

# **ANALYSIS OF STRATEGIC MANAGEMENT PRACTICES IN REAL ESTATE COMPANIES: A CASE OF KURDISTAN REGION OF IRAQ**

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## **Abstract**

*The study aims to examine strategic management practices in real estate businesses in Erbil. Currently, real estate companies are in required of an effective strategy management practices and company's clear direction. This research was carried out at the real estate companies in Erbil. The researchers used a quantitative technique to collect significant information regarding the strategic management in real estate companies. 444 participants were involved in the current study. The overall results revealed that the most effective strategy is cost leadership strategy for real estate businesses, since currently Erbil is covered with a heavy economics and financial crisis, therefore to avoid bank bankruptcy and liquidations; real estate companies should implement acquisition strategy in order to remain in the marketplace. Moreover, the researchers suggested of the combination of cost leadership and differentiation strategy to be studied for further study.*

*Keywords: Generic Strategy, Common Strategy, Competitive Advantage, Real Estate*

## **INTRODUCTION**

At the present time the real estate's demand improved and developed significantly, therefore, many investors are facing to real estate investment will carry on to be the major source of competitive advantage. Real estate considers one of the essential and prompt developing investments in the Erbil. Recently, the Erbil city considers one of the greatest market

opportunities for investments and particularly in real estate investment. The market size of real estate has been continuously developing and is able to attract more investors to the marketplace. Moreover, it is one of the significant business contributions to the Iraq's economy (Wu, et al., 2013). A strategic management includes strategy formulation and implementation of established objectives, based on consideration of evaluation of internal and external environment that a company is competing in the market place. Currently, real estate companies are required an effective strategic management practices to manage and direct their company's to the higher level of performance and gain competitive advantage. The real estate companies are determined to set and implement time management to meet every tasks and duties' deadline. In the last decades, the real estate companies are facing increased prices on their products with high costs of production and development. Competition between real estate companies has developed and going into the potential businesses is competitive. Consequently, strategic management practices consider necessary management at the contemporary competitive marketplace. A strategic management demonstrates the essential method and technique to direct and lead the organization, including organizational vision, mission, improving the current business plan and to achieve and obtain these objective and allocating the essential resource to execute organizational business plan (Alvandi, 2013). This study uses the strategic management practices, which will enable real estate companies to obtain and gain a competitive advantage over the competitor in a competitive environment through focusing on five forces model which compromises; industry rival how competitive is real estate companies in the Erbil and particularly in Erbil city, threat of new entrants, power of buyer, substitute product and power of supplier. The foundation of strategic management is the thought and view that strategy makes an alignment between organization's weaknesses and strengths, on the other hand opportunities and threats of external environment. Schendel and Hofer (1979) identified the following 6 main tasks of strategic management: 1) goal formulation, 2) environmental analysis, as well as the 3) formulation, 4) evaluation, 5) implementation and 6) control of strategies. (Jahanzeb, et al., 2015). Also, the researchers will apply the strategic management process which include, setting a clear vision, mission, analyzing external and internal environment (SWOT Analysis), strategy formulation, strategy implementation and controlling and evaluation. According to a survey done by KRG Investment Board with declining real estate markets in the Kurdistan region of Iraq, real estate's have become critical. Real estate companies have become one of the main successful businesses in the Kurdistan region of Iraq. Since 2003, real estate sectors have observed a flood in housing projects from foreign countries and particularly neighbor countries. There are 62 real estate companies located in the region: According to the survey the highest market share of real estate in KRG is Erbil governorate.

Middle class families are mostly residing in the Kurdistan region of Iraq; Iraqi's citizens are gradually demanding better quality of house with affordable prices. Reliable and consisted information for KRG is usually unavailable. Investment Board of KRG reported that more than 14,887,809,483 \$USD were invested from 2008-2012 (Board of investment-KRG-Iraq, 2015). During past years, there has been significant development in the number of housing projects. In 2006 the government encouraged foreign investors to invest their capitals to the region. Northern Iraq has developed as a significant real estate market for the Turkey, Lebanon and United States. Currently there 36 real estate registered companies in Erbil as we can see in appendix (3), 20 real estate registered companies in Sulaymaniya as we can see in appendix (4), real estate registered companies in Duhok.

## LITERATURE REVIEW

### Overview of Strategic Management

Strategic management defined in many ways. According to Wheelen and Hungers' study (2006), strategic management is a set of actions and decisions that establishes the long-term business performance. It includes environmental scanning both internal and external environment, strategy formulation such us strategic planning, strategy implementation and evaluation and control (Mahoney and Qian, 2013). From the view of Dess and Miller (1993), strategic management is defined as a process that integrates three main organized activities: strategic analysis, strategy formulation and strategy implementation (Haynes and Hillman, 2010).

Lamb (1984) defined strategic management as an ongoing process that measures, assess and monitor the entire business; evaluates and determines competitors and sets long term goal and strategies in order to be able to compete all potential competitors; Then applying annual or quarterly assessment for each strategy in order to ensure strategy implementation has successfully take place." (Mitchell, et al., 2011).

