

# THE HUFELMIYER AGENCY LTD.

DEL E. WEBB DEVELOPMENT CO.

SUN CITY WEST

1983/84 MARKETING PLAN

June 17, 1983 (R1)

EXECUTIVE SUMMARY

# THE HUFELMYER AGENCY LTD.

## EXECUTIVE SUMMARY

### I. BACKGROUND

- Sun City opened in 1960; grew to 48,000 residents by 1977; Sun City West opened in 1978.
- Phase I will contain 13,000 housing units; 5,000 have now been completed.
- The central core area offers unique lifestyle to residents.
- Sun City West has a reputation as the world's premier adult resort community.

### II. SITUATION ANALYSIS

#### A. The Product

- Sun City West homes have nine basic floor plans; 25 to 30 elevations.
- Most priced in the \$54,000 to \$135,000 range.
- The key to long-term success (profits) of Sun City West is 1) a nominally priced amenities package (\$80/year per resident) and 2) the area's mild winters and sunny climate.

#### B. Sales History

- Sales over the last ten years have been erratic.
- High of 3,485 units in 1977; low of 239 units in 1981; the ten-year average is 1,360 units per year.
- Market share data is not available.

- Census bureau statistics show 21% (46,500) of Phoenix area retired adults live in/near the Sun Cities; that figure now equaled by the sprawling new East Mesa area.
- Sales projected for 1983 at 800 homes.
- Sales subject to wide seasonal fluctuations; 75% of sales occur in six months (October-March).

C. Advertising and Promotion History

- Promotion levels have fluctuated widely from 1980 to 1983.
- Marketing support has declined from 25% to 45% in the past 3 years.
- Spending per home has ranged from a high of \$5,600 per home in 1981 to (estimated) low of under \$1,500 in 1983.
- Strategic advertising approaches are uneven, reflected in low advertising awareness scores (only 16% of purchasers claiming their first contact with Sun City West was through advertising).
- Currently four types of sales promotion programs: 1) price sales; 2) grand openings; 3) preplanned retirement package; and 4) Vacation Special package.

D. Competition

- Half of Sun City buyers visited retirement communities in other states.
- 100 adult communities in Arizona; Sun City West in upper range.
- 62% of current residents did not visit another Arizona retirement community.
- Major Competitors: 1) Green Valley; 2) Leisure World; 3) Sun Lakes

E. Market Potential

- Currently 25 million adults over 65.
- Major population shift to Southwest is a significant opportunity.
- Between 1980 and 1990, 380,000 adults 45+ will move to Arizona; Sun City will grow by 42,000+ people.
- Sun City area growth rate will be more than double rate for Maricopa County in 1980's.

F. Consumers: The Target Audience

- Average age 65; 45%/55% male/female; 87% married.
- Come from midwest and California primarily; 86% retired.
- High interest in social activity (52%); church (50%); vacations (45%).

G. The Selection/Purchasing Process

- Most important factor in choosing Sun City West was well-maintained homes/climate.
- Financing alternatives don't play a major role; most pay cash.
- Actual purchase contingent on 1) ability to sell current home; 2) the time between visit and actual retirement.

III. PROBLEMS AND OPPORTUNITIES

See page 25 for outline.

IV. MARKETING OBJECTIVE AND STRATEGIES

See page 29.

V. TACTICAL RECOMMENDATIONS

Specifics to be developed, pending approval of this plan.

VI. CREATIVE WORK PLAN

- A concise articulation of the basic direction of the advertising strategy.
- Example of Creative Work Plan for ads targeted to East Valley winter visitors is given on page 35.

VII. MEASURING RESULTS

A. Tracking Studies

- Promotions
- Market share and competitive data

- Economic Indicators
- Advertising Awareness

B. Primary Research

- Attitudinal research.
- Promotional concept testing.
- New product concept testing

VIII. BUDGET AND TIMETABLE

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I. BACKGROUND

## I. BACKGROUND

Sun City and Sun City West have an unsurpassed history of promotional success dating back to 1959, when the Del Webb organization sponsored a nationwide contest to name their new retirement townsite. The prize was a new top-of-the-line home valued at \$10,000 and the contest drew thousands of responses. During the first three days of the grand opening in January, 1960, 262 homes were sold, with the total reaching 1,301 by the end of the first year. Eighteen years later, the community reached its projected population of 48,000 and development began in its sister city of Sun City West.

As an 11,000 acre community, Sun City West is located 14 miles northwest of Phoenix, and about two miles west of Sun City. Phase I, a 5,697-acre tract, will include approximately 13,000 housing units. Presently, there are approximately 5,000 completed units in Sun City West.

