

Guerilla Marketing in Action

Cardinal Group turns around student housing asset with low-cost measures

By Keith Loria

Student housing is unique within the industry, with its cycle starting with the pre-lease season in November, and vacancies abounding when summer arrives. The Cardinal Group faced an interesting situation at the end of March 2011 when it purchased WestMar Student Lofts near Georgia Tech, which was only 44.3 percent filled at the time because students already had signed leases, were in school and living in their current communities. The company needed a plan and fast.

"We really approached WestMar Student Lofts with a 'no stone left unturned' marketing mentality. No matter what, this was going to be an uphill battle with so many obstacles to overcome," Del de Windt, Cardinal Group Management's CEO, says. "We were purchasing a building that had a dreadful reputation and less-than-stellar historical occupancy (30 percent current and 10 percent pre-leased for the following school year), so we needed to flood the market with any and all avenues to put us back on the market's radar."

Located at 800 W. Marietta St. and adjacent to the Georgia Tech campus in the West Midtown area, the community was in the midst of being rebranded and renamed by the Cardinal Group. The company wanted to get the word out that there was a new community in town that was going to be the leader in the market—not just because the company said so, but because everything it was doing and everything it put out in front of the public was going to be of the highest design and quality in the market.

To better accomplish this goal, an aggressive "guerilla marketing" plan was put into action.

"When we engage in a guerilla marketing campaign, it's really a market specific approach that determines what we do," de Windt says.

"Who's our audience—students versus young professionals versus empty nesters? Where do they congregate? Is it walkable to the community? How can we make it memorable, leave a lasting impression and pique interest—all while having an appropriate message that resonates with the targeted demographic?" Implementing guerilla marketing tactics at WestMar, de Windt adds, wasn't rocket science.

"Typically with student housing, you have a captive audience and it's very easy to figure out where your targeted demographic hangs out, spends their time and walks to class. Therefore, we deployed several guerilla marketing tactics, of which the 'street team' strategy was the most successful," he says. "We deployed several street teams at the universities we service with a proprietary WestMar street team iPad App we developed. Keep in mind, several universities restrict on-campus solicitation so you have to be creative in order to play by the rules."

Specifically, street teams armed with branded iPads (one to four street team members per team) and fun and approachable uniforms converged on very specific locations at very specific times and started talking to students, sharing with them the WestMar story and getting them engaged and excited about what was in the works.

"These street teams captured limited personal information, but at least we had a way to contact them, which happened immediately," de Windt says. "Once a street team card was completed on the iPad, it generated an automatic alert to the team to begin the sales process. We aggressively pursued each lead as if they were the last lead left in the market; however, it's a fine line with being persistent and not annoying."

Other lease-enticing marketing tactics included use of the school mascot, providing complementary community shuttles and engaging students in "The Outrageous Giveaway Game."

In just four months, thanks to unusual but inexpensive guerilla marketing initiatives, the Cardinal

Group was able to reach 100 percent occupancy, turning around the problem in just one student housing cycle. Rents even went up from \$1.35 per square foot when they purchased it to \$1.68 per square foot by the end of the year.

"We really worked hard at redefining the leasing cycle in the Atlanta student housing market. Traditionally it had been a late-June to late-August leasing cycle, right up until school started," says Theresa Kolososki, marketing manager at the Cardinal Group.

"With 1,214 beds to fill up each year, waiting until July to hit any sort of leasing velocity is a pretty dire position to be in as an owner. We were able to properly incentivize residents to sign leases prior to the historic trends in the market, and we are already trending over 100 leases above our historical lease-up figures for the 2013-2014 school year."

Those numbers are impressive, and even though Cardinal can't quantify the guerilla marketing tactics, it is sure that the street teams had a large role in that success.

"I believe there is an overemphasis on the need to analyze the data [and] effectiveness of all of marketing avenues, including guerilla tactics," Kolososki says. "Oftentimes, the guerilla tactics are more of a passive, brand awareness strategy that doesn't mathematically tie to X number of guerilla tactics [generating] Y number of leases."

Marketing is really a kit of parts working together to build a compelling reason to have your audience do one of a few things: pique curiosity that leads to further exploration, share this curiosity with someone else, commit to visiting the community and after it's all said and done, sign a lease."

Although the guerilla marketing strategy worked for this property, Cardinal knows out-of-the-box thinking isn't always best in every case.

"The passive influence and general market awareness was an important part of this particular marketing campaign," de Windt says. "I think most owners want to only advertise in the mediums that produce tangible results, and I can understand why. But had we taken this approach with WestMar Student Lofts, I don't believe we would have had the same results we did, as we had too many objectionable things to overcome. It was more like a ground-up development marketing campaign."

Cardinal has also had successes using unorthodox approaches to marketing elsewhere. "A lot of what we do is trial and error, quite frankly. We see an idea we like and we try to improve upon it and see what it generates, not just in numbers or signed leases, but in other influences," DeWindt says.

"In marketing you need to create memorable experiences that get people talking. We are currently working on several videos at our communities that should generate awareness and a reason for people to share the content we create." Watch the videos here.

Situations in which a guerilla marketing campaign isn't considered are based on property factors such as market-to-market, audience-to-audience, asset-to-asset and reputation-to-reputation.

"If we had a community that was in an unbalanced market (more demand than supply); had a fragmented audience; the only class A building in a market with C's and D's; and a glowing reputation as 'the only place to live,' I would just sit back and sign leases," he says. "This is relevant because I feel like so many owners and operators do things just because they think they're supposed to, because everyone else is, or that they'll be viewed as bad managers if they aren't doing certain things. The reality is that the best marketers are efficient and build a campaign that works seamlessly well together. Sometimes the situation requires spending a lot of money, and other times it's practically free."