

# Builder

## MINING KEY HOME BUYER INSIGHT WITH A STRATEGIC APPROACH TO PSYCHOGRAPHICS

MBK Homes uses a direct approach to learning as much as it can about local buyers.

March 3, 2017

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*Learn more about your buyers*

The heart of marketing is understanding who the buyer is, but for the home building industry, the next level is understanding why the buyer will buy. That's the crucial difference between demographics and psychographics, a growing research field that turns your target buyer from a black couple in their 40s making \$150,000 with three kids to Uncle Phil and Aunt Viv from *The Fresh Prince of Bel-Air* who need entertaining space, a home office, and a butler.

For builders, the granular details of the target buyer's reasons for buying can inform the entire business strategy from the product and the floor plan to the pricing and the advertising. At Irvine, Calif.-based MBK Homes, psychographics is at the center of its strategy. According to Rick Fletcher, MBK's vice president of sales and marketing, the company has used psychographics to better learn about potential buyers for infill projects. At its first infill development in Gardena, MBK was trying to introduce an attached product at a price point that was more per square foot than the majority of detached inventory in the area. When the company learned buyers in the area were predominantly Asian, self-employed business owners, the product style developed into live-work units with Feng Shui design principles.

Many builders are at least getting their toes wet in psychographics by using Nielsen segmentation reports for locations across the country, but the strategy goes beyond the data that can be collected. It's more important to get to know residents personally. To achieve this, MBK Homes uses the FACE method, which stands for find, assemble, create, and execute.

"During this process we go out, we visit the site, we eat at local restaurants, we get in the neighborhood, then we get together and talk about who we think our buyer is going to be and why," Fletcher explains. "Then we create these kind of ideal or conceptual buyers. We create three for every community. We give them names and they like Macs

vs. PCs, they prefer BMWs over an Acura, here's what they do for a living, and here's how they dress."

The company then pulls in consultants to interview people in the community at local stores and restaurants, which provides invaluable insight. For example, in a project location Fletcher is targeting now, there are Vietnamese residents who regularly cook with fish and are often relegated to using their wok in the garage because the house isn't properly ventilated for fragrant food. He also discovered that Hispanic families in the area are looking for quiet neighborhoods and often drive out in the evening to see how the area changes at night.

"You need to understand why someone would purchase one of your homes over the competitors," says Fletcher. "For us, our competitive edge is in better understanding who our buyers are."