

## THE IMPACT OF PROJECT MARKETING ON THE PROJECT'S FINALITY

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In the last years we assist at the level of the Republic of Moldova and also at international level at a trend to offer financial support with a special focus on project-based funding. Once with the appearance and development of the project concept, other related concepts are being developed such as project management or newly, we can also speak about the projects marketing. Until recently, the product marketing was intensely discussed; concepts such as services marketing appeared afterwards, but also the specific marketing for various branches, such as agromarketing, political marketing, etc. Given that fact that the projects are a product / service itself, at the moment, more and more often projects marketing is discussed.

Although many people believe that marketing is not really a ethical tool to stimulate product or service purchasing or consuming, should be emphasized that, namely this interpretation in the wrong way, generates the opposite effect of social benefit that should be brought by marketing.

Developing the concept of projects marketing and highlighting the necessary aspects to be aware at the time of writing project proposals can help accelerate the economic development of the Republic of Moldova, enhance the country's competitiveness at the international level and implicitly, European Integration.

In lasts years it can be observed that there has been a growing trend of offering funds on project bases. Perhaps this is argued by the projects essence to organize human, material and financial resources, in a specifically way to realize a work in a field, with determined characteristics, cost and time restrictions, following a standard life cycle to achieve beneficial changes defined by **quantitative and qualitative targets** (Project Management Association Romania, 2002). Thus, the financial resources are oriented to achieve a goal, in a certain period of time with a certain amount of resources.

Such organization of activities and resources are highly attractive to the donors, taken into account the advance knowledge of the actions to be taken, the necessary time for their achievement and the required financial resources.

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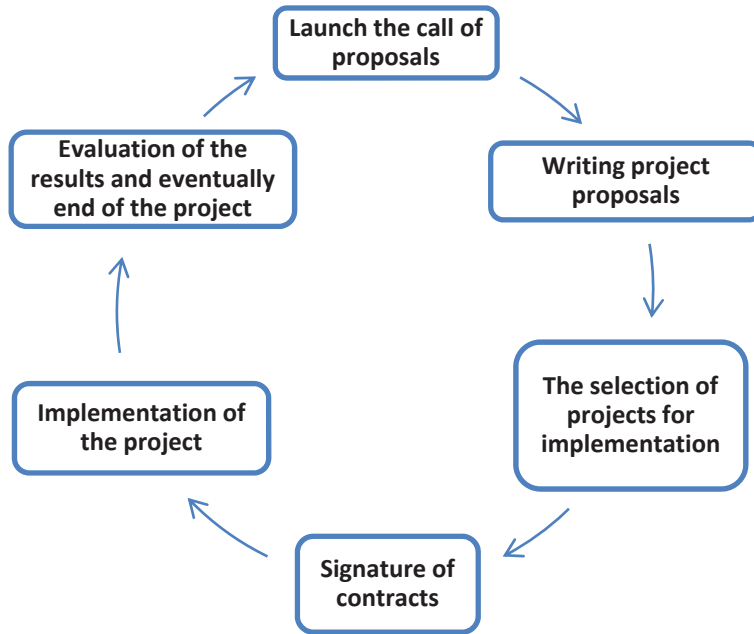
Projects are of several types. They may differ depending on the complexity, funding source, field, duration etc. The main classifications of projects are (McCollum&Bănuț, 2005):

1. By their complexity:
  - integrated or independent complex projects;
  - simple projects;
2. By their financial support source:
  - projects with public financing;
  - projects with private financing;
  - projects with mix financing;
3. By financing duration time:
  - short-term projects;
  - medium-term projects;
  - long-term projects;
4. By project consequences:
  - construction projects;
  - product projects;
  - information projects;
  - human resources development etc.
5. By branch of activity:
  - education projects;
  - health projects;
  - agriculture projects;
  - public administration projects;
  - environmental projects etc.

To these classifications can be added many other. However, it is necessary to be specified and such classifications as:

6. By the final goal:
  - For producing social changes;
  - For producing economical changes;
  - For producing socio-economical changes;
7. By the origin of funding sources:
  - With local funding;
  - With external funding;
  - With combined funding.

