

Marketing strategies for project developers during area development competitions

and recommendations for initiating future competitions

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Le Corbusier

”

“I prefer drawing to talking. Drawing is faster, and leaves less room for lies.”



Park Zandweerd



The municipality of Deventer invites six project developers to do a proposal for the highly qualitative, integral development of the location Park Zandweerd.

Page 69



Orinocodreef no. 6



The municipality of Utrecht is looking for a developer for design, realize and sell on own risk 60-65 single family dwellings in the Klopvaart neighborhood in Overvecht.

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Wieringerrandmeer



The Province of Noord-Holland in cooperation with the municipalities Wieringen and Wieringermeer and the Waterboard Hollands Noorderkwartier is looking for a vision on the development and realization of the Wieringerrandmeer in the top of Noord-Holland.



Preface

The document lying in front of you is the result of 16 months of qualitative research in the field of area development competitions. It started in February 2010, creating a research proposal, followed by a elaborative literature study, the theoretical part. Around September 2010 the research in practice started and ended around may 2011, the last two months were used to write this report.

The main target of this master thesis was to find the best strategy for a project developer to join future area development competitions under the EU tendering law in restricted procedures. Mapping the decisive characteristics for winning such a competition on this moment helped to reflect on the recent model of initiating area development competitions by clients.

The past 16 months have been instructive and challenging. Not purely the use of social skills to gather theoretical knowledge, but in addition finding interrelations in the gathered theoretical knowledge and practical situations. Considering the alternative approach, from project developers perspective, not only valuable knowledge for project developers is gathered, but for all involved other actors as well to reflect on the recent model of initiating area development competitions. With this research I tried to contribute in the search for a new form of initiating area development competitions.

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The following study tends to conceptualize the desired price x quality level for the submitted proposals by project developers, during area development competitions under the EU tendering law in a non-public procedure, according to all involved actors. The target is to find the most suitable business strategy for a project developer to enter future area development competitions. From the perspective of the participating project developer the situational characteristics of area development competitions are analyzed. Considering the core business of the project developer, surviving on the competitive market or even grow, the area development competitions are approached from marketing perspective. This research showed that Place and Product, depending on the size of the competition, in the marketing mix forms the most essential part of the proposal. Applying unique selling points and relationship marketing are contributing to a higher chance of being selected as project developer. The social component of the proposal characteristics are highly important, situational characteristics as communication stakeholders and overall feasibility will get more decisive. Considering the increasing power of People and Process related issues in complex urban contexts.

Keywords: area development, competition, marketing strategies, project developer, marketing mix, service quality, EU tendering law, Public Private Partnership (PPP).

Introduction

Design competitions have been there for years. From the time when the ancient Greeks initiated these competitions for architectural high profile public buildings, the competitions have been part of the construction world ever since. Around 1993 official European tendering law regulations were introduced for creating a more honest competitive environment (Burgman, 2007). Simultaneously since 1990 the conception “area development” was uprising and is nowadays referred to as one of the most discussed challenges of the future (VROM, 2009). Institutions like the NEPROM have been committed to increase the integrity in project development since 1974, last couple of years they really stepped out to take initiative in bringing all involved actors during area development around the table. Knowledge sharing and cooperation on conceptual level is required to reach a optimal result in integral area development (VROM, 2009). This initiative is needed more than ever, because almost all area development competitions are cancelled on this moment.

Private parties invest exorbitant amounts of money, even over €100.000, to deliver a design under the EU tendering regulations (Blijsterveld, 2006). Even higher costs and risks are involved during area development competitions, where direct and indirect financial investments of project developers even go up to half a million in some cases. Architects complain about the high demands by clients, but the bar is raised for the project developers as well. The increasing financial demands pushes, the strong enterprises as well, to fuse even further. Which automatically encourages scale enlargement and concentration for market parties. The high demands begin in the selection phase: if you do not have a gigantic turnover, you cannot participate. Then you have to invest hugely during the awarding phase, your only chance is with far elaborated plans.

When the municipality does not limit the competitors, capital destruction will be the result, because only one can be the winner at the end (de Reus, 2009). In other words if only one can be the winner in the situation where we are standing, it is essential to know what the most decisive characteristics are during an area development competition in order to have the highest potential on winning. Therefore determining the right business strategy is essential. Business strategy, is the determination of how a company will compete in a given business and position itself among its competitors (Foss, 1997). Companies increasingly look to quality, satisfaction, and loyalty as keys to achieving market leadership. Understanding what drives these critical elements, how they are linked and how they contribute to your company's overall equity is fundamental to success (Cronin et al., 2000). As Jansen et al. (2007) discuss in their paper about 'awarding on value', there is no clear overview of the quality perception by the client is. A project developer is unable to determine his applied quality during competitions if the project developer has no reference point. Determining the desired expectation of the client can help the project developer provide a better price x quality balance in his proposal.

Approach

During area development competitions unique services are offered by the project developers to the client. They are called unique services because, firstly within the boundaries of the competition phase the proposals are intangible (Lovelock, 1983). Secondly these services are extremely customized and therefore unique. Services are fundamentally different from manufacturing. Important differentiating factors include the type of customer participation, the integral role of customer participation in the service process, the perishability of the service provision, the fact that service site selection is dictated by the location of customers, the labor intensiveness of services, the intangibility of service offerings, the difficulty in measuring intangible service outputs and the point of ownership transference.

Those differences contribute to increased complexity in the provision of high levels of service quality (Dobie & Hensley, 2005). Marketing is normally not considered as part of the EU tendering procedures. Considering the competitive nature of commercial project developers, this research has been approached from marketing perspective.

A service has been described as a "deed, act or performance" (Berry 1980). Two fundamental issues are at whom (or what) is the act directed, and is this act tangible or intangible in nature? This is the definition of Lovelock in 1983. Often parties are chosen to do a job, based on past performance. In this sense the performance can be seen as a service. The client is searching for the best price in combination with the highest performance.

The fundamental difference universally cited by authors (e.g., Bateson 1977; Berry 1980; Lovelock 1981; Rathmell 1966, 1974; Shostack 1977a) is in-tangibility. Because services are performances, rather than objects, they cannot be seen, felt, tasted, or touched in the same manner in which goods can be sensed. Intangibility, according to Bateson (1979) is the critical goods-services distinction from which all other differences emerge. (Zeithaml et al., 1985)

Marketing mix as a strategy during area development competitions

Theoretical framework

Mapping the characteristics of the area development competitions and determining which of them were decisive, have been done with the help of the marketing mix. The traditional marketing mix of the 4 P's: Product, Price, Place and Promotion (Bennet 1995; Brassington and Pettitt 2003; Constantinides, 2006; Christopher et al., 1991; Coviello et al. 2000; Grönroos 1994; Kotler 2003; Romano and Ratnatunga 1995; Sriram and Sapienza 1991), and two additional P's, Process and People (Waterschoot, 1992; Lancaster, 1966), to simplify the complexity of area development competition context.



The following characteristics were specified from literature reviews:

- | | |
|--|-------------|
| 1. Urban planning (impact on social-economic, political and technical environment); | (Place) |
| 2. functional program; | (Product) |
| 3. architectural design; | (Product) |
| 4. feasibility (risk management + financial calculations); | (Price) |
| 5. price (land offer); | (Price) |
| 6. planning construction (phasing); | (Process) |
| 7. vision future cooperation (PPP); | (Process) |
| 8. marketing tools (presentation techniques, building customer relation, unique selling points, etc.); | (Promotion) |
| 9. image of consortium (branding, reference projects, trust); | (Promotion) |
| 10. communication stakeholders. | (People) |

(Albert & Whetten, 1985; Berry, 2000; Brugman, 2007; Bult-Spiering & Dewulf, 2006; Dutton & Dukerich, 1991; Jacobson & Choi, 2008; Municipality Deventer1, 2008; Municipality Deventer2, 2008; Province Noord-Holland et al., 2004; VROM et al., 2009; Municipality, 2009)

Case studies

This research faced two main issues, firstly the time limitation and secondly the willingness of public parties to cooperate. Three case studies have been performed. The cases were all restricted procedures, meaning those procedures in which any economic operator may request to participate and whereby only those economic operators invited by the contracting authority may submit a tender (Volker, 2010).

The following three case studies were performed:

- Multi dimensional area development competition – Wieringerrandmeer (2004);
- mono functional area development competition – Park Zandweerd (2007);
- inner city area development competition – Orinocodreef (2009).

At the start of each case study the jury report was analyzed. These documents do not provide a satisfying overview of the case, because some information and details were not written down. Therefore in total nineteen informants were interviewed during the three different cases. Five groups of informants were specified:

- | | |
|---|----------------|
| - Jury: Designers; | (3 informants) |
| - jury: Client – Municipal / Provincial; | (3 informants) |
| - jury: Experts – Grade an personam; | (2 informants) |
| - project managers; | (2 informants) |
| - participants (all actors in participating consortia's). | (9 informants) |

Firstly they were asked to score the characteristics from most decisive on number one and so on till number ten, the least important characteristic. Secondly a discussion was started on why these characteristics were ranked in this way, so the reasoning's. The reasoning's are most essential in finding the interrelations between the different characteristics. After the completion of analysis of the three cases, a cross case analysis was performed. Comparing the assessments of the characteristics per group and comparing the strategies of the winning developers with the other participants provided interesting knowledge.

Decisive characteristics during area development competitions

After the complete case analysis and cross case analysis, three characteristics seemed to be dominating:

- Urban planning (impact on social-economic, political and technical environment);
- architectural design;
- feasibility (risk management + financial calculations).

These elements are used to create the core of the proposal by a consortium. The other characteristics will result from this core and can be considered as contextual influences for this core. Setting up a proposal during an area development competition will be a iterative process (Simon, 1962; Gann et al., 2003). Description of participants and clients was: "Urban planning was the inducement, architectural design was the seducement and the feasibility was the support."

project developers and architects usually start with a vision, which is represented in the 'concept': 'the optimal real estate solution for a specific place, where spatial and functional aspects are developed who have, next to the quantitative, a qualitative core as well' (Neprom; Sentel, 2008). It starts with 'solution for a specific *place*', this solution is an result of the inducement of the urban planning (social-economic, technical and political environment). The cases Park Zandweerd and Wieringerrandmeer showed when the assignment during area development competitions become more complicated, urban or even landscaping architects are hired for producing the 'concept'. Architectural design, which is in most cases the result of the urban planning, is in combination with the urban planning responsible for the largest part of the 'qualitative core'. If zooming in on the characteristic urban planning, the impact on technical and social-economic are considered as most essential. The political environment is mostly affecting the way decisions are done by the jury. On political and administrative level the EU tendering procedures seems be no issue. Not uncommonly the governmental assignments are used by political leaders as a tool to achieve political targets (Brugman, 2007). Designing a accessible area with respect for the ground level (balance public and private space) is essential. The quantitative core is mainly represented in the Program of Requirements and is input for the concept.

Feasibility is considered as one of the most important characteristics by the informants, but in Park Zandweerd and Orinocodreef price had a decisive role. Price (land offer) is considered by the majority of informants as the result of feasibility. Process related charactersitics like 'Planning construction' and 'PPP model' are the the main input characteristics for feasibility. In respect to the type of area development competition People determines the feasibility as well.

Differences in case size

If considering the three most important characteristics, the following P's were important: Place, Product, Price. During larger competitions more freeness is involved, which generates more creativity and opportunities for differentiating as a project developer from the competitors. During the smaller competition however, Orinocodreef, the urban planning and program of requirements were strictly set by the client. Therefore less opportunities were available for differentiation. Place was excluded and therefore the inducement for the concept taken away. The interviews showed that 'strategic entering' was applied and marketing tools became important. Strategic entering as described by T.H. Chen (2007): 'A proposal in which they try to create the optimal mix of prices and other variables with the intention to receive the highest possible score of points with methods based on game theories.' Besides the Product and Price characteristics, People (communication stakeholders) was decisive. Representatives of recent surrounding residents and future residents were invited to take a seat in the jury. This provides a new dimension on how to approach and present the proposals concerning the project developers.

Differences in types of area development competitions

During this research there was a notify able difference in decisive characteristics between inner city development and green field development. During the inner city development competition price is harder to determine, the risks are higher



and uncertainties increase. Therefore it should be way more important how one should reduce risks, than 'what' the actual price at the end is. Increasing number of stakeholders makes the communication with stakeholders automatically more important.

Influence marketing tools

Relationship marketing and unique selling points are the most essential marketing tools to apply during the competitions. The relationship marketing part mainly refers to branding of your corporate image as project developer or consortium. The goal of the competition is to select a private partner to sign a PPP-contract to develop a certain area. Public Private Partnership (PPP) is a contractually formalized long-term form of cooperation based on partnership between the public and private sectors with constituent characteristics (Girmscheid and Dreyer, 2006). This PPP contract should contribute to the trust of both parties depending on each other during the negotiation phase and till realization. Shaping your image in such a way that trust is provoked positively affects the jury decision according to several informants. Organizations have identities (Albert & Whetten, 1985; Ashforth & Mael, 1989) that influence how individuals interpret issues as well as how they behave towards them. Tedeschi (1981) is suggesting that individuals seek to influence how others see and evaluate their organization, which forms the image of the organization.

Informants indicate that applying unique selling points in the proposal can help increase the feeling of trust in the jury. During the larger competitions this is done in the concept, based on Place. In a smaller sized competition the presentation is more important, what are the focus points and based on what the identity of the jury is. With identity is meant what the backgrounds are of the individual jury members. Nevertheless price (land offer) dominates the quality part in most of the situations.

Implications for project developers joining area development competitions

The main complications for project developers for joining future area development competitions can be conceptualized in the 'Why, how and what' concept of Simon Sinek (2009). As he described: "People don't buy what you do, people buy why you do it." The core of why Private and public parties are participating in area development are different. The public entities try to complete a part of a bigger masterplan for a city for example. They have a scope of around 50 years or more. The project developers are participating and forced to focus only at a certain location. The client sets such strict boundaries were project developers are unable to participate in why the area has to be developed. The selection nowadays is mainly done on 'what' is produced by the project developer. Many area development procedures are cancelled due to issues with detailed aspects of what should be developed.

The project developers are trying to differentiate themselves from the competitors, but due to the strict set boundaries by the client, they are unable to differentiate. Resulting in project developers applying marketing techniques to shape their image and the image of the proposal. The municipality mainly tries to make all the proposals comparable. Here lies the real issue. Putting more focus on why and how, could result in more opportunities for the project developers to differentiate themselves.

The focus on 'why' also prevents discussions on details and proposals will be more resistant for changes by the client and economical changes. Meaning the flexibility of these proposals will increase. Problem is that flexibility is traditionally depending on the initiatives of the project developer (Reymen et al., 2008). Flexibility is seen as the own risk management of the project developer, but is at the same pointed out by the informants as one of the larger challenges of the future.

Strategy

Strategy on client

Starting with an analysis of who is in the jury could help to find the required focus points as project developer/consortium. If the jury comprises experts it is more likely they are known by people working at project developer side. Unless all kind of assessment methods are created, assessing quality will partly be subjective. Subjective means personal opinion, so analyzing what someone likes to see, could help the project developer in deciding which way to present. Considering the jury comprising non-experts, they are more vulnerable for marketing tools. Using attractive images to present the architectural design and keeping the backgrounds of these non-experts in mind, could help in a positive way during the assessment.

Strategy on corporation

During larger competitions it is wise to form a consortium, because as the size of the assignment increases, the risks and financial bearings are increasing as well. Submitting as project developer together with an investor can help incorporating guarantees for the client. For example the project developer is able to sell already 70 percent of the to be developed housing stock to the investor. Which ensures the project developer of the required money to start constructing and keep constructing the first phases. This is favorable considering all the stationary or cancelled area developments these days.

Having a strong portfolio can help the project developer getting through the first pre selection phase more easy. Still during the competition phase image (portfolio) could be used to show that you are able to realize complex projects.

Strategy for proposal

Figure 1 shows the process of creating a proposal and which factors are involved. It starts with the 'Why', the vision, the concept, which lays within the urban fabric of a city or area. Next is the 'How', how is the project developer ensuring the feasibility

of the proposed plan. Several process related characteristics are required to determine this feasibility: Communication stakeholders, Planning construction (phasing) and Vision on future cooperation (PPP). These characteristics indirectly have a strong relation with the 'How' part of the proposal. Eventually the project developer creates an output, which is the visual representation of the architectural design, the seducement. The Program of requirements is serving as input for the formation of the concept. The best situation would be if, as Sentel (2008) describes, functional aspects will depend on what real estate solution is thought of. Case studies show that municipalities want to have grip on what functions will be developed in a certain area. Therefore these clients create a strict program of requirements. Seen from the creative process, coming up with innovative ideas, these functions should follow from the why part of the proposal. But when already set by the municipality, the project developer is already bound to a certain form and function.

Initiating future competitions

The triangle of Why, How and What could be used during the initiation of new area development competition. The focus should be on "Why", so what is the concept and how are we going to cooperate. Many informants indicate that all participating project developers during the awarding phase of the competition are expected to be capable of delivering a high quality solution for the proposed area (What), therefore they are selected after the pre selection.

Minimize context of area development competitions

On this moment project developers are not joining new competitions, because stakes are too high. Therefore it is recommended to minimize the context in which an area development competition takes place, meaning more phases. Reduce the size and so the program of requirements, let the creativity of the participants do the job. Try to reduce the amount of restrictions set in the program of requirements and so use the



elaborate knowledge of the market.

Focusing on the social component of urban planning, which is the most important one, people want a safe environment for their kids and themselves. Results are knowing who your neighbors are and safe public space. This can only be done while looking at the potential environmental qualities and aspects in a specific area. As a client do not try to tender the whole area at once, but try phasing it and initiate competitions for smaller parts. This will help being flexible when new economical changes take place. Avoid selection on price, select on quality. Selection on price negatively affects the quality part of the proposal.

Making sure the participants have to differentiate themselves on quality (concept), will stimulate them to offer a higher quality. As we all know maintenance of certain areas is highly important nowadays, areas which are lacking quality are becoming socially isolated and problematic. Therefore setting a minimum price by the client and only open the price envelopes when two participants are really close together, would be the best option (good example is area development competition Céramique in Maastricht). It is way more crucial how the project developer makes his proposal feasible.

Future research

This research mainly focused on the way how marketing in relation to all the involved situational characteristics was affecting the assessment of the proposals by the jury during area development competitions. Several tools were found, but the effectiveness of a specific tool has not been researched yet.

More case studies are required to make conclusions about how the characteristics are acting within these competitions. The conclusions of this research, considering the limited performed case studies, can be specified as assumptions for new future research. How could the model of how area development competitions are initiated by the client on this moment be changed into a model which matches the way project developers are working. One characteristics, which dominated some

of the interviews, was flexibility. At the start of this research this characteristic was not specified. Flexibility influences all other specified characteristics. Certainly after the credit crunch of 2008 flexibility has become a hot item. During the financial crisis it was notify able, more than ever, that all the proposals created during the economical prosperous times could not bear the economical changes. So what does flexibility in area development mean and what role should it play during area development competitions. Can it be assessed during area development competitions or will stay the own risk management of the project developers?

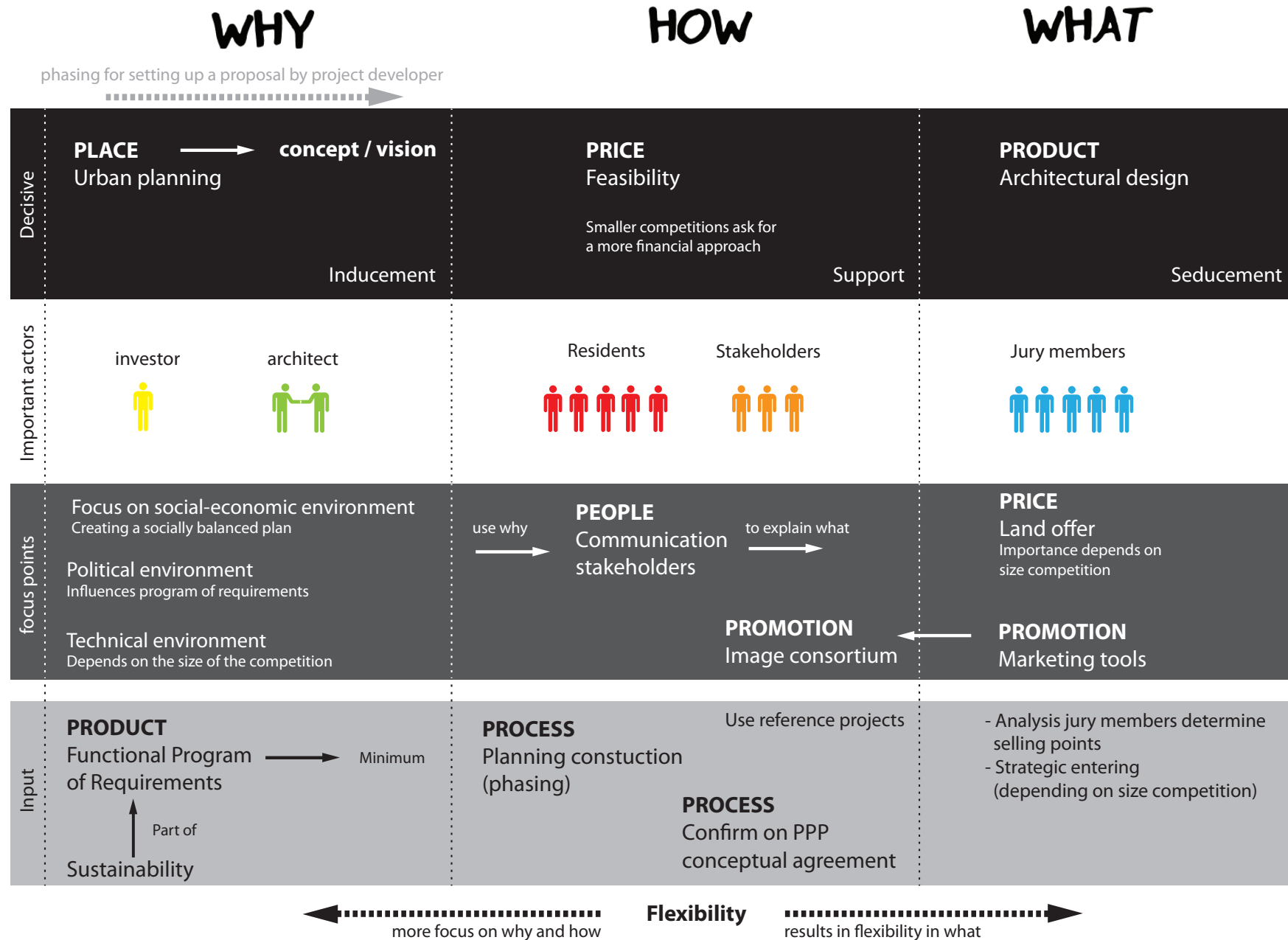


Fig. 1: Process of creating a proposal and which factors are involved, proposed strategy.



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Introduction

VROM, 2009

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“Knowledge sharing and cooperation on conceptual level is required to reach a optimal result in integral area development.”

1 Introduction

The earliest forms of design competitions were held in the era of the ancient Greeks. Figure 1.1 shows a timeline representing the evolvement of the area development competition as we know them right now. In 1419 one of the most famous design competitions was held concerning the dome of the Cathedral of Florence in Italy, won by Filippo Brunelleschi. During the 18th century, countries like the USA, France, Great Britain, Ireland and Sweden used design competitions on regularly basis. During 1872 the association “Maatschappij tot bevordering bouwkunst” was initiated in the Netherlands for improving the conditions of design competitions at that time. Almost a century later in the seventies the first commonly accepted rules were introduced in Europe. However, thirty years later in 1993 the official EU tendering law was introduced. Around 1990 “Area development” was up rising and became important. After 1990 this area development theme became more and more relevant. Highly complicated competitions were held for the development of these areas. Increasing complexity of the area development challenges resulted in new EU tendering rules in 2004 (2004/17/EG and 2004/18/EG) for making the tendering procedures more clear, simple, flexible and modern. These rules are partly used to make the area development competitions more honest. On the other hand they are used to take away the legal responsibility for decisions taken during these competitions by a jury. The jury is the entity which assesses the designs and all other submitted information by the participants during area development competitions. In 2008 the credit crunch hit the world and the Netherlands as well. Due to the combination of this crisis, the increasing complexity and financial investments of area developments, competitions were cancelled. Here the real discussion about the future of area development competitions started.

1.1 Problem analysis

Design competitions and all other resulting forms of competitions have been subject to discussions already for years. As Spreiregen researched the pros and cons of

design competitions in 1979. Private parties invest exorbitant amounts of money, even over €100.000, to deliver a design under the EU tendering regulations. (Blijsterveld, 2006) Even higher costs and risks are involved during area development competitions (fig. 1.1), where direct and indirect investments of project developers even go up to half a million. There is an increasing trend towards the use of the designbuild project procurement method in the public sector (McManamy 1994; Rosenbaum 1995; Yates 1995). This increased use combined with inexperience in the public sector generates a need for fundamental research of the process of design-build (Songer et al. 1994). Still after more than a decade the relevance of this research remains, because the same complications in the public/private cooperation are not solved yet. Architects complain about the high demands by clients, but the bar is raised for the project developers as well. The increasing financial demands pushes, the strong enterprises as well, to fuse even further (see fig. 1.1). Which automatically encourages scale enlargement and concentration for market parties. The high demands begin in the selection phase: if you do not have a gigantic turnover, you cannot participate. Then you have to invest hugely during the awarding phase, your only chance is with far elaborated plans. When the municipality does not limit the competitors, capital destruction will be the result, because only one can be the winner at the end (de Reus, 2009).

In area developments it is about parts with a strong public character and parts with a private character, intended for the market. The private developments, the development of housing and commercial real estate, are basically the responsibility of private parties, they are bearing the marketing risks and have the understanding of what the recent market needs are. On the other side the government has public task here, mainly as guardian of the spatial quality of an area. Here public policy and knowledge of the market collide: a municipality will set the building heights based on the spatial qualities in the zoning plan, but a project developer will point out the recent market needs. Knowledge sharing and cooperation on conceptual level is required to reach a optimal result in integral area development (VROM, 2009). Related to the need of knowledge sharing it is essential to gain insight in how your potential future

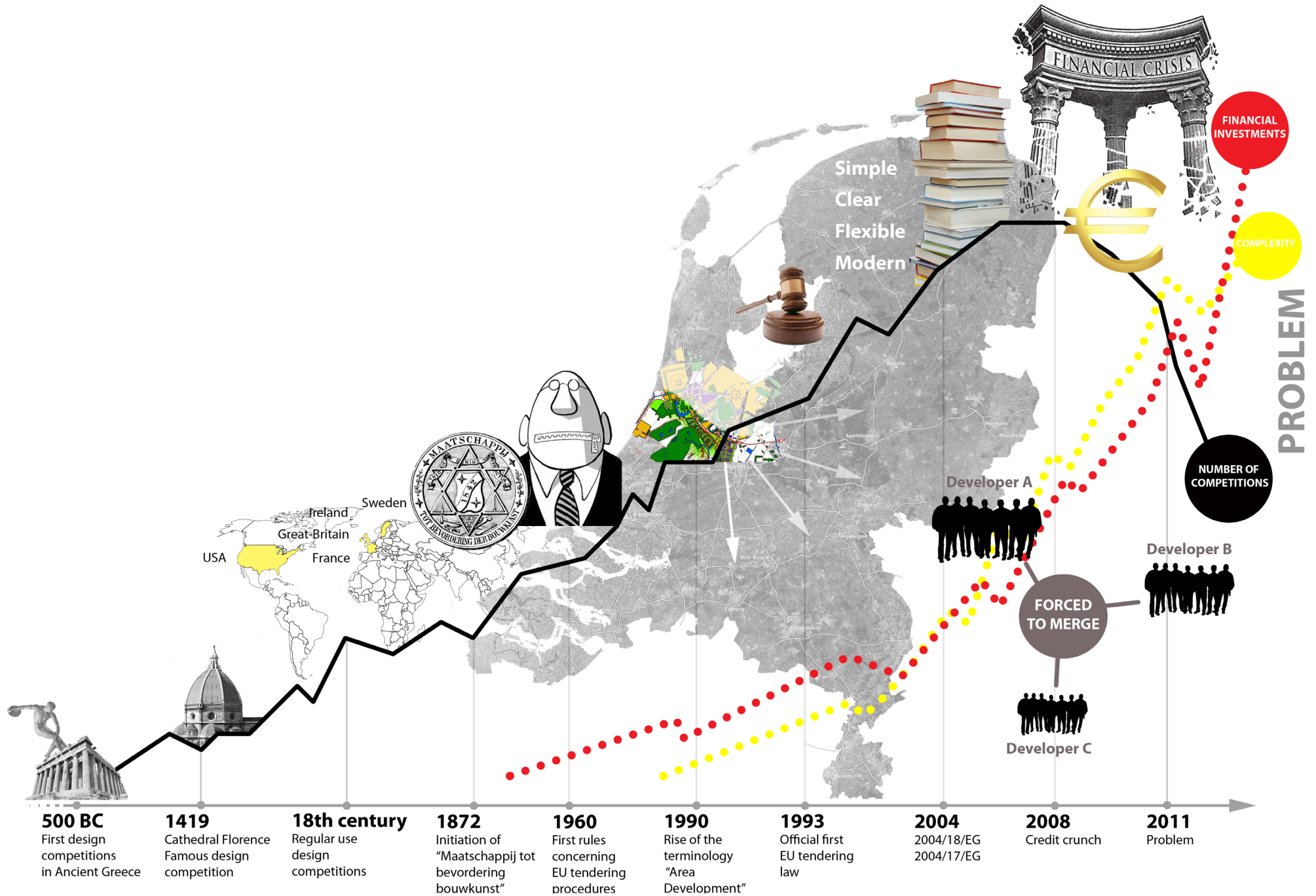


Fig. 1.1: Timeline development of "area development competitions" until the problem situation of nowadays.

partner is working and thinking. cooperation on conceptual level is required to reach a optimal result in integral area development (VROM, 2009). Related to the need of knowledge sharing it is essential to gain insight in how your potential future partner is working and thinking.

The chosen 'business strategy' by the project developer, during these area development competitions, is essential. A business strategy defines the choice of product or service and market of individual businesses within the firm. Business strategy, that is, is the determination of how a company will compete in a given business and position itself among its competitors (Foss, 1997). The business strategies of project developers after the credit crunch of 2009 changed, because they changed their corporate strategies. Corporate strategy defines the businesses in which a company will compete (Foss, 1997). They stop competing in area development competitions, because they lost to many competitions, which had a too large financial impact on their turnover. Risks in these kind of competitions are project developers losing all their direct and indirect financial investments. They find their regular income in development of land positions of their own portfolio or they assess unsolicited proposals to the municipality.

