



THE SILVER ECONOMY IN CHINA

June. 2019

**This report includes insights from HiNounou experts*

HONG KONG | BEIJING | SHANGHAI
www.daxueconsulting.com

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Charles Bark, Chief Executive Officer

HiNounou Intelligent Robot Company is a Connected Wellness & Intelligent Data Platform company on a mission to empower the world's silver generation to live longer, healthier and happier, at home, while bringing peace of mind to their families. Its healthtech platform aims to mitigate chronic disease risks and reduce the cost of underwritings.

Following a combined 12 years of R&D spanning 4 countries, HiNounou has launched the first disruptive InsurTech solution dedicated to 200 million seniors in China.

HiNounou has been named the “Best Digital Healthcare Startup” by Bayer China, and has been recognized as the “Most Transformative Social-Economic Impact Worldwide” solution by both Digital Insurance Agenda (DIA) and InsurTech Munich.



*Hélène Zhu,
Sales & Marketing Developer*



Jin Wang, CCO



Lily You, Chief Wellness Officer

I. KEY FINDINGS AND MARKET DRIVERS

II. WHAT IS THE SILVER ECONOMY

III. CONSUMER PREFERENCE

IV. ELDERLY CARE SERVICES

V. MARKET TREND ANALYSIS

“Globally, our aging population is growing faster than ever before. By 2050, the number of people aged 60 years and over is expected to more than double, according to the United Nations' report on world populations. HiNounou's connected health solution addresses this critical challenge, which is one of the most significant social transformations of the 21st century.”

Charles Bark, Chief Executive Officer, HiNounou

Key findings of the silver economy in China



The silver economy is rapidly growing



Senior citizens' consumption is diversifying



Tourism is one of the most popular leisure activities for senior citizens



Opinions from family can easily influence senior citizens' consumption behaviors



Nursing homes have been accepted by more families

Market drivers for international brands in China



An aging population

Seniors' rising income levels

Increasing awareness of health, fashion and beauty

E-commerce platforms making imported goods easily accessible for elderly and caretakers

Room to develop in many segments

WHAT IS THE SILVER ECONOMY

Silver Economy Definition

“Silver Economy”

*It is often referred to as the Seniors' Market and covers all products and services intended for people aged **over 60 years**. As its name suggests, the Silver Economy is not only a “market” but also a cross “economy”.*

China's senior citizens

Most of them have stable lives

Chinese senior citizens usually have stable lives and incomes. Around 90% own endowment insurance and most have their own houses/apartments. Thus, they have less stress in their daily lives.

However, they grew up during a time with less security, living through events like the Cultural Revolution, which created more frugal consumption habits.

Thus, they are willing to spend money on practical goods.



Often lonely

In urban areas, many of China's senior citizens have only one child. While in rural areas their children often move to cities for work.

Seniors are emotionally dependent on their children, but young people have less time to spend with their aging parents.

Therefore, there is strong demand for social entertainment and accompanying services.



“The silver generation in China are increasingly interested in taking control of their own health and well-being. They are savvy consumers who wish to remain active and independent. This is why it should be our collective mission to empower our seniors with the full potential of digital health technologies operating within a more holistic, human-centric health ecosystem.”

Charles Bark, Chief Executive Officer, HiNounou

Senior citizens' consumption (1/2)

The consumption concept of China's senior citizens is defined by: 1) Importance of health 2) Accepting family members' opinions 3) **Practicality and frugality** 4) Prefer in-store experience.

Health

For senior citizens, health is the major criteria of purchasing decisions. Especially for daily-use products.



Family Opinions

Senior citizens' purchasing decisions are easily influenced by the opinions of their family, especially their sons and daughters.



Practicality & Price

Senior citizens care about products' practicality and price since they are more frugal than young generations.



Prefer in-store experience

Many prefer offline shops because they can see and try those products/ services.



Senior citizens' consumption (2/2)

Different tier cities, income levels and genders.



1. Different tier cities

Senior citizens living in tier-1 cities showed a strong willingness to spend money on social lives and leisure.

Senior citizens living in tier-2 and 3 cities are more interested in goods related to health.



2. Different income levels

High-income senior citizens consume more healthcare and entertainment products/services. Low-income senior citizens' daily expenses focus on daily-use and medical products.



3. Senior women spend more money than men

Chinese women have stronger demands of consumption on entertainment, fashion, and beauty. Additionally, their spending on daily-use goods is also higher than men.

Products and services included in the silver economy

The silver economy generally covers daily use products, healthcare products, fashion, housekeeping services, nursing care services, leisure (including tourism), exercise, medicine, catering, insurance, etc. consumed by those aged 60 or older.



PRODUCTS

SERVICES

Senior citizens' main consumption segments

- With a rising disposable income, China's elderly's consumption is shifting from traditional frugality to enjoyment.
- China's elderly are willing to spend money in the following 4 areas

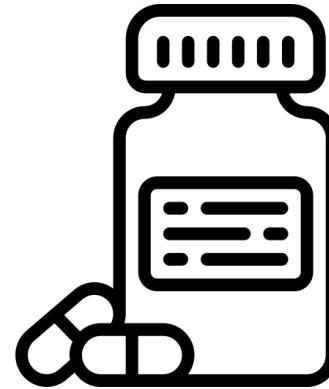
Leisure and exercise



Fashion and beauty



Healthcare products



Care services/goods



“According to the World Health Organization, there is an urgent need to adapt China's healthcare system to improve the quality of life of its older citizens. Innovative technologies in healthcare can bring new solutions to the service of the elderly population in China, and beyond.”

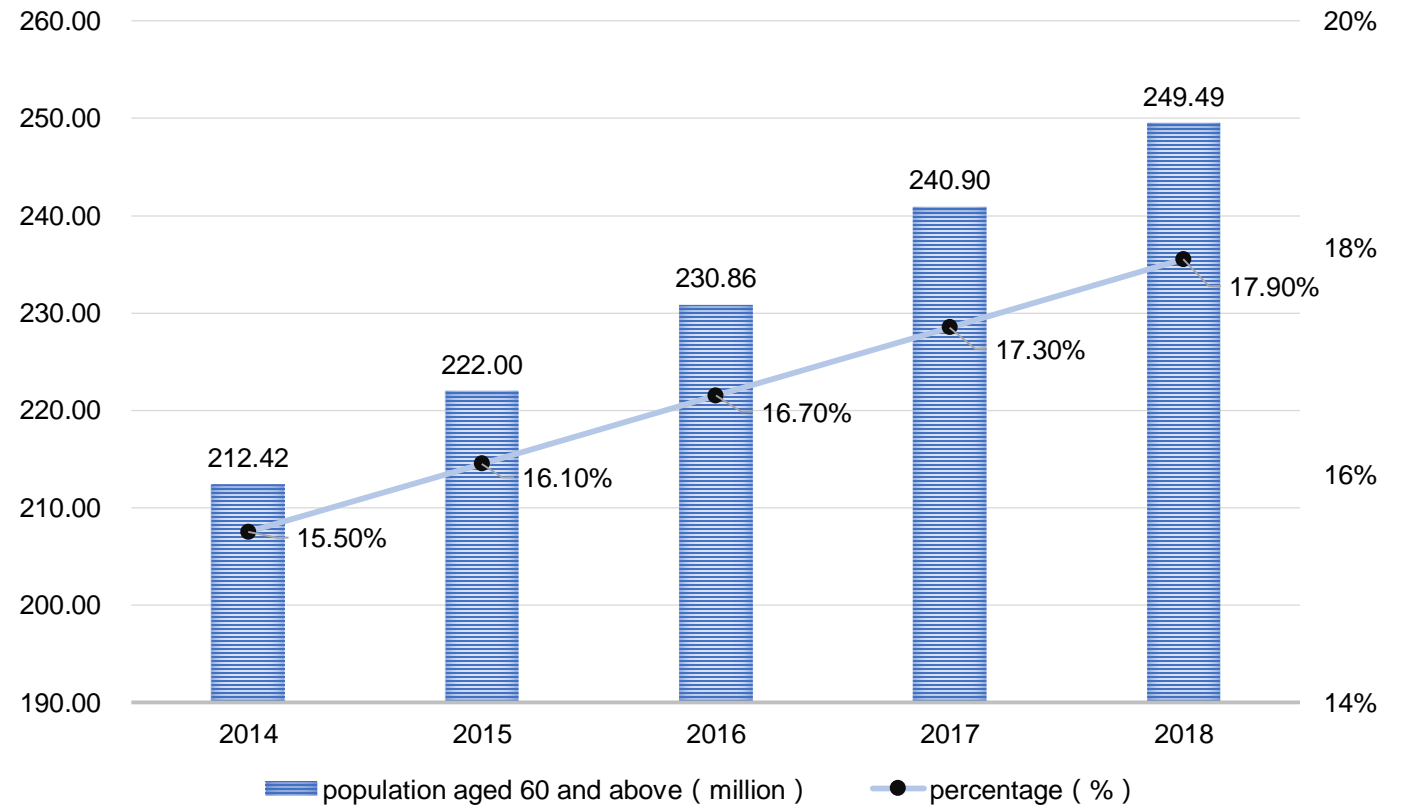
Charles Bark, Chief Executive Officer, HiNounou

Elderly population in China

China's population is aging rapidly.

- ▶ By the end of 2018, China had nearly 250 million people aged 60 and above, accounting for 17.9% of the total population.
- ▶ Every year, 8-10 million Chinese people turn 60. By the end of 2025, there will be around 300 million senior citizens in China, accounting for 1/5 of the total population.

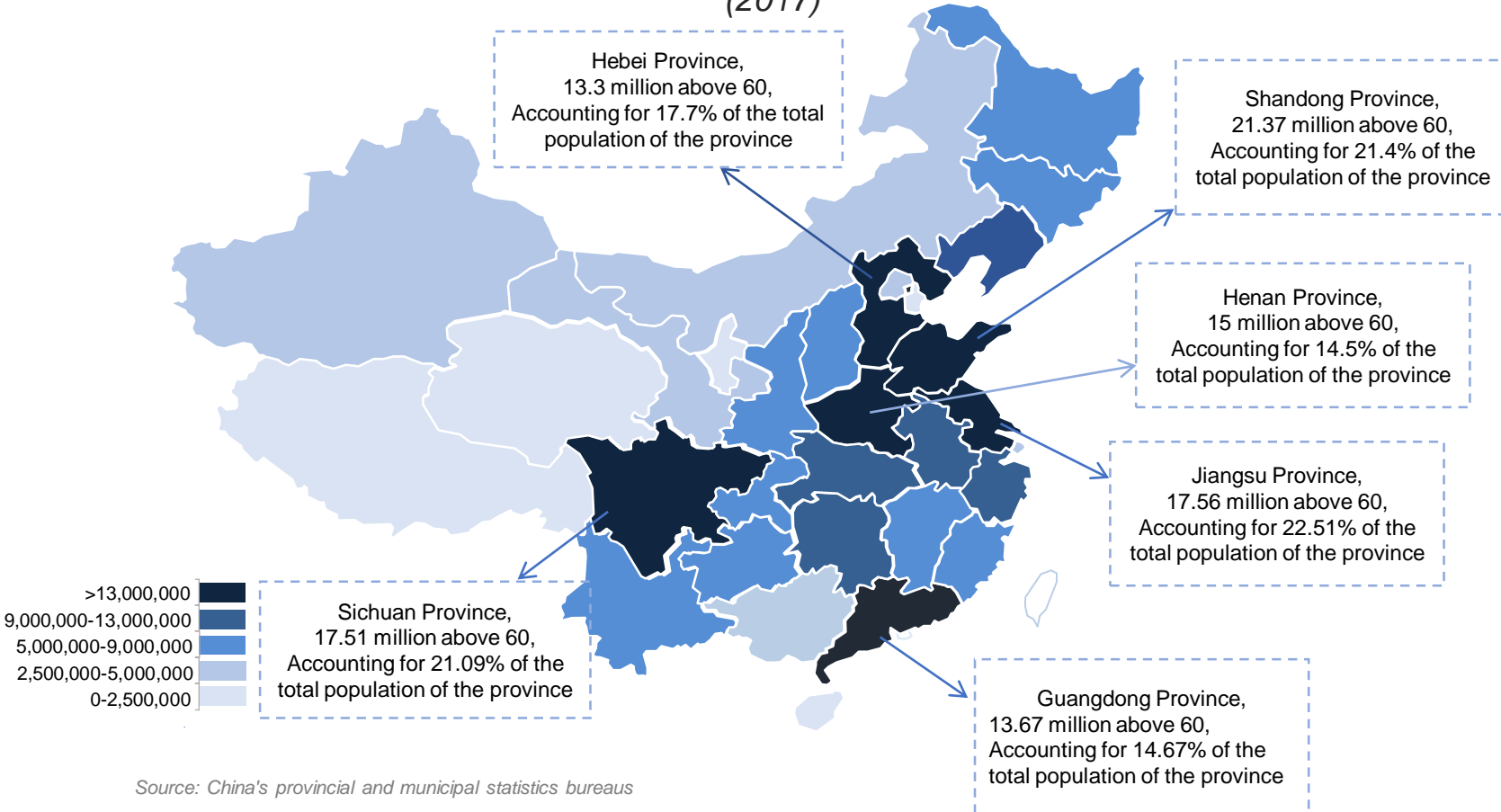
China's population aged 60 and above
(million, 2014-2018)



Elderly population in China by provinces

Local economic development impacts the aging degree of the region.

