

# EVALUATION OF MARKETING PRACTICES AND MARKETING PERFORMANCE MEASUREMENTS UNDERTAKEN BY QUANTITY SURVEYING CONSULTANCY FIRMS IN SRI LANKA

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## ABSTRACT

*Marketing is now recognised as one of the important functions necessary to meet the unprecedented challenges faced by a firm. This concept can be suggested as an answer to the professional firms to sustain demand, growth, and profitability. Although marketing is the management process responsible for identifying and satisfying clients' requests, and profitably, Quantity Surveyors (Qs) still have a limited understanding of marketing and how it is implemented in the changing and challenging market conditions to enhance business growth. Hence, this research paper aims to evaluate the formalised marketing practices and marketing performance measurement systems used in Quantity Surveying Consultancy Firms (QSCFs) in Sri Lanka. After a thorough literature review of formalised marketing practices, endeavours were made to discover the realism and their importance to QSCFs in Sri Lanka through a questionnaire survey. A total of 31 responses were accounted for the analysis of 12 QSCFs in Sri Lanka. The findings revealed that the adoption of the 'marketing practices' in the Quantity Surveying (QS) business is still in its formative stage. However, the majority of respondents recognised the importance of adopting marketing activities as a business development activity. Quality service delivery, measuring customer satisfaction, and personal relationship management activities seem to be the critical marketing practices for QSCFs in Sri Lanka. At present, the majority of QSCFs pay minimum attention to measuring the performance of marketing outcomes using advance measurement indicators, but most respondents strongly agreed on the performance measurement of marketing practices will help to enhance their business success.*

**Keywords:** Management Process; Marketing; Performance Measurement; Quantity Surveying Consultancy Firms.

## 1. INTRODUCTION

The construction industry is typically characterised by extreme competition, high risk, and low-profit margins when compared with other industries (Mochtar & Arditi, 2001). Raftery et al. (1998) described the increase of private sector involvement, vertical integration, and foreign participation in domestic constructions are the significant factors that promote the increased competition in the construction industry, which induce a high competition among Construction Consultancy Firms (CCF). Kotler and Armstrong (2008) defined 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 (p.225)”. Eccles (1995) explained the performance measurement in the marketing field as managing and analysing marketing performance to maximise its effectiveness and to optimise its return on investments. Low et al. (2016) observed that customer satisfaction and customer loyalty are the two major indicators of marketing performance. Traditionally, professional stakeholders, i.e., Engineers, Architects, and QSS, engaged in the construction industry have ignored the importance of marketing (Jaafar et al., 2008). Hence, marketing is not viewed as a legitimate management activity in most QSCF (Ogbu, 2015). In general, CCF undertake simple marketing practices when in-house jobs are almost completed (Jaafar et al., 2008). Facing changes and challenges, including the recession and increasing competition, are hard-to-come-by projects (Low et al.,

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2016). Currently, many QSCFs have committed themselves to have several marketing plans, undertaken to enhance their business performance. Therefore, this paper attempts to evaluate the marketing practices and marketing performance of QSCFs in Sri Lanka by achieving the following three (03) objectives: (i) Review formalised marketing practices applicable to the QS business development process; (ii) Determine the extent of the importance and applicability of formalised marketing practices in QSCFs in Sri Lanka; and (iii) Evaluate QSCFs' opinions on measuring marketing performance, which is found to be the most influencing on marketing strategic decisions of QSCFs.

## **2. LITERATURE REVIEW**

### **2.1. MARKETING IN CONSTRUCTION INDUSTRY**

The Chartered Institute of Marketing (CIM) has defined “*Marketing is the management process responsible for identifying, anticipating, and satisfying customer requirements profitably*” (CIM, 2015, p.3). As a management function, marketing received an important position in various industries for increasing market shares, satisfying clients, building long-term relationships, ensure profitability, strengthening competitive advantages, and achieving firm performance (Naranjo *et al.*, 2011). Marketing helps construction companies to differentiate themselves from their competitors and cultivate and keep clients, and thereby create competitive advantages (Polat & Donmez, 2010). Preece *et al.* (2006) explained that rather than doing mass advertising and promotional activities, construction marketing requires long-term personal and professional contacts. Moreover, Pettinger (1998) highlighted that the loss of a single sale creates a direct financial impact on a construction company. According to Jepson and Nicholson (1972), marketing attracts an increasing attention in companies, and marketing principles have progressed in the construction industry. Yisa *et al.* (1995) observed both contractors and consultancy firms have recognized the role of marketing in the construction industry. Even today, marketing practices followed by construction companies are limited to the basic marketing philosophy (Dikmen *et al.*, 2005). However, a majority of CCF operates on a small-scale basis and without a separate marketing department (Jaafar *et al.*, 2008). Authors further explained that firms marketing-related responsibilities were implemented by company directors and partners. Naranjo *et al.* (2011) described that construction companies jointly used several marketing strategies, such as market/product focus, marketing mix, social marketing, relationship marketing, customization, and pricing strategy. In addition, marketing becomes a top-management priority and most firms spend 3% to 5% of their annual turnover for marketing (Yisa *et al.*, 1995). Also, the majority of firms lack a formal marketing plan although marketing professionals are employed full-time.

