

## Session C1 «Value Proposition»

# Arriving at a Value Proposition for AAL Technologies

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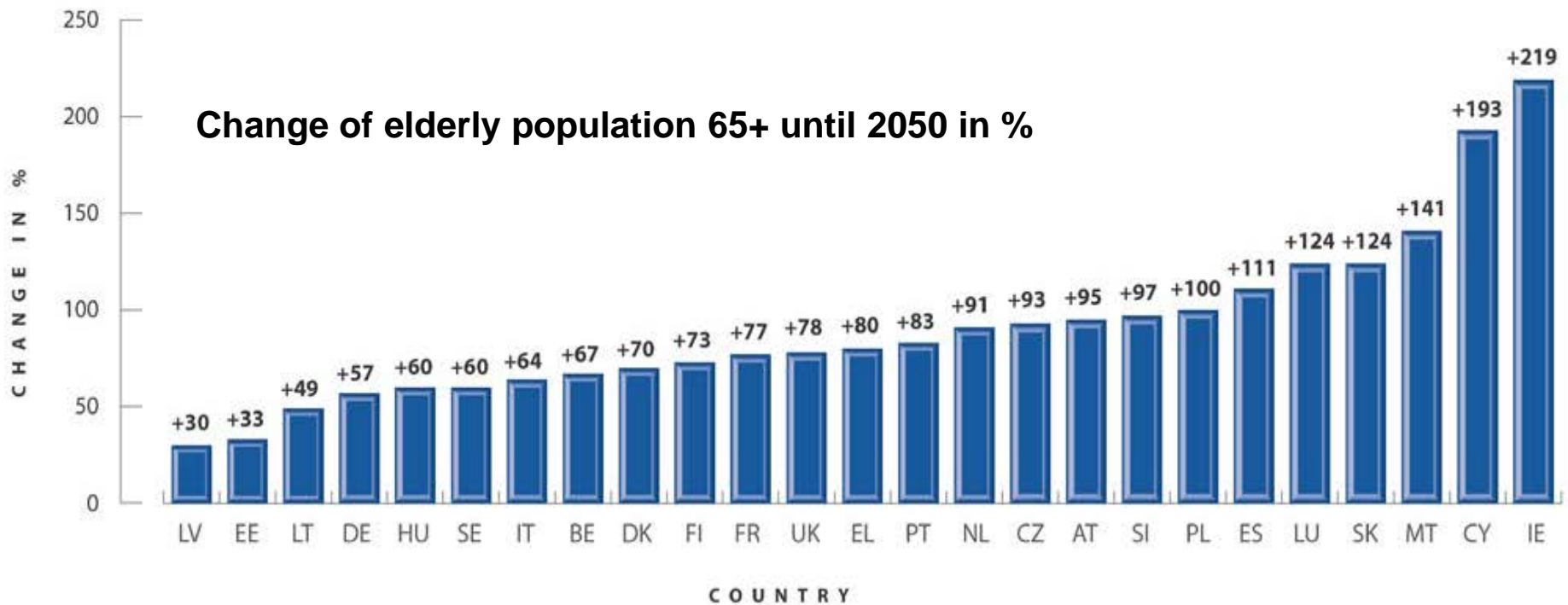
# Outlook

- Introduction
- Value Proposition – the Theory  
– the Stakeholders
- The elderly – AAL Stakeholder in Focus
- Arriving at a Value Proposition



# Introduction

The population **is growing older** and for Europe the portion of people 65+ is expected to be almost 40% by 2050.



