

Marketing Proposal
for
UBC Properties Trust



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1. EXECUTIVE SUMMARY

UBC Properties Trust (UBCPT) aims to become one of the leading green building developers in North America. The company has introduced REAP to ensure all new residential developments in UBC meet the guidelines set forth by REAP promoting green and sustainable developments

There are three current problems facing UBCPT. First, there is low awareness of green buildings by the consumers and developers. Second, consumers hold the perception of high costs and inconvenience associated with green buildings, which consequently discourages developers from offering green features to the market. Finally, consumers are reluctant to pay a premium for a home that pays back in the long term and sometimes in a non-monetary way.

The objective of this project is to advise UBC Properties Trust on the most effective way to promote REAP and consequently green and sustainable development. A clear and appropriate “language” must be defined to appeal to both the developers and the consumers.

In order to achieve a better understanding of the current green housing market, it is necessary to investigate the REAP regulations as well as industrial surveys of green buildings. Interviews with members from UBCPT and UBC Sustainability Office as well as developers will help define the attributes that are unique to green buildings. It is also necessary to conduct qualitative research studies which have the stated intention of understanding the general public’s perception of green buildings. In addition, secondary research studies will be conducted to uncover the detail costs associated with different green features and how consumers and developers react to the prices of these features.

Finally, we will develop a communication plan based on the “Four Ps”. The communication

plan will work with a budget of \$20,000, with a timeline of half a year to one year, starting from January 2007.

2. THE COMPANY

2.1 Background

UBC Properties Trust (UBCPT) is a market oriented private company wholly owned by the University of British Columbia. Robert (Bob) Lee, a UBC alumnus, believed that UBC should play an active role in “developing a portion of the UBC lands for residential development”. His innovative vision of “establishing long term endowment wealth for UBC by developing surplus land” and his appointment to the UBC’s Board of Governors in 1984 paved the way for the establishment of UBCPT in 1988.

UBCPT develops faculty rental housing, produces land use studies, manages an investment mortgage portfolio, and supervises the construction of institutional buildings. Furthermore, UBCPT services and markets lands for residential projects. UBCPT currently administers more than \$600 million worth of construction on campus, “making it one of the largest developers in the province”.

2.2 Mission and Corporate Value

UBC Properties Trust is authorized to support UBC in accomplishing its academic mission and building endowment, which is very important for maintaining UBC’s leading position in Canada, and ensuring the affordability of education in UBC. The mission of UBC Properties Trust is to “service and lease market oriented sites, usually on a prepaid basis for 99 years; to manage and/or dispose of off-campus real estate properties acquired by UBC, usually through donations; to undertake the planning and/or development of UBC institutional projects including infrastructure when requested by UBC; and to advise UBC when appropriate on its management

and development of institutional land holdings”.

2.3 Business Strategy

UBCPT follows a strategy of product differentiation by stressing the location and innovative green initiatives of its residential developments. UBCPT offers homeowners the chance to live in the province’s premier university in a high quality, eco-friendly home that features numerous environmental-friendly green features. It rents the land to developers for 99 years with the university as landlord and uses the funds generated from residential developments to support the university endowment fund.

2.4 Positioning

Recognized as one of North America’s leaders in green and sustainable development, UBCPT positions itself in the premium green building industry. In accordance with the university’s Official Community Plan which promotes a “diverse range of housing types and tenures”, UBCPT wishes to attract a wide range of income earners to its residences, hence many of its residences are actually subsidized. The OCP ensures that all developments in UBC complements the province’s Livable Region Strategic Plan which emphasizes building a compact, transit-friendly metropolitan area with a general theme of ecology, economy and community.

2.5 Consumer Analysis

Our secondary research shows that current and potential green building consumers in Vancouver are environmentally conscious but “skeptical”. Vancouverites are far more willing to reduce their individual greenhouse-gas emissions than comparable urban populations elsewhere in Canada and the United States. However, the same research also reveals that even though people have heard about “green building” or “sustainability”, their understanding is often vague and inaccurate. They tend to be skeptical about whether the green features will perform

effectively as advertised

2.5.1 Focus group

The objective of our focus group was to obtain ideas and comments from UBC residents regarding sustainable buildings. Individuals from the University Neighborhood Association were invited to participate. During the focus group, we asked questions in order to assess the participants' awareness, experience, and opinions related to green building in general and some of the features they have at home. We also addressed the participants' willingness-to-pay and purchase intentions by asking them to fill out our cost questionnaires. Finally, we presented different communication messages for each of the green features, and asked the homeowners to rank them according to their preference.

Based on the discussion of the focus group, we discovered that the participants are highly environmentally conscious, well-educated and relatively wealthy. They are well informed about green buildings and have high expectation for the performance of the green features. They recommend UBC to take more initiatives to promote the green housing market and increase customization in order to “empower” home buyers to choose what they really want. Since the participants have already bought their houses from UBC Properties, their willingness-to-pay for the green features tended to reflect what they had actually paid for them. The majority of the participants picked the highest price available from the cost questionnaire we provided (See Appendix I). In terms of communication messages, they are not only attracted by the messages which address positive environmental impacts, but also by the message describing cost savings and a comfortable and healthy lifestyle (see Appendix II). Furthermore, their rankings are very likely to be influenced by the wording, expression, and the structure of the messages.

2.5.2 In-depth Interview

We conducted in-depth interviews to gain insight into the views of the average consumer. We invited prospective homebuyers to take part in the interviews.

The interview results show that mainstream consumers are more preoccupied with cost than UBC residents (see Appendix III). Their opinions differ on many aspects from those of the focus group participants. Firstly, if they are satisfied with the features of their current home, they seldom think of buying a better one. Secondly, if they have a negative experience with one green feature, they tend to reject all of the other features (Halo Effect). Moreover, if they have heard about the ineffectiveness of green features from someone, they will be less likely to try green features themselves (Negative Word of Mouth Effect). On the other hand, if they have never had any negative experience with green features, they actually think having green features is a “smart” decision. They think the features will impress their family and friends and make them feel good about themselves. In terms of language, they like the language to be condensed, specific, and informative. They also react better to language that stresses health and positive environmental impact (see Appendix IV).

3. Industry Analysis

3.1 Industry Indicators

The Vancouver real estate market is currently quite active. With the provincial economy firing on all cylinders as it is, the number of home owners will undoubtedly keep increasing, while positive net migration also strengthens the demand. However, disproportional to the increasing demand, the condition of the housing market in Vancouver continues to be the tightest it has ever been. This is due to the fact that there is a severe shortage of new buildings, combined with high levels of demand. Low vacancy rates of rental apartments, high rental costs, and low interest rates for purchasers are all major reasons which motivate people to buy homes.

