

Final Project: Marketing Plan

Part 1. Executive Summary

Product/Service/Idea

Green Energy Constructions is an enterprise that revolves around green-engineered home designs and remodeling. It is known for its environmentally friendly practices and for the money it can save through the use of energy efficient home and remodeling designs. It's services consist of energy efficient insulations, green engineered framing designs, building window framings that capture solar heat during the winter and expel it during the summer, solar roof shingles, and building efficiently sized air duct systems for cooling housing units. This enterprise would be positioned in the market as a new and innovative type of construction, which can save the consumer in the long run costs of energy, while doing it with an environmentally friendly approach.

What is the situational analysis?

Over the past decade the costs of energy for homes have risen. For many New England families, the costs of heating their homes, especially during the winter, have become a very expensive challenge. As oil becomes scarcer, heating homes will only become more expensive if new technologies are not adopted. Although green building services may have slightly higher prices than classic contractors, the benefits make these remodeling and home design purchases cheaper in the long run due to the costs of energy. The market for certified green building contractors is fairly undeveloped, thus most of Green Energy Constructions competition will come from cheaper conventional construction contractors. Green Energy Constructions is a certified green building and remodeling enterprise that bases its values around sustainability and energy efficiency, which makes it stand out from classic building contractors.

Marketing plan

The target market for green building and remodeling will be segmented into two broad categories – the money savers and/or the environmental stewards. This customer base will typically be married couples with a middle to upper socioeconomic status. These customer bases will value the aesthetics of new homes and energy efficiency. These customers could be trying to increase the value of their home, decrease their energy costs, or decrease their carbon footprint. Green Energy Constructions brand revolves around renewable energy, building, and the environment. Thus using images such as trees, mountains, or plants combined with images of a light bulb, a hammer, or the framing to a house. To reinforce my products positioning, this enterprise shows consumers statistics on the energy prices for homes that are built under a green design and compare them to homes that are not engineered as “green”. Green Energy Constructions will also market in the yellow pages and keep customer satisfaction high to encourage them to spread a good reputation and recommendations of the enterprises services to the market.

Why it will be a success?

The theme and message of Green Energy Construction is sustainability and low ecological impact engineering. This theme will position the enterprises services at a higher quality due to its ecologically responsible and energy efficient services. This enterprise will educate the consumer of not only the money that will be saved, but of the environmental benefits as well. Between the financial and environmental benefits, this enterprise will be successful.

Part 2. Situational Analysis

Company Analysis

Focus

Green Energy Constructions exists to provide and build green-engineered housing and remodeling designs that are energy efficient. Its mission is to increase awareness about environmental sustainability and educate the public about the financial and environmental benefits in adopting Green Energy Construction's services.

Goals

Green Energy Constructions long-term goal is to reduce the housing industries environmental impacts through the promotion of energy efficient housing that adopts renewable energies and reduces its carbon footprint. A more short-term measurable goal is to have a 5% increase in the enterprises customer base within the first year. Green Energy Constructions values educating the public of their environmentally friendly services and wants to increase the awareness of their services to the market. Green Energy Constructions will define its success through an increased customer base because this will result in the expansion and adoption of green-engineered construction and knowledge.

Culture

Green Energy Constructions values the idea of sustainable practices and low ecological impact engineering. They also value educating the public of these types of practices to induce more people to adapt energy efficient technologies and reduce our carbon footprint. Green Energy Constructions addresses the triple bottom line of social (People), ecological (Planet), and economic success (Profits). This firm does not solely motivated by economic profits; it values its ecologically sustainable practices by promoting and installing renewable/efficient energies for homes that are environmentally friendly. The enterprise is socially responsible by giving back to the community a house that is friendly towards the environment that they live in. Green Energy Constructions constitutes as a YIMBY enterprise because of it environmentally friendly services and its promotion of sustainable practices.

Strengths

Green Energy Constructions will be viewed as a superior service due to its financial benefits and ecologically responsible practices through green-engineered construction. This enterprise will be run by a green building/LEED certified contractor. The skills provided from these certifications will make this enterprise have an advantage in the market. The core competencies of this enterprise are the long-term financial benefits on energy and the reduced ecological impacts from adopting energy efficient homes.

Weakness

Home construction and remodeling aren't exactly cheap services. This high priced service may cause customers to be reluctant when adopting newly developed green home designs or remodeling projects. Customers may not want to adopt the services because of the lack of knowledge in the green construction. The services from this firm are geographically bound which is another weakness. A start-up construction enterprise may not be able to meet the demands of consumers in California.

