

Patronage motives of mature consumers in the selection of food and grocery stores

George Moschis, Carolyn Curasi and Danny Bellenger

The authors

George Moschis is a Professor in the Department of Marketing, **Carolyn Curasi** is an Assistant Professor at the Center for Mature Consumer Studies and **Danny Bellenger** is Chair and Professor, Department of Marketing, all at J. Mack College of Business, Georgia State University, Atlanta, Georgia, USA.

Keywords

Older consumers, Consumer behaviour, Retail trade, Marketing strategy, Market segmentation

Abstract

We live in an aging society, thus, it is important for businesses to develop a solid understanding of the older consumer. The food and grocery store industry is no exception since mature consumers spend more money on the average at food stores than their younger aged counterparts. Because there are marked differences within the large, mature consumer market, different marketing strategies are required even within this market to ensure the greatest success. This research employs a random, nation-wide, sample of 10,500 names of household heads drawn from seven age categories. The literature from a wide range of disciplines was examined to explore factors and events affecting preferences and motives in the selection of food stores. Using factor analysis, four gerontological segments resulted that best describe the mature consumer market. Marketing strategies are offered suggesting how to most effectively appeal to older consumers in general as well as more precise strategies for successfully appealing to the four gerontological segments.

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We live in an aging society with unprecedented demographic changes underway. These changes are transforming the world as we know it (United Nations, 2000). The aging of our population is causing major changes in all areas of our lives, and will continue to do so through at least the year 2050. Developing a better understanding of the older consumer is crucial for business success today so that organizations can better appeal to this important segment of our society. The food store and grocery industry is no exception since mature consumers spend more at food stores than their younger counterparts (US Bureau of Labor Statistics, 1999).

The effect of this older age profile will reverberate throughout the American economy and society in the next 50 years (US Bureau of Labor Statistics, 1999). The 2000 US Census counted nearly 60 million people 55 years of age or older, making up 21 percent of our population or one in five Americans today (US Census Bureau, 2000; Himes, 2003). This trend is expected to continue. The number of people in this age group will double in size by the year 2030 and will constitute 33 percent of the US population, according to the Bureau of Census. Other industrialized countries are experiencing this same aging of their populations.

Older shoppers are a market segment that should be nurtured. They tend to be more store-loyal than younger age groups (Lipke, 2000; Uncles and Ehrenberg, 1990). Schewe (1985) found store loyalty to be very high among older adults for supermarkets in particular. Nearly 80 percent of older shoppers surveyed by the *Progressive Grocer* were buying at their regular store. About 75 percent shop at one or two stores only, 20 percent more loyal than shoppers under the age of 65 (Zbytniewski, 1979).

In addition to strong loyalty to their preferred grocery store or supermarket, adults age 45 to 64 spent more than any other group at the grocery store (US Bureau of Labor Statistics, 1999). A study conducted by the Gallup Organization found that the over-55 market segment purchases 30 percent of all food consumed in the home (Donegan, 1986). Older households

spend about 10 percent more on food than the national average. Households headed by people 55 years of age and over purchase more food than any group under the age of 45 (US Bureau of Labor Statistics, 1999).

In order to design strategies to attract and retain this important market an understanding of their reasons for selecting specific food stores, including supermarkets and grocery stores, is needed. Different patronage motives can be clearly seen between the under 55 year old consumers and those 55 years of age and older (Moschis *et al.*, 2000). One pitfall, however, is to assume that all mature consumers are the same. As people age they become more rather than less diverse (Dychtwald, 1997; Silvers, 1997), making older consumers a very diverse and idiosyncratic population (Nielson and Curry, 1997). Segments exist within the large elderly market requiring different marketing strategies. Responding to the dramatic demographic changes underway in developed countries involves an understanding of the demographic trends as well as an understanding of the growing diversity within the older population.

Thus, in this project we seek to investigate the older consumer market, examining the various market segments in the food store market. We first compare reasons for patronizing specific food stores among those individuals younger than age 55 with those people 55 years of age and older. Then, understanding that there is a great deal of heterogeneity among the mature consumer market, we examine the mature consumer food purchasing market segmented by life circumstances. This segmentation analysis provides a sophisticated understanding of the mature consumer market, allowing the food store industry to position their stores and to promote their services specifically for each of these mature consumer groups. We conclude this paper with recommendations for appealing to the members of this important age segment.

