



# REPOSITIONING YOUR PAYER MIX

How to evolve marketing strategies  
to impact sales, census and revenue

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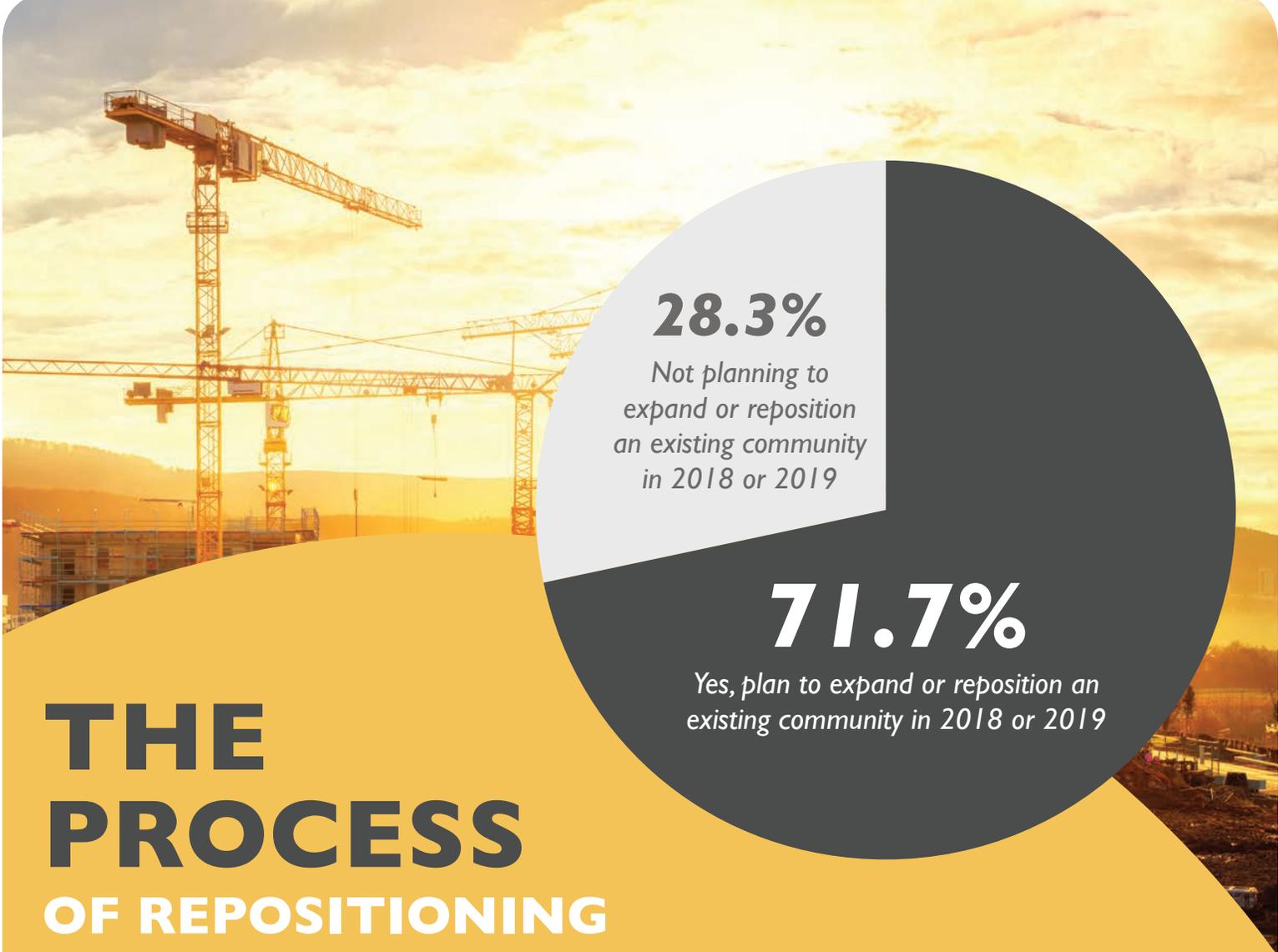


As health care remains in flux and government action can seem more politics than policy,<sup>1</sup> many senior living organizations are unsure what the future holds. What is clear is that — as the senior population quickly expands — market conditions will continue to change, possibly at an even more rapid pace.

