

# Higgins construction plc overview of housing construction essay

[Business](#), [Industries](#)



## **Low-cost house Construction Companies in UK: –**

Low-cost lodging is a term used to depict brooding units whose entire lodging costs are deemed “ low-cost ” to those that have a average income. The building sector is really of import for the UK economic system. It accounts for 10 % of the UK ‘ s GDP and employs 1. 5 million people. The building industry is big, complex and diverse and covers a broad scope of concern involvements and activities, united by their common use and development of land.

The major participant are Denne Constructions, McNicohlas, Higgins Constructions, Mansell Construction Services Ltd. From above companies Higgins Constructions have been selected for the survey of marketing mix and consumer purchasing behavior. About Higgins Construction PLC: -For about 50 old ages, Higgins Construction PLC has built a repute as one of the most forward thought building companies in the UK. Part of Higgins Group PLC, it is presently chaired by Richard Higgins, whose male parent, Derek Higgins OBE, FCIQB, founded the concern back in 1961. Higgins is the 1 of the taking community contractors in London and the South East. Today, the company has established itself as a taking contractor of community edifice undertakings and has a alone relationship with its clients.

## **What company do: –**

Company trades in Buildings, bricks, blocks, bins and motorcycles, Wisconsinites, chiropterans and birds.

From Off Site Manufacture ( OSM ) engineerings to Sustainable Urban Drainage Systems ( SUDS ) , they are putting resources to develop this all of import facet of building. Higgins Construction PLC is confirmed as the chief contractor for London and Quadrant Group ' s GBP 9. 5 million development of precisely 103 new low-cost mixed-tenure places in the London Borough of Bexley.

Timber-frame from Pace of Milton Keynes is the Modern Method of Construction applied to all the houses and three-storey flat blocks, to be clad with lightweight brick faux pass, cedar and render. An bingo community Centre is being demolished for replacing elsewhere on the three-hectare site, harmonizing to a strategy designed for this particular London and Quadrant Construction Services undertaking by designers Hunter and Partners. CSR is about understanding of the concern impact on the modern universe and they have made a figure of positive alterations in recent old ages to show our committedness. By working with their clients, employees and communities, they have developed a CSR policy that ' s based on 6 nucleus rules:

Environment - taking duty for the grade we make on the environment.

Health & A ; Safety - developing policies and processs to protect people.

People Development and Training - committing to our people ' s personal and calling development. Community Involvement- battle with and creative activity of chances for the communities in which we work. Customers and Supply Chain- advancing greater efficiency with our spouses. Social Responsibility -devoting clip and energy to charities. Higgins has made a pledge to introduce and go on to take the industry in this all of import

country. Higgins Constructions have been awarded with the award for Best Community Regeneration Project to Market Estate undertaking, which was carried out for Southern Housing Group. Seven old ages ago, a series of condemnable incidents on the ill-famed north London estate near Caledonian Park, incited the local occupants to voice a demand for alteration in their community.

Dark, secluded countries of this post-war development had become oasis for pack offense and hooliganism.

### **Marketing Mix ( Construction Industry ) : –**

Marketing mix involves 4 P ' s of selling i. e. merchandise, monetary value, topographic point and publicity. The selling mix of a building company has been explained. Merchandise: -In Construction industry the entire merchandise includes services offered by the contractor in the support of the nucleus merchandise i. e.

physical merchandise. For the building industry merchandises are: Physical: houses, public and commercial installations infrastructure & amp ; edifice merchandises. Service: expertness consultancy & A ; designPersons and repute: example- hafeez contractorIdeas and proposals: urban regeneration, regional development and competitionsNecessities: H2O gas electricity telecommunication, conveyance installationsHighly desirable: schools, infirmaries, shopping composites, leisure centresDesirables: environmentally procure, adaptable. In the Housing industry: The nucleus merchandise consists of: lasting adjustment / life infinite.

The format merchandise consists of: locations, public-service corporations, electricity, trade name name, handiness of schools and infirmaries nearby. Topographic point: -Merchandise has to make the ultimate purchaser so the company works with its mediators to convey to convey their merchandise to the market. Marketing channels perform work of traveling goods from the manufacturer to the consumer. In the lodging and the building industry building can non be transferred but here mediators transfer information of distinguishable topographic points about the handiness of adjustment so that non holding any thought about these buildings get to cognize about it.

In this industry distribution is done through existent estate agents, who act as linking tool between the consumer and the supplier. Monetary value: - Agring the monetary value for a piece of work seals the relationship between contractor and the client. It is the cardinal characteristic, and reflects the value placed on the relationship. Monetary values is based on the combination of: What the market expects What the client can afford The nature of competition in the sector What the contractor can afford to work for Any specific factors refering the peculiar occupation e.

g. location stuff used What is being agreed and paid for- whether completion of a bldg or wider procedure offered supported by care, pre sale and after attention understandings?

