



# The Magic Formula to Increase Occupancy and Decrease Cost per Acquisition

*By Susan Saldibar*

Everyone wants to increase occupancy while doing everything possible to decrease cost per acquisition or CPA as we call it. But can it be done? If so, then how?

Back in the day, direct mail (d/m) was considered the most economical way to generate leads. It was easy enough to get your hands on a big list, and postcards were cheap to print up and mail. Plus, you could cover a pretty broad area. And there was a sense that they worked, at least to an extent (“Wow, somebody actually got this, saw it, and responded!”).

But, in recent years, many senior living marketers have given up on direct mail because they just weren’t getting the return. And, there were shinier objects to grab onto. Digital marketing was one (and rightfully so).

As for increasing occupancy, the traditional approach was always to get as many prospects on-site as possible. The idea being that if they can see and touch your community, they’ll convert faster. But the results of on-site events were often disappointing. Plenty of “friends of friends” and looky-loos. But qualified prospects? Often not enough to make the numbers work. So, many communities ended up scrapping events altogether.

**Return to Direct Mail? Really?**

Something is happening, however, that may change the way we look at both direct mail and events. It's a data revolution, unlike anything we've ever seen. And it's a game-changer, according to Valerie Whitman, VP of Senior Living for LeadingResponse (a Senior Housing Forum partner). Because the depth and breadth of big data (for those who know how to capture and use it) has turned direct mail and events into a strong lead generation duo.

Valerie recently shared a recording of a webinar she conducted at Argentum. The topic was how to increase occupancy while decreasing cost per acquisition. Sound familiar? But since LeadingResponse tailors their services to the 55+ market and launches about 1500 campaigns each month across the country, their assessment holds some weight. So, when Valerie told the group that she is seeing higher numbers of senior living community marketers taking a chunk of their marketing dollars and re-allocating them to direct mail, it got their attention.

### **A New Era of Direct Mail**

Valerie explains in the webinar how demographics, psychographics, and an overall deeper bench of information (basically big data) have created a new more fertile terrain for lead generation through direct mail. And it's yielding an average response rate of 2.3%. But there's a caveat. You need to get your d/m right to reap the benefits.

Getting it “right” involves 5 key elements, including a couple that weren’t available even 5 years ago. Here they are:



All of this information revolves around understanding consumer behavior. It involves gaining deep knowledge about prospective residents and adult children and how, when, and where they are most open to learning about your community. LeadingResponse has found off-site events to be the most effective way to attract and convert highly qualified leads. Since they have queried over 47,000 55+ aged senior living event attendees, they have a good idea of how this demographic wants to be approached and what will get their interest.

But aren't off-site events more expensive than on-site events? Not if you

do all the math properly, Valerie tells me. Not if you use your data on the front end to drive the program successfully. In other words, if you use your deeper data set to create a direct mail invitation that attracts highly targeted, qualified prospects to an off-site event you will get



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a higher conversion rate. Then the second step becomes the onsite tour to further support the conversion.

What do you think? Have you shelved your direct mail programs due to poor performance? What about events? Could a bigger, better set of data lead to a better mailing list? Could it lead to a better understanding of how your prospects want to be interacted with?

This is the tip of the iceberg, as you'll know if you caught this webinar at Argentum. If not, you'll want to watch it, as it includes examples, charts, and much more, which you can access [here](#).