



LOW CARBON LIVING
CRC

RP3029e1 Build4Life Business Model Analysis

Sustainability Publishing and Peer to Peer Advice Service



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The author(s) confirm(s) that this document has been reviewed and approved by the project's steering committee and by its program leader. These reviewers evaluated its:

- originality
- methodology
- rigour
- compliance with ethical guidelines
- conclusions against results
- conformity with the principles of the [Australian Code for the Responsible Conduct of Research](#) (NHMRC 2007),

and provided constructive feedback which was considered and addressed by the author(s).

Contents

Acknowledgements.....	2
Disclaimer.....	2
Peer Review Statement.....	2
Contents	3
List of Tables.....	5
List of Figures.....	6
Acronyms.....	7
1 Executive Summary	8
2 Build4Life Overview	9
2.1 What does your business do?.....	9
2.2 Products/services/solutions	9
2.3 Company objectives.....	9
3 Market.....	10
3.1 Overview	10
3.2 Size of market.....	10
3.3 Market trends.....	10
3.4 What is the problem that needs to be addressed.....	10
3.5 Build4Life solution.....	10
4 Business Model	11
4.1 Build4Life model canvas.....	11
4.2 Customer segments.....	12
4.3 Value proposition	12
4.4 Channels	12
4.5 Relationships.....	12
4.6 Revenue streams.....	12
4.7 Key activities.....	13
4.8 Key resources.....	13
4.9 Key partnerships.....	13
4.10 Cost structure	13
5 The Renovator.....	14
5.1 Demographic profile.....	14
5.2 Trades.....	14
6 Competitor Analysis	16
6.1 Houzz.com	16
6.2 Porch.com	16
6.3 DIYNetwork.com.....	16
6.4 HGTV.com.....	16
6.5 YoungHouseLove.com.....	17
6.6 hipages (hipages.com.au and homeimprovementpages.com.au).....	17
6.7 YourHome.gov.au.....	17

6.8	Homelife.com.au	18
6.9	Lifestyle.com.au	18
6.10	Renoguide.com.au	18
6.11	Bunnings	18
6.12	Trade finder sites	19
6.13	Strategic group map	20
7	Project Plan	21
7.1	The Renovators Club	21
7.2	Trade network	22
7.3	Build minimum viable product (MVP)	22
8	Project Schedule	23
9	Renovator Club Validation Plan	24
9.1	Purpose	24
9.2	Assumptions	24
10	MVP Definition	29
10.1	Story mapping and features list	29
11	Renovators Club Pilot Group	35
11.1	Purpose	35
11.2	Overview	35
11.3	Surveys	36
11.4	Video content	38

Appendix A – Build4Life business Model Analysis Report

List of Tables

No table of figures entries found.

List of Figures

Figure 1: Renovation Investment Trends 1999 to 2016	10
Figure 2: Option 2 – Sustainability Publishing and Peer to Peer Advice Service.....	11
Figure 3: Demographic Profile.....	14
Figure 4 Strategic Group Map	20
Figure 5: Build4Life Newcastle Renovators Facebook Group (Screen Capture 30 Nov 2017).....	35
Figure 6: Post asking members to share.....	35
Figure 7: Club Membership Growth	35
Figure 8: MVP Website (www.build4life.club).....	36
Figure 9: Letter Box drop flyer design.....	36

Acronyms

1 Executive Summary

The purpose of this report is to summarise the development of the preferred business model identified for Build4Life by reporting of the key activities of the customer discovery phase of Build4Life.

The proposed business model is for Build4Life to act as a platform to connect renovators with service and product suppliers with an overarching mission to help deliverable sustainable renovations across Australia.

This would be achieved through the provision of an online resource that provides quality content, a connected community, and peer to peer support via local Build4Life facilitators for everyone interested in renovating their home to achieve a safe, healthy, and economical home. The local Build4Life facilitators would convene local networks of people who are planning and undertaking their own renovations and connect them with local trades, Build4Life online resources, and advice to achieve sustainability outcomes. Commissions would be paid by local trades and suppliers for referrals with a percentage to be paid to the local Build4Life facilitators.

The analysis indicates that the value of the home renovation market is estimated to be \$33Billion in 2017 with a strong forward pipeline of renovation activity for the next 10 years due to historical new home building patterns resulting in homes in the key renovation 30-40 year age range growing by 14%.

The unique selling proposition of the proposed business model is the local Build4Life facilitator who convenes a local renovators club to share knowledge referrals and create social connections for its members with others in their local area. The analysis identifies that this approach differentiates Build4Life from core competitors and establishes this offering as unique in the market.

Key customer segment are identified for the proposed business model. For the renovators customer segment the analysis identifies two core market segments. Couples with children between 35 and 54 years of age and couple without children in the same age category who collectively represent 77% of the market.

For the trades customer segment the analysis has identified small companies with less than 5 employees represent 77% of the suppliers.

A competitor analysis is undertaken and identifies that established online content brands such as Houzz and HGTV dominate the online content and advertising space highlighting the risk of a content only business model. However, Build4Lifes unique selling proposition of having local Build4Life facilitator convening and establishing local social networks puts this business model in a high potential sector with low competition.

The report then addresses the validation of the proposed business model through the establishment of a Renovators Club pilot group in the Newcastle area NSW.

At the point of writing this report the Build4Life project was progressing with the build of the online platform after establishing an increased level of confidence that the proposed business model fits a true market need.

2 Build4Life Overview

Build4Life is an online resource that provides quality content, a connected community, and peer to peer support via local Build4Life facilitators for everyone interested in renovating their home to achieve a safe, healthy, and economical home. The local Build4Life facilitators would convene local networks of people who are planning and undertaking their own renovations and connect them with local trades, Build4Life online resources, and advice to achieve sustainability outcomes.

Commissions would be paid by local trades and suppliers for referrals with a percentage to be paid to the local Build4Life facilitators.

2.1 What does your business do?

Build4Life facilitates local peer networks of renovators and provides them with access to information to help them achieve a safe, healthy, and economical home and connects them with local trades to undertake the renovations.

2.2 Products/services/solutions

The following are some of the proposed products and services offered by Build4Life:

Products and Services for Renovators

- Online content
- Access to a peer to peer network of other local renovators facilitated by a local Build4 Life facilitator
- Online renovation workspace to store ideas, request quotes, manage the budget, social sharing
- Reviews and feedback on local trades etc

Products and Services for Trades

- Referral business
- Consolidation of multiple smaller projects
- Opportunity to get involved early in renovation process
- Advertising

2.3 Company objectives

At the core of the Build4Life project is the need to provide opportunities and inspiration for the public to actively participate in a multi-way conversation on the benefits and accessible opportunities from energy efficient housing. This is in contrast with many previous initiatives that have been passive one-way distribution of information only. The specific objectives are

- To prototype the Build4Life social media platform arising from RP3029 to allow a two-way national conversation on sustainable housing catering to consumer desires.

- Test the platform with a restricted cohort of consumers prior to a full national deployment (national deployment is beyond the scope of this Project).
- Develop improved branding with a view to increasing brand recognition for energy efficient housing.
- Test ideas (see research above) about how to mainstream the demand for low carbon housing.
- Develop a plan to take the platform to a national audience (this may include setting up a purpose built entity to own and maintain it in the long term, note that this work will be conducted independently of this Project but in parallel to the work of this Project).
- Disseminate other CRC content.

3 Market

3.1 Overview

The home renovations market in Australia is estimated to be valued at around \$33 Billion in 2017 and envisaged to rise to \$36 Billion by 2020. By comparison the revenue for Australia's top 100 residential home builders in 2015/16 was estimated to be \$17.7 Billion.

The majority of renovations are undertaken on detached family homes that are older than 20 years of age. The occupants are typically couples (more than 75%) and over half of these couples are living with children.

The average cost of renovations is \$68,300 with 42% of renovations typically between \$5,000 and \$40,000.

3.2 Size of market

The home renovations market in Australia is estimated to be valued at around \$33 Billion in 2017 and envisaged to rise to \$36 Billion by 2020. By comparison the revenue for Australia's top 100 residential home builders in 2015/16 was estimated to be \$17.7 Billion.

3.3 Market trends

The renovations investment has been relatively steady since 2004 (showing a significant increase from 2001-2004 which also coincided with the smash hit TV program "The Block" which premiered on 1 June 2003).

This steady trend appears to be associated with past new home building patterns resulting in the number of detached houses in the 20-30 year age group being relatively flat in recent years.

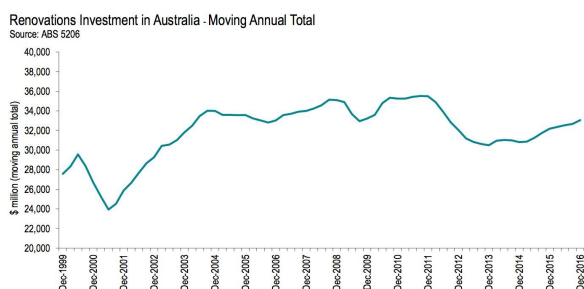


Figure 1: Renovation Investment Trends 1999 to 2016

Over the next decade, the number of homes in 20-30 year age group will decline but those in the 30- 40 years age group will rise by over 14% providing a relatively consistent pipeline of renovation activity for the next 10 years.

3.4 What is the problem that needs to be addressed

Build4Life acts as a platform to connect renovators with service and product suppliers with an overarching mission to help deliverable sustainable renovations across Australia.

According to a 2015 survey by Houzz, the number one challenge for home renovators is finding the right service provider followed by the finding the right products and materials. These challenges are exacerbated by other pains such as lack of time, lack of money, and feeling bullied by trades.

The trades in the renovation market are typically small businesses with 5 or less staff (77%) are find quoting for work to be time consuming (expensive) particularly for small jobs and are constantly trying to secure forward workload.

