

THE MATURING MARKETPLACE

Buying Habits
of Baby Boomers and
Their Parents

George P. Moschis,
Euehun Lee, Anil Mathur,
and Jennifer Strautman

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1

Overview

If you are a baby boomer, you may remember Anne Roberts, who appeared in television commercials for Charlie fragrance and National Airlines in the mid-1970s. You may even remember her in the late 1960s, when she appeared in a magazine ad for *Playboy* dressed as an astronaut, or perhaps in her first commercial urging women to use Johnson & Johnson Baby Shampoo with the slogan “Don’t wait to have a baby to try it.” What is interesting about Roberts’ career as a commercial spokeswoman is that, after losing a soft drink commercial part to a younger model at age 25, she believed her career would end because of her age. Roberts has not only survived the “age scare” in the past three decades, but she is in greater demand today at age 51 than even before. In early 1998, she signed a six-figure TV and print ad deal with Procter & Gamble for Oil of Olay ProVital, a new product line for women over 50.

What has helped insulate Roberts’ career is exactly the same thing she was afraid would end it: her *age*. An increasing number of advertisers and marketers use older models and spokespersons. Today there are more spokespersons in their 50s, 60s, and even 70s than ever before, and the familiar faces of older models continue to appear in commercials. For example, actress Jaclyn Smith, in her 50s, is appearing in ads for Rembrandt’s first mouthwash and toothpaste for older consumers. At 64, Joan Collins is appearing in advertisements for Old Navy, and Jack Palance, well into his 70s, has been doing television commercials for Brut cologne.

The main factor that has been fueling the trend toward spokespersons with a few wrinkles is a major demographic trend that has been creating dramatic changes in the composition of the consumer market. We call this trend “the aging of America.” Never before in the history of our

planet have its nations and their people faced the issues, challenges, and opportunities that are being created today by the enormous gains in life expectancies and the aging of the largest age cohort, the baby boomers. In 1900, for example, the life expectancy in the United States was just 47 years. In just less than 100 years, life expectancy has increased to nearly 76 years.

THE MATURING MARKETPLACE

This "aging" trend is a global phenomenon with increasing relevance. In the United States, the number of people age 65 and over is expected to double in just 30 years. In China, this age bracket will nearly triple. While policy makers are concerned with issues of generational equity and federal entitlement programs like Social Security, families must address issues of long-term care. The term "sandwich generation" has recently emerged to describe family members who must spend time and money on elderly relatives and growing children.

While such public and social concerns are becoming widespread, businesses regard the changing demographics as opportunities for satisfying new and emerging needs of the aging consumers and their younger family members. Labels for "new" market segments such as "mature market" and "care givers" of older relatives have been devised to communicate information about the growing subsegments of the consumer market. And as business interest and efforts to tap these segments have grown, so has the concern of various consumer groups that attempt to protect vulnerable consumers from persuasive and unethical business practices.

Businesses and nonprofit organizations that attempt to serve the growing segments of baby boomers and their older relatives need to better understand these aging segments' needs and buying motives, for two important reasons. First, there is little accurate information on older consumers, since the older consumer market had not justified attention on the part of businesses. For example, until very recently the A. C. Nielsen Company would only gather information on consumers under age 50. Not only has the youth orientation in marketing left a broad gap in our knowledge about how to market to older consumers, but the information on younger age groups is of questionable value, since age cohorts differ. For example, by the time the present middle-aged cohort of baby boomers, who were brought up with television, reach the age of 65, they would have spent an average of eleven years of their lives in front of the tube, something that is very different from what older generations have experienced. Age cohorts also differ due to the differences in their experiences with respect to opportunities for education amount and quality, exposure to technology, and so on. Thus, age groups must be

understood for their specific needs and situations as consumers. What was learned about certain age groups yesterday may not be relevant to today's consumers in the same age brackets.

