Marketing What No One Wants to Buy

presented by
Irving L. Stackpole, RRT, MEd

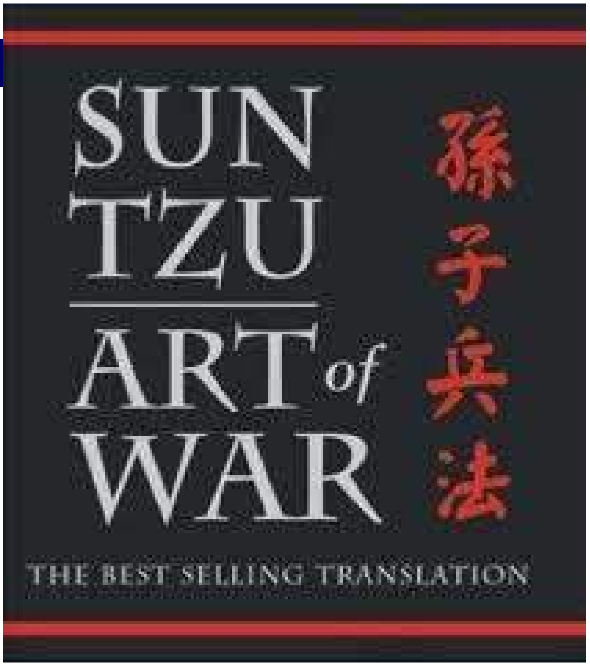
OBJECTIVES

- Describe the status of the markets
- Identify common mistakes describing & promoting
- Discuss ways to accurately reflect value
- Describe “preferred” language and images.

Marketing Seniors' Housing & Services

- Matching Supply & Demand

"There are 7 ways to defeat. The first of these is the failure to count."