In 1940 Clark described competition in price as: "Competition is rivalry in selling goods, in which each selling unit normally seeks maximum net revenue, under conditions such that the price or prices each seller can charge are effectively limited by the free option of the buyer to buy from a rival seller or sellers of what we think of as "the same" product, necessitating an effort by each seller to equal or exceed the attractiveness of the others' offerings to a sufficient number of sellers to accomplish the end in view." During the area development competitions quality is added to the product, which makes it even more complicated. What should be the right price x quality level for your proposed plan as project developer, keeping in mind winning the competition is the target (see fig. 1.2).

"Companies increasingly look to quality, satisfaction, and loyalty as keys to achieving market leadership. Understanding what drives these critical elements, how they are linked and how they contribute to your company's overall equity is

fundamental to success." (Cronin et al., 2000) The continuous improvement cycle begins with the firm's efforts to understand customer needs and its ability to both understand and measure the performance of its service processes (. How is the quality measured in area development competitions and which characteristics are affecting it. Resulting in satisfaction at clients side and loyalty in selecting the project developer with the best plan.

Empirical research in the field of area development competitions could provide participating project developers new insights in the most suitable business strategy in a specific situation.

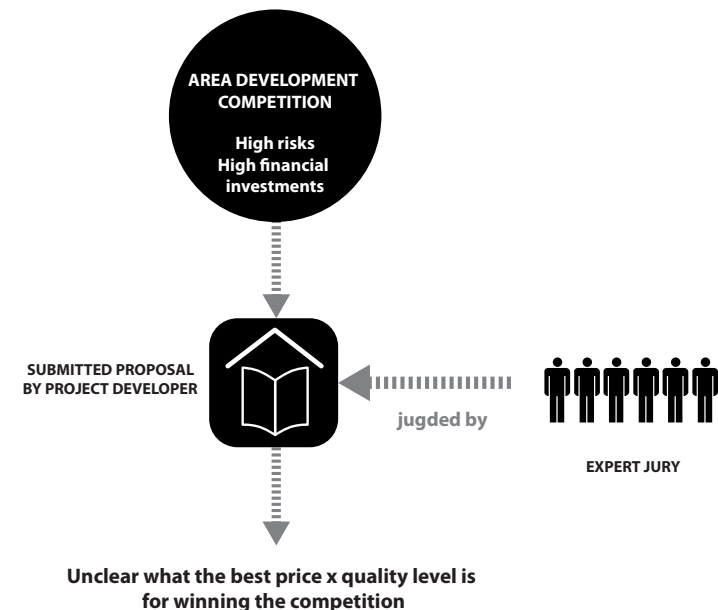


Fig. 1.2: short schematic summary problem analysis.

1.2 Research focus

This research focuses on the clients perspective on the assessed proposals by project developers in the context of the European procurement law in area development and the effect project developers can have on the clients perspective. During an area development competition many actors are involved, most of them as stakeholders. These area development competitions take place in the context of the EU procurement law. As L. Volker (2010) describes, which goes for these competitions as well, after the introduction of the EU procurement law, tenders were still seen as design competitions in which a jury panel assessed the submissions and determined a winner. However, the legal context created additional awareness of the consequences of such a decision. Which enforced institutions like the NEPROM to come up with scoring methods, which could take away part of the legal responsibility for decisions made by the jury.

The jury is assembled to choose the best plan, the main tasks is, as most referred to in selection guides: “the selection will be done on the most economical advantageous proposal”. In other words: “awarding on value”. The principle of this determination is based on the judgment of the offered quality in combination with price (Jansen et al., 2007). The assessed valuation methods by public entities are created to enforce transparency and honesty. Where others think these methods are just to take away the legal responsibility of decisions made during the process of the tendering procedure.

In perspective of the proposed transparency of these area development competitions one should focus on private vs. public as well. These two potential future partners have fundamental differences in their nature. One of the least acknowledge difference is the project developer being a commercial business and is trying from nature to survive on the capitalized market or even grow. Marketing is one of the essential tools to determine the corporate and business strategy of the project developer. With transparency as leading element, it is crucial to know how the whole tendering procedure is affected by this marketing. This research focuses on the project developer as user of these marketing tools.

1.3 Knowledge gaps and scientific challenges

As Jansen et al. (2007) discuss in their paper about ‘awarding on value’, there is no clear overview of the quality perception by the client is. A project developer is unable to determine his applied quality during competitions if the project developer has no reference point. Determining the desired expectation of the client can help the project developer providing better price x quality balance in his proposal.

As far as considering this research of integrating marketing with area development competitions has not been done. Many research studies focus on how to improve the question from clients side (Songer and Molenaar, 1997; Chan, Scott and Lam, 2002), for example in the program of requirements. During area development competitions a jury of independent experts and sometimes non-experts is hired to do the assessment of the proposals submitted by the participants. By knowing how they judge the question from clients side can be steered in the right direction and project developers are able of applying quality on the right places.

1.4 Research questions

In respect to find, as goal of this research, the best future business strategy to enter new area development competitions, the main objective is to understand which factors are of influence on the decision criteria for selecting project developers by a jury during these area development competitions in the context of the EU procurement law. This aim results in the following main research question:

“What is the best business strategy for a project developer to win an area development competition in an EU tendering procedure?”

To find an answer for this research question, the following sub questions are researched:

1. *Which characteristics of the proposals are most decisive for winning an area development competition?*
2. *How is the selection of project developers affected by the assessed marketing tools of project developers?*
3. *What are the implications for project developers joining area development competitions?*

The first question is an automatic reaction on the main research question. How can the project developer improve his product or service offered to the client in respect to the product- and service characteristics of his proposal. Knowing which characteristics are most decisive, could help the project developer being more aware of the potential focus points in his plan.

The second question is an result of the word business strategy. To form a business strategy, marketing tools are required. Knowing how marketing affects this competition, the project developer knows which marketing tools to use and how to use them more effectively.

The third question focuses on finding the implications for project developers to join these competitions on this moment. So why are they searching for a different corporate strategy? What makes these competitions so unattractive for project developers. Knowing the implications helps to gain more insight in where chances and possibilities are located in the tendering process and so choosing a better business strategy.

1.5 Audience

This research contributes to the areas of Design and Construction Management (DCM), marketing management and marketing strategies. Defining the area development competitions from marketing perspective is new in this form. Normally parties in this process are not font of the selling aspect of marketing, because the competition process is a public process and not a commercial one. An aspect which people forget is that the participating consortia's are commercial (private) businesses,

who have usually as core business to grow and survive on the competitive market. Marketing can provide new knowledge and new insights in how to approach creating an offer during area development competitions for project developers.

The research provides valuable information mainly for project developers and probably partly for all other parties involved during the competition process; external advisors, governmental institutions, architects, urban designers, etc. It shows the decision structure of people in the review commission, which characteristics are found the most important and result in the final selection of the consortium to do the job.

On an educational level this research could contribute as well. Students are provided with a much better insight in what is happening right now during area development competitions. With in mind that later on probably a few students will actually be active in these competitions.

1.6 Outline of thesis

This thesis is written in a chronological order of how the researched was performed. Chapter one already discussed the main issues and research gaps. Chapter two focuses on how the process of an area development in general goes. Chapter three links marketing to area development in order to set up the theoretical framework in chapter four. Chapter four combines the knowledge from literature of chapter two and three and so lays the basis for further research. Chapter five is all about the applied research methodology for this research. Chapter six discusses the results of the performed three case studies: Wieringerrandmeer, Park Zandweerd and Orinocodreef. Based on the results of chapter six and theory of chapter 2 and 3, chapter seven discusses the conclusions of this research. Chapter eight translates the conclusions of chapter seven in a useful strategy for joining future area development competitions. Chapter nine reflects on the total research methodology and also includes some recommendations for the municipality for setting up new area development competitions under the context of the restricted EU procurement law. Chapter ten is the epilogue.

Area development competitions

An aerial photograph of a rural landscape. A river flows from the top right towards the bottom right. The landscape is a patchwork of green fields, some of which are brown, suggesting different crops or stages of development. There are several small towns or villages scattered across the landscape, with buildings and roads visible. In the center, there is a large body of water, possibly a lake or a reservoir, with some structures near its edge. The overall scene depicts a developing area with a mix of natural and built environments.

Girmscheid and Dreyer, 2006 ”

“Public Private Partnership (PPP) is a contractually formalized long-term form of cooperation based on partnership between the public and private sectors with constituent characteristics.”

2 Area development competitions

2.1 EU tendering procedures and selection

A selection in the context of area development is selecting a private partner, with or without an exhibit, from multiple subscriptions, where the participants have received a precise description of the procedure and public law preconditions upfront. A selection has basically no specific form. The result is determined by criteria made in the beginning. The procedure is bound to certain common rules including clearness (for example that demands are not changed during the process), a honest playing field (every contestant receives the same information and chances), objective valuation and prevention of state support (VROM, 2009).

Fig. 2.1 shows the process of an area development in phases. This helps to understand what the context is in which an European tendering procedure is started.

Initiative phase

The initiative phase has the purpose to research if area development is desired and if there are other alternatives. In order to speak of area development, after initiative phase a plan have been set up and has been approved. Initiatives for area developments can proceed from market initiatives from a land- or real estate position and market proposals as unsolicited proposals, coalition programs (from provinces or municipalities), or from policy. This research mainly focuses on the area development with a public client, so with initiative resulting from coalition programs or executing policy.

Feasibility phase

The feasibility phase is a intense and complex phase of area development. This phase splits up in three sub phases, each three characterized by their own results:

- The definition phase from the government, with the resulting product: the planning and other public law conditions of generic nature;
- The design phase from the market party with the resulting product: a design fitting within the result of the definition phase;
- The preparation phase of the market party, with the resulting product: the realization plan as further elaboration of the design.

This bifurcation of the process is required , because certainly in large projects, different activities take place at the same time. Streamlining and structuring these activities is easier when the feasibility phase is broken up.

During the feasibility phase simultaneously people are drawing and calculating. Within area development this is, as much as possible, an iterative process, because probably the first ideas will not be feasible. The involved actors have to draw and calculate again to reach a feasible and realizable plan. In some cases starting points and/or ambitions even have to reconsidered.

The realization phase

The realization phase is focused on the real execution and construction of the area development as stated in the feasibility phase. Before the start of the real development it is clear who is going to do what and when. The allocation of responsibilities, the organization of risk management and a streamlined execution organization are essential. Execution requires different people around the table than preparers, designers and policy staff. Special attention has to be given to agreements about ground routing. Prior to delivery – if a transparent procedure is not followed – a taxation has to be done by independent experts. Possibly in preparation to this phase, land is acquired and the site is prepared.

The exploitation- and maintenance phase

During the maintenance phase the area development is finished. It is time for management and maintenance, until the moment new radical plans make interfering in the developed area necessary. During this phase different projects within the area development are transferred to end users c.q. owners: the dwellings to buyers, the commercial shops to investors or private owners, the public space and greenery to the municipality. (VROM, 2009)

Fig. 2.1 represents the total process of the involvement of market parties in area development. This research mainly focuses on the phases indicated in red. The rest of the other phases are used as the context in which this specific partial process takes place.

The initiative is from governments side, resulting in a area development competition in order to receive the most economical advantageous offer. Within the competition phase, the restricted procedures are researched. Meaning those procedures in which any economic operator may request to participate and whereby only those economic operators invited by the contracting authority may submit a tender (Volker, 2010). Which means there is a pre-selection/qualification phase, where developers are tested on reference projects and financial capabilities. The research focuses on this kind of competition, because reference projects and financial capabilities are no situational characteristics. Situational characteristics are variable characteristics and differ per assignment/situation, they can be adapted per situation. Normally during the real competition around five project developers are selected to assess a proposal based on the selection guide, created by the client. During the awarding phase, the proposals are valued by an independent expert jury.

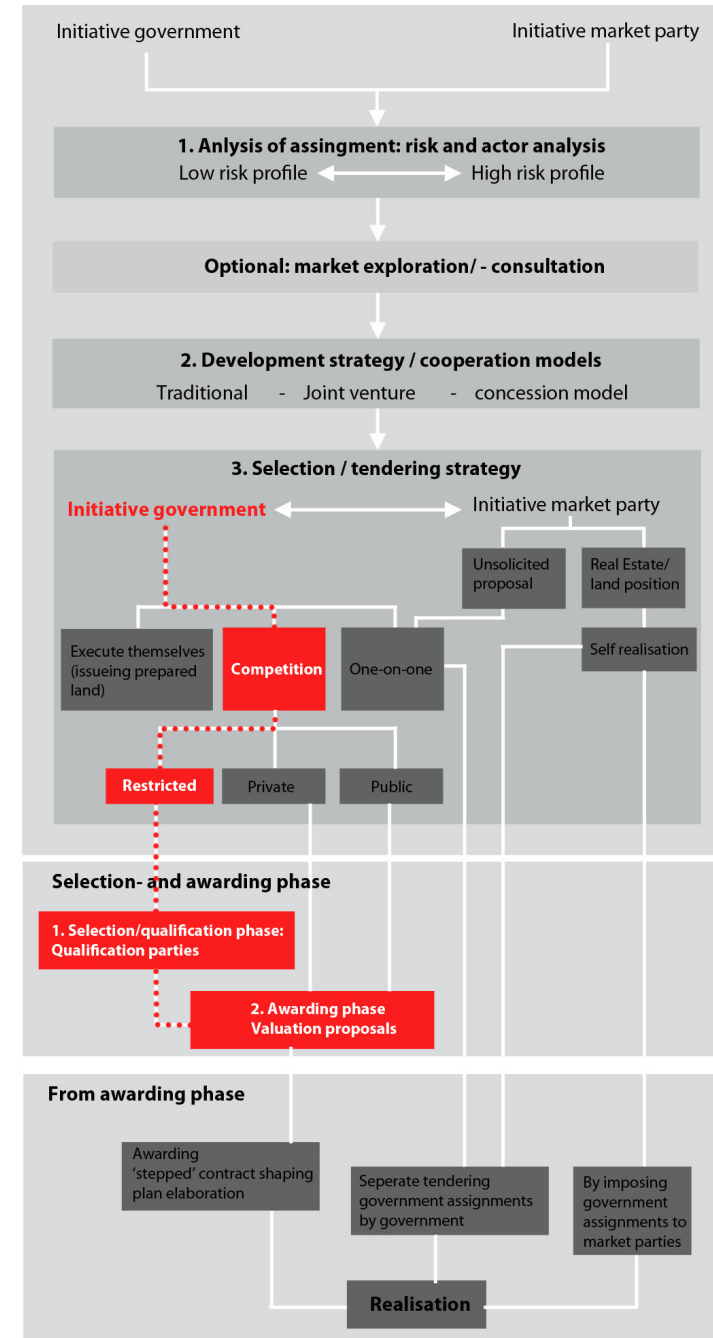


Fig. 2.1: Total process of area development competitions (VROM, 2009)

2.2 Aim of selection process

The goal of the competition is to select a private partner to sign a PPP-contract to develop a certain area. Public Private Partnership (PPP) is a contractually formalized long-term form of cooperation based on partnership between the public and private sectors with constituent characteristics (Girmscheid and Dreyer, 2006). This PPP contract should contribute to the trust of both parties depending on each other during the negotiation phase and till realization. Regularly a conceptual PPP contract has been written by the public client and the project developers are asked to give their approval on this contract.

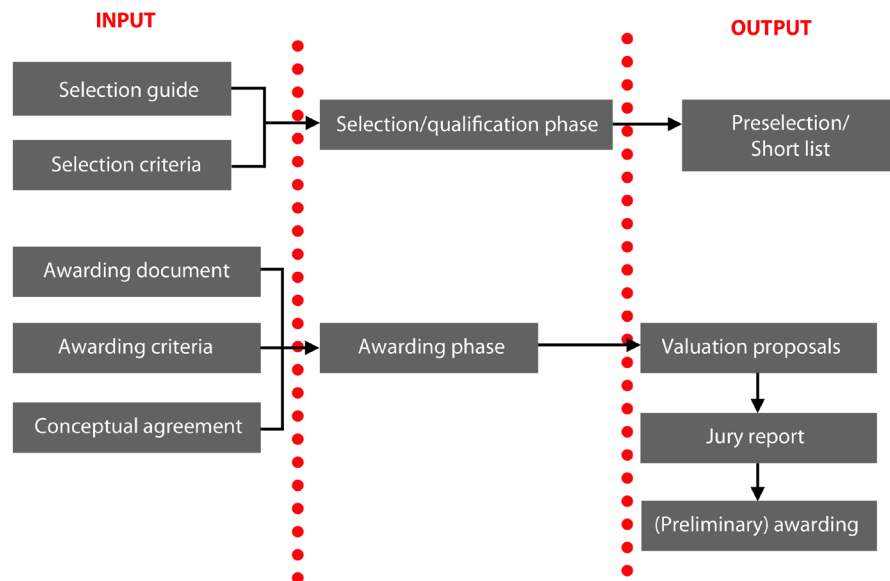


Fig. 2.2: Process selection and awarding phase. (VROM, 2009)

Fig 2.2 shows the to be followed process during a restricted EU tendering procedure. During the first selection/qualification phase, the project developers are tested on different selection criteria in the selection guide. Resulting from this pre selection a shortlist is created, so called short listing. The next phase is the most crucial, the awarding phase. During this phase project developers each assess a proposal which fits the awarding criteria and awarding document, regularly a conceptual contract agreement is added as mentioned before. An expert jury is hired to value the proposals. Based on the jury report and on the advice of the expert jury the project is awarded to the project developer with the best plan.

2.4 Types of area development

There are many different kinds of area development, we only focus on the three main types, because they are all split up again.

Inner city developments

These kind of developments are complex, because they are often in between the existing urban fabric. They are combined with a high risk profile by for example the fragmentation and stacking of functions, like shops, parking, living and services. In addition the recent and future owners and users are involved, mostly from different stakes and roles. Uniting these stakes and roles is an important part of the inner city developments.

New developments in expansion areas

the risks in expansion areas are mostly determined by large acquiring of land and the long turnaround of the realization and sale of the real estate. These area developments are frequently more in area where the complexity is less than inner city development. Besides there are issues like provision of services, accessibility, public transport and water retention. The large supply of dwellings, office areas, offices and

shops are strongly cyclical, that is why flexibility is asked in agreements between parties.

Integral area developments on regional scale

Because of the long time span and size, these development have a high risk profile. The recent users and owners are regards the content less involved in area development than in inner city developments. Regional developments are usually initiated by the province or state, who want to give an impulse to specific regions. The differences between area developments are visualized in fig. 2.3 (VROM, 2009).

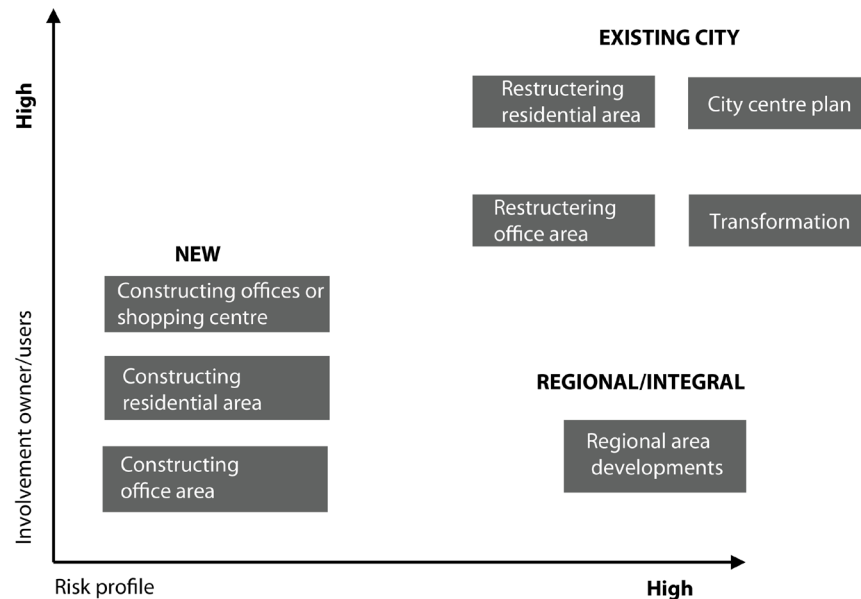


Fig. 2.3: Types of area development referred to complexity. (VROM, 2009)

2.5 Involved actors

During area developments many stakeholders are involved. All these actors are capable more or less to frustrate or block the process. since the increasing power of

civilians these processes become even more complex. If they do not agree on the proposed plan or changes in the area they live in, they are free to go to the court. Because of the complexness of the process, it is wise to create an overview of their stakes and tasks during the area development process.

Project developers (and consortium partners)

The project developer is, as mentioned before, normally bearing the largest part of the risks. They are asked to join the competition or subscribe for it themselves. After the pre selection round they are asked to come up with a proposal based on the Program of requirements written by the municipality. A project developer is characterized by his way of working: designing a plan, calculating the plan, rent out or sell the product and after that starts building.

First of all there is not one specific kind of project developer, for example you have building project developers, investing project developers, project developers (purely management). It depends on the size and diversity of the assignment if a project developer has to cooperate with other market parties. For example if a assignment is not purely constructing housing, but heavy changes in land are involved, a large contractor specialized in land will be asked to join the consortium. Investors are asked to join, because it represents a strong image. The project developer is capable of building anyway, because a large part of the to be developed housing is already sold to the investor.

One of the most common cooperating partners of project developers in these kind of processes are architects. These architects are urban architects, building architects or landscape architects, again depending on the size and complexity of the assignment. A large part of the quality of the proposal is added by the architect, because it is embedded in the design.

For some competitions consultants are required, because the assignment asks for a specific specialism. For example having asbestos during a inner city area development or for creating a natural biotope.

In other words, if subscribing parties during area development competitions

should be described, it would be as consortia. They submit their proposal as a group, while the project management of this team is mainly in the hands of the project developer.

Municipality

The party who normally launches the area development competitions are the municipalities. They are the client and did all the work during the preparation phase of the competition. They created the legal conditions and wrote the program of requirements, same as the selection criteria and selection document, alone or with the help of external advisors.

During smaller competitions the municipality have internal project managers, who manage the whole process, from initiative till realization phase. They select an expert jury, who is asked to judge the submitted proposals using the selecting criteria. If larger competitions are launched external knowledge is required and therefore external consultancy companies are asked to manage the complex process.

Provinces

This public entity is normally involved in larger projects, which really effect the planning of an area on regional scale in a specific province. They contribute moneywise, but share risks as well, especially if smaller municipalities are involved and not capable of bearing the risks. Involvement of the province makes the process even more complex, because they are capable of frustrating or block the process as well.

Jury

The expert jury is asked by the internal or external project manager of the municipality. It is a team of people from diverse professions, so all knowledge fields are covered. Again the expertness of the jury depends on the size of the assignment. A smaller competition can be judged by local people from the municipality, but more complex processes require independent external experts. Not only because of the knowledge, but for for legal aspects as well. Larger competitions involve more stakes and so

transparency and independence are even more crucial.

More local competitions even ask for future and recent residents in the jury. Representatives of groups of residents join the jury to represent the vote of these residents. This is an effect of people, even residents, being more dominating during the process. Especially after the credit crunch of 2008, private and public parties attach more value to the opinion of the residents/consumers. At the end the consumers have to buy the dwellings. Fig. 2.4 represents the division of a common jury during area development competitions.

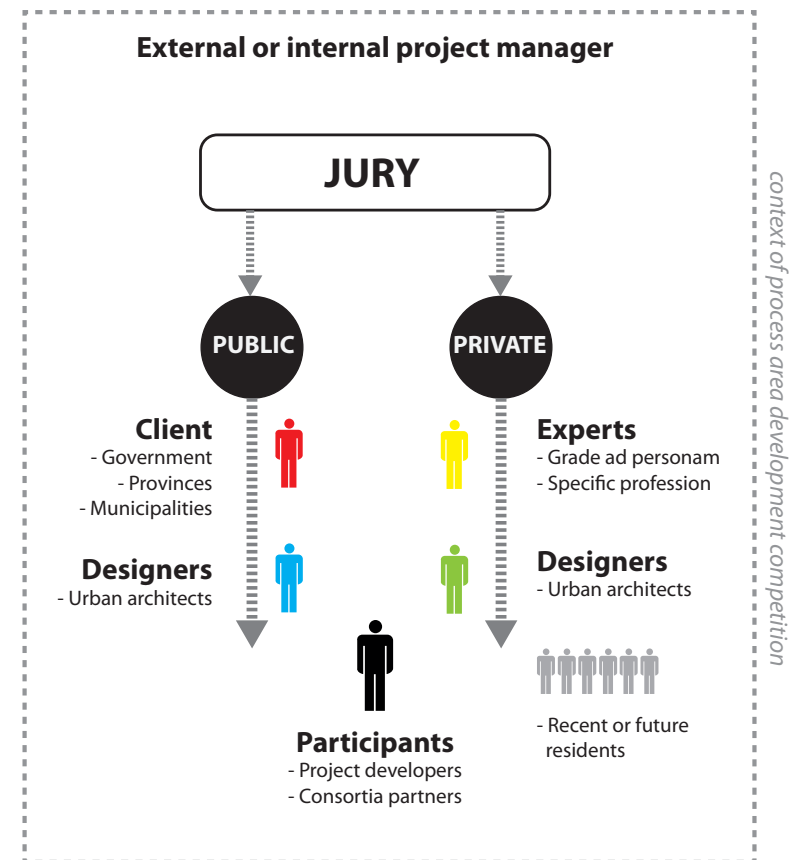


Fig. 2.4: General composition of jury during area development competitions.

Future residents or residents from surroundings

As described in the previous part, residents are becoming more powerful than ever before. They are even capable of frustrating or blocking the development process. They are free to go to court and serious financial damage could be done. Making them more important during the process is a natural reaction. They are even invited to join the jury. With having them in the jury, there is more space for marketing tools. These untrained residents are more sensible for nice images and the way of presenting, the task of the trained experts is to get them looking further than the packaging.

2.6 EU tender regulations and the effect on the Netherlands

Although the European directive for operations was introduced in 1993, the range of penetration could be noticed years later. In 2004 the European directive for operations has been merged with the European tendering directives, which has been introduced in the Netherlands since 1 december 2005. Assignments from tendering services above a certain threshold are obliged to use a official tendering procedure, according to the procedures of the European tendering directives (Boer, 2006).

When should the directive be implemented? Three elements are important. Firstly the understanding “governmental assignments for operations”. These are governmental assignments from a tendering service which are covering, on one side the execution of a service and on the other side the execution of an operation which coheres with the regulations for a tendering service. Secondly the understanding of ‘tendering service’. Meaning not only governmental entities, but so called public entities as well. This research will mainly be focused on the governmental entities as client for the area development competitions, which are obliged to implement tendering procedures. Finally the threshold plays a role. Meaning the directive is only applicable when assignments for operations involve prices above €5,278 million euro’s (Boer, 2006).

The control on the right compliance of the European directives are getting more strict, the influence of Europe is growing, the legal knowledge of suppliers is

growing and the efficiency of governments is closely watched. Therefore it is important for governments to invest in expertise on the area of European tendering law (Brugman, 2007).

On political and administrative level the EU tendering procedures seems be no issue. Not uncommon the governmental assignments are used by political leaders as a tool to achieve political targets (Brugman, 2007). In respect to the jury members of during area development competitions, political environments can be really of influence on how decisions are taken in the jury as independent entity.

2.7 Characteristics during area development competitions

During an area development competition a “proposal” is assessed by each participant. This proposal is a collective term for all the elements delivered by the project developers to the client.

One part of the proposal exists of architectural design quality:

- Urban planning (impact on social-economic, political and technical environment);
- functional program;
- architectural design;

(VROM et al., 2009; Municipality Deventer1, 2008; Municipality Deventer2, 2008; Province Noord-Holland et al., 2004)

Next to the quality part of area development, financial characteristics are evenly important, meaning searching for the most economical advantageous offer (Vrom, 2009).

- Feasibility (riskmanagement + financial calculations);

- Price (land offer);

(VROM et al., 2009; Municipality Deventer1, 2008; Municipality Deventer2, 2008; Province Noord-Holland et al., 2004)

- Planning construction (phasing);

(VROM et al., 2009; Municipality Deventer1, 2008; Municipality Deventer2, 2008; Province Noord-Holland et al., 2004; Jacobson & Choi, 2008; Bult-Spiering & Dewulf, 2006)

How public and private parties are going to cooperate during the realization phase is agreed on in the PPP-agreement (Public Private Partnership). So the next characteristic is:

- Vision future cooperation (PPP);

(VROM et al., 2009; Municipality Deventer1, 2008; Municipality Deventer2, 2008; Province Noord-Holland et al., 2004; Bult-Spiering & Dewulf, 2006)

Both characteristics are not specified in the selection criteria, but because of the context of competition, they could be of influence:

- Marketing tools (presentation techniques, building customer relation, unique selling points, etc.);
- image of consortium (branding, reference projects, trust);

(Albert & Whetten, 1985; Berry, 2000; Dutton & Dukerich, 1991)

Realizing an area development involves telling people they have to move or things are going to change in their living environment. Therefore the following characteristic is taken into account:

- Communication stakeholders.
(VROM et al., 2009)

Marketing during area development

Sinek, 2009

”

“Start with why, than how and eventually what”

3 Marketing during area development competitions

3.1 Introduction

This chapter is fully contributed to describing marketing perspectives in relation to area development competitions. Before the investigation of the different decisive characteristics during these competitions, it is essential to know where you are looking for. This chapter helps to create a better focus on which items are the problem and mostly likable to give the best output.

3.2 Service and product marketing

Every project is unique in its combinations of design, price, location, management and process. This results in project offers, which can be compared to unique marketing of products and services. It is very hard to exactly specify either the project offer is described by product marketing or service marketing.

A service has been described as a “deed, act or performance” (Berry 1980). Two fundamental issues are at whom (or what) is the act directed, and is this act tangible or intangible in nature? This is the definition of Lovelock in 1983. Often parties are chosen to do a job, based on past performance. In this sense the performance can be seen as a service. The client is searching for the best price in combination with the highest performance.

The fundamental difference universally cited by authors (e.g., Bateson 1977; Berry 1980; Lovelock 1981; Rathmell 1966, 1974; Shostack 1977a) is in-tangibility. Because services are performances, rather than objects, they cannot be seen, felt, tasted, or touched in the same manner in which goods can be sensed. Intangibility, according to Bateson (1979) is the critical goods-services distinction from which all other differences emerge. (Zeithaml et al., 1985)

A common quotation is that every area development competition is different.

There are numerous environmental aspects which are dynamic and change every time. For example every city has other focus points in their policy; time is moving on and so is the market; the question of the client is formulated differently; different kind of competitions: larger multifunctional area developments, smaller mono functional competitions, restructuring competitions. Even during the process things can happen in personal environments or business wise, every situation is unique. All these aspects have to be taken into account by the project developer. Automatically all these aspects contribute to the statement that the service or product delivered, during the competition phase is unique.

