

4.1 Dowgate Hill House
14-16 Dowgate Hill
London
EC4R 2SU

T: +44 (0) 207 332 2306
E: info@owlms.com
www.owlmarketingsolutions.com



The “new” old – engaging the older consumer

A presentation to the MIPAA, March 2011

Dick Lumsden



Introduction

- What is the “older market” and why should we be bothered about it?
- Some facts and figures
- Understanding the older consumer
- Some do's and don'ts

4.1 Dowgate Hill House
14-16 Dowgate Hill
London
EC4R 2SU

T: +44 (0) 207 332 2306
E: info@owlms.com
www.owlmarketingsolutions.com



What is the older market and why should we be bothered about it?



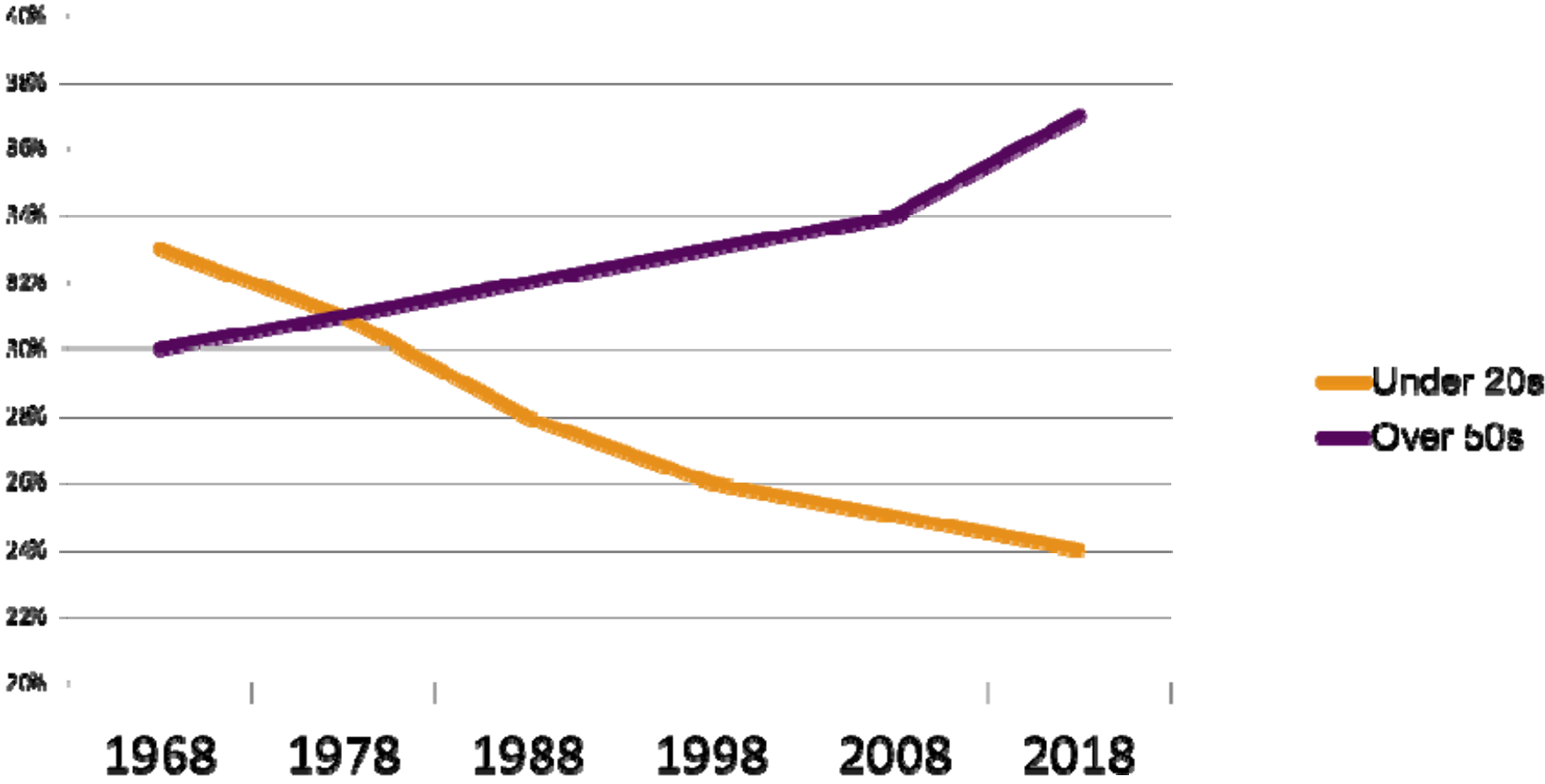
The older market

- The world's worst label – ***Baby Boomers***
- Re-population after WW2 1946-64 recorded much higher levels of births
- Population bulge put pressure on the schools in 50s and 60s. They filled the universities in the 60s and 70s and drove the yuppie culture of the 80s
- Those born in 1946 are now entering retirement – but for the last 15 years have been increasing the size of the 50+ consumer group

The older market

- There are now 21 million people over the age of 50 in the UK (almost 35% of the population)
- And they have virtually nothing in common!
- Divided by sex, race, geography, socio-economics, lifestyle choices, employment...and age....the sheer size of the demographic group makes generalisation impossible
- But the size and scale of the group brings opportunities as well

