



Lightbox

S

P

A

C

E

S

Solving for India's Elders

A latent but inevitable market opportunity

August 2024

About Lightbox

We invest in next generation consumer businesses that use technology and brand to solve for India's consumption economy. Rebel Foods, Bombay Shirt Co, Zeno Health, Cityflo, Nua, Amaha and Furlenco are some of the companies in our current portfolio.

www.lightbox.vc

Disclaimer

This report is a copyright of Lightbox India Advisors Private Limited (the Company). No reader should act on the basis of any statement contained herein without seeking professional advice. This document is for general information purposes only and does not constitute investment advice and should not be relied upon for investment decisions. This document neither constitutes an offer to sell nor a solicitation to invest in any product or service.

Use of copyrighted materials or images has been avoided and if used, the source has been cited and/or credit attributed.

Contents

5 Executive Summary

9 Sizing the Market

15 Healthcare Opportunities

43 Discretionary Spending

Executive Summary

India's elderly are the fastest growing segment of the country's population. Against the backdrop of growing consumption across the board, there is merit to evaluating this demographic as an untapped opportunity.

While the elderly are by no means a monolith, they do skew heavily towards spending on healthcare and away from discretionary spending, which provides the initial lens through which we examine opportunities in this space.

The unique health challenges of the elderly are inadequately addressed today. There is a need for services (and products) to improve and expand their healthcare experience.

But the market for them is relatively fledgling. Existing and emerging models have not yet proven scale and sustainable economics.

Executive Summary

In our analysis of the eldercare market opportunity, we looked at the limitations and complexities of existing segments and explored white spaces where elders and their children may be willing to spend.

Beyond health, we are also at the starting line for an uptick in discretionary consumption by young and soon-to-be (urban and mid-high-income) elders, who earn and consume more than previous generations.

Overall, there is high conviction on latent demand and the inevitability of this market. This thesis is a foundation upon which to build further views as the landscape evolves.

...

Sizing the Market

India is experiencing a demographic shift reflective of global trends. While the country may not be ageing as rapidly as developed nations such as Japan or the United States, the elderly population is on the rise.

Lightbox

The elderly are the fastest growing segment of India's population

Elder Population:

150M

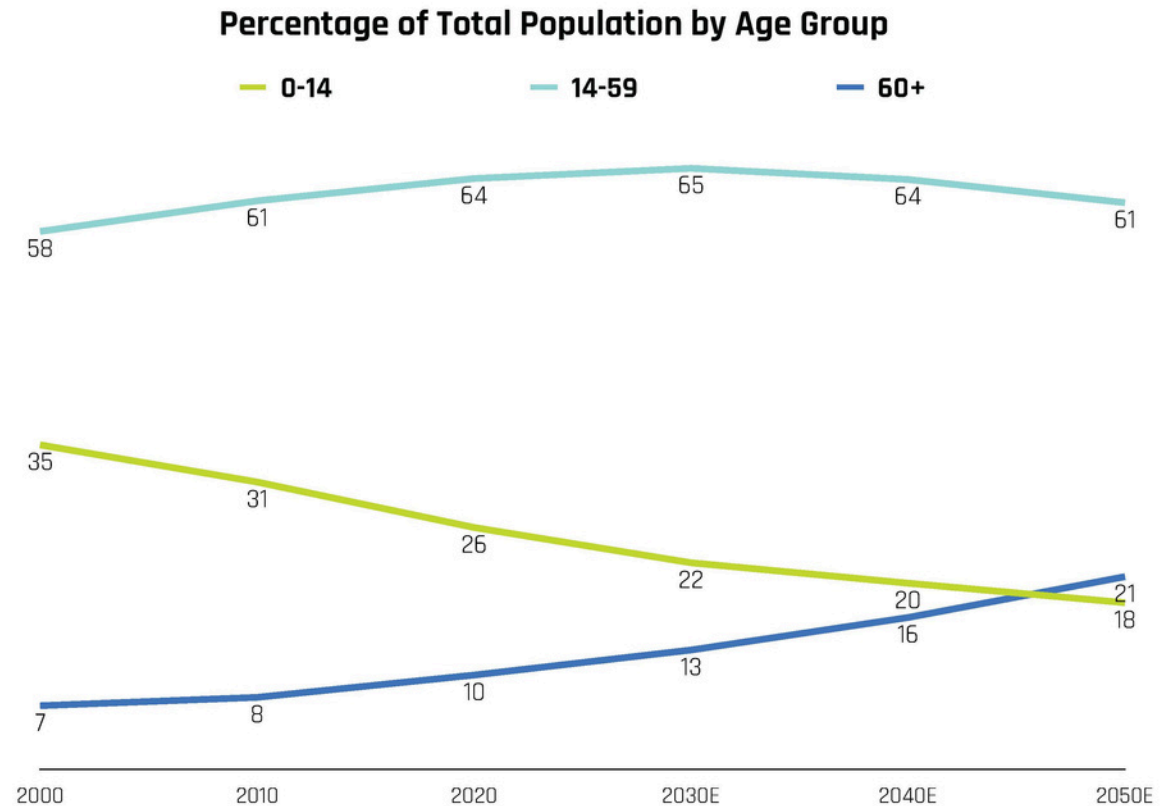
2023

195M

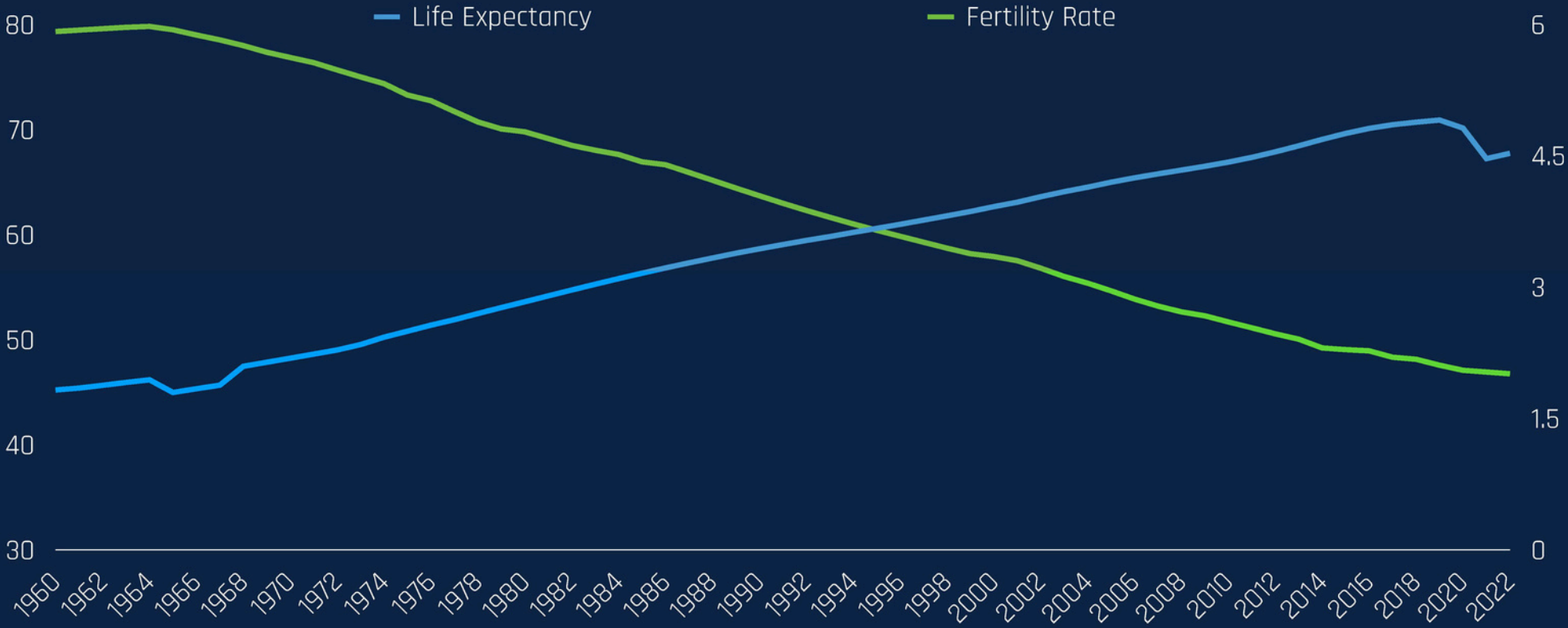
2030E

347M

2050E

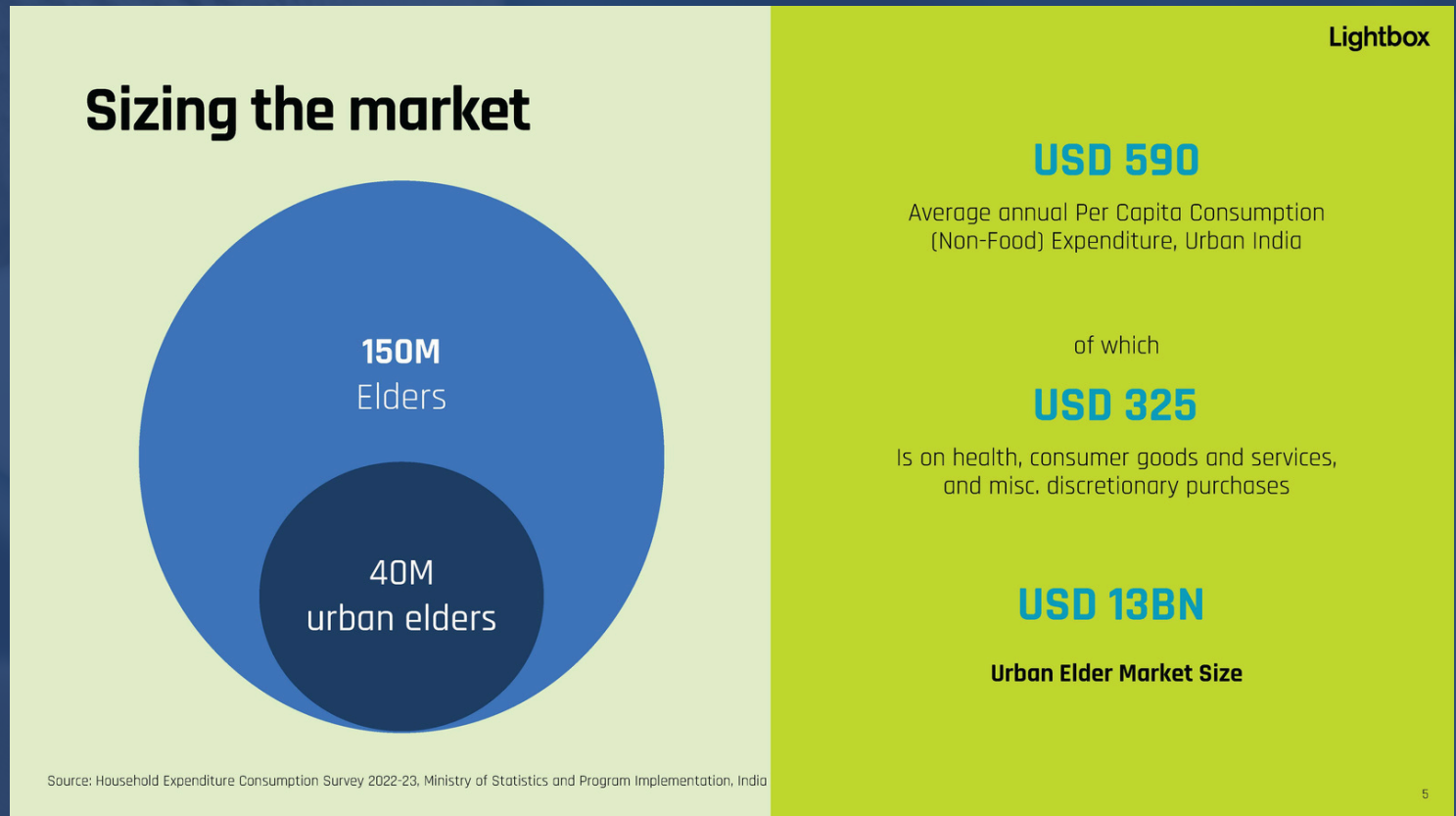


This is driven by higher life expectancy and lower fertility rates



Source: World Bank

Eldercare is not the most straightforward market to size. The age demographic involves a massive horizontal cross-section, with a lot of geographic, financial, cultural and, therefore, behavioural variation. After spending some time with consumption data, we took urban elders as a rough proxy and looked at their consumption expenditure, excluding categories such as food, rent and educational spending.



The sandbox within which this thesis plays takes into account expenditure on health, consumer goods and services and, discretionary spending. This gives us a working market size of around \$13 billion.

It is important to note that urban elders are not the perfect proxy for paying elders. Because we are talking about a demographic and not a sector, the size of the market is not the best indicator of the real consumption opportunity in this space.

Lightbox

The market, however, is not an accurate picture of elders as a consumption opportunity today

1

Conventional and industry wisdom: "Elders don't spend on themselves"

2

Massive variation in spending by category

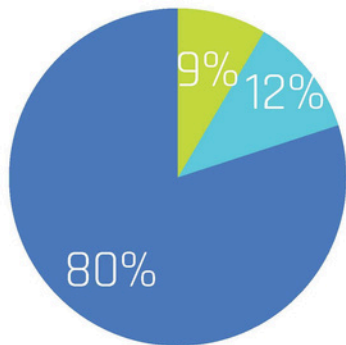
3

Large segment of children spending on their parents unaccounted for

Evaluating elders as consumers: the discretionary spending boom is not here yet

Net Worth
(N)

<9% of elders have a net worth of over INR 50L (\$63K)



● >\$63K ● \$25K-63K ● <\$25K

Liquidity
(N)

Largely Illiquid

75%

Own Land

65%

Own 1 or More Houses

Financial Autonomy
(Y)

While 75% are dependent on their children to some degree, 63% have spending autonomy.

However, only 28% of elder spends are on discretionary.

30%+ are OoP healthcare spends, anywhere between 1.5-3x that of the rest of India.

Source: Agewell Foundation

Children living away spend on parents' health and their own convenience

64MM

Diasporic Indians

52%

of Indian households are nuclear families

Increasing rates of international and domestic migration, driven by professional opportunity:

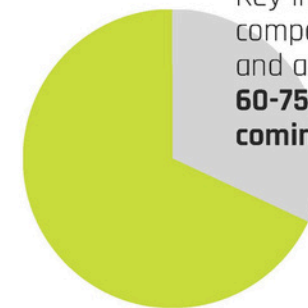
More children are living away from their parents

Willing to pay for: Parents' **health and wellbeing** + their own convenience, time, and peace of mind.

Children are making more than previous generations

Disproportionate increase in the highest income bracket

Able to pay more.



Key Indian eldercare companies (home care and assisted living) see **60-75% of their revenue coming from children.**

Source: UNFPA, Agewell Foundation

Therefore, we see three kinds of opportunities in the elder market:

1. New opportunities in areas of existing spend

Improving the healthcare experience (convenience, access)



2. Building in offshoot spaces

Expanding the healthcare experience: e.g. Out-of-Hospital care



Healthcare

3. Building in white spaces

Financial and social needs



Discretionary consumption and lifestyle



...

