

THE MARKETING PRACTICES BY MALAYSIA CONSTRUCTION COMPANIES



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Abstract

Marketing is fundamental to any business growth and in addition, marketing could play a significant role in the development of any business even for the construction companies. The construction companies in other developed countries had applied the marketing practices as their fundamental to generate business. In today surrounding, contractor depends on opportunity in tender bid, personal contacts and good relationship with the client in building their networking in the industry. The Malaysian construction industry is an important sector of the economy and it plays an important key role in the development of the nation. The questions here, are the contractors in Malaysia aware of the marketing's significant to their business? A whole range of factors within the environment of the construction industry has changed over the years in such a way that the effect has been for construction companies to move away from their traditional modes of operating to a more business-like approach. Marketing strategy is common sense, but unfortunately many companies do not realize its true worth until it is too late to change and by then the companies has gained their position in the marketplace. The broad objective of this research is to assess the prevailing marketing practices by the construction companies. Specifically the studies focus in the area such as customer philosophy, market choice & segmentation, marketing function, market research & information, communication strategy, pricing strategy, publicity speaking and participation in organization. From the view of the areas, this research observe that the construction companies in Malaysia have indirectly adopted an average level of marketing practices and it can be develop further to a refined level. The construction companies do appear to be market oriented.

Chapter 1

THE INTRODUCTION TO RESEARCH

1.0 Introduction

Marketing is fundamental to any business growth and in addition, marketing could play a significant role in the development of any business even for the construction companies. The construction companies in other developed countries had applied the marketing practices as their fundamental to generate business.

Marketing is thus identified as a central function crossing all internal and external boundaries. Unfortunately, the construction industry, like many other service industries, faces the usual problems associated with the marketing of services, namely: intangibility; inseparability; perishability; and heterogeneity of services (Bell, 1981; Moore, 1984). The dilemma facing by the companies in the construction industry is the question of what should be emphasized and how to decide on an organization's marketing orientation. Consequently, marketing is less well developed in the industry as a whole and performed in most companies on an ad hoc basis (Morgan and Morgan, 1990).

However, Svetlana and Andrew (1998) stated that a marketing strategy is common sense, but unfortunately, many companies do not realize its true worth until it is too late to change, and by then the competition has gained their position in the marketplace. Unless the construction companies start seriously analyzing their own marketing environment and aligning their pre-project and project performance with the clients' needs, they will create their own decline. As Drucker (1974) points out 'Marketing is so basic that it cannot be considered a separate function. It is the whole business seen from the point view of its final result, that is, from the customer's point view.'

According by European Journal of Marketing written by Silas, Issaka and Brian (1995) stated that there have been various attempts at research in the

Chapter 2

THE FUNDAMENTALS OF MARKETING

2.0 Introduction

The term marketing has a variety of meanings, each with a different connotation. Marketing includes all the activities necessary to develop a product and to move it from the producer to the consumer. These activities are product development, product placement, product pricing and product promotion.

Marketing is usually focused on one product or service. Thus, a marketing plan for one product might be very different than that for another product. Marketing activities include:

- i "Inbound marketing", such as market research to find out groups of potential customers exist, their needs, how to meet them, etc. It also includes analyzing the competition, positioning new product or service (finding market niche) and pricing products and services.
- ii "Outbound marketing" includes promoting a product through continued advertising, promotions, public relations, sales, customer service and customer satisfaction.

According to Withers (1990), owners of service business and professional practices have realistic concerns about marketing. Changing rule, regulations and expectations have removed the ethical concerns that restrained the professional world of marketing. It may now be acceptable for service providers to market, but many professionals still have difficulty adjusting their beliefs about marketing.

Customers play a big role in business. In order to obtain customers, companies have to continue to offer products and service at a price people are prepared to pay. The price people are to pay has to yield sufficient profit to enable companies to cover their immediate operating cost, their development costs and their existing capital