BRANDING

Prepared for

CA Ventures, LLC

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Executive Summary

CA Ventures lies in a market that is quickly growing and is relatively easy to break into and gain greater market share. However, the company is at a point where it needs to develop and implement a new strategy to retain and attract investors. This strategy must not only be cost effective but also profitable as CA Ventures seek to increase its market share. Currently, CA Ventures is not known widely for being a reliable and profitable brand to outside investors in the public. Consequently, CA Ventures is missing a potentially large client and investor pool that it could have had access to. Though its current investors know the company, CA Ventures is still not a recognizable brand. Our recommendation for CA Ventures is to brand in a way that it can become easily recognizable and known to the public. On top of that, our team also suggests the company to focus its efforts on college campuses through the CA Student Living asset type.

One of the most common ways to build a recognizable brand today is via social media. CA Ventures should build its social media presence (Twitter, Instagram, Facebook, etc.) through targeted advertising towards students who live on-campus with its properties. This will allow students to interact with and acknowledge CA Ventures’ presence on campus. When students search for a place to live at school, CA Ventures’ properties will be an immediate option, since they have already seen the brand on social media. We also recommend adding the CA Ventures’ logo onto the existing 29 CA Student Living buildings, which will build the brand similarly to its social media push. When students walk around and see CA Ventures’ logo underneath the building’s name, the company will become more recognizable to potential residents.

CA Ventures’ branding awareness on college campuses can also be enhanced by collaborating with Greek organizations. Greek life is usually a significant portion of a university’s population, and CA Ventures stands to benefit from working with it and advertising its properties to students within it. Working with a large student organization can help fill up any vacancies in the apartment buildings and build a trusting relationship between CA Ventures and college students. This will give CA Ventures’ name greater publicity. Therefore, the brand becomes more recognizable.

Our implementation plan consists of five steps. In step one, CA Ventures will collaborate with on-campus student media groups and student organizations. This will provide a simple and inexpensive way to begin advertising to students and enhance the presence of CA Ventures’ properties on campus. In step two, CA Ventures should begin its social media push, helping to build CA Ventures brand and name recognition with its individual buildings on campus. A big part of this will be to have a staff member monitor and consistently post on
social media accounts. Having an active social media presence will increase the ability of tenants to ask questions and get help from building management efficiently. Step one and two should begin within the first 60 days of implementation.

In step three, CA Ventures should begin adding the CA Ventures logo to its CA Student Living properties. This will increase name recognition and gives students a chance to see the company that they would be renting from, rather than just a building on their campus. This step should begin immediately upon implementation, and could take up to 1-2 years. In step four, CA Ventures will promote its properties as “green buildings” with the LEED program, which will give CA Ventures a brand of sustainability and reliability. In today’s world, it is important to show potential investors and residents that a company cares about more than merely making money. This step will most likely take a year as well. The final step is a simple one; we recommend CA Ventures to redesign the uniforms of staffs employed at all the CA Student Living properties. This step will further enhance CA Ventures’ brand reputation, giving it the look and feel of a company that its residents can trust. This step will not take an extended amount of time, but will need to be implemented at the end. It makes more sense to switch staff uniforms after the company has undergone its brand transformation.

CA Ventures needs to be a brand that students and investors alike can recognize upon seeing the logo. In today’s world of catchy advertisements and masses of companies, it is important to build a brand that people know and can trust. Now, most of our recommendations seem to be directed towards attracting residents to CA Ventures’ buildings, which is true. However, if the company can build something that people who utilizes CA Ventures’ services trust and come back to the properties, it will be reflected in profits, which is the main attraction for new investors.
INTRODUCTION

REPORT BY TEAM ROBIN
Introduction

For years, CA Ventures has grown significantly as a private business, with six asset types including Student Living, Residential, and Senior Living. CA Ventures’ business plan has begun to come to fruition, as the Student Living sector currently consists of 31 properties. The company has been able to amass over $27 million in consolidated net operating income in 2016, a 20% growth from the previous year (CA Ventures, LLC).

