

## A PROPOSED MODEL FOR COMPETITIVENESS IN CONSTRUCTION INDUSTRY – A REVIEW PAPER

Ashok Kute<sup>1</sup> Prof. Sudhir Shinde<sup>2</sup>

<sup>1</sup>M.Tech, Student, Civil (Construction & Management), School of Engineering and Technology, D.Y. Patil University, Ambi, Pune

<sup>2</sup>Faculty in Department of Civil Engineering, School of Engineering and Technology, D.Y. Patil University, Ambi, Pune

### ABSTRACT

The infrastructure sector in India is dominated since independence by the public sector with a growth rate of 1.4% to 4.3% from 1950-1980. The growth rate of the infrastructure sector in India GDP increased after the Indian government opened the sector to 100% Foreign Direct Investment (FDI). Growth Rate in India GDP was only 5.2% in 1996- 1997 and today it is over 8.6%. India has nearly 2 million kilometers of roads: 960,000 kilometers of surfaced roads and more than 1 million kilometers of roads constructed of gravel, crushed stone, or earth. Fifty-three highways, just under 20,000 kilometers in total length, are rated as national highways, eleven major seaports. It is estimated that the Growth Rate of the Infrastructure Sector in India GDP will grow at the rate of 8.5% between 20015 and 2020.

**Keywords:** FDI, Competitiveness, Demand Condition, Marketing

### 1. INTRODUCTION

Complex surroundings have led to extended competition. The front-line groups are knowing that they need to suit or exceed the first-rate practices from competition everywhere withinside the international as a way to survive. Competitiveness has now emerged as the middle of fulfillment or failure of companies. Project groups need to recognize a way to undertake cutting-edge control strategies consisting of advertising and marketing techniques, to be greater aggressive in nowadays dynamic enterprise surroundings. However, they have a tendency to be proof against converting their general control strategies, and consequently regularly fail to understand that even the enterprise round them is continuously converting, generating each threat and possibilities alike. The greater the enterprise adjustments, the more is the want for inner flexibility. Therefore, it's miles vital for Project companies nowadays to collect marketplace records and constantly reform their enterprise technique as a way to maximize their advantages earlier than damaging situations motive dangerous impacts.

### 2. LITERATURE REVIEW

A thorough literature evaluation become performed as a way to look at all of the components of Market Attractiveness and Company Competitiveness. Number of books, internet, magazine papers and magazines had been used to get diverse perspectives on Market Attractiveness and Company Competitiveness. The principal findings from the literature evaluation that are used withinside the file is mentioned on this chapter. Competitiveness has an increasing number of emerge as vital, because it shapes survival and fulfillment in nowadays globally aggressive enterprise arena. Competitiveness assumes introduced importance in the context of an organizational unit. It is a popular idea and varies widely. There are many faculties of thought, that have attempted to outline competitiveness of their personal manner.

**2.1 D'Cruz, J., and Rugman, A. 1992. New compacts for Company competitiveness. Engineering News Record. June 6, 1994.** Three benchmarks of country's worldwide competitiveness: country wide business portfolio, main export industries, and the sector competitiveness rating. These benchmarks are applicable on the country wide degree handiest. Although an evaluation of a country's business portfolio or a main export enterprise can deliver a few indications of competitiveness of an enterprise, production isn't a main export enterprise and is not often protected in such an evaluation.

**2.2 Porter, M. E. (1980). Competitive Strategy the Free Press, New York, N.Y.** Porter says sustained business boom has not often been constructed on above cited simple inherited elements. Abundance of such elements might also additionally simply undermine aggressive benefit. He brought a idea of "clusters," or organizations of interconnected companies, suppliers, associated industries, and establishments that get up specially locations. As a

rule, Competitive Advantage of countries has been the final results of four interlinked superior elements and sports in and among groups in those clusters. These may be stimulated in a pro-energetic manner through authorities. These interlinked superior elements for Competitive Advantage for international locations or areas in Porters Diamond framework are:

