

Marketing and Project: Project Marketing by the Contractor

Abstract

Three types of organization are involved in project marketing: the project itself; the investor; and the contractor. Our aim is to identify the marketing practices adopted by contractors in project-based industries. We have interviewed eight such contractors, and used Activity Theory as a lens to analyse our results. We investigated project marketing activities at four stages of the project contract life-cycle, and against four enablers of cooperation. We have identified that the service-dominant logic pervades project marketing. Through the project contract life-cycle the marketing activity starts with a strategic focus, becomes tactical, then operational and returns to strategic. Project marketing involves executive managers, marketing, client or account managers, and project managers. Project managers have a key responsibility for project marketing. The four enablers of cooperation, relationships, communication, collaboration and trust, support each other, and the entire project marketing activity.

Key words: Project marketing; contractors, project-based industries, project contract life-cycle, relationship, communication, collaboration, trust.

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Introduction

There has been an ongoing discussion in the project marketing literature about whether project management is part of project marketing or project marketing is part of project management, (Cova & Salle, 2005). The view that project management is part of project marketing is the marketing perspective. It posits that project marketing includes project management, and sets projects in the wider context of the project business and project portfolio, (Cova, Ghauri & Salle, 2002; Tikkanen, Kujala & Arto, 2003; Blomquist & Wilson, 2007). On the other hand, project managers identify project marketing as a project management task, primarily stakeholder engagement, (Turner, Huemann, Anbari & Bredillet, 2010), and see it as one of the roles of a project manager. Turner & Lecoivre (2016) have tried to move beyond this discussion, and have taken an organizational project management perspective of project marketing, (Aubry, Sicotte, Drouin, Vidot-Delerue, & Besner, 2012). Project marketing is an activity undertaken by organizations involved in the management of projects, whereby they establish networks, processes and dialogues with their clients to provide offerings which have value for their clients. Turner & Lecoivre have suggested that there are three organizations involved in the marketing of projects:

1. the project itself
2. the contractor
3. the investor

The project needs to market itself to its stakeholders, to engage with them and win their support. The project needs to convince the stakeholders that the benefit they will receive from the project is greater than the value they place on the contribution they will make. This can be viewed as project marketing being part of project management. The contractor needs to conduct project marketing to win new business. It has competencies the client (investor) does not have, and provides those to the client to enable it to undertake its projects. The contractor needs to create networks, processes and dialogues with the client, to convince the client they can provide it with services of value. This, from the perspective of the earlier discussion, is project management being part of project marketing. However, Turner & Lecoivre (2016) suggest that both are part of project portfolio management, though project marketing precedes the contractor's involvement in the project and continues after it has finished. The investor needs to market the investment to a wide range of stakeholders throughout the project and investment life-cycle. It needs to win the support of the owner, financiers, suppliers, politicians and local community in the early stages. It needs to engage with potential contractors and suppliers during the design stages. It needs to sell the projects outputs and outcomes to the operators and consumers during commissioning. And it needs to continue marketing the projects during initial operation, to win support for future projects.

We are conducting empirical research into the project marketing by these three types of organization. In this paper we describe the results of our research into marketing by the contractor to win new business. The aim of our research is to use activity theory to identify the practices adopted by contractors in project-based industries to do project marketing, and identify how the marketing activity is shared between different managers. Our research questions are:

RQ1: What practices are adopted by contracting companies in project-based industries to create networks and processes with their clients to persuade the clients that they can make product offerings that will provide the client with value?

RQ2: What practices are adopted by contracting companies in project-based industries to create conversations and dialogues with their clients to persuade the clients that they can make product offerings that will provide the client with value?

RQ3: Who is responsible for the project marketing activity, at what stage are they engaged, and who is their target audience?

Our aim is to identify the practices adopted, not to explain those practices using existing marketing theories; that will be the objective of future papers. However, we will discuss traditional marketing theory where it imposes rules and constraint on the practices adopted.

In the next section we review the literature on project marketing by the contractor, and develop models and associated propositions which will be the basis of our research. We then describe the methodology adopted. We have conducted interviews in contracting companies in project-based industries, and used Activity Theory to analyze our results. We have used a constructivist paradigm, doing inductive research. The new theory that emerges from our data is the practices adopted by contracting organizations to do project marketing. We do not explain those practices from the perspective of existing marketing theory. We describe our results in two parts. From our literature review we have identified four phases of project contract management, and use Activity Theory to describe project marketing practices adopted at each of the four stages. We have also identified the importance of cooperation, and have identified four components of cooperation: relationships; communication; collaboration; and trust. It is through these four components contractors create conversations and dialogues with the clients. We also use Activity Theory to identify how those four components are built as part of project marketing. We describe our overall conclusions.

Literature Review

Early writing on Project Marketing appeared in 1996, (Cova, Mazet & Salle, 1996; Foreman, 1996; Hadjikhani, 1996). Foreman wrote about internal marketing of projects within the investor organization. Project marketing by the investor organization has been pretty much ignored since. Cova et al described the management of the firm's relationship with other businesses in the local environment. Hadjikhani investigated how to maintain the relationship between buyer and seller post project. Much of the subsequent work on project marketing has focused on how contractors in project-based industries win new work and maintain relationships with existing customers. That is our focus here.

The initiator of the project usually does not have the competencies to do the work themselves, and so they engage contractors to do the work for them. The contractor aims to collaborate with the client to provide their competencies as a service to the client to create value for both, (Vargo & Lusch, 2004; Lusch, Vargo & O'Brien, 2007). Thus we can suggest Proposition 1:

Proposition 1: Contractors exist to integrate and transform their specialist competencies into services that are demanded in the market place, and which can provide their customers with value. That ability provides them with competitive advantage.