CA Ventures is continually looking for opportunities to expand to an even greater extent to maximize asset returns for investors of the company. However, it currently has just a small portion of an ever-expanding real estate development and investment market. The company is not known as a leader in the industry and is not recognized by many consumers. Yet, CA Ventures is a recognizable brand from an investors perspective. The company has shown that it can provide returns for its investors but now needs to bring in more investors by displaying its success to the outside world. Despite its continued growth, CA Ventures still struggles to gain a sound competitive advantage over others in the industry. Nevertheless, this must be done in a way that allows CA Ventures to become more public. The question now for the company is how can CA Ventures differentiate itself from competitors and increase market share?

Our recommendation is for CA Ventures to rebrand itself into something that people will recognize immediately upon seeing the logo. The rebranding will allow CA Ventures to take over a larger portion of the real estate market share, attract more investors, hold more sought-after properties, and grow into even more sectors of assets. Branding provides a lot of positives for the company besides increasing market share. A company with a good brand not only solidifies itself with its existing investors but also welcomes new ones as a company that can be trusted. It is difficult to put a value on the importance of a good brand for a company, but a great brand is invaluable to a company.
Why Branding Is Important?

CA Ventures needs to increase its brand to increase their segment of market share. In the real estate investment industry, there are a small number of recognizable brands. The benefits from increasing CA Ventures’ branding are numerous. For example, word-of-mouth advertising could increase with a more reputable brand. If a student at University of Texas Austin has a great experience at 21 Rio, they will tell their family and friends. It will lead to a positive increase in the CA Ventures brand. If the CA Ventures name becomes one that is known to many in the real estate industry, investors will begin to talk to each other. This communication between potential investors and consumers allows CA Ventures to be built up as a trusted industry leader by consumers within the industry. Another potential benefit for CA Ventures is increased investor loyalty. As CA Ventures becomes a trusted brand, it will gain from the investors who have grown with it. These investors know they can count on CA Ventures to provide profitable returns, and in turn, will continue to come back to CA Ventures and invest further with the company. This creates a type of positive feedback loop for the company, which will lead to long-term profits and further success.

Branding has long been a fundamental part of company business models and is a key way to attract clients and consumers. For many consumers, the individual product that are bought and sold is not of the utmost importance, the brand and reputation of the seller is. For example, when Tata Motors acquired Jaguar and Range Rover from Ford in 2008 for $2.56 billion (Goodson), they were not solely paying for vehicles, factories, and employees, but for the brand that Jaguar and Range Rover have established. These brands are ones that consumers recognize and trust. People prefer to buy from a company they are familiar with rather than one they do not know, not necessarily because of a superior product, but because a company has already ingrained a certain standard of excellence into the minds of consumers in their market. CA Ventures can capitalize on an already large market and increase its market share by enhancing its brand.
WHO IS THE COMPETITION?

REPORT BY TEAM ROBIN
Who is the Competition?

The most significant issue that CA Ventures faces as the company tries to differentiate itself and increase market share within the business is the emergence of the new trend: self-storage—a system where individuals rent containers or units of space in a large warehouse to store belongings. Investors are gaining great interest in this new trend, which is within the same realm as student housing and nursing homes (Knothe). With this growing interest, investors may withdraw their funding of student living in favor of other options.

On top of that, the cost of operating self-storage facilities is significantly lower. The facilities require less labor, which drastically drives down costs. This enables developers to bid higher prices on land (Knothe). Being able to bid higher prices on lands means that these developers have higher chances of winning the lands. If CA Ventures were to bid against these developers, the company would probably lose. Hence, the expansion of CA Ventures would be far more difficult.