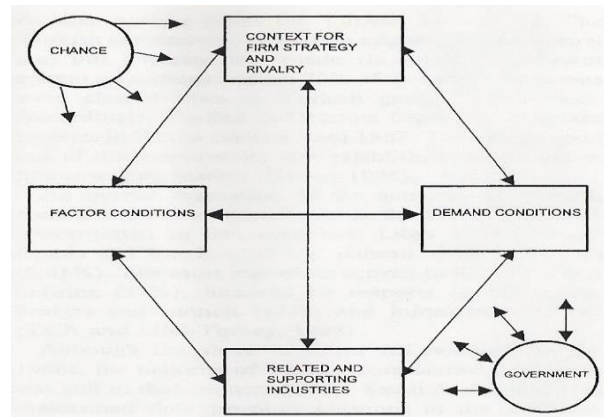


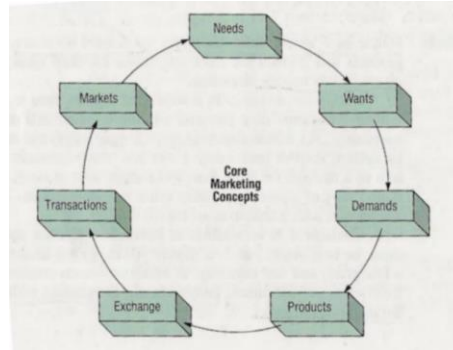
Fig. No.-1 A. Factor situations B. Demand situations C. Related and assisting industries D. Firm approach shape and rivalry.

**2.3 Oz, O. (2000). Sources of aggressive benefit of Turkish production groups in worldwide markets. Journal of Construction Management and Economics – ASCE, September 2000, Vol.19, No. 19, pp. 135-144,** Michael Porter's "diamond" framework to assist apprehend the reassess of aggressive benefits in a success worldwide Turkish production venture enterprise. The framework shows that there are 4 awesome elements of aggressive benefit namely; element situations, call for situations, context for corporation approach and rivalry, and associated/assisting industries, which creates a dynamic device for the reason that every element affects every different (see Figure Aside from those elements, risk and authorities play an outside function withinside the dynamics as well. Upon interviewing venture principals, authorities' officials, and enterprise representatives, Oz concluded that the worldwide Turkish venture enterprise did acquire a few advantages from the elements cited inside Porter's framework. Such advantages consist of decrease fee of labour while using Turkish people who can without difficulty adapt to harsh running situations.

**2.4 Ofori, G. (2003). Framework for studying worldwide production. Journal of Construction Management and Economics – ASCE, June 2003, Vol.21, pp. 379-391,** Ofori expands at the works of Oz and others to study the applicability of analytical frameworks to the international production venture marketplace. Ofori lists the pinnacle 30 international locations having worldwide venture groups. Among them, are China, Korea, Turkey and Brazil, which incorporate the best range of companies withinside the marketplace. However, the very best rating of a Turkish corporation become sixty fourth even as Korea, China, and Brazil's maximum ratings had been a way advanced at 12th, 20th, and 21 respectively. Thus, Ofori argues that Oz's declare of an aggressive Turkish enterprise is fake on account that different international locations in comparable financial degrees have outperformed them. Upon thinking about different frameworks, Ofori claims that the diamond idea isn't relevant to small markets and that the ones' international locations can be stimulated through governmental controls. Alternatively, Ofori shows the use of different strategies consisting of Porter's Five Forces or Ansoff's Product- Market matrix to research aggressive forces and undertake techniques for worldwide projects.

**2.5 Lehmann, D. R., and Winer, Russell S. (2002). Analysis for Marketing Planning. fifth Edition. McGraw-Hill Irwin, New York, N.Y.** Marketing is normally tied collectively with the promoting and marketing and marketing of gentle drinks, rapid meals, and different not unusual place goods. However, it's miles greater of an enterprise device that manages the approach through which a specific product is advanced.

2.6 Kotler, P., (1999). **Kotler on Marketing – How to create, win, and dominate markets** The Free Press, New York, N.Y. Kotler defines advertising and marketing as “a social and managerial method through which people and organizations reap what they want and need via the growing and replacing of products/offerings of price with others.”



It identifies the desires of a goal marketplace and determines the technique wherein it will likely be produced and supplied to its patron in a given marketplace section. This may be illustrated in Figure. A marketplace is a set of real and/or capability consumers of a given product (i.e. venture offerings) even as a section is a sub-marketplace that includes consumers of an awesome function in the marketplace (i.e. civil production)

**Fig. No.-2 Core Marketing Concept**

2.7. Kotler, P., Hayes, T. and Bloom, P. N. (2002). **Marketing Professional Services 2d Edition. Prentice Hall Press, Paramus, N.J., USA**, following this evaluation, the employer can then start its marketplace making plans on the enterprise unit degree (product degree) with greater unique making plans for precise advertising and marketing possibilities. However, studying the enterprise portfolio is the maximum essential element in growing a strategic plan wherein the employer's enterprise is cautiously evaluated. Each key region of enterprise in the employer, i.e. a product, geographical region, or employer division, may be diagnosed as a strategic enterprise unit (SBU) and might embody specific enterprise techniques (Kotler and Armstrong, 1991). This kind of evaluation permits a employer to apprehend which regions of enterprise are greater worthwhile than others letting them attention greater funding on its greater worthwhile corporations even as phasing out its weaker ones (Lehmann and Winer, 2002). In their ee-e book titled “ideas of advertising and marketing”, Kotler and Armstrong make connection with Kraft wherein through 1991 that they'd bolstered their enterprise portfolio through divesting in much less appealing non- meals corporations and making an investment in greater worthwhile ones consisting of Lender’s Bagel Bakery, Tombstone frozen pizza and All-American Gourmet frozen foods.

