



Lisbon School
of Economics
& Management
Universidade de Lisboa

MASTERS IN MANAGEMENT

MASTERS FINAL WORK

PROJECT

**US AND CHINESE CONSUMERS' WILLINGNESS TO
PAY FOR PLANBELAS PROPERTY: A CONSULTING
PROJECT**

JORGE MIGUEL PIRES GASPAR

APRIL-2022



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APRIL-2022

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Through my heart both will live on, and to them I entirely dedicate this project.

António Manuel Ramos Gaspar and Ana Teresa Lopes Pires Gaspar

ABSTRACT

The following project aimed to evaluate whether the new dwellings to be built in Belas Clube de Campo could achieve profitability. High economic class foreigners were the focus group on this project, whose needs and wants to differ from other economic classes due to their financial power. To evaluate the credibility of this group, several analyses were performed to address the external and internal environment of the firm, leading to a strategic set of recommendations. Research unveiled that while the US market is willing to accept sustainability on every level and pay for it, becoming a well-positioned market for PlanBelas to target. The Chinese market is only likelier to accept sustainability for health and safety purposes, in addition to the cultural barriers, it lacks full potential as a client.

KEYWORDS: Sustainable Real Estate, SDG, Quality, Luxury, Sustainable Practices, Personas, Willingness-to-pay

RESUMO

O presente projeto tem como objetivo avaliar a rentabilidade das novas residências sustentáveis a ser construídas no Belas Clube de Campo. Os estrangeiros de classe económica alta foram o foco deste projeto, cujas necessidade e desejos diferem das restantes classes económicas devido ao seu poder financeiro. De forma a avaliar a credibilidade deste grupo, foram efetuadas várias análises para abordar o ambiente externo e interno da empresa, conduzindo a um conjunto de recomendações estratégicas precisas. A recolha de informação revelou que o mercado dos EUA está disposto aceitar e pagar por sustentabilidade como um todo, tornando-se assim um mercado com muito potencial para a PlanBelas, por outro lado o mercado Chinês sugere apenas estar disposto a pagar pela sustentabilidade ligada à saúde e pela segurança, adicionando estes fatores à barreira cultural, este mercado carece de elevado potencial.

Palavras-chave: Imobiliário sustentável, ODS, Qualidade, Luxo, Práticas sustentáveis, Personas, Disponibilidade para pagar.

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GLOSSARY

BCC - Belas Clube de Campo

CAE's - Classificação de Atividades Económicas

MAL - Metropolitan Area of Lisbon

PESTEL - Political, Economic, Social, Technological, Environmental, Legal

SDGs - Sustainable Development Goals

ODGs - Objetivos de Desenvolvimento Sustentáveis

SWOT - Strengths, Weaknesses, Opportunities and Threats

WTP - Willingness-To-Pay

CHAPTER 1 - INTRODUCTION

1.1 Introduction

This project was developed by ISEG students from the Master's in Management who, through the course of 13 weeks provided consultancy services to PlanBelas, S.A. The team integrated the following five members: Inês Santos, Jorge Gaspar, Mariana Quintas, Milton Nakhare and Rui Gonçalves. All of which was supervised by ISEG's Prof. Dr. José Veríssimo alongside Prof. Constança Casquinho as a mentor.

The consulting services started at October 11th of 2021 with a kick-off meeting, throughout the following months several steering meetings took place, both remotely and in the field, all of which led to a final presentation to the client on the 7th of March of 2022 where a set of recommendations were provided, after incorporating feedback the project was then concluded.

Overall, this research incorporated three main stages: Diagnosis, Analysis and Recommendations. The first included an x-ray to the firm's internal and external environment with the application of mechanisms such as the SWOT and Porter's five forces frameworks and field trip to the firm's location. With the collected information, the team was able to move to the second stage, where an issue analysis was developed, identifying the key issue, the source of this issue and ways to act upon it. This stage required the use of research data collection techniques, qualitatively through qualitative interviews and, quantitatively, with a survey, all of which was later analysed. By working on the collected information, a third stage began with the definition of five streams of recommendations, one for each member of the team. In this individual work the topic of relevance was market research due to the WTP information gap and how the SDG 11 is necessarily impacted by different consumer types.

1.2 Description of the Company

Belas Clube de Campo is a resort, envisioned by André Jordan Group in 1990. Located between 3 Portuguese mountains (Carregueira, Sintra and Monsanto), the 1.000ha property is known as one of the most sustainable estates in Portugal, offering a high quality of life and ultimately on the way of becoming a world reference. Besides

highly sustainable residences - apartments and townhouses - BCC offers the possibility for clients to construct their own houses by selling the land. Furthermore, it has an 18-hole golf course, a wellness & sports centre, a school, a restaurant and bar, and several other facilities.

Planbelas, BCC's real estate corporation, is the entity responsible for the promotion and management of the complex. Its main goal is to properly manage the enterprise according to its sustainable vision while ensuring high quality on construction, infrastructure, and design.

Planbelas is characterized by the following CAE's:

- 68100 - Buying and selling real estate
- 68322 - Condominium administration
- 42110 - Airport roads and runways

According to Banco de Portugal, in 2019 there were 29.204 companies in the real estate promotion sector. Out of these 29.204, 30.2% are in the MAL, in which 88.03% are entitled as microenterprises (Banco de Portugal, 2019).

1.3 Defining the Problem

This Consulting Project was designed to answer an empirical question from the company: Is Planbelas capable to be profitable in their new dwellings?

Belas Clube de Campo's new project aims to construct 1500 new habitations, and the main goal of this project is to ensure that this will be successful, through the implementation of significant recommendations. The 5 recommendations have in mind a communication strategy for the Marketing-Mix framework and explore the following themes:

- Exploitation of New Markets; Expansion of Services Offered
- Identification of New Communication Channels
- Adoption of Sustainable Materials
- Promotion of the Golf Course

CHAPTER 2 - LITERATURE REVIEW

The elaboration of a complete and concise literature review is an important step of a study as it allows the understanding of existing research on a specific topic, this brings to light the existence of a research gap, which by building up knowledge through multiple sources it is possible to draw and plan a research proposal (University, 2017).

This specific study will target a consulting project on PlanBelas, S.A, a firm whose actions cover the high-quality real estate sector to which is expected an internal and external study intending to identify and act on possible weaknesses. The scope regarding literature will target consulting mechanics to overcome issues, such as the pyramid and MECE principles and ways to x-ray the state of a firm's operations and to test the hypothesis that may arise, all of which based on the relevance and implication on UN's SDG program. On the hand, financial analysis, IT, architecture, and engineering will not scope on this analysis due to requests made the targeted firm. It's relevant to mention that while the information regarding consulting methods is quite accessible, information of sustainable real estate and its implications on the SDG program are limited.

Following Mckinsey's consulting methodology, a framework for problem solving was applied. This framework is called Pyramid principle and it encourages business strategies to be thought of on a bottom-up approach, starting from the overriding question, answered instinctively at first, and then followed by several facts and data that sustain it or deny it (Minto, 1995). To present these facts, a structural tree is designed with two branches, a deductive reasoning, answering the "why" of the overriding question, backed by specific scenarios and information. And an inductive reasoning, executed to explain "how" the overriding question could be put in action based on the existing scenarios (Keiling, 2021).

The effectiveness of a deductive reasoning is achieved through a complete overview of a firm's operations, an internal analysis and external analysis. An internal analysis is developed through a model named Porter's Five Forces, which identifies the competitive environment of a firm and explains how it may shape strategies and impact performance (Dobbs, 2014). Also, a SWOT framework should be applied, due to its easy understanding combined high applicability and communication, it is an extremely

effective model for strategy-making. Its use should be done carefully as it can easily become biased by perceptions (Sarsby, 2012).

Analysing the full scope of a firm, internally and externally, will lead to the exposure of strengths and pain points and it will help a business adjust to potential changes within their industry (Team, 2021), it is within the consulting team's responsibility to target areas of improvement and develop hypothesis for solving the respective issues.