Strategic management it can be a process of formulation, implementation and evaluation and control. It is a process to gain competitive advantages for the business. Regardless of business's size, capital and so on every company has to have planned strategic management in order to maintain and survive within the market place (Parnell, 2013). This is the main goal of strategic management. Nowadays there is an urgent need for strategies to achieve the goals and objective set by the organization since it shows the way to achieve them in an easier way and in a shorter time due to the sudden change of the century towards technology and science and the huge change in the society's ideas and scope of life also the rival's competition (Kraus & Kauranen, 2009).

Every organization has a set of goals and objectives grouped into long and short term. They need a plan to reach the goals and objectives, so the way to reach the long term objectives is called a strategy. Organizations follow the pattern of strategy at which it helps to reach its long term purpose. In other words, where we are now? Where we want to go? And how we can get there? This course of action leads to manage the relation of organization and its environment. Through strategic plan we can make sure of that organization is following the most effective pattern to reach its mission. Many authors have written articles about strategy and each of them defined it in a different way. (Caputo, 2013), says “strategy is the determination of the basic long-term goals and objectives of an enterprise and the adoption of courses of action and the allocation of resources for carrying out these goals”. (Dobre,2011), defines it as “The pattern of objectives, purposes or goals and major policies and plans for achieving these goals stated in such a way as to define what business the company is or is to be in the kind of company it is or is to be”. He (2012) Explains strategy as “The pattern of decisions in a company that determines and reveals its objectives, purposes or goals, produces the principal policies and plans for achieving those goals, and defines the range of businesses that the company is to pursue, the mind of economic and human organization it is or intends to be and the nature of the economic and non-economic contributions it intends to make to its shareholder, employees, customers and communities”. (Porter, 1986) The Harvard professor explains strategy in a clear way in his book *Competitive Strategy* “A broad formula for how a business is going to compete what its goals should be and what policies will be needed to carry out these goals”. (Tanwar,2013), described strategy as “the mediating force or “match” between the organization and the environment they live in”. As each of the authors explains and defines strategy in a different way, it shows that strategy is a broad term and it is a very important factor for the success of the organization in achieving the goals and objectives they put to reach. The strategy for a company is going through a process until it is completed; it starts with creating a vision then a mission later scanning the environment that the organization operates in then formulating a strategy, at last implementing the strategy. At first about strategic management will be explained then the process and implementation.

(Lehner, 2015), defined strategic management as an art and science that involves formulation, implementation and evaluation of cross functional decisions that empowers an organization to achieve objectives, strategic management integrates all aspects of an organization, management, operations, research and development, accounting and information in order to achieve sustainable growth and profitability. Wheelen and hunger (2002) in the same vein, defined strategic management as the set of managerial decisions and actions that defines the long-term performance of an organization. Strategic management is the development of a

strategic plan; it involves the deployment and implementation of strategic plans and thereafter measurement and evaluation. Deployment means setting up the plan and communicating it to every member of the organization. Implementation involves allocating resources to the plan, and taking necessary actions. Measurement and evaluation entails assessing the entire implementation process, tracking how the organization reacts to these actions in order to update the plan. (Giersch, 2014), defined strategic management as analyzes, decisions and actions that a firm employed in order to achieve and sustain competitive advantage. From this definition, two critical elements can be drawn; the first is the processes of analysis, decision, and action. Analysis involves the setting of strategic goals which includes vision, mission, and objectives, putting into consideration the internal and external environment of the firm. Taking decisions after analysis is paramount, a firm must decide which industry to compete in and how it should compete in that industry. After decisions have been made, actions must be taking; analysis and decisions are of no use until acted upon. Organizations must take well thought out actions in order to implement their stipulated strategies. The second element in the definition of strategic management is creating competitive advantage. Some firms do better than others due to the strategies they employed; strategic management provides the insights managers need to determine how their firms compete in order to achieve sustainable growth and profitability. The strategic management is mainly about pursuing competitiveness and making choices. Organizations are constantly competing with one another in order to gain access to resources that will ensure adequate profits and guarantee returns on investment for shareholders. (Giersch, 2014), identified four attributes of strategic management; the first attribute is organizational goals and objectives, every firm's effort must be directed towards fulfilling goals and objectives that cater for the overall wellbeing of the organization. What seems ideal for one area of the firm might be detrimental to the entire firm. An example is the research and development department of an organization making a top quality product that becomes too expensive for customers to afford in relation to other products in the marketplace. The second attribute involves multiple stakeholders in the decision making process. Stakeholders include persons, groups and organizations that are directly or indirectly affected by the success or failure of an organization, they include owners, employees, clients, suppliers, and the general public. A manager must focus on all these stakeholders in order to make effective decisions, for instance, a decision that only focused on maximizing profit for the owner may affect employees negatively which could also lead to unsatisfactory customer service. The third attribute of strategic management is focusing on both long and short term perspectives. Managers must maintain a vision for the future as well as focusing on the present circumstances and needs. Studies have indicated that managers mostly take a short term approach in enhancing