Figure 2: How self-storage benefits

Nevertheless, Chinese investors are gaining an interest in the student housing and senior living sectors (Fung). So, while the Wall Street investors gain interest in self-storage (Knothe), the increasing interest of Chinese investors would balance out the lost interest from Wall Street. Likewise, J.J. Smith, president of CA Student Living, mentioned that institutional investors are still interested in the student housing sector due to higher returns compared to its multifamily housing counterpart (Bell para. 4). Therefore, investors have merely acquired another area of interest rather than lost interest in the student housing and senior living.

On the other hand, the cost of developing student housing has been increasing. Many developers are building their properties closer to college campuses while increasing the quality of amenities offered (Gunn). With the increasing cost of building properties, investor returns would decrease, and the rise of rent would be inevitable to maintain the profit margin
and to satisfy the company’s investors. However, a price increase may cause a loss of market share to CA Ventures competition.

CA Student Living’s main competitor is the on-campus housing provided by universities. Despite many communities upgrading their amenities to be more competitive, there is a negative perception of off-campus housing. Tietjen mentioned that off-campus housing has problems, such as a “lack of resources, unaffordable housing, notorious absentee landlords, [and] unsafe living conditions”. Since CA Student Living’s brand is not established within the college student community, potential residents might not know the quality that CA Student Living provides. Hence, CA Student Living could be perceived as another “low-quality” off campus housing community.

More importantly, on-campus housing provides a platform for students to socialize with others, and is more convenient. Venkatakrishnan mentioned that students living off-campus would have to leave home “about two hours before class starts” and “find it hard to make friends” (Living Off-campus Can). Most events on campus happen at night, but students living off-campus won’t be able to attend them because most would end either at a time where public transportation does not run anymore or it will end too late and safety becomes an issue. Since most organizational events happen on campus, students who live off campus immediately lose the opportunity to meet new people and socialize, unless they have a car or can finance the cost of commuting home by taking a cab. With guaranteed quality, safety, and social life, a student would undoubtedly choose on-campus housing over a student residential community that is far away from campus.
WHO ARE WE TARGETING?

REPORT BY TEAM ROBIN
Who are we Targeting?

A differentiated brand generates significant value and recognizable identity to customers. An article from Entrepreneur reported “studies show that millennials are [more] brand loyal than any other generation” (Redmond). This brought our team to recommend CA Ventures to rebrand the company as millennials make up the majority presence in its company.

According to Mintel Reports, millennials have the highest population percentage in the United States, about 24.5% in 2016 (see fig. 3). As the majority of CA Student Living’s customers are millennials – they are college students –, promoting the brand will potentially attract them. Millennials will then be the major source of revenue for CA Student Living, and it is important to fit the brand according to the generation's preferences.

In consideration of competitors, students have the option to live in an off-campus apartment. The U.S News & World Reports stated that students found an off-campus apartment to be cheaper and has fewer regulations that residents must follow (Schreck). This means that the more visible off-campus apartments’ offers are to students, the more competitive it will be in this industry. As a result, our team has brought up the idea of rebranding as a marketing tool for CA Student Living to stand out.

Figure 3: Projected U.S population by generation

Through brand recognition, an established company like CA Ventures can easily reach out the millennials, as they are fond of branded products, which will increase brand loyalty. As mentioned before, research found millennials to value brand the most and is an important factor to consider before making any purchase. They have the power to help companies succeed or fail. 74.3 million millennials in U.S were reported to have the purchasing power of $170 million. It is an enormous amount, and companies are competing to bring the power
to its side. Exploiting this opportunity will greatly help CA Ventures to be on top of the competition.

Moreover, the high purchasing power aligns with the company’s target of high-income students. Attracting them with a solid brand image will contribute to them choosing CA Student Living. A survey study by Adroit Digital shows that three in five millennials agreed that social advertising has the largest influence on them in perceiving a brand’s value. This indicates that branding through social media such as Facebook, Twitter, Instagram, etc. were significantly more impactful than radio or television advertising. Millennials perceive a lack of updates on social media by companies as distrusted and without credibility. As information is available at one’s fingertips, it can be easily reached by millennials that are connected on social media. Thus, having social media presence and up-to-date sites are important for CA Ventures in spreading the brand awareness.

