

marketing and older audiences

a review of data, research and literature

revised edition

march 2010

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1.0 introduction

1.1 About this report

This report aims to provide an introduction to the subject of marketing and older audiences in the UK. It has been produced by rhc advantage, a marketing and communications agency specialising in older audiences.

The UK population is ageing. For the first time ever, there are more adults aged over 45 than there are aged under 45, and more people aged over 65 than there are under 16. The Government has described the current situation as a 'tipping point' and age-related issues are increasingly high profile in Parliament and in the media. Population ageing is a long-term trend, with profound implications for all aspects of society - the private sector as well as the public sector.

Most businesses and organisations are aware of this, and of the need to align themselves with an ageing population. However, there is no accessible starting point for those wishing to approach the subject in a structured way. The subject matter is extensive and distributed across a number of different areas and disciplines. This report is intended to address this omission, and to act as an introductory overview to the subject of older audiences and marketing, by summarising and reviewing available data and research,

1.2 Sources

We've studied an extensive and diverse range of data, literature, research and statistical sources. The more interesting and useful of these are listed in the appended bibliography. While the USA has generated an extensive range of literature in this area over the past 20 years or so, much less work has been carried out in the UK. We have opted to focus on original data and research, from UK sources, which is less than ten years old. It cannot be assumed that what is (or was) the case in the USA can automatically be applied to the UK.

1.3 How do we define 'older audiences'?

The most common lower age limit in general use for the general subject of 'older audiences' is fifty. There is no known reason for this, and as 50 sits between the standard age breaks of 45 and 54, this can sometimes limit analysis. For individuals, 'old age' is a relative concept, dependent in part upon their own age. The median age for all people in the UK is 39, and for adults is 45. For the purposes of this report, the term 'older' is applied to people aged over 45, or as defined in specific research. We have used the term 'audiences' rather than 'consumers' as our interest as marketers is in communications and relationships, not simply consumption.

1.4 Production of this report

This report has been produced by rhc advantage, a marketing communications agency specialising in older audiences. It was first issued in November 2009, and this revised version was published in March 2010. We have a presentation to outline the main aspects of this report and are happy to consider speaking opportunities.

The report was written by Mark Beasley of rhc advantage. We are grateful to Dr David Gilbert, Professor of Marketing at the University of Surrey, for his advice and direction in the planning, research and writing of this report. We also thank Dr Paul Sweeting, Professor of Actuarial Science at the University of Kent, for reviewing the draft document and for making a number of valuable comments and suggestions.

1.5 rhc advantage

rhc advantage is a new creative marketing agency, specialising in research, planning and marketing communications for older audiences. Our experience and expertise mean we are able to work more efficiently, and deliver more effectively. For further information, please visit www.rhcadvantage.co.uk.

2.0 summary

This chapter provides a very brief summary of chapters three to eleven, highlighting the more important aspects of the report. Chapter 12 goes on to draw conclusions from the preceding chapters, and is not summarised here.

Demographics. The UK population is ageing, as the result of increased life expectancy and declining birth rates. This is a gradual but inexorable trend, which has now reached what the UK Government describes as a 'tipping point'. There are now more adults in the UK aged over 45 than there are aged under 45. This group will continue to increase in size much faster than the total population, as the population continues to age.

Social. An ageing population has profound implications for most aspects of society. Key social issues include: ageism, across all aspects of society; and 'age disruption' meaning that traditional social structures and lifestage concepts are increasingly inappropriate. For individuals, issues include care, health, income and independence, which contribute to well-being and quality of life.

Economic. An ageing society leads to a slowing-down of the economy, increased pressure on the state, and pension-related issues. The over-45s own a disproportionate amount of wealth, which steadily increases until age 65. However, wealth is unevenly distributed and while there are many wealthy older people, there are also many living in poverty. Household income and expenditure peaks at around age 45, falling steadily to age 75: this relatively equal distribution across the total population means that (at the very least) older people 'punch their weight' economically. Unemployment is relatively high for the over-50s group, whilst the state retirement age is set to rise, linked to changes in state pension scheme. Company pension schemes have reduced in value and entry restricted, meaning financial issues for many people as they age. An important subject is the funding of old age, in terms of pension, health and care provision.

Political and Legal. The pressures on the state, in terms of public sector health, pension and welfare provision, are enormous. During 2009, the UK Government introduced a number of age-related initiatives: the 'Building a Society for all Ages' document set out cross-departmental Government policy and stresses the need for a cultural shift in attitudes to ageing. It also introduced the Equality Bill, which aims to outlaw age discrimination.

Segmentation. Older people should not be viewed as a single market segment, but as a heterogeneous group of people which includes many distinct segments. Segmentation by age alone can be a useful starting point, but is inappropriate given the size, diversity and complexity of the over-50s age group, and ineffective as a marketing strategy.

Expenditure. Households aged 50 and above account for 50% of total household expenditure, and 60% of individual expenditure. People aged 50-64 are the highest-spending age group of all. Expenditure on categories including food, drink and travel is particularly high for people aged 50-74. There are many opportunities for marketers to re-focus against older consumers, with implications for branding and product strategies.

Attitudes to age and ageing. The most common attitude of older people to age and ageing is one of denial. People choose to act and behave in a more 'youthful' way than their physiological age; think of themselves as younger than they are; do not wish to think of themselves as old; and resist or ignore all implications of age. Above all, people do not wish to be defined or targeted by age. Retirement is not the ultimate goal for many older people, who may prefer to carry on working on their own terms after retirement age.

Attitudes to Business and Marketing. Many older people feel that businesses are ageist and do not treat their needs seriously. Older consumers are extremely brand loyal, but also well-disposed towards private label products, and likely to try a new product if it is on offer. Older people are more sceptical and resistant to advertising and marketing than younger people. Many believe that: products, advertising and marketing communications are not targeted at them, even when they are purchasers of that category; images of older people are excluded from advertising; the overt targeting of older people is patronising; realism, recognition and inclusion are preferable to the gratuitous use of youthful imagery; images of older people in advertising are often negative and offensive stereotypes and caricatures.

Marketing practice. Older people are no longer a niche market, but part of the mainstream. However, business generally and the advertising industry in particular reflect an ageist society, in both employment practices and marketing activity. The average age of employees in advertising agencies is 33, leading to a lack of interest and empathy with older people, and a lack of insight and knowledge. The marketing planning processes of many companies – other than the very best marketing-led businesses - may fail to address long-term structural population change.

Guidelines for Marketing Communications. The 'guidelines' issued by a number of authoritative sources are summarised in this report. It is important to apply the basic principles of communications planning, as for any other audience; and to recognise that this is a diverse audience which may require different strategic and creative approaches.

3.0 demographics

3.1 UK Population Data

The UK population is ageing. Population data has been presented in a number of ways in the literature relating to this subject, often selectively. For this reason, our main source date – the latest data issued by the Office for National Statistics Office (ONS) - is shown below. You may wish to revisit it later – for now, we suggest that you read on. It is worth noting that the ONS has a wealth of population data, which can be downloaded from the ONS website in excel spreadsheet form.

| UK Population Trends | | | | | | | | | |
|----------------------|-----------------|-------|-------|-------|-------|-------|-------|---------|----------|
| | Under 16 | 16-24 | 25-34 | 35-44 | 45-54 | 55-64 | 65-74 | 75-plus | All ages |
| | <i>In '000s</i> | | | | | | | | |
| 1971 | 14,256 | 7,356 | 6,971 | 6,512 | 6,836 | 6,588 | 4,764 | 2,644 | 55,927 |
| 1981 | 12,543 | 8,080 | 8,011 | 6,774 | 6,269 | 6,207 | 5,195 | 3,281 | 56,360 |
| 1991 | 11,685 | 7,491 | 8,898 | 7,918 | 6,583 | 5,806 | 5,067 | 3,992 | 57,440 |
| 2001 | 11,863 | 6,504 | 8,475 | 8,847 | 7,776 | 6,276 | 4,948 | 4,426 | 59,115 |
| 2007 | 11,510 | 7,368 | 7,860 | 9,248 | 7,980 | 7,232 | 5,068 | 4,722 | 60,978 |
| 2011 | 11,643 | 7,459 | 8,435 | 8,689 | 8,705 | 7,336 | 5,519 | 4,976 | 62,762 |
| 2016 | 12,096 | 7,067 | 9,279 | 8,135 | 9,107 | 7,438 | 6,375 | 5,480 | 64,977 |
| 2021 | 12,687 | 6,762 | 9,375 | 8,639 | 8,540 | 8,287 | 6,591 | 6,310 | 67,191 |
| 2026 | 12,828 | 7,123 | 8,921 | 9,478 | 8,005 | 8,686 | 6,742 | 7,477 | 69,260 |

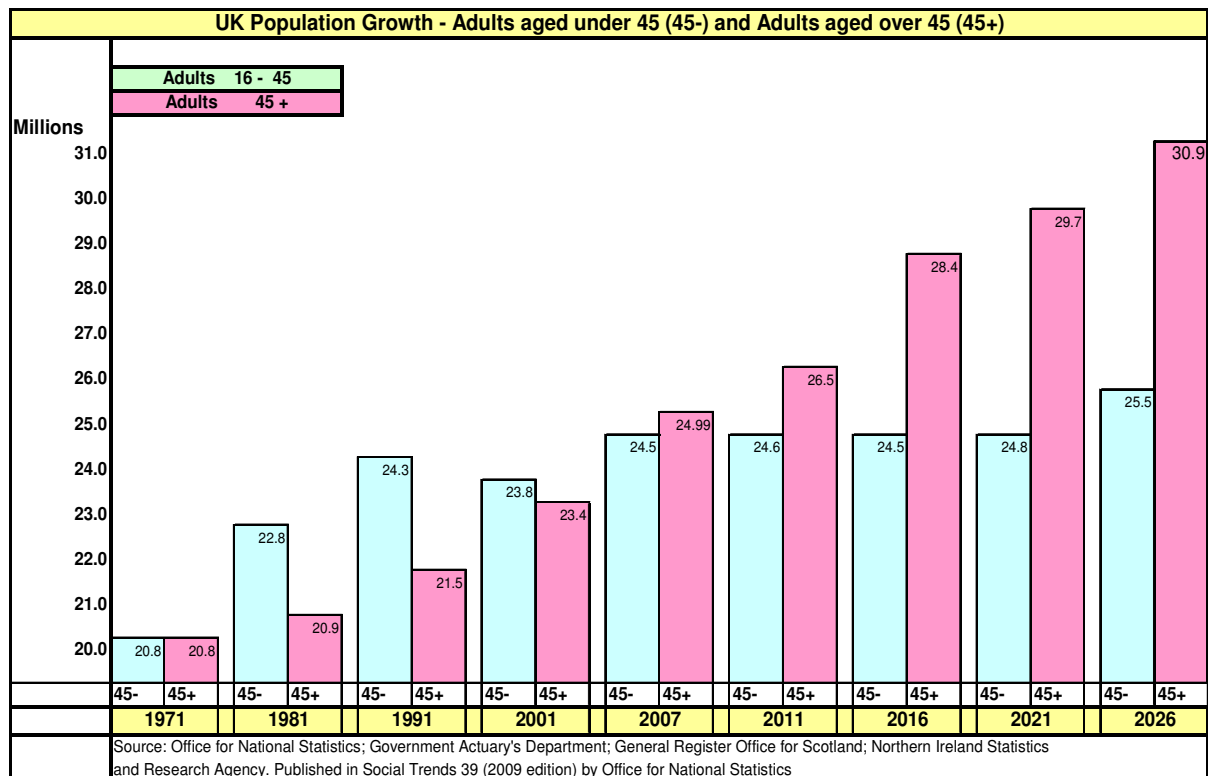
| UK Population Trends - as percentage of total | | | | | | | | | |
|---|----------|-------|-------|-------|-------|-------|-------|---------|----------|
| | Under 16 | 16-24 | 25-34 | 35-44 | 45-54 | 55-64 | 65-74 | 75-plus | All ages |
| 1971 | 25.49 | 13.15 | 12.46 | 11.64 | 12.22 | 11.78 | 8.52 | 4.73 | 100% |
| 1981 | 22.26 | 14.34 | 14.21 | 12.02 | 11.12 | 11.01 | 9.22 | 5.82 | 100% |
| 1991 | 20.34 | 13.04 | 15.49 | 13.78 | 11.46 | 10.11 | 8.82 | 6.95 | 100% |
| 2001 | 20.07 | 11.00 | 14.34 | 14.97 | 13.15 | 10.62 | 8.37 | 7.49 | 100% |
| 2007 | 18.88 | 12.08 | 12.89 | 15.17 | 13.09 | 11.86 | 8.29 | 7.74 | 100% |
| 2011 | 18.55 | 11.88 | 13.44 | 13.84 | 13.87 | 11.69 | 8.79 | 7.98 | 100% |
| 2016 | 18.62 | 10.88 | 14.28 | 12.52 | 14.02 | 11.45 | 9.81 | 8.43 | 100% |
| 2021 | 18.88 | 10.06 | 13.95 | 12.86 | 12.71 | 12.33 | 9.81 | 9.39 | 100% |
| 2026 | 18.52 | 10.28 | 12.88 | 13.68 | 11.56 | 12.54 | 9.73 | 10.80 | 100% |

Based on mid-year estimates for 1971 to 2007; 2006-based projections for 2011 to 2026

Source: Office for National Statistics; Government Actuary's Department; General Register Office for Scotland; Northern Ireland Statistics and Research Agency. Published in Social Trends 39 (2009 edition) by the Office for National Statistics

3.2 The Ageing UK Population

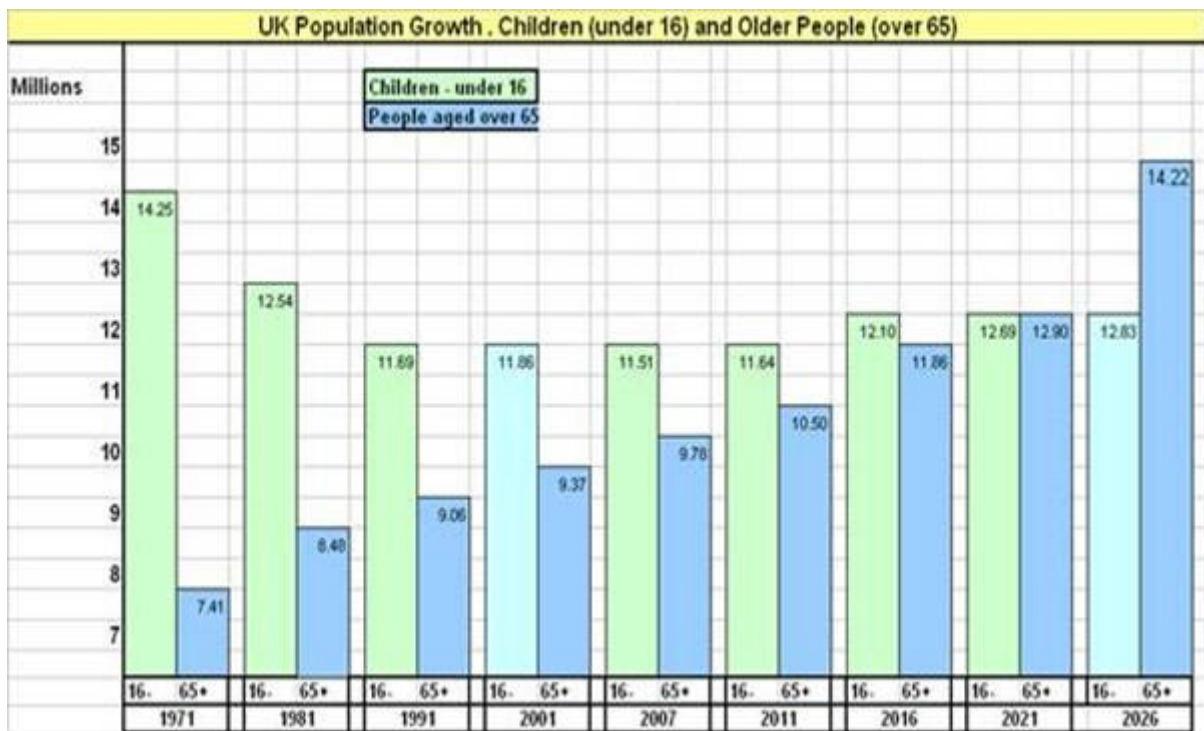
The data shows that for the first time (2007), there are more adults in the UK aged over 45 (24.99m) than there are under 45 (24.46m). The over-45 group will have grown in size by 42% between 1971 and 2021, more than double the rate of growth for the total population. The 2009 Government policy document, 'Building a Society for all Ages', describes this as a 'tipping point'. This is shown by the chart below.



The key to this structural change is the large so-called 'baby boomer' cohort (born 1945-1965). As this cohort ages, and as longevity continues to increase, the older age groups will increase in size. Hence, the 45-64 age group will be particularly large in absolute and percentage terms until 2021, when it will start to decline in size, as much of that age cohort will by then have moved into the 65-74 age groups.

The 65 and 75-plus age groups are the fastest-growing over the 1971-2026 period – almost doubling in size (from 7.41 million to 14.22 million - with much of the growth coming in the later part of this period, reflecting the ageing of the baby boom

generation. The number of people aged over 65 will have increased by 32% (2.37 million) between 1971 and 2007, while the number of children (under 16) will have decreased by 19.25% (2.75 million) in the same period. This is shown in the next chart. This also means that for the first time, there are more people over state retirement age (60 for women, 65 for men) than there are children (people aged under 16).



The reasons for an ageing population are increased life expectancy and decreased birth rate. Fewer women have children, and those who do have fewer children. Increased life expectancy can be attributed to improved diet, lifestyle, medicine and healthcare, public health, living standards and housing. The ONS has estimated that one in three children born in 2001 can expect to live to be 100. This is supported by a recent study in the Lancet (Christansen et al, 2009) which states that the increase in life expectancy of about 30 years in Western Europe and elsewhere is ‘one of the most important accomplishments of the 20th century.’ The report also points out that this increase will continue for the foreseeable future.

