

“Achieving the Strategy with a Marketing Orientation”

**A STRATEGIC MARKETING ASSIGNMENT
ON**

“Aldar Properties PJSC”

2009

Submitted by:

“YOUR NAME”

Submitted to:



**UNIVERSITY of CAMBRIDGE
International Examinations**

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Acknowledgements

Executive Summary

Aldar Properties is the leading real estate company in the United Arab Emirates. The company's strategic objectives are to make Abu Dhabi a premiere capital city in the world and to expand the company's business operations beyond UAE. Thus, the company strives to produce quality products and services to attract more investors in Abu Dhabi and into the company.

However, the company has to develop new marketing strategy in order to sustain its leadership in the UAE market. This expansion will also help the company become even more profitable. Hence, in order to maintain its leadership and sustain its competitive advantage over its rivals, the company should develop a marketing strategy. The marketing strategy will use cost leadership and differentiation, as defined by Michael Porter, and market development and product development, as suggested in the Ansoff growth matrix. These marketing strategies will help Aldar achieve and sustain competitive advantage in the real estate industry. The strategic marketing plan will also yield higher profits when implemented.

Research Methodology

The primary method used in this paper is through observation. The use of relevant websites was also done to obtain information needed for the analysis and evaluations. Various academic books were also used as references on marketing theories that are applied in the drafting of a strategic marketing plan.

Background: Aldar Properties and the United Arab Emirates Real Estate Industry

The UAE Real Estate Industry

Real estate is a rapidly growing industry in the United Arab Emirates. Currently, a construction boom is ongoing in the country. Apart from oil, which is the primary and major source of wealth of the country, real estate development is aggressively undertaken to pave the way for the establishment of modern cities within the Emirates' two major cities of Abu Dhabi and Dubai.

Hence, real estate developers and investment management firms are in high demand in the UAE. The real estate industry is no doubt booming and becoming more competitive with the many players, the leaders of which are Aldar Properties PJSC and Sorouh Real Estate. The industry is being pumped up due to major construction projects by the government¹ and other active construction projects. Currently, the UAE is the largest construction market with over \$350 billion worth of active construction projects since 2007.

However, the UAE's real estate industry has been badly hit by the ongoing global financial crisis. In the fourth quarter of 2008, real estate investment dropped from the previous quarter figures to around 1\$5.8 billion.² Despite the crisis, the UAE real estate

¹ Roberts 2007, "Abu Dhabi Plans Future Capital."

² Gulfnews.com 2009, "Investments in Dubai's Real Estate top Dh58b."

industry remains to be the most competitive in the world. Government support and massive construction projects remain to be the major driving force in the real estate industry. Industry analysts said the ongoing financial turbulence has definitely affected the industry but property development will bounce back once the crisis is over.³

Aldar Properties PJSC Information

Aldar Properties PJSC is one of the biggest real estate developers and property management companies in the UAE. The company was established in 2004 and is owned by leading institutions in Abu Dhabi, by its founding shareholders and over 20,000 investors. Aldar Properties was instituted for the purpose of creating world-class property developments and providing stable and profitable investment management portfolio. The company is based in Abu Dhabi and its projects consist mainly of creating world-class infrastructures and urban developments such as the Ferrari World Theme Park, the Noor Al Ain, and the Central Market in Abu Dhabi.

The company is one of the leading players in the UAE's real estate industry with market capitalisation of more than \$8 billion. In the fiscal year 2008, Aldar's net operating profit increased significantly to AED 2.2 billion (around \$600 million) from AED 120.1 million (around \$32 million) in 2007.⁴ In 2008, the company earned more than \$900 million,⁵ making it the largest real estate company in country. Aldar's products and services include real estate development, investment, construction, property management and associated real state services.

Vision

³ Basit 2008, "Property Uncertainty will be Over."

⁴ Aldar 2008 Financial Statement.

⁵ Arabian Business.com 2009, "Top 50 Real Estate Companies."

<http://www.arabianbusiness.com/financial-markets/top-50-real-estate?countryid=18>

The company's vision⁶ consists of the following:

- **Rewarding investment** - To create for our shareholders a stable and lucrative investment platform providing realistic returns and long term benefits.
- **Leadership** - To be regarded as the most credible and reliable real estate company in the region by the real estate and financial community as well as our customers and partners.
- **Long-term Communities** - To create a modern, efficient, attractive and sustainable environments to facilitate the social and economic development of Abu Dhabi.
- **Growth** - To achieve the attraction of inward investment, and controlled expansion into international markets.
- **Premium** - To create communities developed to high-quality standards, balancing the need for infrastructure with the sustainability of the environment.
- **Environment** - To protect and maintain the environment so that our developments complement and enhance the existing beauty of the sea and landscapes.

