



# Brand Strategy



## Executive Summary

Healthy Home Solutions (HHS) is a not-for-profit online service brand with elements of differentiation in the marketplace that will lead to competitive advantage. Key points of difference that HHS offers are:

- Personalised non-biased information resource.
- Home and environment inspection tool.
- Innovative service using mobile technology via a smartphone application (app).
- Facilitates awareness and solutions to smarter, sustainable living.

New Zealand's current housing standards fall below the levels recommended by the World Health Organisation in 43% of nationwide dwellings. HHS' primary target market comprises of 1,164,300 homes throughout New Zealand with a secondary market of 577, 100 homes as well as home renovations and new builds.

Mission objection is to create awareness and promote the health and comfort benefits of living in a warmer, healthier smarter and energy efficient home, for long-term sustainable living. HHS will achieve this goal by obtaining government funding and forming strategic partnerships with related industry and non-industry organisations.

By planning and implementing an effective promotional mix and nationwide advertising campaigns, combined with leveraging established communication channels (industry partners), HHS has the opportunity to reach a wide and extensive consumer audience.

HHS will be launched in May 2013, following an 11 month planning and research process, with a significant commitment to communications, networking and organisation. Financial support will come by way of a government grant for the initial planning year, sponsorship for year 2, and a combination of sponsorship and generated revenue for year 3 and onwards.

With a combination of a personalised free and un-biased information resource, New Zealanders have the opportunity to seek the knowledge and direction required to provide themselves and family with a warm, dry and healthy home living environment.

***Healthy Home Solutions = Warmer, Healthier, Smarter Living.***



## Table of Contents

<b>EXECUTIVE SUMMARY</b>	<b>2</b>
<b>INTRODUCTION</b>	<b>4</b>
<b>1.0 WHAT IS HEALTHY HOME SOLUTIONS?</b>	<b>4</b>
1.1 SERVICE BENEFITS	4
1.2 SERVICE FUNCTIONALITY	5
<b>2.0 STRATEGY ANALYSIS</b>	<b>7</b>
2.1 NEW ZEALAND'S CURRENT SITUATION	7
2.2 THE COMPETITIVE SITUATION	8
2.2.1 POINTS OF DIFFERENCE	10
2.3 OUR CUSTOMERS	11
2.3.1 TARGET MARKET SEGMENTATION	12
2.4 CUSTOMER INSIGHT	13
2.4.1 HOW THE BRAND LOOKS TO CUSTOMERS	16
<b>3.0 STRATEGY PLAN</b>	<b>17</b>
3.1 COMPANY VISION	17
3.2 LOGO AND TAGLINE	18
3.3 BRAND EQUITY ELEMENTS	19
3.4 BRAND POSITIONING	20
3.5 BRAND OBJECTIVES	20
3.6 BRAND STRATEGIES AND TACTICS	21
3.7 PROMOTIONAL MIX	22
<b>4.0 STRATEGY IMPLEMENTATION</b>	<b>25</b>
4.1 IMPLEMENTATION PLAN	26
4.2 MEASUREMENT OF EFFECTIVENESS	27
4.3 FINANCIAL CASE	29
<b>CONCLUSION</b>	<b>31</b>
<b>REFERENCES</b>	<b>32</b>

## Introduction

With homes new and old it is important that New Zealanders are aware of and understand the impact that living in an unhealthy home has on our lives. It is equally important that we have the information and advice available to us to help rectify any issues that our homes may have.

This report is a comprehensive brand strategy for Healthy Home Solutions, from the analysis process to the brand implementation. We will begin with an overview of what HHS is and how the service will benefit consumers. We will go on to analyse the New Zealand healthy home market, discussing competitors and our customers, as well as exploring some insight into what customers think and feel about our brand idea. We will go on to develop a strategic plan, identifying key brand elements as well as objectives, strategies, tactics and the promotional mix. We will then outline a detailed implementation plan, discuss how we intend to measure the effectiveness of this brand strategy and finish with a look at the financial case.

## 1.0 What is Healthy Home Solutions?

‘Healthy Home Solutions’ is a not-for-profit online service brand offering free non-biased information and advice to New Zealand homeowners. HHS provides an online tool and a smartphone application that can be used to facilitate homeowners in finding long-term sustainable solutions to make their homes warmer and healthier to live in and more energy efficient.

### 1.1 Service Benefits

- HHS’ key service benefit to customers is in its neutral information and advice, offering home solutions personalised to a customers specific situation but with no intention to sell any particular branded product or service. This ensures to customers that the information and advice that they receive is objective and trustworthy, while remaining personalised, relevant and free.



- The smartphone app enables mobility and convenience while still offering the same functionality as the online tool. The difference is that homeowners will be able to walk around their home, easily entering the relevant details as they move from room to room, without the hassle of continually returning to their computer to enter data.
- Once a comprehensive HHS inspection report is generated, homeowners have all of the information that they require to make their home warmer, healthier and more energy efficient. They will then have the flexibility to make their own decision as to which options they choose to pursue, with no pressure from pushy salespeople.

### 1.2 Service Functionality

HHS' online resource will offer general information and advice on key issues concerning the health of a homes living environment:

- Damp and mould
- Insulation, heating and ventilation
- Home maintenance and preventative measures

The HHS 'Home Inspection Tool' will be available both online via the HHS website and as a smartphone app. Both tool platforms will preform an identical service and functionality, with the only difference being the hardware that is used to access the tool. Homeowners will be able to enter specific details about their home:

- Geographic location; where in New Zealand.
- Age of home; date or era of construction.
- Construction materials; framing, floor, exterior cladding, window joinery, roof, interior cladding.
- Internal furnishings; carpet, timber floors, thermal curtains, light fittings.
- Current situation; insulation, heating, ventilation, heat distribution.
- Visible evidence of potential issues; damp, mould, leaks, drafts
- Room by room dimensions of the home; length, width, height, levels.
- Family composition; number and age of occupants – adults, children, elderly.