In 2009, the ONS reported that the fastest population increase of all is amongst those aged 85 and over. In 1983, there were just over 600,000 people aged over 85, increasing to 1.3 million in 2008 and projected to more than double to 3.2 million by 2033. These trends are the same for most Western and industrialised nations, including China and Japan. Developing countries are also following the trend. An extensive report on global population ageing is available via download from the U.S. Government (see appendix).

3.3 Implications of an Ageing Population

‘The world’s rich population is ageing fast.....this is a slow-moving but relentless development that in time will have vast economic, social and political consequences.’ - Economist Special Report, 26.06.09.

It is clear that business, Government, individuals and society are still coming to terms with the profound implications of the current age structure of the UK. The public sector faces increased demand for services such as pensions, health and social care, with increased pressure on a smaller working population to support a larger and growing retired population.

Indeed, this subject has become one of the biggest political battlegrounds (February 2010) in the period leading up to the next General Election. More than two million current pensioners are said to live in poverty, according to Age Concern, and many of those coming up to retirement have concerns regarding inadequate pension provision. It is significant that life expectancy has increased faster than ‘healthy’ and ‘disability-free’ life expectancy, creating further issues for individuals and society. For this reason, for example, the funding of care for the increasing number of older people who will require it is a serious issue. It almost seems cruel to point out that an ageing population means just that – not only do we have a society where older people are more significant in every aspect than ever before, but the population will continue to age.

An ageing population creates opportunities for businesses to re-align brands, products and services to meet the needs of a changing demographic structure. This means that many of the assumptions of business and marketing will have to change, if they have not already done so. In particular, the assumption of younger people and families as the core target audience for many product categories must be re-evaluated. The 'mainstream' should now be considered as being based around an epicentre of age 45 and to be as likely to include people above 45 as below. This also means that there is now a large group of consumers about whom there is uneven research and understanding.

For the private sector, there are two main opportunities. The first is immediate: to ensure that their brands and business are correctly aligned with the so-called 'baby boom' generation (born between 1946 and 1964); and the second is to plan longer-term for the continued growth of people aged over 65. The 'baby boom' generation has represented a business opportunity for some years: many in this group are comparatively wealthy (it has been described as the 'charmed generation') as the result of unprecedented factors such as property values, generous pension schemes and the meritocracy of post-war Britain. Furthermore, many are experienced and enthusiastic consumers, having grown up in an era of relative prosperity, consumerism and consumption. As this group ages, they will spend less – and the next generation is likely to be less wealthy. However, the numbers of people involved, and the fact that they will have wants, needs and money to spend, means that this will remain an important market, in terms of both size and economic power.

3.4 Gender-related issues

Gender is a significant factor when considering the over-45 age group. Men have on average a shorter life expectancy than women - at age 65, men can expect to live until 82, women to 85 (ONS). This means that there are more women than men within the over-45 age group as a whole, and the ratio increases with age in favour

of women, as can be seen in the table below. As a result, older men are more likely to be married, older women are more likely to be widowed. However, this imbalance is improving, and while in 1983 the ratio between men and women at age 65 was 155:100, by 2033 this is predicted to have fallen to 117:100 (ONS).

| Women as a % of the total population 2007 - 2026 | | | | |
|---|--------------|--------------|--------------|----------------|
| Age group | 45-54 | 55-64 | 65-74 | 75-plus |
| 2007 | 50.1% | 50.5% | 52.6% | 61.5% |
| 2026 | 50.6% | 51.2% | 52% | 56% |

Source: Social Trends 39 (2009 edition) Office for National Statistics

| UK Population Trends - Gender | | | | | | | | | |
|--------------------------------------|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|------------------|
| | | | | | | | | | <i>In '000's</i> |
| | Under 16 | 16-24 | 25-34 | 35-44 | 45-54 | 55-64 | 65-74 | 75-plus | All ages |
| Males | | | | | | | | | |
| 1971 | 7,318 | 3,730 | 3,530 | 3,271 | 3,354 | 3,123 | 1,999 | 842 | 27,167 |
| 1981 | 6,439 | 4,114 | 4,036 | 3,409 | 3,121 | 2,967 | 2,264 | 1,063 | 27,412 |
| 1991 | 5,976 | 3,800 | 4,432 | 3,950 | 3,287 | 2,835 | 2,272 | 1,358 | 27,909 |
| 2001 | 6,077 | 3,284 | 4,215 | 4,382 | 3,856 | 3,090 | 2,308 | 1,621 | 28,832 |
| 2007 | 5,895 | 3,788 | 3,936 | 4,578 | 3,941 | 3,546 | 2,398 | 1,835 | 29,916 |
| 2011 | 5,961 | 3,846 | 4,235 | 4,314 | 4,292 | 3,592 | 2,636 | 2,018 | 30,893 |
| 2016 | 6,187 | 3,647 | 4,707 | 4,043 | 4,487 | 3,642 | 3,052 | 2,324 | 32,088 |
| 2021 | 6,485 | 3,490 | 4,784 | 4,318 | 4,217 | 4,045 | 3,153 | 2,761 | 33,253 |
| 2026 | 6,557 | 3,670 | 4,553 | 4,787 | 3,957 | 4,238 | 3,230 | 3,322 | 34,313 |
| Females | | | | | | | | | |
| 1971 | 6,938 | 3,626 | 3,441 | 3,241 | 3,482 | 3,465 | 2,765 | 1,802 | 28,761 |
| 1981 | 6,104 | 3,966 | 3,975 | 3,365 | 3,148 | 3,240 | 2,931 | 2,218 | 28,946 |
| 1991 | 5,709 | 3,691 | 4,466 | 3,968 | 3,296 | 2,971 | 2,795 | 2,634 | 29,530 |
| 2001 | 5,786 | 3,220 | 4,260 | 4,465 | 3,920 | 3,186 | 2,640 | 2,805 | 30,281 |
| 2007 | 5,615 | 3,580 | 3,924 | 4,670 | 4,039 | 3,686 | 2,660 | 2,887 | 31,059 |
| 2011 | 5,682 | 3,613 | 4,200 | 4,375 | 4,413 | 3,744 | 2,883 | 2,958 | 31,868 |
| 2016 | 5,909 | 3,420 | 4,572 | 4,092 | 4,620 | 3,796 | 3,323 | 3,156 | 32,887 |
| 2021 | 6,202 | 3,272 | 4,591 | 4,321 | 4,323 | 4,242 | 3,438 | 3,549 | 33,938 |
| 2026 | 6,271 | 3,453 | 4,368 | 4,691 | 4,048 | 4,448 | 3,512 | 4,155 | 34,946 |

Based on mid-year estimates for 1971 to 2007; 2006-based projections for 2011 to 2026.

Source: Office for National Statistics; Government Actuary's Department; General Register Office for Scotland; Northern Ireland Statistics and Research Agency. Published in Social Trends 39 (2009 edition) by the Office for National Statistics

Women face particular challenges as they grow older. There are societal pressures to maintain a youthful appearance and to look younger than their chronological age, compared with men. These pressures are increased by commercial developments in categories such as cosmetics, cosmetic surgery, diet, food and drink, health, leisure and nutrition.

Research by the academics Szmigin and Carrigan (2006) found that while some women are able to develop a sense of self-worth independent of their physical appearance, most women were very aware of societal and commercial pressures to hide or remove signs of ageing. This has been evidenced by recent media controversy regarding television newsreaders and presenters, with claims that there is clear discrimination against older women in the media.

4.0 economic, political and legal issues

4.1 Long-term Economic Trends

An ageing population has a number of long-term economic implications for the UK economy, which will start to take effect over the next 10 years. These can be briefly summarised as:

- A slowing down of the economy via reduced output growth and productivity.
- Increased pressure on the state, via increased demand for the many public services used disproportionately by older people, leading to rising public spending on health and social care, housing and pensions. This will require increased Government funding and will also put pressure on individuals to fund more themselves.
- Fewer people in the workforce will have to support a larger retired population, with associated labour shortages. One commentator has suggested that this will cause resentment and possibly even social unrest.
- Pressures on financial markets, as the population ages and savings decline, because people start to realise their assets and savings.
- The 'baby boom' peak brings with it a peak of expenditure which will not be repeated (Royal Mail, 2006). As this group becomes older – say by 2021 – not only are they likely to be spending less, but the group 'replacing' them will be smaller in size and less wealthy (Nielsen, June 2009). This means that the population will have aged not in 'straight lines', but with a 'bulge' which by 2021 will be aged over 65.

4.2 Personal wealth

It is frequently stated as though it were incontrovertible fact that the over-50s account for 80% of the UK's wealth. It is hard to find an article about the over-50s without this 'fact' being introduced at an early stage, usually in order to establish the economic importance of this group. This raises two questions. First, what is the relevance of wealth? Its relevance and importance, we assume, are directly related to the amount of income and to expenditure that wealth generates – a link which is never made. Hence, wealth is not necessarily the most important economic indicator – a status it is often given. Second, what is the origin of this fact, if indeed it is a fact at all?

The COI Common Good report – probably the most thorough research programme into older people conducted in the UK – states: 'there is insufficient data available to support this apparent fact and we have been unable to find support for it'.

Our own investigations have found no definitive source data, although we have been able to find a number of secondary sources indicating that the over-50s own a disproportionate amount of wealth. Those sources which have based their claims upon apparently solid analysis include the Institute of Fiscal Studies (IFS), Age Concern, Friends Provident and Abbey Savings. All of these suggest that the over-50s hold 70% - 80% of the UK's wealth. This is further supported by analysis of the Office for National Statistics report 'Wealth in Great Britain'.

All of the data suggests that net wealth steadily increases until age 65, and falls at age 75 to the same level as it was at age 50. This is largely as the result of the large number of people currently in their fifties and sixties who have benefited from a combination of factors, including maturing investments (generous private occupational pensions, and other investment schemes), property values, and reduced financial commitments. At the same time, this age group has grown up at a time of unprecedented upward educational and social mobility. On one level, it is only logical that the half of the adult population which has been working for longest

will have accumulated more wealth than younger people. Net wealth is extremely low for the 15-34 age group and according to some reports, most people of this age have no savings or investments at all.

It is important to note that individual wealth is extremely unevenly distributed. The DWP (Department of Work and Pensions) reported in 2002/2003 that 2.3m pensioners lived in 'poverty'. By contrast, according to a Bank of England report, the so-called 'Baby Boomers' group trebled its wealth between 1995-2005, while the wealth of the 18-34 age group remained static.

As ever, averages obscure the true picture, which is one of diversity, as with all other aspects of this age cohort. The IFS reports that employment and education are better indicators of income and wealth than age.

Rather than dwelling on wealth, a more significant issue might be the economic impact of the over-50s. As is suggested by the data on population size and growth, wealth, income and expenditure given in this report, the economic impact of the over-50s is significant. Economic analysis carried out in August 2009 by the Centre for Economics and Business Research for insurance company, RIAS, found a positive fiscal impact of £6.bn per annum (£313 per person) in terms of net contribution to the UK economy.

4.3 Income

The most recent Government data for household income is shown in the table below. This shows that household income is at its highest for the age group 30-50, then falls steadily. In fact,

| Household Income | | | | |
|--------------------------|-------------------------------------|------------------------------------|-------------------------|---------|
| Age of head of household | Grossed number of households (000s) | Number of households in the sample | Weekly Household Income | |
| | | | Disposable £ | Gross £ |
| Under 30 | 2,680 | 776 | 449 | 556 |
| 30 and under 50 | 9,840 | 3,009 | 545 | 683 |
| 50 and under 65 | 6,200 | 1,894 | 483 | 595 |
| 65 and under 75 | 3,220 | 980 | 291 | 322 |
| 75 and over | 2,950 | 814 | 210 | 226 |

From: Income and source of income by age of household reference person 2001-2002 (revised 2003)
 ONS Family Spending 2002-2002. © Crown Copyright 2003

This data masks a number of underlying issues which may impact household income – for example, household size, number of people in the household who work. However, it should be noted that (a) income for the 50-65 group is higher than for the under-30s, and (b) the average for the 50-65 group is affected by the high number of unemployed and retired people in this group (around 30%). This means that within the over 50s group there are segments with both extremely high and extremely low income.

Average gross pensioner incomes have risen ahead of average earnings (ONS, 2009) and grew by 42%. By 2007/2008, pensioner incomes had risen from the data shown in the table to an average of gross income of £546 per week, the largest source of which is state benefit income. However, there are considerable variations and 2.3 million pensioners are said by charities Age Concern and Help the Aged to live in poverty. Further data released by these charities during August 2009 is said to show that 30% of people in the UK aged over 65 live in poverty – a percentage which is above the EU average of 20%.

4.4 Pensions

The income of many older people, and especially those aged over the statutory retirement age, derives from pensions, either state or occupational. There are concerns relating to future pension provision for those not yet of pensionable age. This is for three reasons:

- Company pension schemes have decreased in value as a result of the recent financial 'credit crunch'.
- The long-term risks associated with the ability to fund the long-term obligations linked to defined benefit pension schemes are leading many companies to reduce the risk implied by their pension deficits; either by minimising or offloading their obligations, or by restricting entry to the schemes going forward.
- Many people have not made adequate pension or other retirement provision. For example, a recent report by Janus Capital (January 2010), based upon research carried out by TNS, highlights 'alarming deficits in levels of personal savings and retirement provision across Europe.' It points out that long-term savings provision 'can no longer meet the needs of its ageing population'. This is reinforced by a report by Aviva ('The Real Retirement Report', February 2010) stating that 40% of pre-retirees are saving nothing for retirement. The average savings of people aged 55-64 is £8,600, with 20% in mortgage debt of £75,000 or more.

All of this places increased pressure on the State in terms of state pension provision and therefore puts other forms of Government spending in jeopardy. As a result, the Government has been considering new plans for future state provision, which will include increased personal contributions and a rise in the state pension age. The implications of this are significant and include longer working lives for

many people (assuming they can find work) as well as further change in the economic profile of many older people.

A number of research projects have found that around 60% of people aged over 50 are concerned that they may not have adequate financial and pension provision. This is exacerbated by the economic pressures on people in their 60s, which would not have been expected when they were younger. These particularly apply to people having to support their older children (25% according to recent research by Aviva) and/or their own parents, who themselves have inadequate finances to cover healthcare and care home (71% are concerned about this, say Aviva).

4.5 Employment....and retirement

With increased longevity and better healthcare, most people have an assumption of a length of time spent in 'retirement', with reasonable health and pension provision. However, it is only since the World War 2 that this assumption has been the case for most people, an assumption now being challenged by current events. As noted in the previous section, occupational pension schemes are in decline, many people have inadequate provision for their retirement, and the state faces a huge burden of state pension provision (as well as other social and health care costs) as the population ages.

Hence, Government is seeking ways of reducing the anticipated burden of state pension provision. These include raising or abolishing the state retirement age (also known as the state pension age, or SPA) and encouraging individuals to save for themselves rather than depend upon the state. These subjects are high on the current political agenda.

Rather than treating the ending of the retirement age as a financial issue borne out of necessity, Harriet Harman (Minister for Women and Equality) recently (reported in Daily Telegraph, 11.01.10) positioned it as a matter of equality. Arguing that a change in the law is necessary to alter the perception that people are 'past it' once

they reach 65, Harman noted that people should have the option to work into their 70s and 80s, and that many people were 'active and healthy well into their older years' - if not wealthy.

However, even working until the SPA can be problematic. For some years, there has been concern at the high level of unemployment in those aged between 50 and the state pension age (SPA) of 65 for men and 60 for women. Although unemployment rates in this group have fallen over the past 15 years, they currently stand at 28% for men and 29% for women, meaning that one-third (2.8million people) of this group are not working, with 1million on state benefits. Much of this unemployment is involuntary, attributable in part to ageism by employers, and makes the prospect of an increase in the SPA a grim prospect for some.

Age Concern (16.12.09) reported that unemployment amongst this group had increased by 135% in the previous year and furthermore, that the chances of finding a job once unemployed were low – meaning that this group was also becoming long-term unemployed. PRIME (The Prince's Initiative for Mature Enterprise - a charity founded by HRH The Prince of Wales) has published a report (February 2009) claiming that ageist attitudes in the UK are 'standing in the way of hundreds of thousands of people contributing towards the British economy'. One consequence of this has been an increase in the number of older entrepreneurs: PRIME report that the peak age for entrepreneurs is 35 and 49, and increasing.

At the same time, the proposed change in the state retirement age will accommodate people who want to continue to work, as well as those who have to, as they lack financial and pension provision. This latter group may be bolstered by people affected by recent decreases in the value of pensions, savings, investments and property. This will have an impact upon the labour market, with a larger pool of experienced labour, many of whom may want to work on a part-time basis.

Retirement has always been as a significant life event. However, the 'gold watch' at 65 followed by a company pension is an increasingly rare phenomenon: life is more complex, with some people retiring earlier and others continuing to work. In fact, only 17% of men and 10% of women actually retire in the year they reach their State Pension Age (Older Workers Employment Network). Part-time working, of a consultancy nature for the middle-classes, and of a more 'McJob' nature for manual workers, is also common. This suggests that retirement is less of an 'event' and more of a 'process' for many, suggests Professor Paul Sweeting.

4.6 Political / Legal

The UK Government introduced a number of initiatives during 2009 to address age-related issues. In June 2009, the '**Building a Society for all Ages**' policy document set out a vision, strategy and programme for action to address the implications of an ageing population across all aspects of Government and public services. The stated vision is:

'A society for all ages, where people are no longer defined by age and everyone is able to play a full part. This will require significant cultural change.'

The 'Building a Society for All Ages' report covered an extensive range of topics, including:

- The need for a cultural shift in attitudes to ageing
- The Equality Bill
- Pensions issues and legislation
- Care and support issues and a Green Paper
- Review of the statutory retirement age
- Help for the unemployed aged over 50
- A raft of measures, from digital inclusion to a grandparents summit

The **Equality Bill** will apply to all forms of inequality and discrimination, including outlawing age discrimination, which it claims is widespread. It was published 27 May 2009, with a consultation period 29 June – 30 Sep 2009, and will become law in Spring 2010. It aims to end ‘unjustifiable age discrimination’ and **to ‘transform the ageist culture which has prevailed in our society for too long’**. The report points out that not only does ageism infringe human rights, but society needs the active involvement of older people.