Geographical distribution of population aged 60 and above in China (2017)



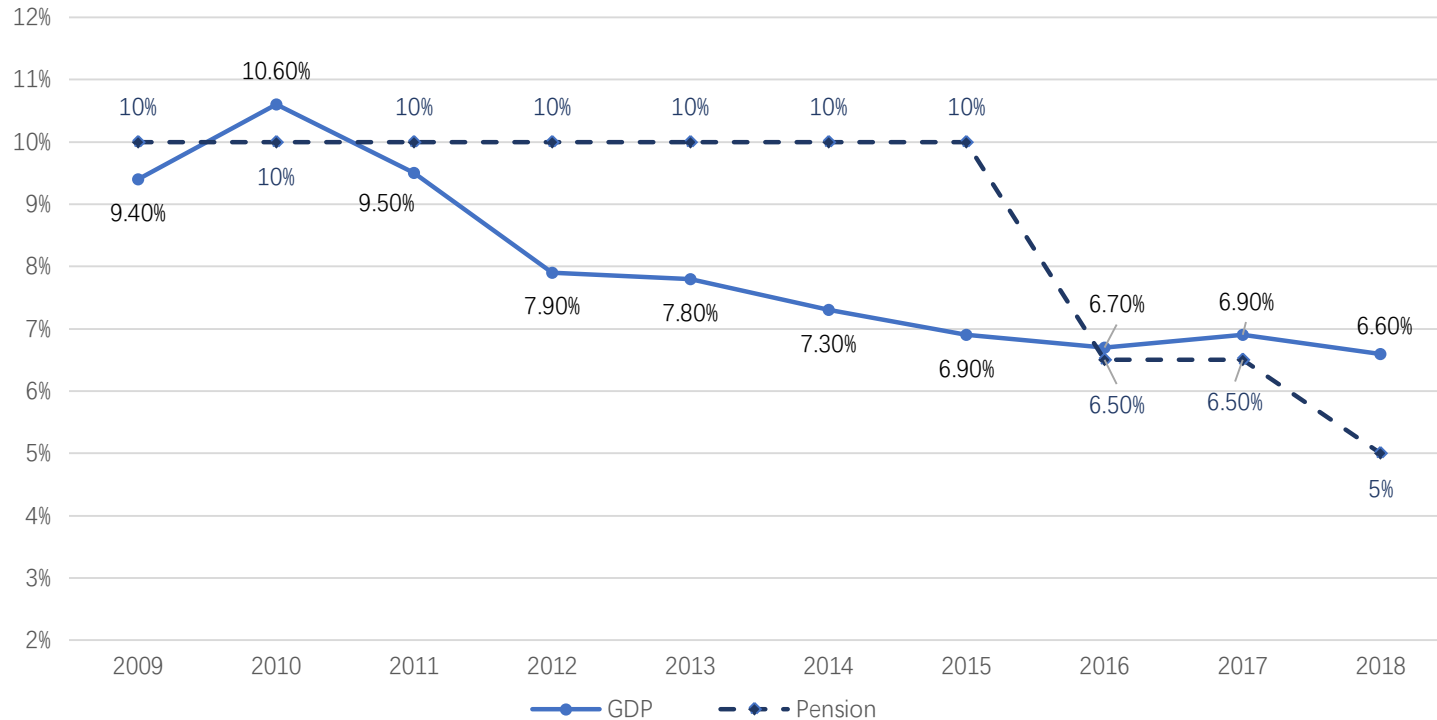
Source: China's provincial and municipal statistics bureaus

- The senior population is mainly concentrated in the eastern and southern parts of China, and these provinces usually have more developed economies and larger populations.
- ◆◆◆
- Shandong province had the largest senior population in 2017, mainly due to its high level of economic development and large population (Shandong province ranked the third in GDP and the second in population in 2017).

Pension growth VS GDP growth in China

- Over the past decade, the average growth rate of pensions for Chinese senior citizens exceeded the GDP growth rate, and pensions for the elderly maintained rapid growth.
- From 2009 to 2018, there has been huge growth in the income of the elderly, especially for those who used to work in remote areas. Based on government policy, their pensions usually grow faster than the average.

**Pension and GDP growth rates in China
(2009-2018)**



Source: China's provincial and municipal statistics bureaus
Ministry of Human Resources and Social Security of the China

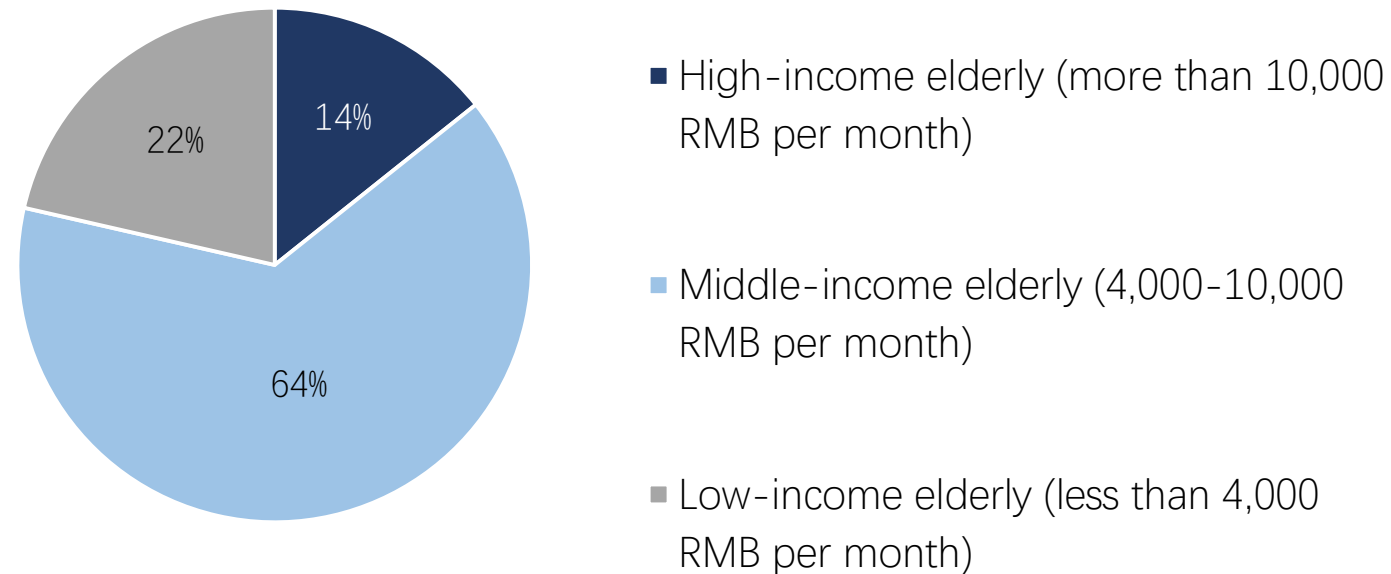
China' Pension System

- Senior citizens who paid accumulatively social endowment insurance for at least 15 years, can get pension every month in China after retirement.
- The amount of pension that the elderly can monthly receive depends on qualifying years of personal social insurance contribution, social insurance contribution base, and social average wage.

Household income of the elderly

- In 2017, there were more than 110 million senior citizens with a monthly household income of more than 4,000 RMB, of whom 20 million had a monthly household income of more than 10,000 RMB
- Middle and high-income accounts for 78% of the senior population. In contrast to young people, they often have less stress in their lives, which means they can spend more money on higher-level and hedonistic consumption such as leisure activities, tourism, and artwork.

Proportion of senior citizens by income levels in China
(2017)



Source: <https://www.iimedia.cn/c460/64579.html>

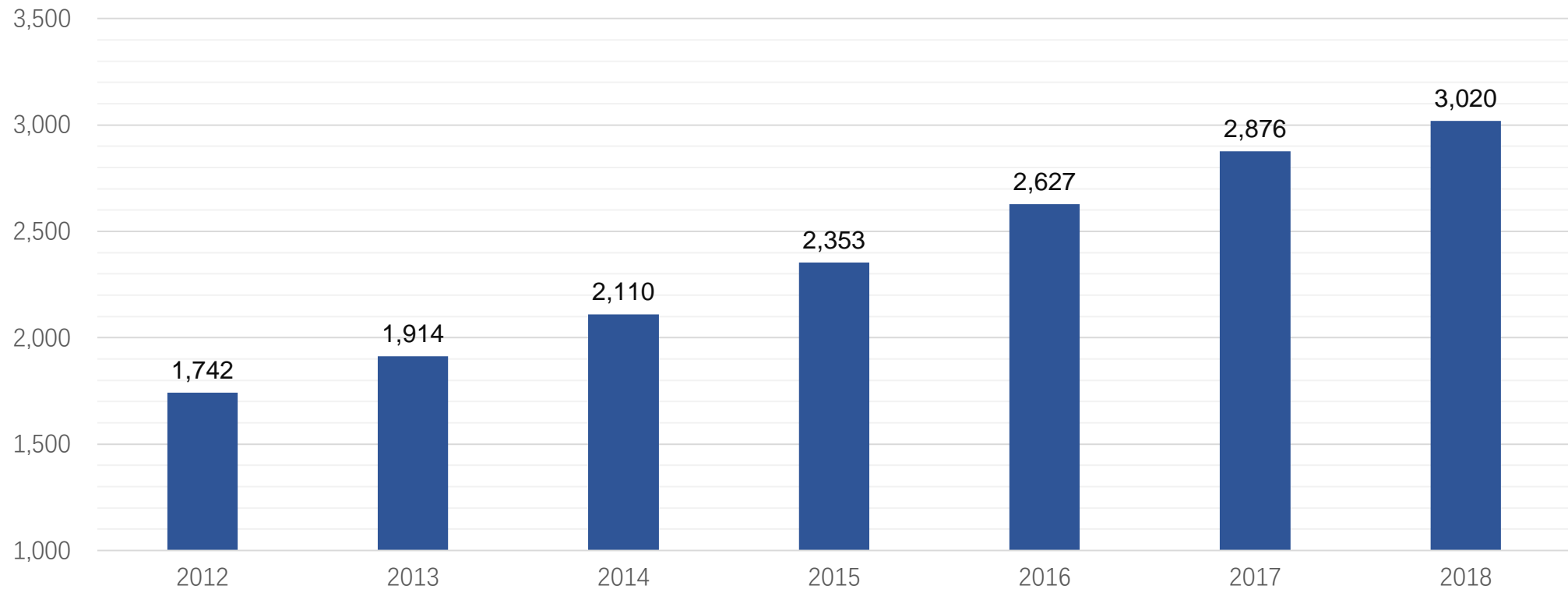
“There is huge potential for the silver economy in China. Never before has there been more disposable income for people over the age of 60 and the data show a positive outlook for more growth to come.”

Jin Wang, Chief Commercial Officer, HiNounou

Income level of China's seniors

- From 2012 to 2018, the monthly pension of retirees over the age of 60 nearly doubled, and the disposable income of aging people increased.
- The average monthly pension for retired workers exceeded 3,000 RMB in 2018.

