# Age Myopia in Marketing: Marketers Must Adapt to the Demographics Reality

**Dr Nicholas J. Thompson**

University of Hertfordshire Business School Working Paper (2007)

University of Hertfordshire Business School Working Papers
can be download from tinyurl.com/workingpapers

# Age Myopia in Marketing: Marketers Must Adapt to the Demographics Reality

**Author:**

Dr Nicholas J. Thompson*
Senior Lecturer in Marketing
University of Hertfordshire Business School

**Abstract**
For almost 50 years consumer business practice evolved to serve the flood of younger consumers that followed from the post war baby boom, until the targeting of 'adults under the age of 35' took on the force of habit. Now, over the next 20 years or so, that demographic is forecast to fall by 20% within the European Union, while the number of adults aged over 50 is forecast to grow by 40%. Consumer businesses must adapt to a new demographic reality. The dominance of younger consumers, their growing affluence, inexperience and fascination with novelty, allowed marketing to develop in a way that became synonymous with advertising. In the process marketing practice became disconnected from the customer-centric cross-functional model advanced by Drucker and others, and lost the ability even to influence the cross-functional customer experience. Now, the developing dominance of more experienced, still affluent but canny older consumers, with different needs and motivations, means that marketing practice has to change in ways involving the whole organization. Lacking board level representation, or sufficient influence, the marketing function is not in a position to make that change, which must be driven by senior corporate management.

**Keywords:** Demographics, older consumers, marketing, corporate change.

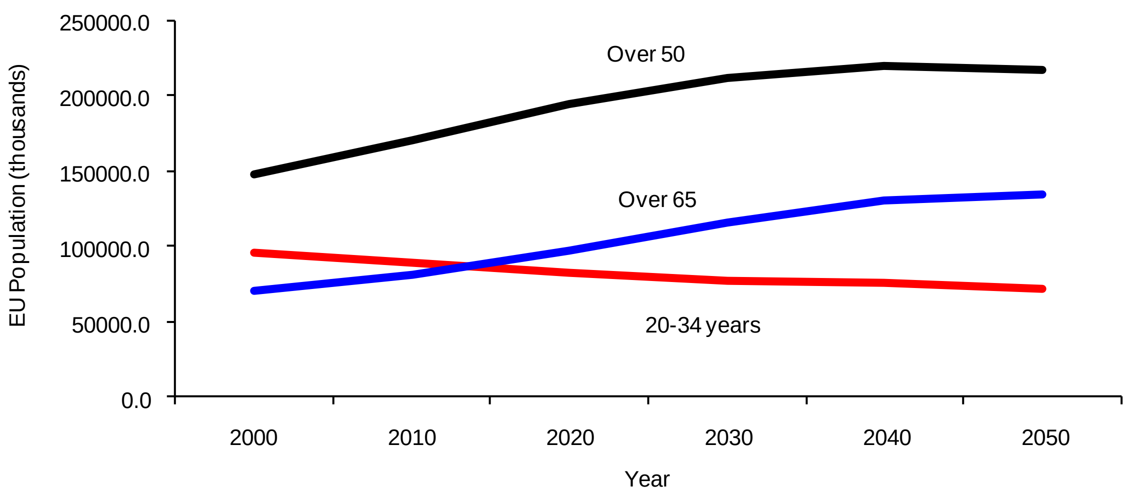
*Dr Nicholas J. Thompson, de Havilland Campus, Hatfield, AL10  9AB, n.thompson@herts.ac.uk

## Introduction

It is not possible to understand the future without demographics. The composition of a society, the age, prosperity and distribution of its people affect every aspect of society including politics, economics, culture, and what products and services are bought (Zolli, 2006). Consequently, identifying and adapting to demographic changes is critical to business success. In the second half of the 20$^{th}$ century, in the wake of the post war baby boom, consumer businesses had to adjust to the new phenomenon of a culture that was becoming increasingly youth-oriented. From the invention of the teenager, through music, entertainment and even food and drink consumer businesses were built upon a constantly rising tide of young, affluent customers. However, as Peter Drucker (2001, p.44), long known for his incisive insights into management practices has observed, "The most important single new certainty – if only because there is no precedent for it in the whole of history – *is the collapsing birthrate in the developed world."* (Drucker's italics). As the number of EU adults aged under 35 continues to fall, competition for their custom will become increasingly intense. Businesses are now confronted by a need to adapt to unprecedented ageing populations, with a past no longer able to guide the future.

