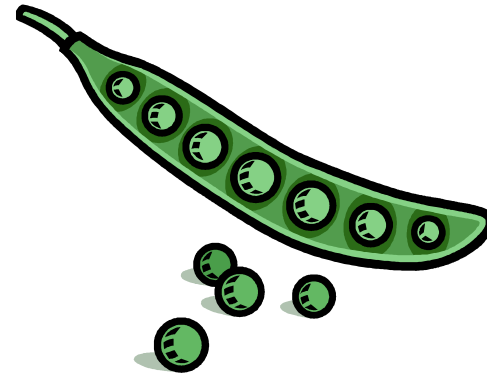


THE MARKETING PLAN

- ▶ ***A BRIEF LOOK AT WHAT YOU SHOULD CONSIDER WHEN MARKETING YOUR COOPERATIVE AND MARKETING YOUR SHARES!***
- ▶ ***THE FOUR P'S OF A MARKETING PLAN***
- ▶ ***October 2014***
- ▶ ***Marlene Dau, President of Tailor Made Property Services, Inc***



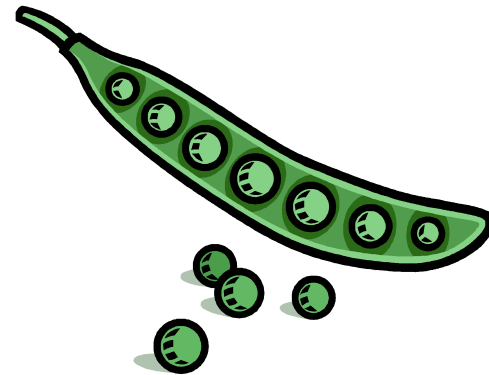
What should be the first strategy of any marketing plan?

- ▶ Simply:
- ▶ “You cannot sell what you do not understand or believe in”!



PERCEIVED VALUE

“PERCEIVED VALUE IS A VALUE THAT CONSUMERS PLACE ON PRODUCTS BASED ON WHAT THEY BELIEVE SOMETHING IS WORTH!

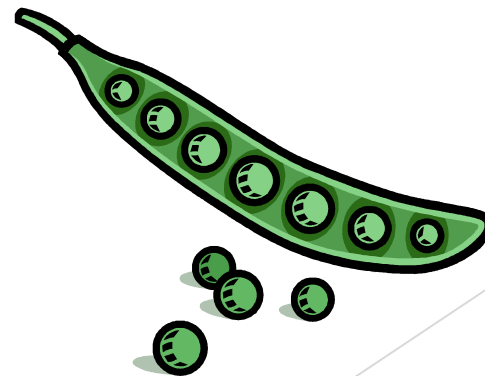


FACTORS THAT INFLUENCE A CONSUMERS PERCEPTION

- ▶ *Size of the home
- ▶ *Amenities included
- ▶ *Amount of paperwork and red tape required to be approved
- ▶ *Customer service skills of the Property representatives they encounter
- ▶ *Reputation (good or bad) of the property itself
- ▶ *Age of the building
- ▶ *State of repair the building is maintained in
- ▶ *Level of service provided
- ▶ Cooperative versus apartment versus home purchase
- ▶ Location, location, location
- ▶ The list goes on and on. Often decision to purchase has nothing to do with price!

Perceived Value.....one more thing!

- ▶ Buying into a Cooperative is an emotional undertaking. What people see and what they encounter will have a drastic impact upon your success.
- ▶ What would commonly be “perceived” as more valuable?
- ▶ A \$1,200.00 (5) carat diamond bracelet from Tiffany’s or a \$1,200.00 (5) carat bracelet from Jim’s Jewelry store?
- ▶ Lets take a minute and look at a comparable you can view this way with your Cooperative and a competitive property.



THE MARKETING PLAN!

Solid plan, right ingredients, lack of ego!



- ▶ The Big 4 Pea's:
 - ▶ Product
 - ▶ Price
 - ▶ Promotion
 - ▶ People

- ▶ We have time to only touch on each one briefly, but of course the first question, is do you have a marketing plan?