The problem-solving process of a consulting case requires the use of data collection methods that researchers should believe to be the ones that are likelier to retrieve the most relevant findings (Hoover, 2021). The answer to this should usually be more than one, as mixing methods is key to balance the individual gaps existing in every method (Mertler, 2018). On one side, quantitative research incorporates methods such as online polls, surveys, or questionnaires, it's used to work with large amounts of numerical data, to which it can test correlations, find patterns, and make predictions (Bhandari, 2021). On the other hand, qualitative research includes methods such as in-depth interviews, focus groups and ethnographic studies, all of which, designed to collect data in a humanistic way as it focuses at a personal level, it can be regarded as holistic for seeking the meaning of particular behaviours, interpretive for aiming at more than just describing data and reflexive for the position taken by qualitative researchers, who should also capture information through a naturalistic environment (Kielmann, Cataldo, & Seeley, 2012).

The collection of information is later treated and should always be shared in a MECE way, MECE is a term made famous through a renowned institution for its consulting services named McKinsey, it stands for "mutually exclusive, collectively exhaustive", its use aims to breakdown a seemingly large and wide topic into smaller parts, every part together will cover the entirety of the problem and different parts won't overlap (Rasiel, 1999).

For PlanBelas, the identified gaps in research were WTP data for markets of interest, expansion of services offered, developed communication channels, alternative sustainable materials, promotion of the golf course. Our consulting team proposes to acknowledge every gap using the early mentioned topics, as a successful approach to these will increase the chances of this project's success.

The individual part will scope is the willingness to pay for sustainable features in the real estate market in an SDG driven environment.

Approved by all UN member states in 2015, the 2030 agenda for sustainable development was adopted comprising 17 sustainable development goals (SDGs), all of which serve as a universal call to end poverty, protect the planet, and make sure that all people enjoy peace and prosperity by 2030. Every SDG has multiple targets that specify each goal, in total there are 169 targets for 17 SDGs. Participating countries owe the responsibility to continuously work towards finding shared solutions to each one of the goals, and despite their equal importance, commitment should be prioritized towards goals in which they are furthest behind. Since they share an integrated value, investment on one goal will most likely translate into progress on others, this characteristic is at the core of what is called synergies (ICLEI, 2015).

In this study the focus is set on goal number 11 – Sustainable cities and communities. A goal of particular interest regarding Belas Clube de Campo's actions in the sector. This goal identifies several issues, the ones of particular interest for this context are pollution, waste management, energy supply and climate change, water supply and sanitization (Takase, 2018).

In the real estate industry, one of the major CO₂ emitters, sustainable strategies and solutions are a large trend. However, PWC experts identify the implementation of regulatory requirements at the EU and national levels and data management for increased transparency as key issues negatively impacting sustainable development in this area (Kreutel, 2021). In an early meeting with PlanBelas CEO many issues were acknowledged but willingness-to-pay for sustainability was the one highlighted.

Willingness-to-pay is a term referring to the maximum price a customer is willing to pay for a product or service. Variations between consumers' WTP can be extrinsic if they are based on, for example, demographics, and intrinsic if they are based on unobserved characteristics (Stobiersky, 2020). Quantifying WTP can be measured through stated and revealed preferences, these can be obtained through data collection surveys and market data or experiments, respectively. Experiments include auctions, field experiments and laboratory experiments (Braidert, Hahsler, & Reutterer, 2006).

As WTP is quantified we are able to describe personas to understand the segments of higher interest, these are fictional characters designed to understand the different user

types belonging to a market, it includes characterizing motivations, attitudes, goals, and pain points (Dam & Teo, 2022) Ongoing this process will allow a firm to know who they want to market their product to, especially when we take a step further to analyse what people say and what people do, these are key elements in persona development. We should hold in account that what people say is not necessarily what they do (Mulder, 2006).

Later, the communication process is key and a consumer's purchasing decision goes through multiple stages that influence the decision process and post-purchase behaviour. The first stage is characterized by the problem recognition in which consumers intend to satisfy their wants and needs (Hanaysha, 2018). In this situation, a firm can choose to just sell the product that satisfies the explicit need, or it can go further to shape and create others. Throughout research it became clear that most of the existing sustainable technology is unknown to the average consumer and since a consumer will more likely be willing to pay if the perceived value is larger than the price of a feature (Kotler, 2003). Overall, communication should assure the right message, according to different needs and wants, the right messenger, someone who is able to successfully deliver the value proposition, the right medium, by choosing the most effective channels of communication, and doing so in the right time, when the market is ready to accept it (Klassen, 2020). Regarding this project, PlanBelas seeks to better understand its customer market, especially with WTP data as it is not only scarce but extremely difficult to collect. Due to this, the individual section of this research will target the respective gap.

CHAPTER 3 - DEDUCTIVE REASONING

The development of chapter 3 and 5 was based on an issue tree analysis that acknowledges the key issue and separates it in two branches, one explaining *why* the key issue will have a specific outcome, called deductive reasoning, and another explaining *how* this outcome can occur and which tools will allow this, called inductive reasoning. In this chapter, the scope will be on the deductive reasoning, specifically in understanding the factors to *why* PlanBelas can be profitable in their new dwellings. This stage will require an internal and external analysis, applied through the SWOT framework, the Porter's five forces framework and a demand/competitor in-depth analysis.

3.1 Firm's description

Data provided by BCC shows that the 1.000ha village is occupied by more than 2700 residents with 800 families with an average of 2/3 children. BCC is a nationally wide complex with 30 different nationalities, most of which are Angolans (50 people), Brazilians (35 people) and Chinese (38 people). However, these do not translate on the residents of Belas, as the Portuguese still represent the majority, the French, Spanish, Germans, and Mozambicans have each one a weight of 1%, Angolans with 5% and Brazilians with 6%.

The most common age range in BCC is 25-44y.o (42%), followed by 45-54y.o (30%) and 55-64y.o (13%). BCC characterizes its residents as entrepreneurs, executives, and workers on the superior boards of the working companies.

3.2 SWOT Analysis

The next of the internal analysis included the application of the SWOT analysis, a framework comprising internal factors such as strengths and weaknesses and external factors, opportunities, and threats. It is characterized by a gathering of perceptual data suggesting the causes for the results being achieved, alternative means to achieve desired goals and instances that may threaten the future of the organization (Leigh, 2009).

1. Strengths

1.1 Edge on sustainability

Planbelas incorporates sustainable practices in their culture, the importance given to this critical subject is referred in the firm's mission, vision and values and highly promoted through its communication channels by holding an evenly position alongside three main operational activities, real estate, country club and golf. The warranty for competitive advantage is visible through the range of certifications achieved in the last decades in which we highlight the 2011 Sustain Worldwide award for "Most sustainable south Europe private residential community".

1.2 Sense of community

Belas Clube de Campo is characterized prominently for being highly community friendly, a rare characteristic, only made possible with a broad range of services, careful

planning, and special “know-how”, in this case, from its founder André Jordan. Services range from school, grocery store, medical home help and several more. These allow groups of people to grow into communities, it guarantees an increase in well-being and the satisfaction of the subsequent business model. Benefits of communities are many, one to highlight is the inspirational benefit for continuous success as in strong communities there is always someone doing something amazing.

1.3 Strategic location

Located equally between Lisbon’s centre, Cascais and Sintra, Belas Clube de Campo highly benefits from its centrality, this is a unique feature considering the size of the enterprise, besides satisfying different types of customers it’s one of the main reasons why competition lacks similarities. It’s a definite competitive advantage.

2. Weaknesses

2.1 Limitations of the golf course

Although the golf course is one of the main projects of Planbelas, its full potential is held back by two main factors. The first, being in the city centre rules out the possibility of another nearby course to increase diversity of plays, which is something common within Pestana’s Golf & Resort enterprise. Secondly, feedback from maintenance workers suggested that financial breakeven has not been achieved and it would only be possible with an increase of 50% on club members from the current 391 hold by October 2021.

2.2 Weak mass touristic positioning

Although there is a diversity of nationalities present at BCC, part represented by residential tourism and the rest by daily golf course users, mass tourism accommodation is not yet being satisfied in any form. The growth of this industry in Portugal has been clear despite a pandemic impact and a McKinsey article suggests it will have fully recovered to 2019 levels by 2024. (Santo, Caballero, Constantin, Kopke, & Bingelli, 2021)

3. Opportunities

3.1 Emerging market for sustained solutions

Sustainability and social responsibility are an increasing trending topic in the corporate world, very recently acknowledged at COP-26, it is expected that compliance

towards ESG factors will continuously grow in importance for the future as well as incentives for change, such as tax and legal incentives. The current progress in BCC is very positive, especially in infrastructure, and even though current market demand is yet to fully comprehend the premium that innovation requires, these steps should keep being taken as prospects are pointing towards their critical need in the future.

