



Evaluating Long-Term Health Care Options for the Elderly in Albania

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Evaluating Long-Term Elderly Care Options for Albania

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Abstract

With the elderly population of Albania projected to increase by almost 40% in the coming decades, the need for expanding long-term care options for the elderly is becoming a more pressing issue. We explored opportunities for Seniors' Home, a project of Yunus Social Business, to provide long-term care services to more clients. Short-term solutions for Seniors' Home include implementing in-home services and improving marketing strategies. We also propose incentives to encourage more private investment in long-term care by reducing payroll taxes on senior care providers and value added tax on consumers which could lower costs and lead to more senior care options.

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Executive Summary

Background

Family values and the importance of family members providing care for elderly have always been prominent in the traditional Albanian culture, and are still strong today. However, in the absence of family caregivers, a growing number of seniors still find themselves facing physical and social isolation. Most of the elderly in Albania rely on their pensions and remittances from relatives living abroad to cover their living and medical expenses. With the number of Albanian elderly projected to increase from 318,000 in 2011 to 439,000 by 2021, policies to provide more affordable and comprehensive long term care for the elderly are needed. Currently, there are few government healthcare programs or private long-term care insurance providers to help the elderly Albanians obtain quality medical care.

Seniors' Home, an elderly care facility supported by Yunus Social Business in Tirana, currently provides long-term care services to 22 residential clients. Some of the problems they are facing are the cultural stigmas against putting one's elderly family members in a residential long-term care facility and the costly expenses for people to purchase long-term care services. Seniors' Home is attempting to achieve financial stability with the future intentions to implement in-home services and ultimately expand to offer as many helpful senior care services as possible in the future.

Methods

The overall goal of our project was to ensure the long-term viability of Seniors' Home by implementing marketing strategies and exploring alternative revenue opportunities for the facility. We also sought to identify long-term elderly care funding mechanisms that could be feasible in the Albanian context. To realize these goals, we developed the following objectives:

- Obtain a better understanding of the perspectives of the Seniors' Home residents through conversation to determine the trajectory that led them to Seniors' Home.
- Assess the opportunities for in home care provision as an additional revenue stream for Seniors' Home.
- Evaluate and improve Seniors' Home's marketing strategies.
- Identify applicable long term funding mechanisms for senior care in Albania based on examples from North America and Europe.

We achieved these goals by conducting interviews with the residents of Seniors' Home in order to understand their journey that led them there. Next, we assembled a business plan for Seniors' Home that could they could refer to for implementing in-home services as a means of generating additional revenue. We then developed marketing strategies based upon our work with a consultant, and devised basic marketing plans for Seniors' Home to consider. Lastly, we identified long-term health care funding mechanisms in the United States, Germany, and France and used them to develop policy options to address the long-term care funding needs in Albania.

Findings

1. Three common trajectories led elderly Albanians to become residents in Seniors' Home: family members too busy to provide adequate care, emigration of family members, and transfer from hospitals.
2. The most common funding mechanisms for Seniors' Home residents were pensions and remittances from family members.
3. The marketing channels that were most effective for Seniors' Home were the reputation of the services through word of mouth and online publicity.
4. The strategies that have proven successful for solving the issue of paying for long-term care in other areas of the world are national social insurance, a long-term care safety net, affordable private insurance, and automatic enrollment private insurance.
5. While long-term elderly care is currently being overlooked as a problem in Albanian society, it is increasingly becoming a more pressing issue.
6. In-home services provide a low cost alternative for elderly care around the world.
7. Aspects of in-home care from other countries can be used to fit Albania's current need for these services.
8. Seniors' Home has a variety of marketing strategies currently in place that have had moderate success in attracting customers.

Recommendations

We recommend that the Albanian government begin to explore opportunities for a public-private partnership in funding long-term care and endorsing the institution as a beneficial social business.

The Albanian government could assist in making long-term care policy more affordable in the following ways:

1. Lower corporate income tax and payroll taxes for long-term care businesses

By lowering or eliminating the corporate income tax and payroll taxes, businesses will lower their costs of operations and the services could be provided for lower costs. The current corporate income tax is 15%-18% depending on the taxable profit of the business.

2. Provide elderly homes with rent-free facilities

Allowing long-term care providers to operate on government property with no rent costs is another way to lower the costs of operations of the business. Again, this would allow the business owners to maximize their profits or lower the prices of the services.

3. Significantly reduce or eliminate VAT tax for consumers

The current VAT, or Value-Added Tax, for long-term care services in Albania is 20%. By significantly reducing or eliminating the Value-Added Tax paid by the customer, the long-term care services become more affordable, and the 20% saved on the purchase of services can be used to pay for services in the coming months.

We recommend Seniors' Home expand to include in-home services as soon as they are financially stable.

Since in-home senior care can provide elderly Albanians with a more affordable alternative, there are a large number of seniors who could benefit from these services. Because of this large and nearly untapped market, we suggest that Senior's Home expand their business to offer family services to seniors in the area surrounding the home. This business would offer seniors a variety of services in their home, including cleaning, cooking, and personal hygiene assistance.

We recommend Seniors' Home implements the following marketing strategies to broaden their customer base:

- Improve business relationships with hospitals and other organizations that have a high level of contact with seniors.

- Contact Albanian organizations in other countries. Many of the emigrate family members still have family in Albania that may be in need of Seniors' Home services.
- Increase website popularity so anyone searching for an elderly home near Tirana will find Seniors' Home as the top search result.
- Boost name recognition using flyers, billboards, and other inexpensive methods of advertisement.

Authorship

All three of us contributed equally to the initial writing of all sections of the report. Additionally, Jake was responsible for much of the primary research, especially in the areas of policy and marketing. Gretchen focused on editing and revising all sections of the report as well as research on in-home services. Ben was responsible for collecting and organizing notes for interviews and sponsor meetings.

Table of Contents

Abstract	iii
Acknowledgements	iv
Executive Summary.....	v
Authorship	ix
List of Figures	xii
List of Tables.....	xii
Chapter 1: Introduction	1
Chapter 2: Background	3
2.1 Demographic Changes Affecting the Elderly.....	3
2.1.1 Transitioning to a Free Market Economy.....	3
2.1.2 Effect of Emigration on Well-being of Elderly	6
2.1.3 The Role of Remittances	7
2.2 Senior Housing in Albania	8
2.2.1 Living Conditions for Albanian Elders.....	8
2.2.2 Government and its Role in Health Care in Albania	9
2.3 Seniors' Home.....	10
2.3.1 What is Yunus Social Business?.....	10
2.3.2 Current Status of Seniors' Home	11
2.4 Opportunities and Alternatives for Senior Care around the World	13
2.4.1 The Government's Role in the Financing of Senior Care in Europe	13
2.4.2 Government Involvement in Long-Term Care in the United States	15
2.4.3 Comparing In-Home Services to other Structures of Senior Care	17
2.5 The Development of Marketing Strategies.....	19
2.5.1 Marketing Strategies to Increase Customer Base	19
2.5.2 Important Facilities and Services for Senior Home Customers.....	19
Chapter 3: Methodology.....	21
3.1 Objective 1: Resident Interviews	22
3.2 Objective 2: Funding Mechanisms	24
3.3 Objective 3: In-Home Care.....	26
3.4 Objective 4: Marketing Strategies	27
Chapter 4: Findings	28
4.1 Resident Interviews	28

4.2 Funding Avenues for Residents	28
4.3 Successful Marketing Channels	29
4.4 Long-Term Care Funding.....	30
4.5 Providing Care for Larger Numbers of Elderly Albanians in the Coming Decades.....	35
4.6 Existing In-Home Service Systems.....	36
4.7 In-Home Services Potential	37
4.8 Current Marketing Strategies	38
Chapter 5: Recommendations	39
5.1 Public-Private Partnership for Long-Term Care Funding.....	39
5.2 In-Home Service Business Plan.....	40
5.3 Improved Marketing Strategies	41
Chapter 6: Conclusions	43
References.....	44
Appendix A: Yunus Social Business: Sponsor Description.....	47
Appendix B: Interview Questions for Albanians in Worcester	49
Appendix C: Interview Questions for Senior Care Experts	51
Appendix D: Interview Questions for Seniors' Home Residents	52
Appendix E: In-Home Services Business Canvas	53
Appendix F: SWOT Analysis for In-Home Services.....	54
Appendix G: In-Home Services Business Plan.....	55
Appendix H: Marketing Plan.....	60

List of Figures

Figure 1: Urban and Rural Population Growth and Urbanization.....	4
Figure 2: Estimates of Albanians Living Abroad, 1999 and 2005	4
Figure 3: Albanian Emigration in its Regional Setting	5
Figure 4: Reasons for Emigration from Albania	6
Figure 5: Family Visiting Room in Seniors' Home	11
Figure 6: Visiting Performer Playing for Senior' Home Residents	12
Figure 7: Preference on living arrangement for parents.....	14
Figure 8: Sources of Medicare Revenue.....	16
Figure 9: Total Medicare Benefit Payments, 2014.....	17
Figure 10: Diagram of Goals and Objectives while in Albania	21
Figure 11: Residents in the Seniors' Home Dining Room During Leisure Time.....	22
Figure 12: Albanian Unemployment Rate	32
Figure 13: Population Aged 65 and Over, 1979-2060.....	35
Figure 14: Cost of Home Care Per Month	36
Figure 15: Business models.....	47

List of Tables

Table 1: Overview of Long-Term Care Funding Mechanisms	31
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Chapter 1: Introduction

Family values and the importance of providing care for elderly have always been prominent in the traditional Albanian culture, and are still strong today. After the fall of communism in 1992 and in the subsequent formation of the neo-liberal market economy, the pursuit of business opportunities in other countries by young and middle-aged Albanians led to large-scale emigration away from Albania (Vullnetari, 2012). As a result of this emigration, elderly family members often remained in Albania with few family members available to provide assistance with their everyday needs. The large-scale emigration for business opportunities led to remittances being sent back to Albania to be used for the wellbeing of elderly family members and to ensure higher quality living arrangements (Vullnetari, 2012). However, in the absence of family to provide care, some seniors find themselves facing physical and social isolation, with limited funds, and having to live in homes they can no longer maintain (Ylli, 2010). Many seniors who live alone are no longer physically capable of getting themselves out of their homes, which leads not only to restricted access to necessities such as food and medicine, but also to the feeling of social abandonment.

With the number of Albanian elderly projected to increase from 318,000 in 2011 to 439,000 in 2021, there is an acute need to increase feasible options for long-term care for the elderly in Albania (Buijn et al., 2015). Public funding for long-term care does not cover the costs associated with private elder care facilities, and space in the country's five public senior homes is limited.

Yunus Social Business, the sponsor for the project, is hoping to pave the way for improvements to the long-term care system through its support of Seniors' Home. Seniors' Home is run by Daklea Xinxo, and she receives support from Yunus Social Business to address the issue of personal care for the elderly. Daklea has succeeded in establishing a beautiful senior care facility in Tirana, and she currently has about twenty residents and daily clients. Seniors' Home is attempting to achieve financial stability with intentions to implement in-home services and ultimately expand to offer as many helpful senior care services as possible in the future.

The goal of our project was to help Seniors' Home achieve financial stability by implementing marketing strategies and exploring alternative revenue opportunities. We also identified long-term elderly care funding mechanisms that could be feasible in the Albanian

context. By talking to current residents, we determined how they found out about Seniors' Home in order to develop marketing strategies to attract more customers. To help the home expand its business to include in-home services, we conducted research about countries that have well-established systems in this area. We also analyzed long-term care funding mechanisms for the elderly in other countries that Albania could use to lower the cost of Seniors' Home. In the end, we provided Seniors' Home and Yunus Social Business with strategic business plans for in-home services and marketing approaches, as well as recommendations for public and private sector funding mechanisms to make long-term care feasible for more elderly Albanians and their families.

Chapter 2: Background

The phrase “senior citizen” is commonly used to describe someone who is typically old in age, but that definition is vague. A senior citizen in the United States is considered age 65 and older, thus qualifying for pensions, medical benefits, and social security, but the age one becomes a “senior citizen” varies in different parts of the country. Similarly, “senior housing” is used to refer to a place where “senior citizens” live, but the varying levels of care, services, and finances make the phrase difficult to define. This chapter establishes and develops an understanding of senior housing, the past and present factors that impact it in Albania, and the practices and operations of successful senior housing institutions around the world. We first examine the recent history of Albania and how the fall of communism in the early 1990s led to large-scale emigration of young adults and middle-aged Albanians, disrupting traditional care for the elderly. Next, we consider the current status of senior care in Albania, and focus on Seniors’ Home and its role within Yunus Social Business. We then identify different systems of senior care throughout Europe, and government involvement in each of these systems. Finally, we analyze the basics of marketing and what strategies senior homes can best use to market their services.

2.1 Demographic Changes Affecting the Elderly

2.1.1 Transitioning to a Free Market Economy

During the communist period of Albania that began around 1946, the government banned emigration to other countries, and regulated internal migration, causing the population of rural areas to increase rapidly (Vullnetari, 2012). However, in the early 1990s, the collapse of the communist regime drastically changed labor market conditions, and Albanians were free to emigrate, migrate from rural areas to cities, and if possible, develop business opportunities. Without long established democratic institutions, this shift to a neo-liberal market economy was exceedingly problematic: property rights were difficult to establish, the investment capital was limited, and the country lacked a transparent legal system (Vullnetari, 2012). With the end of state sponsored jobs, many workers had difficulty finding ways to provide for the family in the neo-liberal economy of post-communist Albania, and the emigration from rural areas dramatically increased among middle-aged and young Albanians. Figure 1 shows the urbanization of Albania from 1950 to 2001, where the urban population increased from 1989

to 2001 by 6.5% (Lerch, 2014). The emigrant Albanians often left their elderly parents behind as they pursued a living in other countries.