### **Pricing considerations: –**

For lodging a building industry there are many considerations: Ideally the monetary value besides makes a part to the fixed costs of the contracted

org. It is besides necessary to see charges incurred by the contractors as the consequence of holding to subvention the undertaking from origin to bringing & A ; from the demand to get any specializers ' equipment and expertness necessary. Building merchandises are priced so that an single perceptual experience of quality value and service are at a degree that the size and nature of the can prolong. It is besides progressively common to happen differentiate pricing attacks as rivals seek existent and sensed monetary value advantages. Promotion: -The building industry is concerned with following signifiers of production: The publicity of its capablenesss and expertness to client and possible client. The publicity of its finished merchandises to the community and society at bigThe publicity of professionals within the industry to each other advancing specific general and go oning inter relationships and assurance between architecture, contractor quality surveyor contriver other adviser civil applied scientists and sub contractors. The publicity of general assurance, public understanding and support for activities.

The overall intent of publicity is: -Promotion activities of the building industry can be divided in followers:

### **Primary publicity**

Direct gross revenues: It involves opening up client face to confront contact with those committee work and ask foring stamps and showing the distinguishable expertness on offer in the client ' s best involvement.

Targeted direct market: If this is to be effectual it requires cognizing who the people with influence are promotional stuff, booklets, and accomplishments

can so be arranged and presented and if necessary specially prepare on client or sector specific footing.

## **Secondary publicity**

Marketing under this sector is done through assorted mediums such as: Ads in newspapers and magazines, telecasting and wireless and besides through electronic mails and web sites Exclusive merchandising bureaus: These are bureaus that are given the contract of marketing the merchandise who are responsible for the sale of the merchandise. Billboards: These billboards are put up at the site and contact Numberss are given. Billboards are besides put up at railroads, roadways and on BST coachs, etc. Marketing through Estate agents: These estate agents besides called as advisers act as jobbers between the client and the builder. They are provided with booklets and site maps.

## **Consumer Buying Behaviour: –**

### **What do families desire?**

As an built-in portion of their concern planning, lodging developers carry out research into what homebuyers want from a place.

Harmonizing to a study conducted by The Housing Corporation and CIH in UK ( Housing Corporation ' s Centre for Research and MarketIntelligence ( CRMI ) and carried out by the Centre for Housing and Planning Research, Cambridge University ) following are the of import factors which consequence the consumer purchasing determination in today ' s families: Property size: -The Small flats are the unpopular because they have excessively small infinite,

and they are seen as likely to surround on countries of offense. However, affordability restraints have created demand for really little flats. While the demographic profile of flats varies, it is clear that older people can be attracted to single-floor life in a level, provided that lifts are included ; they besides prefer blocks specially designed for them, with good security steps and effectual direction. Brooding types.

: -Preference is strongly influenced by household circumstance and life phase. Most people prefer degage homes, but research has shown that in-between income families prefer new developments within older terraced manner lodging. 49 % of first clip purchasers are prepared to populate in patios, and 30 % in flats ( Nathaniel Lichfield 2005 ) .

Internal infinite. : -There is a important demand for larger suites, frequently in penchant to a larger figure of smaller suites, though as people use their places for a wider scope of activities there is besides go oning demand for specialized little suites for place working, survey or public-service corporation infinites. Families want more separation between grownup and child countries ; others are more conformable to open-plan life. Roof infinites with useable lofts and cellars are sought after and with families and developers both looking at maximizing populating infinite within bing belongings, alteration of bing constructions remains popular ( CABE, 2005 ) . Outdoor infinite. : -While increasing denseness of lodging remains a precedence in local development models, it is clear that families do non desire to see this at the disbursal of out-of-door life infinite. Garden size is of import for all life-stage groups and brooding types, but particularly for



households. 75 % of those surveyed preferable private over shared or communal infinite.

Communal infinites are preferred where they are shared merely with other similar families ( e. g. older people ) . They are frequently criticised by occupants for hapless design and being simply cosmetic. Kitchens and bathrooms.

: -These two key internal infinites remain of import considerations in consumers ' lodging picks. As a consequence of the accent placed on kitchens, it has become about standard pattern for developers to offer non merely a fully-fitted kitchen, but besides a goblin, cooker and all white goods. In contrast with the societal lodging sector, the proviso of an ensuite bathroom in two sleeping room private homes is going widespread, with the proviso of two ensuite bathrooms in belongingss over 1, 000-1, 200 square pess. Many ensuite bathrooms in pattern contain a shower instead than a bath, for infinite and progressively for environmental and lifestyle grounds. Energy efficiency.