3.5 Build4Life solution

The proposed business model for Build4Life would connect renovators with service providers within a trusted peer network of other renovators within their own community.

The unique selling proposition of the proposed business model is the local Build4Life facilitator who convenes a local renovators club to share knowledge referrals and create social connections for its members with others in their local area. This approach differentiates Build4Life from core competitors are outlined in section 7.

4 Business Model

In this business model Build4Life is an online resource that provides quality content, a connected community, and peer to peer support via local Build4Life facilitators for everyone interested in renovating their home to achieve a safe, healthy, and economical home. The local Build4Life facilitators would convene local networks of people who are planning and undertaking their own renovations and connect them with local trades, Build4Life online resources, and advice to achieve sustainability outcomes. Commissions would be paid by local trades and suppliers for referrals with a percentage to be paid to the local Build4Life facilitators.

4.1 Build4Life model canvas

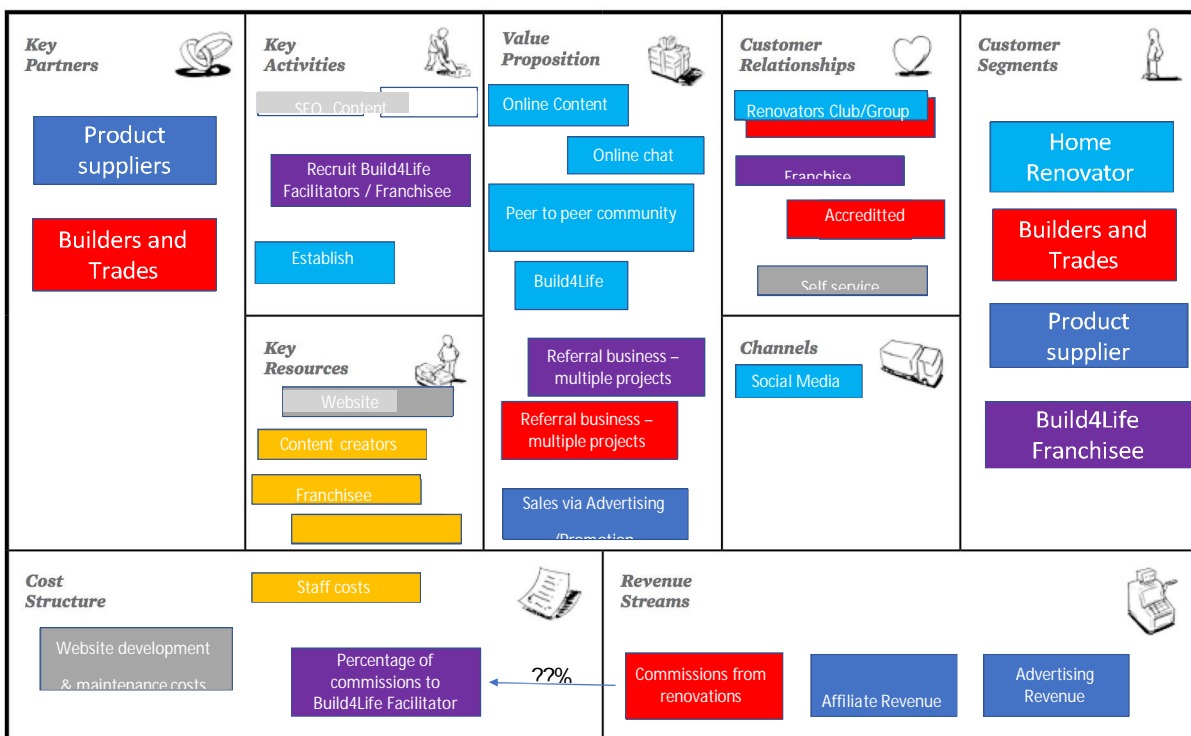


Figure 2: Option 2 – Sustainability Publishing and Peer to Peer Advice Service

4.2 Customer segments

Two key customer segments have been identified:

4.2.1 Home renovators

What they want? (Job)

- To renovate their home to be safe, healthy, and economical for their family.
- May DIY aspects to save money.

Pains

- No time
- No money
- Have kids arriving so have growing pains in the home functions.
- Have kids leaving so want to renovate to adapt to empty nest lifestyle
- Tired of the hard sell.
- Have difficulty getting trades for small projects.
- Renovation are stressfull.
- Feel bullied by trades

Gains

- Healthy living
- Social connection
- Efficiency

4.2.2 Renovation builders and trades

What they want? (Job)

- Generate more sales and steady workflow

Pains

- Small jobs
- Quoting takes a long time
- Stress of trying to constantly win the next project
- Planning and scheduling work

4.3 Value proposition

Online resource that provides quality content, a connected community, and peer to peer support via local Build4Life facilitators for everyone interested in renovating their home to achieve a safe, healthy, and economical home.

4.3.1 Key product/services

- Online content eg how to, design inspiration,
- Online chat to give real time response to queries (could develop chat bot around Liveability principles to direct enquiries to content)
- Pinterest style boards to store reno ideas.

- Local Build4Life facilitators
 - Would be local franchisee (trained Liveability agent??) of Build4Life that would convene/connect local people with others undertaking renovations eg renovators coffee club.
 - Would help with information from Build4Life
 - Would help connect with local trades (perhaps linkage to HiPages) and/or suppliers for work – perhaps help get group discounts from trades or suppliers

4.4 Channels

4.4.1 Home renovators

- Social media
- Traditional media
- Content marketing to website
- Local networks via Build4Life facilitators
- Social marketing e.g. school groups, etc.
- SMM

4.4.2 Trades

- Local networks
- Industry groups (eg HIA)
- HiPages

4.5 Relationships

4.5.1 Home renovators

- Membership site (maybe discounts for members eg Groupon)
- Member portal to allow them to store images (eg Pinterest), request quotes, give feedback, contact other club members, manage budget etc.
- Face to face via Build4Life facilitators

4.5.2 Trades and builders

- Face to face via Build4Life facilitators
- Membership
- Accreditation as a Build4Life qualified supplier – perhaps need to have completed some Build4Life online training associated with sustainability

4.6 Revenue streams

- Advertising revenue from website
- Affiliate revenue from product sales through website

- Commissions for referrals to trades (average renovation spend in 2015 \$68,300 – source Houzz)

4.7 Key activities

- SEO for content – need to be found in search
- Content creation – video content
- Recruitment of Build4Life facilitators

4.8 Key resources

4.8.1 Technology

- Website
- ESCROW Service to facilitate financial transactions between renovators and trades.

4.8.2 Human

- Build4Life facilitators
- Writers for content creation
- Web developer
- Trainers for Build4Life facilitators
- Marketing

4.9 Key partnerships

- Need to develop partnerships with reputable trades in local areas – perhaps via HIA
- Product suppliers

4.10 Cost structure

- Website development and setup
- Website maintenance
- Staff costs

5 The Renovator

5.1 Demographic profile

The demographic profile of the Build4Life target market is as follows.

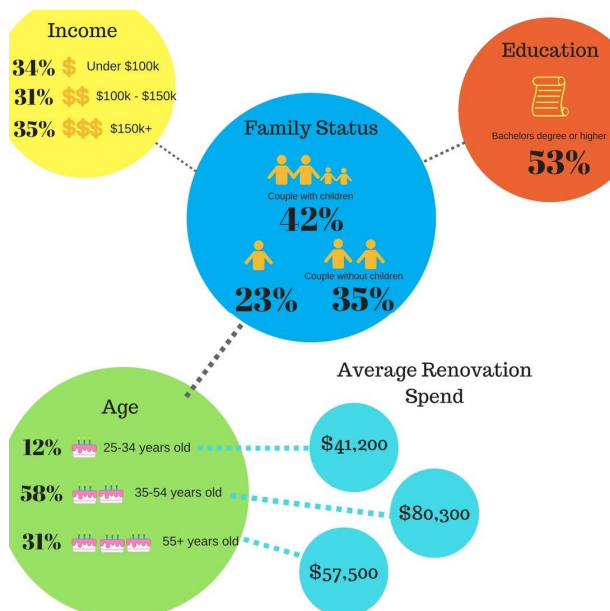


Figure 3: Demographic Profile

Based on this analysis a core market segment that the business model would focus is couples (with and without children) in the 34-54 age range.

5.1.1 Motivations to renovate

Money, Time and Home Purchases drive renovations. The top 5 reasons for undertaking a renovation are as follows:

- 35% renovate because they now have time to do it.
- 34% renovate because they now have enough money.
- 30% renovated due to a home purchase (move in and met people in your area) – 51% 25- 34, 30% 35- 54, 22% 55+
- 22% Adapting to family change SV Survey of home renovators – influences and energy efficiency outcomes also found 20% due to change in size of family)
- 15% Renovate after discovering something that needs repair (opportunistic)

5.1.2 Renovation spending profile

The average renovation spend is \$68,300 although this amount varies depending on the age group. 25-34 year olds average spend on renovations is \$41,200.

35-54 year olds average spend on renovations is \$80,300. Those older than 55 on average spend \$57,500 on renovations.

89% hired a specialist trade eg 71% electrician, 57% plumber, 40% carpenter

5.1.3 Home characteristics

82% renovating detached single family dwelling with 80% older than 20 years (27% between 20-40 years) – **note for CSIRO - research suburbs with highest concentrations of owner occupied home between 20-40 years old with families with children from ABS data.**

5.1.4 Top challenges facing renovators

Based on a Houzz 2015 survey the top 5 challenges facing renovators are as follows:

- 36% finding the right service provider (79% cite good reviews or recommendations as important when choosing a service provider)
- 32% Finding the right products and materials
- 28% Staying on budget
- 28% defining style
- 27% funding/financing project

5.1.5 Key influences

The following are the top 5 key influencers for renovators:

- 68% own ideas
- 57% internet searches
- 50% Builder
- 48% family and friends
- 41% hardware store

5.1.6 Other characteristics

Over half of renovations take 6 months or longer in planning through to start or work.