	Census Years					
	1950	1960	1969	1979	1989	2001
Total Population	1,218,900	1,626,315	2,068,155	2,590,564	3,182,417	3,069,275
Urban Population	249,875	502,531	686,627	870,430	1,137,562	1,294,196
Percentage Urban	20.5	30.9	33.2	33.6	35.7	42.2

Figure 1: Urban and Rural Population Growth and Urbanization (annual average rates) (Lerch, 2014)

With the newly elected Ramiz Alia, who served as the president of Albania from 1991-1992, along with the freedom and necessity to migrate to pursue economic opportunities, Albanian emigration primarily to Greece and Italy increased drastically, as well as the migration from rural to urban areas within Albania (Vullnetari, 2012). Figure 2 shows the destinations of Albanian emigrants during the immediate post-communist era, as well as a rough estimate of the number of those emigrants in the selected countries. The majority of emigrants opted to go to nearby Greece and Italy, but the trend from 1999 to 2005 shows that countries such as the United Kingdom, United States, and Canada, were becoming more popular destinations. Roughly 45% of the entire Albanian population emigrated to other countries around the world from the end of the communist regime to 2010 (Vullnetari, 2012).

Country	1999	2005
Greece	500,000	600,000
Italy	200,000	250,000
USA	12,000	150,000
UK	5,000	50,000
Germany	12,000	15,000
Canada	5,000	11,500
Belgium	2,500	5,000
Turkey	1,000	5,000
France	2,000	2,000
Austria	2,000	2,000
Switzerland	1,000	1,500
Netherlands	?	1,000
TOTAL	742,500	1,093,000

Figure 2: Estimates of Albanians Living Abroad, 1999 and 2005 (Vullnetari, 2007)

The end of communist Albania also saw dramatic increases in internal migration from rural to urban areas, specifically to Tirana and Durres, the capital city and major port city (King & Vullnetari, 2008). Figure 3 is a map that portrays the districts that emigrants from 1989-2001 originated from, as well displaying the emigration as a percentage of the total population of 1989. As the figure shows, much of the population of southern rural areas in Albania had emigrated by 2001, which is significant because a large percentage of the smaller rural population was leaving the country, but also leaving their older family members in Albania behind.

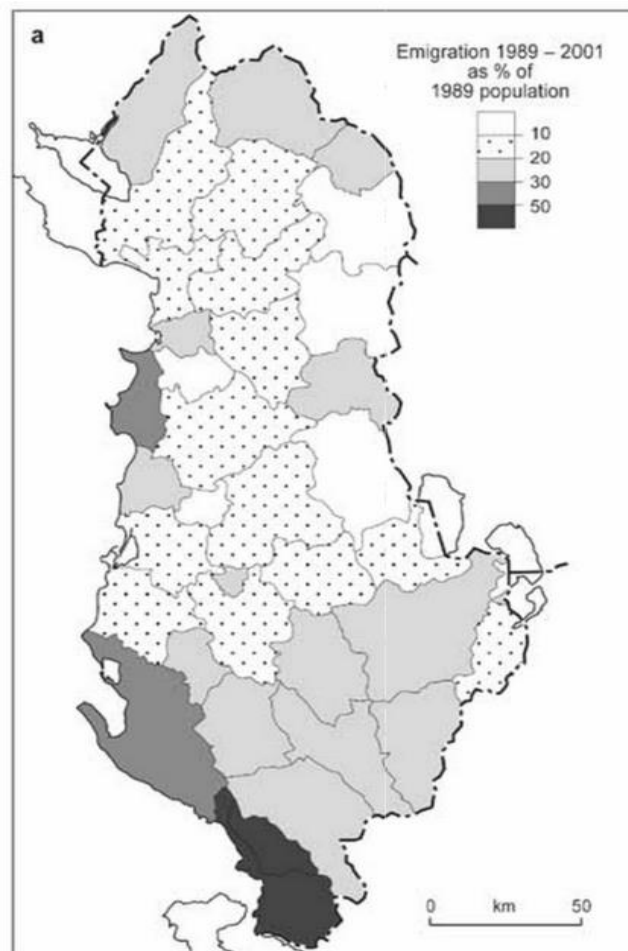


Figure 3: Albanian Emigration in its Regional Setting (King & Vullnetari, 2008)

A study conducted by Ilir Gedeshi (2012) in November and December of 2000 included interviews and surveys of 350 Albanian emigrants mostly living in countries such as Greece, Italy, France, the United States, and Canada, with a central focus on emigration and the role of remittances. The survey data presented in the table in Figure 4 identifies the reasons for the emigration of the sample population of Albanians.

The Reasons for Emigration from Albania (percent)

No.	Emigration reasons	answer I	answer II	answer III
1.	I was unemployed and I had no money	38.6	6.3	5.3
2.	I had a job but the income was not enough enough to provide a livelihood	19.8	7.9	9.3
3.	It was difficult to find a well-paid job	5.0	37.0	12.0
4.	Political and economic insecurity	11.9	25.7	25.3
5.	There was no prospect of improving the economic situation in the homeland	6.3	13.9	23.3
6.	To provide a better future for the children	15.5	6.3	19.3
7.	Other	3.0	3.0	5.3
Total		100.0	100.0	100.0

Figure 4: Reasons for Emigration from Albania (percent) (Gedeshi, 2002)

As of 2011, the proportion of Albanians emigrating compared to the total population brought Albania to the top ten in the world for proportion of emigrants to total population. About 70% of the emigrant population left with their immediate families consisting of their children and spouses, making their return to Albania unlikely (Vullnetari, 2012). In the words of a 27 year old female migrant from rural to urban Albania, “No, I will not return to the village... In my plans... the word ‘return’ does not exist... I can go and visit them [my parents] and come back. The funny thing is, it feels as if I have never been there” (Vullnetari, 2012). Currently, the net migration rate of Albania is -3.3%/1000, meaning roughly thirty three more people of every one thousand are leaving the country rather than entering (CIA, 2015).

2.1.2 Effect of Emigration on Well-being of Elderly

Since many migrants did not bring their parents with them, the older generations of Albanians left behind often experience physical and mental health problems as they age (Ylli, 2010). Sometimes the elderly will live with another family member that still resides in Albania, and other times they will continue to live with their spouse (Ylli, 2010).

In a longitudinal study conducted from 2004 through 2013, a 64 year old woman who had been living on her own with her husband for 10 years and had a son and daughter in Greece, and another son in Tirana, noted, “Please, I can’t talk about this [separation from her children] because I will cry... I can’t cope with it” (King, Fokkema, Vullnetari, 2014). Another Albanian father was interviewed as a part of the same study continued earlier in 2002, but his view was more pragmatic, as he recognized the honor that the fourteen members of his

extended family displayed when he brought his family to the United Kingdom to pursue job opportunities and better quality of living (King et al., 2014). However, he was recorded expressing a sense of loneliness and abandonment, saying, “Where is the father that does not want his children close?” (King et al., 2014).

As the same study progressed into the next decade, negative responses were recorded in 2013 about ill-health and loneliness forcing the Albanian parents out of their rural homes and into other countries to live with their sons (King et al., 2014). Throughout the study, the concerns of loneliness, abandonment, and ill health were a recurring theme of the elderly citizens left behind in Albania.

2.1.3 The Role of Remittances

One of the most important dynamics of the working emigrants from Albania is the remittances that are sent back to improve the quality of life for elderly parents (Dalakoglou, 2010). Remittances are used to repair windows, doors, and roofing, as well as to purchase household appliances like washers, dryers, television sets, and even sometimes electrical generators (Dalakoglou, 2010).

The role of remittances is critical in the eyes of both the older and younger generations of Albanians, as their traditional family values of responsibility for elders and strong family ties are some of the contributing factors to the decision for Albanians to emigrate (Vullnetari, 2012). In other words, a traditional responsibility of middle-aged Albanians is to take care of their aging parents by supporting them financially and medically, as opposed to letting someone else, such as a senior care provider, take care of their parents. Many Albanian emigrants left the country in pursuit of an occupation to improve the overall quality of life for their families, which includes sending money back to family members still in Albania in the form of remittances. A middle-aged father of northeast Albania with emigrant children, weighed in on the importance of remittances in a family sense, saying:

Time spent without a family is lost, wasted. It is only for the family that it is worth sacrificing one's labour, one's youth; it's only worth it if it's for the family ... because an emigrant, even if he earns money with great sacrifices, has to look back to his family and its most important needs ... which are, first and foremost, the house, living conditions; then marriages, funerals, stuff like that. (King & Vullnetari, 2009, p. 28)

Despite the support from younger family members living overseas, the elderly are still reluctant to use the remittances to pay for residency in senior living facilities due to the long-standing traditional values that reinforce the younger generations taking care of the older

generations as a family dynamic. It is not desirable for “strangers” to be taking care of an elderly family member when there are other relatives who can provide care (Vullnetari, 2012).

2.2 Senior Housing in Albania

2.2.1 Living Conditions for Albanian Elders

In this section we consider emigrant perceptions of senior housing in Albania. In a series of interviews our group conducted in Worcester with Albanian students and emigrants, we learned that many believed senior housing was rather limited in Albania. WPI student and native Albanian, Nau Como, claimed that “Albania has only a few options for senior housing and they are only in big cities like Tirana” (N. Como, Personal communication, September 30, 2015). Como also talked about various issues with senior living in Albania, as Albania has relatively limited funding to cover the expenses of senior living accommodations. The few senior care facilities that exist, she believed, do not provide adequate living conditions, meal plans, and activities (N. Como, Personal communication, September 30, 2015). While these issues persist, many older Albanians do not consider this as a problem because of their family first mentality mentioned in section 2.1.

In other interviews we noted that some younger Albanians who had emigrated to the United States were less inclined to care for their parents and wanted more autonomy in their lives. The manager of Dunkin Donuts at WPI, Eva Varfi, emigrated from Albania to the United States two decades ago and still has family in Albania. She stated that there is a shift from more traditional notions of responsibility for looking after the elder in the family to more individual autonomy, with the children of seniors “understanding that they should not be responsible for their parents’ well-being” (Eva Varfi, personal communication, September 23, 2015). She furthers her point by mentioning that many children put their economic lives and source of income in jeopardy by taking care of their parents (E. Varfi, personal communication, September 23, 2015). If children are caring for their parents, Varfi noted, they have less time to go to work, less time to raise a family, and less privacy from their parents.

In response to a lack of senior care by family members, the current health of seniors has worsened in the past five years. In a survey of elderly Albanians conducted by the Albanian Association of Geriatric and Gerontology from November 2007 to July 2008, 57% of Albanians who are not in good health claim to be either “poor” or “very poor”. Roughly 93% of the 913 participants claimed they were “experiencing pain”, and 9% of those “experiencing pain” are bed-ridden on a day to day basis (Ylli, 2010). Ylli also determined that elderly people living in

rural areas reported worse mental and physical health than those in more urban areas, with many of the participants unaware that they had access to senior health care (Ylli, 2010). In fact, “roughly one fifth (18%) were totally or partially isolated from social networks”, and more than one in four (27%) reported not receiving medical care when they needed it” (Ylli, 2010). Ylli’s findings show that seniors are not getting the care they need, and Ylli furthers his point by writing, “The socioeconomic status of elderly people in Albania is quite poor. While the overall national economy in Albania is growing, current national programmes, strategies and macro-policies do not sufficiently and adequately address the socioeconomic challenges related to elderly people in Albania” (Ylli, 2010).

2.2.2 Government and its Role in Health Care in Albania

The current health care system of Albania is in many ways reminiscent of the state-owned system during communism (Phillips, 2011). The Albanian health care system during that time was underfunded, and investments in medical technology were also low. In many cases, hospitals and primary health care facilities were overstaffed and contained outdated equipment (Nuri, 2002). After the fall of communism, the main reforms regarding health care involved the transfer of power and financing to the Health Insurance Institute. Established in 1994, the Health Insurance Institute is responsible for covering public health care visits, reimbursements for the price of drugs, and some of the costs of both secondary and tertiary health care. The Ministry of Health is responsible for the administration of all public hospitals in Albania. Since the end of communism, both the Ministry of Health and the Health Insurance Institute have focused on improving the technology and infrastructure of hospitals (Tomini, 2013). While this is the case, only 49 percent of the health care spending comes from the state budget, and as a result private expenditures and out-of-pocket spending for customers is extremely high (World Health Organization, 2015).

The health care services have become more expensive since 2005, further contributing to the equity problems for lower income and the poor (DGESAE0-EC, 2008). Tomini writes that “survey data report that for the lowest income quintile, the share of total out-of-pocket spending in inpatient services has gone up to 60% of the total monthly household expenditure. These vulnerable or poor groups of the society lack protection against out-of-pocket spending, and this may contribute to increased inequalities but also to barriers to access” (Tomini, 2015). According to both Varfi and Como, seniors who are receiving pensions only get around 100 dollars per month for their pensions (N. Como and E. Varfi, personal communication). With

pensions contributing to such a small proportion of the total monthly expenditures that the elderly spend on health care, out-of-pocket spending has become a financial burden. (Tomini, 2015). The out-of-pocket expenditures often consist of the many fees for medicine, laboratory work, medical staff, and transportation (Tomini, 2013).

