale and Athos (43) the most significant aspect of the way Japanese organisations manage themselves is that to a far greater extent than in the US they get everyone in the organisation to be alert, to look for opportunities, to do things better and stress that by virtue of this contribution, the company succeeds.

However, when considering outstanding American companies that have managed to sustain vitality such as IBM, Hewlett-Packard etc., Pascale (44) found similarities with outstanding Japanese corporations. Each of the S's was seen to be fully utilised. All appeared to attend to the soft S's. This was found to result in staff members who had a high degree of shared understanding and belief about the corporation, about priorities, what was expected of them and their high value to the enterprise (45).

All of the outstanding firms were found to be advanced in their grasp of strategy, structure and systems, but unlike successful firms which rely primarily on these S's, the best also have sophistication in the soft S's (46). The best firms linked their purposes with ways of realising the human value, as well as to economic measures like profit and efficiency.

According to Pascale and Athos (47) balancing the demands of all seven S's requires management skill and creativity. They assert that it is for the company chief executive and other senior management to commit the organisation to this development.

Innovative firms tended to be those with a style of management that was open to new ideas, ways of handling strategy that encourage innovation, and systems that were customer focused (48). In addition it was found that ideas did not flow unless employees believed in the corporation and identified with its purpose.

While the 7 S's framework was developed originally to appraise the workings of a total organisation, it can be applied to analysing and enhancing understanding at business unit level, that is to say the level of the organisation at which particular activities are carried out. This will be discussed in Chapter 5.

The McKinsey seven S's are summarised in Table 1.1.

Table 1.1 A Framework for Organisational Analysis - The 7 Ss.

Strategy	the plan leading to the allocation of resources
Structure	the characteristics of the organisation chart
Shared Values	the goals shared by organisational members
Style	the cultural style of the organisation
Skills	the distinctive capabilities of key personnel
Staff	the type of functional specialists employed
Systems	the nature of proceduralised control processes

Source: Adapted from Peters and Waterman (49)

The following section will provide further details on basic strategic management processes.

### 2.2.3 Basic Strategic Management Processes.

This section will present basic processes contained within general models which have been constructed around three themes: analysis, choice and implementation (50, 51).

Strategy formulation and analysis involves managers analysing the business and internal environment of the firm. The fundamental concepts in formulating strategy are;

1. The mission or vision of the firm. This underlying philosophy, perhaps encapsulated in a mission statement is a long-term and idealised view, and is likely to have come from the founders or major strategists in the firm.
2. Corporate and Unit Objectives (52). Corporate objectives are expressed in financial terms ie. desired sales or profit levels or rates of growth. Increasingly, firms have non-financial objectives concerning the welfare of employees given that stakeholders of the firm may also be employees. Unit objectives relate to the individual units in the organisation which may be divisions within a holding company. These may be financial but at the unit level. They may be more operational in nature than at the corporate level. The precision of objectives is important so that they can be measured and achieved (53).
3. Johnson and Scholes (54) indicates that strategy and strategic decisions are concerned with:

- \* The scope of the firms' activities.
- \* Matching these activities to its environment.
- \* Matching the firms' activities with its resource capability.
- \* The allocation and re-allocation of major resources in the firm.
- \* The values, expectations and goals of those influencing strategy.
- \* The future, long-term direction of the firm.
- \* Implications for change throughout the organisation.

Three levels, or a hierarchy of strategies (55) have been identified;

1. Corporate Strategy concerns decisions about the organisation as a whole ie. the financial and organisational structures of the firm, acquisitions and diversification.
2. Competitive or business strategy is about how an organisation competes in a particular market. As corporate strategy is concerned with the business as a whole, competitive strategy is related to a unit or Strategic Business Unit (SBU).
3. Operational or functional strategies concern finance, production, marketing etc. and how these different functions of the enterprise contribute to the other levels.

The SWOT analysis establishes strengths and weaknesses of the firm, which according to Porter (56) may be structural to do with the nature of the industry and the firms positioning relative to competitors (the external audit), or implementation (internal audit) identifying areas of distinctive competence. Areas covered in this analysis include marketing, production, personnel and finance.

Opportunities and threats are concerned with the external environment and involve analysis of the economy, society, technological developments and industry structure. Competitor analysis profiles the activities and strategies of competitors to establish possible changes; future goals, assumptions held by the firm and its strategic management, and its key capabilities, distinctive competences and areas of advantage.

An organisation's strategic capability is judged by the consumers and users of the products or services of the firm. The extent to which these are valued by consumers and customers is determined by the way the various activities required to produce, market and deliver the product or service is performed.

Value chain analysis (57) concentrates on;

- \* The value in terms of how the consumer/user views the firm's products or services relative to those of their competitors.
- \* Many value activities will be performed outside the firm for example by suppliers, channels of distribution or customers. The firm's value chain has to be reviewed within this context.
- \* The linkages between activities are often the basis on which competitive advantage is accomplished. This applies to linkages between the value chain of a firm with those of its suppliers, channels and customers.

Strategic choices (or options) take place with a background of changing internal and external environments of the firm. In reviewing strategic options Johnson and Scholes (58) distinguish three aspects of strategy;



1. The generic strategy to be pursued ie. on which basis the organisation will compete or sustain excellence. The three main strategies are cost leadership, differentiation and focus.
2. Alternative directions in which the organisation may choose to develop; for example expansion, stability, retrenchment and do nothing strategies.
3. Internal and external strategies, including merger and acquisitions and market diversification. Strategic variations involve expansion through market penetration, market development and product development. Other strategies are through vertical integration, diversification and internationalisation.

### 2.3 COMPETITIVE STRATEGIES AND ADVANTAGE.

Michael Porter has developed a set of techniques and models for the analysis of competitive processes, corporate growth and industrial development. In "Competitive Strategy", Porter (59) is concerned with the analysis of industrial structure and corporate behaviour, and with the formulation of corporate strategy. Firms might gain competitive advantage - the ability to earn above industrial average profits - through one of three strategies as detailed previously:

- \* cost leadership,
- \* product differentiation,
- \* focussing on a particular segment of the market.

In "Competitive Advantage", Porter (60) is concerned with demonstrating how firms might implement one of the three strategies, and sustain a competitive advantage over the medium and long-term. His main conceptual advance is the introduction of the concept of the value chain (as noted). All firms are seen to engage in two sets of activities; one primary and the other supporting. Primary activities are inbound logistics, operations, outbound logistics, marketing and sales and service. Support activities involve planning, finance, human resource management, technical development and procurement. Promotion as part of marketing is therefore a primary activity of the firm and is therefore seen as crucial to gaining a competitive advantage.

Competitive advantage is gained when a firm either performs activities more efficiently than its competitors (cost leadership strategy) or it creates a higher value for buyers and commands a premium price (product differentiation strategy).

Competitive differential advantage is achieved through a firm being unique in some respect, which is valuable to its customers or buyers. According to Porter (61) firms tend to view potential sources of differentiation too narrowly, seeing it only in the physical production or management practices rather than in potentially anything in the value chain. Firms may also pursue forms of uniqueness which are not valued. They are different but not differentiated. Insufficient attention is paid to how differentiation may be sustained.

#### 2.4 MARKETING - A STRATEGIC RESOURCE.

Marketing has been identified above as part of the firm's value chain. This section will consider the meaning of marketing as a concept and management techniques, and its contribution to competitive differential advantage.

Levitt (62) introduced the term 'marketing myopia'. This implied that organisations were too preoccupied with production and selling, than on focusing on the needs and importance of their customers.

From its basic origin, marketing has been ill-defined and largely misunderstood (63). The MacMillan Dictionary of Marketing and Advertising (64) presents a number of quotations reflecting the diversity of definitions. There would appear to be no single definition, (65) but a number of ideas as follows:

- \* determining and satisfying consumer demand.
- \* performing business activities that direct the flow of goods and services from producers to consumers or users.
- \* buying, selling, transporting and storing goods.
- \* delivering a standard of living.
- \* the whole business seen from the customers point of view.

The marketing concept, again has many definitions, but according to Baker (66) consists of three elements:

- \* consumer orientation.
- \* integration of all organisational efforts.
- \* profit orientation through seeking to achieve company goals through maximising consumer satisfaction rather than maximising sales.

Definitions of marketing as a concept and as a management function focus on the customer. However, these theories have been heavily criticised for having little impact on new product development (67). Some product innovations have been as a result of laboratory or technological breakthroughs, as opposed to appreciating market need (68). Other criticisms have been that marketing causes too much organisational stress and is expensive to implement (69).

A major concern for practitioners is the implementation of the marketing concept (70, 71). In determining whether a firm is marketing orientated researchers focus on the trappings (72) ie. top management lip-service, creation of marketing departments, a strong advertising function, formal planning and increased marketing expenditure. However, what is necessary is an understanding of whether the concept has become a motivating force running through the entire firm (73).

A number of researchers have attempted to go beyond the organisation of marketing, placing less emphasis on marketing departments, personnel and administration, and focussing on how marketing is actually carried out (74, 75, 76,).

There is empirically based support for the notion that marketing increases business performance. McBurnie and Clutterbuck (77) showed that successful firms had made marketing the linchpin of the organisation. However, although attempts have been made to explain strategic marketing and marketing techniques, comprehension of the elements associated with superior business performance is problematic.

Baker and Abou Zeid (78) identify three categories which proved to be important determinants:

1. **Attitudinal:** the concept of a total company philosophy has been emphasised (79, 80). The marketing concept provides that the marketing function is given a broad role. All other functions; production, finance etc. should be market orientated and interact with marketing. Hooley et al (81) found that marketing was limited in British companies.

Successful firms have been found to be those that interact closely with their customers and attempt to understand their markets and competitors (82). Sanders and Wong (83) found that in successful companies, executives made considerably more sales calls or visits to customers than did executives in less successful firms. Wilson (84) criticized British firms for not concentrating on establishing direct contact with customers and relying too heavily on market research for new product development.

A contentious area is marketing education and training. Although Ames (85) considered this to be essential, Baker and Hart (86) assert that skills, qualifications and training could be seen as the trappings rather than substance.

A further issue is the authority of the marketing function. Doyle (87) found that many UK companies were still financially driven, with one in five top company CEO's defining the company as financially orientated. Baker and Hart (88), however, contend that if the marketing concept is prevalent throughout the company, those responsible for its implementation should be high-profile and senior.

2. **Strategic.** As indicated in the previous section, strategic management is the formulation of corporate objectives and competitive strategies for the enterprise. Brownlie (89) asserted that based on the Profit Impact and Marketing Strategy (PIMS) project, strategic planning makes a considerable contribution to a firm's profitability.

The definition of company mission and the nature of strategic planning and objectives are two prime areas of concern. Bell (90), Kotler (91) and Baker (92) all approach the strategic management process or marketing planning by beginning with the need for defining the business or the mission.

Saunders and Wong (93) found that successful British companies were more orientated towards long-range planning than the less successful companies, who concentrated more on returning good short-term profits.

Karger and Malik (94), Thune and House (95) and Brownlie (96) conclude that strategic planning makes a significant contribution to company success.

Day (97) and Gray (98) both emphasis the interdependency between strategy, planning and cooperative organisation. Implementation is dependent largely on the ability of production, sales, finance and other functions.

3. Tactical decisions concerning influencing the marketing exchange make a contribution to competitive advantage. The traditional concept of the 4 P's (99); product, price, place and promotion has been criticised for not giving enough attention to tactics concerning market selection. Empirical research has examined the influence on competitive success of market research and segmentation in addition to the product, sales and services, promotion and pricing policies.

The importance of market research, gathering information to aid the development of new and existing products, the contents of advertising and pricing levels etc. has been well established. A study by Baker and Abou-Zeid (100) identified that the most popular method of conducting market research was the use of salesmen. Major uses of market research were in selecting foreign markets for export and providing information to identify ways to adapt to these markets.

Cross-national comparisons highlight the importance of market research to company success. In Japanese firms, sales and marketing personnel initiate innovations through identifying customer need. This was in addition to factors such as customer interaction and interdepartmental cooperation in development of the product (101).

In the UK, Takeuchi and Quelch (102) identified that successful companies used a number of research tactics including:

- \* customer satisfaction surveys.
- \* tracking and recording complaints and problems.
- \* carrying out extensive field tests on new products.

Given the dictates of the marketing concept - the customer is the focus of the firm - it is axiomatic (103) that research be included in the company's operations.

Criticisms of investigations based on the existence and effectiveness of market research have emphasised that they may once again focus on the trappings rather than substance (104, 105, 106). According to Baker and Hart (107) small low budget research programmes may be as effective in gaining an understanding of customer needs, wants and perceptions as a larger research budget.

According to Webster (108) market segmentation and long-term, strategic targeting based on reliable market information are the hallmarks of the concept. Very little research, however, has been carried out to evaluate the contribution of market segmentation (as opposed to mass selling) to competitive success. Competitive companies pay greater attention to creating, selecting, and targeting on segments with the possibility of greater opportunities for differential advantage.

### 2.4.1 Product Policy.

Baker (109) re-affirms Borden (110) by maintaining that ultimately a firm's success is dependent upon its product policy. Pricing, promotion and distribution are all product considerations (111). Product policy considerations may be defined as those concerning the physical characteristics, product quality, modification, improvements and development.

Although product quality has been defined in numerous ways a consensus can be found in its role in achieving company success (112). Important issues concern:

- \* Differentiation.
- \* Design.
- \* Performance.
- \* Raw materials, components and manufacturing systems.

Differentiation has an important role in providing competitive advantage. As was seen in the earlier discussion of the nature of competitive advantage, Porter (113) outlines that sources of product differentiation may be identified through the value chain. Uniqueness, however, only leads to differentiation if it is seen as valuable to the prospective customer. Porter contends that quality is developed to match buyer requirements, enhancing differentiation and competitive advantage.

Walsh and Roy (114) examine the contribution of design to competitiveness. Their findings indicate the company who pays attention to how design can help deliver products that meet customer needs as well as reduce costs, and offer value for money, tend to do far better commercially.



Piercy (115) lists key aspects in competition which comprise the total package of value purchased by the customer: reliability, short delivery lead times, services and intangibles. Product policy factors are largely to do with reliability and performance, aligned to customer requirements.

Porter (116) notes the contribution of both raw material and manufacturing systems in enhancing product quality. Abernathy et al (117) found that European and Japanese products had a competitive edge over their UK equivalents due to superior planning and control of the manufacturing process.

To a large extent the factors which comprise product policy highlighted above are interdependent ways of gaining advantage (118).

#### 2.4.2 Pricing Policy.

Although many writers confirm that price is the main determinant of product success; the higher the price, the less demand (119, 120), others maintain that price is the least important. Posner and Steel (121) assert that non-price factors such as reliability and quality, are paramount in advanced manufacturing firms. This view is upheld by a number of studies (122, 123).

#### 2.4.3 Sales and Service Policy.

According to King (124) real marketing concerns design of products and services to meet the wants of a group of customers. It means adding value ie. suitability for purchase through quality, design, brand preference, style, availability, after-sales service and all aspects of a customer relationship.

The sales team can be a source of competitive advantage (125). Baker and Abou-Zeid (126) found that in award-winning UK firms, personal selling was the most widely used method of promotion. Complex models have been developed to aid sales management decisions ie. allocating selling efforts, sales force size, territory design, forecasting, evaluation and control [Beswick and Graves (127)]. Other factors include recruitment, training and incentives (128). The literature is dominated by mathematical models which lack a managerial perspective. Personal selling is a vital tool for marketing which is dependent on organisation, training, motivation and remuneration, supervision and control.

#### 2.4.4 Other Promotion Policies.

Promotion has been defined as the "coordination of a sellers efforts to set up channels of information and persuasion to facilitate the sale of a product or service", [Brink And Kelly (129: p14.)].

Promotion as a generic term, includes personal selling (considered in the previous section), media advertising, publicity and public relations and other sales promotion devices. A number of studies have identified that these make a contribution to competitiveness through their informational and persuasive role. Pickering (130) found that advertising increased brand loyalty. Bain (131) suggested that advertising had a cumulative and long lasting effect and as such should be considered a capital investment. Morrill (132) showed that advertising increases sales in industrial goods companies, although expenditure on promotion has been found to be less than in consumer goods firms (133).

Promotion is seen to require customer awareness and information in being able to demonstrate the product's benefits to consumers. Growth strategies demand more aggressive promotion. The introduction of a new product or service requiring a heavier promotional budget. Market differentiation (or market niches), requires the creation of a distinctive image in the minds of potential customers for the firms products/services. Product/service differentiation (or product niche), requires a strategy which differentiates the product from competitor's products and services [Ansoff (134)].

## 2.5 SUMMARY.

The purpose of this chapter has been to provide the context in which the management of promotion takes place. The initial discussion centred on approaches to strategic management and the need to include organisation culture and the values and perspectives of strategic managers in the process of strategy formulation, analysis, choice and implementation.

From a consideration for the long-term relationship of the firm with its environment, competitive strategy builds on the distinctive competencies, highlighted through analysis of strengths and weaknesses, and identifies possible advantages over competitors. Choice of strategy concerns decisions to compete on cost, differentiation or focus. Variations on these generic approaches include market penetration and development, and product development. Successful implementation of strategy is affected by organisational structure.

Competitive advantage may be found in the value chain of the firm. The final part of the chapter examined the role of marketing as a high order source of advantage and its strategic importance to a firm.

Marketing is an important aspect of organisational culture, linking sellers with buyers. The generic term - selling - involves converting finished goods and services into cash. Marketing decisions concern what products should be sold, how they should be promoted and where and how they should be distributed.

If the firm is market orientated decisions will relate to the needs of the market. Marketing orientation provides a reputation for customer service. It requires integration with all functions; production, finance etc. As a set of management activities the marketing plan signals to target markets the quality of the product, price and service, valued by the customer or buyer and contributes to the competitive success of the firm.

The chapter introduced a framework of organisational analysis, the McKinsey Seven S's model, which has been applied to total organisations in an attempt to identify the interrelationships between the hard and soft variables involved in providing competitive advantage. Major corporations, which have been consistently successful, have been shown to spend as much time and resources on the soft variables; shared values, staff and style as on the hard variables; strategy, structure and systems, in providing the skills for sustained competitive advantage. This broad framework of analysis will be applied to the management processes involved in promotion in UK construction firms. This will be outlined in Chapter 5.

The focus of the following chapter, is to review in detail, general theories concerning promotional management processes and techniques. The important promotional management issues to be considered in more detail in chapter 3, are:

- \* the objectives and purposes of promotion.
- \* choice of suitable media mix.
- \* promotional content and messages.
- \* organisation, budgeting and evaluation of efforts.

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**CHAPTER THREE:**

**THE MANAGEMENT OF PROMOTION**

**FOR COMPETITIVE ADVANTAGE.**

## CHAPTER THREE

### THE MANAGEMENT OF PROMOTION FOR COMPETITIVE ADVANTAGE

#### 3.1 INTRODUCTION.

The previous chapter introduced the concepts of competitive and marketing strategy and the McKinsey Seven S's framework for analysing organisations. This chapter examines in detail the management processes and techniques involved in promotion.

Porter (1) illustrates how marketing and sales potentially contributes to competitive advantage. He stresses the importance of a number of areas which may provide an edge over competitors. These include;

- \* Top management support in selling.
- \* The firm's facilities seen as part of company image.
- \* A superior management information system.
- \* Sales incentives to retain the best sales people.
- \* Recruitment of better quality sales or service personnel.
- \* Support from engineering and production.
- \* Superior media research.
- \* Obtaining the most desirable media placement.
- \* High advertising level and quality.
- \* Personal relationships with channels or buyers.
- \* Superior literature and other sales aids.
- \* More extensive promotion.

Writers on promotion have tended to approach the subject from a number of perspectives (2, 3, 4, 5).

They have generally addressed the promotion of consumer goods manufacturers, although their would appear to have been a growing interest in business and service markets. They view all elements of the traditional marketing mix; indeed all company activities as communications vehicles. For example, price, product or service, place and promotion are treated as variables contributing to the message to an organisations internal and external target audiences.

Previous writers have distinguished promotion and marketing communications as disciplines. Promotion is viewed as only one of the communication links between the organisation and its customers.

According to Porter (6) different decision makers will value different things about a supplier and use different signals to ascertain them. Purchasing criteria may be viewed in terms of;

1. Use criteria; what the buyer values eg. lowering buyer's costs or improving the buyers performance ie. through product quality, delivery time etc.
2. Signalling criteria; the methods by which the buyer is informed, or judges what a suppliers actual value is. Porter (7) acknowledges that some of these signals will be out of the control of the supplier ie. word-of-mouth.

Identification of signalling criteria requires an understanding of the process the buyer uses to judge a firm's potential ability to meet user criteria. Porter (8) asserts a need to examine each user criteria. For example, reliability of delivery could be signalled through the use of past delivery records and customer testimony. By analysis of the process by which the buyer purchases, including the information sources consulted, signals of value may become apparent. These will provide guidelines to differentiation strategy.

In industrial or business marketing, research has been undertaken into the relative importance and influence of promotional techniques on buying decisions. The principal categories of media channels will be introduced and relevant studies reviewed.

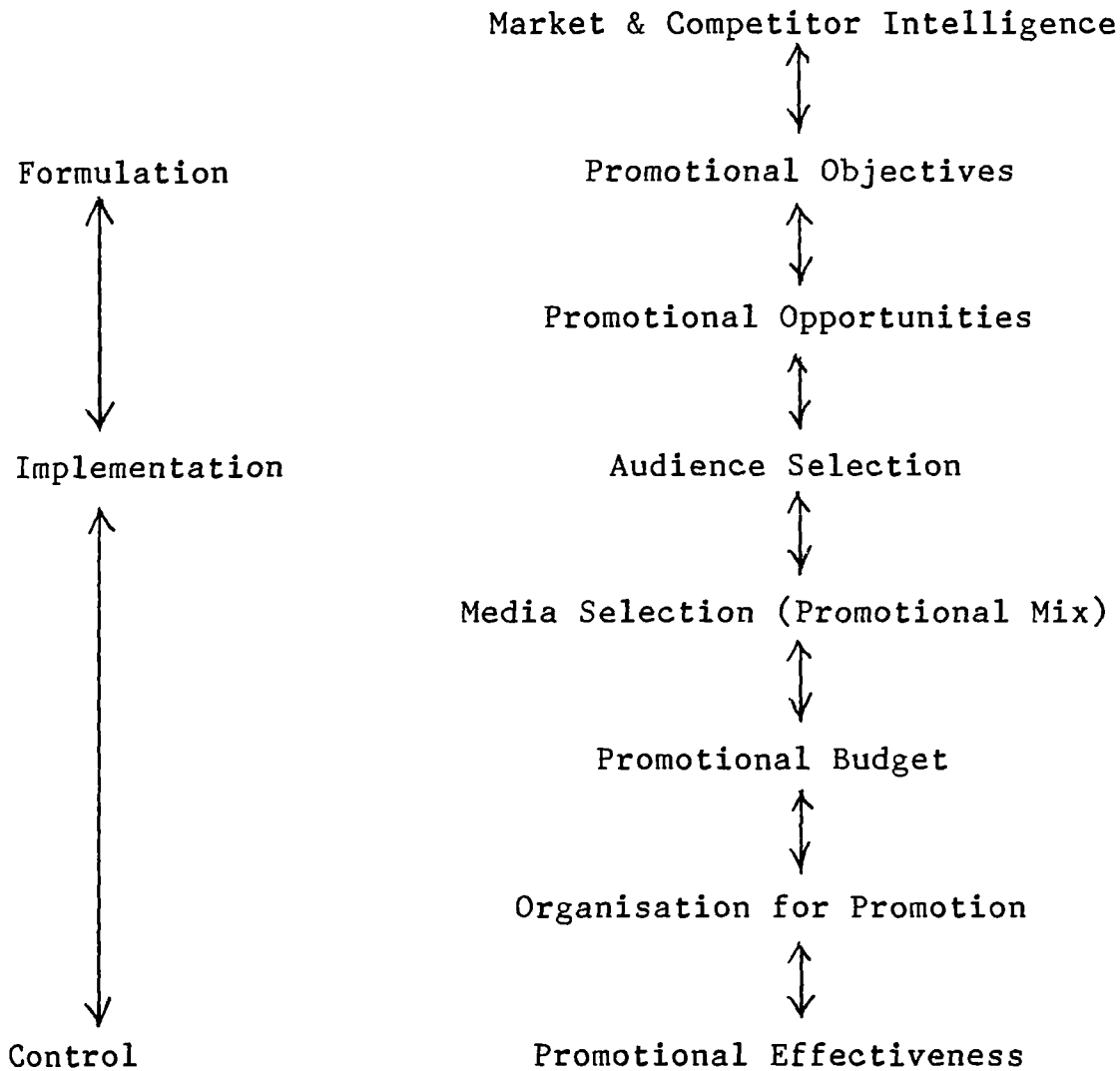
Porter (9) cites the case of services as an example where signalling criteria are especially important, since services are typically customised and performance occurs after they have been purchased. Service firms have to pay closer attention to such things as office decor and the appearance of employees. Regular communication that describes a firm's contribution for its buyer, has a major impact on differentiation. A firm may use its customer list as a signal of service reliability.

A different approach to the promotion of services has been identified in the literature as part of a growing interest and understanding of services marketing.

### 3.2 PROMOTIONAL OBJECTIVES, STRATEGY AND PLANNING PROCESSES.

Previous studies have provided a strategic planning framework to the management of promotion (10, 11, 12). As identified in chapter 2 marketing strategy links corporate strategy and specific market plans. It includes the selection of marketing objectives, effective use of marketing intelligence, selection and segmentation of target markets and a marketing mix or mixes (13). Designers of a promotional strategy need to evaluate their plans so that they are consistent with the overall corporate and marketing objectives. Burnett (14) provides a number of areas of consideration in the formulation, implementation and evaluation of a promotional strategy (See Figure 3.2.).

Figure. 3.2 Promotional Strategy; Formulation, Implementation and Control.



Source: Adapted from Burnett J.J. (1988) Promotion management; a strategic approach. West Publishing Company, New York.



**1. Promotional objectives** can be traced back to corporate and marketing objectives and may be influenced by internal and external environmental forces. Management may desire numerous responses including:

- \* increased sales,
- \* maintained or improved market share,
- \* created or improved brand recognition,
- \* an informed and educated market,
- \* a competitive difference,
- \* a favourable climate for future business.

Valid objectives are necessary for the success of the promotional plan (15). They coordinate activities and identify targets and specify in precise terms what to accomplish and when. They effect the composition of the communications mix. Advertising is viewed as effective in disseminating information for consumer awareness and comprehension, but is weak in persuasion (16).

**2. Promotional opportunities** are, according to Stanley (17), indicated by a favourable trend in demand, strong product differentiation and emotional buying motives (particularly in consumer buying). Even with more rational motives, promotional effort that is informative or instructive is seen as influential (18). Availability of funds is a prerequisite (19).

**3. Audience selection.** Market segmentation requires messages to be directed at target audiences for which overall marketing strategy is designed (20). To penetrate a market segment, the segment must find the product appealing. This depends on the position of the product. There are two objectives in positioning; first, creation of a product image that is distinctive and second, one which is superior to those of competitors (21).

Many individuals may effect the buying process. Clients may rely heavily on the advice and assistance of others. According to Burnett (22) the promotional strategy must be designed to reach the primary users and those who influence the purchase decision.

**4. Appropriate message selection.** The essence of promotion is the communication of relevant and significant marketing messages to the buyer. Whether delivered by a sales representative, a newspaper or a brochure, the message must understand the needs and wants of the prospective customer (23). This is seen to depend on a thorough knowledge of the target customers (24).

**5. Budget allocation.** After the definition of objectives, management face two issues: the amount to spend on the total promotional effort and at the functional level for the individual mix elements (25). Promotion is expensive and according to Burnett (26) methods employed to determine a budget are not foolproof.

According to Burnett (27) management need to decide the amounts to be spent on personal selling, advertising, public relations and other sales promotion. After the major allocations have been determined, each figure needs to be broken down further. For example the advertising budget has to be reallocated by media category, specific media and by dates, times, issues etc.

A promotional budget should be seen as a long-term investment rather than a cost (28). Allocation depends on the product and attitudes of the consumer and intermediaries. Many approaches are used to determine how much to spend (29). The process involves appropriation; the total cost of purchasing time or space, as well as of producing materials and selling. Often this is based on intuitive judgement (the arbitrary allocation method). Other techniques include percentage of sales, and competitive parity. The budget details how the appropriation will be expended by medium, time, market segment etc. (30).

**6. Organisation of promotion.** A number of writers elude to the difficulties in the coordination and integration of promotional strategy (31). One of the barriers may be that tasks are diffused among departments with little coordination or integration. The problem may be compounded with functions such as advertising being delegated to outside agencies. The planning and execution of promotional strategy are rarely undertaken with the involvement of company personnel alone. The tasks are sufficiently diverse and specialised that outside service organisations play a major role (32). One strategy suggested by Stanley (33) may be to make optimum use of a full service advertising agency, contracted on a continual basis or public relations consultant, hired on a project-by-project basis.

A number of writers have outlined the services of a variety of consultants and agents. Advertising agents can provide creative services - conceptualisation, layout, artwork and copy writing (34) and also media services - analysis, evaluation, selection and scheduling of appropriate media. A full service agency may provide research, media strategy, implementation and campaign follow-up. Specialist agencies and consultants may provide services such as design of literature and media buying (35).

Public relations consultants provide advice and practical assistance in public relations efforts. Many firms may have internal P.R staff, but experience in particular areas can be of use. Public relations consultants have established relations with particular media (local newspapers), knowledge of certain publics (financial analysts and investors) or experience in types of activities (staging special events) (36).

Marketing research organisations provide fundamental data to the effective development, execution and evaluation of promotional plans. The contribution ranges from evaluation of new segments, conducting of focus groups to the pretesting and post testing of advertising concepts. These organisations may be employed on a project-by-project basis (37).

Writers have considered the difficulties of developing an effective working relationship with these agents and consultants (38). These resource functions need to be an integral part of the company marketing. Outside agencies serve many clients, and sometimes prefer to work on a larger account, limiting attention to the smaller ones. On the other hand, too heavy a commitment may strip objectivity and independence, necessary in providing an effective service (39). An effective working relationship may be inhibited by personal differences between individuals in each party. A marketing manager with a conservative approach in terms of promotional decisions may be unable to work with an agent who prefers to be daring and innovative (40).

According to Stanley (41) more important than structure is internal cooperation. Promotional decisions demand a free flow of information between the various departments.

7. Evaluation of promotional effectiveness can only be established if management have a clear understanding of what is intended. Burnett (42) stresses that promotional performance must be monitored and the most effective methods of promotion established. The overall goal is to establish mutually beneficial exchanges. The problem is to relate specific effort to specific results.

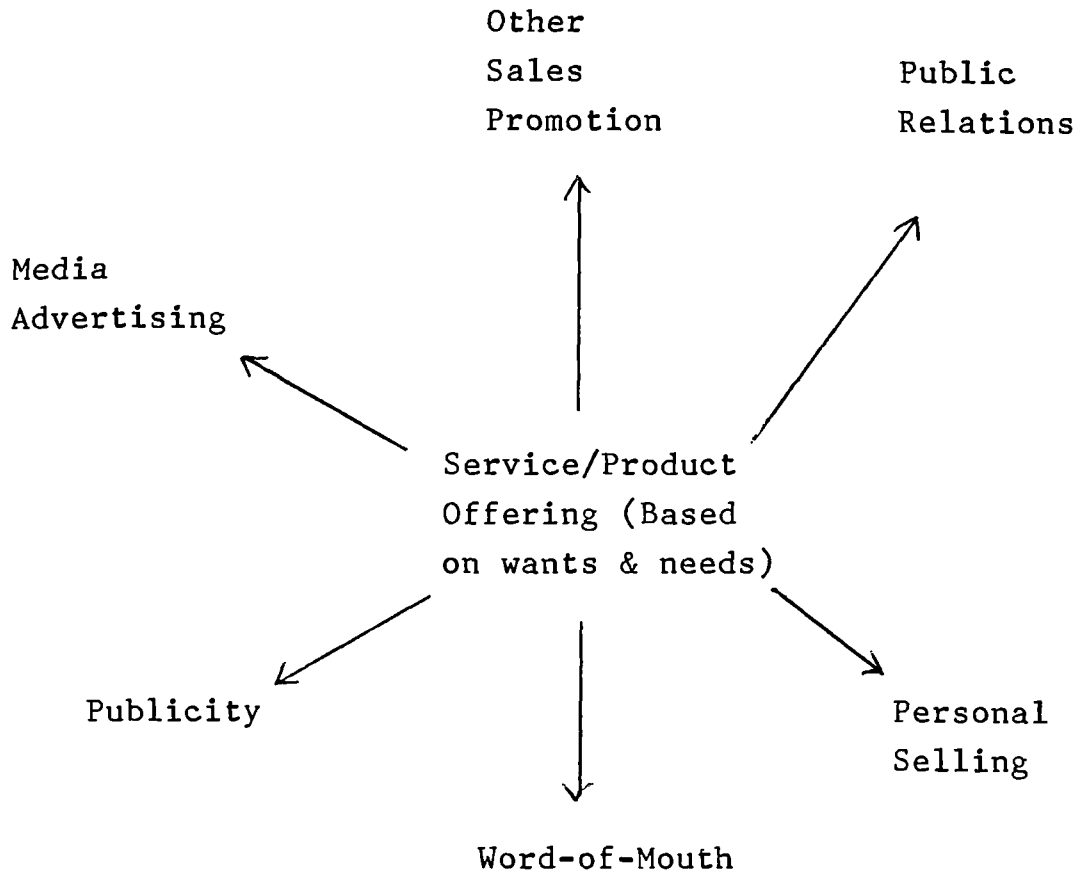
Possible strategies for evaluation include; pretesting advertisements (43) concurrent testing takes place while an advertisement is running ie. consumer diaries and surveys. Posttesting includes, readership (recognition), unaided recall tests, attitude change tests etc. (44).

This section has introduced key decision areas which have been considered by general writers and researchers in promotional management. The following section will consider one important aspect of the above - the concept of a promotional mix of promotional techniques or media.

### 3.3 THE PROMOTIONAL MIX AND MEDIA CHANNELS.

This section will introduce the main media channels available to communicate with the target market. Figure 3.3 demonstrates the principal components. Promotional synergism (45) is the simultaneous use of separate elements that result in a total effect greater than the sum of the individual efforts.

Figure 3.3 A Promotional Mix.



Source: Adapted from Nickels W.G. (1984) Marketing communication and promotion. 3rd Ed. Grid Publications Inc. Columbus

All elements of Fig. 3.3 are designed to promote an exchange of the product offer for something of value. In many instances, companies stress the importance of developing a corporate identity or brand.

### 3.3.1 Corporate Identity.

As will be highlighted in the next section on promotional communications, studies have confirmed that consumers often buy symbols. Wilson (46) asserts that in industrial buying the corporate image may decide where a contract is placed. Corporate image is the image that a company has acquired with its publics. Corporate identity refers to the preferred image in order to build a good reputation (47).

Gray And Smeltzer (48) stress the need for integration of sources of communication, audience identification and the corporate/product relationship for a coordinated image under what is described as the image programme. Sources of communication include logos, mission statements, stationary, architecture, brochures and representatives of the firm.

It has been found empirically that a negative image with consumers may result in a depression in sales. A positive image may attract recruits (49) and is a factor in building employees' morale and efficiency (50).

Recent contributions by writers, practitioners and researchers in corporate identity emphasise the importance of design in corporate and marketing strategy (51 to 58). The growth in importance of corporate identity (59) may be attributed to a combination of a need for competitive differentiation and an emergence of new forms of firm through alliances. In addition firms have developed identities to attract potential recruits as well as targeting management and staff to improve loyalty and longevity. Firms are also being judged on their social responsibility (60).

Anspach's (61) approach to corporate identity suggests that once strategic decisions have been made, identity should be examined to determine whether there is a need for a change. Signals for change include;

- \* rapid growth.
- \* new geographical markets and products.
- \* confused audiences (in terms of understanding the organisation),
- \* seeking larger market share.
- \* mergers and acquisitions.
- \* other competitive moves.

According to Olins (62) the organisation will only take the corporate identity programme (63) seriously if the Chief Executive is seen to be committed to it. Olins (64) asserts that the corporate identity consultants role is to create order in the communication process, reflect the company's identity, create an image and help achieve corporate strategy.

Kennedy (65) asserts that image and identity are seen to be tools to be managed and designed to competitive advantage. He found a correlation between how well a company is known and how favourably it is regarded. Jefkins (66) asserts the value lies in recognition. Corporate identity creates a sense of strength, derived from its attractiveness and interesting style, or from the repetitive effect of its use (67, 68).

Under the umbrella of corporate design and identity, the image of the firm and its products and services is presented through a number of channels which combine to form the target promotional mix. These may be personal or nonpersonal, existing or created (69). A useful classification of non-personal communication is provided by Davis (70) who identifies; existing media including advertising and publicity through newspapers, magazines, television etc, and created media; brochures, direct mail, attendance of exhibitions etc.



### 3.3.2 Personal Selling.

Personal selling tailors the promotional message to the customer. It affords the opportunity to react to feedback, overcome objections and prompt a decision. It provides the flexibility to investigate client's needs, explain company benefits, and negotiate a sale (71).

Personal selling is of use particularly in high value-added goods or services. Product knowledge and understanding consumers' needs are essential. The difficulty is in identifying members of the D.M.U (decision making unit), deciders, users, influencers and gatekeepers, who may be within different institutions, each having influence on the awarding of a contract. A decisive factor may be relating personally (72).

### 3.3.3 Advertising.

Kotler (73:p.18) defines advertising as "any paid form of non-personal presentation and promotion of ideas, goods or services by an individual sponsor."

Advertising refers to the use of bought space, or time, in the printed or broadcast media (74). Advertising informs, persuades and reminds buyers of a product or service at a lower cost per head than personal selling. It has the advantage of reliable coverage and economy. Most media will research circulation. A disadvantage is that media advertising is a one-way communication tool (75).

### 3.3.4 Public and Press Relations.

A general trend has been to view public relations within a strategic marketing context (76, 77, 78). Though P.R. has a prime corporate role, it can be used to support marketing in many areas (79);

- \* improving awareness,
- \* projecting credibility,
- \* combatting competition,
- \* evaluating new markets,
- \* creating direct-sales leads,
- \* reinforcing the effectiveness of sales promotion and advertising,
- \* introducing new services,
- \* dealing with customer issues etc.

Public relations as a function aims to obtain editorial coverage of the company's activities and achievements, requiring good relationships with the appropriate local, national, specialist journals, and broadcast media. Firms may produce press releases; distributed to the various media and detailing personnel changes, overseas contracts, technological advances, mergers, acquisitions and alliances, communicating a competitive advantage in a dynamic market. Public relations can fire-fight crisis situations, and promote achievements and a culture of employee and customer care (80).

Non-press public relations covers receptions, exhibitions, special events, lobbying etc. and are seen to be most effective when integrated into a planned programme of advertising, press relations and personal selling (81, 82).

Public relations goes beyond marketing, embracing the total communication of the organisation. It is desirable for the P.R. function to be independent, answerable to top management and servicing all functions.

Haywood (83) discusses the limitations of public relations, commenting that it cannot correct valid criticisms or counter a justifiably earned poor reputation. It cannot create continuous publicity time and again with products or services where there is no news interest. However, media advertising can deliver the company message as required to clearly defined market sectors as and when required, and as often as the budget will allow.

### 3.3.5 Direct Mail.

Direct mail is a selective advertising media using mailing lists and the postal service (84). It needs to be professionally conceived and implemented (85). The design of the material is no less important in direct mail than in media advertising. A mail campaign can be targeted to specific audiences, success depending upon selection and accuracy of lists and enclosed creative materials. The different types of promotional literature including brochures, annual reports and in-house journals will be considered in the next sections.

### 3.3.6 Promotional Brochures.

Promotional literature, used in direct mail packages or to support personal selling, is part of a firm's promotional mix. Davis (86) sees these as part of the created media strategy of the firm as opposed to the use of existing media ie. paid-for advertising space in newspapers or trade journals, or publicity gained though free editorials.

According to Burnett (87) the three promotional objectives are to communicate, to compete, and to convince. Brochures disseminate information and may be designed to appeal to market segments, differentiate the products or services, and assist in the creation of lasting company or product brand loyalty (88).

According to Bly (89) material must not only communicate and distribute ideas and information, but must be convincing and persuasive enough to stimulate action, such as an enquiry or an invitation to make a presentation.

Bly (90) introduces five possible ways of using promotional literature.

1. As a leave-behind; the customer can study the material at leisure, without the pressure of a live salesperson.
2. Enquiry fulfilment; included in the package should be some device to contact the local representative.
3. Direct mail; a fast, efficient way of transferring information to current and prospective customers. A letter may provide the sales pitch and the brochure gives company details and illustrations.
4. Display; many firms display sales literature at the place the product or service is sold, for example a travel agent or bank. This material must have an attractive, attention grabbing cover that causes the brochure to stand out and compel the casual browser to pick it up and read it.
5. Sales tool; literature can educate the prospective client in advance of the sales presentation or visit. It may be used as an aid to memory during the presentation, to illustrate the sales message and add believability to the presentation.

According to Bly (91) the principal promotional literature includes annual reports, brochures, and in-house material such as newspapers and journals.

Annual reports, including financial accounts are considered by many writers to be the principle document for communicating the corporate image and identity (92, 93) and in business-to-business markets has increasingly been used as a promotional tool. They are aimed at stockholders, the financial community (especially analysts), distributors, existing and potential customers, employees potential recruits and the business community in general.

It has been reported that annual reports have increasingly been used a promotional tool in business-to-business marketing.

Bly (94) introduces a variety of types of brochure including case histories and in-house publications. He asserts that case histories demonstrate the benefits and application of a firm's products and services by explaining how a client saved money or solved problems, by using the product or service. Prospective clients can relate to case histories because they specifically deal with their own business situation. This, according to Bly (95) makes them more believable than the vague generalities to be found in annual reports or corporate brochures.