Each project is characterized by a life cycle. Thus, in the figure below are shown the main steps through which a project is running from contest announcement, to results evaluation.



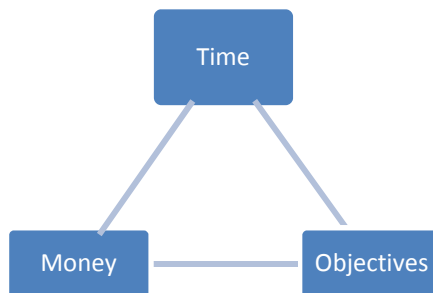
**Figure 1: The project life cycle**

It should be noted that, depending on the field, or project type, some steps are omitted, or contrary, there are intermediary stages.

As is well known, the project success depends on several factors. Among them, the most important are: successful planning of the project time, appropriate estimation of financial resources, the implementation team and project management etc.

According to Ph. Kotler, any project depends on three factors (Kotler & Dubois, 1994):

1. Time - time requirement as it is reflected by the initial project planning;
2. Money - the project budget based on the cost of required resources;
3. Project Objectives.



**Figure 2: The project dependencies factors**

4. According to the author, these terms define project "triangle", and the change of any of them leads to the change of other two. Although the importance of these three factors is considered equal to the aggregate level, depending on the type of individual project, one factor is predominant, and management style and toolbox is chosen according to the dominant factor.

5. It should be noted that there are many projects that, although they had a well defined objective, financial resources and time well planned and a good management, have not reached maximum potential they had. It is worth mentioning that in the case of an inappropriate staff, an ineffective communication / promotion or its lack, a successful project cannot be achieved.

6. If until recently was known the concept of project management, which **defines all the activities of planning, organizing, monitoring and controlling** the elements of a project in order to achieve the project **objectives** based on the criteria: **field, cost, time, quality** (McCollum & Bănuț, 2005), currently, more appropriate is to approach the projects and from the marketing perspective.

7. The concept of projects marketing is relatively new, less known, studied and limited from the point of view of implementation. Researchers in the field of marketing define **the concept of projects marketing** as a set of activities that take place before winning a contract. They analyze projects marketing as marketing activity related to the large projects such as construction or power plants (Cleland & Gareis, 2006).

8. This new project approach seems to be less popular and marginalized as well by the project managers. Because of the lack of extensive research in this field and promotion of the concept to a large scale, the projects marketing approach is one that remains at the concept level and untapped at the real capacity and usefulness.

Thus experts in the field seem to be divided into two groups: those who consider project marketing as a broader concept than project management and those who consider that it incorporates more specific activities than the project management.

In their paper "Project marketing implementation and its link with project management and project portfolio management" (Lecoeuvre & Koninika, 2009), Lecoeuvre Laurence and Koninika Patel analyzes the positions of these **two groups of researchers**.

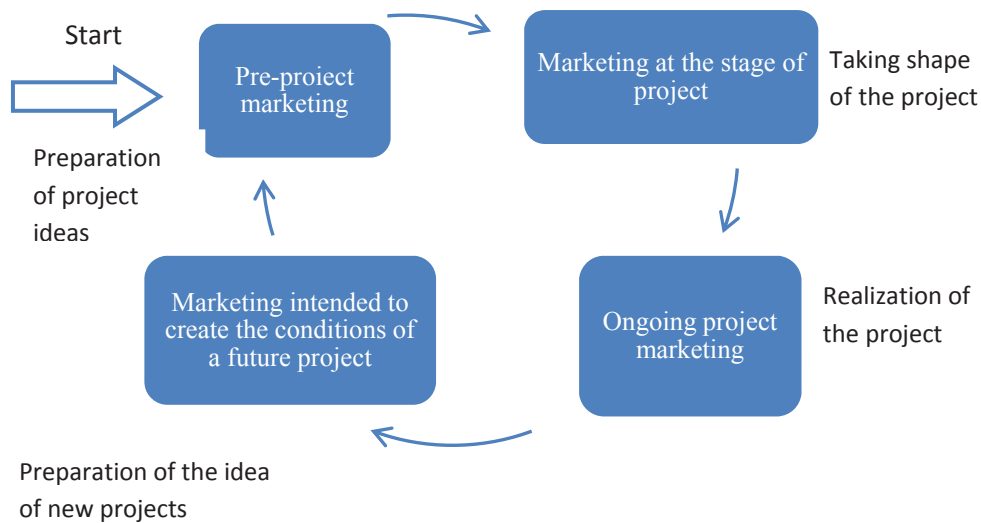
According to the paper, to the first group of authors formed by researchers in the field of marketing (Cova & Salle, 2005), (Cova et al., 2002), (Skaates & Tikkanen, 2003), (Tikkanen et al., 2007), (Lecoeuvre-Soudain & Deshayes, 2006), (Blomquist & Wilson, 2007), (Cova & Hoskins, 1997), they consider that project marketing incorporates four major phases:

