

ASSESSMENT OF INNOVATIVE BUSINESS OPPORTUNITIES TO SERVE FOR AGING POPULATION IN SRI LANKA, WHY ENTREPRENEURS ARE SILENT?

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INTRODUCTION

The main purpose of this paper is to analyze the real needs and demands of the aging population in the Greater Colombo area in Sri Lanka, to identify suitable business opportunities and to design innovative business models to serve the aging population. It is envisaged that the proposed findings will assist policy makers and entrepreneurs to think about innovative solutions to serve the growing aging population in the country. Aging is now a universal phenomenon around the world and Sri Lanka is no exception to this reality. Today, around 10% of the Sri Lankan population is above 60 years of age (CSD, 2012). Estimation shows that by year 2040, Sri Lanka will have a 36% of old age dependents in their total population (De Silva, 2007; 1997). In the first decade of the 21st century, our health care systems would have to be geared to the challenges of the aging process and caring for illness associated with longevity and confused conditions (Sanderatne, 2000). Demographic data show that in the 1920s, average life expectancy for Sri Lankans was around 30 years and today it is over 90 years for both genders (CSD, 2012).

Actually, the problem for Sri Lanka is two-fold. On the one hand, public funds have to be diverted towards infrastructure development to meet the requirements of the aging population, while on the other hand, the aging population will utilize scarce public funds

for their health and welfare activities (Wanasinghe and Gunarathne, 1997). Therefore, the government would have to find additional means to replace this amount to ensure the sustained economic growth and development of the country (De Mel, 2000). In this context, this research is designed to address the following:

1. Identification of the factors affecting the increase of current aging population in Sri Lanka.
2. Products and services offered by Sri Lankan businesses, organizations and entrepreneurs, to the aging population, locally.
3. Recommendation of policies and strategies to better serve aging population in Sri Lanka with new innovative business thinking.

SITUATION ANALYSIS ON SRI LANKAN DEMOGRAPHIC CHARACTERISTICS WITH SPECIAL EMPHASIS ON AGING

The change of the Sri Lankan population composition over time (The Broad Age Groups, 1881 – 2020) is presented in Table 1.

Table 1 - The change of the Sri Lankan population composition 1881-2020

Year	The Percentage of the Age Groups		
	<i>01 – 14 Years</i>	<i>15 – 64 Years</i>	<i>65 Years and Over</i>
1881	43.60	54.20	02.20
1891	43.50	54.40	02.10
1901	42.20	56.40	01.40
1911	40.90	56.80	02.30
1921	39.40	58.20	02.40
1946	37.20	59.30	03.50
1953	39.70	56.80	03.50
1963	41.50	54.90	03.60
1971	39.00	56.80	04.20

1981	35.20	60.50	04.30
1991	31.20	63.40	05.40
1995	27.70	66.10	06.20
2000	24.80	68.30	06.90
2005	23.30	69.10	07.60
2010	22.20	69.20	08.60
2015	20.80	69.0	10.20
2020	19.20	68.70	12.10

Source: Data up to 1981 from Census Reports, Department of Census and Statistics, Sri Lanka and Data from 1991 to 2020 from Projections of Population Division, Ministry of Health.

Sri Lanka has one of the fastest aging populations in the developing world as shown in Table 1. Currently, 10% of the population is over the age of 60 and forecasts put the figure at 36% by 2040 (CSD, 2012). The 1998 World Bank Review of social service trends, highlighted the implications of this demographic transition for financing of the public health service, which will be faced with increased incidents of degenerative and chronic illnesses. Women over the age of 60 have much lower labor participation rates than men (16.5% of women aged 60-64 participate in the labor force compared with 66.9% of men in the same category) and lower literacy levels (65% for women, compared with 80.5% for men). In Sri Lanka, this unprecedented aging trend will definitely have an impact on not only the change in the composition of population but also on the provision of health, social, economic and spiritual care for the increasing number of older persons which is going to be doubled within a couple of decades. The Social Welfare Ministry, while upgrading existing programs for the care and welfare of elders, introduced legislation by an Act of Parliament No.09 of 2000 to protect the rights of the older persons. In this connection, an institutional arrangement by way of National Council on Elders, has been created. The Ministry will make all efforts to implement the United Nations (UN) recommendations since 1982 to date and special emphasis will be placed to

implement the recommendations of the Madrid International Plan of Action on Aging by working in collaboration with Non-Governmental sector organizations.

- According to the Department of Census and Statistics in 1981, the percentage of elderly people over 60 years was 6.6 %. In 2012 it is 10%, and projected to be 36% for year 2040.
- According to the Annual Reports of Central Bank of Sri Lanka, the median age of Sri Lanka population increased from 25 years to 30 years in 2005. Furthermore, more than half of the population will be over 50 years after another 50 years.
- The rapid trend is projected to affect all sectors of the economy, the labor force, education, health and social security, burden to public finance, etc.
- With the emergence of new socio-economic situations due to modernization, and urbanization, the extended family system will increasingly undergo a severe change, yielding in its place nuclear families, which are now becoming the norm in Sri Lankan society.
- The Sri Lankan society has traditionally depended on the family system and non-working women to care for the elderly. This feature cannot be expected to continue in the future since a large proportion of the females who traditionally provided free services at home are now employed in Sri Lanka, and abroad in unskilled areas.
- Accordingly, on the one hand, the number of older persons increases and on the other hand, when there is a decline in the birth rate (1.7%), there will be fewer persons to look after the elderly. Unless effective solutions are found in the near future, issues relating to the aged populations of the country may reach a crisis situation.

- The welfare of the aged will therefore, require the strengthening of the family support system and development of supplementary community based programs concerning matters such as employment, income maintenance, health, nutrition and medical care, housing and living arrangements and personal social services.
- At present, the bulk of the elderly are still taken care of by the family and community, in keeping with traditional norms of caring for the elderly. However, socio-economic changes, have resulted in the proliferation of nuclear families causing the break-up of the traditional extended family system.
- There is evidence that the number of persons per household is declining due to the limitations imposed by economic and social constraints, while the number of older people is increasing. There are misgivings as to whether the family could maintain the traditional in-built protective care for the elderly indefinitely into the future.
- It is heartening to note that during the last two decades since the UN World Assembly on aging 1982, Sri Lanka has made much headway towards the formulation of a National Policy and an Action Plan following the steps of the International Plan of Action, on social service and development aspects. With the Second World Assembly held in Madrid in 2000, health and living environmental aspects have been added to the plans and strategies.

RESEARCH METHODOLOGY

The main research objective of this study is to ascertain whether the existing mechanisms are sufficient to serve the growing proportion of the aging population in Sri Lanka, without the active involvement of both the government and the private sectors through

innovative business models. The following specific objectives were set so as to guide the direction of the research stepwise:

- To conduct a detailed needs, wants and demand analysis of the aging population in Sri Lanka.
- To identify specific product and service requirements to initiate new business ventures.
- To identify the potential constraints and difficulties faced in the initiation of the small businesses to fulfil the demands, needs and wants of the aging population.
- To identify and specify recommendations needed to be added to the contents of the manuals to be adopted for the aging population's business opportunities.
- To formulate an innovative business model/s to serve the aging population in Sri Lanka.