The average pension of retirees in China
(RMB/month, 2012-2018)

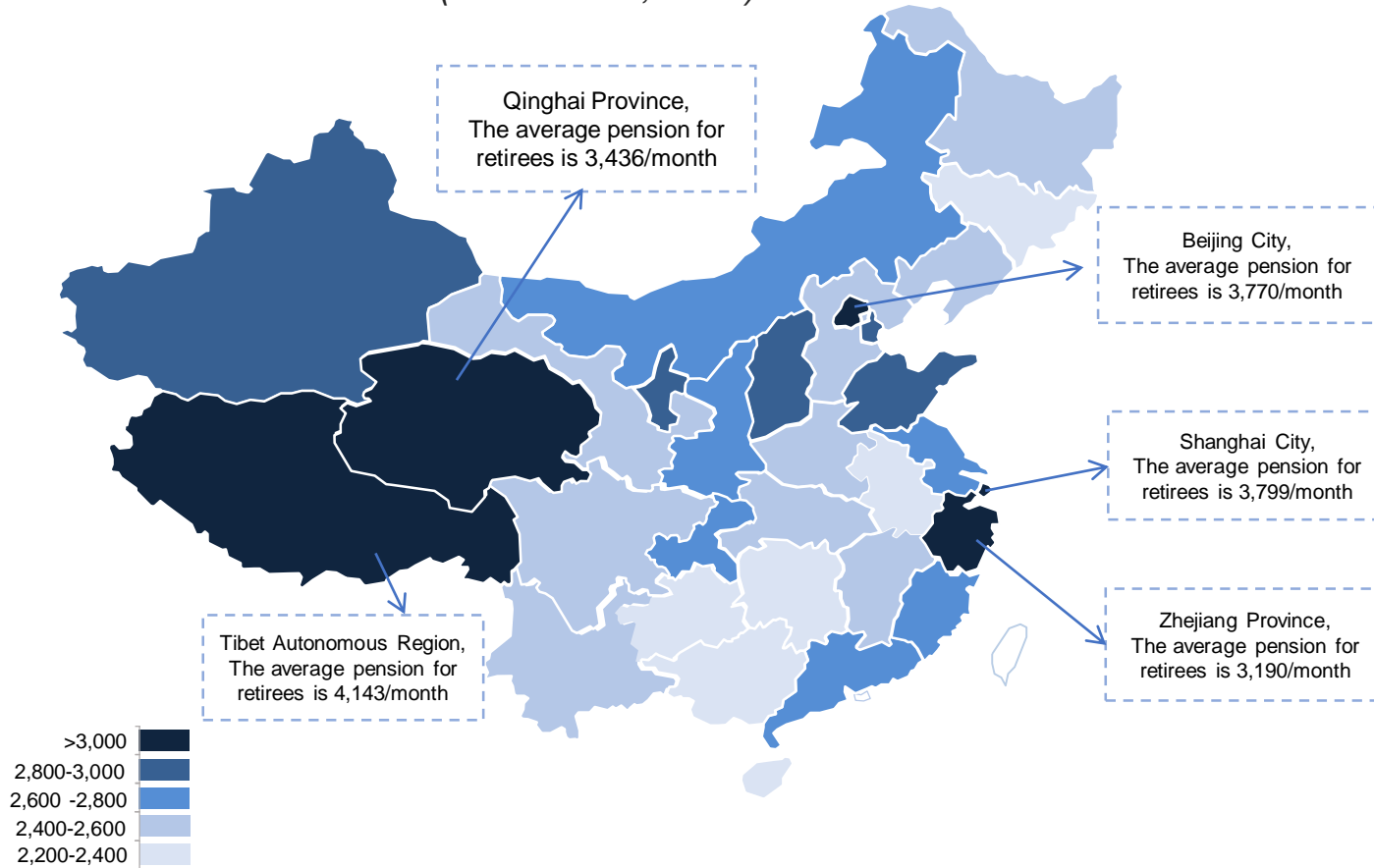


Source: <http://www.huaon.com/story/395422>

Pension levels in China

The better the local economy in the region, the higher the level of pension.

Average pensions for retirees by province in China
(RMB/month, 2017)



Source: http://blog.sina.com.cn/s/blog_5b2dc00e0102xlme.html

Retirees in China's eastern coastal provinces have a high pension income. These provinces tend to have a higher level of economic development due to the early reform and opening up, as well as the advantageous regional geographical location. However, these regions have much more senior citizens than other provinces

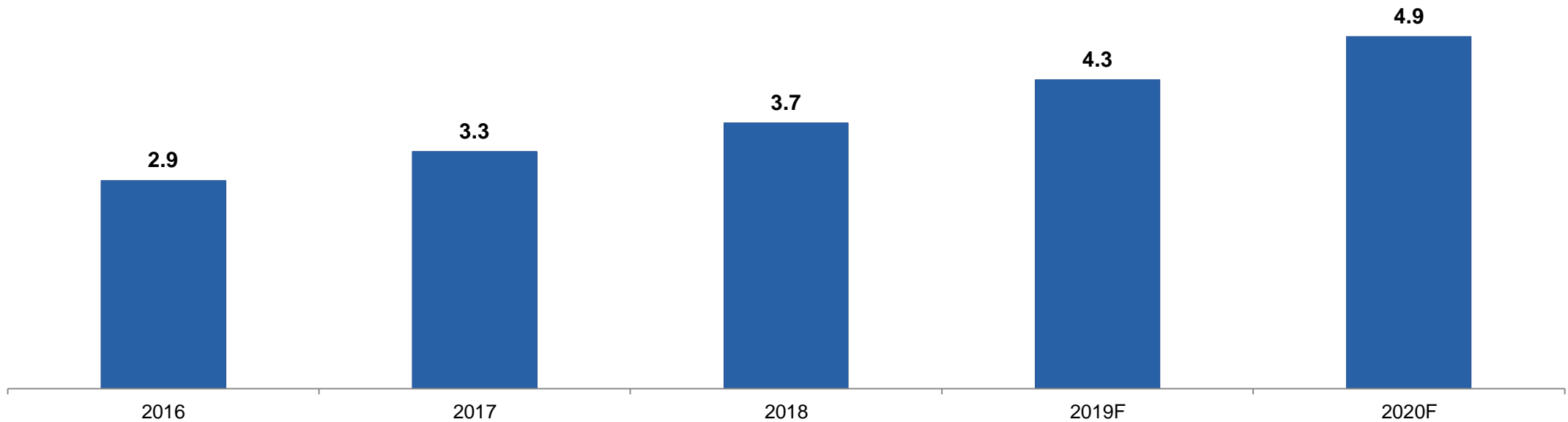


In addition, western provinces where ethnic minorities live in compact communities also have relatively high pension levels, Tibet has the highest pension in the country. State subsidies and fewer retirees are the main reasons for higher pension levels

Market size of the silver economy in China

- The market size of the silver economy has been rising for several years
- Along with the development of the elder service industry, China's silver economy will sustain rapid for growth a few years

Market size of the silver economy in China
(trillion RMB–2016-2020)



Baidu index analysis- Interest trends (1/2)

Baidu index of products for elderly

- The number of searches of **products for elderly** remained high from May to November, with the biggest day being Double 11 in 2018, China's most popular online shopping carnival.
- When people search **products for elderly** on Baidu, they usually browse different types of products and e-commerce sites for senior citizens.

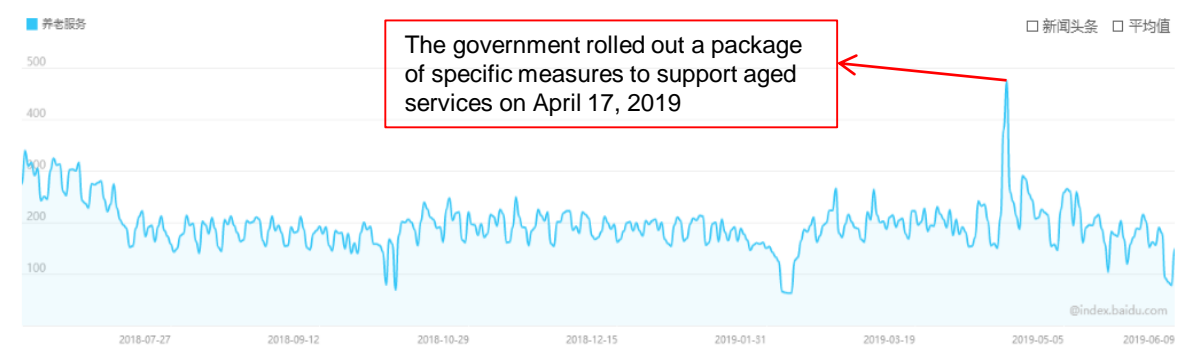
Data from 2018.6 – 2019.6



Baidu index of Pension services

- The number of searches of **pension services** peaked on April 17, 2019, when the government released the news about pushing forward the construction of pension service infrastructure.
- When people search for **pension services** on Baidu, they usually browse the latest pension policies and websites providing pension services.

Data from 2018.6 – 2019.6

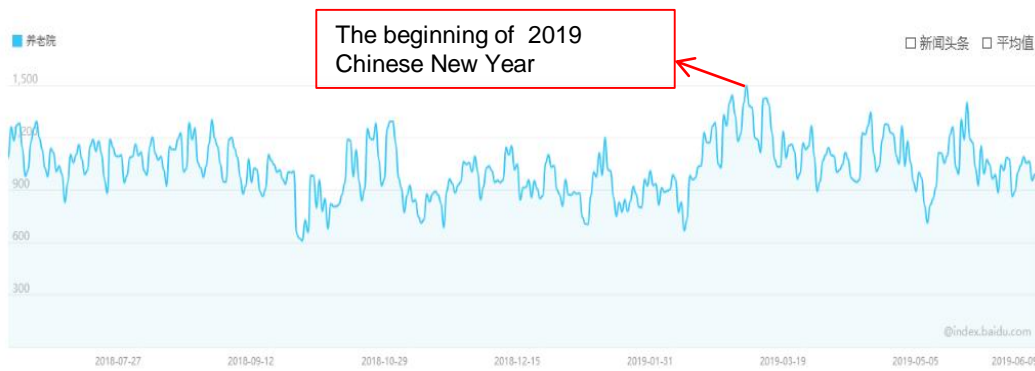


Baidu index analysis- Interest trends (2/2)

Baidu index of nursing homes

- The number of searches of **nursing homes** fluctuated around the average index, and the search number reached the highest point at the beginning of the Chinese New Year.
- When people search **nursing homes** on Baidu, they usually browse the rates for nursing homes and how to run a nursing home.

Data from 2018.6 – 2019.6



Baidu index of elderly insurance

- The number of searches of **elderly insurance** fluctuated greatly, reaching its peak in December 2018, because December is the deadline for the payment of pension insurance for urban and rural residents.
- When people search **elderly insurance** on Baidu, they usually browse insurance products and the websites of insurance companies.

Data from 2018.6 – 2019.6

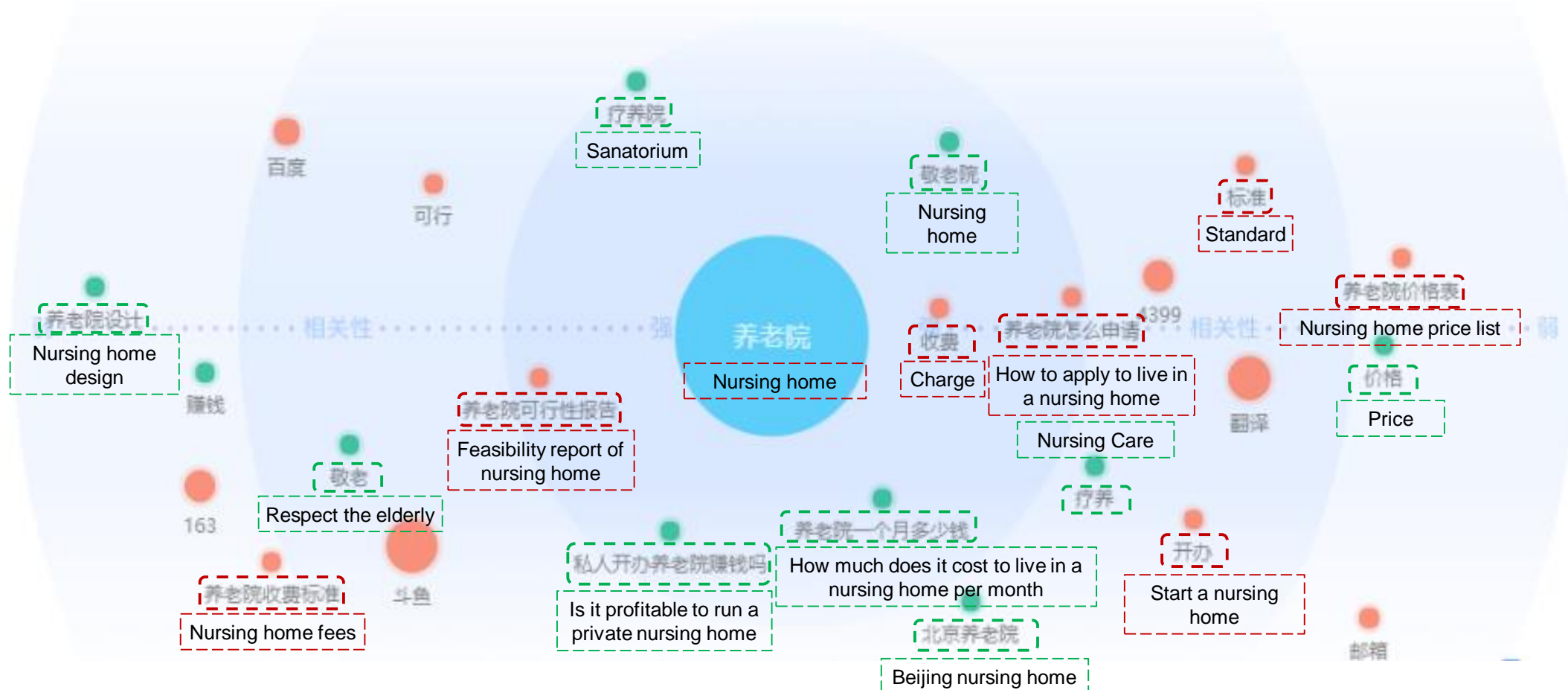


Baidu Index – Semantic analysis (2/3)

The most related keywords to “Nursing home” are “Price”, “Is it profitable to run a private nursing home” and “How much is the nursing home per month”.

