



MARKETING PRACTICES OF PROFESSIONAL ENGINEERING CONSULTING FIRMS: IMPLEMENT OR NOT TO IMPLEMENT?

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Abstract. This article explores the necessity of applying marketing practices by engineering consulting firms that serve the construction industry. Most construction professionals perceive marketing as an unimportant management function. The present study provides support to similar previous studies conducted in other countries which found marketing is more ‘trappings’ rather than ‘substance’. Stiff competition drives civil and structural engineering (C&S) firms in Malaysia to suit their marketing practices in ensuring survival. In relation to this, company profile or characteristics such as firm organization, operational structure and nature of environment help providing an explanation on the readiness of these firms to fully implement marketing practices. The results also suggest that these firms use minimal marketing with the professional image projected by the directors or principals as playing an important role.

Keywords: marketing practices, civil and structural consultancy firm, construction industry.

1. Introduction

Since the 1990s, Malaysia’s engineering consultancy sector has been facing challenges brought about by globalization, the restructuring of the economy with the emergence of the petrochemical and environmental sectors, the rapid changes in project procurement and implementation process, and the pervasive utilization of information and communication technologies (ICT). The evolving market has also brought external pressures on these firms to become more competitive and operate in more technically challenging domains.

In Malaysia, professional engineering consultant firms must register at the Board of Engineers Malaysia. The high costs of construction projects as a result of the 1997 Financial Crisis, raise the question of how the engineering consultancy businesses could be sustained during an industry stagnation (Thum 2005). The crisis has given tremendous impact on the growth of the construction industry. For example, in 2005, the total number of registered civil and structural (C&S) firms was 51,607, an increase of 16.5% from 2003 whereas the value of projects decreased by 30.4% during the same period. C&S firms had to compete more intensely between themselves for fewer projects.

Traditionally, in Malaysia many professional practitioners who serve the construction industry like architects, C&S engineers, mechanical and electrical (M&E) engineers, surveyors etc, have ignored the importance of marketing, preferring to act in an ‘ad hoc’ fashion. The majority of them have a very limited understanding of marketing and how it can be implemented. Normally, they undertake simple marketing only when necessary,

especially when the projects they have at hand are almost completed. The reason is because most of the companies are small and medium – sized, with limited resources in terms of the number of technical and project management staff.

It can be summarised that management commitment and acceptance of marketing concept are somewhat limited, and at best, most consulting firms’ understanding the subject can be described as conservative. The principles of marketing have been largely disregarded by the consulting professionals due to the incompatibility of marketing with ‘professional ethics’.

These and other issues have led to the question, how today’s C&S consultancy firms are coping in the present market place in developing their strategies for enhancing competitiveness and getting sufficient projects to sustain their businesses, and at the same time to be profitable. In order to successfully compete and survive on the market, these consultancy firms must also achieve three major objectives, i.e. a sufficient demand, a sustained growth and a profitable volume (Kotler and Connor 1977). These objectives justify the important role of marketing practices for these firms. The main aim of this paper is to investigate the level of understanding and application of marketing practices of C & S consultancy firms in Malaysia, and to ascertain the barriers inhibiting the implementation of marketing practices. This paper tries to answer the following research questions:

1. How far do the C&S firms emphasize the marketing activities?
2. What are their attitudes toward marketing?
3. What is their perception of marketing strategies?

2. Literature review

2.1. Marketing

Marketing has been defined in a number of ways. Kotler and Armstrong (2005) define marketing as “a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging value with others”. The American Marketing Association (AMA) defines marketing as “the process of planning and executing the conception, pricing, promoting, and distributing of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives” (Bennett 1985). Although explained differently, both definitions stress marketing as one of the business processes that satisfy the customer’s needs and uphold the organization’s revenue through their dynamic performances. As pointed by Drucker (1974), marketing should be considered throughout the business process in producing the final product.

Although the subject of marketing has attracted an increasing attention of companies, institutions, and nations, marketing principles have made little headway in the construction industry (Japson and Nicholson 1972). However, in the late 1980s, Arditi and Davis (1988) observed that many firms in Europe and the US began to realize the importance of marketing. Even today, marketing thinking and practices are still being accepted by the industry, but the significance of marketing varies greatly according to the basic philosophy that guides the company efforts (Dikmen *et al.* 2005).

