The New Normal: Trends Re-writing the Future of the Senior Living Resident Experience

Darien T. Kadens, PhD, MBA
Director of Research, Healthcare
Principal Health Outcomes Scientist
Innovations 2 Solutions by Sodexo
The senior living resident experience is being transformed by many forces, including shifting demographics, increased diversity among residents, changes in resident preferences, and evolving stakeholder policies, positions, and regulations. This will mean adjustments and new risks for providers in this market, and for those industry leaders who can understand and get ahead of the curve, new opportunities.

One major trend shaping the changes in resident experience is the rise of the “experience economy,” a development that has significant implications beyond the senior living industry, to include hospitality, retail, consumer products and more. The bar is being raised above and beyond simply servicing customers to providing them with a distinct economic offering: memorable experiences. This shift is forcing industry players to re-evaluate their existing services and focus greater attention on experience design. In order to succeed in this arena, players must have a good understanding of who their customers are, and in the case of the senior living industry, who they will be.

According to B. Joseph Pine and James H. Gilmore, authors of The Experience Economy, “an experience occurs when a company intentionally uses service as the stage, and goods as the props, to engage individual customers in a way that creates a memorable event.” Some industries are further along than others in their movement toward offering such experiences — think restaurants like the Hard Rock Café, where the food is solely the prop for what is known as “eatertainment.” Even the travel industry is taking notice as upscale travelers put a premium on memorable experiences, not just a service to get from point A to point B. The industry is moving to tailor services to meet travelers’ personal needs, whether it’s to be wined, dined or entertained. New experiences include private suites, lie-flat seats that adapt to passengers’ shapes and gourmet food and drink from celebrity chefs. Industry experts predict that travel experiences will become more personalized, with increased tracking of passengers’ preferences in advance, down to what types of food, drink, entertainment, amenities and services individual travelers want and will eventually expect.

It’s expected that these experiences will become monetized as the experience economy takes hold. Why do people pay significantly more for a coffee at Starbucks? It’s the overall experience of purchasing and consuming their coffee at Starbucks. This is something that is unfolding in the health care industry as well, where new regulations arising from the Affordable Care Act are shifting health care from paying for volume to paying for value. The overall patient experience, not just patient satisfaction or health outcomes, is increasingly impacting how patients (and payers) select their services and their providers. Across multiple sectors, the service delivery model is being overtaken and replaced with experience delivery.

As customer expectations rise in health care and other industries, it’s imperative that senior living providers understand more than the basic needs of their customers; they will need to understand what customer expectations are, how companies across all industries are improving and innovating in experience offerings, and what will be considered the new normal in senior living. In the words of Walt Disney — who is known as the pioneer of the experience economy — “You don’t build it for yourself. You know what the people want and you build it for them.”

This paper offers an overview of key trends affecting the senior living resident experience:
- Accommodating a new generation of customers who are more diverse and more tech-savvy than previous generations
- Changes in consumers’ retail behaviors
- New expectations for senior living amenities and services
- Changes in the senior living industry’s stakeholders

Across multiple sectors, the service delivery model is being overtaken and replaced with experience delivery.
THE NEW SENIOR

The New Face of Aging

The commonly held perception of a “typical” senior is changing. This will significantly impact the experiences residents expect from their senior living facilities—particularly as it relates to amenities and social offerings. Not only are seniors living longer, but they are becoming increasingly diverse with respect to their backgrounds and beliefs.

Due to improvements in public health, nutrition, and medicine, the average life expectancy across the globe is increasing. Globally, life expectancy has jumped six years over the past two decades, from 64 to 70. This increase in life expectancy doesn’t appear to be abating, with trends suggesting that advancements in biomedical technology will increase life expectancy even further over the next decade. Conservative estimates expect life expectancy to reach at least 80 years for both men and women by the year 2050. As life expectancy continues to rise, senior living will need to transform in order to accommodate not just the needs of older residents, but also the needs of a wider range of residents: the younger seniors and the older seniors, whose preferences can differ significantly.