Newsletters and house journals may be sent to customers and potential customers in addition to employees. They are not designed to generate immediate sales, but to build a long-term image, keeping the name of the firm in front of target audiences. According to Bly (96) they blend industry, company news and events with a promotional message concerning the products and services offered (97).

### 3.3.7 Other Sales Promotion Activities.

Sales promotion activities include point of purchase displays, speciality advertising, gifts to consumers to generate future purchases, coupons, sampling, sweepstakes, booklets and brochures, trade exhibitions etc. targeted directly at the prospective customer, encouraging action. Sales promotion has been described as a catch-all term used to encompass any activities which fall outside the other categories (98).

This section has introduced the concept of the mix of a variety of personal and non-personal techniques in the promotion of a firm's products and services.

The following section will provide a synthesis to the previous discussions concerning key promotional management decisions and provide an outline model of promotional communications from a review of the available literature.

### 3.4 AN OUTLINE MODEL OF PROMOTIONAL COMMUNICATIONS.

From the previous sections on principle promotional management decision areas, the role of promotion is to support the marketing plan and help key audiences to understand and believe in the firm's differential advantage. According to Burnett (99) an integrated communications strategy should;

- i) Assess the relative importance an audience member places on specific categories of information (what Porter (100) refers to as user criteria).
- ii). Tell which mechanisms are most effective in delivering this information (signalling criteria).

iii) Provide a set of guidelines to determine what mix of communication techniques to use and how best to allocate funds.

Implementing this strategy requires (101);

- i) A thorough understanding of the needs and wants of the various audiences,
- ii) A working knowledge of available communication techniques and how they blend together,
- iii) An awareness of competing sources of information, including competitors and other environmental factors.

A great deal of data must be gathered before the marketer can implement a communication strategy (102). Nickels (103) posits that communication is an interactive process; the roles of the sender and receiver are interchangeable. He asserts that marketers must actively search for communication about what product, policies and practices the market wants and needs. According to Nickels (104) to better perform the communication function managers need to understand some basic elements of the communication process. Communication research has identified several variables that can alter the outcome of a particular persuasive effort. These variables can be placed in one of three general categories: source factors, message factors, and audience factors (105).

### 3.4.1 Source.

While all the components of a promotional message, including pictures, music, and so on have the ability to deliver all or part of the message, the source is a person (106). The sponsor source is the manufacturer or supplier who pays for the message and is usually identified in the message itself. The reseller source is either a wholesaler or retailer (intermediary) who associates its name with the message (107).

The message presenter is the person who delivers the actual message. Research has not attempted to distinguish between these multiple sources. The source has been studied in respect to its credibility (108), attractiveness, power (109), or some combination of these characteristics.

Word-of-mouth, though largely covert, may modify or frustrate the persuasive efforts of promotional campaigns (110). It may be possible through market research to locate recognised experts who will be regarded as leading sources of information (111).

For many organisations non-verbal communications may be more meaningful than promotional messages that are designed to convey the same information. For example courteous, friendly sales personnel mean more to potential customers than an advertisement stressing friendly service (112). According to Nickels (113), everything an organisation does - recruitment promotion, maintenance of corporate buildings, support of social or political issues, product quality, image and safety and personnel policies communicate to the firm's audiences. The promotional manager is therefore advised to monitor impressions, adjusting policies and practices and informing of attempts to meet audiences wants and needs.



Although the potential contribution of non-verbal communication to promotional strategies is significant most promotional managers have reportedly done little to explore its potential (114).

### 3.4.2 Message.

The specific elements used to communicate an idea and the way these are organised constitute message variables. These may be divided into two categories: message structure and content.

\* **Message Structure.** Aspects of this include, verbals versus nonverbal messages; readability; ordering effect; repetition and arguing and counter-arguing (115).

\* **Message Content.** The words, pictures or sounds employed in a message along with the overall appeal used to express these components reflects the contents of the message. For example rational versus emotional appeals, fear, humour, pleasant appeals, subliminal appeals (116).

### 3.4.3 The Audience.

A promotional manager is concerned with producing messages that will have some effect on a target audience. In preparing messages; the promoter assumes that the audience has certain needs and perceptual abilities. In the preparation of material the promoter is advised to have the audience in mind (117). Effective promotional communication has the ability to emphasize and establish rapport with the customer (118). According to Burnett (119) the critical concept is that the communicator and audience both play an important role in the design of messages.

The communicator's task is complicated by the fact that an organisation has multiple audiences. As will be seen under the section on services, employees have a significant influence on customers and are an important audience. They should, according to Nickels (120) be given an input to corporate decision making or they may actively subvert external promotional efforts.

#### 3.4.4 Media.

The characteristics of the variety of media channels which constitutes the promotional mix have been introduced previously. This section will consider the difficulties in providing an effective promotional mix.

Promotional managers are faced with a dilemma: the most efficient and controllable promotional techniques ie. press advertising tend to be the least effective, and the most effective techniques ie. personal selling, word-of-mouth tend to be the most expensive and the least manageable (121, 122).

According to Nickels (123) the effective/efficiency problem in promotional management is one of choosing some combination of techniques that will result in the desired response at the least cost. The effectiveness of any promotional effort depends largely on the nature of the product, the market, and various environmental factors as well as message content. In general, the most effective messages are those based on the information and persuasion needs of prospective customers. Such messages are usually face-to-face and require some form of direct feedback (124). Mass communications by definition are directed at general audiences and have little, provision for feedback. Therefore the efficiency of such methods is impaired.

### 3.4.5 A Synthesis Of Major Decisions In Promotional Communications.

Chisnall (125) synthesises the previous discussion by outlining four major decisions to be taken by promotional management;

1. **What To Say?** Organisations have diverse objectives and differing needs for communicating with their audiences. Messages need to reflect overall corporate objectives, and be an integral part of marketing strategy.
2. **How To Say It?** Creative presentation involves translating ideas into effective copy. Research can aid in identifying the nature and needs of audiences. For example in overseas marketing, research can give guidance concerning the influence of local culture on communication.
3. **When To Say It?** This involves the timing of messages, the frequency of communication with audiences and the relative costs.
4. **Whom To Say It To?** Senders aim to transmit messages to target audiences. The extent to which all potential buyers of a product or service are reached depends on the accuracy with which they were defined and the effectiveness of the media.

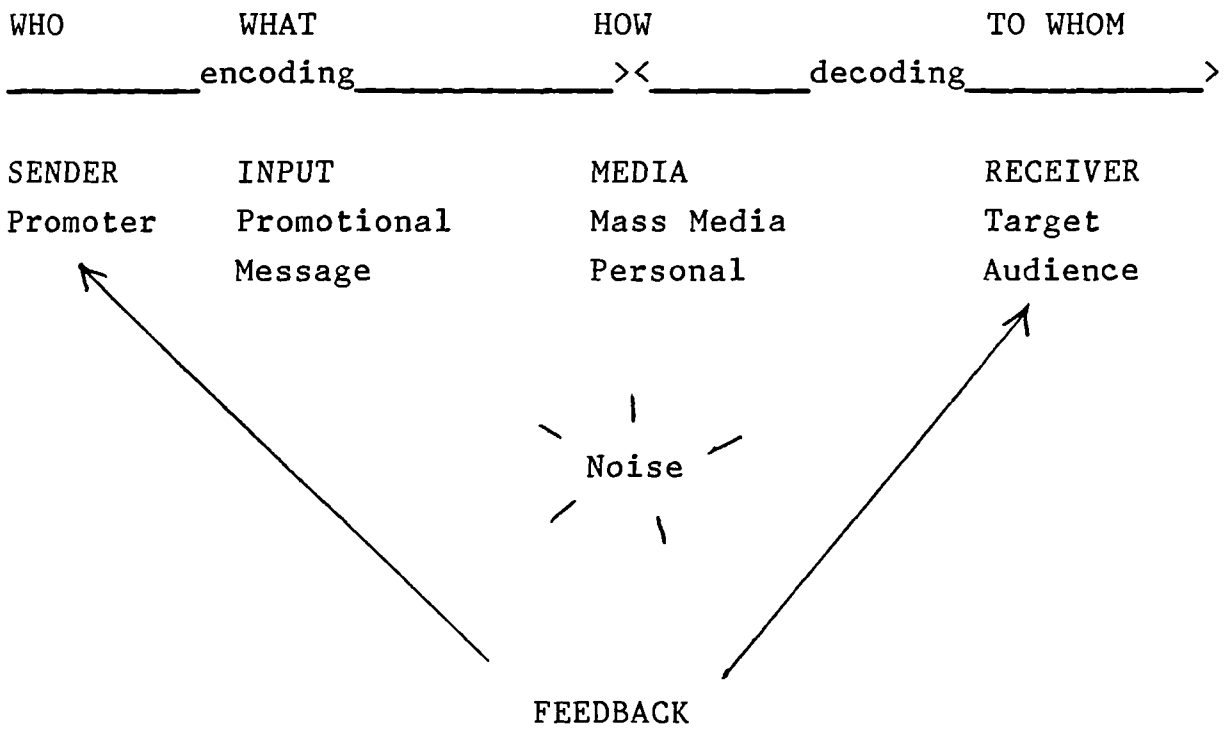
A planned approach may encourage management to develop expertise in the above functions (126). As Berelson and Steiner (127) have observed, communications that are thought to represent a particular interest of the audience are more influential than general undifferentiated sources. Communication directed to particular audiences is more effective than those directed at the public at large.

As has been detailed, communications theory has provided a framework for the study of promotional communications (128). A typical model encompassing much of the previous discussion (see Figure 3.4), is a construct adapted by a number of writers on the subject. It is the simplest model essentially comprising a sender transmitting messages via a variety of channels to a receiver. The system includes a two-way feedback mechanism. The communication process takes place with a background of noise from word-of-mouth, editorial comment and competitors' promotional efforts.

Though this model describes only the elements in communication, and not their interrelationship, according to Nickels (129), its real value lies in the area of research. There are five key areas of analysis;

1. Source analysis - concerns who's talking.
2. Content analysis - what is being said.
3. Media analysis - with which channels.
4. Audience analysis - who is listening.
5. Effects analysis - with what impact.

Figure 3.4. An Outline Model Of Marketing Communication.



Source: Adapted from Chisnall P.M. (1977) Effective industrial marketing. Longman. London.

The following part of this chapter will consider applications of promotional management beginning with an examination of empirical research into the relative importance of promotion in industrial or business-to-business marketing.

### 3.5 APPLICATION AND RELATIVE IMPORTANCE OF PROMOTION IN INDUSTRIAL OR BUSINESS-TO-BUSINESS MARKETING.

The relative emphasis on the techniques detailed in the previous discussion will vary according to the nature of the product or service, and the audiences to which messages are directed. In consumer goods marketing, greatest emphasis is generally on media advertising in newspapers, broadcast media ie. television and radio (130). In business-to-business marketing, emphasis is placed on personal selling and direct mail given that prospective customers are relatively small in number. Informational content in promotional messages is seen as more important, to a more technical and rational buying audience.

Previous studies have examined the influence on buying decisions of techniques such as personal selling (131), industrial advertising (132), and trade shows (or exhibitions) (133), as well as organizational influences such as intra-firm and inter-firm communications (134, 135). All factors have individually been found to have an impact.

According to Parasuraman (136), an understanding of the relative importance of promotional techniques will be helpful to marketers in i) efficiently allocating their budget across different forms of promotion and ii) providing a direction for their promotional efforts.

#### 3.5.1 Influences On The Buying Process.

Empirical research has shown that personal, non-commercial sources (eg. various departments in the buying firm, colleagues, outside consultants) are used in the purchase or buying decision (137, 138, 139) and can influence this process (140, 141, 142).

Parasuraman (143) surveyed manufacturing and non-manufacturing firms to analyse the extent to which promotional and organizational factors influence purchase decisions. Purchase specifications were found to exert a considerable amount of influence, personal selling and recommendations exerted a moderate amount of influence, trade exhibitions had a limited to moderate amount of influence and direct mail and print advertising had a limited amount of influence.

Researchers analysed factors that affect the search for, and use of information by buyers (144). Moriarty & Spekman (145) found that the most important sources of information were personal ie. top management, salespeople and colleagues in other companies. Buyers relied on personal commercial sources; salespeople and trade exhibitions throughout the buying process, and when higher levels of conflict and risk were associated with the purchase (146). Experienced buyers depended more on personal sources. During the search phase, they looked more at sales literature and trade advertising. Small firms, and those with little experience, were found to rely more on trade advertising and literature (147). When decisions involved more conflict, performance and economic risk, buyers turned on personal sources ie. other departments in the organisation, or outside the organisation. These were used especially in the problem recognition and search for alternative vendor stages by firms that were loyal to one source and by small firms (148).

### 3.5.2 Buying Classes.

Dempsey (149) surveyed purchasers in the electric utilities industry to analyse the relationship between information sources and vendor attributes in both new buy and modified rebuy situation. Results indicated a significant relationship between information sources and vendor attributes. Buyers tended to use different sources to evaluate different attributes in both new buy and modified rebuy situations.

Jackson et al (150) in their study of the relative importance of promotional techniques to buyers across five different product types (minor and major equipment, materials, component parts, supplies) and three different buyclasses, concluded that buyers generally consider salespeople the most important influence.

This section has outlined empirical evidence on the relative importance of a variety of influences on buying decisions in industrial or business-to-business promotion. The most influential promotional activity within the control of the marketer has been found to be personal presentation or selling. Firms may therefore achieve a competitive advantage by developing an effective sales force, enhanced by other promotional techniques perceived as important by purchasers at different stages of the buying process.

The following section will consider implications for the promotion of business or industrial services.

### 3.6 APPLICATION OF PROMOTIONAL MANAGEMENT TO SERVICES.

The following section analyses the characteristics of service products and implications for promotion. The importance of product considerations was discussed in chapter 2. The product is considered to be the nucleus of marketing (151) and refers to the tangible or intangible attributes offered to meet the needs and wants of clients, simultaneously meeting the objectives of the firm. The consumer's image of a product may be more important than its physical characteristics.



Promotion's role in communicating the product varies depending on the product classification. Consumer goods are generally purchased for personal or family consumption with no intention of resale. Promotion therefore responds to the tendency of consumers to react to emotional appeals, light on factual content. As mentioned previously, emphasis of the promotional mix is on mass advertising through television or print, point of purchase sales promotion and public relations as reinforcement. Personal selling increases in importance when the product is more expensive and technically complex (152).

Industrial products are usually purchased by organisations in order to make a profit or fulfil other business objectives (153). This has promotional implications. The importance of profit means that the decision to buy is assumed to be rational and based on factual information. The promotional effort often places emphasis on personal selling, and trade advertising (154).

Very little attention has been afforded the promotion of business-to-business services although the characteristics of service industries have been well documented (155, 156, 157). The most frequently cited being the following;

- \* Intangibility. Services are performances rather than objects. Intangibility is the critical distinction from which all other differences emerge (158).
- \* Heterogeneity. The potential exists for high variability in performance of the service. One of the implications is that people-based operations tend to be less standardized than equipment based service (159, 160).
- \* Perishability. Services cannot be stored. Unused capacity is lost forever and cannot be reclaimed (161).

\* Inseparability of production and consumption. Goods are first produced, then sold, then consumed. Services are first sold, then produced and consumed simultaneously. Inseparability "forces the buyer into intimate contact with the production process" [Berry (162:p 25)].

### 3.6.1 Industrial Services.

Cooper & Jackson (163) attempt to reconcile these features of services with the characteristics of industrial or business-to-business marketing. They assert that services have been marketed in a fashion similar to goods without any real assessment of how they differ. They note that the literature dealing with services marketing has dealt specifically with consumer services.

Cooper and Jackson (164) assert that the lessons from consumer marketing cannot wholly be applied to industrial marketing. The basic characteristics of business-to-business marketing are a more rationalised buying process involving longer-term relationships and more technically complex products demanding larger amounts of money with more people and procedures involved in the process. Buyers and sellers work together on product design specifications and products may be unique to single organisations (165).

Cooper & Jackson (166) provide two more characteristics specific to industrial marketing;

1. Specialization; while standardisation is a trend in all aspects of production, industrial services can be best characterised by their customization to customers needs.

2. Technology; industry is concerned with the use of technology as it assists production efficiencies.

Perhaps the biggest challenge, according to Cooper & Jackson (167), is assisting the customer to evaluate the quality of a service. Evaluation is achieved not only buying the service but by observing how it is produced. In industrial services the customer interacts with production personnel in addition to sales and marketing departments and is often required to visit the service provider's facilities or the provider visits the customer (168).

Cooper & Jackson (169) suggest a number of actions that can be taken by the industrial services provider;

- \* When recruiting personnel responsible for customer service, consideration of people skills are as important as technical competence.
- \* Company resources need to be invested in training current employees in customer contact skills (170).
- \* Attention is needed to providing tangible cues surrounding service production. If the service is rendered at the customer's facilities, the personnel and equipment are required to convey professionalism. If the customer visits the service facilities, physical facility atmospherics become important.
- \* A clear knowledge of the customer's perceptions of the meanings of various tangible cues is required. A clean work area may have a positive connotation in a high tech type business, while in a low-tech or mid-tech type business some evidence of machine use indicates an active business (171).
- \* Production personnel need to standardize their contact with customers during the design and development of the service (172).

\* Service packages may be developed which ease the selection process for customers and which bring some standardization. Through repeated exposure to similar problems, the services marketer can develop specific solutions. Such an approach will help the marketer to standardize the service and at the same time enable customization (173).

The following section will consider the techniques appropriate for the promotion of services.

### 3.6.2. Promotional Techniques Appropriate For Services.

Rushton & Carson (174) contend that methods of promotion which have been developed on the basis of having a physical product are precluded, therefore there can be no promotion based on display of the product. It means that the service relies heavily on having promotional activity to provide an image; making the intangible tangible. They assert that this demonstration of benefits is challenging since services cannot be held in stock, they cannot be held over for use in peak periods. The approach of intensive promotion during periods of high demand is inappropriate.

Rushton and Carson (175) assert that a strategy is required which aims to spread, as well as create demand. However, writers on services maintain that the basic promotional objectives are the same; to build awareness and interest, to differentiate the offering, to communicate and portray the benefits, to build and maintain overall image and reputation, to persuade customers to buy (176, 177).

According to Cowell (178) in many service markets, selling and performance of the service are inseparable. Separation of the selling role may be unrealistic in practice (179).

Due to difficulties in evaluating quality and value (180) as mentioned previously, consumers are influenced by friends or neighbours who have experience of purchase and use. This stresses a need to form a professional relationship between service supplier and the customer; and the need for promotional effort to build upon word-of-mouth communication (181).

Cowell (182) provides a number of guidelines for advertising messages. He asserts the need for messages to be unambiguous in communicating the range, depth and quality of the service in simple written or illustrated form (183) and to emphasis the benefits of the service rather than technical details. Cowell (184) asserts that professional service firms need more detailed explanation of the service leading to wordy advertising which may interfere with advertising effectiveness.

Delivering the service to a promised quality may be difficult in labour intensive services where performance varies according to who delivers the service. This requires that methods are adopted to ensure minimum consistent standards of performance (185). Internal promotion to employees is seen as important where interaction between service employees and customers is central to their satisfaction. Writers have proposed that the services marketing mix should be extended to include people (186, 187). It has been suggested that an emphasis on personnel may provide a more sustainable competitive differential advantage than that provided through product proliferation or differentiation (188, 189). Services advertising may be important for motivating and influencing employees on how service should be presented as well as a tool for reaching customers (190).

Cowell (191) refers to two challenges concerning customer cooperation. The first common to both goods and services is to create customer patronage as users of the service. The second, the need to maintain customer collaboration and cooperation in the service process is unique to services. This is particularly true in the cases quoted by Fuchs (192) of doctor's, hairdressers, supermarkets and laundry services.

Writers assert that services promotion may build on word-of-mouth communication (193) by persuading satisfied customers to talk to non-customers. This sort of promotion has been found to be used in airline travel and hotels.

Much tangible product advertising emphasises abstract, intangible associations in its appeals (194). Service advertising translates the range of intangible attributes of a service into something more concrete. Well known personalities and objects (eg. buildings, airports etc) may be used to provide evidence that the services themselves cannot provide (195). To provide further service differentiation the use of consistent and continuous symbols, themes, formats or images in advertising is suggested (196).

The removal of post purchase anxiety is seen as even more important with services where a tangible object is not available for post purchase evaluation. More effort is required to reassure the buyer of the soundness of choice, encouraging customers to tell others about the benefits derived from purchase and use (197).

The principles, procedures and methods of personal selling in services are similar. One difference is that in some services, professionals of the specialism (198) rather than professional salespeople may be used. Cowell (199) provides a number of guidelines in selling service products. These are;

- \* The development of personal relationships and an image of personal attention conveyed through promotion and supported by real interest during the process (200).
- \* The need for salespeople to be perceived as competent in delivering the service requires a professional orientation (201).
- \* Cross selling is possible in industries such as airlines who sell holidays, hotels, tourist attractions etc. Another method is in the use of references, testimonials and opinion leaders in the user's choice process (202).
- \* Building and maintaining image is an important element because higher levels of intangibility means reliance on reputation and subjective impressions. Customers may judge a company by the quality of its sales people their courtesy, efficiency and attitudes (203).

The more effective management of publicity through public relations functions is acknowledged to be important by services writers (204, 205, 206).

Certain forms of sales promotion may be irrelevant, in particular kinds of service selling (eg. sampling of solicitors services). However Cowell (207) acknowledges the increase over the past few decades of activities such as sponsorship of sport or leisure. As was highlighted earlier, the fact that service products cannot be stored has implication for the use of sales promotion which attempts to spread the load of services. For example off-peak attractive pricing schemes (208). Services sales promotion may be disguised. For example when a solicitor waives his fee for certain minor services (a price cut as a reward for loyalty), an estate agent may offer no sale - no fee terms, advertising agents may offer free advise on relevant services (eg. publicity). The form of activity will be different given the character of target audiences and the appropriateness of the device (209).

This section has defined a number of key considerations in the promotion of services. Compared with the treatment of tangible consumer product promotion, there has been little detailed theoretical or empirical treatment of this area.

### 3.7 SUMMARY.

This Chapter has reviewed general theories concerning the management of promotion and issues pertaining communication. The salient concepts presented include the need for clear objectives, understanding of the characteristics of promotional media available and their relevant combination, or promotional synergy.

Promotion needs to be strategically planned if it is to provide a firm with an advantage over competitors. A superior sales force and network of contacts, appropriate selection of promotional media and being able to gain favourable publicity requires an understanding of the internal and external environment of the organisation. Promotion requires support from strategic leadership and has to be seen as part of the corporate and marketing strategies of the firm. It needs to be integrated with other marketing and non-marketing functions.

In the promotion of business services, word-of-mouth and general corporate image projection are of more significance to a more rationally motivated market, than mass advertising techniques. Promotion to employees is important in people intensive services where interaction between employees and customers is central to their satisfaction and where they may be a source of sustainable competitive advantage.

The following chapter will analyse the competitive environment of the construction industry and theories to date concerning the application of promotion in construction firms.



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**CHAPTER FOUR:**

**CHARACTERISTICS OF COMPETITIVE STRATEGY**

**AND MARKETING IN CONSTRUCTION.**

## CHAPTER FOUR.

### CHARACTERISTICS OF COMPETITIVE STRATEGY AND MARKETING IN CONSTRUCTION

#### 4.1 INTRODUCTION.

A number of important issues concerning the application of strategic management and marketing planning have been identified by writers and researchers in construction. These have implications for the approach to the promotion of products and services by contractors which will be synthesised in chapter 5.

This chapter will introduce and assess characteristics about the competitive environment which have influence on the subject of this research. It will focus on existing empirical contributions specific to the area.

#### 4.2 ASPECTS OF THE COMPETITIVE ENVIRONMENT IN CONSTRUCTION.

The following section will examine important aspects of the construction environment and characteristics of firms operating within that environment. The areas of consideration include clients and the importance of their professional advisors, the nature of the product, market structures, procurement and tendering, contracting organisations and demand and the need for a strategic orientation.

#### 4.2.1 Clients and The Importance Of Their Professional Advisors.

The customers or clients of construction are diverse, ranging from individuals, (eg. home buyers), to global corporations and foreign governments. They come from the public and private sectors and differ in their experience of the industry, being frequent, irregular or once only procurers of services and facilities.

Depending on client knowledge of the processes and workings of the industry, professional consultants such as architects, quantity surveyors and others will have considerable influence on procurement and tendering strategies. Design team consultants act as a form of distribution channel for the services of contractors (1).

#### 4.2.2 The Nature Of The Product.

The product in construction is normally considered in terms of a service but may also be regarded as the manufacture of a constructed facility utilizing various design and management services for example design and build, management contracting, etc. Projects are commonly one-off and tend to be unique.

The construction project may be split up into a number of discrete stages - inception, concept, design, construction on site, handover/occupancy. The project life cycle may take months or years for completion. This means that demand and hence type of service provision is felt temporally (2).

### 4.2.3 Market Structure.

Two types of market structure exist. First, contracting, which involves the construction of pre-demanded, customized facilities with clearly defined legal responsibility for the parties concerned. Price determination is the reverse of traditional manufacturing industries in that price is determined before production takes place. The skills required are managerial and technical (3).

Second, speculative development, for example, house building. The typical skills required here are entrepreneurial (4).

### 4.2.4 Procurement And Tendering.

Procurement and tendering systems, without parallel in manufacturing, have a considerable impact on how markets operate and price is determined in construction. The two main methods of tendering and procurement are through negotiation and competition (5,6).

Under negotiation contractors are identified through historical contact, knowledge of the market or through pre-selection invitation.

Competition takes a number of forms. Open competition is open to any number of firms. Selective tendering uses some form of pre-qualification to identify a group of suitable contractors who are subsequently invited to tender. Two stage tendering combines selective and negotiation in a second round to make a final decision.

These tendering strategies may be incorporated under various procurement options of design and production. These include;

- \* traditional
- \* project management,
- \* design and build,
- \* management contracting,
- \* develop and construct.
- \* construction management.

Any form of pre-qualification provides for product differentiation based on reputation as well as price submitted.

#### 4.2.5 Contracting Organisations.

Contractors apply management and production skills to resources, creating pre-demanded or speculatively produced products and services. This focuses on human resource skills (7).

The ownership of contracting companies are varied. Some are part of a conglomerate and a large number are family controlled. There is a great variety of organisational structures to take account of the diversity of business interests (8).

Construction firms have been described as organisationally complex (9). Different organisational structures are possible given that firms have diversified into different markets. These range from simple, small companies through to large divisionalised structures.

Regionalisation has been an issue of strategic choice (10). A study by Ashridge College found that regionalisation was a consequence of expansion. Four reasons were identified:

- \* To establish closer contacts between senior management and staff
- \* To recruit permanent labour
- \* To obtain raw materials
- \* To increase market share through greater accessibility to customers.

As a strategic decision, regionalisation brings the firm closer to the market place. It may also be a process of decentralisation of decision making.

Lansley et al (11) found that firms encountered problems with this strategy, mainly to do with the relationship between the centre and region and pre- and post regionalisation changes.

#### **4.2.6 Demand and Strategic Orientation.**

It has been argued empirically that a long-term, strategic orientation is possible and necessary in construction (12,13). This involves understanding causes of demand conditions and determining market need (14). Construction appears no worse in terms of demand variability to that of manufacturing. This requires firms moving away from production orientation, which focuses on the internal working of the firm and a short term perspective, to a focus on its long-term relationship with its dynamic external environment.

### 4.3 STRATEGIC MANAGEMENT PROCESSES.

The previous section introduced important aspects of the competitive environment in construction. As was indicated in Chapter 2, strategic management involves three basic analytical phases;

1. Formulation of mission, objectives and strategy and analysis of the internal and external business environment,
2. Choice of strategies and
3. Implementation. This approach is future orientated requiring the management of the relationship of the firm with its environment. It is also concerned with developing competitive strategies that may provide a sustainable advantage over a contractor's competitors.

The following sections will examine the application of competitive strategies in construction firms.

#### 4.3.1 Competitive Strategy and Advantage.

Competitive strategies are based on the isolation of distinctive competences that provide superiority over competitors. Authors in construction contend that competitive competencies lie in the operating core of the firm. People are therefore a key resource and for the contractor this is a team specific advantage at site management level (16). Team specific advantages also occur during the adjudication process as part of bidding strategy, which involves key middle managers and those at the strategic apex.



Competitive advantage in construction involves analysis of the value chain (17) which is a product of the firm's history, strategy formulation, choice and implementation. Male (18) provided a model for this analysis which revealed that contractors compete on both low and high order factors. Low order factors such as materials, capital, equipment and labour may be copied by competitors. Where low order advantages are sub-contracted they become transient and can be eroded by competitors. High order advantages were seen as knowledge and team-based, which require constant investment in training and management development for these to be sustainable. Poaching of this high order advantages in the short term cannot be sustained unless competitors actively pursue training to continually upgrade skills.

The following section will discuss marketing seen as part of the value chain applied to construction firms. As a function, this is part of the strategic management process concerned with identifying, analysing and anticipating the needs of customers and supplying these at a profit within the firm's capabilities (19).

Marketing is a demand side concept (20). As was seen in Chapter 2, marketing is customer orientated and should be integrated and supported by the whole firm. Its objective is to increase profits. Construction firms have been described as orientated to production or finance rather than the market. The function is seen as operational rather than linked to the strategic management process.

#### 4.4 LEVEL OF DEVELOPMENT OF MARKETING MANAGEMENT IN CONSTRUCTION.

Empirical evidence appears to support the contention that the marketing concept has been accepted but that the management function is largely underdeveloped in construction firms (21, 22, 23). The limited published research has identified that is perhaps the least well developed of the management activities (24). A number of reasons have been provided for this (25);

- \* There is confusion over the meaning and extent of marketing and its applicability.
- \* There is a lack of appreciation that marketing could increase profitability and reduce risk.
- \* Firms believe that if they provide good services or products this will be sufficient to retain clients and sell the firm to future prospective customers.
- \* There is a belief that since the contractual service is pre-determined by the client and designed by design consultants ie. architects, demand cannot be created.
- \* Public sector spending is erratic which makes it difficult to plan or forecast.
- \* Since clients only use the services of contractors infrequently marketing ideas have not developed.
- \* Established marketing procedures have not developed.
- \* The industry is conservative by nature.

A lack of understanding of what marketing is and how it can be applied has lead to it being developed in an adhoc fashion. Bell (26) found that marketing was reactive and that the techniques used tended to reflect this.

However, the increased use of selective and negotiated tendering with pre-qualification procedures has offered opportunities for marketing.

The following section will consider the marketing of the contractual service.

#### 4.4.1 Marketing The Contractual Service.

The intangibility of the product has meant that many practitioners have found it difficult to apply the concepts of marketing to that of a contractual service. However, construction is not entirely a service product. Apart from speculative development such as house building, contractual services are a mixture of intangible expectations based on price, time and quality of an end-product; a completed facility.

Stocks (27) argues that the principles and procedures open to both the manufacturers of products and services are applicable since through service delivery an end product of some form is produced. Construction firms may take advantage of techniques developed in both areas.

#### 4.4.2 The Marketing Function.

The function has largely been found to be diffused and difficulties have been encountered in integrating and locating it in the organisation structure. It would seem to be not given sufficiently high status, personnel responsible not having access or contributing to strategic planning.

Three aspects of marketing have been identified in construction (28);

1. selection of markets, seen as part of overall strategy of individual companies or the group.
2. market research; linked to selection of markets or to aid market entry.
3. selling; involving a proactive approach of identifying prospective clients in the early stages of a project or as a reaction to defined customer requirements.

Market research outside manufacturing or speculative development may be limited as contractors have to contract to the design of the client's advisors and price accordingly. However, they may gather information to identify profitable opportunities, assess demand for particular types of facility or obtain intelligence on categories of client with the market. Market research would allow construction firms to identify suitable target segments.

As was mentioned in the introduction, new product packages have been developed which move competition away from price to product differentiation. Many large organisations have been found to offer a range of project management such as management contracting and fast-track, design and build packages (providing design in-house or commissioning external consultants, but managing the process throughout). Financial packages have been found to be an important competitive advantage in international markets (29). Some firms offer maintenance and facilities management services.

Construction firms who may have diversified beyond contracting into speculative development ie. housing or into materials or manufacturing have been found to have a greater understanding of marketing. However, a tenuous relationship between the selection of markets, market research and selling or promotion has been found to exist generally in construction (30).

#### 4.4.3 The Marketing Mix In Construction.

The traditional marketing mix variables (the 4P's) are seen to require a different blend in contracting (31). The importance of a planning function is highlighted given the difficulty in ensuring the quality of people based services.

The Product is largely intangible, dependent on people or management skills.

Price is difficult to determine until the service has been completed.

Client's consultants' act as distribution channels for contractual services (32). In addition, the place or site where the service is performed is of importance. In construction this is the project site and other facilities at the point of delivery.

Promotion is of particular importance in providing an image since services cannot be held in stock in tandem with fluctuations in demand. Firms require promotion which spreads as well as creates demand. Male and Stocks (33) emphasise the role of promotional literature in providing an insight into what a firm can potentially deliver.

#### 4.4.4 Key Client Marketing.

Wilson (34) introduced this type of marketing to construction. This entails a more frequent and intense contact with those customers identified as critical to the firm. Great importance is stressed on the development of close working relationships, negotiating skills, support services, after sales care and better intelligence systems (35).

The following section will focus on promotion and review existing theories and empirical evidence.

#### 4.5 PROMOTION IN CONSTRUCTION - PREVIOUS STUDIES.

The limited number of references in construction are normative and have mainly considered the organisational issues facing large diversified firms who now operate under different procurement paths with varying possibilities for promotion. A number of writers consider the implications for smaller firms which form the majority of companies in the industry.

The Chartered Builder (formerly Building Technology And Management) and Building magazine have brought the techniques of promotion to the attention of professionals in the industry (36 to 46).

Promotion has been viewed from two perspectives. First, specific personal approaches through traditional contacts or networks - the golf club - to gain the opportunity to make management team presentations to clients and consultants ie. architects, engineers or quantity surveyors.

Although firms have in the past been conservative in their approach (47), Newcombe et al (48) assert that there has been increased use of advanced promotional techniques broadening beyond the golf-club or network approaches.

Second, general image building through what has been loosely defined advertising. This need, due to the proliferation of clients who build only once or occasionally (49), means that firms have to reach many prospective clients to secure work.

Two empirical studies have been identified that include examinations of the themes of this research.

Bell (50) found little expenditure or importance placed on advertising in construction contracting, which was small scale and regional. Media was regarded as only effective in corporate image building.

Hillebrandt & Cannon (51) considered two approaches to promotion, **proactive**, seeking clients before they have a project in mind and **reactive**, responding to specific demand situations. The complexity of selling is due to product uniqueness and difficulties in locating and influencing prospective clients. One component of the marketing function was found to be the projection of image. Reliability, value for money, professional competence, integrity or innovative ideas were examples of possible image factors (52).

As with services marketing generally the construction firm promotes an image based on its reputation to complete to time, budget and quality. Promotion will be less price based than in consumer marketing, apart from speculative development ie. housing etc.

Corporate image and reputation is largely dependent on the abilities of management. Hillebrandt and Cannon (53) consider the management or team resource to be especially important given the coordination on the project of a large number of subcontractors and suppliers. Internal audiences are a diverse network of all those involved in delivering the product to the firm's key clients.

More advanced promotion may be due to the example of campaigns by major house builders, increased national and global competition, new procurement routes ie. design and build, and greater opportunities for differentiation on the quality of management, in addition to price (54).

Chalk (55) states that aside from image enhancement, contractors have started to recognise that they have special skills that may be promoted. For example, design and build schemes offering some sort of guaranteed fixed price.

Promoting a firm's ability as opposed to just submitting the lowest tender, requires presentation of track record, image, and calibre of staff. Male and Stocks (56) acknowledge that this provides a mechanism for differentiation. Creating an image of performance delivery. Stocks (57) acknowledges the strategic role of promotion, signalling the competitive differential advantage of the firm, assisting in the conversion of prospective clients into new clients and retaining key clients.

#### 4.5.1 A Promotional Mix In Construction.

Corporate identity has been given increased attention by construction writers (58 to 63).

Personal representatives can establish projects in various stages of planning by cold-calling on architects and others in the client team (64). For clients who purchase building and property services regularly this includes property managers, internal specialists and consultants ie. architects and quantity surveyors (65). Writers see a telephone and carefully composed sales letter approach as more economical and effective (66,67). According to Fisher (68) presentations should be supported by an understanding of how the proposed program effects the clients business. Management needs to establish client expectations with regard to visual aids (69,70). Due to the length of the project life cycle the largely technical team who presents the firm may be employed on other projects by the time a final decision is taken.



Advertising messages are targeted at limited, highly specialist audiences (71). Agencies and other consultants require careful selection with regard to experience in the sector (72,73). Effectiveness of advertisements is more easily measured in consumer goods since effects may be seen with an increase in customers. It may be years before anything results in construction (74).

Public relations is seen as part of total communications and complementary to advertising (75). Communication to internal publics is seen as inadequate, given the project based nature of the industry (76). Good quality house journals and newspapers may be circulated amongst external audiences to give a rounded view.

Rutland (77) indicates editors of technical journals receive many press releases a day. Personal contact discovers preferences on the format of notices, deadlines and publishing days. The latter point is important because some have special features on construction (78).

Types of publicity include contract awards, ceremonies during contract progress (ie. handing over). Visits by politicians and other VIP's to sites, private presentations to clients, architects etc. are considered useful in introducing new directors or managers and in markets where a company is not well known or wants to expand (79).

Considerable emphasis is placed on the use of promotional literature to spread as well as create demand (80). Promotional literature is seen as invaluable for pre-qualification, providing a competitive differential advantage in areas of severe competition (81). According to Pearce (82) positioning of material needs to reflect the position of the company and audience expectations.

A brochure strategy should be linked to segmentation and benefit selling (83). Fisher (84) criticises brochures because most fail to communicate the benefits of the service ie. beneficial contractual relationships and overcoming problems with minimal effect on time, cost or quality.

Pearce (85) maintains that the most important brochure issued by a market led firm is its annual report. The positioning of the literature must reflect the positioning of the product and the company. Major construction groups need to present high quality material given that audiences will be leading global corporations or governments.

Gerwick and Woolery (86) state that although a brochure can interest a client in a firm's services and can satisfy him as to its past performance and competence, it should be thought of as a door opening device. A brochure is reported to be most effective in establishing new client relationships, especially when the client is unfamiliar with the construction industry.

What Male (87) refers to as the institutionalised channels of distribution - the architects, quantity surveyors, engineers and others - are a principal audience for the promotional literature of major construction firms.

Other sales promotion activities for construction firms appear to be limited to entertainment of contacts (88), sponsorship and giveaways (89).

#### 4.6 SUMMARY.

The review of available literature on the subject of promotional management in construction has identified a number of weaknesses. These may be summarised as follows:

- \* Limited attention to, or depth of theoretical analysis.
- \* Limited empirical data.
- \* The management of promotional objectives, strategies and planning functions have been afforded little specific attention.
- \* The relative importance of the various types of promotional media in projecting the corporate image and benefits of the service product to clients and their consultants has not been addressed.

The available literature does point towards research paying particular attention to the importance of promotional documents, such as annual reports or brochures, as principal non-personal media, to be used as part of direct mail packages or as an aid to personal presentations in pre-selection/qualification procedures.

This chapter has introduced relevant characteristics of the competitive environment of construction, namely the nature of clients, demand, the importance of professional intermediaries, the service product and construction organisations. The chapter also presented previous contributions in the area of promotion management. These variables will be synthesised with the general theories developed previously, and incorporated within research propositions concerning the management of promotion in construction firms. This forms the basis of the following chapter.

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**CHAPTER FIVE:**

**SYNTHESIS OF THEORIES OF**

**PROMOTIONAL MANAGEMENT TO CONSTRUCTION.**



## CHAPTER FIVE.

### SYNTHESIS OF THEORIES OF PROMOTIONAL MANAGEMENT TO CONSTRUCTION.

#### 5.1 INTRODUCTION.

The previous chapters have examined the perspectives of the thesis and reviewed the limited treatment of the subject in the management of construction firms.

Chapter 2 set the context of the research by introducing aspects of strategic management, competitive strategy and the contribution of marketing to successful performance. The McKinsey Seven S's (1, 2) were introduced as an anatomical framework for the examination of management processes. This will be applied to promotion in construction firms, providing broad headings under which aspects of the function will be analysed.

Chapter 3 introduced general theories concerning the management of promotional activities for competitive advantage. Concepts reviewed included the importance of the nature of the product in terms of decisions concerning the relative importance of promotional media and the contents and design of messages. Applications in industrial and business-to-business markets were considered. The Chapter introduced aspects of communications theory. Established headings will be used in the provision of construction specific statements and propositions.

In chapter 4, important aspects of the competitive and market environment of construction were identified. These included the diverse nature of the clients and the traditional importance of their professional advisors such as architects, quantity surveyors and others on the decision to select and buy, the services of construction organisations.

The treatment of the subject of this study by writers and researchers in construction has been limited to the acknowledgement of the need for general image building and for firms to inform their potential customers of their existence. The contributions mentioned such as Moore (3) Fisher (4) and Pearce (5) have been prescriptive, and although they have to varying degrees introduced the general concepts, have not examined the important considerations concerning the promotion of industrial or business-to-business services. As was seen in an earlier chapter, the growing interest in the marketing of services has provided a number of guidelines for promotional management, and empirical studies have indicated the relative importance of promotion in industrial buying processes.

Earlier works such as Moore (6) concentrated on non-personal communications such as newspaper advertising. The general trend in the theoretical development of this field has been towards emphasis on personal communications or more specifically the pre-tender presentation (7). Pearce (8) gives considerable attention to meetings, pre-selection interviews and the development of negotiation skills. Pearce (9) views non-personal approaches, in particular brochures and annual reports, as supportive of these activities.

