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National Study:
Getting Inside the Head of Today's Online Renter…Behaviors, Preferences and Implications
Conducted by SatisFacts Research with Consultation by 30Lines, June-July 2011

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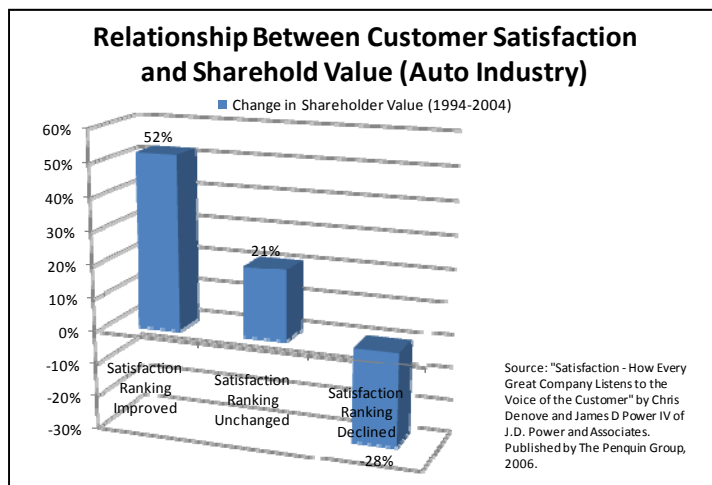Property Manager

Study Overview
- This unique study was developed as a collaborative effort, including a number of the multifamily industry's thought leaders.
- Research Partner and Authors: Doug Miller and SatisFacts Research (www.SatisFacts.com); Mike Whaling, 30 Lines (www.30Lines.com) and TurnSocial (www.TurnSocial.com).
- E-Book Contributing Writers: Dennis Smillie, Principal, Multifamily Solutions; Doug Miller, President, SatisFacts; Jen Piccotti, VP/Consulting Services, SatisFacts; Joe Bailey, President, Grace Hill; Lisa Trosien, The Apartment All Stars and ApartmentExpert.com; Robert Turnbull, Co-Founder and President, RentWiki; Steve Gilbert, Marketing Manager, Greystar; Susan Weston, The Susan Weston Company; Tami Siewruk, Chief Imagination Officer, MultifamilyPro
- Corporate Sponsor: Thanks Grace Hill (www.GraceHill.com)…our friends and sponsors of this study.
- Twenty management companies and over 80,000 resident participated in the study. Anonymous online survey. As feedback only desired from "online residents," email-only recruitment. 5,195 completed surveys; +/- 1.41% margin-of-error.

Objectives
- Due to a rapidly changing technology and communication landscape, evaluate usage, preferences and implications of technologies by "online" current and prospective residents…including, but so much more than just, "social media."
- To better understand "the online resident," the industry's largest and growing segment.
- Looking forward requires obtaining feedback from "online" residents. Feedback from the shrinking pool of residents not online not needed as effective marketing, advertising, leasing strategies are known.
- Extending well beyond "social media," the study is intended to help guide decision making regarding the allocation of limited time and resources regarding: communication; retention; leasing/marketing.
- To help guide planning regarding various operational, technological, marketing topics: technology preferences; communication preferences; shopping habits; leasing/marketing; expectations of current community; revenue Management; branding; resident retention; the renting lifestyle; impact on company perceptions

Why the Results Matter: Better Meeting Prospect and Resident Needs Will Push NOI and Asset Value
- Shareholder Value Correlates with Satisfaction

Relationship Between Customer Satisfaction and Sharehold Value (Auto Industry)

Change in Shareholder Value (1994-2004)

Satisfaction Ranking Improved: 52%
Satisfaction Ranking Unchanged: 21%
Satisfaction Ranking Declined: -28%

Source: "Satisfaction - How Every Great Company Listens to the Voice of the Customer" by Chris Denove and James D Power IV of J.D. Power and Associates. Published by The Penquin Group, 2006.

Summary of Findings

- Study Focus
    - Study focuses on online residents…the future of the industry. How to allocate limited time and resources? What should priorities be? What areas will deliver the greatest return on staff time and money? What should social media's role be in leasing, communication, retention?
- Big Picture
    - "Social media" (such as Facebook) has leasing and retention value…but to a relatively small percent of online residents and prospects…however the other "social media" (ratings sites) are a different story! Results show success driven by blocking, tackling, and the "basics." Due to the rise in the significance of rating/review websites, it is critical that companies develop a Reputation Management Program – where the focus is on "managing the resident experience" as improving service delivery and satisfaction will have a clear impact on a company's brand/reputation.
- Technology, Communication and Social Networking
    - Most own smartphones; a quarter used them in their recent apartment search. While three-quarters have a personal social networking account (more prevalent among youngest segments) and usage high among all but 65+, social networking only used by 15% for shopping. High importance/usage of ratings sites (42%) among all age groups.
- Shopping For/Researching Apartments
    - Online advertising is #1, but ratings/review sites heavily utilized…but community social networking pages (i.e. Facebook) viewed by only 13% of "online renters."
- Impact of Various Features, Amenities, Services on What to Rent in the Future
    - Perceptions of quality customer service, online functionality (pay rent, service requests), and ratings/resident feedback have a significant impact. Community social media pages (i.e. Facebook) have a low impact on where to rent.
- Impact of Property Management Company Brand
    - Brand has lower impact, but one-third recommended a management company. Brand value requires a positive reputation…driven by the resident experience and performance, not taglines.
- Revenue Management Programs
    - Most had different rents quoted…two-thirds shared staff explained why changed, but high impact on feelings…hotel, airline pricing also has a negative impact.
    - Training leasing teams on how to thoughtfully explain the revenue management program to prospects is critical to minimize negative impacts on attitudes.
- Your Apartment Community: How to Communicate
    - Communicating with residents via email and cell phones is by far most desired (although typical email coverage is low). Text messaging is the third highest preference…while social networking/media preferred by only 3%.
- Your Apartment Community: Resident Portals vs. Social Networking Pages
    - Portals rated very important, however community social networking pages rated very unimportant. A majority of residents will not view a property's social networking page, while over 90% will access the resident portal.
- Your Apartment Community: Posting Comments
    - A majority of residents would post positive comments on rating or social media sites if asked, but less than 9% asked.
- The Renting Lifestyle
    - When asked why they rent vs. own, most frequent selected responses related to financial reasons, flexibility and easy living. Most plan on buying. Only a slight majority agreed that "owning a home is the great American dream."
- Renewal Decision Drivers
    - Validating the SatisFacts Index, maintenance services and customer service delivery by the office staff have the most dramatic impact on the renewal decision; safety is equally important. Social activities have a low impact. As with other findings, community social networking pages rated lowest, with a very low impact on renewal decisions.
- Impact on Perceptions of Companies (All Industries)
    - Like apartment search findings, service-related websites and ratings/review websites have the greatest impact on creating positive perceptions of a company…while marketing related sites have a much lesser impact, and Facebook pages and Twitter accounts have a low impact.

Purchasing the E-Book (White Paper and Detailed Report)

- **Available for purchase** in Q3 2011. Will include primary research findings, interpretations and recommendations from a Who's Who list of multifamily operations, technology and marketing experts. The detail report includes survey data results by age and rent. Sign up for the waiting list: theonlinerenter.com.