D8.6 [PaeLife Market Analysis]

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NATURE OF THE DELIVERABLE		
R	Report	**X**
P	Prototype	
D	Demonstrator	

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Dissemination Level		
PU	Public	**X**
PP	Restricted to other programme participants (including AALA)	
RE	Restricted to a group specified by the consortium (including AALA)	
CO	Confidential, only for members of the consortium (including AALA)	

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Document signed off by	MSFT

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Document Presentation & Scope

Overall

This document offers a short description of the actual market and of the main players of the market where PaeLife intends to launch its product.

This document is structured in seven main sections.

Section 1: Project & Product overall

This section provides general information on PaeLife project and on the product which is to be commercialised. The technical aspects and the way in which the product will be introduced into the market are also introduced.

Section 2: Competitive comparison

In this section we are presenting PLA's competitors, their offer and their market position. Moreover, PLA's characteristics, offer and market approach are directly compared with the ones of its competitors.

Section 3: Remarks on the actual market

Here, we are presenting a general view on today's silver economy market (senior market) and the profile of its targets (the seniors).

Section 4: Analysis graphics

This section contains the PEST and the SWOT analysis which show the opportunities and the challenges of PLA on the market.

Section 5: Marketing Strategy

This section presents PLA's marketing strategy and therefore some concrete elements such as its position on the market or the mix marketing program (PLA's product presentation, price, distribution and promotion).

Section 6: Financial Aspects

These aspects will be established in a future version after further advancements on the product and on the agreement between Project partners.

Section 7: References

Some of the sources we have consult in the preparation of this document.

Scope

The scope of this document is to define PLA as a concrete product. Therefore its scope is to offer a clear and concrete image on PLA's positioning on the market and also increase awareness regarding its opportunities and its challenges. This document represents both an internal and external analysis on PLA.

The internal analysis provided answers to essential questions such as: What? Why? For Who? It offers a focus on PLA from the potential customer point of view, rather than from a technical point of view.

The external analysis of PLA is the projective analysis of PLA in the context of its future market and to launch concrete forms of introducing PLA into the market (price, distribution, promotion, etc.)

Overall, the scope of this document was also to determine the potential of the PLA introduction into the market. The results of the market analysis will show that PLA can have a competitive offer and can provide a good solution to senior's needs in terms of technology and useful services.

1. Project & Product overall

1.1. Description and context

PaeLife focuses on recently retired individuals who are used to some level of technology usage and who want to keep themselves active, productive and socially engaged, through the use of a Personal (Virtual) Life Assistant (PLA) - a virtual presence who supports social communication, learning and entertainment. PaeLife will fight elderly isolation by enhancing seniors' connectivity to family, friends and society.

As part of the AAL programme, PaeLife's main goal is to provide services interfering directly with the social interaction area.

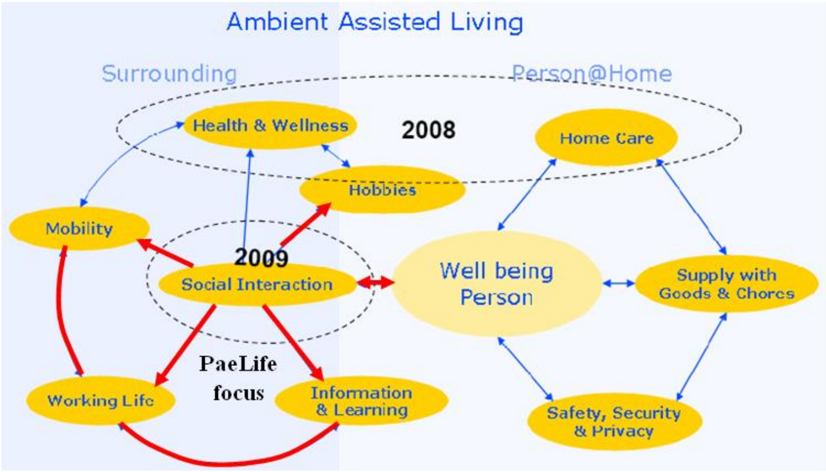


Figure1.1: Ambient Assisted Living services environment

1.2. The Consortium

The PaeLife team is part of a consortium of 8 partners, located in Portugal, France, Hungary and Poland. They represent a full set of complementary competences regarding their core activities and specializations. By joining forces and approaches from different points of view the project will create new opportunities for end users and other relevant stakeholders. All the consortium members have a relevant experience in technological and innovation intermediation services as well as due diligence and investment opportunities assessment.

Project leader:

MSFT is the promoter of the PaeLife project, leaded by Prof. Miguel Sales Dias.

Partners:

1 MSFT (promoter)	Location: Portugal	Person in charge: Prof. Miguel Sales Dias
2 INESC-ID (co-promoter)	Location: Portugal	Person in charge: Prof. Daniel Gonçalves
3 BME-TMIT (co-promoter)	Location: Hungary	Person in charge: Prof. Géza Németh
4 BZN-IKTI (co-promoter)	Location: Hungary	Person in charge: Dr. Ferenc Péter Pach
5 SSW (co-promoter)	Location: Poland	Person in charge: Mr. Arthur Kolesinski
6 GENITECH (co-promoter)	Location: France	Person in charge: Mr. Emmanuel Bonnet
7 UTT (co-promoter)	Location: France	Person in charge: Prof. David Hewson
8 UAVR (co-promoter)	Location: Portugal	Person in charge: Prof. António Teixeira

1.3. Product & services

1.3.1. Overview

PaeLife's final product is a software (temporarily called PLA –Personal Life Assistant) which will provide multi-modal and multi-lingual support interactions, especially adapted to the European elderly. Unique and added-value innovation & technical challenges of PLA are the continuous ASR- Automatic speech recognition and the TTS -Text to speech features which will be available in French, Hungarian, Polish and Portuguese.

A Kinect device will assure the automatic detection of a person's presence creating opportunities for a more "natural" human-machine interaction. For example, the user uses the PLA tablet version, when the application detects the proximity of the TV/Large screen it can suggest switching the displayed content from the tablet to the TV screen.

- PLA is designed to act as a virtual presence which encourages seniors to discover new technologies and which provides applications and easy access to the following services:
  - Social communication;
  - Learning;
  - Leisure and entertainment;
  - Exchanges with family and friends (the seniors will be easier to contact, and will contact others in an easier way).

1.3.2. Architecture system, interactions & services

The PLA application will be able to run on a mobile device (e.g. a tablet) and in a desktop computer. The two units will also be able to interact with each other to improve the user experience and to extend the modalities of interaction with the system.

The PLA application will be structured in modules. Each module will be responsible to deliver a set of services and features. This following list summarizes the services and features that will be available in the application:

- Unified messaging;
- Calendar with agenda;
- TV Schedule;
- Social activity status;
- TV Schedule;
- Weather information;
- Media Manager (photos, images, videos, music, text documents);
- Relevant feeds for the elderly;
- Social community of interest (using Facebook).

A complete description of the PLA architecture system, features and services can be found in WP1.3 – Detailed Prototype Specification.

1.4. **Product model**

1.4.1. Versions & services

PLA will be introduced 3 main versions on the market:

- one for tablets, named "**PLA Pocket**"
- one for PC, named "**PLA Desktop**"
- one for both PC and tablet, named "**PLA Home**" where the tablet and PC will interact.

As the visual presentation of these versions shows ("PLA's versions on the market" visual, presented below), while PLA Desktop and PLA Home can offer all PLA's innovative features, the PLA Pocket cannot support the Kinect feature. Also, if PLA Pocket runs on Windows RT device, PLA Pocket can't support continuous speech recognition.

PLA will provide a **"free trial" option** for a limited number of days and will also include in its product promotion in-store testing. The free-trial version should be a "full-featured product" (PLA Home) so that senior can test the best of PLA's features. This way, the potential customer's awareness regarding PLA's innovative features will grow. However a free-trial for Windows RT should be available with the warning that the full featured product can't run on Windows RT due to hardware limitations.

During the "free trial" period **special assistance services** should be implemented to insure satisfaction with UX (user experience) and also to obtain feedback, and to discover which aspect of the product need improvements or further development. Therefore it is important that the user of the free trial benefits of free assistance services during the "free trial" period.

Version	Standalone		Home Connected 2 different screens
Name	PLA Pocket	PLA Desktop	PLA Home (Pocket + Desktop)
OS	Windows RT* / 8 / 8 Pro	Windows 8 / 8 Pro	
Prices (€)	100	120	150
Assistance/ Support	BASIC support (free up to 1 year? 2 months- starting with PLA support?)		
	PREMIUM Assistance: arriving in 2016		
Interactions	Touchscreen Interface / Text to speech		
	Continuous Speech recognition *Push-to-Talk limitation on Windows RT Tablets		
		Body Gesture on PC (Kinect)	
Hardware	Tablet	PC Options : Kinect / Led TV	Tablet and PC PC Options : Kinect / Led TV

Figure 1.4.1 PLA's versions on the market

1.4.2. PLA as a free app in app stores

Before the market analysis, offering PLA as a free app in a freemium system seemed to be a possible option. However, the further analysis on PLA competitors, on the structure of the market and especially on the senior profile and needs show that offering PLA as a free app cannot be reasonably practicable.