The concept of a total communications approach to the firm's diverse audiences, has been introduced by Fisher (10), who also provides consideration of corporate identity. However, Fisher's treatment of marketing in construction, extended beyond the construction or contracting firm. Although he is the only writer in construction to have referred to the concept of the promotional mix, his illustrations are case studies of the promotion of architectural ironmongery and contractors plant. There is no indication in the available literature of a mix or mixes of activities in the promotion of contractual services.

Bell (11) and later Hillebrandt and Cannon (12) only briefly examined the promotional function as part of their wider research into the application of marketing in construction. There has not been, thus far, a detailed theoretical or empirical analysis of the management of the promotional function in construction firms.

The purpose of this Chapter is to integrate the salient themes from the previous analysis to provide direction to the research and to assist in building a model of the management of promotion for competitive advantage in UK construction firms.

## 5.2 RELEVANT ASPECTS OF PROMOTIONAL MANAGEMENT.

The orientation of much of the general literature views the promotional management function from within a competitive and marketing context (13,14,15). As part of marketing, promotion - a generic term encompassing personal selling, is seen as a signal of value, contributing to the competitive differential advantage of the firm (16). This is achieved through high quality staff, superior media research and obtaining the most desirable publicity and advertising space. The combination of skills will provide superior positioning and corporate image. Other areas which will provide a competitive edge include personal relationships with channels of distribution and buyers, superior technical literature and sales aids.

In a highly competitive business environment, promotion has to be planned alongside strategic decisions concerning other elements of the target marketing mix - the product or service, distribution and pricing. The identification of customers is seen as vital to successful promotion.

General theories emphasise the importance of promotional synergism (17) or the promotional mix of techniques, whose total effect is greater than the sum of the individual elements. Essentially this mix consists of advertising, public relations and publicity, personal selling and sales promotion and word-of-mouth. The firm attempts to manage all company communications.

The following discussion concerning the application of promotion in construction firms will apply basic promotional communication theory concerning audiences, messages, media and two-way communication in a competitive environment. The firm's efforts compete with messages from competitors, word-of-mouth and editorial comment. Promotional communications is an attempt by the firm to inform and persuade in a planned and controlled manner.

The McKinsey 7 S's, will provide the framework for the synthesis of the general aspects of promotion to the specific application in construction.

### 5.3 THE MCKINSEY FRAMEWORK APPLIED TO PROMOTIONAL MANAGEMENT.

Models developed by writers and researchers in the field of strategic and organisational management processes such as Hunt (18) Pearce and Robinson (19), Steiner (20), and Johnson and Scholes (21), and existing models in construction ie. Newcombe et al (22) and Fisher (23), concern the total organisation and how a firm relates to its internal and external environments. Given the level of development of this field, as detailed previously, the requirement was for a flexible framework under which the promotional management processes could be developed theoretically and examined empirically.

The following Table 5.2 shows how the 7 S's framework as developed in Chapter 2 has been adapted for the purposes of analysing promotional management processes.

Table 5.2 Principal Factors Of Promotional Management.

Strategy	Existence of clear promotional objectives strategies and plans.
Structure	Type of formal organisation structures used to implement promotional activities.
Shared Values	A shared belief in the need for competitive promotion as part of market or customer orientation.
Style	Active support from top management for those involved in promotional management.
Staff	Types of functional specialists employed to execute promotional tasks.
Systems	Control and coordination mechanisms for executing promotion.
Skills	Specialist knowledge and techniques applied for executing promotional tasks for competitive advantage.

Source: Adapted from Pascale and Athos (24) and Peters and Waterman (25).

The following sections will consider in more detail the elements of the above table, applied to the promotion of the corporate image and contractual services and speculative products of construction firms.

#### 5.4 PROMOTIONAL STRATEGY AND PLANNING.

The following section will consider the importance of the existence of clear promotional objectives, strategies and plans and their application in construction.

Promotion has a key role in the three growth strategies which seek to improve performance without the firm being involved in acquisition or diversification activities. Market penetration and development and product development in construction require contractors to convince potential or existing clients through their advisors as to their expertise and credibility.

There is a need to monitor the promotional output of competitors. Promotional messages emanating from a competitor through its annual report, brochures, editorial, press releases, presentations, may reflect its strategic objectives indicating future strategy, strengths and any competitive advantage. Weaknesses may be identified and exploited. A number of areas of interest include the media used by competitors, training programmes for sales representative and use of external consultants (26).

Construction firms promote themselves to architects, quantity surveyors and other channels of distribution. These intermediaries need to be informed and persuaded of the firm's philosophy and performance. The careful use of material to provide an image of the construction firm, its management, domestic subcontractors and suppliers who the firm employs and activities that may include key clients and their advisors.

Since construction firms' products are essentially dependent on management expertise and the organisation at operational level of subcontractors and suppliers, the choice of media, messages and distribution will include these additional internal publics.

Promotion is less price based than in consumer markets, given that the service is priced after an opportunity to tender has been given. The full cost will not be realised until after the service has been delivered.

Since the contractor has no goods to store or distribute they do not have a physical distribution system. However the project site, where the contractual service is performed, will be used to establish the firm's differentiated image and identity. Site accommodation, plant and personnel will need to be packaged or branded.

Promotional management will be more effective if it can be targeted at segments of the market rather than aimed loosely at the mass market (27). Identification of the buyer's needs in the use of the product or service will provide for more informative and persuasive promotional messages as part of the market mix or mixes. This contrasts with the traditional approach which has been described as a sales segmentation (28) where the firm offers single products (thus one mix) - a single promotional mix strategy to the total market.

The purchasing decision in business-to-business marketing is concerned with making a profit and often creating other products. It consists of large numbers of decision makers and influencers outside the firm when compared with consumer decision making - an individual decision perhaps, affected by relatives within the household (29). The diversity of customers and uses, makes segmentation more difficult to implement. This affects the direction and contents of promotional output.



As was mentioned earlier, the decision to buy is more rational, being affected by internal organisational and word-of-mouth sources. Management responsible for promotion are in a position to use the findings of market research which may identify clients' wants and beliefs. There is an opportunity to inform and persuade if clients are unsure as to what they want or are inexperienced in purchasing in this area. It is important to establish what the buyer values and what benefits his business will gain from the services of the firm in terms of quality, delivering on time etc.

The concept of key client marketing as introduced by Wilson (30) provides for a different promotional emphasis, requiring a more intense and consistent relationship-building approach to key customers. This involves developing negotiation skills and providing back-up services.

Different promotional techniques will be relevant at different stages of the buying process, attempting to keep the name and expertise of the firm uppermost in the minds of those responsible for taking decisions throughout the process. It will be important to establish how the buyer and his advisors are informed ie. through word-of-mouth, trade advertising, or the firm's promotional efforts. The various influences on the decision process needs to be appreciated including the importance of promotional techniques relative to other sources of information.

A promotional audit collects information to see if the strategy is working. This would involve feedback on the effectiveness in achieving objectives of personal and non-personal activities to generate publicity, media advertising or brochures, sponsorship and merchandising techniques, either individually or in combination (31).

Overall strategic marketing provides data on environmental concerns such as the image and reputation of the firm, customers and competitors. This is related to SWOT analysis. Although market research may have its limitations in construction (32) as far as contracting is concerned, its techniques may be used to obtain data on certain categories of client which may be used in promotional planning.

Since it has been argued that the product in construction may be viewed as a mixture of service and an end-product, the principles of promoting services are applicable. What is promoted is an expectation (33). Promotion will provide an image of the expected benefits of the intangible and tangible features in satisfying the client's requirements. This will be based on a combination of price, quality or time.

This service performance is largely dependent on the skills and expertise of management and service personnel. Given this emphasis on management, the marketing mix in construction, could be extended to include a fifth P, namely people (34). An emphasis on personnel may provide a more sustainable competitive differential advantage than that provided through product proliferation or differentiation (35). Previous studies have discovered that although management are regarded as a vital resource, personnel management is not always evident on the boards of construction firms and management development and training is not given a high enough profile generally (37,38).

A need for internal promotion places an emphasis on using communication techniques appropriate to management at various levels within the firm. This is seen as important in service organisations which place a great deal of emphasis on personal service and where personnel throughout the firm will have contact with the client. The service providers need to be assured of the importance of their contribution (39). In construction a caring attitude to the client and in particular the professional advisors ie. architects etc. will not be in the tradition of some, who may hold adversarial attitudes. The change of business philosophy, and the need to educate, persuade and encourage employees, will mean a role for promotional management in the provision of internal media, ie. house journals, newspapers.

#### 5.5 STRUCTURE OF ORGANISATION AND PROMOTION.

This section will consider the type of formal organisation structures used to implement promotion in construction firms. The issues of centralisation, decentralisation and particularly regionalisation will have an effect on the management of promotion. Promotion may be treated as a separate function from marketing, particularly if it is of a corporate communications nature aimed at the firm's wider publics ie. public relations. In addressing those directly involved in the market exchange, promotion management will be associated with how marketing is organised. The common forms of marketing organisation are by function, product, geographical region or customer type.

Under a marketing organisation based on products, marketing and promotional mixes are developed to meet the different needs of clients. In construction, this could involve varying promotional mixes under the general contracting, design and build, management contracting or house building products being offered. Inevitably there will be duplication of promotional efforts and a need to apply some form of control on the consistency and quality of the promotional output. This will be considered under the next section.

The organisation of marketing along geographical lines is evident from an international perspective. Construction firms operating in overseas markets may need to consider separate cultural issues when developing promotional efforts. It may also be true in the case of regions in the UK. It has been reported that there is a need for firms to have separate arrangements for Scotland and Wales (40).

If firms have developed their marketing on customer or client grounds, promotional efforts may vary from the above arrangements, being designed for groups of clients with differing needs and problems.

Construction firms have been described as organisationally complex. This may indicate problems in coordinating promotional activities. Problems have been found in regionalisation. Regions have felt isolated and changes to strategic objectives have not been understood. Procedures have been applied from the centre without taking account of local problems (41). The strategic decision to regionalise requires that firms be adaptable with regular communication of company objectives (42). This would indicate a role for internal promotion.

The large number of UK construction firms who may be considered to be small businesses operating on a local or regional as opposed to a nationwide or international basis, need to promote their services and to create awareness of their offering to create clients.

Factors which will effect promotion will be a lack of financial resources and expertise. Specialists are not likely to be employed in-house in marketing.

The reluctance by smaller firms to engage in advertising activity (43) may be due to the fact that small firms will not be competing for the national or internationally prestigious projects. Therefore, national print or broadcast media advertising will not be beneficial. However, localised press advertising, direct mail and image building is more likely to be cost effective.

## 5.6 SYSTEMS.

This section will consider the systems required to control and coordinate promotional activities. The difficulties highlighted under the previous section on the structure of construction firms indicate a need for an internal communication strategy between the centre and the regions of major construction firms. It will have implication for the control of corporate identity or promotional communications generally. If communications are being coordinated by central functions or external agencies, it will be important for those responsible to use the local market knowledge when designing promotional messages. Promotional activities and output from regions, divisions or subsidiary firms will need to be monitored to ensure they are consistent with the overall intentions of the organisation.

## 5.7 SHARED VALUES AND STYLE.

This section will focus on the need for a shared belief, within the construction organisation in competitive promotion as part of market or customer orientation. This will require a top management style which actively supports those involved in the management of promotion. Development of promotion in construction firms is related to the level of development of marketing orientation, dependent upon support from top or strategic leadership (44) ie. the chief executive, who needs to communicate the overall marketing concept and be involved in its implementation, including promotional management.

Marketing as a function is likely to have been developed after other functions. Its role will be less well defined and management responsible for promotion will need to convince the firm to take communication more seriously and gain their support and involvement in promotional activities (45). Good relations with senior management, who determine overall corporate policies and who coordinate the activities of the various functions, giving approval to any recommendations such as appropriation and employment of agents is essential (46).

It will be important for promotion to be part of an integrated marketing function with management communicating with top level strategic leaders and personnel in other functions and at the operational or production level ie. the project site. Since it has been identified that the construction firm will be promoting a corporate image of management expertise and past projects, it will be necessary for those charged with organising promotion, to communicate and coordinate with all those non-marketing staff who will be involved in presentation teams, publicity events possibly on site, attendance of industry or private exhibitions or presentations, or in annual reports or brochures.

Those responsible for promotion need to be in a senior position, to give the execution of this activity more authority. This will be important in gaining cooperation throughout the divisions, regions and subsidiaries of the firm. The persons responsible need to be able to take an overview of the total operations of the organisation. This is particularly true of those at corporate or group level who need to project the general image and activities, which, due to the way construction firms have developed, may be diverse.

### 5.8 PROMOTIONAL STAFF.

This section will consider the types of functional specialists necessary to execute promotional tasks. Unless they have advertising departments or separate functions, construction firms are likely to use the services of advertising agencies, particularly for major campaigns. The selection of advertising agents who have experience in business-to-business or industrial accounts will be important. Media buyers may be employed, in-house or through an agency. Public relations staff may be employed in-house or external consultants may be used. Other external promotional consultants who may be employed will include printers and design consultants. It may be that major firms who have desk-top publishing facilities will be using this for their promotional output (47).

## 5.9 SKILLS REQUIRED OF PROMOTIONAL STAFF.

The following section will consider the specialist knowledge applied in executing promotional tasks for competitive advantage. Those responsible for advertising will need to select, coordinate and work with an agency. Creative work on major campaigns are likely to be undertaken by the construction firm's agent. However, it will be necessary to understand the formulation of campaign themes, copy and layout and production methods to be able to appraise the creative efforts of the agency (48). This will place the construction advertiser in a better position to develop the budget, understand the problems and explain these to senior staff.

It will be important for the construction advertiser and/or his agent to identify quantitative and qualitative information on the media available to make intelligent choices when planning media schedules (49).

Staff responsible for publicity will need the management skills to build relationships with editors of trade newspapers and journals to ensure that they achieve adequate and desirable coverage of activities and that they meet their public relations objectives and compete with those of their key competitors.

Sales representatives of construction firms will be working with technical teams when making presentations to clients and their consultants (50). They will need to be acquainted with the techniques of making presentations (51).

The following sections will consider the application of aspects of promotional communications to construction .



## 5.10 PROMOTIONAL COMMUNICATIONS.

All decisions concerning the product and service offered, price, distribution or place and promotion, communicate to the target market or buyer. The subject of this research is concerned with the management of promotional communications. The following section will consider the important decisions concerning the media used and messages appropriate for the diverse audiences with which a construction firm communicates.

### 5.10.1 Promotional Audiences.

The audience with direct influence in the market exchange relationship, the institutionalised distribution channels (52), are architects, quantity surveyors and engineers, who form part of the decision making unit (D.M.U), in choosing the procurement and tendering strategies, which effects the possibilities for construction firms to promote themselves through pre-qualification.

As mentioned in the previous section, the clients advisors are especially important if the firm is executing growth strategies such as market and product development. Emphasis needs to be on lasting business relationships.

There are wide audiences with which construction firms communicate, ranging from employees to the wider community. The range covers shareholders, Government departments, institutions such as The City, journalists, suppliers, key customers, intermediaries etc.

### 5.10.2 Promotional Messages.

The development of a corporate image, which will be a prime purpose of much promotion in major construction organisations, will be effected by the corporate strategy. The mission and objectives of the construction firm are likely to be reflected in the contents of messages through corporate annual reports and brochures.

Promotional messages may reflect the application of the marketing concept or philosophy; concerned with mutual satisfaction of clients (vital for survival and growth) and the organisation itself.

Outside speculative development ie. housing, promotional messages are likely to be less price based in contractual services.

The product in construction is composed of the manufacture of project types using various services. Since projects are generally one-off and custom designed the main thrust of messages will be to show how management services may be applied to future requirements in terms of time performance and quality. As with other industrial services, performance will vary depending on the project teams employed, with a consequence that clients will have difficulty in evaluating the quality of the service provided.

The information content of messages will be high given a rational rather than emotional decision making process in business-to-business promotion. Messages will need to emphasis the benefits of the service. This will demand a clear understanding of individual client need.

In the previous chapter, a number of different services were mentioned. These have certain characteristics in terms of how they effect the delivery of the end-product to the client, and who is involved in the process (53). These characteristics may be translated into promotional or selling points which may be stressed in personal and non-personal communications. For example management contractors (or construction management contractors) may stress the mutual trust established during working relationships with clients. Because the management contractor is approached at an early stage in the project life cycle than is possible under the traditional system, the contractor is able to contribute construction knowledge and managerial expertise. Lines of communication are improved and antagonistic attitudes may be reduced. The management contractor, being closely involved with the client may identify more with the clients needs (54). Other promotable characteristics are a reduced project completion period which means that clients take possession of the building earlier.

The design and build (or design and construct) firm can promote the advantage of single point responsibility and a "package" of design, contract planning, organisation and cost management service (55, 56).

As with most services their is a tangible end-product - the completed building or structure. However, since the service element is intangible clients and consultants will rely on subjective impressions and the image and reputation of the firm will assume importance. It will be necessary for firms to build a corporate personality which helps identify clients and their advisers with the firm. This also needs to be directed at subcontractors and suppliers, given the role they play, in the service performance at site level.

Following from the firm's SWOT analysis, the firm's strategic positioning comparative to its competitors and distinctive competencies may be promoted. Promotion provides a medium for the projection of the competitive advantage of the firm which may be based on product differentiation, the uniqueness of the service, on corporate brand reputation based on an accumulation of marketing efforts or established customer relationships.

A priority should be in encouraging positive word-of-mouth recommendations which may be used in future promotional messages (57), given the fact that decision makers are likely to be influenced by a number of sources beyond the control of the construction firm. This would assume great importance if the firm was attempting to execute strategies of market or product development, where the testimonies of intermediaries such as architects and quantity surveyors would be vital.

If the firm is following a diversification strategy, different messages will be required for its property, material supplier or international markets etc.

Firms may want to be seen as innovative through responding to client needs with new services or corporate organisational design (58). This could be used for promotional purposes to convey an image of a commitment to innovation in management or technology.

On-site production problems concerning the general level of management competence of contractors and the ability of subcontractors to deliver work on time and to the quality required are likely to effect the credibility of promotional messages (59).

### 5.10.3 Promotional Media Channels.

As was mentioned in chapter 4, the concept of a promotional mix being used by construction firms to communicate with their target markets has been afforded little treatment by writers (60, 61). There is little indication of the existence of different mixes across the contractual services. In industrial and services marketing, clearly there is an emphasis on personal selling and sales management, supported by a range of non-personal techniques, especially the development and maintenance of corporate image (62, 63). Recently corporate identity has been examined by construction writers who have introduced the concepts and management issues involved (64, 65).

Previous studies have observed that corporate logos and colour schemes are accepted as one of the strategies to building a corporate image with marketing audiences, although emphasis is on personal contact with architects and clients as the main route to maintaining image (66).

The main channels forming the promotional mix are advertising, publicity/public relations, sales promotion and personal selling. The various media may be categorised as either existing ie. newspaper advertising or editorial coverage in the trade press, or created ie. sales promotion, brochures, merchandising, or sales force visits or presentations (67).

Construction advertising outside speculative house building will be a combination of business-to-business and trade types. It will be aimed at the client's professional advisors. Advertising will rely less on product brand names than in consumer advertising and more on the corporate brand. Advertising needs to be coordinated with other tools of the promotional mix. Managers responsible for advertising in construction firms need to view advertising as supportive of sales.

As mentioned previously the construction firm's publics are diverse - employees, customers, shareholders, suppliers, subcontractors, government, local authorities, financial analysts, the general public, etc. For a firm to develop and maintain a good company reputation requires a planned and long-term approach to public relations. The space is free but the construction firm bears the cost of devising press release material and distribution. The types of publicity available are potentially exhaustive and may be aimed from a corporate or marketing perspective.

As mentioned under the previous section on advertising, construction firms are likely to use institutional or corporate advertising. This is where public relations may be a separate function from marketing or other promotional functions.

Other sales promotion activities include internal promotion to company staff, house journals for personnel and promotion to intermediaries. In construction these would include private presentations and entertainment of architects, quantity surveyors and others, and possibly attendance at industry exhibitions. Other sales promotion activities include brochures and giveaways, used as direct mail. Essentially these promotional tools are designed to support the sales force, to gain acceptance and cooperation from intermediaries. It is important to stress that all promotional activities need to have clearly stated objectives for measurement of their effectiveness (68).

As with other business marketing applications, personal selling or presentation will be given the highest priority by construction firms, given the nature of organisational decision making. In contrast to advertising or public relations, personal selling sets up dyadic relationship. Sales staff will be engaged in pre-selling activity ie., the generation of sales leads, compiling lists for direct mailing of its brochures and sales letters. The information gathering role will include cold-canvass calls on targets. The selling process, which may be very long given the project life cycle in construction (69), will involve representatives establishing the company's reputation, case histories of projects and relating these to the needs of the prospective client. Proposals will be presented through pre-selection procedures. After award of the contract, follow-up activity will be required to ascertain client satisfaction.

#### 5.11 THE MANAGEMENT OF PROMOTION FOR COMPETITIVE ADVANTAGE IN UK CONSTRUCTION FIRMS.

From the analysis of general theories presented previously, within the context of the competitive and marketing strategies of the firm, promotion unites the buyer and the seller. Communicating the value of the service requires information gathering on the business environment. Promotional planning concerns policies regarding how the function is organised, budgeted and controlled in a dynamic environment. This will largely be determined by the nature of the business and the reactive or proactive approach adopted.

Promotion may provide a competitive differential advantage through quality salespeople, integration with other functions, media research, publicity and advertising, and personal relationships with intermediaries and clients. Essentially, coordination of the aspects considered under the 7 S's will provide a competitive edge.

In consideration of the previous analysis, statements can be postulated about the application of promotion in construction firms;

\* Empirical evidence that firms have been slow to accept the marketing concept and to develop a function would indicate that the approach to promotion would be unsophisticated. This will be particularly true in smaller firms who will lack expertise and resources.

\* Given opportunities for differentiation under selective and negotiated tendering, firms can use their promotional efforts to provide a competitive advantage. It will be important to monitor key competitors promotional output, which will provide indication of strengths and weaknesses and future strategic moves.

\* The stage of development of the marketing function and the backgrounds and training of personnel indicates that managers will require considerable assistance from promotional agents or consultants.

\* Promotion will be associated with marketing organisation. Construction firms have been described as organisationally complex with geographically dispersed regional operating units. A regional structure requires adaptability and regular communication. It has implications for the control of promotion.

\* The firm will promote its management expertise and past projects. Those organising promotion will need to communicate with non-marketing staff who will be involved in presentation teams, events on site, attendance of exhibitions, the design of annual reports and brochures and other activities.

\* Since construction outputs may be described as both products and services, promotion may utilize techniques open to industrial products and services marketers.



\* Principle audiences for promotional messages are clients professional advisors, such as architects, engineers and quantity surveyors, given their influence on selection decisions.

\* Since services are dependent on management expertise and at operational level, organisation of subcontractors and suppliers; selection of media, messages and distribution will include these publics. Material provides an image of management, regular subcontractors and suppliers who the firm employs and activities organised that include key clients and consultants.

\* Since the contractor has no goods to distribute, the project site where the service is performed will be used to establish the firm's identity. Accommodation, plant and personnel can be presented to project an identity.

\* Key client marketing demands intense relationship-building, negotiation skills and back-up services. Market research may have its limitations in contracting, but it can obtain data on categories of client which can be used in promotional planning. The various influences on the decision process including the importance of promotional techniques relative to other sources of information, such as word-of-mouth, need to be appreciated.

\* In line with the promotion of other services there is a need for techniques which spread as well as create demand.

\* Promotional planning is applicable to the large number of smaller businesses in the industry, although they will have less resources and expertise available. Promotional activities employed will be designed to generate local publicity.

\* An emphasis on short term financial or operational matters suggests a need for management responsible for promotion to convince leadership of the importance of marketing communication. The choice of techniques and messages will reflect the conservative nature of firms and the production or financial orientation of those in control of marketing.

The research propositions are presented in the following section of this chapter. They are based on the previous analysis and construction specific statements. They will be examined for their relevance and contribution through empirical research.

#### 5.12 THE RESEARCH PROPOSITIONS.

The research propositions which are the foundations to the study are:

**Proposition 1:** The larger the construction firm, the more sophisticated the approach to the management of promotion and the more effective the promotional output.

**Proposition 2:** The promotional approaches will differ between speculative development ie. house building, and contractual services ie. project management and design and build.

**Proposition 3:** Construction firms are able to differentiate themselves through a promotional mix of activities.

**Proposition 4:** Given the importance of management in the provision of construction services, promotion would concentrate on projecting the human resource.

**Proposition 5:** Internal communication to management and staff would receive a high priority in encouraging a client orientation.

**Proposition 6:** The client and particularly professional advisors ie. architects, quantity surveyors and others will be a principal audience of promotional messages.

**Proposition 7:** Given a more sophisticated business clientele, the promotional communications of construction firms would be of less importance than word-of-mouth recommendation on selection or buying decisions.

### 5.13 SUMMARY.

The competitive and marketing strategy of the firm constitutes the core of the theory. Management decisions relating to promotional media and messages is viewed within this dynamic and competitive environment.

The management of promotion is part of the overall communications of the organisation. Other sources include the service product, the project site (or place) and price reputation.

Principal audiences are the key clients and what will be termed, their professional advisors ie. architects, quantity surveyors etc. In addition, there are other potential audiences including internal staff, regular subcontractors and suppliers who are part of the service image.

The firm's promotional messages are competing with those of their competitors and word-of-mouth from previous clients and professional advisors

Having identified the aspects of the management of promotion for competitive advantage through application of the McKinsey 7 S's framework and established communications theories to UK construction firms, the empirical research method employed within this study will now be assessed in chapter 6.

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**CHAPTER SIX:**

**RESEARCH METHODOLOGY AND STRATEGY.**

## CHAPTER SIX.

### RESEARCH METHODOLOGY AND STRATEGY

#### 6.1 INTRODUCTION.

This chapter will consider the methodology of the research. It is presented in four parts. Part one will define the samples under investigation. Part two will detail research design considerations. Part three will detail the adopted methodology and Part four will present the fieldwork conducted.

This research is directed towards theory and model building (1). The research uses a triangulation of data sources and collection methods. The results are examined for empirical generalisations and appropriate information is used to provide a theoretical model. The research is exploratory by nature. Insufficient detailed treatment of the subject applied to construction negates the possibility of a more scientific approach in terms of quantitative investigation, utilizing closed questions on well defined samples and followed by statistical analysis (2).

Although the research is directed by general propositions (as detailed in the previous chapter), in order to consolidate and build on the theory it is necessary to obtain the views of the critical actors (3) rather than depend upon a review of available theories which provide generalisations that may not reflect reality (4).

The following section will consider the samples under investigation in this research.

## 6.2 SAMPLES.

Given the subject of this research the prime source of data is UK construction firms. The research questions, related to the previous chapter and the propositions presented, are directed at those within the firms responsible for promotional activities. Analysis of promotional media and messages will include outside promotional consultants and agents, who are likely to be involved in the organisation of this function.

The audiences of promotion of construction firms are diverse (as mentioned in the previous chapter). Given the resources available, the parameters of the study will include analysis of the principal audiences - clients and their professional advisors ie. architects, quantity surveyors and other engineers who may constitute the decision making unit in selecting firms to be placed on tender lists.

Mature postgraduates with professional backgrounds within the construction industry may provide an additional source of audience data as potential recruits or as staff in subcontractor or supplier organisations.

The proceeding section will detail the considerations in the design of an effective research strategy in accessing the data sources mentioned above. The discussion will include considerations of the basic research paradigm, sampling designs and possible data collection methods.

Details of the samples discussed above are contained in section 6.4.1 page 171.

### 6.3 RESEARCH DESIGN CONSIDERATIONS.

A methodological strategy provides basic direction for the research and guidance in selecting particular methods for specific settings (5). The strategy of the research approach is translated into concise data gathering techniques, instrumentality and operationalisation (6).

There are two fundamentally different types of research (7, 8);

First, exploratory research which is essentially inductive and descriptive. Its intention is to discover the nature of the phenomenon in question. This mode is chosen because of a lack of previously developed knowledge, theory, or method which makes it difficult to construct specific hypotheses or anticipate subject responses prior to data gathering. Exploratory data is usually unstructured and qualitative in nature (9).

Second, explanatory research which is essentially deductive, intended to ascertain or verify causes and relationships between phenomena. It tends to be better suited to explaining relationships and refining theory because it focuses on cause and effect, on why known phenomena occur. Data for this type of research is usually structured and quantitative. Because of the structure, more formally controlled research strategies and statistical analysis techniques can be used to improve study reliability and conclusion validity (10).

There are two basic contrasts between the qualitative and quantitative paradigm. First, the priority accorded the perspectives of those being studied rather than the prior concerns of the researcher and second, observations in accordance with the subject's own understanding in qualitative studies (11).

### 6.3.1 Research Orientation - Qualitative Versus Quantitative.

The qualitative paradigm (12) is characterised by the following;

- \* An holistic approach in understanding the phenomenon and situation as a whole.
- \* An inductive approach without imposing pre-existing expectations on the research setting. Categories or dimensions emerge from open-ended observations.
- \* Attempts are made to understand interrelating dimensions without making prior assumptions about linear or correlative relationships.
- \* Theories are grounded within the data rather than imposed.
- \* Generalisations may emerge but the initial focus is on fully understanding individual cases before combining those unique cases.
- \* The approach is naturalistic - the researcher does not attempt to manipulate the research setting. The setting is a natural occurrence, event, relationship or interaction that has no predetermined course established by, and for, the researcher (13).
- \* It is a dynamic process.

The quantitative paradigm (14) or hypothetico-deductive (15) approach is characterised by the following;

- \* Examination of the effect certain variables have on others through systematic introduction of them into the research context.

- \* Manipulation of relationships among a few carefully selected and narrowly defined variables.
- \* Specification of the main variables before data collection. The researcher has to decide in advance what variables are expected.
- \* Attempts are made to completely control the conditions of the study by manipulating, changing or holding constant, external influencers.

#### 6.3.1.1 Breadth Versus Depth.

Qualitative methods permit the evaluation of issues in depth and detail. The data collected is not constrained by predetermined categories (16).

Quantitative methods require the use of standardised approaches so that experiences of people are linked to predetermined response categories (17). The advantage of the quantitative approach is that it is possible to measure the reactions of many subjects to a limited set of questions, thus facilitating comparison and statistical aggregation of the data.

By contrast, qualitative methods typically produce a wealth of detailed data about a much smaller number of people and cases (18).

Establishing focus comes from a review of the available theories in the literature. Guba (19) contends that reviewing the literature can bias the research and reduce openness to whatever emerges in the field. A literature search may not take place until after the research process. Or alternatively, the review may go on simultaneously with fieldwork, permitting interplay among the process of data collection, literature review and research introspection (20).

### 6.3.2 Grounded Theory.

An inductive methodology was first proposed by Glaser and Strauss (21) who asserts that researchers should seek to understand social situations with as little pre-structure as possible. Theory is generated from direct (unbiased) observations made during the course of research. In this way explanation is guaranteed to be relevant since they are taken from the immediate object of research (22). This concept of generating theory rather than applying it is seen as of assistance with new fields of research (23).

The starting point for qualitative research aimed at developing grounded theory is a transcript or field notes. The researcher engages upon a process of sifting and categorising in an attempt to develop hypothesis grounded on the data (24). The research question is a directive that leads the researcher to examine a specific performance, the site where the event occurs, or documents. It helps to focus the researcher (25).

Theoretical sensitivity (26) is the ability to recognise the importance and meaning in data. It helps to formulate theory that is faithful to the reality of the phenomena under study (27). There are two sources. First, the literature and personal experience of the researcher. Second, that which is acquired through continual interaction with the data (28). The researcher's personal bias, assumptions and patterns of thinking may block identification of significance in the data and may prevent movement from description to theoretical levels of analysis. Sensitivity is enhanced through continual questioning the data and making comparisons (29).

Theory based on data can usually not be completely refuted by more data or replaced by another theory. Since it is too intimately linked to data, it will last despite modification or reformulation (30).

The following section will consider probability and non-probability sampling designs.

### 6.3.3 Sampling.

A basic distinction is made between probability and non-probability sampling (31).

The distinguishing characteristic of probability sampling is that one can specify for each sampling unit of the population the probability that it will be included in the sample. In the simplest case, each of the units has the same probability of being included. Types of this sampling design are simple random sampling, systematic sampling, stratified sampling and cluster sampling (32).



In non-probability sampling, there is no way of specifying the probability of each unit's inclusion in the sample, and there is no assurance that every unit has some chance of being included. Types of this sampling design are convenience sampling and purposive sampling (33).

A well designed sample ensures that if a study were to be repeated on a number of different samples drawn from a given population, the findings would not differ from the population parameters by more than a specified amount. A probability sample design makes it possible to estimate the extent to which the findings based on a sample are likely to differ from what would have been found by studying the entire population. With a probability sample design it is possible to attach estimates of the population's parameters from the sample statistics.

Although accurate estimates of the population's parameters can be made only with probability samples, social scientist do employ non-probability samples (34). The major reasons for this practice are convenience and economy, which, under certain circumstances may outweigh the advantages of using probability sampling. Non-probability samples may also be used when a sampling population cannot be precisely defined and when a list of the sampling population is unavailable (35).

The following section will consider the possible data collection methods available.

#### **6.3.4 Data Collection Methods.**

Data are obtained in either formal or informal settings and involve either verbal (oral and written) or non-verbal acts or responses. Each of these data collection methods has certain advantages and limitations which will be discussed.

Three principal methods of obtaining data which relate to the analysis are ethnographic, survey and experiment (36, 37).

#### 6.3.4.1 Ethnographic.

This style of research has the advantage of naturalism but the main disadvantage is that it is time-consuming, is difficult for the researcher to practice and questionable as far as representativeness and reliability (38). For these reasons this approach was not used in this study.

#### 6.3.4.2 Survey.

Methods of personal interview include a standardised format involving direct questioning and answers, or exploratory, depth interviewing used for seeking ideas and an insight on the subject (39, 40).

Although the method is more expensive with respect to dispersal over a wide geographical area it reaches respondents in their own environment and the physical presence of the interviewer helps build mutual confidence and trust (41).

Telephone interviewing has been used in combination with mail or face-to-face interviewing techniques and usually for purposes other than gathering information from respondents (42).

The method has been found to be effective in prodding non-respondents to return questionnaires (43), arranging personal interviews and providing notice of mail questionnaires; increasing response (44) and being more effective than the prior letter (45).

A number of factors have contributed to the acceptance of this data collection method.

- \* The widespread distribution of the telephone as a medium of communication.
- \* Development of research on all aspects of conducting telephone surveys (46) which helps in improving application of this method.
- \* Lowered acceptance of traditional methods: face-to-face response rates have fallen and field costs have risen.
- \* Developments in telephone technology.

Although telephone interviewing allows only audible contact, not visual and interviews are usually much shorter, the principle advantage is that it is usually quicker than face-to-face or mail questionnaires.

Survey research by mailed questionnaire enable a large number of respondents to be approached within a short period of time. It does however require considerable planning and pre-testing to ensure understanding of wording to minimise inconsistencies, misunderstanding and bias (47).

The survey types include (48);

1. One-shot designs which collect data through one approach to a single sample of the research population. This format maybe cross sectional where only pre-identified members of the general population group are targeted, or factorial designs where pre-identification of the sample sought is not used.

2. Time series designs use either of the above methods but data is sought from randomly selected members at determined time intervals. This seeks to reveal a general trend within the population.

3. Repeated contact design is similar to the previous but members of the population questioned are the same in each case. This method determines changes in attitudes or behaviour at successive time phases or before and after an event.

#### 6.3.4.3 Exploratory Focus Groups.

Morgan and Spanish (49:p.6) define focus groups as "a qualitative method for gathering data".

This technique brings together several participants to discuss a topic. Researchers use audio tapes and transcripts as a source of data in and of themselves or as an adjunct to other forms of data collection such as informant interviewing. Focus groups provide an opportunity to encourage triangulation which will be discussed in the next section.

Calder (50) identified three different types, categorizing them according to the kind of knowledge sought:

1. Exploratory groups serve as a means of gaining insights into a previously under researched problems.
2. Clinical groups provide insights into participants' unconscious motivation.
3. Phenomenological groups give the researcher access to the participants' common sense and everyday explanations.

Fern (51) concluded that there is nothing necessarily correct about the way focus groups are conducted although Tynan and Drayton (52) provide areas of concern in this collection method.

Considerations are as follows.

- \* The preparation of an interview guide (53).
- \* The size of the groups. The recommended manageable size is between six and twelve (54).
- \* Random sampling of participants (55).
- \* Importance of age and sex of participants (56).
- \* The issue of not allowing friends (or relatives) to participate in the same groups (57).
- \* A good moderator should be genuinely interested, expressive, animated and spontaneous, having a sense of humour, emphatic, able to admit personal biases, insightful and flexible (58).
- \* The venue for the groups, seating arrangements and the positioning of a power socket for the tape recorder for the discussion period (59).
- \* Sessions may move from the general to the specific when the objective is to obtain a basic orientation to a problem. To obtain a reaction to a specific concept, say an advertisement, a reverse movement is advised (60).
- \* Two hours is the outside limit for a productive session (61).
- \* The use of tape recorders, videos etc. may inhibit respondents (62). However a skilful moderator will minimise this effect by treating the recorder routinely.
- \* Tynan and Drayton (63) posit that if findings are to have any meaning, they must be interpreted in terms of the conditions and assumptions of the investigation of which they are the outcome.

#### 6.3.4.5 Experimental.

The experimental style of research determines the cause and effect of a specific aspect under a related hypothesis within a controlled environment (64). This method is inappropriate to this study.

#### 6.3.5 Triangulation.

One important way to strengthen a study is through triangulation (65). This has variously been referred to as convergent methods, multimethod or multitrait (66).

Denzin (67) has identified four basic types of triangulation;

1. Data - use of a variety of data sources.
2. Methods - the use of multimethods to study a single problem.
3. Theory - the use of multiple perspectives to interpret a single set of data.
4. Investigator - the use of several researchers.

It is possible to achieve triangulation within a qualitative study by combining different kinds of qualitative methods. It is also possible to combine qualitative and quantitative methods (68).

Triangulation is a solution to relying too heavily on a single data source or method, thereby undermining the validity and credibility of findings because of the weakness of any single method. Purity of method is of less importance than dedication to relevant and useful information (69).

Triangulation provides researchers with several opportunities. It allows more confidence in the results. It can stimulate the creation of new methods of capturing the problem. Different viewpoints are likely to produce some elements which do not fit the theory or model. Old theories may be re-fashioned and new theories developed (70).

The main disadvantage of triangulation is that replication is difficult. The research needs to be very clearly focused theoretically and conceptually (71).

#### **6.3.6 Interpretation - Respondent Validation.**

A difficulty with the qualitative approach is that the researcher may interpret the realities of the situation in his own understanding (72). Respondent validation involves providing the subject of the study with an account of the research. Interview transcripts or descriptive reports can be fed back to check information and gain responses to check for interpreter accuracy (73). The issuing of a report on the findings of research may be a prerequisite of entry into an organisation (74). This will be discussed in a later section.

### 6.3.7 Pilot Work.

A pilot study helps ameliorate mechanical problems associated with the interview form or questionnaire ie. irrelevant matters, omission of topics that should have been included and assists in developing better approaches to the target population ie. gaining access to organisations (75).

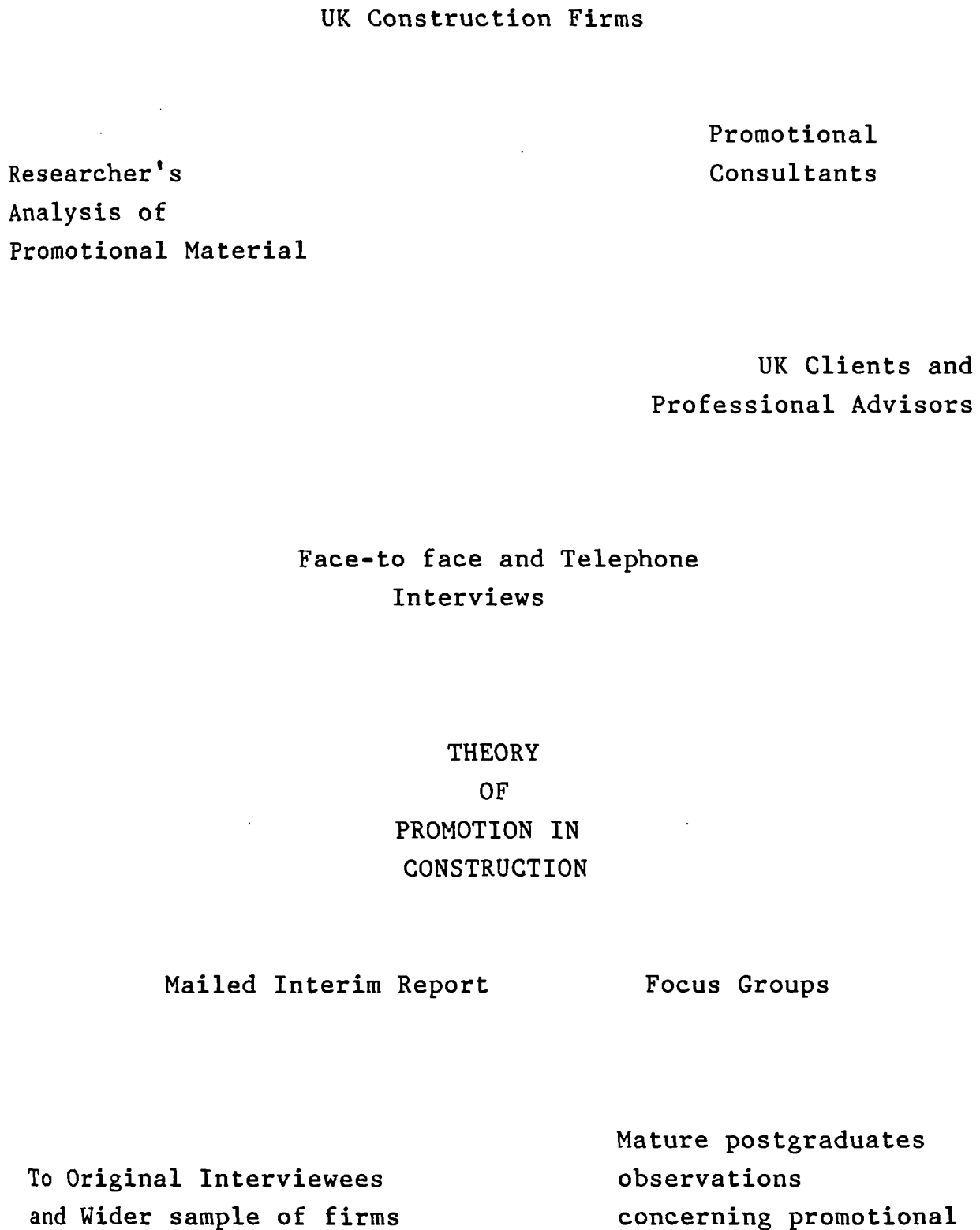
### 6.4 ADOPTION OF RESEARCH STRATEGY.