### **2.2. MARKETING IN PROFESSIONAL SERVICE FIRMS**

Young (2005) stated that the professional services industry is one of the largest and most diverse sectors of the modern economy. Maister (2007) observed that a grouping together of professionals in professional service firms to sell their services to clients more effectively than they performed individually. Kotler and Connor (1977) highlighted, “*Professional service market consists of organized activities and programs by professional services firms that are designed to retain present clients and attract new clients by sensing, serving, and satisfying their needs through delivery of appropriate services on a paid basis in a manner consistent with credible professional goals and norms*” (p.72).

### **2.3. QSCF AND THEIR MARKETING PRACTICES**

As a recognized profession in the construction industry, QS professionals generate more value for money from scarce resources (Preece *et al.*, 2008). Qs realized benefits of client-focused marketing to increase profits, reduce uncertainty and generation of new businesses (Preece *et al.*, 2006). To maintain professionalism and profit margins, the need for formal business planning is highlighted within QSCF's (Yankah & Donald, 2015). Yankah (2015b) stated that marketing activities are important to QSCF and that deserves firms to compete with competitors. Further, Preece *et al.* (2008) seen, product branding, soliciting prospective clients and maintaining company website is the important marketing activities to the QSCF's. Yankah (2015a), analyzed 5P's of marketing management strategies on QSCF and identified 'Product' and 'Place' are important factors and 'Price', 'Promotion' and 'People' factors are moderately important to QS business development. Ogbu,

(2015) believed that People/Organizational strategies, Promotional and Educational strategies, and Price strategies were directly important to overcome market challenges in QS consultancy industry.

#### **2.4. QS BUSINESS DEVELOPMENT PROCESS**

Cannon and Hillebrandt (1990) expressed that the profit growth, increase manpower, and diversified clients are the three dimensions of QS firms' growth. According to the findings of Rodger (2010), marketing research management, marketing operations management, marketing communications management, and client–base relationship were the four-main applicable marketing management functions for a QS consultancy business development. Developing objectives, mission, and vision; identifying strengths and weaknesses; scanning and evaluating threats and opportunities, will provide a considerable advantage to be competitive among rivals within the dynamic construction environment (Hassan *et al.*, 2007).

#### **2.5. MARKETING RESEARCH MANAGEMENT**

Kotler and Armstrong (2008) defined Marketing Research (MR) as “*the systematic design, collection, analysing, and reporting of data relevant to a specific marketing situation facing a firm*” (p.95). Hassan *et al.* (2007) expressed that MR provides details for firms about new business areas, how to allocate resources, whether to expand business scope/operations, whether to enter international markets, whether to merge or combine firms together and how to avoid challenges of competitors. As depicted in literature, MR leads to QSCF growth and MR includes following key management activities:

- Business intelligence studies
- Developing a vision and mission
- Identifying an organization's external opportunities and threats
- Establishing long-term objectives
- Determining internal strengths and weaknesses
- Generating alternative strategies
- Choosing particular strategies to pursue

#### **2.6. MARKETING OPERATION MANAGEMENT AND MARKETING COMMUNICATION MANAGEMENT**

Rodger (2010) defined Marketing Operation Management (MOM) as ‘*the daily business of the business, which includes features of products, services, and brands*’. Preece *et al.* (2008) believed that interpersonal skills are conclusive for MOM in QSCF to conquest market challenges while providing quality service to customers is identified as the most critical activity in MOM (Low *et al.*, 2016). Authors further believed that if a satisfactory service is not delivered to the customer, the brand image within the industry may be recovered by giving compensation or making an apology. Thus, inter-industry brand image or reputation is identified as the crucial aspect of QS consultancy industry to retain old customers and attract new ones. Marketing Communication Management (MCM) involves identifying the target audience and shaping a well-coordinated promotional programme to obtain the desired audience response (Kotler & Armstrong, 2008). Advertising is of low priority in QS business development due to high cost (Preece *et al.*, 2008). As per Rodger (2010), online marketing becomes a popular marketing communication media in QS business development, and Preece *et al.* (2008) confirmed that website is a vital marketing communication method in QSCFs.