Mission

Aldar's corporate mission⁷ is composed of the following:

- Deliver maximum return for stakeholders through sustainable and world class property developments.
- Through the planning of our developments, ensure delivery of the highest quality products on time and on budget with the highest standards of finishes.

⁶ Taken from Aldar Official Website. http://www.aldar.com/about_aldar.en

⁷ Taken from Aldar Official Website. http://www.aldar.com/about_aldar.en

- At all times be stakeholder focused, responding and reacting to the needs, wants and desires of our shareholders, customers and residents.
- Create and promote developments that are forward looking, innovative and tailored for specific markets.
- Promote Abu Dhabi's image as a global destination, a good place to live, work, visit and enjoy life.
- Encourage inward investment and promote employment.
- Optimise personal development of staff through quality training, and establishing and maintaining the highest standards of professionalism and ethics.

Marketing Strategy

In every business venture, marketing takes a vital role. Marketing deals with satisfying customer wants and needs and in the course of doing so it facilitates the achievement of an organization's objectives.⁸" Management guru Peter Drucker outlined two basic functions of every business venture namely, marketing and innovation.⁹ The management expert further explained that marketing is not only concerned with selling but encompasses all activities of the business organisation from product planning, scheduling, inventory control, distribution and servicing. Hence, marketing is indeed an essential part of the business and every organisation must devise a marketing strategy to achieve its strategic objectives.

Proctor defined strategy as a "Plan that integrates an organization's major goals, policies, decisions and sequences of action into a cohesive whole.¹⁰" Strategy connotes a long-term vision and activities to achieve major corporate objectives. Strategy refers

⁸ Proctor 2000, *Strategic Marketing: An Introduction*. (p. 2).

⁹ See chapter 5 of Drucker (1954) *The Practice of Management* for the comprehensive discussion.

¹⁰ Proctor, 2000. (p. 1)

to the means an organisation will use to achieve its objectives.¹¹ In business, strategy denotes the use and marshalling of resources to match the needs of the market and achieve the organisation's business objectives.¹² Marketing strategy, on the other hand, is the specific strategy that the company will utilise to achieve its business objectives. Marketing strategy, as defined by Paul Fifield, is the "Process by which the organisation translates its business objective and business strategy into market activity."¹³ In realizing its strategic objectives, the organisation should include and utilise a well-developed marketing strategy so that the stated aims and goals can be attained.

Strategic objectives, meanwhile, are a set of long-term corporate goals and objectives upon which the strategy is based and will be created to accomplish the said objectives. Drucker said, "Objectives are needed in every area where performance and results directly and vitally affect the survival and prosperity of the business."¹⁴ Strategic objectives form the company's overall goals and aims. In realising these objectives, the organisation must also set specific marketing objectives to aid in the accomplishment of the company's strategic objectives.

The strategic marketing objective label connotes an organisation's long-term objective in its marketing activity. It is a different concept with strategic objectives in that the latter term forms the overall objective of the company whilst strategic marketing objective is focused only with the organisation's marketing plans and activities. Essentially, and necessarily, strategic marketing objectives are a part and parcel of the organisation's overall strategic objectives. Thus, strategy is the means that the company

¹¹ Fifield 1998, *Marketing Strategy*.

¹² Fifield 1998, *Marketing Strategy*.

¹³ Fifield 1998, *Marketing Strategy*.

¹⁴ Drucker 1954, *The Practice of Management*. (p. 63).

will utilise to address or realize its strategic objectives, whilst marketing strategy is its specific tool to achieve strategic marketing objectives and aid in the attainment of the company's overall objectives.

Aldar's Marketing Strategy

Aldar's strategic objectives are to make Abu Dhabi a world-class and model capital city and for the company to expand in the international market. To realise this objective, Aldar should develop an overall strategy and specify its marketing strategy. Based on the above definition of marketing strategy, it is clear that every business organisation such as Aldar should have a specific marketing strategy so that its objectives and strategies will be translated into concrete actions.

Aldar's marketing strategy is primarily customer-driven. The company's real estate development projects are focused on the needs of the customers. In a customer-focused marketing approach, the organisation examines the customer's expectations on the products or services.¹⁵ The firm will then utilise its resources to produce the product or offer the service that satisfies the customer's expectations. This strategy is apparent in the marketing approach by Aldar. The company analyses what the customers are expecting from the properties being developed and managed by the firm. In order to satisfy these expectations, the firm develops highly modern structures that fit with the contemporary lifestyle of the young, modern businessmen and investors.

