



## Market analysis on the development of the demand for services and products targeting seniors in Lithuania

### Summary

Vilnius 2019

Lithuania has the fastest aging population in the European Union. The proportion of elderly population has doubled in the last 20 years and now stands at almost 19%. It is likely that by 2040 every third resident of Lithuania will be 65 or older, subsequently increasing the average age of the population by more than five years. Such rapid aging of the population is becoming a major challenge for today's society, with a direct impact on health, economic development, quality of life and social unity.

Healthcare challenges of an aging society: the need for balanced development of prevention, treatment, and long-term care and nursing services. According to the Institute of Hygiene data out of all population over 60 around 92.4% were ill back in 2016. People aged 65 and over accounted for 70 percent family doctor consultations, 36.5% in-patient patients and 51% bed days.

Lithuania's economy is also faced with a negative effect of an aging population, which will become increasingly important in the future. Over the last 25 years, the ratio of people over 65 and the working age population has risen from 16.2% in 1990 to 28.1% in 2015. The working-age population per capita has fallen from 6.2 to 3.6 over this period. Eurostat forecasts that by 2040 this ratio will rise to 56 percent. and the working-age population per senior population will fall to less than two.

Increasing life expectancy puts a pressure on social security system which is now faced a few challenges as result of aging of the population. This sector is likely to require more funds as well as more developed in care and social services. However, as the working-age population shrinks, the consumption will slow down, which is likely to cause insufficient income coming from tax collection in the state budget, which in turn have an effect on opportunities to finance public services.

However, the aging of the population not only poses many challenges but also opens up new opportunities. There are currently over 200 million people over 50 years old in the European Union. All together they reportedly spend more than €2,5 billion annually on goods and services. This market reports exceeding 5% annual growth and by 2025 it could reach €4 billion. Such trends have led to the growing importance of the silver economy concept in recent years.

The main problematic areas of senior citizens, where innovative solutions could be applied or are already being applied in Lithuania, are: continuity of work, mobility, health services, social services, dissemination of information, crime prevention and leisure.

Following the analysis of older people continuity of working life issue, it was found, that a significant number of retired seniors have a need to continue working. However, there should be consideration of introduction of special working conditions: part-time work, work at home, shift work, work organization etc. Innovative solutions could include creation of flexible forms of work (job sharing, workplace learning), empowering older people and seniors to create innovative businesses, setting up senior business incubators, developing start-ups for seniors, etc.

The issue of mobility of older people is related to the fact that a large proportion of older people live in remote rural areas, have mobility disabilities, rarely use public transport or it is not suitable for people with mobility issues, etc. While innovative solutions such as social taxi services are

already in place in this area, they are not sufficient to solve mobility problems. Possible innovative solutions to this problem would be to provide services related to innovative IT solutions: optimization of public transport movement routes, development of innovative public transport sharing/transportation platforms, and autonomous public transport.

Another major problem that requires innovative solutions is health services. The main areas identified as being the most prominent to the elderly in Lithuania and most receptive to the development of innovative products and services are related to: the lack of a seamless network of services for the elderly; insufficient levels of professionals with an adequate medical knowledge in geriatrics; understaffing in emergency medical services; the lack of timely health monitoring; proper disease prevention; lack of early diagnosis, etc. Possible innovative ways of solving this problem: developing and mobilizing platforms for health monitoring, control, prevention, that provide healthcare providers with real-time information on patient behavior, interactive application platforms that include a wealth of interactive applications that provide training, physical measurement, pain reduction, providing real-time analysis to users and clinicians, and more. In addition to this, develop a variety of innovative devices that allow real-time health monitoring, e.g. portable bracelets for data collection, patient social networking, health monitoring devices to monitor patient sleep, nutrition, leisure, etc. As well as, develop services and products for m-health devices, such as neurological, cardiac, apnea and sleep monitors and m-health, covering prevention, diagnosis, monitoring and patient status to better diagnose, target medication, reduce adverse drug reactions, and meet others health needs of older people, and so on.