As the aging population continues to become more diverse, accommodating the needs and preferences of various sub-groups of this population must also become a priority. Chris Orestis, author of the book “Help on the Way” and publisher of a blog on senior living and long-term care-funding issues, stated that there are two basic approaches industry professionals are taking to remedy this situation:

“Diversity is being addressed by the industry in two ways: homogenous communities that cater to specific groups such as LGBT, Korean, or Jewish; or heterogeneous communities that are adding cultural elements and sensitivity to their standard offerings, such as staff who can speak in native tongues, native menu options, and native cultural events.”

These differences can make it challenging for the industry to effectively create tailored experiences for diverse groups. Although cultural differences and language barriers represent obstacles, there are ways to overcome these issues. Taking the heterogeneous approach, one Philadelphia-based organization, for example, created a program that provides ethnic meals, a community center, counseling, caregiver training and other activities for clients of a variety of nationalities. Using this type of approach, there is an opportunity for senior communities to re-brand themselves as appealing options for a broad variety of potential customers.

GLOBAL LIFE EXPECTANCY

<table>
<thead>
<tr>
<th>Year</th>
<th>Life Expectancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>64</td>
</tr>
<tr>
<td>2012</td>
<td>70</td>
</tr>
<tr>
<td>2050</td>
<td>80</td>
</tr>
</tbody>
</table>

Not only will we see differences in the age of senior living residents, but as the multi-cultural American population continues to age, there will be increased diversity among residents with respect to their race, culture, and beliefs, which will bring unique views and perspectives to senior living communities. For example, one in five seniors in America are non-white and at least 10% of the population 65 and older is foreign-born. In addition, the Lesbian, Gay, Bisexual, Transgender (LGBT) community currently has over 3 million people who are over the age of 55; this statistic is expected to double in the next 20 years with the new wave of retirees.
The New Way of Aging

Not only will there be changes to the demographics among residents of senior living communities, the common perception of what “being a senior” means will change as the baby boomer generation enters the senior living equation. Gone are the days of hospital beds and walkers. This generation stands to turn the idea of “being a senior” on its head, requiring new experiences through health and wellness initiatives and technological advances to facilities.

Members of the baby boomer generation have become trend-setters for a new type of “senior living.” This may be partially due to broader initiatives to promote health and wellness, but in general, Americans 65 and older are simply staying healthier and living longer. Because of this increased longevity, researchers now maintain that there is an apparent extra stage of life between middle age and old age. In the article, Changing the Choice Architecture of Ageing: Live Different and ‘Catch Old,’ Gale emphasizes, “Using the midlife transition as the point of control gives boomers what they require to shift their attitudes and behaviors so that they can reclaim their right to live differently and well, until death.”

Many aging Americans are not sure what they should be doing during this stage of life, and it may take time for perceptions to change. However, now is the time to define and set expectations for this new shift in thinking.

Furthermore, more information than ever before is now readily available to older adults considering a senior living residence. Older Americans are much more technologically savvy than in the past, and either they or their family will likely have researched and read reviews before they even begin a discussion with a senior community. Word-of-mouth has long been considered the best advertising method for senior living communities, and it continues to play an important role in the decision-making process for older adults. With all this in mind, it is imperative that senior living residents are healthy, happy, and connected so they can share their positive experience with others.

With this new way of aging in mind, it is essential that the perception of senior living communities change so they are seen as the next step in life rather than “a place to die.” Promoting the idea of independence in these environments could be the way to change this notion. Most senior living communities offer a tiered approach for living arrangements with varying levels of independence and support, with the three main tiers consisting of independent living, assisted living, and nursing homes or care centers. Promoting independence and dignity at all of these levels is essential to changing the “place to die” perception within the industry.
CHANGES IN FACILITY AND SERVICE EXPECTATIONS

The senior living industry will need to adjust not only the services it provides to elevate its residents’ experiences, but will also need to make changes to its facilities in order to accommodate an entirely different “senior” and their new needs, preferences and expectations. Looking beyond just a gym facility, senior living communities will need to offer more encompassing fitness programs. Beyond just a healthy menu, communities will need to accommodate dietary preferences like gluten-free or religious-conscious menus. Lastly, resident social inclusion will become not just an add-on, but the status quo.

