

2019 Marketing Research Update

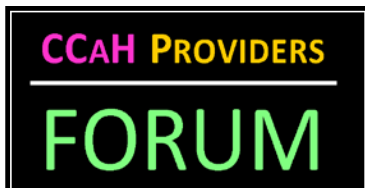
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Love & Company, Inc.





Part I: Sales and Marketing Data

Participating Programs

1. Nine programs (29% of active programs) participated
2. Median # of members: 166
 - Average: 167
 - Range: 54 – 338
 - 4 programs have 190+ members
3. Median year opened: 2013
 - 6 opened between 2011 and 2016
 - 3 have been open 15+ years

New Leads per Year

All of the surveyed programs consider each member of a couple a separate lead in new lead counts since each represents a potential member.

1. Average: 599 leads per year (422 households)
 - Median: 360 (253 households)
2. Range: 197 to 1,768
 - Most range between 197 and 411
3. Two programs have 900+ leads per year

Cost per Lead

The median cost per lead aligns with Love & Company's experience with operating Life Plan Communities (\$321). However, the cost for CCaH is significantly higher when viewed per household (median \$591).

1. Average: \$479 cost per lead
 - Median: \$309
2. Range: \$223 to \$1,328
 - Most range between \$244 and \$351
3. One program has a much higher cost per lead that is significantly impacting the average.

Information Seminars

Information seminars are the primary lead source and event type held for CCaH, with an average of 47 seminars per year. Most programs focus on smaller events with 7 to 13 leads per event.

1. Information Seminars
 - Average: 47 seminars held each year
 - ✓ Median: 53
 - Range: 9 and 80
 - ✓ Most range between 31 and 54
2. Total Attendees
 - Average: 546
 - ✓ Median: 355
 - Range: 235 and 1,624
 - ✓ Most range between 235 and 361

Sales Cycle

The sales cycle (from initial inquiry to approved membership) averages 7 months for all programs, and the cycle for most programs ranges between 4 and 10 months. This is consistent for both older and newer programs.

1. Average length: 7 months
 - Median: 6 months
2. Range: 7 weeks to 2 years

Applications and New Members

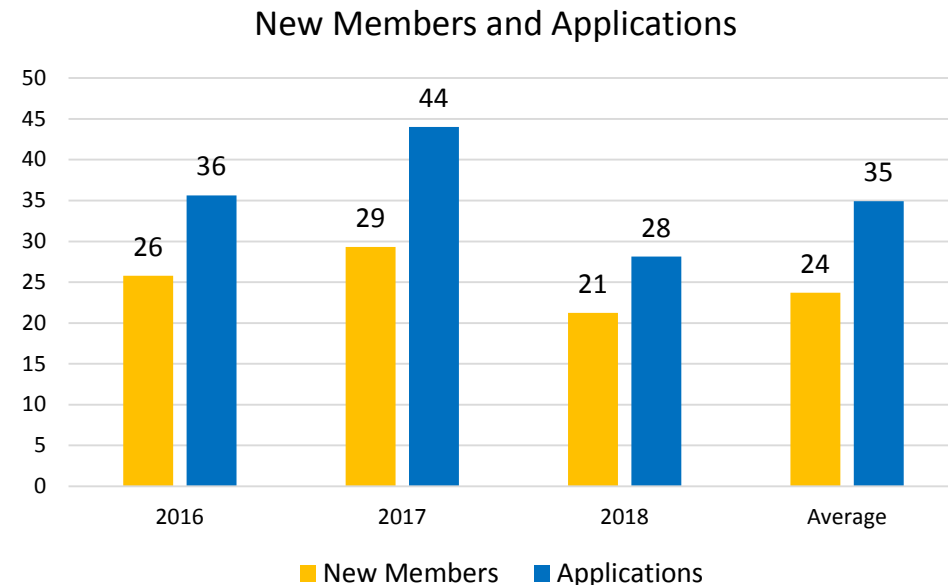
The number of new members per year has decreased slightly, which corresponds with a decrease in the number of applications.

1. New Members

- Average: 24 per year
 - ✓ Median: 25
- Range: 14 to 49
 - ✓ Most range between 22 and 37

2. Applications

- Average: 35 per year
 - ✓ Median: 43
- Range: 17 to 54
 - ✓ Most range between 43 and 47



Appointments and Results

When compared to independent living conversion rates, rates are moderate for conversion of leads to appointments, and strong for conversion of appointments to applications. However, to increase sales, the number of appointments needs to increase, which can be accomplished by both improving the conversion ratio from new leads to appointments and increasing the number of new leads.

1. Total Appointments
 - Average: 146/year (approximately 12/month)
 - ✓ Median: 136/year
 - Range: 11 to 413
2. Conversion Rate from New Leads to Total Appointments
 - Average: 29%
 - ✓ Median: 21%
 - Range: 14% to 68%
3. Conversion Rate from Total Appointments to Application
 - Average: 42%
 - ✓ Median: 24%
 - Range: 11% to 142%

Can You Help Establish Benchmarks?

