MARKETING TOMORROW’S NEW HOMES
RAISING CONSUMER DEMAND FOR LOW & ZERO CARBON LIVING

A Marketing Strategy for New Homes. February 2010
**Zero Carbon Hub**

The Zero Carbon Hub was established in the summer of 2008 to support the delivery of zero carbon homes from 2016. It is a public/private partnership drawing support from both government and the industry and reports directly to the 2016 Taskforce.

Zero Carbon Hub has developed five workstreams to provide a focus for industry engagement with key issues and challenges:

- Energy Efficiency
- Energy Supply
- Examples and Scale Up
- Skills and Training
- Consumer Engagement

To find out more about these workstreams, please visit www.zerocarbonhub.org.

If you would like to contribute to the work of the Zero Carbon Hub, please contact info@zerocarbonhub.org.

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**Acknowledgements**

The Zero Carbon Hub is grateful to the following people who contributed to this programme of work:

- **Simonne Baker**  Sponge Sustainability Network
- **Avinder Bhinder**  Communities and Local Government
- **Gemma Bird**  Homes and Communities Agency
- **Sarah Bullock**  NextGen
- **Luke Chitty**  Upstream Sustainability Services
- **Mat Colmer**  Energy Saving Trust
- **Sarah Crawford**  Berkeley Homes PLC
- **Mark Davies**  NHBC
- **Mark Davis**  Communities and Local Government
- **Nigel Farren**  Homes Matter
- **Judith Gubba**  National Magazine Company
- **Tracy Gordon**  Homes and Communities Agency
- **Neil Jefferson**  Zero Carbon Hub
- **Ray Jones**  Chartered Institute of Marketing
- **Zoe Leader**  WWF - UK
- **Jayne Lomas**  Homes and Communities Agency
- **Jon McGowan**  Energy Saving Trust
- **Rob Pannell**  Zero Carbon Hub
- **Caroline Regan**  Energy Saving Trust
- **Laura Simons**  Royal Institution of Chartered Surveyors
- **John Slaughter**  Home Builders Federation
- **Briony Turner**  Homes and Communities Agency
- **Clive Turner**  Zero Carbon Hub
- **Steve Turner**  New Homes Marketing Board
- **David Watson**  Communities and Local Government
- **David Weatherall**  Energy Saving Trust

For steering the project and leading on the development of this report, particular thanks are due to:

- **Margaret Egan**  Sinclair Barnes Ltd
- **Matt Robinson**  Energy Saving Trust
- **Helen Saunders**  Crest Nicholson PLC
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Foreword

A strong and enduring market for low and zero carbon homes sits at the heart of successful delivery against the UK’s sustainability targets. However at present this market is undeveloped and its growth is being hindered by a lack of common understanding of how tomorrow’s homes, with their enhanced environmental credentials, should be marketed.

The work summarised in this report was carried forward in 2009 by the Zero Carbon Hub’s Consumer Engagement Workstream with direct support from Energy Saving Trust and the backing of the NHBC Foundation. Its primary objective was to improve pan-industry awareness of the issues that should now inform a strategic approach to marketing.

Analysis reveals a number of very real barriers to the engagement of consumers and identifies the need for marketing to focus unwaveringly on things that the consumer can recognise and appreciate. The report says that we need to achieve ‘a new normal’ generated around a new way of living, rather than expecting consumers to engage with what might be perceived to be part of a niche environmental agenda.

The report’s recommendations, as well as providing a timely contribution to the development of a generic, pan-industry marketing strategy for new homes, will be valuable to the growing number of developers who are designing and building low and zero carbon homes and now wish to market them effectively.

While the marketing debate is moving forward apace, this report is an important line in the sand, reflecting a concentrated period of work by the Zero Carbon Hub and its partners. We are very grateful to all participants and collaborators for their informed contributions and ongoing support throughout this pioneering exercise.

To develop both generic and specific marketing channels, the Zero Carbon Hub and the Energy Saving Trust will be focusing next on the fundamental barriers to successful marketing which are identified in this report. Expressions of interest from individuals and organisations that would like to contribute to this next phase of work would be most welcome.

Neil Jefferson
Chief Executive, Zero Carbon Hub

Philip Sellwood
Chief Executive, Energy Saving Trust
Executive Summary

- One of the key roles of the Zero Carbon Hub is to support industry in helping to raise consumer awareness of low and zero carbon homes and generate demand for them.
- To help generate a market for zero carbon homes it is essential that early progress is made to understand the kinds of marketing approaches and strategies that will impact effectively on consumers. This report summarises work undertaken by the Zero Carbon Hub Consumer Engagement Workstream, to explore effective marketing opportunities for zero carbon homes.
- The views presented are offered to help inform the development of marketing plans and help accelerate the generation of the market for low and zero carbon homes. It is hoped that the ideas presented will be helpful to those new to this area and supportive of those who have already started to tackle the marketing of new homes which have low or zero carbon credentials.
- This work has been given high priority because the generation of a market for low and zero carbon homes is paramount and can proceed in advance of finalised thinking on the technical definition of zero carbon homes.
- In terms of the current marketing context there is polarisation between the developer and consumer view on zero carbon homes. Developers will currently engage if it’s right for their business. Consumers will only engage if it’s right for their lifestyle. The re-framing of the argument towards a customer-centric perspective in which there is a clear, beneficial and recognisably secure sales proposition, reflecting innovation rather than risk, is considered central to successful market development.
- The work established a group of seven major considerations that had a strong bearing on the development of a marketing strategy for low and zero carbon homes. These are fundamental gaps or considerations that influence the formation of recommendations for successful marketing.
- Ten principal recommendations for inclusion in marketing plans for low and zero carbon homes emerged:
  1. **Clarification of vision.** Consumers need to see the big picture. They need a clear concept and proposition which they can understand and value.
  2. **Targeting consumers and their influencers.** While primarily, marketing must target the consumer, it is essential that the influencers and facilitators supporting consumers, particularly finance providers, are also targeted with the right material.
  3. **Position new homes as part of a joined-up homes policy.** With the right comparators, new homes have the opportunity to be the better choice — not a choice that is more expensive or more risky than the existing homes market.
  4. **Integrate sustainable homes across a development.** Don’t segregate low and zero carbon homes on a development, which risks creating a perception that these properties are somehow different to mainstream.
  5. **Create constant innovation as opposed to radical changes.** Consumers appear to respond favourably to a series of small incremental changes but not to the prospect of radical change.
  6. **Contribute to a more saleable product.** The product must be an economically sound option for consumers and supply chain partnerships will need to be developed to ensure that low and zero carbon homes are a best value proposition.
  7. **Simplify financing.** Consumers are distrustful of complicated costing structures. Simple and accessible financing is critical for low and zero carbon homes.
  8. **Amplify homes marketing not just homes sales.** New housing is marketed through individual developers, but also nationally, through a sustained consumer marketing programme at national level.
  9. **Identify the ideal consumer-facing delivery channel.** A specific delivery channel (and body) will be central to the amplification of marketing. This would provide additional, unbiased and convenient information.
  10. **Providing messages that resonate with the consumer.** Consumers respond to realistic examples. The focus should be on marketing such examples rather than flagship exemplar projects which are seen as the future and unavailable.
- These strategic marketing considerations are assimilated into an outline marketing plan which is presented on pages 35-50. The Zero Carbon Hub is keen to hear from developers who are considering developing marketing material and would be interested in feedback on the proposals presented in this report.
The Project

From 2016 a zero carbon standard will be introduced for new homes in England. This will not only mean major changes for the industry in the way homes are built but also major changes for consumers – both in the design of the homes they will buy and in the way they will live day-to-day in these homes.

The Consumer Engagement Workstream of the Zero Carbon Hub is charged specifically with assisting the housebuilding industry to ‘help raise consumer awareness and generate demand for new low and zero carbon new homes’. Essentially this means explaining to consumers what these new homes will be like and how they will differ from the homes these consumers are now used to. It also means positioning these changes as desirable to consumers – homes which fit the lifestyles and homes which are relevant to a new lower carbon future.

During the course of 2009, the Zero Carbon Hub, working with Sinclair Barnes Limited (Consultants in Brand and Marketing Strategy), developed a Marketing Strategy to ensure that industry has a clear and workable approach for promoting the benefits of zero carbon homes to consumers.

Work proceeded in three phases:

1. Clarifying the starting point – what did the consumer know in 2009
   a. review of literature, research, media comment
   b. additional research to gauge consumers awareness specifically of zero carbon concepts and terminologies

2. Development of draft Marketing Strategy and Plan

3. Consultation with industry to refine the Plan and highlight future action points from this stage onwards

This report describes the Marketing Strategy 2010-2016 which emerged from that work and the recommendations for a draft Marketing Plan based on the Strategy.

