

TOPIC

“Measuring the Effectiveness of IMC

On

Real Estate Business”

A study on Concord Real Estate Ltd.

Internship report

On

“Measuring the Effectiveness of IMC on Real Estate Business”

A study on Concord Real Estate Ltd.

Submitted to

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Date of Submission: June 24, 2013

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LETTER OF TRANSMITTAL

-

June 24, 2013

To

Mahtab faruqui

Lecturer

Business school

Brac University

Subject: Submission of Internship Report

Dear Madam,

It is my pleasure to submit an elaborate report on *“Measuring the Effectiveness of Integrated Marketing Communication (IMC) on Real Estate Business “at the Concord Real Estate Ltd.* I have worked as the organization where I have observed closely & studied different marketing tools used for positioning in the mind of target customer. I would like to say it has been a great experience for me to work in this organization which has enriched my practical knowledge.

I have given my utmost effort to reflect experience, skill and knowledge which I have acquired at the time of job rotation through this report. All of my efforts will be successful if the report can serve its purpose and I will also try my best to explain anything if you feel necessary.

Regards

(Md. Mahbub Alam)

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ACKNOWLEDGEMENT

I would like to express my gratitude to all the people who were involved both directly and indirectly in the preparation of this report. I apologize to the people whose names that I have not mentioned but their contribution is highly appreciated by me.

At first, I would like to pay my gratitude to my supervising teacher **Mahtab Faruqui, Lecturer, Brac Business School, Brac University**, for his guidelines and cordial cooperation in preparing this Report.

I acknowledge my indebtedness to Mr. Shahariar Kamal, Deputy Managing Director, Concord Real Estate Limited for his constant guidance and valuable suggestion from time to time. I would like to thank Mr. Chandan Kumar Das, Executive Director of Concord Real Estate Ltd. for his guidelines and cordial cooperation.

I also would like to give my gratitude to a very important person who has made it all happen for me at Concord Real Estate Limited at the corporate head office at Gulshan – Golam Moin Chowdhury, Assistant Manager of Concord Real Estate Ltd.

Finally, I would like to mention the wonderful working environment and group commitment of this organization that has enabled me a lot to deal with and observe the activities of a private real estate company during my internship period.

EXECUTIVE SUMMARY

Internship program is the pre-requisite for the graduation in MBA. Classroom discussion alone cannot make a student perfect in handling the real business situation; therefore, it is an opportunity for the students to know about the real life situation through this program. A report has to be built for the university and organization requirement. The topic of the report is “*Measuring the Effectiveness of Integrated Marketing Communication (IMC) on Real Estate Business “at the Concord Real Estate Ltd.*”. The main purpose of the report becomes very clear from the topic of the report. The report discusses about the different marketing tools used at the real estate industry to clearly position in mind of target customers. The final report covers the following chapters:

Chapter 1: Includes the introduction of the study, justifications of the study, literature review, and gap of the previous studies, objective of the study, methodology and the limitation of the study.

Chapter 2: It focuses on the conceptual framework of the report. Descriptions and role of different tools used in Integrated Marketing Communications such as Advertising, direct marketing, interactive marketing, sales promotion, public relation, personal selling, benefits and barriers in implementing IMC in real estate industry.

Chapter 3: This chapter includes the overview of the real estate industry in perspective of Bangladesh. It covers development and current practices in this industry, products and markets, market segmentation, different stakeholders and actors of the sector, decision making of the customers, segregation of the customers, growth and potentiality of market, problems faced by industry, and contribution to the economy of Bangladesh.

Chapter 4: This part covers the brief description or organizational profile of Concord Real Estate Ltd. This part also focuses on the integrated marketing communications tools used by the CREL.

Chapter 5: Critically analyze and findings the performance of the organization in case of IMC. It also shows the results and effectiveness of the study. Some recommendations and concluding remarks are made regarding the study.

In the supplementary part there will be references and appendixes.

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Chapter - 1
Introduction

1.1. Introduction :

‘Perhaps no area of marketing has seen more dramatic change over the years than marketing communication’ (Keller 2001). Numerous new marketing communication options are available to marketers due to rapid globalization and the development of new technologies. Furthermore this has led to the fragmentation of traditional advertising media as well as the emergence of new, non-traditional media. Marketers must not only choose the proper tools from this augmented toolbox, but also carefully integrate them in order to create maximum communicative synergy. Marketers are under constant pressure to innovate, and the new-media environment has created an extra domain for them to grapple with. All the while, they strive for integration when there is no one-size-fits-all method of doing so. What great integrated marketers have in common is a corporate commitment to view a marketing challenge as a single, and then spend their resources where they will have the most effect.

Promotion is an important element of marketing mix. It is used to create images building the brand towards the target customer for a company; it has ability to communicate with consumers in a certain way in order to reach the desired result. (Belch & Belch) While considering the promotional mix there come the elements or tools of promotional mix. Advertising, Personal selling, Sales Promotion, Publicity/ public relations are the traditional elements of promotional mix. In addition of the Direct Marketing, Interactive/Internet Marketing gives the promotional mix a different dimension.

Advertising and other forms of promotion are an integral part of the marketing process in most organizations. Over the past decade, the amount of money spent on advertising, sales promotion, direct marketing, and other forms of marketing communication has increased tremendously all over the world. The basic task of marketing is to combine the four controllable elements, known as the marketing mix (4Ps), into a comprehensive program that facilitates exchange with a target market. The elements of the marketing mix are the product or service, price, place (distribution), and promotion. For many years, the promotional function in most companies was dominated by mass-media advertising. However, more and more companies are recognizing the importance of Integrated Marketing Communications (IMC), coordinating the various marketing and promotional elements to achieve more efficient and effective communication programs. The IMC movement is also being driven by changes in the ways companies market their products and services. (Belch & Belch)

During the 1980s, many companies came to see the need for more of a strategic integration of their promotional tools. These firms began moving toward the process of **Integrated Marketing Communications (IMC)**, which involves coordinating the various promotional elements and other marketing activities that communicate with a firm’s customers. (Wikipedia) As marketers embraced the concept of integrated marketing communications, they began asking their ad agencies to coordinate the use of a variety of promotional tools rather than relying primarily on media advertising. A number of companies

also began to look beyond traditional advertising agencies and use other types of promotional specialists to develop and implement various components of their promotional plans.

On the other hand, Real estate is a flourishing industry in Bangladesh. Within a very short span of time real estate has become one of the most lucrative businesses of the country. With the growing economy, the demand for residential along with commercial constructions have radically augmented. Over the last decade this sector has become extremely competitive. Today, numerous registered real estate builders are continuously working towards changing the urban landscape of Bangladesh.

A number of real estate companies are working under one umbrella association named 'Real Estate and Housing Association of Bangladesh' (REHAB). About an 1100 companies are at present affiliated with this association, while several other companies are working independently. (REHAB Publication, December, 2011).

One of the prime objectives of real estate firms is to keep their customers satisfied, for which it is essential that they maintain a consistent service performance by their workforce. And doing the job of Real Estate business the organizations have used various tools and elements of the promotion. Traditionally most of the real estate organizations use different promotional tools to convey their product towards the customers. And the means of these conveying message techniques are changing with the change of the modern technologies. Now a days most of the key players in the real estate industry using the Integrated Marketing Communication (IMC) for the promotional activities. This report is mainly focus on the tools and techniques of IMC used by the Concord Real Estate & Building Products Ltd. And how effective this tools and techniques for the company.

1.2. Justification of the study :

Bangladesh is a small country with a very low per capita income. Here people still struggle for the basic needs' fulfillment. When still lots of people struggle to have a minimum shelter, real estate products that is assumed to be very expensive, is kind of extra luxury to the majority of the mass population. However, real estate sector has been developed and it is growing with a good pace along with a gradual increase of its contribution in total GDP. (REHAB Publication, December, 2011) Investments in this sector have been increasing over time and competition has becoming sharper because of the increased number of firms as well as stakeholders' awareness. Government is trying to build a proper framework for this business sector. People who are in the high income brackets are the main customers of these real estate products. But day by day involvements of the middle class in the society is increasing. In this

circumstance, government is trying to involve low income people too by suggesting the real estate companies to plan for housing for these people. As the involvement increases question of quality and satisfaction also comes to the scenario.

In this sequence all the real estate companies used different types of promotional tools for the communicating their product knowledge. Now a day the usages of the IMC have seen all over the real estate sector. IMC emerged and grew as a result of different factors. First is the movement of the marketing budget below the line, moving away from the mass media advertising. Second are the media explosion and its accompanying fragmentation. Third factor is the demassification and splintering of the market. Fourth is the emergence of the niche and unitary markets, as well as its greater segmentation. The revolution in the information technology, which is still sweeping the world, is the fifth factor. The sixth to eleventh factor are the following: (6) More development of, easier access to, and usage of huge consumer databases that effectively underpin marketing communication of all types; (7) The importance of reinforcing consumer loyalty thru relationship marketing; (8) The importance of building and increasing a brand's image based equity; (9) The recognition of the brand as the primary driver of corporate success; (10) The development and diffusion of digital technology; and lastly, (11) The spread of multinationalization and globalism, supported by economic and political means. (Belch & Belch)

IMC was here, although the emphasis was on making it effective, rather on what it was. In the year 2005-2009, a set of studies, most of which are with ad agencies, showed and proved that IMC, in fact, is really effective. It increased the impact of communications, made the creative ideas even more effective, and provided greater consistency on communication. In addition, it also improved the client return on communication investment.

As, the IMC is a growing concern for all the companies for the real estate companies, and have a very significant influences on the profitability of the real estate industry, and as there was no previous study have not done especially in IMC over Real estate industry, that's why the study have a huge significance in this arena.

1.3. Literature Review :

Everett, Martin (*"It's no fluke: companies may not have all of its components coordinated quite yet, but integrated marketing is an idea that won't go away,"* Sales & Marketing Management, 146 (1994): 6. The main theme of this study was that- Much resistance can be chalked up to managers' realization that if they want to benefit from integrated marketing communication, they have to give something up, whether it's money,

power, a particular view of the market, or the comfort that comes with doing things the same old way.

Matthew, Goring, "Putting integrated marketing communications to work today," *Public Relations Quarterly*, 39 (1994): 45; Don Schultz, "Some agencies find dip in IMC pool too cold," *Marketing News* (April 28, 1997): 9. Here in this paper the researcher wanted to say that there are lots of barrier to implement the IMC. Along with the common barriers there are some other barriers to implementation cited in the literature were hierarchical organizations, lack of database development, short-term planning, and media fragmentation.

Mitchell, Alan, "A clear message," *Marketing* (February 17, 1994): 17S. Alan Mitchell found that the open communication of integration has agencies focusing on key issues rather than concentrating solely on their own ideas. The teamwork allows everyone to feel ownership in the final plan and motivates the agencies. He also said that integration's synergized thinking is more powerful than separate thinking.

Linton, I. and Marley, K., *Integrated Marketing Communications* (Oxford: Bulleworth Heinemann, 1995). Linton and Marley cited more tangible benefits of integration including consistent messages, more effective media usage, cost savings, and operational efficiency.

Griffith, Lindell, P., "Lining up your marketing ducks; integrated marketing communications for customer solutions," *Marketing Computers*, 16 (October 1996): 61. Here Griffith wanted to say that, by seeking out input from different sources—product marketing, sales, engineering, customer service—you can gain a clearer picture of your customer's dilemma and how your product or service solves that dilemma. As a result, your company can offer your customer solutions, not answers.

Schultz, Don, "Should students learn IMC?" *Marketing News* (September 25, 1995): 10. Here, Schultz sighted that, as the use of Integrated Marketing Communication (IMC) in the professional realm becomes increasingly standard, there are many questions surrounding the education of the next generation of communication professionals. In 1995, Don E. Schultz presented the most basic questions. Can IMC be taught at colleges or universities? Assuming IMC should be taught, at what level? Can traditional advertising or public relations or mass communication programs simply add a dash of IMC without changing the core of their curriculum?

Miller, Debra and Rose, Patricia, "Integrated communications: a look at reality instead of theory," *Public Relations Quarterly*, 39 (1994): 13-17. The main theme of the research was that, many educators, particularly in the public relations discipline, were fearful that traditional public relations was being consumed by advertising and marketing.

Source: "Integrated marketing: is it PR's nemesis or salvation?" O'Dwyer's PR Services Report (January 1995). Here in this research paper the main theme was that, IMC is best served by the inherent diversity of perspectives provided by marketing and Public Relation when those functions remain distinct—coordinated yet not integrated.

V. Clarke, L., "PR can gain from IMC" (Letter to the editor), Advertising Age (May 16, 1994): 36. Clarke Caywood, associate professor and chair of the integrated marketing communication programs at Northwestern University, countered this fear by explaining that Northwestern University's integrated marketing communication department teaches subjects traditionally identified as public relations, including issues management, investor relations, crisis management, employee communication, and media relations. He said, "What is discouraging about traditional public relations education has been its failure to recognize the power and budget leverages public relations gains in a strategic alliance with advertising and marketing."

Mitchell, Alan, "A clear message," Marketing (February 17, 1994): 17S. Mitchell cited that, Jonathan Choat, managing director of Cameron Choat and Partners, "PR has an inherent overview. It touches anything that will broadly affect the role of the client or the people he is trying to sell to." Clarke Caywood suggests that public relations professionals will supervise the integration since they alone are the "experts in managing communication." He notes that master of business administration programs do not involve any serious level of communication training when compared to public relations."

