

From the Desk of...

Kim Walker

Demographics, Marketing & Brand Strategy

Issue No.37 - March 2009



© copyright The Insight Bureau Pte Ltd / Kim Walker

March 2009: Asia's Silver Lining? Kim Walker, founder of Silver Group, shares his latest observations on the often overlooked demographic group of Asia Pacific's 50-plus market

According to a United Nations World Population Report in 2007, "Population ageing is unprecedented, without parallel in the history of humanity." It is an undeniable and unavoidable fact, yet marketers continue to focus over 90% of their efforts and budgets to attract younger (and often less lucrative) consumers. Economists estimate the collective spending power of the 50-plus consumer in Asia Pacific will exceed US\$2 trillion by 2015. As this consumer segment remains largely ignored by businesses and marketers, there's a silver lining waiting now for companies ready to tackle it.

In the coming ten years, the 50+ population across the Asia Pacific region will grow almost five times faster than the overall population growth rate. 50+ consumers will then represent over 35% of the population in the majority of the developed countries here. In this region, we have some of the oldest, the largest and the fastest ageing population countries in the world. One significant example is China, whose 50+ population alone is

already larger than the entire population of USA and will grow by a whopping 36.8% over the coming decade.

There is substantial, immediate and incremental business waiting for almost any consumer business which strategically reaches out to the 50+ market. It is rapidly expanding into a large, affluent market that no company can afford to ignore. There is little doubt about the spending power of these ageing Asian 'baby-boomers'. It is a perfect time for marketers to balance their historic obsession with younger consumers with the realities of today's consumer market.

The 50+ men and women have, by and large, already made their money and now have the time to spend it. Retirees who are drawing fixed monthly income from pensions are in fact benefitting from this recessionary climate as their money can now buy more as retailers slash prices to gain more sales. In 2009, targeting senior consumers, or at least expanding efforts towards

Economists estimate the collective spending power of the 50 plus consumer in Asia Pacific will exceed US\$2 trillion by 2015. As this consumer segment remains largely ignored by businesses and marketers, there's a silver lining waiting now for companies ready to tackle it.

this market, is arguably a more efficient strategy than focusing on younger, cash-strapped and time-poor consumers.

More than just needs and wants

Highlighting the marketing opportunity that exists, a recent SilverPoll study researched 50+ on-line users across Australia, Japan, China, Hong Kong, Singapore and India. It revealed that most agreed with the statement that “companies are far more interested in designing and selling products to the young rather than their parents”. The study also demonstrates that to succeed in the senior market, it is imperative that companies not only understand the needs and wants of 50+ men and women, but also their mindset and attitudes about themselves and the world around them. Another key insight is the contrasting attitudes to self perceptions of their age and post-retirement responsibilities, between western cultures (Australia) and the various Asian cultures, which also vary depending on their respective economic and societal maturity.

Old but not old, and not all the same

Generally, true to their generation, these ageing baby-boomers who have enjoyed success through the post-war boom are more demanding, have high self-esteem and a positive attitude towards ageing. This is particularly true among respondents from Australia, China and Japan who say they feel 5-10 years younger than their age. Silver’s study also reveals that what the majority of respondents finds most annoying about ageing, besides physiological changes, which are beyond

To succeed in the senior market, it is imperative that companies not only understand the needs and wants of 50+ men and women, but also their mindset and attitudes about themselves and the world around them

The majority of respondents feel the most annoying thing about ageing, besides physiological changes beyond their control is “being categorised as an old person”

their control, is “being categorised as an old person”. Herein lies a key lesson for aspiring marketers; people don’t suddenly change their attitudes and beliefs on their 50th birthday but begin to contend more with the issues of ageing. To successfully market to the 50+ segment you need to appeal to their ‘psychography’ without reminding them of their age.

East/West: family versus self

Multinational companies looking to expand into the APAC 50+ market will need to take note of yet another insight from the SilverPoll study which shows clearly that there is definitely an East/West divide in attitudes towards obligations to family and self among the 50+. Getting this balance right is critical. In countries where the culture is predominantly Asian or Confucian, Silver finds that the welfare of the family remains a top priority, even after retirement, much more so than with a more ‘westernised’ outlook, such as in Australia, and to a degree Singapore. Asian seniors will certainly indulge themselves but it will be less ‘conspicuous’ than their western counterparts. Emotionally, they will need to self-justify their consumption.

In general, today’s 50+ are better educated, more independent and attracted much more to sophisticated products and services than their predecessors. At this stage of their lives, most feel that it is time they reward themselves for the years of hard work providing for others. They want to keep working, travel, find new things to do and to stay connected.

Given the current economic situation, most 50+ say

that they would be thrifty but would still spend if the expenditure were justified. For instance, they are uniformly determined to continue to travel (something they have both the time and

money to do) or place their funds in investments for their children's education or welfare, in the case of countries that have a more Asian outlook.

Universal design, ageless marketing and inclusive communications

Kim's concludes that to successfully capture the 50+ market, there are three key success factors that companies must focus on:

- **Universal design** – designing products and services to accommodate the practical and emotional needs of young and old without an overt reference to either
- **Ageless marketing** – employing strategies such as retail placement and product labelling that make product selection easier
- **Inclusive communications** - ensuring that older consumers are not alienated by messages that are unnecessarily skewed younger or which simply don't reach the 50+ audience through chosen media.

1.

About The Insight Bureau and Kim Walker

Kim Walker is the Founder and CEO of SILVER, a strategic business and marketing consultancy that helps companies leverage the opportunities presented by the rapidly rising population of ageing consumers throughout Asia Pacific. Kim is an authority on connecting businesses to the rapidly growing 50+ segment, providing practical information and reports and delivering insightful presentations.

The Insight Bureau represents a number of leading authorities on global economics, world affairs, business strategy, emerging markets, industries and management, injecting insight into conferences, client forums and confidential briefings – helping boards and senior management to make better business decisions. We represent Kim Walker for speaking assignments and briefings in Asia Pacific and globally as requested.

www.insightbureau.com

+65-6300-2495

engage_us@insightbureau.com

Disclaimer: The Insight Bureau Pte Ltd accepts no liability for the content of this document or for the consequences of any actions taken on the basis of the information provided. Any views or opinions presented herein are solely those of the author(s) and do not represent those of The Insight Bureau.