



# Armadale Redevelopment Authority

Investing in Armadale – Marketing Communication and Branding Strategy



THE UNIVERSITY OF  
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GSM

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## Executive Summary

The following report outlines a branding and marketing communications strategy for the Armadale Redevelopment Authority (ARA) for implementation within the Armadale region. This region comprises the “tri-cities” area of Gosnells, Armadale and the Shire of Serpentine-Jarrahdale. This strategy is part of a larger study designed to create an interactive investment prospectus for the ARA, to be used in conjunction with this branding strategy. The process upon which this project was completed involved the following stages:

### **Literature Review of the Commercial Property Investment Process**

An extensive literature review was undertaken of the process involved in the purchase of industrial and commercial real estate. This found that firms place a high priority on access to transportation, customers, skilled labour and services. Also of importance is the purchase price of the land, the environment (both social and natural) and the role of government (local, state and federal).

Land purchase decisions by large firms generally follow a multi-stage process and make use of a buying centre comprising a range of people brought together for the task. Most large firms are “footloose” in nature, and lease, rather than buy the land. They also make use of intermediaries such as relocation agents who serve as gatekeepers on the selection process.

The property purchase process of residential customers is different from that of the business manager, although small firms are more likely to view proximity to home a key factor, along with the general amenity and return on investment. Private land owners will seek locations that are viewed as low crime areas, with good amenity and sports or recreation facilities, access to shopping centres and with good purchase prices and the longer term support of sound urban planning frameworks.

### **Focus Groups with Expert Panel**

Two focus groups were held with a number of business and local government representatives drawn from within the Armadale region. These focus groups found strong support for the work being undertaken by the ARA and a sense of opportunity in the future of the Armadale region. Although it was acknowledged that the ARA will face some challenges in selling the region, there were sufficient positives to allow this to take place. The idea of a regional branding strategy to provide a focal point for the ARA and its marketing efforts was well received and supported. It was also felt that the ARA might do more to provide business with a single entry point to assist in the reduction of “red tape” when seeking to get new development projects approved.

### **Survey of the Business Community**

A large-scale telephone survey of 600 respondents drawn from 10 locations across the Perth metropolitan area was undertaken. The final sample drawn for this survey was well balanced and represented both small, medium and large firms, and all key sectors.

The most important factors for firms in determining their location were: i) proximity to transportation routes; ii) proximity to customers; and iii) proximity to home. Key factors creating satisfaction for these businesses in their current location were: i)

access to transport routes; ii) ease of access to business services; iii) physical environment; iv) proximity to customers; and v) proximity to public transport.

Firms located in the Armadale and Serpentine-Jarrahdale areas were found to be less satisfied with their proximity to public transportation and access to freight terminals. Compared to their counterparts in the Osborne Park/Herdsman Park area, these firms were also less satisfied with their access to business services.

Only 18 percent of firms indicated likelihood to move to a new location in any future expansion plans. Further, 76 percent of firms had not previously heard of the ARA or its industrial property development projects. For those firms that were interested in relocation the key attributes they were looking for were:

- Access to major transportation routes
- Ability to purchase the land at competitive rates
- Good investment potential of the site
- Good physical environment of the site
- Being supported by a well considered development planning environment
- Access to business services
- Access to a trained pool of skilled labour
- Proximity to public transportation

Firms seeking new sites varied in terms of their land requirements with 43½ percent of firms seeking less than 1,000 square metres and 27½ percent of firms seeking less than 2,000 square metres.

### **Branding Strategy**

It is suggested that the ARA develop a regional brand based on the core features of its urban-rural, hills-plains, southern gateway features as well as the relatively low cost land values and opportunities for future growth. The tangible elements of this will be the eight development projects under the control of the ARA, and the augmented elements of the product will be the future planning strategy of the region and the regional brand.

This regional brand will be based on the concept: **The Natural Place to Grow.**

### **Marketing Communications Strategy**

The following recommendations relating to a regional marketing and communications strategy for the ARA are made:

- Leverage stakeholder resources to help build up the overall effort associated with the marketing of the area.
- Develop a coordinated and professional brand management process.
- Integrate the various media used by the ARA to fully leverage the message strategy and help to build the regional brand.
- Develop a customer relationships management (CRM) process within the ARA.

# SECTION 1

## Introduction

The following report has been prepared by the UWA Graduate School of Management's Centre for Entrepreneurial Management and Innovation (CEMI) for the Armadale Redevelopment Authority (ARA). This document provides a Marketing Communications and Branding Strategy for the ARA and represents the first phase of a project to generate an interactive investment prospectus for the ARA.

This document contains findings from a research of the literature relating to the process of attracting business and residential investors to regions, as well as a review of the economic and social demographics of the ARA region. In addition to the collection of secondary source data, CEMI has undertaken a series of focus groups with an expert panel of representatives from the business community and local government authority (LGA) organisations.

Also undertaken was a large scale survey of the Perth business community exploring operating location and relocation decisions by managers from small, medium and larger firms. This survey examined the level of community awareness of the ARA land development projects and perceptions of the ARA region as a desirable operating location. Finally, the report outlines a proposed regional branding strategy that the ARA might implement in conjunction with an investment prospectus.

## The ARA Region

The Armadale Redevelopment Authority (ARA) commenced operations in 2002 with a purpose to plan, promote and coordinate the development and redevelopment of land in the ARA redevelopment areas. There are eight designated precincts into which the ARA is focusing its activities:

1. **Champion Lakes** – a 122 hectare site containing water-based recreation and sporting facilities, hotel, convention and culture centres and some residential housing.
2. **Champion Drive** – containing educational institutions (e.g. school and TAFE College) as well as some commercial development.
3. **CALM Site Albany Highway** – potential for use as a specialist aged people's village or health campus adjacent the regional hospital.
4. **Forrestdale Business Park** – a 190 hectare site bounded by major highways with zoning for light industrial and commercial property development.
5. **Armadale CBD** – redevelopment of the central city railway station site and surrounding area.
6. **South Armadale** – redevelopment of former brick works for light industrial and commercial land use.
7. **Brookdale** – a residential development containing a mix of housing.

8. **Kelmscott CBD** – a 13.7 hectare area within the city centre and railway station containing both public and private property.

However, although the ARA has responsibility for these specific sites the Authority is seeking to enhance the economic and social development of the entire Gosnells, Armadale, Kelmscott and Serpentine-Jarrahdale areas. For the purposes of this study the “ARA Region” is defined as the south eastern section of the greater Perth metropolitan area comprising the “tri-cities” region of the Gosnells, Armadale and Serpentine-Jarrahdale municipalities.

## Methodology

The methodology followed in preparing this report involved six distinct stages:

1. A review of existing research undertaken by the ARA.
2. Focus groups with an expert panel of key stakeholders.
3. Analysis of demographic and economic statistics to provide a foundation of the social and economic landscape in the Armadale region.
4. A survey of businesses currently located in the Armadale region, and
5. Development of a marketing communications and regional branding strategy drawing upon the data collected in the earlier stages.

The following sections of this report address the findings from these elements of the study.

## SECTION 2

### The Commercial Property Investment Process

The literature review was undertaken in order to gain knowledge and insights into the key target markets for the ARA product. Markets can be sub-divided into primary and secondary markets. Primary markets are those associated with direct investment into the region, normally through the purchase of land and some form of building or other infrastructure. Secondary markets are those associated with indirect investment in the region such as the purchase of goods and services. As secondary target markets have not been the focus of research for this project, an analysis of this market and the audiences of which it is comprised will need to be developed at a later stage.

Primary markets included in the review can be broadly sub-divided into those investing in residential property and those investing in commercial property. The residential investment market can be subdivided into developers (of all sizes), individuals buying investment property and individuals purchasing their primary residence. The commercial property investment market can also be subdivided into developers, buyers and intermediaries.

Where possible the review considered the role played by consumers and intermediaries. The review considered studies from national and international sources as well as local studies including those already completed for the ARA. A study of the market for residential and business rental property was not part of the review, although in many cases this distinction is not made.

The review focused on four areas namely: i) the location decision-making process by commercial property buyers; ii) organisational buying behaviour; iii) the role of the buying centre; and iv) the major influences on industrial buying behaviour.

### The Location Decision Making Process

Business location decisions are of major importance to an organisation in achieving a competitive advantage. The suitability of a site hinges on how well those responsible in the decision-making process assess the impact that a business site will have on the fulfilment of corporate objectives. A suitable location can greatly enhance a company's market competitiveness with advantages such as increase in production capacity, additional profit, business expansion and better service to customers, an increase in stockholders' wealth, cost reduction and decrease in manufacturing lead time.<sup>1</sup> On the other hand, an unsuitable location can bring about adverse effects on the firm.

Research undertaken into the purchase decisions of industrial land has focused on determining the factors likely to influence a firm's selection of a particular location.<sup>2</sup> A review of the literature relating to the locating of a manufacturing facility in the United States over a time period of twenty years found eight factors associated with

location decision starting with “market’ as the most important to “community environment” as the least important.<sup>3</sup> These findings are summarised in Table 1.

**Table 1: Location Factor Hierarchy**

<b>Factor</b>	<b>Metrics</b>
Market	Proximity to markets Local consumers’ purchasing power
Transportation.	Land transportation Water transportation Air transportation
Labour	Availability of general employees Availability of engineering and science employees Labour unionisation Work stoppages
Site Consideration	Cost of land Cost of plant construction
Raw Materials & Services	Availability of raw materials Availability of business services
Utilities	Energy generating capacity Energy cost Fuel availability Water availability
Government concerns	Federal aid to local government Government’s debt Taxes State supported employment training
Community Environment	Housing availability Education Health & medical consideration Human services Security Environmental consideration Cost of living Business climate Physical climate

Source: Jungthirapanich, C., and Benjamin, C. O. (1995)

These findings are also applicable to Western Australia and have been supported by later studies undertaken within the Perth metropolitan area. For example, a survey of 140 firms undertaken in the Perth area during the late 1990s found six location factors in the following order of priority: i) accessibility; ii) cost; iii) freeway access, iv)

nearness to customers and clients; v) attractiveness of area, and vi) nearness to suppliers.<sup>4</sup>

Further research undertaken within the Perth business community during the past ten years consisting of in-depth interviews with managers from commercial real estate firms that represent large national purchasers found similar results. This study identified three key factors likely to influence operational location decisions in order of importance: i) proximity to freight terminals; ii) proximity to major transport routes and iii) proximity to trade customers.<sup>5</sup>

Studies investigating the operational location decisions of small firms are less common.<sup>6</sup> Although some findings suggest that their selection criteria appears to be similar to those of large firms. For example, a study undertaken in Adelaide that surveyed 87 small firms found that the two most important industrial location factors for owner-managers were being close to CBD and direct access to main roads.<sup>7</sup>