The overall purpose of the field survey component was to identify small business opportunities to serve the aging population in Sri Lanka. The field survey focused on the following groups so as to cover a wider range of the society, to obtain their contribution to this research, by identifying the viable small business opportunities to serve the aging population, as well as willingness, feasibility and constraints to initiate small business opportunities:

- The target group, the aging population with more weightage given
- Small business entrepreneurs
- Elderly day care centre management staff

- Case research for two successful cases (one for a successful elderly entrepreneur and another one for an entrepreneur who serves the requirements of elders)

A combination of instruments was used to collect a wider range of data. The primary instrument was the questionnaire: specific questions to gather data from different target groups. Apart from that, a semistructured questionnaire was used for case research. Further, a key informant discussion was carried out to verify the collected data.

The elderly citizens who are above 60 years living in the urban centers of the Colombo District were the primary source of this research. However, other sectors like small business entrepreneurs, elderly home management staff and successful elderly entrepreneurs were also in the population of the overall research. The size of the samples of the different elements of the research is shown in Table 2.

Table 2 - Description of the Elements Used in the Research

No	Elements of the Research	Size of the Sample
01	Elderly Citizens	100
02	Small Business Entrepreneurs	20
03	Elderly Day Care Centre Management Staff	03 (Centers)
04	Case Research	02

Source: Structured Questionnaire Survey, 2012

The sampling procedure adopted is broadly presented in Table 3.

Table 3 - The Summary of the Sampling Procedure

No	Elements of the Research	Sampling Method	Sampling Procedure
01	Elderly Citizens	Multi-stage Sampling (considering Stratification and Randomization)	Initial Lists were taken from the Government sources (Grama Niladhari). First stage stratified into the different Towns within the greater Colombo. Next stage, names were randomly picked using random numbers.
02	Small Business Entrepreneurs	Stratified Random Sampling	First find the available list of small entrepreneurs from directories. Then stratified to different sectors based on the available list. Finally picked random names from the classified list using random numbers.
03	Elderly Day Care Centre Management Staff	Purposive Sampling	Initially got the available list of elderly day care centers in Greater Colombo. Based on the response of the center, Managers and their commitment interviews were organized with 3 leaders of elderly centers in Colombo.
04	Case Research	Purposive Case Selection	Based on the experiences of the above primary data collection and issues, two case studies were selected purposely to investigate the situation deeply. Availability, commitment to provide information, and relevancy were the main criteria.

Source: Structured Questionnaire Survey, 2012

The quantitative analysis was facilitated with the use of Statistical Package of Social Sciences (SPSS) version 18.

GENERAL DISCUSSION AND FINDINGS

The analytical findings of the survey are presented in this section. According to the objectives of the survey, findings are presented in two sub-sections. The first sub-section presents the overall picture of the aging population through the needs and demands of senior citizens. An identification of small and medium scale business opportunities, which can cater to the above identified needs and demands are presented in the other sub-section. The aging population of the community so far has not been considered as a separate segment of the population to be subjected for any study purpose, as their significant role in the changing demography was not recognized properly. Further, had they been questioned or approached for any assessment, it would have been for the purpose of welfare-oriented activities. Hence, one fourth of the respondents interviewed for this study were not in a position to answer the questions of the study. They were always 'welfare minded' and did not exactly fall into the expected category of respondents. However, this is an exact cross-section of the Sri Lankan aging community under consideration. This practical situation also provided the overview of the situation of the aging population in Sri Lanka.

Analytical Findings

This sub-section presents the analytical findings of the identification of needs and demands of the aging population and the analytical findings of the small and medium scale business opportunities.

Civil Status of the Respondents

The randomly selected sample of senior citizens comprised 29 male respondents (36.25%) and 51 female respondents (63.75%). More than half of the respondents (63%)

were married and living with their spouse. The percentage of widows (30%) was nearly ten times higher than that of widowers (3.3%). Since the life expectancy at birth of females is higher than that of males, aged females tend to live longer while their husbands or spouses do not.

The most important factors for the accuracy of data and ultimately for the accuracy of the findings are the actual knowledge of the respondents considering the subject matter and his or her willingness to express correct and true information to the interviewer. Actual figures for issues like monthly income of a respondent or how much a respondent is willing to pay for a certain product or a service will completely depend on the skill and experience of the interviewer and the actual participation of the respondent. Some of the respondents were unable to reply certain questions due to their lack of knowledge or just due to the fact that they have forgotten the information.

Nature of Living of the Respondents

About 47.3% of the respondents were living with their spouse and children. When considering about having assistants, 87.84% of the respondents were living without any assistant (full time or part time). Out of these 87.84% respondents, 5.4% (04 respondents) were living alone without any family or any other relatives. Most of the respondents, who were able to have assistants, were either living with their spouse or spouse and children. Respondents' nature of living can be categorized and presented in the following Table 4:

Table 4 - The Nature of Living of the Respondents

No	Nature of Living		With Family Members (%)	With Full Time Assistant/s (%)	With Part Time Assistant/s (%)
	Nature	Company			
01	Single	Single	05.40	-	-
02		Children	29.72	01.35	02.70
03		Relatives	02.70	01.35	-
04		Non Relatives	02.70	-	-
05	With Spouse	Spouse	05.40	02.70	-
06		Children	44.59	01.35	02.70
07		Relatives	-	-	-
08		Non Relatives	-	-	-

Source: Structured Questionnaire Survey, 2012

Highest Educational Achievement by a Respondent

About 72% had completed the G.C.E. Ordinary Level (O/L) Examination; and 48.64% had studied up to G.C.E. Advanced Level (A/L) Examination. Out of this, 60 respondents (56.52%) were females. When compared with the total number (51) of female respondents, only 68.4% had the O/L qualifications. On the other hand, 90.9% of the male respondents completed their O/L examination. Of the total of less educated elders (20 respondents), majority were female respondents. Out of the male respondents, there were 2.7% postgraduate degree holders, 18.2% graduates and there was one uneducated male respondent. But in the case of female respondents, there were only 10.5% graduates while 10.81% of the female respondents were uneducated.