Based on the details provided, a comprehensive report will be generated specific to that home. The report will include a home rating based on the current situation and offer all of the alternative solutions appropriate to that home in accordance with local council regulations. Recommended solutions will include specific specifications, for example the size of a heat pump required for a certain space or the square meters of underfloor insulation required and the minimum required R rating for that region.

Once generated onscreen, the 'Home Inspection Tool' will offer the option to download the report as a locked PDF, or have it emailed to a specified address. It is then the homeowner's choice as to which options best suit his/her budget, timing and convenience, and which product brands, retailers or installers will be preferred to carry out any further services. With the HHS 'Home Inspection Report, homeowner's will be armed with a comprehensive inspection document, and be in a position to talk with industry professionals with confidence.

It must be noted however that the home inspection report will only ever be as accurate and comprehensive as the details that are provided by the homeowner, and he/she must treat the accuracy of the report with his/her own discretion.

The HHS smartphone app will be released on three mobile platforms in order to capture a greater proportion of the smartphone market; iOS (Apple), Android (Google) and Windows Phone (Windows).

A forum will be available via the HHS website as well as through a Facebook page. This service will offer consumers the opportunity to quiz other consumers or HHS staff with queries relating to their situation or simply seek advice, reviews or feedback from like-minded consumers.

The HHS service will provide assistance to users via a 'Help' function providing step-by-step guidance to determining the most accurate data to input. For example, offering a diagram showing how to correctly calculate the area of a room by square metres, and how to determine the exact longitude/latitude of a particular room in the house that may require more insulation due to being south facing and receiving less natural heat.



This function will give users better knowledge and understanding, building their self-confidence and developing a positive relationship with the HHS brand.

## 2.0 Strategy Analysis

Based upon our learnings from the qualitative research process of this brand strategy as well as further research into New Zealand's housing industry, a comprehensive analysis has been made.

### 2.1 New Zealand's Current Situation

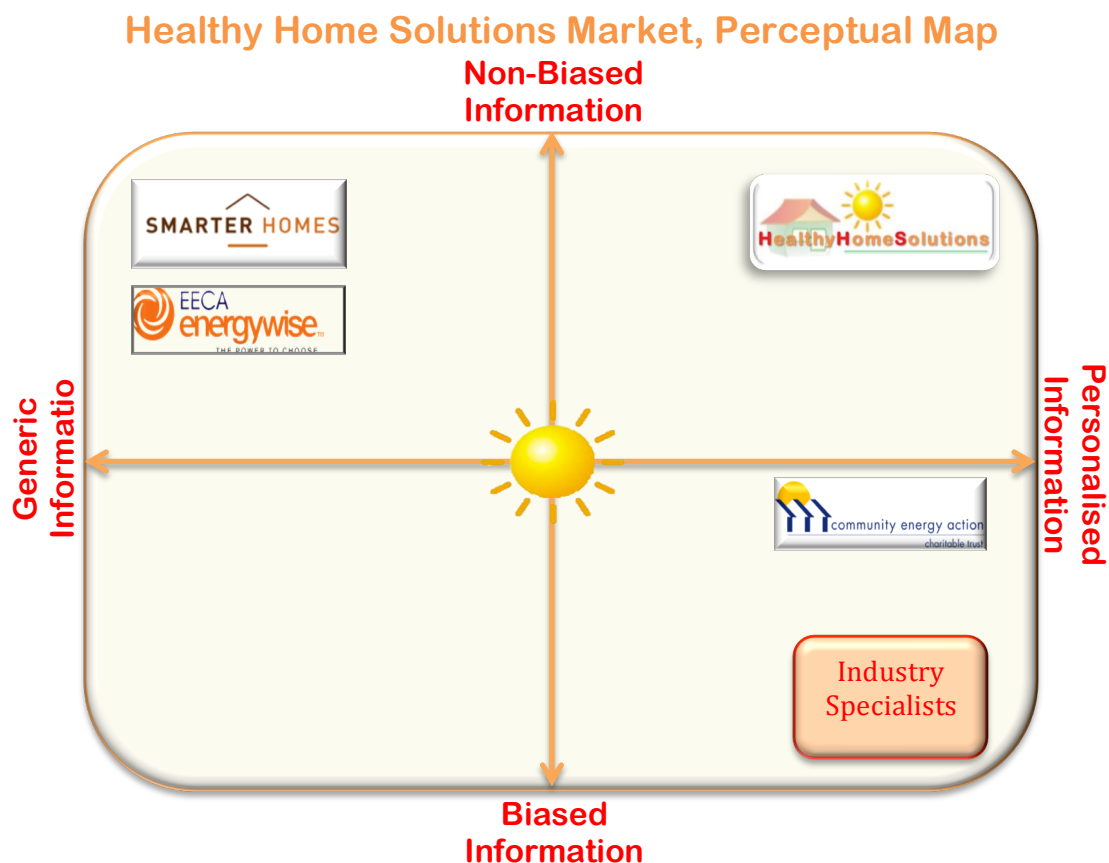
Our research tells us that New Zealanders are well aware of the issues concerning the unhealthy state of many homes in this country, with insufficient or inadequate insulation and heating being cited as the key culprits. Our research also tells us that New Zealanders understand the importance of homes being warm, dry and healthy to live in, and are actively seeking ways of improving their own living environments. The biggest barrier to homeowners bringing their homes up to a desired level of comfort is cost (Messenger, 2012) (Norris, 2012).

New Zealand has an estimated 1,741,400 private homes, ranging in age, size, construction method, building materials and building regulations (Norris, 2012). EECA estimates there to be approximately 750,000 homes in New Zealand that have insufficient insulation and heating, as well as problems with damp and mildew (EECA, N.D). This represents 43% of New Zealand homes.