Turner & Lecouevre (2015) suggest that project marketing undertaken by the contractor takes place within the project portfolio. Previously, project marketing researchers (including: Cova

& Hoskins, 1997; Cova et al, 2002; Tikkanen et al, 2003; Skaates, 2003; Lecoeuvre&Deshayes, 2006; and Blomquist& Wilson, 2007) have viewed a project strictly from the marketing perspective, suggesting that it is a complex transaction covering a package of products, services and works, specifically designed to create capital assets that produce benefits for a buyer over an extended period of time (Cova & Salle, 2005). They suggest that while project management deals with organizational and management issues, project marketing deals with sales and marketing issues of projects. They go beyond project management, and broaden their perspective to the management of projects, (Morris, 1997); project marketing starts in the very early pre-project phase and continues into the post-project phase. Cova et al (2002) focused primarily on the early stages and proposed a three stage model for project marketing:

1. independent of any project
2. pre-tender
3. tender preparation

During the “independent of any project” phase, the contractor tries to detect emerging projects among the customers, and works with the client to try to push the definition of the project in the direction of its competencies rather than its competitors, (Bernink& Turner, 1995). The marketing focus here is anticipation. This is followed by the pre-tender stage where project screening should take into consideration project characteristics and strategic intent, (Bernink& Turner, 1995). Once the project has been screened and requirements reviewed, the contractor can move into the project development phase. According to this school of thought, the first goal of the project marketing is to win the contract.

However, project marketing is a continuous process that occurs throughout the entire management of projects process; it continues into the project delivery and follow-up phases. Follow-up, which occurs after the project has been delivered, is crucial. Lusch et al (2007, p7) suggest, “There is no benefit until the offering is used.” and so follow-up can determine customer satisfaction and key account development. Project marketing researchers (Hadjikhani, 1996; Cova & Hoskins, 1997; Cova et al, 2002; Tikkanen et al, 2003; Skaates, 2003; Lecoeuvre&Deshayes, 2006; Blomquist& Wilson, 2007) consider overcoming demand-related discontinuity to be a major issue. After a project has been completed, a so-called “sleeping relationship” begins where there is a possibility of future need for improvements or replacements. This phase is important for identifying project opportunities and for building and sustaining relationships between the buyer and the seller. This phase of discontinuity is very important as relationships here are maintained by social and informational exchange and affect future business (Skaates& Tikkanen, 2002). To address the entire management of projects process, Lecoeuvre&Deshayes (2006) proposed a four phase project marketing process; they merged phases two and three of Cova et al (2002), and added project delivery and follow-up. Their four phases are:

1. Pre-project marketing: The project does not exist yet, but the supplier anticipates the customer’s requirements, develops themes for the potential bid (Bernink& Turner, 1995), and maintains the relationship with the client.
2. Marketing at the start of the project: The supplier starts with co-construction of rules beside and within the network of influential relationships
3. Ongoing Project Marketing: The supplier, client, and subcontractors proceed with re-negotiation, modifications, follow-up, and meetings following one another with constant relationship exchanges until the end of the project.

4. Creating the conditions for future projects: The supplier maintains the relationship with the client, through logistics support and “sleeping relationships” which enables it to manage discontinuity in project business and prepare for future projects.

Thus we suggest Proposition 2:

Proposition 2: There are four stages of project marketing by contractors in project-based industries: pre-project; tender preparation; project delivery; and post-project.

Turner&Lecoeuvre (2016) suggest project management is not part of project marketing. Project marketing is part of project portfolio management, by which the contractor aims to secure a continuous stream of projects into the portfolio. Project marketing is about marketing and sales, as the project marketing literature suggests, but not of projects, but the competencies that the contractor has that can provide value to the customer, (Lusch et al, 2007). Those competencies will be provided through a project, but the focus of the marketing should be the competencies, and the value that they provide the customer. Thus we can state Proposition 3:

Proposition 3: As part of project portfolio management, contractors in project-based industries market their competencies. Successful marketing activities will result in project work, but continue after project completion.

Lusch et al (2007) suggest that the focus of marketing should be with the client, not to the client. They posit that the aim of marketing should be to collaborate with the client to produce and sustain value for both the client and the organization, and this is achieved by:

- co-create value networks, processes, conversations and dialogues
- co-create value propositions and service offerings

Value networks, processes conversations and dialogues are part of organizational project management, (Aubry et al, 2012). Lecoeuvre&Deshayes (2006) focused on the development of cooperative relationships with clients, and suggested that there are six elements of cooperation, which are applied through the project marketing process:

1. Relationship management (Rel)
2. Communication (Com)
3. Collaboration (Col)
4. Trust (Tru)
5. Training (Tra)
6. Going with (providing mentoring, coaching and support) (Gwi)

Going with is identifying the customer’s true requirement and working with the client to provide a solution to their requirement. Our view is that training and going with are part of the work of the project not project marketing, and so there are four separate elements of cooperative development which are essential to relationship building in project marketing, and so we suggest Proposition 4:

Proposition 4: There are four essential elements of the cooperative development between clients and contractors, which should form part of project marketing: relationship management; communication; collaboration; and trust.

Bernink & Turner (1995) identified three key stakeholders who should be the target of project marketing:

The strategic decision makers: These are the people who will ultimately decide to do the project, and determine which contractor will be awarded the contract. They are interested in the project's goal. It is the contractor's board of directors who should target these people, with the help of the marketing department.