1. Pre-project marketing: At this phase, project does not exist yet, but the supplier anticipates rules and the action range (competitors, market, etc.), identifies targets and keeps in touch with the client;

2. Marketing at the start of the project: Supplier starts with a co-construction of rules beside and within the network of influential relationships;

3. Ongoing Project Marketing: The supplier, client, and subcontractors proceed with renegotiation, modifications, follow-up, and meetings following one another with constant relationship exchanges until the end of the project;

4. Marketing intended to create the conditions of a future project: Based on the process master of ongoing project, this corresponds to the ‘possible periods in which there are no projects’ and to International Project Marketing’s studies about “sleeping relationships” and enables to manage discontinuity in project business in preparing future projects.



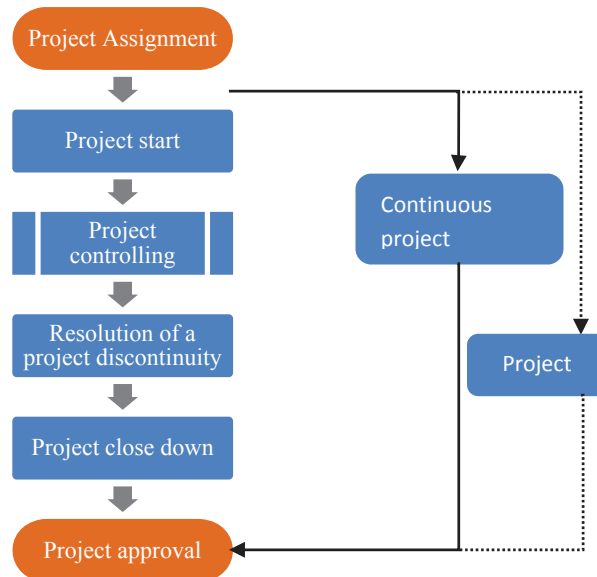
**Figure 3: Phases in the Project Marketing Process**

It is noteworthy that this group of authors considers that once the project management is solving organizational and management problems, project marketing is solving sales and marketing problems.

They define a project strictly from the marketing perspective stating that a project 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). This group of researchers reveals as basic aim of the project marketing – the projects acquisition. However, the project marketing is an ongoing process that lasts and during the projects running. Thus, the function of project marketing cannot be delimited only to the projects acquisition.

A **second group of researchers**, is formed from project managers: International Project Management Association (IPMA), Project Management Body of Knowledge (PMBok), PRINCE2, (Cleland & Gareis, 2006), (Gareis, 2002), (Turner, 2008), (Turner, 2002). They are considering that the project management is a process and project is a social construction. This group of researchers perceive the project marketing as the process that

provide adequate attention from management to minimize conflicts within the projects and ensuring appropriate relations with relevant environment. Thus, this group defines project marketing rather as communication activities with relevant project environments and business management and incorporates the project marketing function in charge of the project manager.



**Figure 4: Project Management Process**

Analyzing the two approaches to marketing projects we can conclude that, although the first group of researchers incorporates in project marketing both the pre-project and project phase, they include in the project marketing and the phase of conditions creations for the future projects. Or this phase is not related to the project marketing directly, but rather to the marketing activity of the company. Such approach is probably appropriate for companies working on a project basis, but what about the projects that appears sporadically, depending on the needs of solving problems? This concerns in particular the social projects. For this case, the second group of researchers approach is more appropriate, but it does not include in the project marketing the preliminary stage of project acquisition or initiation.