Upon completion, Phase I population is expected to be 25,000, with 80 percent of the residents coming from other states. The new community welcomed its first residents October 16, 1978 and its population today is almost 10,000.

Construction costs of Phase I, including all facilities, will be more than \$1 billion, with completion by the year 1990.

Sun City West's first phase will be a self-contained community that is projected to include the finest recreational, shopping, religious and health facilities.

The focal point of Sun City West is a central core area that embodies the unique way of life offered to residents. Major points of interest include:

- A. Hillcrest Golf Course, a sunken 18-hole championship course, complemented by three additional courses. (Phase I will include a total of six golf courses.)
- B. The \$14 million R. H. Johnson Recreation Center. Two satellite recreation centers will also be developed.
- C. The Sundome, a 7,169-seat Center for the Performing Arts.
- D. The Crestview Restaurant with a 300-seat banquet room and 256-seat dining area.
- E. A library with stack space for 40,000 volumes.
- F. 134 Vacation Special apartments that allow prospects to sample the Sun City West lifestyle.

- G. The Rotunda, a model home sales and information complex.
- H. Camino Del Sol Shopping Center that features Safeway and Walgreens as its anchor tenants.
- I. A 55-acre commercial site that will be developed into a regional shopping mall.

The recreational focal point of Sun City West is the R. H. Johnson Recreation Center, a multi-purpose recreational facility. As the largest privately owned facility of its type in the entire Southwest, the R. H. Johnson Recreation Center offers virtually every form of recreational activity.

The Center includes a 1,000-seat social hall and arts and crafts village with studios and workshops equipped to professional standards for ceramics, lapidary, silvercraft, painting, sewing, weaving, woodworking and other creative pursuits.

The complex also includes an Olympic-size swimming pool with diving tank and cabanas; an outdoor jacuzzi pool and two indoor therapy pools, a nine-station physical fitness room with a multi-purpose exercise machine; a 24-lane

bowling pavilion with a computerized scoring system, and a 25-table pool and billiard hall; indoor shuffleboard; raquetball and handball courts; lawnbowling greens and bocci courts; an 18-hole miniature golf course; championship tennis courts, and a 1/4-mile running track with pacing lights and an 18-station parcourse fitness circuit.

With an unmatched history and recreational, social and cultural amenities second to none, Sun City West has achieved the reputation as the world's premier adult resort community.

II. SITUATION ANALYSIS

## II. SITUATION ANALYSIS

### A. THE PRODUCT

#### Models

Sun City West is an adult residential community that offers duplex and single family homes in nine basic floor plans, and some 25 to 30 elevations. The primary price range is from \$54,000 to \$133,000, with several luxury homes offered in the \$180,000 to \$200,000 category. In addition a small number of luxury custom homes have also been built.

#### Price Range

As the chart below indicates, there are 5 basic floor plans and 11 elevations offered in the \$53,000 to \$100,000 category. In the \$115,000 to \$133,000 category there are 2 basic floor plans and 8 elevations. And, in the upper \$181,000 to \$200,000 range there are 2 basic floor plans with 6 elevations. No homes are available from \$100,000 to \$114,000, nor from \$134,000 to \$180,000.

<u>Price (\$000)</u>	<u>Floor Plans</u>	<u>Models</u>
53-100	5	11
101-114	0	0
115-133	2	8
134-180	0	0
181-200	2	6

### Product Attributes

Sun City West homes are ranch style, using standard building materials and frame and stucco construction. Homes offer two or three bedrooms, although larger homes come with a den that can convert to a fourth bedroom.

### Adult Resort Lifestyle

Housing is only one aspect in the total Sun City West product. The complete product includes an amenities package with all normal community services, as well as extensive recreation and resort facilities unequalled anywhere in the country.

The amenities package is the key to the long term attractiveness of Sun City West, and its ability to continue to grow and generate profits. The package costs each Sun City West resident \$80 per year, twice that charged to Sun City residents.

One final item which cannot be overlooked as part of the Sun City West product offering is the sunny Arizona climate. Residents at Sun City West buy a total package consisting of the home, recreational facilities, lifestyle and the climate.

B. SALES HISTORY

Unit Sales Trends

As the chart below illustrates, there has been a decline in sales since the peak year of 1977 when 3,485 homes were sold.

