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SENIOR TARGETED MARKETING – DETERMINANTS AND PROSPECTS

Introduction

The ageing of society, which can be observed worldwide, is a phenomenon that also occurs on the Polish market. It is considered that among the factors that have a crucial impact on that process are the increase of life expectancy and the decrease of the number of children in families. According to demographic forecasts, the share of people at the age of 65+ in the population structure of Poland will exceed by 20% by 2024 and 33% after 2060¹. The growth of the number of seniors in the population structure constitutes one of the most significant socio-economic problems in many countries. On the other hand, the increasing role of seniors as consumers on the market must be emphasized as they have their own needs and they may be an opportunity for companies that can distinguish their potentials and needs and are able to see them as an attractive target group. Seniors as consumers and the hitherto stereotypical perception of that group as passive participants of market processes are a challenge to marketing. The arguments that marketing specialists have been presenting so far to explain little interest in senior consumers as potential customers on the market are out of date². The growing segment of seniors in terms of their number and purchasing power will require marketing activities that are dedicated to their needs and related to their age.

1. Senior as a consumer

The notion of seniority is multi-dimensional and the boundary between maturity and seniority is conventional. Generally, seniority is defined from the following points of view: biological (determined by health), social (resulting from legal regulations) and demographic

¹ *Prognoza ludności na lata 2014-2050*, GUS, Warszawa 2014, <http://stat.gov.pl/obszary-tematyczne/ludnosc/prognoza-ludnosci/prognoza-ludnosci-na-lata-2014-2050-opracowana-2014-r-,1,5.html>, pp.21-22 [Accessed: 10.05.2015]

² According to M. Bombol and T. Słaby, among the reasons why marketing specialists in senior consumer segment consider that group unattractive are the conviction about their low income, low susceptibility to advertising, the aversion to market novelties and conservative attitude to consumptionism. Other reasons were related to the „cult of youth” and the reluctance of companies to apply the image of the old. [see: M. Bombol, T. Słaby, *Konsument 55+ wyzwaniem dla rynku*, Oficyna Wydawnicza SGH w Warszawie, Warszawa 2011]

(defined by the number of years of life)³. The seniority is assumed to start at the age of 60 (both for men and women). However, due to the increase of life expectancy, three stages of seniority can be distinguished: early seniority (60-74), late seniority (75-89) and longevity (90+)⁴

Contrary to common opinion, seniors are not a homogenous group. However, several factors can be distinguished that affect the market behavior of that consumer group. One of the crucial factors is their permanent income. According to investigations, seniors are not the poorest social group. The figures in the GUS (Central Statistical Office of Poland) for 2013 indicate that the disposable income of senior households was 3.3% higher than the disposable income in all other households in Poland.⁵ The income from work that is gained by senior consumers who are professionally active as well as their old age pensions are the resources that are usually spent by the consumers from that group on their own needs. Moreover, the subsequent generations of seniors who enter the market have larger means than their peers several years before. Time is the second factor that substantially influences the behavior of senior consumers on the market. The ones who are not occupationally active and have no responsibilities as regards the upbringing of children (as they are usually independent) dispose of time that can be devoted to a thorough analysis of the offer on the market. The third important factor that has an impact on senior consumer market behavior is their professional and life experience, which affects their particular expectations and requirements as regards products and services. Moreover, some other factors such as health or the availability and knowledge of new technologies influence the market behavior of senior consumers.

A substantial differentiation in the group of senior consumer results in the difficulty to define that group in a precise way. However, it is possible to point at some common denominators that distinguish seniors from other consumer groups on the market. Senior consumers⁶:

- are demanding,
- are rational and have a conscious attitude to shopping,
- need more time to make their purchase decisions,

³ Cf.. M. Bombol, T. Słaby, *Konsument 55+ wyzwaniem dla rynku*, op. cit.

⁴ More on the subject: M. Bombol, T. Słaby, *Konsument 55+ wyzwaniem dla rynku*, op. cit.; T. Olejniczak, *Przemiany segmentu konsumentów seniorów w Polsce*, „Marketing i Rynek” (CD) 2015, No 2

⁵ *Budżety gospodarstw domowych w 2013 roku*, GUS, Warszawa 2014, <http://stat.gov.pl/obszary-tematyczne/warunki-zycia/dochody-wydatki-i-warunki-zycia-ludnosci/badanie-budzetu-czasu-ludnosci-w-2013-r-,18,1.html> [Accessed: 10.05.2015]

⁶ See: M. Mazurkiewicz, *Marketing doświadczeń i 50+*, „Marketing w praktyce” 2015, No 1; A. Rogala, Ł. Fojutowski, *Decyzje zakupowe osób starszych – kryteria wyboru i czynniki wpływu*, „Marketing i Rynek” 2014, No 4; M. Bombol, T. Słaby, *Konsument 55+ wyzwaniem dla rynku*, op. cit.