As a result of this, the average apartment price in Vancouver area has gone up by almost 250% in the past twenty years (Appendix V). Moreover, it is reported that apartment price will steadily increase in the following years.

3.2 Green building industry

The green building industry has developed at a fast pace in Canada in recent years. According to Canada Green Building Council (CAGBC) statistics, the green building industry started to enter a period of exponential growth around 1990. Currently, most of green buildings in the market are for commercial or institutional use. The number of residential green buildings available is limited in the Vancouver area. UBC Properties Trust is taking the initiative in developing residential green buildings. However, other developers are beginning to enter the market.

4. Competitive Analysis

4.1 Level of Competition

The level of competition diagram (appendix VI) provides a graphic illustration of the set of competitors facing UBC Properties Trust. In the green housing market, real estate companies compete by using well known and reputable brands, which play a critical role in the customer's choosing of a house. Moreover, the companies also compete by using customer service, which is aimed at bringing the best possible real estate experience to the homebuyers. Innovation is another method of obtaining a competitive advantage. Companies attempt to lead the industry by ways of the design and development of the house.

UBC Properties' most direct competitor is the SFU Sustainable Building Group. As seen in the graph, they both lay in the small ellipse representing developers of Green Low Rise

Houses on Campuses in the GVRD. In the next 5 to 10 years, 700 condos and town homes will be added to the UBC University Town mid-campus neighborhood alone. Within 10 years at SFU, 1,800 homes will create the first “UniverCity” subsection. In both cases, development is expected to continue for 25 years, adding thousands of new residents to each area. Few universities in the world are in a position to sell waterfront and mountaintop condos. Both institutions expect to make millions of dollars in profits.

On a broader scale, the green low rise buildings of UBC Properties are competing with green low-rise buildings in other regions of the Greater Vancouver Regional District (GVRD). The GVRD municipal government is becoming increasingly concerned about the sustainability of the region. In response to these concerns it has developed a BuildSmart program to encourage the use of green building strategies and technologies, as well as to support green building efforts by offering tools and technical resources. As a result, the competition from other green builders is becoming more intense, through the help given to them by the municipal government. UBC Properties competitors include Wisa Healthy Homes, which earned numerous rewards and is regarded as one of the best R-2000 Builders. Other competitors include Harris Challenge Projects Ltd, which has 26 years of experience in the design and construction of low energy, healthy and sustainable buildings. There is also Homescape Building & Design, which won big at the 2005 Cement Association of Canada (CAC) Housing Awards.

The competition is less intense among the non-green residential builders. However, there are customers who desire to live on campus but who prefer to not have green buildings. Since UBC Properties Trust plans to build only green buildings in the future, it risks losing out on that section of the market to other builders.

5. SWOT Analysis

Strengths

UBC Properties can take advantage of the strong brand equity UBC has built over the years. Its differentiation strategy based on sustainability development and prime location enables UBCPT to charge a premium for its products relative to its competitors' prices.

Weaknesses

Being a leader in the green housing market, the company has to bear all the costs and effort of introducing new concepts to the public and further educating them on green features and the features' benefits. Because it does not develop the land, (the developer does), UBCPT does not have flexibility in housing designs and marketing.

Opportunities

Recently, environmental issues have been featured prominently in the media (global warming) increasing people's awareness of green buildings. The trend towards healthy living (organic food, hybrid cars) further increases the growth potential for the "green" market. UBCPT has an opportunity to take advantage of these trends to further promote its products to a more receptive public.

In the past few years, the Vancouver real estate market has been booming. In some areas, property values have doubled and even tripled. Together with the healthy lifestyle trend green housing will be able to gain in popularity in the market. In addition, municipal governments such as North Vancouver's have helped the green building industry by facilitating the development and giving people incentives to live green. In our interview with David Sprague, he mentioned that initially he wasn't planning to build a green housing tower in North Vancouver but when faced with difficulties getting his project approved; his suggestion to add green features to the building was met with a receptive building council that quickly approved his project.

Threats

The BC housing boom may also be a threat to the green housing industry in BC. David Sprague cautioned that with such enormous demand, developers find they don't need green features to sell their projects, therefore green features are neglected. Also, green developers bear more risk than conventional developers since green developments require more capital investments relative to conventional ones.

6. RECOMMENDATION

6.1 Pricing

With its differentiation strategy in place, we suggest that UBC Properties charge a premium on its products relative to its competitors to reflect the extra benefits its houses has to offer. According to an online survey of 912 potential home buyers in the UK carried out in June 2004, 82% of the respondents would be prepared to pay an extra 2% for an 'environmentally-friendly' new home as oppose to a similar house that was not "environmentally friendly, and 17% of the respondents were willing to pay as much as 5% more.

6.2. Sales and Distribution Channels

At the moment, each developer establishes an on-site sales centre to promote their respective projects. We recommend UBCPT to further stress the features and benefits of the REAP to the developers. However, to ensure effectiveness, UBCPT should cut the message short and concise to ensure they don't overwhelm the developers with details. Perhaps a guide to all the features found in REAP followed by a simple explanation on why it is beneficial to the developer and how they can market the feature to the customer.

We recommend UBCPT to establish relationships with real estate agents to reduce the

burden of developers on marketing REAP. Encouraging real estate agents to promote REAP and consequently green features to their customers further increases the awareness of REAP and the benefits it has to offer. Performance-based pay such as commissions, may be offered as an incentive as well as recognition to encourage agents to talk about REAP when they are making their sales pitch to their customers. As with the developers, UBC Properties Trust should also educate these agents on sustainability concepts to ensure proper and effective marketing.

6. 3. Product Management

6.3.1 Consumer Benefits

There are many great features of green buildings. For the marketing campaign, we suggest emphasizing on some features instead of all. Through our survey and in -depth interviews, we realize that consumers care a great deal about energy saving and personal health. Hence, we would like to highlight several features such as Energy Star windows, energy efficient home appliances, and low emitting materials. It will not be wise to overwhelm the consumer with too much information and go into details. We recommend UBC Properties conduct research into the amount of cost and energy savings that on campus green buildings would produce. This would easily enable the average consumer to identify all the benefits of green buildings. Health and cost savings are the n^o=1 tangible benefits that must be marketed. Intangible benefits will include a more environmental friendly way of life that will benefit future generation.