While it is relatively easy to segment the mature market on the basis of objective characteristics such as age and income, researchers are rarely in a position to validate the assumptions that customer segments based on such characteristics respond differently to marketing offerings. In particular, demographic factors offer weak explanations of actual consumer behavior

(Moschis, 1996b; Moschis *et al.*, 2000). To better understand the complex nature of this market we must understand the factors that contribute to its complexity and impact individual responses to marketing stimuli.

Research conducted at the Center for Mature Consumer Studies during the past 15 years has amassed evidence of the superiority of a segmentation model, known as "gerontographics", based on aging processes and life circumstances over the segmentation models based solely on demographic factors such as age (Moschis, 1996a, b). When using this approach mature consumers are grouped (using cluster analysis) into four segments based on life circumstances and aging factors they have experienced, described later in this paper.

The present analysis is based on a national (US) sample of 1,950 adults, including 1,474 respondents over the age of 55. The sample did not survey older adults who are frail and institutionalized, but the percentage of those that fall in this category is insignificant (less than 5 percent) (Moschis, 1999). Differences in the motives for patronizing specific food stores are analyzed for mature consumers as a group as well as for gerontographic consumer segments. A total of 453 consumers under the age of 55 are used as a younger comparison group. The survey was supported by the Center for Mature Consumer Studies at Georgia State University.

The study

Sampling

A probability random sample of 10,500 names of household heads was drawn from seven age categories: 25-34, 35-44, 45-54, 55-64, 65-74, 75-84, and 85+. For each age group, names were selected at random from each state in the USA in proportion to the size of the state's population in the particular age bracket. (For example, 2,080 names were selected from the 55-64 age group, with the number of names from each state drawn to reflect the size of the population between the ages of 55 and 64 in relation to the total USA population. Thus, if a state's population between the ages of 55 and 64 was 2.5 percent of the total US population in that age bracket, the number of randomly drawn names of household heads aged 55-64

from that state was 52 ($2,080 \times 0.025$). This process yielded a response rate of 18.8 percent for the entire survey. While this is considered "average" for mail surveys, responses were underestimated due to unwillingness or the inability of the oldest in the population to respond. Excluding the population in the 85 years of age and older segment, the effective response rate is 23.5 percent.

Questionnaire development

Questionnaire development was based on input from the following sources of information:

- library research;
- results of focus groups conducted by the Center for Mature Consumer Studies;
- personal communications with business executives;
- two pre-tests with two small samples (over 100 respondents in each); and
- results of previous national and regional studies.

The content of the questionnaire was based on the first three sources of information, used to identify and frame the survey questions of interest to decision makers. Then, two pre-tests were administered with two samples with over 100 respondents in each. The last two sources were used mainly to develop a more refined and reliable measurement instrument.

Gerontographics

Our "gerontographic" (Moschis, 1996a, b) modeling process began with a list of 136 behavioral variables cited in previous studies of the elderly. The questionnaire ranged across several psychological, social, physiological, and experiential dimensions related to aging, and included several structural factors and events that describe the older person's social position and life circumstances. Factor analysis was used to condense the number of variables to a smaller number of factors, which were subjected to cluster analysis to identify the different segments. The gerontographic segmentation analysis provided the following four older consumer segments:

- (1) *Healthy hermits*. Individuals in relative good health, yet somewhat withdrawn socially. There are an estimated 20 million American seniors in this category.

- (2) *Ailing outgoers*. Individuals in relatively poor health yet determined to remain socially active. There are about 18 million mature adults in this segment.
- (3) *Frail reclusives*. Inactive individuals usually burdened with health problems. They spend most of their time at home and are very concerned with personal and physical security. This group includes an estimated 18 million older Americans.
- (4) *Healthy indulgers*. This group has more in common with the Baby Boomers than any other segment. They are relatively wealthy and are focused on making the most of life. There are 7 million adults in this rapidly growing segment.