SALES HISTORY

Unit Sales

<u>Year</u>	<u>#</u>	<u>%</u>
1974	1,515	11.2
1975	822	6.0
1976	1,695	12.5
1977	3,485	25.7
1978	3,074	22.6
1979	1,272	9.4
1980	388	2.9
1981	239	1.8
1982	279	2.0
1983*	<u>800</u>	<u>5.9</u>
	<u>13,569</u>	<u>100.0%</u>

\*Estimated Sales

Sales for the Del E. Webb Development Co. reached an all time peak of 3,485 units in 1977. This was followed by a 5-year sporadic decline in which sales reached their low point by 1981 and improved only slightly during 1982.

1983 has shown a significant upturn in sales, with projections of 800 homes for the entire year likely to be met. Should this trend continue for the remainder of the year, sales could reach 1,000 units, the highest yearly level since 1979.

When based solely on the number of homes that have been sold during the first four months of 1983, the homes most frequently selected are in the \$60-\$100,000 price category.

However, on a sales per floor plan basis, the \$50-\$60,000 range shows the greatest popularity.

SALES BY \$ CATEGORY

(through April)

<u>Price Range</u> <u>(000)</u>	<u>Homes Sold</u>	<u>%</u>	<u># of</u> <u>Floor</u> <u>Plans</u> <u>Offered</u>	<u>Average #</u> <u>of Homes</u> <u>Sold Per</u> <u>Floor Plan</u>
\$50.0 - 60.0	90	24.4	1	90
\$61.0 - 100.0	234	63.6	4	58.5
over \$100.0	44	12.0	4	11
	<u>368</u>	<u>100.0</u>	<u>9</u>	<u>40.9</u>

Estimated Market Share

There is no information available regarding Sun City West (or the Sun Cities) market share among adult resort communities. However, census bureau statistics show nearly 21% of all Phoenix retired adults live in or near the Sun Cities area. This figure is only equaled by the East Mesa area, which has an equal percentage of retired adults. Together, the Sun Cities and East Mesa areas account for 42% (93,000) of all Phoenix area retired adults.

### Seasonality

Home sales for Sun City West are subject to wide seasonality variations. Contrary to earlier assumptions, recent sales data indicates a strong sales potential during the fall, as well as winter/spring season.

<u>Period</u>	<u>SEASONALITY</u>							
	<u>1980</u>		<u>1981*</u>		<u>1982</u>		<u>1983</u>	
	<u>#</u>	<u>%</u>	<u>#</u>	<u>%</u>	<u>#</u>	<u>%</u>	<u>#</u>	<u>%</u>
JAN - MAR	122	31.4	*	*	79	28.3	353	77.0
APR - MAY	40	10.3	*	*	42	15.1	104	23.0
JUN - AUG	55	14.4	*	*	10	3.6	*	*
SEP - DEC	<u>171</u>	<u>44.1</u>	<u>*</u>	<u>*</u>	<u>148</u>	<u>53.0</u>	<u>    </u>	<u>    </u>
TOTAL	<u>388</u>	<u>100.0</u>			<u>279</u>	<u>100.0</u>	<u>457**</u>	<u>100.0</u>

\*1981 seasonality figures have been excluded because of a change in the sales reporting methods.

\*\*Sales through May, 1983

NOTE: Chart does not take into account the impact of internal and external variables, such as the economy, price discounts, etc.

### C. ADVERTISING AND PROMOTION HISTORY

Promotion budget levels have fluctuated widely over the past 4 years (1980 to 1983). As can be seen by the chart below, marketing communications spending decreased sharply in 1981 and 1982, then increased in 1983.

MARKETING COMMUNICATIONS BUDGET LEVELS

	<u>1980</u>	<u>%</u>	<u>1981</u>	<u>%</u>	<u>1982</u>	<u>%</u>	<u>1983*</u>	<u>%</u>
Paid Media	\$ 605,604	34	\$ 422,530	32	\$ 263,216	27	\$ 524,279	45
Collateral	186,550	11	56,124	4	133,844	14	113,340	10
Pub. Rel./ Comm. Rel.	114,561	6	145,435	11	130,019	13	178,000	15
Sundome	643,549	36	490,000	37	285,000	29	225,000	19
Admin.	<u>227,342</u>	<u>13</u>	<u>214,595</u>	<u>16</u>	<u>165,506</u>	<u>17</u>	<u>131,340</u>	<u>11</u>
<u>TOTAL</u>	<u>\$1,777,606</u>	<u>100</u>	<u>\$1,328,684</u>	<u>100</u>	<u>\$ 977,585</u>	<u>100</u>	<u>\$1,171,959</u>	<u>100</u>
<u>Index</u> (1980)	<u>100</u>		<u>75</u>		<u>55</u>		<u>66</u>	

\*Estimated

1982 and 1983 Administration figures include Agency Fees which do not apply in prior years.

