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*Chicken Little
 the
 Optimist*

presented by
 Irving L. Stackpole



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Presentation Available

Chicken Little the Optimist!
 Marketing in Difficult Times
www.StackpoleAssociates.com
 1-800-844-9934

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How bad is it??



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Long Term Care

- The *Centers for Medicare and Medicaid Services (CMS)* estimates that by 2020, 12 million older Americans will need long-term care.
- Most will be cared for at home; family and friends are the sole caregivers for 70 percent of the elderly.

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Local Hero

- In Massachusetts
 - Aged cohorts ~ equal to national
 - Leading Edge Boomers are > national
– (Effect of job market?)
 - By 2020 there could be > 170,000 – 85+
 - This growth ~ 16% increase in consumers

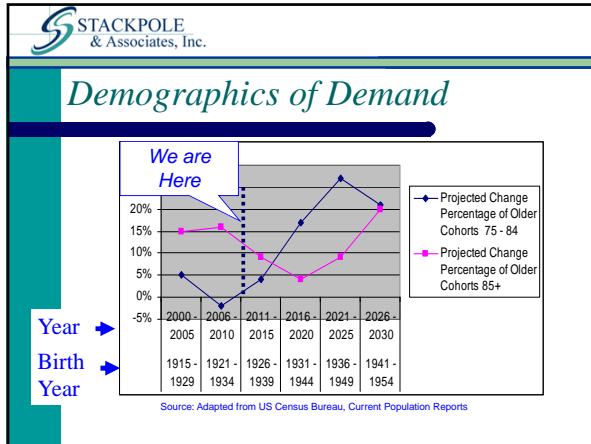
Conclusion
The demand for residential LTC is coming back!

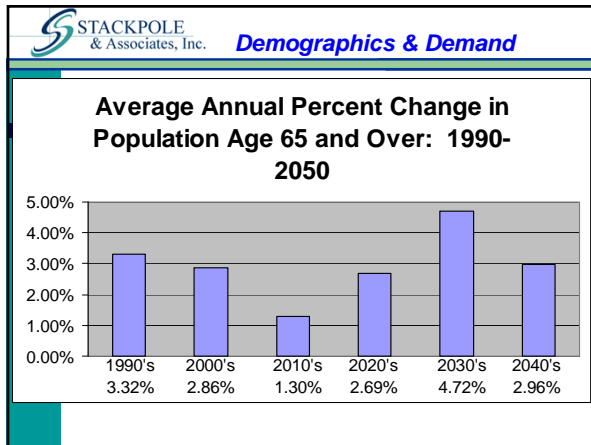
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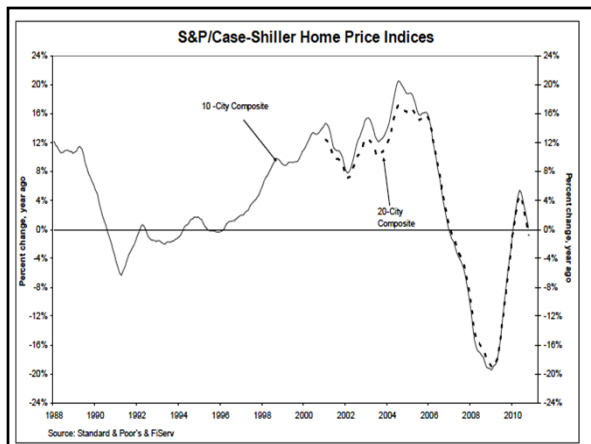
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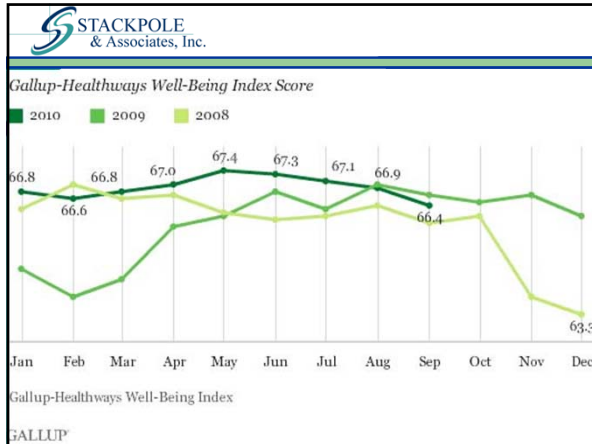
	United States			Massachusetts		
	2000 Census	2009 Estimates	% Change	2000 Census	2009 Estimates	% Change
Under 45	184,477,517	188,056,528	1.9	4,069,175	3,888,464	- 4.4
45 to 54 years	37,677,952	44,592,483	18.4	873,353	1,028,005	17.7
55 to 64 years	24,274,684	34,786,949	43.3	546,407	782,604	43.2
65 to 74 years	18,390,986	20,792,067	13.1	427,830	450,583	5.3
75 to 84 years	12,361,180	13,147,862	6.4	315,640	302,209	- 4.3
85 years & over	4,239,587	5,630,661	32.8	116,692	141,722	21.4