In addition, effective branding offers many benefits to companies. The technique called touch-point analysis (Forbes) makes established companies stand out to investors and customers. Forbes explained the technique, which is described as "looking at every potential a stakeholder has" in the brand (Arruda). For example, a hotel with a strong brand will look at the micro details from the very first step customers take into the hotel upon arrival and all the way through check out. Arruda provides the example of small details, such as the type of coffee and coffee machine that the hotel carries, can deliver the message behind the brand. Using touch-point analysis, CA Student Living can emphasize its brand through the small details in delivering information and services to students. While research shows a positive relationship between millennials and brand image, it is an opportunity for CA Student Living to lead the student housing industry by providing a trusted and strong brand to them. Thus, CA Student Living will gain revenue and the company itself will be more recognizable to students.
THE FIVE-STEP PLAN

REPORT BY TEAM ROBIN
The Five-Step Plan

**Step 1: Partner with Campus Media Groups**

Before CA Ventures starts its rebranding process, it should first start partnering with Campus Media Groups, an organization that provides advertising services on campus. Partnering with the organization will provide an inexpensive way to promote CA Student Living properties on campus.

*Begin within the first 60 days of implementation start*

**Step 2: Increase Social Media Presence**

Participation in social media can be a major staple in the branding of any company. Team Robin’s recommendation to rebrand the image of CA Student Living will benefit immensely from actively monitored social media accounts. Facebook and Instagram both have features that allow direct marketing to potential clients. In addition, Facebook can allow for the management team of each property to be interactive with tenants.

We would like to advise CA Student Living to dedicate a member of the management team to constantly monitor each buildings Facebook and answer any questions within a timely manner during business hours. Doing so will increase customer relations with the management team. A tenant that has a great experience with the availability and helpfulness of the management team will be more likely to remain at the property the following year.

*Begin within the first 60 days of implementation start*

**Step 3: Begin Renaming Student Building**

Each building under CA Student Living has its own identity with no relation back to its parent company. We are recommending that CA Student Living add a small “A CA Ventures Property” sign underneath the name on each building. The new change will increase brand recognition nationwide. Many college students have friends all over the country whom they remain in contact with throughout college. Having a small addition to building signs displaying the CA Ventures logo and expressing that it is owned and managed by CA Ventures will establish a commonality between campuses and increase word of mouth advertising.

*Begin immediately*
**Step 4: Promote “Green Building” with LEED Program**

LEED stands for Leadership in Energy and Environmental Design, which is a certification that is used worldwide. Buildings that are LEED certified use resources efficiently and have good environmental performance. As CA Ventures already has five LEED gold and two LEED silver green buildings, our team suggests CA Ventures to promote and advertise the sustainability which is a core value of CA Ventures to create a positive public image.

Furthermore, we also recommend the company to let customers know the importance of sustainable buildings. A company that values sustainability can attract more green-minded investors as well as millennials who are environmentally conscious.

*Begin with steps two and three*

**Step 5: Redesign and Standardize Employee Uniform**

Uniformity is a sign of professionalism. Team Robin recommends creating a standardized collared T-shirt that prominently displays the CA Ventures logo. Each apartment complex will also display the name of their complex along with phone number and email on the back. CA Ventures must hire a designer to create the shirts and order a minimum of 40 per apartment complex. 40 shirts per complex allows for 10 shirts per size (small, medium, large, extra-large).

