



**STUDY ON PENSION INDUSTRY FROM PERSPECTIVE OF GLOBAL  
ECONOMY—A CASE OF PINGDINGSHAN, HENAN**

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ECONOMY—A CASE OF PINGDINGSHAN, HENAN**

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**ABSTRACT**

Title: Study On Pension Industry From Perspective Of Global  
Economy—A Case Of Pingdingshan, Henan

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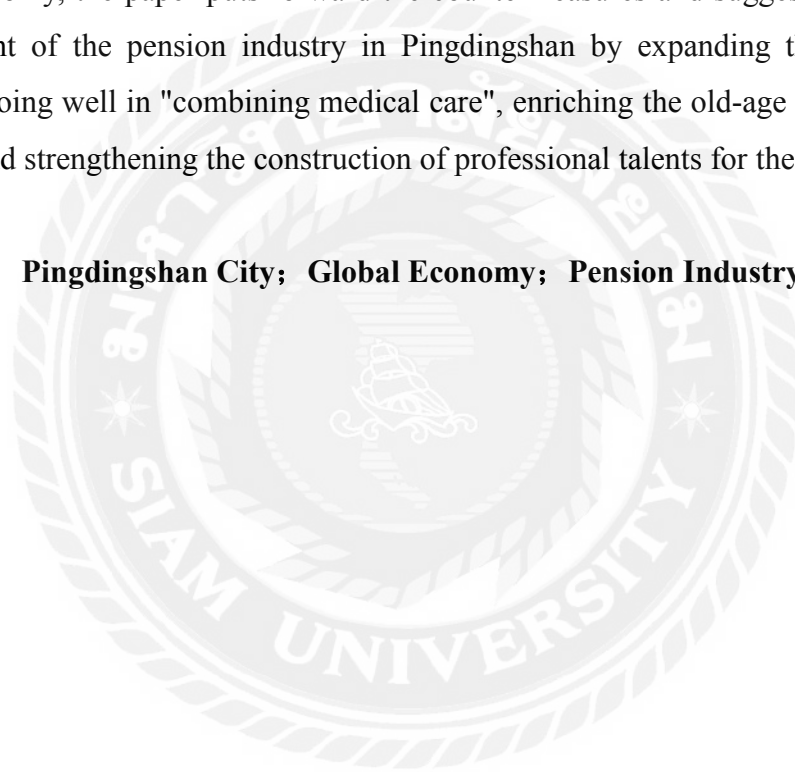
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With the rapid development of global economic activities and the rapid development of commodity production and exchange, service industry has become another industry after business. With the large number of elderly population and fast aging, our country's task of coping with the aging of the population is becoming heavier. How to develop the service system for the aged is the top priority for the development of the pension industry in China. The service system for the aged of Pingdingshan city of Henan, responding to the national call, has greatly developed on home -based, community -based, institution-supporting and medical -supporting system . However, with the rapid growth of the number of elderly population, the number of the beds of pension institutions is obviously difficult to meet the needs of the elderly. Therefore, this article takes Pingdingshan city as a case to study.

This paper firstly summarizes the background and significance of the research, clarifies the research status at home and abroad, and defines the contents and methods of the study. Secondly, it studies the connotation of the concept of global economy and pension industry, with the theory of demand hierarchy and market segmentation

theory the basis of this study. The paper also collects the relevant data of Pingdingshan City, based on the global economic perspective, taking the old-age estate as an example to analyze the status of the development of the pension industry in Pingdingshan. Meanwhile, it also investigates the marketing situation and the demand for the old age of the WH real estate. With the findings that the WH real estate can meet the needs of the consumers well, the certain marketing mode proves its feasibility. Thirdly, the paper finds out the existing problems, including relative scarceness of institutional financing, equipment and facilities construction, products and services, as well as pension professionals. Finally, from the perspective of the global economy, the paper puts forward the countermeasures and suggestions for the development of the pension industry in Pingdingshan by expanding the financing channels, doing well in "combining medical care", enriching the old-age products and services, and strengthening the construction of professional talents for the aged.

**Keywords: Pingdingshan City; Global Economy; Pension Industry**



## 摘 要

题目: 全球经济视角下的养老产业研究----以河南省平顶山市为例

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由于全球经济活动持续发展促进商品生产与交换的快速发展,服务业成为商业之后的又一个行业,随着老年人口数量多、老龄化速度快等问题,应对人口老龄化的任务显得愈发繁重,怎样深度发展养老服务体系,目前养老产业发展面临的首要任务.河南省平顶山市响应国家号召,在文件中指出平顶山市应当以居家为基础、社区为依托、机构为支撑、医养结合的养老服务体系,近些年养老产业已经有了较程度的发展,但相对于老年人口数量的高速增长,养老机构床位数的增速显然难以满足老年人的养老需求.因此,本文以河南省平顶山为例进行研究.

本文首先概述本文研究背景、研究意义,整理总结国内外研究现状,明确本次研究的内容和方法.其次,研究全球经济、养老产业概念的内涵,整理需求层次理论和市场细分理论作为本文研究的基础.收集平顶山市相关数据,基于全球经济视角下,以养老地产为例分析平顶山市养老产业发展现状,同时还对 WH 养老地产的营销情况、养老需求进行调查,结合二者数据发现 WH 养老地产能够较好的满足消费者的需求,说明营销模式在平顶山市具有可行性.再次,找出存在的问题,包括机构融资难、设备设施建设不足、产品和服务相对匮乏、缺乏养老专业人才.最后,在全球经济视角下提出平顶山市养老产业发展对策建议,扩大融资渠道,做好“医养结合”,丰富养老产品和服务,加强养老专业人才培养.

**关键字:** 平顶山市; 全球经济; 养老产业

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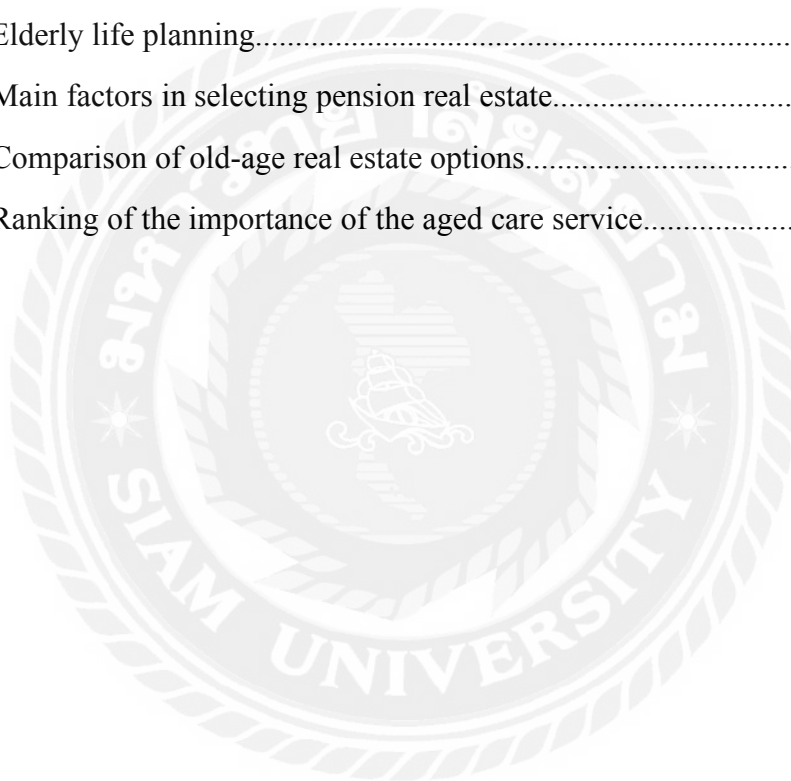
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# **STUDY ON PENSION INDUSTRY FROM PERSPECTIVE OF GLOBAL ECONOMY—A CASE OF PINGDINGSHAN, HENAN**

## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 Research Background**

The global economy is constantly developing foreign economic relations on the basis of the continuous development of global economic activities and the interdependence of countries around the world, and realizing the status and trend of global flow of goods, services and production factors. With the rapid development of commodity production and exchange, the service industry has become another industry after the business. By vigorously developing the service industry and rapidly increasing service products, it can add a large amount of spiritual wealth and material wealth to the society and rapidly improve the material and cultural life of the people. Level, at present, the aging society has become a major problem that the world needs to face together. According to the report of the 2015 Global Aging Career Index, the number of people aged 60 and over in the world is about 901 million, accounting for 12.3% of the world's population. It is expected to reach 16.5% in 2030. At the same time, it is reported that China is still the country with the most elderly population in the world, and the elderly population accounts for nearly one quarter of the global aging population . According to the latest statistics of the 2016 Statistical Report on Social Service Development released by the Ministry of Civil Affairs in 2017, as of the end of 2016, the national population aged 60 and over was 230.86 million, accounting for 16.7% of the total population, of which the population aged 65 and over was 15,000. People, accounting for 10.8% of the total population . According to the forecast data of China's industrial information, China's aging population will increase to 630 million by 2030, and will reach 940 million by 2050, accounting for

45% of the global elderly population by then .

By the year 2025, one quarter of the world's population over age 60 will be living in China, a nation in the process of partially privatizing its social security system. This article presents a brief history of social security policy in China, describes the current scheme, presents an analysis of the pros and cons of this scheme, and asks why China is currently on the road to adopting policy changes that are so strongly influenced by the neoliberal social security model being advanced by the World Bank. Social security policy in China is being driven largely by demographic considerations, but it is also being influenced by factors linked to globalization. The plan to partially privatize the nation's social security system will put at risk many vulnerable categories of the population, particularly women, low-wage workers, those in the informal sector, and recent immigrants from rural areas.

Judging from the current situation of China's current pension industry development, there is a huge gap between supply and demand. As the only country in the world with more than 100 million elderly people, according to the statistics of 2017, China has 42,000 various types of old-age care institutions, with 4.973 million beds, and an average of 24.4 beds per 1,000 elderly people. Meet the needs of the pension market. Under the government's request to improve governance and enhance public services, the marketization, socialization and industrialization of old-age services will be an important path for establishing a service-oriented and satisfactory government. At the same time, in the critical period when the Chinese economy is in the "three-phase superposition", the pension industry will also become one of the new driving forces for China's economic growth. For real estate enterprises, in the era of profiteering, faced with the tremendous pressure of the government to curb housing speculation, the pension industry may become the main force to give full play to industrial advantages and promote enterprise transformation and upgrading. Therefore, the market opportunity for the development of pension real estate projects has already begun to take advantage of business opportunities.

In response to the national call, Pingdingshan City of Henan Province issued the "Implementation Opinions on Comprehensively Promoting the Development of the

Aged Care Service Industry” (referred to as “Implementation Opinions”), pointing out that Pingdingshan City should be based on the home, relying on the community, and supporting the organization. A combination of medical cares and pension system. According to Pingdingshan News Report, Pingdingshan City has a total of 130 old-age care institutions as of 2017, including 42 old-age institutions, 2 public pension institutions, 3,920 beds, 86 old-age homes, 5,520 beds, and reported to the “13th Five-Year Plan”. There are 13 key projects in the province's health and old-age industry. The estimated total investment is about 15 billion Yuan, and the total construction area is about 5.2 million square meters. After the project is completed, about 59,000 beds can be added. However, Pingdingshan City has an annual population of 690,000 over 60 years old, accounting for 13% of the city's total population, and continues to grow at a rate of 3.3% per year. The aging and its impact have become social issues that cannot be ignored. Compared with the rapid growth of the number of elderly people, the growth rate of the number of beds in the old-age institutions is obviously difficult to meet the old-age needs of the elderly, and the development of the aged-age service industry is relatively lagging behind. The contradiction between the imbalances between the supply and demand of old-age pensions is undoubtedly the blank of the old-age market, leaving an infinite space for the development of the old-age industry. Therefore, this paper takes Pingdingshan, Henan Province as an example to study the development of Pingdingshan City's old-age industry in the perspective of global economy, especially the development of old-age real estate, to find out the shortcomings and propose improvement strategies.