The bill makes the valuable distinction between ‘direct’ and ‘indirect’ discrimination: direct discrimination is defined as treating someone ‘less favourably’ on the grounds of age; while indirect discrimination is defined as situations whereby ‘apparently neutral provision or practice disadvantages someone on the grounds of age’. The Government also appointed Joan Bakewell as ‘age czar’, presumably in part to ensure that a celebrity spin is added to any age-related story.

The implications of the Equalities Bill for older people are:

- Banning age discrimination outside the workplace. Age discrimination in the workplace is already unlawful – however, the bill will extend the use of positive action in the workplace to address diversity. The Bill points out that 20% of older people are unable to obtain car insurance, travel insurance or car hire – age discrimination when providing goods or services will become unlawful: in other words, ‘outside the workplace’ will extend to the sale of products and services
- Putting a new Equality Duty on public bodies
- Protecting carers from discrimination
- Using public procurement to improve equality
- Extending the powers of employment tribunals
- Ensuring Private Members Clubs do not discriminate against older people

A useful source for policy and research documents related to all non-medical aspects of ageing is the Centre for Policy on Ageing (www.cpa.org.uk). This is an independent charity which 'promotes the interests of older people via research, policy analysis and the dissemination of information'. Here one can find, for example, a summary of recent (December 2009) research providing evidence of age discrimination across health and social care.

5.0 social and cultural issues

5.1 The individual and society

The following chart is intended to summarise the major social issues which may affect or concern older people. The attitude (positive or negative) of an individual to each issue contributes to an overall 'quality of life' perception.

| Ageing and the Individual | | |
|--|---|--|
| <p>Health</p> <ul style="list-style-type: none"> More significant than age as a 'life event' Decline of physical abilities, including eyesight, hearing, dexterity, cognitive skills, mobility Bereavement (death of a relative) | <p>Employment</p> <ul style="list-style-type: none"> High involuntary unemployment 50+ Impending retirement Need or desire to work beyond state retirement age | <p>Living arrangements</p> <ul style="list-style-type: none"> Marriage & widowhood High % single-person households Property ownership /sheltered housing /care home |
| | <p>Income</p> <ul style="list-style-type: none"> From employment Investments & savings State pension Private pension Source of concern before and during retirement | <p>Care</p> <ul style="list-style-type: none"> Dependency & independence Unpaid carers (family & friends) Some older people are unpaid carers themselves Cost of care (care homes) issues |
| <p>Socialising</p> <ul style="list-style-type: none"> Support network Access to information Isolation, loneliness. | <p>Quality of Life</p> <ul style="list-style-type: none"> Complex construct, combines all or some of other factors Health & independence particularly important | <p>Transport</p> <ul style="list-style-type: none"> Access to car important Use of public transport Giving up driving Linked to independence |
| <p>Psychological</p> <ul style="list-style-type: none"> More independent, less tribal than younger people. Isolation, loneliness, depression | <p>Crime</p> <ul style="list-style-type: none"> Actual prevalence of crime Fear of crime Victim of crime | <p>Independence</p> <ul style="list-style-type: none"> Function of other factors, including care, health, living arrangements and transport |

Sources: Age Concern / Help the Aged, COI (Central Office of Information), DWP (Department for Work and Pensions).

Events related to the above factors are sometimes referred to as ‘crises’ – for example, serious illness, bereavement, having to stop driving, retirement or move out of your own home. These have a more significant impact upon people’s values and behaviour than age alone.

It is also important to note that there are many positive issues and concerns associated old age. As the CPA (Centre for Policy on Ageing) states:

‘The challenges of an ageing population are frequently voiced, but the positive aspects of living longer are well addressed and recognised within society.’

Positive aspects may include family, friends, hobbies and interests, and travel. While it is the case that depression increases with age, there is also adequate research evidence (see next section) to indicate that that the vast majority of older people enjoy life and in many cases are happier than younger people.

5.2 Cultural aspects of age and ageing: introducing ageism

To have such a high proportion of old people in our society is a relatively new phenomenon. The impact of continued increases in longevity and decreases in birth rate over the past 100 years has been gradual and only been a subject of interest over the past twenty-five years or so. As a result of an ageing population, older people are no longer rare and have lost the role of respected leader and teacher that they enjoy in more traditional societies.

Szmigin and Carrigan (2006) argue that in western societies, ‘old age is not perceived as an accumulation of understanding, knowledge and wisdom, but rather as the last stage of the so-called life-cycle, a winding down leading to the inevitable ending of life.’ The reasons for this include an increasingly secular society, a fear of ageing and death, and a cult of youth started in the 1960s.

'We live in a world that places an irrational value on the new, the young and all things modern' (Wise Branding). As the COI Common Good report states: 'Since the 1960's, society has valued youth over age and experience'.

As a result, attitudes to older people have tended to involve either ignoring their existence, or negative stereotyping, in terms of appearance, attitudes, poverty, ill health and behaviour.

Cultural concepts of old age have led to an ageist culture in the UK. The 2009 Equality Bill clearly states '**age discrimination is widespread**'. It aims to '**transform the ageist culture which has prevailed in our society for too long**' and points out that not only does ageism infringe human rights, but society needs the active involvement of older people.

As the Equality Bill points out, discrimination can be both direct and indirect. Like other forms of prejudice, age discrimination is the result of a socialisation process involving exposure to many influences over time. Hence, prevalent examples of indirect discrimination are often not deliberate, but the result of sub-conscious attitudes and behaviour.

It is widely argued that societal descriptions, definitions, expectations and images of old people and of ageing are stereotypes which do not reflect the reality of today's older people. Typically, the messages given (think 'retirement' for example) relate to slowing down, being less involved in society, being cautious, more risk adverse and preparing to be less active.



Ageism can be seen in many different aspects of society, for example: employment practices; the imagery used in all types of communications; and recent media furore about television: for example, a recent article in the Daily Telegraph (06.11.09)

wrote of 'ageist' and 'youth obsessed' television, in terms of both programming and the age of presenters (especially female presenters).

This debate continues, notably with the departure of 66 year old Arlene Phillips from the BBC programme 'Strictly Come Dancing', and most recently with the news (Guardian, 02.02.10) that Miriam O'Reilly is to sue the BBC for age discrimination. O'Reilly is one of four female presenters in their 40s and 50s who was dropped by the TV programme 'Country File' when it moved to a peak-time slot.

As academics Carrigan and Smizgin (2001) and others state, if old age is culturally unattractive, then organisations and businesses will not choose (consciously or sub-consciously) to associate their business or products with something unattractive. This will affect many business practices, including employment, product and service delivery, and advertising.

However, there is also an increasingly popular school of thought – evident in the media and financial services industry, for example – which seeks to glamorise the ideas of age and ageing. With the slogan 'old is the new young' and Joanna Lumley as its patron (on her right hand, other glamorous over-fifty women, such as Nigella Lawson, Twiggy, Helen Mirren, Meryl Streep and Twiggy), this approach has developed into the idea of older age as the 'best years of your life' and an 'ageless society'. These concepts are reinforced in the media by images of active, attractive, wealthy and youthful older people. Glamorous celebrities such as film stars are seen to retain their youthful appearance into their 60s and beyond (on camera, at least).

This is further supported by commercially-generated concepts of healthy, wealthy couples living a utopian existence of health and wealth. This is particularly prevalent in financial services advertising. For example, Friends Provident (using the Social Issues Research Centre) introduced the idea of 'freetirement', an enviable lifestyle apparently enjoyed by many people aged 52-60, living a utopian existence involving

work/life balance, freedom and financial independence. This theme has been developed by the research of other financial services companies (or at least, the press releases for that research). Recent examples of this school of thought include:

- ‘Adventurous, entrepreneurial and growing old disgracefully’ – says the headline for the ‘Still Giving at 50’ report by insurance provider, RIAS (October 2009). Their research found that people over fifty enjoy life, are extremely active, have a higher income than people under 50, and equally high levels of expenditure.
- ‘We’ve never had it so good’ – a new generation of GOAPs enjoy socialising, spontaneity and passion’. This headline was issued by Norwich Union (Aviva) in October 2009, and refers to a new generation of GOAPs (Go-getting Active Pensioners, since you ask) which apparently ‘rips up the rule book on retirement’ and bucks ‘traditional OAP stereotypes’.
- ‘Confidence still strong among HIPPIes (Home is Pension’ Generation’, was the headline from LV (Liverpool Victoria, not Luncheon Vouchers) in December 2009. Apparently, this group of pre-retiree 50-somethings continues to believe that their home is their pension. From this upbeat start, LV go on to identify the significant impact of the recession on the over-50s.
- ‘Will Gap Year Grannies’ travel dream be dashed by retirement burden?’ asked Scottish Widows (October 2009). Having patronised all over 50s by terming them ‘Grannies and Grandads’ in the first paragraph, this press release goes on to make the point that whilst many retirees wish to travel, their retirement income and savings are likely to be lower than expected. This means that many are less likely to travel and more likely to be spending time close to home. .

The ‘time of your life’ argument states that not only are people living for longer, they are also more active, healthy and wealthy than previous generations. This is particularly applied to the so-called ‘baby boom’ cohort (born 1946 – 1965) which is said to confound societal expectations of ‘old age’ in terms of activities, aspirations, lifestyle and feelings, behaving more like 25 year olds. Psychologist Honey Langcaster-James, writing for Standard Life, asserts that: ‘This will be our ‘third age’, so called because it will account for a third of life and will be a life stage as important as youth or middle age.’

Despite these positive images of older age, it should be noted that financial services companies – and others - can be guilty of a kind of institutionalised ageism. The Equalities Office notes that 20% of older people are unsuccessful in their attempts to get motor insurance, travel insurance and care hire. This is because blanket age limits are set on certain products, although the restriction is not directly related to age but to other issues, such as health.

It must be stressed that while it is true that there are some wealthy segments within the ‘baby boomer’ age group – higher overall than for previous or future generations – this is not the case for the entire age group. Diversity applies to all age groups, including so-called baby boomers. Note for example the high incidence of involuntary employment amongst people aged 50–65, and the 2.3 million pensioners living in poverty, highlighted by the DWP and Age Concern / Help the Aged. We do not apologise for repeating these statistics several times in this report.

5.3 Age Disruption

The concept of ‘age disruption’ refers to the various changes in older people’s lifestyles which mean that they no longer lead linear, predictable lives which can be easily categorised. Traditional notions of social structures and life stage are increasingly inaccurate and unreliable in the face of these changes, some of which are summarised in the table below.

| AGE DISRUPTION | |
|---|--|
| <p>'Life is what happens when you're busy making other plans' (John Lennon).</p> | |
| <p>NEW IDEAS OF AGE AND AGEING</p> <ul style="list-style-type: none"> ▪ Age lines are blurring: KGOY (kids getting older younger) ASYL (adults staying younger longer). The period when we consider individuals to be 'active consumers' has expanded (TNS) ▪ People stay active longer, with improved lifestyle and medical care ▪ People do not behave their age, look their age, or even admit to their age. ▪ People think of themselves as ten years younger than their actual age until they reach (on average) 76. | <p>ECONOMIC DISRUPTION</p> <ul style="list-style-type: none"> ▪ People aged 45-64 face economic uncertainty, e.g. involuntary unemployment and inadequate pension provision ▪ Some will have to delay their retirement age and continue to work ▪ 2.3 million people aged over statutory retirement age are said to live in poverty by the DWP and charities Age Concern / Help the Aged ▪ Reduced income and capital value of investments. |
| <p>FAMILY DISRUPTION</p> <ul style="list-style-type: none"> ▪ People have children later in life, sometimes into their forties, fifties and later ▪ People marry or re-marry people much older or younger than themselves ▪ People re-marry and create complex extended family networks ▪ Many adults of all ages live in single-person households (25% for all adults, rising to over 33% for the over-75s) ▪ More adults over 50 get divorced than ever – and seek new relationships. Witness proliferation of over-50 dating sites | <p>MORE FAMILY DISRUPTION</p> <ul style="list-style-type: none"> ▪ Middle-aged parents caring for their own elderly parents ▪ Middle-aged parents with children living at home into their late twenties and beyond (unable or unwilling to assume economic independence). New group - Yuckies (Young Unwilling Costly Kids) - funded into their 30s by 90% of parents ▪ Middle-aged parents responsible for their own elderly parents and their own children – the so-called 'sandwich generation' or 'baby gloomers'. This is estimated to include up to 40% parents and 55% of children (Nielsen / Age Lessons May 2007) ▪ Grandparents look after their Grandchildren, and in some cases make financial provision for them as well. <p style="text-align: right;">© rhcadvantage</p> |

The concept of age disruption suggests that for many people aged over 45, life is complex and uncertain, with a variety of financial and personal pressures, many of which were both unexpected and unplanned for. This is in marked contrast to the 'best years of your lives' concept referred to in the previous section, which paints a positive view of a planned healthy and happy retirement, with reduced pressure, more time, and financial health. This in turn suggests a planned approach to ageing, which in reality applies only to some segments of the older population – the financial services industry (and increasingly, politicians) continually reminds us of the importance of planning for retirement.

However, as research and also some of the segmentation models discussed later show, a number of groups of people deny the realities of ageing and only confront them when they are left with no choice. Others find that unexpected events in the lives of themselves and others mean that life does not go according to plan.

6.0 segmentation

6.1 Background

Segmentation is established as a central tenet of conventional marketing practice. Marketing effectiveness can be increased significantly via the following process: specific groups (or segments) of consumers with shared needs and wants are identified; resources are then focused against targeting the more attractive segments; an entire marketing mix is then positioned against the distinct characteristics of each targeted segment.

In some cases, marketers have created a distinct 'over-50s' segment, in order to give some recognition to older consumers. However, there is clear consensus that segmentation of older consumers by age alone – let alone as a single homogenous segment with shared characteristics – has major limitations. This is inappropriate to the size, diversity and complexity of the over-50s age group and would be ineffective as a marketing strategy. As academic researchers Patterson and Pegg (2009) state, 'we must not consider older adults to be a single distinct segment, but rather as a heterogeneous group of people that include many distinct market segments'. And as many have pointed out, a 50 year old is unlikely to have much in common with someone aged 90.

Segmentation by age alone can provide a useful starting point, or filter, as age cohorts (50-60, 60-70, and so on) may have shared life events, and cultural and historic experiences. However, as these are time-specific, care has to be taken not to depend upon outdated assumptions. And did everyone the same age really share the same lifestyle, tastes in music, and so on? For every hippy, there was someone in sensible clothing watching the Val Doonican show on Television. John Major is the same age as Mick Jagger. This is discussed on more detail in the next section.

6.2 Generational segmentation

Segmentation by age group, or by generation, is the most widely used form of segmentation. Using terms such as 'baby boomer' or 'generation X' provides very useful shorthand, with assumptions which most people share and understand. This makes this approach particularly appealing to journalists! And, as we shall go on to argue, to lazy marketers! We go on to argue that this approach, while of some interest and value, has significant limitations and should not be regarded as a definitive method of segmentation.

The definitive 'generational cohort segmentation scheme' (as this approach is termed) is of US origin. In a number of texts, Shewe, Meredith and others (see bibliography) argued that the key defining moments (i.e. moments that define and redefine who a person is) which occur when a person comes of age (roughly between 17 and 24) imprint core values that remain largely intact throughout life. They went on to divide the US adult population into seven distinct cohorts, each with its own unique value structure.

They further argued that given the increasingly global nature of national and world events, many such defining moments are shared between certain countries: for example, the United States and the United Kingdom. This means that, for them, there are striking similarities and shared value between generational cohorts in these two countries. Furthermore, their work has been hugely influential in both countries, which is why it is discussed here.

Schewe and Meredith divided the US adult population (and by extension, the UK adult population, whilst noting some differences) into seven distinct cohorts, each with its own unique value structure and demographic make-up. These are:

- Depression cohort (born 1912-1921)
- World War 2 cohort (born 1922-1927)
- Post-war cohort (born 1928-1945)

- Leading-edge baby boomer cohort (born 1946-1954)
- Trailing-edge baby boomer cohort (born 1955-1965)
- Generation X cohort (born 1966-1976)
- Generation N (born from 1977) (aka Generation Y)

In the UK, some researchers have highlighted the Second World War as a particularly important landmark – much more so than in the USA - with significant differences noted between the pre-war and post-war generations. This can be summarised as follows:

- The Pre War group (c.8,000,000) are cautious and careful individuals who are used to doing things in a certain (old) fashion.
- The Post War Baby Boomers (c. 8,804,000) have grown up and have no intention of slowing down.

The 'Baby Boomers' concept is discussed further in section 7.3

We believe that the concept that people can be defined by their generational cohort, and their attitudes and behaviours shaped by shared experiences and values, has major limitations:

- While it may well be the case that there is a high incidence of certain shared values within each age cohort, the group sharing these values - even if it is the largest single group - is unlikely to be the majority group. Not every baby boomer was a hippy activist, as described by Schewe and Meredith. In fact, such people were almost certainly outnumbered by the vast majority of Middle America and blue collar workers.
- To treat mass audiences as basically homogenous is an outdated mass marketing approach and ignores the many important and diverse consumer segments which a more contemporary marketing approach would address. To expect all people of the same age to share values is ultimately implausible.

When averages matter, this sort of mass approach works – but otherwise, it is a very average approach.

- Factors such as education, income and occupation are likely to be as significant as age in shaping core values, attitudes and behaviour.
- We believe that there are as many generational differences between the USA and the UK as there are similarities – for example, post-war austerity in the UK, post-war boom in the USA.