Supply - Demand = Occupancy

- Occupancy rates (SNF) ↓ from 85.5% in 2004 to ~83% percent in 2010 = excess capacity
- SNF beds ↓
- Occupancy declining – in almost all categories

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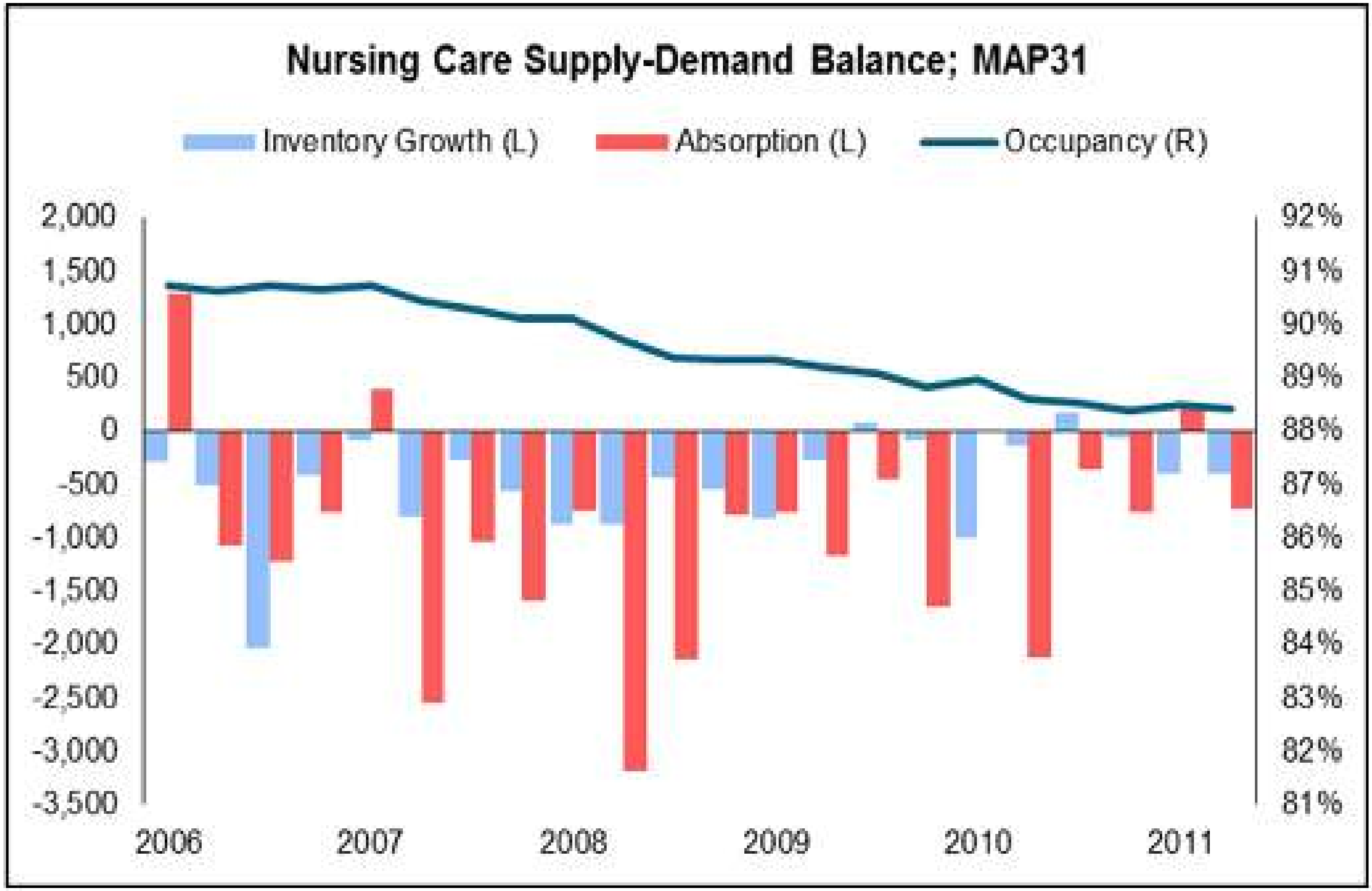
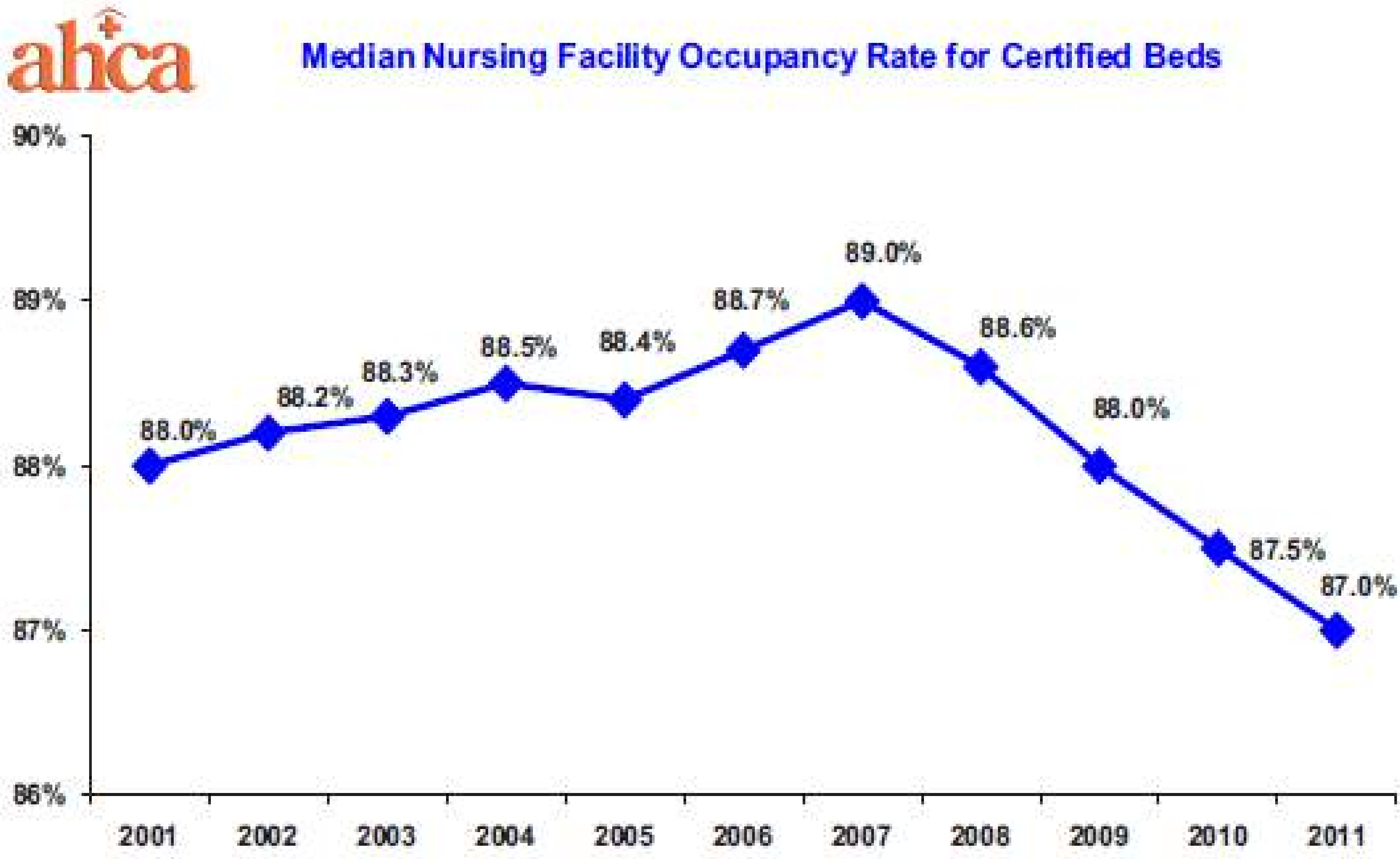
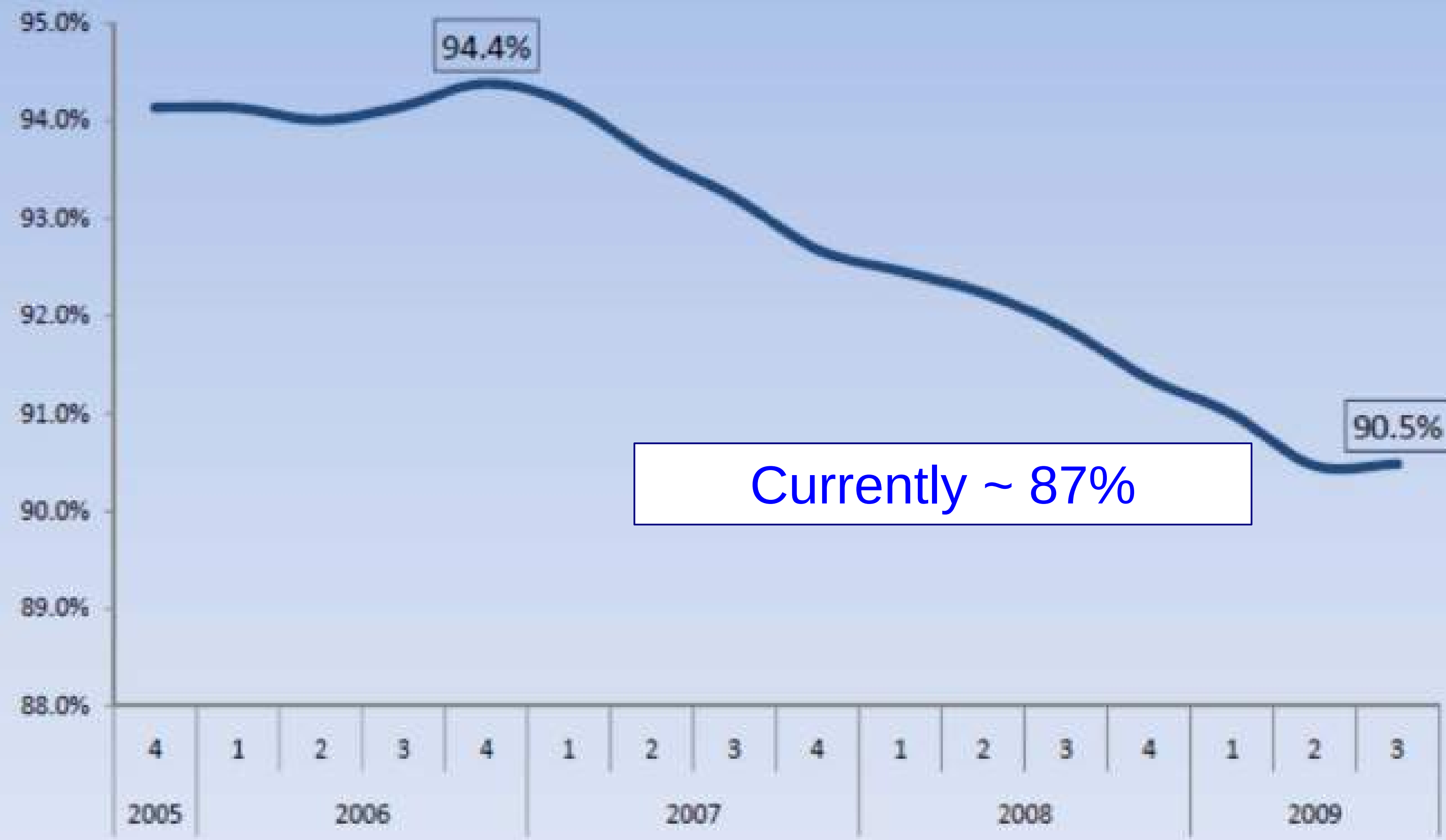
Supply-Demand = Occupancy