Another marketing strategy that Aldar follows is differentiation. Through developing modern urban centres and properties, Aldar seeks to entice investors and businessmen, as well as expatriates, into investing and opening new ventures in the

¹⁵ Bradley 2003, *Strategic Marketing: In the Customer Driven Organization*.

UAE capital. In order to do this, the firm builds modern structures and works closely with the government and various sectors in the society.

Aldar also uses social marketing as a strategy. The company markets itself as a socially responsible organisation that takes into consideration the environment and the country's natural resources. In all its development and re-development projects, Aldar works hard to preserve the natural and authentic scenery of the site as well as protecting the culture and values of the people of the UAE.¹⁶ Thus, the company is known as a socially responsible property development and investment firm.

In order to effectively implement the marketing strategy, tactics should be utilised and created. Tactics are “actions designed to achieve short-term objectives, while supporting long-term objectives and strategies.”¹⁷ Tactics are employed on a shorter timeframe to achieve short-term goals that are inclined with the long-term corporate objectives. These include tactics on product, place of business, promotion and people or what is called as the marketing mix (5 P’s). The tactics/marketing mix used by Aldar is shown in Table 1.

As shown in the table (see Table 1), marketing strategy is essential to every business as it permeates in every aspect of the organisation’s operations and management. Marketing serves as the link between major departments and divisions of a company. It also serves as an avenue for turning organisational principles and objectives into concrete sets of actions and programmes. Through a well-developed marketing strategy, the company’s objectives and goals can be realised.

¹⁶ Aldar 2009, “Corporate Social Responsibility.” Aldar Official Website.
http://www.aldar.com/corporate_social_responsibility.en

¹⁷ Paley 2006, *The Manager’s Guide to Competitive Marketing Strategies*. (p. 16)

Market Condition: External/Internal Factors and Competitor Analysis

In every industry or market, there are several factors that an organisation has to consider. The market's business environment such as its political, economic, social, technological, legal and environmental conditions has to be analysed in order to objectively identify the organisation's fitness in the industry. The market analysis also helps organisations design a well-developed marketing strategy as it will be based upon concrete conditions of the country or identified market.

PESTLE Analysis

Based from Table 2 (see Appendix), it can be seen that the political, economic, social, legal and environmental factors are highly significant in the real estate industry in that they have the greater impact upon the industry. The stated factors are highly significant in that these can influence the market conditions and affect buyer behaviour. For example, the environmental factors influence the buyers from selecting properties that conform to the UAE laws on environmental, natural resources and scenery protection. It also affects the costs of developing real estate properties. The government use of its sovereign wealth funds, derived from surplus profits on oil exports, to finance development projects to create new urban centres and modern cities¹⁸ also spearheads competition. These factors influence the customers' buying behaviour in the United Arab Emirates. Hence, the company takes into account these factors in its business endeavours.

Micro Environmental Analysis

Apart from studying the external environment, it is also essential that an internal analysis on the industry be made. The micro environmental analysis examines a

¹⁸ SWF Institute 2008-2009, "Abu Dhabi Investment Authority." <http://www.swfinstitute.org/fund/adia.php>

particular industry's internal factors that have direct impact on the organisation's strategy.¹⁹ These factors include the competitors, threat of new entrants, threat of substitute products, bargaining power of the customers and bargaining power of suppliers. All these factors contribute to the internal conditions inherent in an industry and have the capability to affect the organisation's strategy and competitiveness. Using Porter's 5 Forces model, the real estate industry's internal factors can be recognized and studied to determine the organisation's position in the industry relative to its competitors and the nature of competition can be identified.

On the part of Aldar, the figure below shows the analysis of the real estate industry's competitiveness and the company's relative position in the industry. Based on this figure, it can be seen that the industry is highly competitive with the rivals, most especially the large ones, almost have similar sizes in terms of asset and market capitalisation²⁰. The companies' marketing strategies are almost similar and that they offer identical products upon which the consumers can easily switch and select substitute products. The consumers are powerful in the sense that they can easily switch from one product to another due to the large volume of property developments being offered.