A pivotal decision in the research strategy was centred on the collection of the primary data. In considering the exploratory focus, it became clear that a qualitative approach was suitable involving an in-depth field study that would adequately profile the opinions of those involved in aspects of the study. A triangulation of data sources and methods would strengthen the reliability of the data, and a process of respondent validation would aid in the interpretation of the results.

Figure 6.5 shows the sources of empirical data obtained through interview survey and respondent validation from a carefully designed interim report, focus groups that examined the promotional output of firms ie. brochures and annual reports, and the personal observations of the researcher to a wider sample of promotional material. The choice of sample design and data collection methods will be detailed, followed by the purpose of a pilot study.



Figure 6.5 Diagrammatical Presentation Of Uses of Sources And Research Methods In The Development of Theory.



#### 6.4.1 Choice Of Sample Designs.

The essential requirements in the design of the samples was, that while not being statistically representative, they should nevertheless indicate the tenor of opinion and organisational trends across the broadest possible spectrum (76).

Two types of nonprobability sample designs were operationalized in this research. First, in the case of the construction firms and clients' professional advisors ie. architects, quantity surveyors etc. purposive samples were selected (77). The sampling units were selected that appeared to be representative of the population. A number of firms were taken from the top, middle and bottom of published lists.

Second, the sample of promotional design consultants, advertising agents or public relations consultants and major client organisations were convenience samples (78) in that they emerged as the research proceeded, from discussions with the construction firms.

Twenty five UK construction firms were selected from published lists of the top 100 UK construction firms (the source used to select the companies was the New Civil Engineer, New Builder Contractors File 1991).

Four firms refused to permit an interview. The reason in two cases was provided by company secretaries after Board deliberations over the contents of the introductory letters. In each case the reason was that senior management could not afford the time.

Twenty one firms were drawn from the top 50 (according to turnover). Four firms came from outside the top 50 (See Appendix 1. Table 1.).

As the research proceeded, construction firms suggested contacting their promotional design consultants and agents in connection with the research questions (see Appendix 1. Tables 2 and 3). A sample (N=10) was obtained, and consisted of senior representatives of consultants or agents responsible for promotional outputs ie. annual reports (N=6), brochures (N=2), advertisements (N=1), corporate identity (N=2).

A sample of 37 respondents, representing major architectural (N=7), quantity surveying (N=8), civil engineering and multi-disciplinary (N=5) consultancies; were chosen from published lists [Building Design 100 (1990), Building magazine 1991)]. See Appendix 1. Table 4.

Three architectural, two quantity surveying and five multi-disciplinary practices declined to take part in the research.

A sample of 10 major client organisations were selected. These represented water authorities, health boards, petrochemical companies, breweries, high street chain stores, banks and super markets (see Appendix 1. Table 5).

Three focus groups were recruited from the M.Sc. in Construction Management at Heriot-Watt University. Participants with industry experience in the UK only were selected. These groups discussed a sample of the promotional documentation of the construction firms in the interview survey.

Table 6.3 shows the composition of the focus groups. As may be observed the three groups were reasonably balanced.

Table 6.3 Demographics Of Each Focus Groups.

<u>Group</u>	1	2	3
Number In Group:	6	7	4
Male	6	6	3
Female	0	1	1
Average Age	31	28	26
Professional Background:			
Quantity Surveyors	4	3	2
Architects	1	1	1
Civil Engineers	0	2	1
Contracting	1	1	0

On completion of the interview surveys the next stage of the research involved an interim report forwarded to the construction firms (N=21) involved in the interview programme to gain respondent validation to the preliminary findings. The report was designed to obtain further comments or criticisms. A response rate of 52% was achieved.

To provide further validation the sample of construction firms was extended to include UK construction firms from the top 100 (according to turnover) (N=24) who were not involved in the original interview programme. A response rate of 33% was achieved.

#### 6.4.2 Choice of Data Collection Methods.

This study used a triangulation of data collection methods.

Semi-structured interviews were conducted, utilising a carefully prepared schedule of largely open-ended questions, which provided topics related to the research area but which also allowed respondents to introduce important issues (79, 80).

Personal (face-to-face) interviewing, which formed the principal data collection technique in this research strategy, was selected because of the following reasons;

1. Interviews are flexible and provide complete audible and visual contact with respondents.
2. The method gains respondent cooperation for a substantial period.
3. Non-response bias is minimised.
4. Personal interviews are quicker than mail surveys for smaller samples (81).

Telephone interviewing was also used in the research.

This study did not use a traditional mailed questionnaire survey. However, an interim report on the findings of the research was constructed to generate respondent validation (82). Strategies for increasing the response rate to the report included consideration of:

1. The reports format and order of sections (83).
2. The cover letter; identifying the sponsor of the study, its purpose and assuring anonymity.
3. Inclusion of a post-paid envelope.
4. Follow-up procedures including reminder letters or telephone calls and replacement reports (84).

This study utilised survey, both interview and respondent validation, through cross-sectional one shot methods and repeated contact design.

The use of focus groups within this study is appropriate given that its successful applications are to be found in marketing and advertising research (85). The purpose was to expose participants to a sample of the promotional documentation ie. brochures, annual reports etc. of the construction firms involved in the interview survey (N=21). Each participant was provided with a carefully designed schedule, to silently make written comments on each firm's material. This will be discussed later. This part of the session was followed by a moderated group discussion.

The planning of this element of the research involved consideration of the areas previously mentioned.

- \* An open ended interview guide was discussed at length between the researcher and supervisor before proceeding.
- \* The size of the groups were kept within the recommended maximum size of between six and twelve (86)
- \* Random samples of participants were selected from the UK postgraduates on the course.
- \* Since the focus groups were of an exploratory nature, age and sex were not seen as important issues.
- \* The issue of using friends in the same group was discounted since controlled studies have not demonstrated a definite problem (87).
- \* The moderator of the groups was the researcher's supervisor with his experience and suitable qualities.

- \* The venue for the groups was comfortable and familiar and where sessions would not be disturbed. Members were seated in full view of each other and the moderator. Space for the display of the promotional material for the first part of the exercise and the positioning of the tape recorder was of importance. A power socket was not required as the recorder was battery operated.
- \* Individual members were allowed to express their initial reactions to the sample of material they had been exposed to. The sessions then considered the total impact and more general issues.
- \* The average length of focus group in this study was 1½ hours.
- \* The use of the tape recorder was not found to be a problem in terms of inhibiting participants.

#### 6.4.3 Pilot Work.

Pilot work was conducted which would determine on a first hand basis the overall position of construction firms with regard to promotion, gain an indication of the receptiveness of firms in the industry to a study of this nature, and refine the interview form for the main study.

## 6.5 FIELDWORK.

This section will detail the fieldwork undertaken in this research, commencing with the results of the pilot program and followed by the contents of the main study.

### .5.1 The Pilot Study.

This included informal discussions with postgraduate students in connection with the research questions. Groups of students are often selected because of their accessibility and convenience. There is a question as to the generalisability and character of student responses to the so-called normal adult population (88). Mindful of this, the author selected a random sample of full-time post-graduate students (N=4) in the first phase of the piloting of an interview form. This was to check the wording and content of the questions.

The second phase of the pilot tested the revised questions on a sample of mature candidates on a distance learning programme in construction management at Heriot-Watt University (N=5). These respondents were all practising managers in the construction industry.

The interview form together with a covering letter was sent by post to ten regional construction firms. Unfortunately this produced a negative response.

The final phase of the pilot study program involved the selection of three regional construction firms, where practice interviews were effected. The three firms who agreed to cooperate were contacted by telephone following discussions with contacts within the Department of Building Engineering and Surveying, Heriot-Watt University.



The content of the survey was generally accepted by the firms although reservations were expressed about the applicability of some of the questions regarding formal organisation of the promotional function or department given the size of firms involved. These questions were seen as having more relevance when approaching larger organisations, where a more formal structure for promotional activities was necessary. The responsibility for marketing and promotion activities in the pilot firms was carried out by the managing directors (N=2) or the chairman of the firm (N=1).

In all three cases, interviewees stressed that given a background of economic recession and increased competition they saw it as important to build their company image and identity. Respondents felt that perhaps too much stress was placed on press advertising in the interview schedule. Greater emphasis should be afforded site or office based publicity, or events involving the network of contacts ie. key clients and their professional advisors.

General discussions with experienced researchers in the construction management discipline (N=5), together with the responses from phases of the study outlined previously, indicated the preferred use of semi-structured interviews rather than a mailed questionnaire survey. It was considered that given the economic climate, firms would be more responsive to a short interview rather than a time consuming questionnaire.

The problem of establishing contacts in organisations was highlighted. University staff and contacts the author had made during previous studies and preliminary stages of the research were utilized to secure interviews or comments on the interview schedule during the pilot phases.

The overriding concern of this research was that the informants should be able to give an overall picture of the approach to the subject by his or her organisation. Negotiations to secure interviews took place either directly with senior executives through carefully prepared letters of introduction or brief telephone calls outlining the purposes of the study.

The strategy adopted involved telephoning firms to acquire the names of managers responsible for promotional activities. A letter was then forwarded, explaining the basic themes of the study and requesting an interview.

The introductory letter was mimeographed on Heriot-Watt University departmental headed note paper and included reference to the research co-ordinator to give authority to the study. A sample can be found in Appendix 2 Item 1.

The recommendations of Alreck and Settle (89) were followed in that respondents are more likely to react to a letter that is addressed directly to them. The letter was of a business style and format - the vocabulary and sentence structure was kept within the limits of comprehension of the least sophisticated recipient.

Clear explanation about the intention of the investigation and a preparedness to deal with the firms' reservations and worries (such as how the information will be used and confidentiality) were seen as essential. This was pronounced in all communications with potential and actual respondents. The anonymity of all contributors was stressed in introductory letters and at the commencement of all interviews.

As was mentioned in the earlier discussion on interpretation, Buchanan et al (90) advocate the provision of a report to encourage access. It is also reported that organizations are taking the initiative in this regard requesting a report on the findings of research carried out (91).

The strategy of offering a report to those who were to contribute to the study was, from the outset, given considerable emphasis, particularly in the light of the need for respondent validation.

The following section will describe the contents of the interview schedules used for each of the elements of the research.

#### 6.5.2 Main Study.

In Chapter 5, the McKinsey Seven S's model (92, 93, 94) was applied to the management processes and techniques of promotion in construction firms. This forms the core framework of analysis for the study, providing broad themes. Interview schedules were developed on the basis of this synthesis of general and applied theories. These were guides to the researcher to explore during face-to-face and telephone interviews. The specific questions may be found in Appendix 3. Items 1-4.

The main themes, having been discussed at length during the pilot programme are detailed as follows. (The responses for each of the components of the research are summarised within Appendix 4. Tables 1-9)

### 6.5.2.1 Construction Firms and Promotional Design Consultants and Agents.

Interviews with UK construction firms would first, establish the identity and management duties of those responsible for promotion, and the organisation of the function including the employment of promotional design consultants, advertising agents and public relations consultants.

Second, the interviews would examine promotional objectives, the relative importance of various channels or media, target audiences and intended promotional messages. Tables were constructed from the responses to the interview questions with the construction firms (See Appendix 4. Tables 1-6).

Interviews held with promotional consultants and agents were to provide a further insight into the promotional organisation and processes.

### 6.5.2.2 Promotional Audiences: Client Organisation and Professional Advisors.

To avoid confusion with the use of the word consultant in referring to promotional design consultants or public relations consultants, the term professional advisor is used to refer to architects, quantity surveyors and engineers, who have influence over the selection of construction firms to carry out work for clients.

Interviews were a survey of the perceptions and overall impressions of those concerned with the procurement of construction services, of the promotional efforts of construction firms.

This involved identifying the general criteria used in selecting firms and sources of influence including the relative importance of the construction firms promotional efforts. The survey also identified what audiences were looking for in promotional material such as direct mail brochures or other literature.

#### 6.5.2.3 Focus Groups.

Each participant was provided with a carefully designed form to make comments on each piece of promotional literature (see Appendix 3 Item 3.)

An open-ended interview guide was developed during lengthy discussions between the researcher and moderator. It was agreed that participants would be given the opportunity to give their impressions with as little prompting as possible (see Appendix 3 Item 4.). Tables were constructed from the responses to the focus group schedule (Appendix 4. Tables 7-9).

#### 6.5.2.4 Interim Report For Respondent Validation.

A process of respondent validation, as already mentioned, was established through the feed-back of a report on the interim findings of the various elements of the research (see Appendix 2 Item 2.).

This involved the presentation of the main themes emergent from the interviews. Considerable opportunity was provided for respondents to comment on the statements made in the report, with space allocated throughout the document for relevant criticism. A separate chapter details the responses to the largely descriptive report.

#### **6.5.2.5 Researchers Analysis Of Promotional Documentation.**

It was apparent from the pilot program, as previously detailed, that promotional material was being used widely as an attempt to inform and persuade the market of the existence and offerings of construction firms.

The researcher assembled a sample of the promotional documentation by contacting firms by letter or telephone and requesting corporate or promotional material from the divisions or subsidiaries. Material obtained from the construction firms who had taken part in the interview programme was used during the focus groups. To check the representativeness of this material the wider sample of material was drawn from the top 100 firms (according to turnover).

#### **6.6 Data Analysis.**

The traditional approach is to organise, structure and conceptualize data at a late stage of the data collection process (95, 96). However, data analysis in qualitative field research is mainly ongoing (97). Patterns that emerged from the numerous observations made during the field work stage were established from tables as detailed previously (98). Descriptive statements were provided in the form of an interim report. The validity of these statements were tested through feeding back the preliminary findings to the construction firms.

The researcher's analysis of promotional documents involved a similar process as the focus groups, although the sample of material was larger and more time was available for detailed observations on each firm's material. The researcher made written comments on his impressions of the overall design and presentation, contents of photographs and other illustrations and any key words, phrases or themes which were prominent.

## 6.7 SUMMARY.

This chapter has detailed the methodology of the research. The primary purpose is to gain an insight to a previously under researched phenomena in construction. To achieve this, the focus is on depth and detail from a relatively small number of subjects.

The units of analysis are individuals, groups and organisations. Sampling is nonprobablistic. The research entails the collection of qualitative data through interviews with key informants. This study is concerned with establishing interpretations in the subjects own terms, rather than imposing predetermined dimensions.

The principal data gathering techniques were outlined. The prime sources were from face-to-face and telephone interviewing. The study also used exploratory focus groups and a mailed interim report to gain respondent validation to the findings of the research. A triangulation approach was used to promote confidence in the results.

Analysis of the qualitative data generated is non-statistical. Themes were allowed to emerge from interview field notes and written responses.

The chapter detailed pilot work conducted prior to the main survey, the contents of the interview schedules and approaches to different aspects of the study. The issues addressed included logistical problems concerning organisational research, namely, gaining access to firms and documents and ethical issues concerning matters of confidentiality.

The following chapters 7 to 10 will detail the results of the interviews with UK construction firms, promotional design consultants and agents, client organisations and professional advisors and the exploratory focus groups.

Chapter 11 will detail the responses to the interim report on the preliminary results as detailed in the previous chapters.

Chapter 12 will present the results of the researcher's analysis of promotional documentation of UK construction firms.

Chapter 13 will provide an analysis and discussion of the results of the research and the contribution of the research propositions.

Chapter 14 will present the development of a proposed model of promotional management for competitive advantage in UK construction firms, and assess its applicability under the different service products offered by the modern construction firm.

Chapter 15 will present the final conclusions to the study and suggest further areas for research.



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PART TWO:

RESULTS

AND

EMPIRICAL ANALYSIS.

**CHAPTER SEVEN:**

**RESULTS: UK CONSTRUCTION FIRMS.**

## CHAPTER SEVEN.

### RESULTS: MAJOR UK CONSTRUCTION FIRMS

#### 7.1 INTRODUCTION.

The purpose of this element of the research was to establish the management processes and techniques involved in the promotion of UK construction firms. The sample consisted of twenty one firms.

#### 7.2 PROMOTIONAL ORGANISATION.

The following section will establish the job titles, main responsibilities and managerial levels of the interviewees. Appendix 4. Table 1: Promotional Organisation, outlines the responses of the informants from each of the construction firms to the above areas.

##### 7.2.1 Job Titles

The respondents to the investigation had a wide variety of job titles. Ten of the interviewees were part of the marketing function of their firms. Their job titles are detailed in Table 7.4. Ten represented public or media relations functions and one was the assistant to the Chairman of the Board. Their job titles are shown in Table 7.5.



Table 7.4 Titles of Respondents: Marketing.

<u>Job Title of Respondent</u>	N=
Marketing assistant	1
Marketing manager	3
Marketing and sales director	1
Marketing services manager	1
Divisional marketing manager	1
Marketing director	2
Marketing executive	1
Sales manager	1

Table 7.5 Titles of Respondents: Public or Media Relations.

<u>Job Title of Respondent</u>	N=
Director responsible for public relations	1
Head of public relations	3
Group publications manager	1
Group public relations officer	1
Group p.r and publications co-ordinator	1
Group information officer	1
Director Of Corporate Communications	1

### 7.2.2 Managerial Level.

Eight respondents were at divisional level within their firms. Fourteen were at the group or corporate level.

### 7.2.3 Main Responsibilities.

The responsibilities of marketing or sales staff in regional divisions are listed in Table 7.6.

Table 7.6 Main Responsibilities of Respondents: Marketing or Sales Functions.

<u>Main Responsibilities</u>	N=
Identifying and securing opportunities to tender through personal contacts	6
Organising sales presentations	6
Organisation of local publicity	3
Press releases	4
Production of promotional literature	4
Advertising in local newspapers	5

Little emphasis was placed on market research. In some cases this was described as adhoc (N=3), and it was implied that management did not have enough time to devote to more systematic desk research.

In a number of the firms separate service departments have been established (N=7). (See Appendix 4. Table 2: Promotional Organisation. This table includes references made to internal functions concerned with marketing, public relations or promotional efforts. )

These other departments come under a variety of titles including public relations department, press office, group communications department, corporate communications, press department, group marketing services, group public relations executive. The main responsibilities are detailed in Table 7.7.

**Table 7.7 Main Responsibilities of Respondents: Marketing Services Functions.**

<u>Main Responsibilities</u>	N=
Production of annual reports	8
Promotional material	4
Internal communications (newspapers or in-house magazines)	6
Group or corporate press releases	4
Corporate advertising	3

### **7.3 USE OF PROMOTIONAL CONSULTANTS OR AGENTS.**

Appendix 4. Table 2: Promotional Organisation, in addition to detailing the existence of internal functions concerned with the promotional output of firms, also details the responses of the informants concerning any use of agents or consultants.

Table 7.8 shows the number of firms who reported frequent use of consultants or agents for various promotional channels. Many indicated that they had used consultants or agents in the past, particularly for brochures or advertisements and more recently for changes to company logos.

Table 7.8 Use Of Promotional Consultants or Agents.

<u>Promotional Channel</u>	N=
Annual Reports	10
Promotional Literature	7
Public or Media Relations	3
Advertising	5
Corporate Identity	3
Market Research	4

#### 7.4 THE PROMOTIONAL OBJECTIVES OF CONSTRUCTION FIRMS AND MAIN TARGET AUDIENCES.

Promotional channels appeared to be directed at a wide range of audiences. The main promotional objective of the construction firms in the sample appeared to be general to increase awareness and encourage interest among potential clients through communication of the firm's visual corporate identity ie. name or logo, and reputation-building publicity.

A number of companies (N=4) indicated that certain specialist services such as management contracting or design and build were investing in market and media research to support promotional efforts, perhaps indicating that clearer and more defined objectives were being developed.

Public companies (N=14) used promotional channels to attract interest and investment from the financial world and to communicate with shareholders.

#### 7.5 RESEARCH TO SUPPORT PROMOTION.

Appendix 4. Table 3: Research To Support Promotion details the responses of informants concerning any research that their firms carry out to help achieve their promotional objectives. In the main, this entailed research into their corporate image for the purpose of making improvements to their visual corporate identity.

Very few firms (N=4) indicated that they formally monitored their competitors promotional output.

#### 7.6 PROMOTIONAL CHANNELS USED AND THEIR RELATIVE IMPORTANCE IN THE PROMOTIONAL MIX.

Although all respondents emphasised the importance of personal selling as the most effective method of securing opportunities to tender in contracting, it was acknowledged that non-personal promotional channels were required to reinforce the sales messages.

Promotional literature, including increasingly annual reports and accounts (N=10), were being used for direct mail purposes, as accompaniments to submission documents, or in pre-selection interviews or presentations to clients or their professional advisors.

Advertising in mass media ie. national press, received little support due to its high cost, apart from where the objective was recruitment through the trade press, to increase awareness in the City, through the Financial Times, or if there had been major changes to the organisational structure or corporate identity of the firm. Broadcast media such as radio or television, with its mass audiences were seen only to be applicable to speculative house building, although even then the high costs and lack of targeting were seen as main deterrents.

Free editorials or publicity through press releases and other site or office based activities were seen generally to be more important by all interviewees.

The corporate identity and image of major construction firms was the theme which dominated the discussions with all respondents. Although, in the main, the smaller companies tended to be the least sophisticated where this was concerned, only making reference to their logo or colours. Even amongst this group respondents recognised the need to gain and maintain visibility with their prospective clients and were conscious of the importance of company image and reputation.

#### 7.6.1 Promotional Channels Used.

The following section will present the results under the main headings as identified in the interview schedule. The order in which they are presented to some extent reflects the emphasis generally placed on the subjects by respondents.

### 7.6.1.1 Corporate Identity.

Most firms in the sample (N=19) made reference to the application of the firm's logo or colours to stationary, vehicle livery, and promotional literature and advertisements. The most frequently emphasised use of the visual corporate identity was the construction site; in particular, hoardings.

Two respondents made reference to safety helmets and other protective clothing carrying the firms logo and colours.

One interviewee asserted that the introduction of a more formalized corporate identity had noticeably improved morale on site and throughout the firm.

Only a small number (N=3) of companies indicated formal policies with regard to reception areas of corporate offices and the presentation of receptionists in corporate clothing. Two firms saw the need for what was called a parochial approach to autonomous regions or divisions, devolving responsibility for these issues to local management. This was particularly the case with regard to Scotland and Wales.

Most construction firms (N=19) represented in the sample, have corporate identity design manuals which regulate the application of logos and colour codes to stationary, vehicle livery, site hoardings, protective clothing etc.

A number of firms (N=10) had, or were in the process of reviewing their manuals as part of wider research into their identity and image. Seven were, or have recently been engaged in in-depth studies including external audiences ie. clients, subcontractors, suppliers, and consultants and internal audiences ie. employees through attitude surveys, interviews etc. Only a small number (N=2) indicated that this was an on-going concern.

A number of firms (N=3) in the sample were only concerned with the design or visual aspects of corporate identity ie. alterations to logos etc. In the present economic climate there was reluctance in those firms to invest in more thorough investigation.

One company in the sample highlighted the difficulty in applying a corporate identity in a company which has subsidiaries which manufacture branded products. It would appear that it is not always appropriate or indeed advantageous to associate the corporate name when selling to possible competitors of other Group companies.

An indication was provided by a few companies (N=3) of the importance of involving marketing or sales staff in changes to their identity. This is particularly true with regard to alterations to promotional literature used as aids to selling.

#### 7.6.1.2 Publicity.

All firms agreed that the most effective promotion in general contracting was free editorials or press releases made to the editors of the construction or local press. Media specifically mentioned were Building magazine (N=2), New Builder, Construction News (N=3), Project Scotland, Contractors Journal and Construction Weekly. One respondent mentioned that his firm sent press releases to about forty professional and business journals. Many respondents mentioned the inclusion of material to support supplements in newspapers.

Press releases were mainly used to publicise firms' prestigious clients, the acquiring of major contracts or commencement or completion of projects. A number of respondents (N=5) placed considerable emphasis on the use of on-site ceremonies.



Public companies emphasised the announcement of results and reports.

A small number of interviewees (N=2) raised the issue of the value of nationally/internationally known personalities in their strategic leadership ie. the appointment of a firm's directors to prominent positions in professional bodies.

#### 7.6.1.3 Use Of Promotional Literature.

Appendix 4. Table 4: Corporate/Promotional Literature details the responses of informants under this heading.

A small number of respondents (N=3) expressed their reservations over the effectiveness of direct mail, emphasising the difficulty in targeting such packages in consultant or client organisations.

Corporate annual reports have increasingly been utilized by firms as multi-purpose documents to communicate to marketing audiences, employees and others in addition to shareholders (N=10).

One private firm in the sample is using annual reports, including accounts, to demonstrate financial stability and perhaps to give the impression of size and status. Two other private firms indicated that they had either decided to produce an annual report or were considering this as a future development.

#### 7.6.1.4 Advertising.

Appendix 4. Table 5: Advertising - National or Trade Print details the responses of informants under this heading.

There was overall consensus (N=18) in support of limited corporate advertising campaigns in the press, linked to changes to corporate identity (N=1) or to announce financial results on a half yearly or annual basis (N=3). Three firms indicated that they had been involved in this recently.

National newspapers were seen as appropriate for occasional corporate advertising, but in general they proved to be too expensive and the wide coverage and readership was in most cases inappropriate other than in large scale house building. Comments were made by one firm, that they did not believe their client base was large enough to warrant major campaigns.

The advertising of specific services in printed media are not seen as being effective other than in housing, where a considerable financial commitment was indicated. One firm was, however, involved in an advertising campaign for its design and build division. Another indicated that it had ran a campaign to promote its new environmental division. Overall, media advertising was only used occasionally when prestigious contracts had been completed.

All firms appeared to agree that it was impractical and inappropriate to pre-test advertisements in printed media due to the nature of the product or service, with the possible exception of large scale house building, where it may be possible to take a sample of customers and gauge the potential effectiveness of advertisements.

Indication was given as to the importance of media buying (N=5); the selection of the most appropriate and cost-effective medium eg. magazines, newspapers etc. This function may be carried out in-house or through advertising or other agencies.

One firm mentioned that they had used regional television and radio advertising for their housing division, which again proved to be very expensive and therefore was discontinued.

#### 7.6.1.5. Personal Selling.

##### 7.6.1.5.1 Professional Backgrounds And Qualifications Of Salespeople.

The general picture from the responses to the question indicated that construction firms employ personnel with construction industry professional status (CIOB, RICS etc.), technical/managerial backgrounds and with experience in marketing/sales in the construction industry.

Only two firms indicated that their staff had professional marketing qualifications or with marketing/sales experience outside the construction industry.

##### 7.6.1.5.2 Composition Of Pre-selection Interview Or Presentation Teams.

The survey showed that marketing or sales personnel seemed to be acting in a supportive or service role to presentation teams which appeared to be composed mainly of technical directors or senior contracts management, quantity surveyors, estimators, planners and occasionally site managers who were likely to be responsible for the project.

Marketing executives were occasionally involved in making general presentations, perhaps to clients not previously worked with.

#### 7.6.1.5.3 Training Of Presentation Teams.

The responses to the survey indicated that internal training courses included public speaking (N=3) communication and presentation skills (N=3), role playing exercises (N=3) and dry runs (N=1). Very few firms (N=2) mentioned external courses.

#### 7.6.1.5.4 Types Of Selling Aids Used In Presentations.

The following selling aids were specifically mentioned as being used in presentations; videos (N=6) brochures (N=11) annual reports (N=6). Other aids included Project/Fact sheets (N=2), graphs and drawings (N=1), slides (N=2) over-head projector slides (N=2), flip charts (N=1). One firm mentioned the use of summary CV's of relevant staff.

#### 7.6.1.6 Sales Promotion.

Corporate responsibility is often little more than gifts to charities, but a number of firms demonstrate interests in social causes, sponsorship or educational projects in connection with colleges or universities (N=9). However this is not the general picture.

Eleven construction firms indicated limited sponsorship. Eight specifically mentioned their commitment to events or activities associated with clients, potential clients (N=1), local charities (N=3), local community projects (N=3), the arts (N=1). One firm linked sponsorship of local youth activities to encouraging identification with the company and industry.

In the case of general contracting, few firms (N=2) saw any advantage in attending exhibitions and these were confined to the attendance of closed exhibitions, not open to the general public, where the communication can be most readily targeted.

Most firms indicated that they produced a wide variety of giveaways used in direct mail packages, personal presentations to clients or consultants and over the whole gamut of corporate and public relations activities. These included umbrellas, diaries, safety helmets, ties, scarves, car stickers etc.

#### 7.6.1.7 Other Promotional Efforts.

A small number of firms (N=5) indicated more specialised advertising ie. posters at airports (N=2) and mobile advertising on taxis (N=3).

#### 7.6.1.8 Internal Communication.

Internal communications such as magazines, newspapers etc. are widely made available to clients and others as part of direct mail packages (N=7). These are generally produced through public relations departments or some central function (see previous discussion). In one firm this was called a communications department.

## 7.7 PROMOTIONAL MIXES AND MESSAGES UNDER DIFFERENT SERVICES.

Some indication of the relative importance of the main media channels under the various management and design services were provided by interviewees although the most significant difference was between the contractual services and speculative housebuilding.

### 7.7.1 General Contracting.

The traditional approach to obtaining work in general contracting results in the dominance of personal selling approaches combined with the use of documentation, the main objective being to present the firm to professionals ie. architects, quantity surveyors etc., in order to be included on tender lists. Given this, other promotional channels were perceived to be less effective because of their general nature.

### 7.7.2 Design And Build, Management Contracting And Other Services.

In the case of design and build and management contracting, the priority is to promote the company image in terms of its ability to provide design and/or management services. Print media and direct mail were seen to be more effective than in general contracting, particularly when firms were launching new services.

### 7.7.3 House Building.

Housebuilding divisions or subsidiaries (only one firm in the sample was a speculative housebuilder exclusively), indicated that given that they were aiming their efforts at segments of the general public rather than construction professionals or corporate clients, the more general categories such as print media and broadcast channels were perceived as being more effective than under the other three services.

### 7.8 INTENDED PROMOTIONAL MESSAGES.

Appendix 4. Table 6: Intended Promotional Messages details the responses of informants under this heading. Eleven firms made comments concerning their firm's strategy towards the development of promotional messages.

Respondents commented that it is performance, together with the quality of the team that gets firms on to tender lists and that contractors are judged alongside their competitors by reputation. As will be made clear, these themes of performance, quality and reputation were found to dominate the responses to this interview question.

One firm commented that it was easier to develop a promotional message in housebuilding than in contracting, where essentially the company was building to the client's requirements in the case of the latter.

A number of firms commented on the difficulties of providing unique selling positions or points in promotional messages (N=3).

One firm asserted the need for a thorough knowledge of the work and resources of the organisation and creativity to continually try to devise new ways of providing the service.

Another respondent remarked that it was important to monitor competitors and be one step ahead to be able to differentiate the offering.

Five firms indicated that they were experiencing problems with their corporate image.

One firm revealed that as a traditional contractor it had been slow to apply a planned approach to public relations or marketing which resulted in an uncoordinated and sometimes confused overall promotional message. Another stated that her firm had an image problem in that the firm was perceived differently throughout the regions.

#### 7.8.1 Themes Emerging From The Responses.

A number of general themes emerged from the responses. These may be stated as follows. (The numbers in brackets refers to the number of firms who indicated that this was a component or the basis of their intended promotional message.)

- \* Quality of construction work, the service provided or professionalism of the management team (N=14). Two firms made reference to personalised services.
- \* Culture or style of the firm, emphasising the values of the corporate leaders ie. chairman or chief executive officers, the ethos or philosophy of the organisation (N=10). Three firms referred to a family ethos or orientation.



- \* Management and people of the firm, emphasising the experience and level of training and development of the management team; providing an indication of the firm's commitment to its human resource (N=10).
- \* Established reputation of the firm emphasising its long history (N=7).
- \* Technical competence, performance and capabilities of the firm (N=5). Two firms mentioned their commitment to get jobs done on time and to budget or to give the client what he wants, when he wants it and at a reasonable price.
- \* Wider concerns, demonstrating a conscience concerning the environment and communities in which the firm operates (N=5). One firm mentioned a policy concerning the safety of employees and the general public.
- \* Output of the firm ie. products and services. For example building, civil engineering, design and build services etc. (N=3).
- \* Business resources of the firm indicating its financial stability and corporate backing (N=3). One firm emphasised the resources and status of its European corporate parent.
- \* Innovation within the firm (N=2).

The following section will detail issues considered to be important by respondents concerned with the need to monitor the consistency and quality of the promotional output, the provision of public relations functions and the application of promotion in smaller firms.

## 7.9 ISSUES IDENTIFIED BY RESPONDENTS.

The following sections will detail additional points which emerged through the interviews with construction firms.

### 7.9.1 Monitoring Of Promotional Output.

Many firms (N=14) exercise some form of control over the quality and consistency of promotional material, with regard to corporate identity and image, with the provision of departments either to produce material in-house (N=1) or through agencies appointed centrally (N=12).

In two firms all the promotional output for Group companies was produced by single agencies. The reason for this was mainly due to the lack of in-house skills in the area. Also one respondent stated it was more flexible to have an outside public relations agency, so that if promotion or press relations had to be scaled down this would not lead to internal job losses.

Eight firms would not appear to have a clearly defined policy for monitoring or controlling the quality and consistency of promotional output. This was due to the fact that autonomous divisions or subsidiaries make separate arrangements for the design and production of marketing material through local agencies and no function exists at the centre to police the promotional output.

### 7.9.2 The Public Or Media Relations Function.

Public relations has possibly been afforded a higher profile in construction firms. In most companies (N=16) it is carried out through the marketing/sales function, although there would appear to be a trend in recent years for public relations functions to be developed separately. In particular, at the corporate or group level.

In a number of cases (N=5) public relations is responsible for the management, control and coordination of promotional material but its main function would appear to be press relations. Generally, public relations would seem to report to the finance directorate and be responsible for the production of annual reports and accounts and shareholder relations.

### 7.9.3 Smaller Firms.

One respondent outside the top 50 asserted that small firms often had great difficulty in exciting interest from the national trade or construction press due to their firm and leadership lacking a national/international profile. Much of their publicity related to coverage of projects in local newspapers and local image building through site or office based publicity events.

## 7.10 SUMMARY.

A number of respondents made reference to the fact that the construction firms had become more concerned with the need to market or promote themselves, given increased competition and the development of new construction design and management services. Because of a lack of skills in this field, extensive use of consultants and agents was reported.

A recurring topic during the interviews was the deep recession effecting the industry. Respondents indicated that cuts had been made in promotional budgets.

Just under half the construction firms in the sample had recently or were currently involved in research into their corporate image and identity, which appears to be as a result of a combination of strategic changes to organisational structure, a desire to become global concerns or outgrowing their previous image.

It would appear that formalized research to establish the needs of clients or the effectiveness of promotional activities is not carried out by construction firms, possibly with the exception of house builders.

Interviews revealed that the most important element of the promotional mix, as perceived by those responsible for promotion in major UK construction firms, across the contractual services offered, was personal channels ie. contacts (or networks) and salesmanship. A main objective of promotion was the securing of opportunities for the firm to attend pre-selection interviews or make presentations to prospective clients and their consultants.

There would appear to be a movement towards the development of public relations departments in construction firms to plan and coordinate publicity and manage the production of promotional material, press relations and events; although publicity is generally seen as part of the marketing function.

Most construction firms commented on the value of corporate entertainment and events on site or in the office as a means of promoting their name and services. The project site is seen as an important promotional medium that firms can use.

It was generally agreed that largely because of its expense, corporate national or trade print advertising was not cost effective when applied to general contractual services. For this kind of work firms agreed that publicity, through editorials in the trade or construction press was preferred.

A consensus of opinion from the construction firms indicated two of the main purposes of advertising were first, corporate - linked to changes in corporate identity, attracting investment, and second, advertising of speculative housebuilding or the introduction of new design and/or management services.

Considerable emphasis was placed on the contents of promotional or direct-mail packages, including corporate annual reports, seen increasingly by firms as multi-purpose documents and being aimed at a wide range of audiences; shareholders, personnel, potential recruits, financial analysts, etc. Some reservations were expressed at the effectiveness of direct mail. The lack of time afforded desk research in establishing the targets for this information within the consultant or client organisation may be a cause of the problem, together with the lack of differentiated contents of such mail shots which may be failing to achieve the desired effects.

A small number of firms indicated the use of posters on public transport, such as taxis in major cities, to communicate their name. However, it was indicated that such campaigns require careful targeting to achieve the best results.

The importance of making internal documentation, such as house journals or newspapers available for external audiences to provide a more rounded view of firms was emphasised.

Most respondents found it difficult to articulate the intended promotional messages or any unique selling points. However three main themes; performance, quality and reputation were emphasised by respondents. Considerable emphasis was placed on the need to promote a strong and identifiable corporate image.

The following chapter will present the results of the interviews with promotional design consultants and agents.

**CHAPTER EIGHT:**

**RESULTS: PROMOTIONAL DESIGN CONSULTANTS AND AGENTS.**

## CHAPTER EIGHT.

### RESULTS: PROMOTIONAL DESIGN CONSULTANTS AND AGENTS.

#### 8.1 INTRODUCTION.

The purpose of this element of the study was to gain a further insight into the organisation of promotion in UK construction firms.

The sample comprised consultants/agents (N=10) currently serving construction firms in the above sample. A small number (N=2) also work (or have worked) for other small to medium sized firms in the construction industry. One design consultant currently works for a major construction firm outside the sample.

Appendix 1 Table 3. : Details Of Promotional Design Consultants/Agents indicates the work carried out by the consultants or agents for their construction firm clients and clients outside the construction industry, where relevant.

The respondents were not exclusively business-to-business or industrial agencies but had experience in a variety of industries.



## 8.2 SALIENT THEMES EMERGING FROM THE INTERVIEWS.

A number of themes emerged from the discussions. These concerned the differences in approach to the promotion of construction service products and consumer goods or services. Although respondents generally agreed that the principles of marketing were the same, a number of reasons were put forward for differences in practical application. These included;

1. The complexity and speciality of construction products and services. Agency executives immersed in consumer goods would have difficulty understanding their client's language and interpreting it into believable selling arguments.
2. The different media. Consumer market experience in relation to television, newspapers or posters is of little advantage when a broad knowledge of technical journals, literature, direct mail etc is required. A further limitation was that whereas in consumer media planning, research data on the market is used, in construction marketing there is a lack of information available. This was seen to demand an emphasis on actual experience of business-to-business markets.
3. Promotional budgets are relatively lower than in consumer industries.

Respondents across the sample (N=9) emphasised the importance of planning, which requires an intimate knowledge of the market place. In construction, the purchasing decision was seen to be the responsibility of many individuals and groups within the client organisation, together with external consultants such as architects and engineers. This requires promotional agents to have an in-depth knowledge of the industry and how it operates. The motives to purchase are different. Objectives are rational and the buying team is in a position to evaluate fully and at length the reputation and performance of a firm and its services.

The total number of prospective customers of construction firms may be hundreds and the value of the transaction may be of considerable importance to the firm. All these factors were seen as important in the planning of promotional activities and campaigns.

The match of the media to the market was seen as highly specialised, given that managers in the decision making unit (D.M.U) were likely to have completely different functions. What was seen to be required was a precise targeting to ensure that messages get through to the right people. Agencies required sufficient knowledge and experience to ensure the most effective media mix, having regard to the strengths and weaknesses of each media, which will range from trade and technical journals, management magazines, institute publications, sales literature, direct mail, seminars, sales aids, private exhibitions, additional visual materials, editorial publicity etc.

The promotional consultants and agents gave further indication of the objectives of promotion of construction firms. Rather than being to secure an increase in sales, the objective was seen to be to supply technical information and generate enquiries. This may be followed up by mail, telephone or personal calling, which may lead to a presentation.

Consultants stressed a need for intelligence data to support their work. They stressed a need for access to the construction firms' data in providing effective communication solutions. Strategic research was seen as essential in promotion and advertising objectives, which defined market needs, target audiences and competitive benefits to be communicated. Consultants asserted that if campaigns proved to be unsuccessful it was due to poor briefing from the outset.

Creative development of promotion relies on construction firms knowing their clients and those with whom they wish to communicate. This places emphasis on feedback from the field sales representatives.

Media research may use standard publications such as the British Rate and Data (BRAD) on specific publications, although little detailed information was given on the use of any sources by construction firms specifically.

The consultants in the sample asserted that they could provide a number of basic services, which if used to their full could provide a competitive edge for their construction firm clients. These included marketing expertise which was seen to be lacking, creativity in producing design solutions, buying power with regard to media space and broad experience in media planning and negotiating the best price, independence of advice, uninhibited by historical or personal constraints and the quality of agency staff in all fields.

### 8.2.1 Pre-occupation With Cost.

Whilst many construction firms are prepared to invest in appointing consultants or agents in the design of annual reports and other promotional literature, there would appear to be a tendency to become preoccupied with the cost of production and show a distinct reluctance to produce innovative solutions, which may provide a more exciting and differentiating approach.