#### **2.7. MARKETING RELATIONSHIP MANAGEMENT**

Kotler and Armstrong (2008) confided that Marketing Relationship Management (MRM) is the most conclusive activity in business development and it comprises managing individual customers carefully, to maximize customer loyalty. Rodger (2010) identified three types of customers, with whom a firm may build a relationship: (i) Customers from the target market, who are the priority in the long-term, (ii) Customers from target prospect situations, who are the immediate priority for maximum specific marketing development activities and (iii) Current clients.

Keeping current customers in a satisfactory condition is identified as the most important activity in the QS business development rather than referring new clients from a competitive market (Hassan *et al.*, 2007).

## 2.8. **MARKETING PERFORMANCE MEASUREMENT**

O’Sullivan *et al.* (2009) described Marketing Performance Measurement (MPM) as “*the assessment of the relationship between marketing activities and business performance*” (p.844). MPM led to learning about marketing decision improvements within the firm (Clark, 1999). It demonstrates the link between marketing expeditor and actual performance of the firm (O’Sullivan & Butler, 2009). Kotler and Armstrong (2008, p.55) defined marketing expeditor as “*investment that produces a return in the form of the more profitable customer relationship.*”

According to O’Sullivan and Abela (2007), marketing investments create intermediate outcomes such as, customer thoughts, feelings, knowledge, and behaviour, which in turn influence financial performance of the firm. Authors further believed that marketing investments improve customer value and satisfaction. Marketing performance measures the effectiveness of marketing strategies followed by company (Ogbu, 2015).

## 2.9. **MARKETING PERFORMANCE MEASURES**

“*Effective methods of assessing marketing productivity to the business community will be a major step toward raising marketing’s vitality in the firm and, more importantly, toward raising the performance of the firm itself*”(Rust *et al.*, 2004, p.76). O’Sullivan and Abela (2007) explained that the inability to demonstrate marketing effectiveness was the major challenge for marketing adoption in the firms’ business development process. A company can assess marketing performance in terms of indicators such as brand awareness, and sales or market share (Gronholdt & Martensen, 2006). Mathematically, it is the net return on a marketing investment divided by the cost of the marketing investment (Kotler & Armstrong, 2008). O’Sullivan and Abela (2007) observed three (03) streams of marketing performance measures, i.e., i) Measurement of marketing productivity; (ii) Identification of metrics in-use, and (iii) Measurement of brand equity.

According to Clark (1999), there are three (03) directions of marketing performance measures: i) from financial to non-financial output measures, ii) from output to input measures, and iii) from one-dimensional to multidimensional measures. Pont and Shaw(2003)identified profit, return on investment, and returns on assets are financial output measuring factors and consider the customer satisfaction as non-financial marketing performance measure. Furthermore, O’Sullivan and Abela(2007) explored another criterion for marketing performance measurement, which is particularly financial, non-financial, and market-based assessments (Refer to Table 1). Low *et al.* (2016); O’Sullivan and Abela (2007) and Yankah (2015a)identified eleven marketing performance measurement metrics under the above three (03) categories, which were applicable for CCF as presented in Table 1.

Table 1: Marketing Performance Measurement Indicators

| <b>Financial MPM Indicators</b>                       | <b>Non-Financial MPM Indicators</b>                     | <b>Market-Base Assessment</b>     |
|---|---|-----------------------------------|
| Cost of investments in marketing vs. benefit analysis | Customer affinity (in terms of loyalty and retention)   | Number of visitors to the website |
| Customer acquisition cost                             | Decision accuracy                                       | Market share against competitors  |
| Wallet share (share of spending on marketing efforts) | Mindshare (brand awareness) against competitors         | Number of referrals per year      |
|   | Amount of resources (human and time) used for marketing | Customer satisfaction             |

Sources: Low *et al.* (2016); O’Sullivan and Abela (2007); Yankah (2015a)

