On the issue of the construction products brands’ promotion

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Abstract. For a number of reasons, the domestic construction industry has traditionally been characterized by a conservative attitude to such means of influencing the market as marketing in general and branding in particular. The excess of demand over supply, observed in the Russian housing market for a long time, allowed the construction companies to consider marketing as an unnecessary, unproductive element of market activity. However, the active growth in production volumes that took place in the field of housing over the past 20 years has led to a significant intensification of competition between the construction companies, contributed to the increased demands from the consumers, and, as a result, forced many construction companies to reconsider their old attitude to marketing. To date, almost every major construction company operating in the housing market is already actively using certain marketing tools. Branding was no exception in this series either. Creating and promoting brands of construction companies and residential complexes has become a daily practice. A review of the current situation, problems and prospects in this area are the objectives of this article.

Introduction

The decision-making process by buyers when choosing real estate has undergone significant changes in connection with the development of information technology.

So, if a decade ago, potential buyers were looking for the information about real estate, primarily from the realtors, today more and more consumers are starting an information search on the Internet. According to the surveys of the Mail.ru Group, consumers spend an average of 3 months choosing an apartment, while more than 50% of buyers spend one to two months actively searching, studying options online every day or two or three times a week. According to Nielsen, those consumers who planned to buy real estate, but have not finally bought it, spent about 20 days searching for the real estate information, while the time for a pure online search takes 7 hours and the number of sites visited is 4. Those consumers who finally purchased real estate, in turn spent up to 60 days searching for information, the time for a pure online search took up to 16 hours, and the number of sites visited was 11.

More than 90% of consumers use the search engines to study the offers, while the most popular information sources are the bank sites, retailers, aggregator sites for mortgage offers.

The changed algorithm of information retrieval by the consumers makes us think that the changes in the motivation of real estate buyers are possible.

However, it is noteworthy that the construction industry as a whole, and that part of it, which is associated with housing construction and the residential real estate market, are relatively rarely the marketing research subject. Thus, the number of publications devoted to the marketing aspects of
construction in general, and housing in particular, is very small, and the above-mentioned is true for both foreign and domestic researchers. Among the few foreign publications devoted to this problem, we can distinguish the works of B.C. Gerwick and J.C. Woolery [1], R. Pettinger [2], H. Smyth [3]. The domestic situation in this matter differs slightly. At the same time, there are practically no monographic works, and the vast majority are the educational literature. The situation with scientific periodicals is somewhat better. And although general marketing issues are widely reflected in it [4, 5], and the diverse studies on industry topics are published relatively regularly [6, 7, 8], however, in general, many issues of construction marketing are not adequately covered in scientific publications. The issues of consumer behavior — M. Solomon [9], D. Hawkins and D. Motherbaugh [10], E. Parsons and P. Maclaran [11], as well as marketing communications - L. Percy [12], are much better studied and covered. But the problems of residential real estate marketing are almost completely ignored not only by domestic but also by foreign researchers - individual publications [13, 14] have a pronounced character of practical guidance.

Materials and methods
The construction organization activities’ communicative features study requires the collection and processing of a significant amount of secondary and primary information, the receipt of which is limited by the very fact of the relevant information existence in this area. The lack of systematic data does not require the use of a selective approach, but a continuous survey consisting in the analysis of all the general population objects. This study used the methods of traditional and content analysis, as well as the methods of general scientific analysis and synthesis.

Discussions and Results
If only a few years ago, the basic criteria for choosing real estate were price and geographical factors, today the developer’s brand starts playing an increasingly important role: about 19% of respondents identify it as a key choice factor. Thus, this factor is the third most important when choosing a property, second only to price and location factors. In this case, most consumers are determined with the brand of the developer even before the start of the search for real estate.

For consumers searching for real estate information, such criteria as: legal information about the developer, brand awareness, including its mention in the media, the reputation of the developer, evaluated through the prism of reviews and opinions from real and potential buyers and other people, are significant as well as the presence of the construction company site as the basic information provider about it.