During the past 20 years, the authors have done several dozen studies of aging segments of the population. Most of these studies were done through Georgia State University's Center for Mature Consumer Studies. As we spoke to hundreds of business executives who inquired about our research findings, we became cognizant of the information needs of many institutions that try to serve the aging population. We also learned that many of these business executives were basing their business decisions on stereotypes about older consumers, since reliable and relevant data were not readily available. In order to better serve the needs for information that were suggested from our interactions with practitioners in various types of industries, it was necessary to gather information tailored to specific questions of these business decision makers.

THE FOCUS OF OUR STUDIES

To better understand the buying and consumption habits of aging Americans, we sent out 20,000 questionnaires to people from all walks of life in all 50 states. This exhaustive effort ensured that our participant pool would represent the average American in various demographic brackets. Because of the large number of questions we wanted to ask, we used two surveys, each mailed to approximately 10,000 adults. These surveys included questions about a wide variety of topics ranging from main day-to-day concerns to buying habits and purchasing preferences. However, the majority of questions focused on buying and consumption habits and preferences with respect to the following products and services:

- ◆ Health-care products and services
- ◆ Insurance
- ◆ Housing
- ◆ Financial services
- ◆ Travel and leisure
- ◆ Pharmaceutical products
- ◆ High-tech products and telecommunication services
- ◆ Apparel and footwear
- ◆ Food and beverages

Because we were interested in studying the buying habits of older adults, we focused on the consumer behavior of individuals older than

the median age (approximately 35 years). Thus, we included in our investigation baby boomers as well as older age groups.

We wanted to learn about aging consumers' preferences for various products and services in these categories, why they choose specific brands or service providers, and other details about their purchasing habits, including the following:

- Product or service ownership and use
- Buying motives
- Sources of purchasing influence
- Patronage reasons
- Methods of purchasing
- Methods of payment

Finally, we wanted to know the extent to which aging Americans from different backgrounds behave differently as consumers of these products and services. In order to do this, we analyzed the responses given to the two surveys by select background characteristics such as demographics and lifestyles. Approximately 3,700 adults completed surveys and provided the basis for our investigation. Some of our findings are highlighted in this section, while detailed findings on buying and consumption habits of aging Americans are presented in the sections that follow. We use the terms "older" and "mature" to refer to individuals age 55 and over; "baby boomers" are those born between 1946 and 1964; "elderly" or "seniors" are those age 65 and older; and "parents" of baby boomers are individuals age 55 and over, since the young baby boomers can have parents as young as 55 years of age.

THE BUYING HABITS OF BABY BOOMERS AND SENIORS

We were interested in the buying and consumption habits of baby boomers as well as older age cohorts. Consequently, our surveys included nearly 1,000 baby boomers from all states, and we compared their responses to the same questions given by older age groups (age 55 and over) and by seniors (age 65 and over). Some findings concerning baby boomers and seniors:

- Although baby boomers have fewer children than seniors, they are ten times more likely to count on their offspring for care in their old age.
- Baby boomers have become more knowledgeable about nutrition during the past ten to fifteen years, in comparison to seniors. However, they have not

changed their eating habits significantly. By contrast, seniors have changed their eating habits in response to their increased knowledge about nutrition.

- *Health-membership programs* that focus almost exclusively on seniors may be missing a huge market, since a larger percentage of baby boomers (68%) than seniors (43%) prefer these programs.
- Generally, in comparison to baby boomers, seniors prefer to receive a wider variety of *nontraditional financial services*, such as insurance products from traditional financial institutions such as banks.
- Home-equity loans and various reverse-mortgage plans are of much greater appeal to baby boomers. Motives for other types of investments also differ between the two groups.
- Twice as many baby boomers (42%) as seniors (19%) plan to move into or stay in a single-family house. About three out of ten in both age groups plan to live in a *retirement community* at some point later in life.
- When it comes to preferences for *investment instruments*, baby boomers are as conservative investors as their elderly counterparts, while the latter group has substantially higher balances in liquid assets and securities.
- Baby boomers are generally more sensitive to price and sales promotions than their elderly counterparts when it comes to choosing an *airline*, a *cruise line*, or a *hotel/motel*.
- Location of a *pharmacy* is more important to baby boomers than to elderly shoppers; the latter group values product/brand availability and personal assistance more than their younger counterparts.
- Baby boomers are three times more likely than the elderly to own a *telephone-answering machine*, but the latter group is twice as likely to own a *home-security system*.
- The most important reasons for both age groups in deciding whether to buy apparel and footwear products from mail-order sources are price and return/cancellation policy.
- Baby boomers are more price conscious than the elderly when shopping for *grocery products*, with three-fourths of them (in comparison with 62 percent of the seniors) indicating they consider price reduction or special sales in their brand selection.
- Seniors are nearly twice as likely as baby boomers to read the *newspaper* on a daily basis (85% vs. 47%).
- Baby boomers are equally as likely as seniors to show interest in long-term care insurance, with slightly over seven out of ten from each group indicating ownership or desire for ownership of such a policy, but the two cohorts differ with respect to preferences for benefits (i.e., long-term care services) for which they want coverage.