Some countries and regions will be affected more than others. The European Union (EU) profoundly affected by a population that is ageing faster than that of any other region, and which will eventually start to shrink. In comparison, the population of the USA is forecast to age at a slower rate and to grow by 43% between 2000 and 2050, a startling rate of increase not far below that during the post-war baby boom. In the EU there are now far more adults aged over 50 than under 35 (those most often targeted by marketers) and the gap is growing. Over the next 25 years the number of adults aged under 35 in the EU is expected to fall by more than 20 per cent, while the number aged over 50 grows by over 40 per cent. Those aged over 65 will grow by more than 60 per cent (FIG.1). The European Commission expects these changes to have severe consequences for the economy of the EU (Commission of the European Communities, 2005).

**FIG 1 European (EU25) Population by Adult Age Group**




Source: Commission of the European Communities, Brussels, 2005

Whereas the 20th century was a century of youth, the 21st will be the century of maturity. The main consequences of this are a deteriorating dependency ratio (the proportion of workers to non-workers in the economy), and markets that will be dominated by older adults in growth, size and spending power. Awareness of the former appears to be already high among managers and government: in 2006, the UK Parliament enacted laws to protect the rights of older workers and simultaneously delayed the state retirement age, with the intention of extending the working life of individuals. However, there appears to be far less awareness of the consequences an ageing population can have on the customer base of consumer goods businesses. Consequently, that is the topic of this paper.

**Neglect**

Modern marketing practice evolved in a world of constantly growing numbers of increasingly wealthy young adults. For half a century the focus for consumer businesses has been on the 'adults under the age of 35', so often specified in marketing plans and agency briefs that it has taken on the force of habit. Despite the fact that there are around twice as many adults aged over 50 than under 35 years of age (fig.1), 95 per cent of advertising remains focused on the under 35s, leaving the majority of consumers neglected (Verdict 2000a; 2000b). This now conventional practice is often voiced as 'youth is the future of the brand' or the need to 'catch them young'. In a denial of the growing importance of older consumers, some advertising agencies advise their clients to remain focussed on under 35s, as older people do not like weird new experiences, have fixed tastes, cannot cope with new technology and have fixed brand preferences (Silverton, 2003).

Lack of empathy with people a generation or more older than most marketing professionals, exacerbated by lack of research, has led to facts being supplanted by out of date stereotypes of older consumers that characterise them as poor, and subsisting on an ungenerous state pension. There are poor pensioners, but there are also poor young people, and a pensioner chosen at random is less likely to be poor than a non-pensioner when housing costs are taken into account (Brewer, Goodman, Shaw & Shephard, 2005).

Excluding housing, the average wealth of UK citizens aged over 50 is £82,500 (Office of National Statistics 2005). Over 80 per cent of all private financial wealth in the UK is held by the over 50s. As might be expected older adults hold most illiquid assets like houses, but they also hold considerably more liquid assets than younger adults (International Longevity Centre, 2003). With no mortgages to pay, children to bring up, or pension fund to build many older consumers find that they have more discretionary spending power than at any other time in their lives. Not only are older consumers far more numerous, but they spend more on a wide range of consumer goods than households headed by the favoured under 30 year olds (Table 1 over the page).

Nevertheless, advertisers remain astonishingly neglectful of older audiences, who feel ignored, unwanted and dissatisfied with the negative stereotypes used to portray them in advertising, which they regard as inappropriate and irrelevant (Cumberbatch, Gauntlett, Littlejohns, Stephens & Woods, 1998; Carrigan & Szmigin, 1999; White, 2002).

**Table 1: Selected UK Household Expenditure by Age Group.**

| **Age of Household Reference Person** | **Under 30** | **30-49** | **50-64** | **65-74** | **75+** | **All Households** |
|---|---|---|---|---|---|---|
| Avge No. in household | 2.3 | 3.0 | 2.2 | 1.7 | 1.4 | 2.4 |
| Food & non-alc. drink | 31.20 | **49.90** | **48.30** | 38.90 | 29.20 | 43.50 |
| Alc. drink & narcotics | 12.40 | **13.60** | **13.60** | 6.40 | 5.00 | 11.70 |
| Women's outer garments | 7.40 | **10.20** | **9.20** | 4.80 | 2.70 | 8.00 |
| H'hold goods & services | 29.90 | **37.60** | **33.00** | 26.80 | 14.10 | 31.30 |
| Purchase new cars & vans | 9.00 | **13.00** | **14.60** | 10.30 | 3.00 | 11.40 |
| Newspapers | 0.80 | 1.60 | **2.50** | **2.90** | 2.40 | 6.70 |
| Books | 1.30 | **1.80** | **2.00** | 1.00 | 0.60 | 1.60 |
| Package Holidays | 7.40 | **14.20** | 14.10 | **15.10** | 4.50 | 12.40 |
| Hairdressing & beauty | 2.20 | **2.70** | **3.10** | 2.40 | 2.10 | 2.60 |

Source: Office of National Statistics, Family Spending Survey, 2005.