After analysing issues of social services provided to the elderly, it can be stated that they are mainly related to inadequate interinstitutional coordination of their provision, integration into one comprehensive package of services, quality and assurance of long-term care services, package of daily social services, qualification of social service providers. Innovative solutions to this problem may be related to IT solutions that will allow some social services to be transferred to the online space. As well as allowing new social businesses employing new innovative ways of delivering social services such as self-help platforms; smart housing solutions that allow older people to live independently for as long as possible.

Innovative solutions such as smart TV, innovative channels of communication, mobile applications, online platforms for communication and knowledge sharing, etc., can be used to solve the problems related to the dissemination of information, which the elderly in Lithuania have identified as very important.

Elderly people in Lithuania have identified crime prevention as one of the topical areas where there is a need to develop innovative solutions and services related to ensuring the safety of seniors. This could include smart video cameras or other technologies capable of capturing and preventing crime, innovative approaches to educating seniors in self-defence and protection, innovative community-based initiatives, and so on.

Loneliness and social isolation are major risk factors for the morbidity and mortality of seniors, so leisure is another important issue. The survey identified that senior leisure concerns are most relevant to senior seniors themselves, as they are less well informed about possible leisure activities and opportunities, face transport problems, and have a leisure infrastructure that is not adapted to the needs and opportunities of older people. Innovative leisure solutions can include

rural-urban mobility programs, innovative products and services related to silver tourism, robotic peer-to-peer solutions, innovative collaborative spaces and platforms.

The main factors that hinder the delivery of innovative services and the development of innovative products aimed at older people are related to several causes, one of which is related to the psychological aspect of older people's behaviour. Each innovation that takes place requires some individual effort to master the use of technology (computers, the Internet, mobile devices, etc.), but for many older people it is due to the psychological fear of innovation that it is very difficult that they will never learn it. Such attitudes hinder their involvement in the use of new technologies. Another reason is the inadequate infrastructure to implement new technological solutions. The deployment of certain technologies requires appropriate infrastructure, which older people often cannot afford due to lack of finances, lack of basic infrastructure (internet access, telephone line, mobile phone, etc.), lack of ability to ensure the reliable operation of technology. Another reason is the poor public perception of older people, which discourages them from tackling their problems and prioritizing new innovative products and services nationwide. It is also negatively affected by the fact that older people and their problems are not a state priority, and that the promotion of the silver economy is only a single initiative of different groups of the society, which does not have wide-ranging impact.

The main providers of services for the elderly in Lithuania are the public sector, i.e. municipalities, municipal enterprises, public institutions which have social functions delegated by the state and the appropriate funds for the implementation thereof. These organizations provide services that focus on problematic groups of older people; y. disabled, content-impaired, elderly, dysfunctional, dysfunctional, addictive. The services provided are related to health care, social welfare, long-term and short-term social care and care, prevention programs, etc. Services for seniors are also provided by non-governmental sector organizations (Red Cross Society, Lithuanian Samaritan Society, Lithuanian Caritas, etc.) whose services are focused on the fight against poverty and disability and the exclusion of single people in Lithuania. These organizations provide humanitarian assistance to disadvantaged citizens, carry out social prevention, implement care and social programs, develop a network of social services, establishing day centres and care facilities. Non-governmental organizations also provide educational or preventive health programs (eg Medart Chiobat's Third Age University, Association 'Bociai'). Services for seniors are also provided by private sector entities, which mainly target middle-income or higher-middle-income older people with higher purchasing power. They provide wellness, rehabilitation, personalized healthcare, seniors travel services, body care, personal care, and more.

In Lithuania, the aging population is still not understood as an opportunity to develop and promote the silver economy, but as a social problem that needs to be addressed. The challenges of an aging society are reflected in strategic and policy implementation documents such as 'Demography, Migration and Integration 2018-2030', 'Strategy for Healthy Aging in Lithuania 2014-2023 Action Plan' and 'Government Program of the Seventeenth Republic of Lithuania'. These documents focus on promoting the employment of older people, including their inclusion in the labour market, volunteering, social inclusion and improving health care and prevention. The same tendency is reflected in policy implementation measures, which are often directed not at promoting business that meets the needs of older people in developing and marketing new products and services, but at increasing the productivity of older people.