2.2. Marketing and professional firms

Marketing, far from being a negligible function in managing professional services firms, is now recognized as one of the more important functions for helping them to meet the unprecedented challenges faced by them (Kotler and Connor 1977). Two scholars quoted three significant forces that need to be handled by professional practitioners:

1. Assault on professional code of ethics.
2. Changing expectation of clients.
3. Increased competition.

However, the action of some professional associations to ban the use of marketing activities such as advertising, direct solicitation and referral commission has led to the limited use of effective marketing strategies.

Gummesson (1978) views professional services differently from other services in that the former are mainly advisory in nature and delivered by skilled professionals. Thus he developed the following criteria to help distinguish professional services from other services offered on the market:

1. The service should be provided by qualified personnel, be advisory, and focus on problem solving.
2. The professionals should have an identity, i. e. be known on the market for their specialties and under a specific name such as 'architect' or 'management consultant'.
3. The service should be an assignment given from the buyers to the sellers.

4. The professionals should be independent of suppliers of other services or goods.

Maister (1982) used the term Professional service firm (PSF) for companies involved in consulting businesses. These firms practice the phrase ‘our assets are our people’ frequently; a PSF tends to sell to its clients the services of a particular individual than the services of the firm. He argued that professional services usually involved a high degree of interaction with the client.

In the late 1990s, Conchar (1998) offered an updated definition of professional services: “*Professional services are performances of assignments or service agreements which apply some form of expert or tacit knowledge by professionally accredited and affiliated service providers, whose relationship with buyers of the service is of a fiduciary nature. The service provider should have a distinct economic identity, and their professional assignments should serve as the primary source of revenue to that business unit.*” Therefore, based on the two definitions, it can be concluded that professional services refer to the independent services offered by qualified personnel who are knowledgeable in their specific area (which should be attached to a distinct economic identity), and these services serve as a primary source of income to the company.

In relation to this, Kotler and Connor (1977) define marketing in professional services as “*organized activities and programmes by professional services firms that are designed to retain present clients and attract new clients by sensing, serving, and satisfying their needs through the delivery of appropriate services on a paid basis in a manner consistent with credible professional goals and norms.*”

In engineering professional consultancy business, several researches have been conducted in different countries, for example, Morgan (1990) in the United Kingdom, Rwelamila and Lethola (1998) in South Africa, and Marr *et al.* (1996) in New Zealand. Morgan (1990) found that very seldom firms have their own marketing departments or specific individuals responsible for marketing. Even when marketing department exists, the consulting firms still struggle to implement marketing functions effectively. The major task of the individual responsible for marketing is marketing communication, which include advertising, undertaking promotional activities and public relations. However, none of the firms consider communication elements to be very important. Furthermore, customer orientation of these firms is low.

The majority of consulting engineering firms in New Zealand operate on a small scale basis and do not have marketing departments. Marketing responsibilities are carried out by partners as one of several management responsibilities. The most intensive marketing activities relate to client relation and development of proposals. Marr *et al.* (1999) argue that due to the presence of employees bearing marketing responsibility, marketing is becoming a legitimate management function in New Zealand. In fact, service quality is the most important method of successful marketing, besides competing on fees or price. They find that almost a quarter of their respondents

feel that marketing is 'irrelevant' or potentially damaging to a practice's image.

Marr *et al.* (1996) measured the perception of marketing by private engineering consultancies in New Zealand. They found that competing on price is one of the major barriers to the consulting engineer's adoption of the marketing concept.

The result obtained by Rwelamila and Lethola (1998) gives support to Morgan (1990) and Marr *et al.* (1996). In South Africa, most of the marketing activities are carried out by senior staff, usually partners. However, they seldom conduct marketing research, and even if they do, their research tends to be in an uncoordinated manner, relying mainly on in-house information. Marketing direction manifests by way of the engineers' attempt to discover what the client really wants and to orientate their firms to satisfy those wants. They frequently rely on their professional reputation, the use of improved technology, and by offering high-quality services. As a consequence, the withdrawal of the statutory fee scales for consulting specialist engineers has had little effect on the use of fees competitively as a marketing strategy.