Search index: low ● ● ● High

Search trends: ● rising trend ● declining trend



CONSUMER PREFERENCE

Senior citizens' favorite goods/services in major cities



Shanghai's aging population likes buying clothes



Beijing's aging population likes buying cosmetics



Shenzhen's aging population likes buying cameras



Hangzhou's aging population likes medical cosmetology



Chengdu's Aging people like buying sports equipment

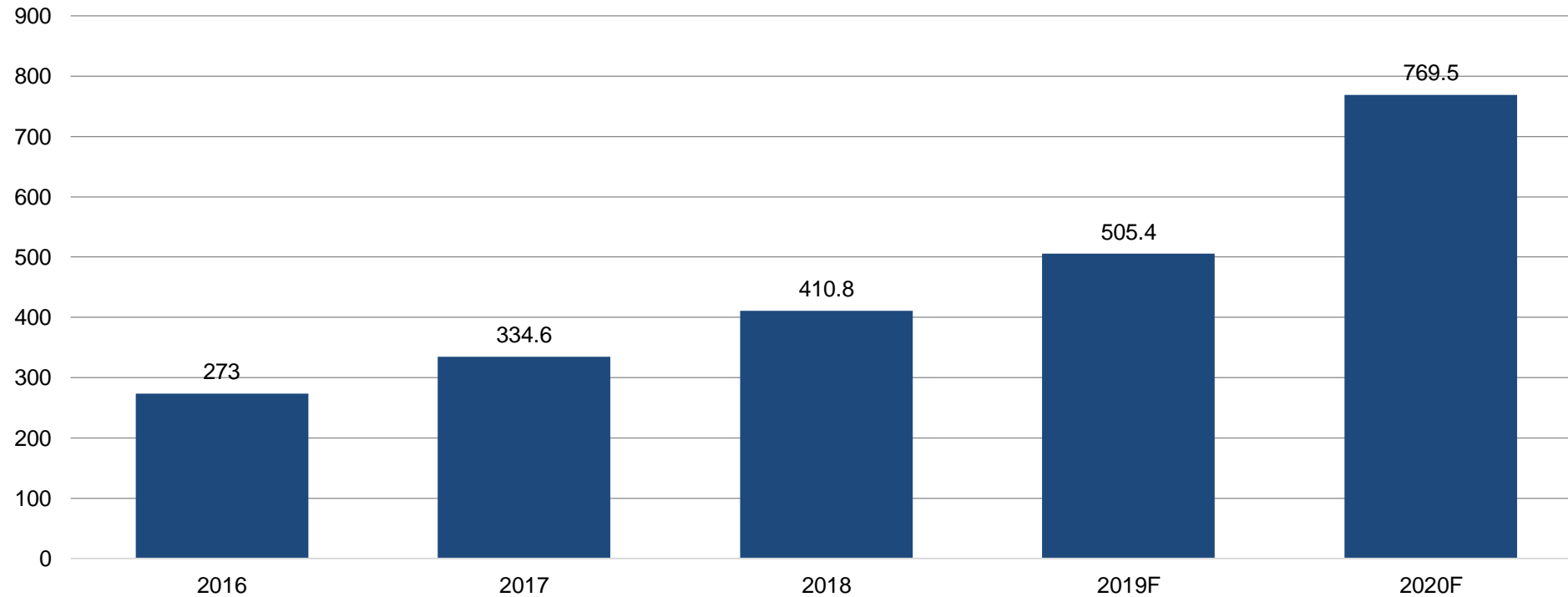


Suzhou's aging population likes buying digital products

Leisure expenditure of China's seniors (1/2)

- Tourism is one of the most popular leisure activities, seniors make up more than 20% of China's tourists every year.
- In the next few years, senior citizens' consumption on travel will keep rising along with the consumption upgrade.

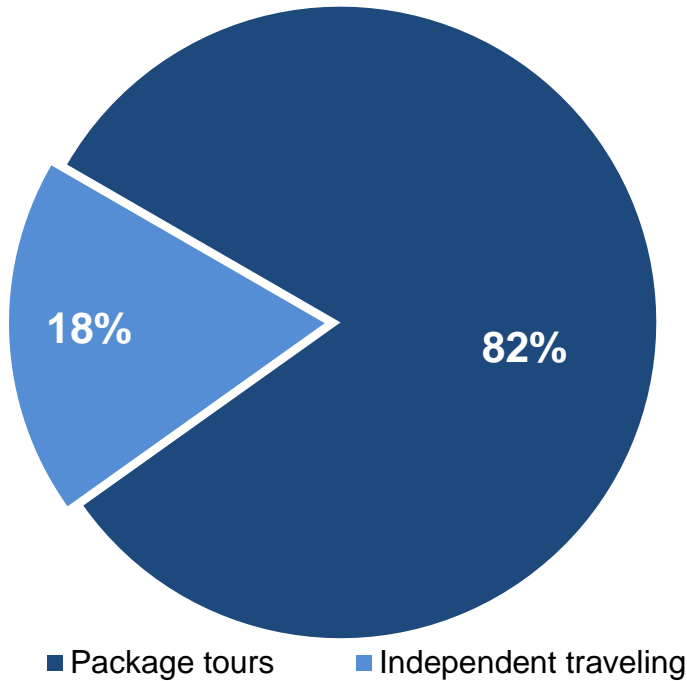
The consumption of senior citizens' tourism
(billion RMB, 2016-2020)



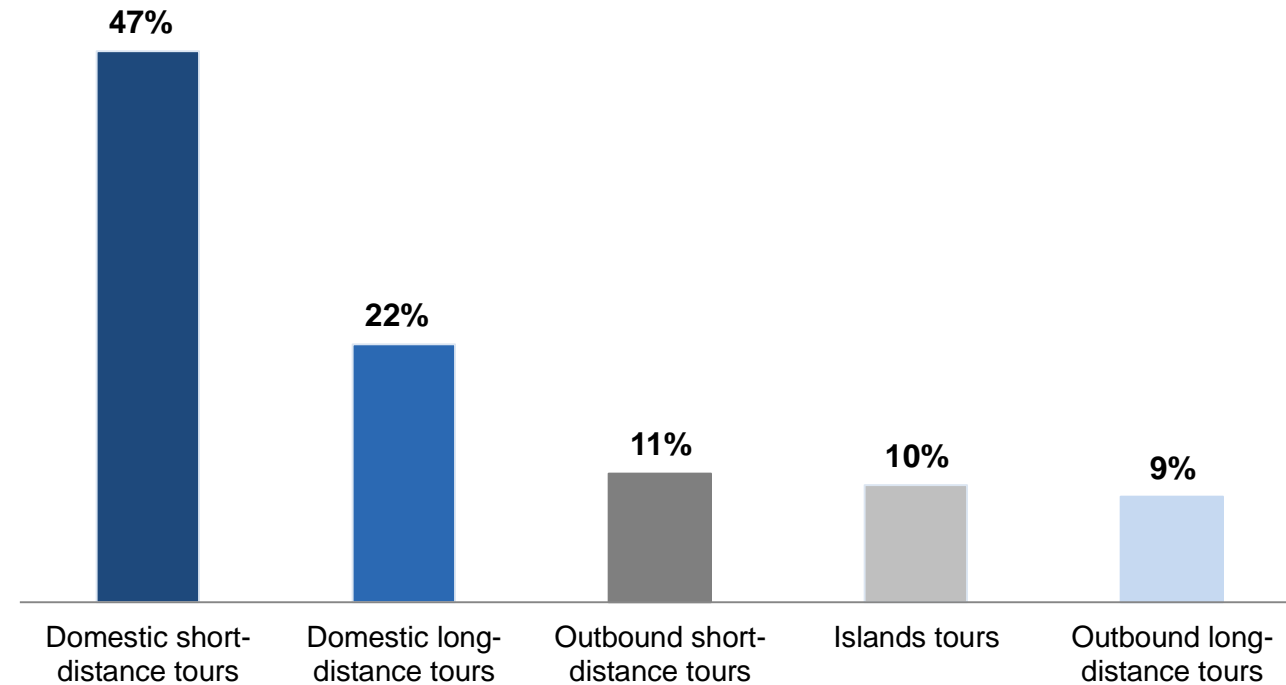
Leisure expenditure of China's seniors (2/2)

- Most seniors like vacation packages and short-distance tours, the most popular domestic destinations are Beijing, Guilin, Xiamen, Guiyang, and Urumqi.
- The most popular overseas destinations are Thailand, Japan and Malaysia.
- Senior citizens demand beautiful landscape, high-quality local goods and safety when traveling.

The main travel methods of seniors (2018)



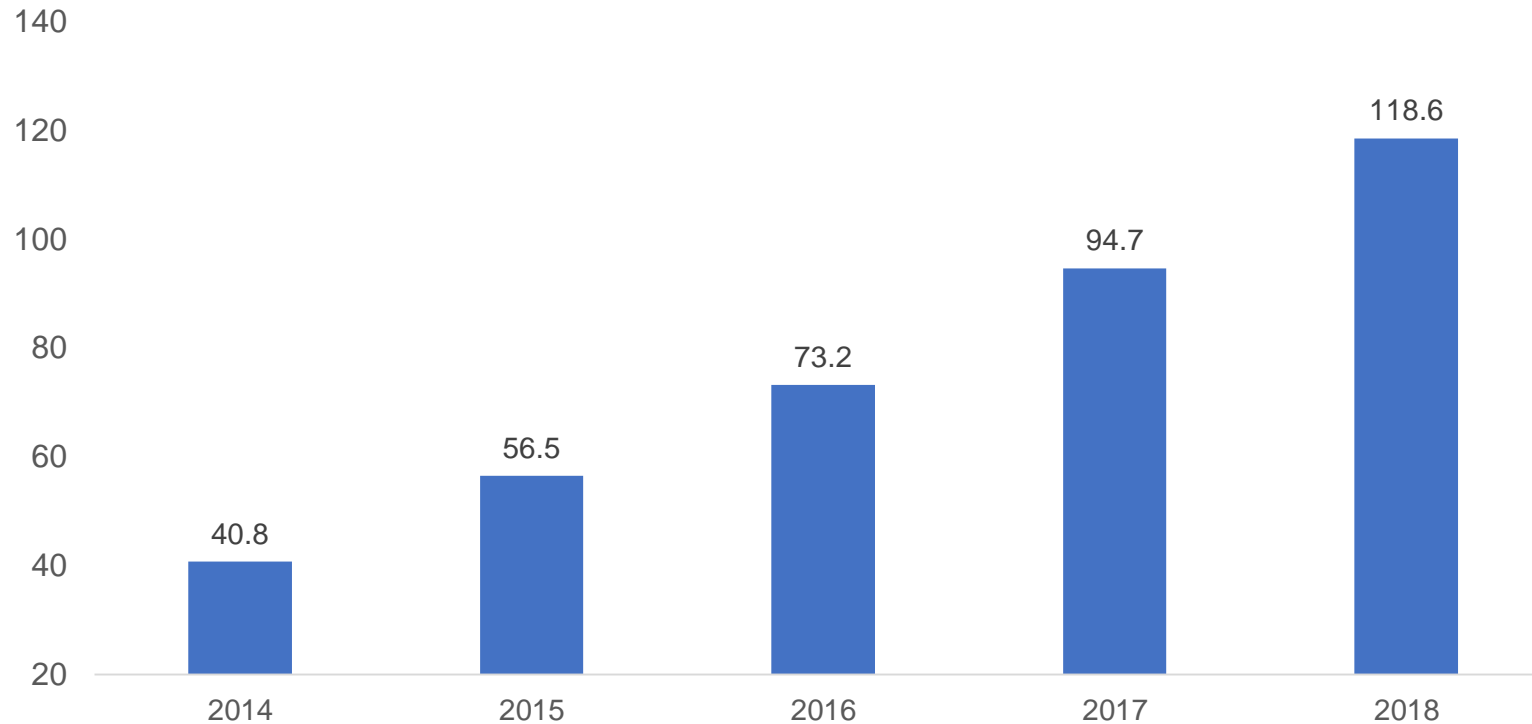
Different kinds of tours preferred by seniors (2018)



Medical tourism of China's seniors

- China's growing elderly population provides huge potential for the developing medical tourism market.
- From 2014 to 2018, there was a rapid increase in China's outbound medical tourism. The market size reaching 118.6 billion RMB in 2018, with more than 30.5% GAGR.