OLDER CONSUMERS ARE VERY HETEROGENEOUS

Perhaps the single most important general finding that emerged from examining responses given by baby boomers and older adults (age 55

and over) was the great heterogeneity in the buying habits among the older age cohorts. While the buying habits of baby boomers differ relatively little across characteristics of this cohort, we found large differences among older Americans in regard to the ways they acquire consumer products and services. Therefore, we focus our reporting on those consumers age 55 and older by breaking down their responses according to a variety of demographic and lifestyle characteristics. In contrast, the buying habits of baby boomers are merely reported on an aggregate basis when compared to those of older Americans.

OLDER CONSUMERS' HABITS

Following are some findings regarding the concerns and buying habits of Americans age 55 and older:

Main Concerns

Fear of failing health and loss of physical and economic independence surfaced as the main concerns among older Americans. Generally, older women are more concerned with a wider variety of areas than their male counterparts. People from various backgrounds express different concerns. Some detailed findings:

- Women are more concerned than men with being able to take care of themselves when they get older (59% vs. 51%) and about their dependence on others for routine daily tasks (39% vs. 29%).
- Maintaining economic independence was reported as a concern almost as frequently as issues of failing health.
- Women are more likely than men to be concerned with the effects of aging on their appearance. Thirty-one percent of them (vs. 16% of men) express concern with the changes in their hair and skin, and with the shape of their body (24% vs. 14%, respectively). However, a smaller percentage of the two groups is concerned with looking a lot younger than they actually are (11% vs. 6%, respectively).
- The desire for post-retirement employment is linked more to the "need" for maintaining financial independence than to a general "want."
- Concern with crime and fraud is also a relatively important preoccupation among aged Americans; women are somewhat more concerned than men (39% vs. 34%), especially among those in lowest income brackets living in urban areas.
- Nearly half of those over 55, especially those with income over \$50,000 (52%) and empty nesters (49%), are looking for ways to indulge themselves.
- Concern with maintaining their physical well-being is reflected in the daily

activities of older Americans. Three in five make an effort to maintain or improve their health condition through exercise and diet.

- Many older people have the need for intellectual stimulation. The desire to learn new things is greater among older women than among older men (33% vs. 21%).

Health-Care Products and Services

Mature consumers prefer to receive medical-care services at their homes. Thirty-six percent of Americans age 55 and over prefer receiving medical-care services at home, but only 6 percent actually do. The fact that there are so many more people (about 20 million) who have preference for but no access to (or ability to pay for) at-home health-care services signifies an unmet need and an opportunity for health-care providers.

There appears to be a great demand for preventive health-care services, such as health-membership programs and fitness programs, especially among younger mature Americans. The majority of mature consumers, regardless of age, would like to have access to such programs, but a rather small percentage of them actually use them. Again, this discrepancy may suggest unavailability (low supply) or poor marketing.

Contrary to conventional wisdom, perceived need for health care is not related to age, but to a number of socioeconomic factors. More than half of mature Americans (55+) have a chronic condition for which they take medication, and one in six must use products with (or without) certain ingredients as a result of health-related restrictions. About one in six has diagnostic medical equipment, and four in ten have exercise equipment at home. When it comes to choosing hospitals, older adults consider accessibility to the hospital and ability to receive a wide array of health-care services at the same place. They place equal importance on the way a hospital's personnel/staff treat them. Older patients consider assistance with filling out forms and explanation of various services by staff/personnel in their patronage decision. The same reasons are important in choosing physicians and surgeons.