6.3.2 Enabling for Customization

In a competitive market, being innovative and unique is one of the leading factors in company success. Mass production is no longer a suitable strategy for companies. Companies should design the product according to the different requirements of each customer.

Through our focus group discussion, we found a real need for customization in the

attendants. For example, one participant complained about the fact she couldn't customize her carpet. Other interviewees also had similar problems. Some of them were not satisfied with the original dual-flush toilet. They thought the quality was inadequate. Besides paying a higher price to own a green home, they still had to pay extra money to meet their own needs.

In order to attract customers, UBC Properties could work with developers to find ways to enable customer customization of their homes. After purchasing a home, buyers can add additional indoor green features according to their own specific requirements.

Although this concept might increase the initial cost, as each home will have varying features, it will improve the marketability of the home. Consumers will be more interested if they can actively participate in the design of their homes, as shown in the co-development projects.

6.4 Promotion and Marketing Communications Strategy

6.4.1 Objectives of the Communication Strategy

The main goal for our communications strategy is to create value for the Residential Environmental Assessment Program (REAP) so that developers and UBC Properties Trust can use REAP requirements as a selling tool. Our strategy reflects UBC Properties' business strategy of an on-campus mixed housing development. Our communications plan is comprehensive and broad based. Firstly, it intends to remind the convinced consumers of UBC Properties' leading-edge approach in respect of green building. Secondly, it aims at expanding UBC Properties' potential market by informing and educating the mainstream consumer about the benefits of green building.

A majority of consumers choose their homes based upon the following criteria: location which is by far the most important one, followed by functionality expectations and building integrity. All other criteria come next. Consumers can only remember a small percentage of

given information. Therefore developers have not so far integrated the sustainability message to their selling pitch.

Because of this reduced attention ability, our plan will not address and promote REAP as a whole. Our research also indicates that it is much more relevant to focus on specific, practical and documented measures. Our data analysis has enabled us to break down the REAP requirements into ten strategic features. After having studied other industries, we have realized that the majority of consumers do not respond to messages about sustainability because they cannot link general ideas and principles with their daily lives.

Our communications strategy combines immediate measures with a long term vision. We are convinced that sustainability will be a real argument in the long run. Sustainability stands for quality standards, efficiency, thoughtful design and reduced ecological footprint. As such it matches the needs and wants of an increasing number of customers. It also enables developers to cope with competition by differentiating their offer.

In a few years, sustainability may very well come just after location in terms of criteria ranking. The word “sustainability” could be perceived as including the functionality and building integrity aspects in the minds of consumers.

6.4.2 Target Audience

Segmentation

Green Consumers

This group of people is aware of green issues, and they enjoy buying green products and services. They also tend to be relatively well off and highly educated. They also feel optimistic about the integrity of future technological developments, and they place environmental protection above economic growth.

Green Thinkers

This group of people looks for new ways to help the environment and seeks out green products and services. They are often young parents who are concerned about the environment. However, they are not confident as to whether environmental problems will become solved or not. They tend to be highly educated, but are usually less wealthy than Green Activists.

Green Realists

This group of people also claims to be concerned about green issues. However, they seldom change their consumption behaviors in response to green concerns. They are highly price-sensitive and always want the best value for their dollar.

Grey Customers

This group of people is less educated and often unaware of green issues. They care little about the environment, and feel pessimistic about possible solutions to save it. They view green products and services to be inconvenient, and believe that using these products would require a significant change in their lifestyles that they are not willing to commit to.

Targeting

The majority of the UBC Properties customers belong to the Green Consumers group. However, the market share of this customer group is so small that we recommend the company look elsewhere for other groups to service. We believe that Green Thinkers and Green Realists can also become potential customers. The company should try to understand their needs and tailor marketing communications to suit them. The company should forgo attention to the Grey Customers group. Although this segment is not totally hostile towards green features, even though they care very little about environment, the company should only focus on the other groups in order to get the best return on money spent for marketing

6.4.4 Finding the Language

To ensure an effective marketing campaign, it is crucial that the language use in the marketing of REAP is suitable and appeals to the target consumers. The language must be simple, concise and direct. It will not be wise to overwhelm the consumer with too much information and to go into details. The appropriate language we select will form the image we want to project to the consumers regarding REAP. The focus group and in-depth interviews we conducted will assist us in designing the appropriate language.

The marketing language must stress the tangible and intangible benefits of the features found in REAP (see appendix VII for a list of sample messages). From the focus group and in-depth interviews, we discovered that tangible issues such as health and cost savings were highly valued while intangible benefits such as protecting the environment was the main issue. We propose a series of concise and to-the-point messages revolved around these benefits to maximize the effectiveness of the marketing. From our focus group and in-depth interviews, we have found some messages that are effective and appealing to the participants while some messages were unappealing and failed to arouse the participants' interest.

Aside from consumers, we must also engage the developers in the marketing of REAP. From our interview with David Sprague, it was revealed that developers view REAP as a risk and a liability. The marketing language must emphasize that REAP will allow them to differentiate their products from their competitors while enabling them to build a higher quality building that minimizes maintenance cost as well as being environmental friendly.

6.4.4. Marketing Communications Plan Design

6.4.4.1. Budget Consideration

We have worked out our plan with a budget of approximately \$ 20,000. This figure was

suggested to us by the UBC Sustainability Office as corresponding to the amount of realistically available resources. These funds are to be spread out over a period ranging from 6 to 12 months which corresponds to the length of the communications campaign.

We will provide only a rough estimate of the costs associated with our communications plan proposal. Our research and the allocated budget have led us to come up with a strategy that combines the use of advertising with that of personal selling, utilizing public relations and publicity.

6.4.4.2. Alternative 1

The first priority would be to orient the communications plan on print ads. Ads could be placed in luxury furniture stores, such as Bombay, Inspiration Interiors, Pier 1 Imports and Industrial Revolution. This is a good strategy because people often browse for furniture before buying their house. Ads in newspapers and magazines are another way of providing a great deal of information. Relevant magazines could be BC Home or BC Business magazines. The supply for newspaper ads is very diverse. The Vancouver Sun and other professional papers are only a few of the possibilities

Pros: It is a flexible and low priced way of reaching an important pool of potential buyers

Cons: The life of print ads is relatively short. Print ads may not be attractive enough to the mainstream consumer.

6.4.4.3 Alternative 2

A possibility for UBC Properties is to focus the communications strategy on public relations (PR) and personal selling.

In terms of PR, UBC Properties could choose to sponsor clubs near the UBC gates such as the University Golf Club, Jericho Tennis Club, or the Royal Vancouver Yacht Club.