The operations managers: These are both the operators of the project's output and the consumers of its outcome, (Turner, 2014). These people are not interested in the technology. The consumers want the project's outcome to satisfy their requirements and provide them with adequate benefit. The operators want ease of operation. It will usually be the role of the sales and marketing department to communicate with these people, though the project manager may also be involved. It is essential to make them comfortable that the project's output and outcome will satisfy their requirements and provide them with the benefit they want.

The technical managers: These are the people who will judge the contractor's technical solution and will be able to determine whether the project's output will work to provide the outcome. The contractor's technical managers must communicate with these people to persuade them of the contractor's technical competence.

Turner and Lecoivre (2015) suggested this is a form of market segmentation, (Kotler & Lane, 2008). Thus we suggest Proposition 5:

Proposition 5: Different market segments exist within the client organization, and those market segments need to be the focus for different messages, and approached by different staff members.

Much has been written about the nature of project marketing as undertaken by contractors working in project-based industries to win new work and maintain relationships with existing clients. However, less has been written about the project marketing practices adopted and who is responsible for implementing the practices. Our aim is to close this research gap.

Methodology

Our aim is to identify the practices used in project marketing by contractors in project-based industries, and identify who is responsible for implementing the practices. It is not our aim at this stage to explain the practices in terms of standard marketing theory. However, we refer to standard marketing theory where it imposes rules or constraints on the practices adopted. We used a constructivist paradigm, using an inductive research approach as the phenomenon we were investigating is under researched.

We used Activity Theory, (Er, Pollack & Sankaran, 2013), as the lens to identify the practices, and the managers responsible for them. Activity theory is a theoretical framework for the analysis and understanding of human interaction through their use of tools and artefacts, (Hashim & Jones, 2007). Activity theory is appropriate because we are trying to identify practices (activities) used as part of the project marketing process. Those practices or activities will include the creation of networks, processes, conversations and dialogues as suggested by the services dominant logic of marketing, (Lusch et al, 2007) and so makes it consistent with organizational project management, (Aubry et al, 2012). Under Activity Theory, a subject or actor undertakes an activity to achieve an object. How well the object is

achieved will determine the outcomes. The actor uses tools to undertake the activity, and is subject to constraints imposed by rules, the community of practice and the division of labour. Some of the rules are explicit. They are either required, or they are guidelines from theory, or professional standards. Other rules are implicit, guided by the culture of the organization or that of the community of practice (profession). Different people or organizations may also participate at different stages of the activity, with work divided between them. The subject may be an individual or a group, and the activity can be analysed from the perspective of the individual or group. We looked at what the companies we interviewed are doing, and also people holding certain job roles within the companies.

We conducted unstructured interviews in seven organizations from the private sector, Table 1. The interviews were primarily unstructured, because we were conducting thematic research, and we wanted the theory to emerge from the data. However, we did ask the interviewees specific questions in three areas:

1. We asked them whether they recognized the concept of project marketing.
2. We asked them to consider each of the four stages of the project contract life-cycle suggested in Proposition 3.
3. We asked them to consider each of the four enablers of collaboration suggested in Proposition 4.

Interviews were conducted by two teams, one in Europe and one in Australia. We held a workshop with both teams physically present to analyse the data. Through discussion we created the tables that follow.

Marketing throughout the Project Life-cycle

The four stages of the project contract life-cycle suggested in Proposition 2 were recognized by our interviewees. Using Activity Theory, we analysed marketing throughout the four stages. The results are given in Tables 2 to 5.

Pre-receipt of invitation to tender

At this stage the focus of marketing is strategic. The work is shared by executive management and marketing, including client and account management, thus supporting Proposition 5. One of our interviewees said:

“At this stage we are driven by strategic intent. ... We are looking to develop key markets”

We have shown the 4Ps of marketing, (product; price; promotion; and place of sale), as a rule that provide constraint, (Kotler & Lane, 2008). This will be the case throughout the four stages. We find that standard theory acts as a guide to project marketing. The main focus at this stage is on matching the firm's competencies to the client's requirements and understanding the client's true requirement. Matching the firm's competencies to the client's requirements is obviously key in deciding whether to pursue this opportunity. Understanding the client's true requirement will be significant here and at the next stage. It is about understanding the benefit they want, and not just the technology they are looking for. Understanding the client's benefit is part of the service-dominant logic of marketing, (Vargo&Lusch, 2004; Lusch, Vargo& O'Brien, 2007).

We have shown the four enablers of cooperation as rules guiding this stage, as we will for all four stages. Our data suggested that the focus of the four enablers at this stage is relationship building and developing trust. This is the same as identified by Lecoeuvre & Deshayes (2006). Relationship building is very important. One of our interviewees said:

“It is important to build relationship before receiving the tender. When the tender comes it is too late.”

However, a significant constraint is the need for probity. This had a range of impacts on the firms interviewed. All have to be concerned about adhering to rules for bribery and corruption. But in the onshore oil and gas industry probity eliminated almost all direct contact with the client. The contractor could respond to requests from the client, for prequalification purposes for example, but not have the direct, one-to-one meetings, such as strategy meetings, other contractors were able to have. Effectively the client's concern for probity, and not giving one contractor an unfair advantage, was limiting the contractor's ability to do project marketing and build relationships. Our interviewees in the building and defence industries had no such constraint, and engaged in strategy meetings with the client. The off-shore oil and gas industry was somewhere in between, but our interviewees said that they often suggested potential opportunities to the client.