China's medical tourism market size
(billion RMB, 2014-2018)



Participants in medical tourism

- There are three main types of companies in China's medical tourism market, including online medical companies, overseas medical institutions and online travel agencies. Internet is an important way for medical tourists to obtain services and information.
- There is a complementary relationship among the 3 types of participants, and they work together to provide services for medical tourists.



91160.com



Haodf.com

Online Medical Companies

Providing consumers with medical consultation, doctor appointment, disease management, medical knowledge and other services.



SAINT LUCIA CONSULTING

盛诺一家

Saint Lucia Consulting

GMedS
www.gmeds.cn

Overseas medical institutions

Helping medical tourists to select the most suitable hospitals and experts worldwide, and providing full-service at home and abroad except medical treatment.



CTRIP



Tuniu

Online travel agencies

Providing tourists with comprehensive tourism services, including hotel reservation, flight booking and travel routes.

The most popular medical tourism destinations for Chinese

- East and South Asia are the top destinations for Chinese medical tourism, the United States and Western Europe are also pretty popular destinations.
- Distance and medical technology become important factors for Chinese medical tourists to choose destinations.

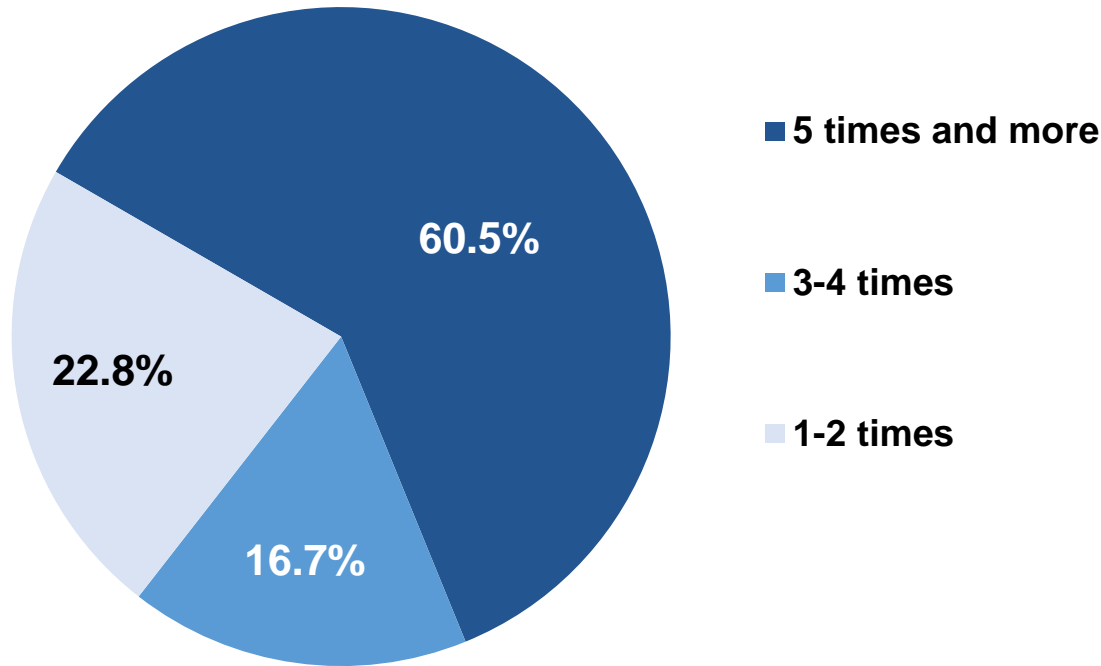
Top 10 overseas medical tourism destinations for Chinese tourists

1 Japan		6 Singapore	
2 South Korea		7 Malaysia	
3 United States		8 Switzerland	
4 Taiwan		9 Thailand	
5 Germany		10 India	

Senior citizens exercise (1/2)

- The main exercise of China's elderly people are walking/jogging, Tai Chi and dance. Among them, square dance is the most popular sports for elderly.
- More than half of aging people do exercise at least five times per week, basically in the morning and the night.

Weekly exercise frequency of China's seniors (2017)



Walking and jogging

Walking and jogging are both common exercise among seniors for its low intensity



Tai Chi

Tai Chi is traditional Chinese martial art, it generally needs professional training



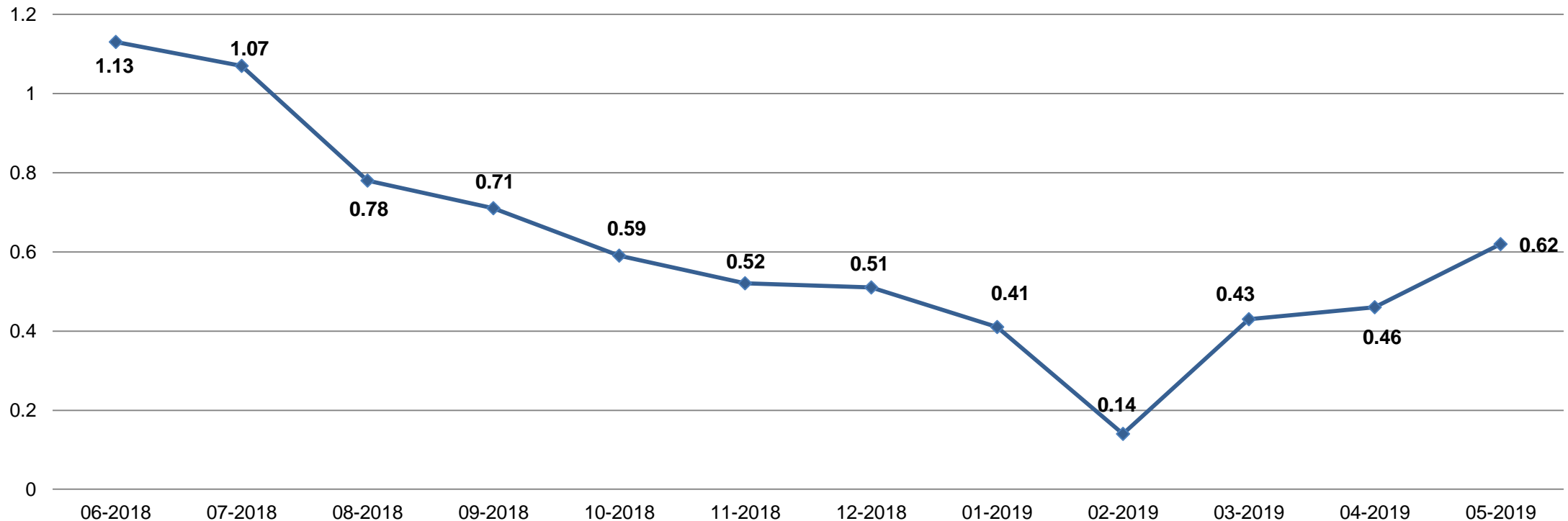
Dance

Dancing in public squares and parks is very popular among China's seniors

Senior citizens exercise (2/2)

- As the most popular physical activity for the Chinese elderly (especially women), dancing already showed a large market potential in recent years. **In the evenings and mornings, seniors gather in parks and squares to dance.**
- In 2017, there were 100 million participants in China and they averagely spent 300-500 RMB/month on dance clothes and shoes.
- On Taobao/Tmall, the highest sales of dance apparel was in June and July. After that, the sales continually declined before March 2019. Which means summer is the most popular time period for dance.

Sold items of the square dance costumes (clothes and shoes) on Taobao/Tmall
(million, 2018-2019)



The fashion and beauty of seniors



- On Taobao/Tmall, around 60% of the Chinese senior women buy cosmetics six times per year.

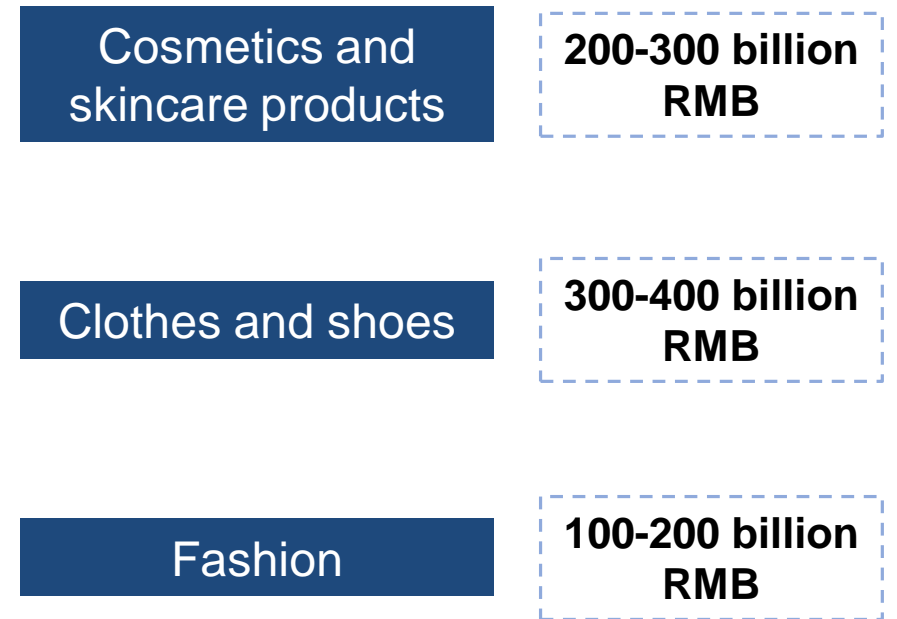


- In 2018, the average Chinese senior spent 1,500 RMB on new clothes.



- China's senior spending on medical cosmetics increased 4.4 times from 2017 to 2018.

The market size of elderly people's fashion and beauty in China (2018)



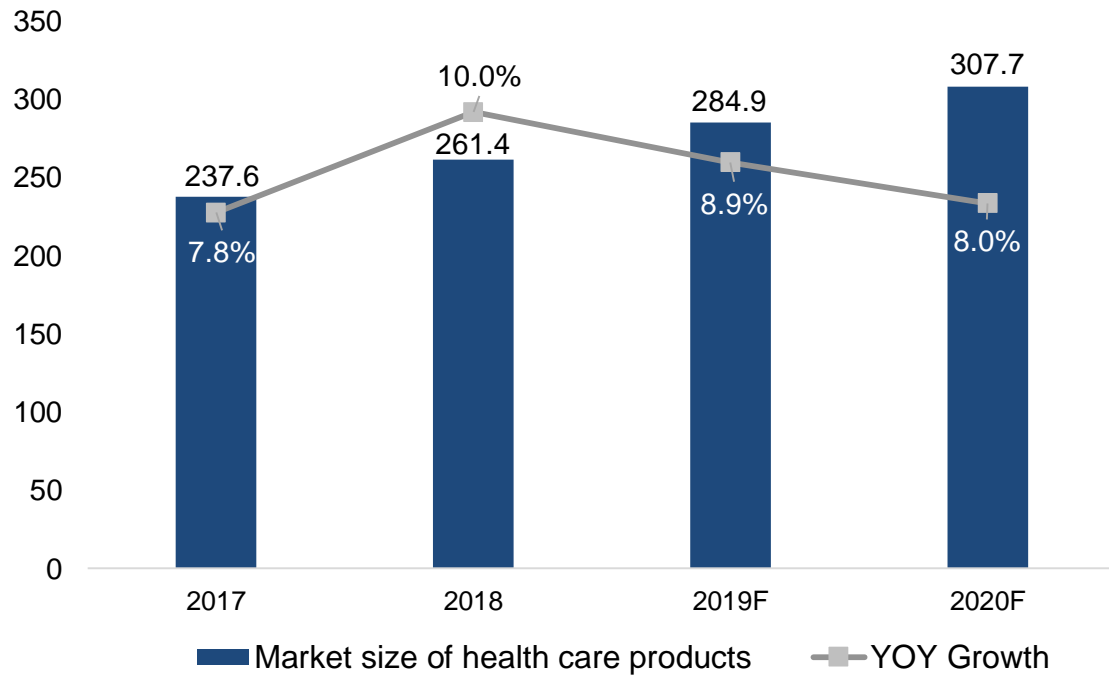
“A promising market trend we are watching closely at HiNounou is the growing consumption of healthcare products by China's older generation.”