The full documents relating to this work can be found on the Zero Carbon Hub website at www.zerocarbonhub.org.
Section 1: Analysis
The market context

The housing context within which this project began in March 2009 was bleak. In terms of creating demand for low and zero carbon homes, a key constraint was that no clear definition of zero carbon homes existed. The definition was still in the consultation stage and would not be settled with any clarity until July 2009. This meant that developers did not know what they were being directed to build and home-buying consumers did not know what they were being offered to buy. What did exist in March were major reservations and objections from industry who, in the main, considered that the zero carbon target would add significantly to the build-cost of homes with little payback. Worse still, from an industry viewpoint, consumers were not requesting zero carbon (or even, lower carbon) features nor did they show any sign of being willing to pay the additional associated costs of these features.

The wider context was the worst housing market in recent memory. For both industry and consumer, the zero carbon target appeared to constitute yet another barrier to both building and buying a new home.

Against this backdrop the Zero Carbon Hub began to develop a Marketing Strategy and Plan. A guiding principle was the belief that in order to engage with consumers and to begin to generate demand for new homes with lower carbon profiles, the propositions regarding low and zero carbon homes needed to be relevant and realistic.

Based on our investigations, we concluded (Figure 1) that the current debate is polarised.

![Figure 1](consumer_developer_perspective.png)

**Figure 1** Consumer and developer perspectives – the current debate on low and zero carbon homes is polarised
Consumers and developers are on different sides of an issue of supply and demand. Both sides are looking for a solution each on their own terms:

- For the consumer – ‘if it’s right for my lifestyle’
- For the developer – ‘if it’s right for my business’.

But, is this the only possible state of affairs? And is the problem not so much the issue and more about how the debate is framed? Are developers and consumers really so far apart?

To examine this, we looked more closely (Figure 2) at the motivations of each side. The similarities are evident. So, how to reflect all this in a marketing strategy?

**Figure 2** Motivations associated with supply and demand – what consumers are looking for and what builders build
Thinking like a consumer

The answer is to begin by thinking like a consumer and looking at the issue from their point of view. In terms of marketing, this means creating a customer-centric strategy which changes the dynamic of the debate in two ways:

1. Re-focuses the debate
2. Re-frames the issue.

Re-focusing the debate

Re-focusing the debate changes it from being simply a theoretical policy position – which is far from people’s lives – to a product focus – which homebuyers want and which they understand (Figure 3).

Re-framing the issue

We concluded that by re-framing the issue we can make the debate more motivating to all parties. So - ‘homes’ not ‘zero carbon homes’.

To begin to create a marketing strategy, one then needs to re-frame from a ‘them and us’ or a ‘consumer versus developer’ issue to a strategy that realises (Figure 4) that there is a common motivation here – ‘homes’.

One of the characteristics of the current debate is that it is articulated as:

- ‘Zero carbon homes’ (or low carbon, or eco-homes, or green homes) as opposed to:
- ‘Homes’ - which are zero carbon (or low carbon or eco-homes or green homes).

Figure 3 Re-focusing the debate with priority on a product which has clear lifestyle benefits
The difference is critical because as we’ve seen above, people want and buy homes (not causes) and developers build and sell homes (not causes) because that’s how they grow their business. At the moment, it appears that the zero carbon debate may unintentionally be getting in the way of progressing what could be a motivating opportunity for both sides.

By re-framing the issue from the negative to the positive, one can totally change the tenor of the debate from:

- **The unintentional negative**
  - zero carbon homes
  - something I should buy/I should build
  - legislated – so not my choice
  - regressive
  - consumers see zero carbon homes as a lifestyle sacrifice
  - developers see zero carbon homes as a restriction on business

To a much more motivating scenario of:

- **The positive**
  - homes – that are zero carbon (or low carbon)
  - something I want to buy/I want to develop
  - progressive
  - using innovative techniques and supplies
  - to build a better product/create a better lifestyle
  - and also minimise cost, environmental impacts, waste etc.

In doing so, one also then re-frames the proposition (Figure 5).
This re-framing also solves a key problem – and key gap in the current debate – in that it defines the product – namely ‘homes’, something that already exists in the consumer’s mind, as opposed to the abstract concept of zero carbon homes. In developing a marketing strategy, this familiar territory of ‘homes’ is a much stronger starting point from which to speak to consumers and a much more credible position for the industry in that it is a continuation of what they are doing now (building homes) as opposed to a shift in their product offering to ‘zero carbon homes’.

Our analysis resulted in a clear – and very promising – direction on which to base a Marketing Strategy to create consumer awareness and generate demand for homes with a lower carbon profile. However, our analysis also highlighted a number of issues which had implications for that proposed strategy and needed to be addressed before a definitive strategy could be developed. These are considered in the next section.
Implications for strategy

Implication 1 - Where’s the vision?

Our investigations consistently show that consumers acknowledge the importance of tackling climate change and the need for an effective solution. In fact, in the build-up to the Copenhagen summit, there was an increased mainstream focus on the issue. However, what consumers do not perceive (Figure 6) is an overall, practical vision either for the UK’s response to climate change or for the housing (new or existing) component within this. As such, government targets (and even developers’ efforts at promoting sustainable features) are usually perceived as isolated, often political and sometimes PR-driven tactics. Genuine industry initiatives – of which individually many are lauded – are at risk of appearing experimental and not wholly relevant to consumers at this time. There is a growing sense of future possibilities, but little sense of mainstream solutions today.

An overarching common vision is a vital requirement in terms of engaging and motivating the consumer. Unless consumers have a commonly held mental picture of what their world – and their homes – will look like in the new housing world the government is proposing (‘what does a zero carbon home/world look like?’), they will not have the motivation or the confidence to join the dots and see a solution with which they can engage. The current housing crisis has exacerbated this – though it did not cause it.

What’s the big picture?

Figure 6 How do all these initiatives and issues fit together?

In turn, the consumer’s lack of evident demand has a direct and negative effect on industry’s willingness to jump to achieve the ambitious targets set. Lack of this overall consumer context hampers industry’s efforts by failing to provide the bigger picture against which their brand-specific initiatives would be understood and valued by consumers.
Why the gap? Mainly because the debate has not to date been targeted at the consumer. The discourse has been at policy level or at industry level.

Where the consumer has been targeted with low carbon housing messages, this has mainly been at individual brand level. In some cases, developers are using eco-credentials as a differentiator (with each brand using slightly different terminology to describe its offering). But from our discussions with developers, we know this is a hard sell as consumers rarely have sufficient knowledge to value the initiatives or pay the premium to acquire them. For a developer, going down this route could actually be counterproductive if doing so singles them out as a more expensive or more complicated option.

There is a major challenge in housing to normalise sustainable features – as opposed to highlighting them as something futuristic and experimental. The only way this can be achieved is if the market is working together on a level playing field – that is, if the housing industry at a generic level – as opposed to new build alone or individual brands alone – is all moving and seen to be moving in the same direction and toward the same ends. And that these ends fit in with the overall direction being set by government.

In other words, a common vision that the consumer can understand and buy into – and that developers can sell into.

This overall vision for the housing industry is beyond the currently agreed scope of the Zero Carbon Hub with its focus on new zero carbon homes. However, as our work cannot proceed without this context, the Zero Carbon Hub is working with the housing industry as whole and relevant government agencies to articulate this vision as a means for creating The Big Picture which consumers need to see.

Implication 2 – What is being offered to the consumer?

Allied to the need for a commonly held vision is the need for a clear consumer proposition on what this new home (that is zero carbon) actually is (Figure 7).

Developers’ concern is that there is not a market for zero carbon housing. What consumers would counter is that there is not a market in zero carbon housing and certainly not at a price point that buyers other than the truly

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**What’s the product?**

- What are its benefits?
- Why is it needed?
- How does it work?
- How is it used?
- How is it different from other houses?
- What does it look like architecturally
- How much does it cost?

*Figure 7* Consumers will need a very clear view of the new (zero carbon) housing product
environmentally-committed would be willing to pay without some form of grant or subsidy.

At this stage, both consumers and developers are right. So the implication for a marketing plan is that the job is more fundamental than simply creating demand. It is actually creating the market in zero carbon housing. And within that, creating a consumer proposition.

The Zero Carbon Hub strongly believes that the proposition should be built around homes – not around zero carbon homes. This leads us to believe that integrating sustainable features within the entire housing stock is a more motivating and realistic consumer proposition than creating a new subset (green homes/eco-homes) with these same features. This will obviously need to be a progressive strategy over time with the ultimate goal that every home reaches a carbon neutral level by whatever combination of features.

While this needs to be a housing-industry wide strategy (new and existing), it actually provides new build with the opportunity to create industry leadership. By offering these new benefits at the outset and without the hassle factor to the homebuyer, new build can appear the stronger consumer proposition when compared with existing stock. So instead of a totally different consumer offer, new build would become simply a better offer.