3.2 Website development

Belas Clube de Campo has a website developed to be one of the main entrance doors to the residential club. It is characterized for its simplistic design and colour scheme, a very informative space and great storytelling. A story is told by scrolling down on the main page, beginning with a description of main club areas and their purpose which builds interest, after which there is a video introduction that foments excitement, then it is followed by a more in-depth informative text section of every aspect previously approached, and finally a section with latest news articles alongside a contact area. It acts as a true experience to visitors and for this reason it can be a useful tool for future projects.

3.3 Ability to attract foreign investment

Despite the pandemic, an article posted by Santandertrade states that Portugal has entered the top 10 investment destinations in Europe (Santander, 2020), the country is now one of the main destinations for FDI. Apart from this, research also shows Portugal is above the European average when it comes to quality of life, which is one of the main factors considered by foreigners when acquiring housing in another country. (Caon, 2021) Considering the product offered by BCC, high-quality housing, this is evidence that demand is expected to at least maintain present values, hence an opportunity to secure newcomers to the enterprise.

4. Threats

4.1 The uncertainty of the pandemic and the housing market instability

Businesses are impacted by two major types of risk, systemic and specific, the first is common to every industry, a very recent example of this was the Covid-19 pandemic, the second is related to a specific sector, in this case we can highlight the 2008 housing bubble. The threats posed by these risks are seemingly perpetual and very recently, articles suggest that low mortgage rates in Portugal, combined with the inflow of

foreign capital along with a highly populated Lisbon may lead to a new housing bubble in the country (Valueofstocks, 2020).

Although economic crisis may have different impacts, they all threaten the financial stability of firms, Planbelas included. It is important that steps are taken towards protecting the organization against such events, this is done by maximizing competitive advantage and working continuously towards capitalizing on new opportunities.

3.3 Porter's Five Competitive Forces

In a constant changing world, firms need to adapt to different circumstances to ensure competitive advantage comparing to those that participate in the same market. The firm's environment is conditioned by its industry or industries of competitiveness (Porter, 1980). The intensity of competition and potential profit underlies on the so known Five Competitive Forces:

1. Power of negotiation from Suppliers: **LOW/MEDIUM/HIGH**

Suppliers represent a threat once they realize they have a higher share of the market, insisting on increasing prices or lowering goods/services' quality. To keep up with the high standards promised to the residents, Planbelas made several agreements with firms that ensure the supply for the services required, such as post office, pharmacy, and restaurant. In addition, more than 75% of the materials used in site are extracted or produced less than 100km of distance. Therefore, being these entities, the needed ones for BCC to thrive and operate daily, they have in their hands a significant power of negotiation.

2. Threat of New Entry: **LOW/MEDIUM/HIGH**

The threat of new entry depends on the number of barriers and the reaction from competitors to their entry. "If barriers are high and/or the newcomer can expect sharp retaliation from entrenched competitors, the threat of entry is low" (Porter, 1980). Among the six popular barriers to entry- *economies of scale*, *product differentiation*, *switching costs*, *access to distribution channels*, *cost disadvantages independent of scale*, and *government policy*- BCC is considered by the group, an exceptional competitor in *product differentiation*.

In the real estate industry, new entrants must bring innovating technologies, introduce new methods, and pressure investors with lower pricing strategy, cost cutting, and new value propositions for customers. In an initial phase, firms in the real estate and construction sector require a significant capital to invest in and to act as threat for others. In addition, the Portuguese government has proven to be tough on accepting new projects, giving the number of licenced new constructions that were given throughout the years (Instituto Nacional de Estatística, 2021). Planbelas proves to be a harsh company to compete with, however, to guarantee its competitive advantage, new products/services should be developed also by investing more on research & development.

3. Buyer Power: LOW/MEDIUM/**HIGH**

Buyer Power excels in the industry as an acting weight on prices. The smaller the quantity of buyers, the higher the bargaining power. Due to Planbelas high quality properties, the range of customers is characterized by their financial ability to afford these estates, representing a small percentage of the foreign/national population. Consequently, these buyers are expected to be more demanding, as they want to ensure their money is well-spent and their needs fulfilled.

4. Substitutes: LOW/**MEDIUM**/HIGH

The power of substitutes, influenced by what other firms offer in terms of price, limit the range of profits the enterprise has. Firms tend to be successful if they provide products with a lower price and an average performance, or if they stand out in the industry. Regardless the existence of competitors, whether these are in the MAL, in Alentejo or by the coast, BCC surpasses its rivals due to the set of characteristics provided. After research to find competitors that match BCC's level, we did indeed find luxury resorts and well-known buildings, however none of these offer a private and gated community, awarded with sustainable recognitions, with several amenities onsite.

5. Industry Rivalry: LOW/**MEDIUM**/HIGH

“Rivalry occurs because one or more competitors either feels the pressure or sees the opportunity to improve position” (Porter, 1980). When rivalry in the industry is high, it depresses prices and reduces the overall profitability of the industry. Although the Real Estate market is highly competitive, this can affect the overall long-term

profitability of Planbelas. However, the attention for detail that Planbelas offers, puts it with a high market share and on the loop for customers. In addition, the balance between Demand and Supply also plays a huge role on the overall profitability. In this case, due to the low supply, similar to BCC, seen in Sintra or any major cities surrounding, the demand side can increase prices due to the uniqueness of the product in the market.

3.4 Demand

According to the JLL report, Portugal is Europe's leading destination, and is placing significantly high in the sector of sustainability as Lisbon was awarded the most sustainable capital in Europe, furthermore, it is well positioned in terms of English proficiency which is also a plus when talking about foreign investment, those are all aspects that might fuel the rapid increase of foreign investment in recent years, making Portugal a very attractive country in that regard (Residencial, 2021). Portugal law enforcers appointed mandatory sustainable measures in the sector of housing, consequently energy efficiency, quality constructions and environmentally friendly designs are increasingly becoming requirements to ensure the promotion of this kind of business. It's relevant to mention that the pandemic not only increased the dynamics of this reality, but it also gave greater expansion in terms of people's personal awareness regarding the mentioned topic. The following projects now must take more into consideration regarding sustainability and constructions practices, to ensure the quality of lives people expect. Diminished and reduced carbon footprint has become more relevant when thinking about construction as residential, commercial, and industrial real estate ripe for development. According to recent data from JLL, there is a growing diversity of nationalities investing in Portuguese real estate, this trend is ever evolving, in 2012, the UK was the country that most purchased real estate, occupying the mark of 23% out of 6902 houses purchases by foreign and France was in second with 15% of the same purchases (Residencial, 2021). In 2019, France became the nationality that had the most purchases with 18% of the total share of houses bought, second came the UK with 17%, as consequence, an increase of 3% from 2012 to 2019 was noticed in the French market (Residencial, 2021). It's relevant to mention that in terms of demand, Portugal has faced a steep increase in the past decade, causing a shortage of supply, hence an increase in prices. Part of the reason for this, is due to the long process that is

required for the licensing and construction, as data from JLL indicates that the number of housing units in Portugal grew by a marginal 1% in 10 years period (2011-2021), and this fact is mainly due to economic, financial crises and the licensing which was previously mentioned.

In terms of indicative residential areas, in 2012 the French occupied the most residential buildings in Lisbon, with a share of 20% out of 249 houses, followed by citizens from Angola and Brazil respectively, with shares of 16% and 11%. It's relevant to mention that during that period, Portugal was going through a crisis and by 2017-18 the market reached its peak, marking its resurgence. During 2019, as consequence of the golden visa, the Asian market also decided to invest and buy residential homes in Lisbon, China occupies the bigger percentage with 18%, out of 1538 international purchased, followed by Brazil and France with 17% and 8% respectively, signalling the effectiveness and of the new advantage applied, that is, golden visa. The North American market has remained stagnant in terms of shares of residential homes during that period, as in 2012, it had a share of 5%, and has remained the same until 2019, with that said, it's ever so important to mention that the weight of the shares is different and that the American market has indeed made a greater impact in terms of weight of housing purchases (Residencial, 2021).

3.5 Competitors

The analysis of BCC competitors needs to consider the overall environment of the real estate market as well as Planbelas' business model, to depict its direct competitors.