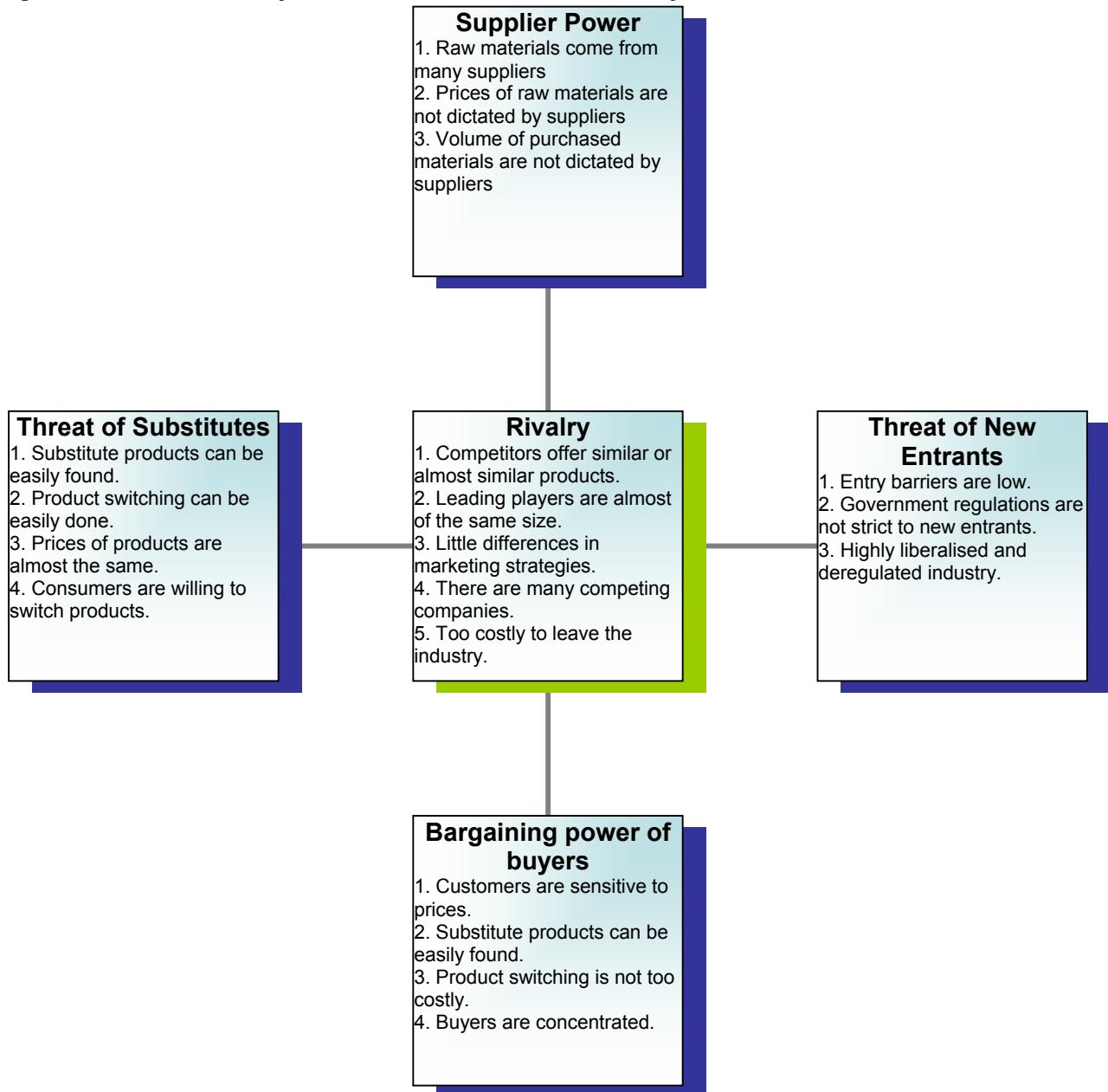
New players can also easily enter the industry and can pose threat to market leaders such as Aldar. No strict policies or regulations are implemented restricting new entrants. However, with the current market leader's position in the industry and their

¹⁹ Lean Marketing.net. "The Micro Environmental Factors." <http://www.learnmarketing.net/microenvironment.htm>

²⁰ Arabian Business.com. "Top 50 Real Estate Companies." <http://www.arabianbusiness.com/financial-markets/top-50-real-estate?countryid=18>

partnerships with the government, new entrants will have difficulty capturing a major share in the market.

Figure 1 Five Forces Analysis on the UAE Real Estate Industry



Competitor Analysis

In the United Arab Emirates, the real estate industry is highly competitive.

Hundreds of firms are competing for the lucrative real estate and construction industry

of the UAE. Aldar's direct and closest competitors are Emaar Properties and Sorouh Real Estate. Aldar and Emaar have almost equal size of assets, but in terms of market capitalisation, Sorouh and Aldar are almost of the same size. These two companies are Aldar's closest rivals in that they offer identical products or services. There are other competitors to Aldar as well. Its indirect and future competitors are mostly consisting of construction companies and commercial banks such as Arkan Building Materials Company, Gulf Cement Company and Commercial Bank International. These companies are offering closely identical products and services and can easily shift into real estate development.