Changes in customer motivation and information retrieval automatically lead to the need to transform marketing communication with potential buyers both from the perspective of the communication channels used and from the perspective of the marketing message itself.

The marketing communications with consumers in the construction industry were also affected by the recently adopted changes in the legislative regulation of the shared construction.

Despite the fact that advertising costs remained among the target, they set a limit. So, for other administrative expenses, which include the promotion costs, the developer can attribute no more than 10% of the money spent, which in practice changes into no more than 3.5% of the object’s estimated cost. The obvious problem is that the control over the costs of promotion is entrusted to the financial regulator - the bank: given the fact that the promotion of the object begins long before its physical implementation, the question of how the bank will regulate the promotion costs remains open. And the impossibility of increasing, if necessary, the targeted costs at the post-project stages of construction, further limits the possibility of varying the marketing budget of the developer. According to some experts, this may lead to the use of more conservative sales methods by the developers, less dependent on real demand for real estate and the sales pace. Of course, the investor, according to the law, should have at least 20% of his own funds for the construction business, and he can, if necessary, the finance marketing expenses from this money, but in this case such investments most often become irrevocable, because to assess the likelihood of their coverage due to the implementation of the facility is very
difficult.

Increased competition among the developers in one way or another will lead to an ever earlier start of building product promotion in order to attract consumers. In this case, the active phase of the object promotion will most likely be postponed to a later date, and the creation of the image and reputation of the developer will receive priority.

The consumer loyalty formation in the construction industry is not stated as the main goal, unlike a number of other industries, which is quite understandable both by the high capital intensity of the building product and the significant costs of its subsequent maintenance, as well as the long term of use and, as a consequence, the lack of regularity acquisitions. However, it cannot be ignored, since the existing and potential buyers can make a repeat or delayed purchase, and the opinion of existing consumers can be a significant factor for potential customers, which is especially important when using the latest review sites in the process of searching for product information.

At the same time, the priority goals of the construction organizations’ activity in the conditions of the modern realities of the domestic market is the earliest possible profit-making in order to reinvest in the new construction projects’ creation. Obviously, the lack of consumer loyalty, or rather, the delayed consumer loyalty, coupled with the need for accelerated sales here and now, forces construction companies to focus on the brand of the construction project being created, and not on the developer.

At the same time, for the construction organizations involved in the construction of industrial, commercial and socio-cultural facilities, on the contrary, the brand awareness can play a very significant role [15].

An obvious question in this connection is which brand is a priority for the developer - the construction company itself or the object under construction.

Obviously, the brand priority and its promotion largely depend on the policy of the construction company itself, as well as on the features of promotion, due to the geographical location of the enterprise and the facility and its class.

For example, the brand search for economy-class housing is 47%, comfort-class - 39%, business-class - more than 50%.

Our analysis of residential complexes and their developers being sold in Rostov-on-Don showed that out of 68 developers, when promoting their properties, 6 companies mention the corporate brand.

Another issue is the choice of branding strategy for the objects: use umbrella brands or product brands. Both options have their advantages and disadvantages. Thus, when using umbrella branding, it is possible to reduce the total cost of promotion by 25%, which is a very significant amount, taking into account the general restriction on the budget for promotion, which intensified after the adoption of amendments to the law on shared construction. At the same time, the use of product brands makes it possible to focus the attention of a potential buyer on the unique selling proposition of a particular object, to move away from mentioning a previously commercially ineffective developer or developer with an impeccable reputation.

Our analysis shows that only one percent of developers use umbrella branding, 5% of companies use active promotion based on a corporate brand in Rostov-on-Don (Figure 1).

![Pie Chart](image.png)

1 - product brand; 2 - corporate brand; 3 - umbrella brand
Figure 1. Types of brands used by the Rostov-on-Don developers.

Assessing the proper names of the residential complexes, we will proceed from their division into the following categories:
- address-referenced names;
- image names;
- mixed names reflecting the address binding of the object, but having the additional connotations for this region / city.

Our analysis shows that most developers prefer to use the image (more than 50%) and mixed (more than 40%) names for residential complexes. The number of construction companies that believe that the facility being built needs only targeted identification is only 5% (Figure 2).

