



Multi-brand Strategies in Senior Housing

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Photo courtesy of Maplewood Senior Living

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About Senior Housing News

Senior Housing News (SHN) is the leading source of news and information covering the senior housing industry.

With a national reach of more than 30,000 professionals, SHN boasts a readership that includes senior housing operators,

developers, banking institutions, real estate investment trusts, private equity and service providers catering to the industry. SHN provides a cutting-edge and targeted platform unlike any other publication, giving you the opportunity to reach decision-makers every day

Key Takeaways

- Senior living's penetration rate remains low, and some operators are launching targeted, branded product lines to capture new customers
- Operators are creating new brands based on price point, acuity, geography, lifestyle, with mixes therein
- Among pricing models, the middle market is the most challenging to define and, as such, filled with promise
- Operators are taking cues from the hospitality industry in how to execute a multi-brand strategy
- The sweet spot for senior housing is around four brands

*The Carillon at Bellevue Station, in Denver, is part of the Signature Line from Leisure Care, a high-end offering.
(Photo courtesy of Leisure Care)*

Embrace a multi-brand strategy to capture new customers

Key concept: A family of brands

Kai Hsiao, CEO of Eclipse Senior Living, refers to the approximately 88% of seniors living outside of senior living as the “unspoken 88%.” His goal is to develop new product lines that “speak” to that untapped population.

To do so, he is developing what he calls a “family of brands” — a group of branded senior housing products that each serve a different segment of the senior population while giving Eclipse benefits of scale on the back-end.

The impending wave of baby boomers into the senior population will bring more than just massive numbers of potential residents. This isn’t merely a question of bulk. It’s a question of breadth. As boomers age into senior living, they will be healthier than their predecessors. They will live longer. They will, by virtue of their generational profile, exhibit more discerning tastes.

They will be trickier to serve.

Kai Hsiao, CEO of the Portland, Oregon-area Eclipse Senior Living, has a term for this trickiness: the unspoken 88.

That’s 88 as in 88%, the approximate percentage of seniors not yet living in senior housing. In June of 2018, the National Investment Center for Seniors Housing & Care (NIC) showed an occupied penetration rate for the 99 primary and secondary senior housing markets at 9.1%.

That same year, a report from Newport Beach, California-based real estate research firm Green Street Advisors showed senior housing penetration a bit higher, at 11.7%. Green Street projected a possible dramatic rise in 2025 that would still only be 12.5%.

Even if penetration were to jump even higher to 15%, that still leaves 85% of seniors outside senior housing. And it leaves industry leaders wondering if they need to offer additional products.

“You have 88 to 90% of the market that hasn’t found anything that appeals to them yet,” Hsiao says. “So what are they looking for?”

The solution gaining steam is a growing business model: the multi-brand strategy. Senior housing operators are following the lead of the hospitality industry by building new product lines as separate brands, and even sub-brands. These brands target consumers in different ways, some by price point, some by acuity, some by geography, some by lifestyle.

The goal of developing these new branded products is to capture an untapped consumer base and build new revenue streams. For his part, Hsiao is drawing from his experience in hospitality and his time in senior housing to build what he calls a “family of brands” under the Eclipse banner. Eclipse currently has two brands: Embark and Elmcroft. Both are middle-market products, Embark for low acuity seniors, Elmcroft for high acuity ones.

Eclipse then plans to add two luxury lines, one for low acuity and one for high acuity, thus giving it a quadrant of brands to capture different consumer types.

“Not all seniors are built the same — they have different wants and needs,” Hsiao says. “We are in a world of personalization. We are in a world of customization. I think as we begin to evolve as an industry, we need to speak to different segments of the population. Baby boomers aren’t just one big bucket. There are segments. And we need to be able to speak to different segments of that bucket.”