The exclusion from the project marketing of the preliminary phase of the project acquisition would mean a huge mistake. So, many projects fail to be valued at full capacity, particularly because of the rupture created by the delimitation of the pre-project stage by the direct realization of the project.

To solve the dilemmas in the visions of the two groups of researchers, is proposed to present the project marketing as an intermediate vision of the two above described, where marketing activity begins with identification of the potential projects and ends with the project completion.

In support of this vision comes the analysis of project marketing from the perspective of a unique good / service. This approach draws a parallel between the project and the product or service and identifies its components in terms of the 5P: product, price, place, promotion and personnel. Through this approach, the project marketing activity is no longer only about communication and promotion, but is focused on all components of a project.

For further description of this vision it is necessary to highlighting current shortcomings of the marketing interpretation.

Thus, widely we can find approaches where marketing is the set of actions for the goods or services promotion and sales.

However, marketing has a much wider range of tasks. According to McCarthy's approach, marketing is focused on four components, or mix to those 4Ps (McCarthy, 1964): product, price, place, promotion, purpose of which is to meet the needs of a customer or group of customers. Later, the concept was expanded in services at 5P, 7P or 9P etc.

Further, to describe the project marketing will be considered the 5P concept from the service sector, which to 4P from the case of tangible, include for services the fifth "P", the personnel, which directly influences the quality of provided services.

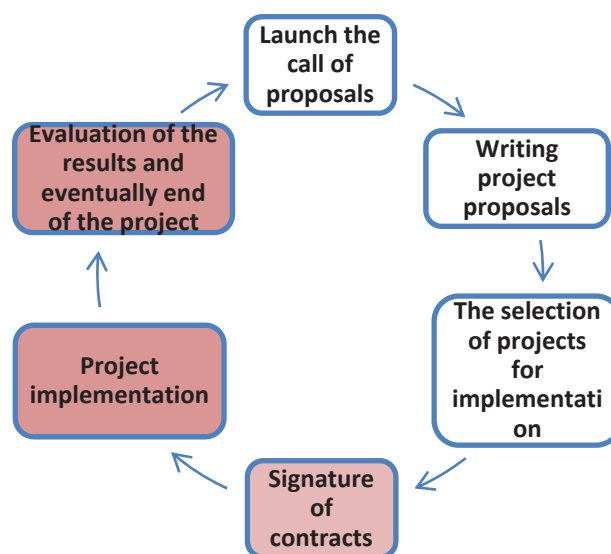
Making a parallel between a good or service marketing and project marketing, we can then determine the following relationships:

The component	The product/service	Project
Product	An item that meets the needs of the consumer.	The idea itself / project aimed at resolving the problem or satisfying the need.
Price	The amount that a customer pays for the product / service.	Project implementation cost (wages, time, direct expenditures for activities etc.).
Placement	Provision of the product/ service in a place accessible to the customer.	Area where the project is implemented.
Promotion	All media tools used to communicate with customers / potential customers about the characteristics of the good or service.	All activities related to communication and promotion of the idea among decision makers, people involved in implementation, but also the general public.
Personnel	The people involved in the production of good / service delivery.	The persons directly involved in the implementation of the idea, and policy makers.

**Figure 5: The correlation between the 5P concept for services marketing and project marketing**

According to the information presented in the figure above, the concept of project marketing include both, the project proposal writing, by defining the objectives, activities,

project duration, budget, venue etc., and the stage of the project implementation, through promotion and personnel involved. Analyzing the Figure 1, the project life cycle stages in which mainly is involved the project management, is observed the initiation of management activity by signing contracts, and active involvement in the implementation and completion of the projects. Although in some cases, the project proposal writing is an integral part of project management, this stage is often in case of individual projects a separate step, and management activity is discontinuous from the other three mentioned above.