Consultants found difficulties in convincing their construction firm clients as to the time (or costs) involved in producing even the most elementary trade adverts or sales brochures.

### 8.2.2 Lack Of Strategic Leadership Involvement.

The consultants also emphasised the need for the involvement of strategic leaders and senior management with authority in the promotional process in order to gain the co-operation of the senior management of divisions. This was particularly important with regard to corporate annual reports or general brochures to be used as multi-purpose marketing or sales documents across the diverse range of services / subsidiaries of firms.

The importance of the annual report as being part of the strategic management process was stressed by design consultants, although they were unsure as to whether this was fully appreciated by construction firms. A number of consultants implied that less time was spent on producing reports and that chairman or chief executives in construction were not fully committed to this task, as compared with other firms in other industries.

Where companies are demonstrating an effort to manage promotion more effectively, it would appear to be as a result of the direct involvement of high profile leadership, especially chairmen or chief executives.

### 8.2.3 Design Of Promotional Output.

Annual report design consultants (N=5) have indicated that construction firms tend to be very conservative and cautious with regard to the design of reports. They commented on the resistance of construction firms to include images of people or management and clear themes or messages in reports or brochures.

### 8.2.4 Copy Of Promotional Output.

Promotional design consultants (N=2) asserted that sections included in the narrative concerning personnel were possibly only token gestures.

Design consultants (N=2) implied that statements on corporate mission or objectives may be at their instigation rather than from the strategic management of the construction firms. Firms would appear to indicate only the briefest economic objectives, such as the business that they are in, quality and profits. Few included wider issues such as the environment or other social concerns which may help in differentiating them from their competitors.

### 8.2.5 Internal Communication.

Corporate identity and image consultants (N=2) asserted the need for internal communication ie. newspapers, magazines to be used to reinforce alterations to the identity of a company and to gain support for the changes from employees. Major construction firms were considered to be less advanced in their use of internal material than firms in other industries.

### 8.2.6 More Effective Use of Services.

Consultants and agents generally considered that greater and more effective use could be made of their services if closer client/agency relationships could be forged. It was made clear in a number of interviews (N=4) that difficulties were experienced in establishing professional working relationships due to a lack of appreciation on the part of the construction firms of marketing principles and the possible role of promotional activities. Many of the problems concerned inadequate briefing and the fact that firms had little idea of what they hoped to achieve and how it fitted into the total strategic and marketing approach of the firm.

### 8.3 SUMMARY.

The results from the promotional design consultants and agents have identified two points with regard to the organisation for promotion of major UK construction firms.

First, there is a need for a more thorough approach to the planning of promotional activities, especially, important corporate and promotional documentation such as the corporate annual report which is seen increasingly as a multi-purpose document. This requires a more active and interested involvement of strategic leadership and senior management with authority in the process of design and production of promotional output.

Second, to enable firms to differentiate themselves from their competitors more effectively there is a need for a less cautious approach to the design and contents of non-personal channels, including the depiction of the construction process rather than illustrations of the finished product ie. completed projects or structures; and possibly the inclusion of more people, or management in the visual presentation.

Interviewees asserted that attention needed to be given to the development and presentation of clearer themes or messages in promotional documentation. This may only be achieved with a well defined promotional strategy supported by the whole business.

Corporate identity consultants and others asserted a need for major construction firms to give a higher priority to internal communications in generating support for strategic objectives, in particular, changes to corporate identity or promotional output.

The next chapter will present the results of the interviews of client organisations and professional advisors.

**CHAPTER NINE:**

**RESULTS: CLIENT ORGANISATIONS AND PROFESSIONAL ADVISORS.**



## CHAPTER NINE.

### RESULTS: CLIENT ORGANISATIONS AND PROFESSIONAL ADVISORS.

#### 9.1 INTRODUCTION.

The purpose of this element was to develop an insight into the role played by the promotional efforts of construction firms in influencing those who select firms to be placed on tender lists.

This was a survey of the perceptions of senior representatives of major client organisations (N=10), architectural (N=7), quantity surveying (N=8), civil engineering and multi-disciplinary consultancies (N=5).

The results, though based only on small samples, when combined with those of the focus group sessions detailed in chapter 10, provide some practical implications for construction marketers regarding the relative effectiveness of various techniques and the relative emphasis that they should place on them. It may help in the efficient allocation of the promotional budget across the different forms of promotion and provide focus and direction for the promotional effort.

Client and advisor respondents were;

1. Responsible directly, or as an advisor in the selection of firms to be placed on tender lists.
2. Experienced in working with UK construction firms (mainly in the top 50).

3. In frequent receipt of promotional communications ie. advertising in construction or professional journals, direct mail packages and personal presentations.

## 9.2 THE KEY FACTORS (OR SELECTION CRITERIA) ON WHICH DECISIONS ARE BASED.

There was broad agreement (N=22) across the responses to this question. The important or key factors may be described as follows. It should be noted that the order in which they are presented may not necessarily reflect the relative importance of each factor. These were the most frequently mentioned and in many cases two or three of the factors were mentioned at the same time by individual respondents.

### 9.2.1 Track Record And Reputation.

In the words of one associate quantity surveyor, there is a tendency these days to go for companies with a long track record, particularly given the new systems of construction management, management contracting or design and build.

### 9.2.2 Technical Capability.

The need to establish whether previous jobs had been completed on time, to budget and any problems that occurred appeared to be the main considerations. Other factors included the size, capacity of the firm, its geographical location and whether firms were claims conscious.

### 9.2.3 Quality And Performance Of Key Staff.

Considerable emphasis was placed on the calibre of those members of the firm's team who would do the work. Many commented that it was important to establish the permanence of management and whether if they had worked on similar projects were they still working for the firm and could they be mobilised to carry out the specific project. One project architect paid particular attention to the quality of on-site supervision and control of finish.

### 9.2.4 Financial Stability.

Those respondents representing quantity surveying practices in particular were keen to emphasis the need to see the financial results of the construction firms to ensure that they were financially sound in order to be able to carry out the project. Comments were made by one major quantity surveying practice to the effect that construction firms should be more open about presenting their annual reports or accounts for scrutiny.

### 9.2.5 Other Factors.

Client organisations and some advisors seemed to imply that they were increasingly becoming more concerned with environmental and other social issues, particularly local community relations, with regard to project sites.

One major supermarket chain maintained that they were concerned with bad reflective publicity and image, commenting that they insist on a high priority given to good local community relations. Construction sites not only advertise the contractor but also the client.

The importance of establishing long-term relationships based on trust were stressed on a number of occasions.

The comments of certain clients seemed to suggest that it was pointless construction firms attempting to promote themselves with general promotional documentation ie. annual reports or brochures. A representative of a major high street bank maintained that they did not require to see promotional material due to the fact that it had a nucleus of construction firms who they had worked with over many years. This was echoed by a chain store who had a number of regular suppliers with whom they preferred to be loyal.

One architect made the point that certain clients such as supermarkets, stick to contractors that they know. If a company wants to penetrate the market it is necessary to aim promotions at satisfying the needs of that particular client. A contractor would fail if it just sends a general brochure.

### 9.3 THE SOURCES OF INFLUENCE ON WHICH DECISIONS ARE TAKEN.

The main sources of influence mentioned were; clients and advisors' own personal past experience, organisational systems for measuring potential vendor firms against predetermined criteria, such as the factors identified previously concerning track record, financial stability etc., and word-of-mouth ie. recommendations from previous clients and advisors.

Those sources of influence more directly in the control of the construction firms included; direct mail packages, corporate annual reports and marketing brochures and personal selling or consultations with the representatives of construction firms.

Another influence mentioned was visits by clients or advisors to current project sites.

#### 9.4 PERCEIVED RELATIVE IMPACT OF CONSTRUCTION FIRMS' PROMOTIONAL COMMUNICATIONS TECHNIQUES.

Given the key factors previously outlined, on which selection of contractors is generally based, the most dominant source of influence were the client organisation's own systems for measurement based on past experience.

Possibly on a par in terms of perceived importance was word-of-mouth or peer recommendations. Both these sources are outside the direct control of construction firms.

Respondents perceived the most important promotional efforts of construction firms to be personal selling, pre-qualification interviews or presentations.

Possibly the least important influence was the contents of direct mail packages. However, these were viewed as more important than occasional trade advertisements respondents might be exposed to.

According to a number of respondents this material was only used as background information to back-up personal presentations.

Although a number of respondents dismissed promotional literature as useless, many recognised that it may provide the answers to some important questions. One major petrochemical organisation said that promotional literature would be assessed as part of their more sophisticated system of selecting potential vendors.

There was acknowledgement of the need for construction firms to keep reminding the market of their existence, that they were still up and running, particularly in difficult times. Indeed a number of advisors indicated that they had been in receipt of much direct mail material. It was considered that firms had to send mail shots to keep their name in the minds of architects and clients.

One architect emphasised the importance of the project site, saying that they were construction firms' best advertisements. He advised construction firms to concentrate on getting prospective clients and professional advisors to see their latest work.

#### **9.5 INFORMATION SOUGHT FROM PROMOTIONAL COMMUNICATIONS.**

The responses to this question may be grouped under two headings. Personal and non-personal communications techniques.

##### **9.5.1 Personal Techniques.**

Respondents made comments concerning the qualities that they looked for in the representatives that they received from construction firms ie. salespeople. These included a knowledge of what the firm can offer and how they meet the client's requirements rather than hard selling techniques. A project architect commented that it was important that presentations were professionally delivered and tailored to directly explaining how potential problems would be solved. The importance of construction firms presenting senior management who are likely to be working on the proposed project was stressed by a number of respondents. One assistant quantity surveyor mentioned that he was interested in seeing technical people who will do the job rather than pure salesmen.

### 9.5.2 Non-personal Techniques.

The general emphasis of the responses concerned the requirements of brochures and annual reports in providing information on the firms and their services. Comments were made to the effect that material should be specifically targeted, projecting important themes and clear messages. Documents should be user friendly, fast moving and easy to read. For the purposes of retention, for instance, in the libraries of professional advisors, the importance of putting dates on material was highlighted.

The overall message from interviews was that clients and advisors were not impressed with or persuaded by glossy brochures. They require information on which to interview or make selections. One respondent was particularly adamant at what he did not want to see - internal newspapers or house journals. He could not understand why such information was being sent to him as a quantity surveyor when it had obviously been designed exclusively for internal audiences.

### 9.5.3 Areas Of Importance To Be Addressed.

The most frequently mentioned areas singled out as of importance to be included in material were as follows; (again these are not presented in any significant order.)

- \* Testimonials from previous clients or advisors.
- \* Contact names, addresses and phone numbers in the construction firms. The problems of complex organisational structures was highlighted.
- \* Project site progress photographs, communicating the construction process rather than finished buildings.

- \* Financial details, preferably accounts.
- \* Company philosophy concerning the environment, community or wider issues possibly giving firms a more distinctive character or image. Projection of the human factor was also stressed in this respect.
- \* Quality and time consciousness were consistent themes of these responses. Honest accounts of whether jobs were completed on time and to budget.

#### 9.6 OVERALL IMPRESSIONS OF PROMOTIONAL EFFORTS OF CONSTRUCTION FIRMS.

Responses to this question were in the main highly critical of the non-personal promotional efforts of construction firms. One senior buyer representing a major petrochemicals company had noticed an improvement in the documents he received. He attributed this to the increased use of promotional design consultants or agents rather than firms producing literature in-house. However, he echoed the criticisms of most respondents when he said that literature generally lacked a focus and was only semi-specific. Most material lacked a clear message.

One representative of a high street store commented most of it was unattractive, badly written, sometimes containing spelling mistakes. One respondent claimed that some of the most effective material came in the form of diaries or calendars that constantly reminded him of the existence of the firms.



## 9.7 RESPONDENTS RECOMMENDATIONS FOR IMPROVING THE EFFECTIVENESS OF PROMOTIONAL EFFORTS.

Respondents made recommendations as how construction firms could be more effective in their promotional efforts. This essentially can be summarised as;

1. Targeting direct mail or promotional packages at relevant recipients,
2. Tailoring the contents of these packages to their specific needs, emphasising recent clients, with values of projects and dates.
3. Trimming material. A common criticism was that material was too long and with too much text.

Other recommendations were that firms should establish the requirements of advisors and clients before sending broad ranging brochures. What was required was the projection of the facts through theme and graphics, photographs and illustrations, to differentiate themselves from their competitors.

### 9.7.1 Lack Of Research To Establish Clients Needs And Informational Requirements.

Indication was given of the lack of research carried out by construction firms to establish the requirements of their marketing audiences.

One respondent from a quantity surveying practice did not get the impression that construction firms were interested in finding out what information they needed, although salesmen would visit their offices to ensure that they had their latest material.

A principal quantity surveyor asserted that it would not appear that contractors research their clients to find out how they are perceived. He asserted that in the long term thorough image research could give a company a competitive edge.

### 9.7.2 Credibility Of Construction Firms.

There was a degree of scepticism expressed by a number of respondents concerning the promotional messages of construction firms. A principal quantity surveyor questioned whether messages concerning the environment or social concerns were reflections of company philosophy or just flavour of the month.

A director of an architectural practice said that if construction firms were pushing issues such as the environment, it should only be viewed as part of their public relations in trying to give them a competitive edge. Profits have been hit and they are trying to look at other ways of differentiating themselves.

## 9.8 SUMMARY.

There was little discernible difference in the responses given to the research questions across the categories of respondent as promotional audiences. Emphasis was placed on the building of long-term relationships and the specific informational requirements necessary for selection decisions.

In line with other industrial purchasing decisions, the selection of contracting firms to be placed on tender lists to carry out major projects, involving large expense and a high degree of technical and management expertise, requires confidence building. The trust factor was mentioned on a number of occasions. This may only be established through personal contact with credible and knowledgeable sources of information.

The most important promotional communications effort, within the direct control of the construction marketer is clearly seen as the personal approach. The representatives presenting the firms credentials have to be well trained and know the benefits to the client and his advisors of what their firm has to offer.

It was recommended that any non-personal channels or promotional material used in presentations should include the details of previous clients, advisors etc. together with problems that were overcome during construction processes.

From the responses to this survey the emphasis in promotional communication has to be on the information content because this is clearly what the user values. However, it has been indicated that audiences are impressed by innovative and creative solutions to the presentation of material which differentiates the firm's offering.

Construction firms' promotional efforts, in particular, direct mail packages, were generally regarded to be uninteresting and uninformative. The promotional efforts were perceived to be very similar both in content and presentation. Direct mail packages were not generally targeted at the specific requirement and needs of recipients. They lacked character and distinguishing features.

Distinct corporate images were not seen to be projected. There was a distinct lack of management (or the human factor) and movement in the visual presentation, particularly in annual reports or marketing brochures.

The noticeable trend of using annual reports and accounts was seen as a positive step. This document can communicate the general background information ie. corporate image, identity, the scope of products and services, the firm's markets, senior management profiles, the structure of the organisation and the current financial position of the firm.

The respondents emphasised the need for firms to establish the requirements of individuals such as architects or clients representatives prior to presenting them with material. In direct-mail form, these and other glossy brochures may have a negative effect. Promotional audiences made comments that construction firms should spend more time seeking their requirements and criteria for selection before submitting promotional material or making presentations.

The following chapter will present the results of the exploratory focus groups.

**CHAPTER TEN:**

**RESULTS: EXPLORATORY FOCUS GROUPS.**

## CHAPTER TEN.

### RESULTS: EXPLORATORY FOCUS GROUPS

#### 10.1 INTRODUCTION.

The purpose of this element of the research was to gain an insight into the perceptions of a number of mature postgraduates with various professional backgrounds in the construction industry after exposure to the contents of a sample of promotional documentation. The twenty two firms that took part in the interview programme were able to provide annual reports and accounts or general brochures. In addition, a number of promotional packages contained internal house journals or magazines and more specific brochures concerning the services or products of divisions or subsidiaries of the firms. All the material reviewed by the focus groups and the researcher (see chapter 12) were published between 1989 and 1992.

The impressions and ideas generated would be used to cross validate the responses of representatives of major client organisations and consultants (see Chapter 9).

Each focus group session was in two parts.

Part one involved participants examining promotional documentation independently; silently making comments on each company's documentation in a carefully produced schedule (See Appendix 3. Item 4.). The purpose of this schedule was to prompt participants in making comments in the second part of the sessions.

Approximately forty five minutes were provided, with fifteen minutes allowed for a final inspection and completion of schedules. According to marketing research (1), recipients of brochures and annual reports in practice normally spend approximately thirty seconds on a single document. Therefore ample time was provided given that a number of firms had packages of material.

Part two, the group discussion, was allocated approximately one and a half hours. These interactions, which were prompted by the moderator with a series of open-ended questions (see Appendix 3. Item 5.), were taped and the transcripts analysed.

#### 10.2 PARTICIPANT IMPRESSIONS IMMEDIATELY AFTER EXPOSURE TO THE PROMOTIONAL DOCUMENTATION.

Participants generally identified that there was a variety of styles of promotional and corporate documentation.

One participant made the observation that the approach to marketing in the companies was obvious from the documentation. The larger firms tended to have glossy and professionally presented material. However, generally, the further down the size scale the less impressive.

This was supported by other participants who commented that the larger firms were evidently employing specialists and spending more money than the smaller ones on their promotional effort.

Some of the medium or small firms were found to be copying the styles of the larger but they lacked the design skills.

Another participant was sceptical that the very positive messages concerning care for the environment were the work of design consultants rather than from the senior management in the construction firms.

It appeared construction firms did not seem to realise that clients were used to looking at well produced brochures and annual reports and they they were failing to distinguish their offerings through their promotional documentation. There appeared to be a general consensus that only a very small number of firms' documentation made any positive impression on participants, although the standard was generally perceived to be better than expected.

### 10.3 THEMES EMERGENT FROM THE GROUP INTERACTION.

The following section will detail the emergent themes arising from the focus group discussions.

#### 10.3.1 Distinctive Corporate Logos And Other Design Elements.

The groups agreed that, with one or two notable exceptions, there was a distinct lack of prominent or memorable logos or attention to the projection of clear corporate images.

Participants identified that a number of firms were attempting to increase recognition of their logo by featuring it on every page of their annual reports or brochures.

One firm did stand out with their use of a montage of images at the base of each page demonstrating the different interests of the company and its Chairman eg. The World Wild Life Fund.



### 10.3.2 The Image Of The Construction Industry In General.

Comments were made to the effect that the general image of the industry was poor and lacking direction. Individual construction firms appeared to be struggling to define their image given that their activities were seen to be very diverse. Because many did not seem to be promoting specialist services it was seen to be difficult to present different or exciting images.

### 10.3.3 Any Firms Outside The Sample With Distinctive Images.

Participants were asked whether they were aware of any distinctive corporate identities of construction firms outside the available sample of material. Members of each group mentioned the logo and theme of teamwork promoted by Taylor Woodrow as being perhaps the most distinctive and relevant to construction.

### 10.3.4 Recommendations From The Groups As To How Construction Firms Could Promote Themselves.

Participants suggested that construction firms should include references from previous satisfied clients or consultants, describing various aspects of construction.

Firms should produce more specific documentation for each of the sectors that they work in rather than attempt to say everything in general brochures or reports.

One participant suggested that if construction firms could not be consistent in their promotional documentation, how could they expect to be regarded in other important areas of management?

There was broad agreement from the groups that page after page of photographs of projects did not work. Although there was a need to see what they have done in the past, what was important was how they overcame problems. This would demonstrate their competence in specific areas of management.

#### 10.3.5 Influence Of Previous Knowledge Of Firms In The Sample On Assessment Of Documentation.

Many of the construction firms were known to members of the group due to their prominence in the industry.

Participants indicated that if they had had bad experiences with firms in the past they were likely to look more critically at their documentation.

#### 10.3.6 Rank ordering of The Most Impressive / Least Impressive Firms, According To The Documentation Available.

Table 10.9 shows the firms that were selected by each group as being the most and least impressive on the basis of design and immediate impact. It appeared to be less difficult for the groups to agree on the least impressive.

Note: The numbers in brackets refers to their rank order in terms of turnover from published lists.

**Table 10.9 The Most Impressive And Least Impressive Documentation As Identified By Each Focus Group.**

Focus Group	1	2	3
Top 5	Bovis (6)	Cala (59)	Bovis (6)
	Lilley (18)	Bovis (6)	Costain (7)
	Norwest (19)	Douglas (17)	Lelliot (30)
	Laing (9)	Lilley (18)	Fitzpat. (61)
	Budge (24)	Laing (9)	Cala (59)
Bottom 5	Bowmer (33)	Bowmer (33)	Doyle (91)
	Croudace (88)	Wilmot (40)	Wilmot (40)
	Wilmot (40)	Croudace (88)	Boot (46)
	Mowlem (10)	Doyle (91)	Bowmer (33)
	Doyle (91)		Croudace (88)

#### **10.4 RESULTS OF INDIVIDUAL SCHEDULE.**

The following section will detail the results of the responses to the individual schedules, completed by participants in each focus group.

##### **10.4.1 Most Outstanding Cover Presentation.**

Table 10.10 shows the firms whose promotional material was judged to be the most outstanding as far as cover presentation was concerned. As may be observed the results across the groups were consistent.

Table 10.10 Most Outstanding Cover Presentation (Individual Responses).

Focus Group	1	2	3
	Norwest (19)	Norwest (19)	Norwest (19)
	Laing (9)	Miller (25)	Miller (25)
	Mowlem (10)	McAlpine (14)	Costain (5)
	Miller (25)	Lilley (18)	Laing (9)
	Lilley (18)		

#### 10.4.2 Least Outstanding Cover Presentation.

Table 10.11 shows the firms who's material was considered to have the least outstanding cover presentation. As may be observed the results across the groups are less consistent than under the previous section.

Table 10.11 Least Outstanding Cover Presentations (Individual Responses).

Focus Group	1	2	3
	Bowmer (33)	Bowmer (33)	Bowmer (33)
	Balfour (5)	Costain (7)	Croudace (88)
		Lovell (16)	Doyle (91)
		Bovis (6)	Wilmot (40)
		Shepherd (26)	

### 10.4.3 Documents Participants Would Read On The Basis Of Their Cover.

Table 10.12 shows the firms whose material would encourage participants to read further based on their cover presentation. As may be observed there was consistency across the groups.

### Table 10.12 Documents Participants Would Read On The Basis Of Their Cover (Individual Responses).

Focus Group	1	2	3
	Laing (9)	Norwest (19)	Norwest (19)
	Norwest (19)	Lilley (18)	Miller (25)
	Lilley (18)	Cala (59)	Budge (24)
	Budge (24)	Miller (25)	Costain (7)
	Bovis (6)	McAlpine (14)	Mowlem (10)

### 10.4.4 Overall Presentation Of Documentation.

On analysis it may be observed that three general themes emerged from the responses across the three groups (see Appendix 7. Table 7).

#### 10.4.5 Cover Presentation Or First Impression.

Ten companies (almost fifty percent of the sample), failed to impress members of the groups with the cover presentation of their main corporate or promotional document ie. annual report or general brochure.

These were described as "unattractive", "dull", "poor" (3) or "boring" (2). One firm's cover was said not to do the contents justice. In another it was considered not to be "eye-catching."

#### 10.4.6 Encouraging Further Interest.

In six cases the impact of the overall presentation in generating interest to read the documentation was remarked on.

These documents were said not to be "very inviting", "uninspiring" with "little to attract the reader", "not very forceful" or "lacking identity."

#### 10.4.7 Layout Of Documents.

Six of the firms were said to have "integrated" or "well laid-out" documents.

#### 10.4.8 Photographs and Other Illustrations.

Although in a number of cases there was disagreement within and across groups concerning the impact of certain styles of presentation of material, particularly the use of black and white in one case, several themes may be observed from the responses (see Appendix 4. Table 8).

It may be observed that participants were looking for evidence in the visual contents of documentation to support the messages in the text. However, they were also critical of the design of many documents.

The need was stressed for an innovative and imaginative approach without being too glitzy. Attempts to be artistic were regarded with suspicion due to an apparent inconsistency with the contents of the photographs or the messages in the text. The need for a modern or artistic presentation to match modern or innovative messages was emphasised.

Five firms were found to demonstrate an inconsistency between the images that they were projecting and the contents of photographs or general presentation. Comments were made to the effect that the photos did not match the writing style. In one firm there was a conflict between the contents of photographs and the environmental theme. In another, although the firm referred to overseas work in the body of the text, all the photographs were of UK projects.

#### 10.4.8.1 Contents Of Photographs.

It was indicated that the contents of photographs should be informative and useful in providing an impression of what the firm is all about. This requires the careful selection of visual evidence, consistent with the intended overall message concerning the firm's offering, including its corporate image.

A number of firms were seen to be demonstrating the wide range and different types of work and the prestigious nature of the projects that they had been involved in.

The descriptions of the contents of the photographs were found to fall within the following general categories.

1. Completed elevations of previous projects, buildings or structures. These would appear to be the basis of much of the visual imagery in construction firms' promotional and corporate material.
2. Incomplete construction or what was described as images of the construction process. Three firms were found to include a large number of action photographs of the construction site operation.
3. A mix of products and personnel or people. It was commented in the case of four firms that there was a definite lack of people in the contents of reports or brochures.

A small number of participants commented on the poor presentation of strategic leadership ie. chairmen or members of the board of directors in a sample of the documents.



#### 10.4.8.2 Quality Of Graphics Demonstrating Financial Details.

Three firms were seen to have clear graphs or pie charts which demonstrated the financial details of their firms in a user-friendly style.

#### 10.4.8.3 Size And Number Of Photographs/Illustrations.

In the case of six firms, participants across the groups commented that it was difficult to get an impression of the firm's offering or image due to a lack of photographs.

In five cases participants considered that documentation contained too many photographs and that the documents were too cluttered.

Four firms were criticised for using photographs which were said to be too small.

#### 10.4.9 Key Words And Phrases.

The key words or phrases which were identified by the participants from the documentation may be seen to be promoting the following general themes. The numbers in the brackets refers to the number of firms in the sample, who from the words and phrases identified, were perceived to be emphasising these features.

- \* Name of the firm (N=21).
- \* Capabilities of the firm in terms of their experience and technical expertise (N=20).
- \* Output of the firm ie. engineering, building, construction (N=18).
- \* Quality of the construction and management output (N=17).
- \* Financial stability of the firm (N=11).
- \* Management or staff of the firm (N=10).
- \* Reputation and history of the firm (N=10).
- \* Wider concerns, such as the environment or community (N=9).
- \* Future development of the firm (N=9).
- \* Geographical diversification of the firm ie. its national and/ or international operations (N=8).
- \* Orientation towards client satisfaction (N=5).

Other themes which appear include references to the culture of the firm ie. a culture of innovation, resources of the firm, and level of innovation (N=3).

Only two firms were identified as having addressed the benefits of the service ie, speed and working to budget.

#### 10.4.10 Perceptions Of Firms' Projected Image.

The firms' images were described in terms of their size, financial stability and geographical markets served. The majority of firms were described as conservative with variations including, well established, traditional, solid (see Appendix 4. Table 7.).

Half the firms were found to have inconsistent images, being described by some participants as conservative or traditional and innovative, imaginative and progressive by others.

A number of firms were described as being friendly, happy or caring.

#### 10.5 SUMMARY.

There was conflict in a number of cases over the quality or impact of the visual aspects of the presentation, highlighting the subjective nature of this part of the exercise. However, a number of points were raised.

Illustrations would perhaps have more impact in communicating firms' abilities if they showed work in progress rather than finished construction. A general lack of people in promotional documentation was seen to be surprising, given the importance of management and workforce in the provision of the construction service.

Since it was considered that promotional material would not be looked at in very great depth there appeared to be an overall consensus that some construction firms' documentation could be improved if, rather than the inclusion of masses of narrative, themes and key words or phrases could be emphasised.

Companies generally failed to communicate a clear, concise message and there appeared to be a lack of consistency across companies' documentation in a number of cases.

Key words or phrases which were identified appeared to be the names of the firms or indicating the size of the companies and main areas of business and quality. A number of firms were found to be mentioning the environment or other wider concerns.

Although it was acknowledged that annual reports were mainly aimed at shareholders and were governed largely by legal constraints / requirements, presentation could be improved to promote clearer corporate identities to give the firms an edge over competitors, especially if these documents were being used for promotional purposes.

The focus groups acknowledged that the final selection decision for firms to be placed on tender lists would not rest on the quality of promotional or corporate documentation; track record and their state of liquidity were mentioned as key factors. However, much of the documentation was regarded as so unimaginative that it might have a negative effect.

Although it has to be acknowledged that the main objective of the group discussions was to gain the perspectives of participants concerning the effectiveness of documentation from a promotional point of view, comments were made to the effect that only a few of the firms would impress participants in terms of employment or provided a sense of interest outside the business, for example, in the local community.

The following chapter will present details of the responses to the interim report on the preliminary findings of the study.

## 10.6 References.

1. Contract Leads (1992) Selling in construction. Sales and marketing seminar: are you fit for the front line? Stakis Dunblane Hydro, Stirling. 9th April.

**CHAPTER ELEVEN:**

**RESULTS: INTERIM REPORT.**

## CHAPTER ELEVEN.

### RESULTS: INTERIM REPORT TO UK CONSTRUCTION FIRMS

#### 11.1 INTRODUCTION.

On completion of the interviews with construction firms, promotional design consultants and agents, and promotional audiences, the next stage of the research involved an interim report forwarded to the construction firms (N=21) to gain respondent validation to the preliminary findings. The report was designed to illicit further comments or criticisms. A response rate of 52% was achieved.

To provide further validation the sample of construction firms was extended to include UK construction firms from the top 100 (according to turnover) (N=24). These firms were not involved in the original interview programme. A response rate of 33% was achieved.

#### 11.2 SUMMARY OF CONTENTS.

The interim report (See Appendix 2. Item 2.) to major construction firms on the initial results of the interview programme was separated into a number of sections, detailing the responses of the various elemnts of the research. The report also gave an indication of the initial findings of the focus group programme.

### 11.3 ANALYSIS OF RESPONSES TO INTERIM REPORT.

There appeared to be broad agreement from the sample who responded (N=19), with the statements made in the interim report; four respondents commenting that the findings of the research seemed to accord with their own understanding of the current situation.

No noticeable difference in emphasis was found between the responses of those involved in the original interview survey and the wider sample.

Seven respondents, four of which were outside the original interview sample, made constructive comments on the following areas.

#### 11.3.1 Promotional Strategy In The Current Economic Climate.

The present economic situation in the construction industry influenced the comments of a number of respondents (N=2). There appeared to be some disagreement as to the most appropriate approach to promotion in a recession.

One firm highlighted the need to find the most cost effective promotional efforts, to promote out of the recession. This contrasted with another who suggested that promotion had little role, other than as general image building, in a situation where a contractor's greatest challenge was securing as many opportunities to tender as possible rather than being selective or job specific.



### 11.3.2 The General Image Of The Construction Industry.

The importance of promoting the company, coupled with that of the construction industry as a whole, in order to improve its reputation with potential clients, general public, potential recruits etc. was stressed by one firm. However, it was stated that in contracting, business profile or image was more important than general public image.

### 11.3.3 Overall Performance Of Construction Firms.

It was acknowledged that performance on site is the criteria by which contractors are judged and that proper attention to project completion leads to repeat business.

In response to the criticisms of clients and their professional advisers, a number of respondents were quick to defend themselves. A number of respondents (N=3) asserted that it was the lack of management skills of clients' professional advisors which caused most of the problems on construction projects.

One respondent asserted that his firm worked in the UK, Europe and the USA and that they were the only contractor prepared to offer a guarantee on completed work.

#### 11.3.4 Existence Of Promotional Mixes.

Comments were made which affirms the dominance of personal contacts as the main thrust of construction promotion, but which indicates the use of nonpersonal techniques such as promotional literature.

A number of respondents confirmed the emphasis on personal selling including pre-selection interviews and presentations. One firm said that face-to-face marketing between the client/consultant team and the contractor's project team, should establish the trust factor.

Firms acknowledged the utilisation of a combination or interrelated mix of promotional efforts. This included brochures and annual reports; described by one respondent as pure appetisers. These were generally regarded as support information.

One respondent said that generalisations regarding promotional documentation should take account of the specific objectives of an individual piece of literature, which may be to maintain or raise the profile of the firm without necessarily generating an enquiry or to stimulate an immediate response for more information or to present detailed information to a well defined prospect.

An emphasis was placed on the project site, one firm maintaining that selling from existing projects was fundamental. Another stated that the site was the main shop window. Tidiness, hoardings and general presentation was viewed as a reflection of the calibre of the contractor.

One respondent commented that free editorial is valuable and has to be coordinated centrally by large firms to achieve the best effect.

As far as paid-for print advertising is concerned one respondent commented that it needed to be very targeted and researched in order to make it pay. In addition, there had to be follow up research once the programme was underway to see that it had the desired effect.

#### 11.3.5 Difficulties In Tailoring Presentations And Documentation.

A number of firms (N=3) expressed their belief that clients' advisers had a lack of management skills concerning both the organisation and preparation of pre-selection procedures and in other areas of the contractual process (as previously mentioned). Two firms commented that they could describe harrowing experiences with what were described as prima donna architects who seemed to have set up beauty contests between contractors.

The difficulty of tailoring presentations was compounded by the fact that in a number of instances clients advisers failed to communicate information concerning their requirements.

As far as promotional documentation was concerned, one respondent made the point that clients' needs vary from one industry or contract to another. There is no way general promotional literature can reflect this, although presentation documents can be tailor made for each scheme.

### 11.3.6 People Imagery In Promotional Documentation.

Two firms disagreed with the comments of promotional consultants or agents concerning the seeming lack of people imagery in construction firms' promotional literature. One respondent asserted that the issue of people inclusion is changing. His firm felt that it was important to promote the skills and strengths of management in the group.

Another said that they saw it as vitally important to sell their people. Comments were made that construction was a people industry and that clients were particularly interested in the management team.

### 11.3.7 The Need For A Conservative Image.

A number of firms made the point that clients in construction would be unresponsive to avant garde design solutions to brochures or reports. They emphasised a need for a blue chip image.

One firm acknowledged that construction is a conservative industry, which does not take comfortably to radical design solutions. They continued that promotional and advertising agents should take time getting to know the character and culture of their construction firm client before submitting design work. Innovations were considered to be best if developed as a slow progression.

Another firm justified the conservative approach by saying that the perception of a solid, stable and competent company was important when a client was contemplating entrusting a multi-million pound investment - probably the client's single largest investment - to a contractor. Being outrageous would make headlines and attract attention, but would be more likely to worry potential clients than attract them.

#### 11.3.8 The Need For Strategic Leadership Involvement.

One firm supported the comments of promotional consultants that strategic management should be closely involved in the preparation and production of annual reports and accounts.

#### 11.3.9 Use Of Corporate Annual Reports and Accounts And Other Documentation.

Although the research indicates a growing trend towards the use of annual reports as marketing brochures, an opinion was expressed by one firm that the annual report should only be part of a package of promotional literature.

One respondent asserted that annual reports should be informative, factual and purposeful in relation to producing figures and the general state of the business. What were described as gimmicky marketing techniques should be confined to sales and marketing brochures.

Commenting on the contents and style of the annual report, one firm asserted that reports are produced for a wide audience. He considered that it would be dangerous therefore to put too much character in them, since what might appeal to one potential client would produce an adverse reaction from another.

### 11.3.10 Organisation of Promotion For Consistency Of Promotional Output.

One firm re-asserted a need to centralise and coordinate company literature through one group agency or internal marketing function. It was stressed that corporate literature should be regular in quality and design.

### 11.3.11 Promotional Messages.

One respondent indicated that companies were increasingly having to assess their approach to more global issues. Environment, community relations and company reputation were concerns mentioned.

However, another firm cautioned that construction was a very competitive business and that few companies could afford to address themselves to anything that did not directly contribute to the profitability of the business. However, he qualified this by asserting that this did not mean that no consideration was given to environmental or social issues, but ultimately the client had to be prepared to pay the price if additional emphasis was placed on such matters.

On the subject of environmental issues in promotional communication, one firm implied that management or construction management contractors were possibly more genuine in their concerns due to their closer proximity with the client.

### 11.3.12 Reaction To The Findings Of The Exploratory Interacting Focus Group Session.

Given the importance of corporate identity / image stressed by construction firms in the research, a number of respondents (N=3) expressed their concern at the initial findings of the preliminary focus group session, that corporate identity was not being communicated effectively through the sample of promotional literature and annual reports reviewed. One respondent admitted that the overall standard of promotional literature failed to impress clients and their advisors and the focus group underlined this.

### 11.4 SUMMARY.

This Chapter has detailed the responses to the descriptive statements in the mailed interim report to UK construction firms. The statements received broad support and confirmed a number of points.

\* An emphasis on personal presentation supported by other non-personal techniques, in particular brochures and reports.

\* Insistence on a need to be conservative in design aspects, given the perceived expectations of clients.

\* Indication of a movement to give management and other personnel more of an emphasis in promotional brochures and annual reports.

\* Acknowledgement for a need to coordinate promotional activities given the structure of construction firms.

\* Support for a greater involvement from strategic leadership and other senior management, particular in regard to annual reports.

\* Concern over the results of the focus groups given the importance of projecting clear corporate images and identities.

\* The general economic climate effecting the approach to marketing and promotion.

The following Chapter will present the results of the researcher's analysis of a wider sample of promotional documentation.



**CHAPTER TWELVE:**

**RESULTS: RESEARCHER'S ANALYSIS OF**  
**PROMOTIONAL DOCUMENTATION.**

## CHAPTER TWELVE.

### RESULTS: RESEARCHER'S ANALYSIS OF A SAMPLE OF PROMOTIONAL DOCUMENTATION

#### 12.1. INTRODUCTION.

The following chapter will present the observations of the researcher to a wider sample of promotional documentation from major UK construction firms, to place in context the results of the exploratory focus groups.

It was apparent from the pilot program and the interviews with representatives of the construction firms, that promotional material was being used widely as an attempt to inform and persuade the market of the existence and offerings of construction firms. The researcher assembled promotional documents by contacting firms by letter or telephone and requesting material from divisions or subsidiaries.

As detailed in chapter 10, three exploratory focus groups were executed to gain the perceptions of mature management postgraduates on exposure to a sample of promotional material from the firms who had taken part in the interview survey (N=22). The impressions gained are now cross-validated with more detailed personal observations of the researcher on a wider sample of firms operating in a number of markets in the industry.

The results are verified by the responses from representatives of major UK client organisations and architectural, quantity surveying, and multi-disciplinary practices who were all in frequent receipt of this material. Seventy six firms were able to supply a wide range of material as follows (see Table 12.13)

Table 12.13 Type of Promotional Documentation in Sample.

<u>Type Of Documentation</u>	N=
Corporate Annual Reports And Accounts	44
General Projects Brochures (ie. civil engineering, building, homes etc.)	20
Corporate Brochures	19
House Journals Or Newspapers	12
Specific Service Brochures (ie. design & build management contracting etc.)	8
Interim Financial Statements	5
Corporate Structure Sheets	4
Specific Individual Project Brochures	2
Miscellaneous	6

Thirteen firms provided their documentation in the form of a package with a number of loose brochures or leaflets. In most cases these demonstrated a consistency of approach to the design of material, with clear company logo's and colours across the documentation provided.

Miscellaneous documents included publicity gained in the national or regional press such as copies of pull-outs from national newspapers or magazines, leaflets on public relations activities such as V.I.P visits to sites or topping-out ceremonies by local dignitaries, cuttings from the press on high-profile company chairmen.

As may be observed from the previous table detailing the type of documentation received, corporate annual reports would appear to be used as part of the promotional output of many firms. This trend was confirmed in the interview programme. Corporate annual reports were reportedly being used as multi-purpose documents aimed at marketing as well as other audiences. In addition the corporate annual report was considered to be a principle tool for the projection of the corporate identity and image of firms.

The contents and presentation of internal house journals and newspapers, and other promotional documentation received, were carefully considered, in line with the purposes of this element of the study.

The objectives of documentation may be corporate ie. aimed at the wider audiences of the firms or promotional, targeted at specific segments of the market. Whilst not knowing how each document or package of literature is actually being used by the firms, the potential usage is considered ie. direct mail, or in conjunction with personal approaches such as pre-selection interviews or presentations.

Material was considered under the different types of service offered by firms. These were House Building, Civil Engineering, General Contracting, Design And Build and Management Contracting.

## 12.2 OVERALL OBSERVATIONS.

Out of the 76 sets of material reviewed only 10 were selected which were seen to differentiate themselves through their innovative design or contents of their message.

In many cases there was a lack of consistency of design across material produced by firms, although as previously mentioned, a number were seen to be emphasising a consistent corporate identity when bringing material together in promotional packages.

It was found that most firms in the sample appeared to be attempting to develop consistent visual presentations ie. logotypes and colour coding. However, only a small number of firms exhibited a meaningful or distinctive logo. Perhaps the most relevant logo is that used by Taylor Woodrow, which encapsulates the promotional message of teamwork prevalent throughout their documentation. This was also eluded to in the focus group sessions.

### 12.2.1 Corporate Annual Report And Accounts.

Very few reports were attractively or imaginatively packaged. Many gave the impression that little thought had been afforded the task.

Photographic material illustrating previous contracts lacked a human element and appeared superfluous.

In most annual reports only chairman or chief executives and other directors were pictured. Considerable information on the profiles of directors is contained within corporate annual reports. The visual presence of the chairman or chief executive is evident throughout many firms' general and promotional documentation. Many annual reports contain details of qualifications, career and responsibility of directors.

In a number of firms, the chairman or chief executive is seen to be the initiator or supporter of community or wider social concerns.

Strategic leadership is clearly being used to promote the firm, primarily to shareholders, potential investors or City analysts, but also to marketing audiences. This is particularly true of leadership with high profiles in the construction industry, especially in connection with professional institutions such as the CIOB. Few firms included photographs of other senior management, and even fewer actually named management or staff. Sections concerning the firms personnel were invariably confined to the rear of the documents. Companies were found to describe their human resource in the following terms; most valuable asset, single most important resource, most important asset, young people; life blood for the future.