Health and Wellness

Staying active and healthy is a new priority for senior living residents. The number of people over 60 who exercise for at least 30 minutes daily increased from 26% in 2013 to 37% in 2014. As this trend continues to evolve, new communities will need to create diversified programs for seniors. Weekly Bingo games and shows are no longer enough, and even a well-designed exercise room may not satisfy residents.

Today’s residents are looking for communities that provide them with a variety of opportunities to remain physically fit and socially engaged. Exercise classes tailored to specific health problems are in rising demand, and many hospitals have wellness centers that offer programs and exercise classes for seniors. Group classes such as yoga, Pilates, Tai Chi, strength training, and water aerobics classes are especially popular among this demographic. However, advanced fitness classes are increasingly being offered for those residents who strive to maintain a high level of fitness, while some communities even have golf courses on location. These amenities and programs, or transportation to off-site wellness centers that provide them, are some of the key offerings that today’s residents are seeking.

Some seniors seek out opportunities to be active outside of fitness-related endeavors. For example, many find gardening to be a purposeful hobby throughout their lives, and do not want to give it up when entering a senior living facility. Some communities are partnering with local organizations for their residents to enroll in a 12-week course about gardening, where plots at the senior residency are tended to, harvested, and the produce is used on site or sold at local farmers’ markets. This provides an opportunity for activity, community involvement, and a sense of purpose.

With respect to nutrition, foods that promote health and wellness have become a high priority among aging Americans. Information on nutrition is widely available, and prospective residents want to know they will be provided with healthy options at the senior living facility. Furthermore, today’s seniors expect a greater variety of menu options and dining accommodations, and many also enjoy the social aspect of the dining experience. Residents are likely to attend meals if they feel that their health, social, and even their religious needs are met. With this in mind, dining facilities must accommodate a variety of preferences, with respect to the food itself as well as the ambiance of the dining spaces.
Niche Communities

With the ever-increasing number of retirees from a wide variety of backgrounds, another growing trend is niche or affinity retirement communities. It is estimated that there are currently about 100 of these communities, where people who share similar interests, religions, professional backgrounds or lifestyles decide to live in the same community. From gardeners to artists, travelers, history lovers, and LGBT, there are options to satisfy any number of interests.

One of the fastest-growing types of niche communities is university-based retirement communities (UBRCs), which are located on or near college campuses. These are ideal for those who seek intellectual and cultural stimulation. Providing mental stimulation and access to learning, whether at a local venue or in-facility, is vital to attracting and maintaining residents in this demographic. Nearly a quarter of continuing care retirement communities now offer web-based education, as mental stimulation is essential to keeping seniors motivated and psychologically well.

Social Interaction

Research indicates that loneliness is prevalent among older populations and has negative repercussions on seniors’ health and well-being. Social interaction is therefore especially important; in fact, a recent study found that “social support has been demonstrated to be an important element in the health of individuals by...strengthening the immune, endocrine, and cardiovascular systems.” Further, social interaction can also be cognitively stimulating and may help older adults preserve their cognitive abilities.

Most communities offer a comprehensive social engagement program, which includes activities such as arts and crafts, cooking classes, music lessons, book clubs, and holiday celebrations. Ensuring that residents are aware of these events, and encouraging collaboration among residents in planning activities, are simple ways to promote social interaction and a sense of community. Overall satisfaction and a boost in underlying health benefits are likely to result when seniors interact with others and have an opportunity to cultivate close relationships.
Technology Needs

There are two types of seniors, the generally younger senior who is comfortable with technology and online platforms, and the older senior, who may be less affluent and is largely disconnected from the world of digital tools and services, both physically and psychologically. This division is noteworthy — particularly for caregivers who serve the older population. The internet is playing an increasing role in connecting people to news, information, government services, health resources and opportunities for social support. Senior living communities will need to assess the needs of their residents and adjust accordingly — whether it be accommodating the needs of technologically-advanced seniors (e.g., wi-fi, access to tablets, smart TVs) or providing support services to help those residents who are less affluent (e.g., computer classes or staff capable of assisting residents).

STAKEHOLDER EXPECTATIONS AND INCREASED TRANSPARENCY

As the voting population continues to age, this will place pressure on the government to upgrade facilities and fund senior social programs. As with any industry that has increased government intervention, this will likely lead to public policy and increased standards that could re-shape the senior living industry. Rather than offering health and wellness programs as an add-on, it is possible that these offerings could become requirements as the senior voice becomes more predominant.