(Gasser&Conrad 2010: 12)

No information was available for BG and RO



# Introduction

## Very old age and Multimorbidity

- 2060: average life expectancy of women will be 90 and for men 86 (Switzerland) (BFS)
- a rise of the number of people 80+ with multimorbidity can be observed (80% of all people 80+) (BFS)

**lack of care givers / care facilities**  
**lack of informal care givers**

# Introduction

## Individualization and Pluralization

- strong trend towards single and small households
- people want to stay as long as possible at home
- Manifold life styles and ways of living
- chronological ageing is negligible



[www.wohnen-im-alter.de](http://www.wohnen-im-alter.de)



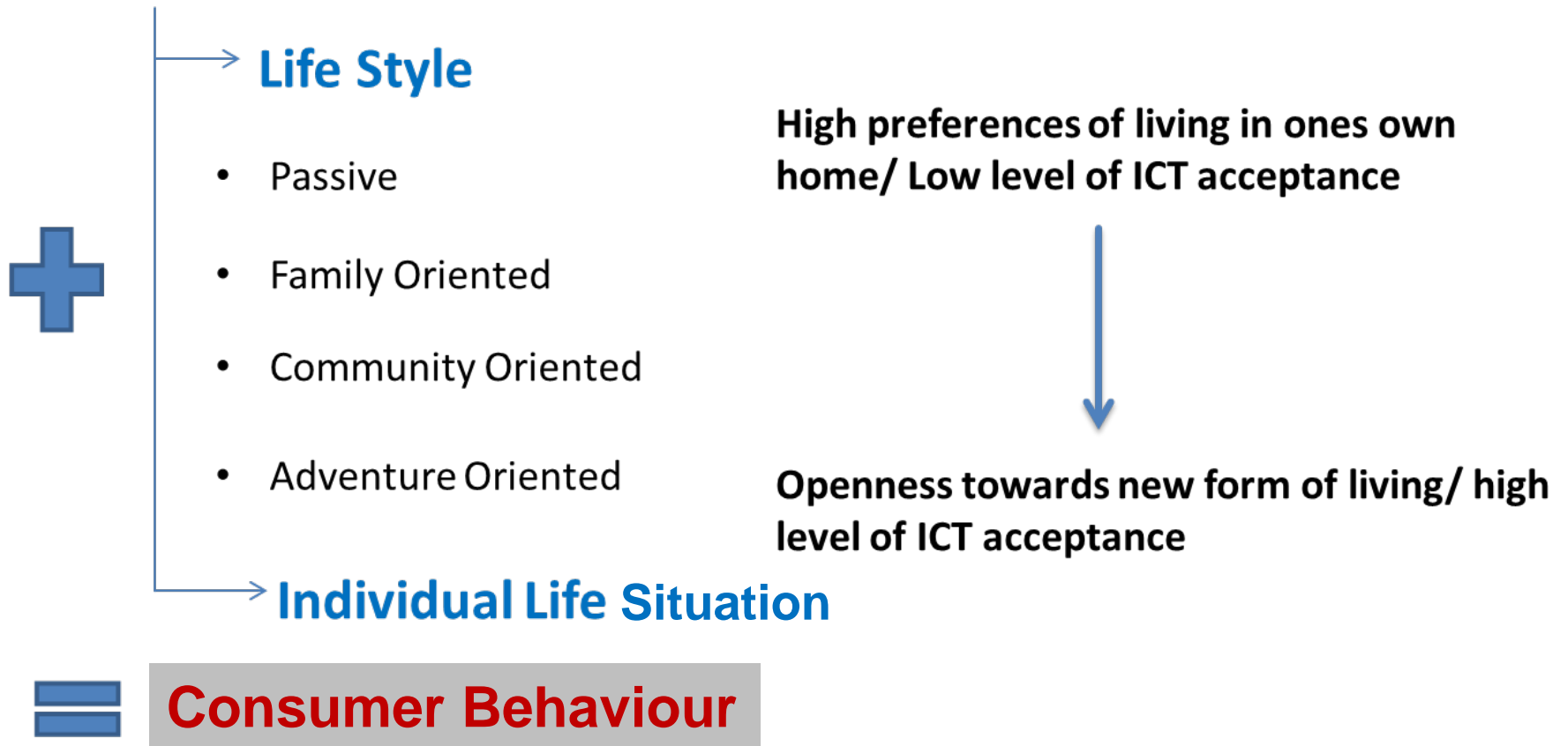
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## Generational Change