Hélène Zhu, Sales & Marketing Developer, HiNounou

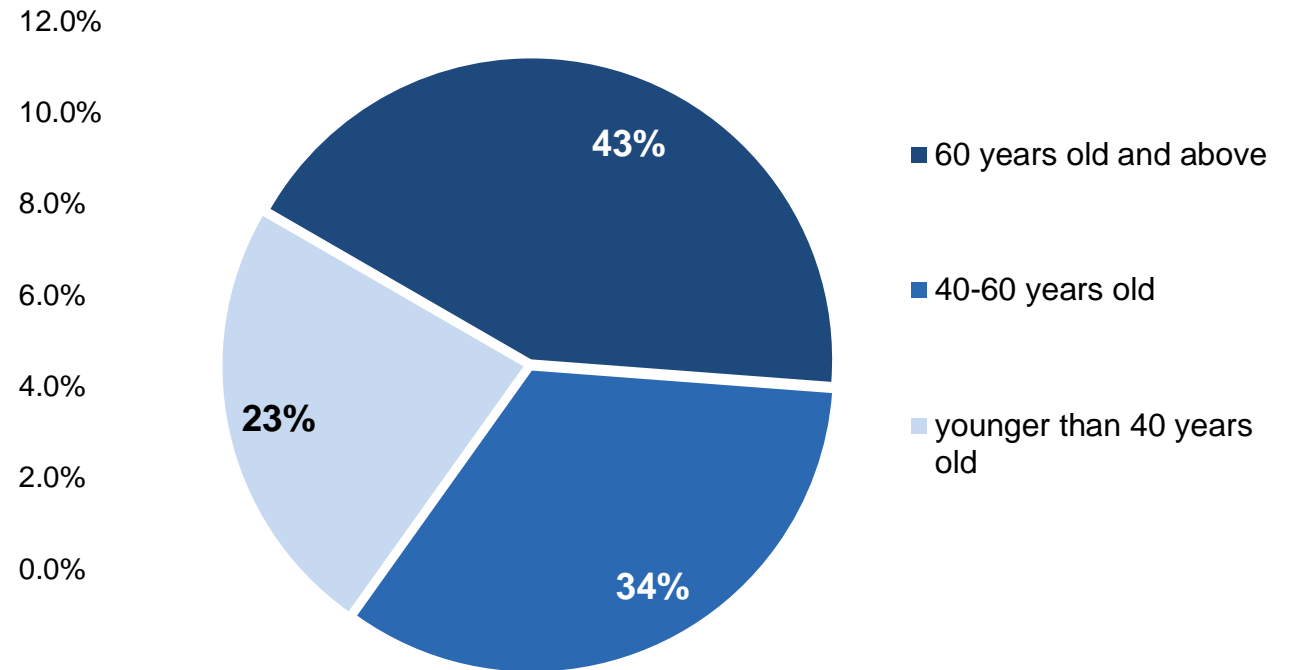
Health care products for elderly (1/2)

The health care products market in China is steadily growing, almost half of the market share comes from seniors. Which means aging people are the most important consumers of China's health care market.

The market size of health care products in China (billion RMB)



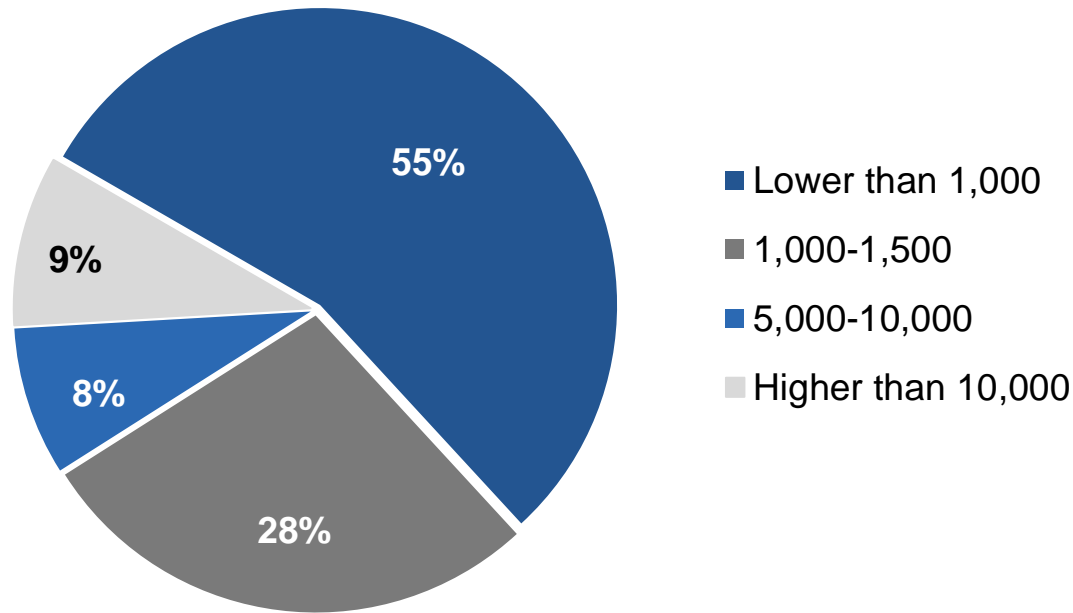
Market share of health care consumption by age (2018)



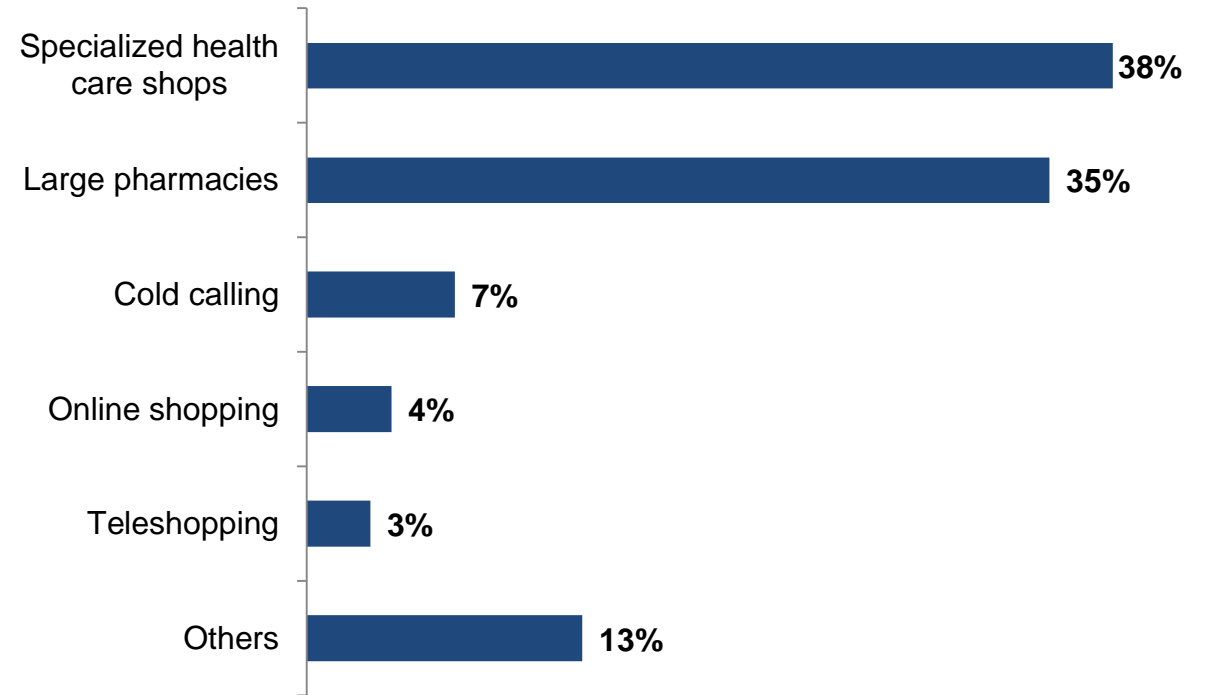
Health care products for elderly (2/2)

- Despite more than half of seniors spent less than 1,000 RMB on health care goods in 2018, almost 20% of them were willing to pay for expensive products (higher than 5,000 RMB).
- Offline shops are still the main purchasing channels for elderly people, many of them lack of trust in the healthcare products from the Internet.

Senior citizens' annual spending on healthcare
(RMB, 2018)



The main purchasing channels of health care goods for seniors (2017)



Consumption of elderly care products

Reading glasses are the most popular goods since they are essentials in senior citizens' daily lives. However, many of them are cheap and lack high-quality brands.