5.2 Trades

In the proposed business model Build4Life acts as a platform to connect renovators with service and product suppliers with an overarching mission to help deliverable sustainable renovations across Australia. Therefore, the other key customer segment is the trades.

At the time of preparing this analysis limited information was available for this customer segment.

According to the HIA 2017 Renovations Roundup report the following are some of the key characteristics of trades in the renovation market.

5.2.1 Market size

Market size for renovations in Australia \$33billion

Typical Business Size 25% sole trader 52% 1 to 5 people 13% 6 to 10 people 7% 11 to 20 people
2% More than 50 people

5.2.2 Most commonly hired specialists

67% electrician 66% plumbers 59% painters
58% carpenters

5.2.3 Renovation project values

3% less than \$5k 22% \$5k-\$12k

20% \$12k - \$40k

6% \$40k - \$70k

5% \$70k - \$100k

13% \$100k - \$150k

10% \$150k - \$200k

11% \$200k - \$400k

9% More than \$400k

5.2.4 Home typology

85% detached houses with 77% older than 20 years
(29% between 21 and 30 years).

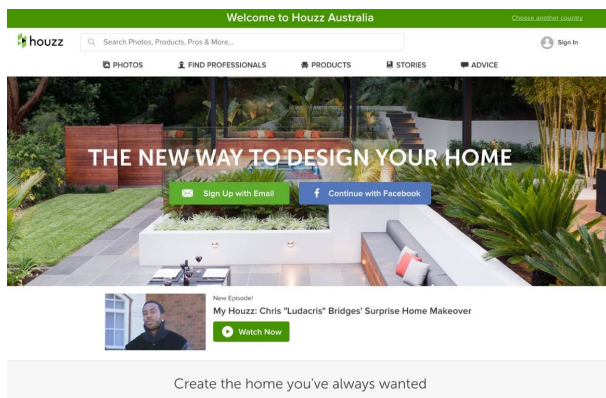


6 Competitor Analysis

The following is an analysis of some the key competitors identified in the renovation sector.

6.1 Houzz.com

Houzz as a website focused on the DIY home remodeling community. It is an online portal that offers a design community focused on social network, a content discovery, and an e-commerce site for consumers. Today, Houzz has over 30 million unique monthly users with more than 4 million home professionals.



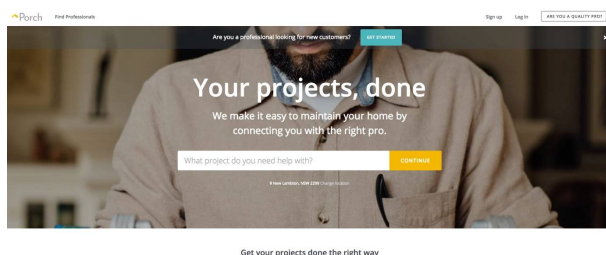
Houzz has three main revenue streams, as follows:

- ad revenue from major merchants and retailers like Kohler and Ikea
- premium listing revenue from designers, architects, etc. who want to be more easily discovered by Houzz users/potential clients
- e-commerce commissions for operating an online marketplace that lets users order sofas, vanities, etc. that they find appealing. (they charge 15% commission on products sold through Houzz)

Houzz.com.au receives around 850 thousand unique monthly users.

6.2 Porch.com

Porch, which offers Houzz-like inspiration pages and helps manage home improvement projects. Since it was founded in 2013, Porch has expanded to a service that features 132 million home projects supported by 3.2 million professionals and a tie-up with Lowe's.

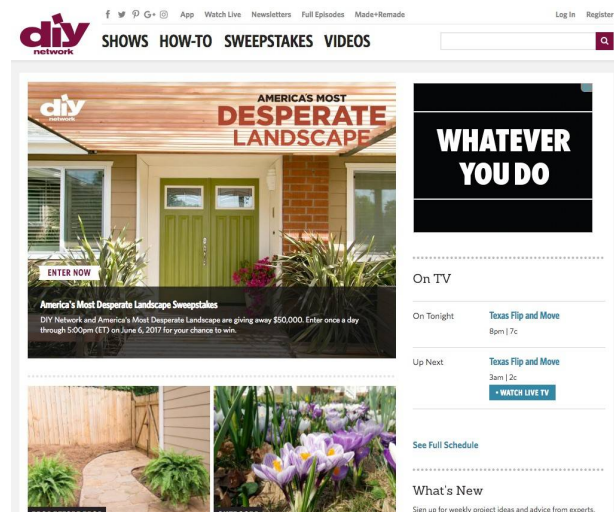


Revenue is generated primarily through a premium offering that allows professionals to be listed on Porch and in the local Lowes.

Porch has over 1.5million unique monthly users.

6.3 DIYNetwork.com

DIY Network is a channel owned by Scripps Networks Interactive that focuses on do it yourself projects at home.

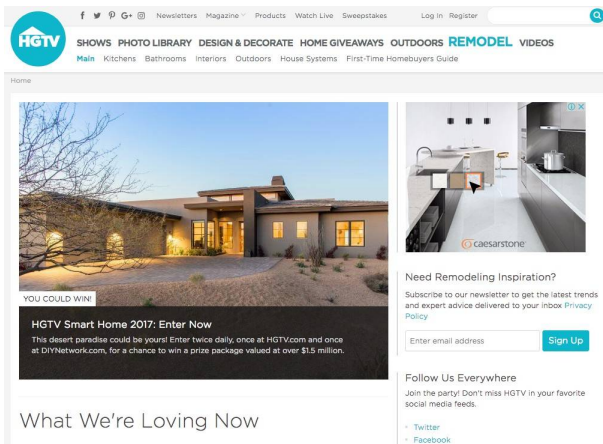


Television stations air local versions with local hosts with segments produced by the network. Branded DIY Network programming is also broadcast in Japan and the Philippines. The cable network reaches 50 million households in the US.

The website has over 14 million unique monthly users.

6.4 HGTV.com

HGTV (an initialism for Home & Garden Television) is an American basic cable and satellite television channel that is owned by Scripps Networks Interactive. HGTV broadcasts a variety of how-to shows with a focus on home improvement, gardening, crafts, and remodeling. The channel is headquartered in Knoxville, Tennessee. The channel sponsors the annual HGTV Dream Home and HGTV Smart Home giveaways.



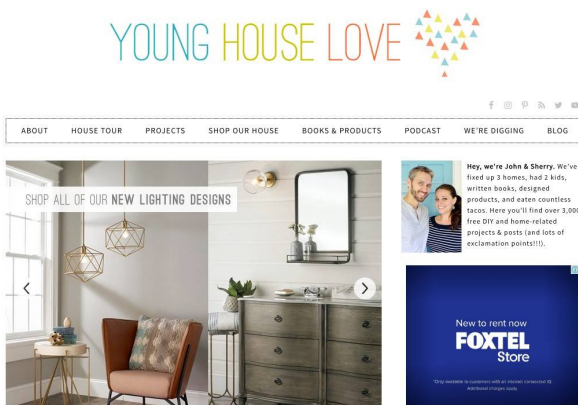
As of February 2015, approximately 95,628,000 American households (82.2% of households with television) receive HGTV. In 2016, HGTV overtook CNN as the third most-watched cable channel in the United States, behind Fox News Channel and ESPN.

The website hgtv.com has over 22 million unique monthly users.

Primary revenue model appears to be same as commercial TV ie advertising

6.5 YoungHouseLove.com

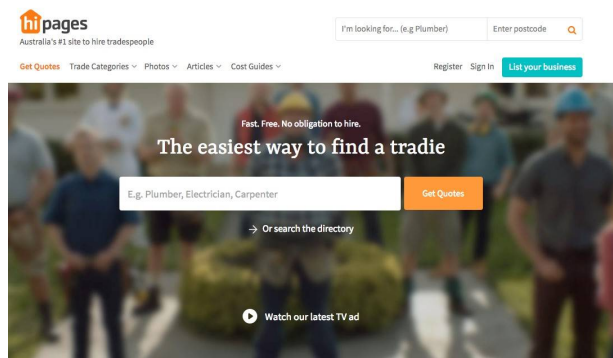
Since 2007 John and Sherry Petersik built a cult following with their website when we started this blog, they renovated three homes, tackled thousands of DIY projects, had two kids, written three books, designed products (and showhouses), and started a podcast.



The site generates around 400 thousand unique monthly users. They monetize the blog through ads, affiliate products, and sponsored content.

6.6 hipages (hipages.com.au and homeimprovementpages.com.au)

hipages is an Australian company that provides online service directories and lead generation in various industries such as the home improvement and tradesmen sector, pet services, and natural therapies.



hipages facilitates an online connection between consumers and professionals in designated fields of service.

hipages offers directory services that connect consumers to registered tradesmen from 1,100 categories for tasks such as painting, tiling, and other home repairs or renovations.

How hipages works

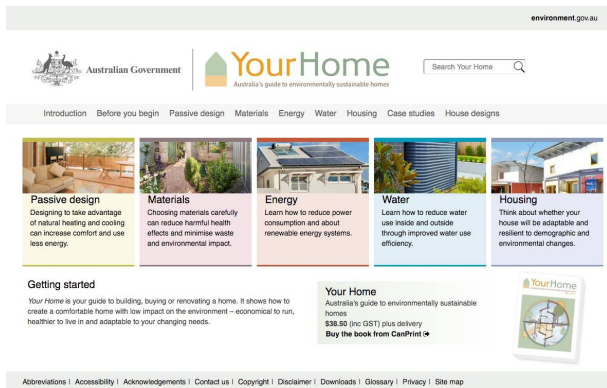


hipages uploads approximately 80,000 job posts from customers per month to its home improvement page which has a user base of over 500,000 consumer member with over 70 thousand unique monthly visitors to its website.