Age is widely seen as an inadequate predictor of attitudes and behaviour. Hence, although segmentation by age can provide some factual commonalities, it is less likely that age is necessarily the main cause of these commonalities. For example, low income amongst some older people is likely to be associated with class, education, income and occupation – in this case age is a fact, not a cause. Some other reasons why age has its limitations as a segmentation variable are these:

- People age at different rates – that is, their cognitive age often differs from their physiological age
- People typically believe they are younger than their actual age, on average by ten years (Cleaver and Muller, 2002)
- Many people like to think and behave as though they were younger than they are – Kotler and Kelley (2009) call this ‘psychologically young’
- Many studies clearly suggest that consumers do not like being targeted by age alone. One recent survey found that 50-60 years olds in particular felt resentful, verging on anger. The recent failure of ‘Heyday’ (£22m invested in a magazine-based club for over-50s, set up by Help the Aged) was said to highlight the ‘foolishness of targeting the over-50s as an age-defined, one size fits all, market.’ by commentators interviewed by Marketing Week (11.02.09)
- The concept of ‘age disruption’ suggests that many people no longer lead linear, predictable, lives that can be easily categorised by their age

- Segmentation may well extend across age groups – there is no reason why segmentation approaches should only be applied within a defined age group.

To be of value, age must be overlaid with other segmentation variables, for example: attitudes, education, gender, geography, health, income, lifestyle, mobility, needs, product benefits, psychographics, usage occasion, work status.

6.3 The ‘Baby Boom’ Generation

‘A generation of people often both willing and able to spend their money’

– Szmigin and Carrigan (2006).

A lot has been written about the so-called ‘baby boom’ generation. This term is usually used to refer to people born between 1945-1964, when there was a spike in birth rates, and who are now aged between 45 and 65. Schewe and Meredith’s work in the USA has been hugely influential, particularly in the USA where there is a wealth of baby boomer literature, and also in the UK.

While there is some comparability between the US findings and the UK, there are (in our opinion) too many economic, cultural and social differences to make the US research directly applicable to the UK: for example, the vast economic and cultural differences between each country during the 1950s. Alternative UK terms for this age cohort have included the ‘charmed generation’, the title of a 2006 report by Royal Mail, and the ‘freetirement’ generation, the subject of a 2007 report by the Social Issues Research Group.

Despite being of USA origin, the term ‘baby boomer’ is widely used in the UK. For example, research conducted for Standard Life published in July 2009 states that ‘baby boomers are defined by their individualism. They prize freedom and choice, understanding the potential of their future as a time when they can achieve their goals.’ This report goes on to assert that ‘this is the life stage when you will be happiest, likely to be in an established relationship, financially secure and most

importantly, clear in the direction of your life.’ To this one could argue that this is not a ‘life stage’ but a point in time – past and future generations are much less likely to replicate the ‘baby boomer’ lifestyle under discussion.

The following points have been widely made about the ‘baby boomer’ group in the UK:

- Wealthy, as the result of social and educational mobility, property values, inheritances, defined-benefit pension schemes, and a culture of prudence and avoidance of debt
- Complex financial needs – often bearing the brunt as the ‘sandwich generation’
- Ambitious and confident regarding their own future
- Confident and demanding consumers who have grown up with consumerism, marketing and advertising. They have high expectations in terms of service and quality, and are able to deconstruct communications, and are a sceptical audience
- Have lived through unprecedented economic and social change
- Very different to previous generations in attitudes and behaviour, refusing to conform to notions of how ‘old people’ should look, think and act
- This cohort includes many iconic personalities and celebrities, whose profile often involves their youthful appearance (in the case of women) and achievements
- The key characteristics are less about ‘adult-escents’ riding Harley Davidsons across the Sahara, and more about freedom and choice – which are largely the result of financial factors.

To balance this utopian vision, it should be pointed out that a selective view is often taken, whereby over-55s is the lower age limit. As noted by research carried out in 2009 for Standard Life, the 36-55 age group, while the most settled, also had the least time for fun, socialising or travelling and the least likely to be happy and

content. It is also the case that many people of ‘baby boom’ age exhibit very few of the characteristics listed above: for example, they may have low income, little wealth, no employment, no pension provision. Again, age alone is inadequate as a segmentation variable, and the use of averages obscures the more complex facets of statistical distribution.

David Willetts, a senior member of the Conservative shadow cabinet, has recently (January 2009) published a book claiming that the ‘baby boomer’ generation has squandered its wealth and failed to save for future generations. His book ‘The Pinch: How the baby boomers stole their children’s futures’, argues that a series of one-off factors (for example, pensions, property, state education) have concentrated wealth in the hands of a single generation. His analysis states that the post-war baby boom generation owns almost 50% of the UK’s personal wealth, while those under 45 own little more than 10%. This generation, he says, has overindulged and as a result, ‘broken its contract’ with younger people, who are left with diminished prospects and a huge debt burden.

6.4 UK segmentation models

A number of segmentation models have been developed in an attempt to understand the complexity and diversity of older people in the UK. While such models can encourage thinking of consumers in terms of generalisations and stereotypes, they can also be helpful in terms of gaining insight and understanding. Ultimately, their value can be seen their application to targeting. Some UK segmentation models are summarised below, with further details in the appendix on models 3 – 9.

| Overview of selected UK segmentation models | | |
|---|--|---------------------------|
| Creator | Summary | Notes |
| 1. Millennium Direct (1999) | Three age cohorts: Thrivers (50-60), - Seniors (60-70), - Elders (70+) | No specific research base |
| 2. Target Direct | Three age groups: Emerging greys (50-64), | No specific research |

| | | |
|------------------------------------|---|--|
| (2002) | Transients (65-74), - Twilight greys (75+) | base |
| 3. OMD (2004) | Seven lifestyle groups, on two attitudinal axes: positive attitude and progressive outlook. | Part of the extensive research-based UFO project (further details below) |
| 4. Royal Mail (2009) | 21 segments, in three groups – Charmed (5.6m), Comfortable (4.4m) and Poor (7.4m) – ‘a unique and comprehensive targeting tool’ | Part of the ‘Life Begins at Fifty’ project |
| 5. TGI (2004) | Five lifestyle groups – Thrifty Traditionals, Outgoing Fun Lovers, Astute Cosmopolitans, Apathetic spenders, Temperate Xenophobes | Based upon analysis of 15,000 TGI lifestyle database |
| 6. Wise Branding (2008) | Eight attitudinal segments, in three groups – Engaged, Impassive and Isolated | Based upon 750 in-home interviews |
| 7. Age Concern (2009) | Six attitudinal segments – Sorted Squires, Pressured Providers, Anxious Activists, Sheltered Seniors, Accepting Aged, Unconnected Urban | Based upon survey amongst 2,500 people 45+ |
| 8. COI (Common Good) (2005) | Six attitudinal segments – Impervious, Optimiser (blocked), Optimiser, Survivalist, Abdicated, Hidden | Extensive qual and quant research programme |
| 9. Experian (Mosaic) | Geo-demographic classification, breaking UK into 67 household types, in 15 groups | |

All but the first two models featured are based upon analysis of robust primary research data. If nothing else, this analysis confirms that to treat the over-50s as a single segment would be inappropriate and ineffective. The diversity of older consumers is highlighted, and it is clear that very few generalisations based on age alone are likely to be true.

For us, the key issues with segmentation models – and indeed any research findings where age is a key dimension - are these:

- Will people continue to be characterised by the attitudes and behaviours found at the time of the research, as they grow older?

- Will younger people take on the attitudes and behaviours of certain segment profiles as they reach the age of the research base?

This is particularly important if one is referring to data that is more than a few years old. The answer is also simple – we don't know for sure. We do know that external variables are likely to change – for example, people in their forties now will not have the same lifestyle as 'baby boomers' now, as economic circumstances will have changed. It is important that each situation should be analysed on its own merits, including consideration of data analysis and research, rather than relying upon stereotypes and assumptions that may be out of date.

7.0 purchasing behaviour

7.1 Household Expenditure

Fact: the 'over 50s' account for over 50% of household expenditure

Older people account for significant amounts of expenditure, especially on certain categories, such as food, drink and travel. There are many opportunities for marketers to re-focus against older consumers, with implications for branding and product strategies.

| Household expenditure | | | | | | | 2007 |
|---|--|--|---------------|---------------|---------------|---------------|---------------|
| by age of household reference person | | | | | | | |
| based on weighted data and including children's expenditure | | | | | | | |
| | | Under 30 | 30-49 | 50-64 | 65-74 | 75-plus | Total |
| Weighted number of households (thousands) | | 2,620 | 9,760 | 6,450 | 3,130 | 3,390 | 25,350 |
| Total number of households in sample | | 590 | 2,320 | 1,640 | 850 | 740 | 6,140 |
| Total number of persons in sample | | 1,480 | 7,010 | 3,590 | 1,470 | 1,090 | 14,650 |
| Total number of adults in sample | | 1,070 | 4,360 | 3,270 | 1,450 | 1,080 | 11,220 |
| Weighted average number of persons per household | | 2.5 | 2.9 | 2.2 | 1.7 | 1.4 | 2.4 |
| Commodity or service | | Average weekly household expenditure (£) | | | | | |
| 1 | Food & non-alcoholic drinks | 38.40 | 53.90 | 53.20 | 43.60 | 33.40 | 48.10 |
| 2 | Alcoholic drinks, tobacco & narcotics | 10.70 | 12.60 | 13.40 | 9.40 | 4.90 | 11.20 |
| 3 | Clothing & footwear | 22.40 | 28.50 | 24.00 | 13.00 | 7.70 | 22.00 |
| 4 | Housing(net) ¹ , fuel & power | 84.40 | 56.20 | 47.90 | 36.40 | 35.50 | 51.80 |
| 5 | Household goods & services | 23.30 | 36.70 | 34.60 | 25.40 | 16.90 | 30.70 |
| 6 | Health | 3.30 | 4.80 | 8.20 | 6.40 | 5.00 | 5.70 |
| 7 | Transport | 56.40 | 76.80 | 74.60 | 38.10 | 19.50 | 61.70 |
| 8 | Communication | 14.50 | 14.10 | 12.30 | 8.50 | 5.80 | 11.90 |
| 9 | Recreation & culture | 44.70 | 66.10 | 67.50 | 51.80 | 28.10 | 57.40 |
| 10 | Education | 12.00 | 9.90 | 6.20 | [0.70] | [0.70] | 6.80 |
| 11 | Restaurants & hotels | 39.90 | 47.10 | 41.10 | 22.70 | 12.80 | 37.20 |
| 12 | Miscellaneous goods & services | 33.10 | 43.50 | 37.20 | 23.90 | 20.10 | 35.30 |
| 1-12 | All expenditure groups | 383.00 | 450.00 | 420.30 | 279.90 | 190.50 | 379.80 |
| 13 | Other expenditure items ² | 76.70 | 111.90 | 77.00 | 40.80 | 27.50 | 79.30 |
| Total | household expenditure | 459.70 | 561.90 | 497.30 | 320.80 | 218.00 | 459.20 |
| | Average weekly expenditure per person (£) | | | | | | |
| | Total expenditure per person | 185.30 | 191.20 | 225.20 | 185.00 | 151.30 | 194.80 |
| Source: 'Family Spending 2008', Office for National Statistics, based on Expenditure and Food Survey 2007 | | | | | | | |

The table above shows that households aged 50 and above account for 50.35% of total household expenditure, which increases to 59.86% when the data is looked at on a per capita basis. Expenditure is particularly high amongst 30-49 and 50-64 households, whilst declining for households aged over 75: in other words, the statistical distribution of expenditure follows a typical 'bell' curve, with the peak at around age 50.

The real significance of the data can be seen when it is analysed on a 'per capita' rather than 'per household' basis. On this basis, people aged 50-64 are the highest-spending overall, whilst people aged 65-74 spend the same as those under 30, and only a little less than those aged 30-49.

The table below shows per capita expenditure on selected categories. Spending per capita on food and non-alcoholic drinks, alcoholic drinks, clothing and footwear, and on recreation and culture are particularly high for the 50-64 age group, and higher than might be expected for the 65-74 group.

| Selected Per Capita Weekly Expenditure | | | | | |
|--|--|---|------------------------------|---------------------------------|--------------|
| | Food & non-alcoholic drinks | Alcoholic drinks, tobacco, narcotics | Clothing and Footwear | Recreation & Culture | Total |
| Under 30 | 15.36 | 4.28 | 8.96 | 17.88 | 185.30 |
| 30 - 49 | 18.59 | 4.34 | 9.83 | 22.79 | 191.20 |
| 50 - 64 | 24.18 | 6.09 | 10.91 | 30.68 | 225.20 |
| 65 - 74 | 25.65 | 5.53 | 7.65 | 30.47 | 185.00 |
| 75 - plus | 23.86 | 3.50 | 5.50 | 20.07 | 151.30 |
| All | 20.04 | 4.67 | 9.17 | 23.91 | 194.30 |
| Source: Family Spending 2008, Office for National Statistics | | | | | |

Data from Verdict (below) supports the above findings.

| | Food & Grocery | Clothing | Footwear | Personal Care | Electricals | Homewares | DIY | Music & video |
|--------------|----------------|----------|----------|---------------|-------------|-----------|-------|---------------|
| 45-54 | 103.6 | 98.7 | 102.1 | 103.6 | 112.6 | 116.7 | 125.2 | 104.3 |
| 55-64 | 104.4 | 98.6 | 103.5 | 100.8 | 116.6 | 108.5 | 124.4 | 80.5 |
| 65+ | 104.7 | 87.3 | 91.6 | 91.5 | 85.4 | 81.7 | 70.0 | 47.1 |

Penetration by age group compared with overall shopper penetration for all age groups. Source: Verdict 'Shopping Patterns' 2007, Business Insights

The Verdict data shows that penetration of the older age groups shopping in a number of important retail sectors, including food and grocery, is *higher* than overall shopper penetration.

The combination of population data (a large and growing number of people) and expenditure data (high levels of expenditure) produces an impressive picture of economic power. As the economic analysis commissioned by insurance provider, RIAS, shows, the 'over 50's' are net contributors to

7.2 Food and Drink Expenditure

A report by the leading consumer research company, TNS (Taylor Nelson Sofres, 2003), on food and drink marketing for the over-55s drew on their 'superpanel' of 15,000 people. The findings and conclusions are highly significant. The report begins by stating that this group will soon become 'the most significant consumer group', but that there was 'insignificant understanding' of their shopping behaviour. The report highlighted similarities and differences between the over-55s and under-55s in terms of consumer expenditure, as follows:

- Expenditure by older consumers is estimated to overtake that of the rest of the market.

- The seniors market was close to parity in importance in areas such as alcohol, meat, canned goods and pet foods. Overall, older consumers were equally or more important for almost half the product categories.
- Within five years, categories currently considered quite 'youthful' such as soft drinks will have to develop defined niches and sub-brands to cater for older consumers. .
- Key product areas for older consumers were: fish; sweet home cooking; hot beverages; healthcare; fruit and vegetables; meat; alcohol; pet foods. These areas tend to be more traditional and based in the home
- Private label is equally important to both consumer groups, accounting for just over one third of expenditure for each age group.
- Unbranded food items such as fruit, vegetables, fish and meat are much more popular with older consumers. Younger consumers prefer the convenience of chilled or frozen meals.
- The popularity of the named product categories with older consumers gives little indication of the underlying dynamism in the seniors market. Apart from fish, the seniors market had outperformed the total market in all product categories.
- Although older consumers are broadly characterised as more frequent shoppers, this does not apply across most categories. Especially in non-food, younger consumers are much more frequent purchasers.

Conclusions to the TNS 'Food and Drink' report

- **High growth.** The seniors market will outgrow the rest of the market within a few years. However marketers will still focus disproportionately on younger consumers in a bid to encourage brand take-up early in life.
- **Redefinition of the 'mainstream' market.** The age barrier for 'the mainstream' market is increasing with the ageing population. In addition, certain values and lifestyles may be less age-dependent than previously

thought. Age no longer serves as a catch-all shortcut to explain why consumers react in the way they do.

- **Transition.** Many brands are entering a transition phase, moving away from youth and family oriented values towards a model that is less based on the idea of a nuclear family or age-dependent notions.

7.3 Other Expenditure

The high levels of expenditure by the 50-64 year old age group on travel, shown by the ONS data above, is indicative of the widely-reported leisure travel behaviour of this group. Research by Patterson and Pegg (2009) found that the combination of attitudes, education health time and financial factors makes so-called 'baby boomers' interested in a wide range of travel experiences. Research (for example, by Scottish Widows, October 2009) has consistently found that travel is the most popular ambition of pre-retirees. The type of travel enjoyed by retirees has extended way beyond traditional coach travel and cruises to a much more diverse set of travel-based experiences, from more challenging adventure and adrenalin-driven activities to those based around culture, education and history. This has represented a significant structural shift in demand for the travel industry.

8.0 attitudes of older people

8.1 Attitudes to age and ageing

‘I would rather die before I responded to a Saga-type ad’ – Woman, 54

‘Getting older is a fascinating thing. The older you get, the older you want to get’ – Keith Richards, Rolling Stone, 66

In section 5.2, it was argued that the UK is an ageist society, with widespread negative attitudes to age and ageing. Old age is seen as something to be ignored or feared, and thought of almost entirely in negative terms. It is hardly surprising that older people are very well aware that they live in a society where old age is culturally unattractive - for example, 83% of those surveyed by Smizigin and Carrigan. Not surprisingly then, a widespread attitude to old age is to ignore it (or pretend to).

However, the attitudes held by older people concerning age and ageing are extremely important for many aspects of marketing. For example, in communications terms, how you target and communicate with people is determined largely by how they define themselves, the language they use, and the images they relate to. Age is a relative concept – research by Standard Life found that there is no absolute definition of what is ‘middle age’ or ‘old age’ – not surprisingly perhaps, the younger you are, the younger each of these terms is believed to apply.