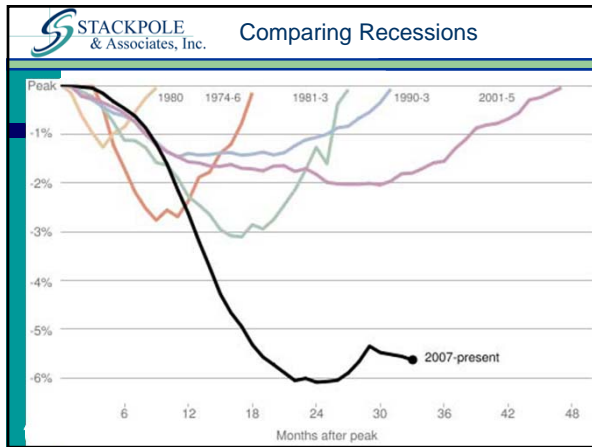
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The Supply Side

- Nursing home occupancy rates declined from 85.5 percent in 2004 to 82.9 percent in 2010 showing excess capacity.
 - Long term residency of “young cohorts” increasing to 14%
 - Despite the above, SNF patients are older & sicker
 - ADL dependency increasing

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The Supply Side

Of the 1.4 million residents in nursing homes:

- 64 % Medicaid,
- 22 % out of pocket / private payers, and
- 14 % Medicare
 - **The percent of residents paid for by Medicare has increased by about 16 percent since 2004 with a reduction in the percent paid by Medicaid.**

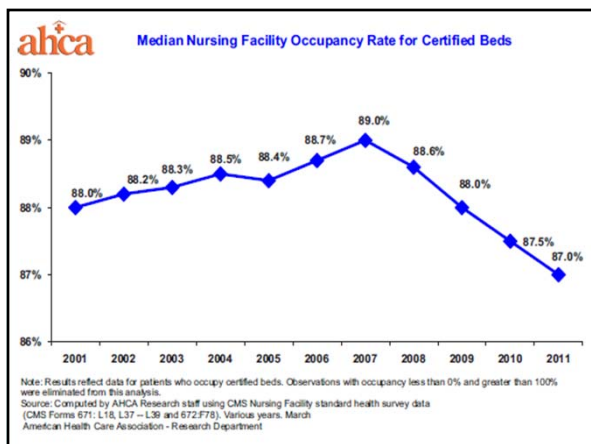
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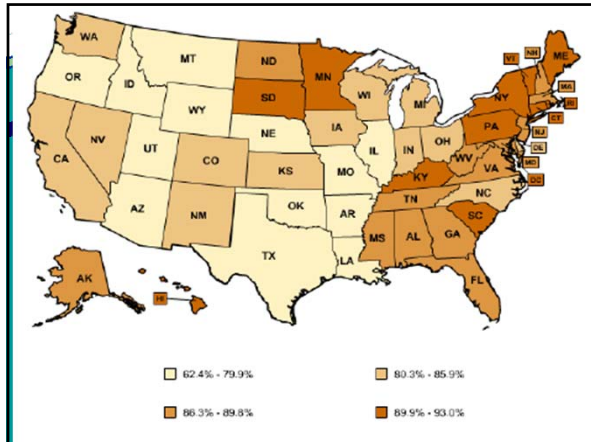
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More Supply Side

- The number of for-profit nursing homes increased from 65.9 percent of all homes in 2004 to 67 percent in 2009, while the number of non-profit nursing homes and public homes declined slightly.
- Nursing home chains were 54 percent of the total homes in 2009, showing a 3 percent increase over 2004.
- Increase FPs in CCRCs

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Quiz

- *The aged cohorts are*
 - A. *Increasing*
 - B. *Decreasing*
 - C. *Some going up, some going down*
 - D. *Staying about the same*