**Implication 3 – Generating consumer confidence through consistent messaging**

In terms of creating an overarching vision – a big picture for the consumer – the issue is complicated by the fact that where ‘solutions’ exist in the consumer’s mainstream world, they appear to be authored by different and sometimes competing groups, individuals and companies such as green organisations, energy suppliers, individual developers and DIY retailers (Figure 8). This is understandable in that each of these bodies will have their own marketing goals and agendas and in fact, their participation in the low carbon debate is to be encouraged.

![Who is behind the new housing product?](image)

*Figure 8* Consumers may respond differently depending on who is perceived to be driving the debate and setting the agenda
However, as far as the consumer sees currently, the housing industry has no such voice in the sustainable housing debate. As a result, without any comparable industry-wide consumer communication or initiatives, the housing industry risks ceding the consumer’s thinking on low carbon housing to other organisations and other agendas.

Our Marketing Strategy seeks to reverse this situation and ensure that the housing industry is rightly perceived to be at the forefront of driving real and beneficial change with support as appropriate from government and ‘consumer champion’ organisations. In addition, marketing must be in consumer terms, in consumer language and driven by benefits as opposed to features. Such marketing needs to have a consumer tonality. It should not come across as a ‘public health’ type campaign. The objective will be to make consumers want to buy not feel forced to do so.

**Implication 4 – Constant innovation motivates consumers – radical change does not**

As stated above one of the implications for strategy is the need for an effective consumer proposition. We are suggesting that constant innovation (integrating sustainable features within the entire housing stock) is a more motivating and realistic consumer proposition than actively creating and marketing to consumers a new subset (green homes/eco-homes) with these same features. This will obviously need to be a progressive strategy over time with the ultimate goal that every home reaches a zero carbon standard.

A key support for this suggestion is the fact that people are more conservative when buying a home than compared to other less expensive products. Consumers might be prepared to ‘take a risk’ and buy a cool new gadget on a whim, but they cannot be expected to take the same approach with a home that costs hundreds of thousands of pounds – even if it is ‘zero carbon’.

On a positive note our analysis does show that consumers generally support the agenda to make homes more sustainable. But as we have seen, they do not currently see an effective solution. They are in wait-and-see mode. They see the issue currently in terms of ‘should’ (or even, ‘I’m being told to/forced to’) not ‘want’. They also see the issue in large part as an issue for tomorrow not today. All of which makes it difficult to sell in green/eco/sustainable issues at point of sale.

Our interviews with developers and buyers found that while they were ‘nice to have’, sustainable features had little bearing on people’s home-buying decision when buying a new home from a mainstream volume builder (this in itself is not news – developers know this already). In fact, we’ve found that the presence of some lesser understood features (biomass boilers, for example) actually have been putting some buyers off who view them as being more complicated or more hassle than conventional technologies.

However, the picture becomes more positive when speaking to buyers (now residents) who live in homes with some sustainable features installed. In our discussions we’ve found that while few residents speak of the actual features in use (or indeed, have the technical vocabulary to do so), they are noticing and can articulate benefits in terms of livability which are in fact, caused by the sustainable features. The residents generally do not explain the benefit in this way – that is, they discuss the benefit without always knowing the cause (feature). Essentially, the sustainable features have now become normalised for these residents.

Another aspect of the way residents describe their new homes is that they speak of individual benefits – light, heat and so on – as opposed to saying they live in a green/eco/sustainable home. In fact, it appears as though green/eco (zero carbon?) homes mean something quite different. As one resident said ‘no – it’s not an eco house – that’s for those people who build it all themselves – this is just a normal house’. These buyers certainly saw their homes as mainstream.

The implications for the new build industry is that sustainable innovations such as
increased levels of loft, floor and wall insulation, reduced thermal bridging, triple glazing and improved airtightness, when translated into livability benefits such as lower energy bills, fewer draughts, etc are genuinely motivating factors to prospective purchasers.

By drawing on and promoting these benefits in the lead up to the zero carbon standard in 2016, developers will be able to prepare consumers for the more advanced low carbon technologies, like solar PV, or ground source heat pumps that will be required.

And regarding government targets, while this strategy looks like a slower burn, it could have the opposite effect. If both consumers and industry buy into this constant innovation (Figure 9), it will normalise behaviour (consumer and developer) sooner. In creating demand, it will also encourage and increase the level of innovation in terms of skills, materials and maintenance. In fact, overall, in creating positive momentum, the idea of constant innovation will serve to accelerate the move to zero carbon homes. Indeed, there may well even be an advantage for developers in going beyond the building regulation standards – by promoting the additional benefits their ‘low carbon’ property has over alternative, less energy efficient homes.

**Figure 9** Progress to zero carbon is more likely to be achieved in a series of small steps (constant innovation) rather than by one or more radical step changes

**Implication 5 – Industry must adopt a ‘new normal’**

In speaking to UK developers, there is a very real sense that targets have been mandated without direction, support or infrastructure to enable industry to achieve them. Moreover, this has occurred against a backdrop of the worst housing market in anyone’s memory.

However, it is these very circumstances which make it foolhardy to rush into a hasty or overly prescriptive solution. Without doubt, there needs to be a sense of urgency. But equally, this urgency needs to be linked to a re-think into the usual marketing strategies and conventions of the housing market.

In a very real sense, both the economy in a macro sense (including the tightness of mortgage markets) and the global search for a response to climate change
means that for the mainstream housing markets, things will not soon – if ever – return to ‘business as usual’.

What they will return to is a new normal – which will include new building codes encompassing sustainable features, new materials and new methods of construction (Figure 10). To respond to this, business models will have to change and there will undoubtedly need to be a level of investment – both funded by builders and subsidised by government – until that new normal is achieved.

Figure 10 Industry and consumers need to be helped to adopt the new normal

One implication of this new normal is that developers - both as individual brands and as an industry - must re-examine the way new homes are marketed.

The new normal – and consumer demand for constant innovation (as above) - means that consumers as potential buyers will need significantly more information about new homes in general and in a generic (non-brand) sense as opposed to just information about the features of one development over another. It will also mean that marketing will need to have a larger industry-level role in priming (Figure 11) the market while selling retains its role in closing the deal. This is a pan-industry imperative and one which will require some fundamental new structures and industry alliances. Certainly the task is bigger, more fundamental and more strategic than simply creating a new zero carbon promotional plan.

Additionally, marketing will need to address more than demand (consumer engagement, need for marketing materials and so on) but also address supply. The greatest barrier now to the take-up of sustainable features is not lack of consumer demand but lack of consumers’ willingness to pay for features which are perceived as expensive and often unproven in a mainstream sense. Until these costs come into line, no amount of consumer marketing or otherwise will move this market. Developers will (as now) be unwilling to invest in expensive elements which consumers are not demanding. There will continue to be a gap between supply and demand.
A further issue for developers is that they will need to re-position ‘sustainability’ within their business models. In our discussions with developers, it is common to see that most have sustainability firmly positioned as part of Corporate Social Responsibility (CSR), often separate from the product. We are in no way denigrating CSR and there are valid reasons for sustainability being part of that mandate. Rather we are making the point that in the ‘new normal’, sustainability will also need to be applied to product – and in different contexts such as building regulations and standards. One implication is that there may be confusion if consumers and developers are not speaking the same language on this. This is an area the Zero Carbon Hub is currently examining with developers.

**Implication 6 – How can the media support the transition of zero carbon homes from niche to mainstream?**

Whatever the final lay down of the definitive marketing plan, a key component will be utilising the power of the media in disseminating and building interest in homes with a lower carbon profile.

This is absolutely critical in the UK where the media is a key driver of consumer knowledge and interest in the property market. Apart from personal experience, much of what UK consumers know about housing is media-driven. Additionally, ‘Property’ as a media topic shows little signs of slowing down even while the property market itself has stalled.

However, to date, sustainable housing – whether referred to as green/eco or whatever – has not become a consumer media topic in anything but a niche sense (Figure 12). As one consumer journalist we interviewed said ‘it’s too early for this
message – there’s not a lot of (mainstream commercial housing) product for people to see’. While this is a current and well-covered issue in trade media and political news, for the consumer, it is not yet mainstream. Our media audit confirmed that most consumer titles and programmes relegate ‘green’ to special, niche columns and segments.

This is not to say that green/eco/low carbon is not a story in its own right. It is. And it is clear from most interviews we’ve conducted with journalists and programme makers that it is an issue most are very keen to cover as it develops. However to engage the consumer (and the media itself), the issues and innovations need to be positioned in a real-life housing context that helps to normalise them as opposed to keeping them in future-oriented, policy and niche mode.

Additionally, there is a requirement in consumer media to highlight market-ready innovations so that they can be set within the context of developments currently in the market and therefore available to consumers.

Language is also key. As another consumer journalist said: ‘I’m put off talking about housing codes and regulations. If you build a warm house, that’s tangible and I understand. Builders and consumers should be speaking the same language’. This is not the case at the moment where the debate is largely conducted in industry-speak.