3. Methodology

3.1. Population and sampling

The population of this study was C&S consultancy firms that operate in the northern region of Peninsular Malaysia. A complete list of C&S consultancy firms was obtained from the Engineering Department, Penang State Council. The contact listing was verified by the Institution of Engineers Malaysia (Penang Branch). Out of the 185 companies registered with the Penang State Council, only 80 C&S consultancy firms were still active.

Systematic sampling was chosen for this research. From the list of C&S consultancy firms arranged in alphabetical order, the first and subsequent odd numbers were selected and contacted by telephone. Questionnaires were hand delivered to those who agreed to participate with the research. Final sample size of 40 respondents was successfully collected for analysis.

3.2. Questionnaire design

All the questionnaires distributed were accompanied by a cover letter indicating the research title and brief introduction of research topic followed by guide for respondents. The questionnaire was divided into 3 sections. Section A dwelled on demographic data and on the respondent's company profile. Section B consisted of 12 questions which relate to the respondent company's marketing activities. The questions were designed primarily to determine the existence of the 'substance' of marketing which include marketing research, marketing department, marketing activities and marketing responsibility of the personnel responsible for marketing in the respondent organization.

The final section, i. e. Section C, was subdivided into 3 parts; Part 1 measured the respondents' perception of marketing by examining their opinion on several attitude statements based on a five-point Likert scale [ranging

from 1 – strongly disagree to 5 – strongly agree]. The 27 attitude statements were adapted from Marr *et al.* (1996). Additional three self-devised statements were added to the statement pool. The original attitude statements were summarised to 8 factors, namely internal perception (image), pricing, competitive environment, service strategy, external perception (image), political, elite perspective and promotion.

In order to assess the areas of marketing that are currently practised by C&S consultancy firms, a list of marketing strategies was adapted from Marr *et al.* (1996). Respondents were required to indicate their perceived level of importance and the level of success for each marketing strategy. Additionally, 3 self-completing statements were added in the statement pool. Data was assessed using the five-point Likert scale (1 – very unimportant or very successful to 5 – very important or very successful). The marketing strategies were categorized as client relations/contact, promotions, service offering, competition, and miscellaneous. The last three open-ended questions were intended to recognize the greatest problem currently facing local C&S consultancy firms.

4. Analysis

4.1. Respondent's demographical variable

38 or 95% of the respondents were from top management, which included directors or principals, associate directors or principals, senior engineers and project or technical managers. The remaining 2 or 5% of the respondents were project or design engineers. All the respondents were members of the Institution of Engineers Malaysia (IEM) or Board of Engineers Malaysia (BEM). 38 or 95% of the respondents had more than 5 years of working experience in the construction industry, with the majority of them falling inside the 1630 years of experience band.

4.2. Respondent's company profile

Table 1 shows that the majority of the companies (30 or 75%) had been established for more than 5 years, while only 10 (or 25%) of them less than that. 32 or 80% of the companies can be regarded as small or medium size, with less than 20 employees. Only 7 (17.5%) respondent companies had more than 20 employees.

Table 2 presents the respondents' companies project profile and operation. The majority of the respondent companies (18 or 45%) had undertaken less than 20 projects during 2005, 13 or 32.5% had 2140 projects, 5 or 12.5% had 4160 projects, and 3 or 7.5% had 6180 projects. One company had secured more than 80 projects during that year. The major types of projects in year 2005 were private residential development (28 or 70%). 12 or 30% of the companies were involved in small housing schemes (i. e. less than 100 units), 11 or 27.5% in housing schemes (more than 100 units) while 5 or 12.5% in high-rise apartments. The rest of the respondents' companies were heavily involved in industrial buildings and factories, renovation or extension of dwelling units.

Table 1. Respondent's company profile

Item	Frequency	Percentage
Years of establishment		
0–5 years	10	25
6–10 years	7	17.5
11–15 years	8	20
16–20 years	8	20
21–30 years	3	7.5
>30 years	4	10
Total number of employees		
1–5	8	20
6–10	14	35
11–20	10	25
21–30	3	7.5
30–50	4	10
>50	1	2.5