## **1.2 Research Purposes And Significance**

### **1.2.1 Research Purposes**

The pension industry program is designed to meet the needs of older people who are unable to achieve in general projects. At this stage, pension estates often fail to meet the needs of the elderly because they do not have a relevant industrial chain that forms an ancillary service with the pension industry, and does not have an effective perspective on planning, design and management services. This paper seeks to give action strategies and constructive opinions from the perspective of the market, and

explores what work the market has to do in the Pingdingshan City pension industry activities in the context of the global economy, including in terms of pension real estate, products and services, etc. The actual needs and explore practical directions for improvement.

### **1.2.2 Research Significance**

The old-age industry is an emerging industry that is formed by the needs of the elderly. It involves properties such as real estate development, commercial real estate operations, and pension services. It relies on the management of sports, entertainment, medical care, and nursing, and integrates product development, medical care, and real estate. Multiformal real estate products such as operations and property services. For real estate enterprises, in the face of the newly-developed old-age care market, how to give full play to the advantages of the real estate industry and organically combine commercial real estate operations and old-age services is a problem that must be solved in industrial upgrading. Due to the late development of the aged care service industry, the corresponding theoretical research also lags far behind the Western countries. In addition, the existing theoretical research focuses on the basic theories and macro policies of the old-age industry, and few are based on the global economy. From the perspective of research on the development of pension real estate. From the research content, this paper proposes the promotion countermeasures for the development of Pingdingshan City's old-age real estate from the perspective of global economy. Based on the analysis of the development of the pension industry in Pingdingshan City, we found problems and further proposed the development of old-age real estate, which not only took a new step in the research field, but also improved the profits of the pension real estate enterprises and the social pension business. Contribute my effort.

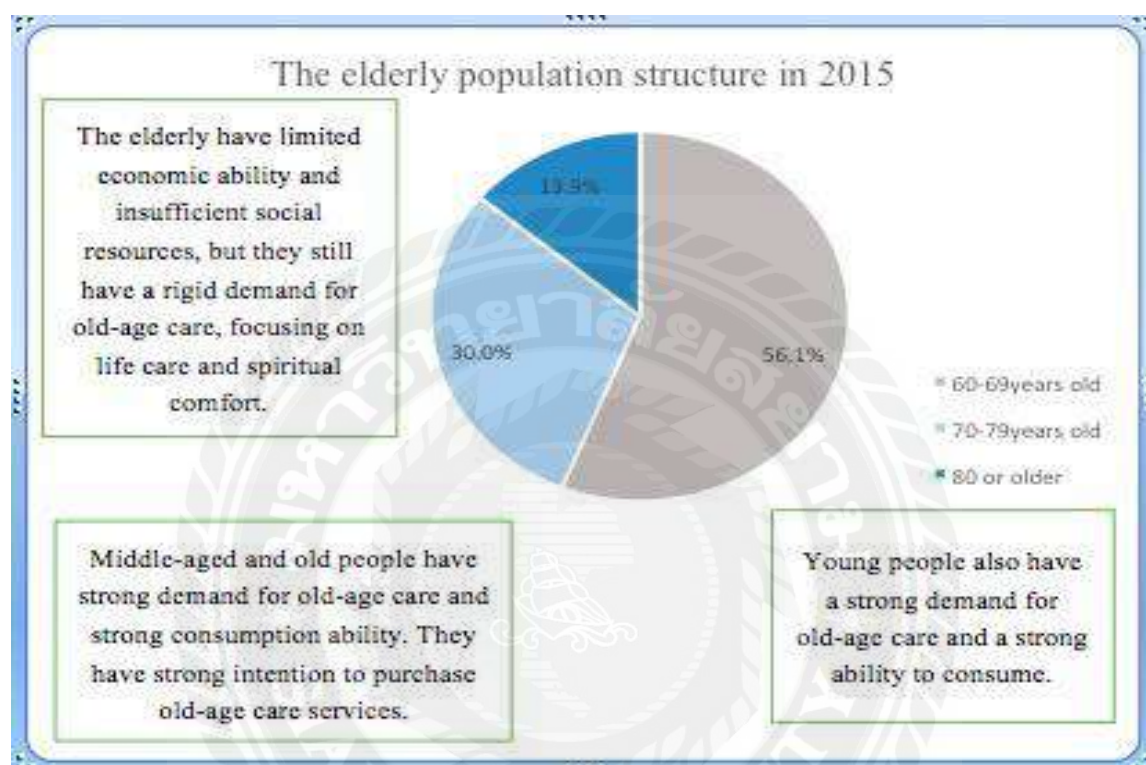
## **1.3 Research Status At Home And Abroad**

### **1.3.1 Research On The Connotation Of Old-Age Industry**

Mu (2013) proposed that the biggest characteristic of the old-age industry is that

the service target is the elderly group. He divides the old-age industry into five aspects: the elderly supplies industry, the pension health care industry, the pension finance industry, the pension service industry and the pension industry.

Figure 1-1 Source of data compilation: National Bureau of Aging, Ministry of Civil Affairs, Ministry of Finance, and opinion index



### 1.3.2 Research On The Model Of Old-Age Industry

Foreign countries mainly study the influencing factors. John (2003) believes that rural elderly should be self-supporting in the absence of social insurance funds, and social and collective pensions only play a supporting role. Smith (2012) pointed out that the weakening of the family pension model function is caused by factors such as the shrinking of the average family size, the increase of labor mobility and the reduction of family ties, and the family-based pension model, with the development and changes of society, Further innovation and development are also needed. Wang (2013) believes that there are currently four factors that affect household satisfaction. The first is the living environment of the nursing home; the second is the level of medical care and nursing provided by the nursing home; the cultural quality of the

third nursing home; the fourth is the quality and quality of the nursing home staff, mainly the usual nursing staff and medical staff, so that the employees and the elderly Establish a relationship of mutual trust, harmony and friendship.

Domestically, research is mainly carried out from the aspects of problems. Liu (2014) proposed that the needs of the elderly mainly include economic needs, spiritual needs and service needs. Generally speaking, the problem of rural old-age care is mainly due to the lack of social pension function, the deterioration of family pension function, and the lack of self-support ability. The systematic and operational research of endowment problems is constantly improving. Xiao (2014) believes that China should vigorously develop health care and pension industry at this stage. In the article, she analyzed and introduced the old-age related industries such as community pension and old-age service industry, and concluded that China should vigorously develop health care and pension after solving the basic old-age problems of residents. At the same time, it is pointed out that the development of the old-age industry cannot rely solely on the government, and should actively absorb and introduce private capital. Development provides specific countermeasures and recommendations. Dong (2015) proposed countermeasures to solve the problem of old-age care. The government led the support of the old-age care institutions, strengthened the social support network, promoted the combination of government and social work, and improved the social work services for the elderly. Zhou believes that to solve the problem of old-age care, we must continuously develop new models of old-age care, increase the penetration rate of social and community pensions, and second, we must improve the rural social security system. Third, we must strengthen the construction of rural old-age real estate. Fourth, we must accelerate the construction of rural medical systems. We must vigorously publicize and promote the traditional virtues of respecting the old and loving the young, and we must improve the rural pension material guarantee.

The "silver economy" that was born in an aging society has prompted many insurance companies and housing companies to dig into the old-age real estate projects, and to create an old-age real estate operation model through cross-border cooperation and resource sharing. By the end of 2015, there have been more than 10 insurance companies, more than 80 real estate development companies and a large



number of foreign-funded enterprises in China's pension real estate, with a total investment of more than 300 billion Yuan. With the prospects becoming clearer, the scale of industry funds will continue to expand and the development trend is optimistic. In the layout of the old-age industry, real estate developers are the largest participating entities. Their real estate ownership, strong financial backing, rich development and operation experience, and customer resources are the biggest advantages, which can promote the vigorous development of old-age real estate. It can be seen from the layout of the old-age property of real estate enterprises that the basic pension and community pension are the main factors, combined with different innovation models and product concepts to meet the needs of different elderly people, to create a comprehensive and ecological comprehensive pension service project.

## **1.4 Research Content And Methods**

### **1.4.1 Research Content**

The research content of this paper consists of five parts; the specific contents are as follows: The first chapter is the introduction, which summarizes the research background, explains the research significance, summarizes the research status at home and abroad, and introduces the research content and research methods. The second chapter is the theoretical basis of relevant concepts. By studying the basic connotation of the concept of global economy and old-age industry, the theory of demand hierarchy and the theory of market segmentation are the basis of this study.

The third chapter analyzes the status quo of Pingdingshan City's old-age industry based on the global economic perspective, and analyzes the development status of Pingdingshan's old-age industry by taking the old-age real estate as an example, and investigates the case of WH pension real estate marketing and pension demand, and verifies that the company's marketing model is Feasibility of Pingdingshan City.

The fourth chapter is about the problems existing in the development of the old-age industry in Pingdingshan City. It is believed that there are four major problems in the development of China's old-age industry: insufficient capital investment, inadequate equipment and facilities, relatively scarce products and

services, and lack of senior professionals. Elaborated separately.

The fifth chapter is about the countermeasures for the pension industry in Pingdingshan City from the perspective of global economy, and proposes corresponding solutions to the above problems.

### **1.4.2 Research Methods**

#### 1. Document research method

The collection and reading of a large amount of literature is the basis of this study. The literature is mainly obtained from China Knowledge Network, library books, and statistical yearbooks. Through the collection and reading of the literature, you can understand and learn about the relevant content of the pension industry and obtain the required information.

#### 2. Case analysis

Based on the research of domestic and foreign research, taking Pingdingshan City's old-age industry as an example, this paper analyzes the development status of China's pension industry from the perspective of global economy, and perfects the structure and research of this paper.

#### 3. Questionnaire research

The survey distributed 160 copies and collected 153 questionnaires, including 152 valid questionnaires.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 Relevant Conceptual Basis**

##### **2.1.1 Global Economy**

This paper argues that in the process of capitalist economic development, countries need to exchange products, labor, raw materials, and technology with other countries in order to meet the needs of their own economic development. In this process, the reliance between countries deepens, the connection is closer. In essence, the global economy is a historical category and an inevitable process of the development of productive forces. Specifically, the global economy is the result and embodiment of the development of capitalist economy. From the concept of globalization, globalization has two elements: one is the process, and the other is the content.

From the process point of view, globalization has been built from the capitalist economy, and the global search for labor and product markets began. Through the exploitation of colonies, the two world wars, the opposition between the two poles, and the current global participation, the global economy has deeply affected the world. The economy of each country; from the content point of view, the global economy covers all elements of economic activities, from the initial labor force, raw materials and products to current capital and information.

##### **2.1.2 Pension Industry**

Scholars' research on the pension industry generally starts with the definition of the pension industry, but the definition of the pension industry has been controversial. Domestic and foreign scholars have their own definitions of the old-age industry in their own articles, so there is a certain difference in their understanding of the

profound connotations (Yang, 2017). The National Medium- and Long-Term Plan for the Development of Old Ageing Industry defines the ageing industry as “a collection of products and services specifically targeted at the elderly provided by enterprises, social organizations and individuals according to market demand” (Yang 2013). The concept of the pension industry has not yet formed a unified definition. Based on the views of domestic and foreign scholars, the concept of the old-age industry in this paper refers to the needs of the elderly, to improve and improve the living standards of the elderly, with social power as the main body, around the core of pension, to provide material and Spiritual and cultural needs, providing professional equipment and quality services, thus forming a comprehensive industrial chain that meets the basic needs of food, clothing, housing and transportation, enriches cultural and recreational activities, and solves the problem of medical treatment. As the so-called demand drives consumption, this industry is precisely because of the aging population, the active participation of social forces, and the emerging industries that are driven by the needs of the elderly.