Essentially, media needs to see the issues portrayed in ways that are relevant to their audiences – that will answer the questions their audiences will ask – ‘what’s in this for me today?’

Another key to increased media take-up is more generic information. As another consumer journalist told us ‘in editorial, we won’t cover one development or one brand specifically – so we really need information that’s unbiased – that’s looking at these as an industry - not selling X or Y development’.

An exception is local media – which will cover a development if it is saying something of interest to the community (‘an exciting new development’ etc). Local coverage is critical in respect of selling the development, but is not enough in itself to drive large scale awareness and desirability of the overall concepts.
For that, one needs the larger reach and larger scale of national media delivering the generic message. In fact, against a backdrop of greater consumer awareness of the concepts, local media would work even more effectively.

In terms of the marketing plan, consumer media will be a key channel for the low carbon housing message going forward. But industry must take the lead and not wait for consumer media to come calling. This requires development of a compelling narrative, real life examples and consumer interest stories to back it up and a strong media contact strategy to distribute the message. Equally important is that these narratives are positioned as mainstream housing/property angles as opposed to being limited to green/eco/low carbon angles.

**Implication 7 – A labelling scheme has potential as part of an overall strategy**

Consumers expect the home they buy to measure up to agreed standards of efficiency, safety and so on. Also, they expect these standards to be set and enforced by the industry – or some combination of industry and government. One way the industry is considering demonstrating adherence to such standards is via a label or labelling scheme. This is a possibility and should be considered as an option going forward. However, the industry needs to approach this area with due care and caution (Figure 13).

On the positive side of the argument, labelling schemes have certain advantages in terms of consumer marketing. They are a recognised mechanism, they can be a shorthand for adherence or achievement of certain standards and they can provide a level of reassurance that product claims will be met. However, to be successful, labelling schemes must meet certain criteria. Most importantly, they must be developed as part of the marketing strategy and not just as a promotional element. If they are an industry label (as would be the idea here), the standards they reflect must be agreed by all the industry, designations must be clear and unambiguous and there must be a demonstrable procedure for both validating and monitoring adherence. Finally, the labelling scheme itself and its terms must be clear and well promoted to both industry and consumer and must stand up to scrutiny from both.

**Labelling**

**Consumers expect industry standards:**

But…

There is evidence that current labels do not add value to a house, and that they sometimes confuse consumers.

However…

Current labelling may not be properly designed for housing. Clear, consistent and long-term labelling, linked with aspects of performance that consumers understand and value, may prove a key element in a national marketing strategy for low and zero carbon homes.

**Figure 13** Labelling for zero carbon homes – have we got the labelling right for consumers?
But such a scheme is not an instant fix. On the negative side, a labelling scheme can be a time consuming and expensive mechanism for the label-owner to maintain and if it falls short (because it is not strategic, not agreed by all parties, not sufficiently robust or not well-promoted) it can actually be detrimental to the organisation or the idea it is trying to support.

What this suggests – for the new build industry – is that it should not consider a labelling scheme until and unless such a scheme can reflect standards that are consistent, agreed and promotable across the whole industry. Until very recently, such consistency of standards did not exist within the area of sustainable housing. This is now changing with new building regulations and the introduction of a regulated zero carbon standard from 2016. In turn, this provides an opportunity – for the first time – to align a new build home labelling scheme to a defined and regulated series of improving sustainability standards.

Developing such a scheme needs further discussion within the industry – both in terms of what standards the scheme will cover and which industry body will own, fund and monitor the scheme. Equally, further work is needed to test the scheme amongst consumers in terms of what aspects they value and how the scheme can best be articulated and promoted to them. It is clear that going forward, clear, consistent and long-term labelling linked with aspects of performance that consumers understand and value may prove a key element in a national marketing strategy for low and zero carbon homes.

However, in the immediate term, an industry-wide marketing strategy needs to be developed even without a labelling scheme and this is certainly possible. One area on which work can begin immediately is crafting consumer messages around current and evolving industry codes. Not only will this have an immediate use in terms of consumer education but this information will also provide backup as and when a labelling scheme is developed.
Developing the Marketing Strategy

The nature of the marketing task
All our findings to date have led us to the conclusion that the task at hand is a fundamental one of market creation (Figure 14) as opposed to simply an updated promotional plan. Quite simply, from a consumer perspective, a mainstream market does not yet exist for homes with a lower carbon profile. The purpose of the Zero Carbon Hub’s initiative is to help industry to create one.

And whilst the mandate of the Consumer Engagement Workstream is the consumer, we must acknowledge that to reach the consumer we must also support the industry in advising how they should market zero carbon homes, as well as reaching influencers and facilitators of the customer. These include a wide range of targets – from the banks and building societies to the valuers, to estate agents and even to retailers who sell replacement parts for some of the technologies which will be installed.

Generally, markets are created to meet consumer needs. In this case, the government imperative precedes the consumer’s full awareness of the specifics of that need (‘which options are best for me?’). So in essence, the support for the initiative comes from government targets and regulations. Essentially, new homes will have to be built to certain standards – this is non-negotiable. So a way must be found to create a consumer proposition to attract consumers to this ‘new normal’ product.

There are genuine barriers – both to industry’s creating supply and to consumers’ demonstrating demand. Some of these barriers are that in the near term at least, new homes with sustainable features are likely to be more expensive to build and more expensive to buy. Additionally, in use, they will contain new

Figure 14 Market creation is the overall objective – Consumers expectations should be seen as the key leverage point.
technologies and techniques which will constitute a learning curve for industry and consumer alike.

A complication is that the technology to achieve some of these new targets is still in its infancy – at least in terms of implementation in the UK. Neither consumers nor industry will be keen on changing the status quo. In each case, it adds cost, time, and uncertainty. There will be resistance by the consumer to be the guinea pigs and take the first step until the technology is tried and tested.

However, alongside the mandate of government regulations, there is a critical point of leverage for this task which is increasing consumer expectation and demand that this ‘problem’ will be solved. This is the bedrock upon which a marketing plan can be developed.

So – where do we start?

We need to acknowledge that we are starting with a niche market.

Currently only a minute proportion of homes can be categorised as low or zero carbon. Of these most have had some degree of government funding, co-funding or demonstration status. But in terms of a mainstream commercial market, we are at ground zero, therefore the goal of the marketing programme will be to turn what is a niche market into a mainstream one (Figure 15).

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**Figure 15** Niche to mainstream market – Three key change agents must be actively involved

It is also key in terms of marketing new homes with lower carbon profiles that this not happen in isolation, but in the context of the housing market as a whole.
**How to position the issue**

While the Zero Carbon Hub’s mandate is new build homes, the consumer’s mandate is homes. When consumers look at their next home, while many will have type, style and detail preferences, most will begin their search – their purchasing journey – considering the widest range of options. This is particularly true in the ‘new normal’ market in which mortgages will be harder to come by, in which all homes (new and existing) will have mandates to upgrade their sustainability and in which housing options may diminish (fewer homes on the market, fewer new housing starts overall). As we have said above, the housing market - at least for the next few years - will not be operating as business as usual.

For this reason, the new homes industry will be at a disadvantage if it is marketing based on a different strategy to the strategy for existing homes and even for other housing options (renting, for example, which is on the increase). Therefore, our proposed marketing plan looks at housing in the round (Figure 16) and recommends a context within which new homes represent a differentiated, but equal choice.

At the macro level, the mandate of the whole housing industry must be to accelerate the move to normalise low carbon housing – essentially moving this thinking and the product from niche to normal.

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**Figure 16** The Marketing Context – The new normal achieved as part of an overall embedding of low carbon living across all homes, not just new homes.
A proposed strategic direction

In our proposed marketing strategy, we have suggested that the strategic (Figure 16) direction which will set the overall housing context is:

‘A New Way of Living’.

This is envisaged as a long-term strategy – essentially a road to 2016 – which can encompass the overall housing sector. Within this overall Marketing Strategy, we have constructed a Marketing Plan for the specific slice of the housing market for which the Zero Carbon Hub has a remit – mainstream new homes.

As this is a global issue, these developments will likely, in any case, happen in time even without any additional marketing. The international policy ethos is definitely – and at increasing pace – turning this way. However, waiting is not an option and in fact, it is key in terms of creating sustainable housing in the UK that the timescale for consumer demand and take up is accelerated.

Before we describe this Marketing Plan in more detail, it is important to look at the 10 strategic recommendations which underpin the plan. These are covered in the next section of this document.
Section 2:
Ten Strategic Marketing Recommendations
Ten Strategic Marketing Recommendations

Underpinning the marketing plan which we will outline in the next section, we have 10 recommendations as to the strategic direction of the way new homes need to be marketed to facilitate the mainstream delivery of homes which are lower carbon.

