

# There Is Money On The Table

Challenges and Opportunities of Marketing  
to an Older Population



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“People over the age of 55 have the most money and buy the most products. Yet, the advertising industry is infatuated with the 18- to 34-year-old target market.”

Terry O'Reilly, *This I Know: Marketing Lessons from Under the Influence* (2017)

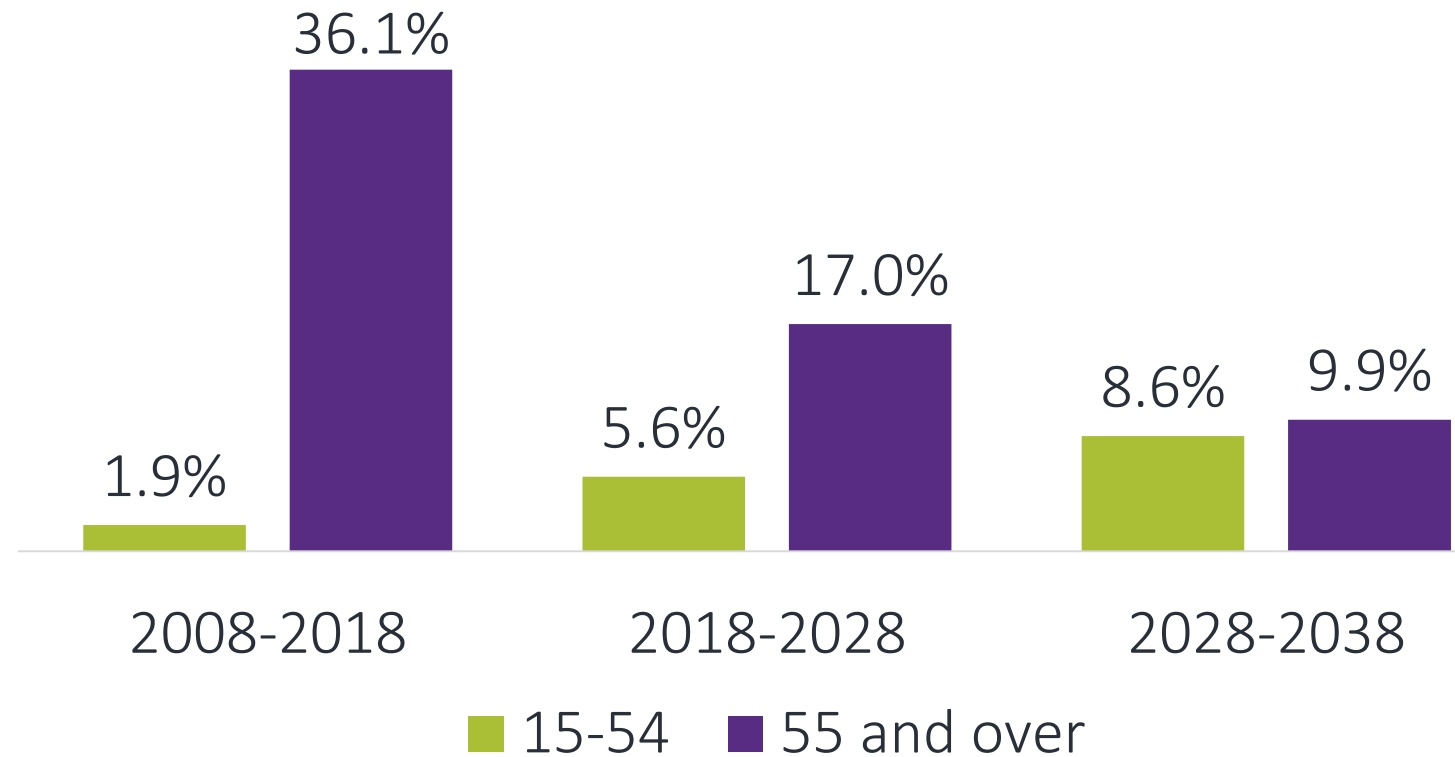
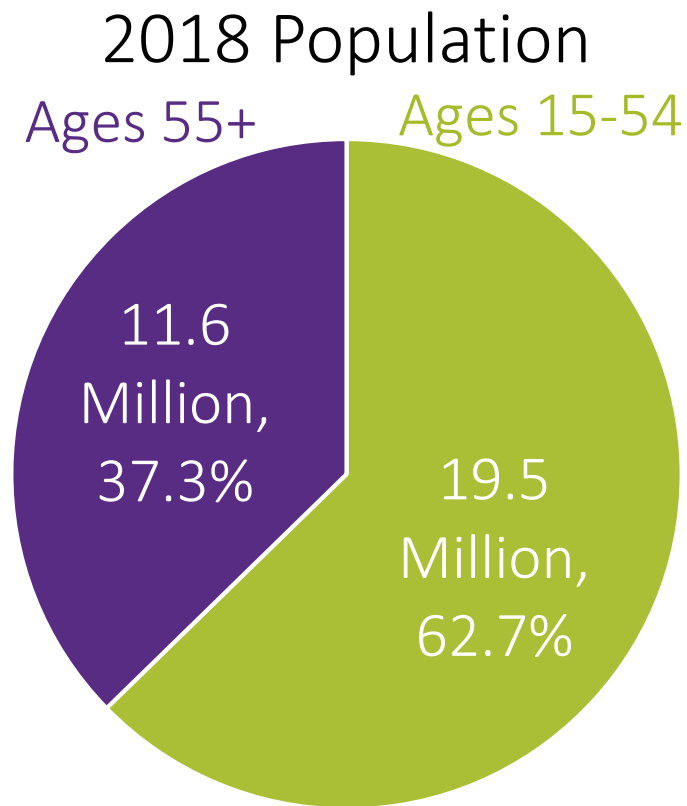
# The size and growth of Canada's older population