In May 2015 hiPages reported \$1.35 Billion in job value on its platform over a 12 month period.

6.7 YourHome.gov.au

Your Home is your guide to building, buying or renovating a home. It shows how to create a comfortable home with low impact on the environment — economical to run, healthier to live in and adaptable to your changing needs.



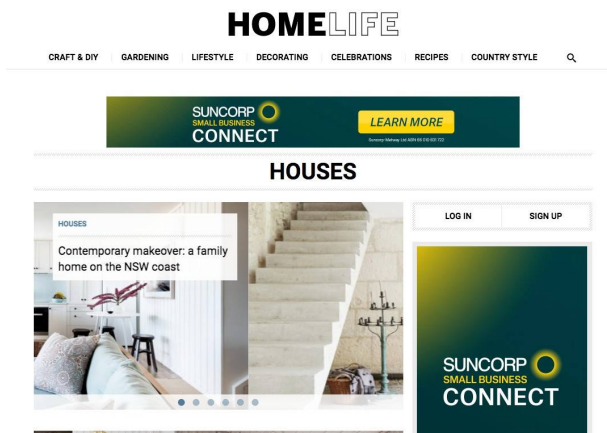
The website has 170 thousand unique monthly visitors however on 51% are from Australia.

The site is managed by the Australian Government and does not appear to be monetised in any way.

6.8 Homelife.com.au

Owned by NewsCorp Homelife covers everything from craft and DIY to decorating, entertaining and gardening, homelife.com.au has the everyday tips and simple solutions to make your life easier.

Primary revenue appears to be generated from advertising.



Unique monthly visitors over 200 thousand.

6.9 Lifestyle.com.au

Part of the Foxtel franchise this site provides a broad range of lifestyle content from DIY, property, pets, through to health. It generates 550 thousand unique monthly visitors.

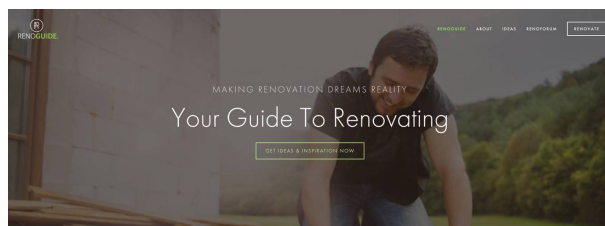


Revenue generated through advertising and sponsored content.

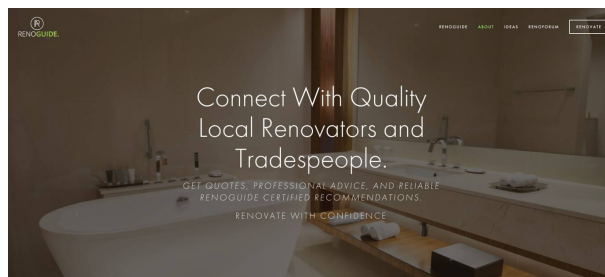
6.10 Renoguide.com.au

Renoguide.com.au offers a forum community to chat with advisors, and like-minded renovators and a renovation ideas blog for inspiration.

Their Australian Renovation forum connects users not only with like minded renovators, but they offer an inhouse team of dedicated renovation experts. The site also states that they connect users with "Renoguide Certified" builders and tradespeople.



The website generates 36 thousand unique monthly visitors (although only 21% is from Australia) and interestingly 60% of this traffic comes from Pinterest.



Site does have advertising but although unclear it may monetise through a commission/referral.

6.11 Bunnings

Hardware stores are cited by 41% as the 5 most influential source of information in renovations.

Bunnings Group, trading as Bunnings Warehouse, is Australia's largest household hardware chain. The chain

has been owned by Wesfarmers since 1994, and has stores in Australia, New Zealand, and the United Kingdom with revenue of \$11.6 Billion.



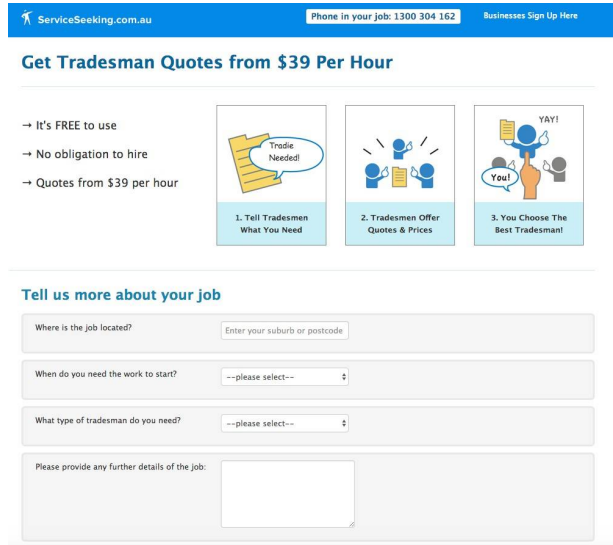
Its website generates 9.9 million unique visits per month.

6.12 Trade finder sites

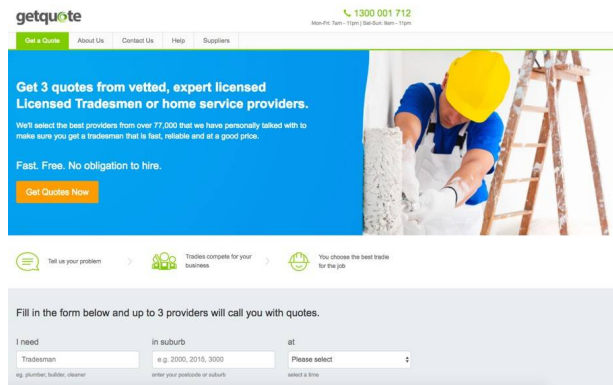
There is a proliferation of sites that provide the ability to get quotes from various trades including the following:

Website	Unique Monthly Visitors
www.hipages.com.au	70,000
www.Serviceseeking.com.au	655,000
www.getquote.com.au	94,100
www.1300alltrades.com.au	<5000
www.airtasker.com	796,000
www.servicecentral.com.au	186,000
www.service.com.au	22,500
www.tradiefinder.com	<5000
www.needatradie.net.au	<5000
www.tradebuild.com.au (HIA platform)	<5000

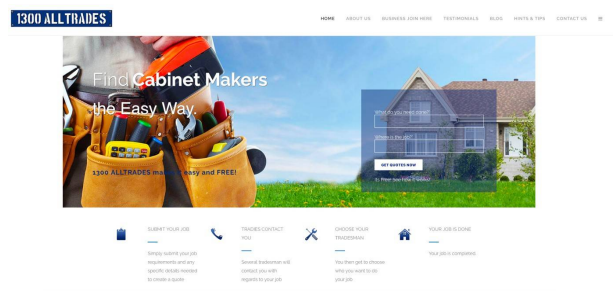
All of these sites are very similar in the user experience. The site asks you to enter details of your proposed project/renovation and then you are sent a number of quotes from trades. The revenue model for many appear to be either subscription based or pay-per-lead.



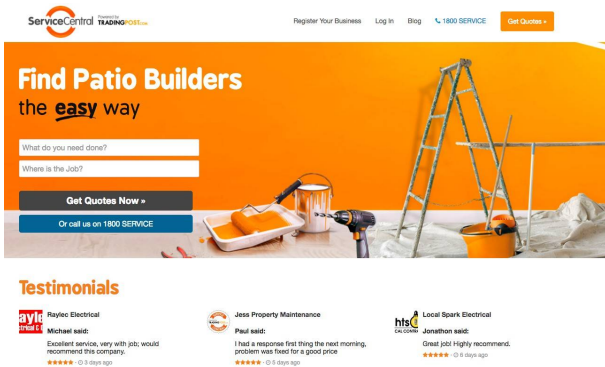
www.serviceseeking.com.au



www.getquote.com.au



www.1300alltrades.com.au



www.servicecentral.com.au

6.13 Strategic group map

The following strategic group map undertakes a comparison of the renovation sector for businesses identified as potential competitors to Build4Life. The strategic group map compares two primary characteristics of the companies; the channels through which they engage with their customers and the primary revenue source for the company. The size of the bubble represents the relative audience/website visits for each company.

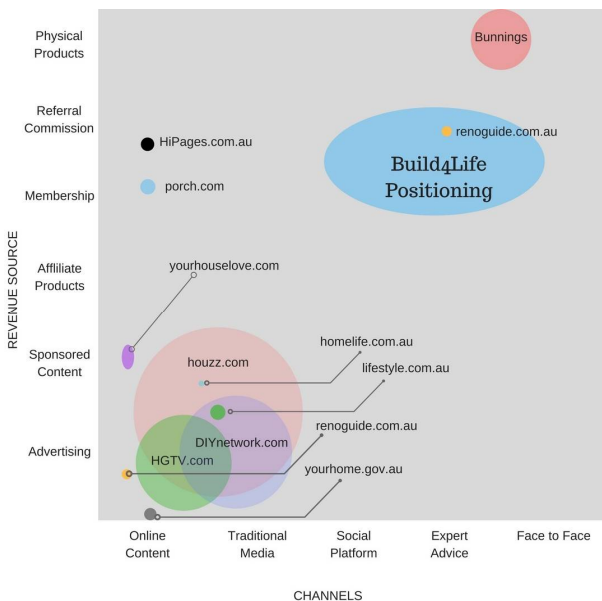


Figure 4 Strategic Group Map

As can be seen from the strategic group map competing with established online content brands such as Houzz and HGTV for advertising revenue would be extremely challenging for Build4Life.