Table 2. Respondent's company project profiling and operation

Item	Frequency	Percentage
Number of new projects undertaken in year 2005		
1–20	18	45
21–40	13	32.5
41–60	5	12.5
61–80	3	7.5
81–100	1	2.5
>100	0	0
Major type of project		
Small housing schemes	12	30%
Housing schemes (more than 100 units)	11	27.5%
High-rise apartments	5	12.5%
Others such as commercial, industrial, renovation and reclamation	12	30%
Most important department in the respondent company		
Engineering or technical department	40	100
Drafting department	36	90
Administration department	35	87.5
Project or site supervision department	18	45.0
Most important additional services offered by the respondent company		
Project management	22	55
Project feasibility studies	15	37.5
Architectural design	11	27.5

In terms of the company structure, all local C&S firms had their own engineering or technical departments (100%), while the majority had drafting (90%) and administration departments (87.5%). 45% of the respondent companies had project or site supervision departments while other types of departments (less than 10%) seemed to be less needed. Besides their core business activities (i.e. C&S engineering services), 75% of the respondents

offered additional services to the clients such as 'project management' (22 companies), 'project feasibility studies' (15 companies) and 'architectural design' (11 companies) to their clients.

42.5% of the respondents had an intention to expand and add branches, subject to sufficient local projects. They believed that localised branches would better serve their clients and help bring in more projects. The other 57.5% recognised that the cost of expansion would outweigh the revenue collected, preferring to establish strategic alliances with local C&S consultancy firms as the more practical solution.

50% of the respondents intended to diversify into others businesses to increase revenue. They opined that the construction industry was becoming increasingly competitive and additional services had to be provided. Interestingly, 85% of the respondents agreed that political connection was the major influencing factor to get public projects.

4.3. Marketing research

Only one respondent said that they had commissioned a research to determine the 'market characteristics'. The remaining respondents mentioned that they only commissioned such research if required. Among the research areas chosen were 'pricing' (40%), 'product development' (17.5%) and 'market potential' (15%). Only one respondent said that he had an employee responsible for marketing. All of the respondents declared that the directors or principals were responsible for all the marketing activities of their organizations.

70% of the respondents regarded their major client group as property developers. The next important client group was industrial building owners and contractors.

Only 3 or 7.5% of the respondents indicated that they had formal marketing plans. 21 or 52.5% of the respondents stated that they considered their competitors' pricing policies when pricing their own services, the reason given was to stay competitive in the market by producing justifiable and reasonable quotation to their clients. 30 or 70% of respondents stated that they carried out credit checks on their new clients, while a few of them commented that they only carried out casual checking. The major motive given was to ensure secure payment from their clients after the services were delivered. Half of the respondents indicated that they had to develop contingency plans when their proposals were rejected by the clients. The contingency plan was to produce alternative design proposals or quotation revisions. When asked if the respondent companies had a quality assurance programme, more than 3 quarters of the respondents indicated that they had one, either formally or informally. The respondents commented that the quality assurance programme helped them maintain their service quality and improve customer satisfaction.

4.4. Marketing responsibility and activities

Four reliability tests were performed to examine the internal consistency of the variables which were specific

marketing responsibility, attitude towards marketing activities, marketing strategies in terms of level of importance (LOI) and level of success (LOS) and their marketing responsibility. The results are given in Table 3.

Table 3. Reliability coefficients for variables related to marketing

Variable – SMR	Number of items	Cronbach alpha
Specific marketing responsibility	13	0.85
Variable – attitude towards marketing activities (MA)		
Internal perception (image)	3	0.61
Pricing	3	0.34*
Competitive environment	3	0.58
Service strategy	2	0.68
External perception (image)	2	0.36*
Political	2	0.43
Elite perspective	2	0.59
Promotion	2	0.80
Variable – LOI		
Client relations/contact	4	0.81
Promotions	2	0.70
Competition	5	0.64
Service offering	5	0.62
Miscellaneous factor	6	0.65
Variable – LOS		
Client relations/contact	5	0.72
Promotions	2	0.65
Competition	4	0.63
Service offering	5	0.74
Miscellaneous factor	5	0.76

*Indicates that the variables have low alpha value, thus should be dropped from analysis.

Table 4. Ranking of specific marketing responsibility

Variable – SMR	Mean	Standard deviation
Fee structure	4.43	0.90
Public relation	4.23	1.05
Income forecasting	4.05	1.15
Corporate planning	3.83	1.08
Service selection & development	3.78	1.07
Marketing planning	3.58	1.04
Diversification studies	3.03	1.27
Promotional activities	2.55	1.08
Advertising	2.48	1.18
Marketing research	2.48	1.18
New service launches	2.23	1.12
Marketing staff selection	2.18	1.20
Marketing training	1.95	0.93

Frequency analysis was performed to rank the relevant factor in each respective question on specific marketing responsibility, attitude towards marketing activities and marketing strategy in terms of their LOI and LOS.