Insurance

The demand for long-term care insurance is growing as the population ages. One-third of those age 55 and over own a long-term care insurance policy, and an additional 40 percent prefer this type of insurance. Older Americans' desire for long-term care and home-health care insurance is an indication of their preference to remain independent and have the freedom to choose the type and place of care should they need it later

in life. Regardless of age, the people with one or both of their parents alive are interested in long-term care insurance that would enable their parents to maintain their independence, with nearly half of adults expressing willingness to purchase such insurance for their parents. Two factors stand out as the main reasons for deciding to buy insurance policies from a specific company: price (premiums) and ease of doing business (by phone or mail).

Housing

When noninstitutionalized Americans age 55 and older were questioned about their future housing plans, only 23 percent expressed a preference for living in a single-family house; nearly 30 percent plan to live in a retirement community, and another 16 percent plan to live in an apartment, townhouse, or condominium. A small percentage (7%) plans to live in a nursing home at some point, and one in four had not made any housing plans for later life. These statistics dispel the myth that older people do not plan to move into other types of housing, since 84 percent of those responding already live in a single-family home.

Mature Americans cited home or personal security and location near shopping centers as important reasons for choosing a house, apartment, townhouse, or condominium. Access to medical care and planned social activities were mentioned as important factors in the selection of a retirement community. Similarly, the availability of medical-care services and distance from friends and relatives are the most important reasons for choosing a specific nursing home. The "new" older consumer appears to be receptive to a wider variety of housing options than previously thought, creating opportunities for developing a diversity of such products to satisfy consumer needs.

Financial Services

Demand for free financial services or "perks" that reward customers for maintaining large balances outpaces the availability of such benefits. Nearly three times as many older Americans would factor such offerings in their patronage decision rather than special deals through group or membership programs, which are widely promoted by many financial institutions. Today's older Americans do not simply prefer safe investments; about half are likely to own or prefer average-risk investments (like balanced mutual funds).

Older adults are also willing to purchase stocks from commercial banks, while the majority are willing to purchase services such as insurance policies from traditional and nontraditional financial institutions such as banks and the American Association of Retired Persons (AARP).

When questioned about reasons for patronizing specific financial institutions, older respondents mentioned the financial-service provider's staff, and specifically the personnel's ability/willingness to explain various financial services. Three other reasons were of nearly equal importance: convenience, ease of doing business by phone or mail, and ease of getting related services at the same place. The widely marketed senior membership or discount programs were not found to be very important reasons why older Americans patronize financial institutions.

Travel and Leisure

Age does not appear to affect people's desire to travel, but their inability to pay often keeps them at home. When older travelers stay at a specific hotel or motel it is likely they selected it because of a certain rate or a special discount. About two-thirds of older travelers decide where to stay based on rates lodging facilities charge, and another 60 percent decide on the basis of the facility's discount program. These same reasons are cited for choosing a specific airline or cruise line.

Among other things, our findings suggest the need for developing a wide range of travel-related offerings that meet the budgets of older Americans. Direct mail is an important information source for travel services among older adults. Four in ten prefer to receive news in the mail, and about one-third prefer to be informed via advertisements. When asked about their preferences for methods of purchasing vacation packages, nearly 60 percent of mature Americans indicated preference for buying travel-related services at vendor's facilities, while slightly more than 40 percent said they would buy through the mail or by phone.

Pharmaceutical Products

If older consumers cannot read or understand information about over-the-counter (OTC) pharmaceutical products they need, chances are they will not bother buying them. Ease of reading information on labels is the main reason older consumers decide to buy specific brands of OTC drugs and health aids. Also, ease of understanding and following usage directions provided with the product is important.