Market segmentation also takes place. As suggested by Proposition 5, executive managers will be selling to the client's executive managers, the marketing, client or account managers will be selling to the client's general managers who are buying the solution, and when they are involved the technical managers will be selling to the client's operations managers.

The main elements of the community are the firm and the client. However, the firm needs to be concerned about potential competitors and begin to make contact with potential contractors, sub-contractors and suppliers. Industry bodies may also be able to provide information. At this early stage as well, it is good to start to develop relationships with the local community and local politicians.

Tender preparation and contract negotiation

At this stage the focus of marketing is tactical. The executive management team are no longer involved, but the project management team are now involved. Some of the work may be given to sub-contractors or suppliers. Client or account management showed a particular concern about the submission of the tender, and suggested that they would have the final act before submission to “massage” the tender to increase the attractiveness to the client.

As with the previous stage, probity, the 4Ps, market segmentation and the enablers of collaboration are rules. A constraint from within the firm is the need to apply lessons learnt, and apply internal and external standards. Understanding the client's budget and whether that lets the contractor make a profit was also key. Within the 4Ps, there is now a focus on product, price and promotion. The main focus of the product continues to be understanding the client's true needs and matching the client's needs to the firm's strengths. One of our interviewees said:

“A key initial step is to understand the customer's requirement. What benefit do they want? Don't just deliver the technology they are asking for.”

Again this fits within the framework of the service-dominant logic. Setting a winning price is clearly important. As we have said, several of our interviewees indicated that it was important to be aware of the client's budget. Offering effective project and program management also provided additional benefit to the client that would enable the firm to charge a higher price. The different organisations also took significant opportunities to promote themselves through the tender exercise.

We identified that at this stage all four enablers of cooperation are important. In all industries relationships and communication became more formal at this stage. In the onshore oil and gas industry it is very formal. The only contact allowed with the client is to post questions on the client's web page that all contractors can see. In the past the client would allow each contractor to have one meeting and then distribute the minutes of the meeting to all contractors. But since only 30% of communication is in the words used, the minutes only communicate 30% of what the contractor learnt at the meetings. So contact is now limited to questions posted on the client's web-page, so no contractor gains unfair advantage. The defence contractor worked hard at this stage to understand the client's true need, and that required more meetings with the client. In this industry it may be more difficult to divine the client's true needs and so a closer working relationship may be necessary. Several of our interviews also talked in terms of developing a partnership with the client, indicating the significance of collaboration. There are also several components of trust, including trust of competence and trust of ethics, (Turner, 2014). The client will be concerned about the adverse selection problem at this stage, (Turner, 2014), and so it is important for the contractor to build the client's trust in its competence and ethics, and make the client believe that the contractor is a company that the client wants to work with.

Providing local content is often an important requirement, particularly in the off-shore oil and gas industry. If it is, then it becomes significant at this stage.

Project delivery

The focus of marketing is now operational. It becomes the responsibility of project managers. Patel (2010) found that in general project managers do not think they have much responsibility for marketing, but we have found that they have significant responsibility at this stage. Most of our interviewees said that performance on the project was important for winning future business and that project managers should be looking for future opportunities. One of our interviewees said:

“Real business development is the project itself. The business development task is the ongoing project”

The 4Ps, service dominant logic, and the four enablers of cooperation remain rules at this stage. But now adherence to standards and codes and to local laws and regulation, and to the terms of the contract is important. It is also important to maximise the use of lessons learned. Local content is also important.

With the 4Ps, delivering the client's requirement is important. The service-dominant logic says that the client gets no benefit until the output works, (Vargo&Lusch, 2004; Lusch et al, 2007). Effective project and program management will provide the customer with value for money. And regular meetings with the client will take place on the project.

Service-dominant logic also suggests that the contractor should be looking for a win-win solution with the client. Most of our interviewees talked in terms of a partnership with the client rather than collaboration with the client. One of our interviewees said:

“We do with the client rather than unto the client”.

Post project

During the post-project phase, the focus is operational, tactical and strategic. Project managers, marketing or account managers and executive managers are involved. We suggested earlier it is important to maintain a sleeping relationship with the client, and that is done at an operational level by logistics support, maintenance, training and mentoring (going with). Project managers should also work to identify new potential opportunities. The client and account managers will be working with the client to ensure that the project output works to satisfy the client's need and will be working with them to identify new opportunities. The executive managers will continue to explore new strategic opportunities with the client's executive management. The idea that project management is part of project marketing says the project stops but marketing continues. We suggested earlier that both are part of portfolio management, but marketing is a continuous function, whereas the project does end.

It is important to build and maintain trust at this stage for the next project. Lecoevre & Deshayes (2006) suggested that at this stage of the project, of the four enablers, three are important: relationships, communication and trust. We specifically identified trust. The emphasis now has changed from trust in competence to trust in ethics. One of our interviewees said:

“We have to be trusted by our client. That we are not going to take them for a ride.”

At this stage, a common rule among our interviewees is to gather the lessons learnt from completed projects. A rule observed at the earlier stages was to make use of the lessons learnt from previous projects. At the post-project stage gathering the lessons learnt was an important part of the cycle that populated the knowledge base and an enabler for this rule. We observed at the earlier stages that trust of the client in the contractor's competence was important such as at the pre-tender quantification. The lessons learnt are an enabler for the contractor to improve competence and further develop trust with the client.