PLA on the application stores

Firstly, the economic system of the application stores is not very popular among elderly, especially for the +65 seniors. Therefore, it would be hard to get seniors, who might not even have a smartphone or internet, to find information on PLA and/or to purchase PLA.

Secondly, PLA is a complex product and seniors need a clear understanding of PLA services and its functions in order to purchase it. Also, PLA cannot be sold as a regular product. The further analysis will show the importance of the assistance services and the complexity of device requirements.

In addition, traditional distribution channels seem to be the best option in order to grow awareness of the existence of PLA on the market. We note that PLA presence among its competitors in stores and other distribution channels is important for PLA positioning on the market and also will raise awareness on its innovative features.

Also, traditional retailers could play a **key role** in making sure that seniors understand PLA. These retailers might even offer a **demo version in store**.

To sum up, in order to reach its main targets, PLA shouldn't **only** be available on applications stores.

Free version (only a simplified interface?)

Offering a basic simple version of PLA (which includes only a simplified interface, without its innovative interactions) is not a business option since PLA is a highly differentiated product. As a matter of fact, PLA brings innovative features on the market such as the multimodality and the multilingual interactions.

Moreover, none of competitors are offering permanent free-versions of their software (except Orange, but Orange, also an internet provider, is offering this product in order to promote internet among the seniors).

Also, the continuous ASR and the Kinect interaction are innovative features that none of these competitors offer (even among their premium versions).

1.4.3. Development platforms

For its first version, PaeLife will be developed on the **Windows 8 platform**. Android & iOS versions will be considered for future versions of the software.

Still, the development on the Windows platform is not very restrictive from a user point of view. We note that there are many devices that run Windows 8, and therefore the user can choose between low cost devices and high quality ones.

However, developing PLA on other platforms will increase the accessibility and therefore the sales of PLA.

2. Competitive comparison

2.1. Competitors

Here's a list of PaeLife' competitors and their websites:

1. Doro http://www.doro.com/
2. Ordissimo http://ordissimo.eu/
3. Ordimemo http://ordimemo.com/
4. Tooti Family http://www.tootifamily.com
5. Orange "Logiciel Facile" http://logicielsgratuits.orange.fr/logiciel-facile/presentation/
6. Hakisa http://www.hakisa.com/fr
7. Libertis by Ordimemo (to be launched) https://www.libertis.eu/

These competitors can be classified as International, European or National players.

- International Players:

Doro is present in the following countries: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxemburg, Netherlands, Norway, Spain, Sweden, Switzerland, United Kingdom, Canada, United States, Australia, New Zealand.

Orange (it seems that "*Logiciel Facile*" is only available in French)

- European Players:

Ordissimo: France, Belgium, Switzerland.

Ordimemo: France, Belgium, Switzerland, UK & Germany.

- National Players :

  Tooti Family: France (only a few distribution points – less than 20 of which 2 in Paris, in some senior specialized stores or via informatics services providers).

They can also be classified upon the exact nature of their offer orientation, such as:

a. Software only: Doro, Orange
b. Device + software: Ordissimo, Ordimemo, Tooti Family (+ internet/mobile internet as an option)
c. Web platforms: Hakisa, Libertis (by Ordimemo)

Other possible competitor that possesses innovative technologies, but that hasn't yet become popular player is **Tobii Rex**: which brings an innovative feature – the eye-control screen interaction.

The ***2.1., 2.2 and the 2.3. Figures*** (here below) represent a brief benchmark of PLA's competitors. Each competitor has a dedicated section where detailed information can be found.

We note that a **visual presentation** and links to videos that present competitors' products can be found in the "***Competitors' visual presentation_June2013***" enclosed Power Point document.

Brand/ Product	Concurrent product/service	Services	Seniors adapted/ ergonomics	Distribution	Presence on the market	Innovation / differentiation points	/month	Price (€)
Doro	Tablet &PC Software	Basic customer's services (hotline on regular costs +e-mail) Free services	Independency+	Major & Popular retailers Specialized retailers	European leader on the digital phone market New-comer in PC&tablet software	"first on the market" advantage	-	100€ each
Ordimemo	hybrid PC(tablet and PC) /touchscreen PCs/eBook+ software+web platform	For those who already have a tablet/ PC: Libertis (free?) web platform- to be launched	Brand website: Unadapted ergonomics & important elements are missing(price,...)	Specialized retailers but not popular to the general public	5th year on the market	Both B2C &B2B approaches Hybrid & touchscreen PC :"No mouse" products	-	Hybrid: 1079 € Touchscreen PC: 40cm:999€ 51cm: 1,199€ 61cm:1,349€
Ordissimo	PACK: Tablet/PCs+ Software+ accessories PC: standard and touch screen models	Special customer's services Paid services	Independency+++ Special adaptations: -Special keyboard -	Online store+ specialized retailers	50 000 users New-comer as a tablet+services provider.	Large offer of services PC touchscreens Adapted keyboard for the elderly	19,99€: 12" Tablet +Set-up+Warranty+hotline unlimited assistance+ home lessons	Tablet+soft: 450€ Laptops: 500€ (Ultrafin Eve); 15"- 700€ 17" - 900€: + extra fees for services

COMPETITOR	Concurrent product/service	Services	Seniors adapted/ ergonomics	Presence on the market	Innovation / differentiation points	Monthly fee	Price (€)
Hakisa	"Online Interface": Free web (social) platform	No customer services but offering & promoting the possibility of getting help from a close friend – "the Musher" See details :……	Independent senior – Good ergonomics, but no assistance in the configuration process, except the possibility of a "Musher" (senior's family/friend)	Unknown	The Musher concept (alternative to the assistance services) Internal social network	x	x
Orange "Logiciel Facile" (Easy software)	Free software	Interface for simplified internet access (in order to encourage internet subscriptions among the elderly)	Independency+/-	Unknown	Free Good strategy in promoting internet to the elderly	Free download (with no subscription /purchase obligation)	

Brand/ Product	Concurrent product/service	Services	Seniors adapted/ ergonomics	Distribution	Presence on the market	Innovation / differentiation points	/month	Price (€)
Tooti Family	PACK: Tablets+software 3 packages	Special customer's services Paid services	Independency ++	Via social centers for seniors (lending/ offering tablets to seniors for a long period)	Exclusive tablet player Start-up level with highly competitive offers	-exclusive tablet orientation Full pack (device+software+ mobile internet)	WIFI: 299€(tablet)+13,99€/month (assistance services) Internet Mobile 3G: 379€+ 29,90€/month (assistance services+ mobile internet connection) 500€: tablet+limited services (+ in option 99€)	

2.1.1. More on Doro

- Offer:

Doro's products that are competing with PaeLife are Doro's PC and Android tablet software. These are compatible with Windows XP Service Pack 3 or more recent versions.

- Services:

When comparing with other players on the senior's market, Doro provides only basic services, less adapted to the elderly.

However, it seems that one of Doro's selected retailers (a computer assistance provider – Docteur Ordinateur- "Computer Doctor") provides a pack which contains Doro's software + 1h30' home lesson for 149 € (119 € for last Christmas special price):

http://www.doro.fr/Global/Campaigns/DoroExperience_DocteurOrdinateur.pdf

- Senior adaptation/ergonomics: being a leader of the senior market, we can presume that Doro's software interface responds to elderly expectations in terms of UX (user experience), as well as their digital telephones' interface does

- Position on the market:

On the Western Europe market Doro, a Swedish company, is **the leader of mobile digital phones** designed for the elderly. On the new mobile technologies market, Doro's a new-comer. Doro's an international player.

- Innovation/ differentiation points:

Its robust distribution and its image of a trusted brand are Doro's main strengths. Also, Doro seems to be an innovation-oriented brand. Therefore, it can be a future direct competitor for the PaeLife product.

- Prices & Purchase options:

Doro's not a direct seller of its products. Doro has at least 1 partnership with a technology assistance provider ("Docteur Ordinateur"-"Doctor Computer"). Its tablet and PC softwares cost 100 € each (without private lessons or other extra-services).

- Distribution:

Doro has a strong presence in popular stores (physical and online).