Data analysis

The cluster analysis suggests that four gerontographic segments best describe the mature consumer market. Tests of significance (at a 95 percent confidence level) were used to examine the difference in patronage motives between groups.

Patronage motives

The patronage motives were measured by asking the respondent to indicate whether or not each of a list of 13 motives (or reasons) for patronizing a specific food store or grocery store was important to them (see Table I). They were instructed to mark as many as apply. Thus, the percentages in the Tables are the proportion of the subsample that indicated that particular motive.

Results

Research findings are first reported for older adults (age 55 and over); next, they are compared to responses given by younger adults (under 55); and finally, responses given by older adults are analyzed by selected sociodemographic characteristics and gerontographic groups.

Consumers may patronize food stores for a number of reasons. While the listing of all possible reasons can be difficult, there are certain reasons that have been identified through previous research to be significant in grocery store selection. On the bases of previous surveys and focus group interviews, 14 factors

were identified as possible reasons for store selection in the case of grocery products. Respondents were asked to indicate whether each of the 14 reasons applies to their decision to start or to continue to patronize food and grocery stores. Responses given by older adults (55 and over) are shown in Table I.

Nearly nine in ten (88.0 percent) mature Americans indicated that ease of locating merchandise/items applies to their decision to start or to continue to patronize food stores. Location near the respondent's residence was named by 84.6 percent of older adults; eight in ten mature Americans indicated that their patronage was due to the availability of familiar brands or items (80.9 percent) and fast check-out registers (80.3 percent). Price reduction was mentioned by three-quarters (76.3 percent) of older Americans as a reason they consider in their decision to start or to continue to patronize food and grocery stores.

Nearly two-thirds (64.1 percent) of older Americans consider the food store's location in relation to other places they patronize, suggesting that older adults' selection of convenience types of stores (such as food stores) is a multiple store selection rather than an independent store choice. In addition, grocery stores provide older adults the opportunity to socialize. More than half (54.7 percent) of the older respondents indicated that they patronize a grocery store because they find it a comfortable place to shop or socialize. About four in ten patronize food stores because they can find products suitable to their health needs (40.9 percent). Of equal importance is the ease in returning products or getting refunds (39.9 percent), and availability of special-assistance services (38.9 percent).

Less than one in three (28.5 percent) considers senior discounts in their store selection decision concerning the purchase of food items. Nearly one in five (18.0 percent) relies on same-age peers in selecting grocery stores and only one in ten (10.3 percent) considers payment methods available by food stores.

Next, we compared the responses of those aged 55 and older to those in the younger age groups. In order to obtain more accurate estimates, the responses in the two groups were weighed by factors that represent their

relative size. The results of the adjusted samples are summarized in both Tables I and II.

Many of these factors considered in the selection of food stores are equally important to those under age 55. However, six factors are valued more by older food shoppers than by their younger counterparts (Table II). Specifically, older adults are more likely than their younger counterparts to consider special deals or sales, senior discounts, assistance provided by store personnel, special-assistance services, recommendation of same-age peers, and location near several other places they patronize. Younger adults are somewhat more likely than older adults to consider the food store's location in relation to their residence or place of work, which may be in part due to the fact that many older adults do not work.

Sociodemographics

Several socioeconomic and demographic factors are likely to affect the older person's perception of the patronage factors examined in relation to food and grocery stores:

- *Age.* The perception of the importance of the 14 factors in selecting food stores changes very little with age in late life (see Table III). As Table III shows, only three factors show significant change with age. The importance of store location in relation to one's home and place of work declines somewhat, but still remains an important factor in selecting food stores. Senior discounts become increasingly important with age in late life, indicating availability and acceptance by older consumers. Finally, the influence of same-age peers increases with age in late life. The decline in the perceived importance of available products suitable to their health needs shows only a marginal decline with age.
- *Sex.* Most of the patronage factors examined are of equal importance to both male and female older adults. However, females perceive several factors to be more important than their male counterparts in choosing food and grocery stores. Specifically, a larger percentage of older females than their male counterparts consider the ease of returning products or getting refunds (42.0 percent vs 37.0

