Construction enterprises’ marketing activities in the economic turbulence period

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Abstract. Construction is rightfully considered one of the most important sectors in any economic system. It takes an active part in building up the fixed assets, creating a diverse technological and social infrastructure, as well as providing the population with housing. At the same time, the specific features inherent in construction and the product it produces, such as, for example, territorial consolidation and a long service life, as well as excess of demand over the supply on the Russian housing market, allowed the construction companies to long consider marketing as an unnecessary, optional element of the market activities. However, the rapid growth observed in the field of housing construction over the past 20 years, increased the competition and increased the demands from the consumers, led to the fact that many construction companies were forced to reconsider their old attitude to marketing. Today, almost every organization in the housing market uses, to one degree or another, marketing tools, more often tactical, less often strategic. However, the ongoing changes in the Russian construction market, due primarily to economic stagnation and a decrease in the population solvency, actualize a greater active introduction of marketing tools in the construction companies’ practice, including against the backdrop of the economic activity increasing digitalization. A review of the problems and prospects in this area is one of the objectives of this article.

Introduction
Today, the activities of enterprises of any industry are affected by the events that occur not only within the state, but also globally. So, among the latest events, the most significant from the point of view of influence on the construction industry, we can single out the negative impact of the pandemic, which provoked the intensification and deepening of the global economic crisis in general, and in Russia in particular.

According to a survey conducted by the National Association of Civil Engineers (NACE) and the National Association of Housing Developers (NAHD) among the development companies, the following negative aspects were identified:
- Forced cessation of construction by the authorities in more than 22% of the developers;
- More than 60% of the developers were forced to suspend the execution of a number of constructions works, while 25% stopped the work completely, and 19% are still considering this option;
- 65% of the developers note a deterioration in the building materials supply, and 56% note – in the labor resources. At the same time, supply decline is accompanied by an increase in prices for the raw materials and components by an average of 5%,
- there is a decrease in consumer demand by more than 10%.
At the same time, the adoption by the Government of the Russian Federation of the measures to support business and citizens has led to an increase in the mortgage construction products’ availability, which may revive the sales in this sector, however, a decrease in real incomes of the population makes such forecasts less optimistic.
An assessment of the factors together makes it possible to say that the enterprises in the construction industry, having the opportunity to offer the product that is necessary for the market and is economically attractive from the perspective of mortgage lending, will somehow encounter the basic problem of the struggle for the consumer, whose purchasing power is limited by the economic recession consequences.
It is obvious that in modern business conditions it is advisable to reconsider the directions and opportunities for the construction enterprises’ marketing activities development.
It should be noted that despite the importance of the role that the construction industry plays in the economic system, the number of publications devoted to the general economic and marketing aspects of construction is relatively small, and the above-mentioned is true for both foreign and domestic researchers. Among the few foreign publications devoted to this issue, it is possible to distinguish the works of B.C. Gerwick and J.C. Woolery [1], R. Pettinger [2], H. Smyth [3], D. Langford and S. Male [4], J.E. Schauffelberger and L. Holm [5], C. Preece, K. Moodley, P. Smith and P. Collar [6], as well as G. Naranjo, E. Pellicer and V. Yepes [7], G. Polat and U. Donmez [8], M. Mokhtariani, M.H. Sebt and H. Davoudpour [9]. 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. In particular, these are the works of M.N. Guseva [10], V.N. Stakhanov and E.K. Ivakin [11], I.S. Stepanov and V.Ya. Shaitanov [12]. The situation with scientific periodicals is somewhat better. And although the diverse studies on this topic are published relatively regularly, for example, the works of such authors as I.V. Laguta and I.O. Korotich [13] or D.D. Manukyan [14], however, in general, many issues of building marketing do not find adequate coverage in the scientific publications.

Materials and methods
The domestic construction industry, and, above all, the part that is associated with housing, has entered a period of inevitable transformation, due to a combination of fundamental factors, such as digitalization, and the market factors, such as the economic downturn caused by the coronavirus pandemic. There is no doubt that this transformation will predominantly affect the marketing component of the construction companies’ activities. Consequently, there is an urgent need to determine the limits of the future transformation, identify its forms and means of implementation, formulate the strategies and developing measures for its optimal implementation. In connection with the foregoing, the aim of the article is to understand the processes taking place in the field of construction marketing in the domestic market, as well as to identify the possible responses from the market entities and to specify the directions for further research. The main methods used for this purpose are the general scientific methods of analysis and synthesis.