Customer Analysis

Wants/Value Drivers/Perceived Benefits

The customers for this enterprise will be desiring a home or home remodeling project that will increase the energy efficiency in their home and reduce the current high costs for providing home energies. This service can be valued for its long-term financial benefits and/or its ecologically friendly products. Customers perceived benefits consist of low energy costs due to energy efficient designs or the use of renewable energies. Another perceived benefit is that this enterprises service will result in a home that is environmentally friendly and has low negative ecological impacts.

Demographics

Research revealed that New England and California have some of the highest demands in the nation for professional remodeling and construction work. (Audience Analyst) More specifically, the top ten areas of remodeling consisted of areas in Massachusetts, New Hampshire, California, and Alaska. (Audience Analyst) This firm would be initiated within New England, most likely around Vermont, New Hampshire, and Massachusetts. The Local Market Audience Analyst website revealed the “Demographic Overview” of these areas and stated that the majority of the population ranged between the ages of twenty-five to forty-four and had a fairly equivalent male to female ratio. (Audience Analyst) This selection of ages seems like a typical market for married couples interested in buying a house or improving the quality of their home through renovation work. The demographic overview also revealed that the average income for this age sector, in the area, ranged from 75,000 dollars to 150,000 dollars. (Audience Analyst) This average to above average customer income is ideal because home construction and remodeling work isn’t typically a service purchased by those with lower incomes.

Psychographics

The customer base for Green Energy Constructions can be segmented into those who value environmental sustainability and/or home energy efficiency. People in this segment of the market may participate in sustainable practices such as composting, recycling, or organic food purchasing. They most likely will also appreciate the aesthetics of interior/exterior home design and renovation. The segment of the market that values the environment may partake in activities such as hiking or kayaking. Although this service may be geographically limited, the customer base has the possibility of ranging anywhere. Some areas and communities may be known for being more environmentally responsible, but the market that wants to save money through energy efficiency could be any middle to upper class neighborhood.

Behavioral

The customer base for Green Energy Constructions may want this enterprise’s services for several reasons. One may be because of its long-term financial benefits on home energy through energy efficient resources. Another may be because of the firms environmentally friendly engineered homes that have low ecological impact. Some may choose the service because the government often provides for tax cuts for “green” certified homes. Finally, some may purchase this enterprise services to raise the quality/value of their home for the market. Green certified homes require less maintenance and reduce energy costs, thus increasing the properties value. All these perceived benefits create a high opportunity for this enterprise.

Competitor Analysis

Most of the competition the Green Energy Constructions will face will be from other classic building and remodeling contractors. This competition's style is a "product-competition" because its services are in the same field of home design and remodeling, but their services have different features and different prices. Most of the competition will lack LEED certification and green technologies, but will have a cheaper price range for their construction services. Conventional contractors will try to position their services as high quality engineered home designs that are done by professional building contractors with excellent reputations in home aesthetics. They will also position their products as more affordable than other contractors when setting bids for remodeling and home construction projects. Many contractors also like to position their services as safe, ethical, respectable, and honest. These competitors' strengths will mainly revolve around its cheaper prices for their construction services compared to "green" construction and remodeling. In some cases, conventional construction may have higher quality aesthetics. Some believe that solar panels/shingles take away from a home's exterior aesthetics; in this case conventional construction may be more appealing. Solar panels aren't the only option for energy efficiency in housing, thus this isn't a huge strength for the competition. The competition's weaknesses are their lack of innovation in energy efficient technologies and engineering that saves money on the costs for utilities. The main competitive advantage that the competition has is more affordable prices for their services, without including the long-term savings that an energy efficient home provides.

Collaborators/ Team Members

Building contractors rarely work independently. It is common to subcontract several different organizations to aid in making the projects due date and to put people who specialize in certain fields in their appropriate places. Green Energy Constructions will collaborate with electrical contractors, painting contractors, HVAC contractors, plumbing contractors, roofing contractors, and some finished woodworking carpenters. All of these contractors would be considered "team members" because without them the goal of building a house or finishing a remodeling project on time may not be achievable. One could say that the customer is even part of the team for Green Energy Constructions. The customer helps advise all the contractors to what they are expecting or desire from their services. These requests shape the contractors' designs for fabrication. Electrical contractors will mainly be responsible for installing energy efficient lighting, wiring, and in some cases helping wire solar panels/shingles. HVAC contractors would be responsible for properly sizing the heating and ventilation systems for housing units in given geographic locations. Plumbing contractors will be responsible for installing energy efficient water such as, geothermal heat pumps that use water sustainably. Painting contractors would use environmentally friendly paints for interior and exterior designs in homes. Roofing contractors would help install the customer's desired "energy star" roofing materials to help seal the house from leaks. Finished woodworking carpenters would help put the final touches on the interior of housing units such as, cupboards, hand railings, countertops, bathroom vanities, and trim work. Working with all these contractors help maximize the quality of housing units by putting people with specialized knowledge in the appropriate places and by ensuring that a project will make its due date, with the help of sub-contracted enterprises.

