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| *Content type* | **Publications** | |
| *Date* | 1 December 2010 | |
| *Title* | **The Golden Economy – The Consumer Marketplace in an Ageing Society** | |
| *Excerpt* | This new research, by David Sinclair of ILC-UK, for Age UK, considers the market potential of the older consumer and highlights how companies can make more of this population | |
| *Body* | *"An excellent report"* *David Willetts MP, Minister of State for Universities and Science*  *"It is a sound research project that gives an excellent view of the dynamics of the older market."* *Dick Stroud, 20plus30*  *"This is an exceptional report. It's the best thought through piece on this subject that I've seen and - if it gets in the right hands - it will move the debate forward significantly and do a lot of good."* *Tony Watts, Editor, Mature Times*  *The consumer market is important to older people, providing (and influencing) the food we eat and the medications we take. The private sector help us fill our leisure time and support our learning and personal development.*  *At the same time. older people are important to the market and the economy. Older people’s spending reached an estimated £97 billion in 2008 (65 plus)‚ around 15 per cent of the overall household expenditure. Those aged 50 or over spent £276 billion in 2008‚ making up around 44 per cent of the total family spending in the UK.*  *Yet despite the size of the market, this report finds that for many, the private sector does not meet their needs. This is not just a story of poverty or a lack of income to buy products, but of a consumer marketplace which frequently fails to meet the needs of an ageing population. People of all income levels are consumers. For the poorest consumer, they often find that they pay more and get less back in return.*  *Some older people are well served by the market. And in some cases older people get fantastic service from the private sector. Yet there are significant issues facing the older consumer. Many of the issues highlighted below have been documented in literature as far back as the 1960s. Some of the failings outlined in this report are indicative of market failure.*  *Summary of Findings*  *Introduction* *• The older consumer market is expected to grow by 81 per cent from 2005 to 2030 while the 18-59 year old market will only increase 7 per cent.* *• There remains a strong view that across a wide range of industries, the older consumer continues to be ignored or patronised.* *• There are signs of change and increasing interest in the older consumer. But it is surprising that progress has been so slow. Research as far back as 50 years ago has highlighted the potential of the older consumer.*  *Who are the older consumers?* *• There is no such thing as a single older consumer market and there are significant weaknesses of using age to segment the consumer market.* *• It appears that our spending habits change as we age. But research suggests that age may be a less relevant factor (than income) in spending habits than it appears.* *• An ageing society is likely to change the demand for certain goods and services and create new opportunities.* *• Older people don’t just buy products for themselves. They shop for their children and grandchildren.* *• Changes to physical and mental health are likely to have an impact on the demand for certain goods and services.*  *The Consumer experience* *• Products and services can be made more attractive to the older consumer by the simple use of inclusive design principals.* *• There are significant research gaps in relation to the older consumer.* *• Six in ten over 65s have never used the internet. The digital divide creates a major barrier for older people in the consumer marketplace.* *• Upper age limits mean that some products and services are inaccessible to the older population.* *• The design of the retail environment can be off-putting to the older consumer.* *• Incomprehensible jargon and modern phraseology can make the consumer marketplace complicated for people of all ages.* *• ‘Ghost town Britain’ has a major impact on older people’s ability to engage with the consumer marketplace.* *• A lack of transport alongside poor mobility is one of the biggest barriers to older people’s participation in the consumer market.* *• Older people value ‘a little bit of help’. Some companies are very good at providing this support but it is often badly promoted.* *• Older people are more likely to use cheques than other age groups.. As a result the poor often find themselves paying more.* *• Fraud and mis-selling is a major issue of concern for the older consumer.*  *Marketing to the older consumer*  *• Ageism undoubtedly influences the consumer market and the way in which some marketing professionals target an older population.* *• Older people (particularly women) are underrepresented in television advertisements but there is limited evidence that older people are badly represented. There is, however, evidence that older people seem to perceive that they are badly represented.* *• The ‘young marketer’, with limited understanding of the older population, is often blamed for some of industries failings in terms of marketing to older people. However, whilst there is a strong case for more older marketers, this is an unfair criticism.*  *A need for a more demanding older consumer*  *• Older people are far too often, not demanding goods and services to meet their current needs. Older consumers have been found to be less likely to complain about products and services than the consumer population as a whole.* | |
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