Note: Results reflect data for patients who occupy certified beds. Observations with occupancy less than 0% and greater than 100% were eliminated from this analysis.
Source: Computed by AHCA Research staff using CMS Nursing Facility standard health survey data
(CMS Forms 671: L18, L37 – L39 and 672:F78). Various years. March
American Health Care Association - Research Department

CCRC Occupancy Rates Have Declined



Source: NIC MAP® Data & Analysis Service

"Unfortunately, we were a little off-target again this quarter."

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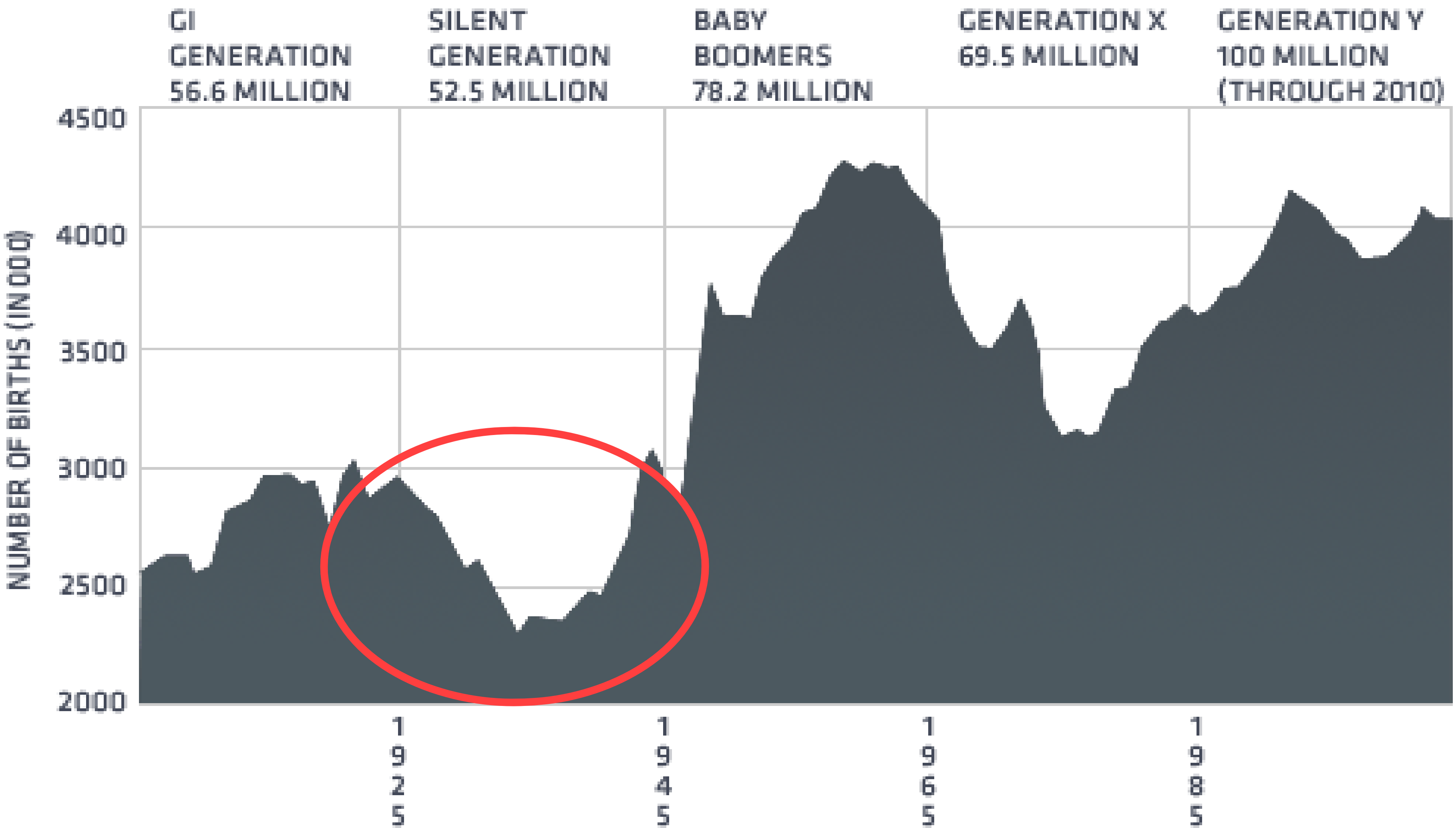
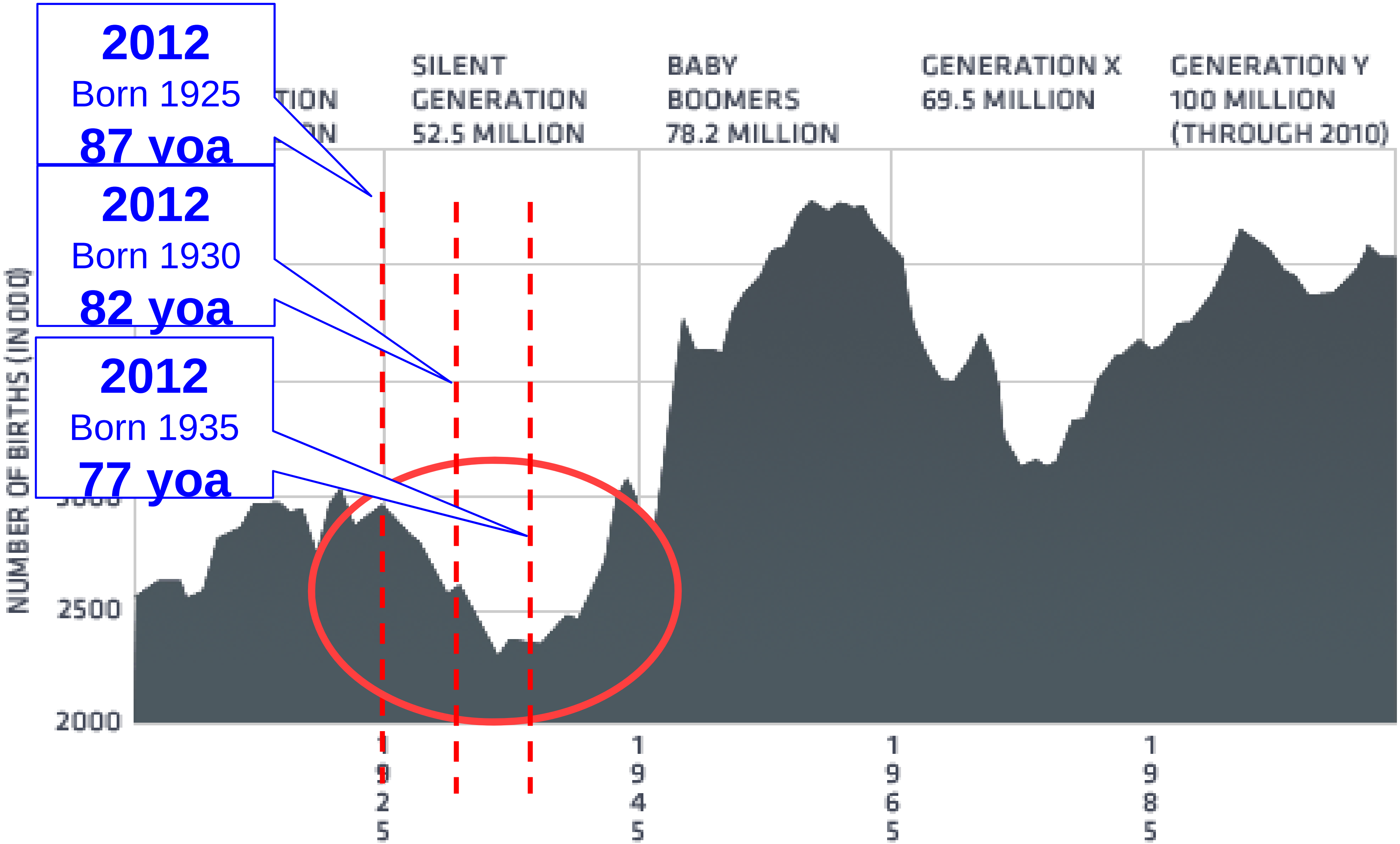
Why are occupancies low?

U.S. BIRTHS 1905 - 2002



G.I GENERATION: 1905-1924 56.6 MILLION
SILENT GENERATION: 1925-1944 52.5 MILLION
BABY BOOMERS: 1945-1964 78.2 MILLION
GENERATION X: 1965-1984 69.5 MILLION

U.S. BIRTHS 1905 - 2002



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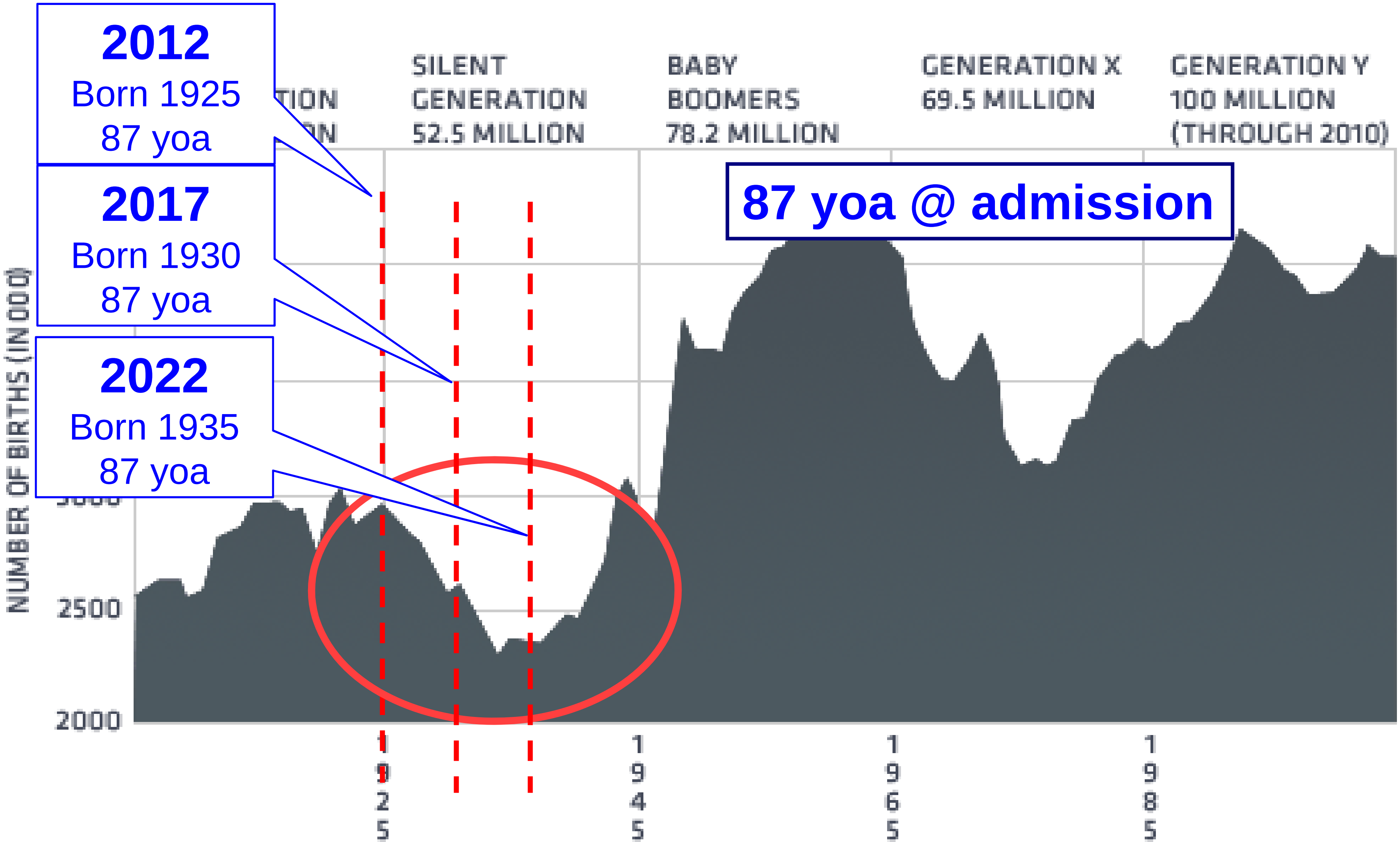