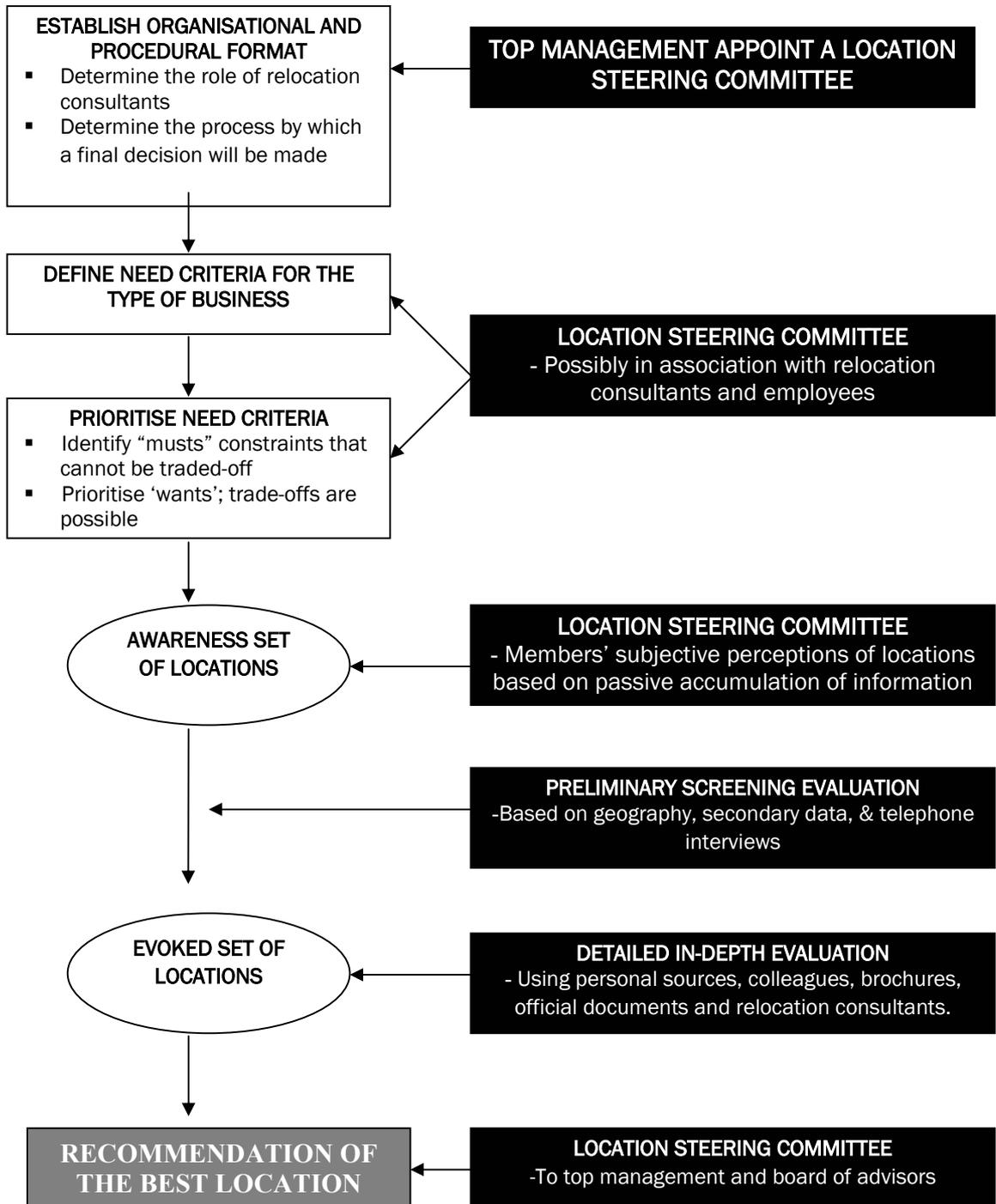
However, a study conducted with 450 small businesses in the Perth metropolitan area during the late 1990s found owner-managers to be motivated instead by their personal needs in their location choice. This consisted of the following in terms of importance: i) proximity to amenities; ii) proximity to large population centres; iii) proximity to customers; iv) proximity to home; v) access to transport routes; vi) proximity to public transport; vii) proximity to suppliers; and viii) proximity to freight terminals.<sup>8</sup>

The decision making process associated with industrial land purchasing appears to follow a similar pattern to that of the consumer purchase decision making that has five stages: i) needs recognition; ii) search; iii) evaluation of alternatives; iv) choice; and vi) post-purchase evaluation.<sup>9</sup>

A distinction appears to exist between large “footloose” businesses and the smaller firms that seek to own their land title. A firm is considered “footloose” when “...it has relatively few constraints and is not tied to specific resources and would have a relatively wide range of choices from which to select a new location.”<sup>10</sup> Large footloose firms are important for industrial land developments because they serve to anchor a site in a similar manner to how a shopping centre is anchored by a large retail supermarket. Such firms usually occupy a significant land area and will require a site that is highly specific to their particular needs.

Figure 1 illustrates the process of decision making by footloose firms. It can be seen that the process involves at least six stages and typically is managed via a special location or relocation steering committee that involves identification of the main attributes sought in a new site, the prioritisation of these attributes, and the collection of data on potential sites. These are examined, screened and then given a weighting prior to a final decision being made.

Figure 1: A Model of the Business Location Decision Process in the Footloose Industries



## Business Location Decisions by Foreign Firms

It is difficult to secure publicly available studies on the location decisions of foreign firms in Australia. However, a few studies have dealt specifically with the location decisions of foreign firms or have compared the behaviour of foreign-owned companies with that of American companies. Like research on location decisions by US firms, these studies have yielded widely varying results.

A study of 242 foreign-owned manufacturing firms and found that the most important factors affecting their location decisions were transportation services, labour attitudes, space for expansion, nearness to markets, and availability of a site. The least important considerations were cost and availability of capital, nearness to home country, proximity to export markets and nearness to operations in third countries.<sup>11</sup>

A survey of 21 German and Japanese companies that had located in the Charlotte-Mecklenburg, North Carolina area, found that availability of desirable sites, attractiveness to incoming personnel and market access were the most important considerations. Less emphasis was placed by these firms on labour, financial incentives, and access to raw materials and semi-finished goods.<sup>12</sup>

Other studies undertaken with Japanese, German and Swiss firms that had located to the United States highlight the importance of state and local economic development agencies in influencing the decision. In their site selection process, it typically involved three fairly distinct stages: i) the selection of a specific geographic region in the US; ii) the selection of two or three states within that region; and iii) the final decision on a specific site in a particular community, usually a choice among four or more locations in any given state.<sup>13</sup>

There may be some differences in the decision making and site selection process of foreign firms based on their country of origin.<sup>14</sup> Some differences have also been found between the operating location decisions made by domestic and foreign firms, although there is evidence that foreign firms are beginning to behave more like their domestic counterparts.<sup>15</sup> Within the United States foreign investors appear to place more emphasis on wage differences and the availability of ports than US firms, while US companies were more concerned about fuel costs. On other factors, there were little differences found between the two groups.<sup>16</sup>

In a study of 319 American and foreign manufacturers in the US it was found that the location decision of foreign companies was influenced significantly more by community environment, logistics and trade concerns when compared to domestic US companies. The US firms on the other hand placed more importance on financial considerations in terms of taxes, capital and incentives. Foreign companies appeared to view their site selection decisions as very long-term commitments (more than five years) compared to US firms. They also seemed to take relatively longer time than US companies in making a site decision. In terms of support, foreign companies seemed more disposed than US firms to utilise the services of state and local economic development agencies; domestic companies were more likely to rely on consultants.<sup>17</sup>

Government policies are likely to play an important role in the location selection decision of many large international firms. For example, in a survey of 167

manufacturing plant managers of 73 large multinational companies in the United States, it was found that two factors namely: i) government policies (i.e. access to protected markets; regional trade barriers; government subsidies; and ii) exchange rate risk) and societal characteristics (language, culture and politics; and advanced infrastructure) were significantly important for foreign plants rather than domestic plants in plant location decisions.<sup>18</sup>

## Organisational Buying Behaviour

In order to achieve success in industrial markets, organisations seeking to sell products such as land or property development sites must have a clear understanding of their customer firms' buying behaviour. Industrial or organisational buying behaviour is recognised as a distinct process that can be examined and mapped for marketing purposes.<sup>19</sup> However, it may be difficult to accomplish because organisational buying behaviour is often a multi-phase, multi-person, multi-departmental and multi-objective process.<sup>20</sup>

A commonly used framework for understanding organisational buying behaviour is the "buy-grid" that includes "buy-class" and "buy-phase" elements to predict the purchasing agent's relative influence in the buying process.<sup>21</sup> This process involves a group of people that forms an informal, cross-departmental decision unit known as the buying centre.<sup>22</sup>

"Buy-class" categorises the firm's experience with purchasing the product into straight re-buy, modified re-buy and new buy. In a straight re-buy, the buyer performs routinely by reordering the product or service without any modifications. In a modified re-buy, the buyer engages in limited problem solving by modifying product specifications, prices, terms or suppliers. As for new buy, the buyer is involved in extensive problem solving as the product or service is being purchased for the first time. Therefore, more individuals are expected to participate in the buying centre in a new buy situation.<sup>23</sup>

"Buy-phase", the second buy-grid variable, represents the sequence of activities undertaken by an organisation in a buying situation. These activities may include: i) problem recognition; ii) description of characteristics and quantity; iii) search for potential sources; iv) acquire and analyse proposals; v) evaluate proposals and select supplier; and vi) performance feedback and post-purchase evaluation.<sup>24</sup> Where a purchase decision is being undertaken via a buying centre it is important for the selling organisation to identify each of the people with the most influence at every stage of the decision making process rather than relying on a single decision maker.<sup>25</sup>

It is therefore important to recognise the organisational purchase decision is subject to a systematic, staged process. This process is influenced at different stages by such things as environmental factors such as the physical, political and economic, suppliers, competitors, technological, legal, cultural and global issues. Also likely to influence the purchase decision are organisational influences such as size, structure, orientation, technology, rewards, tasks and goals. Finally there are the individual participants' or decision makers' characteristics that include education, motivation, perceptions, personality, risk reduction and experience.<sup>26</sup>

Variation in organisational buying behaviour appears to be related to the levels of risk associated with a given purchase situation (or buy-class). Further, purchase risk in most cases is a function of: i) the importance of a particular purchase; ii) the complexity associated with the purchase; iii) the uncertainty of the purchase outcome; and iv) the need to reach a decision quickly (time pressure).<sup>27</sup>

An examination of over 25 years of research literature relating to organisational buying behaviour found that as the risks associated with an organisational purchase increases, the following activities occur:

- **The buying centre will become larger and more complex.** More people will be involved in the purchase decision throughout the different stages of the purchase process and these people will be drawn from a greater variety of departmental and/or organisational interests.
- **Participants in the purchase decision-making process will be more educated** and possess greater levels of experience in their particular area of expertise. Also, as the importance associated with the purchase decision is high, participants will be motivated to spend greater effort and deliberate more carefully throughout the process.
- **Sellers who offer proven products and solutions will be favoured.** Product quality and after-sale service will be of the utmost importance. Price, while always important, will be considered only after product and service criteria have been fully met.
- **The Information search will be active and a wide variety of information sources will be used to guide and support an important purchase decision.** Buying centre participants may rely more heavily on impersonal, commercial information sources (eg. brochures, trade publications) during the earlier stages of the decision process. However, as the procurement decision progresses, personal, non-commercial information sources (eg. outside consultants, other organisations that have already made similar purchases) may become more important.<sup>28</sup>

## The Buying Centre

The buying centre plays an important role in the majority of large organisational purchasing decisions.<sup>29</sup> Of particular importance is the relative influence of members of the buying centre, and the roles performed by these members.<sup>30,31 32 33</sup>

Within the buying centre there are a variety of considerations for any potential selling organisation. The first of these is the issue of conflict and conflict resolution that might arise between members within the buying centre.<sup>34</sup> Other issues include risk reduction, adaptation and politicking.<sup>35 36 37</sup> Also important is the overall structure of the buying centre.<sup>38</sup>

The buying centre includes all members of the organisation who are actively and significantly involved in the purchase decision process.<sup>39</sup> It is generally not a fixed and formally identified unit within the buying organisation. It is commonly a set of

buying roles assumed by different people for different purchases. The number of people in the buying centre depends on the complexity of the purchase.

The buying centre includes all members of the organisation who play any of five roles in the purchase decision process, namely: i) user; ii) influencer; iii) decider; iv) buyer; and v) gatekeeper.<sup>40</sup> Table 2 provides an outline of these roles. Members of the buying centre are typically motivated by a complex interaction of individual and organisational goals. Their relationships with one another involve all the complexities of interpersonal interactions. Several individuals may occupy the same role as in the case where there are several influencers in the buying centre. Also, one individual may occupy more than one role. For example, the purchasing manager is often both buyer and gatekeeper.

