

Top **5** Ways To Sell *INNOVATION*

by John Knott and Ken Sandler

COURTESY OF JOHN KNOTT

You built a better home—energy efficient, environmentally friendly, durable, disaster resistant—all for competitive price. Now how do you sell it?

Of course, even a product with all of these virtues doesn't sell itself. It may well take just as much creativity, enthusiasm, and effort to sell a high-performance house as it would to sell ice to Alaskans, but the efforts will pay off for your reputation and long-term success.

PATH's Consumer Education Working Group has identified four key benefits of meeting PATH goals that customers care about: cost, health, durability, and comfort.

PATH's Consumer Education Working Group, composed of homebuilders, real estate agents, product manufacturers, academics, and other industry leaders, are collecting studies of homebuyers' market preferences, analyzing how to market high-performance homes to

consumers, and developing pilot programs to aid that process. In the meantime, builders and real estate agents around the country already are profiting from selling homes that meet many of PATH's goals. Based on the experience of experts and practitioners, below are five keys to selling greener, stronger homes to consumers.

1. Know Your Audience

Clearly, this is the first step to marketing anything. Several local green building programs began their planning efforts with surveys that defined consumer interest. A new book, *Building Green in a Black and White World* by environmental consultant David Johnston, provides extensive survey data on consumer preferences related to green homebuying. It quotes national polls demonstrating that, by breaking the consumer market into different segments, “almost 50 percent of your market is open to and interested in green building.” The book also cites Denver survey data showing that the green features homebuyers value most are energy efficiency, healthy indoor air, and water efficiency. One builder, McStain Enterprises of Boulder, Colorado, found through its own surveys that the environmental package they offered was one of the top reasons consumers chose their homes.

2. Find Partners To Help You Make the Case

Consumers may not believe the independent claims of a builder, so back up those claims by working with some of the many programs sponsored by governments (local, state, and federal), homebuilders associations (HBAs), nonprofits, and utilities to improve the performance of housing.

For starters, if you want to build an energy-efficient house, look to EPA's ENERGY STAR® for homes program. By building a home to ENERGY STAR specifications, you can associate your product with one of the best-recognized consumer labels. You can increase the operating efficiency of your house by filling it with ENERGY STAR labeled appliances.

If you want to build and market a disaster-resistant house, partner with Project Impact, a FEMA program. Consumers who see the coverage of natural disasters on the news may be encouraged to know that their house has features to help it withstand some of the stresses that destroy other homes.

Builders can join a growing number of local green building programs to gain the benefits of building homes that meet many environmental performance standards, from water efficiency to indoor air quality. Many of these programs are the result of alliances among government, HBAs, and nonprofits, giving them credibility



As energy prices continue to rise, homebuyers who invest in sustainable, high-performance construction today will find competitive advantages when selling their property.

CORBIS

GREEN BUILDING WEB SITE RESOURCES

» **Sustainable Sources.** Includes Austin, Texas' Green Building Sourcebook and a large collection of links to many different green building sites:

www.greenbuilder.com/general/BuildingSources.html.

» **Building Green.** The home of *Environmental Building News* (EBN) and various EBN products, along with useful links and a calendar of green building events:

www.buildinggreen.com.

» **Environmental Design and Construction.**

A complete collection of issues of this magazine from January 1998 to the present: www.edcmag.com.

» **Energy Efficient Building Association**

(**EEBA**). EEBA is one of the oldest green building associations, and it has expanded its focus beyond energy efficiency to numerous other green issues, including indoor air quality: www.eeba.org.

» **U.S. Department of Energy Energy Efficiency and Renewable Energy Network (EREN).** A gateway to the many resources of the U.S. Department of Energy devoted to energy efficiency and renewables, from Building America to Urban Heat Islands: www.eren.doe.gov. ■

among a wide variety of audiences. Among the areas with green homebuilding programs are Austin, Texas; Denver, Colorado; Portland, Oregon; Atlanta, Georgia; Seattle, Washington; and the state of Wisconsin.

On the national level, the U.S. Green Building Council is planning to develop a national green homebuilding rating system, based on the Council's commercial building rating system, LEED (Leadership in Energy and Environmental Design). This system would allow builders to qualify for a rating from Bronze to Platinum depending on the number of green building credits they successfully fulfilled.