## 3. **RESEARCH METHODOLOGY**

A comprehensive literature survey was done initially, through books, journals, articles, and research papers to fulfil research objectives, obtained existing knowledge on the topic and to develop the questionnaire outline. The questionnaire survey was performed with the QSCFs’ stakeholders to gather data on the level of importance, level of applicability of marketing management activities, the importance of marketing performance metrics, and view on measuring marketing performance with Sri Lankan QSCFs. A set of given marketing activities and marketing performance measurement indicators were analysed using weighted mean, standard deviation, and the Relative Important Index (RII). RII value was used to rank the variables and check the acceptability of the variables. The quantitative value 3 was allocated to the medium significance, and hence

the variable, in which RII percentage was equal to or above 60%, was considered as an acceptable factor. RII value in between 80% -100% was considered as strongly significant, 70%-79.99% was considered as moderately significant, and RII value in between 60% - 69.99% was considered as the marginally significant factor. If two factors acquire same RII value, the one with the lower standard deviation was considered as the higher rank, since the factor with a lower standard deviation has high reliability. Convenience sampling approach was used to carry out this study. Altogether 50 questionnaires were distributed among the members of fifteen QSCF in Sri Lanka. Out of that, the overall success questionnaire response rate was 62%.

#### 4. DATA ANALYSIS AND FINDINGS

Out of the 31 surveyed respondents, 58% were from small and medium QSCFs having less than 15 staff members. The remaining 42% of the respondents were from large QSCFs with over 15 staff members. Nearly fifty percent of the respondents were involved with management-related functions within the firm, while the remaining respondents are occupied as Qs. Designations of the respondents represent business development managers (10%), senior associates (16%), directors (26%), and senior Qs (48%). The representation by each category is given within the parenthesis. The characteristics of the respondents have enhanced the reliability of the survey results and its relevance to the QS consultancy industry in Sri Lanka.

##### 4.1. MARKETING MANAGEMENT FUNCTIONS IN QSCF BUSINESS DEVELOPMENT PROCESS: IMPORTANT FACTORS

Table 2 illustrates the importance of activities discovered under four (04) marketing management functions of QSCFs according to their importance within each marketing management function. They are, (i) Market Research, Analysis, and Planning-MF1; (ii) Marketing Operations Management-MF2; (iii) Marketing Communications Management-MF3; and (iv) Personal Relationship Management-MF4. Finally, an overall rank is given to each activity.

Table 2: The Level of Importance of Marketing Management Activities

| Code       | Activity   | Mean  | Stranded deviation | RII    | Rank | Overall rank |
|------------|--|-------|--------------------|--------|------|--------------|
| <b>MF1</b> | <b>Market Research, Analysis, and Planning</b>                       |       |                    |        |      |              |
| MF1.1      | Vision, mission, and value statements                                | 4.516 | 0.508              | 90.32% | 1    | 5            |
| MF1.4      | SWOT analysis  | 4.226 | 0.425              | 84.52% | 2    | 8            |
| MF1.3      | Target market segments and portfolio mix by priority                 | 4.194 | 0.703              | 83.87% | 3    | 9            |
| MF1.2      | Communications and information Packages                              | 3.935 | 0.814              | 78.71% | 4    | 10           |
| MF1.6      | Business intelligence study  | 3.839 | 0.735              | 76.77% | 5    | 11           |
| MF1.5      | Service promotion activities   | 3.387 | 0.844              | 67.74% | 6    | 16           |
| <b>MF2</b> | <b>Marketing Operations Management</b>                               |       |                    |        |      |              |
| MF2.2      | Quality service delivery   | 4.968 | 0.180              | 99.35% | 1    | 1            |
| MF2.4      | Staff training   | 4.452 | 0.624              | 89.03% | 2    | 7            |
| MF2.1      | Service recovery   | 3.806 | 0.749              | 76.13% | 3    | 12           |
| MF2.3      | Brand image  | 3.742 | 1.125              | 74.84% | 4    | 13           |
| <b>MF3</b> | <b>Marketing Communications Management</b>                           |       |                    |        |      |              |
| MF3.2      | Development and planning of information packages to target customers | 3.645 | 0.709              | 72.90% | 1    | 14           |
| MF3.1      | Internet marketing   | 3.645 | 1.018              | 72.90% | 2    | 15           |
| MF3.3      | Media advertising  | 2.161 | 1.098              | 43.23% | 3    | 17           |
| <b>MF4</b> | <b>Personal Relationship Management</b>                              |       |                    |        |      |              |
| MF4.4      | Client base relationship management                                  | 4.935 | 0.250              | 98.71% | 1    | 2            |
| MF4.1      | Establishing good relationships during project execution             | 4.839 | 0.374              | 96.77% | 2    | 3            |
| MF4.3      | Post-delivery client relationship interactions                       | 4.710 | 0.461              | 94.19% | 3    | 4            |
| MF4.2      | Two-way communication during interview presentations                 | 4.452 | 0.568              | 89.03% | 4    | 6            |

