



Project Marketing

A Practical Approach

Milind Trivikram Phadtare



‘A must read for any BtoB marketer. The book develops a compelling process for marketing project business by combining strategic tools with network approaches. In addition, it is rich in Indian examples. Milind Trivikram Phadtare has achieved a tour de force with this work’.

Bernard Cova, *Professor at Kedge Business School,
France, and founder of the International Network on
Project Marketing*

‘Project marketing is an important global phenomenon often neglected in business research and teaching. For instance, there hasn’t been a new international textbook on the topic for a long time. Prof. Milind Phadtare’s new book thus fills this gap and provides an excellent practice-oriented review of the essentials of project marketing’.

Prof. Henrikki Tikkanen, *DSc, PhD, Aalto
University School of Business, Finland*

‘This book is a very easy read, despite it addressing a very complex subject which includes the use of a lot of technical terms and industry jargon. The language is simple and easy to follow, content is crisply arranged, the sequencing is perfect, and the case studies have been carefully selected to bring home the learnings to the reader.

This book is for anyone wanting to grasp the fundamentals of project marketing, and the steps to submitting a responsive offer/bid to the client, with the objective of winning the order. The book covers the different contracting models, tender conditions, packaging philosophies, client expectations, analysis of risks and mitigations in executing the order, building up the cost estimates, and the steps to bid competitively for the work. I am happy to recommend this book as essential reading on project marketing’.

Rahul Shah, *COO – Urban Infrastructure Tata
Projects Ltd.*

‘I must congratulate Milind for his in-depth research which is evident in this book. The aspects covered, the live illustrative examples and the explanatory diagrams have been penned with sublime clarity, technical correctness and a seamless flow, making it a bible of sorts for academic development and professional application.

Having been involved in teaching Project Management and allied subjects for over two decades, I will certainly utilize the contents in my future endeavors, as there are very few books written on project marketing’.

Col. E J Sanchis, *Management Consultant &
Visiting Faculty*

'Project Marketing is a great guide for project contracting organisations who are keen to market their services to prospective clients. The book presents the peculiar characteristics of project marketing and highlights the aspects that are unique to project marketers offering construction and other services.

The book analyses several variables that impact project marketing and various contexts that are relevant to the world of projects and would be useful to marketing managers who are new to this ecosystem.

This book illustrates the positioning strategies that project marketers could employ while approaching potential clients in the public and private sector. This book explains how project marketers can understand the client's buying behaviour and develop meaningful relationships with clients to foster trust and have positive interactions. The author also emphasizes the importance of harnessing organisational strengths and using differentiation vis-à-vis the competition to ensure success. The book relies on lucid explanations and practical examples to make the concepts clear'.

Prashant Mahajan, *General Manager – Business
Development Shapoorji Pallonji (Engineering &
Construction)*

PROJECT MARKETING

This book is a comprehensive and practical guide to project marketing – a crucial aspect of businesses worldwide. It encompasses a variety of key infrastructure projects such as roads, airports, ports, power, irrigation, commercial, and industrial buildings.

The volume:

- Provides key definitions and discusses concepts such as segmentation, target marketing, positioning in projects, and organizational buyer behaviour.
- Draws and adapts from extant marketing theory and provides real-life case studies to demonstrate application of concepts.
- Focuses on project marketing logic, marketing mix, negotiation techniques, and strategies to aid contracting/subcontracting firms to realize better pricing and project profitability.

An essential handbook for professional marketers and researchers, this book will be indispensable for B-Schools, project managers, entrepreneurs, infrastructure corporations, and start-ups. It will serve as a key text to foster hassle-free relationships between different business actors and reduce roadblocks such as time and cost escalation, litigation, and the like.

Milind Trivikram Phadtare is Senior Professor, National Institute of Construction Management and Research (NICMAR), Pune, India.



Taylor & Francis

Taylor & Francis Group

<http://taylorandfrancis.com>

PROJECT MARKETING

A Practical Approach

Milind Trivikram Phadtare

First published 2023
by Routledge
4 Park Square, Milton Park, Abingdon, Oxon OX14 4RN

and by Routledge
605 Third Avenue, New York, NY 10158

Routledge is an imprint of the Taylor & Francis Group, an informa business

© 2023 Milind Trivikram Phadtare

The right of Milind Trivikram Phadtare to be identified as author of this work has been asserted in accordance with sections 77 and 78 of the Copyright, Designs and Patents Act 1988.

All rights reserved. No part of this book may be reprinted or reproduced or utilised in any form or by any electronic, mechanical, or other means, now known or hereafter invented, including photocopying and recording, or in any information storage or retrieval system, without permission in writing from the publishers.

Trademark notice: Product or corporate names may be trademarks or registered trademarks, and are used only for identification and explanation without intent to infringe.

British Library Cataloguing-in-Publication Data

A catalogue record for this book is available from the British Library

Library of Congress Cataloging-in-Publication Data

Names: Phadtare, Milind Trivikram, author.

Title: Project marketing: a practical approach/Milind Trivikram Phadtare.

Description: 1 Edition. | New York, NY: Routledge, an imprint of the Taylor & Francis Group, 2023. | Includes bibliographical references and index.

Identifiers: LCCN 2022036722 (print) | LCCN 2022036723 (ebook) | ISBN 9780367350901 (hardback) | ISBN 9780367350918 (paperback) | ISBN 9780429329647 (ebook)

Subjects: LCSH: Industrial marketing. | Industrial marketing—Management. | Marketing—Planning.