Table I Reasons for patronizing specific food and grocery stores among older adults (55+) (percentage who feel reason is applicable)

Reasons	Total (%)
Ease of locating merchandise/items	87.96
Ease of returning products or getting refunds	39.78
Location near the place you live or work	84.58
Frequently have items on sale or special deals	76.32
Offer special discounts to customers over a certain age	28.48
Have products suitable to your health needs	40.85
Have personnel who can assist you	40.85
Preference for payment method	10.33
Have fast check-out registers	80.33
Offer special-assistance services (like wrapping, home delivery, package carry-out) to those who need them	38.87
Recommended by other people your age	18.04
Carry familiar brands/items	80.89
Location near several other places you patronize	64.07
Comfortable place to socialize	54.67
Base	(n = 1,436)

Table II Reasons for patronizing specific food and grocery stores among younger (under 55) and older (55+) adults (percentage who feel reason is applicable)

Reasons	Under 55 (%)	55+ (%)
Ease of locating merchandise/items	85.66	87.71
Ease of returning products or getting refunds	40.38	39.74
Location near the place you live or work	87.81	84.31
Frequently have items on sale or special deals	70.74	76.67*
Offer special discounts to customers over a certain age	9.87	28.65*
Have products suitable to your health needs	37.11	40.32
Have personnel who can assist you	32.40	40.79*
Preference for payment method	10.09	10.25
Have fast check-out registers	78.57	80.21
Offer special-assistance services (like wrapping, home delivery, package carry-out) to those who need them	26.01	38.55*
Recommended by other people your age	13.70	18.27*
Carry familiar brands/items	77.37	80.37
Location near several other places you patronize	59.05	64.44*
Comfortable place to socialize	52.36	54.75
Base	(n = 1,268)	(n = 646)

Note: * Difference significant at 95 per cent confidence level

percent), items "on sale" or special deal (79.3 percent vs 73.4 percent), availability of personnel to assist them (43.3 percent vs 37.9 percent), availability of special-assistance services (44.8 percent vs 31.9 percent), location near other stores patronized (67.4 percent vs 59.6 percent), and whether the grocery store is a comfortable place to shop and socialize (57.2 percent vs 51.4 percent).

- *Socioeconomic.* The higher the older person's household income the lower the importance he or she attaches to most of the factors examined. Only three factors show no decline in importance with income: location near the place one lives or works, availability of products suitable to one's health needs, and availability of fast check-out registers. The relationships between education and perceived

Table III Reasons for patronizing specific food and grocery stores among older adults (55+) by age (percentage who feel reason is applicable)

Reasons	55-64 (%)	65-74 (%)	75+ (%)
Ease of locating merchandise/items	88.84	87.62	86.79
Ease of returning products or getting refunds	38.89	41.62	38.74
Location near the place you live or work	87.30	82.83	81.99
Frequently have items on sale or special deals	74.99	78.05	76.30
Offer special discounts to customers over a certain age	24.72	30.11	33.17
Have products suitable to your health needs	43.47	40.67	36.14
Have personnel who can assist you	41.02	40.13	41.58
Preference for payment method	9.81	9.85	12.04
Have fast check-out registers	79.96	80.13	81.35
Offer special-assistance services (like wrapping, home delivery, package carry-out) to those who need them	37.22	40.20	40.04
Recommended by other people your age	16.07	17.35	22.80
Carry familiar brands/items	80.93	79.47	82.90
Location near several other places you patronize	64.66	66.01	60.10
Comfortable place to socialize	57.07	52.91	52.72
Base	(n = 623)	(n = 485)	(n = 28)

Note: Significant difference at 95 per cent confidence level requires approximately 8 per cent difference in any two percentages

importance of patronage factors are similar to those between income and reasons for patronizing food stores. However, in addition to the three factors which show no decline with income, two other factors do not relate to education: ease of locating merchandise/items and recommendation by same-age peers.