#### 4.1.1. MANAGEMENT FUNCTION 1: MARKET RESEARCH, ANALYSIS, AND PLANNING

It is apparent in Table 2, the ‘vision, mission, and value statements’ (MF1.1) is crucial and mutual activity under Management Function 1. This discloses that respondents who owned or occupied in QSCFs believe that having a strong vision and mission statement for the firm is the most significant activity. This result well-matches with the literature review. According to the literature findings, vision, mission, and values were the starting points for any organisation, and these statements were the main elements of an organisation’s strategic planning (David, 2011). SWOT analysis (MF1.4) can be identified as the second important activity in market research, analysis, and planning. In general, SWOT analysis assist in auditing the strengths, weaknesses, opportunities, and threats confronted by a business. The findings revealed that many QSCF now believe SWOT analysis will help to enhance their business performance. Target market segments and portfolio mix by priority-MF1.3 is identified as the third significant market research, analysing, and planning activity. This proves many firms realise the importance of providing services to current market requirements such as using new technologies and standards. Out of six (06) activities under management function 1, “service promotional activities- MF1-5” appears to be least important, as respondents felt that it would only be implemented once the firms’ in-house jobs are almost completed.

#### 4.1.2. MANAGEMENT FUNCTION 2: MARKETING OPERATIONS MANAGEMENT

According to Table 2, four (04) main activities were identified under the ‘Marketing operations management function- MF2’. Majority of the respondents believe that ‘Quality service delivery- MF2.2’ as the most important operation management activity. Also, based on overall rank, this activity can be identified as a strong and significant activity under all four management functions. This result suggests that QS consultancy service must have an operational reality in cost saving, and not merely a marketing wish to remain competitive in the changing business world. Quality services always satisfy clients’ needs and will affect the good relationship between parties during project execution. These relationships will influence future project opportunities to the firm. Staff training (MF2.4) is ranked as the second important activity under Management Function 2 and directly links to the quality of service delivery. Trained staff will ensure the high standard and ethical services to the clients. By that, firms can easily fulfil clients’ requirements. Respondents considered that service recovery (MF2.1) was the next important marketing operation management activity, and commented that if they fulfil this activity suitably, it will create a tendency to return clients for their future projects. They explained that this can achieve clients’ satisfaction and may require few efforts and resources for business development and marketing. Brand image acquired minimum importance under this function because many stakeholders in consultant industry believe that a brand name automatically increases through quality service delivery. Further, respondents believed that well-trained staff could efficiently deliver a quality service to their clients.

#### 4.1.3. MANAGEMENT FUNCTION 3: MARKETING COMMUNICATION MANAGEMENT

According to Table 2, out of three activities under Management Function 3, Internet marketing (MF3.1) and Development and planning of information packages to targeted customers (MF3.2) received the same rank. As per the respondents’ opinion, they are interested in internet marketing by the ways of maintaining company website and a Facebook page. Nevertheless, they do not believe that it may indeed influence generating new clients and job opportunities. As a mass and cheaper information delivery method, internet marketing delivers information about company capabilities and experiences on past projects to the clients who have no idea about the company service. A significant number of respondents from large-scale organisations stated that MF3.2 activity is applicable for large-scale projects only because it requires additional effort and manpower to develop this kind of project-specific information package. According to the collected opinions, other projects were given a general package to ensure an efficient business approach. Media advertising (MF3.3) was ranked as the least important activity from the identified activities. Addressing the entire society is not beneficial because QS consultancy is not a primary service for the society. Furthermore, respondents commented that creating effective commercials were difficult within the established ethical and financial boundaries.