Internal evaluation includes studying troubles referring to the employer’s modern inner surroundings. It is essential in information a employer’s capability to conform to surroundings adjustments and to higher apprehend its bodily recourses and marketplace assets (Kotler, Hayes, Bloom, 2002).

Following this evaluation, the employer can then start its marketplace making plans on the enterprise unit degree (product degree) with greater unique making plans for precise advertising and marketing possibilities. However, studying the enterprise portfolio is the maximum essential element in growing a strategic plan wherein the employer's enterprise is cautiously evaluated. Each key region of enterprise in the employer, i.e. a product, geographical region, or employer division, may be diagnosed as a strategic enterprise unit (SBU) and might embody specific enterprise techniques (Kotler and Armstrong, 1991). This kind of evaluation permits a employer to apprehend which regions of enterprise are greater worthwhile than others letting them attention greater funding on its greater worthwhile corporations even as phasing out its weaker ones (Lehmann and Winer, 2002). In their ee-e book titled “ideas of advertising and marketing”, Kotler and Armstrong make connection with Kraft wherein through 1991 that they'd bolstered their enterprise portfolio through divesting in much less appealing non- meals corporations and making an investment in greater worthwhile ones consisting of Lender’s Bagel Bakery, Tombstone frozen pizza and All-American Gourmet frozen foods.

Internal evaluation includes studying troubles referring to the employer’s modern inner surroundings. It is essential in information a employer’s capability to conform to surroundings adjustments and to higher apprehend its bodily recourses and marketplace assets (Kotler, Hayes, Bloom, 2002).

2.8 Mochtar, K. and Arditi, D., (2001). Pricing approach withinside the US production enterprise. Journal of Construction Management and Economics – ASCE, July 2001, Vol.19, No. three, pp. 405-415.pick out this

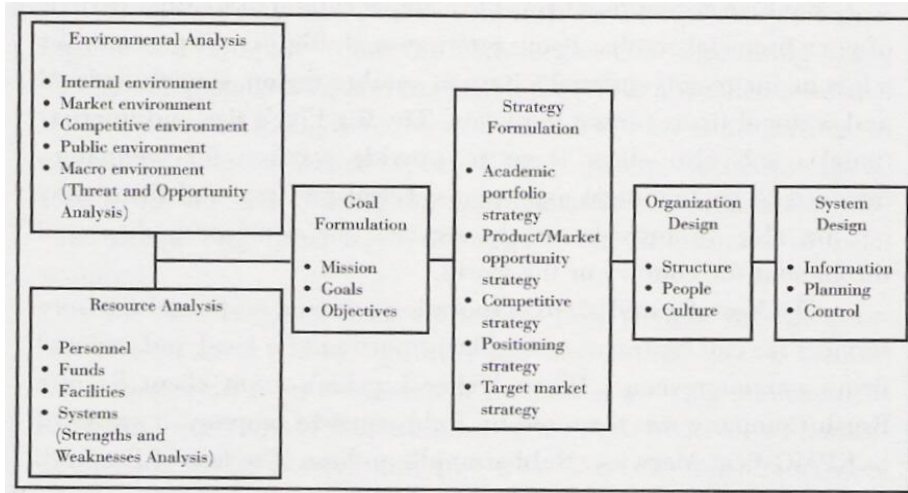


Fig. No.-3 Flow chart of Pricing Strategy

approach as the “Pricing Strategy” wherein the bid charge is actually primarily based totally on envisioned venture expenses and employer income margins. However, as is not unusual place withinside the enterprise, Mochtar and Arditi argue that this technique permits for terrific mistakes wherein the charge tendered can both be drastically low, forfeiting ok income and risking grave estimation mistakes, or be drastically excessive wherein the process is misplaced completely. Therefore, they suggest that production groups implement “marketplace-primarily based totally” pricing techniques which include advertising and marketing statistics to alter bidding costs and to decide whether or not or now no longer to bid a specific venture.

2.9 Krippaehne, McCullouch, and Vanegas (1992), talk the results of integration techniques for US venture corporations as advanced through Kathryn Harrigan of Columbia University. The authors make connection with the vast want for certified executives withinside the venture enterprise that may apprehend each the engineering degree of the enterprise in addition to the production-employer control. The authors additionally point out that there are awesome styles of vertical integration; ahead integration as formerly defined, and backwards integration which incorporates gaining manipulate of assisting corporations withinside the equal marketplace.