1.4. Gap of the previous studies :

It is apparently seems that, from the study, above mentioned, there was something missing in the field of IMC. As IMC has emerged as one of the most influential part for the current world of Marketing and at the same time Real Estate plays an important role in the economy of Bangladesh. That's why it should have an essence to have a study regarding IMC on the Real Estate Industry, in the context of Bangladesh. And, doing the job Concord Real Estate & Building Products LTD (CRPL) may play a vital role, because CRPL is one of the key players in Real Estate industry of Bangladesh.

1.5. Objective of the study :

Broad Objective

To find out the effectiveness of *Integrated Marketing Communication (IMC)* for Real Estate industry in the context of Concord Real Estate and building products LTD.

Specific Objective

- a) Determine tools of IMC used by Concord Real estate and Building Products LTD.
- b) Effectiveness of each IMC tools used.

Analyze effectiveness of each tool and discuss the most relevant IMC tool for Concord Real estate and Building Products LTD.

1.6. Methodology :

The study requires a systematic procedure from selection of the topic to preparation of the final report. To perform the study, the data sources were to be identified and collected; to be classified, analyzed, interpreted and presented in a systematic manner and key points were to be found out. The overall process of methodology has been given as below:

- For the study, descriptive research has been conducted. Because the primary objective of the study is to find out the efficiency and effectiveness of the IMC in the context of Concord Real Estate & Building Products Ltd. (CRPL).
 - *Target population:* All clients of CRPL.
 - *Sampling Technique:* Simple Random Sampling.
 - *Sample size:* 20 customers.
 - *Data Collection Method:* Data have collected from both Primary & Secondary sources.
- a) **Primary Source:** Primary data comes from the interviewing people through questionnaire and the informal interviews with the real estate marketing professionals and experts from Concord Real Estate & Building Products Ltd. The author's personal observation, living, and discussion with the professionals are other main sources of primary data.
 - b) **Secondary Source:** Secondary data comes from different published sources like research reports, Bangladesh Bureau of Statistics, Real Estate publications, and different literatures on real estate business company internal Annual reports, Articles, Website etc.
- *Classification, analysis, interpretations and presentation of data:* Some pictorial tools are used in this report for analyzing the collected data and to classifying those to interpret them in a clear and understandable manner. The collected data were scrutinized and were pointed out and shown as findings. Few recommendations are also made for improvement of the current situation. On the basis of the suggestions of the supervisor, some corrections were made to present the paper in this form.

1.7. Limitations of the Study :

It couldn't be claimed that this study was 100% based on impractical data. Undoubtedly it has got some limitation regarding the representation of the factors which are collected from customers and people of the company. At the data collection for the study, I have been facing following problems.

- **Time Limitation**

Time limitation is one of the major problems for most researchers to diagnose the problem. Like the other study, it has time limitation to identify the actual problem and provide some recommendations.

- **Sample Size**

As the sample size was limited for the study, that's why it is very difficult to get good result.

- **Lack of Interest**

At the time of data collection, it has been observed that most of the interviewers did not pay attention in answering questionnaire.

Chapter - 2

Conceptual Framework

2.1. Integrated Marketing Communications:

Integrated Marketing Communications (IMC) is defined as customer centric, data driven method of communicating with the customer. IMC is the coordination and integration of all marketing communication tools, avenues, functions and sources within a company into a seamless program that maximizes the impact on consumers and other end users at a minimal cost. This management concept is designed to make all aspects of marketing communication such as advertising, sales promotion, public relations, and direct marketing work together as a unified force, rather than permitting each to work in isolation.

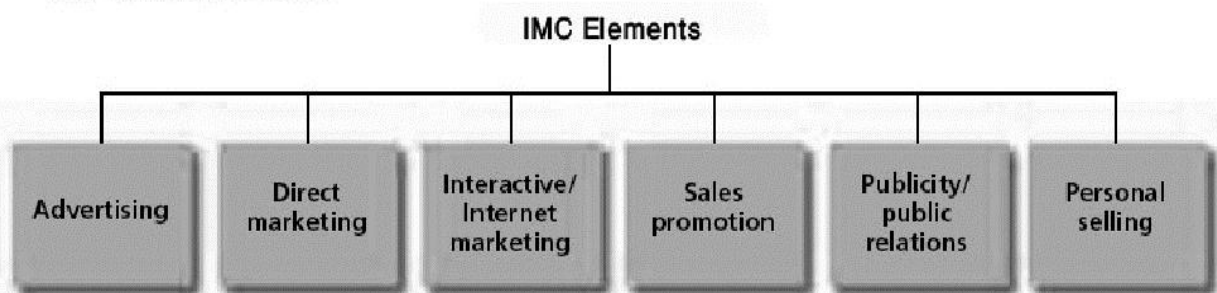
2.2. What IMC actually is ?

Integrated marketing communications (IMC) is a process for managing customer relationships that drive brand value primarily through communication efforts. Such efforts often include cross-functional processes that create and nourish profitable relationships with customers and other stakeholders by strategically controlling or influencing all messages sent to these groups and encouraging data-driven, purposeful dialog with them. IMC includes the coordination and integration of all marketing communication tools, avenues, and sources within a company into a seamless program in order to maximize the impact on end users at a minimal cost. This integration affects all firms' business-to-business, marketing channel, customer-focused, and internally directed communications. Integrated Marketing Communications is a simple concept. It ensures that all forms of communications and messages are carefully linked together.

2.3. The Promotional Mix: The Tools for IMC:

Promotion has been defined as the coordination of all seller initiated efforts to set up channels of information and persuasion in order to sell goods and services or promote an idea. While implicit communication occurs through the various elements of the marketing mix, most of an organization's communications with the marketplace take place as part of a carefully planned and controlled promotional program. The basic tools used to accomplish an organization's communication objectives are often referred to as the promotional mix.

Fig : Elements Of IMC



Traditionally the promotional mix has included four elements: advertising, sales promotion, publicity/public relations, and personal selling. However, in this text we view direct marketing as well as interactive media as major promotional-mix elements that modern-day marketers use to communicate with their target markets. Each element of the promotional mix is viewed as an integrated marketing communications tool that plays a distinctive role in an IMC program. Each may take on a variety of forms. And each has certain advantages.

2.4. Tools of IMC -

a. Advertising:

Advertising is defined as any paid form of non-personal communication about an organization, product, service, or idea by an identified sponsor. The *paid* aspect of this definition reflects the fact that the space or time for an advertising message generally must be bought. An occasional exception to this is the public service announcement (PSA), who's advertising space or time is donated by the media. The *non-personal* component means that advertising involves mass media (e.g., TV, radio, magazines, newspapers) that can transmit a message to large groups of individuals, often at the same time. The non-personal nature of advertising means that there is generally no opportunity for immediate feedback from the message recipient (except in direct response advertising). Therefore, before the message is sent, the advertiser must consider how the audience will interpret and respond to it. Advertising is the best-known and most widely discussed form of promotion, probably because of its pervasiveness. It is also a very important promotional tool, particularly for companies whose products and services are targeted at mass consumer markets. There are several reasons why advertising is such an important part of many marketers' promotional mixes. First, it can be a very cost-effective method for communicating with large audiences. Advertising can be used to create brand images and symbolic appeals for a company or brand, a very important capability for companies selling products and services that are difficult to differentiate on functional attributes. Most of the print ads used in this long running campaign are specifically tailored for the magazine or region where they appeal.

Because of the many forms and uses of advertising, it is difficult to make generalizations. Yet the following qualities can be noted:

- Public presentation: Advertising's public nature confers a kind of legitimacy on the product and also suggests a standardized offering.
- Pervasiveness: Advertising permits the seller to repeat a message many times. It also allows the buyer to receive and compare the messages of various competitors. Large-scale advertising says something positive about the seller's size, power, and success.
- Amplified expressiveness: Advertising provides opportunities for dramatizing the company and its products through the artful use of print, sound and color.

- Impersonality: They audience does not feel obligated to pay attention or respond to advertising. Advertising is a monologue in front of, not a dialogue with, the audience.

Advertising can be used to build up a long-term image for a product or trigger quick sales.

Advertising can efficiently reach geographically dispersed buyers.

b. Direct Marketing

One of the fastest-growing sectors directs marketing, in which organizations communicate directly with target customers to generate a response and/or a transaction. Traditionally, direct marketing has not been considered an element of the promotional mix. However, because it has become such an integral part of the IMC program of many organizations and often involves separate objectives, budgets, and strategies, we view direct marketing as a component of the promotional mix.

Direct marketing is much more than direct mail and mail order catalogs. It involves a variety of activities, including database management, direct selling, telemarketing, and direct response ads through direct mail, the Internet, and various broadcast and print media. One of the major tools of direct marketing is direct response advertising, whereby a product is promoted through an ad that encourages the consumer to purchase directly from the manufacturer. Traditionally, direct mail has been the primary medium for direct-response advertising, although television and magazines have become increasingly important media. Direct-response advertising and other forms of direct marketing have become very popular over the past two decades, owing primarily to changing lifestyles, particularly the increase in two-income households. This has meant more discretionary income but less time for in-store shopping. The availability of credit cards and toll free phone numbers has also facilitated the purchase of products from direct-response ads. More recently, the rapid growth of the Internet is fueling the growth of direct marketing. The convenience of shopping through catalogs or on a company's website and placing orders by mail, by phone, or online has led the tremendous growth of direct marketing. Direct-marketing tools and techniques are also being used by companies that distribute their products through traditional distribution channels or have their own sales force. Direct marketing plays a big role in the integrated marketing communications (IMC) programs of consumer-product companies and business-to-business marketers. These companies spend large amounts of money each year developing and maintaining databases containing the addresses and/or phone numbers of present and prospective customers. They use telemarketing to call customers directly and attempt to sell those products and services or qualify them as sales leads. Marketers also send out direct mail pieces ranging from simple letters and flyers to detailed brochures, catalogs, and videotapes to give potential customers information about their products or services. Direct-marketing techniques are also used to distribute product samples or target users of a competing brand.

The many forms of direct marketing – direct mail, telemarketing, Internet marketing – share four distinctive characteristics. Direct marketing is:

1. **Nonpublic:** The message is normally addressed to a specific person.
2. **Customized:** The message can be prepared to appeal to the addressed individual.
3. **Up-to-date:** A message can be prepared very quickly.
4. **Interactive:** The message can be changed depending on the person's response.

c. Interactive/Internet Marketing-

As the new millennium begins, the world is experiencing perhaps the most dynamic and revolutionary changes of any era in the history of marketing, as well as advertising and promotion. These changes are being driven by advances in technology and developments that have led to dramatic growth of communication through interactive media, particularly the Internet. Interactive media allow for a back-and-forth flow of information whereby users can participate in and modify the form and content of the information they receive in real time. Unlike traditional forms of marketing communications such as advertising, which are one-way in nature, the new media allow users to perform a variety of functions such as receive and alter information and images, make inquiries, respond to questions, and, of course, make purchases. In addition to the Internet, other forms of interactive media include CD-ROMs, kiosks, and interactive television. However, the interactive medium that is having the greatest impact on marketing is the Internet, especially through the component known as the World Wide Web (WWW).

While the Internet is changing the ways companies design and implements their entire business and marketing strategies, it is also affecting their marketing communications programs. Thousands of companies, ranging from large multinational corporations to small local firms, have developed websites to promote their products and services, by providing current and potential customers with information, as well as to entertain and interact with consumers. Perhaps the most prevalent perspective on the Internet is that it is an advertising medium, as many marketers advertise their products and services on the websites of other companies and/or organizations. Actually, the Internet is a medium that can be used to execute all the elements of the promotional mix. In addition to advertising on the Web, marketers offer sales promotion incentives such as coupons, contests, and sweepstakes online, and they use the Internet to conduct direct marketing, personal selling, and public relations activities more effectively and efficiently. While the Internet is a promotional medium, it can also be viewed as a marketing communications tool in its own right. Because of its interactive nature, it is a very effective way of communicating with customers. Many companies recognize the advantages of communicating via the Internet and are developing Web strategies and hiring interactive agencies specifically to develop their websites and make them part of their integrated marketing communications program. However, companies that are using the Internet effectively are integrating their Web strategies with other aspects of their IMC programs.

d. Sales Promotion :

The next variable in the promotional mix is sales promotion, which is generally defined as those marketing activities that provide extra value or incentives to the sales force, the distributors, or the ultimate consumer and can stimulate immediate sales. Sales promotion is generally broken into two major categories: consumer oriented and trade-oriented activities. *Consumer-oriented sales promotion* is targeted to the ultimate user of a product or service and includes couponing, sampling, premiums, rebates, contests, sweepstakes, and various point-of-purchase materials. These promotional tools encourage consumers to make an immediate purchase and thus can stimulate short term sales. *Trade-oriented sales promotion* is targeted toward marketing intermediaries such as wholesalers, distributors, and retailers. Promotional and merchandising allowances, price deals, sales contests, and trade shows are some of the promotional tools used to encourage the trade to stock and promote a company's products. In recent years many companies have shifted the emphasis of their promotional strategy from advertising to sales promotion. Reasons for the increased emphasis on sales promotion include declining brand loyalty and increased consumer sensitivity to promotional deals. Another major reason is that retailers have become larger and more powerful and are demanding more trade promotion support from companies.