However, Build4Lifes unique selling proposition of having local Build4Life facilitator convening and establishing local social networks puts this business model in a high potential sector with low competition. The strategic group map also highlights the risk of a content only business model.

7 Project Plan

The establishment of the Build4life business model will be undertaken across a number of key stages including the following:

- Establishment of pilot renovator club networks;
- Establishment of a trade network; and
- The development and testing of the Build4Life MVP.

A proposed program for the implementation is included in appendix A.

7.1 The Renovators Club

The initial stage of the implementation of the Build4Life business model will be the establishment of four pilot renovator clubs to validate the key assumptions in the business model.

Subject to budget constraints it is proposed that the pilot groups will be established based on the customer avatars as follows:

- Couple with children who has just purchased a new home;
- Couple with or without children who need to renovate to accommodate changes in family circumstances;
- Couples without children who have just purchased a new home; and
- Couples without children who are renovating for other reasons.

The establishment of the renovator clubs needs to be undertaken within the framework of the CRC RP3029 contract framework. Specifically, the renovators club should contribute to address the following key project research questions;

- Can social media be used to create mainstream demand for low carbon, sustainable housing?
- How do sustainability concerns propagate in an online environment?
- Do sustainability concerns generalise?
- Can sustainability-related decisions be nudged?
- How do people talk about sustainability? Does this change over time and how can we best use this information to frame messages?
- How do people value sustainable housing? Financial and values based analysis.
- How can social motivations be harnessed to spread sustainability messages to the general public.
- How can the platform be developed and scaled for large scale national capability?
- How can the platform be commercialised and appropriately managed for long term financial, social and environmental sustainability?

- Exploring from a research perspective how the platform might be appropriately managed in the long term (social enterprise research)

In addition to the research questions the renovator club pilot groups also need to test key assumptions in the business model. Some of the key objectives of the pilot groups will be as follows

- Validate customers are willing to meet and discuss renovations in a social setting.
- Test ideas about how to mainstream the demand for low carbon housing.
- Validate key pain points for renovators.
- Validate that sustainability related decisions can be nudged.

7.1.1 Process for Establishing Pilot Renovator Clubs

The following is the proposed process for establishing the renovator clubs:

1. Identify target suburbs for pilot projects.
2. Recruit Build4Life facilitators in target suburbs.
3. Marketing campaign for renovator club membership in targeted suburbs.
4. Establish pilot groups.

7.1.2 Target Suburbs

The recruitment of the Build4Life Facilitators and pilot renovator clubs will be done by focusing on specific suburbs that match the customer avatar criteria.

Specifically the analysis would aim to identify suburbs with housing stock aged 20-40 years, with households comprised of couples aged between 35 and 54, with and without children, and with incomes greater than \$100k per annum.

Based on this analysis a number of specific suburbs would be identified for the recruitment of Build4Life facilitators and the pilot renovation clubs.

7.1.3 Build4Life Facilitator Recruitment

Recruitment of the facilitators will be done via a combination of approaches:

- Direct recruitment through existing networks of the project members;
- Job posting via free classifieds like gumtree.com.au and paid job advertising services such as seek.com.au.

7.1.4 Renovator Club Pilot Groups

The facilitators in conjunction with the project team would then work towards recruiting members to join the renovators club with the initial plan to convene renovators in a social setting as a market research exercise to gain a better understanding on their needs,

pain points, and to begin to address some of the research questions from the project.

The marketing approach for recruiting members into the pilot group would include the following:

- Direct mail letter box drops for targeted suburbs;
- Advertising at local schools and community groups; and
- Geo-targeted Facebook ad campaigns.

It is envisioned that 3-4 pilot groups would be established.

Once established a series of market testing campaigns will be conducted to validate various aspects of the business model and to get user feedback on the MVP.

7.2 Trade network

One of the roles of the Build4Life facilitators would be to establish the local trades network and get them to “sign-up”.

Where possible trades identified using the following channels:

- Direct contact using existing classified services like the yellow pages;
- Via partner networks eg HIA; and
- Geo-targeted Social media marketing (paid and organic).

Note that the market research shows that one of the most significant channels for marketing to trades is the Radio. However, for the pilot phase it was determined that this channel did not provide sufficient control over location and is best considered for the scale up phase.

7.3 Build minimum viable product (MVP)

The development of the MVP will be based around 2 key phases:

- Phase 1 – will be the develop of the first version of the MVP (MVP 1.0) to a site standup using a more traditional waterfall development methodology.
- Phase 2 – will involve fortnightly coding sprints using an agile project management methodology in conjunction with actual customer feedback from the renovator club pilot groups.

7.3.1 Phase 1 – MVP 1.0

The first activity in this phase will be the development of the MVP functional specification. The functional specification will include the following:

- MVP goals;
- Customer journey maps which is the process by which a visitor to the website moves through the sales funnel eg visit site, sign-up for account, consume content, seek information on renovators club, joins local renovators club;

- Features list; and
- MVP definition suitable for calling for tender proposals.

It is proposed that this activity would be undertaken as a project workshop.

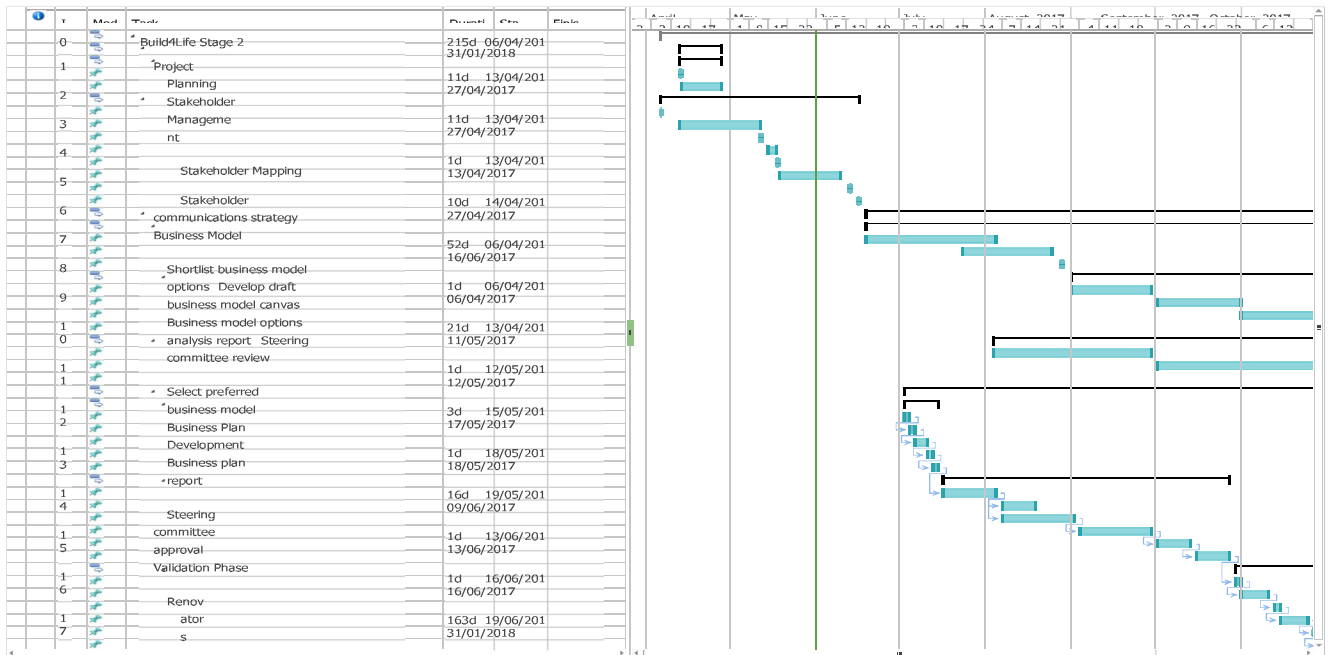
Once the preferred website site developer is appointed then the following key activities will need to be undertaken:

1. Develop site map and wireframes;
2. Design of page layouts;
3. Content creation – examples might include:
 - a. Site terms and conditions
 - b. Privacy policy
 - c. Affiliate policy
 - d. Renovation media content eg blogs, videos
 - e. About us
 - f. How it works
4. Coding
5. Test and review prototype
6. User feedback from renovator club pilot groups

7.3.2 Phase 2 – MVP 2.0

After the completion of the site stand up (minimum functional product) the site would be tested via the renovator club pilot groups and user feedback captured on desired features etc. This user feedback would be used to undertake a series of product development sprints to add specific features to the website.

8 Project Schedule



9 Renovator Club Validation Plan

9.1 Purpose

The purpose of the renovator clubs is to provide a way for renovators to meet and develop social networks in order to share knowledge and ideas associated with their renovations. Build4Life would inject knowledge and information on sustainable renovations with a view to having these ideas and concepts adopted and disseminated via the social networks established within the club. Build4Life facilitators would act as community managers for the renovators club.

9.2 Assumptions

The use of a Build4Life facilitator convening a renovators club is a key element of the proposed business model and there are numerous assumptions underpinning this concept. The establishment of the pilot renovators club is aimed at testing these assumptions as part of the process of evaluating the business model.