The Portuguese real estate sector is going through a phase where there is a disproportion between supply and demand, with the latter far outnumbering the former. This has been exacerbated with the pandemic, where there was a slowing down in the issuance of new building permits, elongating the licensing processes, as well as an increase in the construction costs that may have impacted development decisions (CBRE, 2020). Therefore, there is also a lack of housing with substantial sustainable measures, though an increasing interest in this area is being observed and expected to rise, as the implementation of such procedures is perceived as value added (CBRE, 2020). Furthermore, the sector of development of building projects is predominantly constituted by microenterprises, which by Banco de Portugal's definition means

companies that have less than 10 employees and an annual balance that does not exceed 2 million euros (Banco de Portugal, 2019).

Belas Clube de Campo, being a residential resort, is also committed to align its business model to sustainability and puts great emphasis on this. Moreover, as mentioned before, its prime location and the diversity of services that it offers to its residents are strengths of this business. Remote working became a consequence of the pandemic, and it is something that seems to be here to stay, so people are no longer so strongly concerned about living in the city, closer to their workplace, and are now seeking more peaceful locations. BCC is offering a place to live that is surrounded by calmness and nature, while still being close to the capital and busier cities (Sintra, Oeiras, Cascais). The wide range of services that it offers is in addition a great asset, as trends such as “hotelification” and a greater sense of community are emerging (CBRE, 2020).

Having all these factors in mind, the search for BCC competitors was made difficult and it is possible to say that Planbelas stands out in the market. Nevertheless, and considering the strengths previously laid out, a few potential direct competitors can be pointed out. Firstly, having the location factor in mind, meaning Sintra, and the type of housing that is similar to BCC, such as a private condominium, Condomínio Privado Fonte do Pinhal is a candidate to consider. As stated previously, it is in Sintra and, like BCC, provides the possibility of quickly commuting to other larger cities (Cascais, Oeiras, Lisboa). The amenities that the complex offers also can be compared to Belas Clube de Campo, as it also accommodates services and infrastructures that resemble it a health club, tennis court, and kids’ park. However, in terms of sustainability, BCC differentiates itself, as there are houses in Fonte do Pinhal that are classified as C in terms of energy efficiency in real estate agencies websites. Secondly, and looking closer at housing options that are putting greater emphasis on sustainability, the project of Grupo Libertas called Tagus Bay is an example that can illustrate another potential competitor. Grupo Libertas states that it is committed to sustainability and has the goal to make its projects self-sustainable, by using mainly renewable energies, having already acquired certifications and awards. Tagus Bay is located in Alcochete, which is one of the councils in Lisbon Metropolitan Area with the highest growth (CBRE, 2020) and that is developing in a way that its population can quickly go to Lisbon if needed. It has many sustainable measures, such as “rainwater recovery, centralized water heating

system with thermal solar panels, accumulators of energy produced by photovoltaics panels”, that promise to deliver an “economy 45% above the average”. The amenities are also to be noted, with spaces dedicated for co-work, gymnasium, kids’ club, and a private biological garden with aromatic herbs. Third and last, Vanguard properties’ Muda Reserve is alike BCC, in the way that its intention is to create a village from scratch, in Comporta. Therefore, a great importance on the services and infrastructures is seen, to assist its residents in their everyday life, but also to better their quality of life, with amenities like grocery stores, restaurants, green spaces, and sports courts. People will also be able to create their own houses and the possibility of practicing agriculture for private consumption. Its location is also an asset, as it is close to beaches, golf courses and the commute to Lisbon takes approximately 1 hour.

CHAPTER 4 - MARKET RESEARCH METHODOLOGY

When developing a study investigation, several variables need to be considered to know which approaches to follow, who/what should participate, and what to use. The use of mixed research methods is very much defended by investigators (Kielmann, Cataldo, & Seeley, 2012).

4.1 Qualitative approach

The qualitative data collection took place during the months of November, December, and January, it included interviews on real estate specialists and potential clients. Regarding these potential clients, the income variable was a common factor since it represented a requirement to acquire an estate in Belas. The nationality variable was also considered according to the client’s desire to diversify the culture in Belas and the potential of that respective nationality to acquire property in the club.

This method followed a semi-structured script where it allowed more flexibility in the engagement and question were adapted according to feedback, in a conversation style. This is a key method to identify the motivation, attitude and behaviour behind someone’s choice or act (Raworth, Narayan, Sweetman, Rowlands, & Hopkins, 2019).

Online Interviewees were recommended by the professor, colleagues, friends, and family. These were previously contacted to have their participation while describing the interview conditions, time expected, and the ambit scope. The time expected for interviews was of 30minutes and it was initially asked to record.

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9 interviews were performed, in which 3 were Americans (33.3%), 4 were French (44.4%) and 2 were Brazilians (22.2%).

Interviews took place during the months of November and December and transcripts were performed during the same months. Afterwards, a data analysis was performed using the MAXQDA software.

TABLE 1 - SOCIO-DEMOGRAPHIC CHARACTERIZATION OF ONLINE INTERVIEWS SAMPLE

Interview Number	Nationality	Age	Profession
1	American	~50	Executive Director of IEEE
2	American	35-44	Art Gallery Owner
3	American	55-64	CEO of a Medical Group
4	French	18-34	Masters Student
5	French	45-54	Unemployed
6	French	18-34	Chief Project Manager
7	French	18-34	Logistic Manager
8	Brazilian	35-44	Quantic Biofeedback Therapist
9	Brazilian	35-44	Real Estate Agent

In person interviews were executed in Praça do Comércio and Belém, in Lisbon. These places were chosen due to the high density of tourists. These were approached by the group members and asked to participate in a brief interview, that in average took about 15minutes. These were not recorded; however, notes were taken by one member of the group while the other was the interviewer. These were performed during October and a transcript was assembled afterwards. Only 5% of performed interviews insert in the persona of interest.

It's important to mention that the section regarding economic class is purely subjective and based on content appreciation, therefore it isn't a fully reliable source of information.

TABLE 2 - SOCIO-DEMOGRAPHIC CHARACTERIZATION OF IN-PERSON INTERVIEWS SAMPLE

Interview Number	Nationality	Age	Profession	Economic Class
1	Dutch	18-34	Student	Low

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2	French	45-54	N/A	Medium
3	Dutch	45-54	N/A	Medium
4	Brazilian	35-44	N/A	Medium
5	American	>55	N/A	Medium
6	Dutch	45-54	N/A	Medium
7	Dutch	18-34	N/A	Medium
8	French	45-54	IT Consulting	Medium
9	Romanian	35-44	N/A	Medium
10	British	45-54	N/A	Medium
11	Spanish	35-44	N/A	Medium
12	Spanish	18-34	N/A	Medium
13	Spanish	18-34	N/A	Medium
14	Mexican	45-54	N/A	Medium
15	Brazilian	35-44	Physician & Lawyer	Medium-High / High
16	Brazilian	18-34	N/A	Medium
17	British	18-34	N/A	Medium
18	Brazilian	>55	N/A	Medium
19	Brazilian	>55	N/A	Medium
20	Brazilian	45-54	N/A	Medium

The interview follows a semi-structure methodology, which consist of several written questions that are intended to be asked, while others arise as the interview progresses. The goal of the script was to understand interviewees given relevance to certain aspects while searching for an estate, which can be found in the Appendix. The interview starts with introductory questions to gather personal information - socio-demographic - followed by questions on new markets, sustainable measures, new services, and communication channels topics.

4.2 Quantitative approach

The quantitative approach was made through the development of a survey, opposite to a qualitative method it won't capture motivations and feelings but will instead be a source of a large sample, capable of using statistics to test hypotheses, predicting and find correlations. During this approach, each respondent answered to the questions anonymously. The questions presented were of 3 types: multiple choice, rating on a scale from 1 to 5 (Likert scale) and ranking by level of importance.

Before releasing the official survey, this one was requested feedback to a family of BCC, to understand the relevance on the overall questions. A few changes were made in the end, with the professor approval. The survey was firstly shared, on December 9th of 2021, among friends, family, colleagues, friends of friends and after a few answers (about 100), shared on social media platforms like LinkedIn and Facebook group chats. The same was closed on February 3rd of 2022.

The survey structure follows the same as the interviews, so, firstly socio-demographic question, followed by the individual topics of research. Questions like the sex and marital status were not imposed to not discriminate the sample, and in addition, due to the low relevance these had on the final analysis - the income was the main variable to bear in mind.