A small number of firms, did appear to be giving a more rounded view of their corporate culture. Approximately half of the firms had a distinct statement of objectives and strategy usually at the beginning of annual reports and often repeated in other company documentation.

Conglomerate organisations such as Trafalgar House or P and O basically concentrate on their main businesses and markets. Other firms (N=6) tend to have more of an explicit commitment to wider community and social issues. However the emphasis of the statements are generally to demonstrate the scope of operations and the geographical location ie. international, national or regional.

Although environmental concerns were not addressed by many in their statements, they did feature to a considerable extent throughout the copy of many firms' brochures. Only a very few firms (N=3) could claim to have an actual environmental policy.

Eighteen mentioned their involvement/concern for community. This information was usually confined to the rear of the documents, with the accounts section of the report.

Fourteen were involved with educational establishments ie. funding of university chairs, forging links with schools or colleges, providing work experience or sponsoring projects. Involvement with City Colleges was mentioned.

Methods of internal communication in construction firms were described by a number of firms. These were wide ranging and included formal and informal methods. The most popular channels for disseminating information were through newspapers, magazines, bulletins, in-house journals and particularly financial reports; either full annual reports or summaries of financial results. A number of firms used staff consultations, briefing's and management conferences. Other methods included the use of videos to help with staff meetings, news and information through a company fax system and one firm stressed the importance of the chairman touring the divisions, answering questions concerning financial performance and progress.

The aims of internal communication were generally described as to provide information on the company ie. performance, progress, achievements, economic performance, projects, new business or any strategic changes. Also to consult and involve staff. Other aims were described in terms of encouraging identification with the business and to feel part of a successful team, to improve the flow and quality of information that may reach external media before employees, and to develop employee awareness of the market.

### 12.2.2 General Brochures And Other Promotional Documentation.

Most material only contained photographs or illustrations of finished structures or buildings with few references to the building process or specific problem solving. As may be observed from the table detailing the type of documentation analysed, only a small number of firms included brochures detailing individual projects.

### 12.2.3 House Journals, Newspapers Etc.

Generally these documents were poorly presented with the notable exception of one house building firm, Bellway Homes (1990), where it was clearly evident that much thought and planning had been devoted to their company newspaper. This had clearly been designed for, and distributed to, internal and external marketing audiences. It contained a number of advertisements by carpet manufacturers, building materials suppliers and building societies to help pay for the production.



The edition obtained had a variety of articles which in addition to emphasising the products available ie. the various house developments being built by divisions of the firm, also gave an impression of the market awareness of the firm, its prestige in the house building sector and its social awareness and care for its customers and personnel.

The firm had articles on market research carried out in one of its regional divisions, which indicated that virtually all house sales were heavily influenced by the requirements, likes and dislikes of the women in the family. In another article, Bellway said that due to the increased interest in health and fitness, exercise bicycles were increasingly being included in the bedrooms of its houses.

Bellway, as with many of the firms in the sample, was keen to demonstrate that it had won industry awards for their training initiative concerning new jobs for school leavers and the long term unemployed.

Publicity events covered included the opening of new developments by dignitaries.

Social concern for the environment and other wider issues was evident. This included ozone-friendly homes as a response to the Friends Of The Earth report Safe As Houses, to cease the use of CFC based materials. Also bird houses were presented to customers to mark the centenary of the Royal Society for the Protection of Birds. Bellway had presented a caravan to the Metropolitan police to help promote crime prevention.

Customer care was demonstrated in the case of one customer who was an international yachtsman and was provided with a tailor made garage for his racing dinghy.

Bellway presented its local management, operatives and sales staff with stories about retirement, long service awards, promotions and company events.

### 12.3 PROMOTIONAL DOCUMENTATION UNDER DIFFERENT SERVICES.

Promotional brochures designed for specific management and design services were examined. The observations are detailed as follows.

#### 12.3.1 Major Volume House Builders.

Generally the technical content was confined to attractively illustrating the living environment, current developments and house types. In all instances the human element was emphasised, with photographs of carefully posed models, customers and sales staff. Company personnel was represented by named management, site personnel and sales staff. The emphasis being on the before and after-sales service provided to customers.

The impression is given that the benefits of the service to customers have been clearly researched and identified and are being promoted through brochures.

#### 12.3.2 Civil Engineering And General Contracting Services.

The majority of documents, particularly the civil engineering material, tended to concentrate on presenting their past projects and technological achievement; predominantly featuring completed structures or buildings rather than attempting to illustrate or describe the construction process or their management skills in problem solving.

In a number of cases firms included aerial shots of major cities or developments, inferring perhaps a greater involvement than is strictly true.

It would seem that many firms are carefully avoiding the inclusion of any human element in their documentation even in the case of project sites. In a number of cases it was noted that firms appeared to be including photographs taken either early in the morning or even late at night. Even photographs illustrating building interiors, were devoid of people.

Most firms fail to indicate how they have dealt with problems during recent contracts, which may illustrate the benefits and expertise of their service to potential clients.

Very few firms seem to include testimonial from previous clients or their representatives and few firms included clear reference to points of contact within their organisation.

### 12.3.3 Design And Build Services.

Many of the above comments may be echoed when considering the material reviewed from firms offering design and build.

Five firms had separate brochures for this service. Although all but one of the firms listed the advantages of this procurement route to the client, only one seemed to have a design and layout which were complementary.

Croudace (1992) matched their commitment to teamwork, service and clients with photographs of senior management and a representative of one of their clients illustrating the progress through the firm's contractual procedure. This piece was the clearest and most concise of the sample and the only documentation likely to be effective in direct mail form.

Although Wilmot Dixon's (1992) effort described design and build as the ultimate concept, the type-face chosen for the headlines and text were not forceful enough. Any photographs of the design and construction team were dwarfed by illustrations of previous projects or parts of structures.

Monk (1991) emphasised single point responsibility, a common theme throughout firms' material. They asserted that their clients only need to deal with one person, their design and build manager, for all aspects of the projects design and construction. However, they proceeded to place a photograph of the roof of a building under the heading, the building team. The only named senior management pictured in the brochure were the two divisional managing directors and the company chairman.

The opening two pages of Monk's brochure was a poorly reproduced photograph of the company's head office, the more meaningful benefits of the service being confined to the last pages.

Although Willet (1990) emphasised its time-saver theme by providing a diagrammatical representation of a contract plan which compared the traditional route with what they described as the Willet Way, their brochure had a closing section comprising photographs of previous design and build projects, non of which seemed remarkable or indeed could be identified as being of the firm, but which had the effect of diluting the impact of the proceeding presentation.

The overall impression of this set of material was that in the main, it was let down by poor design. Where innovative ideas, such as Willet's time-saver theme, had been developed additional material reduced the impact of the message. Whilst the professional skills of the design consultants could be identified, generally, the final impact was weakened by a tendency to clutter the documents with too many illustrations which do not communicate the features and potential benefits of this service to prospective clients. Although almost all the firms who presented material offering this service emphasised teamwork, as in much of the other general brochures and annual reports, management or people were only noticeable by their absence.

#### 12.4 PROMOTIONAL DOCUMENTATION SELECTED FOR SPECIAL MENTION.

Ten firms presented either single pieces of literature or packages of documents which distinguished themselves from the sample for various reasons. These will be detailed.

##### 12.4.1 Corporate Annual Reports.

Three annual reports distinguished themselves from the sample.

George Wimpey PLC's annual report of 1989 with its slogan "breaking new ground", was designed to communicate financial information in an innovative way. The majority of reports confine the accounts to the rear of the document. Wimpey placed highlights alongside the chairman's statement and main sections. Directors and officers were illustrated in the form of an organisational tree.

This document was clearly being used as a promotional tool as it provides detailed references to projects, with values and clients. The document also features named senior management.

John Laing PLC's Report And Accounts 1990 with its environmental theme and its slogan, "strength for the future" has a number of interesting features. It details in chronological order the main events in the company's year across the bottom of each page with symbols of charitable organisations the firm or chairman are involved with, awards the company had won and environmental or personnel issues. The report featured a number of its projects, with photographs showing the contract progress over the year. This is one of a very few reports which communicates a rounded picture of the firm, its operations, people and corporate concerns.

Barratt Developments PLC Report And Accounts 1989 was a high quality document which communicated a rounded picture of the firm's activities, with a number of meaningful themes or what were termed "operating principles". For example, meeting housing needs, care for the environment, care for the community, sympathetic architecture and training. Many of the personnel who appeared in the document, from apprentices, trainees, sales negotiators to directors, were named. The chairman and chief executive was presented showing an interest in all areas of the firm's activities with visits to developments and presenting awards to sales people.

#### 12.4.2 General Brochures.

Bowmer And Kirkland Ltd, a building contracting firm based in the Midlands, offered a brochure entitled "Company Profile 1990". This is an example of a utility document which despite its lack of an attractive design and illustrations, communicates a considerable amount of relevant information, which is generally lacking across the wider sample.

The brochure is produced in the company colours and bears the name, logo and slogan of the firm. It opens with a statement outlining the business of the firm, giving considerable emphasis to teamwork. The company stresses the names of clients in the commercial, retail and industrial sectors. Bowmer And Kirkland Ltd also emphasise that regional offices are strategically located to provide a national service to its new and existing clients. The brochure gives clear but limited graphics demonstrating the company's finance and staff resources over a seven year period and continues to list its current and recent projects with the names of clients, values and locations. The company also lists the names and addresses and telephone numbers of references, representatives of major client organisations and consultants. The brochure also gives the names of a contact within the organisation.

The brochure entitled "A Concern For Construction 1992" produced by Fitzpatrick PLC, a major civil engineering firm based in Hertfordshire, is an example of a document more concerned with developing a company philosophy than promoting to its clients. Although the piece communicates a number of clear and meaningful themes, for example emphasising the firm's caring attitude to the environment, because of its lack of reference to specific projects or previous clients its usefulness in the promotional sense would seem to be limited.

The document stands out from the offerings from the other civil engineering firms, with its modern design, clear presentation and emphasis on service. It would appear to be very much the chairman's brochure, attempting to give the firm an image and status, with design flair provided by an external consultant.

The chairman of the firm emphasises the capabilities and expertise of the firm in handling large contracts but also draws attention to two important issues. First, a non-confrontational style with clients representatives and second, care from the community and environment in which the company operates. Fitzpatrick PLC refers to civil engineering as a service industry dependent on its people. However, the section referring to management and staff is placed towards the back of the brochure and more emphasis is placed on presenting photographs of completed structures, airports and roads, and technological issues.

Sol Construction Ltd, based in Nottingham, offer a brochure with its theme being "The Construction Team For The Future 1991". Although as with so many of the documentation, the team do not appear in the main brochure, this document is remarkable due to its emphasis on presenting photographs of representatives of client organisations, with their comments on the firm's work. A strong corporate logo appears to dominate the document, distracting from the main points of experience, quality, meeting deadlines and lasting value. Sol Construction Ltd also include a Company Profile, which is a copy of an editorial feature in a publication entitled "Industrial Nottingham" of October 1989. This introduces the senior management. A separate leaflet for design and build is dominated by a collage of photographs of mainly completed projects.

Geoffrey Osborne Ltd, based in Chichester, offer a document which distinguishes itself with its extensive use of references from past clients. Illustrations are a balance of finished structures, site progress photographs and members of the management team. The brochure communicates an enormous amount of information but is perhaps over-the-top with quotations and slogans.



R Mansell Ltd, based in London, provide a consistent package of documents, with a clear corporate logo and colour scheme applied to its Report and Accounts 1990, its general brochure covering refurbishment, fitting out, new construction, design and build and maintenance and its newspaper entitled "Mansell News". Mansell's annual report contains the minimum of photographs showing completed structures. The firm appears keen to show its site hoardings and presentation. The firm's Group review section features the firm's involvement with the community. The firm also outlines its "Mansell On Time" initiative, involving awards for suppliers and subcontractors. It is clearly evident from the material that the firm is promoting a new corporate identity with its theme of "facing the future". The purpose of the general brochure is to highlight in simple and straight forward terms the benefits of Mansell's service to its clients.

Mansell's newspaper is being used to reinforce the quality on time matters theme with internal and external marketing audiences in mind. In addition to providing short biographies of the senior management in its two regional offices in London and Croydon, (this included those managers most likely to be working with clients or their representatives and not just directors), it demonstrates its commitment to sponsoring staff to gain professional qualifications. An article on Facility And Maintenance Management, was presented as an opportunity for personnel of the firm to update themselves on a modern management development.

## 12.5 SPECIAL PURPOSE DOCUMENTS.

Taylor Woodrow PLC (1990) provide a document which is devoted to the central theme of their corporate identity - teamwork. The visual contents are balanced although the repetition of the word teamwork in all headlines is not actually reflected in the photographs. The narrative gives considerable insight into the apparent management philosophy of the firm, concerned with management training and development.

Costain UK Building Division's brochure "People Creating Solutions (1992)" is perhaps the best example encountered of where problem solving on specific projects is related to identifiable benefits to potential clients. The main theme emphasises managers' experience, expertise and commitment applied to the project. "Creating" refers to the firm's flexibility, and ability to meet the needs of the client. "Solutions" are the objective of solving the problems of clients, completing on time and within budget and delivering an end product which satisfies all parties.

The visual contents feature a balance of people, projects and drawings which illustrate major projects with their different associated problems. These were examples of a design and management contract and a major refurbishment of a shopping centre. The case studies demonstrate how the firm solved the problems. In the case of the shopping centre, this required the introduction of shift and weekend working with heavier work done at night to reduce noise levels during the day. Costain elude to their high level of liaison with the shopping centre management and with the retailers. This case was used to demonstrate an ability to satisfy the client and public within a town centre environment.

The brochure addresses the need to offer a range of forms of contract adapted to suit the clients needs. It emphasises repeat business by naming its clients and indicating long associations with major customers stressing client service.

## 12.6 SUMMARY.

The majority of the sample of promotional documentation analysed from the top 100 UK construction firms failed to communicate all aspects of the market offering to prospective clients. Although it would appear to be acknowledged that major construction firms are offering a management service, the material demonstrates an apparent imbalance, with the predominance of the illustration of completed buildings or construction work and a reluctance to attempt to illustrate the management service element of the product.

Most firms' documents were found to show completed projects without any clear identification as to who had been the contractor or what part they had played in the project. There also appeared to be a distinct reluctance to illustrate the building process. The majority of the firms failed to sell the benefits of their offering to prospective clients.

Promotional documentation does not appear to be competing effectively. The majority of material was poorly presented and structured and generally lacked an identifiable message. If used as direct mail it is likely that the majority of the corporate or general material reviewed would be ineffective in gaining the interest of prospective clients due to its superficiality and lack of differentiation.

The material would appear to be designed to be too general and not enough advantage is taken of market segmentation through the production of specialised brochures with the clear communication of the potential benefits to clients of a differentiated service.

The lack of emphasis on the customer and service element ie. the quality of the management and staff of the firm and their flexibility to solve problems specific to individual clients, is not giving the impression of a desire to create long term meaningful relationships, encouraging corporate brand loyalty from clients.

The documents produced by major house building firms are selling the concept of the home and the firms have clearly researched and identified the benefits of their product. The human element is emphasised with regard to the use of customers or models in the living environment and the salespeople, emphasising before and after-sales service. The price of the product is demonstrated.

Although annual reports play a lesser role when selling to individual house buyers, a more rounded view of the firms were demonstrated to more technical audiences, such as public authorities or housing associations, who would have more of an interest in the reputation and financial standing of the firm.

Civil engineers and general contractors fail to communicate the management service element of their market offering and relevant information on the firm to persuade those responsible for selection decisions.

Although design and build contractors were seen to have more clearly identified the potential benefits of their service, in one or two cases the impact of the message was reduced by the problems over the prioritisation of the message and the presentation and design of the material. Again the concept of a management team approach was emphasised in the text but this did not match the visual contents.

House journals or company newspapers designed for both internal and external audiences, in the main, were poorly presented and it seemed that less effort had been afforded this important element of the communications output.

Documents selected for special mention were those annual reports, brochures or packages of promotional and corporate material which appeared to be addressing the problems previously outlined in the above discussion.

Promotional brochures selected for special mention seemed to fall into a number of categories.

- \* **Utility** documents, which despite lacking illustration, presented potentially useful information on current and previous projects with values and locations, clients and full names and addresses of references.
- \* **Corporate philosophy** documents, intended to create an identifiable image by outlining the underlying philosophy of the company as espoused by its chairman.
- \* **Management philosophy** documents, which not only addressed the management and staff of the firm but which relate how the firm's approach could benefit the potential client.
- \* **Testimonial** documents, which extensively used quotations from identified previous satisfied clients and their representatives as independent testimony to their capabilities and achievements.

\* **Potential benefit** documents, designed to demonstrate how specific problems were solved on previous projects and how this translated to potential benefits to clients.

\* **Consistent package** of material designed to address internal and external marketing and corporate audiences to reinforce the identity and quality theme with management and staff, subcontractors and suppliers of the firm and existing and potential clients.

The following chapter will analyse and discuss the results from the various elements of the research program as detailed previously.

**CHAPTER THIRTEEN:**

**ANALYSIS AND DISCUSSION.**

## CHAPTER THIRTEEN

### ANALYSIS AND DISCUSSION

#### 13.1 INTRODUCTION.

In Chapter 1, the findings of a recent study of the image of the construction industry were briefly outlined (1). This research has identified that many firms have begun to attempt to improve their media and public relations generally, with these functions being given a higher profile. However, the general picture is that positive images are lacking, with a few notable exceptions where firms are emphasising their long-term relations with key clients.

Where design and build, management contracting and other new services are being offered, more sophisticated approaches are evident, but are still in their infancy.

This research focused on prospective and current clients and their professional advisers, as the most important audiences for the promotional efforts of construction firms. However, the wider network of the firm's own management team, subcontractors, suppliers and shareholders, press media, local and national government are seen as important.

The prime objective of the research was to determine the management processes and techniques involved in promotion being applied in different markets. It has been difficult to identify differences in approach between the contractual services ie. management contracting, design and build, etc. although there is a marked difference between speculative housebuilding and contractual services. Civil engineers were identified as having the least effective promotional output, with seemingly very little effort afforded the task.



Perhaps the most significant finding of the study, was that promotion was not generally supported by an intelligence system as part of competitive and marketing processes, with the notable exception of speculative housebuilders.

The exploration of the perceptions of promotional audiences has identified that nonpersonal promotional efforts, such as reports or brochures, are not seen as being important during the selection of firms, particularly by experienced buyers and advisers ie. architects, quantity surveyors etc.

The following section will analyse and discuss the results and observations recorded in previous chapters under the broad headings identified in the McKinsey Seven S's framework (2).

### 13.2 RESEARCH ASSESSMENT.

There was considerable cross verification of results from the representatives of the construction firms, promotional consultants and agents, clients, architects, quantity surveyors etc. and the impressions of the focus groups combined with the observations of the researcher. The largely descriptive statements in the interim report to the wider sample of construction firms received broad support.

### 13.2.1 Promotional Strategy And Planning.

Chapter 2 outlined strategic management processes concerned with the pursuit of organisational mission and relating the firm to its environment. Marketing and sales was defined in terms of providing the channels whereby customers are made aware of products and services to be able to make purchases. Effective strategic management and marketing require cooperation between the functions of the business and top management support and direction in encouraging a competitive culture.

The results of this research would confirm the findings of previous studies in construction in that firms are underdeveloped in consideration of the above issues (3,4,5). As was mentioned in the introduction to this chapter, the promotional management function would not appear generally to be supported by a wider competitive and market analysis. In addition it would seem to lack authority and support from top management in the exercise of its functions.

The lack of targeting and tailoring of promotional material provides further indication of inadequate research and intelligence gathering, through insufficient time allocated to the task, commitment to relevant data gathering or lack of basic research skills of those responsible for promotion.

There would seem to be a need for construction firms to be constantly communicating with all constituent publics to feed the intelligence system of the firm concerning market needs and competitors activities.

In Chapter 3 the importance of promotion in new product development and under revised marketing strategies was emphasised. Increased attention and formalization of promotional efforts has been identified in construction firms, given a background of increased competition, greater opportunities for differentiation through pre-qualification procedures and the development of new management and or design services.

In Chapter 2 it was asserted that new product development may come from technological breakthroughs or innovation (6). However, in construction, management services are developed through identifying clients needs. Communication is therefore essential - but not evident on the basis of these findings.

As a function, marketing and promotion would not appear to be integrated effectively, although it is important given the need for people from different functions to be involved in promotional activities, especially pre-selection presentations.

Construction firms would not appear to monitor the promotional efforts of their competitors as part of a wider competitor analysis. This would seem to be a serious disadvantage for firms wanting to penetrate new markets, since barriers to entry have been confirmed - access to clients' professional advisers and clients who are loyal to particular firms. Breaking down customers buying inertia due to the risks of changing supplier demands a clear understanding of their needs. This requires significant intelligence gathering through formal and informal means. The competitive systems being introduced mean that construction firms need to monitor their key and non-key competitors' promotional efforts.

The new organisational systems for selecting firms as reported by a number of client organisations in this research, indicates a need to watch those potential competitors who may be attempting to break into the market.

It is clearly understood that current strategies of major construction firms are effected by the present depressed economic climate. It would appear that there are two schools of thought as to how firms should react to these constraints.

1. To be non-selective regardless of the nature of the work, with a reduced promotional involvement. This policy would appear to be due to the general survival strategy of firms.
2. To be effectively promoting the firm out of recession. These firms are being highly selective in choosing work tendered for, using a range of interrelated promotional techniques.

Evidence was found through the researcher's analysis of promotional documents, of attempts by firms to gain a competitive differential advantage through

1. Their reputation and experience; work carried out for prestigious clients,
2. Geographical diversification; work in national and international markets,
3. Product proliferation; development of new design and management services,
4. Corporate identity in the form of distinctive logos, colour codes etc.

Systematic evaluation of the effectiveness of the various promotional efforts of the firms would not appear to be carried out, with the exception of house building firms.

Most representatives of construction firms appeared to have difficulties in articulating promotional messages or unique selling positions. Three themes; performance, quality (of service and construction work) and finally reputation were identified. A great emphasis was placed on promoting a strong identifiable corporate image.

Indication was provided by promotional consultants and agents of a need for firms to be less cautious in the design and copy of promotional material in projecting this image. The depiction of process rather than finished structure and the inclusion of the service providers together with the development of clearer themes were suggested. These were confirmed as being lacking by the promotional audiences, focus groups and the researcher. Distinctive images were found not to be projected. Few firms successfully projected distinctive or differential features or competencies.

Comments were made in the focus groups to the effect that the approach to marketing by the firms seemed to be evident from promotional brochures and other literature. The medium and smaller sized firm tended to copy the styles of the larger, although the larger firms had clearly spent much more on their material.

The focus groups recommended that material should be designed more specifically for the divisions or service products provided. This would be clearly tied in with how the markets had been segmented. Where firms had provided separate material for design and build, for example, the features of the service were clearer but the researcher found that many of the criticisms of the general documents were applicable ie. lack of human element, clarity of benefits or problem solving.

In Chapter 4, it was asserted that there was a need for promotion to be directed at the service providers. In construction, as with other industrial or business-to-business services, management and staff in many functions are involved in pre-qualification interviews and presentations, and production staff on site may also be in contact with the client or his professional advisers. An indication of the priority afforded the portrayal, or indeed attention to the issues of the personnel audience, was provided by the promotional consultants who asserted that where personnel sections were incorporated in some firms annual reports, these were little more than token gestures.

Although construction firms seemed to stress a need to provide a rounded view of themselves by making internal documentation such as house journals or newspapers available to external audiences, little indication was given as to how this material was being used internally, in supporting promotional efforts. It did not appear that many firms have begun to see internal communicative efforts as integral to promotional communications strategy. To what extent these documents are used to promote the objectives or strategies of the firm or are written with the particular needs of different internal audiences in mind, or indeed with their participation, was not made clear. The researcher's personal observations of in-house newspapers and journals was that there was quite evidently less care and attention afforded the presentation of this material in most cases.

Consultants in corporate identity advised construction firms to develop their internal component of their total communications system given the importance of involving management and staff with changes to corporate identity or promotional efforts.

Indication was given of the value placed on past projects and the use of current project sites in promotional efforts ie. documentation and for publicity purposes. The project based nature of the industry means that projects are tailor made to the particular client's demands. The emphasis has to be on thorough research in tailoring promotional and selling efforts to the clients project requirements in making the largely intangible service offering understood.

The problems of promotion in smaller firms was highlighted in Chapter 5. This study found that smaller firms found difficulty in exciting interest in national or construction press due to a lack of prestigious projects, clients, or company personalities. Publicity is generally sought on a localised basis.

Little evidence was found of consideration of the European or indeed a wider international context by major construction firms. One firm indicated that they had set up a function to research and analyse international markets. This function did not have any formal relationship with those responsible for promotional efforts in the firm. It may be that international construction firms have separate functions, and thus, material for their overseas clients which was not made available during this study.

### 13.2.2 Organisational Structure Of Promotion.

It was indicated in Chapter 3 that the organisation of promotion could be problematic given that promotional tasks such as advertising, publicity, and sales may be diffused (8). This is confirmed in this research. The diversity of audiences with which a construction firm communicates, provides for the distinction between corporate and more specific promotional communications.

Public relations functions would appear to have evolved, in line with developments in other industries. Although given the regional structure of marketing in many firms, the creation and management of publicity is seen to be under the marketing function.

Personal selling is seen as a separate function in most firms. Centralised public relations or marketing services functions are responsible for supplying sales aids, brochures and other promotional material.

Many firms had experienced difficulties where autonomous regions and divisions were hiring the services of outside promotional consultants and agents. A number of firms had established centralised functions to ensure consistency in promotional output.

### 13.2.3 Systems.

Organisational structure affects promotional strategy. An indication was given of problems in a number of firms given that promotional material such as brochures are produced by autonomous regions or divisions, and are not controlled or monitored by centralised departments or external consultants or agents. Many firms now have some form of control. However the observations of the focus groups and the researchers analysis indicated a lack of consistency of presentation of many firms' promotional documents.



The emphasis on the construction site has implication for the organisation of promotion, requiring that visits need to be organised to sites and that photographs or other illustrations need to be commissioned to be used in brochures, slides or possibly videos for presentation purposes. This requires coordination and communication with site staff. It may be that one of the reasons that completed structures and facades of finished buildings are presented is that these are less time consuming than the more effective and meaningful photographs showing members of the management team on site or actual site operations.

#### 13.2.4 Shared Values and Style.

There is indication from promotional consultants and agents that important strategic documents requiring a more planned approach and actively interested strategic leadership are not being treated with the same degree of seriousness with consequently less time and attention afforded the task when compared with other industries. This may be an indication of the level of development and relative importance of promotional communications compared with other strategic priorities. It would confirm the comments of other writers and researchers who have reported on the general lack of orientation towards marketing in construction firms (9, 10).

The results suggest that management responsible for promotional activities have not sufficient authority or support from strategic leadership or senior management in nonmarketing functions.

### 13.2.5 Staff Responsible For Promotion.

The responses to the questions concerning the backgrounds and make-up of presentation teams confirmed that sales representatives of construction firms were largely technical, with professional backgrounds within the construction industry. Only a very small number have professional marketing qualifications or experience outside the industry.

Marketing or sales staff were seen to be in a supportive role to teams comprising technical directors, contracts management, quantity surveyors, estimators etc. The pure sales staff were reportedly used for making general presentations. Training was largely internal including public speaking or communication skills.

### 13.2.6 Skills Of Promotional Staff For Competitive Advantage.

Primarily because of a lack of skills on the part of those responsible for promotional efforts in construction firms, the use of promotional consultants and agents is widespread. Comments by representatives of a small sample of the latter gave an impression of strained relationships, with a preoccupation with cost as opposed to concentrating on providing effective solutions. This confirms the earlier observations by Roberts (11) in his research into how advertising agencies rated their industrial clients. His study, as with the present application, found a lack of appreciation of marketing principles and the role of promotion and a lack of clear objectives with regard to promotional or advertising activities. A basically less professional and sophisticated approach was identified.

How the various elements of promotional management come together to provide a competitive advantage (12) was indicated in Chapter 3. Although firms seem to have realised the strategic importance of corporate image and identity, the function would not appear generally to have the support of senior management and therefore unlikely to be taken seriously throughout the organisation. There was a sense that effective working relationships had not been formed with promotional design consultants, public relations and other advertising agents in providing more competitive promotional campaigns or superior brochures. Little indication has been given on the extent of training of presentation teams, or indeed any of those managers involved in promotional activities.

These deficiencies, compounded by a lack of information and intelligence data to support the function, means that it lacks a competitive differential edge.

The following sections will discuss aspects of promotional communications, under the headings introduced previously.

#### **13.2.7 Promotional Media.**

An important contribution of this research is the identification of the relative importance of the promotional media channels available from both the marketer and customer perspectives. As in other business-to-business fields, personal selling was found to be the dominant approach. This emphasis would appear to be correct given the results of the survey of audiences.

An impression was given that construction firms had realised the importance of managing publicity, particularly since the emphasis of its nonpersonal promotional approach would appear to be editorial rather than paid-for advertising space. Because of expense, national trade advertising is seen not to be cost effective when applied to contractual services. It has been indicated that promotional audiences do not regard this source of information as very important. A far greater emphasis was placed on word-of-mouth sources and testimonial from past clients and consultants.

As discussed earlier, the project or construction site is seen as an important medium. This was largely supported by promotional audiences, who indicated that they wanted to see current projects and if it was not possible, then they relied on brochures to provide an image of the construction process. Although the site is seen as the shop window by many firms, the presentation of past projects in promotional documentation is largely of completed structures with no indication of who had actually been the main contractor or what role the promoter had played on the project.

Although the sales strategy eluded to by writers in construction in Chapter 4 was confirmed through the interviews with construction firms ie. the need to establish the needs of recipients before presenting them with material, promotional audiences reported an increased use of direct mail literature which did not conform with this more effective strategy.

Reservations were expressed during the interviews and in the responses to the interim report to the wider sample of construction firms, as to the effectiveness of direct mail. A lack of time afforded desk research to establish targets, plus lack of differentiation were provided as possible reasons for difficulties. Direct mail packages were regarded by promotional audiences as uninteresting and uninformative. This indicates a lack of targeting and character which is a creative problem rather than a problem with the media itself. The contents of much of the promotional documentation reviewed by the focus groups and the researcher was seen to be too general and obviously not tailored to specific requirements.

The lack of distinctive differentiation may be due to a lack of creativity, or a tendency to be over cautious on the part of those sponsors of the copy and design of material. The material has also been found to be designed to be too general, communicating to too many publics. As a consequence of a lack of differentiation, material was failing to perform its allotted task in the promotional strategy ie. gaining visibility, communicating the image, distinctive features and competence of the firm, which may then be translated into potential benefits to clients.

The extended use of annual reports, as background information, may be a positive step since if this is properly designed and written it is possible to communicate the corporate image, identity, business profile and services. It is also seen by clients and their advisers as a good source of factual information. Firms who provide the relevant facts or figures in direct mail form and who make tailored presentations, utilizing support promotional material such as brochures or videos, are seen to be more effective in persuading at this point in the buying process, than those who indiscriminately mail-shot clients or advisers with unspecific documentation.

Persuasion comes from a professional personal approach, backed-up by testimonial from previous satisfied clients. The results clearly indicate a need for a planned approach to corporate identity and management of publicity, given the emphasis on word-of-mouth sources.

### 13.2.8 Promotional Audiences.

Construction firms need to identify the decision making units of client organisations and those who influence them. Architects, quantity surveyors and other professional advisers, serve as sources of information concerning the particular needs of prospective clients, and act as referees to the reputation and credibility of firms and their offerings. Professional networks are used to maintain good relations over time. Key client marketing approaches can be seen as essential, given the importance of a good reputation, the high priority afforded word-of-mouth sources of influence and the comments concerning client desires for long-term relationships.

It was emphasised in Chapter 3 that it is important to establish the use criteria - what the buyer values, and the signalling criteria - the methods by which the buyer is informed or judges value (7). This research has identified the general criteria used by clients and their advisers in their selection of firms to submit presentations. The key factors identified included, track record, technical capability, financial stability and to a large extent the quality and performance of management; on-site supervision; and their permanence with the firm.

The most influential source of information under the direct control of the construction firm is personal representation or selling. This is seen to be essential for developing business relationships and establishing the trust factor. This approach is especially important with regard to key clients.

The clients and professional advisers indicated their preferences as to the qualities they sought in sales representatives; that they should have a good knowledge of the service product, and be well trained in benefit selling. These comments confirm the findings of other studies in industrial selling outlined in Chapter 3. Audiences indicated that they preferred to see those who would be responsible for the proposed project rather than pure salespeople.

The most important sources of influence on those responsible for selecting firms were largely outside the control of the construction firms ie. word-of-mouth recommendations from previous clients and advisers. This was confirmed by the focus groups. The researcher found from his analysis of a wide range of promotional documentation that this need for testimonial was largely being unfulfilled in many brochures and other literature.

The client groups indicated that promotional literature had very little effect on the selection decision. This was confirmed by the focus groups. However the audiences were highly critical of much of the material that they received. Although they indicated that they were not impressed by glossy brochures the informational content needed to be balanced with a differentiated style and clear corporate identity which many firms were not achieving in their output. Only a small number of firms' material from the original sample, made any impression on the focus groups and the researcher was able only to select ten firms for special mention from a much more extensive sample of material representing the top 100 UK construction firms.

The responses to the interim report demonstrated a sensitivity concerning the comments of the client groups and the promotional consultants who had indicated the conservative approach to literature and promotion in general. Respondents from the firms criticised architects and other advisers in defence of not tailoring material to the particular needs of individual project requirements and a number asserted that material had to be conservative due to the conservative nature of their clients. They seemed to miss the point of much of what the client and focus groups were saying, concerning the need to attempt to promote the differentiated benefits and problem solving skills of their management teams rather than page after page of finished structures.

#### 13.2.9 Promotional Messages.

Although it was observed that annual reports and brochures were being used to present factual information, an imbalance was observed by the focus groups and the researcher, in that there was a distinct lack of management and people. Although often chairmen or board members of major firms were described and presented, other senior management with whom the client or consultants would more likely be engaged on a day-to-day contractual basis were not presented.



This research has provided indication that different information is required by different decision influencers. The quantity surveyor would appear to be more interested in the financial soundness of the firms. The architect on seeing visual representation of the construction process and finished structures. Client organisations are seeking long-term relationships with contractors who have experience in their specific type of project requirements. It is important for construction firms to establish these key factors, or value sought. The technical audience is interested in the problem solving ability of the firms management and illustration of the construction process.

The visual contents of a small number of promotional brochures and reports, singled out by the researcher, were generally more balanced than the majority of material reviewed. They showed photographs of project site progress and introduced members of the senior management teams and staff who the client could potentially be in contact with during the course of contractual relationships. It was possible to identify that previous projects had been produced by the firms, by the inclusion in the photographs of the corporate identity, manifested in the design of site hoardings, sign boards, and company personnel wearing distinctive safety wear bearing the company colours, name or logo.

Most annual reports are generally being prepared with little more intention than to satisfy legal requirements and address investors, even though they are being used alongside promotional material. A small number selected were evidently addressing the potential audiences of such documents such as personnel, potential recruits, investors, marketing audiences etc. Strategic leadership was portrayed visually to be active and attempts to simplify the complexities of organisational structure was made. The documents named senior management who appeared and attempted to demonstrate the building process. They included meaningful themes on environment and community which addressed a wider agenda of issues than purely the business, markets and geographical diversification of the firm. These documents were seen to present financial information in an innovative and user-friendly manner.

In some cases, strategic leadership, for example, chairmen or chief executives are being promoted as having influence from a construction industry perspective ie, through their involvement with professional bodies. What may be of more importance from a marketing audience stance would be their involvement with the representatives of key client organisations and introducing the management personalities of the firm.

Construction firms have been found to lack credibility due to inconsistencies in the quality of workmanship and performance at operational level. Additionally, given the scepticism concerning messages on a number of wider issues including recruitment, it would seem important for firms to build the overall credibility and image of the firm.

### 13.3 THE RESEARCH PROPOSITIONS.

The principal objective of this study was the analysis and assessment of promotion in UK construction firms. The research propositions will be examined in order to assess their relative contributions.

**Proposition 1:** The larger the construction firm, the more sophisticated the approach to the management of promotion and the more effective the promotional output.

This was generally corroborated through empirical research. Size and cost advantage however does not necessarily produce effective promotional efforts. Less sophisticated marketing, objective setting and evaluation, are more basic reasons for a lack of professionalism in promotional matters. Shortages of finance and time pressure may be applicable to large, medium and smaller business management.

Virtually all construction contracts use selective tendering therefore there is need for firms to research prospective clients and closely monitor their key competitors. Few firms of whatever size, mentioned the importance of market intelligence to promotion or formal monitoring of the promotional activities and strategies of competitors, given the need to differentiate the service to prospective clients during the pre-selection process.

Where firms were found to be producing distinctive promotional material, this could be a reflection of the orientation and commitment of senior management to marketing and promotion. It may also be a product of an effective relationship with promotional agencies or consultants. Their contribution to this study has perhaps indicated the level of importance attached to this function within the strategic management of construction firms of various sizes.

**Proposition 1** is therefore accepted.

**Proposition 2:** The promotional approaches will differ between speculative development ie. house building, and contractual services ie. project management and design.

This was generally corroborated through empirical research. A clear distinction between the speculative and contracting markets was recognised with regard to approaches necessary, and the level of development of promotion as a function.

The scope and range of services that a firm provides means different promotional strategies. Construction firms may have diversified into related or unrelated aspects of their core business of construction, such as mining, property development, insurance etc. Their work may cover all aspects of management, design, and retailing products. They may borrow techniques used in industrial product manufacturing, but for the most part they are promoting contractual services through professional intermediaries.

**Proposition 2** is therefore accepted.

**Proposition 3:** UK construction firms are able to differentiate themselves through a promotional mix of activities.

This was generally corroborated through empirical research. The study has identified that firms have begun to recognise opportunities for creating their own demand through the use of a variety of personal and non-personal channels of communication. Construction firms are attempting to differentiate themselves from their competitors at the pre-selection stages of the buying process.

The study has confirmed a predominance of personal selling efforts, site publicity and entertainment as the main promotional channels used by construction firms. However, it has exposed recognition of the need to utilize an interrelated mix of promotional efforts appropriate to the right audience, and at the right time.

Although the promotional and corporate documents of construction firms have noticeably become more professional in their appearance they are found to be very similar both in content and design. Research would seem to be needed to provide creative solutions leading to more powerful results. By this comment is inferred a need to differentiate through signalling benefits of the firm in a distinctive and attractive form, at the same time meeting the informational needs of the audience.

Promotional design consultants or agents are being employed by firms, but are frustrated with a pre-occupation with cost, at the expense of producing more effective results.

**Proposition 3** is therefore accepted.

**Proposition 4:** Given the importance of management in the provision of the construction service, promotion would concentrate on projecting the human resource.

This would generally be uncorroborated by the results of this research. The market offering in construction was described mainly as a construction service. The growth of subcontracting means that major firms manage a construction process. This process is labour intensive and therefore the human resource is very important. Management play a crucial role in supporting and carrying out the firm's corporate and marketing strategies. The implication for promotion is that the quality and capabilities of personnel are seen as important, and should be demonstrated to clients and their professional advisers in addition to evidence of past successful projects and the overall communication of corporate image.

As far as personal selling and presentation is concerned, construction firms would generally appear to recognise the need for mainly technical staff to be appointed, especially to make presentations. Salespeople make general presentations to prospective clients and provide support materials to the more technical teams. However, in nonpersonal efforts - brochures and reports - the human element was generally found to be neglected.

**Proposition 4 is therefore rejected.**

**Proposition 5:** Internal communication to management and staff would receive a high priority in gaining support for strategic objectives and encouraging client orientation.

This would generally be uncorroborated through this empirical research. Since the quality of the service is heavily reliant on the quality of the service providers - its management and staff - internal communication of the firm's objectives and strategy would seem to be essential in encouraging performance and generating a client-orientated culture. There is evidence that major construction firms are not as advanced in this area compared with other industries. This element of the total communications of the firm may not at the present be seen as an integral part of marketing communications strategy.

**Proposition 5** is therefore rejected.

**Proposition 6:** The client and particularly professional advisors ie. architects, quantity surveyors and others will be a principal audience of promotional messages.

This was generally corroborated through empirical research although it was evident that many construction firms are attempting to address as many of their audiences as possible through their promotional efforts. This is especially true with regard to annual reports, which are not only directed at shareholders, employees, financial analysts, but also promotional audiences. The problem of segmenting the audience so that messages are targeted at specific groups is compounded.

This study has concentrated on the traditional construction process under which the industry predominantly operates. In effect the buyer or his representatives' criteria for selecting who is going to undertake a contract. Management contracting on a fee basis is a movement towards the client's project team as opposed to the contract team, a movement away from the traditional process with the consequence that promotional efforts will be directed specifically at the client rather than through professional intermediaries.

**Proposition 6** is therefore accepted.

**Proposition 7:** Given a more sophisticated business clientele, the promotional communications of construction firms would be of less importance than word-of-mouth recommendation on selection or buying decisions.

This was generally corroborated through empirical research. Clients and their professional advisers seek evidence of firms' past performance from recommendations from other architects or previous clients, and to a much lesser extent the promotional communications of the firms. Firms do however need to inform prospective clients of their existence. The prime method is through promotional literature. Audiences responding to this study have indicated that it is vitally important for construction firms to target specific information to the different decision makers and influencers involved in the selection process.



This brings in to question the level of dialogue between construction firms and prospective clients prior to documentation being supplied. There is little empirical evidence to suggest that firms are really getting into the client's mind or talking in his language. The results of this research has possibly exposed traditional adversarial and antagonistic attitudes which may be obstructing effective promotional communications.

