

Confessions Behind the Senior Living Marketing Challenge

March 15, 2015

By Cassandra Dowell

Senior living marketing executives might say the challenge of attracting new residents to a senior housing community keeps them awake at night, but when it comes to an industry-wide approach to reaching prospects the sector sometimes misses key opportunities to shine.

The vast majority of retirees 50 and older say their top location preference for receiving long-term care is in their own home, according to a new Merrill Lynch retirement study conducted in partnership with Age Wave. In fact, 85% say, if needed, they would prefer to receive extended care in their homes, followed by 10% who said an assisted living facility was their top choice. Four percent said the home of a family member would be their top preference to receive care, and only 1% said a nursing home.

“The fact that just 10% of older adults have any interest in moving into a senior living community is ample evidence that we’re doing something seriously wrong when it comes to communicating value,” says says Dan Hutson, vice president of marketing and communications for Glendale, Calif.-based be.group.

A dearth of consumer education efforts and being a little too complacent with current occupancy and revenue standards are some of the confessions senior living marketing gurus recently shared with SHN.

Confession 1: Consumer education is low on the priority totem pole.

“We as an industry have done a lousy job of educating the public about what it is we do, the options available, how to evaluate and choose the right option, and generally demystifying what life is like in a senior living community,” Hutson says. “Too many senior housing providers are more concerned about what they want to tell prospects than what prospects want and need to know.”

With so many avenues for information — the Internet, TV, radio, print and more — senior living providers need to get in front of the conversation about senior living, says Lori Woodward, senior vice president of marketing and sales at West Point, Penn-based ACTS Retirement-Life Communities, Inc.

“That’s been a major change for us in marketing over the last 15 years,” she says, noting that often education efforts need to start at the community level.

“Senior housing is a very local product,” she says. “You want to get the senior living community known as the hub of the greater community — host various organizations’ meetings, invite the Boy Scouts in.”

Confession 2: Not every senior living provider is an island.

Smaller providers might be intimidated by the scope and scale of larger senior living companies who have buku bucks to invest in marketing and sales efforts, but collaborations among smaller providers can go a long way in establishing a larger footprint in a desired market.

Banding together with other nearby providers to educate the public about senior living proved to be a successful strategy for Lititz, Pa.-based Landis Communities. The organization operates Landis Homes, a continuing care retirement community (CCRC) which is one of more than a dozen in Lancaster County.

Larry Guengerich, director of communications and church relations at Landis Communities, admits that while it might seem strange to strategize with the competition, it ultimately worked to the nonprofit’s benefit.

“In this area continuing care is the only type of senior housing many people know about,” he says. Landis Communities also features Steeple View Lofts, loft-style rental apartments for those 55 and older.

“It was so foreign to people,” he says about this senior housing product that wasn’t a CCRC.

In addition, the Landis Homes CCRC features a hybrid home model that features the square footage of a cottage but in a multi-story building.

“It’s a new concept,” he says, noting that it takes time and energy to put something new on the market.

Part of that time and energy is spent as a member of Explore Retirement Living, a collaborative organization comprised of nonprofit CCRCs in and around Lancaster County.

Member organizations annually host an open house on the same weekend so visitors can go from one community to the next to explore their options.

“Several of our organizations have seen hundreds of people stop by in that time frame,” he says. “We put our money together with people who are technically competition, but we found if we work together and explain what we’re marketing and target well who we’re aiming to attract then we all benefit.”

Confession 3: Providers have become too complacent.

The word “selling” was a dirty word more than a decade ago, says Traci Bild, founder and chairwoman at senior living speciality marketing company Bild & Company. While the term is no longer on the black list, more could be done to increase occupancy and revenue, Bild says.

The current average occupancy is between 92% and 93%, she says, noting that those numbers are a welcome change from the 89% occupancy average seen during the Great Recession. But providers shouldn’t breathe a sigh of relief just yet.

“Many executives don’t seem concerned about losing revenue,” she says. “While 92% is nice and the pressure to perform is off (by investors), that 7% to 8% revenue gap is substantial and revenue that otherwise would go straight to the bottom line. They are being complacent — that’s going to come back and bite them.”

Ultimately, a comprehensive approach for training sales staff is key to garnering metrics that go beyond the industry average.

“On average, in assisted living a single sale is easily \$50,000 or more,” she says. “Yet, we don’t always professionally train our sales staff. They don’t have standard operating procedures. You don’t want someone untrained who is responsible for revenue — that’s money down the drain.”

Original URL: <http://seniorhousingnews.com/2015/03/13/confessions-behind-senior-living-marketing-challenge/>