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Conclusion

- *To Quote Randy Newman*

“It’s a Jungle Out There”

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This Presentation

- **Marketing What No One Wants to Buy**
 - What are we “selling”
 - What is the current situation / trends
 - What is the motivation or resistance at 1st purchase v. re-purchase
 - Applications & Lessons

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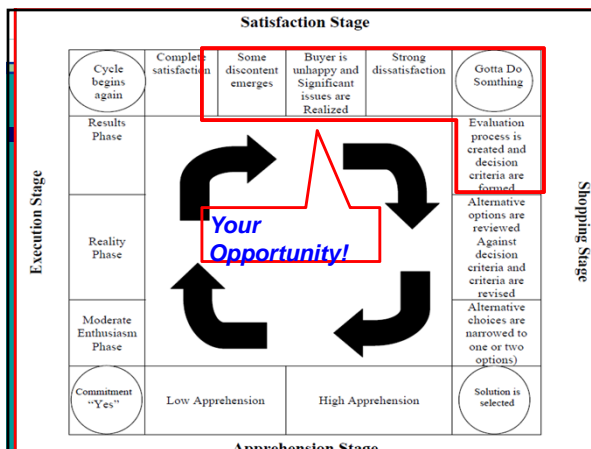
Well-Being Index SCALE 0-100 MVE = +/- 0.2%

National 66.8 67.0 67.4 67.3 67.1 66.9 66.4 66.5 66.5 66.0 66.7 66.1 66.3 +0.2 -0.5

Well-Being Index by Month
 National

2010 Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2011 Jan Feb Mar

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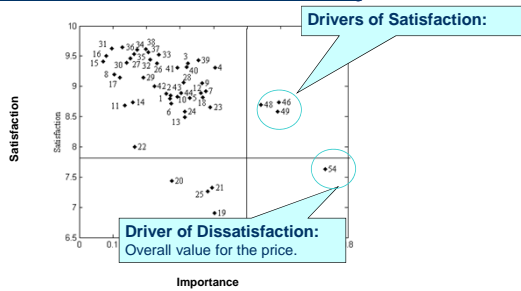
1st Purchase (Change) V. Re-Purchase (Loyalty)

- **1st Purchase**
 - Solution to current problem
- **Perceived value drives loyalty (re-purchase)**
- **Value, satisfaction and importance**
 - What is "Value"
 - Prospects & customers compare

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Priority Areas: Re-Purchase




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Staying "Top of Mind"

- **IF you are an established Brand**
 - Reinforce Value & Value Added
 - What have you done for me lately?
- **IF you are a "new" Brand**
 - Focus on what's distinct
 - The Un-Cola
 - Don't compete on Price
 - It's a Race to the Bottom
 - Testimonials & Referrals


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Staying "Top of Mind"


- **Push**
 - *Email marketing*
 - *Send content that's relevant & helpful*
 - *Events that benefit the SNF*
 - *Public health & wellness*
 - *Polypharmacy, falls prevention, etc.*
- **Pull**
 - *Google alerts*
 - *Social networking*

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What We've Learned

- **Task Clarity is Critical to Sales Success**
 - *The sales team are clear about what they're supposed to be doing*
- **Role Alignment is Predictive of Success**
 - *Marketing, sales and the entire team (yes, operations too!) accepts responsibility for Sales, as well as Customer / Consumer / Employee loyalty!*


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A Few Definitions - For Clarity!

- **Sales – a definition**
 - **Behaviors which persuade and influence customers and consumers to select yours vs. others'**
 - **Securing commitment**

feahsa2002@ethical_influence_03.10.29

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A Few Definitions - For Clarity!


- Marketing – a definition
 - Management of the interface between the provider and the customer / consumer
 - Creating / maintaining preference

Reshna2003@ethical_influence.03.10.29 **28**

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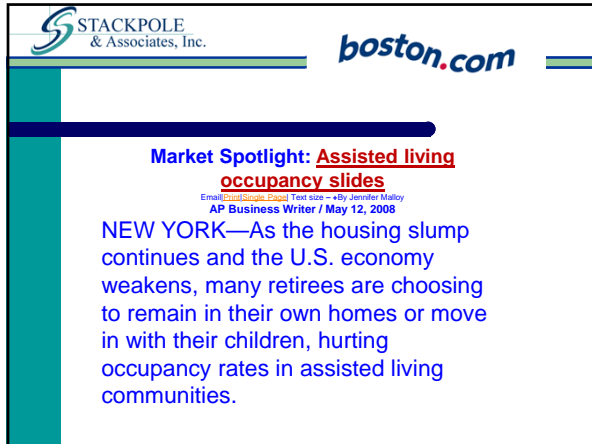
Clear about Sales & Marketing