Figure 2.1.1. Doro’s presence worldwide

2.1.2. More on Ordissimo

- Offer:

Ordissimo is offering a full pack which contains a device, a software, special assistance services (private lessons, help in finding internet provider, email account configuration, etc.) and even accessories such as a special keyboard. It’s a PC oriented company. Still, Ordissimo seems to follow market’s trends. Recently, Ordissimo launched a 12” tablet.

- Services: direct services provider

  Warranty, private lessons, configuration & set-up, help in finding and subscribing to an internet provider, hotline. We note that these services are included in their monthly fee, or in the case of one-time purchase of their devices the assistance packs can be purchased separately.

- Senior adaptation/ergonomics:

  Special keyboard, big touchscreens

  We note that the tablet provided by Ordissimo is heavier than regular tablets. A 11,6” Ordissimo tablet weights 850g, while a Microsoft Surface tablet of 10,6” weights 680g.

- Presence on the market :

  Ordissimo (a French company created in 2002) has a strong presence in France at least from the point of view of its presence in stores (250 retailers sell Ordissimo). It is also present in Switzerland, Belgium, and since 2012 in Germany and the UK. Ordissimo counts 50 000 customers.

- Innovation/ differentiation points:

  Special adapted equipment (special keyboards, big touchscreens, both tablet and PC approaches), full assistance services.

- Prices & Purchase package options:

- Monthly fee (device + software + services + home lessons): starting from 19,99€/month (tablet/laptop package). The most expensive is the touchscreen PC 24” at 49,99€/month;

- One-time-purchase of the machine & software: (+ 3 categories of services – not included- 100€/ 200€/300€/year).

  Tablet + software: 450€

  Touchscreen Desktop Computers: 899€ (20”) / 1 399€ (24”)

  Laptops: 500€ (Ultrafin Eve) - 700€ (15”) - 900€ (17”)

- Distribution: 250 retailers in France

2.1.3. More on Tooti Family

- Offer: 3 TABLET Products

1) Ready to use package at 379€ + 29,99€/month(tablet + software + mobile internet services + assistance services + features & premium services)

2) Tablet + software (299€ +13,99€/month)includes Assistance Services+ Features & Premium Services

3) Tablet (only with *Tooti Features & Premium Services***,** *Assistance Services* in option for 99€/year)

- Services: assistance via hotline (no assistance services such as home interventions or private lessons; still, at Nantes thanks to a partnership with a social centre seniors can be assisted by the personnel of the social centre).

Tooti Family’ services offer presentation:

- ***Tooti Features & Premium Services (“basic services” don’t exist)***

-**Tablet Features**: instant messaging, contacts, photos and videos, agenda, info, internet, games, tools, video call (wifi connection required)

-**Family Features**: access to "family site", remote desktop, video call (wifi connection required)

- **Premium Services**: Software &contents updates, anti-virus, anti-spam

➢ ***Assistance Services (accessible by the senior or other persons delegated by the senior)***

- "first steps" support

- resolve possible problems

- automatic saving of the data & restore of the data if needed

➢ ***Mobile Internet Connection Services***

- SIM card included, with 500 Mo, 50 sms/ month (to send), unlimited sms (to receive)

- Presence on the market:

New comer, French market player: not very popular, however present in specialized stores where both Doro & Ordissimo are.

- Prices & Purchase package options:

299€ (tablet+ software) + 13, 90€/month (wifi at user's charge – package for customers who already have internet connection)

379€ (tablet + software + internet mobile) +29, 99/month

500€ (tablet + software) + in option 99€/year assistance services (Wi-Fi at user's charge – package for customers who already have internet connection)

- Distribution:

Interesting partnerships with social centre in Nantes, personal online store, senior specialized retailers (*l'Univers du Confort- "The Universe of Comfort")*, informatics services providers & specialized providers for seniors informatics assistance such as *Facile&co* or *Docteur Ordinateur ("Computer Doctor")*.

2.2. PLA's market opportunities

2.2.1. Overall

The most important competitors of PLA seem to be Doro, Ordissimo and Tooti Family. However, even though competitors such as Hakisa, Ordimemo and others do not seem to be on the same market segment as PaeLife, their analysis should provide important "do's & don'ts" regarding their business strategy, distribution, promotion or ergonomic design and innovative features.

2.2.2. PLA vs. Doro

Doro seems to be an important competitor for PLA especially because the possible loyalty of their clients. Moreover, it seems difficult to target Doro's customers (+70 years old) because they might fear that they will start from scratch with a new interface that they will not handle as well. In the case where these seniors are interested in buying a tablet they will probably choose a Doro interface.

Still, new seniors (young seniors 60-70 years old) might be a more available market. Firstly, because if they will look for new tech devices they will find Doro's phones less attractive because of their "heavy" design, and also because most of Doro product are digital phones. Even so, Doro seems to follow well the trend and the needs of the market. If Doro brings more innovation, Doro might become a challenge on the 60-70 seniors market (in a near future). See "Doro Selection": http://www.doro.com/Corporate/Doro-Group/Vision-mission-strategi/Innovations/

Financial information can be found on Doro's corporate website: http://www.doro.com/Corporate/Investors/Dataset-register/

Although Doro is now proposing a PC and a tablet software, **Doro customer** is firstly a **phone-user**. The users of Doro' old products have basic abilities of interaction, since they are interacting with digital phones.

2.2.3. PLA vs. Ordissimo

As Doro, Ordissimo seems to be a hard-to-challenge competitor for seniors who already purchased Ordissimo's products. Still, the PLA product is closer to Ordissimo.

Also, because an **Ordissimo's customer is firstly a computer-user**, his abilities in interacting with technologies are much more developed (comparing to a Doro customer). We can assume that a senior, already customer of Ordissimo, is more likely to become a PLA's customer.

PLA's innovations can be proposed as a further step in senior's new tech experience, as an encouragement to try an even simpler way of interacting with technologies. Market studies are recommended in order to establish the attitude of senior users of technologies regarding the replacement of their actual devices or the purchasing of a complementary one. PLA features are highly differentiated from Ordissimo' or Doro' features. Therefore, PaeLife can also create a niche market by attracting Ordissimo's and Doro's customers who are searching for new features, new services, other than those offered by Ordissimo and Doro.

2.2.4. PLA vs. Tooti Family

For the moment, Tooti Family, although it has a competitive offer, isn't a strong presence on the market.

On the French market Tooti Family could become a strong competitor if they extend on the market by increasing their product awareness. In this case the PLA Tablet Software will compete with Tooti Family. This competitor has the advantage in proposing full packages (device + software + services + internet/internet mobile access). Still, the PLA will also try to develop partnerships in order to be able to provide a full-package. The PLA's advantage will be its flexibility in choosing a tablet, especially after PLA is made be available on iOS & Android markets.

Moreover, the devices' performance and physical characteristics are evolving very rapidly. Also, the fact that the PLA will not be involved in the device production process makes the PLA more agile in focusing on software and on the user experience (UX) evolutions. Therefore, the PLA will always be compatible with the latest devices on the market.

2.2.5. Other competitors: interesting points

Hakisa: counting on family & friends to help the seniors on the internet

One of Hakisa interesting concept is "**the musher"** – a generous person who masters the internet and who helps one of his close ones (the "hakiser") to discover it. Hakisa, a free web platform with an internal social network, is addressing directly to senior's younger friends or family member. In the "musher" system "the musher" is initiating the senior in using the service. Hakisa also advices on how to succeed as a "musher" by encouraging the musher to: add as many contacts as possible, configure its account, act as a community manager, personalise its interests & hobbies, and to create favourite web pages.

Regarding PLA we will refer to the "musher" as being an "ambassador" of PLA.

Ordimemo: B2C and B2B approaches

Compared to the PLA, Ordimemo (like all other competitors) doesn't encourage access to social media. We also note that Ordimemo prices are higher than other competitors.

In both B2B and B2C markets, the PLA offer seems to be much more competitive (from both product & prices points of view) than Ordimemo.

Also in the B2B market the PLA has the advantage of including the Kinect gesture features. The PLA will obviously promote this extra advantage of "**PLA Desktop**" and "**PLA Home**" versions, which can support the Kinect.

3. Remarks on the actual market

3.1. Understanding the market

3.1.1. Market needs

Currently, there is a lack of technical products that are developed to improve the life of the elderly. The development of these products will prevent the elderly getting isolated and excluded from the social and digital society.

The ones that exist, lack interoperability and are costly and difficult to use. The elderly need a product that will fulfill this gap in their life. Seniors want a more and more independent living, the nursing home is often a taboo subject and no one wants to admit the fact that they are aging. By implementing technology based products in their lives the elderly might achieve an important improvement of their lives.

3.1.2. Market trends

The senior market is booming, and opportunities are plentiful: there will be more seniors in the next decade. The market of tools and apps especially developed for seniors is growing. The young people of today will be the seniors of the future. While the young adults are used to digital media and technologies, seniors of today are surrounded by technology, but in most cases this technology is not specially developed for them.