Source of Income of the Respondents

The following table 5 shows variation of income of both male and female respondents

Table 5 - The Variation of Source of Income of Both Male and Female

Sources of Income	Sex of the Respondents	
	Male (%)	Female (%)
Pension	05.40	10.81
Employment	06.75	04.05
Property Income	01.35	-
Bank Interest	-	01.35
Depending on Children	01.35	14.86
Depending on Spouse	02.70	02.70
More than One Income Source	13.51	31.08

Source: Structured Questionnaire Survey, 2012

About 44.59% of the respondents of both sexes had two or more sources of income of which 23 were women. Out of these respondents, 16.21% depended on their children financially for their source of income. Respondents who did not have financial support from their children mostly depended on their pension and other income sources, such as employment income and income from spouse. The second highest income-earning source was by pensions, where 16.21% respondents were totally dependent on their pension. There were more female pensioners (8 respondents) than the male pensioners (4 respondents). The variation of source of income among the female and male respondents is shown in Table 5 above.

Total Income of Respondents

This indicates the total income that a respondent gets monthly by one or more income sources. Out of all the respondents, 16.7% received an income of below thousand rupees. But when the lowest value of income received is considered, there is a considerable gap between those two values. Table 6 categorizes respondents to three income categories:

Table 6 - The Overall Income Distribution of Both Male and Female

No	Income Range (in Rupees)	Percentage of Respondents
01	Below Rs. 5,000.00	65
02	Between Rs. 5,000.00 to Rs. 10,000.00	20
03	Above Rs. 10,000.00	15

Source: Structured Questionnaire Survey, 2012

As Table 6 shows, out of the total respondents, 65% belongs to the income category of below Rs. 5,000.00. Only 15% represents the income category of Rs. 10,000.00. Therefore, in any business related decision-making, the above proportions considering the elderly should be kept in mind. Further, in all three income categories, more than 10% of the respondents were living with their spouse and children, which in fact gives an indication of the life style of the aging respondents in this study. Income distribution and nature of the living of aging people is shown in Table 7 and Figure 1.

Table 7 - The Income Distribution and the Nature of Living of the Respondents

Nature of Living	Income Category		
	Less than Rs. 5,000.00	Between Rs. 5,000.00 to Rs. 10,000.00	Above Rs. 10,000.00
Single – Single	10.81	-	1.35
Single – Children	8.1	2.7	1.35
Single – Relatives	6.75	-	1.35
Single – Non Relatives	9.45	-	-
With Spouse – Spouse	-	2.7	1.35
With Spouse – Children	16.21	13.51	10.81

Source: Structured Questionnaire Survey, 2012

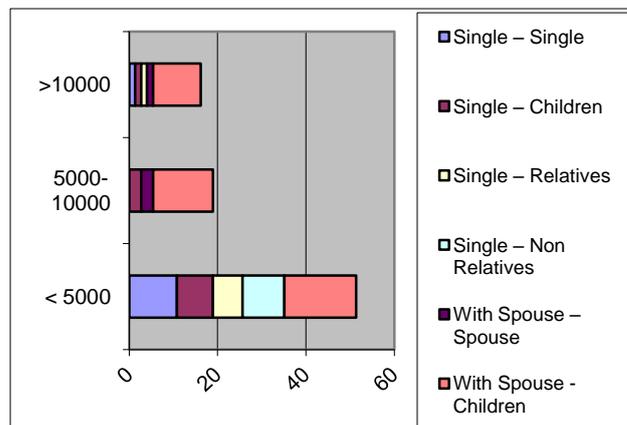


Figure 1 - Income and Nature of Living

Duration of Special Health Conditions

Under this, special conditions or cases, and specific diseases, which were not age related, were considered. This information is shown in Figure 2. Out of the total 80 respondents, 36.48% were having special conditions. Of this, 85% had special conditions from less than 10 years ago. Most of the respondents had diabetes or high blood pressure or both diseases as their special conditions.

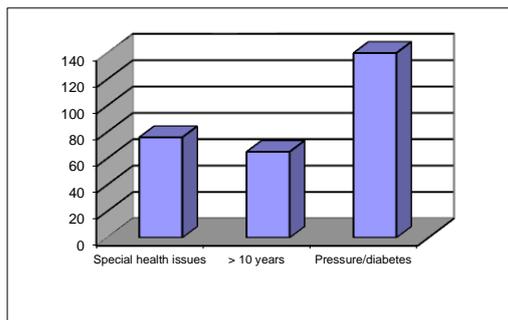


Figure 2 - Special Health Related Issues

Frequency of Treatment

The details of the types of treatments received with frequency is shown in Figure 3. About 52% of the respondents were visiting government hospitals to obtain treatment for various illnesses. These visits were weekly, monthly or when necessary. Out of the total respondents, 33.3% visited the hospital as and when necessary.

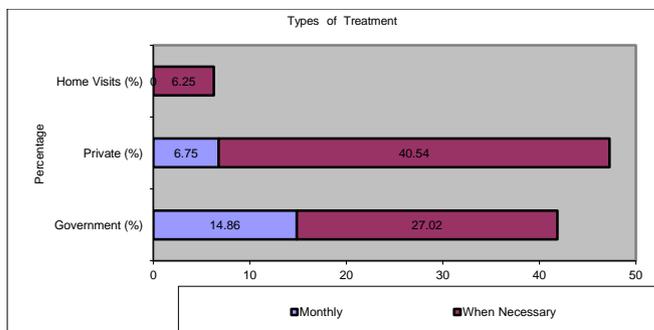


Figure 3 - The Details of the Types of Treatments Received with Frequency

Frequency of Private Treatments

Almost 48.3% of the respondents were obtaining treatment from private clinics or hospitals and of this, 50% were visiting the private hospitals or clinics only when necessary. Most of them are sufficient income earners. Very few respondents (6.25%) were able to have home visits from medical personnel.

Types of Services Accessed at Present

Types of services accessed is shown in Figure 4. Almost 70% of the elders of the sample were accessed medical services. These medical services were the most commonly utilized service by the elders. Also, with aging, the need for constant medical services is reflected by this fact. Banking Facilities (6.75%), transport services, religious activities and foreign pilgrimages were other services, which had already been accessed by and served to the aging population. Medical services provided by government hospitals were also free of charge for all ages including elders, which may indicate a probable reason for the significant access to medical services.

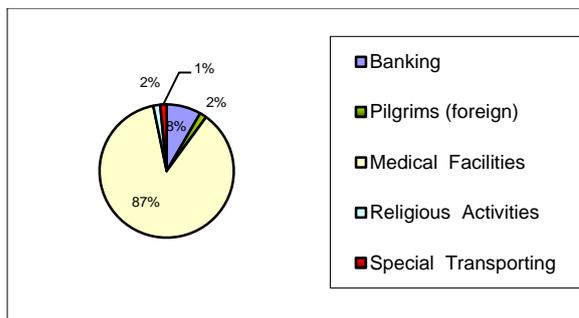


Figure 4 - Types of Services Presently Accessed

Amount Paid for Services

Payments for the services they received are shown in Figure 5. Due to the lower income level of the elderly population, most of the elders (38.3%) could not afford to pay for the services they received. For their most needed service (medical services), the situation remained the same. For the services mentioned in figure.5, 50% (30 respondents) could afford only Rs. 200.00 or less per month and 38.3% were receiving such services free of charge. About 12% of the samples were in a position to pay Rs. 1,000.00 or more per month for the different services they received. Two key factors come out of this situation. One fact is that although the respondents visited private medical service providers, they had gone there for very basic medical requirements, which did not cost much. The other fact is that the respondents visited private medical service providers only when needed, and the respondents could afford to pay the service providers at that time. But, as pointed out, that one third of the elders really wanted to have the medical services free of charge.

