

Marketing Extra Care Housing: A Summary

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This briefing is a concise summary to a fuller report on marketing Extra Care Housing published by the Housing LIN. A copy of the full Report can be downloaded at www.dhcarenetworks.org.uk/IndependentLivingChoices/Housing/Topics/type/resource/?cid=5396

Purpose

The report sets out number of purposes relating to our understanding of marketing extra care housing. These include establishing what we mean by 'successful marketing'; what tools and techniques providers need to and do put in place to achieve success; and identifying the policy, planning, financial conditions that support effective marketing. It provides examples of marketing strategy and activity across all extra care housing (ECH) providers themselves perceive their own USP and how they convey this to their customers. It looks also at what constitutes the 'market', who and where these consumers are and how strategies and activity are developed and refined to capture them.

A key aim is to shorten the learning curve of new and emerging providers by signposting good ideas and innovation and by disseminating best practice. The report also points up areas of 'deficit' in the marketing of extra care housing: including oversight of certain groups; uneven distribution and provision; flaws in the commissioning, design and planning processes; a continuing lack of public awareness of ECH; limited consumer engagement; and a range of 'barriers to entry' that confront new providers wishing to enter the market.

The report concludes with a summary of the initiatives and changes that professionals active in the commissioning, development and management of ECH would like to see explored or implemented. The need to increase awareness of ECH among commissioners, planners, investors, consumers and the public at large forms the *raison d'être* for the report.

The Market

A primary perception is that the market is a social good implying an ethical element to distribution when in fact ECH is a 'commercial' business driven by investment and profit on the one hand and by a combination of social philosophy and the need for public resource

efficiencies on the other. Commissioners need to ensure that ECH is value for money, more cost-effective in the long term than residential care. Private providers need to make a profit and not-for-profit organisations need to achieve a 'surplus' that enables them to continue to expand provision. In some instances the way ECH is marketed actually compounds flaws in awareness, take-up, planning, design, coverage and funding. The report suggests that there is no single care market governed by a set of unifying principles and/or by constants in supplier and consumer behaviour. Rather, it is a quite disparate collection of providers bound loosely by certain regulatory, policy and financial imperatives. The result is that marketing itself tends to be site by site. 'Localism' is central to marketing strategy.

Barriers to Entry

A number of barriers to entry to the ECH market were identified. They include:

knowledge of the market and of needs; expertise and experience; access to development finance; a track record of profitability; availability of private capital to secure institutional match funding; or access to Commissioner funds; viability of local partnerships; ability/capacity to scale activity; supply of land ie suitable sites capable of winning consent; ability to navigate the planning process; strong brand awareness and/or effective local networks; effective relationships with key professionals; the general permeability of the concept of extra care housing and the provider's own specific ability to take it to market.

Awareness of Extra Care Housing

Despite a significant effort to promote it, awareness of ECH is still lacking, in some areas notably so. Rural provision, special needs and BME extra care housing solutions are some examples. Providers from all three sectors, public, private and not for profit, indicated that not only was the concept entirely unfamiliar to many older people and their families, but where it was known the proliferation of different descriptions and models of 'housing with care' was a source of confusion. Some marketing may complicate rather than illuminate the basics of the ECH offer.

The greatest awareness of ECH lies close to the location of developments. It either does not manifest elsewhere or simply dilutes beyond these parameters. This may be a direct outcome of a preference for 'localism' in the provision and marketing strategies of providers. The most surprising lack of awareness is often within local authorities. This is a material concern since local authorities have a vital part to play in explaining, promoting, supporting and funding ECH and in sustaining the awareness and enabling framework within which providers invest, develop and market.

Emerging Trends

Private providers have limited engagement with local authority ECH strategies. The report found evidence that this may be changing as recession encourages a 'mixed economy' of provision – often within developments. Not for profit providers and RSLs have led the way in setting out a market economy for ECH by extending choice to shared and full ownership alongside rented and affordable housing with care. There is increasing evidence of partnership, even traditional private sector providers are now looking at this. Some see a market in transition where future developments may be characteristically, rather than randomly, mixed income/mixed tenure communities

Flexibility in partnership and diversification is the way forward. Blurring and recalibration of tenure and financial arrangements may become permanent.

There was positive evidence of continuing, if slowed, investment. No provider betrayed an intention to withdraw from the sector at this stage. Some of the larger private providers suggested that when the market 'settled' again it and they would be stronger for it. A handful of local authorities stated that they were embarking on ECH for the first time and were committed long term. Others had well thought through development strategies which envisaged a significant commitment to ECH in partnership with local trusts.