**Table 2: Participants' Roles of a Buying Centre**

<b>Role</b>	<b>Description</b>
<b>Users</b>	Those members of the organisation who use the purchased products and services.
<b>Buyers</b>	Those with formal responsibility and authority for contracting with suppliers.
<b>Influencers</b>	Those who influence the decision process directly or indirectly by providing information and criteria for evaluating alternative buying actions.
<b>Deciders</b>	Those with authority to choose among alternative buying actions.
<b>Gatekeepers</b>	Those who control the flow of information (and materials) into the buying centre

Source: Federick Webster, and Yoram Wind (1996)

The key influencers upon the location purchase decision of large footloose firms are likely to be executives within the company, relocation consultants and economic development personnel from local or state government agencies.<sup>41</sup> Of these the relocation agent; or names such as logistics specialist, site selection specialist or real estate consultants, are used most frequently by large firms and their services include the following:

- Location studies and financial analyses;
- Negotiation contractual details of lease and purchase agreement;
- Aiding in the logistical and financial aspects of employee and facility relocation;

- Providing information concerning the economic base and real estate factors in potential locations; and
- Making recommendations for new locations.<sup>42</sup>

In a survey of 362 American companies, which included large manufactures, real estate brokers and economic developers, it was found that there were at least eight members who were likely to be in a buying centre for industrial site location. Their respective contributions were measured using a scale from “0” (no contribution) to “6” (major contribution).<sup>43</sup> Table 3 illustrates the contribution of these buying centre members. This shows the mean or average rating score for each buying centre member and shows that the CEO was considered to have the strongest influence, followed in-turn by the operations and manufacturing managers. Interestingly the manager responsible for property or real estate was rated much lower.

**Table 3: Mean Scores for Site Location’s Buying Centre**

Job Title	Mean Score
President/CEO	5.25
VP – Operations	4.64
VP – Manufacturing	4.59
Plant Manager	3.31
VP – Marketing & Sales	3.20
Treasurer	3.16
VP – Real estate	2.80
Transportation Manager	2.62

Source: Dennis S. Tosh, Troy Festervand and James Lumpkin (1989)

A study of industrial land purchasing patterns within the Perth metropolitan area found that an important influencing role is being undertaken by “intermediary firms”.<sup>44</sup> Many large, national companies have historically purchased their own industrial properties, however for more than a decade now there has been a greater emphasis on the corporatisation of real estate and a focus on core business.<sup>45</sup>

This trend has created tremendous opportunities for firms that act as an intermediary in facilitating the match between a potential investor (landlord) and a large, national firm (tenant). These intermediary firms could be either non-asset based service providers or asset-based developers and full-service facility operators. For example, some companies develop industrial land, design and build standard and custom-built warehouses, maintain the facilities and even monitor the customer’s on-going space needs. As intermediary firms play a key role in the location decision of industrial land, it is critical to include them in buying centres of large, national firms.

## Residential Property Investors

For residential property investors, (owner/buying-occupiers and investors), the motivations for purchase, and the purchasing decision process are very different from the commercial property investor. However, similar to the commercial property market, research into the “purchase decision process” and “influences on the purchasing decision” is scant and fragmented. There is also very little research that relates directly to the Australian market.

## Purchase Decision Process

Whilst there appears to be little research concerning the decision making process associated with purchasing a house, it can be assumed that house buyers use a similar decision making process no matter what they buy. Thus; just as commercial property buyers pass through the five stage process of Need Recognition; Search; Alternative Evaluation; Choice and Post-Purchase so does the residential property buyer.

The Australian attitude to home ownership is probably very similar to that in the USA where it is considered to be an essential element of achieving the American Dream. A study into residential consumer property purchase behaviour found that “Living in a single-family, owner-occupied dwelling unit is central to the conception that most Americans have of a secure and successful life”. The same study noted that “86 percent of all respondents felt that people are better off owning than renting a home, and 74 percent believe that people should purchase a home as soon as they can afford it”. The study also noted that “of the renters surveyed, 67 percent said they rent because they are unable to afford to own, while 26 percent said it was a matter of choice. Moreover, a full 57 percent of renters said that buying a home is a very important priority in their lives”.<sup>46</sup>

However, similar studies in the United States found that the decision to buy a home is obviously a high involvement, time consuming purchase. For example; a national US survey found that consumers might take around four years to make a decision to undertake a home relocation. Further, once they made the decision to move it could take an average of 16.4 months before they closed a deal.<sup>47</sup> The same research found that:

- First time buyers could spend up to 20 months completing their home buying process;
- Once buyers had made the decision to undertake a home relocation they could spend an average of 7 months conducting preliminary research, around 5½ months in active research and some 4 months engaged in active buying.
- Forty-four percent of home buyers took more than six months to consider which home or neighbourhood to move to before actually searching for property listings.
- On average a residential property buyer might take around four months to search for a new home.

- Sixty-two percent of buyers selected a real estate agent within just one to three days.

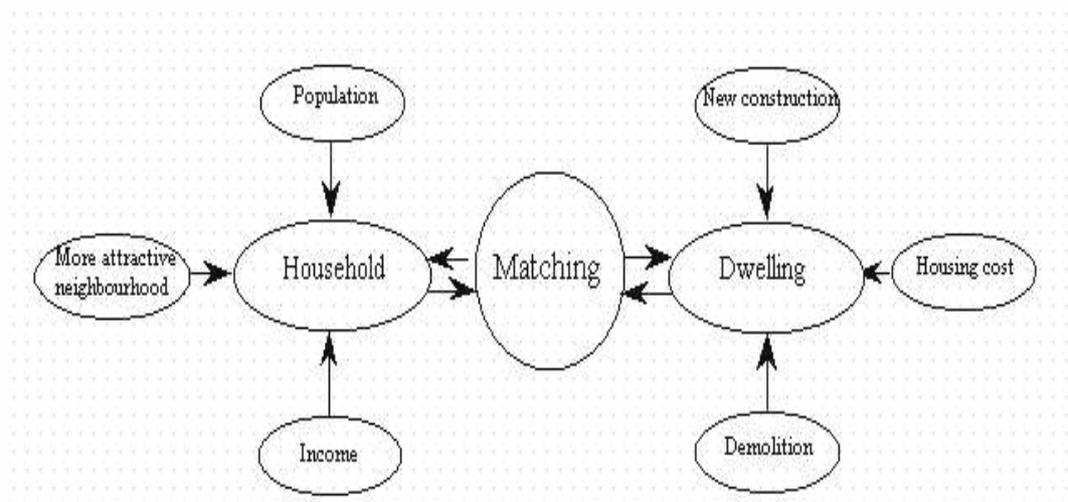
The study also looked at timelines for sellers and found that it took them an average of 9 months to sell – 5½ months for pre-research, 1¼ months for active research and 2¼ months for the actual selling process.<sup>48</sup>

The residential property purchase process appears to move through two distinct stages. The first involves the household deciding what suburb or neighbourhood they wish to live in. In the second stage the household maps the available housing offered to the market. Many households only look at a relatively limited range of property due to their limited knowledge of the housing market.<sup>49</sup> Purchasers are also likely to make their preference list close to the time that they need to make their purchase decision, and may only seek to evaluate a limited range of listings.<sup>50</sup>

## Influences on the Purchasing Decision

There are many influences affecting the decision to purchase a first home or move to another residence. A complex interplay appears to take place between the demands created by individuals in a single household and the need to match these with the supply of housing. Figure 2 illustrates this with a model that shows the need for the household to match a future dwelling to their needs with key variables being the cost, whether to buy new or renovate and the household side issues of income levels, size of family and whether there is a perception that the current neighbourhood is less attractive than alternatives.

Figure 2: A Model of the Purchase Decision for Residential Property



Source: Urban Fransson (2000).

Although the ARA cannot influence the many factors associated with property purchase cost of construction and interest rates, it can provide information as part of their marketing communications strategy that will affect the decision to purchase. A survey of metropolitan Perth residences completed in 1996 found that 'Crime and Safety' and 'the urban 'Environment' were key factors considered to be important in choice of a suburb or place of residence. Ten factors were identified within the survey and respondents were annually asked to indicate whether they viewed the factor as either: 1 = no importance; 2 = average importance; or 3 = very important. Table 3 shows the responses to these factors in terms of proportionate responses and ranked in order of mean scores.<sup>51</sup>

**Table 4: Factors Important in selection of place of residence:**

Factors: (in order of importance)	Mean scores	1 = no importance	2 = average importance	3 = very important
Crime and safety	2.71	6%	17%	77%
Environment (eg. parks, street trees, gardens)	2.64	6%	24%	70%
Shopping facilities	2.52	8%	32%	60%
Cost of living (eg. house prices, rates)	2.39	10%	41%	49%
Local government services	2.29	20%	31%	49%
Proximity to Perth city	2.06	27%	40%	33%
Availability of recreational/sporting facilities	1.98	32%	38%	30%
Entertainment	1.82	36%	46%	18%
Availability and age of schools	1.81	48%	24%	29%
Ethnic composition	1.64	51%	32%	15%

Source: Mazzarol, (1996)

Research commissioned by the ARA indicates that the region has a number of positive and negative factors that will need to be addressed as part of any marketing communications strategy. In a survey of 410 residents distributed across the ARA region and wider Perth metropolitan area, it was found that the Armadale Region was widely known and appreciated for its natural and rural features. This was particularly the case for the region's bushland and hills, open space, rural lifestyle and larger sized housing blocks. This mix of country and urban living was highly valued.<sup>52</sup>

Similarly, many of the least liked aspects of the Armadale Region reflected those identified in the scoping study. "Unsociable" aspects and the associated poor regional reputation, were particularly unpopular. Inadequate services and facilities, including the lack of a university, were also considered among the more unfavourable aspects of the region. From a wider perspective, the distance from Perth and central

suburbs was seen as a downside, and the built environment was considered unappealing by some.

## Summary of Literature Review

This review of the literature indicates that different markets have different priorities when considering relocating to a new area. In the commercial property market there are not only differences between the large corporations and their small to medium counterparts, but also differences between footloose firms whose headquarters may be in Australia or elsewhere. Whilst it is difficult to find research that identifies any differences between the residential (arms length) property investor and the owner occupier it is clear that all potential home buyers are particularly sensitive to perceptions of how safe an area is and aspects of the physical environment such as public open space and access to amenities.

It is important that future marketing communications strategies identify which characteristics of the Armadale Region are likely to be favourable to future investors. Of equal importance is that the different purchasing processes used by each distinct market segment be built into the strategy. For example, it is clear that the decision making process for the large footloose corporation and the owner-occupier, whilst very different in nature, both take a considerable amount of time. While a well planned communications strategy might ensure that the appropriate contacts and promotional material are made available to different participants in the decision making process at the appropriate time, it is essential that the process is underpinned by consistent branding of the ARA region.

The Armadale Region offers a unique lifestyle “gateway” location that blends urban and rural built environments with a hills and plains natural environment. Existing features such as the Araluen Botanical Park and Wungong Gorge offer attractive focal areas and the creation of new attractions such as the Champion Lakes water sports area will reinforce this.

Despite its many features the Armadale Region faces many challenges. Its existing image is not always positive with relatively high levels of lower socio-economic housing. As with many eastern suburbs the area also lacks a prestigious image and is somewhat distant from the Perth CBD even though it has relatively good road and rail infrastructure. Community diversity and natural environment appeal provide the region with strong opportunities for building a strong brand.

## SECTION 3

### Summary of Focus Group Findings

On 15 and 28 June 2005 two focus groups were held with a cross-section of selected individuals identified as having a particular expertise either in property development, industry or local government. These individuals were recruited from databases held by CEMI and the ARA. The purpose of these focus groups was to explore perceptions of the ARA and the Armadale Region, as well as examining the opportunities for future branding and marketing of the region.

Each focus group comprised between 8 and 10 participants and was facilitated by experienced researchers from CEMI. All discussions were taped and transcribed. The following section provides a summary of these discussions.

#### Perceptions of the ARA

The first area explored within the focus groups was the participants' understanding of the role and function of the ARA and their understanding of the challenges facing the ARA in seeking to develop the Armadale region.