Among them, pension real estate belongs to the real estate category. This is an effective platform for integrating multiple resources. It is an organic combination of the traditional real estate industry and the old-age industry, so that the form of real estate products can be infiltrated into it, so as to give full play to the combined pension function and carry out relevant interactions. The broad-based pension real estate includes the residential functions, service functions; pension insurance and other practical functions and reverse financing functions. Its narrow meaning is to integrate the theme of pension in general real estate development projects, but in terms of function, commercial real estate is a relatively special project. The producers and operators of the project are real estate developers, and the target customers are mainly the elderly.

## **2.2 Theoretical Basis**

### **2.2.1 Theory Of Demand Hierarchy**

American psychologist Maslow divides people's needs into five levels in order

from low to high, followed by physical needs, security needs, social needs, respectful needs, and self-fulfilling needs. Applying these five levels of requirements to the elderly is mainly reflected in the following five areas:

First, physiological needs. That is, the material needs of the elderly for the need to live, such as eating, wearing, living, and traveling. Second, security needs. That is, the need for protection of old-age care and medical care makes the elderly feel more secure. Third, social needs. That is, the needs of the elderly for social activities. Fourth, respect for demand. Love and respect for the elderly is the traditional virtue of the Chinese nation. It is also the code of conduct that people have been pursuing. It should give the elderly more respect and meet the respect of the elderly. Fifth, self-realization needs. When the elderly retire, they often have a strong sense of loss. They feel that they have no value. The self-fulfilling needs of the elderly should also be given a certain degree of attention. The community and public welfare activities of the elderly should be carried out to provide a platform for the elderly to realize their self-worth. . The development of the aged care service industry is to better meet the needs of different levels of the elderly. Therefore, the theory of demand hierarchy is an important theoretical basis for studying the development of the aged care service industry, which is conducive to better guiding the development of the aged care service industry.

### **2.2.2 Market Segmentation Theory**

In the mid-1950s, American marketer Wendell Smith proposed market segmentation theory by summarizing the experience of enterprises in organizing production according to different needs of consumers (Wendell 1956). “Market segmentation refers to the segmentation of the overall market into a number of consumer groups based on the differences in consumer needs, motivations, and purchasing behavior. Each consumer segment is a segment of the market, and each segment is It consists of consumers who need to behave in the same way as the purchase behavior. Generally, the consumer market is divided according to four criteria: geographic environment standard, population factor standard, consumer psychology standard and consumer behavior standard. The pension industry is the

overall market of service industry. The important component of the development is based on the net asset value and the high consumption power of the elderly population, that is, the elderly consumers with higher consumption levels, thus segmenting the pension industry consumers from the overall market of service industries. Come out, provide corresponding service products for the elderly groups with higher income level, consumption ability and enjoyment level.

Currently, China is facing a number of significant demographic, political and economic challenges. Like many nations, China is coping with the problem of population aging (Robt 2015). In China's case, however, the shift in age structure has been and will continue to be dramatic: 9% of its population was over 60 in 2000 and this number is projected to increase to 22% by 2030. According to current projections, by 2025, one quarter of the world's elderly population (age 60+) will be living in China. As a result of population aging, the dependency ratio is also rising. The dependency ratio was 0.03 in 1970, 0.29 in 2001 and is projected to increase to 0.55 by 2030, at which time there will be less than two workers per retiree. The challenges of population aging and rising dependency ratios are in part the result of increased life expectancy, but the major factor has been the rapid decline in fertility, due, in large part, to China's strict one-child policy instituted in the mid 1970s. In the future, many Chinese couples will face the task of caring for four elderly parents as well as some grandparents (Liu 2017). These changes in family structure and the increase in rural-urban migration due to uneven rates of economic growth are two of the factors contributing to a breakdown of the traditional family support system, which remains the major source of old-age support (Wang 2017).

## CHAPTER 3

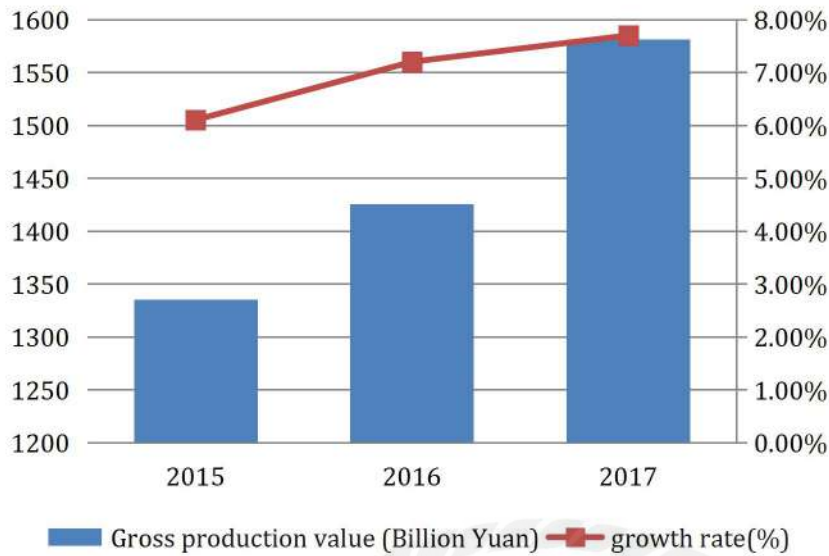
### RESEARCH METHODS

#### 3.1 Development Trend Of Pingdingshan City's Economic Level

Pingdingshan City is not only a resource-based industrial city, but also an excellent tourist city and cultural city in China. It has pillar industries such as energy, chemical industry, equipment manufacturing, metallurgical building materials, light industry food, etc. It is suitable for enjoying the old age. At present, the total population is 5.5 million, and the elderly population accounts for more than 13% of the resident population, and grows at a rate of 3.5% per year. The total population size is large, and the surrounding population gathers in Pingdingshan.

With the reform and opening up, China's market economic system has been continuously established and improved. Facing the complex global economic situation, Pingdingshan City's economic operation is generally stable, showing steady progress, structural optimization, faster than the province, and ranking forward. Good development trend. In 2015, the city's total production value reached 133.54 billion Yuan, an increase of 6.1% over the previous year; in 2016, the city's total production value was 142.588 billion Yuan, an increase of 7.2% over the previous year; in 2017, the city's total production value was 1,581.60 billion Yuan, compared with the previous year. It grew by 7.7% and showed a gradual upward trend, achieving a good start for the economic development of the 13th Five-Year Plan.

Figure 3-1 Gross production value of Pingdingshan City

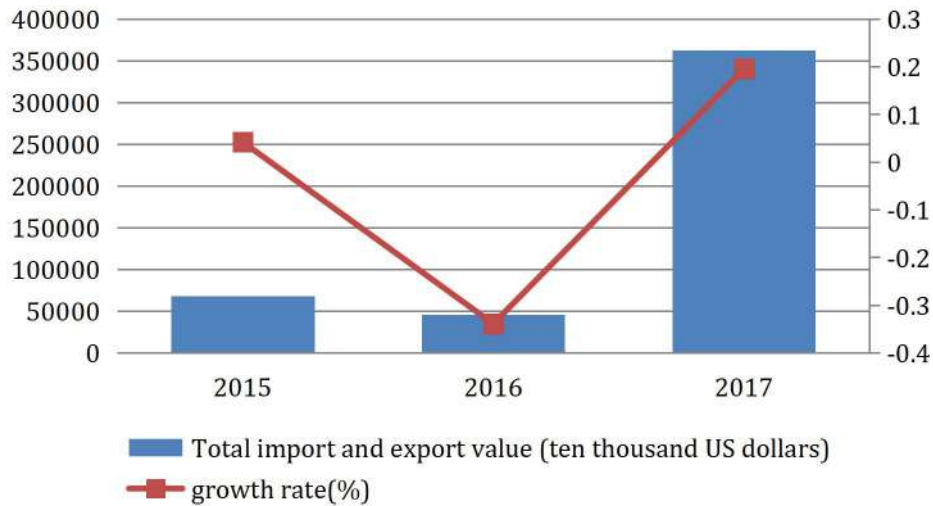


Source: Pingdingshan City Statistics Bureau

Among them, in 2015, Pingdingshan City completed a total import and export value of 67.835 million US dollars, an increase of 4.2% over the previous year, of which the total export value was 586.69 million US dollars, an increase of 6.3%, the total value of imports was 89.66 million US dollars, down 7.6%; The total value was US\$456.9 million, a decrease of 33.9% over the previous year. The total value of exports was US\$379.51 million, a decrease of 36.5%. The total value of imports was US\$77.39 million, a decrease of -16.9%. In 2017, the total value of imports and exports was 362.326 million Yuan, an increase of 19.5% over the previous year. The total export value was 308.375 million Yuan, an increase of 22.4%. The total import value was 539.51 million Yuan, an increase of 5.4%. The overall volume of foreign trade showed a downward trend as a whole, and the export volume fell sharply in 2016, and it rebounded again in 2017(Fu 2018).

Figure 3-2 The total value of import and export of Pingdingshan City

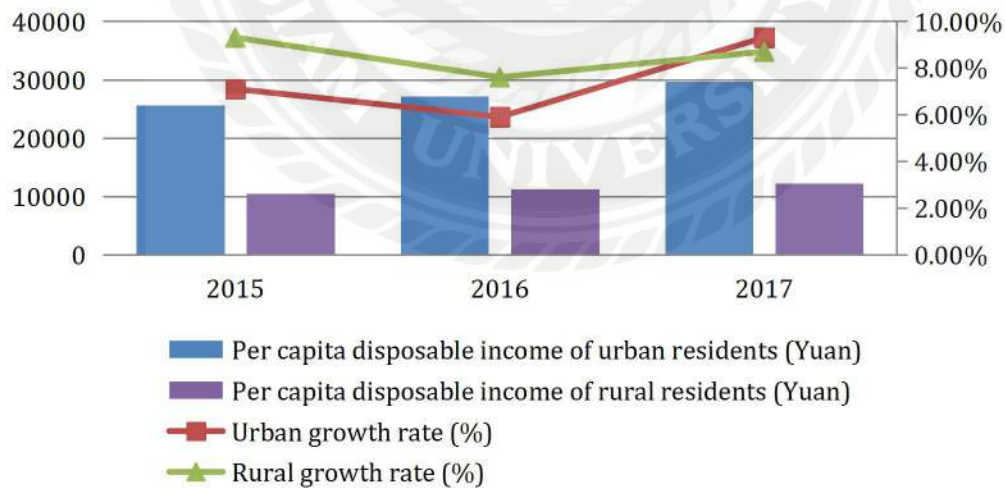




Source: Pingdingshan City Statistics Bureau

However, the income of residents in Pingdingshan City has greatly improved. The per capita disposable income of urban residents has increased from 25,592 Yuan in 2015 to 29,625 Yuan in 2017, an increase of 9.3%; the per capita disposable income of rural residents has increased from 10,450 Yuan in 2015 to 12,222 Yuan in 2017. The year's 12,222 Yuan, an increase of 8.7%. The current urbanization rate is 54.04%.