4.3 Analysis of the Qualitative Method Results

The qualitative output obtained during research was worked on through the MAXQDA software, allowing for a more organized and detailed analysis.

About potential clients for BCC, our team collected positive feedback from many countries but only China and the US were considered, both will be the focus of this study later into the research and the reasons for this choice will be discussed further.

For now, it's important to understand the relevance of the statements supporting both markets as the origin for these statements come from individuals with great real estate experience, both CEO's and market specialists.

Supporting statements

China:

- "Has been a growing market" - **Expert 1 (JLL)**
- "They usually come in large buying groups" - **Expert 2 (Commercial director at PlanBelas)**

USA:

- "It's a market that slowed down with the pandemic but is now coming back" - **Expert 3 (PlanBelas CEO)**
- "It's a significant market for us" - **Expert 4 (Vanguard Properties)**
- "They have a lot of buying power" - **Expert 1 (JLL)**

While approaching the topic of WTP for sustainability results weren't clear, first thing to notice is how much potential homebuyers show interest but immediately bring up external benefits brought by it, such as energy efficiency. This is evidence that a strong

message to potential clients should incorporate self-benefits besides the known bigger picture of sustainability.

Also, market specialists seem to hold different perspectives to potential homebuyers regarding its acceptance, this may be evidence of a gap between stated WTP and “real” WTP. This is an expected issue when there are topics in which people are afraid of what it may be thought of them.

Supporting statements

- “Não. Mas ao mesmo tempo há exigência para o conforto e, portanto, isso exige de investimentos que têm de ser feitos. Existe uma cultura nos outros países que acaba por contagiar o nosso mercado, se quisermos ser competitivos” - **Expert 5 (Confidencial Imobiliário)**
 - “Hoje as pessoas já procuram soluções ecológicas, projetos com certificação energética. São casas cada vez mais vendáveis”. - **Expert 1 (JLL)**
 - “Agora, se eu procurasse uma casa agora isso (sustentabilidade) era prioridade” - **Interviewee 8**
 - “Procuramos mesmo menos químico, mais sustentabilidade possível.” - **Interviewee 9**
 - “Yeah... Like I think, I would pay up to twenty thousand dollars to have things efficient.” - **Interviewee 3**
 - “If it is isolated you can efficiency and pay less for instance for your bills, so that’s something she considers as well as the materials used to build the house (...) same for me.” - **Interviewee 4**
-

4.4 Analysis of the Quantitative Method Results

In this research, 144 answers were obtained. The age range 18-34 represented 65% of the sampling, and Portuguese was the nationality of most respondents (94%). Working respondents - 72.2% of sampling - are divided in the followed categories: working student (13.8%), employee (54.1%), and self-employed (4.1%). From the 144, 102 disclosed their household income information. From this, 34% are upper class- Regarding housing situation 55.5% (85p.) of interviewees have bought the house they live currently in, while 9% (13p.) live in a rented house.

About sustainable housing, 77% (104p.) say they would consider sustainability in a future purchasing decision, 13% (18p.) are indifferent and the rest wouldn’t (13p.), meaning that most of the sample shows awareness to this issue. To the reason why sustainability is a choice, individuals were allowed to rank more than one factor, the majority ranked energy saving as the main benefit (100p.), confirming the hypothesis brought up through qualitative interviews, followed by the so-called “bigger-picture” of

sustainability, the environmental benefits (73p). Only a scarce number of individuals would invest for property value purposes (36p.) and even less for medical reasons (5p.).

The sample was also allowed to rank the most relevant features, again more than one. Isolation, both thermal and sound, is at first place (97p.) followed by solar panels by a significant margin (65p.), few people choose sustainable factors related to renewable materials (33p.), arguing once again that clients may value energy saving more than environmental impact.

The hardest was to quantify WTP. Individuals were asked the % premium they would be willing to pay as an increment to the price tag of the house, choice at 10% and went up to 20%,30% and 40%. Results suggest that this question may not have been effective as 57% of the sample (70p.) chose the minimum possible value, indicating that if 2,5%/5%/7% had been an option they would've probably been a preferred choice.

CHAPTER 5 – INDUCTIVE REASONING

In chapter 5 we will focus on explaining *how* PlanBelas can achieve profitability in their new dwellings, we explore this idea as previously we were able to understand why this would be possible, in deductive reasoning.

This research will target data regarding market information for two significant foreign countries, including collection, treatment, and disclosure, offering PlanBelas an action-plan regarding both.

5.1 Contextualization

Belas clube de Campo together with Quinta do Lago are two remarkable projects envisioned by entrepreneur Andre Jordan, both were developed with the concept of a low-density resort, characterized by a “perfect” integration of natural landscape. The vision for sustainability is these enterprises are a reconciliation between environmental, social and cultural factors with the commercial concerns of their clients, named by the group as “concerns for the more demanding ones”. In the scope of environmental sustainability, Belas Clube de Campo development is far ahead from the majority of the market. It has integrated, on a large scale, features regarding the retrofit and efficiency of energy sources as well as the use of eco-friendly inputs for construction, these actions are in accordance with the pursued goals of SDG 11.

5.2 Defining the problem

Despite the sustainable measures taken in recent decades by PlanBelas, the company struggles heavily to collect the fruits of their efforts. The CEO ensures that this type of investment requires great perseverance and resilience.

This means that despite the urgency of the 2030 agenda, positive actions towards achieving the established goals, aren't the safest nor the most profitable. This is a significant issue, investment comes at a very high price, a price which PlanBelas has incorporated over the years, but the company is an outlier in this sense, very few will take risk of financial distress for an action mostly based in morality.

The way sustainable investments decrease profitability, can be understood by cost and willingness-to-pay issues. Regarding costs, a The Telegraph article in 2010 stated that in the UK these goods were priced 44% higher than their average peers (Telepragh, 2010). The reasons for this are mainly the lack of demand for the products which dictates that businesses need to increase prices to have profit, as well as the high manufacturing costs due to low economies of scale and highly valuable raw materials. In the context of BCC, an added sustainable feature to a house, increases manufacturing investment which, *cæteris paribus*, decreases the profitability.

The limitation regarding willingness to pay, directly impacts revenues, and will be the main target of this study, which will be approached later. From early meetings with the administration this was confirmed to be a topic of interest towards a possible study as this information is extremely hard to collect, since sustainable quality housing is a niche concept and quantifiable data is scarce.

5.3 The choice for the US and Chinese markets

The following countries were chosen based on the coexistence of four main criteria, the existence of a relevant willingness-to-pay study, positive feedback from primary and secondary data and a significant market to explore.

Regarding the US market the following table was designed, comprising the factors mentioned above:

TABLE 3 - CRITERIA FOR THE US MARKET

Criteria	USA
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Positive primary data feedback	<p>“It’s a market that slowed down with the pandemic but is now coming back” - Expert 3 (PlanBelas CEO)</p> <p>“It’s a significant market for us” - Expert 4 (Vanguard Properties)</p> <p>“They have a lot of buying power” - Expert 1 (JLL)</p>
Positive secondary data feedback	<p>“The new California dream is in Portugal” - (Litmann, 2021)</p> <p>“It’s people with fortunes that are buying here to settle in” - (Antunes, 2021)</p> <p>US americans close the top 3 for largest search percentage of luxury homes - (n.d., 2021)</p>
Market size	<p>21,950 million households with over 1 million USD as of 2020, with a growth expectancy of 27,8% by 2025.</p> <p>Country with the largest number of millionaires (Davies & Shorrocks, 2021).</p>

The US market collected one of the best feedback items throughout research, its value increases even higher by the large amount of disclosed information there is regarding market preferences and sizes. In Belas Clube de Campo this nationality is widely lacking in presence, going against all suggested information, as of November 2020, there was only 4 US residents in the country club, 2 of which are owners.

Due to this inconsistency, a clear opportunity to further analyse this market was brought up and our team decided to push forward regarding it.