Annual demand of reading glasses in China

40 million glasses

Annual demands of reading glasses

33 million glasses

Annual demands of customized reading glasses

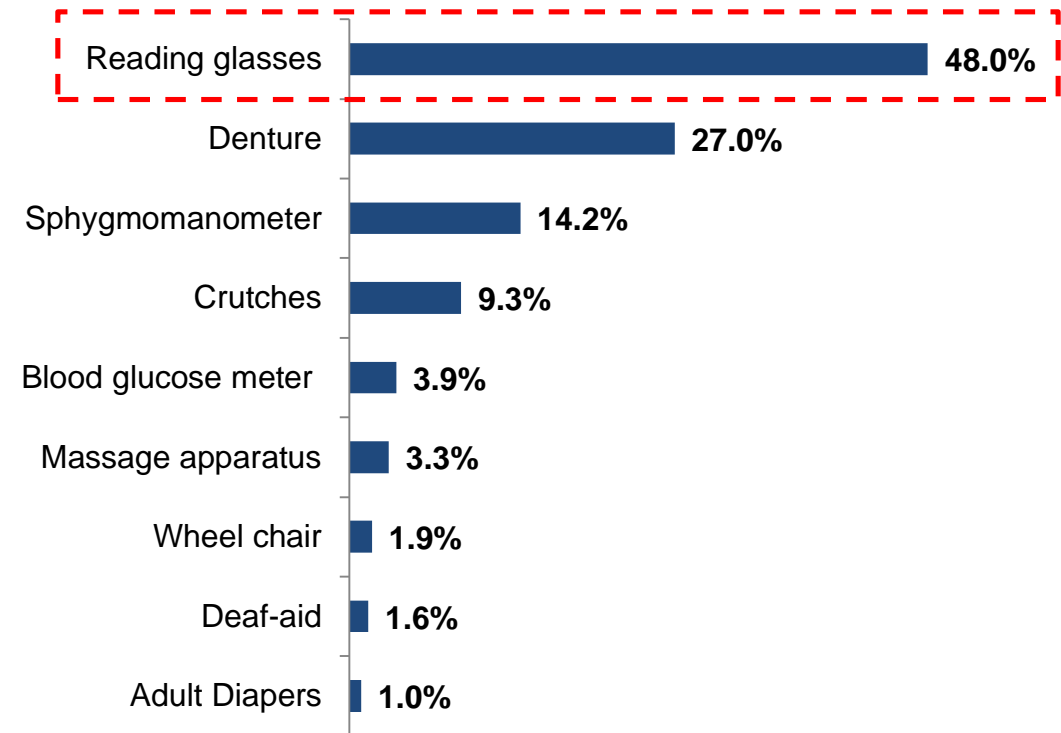
7 million glasses

Market size of the reading glasses in China

600 million RMB

The average price of reading glasses is less than 20 RMB

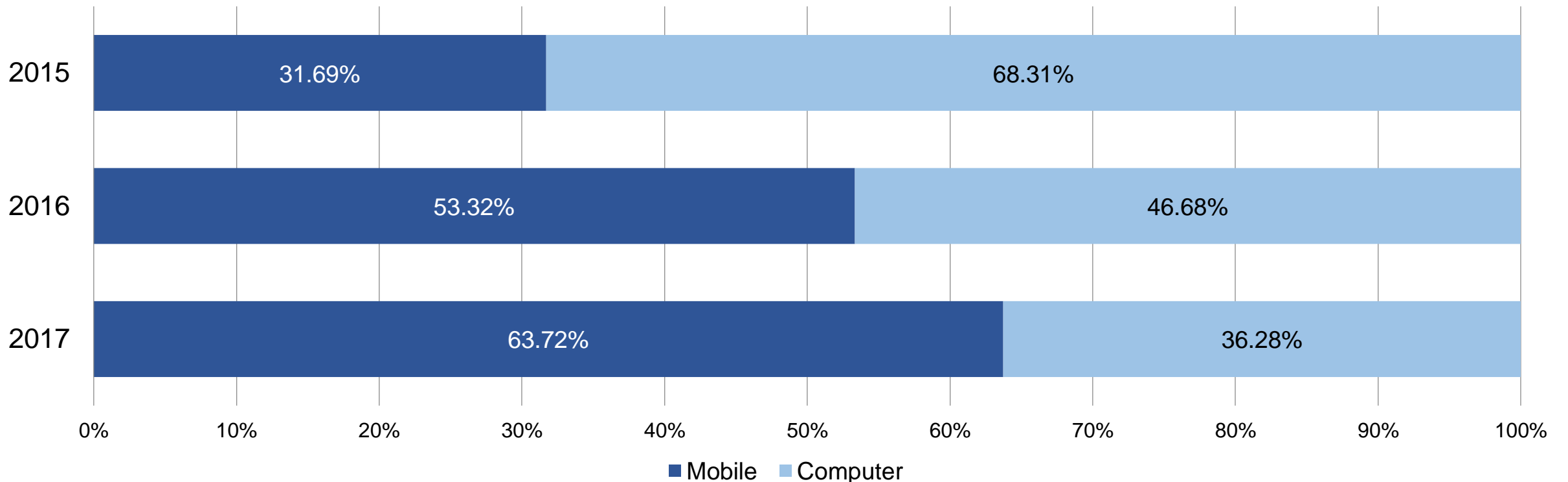
The consumption of elderly care goods in China (2018)



Senior citizens' online shopping

- China has had more than 30 million middle-aged and elderly people (above 50 years old) who shop online, 7.44 million people of them were older than 60 years old. Senior citizens showed a huge market potential as online consumers.
- More and more senior citizens start to use mobile apps for their online shopping.

**The channels of seniors' online shopping on JD
(2015-2017)**



Senior online consumption is becoming increasingly diversified



- By June 2018, China had more than 50 million Internet users over the age of 60, which means one of five senior citizens are netizens.



- In 2018, the registered users on Tmall.com (a very popular China's e-commerce platform) among senior citizens exceeded 7.5 million.



Source: <https://www.iimedia.cn/c460/64579.html>
<https://www.useit.com.cn/thread-18416-1-1.html>
http://m.sohu.com/a/253776152_162281
<http://dy.163.com/v2/article/detail/DQ75680V05310LA8.html>

More senior citizens accept mobile payment

Most aging people are willing to use mobile payment methods, personal info disclosure is the main issue for them.

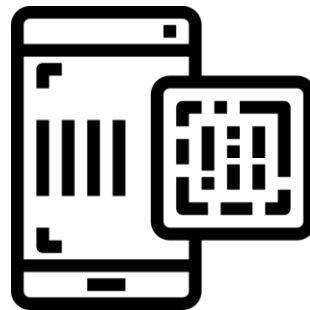
Compared to 2017



The number of senior citizens who used mobile payment doubled in 2018



Senior citizens who used scan face and fingerprints payment increased 20% in 2018



Senior citizens who used QR code payment increased 2.5 fold in 2018

Senior citizens' experience and feedback on mobile payment (2018)

Questions	Answers	Percentage
Is using mobile payment easy?	Easy	87.0%
	Uneasy	13.0%
Have you every been deceived when using mobile payments?	Had experience of being deceived	13.5%
	Never been deceived	86.5%
Are you worried about disclosing personal info?	Worried about it	50.0%
	Not worried about it	50.0%

ELDERLY CARE SERVICES

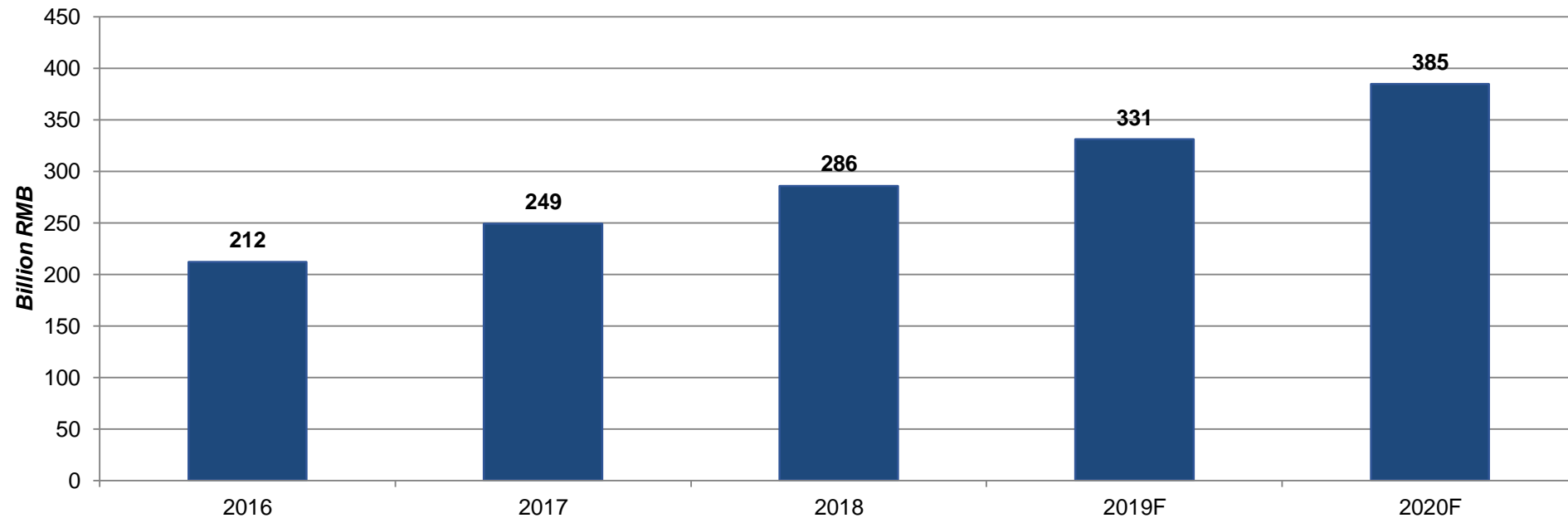
“Significant socio-economic shifts in China are impacting the way we care for our aging population. This means that we must also make adjustments at the national, community and individual level to ensure our citizens receive the best healthcare possible.”

Lily You, Chief Wellness Officer, HiNounou

The market size of the elderly care services

- The market of the elderly care services is booming due to the dramatically aging population in China.
- In 2018, more than 20 million senior citizens live alone and some of them are disable. Many of them are in need of professional care.

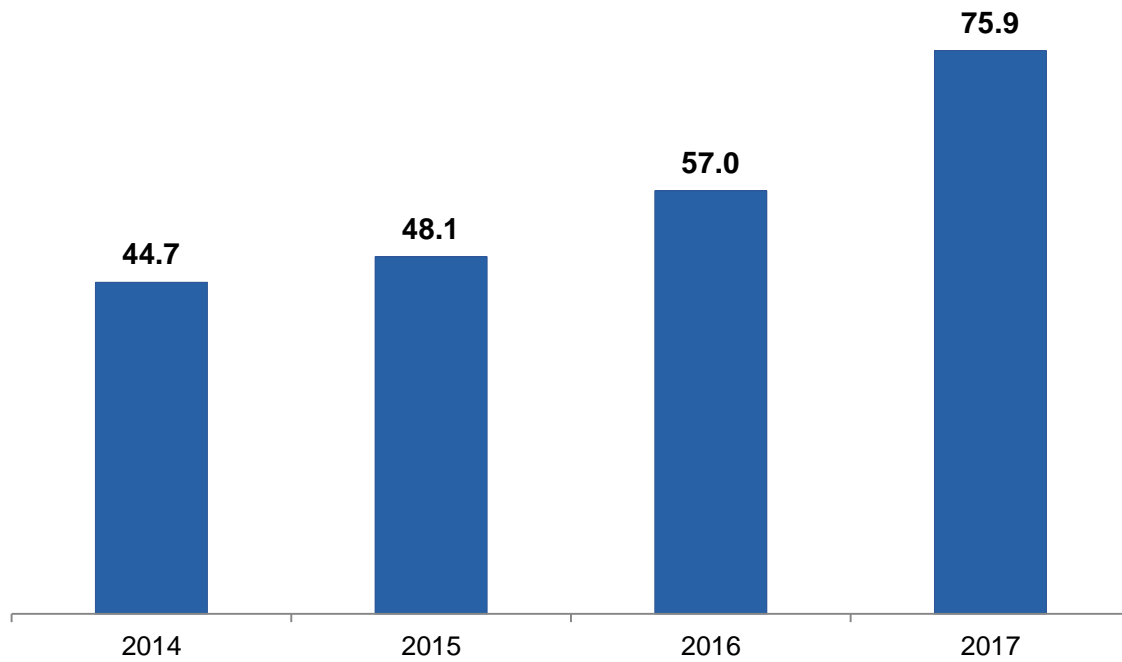
The market size of the elderly care services / products
(billion RMB – 2016-2020)



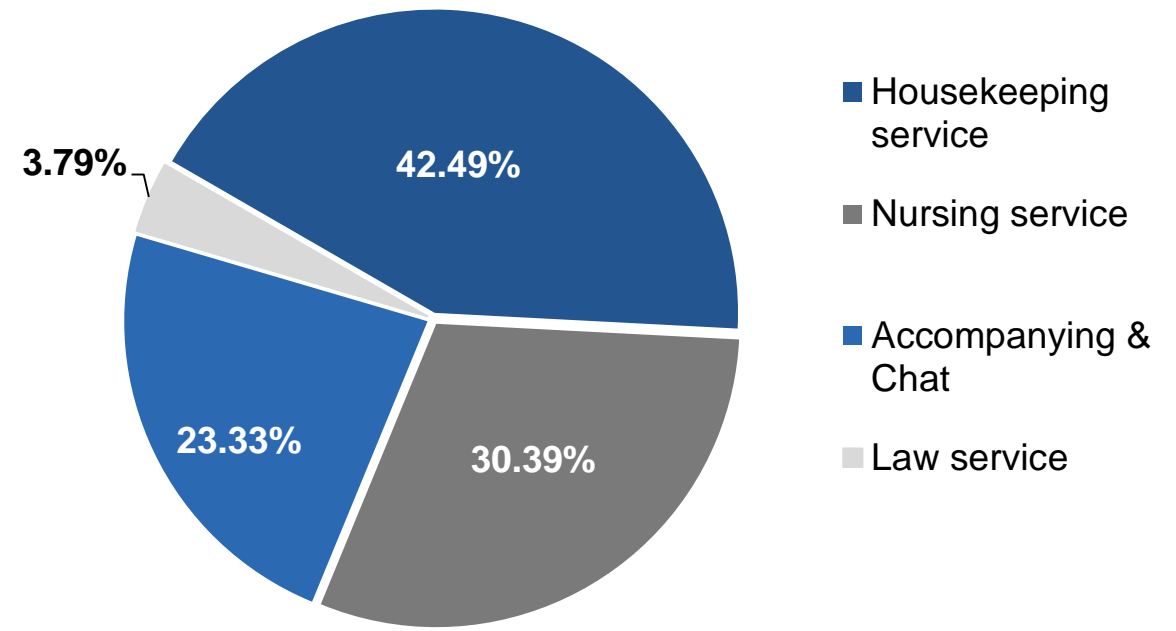
What kind of services do senior citizens need

- The most important services for the urban elderly are housekeeping and nursing care.
- The market of housekeeping services for senior citizens has been rising for several years, since the increasing number of empty nesters in China.

Market size of housekeeping service for senior citizens (billion RMB–2014-2017)



The demands of different services for the urban elderly in China (2018)



The main models of elderly nursing services in China

- In China, there are three different methods of the elderly care services: 1) In-home care 2) Community care 3) Nursing homes
- Nursing homes are becoming more important since it offers more knowledgeable and professional nurses and medical care.