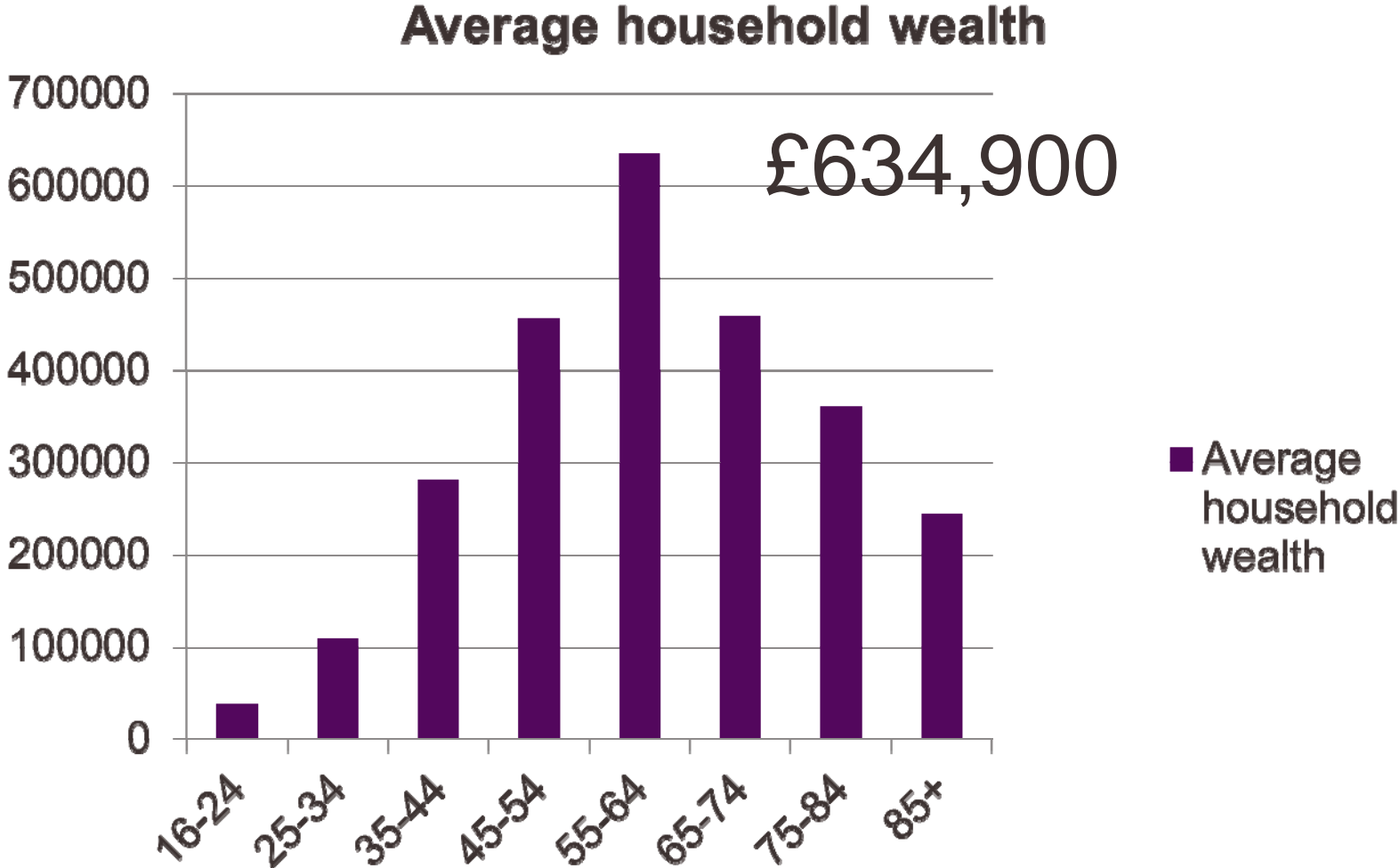
The shifting population balance



The older market

- 40 – 50 years of consumer activity behind them
- They know what they want and they have become used to getting it
- Benefited from decades of growth in property wealth
- Over 50s now own 80% of the UK's wealth, sitting on an estimated £7.2 trillion – made up of positive equity in homes that are now almost mortgage free, plus 60% of all cash on deposit and, their combined pension savings

Where the money lies



The older market

- The last four years of economic turmoil have taken their toll
- But ironically, net spending has not suffered
- The older consumers who have no mortgage debt, but rely on pension income and declining interest on savings have been hit hardest
- While many towards the younger end have actually seen an improvement in their disposable income as mortgage interest payments have dropped and they remain employed

The older market

- These consumers are very active and, because of their numbers – coupled with their disposable income – they are the biggest purchasers of virtually everything – including cars.
- In the last 12 months, the over 50s bought 51% of all new cars registered in the UK. 30-49 year olds, bought just 32%
- Yet only 10% of the total annual UK advertising spend of £28 billion was on campaigns designed to appeal to an older audience

The older market