Climate/External Environment

Social: Population growth is a continuous global trend that is difficult to sustain and maintain. Populations will continue to expand and additional housing units will need to be designed and fabricated. As population grows resources, renewable and non-renewable, will be consumed at a much faster rate. Green Energy Constructions will design housing in a format that will sustain and conserve some of these resources with the most efficiently known methods.

Economic: Our economy has been hit by the prices of energy. Many people are renovating their homes to try to captivate housing energies and minimize their expenses on utilities. Our culture is starting to become more educated in the sector of green technologies and is aware that our main energy source, oil, is an expensive and finite resource. Adopting green energy technologies may be in the best interest of the consumer.

Technological: In the past few decades there has been dramatic technological changes in the housing and energy sectors. New technologies such as geothermal heating, radiant flooring, and solar panels have been developed and adopted. Our nations most efficient energy resources are finite and new technologies, that will save money in the long-run, are likely to be adapted.

Competitive: Construction and remodeling is a highly competitive market. Green construction differentiates itself from this highly competitive market and positions itself as a higher quality type of construction service. The market for green building contractors is fairly undeveloped competitively and appears as a promising business in the future.

Regulatory: Stricter housing regulations from the EPA are helping develop a market for green building and remodeling that protects the environment. The government is also developing incentives for people to invest in green-engineered construction services. The Emergency Economic Stabilization Act and the Recovery and Reinvestment Tax Act have offered tax cuts and utility rebates for those who choose to develop housing units that reduce and sustain energy use.

Population growth, green technological developments, and government regulations are the main environmental forces that are expanding and developing the market for green construction services.

Part 3. Marketing Opportunity

Green Energy Constructions exists to provide and build green-engineered housing and remodeling designs that are energy efficient. Green Energy Construction's services will consist of advanced framing techniques, advanced insulation packages, window structures meant to capture solar heat in winter and expel it in the summer, high efficiency air duct systems, engineering around correct solar orientation, and low use water fixtures.

I chose this enterprise because it truly reflects my values and passions. Growing up in Vermont, I have partaken in many of the outdoor escapades that Vermont's beautiful environment provides. Activities such as hiking, fishing, camping, snowboarding, and kayaking have made me value nature's beauty and sparked an interest in environmental awareness and sustainability. For the construction aspect of this enterprise, I enjoy the aesthetics of designing a home. I have done several years of construction work and every time I finish a project I feel a remarkable level of satisfaction and accomplishment. A green building and remodeling business would fit my values for environmental sustainability and match it with my passion for building. Green Energy Constructions creates broader community assets by designing green engineered

building plans that are environmentally friendly by providing communities with clean air and have low ecological impacts.

Green Energy Constructions proposes that it will provide energy efficient housing that is environmentally friendly and will save on the costs of home utilities. The customer base for Green Energy Constructions may want this enterprise's services for several reasons. One may be because of its long-term financial benefits on home energy through energy efficient resources. Another may be because of the services environmentally friendly engineered homes that have low ecological impacts. Some may choose the service because the government often provides for tax cuts for "green" certified homes. Finally some may purchase this enterprise services to raise the quality/value of their home for the market. Green certified homes require less maintenance and reduce energy costs, thus increasing the properties value. All these perceived benefits create a high opportunity for this enterprise.

The characteristics of this brand revolve around the traits of efficient, responsible, high quality, and innovative. Green Energy Constructions would like to be known for its environmentally friendly practices and for the money it can save through the use of energy efficient designs. This enterprise would be positioned in the market as a new and innovative type of construction, which can save the consumer in the long run costs of energy, while doing it with an environmentally friendly approach. The enterprises personality would be conjure values around sustainability and energy efficiency, which would make it stand out from classic building contractors. I would want the brand to project images of energy, building, and the environment. Using images such as trees, mountains, or plants combined with images of a light bulb, a hammer, or the framing to a house would help position the desired "personality" of this enterprise.

Marketing Strategy

Green Energy Constructions will segment their market into four categories- New Home Owners, Home Salespersons, Money Savers, and Green Energy Activists.

