

## From Choice Based Lettings to HousingMarketing.

### Time for a fresh look at customer choices and housing market processes.

**The housing market in the Netherlands is in need of repair. The housing demand and supply do not match one another. Parts of the market are overstretched. And in other parts there are an increasing number of vacant properties in the rented accommodation and privately owned property sectors.**

With the introduction of the supply model for the (social) rent sector(1990) the initiative has increasingly been placed with the customer. The initiative is rewarded with a series of "supply models" which help the customer more in his or her search. The local housing markets are linked to regional markets. Housing seekers are able to choose from what is on offer regionally and nationally. The supporting information and means of communication for those seeking housing are virtually unlimited.

Within the supply model we apply the Lottery model, Showcase Model, "Housing on Offer", Urgent Searchers model, Immediately For Rent, Combi models etc A process of permanent innovation. A model has been developed for every market situation in order to better match supply and demand with each other.

Models based on the "classic principles" of: *Registering (on list), Publishing the supply - Advertising, Arranging - Selecting, Responses - Assigning accommodation.*

In this process of Supply-oriented Distribution of Housing, we have neglected to view those seeking housing as customers. The process of managing the "waiting lists" and spreading the "shortage" plays a dominant part in conceiving and developing systems and models. It was like this in the mid 1900s, and still is today. We look for solutions to quickly find suitable housing for people seeking accommodation. We have little time, however, for looking at the customer's real demands and needs, as well as for the individual approach and guidance.

The threat of "waiting lists" of millions of people seeking housing and the wishes of the customer, as an individual consumer, is the reason that the focus is not being placed on the individual customer. This comes second place to "the major task". But what is that major task and what are the instruments that have to be used?

The distribution of housing is not a policy instrument; it is rather a total of services and products with which the supplier provides people seeking housing a maximum service in the search for new or different housing. The instruments can at very best slightly stimulate or slow down the movement on the housing market, but it cannot influence the policy.

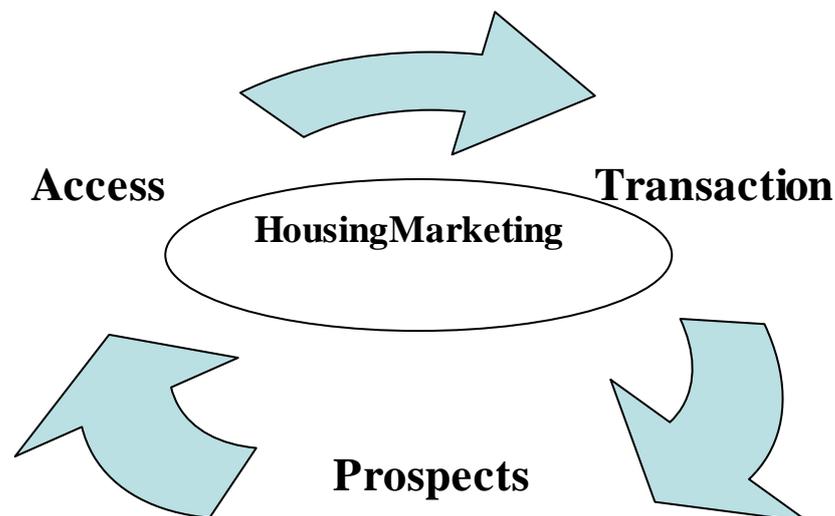
## Crises on the waiting list ?

In recent years we have seen that the housing market responds differently from what we might expect from the waiting lists. Not everything is taken these days. We have seen that housing needs to be offered / advertised more often, customers decline / refuse more frequently and not many people move house.

The economy is confused and the consumer is hesitant and looks on from the sidelines. They are dictated by the economy and personal circumstances; people seeking housing will not be led or misled by waiting lists. They have needs and wishes, as in every market, and want to see those satisfied. In fact we have paid too little attention to the behaviour, experience, needs, choice processes and decision moments of the housing consumer. The quantitative demand; the sum of the lists was what guided us. The customers' behaviour was unknown.