All new homes built today must meet minimum standards of insulation, as stipulated under the NZ Building Code. However the first nationwide standards were not introduced until 1978. Standards have been revised since then with the most recent revisions taking effect over the Oct 2007 to Oct 2008 period (Norris, 2012). In 2008 the Government introduced the 'Warm Up New Zealand: Heat Smart Program', encouraging homeowners to improve the living conditions of their homes by subsidising the cost of installing insulation and heating solutions (Norris, 2012). This initiative was extended in the 2012 budget to insulating a total of 230,000 homes (EECA, 2012). To date more than 150,000 homeowners have taken advantage of the offer (Norris, 2012).

## 2.2 The Competitive Situation

HHS faces a considerable challenge in breaking through the clutter of online resources offering information regarding healthy living conditions in New Zealand homes. Competition for consumer attention comes by way of three main categories of information provider; Government owned service sites (non-biased, generic), charitable trusts (semi-biased, personalised) and industry professionals (biased, personalised), as highlighted in figure 1.



(Figure 1: Healthy Home Solutions Market, Perceptual Map)

### Government Owned

There are many government departments and organisations offering free non-biased, generic healthy home information and advice. The free information is generally industry wide and is not specific to individual homes or regions, therefore is generally used as a guideline only.

- Energy Efficiency and Conservation Authority owned site, 'Energywise'.
- Department of Building and Housing owned site, 'Smarter Homes'.

Both of these services also offer links through to industry suppliers and partners. Due to being familiar Government run services these sites are considered to be trusted and reliable sources of relevant and up to date information.

### Charitable Trusts

There are various charitable trusts around the country that offer semi-biased, personalised information and advice as well as offering insulation and heating installation services:

- Christchurch based 'Community Energy Action'.

These organisations are non-profit making, part charity/part business and are funded through their installation services as well as being supported and funded by sponsors, government and other charity groups. Because of the charitable, non-profit making nature of their business model, these organisations are seen to be a trusted source of information, however they will still carry the perception of being a product installer, ultimately trying to sell their services.

### Industry Specialists

There are hundreds of product manufacturer and installer brands offering free online information and advice to consumers. Although the information is free, relevant and accurate, it is biased towards the service provider who is ultimately trying to sell their product or service.

- Hometech – Healthy living solutions installers.
- EnergySmart – Insulation, heating, home energy assessments.
- Fujitsu – Heat pump manufacturer.
- HRV – Home ventilation systems, supply and installation.
- Green Stuff – Insulation manufacturer.

All of these sites offer great information, however it is often subjective and is specifically related to their own product or service offering. Advice can usually be customised somewhat and installers are only too happy to come into homes to give personalised home specific advice and quotes. This advice however is virtually always a selling proposition. This information, advice and service is valued but not always trusted, as consumers are well aware of the intention to sell.

On analysis of Figure 1 (Healthy Home Solutions Market, Perceptual Map), we are able to establish a distinct pattern of where current information provider's fit in the market based on the level of personalisation of their service and the level of perceived biased in the information and advice that they provide.

Our research tells us that consumers would see more value in HHS' proposed service if the information was non-biased with no affiliation to product brands and installers, and the information was tailored specifically to a consumer's home and situation (Messenger, 2012). A clear opportunity in the market has therefore been highlighted with only HHS' service offering falling in the highly valued 'non-biased/personalised information bracket. Other information providers fill one of or the other, but no other provider meets both value requirements. It is important therefore for HHS to market this fact as a key differentiation between themselves and alternative online resources.

Due to the nature of HHS' service offering and features it will be necessary to partner with many of the current industry information providers. These partnerships may alleviate much of the competition, with HHS being linked to many industry brands and online resources. This strategy is further discussed in section 3.0 Strategy Plan.

### 2.2.1 Points of Difference

HHS' service offering has two key points of difference, differentiating the brand in the busy online information space.

- HHS is the only online information provider offering objective, non-biased information and advice that is personalised and tailored to homeowner's individual situations.
- HHS is the only online information provider offering a 'Home Inspection Tool' capable of addressing a total home solution and generating a free comprehensive home report.
- HHS is the only online information provider offering mobile services via a smartphone application.

## 2.3 Our Customers

During the research process we have established that living in a healthy warm environment is not only desired but also a benefit to the occupant's health, comfort and general wellbeing. Each participant shared their views and concerns, and explained methods of prevention that can be used in the fight against living in a sub-standard dwelling (insulation was mentioned by all). Our customers have been informed by the situation of poorly heated or insulated homes in New Zealand mainly due to personal experience, media campaigns and government movements. This outlines that all New Zealand residents are or will be a potential customer for HHS during their lifetime.

The benefits our customers will find attractive are:

- Awareness in full detail of the current health situation of the dwelling they reside in and at no cost = FREE is enticing to consumers.
- Knowledge of their up-to date regional requirements and council standards. This is useful information not only for consumer's current location, but also when looking to migrate to another region within the country.
- Non-biased solutions to upgrading their property with a personalised range of available products to suit their needs and budget, without the direct sales push.
- Prevention methods, maintenance tips and recommended schedule of when to review next i.e. More frequent monitoring may be required for homes that are exposed to harsh or weathered climates such as coastal and seaside properties.
- Direct contact (if desired) to trusted industry and installation specialists that are endorsed by HHS.
- Ability to engage and discuss their experiences, concerns or solutions with other HHS consumers in their region, via online forum or blogs through website or smart phone app.
- Convenience and ease of use of the HHS service via Smartphone app promotes innovation and technology, a strategic direction for future growth.

With HHS being a not-for-profit organisation and a non-biased information and resource service brand that consumers will actively seek out, it is very unlikely to attract negative consumer perceptions.



### 2.3.1 Target Market Segmentation

Within the total number of the New Zealand domestic homes, the overall consumer market for HHS can be broken down into 3 market segments based on the type of dwelling. The primary target market for this service is 'owner occupied dwellings' including new homebuilders, new home buyers, homeowners and renovators. People living in rental properties or government provided housing is classed as the secondary target market, due to the fact that they are not the budget controller or home improvement decision maker of the home that they currently live in (Norris, 2012).