Healthcare Opportunities

I. Healthcare for elders

1

Out-of-Hospital care as
a need and a solution

2

Improving the
healthcare experience
across the continuum,
including hospital care

The opportunity

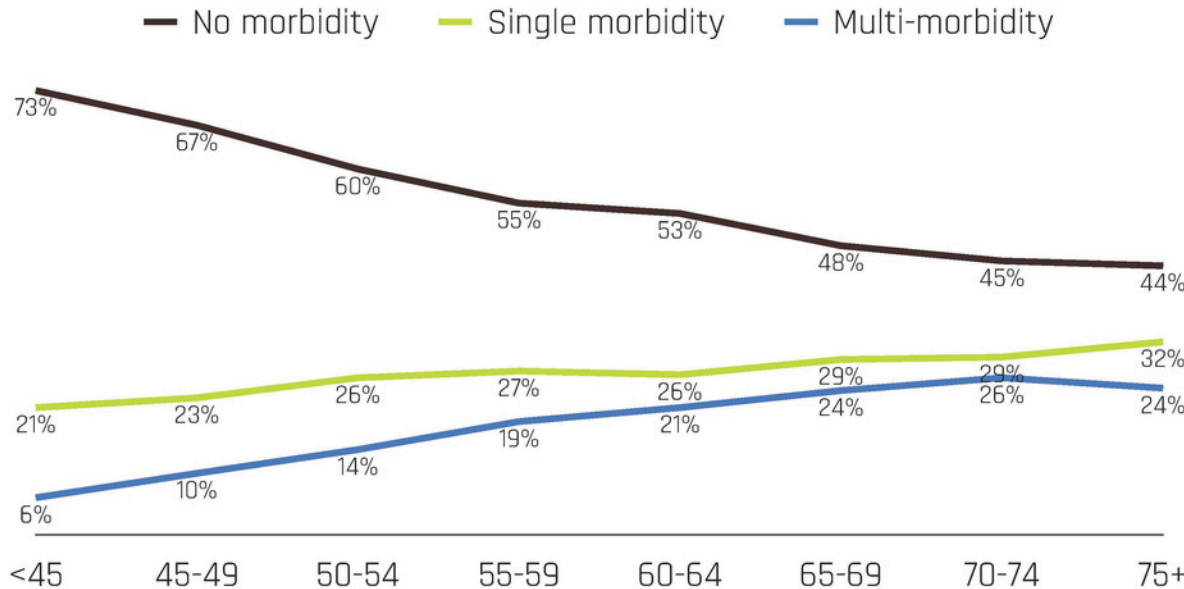
We estimate a

USD 6BN

Elder health market size

While life expectancy has improved, so has the incidence of chronic diseases and adverse mental health

Morbidity Conditions Among the Elderly, 2018



63%
Of Deaths Result From Chronic Diseases

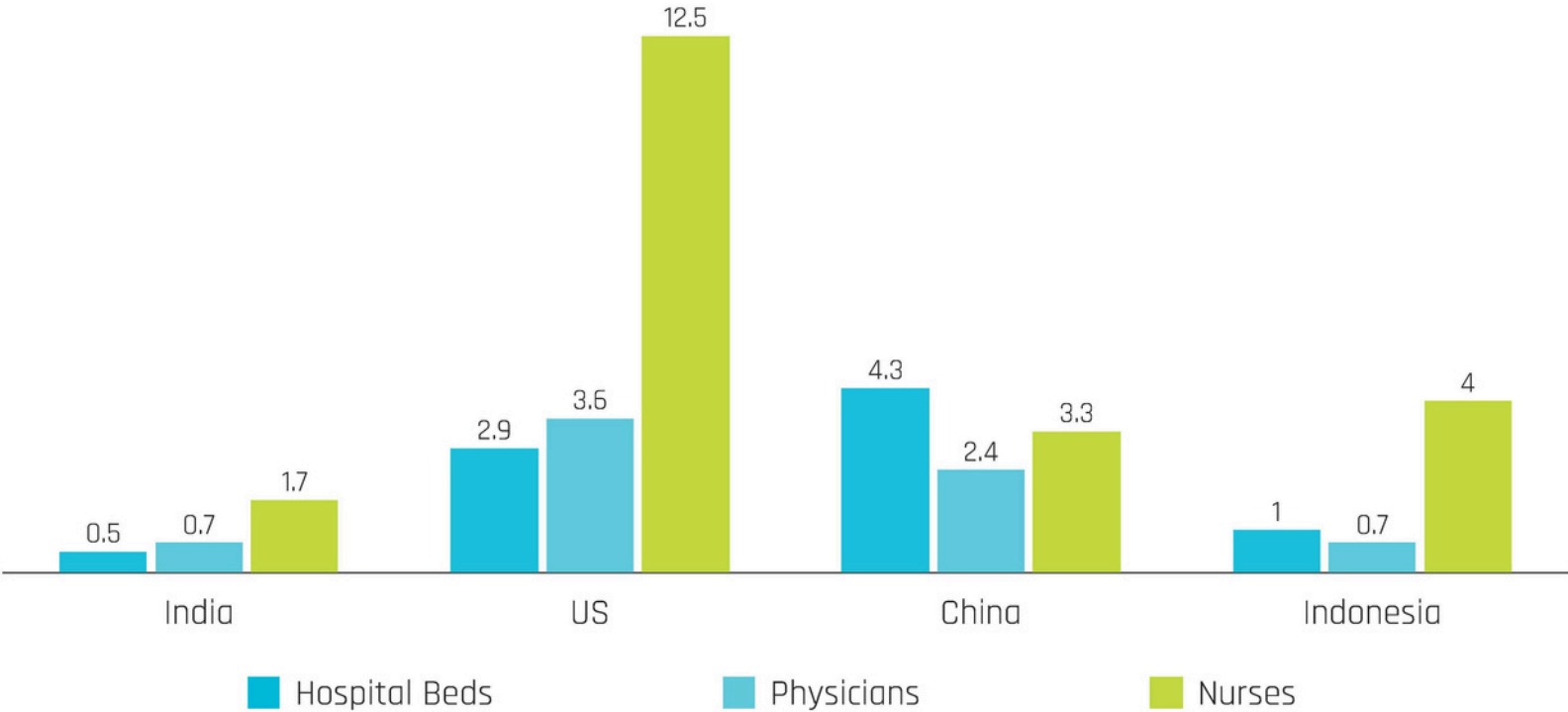
40%
Have 1 or More Disability

30%
Exhibit Depressive Symptoms

Source: Longitudinal Ageing Study in India (LASI) Wave-I Report, 2020; NITI Aayog 2024

India lags severely on institutional and practitioner supply

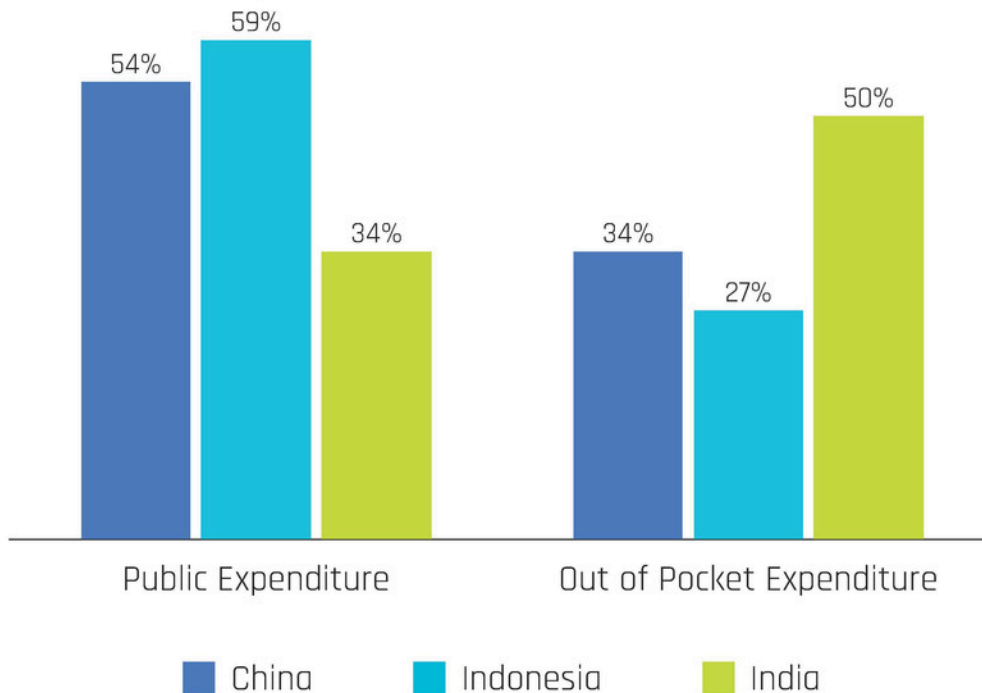
Healthcare Supply (per 1,000 People)



Source: WHO Global Health Workforce Statistics, OECD. Hospital bed data from 2017, rest from 2020.