Income taxes are also important in regards to health care in Albania. Currently in Albania, there already exists an income tax system that provides benefits for Albanian citizens. There are two income taxes that provide different resources. The first and larger of these two taxes is a social contribution tax, which is provided to seniors as an income after people retire. The other tax is for health insurance and is paid partly by the employee at 1.7% of the income, and is matched by the employer (Eurofast, 2015). Although this tax is well-intended to give employees the necessary medical coverage they need, oftentimes these taxes give employers an incentive to pay their employees illegally under the table and fail to declare them on their payroll (B. Karaxha, personal communication, December 7, 2015).

The public health care that most Albanians receive as a result of their employment covers various medical treatment. This includes the cost of basic medications as well as the cost of general check-ups by a family practitioner. The care covers visits at any of the public hospitals, but not the higher cost of care at private hospitals. However, many of the public hospitals do not have adequate resources to service all of their patients. They are oftentimes out of medications, and some doctors require an extra cash payment in order to fully provide proper examinations (B. Karaxha, personal communication, December 7, 2015). While health insurance is provided for all employees, this insurance is oftentimes inadequate to cover sufficient medical expenses. On top of this, no extra insurance exists for seniors. Long-term care insurance for the elderly is not part of the income tax or health insurance, leaving many seniors unable to pay for their continually increasing medical spending (B. Karaxha, personal communication, December 7, 2015).

2.3 Seniors' Home

2.3.1 What is Yunus Social Business?

The previous section highlights the many problems that Albania faces in regards to poverty, healthcare, and senior living accommodations. Our sponsor, Yunus Social Business, a nongovernmental organization that began operations in Albania in 2011 hopes to help support

a social business in Tirana that addresses these interlinked problems (Yunus Social Business, 2015). A social business, in general, is a business that resolves societal issues and benefits not from profits made, but from the beneficial effects the operations have on citizens, while using the profits to further develop solutions. In the past year and a half, YSB has invested more than \$700,000 in social businesses throughout Albania. One particular project Yunus Social Business has been expanding is Seniors' Home, a residential and daily care center for seniors.

2.3.2 Current Status of Seniors' Home

Seniors' Home is an organization supported by Yunus Social Business that provides the elderly with living accommodations that will benefit their mental and physical well-being (Yunus, 2015). Seniors' Home was open for operation in March 2014 and currently has the capacity for 32 residential clients and over 60 daily clients. The home is equipped with many facilities such as a physical therapy room, a family visiting room seen in Figure 5 below, and a garden that residents can both tend to and admire.



Figure 5: Family Visiting Room in Seniors' Home

The seniors are also offered daily activities that are emotional, physical, and cultural to make for a comfortable living arrangement (Yunus, 2015). These include activities such as visiting performers, music and dancing, and birthday parties as seen in Figure 6 below.



Figure 6: Visiting Performer Playing for Senior' Home Residents

Currently, Seniors' Home is not full to capacity. It has 22 residential clients and no daily clients. In order for the home to maintain its high level of service and achieve financial stability, it must fill 28 of its 32 beds (D. Xinxo, personal communication, October 28, 2015). Part of the problem that they are facing is the turnover rate of residents. While creating their business plan, they did not foresee that the average stay of residents would be a short 4 months long (D. Xinxo, personal communication, October 28, 2015). More seniors are choosing to go into the home for hospice and respite care than to stay in the home for an extended period of time.

Despite the current lack of interest in Seniors' Home, the home has proven to offer very high quality care for residents. Compared with the other senior housing facilities offered in Albania, Seniors' Home facilities are cleaner and more appropriate for seniors (van Es, 2015). Because of this, a few of the current Seniors' Home residents are transfers from other homes in the area (D. Xinxo, personal communication, October 28, 2015). A few months ago, Seniors' Home was part of a study done by an expert from the Netherlands who lived in the house for a while to determine the quality of all aspects of the home. The expert determined that the quality of care for the seniors was excellent, which eliminated the idea that seniors are not choosing Seniors' Home because of poor conditions (van Es, 2015). Instead, they have found that a lack of knowledge about the home is the most prevalent reason why Seniors' Home is not getting the level of interest they desire.

2.4 Opportunities and Alternatives for Senior Care around the World

2.4.1 The Government's Role in the Financing of Senior Care in Europe

In order to offer ideas on how to improve Albanian senior care, we now look at different senior care models throughout Europe. Similar to Albania, much of Europe is facing the challenge of how to address health care for a growing senior population. With this demographic shift has come a wide range of solutions to making sure that seniors are well cared for. Although in Albania the aging population is putting more economic and social pressure on families, many countries have found ways of supporting the elderly and their families with the intent of making the transition into senior living a smooth one. There are three main systems of government involvement with the care of seniors: strong welfare system, mixed private and public systems, and systems with little to no government involvement (An Ageing Europe, n.d.). Throughout Europe, we see many examples of these systems along with the potential problems and benefits of each.

The most common financial support of senior care throughout Northern Europe is through public funding (An Ageing Europe, n.d.). These countries have strong welfare systems that provide care for seniors once they are no longer able to care for themselves. This relieves some pressure from the family for taking care of their elderly, and eliminates the possible financial burden for seniors that is associated with paying for expensive services. Government funding of senior services ensures that seniors are getting the care they need despite their financial situation, as well as keeping senior care centers in business.

The next financial system for senior care is a mixture of public and private funding. In certain countries, the government provides some support for the care of seniors, however, the system also depends on out-of-pocket private insurance. Although some services might be provided at a reduced price or at no cost, many services need to be paid for by the elderly themselves (Blackman, 2000). This mix of public and private sectors eliminates some of the financial burdens of senior care but can also create more stress if needs are not met by the government and seniors have to pay for services.

The last system does not rely on the government for any financial support of senior care, but instead depends on insurance to pay for private sector services and family support. Many insurance companies are starting to look at long term plans for the elderly to help them pay for expensive resources (Fuchs, 2007). However, the main emphasis in these countries is on the support of the family. This system is often found in countries that are very family-

oriented, such as Greece, Italy, and Albania. Very few services are found to help with senior care, and almost none of these services are publicly funded (Blackman, 2000). Although there are some forms of senior care, oftentimes they are too expensive for the elderly to afford. Instead, social pressure is put on the family to take care of their elderly loved ones, no matter how much of a burden it might be. Although this can work well for many families and is deeply ingrained in the cultures in these countries, it can be an issue when children are unable to care for their parents any longer.

As seen from the analysis of the three systems of senior care funding, approaches vary immensely across Europe. Different countries have very different views on how to approach senior care, but there are definitive trends in the location and cultures of countries versus the system that they use.

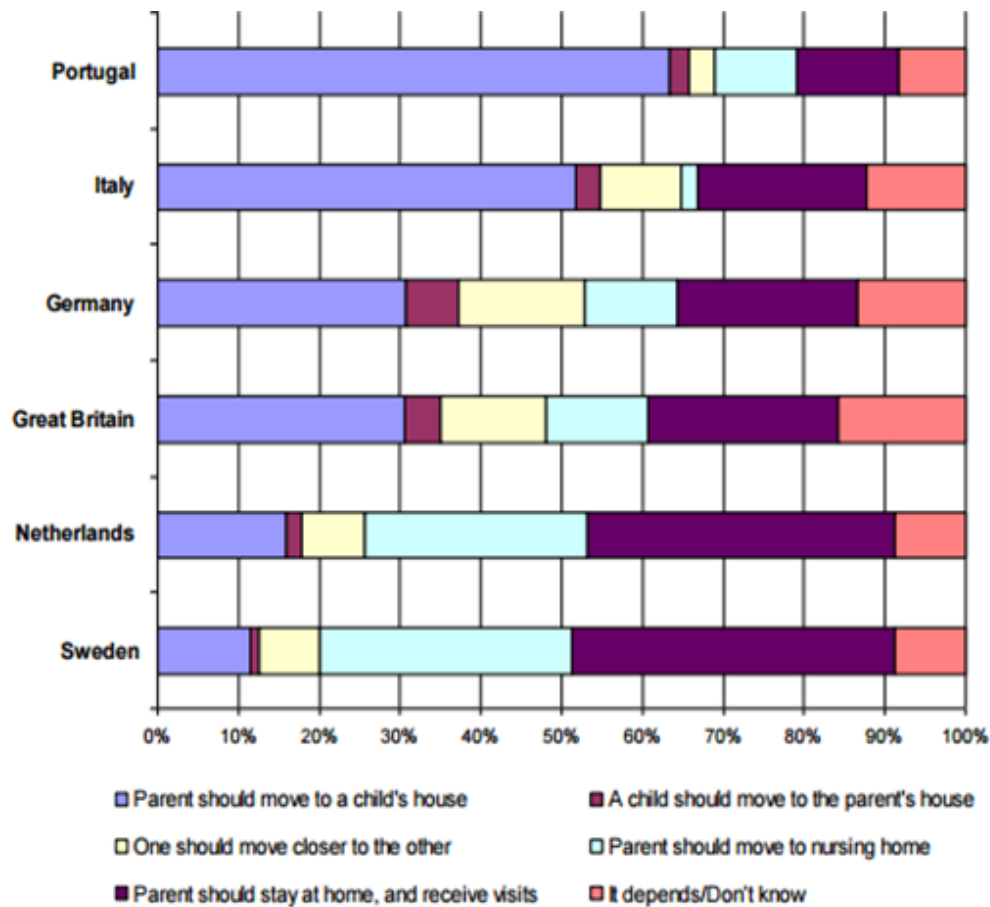


Figure 7: Preference on Living Arrangement for Parents (An Ageing Europe, n.d.)

In Figure 7, we see that respondents from the northern European countries are more reluctant to have their parents move into their house, and would much prefer to put them in a nursing home or have them receive outside help. However, in southern Europe such as Italy,

the culture runs counter to having strangers take care of their parents. This is also in keeping with the culture surrounding senior care in Albania that we discussed previously. Figure 7 and a study done showing the services offered by the government in certain countries show that there is a correlation between the culture and preferences in different countries and the services that are offered in those places (Blackman, 2000). For example, respondents from Scandinavian countries prefer to hire people to help with their parents, and those are the countries that offer the most services from the government through the use of general taxes. In Norway, after an elderly woman has a heart attack, the government would offer her help with housework, nurse visits, and a safety alarm (Blackman, 2000). However, in countries with family oriented mentalities, like Italy, their government offers very few services. A woman in Italy in the same situation as the woman in Norway might possibly be offered a small amount of home help, but the main focus would be on getting her family involved to help her. Albania is similar to Italy and Greece in its culture toward the elderly and government involvement in senior care. This creates problems both for businesses trying to provide services for seniors, as well as seniors that need to get the help they need when they do not have family involvement.

2.4.2 Government Involvement in Long-Term Care in the United States

The United States federal government provides a publicly funded mechanism for paying for long-term care for the elderly called Medicare. The U.S. Treasury manages two trust fund accounts set up for the Medicare program: Hospital Insurance Trust Fund (HI) and Supplemental Medical Insurance Trust Fund (SMI). The HI trust fund is financed by the federal government based on payroll taxes which are paid by most employees, employers, and people who work for themselves (Centers for Medicare and Medicaid Services (CMS), 2015). Also, different forms of taxes are used to finance the trust fund such as income taxes on Social Security benefits, the interest earned from trust fund investments, and Medicare premiums (CMS, 2015). The second trust fund, the Supplemental Medical Insurance trust fund, is financed by purchases of premiums and authorized funds from Congress, which are primarily general tax revenues for the federal government (Davis, 2013). Figure 8 shows the total Medicare revenue and its distribution into the different trust funds.

Sources of Medicare Revenue, 2014

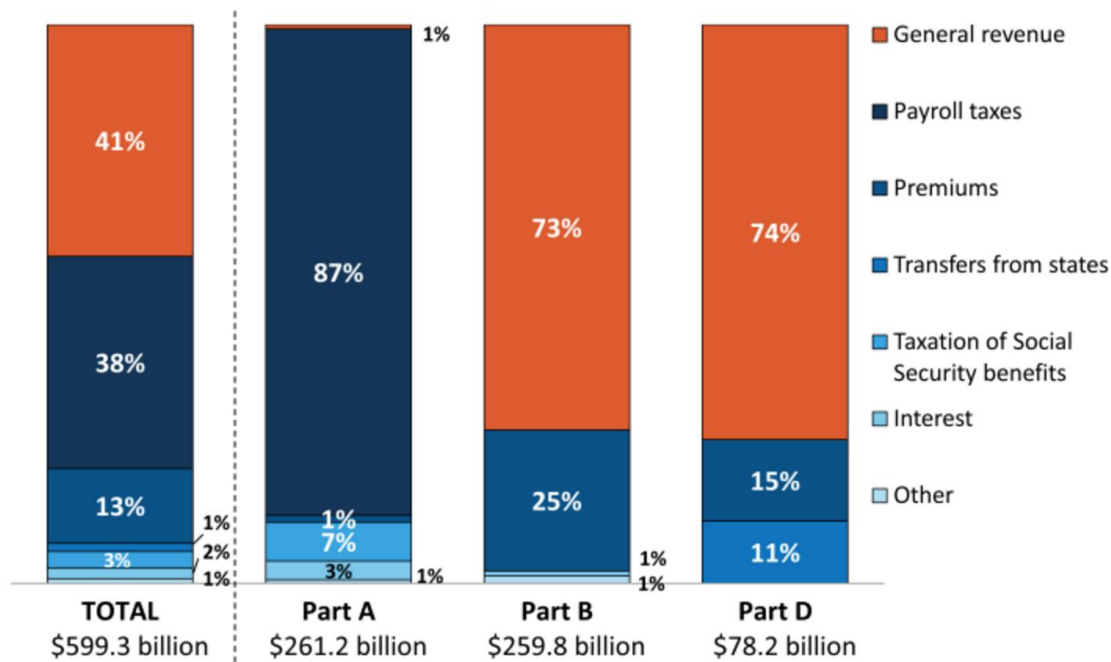
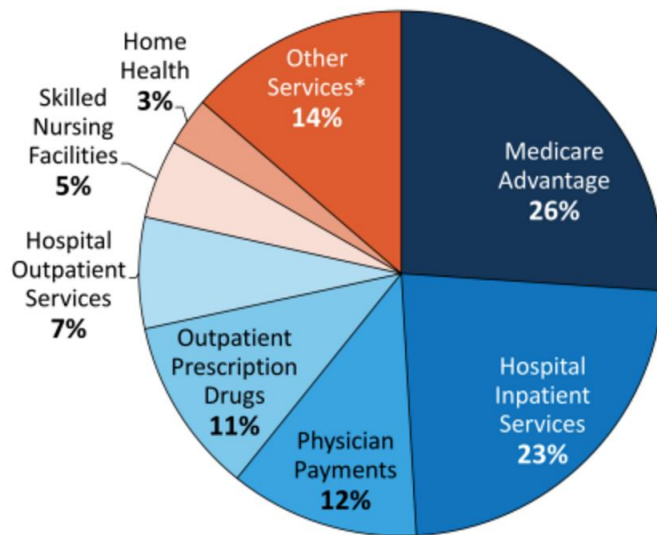