Discussions and Results
The marketing activities of construction enterprises are largely determined by the specifics of this management area:
- the life cycle of a building product, as a rule, is much longer than that of the products of other industries and fields of activity. For example, the life cycle of a property - the main product of the construction industry - lasts several decades, which casts doubt on the need for active formation of customer loyalty with respect to the construction products’ manufacturer;
- the duration of the construction production cycle. The production of a construction object can take from several months to several years, depending on the type of object and the amount of necessary work, which makes it impossible to change the technology in the process of creating a product and largely explains the conservative demand for the construction products;
- the high level of the building products consumers’ professionalism in the field of commercial and industrial construction requires appropriate rational argumentation to motivate the customers, and in terms of housing, a high degree of investment risk leads to the need for a more complete and convincing informing of buyers about the consumer properties of products;
- the high capital intensity of construction products, which determines the longer process of choosing a property by buyers and leads to the appearance of tangible cognitive dissonance among them against the background of possible more favorable offers after making a purchase;
- the qualitative characteristics of the construction product being created for production needs are largely determined by the consumer industries’ technical development level. The development of scientific and technological progress in the customer industries motivates the construction enterprises to constantly improve the technological process of construction production and its logistics in order to create an optimal product for technical, price and other characteristics;
- the erected capital construction objects can be standardized to a much lesser extent than the products of most other industries, their quality directly depends on the professionalism level of the involved design and contracting organizations, which gives a unique value to the construction object;
- strict localization of construction sites, which, on the one hand, gives the additional opportunities in terms of positioning the construction sites, making it possible to focus on the environmental friendliness, convenience or elitism of their location, and on the other hand, the construction companies often require the additional construction costs associated with the need to ensure the related technology and infrastructure;
- the dependence of the capital construction process on natural and climatic conditions, entailing structural, technical, technological, environmental and economic consequences and requiring consideration to create an effective construction product;
- the distribution channels of the capital construction products have a higher level of specialization, and the rather limited nature of commercial intermediation, associated with the specifics of production and the process of selling construction projects. In this area direct contacts between the manufacturers and the customers are more inherent, i.e. the zero-level channels, which become especially important with the information technology development.

The goal-setting of a construction company’s marketing activities in modern conditions is determined by the characteristics of the market.

Thus, the achievement of one of the basic marketing goals - the highest possible consumption - in the construction industry is complicated, first of all, by the ability of the construction organization to create the construction products, on the one hand, and the solvent demand of the consumers, on the other. The presence of legislative and financial restrictions in the activities of construction enterprises inevitably reduces the supply of the finished construction products in the market. On the other hand, the demand for construction products cannot be infinite, just as the potential capacity of the construction market cannot be many times greater than the population’s need for housing.

Maximization of consumption in the construction industry, as the target marketing vector, is possible only in the case of a significant excess of solvent demand over the supply of a building product. However, this situation can occur extremely rarely and, due to the overflow of capital in the most profitable sectors, will not last very long, ending with the traditional excess of supply over demand, which, in turn, will lead to the increased competition and a decrease in the production profitability in the industry. This is especially true in the context of the changed legislative regulation of the participatory participation relationship in construction, when the construction organization becomes practically dependent in its activity on the need for the fastest and most complete implementation of the construction product being created in order to continue to operate effectively in the market.

Therefore, at a higher level of the market relations’ maturity, as well as in accordance with the economic conditions that have changed in the light of the legislative amendments, the goal of marketing construction is to achieve the maximum consumer satisfaction, which determines the unconditional choice of a building product.
Improving the customers life quality, as one of the basic goals of marketing, requires, in turn, the construction orientation to maximize the consumers’ satisfaction, while ensuring a significant social and economic effect.

In particular, for example, the implementation of this target setting can be achieved through the use of technologies to create the environmentally friendly and energy-efficient facilities, which fits into the framework of the concept of social and ethical marketing of construction.

In modern conditions of the construction market development, the use of marketing principles implies the following accentuation:

- permanent monitoring of the demand state for construction products and development trends throughout its entire life cycle. Taking into account the existing changes in the legislation on equity participation, the construction company should carefully choose the project of the real estate object, proceeding from the need to implement the product as quickly as possible to ensure the economic efficiency of its own functioning in the market. It is logical that the creation of a building product, the demand for which will not be realized due to its unsatisfactory structure or the negative impact of economic or socio-demographic factors, can lead to bankruptcy of a construction organization, which makes the question of an adequate assessment of potential demand, taking into account the possible risk situations in the economy extremely relevant and requires active monitoring and forecasting of the development trends in the construction industry in the region and solvent the consumer demand;

- achieving a high level of responsiveness of the construction company to the changing market requirements in order to maximize the utilization of the enterprise’s production capacities along with increasing its competitiveness in the market.