Table 4 shows that respondents rank fee structure, public relation and income forecasting as their most im-

portant marketing responsibilities. The least important variables were promotional activities, advertising, marketing research, new service launches, marketing staff selection and marketing training.

Of the attitudes toward marketing activities, the respondents chose elite perspective as the most significant, followed by competitive environment, political influence, service strategy, promotion and internal perception (image).

Respondents chose client relation/contact as the most important category of marketing strategies, follow by competition (Table 5). Promotion was ranked the least important. The same goes for LOS.

Table 5. Marketing strategies: ranking of LOI/LOS

Variable	Mean	Standard deviation	Mean	Standard deviation
	LOI		LOS	
Client relations/contact	4.25	0.52	3.87	0.45
Service offering	4.14	0.38	3.92	0.42
Miscellaneous factor	3.60	0.45	3.44	0.48
Competition	3.41	0.47	3.16	0.46
Promotions	3.11	0.66	2.94	0.57

4.5. The strength and greatest problems facing local C&S consultancy firm

Based on open-ended questions, 60% of the respondents stated that good service quality was the major strength of their companies in the present competitive environment. 30% of the respondents perceived that their companies' standing on the market were based on superior track records and impressive company profiles which enabled them to retain existing clients while attracting new ones.

However, there were a few severe problems facing local C&S consultancy firms in Malaysia that hindered them from delivering quality services.

Low consultation fees

Over 85% of the respondents complained that consultation fees were getting very low and did not match with the economic growth of the country. The respondents stated that the main reason was the saturation of the market and lack of enforcement on consultation fee structure drawn up by the government. The Board of Engineers Malaysia (BEM) failed to manage and protect the interests of their registered professionals, so went their argument.

Due to low fees, the C&S consultancy firms had to seek more projects in order to be able to cover basic operating cost. However, their resources were insufficient to cope with excessive workload. The most critically affected task was construction site supervision. Only 45% of the respondents indicated they had 'Project/Site Supervi-

sion Departments' in their organizations. Poor site supervision can lead to poor construction outcome.

Market competition

95% of the respondents agreed that competition in price affected service quality. One respondent commented: "Every company needs minimum revenue to cover their operating costs. Therefore, poor fees definitely result in a poor quality of service."

A few newly established C&S consultancy firms with limited capabilities and resources had created negative impact on the market by providing unprofessional services and unrealistic promises to their clients. The selfish and unethical group had spoiled the image and professionalism of the C&S consultancy engineers in Malaysia.

10% of the respondents commented that the quality of design production needed improving. It was normal for designing work to be carried out by junior engineers who relied heavily on modern engineering design software. Most of the professional engineers only endorsed and just carried out random checking on the design done. Therefore, the quality and appropriateness of the design works might be highly questionable. Another problem with human resources was the shortage of supporting employees, especially the CAD operators. Due to low salary schemes offered by the C&S firms compared with the manufacturing sector, it was difficult to find experienced and competent CAD operators.

Client mindset

20% of the respondents agreed that there had been an unhealthy change in the clients' mindset lately. Due to stiff competition on the market, clients were taking the opportunity to reduce the consultation fees and increase their demand. Only a few of them really appreciated the professionals' credentials with the majority paying more attention to pricing rather than the quality of the service provided.

The clients were becoming excessively business-minded. This statement was supported by the questionnaire survey results which indicated that 80% of respondents agreed or strongly agreed with the statement: 'Clients, in general, pay more attention to price than quality', and 95% of the respondents agreed or strongly agreed to the statement: 'Clients are more demanding today'.

Bureaucracy problems

These problems related to the government's requirements and regulations for housing construction developments. The respondents stated that there were no clear standard guidelines; public officers might impose different requirements even though they worked in the same department. 10% of the respondents commented that the approval process for development involved too many authorities, thereby lengthening the overall construction timeframe and increasing company overheads.