Touch screen product or control technology by speech recognition are not daily routine for seniors. And, therefore although these innovation will be designed to offer an easier interaction, the resistance towards these innovations must be taken into consideration.

3.1.3. Market growth

The average age of the world's population is rising: the senior population (65+) is expected to more than double over the next 30 year. And so will do the senior's market. The market for in-home-care is growing by 10% each year. There is no other business environment that is growing at this rate.

In Poland, France, Hungary and Portugal the population over 65 will increase:

- In Poland from 13.0% in 2004 to 29.4% in 2050.
- In France, the population over 65 will increase from 16.4% in 2005 to 26.2% in 2050.

- In Hungary, the population over 65 will increase from 16.9% in 2011 to 29.4% in 2050.
- In Portugal by 2050 this segment of the population will be over 35%.

3.2. Understanding the target

3.2.1. Senior profile

- ***<u>Elderly' age profile</u>* :**

> 50-60: the baby-boomers
They dispose of full mental & physical capacities and financial means.

> 60-75: the "freed"
They are retired but active, they enjoy and love life, they are in good health and they have time.

>75-85 years: the peaceful
They would have been just like "the freed" if it weren't for their deteriorated health. They have a quiet life, travelling but get out less due to age and heath impairments.

> + 85 years: the dependent
Most of them are in retirement houses. They consume less, except for the house health care services & health products.

3.2.2. Elderly market in figures

- **The elderly and the new technologies (age segment 50-75)**

In France (Doro & Senior Strategic study – March 2013):

- **Possession of a mobile phone**: 67% of 50/75 years have a mobile phone (84% for the 50/60 years category). 71/75 years: 47% mobile phone owners; still the percentage rises every year in this age category.
- **Satisfaction**: 60% are satisfied with their mobile phone & 51% intend to change their mobile phones in the next 2 years (in the 50/60 years category: 78%).
- **Smartphone positive**: 79% of the 50/75 category are interested in purchasing a Smartphone (95% in the 50/60 category, the so called "baby-boomers"). The main reasons for which seniors are attracted by the Smartphone are its functionalities such as apps (67%) but also the design and the aesthetic look (15%).
- **Smartphone resistance**: Price (38%), lack of information and their utility (32%) are some of the reasons for which seniors don't buy smartphones. Although younger seniors (50/60

years) are willing to pay more, 31% of seniors don't want to pay more than 150 € for a smartphone.

- **Activities on their mobile**: 50/70 category: 68% send sms daily, 65% exchange photos & videos and 88% have already downloaded mobile apps.
- **PC:** 45% own one; 50/60 : 69% ; 61/65 : 56%.
- **Tablet**: 12% of senior houses own one; 10% of French houses overall; (source Médiamétrie). Choose especially by their portability.
- **Internet & Social Networks:** the average time period spent on the internet is 15-60 min per day; 15-30 min for the 71/75 seniors. 14% of the 50/75 are social network users, still only 4 - 8% of those are active.
- **Video Instant Communication:** 51% of seniors have already used a video call service such as Skype (62% for the 50/60) for having assistance from their family.
- **Technological Help/ Assistance:** In the case problems with technology seniors often call family & friends.
- **Hobbies:** 20% of seniors are member of a senior/ retired-people association; 61/70: 32% are members; Sport activities: 59% regular sport activity such as walking. Technological hobbies: 33% of seniors (42% boomers) are regular players of computer or mobile games. The mind stimulating games (68%) and the knowledge games (58%) are the most appreciated games.
- **Communication & Relations:** For the elderly new technologies are firstly an access to culture and a way to communicate with their families. 80% of respondents don't feel isolated, but 29% thinks that intergenerational bounds should be reinforced. For 59% new technologies are an efficient way in succeeding this reinforcement.

➢ Loosing autonomy

It seems that seniors find it difficult to accept an actual lack of autonomy or even a future one. Still, sooner or later the necessity and the reality oblige seniors or their families to research assistance through products and services.

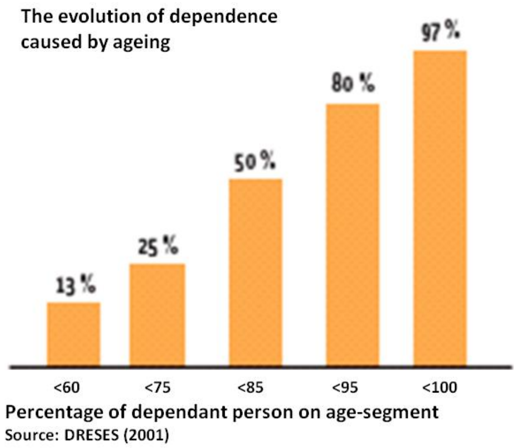
We also note that loosing autonomy can be:

A. obvious & accepted (by the others & the senior)

B. not obvious & hidden (by the senior)

C. not accepted (by the senior)

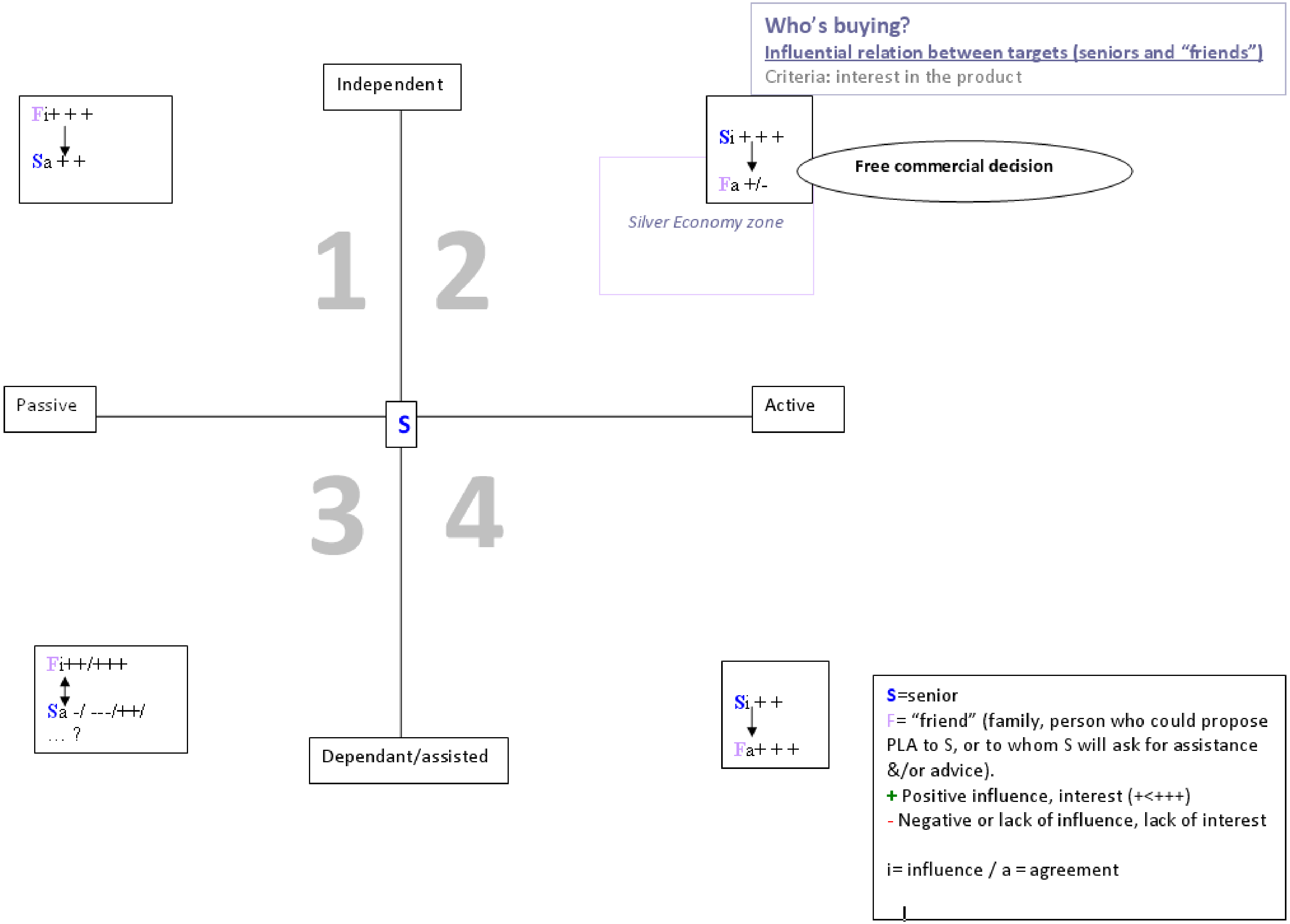
D. Ignored (by the senior or/and others)



3.2.3. Influential relation between seniors and friends

Indications concerning the reading of the graphic

The graphic below "*Who's buying?*" presents the bi-influential relation between seniors (S) and the persons who are most likely to advise them in the purchase of PLA (F). They can encourage seniors to buy PLA, but these "advisers" (F) could also buy PLA for seniors. These "advisers" (F) are also important because they could provide assistance for the senior in PLA environment (setups, settings, etc.). These F should be seen as important "ambassadors" of PLA, but also as a possible threat if they don't recommend PLA or if they recommend a competitor's product (s).