The impossibility of creating an effective building product without a comprehensive study of the needs of potential buyers in this area is obvious. At the same time, the long-term nature of the building products’ creation and their long service life does not allow the possibility of momentary changes in technology in accordance with changing production technologies and customer preferences, which makes marketing research in this industry highly relevant. However, the practice of Russian construction companies shows that when creating a project and further building a real estate object, the construction companies are practically not interested in the real needs of potential buyers, preferring to proceed from the statistical information on the real estate sale and solvent demand of the population. This situation leads to the fact that the consumer actually does not have the opportunity to choose the desired building product and he is forced to choose from what he is offered. Obviously, in the conditions of growing competition, a comprehensive accounting of consumer preferences and the creation on its basis of a product required by the market can become one of the significant factors for ensuring significant competitive advantages;

- active influence on the solvent demand of buyers, aimed at creating a progressive structure of the construction products’ consumption through the use of pricing, marketing and communication policy tools, as well as partnerships with key players in the banking sector and government bodies;

- involving not only the staff of the construction organization in the achievement of the set strategic marketing goals, but also the employees of subcontracting organizations, design structures, ensuring the coherence of the interests of business entities along with a creative approach to solving consumer problems and achieving a significant socio-economic effect from the functioning of the construction industry across the region;

- expanding the range of pre-sale and after-sales services provided to the consumers. An obvious trend in recent years, especially in the comfort class segment, is the desire of the consumers to minimize efforts to “bring” a building object to a residential state, which expands the opportunities for the developers to improve the service quality, and, above all, by creating a “turnkey” construction product, which, in turn, will strengthen the competitive position of the construction organization in the market;

- the formation of a construction marketing management system, presented as a process that includes interconnected successive stages from research and design to construction and after-sales services, which will ensure targeted marketing orientation not of individual departments and events,
but of the entire construction organization as a whole;
- updating the range of manufactured construction products and services taking into account the consumers’ requirements and the target setting to meet their maximum demands. Provision of space-planning solutions that correspond to the consumer’s wishes, infrastructural security, including design options, is aimed at both maximizing the customer satisfaction with the selected building product and increasing the competitiveness of the construction organization in the market;
- the formation of a marketing budget in such a way that the allocated funds can provide the construction organization with access to the market, a stable competitive position in it, and, if necessary, the conquest and expansion of market segments and the activation of sales, necessary in the modern legal realities of managing. In other words, the concentration of marketing efforts on the moments determining the place of a construction company in the market and aimed at the quickest possible sale of finished construction products, which, in turn, provides the possibility of further full-fledged functioning of the enterprise, is necessary;
- ensuring a stable competitive position in the market, first of all, by offering a high-quality building product and services, which makes it possible to use the product life cycle contract in relation to construction products, which is an agreement on a set of works from designing an object up to its disposal;
- obtaining the competitive advantages through the ethical and fair competition, seeking to satisfy the consumers by achieving a reasonable balance between the consumer’s demands and opportunities;
- solving tactical problems in the context of achieving the strategic marketing goals, which automatically contributes to the creation of a high-quality effective construction product;
- taking into account not only rational, but also emotional needs of customers, which requires a full study of a consumer’s behavior in order to form an effective communication policy;
- taking into account the development of digital technologies and related changes that occur during the process of purchasing construction products. Recently, there has been a process of increasingly shifting the primary consumer information search into digital space. The impact of the pandemic made it possible to observe the use of digital technologies by buyers not only to familiarize themselves with a building product, but also to purchase it, which significantly changes the structure of real estate distribution channels and opens up the new opportunities, both in terms of marketing communications and in terms of marketing optimization the budget.

The development of the digital economy, which leads to the marketing activity’s inevitable transformation in the light of consumer behavior changing in accordance with the development of information technology, can be considered the basic modern trend in the construction organization marketing development.

Thus, the observed growth in the dynamics of the number of requests from the Internet users in the field of construction products [15], indicates the growing importance of the Internet as a channel for obtaining preliminary information about the real estate planned for purchase. Moreover, potential buyers have an additional factor influencing decision-making - opinions of authoritative persons and reviews of the real consumers. And ignoring the Internet channel of communication by the construction companies in building relationships with potential buyers and real consumers can be fatally unacceptable.

Obviously, the use of marketing in the digital economy is possible both from the position of direct and feedback:
- analysis of the inquiries’ statistics in the network gives an opportunity to get an idea of the degree of consumer interest in building products in general and in a certain building object in particular;
- the presentation of a small questionnaire on the corporate website of the construction organization or on the website of the construction site makes it possible to compile a profile of a potential buyer of real estate, and, based on the questions formulated, it is possible to determine the characteristics of the construction site sought by the consumer, his level of readiness to make a purchase, and also form consumer engagement, which ultimately can favorably influence his choice of a given construction company or object;
- possible customer requests through the company’s website create another feedback channel, which ultimately reduces the level of cognitive dissonance when acquiring a construction project.

Summary
The changed realities of the construction organizations’ market activities, associated primarily with the macro-level factors’ influence, such as the development of digital technologies, the global economic crisis, the pandemic, together with the consequences of the economic recession for enterprises and the legislatively changed economic conditions in the market, have led to the need for a thorough review used the marketing tools.

The basic accentuations of marketing should be: the permanent study of a consumer’s demand, the creation of an effective building product, the use of new distribution channels and communications along with the marketing costs’ optimization, expressed in offering the market a competitive price and quality construction product.

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