It was generally acknowledged that the Armadale Region had many strengths and weaknesses, although the area was viewed as having a good opportunity due to its location and the growth of Perth. The following comments are typical:

#### Positives

*Armadale is one of the last frontiers of the metropolitan area.*

*What I like so much about the area is that I can walk down the street and I know so many people. It is like a country town...I hope Armadale can retain this atmosphere without losing the ability to see economic growth. With Tonkin Highway as a barrier maybe this will happen? I think Armadale has some very unique land feature and social infrastructure is in place to help this. Keeping the country feel while growing a city is the key challenge.*

*I have been struck by the physical appearance of the place. I am not an Armadale person but when I first started to work there I was struck by the beauty of the place. But then you look at the demography and there you have a problem. If you want to bring in new business and attract investors you only have to look at the demography. The figures I have seen suggest that the average income is around the battlers and struggling families.*

## Negatives

*Too much HomesWest in Armadale, will need to be addressed.*

*Armadale suffers from a perception problem e.g. high crime rate*

*Compare Armadale with Joondalup – which was a green field – and did not have any “baggage”. Armadale has many opportunities such as hospitals and regional centres, but has stigma of lower socio-economic image. This can be changed with the power of local government authority and marketing. I have seen this happen in Coolbelup where we had some land. This was struggling and we couldn’t do anything about it then the state government came in with redevelopment and it is now a completely different place.*

*Armadale is a ‘new territory’ for metro area*

*East Perth was once like this, had a poor image → rejuvenation is not new*

## Role of the ARA

However, the ARA was viewed in a positive light by all participants who saw the Authority as a “professional” organisation. When asked to explain the nature of the ARA the following comments were elicited suggesting that the ARA is viewed as a facilitative agency within the region:

*ARA is there to promote and encourage employment opportunities in the Armadale region.*

*Its role is to do physical things like roads and realignments.*

*Its role is spelt out very clearly in the Act of course...to generate investment and employment opportunities and to enhance the social development of Armadale, development of better education opportunities in the city, and make Armadale a strategic regional centre for Perth. Needs building up of the social & economic infrastructure and fill in gaps.*

*City lobbied both sides of government to get it going towards a strategic regional centre. ARA has a role in bringing together government agencies to get things done. Educational opportunities are important...we have kids who catch the train to Joondalup to go to university. Have just now got local university places and are working hard on a TAFE College. Armadale was the suburb on the fringe and there was not enough balance in the area, need to change the mix of the social structure.*

*There are EIGHT discrete redevelopment areas for ARA, some are private.*

### **ARA as a Facilitator**

*Important to note that the planning function is important and while the ARA could plan each of the EIGHT locations nothing might happen. The catalytic function is therefore most important.*

*ARA is a facilitator.*

*Yes ARA facilitates the economic and social growth of the Armadale region.*

*I saw ARA function as that of a planning function to allow region to go in the right direction and have all the parts going in the right direction for a sustainable future.*

*The ARA has the ability to make things happen by talking to all the different government departments.*

### **Is there a Marketing Role for the ARA?**

There was less agreement over the role of the ARA in relation to marketing the region:

*Does the ARA have the function of a marketing role? City of Armadale has a brand and ARA has a brand but does the ARA have a marketing function?*

*ARA has a finite life under the Act. It gets in and does the job with financial assistance and then hands this role back to the City. It does some marketing.*

*There is always the need by the minister for marketing and the ARA has that function.*

*It has a long term marketing future...get in, plan it, do it and then leave it to the shire from then on.*

*It has a different Act from other redevelopment authorities...a triple bottom line. Others were given land and told to capitalise on that land. The ARA was given no land, only the power to influence.*

### **Challenges Facing the ARA**

In terms of the challenges facing the ARA there was a view that the region had many positive natural features and other strengths, but its poor image was due to relatively high levels of low socio-economic housing even though not all residents were in this category: The following comments are typical:

*HomesWest has not done that well in Armadale due to inadequate expenditure on each home. There is also a problem with Westfield, which is a sub-division approved without Council's approval. It is prone to flooding and there are about 40 houses breaking their backs, but although it is now under control there continues to be a poor image. But we had a Council that thought they had something special to themselves and everyone else could bugger off. The town does not have good highway presence and needs to be turned around to face the road. We have a CBD park that is quite unique. No other regional town has this. It is a hectare in size and we have trees that are unique.*

*Yes but in Westfield the house hold incomes are above average. We suffer being on the end of the rail line. Crime is viewed as coming from Armadale. The Armadale Court House also leads to the area being named every time there is a major crime.*

*If you drew a circle around the Armadale CBD or shopping centre you would see that the hills area has a very high income but is very sparse, and is influenced by a denser concentration of lower income housing.*

*Yes we did this and went out 5 km then 10 km from the Armadale Shopping Centre and the demographic profile changes, but half of the population is still what you would call "battlers".*

*In the 1990s research was done to show that over \$10 million in retail spend was going out of the region to Booragoon or Carousel Shopping Centres. We said to the shopping centre in Armadale, OK there it is why aren't you capturing it? Why don't we bring this back to town...we are trying to get locals to shop local and to get farmers to shop in Armadale for their bulky goods.*

### **Balancing Environmental Sustainability and Economic Development**

A particular challenge for the ARA was its need to balance the twin responsibilities of economic development without compromising environmental sustainability. These comments reflect this recognition:

*They almost evolve don't they, you can start them but they have these grey boundaries...How do you restrict these boundaries for the region?*

*Council considered signs for new residential development to have large signs on the road but no mention of Armadale to give the public a que to where the estate was. Need to have a brand to link these housing estates with the Armadale region... would make us feel a lot better. First step in the start of a branding process ... this would be very timely.*

*Yes this estate is first for sometime in Armadale...We have done our research to show that this estate will go well; there are potential purchasers out there that have the finances to upscale their homes.*

*I agree with everything that has been said.*

*We will do large scale marketing and branding if we have a development to launch.*

*Most property purchasers for our estates are located already in the area. People don't want to leave the region. They have family and friends in the area.*

## **Armadale Regional Branding**

The next area explored by the focus groups related to the participants' perceptions of how the Armadale Region might be promoted as an attractive investment opportunity for both residents & business. Of particular interest were the main benefits that are offered by the Armadale region to investors and the key elements that might comprise a regional brand.

### **Key Benefits Offered by Armadale Region**

Among the key elements identified as being offered by the Armadale Region was its ability to provide affordable housing and land within a respectable distance from the Perth CBD. Armadale was also viewed as having a “village feel”, with its combination of the hills, rural areas and good proximity to the city and the south west of WA.

The area was also seen as offering good transportation access, both road and rail, with new links being opened up thereby reducing the area’s relative remoteness. It was also felt that the ARA plays an important role in offering a plan for the area’s future development. Some of the following comments illustrate these sentiments:

*The region has a lot of water resources in the sub terrain but people ask, “How much is it going to cost me to build my house?” In some cases the cost can be quite substantial.*

*When they found an underground spring they dug a dam immediately and harnessed all the water coming up underneath it. They created a lake area.*

*The cost of development in the ARA is a few percentages more due to the additional cost that has to be allocated to the cost of drainage.*

*Champion Lakes area is a good area to promote. It is a huge area of open water, so that could be promoted. Also Forrestdale which has some beautiful wetlands and that could be promoted ... Most people just don’t know that it is there. This area could be another Lake Monger.*

*Purely from the investor market we have many opportunities... Investors have bought land and land banked either in the Armadale City centre or some unit development in Forrestdale Business Park. Once that business park gets off the ground it will be a similar thing to Midland with many good major roads coming into the area. We have some opportunities like Midland via show rooms. We also get many overseas investors who don’t care about the social image of Armadale who don’t really know the area. You cannot buy that type of land anywhere else. You cannot get on the side of a hill, with a 2,000 square metre block and a five bedroom house, bathroom house with views of the city.*

*City will be able to offer a range of housing options...affordable homes to million dollar homes in the hills. We can say to businesses seeking to establish in the business park, come and set up because we have this range of housing for employees.*

*Lot of interest in the Business Park and Armadale in general. Don't be mistaken, there are many people with interest in buying into the area.*

*Key components in getting residential off the ground is getting the business community to come to the business parks. We have close to 8 to 10 people ready to buy into the Forrestdale in the Business Park, fabrication workshops, industrial companies, but we cannot supply the product to them. There is currently a shortage of commercial and industrial land available in the Perth metropolitan area, close to the city environments. Malaga pricing has increased dramatically. I have people seeking 2,000 to 10,000 square metre blocks, I have nothing to sell them in Armadale, Kelmscott or Maddington. There is a strong demand but no supply. My opinion is that you will see dramatic price increases in industrial land and people will have to come to Armadale for available land.*

*What complements this is that the Forrestdale Business Park had excellent road access from three major roads.*

*One of the immediate challenges is to demonstrate to people – such as with the building of the new railway station and city centre cinema – that things are going ahead. If we can demonstrate with bricks and mortar that development is taking place in the business area it will go like wildfire.*

*I recall 30 years ago when the first two tenants went to Canning Vale; they were Coles and the Swan Brewery, and they languished there for several years on their own, then all of a sudden it went 'vroom' and took off.*

*Within the South East corridor context Garden City and Carousel have dominated the retail environment but both are now full and nobody wants to go there anymore. So now it has given Armadale the opportunity to attract both retail and industrial tenants.*

*Two issues: 1) affordability and 2) availability of workforce.*

*Access routes for transportation.*

*Good strong mix of commercial and industrial land. Ability to bring people into the area by developing the commercial-industrial areas...residents move around within 5-10 km of their existing home, but commercial developments will bring people to the area because they want to live and work close by.*

### **Crime Rates**

There were several comments about the crime problem facing industry and the view that the Armadale region was actually better than many other areas in relation to crime rates:

*Another thing for any industry coming in is the high crime rate and is that important?*

*How do we handle this because our crime rate in Armadale is not as bad as elsewhere. If you want a high crime rate go to Victoria Park or South Perth.*

*Yes, the highest break and enter rates are in Dianella.*

*Bayswater has a similar population but smaller land area, and has 5 times the break and enter rates. Crime rates in Armadale have dropped 38% in the past five years.*

*We have six factories in Perth and the one with the highest crime rate is the one in Malaga by an absolute country mile. Break-ins, theft.*

*It is a perception thing and needs to be included in a marketing strategy to show that it is not true.*

### **The Perspective of Business Representatives**

The following comment reflects the perspective a representative from the retailer community within the Armadale region:

*Market access, if you are going to spend \$70 million to upgrade the shopping centre where are the customers going to come from. You see the low socio-economic profile and you will need to show how the demography will change over time to allow the investment to be returned. Short term is to say look down to Carousel to attract retailers to Armadale, Carousel is a "bloody nightmare" and there is an opportunity to attract shoppers away.*

The following comments were from the perspective of a manufacturer within the region:

*I guess the important issues are transport routes which are very good in this area, Forrestdale has very good road access; also availability of workforce. Unfortunately the Armadale area has a stigma of high unemployment, but that is an opportunity for manufacturers such as us. Also availability of affordable land, but also must be well planned – ARA has done a good job of planning to keep residential and industrial land apart. 90% of such problems are perceived not real, but you need fences around it and good planning. Also the market where we are distributing to and the Southern Corridor is going like crazy so Armadale is in a very good location. Armadale is well located for moving heavy road trains around to shift heavy loads.*

### ***The Importance of a Region Development Plan***

The importance of there being a well considered plan for the development of the region was highlighted in the discussions with a strong view that the ARA was able to offer such a plan and that this would be a positive issue for future investors:

*Very important...the way the ARA has taken over the planning will have huge value and people who want to invest in the area with significant property want to know that someone is not going to come along and build some cruddy building next door. You have the confidence with the planning that this won't happen.*

*The fact that the government is involved is really important. We had work with Landcorp and you look at Enterprise Park and compare it with Malaga and I know where I would rather be. Take a drive around Wangara and Enterprise Park and you can see the difference. Landcorp battled for years to get the Enterprise Park up, but now "job done".*

*When we go in to build a brick works we plan for a lifecycle of 40 years. So we have discretionary expenditure to make it look appealing and there are millions of dollars that can be spent on this. If you know that there is a long term plan and you are comfortable with the area then you go and put a lot of extras into the development.*

*Bricks are part of the culture of Armadale...Buckridge announced that there would be a brick works in Armadale. Community support for a brickworks is generally good compared to Swan where they do get acid rain due to different geographical features.*

*I think to have it in a structured manner with planning...investors look at time frames that can get elongated. Time frames need to be drawn in a little bit because investors tend to hold off until the environmental and Aboriginal studies have been done...I know it is a difficult task, but if you can rein in the timeframes investors will hold off.*

*We bought our land in 1990 and I recall going to talk to the Council and discuss where the zoning was...he said two years, it will all be done in two years...of course it wasn't.*

*If you put a couple of spine roads into the business park you will get the rest of the business moving.*

*There is a change in the look of business precincts now...they are more attractive and no longer look like a satanic mill. More like Subi-Centro.*

## Understanding of Key Strategic Constructs

The ARA strategic purpose is defined as “to establish a physical, social and environmental framework that will enable Armadale to build on its existing strengths and assets and develop as a vibrant, multi-dimensional place of civic and economic significance”. Participants in the focus groups were asked to discuss what they thought of this and the purpose of the ARA. The following comments were elicited reflecting an understanding that the ARA was likely to be balancing the interests of industry against the residential community and development against the interests of the environment.

