

## Research of Marketing Technology in a Construction Sector of the Belgorod Region

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**Abstract:** At any stage of a country's economy development, the construction sector is justly considered one of the most important, key sectors, determining the solution of social, economic, technical and other important objectives of the entire economy development. The development of marketing technology has been lately taking place in high gear, encouraging the formation of an extensive body of rules and technology, which are to be mastered in order to achieve the stated organizational goals and qualify for successful professional career. Proper application of marketing technology renders invaluable assistance in selling goods, which in turn encourages effective goods circulation, strengthening of the market and stabilization of the entire economy.

**Key words:** Construction • Residential construction • Social and cultural construction • Retailers  
• Investment activity of a region • Construction cluster • Construction business

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### INTRODUCTION

At the current stage of the national economy development, the Belgorod region is one of the most stably developing regions of Russia and the regional construction sector plays one of the most important roles in the socio-economic development of the region. Currently, in the modern economic circumstances, many enterprises face multiple various problems related to ignorance of the market laws, inability to use the large battery of marketing tools, though marketing is currently in the focus of business and organizational activity of any modern enterprise. Presently, marketing is a comprehensive concept, the main regularities of which appeared long ago and in the course of their development and improvement gradually took key positions in business. Realization of the current situation, revelation of the settled regularities and their assessment allow determining the main lines of marketing development, improving the methods, expanding the functions and subsequently taking correct decisions. The analysis of the usage of marketing, its technology and tools shows that their usage improves the entire performance of an enterprise, improves its competitive position in the market. In terms of theoretical, methodological and managerial position, marketing technology can be considered as [1]: a specially organized branch of knowledge about the

methods and the procedures of marketing processes optimization in the circumstances of increasing mutual interdependence, dynamics and update of socio-economic processes; a method of conducting marketing activity based on its reasonable division into procedures and operations, followed by their further coordination and synchronization, as well as selection of optimal means and methods of their implementation; a method of managing marketing processes, which provides for the system of their reproduction with certain parameters-qualities, properties, volumes, integrity of activity, etc. The importance of development of construction as a type of economic activity is mentioned in the Strategy of Socio-Economic Development of the Belgorod Region, according to which the construction cluster has been formed [2]. The fact is to be acknowledged that in the contemporary market conditions the marketing activity of enterprises in the construction sector of the region takes a new meaning and content. This is reasoned both by the originality of the market of construction products and its recent formation. Generalization of opinions allows to identify the following traditional approach to defining the Construction Marketing concept-it is a permanently operating system of collection of impersonalized information, its processing and exchange between all structural divisions to provide for the stable, predictable and controllable process of sale of the battery of

construction services and products. Construction as a type of economic activity in the Belgorod region is the traditional sector of the regional economy, the development of which allows improving not only the investment prospects, but also the competitive position of the whole region.

**Body of the Work:** The main strategic task of formation and development of the construction cluster of the Belgorod region is the creation of the most favorable conditions for improvement of the population's life quality in terms of both construction and development of the productive and economic base and providing the inhabitants of the region with residential spaces with amenities and social infrastructure. In this connection, in order to achieve the set task, a series of measures in the following lines is planned: production of construction materials, implementation of the housing policy and implementation of the investment policy. In order to develop the construction cluster in the region, it is planned to implement a series of strategic investment projects: construction of cement plants in Alekseevsk, Valuysk, Krasnogvardeysk districts as well as a brick production plant with the capacity of 60 million of conditional bricks in the Krasnogvardeysk district by Oboron Cement, JSC; construction of a dry cement factory in the town of Shebekino by Shemekino Cement, JSC; construction of a plant manufacturing ceramic bricks by Belstroykeramika LLC.; construction of a plant manufacturing construction materials of the Velox type using the V 900 line by BelVelox JSC; construction of a plant manufacturing autoclaved lightweight concrete with the capacity of 377,000 cu m per year by AeroBel LLC.; construction of engineering and transport networks, buildings and structures in the territory of comprehensive development of the Yugo-Zapadny residential district of

the city of Belgorod by Direction of the Yugo-Zapadny District JSC.; construction and modernization of three asphalt-concrete plants and technological upgrade of the machinery by Progressdorstroy CJSC [4]. Besides, currently, the further development of the construction cluster is going to involve measures within the framework of regional programs, which target providing the region's population with residential spaces and their improvements. In general, the government of the Belgorod region not only seems to be very interested in the process of development of the construction sector, support of economic and socially important projects, housing and road construction, construction of social facilities in the Belgorod region, but also develops a systemic approach to the issues. Assessing the total scope of works in the *construction* type of economic activity (Figure 1), we would like to highlight the strongly expressed positive trend in the development of this sector in the Belgorod region. Particularly, since 2008 and by 2012, the scope of construction works increased by more than 1.5 times or by 29,584 million rubles (in current prices); the growth rate equaled to 167.9%.