***Notes:***

1. *Older households purchase less, and appear to have narrower brand repertoires than average because there are fewer people in each household (Uncles & Ehrenberg (1997). Consequently, expenditure per household significantly understates expenditure per person in smaller, older households.*
2. *Highest spending age groups in bold typeface.*

Some advertisers have such little regard for older consumers that they portray them as the butt of cruel, ageist jokes, as in the soft drink advert in which grandfather's Parkinsonian symptoms are used shake up a can of drink. This neglect is often ascribed to the fact that there are practically no advertising industry employees aged over 50 (Carrigan & Szmigin, 1999; Greco, 1989; Long, 1998; Moschis, Lee & Mathur, 1997; Treuger, 1998, 2002). In UK agencies 94 per cent of employees are aged under 50, and agencies in the rest of the EU have similar age structures (Institute of Practitioners in Advertising, 1998; Miller, 1998; Tregeur, 1998; 2002). This matters because a 60 year old has at least been 30, whereas a 30 year old has little insight into what it is like to be 60. Furthermore, there is often little interest in finding out. Relatively little research into older consumers has been published outside of the USA, and it was only recently that some major international marketing research organisations, A. C. Nielsen among them, began to gather information on consumers over the age of 50 at all (Moschis, Lee, Mathur & Strauman, 2000).

Family Expenditure Survey and panel data show that the purchasing patterns and brand choices of older UK adults are in actual fact very similar to those of younger adults. There are some age-related differences (for example older households buy less toothpaste because they make less frequent purchases, this is explained by the fact that there are on average fewer people per older household where either they do not have children or they have grown up and left home). Older adult consumer choices are similar to those of young adults, However, in advanced old age shopping habits do tend to become more limited, but generally as a consequence of reduced mobility rather than choice (Reinecke, 1964; Uncles & Ehrenberg, 1990; Office of National Statistics, 2005).

**What Should be Done?**

As shown in Table 1, there are many similarities between the expenditure patterns of older and younger consumers, and one way forward is 'age neutral' marketing, that is, marketing devoid of the assumptions, and stereotypes associated with ageing consumers (Ahmad, 2002, Stroud, 2005). An analysis of US panel data revealed that brand choice of packaged goods by consumers aged over 55 was not much different to that of younger consumers. There were some differences in purchase patterns that might be regarded as age-related, for example; the over 55s bought more coffee (possibly because they no longer drank it at coffee breaks at the workplace), but less toothpaste (as a higher proportion have dentures). However, the tendency for older households to purchase a smaller number of brands was explained by a lower frequency of purchases as a consequence of smaller households. The researchers concluded that older consumers who stayed mentally and physically fit have needs and desires similar to those of much younger consumers. It is only in advanced old age that shopping habits become more limited and that is usually a result of immobility rather than voluntary choice (Reinecke, 1964). In a follow-up study, remarkably similar results were found in the UK (Uncles & Ehrenberg, 1990). Consequently, the most cost-effective promotional strategy for mainstream products is likely to be mass advertising that transcends age (Uncles and Ehrenberg, 1990), and there are good examples of advertising campaigns that achieve this, such as the Guinness 'swimmer' and Honda 'fantasy' campaigns.

Older adults are said to be particularly experienced, knowledgeable and alert consumers, so that they are less likely than younger consumers to be taken in by trivial product variations. Marketers misinterpret this as, 'the old are fixed in their ways' (Schiffman and Sherman, 1991). Whether or not older adults like 'weird new experiences' and are disinclined to pay for novelty sake, some businesses have prospered because of what amounts to a desire for expensive toys among older buyers. The *average* age of both Harley-Davidson and Ferrari buyers is over 50, as older buyers either attempt to recapture and finally fulfil a youthful ambition now that they have the time and money. Ferrari responded by paying more attention to comfort, practicality and functionality: when the doors of the Ferrari Enzo, are opened part of the roof and door moulding come away with the door, making it easier to get in and out with ageing joints. It still does 217 mph. (Benoit, Hall & Roberts, 2004). Ford have long made use of their 'third age suit' to emulate the decrements of age for young car designers. Amongst other things, this has resulted in easier access and more easily read instruments, to the benefit of all age groups (Krebs, 2000).