- Marketers are seldom good sales persons
 - They're too realistic!
 - Who never gives up?
- Good marketers are sometimes good sales persons
 - Schizophrenia is fun!
- Good sales persons may never be good marketers
 - Do you want the report on time, or the volume?
- Don't agonize.. These are the choices

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Market Conclusions

- The market size is static right now
- Disability rates are ↓
- There are more options
- Acuity (ADLs & IADLs) for consumers ↑
And on the **Supply** side...
- Inventory of product is mixed
 - Somewhat old



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Market Spotlight: Assisted living occupancy slides
Email: [David@Stackpole.com](#) Text size: +By Jennifer Malloy
 AP Business Writer / May 12, 2008

NEW YORK—As the housing slump continues and the U.S. economy weakens, many retirees are choosing to remain in their own homes or move in with their children, hurting occupancy rates in assisted living communities.



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Home -> Senior's Housing -> Assisted Living Avoids Big Slide in Occupancy Amid Housing Downturn

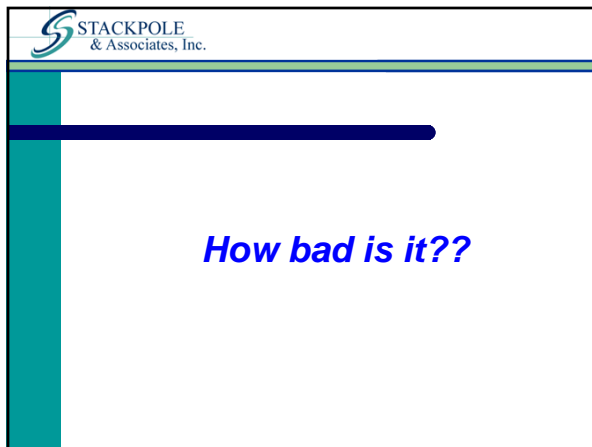
Assisted Living Avoids Big Slide in Occupancy Amid Housing Downturn

Jul 27, 2009 2:07 PM, By Jane Adler

ARTICLE TOOLS
 BOOKMARK EMAIL
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LATEST NEWS
 Slavy Retailers Capitalize on Troubled Careers


 Brighton Concord Retirement Community, Billerica, Mass.



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How bad is it??

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Conclusion

- To Quote Randy Newman


“It’s a Jungle Out There”

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Choices

- Externalize specifically
- Externalize globally
- Internalize specifically
- Internalize globally




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The question of the moment!

What are we doing to market and sell our way out of this??

Can we handle the truth?



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Rx for Long Term Care

- Marketing Messages
 - The metaphors are extremely negative
 - The words are bad – really bad
 - Images are often worse than the words!
 - The “F” word
- Re-Position our Products / Solutions
 - PP&E
 - Staffing
 - Get your people out

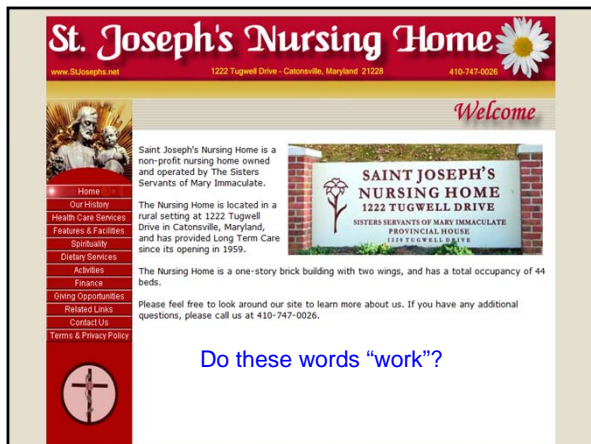
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Target Messages

- To whom are our words targeted
- To whom are our images targeted
- What effect are we seeking
- Some examples...

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The screenshot shows the website for St. Joseph's Nursing Home. The header includes the name, address (1222 Tugwell Drive - Catonsville, Maryland 21228), and phone number (410-747-0026). A navigation menu on the left lists: Home, Our History, Health Care Services, Features & Facilities, Spirituality, Dietary Services, Activities, Finance, Other Opportunities, Related Links, Contact Us, and Terms & Privacy Policy. The main content area has a 'Welcome' message and a photo of the facility. Below the photo, it asks: "Do these words 'work'?"