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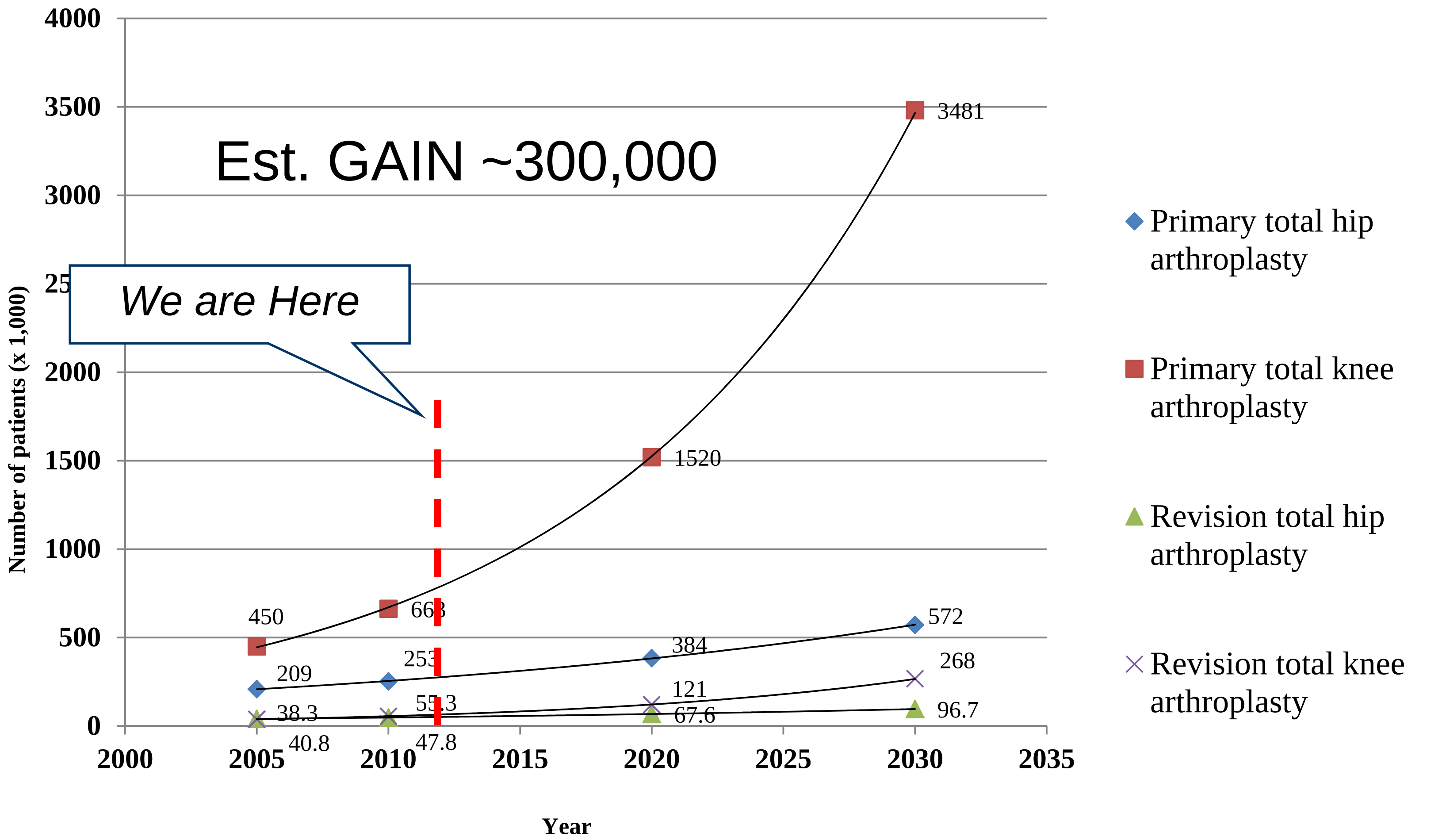
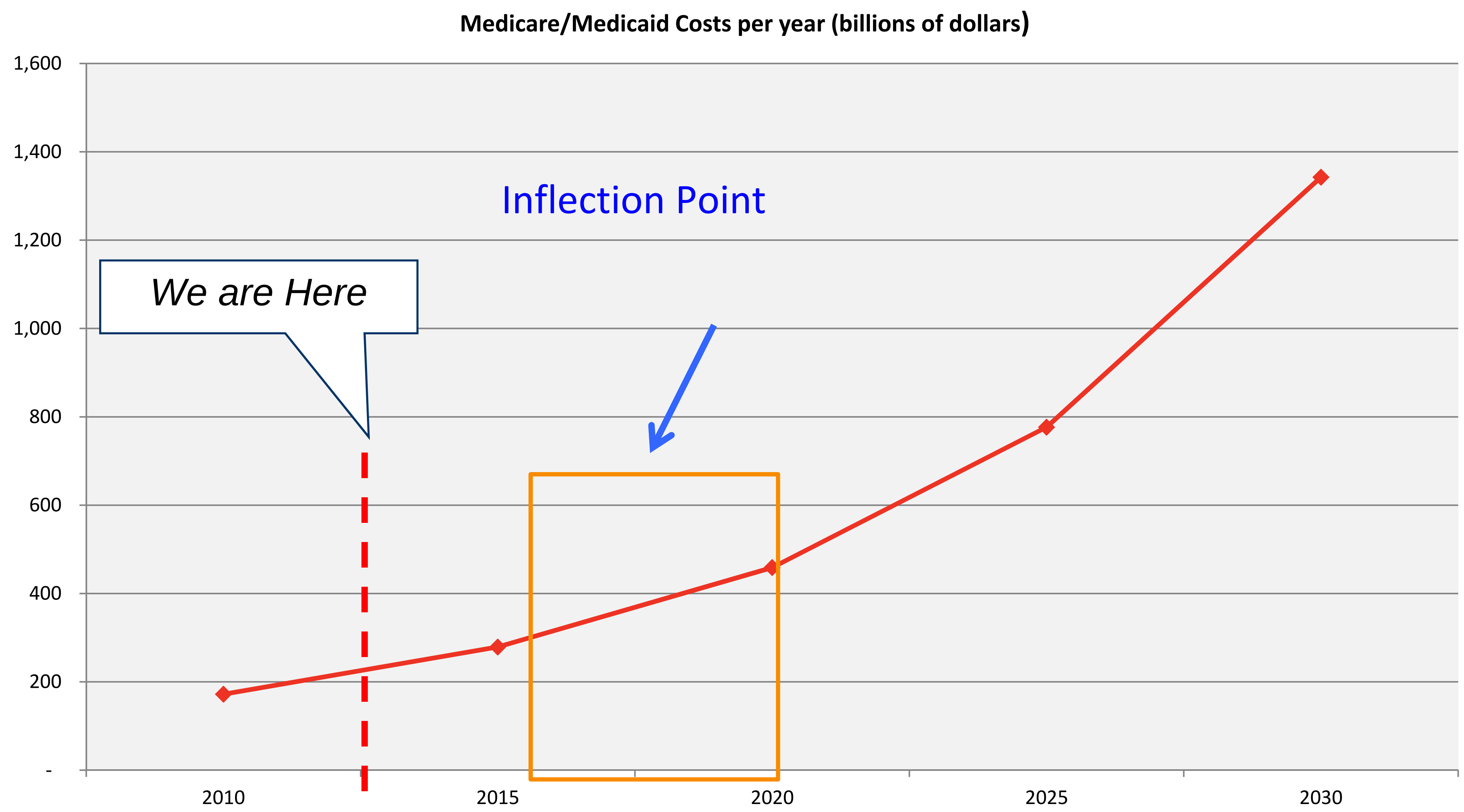
Demand for Arthroplasty



