



**European SeniorWatch Observatory and Inventory -**  
*A market study about the specific IST needs of older and disabled people  
to guide industry, RTD and policy*

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IST-1999-29086

## ***Social alarm services in Germany***

### ***Current situation and trends in a diverse market environment***

Report Version:	1.0 by <i>empirica</i>
Report Preparation Date:	December 28, 2001
Classification:	<i>public</i>
Contract Start Date:	1 <sup>st</sup> of October 2000
Duration:	18 Month
Project Co-ordinator:	<i>empirica</i>
Partners:	WRC, STAKES, EURAG, NPOE



Project funded by the European Community under the  
"Information Society Technology" Programme (1998-2002)

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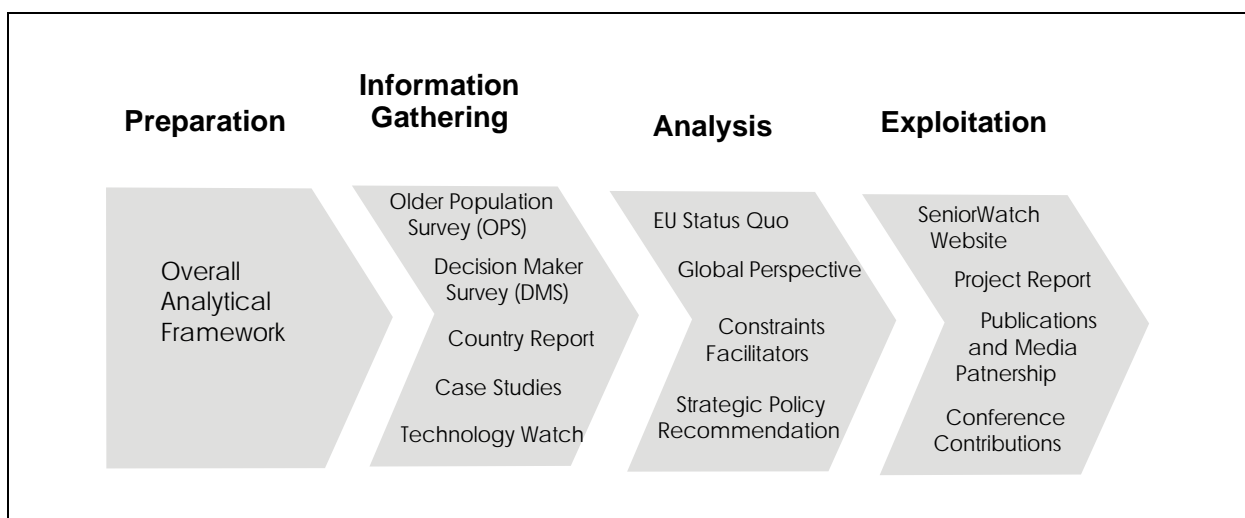
# 1 Introduction

The SeniorWatch project addresses the need to understand better and to monitor the market dynamics of Information Society Technologies (IST) applications and services targeted at older (and older disabled) citizens. Currently, there is insufficient empirical data about the needs of older citizens which could be met by IST-based applications and services, and a lack of awareness on the part of industry, users and politicians that hampers the rapid exploitation of new market opportunities arising from IST developments. In order to redress this state of affairs SeniorWatch will provide a European single source of empirical information on the market potential of IST-based products and services targeted at older people. The main objectives can be summarised as follows:

- to help and encourage European industry to address the market opportunities, and particularly challenge current competitive advantages of the US industries,
- to enable policy to really influence the current situation and to benchmark achievements between different European regions and countries and to make comparisons with competing world economies (Japan, US) most relevant to the field,
- to inform citizens about what is now possible with the support of IST and, thus, encourage them to demand IST products and services which meet their requirements.

As illustrated by Figure 1-1, these objectives require a comprehensive methodological approach to be applied. On the basis of an overall analytical framework, it integrates a set of complementary research methods such as European-wide surveys of older people and of decision makers in care services, best practice case studies, technology watch work shops and country reports. Synthesising the various types of empirical information gathered with help of these methods will finally enable the project to arrive at an holistic overview, to establish a technology and market observatory, and to derive policy recommendations to accelerate market development. Research results will be exploited by means of different measures.

