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Marketing focus on the Generation 50plus

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Abstract

The effects and consequences of the demographic development are already longer topics in our society.
Elderly people participate more and more in the market and changing it authoritative.
Tricky marketing experts are creating an new potential audience, the so-called “Best Agers”.

1. Introduction

The demographic distribution in Switzerland is changing. The proportion of older people is growing at the expense of youth. Senior citizens now have the most purchasing power and are willing to spend their money. The focus of marketing of the enterprises must be set mainly on the older section of the population. Who takes them seriously, gaining enormous opportunity for competition.

This work deals with examples and concrete recommendations for the design of a marketing-mix which is focused on the needs of senior citizens.

The subject of this study was some Swiss and German literature, which I have selected and edited.

2. Results and discussion

Assets

The private assets in the world are once again more than in the year of 2007. Switzerland is still by far one of the richest country. This examined the "global wealth report" of the Allianz Group. For the past
year the study diagnosed a respectable growth: the global gross monetary assets climbed in 2010 over 6.2% to a total of 95’300 billion Euros - so to around 115’000 billion Swiss francs.

The previous record high of the year 2007 has been exceeded again for the first time.

Richest country according to this standard is Switzerland: here, the average gross monetary asset per capita is located at 207’393 euro, so approximately 250’000 Swiss francs. The strong Swiss franc helped to fix the position of Switzerland. The special position of the Switzerland can be explained according to the Allianz study by the very strong element of the accumulation in the pension system. (Brandmeir, 2011) There is no doubt that the Swiss population has a lot of money and that they live very long is only in addition.

3. Demographic development

The life expectancy of the population is increasing in the most countries. The life expectancy for the year 2002 by the United Nations on the basis of period mortality tables calculated in Japan, the country with the highest life expectancy, are 85.1 years for women and 77.9 years for men, in Germany at 81.2 years for women and 75.2 years for men, and in Switzerland at 82.3 years for women and 75.9 years for men. (Martin, 2008) Since then, the numbers have rise still.

A different life expectancy of both sexes is already observable from the middle age, and women with 55 % already form a majority in the group of the 65 to 75 year olds. With increasing age, the so-called feminization of age continues to rise. This is evident especially in the high age: for the over 80s the women represent a majority of 67% and the over 90 olds even a majority of 80%. Even when some gender differences are reduced in life expectancy, the fact remains that the older population in the future will be mostly female. (Perrig-Chiello, 2009) The age and the feminization of age is not just a demographic fact, it has economic and social effect on consumer behavior plays a large part.

4. Buying behavior

Men are different from women and today's elderly generation is significantly different from previous generations also. This is exactly what makes life and purchasing behavior exciting. The high income is a decisive factor that the desire to buy of senior citizens is very high. They like to consume, allows oneself something and want to realize themselves.

I will show with the old Jerome McCarthy proposed marketing mix, how the companies can create turnover and growth.

With the marketing mix, marketing strategies or marketing plans implemented in concrete actions. The so-called four "P" are the four classical instruments of the marketing mix: product, price, place, promotion. (Wikipedia, 2012) I put the focus on the individual elements of the relevant demography-resistant marketing tools.

4.1. Product policy

The senior generation is a heterogeneous audience, which has pronounced expectations regarding their needs. In product design, for older consumers easy handling is in the foreground which is linked with their physical and psychological deficits. This, especially the ergonomic features and aspects of security should be observed by commercial enterprises. So, for example, the company for gerontotechnic
developed with their ordering companies comfortable and high-quality products that are tailored especially to the needs of the older target group together.

The packaging plays an important role in their choice, because they contain important messages that motivate older consumers to a purchase or scare them. Packaging should have emotional and functional qualities, as the Pro carton study 60 + said. Under emotional qualities, the seniors understood mainly a good recognition of the product.

About the functional qualities it was for the 50plus important, that the can read information on the product and open the packaging easily and take the products out of the packaging without any problem. In addition, the packaging should be informative, well portioned and available in different sizes.

The implementation of the functional and emotional aspects feel the "Best Agers" as a piece of quality of life. (Fedorow, 2010)

The future elderly people will express their needs and expectations regarding the quality of products and services clearly and directly.

The high entitlement thinking is caused by the fact that with increasing age the priorities of former concern about the children changes to a own principle like "Only the best for me". (Trobisch, 2006) So the "Mum mobile" is exchanged to a "Me mobile " (Scholl, 2007) because luxury car must not remain a dream.

Quality leady the older people often also to exclusive shops, they remain as the most important target group for exalted goods.