Simply adapting products to meet the needs of older customers can be effective. Yet, since older car buyers are in the majority, why did take so long? Furthermore, if adapting existing products is always effective, why did so many businesses find it necessary to segment markets by age, targeting products and promotional activity solely at young consumers often to the exclusion of older consumers?

**The Old Are Different.**
Despite many similarities in purchasing patterns, older adults differ from those aged under 35 in a number of physical, psychological and behavioural ways, some of which are briefly outlined below.

Post-retirement, time is different in both quality and availability. This has been exploited through products and services designed to utilise business resources more effectively at quiet times. Saga Holidays was set up to take advantage of empty guesthouses during the winter by offering cheap holidays to pensioners. Saga burgeoned with the growth of its core customer group, expanding from a family concern to a business valued at a billion pounds. In fact, discounts seem to be the most common mainstream marketing tactic aimed at older consumers, whether for pub meals, gym memberships or a Chelsea F.C. season ticket. However, this approach lacks sophistication. All too often it seems to be based upon the erroneous stereotypical assumption that the majority of older people have low discretionary spending, so that price is their key purchase criteria. This has the unfortunate effect of focussing attention on price competition while ignoring consumers' wants and needs concerning other factors like product characteristics, quality or service.

Silverton (2003) used music as the killer fact to illustrate what laggards older adults are by pointing out their unchanging and outdated musical tastes. Taste in music clearly does delineate one age group from another. Every generation seems to use music as a badge of identity to differentiate it from previous generations, and in a youth-oriented society, music has become almost entirely the domain of young people. The musical taste of older adults is scorned to such an extent that it is almost routine to offer discounted 'over 60s lunches' at which the customers suffer music played for the benefit of the teenage staff, and which the clients actively loath. Orientate the whole business towards the customer, and charge a more profitable price.

As people age their sense of taste and, possibly, smell deteriorate, production of saliva, stomach acid and digestive enzymes may decrease, and teeth become more troublesome. The result is that food may not taste or smell the same any more, and become difficult to chew, swallow or digest. Although vitamin and nutrient requirements do not change very much in old age recommended calorie intake declines due to reduced energy needs. Consequently, there is a need to maintain vitamin and nutrient levels from fewer calories. (Herman, 2005). Although much time, money and imagination has been put into developing food and drink products for children, youths and busy young families, little has so far been done to meet the needs of older consumers; who spend most on food (see Table 1 above).

As with music, each age group uses the badge values of clothing to distinguish themselves from other age groups. Although many older men and women think of themselves as younger than their actual age since birth, women in particular are sensitive to social danger of dressing too much younger than their age (Barak & Schiffman, 1981; Szmigin & Carrigan 2000). Furthermore, physical changes that occur with ageing mean that many clothes, which are overwhelmingly designed for younger women, simply do not fit older women. Apart from the obvious possibilities of weight gain and the pull of gravity, other more subtle changes take place: height diminishes, shoulders generally rotate forward making tops stretch across the back and fit loosely at the front (Schewe & Meredith, 1994). More attention needs to be paid to high-spending women clothes buyers in the age groups 30-49 and 50-64 (see Table 1)

**Mass Communication.**

When little is known about something, it generally appears to be simple and unvarying. Not much is known about older consumers, and there is a tendency to perceive them as an uninteresting, undifferentiated mass of 'old people', and to discuss them in monolithic terms as if they all came from the same mould (Bartos, 1980). However, the common view among those who do research the behaviour of older adults is one of diversity, encapsulated by Nielson & Curry (1997, p.311) as, *"Over time, only one characteristic of mature individuals emerged: that they are among the most diverse and idiosyncratic of all age cohorts."* It is said that older people have less in common with each other than younger people do with their peers because they do not have the unifying culture of global media and technology that creates such commonality among younger generations (Doka, 1992). Arguably, it is the young who are predicTable, seeking conformity with their peers, then moving along a well-defined path (although the sequence may differ) from full time education, to first job, career building, homebuilding and child rearing (Szmigin & Carrigan, 2001). All of which affect their needs and wants in the market place. Perhaps it is this very predictability that makes 20-35 year olds such an attractive target. In comparison, older consumers, after years of divergent experiences, at last have the freedom to spend their time and money as they want. All of this makes older consumers more difficult to understand, or to target through mass communications.

