

Senior Consumers: Understanding key trends driving consumer behaviors

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Abstracts

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SUMMARY

Much has been made of young generations such as millennials setting new consumer trends and how companies should respond, but in reality, there are perhaps better opportunities available to target older generations than younger ones. Consumers over the age of 55 at present have been shown to be more tech savvy than ever, more online and increasingly looking for leisure and entertainment opportunities.

When these factors are combined with the fact that they are more likely to own property than any other group, have more liquid capital than any other and are increasingly less likely to save inheritance for younger generations. There are opportunities arising in a number of product areas, including technology, property and housing, marketing, financial products and holidays and leisure. Many companies have yet to realize that they actually have an ideal product for senior consumers already but are failing to maximize the opportunity due to not properly targeting this consumer group.

KEY HIGHLIGHTS

Partly as a result of lucrative pensions, house prices, low retirement ages and squeezed incomes for working age people, the 'gray dollar' has come to dominate the travel and tourism market across much of the developed world. Yet the influence of the gray dollar may eventually wane due to shifting demographics. For the meantime, the share of money spent on holiday and leisure by senior consumers exceeds that of any sub-group of working age

people. Various factors can be held responsible. With companies such as Saga prospering due to success in courting older consumers, companies must now cater for that part of the demographic to prosper.

Dubbed the 'gray dollar', seniors in society have long been known to possess extensive spending power - more per capita than younger generations have on tap - yet much of the consumer society focuses upon the desires of millennials and the emerging 'generation z'. Many businesses have so far proven themselves to be largely insouciant towards the commercial opportunities available through appealing to the over-65-year-old age group. Several reasons can be cited to explain this trend - the relative slipperiness of seniors due to divergent sub-groups being one. Now, however, there are signs of change. Major brands are increasingly marketing products towards retirees, adjusting store design and tailoring products to their needs.

The last few decades have seen phenomenal rises in real estate prices, as much as 18% over the last ten years in the UK, and the age groups that have most gained from this process are those which are already on the property ladder. Older generations have been able to accumulate significant new wealth as a result. This has allowed older generations much more spending power in many ways, through releasing home equity and downsizing to produce some significant gains in capital. Coupled with this, seniors are active in the second property and holiday home industries, many having significantly more buying power than many younger buyers. This trend is actually strengthening and older buyers control more of the global property market than ever before and younger generations are buying much less.

SCOPE

Examine just why senior consumers are such a valuable customer group

See the progress made by some companies in targeting this demographic

Explore the opportunities available and how the group is changing in nature

See what the risks are to this group and how their lifestyle might be effected

REASONS TO BUY

Why has this generation got so much spending power over the millennial generation?

How can they be better targeted with products and advertising campaigns?

What products really suit the senior age group?

What holiday, property, technology and retirement products does this group favour?

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Grey dollar controls holiday and leisure markets, but it may not dominate forever

Businesses have yet to appeal to the 'grey dollar' - times may be about to change

Property & assets are increasingly owned by older generations

Retirement Plans: Looking for leisure in old age and managing finances

Seniors are far more tech literate and want tech solutions

Grey dollar controls holiday and leisure markets, but it may not dominate forever

Seniors are the most valuable customer group, far exceeding their numerical size

Government regulatory changes are helping to boost the power of the grey dollar in vacations

'Grey dollar' is becoming harder to win due to immediate economic circumstances

Rising number of seniors across the world is driving expansion of international travel and tourism market

Older consumers in the United States have particularly high influence upon vacation market

Whilst the 'grey dollar' is courted now, that may change with time

Businesses have yet to appeal to the 'grey dollar' - times may be about to change

Major retail brands are increasingly appealing to older consumers, but doing so is not without challenge

Appealing to desires of senior consumers, rather than age, will unlock spending potential

Focusing upon age does not help companies access the 'grey dollar'

Marketing to seniors needs to be matched in product development and the retail environment

Property & assets are increasingly owned by older generations

In the UK in particular, seniors own a great deal of property

Equity release industry is becoming big business

Second properties are becoming increasingly common with older generations

As many nations age, it is wise to focus property construction on seniors

Senior property market is developing but much more can be done

Retirement Plans: preparing for old age and managing finances

Dementia has no cure and is absorbing social care budgets

Implementing solutions to pensions crises is tough but necessary

Innovative pension products are beginning to form that could help senior consumers be more affluent

The Pension Dashboard scheme could help to keep senior consumers more knowledgeable and affluent

Many pension companies are trying to put their products in better software forms

Robo advice could be a solution to avoid large fees from a financial advisor

Seniors are far more tech literate and want tech solutions

Communication technology designed for over 65-year olds is a growth industry

Many of the latest devices are perfect for seniors, but not marketed as such

There are more apps for older consumers than ever before

New alert technology allows elderly people to stay at home, keeping many out of care systems

Internet of things is changing how care is delivered to an aging population

Remotely taking doctors into homes: technology streamlines treatment of elderly patients

Mobility presents growing business opportunities for innovation

Some companies are beginning to recognize the opportunities

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Millennial Consumers: Understanding key trends driving consumer behaviors, (2018)

MarketLine Theme Report

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About

In this report our analysts have been examining seniors as a consumer group. Whilst younger generations of consumers such as millennials are targeted strongly by the biggest brands, many have forgotten older consumers in the process.

Why has this generation got so much spending power over the millennial generation?

How can they be better targeted with products and advertising campaigns?

What products really suit the senior age group?

What holiday, property, technology and retirement products does this group favour?

MarketLine analyst, Christopher Bertenshaw, comments:

"Our research suggests, that as a portion of the global population, over 65s have substantially more liquid and fixed assets than any other age group and significantly more leisure time than any other age group making them the perfect customer for many businesses."

Overall, as a group of consumers they should be much more attractive to companies than they currently are, particularly as seniors are much more online and tech savvy too. This report looks at five key areas where companies could be better targeting senior consumers including: Marketing, Holiday and Leisure, Property, Technology and Retirement.

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