*Start design immediately. Have shipped out and implemented within six months*
Figure 4: CA Student Living Implementation Timeline

- **Partner with Campus Media Group**
  This organization provides help in on-campus advertising

- **Increase social media presence**
  To enhance brand engagement across the Internet

- **Rename Student Building**
  To provide brand recognition and identity for each building as it belongs to CA Ventures

- **Promote “Green Building” with LEED Program**
  To improve public image and company’s reputation

- **Redesign and Standardize Employee Uniform**
  To create a uniform brand identity across all student buildings
THE FIVE-STEP PLAN’S COST

REPORT BY TEAM ROBIN
The Five-Step Plan’s Cost

Team Robin’s recommendation for CA Ventures is to rebrand their student living properties to reflect the ownership of CA Ventures. Upon inspection of the 31 buildings owned and operated by CA Ventures, we realized their name and logo are nowhere to be found. From a financial perspective, branding is a major key to growth and revenue. Per Tim Blackwell in a Property Management Insider article: “Companies that have a defined brand will do better than those properties that do not” (Blackwell). Branding specifically matters when “…properties attempt to lure residents from on property to another” (Blackwell). The costs associated with rebranding include a new logo on each of the 31 buildings, T-shirts for staff, advertisement, website redesign, and miscellaneous items.

If CA Ventures can establish a successful brand within student living, it could increase customer loyalty throughout multiple establishments, which would increase demand, resulting in higher prices. During the CA Ventures’ Q&A, Zasche said they have considered rebranding, but no decisions were made. We want to show CA Ventures why it is a good idea to create a positive brand. Also during the Q&A, it was stated that the current retention rate of students that are not seniors is 40%. Proper branding and promoting will increase the retention rate and will serve as word of mouth advertising (Zasche). For example, the Coca-Cola brand name is worth roughly $67 million which accounts for over 50% of their stock market value (Compton). The rebranding will cost roughly $50,000 per building, totaling $1.55 million. Per the financial data provided by CA Ventures, the cost is less than 1% of the net operating income. In addition to customer loyalty, CA Ventures could potentially license their name out as Best Western does in the future. It will provide another source of revenue for the company. Lastly, efficiently managing social media sites (Twitter, Facebook, Instagram) is a relatively cheap way to push the CA Ventures brand (Lozano).

Something else that stood out at the Q&A session was CA Ventures’ outlook towards CA Senior Living. When an individual is facing the decision of placing the person they care most about (parents) into an assisted living community, brand will go a long way. Since it will ultimately be younger generations who will be putting their parents into these communities, the branding needs to be appealing to both the parent and the child. Since senior living is a challenging decision for any family, most will pay a premium to ensure their loved ones are taken care of. This is where a positive brand will come into play. If CA Ventures was to establish a successful brand symbolizing amazing service and genuine care, it will enable a premium price and more business. Thompson said, “The strongest brands resolve issues and ultimately save the consumer time in the decision-making process” (Thompson).
EXPANSION AND MARKET SHARE

REPORT BY TEAM ROBIN
Expansion and Market Share

According to CA Venture’s financial data, it has focused on student housing for many years. Compared to all other assets, student living is relatively more developed. Per the response from EY Q&A session, “CA Student Living’s retention rate is about 40%, and the rate is expected to increase 2-3%” (EY Q&A). In other words, CA Ventures has already invested in the student living market and gained a large amount of profit for years, which means that they have already had a competitive advantage in student living. The high retention rate creates a very positive reputation for CA Ventures.

Another reason for CA Ventures to continue its expansion in student living market is student housing is highly demanded in large cities like Chicago where there are many universities and college-age students. For example, every year, Chicago’s four downtown universities “enroll over 20,000 students” (Frankel). However, they only have the capacity to “houses 1,700 students” (Frankel). The lack of student housing at Chicago’s downtown area is a great opportunity for CA Ventures to further expand its student housing’s market. In addition, *Lifestyle of Affluent and High Net Worth Consumers* suggests that “Millennials are less aware of their finances and take more risks” (Gavato). In other words, millennials are more confident in making financial decisions. Compared to other groups of customers, students are more willing to pay for the luxury apartment. Because many parents pay for their child’s housing, students are the excellent target.
However, the student housing market is very competitive in Chicago. For CA Ventures to further expand its market shares, it needs to build a stronger brand image. “In “Why the Brand Matters” Lois Geller argues that a brand is a promise”. A stronger brand image can directly help CA Ventures attract more students because customers are more willing to choose a product from a recognizable brand that has expected quality. Above all, branding is important for joint-venture companies like CA Ventures as it attracts partners for starting new joint ventures. Moreover, CA Ventures’ high retention rate can increase the efficiency and effectiveness of the rebranding process. Therefore, CA Venture should target student living and rebrand itself because that is the best way to increase its market share.
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Appendix A: SWOT – Pre-Implementation

