

Marketing Big Factor

BY FRANK MULCAHY
Assistant Real Estate Editor

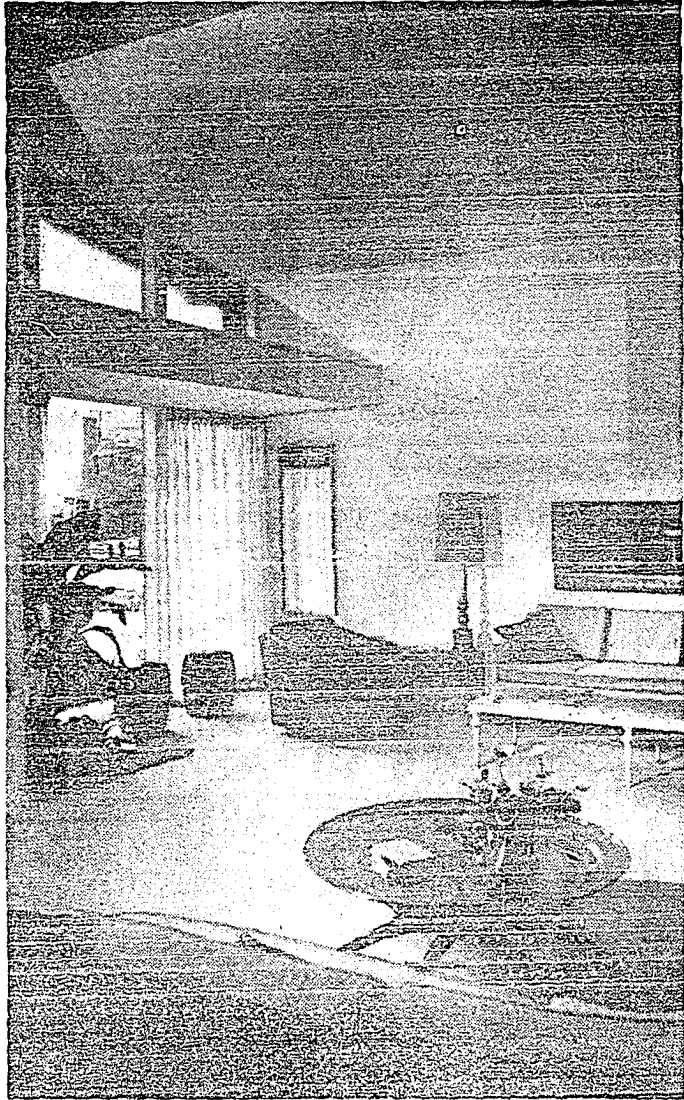
Success in any venture today is dependent on a number of factors. Some may appear to be unimportant in the over-all operation, yet all have definite place and function and the amount of attention given to each of these inter-related factors often affects the degree of success in any business.

Merchandising certainly cannot be classified as a minor factor. American businessmen have long been aware that proper promotion of a product not only is a necessity but might be likened to the foundation of success.

Home builders have never been particularly good merchandisers, at least not in past years. As their particular product was usually built to last a lifetime they thought that as long as the quality was good it would practically sell itself. If they needed any more arguments they pointed out that their market would not disappear overnight. As long as people inhabited the earth homes would be needed and the public didn't have to be educated along these lines.

However, the past two decades have seen radical changes in the home-building industry. Techniques that

Please Turn to Page 11, Col. 1



SPACIOUS--Living room in El Dorado home at Rossmoor.

MERCHANDISING

Continued from First Page

When the developers first were standard for centuries considered the merchandising aspect of the operation, gave way to improved methods and most home builders discovered that in order to succeed they must apply all the new technological advances to the operation of their business. Thus they turned to assembly-line production of components, increasing use of new materials and construction methods and other innovations to keep pace with increased competition.

Not only did the builder have to find new and more efficient methods of construction, he also had to arrange for financing and accelerated sales programs and thus automatically became involved in merchandising on a large scale.

Sound Program

Today, merchandising is accepted by all builders as a facet of the operation that is of almost equal importance to the actual construction. No longer is it considered an after-thought, but in many instances is part of the preliminary planning of a development.

One of the best examples of merchandising and its proper relationship with the development of a residential project is the program carried out by the Rossmoor Realty, Inc., in connection with its \$200 million development near Long Beach.

Listed as one of the largest residential projects under construction in the country today, the walled community occupying a 1,200-acre site, contains 3,500 homes, three schools and a shopping center. Since its opening in November of 1956, home sales have totaled \$70 million.

When the developers first considered the merchandising aspect of the operation, they called in an established agency and gave them a free hand on all phases of advertising and promotion. Results were even better than anticipated and although the agency and the developers had prepared for a five-year campaign, the entire development, with the exception of about 100 homes, was sold out in a little more than three years.

The success of the operation and the close cooperation between all phases of the project, led to the appointment of Bill Brangham of Fallon, Brangham & Moon, the agency handling the program, as an officer of the developing concern.

"The execution of the entire program was perfect from all standards," Brangham said. "The developers had complete confidence in all departments to handle

their part in the best possible manner.

"After we studied all the factors involved and decided on how we were going to handle the project, we submitted the program and it was accepted without any hesitation. They expected us to know our business and therefore our decisions, in their opinion, were the best. There was never the slightest interference on any occasion."

Such close co-operation and support, as Brangham pointed out, do not occur every time, but when there is such a complete understanding the results—as shown by the Rossmoor operation—can only lead to success.