- *Location.* Mature Americans who live in rural areas consider senior discounts to be of greater importance in their grocery store patronage decision than their urban counterparts, with 33.0 percent and 26.9 percent, respectively, expressing this opinion. Similarly, a larger percentage of older Americans who live in rural areas than those who live in urban areas consider the availability of store personnel for assistance (46.4 percent vs 38.8 percent) and special-assistance services (43.4 percent vs 37.3 percent). On the other hand, a larger percentage of older adults who live in urban areas, in relation to their rural counterparts (86.9 percent vs 79.0 percent), consider location near their home or place of work to be important in their patronage decision regarding food stores.

There are also several geographic differences in perceptions of the importance of food-store

patronage factors. Ease of returning products or getting a refund is more important to easterners than to northerners, with 42.3 percent and 36.5 percent of the older adults from these regions expressing this view, respectively. The food store's location near the older person's home or place of work is more important to older adults who live in the West (87.3 percent) than to those who live in the South (82.6 percent). Southerners are less concerned with finding items on sale or special deals (71.8 percent), in comparison with 78.5 percent of older adults who live in other geographic regions.

Senior discounts are twice as important to mature Americans who live in northern states as to those who live in the West (36.6 percent vs 18.8 percent). A larger percentage of older adults who live in the South (43.8 percent) than those who live in the North (38.3 percent) consider food stores which have products suitable to their health requirements. While only three in ten older adults in eastern states consider the availability of store personnel for assistance, nearly 45 percent (44.8 percent) of northerners do the same and 52 percent of older adults in other geographic areas consider this factor in their food-store patronage decision. The availability of various methods for paying for grocery products is important to a larger

percentage of westerners than southerners, with 13.9 percent and 8.8 percent, respectively, expressing concern. Older adults who live in western states are more concerned with getting through check-out lines quickly than their northerner counterparts, with 86.5 percent and 77.0 percent, respectively, placing emphasis on this patronage factor in selecting food stores. Older adults who live in the North value special-assistance services more than mature Americans who live in the South, with 42.5 percent and 35.7 percent of the older respondents from these regions, respectively, reporting this attitude. Location in relation to other stores patronized by older Americans is important to a larger percentage of easterners (69.5 percent) than northerners (60.7 percent), while same-age peer recommendation is less important to older adults who live in the West (12.7 percent) than to those who live in other geographic regions, with nearly one in five of older adults in the latter category expressing preference.

Gerontographics

The older person's gerontographic profile predicts the importance he or she attaches to all 14 attributes examined (Table IV). Ailing

outgoers perceive the majority of the factors examined to be more important than other gerontographic groups. A larger percentage of them (91.4 percent) consider ease of locating merchandise/items, in comparison with healthy indulgers (84.3 percent) and frail recluses (84.9 percent). Nearly half (46.0 percent) of the ailing outgoers also consider the convenience of returning products or getting refunds important in their patronage decision of grocery stores, in comparison with three in ten (30.8 percent) of healthy indulgers and 36.0 percent of frail recluses.

While location near one's home or place of work is an important patronage motive for food stores, it is more important to healthy indulgers and frail recluses than to healthy hermits. Ailing outgoers, and to a lesser extent healthy hermits, are more likely to patronize food stores because of their prices or special deals than other groups. The percentage of ailing outgoers who would patronize stores because they offer senior discounts is nearly double that of healthy indulgers (36.5 percent vs 19.3 percent).

A larger percentage (46.7 percent) of ailing outgoers, in comparison with 34.5 percent of frail recluses and 39.0 percent of healthy hermits, patronize stores because they have

Table IV Reasons for patronizing specific food and grocery stores among older adults (55+) by gerontographic cluster (percentage who feel reason is applicable)