Sponsorships would enable UBC Properties to organise workshops and conferences on the spot. This would be aimed at attracting the high income sector of buyers.

To reach mainstream buyers, UBC Properties could work with developers to sponsor events at trade fairs, or develop partnerships with certain retailers. In terms of personal selling, UBC Properties might consider involving the developers in communicating about REAP and green features to the buyer, perhaps during open house events held on campus. This could be achieved by possibly adding it as a requirement to REAP.

Working with real estate agents might also be a possibility. So far properties on campus have been sold strictly through events organised by the developers only. Partnerships with realtors may be another option, so that trained real estate agents would be able to orient clients towards green buildings.

Pros: PR suit the message UBC Properties wants to convey since its communications strategy is one of long term vision and does not include a specific sales message. Personal selling is also critical because buying a home is an important and time-consuming process for people.

Cons: Sponsorship and personal selling are limited in scope. They do not reach a large audience.

6.4.4.4 Alternative 3

A third option for UBC Properties would be to focus on e-advertisement and publicity. This strategy would involve the use of paper advertisements only as a way of informing consumers about the existence of the UBC Properties website, and the date of organized events. Paper ads could be in the form of flyers, newspaper and posters. This strategy combines both a direct and indirect approach to promoting green building. The media exposure will undoubtedly stimulate the curiosity of consumers so that they will be inspired to learn more.

In terms of publicity, we recommend that two types of action be executed. A prudent

measure would be to participate as an expert in the Realty Television show which airs on Saturdays at 9:30am on CityTV. This show covers all of the important topics to equip Lower Mainland home buyers and sellers with information to get into, or remain in, the hottest market in Canada. Realty Television's Host, Dawn Chubai presents a weekly review of the Vancouver market and interviews experts for their opinions on the real estate market.

More emphasis should be put into a long term approach. This would include sending out newsletters on a regular basis and organising open houses events. Both newsletters and open houses should be targeted to actual homeowners (to launch a word of mouth process) as well as journalists, developers, realtors and all other persons that would have subscribed through the UBC Properties website. The newsletter should update people on UBC Properties achievements and create news stories. It could possibly be written by UBC students in order to cut costs.

Events should be organized on campus, at least for each new development and even more regularly if possible. Open house events would feature a replica of a UBC Properties unit and a replica of a regular home. The display would enable the audience to interact with both regular and green features, helping them to understand for themselves how the features differ. Developers could be involved in the organization of these events. These open houses should be combined with workshops/seminars. An alternative to organizing open houses on campus could be to take part in exhibitions or trade shows, relying on the same pitch.

We also recommend that UBC Properties revamp its website. The innovative aspect of UBC Properties should be conveyed by the website. All developers creating a new development on the UBC campus should display a link to www.ubcproperties.com from the website that they create. To increase the interaction with consumers, some of the applications on the website should include on-line demos of green features and 3-D virtual tours of a “green house”.

Another application could be a schematic representation of a house which would enable the user to click on a feature and get some information from an actual voice. For this feature we suggest improvement by using the energystar@home application (to be found on www.energystar.gov) and to adapt it to UBC Properties developments. When clicking on a feature users could also enter some data about their way of living, and use a calculator application that would compute how buying an average REAP building would impact both their pocketbook and their ecological footprint.

Another possibility is to create a clock that would display how much savings are made in real time in an average REAP abiding development in terms of water, energy, and other costs. These applications would mainly convince the mainstream consumer of the benefits of green building.

The UBC Properties website should also display a small summary of the REAP requirements, some information about some model developers such as Adera, and compare REAP to other initiatives worldwide. This would convince the green conscious group of buyers. In order to make it more entertaining UBC Properties could organize an on-line game. It could be based on a quiz regarding green building and REAP, as well as a small writing contest on the benefits of green building.

The website could also host a forum where users could exchange ideas about green building on campus and exchange tips. Our focus group demonstrated that green conscious people really appreciated the ability to share their views. The forum could enable people to interact on green topics, while allowing the collection of relevant and targeted data.

Pros: Green building is a technical topic. Publicity is a low cost means to gain wide public exposure and convey multi-faceted messages. Publicity also fits the subject of green building

since it benefits from a high credential level.

Our research has also provided us with evidence that e-advertisement is really convincing. The general trend has been summarized by Ron Desjardins of housing market analysis firm PMA Brethour Group, quoted in the National Post, Thursday, November, the 16th : “Although the proportion of people completing a sale with no contact with salespeople is low, upwards of 75% use the Internet in some part of the buying process. Our data comes from our interviews with consumers and building professionals but also from our focus group. For instance, some innovative applications on the Energy Star website such as the Refrigerator Replacement Tool which enables to calculate the energy and cost savings of switching to an energy efficient model, has between 20.000 and 21.000 hits a month, according to Shayna Brause, webmaster.

Using both at the same time enables UBCPT to arouse interest and provide knowledge while developing its brand image. This solution is comprehensive and cost-efficient.

Cons: Since the ideas are new to UBCPT, there are uncertainties and risks associated it. This plan requires high conviction and involvement levels within the organization.

6.4.4.5 Communication Recommendation

After reviewing the pros and cons of each of the possibilities listed before, we recommend that UBC Properties go for the third solution, since it is creative, efficient and cost-effective. It reaches a great deal of people from different segments of the population. Nevertheless some elements of the other alternatives may be used as well. We worked out this plan to match the objectives, as well as the needs and wants, of the target audience.

In addition, UBC Properties should put in place a system to collect feedback. According to a webmaster from CornerFast, the website design would cost \$ 4000. Printing third-page ads

in magazines such as BC Business Week magazine costs around \$3, 600, in magazines such as BC Homes \$ 1.500. Printing a 4 colour brochure costs \$3.66 per booklet (according to the Kinko's price list). The costs of creating a display should be shared by the developer; it shouldn't cost more than \$ 3.000. The third solution which will have a great impact on the target audience is therefore within the budget possibilities.

6.4.5 Implementation

6.4.5.1 Timeline

Printed Advertisement

The complete timeline is showed as Appendix VII. Since printed ad is considered the widest communication tool to reach the target market, the message on it must be very convincing and effective. Therefore, the design and editing steps are crucial. Since the information on the target audience and their language preference is already available, it will be possible to design a printed ad in a week. In the second week of pre-testing, some feedback should be available and the appropriate revisions should be made and completed by the end of this month. Once the editing of printed ad is finalized, we can start to get it published.