Sales-promotion tools – coupons, contests, premiums, and the like – offer three distinctive benefits:

1. **Communication:** They gain attention and may lead the consumer to the product.
2. **Incentive:** They incorporate some concession, inducement, or contribution that gives value to the consumer.
3. **Invitation:** They include a distinct invitation to engage in the transaction now:

Companies use sales-promotion tools to draw a stronger and quicker buyer response. Sales promotion can be used for short-run effects such as to dramatize product offers and boost sagging sales.

e. Publicity/Public Relations

Another important component of an organization's promotional mix is publicity/public relations. Publicity refers to non-personal communications regarding an organization, product, service, or idea not directly paid for or run under identified sponsorship. It usually comes in the form of a news story, editorial, or announcement about an organization and/or its products and services. Like advertising, publicity involves non-personal communication to a mass audience, but unlike advertising, publicity is not directly paid for by the company.

The company or organization attempts to get the media to cover or run a favorable story on a product, service, cause, or event to affect awareness, knowledge, opinions, and/or

behavior. Techniques used to gain publicity include news releases, press conferences, feature articles, photographs, films, and videotapes. An advantage of publicity over other forms of promotion is its credibility. Consumers generally tend to be less skeptical toward favorable information about a product or service when it comes from a source they perceive as unbiased.

On the other hand public Relations it is important to recognize the distinction between publicity and public relations. When an organization systematically plans and distributes information in an attempt to control and manage its image and the nature of the publicity it receives, it is really engaging in a function known as public relations. Public relations is defined as “the management function which evaluates public attitudes, identifies the policies and procedures of an individual or organization with the public interest, and executes a program of action to earn public understanding and acceptance.” Public relations generally have a broader objective than publicity, as its purpose is to establish and maintain a positive image of the company among its various publics. Public relations uses publicity and a variety of other tools—including special publications, participation in community activities, fund-raising, sponsorship of special events, and various public affairs activities—to enhance an organization’s image. Organizations also use advertising as a public relations tool. Traditionally, publicity and public relations have been considered more supportive than primary to the marketing and promotional process. However, many firms have begun making PR an integral part of their predetermined marketing and promotional strategies. PR firms are increasingly touting public relations as a communications tool that can take over many of the functions of conventional advertising and marketing.

The appeal of public relations and publicity is based on three distinctive qualities:

1. **High credibility:** News stories and features are more authentic and credible to readers than ads.
2. **Ability to catch buyers of guard:** Public relations can reach prospects who prefer to avoid sales-people and advertisements.
3. **Dramatization:** A public relations has the potential for dramatizing a company or product.

Marketers tend to under-use public relations, yet a well-thought-out program coordinated with the other promotion-mix elements can be extremely effective.

f. **Personal Selling**

The final element of an organization’s promotional mix is personal selling, a form of person-to-person communication in which a seller attempts to assist and/or persuade prospective buyers to purchase the company’s product or service or to act on an idea. Unlike advertising, personal selling involves direct contact between buyer and seller, either face-to-face or through some form of telecommunications such as telephone sales. This interaction gives the marketer communication flexibility; the seller can see or hear the potential buyer’s

reactions and modify the message accordingly. The personal, individualized communication in personal selling allows the seller to tailor the message to the customer's specific needs or situation. Personal selling also involves more immediate and precise feedback because the impact of the sales presentation can generally be assessed from the customer's reactions. If the feedback is unfavorable, the salesperson can modify the message. Personal selling efforts can also be targeted to specific markets and customer types that are the best prospects for the company's product or service.

Personal selling is the most effective tool at later stages of the buying process, particularly in building up buyer preference, conviction, and action. Personal selling has three distinctive qualities:

1. **Personal confrontation:** Personal selling involves an immediate and interactive relationship between two or more persons. Each party is able to observe the other's reactions.
2. **Cultivation:** Personal selling permits all kinds of relationships to spring up, ranging from a matter-of-fact selling relationship to a deep personal friendship.
3. **Response:** Personal selling makes the buyer feel under some obligation for having listened to the sales talk.

2.5. Benefits of IMC

Although Integrated Marketing Communications (IMC) requires a lot of effort it delivers many benefits. It can create competitive advantage, boost sales and profits, while saving money, time and stress.

IMC wraps communications around customers and helps them move through the various stages of the buying process. The organization simultaneously consolidates its image, develops a dialogue and nurtures its relationship with customers.

This 'Relationship Marketing' cements a bond of loyalty with customers which can protect them from the inevitable onslaught of competition. The ability to keep a customer for life is a powerful competitive advantage.

IMC also increases profits through increased effectiveness. At its most basic level, a unified message has more impact than a disjointed myriad of messages. In a busy world, a consistent, consolidated and crystal clear message has a better chance of cutting through the 'noise' of over five hundred commercial messages which bombard customers each and every day.

At another level, initial research suggests that images shared in advertising and direct mail boost both advertising awareness and mail shot responses. So IMC can boost sales

by stretching messages across several communications tools to create more avenues for customers to become aware, aroused, and ultimately, to make a purchase

Carefully linked messages also help buyers by giving timely reminders, updated information and special offers which, when presented in a planned sequence, help them move comfortably through the stages of their buying process and this reduces their 'misery of choice' in a complex and busy world.

IMC also makes messages more consistent and therefore more credible. This reduces risk in the mind of the buyer which, in turn, shortens the search process and helps to dictate the outcome of brand comparisons.

Un-integrated communications send disjointed messages which dilute the impact of the message. This may also confuse, frustrate and arouse anxiety in customers. On the other hand, integrated communications present a reassuring sense of order.

Consistent images and relevant, useful, messages help nurture long term relationships with customers. Here, customer databases can identify precisely which customers need what information when... and throughout their whole buying life.

Finally, IMC saves money as it eliminates duplication in areas such as graphics and photography since they can be shared and used in say, advertising, exhibitions and sales literature. Agency fees are reduced by using a single agency for all communications and even if there are several agencies, time is saved when meetings bring all the agencies together - for briefings, creative sessions, tactical or strategic planning. This reduces workload and subsequent stress levels - one of the many benefits of IMC.

2.6. Barriers to IMC-

Despite its many benefits, Integrated Marketing Communications, or IMC, has many barriers. In addition to the usual resistance to change and the special problems of communicating with a wide variety of target audiences, there are many other obstacles which restrict IMC. These include: Functional Silos; Stifled Creativity; Time Scale Conflicts and a lack of Management know-how.

Take functional silos. Rigid organizational structures are infested with managers who protect both their budgets and their power base. Sadly, some organizational structures isolate communications, data, and even managers from each other. For example the PR department often doesn't report to marketing. The sales force rarely meets the advertising or sales promotion people and so on. Imagine what can happen when sales representatives are not told about a new promotional offer! And all of this can be aggravated by turf wars or internal power battles where specific managers resist having some of their decisions (and budgets) determined or even influenced by someone from another department.

Here are two difficult questions - What should a truly integrated marketing department look like? And how will it affect creativity?

It shouldn't matter whose creative idea it is, but often, it does. An advertising agency may not be so enthusiastic about developing a creative idea generated by, say, a PR or a direct marketing consultant.

IMC can restrict creativity. No more wild and wacky sales promotions unless they fit into the overall marketing communications strategy. The joy of rampant creativity may be stifled, but the creative challenge may be greater and ultimately more satisfying when operating within a tighter, integrated, creative brief.

Add different time scales into a creative brief and you'll see Time Horizons provide one more barrier to IMC. For example, image advertising, designed to nurture the brand over the longer term, may conflict with shorter term advertising or sales promotions designed to boost quarterly sales. However the two objectives can be accommodated within an overall IMC if carefully planned.

But this kind of planning is not common. A survey in 2006 revealed that most managers lack expertise in IMC. But it's not just managers, but also agencies. There is a proliferation of single discipline agencies. There appear to be very few people who have real experience of all the marketing communications disciplines. This lack of know how is then compounded by a lack of commitment.

For now, understanding the barriers is the first step in successfully implementing IMC.

A decorative border featuring a large, stylized flower with multiple petals and a detailed center, surrounded by intricate scrollwork and leaf-like patterns. The border is rendered in a light gray color and frames the central text.

Chapter - 3

*Overview of the
Real Estate Industry*

In the real estate market of Bangladesh there are huge variations in investments. Small & medium firms also participate in the sector along with the big firms. But big firms gain more as they have major advantages arising from economies of scale and scope. However, market is pretty much open to all the potential investors. The turnover in the sector attracted a lot of investors in the last few years. But with the demand supply interactions as well as the increased costs arising from the growing prices of the related components have reduced the profits in recent years. At the same time government got more attention to the sector due to its large scale contributions to the GDP and the claims from the customers about the frauds in the real estate sector. Another thing is that there is a change in the government vision; government now wants to ensure housing available for the poor and average income people. With that aim government initially took some steps like counseling to the real estate firms to tell them to think about the houses for poor and average income people. At the same time central bank provides incentives to attract the investments in this sector in coming days. But to change the way of going is not as simple as it sounds. Some professionals involved in the real estate sector argue that government should come up with fixed rules and regulations about the business practices in this sector to have any long term improvements. In this section Porter's five factors model have been used to provide more insight of the Bangladesh real estate market operations. It will show the forces that well describe the real estate market in Bangladesh. Therefore theoretical explanation of Porter model is matched with the real scenario of real estate operations in Bangladesh.

3.1. Introduction to the “five forces model” of Porter

Michael E. Porter, an US economist and a faculty of Harvard Business School has produced this model in order to describe the five competitive forces through which a particular market can be analyzed. Porter model is a static model but goes further than traditional neoclassic economic models, including the so-called structure-conduct-performance (SCP) paradigm. Broader view in this model enables better understanding and insight into a market. Neoclassic models focus on very specific parameters like the number of suppliers and customers, barriers to entry and the homogeneity of products. Porter's model also includes these parameters mainly within the category 'industry competitors' that determines the rivalry among existing firms. But his model considers four additional forces too that determine the bargaining power of suppliers and buyers, and the threat of new entrants and substitutes. These additional forces can have substantial effect of the model this model can be applied to describe any industry. In this paper the model is applied to the real estate industry in Bangladesh. In the following sections attributes of the model are described. The parameters have been adjusted to the real estate business in Bangladesh to some extent.

3.2. Applying Porter's Model to the Real Estate Market in Bangladesh -

The Porter model is applied in this section to describe the Bangladesh real estate market.



Fig : Porters Five factor Model

a) **Bargaining power of suppliers (Real Estate Firms)**

Huge number of real estate firms in Bangladesh real estate market shows that the market is pretty much attractive to the investors. But the real scenario is a bit different which is elaborated below.

- Number of producers:** As mentioned earlier that there are lots of real estate firms in the market to produce the real estate products in Bangladesh. But major gains go to some of the big companies in the market. These companies could survive at the time of crisis in the market. At the same time these firms have advantages from economies of scale and scope. Lots of real estate business can be treated as the portfolio diversifier of investors. In case of market concentration market is pretty much concentrated as only 10-15 large companies hold the 95% of the total market share.
- Differentiation of Input mix:** One of the major inputs in the real estate business in land. Therefore values & prices of lands affect the Bangladesh real estate business very much. They play a strong role in determining the selling price of the real estate products. For example, prices of houses vary considering the locations they are in. A house with lake view in Dhanmondi is far more expensive than the houses in other regions of Dhanmnodi. In case of commercial spaces, Motijheel is that much expensive compared to new market region. In addition to that, the time when the real estate firms buy lands is very important. Firms that have bought lands in the suburbs of Dhaka city ten years back are now in advantageous position than the rivals in the market. The price of the lands in the suburbs of Dhaka city has risen more than 5-6 times in the last ten years. Therefore early buyers have an advantage over costs and gain more. At the same time they if want can influence the rival's business by setting the price at relatively low level. So this is about the charisma of top management. The top management that could figure out today's scenario of Dhaka city at ten years back and took actions in accordance of that is now gainer to a large extent.
- Importance of volumes to producers:** Not all the real estate firms are capable to operate largely to cover all the segments of real estate business. But depending on the business condition in Bangladesh, experts argued that a firm should target at least two

'income level' of the society. If one targets only one level says for example high income level, one might be pretty much limited to the Gulshan area. In bad business time one will face problem because of the limited customer base one has. But if one targets high and medium income people together one might make a tradeoff in bad business time. In Bangladesh market though there are a lot of small firms operating in the real estate sector and can't target more than one segment, majority of the big firms target more than one segments. Some firms target almost all segments. These are some big companies but not in the real estate sector only. In reality some big firms who were operating in other sectors came to the real estate sector too either to maximize the potential return from this market or to diversify their investment portfolio. Discussion with experts and employees in Bangladesh shows that initially real estate sector came to the scenario as a huge potential source to earn revenues which motivated them to be involved. But later on they could realize that real estate business can also be a good addition in the asset portfolio to diversify the portfolio.

