

## FEATURESTORY

As the assisted living sector warms up to independent living, it's crucial not to let history repeat itself. A comprehensive sales and marketing program that stays in focus can help avoid pitfalls

# Creating your own niche



Spending a few thousand dollars on "extraordinary" marketing efforts can pay off.

BY STEPHEN P. WRIGHT

Independent living is coming, independent living is coming! That's right, the hottest senior housing product, independent living, is now the golden haired child in everyone's mind.

It's easy to see why independent living is in every developer's dream. No care, fewer regulations, fewer frail people and fewer operational headaches. That is, until you start to see that the marketing and sales

process for independent living is just as tough, if not tougher, than selling assisted living.

As we look forward to filling those 150 apartments in a new independent living community, it is helpful to look at the things that went right or wrong with assisted living marketing in the past and right now. First, let's look at underlying factors that hurt the assisted living market. Fully 25% to 30% of all traffic disappeared at assisted living communities from just three years

ago, as home care and home health services gained significant market share. Communities didn't know what hit them when traffic slowed to a trickle after new home health companies popped up in the market.

Add to that communities that failed to hit 20% to 25% pre-sales goals, and as a result played catch-up in the first year. The problem is they never caught up because the turnover rate crept up on them and suddenly an 80 apartment assisted living community was noticing 50% turnover at month 18. So not only did they have to fill the remaining 10 to 12 empty units, they now also had to backfill another 40 apartments in a year to just stay even.

Is the independent market going to be so different? History tells us that these residents will be close to same age - 83 or so - as our assisted living residents, just in need of fewer services, at least initially. But if the need for care and oversight drives the assisted living resident and family in the door, what will drive the active senior in? Value and a solid marketing plan will for starters.

### WHY MARKETING FAILS

Sales and marketing are not rocket science by any means. But it does take some careful thought, some logical steps and the ability to stick to the knitting in order to succeed. So let's break down the most important things to do or avoid when it comes to your sales and marketing program.

- **Hire right.** We are selling a \$50,000+ intangible product here. Don't put that job in the hands of a novice, who gets no training, no benchmarking on expectations and no tools with which to work. A recent

human resources study on the senior housing industry found that sales people at the property level have the highest turnover rate (57% a year) of any department head at a senior community. First we set them up for failure, and then we churn them at a rate of two a year.

Do some simple math: The cost of turning over a marketer should include 1) lost sales relationships, 2) lost referral source relationships, 3) orientation time for new marketer, and 4) relationship building with staff, residents and families. If you hire right the second time it may only cost you four or five sales (at \$50,000 per sale). So before you consider turning over that position again, think of it as a quarter million dollar adjustment.

- **Stick to benchmarks.** Tours are no good without returns, calls no good without face-to-face. Marketers need to know that daily, weekly and monthly quantitative benchmarks are critical in order for them to hit their goal. And marketers need to brainstorm solutions.

On one particular client's campus, we have built a war room. There, the top 150 leads are carefully laid out on the war board with each lead scrutinized and objectives set for each lead. We discuss the strategic next steps set for all contacts. If each of those leads is not moving closer to a deposit - from tours, to returns, to finding the hidden objective, to always strategizing the next step - we ask why and what "extraordinary things" do we need to do to get that prospect moving. Spending a few hundred or thousand dollars in extraordinary marketing efforts more than pays for that \$75,000 move in!

- **Referral sources are king.**