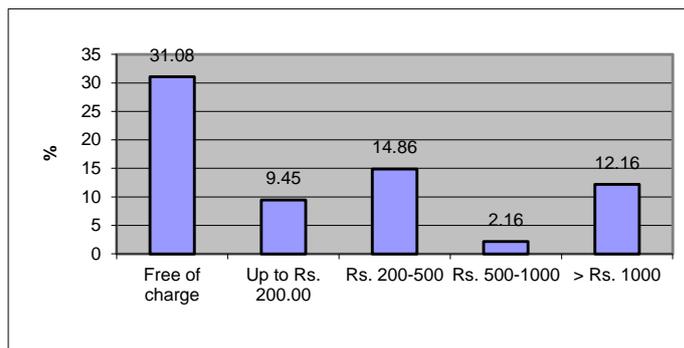


Figure 5 - The Distribution of Amount Paid for Services

Services Required by the Aging Population

Needs and demands of the aging population varied from very common need of medical services to exclusive needs such as obtaining opportunity to do social work and new health insurance schemes specially designed for elders. Common need of medical services was represented by 58.1% of the elders and 32.43% of the elders were in need of special food manufactured specially for different health conditions and age related weaknesses. Lack of recreational and entertainment activities were a problem for 29.72% of the sample. Lack of leisure time (29.72%), over responsible work at home from their children, grandchildren and other problems (24.32%), and therefore lack of recreational and outdoor activities (21.62%) were the other difficulties faced. Lack of better transport facilities, religious facilities, local and foreign pilgrimages were their other major concerns (See Table 7).

Table 7 - The Expression of the Types of Services Needed

Types of Service Needed	Overall Percentage	Dispersion by Income Group		
		Below Rs. 5,000	Between Rs.5,000.00 to Rs. 10,000	Above Rs. 10,000
Medical Services	58.11	25.67	10.81	12.16
Nursing and Health Care	17.56	04.05	06.75	04.05
Special Food / Meals	32.43	13.51	05.40	06.75
Recreational / Entertainment	29.72	13.51	01.35	09.45
Housekeeping	16.21	01.35	04.05	04.05
Supportive Equipment	09.45	08.10	01.35	-
Method of Spending Leisure Time	29.72	13.51	08.10	02.70
To Get Rid of Over Responsible Work	24.32	09.45	09.45	04.05
Opportunities for Outing	21.62	05.40	06.75	06.75
Information Accessibility	16.21	05.40	-	06.75

Community Interaction	16.21	06.75	05.40	02.70
To Obtain Sufficient Income	20.27	14.86	02.70	01.35
To Obtain Sufficient Credit	04.05	01.35	01.35	-
To Overcome Transport Inconveniences	29.72	12.16	01.35	06.75
Banking Services	17.56	05.40	05.40	04.05
Government Office Services	17.56	06.75	01.35	04.05
Religious Facilities	43.24	27.03	09.45	05.40
Care Taking	08.11	05.40	-	02.70
Legal Services	08.11	04.05	01.35	01.35
Investments and Earning Activities	13.51	01.35	04.05	01.35
Local Pilgrimages	40.54	25.67	10.81	04.35
Foreign Pilgrimages	28.37	12.16	07.05	08.10
Homes for Senior Citizens	04.05	-	-	04.05
Health Schemes for Elders	06.75	01.35	-	04.05
Social Service Activities	05.40	-	-	05.40

Source: Structured Questionnaire Survey, 2012

Table 8 illustrates priority expressed for service requirements. Medical services were the most needed service as it was listed first as the most important priority service. Religious facilities, special food and relief from over responsible work at home and working places were the other demands, given first priority by the aging population. As most of the elders were suffering from age-related diseases and special conditions, the need for medical facilities and special food were understandable. Considering the daily routine of a pensioner, it is obvious that elders need recreational and entertainment activities and to get relief from over responsible work at homes and working places. The necessity for elders to participate in religious activities and to go on pilgrimages is partly related to their necessity for outdoor activities. They identified very broad areas of the needs and the general ideas as expressed by the respondents and as observed by the

research team. They did not however directly reflect or indicate the type of business requirements. These needs had to be identified in the business context initially. However, these basic business ideas need very specially focused studies from the marketing aspects. This may be by means of a thorough market survey for each business idea.

Table 8 - The Priority Expressed for Service Requirements

	Priority Service	Percentage (%)
First Priority	Medical Services	23.30
	Religious Facilities	11.70
	Special Food	08.30
	Over Responsible Work	08.30
Second Priority	Medical Services	20.00
	Local Pilgrimages	11.30
	Recreational/ Entertainment	08.30
Third Priority	Medical Services	11.70
	Local Pilgrimages	08.30
	Religious Facilities	06.70
	Lack of Outdoor activities	06.70

Source: Structured Questionnaire Survey, 2012

Amount Affordable for Accessing Services

About 11% (8 Respondents) and 04% (3 respondents) of the elders interviewed respectively could pay Rs. 500.00 and Rs. 1,000.00 per month for their first priority service. But 43.24% (32 respondents) of the elders could not afford to pay or were not willing to pay for the services they valued as the first priority service.

The Preferred Service Accessibility Method

Table 9 shows the distribution of the method of preferred service accessibility. Almost 80% of the elder respondents preferred obtaining needed services by visiting the relevant

place of the service provider, due to the fact that they were more familiar with the system. Other preferences were to access services by telephone call (41.89%), and home delivery services (16.21%). Further, e-channeling was slightly popular among the financially stable respondents. In Sri Lanka, there are centers, which provide e-channeling services. Any patient, through these centers, and the help of the staff, can reserve or get appointments to channel the physician he or she wants to consult (e-channeling). So, this does not necessary mean the elders who were part of this study had the direct internet based e-channeling accessibility and usability.