Note the Sundome has been included as a marketing communications expense, since it represents a marketing communications opportunity. It should also be noted advertising consistently represents under 50% of the total marketing communications budget. There appears to be no direct correlation between the total marketing communications budget and housing unit sales.

Although sales have declined, so has the marketing communications costs per sale. The 1981 approximate marketing communications cost per sale was \$5,559 compared with \$3,504 in 1982 and a projection of less than \$1,500 for 1983.

MARKETING COMMUNICATION COST PER SALE

	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983*</u>
SALES	\$ 388	\$ 239	\$ 279	\$ 800
BUDGET	1,777,606	1,328,684	977,585	1,171,959
COST PER SALE	4,581	5,559	3,504	1,465

\*Estimated

Advertising Strategic Approach

Recent Sun City West advertising has primarily stressed two product benefits. They are home prices and the Sun City West amenities package. In addition, several other targeted advertisements have been created to bring attention to specific sales promotions such as the Vacation Special package.

### Advertising Awareness

Research indicates that advertising plays an important role in generating awareness for Sun City West. Advertising was listed as the second most common source of newcomer awareness. However, the role of friends and relatives (word-of-mouth) is by far the most influential means of creating awareness for the community. The Behavior Research Center (BRC) study conducted in May of 1983 shows that over 2/3 (71%) of recent purchasers first became aware of Sun City West by speaking with a friend or relative. Advertising, on the other hand, played a much lesser role among purchasers with only 16% stating their first contact with Sun City West was through advertising.

Overall, 60% recalled seeing a Sun City West advertisement of one type or another. Features most commonly recalled were 1) the amenities offered and 2) price.

### Advertising Placement and Source

In regards to the placement of advertisements, recent Sun City West purchasers have recalled seeing local (Phoenix area) advertising at a far greater level than advertising in their hometown (45% vs. 8%). Visitors, on the other hand, show a more equal awareness of both home and local advertising (45% home vs. 49% local). It should be noted all

those surveyed visited Sun City West on the Vacation Special Plan.

Among different types of local media advertising, outdoor billboards surpassed newspapers by a 2 to 1 margin (63% to 32%). Recall for other media (TV, magazines and inserts) was less than 6% each.

#### Sales Promotion and Programs

Sun City West has primarily utilized four different types of sales promotions and programs:

1. Price Sales - offering dollar savings on selected models.
2. New Model Grand Openings - to create awareness for new homes.
3. Pre-planned Retirement Package - allows a prospect to "lock in" the price and lot location prior to final sale (80% of buyers take advantage of this important program).
4. Vacation Special -- allows out-of-state prospects to experience the Sun City West lifestyle. (Approximately 15% of Vacation special users end up purchasing a home).

Although limited data is available, all sales promotion programs appear to be relatively successful.

#### D. COMPETITION

Throughout the United States, competition among adult resort retirement communities intensifies yearly. Approximately half of the Sun City West home buyers surveyed by BRC said that they visited retirement communities in at least one other state before buying at Sun City West. Leading the list of states most often visited were California and Florida.

#### Major Competitors

In Arizona, competition among adult resort retirement communities has also intensified. Over 100 adult communities are scattered throughout the state. These communities range from simple, limited-amenity trailer parks to luxurious single-family homes that offer an amenities package that rivals Arizona's finest hotels. Based on the quality of home construction, price, and lifestyle amenities, Sun City West competes in the upper end of this marketplace.

BRC research shows that 62% of the current Sun City West residents never visited another Arizona adult community. However, of those who did, the most commonly visited competitive retirement communities in the state are:

	<u>% of SCW Residents Visited</u>
1. Green Valley	48
2. Leisure World	44
3. Sun Lakes	22

Interviews with the Sun City West salesforce coincide with the above findings. In addition, the sales force stated Ahwatukee and the newly opened Westbrook Village as other communities prospects have recently visited or considered.

#### Location

Four of the five major competitors are located within the Phoenix metropolitan area, with Ahwatukee being closest to downtown Phoenix. Both Ahwatukee and Sun Lakes are located in the southern portion of the valley, just off Interstate 10.

Leisure World is located slightly to the northeast of Sun Lakes in the East Mesa area. Inside Phoenix statistics show that East Mesa is among the state's fastest growing areas for retired adults. In fact, the East Mesa area contains as many retired adults as does the Sun City area (46,600 vs. 46,400).

Westbrook Village is a relatively new entry to the adult marketplace. Westbrook Village borders on the northeastern boundry of Sun City. Green Valley is located off Interstate 10, approximately 1/2 hour south of Tucson.