Affordability of treatment is a challenge...

Public vs. OoP Health Expenditure (% of Total), 2021



OoP burden for in-patient and specialised care is disproportionately higher:

Care Level	Insurance Financing (Public + Private)
Primary	48%
Secondary (General in-patient + diagnostics, specialized outpatient)	33%
Tertiary (Specialized in-patient + diagnostics)	14%

Source: WHO Global Health Expenditure Database, National Health Accounts Report (2020)

...financing mechanisms such as insurance are underdeveloped...

<26%

Of households with citizens aged 45+ have any form of health coverage, of which

21%

Of households are below the poverty line.

~1.4%

of Indian elders have private health insurance coverage



Chronic conditions often excluded from coverage



High premiums made higher for elder-focused plans



Non-medical care/home care largely excluded from coverage

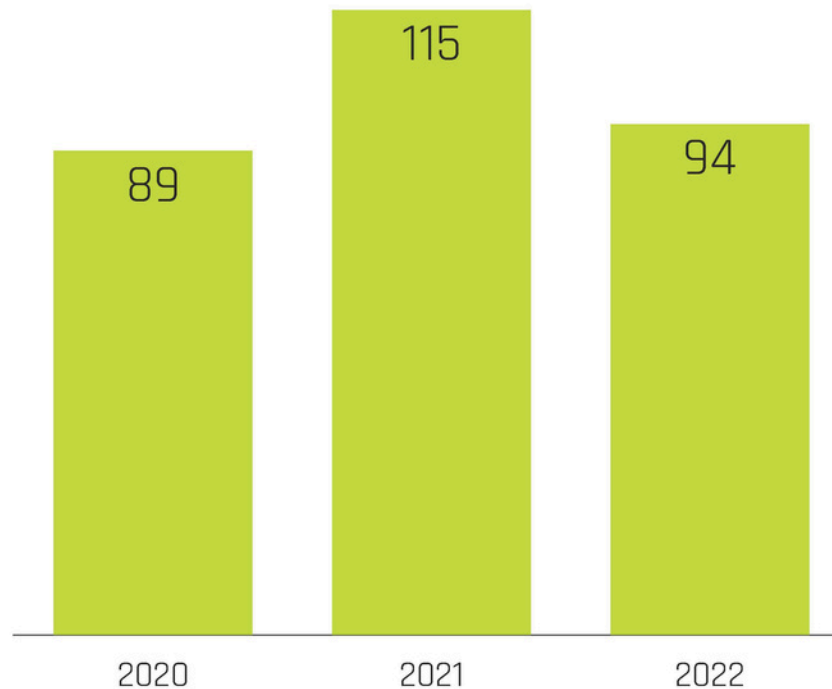
Source: LASI 2018

14

Insurance is truly the key that can unlock the eldercare market -- the most important piece of the puzzle that's suboptimal in adoption and impact today.

...and hospitals are disincentivized to offer long stays

ALOS Well Above 72 Hours



Optimising Average Length of Stay (ALOS) reduces hospital costs and increases patient volumes.

Revenue-per-bed yields taper off after the 72-hour mark.

Therefore incentivised to increase Revenue per Bed, which hurts the patient.

<8%
of elders avail in-patient care

Source: Frost & Sullivan, LASI 2020

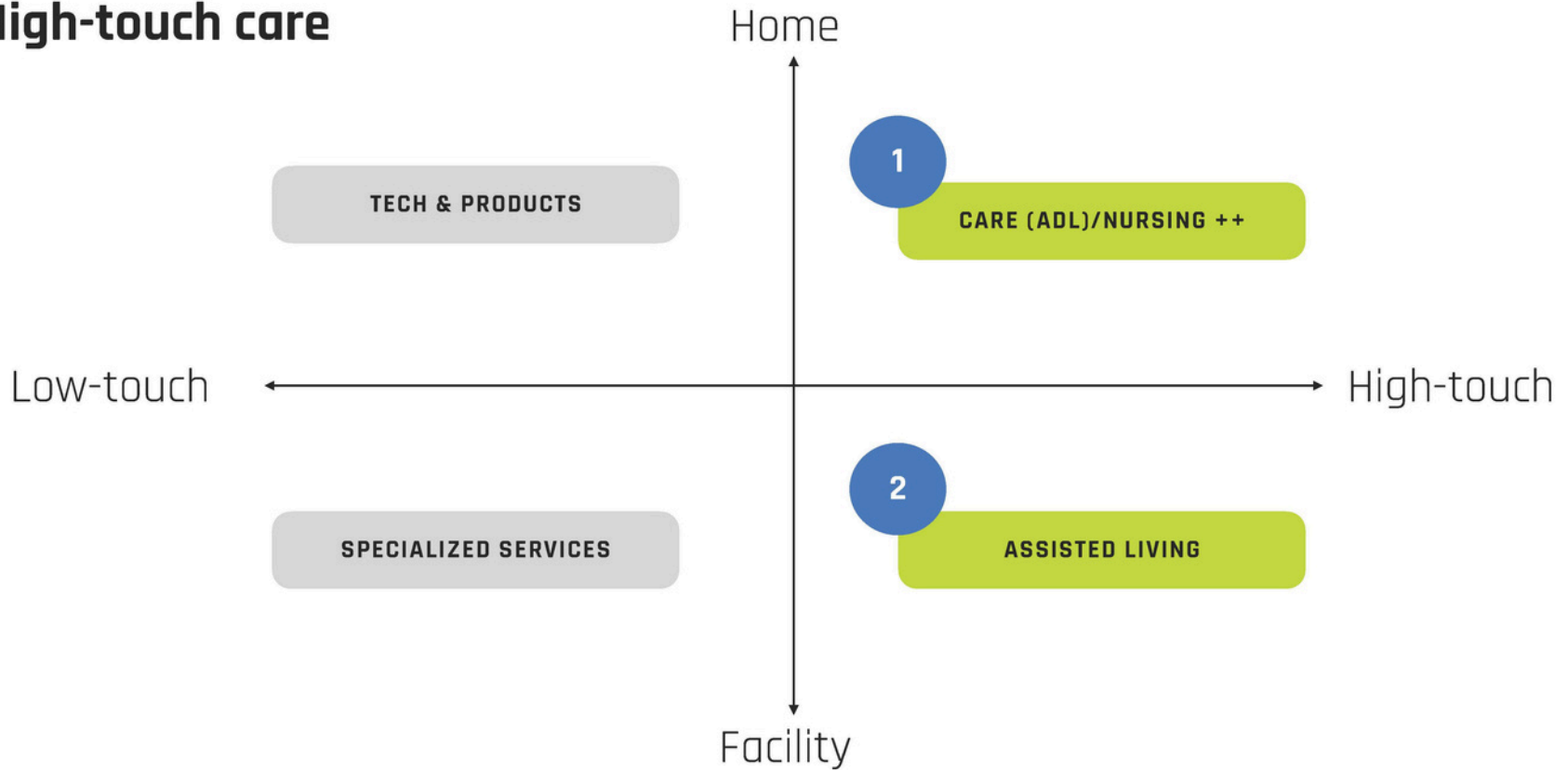
This makes Out-of-Hospital (OoH) care a more attractive solution

Costs per day (\$)	Hospital	Home
Eldercare	65	<20
Post-surgical care	125-250	<65

Source: Frost & Sullivan

Out-of-Hospital Care: Landscape and Opportunities

I. High-touch care



Home care startups are evolving in search of more sustainable economics

Phase I



Supply consolidators,
Fundamentally low gross margin businesses



Phase II



Building an infrastructure of convenience and service continuity around the basics of home care (attendants and nurses).