Table 9 - The Distribution of the Method of Preferred Service -Accessibility

Preferred Service Accessibility Method	Percentage (%)
Visiting	79.72
Special Transport Service for the Aged	05.40
Using Directory	08.10
e-mail	05.40
e-commerce / e-business	-
Home Delivery	16.21
Bill Settlements by Intermediaries	12.16
Telephoning	41.89
Financial Interaction Services	06.75
Prepaid Services	02.70
Installment Services	12.16
Group Service Accessibility	01.35
e-channeling	01.35

Source: Structured Questionnaire Survey, 2012

Comments and Suggestions Given by Elders to the Service Providers

The following list summarizes the comments, suggestions and ideas given by the respondents to the service providers for better service provision:

- Better if there is a home delivery service for medical services
- Credit facilities: separate TV, Radio channels for aged people.
- Home delivery facilities through telephone calls, faxing, food outlets and pharmaceutical items at reasonable rates.
- Service provision relevant to new technological changes and social and economical development through special and separate program.
- Employment opportunities for aged.
- Establish various schemes and travelling clubs for elderly people.
- Good quality assured products and services for elders, More IT accessibility channels for aged.
- Home delivery at low charges.
- Home delivery service for medical services.
- Home visit nursing service, acceptance of senior citizens by the service or goods providers.
- Income earning opportunities, obtain ideas and knowledge from aged, facilities in transportation and banking, provide IT knowledge.
- Low prices for goods and services.
- Provide a service to aged to spend their life without bearing heavy responsibilities.
- Service providing institutions should deliver quality services.
- Suitable job opportunities, medical insurance schemes, suitable radio/TV programs and web sites for aged people.
- Religious and pilgrimage facilities.
- Transport services and income earning activities for aged people. Information gathering methods for aged.

- Good facilities when obtaining medical services.
- Better employment opportunities for elderly persons.

Details of Businesses, Entrepreneurs and Organizations

In this study, businesses ranging from small scale to large scale are included in order to find what are the businesses that are serving the needs and the wants of the aging population at present and to know whether there is a potential for an entrepreneur to start a new small business related to the aging population. So, businesses that are serving the needs and wants of senior citizens are not randomly chosen but chosen on purpose to achieve the objectives of the study. Other than these businesses, all the remaining small and medium scale businesses were chosen randomly and some of them included businesses, which were catering to the needs of the aging population. As shown in Table 10, there were 14 service providers, three product-delivering organizations and three organizations that were providing both services and products. When the scale of the businesses included in the study is considered, eight organizations were operating in more than 10 places; and nine organizations were operating only in one place.

Table 10 - The Distribution of the Scale of Businesses

Business Operated Number of Geographical Areas	Number of Organizations
One	09
One to Ten	03
More than Ten	08

Source: Structured Questionnaire Survey, 2012

According to the number of the employees in the organization, there were eight organizations, which had more than 20 employees. Of these, six organizations had more than 1,000 employees (e.g. Nawaloka Hospitals Pvt Limited, Asiri Hospital, National Savings Bank, Ceylinco Group of Companies, etc.). According to the number of customers dealt within a month, there were only two organizations, which had 25-100 customers per month. All the other organizations dealt with less than 100 customers per month. All the insurance companies included for the survey had specific insurance policies for aging population. Out of the service organizations, the government sector provides the most essential services such as health and banking to the senior citizens. There are some emerging trends observables in the organizations providing services to the aging population, like the introduction of discounts and making home care services available with different outlook. All these data is shown in Table 11.

Table 11 - The Description of the Available Services

The Service	The Specific Features	Service Providing Organization
The Insurance Scheme for Elders	“Mapiya Thilina” Insurance Scheme	Ceylinco Insurance Company
	“Vishrama Policy” Pensioners Insurance Scheme	Janashakthi Insurance Company
	“Yashtiya” Pension Insurance Scheme	Sri Lanka Insurance Corporation
Savings Schemes	“Gaurawa” Special Savings Account for Elders	National Savings Bank
Discount on Medicines	5% discount on medicine bought by senior citizens	State Pharmaceutical Corporation
Religious magazines	Magazine on Buddhism	Lake House Publications

Discount on Spectacles	15% discount for senior citizens at the head office and 10% at the other branches	Albert Edirisinghe Opticians
Job opportunities	Job Opportunities for the Elders	Executive Search Consultants
Pilgrimages	Both Local and Foreign Pilgrimages	Baratha Asoka Pilgrim Tours
Home Care Services	Home Nursing, Home Help System, Mobile Library Services, Care Adviser and Counseling	Ceylinco Home Nursing (Pvt.) Ltd.

Source: Structured Questionnaire Survey, 2012

Why not Consider the Aging Population as a Special Market Segment?

Of all the organizations to which this question was posed, four of them responded that their services were the same in all sectors. This comment was given by organizations, which were themselves providing health-related services or products. They also stated that critically ill persons were given priority in their sector. But there was one health-related organization that was willing to supply any kind of specific service to the aging. Another two organizations commented on the cost related difficulties in providing specific services and products for the aged. A further two organizations stated that most of their customers were the elderly; so they had already been serving the aging population.

Business Constraints in Expanding and Reasons for Such Constraints

Of the total respondent organizations, nine had business constraints in expanding their services further for delivering services or selling products to the aged. Of this, six

organizations responded that they had some kind of financial difficulties related to their organization. Some organizations said that they had more business opportunities with the younger generation (when providing job opportunities).

Details in Searching for Market Trends

Out of the 20 respondent organizations, eight were searching for market trends and the rest were not interested. The following methods were used to search for market trends by the above mentioned eight respondent organizations:

- ⇒ Through the internet
- ⇒ Through letters of comments
- ⇒ Through the market information and private networks
- ⇒ Through market research

Positive and Negative Selling Experiences for the Aging Population

Half of the organizations studied claimed they had previous experiences in selling products and services to the aging population but had considered elders as normal customers and had no special problems dealing with them. An insurance company engaged in providing an insurance scheme for elders said it had difficulties in selling new policy at the beginning because of the attitude of the public towards the insurance scheme. The low purchasing power of the elders was viewed by 14 organizations as the major experience they have had with the aging population to market their product; they were concerned with the income of the elders. The organizations felt so since they lacked information about the market opportunities.

Services that are Lacking in Order to Supply Better Products/Services to the Aging Population

As shown in Table 12, many organizations identified at least one service needed to provide services to elders. Some businesses were very much concerned about getting the financial support to provide specific services or products, such as tax reductions in importing supportive equipment for elders, like wheel chairs. Six organizations found the lack of information on the market potential for serving the aging population as a need to be fulfilled.

Table 12 - The Services Needed to Serve the Aging Population

Services Needed	No. of Organizations Identified it
Business Development Services-Training, Consulting	04
Financial Support	05
Market Research	04
Technology	02
Information	06
Other	05

Source: Structured Questionnaire Survey, 2012

Many entrepreneurs were intending to introduce new products and services to the market, targeting needs and wants of senior citizens, such as new insurance schemes and introducing new travelling package for elders. Expanding the scale of business by establishing many communities for the elderly and other service providing centers in new areas was the other method of maximizing market share in the future.