From about the age of 45 individuals start to experience sensory decline. This slow but cumulative deterioration in the senses that connect individuals to the outside world affects the ability of older adults to receive and understand information from 'out there', including promotional messages. As with nearly all age-related factors, people are affected to different degrees and at different rates, but a substantial proportion of older individuals have some difficulty with hearing and/or reading print in small font sizes, especially where there is poor lighting, glare or low contrast (Philips and Sternhal 1997). In addition, the ability of older individuals to learn from new information is slower than that of younger adults, and the quicker the pace of information presentation, the greater the gap in learning between older and younger adults. The cause is thought to be a slowing of the speed at which the central nervous system processes information, which impedes learning because rapidly presented information cannot be processed fast enough. The combined effect of all this is that as people age they have more difficulty in assimilating rapidly presented information such as television and radio commercials. Against this background it is not so surprising that research conducted on behalf of American Express concluded that, advertising that worked for younger audiences just did not work for older audiences (Nielson & Curry 1997).

Current advertising orthodoxy means that many businesses make little or no attempt to influence the purchasing decisions of older adults. For decades, promotional activity so relentlessly targeted the young that older consumers have come to believe that most advertising is just not relevant to them (Help the Aged 2002; 2003). As advertising developed to communicate almost exclusively with younger audiences it evolved beyond simple messages, to more complex, unconventional structures. Interpretation of this kind of advertising requires the active participation of the audience, but older audiences have not developed the necessary decoding skills. One reason is that older adults have little motivation to engage with advertising of this kind since the music and fast, complex, unexpected sequences make it clear that it is not intended for them (Pickett, 2002). The whole rhythm and cadence of the youth orientated creative style in advertisements, the lack of flow between short terse, incomplete sentences in print and quick cut editing with its quick, choppy sight and sound bites on television only disrupt the continuity and clarity of messages for older audiences. This exasperates older adults and confirms that this message is not for them (Nielson & Curry, 1997). Given the changing demographic balance, this style of advertising is becoming obsolescent, but it has been so common for so long that it is has become ingrained as the norm, and a habit that is hard to drop. Yet, continuing in this way, just because it has always been done like that, is no longer a viable option. Advertising has to adapt to the demographic structure of the consumer population as it is now, and will be for decades to come, the editing of television advertisements, the way that pictures are presented, the flow of copy from one sentence to another need to match the pace of older consumers (Nielson & Curry, 1997).

**Packaging**

Despite their greater numbers and spending power food packaging design makes very few concessions to the needs of older consumers. As people age they lose muscular strength until on average someone in their 70s has the muscular strength of a 10 year old. This is exacerbated by the incidence of age-related arthritis. In addition, one of the most common inconveniences of age is deteriorating eyesight, so that on-pack information becomes hard to read. It estimated that 2.7 million people aged over 55 have stopped buying products because of difficulties in opening them (Goodwin & Hartshorn, 2002). In one of our own observation studies, a woman in her 60s was moving along the supermarket shelf picking up and replacing bottles of bleach. It transpired that she was trying to find one that she could open.

Easy to tear, environmentally friendlier waxed paper bags first gave way to cellophane and then to plastic. Many modern bags are made of polypropylene materials, which keeps out moisture, bonded to a microscopically thin sheet of aluminium to keep out the oxygen that can result in rancidity. Instead of glue, the packages are often sealed by the huge application of pressure. All of this cuts down on spillage, and theft, to save the producer money. One study of the consequences of all this for the purchaser videoed people applying force and torque usually reserved for the gym to a simple task with hilarious results. Using ingenuity, muscle and even teeth, they were trying to open bags of pre-cut lettuce. ‘Success’ resulted in the bag opening abruptly and spraying lettuce over the floor, and failure meant resorting to scissors or knives – a frequent cause of injury in the kitchen (Gemperlain, 2005). The whole point of pre-cut salad is convenience.

Modern packaging has to work very hard to maintain the integrity of the product, avoid spillage, foil theft and tampering, look good on the shelf, convey promotional and factual information, take account of environmental consideration - and still be convenient to read and to open. However, factors like openability and readability need to be given far more attention in markets dominated by older consumers.

**Market-facing Strategy**

An Age neutral approach, which casts the net of marketing expenditure over a wider area, makes a lot of sense in mainstream consumer markets, and simply ensuring that older consumers are not ignored will be an improvement on much current practice. However, in proposing age neutrality Stroud (2005) is not suggesting a homogenised one size fits all approach, but one that eschews stereotypes about age and ageing. The sheer buying power of older consumers means that there will also be opportunities to gain competitive advantage by more precisely matching their needs and desires, just as there have been for so long among younger consumers. However, this will require more significant changes than simply encompassing older adults within the existing business model in which marketing has become synonymous with advertising and promotional activity.