Increasingly **full-stack** in search of margins.

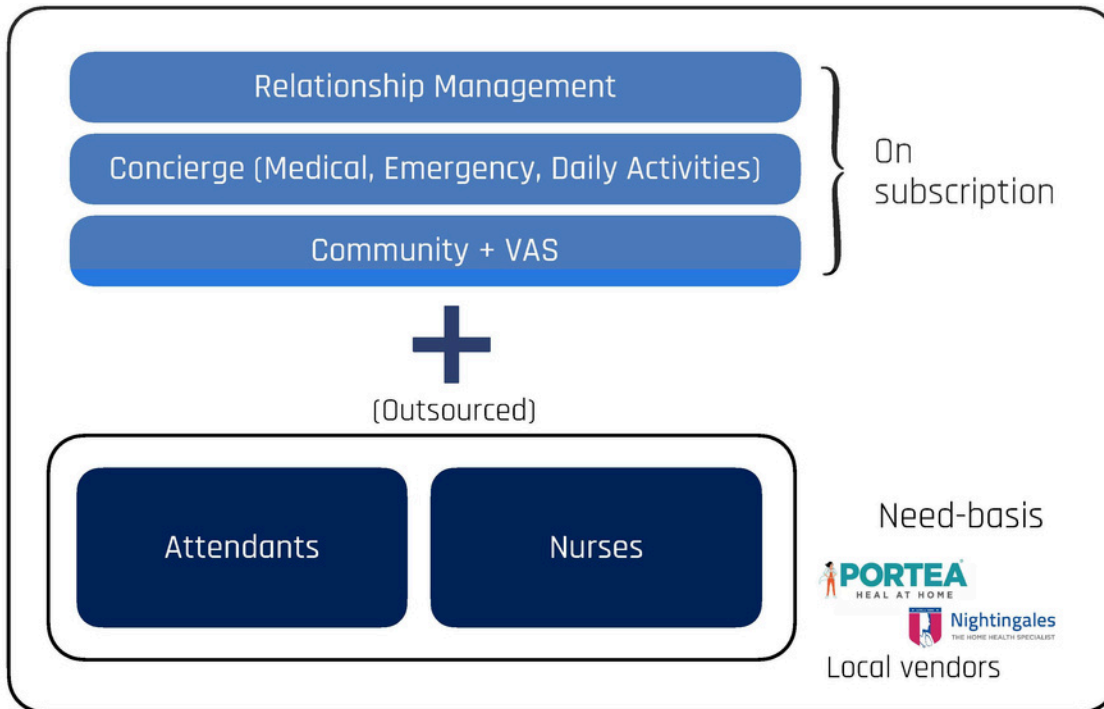
High income TG for increasingly high AOV baskets

FY21	Portea	Nightingales	HCAH	Apollo Home Care
GM%*	[8%]	[14%]	[2%]	12%

Source: Frost & Sullivan

Going full-stack to expand margins

The Model:



Lightbox

Outsourcing low margin services such as attendants/nurses

Cost to Customer	30,000
Paid to vendor	18,000
Take	12,000
Margin	40%

Optimising service mix for highest spend

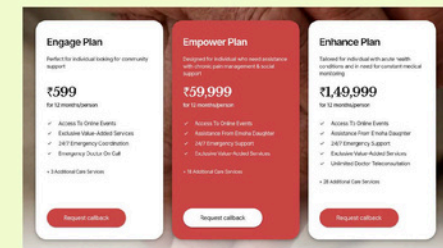


Adding home ICU/palliative care: 3x the spend.



Medical equipment/dialysis-at-home packages

Upselling, bundling medical and non-medical services



Moat: Building trust via long-term, high-touch relationships

Assigned relationship managers

- Progress visits
- Overall experience
- Companionship and assistance
- Grievance redressal



Source: Screenshot, Samarth website

Samarth, Caring For Parents Like Son And Daughter!



Source: Screenshot, Samarth website

Why Daughters?
Research shows daughters provide 2x more caregiving than sons

Who are they?
Women from high empathy industries – education, nursing, hospitality

Source: Screenshot, Emoha website

- Adds a crucial POC for elders’ children/family.
- Family positioning (empathetic, “highly educated”, English-speaking) solves for trust.
- Long-term relationship incentivises long-tenure subscriptions (6-12 months).
- 30-40% margin on subscriptions, 90%+ NPS.

Making concierge work: a vertical rather than the core business

A concierge service for elders that shut shop after 3 years of operations:

Elders unwilling to pay subscription fees for a convenience service, and pay-as-needed wasn't

Not prioritised by children spending on their parents.

Phase II home care companies:

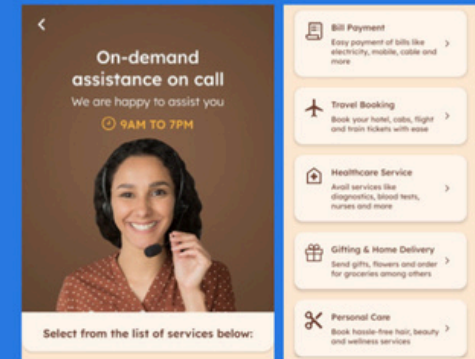
~5% GM business, 1) AOV is low, 2) take from vendors is low.

Works as an add-on service, to bolster the case for bundled subscriptions.

Contributes to NPS, retention, and capturing the user across the value chain.

Indicative Margin Structure	
GM (Subscription)	30%
GM (VAS/Concierge)	5%
GM (Blended)	17%
GM (Steady-state expectation)	30%

Why app-first concierge services are struggling:



- Not high-touch enough:
 - No continuity in contact person or remembered preferences
 - Too much of the decision-making is on the the elders
 - No room for misc. services/ elder-led requests

There are a couple of things that stay our hand on this space. This is an inevitable market, and in the long term, could be a very exciting opportunity. However, there are a host of players with similar playbooks and similar propositions. They are attempting the same kind of horizontal expansion in services. These players could continue to do what they're doing at the current rate of topline growth or expand further to non-home care with assisted living facilities.

Lightbox

As multiple new players seek to go rapidly full-stack, cannibalisation is a risk

As is **low CAGR:**

Samarth and Emoha have both been around for 5+ years.

To grow sustainably, these companies have **two options:** to stay at a simmer, or expand even further horizontally – e.g. beyond home care.

However, they're great growth channels for other elder focused products + services:

- High-intent audience
- Piggyback off the trust that these players have built.

A growing bridge between home care and assisted living

Services Availed by Age	<60-65	65-75	75<
Home Care			
Assisted Living			

- Home care is used by elders across the age spectrum, with increasing concentration as age-related challenges grow.
- Assisted living is not typically used by elders under 75.
- Therefore, there is a **pipeline effect** that players in this space can capitalise on, and **many major home care players are major assisted living players as well.**



Demand for assisted living outstrips supply, for now...