When asked about reasons for choosing specific drug stores and pharmacies, older Americans said they value proximity, availability of familiar brands or products, and ease of locating merchandise as the main reasons for patronizing these stores. Two additional reasons are important to more than half of the mature consumers: location near other retail facilities and ability of store personnel to assist them. When asked why they decide to buy or not buy prescription drugs and health aids by phone or mail, more than half mentioned "price," with another 40 per-

cent mentioning availability of toll-free (800) number, the number of days they have to wait before receiving the merchandise, and convenience. About half of older Americans prefer paying for prescription drugs with a check or cash, and many use senior discounts.

High-Tech Products and Telecommunication Services

Use of high-tech products and telecommunication services relates to the older person's lifestyle and stage in life rather than age. Products and services which provide an obvious benefit appear to be used, while those which are not important to the person's lifestyle or stage in life are not as likely to be used. Regardless of age, older people with high incomes tend to use a variety of high-tech products and telecommunication services. Older Americans age 55 and over are about as likely to own a recent model of automobile as those under 55. Older adults use telecommunication services less frequently than their younger counterparts. Approximately half of the mature consumers prefer to learn about new electronic products and telecommunication services from TV or print ads. While older consumers prefer to purchase a variety of products through the mail, only one in ten is likely to buy electronic products direct.

Apparel and Footwear

Mature Americans, especially females, are as fashionable nowadays as their younger counterparts. Those with highest levels of income and education are the most fashion conscious. One in five prefers buying clothes through the mail.

Reasons that help most older Americans decide whether to buy apparel and footwear products directly from the source include: price (67.2%), return/cancellation and refund policy (65.8%), days to wait before receiving (56.9%), selection of products (55.3%), and availability of toll-free (800) number (53.4%). When it comes to choosing a specific department store, older Americans' patronage decisions are influenced by sales (66.7%), ease of locating merchandise (60.5%), and availability of personnel who could assist them (59.5%). Price ("sales") is by far the most important reason in deciding which brand(s) of apparel and footwear products to buy.

Food and Beverages

Older people are becoming more health conscious than their younger counterparts. Although younger consumers admit they know more about nutrition today than they did ten to fifteen years ago, they are not as likely as older consumers to sacrifice good taste for good nutrition.

Younger people are more knowledgeable about nutrition, but this is not very likely to influence their eating habits.

When choosing specific food stores, older shoppers value economic factors (such as “specials” and senior discounts), special-assistance services (such as package carry-out), and personnel assistance more than younger shoppers. About half of the respondents age 55 and over mentioned three reasons for choosing specific restaurants: senior discounts, comfortable place for socializing, and location.

BUYING HABITS OF UPSCALE OLDER ADULTS

The buying and consumption habits of older Americans differ according to demographic factors. Even those mature consumers who are in the same demographic group display marked differences in the ways they behave in the marketplace. For example, mature Americans in different income classes (lower-, middle-, and upper-income) have different buying habits; and those in different income levels *within* each income class also tend to behave differently. In order to illustrate this heterogeneity, we are presenting findings regarding the consumption behavior of upscale older adults (age 55 and over) with an annual household income over \$50,000.

Several aspects of consumer behavior exhibited by those with incomes between \$50,000 and \$75,000 were compared with behaviors of older people with incomes greater than \$75,000. Some findings:

- In deciding whether to buy *insurance* from a company, the lower-income group (\$50,000–\$75,000) is five times as likely as the higher-income older adults (income over \$75,000) to be influenced by the types of credit card they can use to pay for their premiums.
- In deciding on a *retirement community*, the \$75,000-plus income group is more likely to consider the facility’s location in relation to the residence of their friends, while the lower-income group is more concerned with their home or personal security in the community.
- When deciding which *financial institutions* to do business with, the upper-income group places more emphasis on personnel/staff assistance in explaining the various services, and ease of doing business by phone or through the mail. The lower-income group is more preoccupied with the institution’s policies such as billing and payment options.
- Half (49.2%) of older adults with income over \$75,000, in comparison to their lower-income counterparts (24.2%), prefer buying *vacation packages* by phone; but compared to the more affluent group, the less affluent consumers prefer to visit the travel vendor’s facilities and pay cash for airline tickets.
- More older people in the lower-income group than in the higher-income

bracket indicate preference for using direct mail when purchasing *apparel and footwear* (26.3% vs. 15.6%).