Who's buying?
Influential relation between targets (seniors and "friends")
Criteria: interest in the product
Independent
Fi+++
Sa++
Si+++
Fa +/-
Free commercial decision
Silver Economy zone
1
2
Passive
S
Active
3
4
Fi++/+++
Sa -/ ---/++/
... ?
Dependant/assisted
Si++
Fa+++
S=senior
F= "friend" (family, person who could propose PLA to S, or to whom S will ask for assistance &/or advice).
+ Positive influence, interest (+<+++)
- Negative or lack of influence, lack of interest
i= influence / a = agreement

Definition of the used terms:

- **Independent/ Dependent**: from a point of view of the purchase but also from the point of view of their physical capacities.
- **Influence /Agreement**: from the purchase process point of view seniors can be either independent (they can be interested, they can influence; these positions are noted with “i”) or they can have a position of “agreement” (noted with “a”) if they are influenced in the purchase of PLA. As the graphic indicates as the “agreement” scale grows the “influence” decreases.
- **Active/ Passive**: these terms refer to the attitude that a senior might have in general, but most important towards the aspects that concern PLA (the new technologies interactions, social platforms, instant communication). For example a senior could be curious, willing to try new technologies, or he/she can be very resistant and not being interested in new technologies.
- **Silver economy zone:** “Silver economy” is a term that defines the economic environment of senior markets (products & services for the elderly). However in the context of this graphic we consider the truly “silver economy zone” only the most dynamic part of this market – only the segment which contains important consumers of products & services. It is a fact that ageing provokes a decrease of consumption habits especially in the new tech purchase. However, in a near future this reality might change as the senior market is developing and is diversifying its offer (especially in the new tech area).
- **Free commercial decision:** by this we mean that the decision in purchasing PLA will be made independently. The elder will have no concerns regarding the ability to use PLA or who will be the best person to teach him how. We consider this confident attitude a key point in having a dynamic senior market. Also, an important purpose of the Assistance Services is raising the seniors’ confidence in their abilities of managing new technologies.

Graphic’s interpretation

The graphic establishes 4 hypothetical situations (4 zones) in which a senior can be found. To each of these hypothetical situations we’ve tried to establish the market needs of this segment, PLA’s advantages, disadvantages and challenges in obtaining an important market share. We’ve also tried to identify and explain the influential factors that establish the relation between S and F.

More exactly, the purpose of this analysis is to show how the interest in the product (PLA) is build and also what are the factors that can produce the switch from a positive attitude (the senior/ the "adviser" is interested in the product) to a positive action (buying the product) or from a negative attitude to a positive attitude and finally to a positive action.

Here is the presentation of these hypothetical situations:

Zone 1: the non-active (non-dependent) (could be a boomer from the point of view of its age or older)

- **Market needs:** adaptive technology for the seniors in order to make them consider the utility of new technologies in everyday life. In order to approach this segment of the market we need to understand the exact reasons why a senior has a negative (passive attitude) towards new technologies. A senior of the 1st zone is an important target because it is a not dependent person and therefore he doesn't need special medical and health features that PLA couldn't offer. Also, the senior of the 1st zone can become a senior of the 2nd zone in terms of usage of PLA and consequently his/her abilities to interact with new technologies.
- **PLA's best advantage for this category:** most probably, seniors of this zone do not own at this moment the technologies/ products which compete directly with PLA (Doro, Tooti Family or Ordissimo product) or indirectly (standard tablets).
- **PLA's disadvantage:** Senior's passive attitude.
- **PLA's challenge:** Convincing seniors about the benefits and the utility of the new technology and the social network.
- **Purchase process –influential factors**: we remark that an important influence of the adviser (F) is needed for the purchase of PLA. However, the communication campaign should also play its role.

Zone 2: the independent and active (the boomers or other)

- **Market needs:** adapted products & services to sustain their dynamism and sociability.
- **PLA's best advantage for this category**: boomers are open and have strong financial means; they are active and they consume more than other categories of seniors.
- **PLA's disadvantage:** a part of these seniors especially the 55-60 segment might already own and use standard devices.

- **PLA's challenge:** Convincing these seniors in purchasing PLA as a home environmental technology; demonstrating that PLA is a share-technology that can integrate with all family members;

- **Purchase process –influential factors**:

  - Although highly independent, this type of seniors' could be more or less influenced by others. As a matter of fact, nowadays almost all buyers of all ages discuss further acquisition with friends or search commentaries on the product on online platforms.
  - In the 2nd zone we remark that the influence of the "adviser" is limited. We assume that this is the case of independent seniors.

Zone 3: the dependent and passive (+70 or more, but also younger seniors who are passive)

- **Market needs:** adapted products & services to offer the right assistance

- **PLA's best advantage(s) for this category:** home technology, easy interaction, light & mobile device; Also in terms of purchase this category is more likely to receive PLA as a gift and if so the person who will purchase PLA for the senior will also act as an "ambassador" of PLA by making efforts in order to support the frequent usage of PLA by the senior. However, in the absence of this "ambassador" of PLA, the Assistance Services should be able to take this role.

- **PLA's disadvantage:** PLA's an innovative product that might seem too complex **to use.**

- **PLA's challenge:** getting them more active and social; making them to understand that PLA is a useful product that can bring them a real comfort.

- **Purchase process – influential factors**: in this case, the "ambassadors" will play an important role in the purchase of PLA. Moreover, in this case they seem to be potential buyers of PLA for the seniors. This seems to be the main zone where PLA could be a gift for the final user and not a purchase of the final user.

- The purchase of PLA as a gift might be more risky. As a matter of fact the agreement of trying PLA is not the equivalent of adopting PLA. Therefore, it is possible that a person that will own PLA, will not use it. The Assistance Services should be able to identify and "follow" these users in order to provide specific assistance if needed.

Zone 4: dependent, but active ("the freed")

- **Market needs:** health and medical technologies;
- **PLA's best advantage for this category**: Since the core target of PLA "stops" at 75 years old, the needs (the medical ones) of this category are not entirely covered by PLA offer and services. Still, PLA could be proposed as a complementary technology which can manage some health & medical issues such as medication planning, ergotherapy (via Kinect), etc. However, we remind that PLA doesn't have a medical orientation. For more remarks on this issue, please refer to the section *5.1.4 Positioning statement (Considerations- Criteria 1: Senior's state of health - B. Mobility-impaired seniors).*
- **PLA's disadvantage:** PLA's not a medical technology and does not have a health/medical orientation. Other products on the market might suit best these special needs.
- **PLA's challenge**: PLA could impose itself as a complementary technology (Kinect for ergotherapy, easy social communications, easy access to medical & health information and others).
- **Purchase process – influential factors**: In this case, the purchase of PLA might come as a common decision between the senior and the adviser (F). However, the situation in which a senior will "convince" a member of its family to support him in purchasing PLA and/or in using PLA is less likely to happen. Assuming that this person accepts to provide guidance for this senior, she or he will become an intermediate person between the senior and PLA. However, this situation should be only a temporary one: the purpose of PLA Assistance Services is to establish a direct relation with the final user, without any intermediate persons. In this way the seniors will gain more independence and confidence in their abilities to manage the new technologies.

Conclusions of graphic analysis

It seems that the best targets are seniors of the 2nd zone. However, a part of these seniors especially the 55-60 segment might already own and use standard devices. Therefore PLA isn't a suitable technology for them at the moment, since they are used with standard new technologies such as tablets, smartphone and even social media. Still, some of the 55-60 seniors might encounter the same difficulties to interact with new technologies. This category of younger seniors could also represent potentials users of PLA.

The 1st and the 3rd zones have highly potential once their resistance to new technologies will diminish. We note that this issue is one of PLA's communication objectives.

We note that the not-final users target (F) might have a higher influence than the final users – the seniors (S), in the purchase of PLA. Therefore it is important that further communication and marketing actions consider these secondary targets (the F) as an important audience. Still, the communication should take into consideration the fact that seniors don't like being considered as "assisted person"; seniors should be presented as independent persons.