Figure 3-3 Changes in Residents' Income in Pingdingshan City

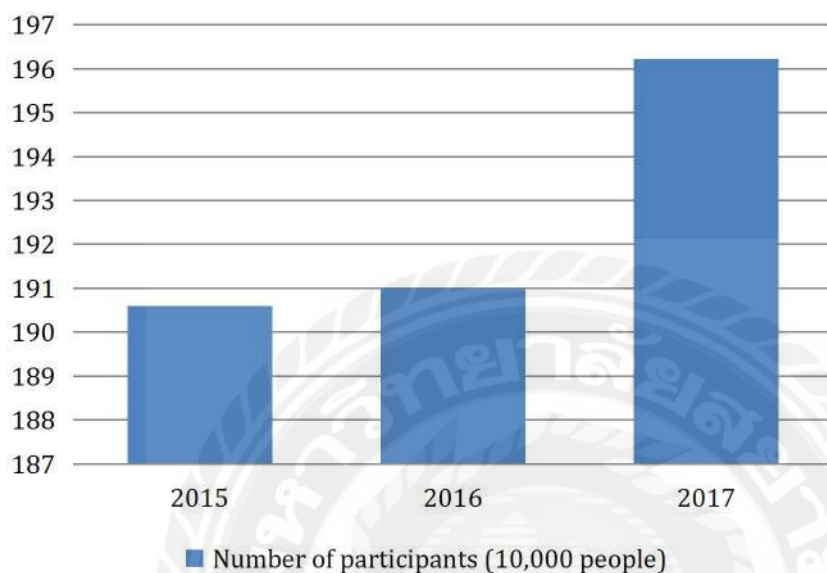


Source: Pingdingshan City Statistics Bureau

Under the influence of China's rapid economic growth and market economic system reform, China's social welfare system is also undergoing continuous reform. According to statistics from the Pingdingshan Bureau of Statistics, the number of

urban and rural residents' pension insurance in 2015 was 1.906 million, and urban and rural areas in 2016. The actual number of people participating in the pension insurance for the residents was 1.91 million. In 2017, the actual number of people participating in the endowment insurance for urban and rural residents was 1,962,200.

Figure 3-4 Insured Insurance for Urban and Rural Residents in Pingdingshan City



Source: Pingdingshan City Statistics Bureau

Through data discovery, as the economic level of Pingdingshan City is getting higher and higher, people's demand for old-age care is growing. From the participation of urban and rural residents' pension insurance, it can be seen that the number of participants has increased year by year, especially from 2016 to 2017. Explain that in the global economic environment, the economic development of Pingdingshan City has promoted the income growth of local residents, and the demand for old-age care is gradually increasing.

### 3.2 Development Of The Old-Age Industry In Pingdingshan City—Taking Pension Real Estate As An Example

An old-age property is a residential product that provides accommodation for the elderly with a specific place, residence, and facilities as a carrier, and provides daily life services and care. Unlike the government-sponsored nursing homes, the nursing homes are mainly welfare, not profitable, and the state subsidizes them. The sales

method is mainly leasing, so the price is affordable, but the services provided are far less than the old-age real estate. The old-age real estate is a market-oriented industry. It is built by social institutions and follows the laws of market supply and demand and price fluctuations to provide perfect services. Therefore, the price is higher than the welfare nursing home, and the sales method is to sell, lease or sell and lease. The combination of methods has certain profitability. The more common mode is a variety of private institutions. This chapter will take the pension real estate as an example to analyze the development of the pension industry in Pingdingshan City.

### **3.2.1 Financial Support**

In terms of funding sources, Pingdingshan City's pension real estate relies on its own funds and private lending.

In 2015, the Pingdingshan Municipal People's Government launched the "Opinions on Accelerating the Construction of Social Pension Service System". The opinions pointed out: "Social old-age real estate in urban areas (self-built houses and rented houses) the number of beds is more than 50. After the assessment by the civil affairs department, the construction subsidy will be given according to the approved number of beds. The required funds will be shared by the municipal and district finances in a ratio of 5:5. The subsidies for social pension real estate shall be implemented in accordance with the above standards, and the expenses shall be borne by the same level of finance. If the social pension real estate receiving subsidies changes its use within 5 years, the relevant departments shall withdraw the one-time construction subsidy."(Yang 2015)

In September of the same year, the "Implementation Opinions on Comprehensively Promoting the Development of the Aged Care Service Industry" proposed that social forces should develop the aged care service industry and improve social forces to organize subsidies for the construction of old-age care institutions and subsidies for bed operations. "The non-profit socially-run old-age real estate newly built (self-built and rented houses) within the urban area on January 1, 2016, with experience and acceptance, the subsidy for each bed of self-built houses is not less

than 3,000 Yuan; The subsidy for each bed rented for a period of more than 5 years is not less than 2,000 Yuan. For the old-age real estate that has been legally operating for more than 5 years (including 5 years), it is necessary to reform and upgrade the main service facilities and equipment. After submitting a written application to the competent department, after the completion of the transformation and acceptance of the experience, the subsidy can be granted in accordance with the subsidy standard for the newly built old-age property construction."(Ma 2015)

In 2017, the social strength of Pingdingshan City has become an important force for investment in the development of the aged care service industry. Henan Province has proposed to improve and implement the preferential policies for supporting the development of the old-age industry, and establish fair, open and transparent market rules. All investors implement the same support policy, encourage foreign investors to set up for-profit old-age real estate, and enjoy the same preferential policies with investors in the province.

In order to understand the development status of the old-age real estate in Pingdingshan City, through the online data collection and on-site forensics, five representative old-age real estates were selected according to the scale of construction, the region and the characteristics of services. Among them, three of the five old-age care institutions surveyed had received social charitable donations in the early days of their establishment, but they did not receive sustained financial support because they did not establish a stable long-term mechanism; the remaining two could only rely on their own funds to solve them.

### **3.2.2 Organizational Land And Facilities**

#### **(1) Construction land use**

In recent years, the number of pension real estate in Pingdingshan City has developed rapidly. In terms of land sources, most of the construction land for for-profit old-age real estate is rebuilt after the leased site, and non-profit is obtained by transfer or transfer. Collective land can be used. Sixty percent of the old-age property hopes to expand on the original basis to expand the venue. 30% of the

institutions intend to choose another suitable site for reconstruction, and 10% of the institutions have no plans for expansion because the funds and land resources are not in place. All pension real estates have a lack of funds. They intend to solve them through their own funds and private lending. Non-profit-type pension real estates will receive part of the government's subsidies.

## (2) Number of institutions and facilities

As of 2017, there are 130 pension real estates in Pingdingshan City, including 42 private pension real estates with a total of 3,920 beds. From the perspective of the total floor space, it is generally about 100 mu, 15 mu, and about 5 mu. It is mainly based on low-rise buildings. Recently, the old-age real estate has been built mainly for high-rise, saving land and meeting more elderly people. Check in. Most pension estates have designed barrier-free facilities to facilitate the operation of the elderly. Most institutions have conference rooms, painting and calligraphy rooms, medical rooms, and restaurants. In good condition, there will be movie theaters, yoga studios, gyms and other leisure activities. There are fitness equipment in the yard, and the garden provides sports and leisure places for the elderly.

From the point of view of room facilities, they are all well equipped. In some rooms, wireless calling equipment and alarm handles are installed in the bed and bathroom for emergency needs. Well-equipped institutions provide 24-hour hot water service, 50% of rooms have separate bathrooms, some are one-bedroom, and some are shared by two-bedroom. TVs are installed in 90% of the rooms.

Older real estate with better conditions can organize movies, performances and other activities. 40% of institutions will hold knowledge promotion programs such as old-age health classes, health consultations, and emergency self-help for sudden illness. In order to enrich the cultural and recreational activities of the elderly, some senior institutions will offer courses in yoga, dance, vocal music, etc., to cultivate the hobbies and hobbies of the elderly, to make the old and enjoy the old.

### 3.2.3 Personnel Construction And Service Situation

Table 3.1 Human resources situation of pension institutions

index	1	2	3	4	5
Number of people staying	136	539	112	179	281
manager	11	29	7	14	20
Doctors	4	11	2	6	5
nurse	8	28	5	9	11
Nursing staff	14	55	11	16	19
Professional nursing certificate staff	2	31	1	5	7
Proportion of professional certificate nursing staff (%)	13.3	57.1	8.3	29.4	40.0

Data source: According to the actual research

As shown in the table, Pingdingshan City's pension real estate personnel have distinct levels and clear rights and responsibilities. One is leadership and management personnel, one is medical staff and nursing staff, and the other is logistics support personnel. These three levels constitute the operation and maintenance of the old-age property. Each person's division of labor is different, and the burden of responsibility is also very different. Judging from the proportion of per capita, the medical staff mainly takes the sitting and visiting clinics as daily work, and the per capita service is 40-50 people; the nursing staff is mainly nursing and care, and the per capita service is 10-15 people.

Table 3.2 Remuneration and benefits of staff in old-age care institutions

index	1	2	3	4	5
Average salary of managers	3000	4000	2800	3500	3700
Average doctor salary	3500	4000	3100	3200	4000

Average salary of nurses	2000	2800	2200	2100	3000
Average salary of nursing staff	2000	2500	2000	2000	2500
Managerial social security	Yes	Yes	Yes	Yes	Yes
Nursing staff social and social security	No	No	No	No	No

Data source: According to the actual research

The scale of the construction of pension real estate in Pingdingshan City is slightly different, and the overall operational capacity also affects the welfare and wage levels of personnel. The management department is streamlined and staffed, and the per capita salary is about 2800-4000 Yuan. The medical staff is retired by social retirees and cooperates with the nearest hospital. It has a professional medical level and guarantees the medical standard of the organization and the per capita salary. In the range of 3100 — 4000 Yuan. The monthly income of professionals with professional nursing certificates is maintained at around 2000-3000 Yuan. Most nursing staff without nursing certificates are middle-aged rural women and urban laid-off workers. The monthly income per capita is about 2000-2500 Yuan, accounting for the total number of people. 74% of which only 8% have professional nursing skills. In terms of social security, some old-age real estate only provides social security for managers. Only a small number of old-age real estates provide social insurance benefits for managers and employees.

### 3.2.4 Financing Loans

The financing channels for pension real estate mainly rely on their own financing, as well as the pension expenses paid by the pensioners and the government's bed subsidies. These funds are mainly used for the maintenance of facilities and the salaries of nursing staff in the old-age property. There is not enough power in reinvesting in the organization to expand operations. The funds are the guarantee for the operation of the old-age real estate. With the guarantee of funds, the service

facilities of the organization can be repaired and improved, and the old-age function of the old-age real estate can be exerted.

In terms of institutional fund operations, only one of the sample organizations indicated that the operation realized profitability; three institutions said that the balance of funds was offset, and one institution said it was at a loss. The annual support cost of the five-guarantee elderly people who are staying is only enough to eat and wear. Once the illness occurs, the medical expenses mainly depend on financial subsidies. In the fundraising structure, government subsidies are an important source of income from pension funds in Pingdingshan City. However, the government's positioning of pension real estate is not clear, and it does not realize the long-term benefits brought by pension real estate. It is difficult to give professional development planning guidance and long-term policy support. At present, the funds invested by the Pingdingshan Municipal Government in the old-age care industry are difficult to be put in place in time, and the public-sector private office has a large difference in the distribution of funds, which has caused the development of pension real estate to be slow and difficult to form a scale. The average occupancy fee paid by the elderly in the sample is 774 Yuan/person per month, the minimum is 600 Yuan/month, and the highest is 1600 Yuan/month. In the past two years, the city has reported 163 provincial and municipal funded projects, 114 approved funds, and provincial and municipal funding of about 27 million Yuan. In the case of the donation of the sample institutions, only four organizations received condolence contributions, with the highest cumulative single contribution of 93,000 and the lowest of 0.6 million.

In terms of institutional investment, only one operation was realized in the sample, three institutions said that the balance of funds was offset, and one institution said it was in a loss state. Due to the nature of the old-age real estate, it requires a large amount of investment in the initial stage of construction. The other investment period is longer and the investment amount is larger. However, according to the income of the old-age real estate, the profit recovery is very slow. In actual operation, it often appears. The phenomenon of not paying off. Most of the responsible persons choose to deposit in the bank to receive interest income. Pingdingshan City's pension real estate operation requires large capital turnover. Other investment methods have



long-term capital and high risks. Managers are reluctant to choose high-risk wealth management products and tend to choose low-risk bank deposit interest. However, among the old-age real estates visited, there is almost no interest monthly income of more than 1,000 Yuan, and the low return on investment has become the normal state of investment in pension real estate.