# Future growth concentrated at older ages



Population Aged 15+ in Canada, 2018 and 2038

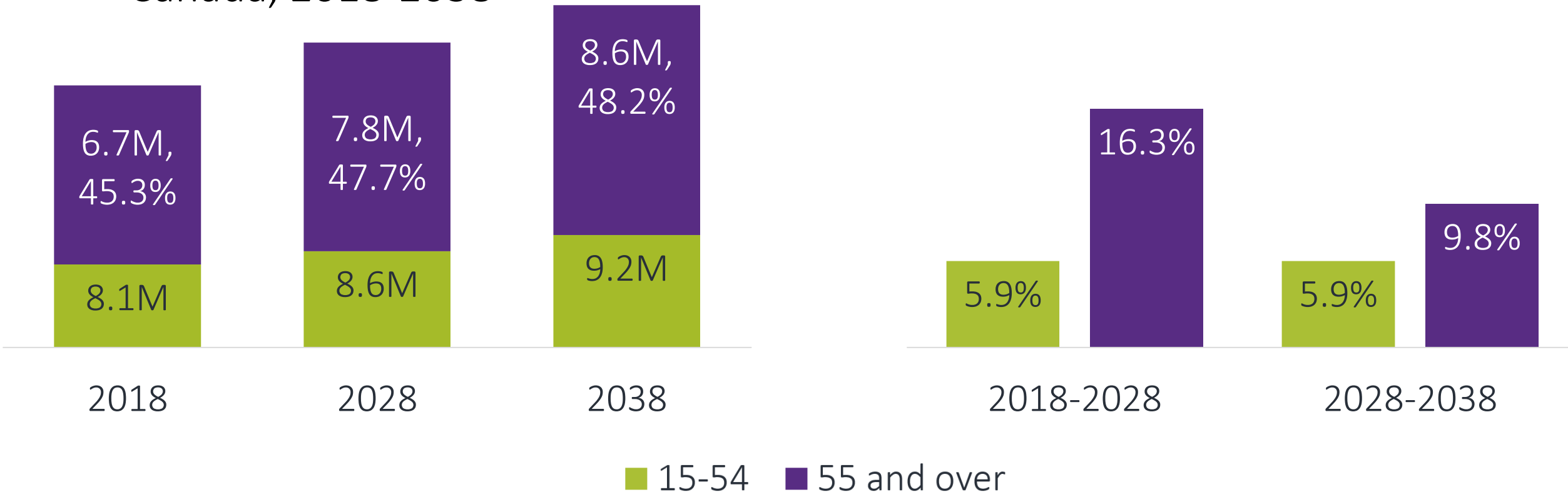


# Nearly half of all households will be over age 55



Projected households by ages,  
Canada, 2018-2038

Growth in number of households



# Some characteristics of Canada's older population

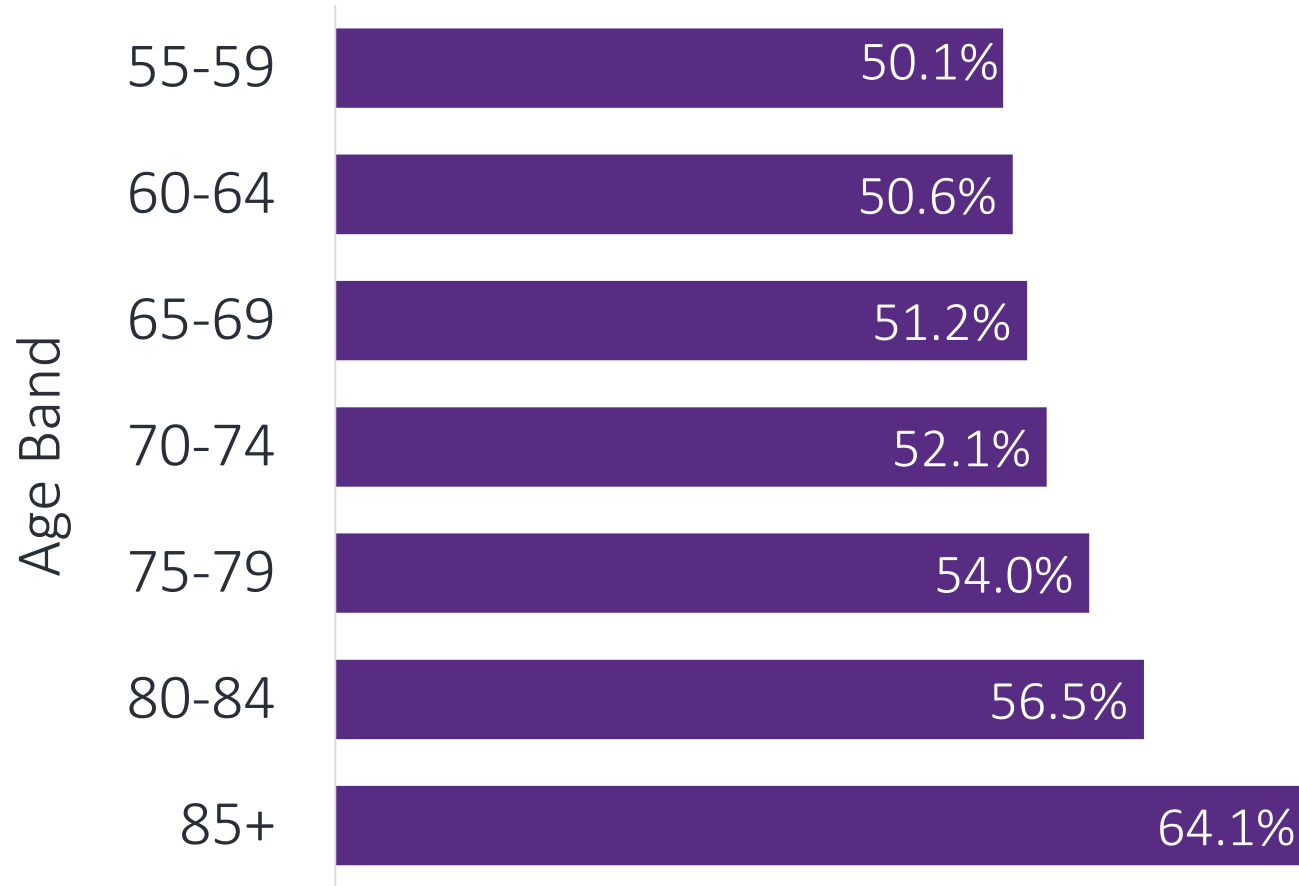




# Higher percentage of women at older ages



Percent Female in Canada, 2018

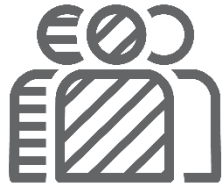


Population 55+ is 52.5% Female