5. Discussions

This study examined C&S consultancy firms in Malaysia, the majority of which were mainly small and of medium scale. The majority of the respondents had less than 20 employees and concentrated on housing development schemes. The type of services offered to the clients was based on their intangible knowledge in engineering design and supervision of construction works. The existence of engineering or technical departments provided support to their core businesses. They also offered relevant ancillary services to their clients for business survival. They also preferred to focus on their local geographical areas (in terms of operation) to avoid high operating cost. Concentrating on niche locations also helped them familiarise with their clients' needs and get repeat jobs from the same clients. This strategy was used by C&S consultancy firms to overcome the high price competition of their services.

Only one firm mentioned that it had a specific employee to conduct marketing research. The majority of them depended on either their directors or partners to do the marketing work. As consultancy services relate to the application of the intangible knowledge that the professionals have, their capabilities in delivering services should be an important marketing strategy to maintain and attract customers. Directors or partners were highly reliant to project a professional image. However, Maister (1991) argued that PSF needs to have both technical skill and a sincere desire to help clients as a necessary condition for success. From the client's point of view, they will select the consultants based on how the owner or the director can win their confidence. For project type industry, Maister (1991) suggested a few key elements should possessed by these PSF are creativity, innovation, pioneering of new approaches, concepts, or techniques-in effect a new solution to new problems.

Table 4 clearly indicated that the top 5 marketing responsibilities related to the setting of the fee structure, public relations, income forecasting, corporate planning, and service selection and development. The actual marketing related responsibilities, such as promotional activities, advertising, marketing research, launching of new services and selection of marketing staff and training, had not been given full attention by C&S consulting firms. Thus, it can be said that marketing responsibilities in C&S consultancy firms rested with senior staff or the company's partners.

Stiff competition in the construction industry pushed local C&S consultancy firms to regard fee structure as their most important marketing responsibility, followed by public relation and income forecasting. Furthermore the dominance of the housing development sector in Malaysia has seen a lower degree of innovation applied in engineering design. Most of the designs between projects were not much different in terms of engineering contribution. These allowed the C&S consultancy firms to compete on fees. The above explanation shows that local C&S consultancy firms were more concerned with the financial aspect rather than the 'substance' of the marketing. Public relation, the second ranked in terms of mar-

keting responsibility, was becoming the key function of promotional tools in service marketing (Palmer 2001), apart from the dominance of political involvement.

For variables under marketing activities (Table 6), the highest ranked elite perspective factor was in agreement with Kotler and Connor (1977), who advised that minimal marketing was a decreasingly tenable philosophy for professional firms, because it places too much confidence in the assumption that 'quality speaks for itself'. The second important dimension ranked by the respondents was competitive environment, which fostered stiff fee competition in the industry.

Table 6. Ranking of the attitudes toward marketing activities

Variable – MA	Mean	Standard deviation
Elite perspective	4.36	0.54
Competitive environment	4.15	0.51
Political	3.99	0.65
Service strategy	3.45	0.80
Promotion	3.26	0.68
Internal perception (image)	3.07	0.68

The high ranking of 'competitive environment' in Table 6 and 'competition' in Table 5 indicate that there was growing sensitivity among local C&S consultancy firms concerning competitor information and pricing policy. This provide support to Maister (1991) who noted that most PSF industries are increasingly facing price competition due to rapidly rising professional salaries which has raised the cost of professional services. Thus, price is the most important criteria needs to be considered by the firm.

The findings also indicate that 55% of respondents considered their competitors' pricing policy before producing quotation. However, this finding supports Bloom's (1984) research which found that 'professionals of all types now aggressively use marketing tools to overcome competition in the industry.' Competition also prompted firms to focus more on public relations. In service firms, marketing relationship with external parties has been proven to be a very important marketing strategy to maintain customers (Jaafar 2003). Changes in current business environment help explain the stiff competition in the industry. Since the respondents perceived that establishing fee structure was the most important responsibility for marketing personnel, it is not surprising that competition has been ranked as second highest compared to other strategies.

The majority claimed that the industry was highly influenced by political patronage, especially for public sector projects. In relation to that, political interference was ranked as the third top marketing activities. One of the respondents mentioned that, "It is more important who you know than what you know." The result shows a correlation with the response of the last question in part A which shows 85% of the respondents agreed that political connection was a major influencing factor in getting project.