- When considering which department stores to patronize, the lower-income group is influenced more by the availability of billing/payment methods than the higher-income group.
- The less affluent group is nearly twice as likely than the more affluent group (27.8% vs. 15.5%) to read *Readers' Digest* on a regular basis.

MATURE CONSUMER SEGMENTS

As people age, they tend to become more dissimilar with respect to their needs, lifestyles, and consumption habits. Although we estimated responses to our questions for the mature market, we were aware of the great heterogeneity of this group. Besides reporting responses by standard demographic factors such as gender and income, evaluating the mature market on the basis of such objective characteristics is not always adequate because demographic and lifestyle factors by themselves offer weak explanations of consumer behavior.

To better understand and break down the complex mature market, we must understand the factors that contribute to its complexity and that cause individuals to respond differently to market offerings. What makes people behave differently as consumers is not just one factor such as need, but several, including available income and lifestyles. Specifically, the factors that make older consumers more or less responsive to marketing offerings are directly related to their needs, attitudes, demographics, and lifestyles, which are in turn influenced by changing life conditions. As people go through life, they experience major life events or circumstances. Some of these events or life changes are biological, such as menopause and the onset of chronic conditions. Others are social and psychological, reflecting adjustments a person must make to circumstances such as losing a spouse or becoming a grandparent.

When people experience major life events, they often change their outlook on life as they re-evaluate their goals, wants, and roles on both personal and consumer levels. As they confront these changes, older consumers' needs obviously change, but so do their perceptions of, and needs for, specific products or services. We use the term "gerontographics" to refer to life-changing events and circumstances in later life that shape the individual's attitudes and behaviors. Because people differ with respect to their life experiences and biological, social, and psychological circumstances, they also differ when it comes to their behavior as consumers. On the other hand, older people who experience similar circumstances in late life are likely to exhibit similar patterns of consumer behavior. Based on this premise, we classify mature consumers into segments. Individuals in each segment are relatively similar, while consum-

ers in each segment as a group differ from those in other segments. Using sophisticated statistical techniques (factor analysis, cluster analysis), we were able to conclude that older consumers best fit into one of the following four segments of life stages.

Healthy Indulgers (18 percent of the 55-plus population) have experienced the fewest life events such as retirement, widowhood, and chronic conditions that contribute to people's psychological and social aging. As a result, they are the group most likely to behave like younger consumers. The major difference between indulgers and middle-aged baby boomers is that the former group is financially better off and more settled in their careers. Their main focus is on enjoying life rather than trying to "make it."

Healthy Hermits (36 percent) are likely to have experienced life events that have affected their self-concept and self-worth, such as the death of a spouse. They tend to respond to these events with psychological and social withdrawal. Many resent the isolation and the fact that they are expected to behave like old people.

Ailing Outgoers (29 percent), on the other hand, maintain positive self-esteem and self-concept despite life events, including the onset of chronic health problems. Unlike hermits, outgoers accept their "old-age" status and acknowledge their limitations, but are still interested in getting the most out of life.

Frail Recluses, who make up 17 percent of today's mature population, is the fourth group. Like outgoers, they are likely to have accepted their old-age status and have adjusted their lifestyles to reflect physical declines and changes in social roles. In contrast to outgoers, they have chosen to cope with detrimental changes in later life by becoming spiritually stronger. Frail recluses may have been healthy indulgers in the past. They may also have been healthy hermits or ailing outgoers at an intermediate stage, although probably not both. Thus, people in late life can move from one stage to another.

Some changes occur slowly. Full-time workers who wind down to part-time hours may spend years in semi-retirement and become accustomed to a gradual increase in leisure time, as well as a reduced income. A woman whose husband suffers through a long illness before death may experience widowhood in a series of stages. Sometimes changes are abrupt, such as when a stroke hits. Regardless of the time span, the processes or "flows" of aging are in fact relatively age-irrelevant because they may happen at any point. Some people never experience certain events at all. Many men never experience the death of their wife because they die first; some people never become grandparents; and some older people work until the day they die.