For people seeking housing three aspects concern them in the housing market:

- **Access to the Housing market**  
 the Quality of the Information provision, Physical and Virtual, an actual Shop, no impediments, Transparency
- **Transaction;**  
 the speed of getting housing, clarity regarding waiting time, cash on the nail, service provision
- **Prospect of progression in housing:**  
 from good to better, possibilities to really progress in the housing market; a next step.



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## The turnaround: the customer central.

The year 2010 was the year of the discovery of the customer. Purely building and managing has stopped being the creed some time ago. The modern housing association is an all-round supplier of housing services. This 'transformation' requires a clear policy direction and places the focus on the customer. This is a great challenge that touches the organizations in heart and soul. From a product-oriented organization to a customer-oriented organization. Understanding and applying marketing instruments plays a very decisive role. It is the clear bridge between the customer and the organization. But it is a special bridge.

At many housing associations marketing for example does not yet always get the attention that it deserves. The market and the customers are often viewed from a one-dimensional perspective of communication and information. But that is not marketing. Matters such as housing stock, new developments, maintenance and expansion are given priority, rightly or wrongly so.

What's more, as long as parts of the housing market are struggling with a shortage, the customers are in the (paper) queue anyway. Even though, as mentioned before, *that queue is by no means reliable* anymore and there are models whereby customers are "punished" if they decline rented housing too often. The ones that disturb the queue.

On the basis of the principles of HousingMarketing the manner in which housing is offered and the supply model (CBL) need to be reviewed. This applies to all housing and for all housing consumers. There is no reason to approach people who we consider to be vulnerable in the housing market differently and to deal with their needs and wishes in another way. Yes they need *more attention* from the organizations, but apart from that we do not need to deal with them any differently. They have to be regarded and approached as real customers.

## The new vision.

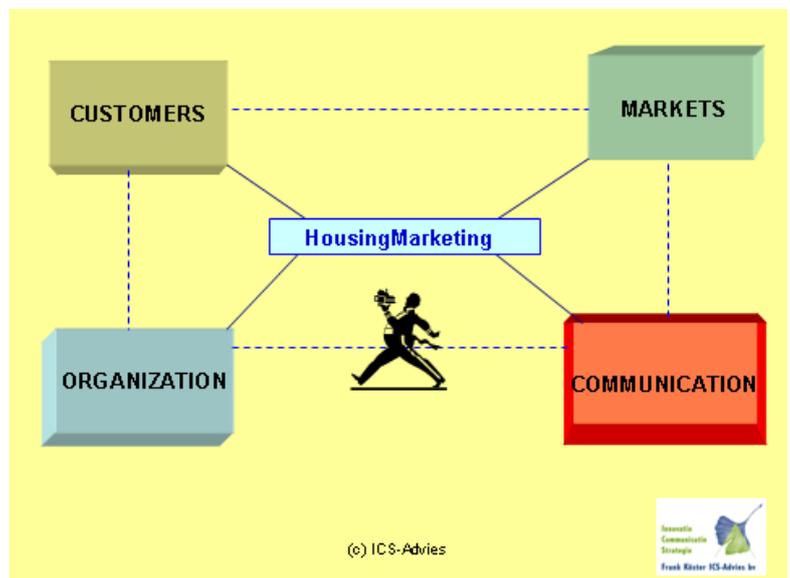
If we follow the marketing principles and make a division according to what the housing consumer considers important and to what the suppliers have to direct their information, then the **4 Housing - H's** are introduced which together form **the Housing World**:

- **Housing - Product:** all information regarding the housing; the hardware, equipment, maintenance, services care and welfare, transport,
- **Housing - Finance:** all information and options for the customer to finance housing,
- **Housing - Environment:** all information regarding the housing and the environment, housing and living conditions, standard of facilities, and the like,
- **Housing - Prospect:** all information and guarantees regarding being able to move to other housing at any given time.

