



The International  
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# Consumerisation of Mobile Telecare

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# Agenda

- Contrast the Telecare/PERS market in Europe with the USA
- A changing US market – Key metrics, consumer experience
- Mobile PERS (mPERS) in the USA – Profile the typical products, services purchasers and users
- Promoting mPERS - Channels, marketing scenarios (including a video)
- What have been the challenges for service providers?
- Takeaways for promoters of services to achieve greater scale

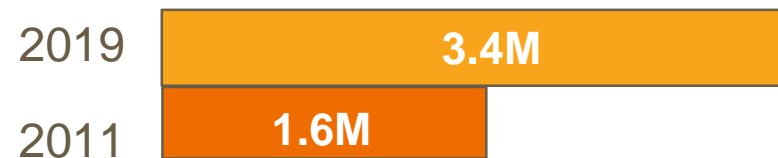
# Contrast Telecare/PERS Market in Europe with USA

	EUROPE	USA
<b>Telecare Market Penetration</b>	Similar (e.g. 7% of over 65s)	Similar (e.g. 7% of over 65s)
<b>Market growth rate</b>	Lower (e.g. x20% in last 10 Years)	Higher (e.g. x100% in last 10 years)
<b>Public funding and stake holding in services</b>	Local Authority, social services, social housing funded and delivered services, minority are private paying consumers.	State and city Medicaid funded services, but more users are private consumers.
<b>National Government and Federal funding for innovation</b>	Common	Generally never
<b>Integration of services into local healthcare systems</b>	Common	Generally never
<b>Local response provided by the telecare service</b>	Common	Generally never
<b>Market organization</b>	More organization of service providers and promotion of best practices in the industry	Less
<b>Overlap between PERS and residential security markets</b>	Less	More service providers and dealers have a foot in both markets
<b>Public Awareness</b>	Marketing to consumers is quite limited and low key.	Since 2010, advertising and digital marketing has been a strategic component of the PERS business model and has driven growth.
<b>Average monthly end user price</b>	Lower	Higher (about 50% higher)

# A Changing US Market

Driven by consumer demand for mobile PERS

Overall PERS market size <sup>1</sup>



**42%** New subscribers select mPERS over a fixed PERS <sup>2</sup>

Average age of new subscribers <sup>3</sup>



Gender of new subscribers <sup>4</sup>



1. Edmonds Group
2. Security System News
3. Proprietary
4. Proprietary

# Mobile PERS in the USA

- Services generally offer three PERS options - a **landline**, a **fixed cellular** and a **mobile** solution
- Mobile PERS is usually worn as a pendant or on a belt clip. At home or “on the go,” it calls a monitoring centre at the push of a button, provides **two-way speech** and location details to the operator.
- Consumer pays a monthly fee for service which includes the equipment and cellular costs and **no long-term contract**.
- Mobile PERS device has an embedded SIM that works on a national cellular network like Verizon or AT&T
- **Fall detection** is generally an optional add-on
- Monitoring centres offer national coverage in **all 50 states**
- **Non-emergency response** is provided by nominated family members; **Emergency response** is provided by local police, fire or Emergency Medical Services (location ZIP will determine which service is called)
- The majority of the market is served by just five manufacturers’ products



At home or on the go



\$39.95 per month

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# Promoting Mobile PERS

- **Local and national** approaches, **healthcare** and **non-healthcare** channels
- **Local marketing:** Dealer or healthcare partner promotes the service within their local area via brochures (e.g. doctors offices, rehab centres, daycare centres), Area Agency on Aging, referrals, postcards, booths and banners at events and fairs, presentations.
- **Digital marketing:** The largest and fastest-growing direct-to-consumer PERS companies use digital marketing systematically. SEM, re-targeting, social media, content marketing, consumer review sites. Consumers can purchase via online shopping cart or phone.
- **Traditional media advertising:** Press and TV ads
- **Brand building:** Generating brand awareness and loyalty
- **Affinity marketing and affiliate marketing:** Organisations with a large membership, example - AAA (motoring organization),
- **Retail stores:** Retailing through national chains is relatively new - CVS and Walgreens pharmacies and Best Buy




# Video

Example of positive and informative messaging.



<https://vimeo.com/freeusllc/bellelte>

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# Service Provider Challenges

- **Churn and net growth**
  - Maximizing customer retention is very important, average length of service is approximately 33 months
  - A service will typically lose 1/3 of its subscribers per year from attrition
  - To grow they must replace those subscribers and more
- **Commercial / economic**
  - Cost of acquiring new subscribers is significant
  - It can be 10 - 25% of the gross margin earned over the tenure of an average subscriber
  - This must be factored in to the business model
- **Competition**
  - Competition is aggressive
  - Local service providers and national service providers
- **Image**
  - In the past, image has been tarnished by mis-selling and bad selling practices



# mPERS Success - Takeaways

- **Products that are attractive and useful to consumers**
  - Simple self-install. Easy to understand. Use it anywhere.
  - Monthly billing with no long-term contract
- **Price is not necessarily the most important criteria to the consumer**
  - Consumers are paying 50% more now for their mobile PERS than they would have paid for traditional PERS. There are new features and benefits that have value
- **Place – Services are national**
  - Services are accessible nationwide
  - Monitoring services have economies of scale that allow them to invest in technology and people and deliver to a high standard.
- **Promoting consumer awareness and getting sales**
  - It is a business; requires systematic approach to lead generation / conversion & pre-sales customer engagement
  - Positive post sales engagement with customers maximises retention
  - Direct to Consumer marketing spend is an essential part of the service providers

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