Selling Products. Our studies show that the consumer behavior of older people largely depends on the experiences they have had and the way

they adapt to them. Differences in consumer responses to marketing offerings can form the basis for selecting targets, positioning products and services, and developing marketing programs. They vary by industry within groups, too. The strategy that appears to be effective for one product or service may not be effective for another.

Although everyone eats, ailing outgoers deserve special mention when it comes to food, because they are most likely to respond to special attention from grocers and restaurateurs. This is because most ailing outgoers have health problems that may require a special diet. Marketers or establishments who appeal to such needs will get the outgoers' business. Offering and promoting convenient restaurant locations will help bring in ailing outgoers who enjoy outings yet appreciate ease of access. So will special services that minimize the walking they have to do, such as valet parking.

Ailing outgoers like the feeling of independence that eating out provides, but they have to watch their pennies. This group is attracted to restaurants such as International King's Table. Besides offering a healthy menu that changes daily, consisting of eight entrees, several hot vegetables, a salad bar, and a variety of desserts, the Eugene, Oregon-based chain offers many money-saving incentives, such as coupons. Many restaurants in retirement areas have discovered how to pack the house with "early bird" specials. Ailing outgoers appreciate the discount on the meal, and don't mind eating earlier in the day. In turn, restaurants add an extra seating or two to their dinner hours, and can fit in more younger customers later in the evening.

Because they are sociable, ailing outgoers are interested in appearing socially acceptable. But they also want functional clothing that suits their particular needs, such as easy-to-manage fastenings and openings. Ailing outgoers appear to be the prime segment for retailers who put out catalogs designed specifically for older women, many of whom have arthritis. For example, J.C. Penney's Easy Dressing catalog markets fashionable apparel featuring velcro fasteners instead of zippers or buttons, roomier armholes for easier access, large tabs on front zippers, partially elasticized waist bands, and other features that make it easier for women to dress.

Direct-mail catalogs are a good way to promote specialty clothing, especially when they feature sale prices and conveniences like no-fuss return policies. Although healthy hermits are less sociable in general, or perhaps because of this trait, it is best to emphasize conformity when selling clothing to them. They don't want to stand out in a crowd, and they want to know that their appearance is socially acceptable to other seniors. They tend to feel comfortable with well-known brands, and don't mind paying more for them.

Ailing outgoers and healthy indulgers are the two segments most

likely to move later in life. Ailing outgoers are more likely than other mature people to be attracted by housing that promotes their independence even as their physical limitations increase. They can benefit from the medical support available in retirement communities and nursing homes, and they like the idea of having a built-in social network. But they also want reassurance that they will have as much independence as possible within such a structured environment. Consequently, access and transportation to shopping and other activities is important to them.

Healthy indulgers, on the other hand, are looking for truly independent living on a reduced scale from their child-raising years. They are the ones who sell their large single-family homes and buy apartments, townhouses, and condo units, preferably near shopping centers. This relatively upscale group often has money invested in furnishings and other possessions, so they are potential customers for home-security systems, as well as discretionary home-care services, such as carpet cleaning. They are also the mature group most likely to be interested in high-tech, home-oriented devices, such as telephone-answering machines.

Healthy hermits and frail recluses prefer to stay put in the single-family home where they raised their families. Among mature consumers, they offer the greatest potential for the remodeling industry. Since these two groups make up more than half of the mature market, it is not surprising that they constitute a large customer base for hardware stores. Home Depot makes a point of addressing their needs by hiring older employees who can better relate to mature customers. Healthy hermits may want to do home improvements themselves, so hardware stores and other retailers would do well to sell tools and materials directly to this group. Frail recluses may do some of their own minor repairs, but they also need help maintaining homes and yards, so affordable home-care services such as weekly lawn mowing appeal to them.