: -There is a turning involvement in environmental sustainability of lodging, both for new physique belongingss but besides what can be done to retrofit bing places. Recent research by Commission for Architecture and the Built Environment ( CABA ) , World Wide Fund for Nature ( WWF ) and Halifax Bank of Scotland ( HBOS ) revealed that 87 % of purchasers want to cognize if their places are environmentally friendly, with 84 % willing to pay 2 % supernumerary on the purchase monetary value for an Eco-home

( Sustainable Development Commission 2005 ) . New authorities enterprises delivered through the Energy Savings Trust are besides seeing homeowners able to entree grants and support for bettering insularity and put ining new energy-saving engineering. Telecommunication. : -This is one country where developers appeared to be incognizant of specification issues that are now familiar to societal lodging landlords.

The switchover from parallel to digital telecasting signals will necessitate non merely new aerials/receivers on flat blocks, but besides new wiring to single flats. Social lodging landlords are presently debating the appropriate engineering and service charge deductions of this alteration, but developers ( who rarely retain the on-going care duty ) appear unaware of this issue. With an increasing figure of homeowners looking at place working options, modern telecommunication installations are besides going an of import consideration. Vicinity. : -Homeowners ' considerations when looking at a place are driven non merely by the quality of the belongings and affordability, but besides by wider societal drivers such as local schools, stores, and their overall feeling of the community. The presence of local stores is extremely valued. Bing able to walk around the vicinity was cited as a benefit particularly when it was perceived as breeding a sense of community ( CABE, 2005 ) .

Problems with a vicinity can outweigh all other factors in taking a place ( Cole and Robinson 2003 ) . Parking. : -Lack of car-parking in developments based on Planing Policy Guidance ( PPG3 ) rules were the most frustrating facet for many occupants: 45 % complained aboutit spontaneously ( CABE,

2005) . Curiously, consumer studies rank parking as a really low precedence in choosing a home. External visual aspect.

: -A cardinal driver in lodging picks is the quality and aesthetic of the belongings. Good quality design and regard for the local slang remain of import with people saying clearly that they do not desire to populate in 'featureless boxes' . Good quality landscape gardening can besides play an of import function in bettering not merely the perceptual experience of the house but besides that of the vicinity ( CUBE, 2005 ) .

### **Marketing schemes followed by the company for enlargement: –**

A market entry scheme is the planned method of presenting goods or services to a market and administering them at that place. The determination of how to come in a foreign market can hold a important impact on the consequences. Expansion into foreign markets can be achieved via the following four mechanisms: Licensing Joint Venture Direct Investing Franchising

### **Licensing: –**

Licensing basically permits a company in the market state to utilize the belongings of the licensor. Such belongings normally is intangible, such as hallmarks, patents, and production techniques.

The licensee pays a fee in exchange for the rights to utilize the intangible belongings and perchance for proficient aid. However, because the licensee

produces and markets the merchandise, possible returns from fabrication and selling activities may be lost.

### **Joint Venture: –**

There are five common aims in a joint venture: market entry, risk/reward sharing, engineering sharing and joint merchandise development, and conforming to authorities ordinances. Other benefits include political connexions and distribution channel entree that may depend on relationships.

Such confederations frequently are favorable when: the spouses ' strategic ends converge while their competitory ends diverge ; the spouses ' size, market power, and resources are little compared to the industry leaders ; and spouses ' are able to larn from one another while restricting entree to their ain proprietary accomplishments.

### **Foreign Direct Investment: –**

Foreign direct investing ( FDI ) is the direct ownership of installations in the mark state. It involves the transportation of resources including capital, engineering, and forces. Direct foreign investing may be made through the acquisition of an bing entity or the constitution of a new endeavor. Direct ownership provides a high grade of control in the operations and the ability to better cognize the consumers and competitory environment.

However, it requires a high degree of resources and a high grade of committedness.

## **Comparison of Foreign Market Entry Modes**

### **Manner**

### **Conditionss Favoring this Manner**

### **Advantages**

### **Disadvantages**

### **Licensing**

Import and investing barriersLegal protection possible in mark environment.

Low gross revenues potency in mark state. Large cultural distanceLicensee

lacks ability to go a rival. Minimizes hazard and investing. Speed of entryAble

to besiege trade barriersHigh ROI Lack of control over usage of assets.

Licensee may go rival.

Knowledge spilloversLicense period is limited

### **Joint Ventures**

Import barriersLarge cultural distanceAssetss can non be reasonably

pricedHigh gross revenues potencySome political hazardGovernment

limitations on foreign ownershipLocal company can supply accomplishments,

resources, distribution web, trade name name, etc. Overcomes ownership

limitations and cultural distanceCombines resources of 2 companies.