performance in detriment of creating long term value. The fourth attribute entails recognizing trade-offs between efficiency and effectiveness; efficiency is doing things right while effectiveness is doing the right thing. Managers must use resources well but must also focus on attaining organizational objectives, focusing on activities that only meet short term goals may affect the attainment of organizational goals in the long run (Rashid, et al., 2012). According to (Fairholm, 2009), strategic management can be traced back to the 1950 through it was referred to as just 'business policy'. In recent times, strategic management has grown into an eclectic field which draws from various theoretical frameworks. Three of the predominant perspectives are the industrial organization theory, resource-based theory, and contingency theory. Industrial organization theory propounds that an organization must adapt to its forces within its industry in order to succeed of the industry in which it operates. Firms are more likely to succeed in companies where favorable structures have been put in place, the industrial organization advocates that it is more important for firms must careful choose which industry to operate than determining how to compete in a particular industry. The resource-based theory has been designated as the opposite of the industrial organization theory in that it views performance mainly as the ability of an organization to utilize its resource effectively and efficiently. Regardless of environmental opportunities and threats, distinctive competence is achieved when a firm makes use of its key resource in distinguishing itself from rivals thereby creating a healthy competitive advantage. These resources include; employees finance, knowledge, information and equipment. The third perspective which is the contingency theory propounds that the most successful organizations develop beneficial fits with their environment. This implies that formulated and implemented strategies are congruent with the firm's internal and external environment, missions and resources. The contingency theory acts as mid= ground between the organization's environment and its strategic actions, which implies that organizations can employ a proactive approach in selecting an industry to operate in where opportunities match its strengths and weaknesses (Azar, & Brock, 2008).

## **Generic strategies**

### ***Cost leadership***

Marketing according to business's reputation considers not important in this situation, therefore the features of service/products should be measurable prior to consumption. In this case it is proposed that purchasers are price sensitive. Price leadership strategy, consequently, is most successful in predictable and stable environments; meanwhile environments that are changing frequently and unpredictable will make severe diseconomies for businesses attempting to sustain this kind of strategy. Subsequently the supply side is stable this will lead to generate

innovative competition in regard with differential competencies and so on. Though, particular external and internal factors are needed to be measured by a business (using price leader) for the fruitful execution of this kind competitive strategy (Majukwa & Haddud, 2016). For instance, businesses are practicing price leadership strategy may require an organizational structure that have positive influence on sophisticated cost control systems; cost information systems, repetitive procedures, standard and so on. (Dietrich and Al-Awadh, 1993), debated, in this condition, the simple economics of oligopoly which might result to one of two assumptions: with the chief strategic factor being production modification, with price being the strategic variable, competition will be decrease incomes to usual levels, businesses will maximize the profit, alike above-normal incomes. With a differentiated cost structure, though, economic philosophy expresses that a business might be able to dominate price, and therefore become a price leader of whichever a leading or barometric kind. In the situations complicated here, supremacy of this kind is the only method to make superior outcome. It pursues from previous debate that differentiated costs might happen due to either structural features or market/size-share differentials that generate total cost (dis)advantages (Wason & Charlton, 2015).

### ***Differentiation strategy***

This strategy suggests a steady supply side to enable business activity but in this case the cost of differentiation will be added, and the significance of the demand side activities in the market place. A strategy of being lower cost needed in this case to make and have additional source of investments to execute differentiation features; in order to obtain and distinguishes product or service from the other competitors, businesses are required to follow several methods or techniques for example (Lado et al, 1992; Hill,1988; Porter,1980,1985):

- 1) An effective learning technique: An effective learning technique is frequently viewed as the successful economies outcome from reproduction and replication of performances and activities that guide the organization to improve their competence and efficiency.

(Hill,1988), debates that an effective learning technique is one of the supreme significance in the situation of innovation; while, an effective learning tactic also measured to be the most significance in the situation of innovation, even in case of these tactics are just practice or everyday's routine.

- 2) Economies of scales: are viewed as a technique to illuminate the standard costs in the future because of growth and improvement dimensions and f concentration. Economies of scope come from participating and sharing of resources among business departments, which decreases the economic cost of creating a variety of products.

- 3) Capital/ Labour substitution: compromises replacement or alternative employee or capital to enhance and develop the effectiveness (Wood, et al., 2011).

### ***Focus strategy***

In this case the supply side seems to be different; however the demand side seems to be the same as previous strategy. The central purpose of focus strategy to create and set up a modern procedure and development characteristics, moreover, to execute the focus strategy, it is mandatory to have superior outcome to raise the price of the service or product. The focus strategy is the important and successful concerning of organizational environment which is continuously growing and enhancing (Duncan, 1972); accordingly, it was found not to be simple to understand consumers' need and demand. Furthermore, from the side of the organization, (for example; implementing the strategy of differentiation) are inventive in providing modern tactic to obtain competitive advantage (Bello, et al., 2016).

### **Common strategies**

#### ***Growth strategy***

Growth strategy is purposed to gain bigger amount of the share of the market, though at the expenditure of short-term incomes. Numerous associations neglect to accomplish their craved development focuses in income and gainfulness.

Taking into account our exploration and experience, there are two noteworthy reasons: first is, deficient thought of chances inside the center business, neighbouring the center business or inside new client sub-fragments, and second reason is a hierarchical framework that can't bolster effective execution.