# Boomers are very different from yesterday's seniors in terms of their life histories



More highly  
educated



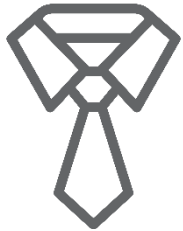
More culturally  
diverse



Smaller & more  
diverse families



Women in  
labour market



Delay retirement but  
work at  
older ages is part  
time/part year



Will live longer  
with  
more years in  
good health




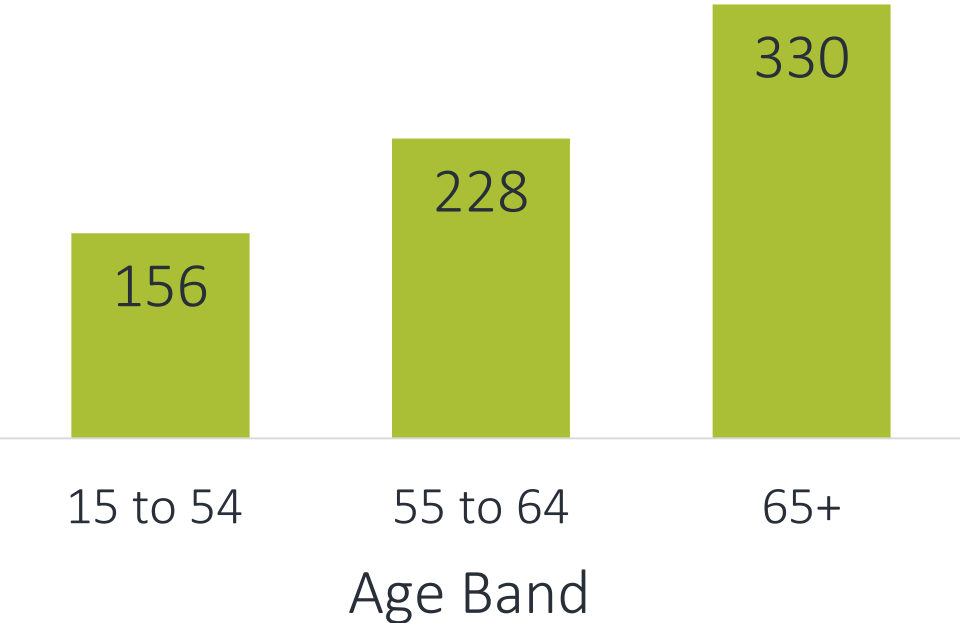
Higher income  
and wealth



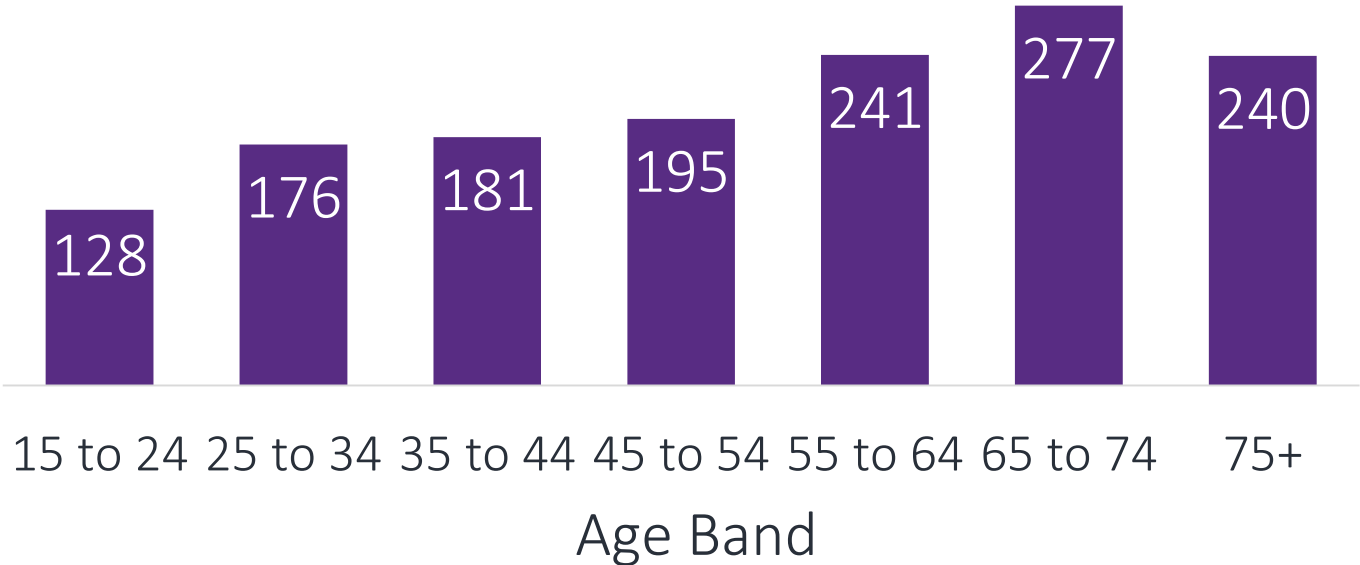


# Seniors have much more leisure time and spend more time shopping

 Average Leisure Time, 2015 (Min)



