



Aging consumers and their effects on the marketplace

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Complicated market

The first of the approximately 77 million baby boomers turned 50 in 1996 and this signaled the start of what is to become one of the greatest marketing movements that we have ever seen in this country. A movement which will last some 30 to 40 years, and it won't be business as usual. During this time, consumers over the age of 50 will have an impact on the foods we eat, the things we do to amuse ourselves, the way we dress, the places we travel, what we read, what we see on television, the homes we live in, the cars we drive, the hotels and the hospitals we use – all of us are going to be affected. Imagine more than 110 million mature consumers (approximately 37 percent of the US population) with a taste for low fat, sodium-free foods, a passion for both coffee and sweet treats, a habit of dining out, an inclination for life, a determination to exercise and a yen for enlightening travel; what is more, consumers in the USA already control nearly 80 percent of our country's assets and this figure keeps on growing. So how do you develop products and services for these consumers? How do you reach them? How do you persuade them? And, above all, how do you keep an ongoing productive relationship with them?

The aging consumer is surely a complicated market, yet at best many of us see this market as a group of vulnerable old people. A *New York Times* article reported that in a 1995 survey: 46 percent of the respondents felt most older people could not adapt to change; 50 percent said that most older people lived below the poverty line; more than 65 percent agreed with the statement that most older people say they are lonely; and 75 percent agreed that at least one of ten older people lives in a long-term care institution. None of these figures are correct, but they do represent attitudes that make for ageism. Like sexism, ageism is stereotyping. Why are perceptions so far off? Why have we failed to set the record straight? Why does our advertising continue to show old people as ancient, twisted, limping people in wheelchairs with canes, wrinkled and covered with gray hair, or no hair at all? Is this why marketers have ignored the emerging mature markets? There is an obvious marketing opportunity here for us. Although, I suspect, it is easy for bright young marketers (especially those under the age of 50) to feel uncomfortable moving around in a highly stereotyped market like this and totally to feel that they cannot possibly understand these strange aged individuals, much less communicate with them productively. Yet today's aging consumer is like everyone else; most of them feel like they are some 20 to 25 years younger than they really are. So they may not have a problem identifying with you (the younger marketer), no matter how old you perceive them to be.

Basic character traits do not change with age. Older people are not always irascible. While some mature consumers are great, warm human beings, others can be unfriendly. Some are keen, some not so keen; some are bright and some are "surfing the net," and then there are some who have little

tolerance for the “new fangled” technology. Aging consumers are very much like any cross-section of any age group in terms of personality. And if they are shy and uncommunicative as children, they will probably be the same way as they get older. Age does not change these things. The aging baby-boomers will not be the old, old stereotypes. In fact, the 50-plus boomers will act and even look far younger than any age group that has gone before them. But make no mistake, they are different from the young. For example, you cannot say that their TV viewing habits resemble those of the “X generation” in any way. They like news and lots of it; *60 Minutes* is their soul mate along with reruns of *Murder She Wrote*, certainly not *MTV*, *Beavis and Butthead* or even *Cybil*.

Five key values

To consider how to approach this market, let us examine the idea that there are five key values that grow out of a person’s life stages that are crucial to all organizations in their efforts to influence this market. A few years ago, Wolfe wrote a book entitled *Serving the Ageless Market* (1990) in which he explained that, as people mature, their thinking integrates the subjectivity of childhood with the objectivity of young adulthood. As a result, the mature markets respond to marketing efforts that reflect these five key concepts. Marketing communications that incorporate all of these five key concepts will be, for the most part, very well received by this market. These values include:

- autonomy,
- connectedness,
- altruism,
- personal growth,
- revitalization.

Autonomy

Autonomy has to do with control and we all know what life is like when it is out of control, when we feel helpless. This has to do with those forces which can affect control, limiting or impacting in any way our ability to take control. We can all understand this, but to the aging consumer it becomes even more important. Consider the worst possible day, in terms of control, that a true elderly person can encounter, the day that they really lose their independence – the day that they have to give up their car. If you have an elderly relative and you have had to take their car or ask them to give up their car, then you can begin to appreciate what a terrible trauma this is because now they have lost control of their independence. Kimberly-Clarke has addressed this issue with one of their products – Depends undergarments for the mature, incontinent consumer. By having June Allison, an older actress who is well respected, as the spokesperson for this product and showing her playing golf, going to parties and leading a very active productive life unhindered by a physical problem, Kimberly-Clarke is using enhanced autonomy and self-sufficiency to sell this product. Remember the old adage “sell the benefit, not the product” – it still works!