- **Switching costs for customers:** Normal law is that if the switching costs are high then customers have low incentive to switch. In Bangladesh real estate market we can think about two switching scenarios. One is pre purchase scenario and the other is post purchase scenario. Though there are some companies in market having brand loyalty, this loyalty not necessarily came from their real estate business operations. It came from other business operation of them in Bangladesh. For example, Concord, a well-known real estate company, a group having huge brand loyalty and recognition in different segments. Therefore real estate buyers normally have no predetermined suppliers. Their choice depends on a combination of factors like available budget, location where one wants to buy the house, who are the companies operating there etc. So, one might argue that before making a purchase decision one searches information and real estate companies meet the demand of that information in different ways. One of the ways is extensive marketing campaign through different marketing tools. Physical inspection of the house premise is a frequent incident in case of real estate buying in Bangladesh. Now one might switch the companies in this period and this is pre purchase switching. It has the costs of time, energy, transportation, and information collection mainly. Considering the Bangladesh situation this costs are not that high. But it could be pretty high when one switches a lot and find it difficult to get the proper offer one was looking for. At the same time in case of high income group and the blue collar job holders the costs is high mainly because of the high level value of time of them. In case of post purchase switching, it's really expensive for all the groups in the market. The reason is that one has to go through all the steps i.e. information gathering, evaluating alternatives, deciding for one etc. again to buy another house. But in reality still switching happens mainly by the high income groups.

b) Bargaining power of buyers

Bargaining power of buyers that arises from different factors is the ability to force prices down, bargaining for higher quality or more service, and playing competitors against each other. The parameters of this force are described below.

- **Buyers-producers ratio (concentration):** In Bangladesh there is lots of real estate developers in the market with the varied offers to buyers. This variation is something that constraint the bargaining power as the products are not perfectly substitutes of each other. Each offer has something new and producers try to manipulate that. Customers have a narrow chance to compare in reality. But in case of general real estate products customers go for bargaining though the depth of bargaining depends on the location and the fact which party is in crisis. For example if a buyer is in a position that he has to buy a certain product, seller has the advantage and buyer cannot bargain a lot. The opposite is also true. Again one really can't bargain a lot in areas like Gulshan as it's pretty difficult to get any houses in those areas to buy. High level of land scarcity in these areas is the main reason behind the low level of bargaining.
- **Volume of purchase:** Well it says that when one buys a bulky amount of products one can go for significant bargaining with the producers. In case of real estate this does not work that much as there are few or no bulky purchases. Above all almost all companies have some offers that reduce the total price if one buys more than one unit.
- **Buyers know the production costs:** Once again this is related to the information availability. As mentioned earlier in Bangladesh one has to collect the information as they are not readily available. But if one can collect the information it's helpful for one to make a better purchasing decision. If one knows about the production costs one can create more pressure on the seller to make a deal convenient for the buyer. But it depends once again who is the party with need-need to sell or need to buy.
- **Availability of substitutes:** In Bangladesh market buyers have substitutes to a large extent. But the scenario is different in urban and sub urban areas. In urban areas though there are substitutes, they are really varied in terms of locations, price, features etc. So how much a buyer can substitute is mainly dependent on the buyer's affordability. In sub urban areas where buyers also has significant ability to build their own houses and the price difference is not that high, availability of better substitutes gives buyer a substantial edge in bargaining with the sellers. But in urban areas one has to make a trade off in between the price changes coming from substitution and the change in benefits.
- **Price sensitivity of buyers:** High price sensitivity leads a buyer to bargain more with the suppliers. But how much the buyer will be successful depends on the location and once again who is the party with need. If it's in the urban area, the chance of success by the buyer is low while in sub urban areas buyer might gain some. The main reason is that price sensitivity is offset by the scarcity of land in the urban areas sometimes.
- **Price of total purchase:** Buyers consider the total price that includes the price of relevant services like utility, registration, lift service, parking lot price etc. Now if these services make the total amount bulky buyers get an incentive to switch the producers;

at least they go for bargaining with the producers. In Bangladesh buyers care for this pretty much. The good thing is that they can customize the construction activities to implement their preferences. Another thing is that in urban areas the relevant costs like parking costs are more or less same. In sub urban areas the costs are relatively low compared to the urban areas.

- **Strategic importance of the product:** Well this is common among the rich people. When they plan to purchase houses their first choice is Gulshan. Gulshan is the area which associates prestige and status for a buyer. Secondly they think about Banani or Uttara or Dhanmondi. These people don't care about money; they care for status, prestige, and ego. Therefore houses in Gulshan or other mentioned areas are seen as the symbol of status and prestige. In case of commercial real estate products sometimes locations become very much meaningful strategically. For example, it's meaningless to have a park like wonderland, a famous amusement park in Gulshan area, in new market area because the park will not get many visitors here as it's expensive to visit the park. Again as the commercial center of Dhaka city, Motijheel has a strategic value for the commercial real estate products. No one really thinks of residential housing in this area.

c) Threat of new entrants

It's widely believed that the real estate sector in Bangladesh has been rewarding abnormal profits to investors and therefore lots of investors came to the market. Abnormal profits here refers to the situation where price for the real estate products is more than the average costs to produce that products. In course of time profit margin has been declined and more and more competition

- **Legal barriers to entry:** In Bangladesh there is no legal barrier to entry to the real estate market. All are free to do business here.
- **Economies of scale:** There are some big companies in the market enjoying these benefits. But it does not mean that they did lower the price to put the competitor in problem or put the buyers in high satisfaction level. They rather enjoy the high profit margin by reducing the costs. The author did not find at least in the urban area of Bangladesh that any firm having economies of scale trying to be more competitive by reducing the price. Therefore advantages from the economies of scale are being used to increase profit margin rather than building competitiveness, which could be a threat for new entrants.
- **Initial investments and fixed costs:** Well it requires large amount of investment. But in most cases real estate companies has very good access to the financial market of Bangladesh. At the same time they get the down payments from the buyers and this money can be used to start the project.
- **Experience curve advantages:** It's very difficult to prove that the companies in real estate market in Bangladesh are experiencing the learning curve advantage because of the unavailability of data. But this is true that companies do not spend much money in R&D activities. They spend much money in land acquisitions rather than R&D.

- **Brand Loyal Customers:** This can't be an entry barrier in Bangladesh market as brand loyalty is low here. Here buyers justifies the alternatives first based on the available data and then decide which one to select. At the same difference in locations and needs discourages the brand loyalty to some extent. The reason is that it might happen that the company to whom one is loyal is not present where one wants to buy a house.
- **Switching costs for buyers:** In Bangladesh pre purchase switching tendency is common rather than post purchase switching. Therefore new entrants should not be concerned as long as it is confident that it can provide quality products.
- **Availability of important resources:** Availability and access to the critical resources is one of the very first things a new entrant has to confirm before deciding to enter into a market. In real estate market of Bangladesh it's not easy as the lands for example for the constructions is decreasing day by day. Availability of human resources both in general and technical side is another important factor to think about. Though day by day due to the different initiatives of government level engineering education in Bangladesh is improving, one has to look at the availability of those technologically sound labor forces in the area where one wants to operate.

d) Threat of substitutes

This refers to the extent by which buyers can replace their current products by another one. In the context of this report substitutes does not mean the pure substitutes of the core products. In fact here substitutes mean the substitutes of different dimensions of core products. The core product is house and different dimensions include among others location, luxury, producers etc.

- **Loyalty of customers:** As mentioned earlier that in Bangladesh real estate buyers are not brand loyal to any brand. In other words no company could yet build up brand image in such a way that can influence the buying decision. Therefore, though well-known brands can motivate buyers sometimes, purchasing decision depends on lots of factors like price, desired location, other related attributes etc. Buyers inspect the activities directly beforehand to make a good decision. Therefore brand loyalty is less here and people has more switching tendency if they have the options available to switch. It should be noted here one more time that in Bangladesh pre purchase switching is pretty common compared to the post purchase switching. It's because there are plenty of offers with varied features in the market for buyers.
- **Switching costs:** Switching costs are very high in case of post purchase switching. So there are few post purchase switching. But there are many more pre purchase switching as this is not expensive most often. Buyers try to justify the substitutes in terms of gains from the substitution and compare it with the substitution costs. In reality lots of buyers in Bangladesh market involve emotion in making purchase decision. Well this is a cultural phenomenon that Bangladeshis are pretty much emotional. People consider purchase of house as a very long term decision and they sometimes overlook the high switching costs if they get a better alternative. This leaves an opportunity for the innovators in the market. Their innovation gets attention easily

and if they can make it affordable for the target market, they can create a high substitution ratio in the market in favor of their products.

- **Economic advantages of substitutes:** In Bangladesh real estate firms apply different techniques to help buyers to realize the potential economic benefits of substitution. They make huge marketing campaigns, they arrange site inspection events so that buyers can imagine the benefits directly being in the house premise, they arrange flat or plot fare etc. All are aimed at creating better awareness in the market among buyers. REHAB housing fair is one of the most important events for real estate firms in Bangladesh. In these fairs firms participate and let the buyers know about their offers both in home and abroad.
- **Potential new substitutes:** Well there is newness of thinking in the industry. For example, for the inhabitants of Sylhet region real estate firms build houses in such a way so that buyers feel that their houses are similar to those they are used to live in London. It finally makes the houses much expensive. But as the target population is rather rich, real estate firms employ more resources there. Therefore there are lots of luxury houses in this area. Another new idea from some real estate firms is that they started to build houses in the outskirts of the Dhaka city couples of years back. At that time lots of people questioned their aim and justification of their activities in those areas. But suddenly when communication system in between Dhaka city and its outskirts has been improved substantially, everyone could realize the justification of their operations. In fact these firms at that time could imagine that after couples of years Dhaka city will be ineligible to live and people will move to the outskirts of the city. Therefore now a day most of the luxurious houses are being built in the outskirts of the city.

e) Rivalry among existing firms

This is all about competition in the market. By nature Bangladesh market is free for all and anyone can invest here. Therefore there are lots of companies in the market who compete among themselves. However competition is much fiercer in the urban areas like Dhaka city compared to the sub urban areas like Savar, an area about 20 kilometers away from the Dhaka city.

- **Market concentration:** Market concentration determines how many firms are in control of how much of the total market. If there is high level of concentration, competition is not fierce normally. Only few firms enjoy almost all the benefits.
- **Types of market & profits potential:** In Bangladesh market all are equally welcome to operate which means by nature one should brand the market as the perfect competitive market. Therefore there should not be any abnormal profits. But real estate experts say that there are still abnormal profits in the market i.e. average costs are lower than the price, and it attracts investors to this sector. But there is not any kind of cartel or oligopolistic behavior in the market. It's not a monopoly too. What really matters is the knowledge and experiences along with availability of resources. Companies with significant knowledge and experiences in operating in the market can

gain from the utilization of the available resources. One of the gains comes from the costs' reduction which ultimately works as a barrier for the new entrants to enter into the market.

- **Bargaining power:** Though there is high rivalry among firms mostly in the urban areas, still there is a place for bargaining for both buyers and sellers. This happens due to the asymmetric information in the market about the competing price, quality and other relevant issues. Buyers still go for bargaining to a large extent and success depends on some factors like location (urban or non-urban area), which party is with the need (for which party the situation is critical) etc.
- **Threat of new entrants:** Day by day the real estate sector is getting new orientation in the Bangladesh market. New places are being penetrated and the market expands with good pace. That's why the business has high profit potential to lots of investors which put the threat of new entry to the existing firms. This increases the rivalry among the existing firms to a large extent.
- **Threat of substitutes:** In Bangladesh market, there are lots of options for buyers to substitute the real estate products. This substitution is not the substitution of core products; rather substitution of different features of the core products. As a result real estate firms face high rivalry from the competitors. Therefore they have to be careful in designing their offer with proper pricing, and marketing campaigns.
- **Product differentiation:** When a firm can differentiate products from the products of rivals, at least at the initial stage the differentiator gets some advantages. This can be described as the introduction of new features by real estate firms in Bangladesh market. Buyers are now much more aware about the quality of the products and the difference in products. Therefore they want the best quality products at the lowest possible costs. But they are also ready to pay more for the quality products. For example they pay more for the houses with the lake view in Dhanmondi. Now-a-days buyers are rather careful about the finer details of their houses like which tiles is being used, which constructing firm is employed, what's the reputations of the construction firm, which architects are in charge of design process etc. They can realize the difference and the differences play important role in purchase decision making.
- **Switching barriers for buyers:** In Bangladesh market, pre purchase switching does not incur much cost. Therefore firms have to be careful about that stage as they experience more rivalry in that step. But once one buys the product, post purchase switching is pretty much low as it's very expensive. So the challenge in the pre purchase step. In this step all the marketing campaigns are put in large volume to motivate the buyers to buy certain products. More the information dissemination, customers have more knowledge about the products. At the same time companies try to build up some kind of reference groups to take the advantage of the words of mouth.
- **Barriers to exit the market:** Like all other business sectors, in real estate sector also the hard worker is the winner. Now if someone can't work hard one has to get out from a market like Bangladesh market where there is no legal barrier to compete and there is no regulation to control the market competitive behaviors. Therefore one is free to enter and exit at least theoretically. But once the company invests a lot in the factors of production like labor and land, practically it's pretty difficult for the firm to leave the

market. If the company leaves, company loses not only the investment but also the potential profits. So it's not common that firms investing huge amount of money leaves the market. In reality big firms that are operating in the market, they do invest in real estate in order to diversify their portfolio of investments.