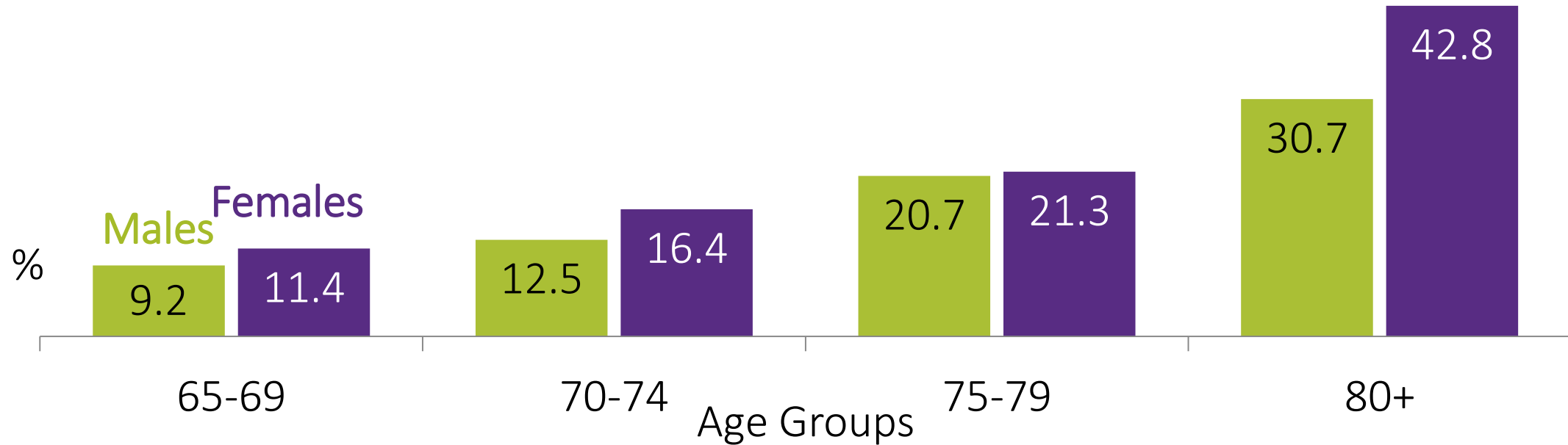
 Average Time Spent Shopping 2015 (Min)



# Most seniors are independent, but more need help as they age



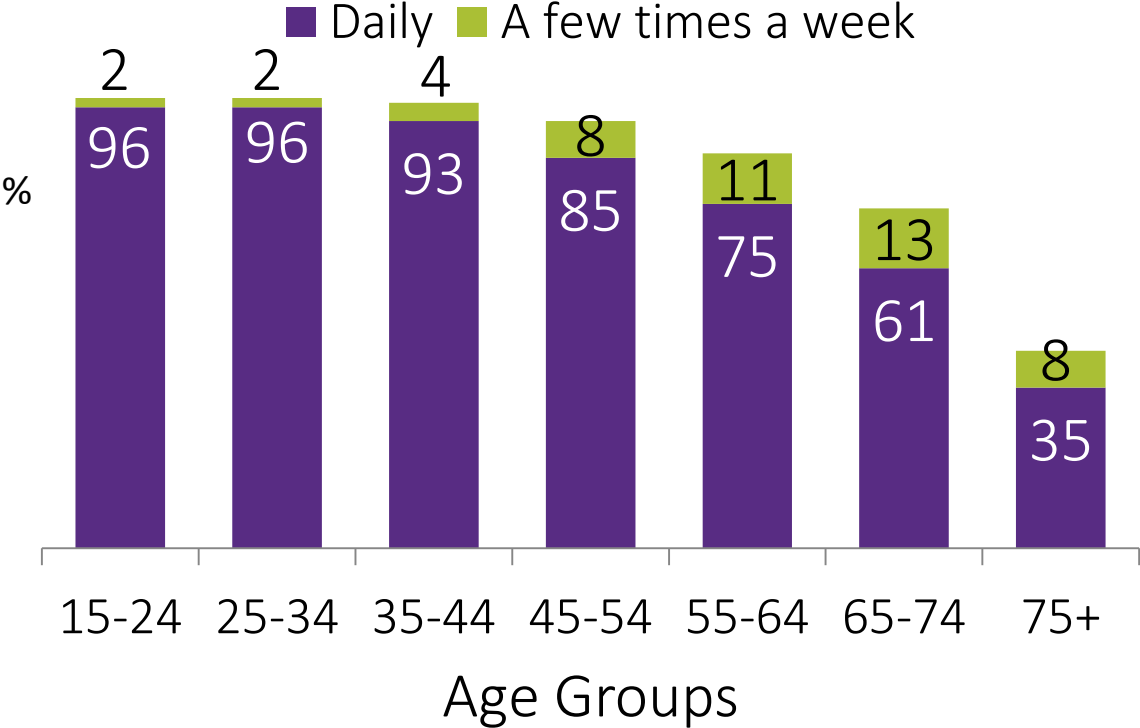
Percent of Persons Who Need Help Because of Long-term Health Condition, Disability or Aging, Canada, 2011



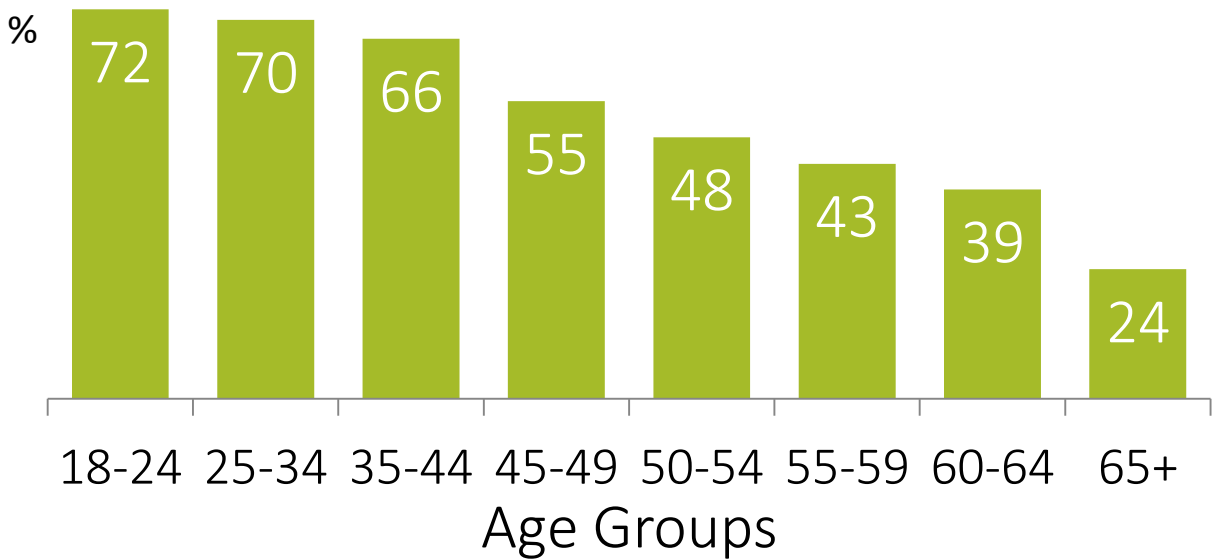
# Seniors spend less time online, but trending higher