One day would be enough to print out the posters, and deliver and post them in the chosen locations. Local newspaper ads should be submitted three to five days in advance, and approximately one month and half in advance for magazine ads.

Website

Developing a website could take as long as a few days to a year depending on how many programs, graphs and pages the website will have. Since we are planning to develop a graphic intense website with many images, links and flash, it should take approximately three months to complete. However, in order to create awareness as soon as possible, once the main

features and related descriptions are finished, we can start to run the website and continually add new features and descriptions.

Marketing Research

In the first week of February, we should start to look at real estate and economic reports to predict trends that will affect our marketing campaign

Open House

One month should be reasonable to simply install the green features (dual flush toilet) in the showrooms. However, the open house workshop will not be efficient before the awareness reach a significant level. Therefore, the first open house workshop could be held two weeks after the newspaper ads are published. In addition, we assume that the awareness will increase substantially after the website is fully operational along with the continuous exposure of newspaper and magazine ads. During April and May, according to the marketing research, we can consider holding open house workshops depending on demand.

6.4.5.2 Responsibility

UBC Properties Trust should cooperate with the Sustainable Building Center to create both the printed ads and the website, since the SBC has had some experience designing brochures and promoting green developments. Moreover, UBC Properties Trust could build the open house with the help of the developers.

7. Conclusion

To ensure REAP is developed to its full potential, it is crucial for UBCPT to coordinate an effective communication strategy to fully convince developers and consumers alike on the benefits and added values that REAP can provide. With their concerns met, developers will be more effective in promoting REAP to their customers while educated consumers will demand

that their homes be REAP certified. The “Chicken and Egg Problem” that Jorge Marques mentioned can then be finally resolved.

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Appendix I: Focus Group Survey Results: Extra Money to Pay

In the focus group, we asked the participants to indicate how much premium they are willing to pay for each of the features.

Dual flush toilet

The average cost for a regular toilet is \$ 70. How much premium would you be willing to pay for a dual flush toilet?

Range	Number of People Chose
\$ 0 – 50	1
\$ 50 – 100	1
\$ 100 – 150	0
\$ 150 –200	0
\$ 200 – 250	0
\$ 250 – 300	1
\$ 300 – 350	0
Above \$ 350	3

Water efficient appliances

The cost of a conventional refrigerator is \$ 1070. How much more are you willing to pay for an environmentally friendly appliance?

Range	Number of People Chose
\$ 0 – 10	0
\$ 10 – 20	0
\$ 20 – 30	0
\$ 30 –40	0
\$ 40 – 50	0
Above \$ 50	6

Energy efficient windows

A basic “conventional window” costs \$ 400. How much more are you willing to pay for an energy efficient window?

Range	Number of People Chose
\$ 0 – 70	0
\$ 70 – 140	1
\$ 140 – 210	1
\$ 210 –280	0
Above \$ 280	4

Low- emitting materials

The regular latex house paint costs around \$16.50 per gallon. How much money are you willing to pay for VOC (volatile organic compounds) paints?

Range	Number of People Chose
\$ 0 – 5	0
\$ 6 – 10	0
\$ 11 – 15	1
\$ 15 –20	0
\$ 40 – 50	0
Above \$ 20	5

Appendix II: Focus Group Survey Results: Messages Ranking

In the focus group, we asked the participants to rank the messages for each of the green features based on their preference. (“1” for very appealing, “2” for less appealing, and so on.)

A. Energy Star Appliances	
A1 Specify Savings	Three people ranked 1. Three People ranked 3
A2 Concern about next generation	One person ranked 1. Two people ranked 3. Three people ranked 2
A3 Environmental Friendliness	Two people ranked 1. Three people ranked 2. One person ranked 3
A4 Savings > Costs	All ranked 4

B. In-Suite Recycling and Composting	
B1 Environmental Friendliness	All ranked 1
B2 Comfort	All ranked 2

C. Heat Recovery System	
C1 Effectiveness	Two people ranked 2. Four people ranked 3
C2 Savings > Costs	Four people ranked 1. Two people ranked 2
C3 Comfort	Two people ranked 1. Two people ranked 2. Three people ranked 2

D. Ventilation Effectiveness	
D1 Environmental Friendliness	Two people ranked 1. Three people ranked 2. One person ranked 3
D2 Higher resale value	One person ranked 2. Five people ranked 3
D3 Health	Four people ranked 1. Two people ranked 2

E. Low-flush toilets	
E1 Savings	Three people ranked 1. Two people ranked 2. One person ranked three
E2 Environmental Friendliness	Three people ranked 1. Three people ranked 3
E3 Reliance and Effectiveness	Four people ranked 2. Three people ranked 3

F. Low-flush Showerheads	
F1 Environmental Friendliness	Two people ranked 1. Three people ranked 2. One person ranked 3
F2 Savings	Two people ranked 2. Four people ranked 3
F3 Effectiveness	Four people ranked 1. One person ranked 2. One person ranked 3

G. Window	
G1 Noise Concern	All ranked 3
G2 Comfort	All ranked 2
G3 Savings	All ranked 1

H. Low-emitting materials	
H1 Environmental Friendliness	One person ranked 2. Four people ranked 3
H2 In-door quality	One person ranked 1, Three people ranked 2, One person ranked 3
H3 Health	Four people ranked 1, One person ranked 1

I. Geo-exchange Heating System	
I1 Savings	One person ranked 1. Four people ranked 2. One person ranked 3
I2 Comfort	One person ranked 2. Five people ranked 3
I3 Environmental Friendliness	Five people ranked 1. One person ranked 2

J. Insulation	
J1 Comfort	Four people ranked 1, One person ranked 2 One person ranked 4
J2 Savings	Four people ranked 2, Two people ranked 3
J3 Environmental Friendliness	Two people ranked 1, Three people ranked 3, One person ranked 4

Appendix III: In-depth Interview: Extra Money to Pay

In the in-depth interview, we asked the participants to indicate how much premium they are willing to pay for each of the features.

Dual flush toilet

The average cost for a regular toilet is \$ 70. How much premium would you be willing to pay for a dual flush toilet?

Range	Number of People Chose
\$ 0 – 50	0
\$ 50 – 100	1
\$ 100 – 150	2
\$ 150 –200	0
\$ 200 – 250	0
\$ 250 – 300	0
\$ 300 – 350	0
Above \$ 350	0

Water efficient appliances

The cost of a conventional refrigerator is \$ 1070. How much more are you willing to pay for an environmentally friendly appliance?