In order to avoid being seen to be part of a culturally unattractive group, many older people choose to act and behave in a more ‘youthful’ way than their physiological age. This phenomenon has been described in a number of ways: from simply ‘psychologically young’ or ‘kidolence’, to ASYL (adults staying younger longer) by TNS, and Generation SYLO (staying younger longer) by Mintel. This means that not only do some people stay active longer, with improved lifestyle and medical

care, but they also aim not to behave or look their age. Importantly, this attitude is often accompanied by a strong opposition to being targeted or defined by age.

Within this approach, adults aged over 50 adopt clothing (40% wear jeans), lifestyle and interests that would once have been seen as inappropriate by people of previous generations. For men, this often means music (attending concerts and downloading music), for women, it often means fashion and beauty. This attitude to life - which centres around personal freedom linked to responsibility - is summed up by Mintel as 'enjoy life and live for the future' – 40% agree with this statement, the same as people in their 20s.

Typically, people think of themselves as ten years younger than their actual age and often do not think that they are 'old'. ('I'm not old – look at Mick Jagger' (male, 64 quoted in 'Common Good' research). According to YouGov/Readers Digest, 59 year olds see themselves as 38 on average. In a global survey (22,000 consumers in 41 markets, including UK), ACNielsen (2006) found that 60% of all women and 52% of men think that the '60s are the new middle age' – of those 45+, 70% agreed. The MD (Global) of ACNielsen Customised Research summed up as follows:

“The goalposts have moved. Our perspectives on what constitutes a 'young adult', 'old' or 'middle aged' and the lifestyle and behaviour appropriate to each of these phases in our lives has changed accordingly. Stereotypes are being broken, requiring manufacturers to find new ways to communicate and connect with, their target consumers.”
- ACNielsen

The mass media have colluded in an 'old is the new young' movement. Female celebrities in the fifties and above who have maintained an attractive, youthful appearance – for example, Madonna, Twiggy and Lulu – are celebrated. The appearance of men seems less important – provided that their achievements are

exceptional - Ranulph Fiennes climbs Everest, Bruce Springsteen, Neil Young, Tom Jones and Status Quo headline at Glastonbury.

Szmigin and Carrigan (2006) found that women face strong societal pressures (which included advertising and marketing messages) to maintain a youthful physical appearance as they age, which are difficult to resist. However, they found that most women are more concerned with 'looking good for their age' than sexual attractiveness and commented that:

“There is little support for the assertion of many advertisers that everyone wants to be chronologically younger than they are”.

The Common Good report also noted a strong feeling that thinking or talking about age can itself make you old before your time. It seems to be accepted that this refusal to accept oneself as 'old' and to resist all implications of aging typically changes on average at the age of 76, when, as discussed elsewhere, unavoidable life events such as illness intervene. Hence, much of the literature regarding attitudes to ageing is mainly applicable to the so-called 'baby boomer' cohort, which – it is claimed – has the lifestyle aspirations of those far younger. Our own research showed an active, confident group which refused to accept age or ageing as issues.

Research conducted in 2009 via a YouGov survey found a large gap between the perceptions of older people relative to other age groups, and the reality of how each age group felt. The belief amongst younger people was that the over 55s are the most likely to be lonely and unhappy, and the least likely to take part in sports and hobbies or to do anything adventurous. The 18 to 25 age group was expected to be the happiest, most active and most adventurous. In fact, the reverse applied: the over 55s were found to be the happiest, most active and most adventurous group.

Other research reinforces this. For example, research by insurers RIAS (2009) found that 64% of over-50s say that they have become more satisfied with life since they turned 50 years old. Findings from the Age Concern Life-Force Survey (2005) included the following::

- 70% of the over 45's lead very active lives
 - 80% of the 45-49 year olds, 53% of the 80+ surveyed
- 58% agree that "there are not enough hours in the day"
- 86% are normally cheerful and happy
- 83% feel comfortable with their life
- 69% see retirement as a positive stage in their life.

8.2 Attitudes to Employment and Retirement

As noted earlier, there are two important current issues relating to employment and retirement. First, high unemployment in the 50-64 age group, with 30% unemployed, in many cases involuntarily – a key factor being ageism. Second, the state retirement age is to be increased to allow people to continue to work. In some cases, this is because people want to carry on working, in others it is because they have to: assuming they can find work at all.

A recent study by Standard Life found that one in three people aged 45-65 wants to keep working on their own terms after the age of 65. This is supported by other evidence and it has been widely suggested that there is a new attitude to ageing, with work seen as part of an active retirement. For the more financially successful, this is part of a work/life balance that probably starts at age 50 or before, while for others it is a financial necessity.

There is a degree of uncertainty attached to both employment and retirement. The Lifeforce survey (2005) for Age Concern found that 56% of people were concerned about financial security during retirement, and concluded that the majority of people

failed to plan for retirement early enough. More recent research by Aviva found that 62% of people over 50 worry that they have inadequate pension provision.

Retirement is a major life event (or increasingly, process) which tends to be seen through rosy commercial eyes. However, for most people retirement has serious financial implications which a number of them never fully come to terms with. In fact, research conducted for Standard Life in 2009 found that the concept of retirement had many negative connotations to people of all ages – it implies slowing down, opting out of society and generally moving in the direction of a lot of negative societal ageist connotations. Furthermore, the concept of retirement is at odds with the desire of many people to continue being active, to work on their own terms, and to remain involved with society. Many want to travel, to take up new interests, perhaps to start a new business. None of this is compatible with the ageism implicit in inherited societal concepts of retirement.

The Freetirement research project (2007) found that the people they described as 'baby boomers' were looking forward to a retirement giving them a high degree of personal freedom – something associated with the relative wealth and retirement income this group enjoyed. This was quite likely to include continued employment – but on their own terms. However, it also found that 25% of the population failed to plan for retirement, and that 32% of those yet to retire expected to struggle financially later in life. Other research, referred to earlier in this report, has found even higher levels of inadequate pension and retirement planning.

One in sixteen people aged 50-65 plan to start a new business, which would amount to one million new businesses (PRIME research February 2009). This suggests that rather than retire, many older people prefer to indulge a prevailing entrepreneurial attitude. One could also cynically note that many may have little choice, given the high levels of unemployment and pension provision in this group.

8.3 Attitudes to Business

‘Youth-obsessed’ UK businesses are ignoring market worth £250 billion a year
- Age Concern / Help the Aged, Press Release, May 2009

There is some evidence that many older people feel that businesses do not treat them or their needs seriously. For example, ‘Age Friendly’ research conducted by Age Concern and Help the Aged (May2009) reinforced the findings of previous research carried out in 2005. The charity commented on the extent to which older people ‘still feel blighted by practices they feel alienate and even fail them as consumers’. Other findings were:

- The majority of respondents (57%) felt that businesses in the UK ignore them, focusing the majority of their attentions instead on the 'youth' market
- 47% felt that businesses are ‘youth obsessed’ and 55% that businesses have ‘little interest in older people’s consumer needs’
- The least age-friendly sectors were telecoms, utilities, automotive and financial services, with retail the most age-friendly
- The charity commented that ‘it makes no sense for businesses to ignore a third of the population’, particularly given their spending power.

However, our own research amongst ‘baby boomers’ found that this group exhibited much more positive attitudes to business. For example, just 20% felt that business did not understand them, while 66% believed that business treated them as they wished to be treated. This again demonstrates that ‘older people’ should not be treated as a single group: attitudes towards business are as likely to be influenced by class, income and employment as by age.

9.0 attitudes of older people - marketing and communications

9.1 Attitudes to Brands

Some writers on the subject of marketing and older people speak of 'myths' within the marketing industry regarding older people and brands: for example, that they are excessively brand loyal, purchase a relatively small selection of tried and tested brands, and are adverse to innovation. For this reason, it is argued, marketing managers have always targeted younger consumers, aiming to 'catch them while they're young' and have worried about an ageing consumer profile. While the only evidence that these myths exist is anecdotal, there is certainly evidence to the contrary. A number of research studies have been conducted, which suggest that the situation is more complex than these 'myths'.

In grocery, TNS found that older consumers tended to favour well-known brand names and to find a brand and stick to it. However, they also believed that private label products were of the same quality as well-known brands and were much more likely to buy a brand that they do not normally use if it is on offer. TNS stated that if correct, this finding 'shows that our traditional, simplistic understanding of brand loyalty is deeply flawed. It is driven by a much more complex set of circumstances.'

This is supported by research from Millennium Direct (2008) which found that most over-50s were extremely shrewd consumers, with only 39% claiming to stick to the brands they know, and over 60% making most purchasing decisions based on price. The internet is seen as being important in enabling an increased focus on price comparison.

Other research has found that age is not as significant a variable in brand loyalty as might be assumed:

- OMD found that both of the following statements received similar scores from the over-50s: 'I tend to stick with well-known brands' and 'I am willing to try new brands'. They also found that older people claimed to be open to changes in technology and to change and new experiences generally, in much the same way as any other age group, noting that 'the variations are small and narrowing'.
- In a survey of 10,000 consumers over 50 by Access to Senior Knowledge (2006), it was found that more main shoppers over 60 were prepared to switch brands than those aged 25-44. Indeed, many claimed to switch brands regularly, often on the basis of price. Other studies have found a common characteristic of a disciplined approach to living within their financial means by older people.
- Sngizin and Carrigan (2006) concluded from their research that older consumers are very much part of mainstream consumption, that they are active consumers with spending power, and that despite this, many brands are failing to target them.
- The same authors (2001) evaluated various research projects regarding innovative behaviour by older people, and their willingness to adopt innovations. They found strong evidence that older people are as innovative as anyone else, in relevant areas and where there are clear benefits. They also found that in mainstream consumer goods markets, older people are as likely to brand switch as younger people.

It can be concluded that older consumers tend to have a rational relationship with brands. They consider functional product and service features and benefits, the customer experience and the extent to which the product or service meets their needs, rather than being unduly influenced by imagery and emotional benefits.

9.2 Attitudes to marketing and communications

It has been established in a number of studies that older people are more sceptical and resistant to advertising and marketing than younger consumers. This is in part an issue of perceived exclusion:

- Many older people believe that products, advertising and marketing communications are not targeted at them – even when they are purchasers of that category.
- Many older people also believe that images of older people are routinely excluded from advertising, a fact supported by research. Youthful imagery is not necessarily welcomed as older people prefer realism, recognition and inclusion.
- The overt targeting of older people is also disliked and can be seen as patronising. When images of older people are used, these are often seen as stereotypes, negative and even offensive to the point of caricature.

People aged 45-64 have grown up with advertising and marketing. During their lifetime, the 'marketing concept' has gone from infancy to maturity. They have been willing participants in consumerism and in the process have been exposed to more marketing messages than younger people. This means that many are able to understand and to decode advertising and marketing, which may create a degree of cynicism and scepticism, and also affects levels of interest, attention and response.

There is a wealth of marketing research to support the view that younger people are more responsive and favourably disposed to advertising than older people (for examples, see Belch & Belch, 2008). TNS found that older consumers are markedly less responsive to advertising than younger consumers. COI research found that just 15% of people over 65 felt favourably towards advertising, compared with 50% of 15-24s. Research by Patterson and Pegg found a degree of resistance and

sensitivity to advertising and communications amongst older consumers, with a requirement for facts in order to make up their own mind, and for values which transcend product or brand.

These findings, together with the assumption of 'catching consumers for life when they're young', has been used to support marketing decisions to focus on younger consumers (at the expense of older age groups) for many years. However, this approach is flawed for (at least) two reasons: first, it ignores the commercial potential of older age groups, in favour of an easy advertising solution, and second, it makes the blanket assumption that 'advertising does not work' for older consumers, rather than considering that while the approach used for younger consumers may not work for older consumers, there may be alternative approaches that will work. Negative attitudes to advertising amongst some older consumers is mainly related to a lack of strategic thinking and insight with regard to older consumers by advertisers, and the weakness of the resultant communications.

Older people feel that marketing and advertising either ignores them (by failing to target them) or treats them in a patronising or demeaning manner. For example:

- Millennium Direct (2008) found that 55% of over-50s believe that advertising treats them in a patronising manner, with only 16% believing that they are treated as intelligent and discerning consumers.
- Older people feel that products, advertising and communications are often not targeted at them, to the point of deliberate exclusion, even when they are likely to be purchasers of those goods and services. 46% felt this in the 'Age Friendly' research, while 59% of 50-64 year olds and 65% of those aged 65+ felt that marketing was irrelevant and did not target them in research carried by consultancy Millennium (June 2008). This research went on to find that 75% of consumers aged over 50 think that the only products targeted at them are life assurance, false teeth and incontinence products!

- Smizgin and Carrigan (2006) concluded after reviewing many years of research (their own and others), these are recurring themes but **‘despite all the evidence, advertisers continue to pursue youth’**. In their research, 83% of older people questioned believed that ageism is a problem in advertising.
- Our own research found that two-thirds of people over 50 felt that most advertising is meant for younger people, and that people their own age were not depicted realistically. Twice as many people (50%) wanted to see more people their own age in advertising as did not.

However, not ignoring older people is also problematic! Older people do not like being obviously targeted by age, unless absolutely essential to the task in hand. As noted earlier, many people do not act their age, do not see themselves as ‘old’, and resent being defined by their age. In the ‘Age Friendly’ research (2009), 50% found this to be a patronising approach.

In terms of imagery, when older people are featured in advertising and communication materials, older people themselves find that these are often negative, stereotypical or even offensive depictions, sometimes to the point of caricature. The work of Carrigan and Smizgin found that older people believe that, even in media targeted at them, advertising does not feature acceptable levels of older characters portrayed in a favourable manner.

As has been noted earlier, age alone is not an effective means of segmentation. For example, Warner Hotels found success for their ‘over 50s’ hotels by positioning them as product experience breaks for adults.

9.3 Inclusion and imagery

The feeling by older people that products and communications are not targeted at them is reinforced by the creative execution of much advertising and communications, including the imagery used and in particular, the people featured. Older people are routinely excluded from featuring in advertising and marketing communications materials, even when they are likely to be purchasers of those goods and services. This is the case not just in terms of the beliefs of older people, but in a whole series of academic studies based upon content analysis.

Carrigan and Smizgin reviewed the work of others in this area, as well as conducting their own research. They analysed images used in advertising, and found older people to be significantly less likely to be portrayed in advertisements than younger people. Their work and that of others has also found that when older people are featured, it is likely to be in a stereotypical, patronising or negative manner. They found that older consumers wanted and expected to see realistic depictions of themselves in advertisements, if only on the basis of recognition of their existence as consumers.

It is no coincidence that brands that have been able to successfully adapt to older audiences – for example, Dove, Olay and Olivio – are owned by two of the world's leading marketing companies (P&G and Unilever). A detailed study of Olivio, by Williams et al (2007), found that over seven years, images of older people were used in decreasingly traditional and increasingly adventurous roles. That this is described as 'breaking new ground' is significant and confirms the view of the researchers that in many cases negative and stereotypical images of older people were still being used in advertising.

A number of studies have found that images of older people are used almost entirely in advertising directly targeted at older people, such as stair lifts, and hardly at all for products targeted at a broader audience. Carrigan and Smizgin (2000) concluded that 'by ignoring older people, or using them as caricatures, the

advertising industry not only violates its ethical responsibilities, but also overlooks the commercial opportunity.'

The key issue regarding the use of 'youthful' imagery in communications addressed at older people comes down to this question: do people want to see people (and other images) that closely resemble themselves and their own lives, or do they want to see people (and other images) that show themselves as they would like to be? And is what they would like to be 'young', or – as noted earlier – just good for their age?

There is no simple answer – all will be true for different people and different scenarios – and of course, there can be no 'rule'. However, the available research suggest that overall, older people do not necessarily respond to advertisements and marketing communications clearly targeted at, or featuring images of, younger people. Many reports suggest that the view of advertisers and agencies is that older people want to see depictions of younger people, as they do not wish to be reminded of their advancing years, preferring to be associated with youthful (and therefore aspirational and glamorous) attitudes and imagery.

For example, while the majority of new cars are purchased by the over-50s, older people rarely feature in car advertising. A Jaguar spokeswoman responded that while the brand did not feature models looking over 50, this was because 'it is about attracting a type of consumer that is youthful and outgoing rather than saying they are in their 30s or 50s.'

This view is rejected by a number of studies. For example, Carrigan and Smizgin reported that consumers say that it is no longer acceptable to use a younger model, or to assume that this will suffice for all age groups. Older consumers say that they want to see a representative and realistic view of the world – and recognition that they are consumers. Like any other group, it can reasonably be assumed that they do not want unrealistic depictions of themselves (running marathons, climbing

mountains, cycling with gleaming smiles and immaculate hairstyles) and neither do they want to be depicted in a stereotyped ghetto of old age, slumped in a faded armchair in front of the television.

If the main requirement of older consumers is to be informed in a relatively straightforward manner, as the literature consistently states, then one would expect imagery to support this approach. However, as OMD report, this does not mean that older people do not appreciate or understand creativity – they simply require it to be relevant or understandable. For example, ‘creativity’ which is conceived for young people using young people’s cultural references is unlikely to meet these criteria.

The debate about realistic vs. aspirational imagery applies to most audiences and has been recurred over many years. For example, long-standing advertising conventions such as ‘happy nuclear families’ and ‘glamorous women’ have been subverted – one example being the Dove Campaign for Natural Beauty, which has featured a selection of so-called ‘normal’ women, including older women. It has been increasingly recognised that the world has become more complex than the shiny, happy families of 1950s and 1960s mass marketing and advertising.

10.0 advertising and marketing in practice

10.1 We are all ageists now

‘Seniors are the most affluent age segment holding 80% wealth in the UK. However, 95% of marketing and advertising budgets are still aimed at customers under 50 years old.’ - Danielle Rebelo, Datamonitor (2004)

It is clear from the previous section that some form of ageism is apparent in UK advertising and marketing communications. Despite their apparent value as consumers, older people are either ignored, or are portrayed in negative and stereotypical ways. It is therefore logical to deduce that those responsible for commissioning, producing and approving advertising and marketing communications are in some way ageist. The question is: why?