Classification: LCC HF5415.1263 .P473 2023 (print) |

LCC HF5415.1263 (ebook) | DDC 658.8/04—dc23/eng/20220926

LC record available at <https://lcn.loc.gov/2022036722>

LC ebook record available at <https://lcn.loc.gov/2022036723>

ISBN: 978-0-367-35090-1 (hbk)

ISBN: 978-0-367-35091-8 (pbk)

ISBN: 978-0-429-32964-7 (ebk)

DOI: 10.4324/9780429329647

Typeset in Bembo

by Deanta Global Publishing Services, Chennai, India

CONTENTS

<i>List of Figures</i>	<i>viii</i>
<i>Preface</i>	<i>x</i>
1 Understanding Projects	1
2 Analyzing Project Marketing Environment	12
3 Segmentation, Target Marketing, and Positioning in Projects Business	25
4 Organizational Buyer Behaviour	36
5 Essentials of Project Marketing	50
6 Marketing Mix for Project Marketing	67
7 Project Negotiations	82
8 Conclusion	99
<i>Index</i>	<i>103</i>

FIGURES

1.1	Types of projects	3
1.2	Characteristics of projects	7
1.3	Process of creating idea into reality	9
3.1	Bases for segmentation	26
3.2	Target marketing strategies	30
3.3	Cues for positioning	31
4.1	Characteristics of Client Firms	37
4.2	Influencers of Buying Behaviour	38
4.3	Process of award of contract	41
4.4	Type of client firms	45
5.1	Project marketing logic	51
5.2	Phases of project marketing	54
5.3	Project marketing process	57
5.4	Ansoff's matrix	58
5.5	Pictorial representation of the milieu	62
6.1	Marketing mix for projects	68
6.2	Attributes of product	69
6.3	Perspectives of price	70
6.4	Costs involved	71
6.5	Pricing strategies	72
6.6	Attributes of profile	74
6.7	Attributes of pooling	75
6.8	Drivers of project marketing	79
7.1	Pre-negotiation process	83
7.2	Prerequisites of negotiation	86
7.3	Areas of negotiation	87

7.4	Power in negotiation	88
7.5	Negotiation strategies	90
7.6	Process of negotiation	91
8.1	Journey of project marketing	100

PREFACE

Project marketing is a grossly neglected area amongst the academic community. Literature available on the topic is also scant. *Project Marketing: A Practical Approach* is one of the few books on the subject and attempts to contribute to the practice of project marketing.

The book is written from the perspective of the project marketing/contracting/subcontracting firms and tries to address the question ‘what should the project marketing/contracting/subcontracting firms do to get the contract from the client in the face of competition?’ The book is completely based upon my 15 years of project marketing experience and is addressed to practising executives working in what is called the bidding department or business development department of project marketing/contracting/subcontracting firms. It will also be useful for people who aspire to make project marketing their career.

The book comprises eight chapters. The first chapter is dedicated to the understanding of projects, types of projects and their characteristics, stakeholders of projects, and conversion of a project idea into reality. Chapter 2 discusses the project business environment; it includes business environmental factors and the characteristics of the business environment. Chapter 3 discusses segmentation, target marketing, and positioning in projects. Chapter 4 deals with organizational buyer behaviour and comprises influencers of buyer behaviour, types of clients, the process of award of contract, the different roles of clients, and the buying behaviour of public sector and private sector clients as seen in real-life projects business. Chapter 5 discusses the essentials of project marketing and includes project marketing logic, the phases of project marketing, the process of project marketing, the concept of the sleeping relationship and milieu as well as its application. Chapter 6 discusses the need for a separate marketing mix for project marketing and discusses the elements of project marketing mix. Chapter 7 discusses the negotiation process in the award of the contract to a

project marketing/contracting/subcontracting firm. It includes the pre-negotiation process, areas of negotiation, prerequisites of negotiation, power in negotiation, negotiation strategies, and the process of negotiation followed by a real-life illustration. Chapter 8 summarizes the learnings of the previous seven chapters.

I have given real-life examples (with names changed to maintain confidentiality) in all the chapters and real-life cases (masked for confidentiality) in Chapters 2, 5, 6, and 7. I have referred to the scholarly literature available in reputed journals. It was my endeavour to maintain the brevity of the book. While quoting from the literature, I have taken care to keep the text simple and the language very lucid so as to make the book interesting, user-friendly, and useful.

I would like to take this opportunity to thank Dr. Anil Kashyap, Director General National Institute of Construction Management and Research (NICMAR), for his support in bringing out this book. I would also like to thank Mr. A R Jadhav, Senior Librarian at NICMAR, for painstakingly providing all the references required, developing the index sheet, and also making some valuable suggestions to improve the book. I thank the following for permitting me to use their literature:

1. The American Society of Civil Engineers (ASCE) for permitting me to use their publication *Journal of Construction Engineering and Management* in Chapters 4, 5, and 6.
2. Sage publications for permitting me to use their publication *Asian Journal of Management Cases* in Chapters 1–5.

I would like to thank my colleagues Mr. Sachin Rokade and Mr. Rahul Gangavane of NICMAR for the figures and drawings used in the book. I would also like to thank Mr. Aakash Chakraborty and Anvita Bajaj of Taylor and Francis for their advice and gentle follow-up in completing this book. I am grateful to the anonymous reviewer for his invaluable comments in improving the book. I thank Ms. Hamsini Subba Rao and her team at Deanta Global Services for their meticulous effort in bringing out this book. Finally, I express my indebtedness to my wife Kalyani, daughter Pradnya, and son Pranav for their unstinted encouragement and support in the publication of this book.