The baby-boomers especially feel the need to control their lives in a different way. Many corporations, as well as the federal government, are cutting various benefits, so that the boomers are being forced to adopt stronger self-sufficiency measures for providing for their own futures in terms of pensions and retirement funds. This indicates that autonomy and self-sufficiency are even going to be more important to the boomers as they age.

Connectedness

Connectedness is largely a social issue, although at times it may also have a spiritual overtone. It has to do with informality, neighborliness, customer-friendly companies, but it also has to do with meeting new people and, most important, intergeneration connectedness. Think of grandparenting as the relationship formed with younger people. In advertising, connectedness is shown by the grandparents giving helpful information to the young. Wilford Brimley has done this well for Quaker Oats. However, companies that do intergenerational advertising, often showing older consumers being served or honored by others, look patronizing to the older consumer. It compromises their autonomy and self-sufficiency. In short, do not coddle them.

Altruism

Altruism is the desire to give something back to the world and a strong influence in older consumers' lives. Fund raising tastefully done, as well as social conscience programs conducted by businesses, can be most successful if they ring true and are not self-serving. For example, Thrifty Car Rental did some marketing research that showed that 11 percent of its older customers cared about a 10 percent "Senior discount" when compared with 41 percent of its older customers who would choose an opportunity to donate that discount to help buy vans for "senior citizens centers." This information helped Thrifty launch its highly successful "Give a friend a lift" program. Genuine social consciousness programs can have a tremendous appeal, but beware of "fluff" – the subjective, more astute older minds will see right through it.

Personal growth

Personal growth is another exciting area for all marketers to consider. Older consumers respond well when they are portrayed as still developing and learning human beings. Tributes to the accomplishments of older people, like Grandma Moses, don't sell products, but they show a position that a company can take in the (older) customer's mind portraying older people as still developing individuals – such can produce strong, positive images as long as it is realistic. One of these opportunities is ElderHostel. It is the most famous example of personal growth values used in marketing today. ElderHostel offers travel and educational programs at colleges and universities in every state and throughout the world. In 1996 alone, it had more than 323,000 participants; this is just another example of personal growth. It provides both a learning experience and an exciting journey. While the younger adults may seek escapist activities in their leisure time (as with "virtual reality"), it is important to realize that older adults seek out pursuits that enable them to revitalize themselves through active participation.

Revitalization

Revitalization is the fifth key value. Learning and working comes into play as well. Teaching and volunteering are two of the most important aspects of revitalization. When you show older consumers considering or perhaps actually engaging in revitalizing activities, you let them know that not only do you understand them but you also appreciate them.

Another thorny issue with the aging consumer is that products/services created specifically for the "senior market" may, in fact, be flatly refused by the said market. Marketing to the aging consumer is a bit tricky. Do not create a senior gee-gaw because no one is going to buy a senior gee-gaw. You want to sell your product/service based on the benefits. You do not want to sell the older consumer on the features or the fact that this product/service

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has been created for “seniors” because the older consumer will simply not buy it. However, age-specific products/services may be an exception to this – as an example, Medicare supplemental insurance cannot be bought until a person reaches the age of 65, so it would be advisable to make reference to this fact.

What about some of the more common ideas concerning aging? It has been said that the mature market will not try new products. The aging consumer will definitely try new products, but they will try them for different reasons than the younger market. They are not going to try something because it is trendy or because it is the “thing to do” – they are going to try something if it can meet a personal, specific need that they have. If you can demonstrate that your product and/or service meets a real need, then you are going to get tryers. One of the tricks of working with the mature consumer is learning not only what they think, but also how they think. These older consumers have had a lot of experience. They can, and do, form instant perceptions of your product/service. Create an approach on a holistic, personal basis and then provide them with the needed details. But do not start with the details. The aging consumer most often wants to be shown, as they are frequently comparison shoppers. Even if you are trying something new, as soon as the older consumer knows it is there, their next question is: “I wonder if somebody else has a slightly better one?” So expect comparison shopping and find out what the older consumers’ needs and questions are in advance. Do not deliver surprises, just deliver what you promise.