First, as noted earlier, the UK is an ageist society. It is therefore inevitable that ageism will be manifested in business, and in decisions relating to all aspects of business, including employment, marketing and advertising. Senior agency and client marketers interviewed by Stroud and Kibble agreed that marketers are ‘only human’ and would inevitably be influenced by societal ageism and youth centrism. The work of Zhang et al (2006) reviewed a number of research programmes and found that the place of older people in advertising was closely related to the place of older adults in society.

Given the engrained cultural dimension of ageism, it is probable that not all decisions are conscious or deliberate. A number of studies point out that if old age is culturally unattractive, then it is unlikely that businesses will deliberately choose to associate their business or products with something unattractive - be they employees or consumers. As Szmigin and Carrigan concluded, ‘youth is still worshipped, and age, while it may bring wisdom, just is not a sexy word in marketing terms’. They go on to suggest that this amounts to age discrimination

and that there is no relevant self-regulation at present, something which may be superseded by new Equalities legislation.

10.2 The advertising agency 'cult of youth'

Advertising agencies in particular can be described as having a culture which is orientated towards youth, fashion and generally being 'cool'. For some years, advertising, design and other marketing agencies have been expected to be at the epicentre of all that is new and fashionable, including art and youth



culture. This was particularly important when younger target audiences were the main focus but has not yet been fully aligned with older target audiences. It is also claimed that the inward-looking advertising agency culture creates a lifestyle far removed from older consumers, with a focus on producing work to impress peers, win awards and develop careers.

The comparative youth of many working in advertising and marketing is seen by many as leading directly to ageism in advertising and marketing communications. The IPA (Institute of Practitioners in Advertising) annual agency census for 2009 (published January 2010) showed that the average age in all member agencies was 33, with just 5% of agency employees aged over 50. 45% of employees in agencies are aged under 30, 37% 31-40 and 12% 41-50. These figures have been consistent for the past decade and contrast with data from the National Office of Statistics, which shows that almost 33% of the UK workforce is aged over 50 years old.

This employee age bias is the result of a number of factors. A strong cultural preference for youth and the attributes with which it is associated is evident in advertising and marketing, emphasising 'youthful' attributes such as creativity, energy, enthusiasm and vibrancy. It is also the result of several rounds of

corporate downsizing and de-layering over the past ten years, whereby older, more expensive, employees are likely to have been affected disproportionately. It is also claimed by some that given the pressured working environment, employees leave the advertising industry to seek a different work/ life balance. Many women work in advertising and many leave (whether through choice or not) to have children, never to return. Consolidation of the advertising industry has also allowed agency founders (inevitably older) to take early retirement.

A survey of IPA members (2006) found some self-knowledge, with 40% of agency respondents agreeing strongly that the average age in agencies had contributed to agencies becoming out of touch with older consumers. The IPA director-general, Hamish Pringle, commented that 'Adland is way out of line in terms of age'.

10.3 Lack of insight into older audiences

It is claimed that the youth-orientated culture within the advertising and marketing industry inevitably leads to a lack of interest and empathy regarding older audiences within the advertising industry. Younger people are a known quantity, which is easier to understand and target, and around which many of the rules and conventions of advertising and marketing have been developed.

Carrigan and Szmigin reviewed all research in this area, as well as conducting their own, concluding unequivocally that the age profile of those working in marketing and advertising contributes to "an environment which lacks empathy towards the older population".

The extensive OMD 'UFO' (Understanding Fifties and Over, 2005) report stated that the main reason for the poor relationship of the advertising industry and the over-50s is 'a lack of insight into these people and an often outdated view of how they behave as consumers'. This was supported by a report from the IPA ('Age in Advertising, 2006) which found that 72% of respondents to their survey (themselves

agency staffers) agreed that agencies risk becoming out of touch to what appeals to older consumers.

Furthermore, a number of research reports have stated that prevailing assumptions about older people held by the advertising and marketing industries are out-of-date and incorrect. For example, Age Concern spoke of the need to 'ditch stale stereotypes about timid and unadventurous older consumers' (Age Concern). Stroud and others have listed these incorrect assumptions and 'marketing myths', regarding older consumers.

Alleged marketing myths

- Older people do not change brands, are not receptive to new ideas and are stuck in their ways
- Older people are low spenders
- Older people are not responsive to advertising or marketing communications
- Older people are attracted by youthful imagery
- Older people will respond to advertising targeted at younger people
- Appealing to older people alienates younger people
- It is important to capture consumers when they are young
- An ageing customer base is undesirable

Our report provides evidence that none of these assumptions is necessarily correct. More importantly perhaps, it is also clear that the complexity and diversity of the older age group mean that it is not possible to make any broad brush assumptions about attitudes and behaviour. It should be noted that the evidence that the above opinions are widely held within the marketing and advertising industries is primarily anecdotal. However, some negative assumptions are apparent. For example, the IPA report 'Age in Advertising' (2006), which researched the attitudes of people working in advertising agencies, highlighted the belief that 'older people are not always as technologically astute as younger people, nor are they so willing to put in

the extra hours in the evenings and weekends', although this was balanced by the "breadth of experience and emotional intelligence of older people".

10.4 Strategic Planning

A 'best practice' approach to strategic marketing planning requires a systematic approach to scanning all aspects of the external environment in order to identify developments and trends, and then to develop appropriate strategic marketing plans. For a small company, this is likely to be an annual process, while larger companies and brands will overlay a 3 or 5 year horizon to this.

U.S. marketing gurus Kotler and Keller (2009) recommend that demographic analysis and market size forecasts should be basic components of any standard marketing plan. Hence, one would expect that the changes in population structure would be addressed by most marketing plans.

However, this is clearly not the case. A number of expert industry observers (for example, TNS, as detailed earlier) have stated that many businesses and brands had yet to move from their traditional focus on younger people to recognise and address the challenges and opportunities of an ageing population.

That this is not the case is mainly due to weaknesses in the strategic marketing planning process as used by many organisations. It is no coincidence that leading marketing practitioners such as Procter & Gamble and Unilever, who treat marketing planning as central to long-term strategy, have developed highly successful brands targeted at older consumers, such as Dove, Oil of Olay and Olivio. However, this has not happened in many other businesses. UK marketing guru, Professor Malcolm McDonald states that his research over 25 years into marketing planning reveals 'a truly appalling level of competence in this central function of marketing' and goes on to state that 'things seem to be getting worse rather than better'.

Hence, it can be assumed that 'best practice' strategic marketing planning may not take place regularly or thoroughly in every organisation, if at all. Marketing is often treated as no more than a support function, which is treated with (at best) suspicion at board room level and which may have no real strategic input into business planning.

It is equally plausible that the time horizons for marketing planning used by some businesses are too short-term to take into account long-term, gradual, structural population change. If identified, it may be treated as an 'important but not urgent' problem, which would not provide a return within the relatively short-term horizons of some businesses - a year at most.

10.5 Specialist agencies and consultancies

In the USA, there are a number of specialist agencies and consultancies, nearly all of which are independent. At one end, consultancies such as Age Lessons (the 'pre-eminent boomer thinktank') and Age Wave (the 'thought leader' on population ageing) advise corporates and the public sector. In addition there are a number of advertising and marketing communications agencies, including Generation Woodstock (one of a number specialising in babyboomers) and Third Gear. The PR agency Edelman recently set up a specialist division. However, JWT Zoom (a specialist part of leading ad agency JWT) opened in 2007 only to close April 2009, for reasons undisclosed.

For the past ten years, the UK market leader has been Millennium Direct. Formed in 1996 as 'the only UK advertising agency to specialise in the Grey (50+) market', the agency's roots are in direct marketing, reflecting what was then the discrete, direct, nature of much activity directed at older consumers. Millennium has recently (early 2009) repositioned itself from a full service proposition to that of consultancy – 'the UK's premier research and marketing consultancy for the 50+ market' – perhaps to service the various agencies in the direct marketing agency group of which it recently became a part.

Special mention should be made of Forster, whose focus is social marketing. One of their areas of interest is older people, and their document 'AgeShift 2009', which can be downloaded from www.forster.co.uk, is well-produced and worth reading.

Other UK consultancies are small, often one person, operations. The most prominent is Dick Stroud, of 20 plus 30, who has something approaching guru status in over-50s marketing. His book, 'The 50-Plus Market' is one of the few on this subject, although it was published in 2005 and takes a global perspective which is interesting, but at the expense of detailed UK market insight.

Mature Marketing, like a number of such operations, carries out consultancy, research and workshops for local and national clients. There are a very small number of specialist creative agencies. The most significant is probably Doner Cardwell Hawkins the London agency which also operates as the UK part of the Senior Agency network. McCann Erickson has recently (July 2009) launched McCann50+. Both Senior Agency and McCann50+ are inevitable advertising-led.

Most creative and media work for older audiences is carried out by mainstream agencies. Pockets of genuine expertise have developed, notably within media agency OMD, but it is often the case that at creative agency level no specialist expertise is sought by clients or offered by agencies.

rhc advantage has been launched to combine high standards of marketing communications creativity and planning, with knowledge and insight into the older market. Importantly, the focus is on a broad-based communications platform, rather than as an 'advertising' agency.

10.6 Targeting older people – a few examples

Despite the claim made by a number of sources that insufficient marketing spend is directed at older consumers, there is no definitive data source we have been able to find which identifies the allocation of business resources to marketing communications directed at older consumers, other than the Datamonitor report referenced earlier.

There is nothing new in the concept of identifying and targeting the value of the older consumer. For many years, businesses have targeted older consumers in categories where they are the main target audiences, such as financial services, healthcare, and travel. Successful businesses such as Saga and RIAS operate only in the over-50s market, whilst mainstream providers also provide targeted products.

As the over-50s market has grown in size, economic power and diversity, companies have continued to develop more sophisticated product and service offerings. Recent examples include savings account for so-called 'silver savers', equity release products and home security products. However, it is claimed that too many businesses continue to exhibit age discrimination and inflexibility – for example, some insurance companies will not provide motoring or travel insurance to people over 75

Over 50?

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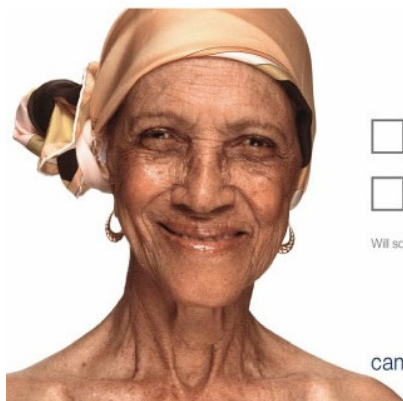
*Savings are based on independent telephone research for Consumer Intelligence from 01 January to 31 March 2007. £1000 cover 90% reduced competitors for buildings and contents insurance carried out from 25 competitors, and £1000 cover 90% reduced competitors for comprehensive motor insurance were taken from 18 competitors. Savings were achieved in 10% of quotes. Actual premium will depend on individual circumstances.





Typically, marketing communications targeting older consumers have had a strong ‘direct’ element: direct response press advertising, direct mail and direct response television advertising, and is therefore relatively discrete. The creative approach has often been of the sort criticised by older consumers in research: that is, using stereotypical images of older people; often celebrity-led; and making direct age-based propositions.

However, in recent years, work in the area of marketing to older people has to some extent broken the mould.



wrinkled?
 wonderful?

Will society ever accept 'old' can be beautiful? Join the beauty debate

campaignforrealbeauty.co.uk Dove



It is no coincidence that the best examples have been carried out by companies renowned for their marketing excellence. Procter & Gamble has built the Oil of Olay brand to encompass more than 30 products targeted at the over-50s. Unilever has built the Dove brand with advertising featuring women of all ages.

Guinness created a character in the ‘Swimmer’ TV commercial (below left) who, although old and losing his strength, is nevertheless a positive image which is realistic and relevant. This can be contrasted with the advertising and communications of financial services companies (examples below) to demonstrate understanding and empathy.



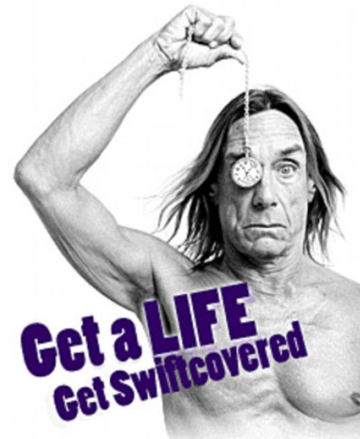
A number of High Street retailers have adopted an inclusive approach to their brand, service and communications, in order to appeal to a broad, mainstream audience. In research, retailers are seen by older consumers as the most age-friendly category. Marks and Spencer advertising featuring Twiggy (age 59) exemplifies this approach.

Twiggy has subsequently been recruited to front an advertising campaign for Olay. This was censored for excessive use of 'airbrushing' techniques by the ASA (Advertising Standards Authority – 16.12.09) after not entirely unreasonable complaints that this was 'misleading' for a skin care product promising 'younger looking eyes'. This sparked something of a media debate, with the possibility of such techniques being covered by legislation.

B&Q are often cited as probably the most age-friendly retailer, with a consistent and integrated approach across their business. They even developed a range of 500

products for the over-fifties under the 'Can Do' label (although this was soon withdrawn). This built on their employment policy - more than a quarter of its workforce is aged over 50. Real B&Q employees have been used in B&Q television advertising since 1996 – apparently because customers trust the staff.

Recent use of over-fifties 'celebrities' has been in the diverse areas of financial services, consumer electronics, and food. SwiftCover, the new car insurance company owned by AXA has used American punk rock icon Iggy Pop (62) for its multimedia advertising campaign – TV, outdoor and radio. Swiftcover claims to be the cheaper, faster and more modern way of dealing with car insurance, which 'gives you back those precious moments to enjoy anyway you like'.



Dairy Crest chose John Lydon (formerly punk rocker and Sex Pistol, Johnny Rotten) aged 52, to front its campaign for Country Life butter. The advertising builds on Lydon's claimed status as a British icon, albeit of the nihilistic variety, using him to extol the British virtues of the product. The theme of using ageing rock stars in advertising can presumably be linked with the rather dubious 'we invented rock' credentials of the 'baby boom' generation. It also supports the idea of people not wishing to act or accept their age. This theme continues with Alice Cooper and Sony – an artist also seen in ads for Virgin Atlantic, Sky Plus and Norwich Union (Aviva) with Ringo Starr – and Ozzy Osbourne, whose latest campaign is for Samsung.

11.0 guidelines for advertising and marketing communications

11.1 Our own guidelines

The 'guidelines' issued by a number of authoritative sources regarding the planning and production of advertising and marketing communications for older audiences are summarised in this section. These do not necessarily reflect our own views, but provide some useful points for consideration.

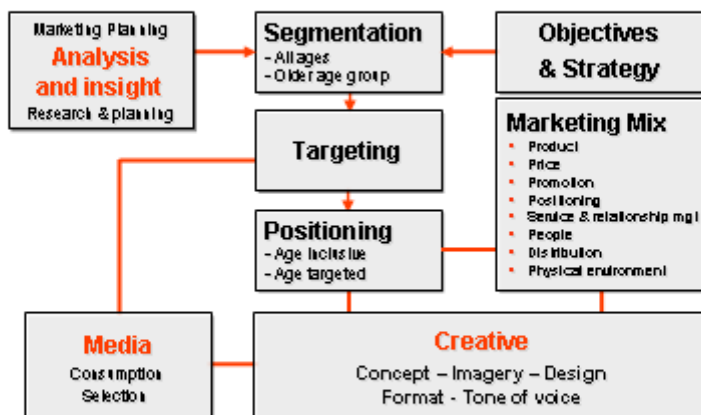
The most important broad guidelines that we would give are these:

- There are not and cannot be a single set of guidelines which apply to all communications to all people aged over 50. Slavish adherence to guidelines will produce dull, ineffective, communications.
- Apply the key principles of marketing communications planning, as for any other audience. This may require taking a more considered and structured approach to marketing communications than you have done before. (That's where we come in...). This begins with the definition and understanding of target audience segments, and definition of communications objectives; leading to definition of a creative strategy.
- Do not accept the findings of any single piece research into older audiences at face value. True insight does not come from a single piece of research, but from analysis of multiple sources. Above all, it comes from detailed understanding of your own current and potential customers.
- Recognise that this is a diverse audience which may require different creative approaches.

- Older audiences should not, as a rule, be considered in isolation to the total audience, The best solution may be inclusive or segmented, by media or creative, or both.

At rhc advantage, we have combined our many years experience of planning marketing communications, with our specialist knowledge of older audiences. The result is a proprietary approach to planning which is summarised in the chart below. While this looks like something from a textbook, reflecting best practice, there is an important point of difference. This route map (below) is as much about having a defined process which enables asking the right questions at the right time as it is about having off-the-shelf answers in the form of guidelines.

Conclusions



11.2 Segmentation and targeting

Targeting by age alone is unlikely to be effective in most cases, as argued earlier. This is for two main reasons: first, because it is too crude an approach given the size, complexity and diversity of the older population; and second, because consumers dislike being targeted on the grounds of age.

The key word is inclusivity. First, any mass marketing activity should be planned to include older consumers, not to exclude them (as might be the case, for example, with an excessively youth-oriented creative execution). Second, any segmentation exercise should be planned to work across age groups, rather than to exclude older age groups from the process.

This does not mean that older consumers need not be targeted at all, whether via creative or media, or that they will simply be 'picked up' as a by-product of targeting younger age segments. The older age group is too large and too valuable to ignore, and must first be considered in the context of the total target audience, to ensure that the age group is targeted in line with strategic priorities. Some segmentation may apply across all age groups, but there are also a number of options available for a more sophisticated approach to segmentation within the older age group.

Key segmentation variables to consider include: attitude, gender, geo-demographic, geography, economic, expenditure, income, life events, lifestyle, needs, psychographics, usage, values.

One of the challenges for anyone trying to follow so-called guidelines on communication with older people is that the rules of segmentation are ignored and all people over the age of (say) 50 are treated exactly the same.

11.3 Media consumption

As with other aspects of behaviour, media consumption is not directly related to age, so what follows are a few general 'headlines'.