Demand for ARD Care



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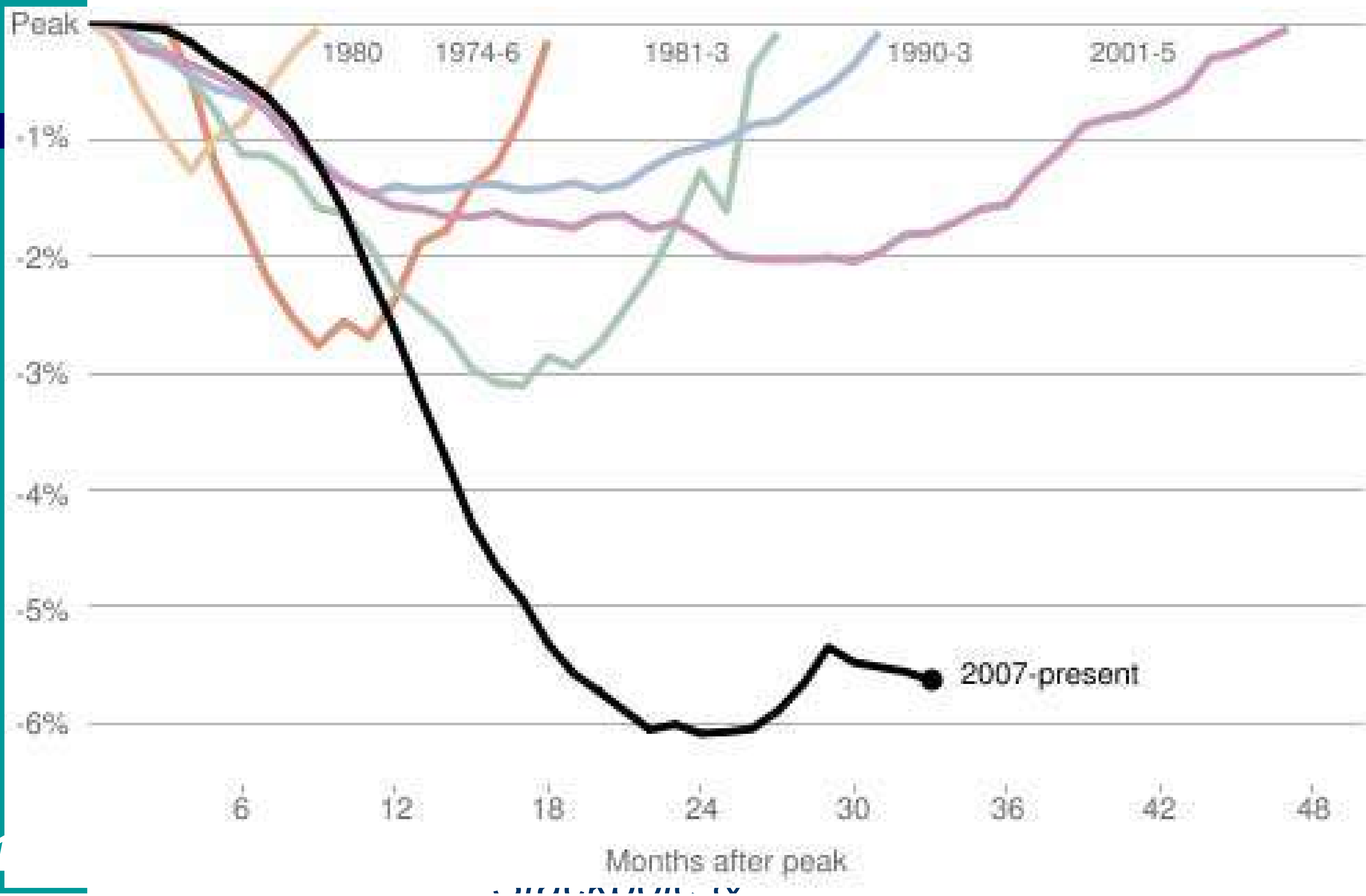
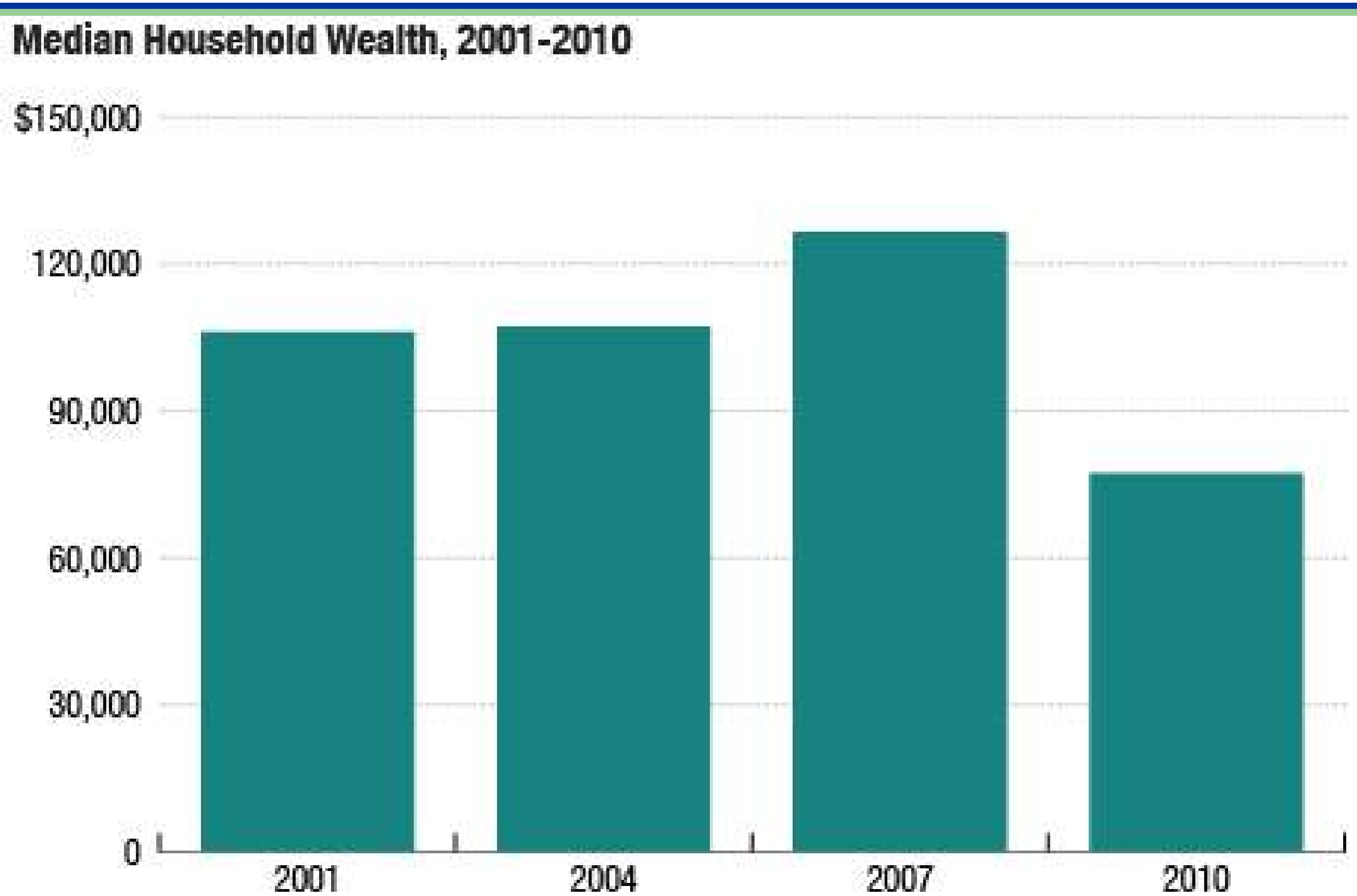
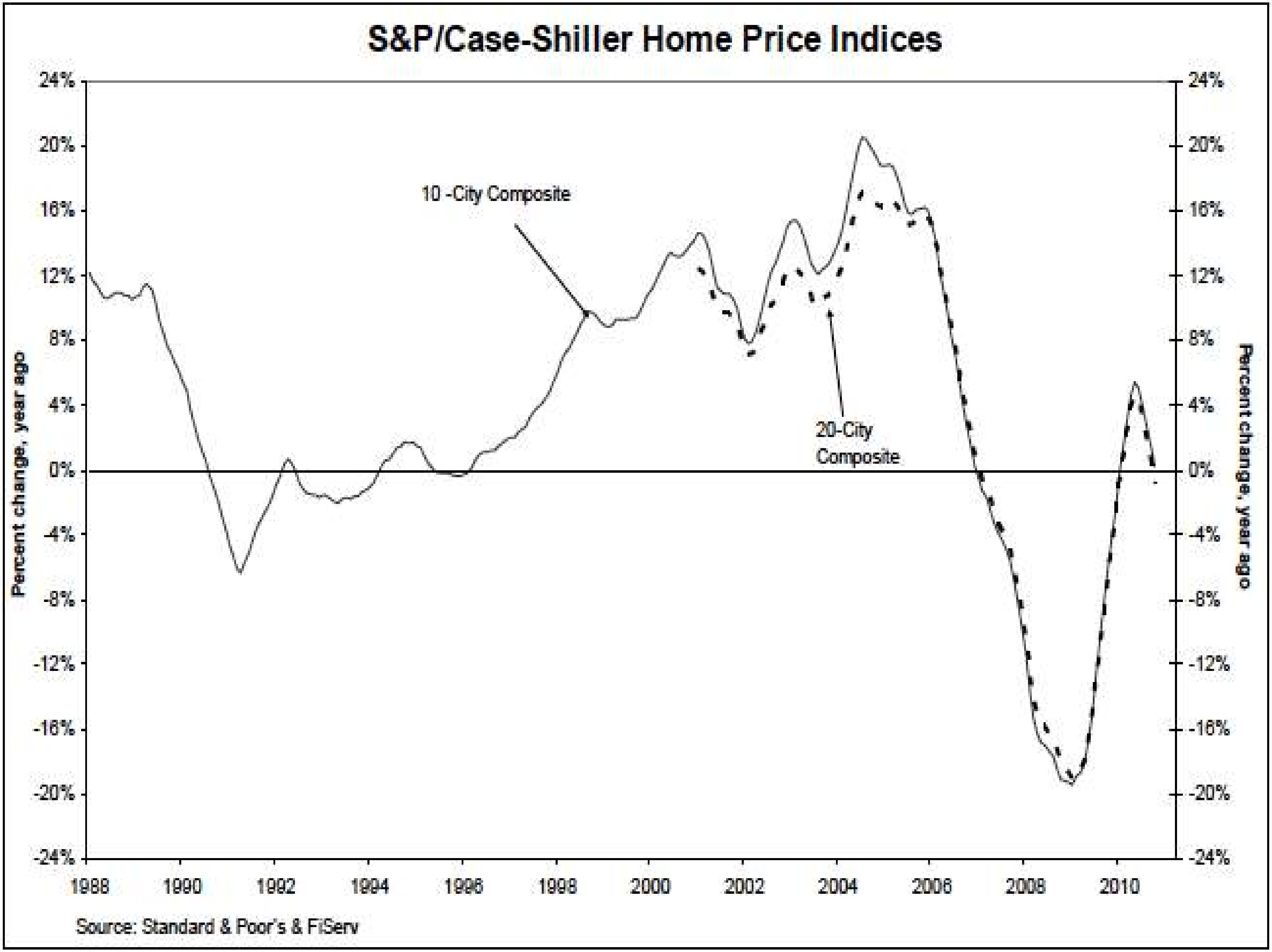
The “mood” of the market?