(Höpflinger 2009)

# Introduction

## Life Style



(Gaugisch et.al. 2012)

# Introduction



“(...) supports research into innovative and marketable technological solutions which **allow older people to maintain the standard of living they are used to and continue living independently in their own homes for as long as possible.**”

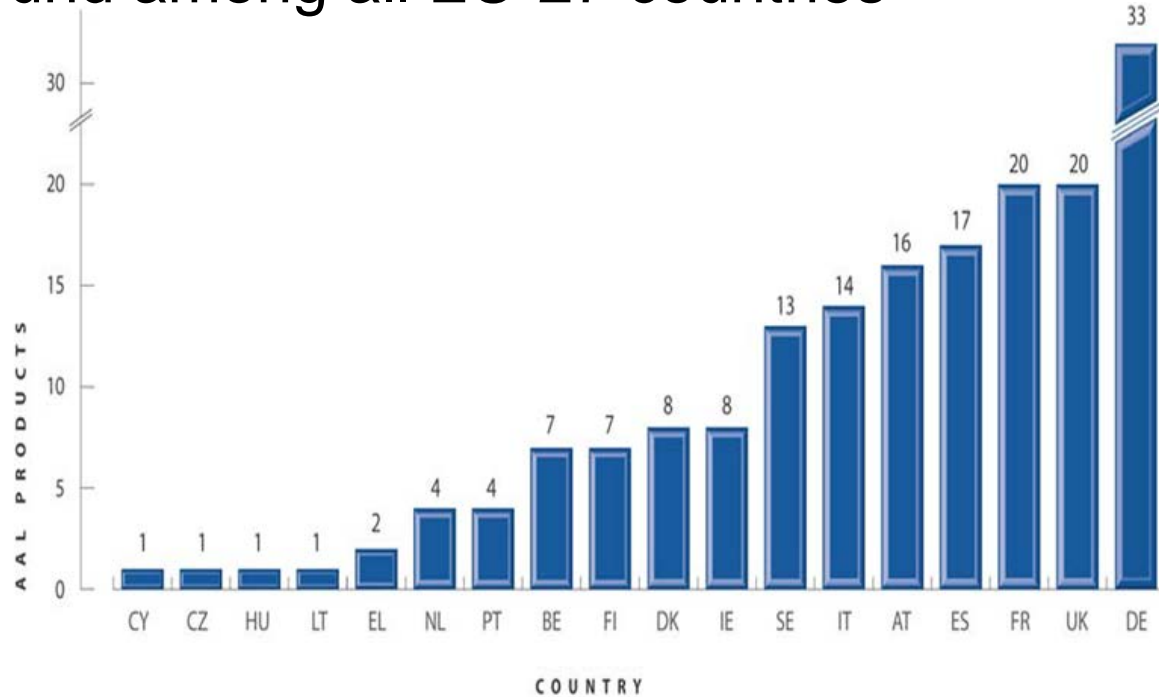
<http://www.sbfi.admin.ch/themen/01370/01683/01685/01691/index.html?lang=en>

# Value Proposition – the Theory

177 products can be found among all EU-27 countries

“At present, the market for AAL products and services addressing the needs of elderly people is quite small.”

(Gasser and Conrad 2010:30)



No information was available for BG, EE, LU, LV, MT, PL, RO, SI, SK





## Value Proposition – the Theory

1988 internal McKinsey Staff Paper (Lannings&Michaels)

- “promise of values to customer”
- **“careful understanding of valued benefits, from the customer perspective”**

Example of Zurich Financial Services Group

«(...) iterative nature of value – value can be tailored, augmented and improved».

(Payne&Frow 2014)

# Value Proposition – the Theory

Alexander Osterwalder, Mapping Customer Pains to Value Proposition,  
25. January 2012

- “Why do you think this product or value proposition has a reason to be?”