We note that between the senior and his "adviser" (family/friends or other), the influential relation can be dominated by both sides. Moreover, strictly in the decisional process of buying PLA and also in the purchase of PLA, the senior could act independently; if he has the confidence the PLA suits his needs.

We note that the "ambassadors" could offer the assistance, and therefore they could replace the Assistance Support that PLA will offer. The assistance of these ambassadors will reduce PLA's costs and investments in Assistance Support.

4. Analysis graphics

4.1. PEST analysis

Political

France:
-the launch of the Silver Economy's industry ("la filière de la Silver Economy") April, 2013
- creation of a labelling system for autonomy providers technologies in progress

Poland:
-the launch of the Program for Elderly by Ministry of Labour and Social Policy
-national programme for digital inclusion "lighthouse-keepers"

Portugal:
Iniciativa i2010 - Action Plan: Information Technologies for Communications and Aging

Hungary:
Various programs that consider the improvement of seniors' lives

Economical

- online economy is growing fast, the m-market is also showing good perspectives

- innovating services and new products create new types of economy (*ex: the freemium system*)

- the seniors aren't considered as a main target by the online players

- nowadays the "silver economy" is mostly based on off-line services
-recent success in telecom market related to offer for seniors (special phones, smartphones applications)

Social

- Elderly* population is growing. In 2050 the amount of elderly will double (*65+)
- More and more elderly feel isolated and excluded
- Social issues can have a significant impact on life and both physical and mental health of seniors.

Technological

- fast growing of mobile &communication technologies

- devices are less & less expensive
- technology is omnipresent, and therefore the new kinds of interaction with new devices is becoming more and more popular
- the "new seniors" (now in their 50-60) are familiar to basic interactions
- perspectives for persons with handicaps or physically weak
-obsolesce is a risk that even the most innovative products can run
- the market of products designed for the elder is growing (many competitors, many different visions)

4.2. **SWOT Analysis**

Strengths (intern)	Weaknesses (intern)
Joins consortium of 8 partners The PaeLife team joins a consortium of 8 partners, located in Portugal, France, Hungary and Poland. They represent a full set of complementary competences regarding their core activities and specializations. By joining forces and approaches from different points of view the project will create new opportunities for end users and other relevant stakeholders.	**Distance between partners** Communication breakdown between the consortium of partners. The PaeLife team joins a consortium of 8 partners, located in Portugal, France, Hungary and Poland. This means the communication needs to pass by 4 different countries. All the information must be well reported and shared. Even intern memo´s about PaeLife must be written in English.
Totally available at home The Personal Life Assistant (PLA) is supposed to be totally available at home, so even elderly with reduced mobility could use PaeLife.	**Geographical distribution** PLA will be introduced in only 4 European countries (Portugal, France, Hungary and Poland); this will exclude a European introduction. But the project approach can be extended to other European countries with little adaptation.
Adapted Speech recognition 100 hours of pure speech per country (speech without pauses) to enabled an acoustic model adapted to the seniors needs. This will ensure that there will be many different voices and accents recognized for each country. PLA is a multi-lingual application.	**Participants drop-out** One participant could get out of the project by internal or external reasons, for instance due bankruptcy. A risk list that shows the involvement of each participant with a contingency plan is desired to ensure that the greater interests of the Project are safeguarded.
Prevent elderly getting insolated and excluded PaeLife fights the problem of the elderly which are isolated and excluded. We find easier and quicker to email one another rather than write a handwritten letter. A person that has no e-mail address or that is not registered in any of the many social networks or chat programs could be in serious risk of isolation. PaeLife will fight elderly isolation by enhancing seniors' connectivity to the family, friends and society.	**Losing focus on facts** The use of subjectivity is present throughout the survey hold in Hungary and Poland. If results are not as expected, the analysis of the question (for example question: I. 5. 2. What kind of device would you prefer for such use?) Must have a more objective view to keep focus on the facts and not on assumptions. The expected success of the project can create a tunnel vision.
Speech recognition for easy use By addressing Speech Recognition (SR) systems specially adapted to the elderly, PLA will expand state-of-the-art in this area.	**Quality of Speech recognition** Considering that the project is under a limited timeline to collect a considerable amount of speech data, joining as well other risk factors such as lack of experience/personnel/equipment necessary to conduct speech collection campaigns, there is a serious risk of the final product having a poor quality in speech recognition
Possibility to make personalized communication PLA will allow a personalized communication by listening to friends' or family's synthetic voices. It will support creative ways of interaction (multimodal), according with the momentary capabilities of the elderly.	
Experience along other projects There are other projects that shows similarities with the PaeLife project: All4All, LUL, AAL (Hungary), WayFis (Hungary), Go-myLife (Poland) These are projects that show similarities with PaeLife. There is already experience with some technology and especially with the target group of the project.	

Opportunities (extern)	Threats (extern)
Technology all around us In daily life we find ourselves surrounded by technology, which enable the creation of new opportunities and forms of social interaction, in this case this enables the creation of PaeLife.	**Elderly may show some resistance learning new technology** Nowadays, seniors over 65 may show some resistance in adopting technology because they did not grow up with the daily use of technology in their life and they found it difficult to interact with it.
New solutions of HCI New solutions of Human-Computer Interaction (HCI) are making our relationship with computers and technology in general, easier and more natural.	**93% of elderly use internet weekly** The survey shows that 93% of the respondents use the internet at least weekly; this could eliminate some of the market potential (based on a 120 people survey)
Average age is rising The world average age is changing. Due to aging, the world is getting older and people tend to live longer. By 2050, the number of elderly people (aged over 65) across the EU is estimated to increase from 16.4% in 2004 to 29.9% (Eurostat 2005).	**Similar Products could be introduced on the market** The risk remains that another company or a joint venture could develop a similar product or service that competes with PaeLife.
Averaged age is rising in selected countries In Poland, the population over 65 will increase from 13.0% in 2004 to 29.4% in 2050. In France, the population over 65 will increase from 16.4% in 2005 to 26.2% in 2050. In Hungary, the population over 65 will increase from 16.9% in 2011 to 29.4% in 2050.	**Most (90%) elderly rarely or never feel alone** PaeLife main goal is to fight the problem of the elderly who are isolated and excluded. The survey PaeLife did in Hungary, Poland, France and Portugal shows that 90% of the elderly rarely or never feel alone. (based on a 120 people survey)
Middle aged people are used to technology Middle-aged people, who are now in their 50s and 60s will have used technology in the last one or two decades of their lives, PLA can be integrated more easily to this generation because they are more familiar with the internet.	**Obsolesce of the PaeLife innovative features** The ASR, TTS and kinesic interaction shouldn't be considered as a long term market advantage. New types of interactions are trying to penetrate the market. Among those: eye control interaction and kinesic interaction at a short distance (i.e. Samsung S IV: "air gestures", "tilt scroll", "face tracking pause"), tactile surfaces with haptic sensory feedback and others.
Speech is the easiest and most natural way off interaction Speech is the easiest and most natural modality for human-human and human-computer interaction. The elderly may show some resistance to adoption of technology. The use of speech recognition will increase the approachable factor of the project.	**The market isn't mature (no need expressed)** Although it might be an advantage as well, the launch of PLA will have the major challenge in "breaking the ice" between elders and new tech.
No other similar products exist There is still a dramatic lack of Assistive Technology products and solutions in the market that allow elderly people to keep active and productive, socially engaged and happy. The ones that exist, lack interoperability and are costly and difficult to use.	

5. Marketing Strategy & Implementation

5.1. Marketing Strategy

5.1.1. Strategy pyramids

This picture below shows the logical process of creating a marketing plan. It is a tool that can provide a clear image on the gaps that need to be filled so that the project can advance.

The main gap of the project is the base of the pyramid - "Business Goals". This point needs to be defined as soon as possible.

Figure 5.1.1 Strategy pyramid

5.1.2. Mix marketing (the 4P program)

Remarks on Product and Place relation

We note that we must distinguish between 2 possible presentations of PLA on the market: the Product PLA (in 3 versions: Pocket, Desktop, Home) and the PLA's Packages.

As a matter of fact, PLA could be sold alone (in one of its 3 versions), but also it can be sold in a package with services, devices or/& internet connection.

Therefore, the Packages (Partner's packages) presented in the 4P matrix (5.1.2.section) represent a **hypothetical presentation of the product**. Each one of these Packages could exist **only if** PLA will have **strategic partner(s)** among retailers (i.e. Package 1); informatics services providers (i.e. Package 2) or mobile & internet connection providers (Package 3).

We note that some partners could provide more than one single service, such as Orange for example, who could offer a tablet (with PLA pre-installed) + internet connection package. However, for a full-pack device with PLA + assistance services + internet or/& mobile connection the association of at least 2 partners is required.

