The Other 85 Percent

Think of the market for retirement residence prospects as an iceberg. As operators, we all seem to have our eye on that 15% that's visible above the waterline – people who are age appropriate, income appropriate, meet our health criteria and have some easily-discernible need to make a move. The members of this "15 percent club" generally have another thing in common: an appetite for the good things in life. These people have lived an upscale existence – and expect the same level of lifestyle in a retirement residence. When they come for a tour, it is clear within the first few minutes that they have the money – they have homes with high equity value in desirable neighbourhoods, have had professional or well-paying public service jobs, have good pensions and investments and have generally lived a lifestyle that has included vacations, possibly second property ownership (cottages or southern States), new cars and lots of "catered" services such as spas, restaurant meals, dry cleaners, housekeepers, gardeners, etc. They can afford the average monthly rate of $3,066 quoted in the recent Ontario edition of the CMHC's Annual Seniors' Housing Report. I hesitate to say that retirement residence rental is ever easy but, if it is, this is the group most willing to buy what you are selling.

Most new properties built today are trying to appeal to this 15 percent club – the folks with the money to afford a grand lifestyle. Almost exclusively, new properties are upscale in nature – one- and two-bedroom suite configurations that are larger than previous offerings, granite countertops, walk-in closets and bathroom heat lamps, pools, spas, golf simulators and internet cafes. Services also appeal to members of the "club" – tai chi, holistic therapy alternatives, esthetics, book clubs, gourmet cooking demonstrations and more. Bingo and bible study are out, gentle hatha yoga and stream of consciousness writing are in.

All well and good but, according the CMHC report, Ontario still sits with an average vacancy rate of 14.4 percent. That 14.4 percent can represent not only your unrealized profit but may mean that your residence is not yet breaking even. How do we fill those suites? By looking below the proverbial waterline at the 85 percent of prospects who are lurking beneath.

Some of that 85 percent is not qualified – still too young and/or too healthy to consider a residence, too ill and would not meet your health criteria or not wealthy enough to afford the $3,000 per month. There still exists a large proportion, however, that is the right age, the right health care level and has the affluence to move in. What stops them is their station in life and the attributes of their generation.

By their “station in life”, I am referring to the portion of that 85 percent who pulled themselves up into middle class by their bootstraps. They were born or grew up through some of the most difficult days of the last century – and they started out with little to nothing. It was only through hard work and frugality that they landed in middle class neighbourhoods with paid-off mortgages, significant retirement savings and kids who went to university.

The prospects we are dealing with as an industry today are members of either the GI Generation (born 1901-1924) or the Silent Generation (born 1925-1942). Given their life experiences, particularly those who lived through the Depression and Second World War, there are a number of common attributes which we need to take into account when marketing to them. While there are several relevant attributes, there are specific ones which relate to our ability to market to these people

Hardworking:

These people respect hard work and are proud of the jobs they held and volunteering they have done. They often define themselves, particularly the men, by the things they have achieved. They still like feel they are contributing and have not become a burden. They still want to feel in control, of value and that they are still masters of their own domain, responsible for upkeep of their own home and of their basic needs. Uninformed marketers will often stress the carefree lifestyle that is similar to a permanent vacation. The idea of being permanently on vacation while their every whim is catered to seems ostentatious and unappealing to these prospects. Marketing that stresses nothing but free time would not resonate with this group; they do not want to feel that they have nothing but leisure time – they still want to do something purposeful – like maintaining their own apartment, doing some cooking for themselves, volunteering or perhaps doing some work around the residence.

Value-Conscious:

In addition to working hard for their money, these people believe “a penny saved is a penny earned”. Most of them are able to afford a retirement residence, not because they were born into affluence, but because they earned their money and guarded it wisely, paying off their homes as soon as possible, often doing without things they perceived as luxuries and not buying on credit.

Consequently a marketing and sales approach that focuses on luxury, elegance and opulence would not appeal to this group. An approach that focuses on good value and addresses, in a positive light, their reasons for seeking a change, would resonate better with them.

Why are these prospects willing to pay for a retirement residence when the rates may clearly indicate a traditional apartment and access to community services may be more affordable? Because they understand that there is tangible value (in the services, square footage, amenities) but also intangible value in the security, peace-of-mind and companionship of living among those of a similar age and life experiences. In essence, they are not only paying for the services they receive but for the maintenance of their cherished independence through subtle supports in place at the residence.

Prone to clutter:

These seniors hate to throw things out, particularly if the items have sentimental value or they feel the item has not outlived its usefulness. These people literally grieve for the loss of their homes. Having suites with good square footage and storage (a walk-in closet, closet organizers and/or a storage locker) is important and allows them to bring more their treasured or (perceived) useful items. Also, using a transition service that is respectful and finds worthy homes for many of their possessions makes the transition less painful. Visit them in their homes, comment on possessions and demonstrate you understand. As well, operators would do well to show evidence of recycling, energy conservation and little food wastage.

That portion of the 85 percent under the waterline that may be appropriate for you is that portion which has the money (through careful money management through the years) but is reluctant to spend it (due to life experiences and the current positioning of most residences. Use the tips below to make the experience more palatable:

- Do not make life sound like a 12-month a year vacation. Make it sound enjoyable with opportunities to still contribute and feel active. Make them feel in control. Do not over-service that previous homemaker who enjoyed keeping her home tidy or doing her own laundry; give that man the opportunity to cut the grass, serve on a committee or serve a cup of coffee if he would like to do so.
- Emphasize experiences, not catered services. Things like having the grandkids over for dinner in the

residence dining room, getting their hair done without going outside on a blustery day, participating in a creative art class or volunteering on the residence “breakfast for school kids” program emphasize the benefits of this lifestyle while promoting the experiences it allows.

- Use images of slightly younger seniors; people just don’t see themselves as 85-years-old
- Do not mention any words associated with aging, such as “senior”, “health”, “needs”, etc. Even words which we might perceive as positive such as “independence” should be avoided. Simply by mentioning these words we make the lifestyle undesirable. It is rather like telling a child who has never been to a dentist that it “will not hurt” or telling a slim woman that a dress “doesn’t make you look fat at all”. Simply by mentioning these items, even to dismiss them, you unwittingly associate the dentist with pain, the dress with an overweight appearance – or the retirement residence with a loss of independence.
- Look for ways to show that your residence is cognizant of the world’s diminishing resources. “Reduce, reuse, recycle” could be the mantra of many of the members of this group.
- Stress all the things a senior would value in a regular apartment plus the other great services – but do not associate them with aging. Make the residence sound as “normalized” as any other apartment or condo. The photos will tell the story of who the product is for.
- In your marketing, in your sales presentation and in your operations, demonstrate that you value what they do – personal service, hard work, usefulness and value.

That “other 85 percent” is a tough group but it is possible to reach many of them with the right approach. And may just result in those additional few deals per month you need to maintain occupancy.