CONCLUSIONS

Aging Population

- This study's target group is the Urban Centre based Colombo District of Elders. Thus, the study findings are not directly applicable to the elders in the Regional Urban Areas. When the findings of this study are to be used for the Regional Urban Areas, the findings must be adapted for the specific context by integrating the socio-economic and cultural aspects.
- High demand exist for financing of elderly care programs in the Greater Colombo area. Mainly due to education level of elders and their knowledge on elder care products in other countries.
- This was the first time a study of this kind was executed to obtain information involving elders. Previous studies and related data collection were highly focused on social welfare purposes. Thus, it was a new experience for the elders to provide information on a business related study topics. They were not used to providing information for this kind of study. Further, the elders were at two extremes: one group was prepared to give whatever information was necessary and were therefore looking forward to any kind of business related studies; the other group did not want to give any information to obtain free welfare related benefits.
- It is clear that more than 85% of the elderly care respondents (both the elders and the management) need new ways of financing their programs.
- Most of the recommendations derived are directly suitable for the Urbanized Elder category since the information given by elders in the semi-urban and urban peripherals of the Western Province were not sufficient for any business related conclusions and were unavailable for deriving recommendations.

Conclusions for the Business Opportunities

- When initiating a business (either product or service) to serve the demands of the aging population, the packaging of the product/service should be focused on the nature of living - either belonging to an extended family or to a nuclear family.
- When marketing a new product/service to the aging population, the marketing strategy should be gender-based. Further, much effort is necessary to market a product/service especially to female elders.
- Twenty five percent of the total market comprises the aged professional population. Therefore, there are market opportunities to market specific products/services suited to the demands of this category.
- The findings prove that with aging, the trend for getting treatment for age-related ailments is increasing compared to other age categories.
- There is a high potential to initiate cost affordable medical services by private sector hospitals since the trend is for private sector medical service usage.
- There are limited health services and health centers, which are specialized, or providing treatment for age-related ailments (Geriatrics) at affordable rates, since 65% of the sample draw on income of less than Rs. 5,000.00 per month.
- The availability of food to serve age-specific food requirements is also extremely limited.
- There are significant opportunities to provide products or services to the aging members of the population living mostly in the extended families.
- Elders, at present, face critical transport inconveniences and related problems.

- It is necessary to identify and introduce some friendly new mechanisms for the payments of services to the aging population, especially to caretakers – for e.g., children.
- An opportunity does exist to introduce and educate elders on the appropriate technology regarding communication suitable for the aging population.

Table 13 shows the identified service requirements by nature of living. The nature of the living categorization has been amalgamated to produce two major styles of living as members of the extended family and members of nuclear family. The nature of living with the following living styles forms the cause for the nuclear family members: Single – Single, With Spouse – Spouse and Single – Non Relatives.

Table 13- The Identified Service Requirements by Nature of Living

No.	Income Range	Extended Family Members	Nuclear Family Members
01	Below Rs. 5,000.00	Government Medical Services	Supportive Equipment
		Special Food / Meals	Method of Spending Leisure Time
		To get rid of over responsible work	To overcome transport inconveniences
		Recreation / Entertainment	Community Interaction
		Government Office Services	
		To obtain sufficient income	
		Local Pilgrimages	
		Religious Facilities	
02	Between Rs. 5,000.00 to	Medical Services	Nursing and Health Care
		Nursing and Health Care	Local Pilgrimages

	Rs.10,000.00	To get rid of over responsible work	Method of Spending Leisure Time
		Opportunities for Outing	
		Religious Facilities	
		Foreign Pilgrimages	
03	Above Rs. 10,000.00	Medical Services	Nursing and Health Care
		Nursing and Health Care	Special Food / Meals
		Opportunities for Outing	Recreation / Entertainment
		Foreign Pilgrimages	Information Accessibility
		Banking Services	Overcoming Transport Inconveniences
			Job Opportunities
			Social Service Activities
			House keeping

Source: Structured Questionnaire Survey, 2012

- Since 75% of the sample studied had at least the G.C.E. (O/L) qualification, this important factor can be considered in product designing, development, launching and marketing strategies.
- When designing and promoting a product/service, occasional product/service can be considered since there are irregular patterns of usage of such products/service and varying income earning periods. Similarly, for those who are having a regular income, it is possible to design regular products.
- There is a lack of services for physical fitness, health education and health counseling for elders. Of course, this is a very specialized service area.
- There is no opportunity, place and time for the elders to relax and to be free from attachments, commitments and responsibilities at least for a part of the day.

- In the distribution of product/service for the convenient accessibility of the elders, greater attraction and user-friendly product/service, there is a requirement to develop new ways through innovations as the elders prefer to reach the business by themselves. Further, a significant number of business opportunities can be derived in line with this situation.
- The usage of the telephone will become one of the major tools in product development, designing and marketing.

Conclusions for the Entrepreneur Analysis

- Micro and small-scale entrepreneurs have the opportunity to serve the aging population, in cases where the government dominates.
- Presently, a small component of the major businesses in the Western Province provide limited services to the aged, but these organizations and their services are not specialized.
- Entrepreneurs hoping to serve the aging population have problems in business expansion. There is a sufficient business and market related potential for such entrepreneurs.
- A considerable effort has to take to understand and study this aging segment of the population to serve better their requirements.
- There is an insufficient number of entrepreneurs to serve the aging population with their acquired products and services.
- The assessment carried out by such entrepreneurs regarding the needs and wants of the aging population is insufficient.

Elders' Care Centers

- More than 80% of the elderly - care residents are engaged in a kind of economic activity, such as envelope-making, and other decorative items.
- Most of the elderly care center managers are facing cash and funding problems to continue their programs.
- More than 90% of the respondents of the elderly care centers need to identify new ways of income generating activities to implement together with the private sector to ensure their funding.
- Dependency mentality of the residents at elderly care centers is higher than elders at their homes.
- Though the basic needs are similar, the wants are clearly different with residents at elderly care centers compared to the elders at their homes.
- The objective of the policy is for leaders and policy initiators to create a healthy environment for older persons within the cultural norms and religious practices.

The strategies, in brief, consist of the following:

1. Create awareness of aging population
2. Ensure health, nutrition and recreation
3. Promote appropriate housing, transportation and a suitable living environment
4. Strengthen the family unit to take care of parents and the elderly
5. Provide access to appropriate educational training
6. Provide social welfare and protection
7. Provide adequate counseling services
8. Provide income security and promote suitable employment

Recommendations

Service Provision for the Aging Population

OPTIONS FOR GOVERNMENT POLICY MAKERS

- The Government should play a vital role in coordinating all related government, private and volunteer organizations to define and achieve macro-level service provision goals for the aging population in Sri Lanka. For this purpose, it is recommended to form Special Task Force for Elderly Care in Sri Lanka. The proposed Task Force should be formulated by a National policy framework to serve the growing aging population in the country.
- The proposed Elderly Care Task force can focus their attention on the following: provision of health care and other services by using a new mode of financing, creation of short term employment opportunities for skilled aged and the professional aged and establishment of the necessary specific infrastructure and facilities for aged care service provision in Sri Lanka.
- Department of Social Services has the opportunity to link with relevant national and international business and volunteer organizations to ensure the implementation of integrated services for the aging population in Sri Lanka through their already established Divisional Level Elderly Societies in the country.
- The Government can play a leading role in collecting, and publishing the research and other applicable data on the growing issue of aged population in Sri Lanka. At the same time, government can educate business service providers in the products and schemes available in in other countries to serve for the aging population.
- The Government can encourage new health insurance coverage for the aging population in Sri Lanka. This is in order to help both private and government

insurance providers and the institutional and legal support from the relevant authorities to revise existing laws and make necessary amendments.