3.3. Bangladeshi the growth Real Estate: Riding wave

The economic performance of Bangladesh has provided strong impetus to the real estate sector, which has been witnessing heightened activity in the recent years. Substantial end-user and investor interest, large scale investment in infrastructure and rapid urbanization have contributed to the growth trajectory of real estate in Bangladesh. The real estate growth story is clearly visible in urban areas. High growth in services as well as manufacturing sector has resulted in high demand for commercial and industrial real estate. The following table shows the important factors which are forcing the real estate sector in Bangladesh.

Booming Real Estate In Bangladesh			
Demand Pull Factors	Resultant Impact	Supply Push Factors	Resultant Impact
<ul style="list-style-type: none"> • Robust and sustained Macro economic growth • Upsurge in Industrial & business activities, esp. new economic sectors. • Favorable demographic parameters • Significant rise in consumerism • Rapid urbanization • Gamut of financing options at affordable interest rates • Scarcity of open space in the important areas of the city. • Hazards of purchasing land • Hazards of construction of building. • Price of land and apartment is creasing day by day. • Rent of the apartment is comparatively high than the rent of the privately constructed apartments. • Open market economy and remittance of foreign currency is easy. 	<ul style="list-style-type: none"> • Increasing occupier base • Significant rise in demand for office/industrial space • Demand for newer avenues for entertainment, leisure & Shopping • Creation of demand for new housina.. • Growth in services such as IT/ITes, tourism and hospitality etc. • Service facilities such as garbage disposal, central satellite TV connection, apartment's services serves time, roof top facilities, and so on. 	<ul style="list-style-type: none"> • Policy & Regulatory are going to be reformed such as flexibility of foreign direct investment • Positive outlook of global investors • Fiscal incentives to developers • Simplification of urban development guidelines • Infrastructure support & development by government 	<ul style="list-style-type: none"> • Entry of number of domestic & foreign players increasing competition & consumer affordability • Easy access to mean of project financing • Increases developers risk appetite & allows large scale development • Improved quality of real estate assets • Development of new urban areas & effective utilizations of prime land parcels in large cities

The recent times have also witnessed an evolution of the sector – towards greater institutionalization and corporationalisation. With the entry of global players, inflow of foreign capital, evolution of capital markets, geographical diversification and introduction of reforms, the sector has undergone some significant structural changes. Even critical concern areas like transparency in the sector is also improving significantly. The trend is expected to continuing the coming years.

3.4. Market Structure and Growth:

About the market concentration in the real estate sector Real Estate business, especially apartment projects, took off in the Dhaka City in the late 1970s. From the early 1980s the business started to flourish and showed robust growth. At present, more than 400 companies are active in the real estate business in the country. About 95 per cent of this business is still dominated by the top 10 companies. The market is highly segmented, primarily based on location, price of the land and size of the apartments. We stated that the main reasons for the development of real estate business in Dhaka city were:

- Scarcity of open spaces in important parts of the city.
- Hazards of purchasing land.
- Rapid increase in the population of Dhaka.
- Fiscal-Financial incentives such as the decrease in the rate of bank interest.
- Restriction of remittance flows which financed the sector.

Rent of apartments had been relatively high compared to the opportunity cost of privately constructed flats. Service facilities which are enjoyed collectively, such as garbage disposal facilities, central satellite connection, security, roof top facilities and lift, save time and reduce costs. Legal and Regulatory Framework. The legal and regulatory framework concerning the housing and real estate development includes laws such as Building Construction Act (1952), Town Improvement Act (1953), Dacca Master Plan (1959) and Building Construction Rules (1984). These laws are not adequate to facilitate resolving habitation problems. Other limitations of these rules included a lack of appreciation about the differences between planning and building rules, the outdated nature of such rules and the inability of the rules to address the demands of an expanding city and targeting only the middle and high-income groups. There is no standard housing plan for Metro Dhaka. The Master Plan (1959) was, in general, prescriptive in nature, with particular public provision proposed on an individual basis for specific places, with exceptions made for schools and open spaces for which generous standards were proposed. The rigid land use zoning of the Master Plan (1959) is out of date as a basis for development management. The Bangladesh National Building Code (1993) which was intended to ensure safety in construction has not been made mandatory. The Building Construction Rule (1984) demands a great deal of information from the applicant, but imposes very few compliance requirements on him. The procedures involved in the enforcement of law such as taking permission before development and construction were felt to be cumbersome. It was found that a developer has to apply to eight different authorities including WASA, DESA, Titas, Fire Department, civil aviation authority and ward commissioner for permission, which

costs money and time. Moreover, the information solicited by the agencies relate mainly to ownership, rather than providing guidance for strategic and development control. Since the housing plans are not detailed, there is ample scope for breach of rules. Lack of adequate staff capacity of the oversight agencies limits monitoring and leaves scopes for non-compliance with the rules and regulations. Two laws which were expected to be enacted, namely Private Housing Policy – 2002 and Multi- Storied Building Construction Policy –2002, will ensure risk-free construction. Financing the Housing Sector is not found adequate because of high interest rates and limited sources of funds. This is true both for the financing of the developers and the purchasers. The state-owned House Building Finance Corporation (HBFC) is burdened with bad loans, and loan disbursement has tended to be low in recent years. Delta-BRAC Housing came into this market as private-NGO collaboration, but their interest rates are as high as 16 per cent which is higher than even that of the HBFC by one per cent. The major financing organizations for housing are the HBFC and the Commercial Banks while financing by other organizations like Delta-BRAC, National Housing and Micro credit lenders are insignificant. Budgetary Measures in FY2003 Budget Unlike the past fiscal budgets, the government through the FY 2002 - 2003 budget provided a number of incentives to boost the real estate sector of the country. Whilst appreciating the beneficial measures taken in the budget, a number of additional budgetary interventions which include:

- To keep up the impetus, the current tax breaks may continue.
- Registration fees are perceived to be still high and can be reduced by making provisions for realistic land price disclosure. Fiscal support for linkage industries can lead to reduced raw material cost.

3.5. Opportunity Spectrum:

The phenomenal growth witnessed in Bangladesh real estate has widened the opportunity spectrum of the sector even beyond the established asset classes' business. Commercial, retail, residential, industrial and hospitality. This section maps the opportunity in both the asset classes and the emerging asset classes.

3.5.1. Commercial Real Estate

The boom in the Commercial Real Estate (CRE) segment is being fuelled by a robust demand from MNCs and corporate Bangladesh alike, particularly from IT/ITeS, BFSI, Telecom and Pharmacy companies.

Key Growth Drivers

Entry of MNCs from different country Growth in knowledge and technology intensive sectors Growing number of domestic company. The primary growth driver of commercial real estate is the MNCs, which, is growing at 9.5-12 per cent annually. According to a survey industry is expected to grow to US\$ 120 billion by 2012. As per estimates this translates into in excess of 180 million sq. ft. of commercial office space requirement by 2012 -13.

3.5.2. Residential Real Estate

In Bangladesh residential real estate is driven by increasing urbanization, rising incomes and decreasing household sizes, the residential segment has been on an upswing over the past few

years. Several other sectors such as financial services, biotechnology, telecom, pharmacy, insurance, and consulting businesses are witnessing strong growth and have added to the rising demand.

Key Growth Drivers

Growing number of first-time home buyers increasing income levels increasing number of households increasing affordability of homes Affordability of housing Penetration of mortgage finance.

3.6. Potentiality of real estate sector –

Bangladesh is a densely populated area with acute shortage of housing especially in cities. The present population density is approximately 964 per sq. km (Population Census, 2011). Total population is 158.57. Million (World Fact Book -2011). The population growth rate is 1.566 (World Fact Book -2011), meaning that every year more than 2 million people are added to the population. There is a huge gap between housing supply and demand in the urban area, particularly in Dhaka.

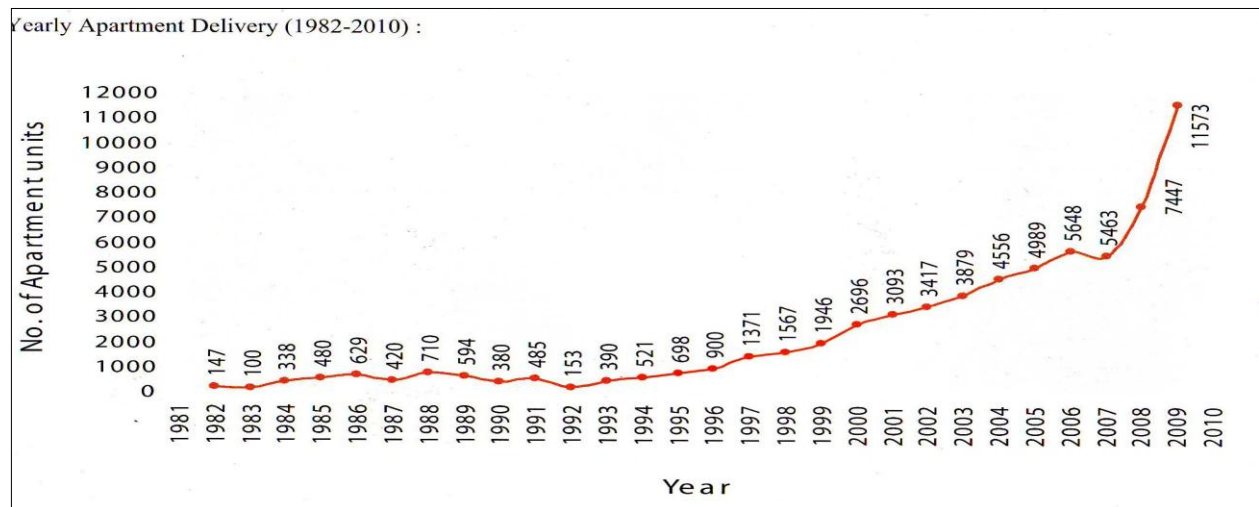
The countries urbanization rate is 3.1 (World Fact Book -2011) indicating the mounting housing pressure on urban governments. Dhaka, For instance, has a population of 14.25 million (World Fact Book -2011) and every more than 0.5 million people are added to this mass. Every year at least 0.1 million new household units are needed to fulfill the growing demand in Dhaka City. Unfortunately the government has done very little to meet the housing demand which in turn has given rise to the increased investment of private sector. However real estate sector can provide only 10000-12000 dwelling units per year. It is obvious that real estate business in Bangladesh has high potential in the future.

In last three decades, families have emerged as nuclear type from joint type. The average size of a family in Dhaka city corporate area in 2005 was 4.2 (STP,2005). Such families find it convenient to dwell in apartments with two or three rooms. Land value of Dhaka is too high to afford by most of the middle and higher income people. However on relative scale apartment are within the affordability of this economic class. Sometimes the land parcel seems to be unavailable in the suitable locations. At the same time, apartments are available in every part of the city. People prefer development by developers for three reasons, such as, troubles of construction, trouble of obtaining building permission from RAJUK and lack of capital.

3.7. Contribution of Real Estate-

Private sector contributed significantly to the supply of urban housing, particularly in the capital. During the last four decades private developers provided more than 100,000 apartment units (Seltech, Survry,2010). 25000-30000 units will be added in the next three years (Seltech, Survry,2010). Real Estate developers are able to provide house for high and middle income group. They cannot target the lowers income group due to the high input cost which is originated in high land value and increasing price of construction materials.

Year Apartment Delivery (1982-2010):



Source : REHAB Publication, December, 2011.

- **Size and contribution of the Real Estate:**

The size of the real estate sector and its contribution to the economy in terms of employment generation, accrual of investment, contribution to exchequer, output trends and linkage contribution of this sector are stated below:

- **Employment Generation**

The real estate sector at present employs about one million people, either directly or indirectly involved about 30 lac people in the sector. According to the Labor Force Survey (LFS), in 2008 6.5% of the labor force was engaged in construction whereas for 1999-2000 it was 2.1% and 1995-96 it was 1.8%.

- **Investment**

Recent information concerning investment in the housing sector shows steady growth in both absolute terms and as a percentage of total private investment and GDP. During the first three years of the fifth Five Year Plan period, the investment in housing and construction was US\$ 1273.65. According to this trend till 2007 the investment in housing & real estate sector will be more than 2500\$USD. (CPD).

- **Contribution to Exchequer**

The keynote paper indicated that the contribution of the real estate sector to the exchequer is a substantial one. Various revenues like VAT, registration fees, utility connection fees etc. generated in the real estate sector amount to about Tk. 42 crore per year. Regarding payment of corporate income tax of the real estate companies no ready information was available.

- **Output Trend**

During the peak years of the early 1990s, over 3,000 apartment units were built by developers every year. Today around 10,000 units are built, but recent time this trend has declined due to

delayed delivery of apartments by an average of six months, economic downslide, global recession, and the poor law and order situation.

- **Linkage contribution**

The real estate sector has also made substantial contributions to the growth of a host of backward and forward linkage sectors which include Rod, Cement, Bricks, paints, print, ceramics, aluminum, furniture, consultancy and many others. In this context, he provided examples of catalytic influence of the real estate and housing sector in development of linkage industries whereby the sector is immensely contributing to employment and the GDP. Those include Bangladeshi state-of-the-art ceramic industries, Thai and Kai aluminum, More than a dozen paint industries, a large number of furniture making and interior design companies, an exponentially growing cement sector, which is helping the country to attain self-sufficiency in this important input.