“Word of mouth”

One thing in the aging consumer marketplace that you do want to take advantage of is the primary advertising medium that we commonly refer to as “word of mouth.” But you should also be aware of the fact that if someone has something good to say about your product/service, they are going to tell three people, but if somebody has something bad to say about your product/service, they are going to tell ten other people, or perhaps even more. Word of mouth for the aging consumer is most important.

“Who’s in control?” is a touchy subject. The aging consumer wants to be in control and, as the world is constantly changing, they want to be in control even more so. The mature consumer feels as if they want to retake control of their own lives, given the growing governmental bureaucracies. The mature market reads their mail and they will toss this mail away with blinding speed if it looks as though it is not of interest to them. So, if you fool them once, all of your mail thereafter is going to be thrown away. Debt is also the sin of the aging consumer. These older cohorts came from the depression (they simply do not want to be in debt) – 75 percent of mature consumers carry no debt and only 16 percent have outstanding credit card balances. The older market is very conscientious about paying bills, which affords a marketer an opportunity if you can offer variable billing dates.

The older consumer is selective and also very discerning. They listen, they read, they remember. They are skeptical above all else. If you have been watching advertising on television, reading magazines and newspapers, and getting direct mail for 30-40 years, you would also become skeptical, even cynical. So, speak with respect, link your messages to your last one if this is a customer with whom you want to have an honest, friendly dialog. Let the customer know that they are important to you, then go ahead and prove it. This market counts actions more than words. If you write copy without regard to the values and perceptions of the mature market, they will know it. If you talk down to them, flatter them self-servingly, they will recognize it.

Relationship marketing

If you shout and rant and fill your promotions with hype, they will tune you out and turn you off. If you speak broadly instead of directing your messages to their needs, they will not listen. If you lack credibility or forget what you said to them the last time, they will not listen. Do not tell a mature consumer that an offer is “limited” to a “select group” when your mailing list resembles an encyclopedia. Do not have “final sales” more than once. The mature consumers are on to all of this. Do not use scare tactics or hustle your customer either. Their concept of time differs a lot from Generation Xers – the older consumer needs more time to respond. Do not use inappropriate age stereotypes – they know that they are not children, but do in fact feel younger than they really are. Always ask, “does this make sense?” to the older consumer. If not, the older consumer will not consider it.

Today, the idea of relationship marketing has created a lot of excitement among marketers. One of the strongest things that you can do with the aging consumer is to create a positive relationship with him/her. This market almost demands that you create such an atmosphere. Why relationships work with mature markets can be summarized as follows:

- The mature market reads more, so that if you are using a newsletter or you are communicating with them, it is much more likely to be read and appreciated.
- The mature market likes to interact, especially among the older ages – your interaction may be one of the few such interactions that someone has had that particular day or week.
- The mature market may be cynical or questioning at times, given that they have “been around the block,” but they start out by wanting to trust you and your company – you are to be considered trustworthy until proven otherwise; of course, if it is proven otherwise, forget it, you are written off, but you can start off with the advantage and so it makes it a lot easier to create a relationship.

Conclusions and guidelines

In closing, there is really no magic formula that you can engage in to win the hearts and minds of the aging consumer. However, there are some guidelines that marketers should be aware of that can help to influence the aging market:

- understand values,
- mature consumers are more responsive to emotional stimuli,
- mature consumers have an increased demand for facts – tell it like it is,
- the older consumer takes more time in making a buying decision – be patient,
- the older consumer is less influenced by peer pressure – objective values are less important,
- the older consumer has a strong need to have trust in a company’s product/service – be consistent,
- refrain from gimmicks,
- keep a sense of humor,
- show multigenerational interactions – adding values to other people’s choices,

- sell the mature consumer in the way that they want to be sold – one-to-one relationships,
- show the mature consumer in a positive manner,
- develop sensitive graphics standards for the older consumer,
- treat older people as customers first and as mature customers incidentally,
- not all older consumers are created equal.

Reference

Wolfe, D.B. (1990), *Serving the Ageless Market*, McGraw-Hill, New York, NY.

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