Range	Number of People Chose
\$ 0 – 10	3
\$ 10 – 20	0
\$ 20 – 30	0
\$ 30 –40	0
\$ 40 – 50	0
Above \$ 50	0

Energy efficient windows

A basic “conventional window” costs \$ 400. How much more are you willing to pay for an energy efficient window?

Range	Number of People Chose
\$ 0 – 70	1
\$ 70 – 140	1
\$ 140 – 210	1
\$ 210 –280	0
Above \$ 280	0

Low- emitting materials

The regular latex house paint costs around \$16.50 per gallon. How much money are you willing to pay for VOC (volatile organic compounds) paints?

Range	Number of People Chose
\$ 0 – 5	1
\$ 6 – 10	2
\$ 11 – 15	1
\$ 15 –20	0
\$ 40 – 50	0
Above \$ 20	0

Appendix IV: In-depth Interview: Messages Ranking

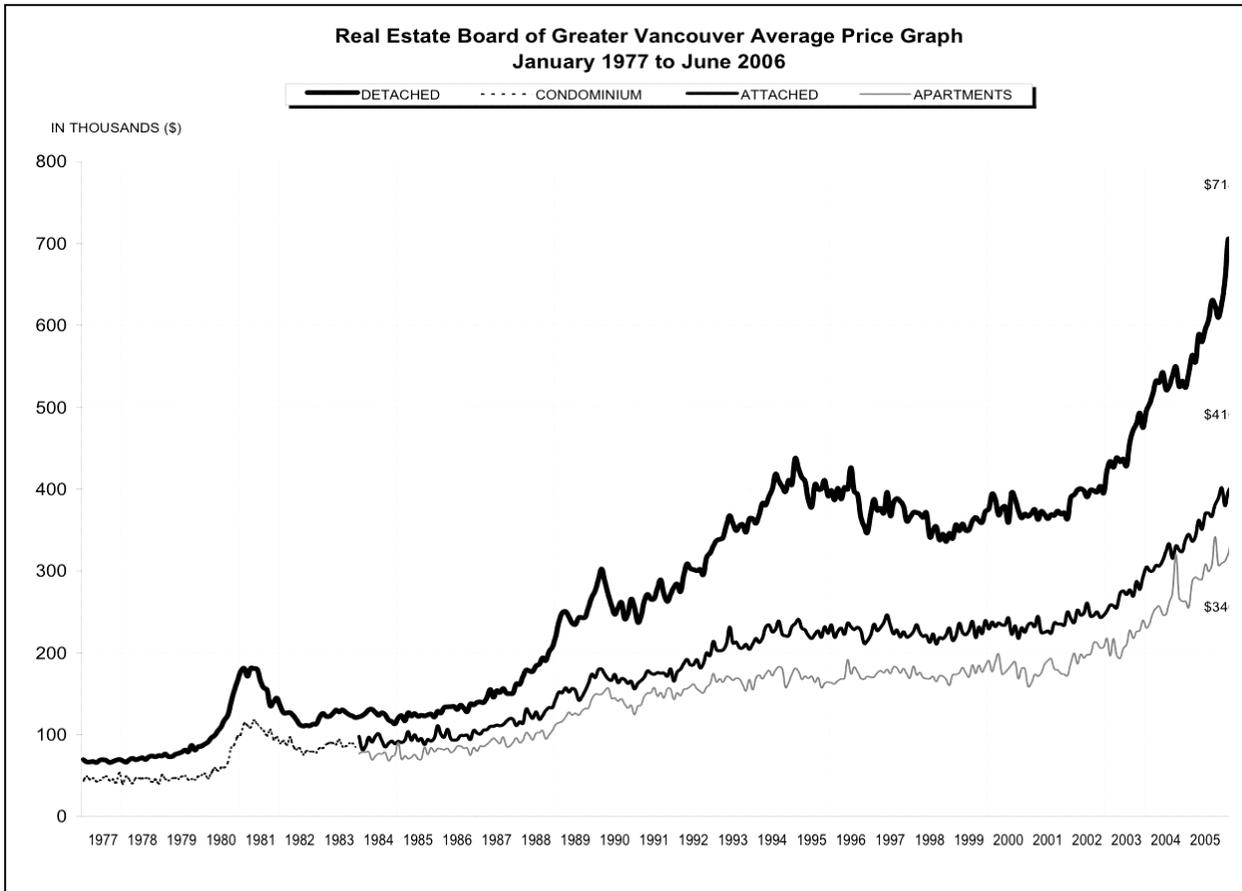
In the in-depth interview, we asked the participants' opinions of each of the messages.

A. Energy Star Appliances	
A1 Specify Savings	Direct
A2 Concern about next generation	Too serious, not specific
A3 Environmental Friendliness	Direct
A4 Savings > Costs	Too broad and too vague, not effective
B. In-Suite Recycling and Composting	
B1 Environmental Friendliness	Specific, informative
B2 Comfort	Not specific.
C. Heat Recovery System	
C1 Effectiveness	Short, understandable, direct, scientific
C2 Savings > Costs	Too long
C3 Comfort	Convincing
D. Ventilation Effectiveness	
D1 Environmental Friendliness	Informative
D2 Higher resale value	Not related to health or environment
D3 Health	Good to stress on health—main concern of human
E. Low-flush toilets	
E1 Savings	Specific
E2 Environmental Friendliness	Specific
E3 Reliance and Effectiveness	Too general
F. Low-flush Showerheads	
F1 Environmental Friendliness	Not sure if it is true
F2 Savings	Not true according to their experience
F3 Effectiveness	Not true according to their experience
G. Window	
G1 Noise Concern	Not care about the benefit
G2 Comfort	Not right to the point
G3 Savings	Too long
H. Low-emitting materials	
H1 Environmental Friendliness	Hard to understand
H2 In-door quality	The best because it is the simplest
H3 Health	Too detailed

