



Repositioning: Marketing Strategies

By Carol Levey

CEO: Levey Enterprises, Inc.

Founding Partner: I.T. Partners

I. Market Analysis

A. Economic Trends

1. Overview
2. New business coming into area
3. Existing job market

B. Development Trends

1. New apartment communities (size/type/location)
2. Repositioned apartment communities

II. Consumer Analysis

A. Define Current Resident Profile

1. Surveys -- to assess the effectiveness of your community's repositioning, you must be able to identify the target market. The target market can be defined as the intended segment of the market you wish to attract. You must first identify the type of resident who is currently attracted to your community based upon existing customer surveys.
2. Focus Groups of existing residents can determine expectation of service and value, their opinion of anticipated changes, including preferences and determination of willingness to pay for perceived value. If it is predetermined that an emptying of the community's residents is the strategy, then a focus group of existing residents may not be necessary.

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What is it? Small groups (customers/co-workers/targeted consumers) are invited to meet with a facilitator to answer open-ended questions.

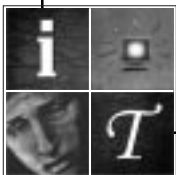
Advantage? It's the most useful way to identify what people want. It allows them to tell things they wouldn't mention in a survey. Focus groups offer a more intimate view, compare options and create fine-tuning to strategies.

Disadvantage? A small group may not represent the whole opinion base.

Objective? Determine what you want to learn, alternative actions you want to consider and general information you wish to gain. Establish realistic parameters.

B. Target desired profile -- determine how the current resident profile is the same as/different from your target market.

- Who do we want to attract as a resident?
- What feature benefits are important in an apartment home to our target market?
- What additional services does our target market want and/or need?
- Does our current on-site team match the targeted resident profile?
- What specific training is necessary for existing/new staff to be effective? Is additional staff needed?
- What off-site marketing methods should be used to reach our target market?
- Which forms of advertising would be most effective to reach our target market?



III. Creating "brand identity" is a consistent campaign that runs through each of the following:

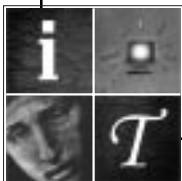
- A. Name
- B. Logo
- C. Signage
- D. Collateral Material
- E. Advertising Campaign(s)
- F. Public Relations -internal and external

Creating "brand identity" is the discovery and communication of your community's "differentiating" characteristics. Understanding your community's uniqueness and competitive advantages is crucial for its successful "differentiation." Knowledge of your product and your competition will enable you to differentiate or set apart your community as a special commodity in the marketplace.

1. Know the \$\$ rental value of each feature-benefit at your apartment community.
2. Understand the comparable feature-benefits of competitive apartment communities.
3. Be able to sell the rental rate at your apartment community on the basis of feature-benefits and comparison with the competition.

To completely understand and effectively communicate the various strengths and advantages of your community, it is necessary for you to clearly understand how your community compares with its competitors in the market area:

- What are the two most important reasons your residents choose your community for their home?
- Name five life-style advantages, services, benefits or capabilities your community can offer your residents that they cannot get at any one of your competitors. These may be tangible or intangible.
- What levels of customer service can you promise to consistently deliver?



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IV. Operational Analysis

A. Interim Occupancy Strategies

1. Empty existing community

BENEFITS: Repositioning is not complicated by existing customer demands.

DRAWBACKS: The loss of revenue and potential reputation damage.

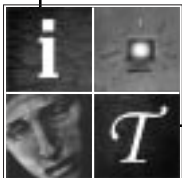
- a. Requires a takeover team trained in de-leasing with specific goals
- b. Time frame with team bonuses for empty apartments achieved against timeline.
- c. Relocation strategies that keep your reputation intact:

- referral services
- the competition
- sister communities
- move-out incentives
- breaking the existing leases
- move-out services

2. Work with existing residents to maintain an open line of communication. Determine if you will work floor by floor, building by building, exterior vs. interior, etc.

BENEFITS: Ongoing revenue and shorter lease-up period.

DRAWBACKS: Existing resident's inconvenience as well as safety, liability, marketing and service issues complicate the repositioning process.



B. Cash flow options cannot be understood or communicated unless:

1. Realistic assumptions have been adopted.
2. Allowance is made for the required changes along the way.
3. Clear quantification of assumptions, adjustments and incentives is kept in front of responsible participants.

C. One to two meetings per week are crucial to maintain an open line of communication between the on-site manager and the construction superintendant to make sure resident issues along with deadlines are addressed (Example: where the port-a-potties are located). Everyone should be clear on areas of accountability and critical dates.

D. The on-site team should to have an opportunity to discuss concerns and issues through ongoing training.



V. Communication Plan

A. Conduct group meetings with existing residents to answer questions and promote goodwill. There are special safety and liability issues around the work area. Keep the area neat, clean and free of hazardous materials.

B. Stay informed on noise abatement issues (e.g. allowable hours in a day to conduct construction activities), parking problems, resident safety and inconvenience of any kind. Take action, communicate, resolve disputes, etc. Give updates and options all along the way.

C. Conduct personal appointments to overcome objections, address concerns and issues. Be proactive. Have a response strategy in place on sensitive issues (e.g. environmental).

VI. Summary

A. Include your entire on-site team from the beginning. Input and information.

B. Construction and management need to work as a cohesive team.

C. Keep your reputation intact.

D. Regardless of the strategy utilized remember the needs of the existing and new residents:

1. need to trust
2. need to be offered choices
3. need to feel in control

E. Every on-site team member must be fully aware, motivated and committed to the goals and requirements of the repositioning process.

