



Marketing HSV White Paper

Description

Note from Editor: This Marketing HSV White Paper was written by a group of anonymous Concerned Villagers to the HSV Board of Directors.

TO: HSV Board Directors

FROM: Concerned HSV Residents

DATE: April 29, 2019

RE: **WHITE PAPER – Marketing Hot Springs Village**

OUR BOARD OF DIRECTORS ANNUAL RETREAT STARTS WEDNESDAY. IT IS ABSOLUTELY CRITICAL THAT THIS ISSUE BE *PARAMOUNT* IN THE DISCUSSION. PLEASE READ TO THE BOTTOM...

Few subjects have been more highly debated over the past months and years than the need for effective marketing of Hot Springs Village. For almost 40 years of HSV's existence, HSV has had access to considerable capital to finance and execute marketing strategies to promote growth. Beginning in the early 1970's, Cooper was at the forefront of putting HSV on the map to the world. The result of these efforts was nothing short of one of the most impressive community growth stories in that era. As is the case today, Arkansas was not on many people's radar, nonetheless, Cooper, utilizing pinpoint marketing accuracy, put HSV on the map adding thousands of new residents for the next 35 years. Most of our current residents can recount the stories whereby Cooper impacted their ultimate move to HSV over the years.

Fast forward to about 2003/4 and many residents can recall the large white busses coming from Little Rock carrying dozens of enthusiastic property speculators participating in the National Recreational Property Inc. (NRPI) promotions. This was spearheaded by the nationwide late-night infomercials featuring Eric Estrada. Tens of thousands of Americans were introduced to HSV through these highly effective and very colorful infomercials broadcast throughout the United States. And, with the endorsement of this widely known and respected bike-riding police actor, land sales were in high pitch

in HSV until the music stopped in 2008; coinciding with the Great Recession. It was reported that NRPI was spending upwards of \$1.0 million dollars per month on infomercials, free air fare and lodging in order to promote lot sales in HSV during that time period.

Since 2008 until today, there has been very, very little done with respect to an orchestrated marketing push to put HSV in the forefront of the exploding baby-boomer phenomenon that is changing the landscape across America today. A few local real estate agencies have attempted to stand in the gap utilizing mostly web-based strategies to keep the HSV name in front of those seeking retirement and active lifestyle communities. However, with limited capital available, most of this activity has been centered around more of a rifle-shot approach rather than a scatter-gun methodology; which is much more capital intense and out of reach for most Realtors.

Today, we find ourselves a community of 15,000 residents attempting to garner our fair share of the fastest growing demographic in our nation's history — the 10,000 Babyboomers who are turning 65 every day. And, while Baby-boomers are a prime target for HSV, the low hanging fruit also includes those seeking a golf paradise and a community that is safe, non-congested and serene. Nonetheless, we have virtually become invisible to these prime target markets. Marketing efforts by the POA have largely been wasted as we have executed a very minimalistic and amateurish approach in our attempt to become known to our target markets. We have put Marketing under the tutelage of personnel that have no idea of how to effectively promote HSV and have consequently diminished our new home growth (water meters) to rock bottom. Where as in 2006 we added about 350 water meters, the run-rate now is approximately 50. Demographics will likely show that those leaving the Village for age-related reasons or to be closer to family, outnumber new homeowners. This has positioned our real estate market to be increasingly a "rental" market and ultimately this "shift" will have significant consequences with respect to home values and a transient and less involved resident profile of the Village. It is estimated that over 20% of the Village is now short- or long-term rental and growing every month.

To put it bluntly, the POA Administration has been putting lipstick on the proverbial pig called marketing since the exit by NRPI. We have grown used to antidotal stories of how Mr. and Mrs. Retiree came to one of our Visitor Center's or to an Active Lifestyles seminar we sponsored, and moved to HSV living happily ever after. These antidotal stories, make us all feel good that something is being done but to be sure, we are operating at stone-age levels of sophistication compared to our counterparts in the retirement community world. Marketing has changed so drastically in the past 10 years with respect to how the masses are reached that it would be fair to say that nary anyone living in the Village has any idea how to slay this dragon. The vernacular used to describe effective web marketing would be Greek to almost anyone living or working within our gates. We have become obsessed with changing policies, reorganizing departments and developing committees to solve problems in the Village. There is a committee for everything. So much of the time, this method becomes so obtuse in its mechanics due to the fact that there are many differing opinions from well-meaning people; but ultimately, we have sacrificed the "best" decision for the democratic way. Nowhere is this more apparent than with HSV marketing. The proposal on the table now is to form a Marketing Committee, that will report to the CMP Committee, that will report to the CEO. This absurd approach to the most critical component of our survival as a community, is a clear display of how totally misunderstood marketing is as a priority at the highest levels of the POA. Marketing cannot EVER be spearheaded by a committee and surely not by well-meaning Villagers who likely have been out of the rapidly changing science of marketing in the 21st Century. Moreover, the fact that we have just posted a position for a "Community Marketing

Manager” who will report to the “Member Experience Officer” demonstrates the dangerous waste of money and overall lack of focus being applied to marketing in HSV.

It is time for this Board to recognize the importance of this most critical aspect of our survival as a community. And we did say “survival”. In this environment of mass marketing by smart and fast-moving public and private retirement community managers, we cannot waste any more time or vital resources. We MUST proceed with sheer precision with our marketing and advertising strategy and we must do it now. Forming committees and debating various tactics by well-meaning Villager volunteers and low-level marketing executives is futile as proven by current results.

WE NEED A CHIEF MARKETING OFFICER. We need to immediately begin recruiting such an individual that is CURRENTLY SUCCEEDING at one of our large competitor communities. This person can lead us to the answer of how to BEST utilize our limited resources to gain the maximum exposure and growth. This person will have performed this role already and will not have to learn by mistake. This person will have actionable “best practices” that can be utilized immediately to reverse the trend. This person must report directly to the Board of Directors and must be a co-equal and independent of the CEO. Our current CEO is an accountant. She has zero marketing experience and has and will continue to play “small ball” in the waste of marketing dollars evidenced by the fact that she indicates she is “satisfied” with current marketing efforts. The Chief Marketing Officer must operate autonomously from the CEO and must operate with a defined budget provided by the Board of Directors. No other scenario will give the Chief Marketing Officer the latitude to execute their plan for the Village. To do otherwise will relegate the Chief Marketing Officer to be shoe-horned into a marketing plan that plays second fiddle to the fledgling Comprehensive Marketing Plan; which would be a colossal mistake.

The Board must find the necessary monies to compensate such person at the same level of the CEO and provide incentives that are commensurate with growth metrics established by the Board. This will likely require cutting budgets and laying off other personnel. Nonetheless, it our belief that the vitality of our community depends on this decision and this decision needs to be made by the Board now.

Respectfully Submitted,

Concerned Hot Springs Village Residents

Category

1. HSV Villager's Opinion
2. HSVPOA Marketing

Tags

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Author

lynn

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