Regarding the Chinese market the following choice table was designed:

TABLE 4 - CRITERIA FOR THE CHINESE MARKET

Criteria	China
Positive primary data feedback	<p>“Has been a growing market” - Expert 1 (JLL)</p> <p>“They usually come in large buying groups” - Expert 2 (Commercial director at PlanBelas)</p>
Positive secondary data feedback	<p>China’s largest property portal, juwai.com, highlights Portugal as one of the most attractive countries for Chinese investors. - (Carvalho, 2020)</p> <p>Luxury real estate was the focus of Chinese</p>

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	<p>homebuyers in Portugal. The average buying price was 373 thousand euros (Instituto Nacional de Estatística, 2021)</p> <p>From 2012 to 2019, the chinese market grew to become one of the top 5 growing nationalities in the country (Residencial, 2021).</p>
Market size	<p>5,279 million households with over 1 million USD as of 2020, growth expectancy of 92,7% by 2025.</p> <p>Country with the second largest millionaire growth expectancy, after Poland (Davies & Shorrocks, 2021).</p>

The Chinese market also collected positive feedback, data shows a clear trend surrounding this nationality and their willingness to invest in Portugal across multiple industries. The golden VISA had a significant importance as it gathered 2.700 million euros worth of Chinese investment from late 2012 until late 2020 (Lusa, 2021). During research, PlanBelas CEO, revealed that Chinese investors despite being a significant market, seem to lack in presence at the club. These citizens have trouble fitting in, which goes against BCC's vision. Yet, the group decided to also focus on this market with the goal of testing further analysing their preferences and eventually test its significance, since the scale of potential investment in the club would be extremely beneficial to the revenues of the firm. As of 2020, only 4 residents out of more than 1000 in BCC were Chinese.

5.4 Case study 1 – USA

Regarding the willingness to pay from U.S. consumers. Two studies were taken into consideration. The first, by GreenPrint Corp., a global environmental technology company, published The Business of Sustainability Index. This index collected information through an online survey conducted from February 15th to February 16th, 2021. The sample represented 1,017 U.S. adults aged 18 years of age or older. To ensure the consistency of the survey, data was weighted by the variables sex, age, geographic region, race/ethnicity, and education. The second is the Global Sustainability Study 2021, by Simon-Kucher & Partners, it surveyed 10,281 consumers

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from around the world 1,062 of which were U.S. citizens aged 18 years of age or older. By crossing the information of both studies, the following results were obtained.

TABLE 5 - WILLINGNESS-TO-PAY IN THE US MARKET

Data	GreenPrint	Simon-Kucher & Partners (U.S. sample only)
Willingness to pay	64%	42%
% of which use sustainability as a factor in their purchasing decision.	73%	58%
% of which use sustainability as a factor in their purchasing decision. Northeast region only (ex: New York, Pennsylvania, New jersey, Massachusetts, etc)	85%	-
% of which use sustainability as a factor in their purchasing decision. Northwest region only (ex: California, Washington, Arizona, Nevada, Oregon)	80%	-
Average accepted sustainable premium (all industries)	-	37%

Regarding WTP, in both cases the percentage is significant, although only in the GreenPrint the majority is willing to pay a premium for sustainability. In both cases, there are more individuals who take sustainability in account than those who don't. This percentage significantly increases when the scope lies on the Northeast and Northwest states of the country, these areas are mostly associated with higher education levels, higher income levels are dominance of urban areas over rural areas.

The same study shows that in average, U.S. citizens are open to accept a 37% cost increase for sustainable features, out of 17 countries, the U.S. ranks first tied with UAE and followed by Denmark (34%). Despite this being a very positive result at first hand, it's relevant to understand that for PlanBelas with houses starting at 325.000 euros it's unlikely that the 37% premium will remain constant. The same survey was able to inform that the average premium accepted for both Construction/home and energy/utilities is 25%, but this information general for the samples of 17 countries and not specifically the U.S. sample. Also, Energy/Utilities was ranked the highest in relevance for sustainable purchases.

In the Simon-Kucher & Partners survey, 79% of inquiries suggested at least a minor shift in purchase behavior during the past 5 years, meaning that if this trend continues, sustainable significance is likely to increase.

TABLE 6 - GENERATIONAL RESULTS FOR WILLINGNESS-TO-PAY IN THE US

Data (WTP across generations)	GreenPrint	Simon-Kucher & Partners (Full sample of 17 countries)
Gen Z	63%	39%
Gen Y (Millennials)	75%	42%
Gen X	64%	31%
Baby Boomers	53%	26%

In both cases data suggests that millennials, aged 25 to 40, are more likely to accept sustainable products or services over others, while Baby Boomers, aged 58 to 76, are the age group that is less likely to do so. In Simon-Kucher & Partners survey data only includes the full sample, this may be a source of undervalued results especially since previous data showed that on average Americans are more likely to pay for sustainability in comparison to other countries in the sample.

Unfortunately, as of 2020, Baby Boomers are the wealthiest generation in the U.S. by owning 53,2% of the country’s wealth, while Millennials own just 4.6%. Therefore, data suggests that on average, U.S. individuals that are willing to pay for sustainability will more likely have lower wealth levels (Hoffower, 2020)

Lastly, the GreenPrint survey claims that a high percentage of Americans are suspicious of corporate sustainability claims, in fact 45% need a third-party source to validate a company’s actions, 28% require validation from the annual report and just 11% suggest a speech from the CEO. These results show that an effective marketing strategy should include more than images and words, evidence of impact of these practices is relevant, especially certifications and accolades awarded by independent organizations.

5.5 Case study 2 – China

The understanding of the WTP of the Chinese market was based on an article published by UrbanStudies in 2014, developed by alumni from the Utrecht University, Hong Hu, Stan Geertman and Pieter Hooimeijer. Through a survey, it evaluated the WTP for green apartments in the Chinese region of Nanjing versus their choice for accessibility to public transportation, work and neighbourhood quality. The total sample amounted to 1373, all valid responses, from which, all of the respondents were potential homebuyers who visited a real estate sales office between September and December of 2011. This case of Nanjing is a specific study within a city, but it is expected that, through

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generalization, will allow us to better understand the purchasing decision of Chinese citizens searching for real estate

During data collection, 3 societal classes were identified, the lower-middle class, middle-class and upper-class, these segments were not based on an individual's salary but instead, the budget it owned. The demographics for the respondents of each group can be seen in the table below.

TABLE 7 - DEMOGRAPHIC INFORMATION IN NANJING

Segment	Budget*	Most common demographics
Lower middle-class	< 120.000 euros	< 30 years old (64,7%) Single or young couple with no child (61%) Graduate degree (75,5%)
Middle-class	120.000-240.000 euros	30-45 years old (45,5%) Single or young couple with no child (45,5%) Graduate degree (72,3%)
Upper-class	> 240.000 euros	> 45 years old (54,2%) Couple with a school aged child (38,4%) Graduate degree (69,4%)

“**” 0.12 CNY/EUR (2011)

To fully understand the results of this data it is important to acknowledge that Nanjing is segmented into 3 main areas, Northern, Central, and Southern. The northern is mainly residential and heavily industrialized, badly developed for transport and more polluted. The Central district is mostly directed to commercial, governmental, and residential purposes with a highly developed transportation system. Lastly, the Southern district is primarily residential with light industrial activities, the transportation system is not the best but still better than in the northern region. Regarding green building, developers usually target the upper-middle class in newly developed areas, because of this, supply is mostly in Central and Southern areas.

The output of the survey lead to the estimation of three choice models for housing selection in each district of the region of Nanjing. By only analysing individually significant regressors ($\alpha = 10\%$) and through their coefficients, it was possible to develop a ranking choice for each region:

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TABLE 8 - HOMEBUYER PREFERENCES IN NANJING

District	Characteristics	Ranked choice criteria
Central	Accessibility to jobs and transportation Expensive housing Not severely polluted Higher class citizens	1. Price* 2. Environmental pollution 3. Safety from crime 4. School quality
Southern	Primarily residential Lightly industrial Average transportation system Middle to higher class citizens	1. Price* 2. Environmental pollution 3. Safety from crime 4. School quality 5. Accessibility to metro 6. Accessibility to job
Northern	Heavily industrialized Worst transportation quality Least expensive Highly polluted Lower class citizens	1. Price* 2. Environmental pollution* 3. Accessibility to job 4. Accessibility to metro

“*” – negative impact on Y

Quantitatively speaking price and environmental pollution are the two main drivers in the choice for real estate, they are significantly higher than other variables, suggesting that these are the two factors held the most in account. Price is usually the most important criteria, and its increment will lead to a higher probability of choosing other areas. The only situations where this wasn't verified was for upper-class citizens choosing real estate in central and southern districts, in these situations, environmental quality slightly surpassed price. An understandable result according to the societal class which by itself may indicate willingness to pay for sustainability.