*I think that that (development versus conservation) can be overdone, and that could penalise development. Given the stage at which Armadale is, it needs development and if the environment were over emphasised this could be an unnecessary risk. You don't want to put yourself above everyone else. There are more important things, which I think are economic development and changing the image in terms of higher value.*

*They have to be seen as environmentally responsible, and I think that responsibility is good, but the Shire is setting them up to be the best there is for environmental issues and the local guru on environment. I think that if a Shire shows that they are a very responsible Shire, but that they will allow development to take place, that is the message that should be there.*

*From a residential development point of view we don't want anything to take place that will harm the environment. For example we don't want people to come and look at buying land and saying, oh look there is a brick plant next door and that is not something that I want to live next door to; or that they have heard something about that particular brick plant that is adverse environmentally. So from a developer's point of view we want to have surrounding areas around our estates that have as few contentious issues as possible. From a purely selfish developer's perspective we would like to have environmentally friendly areas encompassing all our lands as this makes them more attractive to our purchasers.*

*Under the zoning formats that we have I don't think there is a terrible conflict between residential and industry. An example is the old toxic waste dump proposal and that was a contentious issue for quite some time. I think that there will always be some tension between the environmentalists and industry, but you just have to find that balance.*

## Perceptions of the ARA Strategic Communications

The focus groups explored the participant's perceptions of the way the ARA communicates with them and their organisations, and how it handles its overall public image. Of particular interest was whether they could recall any media information or other communications relating to the ARA that they might have heard or seen prior to coming to the focus group. They were asked to comment on what they thought the ARA should communicate and how it should do so to achieve its strategic goals. The following comments are illustrative of the feedback:

*I have personally found that their individual contact is the key point of communication with the ARA rather than any publications.*

*It's been pretty direct with me too. We have from other sources got the ARA's pamphlets but where I have learnt the most has been from direct contact with the ARA, where they have either rung me or I have rung them.*

*Yes very similar.*

*We need to get the information before it becomes public so we are very much kept in the loop so I think the ARA has had a fairly easy run in the public domain and that is now coming to an end. They are facing a huge public backlash over a particular issue with letter box drops and public rallies saying the ARA is going to redevelop our parks and ruin our lifestyles. They are joining the real world now...this project is to develop new opportunities for a new shopping centre. They are giving greater opportunities for Armadale Plaza. Public perception is that this park is public open space although it has always been for future development, but people see it as the same as the adjacent park. So parks are a very sensitive issue.*

*The ARA has set up a system to cut through red tape and make things happen, but you cannot avoid public consultation. Particularly where the Minister has staked her reputation on public consultation; so there is an inevitable conflict.*

## Creation of a New Regional Brand

Participants were asked whether they saw any merit in the creation of a new regional brand that could provide a separate image from that of the ARA, and offer a common point of reference and leverage for other regional participants such as LGA and private developers. There was general agreement with the need for such a regional brand even though there was a good deal of debate over the nature of such a brand.

*Difficult as I don't know how that ties in with the shire's image, would have thought that the Shire would be responsible for branding the region not the ARA.*

*Should have regional brand, people don't care who they go to for their approvals, they just want a regional contact.*

*Would have to be very carefully linked with other brands and local council's brands to make them complementary.*

*I think Subiaco and Margaret River have developed a brand that has taken time to develop over 25 years with people moving down there... As Armadale region prospers over time you will be able to benefit from the growth of the region, just as Subi Centro has been able to brand itself on the Subiaco brand.*

*Yes, you don't talk about the Subiaco Council or the East Perth Redevelopment Authority you talk about Subiaco or East Perth.*

*A very good question to focus on, I can see how Peel Region and the Mandurah, Murray etc can use the Peel Region to their advantage. Don't know how this might work for or against the various councils in the Armadale Region.*

*It is a new beginning and could be an opportunity to start a new brand, but counter argument is that as things happen all falls into place anyway – e.g. Margaret River.*

### **Key Things to Promote the Branding of the Region**

The development of a brand image within the Armadale Region was viewed as having an opportunity to build on a set of natural and human features.

*It is the only solution, ARA can have a brand in its own right, but for an investor coming in they are interested in the region not ARA.*

*I went to a property council meeting and groups were very firm on the need to press the virtues of the area. Don't know if you can do this with the ARA, but it has to be separate and needs to sell the area and say come on down this is what is being offered.*

*City did have a brand and Kelmscott has a brand, Serpentine-Jarrahdale was also called "heritage country". But the Sunshine Coast is a good example, they now have their own style of architecture for the area and it was designed to handle the climate, but people can now look at it and say, "Oh that must be on the Sunshine Coast". You can take a brand for a region to the point where it even defines the architecture.*

### **Elements for Armadale Brand**

These are summarised in the following list of key attributes identified within the focus groups:

BRAND IMAGE FEATURES:	village hills, beauty transport access difference to city e.g. "old world" feel sense of history gateway to the South West value proposition growth prospects semi rural
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*You make a good point that Margaret River, Barossa Valley and Sunshine Coast were all built on something that already existed. You cannot build it from something that is too artificial.*

*Perth is a flat sandy place, but Armadale is hilly and interesting, so you could make use of the physical environment.*

*Yes, there are hills and that should be used. You have hills people and plains people.*

*I agree with that Armadale has trees, hills and water. Should not discount the water, Champion Lakes rowing facility will have a huge impact on the image of the area, so will the Brookdale water management area. So water should not be put aside too soon.*

*Armadale is integrated with the water, ground water is originally a problem but we have embraced this and are working with the CSIRO to manage it. Area is one of only two in Australia to be branded "healthy country" and so turn it into a positive.*

*"Healthy Country" now that seems to be getting somewhere near a brand name.*

*Forrestdale has a revised structure plan with new engineering estimates that suggest that we can build with lower costs of development...new engineering allows more land to be developed.*

*The hills thing...in terms of marketing Perth you have either the beach or the hills, so I think you should promote the hills.*

*Hills country feel is important, country village feel of Armadale. Whatever is developed by ARA must fit the Armadale existing situation. Unlike new developments where people only partially agree with the developers claims about the future, in Armadale it is already there and people will believe it. All you have to do is enhance it. I think you have a terrific opportunity.*

*I think Armadale has to succeed as a regional centre so it must attract commercial retail tenants.*

*All good brands are built on one compelling offer to the public...Margaret River, Barossa Valley and the Sunshine Coast are like that...single compelling attractive offer. Around this there are many additional nuances but there is always something simple at the centre. I like it I'm attracted to it, it is emotional in nature.*

*Yes we have had "city living, country style", it's not a bad one is it?*

*Oh, but we have had people bash us as much as praise us for that.*

## Relationship Between Investors and ARA

The focus groups concluded with a discussion over the interrelationship between the ARA and its community, particularly the business community and future investors. There was a general view that the ARA was doing a good job, but that if it was able to improve its functions it should look at the creation of a one stop shop to make the role of businesses seeking to relocate into the region easier. For example:

*State Government (e.g. ARA) must provide infrastructure, private developers cannot, and neither can Local Government. We cannot do these big projects e.g. Key infrastructure initiatives are: business park – Champion Lakes – this has international sports complex and we cannot do this. Business park cost \$10 million up front and local council could not do this. Takes ARA to go to State Treasury and get a loan for this project to then pay it off in 10 years time. The other things are Brookdale.*

*ARA needs to advance the Brookdale Structure Plan, which will enable all Brookdale land holdings to go ahead. HomesWest concentration needs to be reduced over time. Employment in the region needs to be increased. The Railway link to Byford needs to be completed.*

*Making sure that industrial areas are separate from the residential areas, not the case in older areas, and ARA has done this. We are building a new factory in next few years, and are being forced out to more remote locations due to the pressure from residential. Industry does not get enough support. New factories such as brick works are today clean and can enhance employment. ARA tend to sit on it and say that it is our problem but we have too many other things to do to manage the community perceptions.*

*There must be transparency by ARA in dealing with development issues. It is important that they (ARA) are transparent. They use their own consultants and we need to share ideas with our consultant to get a better outcome for everyone if there is more transparency. Our ideas are not always right, but neither are theirs, we could do more if we worked together.*

*US Development authorities work well with all stakeholders but we don't see much evidence of this happening in Australia. There is an opportunity for this to take place here with ARA working with developers and industry. We are not going to go away and we can collaborate to get the balance right. There is a partnership that needs to be developed.*

### **Formation of Local Community Contact Point**

*ARA went in with view that they needed reference groups for different projects but the administrative burden of running all these groups is high. City Centre Group has continued but the Champion Lakes and Brookdale ones have not met regularly. ARA lacks the resources for too many, maybe on global one is useful, but has a huge administrative burden.... No guarantee even with such consultation group would have avoided the shopping centre problem.*

*Who do you go to if you want to undertake a further development such as a second brick works in Armadale. Do you go to the Council, ARA, Department of Environment and the Minister? You go to them all individually. Now the ARA could do this centrally, but they don't, everyone stands out saying OK let's see what the other groups say before they will commit. This makes it very difficult.*

*Yes you have to deal with several authorities and each one after the other to get something done.*

### **Creation of a One-Stop-Shop or Client Relationships Manager**

*I'd like to see the ARA do this, although they may not see this as their function. You would have to get advice before going to the next level, but you would know how everyone is thinking.*

*What is being proposed is so significant (e.g. new brick works) that a local council would set up a special officer to work with the company? So few developments come along that when such an opportunity does occur every effort is made to help.*

*Brookdale redevelopment process offers a lot of information for developers.*

*I'm surprised more people don't come to local councils to seek advice or help when there is a project or plan for something. For example, when BCG proposed a new brick works in Armadale the Mayor, CEO etc went to see Len Buckridge in his office to say, "How can we help you? What can we do to make you happy?"*

*My point is from personal experience. We were looking at a significant develop at our Cardup Site in a different site. We just bought 500 acres and were looking at buying another 500 acres so we would have 1200 acres for expansion. Before we bought the next parcel of land we thought we'd better go face to face to the Shire of Jarrahdale to see if they were OK with us building \$50 million dollar brickworks with a lot of new jobs in the area. So we went in to see the two key people in the shire but got such a negative response we didn't buy the land, didn't go ahead. That has cost that Shire from one meeting, this investment. There was not a single point of contact or a designated person to meet or talk to, who would say, "This Council will support you.". So my CEO said, "No, this Council will not support us, so we will walk away from Cardup." We did not go ahead with the land purchase and it is now number 4 in our list of priorities when it was number 1 before.*

*The issue is that you need someone to go to who knows whether the Shire will be responsive and whether you are going to be able to work as a partnership or not.*

### **How Can ARA Make Itself Useful?**

*You need to do things yourself, but with ARA they will assist with the various government agencies. Don't think there is much that needs to be improved.*