**competitive advertising summary**

PRODUCT CATEGORY: Adult Communities

TIME FRAME: June 1983

	OUR BRAND: Sun City West	BRAND: Green Valley	BRAND: Leisure World	BRAND: Sun Lakes	BRAND: Ahwatukee	BRAND: Westbrook Village
PRODUCT CLASS DEFINITION	•Adult/ Retirement Communities	•General Housing •Adult/ Retirement Communities	•Adult/ Retirement Communities	•Adult/ Retirement Communities	•Adult/ Retirement Communities •General Housing	•Adult Communities
TARGET GROUP	•Phoenix area adults over age 50	•Varies -families -retired adults	•Adults over the age of 45	•Adults over the age of 40	•Varies -families -newlyweds -retired adults	•Phoenix area adults over age 40
MESSAGE ELEMENTS	•Price savings •Amenities •Lifestyle	•Variety of homes •Lifestyle •Amenities	•New models •Lifestyle •Security •Community size	•Recreation Center •New Models •Financing	•Variety of Selection •New models •Price	•Price •Lifestyle •Amenities
EXECUTIONAL HIGHLIGHTS	•Modified Bulletin Format •Copy Intensive •Coupon Offer •Map	•Montage Format	•Standard Photo/Copy Layout •Large type •Map	•Newspaper Editorial Format •Copy Intensive •Map	•Montage/ Brochure Format •Copy Intensive	•Presenter format featuring Dick Van Patten •Map
Slogan/ Theme- line	•The World's Premier Adult Resort Community	N/A	•Our Big Difference Is We're Not Too Big.	•It's Just Right	•Where Good Living is No Surprise	N/A

Community Size and & Price Range

Sun City West's major competitors vary in both price range and population:

COMPETITIVE ADULT COMMUNITIES

<u>Community Developer</u>	<u>Present Population</u>	<u>Estimated Final Population</u>	<u>Price Range (000)</u>
Green Valley (Fairfield*)	14,500	25,000	\$50.0 - \$500.0
Ahwatukee (Presley)	4,500**	15,000	\$70.0 - \$ 90.0
Sun Lakes (Ed Robson)	5,000	16,000	\$65.0 - \$120.0
Leisure World (Western Savings)	2,400	5,500	\$59.0 - \$ 86.0
Westbrook Village (UDC)	60	6,000	\$65.4 - \$ 89.9

\* Major Developer  
\*\* Retirement Area Only

Although each offers a basic amenity package, none equals the total range of offerings (both number and size) available at Sun City West.

#### E. MARKET POTENTIAL FOR ADULT COMMUNITIES

Population and geographical redistribution trends indicate that market potential for adult communities, particularly those in the Southwest, will continue to increase throughout the remainder of the twentieth century.

##### Population Trends

The nation's over-65 age group has risen to slightly more than 11% of the total population. Surprisingly, the fastest growing age group is adults over the age of 80. Based on a total national population of 222 million, this 11% figure currently represents nearly 25 million adults over the age of 65. However, DEVCO estimates only 5% (1.25 million) elect to move from their home state.

##### Geographic Population Shifts

In the past decade, a strong shift has occurred from Sun City's "feeder markets" in the east and midwest to the southwest and west. Arizona was a major beneficiary of this population shift, with the second fastest growth rate (53%) during the 1970's.

Between 1980 and 1990, Foresight 80 predicts that Arizona is expected to continue its rapid growth at a 38% rate (equivalent of 1 million newcomers). Approximately 330,000 adults over age 45 will move to the state before 1990. The Sun

City area will increase in population by 42,100 people during the decade. This growth rate is more than double that estimated for Maricopa County (77% for the Sun City area vs. 36% for Maricopa County).

F. CONSUMERS: THE TARGET AUDIENCE

The demographics of the potential sales prospects are as follows:

Age 50+ (average age 65); 55% female, 45% male; 87% are married; geographically, residents come from the midwest and California, in the following order of importance:

- |               |              |
|---------------|--------------|
| 1. Illinois   | 6. Ohio      |
| 2. California | 7. Colorado  |
| 3. Michigan   | 8. Wisconsin |
| 4. New York   | 9. Iowa      |
| 5. Minnesota  | 10. Arizona  |

Eighty-six percent of the residents are retired, and most have at least some college education.

Psychographically, The Foresight '80 study shows several areas of high interest among residents, such as social activity (52%), church (50%), vacations (45%), and participation in sports (45%). Areas of relatively low interest include civic involvement (18%), arts (18%) and outdoor enthusiasm (14%).