Safety is also an important factor coming right after price and environmental quality, wasn't successfully determined for the Northern district, but for two markets of higher interest its importance was clear, and the concern increased with higher class citizens.

Another relevant factor suggests that, in the southern and northern districts, despite not being central regions, factors such as accessibility to job and metro weren't main concerns, this may be caused by the fact that people who choose to live in surrounding areas are ready to accept a trade-off in distance.

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TABLE 9 - UPPER-CLASS CITIZEN AVERAGE WTP FOR SPECIFIC HOUSING ATTRIBUTES (YUAN/M2)

Location attributes	WTP (Central)	WTP (Southern)
Some pollution - No pollution	4996 (599€)	11171 (1340€)
Knowing neighbours – Have friends	864 (104€)	240 (29€)
Average social status – High social status	0	0
Accessibility to job:		
30-40 mins – 20-30 mins	1809 (217€)	1832 (220€)
20-30 mins - < 20 mins	0	2147 (258€)
Accessibility to metro: 10-20 mins - < 10 mins	1191 (143€)	1081 (130€)
Safety from crime (whole sample):		
Poor – average	5647 (678€)	3166 (380€)
Average – Good	0	0

0.12 CNY/EUR

As seen previously, Chinese citizens consider pollution factors very seriously. For upper class individuals the same applies and their WTP appears to be the highest for the attribute of environmental quality. In terms of community building, evidence suggests that, despite small, there is willingness to pay for an environment that allows relationship building, will be relevant to understand how the language barrier may impact this aspect, positively or negatively. Social status shows no willingness to pay from consumers, there is no information on how this question was brought up but acknowledging this factor explicitly may lead to a lower WTP.

Accessibility to jobs is important for the sampled citizens and they are ready to pay more to live closer to their work location, while for a change from a max. of 40 mins. to a max. of 30 mins. results are very consistent for both areas, for a gain from a max. of 30 mins. to a max. of 20 mins. people in the central regions of the city show no WTP for a premium, this may be due to the more developed transportation system in this area. Relating to accessibility to a metro station, individuals seem to equally value an access that is less than 10 mins away and are willing to pay more to live in such place. In general, data suggests that upper-class citizens value transportation, and the less developed an area is in transportation systems, the more they are willing to pay for easier access. WTP for safety purposes was only successfully evaluated for the whole sample, including all three social classes. The main takeaways are that there is WTP for safety factors, which is in accordance to the table 2 showing its importance for buying decisions, and also that people are willing to pay but when safety develops from poor to average and not for an increment from average to good, this most likely means that a stacking of measures will not necessarily be of interest for individuals but fundamental safety features may be accepted.

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TABLE 10 - UPPER-CLASS CITIZEN AVERAGE WTP FOR SPECIFIC GREEN ATTRIBUTES (YUAN/M2)

Green attributes	WTP (central)	WTP (Southern)
Construction materials: Somewhat non-toxic – Non-toxic	797 (96€)	2538 (305€)
Harmful – Somewhat non-toxic	834 (100€)	556 (67€)
Thermal insulation: Poor – Average	1087 (130€)	330 (40€)
Average - Good	0	195 (23€)
Sound insulation: Poor – Average	797 (96€)	0
Average - Good	484 (58€)	901 (108€)
Ventilation Poor – Average	186 (22€)	0
Average - Good	946 (114€)	1712 (205€)

0.12 CNY/EUR

For green construction materials, WTP is always positive despite the bottom line starting at harmful or somewhat non-toxic, although not displayed here, data shows that WTP from somewhat non-toxic to non-toxic is only positive for upper-class citizens in Central regions and upper- and middle-class citizens in the Southern regions, showing once again that an increment from good to great is not of interest for everyone. Thermal insulation also verifies what was previously said, although consumers show WTP to upgrade from poor to average, from average to good WTP decreases in the Southern district and is 0 in the Central district. Besides buying power, this decrease with quality may also be suggesting that thermal insulation isn't a main concern and so a moderate upgrade is already satisfying for consumers. Regarding sound insulation results are unclear, while people that choose the residential Southern areas may do so for its calmness as they value silence, we could also suggest that insulation upgrades aren't necessarily a need in comparison to other locations in the city centre, results show high WTP for an upgrade from average to good but no WTP from poor to average. In the central district silence is expected to be a relevant need of the consumer due to high population density, results show that an upgrade from poor is valued slightly higher than an upgrade from average. Ventilation quality is associated with air pollution, which characterizes the areas near the Yangtze River. The pollution factor is of particular concern, as previously seen, and these results may confirm so, as upper-class citizens show no significant WTP for an upgrade from poor to average but instead for an upgrade from average to good, suggesting that individuals are interested in good ventilation upgrades even though they may come at a higher cost.

Despite the positive results, the data shows a distancing between concern for pollution related factors in comparison to all other sustainable factors, this may be suggesting that the Chinese market is more concerned for self-well-being rather than sustainable development.

CHAPTER 6 - CONCLUSION

6.1 Discussion

The previous steps led to the collection and understanding of data to develop several recommendations for PlanBelas regarding action plans for both markets. A set of personas were also identified, these comprise a list of characteristics that define the most likely individuals to become BCC's clients, which can hopefully allow the maximization of profitability.

6.1.1 USA

Regarding the US, the consulting team recommends that PlanBelas should focus and work towards satisfying this market. It's a large quantifiable market with positive results according to WTP tests, it also shows evidence for upward market trends. In terms market size, according to Credit Suisse it is the country with the highest number of millionaires and ranked 2nd as the country with the highest mean wealth per adult. The WTP tests demonstrate a significant acceptance of sustainability, especially through the sustainable premium people are willing to pay, 37% as an average for all industries is the highest value of the sample levelled only with the UAE, a result that positively surprised the CEO during the recommendation presentation. According to sources and market specialists, the market shows great potential for the future as demand is seemingly on the rise, this demand is characterized by the factors mentioned above, increased buying power as well as high percentage of sustainability acceptance.

Concerning personas, the collection of data led to the development of two types of consumers, both being the most likely clients to potentially be part of Belas Clube de Campo. The chosen characteristics are based on factual probabilities and evidence from primary data.

The designed personas are the following:

John, 65, is based in New York and is currently married and retired. He has 2 sons, both independent adults. John wants to spend retirement outside his homeland and has chosen Lisbon to do so, he is captivated by pleasure and calmness hence he doesn't have a

problem about living in the areas just outside the city centre. Due to experience in his own home country, the community experience is something that is highly valued. He hasn't tried golf before, but he wouldn't oppose to it. Regarding housing prices, he owns enough assets to easily purchase a home at BCC. When it comes to sustainability, he is interested on the savings that these factors offer more than he is on the impact they have in the ecosystem, because of this there is some resistance to pay the full premium for sustainable change.

Sarah, 43, is a businesswoman based in California and is currently married with 2 school aged children, who she intends to bring to an international school in Lisbon. She's now entering a matured state of her career as a self-employed person, but she is still building her wealthiness. She has a very high level of education and shows great interest in reducing her carbon footprint to look after her children's future, sustainability is important not just for saving benefits, yet, since their education is the priority, she was idealizing living closer to the cultural centre where she believes most of the schools are. Sarah does not have in account a community living space and is not aware of the benefits of a safe community such as BCC's. Golf is not something she is very excited about for now.

6.1.2 China

For the Chinese market, our consulting team recommends a careful approach, despite clear evidence for demand there are major issues regarding cultural barriers, these are visible through buying preferences and recorded feedback, concerning WTP, Chinese citizens seem to value sustainability just for their personal benefit, which only includes savings and their own health, they see the acquisition of property mostly as a short-term investment which contradicts the whole purpose of BCC, during the final presentation to the firm, the CEO even added that the Chinese appear to be very distant, with most of the owners currently residing outside the club. Despite this data, China is still a very relevant market in terms of size, buying power and potential, due to this we recommend that before it is fully written off, it should be analysed further with the development of a designed marketing strategy that may allow to tighten and capture the type of client that PlanBelas seeks.

The designed personas for the Chinese market were the following:

Wang, 50, originally from Shanghai, is a married businessman at a matured stage of his career with one adult independent son. He sees Portugal as a great place to invest, real estate being one of them. Acquiring real estate is mostly a business, because of this his purchasing decision lies predominantly on asking price, safety, and energetic savings rather than community, golf, and sustainability as a way of living. Due to his investment vision and large wealth levels, he is opened to quickly close a deal for a home and can be flexible for the price if it seems like a good chance, yet Wang doesn't seem eager to enrol in community building.