**Figure 1-1: The Project Phases of SeniorWatch**



Source: © SeniorWatch, 2001

As part of the project's overall methodological approach the SeniorWatch case studies aim at providing a useful source of information on how the IST-related needs of the target groups in question can adequately be served. They are also intended to help to understand - in a qualitative manner - more deeply specific aspects of the market situation related to IST

products and services relevant for older citizens. To allow a comparative analysis of real-life examples, a common approach for selecting and describing suitable cases was developed. The main selection criteria applied in this context include:

- suitability of the case to provide input to the overall understanding and analysis of the market for IST among older people;
- suitability of the case to serve as an example of a success story (or failure) that can guide and motivate others to take actions that will support the diffusion and take-up of IST by or for older people.

In the following the SeniorWatch case study no.17 is described.

## 2 Social alarm services in Germany: Current situation and trends in a diverse market environment

### 2.1 Description

#### Aims and objectives

Social alarm services are targeted towards vulnerable elderly people or people with disabilities. They involve the capability to trigger an alarm from the home and have some level of communication when an emergency situation arises. The objective is to provide 24 hours emergency support to vulnerable people.

With regard to terminal equipment required, a basic distinction can be made between active systems and passive systems. Active systems involve the party in need of help triggering the alarm themselves. This can be by simply unhooking the telephone, pressing a single button on the telephone, pressing a button on a body-worn pendant, or by a number of other means. Two-way voice contact can be provided either in a basic way via the handset or, in more advanced systems, via distributed microphones and speakers. Passive alarm systems work on the basis of the absence of a particular event, for example, sensors may be placed in bathrooms which trigger an alarm if not activated within a certain time period. Home monitoring needs appropriate sensors and, possibly, actuators. However, passive alarm systems have been implemented only on a pilot basis and are not yet available as a regular service in Germany. The overwhelming majority of current alarm services available in Germany requires the client to actively trigger an alarm, and the ability to do this is a crucial precondition for getting access to the services.

Triggered alarm calls are usually handled at a service centre. Usually, the call is automatically related to the client's ID-number, and relevant data about the client are displayed to the service centre staff. The service personnel has immediate voice contact to the client in order to clarify the situation. Depending on the results of this clarification process follow up measures are initiated respectively. Here, two organisational concepts can be observed:

- The alarm centre receiving incoming alarm calls informs a particular Emergency Medical Service (EMS) responsible for executing any follow up measures.
- The alarm centre employs own field staff executing any follow up measures required. In such cases, the alarm service is usually embedded into a broader service concept where mobile field staff establishes a long-standing relationship with the individual clients by regularly providing different sorts of support, e.g. support of activities of daily living or social advice. Some local service providers have subcontracted bigger alarm centres to which incoming calls are being forwarded during the night hours. By avoiding expensive night shifts labour cost can be reduced.

Alarm services are widely available in Germany. Depending of the service concept employed and the equipment used prices vary from € 25,- to €60,- per month. The overall price usually divides into a basic service charge and rental costs for the equipment used.

#### Context

In Germany, first implementations of alarm services trace back in the early 80ies:

- In 1979, the Federal Ministry of Research and Development funded the first pilot implementation of a "social alarm service" at St. Willehad hospital in Wilhelmshaven. The system used in this context was developed by ANT-Telefunken located in Backnang near Stuttgart. A first prototype was implemented in 1980.

- In 1981, further services were launched by welfare organisations in other cities. Costs were reimbursed by the municipal social service departments for disabled people and people with low income. Nevertheless, it proved very difficult to attract clients in those days and penetration rates were very low.
- In 1983 a social alarm service was awarded with the so called Innovation Award of German Business (Innovationspreis der Deutschen Wirtschaft), and received high public attention.
- In 1995, costs for home equipment were listed in the official catalogue of assistive de-vices reimbursable under the statutory care insurance scheme. Since then equipment costs of up to € 17;- are reimbursable for people who are entitled to claim benefits from this insurance scheme.

