

# SCHOOL OF ARCHITECTURE, BUILDING AND DESIGN BACHELOR OF QUANTITY SURVEYING (HONOURS)

# Bachelor Of Quantity Surveying (Honours) Individual Assignment

Construction Supply Chain Management (QSB 2433 / MGT 60803)

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**Topic: Market Segmentation** 

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#### 1.0) Introduction- Company Background

TU Property Development Berhad, is one of the leading township developers in Malaysia. A strong investment holding company, it has been a target choice of the Malaysians reputed for its functional and aesthetic designs, quality construction works and timely delivery of its development projects. Both buyers and investors alike have placed great confidence in one accord on all TU Property projects as choice properties.

TU Property Development Berhad's long standing reputation dated back to 1980 when TU Property Development Berhad has been a leading pioneer property developer in Selangor. TU Property Development Berhad is registered on the Main Board of Bursa Securities on 15th January 2002. Its principal modulus operations are real estate, property development, construction and marketing of residential, commercial and industrial properties. A broad base platform that allowed TU Property Development Berhad's to successfully thrust forward a thriving and successful Petaling Jaya area from what used to be a mangrove land waste, an estimated development of 20km in radius from the centre of now an existing densely populated area. TU Property Development Berhad's cascading ripples of success has continued since spreading its wings currently over the Petaling Jaya.

However, TU Property Development and Constructions Berhad is an incorporated construction company under the TU Group of Companies and 100% wholly owned by TU Property Development Berhad in Malaysia. The company was incorporated on 17th September 2004 as private limited company with an outstanding construction history of infrastructure and building construction works. Today, TU Property Development Berhad has the ability and is committed to operate construction to carry out earthwork, civil, building and structural works for residential, commercial and industrial projects and also committed to providing project management services ranging from feasibility studies, master planning, conceptual and detailed design, project management including contract administration and supervision.

TU Property Development Berhad has established long-standing and excellent working relationships with Clients in delivering of construction works. TU Property Development Berhad has a strong record of successfully and timely completed projects in residential, commercial and industrial development. TU Property Development and Constructions Berhad places great emphasis and remains the firm's philosophy to continue and maintain quality management services in ensuring Client's satisfaction and confidence.

#### 1.1) Company's Awards and Recognition

TU Property Development Berhad has been awarded the The BrandLaureate Special Edition World Award 2015 under the category of Brand Excellence in Property for Township Development, in celebration of our brand excellence and supremacy, as well as our commitment to enhance our brand image as a Premier Property Developer. Besides that, our company has also been awarded with 21st International Construction Award (New Millennium Award) by Editorial Office in collaboration with the Trade Leaders' Club. Both of the awards was received by Mr Kenneth Tan the CEO and Managing Director of TU Property Development Berhad. Lastly, our company places great emphasis and remains the firm's philosophy to continue and maintain quality management services in ensuring Client's satisfaction and confidence. Its quality management system has accredited with ISO 9001:2008 certified by Allied Certification Services (ACS).

#### 1.2) Major Past Project

For the past 30 years, TU Property Development Berhad has contributed large amount of effort to the society. TU Property Development Berhad has committed in various types of projects ranging from residential to large infrastructure projects. TU Property Development Berhad has established long-standing and excellent working relationships with Clients in delivering of construction works. Ibraco Construction Sdn Bhd has a strong record of successfully and timely completed projects in residential, commercial and industrial

development. Some of our company's past projects include the TU Northbank, TU The Park Residence, TU Commercial Plaza and etc.

# 2.0) Proposed Project Details

### 2.1) General Details

1.	Name of Developer or Client	TU Property Development Berhad
2.	Size of the Proposed Site	Approximately 10 Acres
3.	Name of the Proposed Project	a.) TU Park Garden Residences ( Condo and Hotel) b.) TU Tranquility Square ( Shoplots)
4.	Estimated Construction Costs	RM 300 Million
5.	Location of the Proposed Project	Besides to One Utama Shopping Mall
6.	Estimated Construction Duration	2.5 Years
7.	Construction Commence Date	8th March 2018
8.	Tendered Contractor's Name	Evergreen Construction Sdn Bhd

# 2.2) Proposed Project Locality Plan



#### 2.3) Background of the location

The location of TU Park Garden Residences and TU Tranquility Square is located in Bandar Utama Damansara. Bandar Utama Damansara is an affluent residential township located within the Damansara subdivision of the Petaling District, Selangor, Malaysia. Before all development started in the late 1990's, the area used to be a popular palm oil estates where the community is less than 100 peoples. However, the area was later being developed by a developer named See Hoy Chan Holdings Sdn Bhd purpose is to modernise the area. Today, Bandar Utama has become one of the most rapidly growing township in Malaysia with a population of 250,000 peoples. One Utama Shopping Mall was opened in the year 1996 which has become the focal point of Bandar Utama until today. Its gross built-up area totals 5,000,000 square feet (465,000 m²) which is the largest shopping mall in Malaysia and seventh in the world.