Enablers of Cooperation

As noted above, our interviewees also all reported that they put substantial effort into building and maintaining the four enablers of cooperation, thus confirming Proposition 4. This aligns the marketing approach with the service dominant logic of marketing, (Vargo & Lusch, 2004; Lusch et al, 2007). Tables 6 to 9 show the marketing activities to build and maintain the four enablers of cooperation.

Relationships

Relationships are essential. They are to an extent what it is all about, and are a key part of the service dominant logic since that is about building networks. One of our interviewees said:

“It is all joint. ... Because we have a good relationship, we know how to deal with everybody. They all have their own peculiarities, but we know them well. ... How we maintain the relationship makes us the partner of choice”

The four enablers of cooperation are all linked. Communication and trust are key elements of building and maintaining relationships, and relationships, as we shall see, are a key part of collaboration. Also, as we said above, training, mentoring, logistics and maintenance support are also all essential elements of building and maintaining relationships. Probity is an important rule for relationships. There are rules around what contractors can and can't do. Building trusts is also an essential rule. Demonstrating ethics and adhering to the client's cultural norms are key to trust.

Communication

Communication pervades the enablers of cooperation. Communication is two way; it involves listening as well as talking. Solving the client's true problem shows you are listening. It is also important that communication occur at the right level, so an escalation procedure is key.

Collaboration

Many of our interviewees talked in terms of developing a partnership, which goes beyond collaboration, but fits with the service dominant logic. As we said above, one of our interviews talked in terms of doing with rather than doing unto, which is a key idea behind the service-dominant logic, (Vargo&Lusch, 2004; Lusch et al, 2007). Another said:

“Fit with the customer can provide a strong competitive position”

Training, mentoring (going with), and logistics and maintenance support are project management activities which are all a key part of collaboration.

Trust

Finally trust is essential. As we said above, there are two key elements of the client's trust of the contractor, trust in ethics and trust in competence. Probity, honesty and transparency are rules for maintaining trust in ethics, and successful delivery of projects builds trust in competence. Trust is also two way. The contractor must trust the client, and most of our interviewees said they would walk away from relationships where they didn't trust the client.

Conclusions

Propositions

We suggested five propositions.

Proposition 1: Contractors exist to integrate and transform their specialist competencies into services that are demanded in the market place, and which can provide their customers with value. That ability provides them with competitive advantage.

Our interviewees all suggested that they were not marketing projects. They are marketing their competence, their trustworthiness, and their nature as an organization that clients want to work with.

Proposition 2: There are four stages of project marketing by contractors: pre-project; tender preparation; project delivery; and post-project.

The four stages were familiar to all our interviewees. They were able to describe the activities they do at all four stages, and identified distinct activities at the four stages.

Proposition 3: As part of project portfolio management, the contractor markets its competencies. Successful marketing activities will result in project work, but continues after project completion.

Making the client aware of their competencies was significant in the pre-project and tender preparation phases. We saw that contractors thought it was important to minimize the adverse selection problem by making the clients aware of both their competence and ethical standards. Project marketing is a continuous process that takes place at the project portfolio level. It results in projects, but continues both before and after projects.

Proposition 4: There are four essential elements of the cooperative development between clients and contractors, which should form part of project marketing: relationship management; communication; collaboration; and trust.

Our interviewees thought that all four elements of cooperation were significant in building and maintaining relationships with clients. In accordance with both the service dominant logic of marketing, (Vargo&Lusch, 2004; Lusch et al, 2007), and the concepts of organizational project management, (Aubry et al, 2012), contractors aimed to build networks, conversations and dialogues with customers, to develop solutions of value both to their clients and themselves.

Proposition 5: Different market segments exist within the client organization, and those market segments need to be the focus for different messages, and approached by different staff members.

Executive managers, marketing managers and project managers all took responsibility for marketing at different stages of the life cycle. Executive managers took an interest in strategic issues, and communicated with the client's decision makers. Marketing managers and account managers focused on tactical issues, and communicated with the client's general managers. Project managers took an interest in operational issues and communicated with the client's operational managers.

Research questions

We can therefore answer our three research questions.

RQ1: What practices are adopted by contracting companies in project-based industries to create networks and processes with their clients to persuade the clients that they can make product offerings that will provide the client with value?

We used Activity Theory to identify the practices adopted by contractors in project-based industries to market their competencies to their clients. These are described in Tables 2 to 5. The focus of the practices is different at each stage of the life-cycle, and a variety of tools are used. Common rules applied were the need for probity, the 4Ps of marketing, the service-dominant logic and market segmentation. Other rules included the need to apply building standards, rules and codes, lessons learnt, and the need to understand the client's true requirement and their budget. The community primarily included people in the company and the client, but also included suppliers and sub-contractors, industry and trade bodies, the local community and local politicians. The division of labour was between managers at different levels of the organization, because of the need for market segmentation.

RQ2: What practices are adopted by contracting companies in project-based industries to create conversations and dialogues with their clients to persuade the clients that they can make product offerings that will provide the client with value?

We used Activity Theory to identify the practices adopted to develop cooperation with the client against the four elements of cooperation, relationship management, communication, collaboration and trust. These are described in Tables 6 to 9. Common rules included the need for probity, trust, honesty and transparency. They also included the need to listen to the client and solve their true need, and to have an escalation procedure to deal with issues. The community and the division of labour were similar to the practices for project marketing throughout the contract life-cycle, (RQ1).

RQ3: Who is responsible for the project marketing activity, at what stage are they engaged, and who is their target audience?