All this indicates that the developers understand the need to highlight their own product among other similar products.

Figure 2. Distribution of names of residential complexes by semantic categories.

When it comes to positioning, in relation to residential complexes, the developers usually make the choice in favor of differentiated positioning, since it is hardly possible to imagine a residential complex that would ideally possess all the parameters important to the consumer and deserve this central positioning. Differentiated positioning, as known, involves a fundamental orientation to the product itself or the consumer. And the differences relate to how the benefits are emphasized. Attributes, characteristics or emotions can be used for this. Based on this position, we, evaluating the positioning options into the following categories:
- positioning according to the characteristics of an object - implying a reflection in the semantic load of the name of the qualities inherent in the object;
- attribute positioning - based on the impressions of use, emotions caused by the object;
- positioning according to the consumer himself - reflecting the consumer’s “me”, his self-perception.

The analysis of the residential complexes being implemented in Rostov-on-Don showed that the most active developers use positioning according to the object’s characteristics (40%), attributes (29%) and mixed positioning according to the characteristics and attributes (23%). Positioning in relation to the consumer himself is used in a small number of cases (4%) (Figure 3).
The analysis makes it possible to systematize the most common types of positioning based on the names of residential complexes in the matrix format (Table 1).

Table 1. The most common types of positioning.

| Positioning criteria | according to the object's characteristics | by attributes | by consumer |
|----------------------|--------------------------------------------|---------------|------------|
| Location, shape, appearance, spatial characteristics | Location + Associations | Location + Identity |
| Positive emotions, associations with famous places, persons, events | Associations + Expression |
| Self-identification, self-perception, self-expression |

Thus, these or those characteristics of the constructed objects are most often used by the developers as the basis for choosing the form of emphasizing benefits within the framework of positioning residential complexes in marketing communications.

Summary

In the overwhelming majority of cases, the assignment of a specific name to the project under construction is aimed solely at the desire of the organization-builder to differentiate its own construction product from those on the market. Brand recognition in this situation is not significant from the point of view of the construction organization. However, as shown by our studies [15], the brand’s presence in a residential complex can be a very significant moment for the consumers, especially the elite real estate segment, relying in their decision to purchase a building product, including its prestige. Unfortunately, as our analysis shows [15], construction organizations, assigning a name to their object, come to a greater extent from the name “catchiness”, without creating a true brand value.

Traditionally, most often brand identity is determined by using the following characteristics [15]:

1) brand positioning, which implies the detuning of the brand from other brands present on the market with an exact hit in the target audience;

2) brand identity, which is a set of features and attributes inherent in a particular brand that determine its uniqueness in the market;

3) brand values, including a set of especially valuable parameters for a potential buyer;
4) perception of brand quality, depending on the quality of the product offered and transferred to the producer and the brand as a whole;

5) brand associations, which are the associative images that arise in the minds of consumers at the mention of a brand and are directly related to its attributes;

6) the essence of the brand is the main idea expressed by the brand.

Considering these characteristics in relation to the construction industry, it can be noted that such an element as the brand quality perception can actually be evaluated only during the operation of the construction product, especially if the object’s brand is not connected in the consumer’s mind with the brand of the construction organization. Obviously, this element cannot be the key one in formulating a unique trade offer for a construction project brand, especially for the construction projects built by the construction companies that are unfamiliar to consumers.

The brand’s essence is also virtually the same for the capital construction projects; therefore, its use as a key element forming the brand identity is highly doubtful in terms of communicative effectiveness.

Our assessment of the brand formation regional practice by the construction enterprises made it possible to note that the brand element most often used by the construction organizations is the name of the construction object, which is designed to distinguish it from a number of competitor counterparts, but the names given to residential complexes are extremely rare but, rarely, their real distinctive features, with the exception, perhaps, only of their territorial location [15]. Other brand elements in the construction industry are used extremely rarely and, for the most part, unconsciously, intuitively. In other words, the use of “conscious” branding, with the development of all brand elements in the construction industry, is practically not found today, which, of course, limits the potential for communicative impact on potential consumers.

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