According to (Nagulendran, et al.,2016), in any case, supervisors can do certain things to enhance the odds for achievement. This thesis will portray one such thing supervisors can do, specifically fabricate an orderly structure made out of three methodologies for development and three key components for fruitful execution. The thesis will likewise clarify how the three systems and three key components build the likelihood for achievement.

#### ***Acquisition strategy***

When we discuss acquisitions, we are discussing various distinctive exchanges. These exchanges can run from one real-estate companies converging with other real-estate companies to make other real-estate companies to directors of a real-estate companies obtaining the real-estate companies from its stockholders and making a private real-estate companies. We start this area by taking a gander at the distinctive structures taken by



acquisitions; proceed with the segment by giving a diagram on the securing process and close by analyzing the historical backdrop of the acquisitions in any sector.

According to (Majukwa & Haddud, 2016), acquisitions can be inviting or unfriendly occasions. In a cordial securing, the directors of the objective real-estate companies welcome the obtaining and, now and again, search it out. In an unfriendly obtaining, the objective association's administration does not have any desire to be procured. The obtaining real-estate companies offers a cost higher than the objective company's business sector cost preceding the securing and welcomes stockholders in the objective real-estate companies to delicate their shares at the cost.

### ***Price skimming strategy***

Price skimming' includes charging a moderately high cost for a brief timeframe where another, inventive, or abundantly enhanced item is dispatched onto a business sector. The goal with skimming is to "skim" off clients why should willing pay more to have the item sooner; costs are brought down later when interest from the "early adopters" falls (Bello, et al., 2016). The accomplishment of a price skimming tactic is to a great extent reliant on the inelasticity of interest for the item either by the business sector all in all, or by certain business sector portion. High costs can be appreciated in the transient where interest is generally inelastic. In the fleeting the supplier profits by 'imposing business model benefits', however as gainfulness increments, contending suppliers are prone to be pulled in to the business sector (contingent upon the boundaries to passage in the business sector) and the cost tends to fall as rivalry increments. The principle goal of utilizing a value skimming system is, in this way, to profit by high fleeting benefits (because of the freshness of the item) and from powerful market division (Wason & Charlton, 2015).

### **Research Hypotheses**

H1: There is significant and positive association between growth strategy and competitive advantage

H2: There is significant and positive association between acquisition strategy and competitive advantage

H3: There is significant and positive association between price skimming strategy and competitive advantage

H4: There is significant and positive association between differentiation strategy and competitive advantage

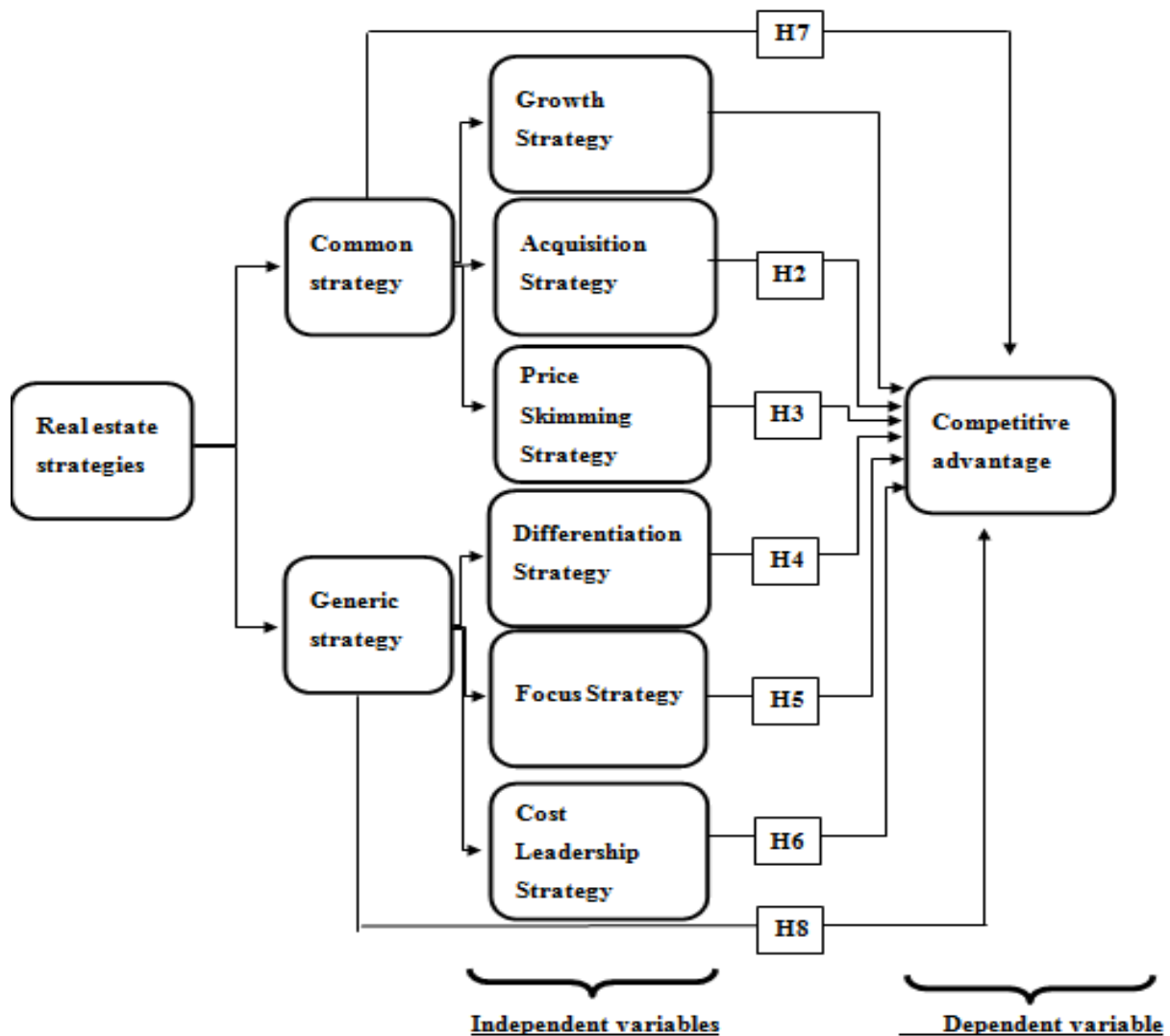
H5: There is significant and positive association between focus strategy and competitive advantage