Internet Use by Age Group,  
2016, Canada



Participated in social media in  
last two weeks, 2018, Canada



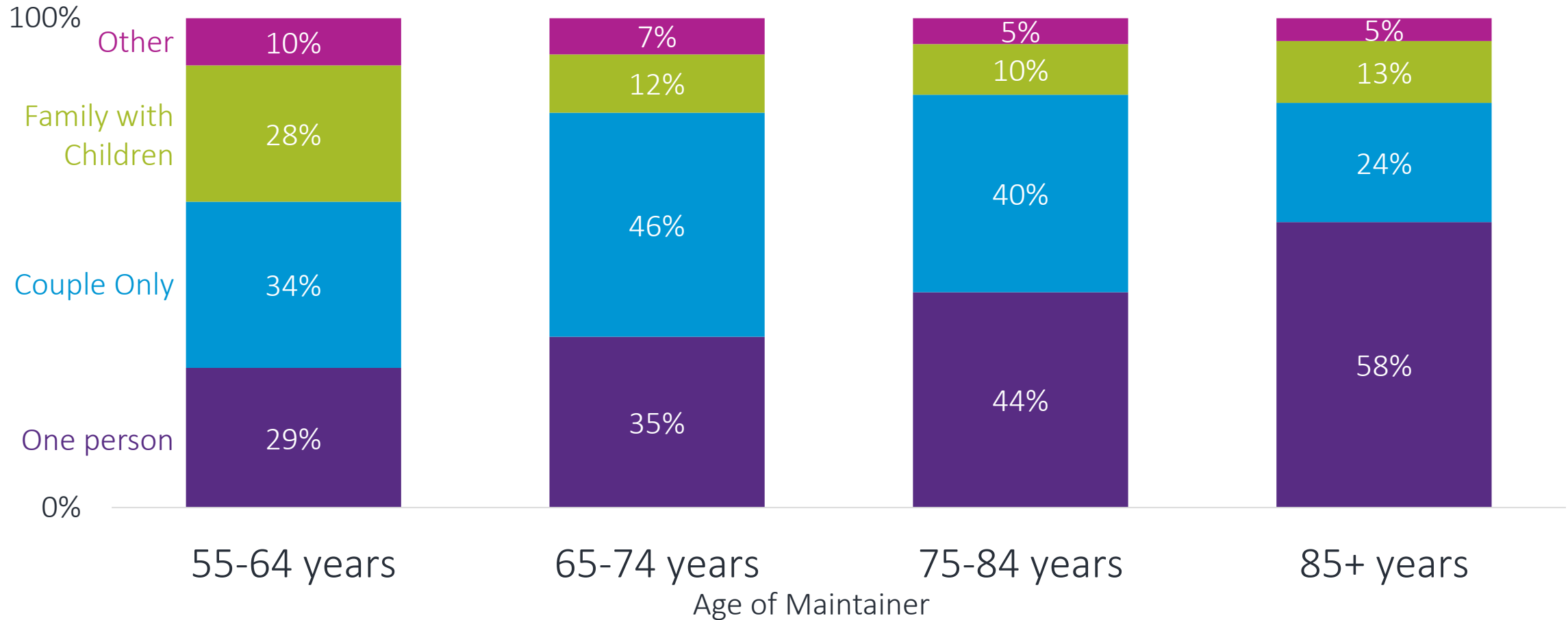
# Living arrangements and housing of seniors



# A shift to living alone at older ages



## Household Type by Age of Maintainer





# Decisions about where to live

Many different alternatives for seniors:

- Stay where we are but renovate and make home more accessible
- Sell the family home and rent
- Downtown condo living
- Adult-lifestyle community
- Move “back home where the livin’ is good”
- Residences for Seniors/  
nursing home