State regulation was cited as one of the top issues determining what the future of assisted living will look like, according to industry participants in a recent LeadingAge roundtable. There is a big push for government’s involvement in “age in place” programs, which could have significant impact on the senior living industry if this trend takes hold.

Transparency in the industry is increasing, much like in other industries. As a result, initiatives like Senior Lifestyle’s newly-designed website, which lists rental prices and reviews so that prospective residents can differentiate between offerings, are becoming increasingly popular.

State regulation is one of the top issues that will determine the future of assisted living.
CONCLUSION

Across the globe, and within each service industry sector, providers clinging to the status quo of the service delivery model risk ceding ground in market share and pricing power. An understanding and incorporation of experience delivery, on the other hand, can create opportunities for new growth.

As the senior living resident experience undergoes transformation from all angles, providers must re-evaluate existing frameworks and services. The holistic quality of the resident experience — beyond the quality of individual services — is the new normal for how providers will be judged and rewarded. That new normal is a reflection of the increasing importance of the six dimensions that are essential to resident Quality of Life. As a result, the senior living industry will need to re-brand itself as a desirable place to live, rather than a place to die.

Shifting demographics and psychographic characteristics among seniors — longer life expectancy, increased diversity, and a new generation that is healthier and more tech-savvy — will reshape the industry and ultimately the desired experiences of its customers. These shifts will have greater implications than the simple sum of a broader customer base; rather, they are likely to drive broader government spending decisions, policies and oversight priorities. With this in mind, senior living communities will need to concentrate on experience design, and altering existing amenities and services to accommodate a uniquely diverse population of seniors.

Understanding the trends, challenges and opportunities facing the industry is essential — and lack of research in this area is a challenge. This paper introduces some emerging trends, but is just the tip of the iceberg. Many of these trends warrant further consideration, and to help you navigate the changes in senior living expectations, Sodexo is producing a series of whitepapers to further explore the senior living resident experience, including trends affecting resident Quality of Life, new opportunities for experience innovation, and a conceptual framework for experience measurement and design.
Quality of Life refers to “the individual’s experience or perception of how well he or she lives” and is usually taken narrowly to mean a person’s sense of well-being, his or her satisfaction or dissatisfaction with life, or happiness or unhappiness. Extensive research combined with nearly 50 years of experience has led Sodexo to identify six dimensions essential to Quality of Life that our services directly impact. In the senior living setting, these dimensions can be defined in the following way:

1. **Social Interaction** – All factors that strengthen bonds among individuals and facilitate access to entertainment, activities or events. Whether it is a friendly conversation over a cup of coffee or a stroll through a garden, creating an atmosphere that is conducive to social interaction can generate beneficial outcomes for seniors.

2. **Ease and Efficiency** – The ability to devote your full attention to the task at hand and carry it out with ease, efficiency and minimal interruption. When seniors are able to focus on the activities and hobbies they enjoy — while free from distractions — they are more likely to enjoy greater quality of life.

3. **Physical Environment** – Everything that contributes to a person’s comfort and sense of well-being. From optimal lighting and temperature, to clean air and an appealing color palette — well-designed and maintained environments bolster Quality of Life.

4. **Personal Growth** – The opportunity to learn and progress. For older adults, improving their sense of lifelong achievement can start with taking a class or learning a new skill. Whether developing new skills or reinforcing old ones, access to a wide variety of activities and classes is essential for promoting growth among seniors.

5. **Recognition** – Regardless of age and employment status, people want to feel valued for their achievements and contributions to society. Giving seniors the opportunity to pursue goals or give back to their communities — and recognizing these accomplishments — is vital to their Quality of Life.

6. **Health and Well-Being** – A truly healthy lifestyle requires a holistic approach. For seniors, maintaining physical and psychological well-being may require certain adaptations and considerations. Regardless of age, however, adopting healthy eating habits and engaging in regular physical activity are essential for good health.

All of the trends explored in this piece touch on one or more of these Quality of Life dimensions. Sodexo’s approach to achieving optimal Quality of Life in senior living environments involves creating an environment of holistic health and well-being for residents.
REFERENCES