The New Home Owners category consists of people who are having some remodeling done or are having a new house built. The *geographic segment* for this market varies-it may consist of remodeling done in a suburb/metropolitan area or it could be a new home being constructed in a rural area. The *demographic segment* for this market will most typically range between thirty to mid-forty year old married couples in the upper-middle or wealthy socioeconomic class. The *psychographic segment* for this customer base appreciates the beauty of home renovation or new construction. The *behavioral segment* for this market will consist of those who value saving money on energy or are interested in raising the value of their home.

The Home Salespersons category consists of people who buy or renovate green-engineered homes in order to increase their value on the market. This crowd can consist of entrepreneurs and realtors. The *geographic segment* for this market varies-it may consist of remodeling done in a suburb/metropolitan area or it could be a new home being constructed in a rural area. The *demographic segment* for this market will most typically range between mid forties to sixty-year-old persons in the wealthy socioeconomic class who can invest in multiple homes. The *psychographic segment* of this customer base appreciates business and making money through the renovation and construction of homes. The *behavioral segment* for this market will consist of those who value making money through renovating or building energy efficient homes to increase the housing unit's value.

The Money Savers category consists of people who are having some smaller renovation work done in order to increase their homes energy efficiency and reduce the costs of energy for housing. The *geographic segment* for this market varies-it may consist of remodeling done in a suburb, metropolitan, or rural area, but is likely to be in a more middle class neighborhood. The *demographic segment* for this market will most typically range between twenty-five to mid-thirty year old persons of middle to upper-middle socioeconomic status. The *psychographic segment* for this customer base appreciates saving money whenever possible and like to get the most “bang for their buck”. The *behavioral segment* for this market will consist of those who value saving money on the high costs of energy and desire energy efficiency.

The Green Energy activists are people who are environmentally aware and have strong beliefs for sustainability. The *geographic segment* for this would be areas or communities that are known for being environmentally conscious, such as Burlington. The *demographic segment* for this market will also range from the ages of thirty to mid forties and will be mainly educated middle class citizens. The *psychographic segmentation* of this market consists of those who participate in sustainable practices such as composting, recycling, or organic food purchasing. The *behavioral segment* of this market consists of those who want to protect our planet and conserve our limited amount of efficient energies.

This enterprise will mainly target the “Green Energy Activists” and “Home Salespersons” segmentations of the market, but the other two identified segments will play a large role in the customer base as well.

This enterprise would be positioned in the market as a new and innovative type of construction, which can save the consumer in the long run costs of energy and doing so with an environmentally friendly approach. Its values would be based around sustainability and energy efficiency, which would make it stand out from classic building contractors. The customers should have perceptions of this LEED certified enterprise as a higher quality and more efficient style of construction.

Marketing Mix

Product/Service

Green Energy Constructions is an enterprise that revolves around green-engineered home designs and remodeling. It is known for its environmentally friendly practices and for the money it can save through the use of energy efficient home and remodeling designs. Its services consist of advanced framing techniques, advanced insulation packages, window structures meant to capture solar heat in winter and expel it in the summer, high efficiency air duct systems, engineering around correct solar orientation, and low use water fixtures. Green engineered projects are innovative because they stray from conventional construction methods and seek to use energy efficient alternatives to provide affordable energy costs in housing units.

Compatibility: A green building and remodeling business is easily aligned with common interests, such as wanting to “save money” on the costs utilities for housing. Green building and remodeling businesses also align their values with people who cherish ecologically conservative and sustainable practices. The enterprise is compatible with my experience and educational training with construction.

Simplicity: Green building and remodeling services are highly thought out engineering designs, but the basic concepts on how these technologies provide energy efficiency can be

simply explained to the customer. Many green-engineered constructions lessen home maintenance and make these technologies easy to adopt.

Observability: The innovative characteristics of this enterprise, such as the amount money saved or how the design for the home saves energy, could be easily communicated to the consumer through conceptual or statistical explanations.

Trailability: Green building services aren't perfectly suitable for trialability. It is hard to give free trials or small samples of this particular service. At the most, a small sample for this enterprise would consist of a minor remodeling job. The customer base will perceive this enterprise's services as low risk and ecologically responsible.

Intellectual Property Protection: Green Energy Constructions will be a certified "green building business" and have a LEED certified contractor on the job site. These certifications will protect this enterprise by providing a slight advantage over the conventional contractor because of the implications of an expertise and training in the area of energy efficiency housing.