Zhao, 34, is from Beijing. He's a married doctor with no children. Especially concerned with health, he came to Portugal in search for better quality of life to develop a family with his partner. His concerns make him extremely interested in sustainable factors that directly improve health, mostly air quality, but overall eager to know more about all factors. He expected to live closer to the city centre so he has some resistance at accepting the location of BCC, him and his partner are not yet feeling connected to the new culture and are a bit anxious about this, they wish to find a place where they can feel the closest at home. In respect to budget, due to his early career and wishes of a family he is not looking for the biggest investment, so he won't be too flexible on the asking price.

6.1.3 Communication strategy

The issue regarding sustainability in the real estate market is that a single formula for success does not exist. PlanBelas incorporates an extremely diverse market that can differ in multiple demographics, including culture. Due to these major differences, the firm is met with a variety of needs, not just for features but also for the way sustainability is concerned for. Because of this, our consulting team recommends a focus on creating specific designed value propositions according to different client backgrounds.

A. Communicating to "Sarah"

"This country feels new and exciting, I think this is a great opportunity for me and my children"

As previously discussed, Sarah shows resistance for the location of BCC. Since she sees her children growth as priority there should be a focus on the community experience in the club, great for personal growth, and the health benefits of BCC that emerge due to

the ongoing sustainable practices, a message could comprise topics such as: large range of sport choices; Contact with nature; Community activities; Safety; Energy savings. The more Sarah learns about the range of possibilities that exist for her children to grow to become healthy adults, the clearer she will see the uniqueness of BCC as these are features that a big city won't provide. By understanding such factors, the likelier she will be to tolerate the distance payoff and eventually become a client.

B. Communicating with “John”

“After decades of work, me and my spouse decided to take a step back and find our peace outside the US”

John has trouble understanding the premium that sustainability requires, a message to someone like John should incorporate the monetary benefits of his investment in high quality, benefits may be energetic saving or even tax savings, for example: Energy Savings; Lack of maintenance needed due to higher quality. Apart from this, since he seeks a calm lifestyle, he should understand how higher quality will necessarily require less maintenance and will lead to fewer issues throughout time, factors that in an old city centre for comparable price ranges won't be assured and will lead through increased stress besides all other common issues.

C. Communicating with “Wang”

“Portugal is my choice because it's an open door to the rest of Europe”

Wang has an entrepreneurial vision from which he built his wealth, this mentality makes him look at property acquisition mostly as an investment, because of this his thought process is to buy low and sell high, hence he shows great resistance to a sustainable premium and even a community development. A message directed to him should include: An investment perspective; Energy savings; Lack of maintenance due to higher quality; Safety. Since such vision exists, Wang should be aware of the current market situation and the impact this has on the valuation of his investments. Despite the already existing benefits offered by sustainability factors, the events such as the Ukrainian and Russian conflict, may lead to a boost in use of renewable energy to stratospheric levels and allow Europe to meet its carbon emissions targets (Psaropoulos, 2022). Since PlanBelas is ahead in green development this can translate in a valuation increase for property owners.

D. Communicating with “Zhao”

“I came to Portugal for my work but mostly for my family, but I am still not sure where in Lisbon I should stay”

With Zhao we can translate the issues of cultural isolation concerning some Chinese citizens. He is hesitant to become a client due to a certain distancing between the club and the city centre. To overcome this, there should be an emphasis on how an inclusive community can ease the stress of moving abroad and how some distance may also take away the disadvantages of the city fast life, especially on mental health (Benedictus, 2014) but also on physical health, specifically: Health benefits from sustainable features; Safety; Convergent community. Regarding sustainable features, as data showed the focus should be on air quality factors, mostly ventilation, followed by security, which are both worked on factors at Belas Clube de Campo. By topping the most relevant needs of this persona and delivering an effective message, the most likely it will be to acquire Zhao as a client.

6.2 Research contributions

6.2.1 Managerial contributions

In practical terms, this research provided a full-stack x-ray to PlanBelas’ competitive environment by collecting internal and external information on the full action area of the firm’s business model, namely demand, competitors and processes. By understanding the surroundings of a firm, the identification of strengths and weaknesses was made possible, accordingly the team was able to spot the key concerns linked to the stated issue and build a strategy to successfully overcome it. PlanBelas was also faced with the lack of information regarding willingness-to-pay for sustainability in consumer behaviour. This is relevant information for being at the core of this firm’s profitability, at the same it is characterized for by being extremely difficult to collect. Due to this, in-depth research allowed to gather data from secondary sources which, by crossing it with primary data, provided a complete set of recommendations regarding the markets on scope.

6.2.2 Academic contributions

This study provided substantial information on the viability of the US and Chinese markets for high-quality real estate in Portugal regarding demand and willingness-to-pay behaviours. With sources suggesting future potential for both markets, this research

will likely be significant for the years following its publishing. For PlanBelas, we were assured that the US market data was relevant and surprising, possibly leading to an investment soon. Adding to the market data, personas were developed to characterize higher potential clients to BCC, in this case they were presented in a narrative, a creative way of approaching such topic that isn't commonly viewed through research. Overall, this study contributed to the enrichment of the client and its participants throughout the multiple stages of information, these led to a share of recommendations that, according to the CEO, provided large value to the future projects of the firm.

6.3 Limitations

Throughout the development of this project, the collection of primary data was a great challenge. It was established that quantitative and qualitative research methods were going to be used to test hypothesis, but it soon became evident that this would be difficult to apply. As segmentation led the group to upper-class citizens from France, the US and Brazil, our group started seeking potential interviewees, this was unsuccessful as we were unable to reach the 5 to 6 interviews that are suggested to confirm a buyer persona (Serocke, 2020). Quantitative research wasn't also fully successful, as 144 responses were obtained, below the preferred 200 to 300 margins to effectively validate consumer personas (Campos, 2019), the range of demographics was also scarce as 94% of the sample was Portuguese. Also, personas were developed based on a scarce number of interviews and theoretical research insights, significant but not scientifically proven to be effective.

6.4 Further studies

This study intended to collect and present an in-depth review for the US and Chinese consumer markets. As recommendation, four personas were created, these personas are yet to be tested, hence for future studies this is our proposal. This testing would be achieved with qualitative interviews and a quantitative questionnaire, if proven to be significant, they will provide confirmation or not of our study's hypothesis, representing the next step of the consulting service provided by ISEG students to PlanBelas. Further on, it is also recommended the expansion of the number of markets to which information has been collected, allowing the creation of an action-plan portfolio that maximizes the efficiency and chance of acquiring new homebuyers, this portfolio would require yearly reviews to incorporate the most recent trends.

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Appendix

Real Estate Research Interview

We are master's students in management at ISEG and we are carrying out a consultancy project with a client in the residential golf sector.

The interview is carried out as part of a consultancy project for the final master's work for master's degree in management (MIM) at the Lisbon School of Economics and Management (ISEG), University of Lisbon. The data obtained in this study is anonymous and confidential. The interview in hand aims to help characterize the perception that nationals and internationals have about golf, and golf courses

Foreign markets

- What trends have you been verifying regarding demand and what has caused such events?
- What is, typically, the profile of a foreign buyer?
- What locations hold the most demand for foreign homebuyers?

Sustainability

- What are the biggest purchasing factors for clients from the previously mentioned markets?
- Is there concern for sustainability? If so, which factors appear to be of higher interest? (Energy, water, isolation, infrastructure)
- Are these markets ready to pay a premium for sustainability? How much?

General questions

- Can you talk a little bit about yourself? Age, profession, years of experience in that position.
- Where do you typically buy/sell/research real estate?
 - a. Real estate agent
 - b. Online platforms
 - c. Friends/Known contacts
 - d. Others
- Which social class do you position your household?

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- Do you own your home? At what age did you start looking to own it?
- Where do you live currently?
- What are your preferences in location for a home?

Sustainable Measures

- What are your biggest purchasing decision factors for a home?
- Do you consider important the existence of spaces such as office, garden or an extra room for a cleaning service?
- Would you be open to pay a premium to incorporate sustainable factors?
- What area of a home do you consider critical to invest in?
- Do you consider Lisbon family-friendly and sustainable? (Green zone)
- What benefits do you identify from a sustainable investment?