

Branding and Real Estate

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It's a scene played out thousands of times a day and in most every area of the world: A couple walks into their favorite restaurant on a Saturday night, just like every weekend. They sit down, enjoy their dinner, and then pay the proprietor before leaving — satisfied, as always.

This scenario describes a simple, routine transaction between a consumer and a business, right? On one level, that's true. But this particular exchange is much more complex than that, especially considering the couple has a history of patronizing the same establishment every week of the year.

It's an example of brand loyalty, something that every business should be striving to achieve with its customers, whether they're in the food service, retail or even real estate development business. The restaurant has earned this couple's trust by exhibiting consistent behavior over time; they've come to expect the same level of service, the same quality of preparation, and the same quiet, relaxing atmosphere that creates a positive dining experience.

But is the idea of customer devotion limited to a typical business-to-consumer transaction? Can residential builders and even commercial developers generate the same level of loyalty among their home buyers, tenants and business partners? The answer is yes.

Real estate, like other highly competitive industries, is not just a transactional business. The relationship between firms and their real estate customers is much more dynamic in nature. Sure, economic health and fluctuating trends in architectural design and product types contribute to a real estate company's ability to generate demand for their projects. Nonetheless, developers and builders — much like restaurants and retailers — have the capacity to control their own destinies in ways that have absolutely nothing to do with consumer attitudes and timely delivery of product to market. In order to get there, though, real estate firms need to gain a better understanding of two important brand-related concepts.



The iconic Trump Tower in New York City

The first, known as brand identity, is how a business wants its customers to perceive its product or service. Companies, like individuals, need to know what they want to be when they grow up. They need to own a certain niche, or key competitive advantage, that's consistent with their desired position within the overall marketplace.

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The concept seems simple: A company executive gathers his team, tosses around words, phrases and imagery that best describe what the company does and what they desire their firm to be known for outside of their offices. He then creates a comprehensive marketing program centered on these strategic business insights.

A real straight-over-tackle approach to marketing a building or development service — or is it? The problem is that many firms often don't know where to begin the process and struggle with building consensus on the kinds of things that provide leverage against other industry firms.

One key to the process is having third-party, communication-focused partners that can help clients to uncover their core values, their

business philosophies, and their strengths and weaknesses. Most important, these outside partners can help organizations to objectively see themselves in relation to their competitors.

Sometimes real estate companies and developers, like Harbor Properties, figure out their brand identities early on, and they maintain their brand development goals, objectives and tactics over a long period of time. Harbor, a Seattle-based, full-service real estate firm, has always identified itself with urban, multi-family developments that create opportunities for residents — most often those within the middle-market workforce population — to live near their places of employment.

Long before its creation of Harbor Steps, and well before the term “sustainable development” became such a household word, this privately held real estate firm strove to develop residential buildings that encouraged a 24/7 urban lifestyle for anyone who desired to live, work and play in and around the city’s downtown core.

Embracing a brand identity is critical. Maintaining that focus over time is equally important. Many companies have a hard time resisting the urge to be all things to every customer. While that approach might be successful in the short



Harbor Steps supports the reputation of Harbor Properties as a local developer of dense, urban residential projects

term, eventually it will cause confusion in the marketplace and diminish a company’s ability to competitively position itself.

The current market dynamic has established unprecedented demand for luxury urban condominiums. But Harbor, true to form, has continued to develop urban residential projects, mostly apartments that are targeted for the typical downtown worker who makes between 70 percent and 150 percent of the city’s median income. As a result, Harbor has created a real, sustainable competitive advantage for the company. It has used that leverage to deliver key messages to its residents through marketing brochures, targeted community outreach campaigns, and highly visible publicity campaigns, among other communication tactics.

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Knowing how a firm wants to be perceived is one thing, but understanding what the market actually thinks of a company is something altogether different. Simply put, brand image reflects the current marketplace reputation of a business or product among its various stakeholders. Businesses that can consolidate their brand identity with their brand image are the ones that will experience the most success over the long term.

Coca-cola has the world’s “most valuable” brand. Microsoft and IBM round out the top three.

- INTERBRAND and BusinessWeek

An example is Conner Homes, a Bellevue-based homebuilder that's established a strong reputation for high quality homes with all the luxury finishings and contemporary design that today's sophisticated homeowners desire for their fast-paced urban lifestyles.

But how does Conner know exactly what its customers want, and where the residential real estate market is headed in terms of emerging trends in single- and multi-family communities? It's simple: Conner asks its customers what they need. And they do it on a routine basis through short online surveys, targeted focus groups and casual gatherings with the Conner family of homeowners and prospects.

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Getting direct feedback from current and prospective homeowners, and doing it consistently in a non-invasive way, allows Conner to stay ahead of the market and deliver residential communities in a more successful and efficient manner. Conner poses questions like:

- How does your Conner home fit (or not fit) with your current lifestyle?
- Does your home's location enable you to easily assimilate into the greater residential community?
- What interior features do you most enjoy, and are there finishings you'd like added to your home?

Conner uses its homeowner feedback to strategize on the design, development and

construction of its next Puget Sound community. Conner customers, in turn, have the pleasure of being part of the process, thus keeping them loyal to the Conner homebuilding brand as their lifestyle needs change over time. It's not uncommon, in fact, for families to own several Conner homes over the course of their lives.



Conner Homes will survey its homebuyers to guide the creation of its community called Barbee Mill

That's brand loyalty, and it's there for the taking for companies that have the strategic foresight to get an objective view of who they are, and what the marketplace thinks about their products, services, values and capabilities. The ones who pursue these answers will find that keeping their clients — and tapping into new business prospects — will reap the benefits for years, and even decades, to come.