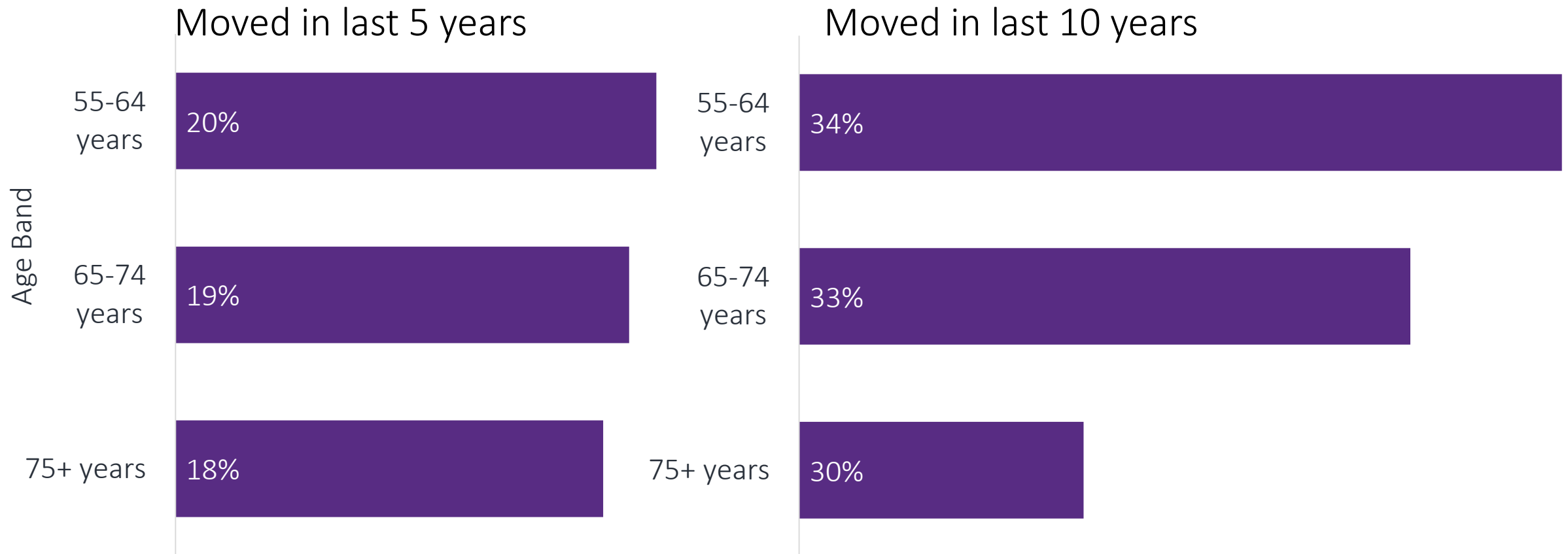




# Seniors are on the move

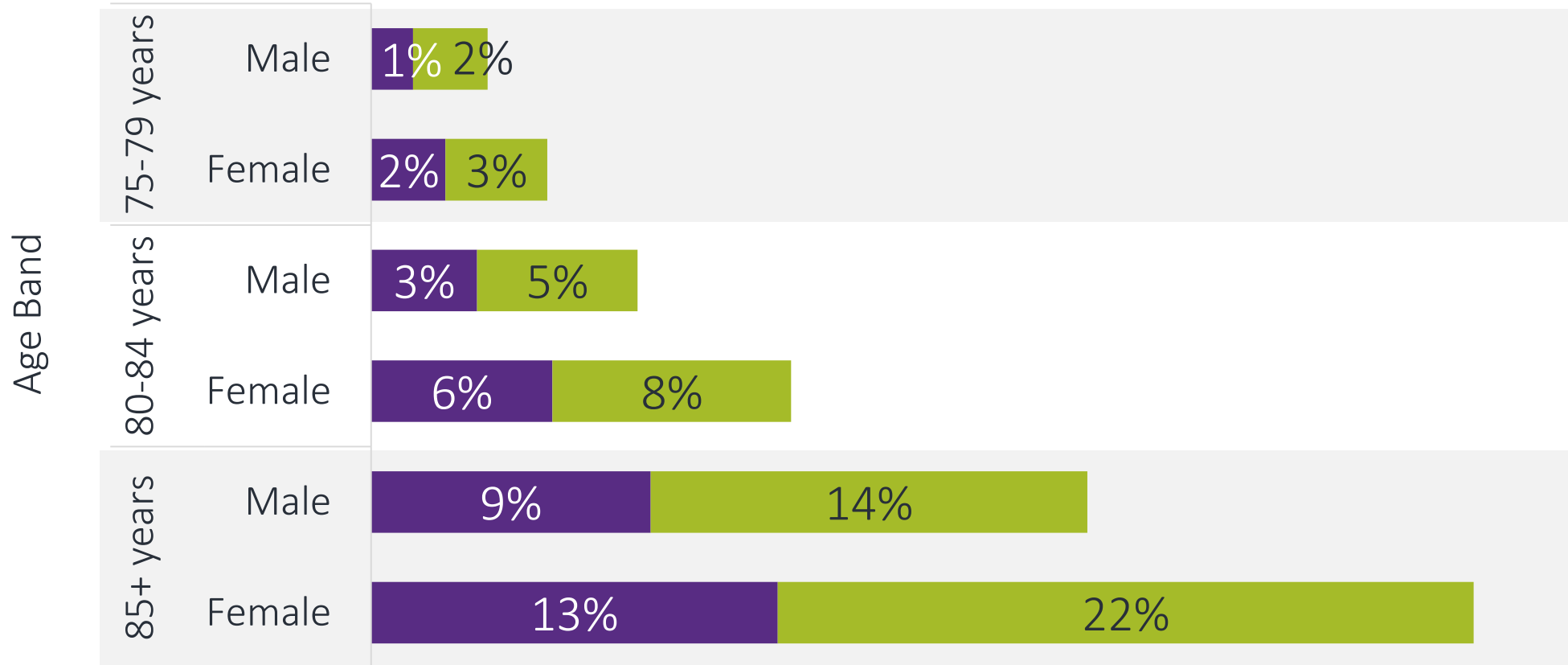


Percent of Population Moving, Canada, 2016



# Seniors start to need assistance after age 75

 Percent of Population Living in a Health Related Facility, Canada, 2016