On the basis of these housing and living quality characteristics the supply model and the manner of working at the housing associations have to be set up differently. An evolution; from a supply-oriented to demand-oriented manner of working; imagine oneself in the situation of the customers:

- ▶ focusing on the customer and the relationship
- ▶ working in a demand-oriented and solutions-oriented manner
- ▶ customization for the housing consumer
- ▶ individual housing mediation as an instrument

Customers have increasingly more choices and changing needs, and they want / demand that their wishes are met. If not, they will go to the competition. Housing and Care Services, service concepts, and supplying customized work require targeted marketing. Everything has to have *an added value* for the customer. Organizations and suppliers have to recognize that.



## To HousingMarketing

A new approach for CBL:

- Facilitates the *individual person* seeking housing in the search for housing and a future living experience.
- The emphasis is no longer on *the system*, the automatic match, but on offering the choice in the form of a range of housing possibilities and housing products.
- It is the *demand for quality* and the service provision that is geared to that demand.
- Choosing *interactive communication*, service provision as well as customization for the customer seeking housing.

HousingMarketing does not focus on the distribution as an instrument, but rather on the customer, the housing consumer, and the way the organisations are able to realise the housing policy (effectiveness). The development of various search systems is a step in the right direction as well as the guidance of those people seeking housing in their choice of a finance construction.

The emphasis is expressly on service provision. With a search advice, finance advice and advice for the future, the customer can determine for himself or herself what he or she considers important. Therefore: knowing what the need is and supplying what you promise!

### **CBL and Service provision: the next step towards 2010 .**

Housing organisations that are already working with HousingMarketing notice that modern competences are now required from their employees. The customer determines; the service provision is given greater emphasis. On the one hand the use of the Internet increases, and the number of customer contact rises on the other. Through various channels the consumer wants *more* value for money and thereby changes the content of the customer contacts.

From employees this requires more knowledge of the housing market, empathy for the customers as consumers and knowledge of the housing market. It also requires more creativity from the employees: another approach and knowledge of the various forms of financial transactions and backgrounds.

This is a healthy development, as in this way the person in charge of offering the housing increasingly becomes *a new-style housing services estate agent*.

**Goals and instruments. HousingMarketing is all about the following:**

- **From Choice Based Lettings to HousingMarketing.** The focus on people seeking housing instead of the system. From facilitating the search for individual guidance of the housing progression prospects.
  - *Optimizing the use of ICT and mixed media for a better presentation of housing, housing services and housing products. To real Access to the market, the best Transaction for the Customer and, in particular, with Prospects.*
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- **HousingMarketing = reorientation on organization and business process levels.** We know everything and nothing about existing and new customers. How do we collect customer and market information? How does it become "knowledge"? How do we develop from knowledge of the customer and market to product innovation and housing concepts?
  - *A change process with consequences for organizations and the business processes. To remain on the ball, but how?*
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- **The world of the housing associations has expanded; a new focus.** From renting, buying, the customer chooses. Housing is more than just the house itself. There is a long list of products and housing services.
  - *From a liveable environment to social activation, empowerment, district economy, care and welfare. But what does the customer really want and what does the customer consider?*
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- **The housing market is in crisis; flexibility and innovation.** A housing market at a standstill. Shortage and shrinking markets. How do we respond to that?
  - *A turnaround from a supply-orientation, via demand-orientation, to problem-solving orientation. Therefore flexible arrangements and innovation of housing products.*
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- **HousingMarketing for Housing Associations = reorientation on business culture level.** Gather customer knowledge through communication. That is more than market research and the collection of data by means of questionnaires.
  - *This requires employees having the right attitude and being given freedom in the way they work. It also requires strengthening work contacts, exchanging and sharing knowledge and experiences. A necessary turnaround.....*

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