The project developer and the client make an agreement after winning the competition to step into a process of several years. This process is not tangible in nature, but just happens and can be steered. Performing well during this process is kind of a service.

As said before next to this process and performing, you create kind of a relation, good or bad. This relation is intangible in nature, so this lays the accent on service marketing (relationship marketing). Still if you have good relations with your clients, but your performance level, concerning the product, is bad, your image is bad. And the opposite is also true, so if you are a bad communicator, but your product (the development result) is excellent, still your image can be bad. In this sense the word ‘performance’ cannot prevail the choice for product or service marketing.

The prevailing argument can be provided by the framing of the process in which the competition takes place. If we take a look at the whole process, it is clear that from the beginning the intention is to develop commercial and residential real estate. Zooming in on the competition and setting the limits only on this phase, not arguing about if it will be build, we could state that the project offer can be seen as a service. The proposed product is only described in words and images, so it is still intangible. Fig. 3.1 (Lovelock, 1983) shows the separation between different kind of services. Architectural design is indicated to be highly customized and the exercise judgment in meeting individual customer

needs is high. The project offer comprises this architectural design and a price for realisation is added with some cooperation agreements. Which make it even a more unique service. You intend to create a ‘unique product’ at the end, but still during the competition phase you are offering a ‘unique service’, in the hope you get the chance of realising this product. This proves that during the competition phase:

*“A project offer can be seen as a **unique service** from the project developer to the client”*

Customization and Judgment in Service Delivery		
Extent to Which Customer Contact Personnel Exercise Judgment in Meeting Individual Customer Needs	Extent to Which Service Characteristics Are Customized	
	High	Low
High	legal services health care/surgery architectural design executive search firm real estate agency taxi service beautician plumber education (tutorials)	education (large classes) preventive health programs
Low	telephone service hotel services retail banking (excl. major loans) good restaurant	public transportation routine appliance repair fast food restaurant movie theater spectator sports

Fig. 3.1: Customization and judgement in service delivery (Lovelock, 1983)

3.3 Marketing strategies

Within a given environment, marketing strategy deals essentially with the interplay of three forces known as the strategic three C’s: the customer, the competition, and the corporation (Jain, 1999).

“A strategy concerns a where the business is heading for on the long term”

(Ambrosini et al., 1998)

In dynamic competitive markets, managers should recognize the presence of interactions within marketing activities and between competing brands. To this end, they should incorporate strategic foresight in their planning by looking forward and reasoning backward in making optimal decisions. By looking forward, each brand manager forecasts his own future plans and anticipates the decisions to be made by other competing brands; by reasoning backward, they deduce their own optimal decisions in response to the best strategies of all other brands (Naik et al., 2005).

According to Neil Russell-Jones (2005) a strategy is the development of a set of unique and irreproducible competencies and customer value propositions that enable you to continue to generate value. ‘Competencies’ in this case means those things that your organization does in order to carry out its business. It is a mixture of people, systems, structure and skills, culture, distribution and operations, etc. If the competencies are reproducible then they will be copied by your competitors and you will lose your competitive edge. A strategy, therefore, is a statement that defines which markets you will be in and sets out the organizational competencies that you will need (and what actions you need to take to develop them) to enable you to gain and sustain your competitive edge, in order to persuade customers to buy from you rather than the competition. This research will result in a strategy, which will mainly be focused on the actions to be taken for reaching these competencies.

In 2009 Simon Sinek introduced the marketing concept of: “Start with why, than how and eventually what”. This new way of thinking is based on inspiring other around you to reach the highest quality. In other words, if you know why you are doing or producing something, you are able to explain it to others and inspire them to take action (as great leaders did in the past). This “why, how, what” – concept is strongly related to the assignment of the project developers during area development competitions. They are asked to create a design concept (“why”), than they have to show “how” they are going to do it and they are judged on “what” the produced. It could be very interesting to apply this theory on the recent decision structure of the client and see if the project developers are able to inspire the client or they are bound to follow a different road while creating their proposal.

3.4 Identity vs. image

Describing this scenario from marketing perspective, we could implement the antithesis of “Identity vs. Image”. It’s important to clear up common misunderstandings and confusion in terminology. Identity is concerned with the planned visual elements in their many varied applications that are used to distinguish one corporation from all the others (Gregory, Wiechmann, 1998). Corporate image is the combined impact made on an observer by all of a corporation’s planned and unplanned visual and verbal communications as well as by outside influences (Gregory, Wiechmann, 1998).

Implementing the knowledge of this identity vs. Image aspect in area development competitions, the following scheme could be seen as the representation of the task of the participating consortia.

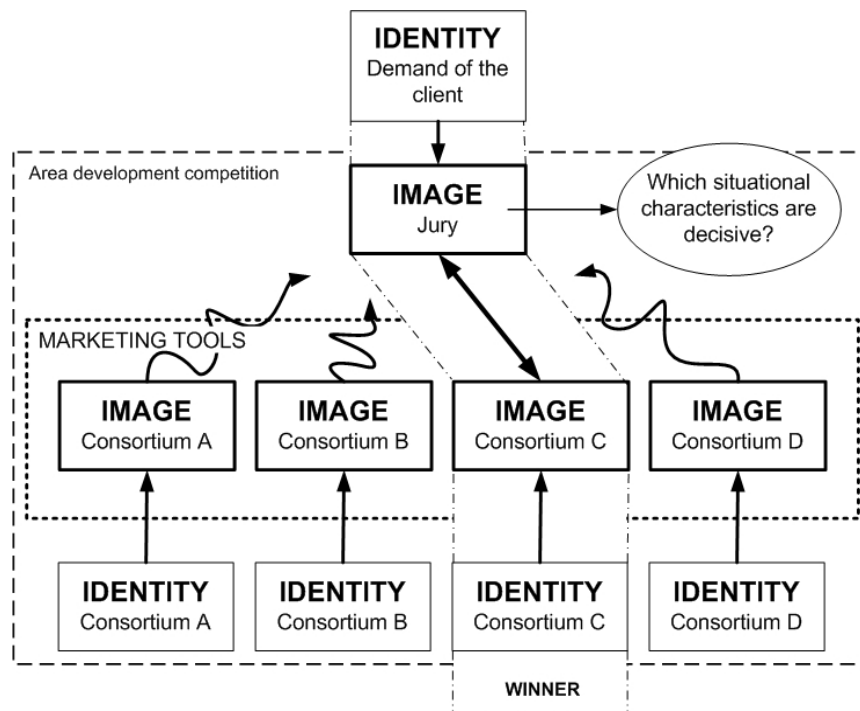


Fig. 3.2: Identity vs. Image during area development competitions.

Organizations have identities (Albert & Whetten, 1985; Ashforth & Mael, 1989) that influence how individuals interpret issues as well as how they behave toward them. The assertion that organizational identity affects issue interpretations and actions has received some support from other studies of organizational adaptation (Meyer, 1982; Miles & Cameron, 1982). The present study also built on ideas from impression management (e.g., Tedeschi, 1981), suggesting that individuals seek to influence how others see and evaluate their organization.

The scheme exactly forms a visual representation of this impression management. The government initiates a new area development competition for a certain area, because they want to find private partners for the developing process. This is the identity of the client during the area development competition (see fig. 3.2). They form a jury, which will judge the proposals, submitted by for example four selected consortia. The jury can be seen as the image that the government formed, because they will represent the identity, but after all if a other group is assigned the result could be different (Dewulf, 2010). On the other side the consortia have an identity as well, corporate identity. While assessing their proposals they will form a corporate image, which will increase their change on winning. This corporate image is focused on the image of the jury, because they will decide on which consortia will be finally selected. Therefore there is one consortia's image which has the most corresponding aspects with the jury image, he wins.

3.5 6 P's of marketing

The concept of the marketing mix was reportedly introduced by Neil Borden in his presidential address to the AMA in 1953. He got his idea from James Culliton, who described the business executive as somebody who combines different ingredients. The term “marketing mix” therefore referred to the mixture of elements useful in pursuing a certain market response. To facilitate practical application of the concept to concrete operating problems, early writers on the marketing mix sought to itemize the large number of influences on market response that marketers must take into account (Oxenfeldt 1962).

‘There is a wide acceptance of the 4 P structure in the marketer field and they identify the 4Ps as the controllable parameters likely to influence the consumer buying process and decisions (Kotler 2003; Brassington and Pettitt 2003). The majority of marketing practitioners consider the Mix as the toolkit of transaction marketing and archetype for operational marketing planning (Grönroos 1994). While empirical evidence on the exact role and contribution of the Mix to the success of commercial organisations is very limited, several studies confirm that the 4Ps Mix is indeed the trusted conceptual platform of practitioners dealing with tactical/operational marketing issues (Sriram and Sapienza 1991; Romano and Ratnatunga 1995; Coviello et al. 2000). An additional strong asset of the mix is the fact that it is a concept easy to memorise and apply. In the words of David Jobber (2001): “The strength of the 4Ps approach is that it represents a memorable and practical framework for marketing decision-making and has proved useful for case study analysis in business schools for many years”.

Enjoying large-scale endorsement, it is hardly surprising that the 4Ps became even synonymous to the very term Marketing, as this was formulated by the American Marketing Association (Bennet 1995)’ (Constantinides, 2006). This basic structure of the four P's comprises: Product, Price, Place and Promotion. Through the past decades people start to discuss these four P's, resulting in expansion of this framework. Despite the background and status of the Mix as a major theoretical and

practical parameter of contemporary marketing, several academics have at times expressed doubts and objections as to the value and the future of the Mix, proposing alternatives that range from minor modifications to total rejection (Constantinides, 2006).

The consideration of the appropriate marketing mix elements and the emphasis to be placed on them will always vary according to the context being considered (Christopher et al., 1991). The inclusion of both people (staff) and processes (work activities) in the expanded marketing mix of Christopher et al. (1991) has special significance as they consider these elements to be the service quality drivers, that is, the elements which most underpin quality and customer service improvement. Christopher proposes to add next to People and Process, a seventh P, Performance of customer service (Waterschoot, 1992; Lancaster, 1966). This customer service is related to ‘relationship marketing’, but because of the fact that all parties should be equal during the area development competition, this last P is excluded for this research. It could be seen as a side effect, if the winner is chosen based on past relations, it means that the evaluation committee was not independent and conflicts will definitely arise. The expanded marketing mix for this research will be of 6 P's: Product, Price, Place, Promotion, People and Process. The classical 4 P's are expanded with the additional People (staff and involved actors during area development competitions) and Process (work activities). As Christopher et al. indicated the P's are context dependent, so in diverse environments they can be seen differently. The area development competitions are a specific field of expertise and so the 6 P's used in this research are clarified in the next sections.

As Christopher *et al.* in 1991 states:

$$\text{Service Quality} = \frac{\text{Perceived Performance} \times 100}{\text{Desired Expectation}}$$

This statement as explained in chapter 1 during the problem analysis refers to the 'quality gap', which occurs when the equation is not met for 100%. The Expectation is what the client expects to get and what is stated in the selection guide, but desired expectation could be interpreted differently. Desired expectation is a bit more than expected, so this is the gap that the project developer wants to find, because it increases his chance on winning the competition, the perceived performance should level the desired expectation. This is the essential core where we are talking about while focusing on quality in area development competitions. The best service quality is delivered when synergy occurs between the different P's: Product, Price, Promotion, Place, People and Process. Service quality is a complex aspect from itself, first of all of the involved factor 'service'. Services are fundamentally different from manufacturing. Important differentiating factors include the type of customer participation, the integral role of customer participation in the service process, the perish ability of the service provision, the fact that service site selection is dictated by the location of customers, labor intensiveness of services, the intangibility of service offerings, the difficulty in measuring intangible service outputs. Those differences contribute to increased complexity in the provision of high levels of service quality. (Dobie & Hensly, n.d.) Even harder is the fact that could be expected that the highest possible level of service quality is required to win the area development competition.

Relations within marketing mix model

Every P within the expanded marketing mix model of this research is linked with all the other P's. This implies that every P can be seen in relation to a other P. To understand the importance of one single P, it is essential to gain enough knowledge about the relations to the other P's.

3.5.1 Product

Product Quality

The P of the Product can be best indicated as the 'quality of the product'. The product to be delivered could be seen as a 'service', because the proposal is not a actual product they deliver, it is part of the process to create a tangible product at the end. While creating their proposals during the competition, the project developers are completely not sure if they will acquire the assignment. The proposal can be best described as a 'concept' defined as: the optimal real estate solution for a specific place, where spatial and functional aspects are developed who have, next to the quantitative, a qualitative basis as well. (Neprom; Sentel, 2008) This section is mostly focused on the qualitative basis.

The proposal that is delivered by the project developer is a product that results from the service that he provides to a specific client. This product consists of multiple factors which represent the quality:

- 1) Design quality; 2) Quality in how the design is integrated in potential location;
- 3) Quality in how it is presented (Promotion); 4) Quality of the cooperation process (history/references). Only the quality indicator 1 will be discussed here, because the others are discussed in the other sections of the P's: 2) Place; 3) Promotion; 4) Process. Price is related to quality and people so kind of the sociological aspect, concerning organizational decision making (ODM) and expert decision making.

Design Quality

The equation of Christopher (1991) involves different kinds of performances which are demanded by the client from the participating project developers. All the P's are

part of the service quality, which the client expects and wants to receive. Product is one of these P's and can be partly described with design quality of the product (design). Design quality as a value judgment that results from the interaction between an individual and a design object. Because of these judgments about design quality are always made in relation to the existing values, structures, ambitions and needs of an individual stakeholder and their potential for the future. The decision task of a client during the selection process of an architect requires several judgments about the potential design quality (Volker, 2010, p. 112).

L. Volker (2010) researched the decision process during architect selection under European tender regulations. These kind of selection competitions look a lot like the area development competitions. Therefore the following statement can be incorporated in this research and transformed: 'The selection of an architect relates to the combination of the architect as a person with certain competences, the quality of the potential product, and the characteristics of the firm they represent. This 'Package' cannot be taken apart during decision making in the selection process.' This combination can be translated to the area development competition selection as: 'The project developer's team with certain competences (people), the quality of the potential product (service), and the characteristics of the company they represent (branding, reference projects).

Holistically design quality can also be seen as the achievement of an integrated totality that is more than the sum of the parts (e.g. Bártolo, 2002; Dijkstra, 2001). However, during communication and discussion design quality often seems to be decomposed. In everyday usage 'features', 'properties', 'traits', 'characteristics', 'attributes' and some other terms could be substituted for 'qualities' or 'values' of design (Dijkstra, Rijksgebouwendienst, & Ministerie van VROM, 1985; Gerritse, 2008; Macmillan, 2006; Pultar, 1996; Thomson, Austin, Devine-Wright, & Mills, 2003; van der Voordt & van Wegen, 2005). In general, qualities of products may be classified under two general categories that in practice often interrelate and overlap:

1. Technical, physical, hard, functional, objective or tangible qualities, in this research referred to as 'tangible characteristics';
2. Perceptual, soft, subjective, judgemental or intangible values, in this research referred to as 'intangible characteristics'. (Volker, 2010)

Design quality is hard to quantify as it consists of both objective and subjective components. Whilst some indicators of design can be measured objectively, others result in intangible assets, depending in part on the subjective views, experiences and preferences of the people asked. In approaching issues of design quality, a number of general features of design were embraced: that good design often resulted from complex and uncertain starting points (Simon, 1962); that the process was often evolutionary and non-linear, involving interdisciplinary approaches (Vincenti, 1990); and that it resulted from iterative cycles of cumulative development, where 'satisficing' decisions are acceptable, rather than optimal results (Simon, 1962)(Gann et al., 2003).

The Housing Corporation (the regulatory body for housing associations in England), supported by the DETR, has produced a set of 'housing quality indicators' which will in due course be imposed on all new building (Housing Corporation/DETR 1999). The 10 indicators are as following:

- * Location;
- * site – visual impact, layout and landscaping;
- * site – routes and movement;
- * unit – size;
- * unit – layout;
- * unit – noise, light and services;
- * unit – accessibility;
- * unit – energy, green and sustainability issues;
- * performance in use.

Each indicator is further broken down into sub topics which are perceived to constitute the most important elements of quality under each indicator (Franklin, 2001).

Macmillan (2006) distinguishes for design quality exchange, use, image, social, environmental and cultural value for the built environment. These aspects can be divided over the different P's within the area development competition context; Product – use, image, exchange; Place – environmental, cultural value for built environment; People – social. Gann and Whyte distinguish 'functionality', 'build quality' and 'impact'. (Gann, et al., 2003; Whyte, Gann, & Salter, 2004). These Indicators are designed to fit for use on buildings, but can be translated to area developments. Functionality and build quality are parts which are represented by the Product, impact by Place and People (impact on physical environment and social environment). Build quality could be partly classified as Process, because a bad process results often in a bad build quality. Below these three indicators are explained.

Functionality – Concerning with the way in which the area is designed to be useful and is split into Use, Access and Space (relates to Place). Issues assessed are for example: Does the 'Product' support the required functions? Does it do what it is supposed to do?

Build quality – Relates to the engineering performance of a building fabric and is split into Performance, Engineering and Construction (depends on the process).

Impact – Refers to the design's ability to create a sense of place, and have a positive effect on the local community and environment. It is split into Character and innovation, internal environment and Urban (Place) and social integration (People).

This part discusses two of the three DQI indicators, Build quality and Functionality, the third indicator Impact is better classified under Place and People. For Place there is the Impact on the physical environment and for People is the Impact on the social environment (residents).

3.5.2 Price

Willingness to pay (Price x Quality)

From a competitive perspective it is unavoidable that market parties will try to create strategic price offers. Playing with the factors you have and try to find gaps, which will increase your chance of winning. Described by T.H. Chen (2007) as a 'strategic entering', which implies: 'A proposal in which they try to create the optimal mix of prices and other variables with the intention to receive the highest possible score of points with methods based on game theories.' T.H. Chen wrote a journal on how the sentence stated in every selection guide, the municipality intends to award the assignment to the market party with the most economical advantageous price. This sentence could be better described, according to T.H. Chen, as from a game perspective the most advantageous offer. Market parties have different alternatives to influence the methods the clients are working with that it is really hard for the client to create a clean and fair selection process.

During the area development competitions prices are transferred into tables and scores. The biggest problem is that these scores are relatively measured compared to the lowest offer. This implies that if the price is subdivided in 3 parts and on one part a party offers a significantly lower price than the other parties, these parties do not receive any scorings on this part. Resulting in this party asking on the other two parts just a bit higher than the other parts, in such a way that his potential losses on the other points are covered. At the end this party wins the competition if focusing on price.

Luckily there are still other P's on which is judged by the evaluation committee, but often the balance of the price compared to the other P's is 40% to 60%. So it pays to play with these prices, because your chance on winning in area development competition will be significantly increased.

According to Meijer R. and Plu R. (2007) relative scoring for qualitative and quantitative criteria must be avoided under any circumstances. With quantitative aspects the buying association always has to decide about the referring point themselves and there may not be any discussion about influencing by other bids. The reference point could be a cost estimation or an available budget, but the recent costs could also be the reference point. There are a lot of possibilities, but there may be no dependence between different offers.

If these advises are accepted by the client of the area development competition, the project developers can focus instead of on playing a financial game, more on the quality of their proposal and ask a price which represents the quality they deliver, without being scared of financial tricks being played.

Costs, prices and value

Tenders usually do not look at the difference between costs and price. The difference is their profit (see fig. 3.3). Applicants look at the difference between the value that something represents for them and the price that it represents. The difference is their advantage. From this profit or advantage in practice remains almost nothing, because of low efficient organization in the construction industry. By fragmentation, sub optimization, poor communication and cooperation unnecessary costs appear which reduce the profit. Most parties in the construction industry try to increase their return on investment by lowering their costs (and prices considering as a not to be influenced market phenomenon). However, by getting a better understanding of sense of values of costumers of the construction world, the price can be balanced on the demand and possibilities for return on investments appear.

The last part merely happens in construction projects, because the sense for the values of a customer (call it building marketing) do not exist. Therefore the construction industry is doomed on improving the process efficiency and so chances for return on investments are missed. (Jansen, 2007)

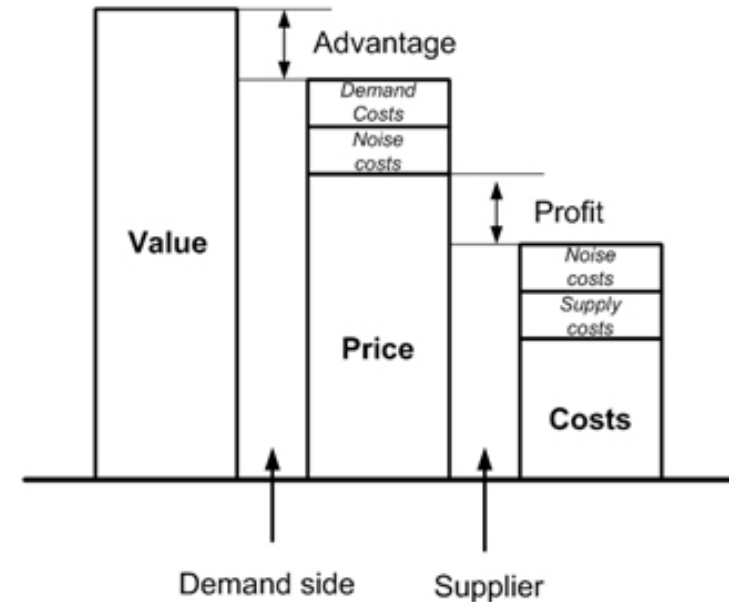


Fig. 3.3: Costs, prices and value perception during tendering procedures. (Jansen, 2007)

3.5.3 Place

Impact physical environment

One of the Design quality indicators described in the part of Product is Impact. This could be separated in the Impact on the physical environment and the social environment. This section discusses the physical environment (Place) and the Impact on the social environment is discussed in the section of People.

The impact on the physical environment is an important aspect in judging the proposals. For example in the Jury report of the 'Wieringerrandmeer' (jury report Ontwikkelingscompetitie Wieringerrandmeer, 2004) three desired goals should be provided by the winning proposal (desired expectation):

- An impulse for the social-economic development of the 'Kop van Noord-Holland (red goal);
- An improvement in the water maintenance in the 'Kop' (blue goal);
- The realisation of a robust ecological connection axe from the 'IJssel meer' till the 'Noordzee' (green goal).

These are all goals set to give a positive impulse to the physical environment of the to be developed area.

Under physical, environmental impact can be classified. This environmental impact can be seen as the sustainable measures for example. Providing the right sustainable aspects in the design will increase the positive impact on the environment. Which again is an important factor for the municipalities and provinces, because they want the surroundings to be as positively as possible influenced by the new development.

The research of Maas et al. (2006) shows that the percentage of green space in people's living environment has a positive association with the perceived general health of residents. Green space seems to be more than just a luxury and consequently the development of green space should be allocated a more central position in spatial planning policy. In other words the technical environment, public space, is highly important setting up the urban planning.

Urban integration

The proposals submitted by the project developers are mainly build on the design they propose for a specific area. Integrating this design on the appointed space,

always involves solving the conflicts and keeping in mind the environmental characteristics. Making sure that the designed area will be absorbed in the environment (physical and social, but political and economical as well), structuring the characteristics of access and space are essential. Access is something which follows from environmental effects, resulting in space being influenced and structured at the end. Urban integration could be important for some people in the evaluation committee, for example people of the municipality, because they are concerned about a larger environment.

3.5.4 Promotion

Branding

In packaged goods, the product is the primary brand. However, with services, the company is the primary brand. Even more significant is the source of costumer value creation. Brand impact shifts from product to company as service plays a greater role in determining customer value (Berry and Parasuraman, 1991; Berry, 2000). The project developer is selling his self as company, acting as the perfect partner to cooperate in the future. This is called personal selling and discussed in the next section.

Personal Selling

Personal selling is a promotional method in which one party (e.g., salesperson) uses skills and techniques for building personal relationships with another party (e.g., those involved in a purchase decision) that results in both parties obtaining value. That is exactly what is happening during the area development competitions. The goal of the competition is the market party having work (value project developer) and the client the best possible cooperation party and plan (value client). The project developer uses his skills and techniques to influence the advice of the evaluation committee to the client. The project developer wants to be chosen, so it is important

to see how you can personally influence people in the committee or either the client.

Some factors are given insufficient attention in personal selling:

- The degree of adaptiveness of salespeople when selling to clients (Friedman and Churchill, 1987; Weitz, 1981);
- The sales person's selling-related knowledge (Weitz, Sujan and Sujan, 1986);
- The moderating influence of the facets of the selling process.

The factor of personal selling has to be kept in mind, while researching the different decision characteristics and which factors influencing them.

3.5.5 People

Any person/company in the process of the area development competition has different stakes involved. People in relation to an area development competition can be separated in two directions. Firstly the Impact on the social environment of the appointed area, on which the competition is based. Secondly the aspect of People in the evaluation committee, how do they decide and by which factors are they influenced, while forming their opinion.

Impact (DQI) Social environment

Developing a new area in a existing environment, where people already live for years, have different kind of impacts. First of all the impact on the residents while constructing the area. Sometimes clients ask the project developers to say something about the process of how they think to inform the residents and how they could or will be involved. Secondly the environment of these people where they already live for years is going to change. Interesting is to see which proposals have the best effect on the recent situation. For example consider a trouble neighborhood, a redevelopment would give a impulse to this neighborhood, which will result in a better atmosphere and rising ground prices, the municipality could be very sensitive for these kind of

aspects. How is the area structured, does everybody has access to space (accessibility) and more important is suitable space for different target groups considered.

People in the jury

This part is about really the sociological part with influences of psychology. When the evaluation committee points out the winner of the competition some decisions they made are done on subjective aspects. The challenge is to find these aspects and find the right strategy to manipulate it. Firstly the way they structure their opinion and secondly who they are and what their personal characteristics are.

The way they structure their opinion is influenced by the organizational environment in which they take a decision. There are several theories about decision making, in this respect 'Organizational Decision Making' (ODM), Cognitive Decision Making (CDM) and Expert Decision Making.

Organizational Decision making, implies people are effecting each other, if someone has a certain opinion, it can be steered by other opinions. The opinion of the group is a representation of the mainstream of opinions, but is almost never the same as the individual opinions.

Cognitive Decision Making, the concept of cognition is closely related to abstract concepts such as mind, intelligence, cognition is used to refer to the mental functions, mental processes (thoughts) and states of intelligent entities (humans, human organizations, highly autonomous machines and artificial intelligences) (Hardy-Vallée, 2007).

Expert Decision making, theory based on the thought that expert trained people take decisions in a different structure than uninitiated ones. Experts do have larger knowledge on the field they are operating in. They are able to independent effective way.

All these forms of decision making are applicable on the jury during area development competitions. Therefore it is wise to keep in mind, during the analysis of the results, how decisions are taken and which context they took place. This will help increasing the validness of the results.

3.5.6 Process

As stated in the last section of People: 'Any person/company in the process of the area development competition has different stakes involved.' This is what the process of the area development competition makes so complicated and fragile. The Process part is mainly about the proposed vision of the project developer on the future cooperation between public and private parties and about the planning of the development process.

Conceptual cooperation models

Some clients expect the project developers to come up with a vision on the future cooperation between public and private parties during the future development. It could be that some of the contracts are totally not meeting the expectations or desires of the client, which again results in a negative effect on the chance of winning the competition. These contracts focus on the division of financial risks, which is linked to Price in some way. If the price of a certain proposal is a bit higher than the rest, but at the same time his risk management is very advantageous for the client, the client will seriously think about choosing that project developer to do the job.

Planning construction

Some competitions ask for a planning of the construction process. So what is the planned date to start constructing and more important when are certain phases of the area ready, so the client will get some returns on his investments. This is again linked to Price, because the price to pay for the client could be higher, but when the last day of construction is significantly earlier than the rest, the client will seriously think about choosing him. Every day that the client invested money and the construction is not finished yet (so no revenues), it will cost the client money and it cannot be discussed that money is important in these kind of areas of profession.

Theoretical framework

An abstract architectural structure composed of numerous wooden beams and glass panels, creating a complex, layered, and radial design. The structure is viewed from a low angle, looking up towards a bright, white sky. The beams are arranged in a way that creates a sense of depth and movement, with some beams extending horizontally and others radiating outwards. The glass panels are interspersed among the beams, adding to the complexity of the structure. The overall effect is one of a modern, organic, and dynamic architectural form.

Neprom; Sentel, 2008

”

“The essential thing in marketing is to develop a method which bases the supply characteristics on the demand characteristics in such a way that the chance on not or being not enough tuned reduces.”

4 Theoretical framework

This chapter will bring chapter 2 and 3 together in a usable theoretical framework, which will help during the analysis of the results. In other words the proposed characteristics, defined from literature, are connected to the 6 P's model (Product, Price, Place, Promotion, People and Process), described in chapter 3.

4.1 Connecting area development competition characteristics to the 6 P's model

To understand how certain decisions from the evaluation committee are taken, we have to know where these decisions are about. These decisions concern forming an advise on the submitted proposals by the competing project developers. These proposals comprise usually architecture (urban and programming), price (feasibility, ground offer), process (vision on future cooperation, risk management, planning construction). In the recent market conditions it is important to effectively acquire projects. The essential thing in marketing is to develop a method which bases the supply characteristics on the demand characteristics in such a way that the chance on not or being not enough tuned reduces. (Neprom; Sentel, 2008). This section discusses these characteristics and by finding the most crucial ones, the project developer is better tuned and his chance on winning increases. Numerous research is performed on finding success criteria in public-private partnerships. Some of these characteristics will be therefore based on the findings of these researches, because it is plausible that juries will look for parties which meet these success criteria's, even if they are not aware of it.