- Relative to the total adult population, older people are heavy users of print media – national, regional and weekly newspapers and monthly magazines.
- Whilst the over 65 group are particularly heavy consumers of Television, there is some evidence of low levels of recall and limited effectiveness as some older people (particularly aged over 75) may use Television as background.
- Recent figures by RAJAR have shown a move away television to radio amongst older consumers, attributed by commentators to the 'youth-obsessed' nature of television programming.
- Direct mail is surprisingly popular, provided it is relevant. 45-64 year olds are more likely than the total population to open all their post, to have a positive attitude to mailings, and to respond to direct mail (Royal Mail, 2009).
- The so-called 'digital divide' remains an issue amongst people aged over 65. However, the gap is closing fast, according to recent Ofcom and 'Digital Britain' reports (June 2009) and the over-50s is the fastest-growing group in terms of internet penetration. Digital exclusion is a fact for some groups, while others are heavy buyers and users of digital technology. This is not just age-related.

A few points about older people and digital technology:

- While internet penetration remains low for over 65s, at around 18% of households, those that do use the internet spend more time using it than any other age group. People aged over 70 did not have the benefit of growing up with technology, particularly at work, so this is as much employment related as directly age related. Stroud points out that 93% of people with a University degree aged over 70 have internet access, and that while 80% of

ABs aged 55-64 have internet access, this drops to 29% for DEs. The issue of 'digital exclusion' does however apply to a significant number of older people, as it does to people of other ages.

- The 45-64 age group are heavy users of the internet and mobile phones, with internet access the same as for the total population. Mobile phone ownership inevitably declines in line with age – 80% of people 45-50 have a mobile, declining to 49% for the 50-59 age group, and 33% for those aged 60-69.

However, age is an inadequate means of segmentation, as shown by Stroud's analysis (above). The use of variables other than age, such as (in order) education, income and socio-economic class, can be more illuminating, as confirmed by the Digital Britain report.

The so-called 'silver surfer' phenomenon of older internet users has been commented on for many years. Certainly, increased internet usage by those aged 45-64 can be observed in recent phenomena such as:

- The increased penetration of social networking sites such as Facebook and Twitter by the over-50s, causing their early adopter' children and grandchildren to leave. Facebook showed an increase in users in the first half of 2009 of +518% according to iStrategyLabs (reported in Revolution magazine, 08.07.09) but faced a mass exodus (at a rate of 20%) of younger members. However, attempts to set up age-specific social networking sites such as SagaZone have not been successful.
- Expenditure on technology in the home is highest amongst the 45-54 age group, many of whom have the time and the money to indulge in the latest gadgets. A recent report by CNET found that 50% of Kindle purchasers were aged over 50, and 27% over 60.
- OMD's research found that scores for the statement 'I like to keep up with technology' increases over the age of 55, with those over 65 ranking the same as those aged 25-34

- 25% of over-50s claimed that the web influences their purchasing decisions (Millennium, 2008) a statistic which can be expected to increase as internet penetration continues to increase.

It should also be noted that many people, particularly those aged over 65, do not wish to cross the digital divide. The Digital Britain report found that 43% of those without internet access or a computer would not wish to be online, even if access were free.

11.4 Creative guidelines

There are no hard and fast 'rules' which can be applied to any aspect of marketing to older audiences, including creativity. As the COI Common Good report states, this is a 'diverse audience which needs different creative approaches'.

However, the key principles of marketing communications planning most certainly do apply: define and understand target audience segments; define communications objectives; and then use the most appropriate and effective combination of words, images and sounds.

A key consideration is whether an advertising or marketing communications campaign is to cover a range of age groups, or is specifically targeted at older age segments. Either way, no communication exists in a vacuum - the impact on older people of communications targeted at younger people, and vice versa, should be considered. It is probable that older people like the same advertising and marketing communications as anyone else, argues veteran creative guru Reg Starkey, where these are not targeted at a specific age group.

What follows is a compilation of guidelines given by a variety of authoritative sources, based in most cases upon extensive research. These should not be taken as 'rules' but may provide some direction or ideas for consideration. The strict application of guidelines is likely to produce dull, uninspiring and above all

ineffective communications. As Jeremy Myerson, Professor of Design at Royal College of Art and director of its inclusive design unit has said, ‘The idea that you can come up with a template standard for older people is nonsense’.

What follows is an uncritical listing of various guidelines – or a random list of nonsense, as you prefer!

| Marketing Communications Guidelines for older audiences – a random listing | |
|---|---|
| Target audience insights | <ul style="list-style-type: none"> ▪ Extremely diverse – there is no single ‘over 50s’ segment ▪ Experienced, sophisticated, savvy consumers who have been exposed to many different marketing messages. ▪ Likely to be cynical, resistant and sceptical to any communication ▪ Expect high standards of quality, accuracy, execution and service ▪ Low interest in, and more hostile to, advertising and marketing communications as they grow older ▪ Do not see themselves as ‘old’ and do not wish to be communicated with on that basis, directly or indirectly ▪ More likely to be receptive to product features and functional benefits, rather than by imagery and emotion ▪ Prefer a straightforward approach, providing information, logic, evidence, facts and clear functional benefits in order to enable them to make up their own mind. Less receptive to brands, logos and imagery unless these are for a very good reason. But.... <ul style="list-style-type: none"> - Not adverse to ‘creativity’ and humour – IF relevant. Narrative and anecdotes can be powerful. - With age comes physical and possibly mental impairment, meaning a decline in physical, sensory and mental |

| | |
|-----------------------|---|
| | <p>capabilities. When communicating with much older people, it is necessary to allow for these in copy, design and format (type size, font selection, layout, colour contrast, clean layouts, use of heavier stock, probably matt rather than gloss).</p> |
| <p>Concept</p> | <ul style="list-style-type: none"> ▪ Two broad approaches: <ul style="list-style-type: none"> - ‘Live your dream – make the most of life’ - Helping people to cope and survive ▪ Focus on (i) information, benefits and believability; (ii) clarity, logical presentation, signposting ▪ Engagement is important. Humour, celebrities and ‘creativity’ can achieve this, but only if they are relevant and help to tell the story, rather than become the story ▪ Celebrities may be useful for endorsement or reflecting changing attitudes to ageing (‘generational heroes’) BUT use with caution - not just because they are famous and old ▪ The general mantra is – keep it real ▪ Testimonials from real people can be more effective than celebrities – real life stories can be engaging and believable ▪ Humour and creativity must be relevant ▪ Values should be universal (e.g. family, friendship, nostalgia) not just product or brand related |
| <p>Imagery</p> | <ul style="list-style-type: none"> ▪ Visual clarity is crucial ▪ People. Show mixed groups of people rather than single people or married couples. Think of including mixed generations and extended families ▪ People (and other images). Consider their relationship to the target audience: mirroring, patronising, stereotyping, aspirational or realistic? The last is almost always best ▪ Colour. Make careful use of colour – can highlight text or |

| | |
|--------------------------------------|---|
| | <p>colour code. Beware of colour contrasts for people with sight difficulties. Maximise any colour contrast</p> <ul style="list-style-type: none"> ▪ Show older people being creative, active, energetic and engaged, rather than passive – but keep it realistic! ▪ Authoritative branding, supported by a believable and substantiated proposition ▪ Use of diagrams, illustrations and other visual devices to highlight main points <p>AVOID</p> <ul style="list-style-type: none"> ▪ Youthful imagery (or people) intended to appeal to older people ▪ Older people doing youthful, wacky or unfeasible things ▪ Stereotypes, caricatures – the ‘token oldy’, the ‘happy, romantic, couple’, the ‘kindly grandparent you always wanted’ ▪ Depressing images of old age – including an older person alone |
| <p>Format</p> | <ul style="list-style-type: none"> ▪ Physically manageable. Size, weight, pages easy to turn, easy to stay open ▪ Ease of navigation. Logical flow, index larger documents with dividers, ensure section headings are clear, clear signposting and page numbering ▪ Easy to read. Clear fonts, larger point sizes, sans serif typefaces. Break text up into small chunks and make use of white space ▪ Consider use of heavyweight matt stock to avoid glare and improve ease of use |
| <p>Copy and tone of voice</p> | <ul style="list-style-type: none"> ▪ Inform first, entertain second ▪ What do you call ‘older people’? <ul style="list-style-type: none"> ○ OK – mature, older person, older people, over-50 |

| | |
|--|---|
| | <ul style="list-style-type: none">○ If you must – middle-aged, prime, retired○ Avoid – baby-boomer, pensioner, silver surfer, third-ager▪ Aim for empathy, engagement, understanding and trust▪ Brevity of key messages – be concise▪ Straightforward, honest, transparent – speak plainly and truthfully▪ Provide facts, information and evidence – satisfy thirst for knowledge▪ Stress benefits – and provide a logical and believable substantiation for them▪ Rational persuasion rather than emotive appeal. Talk, don't shout▪ Seek engagement via narrative, story-telling, humour, empathy▪ Long copy can work – IF it has a purpose▪ Organise copy into manageable chunks. Use short paragraphs▪ Logical structure with ideas following each other in order▪ Consider summarising key points, putting them in panels, etc.▪ Be literate and use correct grammar <p>Avoid</p> <ul style="list-style-type: none">▪ References to age, direct or indirect.▪ Blandness and impersonal approach▪ Hard sell, glitz, or absolute propositions unless they are non-controversial▪ Abbreviations, acronyms, unfamiliar words▪ Obscure ideas, metaphors, nuances, subtleties▪ Analogies, ambiguity, complexity, obscurity – anything which requires 'decoding' |
|--|---|

| | |
|---------------------------------------|--|
| | <ul style="list-style-type: none"> ▪ Slang, colloquialisms. |
| <p>Media</p> | <p>Media planning</p> <ul style="list-style-type: none"> ▪ Older people are heavy users of print media – national, regional and weekly newspapers and monthly magazines ▪ Direct mail effective <p>Over 65s</p> <ul style="list-style-type: none"> ▪ Importance of word of mouth and networks ▪ Print media (leaflets, booklets) important ▪ Telephone - dislike automated phone systems and cold calling ▪ Respond (in order) to: monthly magazines, national press, regional press, weekly newspapers, television |
| <p>Digital and Interactive</p> | <ul style="list-style-type: none"> ▪ Older people can suffer from physical disabilities which may make using a mouse more difficult. ▪ Note sight, dexterity and cognitive issues (e.g. font size and colour). Eyesight can diminish with age, leading to decreased visual acuity, contrast or colour sensitivity, reduced field of vision, or increased sensitivity to glare. ▪ Searchability and navigation should be kept accessible and clearly signposted ▪ Over-65s are relatively low internet users (some segments) – plan for alternatives if these segments are important ▪ Provide captions and transcripts for audio clips, and text descriptions of video clips ▪ Descriptive links. Use link text that makes sense when read out of context ('find out more about x here' rather than 'click here') ▪ Keep the page structure consistent throughout your website. This will make it easier to navigate. Avoid moving the size or shape of the main text area while it is being viewed |

| | |
|--|--|
| | <ul style="list-style-type: none">▪ Do not use frames – most screen readers find frames difficult▪ Use a sans serif typeface▪ Use a dark coloured font on a plain, light coloured background▪ Copy should be clear, concise and in plain English▪ Avoid technical jargon such as ‘URL’▪ Be aware of the Web Accessibility Initiative. Use their online validity toll to check for accessibility▪ Provide search functionality where appropriate and check that site content matches what is being searched for▪ Do not patronise – many older people are both educated and conversant with IT. Bill Gates is 54, Larry Ellison is 65, Tim Berners-Lee is 54.▪ Provide multi-channel options – telephone help, for example.▪ Older users are less likely to use scroll bars – keep all content ‘above the fold’▪ Older users can be concerned about online security. Use plain html as far as possible. Explain what will happen if files or software are downloaded. Ensure ecommerce sites are encrypted.▪ Be aware of and comply with the various guidelines on accessibility and inclusivity, for example those arising from the Disability Discrimination Act such as W3C Web Content Accessibility Guidelines. This also means being aware of impairment issues, the four main categories being: vision impairment, motor difficulties, cognitive and learning, and hearing related.▪ Assistive technologies such as screen readers are designed to help people with disabilities to interact with technologies.▪ Text. Offer a choice of text size and make the control easy to |
|--|--|

| | |
|---|--|
| | see and to use. Avoid images of text as this can be hard to read when magnified. |
| Sources include: ASK (Access to Senior Knowledge), COI (Common Good), COI 'Delivering inclusive websites', Datamonitor, The 50-Plus Market (Dick Stroud), Kevin Lavery / Millennium Direct, AgeShift (Forster), Patterson & Pegg, Creative Choices, Digital Unite, Help the Aged. | |

Special mention should be made of the BT Inclusive Design project. Although primarily developed and applied to product design, the general principles are applicable to other aspects of the marketing mix. Inclusive design is defined by the the BSI, as 'The design of mainstream products and/or services that are accessible to, and usable by, as many people as reasonably possible...without the need for special adaptation or specialised design.' For further information, visit www.bt.com/inclusivedesign or www.inclusivedesigntoolkit.com

BT state: 'By meeting the needs of those who are otherwise excluded from product use, inclusive design improves product experience across a broad range of users. Put simply, inclusive design is better design'. This has obvious relevance to all creative communications directed at older people.

12.0 conclusions

This chapter pulls together a few of the more important themes that emerged during the writing of this report. However, the debate is ongoing....to join it, please start by visiting our website, www.rhcadvantage.co.uk.

12.1 The impact of an ageing population

This report makes it clear that the size, income, wealth, expenditure and continued growth of the older population are crucial issues for the public, private and third sectors. For the foreseeable future, an ageing population also means a growing population: there will be more people, and more of these will be older - in both absolute terms, and as a percentage of the population.

This will put pressure on public sector funding, resources and service provision, which in turn will create pressures in terms of Governmental resource allocation and taxation. The current (February 2010) pre-election political debate about issues such as care home funding for the elderly demonstrates just how important the subject of population ageing now is on the political agenda, as Government addresses the cost implications of population ageing, and politicians realise the number of voters involved. The third sector will also find greater demand for its services, as a number of issues such as hearing loss are associated with age: particularly as increased longevity does not yet mean an increased healthy old age. It will be essential for all sectors to review all aspects of marketing and marketing communications strategy to issues associated with address population ageing.

For the private sector, it is clear from this report that there are still opportunities for many businesses and brands to re-align themselves with the changing structure of the UK population. As younger people (below 45) decline in relative size, whilst older people increase in actual and relative size, re-alignment is not just an opportunity – it is a necessity. Older people are no longer a niche, but in many categories are at the heart of a new mainstream.

It is clear that attitudes, wealth and behaviour among many groups of older consumers favour their continued role as active and discerning consumers. There is no evidence that the over-45s will be any more affected by the recent financial downturn than any other age group – in fact, some pundits are currently arguing that most will be less affected. However, there is no doubt that there are financial pressures across all age groups and that pre-retirement and retirement are not ‘golden years’ for many people. Nevertheless, even less prosperous older people are still consumers, with needs and requirements which aggregate to a lot of spending power. The recent accolades given to discount supermarket, Lidl, suggests that it is possible to meet the needs of budget-conscious consumers, at a profit.

Furthermore, people aged 50 are likely to have 40 years or more as active consumers. They don’t want to be singled-out as ‘old’ and neither do they want to buy goods and services apparently targeted at younger people: they don’t aspire to be younger, just the best they can be.

Despite this, and despite many businesses actively targeting older consumers, research continues to find that some older people feel that businesses do not treat them or their needs seriously, sometimes to the extent of alienating and failing them as consumers. This is an issue which needs to be addressed as a simple matter of social inclusion and equality – older people should be able to participate fully in all aspects of society, and to be treated with the same respect as any other consumers. It is also important for a cohesive society that disaffection and exclusion are avoided and that the economy benefits from older people playing their full role as consumers.

12.2 Why some businesses and organisations have not yet addressed the issue of an ageing population

Some businesses and organisations have yet to adapt fully to the challenges and opportunities of an ageing population. The main reason for this in our opinion is that marketing planning in many businesses has not been sufficiently robust to address gradual long-term structural change in the population. It is no coincidence that the businesses leading the way are those which have a reputation for marketing excellence, or in the case of the public sector, those with extensive resources independent of short-term financial pressures and specifically directed at futurology.

The long-term but gradual nature of population ageing often falls outside the parameters of marketing planning, or at least, marketing planning as it is conducted in some businesses and organisations. In some cases, it would not even be seen as within the parameters of marketing at all. Year-on-year there is little significant structural change and there is the risk that organisations may fall victim to the 'tyranny of the served market' (as strategy gurus Hamel and Prahalad call it). This means that they continue to focus on their current customers, without considering the long-term 'opportunity horizon' presented by fundamental change in the population structure.

The comparative youth of those working in marketing and advertising is undoubtedly a contributory factor to this myopia, as discussed in the report. It could be that experience and maturity will become of greater value, particularly for those involved in marketing agencies and consultancies.

12.3 Where are the business opportunities?

For the private sector, there are two main opportunities. The first is immediate: to ensure that their business, marketing mix and communications are correctly aligned with the so-called 'baby boom' generation (born between 1946 and 1964); and the second is to plan longer-term for the continued growth of people aged over 65.

The 'baby boom' generation has represented a business opportunity for some years: many in this group are comparatively wealthy (it has been described as the 'charmed generation') as the result of unprecedented factors such as property values, generous pension schemes and the meritocracy of post-war Britain. Furthermore, many are experienced and enthusiastic consumers, having grown up in an era of relative prosperity, consumerism and consumption. The issues here centre around inclusion rather than targeting: this is a high-spending group which is likely to be excluded from mainstream business and marketing activities, when in fact, they are the mainstream.

As this group ages, they will spend less – and the next generation of 50-65 year olds is likely to be less wealthy overall. However, the numbers of people involved, and the fact that they will have wants, needs and money to spend, means that this will remain an important market, in terms of both size and economic power. This longer-term development will probably require a greater degree of targeting for an older group – the needs and attitudes of which we can only currently guess at.