Selling Services. As their names suggest, ailing outgoers and frail recluses are the more important mature market segments for health-care products and services. Outgoers are interested in health-club memberships, especially those that offer senior discounts. Recluses are better bets for home exercise equipment, as well as self-diagnosing kits to monitor blood pressure, blood-sugar level, and cholesterol in the privacy of their homes. Emergency-response systems are also in demand by recluses. The Baptist Medical Centers of Birmingham, Alabama, provide an immediate communications link between a person at home and a central monitor location at the centers.

Recluses can't take care of all their health-care needs on their own, of course, and they value convenience, so health-care clinics should emphasize location when talking to recluses. However, those who can't be close to customers can still bring in business. The LaFayette Eye Center in LaFayette, Indiana, offers its senior clientele free transportation to ap-

pointments via its Eye-Van. The mini-van will pick up seniors who live within an hour's drive. Outgoers, on the other hand, value social networks, so clinics should focus on the direct contact seniors will have with providers when appealing to this group.

Outgoers have to think about their health, but they do so in an upbeat and security-conscious fashion. Their willingness to face age head-on and accept the health problems it brings makes them an ideal market for long-term care medical insurance and medigap coverage. They may also be open to learning about different types of insurance plans, so cross-selling by agents and efficient telemarketing could work for this group. So can a variety of payment systems and liberal cancellation/refund policies that mean customer convenience.

When it comes to money, healthy indulgers value both convenience and personal service. This group is a good market for low- to moderate-risk investments, as well as overdraft protection on checking accounts. They will also sign up for free banking services in exchange for maintaining large account balances. Frail recluses are potential IRA/Keogh account owners. They value the security of overdraft protection on checking accounts and the financial independence that reverse mortgages offer. Both indulgers and recluses appreciate staff trained to explain forms, accounts, and other banking procedures. Many banks have realized the importance of helping their older clientele understand and use various services, and have special training programs for customer-service personnel who interact with older customers. Customer representatives at Penn Central National Bank in Huntingdon, Pennsylvania, taped up their knuckles to simulate arthritis so they could appreciate firsthand the difficulties many elderly people have with counting money and filling out deposit slips.

Travel-service providers have mixed feelings about the potential for travel and other leisure spending among mature Americans. On one hand, they believe that people want to enjoy themselves after they retire and the kids have left home. On the other hand, they worry that seniors don't have the money or energy to travel. The reality is that different mature segments want and need different things, but everyone wants to have fun.

Healthy indulgers can afford to take more expensive trips by air and cruise ship, although they won't complain about special group rates and senior discounts. They enjoy the convenience that packaged travel services provide and are comfortable with signing up by phone or mail. To sell trips to them, marketers should solicit testimonials from satisfied senior customers. Ailing outgoers like to belong to clubs, so national chains of hotels and motels can capture their loyalty with membership programs that provide value wherever they go. And they don't mind

being old, so marketing messages that properly portray elderly people won't be wasted.

Because mature Americans can and do move from one life-stage segment to another in a somewhat predictable fashion as they experience and react to life changes, it is possible to identify those who are "at risk" for moving into a given life stage. Retailers, health-care providers, and banks armed with this information can then be proactive about targeting people even before they enter the next life stage. Those who track the progress of mature consumers will stay ahead of the competition.

ABOUT THE FINDINGS OF OUR SURVEYS

In subsequent sections, we present the results of our surveys by type of product or service. This format was deemed desirable for two reasons. First, consumer buying habits and product preferences vary from one product to another—the way one goes about purchasing a home is different from the process of buying groceries. Second, this format is most helpful for the busy executive who is usually interested in one general product category.

Besides reporting the average response from all survey participants, we also report responses by specific sociodemographic and gerontographic subgroups. For example, responses are reported for the "55-plus," as well as for the 55–64, 65–74, and 75-plus age segments; and we compared responses given by those age 55 and over to those of under 55, as well as those of baby boomers (born between 1946 and 1964) and those of seniors (age 65+).

To further help the reader or potential user of our research, the main findings are summarized and recommendations are offered on the basis of these findings to help decision makers effectively reach the aging consumer market. Only statistically significant findings are presented.