#### 2.4) Transportation to the Location

TU Park Residences and TU Tranquility Square has a strategic area where it is located with two main highways called the New Klang Valley Expressway ( NKVE) and the Damansara Puchong Expressway (LDP). With these two highways, it provide an easier access for the community to the area. Besides that, residences can also take bus No.123 from KL Central which takes approximately 35-40mins and the fare is around RM 2.00 per person. With all these transportation, it makes TU Park Residences and TU Tranquility Square a residences to travel to other places such as works and recreational activities.

#### 2.5) Surrounding Facilities of the Location

TU Park Residences and TU Tranquility Square is surrounded by various type of amenities facilities such as recreational club, community centre and schools. One of the most famous recreational club is known as the THE CLUB. THE CLUB is THE CLUB is popular among residents not only from Bandar Utama but residential areas surrounding Bandar Utama. The facilities boasts of its three indoor artificial grass Tennis courts, Squash courts and etc. Other than that, there are also several shopping mall located at the surrounding such as One Utama, The Curve and IKEA. This enables the residences to spend their valuable time with their family at those mall instead of driving to other further malls. Lastly, there are also education centre such as KDU and Segi College or KBU secondary school. With all these facilities, it makes TU Park Residences and TU Tranquility Square an ideal places for the residences to stay and have a happy lifestyles.

#### 3.0) Market Segmentation

#### 3.1) Introduction of Proposed Projects

TU Property Development Berhad had proposed to develop TU Park Residences and TU Tranquility Square. TU Park Residences Alluring Luxury in Luscious Green Setting and is a dynamic mixed development that consists of two residential towers sitting above a vibrant commercial space. Here, your living space is a haven from which you can embark on adventures of conveniences, discoveries and endeavours in the city centre. This elite residence, towering beacons amidst community low-rises, offers resplendent views as they merged seamlessly into a world of sheer sensory delights of varied colour palettes. Set against an atmosphere of lush tropical green, welcome home and be rejuvenated in a harmonious and serene environment, perfumed with nature's flora and fauna notes. However, TU Tranquility Square comprises 50 units of 3-storey shop offices, 4 units of 4-storey shop offices with lift accessibility and wider frontages, a standalone food court, a 2 -storey educational block, and a 12-story SOHO (Small

Office Home Office) with 2 floors of small retail outlets. All floors for the shop offices are approved for commercial usage.

#### 3.2) Aim and Objectives

- To enhance the quality of life for the residents by being responsive to the needs, interests and priorities of the community.
- It will set the momentum of long term strategy of future financial and business hub creating a central strip carpeted with stores, restaurants, entertainment and commercial values which will prompt investors to look non other for enormous potential capital appreciation.
- Efficient use of land and infrastructure due to the land in Bandar Utama is limited.
- To contribute and create a new face of development in the area also creating transforming and new housing products to the community.
- To identify the target market segmentation to provide what the residents demand.

#### 3.3) Reason of Market Segmentation based on Consumer Characteristics

Market Segmentation is defined as a subset of market, which consists people and organization with various characteristics that caused the to demand a products or obtain services. Due to the insufficient space in Bandar Utama, TU Park Residences and TU Tranquility Square is a best idea of solving this solution. As for the TU Park Residences and TU Tranquility Square market segmentation, it is based on the consumer characteristics such as the age group, marital status, monthly income, occupation, preferred lifestyle and household size. As for the age group, TU Park Residences is suitable for any people which come from different age. The type of unit selected is also depends on the household size. Household is defined as one or more person who live together in the same unit. For example, people who have more may require large unit as compared to those who have less family members. However, marital status can also allow us to quantify the current market size and the extrapolate future growth. Having the analysis of

the household size and marital status will allow us to have a "clearer vision" on the potential retail in the market or community.