Reasons	Healthy hermits (%)	Healthy indulgers (%)	Ailing outgoers (%)	Frail recluses (%)
Ease of locating merchandise/items	88.39	84.33	91.42	84.88
Ease of returning products or getting refunds	40.79	30.78	46.02	36.00
Location near the place you live or work	81.49	87.92	85.39	86.33
Frequently have items on sale or special deals	78.27	68.54	83.59	67.88
Offer special discounts to customers over a certain age	29.46	19.34	36.49	22.00
Have products suitable to your health needs	39.05	41.41	46.69	34.45
Have personnel who can assist you	44.68	31.97	45.05	34.61
Preference for payment method	9.42	11.10	13.64	6.10
Have fast check-out registers	78.52	83.25	83.96	75.36
Offer special-assistance services (like wrapping, home delivery, package carry-out) to those who need them	41.52	29.74	46.14	30.24
Recommended by other people your age	18.36	12.05	26.29	9.58
Carry familiar brands/items	80.11	79.80	85.10	76.63
Location near several other places you patronize	63.38	61.45	73.09	53.25
Comfortable place to socialize	54.13	49.08	59.96	52.38
Base	(n = 519)	(n = 241)	(n = 419)	(n = 258)

Note: Significant difference at 95 percent confidence level requires approximately 8 percent difference in any two percentages

products suitable to their health needs. Healthy hermits and ailing outgoers consider whether the grocery store's personnel can assist them, with 44.7 percent and 45.1 percent, respectively, indicating this factor, compared with 32.0 percent of healthy indulgers and 34.6 percent of frail recluses. Twice as many ailing outgoers as frail recluses (13.6 percent vs 6.1 percent) consider payment alternatives available in selecting food stores.

A larger percentage of healthy indulgers (83.3 percent) and ailing outgoers (84.0 percent) than frail recluses (75.4 percent) value fast check-out registers. Special-assistance services are of greater importance to ailing outgoers and healthy hermits, with 46.1 percent and 41.5 percent, respectively, reporting this reason to be a relevant patronage motive in their food-store patronage decision (in comparison with 29.7 percent and 30.2 percent of healthy indulgers and frail recluses, respectively). Word-of-mouth recommendation from same-age peers is far more important to ailing outgoers than to other gerontographic groups, with frail recluses being influenced the least. A larger percentage of ailing outgoers (85.1 percent) than frail recluses (76.6 percent) values their familiarity with brands or food items, while location in relation to other stores is far more important to the former than the latter group (73.1 percent vs 53.3 percent). Finally, six in ten ailing outgoers, in comparison with just half of healthy indulgers, indicated that they patronize food stores because they are comfortable places to shop or socialize.

Summary and managerial implications

The research presented in this section shows major differences in the way older consumers respond to various marketing offerings. The consumer behavior of older Americans does not only differ from that of their younger counterparts; it also varies widely by demographic and psychographic characteristics of mature consumer segments (Dychtwald, 1997; Nielson and Curry, 1997). Furthermore, in examining variations in such responses across mature consumers by selected characteristics, it was noted that the person's gerontographic profile in general was a better predictor of his or her responses to marketing offerings than

simply using demographic factors. Therefore, our recommendations for strategy development that follow focus on specific gerontographic profiles rather than on other demographic characteristics. The implications for target marketing are suggested to the extent that consumers in a given gerontographic group represent a viable segment for the marketer's offerings. However, other characteristics such as age and income can be added and used to develop marketing strategies for specific gerontographic/demographic groups.

Food store offerings appeal to all older consumers, but ailing outgoers is the group most responsive to most of the offerings of food stores, grocery stores, and supermarkets. It is important, therefore, for retailers to develop marketing strategies that nurture the loyalty of this important segment. In order to win the loyalty of ailing outgoers, food retailers should carry well-known brands and products as well as items suitable to the older person's health needs, (e.g. low sodium, low fat, etc.). Research provides strong evidence that elderly households make concurrent decisions on food budgets and nutritional needs (Hama and Chern, 1988), thus it is important to also consider the special health needs of this segment.

Older consumers are very price-conscious, with an often exacting memory for the prices of frequently purchased items. It is, therefore, important that food stores use frequent price-reduction promotions. Using senior discounts also is recommended, however, caution is suggested since there is a deep seated reluctance for mature consumers to perceive themselves as "old" or to feel they are being perceived as old (Moschis, 1999). Ironically, products and services designed specifically for the "senior market" may be rejected by that market segment (Leventhal, 1997). Older consumers enjoy saving the money involved with discounts but do not want to be categorized. Successful strategies often involve discounts that are not dependent on age as a prerequisite for a discount. Retailers may instead want to offer discounts to individuals that display the common characteristics of older consumers. For example, retailers may want to give early morning shoppers a discount, a time especially popular for the grocery shopping of mature consumers. Mid-week discounts could be provided on certain food items purchased.