Pricing

Green Energy Constructions would use a competition-based styled of pricing. In the contracting business it is important to know the competitions rates. When people are considering getting a house remodeled or built they have contractors make bids for the service. The customer then chooses a contractor in terms of their reputation in the quality of his/her service and matches that with an appropriate price offered. This enterprise would choose the "skimming pricing" approach because it would be priced slightly higher than the standard rates of other contractors because the enterprises service would be associated with a higher quality of building due to its green building certifications and the money it saves through energy efficiency. Customers in this field of business would be more "benefit sensitive" than "price sensitive". It is easier for a business to lower its prices rather than raise them, thus this enterprise would start with somewhat higher prices and lower prices over time if a higher demand of business were attained. Construction enterprises require high initial investments in tools and other equipment for its services. Green Energy Constructions hopes to recoup its developmental costs for this enterprise within the first couple years. This enterprise deeply values expanding the market for services that provide low ecological impacts and wants to educate the public of the benefits in adopting green technologies.

Promotional Strategies

The theme and message of this enterprise is the idea of sustainability and low ecological impact engineering. This theme will position the enterprises services at a higher quality due to its ecological responsibility and energy efficient services. To promote this business and its theme, this enterprise will use a combination of public relations, personal selling, and direct marketing to promote this venture. Green Energy Constructions will try to get some positive publicity about its environmentally friendly services to expand the services awareness. This venture will also use personal selling because the contractor will be the most knowledgeable representative for the services and will be able to answer any questions that the consumer has. Direct marketing, similar to personal selling, will be used for one-on-one interactions, but also for promotion in the form of radio advertisements.

The three A's play a big roll in Green Energy constructions. This enterprise wants to increase *awareness* of energy efficiency, build favorable *attitudes* towards sustainable practices, and make customers take *action* in these home designs. This enterprise will increase awareness

through the previously mentioned forms of media. It will build a favorable brand attitude towards Green Energy Constructions because this enterprise will maintain highly satisfactory customer services relations. Green Energy Constructions will encourage customers to invest in its services by promoting its environmental and financial benefits.

Place

Green Energy Constructions would reach desired customers through a selective distribution approach because building contractors typically work at a local level. Most contractors don't have corporations across the nation for remodeling and building. The market is slightly geographically limited for a small contracting business. Since construction and remodeling take place at the customer's home, there will not be a retail store to access the service. More developed/larger construction agencies may have a firm location, but for this small business it would be cheaper to not have to pay rent and just be accessed via phone or e-mail. Differentiated products/services, such as green certified construction, typically use direct markets to make their services available to customers.

Measureable Objectives

This enterprise's short-term goal is to have a 5% increase in the enterprise's customer base and sales within the first year. Green Energy Constructions values educating the public of their environmentally friendly services and wants to increase the awareness of their environmentally friendly services to the market. Green Energy Constructions will define its success through an increased customer base because this will result in the expansion and adoption of green-engineered construction and knowledge that aid in environmental sustainability. An increase in the customer base will also reveal a behavior change in the market for construction. Some may be reluctant to adopt green-engineered housing and remodeling services because he/she is unfamiliar or uneducated with these services. As the customer base broadens and sales increase for green building services, people will become more familiar with the benefits of green construction and will hopefully adopt favorable attitudes for this style of construction. It is essential that awareness levels for this service rise and that green technologies be adopted. Our nation's most efficient energy source is finite and if people do not start to adopt alternative renewable sources for energy, our nation will continue to pollute our environment and deplete its resources. The higher the sales are for green technologies, the better. Not just because the enterprise is making more profits, but also because green technology manufacturers will have more money to invest into the research and development for more efficient or new energy technologies that have low ecological impacts.

Marketing Team

The contractor will be responsible for promoting his services to the public at the start of this venture and throughout time may adopt promoters for the firm's services. The contractor also will be responsible for the direct and personal marketing with customers. The start up costs for a construction venture are far too high to be able to afford to pay promoters and it would be difficult to find promoters for the service that are as educated, in the sector of green building and remodeling, as the certified contractor. Thus, promoters may not be able to answer all questions that customers may have, which could result in the loss of potential sales. At the beginning of

this venture most of the marketing responsibilities will be weighted on the owner of this enterprise.

Evaluation and Control Mechanisms

This firm will make sure its objectives in the expansion of its customer base are met by examining the amount of accounts opened for these green building services. It will also take account of responses to direct marketing advertisements by recording how many sale pitches were successful. This firm will evaluate how public relations have changed the public view of Green Energy Constructions before and after publicity. Our enterprise will do this by surveying peoples opinions of green building and remodeling services at the start of the venture and then after the enterprises services has received some media attention to see if attitudes towards the service have become more or less favorable.

Work Cited

<http://www.srds.com/library/>