- 50+ consumers spend their money and buy their holidays and cars and store cupboard items ***in spite of*** the communication they see and hear – not because of it.
- Brands which make the effort and tailor their communications (everything from above the line advertising, to below the line PR and pro-active customer relationship management) have a huge opportunity to increase sales with this group

The older market

- Long term brand loyalty is a myth. The older consumer will change brands as often as they like if they think the product suits their needs
- And they will only know that if the marketing communication appeals to them – or if they receive positive recommendation from their peers

4.1 Dowgate Hill House
14-16 Dowgate Hill
London
EC4R 2SU

T: +44 (0) 207 332 2306
E: info@owlms.com
www.owlmarketingsolutions.com



Some facts and figures



Average weekly household income*

	Under 30	30-49	50-64	65-74	75+
Gross	£575	£873	£744	£464	£331
Net after tax	£470	£690	£602	£423	£307
Essential expenditure**	£155	£150	£128	£106	£85
Disposable	£315	£540	£474	£317	£222

**Essentials = Housing, fuel, power, food, clothing, non-alcoholic drinks

*Source, 2009/10 ONS family spending survey

Disposable annual income by age and household

	Under 30	30-49	50-64	65-74	75+
No. of households	2.3 m	8.2 m	5.5 m	2.8 m	2.9 m

Disposable annual income by age and household

	Under 30	30-49	50-64	65-74	75+
No. of households	2.3 m	8.2 m	5.5 m	2.8 m	2.9 m
Percentage of total	10.5%	37.7%	25.3%	12.9%	13.3%