The following are the key assumptions associated with the business model that relate to the renovators club concept:

Type	Assumption	Proposed Test	Observation	Timing
Value Proposition	Peer-to-peer community (local) The VP assumes that renovators want to meet with a local (face-to-face) peer to peer community to share ideas about renovations.	Interviews	Interviews with renovators suggested that this was not particularly important for them. They were very short on time and that this was just another thing to do. Valued the online community most.	August 2017
Value Proposition	Peer-to-peer community (online) The renovators want to participate in an online community to share ideas and information on renovating.	Establish a Facebook page for the specific community/LGA that is conducting the pilot group and see if people are willing to interact and share ideas. Facebook ad campaign (geo-targeted) inviting to join group. Letter box drop (combined with above) inviting to join facebook group.	Conversion rate = 2-3% Conversion rate = 1%	August 2017
Value Proposition	Renovators would use an online portal for storing renovation ideas and managing quotes.	Customer interviews with members of renovators club. Allow renovation club members chance to test and try out web platform.		Interview - Sept 2017 Test – Oct/Nov 2017
Value Proposition	Build4Life Community Manager Community manager needs to be a local person e.g. from same suburb.	Customer interviews with members of renovators club.		Sept 2017
Value Proposition	Referral business for local trades Trades value the opportunity to quote to a group.	Interviews with local trades.		Sept 2017
Value Proposition	Referral business for local trades Trades would attend events with renovators club to provide advice / input.	Interviews with local trades.		Sept 2017
Value Proposition	Trades would be willing to quote and be paid via the Build4Life platform (and pay a commission to Build4Life on the work).	Interviews with local trades. Allow trades to test Build4Life platform.		Sept 2017 Oct/Nov 2017

Type	Assumption	Proposed Test	Observation	Timing
Value Proposition	Build4Life Facilitators – people would be looking to have their own business as a facilitator.	Recruitment process and interviews.		Oct/Nov 2017
Channels	Social media marketing Social media marketing is a good way to reach potential renovator club members	Geo-targeted Facebook ads campaign.	Response rate = Conversion rate =	August 2017
Channels	Social media People are looking for information on renovations through social media.	Customer insights via renovators club. Google analytics for web content.		Oct 2017
Channels	Social media Which are the best social media channels for reaching potential customers.	Conduct tests for same content on different channels eg Blog posts <ul style="list-style-type: none"> • Reddit • Stumbleupon • Tumblr • Digg • Youtube • Pinterest • Facebook • Twitter • Instagram • Other 		Nov/Dec 2017
Channels	Social marketing (i.e. referrals amongst personal social network) is an effective way to engage with renovators.	Survey of renovation club members to get net promoter score. Survey of renovator club members to find out where they found out about Build4Life.		Nov 2017 Dec 2017
Customer Segments	Renovators are typically couples between 34 and 55 years old and approx. half have children living with them.	Customer surveys as part of onboarding process		Sep 2017

Type	Assumption	Proposed Test	Observation	Timing
Customer segments	<p>Renovators - Reasons for renovating</p> <ul style="list-style-type: none"> • 35% renovate because they now have time to do it. • 34% renovate because they now have enough money. • 30% renovated due to a home purchase (move in and met people in your area) – 51% 25-34, 30% 35-54, 22% 55+ • 22% Adapting to family change SV Survey of home renovators – influences and energy efficiency outcomes also found 20% due to change in size of family) • 15% Renovate after discovering something that needs repair (opportunistic) 	Customer survey/interviews		Sep 2017
Customer Segments	<p>Renovators Biggest challenges</p> <ul style="list-style-type: none"> • 36% finding the right service provider (79% cite good reviews or recommendations as important when choosing a service provider) • 32% Finding the right products and materials • 28% Staying on budget • 28% defining style • 27% funding/financing project 	Customer surveys/interviews		Sep 2017
Customer Segments	<p>Trades</p> <p>The trades in the renovation market are typically small businesses with 5 or less staff (77%) are find quoting for work to be time consuming (expensive) particularly for small jobs and are constantly trying to secure forward workload.</p>	Survey and interviews.		Oct 2017
Customer Segments	<p>Trades would support sustainability goals of Build4Life</p>	Survey and interviews		Oct 2017

Type	Assumption	Proposed Test	Observation	Timing
Customer Segments	Build4Life Facilitators Who would be the best target market for this segment?	Recruitment campaign combined with a survey to profile applicants.		Dec 2017
Customer relationships	Renovation club Renovators and/or trades would be willing to participate in a local peer to peer network	Establish a renovators club in test suburb (see value proposition above).		Aug/Sep 2017
Customer relationships	Trades would participate in some sort of sustainability accreditation scheme to be part of Build4Life	Interviews with trades.		Oct 2017
Customer relationships	Build4Life facilitators would want to be independent consultants i.e. not an employee – similar to Avon or Tupperware models. Possibly franchise model.	Interviews with potential candidates.		Dec 2017
Revenue streams	Trades would pay a commission to Build4Life.	Interviews with trades. Conduct full financial business model pilot.		Oct 2017 Jan/Feb 2018
Cost Structure	Build4Life facilitators would receive a commission on sales.	Interviews with potential candidates.		Dec 2017

10 MVP Definition

10.1 Story mapping and features list

A workshop was conducted to develop the framework for the MVP. The workshop utilized a story mapping technique derived from the software industry and agile development. It is based on understanding a user's journey through your product, how they use the product, and the process they follow. The following is the five-step process used to develop the MVP using story mapping.

Step 1 – Identify the primary goal of your product. What does it do and what problem is it trying to solve?

Step 2 – Define the process. The next step is to define the process and user would go through in using the product i.e. what tasks would they need to perform. Next, we need to define the stages this process flow would follow.

Step 3 – Create features list. In this step, we now go through a brain storming process to identify the features of the product that the user might want to see at each stage of the process. In this step, we are not looking to prioritise the feature but to simply identify features that might help the user solve a problem.

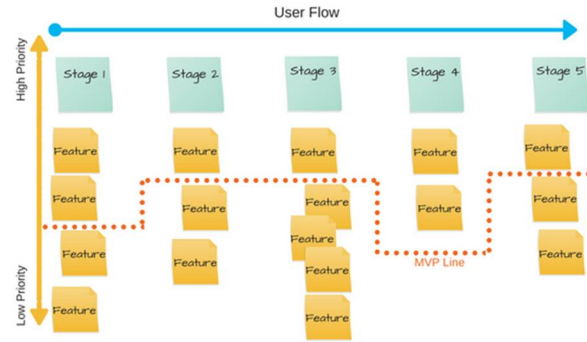
Step 4 – Prioritise the features list. The next step is to organise and prioritise the feature lists. We do this by considering the following questions:

- How important is the feature to completing the task?
- How often will the feature be used?
- How many users will use this feature?
- How much value does the feature deliver to the user?
- How difficult is the feature to implement?

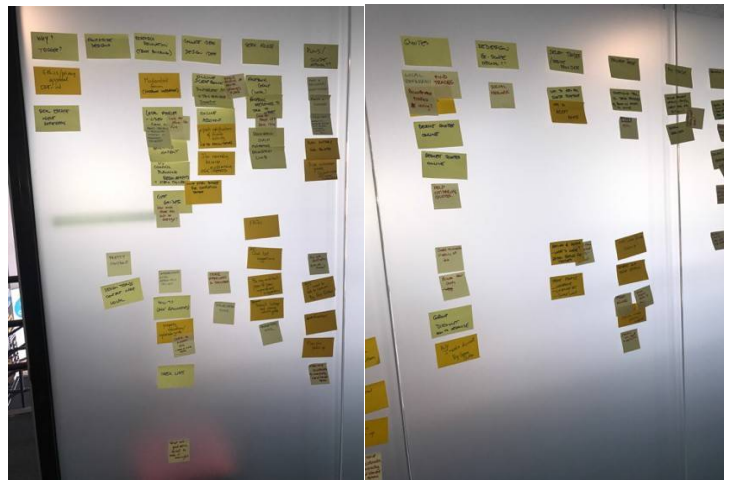
Based on this we organise the features under each task of the process from highest to lowest priority.

Step 5 – Define the MVP. Once we have our list of features in order of priority we can now define the key features necessary for our MVP. The MVP should represent the minimum number of features that are essential to providing the user with the necessary experience of the proposed product, remembering that we are seeking to test our key assumptions with the MVP.

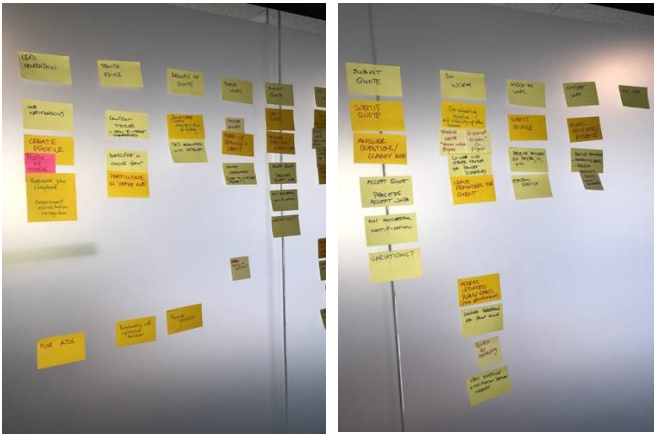
Now we decide on the "must have" features, "nice to have" features and the "do not need" features from our lists. Next, we draw a line across our features list that divides the "must have" features from the other features.