#### 4.1.4. MANAGEMENT FUNCTION 4: PERSONAL RELATIONSHIP MANAGEMENT

Personal relationship management is the fourth management function, which is more critical to QS business development than other functions. According to the literature findings, personal contacts were the main project

generation source in QS consultancy firms. It is apparent in Table 2 that all respondents have given a high weight to personal relationship management activities. Client-base relationship management (MF4.4) was ranked as first in this management function. This indicates their concern about long-term relationship development, and the respondents highlighted their high effort to maintain a long-term relationship with clients. Establishing good relationships during project execution (MF4.2) was ranked as the second in this category. Project executions can be defined as the most critical phase of any project, and there is a consensus among respondents' that a good relationship during project execution will generate new project opportunities from existing clients. Further, some respondents notified that maintaining a good relationship with parallel service-providing professionals such as architects and engineers is also important to acquire new projects to the organisation since they have experienced that many clients seek suggestions from these professionals on QS consultant selection. A good relationship with parallel professional may help to receive positive suggestions about the firm in such situations. Post-delivery client relations interactions (MF4.3) and Two-way communications during interview presentations (MF4.2) were ranked as third and fourth important activities respectively, whereas a Two-way communication helps to identify clients' expectations, i.e., useful in achieving those expectations, without complications.

#### 4.2. APPLICABILITY OF MARKETING MANAGEMENT FUNCTIONS IN SRI LANKAN QSCFS

The respondents were given same activities to present their views on the applicability of marketing management functions, and Figure 3 depicts the RII values of the applicability of marketing management functions and its importance. It is apparent in Figure 3, in seven (07) activities, the RII value was above 80% and was identified as strongly-practising marketing management activities in Sri Lankan QSCF. They are Quality service delivery (MF2.2), Establishing good relationships during project execution (MF4.1), Client base relationship management (MF4.4), Post-delivery client relationship interactions (MF4.3), Two-way communication during interview presentations (MF4.2), Vision, mission, and value statements (MF1.1), and Target market segments and portfolio mix by priority (MF1.3). Further, as per Figure 3, five activities which are moderately applicable (70%- 79.99%) and all other activities belong to 'marginally applicable' category since RII value is between 60% - 69.99% in the QSCF business development process.

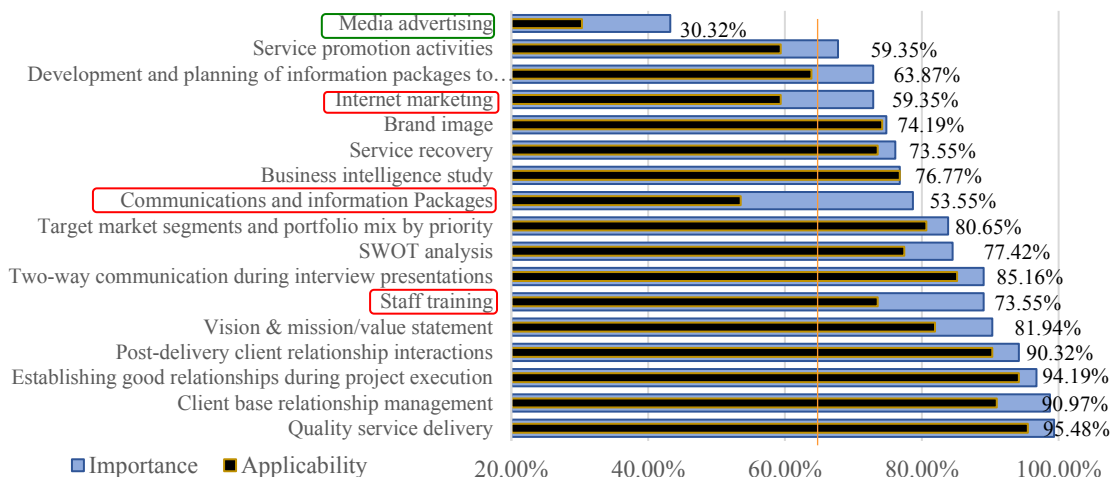


Figure 1: Importance and Applicability of Identified Marketing Activities

The results discovered that today most QSCF gave priority to deliver a quality service to their clients. Perceptive service quality directly affects clients' satisfaction, and firms always consider the accuracy of documents and attempt to conduct the project within pre-determined budget boundaries. Hence, QSCFs aim to increase client satisfaction with their services. A quality service creates the best value for clients' investments (Rajicic & Ciric, 2008). The continuous delivery of high-quality service is essential to reach clients' satisfaction, which is reflected positively in competition, and to be a profitable firm. Respondents believed, as a compulsive requirement, quality service can be delivered without much effort or management knowledge like other marketing activities. Thus, they assure a quality service delivery and promote the importance of this activity within their firms.