#### G. THE SELECTION AND PURCHASING PROCESS

According to the Sun City West sales staff, the selection of a retirement home involves a unique sequence of events. In general, the husband strongly influences the choice of the state in which the couple will live. Together, the husband and wife select the community within the state. In most cases, the woman makes the final selection regarding the actual home (floor plan).

The recent BRC study indicates the most important factor in choosing Sun City West was homes were very well maintained (88% mentioned this as a very important consideration). Equally important to note is among 1983 purchasers' financing alternatives did not play a major role in the decision. This is probably because an extremely high percentage of home purchases are on a cash basis.

BRC research indicates the most common reasons given for purchasing were 1) climate, 2) recreational facilities, 3) retirement lifestyle, 4) close proximity to friends/relatives, and 5) home prices.

However, the actual purchase of a home in Sun City West is contingent on two important factors: 1) ability to sell their home and 2) the time between their visit and actual retirement. High interest rates and high unemployment (especially in the midwest) have made the resale of

prospects' homes extremely difficult in recent years. A comprehensive analysis of 2,500 retirees by DEVCO sales management shows in most instances, the decision to relocate out-of-state is made approximately 18 months before or after retirement.

Source of findings:

1. Del Webb statistics/interviews
2. Behavioral Research Center Study (May 1983)
3. Foresight '80 (Western Savings)
4. Inside Phoenix (Phoenix Newspapers, 1983)
5. Arizona Statistical Review (Valley National Bank, 1982)
6. Local newspapers
7. Telephone interviews with competitive developers
8. Public Relations Society of America (PRSA)
9. Megatrends, John Naisbitt, (c) 1982, Warner Books, Inc.

III. PROBLEMS AND OPPORTUNITIES

### III. PROBLEMS AND OPPORTUNITIES

#### A. PRIMARY PROBLEMS/OPPORTUNITIES:

<u>Problems</u>	<u>Opportunities</u>
1. Lack of clearly defined marketing organizational structure.	1. Establish a marketing structure that clearly defines employee goals and accountability.
2. Limited choice of floor plans in popular \$50-70,000 range.	2. Increase low price range floor plan selection.
3. Increased competition from sprawling growth of East Mesa adult communities.	3. Position Sun City West as <u>thoughtfully</u> planned. Aim promotions toward prospects in East Mesa area.
4. Resale homes in the Sun Cities (approximately 2000/year) compete with new models.	4. Explore benefits of a co-op program utilizing local/national real estate services.
5. Lack of research to track market share and competitive sales.  Lack of attitudinal research toward size, facilities, location, etc.	5. Initiate a competitive sales tracking program.  Consider focus group interviews.
6. Each year, tens of thousands of out-of-state prospects visit the Phoenix area without learning about or visiting Sun City West.	6. Develop major new targeted visitor programs.

- |   |   |
|---|---|
| 7. Advertising attracts a greater number of <u>visitors</u> than <u>purchasers</u> .  | 7. Redirect media and copy to increase effectiveness among potential purchasers.  |
| 8. Among purchasers, awareness of "home town" (out-of-state) advertising is significantly lower than awareness of local (Phoenix) ads (8% vs. 53%). | 8. Re-evaluate past media placement strategies.                                   |
| 9. Lack of continuity in advertising strategies and executions.   | 9. Create and utilize a Creative Work Plan.                                       |
| 10. Promotional excitement surrounding Sun City West appears to have plateaued or declined.   | 10. Develop promotions specifically designed to broaden awareness and excitement. |

SECONDARY PROBLEMS/OPPORTUNITIES:

- |  |   |
|--|---|
| 1. Lack of studies or benchmarks to compare Sun City West advertising awareness against local competitors. | 1. Initiate continuous advertising tracking research.                             |
| 2. Low advertising message recall among target group.  | 2. Strengthen message and increase message frequency.                             |
| 3. No objective measurement to determine the impact of marketing communications in increasing sales.       | 3. Establish program that tracks marketing communications projects against sales. |

- |   |  |
|---|--|
| 4. Sundome encounters yearly losses because of programming restrictions and location.   | 4. Better utilize Sundome's target market "drawing power."   |
| 5. Sun City living is perceived as expensive by the Phoenix community.  | 5. Promote value/affordability and expand lower-end product offering.  |
| 6. Purchasers visit an average of 2.9 times before buying.  | 6. Qualify "Vacation Special" users; provide an incentive for first visit purchase.                                    |
| 7. Low level of differentiation between Sun City and Sun City West.   | 7. Clarify positioning of Sun City West.   |
| 8. Fast-growing population group (age 35-49) is excluded from buying.   | 8. Evaluate reducing the minimum age requirement (in Phase II).  |
| 9. Poor image of Del E. Webb organizations among residents of the Sun Cities.   | 9. Determine cause of image problem and continue corrective community/public relations programs.                       |
| 10. In recent BRC research, over 80% of S.C.W. residents expressed dissatisfaction with availability of shopping facilities in their community. | 10. Encourage residents to refer friends/relatives, in order to help make additional facilities economically feasible. |
| 11. Limited cross-selling of other Del E. Webb divisions among residents.   | 11. Assist other DEWCO divisions in utilizing promotional opportunities at the Sun Cities.                             |