Besides that, TU Tranquility Square also consists of several shoplots which also required also required further analysis to be aware of the potential retail demand in the community. As for the market segmentation, it is based on the income of the buyers, types of business that the consumer is doing( occupation) and etc. For example, restaurant required bigger size shoplot as compare to the architect firm. Furthermore, income of the consumer is still the primary factor and also a good indicator of determine the spending power. The income definitely positively correlates with retail expenditures in majority of the categories. In conclusion, market segmentation allows us to understand what target buyers have and tendency to develop a buildings to fulfill the market demand.

#### 3.4) Value Advantages

The value advantages of our company are to provide customer satisfaction by providing our customer a better quality products and provide a lifestyle living for them. Besides that, we are also able to complete our project on time and able to hand over it to our customer to gain trust from them. Thus, this will helps to improve our company's reputation giving a good impression and being trusted by our customer. Other than that, we are also able to provide our customer cheaper and affordable price as compared with others company. From there, we are able to gain around RM 150 Million which is around 50% of our revenue and able to pay back all debts or expenses to the contractor. Furthermore, having this profits we are able to develop more future projects such as commercial buildings and residential to our customers.

# 3.4) Market Segmentation Tabulation

Target Market Segment		Type of Projects					
Sector	Segment	Condominium Hotel		otel	Shoplots		
		Studio	Soho	Deluxe	Apartment	3 Storeys	4 Storeys
Household Size	1-2 People	$\sqrt{}$					
	2-4 People			√			
	4-6 People		<b>√</b>		<b>√</b>	<b>√</b>	
	>6 People		$\sqrt{}$		$\sqrt{}$	$\sqrt{}$	\_
Income	RM 3k-5k	$\sqrt{}$		<b>√</b>		$\sqrt{}$	
	RM 5k-7k	$\sqrt{}$				$\sqrt{}$	
	RM 7k-9k		$\sqrt{}$		<b>√</b>		$\sqrt{}$
	> RM 10k		$\sqrt{}$		<b>√</b>		$\sqrt{}$
Marital Status	Single	$\sqrt{}$					
Clarac	Married		$\sqrt{}$		<b>√</b>		
	Divorce	$\sqrt{}$					
	Widow	$\sqrt{}$					
Age Group	25-30 Years Old	<b>√</b>		<b>√</b>		$\sqrt{}$	
	31-40 Years Old	<i>√</i>			<b>√</b>	<b>√</b>	
	41-51 Years Old		$\sqrt{}$				$\sqrt{}$

	51 and Above		<b>√</b>		<b>√</b>		$\sqrt{}$
То	tal	8	7	3	7	6	5

#### 3.5) Data Analysis

From the market segmentation tabulation above, our company can understand what target buyer are willing have, tendency to develop the buildings to fulfill the demand. The segmentation tabulation is made to tabulate all the data through surveys. However, the analysis below indicate the types and number of units to be builts based on the market segmentation.

#### A.) Data Analysis for Condominium Type Preferences

Although the table did not show the segmentation for 3 and 4 rooms type but based on our company's data recorded, we can clearly see that highest demand of room type is the 3 and 4 room types. Moving on will be the SOHO units and the less demand will be the studio unit type. Based on the data collected, our company is able to properly construct the quantity and types of room for the condominium. However, the room of our condo come from different size which are starting from 928 sq ft, 1193 sq ft, 1300 sq ft and 1500 sq ft. Lastly, there are also estimated around 12 units per floor. Lastly, we also provide several facilities to our residents such as gym, restaurant, grocery shops, recreational park and etc.

Number of floors to be developed: 35 Floors

Number of total Units: 400

Types of Unit	Number of Units
Studio Unit	80
3 Rooms Unit	135
4 Rooms Unit	135
Soho Unit	50

#### **B.) Data Analysis for Hotel Rooms Type Preferences**

According to the data recorded, superior twins has the highest demand among all. However, there are 3 types of room which have the same demand which are superior triple, premier and apartment room. Besides that, superior double and deluxe had the same amount of demand which is the second least among all. Room that having the less demand goes to the super single. There are estimated around 20 units per floor and our hotel also provide various facilities to customer such as spa, swimming pool, gym and tennis court.

Number of Floors: 20 Floors

Number of Total Units: 400 Units

Type of Units	Number of Units
Super Single	20
Superior Double	40
Superior Twins	90
Superior Triple	70
Premier	70
Deluxe	40
Apartment	70

#### c.) Data Analysis for Shoplot Type Preferences

Based on the data above, we can conclude that 3 storey shoplot has the highest demand.