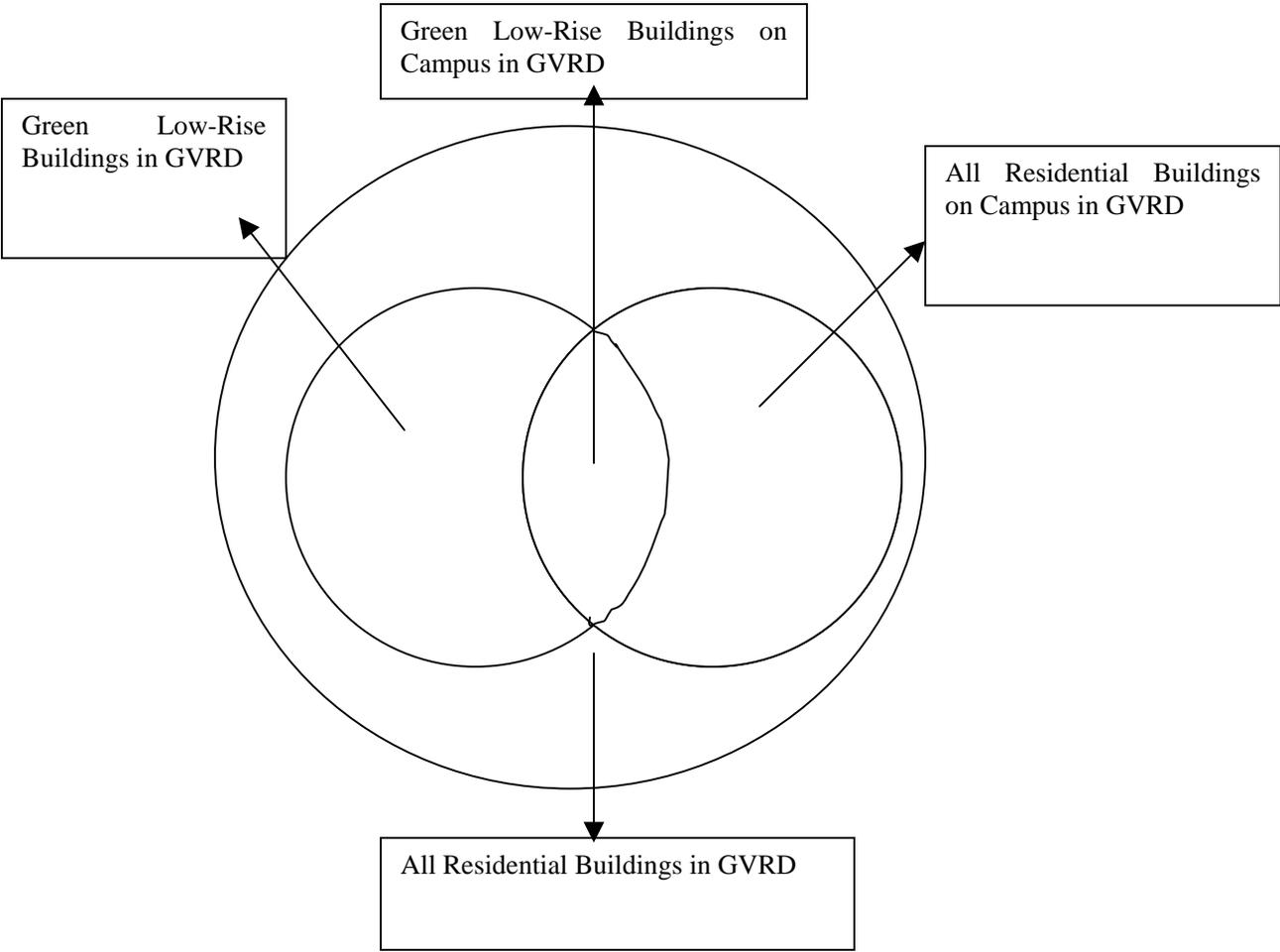
I. Geo-exchange Heating System	
I1 Savings	Not special, not appealing
I2 Comfort	Emotionally appealing
I3 Environmental Friendliness	Too long

J. Insulation	
J1 Comfort	No emotional attachment with this message even it stresses on comfort; The message should be shorten when talking about intangible benefits
J2 Savings	Their personal concerns
J3 Environmental Friendliness	Global effect is a too broad topic

Appendix V: Real Estate Average Price of Greater Vancouver Graph



Appendix VI: The level of Competition Diagram



Appendix VII: Emphasized Green Features for the Marketing Campaign

We recommended UBCPT to focus on these green features:

1. In-suite recycling and compost separation

A space and system is provided for simplified separation and collection of recycling and compostables in each suite or unit.

2. Appliances: Energy Star dishwashers, refrigerators, and clothes washers

Energy Star products are not only top of the pack in terms of energy efficiency, they're also high-performing. It is an international symbol of premium energy efficiency which is usually accompanied by the EnerGuide label. They contribute to water and electricity consumption reduction.

3. Insulation

This feature includes minimum roof, exterior wall, and floor insulations. Insulation ability to resist heat flow is measured by R-value, i.e. when you double the R value of your insulation, the heat flow through the insulated surface will halve. As a result, there would be less greenhouse gas emissions.

4. Energy star windows

The quality of the windows is measured by u-value (rate of heat transfer in watts per square metre). The lower the U-value, the slower it transfers heat from a warm area to a cold area. It does a better job of keeping heat inside when it's cold outside.

In addition to reducing household energy costs and GHG emissions, ENERGY STAR-qualified fenestration products increase comfort levels, reduce noise from outside the home, collect less condensation in cold weather than standard products, and allow fewer ultraviolet rays to pass through glazed areas, thus better protecting furniture, carpet and valuables from sun damage.

5. Heat recovery system

The system provides positive moisture control and heat recovery and will help ensure a healthy indoor environment for the occupants. Mechanical ventilation systems are used to bring fresh air into and remove stale air from your homes. As warm air is expelled from your house, it warms the incoming cold, fresh air before it's circulated throughout your home. The result is a constant supply of fresh air, no unpleasant drafts and greater home comfort.

6. Geo-exchange heating system

This technology relies primarily on the Earth's natural thermal energy, a renewable resource, to heat or cool a house or multi-family dwelling. It is able to deliver comfortably warm air, even on the coldest winter days, and because of their extraordinarily low operating costs. As an additional benefit, geexchange systems can provide inexpensive hot water, either to supplement or replace entirely the output of a conventional, domestic water heater. It requires little maintenance or attention from homeowners unlike conventional furnaces.

In winter, the Earth's natural heat is collected through a loop and processed, which will then be

released inside the home at a higher temperature. In summer, the process is reversed in order to cool the home. Excess heat is drawn from the home, expelled to the loop, and absorbed by the Earth.

They can be located indoors because there's no need to exchange heat with the outdoor air. They're so quiet homeowners don't even realize they're on. They are also compact. Typically, they are installed in a basement or attic, and some are small enough to fit atop a closet shelf. The indoor location also means the equipment is protected from mechanical breakdowns that could result from exposure to harsh weather.