- | | |
|--|-------------|
| 1. Urban planning (impact on social-economic, political and technical environment); | (Place) |
| 2. functional program; | (Product) |
| 3. architectural design; | (Product) |
| 4. feasibility (risk management + financial calculations); | (Price) |
| 5. price (land offer); | (Price) |
| 6. planning construction (phasing); | (Process) |
| 7. vision future cooperation (PPP); | (Process) |
| 8. marketing tools (presentation techniques, building customer relation, unique selling points, etc.); | (Promotion) |
| 9. image of consortium (branding, reference projects, trust); | (Promotion) |
| 10. communication stakeholders. | (People) |

(Albert & Whetten, 1985; Berry, 2000; Brugman, 2007; Bult-Spiering & Dewulf, 2006; Dutton & Dukerich, 1991; Jacobson & Choi, 2008; Municipality Deventer1, 2008; Municipality Deventer2, 2008; Province Noord-Holland et al., 2004; VROM et al., 2009; Municipality, 2009)

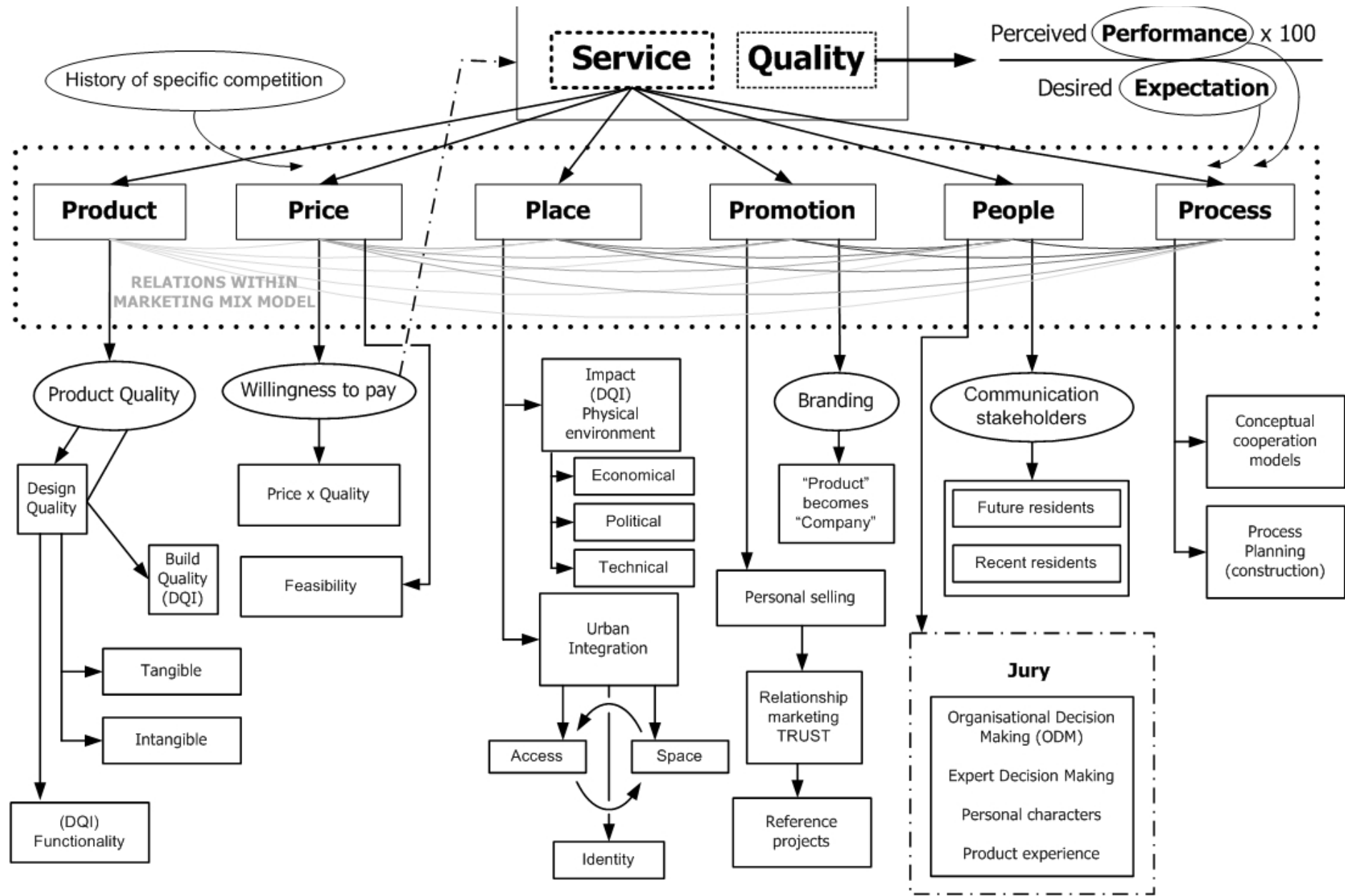


Fig. 4.1: Theoretical framework.

4.2 Relations 6 P's model

Fig. 4.1 results in all sorts of covered relationships between the characteristics. The next part will discuss theoretical connections between one and another. It helps to visualize what is happening and how these characteristics are located in the process of restricted procedures in area development competition in the context of the EU procurement law. The 6 P model combines: Product, price, place, promotion, people and process.

Product vs. Price

The relation between Product and Price is often already mentioned in the tender document. For example a very often used statement is: "The client plans to award the job to the most economical advantageous offer". It implies that the client is looking at the balance between the financial side and the design of the offer on the other side. The product in this sense is sometimes subdivided with other important characteristics. For example in the jury rapport of the case "Park Zandweerd", design is subdivided in urban plan, architecture and public space.

At the end of the case study a table is created, which shows the division of points per offer in combination with the scores for the price. The table below shows the way this was done. In this sense the product quality is defined as the balance between Urban plan, Architecture and Public space. While focusing on the relationship between Product and Price, the relation can be seen as price versus the whole integrity of Urban plan, Architecture and Public space.

	plannen	stedenb	architect	o. ruim	kwaliteit	geld	totaal
1	De verbindende schakel	28	18	11	57	12	69
2	Cascade. Architectuur aan de IJssel	22	26	13	61	3	64
3	Ard en Keessie	16	16	14	46	16	62
4	Room with a view	13	16	12	41	16	57
5	Vervlechting en verankering	21	19	9	49	8	57
6	Wonen in het groen aan de IJssel	13	10	8	31	2	33

Fig. 4.2: Scoring results Park Zandweerd by jury.

The product price relationship for a specific proposal is created by the project developer in a competitive environment. The contextual influence of the competitiveness influences the determining of the price and the quality. The competition forces the competitors to create the highest quality in combination with the possible price. On the other hand if the quality is so high, they could try to higher the price to the level of "willingness to pay", as the image below indicates. Stopping at the right moment with increasing the price (at the limit = budget of the client) could result in the highest possible return on investment for the project developer. The art is to reach this maximum of willingness to pay, but keep in mind the competition around you.

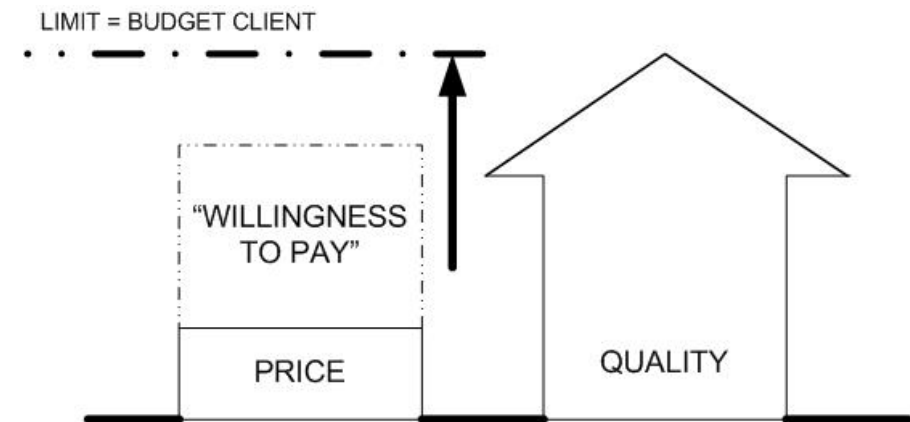


Fig. 4.3: Willingness to pay client.

Product vs. Place

The P of Place can be seen as the urban planning of the proposal. Fitting the design of the area in the context of the recent environment. In relation to the Product, it can be indicated as the quality of how the product is related to the urban context. In marketing successful penetration of a market is partially about choosing the right place. The place related to the area development competition is already set, but how to fit your proposal

into this existing area is one of the challenges. Is it wise to challenge the environmental aspects or is it better to play at safe?

Product vs. Process

Product quality succeeds or fails during the construction phase of the proposal (the process). Unfortunately the evaluation committee can never look into the future of what will happen, but they are able to incorporate the risks of the quality guarantee. For example some project developers have more experience in such kind of projects, which provides more confidence to the client, so more reference projects in their portfolio. The name of the company could be important, did they had a lot of conflicts with their clients in the past?

The Product vs. Process could be seen in this relation as the way of how the project developers provides the quality guarantee with his planning and reflected on his finished past comparable processes.

The balance of process and product is also about the choice to focus on the process of how to realise it or choosing to focus on the quality of the product in the form of urban planning, architecture and public space.

Product vs. People

The P of People incorporates two kind of factors. Firstly focused on the people who live in the project area, so the local people (residents). Secondly People is focused on a different level within the competition how to handle with the people in the evaluation committee. This implies that specific persons in the committee could be very important within the organizational decision making (selecting the winner).

So first the relation of Product and the residents. Do the people living in the area have to adapt to the product which is implemented in their environment or is the product an natural outcome of a process in which the residents are involved. Here is a secondary relation to People vs. Process.

So secondly the relation of Product and people in the evaluation committee. If a well known person joins the evaluation committee and the project developers know that this person has a lot of decision power, they could choose to focus their design on what this person would like to see (Snel, 2010). Making use of this is about using the sociological factors, which are always present in competitions.

Product vs. Promotion

This relation is quite obvious, how to promote the proposal in such a way that people are really convinced about you being the right company. There are two strategies as extremes. On one hand you can focus on reaching the highest product quality and so during the presentation you can simply point out the qualities of your proposal. On the other hand if you would choose to focus on promotion, you are trying to make the proposal more beautiful than it actually is. By for example creating nice images and let somebody present who is really good in selling. Promotion good be as well in the sense of hiring a really famous architect, which automatically promotes your plan. Still this will result in a higher price, so here is a third kind of relation to Price vs. Promotion.

Price vs. Place

Place relates to the environment/urban context, but there are several under laying factors. First incorporating risks in selling the dwellings in the future. If the environment of the plan area is analyzed, are the dwellings certainly to sell or could this be doubted. If it is doubted the price has to be raised. Secondly how are the ground conditions, if the ground would appear to be really rubbish to build on the contractor will charge much more money. If so the price has to be raised again, because the risks are higher. Thirdly if there are new areas planned to develop which add value to the plan area, the prices for the dwellings could rise in the future. Which implies that the risks are lower, so the price could be lowered.

Price vs. Process

Managing risks in the construction process is very important for the price. That is why this relationship is about risk management. Sometimes the client asks to show how the project developer thinks to plan the construction process. So what is the start construction date and when is it finished. If the project developer states that they will be finished earlier than the rest of the project developers, the risk for him is high and the price goes up. But by finishing before the rest would do, there is a faster return on investment for the client and other involved parties. Fastening the construction process increases the chance on mistakes as well, so risks in that sense increase. So what would be more important the price or the date to finish?

Price vs. People

Price will not predominantly be influenced by the people of the evaluation committee, but the way in how they think Price is important from their perspective. Some people will be moderately interested in the Price and some will be mostly interested in Price. This difference could be very important while looking at the persons in the committee. If one from the committee will totally not be interested in the Price and his decision power is very huge, than probably it is better to put the focus on other aspects (characteristics).

Price vs. Promotion

Price vs. Promotion is about how much money to spend on the presentation and marketing of your proposal. On one hand spending money on hiring big names in the construction world, so kind of branding. On the other hand investing in the presentation of the proposal. So here the secondary relation to product vs. Promotion comes in, where to put the focus while presenting.

Place vs. Process

Before stepping into a area development competition it is vital to know what kind of history the specific area has (Snel, 2010). For example, has this client tried to assign a competition like this before and what were the results and conflicts. This analysis could prevent a lot of clashes during or after the competition for the project developer and the client as well.

Place vs. People

People and place could be very hard to understand, some people have totally different feelings for a location than others. That is why different urban designers make different plans for the same location.

Place suggests: it is a unique entity, a 'special ensemble', it has a history and meaning. Place incarnates the experiences and aspirations of people. Place is not only a fact to be explained in the broader frame of space, but it is also a reality to be clarified and understood from the perspectives of the people who have given it meaning.

Place vs. Promotion

This relation works in two ways, firstly the design of the architect for a proposal will be designed while looking at the surroundings. Secondly the design will affect the area around it. The challenge for the project developer is to show as much positive effects on the surroundings from their proposal as possible. This will increase the value of their proposal and so the chance on winning the competition grows.

Process vs. People

Again when talking about people in respect to the area development competition, we can speak of residents and people from the evaluation committee. First the balance with the residents, this could be described as the level of involvement of the recent residents in the development of the proposal of the project developer. So to

what extent and how are they involved or informed in the new development. Testing on this characteristic is interesting to see if committees consider this involvement important or just think it is bothering the process.

Secondly the people in the evaluation committee, so what did they went through before they entered this competition as the jury member? If they had conflicting experiences before they entered it could influence their way of judgment of the proposals. If you would know that this is an essential part of the judgment, it could be wise, from project developers perspective, to find if certain persons had these experiences before.

Process vs. Promotion

Promotion during the process is about the way that the project developer is able to cooperate with other parties. So is it vital for the developer to have a clean history of cooperation's from past projects or does it not really matter what they did? If this point is considered by the client, it would be advisable for the project developer from strategic point of view to avoid conflicts during projects as much as possible. Of course it is always wise to avoid conflicts during projects, because it saves time and money, but this would be an extra motivation.

People vs. Promotion

If you know who is in the jury (People) you can focus on specific persons while promoting your plan, because he has a lot of influence on the final selection. For example if you would know that one person likes beautiful images, you can choose to spend money making those.

4.3 Characterisitcs linked in framework

Paragraph 4.1 already discussed the seperate characteristics linked to the 6 P's model. Fig. 4.4 shows the total framework as proposed before, only now the characteristics are really visually linked to the P's. This will be the transition tool for translating the found reasonings and balances of the characteristics to marketing.

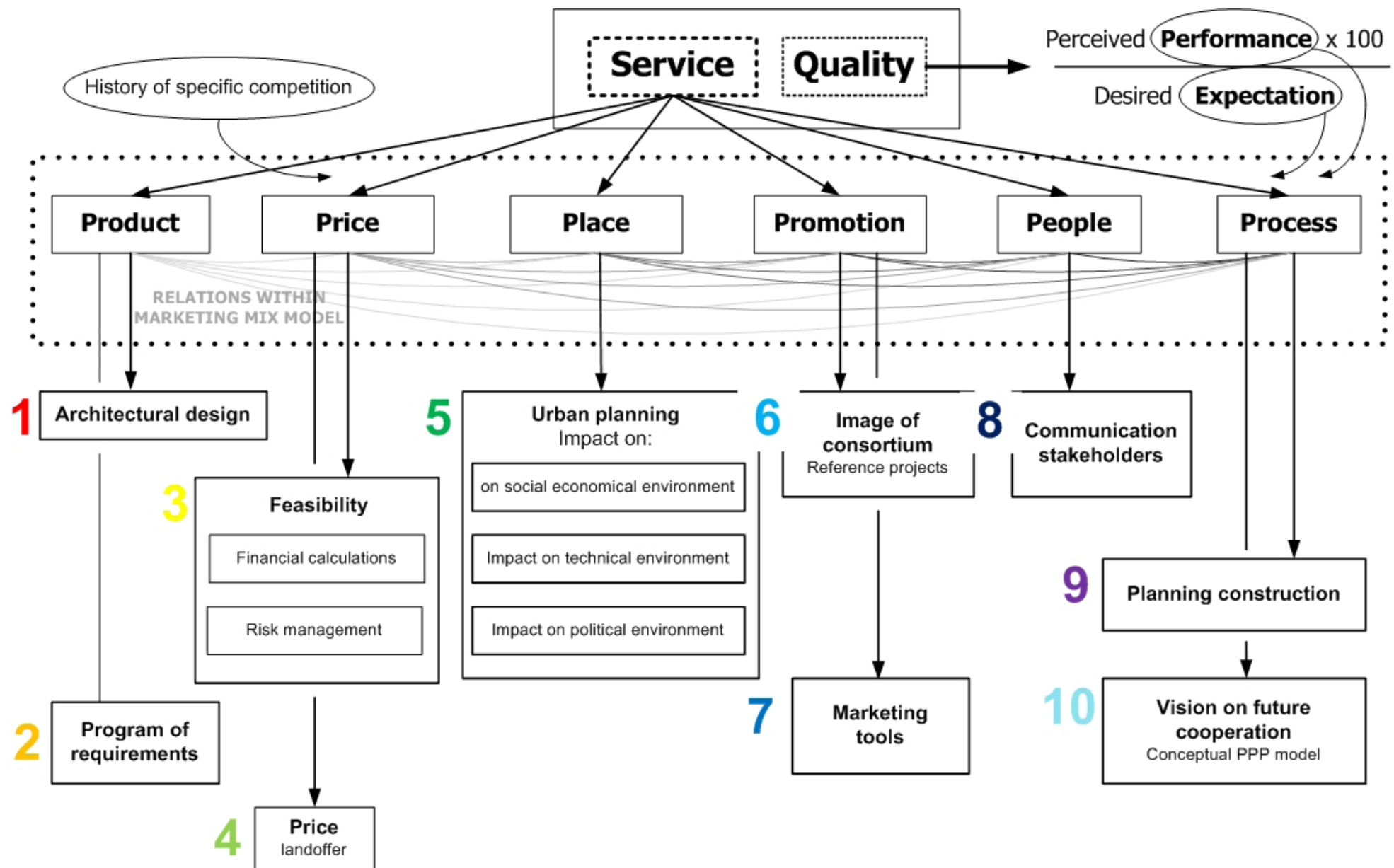


Fig. 4.4: Theoretical framework linking characteristics.

Research methodology

A yellow highlighter pen is positioned diagonally across the upper half of the image, resting on an open book. The book's pages are filled with text, some of which is highlighted in yellow. The background is a soft-focus view of the book's pages and the highlighter.

Bogdan, 1994

”

“The interplay between researcher and informant can become a major component of qualitative research.”

5 Research methodology

5.1 Literature study

During the first phases of this research, a literature study has been performed. On one side gaining insight in the recent forms of the EU procurement law, as discussed in chapter two. On the other side an elaborative literature research on marketing literature, as in chapter three. After literature research on both knowledge fields, chapter four tries to find the areas where both knowledge fields collide. After chapter four the literature study phase stops. Explorative research in practice is required to reach the research target.

The marketing literature study focuses on two kinds of marketing areas. Marketing management and strategic marketing. The marketing management part is about the marketing mix of the 6P's (Product, Price, Place, Promotion, People and Process). This model is used to link the characteristics of area development competitions to marketing. One of the complications is that the assessed proposals these competitions are very "unique services", which is exceptionally sensitive for the context in which the competition takes place and who the client is. Even after the product is accepted by the client, changes can be made during the negotiation phase.

5.2 Case study research

This research will be focused on qualitative research, which is a form of empirical research where mainly data is used which is qualitative and which has as target to describe and interpret research problems in situations, happenings and of persons. (Reulink et al., 2005)

There are several reasons for using qualitative research instead of working with quantitative data. Reasons are:

- The research problems are very confusing, so breaking down the elements involved is essential to incorporate all the contextual influences of which the project offer is subject to;
- The chosen research theme is sensible, because the research is in an area in which the competitiveness between different project developers is very high. This could result in risks by gathering data during the case studies;
- It is required to research the problem in the natural environment. It is better to research the problem referring to what happened in the past, due to the high contextual influences. Modeling these influences by incorporating them in a model, in which you would research a fictive case, would be almost impossible.

(Reulink et al., 2005)

While focusing on the qualitative research the best way to research the problem is by case studies. These cases will comprise different phases and a strategy is developed to make sure the best represent able results are found. Using case studies incorporates the contextual influences of an area development competition. When you would research a fictive case, all these contextual influences should be modeled and this is a very tough job as stated before. The data is limited and is very complex, so quantitative research will be very hard, because the data sets will be limited and so the results will not be valid enough.

The case studies were selected under the following conditions:

- Commercial and residential area development;
- Restricted tendering procedures, so including a qualifying/pre-selection round and a final awarding round.

These conditions could be adapted in consultation with the project developer where the research is assessed, to incorporate competitions which they joined in the past.

Assessing qualitative research takes 5 features in account: Naturalistic, descriptive data, concern with process, inductive and meaning. These features have to be incorporated during the research.

Three cases were selected for this research. One multidimensional area regional area development competition: 'Wieringerrandmeer'. Which took place in 2004, it is one of the larger competitions that took place in an expansion area and initiated by the province in cooperation with the local municipality Wieringermeer. The second case was 'Park Zandweerd', which is a large one dimensional (mainly housing) competition and took place in 2007. Third and last case was a smaller inner city development competition: 'Orinocodreef'. This case is an example of a competition which takes place more on a regular basis. Comparing the differences and similarities between these different competitions can provide new perspectives on the right strategy to choose as project developer.

5.2.1 Naturalistic

When researchers go to a particular setting with either pad and pencil, or video/ audio recording equipment. Researchers feel that action can be understood when it is observed in the setting in which it occurs (Bogdan, 1994). It is required to make sure the informants can speak as freely as possible. Firstly to make sure they do not speak of what people want to hear, but describe the real situation of what happened. Secondly there will be no intertwining between revealed and stated preference, meaning that they do state what happened and not that they state what they should choose in the future. (Ben-Akiva et al., 1994)

5.2.2 Descriptive data

The data in qualitative research takes the form of words or pictures rather than numbers. Often the descriptive data contains quotations said by informants to illustrate and substantiate the presenting findings (Bogdan, 1994). The end result of

the marketing strategy will be based on these quotations.

5.2.3 Concern with process

Qualitative researchers are concerned with process rather than simple outcomes. For qualitative researchers in education, the process has been beneficial in clarifying the "self-fulfilling prophecy" (Bogdan, 1994). The process of how the clients make their choices is very important in knowing how to interpret the found decisive characteristics.

5.2.4 Inductive

Qualitative researchers analyze their data inductively. They do not set out to find data to prove or disprove hypotheses that they have prior to their study. Their theories come from the "bottom up" rather than the "top down". The qualitative researchers' theory is grounded in the data. The theory emerges as a piece of art that is yet to be created, rather than a puzzle where the image is already known. Things are more open at the beginning and more directed and specific at the bottom. It is in the first part of the qualitative research where the qualitative researchers discovers the important questions. He/she does not assume to know the important questions prior to beginning their research (Bogdan, 1994). It could happen that during the research it appears that one of the contextual influences is so important that they focus will be partly relocated to find out why this influence is so important. It could be seen as a adventurous process in which destinations can switch from Rome to Paris for example, but still with the same intentions. The end result will be a written marketing strategy with recommendations for joining new area development competitions, but the content will be filled during this research.

5.2.5 Meaning

Participant perspective (Erickson, 1986), focus questions as... what assumptions do people make about their lives? What do they take for granted? Researchers can show their data in the form of transcripts and recorded material to their informants

to make sure their interpretations of what the informants said/did is accurate/true. Some controversy exists over this practice. The interplay between researcher and informant can become a major component of qualitative research (Bogdan, 1994). Especially during this research it is the challenge to find the accurate/true decisive characteristics of the project offers during their decision making process.

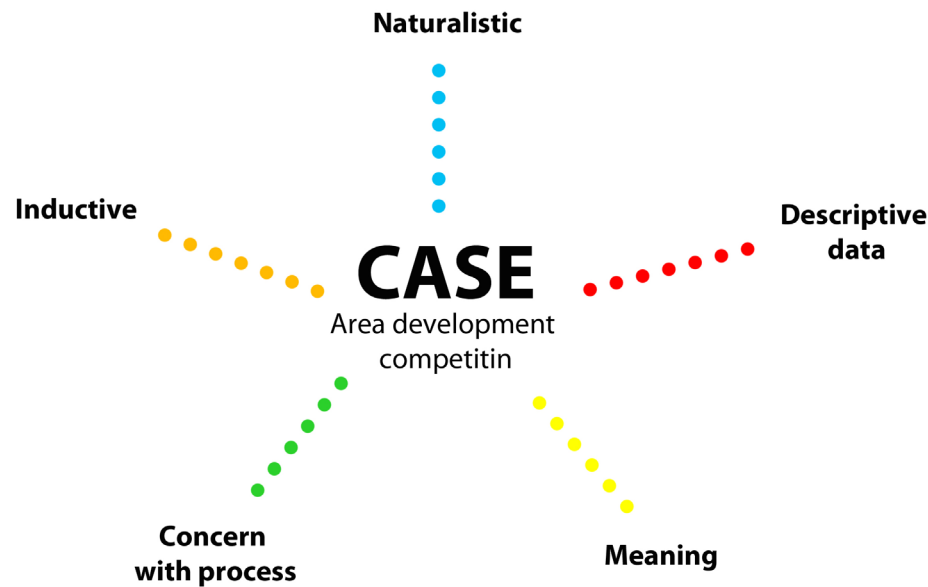


Fig. 5.1: Research methodology framework.

5.2.6 In-depth expert interviews (research tool)

The researches will include multiple in-depth expert interviews. With in-depth interviewing is mend: Open ended questions are used in order to get as many details as possible. Open ended questions allow for the informants to answer from their own frame of reference rather than being confined by the structure of pre-arranged questions. Informants express their thoughts more freely (Bogdan et al., 2005) .

The in-depth expert interview method includes and combines two ways of interviewing: retrospective interviewing and expert interviewing. The expert interviewing part concerns speaking with that person who is represent able for the selection during the followed procedure to select the winning project developer. The retrospective interviewing part is about the core of the research, and this is finding out what happened in the past, so why did they make these decisions and especially the reasoning's why.

5.3 Research design

The following part discusses the way the data, resulting from the interviews during the case studies, will be analyzed (fig. 5.1).

5.3.1 Information sources

If we consider one case, shown in fig. 5.1, case A, six different possibilities of getting the proposed information are possible. First of all the jury report, which has been written after the final selection of the project developer. Interviewing the jury comprising: Designers (function: architectural, urban, landsscape design), municipal or provincial actors (function: client), external experts (function: from grade ad personam), project managers. Last data source are the participants, so all actors being part of the subscribed consortium. Probably project developers will be the best source, because they are mostly the spider in the web. A separation can be made between winning and other participating project developers, what were the essential differences in their proposals?

5.3.2 Gathering data and information

Next step is to gather the data during the interviews with the selected informants per case. First of all it is required to gather data about how different actors score the different characteristics (discussed in the theoretical framework chapter four). Next to this assessment, it will be crucial to ask the project developers about what is considered to be

important for themselves, creating the offers. This will be the leading picture to talk about further relations between the characteristics. These relations can be described as the reasoning.

5.3.3 Atlas.ti tool for interview analysis

Atlas.ti is a tool for the analysis of the interviews performed during the case studies. Nineteen interview will be carried out and all interviews will

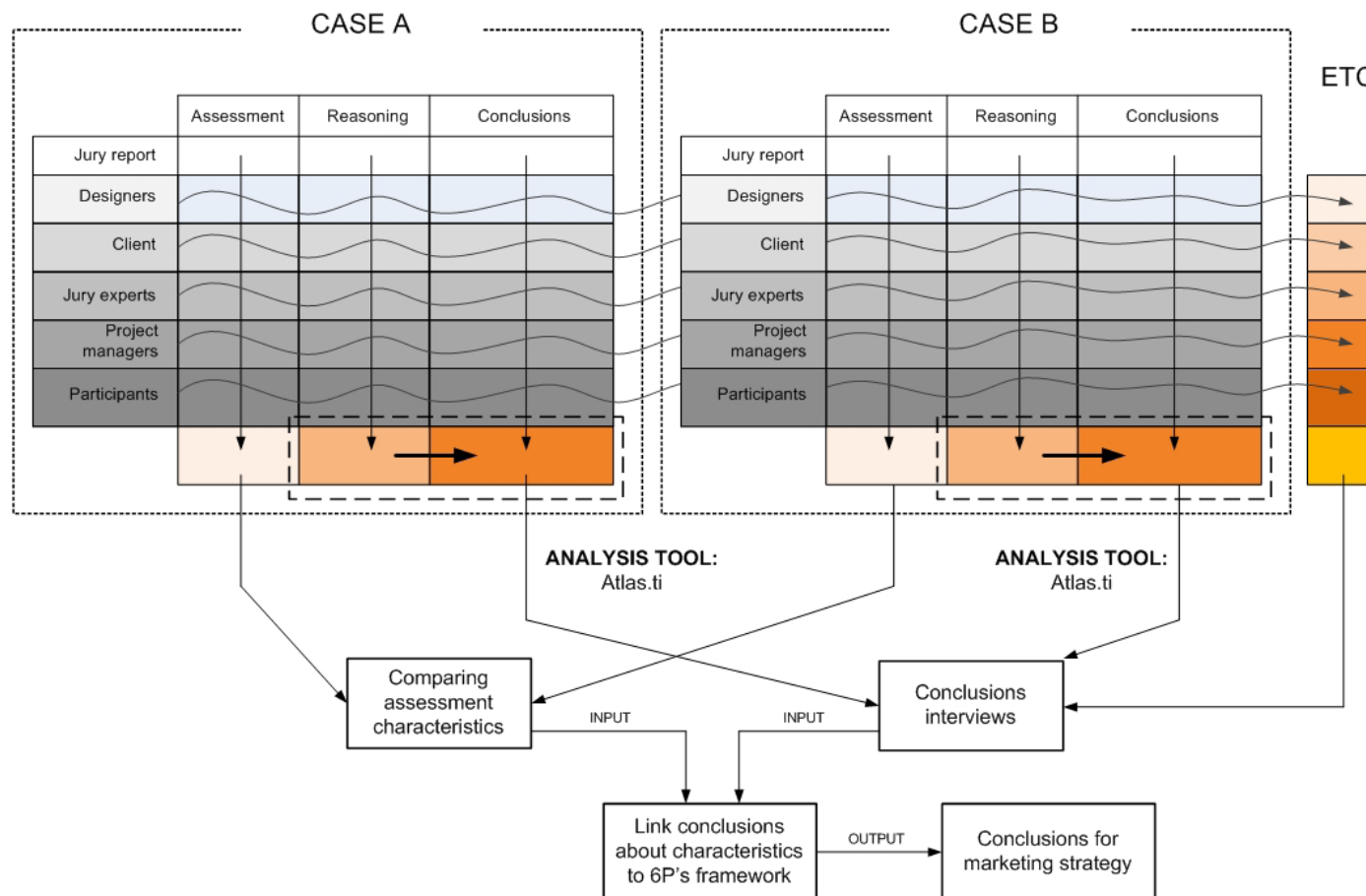


Fig. 5.2: Overview of research design.

have a textual transcript. Every transcript will be sent to the specific interviewed informant for confirmation and approval, before using any of this information for further research. Nineteen transcripts means around 60 pages of text to analyse.

The transcripts will be digitally uploaded in the program of Atlas.ti. This program enables the researcher to code important quotations of informants. Coding these quotations helps filtering the essential data, which form the core of answers, given by the informant. The program is able to provide an output of the whole database of every quotation linked to the codes. The codes will be the proposed characteristics of chapter 4.1. After giving them codes, they can be put in families, which represent the 6 P's (Product, Price, Place, Promotion, People and Process). With the help of this analysis, a structured output is created. This output matches the way the theoretical framework is structured, so the process of further elaboration of the results can be as effective as possible.