Disposable annual income by age and household

	Under 30	30-49	50-64	65-74	75+
No. of households	2.3 m	8.2 m	5.5 m	2.8 m	2.9 m
Percentage of total	10.5%	37.7%	25.3%	12.9%	13.3%
No. of individuals	23.1 m	17.3 m	11.2 m	5.2 m	4.8m

Disposable annual income by age and household

	Under 30	30-49	50-64	65-74	75+
No. of households	2.3 m	8.2 m	5.5 m	2.8 m	2.9 m
Percentage of total	10.5%	37.7%	25.3%	12.9%	13.3%
No. of individuals	23.1 m	17.3 m	11.2 m	5.2 m	4.8m
Percentage of total	37.5%	28%	18.1%	8.5%	7.8%

Disposable annual income by age and household

	Under 30	30-49	50-64	65-74	75+
No. of households	2.3 m	8.2 m	5.5 m	2.8 m	2.9 m
Percentage of total	10.5%	37.7%	25.3%	12.9%	13.3%
No. of individuals	23.1 m	17.3 m	11.2 m	5.2 m	4.8m
Percentage of total	37.5%	28%	18.1%	8.5%	7.8%
Disposable annual income of group	£37.6 bn	£230.2 bn	£135.5 bn	£46.1 bn	£33.4 bn

Disposable annual income by age and household

	Under 30	30-49	50-64	65-74	75+
No. of households	2.3 m	8.2 m	5.5 m	2.8 m	2.9 m
Percentage of total	10.5%	37.7%	25.3%	12.9%	13.3%
No. of individuals	23.1 m	17.3 m	11.2 m	5.2 m	4.8m
Percentage of total	37.5%	28%	18.1%	8.5%	7.8%
Disposable annual income of group	£37.6 bn	£230.2 bn	£135.5 bn	£46.1 bn	£33.4 bn
Percentage of total	7.7%	47.6%	28.1%	9.5%	6.9%

Disposable annual income by age and household

	Under 30	30-49	50-64	65-74	75+
No. of households	2.3 m	8.2 m	5.5 m	2.8 m	2.9 m
Percentage of total	10.5%	37.7%	25.3%	12.9%	13.3%
No. of individuals	23.1 m	17.3 m	11.2 m	5.2 m	4.8m
Percentage of total	37.5%	28%	18.1%	8.5%	7.8%
Disposable annual income of group	£37.6 bn	£230.2 bn	£135.5 bn	£46.1 bn	£33.4 bn
Percentage of total	7.7%	47.6%	28.1%	9.5%	6.9%
Annual disposable income split at 50	£267.8 bn		£215.06 bn		

Disposable annual income by age and household

	Under 30	30-49	50-64	65-74	75+
No. of households	2.3 m	8.2 m	5.5 m	2.8 m	2.9 m
Percentage of total	10.5%	37.7%	25.3%	12.9%	13.3%
No. of individuals	23.1 m	17.3 m	11.2 m	5.2 m	4.8m
Percentage of total	37.5%	28%	18.1%	8.5%	7.8%
Disposable annual income of group	£37.6 bn	£230.2 bn	£135.5 bn	£46.1 bn	£33.4 bn
Percentage of total	7.7%	47.6%	28.1%	9.5%	6.9%
Annual disposable income split at 50	£267.8 bn		£215.06 bn		
Percentage of population	65.5%		34.5%		

Most active consumer groups

	U 30	30-49	50-74	75+
No. of households		8.2 m	8.3 m	

Most active consumer groups

	U 30	30-49	50-74	75+
No. of households		8.2 m	8.3 m	
Percentage of total		37.7%	38.2%	