However, 4 storey shoplot has the least demand as it is only suitable for bigger business while 2 storey shoplot comes in second places.

Total Shoplot Units: 150 Units

Type Of Units	Number of Units
2 Storey Shop-lot	40

3 Storey Shop-lot	80
4 Storey Shop-lot	30

# 4.0) Return On Investment

# 4.1) Selling Price of Condominium

Types of Unit	Costs Per Unit	Selling Price
Studio Unit	RM 200k-300k	RM 400k-500k
3 Rooms Unit	RM 300k-400k	RM 500k-600k
4 Rooms Unit	RM 400k-500k	RM 600k-700k
Soho Unit	RM 400k-500k	RM 700k-800k

# 4.2) Price Rates for Hotel Rooms per night

Types of Room	Normal Price (RM)	Peak Seasonal Price ( Holiday)
Super Single	RM 75-100	RM 150-200
Superior Double	RM 100-150	RM 200-250
Superior Twins	RM 150-200	RM 250-300
Superior Triple	RM 200-250	RM 300-350
Premier	Rm 250-300	RM 350-400
Deluxe	RM 300-350	RM 400-450

Apartment	Rm 400-450	RM 500-600

#### 4.3) Selling Price for Shoplots

Types of Unit	Costs Per Unit	Selling Price
2 Storey Shop-lot	RM 600k-700k	RM 1.2 Mil- 1.7 Mil
3 Storey Shop-lot	RM 700k-800k	RM 1.8 Mil- 2.3 Mil
4 Storey Shop-lot	RM 850k-950k	RM 2.5- 2.8 Mil

#### 5.0) Marketing Strategies

Marketing and advertising our products is very important as it has the ability to show supporters that our brand equity is a valuable commodity. Advertising also helps to make sure that the customers are aware of our products so that it can helps our properties to be sell in shorter time in order to make some profits for our company.

#### 5.1) Advertising

The purpose of advertising is to introduce our products to the market, educates consumers. Advertising plays significant role in the introduction of a new product in the market. It stimulates the people to purchase the product. It familiarises the customers with the new products and their diverse uses and also educates them about the new uses of existing products. However, advertisement facilitates mass production to goods and increases the volume of sales. In other words, sales can be increased with additional expenditure on advertising with every increase in sale, selling expenses will decrease.

#### 5.2) Brochures

Brochures form an integral part of the traditional printed marketing collateral, despite the growing popularity of online marketing initiatives. A well-designed brochure is very much a collectible item, not

only for its captivating visual effects, but for the loads of product-specific information featured in it. Brochures help capture the attention of potential customers, especially in the case of small and emerging businesses that are on a tight budget. Brochures or booklets, on the other hand, can focus entirely on the business and its offerings, thereby getting the undivided attention of all potential customers who browse through them. The key, however, is to make the content both interesting and informative, supporting it with appropriate images, and including a call to action. Effective marketing campaigns are all about customer interactions. Brochures are simply just another way to interact with customers and generate leads for the sales teams to follow up. Besides that, A printed brochure is any day easy to access and read when compared to content from an e-mail or a website.

#### 5.3) Company's Website

Having a web presence should be a part of any business plan. Having a website gives you the ability to drive more customers to your brick and mortar locations. Because your website is online 24/7, customers aren't limited to learning about your business during normal business hours. In addition, you can tailor your website to give your customers exactly the information that they are seeking. However, Having a well-designed, professional looking website, will provide credibility to your business. Well written web content will keep your customers engaged, and encourage them to explore your website and learn about who you are as a business. More and more people are search for services and products on the web versus. If you don't have that crucial web presence, you are 'giving' business to your competitors. In addition, the cost to change content on a website is only measured through time, whereas a piece of printed material includes time and material. A website won't replace the need for printed material, but a well designed site with targeted content can supplement the print materials. You can easily use your website to provide your clients with printed materials through downloads, or provide your clients with video media that they can watch directly within your website.

#### 5.4) Social Media

Our company also has our own personal social media pages such as Facebook, Instagram and etc. One of the reasons social media is important is because of the highly customizable nature of social media ads. Facebook ads, for example, allow you to target users by things like location, education level, industry and even purchase history and the pages they've liked. Social media can help you get noticed at events, and even generate earned media coverage. Whether your business is sponsoring a charity fundraiser or attending a major trade show, there's no better way to leverage your presence than with the help of social media.