Total Market Size Of Private Dwellings		
1,741,400		
Primary Market	Secondary Market	
Owner Occupied	Rented	Provided Free
1,164,300	502,800	74,300
67%	29%	4%

(Figure 2: Source, Population Statistics (Statistics NZ, 2012))

Figure 1 above shows that our primary target market accounts for 67% of the total market with 1,164,300 dwellings. Within this segment 150,000 homeowners have already taken advantage of the Governments Warm Up New Zealand: Heat Smart Insulation and Heating subsidy programme.

The next step focuses on the behaviours and general values of the people within our primary market. The consumers can be defined into 'like' categories to highlight similarities, differences and more importantly any major limitations that may prevent these consumers from engagement with HHS.

The key contributors that will influence our consumer's decision-making process are:

- Demographics – The age of our consumers is an important factor, why?
  - 1) The estimated average age of New Zealand's first time homebuyer is between ages, 30-34 (Hickey, 2012).
  - 2) Young children and the elderly are more prone to health problems associated with living in cold and damp homes.

- Family composition – Number of people living comfortably in each home is also valid, as over-crowding in homes leads to poor living conditions. The mix of the people within a home may also determine the rationale of using HHS. For example a family with one stay at home parent, multiple children and pets may occupy their home for a greater duration every day and have a greater awareness and need for improvements, compared to a hard working young couple that have just purchased the property.
- Economic status – cost has been noted as a restriction on investigating and acting on the need to improve living conditions.
- Health and social influences – Consumers with health problems are more likely to accept and be aware of the health benefits that HHS promotes. Location and attitudes towards new technology such as smartphone apps may be less appealing or have no reception in remote rural homes.

The criteria above will assist in providing some direction during the brand strategy process for HHS, with all brand functions and elements being positive and consumer focused.

## 2.4 Customer Insight

Through a well-planned and executed qualitative research project we were able to extract real insight from our target consumers. This process not only answered important research questions, but also created further questions and developed a direction for our brand strategy based upon how our consumers perceived value in the service brand idea that we proposed. Fundamental components of the brand idea, for example how funding by industry partners would work, and the structure of the service offering, for example the displaying of sponsorship partners, as well as the offering of a connection to recommended industry specialists were significantly influenced by insight gained through our qualitative research. In some cases (for example the connection with recommended specialists) functions of the service were done away with completely. This consumer insight was imperative in developing a service brand that would first and foremost benefit our target consumer with an honest and non-biased online resource that would be perceived to offer true value, creating a meaningful brand experience.

The following themes in consumer insight were learnt through our qualitative research.

### Experience

Our target consumers shared personal experiences of living situations in their own homes, and other homes that they had lived in, where particularly insufficient heating and insulation had caused living discomfort and health related issues. It was also commonplace for actions to have been taken to prevent or rectify this living discomfort. It is apparent that most New Zealanders have had first hand experience with the country's commonly low standard of home health and have a good understanding of the related issues and causes. This established understanding plays into HHS' hands as the focus of the brand and service is not to re-educate consumers of the issues but to provide the information and resources that they are already seeking.

### Health

Health issues relating to poor living environments were discussed by consumers, with the issues being of greater concern to families and older people. Younger homeowners show a general awareness of the effects of an unhealthy home on our level of health but are not as concerned by the issues as maybe they should be. Older consumers and particularly families with younger children are very aware of the related health issues and show a real concern for the welfare of their family's. In most cases families are proactive in seeking advice and taking action to improve their living situations. However this is largely restricted by the cost of upgrading a home.

### Awareness

Consumers of all demographics displayed a general awareness of the state of New Zealand homes regarding healthy living, citing poor insulation as a key contributor to the issue. Consumers were also aware of the common methods of rectifying unhealthy housing problems and most had improved their own home in some way. Particularly through media, consumers are aware of the government-assisted subsidies that are available to homeowners but in most cases are unable to recall any specific details. In fact many consumers have trouble recalling any specific details or advertised brands commonly in the market today.

This suggests an opportunity exists for HHS to enter the market as the leading information provider, dominating the recall and awareness of consumers.

### Benefits/value

Consumers discussed the benefits of installing healthier and more efficient home solutions and could see the value in a free, non-biased information resource tailored specifically to their home. However they would consider the resource to be more credible if it were indorsed by recognised organisations such as 'Registered Master Builders' or 'The Energy Spot'. Consumer's still value the face-to-face experience of talking to an industry specialist but are weary that industry specialists are ultimately trying to sell a product or service, therefore providing far from objective advice. Usually homeowners just want honest information and advice as to the best solution for their specific situation. This is where HHS' true value lies.

### Information

Although consumers are aware of methods of improving the healthiness of their home, they still seek information to better understand the best solutions for their home. Online resources are a popular source of information and advice but are used as a general guide due to its generic nature. Consumers are wary of using information provided by product brands and installers, as they are not always considered to be an honest and trustworthy source of information. In particular consumers trust information more if it is not linked to selling a product or service. Consumers value information and advice provided by friends or colleagues that have experience in upgrading their own homes. The internet is an information highway, and there is a lot of traffic. The key for HHS is to differentiate its information resource by offering a unique service of meaningful value to consumers, with non-biased information free of charge that is specific to their personal requirements.



#### 2.4.1 How the Brand Looks to Customers

Online brand “impressions” come not only from interactions with a company’s official website, they come from every part of the customer experience (Carroll, 2009). Visual representation and a consistent message look and feel will brand the service and the business in consumer’s eyes and form the first impressions. More details on the HHS logo in section 3.3. With a service brand it is not the image or personality that initially attracts the consumer, it is the need of the functions of the service that they are interested in or the required information desired. To keep consumers interested and loyal to service brands, the experience must meet their expectations almost immediately, and continue to develop to offer diversity and keep up with social and market trends.