The example of the Toyota Genesis project is instructive. Firstly, older buyers spend substantially more on new cars than younger buyers and they buy more profitable up-market high specification models (Treguer, 2002; Warner, 2003; Fig 2). Secondly, although the brand has a well-entrenched position among the growing numbers of older car buyers, Toyota decided that they too must target buyers aged under 30. Thirdly, Toyota attempted to achieve this through a major campaign to promote the current range of cars, unchanged, to these younger buyers. Of course the project flopped, but Toyota thought that they had learned a valuable lesson. As a spokesperson put it, "*…with Genesis we had a chance to see if marketing was enough. It obviously wasn't"*. Subsequently, a new range of cars designed for younger buyers was created under a new brand name (Warner, 2003, p36). In other words, to Toyota 'marketing' meant advertising. Designing products to suit the intended target group was something different.

In 1955, Peter Drucker (p.31) gave a classic definition of marketing as, "*...the whole business seen from the customer's point of view*". Most modern textbooks continue to reflect that view. Yet it hardly ever seems to have happened in practice. Shortly after Drucker's seminal words the first of the baby boom cohorts became adult consumers. That was the 1960s, and everything changed. There followed a constant flow of increasingly affluent young people with as yet unformed views, which lasted until the last of the baby-boom generation moved beyond the desirable 'adults under 35' group at the start of the 21st century. During the period between 1960 and 2000 marketing developed, not as the customer-centric business, but as a function largely tasked with administration of the promotional budget; the actual creative work, media buying and market research being sub-contracted. Attention was focused on the 18-35 year old age group because they were considered to be more open to change, more malleable and more willing to switch products and brands. As Young and Rubicam put it, they were more likely than older adults to like weird new experiences (Silverton, 2003).

Business strategy in consumer markets is built around the belief that competitive advantage and market share can be obtained by convincing relatively malleable young adults to switch products again and again. Advertisers pay vast amounts for all of this expenditure which will increasingly be wasted on competing for a declining pool of young consumers. Media and advertising agencies have most to lose, and the Young and Rubicam exhortation to advertisers to stay with younger audiences is a symptom of that. However, the 'catch them young mantra' was always based upon a logical inconsistency. The assumption is that as younger adults, being more biddable, can be more easily induced to switch products, and having won them the young have many more years as customers ahead of them than older customers (Silverton, 2003). However, it follows that if they can easily be switched into one product they can just as easily be switched again to a competitor product, so that their custom is likely to be short lived. If businesses remain locked into marketing as promotional activity, in which customers are expensively churned around between competing brands, the only winners would appear to be advertising agencies and media. Furthermore, by combining the numbers of consumers in each age group in Figure 1 and spending by age group in Table 1, it is clear that 'Youth' (adults aged under 35) is unlikely to be the future of many brands. It cost millions of pounds to build and hold market share among the under 35s even while their numbers were growing fast. Now that the under 35 group is shrinking the struggle can only get harder and more expensive.

Many marketers appear to be in denial about the changes taking place in the demography of their consumers. Some advocate continuing with marketing practices developed in and for completely different circumstances, others propose a middle of the road intergenerational approach. However, no one seems to have been advocating this age-inclusive approach when youth was in the ascendancy, and we wonder how sustainable it will be when the age structure of consumer markets is so radically changed. The stresses are already beginning to show. ITV is obliged by media buyers to respond to the Advertising Education Award's brief to attract, "*…young, more upmarket viewers to maintain its dominant position in the important influential younger viewer market*" (ITV, 1998). But, as the director of Mediawatch the viewers television watchdog observed, "*ITV is providing programmes for a younger age group without seeming to realise that people who watch television tend to be older.*" (Hastings & Jones, 2006). Meanwhile, the declining number of young people are less interested in watching television than logging in to social networking sites like MySpace.com and playing computer games online (Murray-Watson, 2006). ITV's audiences continued to slump, leading to the dismissal of the chief executive. While young adults are watching less television, viewing by older adults is at an all-time high, but no one seems to want them. (Derbyshire, 2006). In US network television circles they are known as 'undesirables'.

The consumer base upon which markets and the practice of marketing developed was a demographic aberration, and we propose that the exigencies of the new demographic reality will force businesses seeking competitive advantage to change. Not merely to change the appeals made to consumers through mass communications, but to change the whole balance of the interface between customer and enterprise in a way that has not happened for 50 years. Complaining that older consumers do not want what advertising agencies want to give them misses the point entirely (Silverton, 2003). Success in the marketplace depends upon giving the customers what they want, and doing it better than the competition. If, as many advertisers and advertising agencies seem convinced, older adults do not respond sufficiently to promotional activity, what do they respond to? If management scientists and marketing textbooks are right, then marketing as advertising was an aberration caused by a temporary, if prolonged, surge in young consumers. In that case, different marketing mix elements such as service, performance and value will become critical, and successful market offerings will be designed around a different set of criteria. More research is needed to determine which criteria. It is likely that these developments will require deep-seated changes in market strategy, and organisational structure, including the role and tasks of marketing departments. Meanwhile, other departments, which deliver service, value and quality, among other things, will become relatively more important and the management of the diminished promotional budget less so. Marketing research will be critical.