Consumer goods companies trying to profile through attractive services at the elderly customers by offering various additional services.

Examples: Services for Melitta and Nespresso coffee machines. Services around Skin care products how at Beiersdorf opened in the spring of 2006 the first Nivea House for wellness, customers can try the variety of products without any obligation.

Through these strategies - smart complete solutions with the target of a sustainable customer-binding - the price as a competitive factor loses importance. Manufacturers, but also commercial enterprises should systematically prove their range of products and services for the chance especially for the older customer groups of the possibility of such added value. The harmonious combination of products and services is likely to offer the greatest potential for growth in the future. (Bovensiepen, 2006"

4.2. Distribution policy

Successful distribution policy through personal contact means for the German Food retailing not necessarily a return to the concept of "aunt Emma", who personally knew each of their clients. However there are increasing voices that are of the opinion, that the "wheel of retailing" is again turning in the direction of local supply and smaller sale areas, because the match with the consumer needs of the older buyers. Also locations in the center of the city are expected to be more attractively than large consumer markets.

The over 50 year olds prefer consultation or service by older employees, because these often have a comparable, long-term experience and are more appreciative and have more patience for the needs of their older customers. The Metro Group reflects this customer already: the elimination of early retirement of older employees ensures that the Metro staff at the German sites is becoming "mature" again. By the staff, not only kindness is expected in this context, also personal commitment and high professional competence as well as a fair and personal advice. (Bovensiepen, 2006"

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At the shop-fitting it is important regardless of large or small areas: potential sources of risk in the market should be avoid to reduce barriers, to give guidance to create a peaceful atmosphere of wellbeing. (Peterz, 2003) This can also ultimately decide on success.

Today we can make a so-called multi channel shopping that means, you buy food not only in the supermarket, you can order it online.

Users have never spend more than in 2010, even 50 % more as in the year 2008. The female internet users and the group of over 55 year olds, the so-called silver surfers, are mainly responsible for this. The least have overtaken even the so for strongest group of the 35 to 54 year olds regard to purchasing power. In the e-commerce, Silver Surfer will provide for continued strong growth in the next few years. It will be the user group with the strongest buying power in Switzerland, as a representative study for Switzerland said. (Rudolph, 2011)

4.3. Pricing policy

For many older customers, the quality of an offer is more important than its price. Because of that the variant of the differentiation strategy is better in the market of the seniors than an aggressive pricing. Despite quality before price however special offers and special prices for articles of daily use are very popular. Seniors have plenty of time to make price comparisons and buy articles of daily use, especially if they are on offer. For higher-value goods price reductions worth less, because the brand is respected. A study of 715 Americans aged 55 and over were interviewed and shows some interesting insights. According to the results of this study for the older consumers the price is becoming more an more important, when the quality and ability is more standardized. Because the risk of a fail buying for standard products is low, than is more focus on the price. If between quality or performance is a big difference, the price plays only a minor role.

Until now is only known little about the effectiveness of senior discounts. According to Meyer-Hentschel senior discounts are appreciate from a part of the older target group, because that's their idea of respect and regard for older people. A specific senior discount according to Hölper makes only sense if it is a special customer loyalty measures. (Rutishauser, 2004)

4.4. Communication policy

The product benefit must be shown in the message, because the elderly generation think more benefit-oriented. Credibility is to ensure in any case. Words such as "comfortable" and "high-quality" have for example the highest attraction for seniors. It remains only if the terms are indeed available for product qualities. Credibility can be reinforced with constant advertising messages, because 50plus consumer like resistance and don't have to do every trend.

Because especially older people are not able to absorb a lot of information at once, only key information should be communicated. These facilitate the understanding and the imprint of the advertising message.

With the help of advertising, a way of life should be communicated and older consumers should identify themselves with it. This should embody social life and integration in society. Appealing humor finds as much support as in other target groups. Paired with a little self-irony, it was possible, for example, to promote Bertolli margarine in a TV spot, where a senior boygroup was so fit whit the help of this, that they brought their older groupies to waving their knickers. (Reinhold, 2007)
5. Conclusion

The Swiss population has changed in the last few decades. The generation 50plus lives longer and has more money than other age groups and this has a strong impact on our society and economy.

The companies see new market opportunities with older consumers. Product design must consider the needs and wants of the older target group. In addition to gerontotechnic handling, there can be also exclusive products.

In the distribution policy, it should be ensured that there is an optimal design of the shopping spaces. Personal contact with staff is very much appreciated. In pricing should be always a view on the fact, that the quality is the most important consumer criteria.

The marketing communication should communicate attitude to life.

References