- prefer concrete information about products,
- seek the fullest possible information that will help them make a rational choice,
- pay attention to product practicality,
- are individualistic (they are less vulnerable to the pressure of the peers) ,
- are committed emotionally and are loyal to brands; however they are also interested in novelties,
- tend to trust the companies that have good reputation and are socially committed.

The knowledge of factors that influence the market behavior of seniors as well as the distinction of the typical qualities of seniors as consumers are indispensable in the determination of successful strategies and market instruments that are targeted to senior market.

2. Senior targeted marketing

Despite the fact that senior consumers are a numerous and internally diversified group on the market, companies still look at them in a stereotypical way, which is reflected by both the offer and the marketing communication that is directed to them. A senior that is classified as a traditional consumer is passive, cautious, thrifty, rather undemanding and eager to take advantage of promotions. Moreover, in the purchase decision making a low price of the market offer plays a key role. Investigations indicate that senior traditionalists most frequently belong to the eldest age group, accept their position and abandon any activities⁷. From the point of view of companies, they are little attractive or even unprofitable as a consumer group.

The economic, social and cultural changes that occur on the market and entering into seniority of a generation that wants to be active, that feels young and wants to be seen as younger than it is in reality, make companies change their attitude to seniors consumers. New senior consumers expect business to understand their needs, expectations and values and they demand individual approach. Contrary to traditional seniors, new seniors want to be distinguished; they do not save money excessively and happen to do impulsive shopping. What is more, they are not only interested in new technologies but also often apply them in an active way. New seniors are frequently vocationally active and, as they are not burdened by expenses and responsibilities related to children upbringing, they are concentrated on themselves, their dreams and passions. As a result they look on the market for products and

⁷ Por. M. Bombol, T. Słaby, *Konsument 55+ wyzwaniem dla rynku*, op. cit.; A. Nalazek, *Kto się nie chce starzeć*, „Marketing w praktyce” 2011, No 3.

services that match their new needs. As consumers, new seniors are conscious market participants who are aware of and understand market mechanisms as well as marketing operations applied by business. Moreover, they feel young and do not agree to being patronized; they do not accept stereotypes about them and do not want to be treated as helpless and passive.⁸

As consumers, seniors are a very diversified and dynamically changing group as regards the needs, expectations and market behavior. Thus, directing to that segment an offer that is not differentiated and the application of stereotype-based marketing communication testify to the lack of recognition of the potentials of seniors as the target group. Marketing specialists are facing new challenges resulting from the increased time of professional activity and the consequent later retirement, the growing knowledge and application of the Internet and other new technologies as well as the gradually disappearing differences between generations. Senior-targeted marketing should focus on the specific needs of seniors and must take into consideration the fact that senior consumers are demanding, they rely more on their own opinions rather than on the views of other people, they still feel young and want to be seen that way. When developing a product and service offer to seniors, it is crucial to consider their life and professional situation as well as the age-related expectations. Thus, it is indispensable to conduct research that would enable a more precise description of senior consumers and the adjustment of marketing operations to particular segments.⁹

3. Analysis of survey results

The gradual increase of the number of seniors on the market and the growth of their purchasing power constitute a significant challenge to contemporary marketing. However, seniors as consumers are often ignored in marketing and treated stereotypically by many companies. Senior-targeted marketing is a concept that may become a promising trend of action for contemporary business but it requires a change in the way of thinking about senior consumers.

A survey was conducted among a group of 140 respondents which regarded senior

⁸ Cf. M. Bombol, T. Słaby, *Konsument 55+ wyzwaniem dla rynku*, op. cit.; A. Nalazek, *Kto się nie chce starzeć*, op. cit.

⁹ Szerzej na temat konsekwencji marketingowych wynikających z cech charakterystycznych dla segmentu seniorów w artykule I. Bondos, *Dlaczego seniorzy stanowią wyzwanie dla marketingu?*, „Marketing i Rynek” 2013, No 3

consumers and senior-targeted marketing and whose aim was to gain knowledge on the opinion of consumers who do not belong to the group of seniors yet, but in the future will have a significant impact on marketing in this market segment (i.e. the students of marketing).

The survey form included 10 questions on the qualities of senior consumers, the opinions on the attractiveness of seniors as the target group of marketing, the ideas of senior-targeted marketing, etc.

The survey covered 83 women (59%) and 57 men (41%). Respondents aged 20-30 years constituted the most numerous group (76.5% - 107 people). The next numerous group included respondents in the age range 31-40 years (13% - 18 people). There was an insignificant number of respondents aged 41-51 years (6.5% - 9 people) and below 20 or 50+ (4% - 6 people).