Among the competitors of Aldar, Sorouh Real Estate poses the greater challenge to the company in the domestic market. Sorouh ranks second to Aldar in terms of domestic revenues and income. The company also comes close to Aldar in terms of market capitalisation with around \$1.48 billion market capitalisation and total assets worth \$4.6 billion. In the domestic real estate industry, Aldar and Sorouh are the two leading players, with Aldar ranking first and Sorouh at close second. Sorouh posted earnings of \$505.91 million in 2008.²¹ Emaar Properties, meanwhile, is another competitor to Aldar. The company has assets that are in fact greater than that of Aldar's. Whilst Emaar is not as dominant as Aldar in the domestic market, the company has greater experience when it comes to the international real estate industry market. Emaar is operating in a number of foreign markets and has the largest market capitalisation among UAE real estate firms with \$3.5 billion.²²

²¹ Arabian Business.com 2009, "Top 50 Real Estate Companies." <http://www.arabianbusiness.com/financial-markets/top-50-real-estate>

²² Emaar 2008, "About Emaar." <http://www.emaar.com/index.aspx?page=about>

SWOT Analysis

An analysis on Aldar's internal characteristics and external factors is necessary in order to determine the organisation's strengths and weaknesses as well as the opportunities and threats in the market. Using the SWOT matrix, Aldar's organisational character and its external variables can be studied. Table 3 shows the relevant points in Aldar's organisation.

Looking at the presentation (see Table 3), it can be inferred that Aldar has a competitive advantage over its rivals. The company's strengths, particularly its good reputation and close partnership with the government would be enough to compensate its weaknesses. Whilst the company has undifferentiated products and its operations are limited only in the UAE, the contracts it acquires from government projects were enough to make the company a market leader.

The opportunities presented by the UAE real estate market are also advantageous to the company. With the massive construction projects that are ongoing and future projects are still underway, Aldar can surely have a sustainable business and profitability. The firm can also expand into the international market and use its position in the UAE as leverage. Although there are threats in the real estate industry, most notably the ongoing financial crisis and falling property prices, the company can weather this storm through the construction projects it gets from the government and private contractors.

Marketing: Concepts and Principles

It is imperative that every organisation should analyse the market conditions and the relationships that exist within the market in order to identify which market/territory to

penetrate and which segment of the market to target. Market segmentation, therefore, is also a crucial factor in the marketing strategy. According to Tony Proctor:

Market segmentation amounts to partitioning a market into a number of distinct sections, using criteria which reflect different and distinctive purchasing motives and behaviour of customers.²³

Dividing the market into various segments or groups helps a company determine its specific market and establish a loyal customer base. This is particularly important for entering new markets as well as maintaining position in the current market of a company.

On the part of Aldar, the company focuses on the business executives at the age range of 30 and 40 as its target segment. This segment of the market is the most suitable consumers for the company's products and services. The business executives are mostly travellers, travelling between the UAE and other parts of the world to conduct business and operate. Some portions of this segment are expatriates stationed in the country, whilst the others are tourists.

Another important concept in marketing is the product life-cycle. This concept uses a sequence of stages to determine the life-cycle of a product or service. There are four stages, namely introduction, growth, maturity and decline, in the product life-cycle. In the introduction stage, the new products are introduced into the market. An organisation will seek to build market awareness on the product and establish a market for it. Once introduced and a market has been established, the product will be marketed and sold and new features may be added to expand its market; this is the growth stage. The product will then reach its maturity, and at this stage improvements will be needed

²³ Proctor 2000, *Strategic Marketing: An Introduction*. (p. 189).

to maintain its peak such as lowering its price or new distribution channels are created. When the product saturated its maturity stage, a decline in sales will occur. This is the declining stage. At this point, the company may choose to maintain the product and sell it to a loyal segment of the market or stop its production. The product life-cycle concept is necessary so that Aldar can manage its products and plan for future products or services when the current offerings have reached their declining stages.

Of importance as well is the Boston Consultancy Group (BCG) growth-share matrix. This concept is relevant to companies with several portfolios. Under the BCG matrix, a company's different portfolios' or divisions' growth and market share will be analysed and categorised into four elements; cash cows, stars, question marks and dogs. Cash cows represent portfolios that generate more profit than the expenses it incurs. Stars generate large amounts of cash, but also consume a large amount of money due to its relatively large market share. Question marks, on the other hand, are portfolios that grow rapidly but generate less income due their low market shares. Dogs, meanwhile, are those portfolios that have low market share and low growth rate, and therefore generate low income.²⁴ This matrix is particularly important for Aldar so that the company can identify which of its portfolios are cash cows, stars, question marks or dogs and which portfolio needs to be improved.