Despite the positive trend in the development of residential construction in the Belgorod region, we can identify a series of problems typical of the construction sector development: decrease of the buying and investment activity in the construction sector, which is related to the consequences of the world financial crisis, which has resulted in suspending or slowing down construction of a battery of objects; poor availability of loan resources both for building contractors and for citizens, which has been caused by the crisis and which keeps on affecting negatively the sector development: the high market price of houses, which makes purchasing them less affordable for the major part of the population who have moderate income (budget sphere employees,

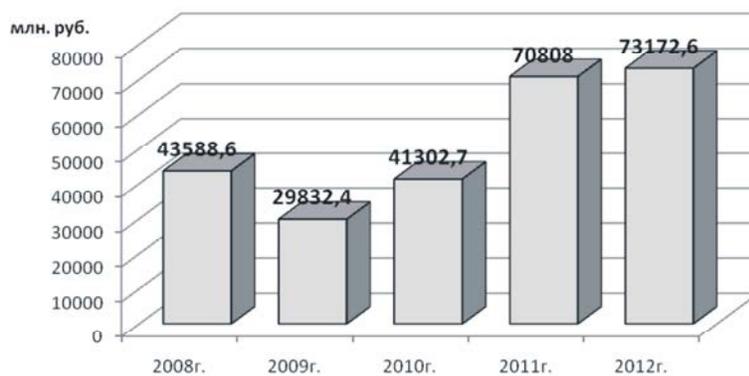


Fig. 1: Scope of works fulfilled in the *construction* type of activity in the Belgorod region during 2008-2012 (in current prices) [5].

young and lone-parent families, rural population); administrative barriers at implementation of residential construction projects, including those at issuing permissions for construction, holding state expert examinations of planning documentation and of engineering survey results and at issuing permissions for putting the objects into operation. Solution of these problems is necessary for maintaining the residential construction rates, meeting the effective demand of the population for housing, stabilization of the real estate prices, formation of an affordable housing market, as well as development of a balanced system of financing the housing sphere, intensification of the governmental support of citizens at solution of their housing problems, involvement of long-term financial resources in the housing sphere. The building contractors of the Belgorod region are now at the initial stage of marketing technology implementation in the process of their economic activity management. Moreover, it is to be noted that many executives and specialists of the building contractors differently understand the marketing technification concept [6]. At that, the most efficient marketing technology for socio-economic development of building contractors in the region according to responders are: marketing research, advertising and PR, branding, the technology of managing the product policy, etc. It is to be noted that an object of technification must have a certain degree of complexity, as every operation and procedure must have a system of particular indexes (standards), diagnostic methods of studying their state and managing them [7]. Technification of marketing processes allows approaching a number of constructive tasks from the perspective of improvement of the system of their management:

- Stating the list of optimally necessary operations, which would ensure regulation of the marketing process;
- Ensuring standardization of the management process by cutting the number of operations, reducing costs for personnel training;
- Finding optimal forms of uniting the actions of customers and contractors;
- Cutting the time required for fulfillment of certain tasks, etc. [8].

On the one hand, the positive point is the fact of using marketing technology in the process of management of the economic activity of a building contractor and on the other hand, what is used in practice

and what can improve the efficiency of achievement of the organizational goals according to responders do not coincide completely. It is explained by the multiple objective and subjective factors. Particularly, according to the responders, the transition to active usage of efficient marketing technology will require approaching the following issues: first, rebuilding the management system of the building contractor with orientation to solution of strategic tasks. Secondly, revising of the management functions and structure of the building contractor. Thirdly, changing the mentality of the top executives of building contractors. Fourthly, absence of skilled personnel in the construction industry. Generally, at analyzing the peculiar features of how the building contractors of the Belgorod region conduct their marketing activity, it is necessary to note that every economic entity has its own specificity of formation and application of marketing technology in the course of economic activity, unassistedly chooses the tools that are most suitable from the organization's point of view. It is mainly explained by objective factors and, first of all, by the financial capacity and level of qualification of the working personnel, as well as subjective factors, such as the attitude of top executive personnel to the marketing technology. However, it is an undoubted fact that marketing and its technology has obtained more significance in the economic activity of any building contractor. It is to be noted that one of the first strategic decisions taken by a company should be determination of the market, in which it is going to participate in the competitive struggle. This selection of the base market assumes dividing the market into parts consisting of consumers with similar demands and motivational characteristics and giving the company favorable advantages [9]. The contemporary competitive landscape developing in the construction market forces building contractors to use the entire marketing tooling actively [10] and permanently improve and implement new marketing technology. It is mainly explained with the fact that development of the market mechanism in the Belgorod region causes the demand in new economic-like thinking, new approaches to managing the economics of a particular contractor, with the process of the marketing mix technification being the primary target, which directly influences the final financial results and development of the whole construction sector of the Belgorod region. Marketing mix is a set of controllable variable factors of marketing [11], the total of which is used by a company with the intention to cause response from the target market. However, despite that, the majority of building

contractors in the Belgorod region use the marketing technology mix in the process of economic activity without any systemic approach and, consequently, they face irregularity and unpredictability of orders, which results in decrease of the efficiency of their activity. Therefore, in order to improve the performance efficiency, companies require continuous systemic analysis of the market needs as a core function, which would result in development of efficient products meant for particular groups of consumers and having properties that would differentiate them from competitive products and thus ensure their strong competitive advantages. Therefore, strategic marketing is based on the results of analysis and forecast of the material conditions of the environment as well as strengths and weaknesses of their activity. It maintains and develops the achieved success, searches for new opportunities, including the breakthrough ones, creates and secures the enterprise's prospects [12].

Moreover, usage of the marketing tooling by building contractors in their economic activity is limited by few marketing technologies. This all emphasizes the necessity of not only revising the importance of marketing technology in the improvement of the economic activity by the top executives of the building contractors of the Belgorod region, but also the systematic improvement of this technology.

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