The recommendations are:

- **Overall strategy**
  1. Clarify the vision

- **Targeting**
  2. Target consumers but also their influencers

- **Positioning**
  3. Position Homes as a joined-up homes policy
  4. Integrate - don’t ghettoise - green
  5. Create constant innovation vs. radical changes
  6. Help industry to create a more saleable product
  7. Simplify financing

- **Implementation**
  8. Amplify homes marketing not just homes sales
  9. Identify the ideal consumer-facing delivery channel

- **Messages, tonality**
  10. Promote examples not just exemplars.

**Overall strategy**

1. **Clarify the vision**

Why? Consumers need to see the big picture

Consumers will not buy into a concept and proposition they cannot perceive, understand and value. In other words, the big picture – ‘what does this new low and zero carbon world mean for me and my family?’

Until the combination of industry and government can answer that question in a way consumers can visualise and value, no marketing programme will have any effect. At best, it will be a waste of money as any marketing will come across with the impact of a mandated ‘health warning’. However at worst, a bad marketing plan or one created in haste may turn off the consumer altogether and delay the real opportunities and urgencies that lie in this initiative.

This vision must be consumer-facing and must be driven by a combination of government setting the tone for the overall UK solution to climate change (including a substantive consumer explanation of how one gets there or what it will be like when one does) and the housing industry outlining the housing response within this overall strategy.

As already discussed, this gives the new build segment of the market an opportunity to be:

1. A different, but equal choice as opposed to a segment with a totally different strategy and potentially an unfamiliar and more expensive product.
2. In addition, as we’ve discussed previously, this also gives new build the opportunity to position itself as the better choice in terms of having innovations built in from the start as opposed to having to retrofit.
Targeting

2. Target consumers but also their Influencers

Why? Consumers are the primary target but not the only target
The primary target of the marketing strategy will be the consumer – from the widest remit of the UK population (to build broad awareness), through to home buyers, and then through to the specific buyers of specific developments.

However, in terms of the overall goal of creating consumer demand, it will also be important to target the influencers (Figure 17) and also the barriers to that demand. For example, finance is a huge barrier currently to housing generally – not only regarding mortgage provision, but also valuers, insurers and grants. In addition, the new technologies associated with lower carbon homes present additional problems in terms of acceptability with these gatekeepers of consumer finance. There is little point in creating consumer demand if we do not also break down the barriers to fulfilling that demand.

Equally, as Figure 17 shows, there are multiple influencers which can impact consumer demand. A marketing plan will need to ensure that the message is cascaded down to each of these influencer groups via the right media, the right messages and the right message channels.

Figure 17 Consumers are the primary target for the marketing strategy, but a range of influencers must also be targeted.
It goes without saying that segmentation will be key. As in any marketing plan, these consumer and influencer audiences will need to be segmented and specific message streams and message channels identified for each one. However, there is a danger of focusing on segmentation (narrowcast) to the detriment of promoting the macro messages (broadcast) to the widest audience – in this case the UK population – to establish a broadly-held level of base awareness. The marketing plan needs to do both.

Positioning

3. Position new homes as a joined-up homes policy

Why? Consumers think homes ‘in the round’

New homes cannot and should not set a strategy that is not in line with the strategy of all homes – new, existing, self-build, social housing and both purchased and rented (social and private).

This does not mean that new homes marketing will not have control of its own destiny. It can and it must.

What it does mean is that setting a strategy in isolation of the overall housing strategy, risks new homes becoming a worse choice for consumers – more expensive, more experimental – and therefore less appealing to both developers and to consumers.

Conversely, if integrated within an overall housing positioning, new homes have the opportunity to become a better choice. If existing homes – as has been intimated – are subject to energy targets and retrofits that are costly, time consuming and complicated, new homes could actually be seen as a better option by delivering a turnkey, hassle-free solution as long as the cost differential can be portrayed in their favour.

Additionally, many developers are themselves involved in housing ‘in the round’, in that new build residential is only one aspect of their business. It makes more sense in that case to work to an overall housing strategy which can work across activities and cross fertilise where appropriate as opposed to having different strategies for different market subsets. Equally as even within housing as a whole, different subsets have different specific requirements. For example, unlike private build, social housing already has to be built to Code Level 3 standards (Code for Sustainable Homes). The more learning, technologies and best practice that can be shared across building types, the more likely and quickly, sustainable practices will become mainstream.

Finally, as consumers themselves become more mobile across housing types (for example, current renters who will become buyers, older home residents who downsize to a purpose built new build flat, consistent strategies will serve to integrate the sustainable ethos across UK housing.

4. Integrate (don’t ghettoise) green

Why? Consumers see sustainability as an integral part of progress in housing – not as an isolated issue

A review of developer’s websites shows that many feature a separate green/eco option. This usually comprises a small group of units or developments which meet one of the many official sets of standards or codes. The reasoning for these separate sections is likely differentiation. In addition, this thinking is usually part of a wider CSR programme.
However, the message this style of presentation is sending to the consumer is that green/eco/sustainable homes are different, they are not mainstream and that choice in this area – and from that developer – is limited.

It would be very unfair to say that such developers are just paying lip service to sustainable housing. For some possibly, but for many, these developers have invested significant sums in demonstration projects, flagship projects and the like in an effort both to differentiate their developments, but also to push the envelope in terms of innovation and general product improvement.

However, in ‘ghettoising’ their green products, developers are missing an opportunity. We do know from consumer interviews so far that while green is a very difficult lead proposition in the mainstream housing market, it is a very significant support – and can be so even with a few (as opposed to all) installed sustainable features. What this suggests is that instead of ring-fencing a green product, developers should progressively green their product – and market the benefits of this in their mainstream product portfolio.

The reality of home building is that not all sustainable elements are suitable for all homes – it is not a consistent recipe. But it would make more sense to the consumer – and more business sense to industry both in construction and in marketing – if instead of some homes being green and most not, that all homes were moving progressively (though at different speeds and using different elements) via constant innovation toward a more sustainable proposition overall.

Furthermore, while consumers are looking to the housing market, along with the government, to create solutions in this area, they are looking for a progressive solution and do not expect fully compliant standards to be reached overnight. Therefore, we are recommending that while developers maximise the benefits of the new innovative (sustainable) features, they do this within their mainstream product as it comes on board. This will begin to normalise product in the marketplace both for consumers and for builders for whom these products and new building methods are proving to constitute a significant learning curve. A parallel example of this can be seen in the car industry, where manufacturers have now generally moved away from producing stand alone ‘eco’ cars (the Toyota Prius being the exception) and are instead integrating ‘eco’ features within existing models – and then selling them purely based on the benefits (i.e. cheaper to run, lower VED, congestion charge exempt, and lower company car tax).

In addition, this will move the usual list of ‘features’ away from the purely technological which consumers see as ‘shoul d’s’ not ‘wants’ into areas which while also contributing to a more sustainable product, are also more compelling to the consumer. For example, the landscaping and other elements of outdoor living which can be a definite sustainable benefit are also (according to the 2009 YouGov poll for the NHMB) high on buyers’ wish lists. We do believe that there may sometimes be a case for a developer featuring ‘green product’ separately for demonstration, CSR, funding acknowledgement or other reasons. However, this is a better fit within the Corporate section of a brand’s promotion as opposed to featuring – but ghettoising it – in the homes for sale sections. The overall benefit is that in time (which is mandated to be 2016, but ideally would come sooner), the market will achieve the target of every new home being a good, effective attractive, innovative home which in fact, meets government’s zero carbon levels, but is also something consumers want and value and for which they are willing to pay.

5. Create constant innovation as opposed to radical changes

Why? Significant consumer behaviour change is the result of many incremental changes

In the literature and research we examined early in this project, we found that there was a policy and institutional bias against incremental or step changes as
being too small to matter. In fact, we believe that with regard to the mainstream
delivery of sustainable housing, incremental changes should be encouraged both
regarding the consumer and the developers’ offering.

It is not consumer behaviour to make giant leaps – particularly when there is
significant cost involved and particularly where the nature of the change is
unclear (see: 1. Clarify the Vision). Consumers generally resist this all-or-nothing
approach unless forced to by legislation or punitive cost. Instead changing
consumer behaviour works best when the consumer (at their pace and
consistent with their lifestyle) willingly makes smaller and cumulative changes
which together add up to a significantly different behaviour.

In terms of marketing, this is also a much more effective way to build consumer
engagement as long as it is integrated within a larger whole (see Clarify the vision).
This step-by-step approach has the best chance of creating lasting behaviour
change as it both builds on an existing consumer inclination and gives them the
practical tools via which to take action.

A small, but significant example here is the uptake of energy efficient light
bulbs. The key here was not only making the case to consumers, promoting it
in a broadly-based and compelling manner, but also supporting the change
– in an everyday retail sense via supply and choice editing. Where today there
still exists resistance, it is generally not consumer resistance to a better, more
sustainable solution so much as an inability to take the action (the bulbs don’t
fit the light fixtures) or the technology (the lights are not as bright as the old
ones). But in essence, low energy light bulbs have been normalised – they are
now the ‘new normal’.