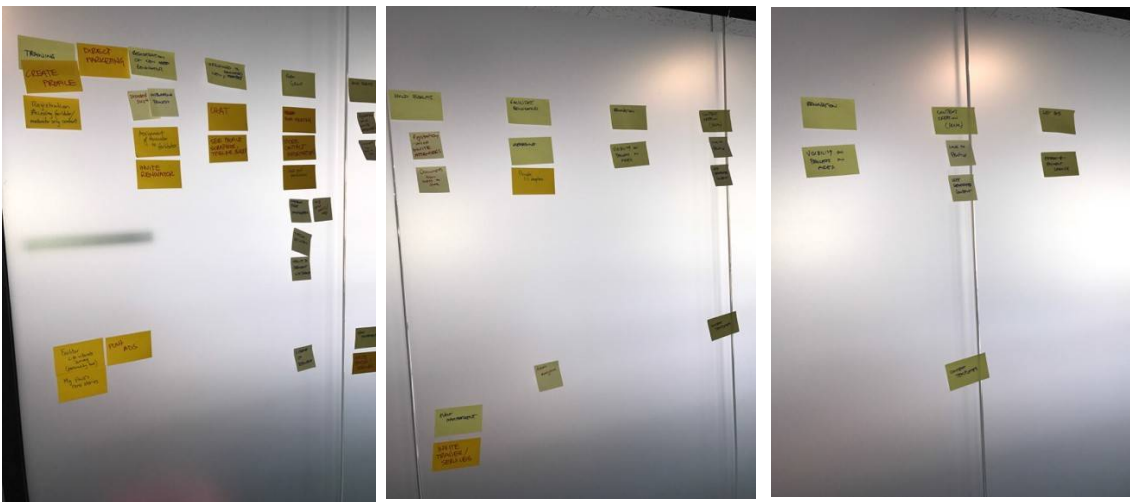
The features above this line (MVP line) represent our MVP and the features below the line captures our larger vision for the product and features that can be added later.



Renovators story mapping 11 July 2019



Trades story mapping 11 July 2017



Build4Life facilitator story mapping 11 July 2017

10.1.1 Renovators story map

Why	Fantasise Design	Research Renovation	Collate Ideas	Seek Advice	Plans/Scope	Quotes	Redesign Rescope	Select Trades / Service Provider	Project Phase	Pay Trade	Renovation Complete	Post Renovation
Ethics /privacy approval. Opt-in	Pretty content	Moderated forum (Facebook messenger)	Online Scrapbook – Pinterest API?	Facebook group (local)	Find a professional eg designer, planner, arborist, engineer, energyrater etc	Find trades, local referrals, trade ratings	Social network	Way to view all quotes together - comparison	Scheduling tool to track progress eg book in access to home	Online payment options – Paypal, Credit card, EFT, bit coin	Social share and link to scrapbook. Show off reno feeds into local content	Referrals
Real estate agent referrals	Design trends content made local	Local stories, video stories from renovators club	Scoop.it interface	Facebook messenger to “talk to an expert”	Plans suitable for quoting	Request quotes online	Advice on where to save costs	Way to accept quotes	Payments tool	Escrow service (third party integration)	Automatic feed to facebook group	What I did survey / data capture (use for content creation)
		Look for ideas like min	Online account – sign up process	Find people with similar reno	Prize submission process	Receive quotes online		Trade profile – insurance, licence etc, green smart training	Post project status eg photos, stories		Photographer referral / discounts	Trouble? Who to contact
		Read reviews and personal stories of planning processes	Push notifications of friends activity + notifications to facilitators	Renovation coach (moderators)	Floor plan feature eg integration with Google Sketchup	Help comparing quotes		Ratings and reviews, where to source? Review feature for trades	Gold, silver, bronze status for?		Reviews and feedback – write recommendation – how to create incentive to do this	Become a facilitator
		User generated content	Ability to request and collect survey	Renovators club members invited to facebook group	Help with specifications	Break down of costs (standard quote templates)			Database with trade details		Collect relevant compliance certificates	Provide maintenance scheduling and care guides
		My council planning requirements	Visualisation tools	Budgetting tool	Help – I want to talk with	Trades able to input dates			Peer advice		Process with how to deal with XYZ	

+ Reno process guide			someone – big red button	available to schedule job
Cost guides	Store hyperlinks and documents	FAQ	Gamification of process	Help I need a discount
Data on successful renovations		AI chat bot suggestions	Understand considerations eg waterproofing	Group discount – how to organise
Understand local approvals process		Be my architect, peer to peer improvement suggestions		
How-to content (based on renovator input)		Approved product listings and usage advice guide		
Property valuation / capitalisation guide				
Checklists				

Check work was done to specification

10.1.2 Trade story map

Lead Generation	Provide Advice	Request for Quote	Scope Work	Submit Quote	Do Work	Invoice for Work	Complete Work	Fix Work
Job notifications	Content stories – how to trade generated	Download curated plans and drawings for quoting	Message renovator	Submit quote online	Job scheduling timeline – aid visibility with other trades	Submit invoice online	Upload certificates, warranty	
Create profile on site	Participate in online forum	T&Cs associated with request	Mark up drawings and submit	Answer questions / clarify quote	Schedule work across multiple projects	Receive payments via Paypal, credit card, EFT etc	Profile renovations – link to scrapbook / portfolio	
Reference jobs scrapbook / portfolio Accreditation information eg Green Smart	Participate in renovators club	Pre quote checklist	Private messenger	Accept quote	Co-ordinate trades on project	Escrow service	Reviews – ability to respond to reviews eg trip advisor	
Push ads	Relationship with influential facilitator		Connect to suppliers	Not successful notification	Project directory of all trades on project or contact details			
				Process for handling variations	Leave reminders for client			
					Access updated plans / specs push notifications			
					Confirm material selections eg paint colours			
					Content for marketing			
					Open schedule – notification between trades			

10.1.3 Build4Life facilitator story map

Training	Direct Marketing	Registration of new renovator	Introduced to new renovator	Form group	Hold events	Facilitate renovators	Renovation	Content creation	Get paid
Create profile	Push ads	On boarding process eg how it works	Chat feature	Book meeting	Registration – invite attendees	Messaging	Visibility on projects in area	Link to profile	Payment service
Registration accessing facilitator moderator only content		Standard scripts for onboarding	See profile, scrapbook, timeline, budget etc	Store contact information	Documents from events to share	Private 1:1 drop box		User generated content	
Facilitators life interests survey (personality test)		Assignment of renovator to facilitators		Delete post permissions	Event Management tool	Analytics		Content templates	
My flocks' reno stories eg portfolio page		Invite renovator		Facebook page management	Invite trades / services				
				Send group emails					
				Establish local trade network					
				Ability to segment groups / lists					
				Library of resources					

11 Renovators Club Pilot Group

11.1 Purpose

The purpose of the renovator clubs is to provide a way for renovators to meet and develop social networks in order to share knowledge and ideas associated with their renovations. Build4Life would inject knowledge and information on sustainable renovations with a view to having these ideas and concepts adopted and disseminated via the social networks established within the club.

11.2 Overview

The use of a Build4Life facilitator convening a renovators club is a key element of the proposed business model and there are numerous assumptions underpinning this concept. The establishment of the pilot renovators club is aimed at testing these assumptions as part of the process of evaluating the business model.

A pilot renovators club was established in the Newcastle area on 4 September 2017 and covers the New Lambton, New Lambton Heights, Rankin Park, Lambton and surrounding suburbs.

The club was established using a closed Facebook group as shown in figure 5 below.



Figure 5: Build4Life Newcastle Renovators Facebook Group (Screen Capture 30 Nov 2017)

Recruitment through the group has been undertaken via a number of channels.

The first channel has been through social marketing (getting club members to recommend joining to their friends and networks). The first of this occurred in the week beginning 9 Oct 2017 with the commencement of the Build4Life facilitator, Kathryn Heatrick. The second occurred in the week beginning 9 Nov 17 when we posted an explainer video and asked club members to share.



Figure 6: Post asking members to share

Both of these activities saw a significant uplift in membership as shown in figure 7 below.

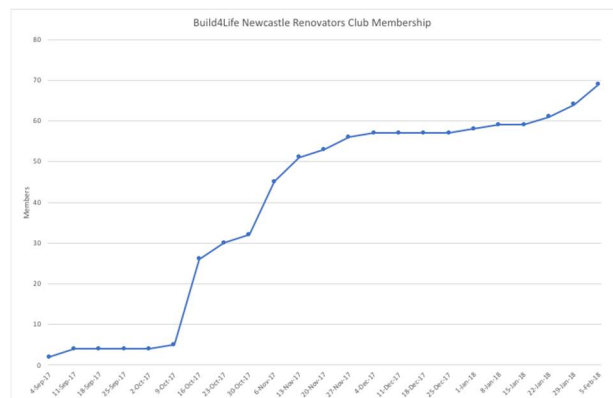
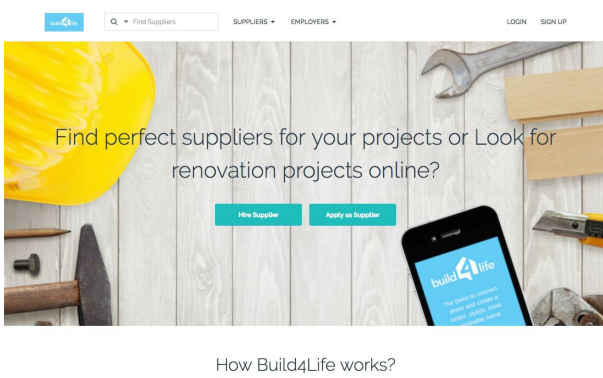


Figure 7: Club Membership Growth

The project has also been undertaking Facebook ad campaigns to recruit members. The Facebook ads have resulted in a small number of new members (approximately 4).

In addition to the club, an MVP website has been built to allow for user feedback.



How Build4Life works?