H6: There is significant and positive association between cost leadership strategy and competitive advantage

H7: There is significant and positive association between common strategy and competitive advantage

H8: There is significant and positive association between generic strategy and competitive advantage

Figure 1. Conceptual framework



## **METHODOLOGY**

The research was carried out at the real estate companies in Erbil. The researchers used a quantitative technique to collect significant information concerning the strategic management in real estate companies.

### **Research Design**

The researchers utilized a survey in order to gather data about the analysis of strategic management study in real estate companies and its relationship with competitive advantage. The survey consisted of two parts. The first part included the followings; background questions of participants for instance; participants' education, participants' age, years of experience in respondent's marital status. The second section of the questionnaire consisted different question regarding to the strategic management in real estate companies consisting of (growth strategy, acquisition strategy, price skimming strategy, cost leadership strategy, differentiation strategy and focus strategy).

### **Target Population and Sampling**

The researchers utilized a random sampling technique to gather information and data from real estate businesses, the main purpose of random technique to give an equal chance to the entire population. The authors distrusted 500 survey questionnaires in a hard copy format; however, 444 questionnaires were received and being completed properly accordingly the effective sample size of the current research = 444 respondents.

### **Procedures Used for Generating, Collecting and Evaluating Data**

The authors collected data for this research by handling out surveys as primary research method. The survey is organized and handed out to all staffs including top level of management, middle level of management and lower level of management for real estate businesses in Erbil. Moreover, the secondary research method is required for conducting this study by concentrating on the up-to-date articles, strategic management books and related researches concerning strategic management, real estate, investment and competitive advantage.

### **Instrument for Measuring (Scales)**

The survey is prepared as multiple choice inquiries. The respondents were requested to rate their agreement on each unit based on a Likert scale. The survey is prepared and modified from the resources (Kotha & Vadlamani, 1995; Bordean, et al., 2010; Nayyar, 1993; Allen, et al., 2007; Jung, 2014; Furrer, et al., 2008; Kinyuira,2014 and Gichohi, 2015).

## ANALYSIS AND FINDINGS

### Reliability test

Table 1. Reliability Test

| Variable                 | Cronbach's Alpha | N of Items |
|--------------------------|------------------|------------|
| Growth strategy          | .815             | 4          |
| Acquisition strategy     | .770             | 6          |
| Price skimming           | .895             | 10         |
| Differentiation strategy | .745             | 6          |
| Focus strategy           | .733             | 6          |
| Cost leadership          | .786             | 6          |

As seen in table (1), the reliability tests for the current study, the researchers finds out the Alpha for growth strategy =.815 for four items since .815 is greater than .6 (Kothari,2005), therefore all dimensions utilized for growth strategy found to be reliable for this study, the value of Alpha for acquisition strategy =.770 for six dimensions, it was found that all six dimensions utilized for acquisition strategy found to be reliable, the value of Alpha for price skimming strategy =.895 for ten dimensions, it was found that all ten dimensions utilized for price skimming strategy found to be reliable, the value of Alpha for differentiation strategy =.745 for six dimensions, it was found that all six dimensions utilized for differentiation strategy found to be reliable, the value of Alpha for focus strategy =.733 for six dimensions, it was found that all six dimensions utilized for focus strategy found to be reliable, and the value of Alpha for cost leadership strategy =.786 for six dimensions, it was found that all six dimensions utilized for cost leadership strategy found to be reliable.