In a number of situations, home care may not be sufficient to meet the needs of elders or their families/caregivers:

The 75+ demographic - the key assisted living TG - is the fastest growing elder demographic:

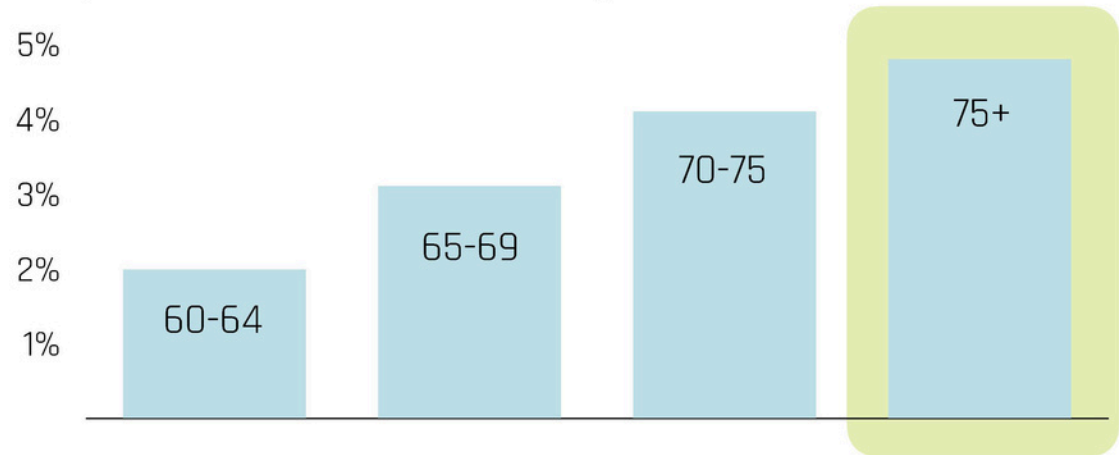
Per industry estimates, there are currently only ~20,000 high-quality assisted living beds in India

17-22%
of elders live **alone** or with their spouse only

4M elders live with **Dementia**

8-10M elders require **palliative** care

Population Growth Rate of the Elderly, 2022-32



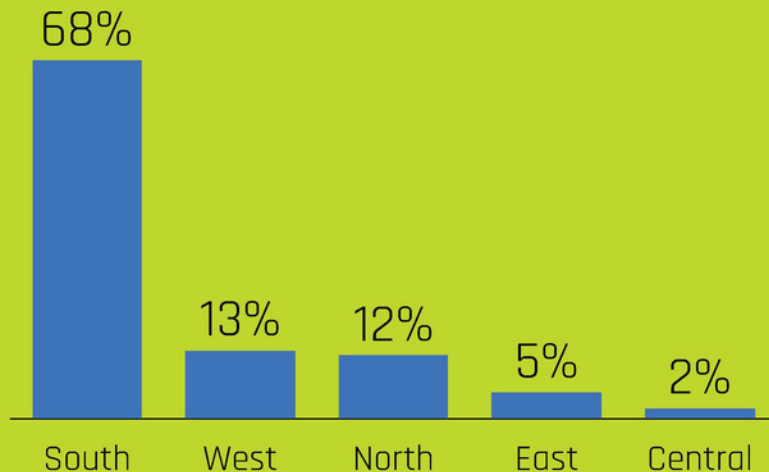
Source: Niti Aayog 2024; Chandra, Debnath, and Nongkinryh in the Indian Journal of Palliative Care, 2023; JLL, UNFPA

...but due to persistent stigma the concept has yet to gain traction in much of the country

South India is the outlier:

Elder-focused residential projects as proxy

No. of Senior Living Projects by Region, India



Source: HelpAge India, JLL

The market is highly fragmented; the vast majority of India's meagre ~380 private facilities are standalone.

Therefore, the opportunity is consolidation and quality assurance – which has opened the door to sharp premiumisation.

Assisted living players are highly premium; more affordable offerings will erase margins



Unit economics (indicative)	
Price/bed/month (\$)	1000-1300
Facility-level GM (post-rent)	25-30%
Rent (% of unit revenue)	10-25%
Occupancy to breakeven	45-55%

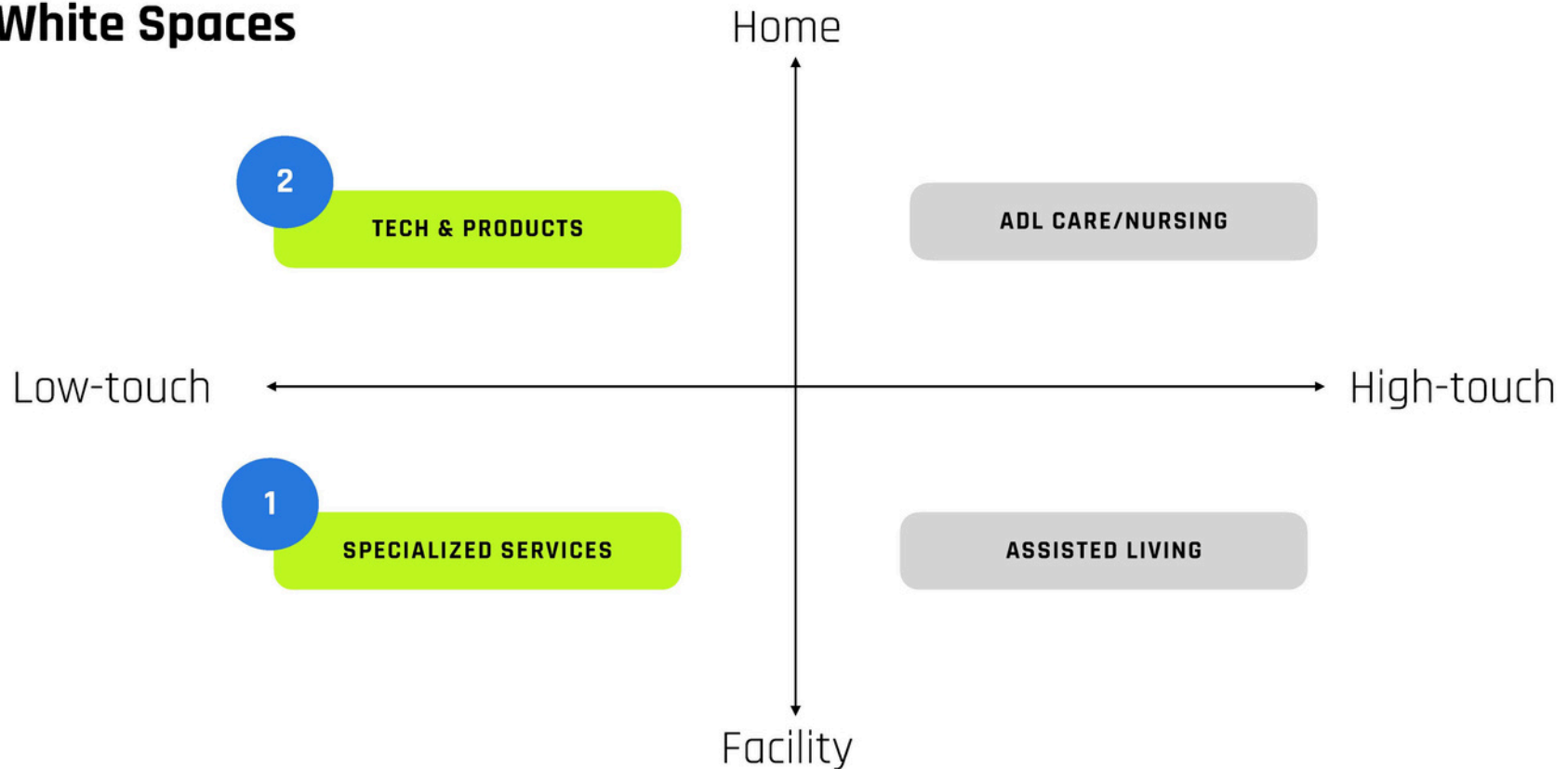
Premium pricing is on the back of ADL care, specialist care, dementia care, diagnostics, and VAS (community events, concierge, a variety of meal plans, etc.).

This pricing throttles demand.