As a result, many communities, squeezed by ever-decreasing insurance reimbursements and shortened lengths of stay, are assessing their payer mix.<sup>2</sup> And prospective residents and families alike are continually exploring alternative forms of care (e.g., at home).

CCRCs that have a higher ratio of health care or skilled nursing beds often find they need to increase their private pay revenue. By increasing independent living or assisted living accommodations, they are minimizing dependence on an underperforming payer source and positively impacting the bottom line via private payers.

**Government payers want to reduce costs by pushing patients to lower-acuity, lower-cost settings (i.e., home vs. skilled nursing), and negotiating lower reimbursement rates.**



# THE PROCESS OF REPOSITIONING

In the most recent *LeadingAge Zeigler 200*, **over 70% of communities were planning to expand or reposition in 2018 or 2019.**<sup>3</sup> While this number is staggering, the process for achieving the optimum repositioning outcome (i.e., healthy revenue) will vary from community to community.

For example, the reduction of nursing beds or assisted living support alone is not the end of the story. In fact, on its face, shifting beds may be one of the easier obstacles to overcome. That's because there are multiple facets of a repositioning you need to contend with.

## **This is not an overnight change. Why?**



**In essence, the challenge is a cultural one. You need to transition from a care-based (or clinical) mindset to a resident-based (residential) mindset.**

**28.3%**

*Not planning to expand or reposition an existing community in 2018 or 2019*

**71.7%**

*Yes, plan to expand or reposition an existing community in 2018 or 2019*

To start, many organizations that are repositioning were founded decades ago. Moving away from skilled nursing does not remove the historical perception of your brand as a nursing facility that provides care. A repositioning requires you to not only address how your community sees you, but who sees you, as you are now focused instead on reaching independent living and assisted living audiences.

Further, several cascading challenges come from a repositioning. These range from operational questions (e.g., "What do our marketing materials say?") to organizational threats (e.g., "How do we manage our public relations if we reduce our skilled nursing workforce?").

# THE 5 MILESTONES OF REPOSITIONING

Acknowledging the obstacles inherent in a repositioning, there are five key factors to address the task conscientiously. Taken together, these components can help reposition the operations, sales and overall services you offer — and help you deliver a brand experience more in line with the services you intend to sell.

- 1 External brand perception
- 2 Internal brand perception
- 3 Messaging and positioning
- 4 Marketing strategies
- 5 Sales approaches

## 1 External Brand Perception

The start of any repositioning exercise is first understanding how your community is viewed in the market today — then asking what can be done to change it. You need to define what you are (and are not) uniquely suited to provide your audiences and what differentiates you from your competitors: your unique selling propositions, or USPs.

But differentiation is not enough. Your audience must value your unique qualities, otherwise you are just different, with no purpose and no market share.

To understand and optimize external brand perception of your community, you'll need to first **uncover** your USPs, **develop** your brand and **implement** it internally and in the market. In each step, consider the opportunities and barriers to a seamless repositioning.

### UNCOVER

This is the discovery phase, where you examine your prospect insights (e.g., consumer preferences, demographic and intent data, key differentiators, goals/challenges, and industry barriers) and identify your product/services insights/USPs (through competitive analysis, existing marketing materials, benchmarks/awards, etc.).

PROSPECT/  
TARGET  
INSIGHTS

PRODUCT/  
SERVICES USP  
INSIGHTS



### DEVELOP

Informed by the previous step, this phase allows you to define your communication strategy. In essence, how will your internal team talk about the brand to your community? What will your brand pillars be?

TRAINING  
(internal)

ROLL OUT  
(external)

### IMPLEMENT

This last and final phase is the internal training and external rollout of the repositioning. After deployment, measure, analyze and adjust to your audiences' ongoing needs.



## 2 Internal Brand Perception

**How you represent yourself matters.** Staff need to be educated and invested in a repositioning in order for it to be successful. That involves putting time and consideration into how the new residential lifestyle is represented, how team members talk about your services, how they view prospects and more.

Employees need help understanding that the way they are measured has been changed. If able, you can support this paradigm shift by incentivizing employees to make the change and promote the new business approach. Not addressing internal culture affects the sales funnel and immediately causes confusion in the marketplace.