The reputation of construction firms in the industry as a whole is affecting the perceptions of promotional audiences. Promotional themes concerning the quality of the construction service and commitment to environmental and other social issues are regarded with scepticism. A genuine concern for wider social issues may enhance the reputation of construction firms in the eyes of clients concerned with reflective image. Until the general image and reputations of firms in the industry has improved the credibility of messages will be questioned by professionals and prospective clients.

**Proposition 7 is therefore accepted.**

#### **13.4 CONCLUDING EVALUATION.**

In evaluating the contribution of this research, it is important to acknowledge Fellows and Langford's (13) empirical study on "Marketing and the Construction Client" published during the later stages of this research. Although the study did not examine the management of the promotional function it has identified a number of points which further confirms the theoretical development of this thesis, and supports the advancement of a proposed model to be presented in the following chapter.

The study found that clients identified contractors as qualifiers, winners or losers (14). To be shortlisted, contractors were required to demonstrate a reputation for completion on time, recent experience on similar projects and the personnel/team expertise. Primary factors favouring the winning of a project were having the lowest contract price and good time performance. The major factor for not winning a project was high contract price.

Fellows and Langford (15) place emphasis on construction contractors developing what was termed "relationship marketing", and on the development of people skills and expertise. The report stresses the need for a different approach to the traditional 4p's in the marketing of contractual services with an emphasis on third parties, the need for an identifiable image to help differentiate the service, long-term relationship building and the importance of training of non-marketing staff in presenting and selling the benefits of the service.

Fellows and Langford's (16) research confirm two-stage selective tendering (bidding followed by negotiation with the lowest bidders) as the dominant method of contractor selection. This is seen to reinforce the importance of promoting those characteristics which allow the firm to be regarded as qualifiers and subsequently as winners. The implications for promotion is that efforts would seem to need to be directed at the primary qualifying factors through brochures and other non-personal methods. However the study acknowledges the importance of word-of-mouth in the development of corporate images.

Fellows and Langford's (17) study also forecast a number of developments in marketing for construction firms including the need to address "green issues" ie, pollution prevention, which will become more important to public authorities, and commercial and industrial clients.

Their study also encourages firms to project value based activities in terms of cost, time and quality performance for a particular project (18). They also forecast that clients will become more expert, being more involved in the building process through "partnerships" with construction firms.

This research into the management of promotion for competitive advantage in UK construction firms has provided a detailed insight into a field of study where substantive empirical evidence was previously lacking. Through access to a variety of organisations and individuals a number of perspectives have been analysed and in the following chapter, a proposed model will be presented. The research has mapped out the theoretical domain through the use of the McKinsey framework which provides direction for further analysis in establishing more detail on the processes and techniques involved in this management function.

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**CHAPTER FOURTEEN:**

**THEORETICAL DEVELOPMENT OF A PROPOSED MODEL.**

## CHAPTER FOURTEEN

### THEORETICAL DEVELOPMENT OF A PROPOSED MODEL OF THE MANAGEMENT OF PROMOTION FOR COMPETITIVE ADVANTAGE IN UK CONSTRUCTION FIRMS

#### 14.1 INTRODUCTION.

The previous chapter analysed in detail the empirical evidence in the assessment of the management of promotion for competitive advantage in UK construction firms. This chapter will outline the development of a proposed model which is based on both theoretical development and empirical research.

The promotional function in construction firms has been found to be underdeveloped and the promotional efforts, specifically brochures and other non-personal media have been found not to be providing a competitive differential advantage. The empirical research supporting the model found broad dissatisfaction with contractors' promotion from major clients and their professional advisors; architects, quantity surveyors and engineers.

The proposed model which has yet to be tested, is presented in terms of its applicability under the various speculative and contractual service products which the modern construction firm now markets.

A literature review in construction established that this was an area which had received little academic attention, or rigorous empirical treatment. Writers on the subject of marketing have not applied the principles appropriate to business services and emphasis has been placed on non-personal promotional media channels. The relative importance of various media has not previously been identified. The prime weakness of the construction literature is that it is prescriptive and to date, little empirical research has been conducted in the field.

Models from general management, for example those proposed by Johnson and Scholes, Hunt and Pearce and Robinson, and models developed in construction, for example Newcombe et al and Fisher, were seen as inappropriate and inflexible for application in this study.

The McKinsey 7 S framework was used in ordering the theory and analysing the data, since it was seen as flexible in examining the function and processes of promotion.

The principal findings of this research are as follows.

\* The promotional function is underdeveloped and is therefore not generally providing a competitive advantage.

\* There is a lack of information or intelligence on the internal and external environments of the firm to support promotional efforts.

\* Top management have been found not to support promotion. Therefore the function has not the authority to obtain the active involvement of staff throughout the firm in promotional efforts.

\* Effective relationships with promotional consultants and agents have not been developed. Due to the specialist nature of promotion this can be viewed as a serious deficiency and a further reason for promotional efforts not gaining a competitive advantage for firms.

\* Training of presentation teams and others involved in promotion has not been given a high priority. Given that presentation teams would be mainly drawn from non-marketing functions including production, and the specialist nature of the work involved in promotion management, this would seem to be a further serious deficiency.

\* A distinct lack of attention to people in the contents of brochures and annual reports is seen as surprising given the importance of management in the provision of the construction service.

\* There was a lack of attention to the problem solving skills of the management team and illustration of the construction process on site.

\* A significant finding of the study is the lack of satisfaction from clients and their professional advisors with the efforts of construction firms. Recommendations by these audiences were that construction firms should target and tailor promotional efforts to the established needs of the client or the potential project.

The following section will present the development of the proposed model.



## 14.2 THE PROPOSED MODEL.

Considerable cross-validation of results has provided support for a general model of promotion in UK construction firms. A diagrammatical representation is shown in Figure 14.6. The model is based on the previous theoretical and empirical developments and follows the logic of the thesis.

At the top of the diagram, promotional management can be seen to be part of competitive and marketing strategy. The emphasis is on a competitive culture which encourages and develops strategic awareness of clients and their needs, and competitors' activities.

Promotional management may provide a differential advantage, and project the distinct capabilities of the firm to targeted clients.

The traditional marketing mix has been extended to include a fifth 'P', People (the management team and all staff who are involved in the provision of the service product). The 'people' of the construction firm are important in the provision of the construction service and may be at different levels, and within different functions, but will have some contact with the client and his professional consultants. They may be involved in promotional activities particularly presentation teams.

In construction, the 'product' will have different degrees of intangibility, from contractual services to speculative development. The model presented is essentially concerned with contractual services, but the main areas of consideration are applicable under the variety of products and services marketed by the firm. This will be analysed under a later section of this chapter.

**Figure 14.6 Promotion In Construction Firms - A Proposed Model**

**CORPORATE AND COMPETITIVE STRATEGIES**

**MARKETING STRATEGY AND TARGET MIXES**

PEOPLE	PRODUCT	PROMOTIONAL MANAGEMENT	PLACE	PRICE
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**Strategy \* Structure \* Systems  
\* Shared Values \* Style \* Staff  
Skills**

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**PROMOTIONAL MEDIA CHANNELS**

Corporate Image & Identity

Personal Selling \* Media Advertising \* Publicity and P.R \*  
Other Sales Promotion Activities

-----

Management Team	PROMOTIONAL MESSAGES	Project Process
Financial Stability		Quality
Testimonials		Problem Solving Skills

-----

**PROMOTIONAL AUDIENCES**

Key Clients \* Professional Advisors \* Prospective Clients

-----

Staff	WIDER EXTERNAL/INTERNAL	Banks
Subcontractors		Recruits
Suppliers	AUDIENCES	Shareholders

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**COMPETITIVE NOISE**

Competitors	Editorial Comment	Word-of-mouth
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The 'place' in construction is the project site which can be used for promotional purposes. The presentation of the site, and the conduct of the firm and it's subcontractors here, is an essential component of image building in construction.

'Price' in speculative house building, for example, is more prominent in promotional efforts than in contractual services since the product has been built to meet market demand. In contractual services, price is determined before production and is dependent on market demand, but for a specific project.

The promotional management function is examined using the McKinsey Seven S's framework. The combination of these areas of consideration, being a source of competitive advantage for the firm.

The requirement is for the function to be supported by the firm's senior management and culture of the organization. Promotion needs to be supported by an information or intelligence system on the company situation. The structure of the construction firm will effect the way promotion is managed and outputs are controlled. Due to the specialised nature of promotion, construction firms need to establish good working relations with their promotional consultants and agents. They also need to invest in training those who present the firm, who will be largely technical teams in contractual services.

The model is further developed under what are considered important areas of promotional communications.

First, through the importance of media channels. The emphasis in contractual services will be on personal presentation, but supported by an appropriate combination or mix of personal and non-personal efforts. These efforts will be under the wider umbrella of corporate identity and image.

Second, promotional messages in contractual services will be a balance of illustration of the construction process on previous projects (relevant to the clients current needs) and the management team's problem solving skills. The use of prior completed projects as case studies during presentations can demonstrate the application of problem solving skills to clients and their advisors.

Given that, as a source of influence on selection decisions, promotional efforts will assume a lesser role than general reputation and image and word-of-mouth, construction firms can use testimonials from previous satisfied clients in their efforts.

Third, the principal promotional audiences of construction firms are key clients; professional advisors, such as architects and quantity surveyors, who act as intermediaries and referees to the reputation of the firms; and prospective clients.

Fourth, the wider external and internal audiences will include the staff of the construction firm who need to be encouraged and informed of the strategy and competitive culture of the organisation and orientated towards the client.

The management of subcontractors and suppliers who are part of the service provision, will be important to the overall success of projects and on this basis, corporate image and reputation will be built.

Shareholders were found in this study to be an important audience, particularly for public companies.

It is important to note that at this level in the model the large network of wider audiences can be extended to include also potential recruits, financial analysts, banks, the general public etc.

Finally, 'competitive noise' refers to the fact that construction firms' promotional efforts are competing with the promotional efforts of their competitors. In addition, messages are competing against a background of editorial comment concerning the firms achievements or otherwise and word-of-mouth sources of influence from previous clients and professional advisors.

The following section will consider the applicability of the proposed model to the main products and services that the construction firms market; general contracting, management contracting, design and build and speculative house development.

#### 14.3 THE APPLICABILITY OF THE MODEL.

The use of promotion as a source of competitive differential advantage in contractual services, is dependent upon there being opportunities for pre-qualification. Open tendering, purely on the basis of price submitted, offers no possibility for the contractor to promote it's distinct managerial capabilities or quality.

However, the contractor needs to build and maintain a long-term and favourable business reputation in order to be placed on clients' tender lists.

In considering the applicability of the proposed model, the relative importance of promotional media and the contents of promotional messages will be effected by the nature of the service product.

### 14.3.1 General Contracting.

In general contracting, the emphasis will be on personal presentation by largely technical teams, supported by carefully tailored brochures and reports to the specific needs of the client and proposed project. In terms of general image building, publicity through press releases to local or national construction and business related publications, and events on site or in the office, will be more effective than media advertising.

Promotional messages in general contracting need to demonstrate the past performance and capabilities of the firm through illustration of construction process, and relevant projects in terms of time, cost and quality of management and construction. This may be achieved through the use of testimonials from previous satisfied clients and their professional advisors.

Promotional efforts also need to stress the financial stability of the firm which may be connected to the fact that it is part of a larger corporate group.

### 14.3.2 Management Contracting.

The promotional media used by management contractors will essentially be the same as for the general contractor, with the emphasis on personal presentation. The management contractor's role as part of the client's professional team of advisors will be important.

Promotional messages by management contractors need to emphasise the capabilities of their team in managing subcontractors and suppliers, in addition to the quality of the end-product; the completed building or structure, time and cost consciousness.

#### 14.3.3 Design And Build.

The promotional media will be the same as for the previous although a difference would be the inclusion of members of the design team, and the use of outline designs and layouts as sales aids.

Promotional messages by design and build contractors will need to emphasise the benefits of single-point responsibility for example, and the proven abilities of both design and management teams in providing effective solutions.

#### 14.3.4 Speculative Development.

Greater emphasis will be placed on local and national media advertising, particularly in the promotion of speculative house building aimed at segments of the general public. Personal selling at the 'place' through furnished show houses, will be of importance. Promotion to public authorities and housing associations will require different types of media for more sophisticated, and largely rationally motivated audiences.

Speculative developers are promoting completed houses. Price will have more prominence in promotional efforts, together with other sales promotion devices. For example in the selling of houses, payment of removal expenses, help with mortgages and assistance to customers who need to sell their existing homes may be offered through promotional messages.

After-sales service is of particular importance in the correction of defects and possibly maintenance.

Satisfied customers can be used to help promote the firm's products through newspapers and brochures used at the housing development.

The following section will consider the promotional audiences under the main service products offered.

#### **14.3.5 Promotional Audiences.**

Across the contractual services offered, principal promotional audiences will be the firm's key clients, for whom the firm has established a long-term relationship. The contractor needs to inform and persuade key clients to provide points of reference for prospective clients. Professional advisors such as architects and quantity surveyors, are important channels of distribution to potential clients as well as continued sources of work. They need to be continuously informed of the firm's services.

In speculative housing the audience will mainly be the general public, which may be segmented according to their income, or by age such as starter-homes and retirement developments for the elderly.

#### **14.3.6 Wider External And Internal Audiences.**

This is applicable under the four main services considered, and is potentially exhaustive. However, from a marketing standpoint, the firm's staff, subcontractors and suppliers are of significance, given the importance in terms of the construction process and quality of the end-product.



Banks and other financial institutions are of importance in order to negotiate credit and therefore need to be assured of the firm's financial management skills.

#### 14.3.7 Competitive Noise.

This element of the model is applicable under each of the service products considered.

#### 14.4 Summary.

As has been seen, the basic principles of the proposed model apply under the main service products offered by the modern construction firm. Variations occur given the following;

- \* The degree of intangibility of the product will effect the relative emphasis and appropriateness of the promotional media and the contents of messages.
- \* The degree of prominence of price in promotion will vary according to whether the product is speculative development or contractual services.
- \* In the presentation of the 'place' in construction ie. the project site, the need for depiction of the construction process and the site management team will vary, assuming more importance in contractual services than in speculative housebuilding, where customers will be more interested in the benefits of the completed end-product.

\* The type of 'people' or staff presented in promotional terms will be determined by the nature of the service product. In respect of contractual services a largely technical team; which may include design and production staff, will be required. It is important that the firm presents those key staff who will be responsible for the client's project on a day-to-day basis. In the selling of speculative houses, sales staff will assume more importance.

\* The promotional audiences will vary in their level of sophistication and sources of influence. In contractual services professional advisors ie. architects, quantity surveyors etc. will influence those within client organisations responsible for the selection of firms to carry out projects. In the case of speculative house building the customer will be influenced by family and friends.

The areas of the proposed model which will remain constant in its application are proposed as follows;

\* The need for promotion to be seen by senior management and the organisation as a whole as contributing to competitive advantage and for the function to be part of and supported by the firm's strategic and marketing planning.

\* Targeting and tailoring promotional media and messages to segments or niches of the market and to the specific needs of clients or customers is an important principle regardless of the product being marketed.

- \* The promotional management function requires investment if it is to be a high order source of advantage and thus sustainable. Investment needs to be in training and development of those specialists within the firm responsible for promotional decisions, and in contractual services the training of presentation teams who will be drawn largely from non-marketing functions.
- \* Word-of-mouth sources of influence have significant influence on the decision to buy any of the products or services of the firm. This needs to be built upon in promotional efforts.
- \* The people employed by the construction firm in various functions and at different hierarchical levels are an audience of the firm's promotional communications and need to be trained in customer/client contact skills.
- \* Subcontractors and suppliers are important in construction since their performance and quality reflects on the image of the construction firm. They need to be addressed through promotional messages since they play a role in the provision of the construction service.
- \* Competitive noise requires that the promotional function should be aware of the promotional activities and messages of competitors. Key clients of the firm may be influenced by competitors' superior promotional efforts and may switch their allegiances when selecting firms to carry out future projects.

This chapter has presented a general model of the management of promotion for competitive advantage in UK construction firms. This framework which is based on theoretical development and empirical research has yet to be tested in the industry.

A number of key considerations arise from the model as applied to construction firms, which may be investigated in future research.

- \* The extent to which promotion (as part of a wider marketing orientation) is seen as contributing to competitive advantage by management.

- \* The support given to the promotional function by senior management for it to gain the cooperation of other non-marketing functions; production, finance etc.

- \* How the promotional function is linked to general strategic and marketing awareness, to provide for more effective and differentiating outputs.

- \* The structure of the construction firm and how this effects the management and control of the promotional function and it's outputs in terms of quality and consistency.

- \* The investment in training of staff in the construction firm responsible for promotional decisions and those across the functions of the firm involved in personal presentations to clients.

- \* The effectiveness of relationships developed with promotional consultants and agents hired by the firm to produce brochures and other publicity material.

The following chapter will present the main conclusions of this study and areas for possible future research. A case study approach would provide further depth and detail, necessary to engage in a larger survey.

**CHAPTER FIFTEEN:**

**CONCLUSIONS.**

## CHAPTER FIFTEEN

### CONCLUSIONS

#### 15.1 INTRODUCTION.

The previous chapter analysed the applicability of a general model of the management of promotion for competitive advantage in UK construction firms.

Before determining the principal conclusions the results of the analysis of the research propositions will be restated.

#### 15.2 THE RESEARCH PROPOSITIONS.

**Proposition 1:** The larger the construction firm, the more sophisticated the approach to the management of promotion and the more effective the promotional output.

Accepted.

**Proposition 2:** The promotional approaches will differ between speculative development ie. house building, and contractual services ie. project management and design.

Accepted.

**Proposition 3:** UK construction firms are able to differentiate themselves through a promotional mix of activities.

Accepted.

**Proposition 4:** Given the importance of management in the provision of the construction service, promotion would concentrate on projecting the human resource.

Rejected.

**Proposition 5:** Internal communication to management and staff, would receive a high priority in gaining support for strategic objectives and encouraging client orientation.

Rejected.

**Proposition 6:** The client and particularly professional advisors ie. architects, quantity surveyors and others will be a principal audience of promotional messages.

Accepted.

**Proposition 7:** Given a more sophisticated business clientele, the promotional communications of construction firms would be of less importance than word-of-mouth recommendation on selection or buying decisions.

Accepted.

### 15.3 FINAL STATEMENTS.

The other major conclusions to emerge from this study are:

- \* The development of competitive and marketing strategy in construction firms is essential in the light of increased competition both at home and in the international context.
- \* Promotional management requires considerable support and understanding from the strategic leadership of the firms, who need to regard it as an important contributor to achieving the firms objectives and competitive strategy.
- \* Promotional strategy is dependent upon a thorough understanding of the business environment for it to become a source of competitive advantage. This study has identified a lack of emphasis on the identification of promotional audiences and their requirements and on monitoring the promotional activities of competitors.
- \* Construction firms are not gaining full advantage of their use of promotional consultants and agents.
- \* Although firms have indicated substantial interest and commitment to the development and maintenance of corporate identity, this has been found not to be effectively communicated through the principal corporate and promotional channels. The study identified a recognition of the importance of a planned approach to corporate identity and publicity and in the improvement of the quality and consistency of promotional output. Many of the difficulties encountered were as a result of the structure of the organisation and the positioning of the management function responsible for promotion.



- \* The study has mainly concentrated on the principal promotional audiences; those involved in the marketing situation. However many construction firms would seem to be directing their general image building more towards investors and financial analysts than to prospective clients.
- \* Networks or personal contacts are seen as the most effective way to generate interest and enquiries and ultimately obtain work. Construction firms do, however, invest in a wider range of interrelated personal and non-personal promotional channels.
- \* A higher priority is afforded the production of promotional literature used in direct mail packages or as an aid to personal selling than paid-for advertising in national or trade press. On the basis of the findings of this research, the effectiveness of promotional literature in the marketing context has been questioned. Used in isolation, it would seem to be too general, needing to be supported by more tailored approaches and face-to-face selling techniques.
- \* The research reveals a lack of satisfaction with the performance of firms, not only with regard to the quality of their promotional output but also in the overall quality of the construction service.
- \* Only a very small number of firms emphasised wider corporate concerns, in particular, raising the profile of firms in the construction industry. The attitude seemed to be that only matters which appeared to directly effect the profitability of the firms in the short term were of importance. The general poor image of firms in the construction industry may be influencing the attitudes of customers and their professional advisors.

#### 15.4 SUGGESTIONS FOR FUTURE WORK.

A prime objective of this study was to investigate the contribution of promotion to competitive advantage in UK construction firms. It has also revealed aspects which offer potential for further examination through the proposed model.

- \* The integration of promotion with intelligence gathering on the company situation.
- \* The relationship between firms and their external promotional consultants and advertising agents to achieve maximum benefit from their experience and expertise.
- \* The effectiveness of media relations.
- \* Arrival at and allocation of promotional budgets.
- \* The role of personal selling in construction enterprises, identifying variables in the personal selling process under the various design and management services and manufactured products offered. Determination of the objectives of personal sales presentations and the planning activities involved.

**APPENDIX 1**

**Appendix 1. Table 1: UK Construction Firms**

(Selected from a list of the top 100 Construction firms, according to turnover, in NCE/NB Contractors File 1991)

Rank (Turn-Over)	Main Director	Regional Director	Senior Management		Title
			Group	Reg.	
5				X	Marketing Assistant
6		X			Marketing & Sales
7			X		Head P.R.
9			X		Group Publications
10			X		Corporate
14				X	Communications
16			X		Marketing Services
17			X		Head P.R.
18			X		P.R. Manager
19				X	Head P.R.
24		X			Marketing Manager
25			X		Marketing Director
26			X		Head P.R.
30			X		Information Officer
33			X		Head P.R.
36				X	Marketing
40	X				Marketing Manager
46		X			Ass. To Chairman
59				X	Marketing
61					Sales Manager
88			X		P.R Agency
91			X		Sales Managers
					Marketing Manager

**Appendix 1. Table 2: Promotional Consultants/Agents**

Note: const. firm refers to the construction firm the promotional consultant or agent works for. This also applies to Table 3 on the following page.

Service	Const. Firm	Position Of Informant
Annual Reports	1	Senior Designer
	14	Partner
	25	Managing Director
	16	Director
	24	Accounts Director
	46	Head Of Agency
Brochure	17	Head Of Agency
	61	Partner
Corporate Identity	6	Director
	24	Accounts Director

**Appendix 1 Table 3: Details of Promotional Consultants/Agents**

Construction Clients (Rank Turnover)		Scope Of Work	Other Clients
Tarmac	1	Annual Reports Employee Reports Corporate Brochures	B.B.C, British Rail, London Electricity Board etc.
Bovis	6	Corporate Identity	Banks, Chemical Car Manufacturer Chamber Orchestras etc.
McAlpine	14	Annual Reports Brochures Corporate Id. Conferences, Exhibitions.	British Rail, Shell U.K etc.
Lovell	16	Corporate Advertising Public Relations Marketing	Food, retail property, business-to-business etc.
Douglas	17	General Brochure Technical Literature Corporate Id.	Wide experience with Construction firms.
Budge	24	Corporate advertising, press releases, media planning, design.	Diverse areas of building products.
Miller	25	Annual report graphic design.	Health Board, Civil Engineering Consultants, Legal profession Banking etc.
Boot	46	Corporate Advertising	Building Products Firms.
Fitzpat.	61	General Brochures Public Relations	Catering Equipment Women's Magazines

Appendix 1. Table 4: Major UK Client Organisations

Organisation	Informant
Nature Of Business	Job Title
Water Authority	Assistant Engineer
Biscuit Manufacturer	Group Architect Property Dept.
Car Manufacturer	Purchasing Manager.
Chemical	Senior Buyer Retail.
Health Board	Project Director.
Brewery	Project Manager Engineering Services.
Bank	Project Manager Property Services
Supermarket	Senior Project Manager.

Appendix 1. Table 5: Major UK Architectural Practices

(Selected Randomly From Building Design 100 (1990) According to size ranked in order of number of registered architects.)

Rank	Job Title
2	Partner
5	Senior Architect
6	Director
8	Director
9	Director
12	Associate Architect
15	Project Architect



**Appendix 1. Table 6: Major UK Quantity Surveying Practices**

(Selected from lists of the top practices in Building 21st September 1990)

Rank	Job Title
1	Librarian
2	Library Information Officer.
5	Researcher Research Dept.
6	Director
7	Associate
8	Director
9	Associate
10	Associate

**Appendix 1. Table 7: Major UK Engineering and Multi-Disciplinary Practices**

(Selected from lists of the top practices in Building 21st September 1990)

<b>Rank</b>	<b>Job Title</b>
4	Chief Engineer For Construction
5	Project Manager
7	Director
9	Quantity Surveyor
10	Project Manager

**APPENDIX 2**

Appendix 2. Item 1.

Dear

Report On Research Into The Promotion Of Major Construction Firms

May I take this opportunity to thank you for your valuable contribution, when you so kindly gave me the benefit of your time and experience during an interview as part of the above research programme. This initial stage in the research has been completed and I enclose a brief summary of the interim findings with an invitation for you to comment on, or criticise any of the statements made.

I would be grateful for your responses and have enclosed a S.A.E for this purpose.

Could you please return the enclosed report at your earliest convenience.

The above programme aimed to explore through interviews, the processes and techniques used in the promotion of major U.K construction firms, and to investigate the effectiveness of their client-communication, through interviews with clients and their professional representatives. In addition, your company's promotional literature, together with that of other major firms, was reviewed by an independent panel comprising mature post graduate students, with varied professional backgrounds in the construction industry

A copy of the findings of the independent panel, which will outline how your company's promotional literature compared with those of other firms will be forwarded shortly. I must emphasise that this research has been carried out strictly preserving the anonymity of all contributors.

A copy of the final results will be forwarded to you on completion of the research. I would also be grateful if you could indicate your willingness to attend a seminar run by the Department Of Building Engineering And Surveying, on this subject.

If you would like to discuss this, or any aspect of the study, the Research Co-ordinator, Dr. Steven Male may be contacted on extension 4623.

Once again, thank you for your cooperation and I look forward to hearing from you.

Dear

Report On Research Into The Promotion Of Major Construction Firms

May I introduce myself. I am a researcher in the Department Of Building Engineering And Surveying at Heriot-Watt University. I have recently completed an initial stage in the above research programme and would value your contribution to this study.

The above programme aimed to explore through interviews, the processes and techniques used in the promotion of major U.K construction firms, and to investigate the effectiveness of their client-communication, through interviews with clients and their professional representatives. In addition, companies promotional literature was reviewed by an independent panel comprising mature post graduate students, with varied professional backgrounds in the construction industry.

I must emphasise that this research has been carried out strictly preserving the anonymity of all contributors.

Whilst I appreciate that you are very busy, would it be possible for you to give me the benefit of your experience by commenting on, or criticising any of the statements made in the enclosed interim report. I would be grateful for your responses and have enclosed a S.A.E for this purpose.

Could you please return the enclosed interim report at your earliest convenience.

A copy of the final results of this research will be forwarded to you on its completion.

I would be grateful if you could indicate your willingness to attend a seminar run by the Department Of Building Engineering And Surveying, on this subject.

If you would like to discuss this, or any aspect of the study, the Research Co-ordinator, Dr. Steven Male may be contacted on extension 4623.

Thank you for your cooperation and I look forward to hearing from you.

Appendix 2. Item 2.

HERIOT-WATT UNIVERSITY  
DEPARTMENT OF BUILDING ENGINEERING AND SURVEYING

INTERIM  
REPORT

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RESEARCH INTO THE PROMOTION  
OF MAJOR CONSTRUCTION FIRMS

---

RESEARCHER: C.N.Preece  
RESEARCH CO-ORDINATOR: Dr. S. Male

CONTENTS

PART ONE: Introduction  
PART TWO: Summary Of Results  
PART THREE: Detailed Results  
PART FOUR: Concluding Remarks

## PART ONE

### INTRODUCTION

Under the current economic climate and with increasing opportunities in Europe and beyond, the need for construction firms to develop their competitive edge would seem to be essential. In the broadest sense this work aims to identify the methods by which major firms effectively promote their image and services to their clients.

The aim of the research is to explore the processes and techniques used in the promotion of major U.K construction firms, and to investigate the effectiveness of client-communications.

The research programme consisted of semi-structured interviews with a group of senior managers, selected to represent:

- 1) Construction Firms (21), mainly drawn randomly from the top 50 (according to turnover). The majority of the informants were senior management in public relations or marketing functions, either at a corporate (group) or divisional/subsidiary level. Each was able to provide an overall insight into that company's approach to promoting their company's activities.
- 2) Consultants And Agents (9) responsible for the production of; annual reports, general brochures, advertisements, public and press relations and corporate identity both within and outside the construction industry.
- 3) Clients And their Representatives including major organisations (7) in retail, petrochemicals, the water industry, banks, leisure, hospital boards and other sectors and major architectural (10), quantity surveying (10) and civil engineering (7) practices and consultancies.

In addition an independent panel of professionals with diverse experience in the construction industry attending the Masters Course in Construction Management at Heriot-Watt University, were recruited to give their impressions of the promotional literature of companies contributing to the study. (The results of this element will be sent to you.)

Space is provided throughout the report, for your comments and criticisms on any of the results of the research.

All responses will be treated in the strictest confidence.

## PART TWO

### SUMMARY OF RESULTS

#### CLIENTS

Clients and their representatives, without exception, criticised promotional literature.

Whilst creating an awareness of companies' existence, material failed to generate interest in the organisation and their services. This was due to its lack of focus on particular client's specific needs and clear messages regarding the success of past projects in terms of time, cost or quality and the credibility of the management team.

The advantage of producing multi-purpose annual reports including financial information which can be readily trimmed for specific targeting to market sectors was indicated.

Considerable emphasis was placed on the value of pre-qualification interviews or presentations, to reinforce the service being offered. The importance of site visits as a supplement to presentations was raised. However, because it is not always possible to find the time for such visits, the value of site photographs in initial promotional literature was stressed.

Clients select contractors on the basis of their own records and experience with firms. Reputation of firms in terms of building site efficiency, appearance and the quality of the management team were all major factors.

Clients were particularly concerned with the "reflective image", referring in particular to a company's relationship with the local community ie. environmental considerations. Clients such as major supermarkets or chain stores were particularly concerned about the presentation of sites and hoardings alongside their premises.



Clients without exception stated their concern regarding the credibility of construction firms and in consequence messages in promotional literature must be supported with evidence of performance through the various media used.

Many architects could describe harrowing experiences and were concerned with the levels of quality control on site and the management team. They required to see that management is participating in the selling process. The importance of involving non-marketing senior management in pre-selection interviews and presentations was stressed.

YOUR COMMENTS:

## CONSTRUCTION FIRMS

Most construction firms commented on the value of corporate entertainment and events on site or in the office, as a means of promoting their name and services.

There would appear to be a movement towards the development of public relations departments in construction firms to coordinate the production of promotional material, press relations and events marketing.

A consensus of opinion from the construction firms indicated two of the most successful forms of advertising were first corporate; linked to changes in firms corporate identity and attracting investment, and second, product or service advertising of house building. It was also agreed that these forms of advertising were very expensive and therefore not cost effective when applied to contractual services. For this kind of work, firms agreed that free publicity through editorials in the trade or construction press was much preferred.

A small number of firms indicated the use of posters on public transport, such as taxis in major cities, to communicate their name. However, it was indicated that such campaigns require careful targeting to achieve the best results.

Most firms indicated their intention of sending out messages in annual reports and promotional literature, regarding the quality of the product and management team and to a lesser extent, concern for environmental and other issues.

Just under half the construction firms in the sample had recently, or were currently involved in research into their corporate image and identity, which appear to be as a result of a combination of strategic changes to organisational structure, a desire to become global concerns or outgrowing their previous image. These may indicate moves by firms to improve their credibility in order to compete in new markets.

## YOUR COMMENTS:

ADVERTISING AND OTHER PROMOTIONAL DESIGN CONSULTANTS AND AGENTS  
VIEWS

Whilst many construction firms are prepared to invest in appointing consultants or agents in the design of annual reports and other promotional literature, there would appear to be a tendency to become preoccupied with the cost of production and show a distinct reluctance to produce innovative solutions, which may provide a more exciting and differentiating approach.

Consultants and agents commented on the resistance of construction firms to include images of people or management, and clear themes or messages in reports or brochures.

The Consultants also emphasised the need for the involvement of strategic leaders and senior management with authority, in the promotional process.

In a number of instances, the importance of the annual report as being part of the strategic management process was stressed by design consultants, although they were unsure as to whether this was the case with regard to construction firms.

Where companies are demonstrating an effort to manage promotion more effectively, it would appear to be as a result of the direct involvement of high profile leadership.

YOUR COMMENTS:

## PART THREE

### DETAILED RESULTS

#### CONSTRUCTION FIRMS

Most construction firms (19) represented in the sample, have corporate identity design manuals which regulate the application of logo's and colour codes to stationary, vehicle livery, site hoardings, protective clothing etc.

A number of firms (10) had, or were in the process of reviewing their manuals as part of wider research into their identity and image. Seven were, or have recently been engaged in in-depth studies including external audiences ie. clients, subcontractors, suppliers, and consultants and internal audiences ie. employees through attitude surveys, interviews etc.

Only a small number (2) indicated that this was an on-going concern.

A number of firms (3) in the sample were only concerned with the design or visual aspects of corporate identity ie. alterations to logos etc. In the present economic climate there was reluctance in those firms to invest in more thorough investigation.

An indication was provided by a few companies (3) of the importance of involving marketing or sales staff in changes to their identity. This is particularly true with regard to alterations to promotional literature, used as aids to selling.

Corporate Identity Consultants and agents asserted the need for internal communication ie. newspapers, magazines to be used to reinforce alterations to the identity of a company and to gain support for the changes from employees.

Only a small number (3) of companies indicated formal policies with regard to reception areas of corporate offices and the presentation of receptionists in corporate clothing. Two firms saw the need for what was called a "parochial" approach to autonomous regions or divisions, devolving responsibility for these issues to local management. This was particularly the case with regard to Scotland and Wales.

One company in the sample highlighted the difficulty in applying a corporate identity in a company which has subsidiaries which manufactures branded products. It would appear that it is not always appropriate or indeed advantageous to associate the corporate name when selling to possible competitors of other Group companies.

Many firms (14) exercise some form of control over the quality and consistency of promotional material, with regard to corporate identity and image, with the provision of departments at the corporate level either to produce material in-house (1) or through agencies appointed centrally (12). In two firms all the promotional output for Group companies was produced by single agencies.

Eight firms would appear to have no clearly defined policy for monitoring or controlling the quality and consistency of promotional output, due to the fact that autonomous divisions or subsidiaries make separate arrangements for the design and production of marketing material through agencies.

There was overall consensus in support of limited corporate advertising campaigns in the press, linked to changes to corporate identity or to announce financial results. Three firms indicated that they had been involved in this recently.

The advertising of specific services in printed media are not seen as being effective other than in housing, where a considerable financial commitment was indicated. One firm was however involved in an advertising campaign for its design and build division.

All the firms appeared to agree that the most effective advertising in general contracting was free editorials or press releases concerning special site events, prestigious projects or clients.

One respondent outside the top 50 asserted that small firms often had great difficulty in exciting interest from the national trade or construction press due to their firm and leadership lacking a national/international profile. Much of their publicity related to coverage of projects in local newspapers.

The research raised the issue of the value of nationally/internationally known personalities in their strategic leadership ie. the appointment of a firms directors to prominent positions in professional bodies.

National newspapers were seen as appropriate for occasional corporate advertising, but in general they proved to be too expensive and the wide coverage and readership was in most cases inappropriate other than in large scale house building.

One firm mentioned that they had used regional television and radio advertising for their housing division, which again proved to be very expensive and therefore was discontinued.

All firms appeared to agree that it was impractical and inappropriate to pre-test advertisements in printed media due to the nature of the product or service, with the possible exception of large scale house building where it may be possible to take a sample of customers and gauge the potential effectiveness of advertisements.

Indication was given as to the importance of media buying; the selection of the most appropriate and cost-effective medium eg. magazines, newspapers etc. This function may be carried out in-house or through advertising agencies.

A small number of firms (5) indicated more specialised advertising ie. posters at airports (2 firms) and mobile advertising on taxis (3 firms).

The construction site is seen as an important promotional medium that firms can exploit.

Public relations has possibly been afforded a higher profile. In most companies (16) it is carried out through the marketing/sales function, although there would appear to be a trend amongst the sample in recent years for public relations functions to be developed separately, in particular at the corporate level.

Social marketing would not appear to be an important element in public relations or marketing in construction firms.

Social marketing is often little more than gifts to charities, but a number of firms demonstrate interests in social causes, sponsorship or educational projects in connection with colleges or universities. However this is not the general picture.

Eleven construction firms indicated limited sponsorship. Eight specifically mentioned their commitment to events or activities associated with clients, potential clients (1), local charities (3), local community projects (3) the arts (1). One firm linked sponsorship of local youth activities to encouraging identification with the company and industry.

In the case of general contracting, few firms (2) saw any advantage in attending exhibitions and these were confined to the attendance of "closed" exhibitions, not open to the general public, where the communication can be most readily targeted.

Internal communications such as magazines, newspapers etc. are widely made available to clients and others. These are generally produced through public relations departments or some central function. In one firm this was called a "communications department".

To what extent internal communications are written with the particular needs of different internal audiences in mind, or indeed with their participation, was not made clear.

In a number of cases (5) public relations is responsible for the management, control and coordination of promotional material, but its main function would appear to be press relations. Generally it would seem to come under the finance directorate, and be responsible for the production of annual reports and accounts and shareholder relations.

Annual reports have, it would appear increasingly been utilized by firms as multi-purpose documents to communicate to marketing audiences, employees and others in addition to shareholders.

A private firm in the sample is using annual reports including accounts to demonstrate financial stability and perhaps to give the impression of size and status.

An examination of the contents of these documents by the writer and the independent panel has found that they communicate very little about the "identity" of the firms.

YOUR COMMENTS:

## ADVERTISING AND OTHER PROMOTIONAL DESIGN CONSULTANTS AND AGENTS

Design consultants (5) have indicated that construction firms tend to be very conservative and cautious with regard to the design of annual reports.

A number of design consultants (2) asserted that sections included in the narrative concerning personnel, were possibly only "token gestures".

Design consultants implied that statements on "corporate mission or objectives" may be at their instigation rather than from the strategic management of the construction firms. Most firms would appear to indicate only the briefest economic objectives such as the business that they are in, quality and profits. Few included wider issues such as the environment or other social concerns.

YOUR COMMENTS:



## CLIENTS REPRESENTATIVES

Architects (10), quantity surveyors (10) and representatives from client organisations (6) were asked to give their impressions of the promotional literature that they received from construction firms, and to indicate what effect these had on their decision to select companies to be put on tender lists.

All respondents emphasised that the most important consideration when selecting contractors to be placed on tender lists were their reputation, their experience and financial position.

Promotional literature such as general brochures were only looked upon as background information. Recommendations from architects or clients, together with pre-selection interviews or presentations were where the specific requirements and judgements could be addressed.

Generally promotional literature was heavily criticised by respondents. There would seem to be a number of different requirements of this sort of promotion.

Architects stressed the importance of illustrating the construction process by means of photographs and brief narrative, together with details of the outcomes of past projects in terms of the meeting of completion dates and working to budget. Reference was made to the need for firms to demonstrate the quality and permanence of management teams on projects.

The firm's attitude to environmental matters was also mentioned by a number of respondents (5).

All respondents indicated the preference for tailored promotion, leading to a personal interview or presentation. Information regarding past achievements and financial stability whilst considered to be important must be user-friendly and easy to read.

Quantity surveyors indicated their preferences for hard facts and figures, looking for information regarding track record, details of organisational structure and the management team. They emphasised the importance of including the name of contacts within the construction firm in order to establish pre-selection interviews or presentations.

Because most of the information may be collected or stored in libraries, the importance of brochures and other literature being dated was suggested.

Much of the general information included in the promotional package concerning internal or personnel matters, whilst interesting, was deemed irrelevant and may lead to a negative response. Again respondents asserted the preference for tailored material to support personal contact.

A sample of construction and civil engineering consultants (8) echoed the points made by architects and quantity surveyors.

YOUR COMMENTS:

## CLIENT ORGANISATIONS

A number of respondents representing client organisations (6) indicated that their firms had developed or were in the process of developing more sophisticated and competitive systems for selecting contractors. This would involve close examination of the promotional literature of all contractors, and not just those that they had worked with before. It was seen as opening the door to European as well as U.K firms. The systems will also involve questionnaires and interviews and will be coupled with performance monitoring.

Scepticism was expressed concerning construction firms who were promoting an environmental awareness or concern for other social issues. This was seen as possibly exercises in marketing or public relations rather than honest accounts of corporate philosophy; a way of differentiating themselves at a time of intense competition.

Clients expressed concern at the low quality and lack of supervision and control of finish of construction work. Although it was acknowledged that a number of major firms were addressing these issues, most were seen to be lagging behind American and Japanese contractors.

## YOUR COMMENTS:

## PART FOUR

### CONCLUDING REMARKS

This research has come at a time of deep recession in the economy, and respondents indicated that cuts had been made in promotional budgets. This may have had the effect of concentrating firms on more effective management and targeting of their marketing communications.

Where corporate advertising has been used, these would appear to have been cut-back. This is understandable, according to one advertising agent interviewed, who asserted that "in business-to-business marketing, if customers aren't buying, then there's no point in continuing to run campaigns." However, in times of intense competition, there is still a need to inform clients or customers of a company's existence and architects and other marketing audiences have reported an increase in mail-shots from construction firms.

Some element of doubt exists as to the effectiveness of marketing literature such as brochures or annual reports. This research has highlighted the general comments and suggestions of clients and their representatives, which to summarize, assert a need to target, tailor and trim the initial marketing material, to provide more specific and useful information.

Although construction firms may have begun to use the services of design consultants and agents to improve the effectiveness of communications, they may not be getting full benefit, by being too conservative or cautious and restricting the creative process.