IV. 1983/84 MARKETING OBJECTIVE AND STRATEGIES

#### IV. 1983/84 MARKETING OBJECTIVE AND STRATEGIES

##### A. Marketing Objective

The 1983/84 marketing objective for Sun City West is to achieve sales of 800 units during 1983, and 1,200 units during 1984, based on an expenditure for marketing of \$\_\_\_\_\_.

##### B. Marketing Strategies

1. Redecorate/expand the line of existing model homes by fall of 1983; introduce a new tested line of model home designs in fall of 1984, with increased emphasis on most popular price ranges.
2. Undertake an expanded program of 1) tracking studies, and 2) primary research, in order to measure performance against goals and to test products/ideas in the consumer marketplace before implementation.
3. Streamline and consolidate overall sales promotional efforts, with increased emphasis on a higher "close" ratio.

4. Develop new programs to establish direct out-of-state sales contacts through participation in corporate pre-retirement planning seminars.
5. Establish a series of semi-permanent sales/display information booths for placement at strategic locations throughout the Valley (e.g., Sky Harbor Airport, East Mesa, Scottsdale Center For The Arts, The Sundome, Veterans Coliseum, etc.) to provide information and contact with the many visiting prospects.
6. Begin replacing paid media expenditures for the Vacation Special package in out-of-state feeder markets with expanded publicity and public relations efforts.
7. Significantly increase the paid media budget in the metro Phoenix area during the September through April period, in order to capitalize on the heavy visitor population and increase Sun City West awareness/interest among permanent residents.
8. Redesign brochures/collateral materials to include stronger call to action to visit the sales rotunda.

9. Redesign and create new directional signage and other aids at the Sundome and other locations throughout the Sun Cities to direct traffic to the SCW sales rotunda.
  
10. Initiate an ongoing program of employee morale building, using the kick-off of the 1983/84 marketing program as an opportunity to conduct a prize contest designed to solicit help, build enthusiasm and generate excitement for Sun City West.

V. TACTICAL RECOMMENDATIONS

## V. TACTICAL RECOMMENDATIONS

Upon management approval of this document, tactical recommendations for each marketing strategy will be developed.

Each tactic set by DEVCO Marketing Management will be developed in conjunction with the employee(s) assigned the responsibility for the project.

VI. CREATIVE WORK PLAN

## VI. CREATIVE WORK PLAN

### Purpose

The Creative Work Plan (CWP) is a concise articulation of the basic direction of the advertising strategy. Its purpose is to set the final guidelines for creative implementation of the advertising strategy.

In setting guidelines, the CWP should be understood as a statement of intent--what Sun City West wants to do, not how they want to do it. The actual executional devices of the advertisements themselves will be created after, but not in the CWP.

In preparing the CWP, the overall product and the product class must be considered, but the primary focus is on the consumer and the consumer's point of view.

### Structure

The CWP has five component parts (see below). The aim in each one is to summarize the appropriate information as succinctly as possible. You will note, as you look at each of the components, they are stated in the singular rather than in the plural (i.e., Key Fact, not Key Facts). The entire thrust of the CWP is to establish the most single-minded choice in each of its components.

## Components

### 1. Key Fact

The format of the Creative Work Plan begins with a statement of the one most important fact, upon which a creative strategy can be based. It must be relevant to the particular time and circumstances in which the advertising campaign will take place.

Factors that may determine the Key Fact include:

- quality of the product
- consumer attitudes or usage patterns
- economic trends
- competitive factors

Once the Key Fact is established it becomes a springboard for advertising action.

### 2. Consumer Problem the Advertising Must Solve

This second component is directly related to the Key Fact. It may be seen as an elaboration of the Key Fact in terms of the consumer's problem. It is a problem the consumer is having or may have in buying or choosing the product, not a problem that the client is having in marketing the product.

### 3. Advertising Objective

This is a statement of what the advertising will do to solve the consumer's problem, as well as what Sun City West would like the consumer to do as a result. The more specific and realistic the objective is, the better it is.