However, unlike other sectors, both promotion and internal perception (image) were ranked at the bottom end of Table 6. It shows that respondents were unlikely to carry out the promotional activities, particularly on direct or indirect advertising. The results indicate that 'marketing barriers still exist in local C&S consultancy firms in Malaysia'. Thus, the result also gives support to Marr et al. (1996), who state that "it is difficult to determine the appropriate amount for a promotional budget and then measure the effectiveness of promotional activities' for professional services".

In terms of marketing strategy, the respondents ranked 'client relation/contact' top in Table 5, either in terms of LOI or LOS. This results support Rwelamila and Lethola's (1998) research conclusion that "consulting specialist engineering firms are distinctly client-oriented. The sign of marketing direction is manifested by the engineers' attempt to discover what the client really wants and to orient their firms to satisfy those wants. The client-orientated approach to business is close to the current marketing theory of profitably satisfying the clients' requirements."

Thus, this observation strongly supports the view that local C&S firms need to put in strong efforts in implementing their stated strategies. However, the respondents stated the importance of services offering as number one in terms of LOS. The result support the importance of the 3 major activities cited by Maister (1991) that are clients relations, project management and the performance of the detailed professional tasks. Hence, it is likely shows that the quality of services in terms of design and supervision are the key to success for these C&S consultancy firms.

6. Conclusions

Based on the above discussions, this study affirms the results of past studies conducted in other countries which indicate that C&S consultancy firms tend to adopt minimal marketing styles. This supports the contention that the 'trappings' of marketing prevail rather than 'substance'. The adoption of marketing practices was not necessarily limited to organizations with specific personnel responsible for marketing. Many C&S firms had neither marketing departments nor employees specifically responsible for marketing.

In Malaysia, most of the marketing functions of C&S consultancy firms were implemented by either their directors or business partners. Since the important marketing-related responsibilities and activities were more related to corporate decision, thus it can only be determined by the company directors and their partners.

However, there were several constraints which significantly maligned their intention to emphasize on service quality offered to the clients. Problems such as competition on price, clients less concerned with project quality, stiff competition from new C&S firms and political involvement conspired against their intention to offer the best value money for clients. Therefore, we can conclude that the marketing responsibilities and activities in C&S consulting firms in Malaysia were more related to

corporate responsibilities and decisions, for example, the decision on the fee structure was related to the company vision. Furthermore, meaningful conversation as suggested by Maister and Kelly (2005) should be practiced by C&S firms in building relationship with client. However, this study identified a few major barriers that restrained the C&S consultancy firms from implement their marketing practices.

The evolving market brought about by globalization, world economy restructuring, rapid changes in project procurement and implementation process, and the pervasive utilization of information and communication technologies (ICT) has brought a new era in the construction industry. C&S firms are free to compete internationally to get project from various resources. Thus C&S companies should seriously think about how to succeed in business by emphasizing the quality and supervision of the projects.

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RINKODAROS PRAKTIKA PROFESIONALIOSE INŽINERIJOS KONSULTACINĖSE ĮMONĖSE: TAIKYTI JĄ AR JOS NETAIKYTI?

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S a n t r a u k a

Nagrinėjama rinkodaros praktikos taikymo būtinybė statybos pramonės inžinerinėse konsultacinėse įmonėse. Dauguma statybos specialistų rinkodarą vertina kaip nelabai svarbią valdymo funkciją. Šis tyrimas patvirtina jau anksčiau kitose šalyse atliktų tyrimų rezultatus. Šiais tyrimais nustatyta, kad rinkodara yra daugiau „puošmena“ nei esminis valdymo kriterijus. Dėl nelanksčios inžinerijos ir statybos įmonių konkurencijos Malaizijoje būtina taikyti marketingo praktiką. Todėl suformuotas įmonės įvaizdis, įmonės organizacinė ir veiklos struktūra, mikroaplinka rodo įmonės rinkodaros taikymo pasirengimą. Gauti rezultatai rodo, kad įmonėse, kuriose dėl aukštos kvalifikacijos valdininkų sudarytas profesionalumo įvaizdis, rinkodaros lygis yra silpnas.

Reikšminiai žodžiai: rinkodaros praktika, statybos inžinerijos konsultacinės įmonės, statybos pramonė.

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