All of the above concepts can contribute to achieving competitive advantage for a company. It is common that every business organisation's ultimate and strategic goal is to gain competitive advantage over its rivals. "Competitive advantage can arise from

²⁴ NetMBA.com 2007, "The BCG Growth-Share Matrix." <http://www.netmba.com/strategy/matrix/bcg/>

satisfying customers better, faster or more cheaply than competitors.²⁵" Michael Porter said that the competitive strategy takes offensive or defensive actions to create defendable position in an industry, in order to cope successfully with competitive forces and generate superior return on investment. He added that the basis of above-average industry performance is sustainable competitive advantage.²⁶

In Porter's model, competitive advantage has two basic types; cost leadership and differentiation. Cost leadership occurs when a company offers the same product or service at a lower price than its rivals. Differentiation advantage occurs when a company delivers higher quality products or services at the same price as its competitors. A third type, focus, appears as an advantage when a company focused its strategy on a particular or narrow segment of the market to create a loyal base of customer and become the company of choice in the same market segment.

On the part of Aldar, the company seeks competitive advantage through differentiation. In the UAE's highly competitive real estate industry it is necessary for Aldar to be unique. Hence, the company strives to deliver quality products and services to its customers. Aldar's current strategy is to build world-class structures to attract more customers and investors. At present, the company is the market leader in the real estate industry in the country and seeks to achieve sustainable competitive advantage through brand and service differentiation.

In sum, the above marketing concepts help in gaining competitive advantage and profitability for the company. Hence, Aldar should adopt all the concepts stated above

²⁵ Carpenter, Glazer & Nakamoto 2000, "Market-Driving Strategies: Toward a New Concept of Competitive Advantage," in chapter 5 of *Kellogg on Marketing* by Dawn Iacobucci (ed.).

²⁶ 12Manage.com 2009, "Competitive Advantage (Porter)."

http://www.12manage.com/methods_porter_competitive_advantage.html

and incorporate those in its corporate strategy and strategic marketing plan. It is necessary that Aldar should maintain its current leadership by creating a competitive marketing strategy.

Table 4 (see Appendix) shows an evaluation of Aldar's strategy and practice with competitors. A ranking matrix is used to evaluate Aldar's competitive advantage over its rivals. Based on the table, Aldar's competitive advantage over its competitors is not sustainable as they are almost of equal standing and position in the industry. At any time, the other companies may snatch the leadership from Aldar due to their almost similar strategies.

Intended Marketing Strategy

Current Strategic Objectives

Aldar's current strategic objectives are:

- Rewarding investment
- Leadership
- Long-term Communities
- Growth
- Premium
- Environment-friendly company

In order to achieve these objectives, the company should develop a marketing strategy that addresses the following issues:

Cost effectiveness;

Market differentiation, in relation with rivals;

Discovering new markets abroad;

Product/service development;

Target market; and

Profitability

The marketing strategy that will be developed, therefore, will necessarily undertake some changes in the current strategies that Aldar is implementing. For example, Aldar is currently focused only in the UAE real estate and construction industries. The company is engaged only in the domestic market and is almost absent or is not engaged in business operations abroad. Hence, the new marketing strategy will address this issue by discovering new markets or entering overseas markets. With this activity, the new strategy will aid in the continued and sustained growth of the company. To evaluate this marketing strategy, Table 5 (see Appendix) is used to show if the above variables address the factors stated in the first column of the table.

It can be observed, however, that in the proposed new marketing strategy, the factor of marketing communication is not addressed. It is because the current marketing communications strategy is still effective for the company. What is needed is to enhance it, most especially when the company undertakes its marketing activities in the international market.

Marketing Options Analysis

Based from the above discussions, it is now apparent that Aldar should have a new marketing strategy to become more competitive and sustain its leadership in the market. However, there are some particular areas that need improvement, namely brand/service differentiation, cost leadership, specific target market and international expansion. As determined in the Porter model, cost leadership and differentiation are

two types of competitive advantage that an organisation can utilise. Thus, it is necessary for Aldar to use these points to sustain its advantage and leadership over its rivals. On the other hand, the Ansoff matrix can be an additional tool to be used by the organisation to develop new products and markets. The Ansoff matrix suggests using four methods as a strategy for creating product and market growth namely, market penetration, market development, product development and diversification. Market penetration is a strategy for selling existing products into existing markets. Market development is a growth strategy wherein the company sells its existing products into new markets. Product development, meanwhile, consists of selling new products into the company's existing market. Diversification is a strategy of selling new products into new markets. In the case of Aldar, the appropriate strategy would be market development and product development. Since the new marketing strategy would be to expand in the international market, the company may use the said two strategies. These options are evaluated in Table 6 (see Appendix).