7. Low-emitting materials

Low-emitting materials contribute to a good indoor air quality. The materials include low VOC adhesives and sealants, paints or coatings, floor coverings, and urea formaldehyde-free cabinetry and wood products (e.g. doors, trim, flooring).

VOC (Volatile Organic Compounds) from the paints or sealants contribute to sick building syndrome because of their high vapour pressure. The urea formaldehyde-free protects occupants from the toxic formaldehyde vapor emitted in the curing process, as well as from the breakdown of old foam.

8. Effective ventilation

An effective air management strategy has been designed to meet the requirements of CSA F326 or ASHRAE-62. It ensures an effective inflow and outflow of air in the house. It provides cleaner and fresher air inside the house.

Appendix VII: Samples of Messages

This is the time to give back to our mother earth.

“I just got a new TV. I bought it with my utility bill savings!”

Better Home = Better Insulation + Better Air Quality + Better Indoor Environment = Better Health + More Comfort

Healthier Home, Healthier Environment. Ask your local realtor about REAP today

REAP. Sustainable Living at its best

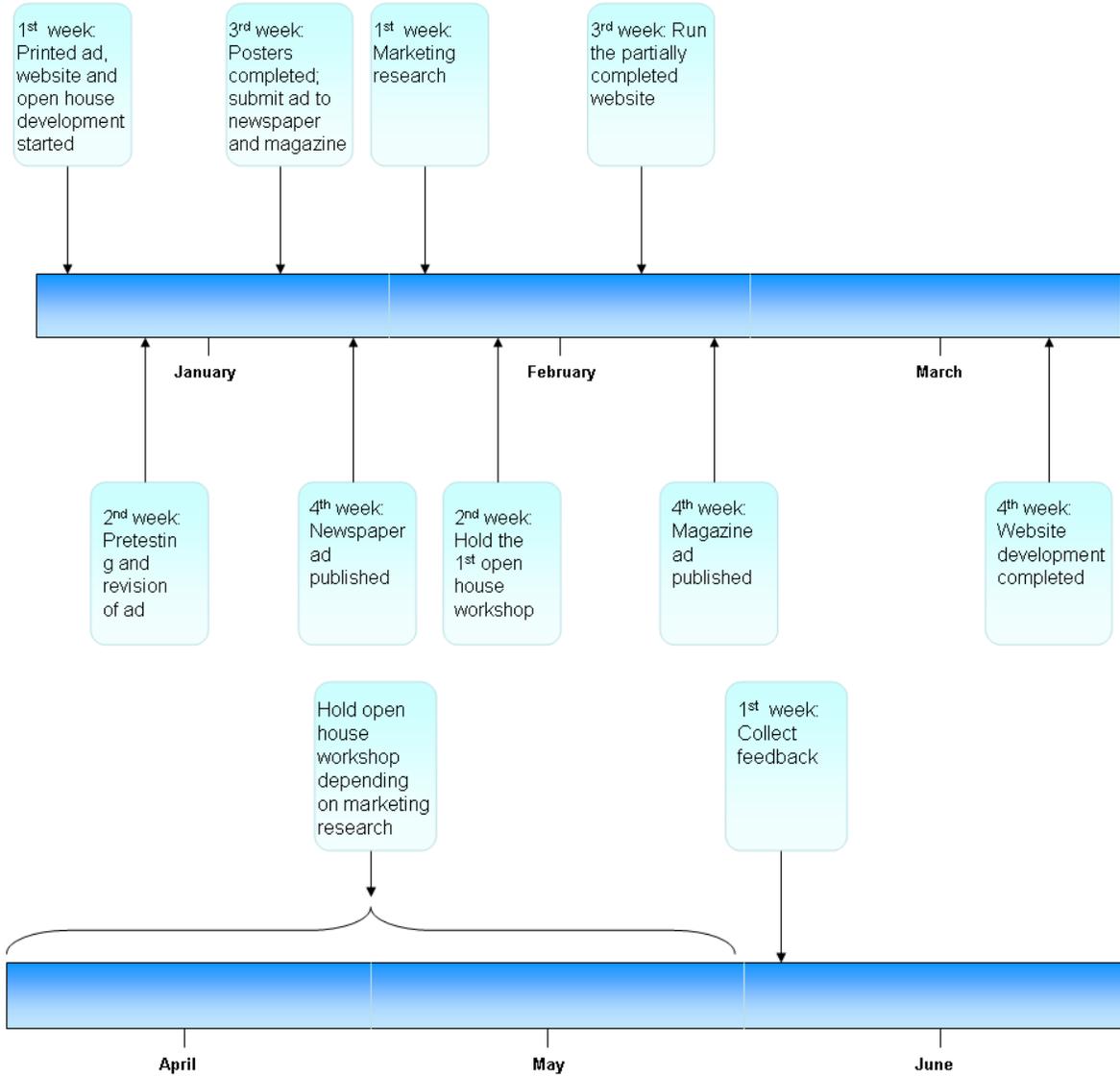
Appendix IX: Communication Costs Breakdown

Website design	\$ 4,000
BC Business Magazine ad	\$3,600
BC Homes Magazine ad	\$1,500
Brochure ¹	\$ 732
Display	\$ 3,000
<hr/>	
Total	\$ 12, 832

¹ 4 colour brochure (Kinko's price list) costs \$3.66 per booklet. We estimated 200 booklets will be printed out.

Appendix X: Timeline

Timeline



Appendix XI: Monitors and Controls – Summary of Recommendations

Recommendation	Cost and Time involvement	Criteria for measuring success
Website redevelopment	Redevelopment period, approximately \$4000, frequent maintenance	# of hits at any given time, comments from visitors, # of people join the forum
Paper ads	Designing, submitting, distributing the ads; Magazine ads cost vary from \$1500 to \$3600, Booklets cost \$3.66 each	# of website visitors after launching ads, # of people inquiring about the open houses
Realty Television Show	Free, preparation time and the actual time for the interview	Publicity generated, # of inquiries after the show
Newsletters	Designing and updating the newsletters, updating subscriber database	# of people in the database
Open houses	Cost and time to set up display, preparing for the workshops	# of visitors, # of sales on the spot, # of inquiries after the events
Trade shows/exhibitions	Hiring sales representatives, booth preparation, it costs \$34.50 per sq ft to join Globe 2006 trade show ¹ .	# of visitors, # of people signing up for newsletters

¹ Globe 2006 is a trade fair and conference on business and the environment in Vancouver. It covers topics, such as corporate sustainability, smart energy, and innovative urban development. The next event will be held on March 12-14, 2008.

Source: www.globe2006.com