### **3.3 Case Analysis Of The Marketing Situation Of Non-Public Enterprises' Aged Care Industry From The Perspective Of Global Economy**

US pension real estate operation model reference.

Because the American pension real estate model was established earliest (beginning in the 1929s), it has formed a pension structure and a residential housing system with relatively complete structure and complete categories. Therefore, summarizing the operation mode and related experience of American pension real estate is of great significance for the future development of China's pension real estate.

(1) Sun City mode:

The Sun City model was created by real estate developer DelWebb and named after its project name. In the 1960s, the first Sun City project was established in Phoenix, Arizona, and directly led to the construction of the American pension community.

The Sun City model is aimed at active elderly people aged 55-70, with specially tailored clubhouses and outdoor sports facilities such as golf courses, entertainment centers and educational training. However, due to the health of the elderly, there are no medical and nursing services in the community, mainly relying on the municipal facilities provided by the towns where the communities are located. The annexes are generally equipped with commercial centers dedicated to the community.

The Sun City model is essentially a project of the nature of residential development, relying on sales to make money. The project site is usually located in

the suburbs, with a large area, and the building form is mostly single-storey, single-family or double family. And taking into account the income level of the elderly, the housing prices of the project are often relatively cheap, and the elderly are more willing to purchase.

The Sun City model has both a travel and holiday function, and the target customers have both permanent customers and travel vacation customers. The Sun City model is worthy of our reference. The project customers are positioned accurately. The healthy elderly are the main service targets. The clear market positioning can be closer to the needs of the target group, creating refined and personalized products and enhancing their competitiveness. In addition, there is no medical, nursing and other supporting facilities to reduce the previous capital investment, but this is difficult to implement in China. Because of the lack of public medical resources, the inability to provide stable medical care measures in the community will affect the elderly's willingness to stay. In addition, the project has a travel vacation function, which can increase the additional income by working closely with the resort management company.

## (2) CCRC mode:

Another mainstream American pension model is the Continuous Care of Retirement Community (CCRC), a complex old-age community that provides self-care, care, and integration of residential facilities for the elderly. Services, so that the elderly can continue to live in a familiar environment when the health status and self-care ability change, and obtain the care service corresponding to the physical condition, which is relative to the home-based pension model advocated by China. Therefore, many old-age real estate projects in China also adopt this model. Since the elderly living in the home include different types of self-care, need to take care of others, and life completely unable to take care of themselves, the CCRC model requires high levels of management and nursing staff, and requires professional nursing ability, service providers and occupancy. The proportion of the elderly is generally 1:1. Most of the CCRC-based pension projects are located in the suburbs but with convenient transportation. The multi-storey buildings are mainly composed of compact layouts; reducing management costs and facilitating timely care and care for

the elderly. At the same time, there is also a dedicated dining hall in the community, providing a variety of living facilities, as well as a full activity learning space and various facilities.

Unlike Sun City, which sells real estate profits, CCRC only provides real estate lease rights and service enjoyment rights, and earns money by collecting rental fees and service fees. Among them, the service fee includes a one-time entry fee, regular house rental fees and special service fees. The operational characteristics of the US CCRC are that the roles of developers, investors and operators are separated, thus realizing the separation of development profit, rental income, asset appreciation income and management income. The core is the separation and matching of risk and return.

In order to make the research more specific, this chapter takes WH pension real estate as a case. As a leader in the Pingdingshan citizen pension real estate, WH Pension Real Estate has a certain guiding effect on the development of other new and operating pension real estate enterprises in the process of the development of pension real estate enterprises. Therefore, by analyzing the marketing situation of WH pension real estate; understand the feasibility of the WH pension real estate marketing model in the Pingdingshan pension industry from the perspective of the global economy.

### 3.3.1 Profitability Level Of Pension Real Estate

Table 3.3 2014-2017 WH Pension Real Estate Profitability Indicators (Unit: %)

index	2014	2015	2016	2017
Gross profit margin	52.06	80.08	80.07	55.26
Sales margin	35.21	-125.23	47.71	35.21
Period expense rate	6.46	128.34	22.16	11.08
Roe	20.25	-8.38	21.40	20.80

Source: Internal information of WH Pension Real Estate

In terms of net sales margin, the fluctuations in the net interest rate of sales of WH pension property in recent years have changed greatly, indicating that the ability of enterprises to obtain profits through sales expansion is not stable. In 2014, -125.23%, and 35.21% in 2017, the volatility of the net profit margin of sales may be closely related to the development of new properties and project reserves by WH. In terms of the period expense rate, due to the strict regulation of the real estate market, WH pension real estate continued to increase market sales expenses in 2014-2016, relying only on vigorous marketing to promote the market recognition of the LH brand. In addition, the management fees have also had a high momentum in the past two years, indicating that WH pension real estate should effectively control costs in future sales and financing activities. In terms of ROE, the ROE of WH pension property in 2016 and 2017 remained above 20%, and the good income level of WH pension capacity was closely related to its active sales and prudent investment. It can be seen from the above analysis that under the background of the country's increasing macro-control of the real estate industry, the current financial status of WH pension real estate is better, maintaining a good profit level, laying a foundation for the development of WH pension real estate.

### **3.3.2 Financing Model Of Old-Age Real Estate**

In the development process of WH pension real estate, according to its own conditions, the cost of financing and the degree of difficulty, the current main methods are adopted:

#### **(1) Bank loan**

Bank credit is the main channel for WH pension real estate to solve the shortage of funds. Over the years, WH pension real estate has obtained more than 50% of total liabilities from bank loans. The reason why WH pension real estate favors bank loans is mainly because one Relatively speaking, bank loans are a relatively low cost of exogenous financing; second, the source of funds is relatively stable. However, bank loans have inevitable shortcomings. First, the loan conditions are relatively strict and the handling fees are relatively complicated; especially for long-term loans, the formalities may be as long as more than 9 months. Second, WH pension real estate is mostly short-term loans, and short-term loans repayment time is short, which easily

leads to the break of the capital chain of enterprises. According to international common standards, the bank loans of real estate enterprises should not exceed 40% of the total investment amount, and the funds of WH pension real estate in recent years mostly come from bank loans, which limits the development of enterprises.

## (2) Loan financing

Capital lending is a form of private financing. For SMEs, borrowing funds is also an important way for enterprises to solve their immediate needs. WH pension real estate will also face the situation that its own funds are insufficient and bank loans are not in place. Therefore, relying on the credit and business conditions of the enterprise, WH Pension Real Estate has borrowed funds and paid high interest rates to solve the urgent need.

As a small and medium-sized real estate enterprise, the WH pension property has a relatively simple financing structure for a long time, mainly from bank loans and pre-sale housing loans. It relies heavily on bank loans and has narrow funding sources. With the introduction of national austerity policies, the difficulty of bank loans continues to increase for real estate companies. The development of LH pension projects is still typical of capital-intensive, and maintaining sufficient funds is an important guarantee for the development of the pension market. How to actively expand the financing channels and improve the financing ability of enterprises in the process of developing new markets, so as to alleviate the financial pressure and financing difficulties in the development of enterprises will be the focus of enterprises.

### **3.3.3 Marketing Model Of Old-Age Real Estate**

The services provided by the pension institutions of WH Pension Real Estate include:

#### 1) Living services

According to the needs of the elderly, different levels of daily care can be provided, and special care can be provided for the elderly who cannot take care of themselves and stay in bed for a long time. The caregiver reminds the elderly from

health education and maintenance, psychological counseling, outdoor activities, escrow, shopping, oral care, bathing and dressing, manicure, nail feeding, personal hygiene, room cleaning, toilet, medication reminder, two care, etc.

## 2) Catering services

According to the needs of the elderly, you can order or order. Professional dietitians carefully prepare nutritional recipes and the varieties are replaced in a timely manner. According to the characteristics of the elderly, especially for low-sugar, low-salt, liquid, nasal feeding, etc. to develop a personalized business recipes.

## 3) Health Management Services

Remote, continuous monitoring and periodic inspection using modern technology and equipment such as wearable, bedside equipment and routine inspection instruments to keep abreast of real-time conditions and set warning values. At the same time, database and health records are established, and scientific analysis can be carried out according to each individual's own situation, so as to customize safe and effective health management plans and programs.

## 4) Medical services

The aged care facility provides basic medical and nursing services. In-hospital medical services include: diagnosis and treatment of some common geriatric diseases, small examinations, daily rounds, and pre-hospital first aid. In-hospital care services include: oral care, skin care, urinary system care, acne dressings, etc. The medical service is mainly provided by the cooperative hospital, and the old-age care institution is mainly responsible for the communication agreement and cooperation in the early stage cooperation with the hospital. It involves contact and coordination between the elderly and the hospital, as well as matching services such as hospital treatment. Including registration check appointments, hospitalization and surgery arrangements, transmission of physical health data for the elderly, large-scale inspection arrangements, request for rescue green channels, prescription dispensing, regular medical check-ups, elderly return trips, health talks, etc.

### **3.4 Analysis Of Customers In The Non-Public Enterprise Pension Industry In Pingdingshan City From The Perspective Of Global Economy**

#### **3.4.1 Target Customer Selection**

In general, the target customer is a senior citizen group with an age range of over 50 years. The main customer groups are divided into several categories: 1. Older people; 2. Disabled and demented elderly; 3. Individually living empty nesters; 4. Elderly people with insufficient family pension capacity. A considerable part of them are passively entering the old-age care institutions. However, with the economic development and the improvement of people's living standards, some people with better economic ability have begun to actively seek higher-quality institutions for the elderly in order to improve their quality of life. The target customers of pension real estate will be elderly people with certain spending power, high demand for life and health quality, medical needs and basic self-care ability.

#### **3.4.2 Target Customer Survey**

In order to better understand the changes in the concept of old-age care and the demand for aged care services of residents in Pingdingshan City, this paper collects the main data by means of questionnaire survey for consumers of WH pension real estate. This questionnaire is based on Li Xiaomei's "Investigate Questionnaire on the Status of Elderly Care for the Elderly in the Home Care Service", combined with the domestic and international survey on the needs of the elderly, and the actual development of Pingdingshan City's pension real estate development. The questionnaire contains two major contents: the first part is the understanding of the problem of old-age care, including the status quo of pension, pension planning, pension concept, and related influencing factors; the second part is the demand for institutional pension, and for the pension real estate. Concepts and ideas, etc.

##### **3.4.2.1 Basic Information Of The Questionnaire Survey**

The survey distributed 160 copies and collected 153 questionnaires, including 152 valid questionnaires. Gender: The ratio of male to female respondents was 34:67;

2 age: “≤40 years old” accounted for 19.08%, “41-50 years old” accounted for 13.16%, and “51-60 years old” accounted for 31.58%. "61-70 years old" accounted for 28.95%, "≥71 years old" accounted for 7.24%; 3 education level: "Primary school and below" accounted for 1.32%, "junior high school" accounted for 6.58%, "high school" accounted for 29.61 "University" accounted for 55.26%, "graduate and above" accounted for 7.24%; 4 income situation: "≤2500 Yuan" accounted for 2.63%, "2501 Yuan-4000 Yuan" accounted for 31.58%, "4001 Yuan-6000 Yuan" accounted for 36.84%, "6001 Yuan - 10,000 Yuan" accounted for 19.08%, "≥10001 Yuan" accounted for 9.87%.

