

Grey Power: Older Workers as Older Customers

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The Silver Market Phenomenon: Business Opportunities
and Responsibilities in the Ageing Society

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Grey Market Potential

- Demographic ageing challenges firms to respond with relevant products & services
- But too many firms are not responding or adopting stereotypes of older customers
- We urge considering older workers as older customers in context
 - » Profiling older individuals – individual level
 - » Shifting grey household composition – domestic level
 - » Intergenerational implications – societal level

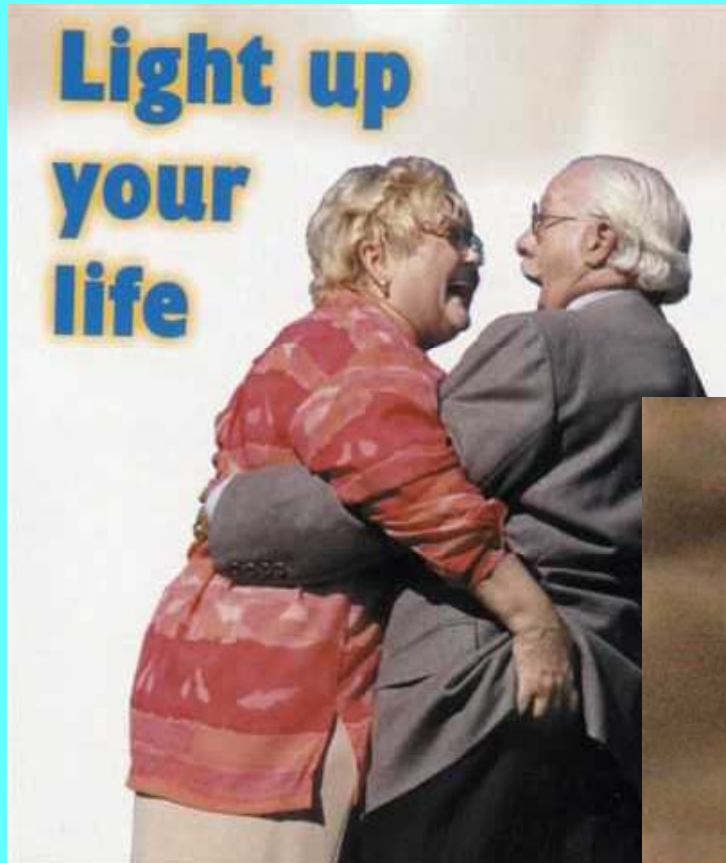
Grey Power

“They’re discerning, widely read, widely travelled & used to jetting off for long weekends - they’re pretty cool customers”

Director of a retirement community (Sunday Times 15.06.08)

- A study of centenarians in a nursing home chain found that 27% liked to watch MTV music channel, 15% played video games & 4% knew how to use an iPod.
(Sunday Times 17.06.07)
- In 2008, a 91 year old became the oldest person to be awarded PhD by Cambridge University (Sunday Times, 20.07.08)
- In the US, people over 50 account for nearly 50% market share for housing, food, transportation & health but the majority of firms market to younger people (Pak & Kambil, 2006)

Stereotypes of Older People



Older people are diverse? Different Lifestyles & Beliefs?

It's Only Rock'n Roll

No. 47

May 2003



Upwardly mobile Japanese peak in old age



The Older Customer Wealth/Health Segmentation Matrix

		STATE OF HEALTH	
		POOR HEALTH	GOOD HEALTH
STATE OF WEALTH	FINANCIALLY SECURE	The Assisted Old	The Discerning Old
	FINANCIALLY INSECURE	The Dependent Old	The Grafting Old

(Tempest, Barnatt & Coupland 2008)

Realising Older Customer Opportunities

- “By the time we reach our fifties two-thirds of us have vision, hearing or dexterity impairments” (Microsoft, 2008). Microsoft on-line ‘guide for aging computer users’ offers suggestions on how to adjust the computer making it easier to use
- Ford’s ‘Third Age Suit’ – a product development tool to help younger designers develop cars for people with mobility, visual & strength issues. Applied to hospital design for older people
- Retirement homes that enable independence but later can layer in services & care if required (Sunday Times, 15.06.08)
- Robotic suit developed in Japan increases wearer’s leg strength by 80%. Enable older people to pursue activities ruled out previously. Prospect of “geriatric gliding, wrinkly wakeboarding” (The Business 5.05.07)
- Saga experienced a tenfold increase in trekking trips to Nepal in the past 13 years. (The Times, 15.09.07)

The Future Household: Older customers in domestic context

- Pensioners with pensioners
- Pensioners in isolation
- Pensioners with parents
- Pensioners with teenagers/students

Who is the product/service designed for & who is making the spending decision?

- Products & services to overcome isolation
- The myth of the older person free of family commitments with endless leisure time
- How to respond to multiple generational usage of products?
- The role of 'universal/inclusive' design

Responding to Future Households

- Domestic appliances such as cookers, washing machines & hoovers that are safer to access & easier to use - more stable, higher for loading or lighter to lift
- Social networking & affinity web sites & groups
- Tefal 'Quick Cup' kettle heats water for single mug in 3 seconds
- 'Lifetime Homes' - new homes with design features that will meet the needs of most households
- Saga recognise domestic context by offering 100 'free' holidays a year to people over 50 in a caring role: caring for a disabled child, a partner or an elderly relative (Sunday Times 15.06.08)
- Age Concern offers travel insurance for older people - children under 18 in the family can go free (domestic context); life cover that extends to those aged 85 (intergenerational context).

The Intergenerational Agenda: Older customers in societal context

- Intergenerational exchanges are crucial to the viability of grey strategies & products.
 - E.g. in many Western nations a generation of ‘savers’ has enabled a generation of ‘spenders’ who risk a legacy of a generation of ‘debtors’ as their successors. Business plans based on the ‘spender generation’ of boomers may be fundamentally flawed as the ‘debtors’ mature
- Intergenerational issues are culturally relative. Firms need to consider the specific intergenerational dynamics in their geographic markets. Ageing in emerging economies?
- The role of governments, charities, & firms in ensuring sustainable intergenerational dynamics via appropriate tax & pension regimes & sustainable business models

Ageing & Product Development

- Could existing products be more accessible to older people?
- What are you doing to meet the needs of older people for relevant products & services? The role of older workers as older customers.
- Are you excluding potential older customers by assumptions about them as individuals, their household composition or their intergenerational context?
- Better information to support purchasing decisions & demonstrate value, usability & sustainability of products

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