In accordance with Proposition 5, we see that executive managers, marketing and account managers and project managers have responsibility for different elements of marketing.

General conclusions

Four points stood out:

1. The service dominant logic pervades marketing by contractors in project-based industries to win new business. Contractors exist to undertake work on projects that the client (initiator) cannot do for themselves. The contractor has competencies that the client does not have internally, and provides those services to the client to enable the client to undertake their projects. Contractors have knowledge, competencies and skills that clients need, and the ability to use those to provide value to the client gives them with competitive advantage. Contractors need to get those messages across to the client, and demonstrate their validity through their marketing activities.
2. Through the contract life-cycle, the marketing activity starts as strategic, becomes tactical and then operational. Then in the post project stage it is all three. It starts as the responsibility of executive managers, passes to marketing or account management, and to project and technical managers.
3. Project managers have a responsibility for project marketing. Patel (2010) suggested they are often not aware of this. They need to understand that tender preparation is a key element of project marketing. In addition, during project delivery, they need to be aware of potential future opportunities, and build relationships through post-project activities such as training, mentoring, logistics and maintenance support. Also the ability to provide effective project and program management provides competitive advantage, which demonstrates competence, helps a contractor to develop relationships with various clients, win work and charge a higher price.

Academic implications

As a contribution to theory we have identified the practices adopted by contractors in project-based industries to market their competencies to clients to win new work. We have identified practices throughout the contract life-cycle, and practices to develop cooperation. The next step will be to explain these practices in terms of traditional marketing theory.

Practical implications

The results can provide guidelines to contractors in project-based industry who wish to improve their marketing activity.

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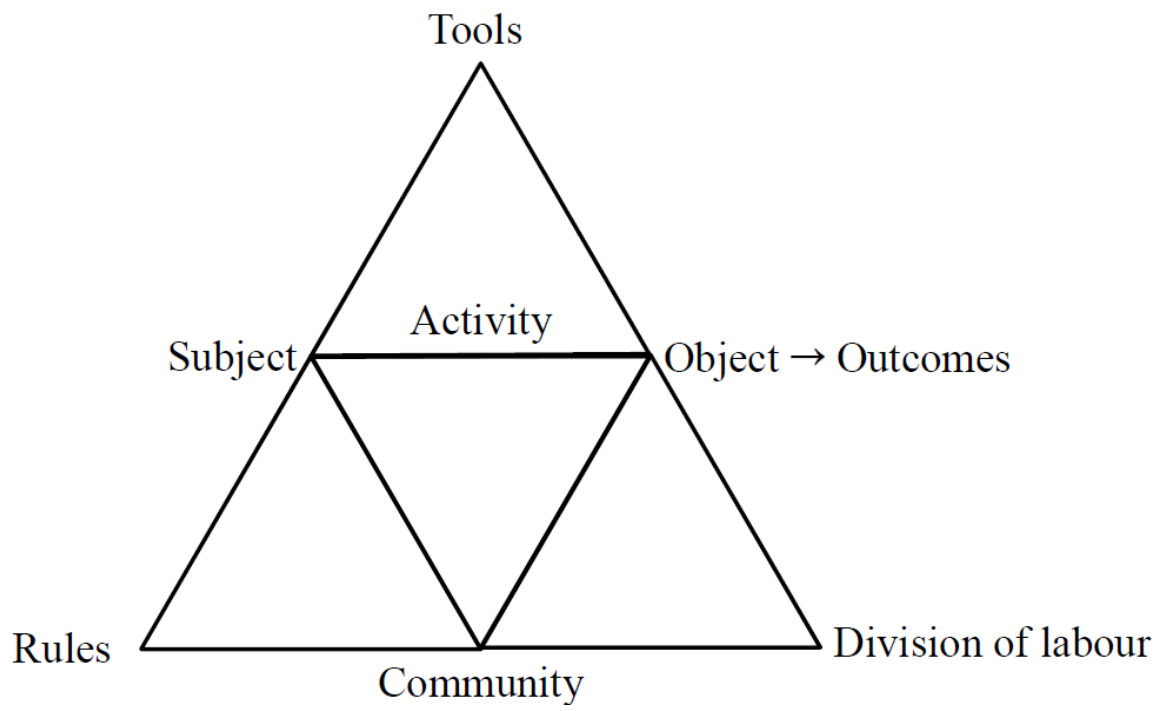


Figure 1: Activity Theory

Table 1: Organizations interviewed.

<i>Firm</i>	<i>Division</i>	<i>Role of person interviewed</i>
Defence contractor	British subsidiary	Program management office lead
Design and construction contractor from the Oil and Gas Industry	Head office - onshore	Senior Vice-president, Business and Technology Development
	Brazil office - offshore	General Manager, Brazil
		Regional Manager, South America
	Dubai Office - offshore	Regional Manager, Middle East
	London office - offshore	Regional Manager, EMEA
Supplier of transmission systems, maintenance and logistics support	Milan office	Platform manager
Design and construction contractor in the building industry	Sydney Office	
Facilities management contractor	Sydney office	

Table 2: Marketing during the Pre-Receipt of Invitation to Tender Stage.