Probably the biggest single issue relates to long-term financial provision. If people are living longer, and there are more of them, how will this longer period of life - not all of which will be healthy - be funded? This issue pre-occupies Government and the financial services industry – but it clear that many individuals have yet to realise and act upon the implications of increased longevity.

12.4 What should businesses and organisations be doing?

In order to realise these business opportunities, and dependent upon the level of existing knowledge, the starting-point is likely to involve a robust, research-based, planning process. The older population is a large, complex and diverse group which cannot be treated as a single segment with shared attitudes, attributes or behaviours. Primary research and data analysis are likely to be required, linked to a plan for ongoing customer or consumer research. This could well form part of a marketing audit, which would look at both the external environment, including

customer, competitor and market change, and the internal environment, including all customer touchpoints. That's where we come in – rhc advantage, the sponsor of this report, is a marketing agency with the capabilities and experience to help businesses conduct marketing research and planning for older audiences (www.rhcadvantage.co.uk).

The intention of the marketing audit or research process should be to identify where change is needed in any aspect of the organisation and its marketing mix, not just marketing communications. Dependent upon the findings, change should be considered in areas such as brand positioning and identity, customer service, internal communications and training, packaging design, product strategy, service delivery, sales and product literature.

12.5 Marketing and Marketing Communications

Alignment not targeting. An ageing population means that older people should not be regarded simply as a niche or additional segment, to be managed as a single group. The 'older' population is too large, too complex and too diverse to be seen in those terms. As this report shows, age is not a reliable predictor of attitudes or behaviour. The context should be that of the total population - as the population ages, the structure of the mainstream market is also changing. This challenges traditional assumptions of focusing on younger age segments almost to the exclusion of older age groups, as older age groups increase in size and value, and require a more inclusive approach. It also challenges the assumption that older people should be targeted as a segment.

Older people should be treated as central to any mainstream adult consumer target audience. Segmentation should consider a number of variables apart from age, and should be undertaken as part of overall customer segmentation, as it is likely to extend across age groups. The objective should be to re-align marketing and marketing communications planning and activities with the realities of an older overall population structure, not simply to find new and better ways of targeting

older audiences. Another way of looking at this is to suggest that the marketing mix could sometimes be re-positioned against a broader audience across a broader age spectrum. This meets the needs of those otherwise excluded, and in doing so, improves the product/service offering and experience across a broader range of audiences.

Inclusive communications. An inclusive view should be taken of all communications, across all media, to all audiences. The mix of target audience segment, media and creative should be considered carefully. Unless each element exists in a discrete silo, it should be considered in a broader context – that is, the impact of an activity or communication should be thought of in terms of its appeal and inclusivity to all audiences. Hence, creative work need not always be age-specific. Executions directed at young people are unlikely to appeal to older people. Neither will work obviously directed at older people appeal to younger people. A more inclusive approach is likely to be more appropriate, unless the channel or medium is suitably discrete. However, older people are rarely likely to respond positively to creative work which is obviously targeted at older people – unless there is a very good reason for this. Good creative work will appeal across age bands because it is targeted against criteria other than age. As the BT Inclusive Design project says about product design, ‘put simply inclusive design is better design’.

Facts of life. There are very few ‘rules’ which can be applied to any aspect of marketing communications and older people. However, the following two points are worth noting. First - get to the point. Most older people are experienced consumers, who are able to ‘deconstruct’ communications and prefer to make their own decisions based upon information and facts, without unnecessary ‘creativity’. Second, it is a fact that older consumers are likely to have certain sensory issues related to physical and possibly mental impairment, which may affect matters such as font size, colour contrast or hearing. However, this should not mean that all creative work should slavishly follow guidelines, to the detriment of effectiveness.

12.6 The use – and abuse - of marketing research

Some research into older people seems to be published with the sole intention of generating headlines, rather than with providing actionable information and insights. Made-up examples such statements are: ‘76% of people aged over 50 feel alienated from business’ or ‘Backpacking Grannies stealing their children’s inheritance’. When businesses and organisations are faced with this sort of message, they can be forgiven for taking no action, as on it’s own it is of no value whatsoever. To be of any value, it is necessary to know (a) how the data compares with the attitudes of people aged under 50, (b) what the trend is – is this higher or lower than previous years?, and (c) whether variables other than age were also significant. Only then can it be seen whether there is a real issue to be addressed.

It is significant that some important segments will probably hold very different views to those quoted for the total ‘over-50s’ population. For example, our own research amongst ‘baby boomers’ found a group of consumers which – in contradiction to several major research studies – felt that business understood their needs very well and treated them with respect. They were anything but alienated – and this was less to do with their age than with their wealth, occupations and socio-economic status.

Given the dynamic nature of the subject matter, each situation must be evaluated on its own merits, and kept under review. There is no certainty that current 50-60 years olds will act or behave like historic groups of 50-60 years olds, or that their own attitudes and behaviour will be the same in ten years time. Equally, there is no certainty that future 50-60 years olds will be the same as the current cohort.

For the same reason, businesses which have targeted older consumers for many years cannot be complacent. They face changing consumer profiles and attitudes, and increased competition.

appendix 1 selected segmentation models

COI ‘Common Good’

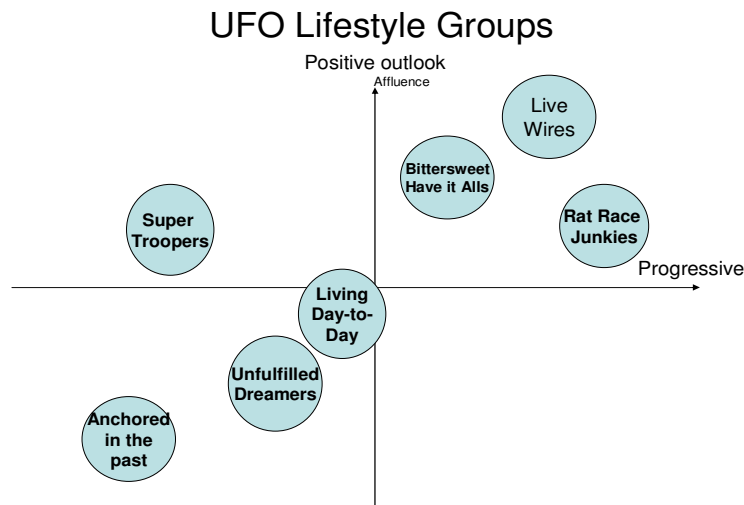
Based on extensive research, six attitudinal groups were defined. The findings stressed the important influence on attitudes of the following: life events (e.g. health or finance); mindset; and the available support network and intermediaries, both formal and informal. It was noted that age is not the key variable.

| COI ‘Common Good’ attitudinal segments | |
|--|---|
| Impervious | In 50s – no actions or experiences relating to ageing, but a ‘lurking awareness’ |
| Optimiser (Blocked) | Health/finance issues make it harder Key issue is whether supported or unsupported |
| Optimiser | Experience of issues and rise to challenges – adjust. Optimistic. Younger old |
| Survivalist | Coping – supported or unsupported – managing but with narrowing horizons Failing – day-to-day support issues – passive, isolated |
| Abdicated | 76+ Health issues, limited horizons, given up on life to some extent, voluntary or involuntary |
| Hidden | Isolated, withdrawn |

OMD / UFO (2004)

The UFO (Understanding Fifties and Over) project was a large-scale project carried out by media agency OMD, supported by Saga, Daily Telegraph and Peugeot. It was based on extensive quantitative and qualitative research. Part of the output was seven lifestyle groups (or segments). It was found that the two attitudinal areas

that most typified differences between groups were positive attitude and progressive outlook.



| UFO Lifestyle Groups | | |
|--------------------------|-----|--|
| Segment name | % | Description |
| Live Wires | 14% | Busy, fulfilling lives. health conscious, financially sound. Enjoy holidays, cars, technology. Understand, enjoy and can decode advertising. |
| Bittersweet Have it Alls | 14% | Financially secure, lots of holidays. Anti-change, read broadsheets. Least influenced by ads. |
| Rat-race junkies | 12% | Still working, may have second family. Financially anxious but won't compromise on large ticket items such as holidays |
| Super Troopers | 14% | Often lost a partner. Watching TV important |
| Living Day-to-Day – 17% | 17% | Low paid, no luxuries. Fashion-conscious, buy well-known brands |
| Unfulfilled dreamers | 15% | Mixed views on advertising. Have loans, receive benefits, don't take many holidays, tabloid readers |
| Anchored in the past | 13% | Risk-adverse, income from pensions/benefits. Little interest in holidays, technology. Watch TV. Little interest in health. 'Given up on life'. Traditional attitudes. Dislocated from advertising. |

Royal Mail 'Life begins at Fifty'

This is claimed to be a 'unique and comprehensive targeting tool', categorised into 21 segments, within three broader groups: Charmed, Comfortable, Poor.

| Royal Mail – 'Life begins at Fifty' (2009) | | |
|---|------------------------|-------------------------|
| | | Number of people |
| Charmed | | |
| 1 | Prosperous pensioners | 709,000 |
| 2 | Elderly comforts | 785,000 |
| 3 | Family fortunes | 1,300,000 |
| 4 | Wealthy empty nesters | 880,000 |
| 5 | Accomplished Families | 901,000 |
| 6 | Self Sufficient solos | 490,000 |
| 7 | Educated Elders | 523,000 |
| Sub-total | | 5,588,000 |
| Comfortable | | |
| 8 | Diligent duos | 355,000 |
| 9 | Thrifty Twosomes | 594,000 |
| 10 | Single minds | 449,000 |
| 11 | Comfortable couples | 571,000 |
| 12 | Family Values | 1,000,000 |
| 13 | Cosy companions | 745,000 |
| 14 | Lone solos | 651,000 |
| Sub-total | | 4,365,000 |
| Poor | | |
| 15 | Penniless pensioners | 800,000 |
| 16 | Pound-stretching pairs | 550,000 |
| 17 | Growing old together | 679,000 |
| 18 | Credit Hungry Families | 1,400,000 |
| 19 | Hard-Up Households | 1,900,000 |
| 20 | Scrimping Singles | 1,100,000 |
| 21 | Struggling Alone | 967,000 |
| Sub-total | | 7,396,000 |
| Total | | 17,349,000 |

Age Concern Segmentation

The following model was prepared by Age Concern Research Services for the Prime Minister's Strategy Unit, working with the DWP. It was based upon the analysis of data from a survey of 2,500 people aged 45+ conducted by BMRB. The output was an adaptation of a segmentation model called 'OLives'.

| OLives segments (Age Concern) | | | |
|--|-------|--|---|
| Ranked in order of income | | | |
| Population – people in the UK aged over-45 | | | |
| | % | Discriminators | Dominant but not unique |
| 1. Sorted Squires | 14.1% | Strong planning Financial security & affluence Healthy, active physically and mentally Diet & exercise Learning AB Private health High income | Retire early Confident, optimistic & achieving Want to belong & contribute Issue = reaction to the unexpected? |
| 2. Pressured Providers | 18.2% | Worried about diet, alcohol, lack of exercise Tend to have debts (children at home) Internal looking – family, few but good friends Not contributors | Younger – 45-59 F/T working Owner occupier Positive view of old age but some financial insecurity Internet usage high May consider equity release later C1 C2 |
| 3. Anxious Activists | 21.6% | Strong on caring for others and giving Stoical – hold back on asking for help Worry-worts | Older women Finances unresolved Don't think of future Fatalistic, pessimistic Contributors, |

| | | | |
|-------------------------------|-------|--|--|
| | | | volunteers Middle income C1, C2 |
| 4. Sheltered Seniors | 17.1% | Fiercely independent Low expectations | Low income, older female, retired, often live alone Poor mobility Reliant and dependent but low expectations and reasonably happy with life No future plans E 70s+ |
| 5. Accepting Aged | 12.3% | Not fiercely independent Very content and accepting | Low income, often live alone, retired Reliant and dependent - but low expectations Happy with lives Not contributors Not active in learning E 70s |
| 6. Unconnected Urban | 16.8% | Often depressed & lonely Often ill health issues Not working Financial insecurity now and future Wary of change in society Feel ignored | Unaware of public services Don't accept personal responsibility eg diet D or E Younger Rented homes, live alone |
| Shared Characteristics | | Live within means Reasonable health (except 6) No role models / icons Family/friend focus – not external | |

The ‘Wise Branding’ segmentation model

The consultancy Wise Branding developed a segmentation model based upon 750 in-home interviews with 50-80 year olds. They reached two main conclusions: (i) that the last thing that serves to define or understand this group is age; (ii) that the over-50s are more complex, more economically diverse, more individual, and less tribal, than younger consumers.

| ‘Wise Branding’ segmentation model | |
|---|-----------------------------------|
| ‘Engaged’ | |
| Satisfied innovators | ‘No worries. What’s new?’ |
| Active achievers | ‘I’m OK Jack’ |
| Zestful explorers | ‘Make the most of it’ |
| Escapist | ‘I don’t want it to happen to me’ |
| ‘Impassive’ | |
| Contented acceptors | ‘Home is my playpen’ |
| Regretful and resigned | ‘Chin up and get on with it’ |
| ‘Isolated’ | |
| Struggling | ‘Life is a struggle’ |
| Bored and depressed | ‘Is life worth living?’ |

TGI (Target Group Index) Lifestyle Groups

TGI is the world’s largest provider of marketing and media surveys, providing information based upon consumer attitudes, lifestyle and behaviour. The TGI GB survey is based upon an annual sample of 24,000 adults.

| TGI Lifestyle Groups | | |
|-----------------------------|-----|--|
| Thrifty Traditionals | 17% | Not well off and budget for every penny, heavy TV viewers, read downmarket tabloids |
| Outgoing Fun Lovers | 20% | Magazine oriented, enjoy travelling, eating out, entertaining, above average viewers of TV |
| Astute | 18% | The ones with most money, read broadsheet |

| | | |
|-----------------------------|-----|---|
| cosmopolitans | | newspapers, specialist and lifestyle magazines. Enjoy foreign holidays and are light TV viewers |
| Apathetic Spenders | 22% | Take on debt through credit cards and do not like foreign holidays. Favour tabloid press. |
| Temperate Xenophobes | 23% | Love the Radio Times, most definitely do not like foreign holidays, heavy TV users. |

Mosaic Geodemographic classification

Geodemographic classifications provide a useful way of segmenting consumers, often highlighting subtle variations between groups. They use a combination of data sources, including geographical, financial and census data, to classify households. These classifications are both informative and actionable for marketing communications, in terms of segmentation, targeting and positioning.

Mosaic (Experian) is the most widely-used geodemographic classification tool. It breaks down the UK into 67 household types in 15 groups. It has recently (June 2009) updated this classification using additional sources, enabling it to provide greater insight into older people. This makes a clear distinction between the more active retirees and those who are less wealthy and have more needs. It also highlighted a shift from traditional seaside retirement areas to inland areas, such as the Cotswolds, amongst the better-off.

| Mosaic Group | As % of UK population |
|------------------------------|------------------------------|
| E – Active Retirement | 3.41% of households |
| E1 - Golden Retirement | 4.34% of people |
| E21 - Bungalow Quietude | |
| E22 - Beachcombers | |
| E23 - Balcony Downsizers | |
| L – Elderly Needs | 4.04% of households |
| L50 - Pensioners in Blocks | 5.96% of people |
| L51 - Sheltered Seniors | |
| L52 - Meals on Wheels | |
| L53 – Low Spending Elders | |

Appendix 2 bibliography

An extensive and diverse selection of source material has been used whilst researching and preparing this report. We've read it so you don't have to! Much of the literature on this subject is from the USA. However, our view is that most of this is too geography, culture and time specific, to be applied to the UK now – that would be too easy! For this reason, almost every source we have used is from the UK and is no more than ten years old.

The sources we have used can be grouped into five main areas.

- **Government data.** For example, population data, which is often almost taken as read in some of the literature. Hence, it was considered particularly important that this report begins with accurate and authoritative source data.
- **Government and voluntary sector documents.** These fall into two main areas: policy documents; and research-based reports. These often provide valuable insights into the broader issues associated with ageing and an ageing population, particularly given the thorough nature of much of the Government funded research.
- **Commercial research.** Research providers such as A.C. Nielsen, Future Foundation, Taylor Nelson Sofres and TGI have produced a number of valuable reports over the past few years. Access to these has been limited by commercial constraints, as little is freely available in the public domain. In addition, a number of businesses, particularly in financial services, have commissioned research from independent research companies, some of which has been available in the public domain.
- **Academic research.** There is a surprisingly small body of academic research into marketing and the over-45s in the UK, although what exists is of great

value. There is a substantial body of peripheral but highly relevant academic work in areas such as medicine, health, social care and of course gerontology.

- **Marketing industry sources.** Some consultancies have undertaken: proprietary research, which we have sought to access where possible. Whilst there are regular articles and opinion pieces in the trade press, these are usually little more than personal opinion.

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Appendix 3 **rhc advantage**

This report was written and produced by rhc advantage, a new marketing communications agency specialising in creative marketing solutions for older audiences.

We believe that the size, growth and economic power of older people mean that they can no longer be considered a niche or a segment. A mainstream audience is now an older audience. We can help you find out more about this market, through information and training seminars; gain insight, via audit and research of your own business; develop more effective solutions through planning and creativity.

rhc advantage brings together the complementary experience and expertise of Mark Beasley, client partner; Richard Collyer, creative partner; and Melanie Haslam, planning partner. Each partner has a 25-year track record of successful client relationships and work, with major brands, business and organisations.

Together, we have the experience, insight and expertise to plan, create and manage successful marketing communications programmes directed at older audiences. Our clients benefit from more efficient and less time-consuming briefing and creative processes, resulting in more effective marketing activity.

We are committed to improving the lives of older people and are members and a partner of the engage business network, run by AGE UK, the charity formed by Age Concern and Help the Aged.

For further information, please visit **www.rhcadvantage.co.uk** or contact Mark Beasley at **01256 704070** or **mark@rhcadvantage.co.uk**