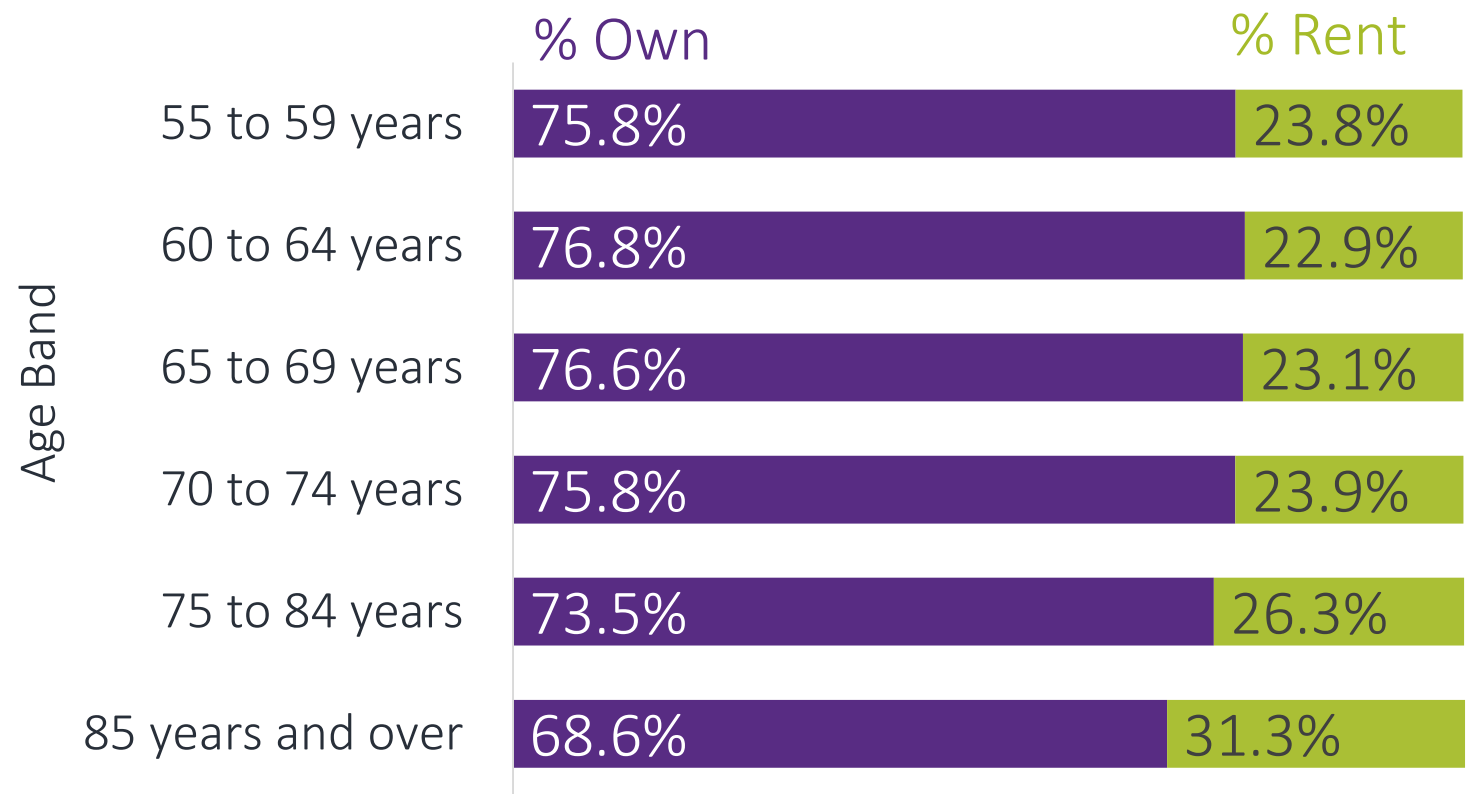


Residences for senior citizens    Nursing homes and other facilities

# Homeownership rate drops-off with age



Percent of Persons Living in Rental Housing, Canada, 2016

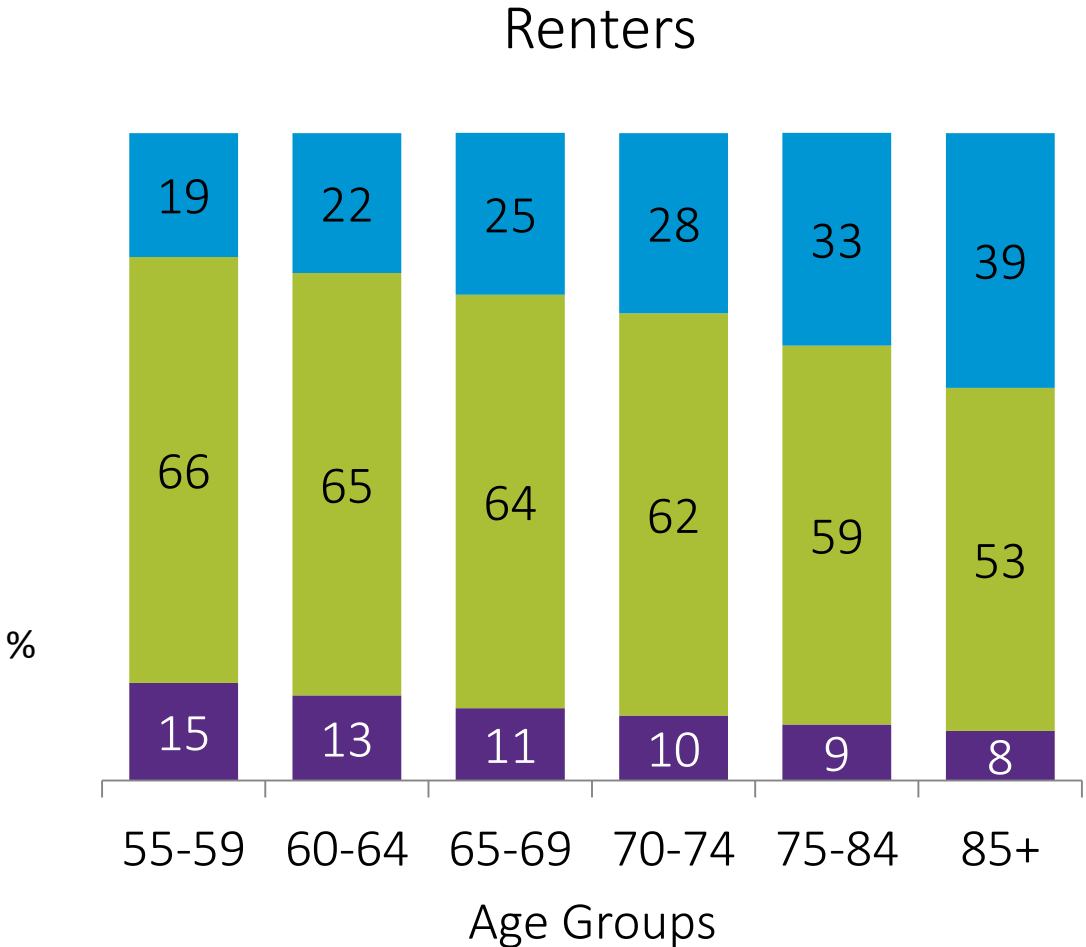
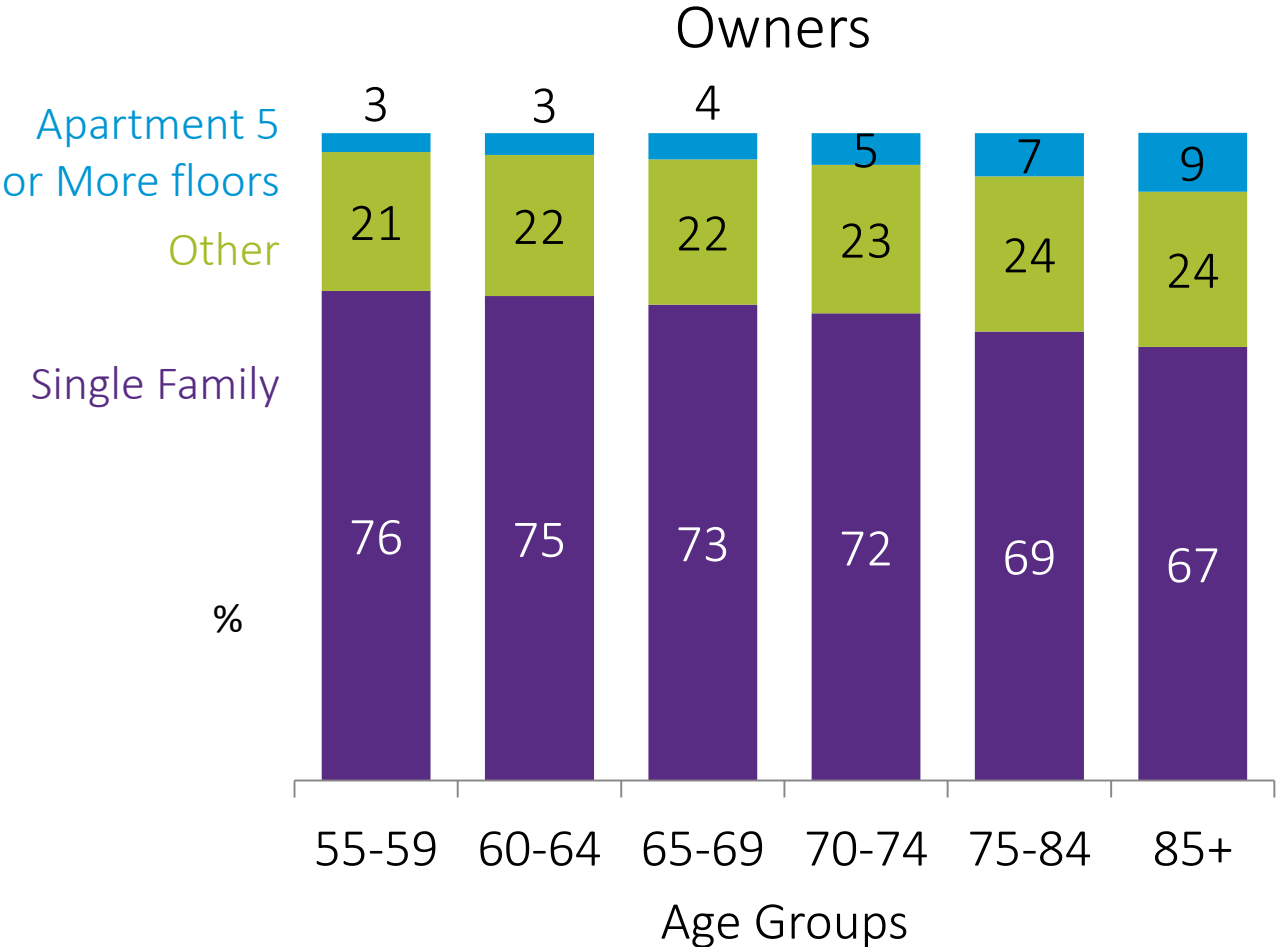