	Tools	
	<p>Maintenance of relationship with clients</p> <p>Monitor opportunities at client</p> <p>Suggest opportunities to client</p> <p>Strategy sessions with client senior management</p> <p>Maintain contact with industry</p> <p>Trade studies</p> <p>Review of macro economy</p> <p>Scanning of environment</p> <p>Pre-qualification</p>	
Subject	Activity	Object
Company	<p>Product</p> <p>Matching strengths to client requirements</p> <p>Understand client's true requirement</p> <p>Relationship</p> <p>Meetings with client</p> <p>Trust</p> <p>Develop trust</p> <p>Demonstrate cultural sensitivity</p>	<p>Safe and profitable business</p> <p>Win new work</p> <p>Identify potential clients (based on strategic intent)</p> <p>Relationship</p> <p>Understand client's true requirement</p> <p>Identify opportunities</p> <p>Industry contact</p> <p>Prequalification</p>
Executive management team	Scanning economy	Identify potential clients (based on

	Scanning industry	strategic intent) Identify opportunities
Account/Client manager	Talking to client Capturing information	Build relationship Understand client's true requirement
<p>Rules</p> <p>Probity</p> <p>4Ps</p> <p>Service dominant logic</p> <p>Segmentation</p> <ul style="list-style-type: none"> • inter client • industry <p>Positioning</p> <p>Enablers of cooperation</p>	<p>Community</p> <p>All involved in company</p> <p>Potential client</p> <p>Competitors</p> <p>Potential suppliers</p> <p>Contractors/sub-contractors</p> <p>Industry bodies</p> <p>Local community</p> <p>Local politicians</p>	<p>Division of Labour</p> <p>Marketing team</p> <p>Executive management team</p>

Table 3:Marketing during the Tender Preparation and Contract Negotiation Stage

	<p style="text-align: center;">Tools</p> <p>Decision to tender</p> <p>Understand customer needs</p> <p>Tender documents</p> <p>Start-up meeting</p> <p>Communication</p> <p>Technical, financial and contract data</p> <p>Lessons learnt</p>	
Subject	Activity	Object
Company	<p>Product</p> <p>Understand customer's true needs (Offer solutions not requirements)</p> <p>Match to competencies</p> <p>Price</p> <p>Determine price</p> <p>Sell effective project and program management</p> <p>Promotion</p> <p>In tender</p> <p>Relationships</p> <p>Often formal</p> <p>Communication</p> <p>Often formal</p> <p>Collaboration</p> <p>Want to be partners, one entity</p> <p>Trust</p>	<p>Win tender bid</p> <p>Make a profit</p>

	<p>Sell competence</p> <p>Provide local content</p>	
Account/Client Manager	<p>Manage tender submission ("Massage")</p> <p>Application of lessons learnt</p>	<p>Win tender bid</p> <p>Make a profit</p>
Tender team/Project Manager	<p>Prepare tender submission</p> <p>Pulling together technical data</p> <p>Construction methodology</p> <p>Pricing and contract terms</p> <p>Exclusions</p> <p>Schedule</p> <p>Massage tender</p>	Tender submission
<p>Rules</p> <p>Probity</p> <p>4Ps</p> <p>Service dominant logic</p> <p>Market segmentation</p> <p>Enablers of cooperation</p> <p>Application of lessons learnt</p> <p>Building standards</p> <p>Know client's budget, and does that let you make a profit</p>	<p>Community</p> <p>All involved in company</p> <p>Potential client</p> <p>Competitors</p> <p>Potential suppliers</p> <p>Contractors/sub-contractors</p> <p>Industry bodies</p> <p>Local community</p> <p>Local politicians</p>	<p>Division of Labour</p> <p>Marketing, account and client management</p> <p>Project managers, tender team</p> <p>Contractors, sub-contractors and suppliers</p>

Table 4:Marketing during the Delivery Stage

	<p style="text-align: center;">Tools</p> <p>Daily, weekly and monthly meetings</p> <p>Technical systems</p> <p>Contract</p> <p>Competence</p> <p>Communication</p> <p>Web-sites</p>	
Subject	Activity	Object
Company	<p>Delivery of project</p> <p>Update company records (Web site)</p> <p>Maintain relationship with local community</p> <p>Provide social support</p> <p>Product</p> <p>Deliver requirements</p> <p>Price</p> <p>Effective project and program management to provide value</p> <p>Place of sale</p> <p>Regular meetings</p> <p>Relationship</p> <p>Win-win</p> <p>Regular meetings all stages</p> <p>Maintain networks</p>	<p>Happy customer</p> <p>Ongoing relationship (Repeat business)</p> <p>Delivered at a profit</p> <p>Good reference</p> <p>Completed project output</p>

	<p>Customer satisfaction</p> <p>Communication</p> <p>Regular meetings</p> <p>Collaboration</p> <p>Do with</p> <p>Trust</p> <p>Work hard</p>	
Project manager	Marketing during delivery of project	<p>Successful output</p> <p>capable of delivering outcome</p> <p>Keep client happy</p> <p>Promote company</p>
<p>Rules</p> <p>Building codes</p> <p>Standards</p> <p>Laws</p> <ul style="list-style-type: none"> • contract • environmental • health & safety <p>Local content</p> <p>4Ps</p> <p>Service dominant logic</p> <p>Enablers of cooperation</p> <p>Adhering to lessons learnt</p>	<p>Community</p> <p>All involved in company</p> <p>Client</p> <p>Competitors</p> <p>Suppliers</p> <p>Contractors/sub-contractors</p> <p>Industry bodies</p> <p>Local community</p> <p>Local politicians</p>	<p>Division of Labour</p> <p>Project manager</p> <p>Suppliers, contractors, sub-contractors</p>