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Re-Purchase: The Loyalty Effect

- Satisfaction Rates are High
But
- Turnover Rates Are Increasing
Why?

Contribution of **Value**
Value exists in the realm of "fairness"
Is this a fair price?


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1st Purchase - Focus

- What is the underlying cultural metaphor?
 - Describe the popular images
 - TV / radio / print
 - Images from the sector?

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Recommendations

- Scrutinize messages
 - Print
 - Web
 - In-Person

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Recommendations

- Prospective customers' don't want us – they need us
 - Support the need

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Recommendations

- Aggressively attack the negative metaphor
 - Start with staff – move on to families
 - Ban the “F” word
 - Add “movement”, action and kinesthetic language
 - Bring people in (if you can)
 - Get your people out


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Marketing & Sales

Low / No Budget

- Leverage employees
- Educate the community
- Testimonials
- What would Google do?



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1- Leverage Employees


- **Employees As Competitive Advantage**
 - *Loyal Employees* → *Loyal Customers*
 - *Word of Mouth Marketing* → ↑ *Referrals*
 - *Loyal Employees* → *Recruitment Magnet*
- **Employees As Operational Advantage**
 - ↑ *Loyalty* → ↓ *Recruitment Costs*
 - ↑ *Loyalty* → ↓ *Agency Costs*
 - ↑ *Loyalty* → ↓ *Management Costs*

Linking Resident Satisfaction to Staff Perceptions of the Work Environment in Assisted Living: A Multilevel Analysis

Elzbieta Sikorska-Simmons, PhD
Address correspondence to Dr. Elzbieta Sikorska-Simmons, Department of Sociology and Anthropology, P.O. Box 25000, University of Central Florida, Orlando, FL 32816-1360, E-mail: gsikorsk@mail.ucf.edu
Received October 28, 2005.
Accepted April 5, 2006.

Abstract

Purpose: This study examines the relationship between resident satisfaction and staff perceptions of the work environment in assisted living. Staff perceptions were assessed at the facility level, using aggregate measures of staff job satisfaction, organizational commitment, and views of organizational culture. **Design and Methods:** The sample included 335 residents and 298 staff members in 43 assisted living facilities. Data were collected by means of self-administered questionnaires. Two-level hierarchical linear models were used to test the hypotheses. With resident age, gender, and education controlled for, the relationships between resident satisfaction (Level 1 variable) and staff perceptions of the work environment (Level 2 variables) were assessed. **Results:** Greater resident satisfaction in the facility was associated with higher staff job satisfaction and more positive staff views of organizational culture (e.g., greater teamwork and participation in the decision making). From resident characteristics, only education was significantly related to satisfaction. More educated residents were less satisfied with assisted living. **Implications:** These findings suggest that a good quality of work environment for the staff contributes to a better quality of care for the residents. More research is needed to examine the causal nature of this relationship.

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Results: Greater resident satisfaction in the facility [sic] was associated with higher staff job satisfaction and more positive staff views of organizational culture.

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And this is still how we handle team members



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Tactic #1 - About our employees

- **Generation Me**
 - **Entitled**
 - Self Esteem is unrelated to actual performance
 - **Committed**
 - Want to do well while doing good
 - **Cynical**
 - Cannot make ends meet - no "American Dream"
 - Don't believe in Social Security - and more

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Tactic #1 - Leverage employees


1. **Create a Referral Work Group**
 - Not a committee
 - #5 cross functional members
 - Measurable goals
 - #4 referrals / month by ___/___/___
 - Don't meddle

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Tactic #1 - Leverage employees

1. *Create a Referral Work Group*


- *Groups pass through:*
 - *Forming*
 - *Norming*
 - *Storming*
 - *Performing*
- *Set goals but don't meddle*
- *Altruism & reward*
 - *Mix / alter the rewards*

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Tactic #1 - Leverage employees

2. *Ask employees for help!*

- *Referrals*
- *Connect via social media*
 - *Groups on LinkedIn*
 - *Friends on Facebook*
 - *Monitor results*
- *Altruism & reward*
 - *Mix / alter the rewards*