Figure 8: Sources of Medicare Revenue (Annual Report of the Board of Trustees of the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds, 2015)

As a whole, Medicare does not provide complete coverage for those seeking long-term care services. Medicare completely covers the first 21 days of a stay in a skilled nursing home, covers days 21 through 100 after the customer pays \$140.00 per day, and after day 100, Medicare does not provide any more coverage (US Department of Health and Human Services, HHS, 2015). Medicare provides short-term care or intermittent skilled nursing care, doctor-approved home health agency provision for physical and occupational therapies, social services that help cope with medical, psychological, and social issues after an illness, and medical supplies and durable medical equipment (HHS, 2015). These services are fully covered by Medicare except for the durable medical equipment such as a walker, wheelchair, medical bed, or oxygen tanks, for one must pay 20% of the Medicare approved amount (HHS, 2015). There is no limit to how long one can receive these services as long as they remain “medically necessary” and are reordered by a doctor or nurse every 60 days (HHS, 2015). Figure 9 shows the distribution of Medicare payments for the variety of services that are provided under Medicare coverages.



Total Medicare Benefit Payments, 2014 = \$597 billion

Figure 9: Total Medicare Benefit Payments, 2014 (Congressional Budget Office, 2015)

Long-term care is not extensively covered by the Medicare program, as home health and skilled nursing facilities combine for a total of 8% of the Medicare benefit payments in 2014 (Congressional Budget Office, 2015).

Medicaid is a federal and state joint program that helps low-income individuals pay for some or all of their medical expenses. Unlike Medicare, it covers long-term care services in nursing homes. Although the levels of eligibility for Medicaid are set by the federal government, state governments have significant headway to change the levels of eligibility (HHS, 2015). Nursing home services are covered by Medicaid for all eligible people of age 21 and older (HHS, 2015). Coverage extends to community-based and home services for people who would need to be in a nursing home if they had not been receiving home-care services (HHS, 2015). It also extends to cover in-home personal care services, laundry, and cleaning services. However, it does not cover rent, mortgage, utilities, or food for in-home services (HHS, 2015).

2.4.3 Comparing In-Home Services to other Structures of Senior Care

Through the struggle to make sure that adequate senior housing and care is provided for the elderly across Europe, many countries have found new ways to provide housing for seniors. Although most countries offer the typical nursing homes in which residents are offered lots of help with health care but little social opportunities, these homes do not satisfy the needs of many seniors because they provide little freedom for the residents. Instead, countries have

started looking to in-home care, residential group homes, and assisted living as alternatives to senior living (Stula, 2012).

There are many advantages, both for the senior and the care provider, of in-home care. In-home care allows the senior to maintain their current lifestyle and their feeling of independence. Since seniors can stick to the same schedule and routine without having to conform to the schedule of a seniors' facility, it allows them more flexibility. This also generally leads to a better mental health since seniors face more mental challenges while living on their own, as opposed to having everything decided for them in a home (Rantz et al., 2011). In-home care is also cheaper for the senior because they do not have to pay to live in a senior home, which is especially important for low-income areas such as Albania (Rantz et al., 2011). Denmark and France both use in-home services as a way to get seniors care in their own homes. In Denmark, this comes in the form of preventive home visits, which aim to spot any potential issues that seniors might have living in their own home (Stula, 2012). France's current initiative is to keep seniors in their home for as long as possible. They have a large emphasis on seniors living with their family, and provide services such as cooking or cleaning to help keep the seniors from moving into a senior living facility (Stula, 2012).

Residential group homes are becoming more popular and have heightened greatly in popularity. In these homes, seniors have their own private living quarters but share common space such as the kitchen and gardens with other seniors. If they need outside care, they split the cost between the seniors living there (Fuchs, 2007). These homes are oftentimes equipped with certain emergency systems, but they have no staff that take care of the residents. They are a cheaper alternative to living in a senior living facility but still offers the support of having other people around.

Assisted living homes, or sheltered living, is a compromise between nursing homes and complete independence. They oftentimes have private bedrooms and bathrooms but everything else is communal. There is a staff that helps residents with daily tasks, but residents are given a fair amount of independence. In Finland, this type of housing is used as part of their "ageing strategy", which aims to keep seniors as independent as possible for as long as possible (Stula, 2012). Different levels of independent living allow seniors to vary the amount of care they receive based on their abilities. The one downfall of sheltered living is that in countries such as Albania where welfare is not abundant, few citizens might be able to afford the higher prices that accompany the larger amount of services.

2.5 The Development of Marketing Strategies

2.5.1 Marketing Strategies to Increase Customer Base

The most commonly renowned definition of marketing is “the process by which companies create value for customers and build strong customer relationships in order to capture value from the customers in return” (Banaszk-Holl, Calhoun, Hearld, 2006). To increase the number of residents, Seniors’ Home must appeal not only to the senior (the client), but more importantly to the senior’s family (the customer). One way to appeal to such a broad customer base is through the internet.

In today’s day and age, online marketing is more prevalent than ever. Since information about healthcare is among the most commonly searched topics on the Internet, it is important to increase the online-based marketing strategies (Tartaraj et al., 2015). Doing so will allow healthcare providers and businesses built around healthcare to have a greater likelihood of finding potential patients and customers (Tartaraj et al., 2015). Video marketing strategies have gained more attention in Albania recently, along with social media marketing strategies (Tartaraj et al., 2015). The use of social media allows for communication on a global scale, and in the Albanian context, connects family members living in different countries around the globe (Tartaraj et al., 2015). Internet marketing is relatively costless for companies as social media and websites can be created for free. The important aspect of online-based marketing, for long-term care especially, is maintenance of relevant information, updated pictures and videos, upcoming events, announcements, and new service information (Tartaraj et al., 2015). Credentials of health care providers, doctors, nurses, and other professionals are critical to marketing through the internet as well (Tartaraj et al., 2015). Impressive credentials for staff will likely increase the client-base of the healthcare provider, but also open the opportunity for doctors to advise patients through a secure web server about their health concerns (Tartaraj et al., 2015).

2.5.2 Important Facilities and Services for Senior Home Customers

When looking to market a senior living facility, the most important qualities of the home to market are those that are most important to the potential resident. Families want to be confident that they are making a choice that will make the senior as pleased as possible with their transition to the facility. Therefore, there are certain characteristics of a home that will make or break whether a family is comfortable moving their elderly into the home.

During the search for a senior home, families take into account a broad range of qualities. A study of seniors in the U.S. and Korea showed that prospective residents are most concerned about location and size when it comes to choosing a senior home (Kim et al., 2003). They are looking for a home that is close to their family as well as a fairly small facility. Both of these characteristics would ideally lead to the resident having plenty of social interactions and flexibility, both important to senior quality of life (Kim et al., 2003). Another looming factor over all residence-related decisions is cost. How much rent is per month, what amenities are included, and how much extra amenities cost are highly scrutinized by potential families (Questions to Ask, 2010). Seniors also want to be able to continue with their current lifestyle as much as possible. Services like transportation to and from places outside the facility as well as amenities in the facility can influence where seniors choose to live (Questions to Ask, 2010). A successful seniors' home in the eyes of the potential customer is one that can offer seniors the amenities and services they want while also keeping prices as low as possible. If a home lives up to these expectations, marketing those factors can lead to a great increase in customer interest.

Chapter 3: Methodology

The overall goal of our project was to ensure the long-term viability of Seniors' Home by implementing marketing strategies and exploring alternative revenue opportunities for the facility. We also sought to identify long-term elderly care funding mechanisms that could be feasible in the Albanian context. To achieve this goal, we developed the following objectives:

Objective 1: Obtain a better understanding of the perspectives of the Seniors' Home residents through conversation to determine the trajectory that led them to Seniors' Home.

Objective 2: Identify applicable long term funding mechanisms for senior care in Albania based on examples from North America and Europe.

Objective 3: Assess the opportunities for in home care provision as an additional revenue stream for Seniors' Home.

Objective 4: Evaluate and improve Seniors' Home's marketing strategies.



Figure 10: Diagram of Goals and Objectives while in Albania

3.1 Objective 1: Resident Interviews

Obtain a better understanding of the perspectives of the Seniors' Home residents through conversation to determine the trajectory that led them to Seniors' Home.

We conducted informal interviews to obtain information about the process that led many of the residents to Seniors' Home as opposed to staying with their relatives living in Albania. To obtain this information, we interviewed twelve of the Seniors' Home residents, and asked about the path that led them to becoming a resident, as well as what aspects of the home the residents would market to potential clients. In order to facilitate conversation with the residents and staff that do not speak English, we collaborated with an Albanian university student, Besmir (Besi) Karaxha, who was volunteering at Yunus Social Business.

We worked closely with Besi to understand the best way to introduce ourselves to the residents and to sensitively discuss their life histories. The interviews were conducted during leisurely activities between 15:30 and 19:00. The residents had free time to wander around the facility and do what they pleased, so we sat with many of them as they had their afternoon coffee, as seen in Figure 11 below.



Figure 11: Residents in the Seniors' Home Dining Room During Leisure Time

The approach we took to gather information was to facilitate informal conversation by having Besi ask the residents about their lives, while we listened to each resident speak for short intervals to obtain the information we were looking for. Besi translated what was said

without having too much to handle, which kept information from being lost or forgotten in translation. The following research questions were used to help us not only learn about the seniors' lives, but to help us accomplish the objective at hand.

- What are common features in each individual's life story?
- What are the differences?
- What are some challenges the residents faced?
- What are the steps that led the individual to live in Seniors' Home?

Based on the research questions stated above, we designed interview questions for Besi to ask the residents, as well as to gauge the responses of the residents. The interview questions can be found in Appendix D. The life story interview helped us better understand the person's feelings toward Seniors' Home, as well as the steps that led them to the facility. This life interview approach was used to create the friendliest environment possible, giving the residents an opportunity to reminisce.

Throughout the interviews, we encountered a few small issues. Many of the residents wanted to talk about the negative aspects of their lives that led to the decision their families made about sending them to Seniors' Home. With the mood of the conversation taking a turn, we had to communicate through Besi that the residents did not have to speak about anything that would make them feel too sad or cause emotional harm. Occasionally, we also found that residents would like to speak over other residents and interject during their friends' responses. We had to be careful to make sure we got the whole story from everyone, without making any resident seem like their voice was not being heard.

Despite some of the problems mentioned above, having a local Albanian that is also a student of the same age as us made the conversational approach easier. Besi often informed the residents about where he was from in Albania (Kukes) and created a friendly environment by complimenting clothing, hairstyles, and names. The relationship that we created with Besi benefitted us because he was less like a translator and more like a friend with the same interests and goals as us, but who spoke Albanian and could communicate with the people we needed to talk to.

3.2 Objective 2: Funding Mechanisms

Identify applicable long term funding mechanisms for senior care in Albania based on examples from North America and Europe.

Public Funding for Long-Term Care

To identify possible mechanisms to subsidize the costs of a stay in Seniors' Home, we assessed financing mechanisms for long-term care in both Germany and the United States. Both countries have high-quality senior living facilities and funding mechanisms that draw from both private and public sources of funding. Using government websites and previous studies of long-term care by universities and other scholars, we conducted research about the specific types of public funding mechanisms that contribute to payments for long-term care both individually and collectively. It was important for us to understand the coverages of the benefits as well, as the different funding mechanisms for long-term care would vary based upon the coverages. We developed the following questions to set a baseline for evaluation of the public funding mechanisms for long-term care:

- What are the eligibility requirements to receive the public funding benefits?
- What do you see as potential challenges to long-term care funding?
- What are some of the possible long-term funding mechanisms that you could see working in Albania?
- How are these public funding mechanisms for long-term care financed in themselves? Where does the money come from?
- What role do pensions play in life after retirement? How can they be used to contribute to paying for long-term care?

After identifying the key elements that are used by both countries in terms of the public funding mechanisms for long-term care, we discussed their applicability to the Albanian context with Daklea Xinxo, Yunus Social Business and Enkelejd Musabelliu, a social policy expert who works in the office of the Mayor of Tirana.

