Getting to know you;
A novel approach in segmenting the ageing consumer market

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Why research on ageing consumers?

- Under-represented and promising groups of consumers

- 21 million people above the age of 50
- More people above 60 than under 18
- By 2083 one in three people will be over 60.
  
  (Office For National Statistics, 2009)

The over-50s represent 80% of the country’s wealth – equivalent to almost £280bn. (Wealth and Asset Survey, 2009)

71 percent of 50+ mentioned that they never or rarely have too little money to spend on their needs. (ELSA, 2006)
Does age mean anything?

80 plus  70 plus  60 plus  50 plus
Changes brought with ageing

- Physical and mental changes
- Development of more individual lifestyles
- Occurrence of life changing events
- Social and professional role changes

Our aim: To find large distinct and actionable groups within the population to design and deliver products and services for.

Segmentations is the start of a journey from mass generalisation to mass customisation.
## Types of segmentations

### Different types of segmentations

<table>
<thead>
<tr>
<th>Type</th>
<th>Source(s)</th>
<th>Application</th>
</tr>
</thead>
<tbody>
<tr>
<td>Need based</td>
<td>Greengrove, 2002</td>
<td>Prod development &amp; branding</td>
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<tr>
<td>Benefit based</td>
<td>McDonald and Greenberg, 1989; Ahmad 2003</td>
<td>Prod development &amp; branding</td>
</tr>
<tr>
<td>Characteristic based</td>
<td>Yankelovic and Meer, 2006; Boote 1981</td>
<td>Development and execution of customer strategy and targeting</td>
</tr>
<tr>
<td>Industry based</td>
<td>Kalafatis and Cheston, 1997</td>
<td>Business Sector strategy</td>
</tr>
<tr>
<td>Product based</td>
<td>Green et al, 1989</td>
<td>Specific product or service strategies</td>
</tr>
</tbody>
</table>
Inadequacy of current methods

- Insufficient information about the market
- Looking for intentions and not actions
- Being too specific or too generic
- Unrepresentative samples
- Demographic oriented
- Out dated

Not providing actionable and distinct segments to address
A novel approach to segmentation

Current segmentations

Gerontology Literature

Lifestyle and Spending Statistics

Representative sample
1000 over 50 individuals

Sample

Industries

Methodology

Concepts and Variables

Focus groups (by Industry sector)

Questionnaire design

Questionnaire Pilot

Face to face home interviews

segments

Follow up Interviews

Subjective Age

Technology and Communications

Grocery and General retail

Travel and Leisure
Ageing consumers are individuals.

Social Wellbeing
Physical Wellbeing
Cognitive Wellbeing
Emotional Wellbeing
Perception of age

Lifestyle
Consumer Behaviour
Psychological
Demographic

Consumer experience and expectations in three industry sector

Segmentation in General
Sector based Segmentation
An example of a user group

An optimistic learner

- Female
- Average age: 70
- Minor physical problems
- Feel younger than their peers
- Sociable and active
- Positive about becoming older
- Price conscious
- Use lots of vouchers
- An emotional decision maker
- Mostly do their shopping with someone
- Light user of technology but keen to learn and own more technological products
- Do not like extra features on products
- Normally need help in setting up new products but prefer to be independent
References


Boote 1981 Market segmentation by personal values and salient product attributes *Journal of advertising research* 21(1):29-35


Kalafatis S.P and V. Cheston, 1997 Normative models and practical applications of segmentations in business markets *Industrial Marketing Management* 26: 519-530

McDonald S. S and M Greenberg 1989 Successful needs/benefits segmentation : A user’s guide *The Journal of Consumer Marketing* 6 (3)29-36


Wealth and Asset Survey 2009 Economic and Social Data services available at: [http://www.esds.ac.uk/findingData/snDescription.asp?sn=6415#doc](http://www.esds.ac.uk/findingData/snDescription.asp?sn=6415#doc) last accessed

All the photos are taken from the internet.
Thank you for listening!