#### 3.4.2.2 Questionnaire Analysis

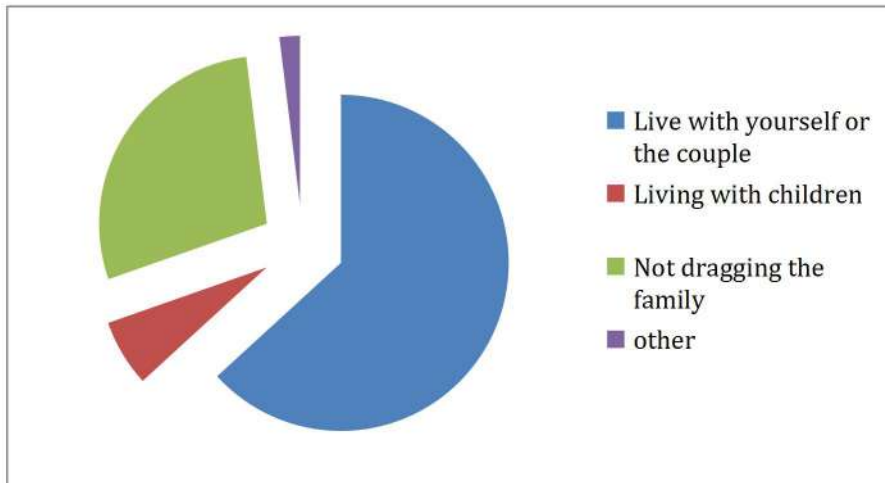
(1) The development of old-age services to the trend of scale and specialization  
Among the issues related to the future trend of pensions, it can be seen that the total number of respondents who choose to support the pension is more than 85%, and only 12.5% of the family pension. With the drawbacks of the family planning policy, family pensions will become more and more burdensome on the family in the next few decades, which is unavoidable. As a general trend of community pension and institutional pension, in a sense, it is actually a kind of thinking. Professional care institutions provide professionalized elderly care services to the public. The difference lies in a living home and a living and old care institution. This type of model brings advantages: the scale of services, from the provision of services by each family to the provision of services by institutions,

Improve production efficiency and reduce social development costs; service specialization, from traditional family services to scientific management of modern services, improve service levels and quality.

(2) No mainstream awareness

Figure 4-1 Elderly life planning





According to the questionnaire data, we can see that more than 60% of the respondents chose to “live with their own husband or wife and enjoy their old age”. Nearly 30% chose “age care institutions, not degrading family members and people to serve”, only less than 10% Choose to live with your children and take care of each other. It shows that in the current social consciousness, the old-age institutions have not become the first choice. Most people will choose to live on their own (companion) when they are capable.

Table 4-1 Reasons for staying in nursing homes

Option	1	2	3	4	5	6	平均
I can't take care of my daily life	52.63%	24.34%	11.84%	3.29%	3.95%	3.95%	1.93
Innocent care of children	24.34%	49.34%	11.18%	7.89%	4.61%	2.63%	2.27
Monotony of life	0.66%	3.95%	17.11%	31.58%	30.26%	16.45%	4.36
Able to protect old age	17.76%	15.79%	37.50%	13.16%	11.18%	4.61%	2.98
Feeling	1.32%	4.61%	13.16%	27.63%	42.11%	11.18%	4.38

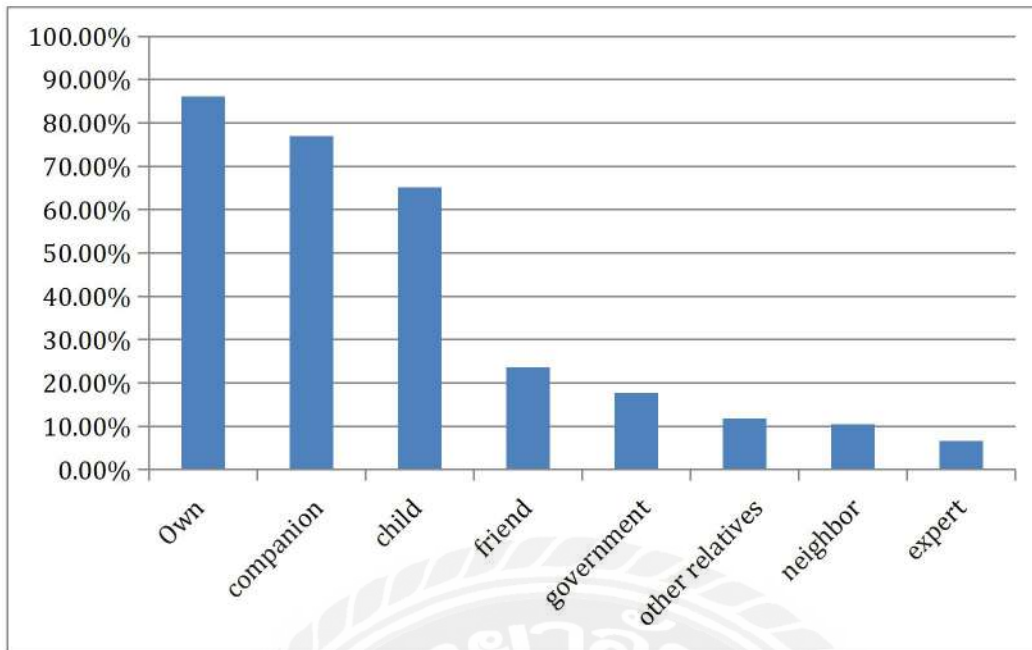
lonely and lonely							
Follow other people	3.29%	1.97%	9.21%	16.45%	7.89%	61.18%	5.07

The data on the reason for the stay in the questionnaire reflects this problem. The top three reasons for the reasons for the occupancy of the respondents were “Daily life can’t take care of themselves”, “Children’s innocent care, reducing family burden” and “Retirement agency services can guarantee old age life”. Staying in a nursing home may be a passive choice rather than an active search. This may also be related to the traditional concepts and habits of Chinese pension. The choice of “staying with children and taking care of each other” may be due to the following reasons: intergenerational factors lead to different living habits of the elderly and children; the elderly are weak and affect children; the elderly are strong and old-fashioned; Loss of sense and security.

### (3) Pension is mainly discussed by small families

On the question of who has the greatest impact on their own pension choices, the top three are “self”, “partner” and “child”, and they form a big gap with other options. This information indicates that the problem of pension choice is more inclined to internal family problems, and has a greater relationship with oneself and those who live close together, and has less relationship with others. In addition, the influence of “government” and “experts” is low and worrying. It shows that there are still many social work to be done on the specific issues of pension, how to help the public to cultivate a scientific concept of old-age care, and making choices suitable for them and their families will become a major issue.

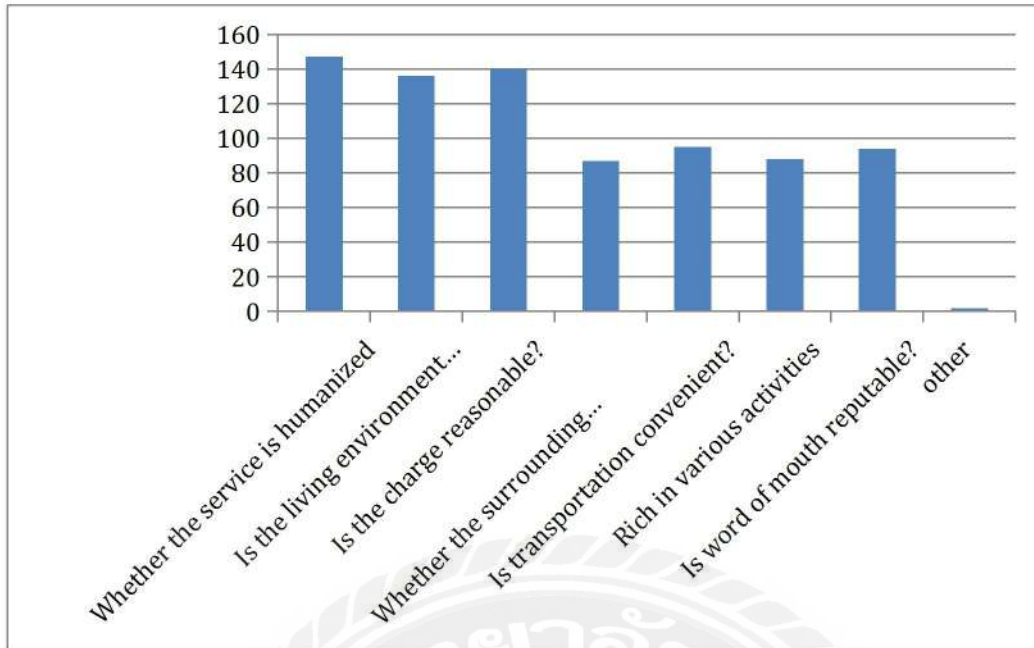
Figure 4-2 Elderly life planning



#### (4) The main factors in choosing a pension institution

Respondents' basic concerns about the old-age care institutions are basically divided into two grades. The first one is “whether the service is thoughtful and humane”, “whether the price is reasonable and moderate”, “whether the living environment is beautiful and comfortable”; the second file is “ Whether the traffic is convenient and fast, "Is the reputation of the organization good reputation", "Is the surrounding facilities perfect and convenient?" We can see that the first file mainly involves the connotation construction of the old-age care institution, while the second file mainly involves the external situation of the old-age care institution. The old-age care institution can decide the focus of its own construction and development based on the above contents;

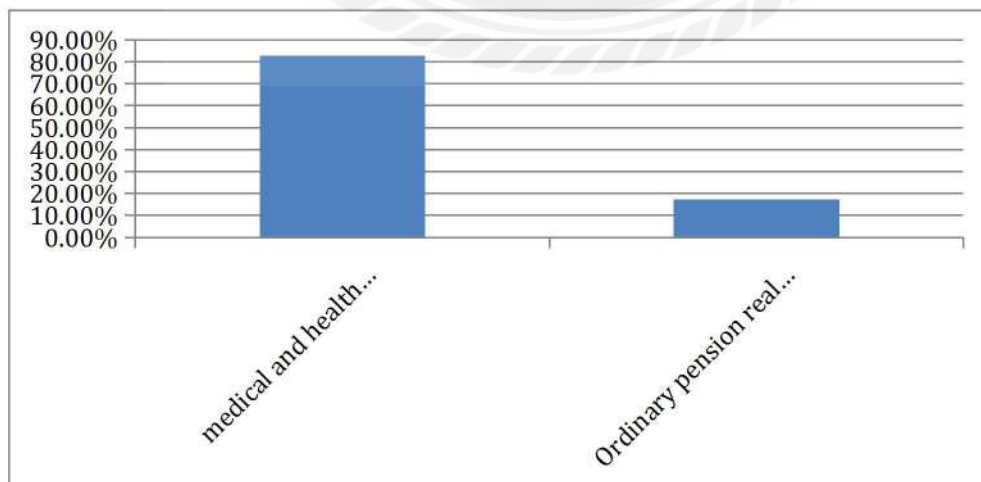
Figure 4-3 Main factors in selecting pension real estate



(5) "Combination of medical care" is the main development direction

On the question of whether or not to endorse the concept of “health-care combination”, nearly 82% of respondents chose “very good”, and more than 14% chose “better”, totaling more than 95%. At the same time, more than 80% of the respondents who choose the general pension institutions and the “health-care combination” pension institutions choose the latter. The data of these two questions fully demonstrates that consumers are biased towards the “health-care combination” model of WH pension real estate.