“Based on participant responses and what they see as being important to them when engaging with an online service brand, the following factors have been identified regarding the ‘Healthy Home Solutions’ brand concept” (Messenger, 2012).

- **Free** online/mobile service/tool.
- **Professional** uncluttered look, easy to navigate.
- Offers **personalised** information tailored to my situation.
- No reference to or endorsement from any **product installers**.
- Provides honest **un-biased** information.
- **Up to date** and relevant information.
- **Endorsements** from recognised and relevant organisations e.g. Registered Master Builders, The Energy Spot.
- Service is not trying to sell anything, provides **information only**.
- Possibility of endorsements from **Product Brands** (must tread carefully)

(Messenger, 2012)

### 3.0 Strategy Plan

It needs to be emphasized that 'strategy' is not synonymous with 'long-term plan', but rather consists of an enterprise's attempt to reach some preferred future state by adapting its competitive position as circumstances change (Gilligan, 2005).

This section of the report contains our strategic branding elements and direction of the HHS brand in the marketplace.

#### 3.1 Company Vision

Every successful company is known for its brand. People make value judgments on your company by just looking at the brand logo or brand name. If you want to build a strong, successful brand you need a vision (Towers, 2010).

Brand Vision Statement:

*'Healthy Home Solutions will become the most trusted information and solution provider ensuring New Zealanders are living in a healthy home environment that meets worldwide standards of good health, comfort and compliance, now and in the future'.*

Brand Promise:

*'Healthy Home Solutions promises to provide consumers with non-biased information and personalised solutions for healthy home living and general wellbeing'.*

Brand Challenge:

*'Healthy Homes Solutions will constantly look for new innovations and technology that will improve or evolve the brands service functions and tools to benefit consumers and set a benchmark in the industry, for smarter living'.*



### 3.2 Logo and Tagline

#### Primary Logo

Healthy Home Solutions logo is designed to portray a warm sense of comfort and wellbeing. The colours used are light, warm toned pastels with a large sun in the centre overlooking a cosy little home. The large sun represents warm and healthy living and is the logo's attention grabber. The brand name 'Healthy Home Solutions' is easy to say and read and articulates exactly what it is that the company is all about;

*'Finding solutions for making New Zealand homes healthier'.*



#### Secondary Logo

A secondary logo with just the bright yellow sun and Healthy Home Solutions abbreviation 'HHS' has been designed to represent HHS in situations where the brand is being used to endorse other brands or initiatives related to healthy home living. This is discussed further in 3.7 Promotional Mix.



#### Tagline

The tagline; 'Warmer, Healthier, Smarter Living' will be used alongside the HHS logo representing key benefits of using HHS' service, as well as incorporating the universal message of 'Smarter Living'.



### 3.3 Brand Equity Elements

Brand Equity is defined as value and strength of the Brand that is perceived by the customer and is often referred to as customer based brand equity. In order to achieve strong brand equity you need to understand the needs and wants of customers and communicate to them your brands strengths and uniqueness. If done correctly this can stimulate and influence consumer behaviour towards accepting and committing to your brand and what it stands for. However, the real value and power of a brand lies in what resides in the consumers mind, from their own perception, feelings, beliefs and experience with the service.

Unlike most products and services, HHS is not a profit-focused brand. This will contribute to building brand equity due to the positive nature of the brands core focus - *benefiting the consumer, not making money.*

This differentiation of providing a free service, with non-biased and useful information combined with a targeted marketing strategy will initiate brand awareness and form the foundation for brand equity. The brand vision, promise, challenge and positioning statement for HHS are also strategic components of our branding strategy that have been established to generate strong brand equity.

The visual elements of the brand, such as the two logos, and the tagline '*Warmer, Healthier, Smarter Living*' have been designed using warm happy colours, and words that represent optimism and intelligence. These qualities are desirable to consumers; they represent ability and motivation, which also compliment the functions and core focus of the brand. With these favourable attributes as part of our branding, the public will be willing and wanting to engage with HHS' for a positive experience. The feeling of satisfaction and self-reward from creating a smarter living environment for themselves and family will strengthen the bond between the consumer and HHS, resulting in a high level of customer based brand equity.

Ultimately the implementation process and strategic planning for HHS will build the brand through channels that generate recall, recognition driving customers to use the HHS service. Strong brand equity will results in making HHS less vulnerable in the



marketplace and ensure long life while increasing the chances of successful brand extensions in the future.

### 3.4 Brand Positioning

Brand positioning is an important activity when creating a new brand as this forms customer's views and opinions and defines the place in the market in terms of customer value. The brand position also directs the marketing strategy by highlighting a unique feature that sets the service apart from competitors. HHS have developed a positioning statement to determine their brand position.

The statement below clearly communicates the direction of the brand to our consumers; a leader, promoting good health, comfortable living while encouraging trust and support.

#### Positioning Statement

*Healthy Homes Solutions is your principle information and service provider, setting the benchmark in home health industry standards, to guarantee New Zealanders comfort and wellbeing in their homes all year round.*

### 3.5 Brand Objectives

The brand objectives for HHS are in line with the positive themes that have been outlined in the brand vision, promise and challenge statements above.

- Promote the awareness and benefits of living in a healthy and energy efficient home, tailored to the individual consumer
- Provide consumers with trusted and non-biased information and solutions to living in a healthy and sustainable home.
- Become the leading online service information provider in the home and health industries.
- To be aligned with industry specialists and use their valued communication channels to engage with a wider audience.
- Form strategic alliances with non-industry related and respected organisations that are willing to endorse the HHS service brand.

The brand objectives have been established to drive our strategy and outline the theme and overall vision of what the brand wants to achieve as an organisation and as a service brand in the marketplace.

### 3.6 Brand Strategies and Tactics

The brand strategy for HHS is aligned with the brand objectives listed above. The business strategy is focused on growing awareness, providing solutions and improving the health of New Zealand homes, while emphasising the importance of monitoring your living environment.