Comparing Recessions




Median Household Wealth, 2001-2010
$150,000
120,000
90,000
60,000
30,000
0
2001
2004
2007
2010


S&P/Case-Shiller Home Price Indices
10 -City Composite
20-City Composite
Percent change, year ago
Percent change, year ago
24%
20%
16%
12%
8%
4%
0%
-4%
-8%
-12%
-16%
-20%
-24%
1988
1990
1992
1994
1996
1998
2000
2002
2004
2006
2008
2010
Source: Standard & Poor's & FiServ

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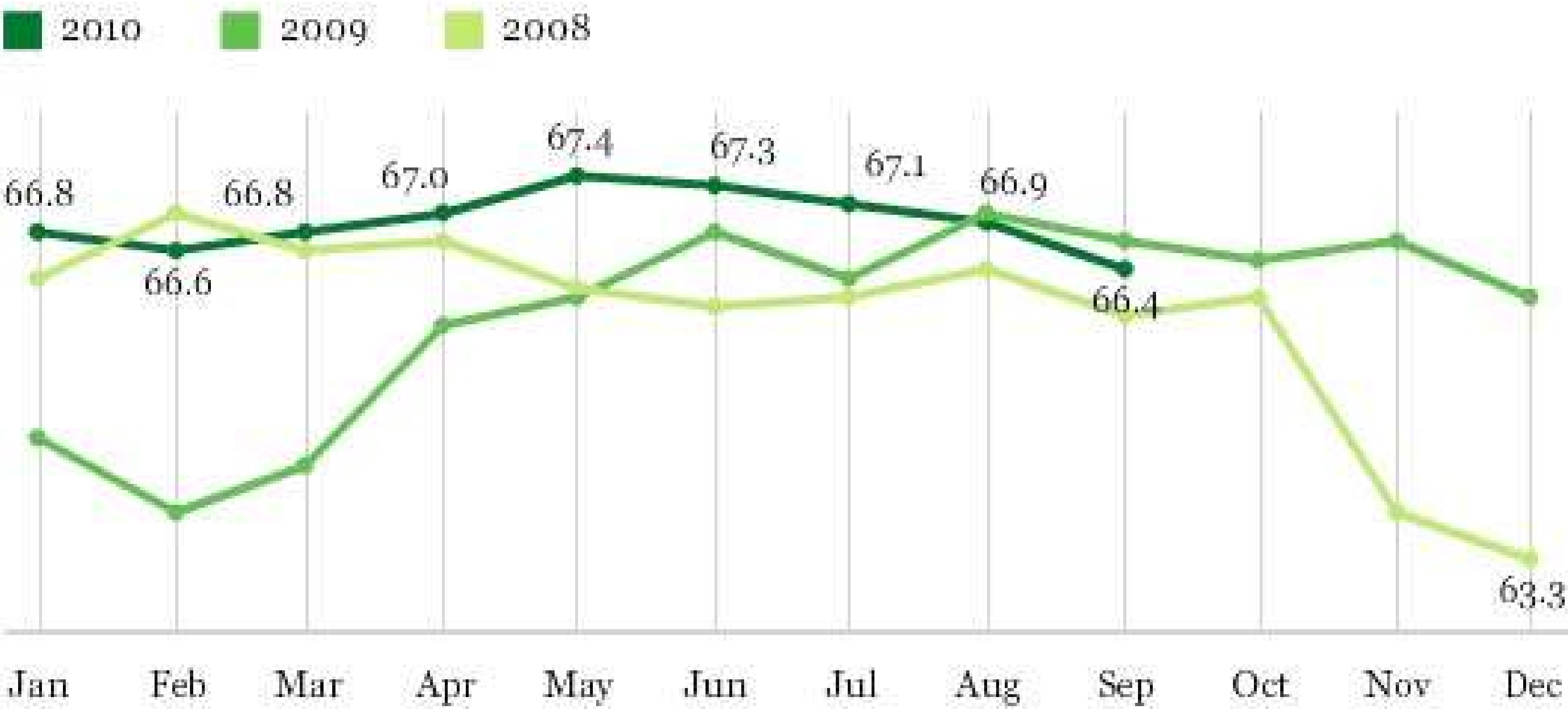
Gallup-Healthways Well-Being Index Score



Gallup-Healthways Well-Being Index

GALLUP

Insanity – A Definition

- *Doing the same thing over and over again and expecting a different result*

Responding to a declining market

- *Reduce objections*
  - –*New language / metaphor*
  - –*Change the steps to the dance*
- *Defend, protect & fortify*
- *Innovate*
- *Efficiency*

Marketing / Service Lifecycles

Service \ Market	Introduction	Growth	Maturity	Decline
Decline	X	X	X	Drop
Maturity	X	X	Maintenance	Harvest
Growth	X	Differentiate	Necessity/ Network	Niche
Introduction	Go for it!	Differentiate	Necessity/ Network	Niche

Reducing Objections

Culture… Negativity

- Sector *NOT* thought of as the valuable resource it is …
- They are seen as **prisons – awful places**
  - **The “F” word**
  - **“Don’t want to put / place mom in a nursing home.”**
  - **“I’d rather be dead.”**
- Deep metaphor of negativity

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Protect / Defend – Satisfaction & Loyalty

- Understanding what the customer / consumer **really** needs, and not what we think (or want to think) she or he needs!
- Is this consistent with what we are “saying”?
- **Service Error Recovery**

Customers

- Referral Sources – **demographics/ psychographics**
  - Should we call them "channel partners"?
- What are their motivations / inhibitions?
- They "need to buy"
- Adult Advisers
- What are their motivations / inhibitions?
- They "need to buy"

Consumers

- Who are our *consumers*?
- Residents / Patients – demographics / psychographics
- What are their motivations / inhibitions?
- They "need to buy"

The “marketing metaphor”

- The current dominant position of the sector
- The words and metaphors
- Change the metaphor – change the “listening”
- Verbal content
- Visual content
- Channels
  - Putting it all together