Private Funding for Long-Term Care

We conducted research about the private funding mechanisms that, along with the public sources of funding, collectively pay for long-term care. We collaborated with Besi to understand the systems of private insurance already in place in Tirana. Next, we discussed the types of individual private funding mechanisms that he believed an Albanian person would use

to contribute to the payment of long-term care for a family member or themselves. In order to investigate the most relevant aspects of a pay as you go plan, we developed the following questions:

- What types of private insurance policies are available to purchase to help pay for long-term care?
- What services do these policies cover?
- How do the costs differ with age of purchaser, inflation, expected date of use, and maximum coverages?
- Who is covered by/can purchase these policies?
- When can the beneficiaries begin to use the policies they have purchased?
- What proportion of the overall cost of long-term care do these policies and premiums cover?
- Are there any policies that cover gaps between public funding sources and private funding sources?
- Are there collaborative private/public funding mechanisms?

By reviewing key articles and reports, we identified possible private and public funding mechanisms that could expand coverage. We presented the information in the Findings and Recommendations sections of this report to Daklea and Yunus Social Business to discuss the overall private and public funding mechanisms that could be applicable to Albania.

Policymakers and Government Officials on Current LTC Systems

In an attempt to understand the current funding systems for long-term care in Albania, as well as the coverages and services provided by the public sector for health care, we arranged a key informant interview with Enkelejd Musabelliu and asked the following questions:

- What is the average pension that elderly Albanians receive on a monthly basis? Who qualifies for a pension and what are the requirements?
- What types of public funding support are in place for the elderly in Albania? How do they qualify for the benefits? Who is excluded? What types of services are covered? Is there a maximum level of coverage based upon cost of the services?
- How is this type of financial support funded? (Payroll taxes, income taxes, social security, etc.)

- Do these public sources of funding combine with private sources to extend to a larger population? How can these public sources extend to cover more people?

After obtaining the data from the interview, we analyzed the key elements of the Albanian long-term care funding mechanisms and compared them to the successful mechanisms of long-term care funding found in models of countries around the world. We evaluated the models in other countries based upon the likelihood of success in Albania, considering the government payments and involvement, as well as the private insurance sector in Albania. We then decided how to use the pre-existing policies and mechanisms as foundations to build upon. To make useful recommendations, we used the literature research that we compiled through the last objective.

3.3 Objective 3: In-Home Care

Assess the opportunities for in-home care provision as an additional revenue stream for Seniors' Home.

Since putting one's elderly family members into an assisted living facility is oftentimes unaffordable, we looked at in-home care services as a way for seniors to get the care they need without breaking the bank. We also wanted to know whether or not these services would bring in additional revenue into Seniors' Home as a way to make the business more profitable. To understand these ideas, we conducted research about in-home care in other countries, as well as asked local Albanians whether or not they would consider this as an option for their family.

Our desk research about the models of in-home services for the elderly in the United States and Germany was guided by the following questions:

- What is the cost of in-home services compared to nursing homes?
- What are the services provided and to whom are they provided?
- Is this a more desirable option for the elderly as opposed to living in a senior care facility?
- How is the company staffed? (CNAs, RNs, NPs, doctors?)
- What is the goal of an in-home care company? What are the most frequent demands of the recipient of the services?

From this research, we developed a business plan that can be used by Daklea Xinxo if she decides to pursue additional revenues through the in-home service sector.

3.4 Objective 4: Marketing Strategies

Evaluate and improve Seniors' Home's marketing strategies.

Seniors' Home is currently operating at a deficit and needs to attract additional residents to continue. To help improve their financial situation, we researched what is currently being done and what can be done in terms of marketing. While discussing marketing strategies with Daklea Xinxo, we aimed to learn the following aspects of Seniors' Home's current marketing plan:

- What current marketing plan does Seniors' Home have in place?
- What marketing strategies appear to be most successful?
- What budget do you have for marketing?
- What new marketing strategies are the most worthwhile with respect to cost, target customer, and ease?

We then formulated the elements of a simple marketing plan that can be used to gain further interest in the home.

Chapter 4: Findings

4.1 Resident Interviews

Three common trajectories led elderly Albanians to become residents in Seniors' Home: family members too busy to provide adequate care, emigration of family members, and transfer from hospitals.

Since the traditional family values of caring for the elderly are still strong in Albania today, the elderly in Seniors' Home often had very similar trajectories that led them out of the hands of their families and into the care provided by Seniors' Home. A common reason to move into Seniors' Home for many of the residents was that their children, due to busy work schedules, had little time to tend to the everyday needs of their elderly family members. So although their family is still in Albania, seniors could not rely on their families to provide care. Thus, for many of the seniors, their children decided to seek residential long-term care services for them and chose Seniors' Home based on the reputation of the business.

Another common trajectory to Seniors' Home was the emigration of the residents' children to countries such as Italy, Greece, and the United States, in order to pursue business opportunities. The high quality services provided by Seniors' Home was seen as a viable option for long-term care for their elderly relatives by Albanians living abroad.

A smaller number of the residents came directly from hospitals in order to receive rehabilitation services and higher levels of care after a major surgery, serious illness, or traumatic episode. Currently, Seniors' Home does not have a business relationship with hospitals, but the residents have personal or family doctors that are paid for by the families of the elderly to visit Seniors' Home and administer rehabilitation or therapy services. The least common reason for moving into Seniors' Home was due to family tragedies or deaths of younger family members who were the previous caregivers for the elderly.

4.2 Funding Avenues for Residents

The most common methods of paying for long-term care at Seniors' Home were through pensions and remittances from family members abroad, though they only cover a portion of the expenses.

The price of Seniors' Home services is a point of concern for many potential residents of Seniors' Home. It costs a senior four times more per month to live in Seniors' Home than the average monthly pension. So while many of the residents said they were relying on their

government pensions in order to contribute to the expenses of the Seniors' Home services, this does not cover the entire cost. For the residents with children who emigrated from Albania, remittances were sent back to take care of many of the Seniors' Home costs. Since the monthly payments for the home are higher than the average elderly Albanian can afford, many of the seniors must use their own personal savings to finance their stay. Because of this, many of the residents are wealthy people who have accumulated their own wealth through various means during their lives. For example, one of the residents was a doctor and professor and another was a high-ranking officer.

4.3 Successful Marketing Channels

The marketing channels that were most effective for Seniors' Home were the reputation of the services through word of mouth and online publicity.

Many of the marketing strategies that Seniors' Home has implemented have attracted the current 22 residents. After analyzing our interviews with the residents, we found that the most effective marketing channel was interpersonal communication. The reputation of the business is a huge selling point according to the residents and local Albanians that we spoke to, as the word of a friend or family member about a certain place carries much value. On a similar note, the customer-owner and customer-employee relationships appear to be extremely valuable in Albania as described by the Albanians that we spoke with. We were given an example of the owner of a cafe whose customers were his friends, family members, friends of his family members, and a growing network of friends based on the owner's personal relationships. This channel was verified as effective by one of the residents who chose to live in Seniors' Home and receive his rehabilitation services there because a friend of his daughter's was an employee of the business.

Seniors' Home has a Facebook page in Albanian that is updated regularly and serves as a critical marketing channel. At the moment, Seniors' Home has upwards of 7,000 followers on the social media website, meaning at least 7,000 people are seeing the services and updates provided by Seniors' Home through their Facebook page. The major reason that Facebook is such an effective marketing tool for Seniors' Home is because it connects people from all over the world. For an Albanian person living in another country, while their elderly family members still reside in Albania, the opportunity to provide them with long-term care is attainable through a simple Facebook search. In one instance, we overheard the owner speaking to an Albanian man who walked through the door, but currently lives in Italy, and he

was inquiring about possible residency for his mother. When asked about how he heard about Seniors' Home, he spoke about seeing the Facebook page. Another channel that was less common than interpersonal communication and Facebook was television. The owner of Seniors' Home, Daklea Xinxo, has appeared on television answering interview questions and marketing the services of Seniors' Home. One of the residents' children had even heard about Seniors' Home through television in America.

4.4 Long-Term Care Funding

The following are options for funding long-term care in Albania:

Since many potential Seniors' Home residents choose not to move into the home because cannot afford the care, we looked at ways Seniors' Home prices could be reduced without reducing the home's profit. To do this, we looked at long-term care funding systems that would allow less out of pocket spending for seniors and their families. In order to find a long-term care system that might work for Albania, we analyzed four funding mechanisms used in other countries. The following Table 1 provides the outline of each mechanism, and below are the details and the extent to which they could be adapted in the Albanian context.

	Public/ Private	Basics	How it's funded	Who's eligible	Who does it cover
National Social Insurance	Public	Similar to Medicare in the U.S., it would take a percentage from individual earnings to go to health care after retirement	Payroll tax	All employees	Employees over 65 who have worked more than a certain number of years
Safety Net	Public	This focuses on providing long-term care to low income seniors	General tax revenue	Low income people	Anyone below certain standard for means testing on income and assets
Voluntary Private Sector Insurance	Private	This would allow anyone to individually fund their own long-term care by paying monthly premiums to a private sector company	Individual premiums	Anyone	Everyone who pays the premium
Automatic Enrollment Private Insurance	Private	After being automatically enrolled at a certain age, people would have the opportunity to opt-out of this insurance if they didn't find it necessary	Individual premiums	Anyone over age 40	Everyone who pays the premium

Table 1: Overview of Long-Term Care Funding Mechanisms

Option 1: National social insurance plan for long term care:

One example of national social insurance is Medicare in the United States. This program is funded by an extra income tax for all employees that is also matched by the employer. The tax would be relatively small, between 1 and 2% of the income. This money would then go into a fund kept by the government. Once a person comes of retirement age, they can use the benefits to help cover the cost of long-term care. All Albanian citizens who worked and paid the surtax for at least a certain number of years will be eligible to receive the assistance of the national social insurance plan. In this plan, the current population of seniors is financed by the

current working population. No one directly finances their own care, rather they finance the generation before them and expect the next generation to do the same.

Challenges of adapting national social insurance in Albania:

A national social insurance program in Albania would in principle, provide coverage for the largest number of elderly persons of all the different plans, but it would be difficult to adopt. Such a program typically is funded by payroll taxes and assumes that the revenues from these taxes will be adequate to pay a significant portion of long term care costs, and that employers and employees will agree to pay this tax. However, with high and persistent unemployment as well as a growing number of seniors in Albania, a national social insurance plan may not generate adequate revenues.

Since the fall of communism, Albania has experienced significant unemployment. Figure 12 shows the unemployment rates in Albania over 6 month intervals beginning in July of 2012. As evident from the figure, the employment rate since July 2012 has increased to 17.3%. With nearly 20% of the population unemployed, and thus not contributing through a payroll, a national social insurance program would be difficult at the moment.



Figure 12: Albanian Unemployment Rate (Trading Economics, 2015)

Another problem this plan faces is the growing number of seniors in Albania. Without economic expansion and job creation, it is unlikely that in the medium term, this option will be able to subsidize long term care for the elderly in Albania.

Option 2: Long-term care safety net:

A social safety net for long-term care would aim to help people who are in need of long-term care services, but cannot afford them, get the care they need. Instead of targeting all seniors over a certain age, this strategy would provide eligibility only for those who have limited income or assets. This safety net will limit the people that will become eligible for the benefits of the plan and will target lower to middle-income individuals who are at the greatest risk of having their needs go unattended. The safety net plan is a way to make an immediate impact on the social need for more affordable long-term care by directly meeting the unmet needs of the elderly who are least able to acquire the services they need. However, long-term plans for funding senior care, according to Enkelejd Musabelliu, tend to aim for a modified national social insurance plan.

Challenges of adapting a safety net in Albania:

The main issue with the safety net plan is the funding sources. Since the people covered in this plan are those that cannot cover their own care, the funding cannot come out of their pockets. Instead, it must come from general taxes from the rest of the population. However, one of the biggest issues that Albania currently has with tax collections is that many people would rather not declare or document assets, income, or profits in order to avoid paying taxes on them. For example, many people work “under the table” in order to evade payroll taxes. Those who would not be eligible for such a safety net may be reluctant to hand over their hard earned money for benefits that they will never see and would find ways to get around paying taxes that might go towards such a program.

Option 3: Private sector long term care insurance policies:

Private sector long-term care insurance can be used to give people more control over their future long-term care coverage, but at the cost of what can be quite expensive premiums. Anyone would have the option to purchase long-term care insurance, as long as they could afford to pay the premium. Varying plans with different companies would allow everyone suitable options for how much they are willing to pay and what benefits they want to receive later in life.

Challenges of adapting private sector insurance in Albania:

In order for private long-term care insurance to cover the costs of long term care for the bulk of the elderly population, it would have to be mandatory, like car insurance. If it was optional, very few people would purchase it because of the unfamiliarity, the high cost, and

their past experience with private insurance. Since private long-term care insurance would be a completely new idea to the majority of Albanians, many would be skeptical about purchasing it. They would not know if they could depend upon a new company to pay out when they actually needed it. This apprehension is partially based on the troubles that many people have with their mandatory private car insurance. Getting reimbursed for repairs can be a challenge according to the Albanians we interviewed, so they find it hard to trust private insurance companies. The high cost of this insurance and potential price increase of premiums would also be unaffordable to many Albanians who are struggling to find a job and make enough to survive, much less investing in care that they do not know if they will end up needing.

Option 4: Automatic Enrollment Private Insurance

Since very few people would choose to willingly buy private long-term care insurance because they know little about it, making private insurance mandatory would be the only way to get a majority of people to purchase it and thus lower the cost. However, this could be unsatisfactory for many people that want the freedom to choose to purchase it or not. An automatic enrollment plan where everyone has the option to opt-out would attempt to solve both of these problems. At a certain age, typically 40 years, everyone would be enrolled in a long-term care private insurance plan and would be given the necessary information to make a choice whether to pay the premium and earn the benefits, or opt out of the program within the first couple months. This would encourage everyone to consider private insurance and make it a more widespread option. Although the providers of the insurance would be private, this plan would partially depend on the government to provide logistical support with the automatic enrollment.