This focus strategy concentrates on a narrow segment and attempts to achieve differentiation. HHS is focusing on home owners as the primary target market and our premise is that HHS can service the needs of this group by focusing entirely on their individual needs of a healthy living environment, based on factual data – regional regulations, home specs and demographics of residents. The outcome of the focused and personalised service to the individual, plus offering further possibilities to connect them to leading product providers and specialised installers, will help HHS to enjoy customer loyalty due to the advanced and un-matched service.

The promotion and advertising strategy is focused on using as many online channels that are appropriate to fast track the brand awareness by getting in front of the consumer audience frequently in varying situations. The aspiration is to gain traction with consumers and the industry promptly, and secure a significant customer base within the first 3 months of the launch campaign.

In addition to national advertising, the idea is to leverage through our endorser's, and industry specialists communication and media channels, as many and as often as possible for maximum exposure.

In addition to securing a customer base, HHS requires funding from a variety of sources. The strategy to secure these funds will be a process that needs careful management, research, a high level of detail and sensitivity to their mission and operations and conducted in a highly professional manner. The approach will be



proactive in elevating growth in the market. HHS will inspire consumers on behalf of industry specialists with the two-way advantages of joining forces being appreciated by all parties long term.

The functions of the service provide the necessary tools and information to enable the customer to be proactive in finding the best solution that accommodates their individual needs. (Refer section 2.3: Our customers, “the benefits our customers will find attractive are”, for a list of the service functions).

Tactics used in this strategy are associated with the network of business partnerships and sponsors directly or indirectly connected with the industry and their resource capabilities. The motivation is to establish strong relationships and promotional opportunities with a channel of organisations that have a pre existing customer base with similar interests to leverage the HHS brand to. Consumers who are in this segment are the most likely candidates to engage with our service, as it is recommended by a brand they already trust - ideally this will also encourage word of mouth. Consumers with prior experience in improving their home, have health issues that or concerned about sustainability are prime targets to use to test the HHS service. A further tactic will be to advance these test consumers to share their journey with HHS via our online forum as an independent review so potential users can see how easy the process is, and the satisfaction and value they experienced.

### 3.7 Promotional Mix

The promotional mix is focused on broadcasting to the New Zealand public using a variety of media channels that stimulate reaction and engagement.

The strategic focus of all promotional activities is concentrated predominately on brand awareness and to educate rather than sell. Mainly promoted through free online media and a small amount of paid online advertising, plus tangible point of sale material to engage with the wider audience. The intent with the promotional mix is to promote the HHS brand and service heavily in the first 3 months with a hard hit of national advertising on TV, online, social media, direct mail, some in-store presence in the wider industry networks, and through the media resources of our strategic allies.



The nature of the advertising will be visually appealing with the warm and bright colours of the logo, and uplifting with the use of the tagline. Since the HHS brand is not intending to sell, and will not contain words like 'sale' or 'buy now', it is probable that an online user will not instantly terminate or disengage with the advert, because there is no threat of being lead into a sales pitch or spending money. Therefore the view is that the HHS online promotional mix will be effective and assist with standing out amongst the clutter of online sales directed advertising.

These avenues will contain HHS' primary and secondary logo and a link to the website, plus a QR Code that can be scanned my smart phones. Due to the constructive and helpful nature of the HHS brand, there are no defined avenues, or target markets where the promotion of this service would be offensive or classed as inappropriate, therefore the opportunities with these businesses and organisations are endless.

#### **Summary of media channels:**

- Television advertising – national scale, free to air, tactical timing with seasons and concentrated due to expense.
- Online – HHS company website and Facebook, interactive and on-going, government media resources, mainstream news websites, endorser and sponsorship partner's websites, industry brands websites and social media channels, plus app stores to promote App.
- E-Newsletters/Direct Mail – To subscribed users, sponsors, endorsers & available on HHS website, issued monthly. Plus new subscribers introductory letter.
- Printed marketing material – In-store posters and counter flyers for industry partners and public sectors, i.e. health industry, Plunket, libraries and councils.
- Campaign point of sale/mailers – Industry supplier promotional flyers, i.e. Mitre 10's winter sale catalogue.
- Trade Shows – branding presence on trade show stands of product distributors and industry partner's sites i.e. NZ Home Show.

With advertising there is always the concern of wasting funds on the wrong media choices, or the campaign not having any of the desired impact on the marketplace. This raises questions like, are we using the right media? Do we have the pitch right? Is the communication and message clear? Certain measures of effectiveness can be used to review the campaign with measures taken to correct if it is not working, refer section 4.2 Measurement of Effectiveness for more detail.

The HHS promotional mix and placement strategy have been strategically set by referring to the qualitative research where consumers noted that TV and online were channels that they use and find effective. Below is a summary of the media channel, target audience and timing:

<b>Launch period = Tactical Advertising: 3months May, June, July 2013</b>			
<b>Media</b>	<b>Detail / Target</b>	<b>Timing</b>	<b>Cost</b>
<b>Television</b>	Free to air TV, 30 sec, prime time spots, evenings and news.	12 week period, screened week on/ week off	\$100,000
<b>Online</b>	HHS Website, Govt & industry partners, +	On-going	\$1,500
<b>Social Media</b>	Sponsors/Endorsers		
<b>Print Media and Online Banner Ads + Editorial</b>	Tactical, mainstream newspapers; NZ Herald, Waikato Times, Dom Post, CHCH Star, Southland Times	Print = 1 week of each month Online = duration of 3 months	\$20,000
<b>App Stores</b>	iTunes, Google Play, Windows Phone Marketplace	On-going	\$500
<b>In-store Posters</b>	For display in industry partner channels and premises	On-going	\$15,000
<b>Mail drop, Flyer included in monthly statement</b>	Selected Industry partners, Electricity companies, Mercury, Contact Energy, Vector	One company per month for 3 months	\$13,000
<b>Total Launch Budget</b>			<b>\$150,000</b>

(Figure 3: Healthy Home Solutions Advertising Launch Budget and timing matrix)

The table below shows the proposed advertising schedule and budget for the first 12 months following the launch. This is subject to change if areas or channels are noted as ineffective during the measurement analysis that will be conducted immediately post the launch, and amended to suit the findings.