Most active consumer groups

	U 30	30-49	50-74	75+
No. of households		8.2 m	8.3 m	
Percentage of total		37.7%	38.2%	
No. of individuals		17.3 m	16.4 m	

Most active consumer groups

	U 30	30-49	50-74	75+
No. of households		8.2 m	8.3 m	
Percentage of total		37.7%	38.2%	
No. of individuals		17.3 m	16.4 m	
Percentage of total		28%	26.6%	

Most active consumer groups

	U 30	30-49	50-74	75+
No. of households		8.2 m	8.3 m	
Percentage of total		37.7%	38.2%	
No. of individuals		17.3 m	16.4 m	
Percentage of total		28%	26.6%	
Disposable annual income of group		£230.2 bn	£181.6 bn	

Most active consumer groups

	U 30	30-49	50-74	75+
No. of households		8.2 m	8.3 m	
Percentage of total		37.7%	38.2%	
No. of individuals		17.3 m	16.4 m	
Percentage of total		28%	26.6%	
Disposable annual income of group		£230.2 bn	£181.6 bn	
Percentage of total UK disposable income		47.6%	37.6%	

4.1 Dowgate Hill House
14-16 Dowgate Hill
London
EC4R 2SU

T: +44 (0) 207 332 2306
E: info@owlms.com
www.owlmarketingsolutions.com



Understanding the consumers – what makes them tick?



What makes them tick

- With such a diverse group, it is difficult to make generalisations
- However, while personal circumstances may vary greatly, one thing all 21 million share is the loss of their youth
- Regardless of their wealth, employment status or lifestyle, it is a fact that by the age of 50, virtually everyone is beginning to suffer from the effects of ageing

What makes them tick

- Women have to contend with the onset of the menopause as well as obvious changes in their skin and hair
- Most men will begin to suffer from either hair loss, or going grey. They will begin to suffer a series of “mechanical breakdowns” and realise playing sport is a thing of the past
- Beyond 50, virtually everyone suffers from deteriorating vision. Beyond 60 most people are suffering some kind of physical impairment and beyond 70 the pace of life slows right down

What makes them tick

- It is difficult for many active people over 50 to reconcile the unstoppable effects of ageing – especially if they are in the group which is still working and still spending
- For many who have taken early retirement or are still relatively fit and healthy post 65+ there is a quite widespread feeling of being undervalued or ignored by society
- In their minds, they all feel younger and are reluctant to recognise and accept the inevitable – especially if they still have money in their wallet

What makes them tick

- As they go through their 50s, most will experience a progression of milestones:

Their earning power peaks

Their net debt reduces

Their children leave home

The first grandchildren appear

They may receive their first inheritances

They start to experience physical changes

They begin planning for retirement

What makes them tick

- There is an interesting shift in mindset as consumers grow older.
- In their 20s and 30s they will be experiencing the “**firsts**” – first child, first long haul flight, first car, first house etc
- Into their 50s with children gone they get the “**it will never be the first time again**” feeling
- And in retirement and as they enter their 70s, they begin to think “**this may be the last time**” – the last time they buy a car, the last time they move home, the last time they buy a suit!