New Metaphor

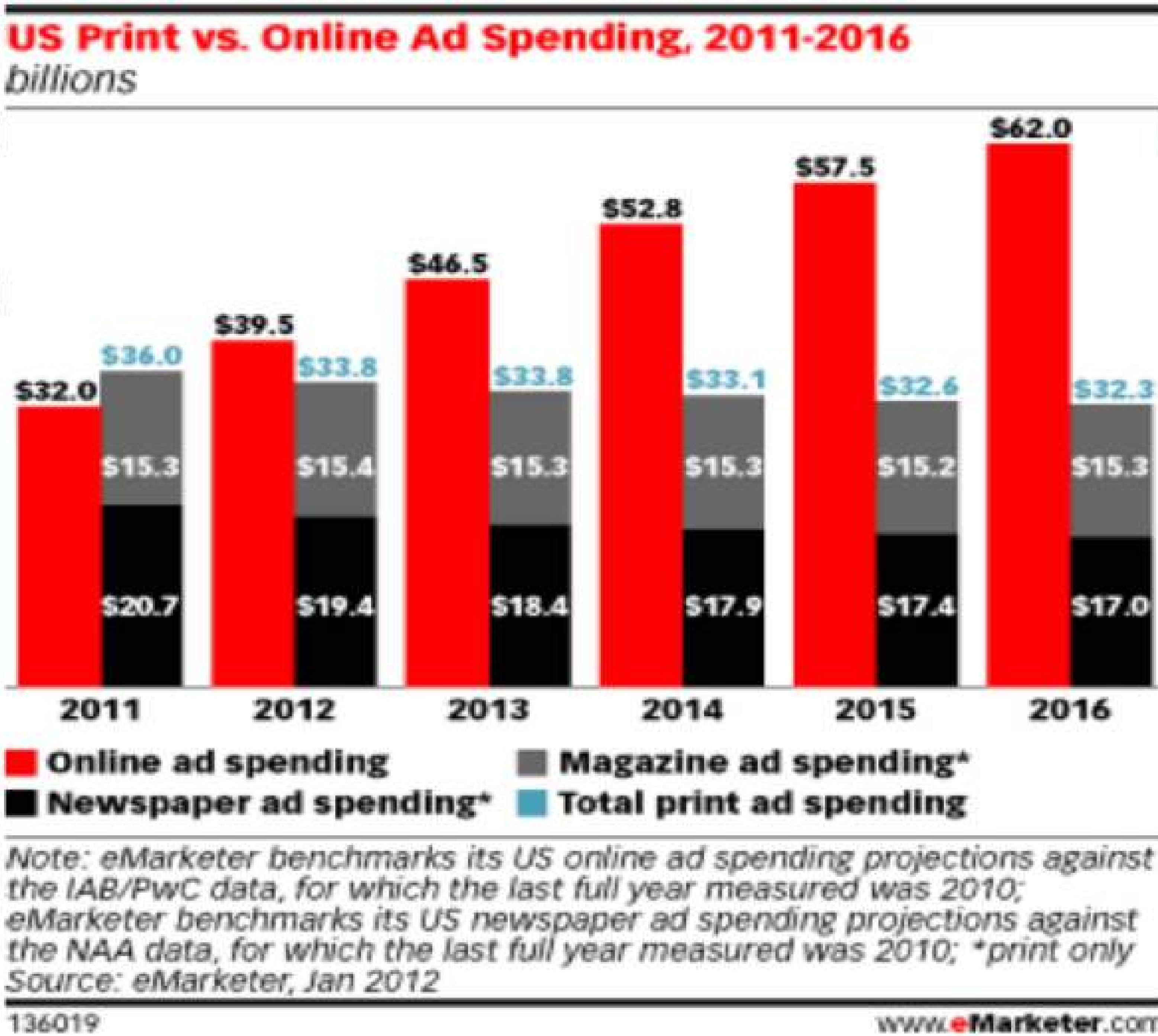
How do we communicate with…

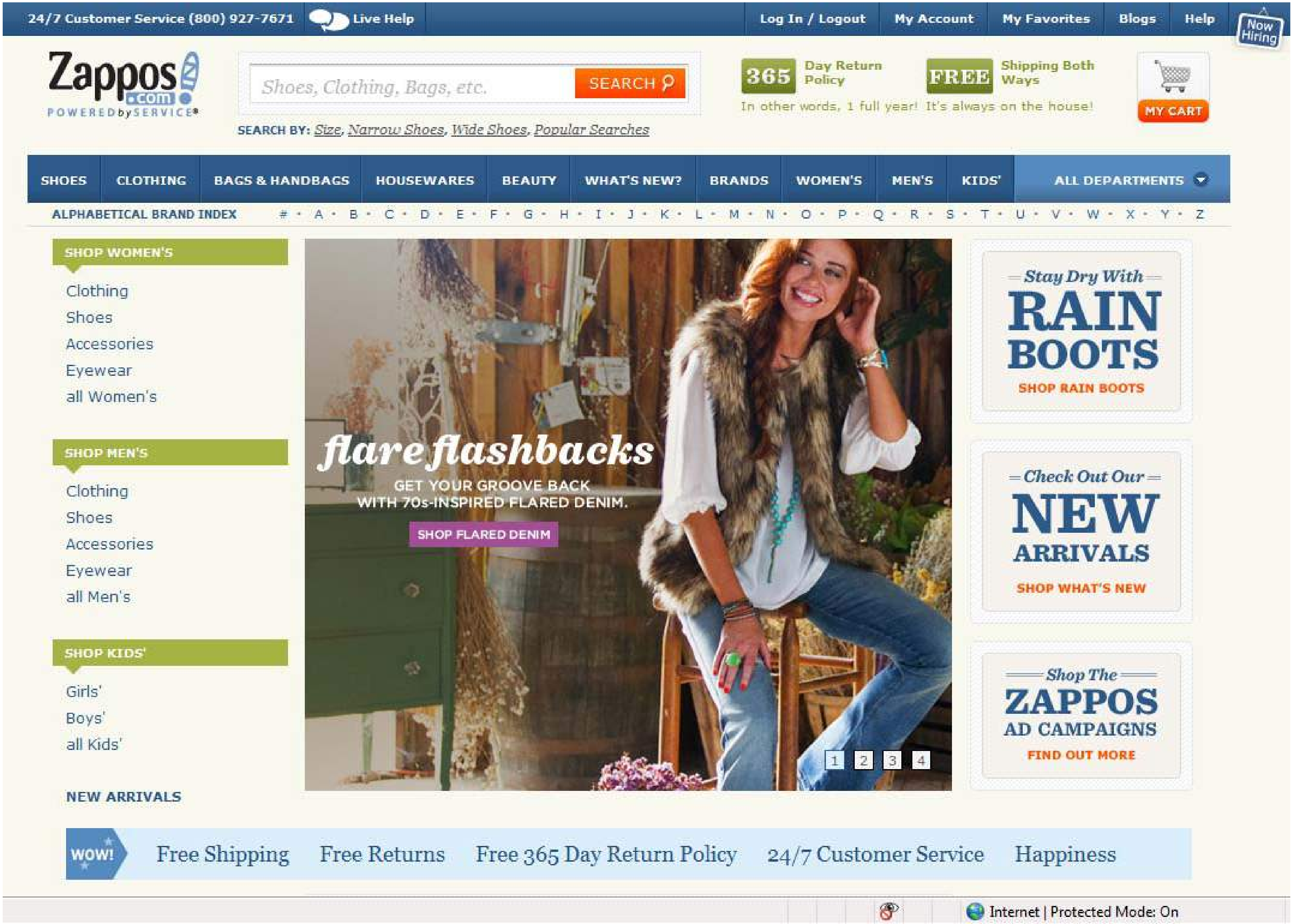
Customers

- Decision makers
- Channel partners

Prospects

- Residents / Consumers
- Adult Children / Advisers


US Print vs. Online Ad Spending, 2011-2016
billions
$32.0
$36.0
$15.3
$20.7
$39.5
$33.8
$15.4
$19.4
$46.5
$33.8
$15.3
$18.4
$52.8
$33.1
$15.3
$17.9
$57.5
$32.6
$15.2
$17.4
$62.0
$32.3
$15.3
$17.0
2011
2012
2013
2014
2015
2016
Online ad spending
Magazine ad spending*
Newspaper ad spending*
Total print ad spending
Note: eMarketer benchmarks its US online ad spending projections against the IAB/PwC data, for which the last full year measured was 2010; eMarketer benchmarks its US newspaper ad spending projections against the NAA data, for which the last full year measured was 2010; *print only
Source: eMarketer, Jan 2012
136019
www.eMarketer.com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My Favorites
Blogs
Help
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SHOES
CLOTHING
BAGS & HANDBAGS
HOUSEWARES
BEAUTY
WHAT'S NEW?
BRANDS
WOMEN'S
MEN'S
KIDS'
ALL DEPARTMENTS
ALPHABETICAL BRAND INDEX
· A · B · C · D · E · F · G · H · I · J · K · L · M · N · O · P · Q · R · S · T · U · V · W · X · Y · Z
SHOP WOMEN'S
Clothing
Shoes
Accessories
Eyewear
all Women's
SHOP MEN'S
Clothing
Shoes
Accessories
Eyewear
all Men's
SHOP KIDS'
Girls'
Boys'
all Kids'
NEW ARRIVALS
flare flashbacks
GET YOUR GROOVE BACK WITH 70s-INSPIRED FLARED DENIM.
SHOP FLARED DENIM
1 2 3 4
Stay Dry With RAIN BOOTS
SHOP RAIN BOOTS
Check Out Our NEW ARRIVALS
SHOP WHAT'S NEW
Shop The ZAPPOS AD CAMPAIGNS
FIND OUT MORE
WOW!
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Free Returns
Free 365 Day Return Policy
24/7 Customer Service
Happiness
Internet | Protected Mode: On


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See what you could lose!
*Plus the cost of food. At participating centres.
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In-Centre or At Home
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BODY
MIND
Height
5'4"
Weight
lbs
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all/
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St. Joseph's Nursing Home

www.StJosephs.net 1222 Tugwell Drive - Catonsville, Maryland 21228 410-747-0026

Home
Our History
Health Care Services
Features & Facilities
Spirituality
Dietary Services
Activities
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Welcome

Saint Joseph's Nursing Home is a non-profit nursing home owned and operated by The Sisters Servants of Mary Immaculate.