While conviction on the market is high, both the **pricing** and the **low operating leverage** nature of the business indicate that assisted living in India has yet to come into its own as a venture investment opportunity.

Out-of-Hospital Care: Landscape and Opportunities

II. White Spaces



Specialized services: Plugging the gaps across the healthcare spectrum



Navigating hospitals can be confusing and intimidating



Majority of elders must visit multiple discrete points of care



Hospitals, home care, and assisted living do not solve for all use cases

Elders face a number of challenges in navigating the physical space, billing complexities, information deficits, and lack of adequate support or explanation from practitioners.

With various co-morbidities, elders are forced to visit a host of specialists, which is tiring, expensive. These specialists may view conditions as discrete, instead of in the broader context of age and impact.

For example, elders may need:

1. Less intensive support/part-time support
2. More community and less isolation

Navigating the system: Hospital Buddies

In addition to the pain and stress of undergoing treatment, elderly patients suffer the **time, effort, stress, and monetary burden of fragmented treatment:**



**SCHEDULING
APPOINTMENTS**



**FINDING
TRANSPORTATION**



**PROCURING
MEDICATION**



**COORDINATING
WITH INSURANCE
PROVIDERS**



NAVIGATING BILLING



**UNDERSTANDING
COMPLEX DIAGNOSES/
PRESCRIPTIONS**

A photograph of a health help desk at a government hospital. A woman in a white lab coat is talking to an elderly woman. A man in a wheelchair is also present. There are signs for 'Health Help Desk' and 'Kanchipuram Government Quarters Hospital'.

741,182 beneficiaries across 4 Govt. Hospitals
297,677 elderly
71,202 ANC/PNC women
35,601 specially challenged
38,123 COVID-19 awareness & counselling
21,061 COVID-19 vaccination support

**HEALTH HELP
DESKS**

Source: Hand in Hand India Facebook page



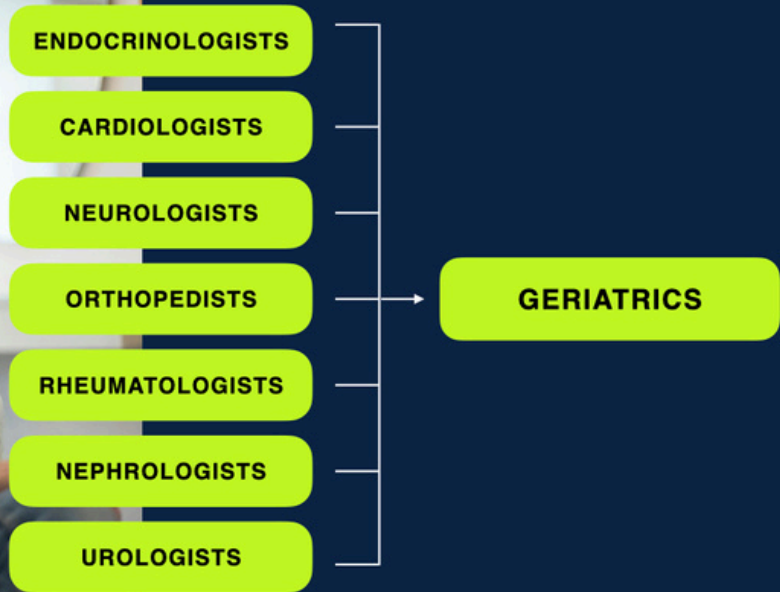
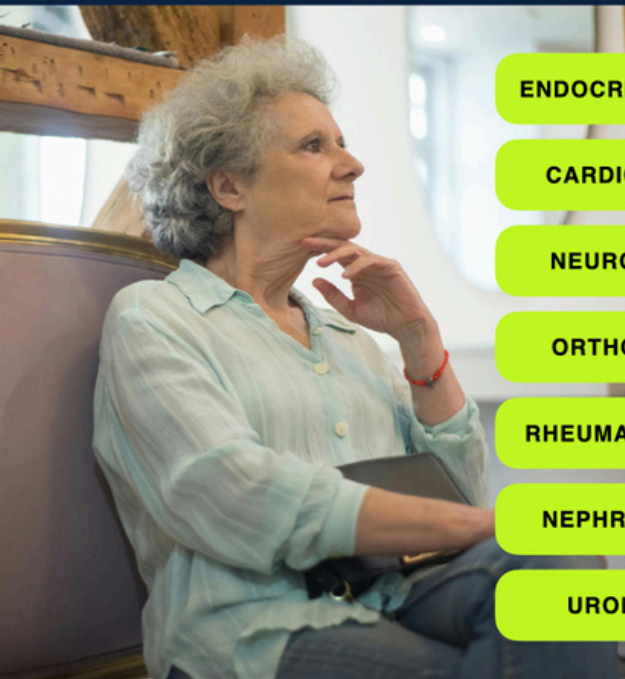
**Hiranandani
Hospital**

Your Family Hospital™

Hospital Assistance Team

SOME PROOF OF CONCEPT SEEN IN GOVERNMENT AND MAJOR PRIVATE HOSPITALS ACROSS THE COUNTRY, BUT THERE REMAINS A NEED FOR A BROADER, HOSPITAL-AGNOSTIC SERVICE.

Geriatrics is a much needed, and absent, specialisation



Why?

- EASIER, MORE ACCESSIBLE PROCESS FOR ELDER
- CARE AS A CONTINUUM, MULTI-CONDITION CARE
- COORDINATING FURTHER TREATMENT

The end-to-end opportunity in geriatrics

TRAINING PROGRAMS, DEDICATED MEDICAL SCHOOLS

India gets **only 20 new geriatricians** a year.

Only **eight** major institutes provide M.D in Geriatric Medicine and subsequent training.

VERTICALIZED CHAINS: THE PRIMARY CARE

While geriatrics departments exist at a handful of private hospitals, not nearly enough. Massive **primary care deficit** in private healthcare.

NPHCE, rolled out in 2011, has seen very limited success, which remains confined to district hospitals for the most part.



Middle-of-the-road services: loneliness lens



Source: Khyaal on Twitter/X



Source: GenWise website



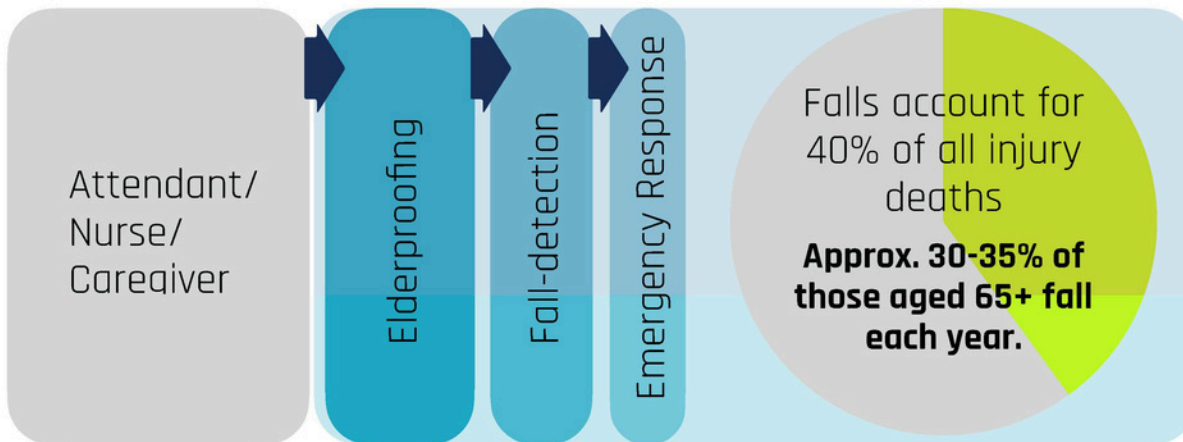
Source: NEMA Eldercare website

In-person services such as elder daycare, for those with working children, remain niche across markets, and no strong player has emerged.