We believe that this phased introduction and integration of lower carbon
measures is also the most effective and motivating strategy and positioning for
the housing industry itself. Introducing individual elements (with the testing,
re-skilling and so on that that demands) is a more motivating and more realistic
way of changing the way industry operates and the product it offers. For one
thing, it will facilitate an end to ‘ghettoising’ the green product as all homes will
have an increasing number of these features in the run-up to the 2016 dateline
(though not always the same features in each home).

With regard to new homes marketing, it is also more likely that this constant
innovation (as opposed to a mandated mega-change) will allow developer brands
to integrate sustainable innovation into their marketing as differentiators. In so
doing, there is a real commercial incentive to make changes (especially if allied to
growing consumer awareness and demand) as opposed to an unpopular and
imposed mandate.

It will also help the consumer and therefore accelerate demand if there is a
sense of the timeline or market readiness of the various technologies. At the
moment, consumers have little sense of which technologies are market ready
or market mature and are unlikely to chance any of them without this
knowledge and assurance. Some sense of a roadmap/hierarchy/top 10 market-
ready innovations would not only clarify the situation, but could be used in
marketing to create a critical mass of awareness around these technologies in
some sort of order. This would also have a beneficial effect in encouraging
additional and faster innovation and supply of these elements.

It is this idea of cumulative phased changes and constant innovation – albeit
to an ambitious timetable – that we are recommending in our proposed
marketing plan.
6. Help industry create a more saleable product

Why? Consumers want to buy the best home they can buy for the money

A key barrier to industry’s delivery of the 2016 zero carbon homes target is the costs associated with doing so — such as the additional skills, training, innovative materials and time needed to implement these changes and the downtime caused by experimentation. Not to mention the increased sale cost that then needs to be passed on to the buyer.

Lower and especially zero carbon homes will cost more (see ‘7. Simplify financing’ for a cost breakdown), so whilst we know that consumers do look for sustainable solutions and options these also have to be affordable, and deemed good value. So, one key task is to work with industry to bring down the cost of the build and to create what will be for industry and consumer alike, a more saleable product.

To a large extent this is more supplier/partner engagement than Consumer Engagement – so technically, is outside the remit of this initial work. However, not addressing it within the overall marketing mix will have the effect of strengthening these barriers to purchase. Therefore influencing these channels will assist in making a more saleable product and in turn a more motivating consumer proposition. For that reason, we have included these channels in the proposed marketing plan.

7. Simplify financing

Why? Consumers are distrustful of complicated costing structures

In addition to helping industry create a more saleable product, there is also a critical need to make financing for lower carbon new build homes more accessible to the consumer. Certainly, the concern most often stated by housebuilders in terms of the lower carbon homes debate has surrounded the additional building costs associated with reaching lower and zero carbon home standards which would put new build homes at a commercial disadvantage, particularly against less expensive existing homes. This is a valid concern.

Having said that, one recent development is that these costs are becoming more predictable and not as high as originally anticipated when the zero carbon definition was set at the Code for Sustainable Homes Level 6 standard. Then the additional cost of reaching zero carbon was being estimated at around £30,000 extra per unit. However the revised definition of zero carbon (70% Carbon Compliance plus Allowable Solutions) will mean build cost figures in the region of two thirds of the original £30,000 estimate.

While the solution to tackling the issue of ‘additional costs’ lies in financing, we believe it does not necessarily lie in a vastly wider range of financing options. One of the characteristics of current new homes marketing is the plethora of special deals regarding financing a new homes purchase. Some are government programmes. Some are private. All have significant conditions and restrictions. Taken together this is a confusing situation both to the consumer and to the developers’ sales teams and needs to be both clarified and simplified.

In terms of creating a marketing plan, some of the most important messages will need to be about finance and about how the benefits of new build homes with lower carbon profiles can be affordable. At the moment, creating these messages is extremely difficult as the product landscape is so confusing.
8. Amplify homes marketing not just homes sales

Why? The consumer market needs to be primed before being sold to. In good times, when demand exceeds supply, new homes can simply be sold. When the market tightens (which is now the case) or when the product or market must change (as is the case with the lower carbon mandates), new homes marketing and specifically the generic, industry-wide messages need to be upweighted. This is not a situation specific to housing – but is a situation consistent with the way consumers buy or contract goods – especially major high cost purchases such as homes.

A non-housing example is tourism. Each hotel, attraction, event must sell its own product. But the national marketing body – the overall body – markets the generic concept of the destination.

Essentially what we are recommending is that the new build housing industry collectively deliver (either through a national body, or a partnership agreement) a sustained consumer marketing programme that promotes all the generic benefits of new homes, thereby creating a platform and context for each developer to then individually market their low and zero carbon homes. (See 9. Identify the ideal consumer-facing delivery channel, for more detail). Labelling could potentially play an important supporting role by making it easy for consumers to quickly and easily identify those new homes that meet a highly sustainable standard.

One characteristic of much new homes marketing is the extent to which sales – and informational material – has moved online. With high demand this works well – buyers will seek out and find the information and contacts they want. Equally, this works well for individual developer brands and developments.

However, it works less well for the type of pan-industry generic messages we are recommending should be added to the existing mix. In a tighter market there is a need for a much more overt and much more broadly cast marketing programme.

While online will continue to play a key role in new homes marketing, we are recommending that we amplify the current messages using a wider range of media channels and opportunities.

These should include the mainstream shelter media – print and TV – and aim to be included in ‘homes’ categories not just ‘new homes’ or ‘green homes’ categories. Browsing is regular consumer behaviour and the browsing equivalent in housing are the glossy magazines, the regular property supplements, the weekend property sections and the property programmes on TV.

Active looking is well-served by online tools but efforts must also be made to position new build homes with estate agents. Even if most sales still go through developers’ sales departments, developers are missing a trick if they don’t promote their offerings through the channels most buyers use.

It is significant that of all the buyers we have spoken to in this project to date, while they all ended up buying new homes from the developers’ sales office (as that is the way the developers we spoke to operated), they had also all visited estate agents – none of whom had mentioned the new build developments.

There is a sense that wider knowledge among agents would help increase new build sales. The better ‘green’ profile of new build may well be a motivating differentiator for them.
9. Identify the ideal consumer-facing delivery channel

Why? Consumers need more generic information from a consistent accessible source

Delivering the generic message will require a delivery channel – and body – specifically suited to this purpose. It needs to be consumer-facing, pan-industry and positioned in the homes/housing arena as opposed to only the low and zero carbon homes arena (homes not zero carbon homes).

As to the role of this body, it would be to deliver – primarily to the consumer:

- education and generic advice about the benefits of new homes, including sustainability impartial advice without any attempt made to interest people in branded product
- links to and advice on other bodies offering specific and related expertise
  - example: in energy efficiency
  - example: in financing options.

An example of its role would be to advise or clarify to new home buyers the implications of the recent government initiatives such as the Clean Energy Cashback Scheme or the Pay-As-You-Save scheme.

Clearly, this organisation would need to be sufficiently well funded and supported to achieve these aims but its mandate would not need to be (nor should it be) limited to green messages. As we discussed in a previous recommendation, green should not be an isolated or ghettoised message.
The benefit to developer brands is that they would not each have to educate customers themselves (a cost and resource saving) but would be able to sell into a better informed and more motivated public for its product. The benefit to consumers would be additional, unbiased and convenient information which will help them make their housing choices.

The Zero Carbon Hub’s role will be to work with this body to support collaborative initiatives between partner organisations looking to engage consumers around new homes (in particular low and zero carbon).

Messages, tonality

10. Promote examples not just exemplars

Why? Consumers respond to realistic examples – not demonstration projects

Consumers need to see real, day-to-day examples of how sustainability is integrated into real homes and real lives. Media needs these real life examples as a basis for its articles and programmes. Exemplars do not do this. Exemplars are, in the main, the prototypes, the flagships, the demonstration projects – in other words, the future, not the present. They are the housing equivalent of the concept car – great to look at, full of the latest technology (some of which may eventually become mainstream), but rarely representative of what the consumer can actually buy.

However, exemplars do have a real role to play within the industry and to a certain extent with influencers such as valuers and planners. However for consumers an exemplar is often a target too far – something to keep in the watch-and-wait category until it is mainstream.

In addition, focusing on exemplars suggests that whatever the solution, it is not valid unless it is already at the highest standard. This goes against consumer behaviour which tends to progress in smaller constant innovation stages as opposed to a giant leap to a fully code-compliant solution.

Another aspect of this same point is that examples are described in real consumer language whereas exemplars are usually described in quite technical terms. One of the tasks in the marketing plan will be translating these technical terms into consumer language that is not only accurate and motivating but is consistent across the industry.