The Nursing Home is located in a rural setting at 1222 Tugwell Drive in Catonsville, Maryland, and has provided Long Term Care since its opening in 1959.

The Nursing Home is a one-story brick building with two wings, and has a total occupancy of 44 beds.

Please feel free to look around our site to learn more about us. If you have any additional questions, please call us at 410-747-0026.

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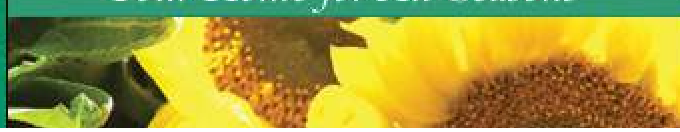

A Life Care Community for Gracio

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Responding to a declining market

- *Reduce objections*
  - *–New language / metaphor*
  - *–Change the steps to the dance*
- *Defend, protect & fortify*
- *Innovate*
- *Efficiency*

Innovation & Efficiency

Responding to a declining market

- **Ways to be fast & efficient**
  - Get upstream
    - Purchase decision cycle – Time?
    - Pull through
      - Case Managers
      - Consumers
      - Doctors

How to Innovate / Add Efficiencies

- Plan Ahead
  - Disease burden = Opportunity
  - Contracting w/ MCOs / DMCs
    - Match Strengths w/ Pain
    - Seek – **Younger / Larger / Underserved**
    - Doctors

How to Innovate / Add Efficiencies

- **Ways to be fast**
  - Technology &
  - Decision Cycle Transformation

Fast or Lunch?

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How to Innovate / Add Efficiencies

- **Ways to be better**
- Hospitals
  - Resident & Family satisfaction data
  - Clinical outcomes
  - Speak *their* language
  - Partner with your pharmacy & rehab providers

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THE VALUE EQUATION RECONSIDERED FOR HEALTH CARE

$$\text{Value} = \frac{\text{Quality}^{*}}{\text{Payment}^{\dagger}}$$

* A composite of patient outcomes, safety, and experiences

† The cost to all purchasers of purchasing care

MEASUREMENT AND USE OF BUSINESS INTELLIGENCE

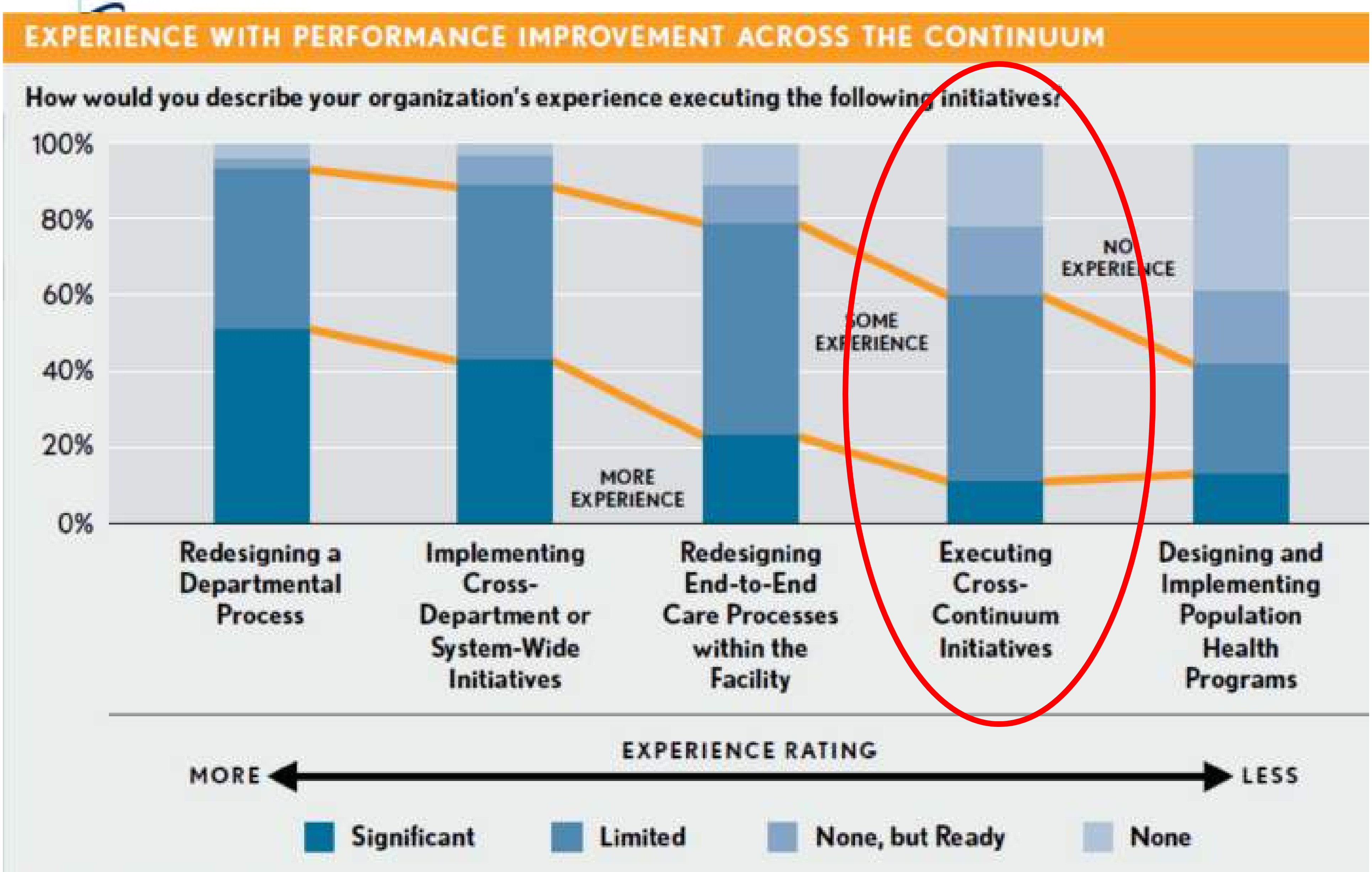
To what extent does your organization measure and utilize business intelligence related to value in the following areas?

	Not	Measure	Manage
Costs of Adverse Events	43%	37%	20%
Margin Impact of Readmissions	38%	42%	20%
Cost of Waste in Care Processes (i.e. duplicative/ unnecessary tests or procedures	50%	29%	21%

Not We do not measure.

Measure We have measured the impact, but do not manage to the metrics.

Manage We manage to these measures (e.g. data drives actions to reduce costs or improve margin).



Source: HFMA Value Project Current State Survey, January 2011.

How to Innovate / Add Efficiencies

- Know your <u>*UPSTREAM*</u> Customers
  <u>RESEARCH PAYORS</u>
- Managed Care
  - Dx Categories – Disease Burdens / Cost
  - Cost / Benefit - ROI
  - Clinical outcomes – Value Formula
- Impact of ACA

How to Innovate / Add Efficiencies

- *KNOW* your Consumers

  RESEARCH
- Consumers
  - **Make it easy**
  - **“Don’t rip me off”**
- **Willingness to Recommend**
- **Ask for the recommendations!**

How to Innovate / Add Efficiencies

- *KNOW* your Staff
  RESEARCH
- Employees
  - Key to reducing costs / increasing outputs
  - Are we getting more staff?
  - Staff produce “patient / family experience”
  - Staff produce **Quality** & **Value**

Conclusions

- Declining Market – Fast or Lunch?
- Customers & Consumers don't want us –
  - they need us - **Support the need**
- Aggressively attack the negative metaphor
  - Start with staff – move on to families
  - Ban the "F" word
- Defend, Innovate and Efficiency

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