Challenges of adapting automatic enrollment insurance in Albania

Although this plan addresses some of the issues with the other structures, it also is hampered by some of those problems as well. Despite the fact that people would be more likely to purchase insurance if they know the government is endorsing it, many people would still be unsure whether or not they trusted a private insurance plan. If many people choose to opt out of the plan, the higher the premiums will become. This could create a domino effect if more people continue to drop out because of higher premiums.

4.5 Providing Care for Larger Numbers of Elderly Albanians in the Coming Decades

While long-term elderly care is currently not a priority issue for government action, it is becoming a more pressing issue.

According to a government social policy analyst working for the municipality of Tirana, funding for elderly long-term care is not a prominent issue. After speaking with many young and middle-aged Albanians in Tirana, the cultural stigma against placing one's elderly family members in a residential long-term care facility is still strong today. Many of the Albanians we spoke to stated they would not consider putting their elderly family members in a long-term care facility.

However, one interviewee stressed how changing demographics is likely to make long-term care funding a more pressing concern and perhaps reduce the stigma of living in a residential care facility. As Figure 14 below indicates, the projected increase in the number of elders in Albania, coupled with the growing autonomy for younger generations of Albanian women, is likely to raise tensions about long-term care for elderly family members in the future. It is thought that when the post-communist baby boomers' parents reach the point in their lives when they will need daily assistance and their daughters have more autonomy to pursue business opportunities, the availability of younger family members to take care of their elderly will diminish.

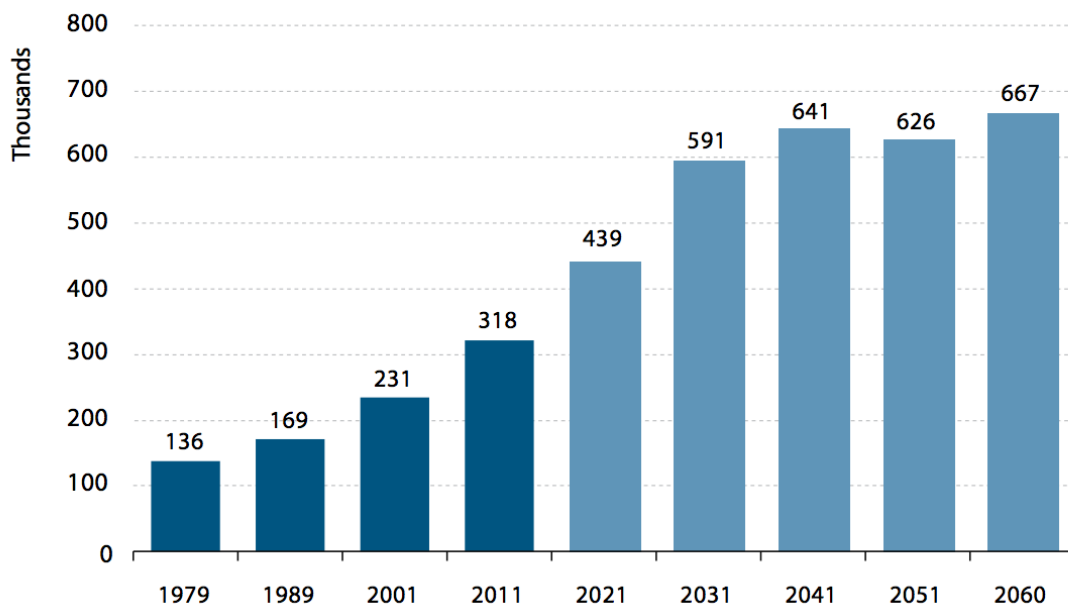


Figure 13: Population Aged 65 and Over, 1979-2060 (INSTAT, 2015)

Currently there are five public senior facilities in Albania, but the waitlist to get into a public residential long-term care institution is extensive. The quality of the residential public long-term care facilities and services is not as high as the residential private counterparts, but they are more affordable with pensions. However, the lack of availability of living spaces in public institutions along with the high expenses of private long-term care facilities makes it difficult for seniors to receive the services they may need.

4.6 Existing In-Home Service Systems

In-home services provide a low cost alternative for elderly care around the world.

The research we conducted about in-home care for seniors showed that it is a valuable service for the elderly in many countries around the world. Countries like the United States and Germany have established in-home care systems that help seniors with a variety of services, from cooking and cleaning to skilled nursing. While these services can be slightly costly, they are a much less expensive alternative to living in a full-time senior home. An average price for basic in-home care services is \$20 per hour, and companies allow you to decide how many hours of care you need per week.

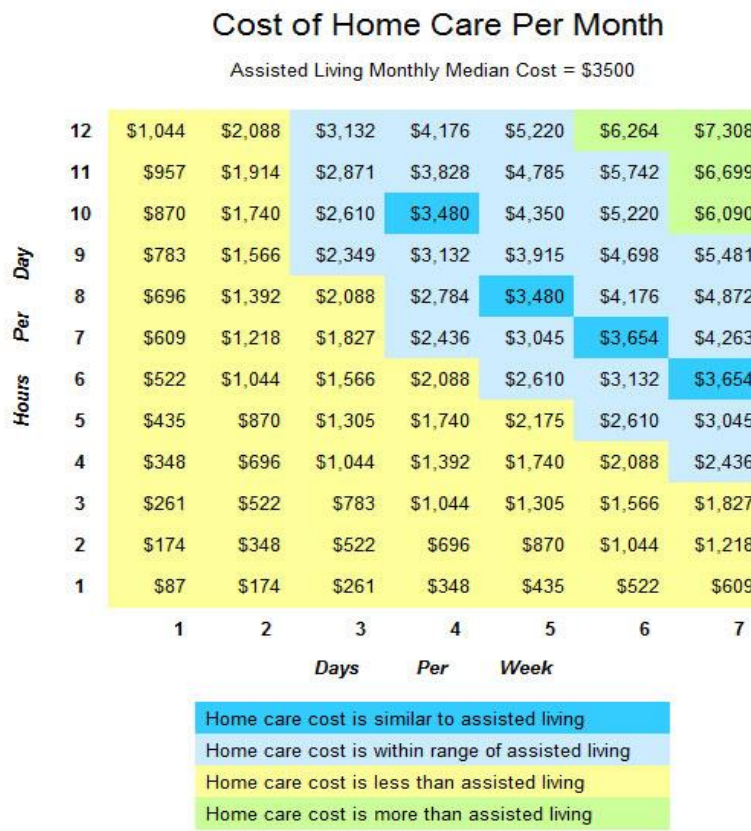


Figure 14: Cost of Home Care Per Month (Absher, 2015)

Figure 15 shows that in-home services are a good opportunity to service seniors that either do not need more than about 40 hours of help per week or simply cannot afford the price of a senior home. This is the market of customers that we will aim to reach with in-home services.

4.7 In-Home Services Potential

Aspects of in-home care from other countries can be used to fit Albania's current need for these services.

Based on our research and conversations with Albanians here in Tirana, there are many seniors who are living in their homes but are not able to take care of themselves. Unlike the United States and Germany, for example, these seniors have no one except their family and friends to take care of them. In many situations, particularly in the rural areas, if family members have emigrated to other countries, the elderly must be completely self-sufficient even when they are unable. However, no alternative for them exists but to move out of their home, creating both a big opportunity as well as an obstacle for starting an in-home care business.

When bringing in-home services to Albania, there are certain difficulties that inevitably will be faced. The first is that Albanians do not know such a service exists. Unlike in countries where in-home care is well established, Albanians have never had access to such a service and therefore do not even think about it as an option for their family. As we noted earlier, there is also a cultural stigma about having someone other than your family take care of you in your old age. According to one of our key informants, Besmir Karaxha, since many elderly Albanians are not yet used to the idea of strangers taking care of them, they are very skeptical and do not immediately put trust in an unfamiliar system. In a discussion about this subject, he asked "how do I know they will not steal my things?"

The price is also a challenge for Albanians that is quite different than in other countries. Many countries have formal public or private insurance plans that help to cover necessities such as long-term care. However, because of this lack of funds, pricing must be changed accordingly. The normal \$20 per hour rate that is common in the United States would be about 2500 lek per hour, which is more than most people make in an entire day here. From asking people about the rates of similar jobs such as cleaning and babysitting, as well as calculating how much people could afford based on average pensions, a more likely hourly rate is around 250 lek per hour. This reduced price also plays a role in how much caregivers can get paid.

4.8 Current Marketing Strategies

Seniors' Home has a variety of marketing strategies currently in place that have had moderate success in attracting customers.

After talking to Daklea Xinxo and the Seniors' Home residents, we discovered that Seniors' Home already has a variety of marketing strategies in place to promote the home. Many of these methods are being implemented well and have been successful in attracting customers. The following is a list of marketing strategies currently in place in Seniors' Home:

- Website
- Facebook page
- Television
- Pamphlets
- Radio
- Meetings with hospitals/doctors
- Publicity events

Although Daklea has put a lot of effort into the marketing of Seniors' Home, there are a variety of reasons that these strategies have been less effective than desired. The most problematic of these reasons is that the current marketing strategies reach a fairly small range of potential customers. Many of the seniors that would benefit from Seniors' Home have children that live in countries all around the world. Currently, it is almost impossible to find information about the home if you do not live in Albania. We found that if we increase awareness of the home in other countries, this will help increase interest in the home.

Chapter 5: Recommendations

5.1 Public-Private Partnership for Long-Term Care Funding

Government action can encourage more interest in senior care facilities in three ways:

1. *Allow the long-term care institutions to operate rent-free in surplus government-owned buildings.*

By eliminating rent and reducing operating costs, long-term care facilities could become marginally more affordable for a wider proportion of the population. Without the rent costs and with the reduced operating costs, the long-term care facilities are able to lower the prices for their services because of the lower expenses of sustaining the business.

2. *The government could lower or remove the payroll taxes and corporate income taxes for operating a senior care facility, making the business more attractive to private investors.*

The government contribution to promoting affordable long-term care for the elderly would be reducing or removing payroll taxes and corporate income taxes for operating the facility. Currently businesses pay 1.7% of their employees' payroll for health insurance and 15% towards social contribution. In reducing or removing these taxes, the long-term care businesses would be able to effectively lower their prices to make the services affordable to a larger population, as opposed to just the high-income families. Simultaneously, private investors would turn to the long-term care market for opportunities to develop a business. Businesses sometimes struggle to expand due to high rates on corporate income taxes, and in the case of Albania, the corporate income tax is 15% to 18% depending on the tax bracket (S. Marku, personal communication, December 10, 2015). For private investors and entrepreneurs in Albania, the likelihood of a construction company or restaurant having a higher return on investment is much greater than that of a long-term care facility. With business owners opting to avoid opening a less lucrative business for long-term care, the opportunities for long-term care market expansion become very limited. Reducing or eliminating the corporate income tax and payroll taxes of long-term care businesses would allow them to lower their prices (or increase profit), in order to make long-term care more affordable. The government could set a timetable for tax exemption, or once a competitive long-term care market has been established, the government could reset the taxes to be standardized like other businesses.

- 3. The Value-Added Tax could be significantly reduced or eliminated for the customer to encourage families of all incomes.*

The Value-Added Tax for consumers in Albania is 20%, but for medicinal products, the rate is cut in half to 10%. If the government reduced the Value-Added Tax to 10% for long-term care under the identity of the services being a medicinal product, the services could be more affordable for the public. If the tax was completely eliminated for a period of time, the services would become even more affordable for people across the income spectrum. The Value-Added Tax goes directly to the federal budget, but the contributions of the Value-Added Tax from long-term care businesses is miniscule. Thus, we recommend the government consider significantly lowering or eliminating the Value-Added Tax for long-term care institutions until a competitive long-term care market is established.

5.2 In-Home Service Business Plan

We recommend that Seniors' Home expand to include in-home services as soon as they are financially stable.

Since in-home senior care can provide elderly Albanians with a more affordable care alternative, there are a large number of seniors that could benefit from these services. Because of this large and nearly untapped market, we recommend that Senior's Home expand their business to offer family services to seniors in the area surrounding the home.

We recommend that this in-home service business be responsible for providing seniors with a wide variety of services. They should include everything from cooking, cleaning, and personal hygiene to more advanced services like medication administration and Alzheimer's care. Seniors would be able to choose which of these services they require and how often they need the assistance of a caregiver. The caregivers would then travel to the seniors' home as often as they require and help them with their daily routine, trying to make the seniors' life as comfortable as possible while also giving them the independence they need. These caregivers would have to be hired specifically for this service. The staff should all have some sort of experience either dealing with nursing, elderly care, or both. They should be personable, polite and trustworthy so that the seniors feel comfortable having them in their home. This staff would also need to go through some sort of training or orientation so that they understand their roles and responsibilities as a caregiver.

We recommend that the price the seniors pay vary based on how many hours of care they want each week. It can range anywhere from one hour to 40 hours of care per week. If

they require more than 40 hours per week, they should be advised to move into Seniors' Home so they can receive the proper care they need. If the seniors only need basic services such as cleaning, cooking and companionship, the price should be 250 lek/hour. If they require more advanced, specialized care such as physical therapy, medication administration or Alzheimer's care, the price should be 300 lek/hour. For these specialized services, the staff must have a more thorough training or background in nursing. A complete business plan for in-home services can be found in Appendix G.

5.3 Improved Marketing Strategies

We recommend Senior's home implements the following marketing strategies to broaden their customer base.