Consumers' questions on Zhihu

Zhihu is the first Q&A website. in China, and has transitioned to a social media sharing platform gathering more than 100 million answers on various topics. The platform is especially relevant to reach higher-, well-educated social classes



中国人为什么无法接受将父母送养老院?

1.4 M

当然，除了民营老人院的费用支出之外，其实阻止很多老人前往老人院的根本原因，还是大部分国人的基本观念。其实大家从老人院（至少是我从我家的老人院）看到的情况，大多数老人，只有在万不得已的情况下才会前往老人院居住

我觉得吴震老师说的很好。大多数中国人的价值观基础在于：氏族、人情和血缘。而老人院完全是以契约、承诺、规范、法制等等西方的价值观根源为基础。老人院所提供的服务本身，对于很多人而言，即使亲眼看过一些优良的范例，也仍然是难以信任的。而长期以来一些不良媒体（是的，很多时候我在说的是南方系）针对老人院的负面报道，又进一步加剧了人情社会之中，施加于那些让父母住在老人院的子女的社会压力。

▲ 赞同 5.8K ▼ ● 441 条评论 ↗ 分享 ★ 收藏 ❤ 感谢 ...

Q: Why Chinese people are unwilling to send their parents to a nursing home?

A: In addition to the **high expenditure** in a private nursing home, the root reason that stops elders going there is the **basic concept** of most Chinese people. Actually, most senior citizens would go to the nursing home only when they have no choice. Some services provided by the nursing home make them **hard to be trusted**. Also, some **negative news** influenced the people who want to send their parents to a nursing home.

The most common questions and posts about nursing homes:

- Why are Chinese people unwilling to send their parents to a nursing home?
- Is there any premium nursing homes that offer high-quality services?
- What the elderly should know when choosing a nursing home?

北京最好的养老院有哪些?

107 K

周末替父母考察了北京几家高端养老院，各有特色。**和煦养老**很专业，服务到位，恭和苑的地理位置最好，服务也还可以，泰康燕园的硬件高大上，价格也很高大上。

Q: What are the best nursing homes in Beijing?

A: I had field research on a few **premium nursing homes** in Beijing for my parents. They all have their own distinguishing features. For example, Hexi nursing home is professional and can offer high-quality services. Gongheyuan has the best location with nice service. Taikangyanyuan provides good facilities but the price is a little bit high.

Consumers' positive perceptions



Wechat is the #1 social media in China and an absolute must-have for a market entry promotion. It accounts for over 1 billion active users.



Weibo is China's biggest social media network that was launched in 2009. Over the past years, it has transformed from a Chinese equivalent of Twitter to a comprehensive platform.

Positive perceptions on Weibo & Wechat:

- Professional medical services in the nursing home.
- The nursing home has companionship and nursing care for the elderly.
- Nursing homes usually have a clean and healthy environment.

Weibo

新浪财经 V 6月18日 19:55 来自 微博 weibo.com

#90后养老模式# 【北大陆杰华教授：90后老了之后 养老模式是怎样的?】 陆杰华

278 192 232

贞操收割机: 多攒钱多买商业险少生孩子然后住养老院让30后40后照顾我们 6月18日 20:00 回复 10

叫我那半仙儿: 我也是想的住老年公寓 6月19日 10:13 回复 赞

What's the pension modes would be when the post-90s getting old?

Reply from one netizen: I think we should make more money, purchase more insurances, have fewer children. When we getting old, we should go to the nursing home.

Reply from another netizen: I also think we should go to the nursing home.

Wechat

One reply written under one article about nursing home

爱谁谁! 299

不同意这样的观点。老年人去养老院挺好的啊! 文中所提的根本不是养老院, 是敬老院, 不能比的。我88岁的老母就住养老院, 之前她一直抵触去养老院, 但是自己对精神生活要求又很高, 儿女都有工作要忙, 根本满足不了她的精神需求, 久而久之, 儿女内疚, 她也不能老有所乐。后来去了养老院, 她开心死了! 天天一大群人陪她玩, 各种文化活动。儿女们隔三差五去看她, 都是听她在分享自己的快乐! 逢年过节接回来天伦之乐。她真心遗憾我父亲去的太早, 没有享到这个福。

I think it could be good for senior citizens to live in the nursing home! My mother is 88 years old and she is living in a nursing home at present. At the beginning, she was unwilling to go there, but now, she was so happy to live there because there are **many people in her age can accompany her**. Every time when we visit her, she is always sharing her happiness.

Consumers' negative perceptions



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Negative perceptions on Weibo & Wechat:

- Some violent incidents in nursing homes reduced people's trust.
- The lifeless ambiance in some nursing homes.
- Some staff lack professional training about taking care senior citizens.

Weibo



6月13日 09:00 来自 人民网微博

【养老院#护工拿鞋底抽打残疾人# 民政局介入调查】7日，吉林延吉一老人公寓护工韩某拿鞋底抽打病人的视频引发关注。韩某先是掌掴男子头部，后又拿起



俊锐君0214JyR: 以后打死不让爸妈进养老院，还不知道里面的护工都他么是什么学历的人呢？低学历加低素质，能好哪去，养老院大部分还是盈利的。所以，有能力把爸妈留在身边的就在身边好好照顾自己，别进养老院了。

Post from people.cn: In a nursing home located in Jilin, one staff used shoes to hit old people.

Reply from netizen: I'll never let my parents live in nursing home in the future. We know nothing about the staff working there, maybe they never had access to education and don't know how to treat old people. So, if you have the ability to take care of your parents, please don't send them to a nursing home.

Wechat

很多去过养老院的人都表示，养老院中的“死气”根本不适于老年人养老，那是一种绝望，等待死亡降临的绝望。

电视剧里演的养老院里整天下棋、打牌，不是没有，但亲生子女尚且没耐心天天陪老年人玩乐，何况是没有任何关系的工作人员？

32 K

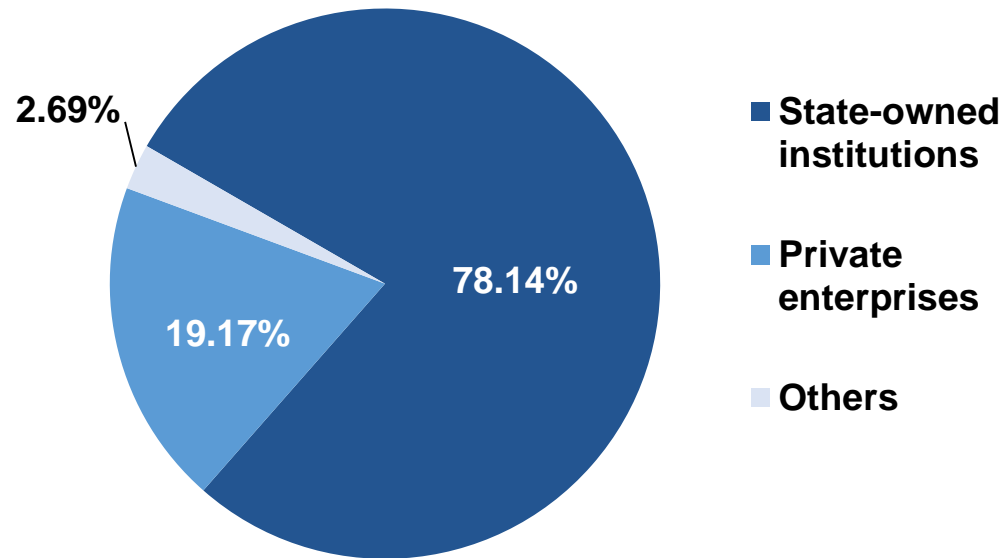
Many people who had been to the nursing home said the lifeless atmosphere is not suitable for them to live. That is a kind of despair waiting for death.

In the TV drama, the elderly play chess and cards for the whole day, but how staff can be so patient while the children even have no patience to play with their parents.

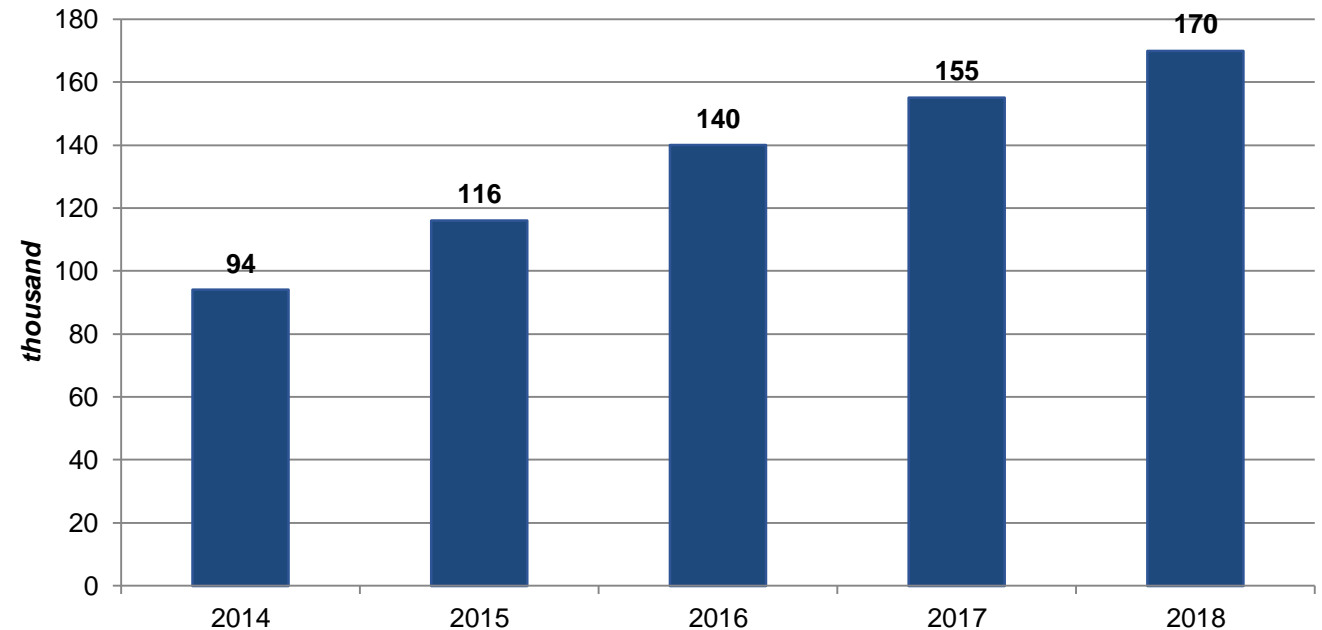
The fast-growth of nursing home institutions

- The nursing home market is growing very fast in China with the increasing demand for eldercare.
- The Chinese government is leading the development of nursing homes, however the government encourages more private enterprises and investors to enter the market.

The nature of nursing home in China
(2018)



The number of nursing homes in China
(thousands – 2014-2018)



The demand for nursing homes exceeds the supply

China has a huge demand for nursing homes.



249 million people

In 2018, the aged population exceeded 249 million in China. Many of them need nursing services.

About 10%

Among those senior citizens, about 10% of them are willing to live in the nursing home, making the demand about 25 million.



9 million

But, the total number of nursing home's beds can't meet the demand. There is more than 9 million supply gap (number of beds).

Drivers and obstacles for the nursing home in China

Obstacles

Traditional culture

It is against to Chinese tradition. It is difficult for both elderly and family members to accept elderly living in the nursing home, as their children believe it is their responsibility to take care of their parents.

Negative image

Some family members generally have a negative image (such as the smell of medicine, no privacy, etc.) regarding the hospital and nursing home, and believe care at home is better than institutions.

Drivers

Safety and service guarantee

It is affirming for family members to know that nursing home has a safety system, which includes the facilities and staff. Also, the nursing home can offer professional care that family cannot.

Lack of ability and time

Younger generations are moving away from their hometowns for opportunities, therefore they have less time to take care of their elderly parents. In-home care staff often lack skills due to the limited knowledge and experience. Thus, the nursing home is a good option.

MARKET TRENDS ANALYSIS

I.

Consumption upgrade

Except for cheap daily-use products, middle and high-income senior citizens start to consume more on leisure and fashion & beauty, such as tourism and cosmetics.

II.

The channels of consumption are diversifying

Senior citizens are slowly embracing mobile payment, they will learn to use more mobile apps along with the recommendation from their children.

III.

Elderly nursing and health care is developing fast

Due to the aging population, nursing care services/goods are rapidly growing and they will be accepted by more families.

END.



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