Figure 8: MVP Website (www.build4life.club)

Another channel explored was a letter box drop which was conducted across two suburbs. 100 flyers were distributed in New Lambton Heights on 25 January 2018 and 100 flyers were distributed in New Lambton on 1 February 2018. The flyer design is shown in figure 9

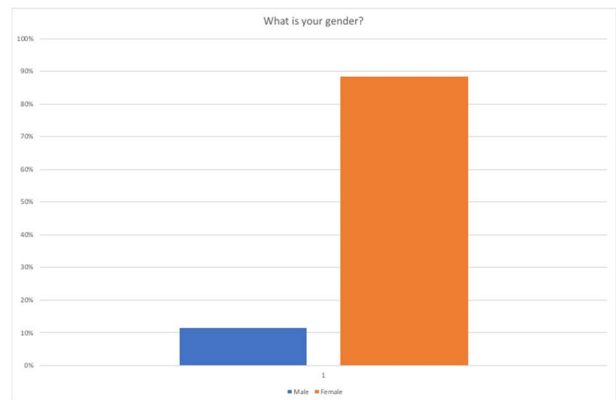


Figure 9: Letter Box drop flyer design

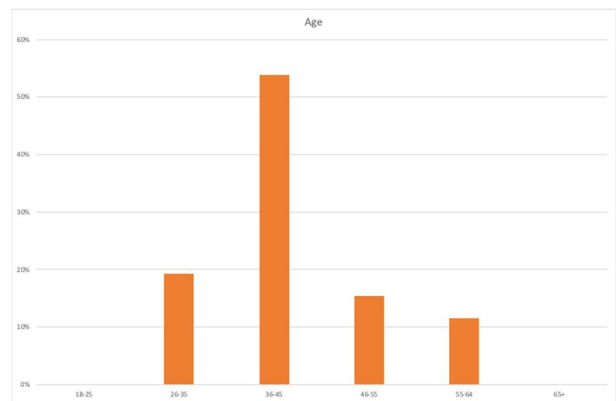
11.3 Surveys

A survey was distributed to renovators in the Facebook group on 21 January 2017 and we received 26 responses. The survey consisted of 10 questions and the following are the results.

Q1 – What is your gender?



Q2 – What is your age?

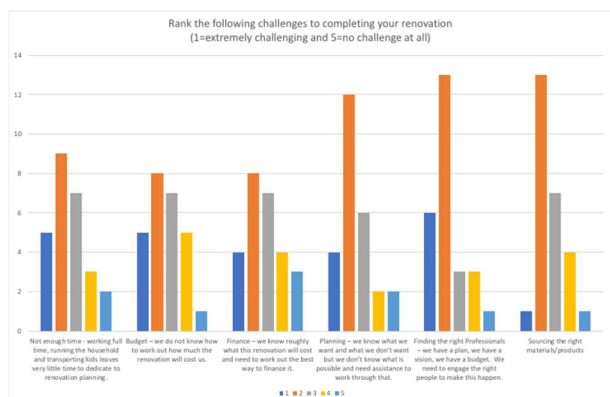


Q3 - What is the single biggest challenge you feel you are facing when undertaking your renovation (please be as detailed as possible)?

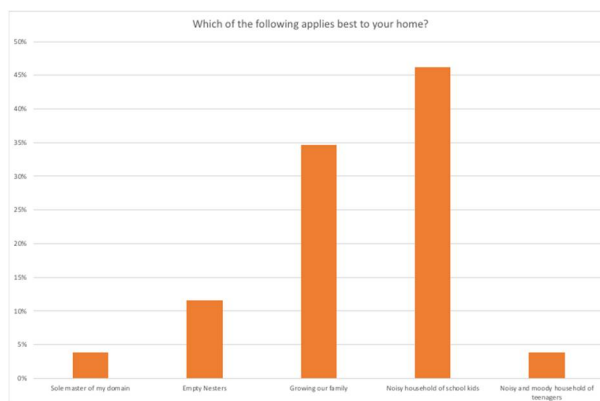
A word cloud based on the response to this question is shown below. The key challenges faced by the respondents were 27% time related challenges, 19% finding the right trades/suppliers, and 46% relate to budget either not having enough money or concerns over costs. This results correlates with previous market research in section 6.1



Q4 - Rank the following challenges to completing your renovation (1=extremely challenging and 5=no challenge at all)



Q7 - Which of the following applies best to your home?



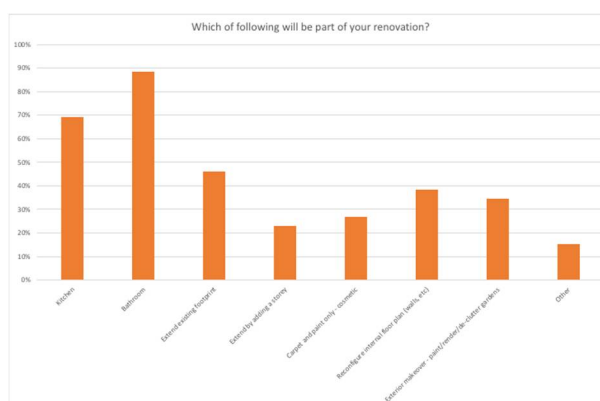
Q5 - Why are you renovating?

Renovators were asked to describe their motivation for renovating.

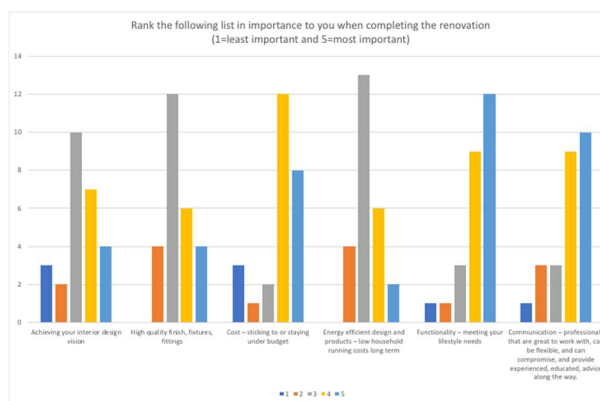
The most common reasons for renovating were to update their home (23%) or because they needed more space in the home (50%).



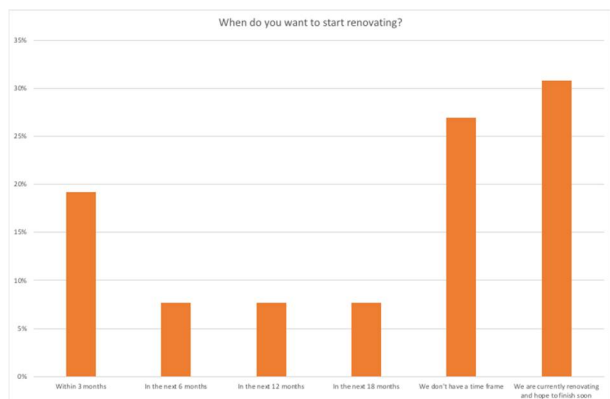
Q8 - Which of following will be part of your renovation?



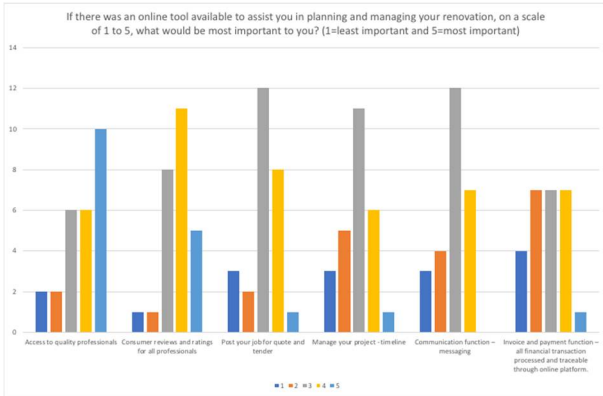
Q9 - Rank the following list in importance to you when completing the renovation (1=least important and 5=most important)



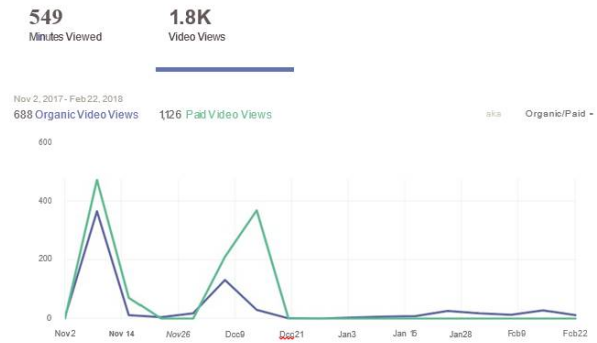
Q6 - When do you want to start renovating?



Q10 - If there was an online tool available to assist you in planning and managing your renovation, on a scale of 1 to 5, what would be most important to you? (1=least important and 5=most important)



Performance - METRICS FOR ALL YOUR VIDEOS FROM 11/2-2/28 COMPARED TO THE PREVIOUS 190 DAYS



11.3.1 Summary and next steps

The survey validated our target customer profile as consisting of mainly mothers (81%) aged between the age of 36-45 (54%). Their biggest challenges with undertaking a renovation is not having enough time (27%), concerns over budget (46%), and finding reliable trades and suppliers (19%).

Most were renovating because they felt they needed more space (50%) or to update their home (23%) with the top 3 renovation activities being bathrooms (88%), kitchens (69%), and extending the home footprint (46%).

Most important things for renovators when completing the renovation was functionality, keeping to budget, and good communications with the trades.

Next steps include face to face interviews with renovators to unpack some of these responses.

Based on the type of renovations being undertaken there is a need to focus on content associated with kitchen and bathroom renovations.

11.4 Video content

Throughout the testing of the renovator club concept a number of videos were produced to try and drive visitors to the Facebook group.

The following is an overview of the videos that were developed and the number of views (both paid through boosting the post and organic traffic) between 1 November 2017 and 28 February 2018.

Video	Published	Minutes Viewed	Video Views
Your invitation to join our Newcastle Renovators Facebook group	11/09/17 8:59PM	181	566
Invitation to Join Our Newcastle Renovators Group	11/04/17 12:51PM	136	437
Interior Design Tips with Louise Hatcher	12/12/17 9:40PM	77	288
Interior Design Trends with Louise Hatcher	12/10/17 7:49PM	63	241
Renovations Tips - How to determine your style with Louise Hat...	12/08/17 9:41PM	52	167