Contacting Organizations of Albanian Diaspora

As mentioned above, the word of mouth marketing channel is most effective. Contacting Albanian diaspora and organizations of emigrated Albanians will further develop the familiar relationships between Albanians who still have family members living in the area of Tirana. Our research showed that the large-scale emigration from Albania after the fall of communism led to large settlements of Albanians in the United States, United Kingdom, Greece, and Italy, all of whom were middle-aged or younger. For those who still have family in Albania, the word of mouth channel through the Albanian diaspora can express the benefits of Seniors' Home as a familiar and high-quality social service for the elderly. The organizations that have been created for, and by, the Albanian diaspora will serve as a trustworthy advocate for services provided by Seniors' Home. In order to contact these organizations, information could be sent electronically using email or other social media forums to the emigrant Albanians. These connections can also increase throughout the years as more Albanians begin to hear about Seniors' Home through certain organizations. As the word starts to spread to other countries, word of mouth will help it to advance further throughout these areas. Staying in constant communication with these organizations after initial contact will also help foster a trust between Seniors' Home and the Albanian diaspora.

Increase Website Popularity

Our results showed that when you type certain keywords into a search engine, the search displays at the top of the list the most regularly visited websites that include the same keywords. We have also found that unless you directly type in the name of Seniors' Home in Albanian, Shtepia e Zoterinjve, results for the home will not show up in an obvious location.

Most of the time, it shows up at the bottom of the page of search engines. Backlinks on different websites that lead the user back to the Seniors' Home page will be exceptionally useful for search engine optimization for Seniors' Home.

Boost Name Recognition

The first step in any decision to use a business is having heard of the company to start with. There are many different tactics that can be used in order to get the company's name in the backs of more people's minds. Many of these strategies are expensive, but there are some that can be done in an inexpensive way that still inform people that Senior's Home exists, even if they might not currently be in the situation to use or need the home. A complete list of these marketing strategy recommendations can be found in Appendix H.

Chapter 6: Conclusions

Spending time with elderly Albanians at Seniors' Home was an eye-opening experience. After moving past the language barrier and understanding how the history of their lives led them to Seniors' Home, we have become not only more knowledgeable about the aging process and long-term care services, but also about life during major transitions in Albania. The transition from communism to the beginnings of a democracy affected the lives of these people, and it was an unbelievable experience to have learned so much from the residents of Seniors' Home. After speaking with local Albanians of all ages, it still remains clear that there is little consideration in putting one's elderly family members in a residential long-term care facility. However, the residents in Seniors' Home did not reflect disappointment in their families, but rather homesickness for the homes they worked so hard throughout their lives to establish.

We faced many challenges throughout our project that we had not anticipated prior to coming to Albania. For the marketing aspect of our project, we found that it was not easy, nor beneficial in some cases, to implement marketing strategies because the reputation of a business among local Albanians carries so much value. Word of mouth plays a major role in attracting clients to a business. We found that, in terms of funding long-term care, people are skeptical of the private sector as a result of the recent shift from communism. Trying to devise a public funding strategy for long-term care was difficult because there was little public funding available, and with such high unemployment rates, the income taxes do not bring in as much money as desired. It was also further complicated when we learned that the government policies on taxes change frequently, so there is no sense of long-term stability. Overall, we found that the need for long-term elderly care will continue to rise in Albania and changes should be made in order to provide seniors with the care they need.

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Appendix A: Yunus Social Business: Sponsor Description

Yunus Social Business is a worldwide organization that has an emphasis on starting and growing businesses that give back to the community. Founded in 2011 by Nobel Peace Prize winner Muhammed Yunus, YSB was created to help fight poverty around the world. His chief idea behind the social business, seen in Figure 12 below, was that giving handouts will not stimulate the economy but instead businesses must be created and sustained to help bring life to suffering economies. YSB also believes that in order for social business to fulfill its potential, people will have to become more focused on enriching the lives of others and less time on making themselves rich.



Figure 15: Business models (Yunus, 2010)

Currently YSB has aided businesses in seven countries around the world, from Haiti to Uganda to Albania. YSB has established 26 social businesses throughout those seven countries that have created jobs for over a thousand people in need of work and impacted over twenty thousand customers throughout the world. They work by helping to finance entrepreneurs that have dreams of creating a business that will make a positive impact in the community, as well as teach business leaders the skills that they will need in order to successfully run their business. Any profit made by the business then gets reinvested into growing the business or starting new ones. Within Albania, YSB has helped to launch three different social businesses, including Senior's Home.

Seniors' Home is an organization run by Yunus Social Business that provides the elderly with living accommodations and a healthy aging process, which currently has the capacity for 32 residential clients and over 60 daily clients. Seniors' Home offers these seniors daily

activities that are physical, emotional, and cultural, to make for a comfortable aging process. Yunus Social Business was established in Albania in 2012, and deemed Seniors' Home open for operation in March 2014. Their impact on the elderly community began immediately, and with proper resources and planning, can expand greatly to service the senior population throughout Albania.

YSB Albania was responsible for the funding and launching of three social businesses. These businesses had more than 260,000 dollars in financing, and an additional 34,000 dollars from private donations in 2013. The three social businesses that were established were a bar and event location called E Jona, a seniors' home with proper living accommodations for seniors in need, and a company called Rozafa Social Business. Rozafa Social business ensures a more prominent and stable income for rural women. YSB continuously works on projects with the intent of solving the region's multiple problems, including poverty. YSB plans to expand its entrepreneurship in regards to everything they do, and hopes to inspire new social businesses for the elderly and Albanians as a whole in the future.

Rozafa was not possible without the help of Kiva.org. Kiva.org is a crowdfunding organization and site that helped YSB raise 18,000 euros for the project. Over the course of six years, the investment has been responsible for the financing and implementation of the best marketing strategies that has helped Rozafa gain prominence in Albania. The intent of Rozafa is to add professionally crafted Albanian handicrafts to the market as a source of money for Albanians. YSB managed to raise nearly 24,000 dollars for Rozafa from 788 lenders in August of 2013. Kiva came into global fame after it connected small amounts of individual money to microcredit borrowers as loans on a global scale.

YSB has successfully established a presence in Albania. After 11 public presentations and 14 workshops and conferences, 2400 participants were reached out to and additional social businesses such as E Jona were established. In regards to marketing, YSB has shown advertisements on TV to gather help and supervision from Albanians. In addition, a social business plan competition was aired on TV as a reality show in Albania to garner further support. Thanks to the funding that has been raised for this project thus far, we should be able to grow Seniors' Home and help optimize its living conditions.

Appendix B: Interview Questions for Albanians in Worcester

B.1 Albanian Student Focus Group

1. Did you grow up in Albania?
2. When and why did you move to the U.S.?
3. Do you have any family members still in Albania?
4. What is your opinion about the overall care of seniors in Albania?
5. Do you have any personal experience with elderly care? (Do you have family members that receive elderly care in Albania?)
6. Could you help us understand the differences between Albanian elderly care and that of the U.S.?
7. What are some things you would look for in senior housing in Albania (for your grandparents, etc.)?
8. What is life like after retirement in Albania? Do you receive a pension or some form of payment? What activities are the elderly mostly involved in after they retire? Are there any differences between men and women after retirement?

B.2 Eva Varfi Interview

1. Did you move from Albania to the United States and if so, when?
2. Do you have any family still in Albania (especially parents)?
3. What are the biggest differences between life in Albania and life in the U.S.?
4. What have you noticed about the overall care of seniors in Albania?
5. Can you tell us a little about elderly care in Albania?
6. Do you have any personal experience with elderly care (of family members, friends, etc.)?
7. Do you know of any differences between Albanian elderly care and that of the U.S.?
8. What are some things you would look for in senior housing that makes it a good choice?
9. What is life like after retirement in Albania? In other words, do you receive a pension or some form of payment? What activities are the elderly mostly involved in after they are retired?

B.3 Frida Bahja Interview

1. What do you like most about living in Albania?
2. What family do you have in Albania, and do you live with any of them?
3. What is your opinion of senior care in Albania?
4. What services are provided for seniors, both free and that you have to pay for?
5. How expensive are these services in terms of the lek? U.S. dollars?
6. What is the biggest reason seniors choose not to live in a senior home?
7. Would seniors rather live in a normal house with other seniors or in a structured senior living facility?
8. What is life like for seniors after retirement? How much money do seniors get? What activities do seniors enjoy?
9. What aspects of a seniors' home would make you more likely to have your parents live in it?

B.6 Eleni Milona Interview

1. When did you move to the U.S. and why did you come to Worcester?
2. Do you have any family in the U.S. or in Albania?
3. What is the culture surrounding seniors in Albania? How is it different from the view of seniors in the U.S.?
4. If you could no longer live on your own, would you move into a senior living facility?
5. What would you look for in a senior living facility?
 - a. Services
 - b. Facilities

Appendix C: Interview Questions for Senior Care Experts

C.1 Greg Lindstrom at Visiting Angels Interview

1. How long have you been Director of Visiting Angels?
2. What services do you offer?
3. What are the challenges that you've faced with in-home care?
 - a. Medical Training
 - b. Cost
 - c. Getting Clients
4. What are the first steps you take after a senior expresses interest? Can you walk us through the process?

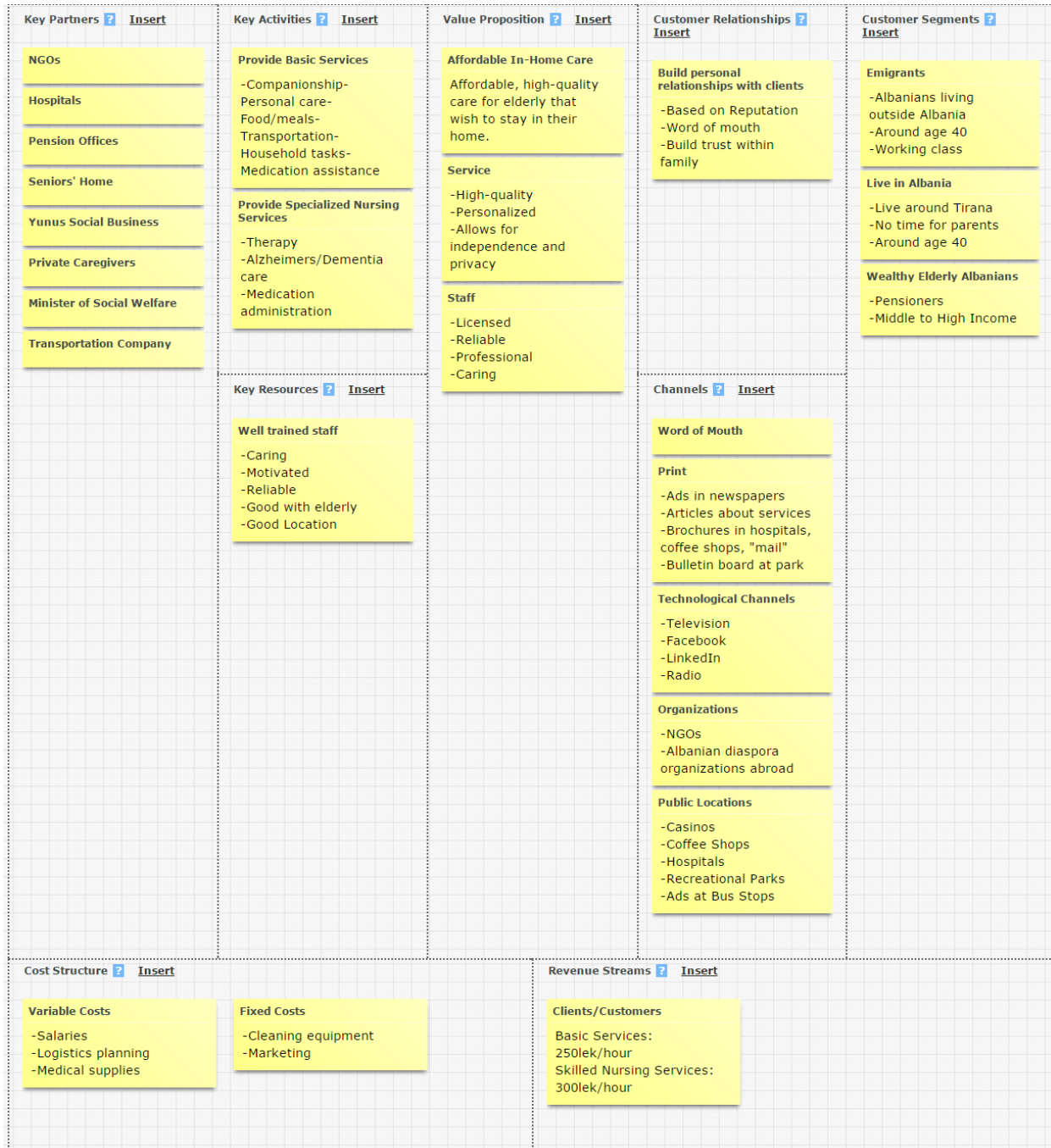
C.2 Peter Rost at Tatnuck Park Senior Living Community Interview

1. How long have you been the Director at Tatnuck Park?
2. Do you have different levels of assisted living? If so, what are they?
3. What types of services do you offer (for each level)?
4. What about your facility gets people interested?
5. What issues have you faced in the following areas:
 - a. Food/Dietary Restrictions
 - b. Medical Assistance
 - c. Cost
 - d. Getting Clients
 - e. Activities
 - f. Individualized Care
6. If you had to give us advice on how to run a senior care (especially in a second world country), what would be your biggest piece of advice?