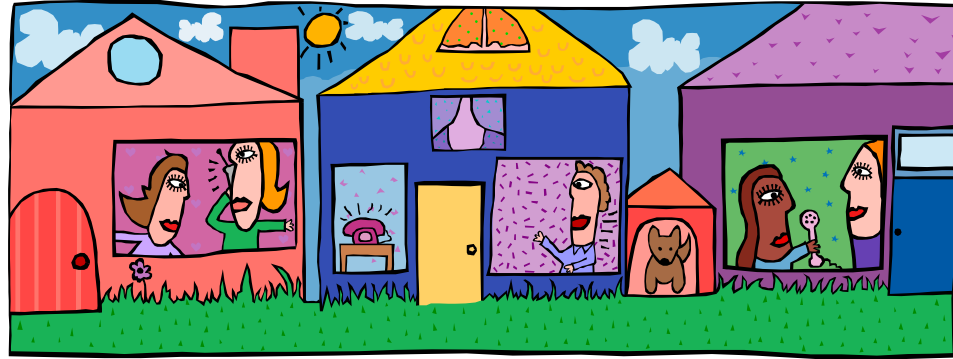
THE PRODUCT

Try to know “everything”

- ▶ Product knowledge: You cannot sell what you don't know. (word of warning, as a Board Member, if you do not know, learn it or do not try to sell it!)
- ▶ Start by learning your “own backyard” Find out everything you can about your property.
- ▶ In other words, be the most informed Duck in the Pond!
- ▶ Note your findings in something you can call the “Product Knowledge Notebook” by electronic, by hard copy, by cards, whatever works. All staff should have one in the way that best works for them to inform, market, compare, and learn the Cooperative they are responsible for selling.



THE PRODUCT



- ▶ After you think you know “everything” about your product then what do you know about your competing market?
- ▶ Who are they? Where are they? What is going on in those neighborhoods?
- ▶ What are your and their demographics? What are the neighboring demographics?
- ▶ Where are your members from? Where are your prospective members from? Where are your members moving to?
- ▶ Put on your walking shoes and go shop your competition. Build your knowledge base. Experience other staff’s techniques and skill.
- ▶ What makes them special that you can compare your Cooperative to your Competition. (it may not even be a Cooperative)

The Price

Can you make a comparison for value?

- ▶ Keep in mind there are a multitude of Cooperatives from program restrictions to market driven sales. So this discussion may affect your decisions as to how you set the price. (there are a lot of variables)
- ▶ Regardless, we can make a general financial value comparison with this exercise:
- ▶ Cooperative Membership: \$5,000.00 share price, \$800.00 average monthly charges. This includes maintenance, snow, lawn, taxes, insurance, etc. (in some utilities)
- ▶ Conventional Home purchase: \$100,000.00 sales price, 5% (high now but lets use it in the exercise) first time homebuyer with virtually nothing down.
- ▶ \$100,000.00/30 yr/fixed/5%. Loan payment would be roughly \$600.00 plus insurance and taxes at approximately \$6,200.00 a year or adding \$500.00 a month to the payment for approximately \$1,100.00 per month.
- ▶ This does not include maintenance upkeep, lawn, snow, all utilities.



The Price

- ▶ As the governing body, do you review comparable sales each year of the shares?
- ▶ As the governing body, do you look at current share price and “if affordable” raise those share cost as appropriate?
- ▶ “If affordable” are you in a position that shares cannot be sold for what your regulated table indicates? If so, what have you done about it?
- ▶ Do you live in a Cooperative where when you moved in the share was 500.00 dollars and today it is 500.00?
- ▶ Are you a market Cooperative that has helped lobby for share loans for members as needed?



PROMOTION:

Plan from the Foundation up!

- ▶ What are the Cooperative's Shareholders goals? (do you know) This is generally a very mixed bag from driving value up to staying status quo!
- ▶ As discussed earlier you need to do an in depth analysis of the Cooperative's "edge" in the market.
- ▶ As well, who are you directing marketing efforts to?
- ▶ Lets talk about how those efforts (beyond staff knowledge) that are being made.