Today alarm services are widely available in Germany and constitute an integral part of social services available to older people. Today, 180 alarm centres are being run by welfare organisations as well as by private enterprises. However, compared with other European countries penetration rates are still very low. According to as yet unpublished results of the SeniorWatch user surveys only 1.9% of the German 50plus population lives in a household connected to an alarm service (5.6% in the Netherlands, 13.5% in the UK).

## 2.2 Analysis

### Impact

The main target groups which have been addressed by alarm service providers so far have been elderly and disabled people. Especially very old people (80+) were targeted, and they represent the main user group today. Many of them are homebound and live on their own. According to the experts consulted in the context of this case study, a high proportion of alarm calls triggered by the clients are so called "blue calls", i.e. they do not refer to an emergency situation in a narrow sense. In such cases the alarm is merely triggered due to a unsatisfied need for interpersonal communication. In this sense, alarm systems tend to be "misused" for satisfying social needs rather than to be applied as a tool for calling for help in an emergency situation. Against this background, a number of pilot projects have been implemented in Germany during recent years to investigate possibilities to augment traditional alarm services with further service components aiming at satisfying the social needs of the clients. Recently, a video telephony-based support service has successfully passed the pilot stage and is now available as a regular service offer (see Tele-Service case study present in this report).

Also, the increasingly competitive business environment alarm service providers are faced with induces experimentation with new business concepts. Considerable potentials for the evolution of current alarm services are seen in technologically upgrading traditional alarm systems, and to ultimately arrive at automated home environments which can be maintained remotely. On the basis of technologically advanced infrastructures a range of services become possible which go far beyond the traditional emergency call service. Mobile technologies are seen as a promising technology to be exploited in this regard. Some providers are exploring possibilities to augment traditional alarm service with home security applications such as burglary and fire alarms. Another concept that is being explored focuses on transforming traditional alarm centres into one-stop-shops where a wide variety of goods and services can be ordered, e.g. food or transportation services.

However, the experts consulted in the context of this case study frequently mentioned lacking customer orientation at the side of alarm system manufacturers being an impeding factor for implementing advanced service concepts.

Some alarm service providers are now considering to utilise their alarm centre for providing commercial call centre service besides the traditional alarm service. Service providers from

the welfare sectors face, however, a dilemma in this regard. On the one hand, they would lose their legal status as a welfare organisation if they were offering commercial services. On the other hand, they have to cope with increasing cost pressure urging them to earn sufficient revenues.

Due to the increasing cost pressure social service providers are faced with, they are forced to provide their services more efficiently, and advanced alarm services are seen as one solution to cope with this problem. Costs are usually reimbursed in cases where a medical need has been certified by the medical service of the reimbursing body, e.g. the statutory care insurance or the welfare administration. In such a case, the equipment as well as the service charge for ordinary alarm services are reimbursed. However, any advanced service components - such as social support or leisure offerings as described above - are not paid for.

Through the introduction of the statutory care insurance scheme the emergence of a private care sector had been facilitated. Hence, the business environment of care service providers has become increasingly competitive during recent years, and therefore alarm services are increasingly advertised to the wider public. Future market developments will however depend on the success of new, demand-oriented service designs and on the availability of adequate advanced home (emergency call) technology.

### Lessons

This case study shows, how important public subsidisation of particular services can be to stimulate broader uptake. In Germany, it took some 15 years until alarm services became widely available, and up to now few services would be able to survive without availability of costs reimbursements.

The case study also shows how economic (competitive environment, cost pressure) and regulatory (eligibility for reimbursement, proscription of making profits for welfare organisations) factors can drive or constrain the development and implementation new service concepts utilising advanced technologies. In general, upgrading existing alarm services appears to be a viable option for deploying more advanced services targeted towards older people, as alarms services have become an integral component of social care during the recent years.

## 2.3 Acknowledgements and links

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