It would appear that systematic research to establish the needs of clients or the effectiveness of promotional activities is not carried out by construction firms, possibly with the exception of house builders.

Personal selling, networks or contacts appeared to be excepted as the most effective way of promoting the construction firm to clients and potential clients. This was confirmed through interviews with architects and other clients representatives, who indicated that they would rarely if ever place contractors on to tender list (in the traditional contracting arrangement) on the basis of written communications. Pre-selection interviews and presentations are where the construction firm can address the specific issues.

YOUR COMMENTS:

**APPENDIX 3**

Appendix 3. Item 1.

Interview Schedule: UK Construction Firms.

Part 1 related to the organisation for promotion and employment of consultants and agents.

The main points to be established are as follows:

- \* What is your job title and main responsibilities?. What is your managerial level ie. board of directors, senior management at group or divisional level?
- \* Does your company use consultants or agents in your promotional effort ie. for advertising, public relations, production of annual reports, brochures etc.

Part 2 of the survey examined the promotional objectives, and perceived relative importance of various channels or media techniques being used.

Objectives and Principal Target Audiences

- \* What are the promotional objectives of construction firms? What are the principal target audiences?

Corporate Identity

- \* How is the corporate identity of the firm expressed? Are there formal policies with regard to its presentation?

Advertising

- \* Does your company use press media ie. in newspapers, trade press etc.? If yes for what purpose? Who are advertisements generally aimed at?
- \* Does your company use broadcast media ie. radio, television etc.?
- \* Does your firm produce promotional Literature ie. corporate annual reports, brochures etc.? If yes who is the literature aimed at?

Publicity and Public Relations

- \* What sort of events or techniques are used to gain publicity?

### Personal Selling and Presentations

- \* What are the professional backgrounds and qualifications of salespeople?  
What is the composition of pre-selection interview or presentation teams?  
What training; either internal or external is provided by the firm, for presentation teams?  
What selling aids are used in presentations?

### Other Promotional Efforts

- \* What other promotional efforts are used by your firm for example sponsorship, attendance of trade exhibitions or give aways?

### Promotional Mixes Under Different Services

- \* How do promotional mixes under the different services ie. general contacting, design and build, house building etc. differ?

### Promotional Messages

- \* What were the main promotional messages that your firms wants to project through promotional output ie. your corporate image?.

Appendix 3. Item 2.

Interviews Schedule: Promotional Audiences.

The following questions were asked during telephone interviews with architects, quantity surveyors and other representatives of client organisations as previously discussed.

- \* What are the key factors (or selection criteria) on which decisions are based?
- \* What are the sources of influence on decision making?
- \* What do the representatives perceive to be the relative impact of construction firms promotional communications techniques?
- \* What do the representatives look for in the promotional material that they receive ie. direct mail packages including general corporate/marketing literature.?
- \* What are the representatives overall impressions of the promotional efforts of construction firms?



Appendix 3. Item 3.

Focus Group Participants Schedules.

EXPLORATORY FOCUS GROUP

DISCUSSION ON CONSTRUCTION COMPANY PROMOTIONAL LITERATURE

ORIGINATOR: Christopher N. Preece.

RESEARCH CO-ORDINATOR: Dr. Steven Male.

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Group Number:

Date:

Site: Department Of Building Engineering & Surveying

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## INTRODUCTION

Thank you for agreeing to participate in this element of a wider research project. Your assistance will be highly appreciated.

## PROCEDURE

The Focus Group is in two parts.

Part One involves participants of the Group studying Annual Reports and other literature, which has been supplied by major companies operating in the construction industry. This is an individual exercise and should only take 1 hour.

Part Two is a Group discussion and should, only take 1 hour.

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## YOURSELF

Before proceeding, please complete the following:

1. Name:
2. Age:
3. Sex:
4. Course Attended:
5. Professional Background:

---

## PART ONE - Individual Exercise

In your assessment of the presentation and contents of the documents, please carry out the following procedure.

\* PLEASE DO NOT DISCUSS YOUR IMPRESSIONS OR OPINIONS WITH OTHER GROUP MEMBERS.

Step One:

Without opening the Reports, please examine the set of documents, which have been numbered for ease of reference.

State which, in your opinion, have the i) most and ii) least out-standing cover presentations.

Enter the numbers in the spaces provided, together with brief explanations for your choices.

i) Most Out-standing:

ii) Least Out-standing:

Step Two:

Are you encouraged to read any of the Reports from their design and overall presentation?

Please state the number of the document(s):

**\* PLEASE REFRAIN FROM PROCEEDING TO STEP THREE UNTIL ALL MEMBERS OF THE GROUP HAVE COMPLETED STEPS ONE AND TWO.**

Step Three:

On the attached sheets, please state your perceptions of each of the companies image by examining their Reports under the following areas.

1. Design and overall presentation.
2. Contents of photographs or other illustrations.
3. Key phrases or words.
4. In a few words, how would you sum-up the image of the Company being projected.



Appendix 3. Item 4.

Interview Schedules: Focus Group Discussion Guide.

The following general themes were discussed;

- \* Individual participants impressions immediately after exposure to the promotional documentation.
- \* Any distinctive logos or other elements of corporate identity presented.
- \* Impressions the sample of documentation gave of the construction industry's image.
- \* Any firms outside the sample that participants considered to have distinctive identities or images.
- \* On the basis of the documentation, motivation to take up employment with the firms.
- \* How construction firms could best promote themselves to be selected for tender lists.
- \* How influenced participants were by their previous knowledge of the firms.
- \* Groups were asked to rank order the five most, and five least impressive firms, according to the promotional documentation available.

**APPENDIX 4**

Appendix 4. Table 1: PROMOTIONAL ORGANISATION

Company	(Rank According to turnover)	Title/Level	Responsibilities
BALFOUR	(5)	Marketing Assistant (Divisional)	Identifying & chasing new business, any local public relations activities, advertisements, brochures.
BOVIS	(6)	Marketing & Sales Director (Divisional)	Research, client contacts, personal selling, advertising, brochures.
COSTAIN	(7)	Head Of Public Relations (Group)	Press releases, monitoring brochures, advertisements produced by divisions, annual report, internal communications.
LAING	(9)	Group Publications Manager (Group)	Advertising, brochures, annual report, internal communications.
MOWLEM	(10)	Director Of Corporate Communications (Group)	Public relations, annual report, internal communication, corporate advertising.
McALPINE	(14)	Marketing Services Manager (Group)	Presentation equipment, brochures to the divisions, information sheets on projects, any market research.
LOVELL	(16)	Group Public Relations Officer (Group)	Oversee any advertisements, all internal communications, annual reports, corporate advertising.



Appendix 4. Table 1: PROMOTIONAL ORGANISATION

Company	(Rank According to turnover)	Title/Level	Responsibilities
DOUGLAS	(17)	Group Public Relations Manager (Group)	Monitor quality, consistency of brochures, advertisement, P.R activities, press releases, annual reports.
LILLEY	(18)	Head Of Public Relations (Group)	Coordination of brochures, annual report, internal communication, press releases.
NORWEST	(19)	Divisional Marketing Manager (Divisional)	Personal contacts and selling, adhoc market research, brochures, advertising.
BUDGE	(24)	Marketing Director (Divisional)	Contacts, personal selling, press releases, brochures, advertising.
MILLER	(25)	Group Public Relations And Publications Co-ordinator (Group)	Annual report, brochures, press releases, corporate entertainment.
SHEPHERD	(26)	Group Information Officer (Group)	Coordination, press releases, brochures, public relations.
LELLIOT	(30)	Head Of Public Relations (Group)	Press relations, brochures, annual report, internal communications.
BOWMER	(33)	Marketing Manager (Group)	Brochure, project sheets, any on-site ceremonies, corporate entertainment.

Appendix 4. Table 1: PROMOTIONAL ORGANISATION

Company	(Rank According to turnover)	Title/Level	Responsibilities
GLEESON	(36)	Marketing Manager (Divisional)	Personal contacts, organisation of presentations, any local public relations activities.
WILMOT D	(40)	Assistant To Chairman (Group)	Promotional / corporate image coordination with agencies.
BOOT	(46)	Marketing Director (Divisional)	Personal contacts, selling, brochures, any local public relations.
CALA	(59)	Sales Manager (Divisional)	Preparation of advertisements, all brochures, market research.
FITZPAT.	(61)	Director Responsible For Public Relations (Group)	Promotional communication coordination with agency.
CROUDACE	(88)	Marketing Executive (Divisional)	Personal contacts, selling, press releases, brochures, advertising.
DOYLE	(91)	Marketing Manager (Group)	Contacts, selling, press releases, brochure.

Appendix 4. Table 2: PROMOTIONAL ORGANISATION

Company	(Rank According to turnover)	Internal Functions / Use of Consultants / Agencies.
BALFOUR	(5)	Group Communications Department at London headquarters, monitoring brochures, produces annual reports, in-house publications. A committee set up to look into corporate image. No use of external consultants or agents.
BOVIS	(6)	Press Department and in-house consultant to produce campaigns, brochures, in-house publications.
COSTAIN	(7)	All press releases come from the centre. Annual Report produced by consultants, local design agencies used throughout the divisions.
LAING	(9)	Public and media relations department within the construction division used by the group. Group Press Office monitors media reports and issues press releases. Annual report produced by consultants.
MOWLEM	(10)	Agents and consultants used throughout the group, design consultant for annual report.
McALPINE	(14)	Corporate Communications Department responsible for public and press relations, in-house publications. External agencies used for advertisements or research.
LOVELL	(16)	Individual marketing directors have autonomy with regard to the production of brochures or advertisements. A design consultant is used for the annual report. An agency conducts research within target audiences for corporate campaigns.
DOUGLAS	(17)	Managing Directors and Sales throughout the group are largely autonomous. Design companies used adhoc for brochures or any other literature.

Appendix 4. Table 2: PROMOTIONAL ORGANISATION

Company	(Rank According to turnover)	Internal Functions / Use of Consultants / Agencies.
LILLEY	(18)	Design consultants for annual report. Consultants uses to establish the effectiveness of certain advertising media.
NORWEST	(19)	Movement to decentralise marketing services so that divisional managers can subcontract design of brochures, obtain the services of public relations consultants locally.
BUDGE	(24)	Marketing function in building division serves other parts of group. External public relations agency produces brochures.
MILLER	(25)	Market research carried out by external agency for housing and environmental division. Design consultant used for annual report.
SHEPHERD	(26)	Group Marketing Services Department produces all advertisements, brochures, press releases. The company has a media buyer. External consultants have been used by Design and Build division for promotional material and research.
LELLIOT	(30)	Design consultants used for annual report and brochures.
BOWMER	(33)	No marketing public relations structure or use of consultants or agencies.
GLEESON	(36)	Group Public Relations Executive produces press releases. Design consultant produces annual reports general brochures are produced by local designers.
WILMOT D	(40)	Public relations and design consultants produce all marketing material and press releases. All divisions use the same agencies.

Appendix 4 Table 2: PROMOTIONAL ORGANISATION

Company	(Rank According to turnover)	Internal Functions / Use of Consultants / Agencies.
BOOT	(46)	Subsidiary advertising agency used by all divisions for brochures, all in-house publications, press releases.
CALA	(59)	Advertising / public relations agencies used for all advertising, press releases.
FITZPAT.	(61)	Corporate advertising, brochures, public relations activities provided by external agency.
CROUDACE	(88)	In housing division agents employed to carry out research. Design consultants used for promotional brochure. Contracting buys sales / planning leads from outside agency.
DOYLE	(91)	No use of agents or consultants by marketing function.

Appendix 4. Table 3: RESEARCH TO SUPPORT PROMOTION

Company	(Rank according to turnover)	Approach
BALFOUR	(5)	Business leads. Committee set up to look at public perception of the company; its reputation and image. Monitoring promotional output of competitors on an adhoc basis.
BOVIS	(6)	Corporate identity programmes follow a pattern of collective changes with internal consultation at all levels, every half year. External image review every four years with existing, past clients together with people who the firm has not worked with previously. A measure of the reception of promotional material.
COSTAIN	(7)	No comments. Considered commercially sensitive.
LAING	(9)	A corporate identity review in process. In-house attitude surveys are conducted, which covers corporate image. No external research carried out to support promotional efforts. A Corporate Affairs department has been set up to identify future trends and carry out research in national and international markets. Only informal links with promotion.
MOWLEM	(10)	Two management consultant and a design consultant undertook identity and image research; internal and external. Questionnaire and interview survey of staff, clients, subcontractors, suppliers etc.
McALPINE	(14)	Market research carried out on industry sectors and regions. No research into identity or image but possible given the resources.

Appendix 4. Table 3: RESEARCH TO SUPPORT PROMOTION

Company	(Rank according to turnover)	Approach
LOVELL	(16)	Extensive research into image/identity. Advertising agent conducts research with groups of target audiences to assess image/ reputation; how various aspects of the company rated in importance with clients. Important to monitor the promotional campaigns of competitors and attempt to improve and differentiate the message.
DOUGLAS	(17)	External survey of its image and promotional output using a management consultant.
LILLEY	(18)	Market analysis - suitability of advertising media. No investigation into image or reputation. Could be a future development.
NORWEST	(19)	External surveys of one thousand clients, banks, consultants; architects, quantity surveyors etc; to establish how the company is perceived in the market place. (Questionnaire and telephone survey.) Adhoc market research involves intelligence from the field. Management were said not to have enough time for more thorough research.
BUDGE	(24)	Adhoc research to find out what the client needs and how the firm is perceived.
MILLER	(25)	Market data bases. Market research in house building and new environmental division. One year review of corporate identity - internal survey of senior management only.
SHEPHERD	(26)	Media research. Monitoring of published consumer research ie. Which reports for house building function mainly.
LELLIOT	(30)	Review of corporate identity in process. Research into a particular niche market.

Appendix 4. Table 3: RESEARCH TO SUPPORT PROMOTION

Company	(Rank according to turnover)	Approach
BOWMER	(33)	No comments. Considered commercially sensitive.
GLEESON	(36)	No comments. Considered commercially sensitive.
WILMOT D	(40)	Adhoc to find out what clients need and what they look for in promotional material.
BOOT	(46)	Revision of corporate identity by committee of marketing directors, finalised by Directors of holding company.
CALA	(59)	In-house research gathering data from every customer or visitor to site. Questionnaires ask customers about how they heard about the development. Research into locality for promotional scheme brochures, leaflets. Back-up research to assist in all promotional communications.
FITZPAT.	(61)	No comments. Considered commercially sensitive.
CROUDACE	(88)	House building division; external and in-house research into the effectiveness of promotional media and direct data from customer questionnaires.
DOYLE	(91)	No comments. Considered commercially sensitive.



Appendix 4. Table 4: CORPORATE/PROMOTIONAL LITERATURE

Company	(Rank according to turnover)	Approach
BALFOUR	(5)	Annual reports, general brochures, specific brochures. In-house publications are generally available to clients and general publics.
BOVIS	(6)	The company does not produce annual reports. Financial statements are contained within the report of the corporate parent (P&O). The firm does produce a pictorial review which includes features on staff and projects. If particular clients request financial reports, these can be included with the general brochure. In-house publications are made available to clients and external publics.
COSTAIN	(7)	The annual report is not essentially a promotional document although it may be included within packages. It is mainly aimed at shareholders or opinion formers. The divisions have their own brochures. Consideration was being given to the release of the in-house monthly publication which was essentially aimed at staff.
LAING	(9)	A general brochure is produced twice a year, in addition to the annual report. In-house publications such as the monthly newspaper are made available to clients on request.
MOWLEM	(10)	Promotional material such as general brochures were regarded as of being of importance in creating an atmosphere, to get the company onto tender lists, particularly in the case of new clients, that they hadn't worked with before.
McALPINE	(14)	Brochures, information sheets on individual projects and annual reports are produced. In-house publications are not purposefully made available to clients or external publics.

Appendix 4. Table 4: CORPORATE/PROMOTIONAL LITERATURE

Company	(Rank according to turnover)	Approach
LOVELL	(16)	Promotional literature, annual reports.
DOUGLAS	(17)	Annual reports are used as a general promotional tool. Brochures are produced throughout the divisions.
LILLEY	(18)	Annual report and brochures. In-house publications ie. the staff magazine are made available to clients and publics. These cover staff appointments, new projects, charitable events and general news about the firms.
NORWEST	(19)	Promotional literature and other methods are used in corporate entertaining of clients or consultants, presentations. General brochures are enclosed with submission documents.
BUDGE	(24)	General brochures are not used in direct mail or left behind after presentations. Research is carried out to ensure that clients receive customized and totally relevant material.
MILLER	(25)	Annual reports are used as general brochures. The report is not aimed at shareholders as these are all family members, but at clients and general publics. In-house publications are made available to clients and publics.
SHEPHERD	(26)	Being a private company the firm is not required to produce an annual report and accounts. Clients are provided financial details if they request these. The company produces an annual review of its activities which is seen as a versatile publication used by salespeople throughout the divisions and subsidiaries as a support to other more specialised material. This was seen as emphasising the group's strength.

Appendix 4. Table 4: CORPORATE/PROMOTIONAL LITERATURE

Company	(Rank according to turnover)	Approach
LELLIOT	(30)	In recent years the annual report has been used as a promotional tool. It has been aimed at all major clients and consultants. One internal publication is aimed at its clients and publics.
BOWMER	(33)	A general brochure with separate project sheets.
GLEESON	(36)	Desk top publishing to produce brochures. Annual report also used as promotional tool.
WILMOT D	(40)	Annual reports and general brochures.
BOOT	(46)	Company brochures and annual report. In-house publications are not generally made available to clients, general public, unless they are specifically requested. These are targeted at universities for recruitment.
CALA	(59)	Scheme brochures for individual housing developments. Annual report not used for promotional purposes.
FITZPAT.	(61)	A general brochure has been produced.
CROUDACE	(88)	Brochure and annual report used.
DOYLE	(91)	The general brochure is the firms largest marketing expense.

Appendix 4. Table 5: ADVERTISING - NATIONAL /TRADE PRINT

Company	(Rank according to turnover)	Approach
BALFOUR	(5)	Trade and national press. Most effective seen as adverts directed at specific potential clients rather than corporate.
BOVIS	(6)	Selective trade press including Building & New Builder. Other business publications such as Scottish Inside Business. National press. Mainly editorial features concerning current projects problems and how they were overcome. General support features for on-going projects.
COSTAIN	(7)	Trade and national press. Mainly press releases to gain editorial space.
LAING	(9)	In construction the main media is local newspapers or magazines. National advertising is only carried out to announce group results or as support to current projects. Construction advertising is aimed mainly at consultants ie. architects. Whereas house building campaigns are directed at the general public. It was indicated that the firm could use more corporate advertising to encourage greater awareness.
MOWLEM	(10)	It was indicated that expenditure on advertising was hard to justify. The company was not convinced that the client base in numbers terms was large enough to warrant major campaigns. Only corporate advertising in printed media is produced to announce half-yearly and annual financial results. These are directed at City analysts and investors.
McALPINE	(14)	Only used on a very limited scale. Mainly press releases to the trade press.

Appendix 4. Table 5: ADVERTISING - NATIONAL /TRADE PRINT

Company	(Rank according to turnover)	Approach
LOVELL	(16)	Currently expenditure on corporate advertising (both on a group and divisional level) has been reduced. The company ran an extensive campaign in the mid-80's to improve it's image. This was part of wider changes in the company's corporate identity. Initiatives have included large advertisements in the quality national press together with give-away videos as incentives. These were considered most useful in creating awareness.
DOUGLAS	(17)	Advertising, particularly on the contracting side takes the form of free editorials in trade newspapers and magazines. These are considered to be more effective than one-off adverts in the local or national press which are expensive and difficult to assess with regard to effectiveness. Editorials are independent testimony and the company believed these had more credibility in the eyes of clients or consultants." Advertising campaigns were continually being ran by the house building division.
LILLEY	(18)	The company places advertisements in professional journals and only uses national press to announce financial results. Advertising is aimed at local government, P.S.A, financial analysts and shareholders.
NORWEST	(19)	The company does very little paid-for corporate advertising in the national press. Advertising is generally from free editorials through press releases in the regions.

Appendix 4. Table 5: ADVERTISING - NATIONAL /TRADE PRINT

Company	(Rank according to turnover)	Approach
BUDGE	(24)	It was important to advertise the company; mainly through press releases in the local press, when it acquired a well established building contracting firm. The company decided to change the name of the firm and bring it under the corporate identity of the group. This had to be announced to previous clients of the old contractor. The groups image was of a well established civil engineering firm.
MILLER	(25)	Media advertising is not considered to be an effective marketing tool by the company, although occasionally advertisements are placed in national, local or trade press, if a division has completed a prestigious job for a high profile client or had a celebrity visit a site. A newly formed environmental division was launching a campaign to give itself a profile in its particular market.

Appendix 4. Table 5: ADVERTISING - NATIONAL / TRADE PRINT

Company	(Rank according to turnover)	Approach
SHEPHERD	(26)	<p>The differences in approach in the homes, traditional contracting and design and build divisions were outlined. The largest budget for advertising was allocated to homes. Regional press and home buyers magazines were used. A very small budget for advertising contractual services was indicated. Press releases or one-off adverts placed on the request of clients or their consultants. Considerable attention to the marketing of design and build. Because the end-user was very limited and specialised (only a few thousand target organisations) the media chosen for advertising included the F.T and user journals ie. food manufacturing, pharmaceuticals and were directed at senior business men. Building magazine was used to reach architects and other consultants. An attempt to gauge the effectiveness usually entailed the inclusion of a coupon with advertisements.</p>
LELLIOT	(30)	<p>The Group had planned a major advertising campaign in national newspapers. Most advertising is through the media or specialised publications such as Building or Construction News. The company continually seeks free editorial in connection with short or one-off campaigns connected to current or future projects.</p>
BOWMER	(33)	<p>No advertising carried out.</p>
GLEESON	(36)	<p>No advertising campaigns, but announcements are made through free editorial space in construction press ie. Project Scotland, construction news or Scottish national press. These are aimed at clients, architects and other professional. Personal selling has a greater return than advertising.</p>

Appendix 4. Table 5: ADVERTISING - NATIONAL / TRADE PRINT

Company	(Rank according to turnover)	Approach
WILMOT D	(40)	Free or paid-for editorial space in trade journals.
BOOT	(46)	Corporate and press releases. Construction industry or technical press. More effective if directed at specific groups.
CALA	(59)	Advertising is the largest expense. Very clearly defined promotional aims.
FITZPAT.	(61)	Advertising involves press releases to about forty different traditional, professional and other journals, aimed at bringing the name and work of the group to the attention of potential clients.
CROUDACE	(88)	In housing, only placed in local press aimed at general public. Extensive in-house research to establish its effectiveness. contracting does not advertise its service in national or local press. Occasionally it will place an advert in a specific journal.
DOYLE	(91)	Press releases concerning current contracts to Construction News, Contracts Journal, Construction weekly. It is difficult to get the trade press to publish articles unless the company has a big name and is involved in prestigious contracts. The strategy was to get the company name publicised wherever possible and preferably without any cost.



Appendix 4. Table 6: INTENDED PROMOTIONAL MESSAGES

Company	(Rank according to turnover)	Approach
BALFOUR	(5)	The main message was said to be quality. The intended image was of an international and technically competent company.
BOVIS	(6)	An emphasis on quality specialised management services.
COSTAIN	(7)	The respondent stressed that the intention was to make promotional messages open, honest and clear and to reflect the culture of the organisation. The respondent also stressed that themes should emphasise professionalism, excellence of execution and imagination. The Group sought to project a social consciousness. This was important with regard to recruitment where potential employees were increasingly asking questions about the groups position on issues such as the environment, training and management development. There were attempts to stress the human element in promotional material, stressing the management process of construction rather than just the end-product; reflecting the fact that the industry is people orientated.
LAING	(9)	The company was attempting to promote strength, reliability, care for the environment, the community and safety of employees and general public. The family ethos and the values of the Chairman placed great emphasis on people. It was intended to demonstrate them in corporate and promotional output.
MOWLEM	(10)	The image of the group was based on it's long history and reputation for technological ability and achievement.

Appendix 4. Table 6: INTENDED PROMOTIONAL MESSAGES

Company	(Rank according to turnover)	Approach
McALPINE	(14)	The company had not got an overall corporate promotional message. Each division ie. contracting, civil engineering etc. had their own flavour. Essentially the image is of a well established firm with and emphasis on quality construction and management.
LOVELL	(16)	A unique selling position is important but messages are never really unique. It is important to watch your competitors and attempt to be one step ahead of them in differentiating your offering. The firms emphasis was on quality and reliability.
DOUGLAS	(17)	External image research concluded that the firm was considered to be solid, respectable, highly reputable. However the firm was considered not to be dynamic. The respondent indicated that the firm was a traditional contractor who had been slow to apply planned public relations or marketing techniques.
LILLEY	(18)	The main promotional message was said to be the quality of the service, but that recently the firm had been attempting to promote its revised corporate identity and new chief executive.
NORWEST	(19)	The respondent emphasised the company's European parent with its considerable financial backing. The construction division which accounted for about eighty percent of turnover needed to change its image and emphasise the resources of its parent and its experienced management force.
BUDGE	(24)	The main message at present was seen to show that the group was involved in building as well as civil's, and the firm was expanding, even in times of recession.

Appendix 4. Table 6: INTENDED PROMOTIONAL MESSAGES

Company	(Rank according to turnover)	Approach
MILLER	(25)	<p>The respondent recited what he called the firms unwritten philosophy of giving the clients what they want, when they want it and at a reasonable price. He added a need to emphasise quality and Q.A procedures. the firm had a reputation for being conservative and prudent which was sen as a strength. The image was work orientated and technical but recently there had been attempts to give a more rounded picture of the company through the inclusion in promotional packages of in-house publications. The style of the annual report was attributed to the less dominant Chairman and other family board members. Changes at board level were expected to bring changes in approach.</p>
SHEPHERD	(26)	<p>The respondent emphasised a company way of doing things which added value and assurance to any unique selling positions promoted by divisions of the group. He indicated that the firm although being cautious was quite innovative. Design and build was being promoted with its in-house resource of two hundred and fifty professionally qualified quantity surveyors, architects, engineers, who solely work within that discipline.</p>

Appendix 4. Table 6: INTENDED PROMOTIONAL MESSAGES

Company	(Rank according to turnover)	Approach
LELLIOT	(30)	The respondent considered that the promotional message was in two parts. firstly, the sort of work the company executed and secondly, quality management; an experienced management team. the respondent emphasised that the group had increased training in spite of the recession. the respondent considered that the most important strategy was in presenting the service in a unique way which requires a thorough knowledge of the work and resources of the organisation and creativity. he also considered it important to continually try to develop new ways of providing the service.
BOWMER	(33)	No comments. Considered to be commercially sensitive.
GLEESON	(36)	The firm is conservative and family orientated by nature. The respondent commented that the firm had an image problem in that in different regions it was seen in different ways. She mentioned a number of features such as quality on site although she indicated that the firm wasn't organised enough to be quality assured.
WILMOT D	(40)	The respondent stressed the quality of the personalised service, and the ability of the firm to get jobs done on time and to budget. It was believed that performance together with the quality of the team that got firms on to tender lists. The company has a policy for encouraging members of the team in becoming chartered builders, seen as a promotable feature of the firm.

Appendix 4. Table 6: INTENDED PROMOTIONAL MESSAGES

Company	(Rank according to turnover)	Approach
BOOT	(46)	The company is family oriented, conservative in outlook which may account for traditional style in its promotional output. The firm has a long history and has an innovative approach to business. the company was seen as financially stable and has a strong asset base to withstand the current recession. The company has an enviable reputation built on quality and trustworthiness.
CALA	(59)	The company image was seen as extremely important and affecting all promotional messages. The firm wanted to promote the quality of its products and service to individual customers.
FITZPAT.	(61)	The reputation of the firm, particularly with regard to research and development and more especially its high profile Chairman who had recently been appointed to the presidency of a professional institution, were seen as the priority in the design of promotional messages.
CROUDACE	(88)	The respondent said that it was easier to develop a promotional message in house building than in contracting where essentially the company was building to the clients requirements. The message of the contracting division was the quality of the service. The opinion was expressed that the contractor would be assessed alongside its competitors, by reputation.
DOYLE	(91)	The company name and the quality of the service and construction.

Appendix 4. Table 7: OVERALL PRESENTATION OF DOCUMENTATION

Company	(Rank)	Focus Group Number		
		1	2	3
BALFOUR	(5)	The cover of the annual report did not do the contents justice. Outdated, bland, little imagination.	Poor, dull cover, standard, boring. Easy to read, (interesting)	Colourful, good use of colour to denote change of section, clear.
BOVIS	(6)	Clear presentation, simple.	Simple cover, not very inviting. A picture of wealth.	Excellent, well laid out, cover poor, informative.
COSTAIN	(7)	Some documents of high quality, clear, concise. Slight lack of consistency.	Excellent cover, good brochures, mixed styles.	Drab, uninteresting, bland cover, good quality, professional inconsistency across brochures.
LAING	(9)	Interesting, informative.	Colourful, easy to read,	Excellent, poor cover, quite impressive conservative, disappointing, good idea to use symbols at bottom of page.
MOWLEM	(10)	Conservative, unattractive.	Slightly old fashioned, drab, uninspiring, little to attract the reader.	Uninteresting, modern, quite conservative.

Appendix 4. Table 7: OVERALL PRESENTATION OF DOCUMENTATION

Company	(Rank)	Focus Group Number		
		1	2	3
McALPINE	(14)	Bland, unimpressive.	Simple, fairly concise, cover poor, general presentation good.	Good layout, front cover mildly interesting, quality.
LOVELL	(16)	Conservative, boring.	Well produced, simple, old fashioned.	Poor layout, boring front cover, unimaginative.
DOUGLAS	(17)	Easy to follow compelling, inconsistent presentation.	Boring cover on annual report, general brochure good.	Dull, factual, too much information, too much writing (excellent imaginative)
LILLEY	(18)	Up-to-date, clear, concise, good use of graphics.	Well laid out, professional, good quality, well produced.	Quality, colourful, imaginative, (outdated presentation)
NORWEST	(19)	Imaginative, colourful, professional, integrated.	Impressive, desirable to read, presentation not consistent throughout.	Old fashioned graphics, imaginative, quality, comes over as being a fake, looks like a commercial for life assurance.
BUDGE	(24)	Attractive, clear, concise.	Easy to read, good integrated design. An average attempt.	Uninteresting, reasonable, impersonal, well laid out.

Appendix 4. Table 7: OVERALL PRESENTATION OF DOCUMENTATION

Company	(Rank)	Focus Group Number		
		1	2	3
MILLER	(25)	Quite stimulating but conservative.	Clear, impressive, slightly boring.	Average, impersonal, unimaginative, good quality if a little dull, old fashioned magazine.
SHEPHERD	(26)	Too many images.	Colourful but disjointed, poor outside cover to general brochure.	A bit dated, bright and colourful, unimaginative, Too much information.
LELLIOT	(30)	Design and presentation - a let down.	Cover unattractive, good design of brochure, easy to comprehend.	First impression not good, inside very interesting, well designed, good quality package.
BOWMER	(33)	Generally very poor. Identifiable logo.	Very poor, vacant, not very impressive.	Plain and straight forward, boring, poor, bland.
GLEESON	(36)	Very sparse visually, did not give impact to messages.	Simple, integrated, good, (poor) reasonable.	Not stylish but eye-catching reasonable.
WILMOT D	(40)	Over-the-top with photos.	Crass, uninspiring, not very interesting.	Flashy, cluttered, tacky, not very interesting, too much gloss.



Appendix 4. Table 7: OVERALL PRESENTATION OF DOCUMENTATION

Company	(Rank)	Focus Group Number		
		1	2	3
BOOT	(46)	Lacking identity.	Rather disjointed, front cover not very eye catching, logo could be confused with "Boots" the chemist.	Uninformative, poorly laid out, boring, very dull.
CALA	(59)	Clear, concise, not very forceful or easily identifiable.	Quality presentation, well designed, conservative, sedate, professional, unmemorable logo.	Good quality, consistent, fairly interesting, conservative, trying to be up-market.
FITZPAT.	(61)	Conventional.	Artistic, professional, pleasant to read, (gimmicky).	Not too glitzy, imaginative,
CROUDACE	(88)	Run-of-the-mill, cheap, unattractive.	Clear, concise, amateur, boring, average brochure.	Drab, uninteresting, old-fashioned, cheap, unimaginative.
DOYLE	(91)	Attention seeking, loud.	Rather basic, poor colour, simple text.	Outdated, average, boring.

Appendix 4. Table 8: PHOTOGRAPHS AND OTHER ILLUSTRATIONS

Company	(Rank)	Focus Group Number		
		1	2	3
BALFOUR	(5)	Message not helped by contents of photographs.	Dramatic, wide range of work demonstrated.	Well laid out, good variation, gives overall impression of many different types of project.
BOVIS	(6)	Use of half completed projects in photographs.	Impressive, demonstrates size, prestigious nature of projects.	Informative, artistic, imaginative, excellent photos, clear description.
COSTAIN	(7)	Wide range, not as good as expected, somewhat dull.	Black and white; impressive (little impact)	Generally too small, reasonable layout, too much on each page, losses impact.
LAING	(9)	Construction process.	Range of images, better in some than in others, varied content, construction process.	Informative professional quality presentation, excellent, useful.

Appendix 4. Table 8: PHOTOGRAPHS AND OTHER ILLUSTRATIONS

Company	(Rank)	Focus Group Number		
		1	2	3
MOWLEM	(10)	Limited, focussing on prestigious projects, clear message as to range of work.	Demonstrates full range of services, unattractive.	Not enough, average, dull.
McALPINE	(14)	Includes complete and incomplete projects.	Well produced, uninteresting.	Some interesting, well laid out, good choice, board of directors is shocking.
LOVELL	(16)	Contents of photos clear, very limited.	Limited interest, photo of chairman threatening.	Quality photos, too few, uninteresting.
DOUGLAS	(17)	Lack of people.	Photos appear to be superfluous, too many.	Largely irrelevant, nice layout, good use of people in each photograph. (Don't like people photos)
LILLEY	(18)	Good use of pie charts to illustrate figures.	Graphics good, imaginative, good use of limited number of photos, Prominence of senior staff.	Good, not enough photos to give an overall impression.

Appendix 4. Table 8: PHOTOGRAPHS AND OTHER ILLUSTRATIONS

Company	(Rank)	Focus Group Number		
		1	2	3
NORWEST	(19)	Lots of people, innovative.	Excellent, unusual, good cover, photos didn't match writing style, happy people, families, artistic.	Good use, too glitzy, high quality, fairly uninformative, attempts to be artistic fail.
BUDGE	(24)	Lacked photos of construction process.	Picture quality not good, boring, too many of the same.	Average, informative, old-fashioned, photos too small.
MILLER	(25)	Varied subjects of photos; people and projects, quality graphics.	Poor content, no real imagination, too many projects.	Colourful, not too cluttered, average, difficult to get an impression, focused on task, unartistic.
SHEPHERD	(26)	Construction process.	Boring contents, although a mix of personnel and products.	Informative rather than artistic, too many photos, unimaginative.
LELLIOT	(30)	Cluttered, wide range of straight forward construction, usual photos of previous jobs	Good variety, modern, but a distinct lack of people.	Good, gives an impression of wide range of projects, artistic not very informative.
BOWMER	(33)	No photos.	Clear graphs but plain.	Adequate graphs.

Appendix 4. Table 8: PHOTOGRAPHS AND OTHER ILLUSTRATIONS

Company	(Rank)	Focus Group Number		
		1	2	3
GLEESON	(36)	Very sparse, little indication of what the firm is about.	Small photos, difficult to view, mosaic style not very pleasing.	Average, too small, confusing mosaic, dated presentation, (well composed collated)
WILMOT D	(40)	Lot of people as well as projects.	Over done, not really interesting.	Informative, clear.
BOOT	(46)	Little about people, wide range of projects but none outstanding.	Full range all UK but refers to overseas work. Standard fare.	Poor quality, very small, dated style, too many photos on one page, loses impact.
CALA	(59)	Pleasant, well presented.	Good, quality photos, texts and graphs well integrated.	Very good photographs, imaginative, informative, saying something about the image of the firm, too small.

Appendix 4. Table 8: PHOTOGRAPHS AND OTHER ILLUSTRATIONS

Company	(Rank)	Focus Group Number		
		1	2	3
FITZPAT.	(61)	Conflict between contents of photos and environmental theme.	Clear, shows full range, but uninspiring.	Interesting subjects, artistically presented, too small.
CROUDACE	(88)	Little variety, completed elevations.	Dated, poor, lack of photos, uninteresting.	Few and crass, poor, no impact.
DOYLE	(91)	A few photos of completed jobs, very simple, old fashioned, poor attempt.	Uninteresting, unattractive graphics, lack of people.	Uninteresting, poor quality, not selected carefully to create an impression.

Appendix 4. Table 9: PERCEPTIONS OF FIRMS PROJECTED IMAGES

Company	(Rank)	Focus Group Number		
		1	2	3
BALFOUR	(5)	International, conservative, highly experienced good technical and professional expertise	Diversified, international contractor, dynamic, solid.	Large, widely diversified, modern image, profit-making.
BOVIS	(6)	Very strong, positive, innovative, international. Specialist management services.	Solid, professional, powerful, prestigious projects.	Quality, class, world-wide, good overall image, interested in the environment high profile, modern.
COSTAIN	(7)	International, conservative, dull, well-established, people, community and environment conscious.	International diversified, large, style, caring for people.	Innovative, large, global, inconsistent presentation.

Appendix 4. Table 9: PERCEPTIONS OF FIRMS PROJECTED IMAGES

Company	(Rank)	Focus Group Number		
		1	2	3
LAING	(9)	Large, domestic and international, performing well, high quality, concerned with developing personnel. Environmental wider community awareness.	Large, capable, caring. Highly competent. Investing in its people.	Inconsistent, care for the environment, solid, well-established, moving ahead, strength, innovative.
MOWLEM	(10)	Established, trustworthy, capable.	Very large, multi-disciplined, progressive,	Well-established, conservative, strength,
McALPINE	(14)	Large, competent, credible, general, contractor, Diverse range of services. Emphasis on training.	Large but caring. Reliable, friendly, powerful, happy, diversified.	Solid, reliable, England, no expansion, large, environment.
LOVELL	(16)	Very conservative, dull, well-established, capable, Limited technical experience, level of innovation. Concerned with quality.	National building contractor. Financially sound. Reliable.	Standard construction company, small sized projects, unclear image.



Appendix 4. Table 9: PERCEPTIONS OF FIRMS PROJECTED IMAGES

Company	(Rank)	Focus Group Number		
		1	2	3
DOUGLAS	(17)	Safe, conservative, diversified, concerned with quality, looking ahead.	Established. Limited in range of services.	Broad ranging, old, emphasis on training, recruitment, environment and profitability.
LILLEY	(18)	Highly professional, efficient, innovative, forward looking. Joint ventures overseas.	Capable, solid, professional, emphasis on management.	Domestic, future, on the move, strength and stability.
NORWEST	(19)	Strong, professional, innovative, emphasis on people.	National contractor, positive, people smiling, friendly, approachable, forward thinking, lively.	Quality, clean, friendly, imaginative, (Not to be trusted, fake)
BUDGE	(24)	Stable, conservative, competent, mainly civil's but clearly in other areas.	Capable and caring, solid respectable, national building and civil's.	Large, imaginative, small-medium sized projects.
MILLER	(25)	Conservative, competent, housing, mining, environmental engineering.	National small, wide range of talents.	Large, civil's, uninteresting, solid, dependable.

Appendix 4. Table 9: PERCEPTIONS OF FIRMS PROJECTED IMAGES

Company	(Rank)	Focus Group Number		
		1	2	3
SHEPHERD	(26)	Middle sized, clearly identifiable name, wide range of services and products.	Busy, capable, diversified, traditional, emphasis on being local.	Experienced, quite professional, quite prestigious projects, steady, strong.
LELLIOT	(30)	Reliable, well-established, large, powerful high quality, concerned with developing personnel, caring for wider issues.	Large building contractor, professional, looking forward young, idealistic, competent.	Large, imaginative, forward thinking, good quality work, reliable, have done some intricate and difficult jobs, professional.
BOWMER	(33)	Family owned, dull, not interested in developing, non-dynamic, Trading on ability.	Traditional, small, very limited, family run, friendly.	Small conservative, little flair or imagination, poor quality.
GLEESON	(36)	Fairly stable, competent, domestic, general contractor.	National, quality, not too caring about built environment.	Quality and diversity, average range of projects, excellence, quite progressive.
WILMOT D	(40)	Growing, domestic. Concerned with people as well as projects, strong identity, emphasis on people.	Caring, proud of staff achievement, reliable, quality work.	Successful regional, trying to develop local market, modern, clean. Too glossy.

Appendix 4. Table 9: PERCEPTIONS OF FIRMS PROJECTED IMAGES

Company	(Rank)	Focus Group Number		
		1	2	3
BOOT	(46)	Traditional, long established, solid, competent, quality conscious but lacking in innovation. Little interest in wider issues.	Friendly, reliable, nation wide, traditional contractor, a wide range of activities. Slightly caring.	Slightly dated, implies company doesn't realise current market.
CALA	(59)	Professional, capable, domestic house builder. Quality product.	National house builder, quality product, small but high quality, experienced.	Environment, people, friendly, appealing to up-market house-buyers, strong first impression of quality.
FITZPAT.	(61)	Average, diversified, well-established, not particularly innovative.	Trying to be professional, caring for people looking to future.	Quality, concern, stylish, confident, aiming towards the future.
CROUDACE	(88)	Safe, competent, doesn't appear to want to expand.	Small, quality work in building, south east, boring, amateur.	Dull, unprogressive, middle-range, tacky.
DOYLE	(91)	Small, busy, home counties, aspirations to enter a number of markets.	Solid, capable, a wide range of work, safety conscious.	Small scale, standard service, sensible, reliable, plodding along.

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