Observe everything  
the customer  
concerns.

“What *jobs* is this customer trying to get done?”

“*She is not trying to buy salad* but to solve a problem.”

“What are the pains and the gains in it?”

“What are we offering as a response?”

“How exactly do you create value / benefits for the customers?”

“The value proposition is the offer. We could say, it is products, services, (..) (and) features.”

## Value Proposition – the Stakeholder

“(...) that business strategy must start with a differentiated value proposition.” (Payne&Frow 2014: 213)

# Stakeholders

## Value Proposition – the Stakeholders

“Finally, it should be noted **that the elderly are not the only beneficiaries of AAL systems**; rather, other stakeholder should also be taken into account, such as the formal onsite and offsite **caregivers**, informal onsite and offsite caregivers, and **technical personell**”. (Rashidi & Mihailidis 2013)

- **a caregiver network:** we talk of physicians, therapists, nurses, pharmacists, nutritionists or social workers.
- **care service providers:** provider for health care, home care services, long-term care services or for rehabilitation services.
- **insurance companies**

(Alwan/Nobel 2007: 24FF).

## Value Proposition – the Stakeholders

Alwan/Nobel (2007: 8) evaluated in their research technologies based on **“their value propositions to each of the stakeholders in the care process”**.

Technology - Description	Requirements Advantages Disadvantates	Value to Senior	Value to Care Provider	Value to Payer	Value to Professional Caregiver	Value to Informal Caregiver

(Alwan/Nobel 2007: 24FF).

## The elderly – AAL Stakeholder in Focus

Survey in Cham (Switzerland, 354 participants) (Arbeitsgruppe Cham 2010)

General observation: **People prefer growing older in their homes.**

**If they need care ...**

34% would move into a nursing home

**no technology  
awariness**

45% would seek to move into an age-friendly  
setting

46% assume their homes are still fine to live in

## The elderly – AAL Stakeholder in Focus

Survey IFM (Switzerland, 99 participants) (Smrkovsky 2013)

General observation: **Yes, adaptations only in case of care!**

83 - alarm button

39 - security light

31 - automated turn off of electric devices

28 – intelligent floors / mat

24 - assistant function in the bathroom

67 % could imagine living with and supported by AAL-Technologies.

## The elderly – AAL Stakeholder in Focus

General observation:

Experts

Generation 60 + is not interested in technology.

Preparatory Study AAL  
(Switzerland, qualitative) (Kofler 2014)

Elderly people

- Express reservations but accept
- higher security
  - ease the burden for relatives
  - higher comfort



## The elderly – AAL Stakeholder in Focus

### Lessons learned

The use of **AAL-Technology** is **not generally denied** but it is **not as normal thought of** compared to making ones home barrier free.

But it seems to **give rise to fears**:

- loss of social interaction
- fear of technology in general
- intrusion into ones privacy

«People do not trust in technology, but in a person on the other side of the phone line.»

(Schelisch & Spellerberg 2012, translated)

# Arriving at a Value Proposition

Observe everything the customer concerns.

“What *jobs* is this customer trying to get done?”

“*She is not trying to buy salad but to solve a problem.*”

“What are the pains and the gains in it?”

AAL-developers and providers need to

- **understand** their stakeholders **problems**
- **get to know** their stakeholders ***pains and gains*** *in a specific situation/environment.*

## «Private Concepting» of customer needs.

(new Directions 2013)

## Arriving at a Value Proposition

- Learn about changing ways of life and diversities in life styles (*think old and age-active*)
  - The value proposition should not be typical for a certain age, but for a specific situation (*chronological age becomes less important*)
  - Promote the problem solving not the technology (*not the functionality concerns but the problem solved*)
  - Expect and express manifold value propositions (*customer interests and problems might change, you have different stakeholders*)
- Scout AAL-products and services by getting to know your clients living and working environments (*private conceping*)**

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