*Yes but it needs to be marketed better. Like with Landcorp, they are really fantastic when it comes to developing industrial land, but not enough people really know this. It is always a challenge to get people to trust the government, but there is a need to get the message out.*

*ARA can help because it can work within the government to achieve outcomes.*

*ARA should seriously market to the commercial real estate agents. I still get advertising from Knight Frank or others in the area that still don't identify Forrestdale or Brookdale on their documents. They're the people that will tell the community of the area.*

*The acid test has not gone on for the ARA...has made some real progress in terms of planning...but not enough people have seen it at the working level. It will require a real project (e.g. Australian Fine China) to prove that it can achieve things. Once there is real evidence, such as the train station...eight areas are being worked on but people won't see this until it is opened.*

*We have great difficulty in dealing with many government departments when we are going to put \$50 million into an area. My General Manager visited Shire of Serpentine-Jarrahdale who gave him the distinct impression that they were anti-business so our plans for a new factory in Cardup were shelved. We have bought large buffer zones of around 160 hectares but Council was negative.*

*ARA is in a position to help the brick works, existing brickworks is in ARA area and can be facilitated to allow the company to get its zoning approved.*

### **Triple Bottom Line**

*Best way to manage this is via having one shire play a lifestyle role rather than asking them to involve in commercial work. They are happy to have jobs go elsewhere and remain a dormitory suburb.*

## SECTION 4

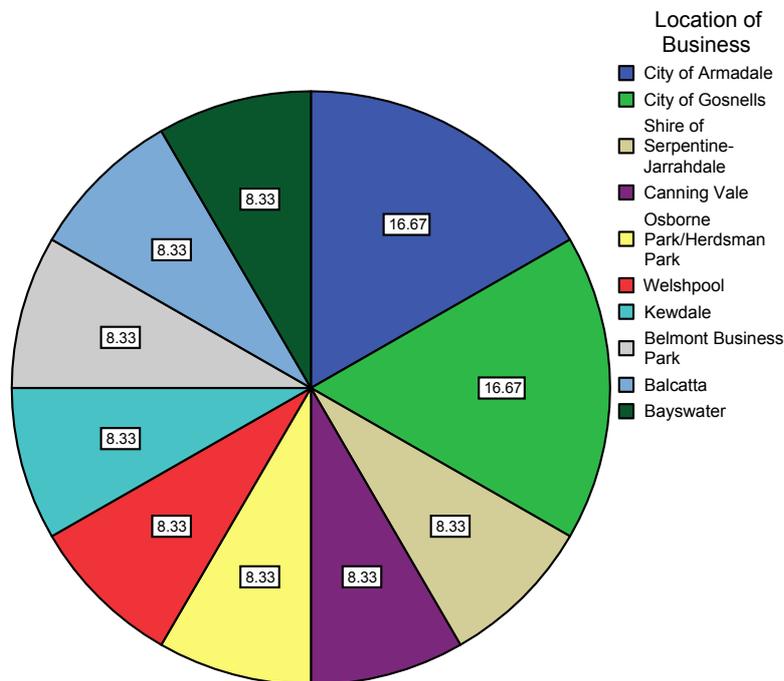
### Survey of Business Community

The following section outlines the findings from a large scale survey of the business community within the Perth metropolitan area. This survey explored the factors that the business community finds attractive in an operating location, their satisfaction with their existing location, future plans for relocation and awareness of the Armadale region.

#### Sampling

The survey collected 600 respondents from businesses located in 10 locations across the Perth metropolitan area. As shown in Figure 3 below this was evenly balanced with a weighting on the Armadale and Gosnells areas. The proportion of firms from each area is shown in the pie chart. A total of 100 firms each was drawn from Armadale and Gosnells, with 50 from each of the other locations.

Figure 3: Location of Businesses within the sample



## Demographics

Eighty-six percent of respondents were owner-managers with the balance being executive managers with or without some shareholding in the business. Half the sample comprised micro-enterprises with less than 5 employees with 40 percent being small firms with between 5 and 20 employees. Only one percent was large firms with over 200 employees.

All ANZSIC codes were represented in the sample with retailing (20%) and manufacturing (19%) being the most heavily represented. The average length of time these businesses had been in operation was between 11 to 15 years.

Sixty-four percent of the firms had an annual turnover of less than \$1 million with 91 percent having an annual turnover of less than \$5 million. Seventy percent of the firms had been in their current location less than 10 years, with 14 percent being in their current location for over 20 years.

The sample was therefore representative of the general business population to be found in metropolitan Perth outside the CBD and Kwinana heavy industry zone.

## Most Important Advantages for Being Located Where They Are

The three most common advantages given for being located where they are were:

1. Proximity to major roads, highways or the freeway – (40%)
2. Proximity to customers – (29%)
3. Proximity to home for owner-manager and/or employees – (16%)

These findings are consistent with the evidence drawn from the literature relating to the operating location decisions of business, and the focus groups undertaken earlier in this study.

## Export Orientation

Sixteen percent of firms were engaged in export or plans to export in the next 3 years.

- Only 4 percent of firms from within the City of Armadale planned to export or were exporting
- Seventeen percent of firms from within the City of Gosnells planned to export or were exporting
- Sixteen percent of firms from within Serpentine-Jarrahdale planned to export or were exporting

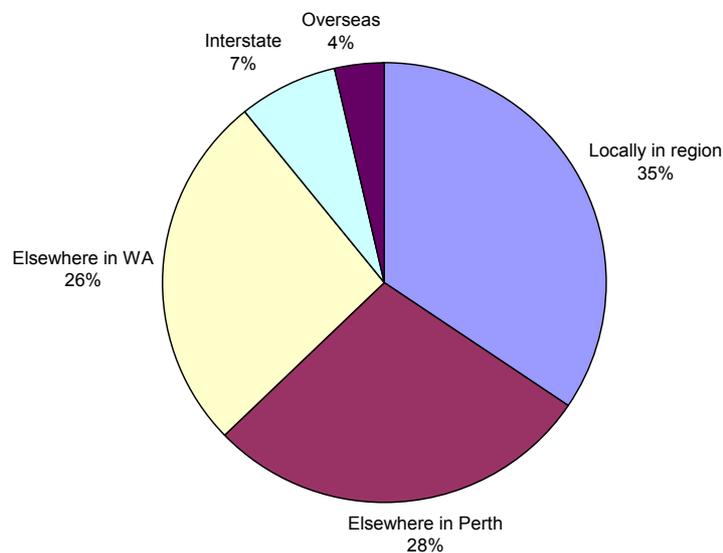
By comparison 28 percent of firms from Canning Vale, Kewdale and Welshpool, and 24 percent of firms from Bayswater planned to export or were exporting.

These findings reflect the industry structure within the Armadale region as compared to that of adjacent south eastern metropolitan areas.

## Location of Customers and Suppliers

As shown in Figure 4, the majority of the firms' customers were located locally in their regions or within Perth or WA. Very few firms had national or international customers. This is reflective of the high proportion of micro and small enterprises in the sample.

Figure 4: Location of majority of customers for all businesses in the sample



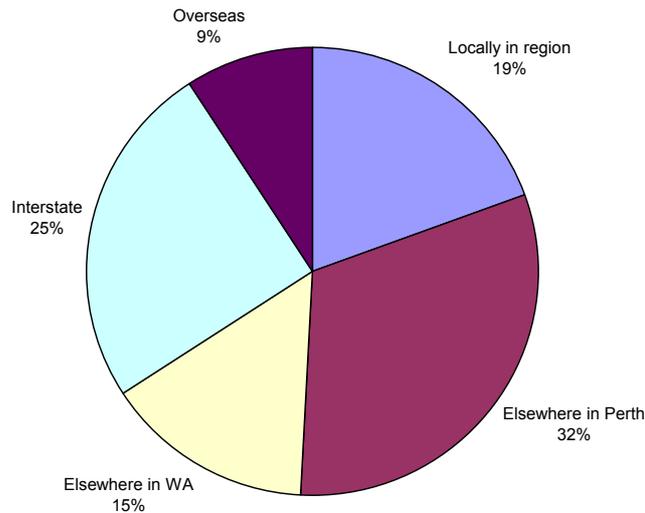
It should be noted that:

- 67 percent of firms from the City of Armadale sourced the majority of their customers locally
- 42 percent of firms from Serpentine-Jarrahdale sourced the majority of their customers locally
- 42 percent of firms from the City of Gosnells sourced the majority of their customers locally

These figures were significantly higher than any of the other business locations, suggesting that much of the business within the ARA catchment is servicing local markets.

As shown in Figure 5, the firms' suppliers were located differently from that of their customers. Suppliers were more commonly found in Perth and interstate. Suppliers were less localised, with majority found across the Perth metropolitan area.

Figure 5: Location of majority of suppliers for all businesses in the sample



## Satisfaction with Current Transport & Communications Links Within Their Current Location

Forty-eight percent of firms had plans to expand their business in the next 3 years, although this did not automatically mean that they would be planning to relocate. For example, eighty-six percent of firms were either satisfied or highly satisfied with the transport and communications links in their current location. The most satisfied were firms located in Osborne Park/Herdsman Park area. The least satisfied were those in the Shire of Serpentine-Jarrahdale. Table 5 shows the responses of the firms to the question of the attractiveness of their current business location. It can be seen that the most agreement was on the items:

1. accessibility to major transportation routes
2. ease of access to business services
3. good physical environment
4. proximity to customers
5. proximity to public transportation

**Table 5: Attractiveness of Current Business Location**

In relation to your current business location is it in your opinion...	N	Disagree	Neutral	Agree	Mean	Std. Dev
It is easily accessible to major transportation routes	599	10%	10%	80%	4.09	1.034
It is easy to access business services	599	7%	19%	74%	3.91	.913
It has good physical environment	600	12%	29%	59%	3.59	.936
It is close to my customers?	599	19%	24%	57%	3.56	1.196
It is close to public transportation	600	22%	22%	56%	3.47	1.235
It is close to where I live	600	28%	17%	55%	3.43	1.428
It is close to large population centres?	600	20%	26%	54%	3.50	1.146
It is close to where my key employees live	598	19%	28%	53%	3.50	1.131
It is close to the Perth CBD	600	21%	26%	53%	3.40	1.101
It offers excellent investment potential?	599	15%	34%	51%	3.49	1.047
It has a well considered development planning environment	598	18%	38%	44%	3.32	.996
It is close to amenities	600	30%	28%	42%	3.17	1.230
It has a well trained pool of skilled labour	598	25%	37%	38%	3.14	1.091
Land can be obtained at competitive rates	598	26%	42%	32%	3.04	1.030
It is close to my suppliers?	598	37%	32%	31%	2.82	1.267
It is close to freight terminals	599	37%	32%	31%	2.89	1.254

Using Analysis of Variance (ANOVA) tests (one-way), statistically significant differences (at the 0.05 level) were found between firms from different geographic locations and their responses to these items in the following cases:

- Most satisfied with proximity to customers were firms in the Belmont Business Park, least satisfied were firms located in Kewdale and Bayswater.
- Firms located in Serpentine-Jarrahdale were significantly more satisfied with their proximity to suppliers than were firms located in the City of Armadale or Balcatta.

- Firms in Belmont and Osborne Park/Herdsman were significantly more satisfied with proximity to amenities than were firms from Kewdale, Welshpool or Canning Vale.
- Firms from Kewdale and Welshpool were significantly less likely to agree that their location was close to large population centres, while firms from Belmont were more likely to agree.
- Firms from Serpentine-Jarrahdale were significantly more likely to agree that their location was close to where they lived than any of the other locations.
- Firms from the City of Armadale and Serpentine-Jarrahdale were less likely than their counterparts from Osborne Park/Herdsman to feel their location offered ease of access to business services.
- Armadale and Serpentine-Jarrahdale were viewed as relatively less attractive in terms of proximity to public transportation, access to freight terminals

## Employment & Skills Availability

Respondent firms were asked to indicate whether or not they found any difficulties in accessing skilled employees, whether they were satisfied with their existing employee skills set, and if they were sourcing most of their employees from within their own region. Key findings from these items were:

- Fifty-seven percent of firms indicated that they had experienced difficulties in finding new staff with appropriate skills that could be employed locally.
- Fifty-two percent of firms indicated that they were currently sourcing the majority of their staff from people who lived in the local area.
- Fifty percent of the firms within the City of Armadale and the Shire of Serpentine-Jarrahdale reported experiencing difficulties in finding new staff with appropriate skills that could be employed locally.
- Sixty-three percent of firms within the City of Gosnells reported experiencing difficulties in finding new staff with appropriate skills that could be employed locally.
- Sixty-eight percent of firms in Welshpool, Kewdale and 72 percent of firms in the City of Bayswater reported experiencing difficulties in finding new staff with appropriate skills that could be employed locally.
- Seventy-six percent of firms in the Serpentine-Jarrahdale area, 61 percent of firms in the City of Gosnells and 60 percent of firms in the City of Armadale were sourcing the majority of their employees from people who live locally. These were significantly higher than for the other geographic locations.