### Correlation analysis

Table 2. Correlation Analysis

| Variables            | Pearson Correlation | Competitive advantage |
|----------------------|---------------------|-----------------------|
| Growth strategy      |                     | .186**                |
|                      | Sig. (2-tailed)     | .000                  |
|                      | N                   | 444                   |
| Acquisition strategy |                     | .307**                |
|                      | Sig. (2-tailed)     | .000                  |
|                      | N                   | 444                   |

|                  |                 |
|------------------|-----------------|
| Price skimming   | .061**          |
| Sig. (2-tailed)  | .000            |
| N                | 444             |
| Differentiation  | .161**          |
| strategy         | Sig. (2-tailed) |
|                  | .000            |
|                  | N               |
|                  | 444             |
| Focus strategy   | .155**          |
|                  | Sig. (2-tailed) |
|                  | .000            |
|                  | N               |
|                  | 444             |
| Cost leadership  | .077**          |
|                  | Sig. (2-tailed) |
|                  | .000            |
|                  | N               |
|                  | 444             |
| Common strategy  | .224**          |
|                  | Sig. (2-tailed) |
|                  | .000            |
|                  | N               |
|                  | 444             |
| Generic strategy | .132**          |
|                  | Sig. (2-tailed) |
|                  | .000            |
|                  | N               |
|                  | 444             |

As seen in table (2), the correlation analysis, it can be seen that the growth as independent variable has significantly correlated,  $r = .186^{**}$  this demonstrates that there is a weak correlation between growth as independent variable and competitive as dependent variable, concerning acquisition as independent variable has significantly correlated,  $r = .307^{**}$  this demonstrates that there is a weak correlation between acquisition as independent variable and competitive as dependent variable, concerning price skimming as independent variable has significantly correlated,  $r = .061^{**}$  this demonstrates that there is a weak correlation between price skimming as independent variable and competitive as dependent variable, differentiation as independent variable has significantly correlated,  $r = .161^{**}$  this demonstrates that there is a weak correlation between differentiation as independent variable and competitive as dependent variable, concerning focus as independent variable has significantly correlated,  $r = .155^{**}$  this demonstrates that there is a weak correlation between focus as independent variable and competitive as dependent variable, concerning cost leadership as independent variable has significantly correlated,  $r = .077^{**}$  this demonstrates that there is a weak correlation between cost leadership as independent variable and competitive as dependent variable, concerning common as independent variable has significantly correlated,  $r = .224^{**}$  this demonstrates that there is a weak correlation between common as independent variable and competitive as dependent

variable, and concerning generic strategy as independent variable has significantly correlated,  $r = .132^{**}$  this demonstrates that there is a weak correlation between generic strategy as independent variable and competitive as dependent variable. The findings indicated that the generally the correlation between dependent factor and independent factors are weak.

### Multiple Regression Analysis

Table 3. Multiple Regression Analysis

| Independent variable | Coefficients | t-value | P-value |
|----------------------|--------------|---------|---------|
| Growth               | .135         | 1.578   | .001    |
| Acquisition          | .260         | 2.498   | .000    |
| Prince Skimming      | .129         | 1.376   | .001    |
| Differentiation      | .131         | .603    | .005    |
| Focus                | .090         | .438    | .005    |
| Cost leadership      | .779         | 2.498   | .000    |
| Common Strategy      | .285         | 1.775   | .000    |
| Generic Strategy     | .315         | .882    | .000    |
| R <sup>2</sup>       | .076         |         |         |
| F value              | 5.946        |         | .000    |

Dependent Variable: Competitive Advantage

The researchers utilized multiple regression method to examine the relationship between each independent factor and dependent factor. In this section the researchers attempted to find the relationship between eight independent variables and competitive advantage as dependent variable. As seen in table (3) the result of first hypotheses, growth strategy has significantly predicted competitive advantage (the value Beta = .135,  $p < .001$ , therefore the researchers came to conclude that growth has significant relationship competitive advantage accordingly the first research hypothesis supported, the result of first hypotheses, acquisition strategy has significantly predicted competitive advantage (the value Beta = .260,  $p < .001$ , therefore the researchers came to conclude that acquisition has significant relationship competitive advantage accordingly the second research hypothesis supported, the result of third hypotheses, price skimming strategy has significantly predicted competitive advantage (the value Beta = .129,  $p < .001$ , therefore the researchers came to conclude that price skimming has significant relationship competitive advantage accordingly the third research hypothesis supported, the result of fourth hypotheses, differentiation strategy has significantly predicted

competitive advantage (the value Beta = .131,  $p < .001$ , therefore the researchers came to conclude that differentiation has significant relationship competitive advantage accordingly the fourth research hypothesis supported, the result of fifth hypotheses, focus strategy has significantly predicted competitive advantage (the value Beta = .090,  $p < .001$ , therefore the researchers came to conclude that focus has significant relationship competitive advantage accordingly the fifth research hypothesis supported, the result of sixth hypotheses, cost leadership strategy has significantly predicted competitive advantage (the value Beta = .779,  $p < .001$ , therefore the researchers came to conclude that cost leadership has significant relationship competitive advantage accordingly the sixth research hypothesis supported, the result of seventh hypotheses, common strategy has significantly predicted competitive advantage (the value Beta = .285,  $p < .001$ , therefore the researchers came to conclude that common has significant relationship competitive advantage accordingly the seventh research hypothesis supported and finally the result of eighth hypotheses, generic strategy has significantly predicted competitive advantage (the value Beta = .315,  $p < .001$ , therefore the researchers came to conclude that generic has significant relationship competitive advantage accordingly the eight research hypothesis supported. It was found that the competitive advantage's overall difference could be measured by its variance. The value of R square = .275 this indicates that 28% of total variation in competitive advantage has been explained by all independent variables, and the value F in this analysis for all independent variables = 10.816, it is greater than 1 as seen in table above, therefore; there is a significant relation between all independent variables and dependent variable.