In the next section, we outline our draft marketing plan.
Section 3: Draft Strategic Marketing Plan
Overall positioning

This is a plan specific to new homes.

However, as we have stated in this document, it is critical that new homes marketing – whether regarding lower carbon homes or just generally – needs to exist within the context of homes marketing overall (Figure 18).

At the broad level, consumers think homes first of all, then new versus existing homes after that. With the market in such flux, many potential buyers are widening their options and considering housing choices that may be new and different for them. New homes therefore will lose out if they are not positioned within the widest context of homes overall. Additionally, within this, there is the opportunity for new homes to use powerful differentiators – some of which may give them a significant edge even with buyers who may not have considered a new home in the past.

The mandate of the housing industry overall with regard to the low carbon mandates is to accelerate the move to normalise measures which achieve this. Essentially such features – and homes – need to move from niche to normal.

We have suggested a strategic direction to achieve this encapsulated in the phrase:

‘A New Way of Living’

This strategic direction becomes the overall consumer proposition. It reflects the fact that the new mandates are requiring consumers to make major changes to the way they live and given that we want these changes to be perceived by the
consumer as positive and progressive, we have chosen this phrase as it can be both motivating and broad. It can:

- encompass housing as a whole (and new homes within this)
- apply both to consumers (demand) and to industry (supply)
- major on livability (so benefits as opposed to being features-led)
- be applied as much to the user (the person doing the living – so encouraging behavior change) as well as to the fabric of the home
- empower consumers – making them feel in control of their destiny
  – as opposed to forcing change on them.

Most of all, ‘A New Way of Living’ avoids the negative, nanny-ing tone of much of environmental promotion. We want consumers to feel that they are making the right choice for themselves and their family and that the ‘New Way of Living’ (in a home with a lower carbon profile) will actually enhance, as opposed to restrict their lives.

Equally, industry needs a motivating platform. ‘A New Way of Living’ suggests the homes on offer are better choices than before. It makes sense of innovation, new techniques, new building skills, higher standards and codes. It allows the homebuilding industry to use such ‘new’ elements as exciting innovation as opposed to a positioning based on restrictive government mandates.

Additionally, ‘A New Way of Living’ allows for progression. It does not suggest that all homes must achieve whatever top code standard before becoming a viable lower carbon option. As we have suggested ‘ghettoising green’ actually skews the market by potentially making some homes less good options. Our recommended positioning allows for phased yet definite progression and uptake of sustainable elements – in a manner which encourages builders to accelerate their timetable for doing so.

This will be further supported in this programme by a separate stream of marketing aimed at the suppliers of materials and skills to the industry. (This will also work in conjunction with the Skills Workstream of the Zero Carbon Hub).
Positioning regarding New Homes

One of the advantages of ‘A New Way of Living’ is that it works for both housing overall and for new homes as a sub-group. In fact, it possibly works even better for new homes – with its emphasis on ‘new’. For new homes, the strategic direction becomes:

‘New Homes – a New Way of Living’

This integrates with housing strategy overall but allows differentiation for new homes.

Part 1 – Positioning

The proposition has the following advantages regarding new homes (Figure 19):

- it can encompass a number of elements within the way homes are developed
  - from density to design to financing
- it is non-judgmental
  - no sense that it is better/worse in connection with whatever targets or standards
• it is inclusive
  – can encompass any type of home and any combination of elements included in the home
  – and does not ghettoise green or eco or low carbon houses
• it is forward-looking
  – so avoids the regressive tone of much environmental positioning
  – some of which we know has applied to ‘zero-carbon’ when tested
• it is solution-oriented
  – without dwelling on the problem/issue
• it is not restricted to whatever elements/features make up the low carbon aspects
  – thus increasing opportunities to install the best elements for each house/development
  – as opposed to a prescriptive list, some of which may not suit the circumstances
• or the market readiness of the technologies
• it links to overall new homes positioning
  – allowing new homes to be an equal but different – and in many ways, better choice.

Specific advantages for industry
The positioning has specific advantages to the development industry. This is important as overall the new carbon mandates have not been viewed as a business opportunity. In fact, there has been – and remains – significant industry resistance to the targets.

So an important role for the positioning of ‘A New Way of Living’ is to ensure it creates a real and motivating advantage to the new homes industry (Figure 20) to

Specific advantages for the industry

New Homes - a new way of living

- Differentiates from existing
- Brands the category
- Defines the market
- Pushes the market
- Builds on consumer motivation
  – Provides a solution
  – A new of doing things
  – Something changing in my life

Figure 20 Specific advantages for industry
encourage all players to consider the mandates as an opportunity as opposed to a restriction of business.

The new positioning supports that objective in that it allows new homes to:

- differentiate from existing homes
  - in that new homes are already more energy efficient than most existing homes
  - in that it is easier to build new features in at the outset rather than retrofitting later
  - these are positive – and also provable – differentiators
- brands the category
  - in that new homes by definition deliver a new way of living
  - in discussion with consumers we have seen that ‘everything new’ is a motivator not just in a practical (less hassle, less maintenance) sense but emotionally as well
- it defines the market
  - as ‘new’ versus existing
- it pushes the market
  - newness is a spur in itself – suggesting constant innovation
  - this will create a momentum within the supply side which will be welcomed by consumers (and thus increase demand)
- ‘A New Way of Living’ builds on known consumer motivation
  - for something new/fresh/different
  - and for the improvements that brings in their lives
- some of which – though not all – will be lower carbon improvements.

So – how will this strategy be delivered? The first task is to look at targeting.
Part 2 – Broaden the targeting

The primary target for the Consumer Engagement Workstream and for the marketing programme is the consumer – specifically the home-buying consumer and more specifically, those likely to buy a new home (Figure 21).

However, one must avoid too narrow a target. To change consumer behaviour and to grow the market for new homes, one must begin targeting with the UK consumer overall, then move down to the various sub-markets of that – from home buyers, to new home buyers to more specific targeting by location and by development.

Key issues here include:

- they must become as literate regarding new homes as they are with existing
- targeting people only at point of sale (or even point of enquiry) is important, but this is almost too late in the process to begin a wide consumer education
- the programme we are suggesting calls for beginning with a generic message delivered industry wide to as broad a target as possible
  - with sub-messages as per segmentation
- this will then allow each developer brand and location to build on the resulting bedrock of consumer awareness with brand-specific and development-specific messages
  - in their ongoing marketing
  - and at point of sale.

However, in addition, whatever programme one develops to change consumer behaviour must be accompanied by a parallel programme to change the attitudes, behaviour and activities of the ‘gatekeepers’ to consumer behaviour.

As the Consumer Engagement project progresses, this list of targets is likely to grow. The key issue at the outset is to recognise the required breadth and depth of the targeting requirement. Each of the targets will be further segmented.

Marketing will act differently against the primary target – consumers – and influencer targets. The overall strategic direction will be the same – ‘A New Way of Living’. The specifics of the marketing tactics will be different. It is important that the right motivators are used in each case.

How can the marketing plan (Figure 22) activate this?

In terms of consumers, the plan must activate three types of consumer behaviour:

- Browsing behaviour
- Looking behaviour
- Peer endorsement

The key to communication aimed at consumers will be broadcasting the concepts – the widest possible reach while narrowcasting resources – the right message at the right time and via the right channel.

Equally, in terms of influencers, the plan must activate three types of behaviour:

- Compliance mentality
- Opportunity mentality
- Peer endorsement

The key to communication aimed at industry will be accessible facts developed in to easy to use, off-the-shelf presentations.
**How marketing activates demand**

**Consumers**
- Browsing mentality
  - Building the broad base
- Looking mentality
  - Active sources
- Peer endorsement
  - ‘normalised’ behaviour
**Key:**
- Broadcast concepts
- Narrowcast resources

**Influencers**
- Compliance mentality
- Opportunity mentality
- Peer endorsement
- Credibility
- CPD as leverage
**Key:**
- Accessible facts
- ‘off-the-shelf’ presentations

**Figure 22** How can the marketing activate demand?

**Generic and brand marketing**

**New housing marketing strategy**
- Develops clear, consistent generic and pan-industry marketing messages
- Primes the market
- Informs developers’ offering

**Consumers**
- brand sells development

**Figure 23** Generic and brand marketing pan-industry marketing primes the market and supports branded marketing from developers
To accommodate the consumer and influencer, the marketing plan we are recommending (Figure 23) is divided into:

- **Generic marketing – pan industry**
  - The main purpose of which is to sell the big picture
  - And to prime the consumer market for the brand-specific offers
- **Brand marketing**
  - marketing conducted by each brand
  - primarily to sell the developments and their offers
  - and using as support some of the strategies and materials created at a generic level.

While the consumer is the ultimate target of the marketing plan as a whole, in terms of marketing activities, the plan will be divided into:

- primary target: consumers
- secondary target: influencers of those consumers.