You need to make time to understand what is beneath your internal brand. Having clear brand pillars and communication can help each employee address the innumerable questions about a changing community.

### CASE EXAMPLE: Helen Jones

Helen Jones saw an advertisement one day for Cascadia Hills. Knowing her husband has been wanting to downsize now that their kids are grown, and their home is too large for the two of them, she decides to at least explore the residence's potential.

The next day, she calls the number on the website and is immediately transferred by the receptionist to **Admissions**. "Admissions?" Helen wonders. Adding to her confusion, the salesperson she speaks with invites her to tour the **facility**, telling her she will even get to see one of their best **units**.

Deciding to ignore her apprehension, she accepts, and the next weekend, Helen and her husband head to Cascadia Hills.

While onsite, Helen is surprised to see several staff members wearing hospital scrubs. And as their tour guide is discussing their **care** and how they **check in with residents each day**, her husband nudges Helen and points down another hallway with two **wheelchairs** leaning against a storage closet.

After an hour-long tour, they hop in their car to head home. Helen's husband turns to her and says, "I admit we're no spring chickens, but I didn't know you thought we were ready for the old folks' home."



### 3 Messaging and Positioning

Clear communication is key in a residential model. As you shift away from care, your prospects no longer *have* to live in your community out of a life necessity. In the absence of this care urgency, prospects have to *want* to be there. But that is a difficult challenge to overcome.

**According to AARP, 86% of seniors would prefer to remain in their own homes.<sup>4</sup>**

Therefore, your messaging and positioning should transition from needs-based to aspirational. Rather than focusing on quality of care or the outcomes of individuals, the language and imagery should center on enjoying a fulfilling lifestyle.

This positioning needs to cascade into the physical spaces of a community, as well. For example, what care is provided in independent living, and where? Is it brought into apartments? As the previous case example stated, will prospects taking a tour see wheelchairs and walkers in the hallways?

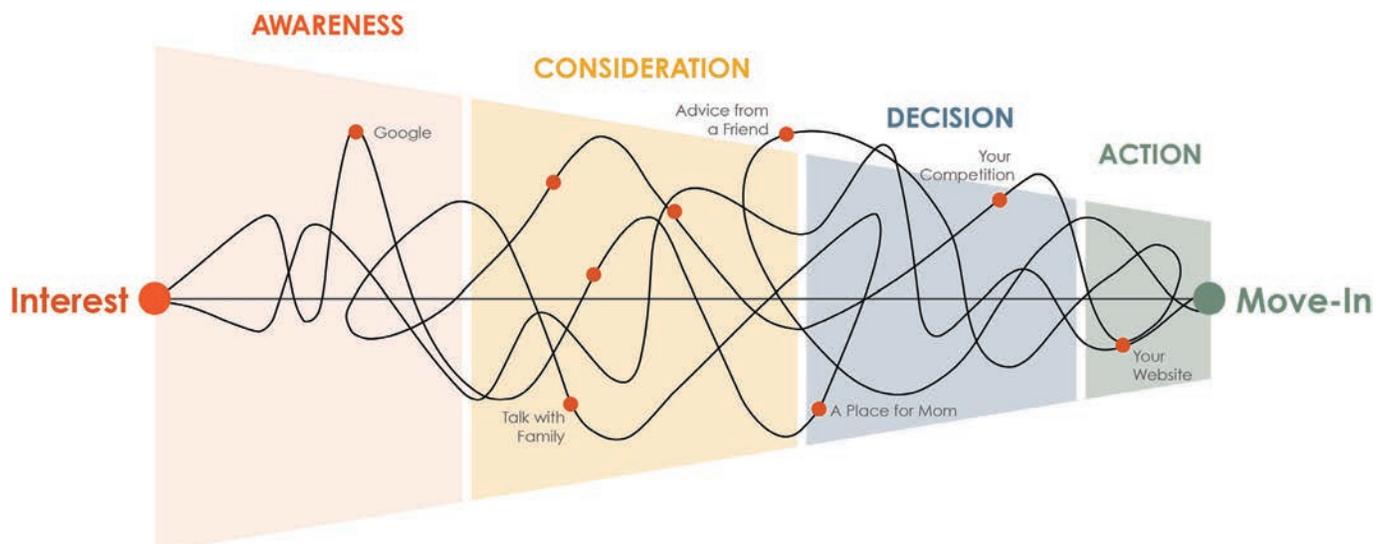
Changing the intent of the physical space is just as important as what is being said on the phone and in brochures. Remember, even though your prospects may be older people with health conditions, many still see themselves as someone younger/more active inside.