5.3.4 case analysis (results interviews)

Resulting from the combination reasoning and assessment of the characteristics, will be conclusions per actor group. Comparing all actors per case will result in general conclusions for that specific case. The following step will be comparing all three cases, done by mutual comparing of the specified actor groups and secondly by comparing the general conclusions per case, combinations of scoring characteristics and reasoning's.

5.3.5 Linking to marketing literature

From this cross case analysis (mapping characteristics) the results will be linked to the specified marketing literature of chapter three. So on what aspects are these competitions focusing and what does marketing management and strategic marketing tell us. This is in order to determine the right strategy for the participating project developers.

The proposed theoretical framework (chapter four) will be the tool to translate the characteristics and their mutual relations to marketing, so assumptions can be

made. It is the same as translating one language English to another, for example Dutch, with the help of a translating machine. English (the area development competition characteristics) and Dutch (marketing literature).

5.4 Interview questions

The following questions are linked to the theoretical framework in such a way that the answers will provide the required output (data) to create a framework of the P's as proposed. This will result in finding the balances between the different P's and the most decisive P's.

Personal information

First note is that these questions are set up for a interview with a jury member. If participants are interviewed, minor changes will be made, mainly in perspective of the question.

This first part of the interview is mainly to comfort the informant and bring his thoughts back to the time of the area development competition. The interviews are retrospective, some cases are already a few years ago.

To get an idea of what the status of the informant was and from which perspective the informant was assessing the proposals, the first question will be asked:

1. *What was your profession and function when you joined the jury?*

To see what kind of social position someone has within the group it could be useful to know how he entered the group. If certain persons almost begged him to join the jury, his judgment has certainly some weight. Therefore the following question:

2. *Why were you specifically asked to take a seat in the jury?*

This question continuous on the last one, because it could be useful as well to know by whom he was asked. If a important figure asked him to join, his social position is probably of more influence on the rest:

3. *By whom were you approached to join the jury?*

To know how to judge, from researcher's perspective, the value of the answers given by the informant, the experience he had in past competitions could play a role. Therefore this question:

4. *Did you had experience in area development competitions?*

The advice given by the evaluation committee after further analysis of the proposals is written in a letter to the client. They explicitly cite that it is the advice of the committee to invite the following project developer for further negotiations. How important is this advice of the evaluation committee and is it even sure that if you win this competition, you are really invited for the next phase.

5. *Is the advice of the evaluation committee mandatory?*

Competition related questions

To see from which perspective the informant was judging, it is necessary to know what kind of feeling he had during this time regarding the competition. So let him describe the exact reason, according to him, why this area development competition took place. Maybe some of the important P's can already be found:

6. *What was from your perspective the motive for this area development competition?*

Describing the assignment helps the informant to have better empathy on the case.

Even during describing the assignment references to some P's could be made by the informant, without even knowing it.

7. *Could you describe the assignment which the project developers had to fulfill?*

This question focuses not specifically on the characteristics, but involves a small link to see if Promotion plays a role. If during this question the informant does not only talk about the P's which can be found in the selection guide, the informant points out that promotion does play a role (smooth presentation, nice images, beautiful stories and trust):

8. *What did you find the most essential during evaluating the assessed proposals by the participating project developers?*

This question involves the most time and should be carefully asked. During this question specific characteristics can be found and sub questions can be asked related to the theoretical framework and based on findings in the jury report. During this question all ten characteristics are printed on separate cards and these can be placed in order from least important to most important characteristic. These characteristics are linked to the theoretical framework and are a result of the literature research done before assessing these interviews. Even some blank papers will be brought, so the informant is free to add more characteristics if he is missing one. This question is focused on which characteristics the "informant" found the most important.

9. *Could you put the following ten characteristics in order from least to most important?*

- a) *Urban planning (impact economical, political and technical environment);*
- b) *Functional program (Program of Requirements);*
- c) *Architectural design;*
- d) *Feasibility (risk management + Financial calculations);*
- e) *Price (land offer);*
- f) *Planning construction (fasing);*
- g) *Vision on future cooperation (PPP);*
- h) *Personal selling (trust, building customer relation, presentation);*
- i) *Image of consortium (reference projects);*
- j) *Communication stakeholders.*

* Questions based on the results of this question!

Now it is time to ask more specific questions on what happend during the competition based on the project developer who won. These questions could be more sensitive, so after a few questions the informant is warmed up, more open and has probably less problems with answering these questions:

10. *Why did this project developer win the competition?*

Area developments are usually big projects and a lot of money is involved. Normally the factor of reputation and experience is already checked on during the pre selection (short listing) phase, but it could be that the reputation of a certain project developer still plays a role. This would imply that it is still useful to point out that you are a skilled project developer:

11. *Did reputation and experience play a role?*

To find the contextual influences on the decision of the evaluation committee, questions can be asked concerning these influences. So which influences were or are normally positive and which were/are negative while judging the proposals. This is again a broader question to find if there is involvement of characteristics linked to Promotion. The following two questions can be asked:

12. *Which influences were/are of positive influence on the decision?*

13. *Which influences were/are of positive influence on the decision?*

This question continuous on question number nine and has the same reasoning's, but the difference is that now the informant is asked to put the characteristics in order based on the winner. So which characteristics were the most important in the proposal of the project developer to point him out as the best one. This question is mend to find out if there are any differences in what the informant found important and on what the group decided at the end.

14. *Could you put the following ten characteristics in order which were most important for the project developers themselves?*

- a) *Urban planning (impact economical, political and technical environment);*
- b) *Functional program (Program of Requirements);*
- c) *Architectural design;*
- d) *Feasibility (risk management + Financial calculations);*
- e) *Price (land offer);*
- f) *Planning construction (fasing);*
- g) *Vision on future cooperation (PPP);*
- h) *Marketing tools;*
- i) *Image of consortium (reference projects);*

j) *Communication stakeholders.*

* Questions based on the results of this question!

Future area development competitions

This question can be seen as the last closing question. This question helps to find out if the proposed characteristics by the informant will still be valid in the future. If he discusses an area development competition which is totally going to change and he knows that certain P's will be less important, than this should be taken into account while forming the marketing strategy. The strategy is supposed to be implemented in the future, so it is crucial to know if these proposed characteristics can still be assessed for that.

15. *If you look at the future of area development competitions would you consider the same characteristics as important?*

Test questions

After some interviews were performed, new knowledge was gained. That is why four extra questions were added to the question list to test some findings.

First added question is about a characteristic, which was not taken into account during the set up of the theoretical framework, namely sustainability. Is it a separate characteristic or is it part of a other characteristic specified in the beginning.

16. *On which place would sustainability be allocated compared to the other characteristics? How is sustainability related to the other characteristics?*

Next new question is about flexibility in area development. One of the most used terms to describe the new changes in area development. A lot of new developments within these competitions are related to flexibility, so where should it be allocated compared to the other characteristics and how are they related.

17. *On which place would flexibility be allocated compared to the other characteristics? How is flexibility related to the other characteristics?*

Concerning the differences in size of the assignment during the selected cases, the following question was added. Knowing the effects of shifting case sizes, helps interpreting the results.

18. *What are the differences between smaller (more regular) and larger competitions?*

For the following questions goes the same as the previous one. Knowing the effects of dealing with a competition closer to the city centre, helps interpreting the results.

19. *What are the differences between a inner city development and a competition for an expansion area?*

5.5 Proposed final result

The literature study linked to the case studies results, will provide new insights in what kind of focus points should be chosen for project developers while assessing their proposals in future competitions. In other words the proposed final result is a marketing strategy, which functions as a guideline to increase the chance of winning for a participating project developer.

This strategy will be structured as in a list of recommendations for fulfilling the assignment in the best possible way and will be divided in Client (customer), Competition and Corporation (Jain, 1999).

Results

Project developer, 2011

”

“Urban planning was the inducement, architectural design was the seducement and the feasibility was the support.”

6 Results

This chapter discusses the results of the performed case studies. Three case studies were performed: A multidimensional area development competition “Wieringerrandmeer”; A mono functional area development competition “Park Zandweerd”; A inner city area development competition “Orinocodreef”. Table 6.1 provides an clear overview of the main character of each case.

	Wieringerrandmeer	Park Zandweerd	Orinocodreef
<i>Number of interviews</i>	7	8	4
<i>Jury report</i>	yes	yes	yes
<i>Sort of development</i>	Multidimensional	Mono functional - housing	Inner city
<i>Program</i>	To be determined: - Red target: housing - Green target: green - Blue target: water	Green park space in combination with 300 up to 350 dwellings	60-65 detached housing units, in coherence with public space
<i>Price offer (approx.)</i>	€10.500.000	Not shown	Not shown

Table 6.1: Overview case characteristics.

6.1 Case A: Multidimensional area development competition “Wieringerrandmeer”

6.1.1 Case description

This competition was focused in the northern part of the province Noord-Holland. The province, the municipalities Wieringen and Wieringermeer and the Hoogheemraadschap Hollands Noorderkwartier wanted to cooperate with market parties for the development and realization of the project Wieringerrandmeer (Provincie Noord-Holland, Gemeente Wieringermeer, Hollands Noorderkwartier, 2004). Therefore on the 6th of November 2003 the area development competition Wieringerrandmeer started. The choice for a competition was motivated by the wish to combine forces with private parties in a very early stage and collectively bear responsibility for the project in which water, nature, residential, work, agriculture and recreation were combined in one area in an attractive way. Goal of the competition was to find a suitable private partner for the involved stakeholders to develop Wieringerrandmeer.

The development of the area has to add to the value of living:

- An impulse for the social-economic development of the Northern part of Noord-Holland (red target);
- An improvement of the water maintenance in this area (blue target);
- The realization of a robust ecological connection axes from the IJsselmeer to the Noordzee (green target).



Fig. 6.2: Location Wieringerrandmeer area development competition.

On the 4th of December 2003 ten parties submit for the pre selection of this competition. Nine candidates were judged on their professional capabilities referred to their submitted reference projects, because one of the candidates could not meet the asked turnover requirement. The participants were judged on their conceptual abilities to resolve new assignments. From these nine, the jury chose two selection criteria, which were found most suitable by five candidates.

All project developers received a compensation of €15.000 for made efforts. The juries advise was to invite the consortium Lago Wirense (Volker Wessels Stevin Bouw & Vastgoedontwikkeling Nederland, Boskalis en Witteveen+Bos) for further negotiations (Provincie Noord-Holland, Gemeente Wieringermeer, Hollands Noorderkwartier, 2004).

With the help of four competition questions arranged according to the themes 'programming', 'spatial vision on the development', 'overall feasibility' and 'process', the five consortia submitted their development proposals on the 22th of January 2004. On the 28th of January the participants verbally presented their proposals. The independent judgment of the competition questions and in coherence with the three judgment criteria (red-, green- and blue targets) resulted in the following order of the testers:

1. Lago Wirense (Volker Wessels Stevin Bouw & Vastgoedontwikkeling Nederland, Boskalis en Witteveen+Bos);
2. Combinatie Wironi (Ballast Nedam Infra, Ballast Nedam Bouw en Ontwikkeling met adviseurs H+N+S en Ecorys);
3. Meer dan duin (AM wonen en Rabo Vastgoed, met adviseurs BVR, Concire en Vista);
4. Heijmans-Arcadis
5. Grontmij-Bouwfonds-de Vries & van de Wiel.

6.1.2 Jury report

The jury report written after the final selection of consortium would resemble the general decision structure of the jury. While focusing on this report, there are some elements which are very useful.

Focusing on the main goals set by the municipality and province for improving the region, urban planning (impact on the social-economic, technical and political impact) can be linked to it. The technical in combination with the social-economic

impact was leading. Probably because this competition is on regional scale.

Next to these goals there were four main topics specified for valuing the proposals from the consortia. These topics were: 'Programming', 'spatial vision on the new area development', 'overall feasibility' and 'process'. Related to the set targets for providing an impulse to the surrounding area, the surroundings being the cause and the extra new program being the outcome, was appreciated by the jury. In other words, focusing as project developer on the larger picture and the effects on surrounding municipalities, rather than the municipality where you are operating in. The spatial vision on the new area development is about all the characteristics together. What are the plans for the future? Using water as leading principle for the rest of the development was appreciated by the jury. Interventions on smaller scale, with a larger effect were better according to the jury. The technical environment had to be changed, but not too radically. For overall feasibility it was essential to provide a clear overview of what risks were involved, not showing it all, will raise suspicions. For the process topic, the collectiveness of the development came first. Next to the collectiveness, the phasing of the plan appeared not to be guaranteed by all parties.

Considering the most important characteristics during this area development competition, resulting from the jury report, were: Urban planning (especially the technical and social-economic environment), program of requirements (the added extra functions), planning construction (phasing), vision on future cooperation (PPP).

6.1.3 Assessment characteristics

Fig. 6.3 represents an overview of how the characteristics were scored by the informants during the Wieringerrandmeer case. The closer a certain point is to the centre of the web, the higher it was scored.

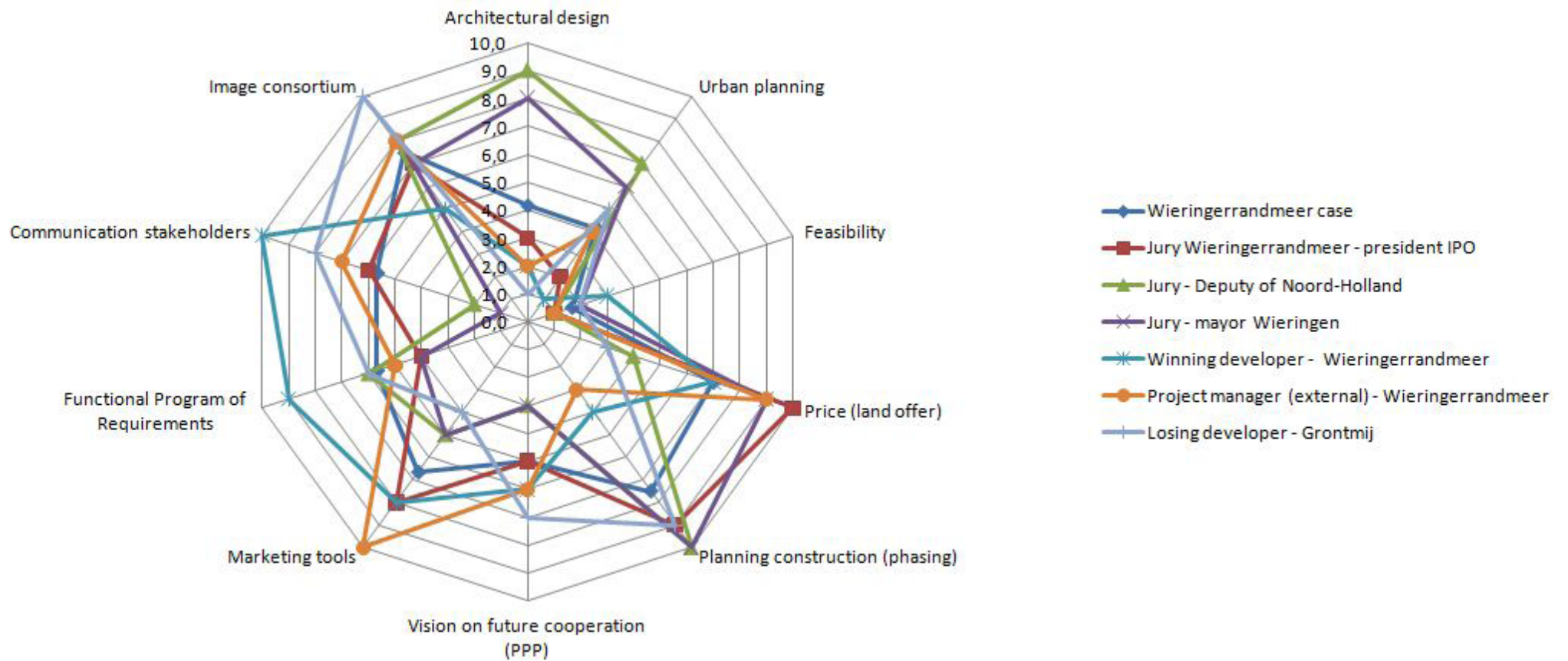


Fig. 6.3: Assessment characteristics all actors Wieringerrandmeer case.

First most remarkable aspect is feasibility (score 1,7), being closest to the centre. Which implies feasibility was considered most important to win this competition. All scorings for feasibility are located very close together, which means all informants during this case were rather explicit. Urban planning (score 4,2) was considered as second most important characteristic together with architectural design (score 4,2). Architectural design was as important as urban planning, but more scattered. Functional program of requirements (score 5,7) and vision on future cooperation (score 5,0) were scored rather uniform by all informants. Image consortium (score 7,5), was scored as one of the lowest characteristics. Communication stakeholders (score 5,7) and planning construction (score 7,5) were scored in such a way, that some scored it low and some high. Probably this is a result of the way they interpreted these characteristics. Some considered communication stakeholders as really important, but the others indicated that time was too limited for this communication with stakeholders (future residents, surrounding residents, land owners, etc.). Both project developers scored communication stakeholders as lowest, the jury scored it higher. Same goes for planning construction (phasing), some informants classified it as task of the project developers and others really saw the need of this characteristic. Remarkable is that the winning project developer scored planning construction pretty high, compared to all other informants. Finally the marketing tools (score 6,7) were scored relatively low, but scattered at the same time.

6.1.4 Reasoning

Urban planning (impact economical, political and technical environment)

Considering the jury report and scorings of the jury urban planning is rated as one of the highest characteristics, closely followed by feasibility and architectural design. As the winning developer (Hemmen, 2010) and some other informants kind of described the relations of the three most important characteristics as:

“Urban planning was the inducement, architectural design was the seducement and the feasibility was the support.”

The winning developer clearly stated that the green and blue target of the municipality and province were leading (Hemmen, 2010). Therefore they used the forces of the surroundings to create a landscaping design. In other words using the environmental context as inspiration, to inspire the jury and create a plan where people want to live. Urban planning in combination with architectural design and feasibility was designated to be a group, a triangle which forms the core of the design. A name for this group would be ‘vision’, which is the start for creating these kind of area development plans.

Feasibility (risk management + Financial calculations)

Overall feasibility was one of the four topics leading during the valuation by the jury. Previous part about the scorings of characteristics showed the importance of feasibility. According to the jury report, especially the risk management, was highly important. Clear insight in which risks are involved and which are covered is appreciated by the jury.

Architectural design

Architectural design in this case, should be described more as landscaping design of the public space (Hemmen, 2010; Etty, 2010; The red target (jury report Wieringerrandmeer, 2004), housing, was a result of what happened in the design of surrounding public space (Hemmen, 2010; Meijdam, 2010). Architectural design is one of the most subjective parts of the valuation. It is really personal, as the mayor of Wieringen (Baas, 2010) described the situation:

“There was one project, not looking at the feasibility, which I was really enthusiastic about. The design, how it looked, it was really revolutionary. But I thought, if I have to explain this tomorrow for the council, they send me away. There was some support,

but to create real support, you have to do really special things!"

Functional program (Program of Requirements)

Program of requirements and possible added functions, were part of the main topics, specified in the jury report. Still it was scored as a medium important characteristic. It does not make the difference according to almost all informants, because it is more kind of a checking tool (Hemmen, 2010; Hartman, 2011; de Pijper, 2011). If you do not meet the program of requirements, you are disqualified. Adding functions was lined among urban planning. The effects some new functions could have, were more tested in the impact on environment. The program of requirements is worked on and based on research of the municipality. As project developer you suspect that there would be public support for these spatial and functional demands. Still private parties are doubting about municipalities not optimally benefiting from the knowledge input of the market (Hemmen, 2010; Hartman, 2011; de Pijper, 2011). The market exactly knows what should be build nowadays. A program of requirements is mostly based on plans, made a few years ago by the municipality, but forgotten is the time which is changing dynamically.

Price (land offer)

Price is mainly described as result of the financial calculations of the feasibility (Hemmen, 2010; Beukema, 2010; Meijdam, 2010). Feasibility is indicated as more important, but still in these kind of competitions, price plays a dominating role. Unless price was not discussed in the jury report, informants noted that price was rather decisive.

Planning construction (phasing)

The phasing was seen as part of the task of the project developer. Rather remarkable, if taken into account almost half of the negotiation phases are blocked or stopped, because projects cannot be phased. In this respect flexibility can be the helping characteristic. Nevertheless this is still seen as part of the task of the project developer.

Vision on future cooperation (PPS)

During this area development competition a conceptual cooperation agreement was already written by the municipality and province at forehand. All parties were asked to confirm on this agreement (Etty, 2010).

Marketing tools

The winning developer (Hemmen, 2010) described the use of marketing tools and image of consortium as following:

"It does not matter who is in the room, if the image is too far away from the identity, people will notice."

In other words using marketing tools can help provoke trust under the jury members. Presenting your team in such a way, in combination with the required content of the proposal, could help enforcing this feeling of trust. Informants called the following tools as useful: Always send the same people, for bounding with the client; Let the person present who really did the work and really has the necessary knowledge about the project (Baas, 2010); Use your reference projects as marketing tool, to show that you are capable to fulfill the things you are promising.

Image of consortium (reference projects)

As the assessments of characteristics show, this was rather a unimportant characteristic. Everybody expects this characteristic being tested during the pre selection phase of the competition. Nevertheless jury informants indicate they still use the image of a consortium to see if it is feasible, if they have done it before (Baas, 2010). Here is the connection with considered the most important factor during this competition: 'Feasibility'.

Communication stakeholders

Both deputy of North Holland and the mayor of Wieringen suggested communication stakeholders as one of the most crucial characteristics. All other informants scored it lower, with the reason that there was no time (Hemmen, 2010). An explanation for the higher scoring of these two public representing informants would be that the negotiation process after the competition was stopped because of the lack of communication between all involved parties (Baas, 2010).

6.1.5 Jury report vs. assessment characteristics + reasoning

The results of the analysis of the jury report match in the main stream the results of the assessment of the characteristics during the interviews. The main difference is the inconsequent assessment of price (land offer). Apparently they did not reach a consensus about how important this price should be. About feasibility the informants were way more uniform, as some actors said: 'price is the result of feasibility'. Architectural design is seen as landscaping design of the public space. The deputy of North Holland and Mayor scored the architectural design way lower and were more interested in the overall feasibility of the proposals. Strangely enough they were not interested in planning construction (phasing), what is the main ingredient for feasibility. They both assigned communication stakeholders as really important, but during this competition there was no time to communicate with residents according to the participants. Probably because the process was stopped, due to a lack of communication between stakeholders, they ranked it so high. This is a side effect of retrospective interviews, apparently the judged with advancing insights.

6.2 Case B: Mono functional area development competition "Park Zandweerd"

6.2.1 Case description

This case is situated in Deventer, called Park Zandweerd this new development should provide Deventer (IJsseldal) the necessary boost. This area was indicated as

the new endpoint of Deventer as city. The old speed skating area was indicated as the new endpoint of Deventer as city. The old speed skating track required a new destination, the municipality of Deventer was looking for a suitable private partner to develop 300 up to 350 dwellings on the proposed location.

This competition differs from Wieringerrandmeer in the fact that two juries were assigned. The first jury had finished their procedure, but one party indicated that one of the jury members had connections with one of the contestants. Therefore the judgment of the first jury was cancelled and a second jury was formed. This group had as much as possible no knowledge of what happened during the first round. The competing consortia could not change their plans, but just had to present the things they presented the first time again. The result is totally different from the first one, which raises questions of: 'how come?'.

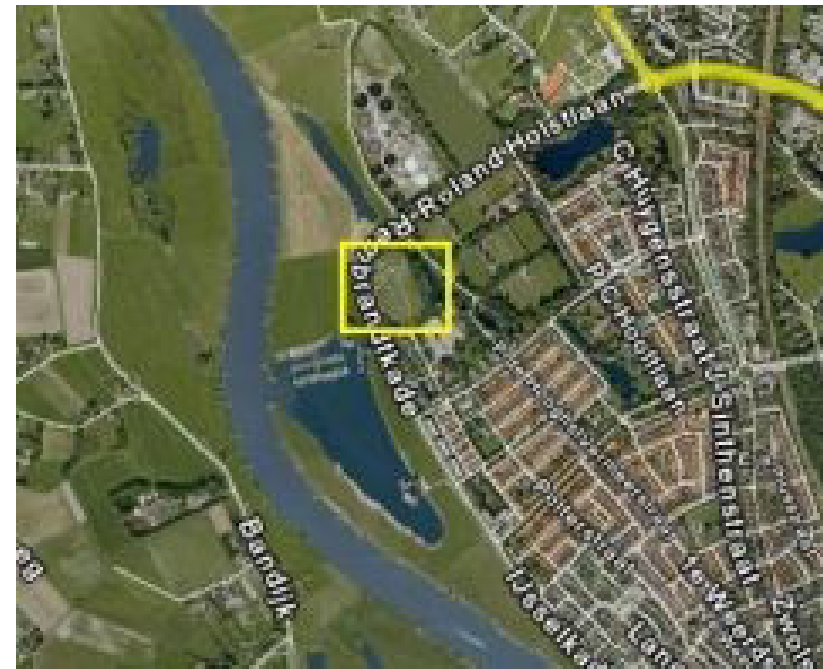


Fig. 6.4: Location Park Zandweerd case.

On the 23th of November 2007 the first round started, the second round started 5th of September 2008. The needs for this assignment, as determined by the council and which were not integrated in the Program of Requirements, were:

Relation to the environment

1. The desired landmark forms an entrance for the city and the endpoint of the IJsselfront;
2. Position and heights for the buildings respond on the environment (contrast or connection);

Kind of landmark, building typology

3. Not one building (accent), but clusters of buildings, as ensemble (urban composition);
4. Buildings orientate themselves on the surroundings (IJssel) as on the city and plan area itself;
5. Varying building heights up to a maximum of 70 meters;

Landscape / public space

6. Public park with maintenance and strengthening of the landscape, ecological and spatial relations with the environment;
7. Parking is resolved in hidden spaces;
8. Existing green line crossing the flats Hobbemastraat and lane trees parallel;

Program

9. The number of dwellings is between 300 and 350, in the expensive, middle and cheap rent and sale.

The jury used a tool which required the jury members to judge three main characteristics for quality: 'Urban planning', 'Architecture' and 'Public space'. Later on the price offers were integrated and created the result. This tool created so called more transparency to the consortia, but as well a last twist very important in the results.

The first jury advised to invite Bemog / Le Clercq for further negotiations, but the second jury advised the BAM. The judgment during the second round resulted in the following order:

1. BAM Vastgoed;
2. Johan Matser ontwikkeling and Amvest;
3. ING Real Estate development;
4. Bemog / Le Clercq;
5. Van Wijnen Oost;
6. Ballast Nedam ontwikkeling.

6.2.2 Jury report

The valuation was done according to the rules of the competition. The commission had scored six proposals on the three theme's urban planning, architectural design and public space. The first two theme's represented maximal 36 points and the last theme maximal 18 points. Per theme the jury focused on the originality, functionality and the esthetics of the design.

According to the jury report the winning consortium had the following scores for the set characteristics:

- | | |
|-------------------------|------------|
| - Urban planning: | 28 points; |
| - architectural design: | 18 points; |
| - public space: | 11 points; |
| - price: | 12 points. |

Even though they made the difference with the points for price, compared to the second placed consortium, some info can be extracted from this classification, when the rest of the jury report is integrated. Urban planning as leading principle, the basis, architectural design in combination with public space as supporting characteristics.

Luckily the jury could accept the final result after adding the scores for price (land offer), because number one and two were almost even after the quality judgment. But what if a third consortium won with the help of a significantly lower price. Furthermore if a consortium offers a proposal which incorporates a huge social-economic impact, resulting in numerous new jobs, it would be probably more interesting for the municipality than €100.000 more or less.

Referring to the motto of “Provide a new icon for the city”, the municipal ambition is represented:

- A qualitative high integral development, in urban as well as in architectural aspects, as the design of public space;
- appealing architecture resulting in striking buildings.

The other two characteristics involved, according to the jury report, were sustainability and functionality. Sustainability in the sense of robustness to the future. A clear focus was laid on the tenability of the proposed floor plans for living and the maintenance and controlling of the public space. These descriptions of sustainability could be linked to flexibility, so how flexible are these floor plans affected by changing market conditions and how flexible is this public space affected by changing environments and population segments.

Urban planning in combination with architectural design is leading. Important factors in design are originality, functionality and esthetics. Sustainability and flexibility are linked and affecting the scores. There are still discussions going on how sustainability should be expressed in these kind of competitions. Price plays a discussable and decisive big role during this competition.

6.2.3 Assessment characteristics

Fig. 6.5 shows the results of the classification of characteristics by the informants during the Park Zandweerd case. If the point is closer to center of the spiderweb, it is considered to be more decisive.

Urban planning (score 1,6) was scored as highest characteristic, which resembles the jury report. Architectural design (score 3,3) and feasibility (score 3,9) are almost on the same place and closely following after urban planning. There are two exceptions for feasibility, the urban architect in the jury stated not the required knowledge for having an explicit opinion about the financial feasibility. The other informant of the municipality Deventer indicated that the quality part was far more important. Vision on future cooperation (score 4,3) is rather scattered and does not have a real mainstream. Planning construction (score 4,9) and price (score 4,9) are following. Planning construction is rather centralized except of two informants. The urban architect from the jury clarified for this characteristics the same as for feasibility. Price is quite scattered, except of one losing participating consortium and the winning consortium scored it pretty high. Image consortium (score 5,6) seems to be scored pretty high, compared to the other case, but while looking at the spider web, the scores appears to be spread out. Communication stakeholders (score 5,9) is scattered and so there is no mainstream to be noticed. Program of requirements (score 6,0) and marketing tools (score 6,0) were scored the lowest. The scores for program of requirements are scattered, but for marketing tools there seem to be a pretty centralized score. Except of one informant, but his function was marketing manager, so that explains this score. Everybody is judging from his own profession, which should be kept in mind.