### 4. Creative Strategy

A four-part statement that forms the core of the Creative Work Plan:

- a. Prospect Definition: A demographic and psychographic description of Sun City West target consumer.
- b. Principle Competition: The arena in which Sun City West will compete.
- c. Consumer Benefit: A clear statement of what our product promises to do for the specific prospect.
- d. Reason Why: A single factual statement supporting and verifying the consumer benefit promise.

### 5. Mandatories And Policy Limitations (only if necessary)

Details of any information that must be included or excluded.

The Creative Work Plan needs to be completed before any creative work on the project can begin. The executional action that will follow depends upon the singularity of the choices made in each component of the CWP. Therefore, both Sun City West and its advertising agency must be in agreement about the decisions that have been made. Finally, the

CWP should accompany any work that is presented by the agency to the client as an objective measure against which the advertising concept will be evaluated.

On the following page, an example of a Sun City West CWP targeted at east valley winter visitors has been prepared.

Creative Work Plan  
Sun City West  
(East Valley Campaign)

1. KEY FACT - Each winter season, the Mesa Chamber of Commerce estimates approximately 100,000 vacationers visit the East Mesa area. A large percentage of these visitors reside in temporary housing (hotels, campers, RV's, trailer parks) before selecting a home in an adult/retirement community.
2. CONSUMER PROBLEM THE ADVERTISING MUST SOLVE - The large number of possible choices make it difficult for East Mesa visitors to select an adult community that will provide the most fulfilling lifestyle.
3. ADVERTISING OBJECTIVE - Convince the target consumer that Sun City West is Arizona's most enjoyable community and encourage them to visit so that they can experience the Sun City West facilities and lifestyle.
4. CREATIVE STRATEGY
  - A. Prospect Definition:

Demographics - Age-50+; Sex-Male/Female; Marital Status-married; Education-at least some college; Employment-at or near retirement; Home Region-primarily midwest (coldbelt); Occupation-at or near retirement.

Psychographics - Enjoys social and/or sports activities; appreciates modern conveniences; places a high value on quality of life.
  - B. Principal Competition:

Adult/Retirement Communities located throughout the valley, particularly those in the East Mesa area (Sun Lakes, Leisure World, Fountain of the Sun, Sunland Village).
  - C. Consumer Benefit:

Sun City West provides its residents with an affordable lifestyle that is unequalled by any other adult resort community in America.

D. Reason Why:

Sun City West has the most complete package of social and cultural events, amenities and recreational facilities.

5. MANDATORIES:

- A. Equal Housing Lender
- B. Instructions to Sales Pavilion
- C. Free Sampler Coupon (Golf and/or Johnson Recreation Center)

VII. MEASURING RESULTS AND RESEARCH

## VII. MEASURING RESULTS AND RESEARCH

As discussed in the Problems and Opportunities section, it is important that Sun City West set specific, measurable goals and then track the results. This process will involve an expanded system of internal promotion tracking and marketing communications effectiveness tracking.

### A. Tracking Studies

Specifically, tracking studies will periodically be conducted to determine efficiency in the following areas:

1. Promotions
  - Price sales.
  - Pre-Planned Retirement Program.
  - Vacation Special program.
  - New model grand openings.
  - Any new promotions programs (i.e., Sundome, corporate cross-selling programs, etc.)
2. Market Share and Competitive Data
3. Economic Indicators
  - Consumer spending patterns
  - Interest rates
  - Unemployment ratio
  - Etc.
4. Advertising Awareness

B. Primary Research

Additional primary research will also be conducted in the following areas:

1. Attitudinal Research

Focus group interviews to give better insight into consumer attitudes toward community size, facilities, location, floor plans, lifestyle, etc.

2. Promotional Concept Testing

Focus group research to determine the potential of new promotional concepts.

3. Product Concept Testing

Focus group research to test the feasibility of new product offerings (e.g., new floor plans and elevations prior to construction of new model homes).

VIII. BUDGET AND TIMETABLE

## VIII. BUDGET AND TIMETABLE

New programs and limited historical data in several areas initially indicate that the zero based budgeting method may be the most effective in controlling cost for 1984. However, before the budget is prepared, other methods such as task and cooperative budgeting will also be examined.

Regardless of the selected method, the budget will include all relevant expenditures in the following areas:

- Sales Promotion
- Advertising
- Public and Community Relations
- Marketing Research
- Administration/other

Concurrent with the budget development, DEVCO management will also prepare a "schedule of events" or timetable. Its purpose will be to outline the activities, due dates and employee(s) responsible for the successful implementation of each approved marketing program.