Potential for larningViewed as insiderLess investing requiredDifficult to pull

offDilution of controlGreater hazard than exporting a & A ;

licensingKnowledge spilloversPartner may go a rival.

## Direct Investing

Import barriers  
 Small cultural distance  
 Assets can non be reasonably priced  
 High gross revenues potency  
 Low political hazard  
 Greater cognition of local market  
 Can break use specialised accomplishments  
 Minimizes cognition spillover  
 Can be viewed as an insider  
 Higher hazard than other manners  
 Requires more resources and committedness  
 May be hard to pull off the local resources.

## PESTEL analysis: –

In this we will discourse about the PESTEL analysis in the building industry in UK. Describes a model of macro-environmental factors used in the environmental scanning constituent of strategic direction. Typical PESTEL factors to see include:

### Factor

#### Could include:

Politicale.

g. EU expansion, the euro, international trade, revenue enhancement policy  
 Economice. g. involvement rates, exchange rates, national income, rising prices, unemployment, Stock Market  
 Sociale. g. ageing population, attitudes to work, income distribution  
 Technologicale. g. invention, new merchandise development, rate of technological obsolescence  
 Environmentale.

g. planetary heating, environmental issues  
 Legale. g. competition jurisprudence, wellness and safety, employment jurisprudence  
 Higgins

building scheme in visible radiation of the external environment, to place future market demands. By associating Higgins competences and proficient cognition to future market demands, they must develop merchandises that give the company a competitory advantage in building.

PEST analysis is a powerful tool that can be used to assist analyze the external building environment. This analysis involves analyzing the current state of affairs with respect to the undermentioned factors: Political: -UK Government policy and EU directives, for illustration, planning and environmental issues including sustainability affect the building industry. Economic: -The wellness of the economic system and involvement rates affect demand for commercial and residential belongings. The UK authorities is utilizing revenue enhancement as a agency to promote bettering environmental public presentation e. g. The Climate Change Levy, Aggregates and Landfill revenue enhancements. The building industry is progressively interested in whole life costs of the edifice, which includes initial capital costs, runing and care costs - understanding how better design can better all these costs.

Sociable: -Changes in the birth/divorce rates and the mean figure of people populating in a family affect the demand for lodging. Increasing offense, ageing population, and people ' s wellbeing are portion of the societal dimension - research shows that the highest figure of dissensions amongst neighbors is due to auto parking. Technology: -New building engineering affect working patterns in the edifice industry, building more component systems in mills instead than on the edifice site. Legislation: -The UK and

European authorities believe the building industry is extremely disconnected and the lone manner to better the public presentation of the industry in footings of safety and environmental public presentation is to increase statute law. Environmental: -Two of the chief issues here are run intoing the Kyoto Agreement in production of Carbon Dioxide from the combustion of fossil fuels and waste traveling to set down fill.

The factors identified in the analysis are concerned with the current state of affairs. However, to acquire first mover advantage it is indispensable to be after for the hereafter through calculating events over the following 20 old ages utilizing the factors from the PESTLE analysis. This is partially due to the demand to hold accreditation for merchandises. This is a proving government carried out by an independent organic structure against relevant British/International criterions and edifice ordinances.

On successful results of the trials, a public presentation enfranchisement is issued for the specific merchandise in the specific application - by and large saying structural, fire, acoustic, thermic and durability public presentation of the merchandise. This is of import as the Construction industry is by and large really conservative and therefore, to present a new merchandise, it is indispensable to hold 3rd party proof that the merchandise will execute as the maker provinces. Achieving this accreditation can take up to a twosome of old ages to acquire, and it so takes a significant sum of clip to develop the merchandise for today ' s building industry.



## **Decision**

Higgins Constructions should travel for licensing and joint venture, as they are core competences in New physique, brown field, green field residential strategies, Residential renovation, Decent Home programmes, Comprehensive Estate renovation and regeneration programmes, Care places, Particular demands adjustment, Community edifices, Changes and extensions, Listed edifices, Education and Sustainable Construction they have been awarded with the award for Best Community Regeneration Project to Market Estate undertaking, which was carried out for Southern Housing Group. For over 40 old ages, Higgins Construction has built a strong track-record as the taking name in community building in London and the South East.

From Cambridge in the East Midlands to Brighton the Sussex seashore, the quality and graduated table of our building undertakings is matchless. With the PESTEL analysis Higgins Construction can better in the merchandise by placing the wants and desires of its clients. Thus we can state that Higgins Construction is a major UK building company that puts the community at the nucleus of its concern.