

3 Ps for Competing Against Resale: Placement, Positioning, People

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All builders face the challenge of competing against resale homes, particularly in this economy when foreclosures beckon the deal seekers. However, it's clear that new homes have many advantages over resale homes and the following strategies can help new home builders stay competitive.

PLACEMENT

In real estate, the mantra is location, location, location. The same could be said for listing and advertising your available new homes. According to the National Association of Realtors, 96% of home buyers from 18 to 45 use the Internet in their search making it imperative to have a strong online presence. This means more than just having a website — it means being found in the online locations where consumers are shopping for homes. And when you're positioning yourselves against resale homes, it's important to be right alongside them online – where potential buyers can find you.

Listings — List on the leading, national real estate websites alongside resale homes — MSN, Yahoo! Real Estate, AOL Real Estate, Homegain, Trulia, Frontdoor, RealEstate.com, Comcast, etc. To manage listings across a variety of websites, consider using a distribution service.

Advertising — Online advertising can be one of the most effective and efficient ways to connect with

buyers. Sixty percent of home shoppers are relocating — online advertising is the best way to catch their attention. Builders who add display advertising to their listing program can see up to 41% more leads than builders without advertising support.

- Reinforce listings with contextual, geo-targeted ads.
- Advertise on sites that resale home shoppers visit. Realtor.com is the #1 most visited homes-for-sale site, with more than 6 million consumers visiting each month.



- Ad retargeting is a form of online advertising by which ads are delivered to the consumer based on his or her previous searches. It allows you to continue the marketing conversation with customer after they leave a website.

Social Media — Consumers are relying on each other to find valuable information — social media is word of mouth on steroids. Consider offering incentives for existing customers to post reviews on various social media sites. At a minimum, you should have a presence on Facebook, LinkedIn, Twitter and Youtube.

POSITIONING

If your homes and communities are well-positioned, you will be able to build a stronger case against resale. Market positioning done well allows you to sell on more than price.

There are countless new home advantages and ways to position your homes that resale cannot offer, so make sure to highlight these types of features:

- Green features/affordable green.
- Community pools and water features.
- Parks and greenbelt.
- Clubhouses and common areas.
- Latest building materials.
- Built to the latest codes.
- Flexibility in floor plans.
- Builder's warranty.

Positioning is also about how you present your homes and communities. Consider using the following content to create the right impression:

Renderings — Not all renderings are created equal. Color has more impact than black and white, and 3D has more impact than 2D. Consider adding custom enhancements such as landscaping and lighting. Hyper realistic renderings have the

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most impact. The cost of renderings has considerably decreased from just a few years ago, making them affordable within the tightest of budgets.

Floor Plans — Add graphic enhancements, such as color, to differentiate your floor plans from the standard black and white variety.

Downloadable eBrochures — This is your opportunity to drive home your brand, your marketing messages and details about your community.

Video — The statics surrounding video beg the question — can you afford to not use video? Fifty-two percent of viewers take action after watching video, while Youtube is the second largest search engine after Google.

Professional Photography — High quality images with professional lighting make a better impression.

PEOPLE

Know your target market — the people to whom you are selling. What motivates their buying decisions? Where are they shopping online? When crafting your sales and marketing strategies, consider targeting these demographics:

Women — It's a new "she-economy" — whether single female buyers or married couples, women influence 91% of purchases. Women are interested in spa-like amenities, entertaining options, security and silent appliances. Consider how your homes and marketing messages are addressing women's desires.

Spanish Speaking — The Hispanic home buying market has increased by nearly 50%, and home ownership rates are expected to outpace others. Studies show that Hispanics are four times more likely to buy a product when content is in their language of choice. Options to target Hispanics include listing and advertising on Spanish language websites and making your website available in Spanish.



Canadians — Up from 11% just three years ago, Canadians now make up 23% of all international home purchases according to the National Association of Realtors. USA Today reported that Canadians have surpassed Californians in Phoenix-area real estate sales. One way to reach these potential new home buyers is to let an online marketing company like BDX help you send your targeted message to Canadian real estate agents.

Active Adults — Retiring baby boomers are downsizing and looking for amenities to stay active. Others are moving into their children's mother-in-law suites. Niche sites such as NewRetirementCommunities.com provides active adult home buyers with a comprehensive selection of new retirement communities.

Urban Dwellers — Young people typically look to buy smaller, more affordable homes or condos often where the action is — in the heart of the city. Websites such as UrbanCondoLiving.com target this demographic.



IN SUMMARY

In following the three "Ps" — placement, positioning, people — be where home shoppers search, proactively position your homes and communities, and know your target market.