3.8. Impacts of Private Real Estate Developments on Patterns of Urbanization:

Actually the private real estate entrepreneurs are providing residential facilities for the higher income group. Profit maximization is their only motto. Hence, huge lack of services and facilities are observed in the recent real estate schemes. Consequently, several unexpected and disastrous impacts are observed. In observed land use composition with to the standard are stated in the table.

Land Use parameter	% of planned total land area	% of actual land use area
Residential	40-65	80-85
Community Facilities	5-10	2.5-3.5
Road & Streets	20-30	10-12
Open Space (parks and playground)	5-10	0
Shopping	5-10	0

Source : REHAB Publication, May, 2011

Here it is seen that for maximizing the profit the private developers are selling more than 80% of the total project area. In Bangladesh the housing problems is basically for the lower income people, but the private real estate developers are developing the apartments for the higher income people. Due to poor load bearing capacity of soil, high-rise buildings are very difficult to build in places being developed by real estate companies at present. Hence, low density of residential area is resulting in the form of inefficient utilization of the land resources. Urban area is expanding horizontally without maintaining any guidelines.

Where selecting the potential land for private land banking, the urban expansion zone was given utmost priority. The expansion zone is the potential urban area where services and utility facilities are supposed to expand within short period of time. When this area is facilitated with the utility and services, the land price also increase substantially. This is a land speculation process may be called private land banking which has created a belt around the city. There are several impacts of this process:

- To accommodate the incoming rural to urban migrants, the city needs to expand. But this belt is creating hindrances for the city expansion. The Inner city is facing tremendous pressure of migration. Due to the skewed distribution of land, people are forced to live in slums and squatters. At the same time the land value is also increasing. The result is a potential land price bubble in this area.
- People are purchasing the land, keeping them vacant for a few years to get more benefit while selling the same. Hence, city is expanding with rural nature and rural areas are losing its identity.
- City is forced to expand to a direction in a linear nature through the gaps of the private land banks which is not either expected or planned before.

Several questions can be raised regarding the positive impacts of this process. Through creating tremendous pressure on the core area of the city whether or not, this process can maintain equity in the distribution of land. Unfortunately the answer would be negative as the land ownership pattern is really skewed and complex. Moreover large parcels of lands are occupied by the government organization like Cantonment, Bangladesh Railway etc. at the heart of the city which is either left vacant or underutilized. Of course urbanization is always essential for economic diversification and country's long term sustainability. From this point of view, these real estate developers are patronizing urbanization alternatively helping Bangladesh in its economic sustainability. But, where urbanization is itself a burden for Bangladesh and how far this process can create diversification that is questionable. The unexpected and unplanned growth of residential areas is creating extra problems for the city managers. There is no link between the existing structure plan and the real estate developments. Consequently these projects are creating sheer stress on the planned development of the city. This is also creating polarization in the demand of services facilities.

3.9. Recent Crisis in the Real Estate Sector in Bangladesh-

It is a matter of great sorrow that real estate is facing very crucial time now days. In last couple of months, apartment sale has been reduced by 33%. Some recent national and international economic crisis affected real estate sector in Bangladesh. The main reason is

- (1) Liquidity crisis in national economy
- (2) High inflation rate.
- (3) High currency exchange rate
- (4) High bank interest rate
- (5) Political instability in middle-East
- (6) Share market collapse
- (7) High expectation of land owners
- (8) Constriction materials price incises.
- (9) Labor cost increase.

The consequence of this problem –

- (1) Severs loss of linkage industries.
- (2) Reduction of employment opportunities.
- (3) Major economic loss of the country.

Problems of real estate sector-

Construction materials price increase

The housing problem of the city is aggravated due to the price hike of construction materials. The price of construction materials is consistently increasing thereby increasing the construction cost and apartment price.

Year	Brick (Tk./Piece)	Sand (Tk. Per Cft.)		Cement (Tk./Bag)	Steel Reinforcement 60 Grade (Tk./Ton)
		Fine	Coarse		
1990	1.10	4.73	6.70	115	11,500
1995	1.50	7.00	8.50	162	13,500
2000	2.50	7.80	10.50	193	21,300
2005	3.15	8.00	22.00	283	39,700
2010	7.00	10.50	29.00	365	54,400
2011	9.10	13.50	30.50	378	60,800

Source – Sheltech, 2011

The major difficulty in providing affordable housing for all is the high value of land in Dhaka city. Land value in the city has exponentially increased in last decade showing more than threefold increase of the average land value in last ten years.

Area	Land price (Tk./katha)				
	1975	1990	2000	2010	2011
Baridhara	25,000	6,00,000	50,00,000	300,00,000	500,00,000
Gulshan	25,000	6,00,000	22,00,000	200,00,000	300,00,000
Banani	25,000	6,00,000	20,00,000	150,00,000	200,00,000
Dhanmondi	25,000	6,00,000	22,00,000	200,00,000	200,00,000
Lalmatia	20,000	6,00,000	18,00,000	150,00,000	150,00,000
Mohammadpur	25,000	5,00,000	12,00,000	70,00,000	70,00,000
Uttara	20,000	3,00,000	10,00,000	75,00,000	75,00,000
Bashabo	20,000	3,00,000	8,00,000	35,00,000	40,00,000
Mirpur	10,000	2,00,000	7,00,000	40,00,000	50,00,000
Badda	7,000	2,00,000	6,00,000	30,00,000	40,00,000
Average	20,200	4,50,000	17,50,000	125,00,000	162,50,000

Source - Sheltech, 2011

Apartment price increase:

The consequence of the increase of land value and the cost of construction materials is the increase of apartment price.

Location	Average Apartment Price (Tk./Sq. ft.)					
	1990	1995	2000	2005	2010	2011
Dhanmondi	2150	2200	2400	3300	15000	18000
Gulshan	2115	2080	2450	4500	15000	19000
Banani	1750	1950	2200	3100	13000	14000
Baridhara	1850	1950	2150	4000	18000	28000
Lalmatia	1800	1950	2400	3400	9000	10000
Mirpur	1250	1300	1500	2500	4500	6500
Uttara	1650	1750	2000	2700	5500	8500
Mohammadpur	1450	1600	1800	3500	7000	13000
Shyamoli	1350	1500	1600	2100	4500	4500
Kalabagan	1800	2000	2250	2100	7000	7000
Segunbagicha	1450	1550	1900	2500	6000	6000
Average	1692	1803	2059	3064	9500	12000

Source : REHAB Publication, December, 2011.

High property transfer and registration fee-

Beside the high apartment cost, fees pertaining to property transfer and registration impose extra burden to the buyers. According to new procedure, fees include gain tax (2%), Stamp Duty (3%), Registration fees for the central government (2%) and City Corporation (2%) and fees for sub-registrar (0.5%) which together account for additional 9.5% cost of an apartment. In addition the buyer has to pay advance income tax (up to TK. 2000 per sq. meter) along with a 1.5% VAT which further worsens the affordability of the buyers.

Limitations of Existing regulation –

There is provision of compulsory 20 ft. road width in Dhaka Metropolitan Building Construction Rules, 2008. There is no FAR benefit if any plot owners widen adjacent road width from less than 20 ft. to 20 ft. sacrificing his owned plot. Building Height is to determine considering plot size, adjacent road, ground coverage and FAR. RAJUK is going to establish height restriction in some area e.g. Dhanmondi, Gulshan, BANANI, Baridhara, It is totally contradictory with Dhaka Metropolitan Building Construction Rules, 2008. One window service for building plan approval was a long term expectation of developers. We were happy when it was incorporated in Dhaka Metropolitan Building Construction Rules, 2008. It is unfortunate that one window service is not in operation. Till to date building plan approval is a very lengthy and cumbersome process. It is specified in rules that building plan approval decision is to finalize within 45 days. Developers are not getting plan permission within 45 days.

Chapter - 4

Organization part-

Concord Real Estate & Building Products Ltd. (CRPL).

Concord Engineers & Construction Ltd. was set up in 1972 as a small engineering and construction firm, it is therefore one of the oldest business houses in the country. In time, Concord has grown to be one of the largest construction conglomerates in Bangladesh. Concord's credibility and dedication to quality is well established and has won us some of the most prestigious and technically challenging projects in Bangladesh as well as many awards as recognition for those works.

4.1. Competitive areas:

Concord is one of the oldest business houses in Bangladesh (founded in 1972) and one of the biggest names in the construction and real estate industry. Concord has successfully handed over more projects to satisfied clients than any other company, over 600 in number and ranging widely in size and cost. Concord is the market leader in luxury apartments and the first to produce and use environmentally safe and earthquake proof building materials in Bangladesh, materials previously only seen in "wealthy nations." Many make claims to having the best safety and structural integrity; but it is already proved for Concord, by independent tests carried out by local as well as foreign experts. From the vast experience in construction - building bridges, airports, theme parks etc. Concord employs the best engineers and most up-to-date construction techniques in Bangladesh today. Concord has a unique insight into structural engineering and can handle any project of any size or difficulty. Apart from real estate ventures, Concord has been entrusted to build many landmark and projects in home and abroad, such as:



- The National Monument at Savar.
- The Prime Minister's Secretariat.
- Hazrat Shahjalal International Airport.
- The low-rise block of the Sonargaon Pan Pacific Hotel.
- CIBA -GEIGY Pharmaceutical Plant at Tongi.
- The 200 bed hospital in Narayanganj.
- The VVIP Residence at Hare Road.
- The VVIP Rest House at Testa Barrage Complex.
- The 24 storied Janata Bank Head Office Building
- The administrative building of Bangladesh T&T Board



- The head offices of Titas Gas Transmission & Distribution Co. Ltd.
- Bangladesh Oil, Gas & Mineral Corporation
- Bangladesh Steel and Engineering Corporation
- The 22 storied Jiban Bima Tower
- The 20 storied Bangladesh Shilpa Bank Building (BSB)
- The 20 storied Islamic Development Bank Building in Agargaon
- The 750 ft. Telecom Tower in Singapore
- Fantasy Kingdom, Water Kingdom, Foy's Lake and Zia theme parks

We refuse to compromise on the quality of the structure or the aesthetics which shows in our work and is reflected by our client satisfaction. Our biggest asset is our reputation.



Concord believes that everyone has the right to high quality, affordable and safe housing, whatever their economic status. Concord caters for all budgets and incomes. They specialize in luxury apartments and offices and yet have also designed and sold thousands of homes and office spaces to the mid-market and lower income households. For Concord, customer satisfaction is of utmost importance.

“We can cater to your every whim, we can custom design interiors and encourage a great deal of customer participation whether we are developing your land or selling you an apartment or some office space. We can design our apartments and buildings to suit your every need and desire. Our dedicated and professional real estate team is always happy to help. Our projects are built to last, through providing high quality living and working structures we aim to improve the quality of life for the people of Bangladesh.”- said the marketing Manager of CRPL.

4.2. Vision :

- To improve the quality of life of the people of Bangladesh.

4.3. Mission :

- Changing the skyline.
- Facilitating the amusement needs of Bangladeshi people by providing comprehensive and fastest process of construction and engineering solution.
- Developing new ideas in real estate and building products.



- Providing with class entertainment facilities in local areas which would easily be accessible to the general people of Bangladesh.

4.4. Core Value :

- Commitment
- Hard work
- Honesty and
- Knowledge

4.5. Objectives :

- To create an environment for excellent residential housing with close proximity to the commercial centers.
- To reduce the human pressure on the inner city of Dhaka and all over the country.
- Building a better world with Relentless pursuit of quality.