All four activities related to personal relationship management afforded to be in 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup>, and 5<sup>th</sup> in applicability on the Sri Lankan QSCF. This result implies that almost all QSCFs engage in personal relationship development activities to achieve business success. An efficient relationship with clients provides the ability to deliver a service that they need, which increases clients' satisfaction and generate loyal clients to the firm. It results in increasing the client-base and ultimately enhances the business net growth. Further, personal relationship management is cost-effective marketing activity, which requires lesser staff to manage with minimum resources. This cost-effectiveness directly affects the adoption of these activities to small- and medium-scale QSCFs in Sri Lanka. Vision and mission statements captured 81.94% RII from respondents, and all respondents reported that currently, their firms have these statements. However, they were not satisfied with the robustness and actual adoption of these statements within the firms by their personnel. It needs to share a clear perception of company vision and mission statements with the internal staff.

Respondents highlighted that small-scale organisations generally do not have a management staff to carry out market research analysis and planning activities. They perform their service with few numbers of professional staff and thus, small-scale firms do not apply this activity vigorously for business development purposes. However, large-scale firms with good management capabilities commented that such activities are applied within their firms because they have a separate management staff to execute and assess business development activities. Respondents commented that their firms adopt RICS/IQSSL ethical standard framework to increase the brand image, but they did not adopt special activities to improve the brand image. This indicates that the firms are still not concerned to adopt brand image development activities, as they are confident that the brand image will automatically grow through quality service delivery. It is pertinent to state that all advertising and promotional activities are ranked as least applicable within the Sri Lankan QSCFs. It is apparent in Figure 3, the level of importance of each activity indicates a higher value compared to the level of applicability. Mainly, a high gap exists in activities such as Communication and information packages - MF1.6 (25.26%), Staff training - MF2.4 (15.48%), Internet Marketing - MF3.1 (13.55%), and Media Advertising - MF3.3 (12.91%); differences between the importance and applicability of RII values are given in the parenthesis. The main reason for this result is that these activities required additional finance and human resources. Further, constant practising of these activities is required to achieve considerable success in business growth.

### 4.3. *MARKETING PERFORMANCE MEASUREMENT INDICATORS*

A list of 11 MPM indicators was extracted from literature, and the respondents' opinions on the influence level of each indicator are presented in Table 3. According to Table 3, customer satisfaction- PM4 was the most significant influential MPM indicator for QS firms' marketing strategic decisions. Customer satisfaction measures how a firm meets or surpass a customer's expectation through the service. As a subjective and a non-quantitative MPM tool, measuring its impact is a challenging process, but many QSCF believed that customer satisfaction is a practical and a useful indicator.

Table 3: Marketing Performance Measurement Indicators

| Code | Performance Measurement                                 | Mean  | Stranded deviation | RII    | Overall rank |
|------|---|-------|--------------------|--------|--------------|
| PM4  | Customer satisfaction                                   | 4.645 | 0.661              | 92.90% | 1            |
| PM11 | Decision accuracy                                       | 4.452 | 0.624              | 89.03% | 2            |
| PM3  | Customer affinity (in terms of loyalty and retention)   | 4.194 | 0.703              | 83.87% | 3            |
| PM9  | Number of referrals per year                            | 3.935 | 0.68               | 78.71% | 4            |
| PM8  | Customer acquisition cost                               | 3.194 | 0.543              | 63.87% | 5            |
| PM5  | Market share against competitors                        | 2.968 | 0.836              | 59.35% | 6            |
| PM6  | Mindshare (brand awareness) against competitors         | 2.871 | 0.67               | 57.42% | 7            |
| PM2  | Cost of investments in marketing vs. benefit analysis   | 2.677 | 0.909              | 53.55% | 8            |
| PM10 | Amount of resources (human and time) used for marketing | 2.452 | 1.06               | 49.03% | 9            |
| PM7  | Wallet share (share of spending on marketing efforts)   | 2.323 | 0.871              | 46.45% | 10           |
| PM1  | Number of visitors to website                           | 2.032 | 0.948              | 40.65% | 11           |



Many firms measure customer satisfaction through clients' feedback on service. Customer satisfaction has a direct link with increased client referrals, which is directly linked to QS consultancy business growth. According to the literature, keeping current customers satisfied with firms' service is important than seeking new customers from a competitive market. As identified in Section 4.2, highest influential marketing activity on clients' satisfaction was 'Quality service delivery.' It seems that the way a firm identify client needs and achieving those needs within minimum resources is imperative to succeed in client satisfaction with the firm. PM11- Decision accuracy (89.03%) ranked as the second influential MPM metric, based on RII value, which has a direct link to the quality service delivery. This confirms that the output measures of operational marketing activities are at a higher importance level than others. As for cost consultancy service providers, Qs' decision highly affects the overall project cost, and accurate decisions will support to create the best output for the client's investment. PM3- customer affinity is the third highest ranked MPM indicator. Basically, this metric measures the customer loyalty and retention. It can be identified as a non-financial metric, which helps to measure personal relationship management.

