

Lessons Learned and the Challenges and Opportunities Ahead

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Concerning ageing, we are talking too much about technology and not about innovation. But what counts is not what is technically possible. What counts is what people want.

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After two prefaces, one introduction, 33 full chapters and one afterword to come after this concluding chapter, we would like to keep this chapter short and concise. Nevertheless, we don't want to fail to mention that, despite this vast amount of valuable information, insights and analyses, there still remain many questions unanswered and a great deal of work to be done. But, as we explained in the Introduction, we did not – and could not – aim for completeness but rather for variety and to highlight the differences between distinct industries and countries. Thus, we could only present a first fraction of the global silver market phenomena and some of the industries working on ways of catering for the needs of elderly people. The need for further research, as well as practice, is obvious.

Lessons Learned

The lessons learned are of course legion. We won't repeat all the lessons learned from each individual chapter here and it would be somewhat unfair to stress only the lessons learned from some chapters. But one of the most crucial insights is without doubt the fact that the silver market is by no means a homogenous market segment in that the so-called 50-plus market covers a wide range of different customers and consumers with an equally wide range of values, attitudes, needs and wants. Thus, the silver market actually consists of various different silver markets. In a similar vein, we should not forget that marketing has, for a long time, already gone beyond the simplistic segmentation by age and that, despite the tremendous business potential of the 50-plus, we should resist the temptation of merely looking at a person's age.

The second crucial insight is that the silver market is not necessarily restricted to the silver generation only. Or, put differently, who is silver is not determined by age (alone) and that younger consumers can also have silver hair, so to speak. This of course refers to the powerful concepts of universal and transgenerational design. Managers and scholars alike should bear in mind that the best products, services and solutions are often those that can be attractive to a variety of customers regardless of their age and that they can also be used or consumed regardless of age and physical or mental condition. Beware of ageism, think transgenerationally!

Challenges Ahead

Of course, the challenges ahead are numerous. Ever more countries are affected by demographic change. Think about China, for example. The population structure continuously shifts from young to old due to the effects of the one-child policy for example. Even currently very young countries such as Vietnam and Thailand are also aging, even though the population is not going to shrink over the next decades. However, despite the importance and the vast implications of population aging and shrinking in many nations, we should not forget that population growth still remains a major challenge in many developing countries. Lord Adair Turner of Ecchinswell, Former Chairman of the UK Pensions Commission, for example argues that:

... across the world the biggest demographic challenge is rapid population growth in parts of the developing world, not the manageable problems of aging in rich developed countries.
[3]

Even though this issue goes beyond the scope of this book, this fact should not be forgotten when discussing demographic change.

Another crucial challenge derives from a combination of the financial situation and the health condition of senior people. Especially with the, mostly affluent, baby boomer generation that is approaching age 60 and beyond in many countries, the focus of most silver market strategies are the “rich and young-at-heart” elderly, while the “poor and weak-of-limb” elderly are often neglected. True, there are ever-more helpful gerontechnologies and assistive and supportive devices etc. available, but these are often costly. What happens to those who cannot afford to pay by themselves and are at the same time not sufficiently covered by social and welfare systems? We believe that there might be a new silver market phenomenon on the horizon, which will even be more challenging to governments, policy makers and corporations. The number of those elderly people whose financial and health situation is not favourable might strongly increase over the next decades. Prahalad [2] has written a book “The Fortune at the Bottom of the Pyramid”, where he refers to those consumers at the bottom of the income and wealth pyramid, especially those in developing countries. Kohlbacher and Hang [1] were the first to apply this idea to the silver market, where those in need will be those at the top of the population pyramid (while being at the bottom of the income and wealth pyramid). They warn:

Firms should be careful not to exclude those customers at the bottom of the innovation pyramid, not only because – as is the case with many baby boomers – the fortune at the bottom of this pyramid is enormous, but also because of corporate social responsibility, as they can benefit both individuals and societies with “gerontechnologies” and related products and services. [1]

Bringing the issue of (corporate) social responsibility and social innovation to the discussion of the silver market, or bringing the silver market phenomenon onto the agenda of the CSR and social business debate, will be an important development for both areas.

Opportunities Ahead

Finally, the opportunities ahead will not be less than the challenges. The baby boomers will continue to age and retire and so will their children in the future. The silver market phenomenon will not only be an opportunity for business but also an opportunity for innovation and invention, creativity, learning, and social response and responsibility. The lead market Japan could certainly serve as an interesting role model, as can other countries such as the USA, Germany and the Scandinavian nations, but also India and China.

We strongly hope that this book has contributed to this opportunity for business, innovation and invention, creativity, learning, and social response and responsibility. We also hope that it will be a helpful tool in making sense of the silver market phenomenon and that it will encourage an active and creative debate as well as real action in tackling the challenges and opportunities of demographic change.

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