4.6. The wheel (departments) of Concord Real Estate & Building Products Ltd. (CRPL)

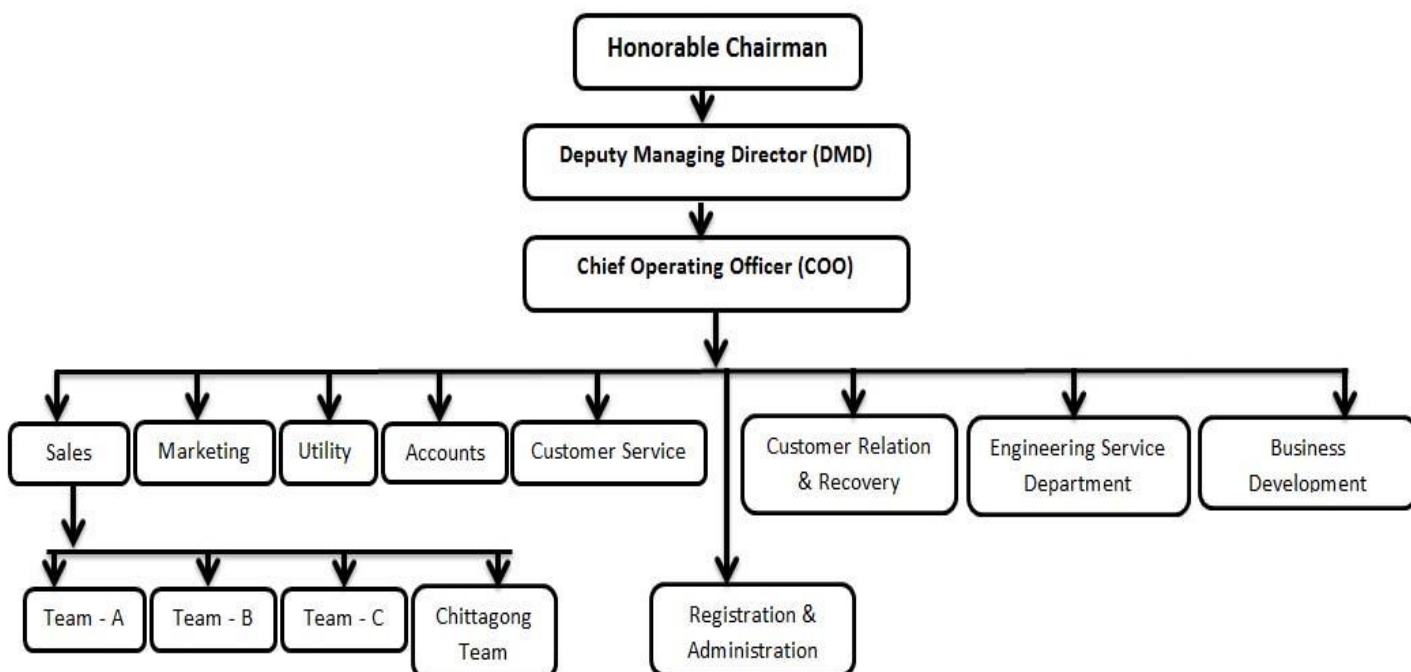


Figure: Departments and First line reporting of Concord Real Estate & Building Products Ltd.

4.7. Integrated Marketing Communication Tools Used by CRPL:

Having an experience over 38 years in the real estate industry, Concord has become the market leader. Over the couple of decades, with strong and hard dedication, the relentless pursuit of quality, implementing newer and modern technologies and at the same time client satisfaction, took Concord into this position. As a market leader, Concord always tries to introduce newer and modernized techniques in the field of promotion.

For the sake of Integrated Marketing Communication they have used the following tools-

a. Advertising: For the sake of creating the strong brand image, Concord Real Estate & Building Products (CRPL) has used different media for advertising.

- Leading daily newspaper (The daily Prothom Alo, The Daily Star, The daily Shamakal, and The daily Kalerkhantha. Etc. are the newspapers, where CRPL have a daily basis of advertising).
- Leading Weekly, Monthly magazines. (Shaptahik, Shaptahik 2000, Ekushay Patrika, etc.)
- Project Board. (Concord have more than 600 completed projects and 50 plus ongoing projects all over Dhaka and Chittagong. All the projects having the project boards. These projects boards are the means of advertising.)
- Bill Boards.
- Fence Board. (Project fence Branding is also a great source of advertising and branding).
- Bus Branding.

REHAB FAIR 2011
15-19 December, BICC, Agargaon, Dhaka

CONCORD

ENORMOUS DISCOUNT!

CO-SPONSOR
Stall 10

Projects in Different Locations...

- Baridhara • Gulshan • Banani • Kemal Ataturk Avenue
- Dhanmondi • Lalmatia • Siddheshwari • Azimpur Road
- Hatkhola Road • K M Das Lane • Rokeya Sarani • Uttara
- Khilkhet (Lake City Concord) • Ashulia-Resort • Khulshi

Only developer to use environmentally friendly green technology

Concord Centre, 43 North C/A, Gulshan-2, Dhaka-1212, Fax: 88-02-8822607
E-mail: sales@concordgroup.net, Web: www.concordgroup.net

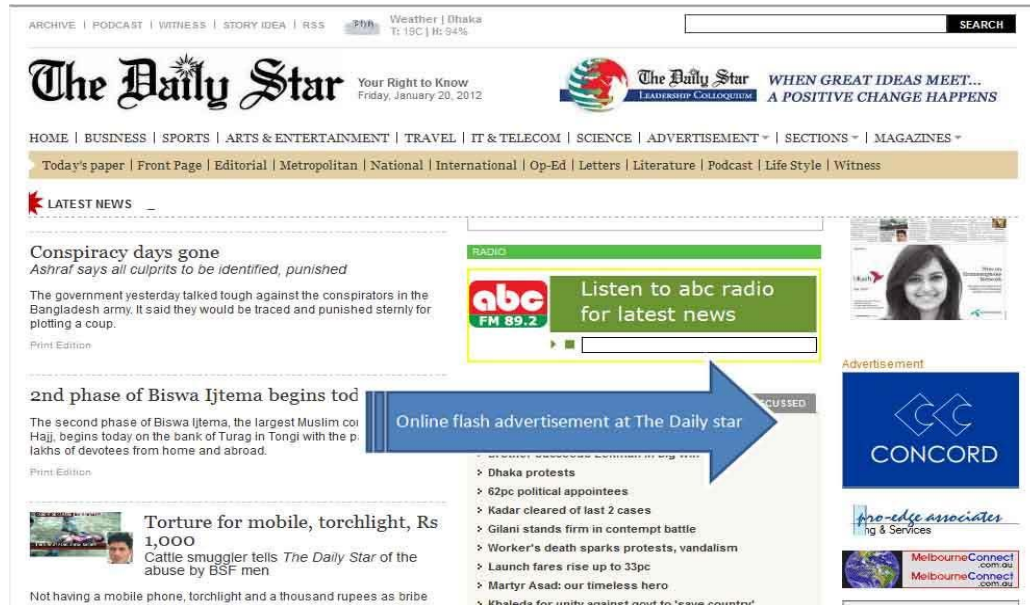
01914602934 01914602922 01914602942 01928646090 01937402951 01913531553
01914602945 01922120643 01933324576 01922120653 01914602907 01922120642

LAND WANTED: 01913531423, 01922102479 * conditions apply

Picture: A press ad. Of CRPL.

b. Personal selling & Direct Marketing: Mainly CRPL combindly do the job of personal selling and direct marketing. CRPL has 4 sales team, 3 teams' works for Dhaka zone and one team works for the Chittagong zone. The sales personnel directly contact with the customers and personally do the personal selling. And for the sake of direct marketing they have visited the corporate clients and the existing clients. Mainly the office spaces and the shopping spaces are considered for the direct marketing. And for apartment selling sales personnel used the personal selling techniques.

- c. Internet Marketing:** CRPL also used the internet marketing as a tools Integrated Marketing Communication (IMC). For that, Concord has a corporate website (www.concordgroup.net). And there are some sorts of Flash advertising in the Prothom alo and Daily star's website.



Pic: Online flash ad. Of CRPL

- d. Publicity:** Concord always ensures the quality of their products. The relentless pursuit of quality makes Concord in a unique positioning in the mind of the customers. And for that reason Concord has a huge reference group that is obviously a competitive advantage. After sales service and the on-going customer service to the existing clients, landowner demand satisfaction, the good relation with the suppliers and the stock holders, ensure the good and healthy publicity for the organization and ensure the good brand image.
- e. Public Relation:** For the sake of good public relation, Concord arranges different activities. Pohela Baishak Mela, Study tour sponsorship, sponsorship in different socio-cultural activities etc. helps by Concord to accelerate the brand value in the highly competitive market.
- f. Tele Marketing :** In the marketing there is a division called Tele marketing, Tele marketing executives phoned different prospective client for their interest about Apartments or office Spaces or Shop spaces from different directory. If they are clients are interested then executives transfer the deal to the sales departments.
- g. Campaign:** For the sake of sell the products, Concord take different campaign all the year round. Project fair, Gift item distribution towards the existing and prospective clients, CSR activities, Price and some other discounts, different offers, REHAB fair etc. are the campaign activities used by Concord.

Month wise number of ad. Per category :

Month	Press Ad.			TVC	RDC	Electronic Media	Outdoor			
	Newspaper	Magazine	Total Press ad.				Billboard	Project board	Fence Board	Total Outdoor
Jan	13	2	15	0	0	3	7	20	10	37
Feb	11	5	16	0	0	3	7	20	10	37
Mar	9	6	15	0	0	2	7	20	10	37
Apr	9	5	14	0	0	3	7	20	10	37
May	8	7	15	0	0	2	7	20	10	37
June	10	5	15	0	0	3	7	20	10	37
July	8	6	14	0	0	3	7	20	10	37
Aug	8	4	12	0	0	3	7	21	10	38
Sep	9	7	16	0	0	2	7	21	10	38
Oct	10	6	16	0	0	2	7	21	10	38
Nov	5	8	13	0	0	2	7	21	10	38
Dec	7	7	14	0	0	5	7	21	10	38



Chapter - 5
Major Findings

5.1. Analysis of the Questionnaire

The data was collected from 20 respondent with the help of questionnaire (Appendix) distributed to them. Below is the presentation and analysis of the findings gathered through survey questionnaire with the help of tables and figures.

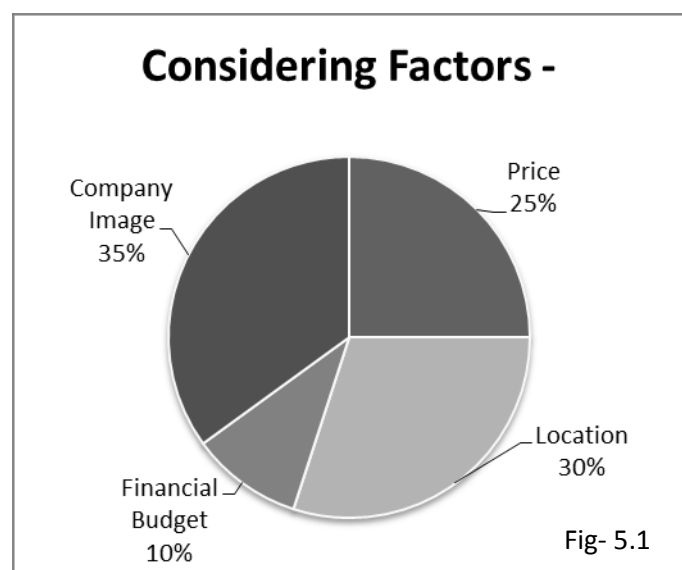
As our main target is to find out the effectiveness of the IMC for the real estate business, that's why we may take the IMC related question from the questionnaire for the data analysis.

Analysis -1:

Which of the following factors you mostly considered before buying apartment? (Question-5)

The question 5 of questionnaire was asked to know that, "Which of the factors you mostly considered before buying apartment?"

The results given in figure 5.1 shows that 35% of respondents said that, Company Image is their considering factors. 30% of respondents said that, Location is their considering factors. 25% of them, consider Price and other 10% consider Financial Budget as their considering factor.

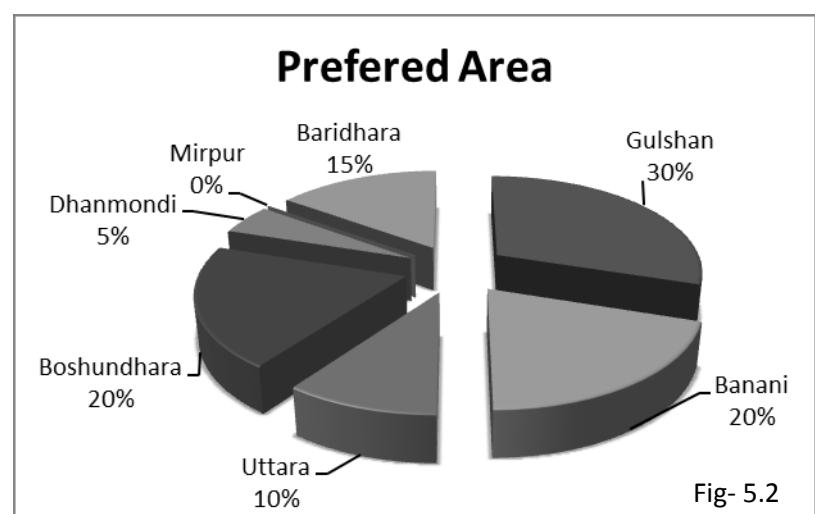


Analysis -2:

Which area you will prefer for buying your apartment? (Question -6)

The question 6 of questionnaire was asked to know that, "Which area you will prefer for buying your apartment?"

The results given in figure 5.2 shows that 30% of respondents said that, Gulshan is their



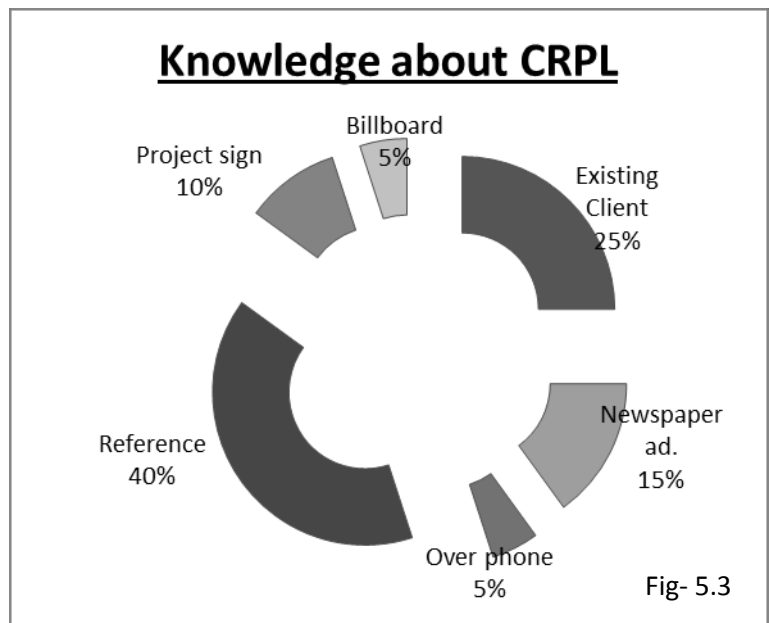
preference. 20% of respondents said that, Banani and Baridhara is their preferred area. 15% prefer Baridhara, and another 10% prefer Uttara, and last of all 5% of the respondent prefer Dhanmondi for the apartment purchase decision.