Various types of literature were mentioned with reference to competitiveness and strategic making plans in the venture enterprise. Although many authors have mentioned the software of comparing strategic enterprise devices and deriving strategic plans, there may be little textual content dedicated to figuring out and acquiring the outside elements affecting the inner and outside enterprise environments (i.e. marketplace elegance and employer competitiveness) essential to assess an enterprise.

### 3. METHODOLOGY

The technique is as below:

- ✓ Formulating the trouble and defining the equal.
- ✓ Literature survey become executed through reviewing magazine papers, books on advertising and marketing and strategic control.
- ✓ Collection of the statistics at the involved topic, reviewing concepts & theories.
- ✓ Preparing the studies layout i.e. to put together questionnaire for amassing statistics.
- ✓ Data has been gathered the use of non-public interview technique, via telephonic interviews and mailing of questionnaires.

- ✓ Data has been analyzed the use of statistical strategies like descriptive statistics, regression evaluation on excel and element evaluation through the use of SPSS.
- ✓ Conclusions were drawn.
- ✓ Model for enhancing competitiveness of Indian venture groups the use of Porter's Diamond version has been provided.

#### 4. SCOPE AND LIMITATIONS

- ✓ India has many huge and reputed venture companies, groups selected had been from the production, metallic and production industries.
- ✓ Only India primarily based totally Project companies were approached.
- ✓ Only applicable elements and sub-elements of Company Competitiveness

#### 5. CONCLUSION

This is a review work to understand the other researcher study about the competitiveness in other industry to sustain in global era, here we understand, marketing strategies must follow by construction company to sustain in competition.

#### REFERENCES

- ✓ Calvert, R.E, Bailey, G and Coles, D. 1996. Introduction to Building Management (6<sup>th</sup> Edition), Linacre House, Jordan Hill, Oxford.
- ✓ Crowley, L.G., (1996). Engineering Sales: Process of Understanding. Journal of Construction Engineering and Management – ASCE, March/April 1996, Vol. 12, No. 2, pp. 40-43.
- ✓ D'Cruz, J., and Rugman, A. 1992. New compacts for Company competitiveness. Engineering News Record. June 6, 1994.
- ✓ Dikmen, I. and Talat Birgonul, M. (2004). Neural Network Model to support International Market Entry Decisions. Journal of Construction Engineering and Management – ASCE, January/February 2004 Vol. 130, No. 1, pp. 59-66.
- ✓ Gibson, J.L, Ivancevich, J.M, Donnelly J.M and Irwin R.D. 1994. Organizations – Behavior, Structure, Processes (8<sup>th</sup> Edition). Von Hoffmann Press Inc, Boston, USA
- ✓ Grant, R. 1991. Contemporary Strategy Analysis – Concepts, Techniques, applications, Blackwell Published.
- ✓ Groob, J., Shockey, K., Watters, L., and Aluise, T. (1986). Proven Tips for Marketing Professional Services. Journal of Construction Engineering and Management – ASCE, January 1987, Vol. 3, No. 1, pp. 28-37.
- ✓ Kotler, P., (1999). Kotler on Marketing – How to create, win, and dominate markets The Free Press, New York, N.Y.
- ✓ Kotler, P., Hayes, T. and Bloom, P. N. (2002). Marketing Professional Services 2nd Edition. Prentice Hall Press, Paramus, N.J., USA
- ✓ Krippaehne, R.C., McCullouch, B.G., and Vanegas, J.A. (1992). Vertical Business Integration Strategies for Construction. Journal of Construction Engineering and Management – ASCE, April 1992, Vol. 8, No. 2, pp. 153-165.
- ✓ Kuprenas, J., Chinowsky, P.S., and Harano, W. (2000). Strategic Planning in Public Sector Engineering Organization. Journal of Construction Engineering and Management – ASCE, September/October 2000, Vol. 16, No. 5 pp. 34-40.
- ✓ Mochtar, K. and Arditi, D., (2001). Pricing strategy in the US construction industry. Journal of Construction Management and Economics – ASCE, July 2001, Vol.19, No. 3, pp. 405-415.
- ✓ Ofori, G. (2003). Framework for analyzing international construction. Journal of Construction Management and Economics – ASCE, June 2003, Vol.21, pp. 379-391.
- ✓ Ota, T. 1992. Social Responsibility and Contribution: R&D for the construction Industry in the 21st century, Building Research and Information, 2015, p 273-80.
- ✓ Kotler, P., and Armstrong, Gary. (1991). Principles of Marketing. 5th Edition. Prentice-Hall, Englewood Cliffs, N.J.
- ✓ Porter, M. E. (1980). Competitive Strategy The Free Press, New York, N.Y
- ✓ Lehmann, D. R., and Winer, Russell S. (2002). Analysis for Marketing Planning. 5<sup>th</sup> Edition. McGraw-Hill Irwin, New York, N.Y.