3. Sell Benefits, Not Features

The ENERGY STAR program has found that consumers aren't interested in hearing about technologies or products as much as they want to hear about their *benefits*. In other words, translate the quality features you've added to your house into advantages that customers will gain from those features. For example, only the technically inclined customer will want to know about all of the technical features of the insulating concrete forms (ICFs) in their walls, but most homebuyers will want to know that those ICFs can save them money on their monthly energy bill while increasing the home's soundproofing and chances of surviving a natural disaster.

4. Find and Emphasize Cost Savings

Cost is the one benefit consumers care a lot about. Bigelow Homes in Illinois pioneered a very compelling way to sell consumers on the savings they will receive by buying an energy-efficient home. Builder Perry Bigelow is so confident in his home's energy efficiency that he agrees to guarantee the homeowner's heating bills for 3 years. Bigelow Homes will pay any amount of the heating bill in excess of \$200 per heating season.

This approach has proven an effective marketing tool. "The guaranteed bill is the value that sets us apart. Home shoppers who notice the guarantee in our ads say 'I can't afford to not go look at what that guy is doing,'" says Bigelow.¹ He also attracts attention with contests among his homeowners for the lowest heating bill of the year. He can paper his walls with the low heating bills that his homeowners send in—further proof of the value of an energy-efficient home to the consumer.

Others are beginning to follow Bigelow's lead on heating bill guarantees, including builders like Medallion

¹ "Perry Bigelow: Energy Efficiency Maestro," *Home Energy Magazine Online*, March/April 1994. <http://hem.dis.anl.gov/eehem/94/940308.html>.

Homes of San Antonio, Texas, utilities like Tucson Electric Power, and insulation makers like Greenstone through the “Engineered for Life” program.

Some of PATH’s demonstration projects, such as Village Green, also provide such a guarantee. Consumers who buy energy-efficient homes may also be able to qualify for favorable “energy-efficient mortgages” (see “Financing Innovation With Energy-Efficient Mortgages,” page 53).

5. Educate Buyers

Once you attract consumers’ attention, it’s important to educate them on the home’s added benefits.

Building green, durable, and disaster resistant sets you apart from the rest of the market. The key is to present yourself to the customer in a way that makes that differentiation positive and clear. As author David Johnston puts it, “Every builder in America sells their homes based on ‘quality and value.’ What consumers respond to are stories. Green building provides lots of opportunities for telling stories about a new home: saving old-growth trees, recycled content products that last three times as long, lower energy bills.”

Ultimately, marketing a home that meets PATH standards is about demonstrating respect for the consumer and the environment. How we choose to design, build, and develop is a statement about our value system and communicates to our children and grandchildren how we value them. If we can properly translate this message of concern to the consumer, many home-buying consumers will respond. ■

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Connecting With the Homebuyer

There are many effective ways to reach out to homebuyers. Here are a few that are working for innovative-thinking builders around the country.

SHOW OFF HIGH-QUALITY HOMES

Why not have a parade of homes at which every home is “green”? Denver’s HBA-based Built Green program does precisely that. A similar approach is to organize tours of homes that meet the PATH goals. The U.S. Department of Energy recently sponsored such tours in San Antonio, Texas, and Albuquerque, New Mexico. According to Michael Myers, a principal of the Sustainable Living Alliance and organizer of these tours, “Marketing Green Building through tours works because it is a great opportunity for builders and architects to show their designs as well as an opportunity for the consumer to touch and feel the home. We have, through our Greenbuilt tours, shown consumers that ‘green building’ works, that it is affordable, and it looks and feels great.”

USE PRESS RELEASES

Getting positive mentions in the press can equate to lots of free advertising. Some of the partner programs mentioned in this article have sample press releases and other information that you can use to help build the case for your homes.

TAKE ADVANTAGE OF THE WEB

Increasingly, consumers are cruising the Internet to increase their knowledge about housing issues. Why not tell your story there too? Civano, a PATH National Pilot project, does just that at www.civano.com, a site that explains Civano’s commitment to sustainability with extensive text and pictures. ■