These "Partner's Packages" will play an essential role in PLA's competitive offer. We note that PLA's competitors have at least one partnership of this kind, Tooti Family being the strongest competitor from this point of view.

The marketing proposition concerning the nature of PLA is that it should be sold as software via **specific distribution channels** either as a **virtual license code**, either as **a physical package** that contains the license code. This proposition is based on the analysis of PLA's competitors. The main arguments that sustain this proposition are the following:

- Being sold as software and not an app on windows app store or other app store is vital to pilot the proposed services;
- Being present in popular/traditional distribution points (special stores for seniors, popular high-tech stores, mobile & internet providers' stores) will attract promotion for PLA and will introduce PLA in direct competition with the actual market player;
- Obviously, the presence of PLA in popular distribution points will attract target awareness (B2C and B2B) about its existence.

Remarks on "Price"

We note that these prices are based on the competitors' ones. A financial analysis of the product production, distribution, promotion costs is needed in order to have the real costs and the real prices of PLA.
Another issue concerning PLA's versions' (Pocket, Desktop and Home) prices is their inherent costs. The graphic "PLA's price & additional inherent costs" shows that even if PLA's prices are reasonable, the costs of the required equipment are very important.
Therefore, PLA's bestselling packages are those via possible strategic partners that can offer financial solutions (i.e. credit loans) or special discounts on the equipment (retailers).

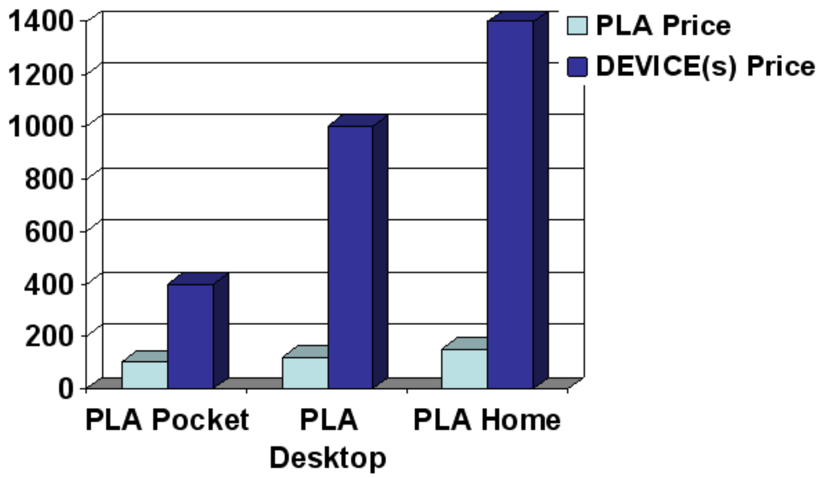


Figure 5.1.2. PLA's prices & additional inherent costs

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PRODUCT

- 3 versions (PLA Pocket, PLA Desktop and PLA Home)

-Depending on the retailer' business PLA **might be sold** in one of these packages **:**

Package 1: Device(s) + PLA

Package 2: Device(s) + PLA + assistance services

Package 3: device(s) + PLA + internet

</td>
<td>

PLACE

- **Premium high-tech retailers (i.e. : France - Fnac)**
- **Included as an extra-featured on Microsoft Surface tablet (package device + software)**
- **Popular online stores**

Informatic assistance services providers

Partner's stores - internet & mobile internet providers : Orange, SFR

</td>
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PRICE

B2C

PLA Pocket = **100**€; PLA Desktop= **120**€; PLA Home=**150**€

B2B

Monthly fees + special assistance services

B2B special packages:

For example**:** 5 PLA Pockets+ 2 Desktop + 1 Home = TOTAL real price =890 € (-30% off on the TOTAL real price)= Final price **623** €

</td>
<td>

PROMOTION

B2C &/ B2B

Advertising & PR actions (test days for specialized media, ..)

EVENTS & marketing campaigns:

- tech and senior fairs

- street marketing campaign

-test-in-store campaign

- viral video campaign

Special promotion-actions for the 65-75 years old targets

- online campaign for senior's friends and family
- traditional media for final user direct communication (advertising)

</td>
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</table>

5.1.3. Competitive edge

Analyzing the mix marketing, PLA's best advantage over the competition seems so far to be its innovative features.

However, the other elements of the mix marketing should be revised from a competitive edge point of view especially the "place" (distribution) element. We note that Doro has a strong presence among big retailers, and that Ordissimo has also some interesting partnerships in this domain.

In addition, the promotion of PLA must follow the promotion activities and channels of its competitors, but at the same time PaeLife must identify new ways of promoting PLA.

The price of PLA in a complete version can't be seen as a competitive advantage for the moment. It's obvious that the complexity of the full version and its inherent requirements (devices: Kinect, LED TV...) will make PLA more expensive than competitors products. Still, in the case that PLA will be launched in different packages/versions competitive prices could be proposed as the Mix marketing matrix shows.

5.1.4. Positioning Statements

Positioning

Offer & Product:

Besides the product description provided in the *1.3 Product & services section* of this document, we note that from a commercial point of view PLA could be considered and should be considered as a **"one for many" product**. As a matter of fact, the multimodality gives PLA the capacity to interact and to be used with/by 2 persons (a senior couple) at the same time. Mainly being a home technology **PLA should include a multi-user option.**

Moreover, seniors can also use the Kinect to play games with their family (even with their grandchildren).

Concerning the high price of the devices required by PLA we note that these devices are not exclusively used by PLA or exclusively to run PLA. The TV, the Kinect, the PC are the most non-PLA exclusive. As we said before, the Kinect can also be used by the senior or his family to play games or to exercise (ergotherapy). The tablet also can become a pure mobile device while the senior is travelling.

Moreover, PLA should be presented as a *home-environment technology* that can be shared by couples, therefore a *multi-user device* instead of a simple personal device (such as those of PLA's competitors).

This positioning strategy could differentiate even more PLA from its competitors and also could justify its higher price.

Also concerning PLA's offer we remind that we make the distinction between PLA Product itself (3 softwares/3 products) and PLA Product sold through its partners – "Partner' Packages" (i.e. Orange could offer a Package: Device + Software + Internet/Mobile Internet).

Market segment

The core target of PLA includes seniors over 60 years old.

However, by analyzing the market and the senior's needs we could notice that PLA's services could also be proposed to -60 years old seniors since some of the +50 persons encounter the same difficulties in interaction with technology as +60 seniors. Therefore we can say that we have identified a marginal target - the 50-60 segment, which also represent PLA's potential customers. Concerning PLA's market segment we mention that PLA's core target +60, could be better defined by splitting it in 2 segments which contain this younger marginal target +50-65 segment and the 65-75 segment.

Remarks on -60 and +75 marginal **targets**

- +75 marginal target

Another marginal target is the +75 seniors. We decided this limit because of the fact that, after 75 years old the elderly become less active because of their deteriorated state of health. PLA's goals aren't basic communication activities or health assistance. Basic services (chat, email & others) are already provided on the senior market by PLA's competitors (Doro, Tooti Family, etc.). Although PaeLife includes these services, PaeLife must have the image of a "differentiated and premium product", especially because PLA's innovations will impose higher prices (still, remaining competitive). To sum up, PLA features (even those included in its basic versions) are much more than the +75 years old seniors strictly need.

We note that we are considering seniors **+75 as possible users** and as marginal target, but not as a main target or a main buyer. The +75 should remain a marginal target basically because at this moment addressing directly to the +75 targets is quite difficult: some do not consider technologies and in general, their financial priorities are medical-oriented. However, we can reach these potential users via their younger family members.

- -60 marginal target

As we've argued before, PLA's targets should include the younger baby boomers, the "older" baby-boomers and the younger "freed".

Although the first category might seem a challenge, we notice that in our actual society the persons over 55 who are using social media or online & mobile services are a minority.

The complexity and the fast evolution of the connected environments may confuse the elderly. This is the reason why we believe that by offering adapted assistance in the social media environment and simplified interactions, we will encourage the **young seniors** to be more active in the social media and online services environments.

Moreover, by addressing this category, the PLA will create a bridge between young seniors and latest technology interaction and e-services. This **bridge** will assure the comprehension and the ability to **easily adapt to the future assisted-living-technologies**.

Considerations

<u>Criteria 1: Senior's state of health</u>

A. Not for mobility-impaired seniors: not a necessity but a comfort enhancer

- The offer should oppose to competitive offers. By playing the "me too" positioning strategy (promising easy-to-use techs & interfaces), the PLA risks to appear a much more complex than its competitors and therefore a pure "gadget technology" that can't be a useful, simply to use technology.
- The PLA should be presented firstly as a <u>useful</u> product and secondly as a high-tech product. Although its innovations are a key point in differentiating PLA on the market innovations must be showed as useful for its services and not as a front-line asset.
- To sum up: The PLA = <u>useful</u> high tech & social service.