**Part 3 - The Marketing Plan structure**

The structure needs to act together if it is to have impact. However, it is key that each aspect of the plan has a specific goal and remit and that the marketing of each complements and is consistent with the whole.

**Specific goals**

It will be important to differentiate (Figure 24) the various goals of the different parts of the marketing plan as follows:

- The generic marketing will focus on the concepts
  - Sell the concept to the consumer
  - Facilitate and ‘force’ the concept to influencers and facilitators
- The brand-specific marketing – which will be delivered by the developer brands themselves – will build on this generic baseline but will:

![Marketing Plan - the structure](image)

*Figure 24 Outline structure of the Marketing Plan*
Figure 25: Messaging ‘a new way of living’ across consumers and facilitators

Figure 26: Developing a message tree for New Homes
– focus on the specific developments
– sell the developments to consumers/buyers
– leverage the development regarding influencers and facilitators
  – for example, locally

In our recommendations, we suggested that a pan-industry body be identified to deliver the consumer-facing marketing programme. Its role in connection with the above would be to:

- implement the generic marketing
- provide support to the marketing initiatives of the different developer brands and their developments.

**Part 4 – Differentiating the messaging – generic and brand**

The overall message is tied together at the point of the main strategy ‘A New Way of Living’. The specifics of the message are broken down depending on the type of message – generic or brand – and the target – consumer or influencer/facilitator (Figure 25).

Using a message tree (a common core with messages spreading out like individual, but connected branches), we can see how the different messages begin to lay down (Figure 26).

**Campaign strategy using message hooks**

The message tree above begins with the messages in a fairly broad sense – so, for example with regard to the generic, industry-wise consumer campaign:

- What are new homes like now?
- What will they deliver?
- What advantages to you?

This will be important as a key purpose of the generic plan is to build awareness of the concept overall.

The next stage will be to add specifics to this. We want consumers to buy into a concept. But we need them to buy a product – whether that is the home itself (a low carbon home) or more realistically especially in the immediate and near term, a home with some low carbon features.

We have recommended earlier in this document that the marketing plan be based on an idea of constant innovation which allows us to sell both the overall concept and also the different elements as they become market ready. This strategy lends itself to specific campaigns built around the different elements. The order would be determined by a combination of which technologies were more consumer-acceptable at the time (so beginning with those most familiar and normalised) and which were at a realistic stage of market readiness. In time, all technologies would be covered.

So, for example, there may be a campaign built around new types of energy efficient windows, or solar technologies and so on moving to the larger and more complex elements as they become both market ready and moved into the mainstream.
Advantages to this strategy include:

- It breaks down a large message into bite size bits
  - Specific elements within the overall message (low carbon homes) and the strategy of ‘A New Way of Living’
- It can align with the market-ready status of the technologies as in:
  - The technology is market-ready
  - The materials, parts, replacements etc. are market-ready
- Both for builders
- And for consumers where applicable
- In respect of replacement parts, repairs
  - The skills are market ready and at a critical mass
- For customers ‘who can repair this for me?’ is a key issue
- It provides more angles to discuss to consumers and via media
  - Different promotional possibilities
  - Different media options
  - Different timing options
  - Different customer segmentation options.

Consumer Engagement is working with other parts of the Zero Carbon Hub to generate a market-ready schedule of technologies which will help in planning the overall campaigns and the order in which specific technologies are given a major promotional push.

**Figure 27** Demand must be generated in a number of different home buyer segments
Tailoring the messages

We have already covered targeting so will not repeat those comments here. But it is important to note that messages will be tailored to the targeted audience (Figure 27).

It is premature to develop further segmentation at this stage until overall strategies are agreed. However, whatever segmentation is used must be consistent with the segmentation of new homes marketing and be further specified by consumer awareness and motivation whatever ‘offer’ is the subject of the specific campaign. It is important also to state at this stage that the segmentation used will need to be dynamic – that is reflect the true nature of the consumer and the market at the time as opposed to automatically using a particular segmentation model.

As important as the consumer segmentation (and obviously also influencer segmentation) is the need to tailor the message to reflect the source of the message.

This means that the messages will be tailored for context both in connection with:

- the type of housing
- the type of builder

While the overall consumer proposition ‘A New Way of Living’ will apply to all housing, the detail will be different. The offer – and therefore the message – from a volume builder of new detached homes will differ from the offer – and message – of a smaller builder of social housing. This will differ yet again from the developer of private rented property (and the targeting will differ as well needing to take account of both the property buyer/owner and the renter).

Again, it is premature to pursue this in detail in this document except to confirm that such considerations will be inherent in developing marketing messages.

Image courtesy Miller Homes. Photography Chris Reansall
Part 5 – The media choices

The overall ‘A New Way of Living’ provides the direction for media choice and the structure also allows for a media strategy for each segment.

Our recommendations are as follows:

• Generic consumer segment
  – This is where one needs the widest reach and the biggest impact
  – Generic consumer communication will be the key area for setting out the narrative to the consumer
  – As such, media needs to be:
    – Broadcast-led (TV, radio, national print, high-profile live events) vs. narrowcast (online, local media)
    – Have a strong information component
      – A broadcast lead (TV editorial, retail etc)
      – With narrowcast support – collateral – print and online
    – Have an event/face-to-face component
      – So the wider public can see/experience the product
      – Whether in part (individual elements)
      – Or in whole – real homes, show homes etc

• Generic influencers/facilitators segment
  – Industry media
    – Quite extensive list as this will include all the various influencer industries
  – Industry events (education)
    – Continuing Professional Development is an opportunity to disseminate information
  – Individual face-to-face/lobbying
    – Key to changing standards and practices

• Brand-specific consumer segment
  – Link with mainstream media
    – Using the generic communication as background and support
  – Additionally local sales media
    – Backed up by generic messages
  – Online search

• Brand-specific influencers/facilitators segment
  – Industry/‘corporate’ media
    – To promote the brand’s successes back to its own influencers/facilitators and its own industry
  – Government/funder CSR collateral
    – Some (not all) of which may also be of interest to consumers.

Using this structure of generic & brand, consumer & influencer/facilitator, all audiences will be targeted (Figure 28) with the messages they require, delivered in the ideal media and all brought together within a single strategy – ‘A New Way of Living’.
Part 6 – Filling in the detail: the next steps in developing the Marketing Plan

Once we progress to filling in detail, we will be using the following template (Figure 29) to assist in doing that.

In each case, the objective is based on the behaviour we want to affect. The tactic is the potential marketing action.

![Diagram of Media Choices](Figure 28)

**Figure 28** Media choices for targeting the key audiences

**Figure 29** Template for adding Marketing Plan detail
The ultimate goal? The consumer response?

What is the ultimate goal? What do we want consumers to think, feel — and do — as a result of the marketing plan we are proposing?

Currently the consumer stance is generally one of disengagement. There is some background knowledge of government housing initiatives in response to global warming and certainly initiatives such as EPC’s have brought this more to the fore (even if not wholly positively). But suffice to say that at the moment, consumers do not feel they see the big picture, do not have a clear idea of what they are being asked to do and what it means for them and would not be sufficiently literate in any of the low carbon housing features to request them at point of sale or appreciate and value them if offered.

This — and the fact that all the technologies are perceived to add cost at point of purchase — coupled with a currently weak housing market generally — do not bode well in terms of the customer becoming engaged soon in any low carbon housing solutions.

However, we know that there is inherent concern about climate change and a fast accelerating consumer expectation that government and industry working together will ‘solve the problem’.

We are proposing that the marketing plan we have outlined in draft in this document will be seen as the first stage in bringing that solution to UK consumers. We propose that the marketing plan will inform, educate and motivate consumers about the opportunities and advantages of low carbon housing. But more fundamentally, we propose that the marketing campaign will apply the pressure and the support to actually create the market in low carbon housing. It will do this by generating a consumer groundswell which will drive and prove demand to the development industry — both developers and also suppliers and influencers of that market and also assist the industry in answering this demand.

As we said at the beginning of this document, this is not a situation where the solution is a simple, prescriptive promotional plan or a sales plan. The requirement here is a strategic marketing plan which will both help create the market in low carbon homes and also create and accelerate demand for that market.

**Figure 30 The ultimate goal**

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**From**

‘I don’t know enough about this to make any decision for the time being.’

**To**

‘I’ve seen homes with these benefits - I know about the advantages - I’ll certainly ask about them when I go to buy a new home.’
Interesting and attractive architecture is a key part of the development of an enduring market for low and zero carbon homes.

Image by courtesy Crest Nicholson PLC
This publication was produced to ISO14001 Environmental Management System standards, and 95% of the waste created during the process was recycled. The materials used included vegetable oil inks, elemental chlorine free pulp and fibre from managed forests. The publication was made CarbonNeutral®. The unavoidable CO₂ emissions created during the manufacturing process were neutralised through investment in climate friendly projects around the world.