Annual Advertising & budget summary – 12 months (CY: 1-July, 30-June)			
Media	Detail / Target	Timing	Cost
<b>Television</b>	Start of each season for awareness and reminder. Prime time and regular screening slots. 30sec.	Each campaign x4 is duration 1 month, \$20K each. June, Sept, Dec, Mar	\$80,000
<b>Television</b>	Tactical – Pre-winter focus	May	\$20,000
<b>Online</b>	HHS website	On-going	n/a
<b>Online banner ads</b>	Tactical Mainstream News	Monthly \$2,500	\$30,000
<b>Social Media</b>	Facebook, Online Forums	On-going	\$6,000
<b>Printed</b>	Poster and flyer re-prints, Tactical – Pre-winter focus	May	\$10,000
<b>Direct Mail (Email)</b>	Customer loyalty scheme, Email a congrats for joining HHS correspondence	On-going, as subscribers join	\$1,000
<b>Total 12month Budget</b>			<b>\$150,000</b>

(Figure 4: Healthy Home Solutions Annual Advertising Budget and timing matrix)

## 4.0 Strategy Implementation

With HHS being an online service brand, it will be launched via the HHS website with the smartphone application being launched and distributed via the App Store (Apple), Google Play (Android) and Windows Phone Marketplace (Windows). Advertising and promotion of the service will be fairly concentrated, making good use of HHS' network of partners and sponsors to promote the service via existing media channels and initiatives. HHS will rely heavily on partner relationships to aid in broadening its brand message reach and growing brand awareness.

It is important for HHS to start building a network of partner relationships and sponsors prior to the service launch.

- Partners: To endorse HHS giving the service credibility by association as well as providing promotional channels to maximise media reach on launch and throughout the life of the partnership.
- Sponsors: To secure the funding that will be required to successfully develop, launch and manage the service.

Building these relationships will require significant effort on the part of HHS to sell a conceptual idea to potential partners and sponsors that is compelling and meaningful enough to win their support, integrity and trust. For sponsors, there is no direct return on investment for their financial support, nor is there a particularly simple measure of the effectiveness of their marketing investment. This emphasises the importance of a well-researched and well-planned brand strategy.

#### 4.1 Implementation Plan

HHS will be launched towards the end of Autumn 2013, a time when homeowners are starting to think about the cold winter ahead. HHS' launch will remind them of the effects and impact of an unhealthy home on their lives. The 11 months leading to the launch date involves a significant commitment to planning, communications, networking and organisation. This pre-launch work will be undertaken by company founders Monique Norris and Cy Messenger who will share responsibility of the majority of the tasks. The only tasks to be outsourced at this stage will be the IT design and development.



Healthy Home Solutions Implementation Timing and Responsibility			
Step	Description	Completion	Responsibility
<b>Conduct Research</b>	Conduct an extensive qualitative research project to gain insight and a full understanding of the potential customers and the market.	21 <sup>st</sup> May 2012	<i>Monique Norris</i>
<b>Strategy Plan</b>	Develop a comprehensive brand strategy plan based upon customer insight gained from the research project.	11 <sup>th</sup> June 2012	<i>Cy Messenger</i>
<b>Form Entity</b>	Register HHS as a Charitable Trust and trade mark both 'Healthy Home Solutions' and 'HHS'.	2 <sup>nd</sup> July 2012	<i>Cy Messenger</i>
<b>Raise Funds</b>	Secure funding (as a Charitable Trust) from a Government grant e.g. Grants and Subsidies - One-Time & Renewable (NZ Business Funding Centre, N.D).	28 <sup>th</sup> Sept 2012	<i>Monique Norris</i>
<b>Concept Development</b>	Contract a website/app development specialist to develop the HHS concept to a presentation point, appropriate for presenting the idea to executives.	2 <sup>nd</sup> Nov 2012	<i>Digital Development Specialist</i>
<b>Concept Presentation</b>	Arrange to meet and present the HHS concept to prospective partners and sponsors.	21 <sup>st</sup> Dec 2012	<i>Monique Norris</i>
<b>Secure Partners / Sponsors</b>	Secure partnership and sponsorship agreements on 1,3 or 5 year contracts.	1 <sup>st</sup> Feb 2013	<i>Monique Norris</i>
<b>Develop Service</b>	Have website/app development company build and test HHS's online and app service ready for launch.	30 <sup>th</sup> April 2013	<i>Digital Development Specialist</i>
<b>Launch Brand</b>	Launch HHS' services.	1 <sup>st</sup> May 2013	<i>Cy Messenger</i>

(Figure 5: Healthy Home Solutions Implementation Plan Outline)

## 4.2 Measurement of Effectiveness

HHS' brand strategy effectiveness will be measured by looking at factors concerning the promotional mix and the success and uptake of the service offering.

It is important for sponsors to believe that they are benefiting in some way by supporting HHS financially. This benefit will come by way of HHS creating greater awareness of the unhealthy state of New Zealand homes and by growing the overall

home solutions market. HHS will achieve this by making it easier for homeowners to find the information that they require to rectify the issues in their homes, as well as ensuring that new homebuilders and renovators are installing all of the appropriate home solutions at the time of construction.

Measuring HHS' contribution to market growth is difficult as other initiatives and organisations will also contribute to this. However by measuring multiple factors we are able to develop a better picture and have a greater understanding of HHS' impact on the home solutions market.

- Brand Awareness/recall – Quantitative research, talking to consumers.
- Uptake of HHS' services – Web traffic, app downloads, HHS Tool usage.
- HHS Inspection Report Conversion Rate – Number of unique visitors or app users that go on to generate a report.
- Product Sales and Installations – Growth in the market, has this increased? By how much?
- Product and Installer consumer survey – Where did you attain your information about home solutions? How useful did you find the information?