## The Armadale Region

The survey also introduced respondents to the ARA, explaining briefly the role of the Authority and some of the key industrial land development sites under its control.

They were asked if they had previously heard of the ARA prior to the call, and if they had prior awareness of any of the land development projects. Key findings were:

- Seventy-six percent of respondents claimed not to have heard about the commercial land opportunities available in the Armadale region prior to the survey.
- Sixty-nine percent of respondents reported it was unlikely that their business would move to a new location in any future expansion plans.
- Twenty-three percent of respondents indicated that they would consider relocation into the Armadale area.

## Key Attributes for Selection of New Location

Only 18 percent of respondent firms indicated that they were likely to move to a new location in any future expansion plans. When asked about the importance of key attributes for any future business location, the firms that were considering relocation rated in order of importance:

1. accessibility to major transportation routes
2. ability to purchase the land at competitive rates
3. good investment potential of the site
4. good physical environment of the site
5. being supported by a well considered development planning environment
6. access to business services
7. access to trained pool of skilled labour
8. proximity to public transportation.

These findings are outlined in Table 6 where it can be seen that transportation access was considered important by 78 percent of respondents, investment potential by 77 percent and the amenity of the physical environment by 76 percent of respondents.

When examined against the findings from the literature review these results suggest that Perth businesses continue to view accessibility highly. As investment potential is influenced by their ability to secure the land at a competitive rate and then enjoy good capital growth over time, the Armadale site offers some positives. The high rating of the physical environment is perhaps recognition that businesses are seeking good amenity for their sites rather than just functionality.

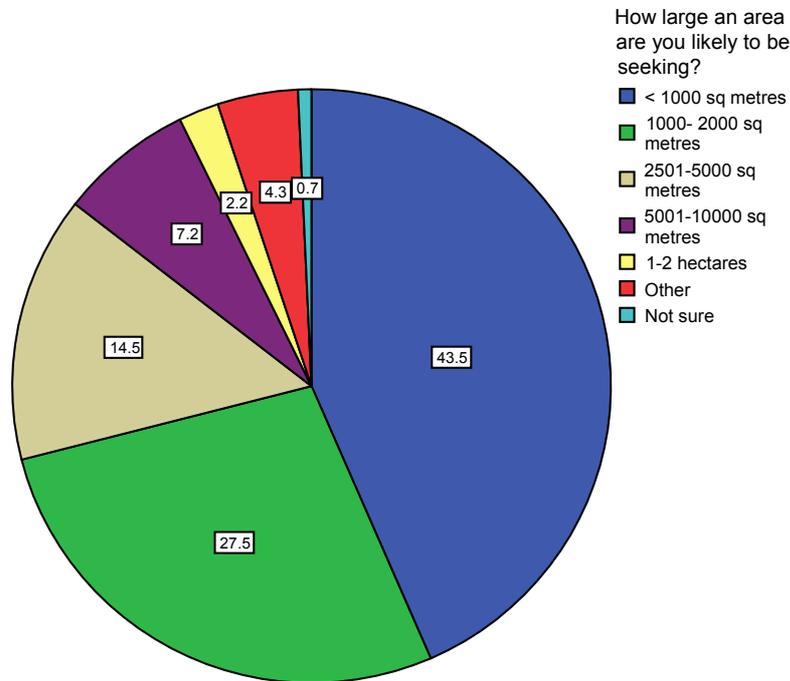
**Table 6: Key Factors in the Selection of a Future Location**

The most important thing for any new site is that:	N	Disagree	Neutral	Agree	Mean	Std. Dev
it is easily accessible to major transportation routes	139	9%	13%	78%	4.17	1.004
it offers excellent investment potential	138	7%	16%	77%	4.04	.943
it has a good physical environment	140	6%	17%	76%	4.00	.929
land can be obtained at competitive rates.	138	8%	20%	72%	4.04	1.073
it has a well considered development planning environment.	139	6%	22%	72%	3.99	1.018
it is easy to access business services	139	13%	19%	68%	3.81	1.101
it has a well trained pool of skilled labour.	136	17%	23%	60%	3.72	1.203
it is close to public transportation	139	18%	24%	58%	3.62	1.182
it is close to large population centres	139	26%	21%	54%	3.40	1.312
it is close to where I live	139	27%	25%	49%	3.33	1.326
It is close to my customers	139	24%	29%	47%	3.38	1.304
it is close to freight terminals	139	34%	21%	45%	3.13	1.366
it is close to amenities	139	27%	28%	45%	3.24	1.231
it is close to where my key employees live	135	20%	36%	44%	3.34	1.127
it is close to the Perth CBD	139	29%	30%	40%	3.10	1.187
it is close to my suppliers	138	39%	30%	31%	2.86	1.291

### ***Size of Land Area Being Sought***

For those businesses that indicated they were seeking to relocate in the future, the size of the land area they were seeking in any future move was explored. Figure 6 shows these findings. It can be seen that 43½ percent of firms were seeking less than 1,000 square metres of land area. The next most sought after block size was between 1,000 and 2,000 square metres, with 27½ percent of the sample indicating that this was their anticipated future property requirement. Larger block sizes were less in demand, but this pattern is reflective of the large number of smaller firms within the general industrial landscape. It is generally the larger “footloose” firms that require the bigger blocks and who will generally lease rather than purchase.

Figure 6: Area of Land being sought by firms seeking to relocate



## Conclusions for the Industry Survey

These findings support the literature outlined in Section 1 and suggest that most firms in the Perth metropolitan area are probably satisfied with their existing operating location. Key attributes that businesses enjoy about their existing site are its access to major transport route and business services, good physical environment, proximity to customers and public transportation. When seeking a new location these firms are likely to view the investment potential and relative price of high importance.

While nearly half the sample was anticipating expansion in the next three years, only 18 percent were seeking to move to a new location as a result of such growth. It is also worth noting that a high proportion (76%) had not previously heard of the land projects being developed by the ARA. This suggests the need for enhanced branding and marketing.

The growth of Perth over the next 10 to 15 years will see greater pressure placed on existing commercial and industrial sites. The Armadale region offers a potentially attractive package for a variety of industrial and commercial users seeking to relocate.

## SECTION 5

### Branding Strategy

This section outlines the branding strategy suggested for use by the ARA in the creation of a regional brand. It draws upon the findings from the literature review and the focus group and business community survey.

#### What is a Brand?

While many people think of a brand as a name, identifying mark and/or logo, a 'brand' is much more than this, as it represents the holistic sum of all information about a product or service. In fact it is more relevant to think of a brand as a set of "aligned expectations" in the mind of stakeholders such as consumers, retailers, distributors and employees.<sup>53</sup> When considering the creation of a brand it is also useful to distinguish between the brand experience, which is the sum of every point of contact a person has with a brand, and the brand image which is created in the mind of consumers and consists of all information and expectations associated with the product. In order to build a successful Armadale brand, management will need to align the expectations created by the brand experience through branding, so that the brand carries the promise that Armadale has certain qualities and characteristics that make it unique.

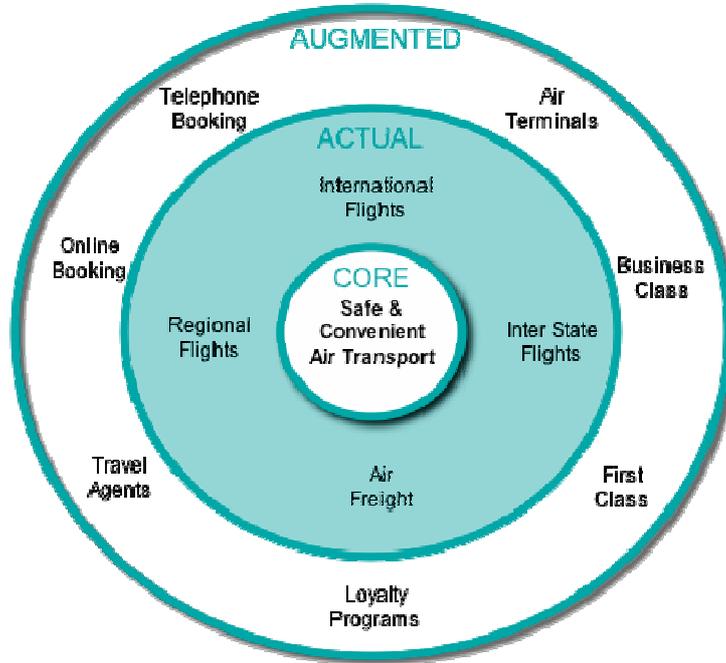
#### Creating the Armadale Brand

When creating a new brand it is important that the expectations created by branding are aligned with the capacity of the product to deliver on the brand promise. For example, brand imagery that attempted to build the expectation that Armadale was a great ski resort would fail for obvious reasons. One method used for aligning the product with brand imagery is the **total product concept** which breaks down products into "core" characteristics and or benefits, "tangible" elements, and "augmented" product attributes.<sup>54</sup>

For example QANTAS' core product could be described as safe and convenient air transport, its tangibles would be its various passenger and freight services around the world, and its augmented benefits would be services such as frequent flyer schemes, terminal facilities and the QANTAS Club lounges.

This structure is illustrated in Figure 7 using the QANTAS example. This structure describes the consumer experience whereby the core product characteristic is at the heart of all actual and augmented product experiences. Thus, while QANTAS may promote world travel as an exciting experience, the core message of safety and convenience underpins the message. This core product benefit of safety and convenience is then expressed creatively in the tag line "I still call Australia Home", which communicates to consumers that "you can travel the world safely and conveniently because QANTAS provides Australian standards of service (safety and convenience) throughout the world".

Figure 7- QANTAS Total Product Structure



Thus QANTAS creates a point of difference in the consumer's mind where the key message elements are:

- Sustainable - because consumers know QANTAS are one of the world's safest airlines, and
- Attractive - because safety is high on the list of consumer needs for air travel providers. Thus, in developing the Armadale brand it is necessary to:
  - (a) Create a core product benefit that is sustainable (i.e. based on real product attributes), and
  - (b) A core product benefit that is very appealing to consumers.

## A Regional Brand for Armadale

As shown in the focus group findings the development of a regional branding strategy is recognised as having substantial benefits to both the ARA and a range of other stakeholders including property developers, LGA and the wider community. Using a similar total product concept methodology it is possible to shape a regional brand for Armadale.

Table 7 lists the core product characteristics for Armadale Region that research indicates are important to both major consumer groups - Business and Residents

(Potential and Actual). The table also identifies core characteristics that are an intrinsic to part of Armadale due to its location and the natural and man made environment. Table 7 also lists Armadale’s actual and augmented products.

CEMI has selected the Armadale Region as the focus of brand development to avoid confusion with the ARA and City of Armadale branding. Furthermore, when investors consider moving to ARA product, they will base their decision on regional as well as local characteristics. It will therefore be necessary for the ARA to sell the region, as opposed to purely product focused marketing communications.

