Chicken Little the Optimist

presented by
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Presentation Available

Chicken Little the Optimist!
Marketing in Difficult Times
www.StackpoleAssociates.com
1-800-844-9934
How bad is it??

Historical View of Marketing
Today’s Marketing Reality

Challenge - Marketing

- Matching Supply & Demand

“There are 7 ways to defeat. The first of these is the failure to count.”
### Supply-Side

#### Licensed Nursing Facilities

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Multi-facilities</th>
<th>Independent</th>
<th>Hospital-based</th>
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</thead>
<tbody>
<tr>
<td>Total</td>
<td>15,885</td>
<td>52.40%</td>
<td>47.60%</td>
<td>8.60%</td>
</tr>
<tr>
<td>For Profit</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not For Profit</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Government</td>
<td></td>
<td></td>
<td></td>
<td>6.10%</td>
</tr>
</tbody>
</table>

### 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.**
The Supply Side

Nursing home occupancy rates declined from 85.5 percent in 2004 to 83 percent in 2010 showing excess capacity.

- Long term residency of “young cohorts” increasing to 14%
- ADL dependency increasing

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.
Median Nursing Facility Occupancy Rate for Certified Beds

Note: Results reflect data for patients who occupy certified beds. Observations with occupancy less than 0% and greater than 100% were eliminated from the analysis.

Source: Computed by AHCA Research staff using CMS Nursing Facility standard health survey data (CMS Forms 671, L18, L31 – L38, and B72/73), Vital years. March
American Health Care Association - Research Department

Supply-Demand = Occupancy

Nursing Care Supply-Demand Balance; MAP31

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Qualitative Assessment
Supply Side - Residential Care

- 31,100 residential care and assisted living facilities in the United States, with 971,900 beds
- Composition of the market

Note: Estimates may not add to totals because of rounding. Source: CDC/NCHS, National Survey of Residential Care Facilities, 2010.
CCRC Occupancy Rates Have Declined

Currently ~ 87%

Source: NIC MAP® Data & Analysis Service

RCF Market Qualitative

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Demand - Consumers

- Aged cohorts
- By definition – your market
- Changes in the markets?
- Quantitative
- Qualitative

Quiz

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

- To Quote Randy Newman

“It’s a Jungle Out There”
“Unfortunately, we were a little off-target again this quarter.”

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
Targeting by Lifecycle

- Markets and service lines go through 4 lifecycles

- The match between the market & service lifecycles determines best strategies

Hillestad, 1991, Health Care Marketing Plans: From Strategy to Action

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Our
Opportunity!

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
Priority Areas: Re-Purchase

Drivers of Satisfaction:
- 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

Driver of Dissatisfaction:
- Overall value for the price.
Staying “Top of Mind”

- **Push**
  - Email marketing - content that’s relevant
  - Events that benefit the SNF
  - Public health & wellness
    - Polypharmacy, falls prevention, etc.

- **Pull**
  - Google alerts
  - Social networking
    - Real AND virtual

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!
A Few Definitions - For Clarity!

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

A Few Definitions - For Clarity!

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

Market Conclusions

- The market is stagnant or declining
- Disability rates are \( \downarrow \)
- There are more options
- Acuity (ADLs & IADLs) for consumers \( \uparrow \)
  And on the Supply side…
- Inventory of product is mixed
  - Somewhat old
Choices

• Externalize specifically
  • Externalize globally
• Internalize specifically
  • Internalize globally

The question of the moment!

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

Can we handle the truth?
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**

Target Messages

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

- Some examples…
Do these words “work”?
Welcome Home!

Welcome to Saint Louis Altenheim... where living is generous. For more than a century, seniors have made the Altenheim their choice for quality living: exceptional care, treasured friendships, and an abundance of activities to remain active and independent.

The charm of the Altenheim begins with its magnificent location gracing the banks of the iconic Mississippi. From the moment you walk in, you'll feel at home. Fine appointments and rich textures create an atmosphere of quiet elegance - the most delightful surroundings you could ask for in an independent, supportive and continuing care senior residence.

Most important are the people who are proud to call Altenheim their home. We have the pleasure of accommodating very special residents who are rich in spirit, rich in experience and rich in character.

314-353-7225

Click Here to View
"Your Home for All Seasons"
Solution Cycle / Sales Cycle

- The 1st purchase decision is very different from the re-purchase decisions (aka loyalty)

- Purchase – 1st time
  - Overcoming Objections, Empathy, Transactional Competence and Demonstration of Value

- Re-Purchase
  - Reinforcing Value, Transactional Competence
Recommendations

- Fortify, Protect & Defend
  - Loyalty
- Productivity Growth
- Innovation, Differentiation

Recommendations

- Scrutinize messages
  - Print
  - Web
  - In-Person
Marketing & Sales
Low / No Budget

- Leverage employees
- Educate the community
- Testimonials

- What would Google do?

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
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

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

Elzbieta Sikorska-Simmons, PhD

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

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
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

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
**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
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
**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?

**Tactic #3 - Testimonials**

- Do you have testimonials?
- Where are your testimonials?
- Where can they be seen?
Tactic #3 - Testimonials

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

What’s behind an endorsement?

➢ How loyal are our…
  - Consumers
  - Customers
  - Employees
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**

Presentation Available at:


1-800-844-9934
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