**HOW CAN BUSINESS BETTER SERVE OLDER CONSUMERS?**

**Abstract**

The world’s aging population means that tomorrow’s markets will comprise increasing numbers of older people. However, people become more dissimilar as they age, and what works for younger consumers does not necessarily work for older people. Some companies have been slow to target older adults, while others have been criticized for their lack of empathy and insight into their consumer needs. This conceptual paper outlines the importance of the senior market, evaluates some of the age-related changes which impact consumption in later life, and discusses the ways in which businesses can ensure they are better equipped to take advantage of a lucrative and expanding market.

**Introduction**

The UN (2010) describes population aging as the most profound demographic change in history. Globally, life expectancy has increased by almost 20 years over five decades and the profundity of this demographic change impacts economic growth, labor markets, pensions, health care, housing, migration, politics, and of course consumption. Spending patterns across the Western world suggest that older consumers are an increasingly important segment for a range of goods and services (Reuters 2013). Baby Boomers alone have an annual spending power of $3.4 trillion (CBS News 2011). Many businesses have, however, been slow to target older adults (Giegetich 2012), with less than 10% of all advertising spend geared towards them (Nielsen 2012). Nevertheless, it is likely that more will begin to take notice of seniors due to global population aging and spending patterns.

A body of evidence from cognitive psychology, gerontology, and increasingly from consumer behavior suggests that older adults differ from their younger counterparts in many ways. Consequently, marketing techniques that are successful with younger adults may not work when targeting seniors. The purpose of this paper is to outline age-related changes from physiological, psychological, and social perspectives, and explain the ways in which these changes present older adults with consumption challenges. It then outlines the changes needed if businesses are to target seniors effectively.

**Aging & Age-Related Changes**

People age biologically/physiologically, psychologically, and socially. Each ageing dimension presents older adults with consumption challenges.

***Physiological Aging***

Age-related physical challenges provide a myriad of potential difficulties, and even if people are relatively healthy they will begin to experience age-related physiological changes. The main non-illness related changes relate to eyesight, hearing, taste and smell, and anthropological changes.

Presbyopia and other age-related changes in the eye, such as age related macular degeneration, does not result solely in poorer eyesight, but also in a reduced ability to detect contrast, problems distinguishing some colors, and increased sensitivity to glare. All these changes can mean difficulties with information search and ability to read advertising and other marketing communications, navigation of retail and leisure settings, distinguishing between colors for signage and product information, and even reading packaging instructions in order to optimize storage, cooking, or consumption of grocery products.

Presbyacusis is the medical term for hearing loss that occurs in older people as they age. A large number of the people who have some hearing impairment (up to 14% of the US population) are aged 65+. Hearing loss causes difficulties with communication that can make the service exchange particularly challenging. In turn, this can lead to frustration, low self-esteem, withdrawal & social isolation.

Olfactory function declines with age, while chewing problems associated with tooth loss and dentures can also interfere with taste sensations. These changes can result in appetite suppression resulting in weight loss, malnutrition, impaired immunity, and deterioration in medical conditions. Research shows that older people require a twofold to threefold higher concentration of salt to detect it in a product as basic as tomato soup (Boyce & Shone 2006). Of course, the tendency toward higher salt and sugar intake in the elderly diet can aggravate health hazardous conditions, and a decreased quality of life is reported.

Finally, anthropometric and other changes to skeletal muscle present new challenges. Age-related changes in striated muscle are similar to those observed after long-term muscle inactivity, and reduce strength, endurance, agility, flexibility, and balance (Seene & Kaasik 2013). Older muscles need longer periods of rest between activities, and movements show substantial slowing with age, all of which make retail and leisure outlets more difficult to maneuver. Moreover, the average 70 year old has grip strength of 10 year old child (Yoxall et al. 2010), which results in a host of problems with opening product packaging (Sudbury-Riley 2014).

***Psychological Aging***

Psychological ageing presents cognitive declines that have implications for the ways in which older adults learn new things, including learning about goods and services. Evidence from cognitive and affective neuroscience supports the contention that older adults employ different information processing strategies and have different comprehension abilities (Gutchess 2010) in comparison to younger adults. Yet, older adults are often not considered during the design of advertising and other marketing communications, making it increasingly difficult for them to navigate today’s changing and increasingly digital marketplace.

Research also shows that psychological aging also means many people feel much younger than their chronological age, which also has implications for them as consumers. Typically, older adults feel at least 10 years younger than their actual age (Sudbury 2004) and do not like to be singled out on the basis of age. So, for example, products developed solely for use among aging consumers are likely to fail: examples include Affinity Shampoo (‘for older hair’), the Silver Pages, and Heinz Senior Foods.

***Social Aging***

Socially, society is age-graded, and although ageism is illegal it is one of the last forms of prejudice and discrimination that is still openly tolerated (visit any greeting card shop), and can rob older adults of choice, independence, and even dignity (Alfa 2013). Marketing is one of the most ageist business disciplines (EMR 2014), so it is unsurprising that the majority of advertisements are not designed to appeal to older consumers (Nielsen 2012). Consequently, some older adults may feel increasingly alienated from today’s marketplace. Moreover, it has long been recognized (Kuypers and Bengston 1973) that an individual’s sense of self, an ability to mediate between self and society, and orientation to personal mastery are functions of the kind of social labelling and valuing that the individual experiences in ageing. If an individual is treated negatively on the basis of their age, self-identification on the basis of the negative stereotype prevalent in society may become internalized.

**Implications for Business**

If businesses are to successfully target and serve older consumers, a variety of changes need to be made. Internally, ageism among employees needs to be eradicated through training and education. Advertising needs to be better targeted and more research needs to be done to identify what appeals to older audiences. Older adults need to be included in R&D: a well-designed product is better for everyone, not just an older consumer. Anthropometric changes need to be given greater consideration in product design. Food manufacturers must take notice of age-related changes in olfactory sensitivity, and alternatives to sugar, salt and fat (which are demanded by many younger consumers, too) without sacrificing taste must be a priority. All aspects of the service encounter should be reviewed for use by an older person who may have difficulty walking far, standing for too long, or reaching shelves. Lighting, signage, music and other such aspects of the Servicescape should be reviewed for ease of use. Packaging that is easy to open is better for all consumers, yet all too often cost and design considerations take precedent over usability issues. In short, managers and employees need to be educated on the growing importance of older consumers, and their potential impact on the company’s bottom line.

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