Super Foods of Montgomery, Alabama has been very pleased with the results of a promotion that offers a 5 percent discount to seniors on Wednesdays (Norris, 1988).

Supermarkets could also consider giving older shoppers a discount card. This can be a successful strategy since many older consumers are embarrassed to ask for a senior discount. Randall's in Houston gives Silver Courtesy Cards to senior citizens. The card entitles the 60 plus customer to free check cashing, free blood pressure tests, free coffee while shopping and in-store discounts (Moschis, 1999). Retailers might want to consider offering these older customers several options of paying for their groceries (check, credit) by accepting more credit cards and making it easier for an older person to pay by check. If the store has not already done so, supermarkets could set up "cash only" lines since many elderly pay in cash. Cash only check-out lines will alleviate the long lines these customers often have to endure without creating a line "just for the elderly" consumers. Stores might also consider activating more cash registers during peak shopping hours of the older consumers.

Our data provide evidence of the older consumers' preference to shop in a store where they can receive special-assistance services. Special-assistance services such as valet parking, delivery assistance, and carry-out assistance with packages will be welcome. Finally, liberal product return and refund policies will be valued by older shoppers, especially by the ailing outgoers.

Mature consumers enjoy interactions, especially among the older aged mature segments (Leventhal, 1997). Food retailers should train store workers to memorize regular customers' in-store needs and product preferences. This strategy has been shown to increase repeat business in the restaurant industry, and should also lead to stronger repeat business among ailing outgoers in the food store industry (Stephenson, 1989).

Making sales clerks aware of older people's special needs should result in more sales from ailing outgoers. Customer service is important to older consumers. Thus, grocery store personnel need to be trained in the methods of dealing with the elderly (Dychtwald, 1997). For example, the Publix grocery store chain provides its employees

with training on how to treat older consumers. Included in this training is a film that teaches employees to take more time with older shoppers, and to try to be more patient and helpful (Moschis, 1999). Employees are also encouraged to inquire as to how the older consumers are traveling home from the grocery store – by foot, by bus, or as is often the case, by golf cart – so that they can bag the groceries accordingly (Donegan, 1986). Apparently this program is working. When Golden Years, which is distributed in Publix stores, conducted a readership survey, one of the main reasons cited for shopping at Publix was the courteousness of the stores' employees (Donegan, 1986).

Because of their physical or health requirements food stores should pay particular attention to the store layout and location. These retail facilities should be located near other facilities older consumers tend to patronize (e.g. pharmacies, drug stores, cleaners). Store layout and environment in general should be designed to offer comfort, convenience, and opportunities for socialization among older shoppers. Food stores should use directional signs to help these shoppers locate items. Finally, liberal product return policies will be valued by older shoppers, especially by the ailing outgoers.

With one in five Americans currently 55 years of age or over, the mature segment of our population is simply too large and too affluent to ignore. The dramatic growth in the elderly population that we have witnessed to-date will continue in coming decades, ensuring that the mature consumer market will offer a substantial opportunity for marketers who approach it with a solid understanding of the factors that influence elderly consumers.

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Executive summary and implications for managers and executives

This summary has been provided to allow managers and executives a rapid appreciation of the content of this article. Those with a particular interest in the topic covered may then read the article in toto to take advantage of the more comprehensive description of the research undertaken and its results to get the full benefit of the material present.

"Age-proof" your marketing strategy

When we read the headlines about our ageing population, we do not appreciate that the facts lying behind them are of great significance to consumer marketers. Whether these headlines concern the looming "pensions crisis", the provision of prescription drugs or the demographics themselves, we see these as something affecting other people and other industries. Marketers have not responded to these changing demographics by adapting or changing either strategies or tactics. Investment decisions and expansion plans are prepared without reference to the changes brought about in the marketplace through the ageing of the population. And we still pay far more attention to, and respond more readily to, developments in the youth markets. For every dozen articles written about "Generation X" or whatever the latest youth behaviour trend is dubbed, there is perhaps one article about older people.