Many of these methods will also be used to measure the effectiveness of the promotional mix. Not only by analysing web traffic, app and tool usage, but also by talking to consumers and identifying whether they are aware of HHS' services and how they came to know of them. Whether they are able to recall any advertising and how that advertising affected their thinking and understanding of the health of the home that they live in, as well as whether the advertising prompted them to seek further information by visiting the HHS website or an app store.

It is also important to understand how the service and information is being used and whether or not the service could be made better. By knowing how many homeowners are armed with an HHS Inspection Report when approaching a product retailer or installer, we will begin to understand how consumers trust the brand as an information resource. This analysis paired with analysis of the HHS tool usage, web traffic and app downloads will paint a picture of the acceptance of HHS as a credible information

resource. If HHS' usage is high and service feedback is positive then service expansion opportunities will become a realistic possibility.

### 4.3 Financial Case

Initially HHS' will rely one hundred percent on grants and sponsorship from industry partners, as no aspect of the proposed service generates a direct income. However, by year 3 (second year of service offer) there will be the opportunity to develop revenue streams through in-home inspections, commercial consultancy or an annual endorsement fee in return for supporting related industry products or service.

Over the 11 month planning, development and implementation period HHS will seek funding through a Government grant. This grant will cover all costs incurred up until the launch of the HHS service where sponsorship will take over annual funding responsibilities. By the second year of operation HHS will subsidise a third of its running costs with the development of new revenue streams.

Healthy Home Solutions 3yr Financial Case				
Item	Year 1	Year 2	Year 3	Totals
<b>Funding</b>				
Government Grant	\$335,500			<b>\$335,500</b>
Sponsorship		\$360,000	\$360,000	<b>\$720,000</b>
HHS Revenue			\$180,000	<b>\$180,000</b>
<b>Total Funding</b>	<b>\$335,500</b>	<b>\$360,000</b>	<b>\$540,000</b>	<b>\$1,235,500</b>
<b>Expenses</b>				
Salaries	\$100,000	\$170,000	\$180,000	<b>\$450,000</b>
Research	\$10,000	\$10,000	\$10,000	<b>\$30,000</b>
Entity Setup	\$500			<b>\$500</b>
Concept Development	\$2,000			<b>\$2,000</b>
Service Development	\$53,000	\$10,000	\$10,000	<b>\$73,000</b>
Promotional Mix	\$150,000	\$150,000	\$150,000	<b>\$450,000</b>
Office Lease			\$50,000	<b>\$50,000</b>
Other Expenses	\$20,000	\$20,000	\$20,000	<b>\$60,000</b>
<b>Total Expenses</b>	<b>\$335,500</b>	<b>\$360,000</b>	<b>\$420,000</b>	<b>\$1,115,500</b>
<b>Total Surplus</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$120,000</b>	<b>\$120,000</b>

(Figure 6: Healthy Home Solutions Financial Case)



### Financial Case Explanation

- Government Grant – This enterprise allowance grant (Grants and Subsidies - One-Time & Renewable) provides New Zealand businesses with the funding required to cover essential startup costs. The grant is not required to be paid back and has the possibility of being renewed. Total grant available is \$500,000.
- Sponsorship – Will come from industry related product manufacturers, in the fields of heating, insulation and ventilation solutions. As HHS' service offering expands into other areas, further sponsorship opportunities will also be created. The \$360,000 annual sponsorship will come from 24 manufacturers each contributing \$15,000 per year. Ultimately their long term return on investment will come by way of HHS growing the overall market.
- HHS Revenue – By year 3 the service will have built enough brand equity that revenue will be able to be generated through multiple channels. Revenue streams will grow as the service offerings develop. However the core online information resource will always be free to consumers.
  - 1) The endorsement of product installers, product manufacturers, home construction companies, commercial construction companies and other industry related services. This endorsement will incur an annual fee.
  - 2) In-home inspections will be a charged extension on the online service, offering an impartial face-to-face service to homeowners who are more comfortable with this personalised experience. Contractors will be appointed as local inspectors.
  - 3) Commercial consultancy will be offered via contracted specialists to assist property developers during the planning and construction phase of commercial projects.
- Salaries – Essentially the directors salaries, as the majority of other tasks are contracted out. However this figure will grow with the company, as will the number of staff required to operate the Trust.
- Research – This is a continual process. Measuring customer response, awareness and service effectiveness in order to justify sponsorship investment, as well as service development.
- Entity Setup – The cost of registering the Charitable Trust.

- Concept Development – To have a digital developer turn the HHS idea into a deliverable presentation in order to sell the idea to potential partners and sponsors.
- Service Development – To have a digital developer build the website and smartphone apps, test and launch the HHS service. Ongoing costs will include maintenance and further service development costs.
- Promotional Mix – To cover the cost of all marketing activities as discussed in section 3.7
- Office Lease – To rent a small office space and parking in central Auckland. This will create a physical offline home for the company.
- Other expenses – This fund will cover administration costs and any extra expenses such as travel, mobile phones and sundries.
- As HHS is a non-profit making organisation, the annual surplus at the end of year 3 and subsequent years will be re-invested into the continual development of the service offering and into the home health industry as a whole.

## Conclusion

The Healthy Home Solutions strategic plan, including brand objectives, service functions and marketing and promotional mix have been directed by the results from the consumer qualitative research that was conducted prior. By applying a detailed implementation plan with a focused strategy on consumer awareness and education on smarter living, it is now confirmed that the HHS brand will enter the New Zealand market with confidence, and become a valued service brand.

The factors of differentiation, with personalised non-biased information source, a non-sales orientated service brand that is entirely free to the consumer, are the core elements of HHS that are attractive and will lead to success in the marketplace. Combined with support from the government, industry leaders and specialists, HHS has the opportunity to become a leading and valued brand by the nature of the service, and will have long-term benefits on the people and housing situation in New Zealand.



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