Analysis -3

How you have come to know about Concord Real Estate & Building Products Ltd? (Question – 7)

The question 7 of questionnaire was asked to know that, “How you have come to know about Concord Real Estate & Building Products Ltd?”

The results given in figure 5.3 shows that, 40% are the Reference Client, 25% of them are Existing Client, 15% comes from Newspaper advertisement, 10% of them come to know about CRPL from Project sign board, Another 5 % came to know about CRPL Over phone, and lastly, 5% know about CRPL from Billboard.



Analysis -4

Have you watched any ad. Of the company? If yes then rate the quality of the advertisement. (Question – 8)

The question 8 of questionnaire was asked to know that, have you watched any ad. of the company? If Yes then rate the quality of the advertisement.

Here 100% respondent has seen the advertisement of the CRPL. While considering the fact, that, how you will rate the quality of the ad. Then, 45% have said that, that was average, 40% said that, it was good, 10% of them said that, that was fair, and lastly 5% said that, that was excellent.



Analysis – 5

How would you rate the attitude and information given by the sales person? (Question – 11)

The question 11 of questionnaire was asked to know that, have any sales personnel personally contact with you? And how you will rate the information given by the sales personnel?

Here 100% respondent said that, they have a contact with the sales personnel.

While considering the fact, that, how you will rate the information of their attitude and quality of the information?

Then, 45% have said that, that was average, 40% said that, it was good, 10% of them said that, that was fair, and lastly 5% said that, that was excellent.

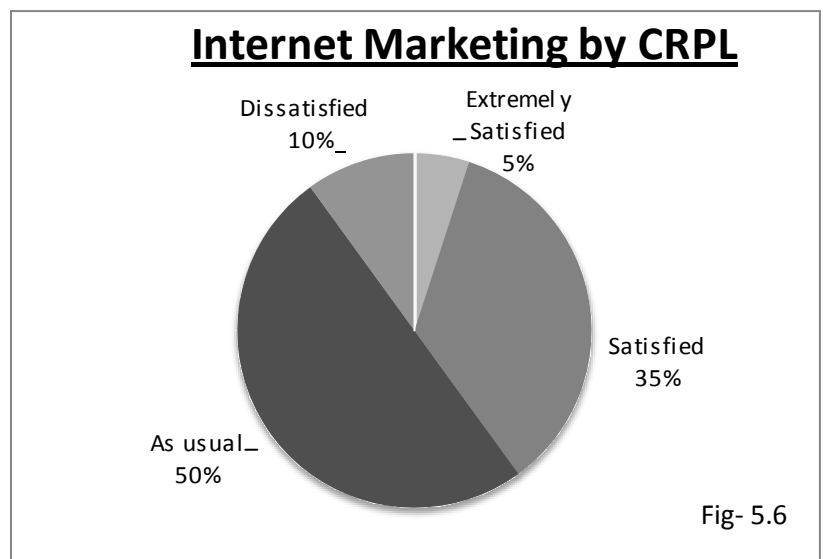


Analysis – 6

Have you got any chance to visit CRPL website? Or have you noticed any online advertising of CRPL in any webpages? If yes, then, is the information satisfies your query? (Question – 12)

The question 12 of questionnaire was asked to know that, have they came upon with the internet advertising or the internet marketing activities of CRPL? And is that campaign satisfies them or not?

Then, in the response, 55% said that, they have seen the internet marketing campaign taken by the CRPL. And another 45% don't know



about the internet marketing of CRPL.

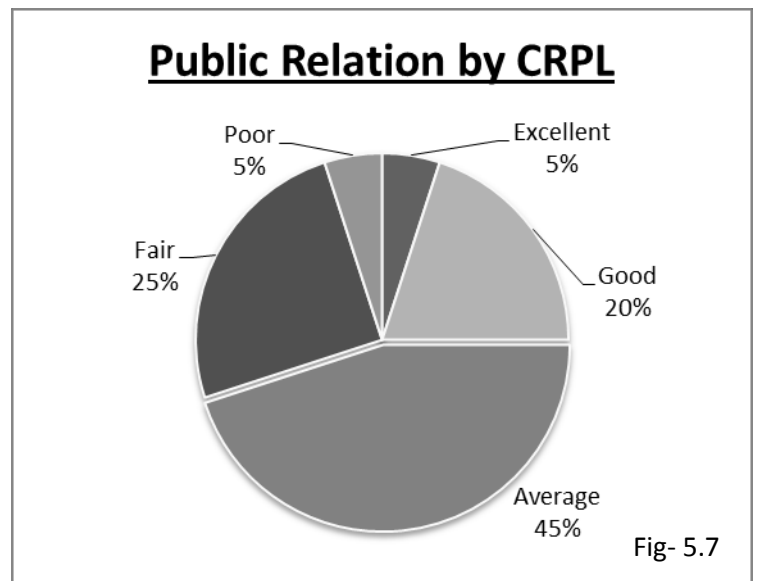
While considering the fact, that, is that information in the website, satisfy you or not? Then, 50% have said that, the information are as usual, 35% said that, it was Satisfied their need, 10% of them dissatisfied, and lastly 5% said that, that was extremely satisfied.

Analysis – 7

Please rate the customer service of the company.

The question 13 of questionnaire was asked to know, overall customer service and public relation position of CRPL.

While considering the fact, there, 45% have said that, that was average, 25% said that, it was average, 20% of them said that, that was good, 5% called it is excellent, and another 5% said that, that was poor.



5.2. Results:

For the sake of taking out the result, we have analyzed the questionnaire result, and by the discussion with the respondents, and the valued clients of Concord Real Estate & Building Products Ltd (CRPL), it is apparently seems that, among the tools of Integrated Marketing Communication (IMC) advertising plays the significant role in the real estate industry. And other tools are equally important for the real estate industry, especially Public relation.

Chapter –06

Conclusion & Recommendation

Today Real state is recognized the world over as the main engine that runs the economy, creating work not only for masons and managers, accountants and architects, but also for makers and sellers of building materials. It means work for maintenances, security cleaning and other services; work for makers and sellers of appliances, furniture and vehicles; work for bankers and bureaucrats, lenders and lawyer. Human being has always been in search of new and better homes. Thus cities, towns and villages grew, flourished and wither away.

In the process, societies forever demand and produce all kinds of goods and services, though, never satisfied, we ask for things more different. Real estate visibly shapes the way people live, work and innovates and therefore most strongly defines culture and civilization. In Bangladesh perspective, it is almost impossible for the government to ensure housing for all. As the public sector failed to provide this, people have taken their own initiative to ensure their fundamental need for shelter. Government alone cannot provide housing to all and realizing this, they decided to share the task of providing safe decent places to live with Real Estate Developers, to make people productive resources. So, government should provide much flexibility to the developers to provide better housing facilities not only to higher income people but also middle and lower income people. At the present time, the population of our country is increasing at very alarming rate but total rent are remains constant. The demand of housing is very high, particularly in Dhaka city. So, the prospect of real estate business is very high. Now if the real estate companies run their business according to the demand of middle class, lower middle class, and higher middle class people, the business must be profitable. From the study, which I have conducted at Concord found that they are using all the possible policies to run the business. The report also has shown the overall picture of the real estate market and opportunity in Bangladesh and the Integrated Marketing Communication (IMC) effectiveness. I was assigned in the real estate sector in Bangladesh. Three months are short to understand every aspect of a company and overall market condition of this huge sector. Actually it needs more time to determine the overall market size, conditions, opportunity, and business activities of the company. Within the short time, I have tried to show the overall scenario of real estate sector and the IMC effectiveness in the real estate sector based on marketing activities of Concord Real Estate & Building Products Ltd. So from my own experience I may suggest the following recommendations for sound and success market operation of the company:

- a) As in the study found that CRPL has 0% of Television Commercials (TVC). Television is the strongest medium for the sake of communicating information. So, concentration on the use of T.V. media is necessary for CRPL.
- b) New means of advertising, Like- Facebook, Twitter, pop-ups or pop-downs may be used by CRPL.
- c) www.concordgroup.net, this web site should have to be more users friendly. The customers direct feedback option should be enclose in the webpage.
- d) As in the Concord Prospecting Client (CPC) list, there Reference customer's percentage is very significant amount, that's why company should concentrate to their existing client satisfaction. Because, satisfied client will take the new customer. Proper computerized database management should have to be maintained in the sales department. The client who is interested but having some problem right now,



they may take apartment after 2-3 years later, but due to lack age of proper database management the client may lose.

- f) Inter departmental co-ordination should have to be strictly maintained. Like the design departments' activities with marketing and sales department activities.
- g) For building strong brand image CRPL can have some sorts of sponsorship in the RDS and TV program.
- h) For the sake of making the selling activities smooth, the sales personnel may try different types of web sites like, Clickbd.com, Cellbazar.com, etc.
- i) Client experience sharing in the company webpage may have some positive impact.
- j) In the sales department, the sales personnel have to attend a monthly meeting and there is an action plan, which is obviously good. But the top officials in the sales and marketing department should permit to attend different type of domestic and international training for their skill development.
- k) Proper product knowledge should be ensured by the sales executives.
- l) CRPL should give more concentration on the publicity and public relation along with other IMC activities.
- m) CRPL should concentrate on the long term value creation activity with the clients.

Finally Concord Real Estate & Building Products Ltd. has the opportunity to increase its market share as its market image regarding the above discussion.

Chapter –07

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7.3. Questionnaire for data collection:

The purpose of this questionnaire is to develop Internship report “Measuring the effectiveness of Integrated Marketing Communication (IMC) on Real Estate Business” as partial requirement of my Graduation in Rajshahi University, Bangladesh. Thank you very much for your time and patient in completing this questionnaire.

Name:

Address:

Tel. No (if possible) :

1. Age of the respondent: (*in years*)

- | | |
|--------------------------------|--------------------------------|
| <input type="checkbox"/> 20-30 | <input type="checkbox"/> 46-54 |
| <input type="checkbox"/> 31-36 | <input type="checkbox"/> 55> |
| <input type="checkbox"/> 37-45 | |

2. Occupation:

- | | |
|-------------------------------------|-------------------------------------|
| <input type="checkbox"/> Service | <input type="checkbox"/> Bank |
| <input type="checkbox"/> Business | <input type="checkbox"/> Doctor |
| <input type="checkbox"/> House Hold | <input type="checkbox"/> Other..... |

3. Monthly Income: (in T.K)

- | | |
|--|--|
| <input type="checkbox"/> 10,000-15000 | <input type="checkbox"/> 16,000-21,000 |
| <input type="checkbox"/> 22,000-30,000 | <input type="checkbox"/> 31,000-40,000 |
| <input type="checkbox"/> 40,000> | |

4. Have you already purchased any apartment?

- Yes No

If Yes, How long are you living in this apartment?

Days Months Years

If not purchased, what size of apartment you want to buy?

Sq. ft.



5. Which of the following factors you mostly considered before buying apartment?

- Price Location Financial budget Company image

6. Which area you will prefer for buying your apartment?

- Gulshan Banani
 Uttara Boshundhara
 Dhandmondi Mirpur
 Baridhara Others

7. How you have come to know about Concord Real Estate & Building Products Ltd.?

- Existing client T.V.C. / T.V. report.
 Through Newspaper Ad. Company's websites
 Through magazines Through yours friends/ relatives (Reference)
 Hoarding / billboard Through Project sign.
 Through Mail Over Phone

8. Have you watched any ad. of the company?

- Yes No

Yes, then how is the quality of the ad ?

- Excellent Good Average Fair Poor

9. Do you think that company's ad. should be modified?

- Yes No

If yes, please suggest about the modification.

.....

10. Which media you prefer to watch the company's ad?

- Television Newspapers Magazines Hoarding / billboard Websites

11. Have any sales person from CRPL contact with you?

- Yes No

12. How would you rate the information given by the sales person?

- Excellent Good Average Fair Poor

13. Have you got any chance to visit CRPL website? Or have you noticed any online advertising of CRPL in any webpages?

- Yes No

Yes, then how is the information satisfy your need?

- Extremely satisfied Satisfied As usual Dissatisfied Very Dissatisfied

14. Please rate the customer service of the company.

- Excellent Good Average Fair Poor

15. How you are satisfied about the overall service of the company?

- Extremely satisfied Satisfied As usual Dissatisfied Very Dissatisfied

16. How likely would you be to recommend CRPL's customer service to a friend or colleague?

.....
.....

Thanks for your Kind Cooperation.