Collectively older people are dull. Yet in our more sanguine moments we recognise – as Moschis *et al.* point out – that one-in-five Americans are over 55 and that these older consumers have higher incomes, more wealth and greater spending power compared to the young. Marketers have to change the way in which we design our products and services, plan and target our communications and deliver promotions. As the older segment of the population approaches a third of the population (and perhaps two-fifths of spending power), their needs, wants and expectations will come to dominate marketing strategy.

Old people are not all the same

Having said we should adapt strategies to respond to the ageing population, we must begin by accepting the heterogeneous nature of this older population segment. Moschis *et al.* through their "gerontographics" approach, provide a simple segmentation tool to assist us in understanding the different parts of the older market. Such an analysis, linked to classic demographic measures provides us with the basis for planning strategies that encompass the needs of an older population.

Through such an analysis marketers are able to identify two types of strategic change; that addressing preferences common across the four

gerontographic segments and that which is peculiar to one or other of these segments. It is important that we then understand whether we are reaching out to just one of these segments or seeking to create appeal across the entire spectrum of the older population. In the example considered here by Moschis *et al.* (food and grocery stores) the appeal is general since everyone needs to purchase food. For marketers promoting holidays, the strategy may focus on the needs of the more outgoing segments identified through gerontographics.

At the same time different patronage motives exist between those aged over 55 and those under 55. Marketers need to pick up on these differences since they are very significant. For retailers the differences encompass location choices, service issues and sales promotions.

Locate near other places older people patronize

Older consumers seem less concerned about the location of a retail outlet in the context of home or work and more concerned about its proximity to other places – typically other retailers – that they patronize. Partly this reflects the fact that many older people are no longer working but it also suggests a behavioural difference in that older people want to satisfy a number of objectives in one trip. It may be that older people set aside a specific time for weekly shopping rather than fitting shopping into the daily pattern of home, school and work.

This different pattern of behaviour could reflect the fact that, with children either left home or able to look after themselves, older people have fewer demands on time. And as they reach the end of their working life, the pressures that come from that activity diminish allowing leisure and pleasure to take precedence. Since grocery shopping is not (for most folk) a pleasure, buying necessities is done as efficiently as possible perhaps in conjunction with more pleasurable activity.

Provide good service and assistance in-store

Good retailers recognise the importance of service issues in securing and keeping customers. And, for older consumers, these service issues expand. Alongside the idea of

meet and greet that all consumers respond well to, we can see that older consumers want a range of services they previously did not require. The opportunity to rest tired legs, reducing the wait in-line, making sure displays recognise the issues of poor sight and loss of mobility and special provision such as redesigned trolleys, wheelchairs, all need attention. The retailer that makes these kinds of provision is more likely to retain customers and, given the importance of same age peer recommendation, to attract new customers.

A suggestion for marketers is to develop a process of “age-proofing” their plans. Using information and research such as that here plus local discussions with customers, marketers can identify whether planned activities (and especially service developments) add to, subtract from or have no effect on older people’s experience in-store.

Promotions should fit the customer profile

Advertising, sales promotions and other communications need to recognise that a fair chunk of the customer base is over 55. In doing so the careful targeting of discounts, in-store offers and other promotions can result in better response and in a significant contribution to customer loyalty. Moschis *et al.* cite examples of stores that use “senior discounts”, offer special times when older people get a discount and note that older people do see sales and special deals as important. Such programmes need constant renewal and, just as with service considerations, marketers should consider age-proofing promotional activity.

Older people are getting to be the most significant segment of the population for many marketers. If we fail to recognise this and do not adjust our strategies and tactics accordingly, we will lose out in a very important market segment. The approach to market analysis presented and developed by Moschis *et al.* provides a valuable starting point for the development of these strategies.

(A précis of the article “Patronage motives of mature consumers in the selection of food and grocery stores”. Supplied by Marketing Consultants for Emerald.)