If you are a provider that did not originally participate in the sales analytics portion of our study, and would like to contribute your data now, please contact Sara Montalto at smontalto@loveandcompany.com.



Part II: Consumer Research

Research Update

1. Member research

- Held in mid-July
- 34 members
- 5 programs

2. Non-member research

- Held in mid-August
- 13 non-members
- 4 programs

Member Demographics

CCaH members tends to be slightly younger, are more likely to be married, and are more affluent than the typical Life Plan Community resident.

❖ Age

- 34%: 56-69
- 25%: 70-74
- 19%: 75-80
- 22%: 80+

❖ Other Statistics

- 63%: Married
- 71%: Self and/or spouse have LTC insurance
- 48%: Have provided assistance for a loved one

❖ Income

- 21%: \$50K-\$74K
- 29%: \$75K-\$99K
- 45%: \$100K+

❖ Net Worth

- 24%: \$500K-\$999K
- 14%: \$1M-\$1.5M
- 17%: \$1.5M-\$1.9M
- 31%: \$2+M

Non-Member Demographics

CCaH members tends to be slightly younger, are more likely to be married, and are more affluent than the typical Life Plan Community resident.

❖ Age

- 54%: 56-69
- 9%: 70-74
- 36%: 75-80
- 0%: 80+

❖ Other Statistics

- 75%: Married
- 36%: Self and/or spouse have LTC insurance
- 67%: Have provided assistance for a loved one

❖ Income

- 31%: \$50K-\$74K
- 15%: \$75K-\$99K
- 54%: \$100K+

❖ Net Worth

- 27%: \$500K-\$999K
- 9%: \$1M-\$1.5M
- 9%: \$1.5M-\$1.9M
- 45%: \$2+M

Members: Role of Sponsor

While the sponsor is important in selecting a program, most participants have no plans to move to the community at a later date.

Importance of Sponsor

1. 73%: Very important
2. 23%: Somewhat important
3. 4%: Somewhat unimportant
4. 0%: Not important

Likelihood of later moving to the associated community

1. 0%: Very likely
2. 36%: Somewhat likely
3. 36%: Somewhat unlikely
4. 29%: Very unlikely

Non-Members: Role of Sponsor

Generally speaking, most non-members are slightly less interested in moving to a Life Plan Community though there are a small subset that are exploring it as an option.

Likelihood of later moving to the associated community

1. 11%: Very likely
2. 0%: Somewhat likely
3. 44%: Somewhat unlikely
4. 44%: Very unlikely

Members: Fees

The majority of members view both the one-time fee and ongoing fee as reasonable.

One-Time Fee

1. 7%: Very high
2. 21%: Higher than expected
3. 71%: Reasonable
4. 0%: Lower than expected

Monthly Fee

1. 7%: Very high
2. 29%: Higher than expected
3. 64%: Reasonable
4. 0%: Lower than expected

Non-Members: Fees

The majority of non-members are more price sensitive than members despite most non-members having slightly higher incomes and net worth.

One-Time Fee

1. 33%: Very high
2. 56%: Higher than expected
3. 11%: Reasonable
4. 0%: Lower than expected
5. 0%: Unfamiliar with the one-time fee

Monthly Fee

1. 25%: Very high
2. 50%: Higher than expected
3. 17%: Reasonable
4. 0%: Lower than expected
5. 8%: Unfamiliar with the monthly fee

Members: Biggest Concern About Joining

1. Survivability of the program / will it remain financially strong
2. Sufficient and high quality service providers
3. Cost
4. Would it provide enough care to allow me to stay at home

Non-Members: Primary Reason for Not Joining

1. Cost
2. Not time yet
3. Have long-term care insurance
4. Costs keep going up as you get older

Members: Most Valuable About Being a Member

1. One point of contact (care coordinator)
2. Peace of mind / freedom from worry
3. Knowing help is available when needed

Non-Members: Greatest Reason for Initial Interest

1. Case coordination by care coordinator
2. Being able to remain at home safely, with quality care
3. Offered by a community with a good reputation

Non-Members: Biggest Concern about Staying at Home

1. Having qualified, safe and honest workers coming to my home when needed
2. Maintaining the home
3. Stairs/falling/upstairs rooms

Non-Members: Interest in Additional Services

1. 80% indicated home technology monitoring devices for falls and security are very or somewhat desirable
2. 89% indicated health monitoring devices (blood pressure, insulin, weight, sleep) are very or somewhat desirable
3. 90% indicated telehealth services (web-based doctor appointments) are very or somewhat desirable

How much would you be willing to pay for these services?

1. 40%: \$25 to \$49/month
2. 30%: \$50 to \$74/month
3. 30%: Would not want to pay extra



General Discussion