**In Conclusion**

For around 50 years consumer businesses evolved in markets in which young adults were the key consumers. During that time marketing practice diverged from the classic customer-centred model to one in which it became synonymous with advertising. The task of the marketing function became largely one of sub-contracting mass communications with the purpose of winning easily persuaded young customers (Silverton 2003). Marketing came to be synonymous with mass-promotion. Now, older adults are destined to dominate EU consumer markets into the 21$^{st}$ century in both numbers and spending power, and businesses that remain locked into the 'adults aged under 35' demographic will have to fight for a share of a sector that will decline by 20 per cent in just over 20 years (European Commission 2005). There are many similarities between the buying patterns of young and old, and one way forward is to combine the age groups in an 'age neutral' approach to consumer markets. Yet, despite similarities, older adults are not the same as the young in terms of (e.g.) time, diet, experience, media and response to advertising. Consequently, what works with the young frequently fails to work with the old, so that even an age neutral approach will require major changes to marketing attitudes and practices. We suggest that the exigencies of an ageing consumer base will severely curtail the current practice of blasting out one-way messages at consumers and force businesses to become more customer-centric. This will require a major rethink of the way in which businesses are organised, especially to the role and function of marketing departments.

**References.**


Ahmad, Rizal (2002), The Older or Ageing Consumers in the UK: Are They Really Different?, *International Journal of Marketing Research*, Vol.44 (3), pp.337-360.

Barak, B. & Schiffman, L. G. (1981), Cognitive age: a non-chronological age variable, in *Advances in Consumer Research*, Vol. 8, Kent B. Monroe (ed.), Association for Consumer Research, 602-606.

Bartos, R. (1980), Over 49 the invisible consumer market, *Harvard Business Review*, January-February, 140-148.

Benoit, Bertrand, Hall, Ben & Roberts, Dan, (2004), Some believe that 'baby-boom generations may not respond to the lure of advertising, *Financial Times*, 20 January, p.19.

Benoit, Bertrand, Hall, Ben & Roberts, Dan, (2004), Some believe that 'baby-boom generations may not respond to the lure of advertising, *Financial Times*, 20 January, p.19.
Brewer, Mike; Goodman, Alissa; Shaw, Jonathan & Shephard, Andrew (2005), *Poverty and Inequality in Britain:* 2005, Report, Institute for Fiscal Studies, London, Economic and Social Research Council.
Carrigan, M. & Szmigin, I. (1999), The Representation of Older People in Advertisements, *Journal of the Market Research Society*, Vol. 41 (3), 311-326.
Commission of the European Communities (2005), *Confronting Demographic Change: A New Solidarity Between Generations*, Green Paper, Brussels, 16.3.05.
Cumberbatch, G., Gauntlett, S., Littlejohns, V., Stephens, C. & Woods, S. (1998), *Older People on Television: a Report for the BBC and Age Concern England*, London. Age Concern.
Derbyshire, David, (2006), The 'Networked Generation' Finds TV is a Turn off, *The Daily Telegraph*, 11.8.06, p.21.
Doka, K. J. (1992), When Gray is Golden: Business in an Aging America, *The Futurist*, Vol.26 (4), 16-21. (in Carrigan, 1999).
Drucker, Peter (1955), *The Practice of Management*, London, Heinemann, p.31.
Drucker, Peter, F. (2001), *Management Challenges for the 21st Century,* New York, USA, HarperBusiness.
Gemperlain, Joyce (2005), *But the Dang Thing Won't Open*, Washington Post Sunday, 12 June, FO5.
Goodwin, Edward & Hartshorn, Richard (2002), *Opening up: Packaging that can be Opened by Anyone*, London, Helen Hamlyn Research Centre.
Greco, A. J. (1989), Representation of the Elderly in Advertising: Crisis or in Consequence?, *Journal of Consumer Marketing*, Vol. 6 (1), pp.37-44.
Hastings, Chris and Jones, Beth (2006) ITV's Audiences Lowest Ever, *The Daily Telegraph*, 30.7.06, p15.
Help the Aged (2002), *Marketing and Advertising to Older People*, Report, Appendix IV, Help the Aged.
Help the Aged (2003), *Marketing and Advertising to Old People*, Report, Help the Aged.
Herman, Janice (2005) *Nutrition in later Years*, Oklahoma Cooperative Extension Service, Fact Sheet T-3149, Oklahoma State University, http:www.osuextra.com).
International Longevity Centre UK, The (2003), *Asset Accumulation and Lifestage,* Report, Future Foundation, December.
ITV (1998) Regaining the Heartland of Younger Viewers, a Brief for the Advertising Education Award 1998/9. http://www.ipa.co.uk.
Krebs, Michele (2000), Shifting Gears, American Demographics, January, pp.52-55.
Long, N. (1998), Broken Down by Age and Sex - Exploring the Ways we Approach the Elderly, *Journal of the Market Research*, Vol. 40 (2), 73-91.
Miller, R. (1998), When Did you Last Wear Jeans?, *Goodtimes*, December/January, pp.28-31.
Moschis, G. P., Lee, E. & Mathur, A. (1997), Targeting the Mature Market: Opportunities and Challenges, *Journal of Consumer Marketing*, Vol. 14 (4), pp.282-293.