## DISCUSSIONS

The results of this study are discussed and developed with themes generated from the research model developed by the researchers. The main aim of current study was to examine real estate strategy and its relationship with competitive advantage in Erbil and to find out which strategy is better than other strategy to gain competitive advantage. The researchers developed eight research hypotheses as seen in research model (figure-1- ), to test eight research hypotheses.

To test the first research hypothesis which stated that there is a positive association between growth strategy and competitive advantage in real estate businesses in Erbil, the researchers subjected to the multiple regression analysis is to estimate the how growth strategy will influence and change competitive advantage in real estate businesses and predict, it was found that growth strategy has significant relationship competitive advantage accordingly the first research hypothesis supported. According to (Day & Baer, 2007), Growth strategy is purposed to gain bigger amount of the share of the market, though at the expenditure of short-

term incomes. According to (Leminen & Westerlund, 2012), The growth strategy highlights the association's benefit making target Real-estate companies using the adventure practice ought to be business sector situated. Market-situated real-estate companies misuse the current assets in a productive way. Abuse incorporates refinement, decision, creation, proficiency, determination, usage, and execution as methodologies in asset catching. It comprises of just a negligible refinement of existing innovation, in light of the fact that the exploitative real-estate companies manage a value rivalry with an abnormal state benefit objective. Market introduction and business execution have a solid positive connection, especially in land organizations. The growth strategy's procedure emphasizes the advancement improvement endeavors Real-estate companies that investigate their way to development should be advancement arranged. It is fundamental for the real-estate companies to investigate new potential outcomes and to grow new capabilities. Investigation alludes to a company's catching of skills through exercises portrayed via seek, variety, hazard taking, experimentation, play, adaptability, revelation, and development. The extend growth strategy's procedure proposes that a real-estate companies is development situated with an abnormal state of speculations and an abnormal state of profits. It refers to a company's development to new markets and client areas. Few organizations confront various requirements to development, for example, constrained capital, time, experience, and data assets. Hence, this procedure is testing yet beneficial. Development desire is the most imperative segregating trademark between development arranged and no development situated business visionaries. It advances a way reliant and self-strengthening movement toward for all time quicker development. To test the second research hypothesis which stated of the positive association between acquisition strategy and competitive advantage in real estate businesses in Erbil, the researchers subjected to multiple regression analysis in order to find out the relationship between each independent variable and dependent variable. It was found that Acquisition strategy has significant relationship competitive advantage accordingly the second research hypothesis supported. According to (Jones & Miskell,2007), Acquisitions can be inviting or unfriendly occasions. In a crisis time, the executives of the real-estate companies welcome the obtaining the acquisition strategy in order to survive. In an unfriendly obtaining, the objective association's administration does not have any desire to be procured. The obtaining real-estate companies offers a cost higher than the objective company's business sector cost preceding the securing and welcomes stockholders in the objective real-estate companies to delicate their shares at the cost. When we discuss acquisitions, we are discussing various distinctive exchanges. These exchanges can run from one real-estate companies converging with other real-estate companies to make other real-estate companies to directors of a real-estate companies obtaining the real-estate companies from its stockholders and making a



private real-estate companies. We start this area by taking a gander at the distinctive structures taken by acquisitions; proceed with the segment by giving a diagram on the securing process and close by analyzing the historical backdrop of the acquisitions in any sector. To test the third research hypothesis which stated of the positive association between price skimming strategy and competitive advantage in real estate businesses in Erbil, the researchers subjected to multiple regression analysis in order to find out the relationship between each independent variable and dependent variable. It was found that price skimming strategy has significant relationship competitive advantage accordingly the third research hypothesis supported. According to (Hernandez,2012), The accomplishment of a price skimming tactic is to a great extent reliant on the inelasticity of interest for the item either by the business sector all in all, or by certain business sector portion. High costs can be appreciated in the transient where interest is generally inelastic. In the fleeting the supplier profits by 'imposing business model benefits', however as gainfulness increments, contending suppliers are prone to be pulled in to the business sector (contingent upon the boundaries to passage in the business sector) and the cost tends to fall as rivalry increments. The principle goal of utilizing a value skimming system is, in this way, to profit by high fleeting benefits (because of the freshness of the item) and from powerful market division. Price skimming' includes charging a moderately high cost for a brief timeframe where another, inventive, or abundantly enhanced item is dispatched onto a business sector. The goal with skimming is to "skim" off clients why should willing pay more to have the item sooner; costs are brought down later when interest from the "early adopters" falls. To test the fourth research hypothesis which stated of the positive association between differentiation strategy and competitive advantage in real estate businesses in Erbil, the researchers subjected to multiple regression analysis in order to find out the relationship between each independent variable and dependent variable. It was found that differentiation strategy has significant relationship competitive advantage accordingly the fourth research hypothesis supported. According to (porter,1980), the main aim of differentiation to set up an modern method quality and goods, moreover, to execute this sort of the strategy, it is needed to obtain higher outcome. Furthermore, from enterprise point of view, (for example; rivaling on goods differentiation) are inventive in generating new tactic to gain advantage over the competitor. This approach reflects on the important and successful concerning the environment forces surrounded to the organization which is continuously growing and improving. To test the fifth research hypothesis which stated of the positive association between focus strategy and competitive advantage in real estate businesses in Erbil, the researchers subjected to multiple regression analysis to find the relationship between, focus strategy and competitive advantage; it was found that focus strategy has significant relationship competitive advantage accordingly the fifth research