From the evaluations on Table 6 (see Appendix), it is apparent that four strategies are needed for the strategic marketing plan; these are cost leadership, differentiation, market development and product development. These options would be the most appropriate strategy to be utilised in the marketing plan. Market penetration and diversification are not included in the options because these options are not yet as significant as the other factors. The main purpose of the new marketing strategy is to open up new markets. And as stated earlier, market penetration is a strategy that will be used to attain growth in the company's current or existing market and product development is the creation of new products for the existing market. The company is

currently implementing such strategy in its existing market, which is the UAE. Hence, they are not included in the proposed marketing strategy.

Strategic Marketing Plan

Below is a table showing the marketing strategy and the tactics that will be utilised in implementing the strategic marketing plan for 2009.

Strategic Marketing Plan Proposal for 2009

Strategic Objectives	Marketing Objectives	Marketing Strategy	Marketing Mix/Tactics		Responsibilities	Investments (% of Budget)/Return on Investment (% ROI)	Time Frame	Monitoring & Control	
			P's	Tactic					
Rewarding investment	Cost effectiveness	Cost leadership	Product	Create new designs for the products	Research and development department as well as the company's engineers and architects should develop new designs and model structures	30%/Additional 10% on ROI	1-2 months and as may be continued as necessary	Monthly checking	
Leadership	Market differentiation, in relation with rivals	Differentiation	Price	Introduce low-cost products or offering discounts and incentives to customers	Sales department should adopt flexible pricing methods	10%/Additional 5% on ROI	1 year	Monthly checking	
Long-term Communities	Discovering new markets abroad	Market development	Place	Strategic locations across the globe such as China and Europe	Marketing department should find appropriate locations for international expansions in China, Europe and elsewhere	20%/Additional 25% on ROI	1-2 months	Monthly checking	
Growth	Product/service	Product	Promotion	Internet	Marketing	25%/Additional	1 year	Monthly	

	ce development	development	on	marketing and use of print and broadcast media for advertising	department may hire advertising firms for promotional campaigns	10% on ROI		checking, mid-year assessment
Premium	Target market	Segmentation	People	Hire more highly qualified personnel	HR Department should look for highly qualified personnel from across the globe	15%/Additional 10% on ROI	1-2 months	Monthly assessment
Environmentally friendly company	Profitability							

Proposal to the Management

The Chief Executive Officer and the Board of Directors

Aldar Properties PJSC

[Address]

Dear Sirs,

I have made a study that seeks to achieve the company's strategic objectives through a marketing strategy. Based on this study, using the different marketing models and methods as well as through the current donation of the company, it is highly feasible that a new marketing strategy will help our company achieve its strategic objectives of having a rewarding investment, attaining market leadership, establishing long-term communities, company growth, premium communities, and an environmentally friendly company.

The proposed marketing strategy suggests that we expand into new markets to grow and develop new markets. The marketing plan also suggests the need to differentiate our company's brand and products/services in order to sustain our current leadership in the market. In summary, the following table shows the cost-benefit analysis of the proposed marketing plan.

Strategy	Cost if not implemented	Benefit if implemented
Cost leadership	10% loss on profit	Yearly profit may increase up to 10% or more
Differentiation	10% loss on profit	Adds 10% value to our products
Market development	Up to 50% loss on profit	Can yield up to 50% more on profit
Product development	Up to 50% loss on profit	Adds up to 50% more on profit

The estimated time frame for return on investment and begin earning profits will be up to three years, depending on market conditions. This can be shortened if the proposal will be implemented immediately. As stated in the Strategic Marketing Plan, the proposed marketing activities may increase up to a total of 60% on ROI.

The proposal might also face resistance from managers and employees who are not receptive to organisational changes. Since the plan seeks to expand in new markets, some employees may not want to be deployed in the new countries targeted for expansion. Hence, the company should hire additional personnel to undertake such expansion.

I hope you find my recommendations valuable,

Thank you!

Sincerely,

[Name]

Conclusion

The marketing plan seeks to identify the company's major areas of improvement and suggests strategies in address these areas. As have been emphasised throughout this paper, Aldar should develop a new marketing strategy so that it can maintain its advantage and leadership over its rivals. It has been shown in this paper that strategic marketing is an essential part of any business endeavour and as such should be among the priorities in developing strategies and objectives.