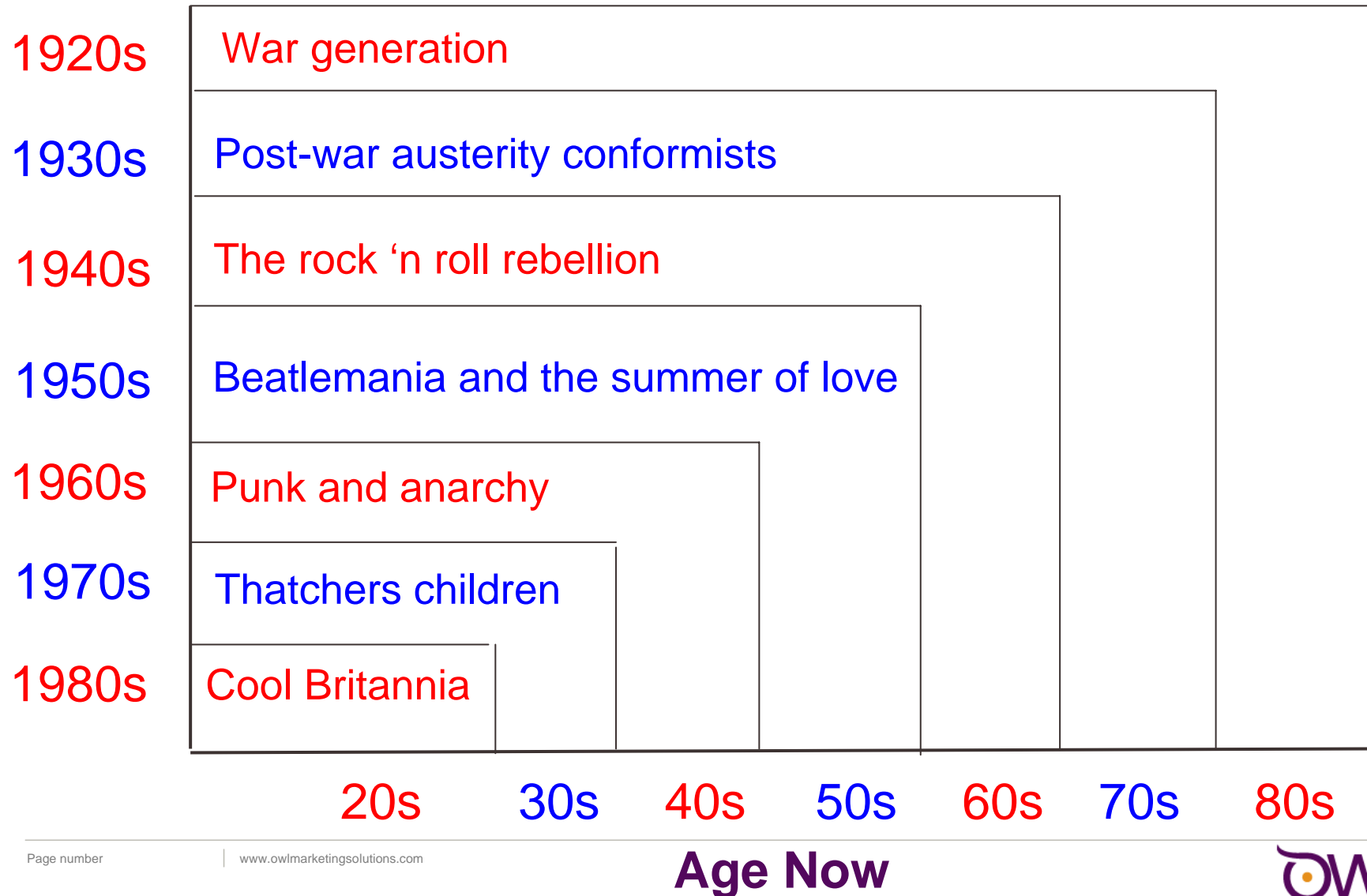
What makes them tick

- Depressing as all that sounds, it is real life, and when communicating with, and marketing to, this group, you have to take all of that into account when creating relevant messages and campaigns
- Using models with long flowing hair to sell product to women whose hair has become brittle and forced them to wear it short doesn't make sense
- Equally of course, using a retired broadcaster in his late 70s to sell insurance plans to over 50s is also pretty dubious

Generational marketing

- But while there may be unbridgeable divides in individual circumstances – there are some things which can be used to provoke joint responses
- While infant experiences shape adult personality, teenage influences bind us together as “generations”
- Significant events in teenage years provide mental reference points – which can be triggered in marketing through visual or audio references
- These generations can be split into decades

Decade of Birth



Generational triggers

For example...