B. Mobility-impaired seniors: real help to achieve comfort

Although mobility-impaired seniors are not PLA's main target, mobility-impaired seniors seem to be a niche market were PLA could easily penetrate. Still, if in PaeLife we will decide to include these target-users several things must be taken into consideration:

- The 2 offers should slightly differentiate in several points such as design, features, services, assistance;
- The 2 offers shouldn't be launched simultaneously.

By launching the 2 products at the same time, the "not mobility-impaired" seniors might consciously or unconsciously associate their image with an assisted person, loosing autonomy.

Obviously, if PLA starts a marketing campaign which targets directly and strictly the mobility-impaired seniors, the **+75 years old seniors** will no longer be a marginal target but a core target.

Criteria 2: Competitors offer

As we said before PLA's is adopting a strategy based on its product differentiation characteristics. However, we are aware that a full package (as the ones of our competitors) might have an impact on consumer's choice. Still, PaeLife focuses on software & services development and not on device production.

In order to compete on the market, the PLA will try to fill this market need (ready2use packages) by making alliances with strategic partners among retailers, informatics assistance services providers, internet and mobile providers, banks & insurance companies. Therefore, PLA's 3 versions offer might be completed with other possible services.

5.1.5. Pricing strategy

Even though the propositions concerning the prices cannot be final for the moment, competitors' prices can provide general guidance. These prices can be found in the 3.2.2 section of this document.

The price/feature matrix (here below) can also be a tool in establishing a pricing strategy. It seems that the best positions for PLA are:

- the 3rd: PLA could also offer a special price at the launch or different promotions via its commercial partners;
- the 4th: PLA user tests have proven its functionality and its simplicity.

By bringing differentiated features on the market the price of a full-PLA product can only be higher than its competitors.

However basic versions of PLA (the basic versions of PLA-tablet & desktop unit) will allow lower prices.

PRICE/ FEATURE MATRIX			
		FEATURES	
		Commodity	**Differentiated**
PRICE	LOW	**I**	**III**
	HIGH	**II**	**IV**

I = Commodity/ standardized products

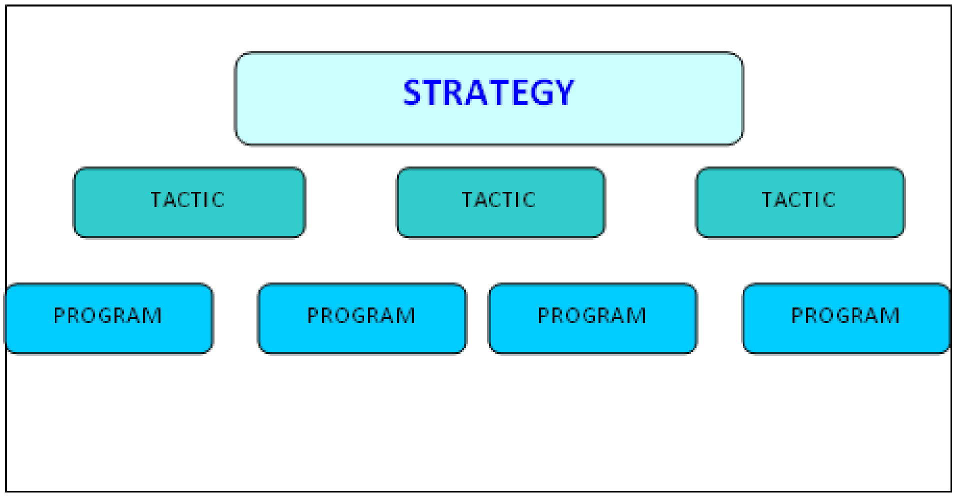
II = Going out of business

III = Buying market share with big price/performance leadership (usually a temporary promotion)

IV = Premium products: high quality standards from a technological point of view and from a visual point of view. Design and visual identity should express quality, simplicity and performance.

5.2. Marketing & promotion implementation

Another useful tool that gives a clear image about how a strategy can be implemented is the **"Strategy- Tactic-Program" graphic**.



Here are some examples:

Strategy A: reducing resistance to innovation

<u>**Tactic1:** proving that PLA works and it's easy to use</u>

Program1: test campaign in stores **Program 2:** proposing a challenge/game: i.e. sending an email, finding out if it will rain today. The idea is to get people to use the product instead of only "trying" its features. Some of the rewards after the "challenge" can be "PLA goodies" or/and reduction coupons for the PLA's products & services.

<u>**Tactic 2:** creating buzz</u>

Program1: viral videos with images from the test campaign + "funny" elderly using PLA (paid actors or real users) **Program2**: guerilla/street marketing campaign (i.e. creating living rooms, "refreshing corners" in parks or public area where seniors are invited to test PLA).

Strategy B: encouraging the purchase of PLA

Tactic 1: financial support

Program1: bank partnership/ special credit fees

Tactic 2: customer assistance

Program 1: hotline **Program 2**: tutorials, home lessons, etc.

Tactic 3: Special social services

Program 1: Usage of a Social Platform (which can also participate in developing customer's loyalty) **Program 2:** Community Management animation

We note that strategies, tactics and programs interact one with each other. For example, the program of a strategy can contribute as a secondary program of another strategy.

5.2.1. PLA's business model

Key Partners

-Consortium partners

As local observers in the target countries;

Research providers

IT development

-Distribution & Informatics services provider

-Private & Public institutions

-Bank & insurance company

- General & Specialized media: national& European

-Tech' Players: Microsoft

-Universities: consortium partners & others

Key Activities

- design & UX
- special assistance services
-marketing
- innovation driven development
-research

Key Resources

-local presence of partners (consortium) in the countries where the product will be launched

-Microsoft support & certification

-distribution channels

-research & innovation patents

Value Propositions

B2C
-adaptive interaction
-best quality
-easy interaction
-enhancing social life --daily usage
- innovation
-100 hours of pure speech per country (speech with pauses)
-Specially designed for elder

B2B

Merchants:
- fast building prospect list
- the strong promotion of PaeLife will indirectly promote their stores (especially for senior specialized stores not well-known by the general public)

Public & Private institution:
- creating the image of a modern institution concerned by the well-being and the mental health of the elderly
-taking actions for elderly public polices (public institutions)

Customer Relationships

Community spirit:
- Social events

Personal Assistance: Hotline, mail, private lessons via partners...

Channels

-specialized & high-tech Premium Retailers (i.e. France: Fnac)
-popular & specializes online stores
-informatics services providers (for software+private lessons packages)

Customer Segments

B2C (main approach)

Main targets: Final users (seniors)

Secondary targets: Senior's family & friends

B2B (secondary approach in a first phase)
Private&Public Institutions

Partner merchants &services provides

Cost Structure

-Human Resources
-Marketing & sales
-Assistance services
-IT: update&upgrade+ online platforms (cloud, websites...)

Revenue Streams

Main Revenue Streams: Software sales;

% on assistance fees

PLA's Business model remarks:

Value Proposition

The value proposition of PLA can be resumed in "best quality technology for best quality services & experience". However, if final tests fail to prove the quality of PLA services, the value proposition can be feature-oriented, emphasizing the choice of interactions. Therefore, the value proposition could be: "best user experience through personal choice of interaction".

Still, the (real) value proposition can be best identified after testing a first version of the product and after all commercial aspects of the product will be defined as final.

Customer Segments:

B2C:

- **Main targets**

-Elderly in Portugal, Hungary, France and Poland divided in 2 categories: 55-65 years old & 65-75 years old (Please refer to section 5.1.4 Positioning Statements – Market segment for explanations)
-They run the risk of getting in isolation and exclusion or they are already, at least from the virtual social sphere point of view.

- Used to new techs (they have an email account, they use cell phones). However, they don't manage very well the social media or virtual services or they don't use these tools as they don't have confidence in their abilities or they don't see their benefits in their lives.

- **Secondary targets : Senior's acquaintances or family**

These targets might influence the senior in buying or using PLA or even buying PLA for the senior. Also, this target is important because it could offer assistance/support in managing PLA's features or services (i.e.: setting up a Facebook account, explaining how PLA works, etc.).

6. Financial Aspects

6.1. Investments

6.2. Business Goals

6.3. Financial Plan

7. References

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8. DISCLAIMER

With respect to the present analysis, the authors of this document and the partners which they represent state that the information and all other aspects regarding the commercialisation, exploitation, marketing of the planned product (PLA) are not definitive and may change according to the project future priorities and evolution.

Therefore, significant aspects of the product could change according to future decisions of PaeLife consortium members.

It is further understood and accepted that the content of this document represents only a proposal. Further evolutions in the consortium research outcome or composition can modify its target and realization.