Table 5:Marketing during the Post-project Stage

	Tools	
Subject	Activity	Object
Company	Fixing punch list Logistics support Training & mentoring Relationship building Regular client events Maintain relationship with client Understand client's opex and capex budgets Do lessons learnt Maintain relationship with local community Product Make sure it works Price Don't take advantage of the client Trust Don't take advantage of the client	Successful hand-over Ongoing business Maintain relationship
Executive management team	Review lessons learnt Interact with client board Identify next opportunity	Win more work Repeat business
Account/Client manager	Develop lessons learnt	Win more work

	<p>Interact with client, outcome working</p> <p>Identify next opportunity</p>	<p>Repeat business</p> <p>Lessons learnt</p>
Project manager	<p>Fix punch list</p> <p>Collect lessons learnt</p> <p>Interact with client, output working</p> <p>Identify next opportunity</p>	<p>Happy client</p> <p>Lessons learnt</p>
<p>Rules</p> <p>Gather lessons learnt</p> <p>4Ps</p> <p>Market segmentation</p> <p>Service dominant logic</p> <p>Enablers of cooperation.</p>	<p>Community</p> <p>All involved in company</p> <p>Client</p> <p>Suppliers</p> <p>Contractors/sub-contractors</p>	<p>Division of Labour</p> <p>Project manager</p> <p>Suppliers, contractors, sub-contractors</p>

Table 6: Marketing activities to build and maintain relationships

	Tools Regular meetings Events Systems, web-sites, CRM Project language Competence Brand champions Relationship matrix	
Subject Company	Activity Regular meetings Events Communication Maintaining networks Working with local partner Work through industry bodies Provide training Provide logistics support Monitor customer satisfaction Provide local content	Object Relationship building with client Get new business Do current job well Satisfied customer

Rules	Community	Division of Labour
Probity	Executive manager	Executive management early
Rules around what you can't	Client/account managers	on
do	Project managers	Client/account manager pre-
Develop trust		project
Cultural norms, ethics	Contractors/sub-contractors	Project manager during
	Suppliers	delivery
		All post project
	Local politicians	
	Local community	

Table 7: Marketing activities to build and maintain communication

	<p style="text-align: center;">Tools</p> <p>Regular project control meetings</p> <p>Regular strategy sessions with client</p> <p>Workshops with client</p> <p>Company data</p> <p>Brochures and web pages</p> <p>Marketing events</p> <p>Logistics support</p> <p>Training</p> <p>Issue escalation procedure</p>	
Subject	Activity	Object
Company	<p>Hold regular meetings</p> <p>Run marketing events</p> <p>Run workshops with client</p> <p>Work with client to find solutions</p> <p>Provide information for pre-qualification</p> <p>Receipt of invitation to tender</p> <p>Provision of tender</p>	<p>Build relationship with client</p> <p>Keep client informed of progress</p>

	<p>Asking questions of clarification on tender</p> <p>Escalate issues</p> <p>Conduct post completion reviews</p> <p>Provide logistics support</p> <p>Provide training</p>	
<p>Rules</p> <p>Keep people informed</p> <p>Listen</p> <p>Solve client's true problem</p>	<p>Community</p> <p>Company</p> <p>Client</p> <p>Contractors/subcontractors</p> <p>Suppliers</p> <p>Politicians</p> <p>Local community</p>	<p>Division of Labour</p> <p>Everybody is responsible for communication at some stage</p>

Table 8: Marketing activities to build and maintain collaboration

	Tools	
<p style="text-align: center;">Subject</p> <p>Company</p>	<p style="text-align: center;">Activity</p> <p>Research client</p> <p>Understand requirement</p> <p>Offer solutions not requirements</p> <p>Develop fit with the customer</p> <p>Understand the client's budget</p> <p>Logistics support, maintenance and training</p> <p>Do free work or sell at a lower price to win future work</p> <p>Joint solving of issues</p> <p>Provide global reach</p> <p>Provide local content</p>	<p style="text-align: center;">Object</p> <p>Win-win</p> <p>Partnership</p> <p>Doing with, not doing to</p>

<p style="text-align: center;">Rules</p> <p>Service dominant logic</p>	<p style="text-align: center;">Community</p> <p>Company</p> <ul style="list-style-type: none"> • Executive managers • Client/account managers • Project managers <p>Client</p> <p>Contractors/sub-contractors</p> <p>Suppliers</p> <p>Local community</p>	<p style="text-align: center;">Division of Labour</p> <p>Everybody is responsible for c at some stage</p>

Table 9: Marketing activities to build and maintain trust

	<p style="text-align: center;">Tools</p> <p>Successful projects</p> <p>Company data</p> <p>Unpaid or under-paid work</p>	
Subject	Activity	Object
Company	<p>Work well with client</p> <p>Sell competence</p> <p>Do with, rather than unto</p> <p>Doing unpaid or under-paid work</p> <p>Do not by-pass client</p> <p>Do not compete against client</p> <p>Know the client's modus operandi</p> <p>Work with trustworthy clients</p> <p>Walk away from untrustworthy clients</p>	<p>Trust</p> <p>Honesty</p> <p>Transparency</p> <p>No surprises; no black holes</p>
Rules	Community	Division of Labour
Probity	Company	Everybody is responsible for

<p>Rules around what you can't do</p> <p>Successful delivery of projects</p> <p>Honesty</p> <p>Transparency</p> <p>Escalation procedure</p> <p>Trust the client</p>	<ul style="list-style-type: none"> • Executive managers • Client/account managers • Project managers <p>Client</p> <p>Contractors/sub-contractors</p> <p>Suppliers</p>	<p>building trust at some stage</p>
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