Appendix D: Interview Questions for Seniors' Home Residents

- 1) Where did you grow up?
- 2) Do you have any children? Where do they live?
- 3) What did you do for work?
- 4) How long have you lived in Seniors' Home?
- 5) How did you hear about Seniors' Home?
- 6) Why did you choose to live here?
- 7) What do you like about it?
 - a) Food
 - b) Staff
 - c) Bedrooms
 - d) Activities

Appendix E: In-Home Services Business Canvas



Appendix F: SWOT Analysis for In-Home Services

Strengths	<ul style="list-style-type: none">• Affordable• Allows independence• More flexibility• Social service• Stay in own home
Weaknesses	<ul style="list-style-type: none">• Not complete care coverage
Opportunities	<ul style="list-style-type: none">• More variety of customers• Additional revenue• Feeder system from in-home care to Seniors' Home
Threats	<ul style="list-style-type: none">• Splitting time and resources between businesses• Lack of staff• Cultural stigma

Appendix G: In-Home Services Business Plan

The following business description is based on in-home service structures found in countries with well-established systems, such as the United States and Germany. These systems have been modified to operate in Albania.

Business Description

The business that is amidst planning will provide in-home services as an alternative to long-term care in residential senior living establishments. In Albania, it is uncommon for the elderly to choose residency in senior homes due to long-standing family dynamics of younger family members caring for the elderly family members. The decision to live in a senior home is typically not favorable because the elderly often feel more comfortable in their own home, as most worked diligently throughout their lives to establish a settlement and raise families there. After the fall of communism, a neo-liberal market emerged, and a large population of Albanians emigrated to pursue business opportunities in other countries. With a large number of young and middle-aged workers leaving the country for business opportunities, many Albanian elderly remained at home with little help in completing everyday activities. The elderly population of Albania is projected to increase dramatically by 2060. The necessity for long-term care will proportionally increase with the number of elderly living in Albania, and the opportunity for an affordable and socially beneficial service will arise in the form of in-home services.

There are currently no established in-home service providers, allowing the implementation of this business to be the first of its kind. The in-home services will be cheaper than its counterpart in residential long-term care with the goal of the business being to provide a valuable service to the population while maintaining an affordable price. This will be achieved by personalization of services depending on the wishes and needs of the customer. The varying levels of care include personal care, meals, transportation, household tasks, and any nursing needs the client might require. More specifically, the nursing needs branch to a variety of services, including therapy, Alzheimers/Dementia care, and medication administration. The services the organization will offer will be available as often as the client needs.

Although there is competition from senior living facilities as well as family and friend caregivers, an in-home service business will have distinct advantages over these competitors that will lead it to be successful. This business will give seniors the most amount of flexibility and control over their care. They are not limited by the housing arrangements and they have access

to a broad range of services and resources. Because of this, many Albanian seniors will choose this service, especially as the elderly population continues to rise and the number of family caregivers falls.

Marketing Strategies

This in-home services business will target a very specific demographic that spans not only around Albania but around the world. Although the consumer of the service will always be seniors, the customer is oftentimes the younger family members of the elderly. The average age of a person looking for care for their parents is 40 years of age. This includes middle aged people in Albania that no longer have the time to take care of their elderly relative, as well as middle aged emigrants that have left Albania but could not bring their parents with them to the new country. The last customer segment is wealthy Albanians that can pay for these services without the financial support of their children. This market will continue to get larger as more Albanians reach retirement age. By targeting these individual markets, we can create an overarching marketing strategy for all potential consumers.

Since in-home services are a new idea in Albania, marketing strategies will not only need to advertise the business, but it must also help the market understand what exactly this service entails. This will require a marketing plan that is focused on our target market and lets a large number of people know about this service. There are four main channels to use to help market this business: word of mouth, print, technology, and organizations. The most trusted source of information in Albania is hearing about something through friends and family. By encouraging those that know about the business to pass along information to people they know, this will encourage people to trust the business even if they heard about it indirectly. This will only reach a small amount people, so we will also use other means to reach a larger population. Flyers and other printed material posted in a variety of places that seniors frequent such as coffee shops and pensioner's offices can spread the word to a large number of people. Social media and television can also be used as a way to provide a lot of information about the business to anyone who is interested in learning more. Reaching out to Albanian organizations in countries that are commonly emigrated to can also allow middle aged people outside of Albania to hear about the business.

Competitive Analysis

While creating a business specifically for in-home elderly care services is a new and different idea for the Albanian market, that does not mean that there is no one competing for the same customer base. Albanian seniors have been surviving for years due to other services helping them with their daily activities. The two main competitors for in-home care are family and friends who care for their loved ones and senior living facilities such as Seniors' Home. Both of these provide seniors with the assistance they need in their old age, and both have advantages and disadvantages compared to other types of care.

Currently the most common provider of senior care is relatives and friends of the elderly. These are people that are either part of or very close to the senior's family. Depending on the person, they may or may not get paid for their services. If it is the senior's children, for example, they will likely be expected to care for their parents without compensation. A more distant relative or friend, however, will generally be paid a small amount of money for their services. A single senior might also have a variety of friends and family members that all pitch in occasionally to help. Because of the convenience of the family and friend caregivers, the strengths of this competitor are:

- Cheap
- Trustworthy
- Familiar with the senior's situation
- Convenient and easy to reach

While there are many reasons that seniors most often choose to rely on their friends and family, there are also weaknesses of this option:

- Less flexible if family/friends have jobs
- Not licensed or trained
- Family lives far away
- Inadequate supplies

The other competitor, senior living facilities, are not common in Tirana but offer seniors another option for care. These homes, such as Seniors' Home, give seniors not only the care and attention they need at all hours of the day, but also a place to live. The reasons a senior might choose to get care from these facilities are:

- Receive care 24 hours a day
- Can socialize with other seniors

- Proper facilities
- Trained staff

The drawbacks of moving into a senior living facility are:

- Expensive
- Separated from family
- Cultural stigmas

In order for in-home services to be successful, it must provide advantages over the other options. To stand out from the competitors, the in-home care business must have the following characteristics:

- Less expensive than senior living facilities
- Flexible hours and services
- Trained staff
- Polite and trustworthy caregivers

If this business can provide customers with those features, the business will offer seniors value that they cannot find elsewhere.

Operations and Financial Plan

Organizational Structure and Personnel

An in-home care business would require two classifications of employees in order for all operations to be successful. The first is the caregivers that would be going to seniors' homes and providing care for them. They would be responsible for directly providing the service to the customer. The second classification is management/logistics personnel.

Management/logistics would be responsible for the following tasks:

- Creating service and payment plans for new seniors
- Handling payments
- Organizing which caregivers will go to which homes and when
- Maintaining inventory of necessary supplies

The amount of personnel needed would directly depend on how many customers the business has. Each management/logistics employee could cover a large number of customers since they have spent little time on any given customer. We estimate that until the business gets larger than about 20 customers, only one manager would be necessary. More caregivers would be needed for each customer, and we approximate that every caregiver could take care of five

customers. For 20 customers, the business would need four caregivers. If each of the employees gets paid 32000 lek per month, 160000 lek per month would be spent on personnel.

Overhead Expenses

Along with personnel, there will also be other expenses to starting up and operating an in-home care business. We are assuming that at least while starting up, this business will be able to use some basic resources of Seniors' Home. These include a building to operate out of as well as being marketed alongside Seniors' Home in order to produce no extra marketing cost. However, there are other expenses that the business would have to consider such as the cost of any supplies that the caregivers would require, training for the caregivers, and the upfront fee of creating and registering a new business.

Revenue Stream

With all the money required to invest in a new business, enough revenue must come into the business in order to ultimately make a profit. With an in-home senior care business, the majority of the revenue will come from the price seniors pay for the service. We propose breaking services down into two types: basic services and specialized nursing care. The charge for basic services would be 250 lek/hour and specialized nursing would be 300 lek/hour. These prices were chosen by finding a middle ground between how much people would be reasonably willing to spend and the cost of paying the personnel. This would mean that for every hour a customer wants the service, the company will make between 50 and 100 lek. In order to cover fixed costs, the company will have to gain enough customers that this revenue can outweigh the costs.

Appendix H: Marketing Plan

Organizations in Other Countries

Description: Contact Albanian organizations in different countries that have large Albanian populations such as the United States, Germany, Italy and Greece. Send them information about Seniors' Home that they can give to their members. These organizations include: National American Albanian Council, Albanian American National Organization, Frosina Information Network, and InterNations.

Cost: Free

Pros: This is a good way to connect with Albanians that have moved to other countries but still have elderly family members living in Albania. It is difficult to advertise to these specific populations, but this will get information about Seniors' Home directly to emigrant Albanians. These are the people who could most benefit from Seniors' Home because they cannot care for their parents and have enough money to spend on the home. It would also be very simple to reach out to them and the information could be sent electronically so it would be completely free.

Cons: The organizations might be unresponsive or not have a good way of sending information to all of its members. The content you send them might never end up getting to the actual members that it could help. The information also might need to be translated into other languages so that people that had been living in another country could understand it.

Website Improvements

Description: Making sure a website is the best it can possibly be is a great way to effectively market. More specifically, the better a website is, the more optimized it becomes. Website optimization improves how search engines place rank on a particular website in a way that betters the user experience. The better the user experience, the more talked about a business is.

Cost: Free

Pros: One of the pros of improving the website is it makes the site less ambiguous. Currently, the website does not include the name of the institution on the main page or the location of the home, and if people are searching for a senior home to place their parent in, they would want to see this information once they got to the site. In addition, changing font sizes and making the site more aesthetically attractive will help you get more views and capture the viewer's

attention. One final positive aspect regarding the website improvements, is that you can track how many viewers you get during a particular time frame using Google Analytics. If improvements are made you could see some positive trends, and if not you could try some other tactics.

Cons: One of the cons of improving the website is the same as the marketing idea mentioned above: only those that use social media, typically the younger generation, would be the ones to view the website. Another potential disadvantage is that the changes might not optimize the website, making the website difficult to find for those considering a senior home as an option.

Flyers

Description: Create a flyer that can be distributed in various places, especially places where seniors tend to spend time. The flyer should have pictures of Seniors' Home, information about the home, and reasons why Seniors' Home could benefit families and their elderly. They can be handed out at pensioner's offices, apartment buildings, and cafes.

Cost: Approximately 10 lek per flyer. 500 flyers would be about 5000 lek (around \$40)

Pros: This is an efficient way to reach a large body of people. Flyers are commonly used in Tirana as a way to directly get people's attention. The more people hear about and see a business, the more they will consider using it. Even if they don't need the service now, they will know about it and the flyer will give them easy access to the necessary information so they do not have to search for it.

Cons: Since so many businesses use flyers, people might disregard them and throw them away without looking at them. Because of this, there would not be a high conversion rate between people that receive flyers and actual customers. However, since each flyer is so cheap, this might not be a big problem. Distributing flyers would also take time and resources that could be used elsewhere.

Billboard

Description: Billboards are large outdoor boards or signs that are located alongside major highways leading into large cities and are used to portray advertisements to a large population. Some are electronic and switch through a variety of advertisements for different products or services.

Cost: The annual cost of billboards are calculated by number of months times cost per billboard (around \$1500 but prices vary depending on location) times minimum number of billboards.

Pros: The billboard is effective because it is available for large amounts of people to see. The visual components of a billboard attract the attention of enormous populations of commuters around major cities, which could greatly benefit Seniors' Home. The location of Seniors' Home being very close to the main drag, combined with a strategic placement of a billboard could result in a high conversion rate. The number of commuters to and from Tirana, sometimes numerous times per day, will cause visual recognition of the billboard and the services it is advertising. The commuters to and from the city may primarily be working-class Albanians who may or may not have elderly family members. Their work hours may reduce the amount of time they can spend taking care of elderly family members. Raising awareness of the services provided by Seniors' Home may result in the conversion of these working-class individuals into customers. These factors based on billboard advertisement can result in a high conversion rate from passersby on the highway to customers.

Cons: It can be a pricy form of marketing depending on the costs of the space and the advertising regulations in Albania. The investment of a billboard may not necessarily result in an immediate influx of customers into the doors of Seniors' Home, but would make the Albanian population aware of the services that are being provided, as well as offering a solution to a problem that families around the world face. The billboard may reflect attitudes of a changing culture in Albania as well, from family dynamics of always taking care of the elderly, to somewhat of letting the elderly family members be taken care of by strangers. However, as mentioned above, there is a need for the services that Seniors' Home provides, and by flooding the market, the working-class families that do not have time to take care of their elderly family members, we are allowing Albanians to realize the benefits of the services that Seniors' Home provides.

LinkedIn

Description: In today's day and age, LinkedIn has become one of the most important websites for people to learn about opportunities where they can connect with a company. LinkedIn is a social networking site that is designed for those of the business community. The goal of using a LinkedIn is to document and establish professional networks of people that will help businesses cater to a particular audience.

Cost: Free

Pros: One of the pros of creating a LinkedIn page is that it can be used to get the word out about Seniors' Home in a way that is clear, concise, and attractive. One can also add crucial information, including proper keywords that you deem effectively sum up what your organization does and why your services are superior. One final positive aspect of LinkedIn is that you can add appealing visuals, such as pictures, necessary slideshows, media involvement, work related experiences, blogs, and articles that will add credibility to your page.

Cons: One of the cons of using a LinkedIn page is that not many people in Albania are familiar with LinkedIn, so you might not be able to get the word out as much as you want. Another negative aspect of LinkedIn is that only those that have a LinkedIn or use social media to any extent will have the ability to learn more about the organization. One final negative aspect of a LinkedIn page is that it is an English site, meaning only the younger generation of Albanians may fully understand the content.