Digital community/support models yet to show prove monetisation.

Completing the care stack at home with tech products

Comprehensive Home Care Stack



Traditional wearables won't cut it:

A meagre 3-9% of elders in the US use wearables, a number that is likely to be drastically lower in India, where wearables and digital adoption among the elderly lag far behind.

CHARGING

TECH-SAVVINESS

FORGETFULNESS

INVASIVENESS



Source: WHO, EMarketer

Lightbox

Opportunities:

ELDERPROOFING SERVICES
(OPPORTUNITY FOR HOME CARE PLAYERS)



NON-INVASIVE FALL-DETECTION AND EMERGENCY RESPONSE
(OPPORTUNITY FOR NEW TECH PLAYERS)

KUBOCARE

Building a services wrapper around health products: the Lenskart play in hearing

The Opportunity:

- 63M+ suffer from significant auditory impairment
- Referral chain broken
- Buying experience broken
- Highly fragmented market
- Latent and untapped demand
- Long-tail post-sale services

The Model:



Unit Economics (Illustrative):

GM	37%
Clinic Network EBITDA	10%
Clinic Breakeven	3 months

Building a horizontal brand for everyday products

Shopping for elder **needs:** the problem

TIME

CONVENIENCE

TRUST

Managed marketplaces are not the solution



Lightbox

Space for an elder-focused **brand**



**DURABLES AS A WEDGE:
SOLVING FOR BUSY
CHILDREN AND
STRUGGLING ELDERS**

- Premiumization and customization

EXPANDING TO SECONDARY HEALTH PRODUCTS WITH HIGH-MARGINS (E.G NUTRACEUTICALS/OTC)

EXPANDING FURTHER TO ADAPTIVE CLOTHING, PREMIUM BPC/LIFESTYLE ETC.

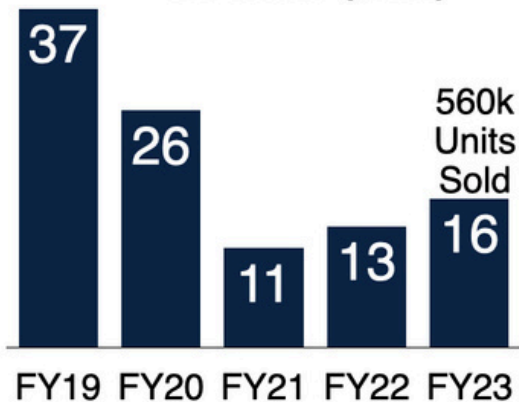
One early player:



Brands beyond health



Saregama Carvaan Sales Revenue (\$MM)



- The familiar is not just comfortable, it is enjoyable and preferable.
- Simplicity allows for control. Being “dependent on children” is the greatest fear for the 65+.
- A tactile experience.

- Elders will pay for services that are not only necessary, but also allow them to be less dependent on their children for care or assistance.
- There is a dearth of brands beyond health for this segment. What will it take to build one?
 - Finding the right sub-segment within the elderly – the “young-old”.

...

Discretionary Spending

Where can brands be built within the eldercare segment?

Lightbox

II. Beyond health spending: the 'younger-old' are the burgeoning opportunity

- VERY MOBILE
- HIGH DIGITAL COMFORT
- ACTIVELY EARNING, MORE LIQUID, HIGH FINANCIAL AUTONOMY
- GREATER PURCHASING POWER THAN PREVIOUS GENERATIONS
- ACTIVE CONSUMERS

ACTIVELY PLANNING FOR THEIR ELDER YEARS

39

The WHO uses an age-based framework to introduce some nuance within the elder demographic. They divide the elderly into the young-old, the older-old and the oldest-old. We think the goldilocks segment for building consumer brands is young-old. We borrow the term, and modify it to refer to those under 65 at present, and even to the soon-to-be old – 50 and older. The caveat -- this is a mid-to-high-income urban 'young elder'. That's the sandbox.

Therefore, opportunities outside healthcare also open up

1. New opportunities in areas of existing spend

Improving the healthcare experience (convenience, access)



2. Building in offshoot spaces

Expanding the healthcare experience: e.g. Out-of-Hospital care



Healthcare

3. Building in white spaces

Financial and social needs



Discretionary consumption and lifestyle



Key Trends: Premiumisation and paying for quality

Takeaways from a study of 50-70 year olds across 12 countries, including India

Trend 1: Mature Consumers Spend More per Occasion

Category	Average annual spending vs. young consumers:	Spending per occasion vs. young consumers:
Travel	-11	1.1
Investments	-3	1.2
Apparel	-11	1.8
E-Groceries	-24	1.3
Health Supplements	-14	1.5

Trend 2: Finding the “vibrant” consumers within this demographic

Category	Share of spending by top 20% of consumers	Spending multiplier
Travel	46%	3.6x
Investments	32%	7.8x
Apparel	40%	5.3x
E-Groceries	38%	5.3x
Health Supplements	40%	4.7x

The premium, long(er)-stay opportunity in travel

Group travel operators:

1M

Indian elders travel abroad each year

20-30%

Blended take rate due to premium pricing



- Loyal but small traveller base (40-60% repeats)

However,

- Huge segment will go with established travel companies, local travel agencies, or plan with friends
- Huge operational burden
- High risk and liability

Source: Ministry of Tourism 2023; Annual Reports

Incumbent hospitality players:



HIGHEST ARPU

LONGER STAYS

FOCUSED ON RELAXATION AND WELLNESS



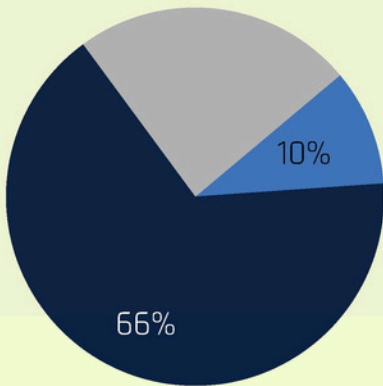
25%+ of new members are 50+



Aimed at the 55+ cohort, Bliss is Mahindra Holidays' top performing product.

Emerging Opportunity II

Estate planning is massively overlooked, to the detriment of the middle class, upwardly mobile, and retail investors



Property and family disputes account for roughly 76% of litigation in India

\$5.3BN

Over \$5.3BN worth of assets are sitting in unclaimed bank accounts as of FY23, a YoY increase of 28%

THE VAST MAJORITY OF UNCLAIMED OR DISPUTED ASSETS BEYOND BANK DEPOSITS AREN'T THE ASSETS OF THE ULTRA-WEALTHY; INSTEAD, THEY ARE INSTRUMENTS OF THE MIDDLE CLASS, SUCH AS FIXED DEPOSITS, PROVIDENT FUNDS, AND INSURANCE.

Source: Access to Justice Survey 2016; Parliamentary Data, Dec 2023

Lightbox

Do something today that your future self will thank you for.

Create your Will

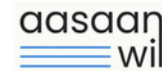


How it works

We've simplified the process of drafting your Will. Now create it, update it, and even get a printed copy sent straight to your doorstep!



Source: Screenshot, Yellow app



Willjini
Succession Simplified



an initiative by LawRato



Get in touch with us if you have questions about this report or would like to share your feedback.



hello@lightbox.vc



[linkedin.com/lightbox-ventures](https://www.linkedin.com/company/lightbox-ventures)



[@lbvc](https://twitter.com/lbvc)



[lightboxvc](https://www.instagram.com/lightboxvc)



Author

Tanya Rohatgi
Analyst, Lightbox

Tanya Rohatgi is part of the Lightbox investment team. She is responsible for sourcing and dealflow, portfolio engagement, sector evaluation and contributing to building investment theses. She is interested in most things consumer health and distribution-first brands building for Tier 2 India and beyond.

www.lightbox.vc

**Thank
You**

www.lightbox.vc