hypothesis supported. According to (porter,1980), focus technique is the most effective concerning the internal and external environment forces surrounded to the organization which is continuously improving and growing. Additionally, organization point of view which is the supplier, (for example; rivaling on focus on particular market segment) are inventive in making and developing modern method to obtain advantage over the competitors. The essential purpose of focus method to develop and make an inventive course of action to produce goods, to execute this sort of the strategy, it is needed to have better and higher organizational outcome, accordingly increasing number of customers. To test the sixth research hypothesis which stated of the positive association between competitive advantage and cost leadership in real estate investments, the researchers subjected to multiple regression analysis in order to find the relationship between each independent variable and dependent variable. It was found that cost leadership strategy has significant relationship competitive advantage accordingly the sixth research hypothesis supported. To test the seventh research hypothesis which stated of the positive association between common strategy (growth strategy, acquisition strategy and price skimming strategy) and competitive advantage in real estate businesses in Erbil, the researchers subjected to multiple regression analysis in order to find the relationship between each independent variable and dependent variable. It was found that common strategy has significant relationship competitive advantage accordingly the seventh research hypothesis supported. To test the eighth research hypothesis which stated of the positive association between generic strategies and competitive in real estate investments, the researchers refereed to multiple regression method to examine the association between factors. It was found that generic strategy has significant association with competitive advantage therefore the eight research hypothesis supported. According to the research findings and previous studies, the researchers found that the communication is a vital element for success during the Strategy formulation of the real estate companies' plan. Without communication, employees will not be able to perform any activities or tasks ((Neves and Eisenberger, 2012). Previous studies (Bryson, 1988, Gabor, 1990 and Keller, 1983) proved the importance of strategic planning; it performs as a roadmap and guiding tool for real estate companies in order to obtain organizational goals, vision and mission. Furthermore, besides being an essential tool for determining real estate resource, it also performs as an essential tool for measuring, assessing and controlling strategy implementation. Final, essential aspect or tool should be determined in strategic management planning is providing a written policy to identify risks related with the business.

## CONCLUSIONS

The researchers came to conclude that strategic management practice are vital tools for every businesses regardless their size, goal and field. Strategic management works as a roadmap a guide for an organization in order to be able to achieve its goals. However, the researchers concluded that current real estate companies in Erbil making less effort to formulate and implement the strategic in all management level. This study highlighted both positive and negative aspects of strategic management practice in real estate companies such as strategic communication and planning, organizational vision, mission, goals, long term objective, financial aspects, human resource and social responsibility. Furthermore, negative aspects should be corrected in order to able real estate companies to increase their chances to make the right action in order to remain competitive in the marketplace. Issue and negative aspect can be enhanced to obtain an effective strategic management practices through evaluating the strengths and weakness of long term affect and the opportunities and threats of long term implications. When it comes to organizational vision, this study showed that real estate companies' have a clear vision and mission which guide the company to achieve organizational goals. Although companies have clear vision and mission but they do not update their vision and mission during specific time of period, every business should update their current vision statement and mission statement. In today's competitive environment most of businesses are updating their current vision statement and vision statement to remain competitive in the market place. Meanwhile, current company's vision is not related to employee's tasks and duties. The researchers concluded the significance of long term objectives in Real estate companies. Objectives should be determined explained business's mission. Business objectives could be stated for what is to be obtained and when outcome are to be achieved. When it comes to generating strategies, it is essential to generate strategies in Real estate companies effectively. The researchers highlighted current real estate companies' issues such as strategic policy manual, human resource management strategies, human resource management strategies, change management and resistance and evaluation and feedback strategies. The researchers set two research questions which stated that whether a good strategy lead to gain competitive advantage in real estate investment and the second research question stated that which strategy is better than other to gain competitive advantage. To answer the research questions, the researchers used a quantitative research method through implementing single regression analysis to find out the results of eight research hypotheses developed by the researchers. Comparing two main real estate strategies; common strategy and generic strategy, the results revealed that generic strategy (cost leadership strategy, differentiation strategy and focus strategy) seems to be more effective comparing with common strategy in real estate

businesses. The value of beta for generic strategy = .315 while the value of Beta of common strategy = .285. When it comes the comparison among three common strategies (growth strategy, acquisition strategy and price skimming strategy), the results revealed that the acquisition strategy has the highest value while the price skimming strategy has the lowest value and the comparison among generic strategies (cost leadership strategy, differentiation strategy and focus strategy), the results revealed that the highest value is differentiation strategy and the lowest value is focus strategy. The overall results revealed that the most effective strategy is cost leadership strategy for real estate businesses, since currently Erbil is covered with a heavy economics and financial crisis, therefore to avoid bank bankruptcy and liquidations; real estate companies should implement acquisition strategy in order to remain in the marketplace.

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