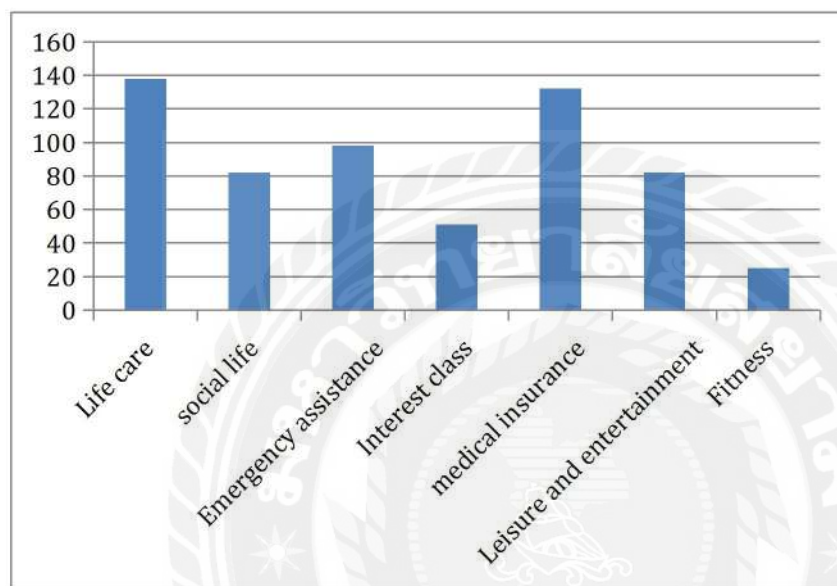
Figure 4-4 Comparison of old-age real estate options



(6) Life comfort is the focus of the aged care service

According to the questionnaire data, the top three of the respondents' demand for aged services are “living care”, “health care” and “emergency assistance”, as shown in Figure 4-5. It can be seen that the two parts of the “life care” and “health care” pension services are the most important. The concept of “health-care combination” includes these contents, and extends up and down, and expands left and right to increase the value of the aged care service.

Figure 4-5 Ranking of the importance of the aged care service



According to the questionnaire survey, consumers of pension real estate institutions have higher demand for “combination of medical care”, comfort of living services, and rich entertainment life, while the services provided by WH pension real estate basically meet the needs of consumers, so Only occupy a more important position in the pension industry in Pingdingshan City. From this, it can be judged that in the old-age industry in Pingdingshan City, the old-age care institutions should pay attention to the comfort and entertainment of life, and regard the “medical and nursing” model as the main direction of the development of the old-age institutions.

It is suggested that the planning and design of old-age real estate should fully consider the road of diversification. One is to meet the diversified needs, the different educational backgrounds and knowledge structures at the same age, different family environments and economic levels, different ethnic customs, etc. It also inevitably creates an objective difference in the demand for old-age care; diversification of use,

the effect of pension real estate is mainly in the elderly, but the purpose of customer use is often diverse, the development of the project should take into account the diversification of use, taking into account the rigid demand. Realize the excellent performance and investment value of the project products under the special characteristics.

In the twenty-five years since the onset of China's transition from a command to a market economy (including its recent acceptance to the World Trade Organization), China has undergone dramatic economic changes. State-owned enterprises (SOEs), due to their previous positions as industrial monopolies and because of their relatively generous benefits to workers, are under increasing pressure as the transition to a market economy progresses. Many are struggling with only moderate success to increase their productivity and competitiveness. Private companies, on the other hand, which have less generous employee benefits and are less vulnerable to political pressures than state-owned enterprises, have found it easier to adapt to the rapid economic growth of recent decades. Economic growth and job creation have become top priorities for the central government (Zhang, 2017); in addition, while official reports of urban unemployment are just 4%, this estimate increases to over 9% when including laid-off workers who receive a minimal stipend from the government (Zheng, 2009).

At the intersection of these demographic and economic changes lies the issue of Chinese pension reform. Chinese policymakers are searching for a way to address the larger problems of population aging and economic restructuring, while at the same time, providing a pension system which is sustainable, more centralized, portable, and will substantially increase the rate of participation by both employers and employees. Chinese policymakers have the difficult task of balancing the reform of an unsustainable enterprise based pay-as-you-go defined benefit pension program while maintaining political stability and assuring that the economy does not falter. China's shift to a multi-pillar pension scheme in the late 1990s represents a serious effort to bring about much needed pension reform, but the new scheme has been plagued by problems.

In this article, we will ask whether the move to partial privatization makes sense

for China at this point in time. As part of our evaluation, we assess the pros and cons of the move to partial privatization, which is at the core of the recent Chinese pension policy reform effort. By first tracing the evolution of China's pension program, we can better understand the policy legacy of recent reform efforts. We then outline China's current pension policy and highlight how it deviates from prior policy. Of particular note is the shift of much of the responsibility for funding these pensions from employers (the SOEs) to the individual workers. Following that we will analyze the potential benefits and limitations of these reforms; where appropriate, we draw on evidence from other nations.



## CHAPTER 4

### RESEARCH RESULT

Data analysis of problems in the pension industry.

After analyzing the old-age real estate industry, it is found that there are still some problems in Pingdingshan City's old-age real estate. This chapter will analyze the specific problems existing in the development of Pingdingshan's old-age industry based on the analysis of the third chapter.

#### 4.1 Institutional Financing Difficulties

The most prominent problem in the development process of Pingdingshan City's old-age real estate is the lack of funds. According to the analysis, it is known that three of the five old-age real estates surveyed have not established a stable long-term mechanism, and they have not received sustained financial support. The remaining two can only be solved by relying entirely on its own funds. In the case of WH pension real estate, it is also reported that the long-term financing structure of the company is relatively simple, the bank loans are heavily dependent, and the sources of funds are relatively narrow. Since the birth of Pingdingshan City's pension real estate, the main source of funds has been direct investment by the Pingdingshan Municipal Government or institutional self-financing. The development cost of old-age housing is extremely high. Due to the late rise in China, people, especially investors and financial institutions, are still not very clear about the market of pension-type community apartments. Therefore, there are certain difficulties in real estate financing. On the other hand, all kinds of social capital are mixed, and many of them use the banner of policy to tentatively participate in the operation and management of some old-age real estate, and intervene in the operation direction of the nursing home. Therefore, how to identify these social capitals and the form of social capital



introduced by nursing homes is still being explored, which also causes the difficulty of financing the nursing homes to some extent. With the development of the market economy, relying solely on the model of government investment to develop old-age real estate has not adapted to the modern society, and is far from meeting the needs of the expanding pension real estate and the elderly.

Because the risk of the development model of the old-age industry is the biggest, the demand for funds for the establishment of old-age real estate is relatively high. From approval to establishment to operation, a large amount of capital investment is required. Moreover, in the development model of the old-age industry, the investment return period for the old-age real estate is generally long, and the old-age industry has the characteristics of meager profit, which leads to the enthusiasm of the society for the investment in the old-age industry. Moreover, Pingdingshan City has entered an aging society under the conditions of economic backwardness, and the government-led investment in the development of the old-age industry will cause enormous financial pressure on it. The financing channel is not smooth, and the imperfect incentive mechanism is the bottleneck of the shortage of funds and slow development of the pension industry in Pingdingshan City. Therefore, Pingdingshan City's pension real estate industry should expand financing channels and strive for various types of social capital to invest in pension real estate. Judging from the countries and regions where pension real estate is relatively developed, the financing sources for the development of pension real estate in Pingdingshan City are relatively simple, and should be diversified from the perspective of the market.

#### **4.2 Insufficient Equipment And Equipment Construction**

Under the influence of the continuous development of the global economy, people's income level has increased, and the demand for quality of life has become higher and higher. The old-age market is composed of demand-driven supply and supply-creating demand. In theory, the expansion of demand directly drives the development of the industry, and the development of the industry will guide the market. On the demand side, the performance is very strong, but the effective demand is insufficient. Under the influence of the continuous development of the global

economy, people's income level has increased, and the demand for quality of life has become higher and higher. In the case of weakening family pension function, the number of people who need to stay in institutions is increasing. The old-age real estate in Pingdingshan City is gradually developing from the government-led social welfare undertakings to the market-led industrialization. Retirement requires a large amount of equipment and facilities to ensure that the health and psychological needs of the elderly are met, but the increase in the supply of old-age real estate facilities is far less than the growth rate of the aging population, and the perfection of equipment cannot reach the elderly. Pursuit of psychological expectations.

Pension community apartments have special requirements in terms of facilities and housing construction, and the cost will be higher than the average real estate project. The lack of funds will seriously affect the further construction of the property. At the same time, the cost of post-operation will be high, so a large number of institutions only meet the basic physiological needs of the elderly at the minimum standards. The direct consequence of the lack of modern facilities is that it is difficult to provide high-quality and effective services. Due to the simple design of the facility and the single service, the utilization rate is very low. At the same time, the elderly population has increased year by year and the quality of life has improved. This has formed a very prominent contradiction with the lack of old-age resources.

#### **4.3 Relatively Scarce Products And Services**

The old-age products and services provided by Pingdingshan City Pension Real Estate are mainly based on simple life care. The quality of the old-age real estate and the quality of the services provided cannot satisfy the ever changing and rich pension needs of the elderly.

First of all, the supply of pension products is seriously inadequate. At present, Pingdingshan City lacks products specially designed and produced for the elderly's heart and physiological needs. The prices of health care products that are popular among the elderly are too high, resulting in the same shortage of supply and demand for pension products. At present, Pingdingshan City's pension real estate is still self-care, and does not meet the full range of needs of the elderly, resulting in low occupancy rate of the institution's pension real estate. For example, the combination

of medical care and maintenance not only takes care of the daily life of the elderly, but also solves the problem of elderly people in the old-age care industry. It is possible to solve the problem of medical treatment more quickly and directly with the medical institutions. In addition, the old-age real estate only targets the relatively healthy elderly population, and does not take care of the semi-lost old-age capacity, the disabled elderly group, and they are the older groups that should be valued. Although some of the old-age property agencies in the survey also took care of this group, they were only a very small part.

Secondly, the elderly service and spiritual culture and leisure culture products are less and the product quality is insufficient. The leisure and entertainment places for the elderly in the city are mainly concentrated in homes, parks and other places, lacking a well-equipped old-age sports center; cultural and entertainment products such as old books and movies are generally scarce, and leisure and entertainment places suitable for the elderly are few.

#### **4.4 Lack Of Pension Professionals**

At this stage, one of the most serious problems faced by Pingdingshan City's old-age real estate is that the professional quality of professional elderly nursing staff is generally low, and it is difficult to meet the nursing needs of the elderly. Because Pingdingshan City's profit-making old-age real estate has many characteristics of low investment and low return rate, capital is also an important factor affecting the service quality of the aged care service industry. Due to factors such as funds, there are many shortcomings in Pingdingshan's pension real estate.

First of all, looking at the current pension market in Pingdingshan City, due to the low overall salary level, young people are reluctant to join the old-age service industry, while the existing service staff can only provide daily life care, psychological counseling and spirit for the elderly. Serious care is not in place, affecting the overall quality of service. Therefore, most of the middle-aged women who work in nursing care work are migrant workers. According to the visited pension real estate, the laid-off workers and rural migrant workers account for 74%, of which

only about 8% have professional nursing skills. Secondly, the professional construction of employees is lagging behind, the service level is low, the professionals are lacking, and some pension real estate funds are limited. The salary provided can not meet the requirements of specialized talents. It is difficult to attract professional talents to come here for employment. Difficulties and difficulties in retaining people are more serious. In addition, some old-age real estate in Pingdingshan City is in the initial stage of development, lacking systematic theoretical knowledge of old-age care services. The overall quality of the pension service industry is not high, the professional skills are lacking, the service awareness is weak, and most of the management and service personnel are enterprise restructuring. Or re-employed people who have failed, they have not received professional training or have experienced professional experience. They simply go to work through corporate training and lack professional knowledge and professional skills.

In addition to demographic concerns, the Chinese government is under enormous pressure to deal with the issue of unemployment and, as a result, the government has been making employment growth a top economic priority (Hu, 2003). Because of its contributions to national savings, the FDC model is attractive as one way to promote economic growth and increase job.