- Further, the Government has to pay serious attention in introducing special tax advantages or business start-up support to potential investors to set up new businesses to cater to the growing needs and wants of the aging population in the country.

OPTIONS FOR PRIVATE SECTOR BUSINESS ENTREPRENEURS

- The designing of the product or service could be done depending on whether the target market location is the Western Province Urban Centers or the Regional Urban Centers.
- The private sector should plan to get the service from skilled aged people to their new business products and schemes to serve better the aging population in Sri Lanka.
- Following are the recommendable investments to tap the niche markets where it is possible to create innovative service provisions for the growing aging population of Sri Lanka:
 - Self-measuring instruments (on blood pressure, diabetic indicators, etc.)
 - Communication equipment
 - Processed Food Items and Beverages with special attention to suit the health conditions and the nutritional requirements (decaffeinated coffee, low calorie beverages, etc.)
 - Introductory training on the usage of information technology
 - The usage of e-channelling.com
 - Introduction of home-based recreational equipment promotion like VCD Player, Multimedia, DVD Player, etc.

- Mobile treatment unit
 - Special elderly transport service
 - Special entertainment events and facilities
 - Special health service packages from private hospitals and government hospitals
- Similarly, in the existing supermarkets, as product diversification, they can have sections focused on food items for aging population. Supermarkets can make this available as their social responsibility.
 - Local pilgrimages for the aging population can be arranged as a new business idea with an easy payment scheme or method and the payments can be recovered from the monthly salary of the children or the caretakers of the elders.
 - Whenever an International Day like Elders Day or Mother's Day falls, entrepreneurs can start some business operation coinciding with this event, may-be in the form of outdoor recreations, parties, gift items, greeting cards, etc.
 - It is better for the presently existing entrepreneurs to focus more on product diversification of some products or services to cater to the needs of the aging population, than to start a separate business or even to think of designing separate products, so as to be viable in the market to sustain and to manage the initial risk. Additionally, they can market the occasional products for the aging population before going for regular products.
 - Initiate Fitness Centers exclusively for the aging population as "Only for Aged" with a senior Coach giving all the instructions. This can then become an aging population gathering center, which could then be utilized for serving other aging demands.

- Start a special “One-day Service Package’ for the aging population residing in and around major towns for a day out once or twice a month. The activities during the day could include visiting places of interest for the aged, watching movies, going to the shopping complex and having meals, with safe and comfortable transport arrangements for picking up in the morning and dropping off late in the day at the aged person’s residence. The main aim would be to provide entertainment and relaxation for the aged.
- It is advisable for the micro and small-scale entrepreneurs initially to act on product diversification of the products and services demanded by the aging population into their existing day-to-day businesses.
- The upper level small-scale entrepreneurs can think progressively that if they can invest on product and services demanded by the aging population, they could experience good returns on their investment.

Possible E-commerce model to serve the aging population in Sri Lanka

The e-commerce site is to serve the aging population in Sri Lanka. The following visualization and the conceptual design provide the feasible e-commerce solution for further thinking as a tool for service provision for the aging population in Sri Lanka.

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Figure 5 - Visualization of E-Commerce Model