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Appendix

Table 1 Aldar's Tactics/Marketing Mix

Marketing Mix	Tactics
Product	Creation of world-class urban centres and modern facilities. The firm develops real properties into modern and world-class urban centres. The firm is also involved in re-developing properties. Aldar also manages investment portfolios in real estate.
Price	Competitive prices for the properties developed by the firm are being offered. The company prices its products according to the prevailing market value of the properties.
Place	The real estate development projects undertaken by the company are located in prime areas and new areas of development in accordance with government projects.
Promotion	The company uses all available media in promoting its products and services. These include the print and broadcast media as well as the utilisation of the facilities of the Internet. Aldar also partners with PR firms to develop and employ new strategies for the promotion of its products.
People	Aldar employs more than 500 people from across the globe who are knowledgeable on real estate development. The employees are distributed across different disciplines and departments and work together for the successful implementation of every project undertaken by the company.

Table 2 PESTLE Analysis

	Relevance of the factor to the industry	Influence/Impact
Political Factors		
Government spending in the construction sector	Highly significant	Spearheads the development of the UAE economy and growth in the real estate industry
Sovereign Wealth Funds	Highly significant	Provides seeds for growth and competitiveness in the construction industry
Economic Factors		
Fast-growing economy	Highly significant	Attractive to investors, enhances competition
Ongoing financial crisis	Highly significant	Slows down growth
Social Factors		
Admission of foreign investors	Significant	Relaxes the barriers to entry of foreign investments
Liberal acceptance of expatriates	Significant	Attracts more foreign labour force at cheaper costs
Legal Factors		
Enactment of law allowing expatriates to wholly own properties in the UAE	Highly significant	Greater security for expatriates, hence more consumers
Allowing foreign investors longer stay in the country	Highly significant	Allows the entry of foreign investors, thus greater competition
Environmental Factors		
Preservation of environment	Highly Significant	Greater awareness of the environment, however greater costs in developing and building properties
Preservation of scenery and natural resources	Highly Significant	Greater awareness of the environment, however greater costs in developing and building properties

Table 3 SWOT Analysis

<p>Strengths</p> <ul style="list-style-type: none"> • Close partnership with the Government • Good brand image and reputation • Excellent construction designs and quality outputs • Highly qualified staff 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Undifferentiated products and services • Activities are limited in the UAE • Highly dependent on government projects
<p>Opportunities</p> <ul style="list-style-type: none"> • UAE real estate industry is booming • Many government development and private construction projects are underway • Expansion to international markets 	<p>Threats</p> <ul style="list-style-type: none"> • Threats of new entrants • Ongoing financial crisis • Falling property prices

Table 4 Evaluation of Aldar's Competitive Advantage over Rivals

Sources of Competitive Advantage	Aldar	Sorouh	Emaar
In what ways does the company exhibit competitive advantage in terms of:			
Cost leadership (a low-cost producer)	2	2	2
Differentiation (distinguish the product in the marketplace)	3	2	2
Innovation (create a new way of doing business)	1	1	1
Growth (expand production, sell into new markets, introduce new products)	1	2	3
Alliance (partner with suppliers, distributors and others)	3	3	2
Time (reduce product cycle, offer express customer service)	2	2	2
Use of information technology or management practices to:			
Lock in customers and suppliers	3	3	3
Create switching costs for customers or suppliers	3	3	3
Improve business processes	2	2	2
Raise barriers to entry to rivals or substitute	1	1	1

products			
Create a strategic information system or strategic information base	3	2	2

Note: 1 = Weak Advantage 2 = Average 3 = Strong Advantage

Table 5 Evaluation of Aldar's New Marketing Strategy

Factor	Description	Comment
Customer requirements (segments, targets)	Main target segments – Business Executives, Age 30-40, Location: UAE	Highly Addresses
Competition	Current and future competitors in the international market	Highly Addresses
Quality of Products/Services	Real estate development and property management	Highly Addresses
Customer service	Relationship with customers	Medium
Advertising, etc.	Marketing communication	Does not address

Table 6 Evaluation of Strategy Options

Strategic Option	Barriers to Success	Degree of Risk	Degree of Cost vs Benefit	Fit with Strategic Objectives	Evaluation
Cost Leadership	Medium	Medium	Low (Not too costly)	High	Extremely needed
Differentiation	Low	Low	Medium	High	Extremely needed
Market Penetration	Not an option				
Market Development	Medium	High	Medium	High	Extremely needed
Product development	Low	Low	Low (not too costly)	High	Extremely needed
Diversification	Not an option				
Combination of differentiation and product development	Medium	Medium	Medium	High	Needed