**S (Strengths):**
- Nation’s largest and most active student housing (CA Ventures)
- Student housing in the interest of institutional investors (Bell)
- Its properties bring interest to investors and potential renters/buyers
- High quality amenities (Olick)
- Strategic location of student building within ½ mile radius of campus
- More Chinese investors are looking towards student housing (Fung)
- Locate at high income area (Simply Map)
- Easy entry into market
- Residential market is growing rapidly with students graduating from college
- Social media advertising

**W (Weaknesses):**
- Available only in certain states
- Higher costs (Gunn)
- Potential investors cannot see potential investment as information on website only shows option for student living Rent price is not shown on website, which is of interests to students
- Economic recession (Mache)
- Population aging (Gavato)
- Huge market which gives more options for investors/customers to choose
- Possibility of real estate bubble/collapse

**O (Opportunities):**
- Nation’s largest and most active student housing (CA Ventures)
- Student housing in the interest of institutional investors (Bell)
- Its properties bring interest to investors and potential renters/buyers
- High quality amenities (Olick)
- Strategic location of student building within ½ mile radius of campus
- More Chinese investors are looking towards student housing (Fung)
- Locate at high income area (Simply Map)
- Easy entry into market
- Residential market is growing rapidly with students graduating from college
- Social media advertising

**T (Threats):**
- Nation’s largest and most active student housing (CA Ventures)
- Student housing in the interest of institutional investors (Bell)
- Its properties bring interest to investors and potential renters/buyers
- High quality amenities (Olick)
- Strategic location of student building within ½ mile radius of campus
- More Chinese investors are looking towards student housing (Fung)
- Locate at high income area (Simply Map)
- Easy entry into market
- Residential market is growing rapidly with students graduating from college
- Social media advertising
Appendix B: SWOT – Post-Implementation

**S**
- Large market share in favourable sector – student housing
- Unique and differentiated amenities from competitors
- Experts in every area of operation

**W**
- Not instantly recognized by customers
- Poor service in handling customer’s feedback on social media
- Asymmetric information between company and competitors
- Locations are not widely distributed

**O**
- Sources of capital in real estate are increasing
- Partnership with marketing organization
- Local and international expansion
- Increase engagement in social media

**T**
- Economic instability can drive down real estate investment opportunity
- Politician’s control (U.S News)
- Drastic improvement by competitors to reach customer’s expectations/needs
Appendix C: Financial Implementation

Step 1: Partnering with Campus Media Groups
- Outreach Efforts: $5,000
- Step 1 Subtotal: $5,000

Step 2: Increase Social media Presence
- Sponsored Ads: $6,200
- Incentive Pay for Employees to Monitor Facebook: $4,960
- Step 2 Subtotal: $11,160

Step 3: Begin Renaming Student Building
- Logo Design: $50,000
- Building Implementations: $1,550,000
- Step 3 Subtotal: $1,600,000

Step 4: Promote "Green Building" with LEED Program
- Advertisement (pair with step 2): $1,000
- Step 4 Subtotal: $1,000

Step 5: Redesign and Standardize Employee Uniform
- Design: $3,000
- Purchase Order: $4,000
- Shipping: $500
- Step 5 Subtotal: $7,500

Total Rebranding Cost: $1,624,660
WORKS CITED

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Works Cited


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