The majority of respondents (71%) declared that they were not familiar with the term of *senior consumer*, however half of them stated that the term referred to people aged 60+. Every fourth respondent (26%) expressed the opinion that the term referred to people aged 50+.

The respondents were also asked to point at qualities ((out of a list of 13) that according to them described senior consumers best. According to the respondents a senior consumer is thrifty (78%), loyal to brand (49%), vulnerable to influences (44%) and practical (38%). Such qualities were assigned to senior consumers both by male and female participants. Additionally, female respondents described seniors as indecisive, while every third male respondent considered them rational (Table 1)

Table 1. Replies to the question: *What qualities characterize seniors as consumers best?*

Qualities	Female respondents		Male respondents	
	Replies (%)	Number of replies	Replies (%)	Number of replies
Rational	29	24	31	18
Patient	26,5	22	24,5	14
Loyal to brand	47	39	51	29
Demanding	29	24	17,5	10
Decisive	10	8	17,5	10
Practical	37	31	38	22
Thrifty	79,5	66	75	43
Sensible	31	26	37	21
Impulsive	6	5	14	8
Vulnerable to influence	41	34	47	27
Emotional	12	10	14	8
Spontaneous	5	4	3,5	2
Indecisive	34	28	19	11

Source: Author's research

59% of respondents considered seniors an attractive consumer group from a marketing point of view. However, the choice was justified mainly by the conviction that senior consumers are vulnerable to manipulation and can be influenced by other people and suggestions included in advertising. Few respondents expressed the opinion that senior-targeted marketing is worthwhile as seniors are a growing group (the ageing of society), have a substantial amount of free time that can be devoted to getting acquainted with the offer and have sufficient financial means to meet their own needs. On the other hand, the arguments against considering that group attractive to marketing included a dominating opinion that seniors are faithful to their habits and it is difficult to persuade them to make a change, that they do not follow current trends and have insignificant needs and limited financial resources.

Three quarters of respondents (75%) declared they noticed senior-targeted marketing on the market, mainly on TV(74%) and in press (47%). Every third respondent noticed that kind of marketing on the radio and points of sale (36% and 31%, respectively). According to them, senior-targeted marketing covered such products and services as pharmaceuticals (62%) and insurance services (52%). Moreover, female respondents pointed to banking and financial services, while male respondents indicated food (table 20

Table 2. Replies to the question: What groups of products and services - in your opinion - are covered by senior-targeted marketing ?

Products and services	Female respondents		Male respondents	
	Replies (%)	Number of replies	Replies (%)	Number of replies
Clothes	7	6	10	6
Food	29	24	40	23
Cosmetics	23	19	31	18
Insurance services	51	42	54	31
Banking and financial services	37	31	35	20
Cars	1	1	3,5	2
Electronics/computer hardware	6	5	7	4
Pharmaceuticals	53	44	75	43
Tourist services	14	12	19	11
Other	4	3	2	1

Source: Author's research

The respondents were asked to express their views on senior-targeted marketing. Half of them (51%) defined that kind of marketing as an important instrument for many companies. However, only every fifth respondent could see future potentials in senior-targeted marketing and considered it an ineffective instrument of customer acquisition (24% and 23%, respectively) – table 3.

Table 3. Replies to: In your opinion senior-targeted marketing -

Views on senior-targeted marketing	Replies	
	%	number
is an important instrument for many companies	51	72
has future potentials	24	33
is economically infeasible for companies	8	12
is an ineffective instrument of customer acquisition	23	32

Source: Author's research

Conclusion

Due to the ageing of society, the significance of senior citizens on the market is increasing and as consumers they can become an important target group for many companies. However, effective marketing requires a new approach to senior consumers, who do not constitute a homogenous group. According to the research presented above, seniors - although considered an attractive target group for marketing – are stereotyped as poor, passive and helpless consumers who can be easily manipulated. That unfavorable image may result in the marginalization of the consumers of a wide range of products and services. Senior-targeted marketing requires from business a skilful development of the offer and marketing communication that should take into consideration the diversification of that segment and the dynamic changes that occur in the area of senior consumer expectations and behavior.

Bibliography

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Abstract

Due to the increased ageing of society, senior consumers are becoming an important market group that is internally diversified both as regards the needs and requirements and

market behavior and which requires the development of effective marketing. Senior- targeted marketing that is not based on common stereotypes but on the results of investigations that enable the determination of the features, needs and expectations of seniors, may constitute an opportunity for many companies to acquire loyal customers.

The article characterizes seniors as consumer and presents the issues of senior targeted marketing. It includes the results of surveys that aimed at finding the opinions about senior consumers and senior targeted marketing.