### 4 Marketing Strategies

When you move to a residential model, your potential prospect pool instantly becomes larger. In addition, gaining younger residents typically means longer residency (i.e., less turnover) and the potential for more resident referrals.

However, the journey to “move in” gets a bit more tangled. Since the sale is no longer need-based, you will have more competitors, and it may take longer to nurture leads to take action.



Because the journey is so complex, you need to grab the attention of prospects before they begin whittling down the field of communities they are considering. This is where experiential marketing comes in, since many lifestyle-driven prospects are not willing to give up their names and phone numbers to engage with your content. Enabling prospects to try the lifestyle on for size through events is a low-pressure way to increase engagement and get them to visualize themselves in the community.

In the initial stages of the buying journey, before prospects are ready to give up a lot of information about themselves, you need to prioritize “pull” content/experiences (e.g., website, events) over “push” content/experience (i.e., email blasts, phone calls).

For some CCRCs, that is a difficult pill to swallow. What may make “pull” content more appealing is how engaged seniors are in the digital space.<sup>5</sup>

As the infographic on the right notes, engagement in digital platforms and social networking are high across the board. And for sites like YouTube, seniors are now one of the fastest growing segments year over year.<sup>6</sup> This makes including video in your marketing mix especially critical.

## WHAT BOOMERS AND SENIORS DO ONLINE



82%

USE SEARCH ENGINES



54%

WATCH VIDEOS  
(YOUTUBE MOST POPULAR)



69%

USE A SOCIAL NETWORKING SITE DAILY

## 5 Sales Approaches

As any CCRC C-suite knows, having the right sales team is integral to community success. But since your sales team is now expected to make aspiration-based sales, your lead and sales model also needs to change.

From a marketing perspective, this change will likely require overhauling collateral materials used during the sales process and establishing a cadence for which services are promoted and how.

Speaking of sales, you will also encounter a much longer sales funnel, which may be jarring to employees more used to quick conversions. For example, a new assisted living lead requires an **average of 23 sales touches** prior to move in, while a new **independent living lead averages 35**. For the latter independent living prospect, the sales journey can take an average of 290 days from inquiry to move in. For more than 33% of prospects, it's over a year.<sup>7</sup> And these new leads can cost from \$250 to over \$1,500 each.

This new reality is an ambitious undertaking. With the long lead time on move-ins, the majority of your near-term sales will come from leads that have been in your database more than six months — and which may have existed for five to eight years.

To capitalize on each new or existing inquiry, a consultative sales process, in which the salesperson is adept at conducting discovery — the process of learning about prospects and the unmet want or goal that your lifestyle and services fulfill — becomes essential. Salespeople must build the value of senior living and resist the urge to focus on just the real estate aspects of the product. In fact, in a recent study, **28% of communities say that sales process improvement is their biggest opportunity for growth in 2019.**

**The payoff?** All of these hard-won independent living and assisted living residents stay longer, providing a stronger revenue source.



## CONCLUSION: REPOSITIONING OPENS UP NEW MARKETS

Despite changes in senior living over time, a typical prospect still views continuing care retirement communities as nursing homes. This resident-based, aspirational approach lends itself to changing that belief, but repositioning will still only yield the effort that was invested.

That is why it is critical to take a holistic approach that addresses these five key repositioning components. Taken together, they can help a community struggling with its revenue mix realize more potential through private-pay sources like independent living and assisted living.

### About Creating Results

Creating Results is a generational marketing agency with over 25 years of experience in senior living and 55+ housing. Exclusively focused on 50+ audiences, we design solutions for each client's competitive landscape, assets and goals. Creating Results is headquartered in Virginia, with clients throughout the United States. We are experts in everything mature consumers experience, and have served as the marketing partner for builders, developers and senior living communities of all sizes.

everything mature consumers experience  
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