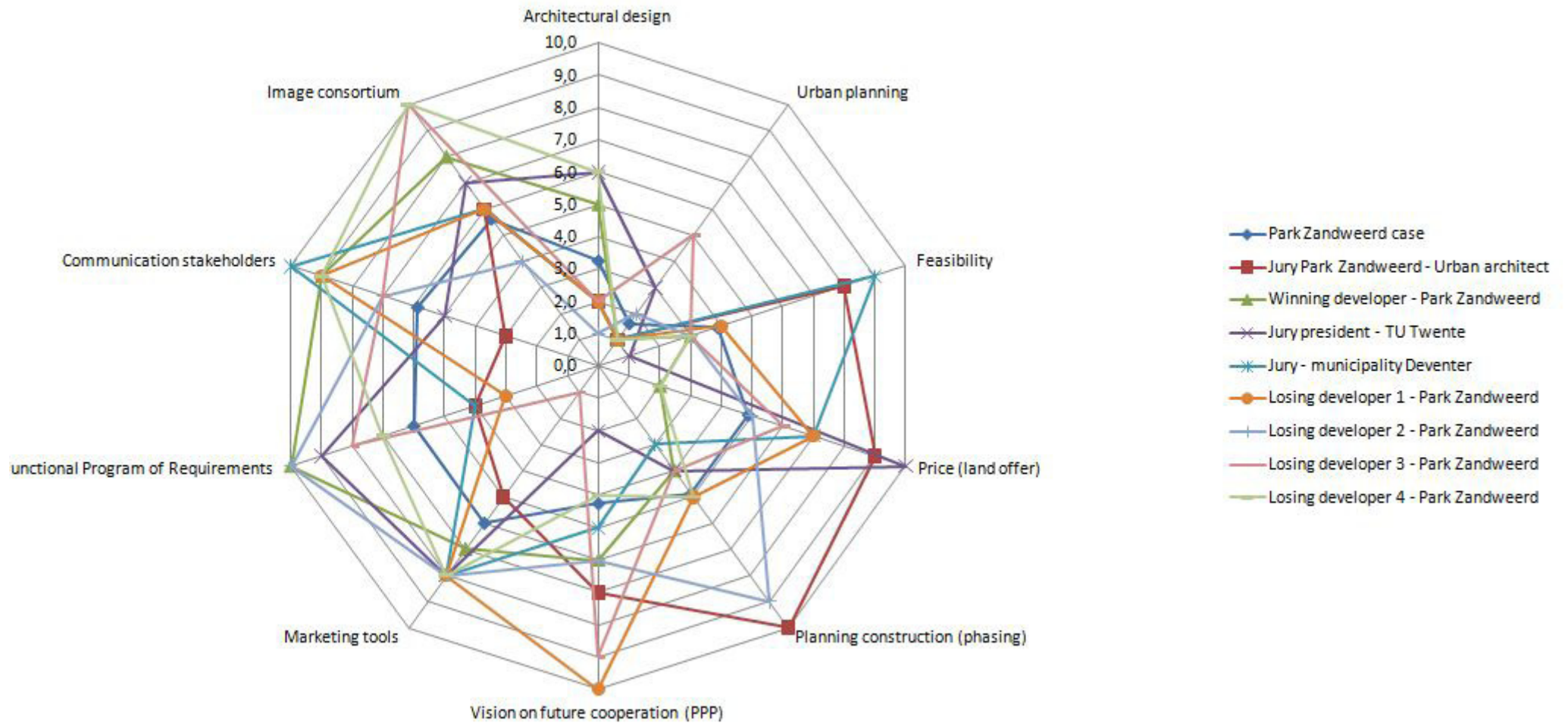


Fig. 6.5: Assessment characteristics all actors Park Zandweerd case.

6.2.4 Reasoning

Urban planning (impact economical, political and technical environment)

Again urban planning is scored as one of the highest. Almost every informant explained that the public space was really important: How is the ground level functioning (Degros, 2010); How are public and private space connected (Degros, 2010); How is parking solved (van 't Hag, 2010). This parking aspect was a returning aspect during most of the interviews. Solving the parking problem with respect for public space and in a financial feasible way, was essential (Cents, 2011).

Feasibility (risk management + Financial calculations)

The overall feasibility was quite important during this case, but the financial calculations were mostly judged by the price. Automatically planning construction (phasing) and flexibility, risk management, become the task of the participating consortium (Posner, 2011; van Uden, 2011). As the winning project developer (van 't Hag, 2010) described:

“Flexibility for me, includes feasibility and program of requirements, flexibility affects your risk management. I do not know if the jury noticed it, or if it is kind of your own risk management as project developer.”

Architectural design

Same as the Wieringerrandmeer case, the architectural design was mostly described as the design of the public space, landscaping (Cents, 2011; Degros, 2010; Posner, 2011; Aaftink, 2011). Some project developers even hired a landscape designer and the forms and typologies of the required dwellings were an result of this landscape design. Working with the strengths of the environment to able to tell the jury why you did certain steps and interventions, can really help inspiring the them. As the president of the jury (Dewulf, 2010) stated:

“At the end, when we grabbed all the plans together and started combining, we created a much better plan. There was not one favorite, but the combinations were.”

Functional program (Program of Requirements)

Program of requirements was seen as a minimum and because of the overwhelming functional program seen as a maximum. All parties were struggling with the assignment of implementing such a heavy program into this specific location. Nevertheless all project developers implemented the total program, otherwise they would be disqualified.

The municipality had a pretty clear statement of how the programming should be. There was no freedom for adding functions or changing this program.

Price (land offer)

Again price was pretty decisive, because the proposed number one consortium after the quality score, became second after adding the score for land offer (jury report Park Zandweerd, 2008). Still many informants illustrate price as the result of: feasibility, planning construction and flexibility (Posner, 2011; van Uden, 2011; Dewulf, 2010; Aaftink, 2011). It should be way more important that a certain assessed proposal is overall feasible, than just the financial result of the land offer being high enough. The importance of price is getting less, because municipalities are realizing more and more that maintenance is being a huge cost item. Therefore future value of the architectural design, becomes more important.

Planning construction (phasing)

Planning construction was not really expressed as part of the selection criteria, nonetheless some informants proposed that it should be more important. Discussing planning construction during this case was mainly about flexibility (Dewulf, 2010). Further statements about planning construction are incorporated in the flexibility part.

Vision on future cooperation (PPP)

There was not much space for a personal vision on future cooperation. A conceptual cooperation agreement (PPP) was already written by the municipality and all competing consortia had to confirm it was accepted (Dewulf, 2010).

Marketing tools

Using marketing tools is mainly described as the way you present and package your content of the proposal. Taking into account to whom you are presenting and who is going to judge is really essential (van 't Hag, 2010). Some even indicate that it is a starting point for producing a proposal during such a area development competition (van Uden, 2010).

For example some project developers were aware of the rumor that the municipality was charmed of famous architects. Therefore some international famous architectural offices were approached and contracted to craft a design (Cents, 2011).

Image of consortium (reference projects)

The image of a consortium is representing 'trust', which cannot be selected on, but can be created (Posner, 2011; Dewulf, 2010). Some even portray it as subjective trust. Making the jury believe and feel there is trust. This trust again is represented by how the consortium is operating and presenting themselves (see marketing tools). In combination with the content of the proposal a certain potential future private partner jumps out. If there is no trust between both public and private sides at the beginning of the negotiation phase, it will be a exhausting process.

Communication stakeholders

There was not much need for a communication plan for informing the recent residents, because there were none, it is an expansion area. Still a public debate took place about the assessed proposals and according to the jury report was taken into account during valuation (Dewulf, 2010; Degros, 2010; van der Woude, 2010).

Informants of the jury indicated that it was a really hard job to use this public debate, because they were not part of it. The project developers showed that they were very aware of the effect the visual expression of their presentation could have during the public debate.

Sustainability

Since the municipality stated that sustainability was going to be part of the valuation, the informants of the participating consortia were asked to place sustainability in the context of this competition. Remarkably many interviewed project developers (Cents, 2011; Posner, 2011) stated the following:

"The recent building regulations comprise numerous demands on sustainability measures, which are substantially affecting the financial side, why should we go even further?"

Nevertheless this quotation is mainly about the energy saving part of sustainability. Considering sustainability as a collective nuon, the social component is selected by project developers as the most important part. Creating a residential area with future value and where people really want to live and feel safe (van der Woude, 2010). That is the real future challenge, while developing these kind of new expansion areas and inner city developments. Willingness to pay for sustainability will always be key in these kind of area developments.

Flexibility

As already mentioned for feasibility, flexibility was not part of the selection criteria. surprisingly many of the informants had a clear idea of how flexibility should be incorporated. After the credit crunch of 2008 these kind of characteristics were part of the discussion. Considering the retrospective interviewing method and this competition was in 2007, this could be advancing insight.

Flexibility was linked by many informants to: Architectural design,

Program of requirements, Feasibility and Planning construction (van der Woude, 2010). Still after deciding which plan is going to be realized, during the construction adaption's have to made. Therefore the proposed design and plan should be capable of bearing these changes. In view of the dynamic market conditions and the long time span of such an area development, changes should be made, if necessary. For example changing functions or changing the phasing during construction, because some types of housing are not selling well on the market. Still this requires changes in attitude from project developers, but especially the municipality, allowing for more conceptual proposals, so all actors involved during the negotiation phase will be less bound to restrictions (Dewulf, 2010; Cents, 2011; Posner, 2011).

6.2.5 Jury report vs. assessment characteristics + reasoning

The results of the analysis of the jury report match in the main stream the results of the assessment of the characteristics during the interviews. The main difference is again the inconsequent assessment of price (land offer). The planning construction (phasing) is considered to be quite important, unless one of the participating developers and the urban architect from the jury. This planning construction was not really specified as a selection criteria. Apparently again there is a inconsistency of how price show be interpreted. Urban planning, Architectural design and feasibility are considered to be more important. Image consortium and marketing tools are considered to be evenly important as communication stakeholders, which is remarkable if considering a public debate took place, which was taken into account during the assessment of the proposals. Different jury members did not know how to implement the outcomes of this public debate, because they were not there.

6.3 Case C: Inner city area development competition “Orinocodreef”

6.3.1 Case description

This competition can be seen as an area development competition, which takes place on a more regular basis. An old school in the city area of Utrecht in Overvecht,

the Klopvaartbuurt which lost his function required a new destination The fact that it is within the city and a restructuring makes it an inner-city redevelopment competition.

The total assignment for this competition was:

1. Demolishing the recent school building;
2. For own risk management, designing, realizing and selling round about 60 – 65 detached houses (+/- 52 dwellings in the medium term sales category, price between €181.500 en €260.000, +/- 10 dwellings in the expensive sales category, price above €260.000;
3. Furthermore designing and realizing in coherence the public space being returned to the municipality afterwards. (Selection Guide Orinocodreef, 2009)

The urban planning in this competition was really strict, so urban planning automatically became less important.

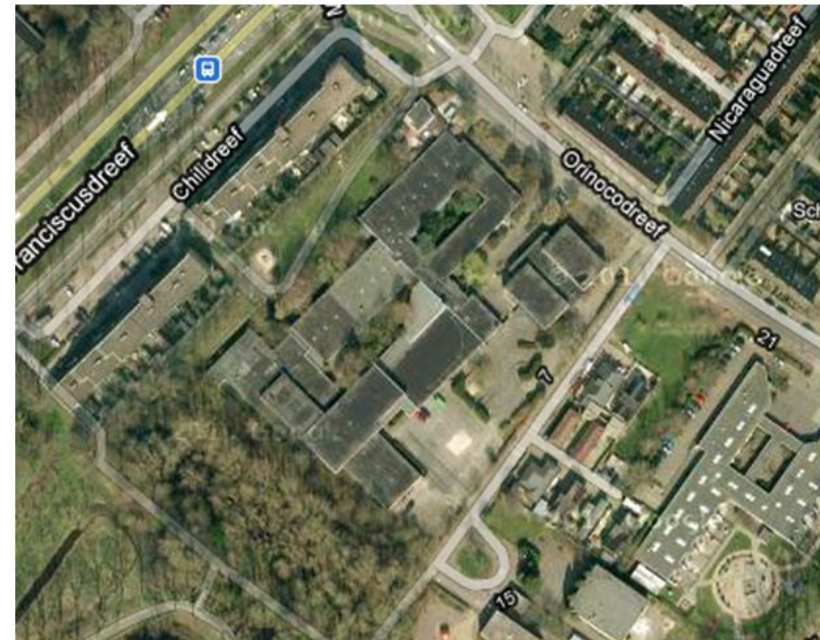


Fig. 6.6: Location Orinocodreef case.

For the valuation of the assessed proposals by the project developers the jury used a method with 11 wishes connected to different weight factors. In this way the jury was able to make a separation between what was really important and the less important elements.

Five project developers were selected after the pre-selection phase. All project developers delivered different proposals, but JanssendeJong Project development had the best one. They are now invited for further negotiations and realization, which is still in process.

6.3.2 Jury report

The to be assessed proposals of the selected project developers had to confirm the following demands:

- Vision document in which the ambitions of the plan area are written down as addition on, if not possible in drawings, model and materials;
- clear design drawings and a clarifying description of the new development in relation to the existing buildings and green;
- a model 1:500 with: the plan area, a part of the surrounding, the existing situation and design;
- visualization of material use.

These products were judged on the following wishes set by the municipality in the selection criteria, the factors are added:

1. The wish is to let the housing plan connect to the recent urban structure in form and volume; (factor: 13)
2. The wish is to give the dwellings on the park side a special appearance; (factor: 12)
3. The wish is, where possible deriving from the environment; (factor: 7)
4. The wish is to continue green stokes and do not let parking dominate;

(factor: 7)

5. The wish is to reach a quality improvement (sustainability) for the applied materials; (factor: 7)
6. The wish is to develop a housing plan which has sustainability as 'leitmotiv' on multiple areas; (factor: 7)
7. Utrecht is striving for high living quality; (factor: 7)
8. The wish is to keep the surrounding residents updated of plans and happenings; (factor: 10)
9. The wish is to tune the tools for the information stream on the receivers; (factor: 5)
10. The wish is to reserve enough tools for communication; (factor: 5)
11. In this specific case there is talk of change of function, a school function disappears and a residential function appears. The tools which will be created in this way will be attributed to education in Utrecht. The wish is to make this contribution as high as possible. (factor: 20)

The characteristics specified in chapter 2.4 can be connected to these wishes, with the help of the theoretical framework of chapter 4, the following assumptions can be made:

- | | |
|------------------------------|------------|
| - Architectural design | 33 points; |
| - Communication stakeholders | 20 points; |
| - Price (land offer) | 20 points; |
| - Sustainability | 14 points; |
| - Urban planning | 13 points. |

These characteristics should be leading during the assessment of the submitted proposals of participants by the jury.

Important sub targets, resulting from the set wishes are:

- Applying a quality solution for parking in public space, with respect for the green areas;
- Energy saving measures are important in the sustainability characteristic.

6.3.3 Assessment characteristics

Fig. 6.7 shows an overview of the assessed characteristics by the informants during the interviews of case Orinocodreef.

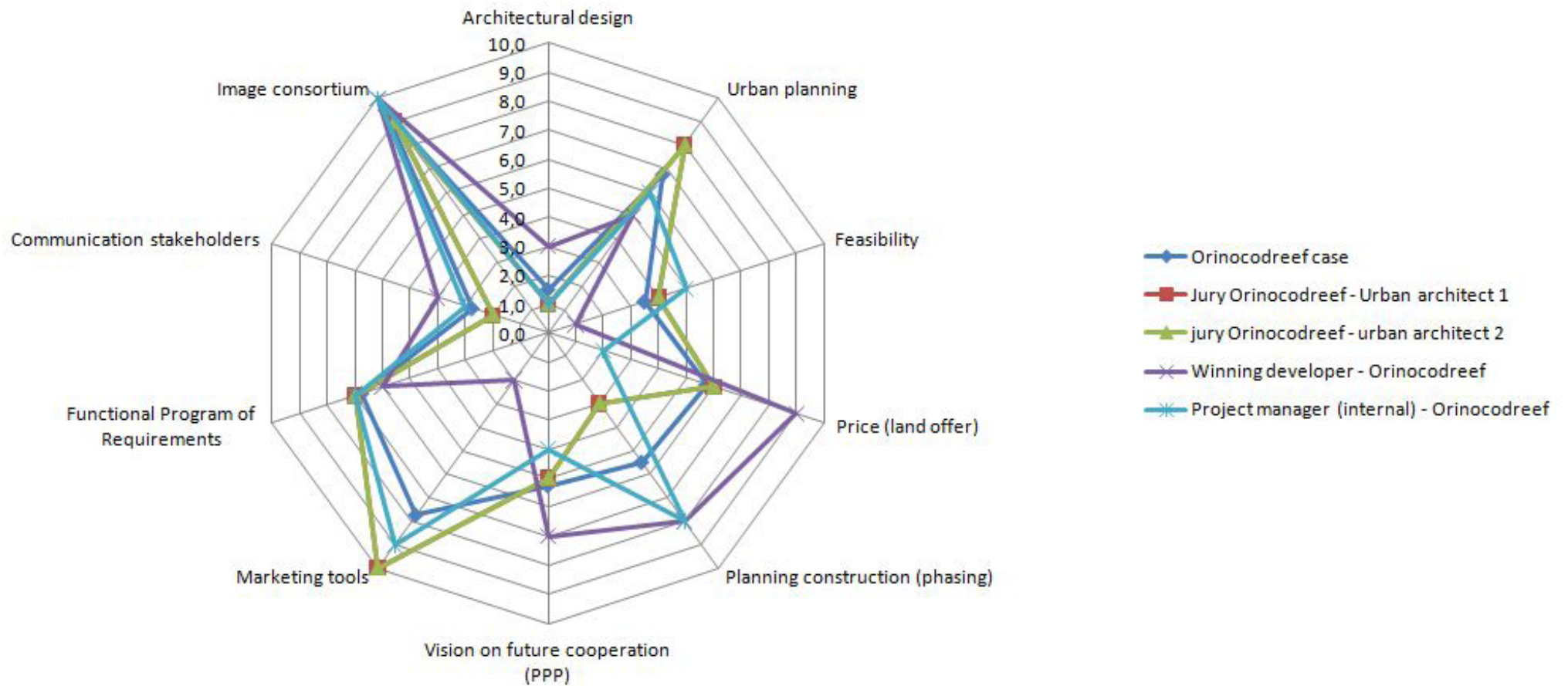


Fig. 6.7: Assessment characteristics all actors Orinocodreef case.

Architectural design (score 1,5) has clearly been scored as the most important characteristic during this competition by all informants. Remarkable is the communication stakeholders (score 2,8), probably this is the effect of having representatives of the recent and future residents in the jury. Same as for architectural design, quite centralized. Feasibility (score 3,5) is placed as third characteristic. The only small deviation is the winning developer, but this is related to his valuation of price. Personally for the project developer, price is a result of feasibility. Vision on future cooperation (score 5,3) and planning construction (score 5,5) are the two following characteristics. Cooperation vision is relatively centralized and planning construction reasonably spread. Price (score 5,8) has no uniform score, because informants had a distributed approach. Functional Program of requirements (score 6,8) and urban planning (score 6,8). Both characteristics pretty centralized. Marketing tools (score 7,8) and finally image consortium (score 9,5) were scored the lowest. It is noteworthy that the winning project developer scored marketing tools in place three. Compared to the informants of public side, who all scored marketing tools as one of the lowest characteristic.

6.3.4 Reasoning

Urban planning (impact economical, political and technical environment)

The urban planning part scores pretty low, the explanation for it is the already strict boundaries of the municipality. The whole structure of dividing private and public property was already done by the municipality. The project developers were asked to create a architectural design with respect for public space. In other words urban planning could not be a selection criteria, because it was already determined (Passchier, 2011; Borlée, 2011; Smits, 2011; van Riel, 2011). This of course raises many questions for example where the concept is based on and what about the unused knowledge of market side. Project developers are not challenged to take it a step further, but neatly walk the route set by the municipality. This project was part of a much larger urban design for the city of Utrecht,

so in order to fulfill this larger picture, the boundaries had to be strict (Borlée, 2011; Smits, 2011).

Feasibility (risk management + Financial calculations)

Keeping in mind that this competition was an inner city one, could help clarifying why the informants are not uniform about the place of feasibility and price. A result of an inner city development is the complexness of determining the feasibility. The price should be less important, than the overall feasibility. For example how should a project developer incorporate risks in his feasibility for finding asbestos, being obstructed by some residents, who are not willing to move, etc. That is why the process for an inner city development becomes more complicated and that is why the municipality tried to make it as strict as possible, to avoid problems. The risks for asbestos were covered by the municipality (Passchier, 2011).

Architectural design

Architectural design was scored the highest and the only way for creating something distinguishable from other project developers (van Riel, 2011). Especially the visual design, because program and urban planning were already set by the municipality. Architectural design being a tool for differentiation is resulting in using it as a marketing tool. Therefore the winning developer scored marketing tools that high. Apparently the stricter a procedure, the more marketing tools have to be used.

Functional program (Program of Requirements)

Program of requirements was seen as a minimum (van Riel, 2011). Not meeting the set program by the municipality, would result in disqualification. There was no freedom at all to be off track, because next to the strict program of requirements, the urban planning was set.

Price (land offer)

The feasibility part was according to the winning developer (van Riel, 2011), way

more important, because they calculated scenario's and knew actually the municipality was selecting for a large part on price. Instead of a real area development competition, it became more or less a game in searching where to get the easiest points and not providing the best quality for its price.

Planning construction (phasing)

The planning construction in this case was reasonably unimportant, because the whole project was of such a small size, that it could be constructed at once. This is a advantage of dealing with such a small competition, phasing such a project is not a problem (Passchier, 2011).

Vision on future cooperation (PPP)

Vision on future cooperation scored medium, in order to realize this area development all actors understand that they needed each other. A conceptual cooperation agreement was already written by the municipality and all participants were asked to confirm they would accept it (jury report Orinocodreef, 2009).

Marketing tools

Pretty remarkable is the large difference in scorings of the public side and the winning developer for marketing tools. As mentioned before, stricter and smaller competitions ask for more use of marketing tools. This is because of the nature of the project developer. Selling your product or service, asks for unique selling points, differentiating as project developer from the competitors. The way of presenting and using the knowledge of who is in the jury are mentioned as the best usable tools (van Riel, 2011).

Image of consortium (reference projects)

All interviewed actors scored image of consortium as the lowest characteristic. The image of consortium does not really matter anymore because it was already filtered during the pre-selection round (Passchier, 2011). The assignment during this

competition was rather standard. Still the normal inner city area developments are long term processes and so it is important who is the other partner (relationship building).

Communication stakeholders

Communication stakeholders was exceptionally important, because the representatives of the recent and future residents were in the jury. How do you communicate to these people, who are not a professional and trained in piercing through the bubble around the content of the design produced by the project developer (Borlée, 2011; Smits, 2011). According to the professional jury members it was quite a hard job to steer them in the right direction. The problem according these jury members was that these representatives were looking at the plans really converting, so not taken into account all aspects of the plan. The experts were judging in the opposite way, they were diverging, and looking at all the aspects related to each other.

Sustainability

According to the jury report sustainability was separated into five topics: Energy, milieu, Wellness, Users quality and future value. The social component of sustainability is selected the most as crucial element. This social component is somewhere covered in users quality and future value. Willingness to pay plays a big role during this competition. The specified factors in the jury report represent the focus points of the jury. Nevertheless the winning project developer showed that after calculating some scenario's it was easy to determine what the real focus points were. They found that if a project developer would invest for example €250.000 in sustainability measures he would only get two points, but investing this amount of money in the land offer would result in four points (van Riel, 2011).

During this competition it would be wise to use the method of area development competition "Céramique" in Maastricht, where they set a minimal land offer, judged on quality and promised to only open the envelopes with land offers, when quality did not provide a satisfying result.

Flexibility

Flexibility was not really defined by the municipality, but should be allocated under the program of requirements in this case. The program of housing was determined by the municipality, but actually this would be the only space in during this case to be flexible.

6.3.5 Jury report vs. assessment characteristics + reasoning

The results of the analysis of the jury report resembles for a large part the results found from the characteristics assessment during the interviews (par. 6.3.2 and 6.3.3).

Remarkable is the assessment of the characteristic marketing tools by the project developer, while it is no part of the selection criteria, still he indicates it was highly important during this competition. Another notify able aspect is price on which the informants are scattered. There is no specific compromise on how important price should be. The project developer showed that feasibility, calculating scenario's was more important.

6.4 Cross case analysis

This cross case analysis is performed to compare the results of the cases in general and to see if there are any notify able trends seen in the scorings of the actors per group of profession.

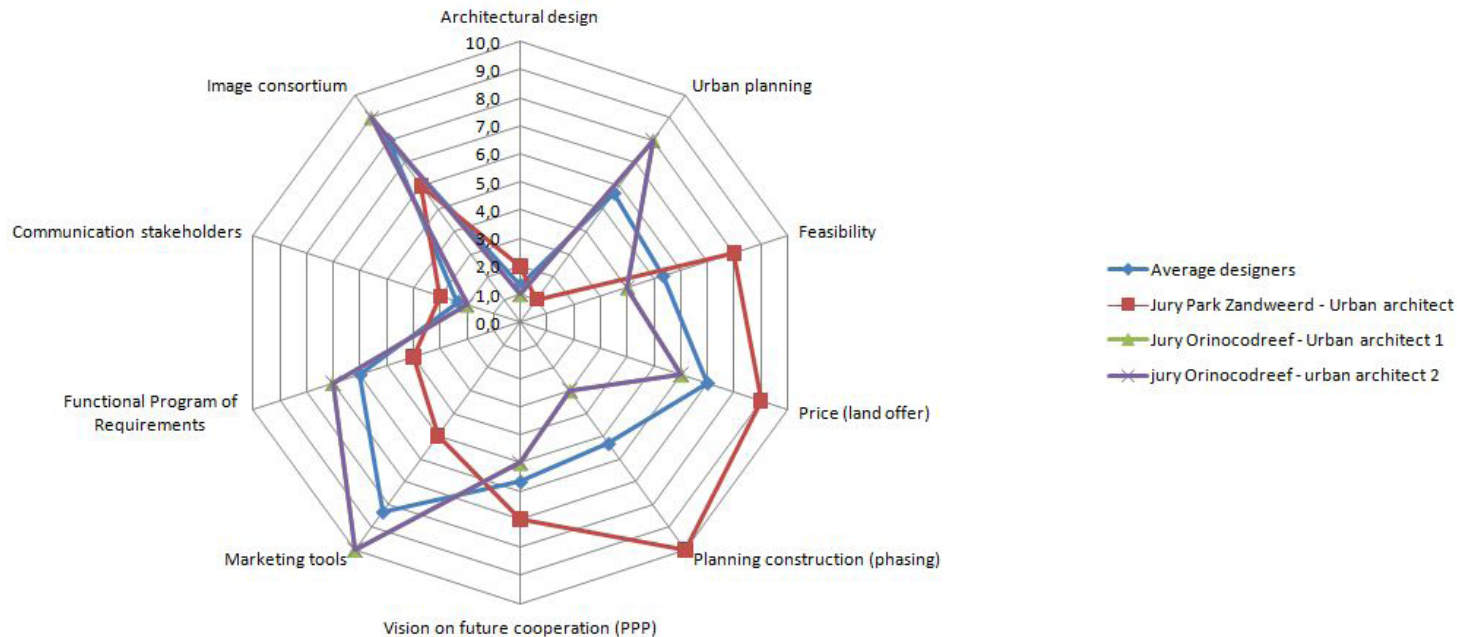


Fig. 6.8: Assessment characteristics Designers.

6.4.1 Assessment characteristics per actor group

Jury: Designers

This group involves all informants with a designing background: landscaping architects, architects, urban architects private as for the municipality. The lines of urban architect 1 and 2 are the same (see fig. 6.8) because these two designers were interviewed at the same time. Architectural design is one of the few characteristics where all designers are really homogeneous about, which could have been expected. Still it confirms the statement that experts in the jury are judging from their own profession. Communication stakeholders seems to be important as well, designers are mostly socially involved. They are not bound to financial limits, since they are focusing on the quality part of the valuation.

Jury: Client - Municipal/provincial

This group involves all informants who are representing the side of the client, in other words with a public perspective. Fig. 6.10 represents all the scorings of characteristics by the municipal and governmental informants. Functional program is projected to be rather important and not scattered. A clarification would be that the Program of requirements is written by the client. Very conflicting is the fact that the largest part of the participating project developers find the program of requirements, purely a minimum, which you have to meet up with, but does not provide any chances for making a difference.

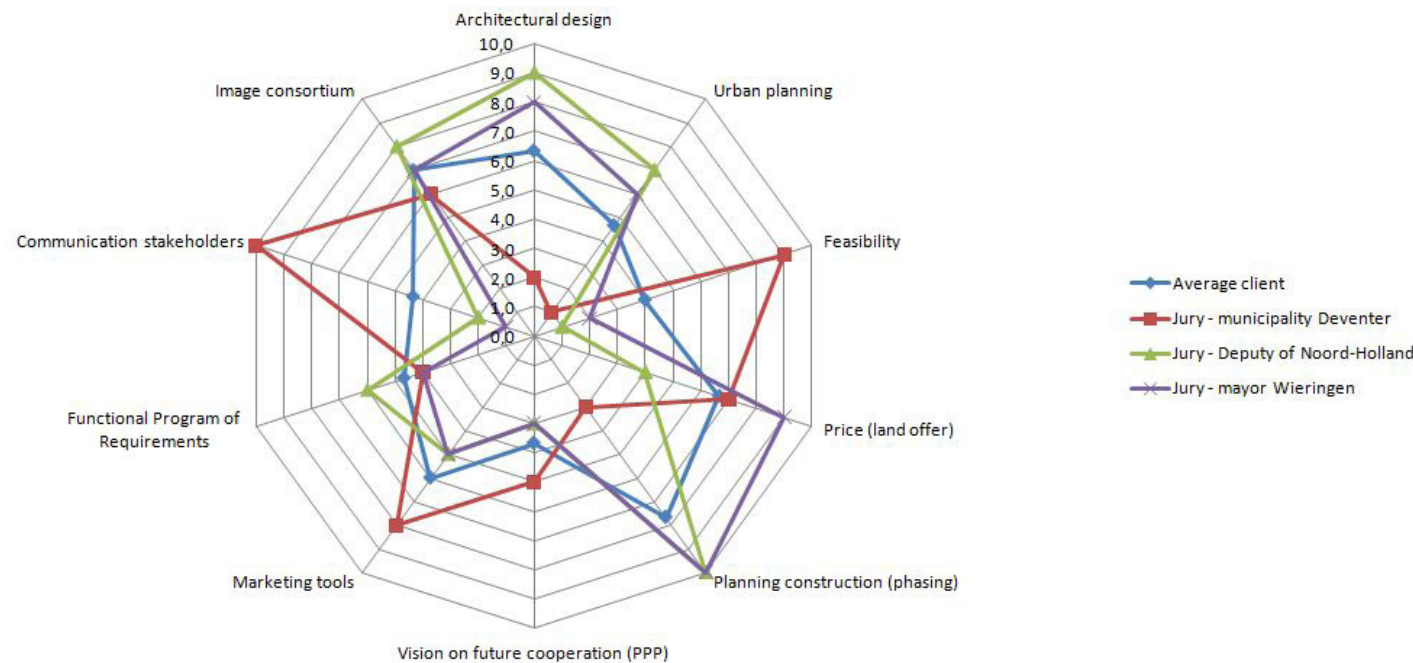


Fig. 6.9: Assessment characteristics Client.

Image consortium and communication stakeholders are following, architectural design is seen as the visual representation of the concept based on the urban planning and overall feasibility. Where architectural design is judged as future value of the design and not bounded to certain time periods, as the recent vinex residential areas.