**Figure 6: Phases involving project management in the project life cycle**

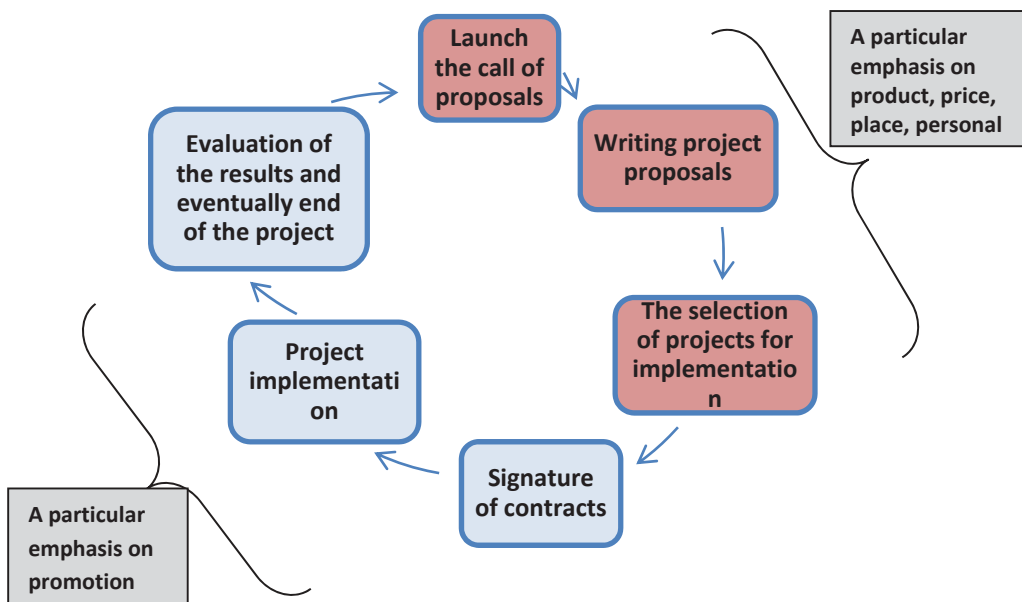
The project marketing approach would mean involvement of marketing activities at all stages described above. Thus, at the stage of **launching of the call of proposals**, through **research** will be analyzed both, funders requests and the real situation in the field. Through this dual approach, responsible for writing such projects ensures full understanding of the context and ownership information for project design (product), the necessary financial resources (price) and human (personal) and area of implementation (placement) as well as in case of identification of specific situations may make recommendations and adjustments for project proposal. Also, to develop a solid project proposal, it is required a thorough knowledge of potential competitors, so at the project selection stage is needed to ensure the competitiveness of the submitted proposal.

At the stage of **writing projects** are defined issues such as **product** concept (idea itself and solutions to solve the problem / to satisfy the need), **price** (which is the value of the project, including personnel costs, capital investments, current expenditure, etc.), **placement** (where the project will take place, which geographical areas will cover, which fields etc.). Also, for some projects, at this stage is determined **the personnel** to be involved



in the project. It is noteworthy that in many projects, particularly in soft fields, this component constitutes a major value in project selection by the lender. However, in determining the personnel involved at this stage usually it is spoken about key people, other participants in the project following to be established at the stage of implementation.

The mixes of these four components are the **evaluation** criteria for project funders. Also, since the project selection stage until **the end stage of the project lifecycle** – evaluation and end, a great emphasis is on communication and **promotion**. So, will be ensured project promotion not only among beneficiaries, and decision makers, but also among all groups of involved people. This component has a particular focus on ensuring the success of project implementation and potential future projects acquisition. The insurance of information transparency and promotion of the achievements are those elements which enhance the product image created at the initial stage.



**Figure 7: Phases involving project marketing in the project life cycle**

With this new approach of the projects from a marketing perspective a continuity of the proposal elaboration process and its direct implementation process is ensured.

Viewing a project from management perspective only limits the success of the project, reducing it to the efficiency and not necessarily efficacy.

Most often, project marketing is involuntary assured involuntarily by people responsible for both, developing the project proposal and project implementation; the combination of elements into a whole being realized involuntarily in these cases. However, the substantiation of a new projects approach – that of the project marketing and its implementation in all projects will contribute to increasing the number of successfully

completed projects and thus to economic and social progress that they propose it themselves.

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