Literature survey of this study explains that, when clients have an affinity towards the firm, they maintain a long-term relationship with the organisation. When a firm has a greater affinity, the marketing expeditors attract new clients from competitive market declines. With a low affinity, the firm has to spend more financial and human resources to overcome negatives and find a new customer. Research findings related to marketing applications disclosed that many QSCFs still did not apply expensive and advanced theoretical marketing practices to enhance their business performances. A majority of QSCFs have not recruited a separate marketing professional to carry out marketing practices. Hence, there is a practical barrier to conduct an advance performance measurement process without marketing professional. Furthermore, to measure the end-result of limited marketing activities, simple measuring indicators are adequate.

#### 4.4. PERCEPTION ON MEASURING MARKETING PERFORMANCE

Table 4 demonstrates the collaboration of small-scale(staff<15) and large-scale(staff>15) QSCFs' perception of measuring marketing performance.

Table 4: Perception of Measuring Marketing Performance

| Code | Indicator   | Small-scale QSCF |       |       | Large-scale QSCF |       |       |
|------|---|------------------|-------|-------|------------------|-------|-------|
|      |   | Mean             | SD    | RII%  | Mean             | SD    | RII%  |
| MP1  | Desired performance measurement of marketing will help to improve your organisations' business                                      | 4.000            | 0.667 | 80.00 | 4.333            | 0.651 | 86.67 |
| MP2  | Insufficient measurement reduces your team's ability to effectively communicate the marketing value to the rest of the organisation | 3.526            | 0.612 | 70.53 | 3.750            | 0.622 | 75.00 |
| MP3  | Marketing efforts that have clear links to the overall marketing strategy are important to your organisation                        | 3.895            | 0.567 | 77.89 | 4.167            | 0.577 | 83.33 |
| MP4  | Performance measurement metrics are useful to your organisation   | 3.158            | 0.765 | 63.16 | 3.750            | 0.866 | 75.00 |

Data analysis identified two different scales QSCFsto compare the individual opinion of 'measuring marketing performance.' A careful study of Table 4 highlights that respondents working in large-scale organisations always highly agree on given indicators than respondents from small-scale organisations. Large-scale QSCFs strongly agree that measuring marketing performance is an important marketing practice to achieve high business growth, and they strongly agreed on MP3. Further, large-scale firms moderately agreed that identified performance measurement indicators were applicable for evaluating marketing performance within their firm. However, small-scale QSCFs agreed marginally on MP4, which the importance of identified MPM indicators. The result implied that the large-scale QSCFs have a clear perception of the importance of measuring marketing performance than the small-scale QSCFs.

## 5. CONCLUSIONS

The study revealed that marketing is discovered as an essential ingredient in the maintenance of a profitable professional QS business and considered as part of their business development process. Quality service delivery is identified as the most important marketing activity on Sri Lankan QSCFs, while Media Advertising was found to differ from the general trend. All activities except internet marketing, service promotional activities, and media advertising, are highly applicable for QSCFs. It was identified that service promotional activities and media advertising are not applicable due to financial constraints of local QSCFs. Industry stakeholders believe that new business opportunities emerge through personal contracts, and thus, Sri Lankan QSCFs strongly absorb personal relationship management activities than internet marketing, to attract new projects from a competitive market. The majority of QSCFs were recognised that “desired performance measurement of marketing will help to enhance their business growth.” The research findings suggest that marketing practices and marketing performance measurement as a compulsory component for QSCFs business growth in Sri Lanka. As such the researcher could recommend Quality service delivery, Client base relationship management, establishing good relationships with clients during project execution and Post-delivery client relationship interactions as best marketing practices for QSCFs in Sri Lanka. It was identified that the most influential marketing performance measurement indicators are Customer satisfaction, Decision accuracy, Customer affinity and Number of referrals per year. Therefore, it is recommended to use said indicators for effective and efficient marketing decision-making process.

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