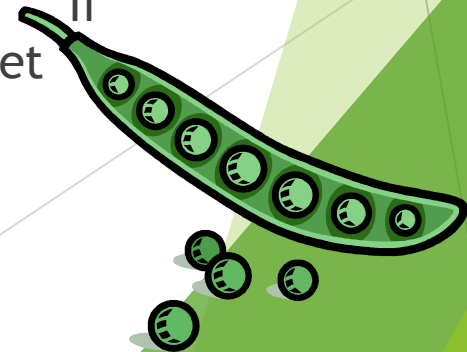
The Positioning Statement



- ▶ This is the Cornerstone of the entire marketing and advertising effort. Ideally it will identify the Time Frame, Economic Occupancy Goals and Target Market identified for your property through your research and analysis.
- ▶ A marketing plan should be never ending! Things change! The document should be a living document, evolving all the time.
- ▶ Targeting the “most likely to move in” market will save you time and money. Broad based marketing efforts often prove to be fruitless. Zero in on what your data tells you would be most interested in joining your community. We are not saying you do not want a diverse population and for “everyone” to come through your door but if you are looking for them 110 miles away that may not be realistic.
- ▶ Remember that all marketing efforts must adhere to Fair Housing and Civil Rights Legislation!!!!

Special Promotions and Concessions

- ▶ Be creative when developing specials and concessions. Do not give anything away you do not have to give away! Balance cost versus value to the cooperative.
- ▶ Document the beginning and ending dates of any special promotion and keep it on file to avoid any future fair housing questions. (what could that be in a Cooperative)?
- ▶ Be sure to limit all time frames for any specials you are running. If you offer them all the time, they cease to be “specials” and become your standard way of doing business.
- ▶ One such contradiction to this for Cooperative may be a “referral fee” If members help you find members, this is really working with your target market!



Develop and Stay in Touch

- ▶ Who has a website?
- ▶ How are you using it?
- ▶ What links do you have to it?
- ▶ How often is it updated?
- ▶ Are you happy with its content?
- ▶ Who is monitoring it and how often?
- ▶ Does it reflect your “positioning statement”?
- ▶ Does it allow other “member” services?
- ▶ This could go on and on!



Promotion through the Community

- ▶ Even though you may not be selling “real estate” you can build relationships with Realtors that may list your shares depending on the type and value of your Cooperative shares. Even if that is not the case Realtors may give referrals when they understand what you are all about.
- ▶ Do you belong to the Chamber of Commerce? Should you?
- ▶ Do you participate in Community functions?
- ▶ Are you a leader in your neighborhood?
- ▶ Do you have excitement in your product....People Know!



People, People, People

- ▶ Happy Customers/Members draw more Happy Customers/Members!
- ▶ Do your office staff know their product or just hand them an application?
- ▶ Maybe that application is 20 pages? If so, are they able to make it easy for the applicant?
- ▶ Has all your office staff had and continue to have Fair Housing training?
- ▶ Do you have floor plans, models, or specific information to help market?
- ▶ Do you have on the website or in picture form information that describes the shareholder's home for sale?
- ▶ Can you generate excitement about living in a Cooperative?



People, People, People



- ▶ Does your staff have telephone skills?
- ▶ Does your Cooperative work with affordable housing so that staff needs to know that paperwork as well as the Cooperative paperwork?
- ▶ Do you work from a waiting list and are you comfortable that this is maintained according to agency guidelines?
- ▶ Does your Cooperative have a membership selection committee that interviews applicants?
- ▶ Does that committee have and continue to have Fair Housing training?
- ▶ Do you show any orientation presentation before, during or after occupancy?
- ▶ Does this presentation adhere to all Fair Housing and Civil Rights Laws?
- ▶ Who does the Cooperative document checklist and move in package and it is updated and accurate?
- ▶ Who does the closings?
- ▶ Does anyone on your staff hold a Real Estate License?
- ▶ Are you in a community where any other special licensing is required?

Summary

- ▶ Marketing is the activity, set of institutions, and processes for creating, communicating, delivery and exchanging offerings that have a value for customers, clients, partners, and society at large!
- ▶ This also simply said, is that “A Cooperative sells itself by all its components, from the physical location, the buildings, what it has to offer, and by the people everyday who will attest (when approached) that it is the best place to live, work and play!