#### 5.5) Exhibitions

Exhibiting the overall design via physical models, digital 3D visualization design, display showroom and etc. Through the events, it able to convince the customers or investors how the development able to benefit their needs. Beside that, sale can be increased by physically promote and explanation the development.

#### **6.0) Constraint and Future Development**

TU Property Development Berhad is planning to develop an energy efficient green building in the future. Green building would be a building project that would allow you to preserve most of the natural environment around the project site, while still being able to produce a building that is going to serve a purpose. The construction and operation will promote a healthy environment for all involved, and it will not disrupt the land, water, resources and energy in and around the building. With new technologies constantly being developed to complement current practices in creating greener structures, the benefits of green building can range from environmental to economic to social. Benefits of green building include reduce wastage of water, conserve natural resources, improve air and water quality and protect biodiversity and ecosystems.

Lastly, our company also planned to build an energy efficient green apartment which is located at Ss 12 which is known as the Stutong Heights Apartment. Stutong Heights apartments Phase 1, 2 & 3 eschewed for simplicity with functional minimal ornamentation and clean lines are the central designer themes embraced in tropical Malaysia. A naturally contemporary concept especially pleasing in small apartments size today. Stutong Heights Apartment 3 differs in a more spacious interior to give creative freedom, flexibility and styles. Rooms are bright and airy, bathed in natural light. A design especially for families with young children and for busy working people who want a restful environment to come home to. The entire development is serenaded by landscaped internal courtyard, gated and guarded that offers 24-hour security ensuring an appreciated lifestyle at its very best for a minimal investment. In order to proceed with the development, we will faces some constraint such as environmental problem.

For example, the development will cause more trees to be cut down which will lead to global warming. Therefore in order to maintain or improve the quality of our environment, latest technology or energy efficient system will be introduced.

#### 7.0) Conclusion

In conclusion, market segmentation is very important as it is defined as a subset of market, which consists people and organization with various characteristics that caused the to demand a products or obtain services. Besides that, market segmentation also helps our company to know what type of customer to be targeted and understand on how we can target them. By using segmentation, Customer retention can be encouraged through the life cycle of a customer. Lastly, market segmentation is also an effective method to increase the focus of a firm on market segments. For example, many construction company focusing on building condominium instead of landed houses. This is nothing else but the company changing its focus for better return. Thus companies base their strategy completely on a new segment which increase its focus and profitability.

#### 8.0) Appendices

#### Overall look of the project site



a.) External look of the Condominium





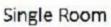
# **Master Plan**





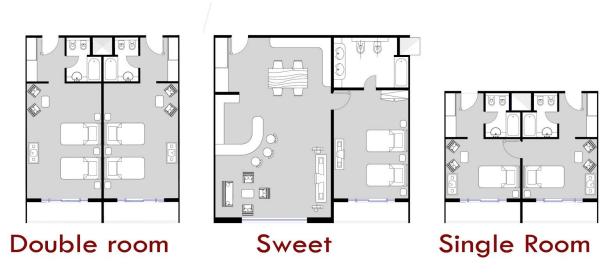
# **b.)** Perspectives of Hotel Rooms



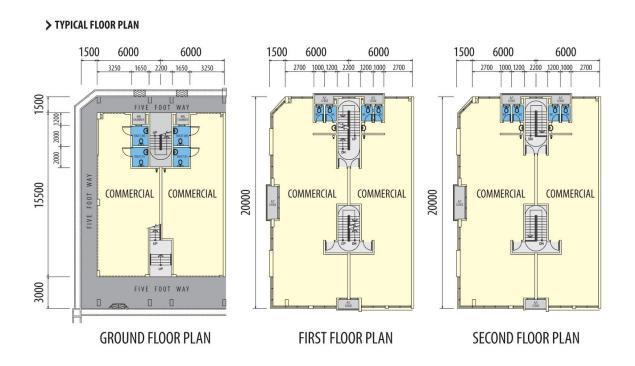


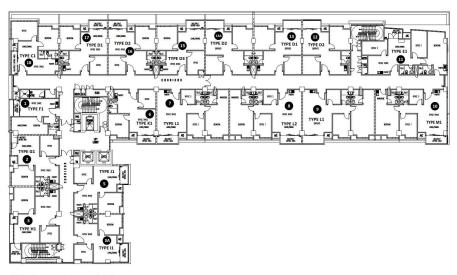


Double Room



# c.)Floor Plan of the Shoplots





**LEVEL 6th FLOOR PLAN** 

#### 8.0) References

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