Coverage and Market Penetration

Provision is at best patchy and at worst non-existent in some areas. Factors include: geography and demography; housing densities and property values; availability of suitable sites; local planning conditions; cultural, community and ethnic considerations; the quality and availability of housing needs information; whether the local authority has a dedicated ECH strategy; the influence of key professionals in promoting and implementing it; the drive and political will of commissioning and partnering organisations; the incidence locally of private developers, housing associations and not for profit organisations interested in ECH; the attitude of lenders and access to development finance and grants; the strength of community interest; and ultimately 'awareness' of extra care housing and the proximity of comparators.

How Providers Market Descriptions of ECH

Terminology is the means by which providers, especially private and not for profit, 'differentiate' their offer to the customer. This may help brand awareness and increase sales but it also contributes to some of the bafflement about what is and what is not ECH. The fact that there is a working description offered by the Department of Health, which is widely subscribed to and which enjoys significant currency, suggests that the issue lies not in the absence of an acceptable generic term but rather in the marketing behaviour of businesses which, plain and simple, need to secure a commercial edge or fulfil occupancy and care funding objectives. The report provides an overview of the plethora of descriptions used by providers to differentiate their product and give it a marketing edge.

Differentiating the Product

Larger scale not-for-profit providers produce some of the most informative and most customer-friendly marketing material. Not for profit providers appear most skilled and most informative in harnessing a value framework to the practicalities of care choice and delivery. The report explores the importance to consumers of the provider's 'vision' and its frequent absence. Marketing can be highly effective in a way specific to the provider rather than the consumer. The report shows how differentiating, branding and positioning the 'product' plays an important part in ECH marketing.

It is the integration of care that primarily distinguishes ECH from other forms of sheltered accommodation. Yet it is the spatial, lifestyle, specification aspects that still tend to dominate brochures and other promotional media. This is unlikely to change overnight. Yet a number of providers report that the overwhelming concern of customers is 'how are you going to deal with my care needs'.

In the public and not for profit sectors goals are likely to be more closely related to a 'vision' (driven by certain social/moral/ethical aims and principles) and to a service strategy (shaped directly by official housing and care policy objectives) and by imperatives of affordability and social inclusion and for community cohesion.

Notwithstanding its flaws and omissions, effective marketing in this sector does secure profitability, meet important social goals and does enable the provider to expand the model and to deliver a degree of social and economic capital in the community. This raises a challenge—that of publicising to opinion leaders, key professionals and to the general public directly the wider merits of this capital.

Marketing to Multiple Constituencies

Before it reaches out to the consumer, effective (pre) marketing of ECH targets a range of 'constituencies'. These include: local commissioners; influential healthcare professionals; local authorities; social services; the PCT; Adult Services/Care Teams; GPs; Hospitals; the planning authority; the local community; clubs and societies; advocates for older people; investors and shareholders; banks; local businesses; and the media. The report examines how providers 'weight' their marketing strategies. Who do they see as the chief opinion leaders, the decision-makers. How are strategies and activity shaped to access and influence these groups and 'players'?

The report concentrates on the importance of influencing commissioners, certain professionals and the planning and housing teams in local authorities. It examines the view that successful (pre) marketing will increasingly depend on understanding and then synchronising with not just the needs and objectives of the local authority (social and housing services) and perhaps of the PCT but also understanding their language and culture. Detailed knowledge may be required of the process and philosophical context in which budgets are actually arrived at. This may see more private sector recruitment of local authority commissioning staff.

We were told that many commissioners have never set foot on an ECH development and that when they do there is often a transformation in their approach. There is a significant and ongoing awareness challenge here. ECH clearly prospers where the local authority places it at the centre of its strategies for meeting the care and housing needs of older people. The local authority has a powerful role to play which can include raising awareness of the concept, nurturing potential providers, funding care packages and investing in development. It is also about 'best value'.

Marketing Deficits: Beyond the Mainstream

Almost without exception ECH provision is seen as for and therefore marketed exclusively to older people. Marketing reflects this. The key area of new growth is housing and services for people with dementia and this is set to expand significantly. But ECH is a long way from embracing provision for the young disabled, for people with short-term illness and trauma, for those with head injuries and those with mental illness other than dementia. It also fails to address the needs of BME elders. The tendency to locate easily accessed high-density development in centres of population has also resulted in under-provision in rural areas. New thinking and new (micro) models are overdue. 'One size' does not fit all needs. Technology offers one solution.