Moschis, G. P., Lee, E., Mathur, A. & Strauman, J. (2000), *The Maturing Marketplace; Buying Habits of the Baby Boomers and Their Parents*, Westport, CT, Quorum Books.
Murray-Watson, Andrew (2006), Sorrell Fears UK Advertising Market Will Stay Depressed, *The Sunday Telegraph*, 13 August, p.B2.
Nielson, J. & Curry, K. (1997), Creative strategies for connecting with mature individuals, *Journal of Consumer Marketing*, Vol. 14 (4), pp.310-322.
Office of National Statistics, (2005), *Family Spending Survey*, London, Office of National Statistics.
Phillips, Lynn W. & Sternthal, Brian (1977), Age Differences in Information Processing: a Perspective on the Aged Consumer, *Journal of Marketing Research*, Vol. 14 (4), pp.444-457.
Pickett, John (2002) Saga Group Limited, *Marketing and Advertising to Older People*, Seminar proceedings, Help the Aged.
Reinecke, J. A. (1964), The 'Older' Market: Fact or Fiction, *Journal of Marketing*, Vol.28, pp.60-64.
Roberts, Dan (2004), Comment and Analysis, *Financial Times*, 20 January, p.19.
Schewe, Charles, D. & Meredith, Geoffrey, E. (1994), Digging Deep to Delight the Mature Adult Consumer, *Marketing Management*, Vol.3 (3), pp.21-35.
Schiffman, L. G. & Sherman, E. (1991), Value Orientations of New-age Elderly: the Coming of the Ageless Market, *Journal of Business and Research*, Vol.22, pp.187-194.
Senioragency (2003), in Hughes, Margaret, Maturing interest: time for grey men to grow up, *The Guardian*, March 22nd p.18.
Silverton, S. (2003), *You're Getting Old*, London, Young and Rubicam.
Stroud, Dick (2005b), *The 50-Plus Market*, London, Kogan Page.
Szmigin, I. & Carrigan, M. (2000), The Older Consumer as Innovator: Does Cognitive age Hold the Key?, *Journal of Marketing Management*, Vol. 16 pp.505-527.
Trégeur, J-P. (1998), French Experience Says Advertisers Ignore Wealthiest Market, *Mediaage Newsletter*, Paper Presented at the Vienna Forum on "Mass Longevity – a Good Story?", www.mediaage.net.
Trégeur, J-P. (2002) *50+ Marketing: Marketing, Communication and Selling to the Over 50s Generations*, Palgrave, Basingstoke.
Uncles M. D. & Ehrenberg, A.S.C. (1990), Brand Choice Among Older Consumers, *Journal of Advertising Research*, Aug/Sept, pp.81-109.
Verdict (2000a), *Shopping habits: the Baby Boom Market*, Verdict Research Report.
Verdict (2000b), *Shopping Habits: the Grey Market*, Verdict Research Report.
Warner, Farah (2003) Learning How to Speak to Gen Y, The Fat Company Magazine, July http://pf.fastcompany.com/magazine/72/smartcompany.html, accessed 13 Oct 2005).
White, Roderick (2002). Waterson WARC, *Marketing and Advertising to Older People*, Seminar proceedings, Help the Aged.
Zolli, Andrew, (2006) Demographics: *The Population Hourglass*, Fast Company, Issue 103, March, p.56.