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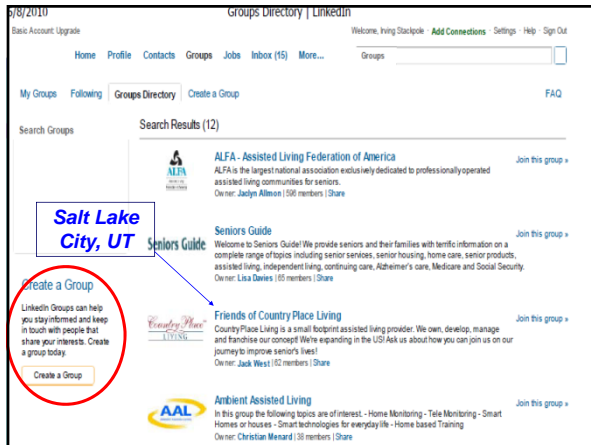
Tactic #2 - Educate the Community

- *Find your audiences*
 - *Where are they*
 - *What do they need / want to know?*
- *Develop the message*
 - *Positive messages "stick"*
- *Deliver the content*
 - *Find the channels*
 - *Develop the relationships & make commitments*
 - *"Scrapbook" activity & success on your web site*
 - *Use Web 2.0 channels*

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2 - Educate the Community cont'd

- Social media marketing
- Select your channel
 - Helpful information – content is critical
- Deliver the content
 - Make the commitment
 - LinkedIn v. Facebook



6/9/2010 Groups Directory | LinkedIn

Basic Account Upgrade

Welcome, living Stackpole Add Connections Settings Help Sign Out

Home Profile Contacts Groups Jobs Inbox (15) More... Groups

My Groups Following Groups Directory Create a Group FAQ

Search Groups Search Results (12)

Salt Lake City, UT

Seniors Guide

ALFA - Assisted Living Federation of America
ALFA is the largest national association exclusively dedicated to professionally operated assisted living communities for seniors.
Owner: Judy Alvarez | 156 members | Share

Seniors Guide
Welcome to Seniors Guide! We provide seniors and their families with terrific information on a complete range of topics including senior services, senior housing, home care, senior products, assisted living, independent living, continuing care, Alzheimer's care, Medicare and Social Security.
Owner: Lisa Davies | 65 members | Share

Friends of Country Place Living
CountryPlace Living is a small footprint assisted living provider. We own, develop, manage and franchise our concept! We're expanding in the US! Ask us about how you can join us on our journey to improve senior's lives!
Owner: Jack West | 52 members | Share

AAL Ambient Assisted Living
In this group the following topics are of interest - Home Monitoring - Tele Monitoring - Smart Homes or houses - Smart technologies for everyday life - Home based Training
Owner: Christian Mesnard | 38 members | Share

Create a Group


LinkedIn Groups can help you stay informed and keep in touch with people that share your interests. Create a group today.

Create a Group

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Tactic #2 – Educate the community

- Get your knowledge out there
 - By-lines / Interviews in local papers
 - Radio & cable TV
 - Social media
- List of local media
 - Contact them – DON'T wait for them
 - Some Do's and Don'ts
- What would Google do?

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Tactic #3 - Testimonials

- Do you have testimonials?
- Where are your testimonials?
- Where can they be seen?

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Tactic #3 - Testimonials

- Satisfied & Loyal Customers
 - Loyalty
 - Word of Mouth Marketing
- “Raving Fans” Advantage
 - ↑ Loyalty → ↓ Marketing Costs

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What's behind an endorsement?

- How loyal are our...
 - Consumers
 - Customers
 - Employees

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Unhappy Customers & Employees Stay!

Satisfaction / Loyalty Connection

A challenge in "threatening" economies

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Tactic #3 – Testimonials

- *Loyalty: more valuable than satisfaction*
 - *Measure of Loyalty*
 - *Willingness to Recommend*
 - *Actual Recommendations*
- *Securing testimonials is an excellent measure of attitudinal loyalty*
- *Use testimonials aggressively*

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Cheap subliminal suggestion → 

Presentation Available at:
[www. StackpoleAsscoiates.com](http://www.StackpoleAsscoiates.com)
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- Market Analysis / Feasibility for New / Refinanced Projects

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- Surveying
- Focus Groups
- Mystery Shopping
- Competitive Intelligence

Marketing Communications

- Web Site Development & Internet Marketing
- Social Media Planning
- E-Mail Marketing
- Public Relations
- Graphic Design & Marketing Collateral Development

Sales

- Sales Training
- Outreach Assistance
- Referral Source Marketing

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The Science of Services Marketing

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