The main reasons cited for not providing ECH for and marketing to other groups with special needs include: lack of expertise; inability to recruit qualified and trained staff; health, safety and regulatory issues; dispersal of the 'market', lack of viable density; absence of economies of

scale; difficult learning curves; market fraught with 'unknowns'; development finance might be difficult to raise; lack of shareholder support for new or 'non-core' ventures; there are others who can do this better.

Localism

Marketing is also conditioned by geography, especially in promoting the value of being a 'local' provider. This is seen as reinforcing links with the community, demonstrating local knowledge, providing local employment, an ability to offer outreach services and a reassurance that the provider is of a scale where the individual resident still matters. This was strikingly evident in the development and marketing strategies of charitable trusts and RSLs who place great store by their 'localism' and community roots.

Marketing to Planners

Winning a planning application requires an effective marketing strategy to 'sell' both the concept and the location to planning officers and to planning committees. The difficulties still encountered in some applications suggest that success in conveying the benefits of ECH is uneven. There is a robust marketing case to be made here. Providers need to convey more effectively the full range of benefits arising from ECH. These include: building social and community capital; providing employment; boosting local procurement; providing a stimulus to local clubs and societies and a continuing demand for services; in larger developments producing transformative activity which sparks wider regeneration; the creation of inter-agency and cross sector partnerships and more efficient use of resources; relieving pressure on the NHS and on social and local housing services; reducing CO2 emissions and land take; enabling families to engage, reducing anxieties, promoting well-being; and helping to deliver policy objectives centred on secure and sustainable communities.

Tools, Techniques, Territory

Providers answered a questionnaire on the mechanics of marketing – when does it begin; where and how; who leads it, who else is involved; who and what are the key targets; where and why certain emphasis and investment is placed; what techniques are applied, which marketing tools are favoured and why; which have proved most successful; how do providers see their product and their USP and how do they think consumers see it; are strategies planned, written and reviewed or are they simply ad hoc and intuitive; how are they resourced; what emphasis is placed on research, data collection and the use of IT in marketing; are there notable differences between sectors and types of provider in the way they plan and market ECH; to what extent have providers grasped opportunities like B2B and cause related marketing or developed CSR strategies. Do philosophy, vision and values have a part to play.

The report explores the role of managers and the value of recruiting care staff into the marketing team; the role of 'facilities' in marketing – the use of restaurants and show homes. It analyses the emphasis placed by providers in marketing to primary consumers and to secondary consumers. It assesses what the consumer should expect to see in the marketing pack and how, if at all, residents are encouraged to participate in 'sales' and to offer consumer feedback on their developments. It rounds up by reaffirming the case for promoting and imposing the EAC Quality of Information Mark as an effective means of provider accreditation and consumer awareness.

How Are ECH Providers Responding to Recession

A central theme is the effect recession is having on investment, marketing and 'sales'. How are providers adjusting to the downturn. There was a general level of confidence across all sectors that both providers and the ECH model would 'ride the recession' despite a few storms along the way. Some local authorities and RSLs, in some cases just embarking on ECH, were positive about investment and expansion. There is a greater degree of caution in the private sector because of the dependency on outright sales. However, we found a good deal of imagination and pragmatism. Providers across all sectors report that purchasers have so far been responsive to ideas such as 'rent to buy' or graduated purchase or shared ownership or deferred completion. The report collates a range of flexible and imaginative tenure, financial, service and outreach responses from providers in all sectors introduced to enable people to move or to secure their preferred home.

Final Thoughts and Way Forward

The report concludes with an overview of where providers see the need for action or change and how this might be taken forward. This looks at ECH descriptions; barriers to entry; means to raise awareness; reviewing the 'marketing mix'; working with commissioners; improving coverage; promoting inclusion; literature; planning; and embraces ideas for developing outreach services from ECH developments. It captures provider's views on investment and land; using ECH as a vehicle for regeneration; what constitutes good design and areas for innovation; learning from specialist providers outside of the ECH mainstream; engaging consumer feedback; and pointing the way forward on quality and regulation in the sector.

Other useful resources from the Housing LIN:

- Housing LIN Factsheet No30 – Extra Care Housing and the Credit Crunch: Impact and opportunities
- Extra Care Housing Toolkit
- More Choice, Greater Voice

Housing LIN Reports are available at: www.dhcarenetworks.org.uk/housing

Information about Housing LIN:

The Housing LIN works closely with health, housing and social care policy makers and practitioners to promote new ideas and support change in the delivery of housing with care and support services for older and vulnerable adults. For further information visit: www.DHcarenetworks.org.uk/housing

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