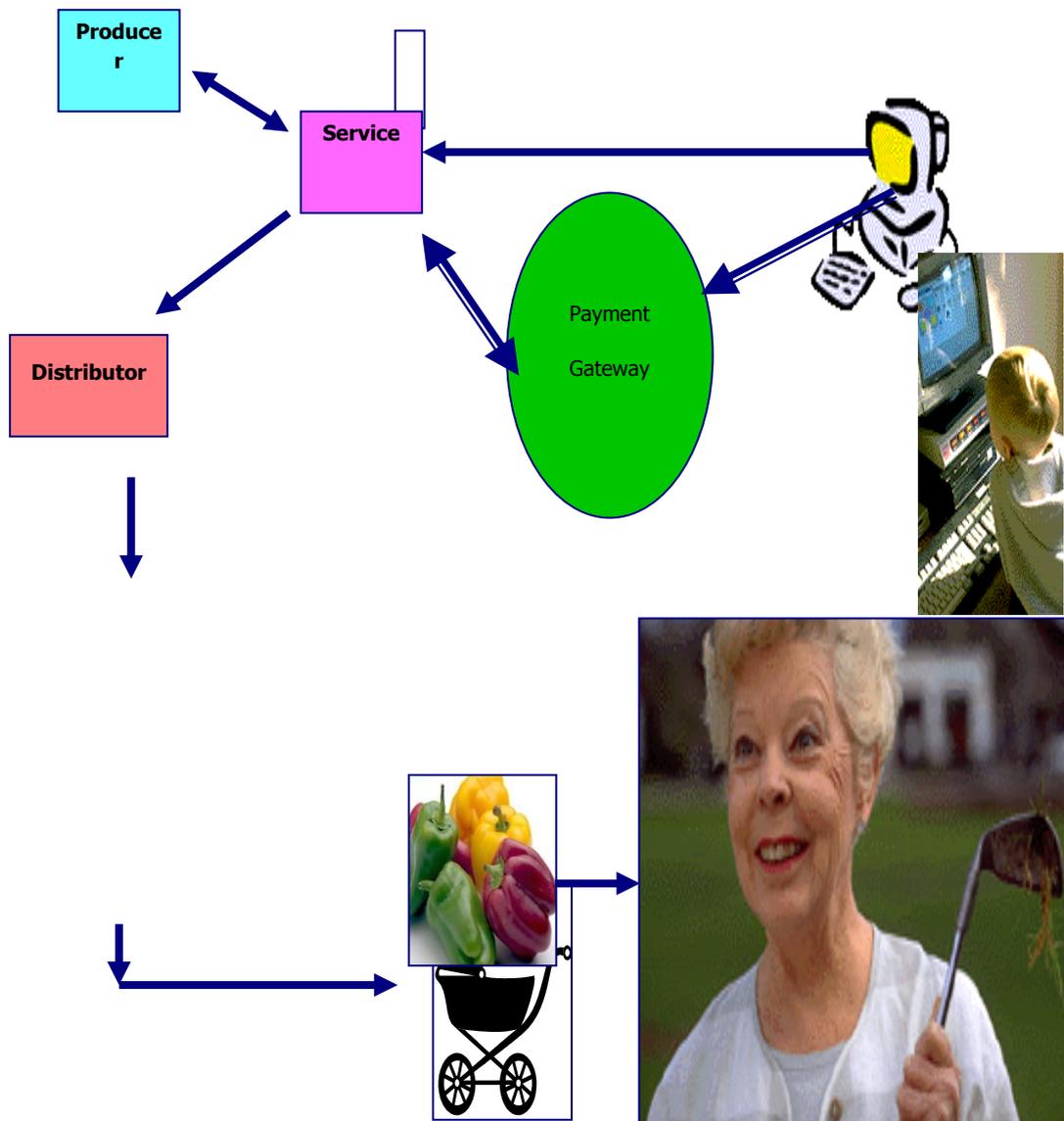
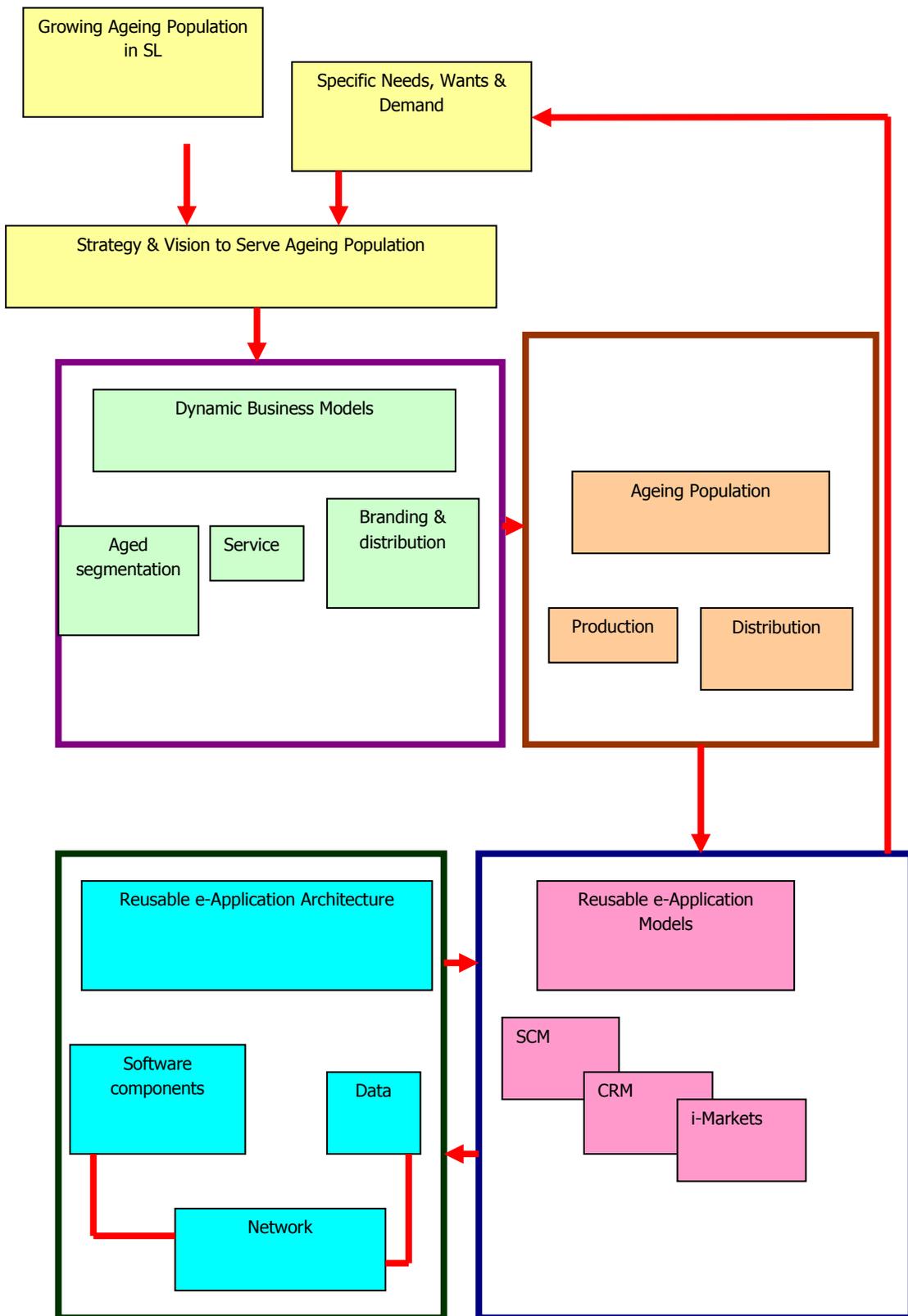


Figure 6 - Technical Model for Proposed E-Business



Improvements of Elders' Care Center Service Provisions

- There is a possibility to initiate a joint venture between an enterprise and presently existing elders' home or elders' day care centers for the produce of any handicraft, stationary or gift items. The labor could be tapped from these centers though the aging population may not be well skilled on that particular production process. However, they could be utilized for not so intensive or

- sensitive operations. These centers also can be a place for the cluster centers for this aging population. The enterprise can brand these products by mentioning the efforts of the elder citizens in contributing to its production so that this could be utilized again for image building and as a marketing tool.
- Elderly care centers have to take collective actions to educate the youth in the country to sensitize them on the growing issue of the aging population. Further, these centers have to develop new strategies to get the active participation and the contribution from the younger generation and the business people.
- Elderly care centers have to get more participation of the school children, vocational trainees and University students for fund raising activities and other skilled works to provide the services of the needy.
- Elderly care centers have to link with more private organizations to get support, in both cash and kind, to ensure their funding flows to finance the key elderly support service provisions of the country.
- These volunteer organizations need to organize Annual Elderly Care Conference/day etc., and national level promotional campaigns to the present generation to educate them on the critical importance of taking care of their elders as the assets of the nation.
- This also affords more opportunities for the juniors to receive advice and guidance for career progression and professional development from the retired professionals.

AN AGENDA FOR FURTHER RESEARCH

- The greatest priority of the aged is health, based on this research. Therefore, economics of health-related detailed studies are needed for health policy analysts in

order to recommend more aged friendly macro-health policy framework. This should focus more on the available health policy framework analysis for both public and private health service provisions in Sri Lanka. Further, it is a requirement to study about the regional best policy practices to serve the aging population.

- Detailed market research studies should be conducted to finalize the proposed e-business models to serve the aging population for different industry sectors and business types, which can directly help to motivate entrepreneurs to initiate new and innovative business models to serve the aging population in Sri Lanka.
- National education policy research needs to be conducted to study the possibilities of education curriculum revisions to cater to the growing trends of the aging population and their needs, wants and demands over time according to entrepreneurial opportunities.
- There is a greater requirement to study further the effectiveness of the existing special products and services implemented by both the public, private and NGO sectors to serve the aging population in Sri Lanka.

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