## CHAPTER 5

### CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Market Positioning Of The Pension Industry In Pingdingshan City

Since the consumption of the elderly is mainly affected by personal needs and the environment, it is possible to strengthen the publicity and guidance so that some elderly people with certain spending power can understand the new ways of providing for the elderly and make choices. Older people can influence each other, word of mouth, and greater influence. At present, the combination of medical and nursing mode of Pingdingshan City's old-age real estate and M hospital is a relatively rare advanced pension model in Baotou and even Inner Mongolia. We should seize this difference and give full play to the advantages of the institution. The market positioning of Pingdingshan City's old-age real estate should be highlighted: Medical combination and cost-effective highlights. Pingdingshan City's pension real estate should improve housing facilities and actively cooperate with machine hospitals to provide a comfortable living environment and timely medical assistance for the elderly, improve the health and safety index of the elderly who are admitted to the hospital, and reduce the worries of the elderly and their families. Cooperate with medical institutions to reduce the medical investment of the old-age care institutions on the one hand, and make full use of the resources of the medical institutions on the other hand, and to achieve the win-win cooperation between the old-age care institutions and the medical institutions while maximizing the benefits while meeting the medical needs of the elderly(Song, 2016).

A wide range of products and services. Pingdingshan City Pension Real Estate provides high quality and diversity for the elderly. The old service makes the elderly have a good old age, a happy old age, and a doctor-in-law, and meet the needs of more elderly people in one stop.

## **5.2 Development Countermeasures Of The Pension Industry Market In Pingdingshan City**

### **5.2.1 Expand Financing Channels And Business Models**

#### 1 financing channel.

The development of the pension industry in Pingdingshan City is still at the initial stage of development. Although it cannot be separated from the government's support and guidance, the development of the pension industry should still be market-oriented. The leading force for development should be the enterprises on the market and so on. Participants. Therefore, the development of the old-age industry cannot rely solely on government power. It should also strive for individual and social capital to invest in the old-age industry, promote the strength of all aspects of society to develop the old-age industry, establish a platform for investment financing of the old-age industry, and expand investment in the old-age industry. The scope of sources of funding with financing.

#### 2-business model

Introduce foreign capital and build a world-class chain of old-age facilities. Some international pension institutions or investment companies are trying to open up the Chinese market and build chain-type old-age facilities to alleviate their domestic pension pressure. For example, the cost of old-age care services in some European countries is very high. They hope to expand their markets in countries with relatively low labor costs, and choose old areas with better geographical and climatic conditions to allow old people to support their families at a relatively healthy age. For China, it can take the opportunity to introduce foreign capital and learn advanced foreign nursing and management experience. At the same time, it can promote employment and promote consumption to a certain extent.

Developed together with internationally renowned pension brands to introduce management models. The recent boom in the development of old-age real estate has prompted many developers, investors or government officials to visit and study abroad. They have seen many advanced management models and hope to implement and implement them in China, such as the introduction of foreign senior management

teams. Or jointly developed with foreign famous old-age brands. This model has certain feasibility, but pay attention to "localizing" it. Although the development of the pension industry in developed countries such as the United States, Europe, and Japan is relatively mature, it is not necessarily appropriate to fully transplant to China. The living habits, economic conditions and ways of thinking of the elderly in China are very different from those of foreigners. It may be difficult to smoothly "land" the model of direct foreign copying and needs appropriate transformation.

### **5.2.2 Do a Good Job Of "Medical Support"**

According to the spirit of the "Implementation Opinions on Accelerating the Construction of Medical Integration Service System", it is necessary to provide integrated maintenance services for the combination of life care and medical care for the elderly. With the improvement of people's economic level, the elderly group has a general expectation for daily physical examination and medical services, and the problem that the number of old-age real estate in Pingdingshan City is far from meeting the needs of the elderly is still outstanding. By analyzing the theory of market segmentation, it is known that the old-age industry should be separated from the service industry and provide corresponding service products for the elderly groups with higher income level, consumption ability and enjoyment level. Therefore, it is necessary to continuously improve the old-age real estate equipment and facilities. Provide a modern living environment for the elderly, and pay attention to the needs of medical services. The solution is to send more medical resources to the elderly and move the medical service gateway of Pingdingshan City forward.

Pingdingshan City's pension real estate can be combined with the medical insurance qualifications of the old-age real estate, the hospital's professional medical staff to carry out medical services and more professional medical facilities services, to greatly facilitate the elderly to see the doctors to increase the market attractiveness of the elderly and the elderly (Huang, 2015). Occupancy rate. For example, providing endowment services for pension products, accepting old-age support for disability consumption, and providing on-site services for home-based care, increase the awareness and trust of elderly people on pension real estate. For example, for the

half-disabled and disabled elderly, the nursing home will follow the actual health of the elderly to follow up the nursing and help the rehabilitation. However, for the elderly who are completely self-care, they need to observe in real time and lack response measures for sudden health changes. By implementing a medical cooperation model with neighboring hospitals, it is possible to provide necessary medical services for the elderly who have various types of medical needs, which greatly reduces the possibility of accidents for the elderly due to health reasons. After the initial signing of the cooperation framework, it is necessary to strengthen the connection, set up a special communication mechanism, deepen cooperation, that is, to meet the medical service needs of the old-age real estate, and fully realize the sharing of resources, and to explore the type of rehabilitation for the elderly. Service Content.

### **5.2.3 Enriching Old-Age Products And Services**

As far as the current status of the development of the pension industry in Pingdingshan City is concerned, there is a certain gap between the related services and products in terms of quantity and quality. The service level is low and the types of services are small. The public lacks recognition and acceptance of institutional pensions. To improve service levels, in addition to the quality of work of employees, whether or not there are perfect products and services is also a key link. In combination with the theory of demand hierarchy, we should pay attention to the self-realization needs of the elderly, and carry out the community and public welfare activities for the elderly, and provide a platform for the elderly to realize their own value. Therefore, the most important point in the process of new product development is the establishment of the pension real estate. In the actual situation of the elderly, accurately grasp the consumer psychology and actual needs of the elderly, and use practicality, convenience and effectiveness as key indicators to measure products.

The first old-age industry involves a wide range of aspects, including food, clothing, housing, transportation, health care, housekeeping services, investment and wealth management, tourism and vacation, and education. And because of the particularity of the elderly group, it is necessary to consider the difference between



the elderly and the other in terms of physical and psychological, in order to more accurately grasp the consumption preferences and behavioral characteristics of the elderly. Many elderly people have strong spending power, and they are not only limited to wanting to receive basic care. In particular, some self-careers think that “legs” can move around and want to “take a walk”. Therefore, Pingdingshan pension real estate can rely on its own environment in the future, and form a long-term cooperative relationship with the surrounding scenic spots, using health, outdoor sports and tourism as the leading of entertainment life, and also constantly improve within the interior, enrich the center of the elderly cultural activities, will Traditional card games and mahjong are enriched into more "Ryukyu", "Calligraphy", "Painting", "Running" and other projects. Regularly organize sports and cultural activities competitions, increase the learning space and communication space for the elderly, and improve the elderly. Happiness index.

The second is to build a comprehensive old-age community.

A comprehensive old-age community refers to a residential community that provides services for the elderly, including pension homes, pension apartments, and pension facilities. In addition to the residential buildings provided for the elderly, there are also various supporting facilities such as the elderly activity center, the health center, the medical service center, and the old university. The main body of development can be a variety of different types, either private enterprises or government investment.

The planning and design of a comprehensive old-age community for housing enterprises should consider the factors that the elderly will age in the process of living. The elderly may be physically healthy when they first stay, but as the age increases, the elderly will gradually develop nursing needs. Therefore, in the development and construction, these factors should be fully considered, and the corresponding forms of residential products should be designed to meet the living needs of the elderly from self-care to self-care. For example, when the elderly are self-sufficient, they can live in ordinary retirement homes; when more comprehensive care is needed, they can choose to stay in nursing care apartments or old-age facilities.

When planning and designing, attention should be paid to rationally partitioning different types of residential products to ensure their independence and avoid mutual interference. When developing a large-scale comprehensive old-age community, it may consider phased construction, such as building self-care old-age houses and some service facilities, and reserve a certain amount of development land. After a period of time, build nursing-type pension apartments and corresponding supporting facilities. and many more

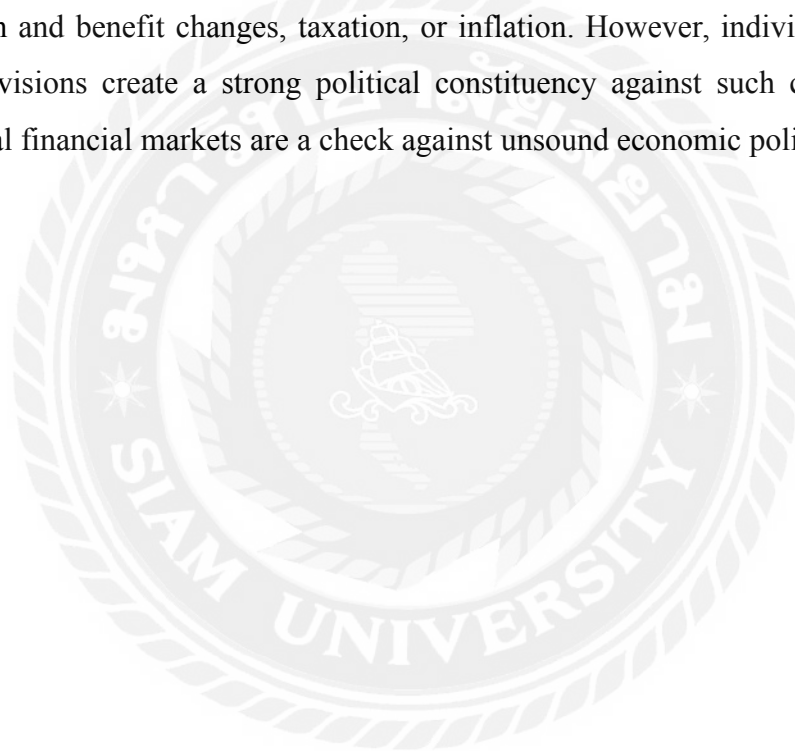
## 6 Conclusions

According to the above discussion, there is still a long way to go before housing companies can develop old-age real estate. In the process of developing old-age real estate, some enterprises and experts are trying to explore new development directions. Most housing companies still see much and move less. "Investment is big and returns are small." Some insiders analyzed that "the old-age property is a way out of light assets. After establishing a profit model, it can be split and listed and enter the capital market. In fact, China Sun City has already consolidated a certain profit. The ability of the project, plans to jointly listed. Such a listing will be more successful."

"Room enterprises can build O2O pension service platform on the basis of their own development of old-age real estate projects, and provide on-site services for the elderly in the community and surrounding communities." Industry insiders said that by extending the old-age service chain, they will find new profit points and form The scale effect can win a place in the fierce market competition. "China's old-age care industry is still at an early stage of development, but it is believed that with the advent of an aging society, the social needs of the old-age industry will grow rapidly. Driven by the changes in relevant business methods and service concepts, the pension industry is expected to achieve social and economic benefits. "win-win". The market positioning, sales methods and service system in the old-age real estate operation mode directly affect the success or failure of the old-age real estate business. Therefore, the construction of the old-age real estate operation model is very important. The construction of its operating model mainly has the following form: the concept of "ageing culture" Marketing model; industry chain extension model: old age service industry, old age real estate industry, old age medical care industry, old

age supplies industry, old age tourism, old age entertainment culture industry, old age consulting service industry, old age financial investment industry; rent, sale, anti-mortgage Combination check-in mode.

The diversification can and should be further increased by investing part of the funded scheme internationally. Full international investment, however, is an interesting but only theoretical benchmark since many conditions to make it optimal do not hold in reality. Prefunding part of retirement income is also a means of coping with the political risk. No pension system is fully immune to political risk and thus political decisions, which negatively influence retirement income through contribution and benefit changes, taxation, or inflation. However, individualized and funded provisions create a strong political constituency against such changes, and international financial markets are a check against unsound economic policies.



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