Project managers

This group involves the people who are leading the area development competition.

These people can be externally contracted or operating from internally at the municipality. Normally if a competition gets bigger an external advisor is hired to lead the competition phase.

One of the corresponding points is architectural design (see fig. 6.11), again this seems to be one of the most important characteristics. Price is enormously divided between these two project managers. This is because of the size of the project, Orinocodreef was substantially smaller and the price was easier to determine.

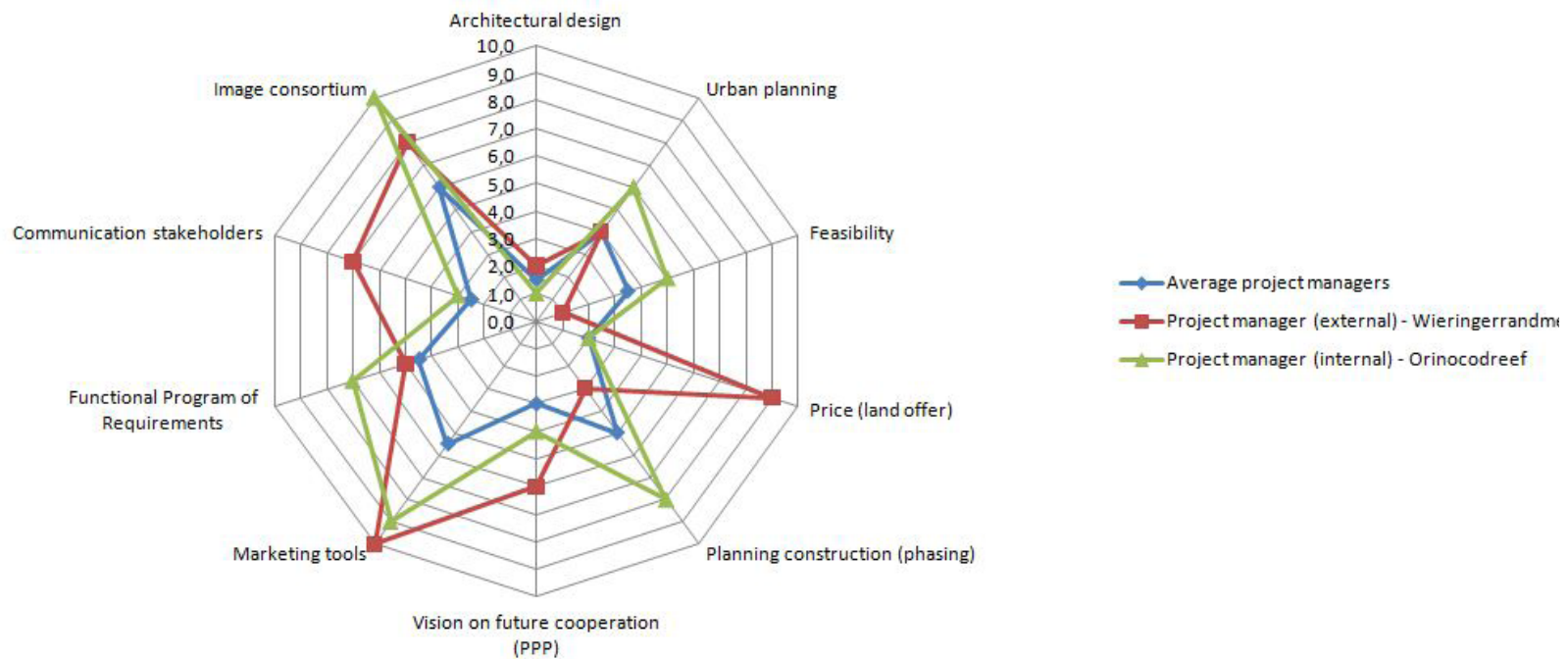


Fig. 6.10: Assessment characteristics Project managers.

Considering a larger competition as Wieringerrandmeer implies that price is harder to determine, so the underpinning characteristics become more important, like feasibility and planning construction.

Participants

This group involves all the participating actors in consortia or alone. The only group who were interviewed were the winning and losing project developers. So in that

respect this group comprises all the project developer, winning and losing. Differences between winning and losing developers can be really interesting.

Urban planning, feasibility and architectural design are considered the most crucial characteristics (see fig. 6.12). This is probably because this triangle said to be the core of the proposal. Every project developer starts with these three elements and most other characteristics are the result of these three.

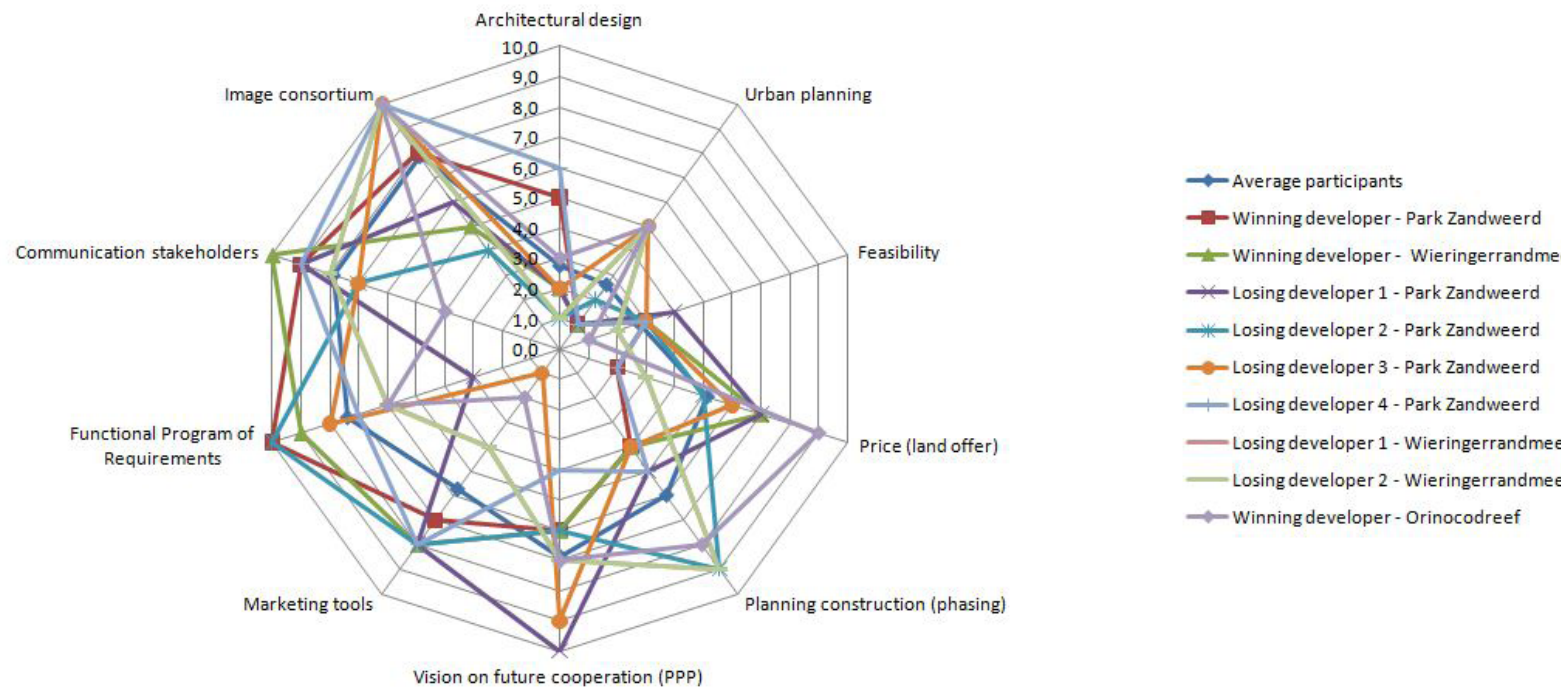


Fig. 6.11: Assessment characteristics Participants.

In order to win, during the smaller competition marketing tools were apparently more important compared to the larger competitions. During the larger competitions there is space to make interventions in the urban planning part of the proposal. Therefore the project developer is capable to differentiate himself from the competitors in an early stage and so marketing tools are not required to make the difference.

Furthermore communication stakeholders is considered by jury members as important, but during these large competitions there is no time to involve stakeholders in this early stage. Except of the winning developer during the Orinocodreef,

who was aware of the representatives of the recent and future residents in the jury.

6.4.2 All actor groups compared

By comparing all actor groups with each other, a assumption could be made on which actor groups correspond and have the same opinion about the characteristics.

The notify able aspect of fig. 6.13 is the fact that for almost all characteristics the informants are spread in the midsection 3 till 6. In other words this proves that a jury considers in general all characteristics equal and all characteristics during

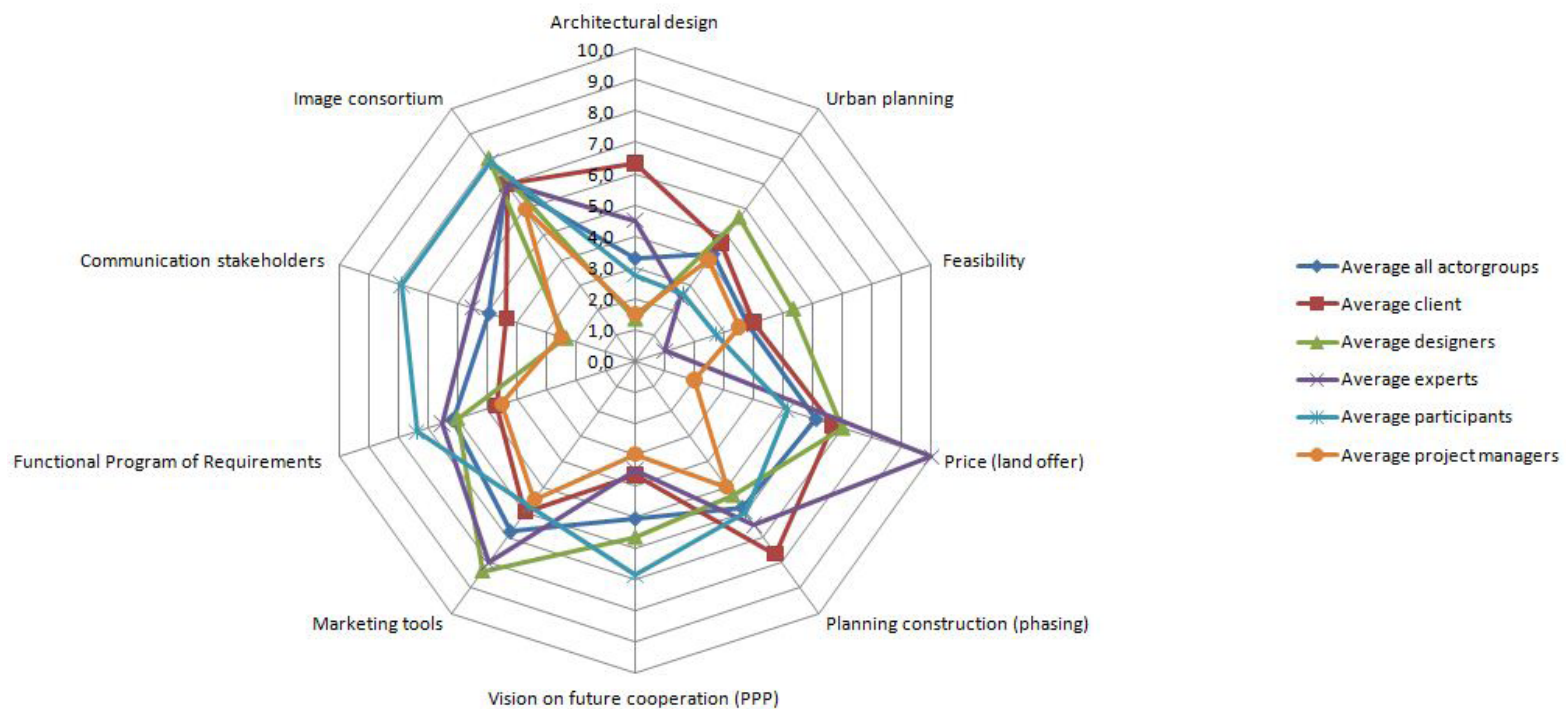


Fig. 6.12: Assessment characteristics all actor groups.

judgment are taken into account. All characteristics are a bit scattered, this on the other side means reaching coherence between the jury members with different professions will be really hard. A jury which comprises of each actor group one member, could be considered as the perfect jury. The best balance between the characteristics, or a fifty-fifty balance for price x quality.

6.4.3 Comparing general Assessment characteristics and reasoning from cases

This part reflects on the comparison of all cases, scores and reasoning's. By considering these general scores, general coherence between the different cases can be noticed. The differences and similarities between the inner city development of Orinocodreef and expansion areas Wieringerrandmeer and Park Zandweerd result in valuable knowledge.

Again Feasibility, Architectural design and urban planning are forming a triangle of the most important characteristics (see fig. 6.14).

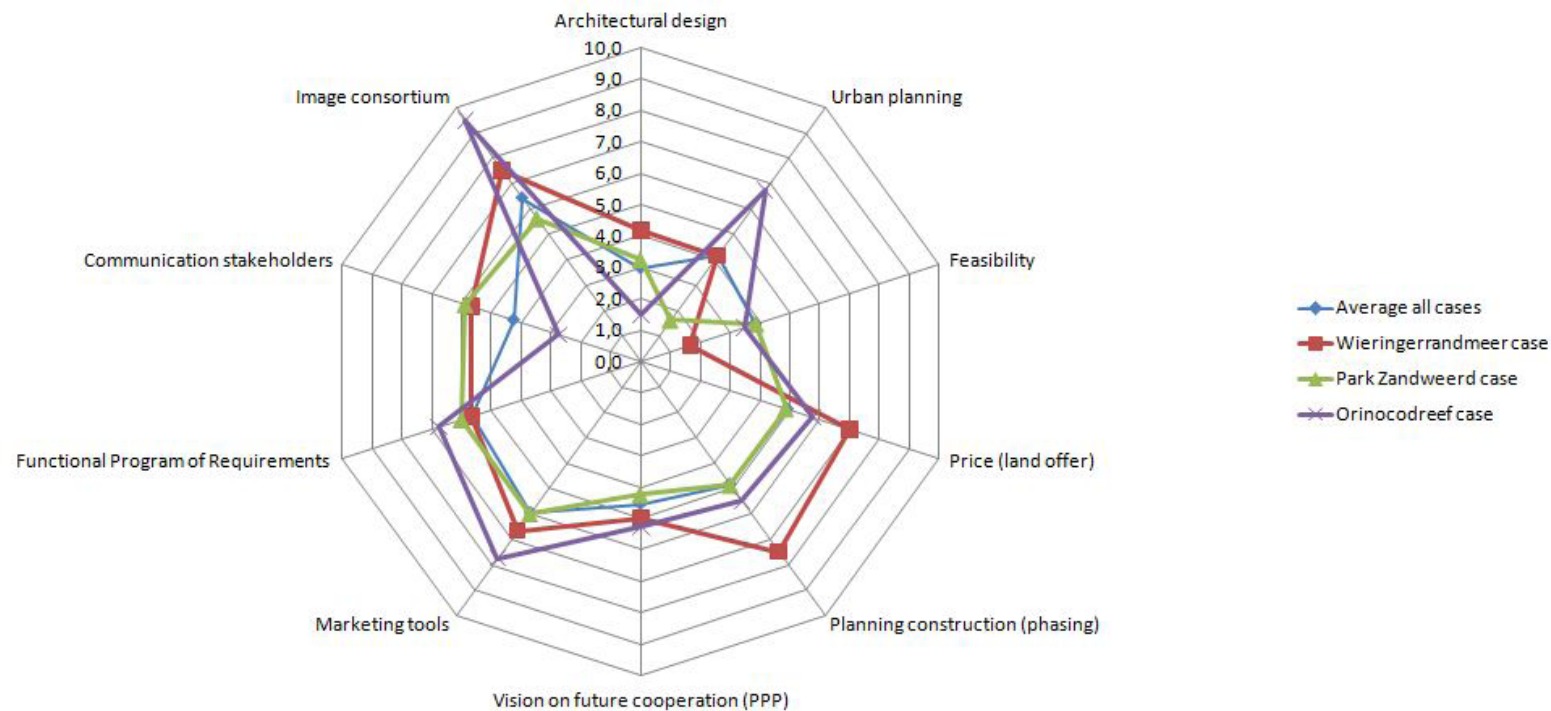


Fig. 6.13: Assessment characteristics all cases.

Except of one, which is the Orinocodreef, but the urban planning was already restricted during this case. Vision on future cooperation (PPP) is allocated as a medium important characteristic, all cases are quite uniform about this cooperation. Unless the reasonable importance of this characteristic, municipalities in all three cases had already written a conceptual cooperation agreement. Communication stakeholders for Wieringerrandmeer and Park Zandweerd were rated almost equal, but for Orinocodreef it really was affecting the valuation of the proposals by the jury.

Still remarkable is the doubled perspective of private parties concerning the program of requirements. Private parties are considering program of requirements as a checking tool, but when they are asked to give an explanation of how they are approaching these area development competitions, they declare the program of requirements being the document on which the core (urban planning, architectural design and feasibility) of the their plans is based on.

The image of a consortium seems to be one of the least important characteristics, but during the larger competitions the image apparently is getting more important. Probably relating to the complexness of the larger assignments, as informants clarified, still during valuation of the proposals, the jury members check if the proposed plan is feasible related to the image of the consortium (reference projects). As a few developers stated:

“The Netherlands is small, it is unavoidable that a jury member knows a participant or their reference projects.”

In order to show, as consortium, that you are capable of realizing your proposed plan, image of consortium can be used as marketing tool. This is also depending on who is in the jury. If you know a certain jury member and his taste, the reference projects which match this taste can be applied.

6.5 Proposed future of area development competitions

During the interviews one of the last questions was: ‘If you look at the future of area development competitions would you consider the same characteristics as important?’ This part discusses the outcomes of this question. During chapter 7,8 and 9, these outcomes will be incorporated.

Area development competitions are rather strict on the moment. Concerning Wieringerrandmeer the assignment was rather complex, so how do you determine the price? Setting a threshold by the municipality and not select on price would improve the offered quality by project developers. Especially during smaller competitions were strategic entering is determinated. Strategic entering: ‘A proposal in which they try to create the optimal mix of prices and other variables with the intention to receive the highest possible score of points with methods based on game theories (Chen, 2007).’

Future competitions will mainly be in innercity context (see fig.). Meaning area development processes become more complicated and so these competitions. More stakeholders are involved and there are more risks on unexpected failures of the to be developed area. Financial feasibility in this respect is way harder to determine. How should you translate these risks in financial values. Making the proposals more conceptual and so incorporating a higher level of flexibility will help lower risks.

During the innercity developments the following characteristics will become more essential:

- Communication stakeholders;
- Feasibility;
- Flexibility.

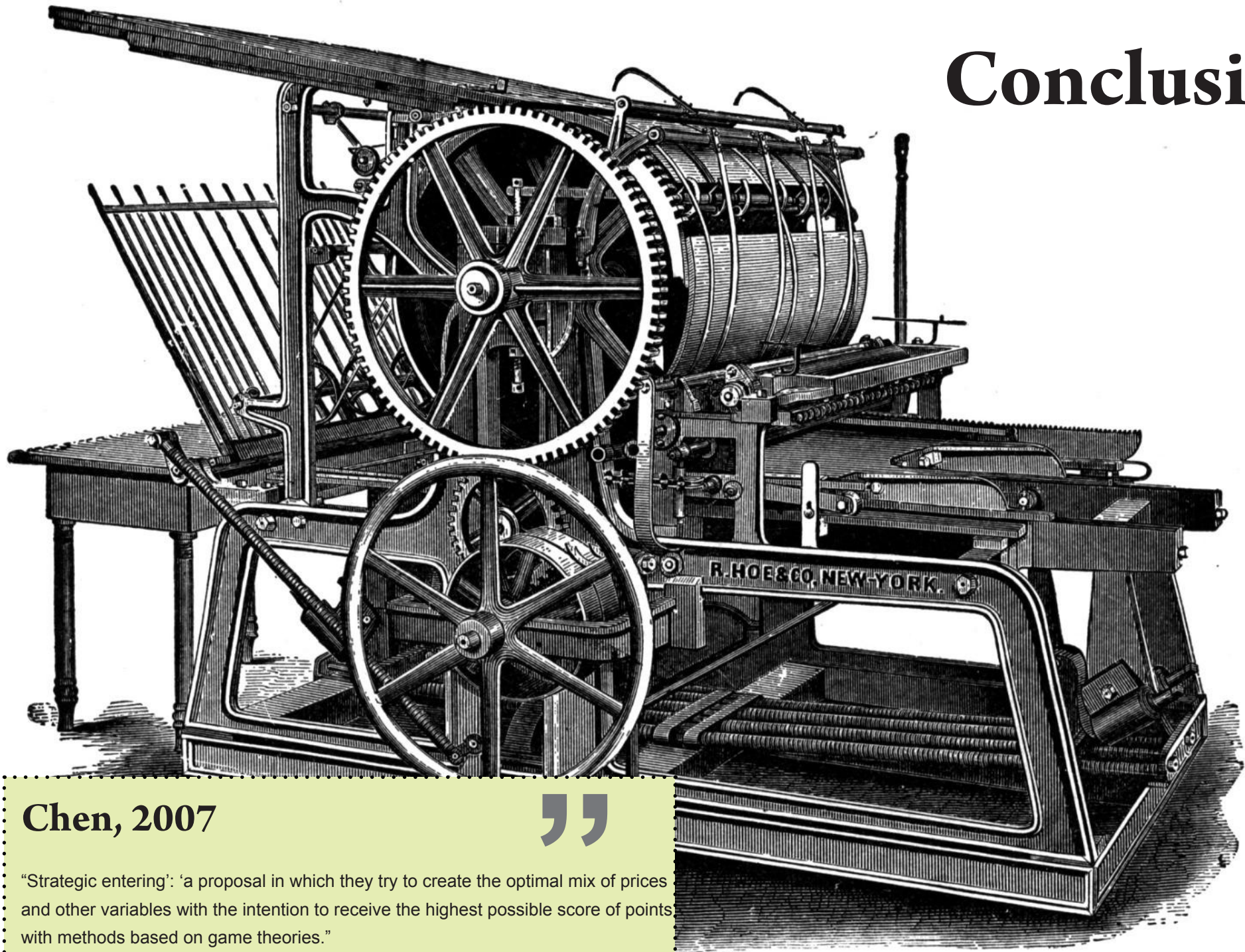
One of the main reasons why innercity development processes become more complicated, is because of the involvement of more stakeholders. Plans for how to cooperate with the involved actors are getting more important. Trends can be seen in the jury of the Orinocodreef case, where residents are invited to take a seat in the jury. Residents are becoming more powerful nowadays. Therefore it is essential to

know how to communicate with them and what they like. Price should be less important, but how you decide that price should be incorporated. Not only the financial feasibility, but the overall feasibility. Meaning how to phase the project and how the communication to stakeholders should be structured. Flexibility has already been discussed.



Fig. 6.14: Future important characteristics in area development

Conclusions



Chen, 2007

”

“Strategic entering”: ‘a proposal in which they try to create the optimal mix of prices and other variables with the intention to receive the highest possible score of points with methods based on game theories.’

7 Conclusions

With the theoretical framework (chapter 4) as tool, this chapter will combine theory (chapter 1,2 and 3) and results (chapter 6) of the performed case studies in order to find the answers to the proposed research questions (chapter 1.4). In other words this chapter will first discuss which characteristics of the proposals are most decisive for winning an area development competition. Secondly how the selection of project developers is affected by the assessed marketing tools of project developers. Thirdly what the implications are for project developers joining new area development competitions. Finally this will result in reaching the research goal and providing an answer on the main research question (chapter 1.4): “Finding the best business strategy for a project developer to win an area development competition in the context of a restricted EU tendering procedure.”

“Which characteristics of the proposals are most decisive for winning an area development competition?”

7.1 Most decisive characteristics

Comparing the spider webs (assessment characteristics) per case (chapter 6.1, 6.2, 6.3) and from the cross case analysis (chapter 6.4.3; fig. 6.14) and considering the reasoning within these chapters, the following characteristics can be considered as most decisive:

1. Urban planning (impact on social-economic, technical and political environment);
2. Feasibility (risk management + financial calculations);
3. Architectural design.

If linked to the theoretical framework of chapter 4, the focus during these kind of

competitions apparently is on:

1. Place;
2. Price;
3. Product.

These elements are used to create the core of the proposal by a consortium. The other characteristics will result from this core and can be considered as contextual influences for this core. Setting up a proposal during an area development competition will be a iterative process (Simon, 1962; Gann et al., 2003). Urban planning was the inducement, architectural design was the seducement and the feasibility was the support (see chapter 6.1.4; urban planning).

Chapter 2.4.1 discusses the proposal being defined as ‘concept’: the optimal real estate solution for a specific place, where spatial and functional aspects are developed who have, next to the quantitative, a qualitative core as well (Neprom; Sentel, 2008). It starts with ‘solution for a specific place’, this solution is an result of the inducement of the urban planning (social-economic, technical and political environment). As the cases Park Zandweerd (par. 6.2) and Wieringerrandmeer (par. 6.1) show, when the assignment during area development competitions become more complicated, urban or even landscaping architects are hired for producing the ‘concept’. Architectural design, which is in most cases (par. 6.1, 6.2) is the result of the urban planning, is as combination responsible for the largest part of the ‘qualitative core’. During smaller competitions (see par. 6.4) urban planning is already strictly set by the municipality, which results in urban planning becoming less important. If zooming in on the characteristic urban planning, the impact on technical and social-economic are considered as most essential. Designing a accessible area with respect for the ground level (balance public and private space) (par 6.1.4, 6.2.4 and 6.3.4). As the research of Maas et al. (2006) showed green space is of really positive effect on the surrounding residents. During the case studies this green space (public space) is seen as highly important. Another effect is the accessibility and structuring

of parking, which in many urban fabrics is becoming a huge problem. Next is the feasibility, which represents mostly the 'quantitative core' of the proposal. Feasibility depends on how the concept combines the inducement (urban planning) and seducement (architectural design) together. Feasibility is the support for the proposal, with as main result the price (land offer) (par. 6.1.4, 6.2.4 and 6.3.4). Even if 'strategic entering' is applied, as described by T.H. Chen (2007) 'strategic entering', implies: 'A proposal in which they try to create the optimal mix of prices and other variables with the intention to receive the highest possible score of points with methods based on game theories.' Still if this situation comes up and price is determined by calculating scenario's and game theories, the proposals need to be feasible. Feasibility is not only determined by financial calculations, but is strongly depending on how all other characteristics are acting within the proposal. Nevertheless during smaller competitions there is more space for these kind of game theories (par. 6.3.4). In practice price can be really decisive as shown in the jury report of case Park Zandweerd (par. 6.3.2). Still from an ethical point of view, even if the 'willingness to pay' (par. 4.2) is forthcoming, a proposal needs to be overall feasible, otherwise it should not be chosen.

The seducement part, architectural design, implies the visual representation of the 'concept'. Mostly this architectural design is interpreted as landscaping or urban design as well, as in case Park Zandweerd and Wieringerrandmeer (par. 6.1.4 and 6.2.4). During smaller competitions architectural design is ranked as number one (par. 6.3.3), because urban planning is already set by the municipality and is not part of the assignment. Price (land offer) becomes more important, because tricks are played to reach the highest economical advantageous offer (par. 6.3.4).

Mainly the valuation by the jury is done on 'why' and 'what' (fig. 7.1) is going to be developed by the consortia, the most important ingredients are process related 'how' next to the program of requirements. The program of requirements is product related, it functions as an input for the core of the proposal. The program of requirements is seen as just a minimum and a document on which you make no interventions as project developer, otherwise you get disqualified (see par. 6.4.1).

Remarkable is the fact that a large part of the concept is linked to the 'functional aspects' (Neprom; Sentel, 2008). (Moreover in par. 7.3). Next to the proposed ten characteristics of chapter 2.4, two new characteristics were found. Flexibility (see fig. 7.2) and Sustainability, both are not decisive during these kind of area development competition, but they are indirectly contributing to the quality of a proposal. Flexibility is traditionally depending on the initiatives of the project developer (Reymen *et al.*, 2008). Flexibility is represented the most in: Architectural design, program of requirements, feasibility and planning construction (par. 6.2.4). Sustainability is proposed to be part of the program of requirements in its energy saving component. In the future this energy saving component will go to the main priority in the program of requirements. Furthermore, the 'social component' will be way more important, which implies the livability of a residential area, how healthy, happy and safe do people feel living in a specific new area development (par. 6.2.4). In other words the impact on the social environment (DQI) (see par. 2.4.5) of the to be developed new area.

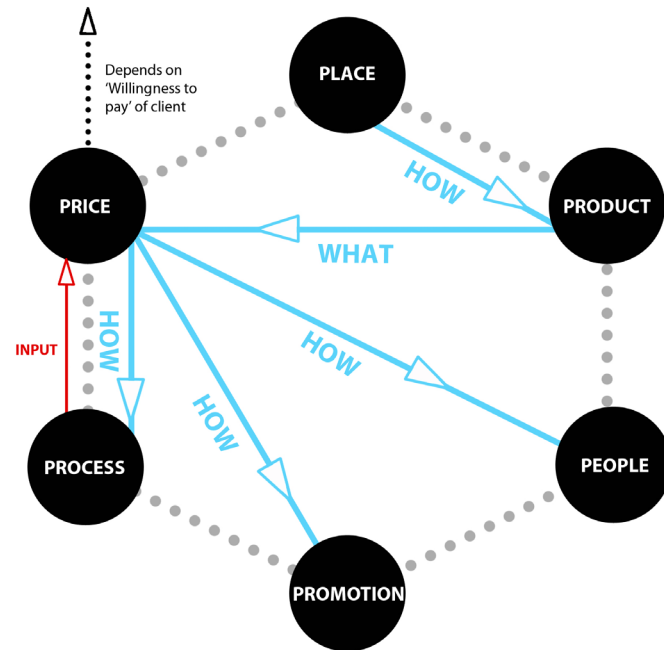


Fig. 7.1: Balance 6 P's during proposals

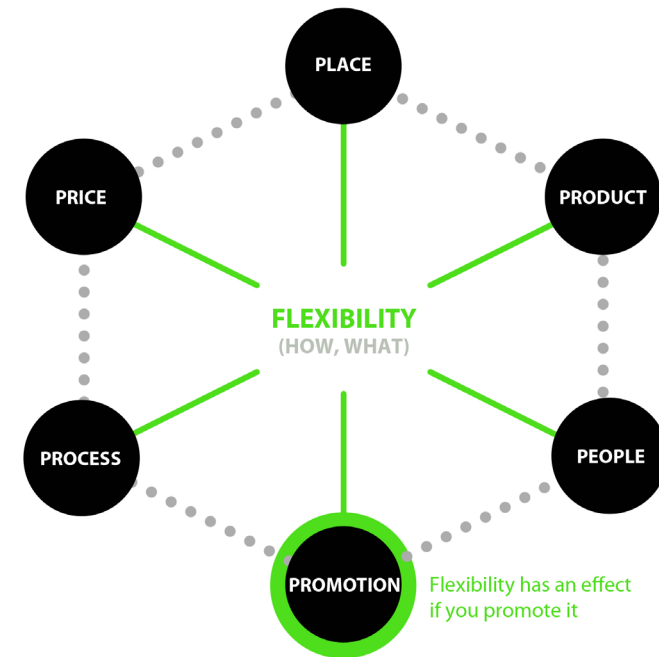


Fig. 7.2: Flexibility in relation to all 6 P's.