- Target audience now aged 50-59
- Born between 1952 and 1961
- Aged 15 - 19 between 1967 and 1980
- Popular culture and significant events that occurred during this period will serve as triggers for this generation

Significant Events 1967 - 1980

- Presley dies of a heart attack
- Decimalisation in Britain and Ireland
- Bloody Sunday
- First Page 3 girl in The Sun
- Heavy IRA bombings in London
- High inflation and coal shortages
- Sex Discrimination Act is introduced
- Heatwave in Britain leads to drought conditions
- First test tube baby is born
- Margaret Thatcher becomes the first female Prime Minister

Significant Events 1967 - 1980



Popular Music 1967 - 1980

- The Rolling Stones
- The Beatles
- TRex
- Rod Stewart
- Abba
- Status Quo
- Queen
- David Bowie
- Sex Pistols
- Blondie

Generational marketing

- When creating campaigns targeted specifically at generations, using visual, audio or direct text references to things that remind them of their teenage years will trigger an emotional response
- Sex sells – but so does nostalgia

Media consumption

- The over 50s do also have something else in common – they are big media consumers.
- And as any newspaper owner will testify, it is they who are continuing to buy newspapers, while less than 20% of under 35s would consider anything other than a free title
- Over 72% of over 50s say their main source of news and current affairs is a newspaper

Media consumption

- They also watch TV more than younger generations
- 65+ adults are the biggest TV watchers with an average of 5.71 hours per day, closely followed by the 55-64 year olds with 5.18 hours
- In contrast, 35-44 year olds watch just 3.9 hours per day

Media consumption

- And the 50+ group is proportionately the fastest growing online community
- Although only 40% of 65+ are online, that figure is rising every year as more internet savvy people get older and non-users die
- This rise in older consumers spending time online is driving internet shopping statistics higher and higher
- And they are also one of the fastest growing groups of social media consumers

Conclusion

- They may be a disparate bunch, but they have a history of spending and the disposable income to back that up
- They may be feeling the onset of ageing, but they still feel young at heart and can be emotionally moved by references to their youth
- They read a lot, they watch a lot of TV and they crave information
- Consider all of these factors when communicating with them and you have a good chance of persuading them to buy your brands

4.1 Dowgate Hill House
14-16 Dowgate Hill
London
EC4R 2SU

T: +44 (0) 207 332 2306
E: info@owlms.com
www.owlmarketingsolutions.com



Some do's and don't's



Three golden rules

- Use messages that are appropriate in tone and content (tailored by target segment)
- Use design which is contemporary yet visually acceptable (looks good but remains practical with high contrast if using colour)
- Use media channels which are highly targeted and therefore cost effective

In addition...

- Give them information
- Personalise where possible
- Don't patronise
- Don't refer directly to age
- Concentrate on product rather than lifestyle
- Don't be afraid to use humour

Photography that works

- Images are important and will form the basis of instant judgements
- Research by the International Mature Marketing Network (IMMN) has identified some basic rules if showing product to an older audience

Single image rather than montages



Full frame rather than close crop



Candid or posed?



Candid for 50-64



Posed for 65+

Product or product in action?



4.1 Dowgate Hill House
14-16 Dowgate Hill
London
EC4R 2SU

T: +44 (0) 207 332 2306
E: info@owlms.com
www.owlmarketingsolutions.com



Summary



Summary

- The older consumer market is huge – and still growing
- It is often overlooked and the consumers know that and feel strongly about it
- They have money to spend and are active consumers
- But they want information from which to base their buying decisions

Summary

- They don't want to be patronised
- They want to develop relationships with brands
- They consume a lot of media, print, broadcast and online
- They are worth it!

4.1 Dowgate Hill House
14-16 Dowgate Hill
London
EC4R 2SU

T: +44 (0) 207 332 2306
E: info@owlms.com
www.owlmarketingsolutions.com



Thank you