**Table 7 - Armadale Region Product Definition**

<b>CORE</b>	<p><b>BUSINESS:</b>                  COMPETITIVE LAND VALUES &amp; OPERATING COSTS                  GOOD ACCESS TO TRANSPORT                  GOOD ACCESS TO EMPLOYEES                  EASY PROXIMITY TO MARKETS                  FAVOURABLE LOCAL GOVERNMENT ZONING                  GOOD COMMUNICATIONS INFRASTRUCTURE</p> <p><b>RESIDENT:</b>                  SAFE &amp; SECURE                  GOOD ACCESS TO SCHOOLS                  GOOD RETURN ON INVESTMENT                  GOOD ACCESS TO SHOPPING &amp; LIFESTYLE &amp; RECREATION                  SENSITIVE LOCAL GOVERNMENT PLANNING</p> <p><b>INTRINSIC BENEFITS:</b>                  HILLS &amp; PLAINS LIFESTYLES                  SOUTHERN GATEWAY JUNCTION                  HISTORICAL VILLAGE COMMUNITIES                  RURAL MEETS URBAN CONJUNCTION                  NATURAL ENVIRONMENT - WATER FLOWS</p>
<b>TANGIBLES</b>	<p>Champion Lakes                  Forrestdale Business Park                  Armadale town centre                  Brookdale                  Kelmscott city centre                  Albany Highway                  Champion Drive                  Other</p>
<b>AUGMENTED</b>	<p><b>Business:</b>                  Strategic planning vision</p>

	Sustainable development Authority to make things happen One stop shop for large scale developments Financial resources Political clout Regional branding strategy Cluster development strategies
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## Refining the Core Product

One of the key characteristics of successful brands is that they generally describe their core product in a single easily defined concept. Therefore the long list of Armadale’s core benefits needs to be simplified to a single concept that appeals to the major consumer groups. After careful consideration two key concepts evolved that aligned comfortably with each core benefit.

### **Concept 1- The Nature of the Location**

Many of Armadale’s current core benefits can be attributed to a unique convergence of local temporal and geographical factors. For example, Armadale has always gained economic benefits from its geographical position as a gateway to other regional economies, but has recently become an increasingly attractive investment opportunity due to factors such as the continuing growth of the WA economy. This creates increased demand for basic resources such as easily accessible land for commercial and residential occupation. Essentially the time is right for a region with Armadale’s natural assets and location.

Furthermore, the intrinsic natural benefits of the Armadale region, such as it’s hill’s, waterways, and heritage are becoming increasingly attractive as the availability of these types of asset continues to decline (relatively) as the metropolitan region grows.

### **Concept 2- A Strategy for Sustainable Growth**

The ‘natural’ attraction of the Armadale region is greatly enhanced by the benefits the ARA provides such as a strategic plan for sustainable growth, the ability to make things happen, and the financial resources the authority has at its disposal. These benefits have already attracted additional investment in the region, which will make Armadale a more attractive location for further investment.

Table 8 shows how each of the core product benefits can be defined within one or both of the two concepts described above.

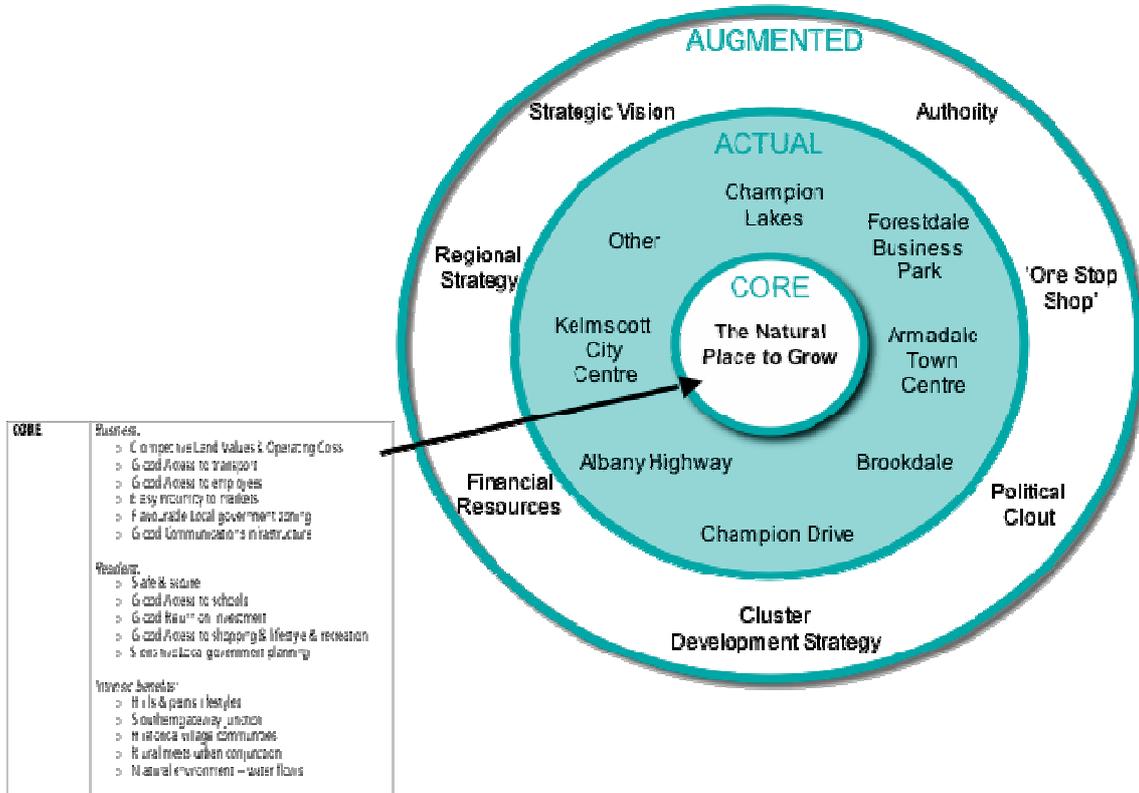
Table 8 – Refining the Core Product Description

	Nature of Location	Sustainable Growth
<b>Business:</b>	⬆️	⬆️
Competitive land values & operating costs	✓	✓
Good access to transport	✓	✗
Good access to employees	✓	✗
Easy proximity to markets	✓	✗
Favourable local government zoning	✗	✓
Good communications infrastructure	✓	✗
	✗	✗
<b>Resident:</b>	✗	✗
Safe & secure	✗	✓
Good access to schools	✓	✗
Good return on investment	✗	✓
Good access to shopping & lifestyle & recreation	✓	✗
Sensitive local government planning	✗	✓
	✗	✗
<b>Intrinsic Benefits:</b>	✗	✗
Hills & plains lifestyles	✓	✗
Southern gateway junction	✓	✗
Historical village communities	✓	✗
Rural meets urban conjunction	✓	✗
Natural environment – conjunction of water flows etc	✓	✗

## Armadale Regional Product Structure

Figure 8 illustrates how the concept of natural location and sustained growth combine into the single core product that positions the Armadale region as **'The natural place to grow'**. It is important to understand that while the core benefit "A Natural Place to Grow" may be used as part of the brand expression, more creative interpretations are possible. In fact CEMI believes that much of the work completed by Stusha Studio creative is complementary to this positioning as it is based on Armadale's natural assets, and the energy (growth) associated with the convergence of natural resources such as waterways.

Figure 8 – Armadale Region Product Structure



Whatever the creative outcome of the brand strategy, CEMI is confident that the core benefit will act as the unifying element behind all marketing communications associated with Armadale’s various products. For example businesses will interpret the core benefit as a promise of growth that is inevitable (or natural) due to the unique combination of ‘Concepts 1 & 2’ described above. Similarly potential residents will interpret the core benefit as (a) a natural (healthy, clean etc) environment in which to live, in which their investment, family and lifestyle options will grow.

## Brand Management

In order to leverage the maximum benefit from their brand Armadale will need to manage every aspect of the brand experience. Brand management not only involves careful management of all internal and external communications, it also impacts the way ARA does business, and how employees work together. However, the next stage of this report will focus on how the brand should be managed through the ARA’s marketing communications.

## SECTION 6

### Marketing Communications Strategy

In this last section of the report we make a series of recommendations for how the ARA might manage the development of a regional branding process via a coordinated marketing and communications strategy.

#### Role of Marketing Communications Strategy

The major objectives of the Marketing Communications Strategy are to:

- Get maximum value for ARA's investment in marketing communications
- Provide added value for ARA's stakeholders and strategic partners
- Provide a framework for managers and suppliers developing marketing communications collateral.

In order to achieve the objectives described above the Marketing Communications Strategy performs the following functions. These are:

1. It ensures all marketing communications are designed to protect the brand, build the brand and maximize the benefits made available through strong branding.
9. It ensures that all marketing communications are aligned with the business plan, the corporate marketing strategy, and short-term tactical marketing objectives.

#### Recommendations

The following are general recommendations CEMI would like the ARA to consider, before more detailed campaign strategies are developed.

##### ***Leverage Stakeholder Resources***

The ARA should embark on a strategy to rapidly build value into the Armadale region brand, in order to leverage the resources of stakeholders and strategic partners. Many stakeholders and partners will be investing in various marketing communications activities designed to promote their products or services both within the Armadale region and in the wider metropolitan region. If the Armadale brand is perceived to add value to this activity, stakeholders will be happy to co-brand marketing communications activity in order to achieve greater impact. For the individual stakeholder this co-branding activity is marginally beneficial, however the value of co-branding with fifty or so stakeholders represents a substantial additional investment in the Armadale brand. In order to encourage stakeholders to participate in this activity ARA needs to:

1. Create high quality brand imagery such as logos, entry statements and signage.
2. Invest in raising brand awareness through high visibility media such as TV, web, press and billboards.
3. Create a condensed version of the ARA business plan and marketing communications strategy, in order to demonstrate to stakeholders the ARA's strategic direction and investment in the regional brand.
4. Target specific marketing activities that will attract major stakeholder participation, and demonstrate the value of co-branding with the ARA.

### ***Brand Management***

In order to achieve maximum leverage from the co-branding activities described above the ARA need to manage the regional brand very closely. The major elements of an effective brand management program are as follows:

1. Management and stakeholders must adhere to strict style guidelines when using brand imagery. The 'Style Guide' must provide a comprehensive set of rules with regard to the reproduction of any material associated with the ARA brand.
2. Management must be careful not to allow the brand to be used in marketing and promotional activities that may devalue the brand.
3. Management should avoid co-branding activities where the link between the stakeholder activity and the core ARA product appears to be tenuous.
4. Branding guidelines must address all forms of marketing communications including advertising, public relations, online marketing, direct marketing and face-to-face communications.

### ***Integration***

In both branded and co-branded marketing communications activities the ARA must integrate marketing messages across different media platforms. This strategy is used for the following reasons:

1. Different types of media are more appropriate for telling different aspects of the ARA brand story, and achieving different responses. For example, TV advertising is more appropriate for delivering simple messages with high emotional impact than an e-newsletter. Wherever possible it is best to integrate media with the intention of achieving a pre-determined objective. For example, it is often necessary to generate an emotional response using one media before offering more information using another. This is because consumers often need to be motivated emotionally before they will put in the effort to absorb a lot of information.
2. The delivery of key messages will be planned across different media over appropriate periods of time. It is not always possible to deliver the whole message at a single point in time using a single media platform as this generally leads to confusion and/or disinterest.

3. Aligning media and message, must also take into account the relative maturity of the brand experience in the mind of consumers – In other words, as consumers learn more about the Armadale brand the message needs to evolve in order to retain consumer interest. This process requires benchmarking consumer awareness and researching brand awareness on a regular basis.

### ***Customer Relationship Management***

Due to the generally long and complex sales cycle associated with the purchase of the ARA's product, CEMI recommends branding activity is developed in conjunction with a comprehensive customer relationship management (CRM) service. The CRM should be used to capture all contacts generated by the ARA's branding (and other sales) activity. As the CRM database incorporates increasing numbers of prospective buyers it can also be used for outbound marketing activity designed to expedite the sales process more efficiently through more accurate targeting of key messages.

### ***Target Markets and Audiences***

The primary target markets, the audiences that comprise these markets, and the key messages (information needs) need to be targeted to meet specific goals in order to motivate them to make a purchase decision.

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