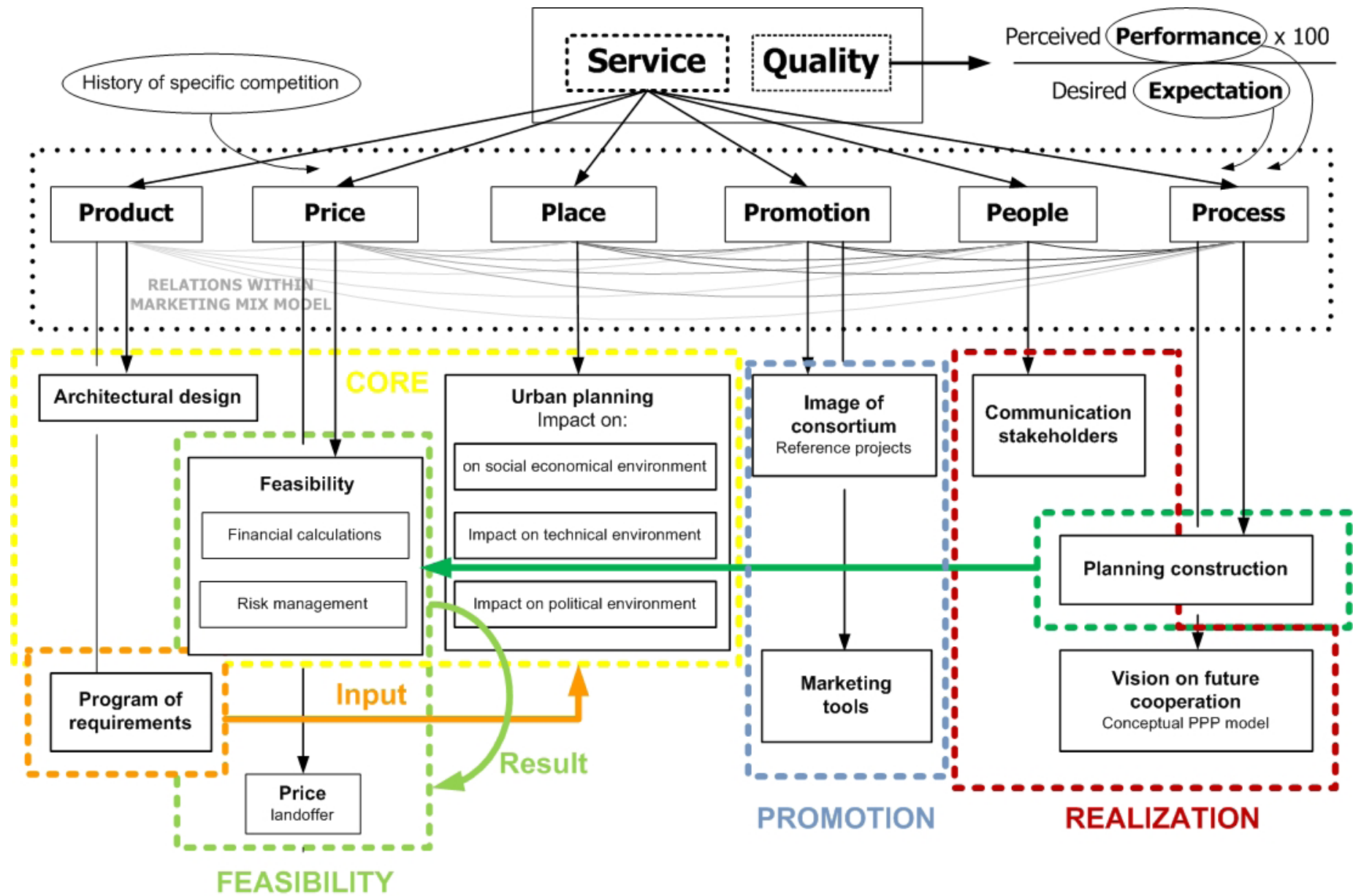


Fig. 7.3: Grouping of all characteristics.

7.2 Grouping characteristics

During the performed case studies several informants noted that all characteristics, should not be judged on separately, but in groups (par 6.1.4, 6.2.4 and 6.3.4).

One of the first groups classified is the group, which results from the previous paragraph 7.1. Here Urban planning, Architectural design and Feasibility are being called the 'core' (yellow fig. 7.3) of the assessed proposals. The assessment of characteristics by all participating project developer in all three cases result in urban planning, architectural design and feasibility, being the most important characteristics (par. 6.4.1, fig. 7.3). Reasoning proves that these three are the start of every proposal produced by project developers. Fig. 7.2 shows all the groups together reflected on the theoretical framework of chapter 4 (fig. 4.4).

Second group to be specified is Feasibility group (green in fig. 7.3), this mainly involves the financial calculations and main ingredients, which determine the final land offer. The result of this group is the price (land offer), feasibility (risk management and financial calculations) is the reasoning and planning construction (phasing) is indirectly influencing the price, because feasibility is determined using planning construction. Concluding that price is depending process.

The third group (red in fig. 7.3) is the realization group, which comprise vision on future cooperation (PPP) and Communication stakeholders. These two characteristics are essential during the process of realization. In other words the Process and People part of the theoretical framework are strongly depending (chapter 4).

The last group is promotion (blue in fig. 7.3), image of consortium and marketing tools. Promotion is affecting all the other groups. Marketing tools and image of consortium are closely working together. With services, the company is the primary brand. Even more significant is the source of costumer value creation. Brand impact shifts from product to company as service plays a greater role in determining customer value (Berry and Parasuraman, 1991; Berry, 2000) (par 2.4.4). Using marketing tools to steer your image as project developer to the desired expectation

of the client has a serious influence. Par. 6.1.4, 6.2.4 and 6.3.4 show that the several project developers, start investigating who is in the jury and what their background is. Additionally par. 6.4.2 shows that professionals are assessing from their professional background. Par. 2.4.5 shows that experts use their references from the past to judge the recent.

“How is the selection of project developers affected by the assessed marketing tools of project developers?”

7.3 Assessment 'Marketing tools'

The marketing tools characteristic is generally judged comparing all cases (spiderweb par. 6.4.3) as relatively not decisive. Marketing tools are mainly indirectly influencing other characteristics. During the smaller competition of the case Orinocodreef, the winning developer ranked marketing tools as high (par. 6.3.4). Urban planning and program of requirements were strictly set by the municipality, which resulted in the project developer being unable to differentiate from its competitors. Using marketing tools are getting more crucial in these kind of situations. Moreover in paragraph 7.4 'relation marketing area development competition'.

7.4 Relation marketing - assessment proposals by jury

There are several tangent fields between marketing literature and the practice of area development competitions. First of all the competitions are related to the 'Why, how, what'-concept of Simon Sinek. With the help of the theoretical framework of chapter four, urban planning is linked to place. The reasons 'why' you are changing or adding things to the urban fabric are the 'concept' (see par. 7.1). According to Sinek you are able to inspire people by knowing 'why' you are doing it. The goal of this competition is to inspire the jury, so you will be selected as consortium/project developer (see par. 2.3). The 'how' is the structure of the process (planning construction and vision on

future cooperation and indirectly communication stakeholders). The final result is in 'what' you are going to present and give to the client, the 'service' (par. 2.2).

7.5 Usable marketing tools

Resulting from the assessment of the characteristic 'marketing tools' in relation to other characteristics and different contexts usable marketing tools can be defined. Even though the effectiveness of different applied marketing tools have not been researched.

The goal of the competition is to find a trustful private partner to develop a specific location (Meijdam, 2010; Baas, 2010; Etty, 2010; Dewulf, 2010). All participating project developers/consortia are assumed as being capable to realize the assignment (par. 2.1). Therefore image consortium is ranked by many informants as one of the least important characteristics (see spider web par. 6.1.3, 6.2.3 and 6.3.3). Still during the assessment of the proposals, image of the consortium is taken into account. This is where marketing tools can have an effect (par 6.1.4 and 6.2.4).

First tool is to analyze the jury (representing the 'client'), who is in it and what are their references. Do you know specific person of the jury, see what he normally likes and so choosing the focus points for the to be created proposal (Cents, 2011; van 't Hag, 2010; Hemmen, 2010; Dewulf, 2010) (see par. 6.1.4 and 6.2.4). In the case of Orinocodreef there were three jury members, who were non experts, they were representatives of the recent and future residents. Experts are assumed to pierce through the package, but non experts, as in the Orinocodreef case, were mainly focusing on specific issues and not on the total picture. Therefore they were looking at the visual quality of the pictures, instead of the quality of the design (par. 6.3.4).

Secondly concerning promotion, always send the same person, to develop a relation with the client (fig. 7.4). Good service quality should lead to long-term customer relationships (measured by loyalty, repatronage and cross-sales), to recommendations of the service to others and to customer perceptions that the

service organization has a good image (Dobie & Hensley, 2007). Thirdly let someone present who is respected and knows the details, in order to create trust (see par. 6.2.4 and 6.3.4). Let somebody present who is out of the periphery of the to be developed area, can help making a statement that you know the area and what should be created (6.1.4).

Finally concerning the content of the proposal, unique selling points can be used. For example using flexibility (see par. 7.1) to gain trust and prove that you are able as project developer to realize the project, unless changing scenario's. Nevertheless flexibility is not part of the selection criteria (see par. 6.1.1, 6.1.2 and 6.1.3) and therefore not useful for scoring 'direct' extra points. 'Direct' points mean, points which are directly given and not through other characteristics.

If summarized, the following marketing tools could be used:

- Image consortium is taken into account, make sure the image is matching the wishes of the client, showing the right reference projects for example (see par 6.1.4);
- Analyze the jury members, see what they like, so the right reference projects can be showed;
- Which professions are in the jury, this will determine the focus points of how to present the proposal (focus points);
- Always send the same person during meetings;
- Presenter must know the details;
- Make use of unique selling points to differentiate from your competitors.



Fig. 7.4: Potential marketing techniques.

“What are the implications for project developers joining area development competitions?”

7.6 Implications for project developers joining competitions

The main issue for a project developer is the ‘price’ in relation to the ‘quality’ in order to win an area development competition in the context of the restricted EU procurement law. As Janssen (2007) (see par. 2.4.2) describes the problem with determining the price in relation to desired value.

By getting a better understanding of sense of values of costumers of the construction world, the price can be balanced on the demand and possibilities for return on investments appear. What the expected value (quality) should be, which a jury expects is mostly described in the jury report, but connecting a price to this expected value is the hardest part. Calculating your costs as project developer in relation to the sale of the real estate to be developed, will normally result in a certain price (land offer)(par 7.2). This price will normally not be the final offered price by the project developer, because it is a competition. As Chen (2007) (see par. 2.4.2) the game theories are applied in some competitions. During the smaller competitions, which is the future, because larger competitions cannot be phased anymore affected by the credit crunch of 2008 (de Reus, 2009) (see par. 1.1), will be more vulnerable to these game theories (see par. 6.3.3). Therefore price should be minimized to optimize the quality. The municipality is getting more aware of the maintenance of residential areas and therefore future value of a residential area (architectural design) is becoming more essential (see pa. 6.2.4).

The project developers are trying to differentiate themselves from the competitors, but due to the strict set boundaries by the client, they are unable differentiate (see fig. 7.5). Resulting in project developers applying marketing techniques to shape their image and the image of the proposal. The municipality mainly tries to make all the proposals comparable. Here lies the real issue (fig. 7.5). Putting more focus on why and how, probably results in more opportunities for the project developers to differentiate themselves.

The focus on ‘why’ also prevents discussions on details and proposals will be more resistant for changes by the client and economical changes. Meaning the flexibility of these proposals will increase. Problem is that fflexibility is traditionally depending on the initiatives of the project developer (Reymen et al., 2008). Flexibility is seen as the own risk management of the project developer, but is one of the larger challenges of the future.

“What is the best business strategy for a project developer to win an area development competition in the context of a restricted EU tendering procedure?”

7.7 Best business strategy

The focus should always be on quality first, price follows. Otherwise it leads to game theories about offering a price during these kind of area development competitions. (par. 7.6)

If a project developer has real potentials in quality characteristics, he should focus on the larger competitions. On this moment there are no large new area development competitions initiated by provinces or municipalities. If a project developer is really strong in applying competitive land offers in combination with the usage of marketing tools, smaller competitions on this moment are the place to be. Putting the focus on architectural design, creating a challenging design within the tight restrictions of the client.

Probably with the recent trends (par. 6.1.4, 6.2.4 and 6.3.4) the price part will be minimalized, same as in area development competition Céramique in Maastricht. Where price only was valued if quality did not provide a satisfying result. If other competitions will follow this example, quality will be the main issue again. As project developer it is wise to look at the perspective the client related to time. Adapting the vision of your plan as project developer fitting the long term vision of the municipality can help to inspire the jury.

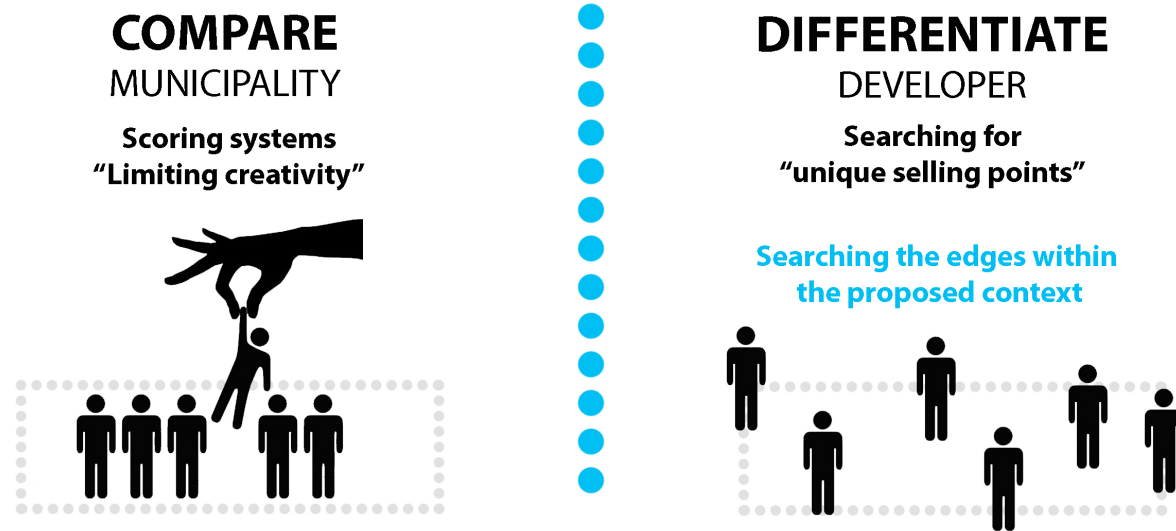


Fig. 7.5: Compare (client) vs. differentiate project developers.

Strategy



Neprom, Sentel, 2008

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“The best situation would be if functional aspects will depend on what real estate solution is thought of”

8 Strategy

This chapter discusses the proposed strategy in the main research question of chapter 1.4. So: “What is the best business strategy for a project developer to win an area development competition in the context of a restricted EU tendering procedure?” par. 7.7 already discusses what business strategy should be chosen, but this chapter is going more in detail. Next to the proposed strategy for project developers, usable information was found during the case studies, which can help clients to set up future area development competitions.

8.1 strategy on Client

This part discusses the best strategy to be chosen while focusing on the client. The client is represented by the jury as proposed in par 2.5, fig. 2.4. The jury comprises experts (hired professionals) and non-experts (representatives of recent or future residents).

The way to approach an area development competition depends on the size of the assignment and what the selection criteria are. Every client differs and the forms in which area development competitions are taken place are constantly changing. This is because of the recent dissatisfaction of market side about these kind of competitions and how work. During smaller competitions the client is a local municipality, but a competition on regional scale, goes through the province. During larger competitions the client is expected to be more professional.

Jury

considering the jury comprising purely hired professionals, so experts. This mostly happens when the area development competitions become larger and automatically more complicated. Independent jury members with extended knowledge on specific areas are required to assess the submitted proposals.

Starting with an analysis of who is in the jury could help find the required focus

points as project developer/consortium. If the jury comprises experts it is more likely they are known by people working at project developer side. Unless all kind of assessment methods are created, assessing quality will partly be subjective. Subjective means personal opinion, so analyzing what someone likes to see, could help the project developer in deciding which way to present.

Considering the jury comprising non-experts, they are more vulnerable for marketing tools. Using attractive images to present the architectural design and keeping the backgrounds of these non-experts in mind, could help in a positive way during the assessment.

8.2 Strategy on Corporation

During larger competitions it is wise to submit as a consortium, because as the size of the assignment increases the risks and financial bearings are getting higher as well. Submitting as project developer together with a investor can help incorporating guarantees for the client. For example the project developer is able to sell already 70 percent of the to be developed housing stock to the investor. Which ensures the project developer of the required money to start constructing and keep constructing. This is favorable considering all the stationary or cancelled area developments these days.

Having a strong portfolio can help the project developer getting though the first pre selection phase more easy. Still during the competition phase image (portfolio) can be used to show that you are able to realize complex or assignment like projects.

8.3 Strategy on Competition

During larger competitions the project developer is able to distinguish himself from the competitors, by creating a innovative (new) concept. This concept uses the environmental character and the surrounding urban fabric to determine the form and functions for the proposed area. During smaller competitions however this urban

fabric is already set really strict by the client. There are less opportunities to tell why, as project developer, you are planning to act in a certain way. Therefore it is becoming more important during smaller competitions to use marketing tools to differentiate from the other competing participants.

8.4 Total strategy per competition

Figure 8.1 is a representation of how the assessment of proposals by jury members are being done in general. It starts with the 'Why', the vision, the concept, which lays within the urban fabric of a city or area. Next is the 'How', what is the project developer bringing to ensure the feasibility of the proposed plan. Several process related characteristics are required to determine this feasibility: Communication stakeholders, Planning construction (phasing) and Vision on future cooperation (PPP). These characteristics indirectly have a strong relation with the 'How' part of the proposal. Eventually the project developer creates an output, which is the visual representation of the architectural design. The Program of requirements is serving as input for the formation of the concept. The best situation would be if, as Sentel (2008) describes, functional aspects will depend on what real estate solution is thought of. Case studies show that municipalities want to have grip on what functions will be developed in a certain area. Therefore these clients create a strict program of requirements. Seen from the creative process, coming up with innovative ideas, these functions should follow from the why part of the proposal. But when already set by the municipality, the project developer is already bound to a certain form and function.

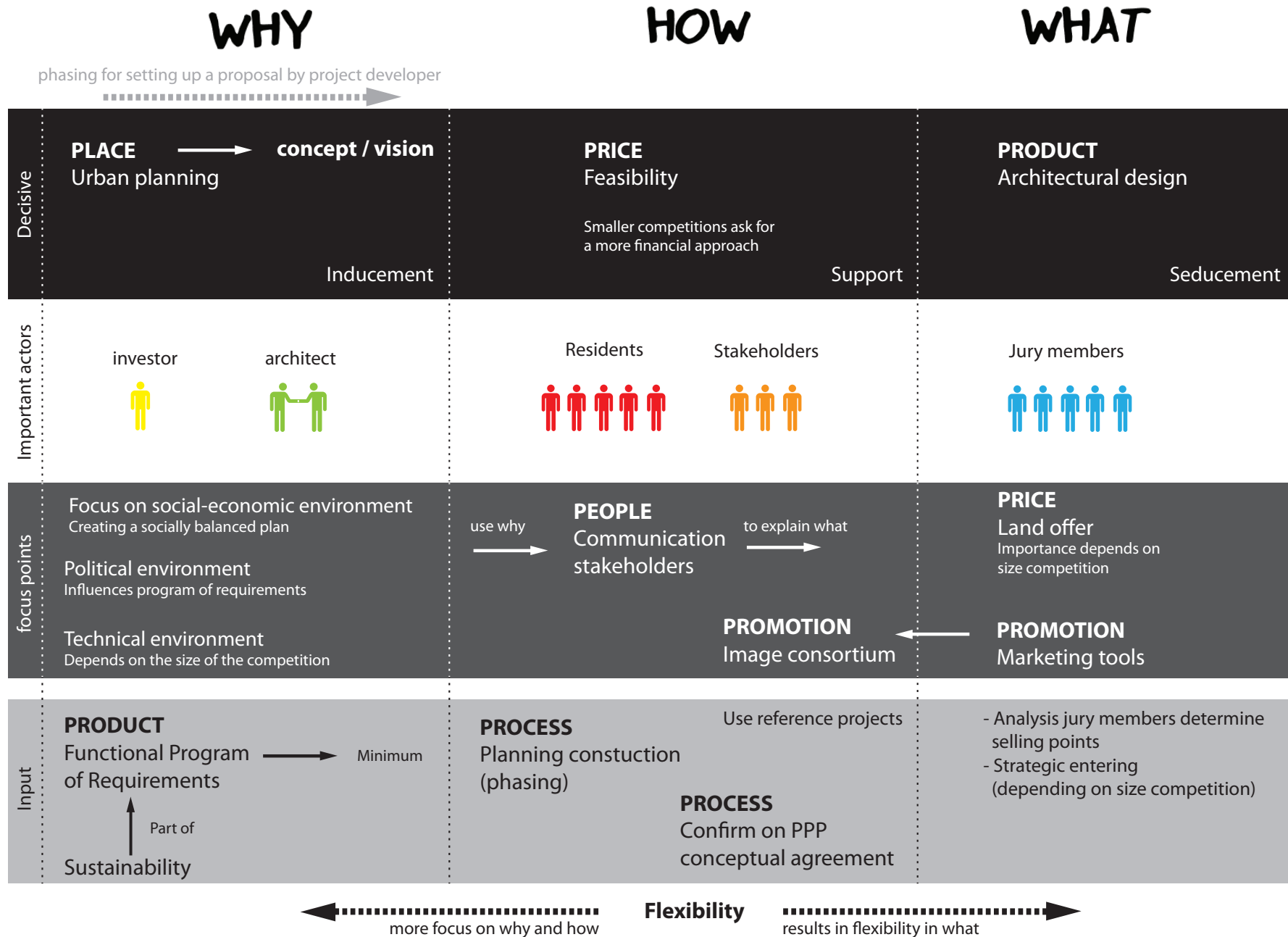


Fig. 8.1: Process of creating a proposal and which factors.

Reflection research

A close-up photograph of a clear glass sphere resting on a bed of green grass. The sphere acts as a lens, reflecting the surrounding environment, including the blades of grass and a blurred background of autumn leaves in shades of orange and brown. The lighting is soft, creating a gentle glow around the sphere.

Gibson and Klocker, 2004; Bin, 2007

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“Since 1990s, creative industry has sprung up rapidly and became the new fountain of world wealth in developed countries as an urban-style industry of post-industrial era.”

9 Reflection research

9.1 General recommendations future area development competitions

The triangle of Why, How and What could be used during the initiation of new area development competition. The focus should be on “Why”, so what is the concept and how are we going to cooperate. As mentioned before, all selected project developers are expected to be able to deliver a high quality solution for the proposed area (What).

Minimize context of area development competitions

On this moment project developers are not joining new competitions, because stakes are too high. Therefore it is recommended to minimize the context in which an area development competition takes place. By reducing the size and so the program of requirements, let the creativity of the participants do the job. Try to reduce the amount of restrictions set in the program of requirements.

Focusing on the social component of urban planning, which is the most important one, people want a safe environment for their kids and themselves. Results are knowing who your neighbors are and safe public space. This can only be done while looking at the potential environmental qualities and aspects in a specific area. As a client do not try to tender the whole area at once, but try phasing it and initiate competitions for smaller parts. This will help being flexible when new economical changes take place.

Avoid selecting on price, select on quality

By all means try to avoid selecting on price. Selection on price reduces the quality participants will put in their proposals. Making sure the participants have to differentiate themselves on quality (concept), will stimulate them to offer a higher quality. As we all know maintenance of certain areas is highly important nowadays, areas which are lacking quality are becoming socially isolated and problematic. Therefore setting a minimum price by the client and only open the price envelopes when two participants

are really close together, would be the best option (good example is area development competition Céramique in Maastricht). It is way more crucial how the project developer thinks to get his proposal feasible.

Incorporating flexibility in all aspects of the proposals

Creating freeness at the start of the process will help making changes to the plan of selected project developer more easy during later stages (flexibility). Nowadays to many competitions are cancelled due to struggles with phasing and financial matters.

9.2 Methodological recommendations

The largest part of the research methodology was qualitative. Considering the challenges and the data which had to be gathered, quantitative research was no option. The reasoning's behind the assessment of the characteristics were highly important. Quantitative research provides no tools to discover this crucial background information. Considering the reasons for qualitative research in paragraph 5.2 based on Reulink, et al. (2005), qualitative research was the best option.

The performed research has been done within a time limit of one year. Therefore limitations were set on the number of case studies which could be performed. Concerning the validity of the results for this research the number of performed case studies is discussable.

Firstly every case has his own contextual environment. So many factors are involved that every situation is unique, comparing these different situations therefore asks for a generalization of the characteristics involved. During this research this generalization is done by the linking the characteristics back to a higher level (theoretical framework of six P's).

Secondly the core of the analyzed area development competitions was different, therefore comparing these cases from methodological point of view is hard. On the other side the differences in size of the competitions, provided interesting new insights in how the size of the competition influenced the way the characteristics

were interpret.

Thirdly the information which had to be gathered was rather sensitive. During such area development competitions there are many stakeholders involved and logically many stakes are involved. Not every informant during this research was as open as the other. Which obstructed the quality of the results which could be gathered. Gathering the jury reports was the hardest challenge, apparently not every party is convinced of the fact that changes have to be made in the way area development competitions are initiated.

Fourthly performing this research from an independent perspective, meaning not in assignment of a specific involved entity, helped showing the discretion of how the information was used. On the other side, performing the research from a certain involved entity, for example a project developer, could have helped opening new doors.

The perspective of this research was from the project developer. In respect to market parties getting more crucial and more power during these kind of area development processes, this perspective of research was the right one. The municipalities need the project developers to participate in these kind of competitions, otherwise initiating these competitions is useless. This is the same trend as seen in the rest of the construction world, consumer based development. Meaning centralizing the final user and structuring and designing the process around him. Knowing in area development competitions what the project developers find most important helps finding a new form of area development competition in which all stakeholders are satisfied.

Since 1990s, creative industry has sprung up rapidly and became the new fountain of world wealth in developed countries as an urban-style industry of post-industrial era (Gibson and Klocker, 2004; Bin, 2007). This implies it is time for creative conceptual ideas and not detailed plans. These detailed plans will not bear the economical changes and following negotiations. In other words, listening to the creative new ideas of proposed by any party could be interesting. Do not focus on internal ways of working, but explore new ways. Therefore changing the point of

view to the project developer could be helpful.

Concluding more case studies are required for doing such a research. Having a larger number of case studies helps to strengthen the validness of the results. Before performing the interviews, one should specify in detail what should be asked and how it could be interpreted. Considering the large span of characteristics and different perspectives in area development, every informant has his own perspective on what a characteristic is and what it means. Search for new perspectives and do not focus on only the client's side.

9.3 Recommendations for future research

This research mainly focused on the way how marketing in relation to all the involved situational characteristics was affecting the assessment of the proposals by the jury during area development competitions. Several tools were found, but the effectiveness of a specific tool has not been researched yet.

More case studies are required to provide solid conclusions about how the characteristics are acting within these competitions. How could the model, of how area development competitions are initiated by the client on this moment, be changed into a model which matches the way project developers are working.

A characteristic which dominated some of the interviews was flexibility. At the start of this research this characteristic had not been specified. As discussed during the conclusions of the research (chapter 7), flexibility influences all other specified characteristics. Certainly after the credit crunch of 2008 flexibility has become a hot item. During the financial crisis it was notify able, more than ever, that all the proposals created during the economical prosperous times could not bear the economical changes. So what does flexibility in area development mean and what role should it play during area development competitions. Can it be assessed during area development competitions or will stay the own risk management of the project developers?

Many informants mentioned the influence of the political environment

on what characteristics are important. Depending on what kind of political parties are in the jury, project developers partly determine their focus points (unique selling points). Further research is required on how the political environment is affecting the importance of characteristics.

Resulting from the interviews the social component of all characteristics seemed to be very important, certainly in the future. Research is needed for further insight in where social components are affecting the characteristics and how decisive they are.

Epilogue



Opportunity in 2011

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“Many stakeholders involved during these competitions have the same vision on how these competitions should function, but still everyone is holding back.”

10 Epilogue

The last sixteen months of researching area development competitions in the recent context has opened my eyes. Many stakeholders involved during these competitions have the same vision on how these competitions should function, but still everyone is holding back. In these kind of situations pioneers are needed to take initiative. Associations like the NEPROM are taking initiative in bringing all the stakeholders around the table, but the process to new forms of competitions will be long and slow. Not only due to the complexity of all actors involved, but the cultures and ways of working on this moment by some parties. For example the business model of the municipalities in Holland are momentarily focused on the land allocations. The project developers are willing to change the way area development competitions functioning, but the main task is at the side of the initiator of the competition, the client. Finding new ways to meet the financial needs of the municipalities and government will be the first step to better functioning area development competitions. There will be more space for assessment on quality, which is proposed by many actors during the process. Assessment on quality is required, because considering the shift to inner city development price is way harder to determine. Prove is for example the North-South line in Amsterdam, which exceeded the budget of the municipality exorbitantly.

Nevertheless discussing the recent process of area development competitions and testing findings from actors on other actors has been very interesting. This research has been a search for the implications on this moment for project developer, project managers, municipalities and government during area development competitions and what role marketing strategies are playing within these competitions.

This research has been one of the most interesting learning processes of my study on the TU Delft. Taken into account that this subject has not been researched before and the misunderstandings of some people about this research, required stubbornness of myself. This stubbornness helped achieving the goal of finding the right people who had the information I needed. Sixteen months ago I started with the passion and interest why the brand 'Apple' was working that well for people. I tried to

specify a research related to this within the construction world. From office buildings and corporate strategy management, I ended on area development competitions.

I would like to thank all the informants of the interviews and especially the supporting team around me. Without them I could not have done this research.

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