Percent of population aged 55 in rental housing  
Living alone: 43%  
Living with others: 14%

# Apartment living increases with age



Structural Type of Dwelling, 2016, Canada



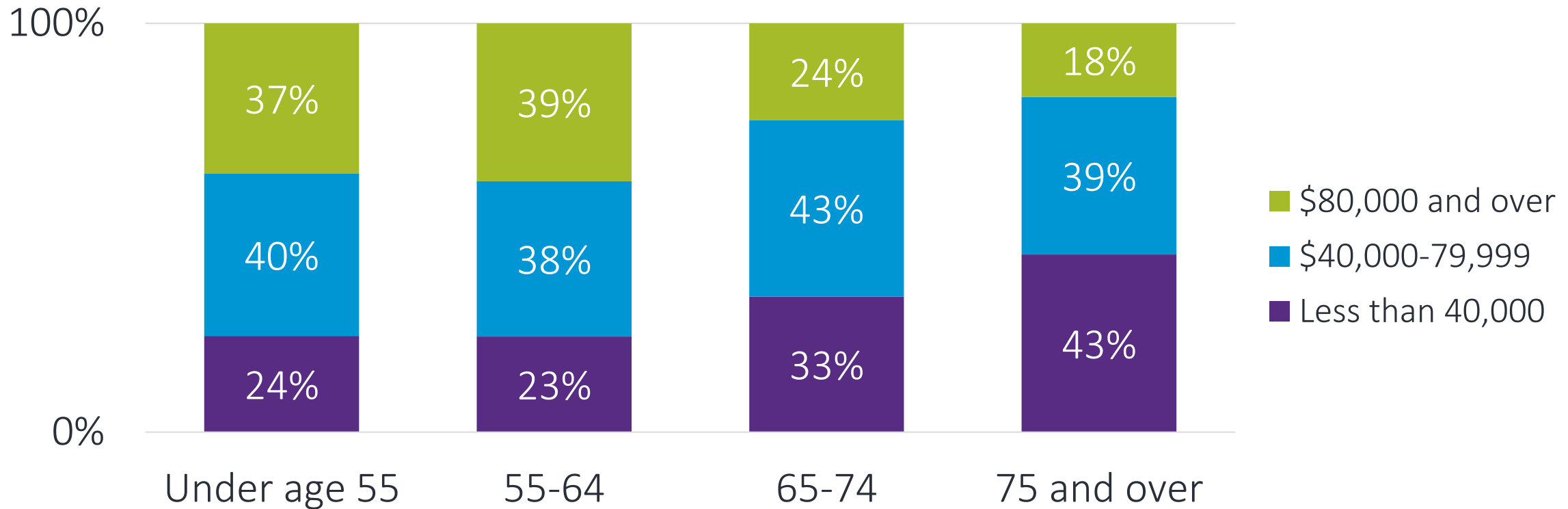
# The spending power of the older population



# Lower income at older ages



Distribution of Household Income, Canada, 2018

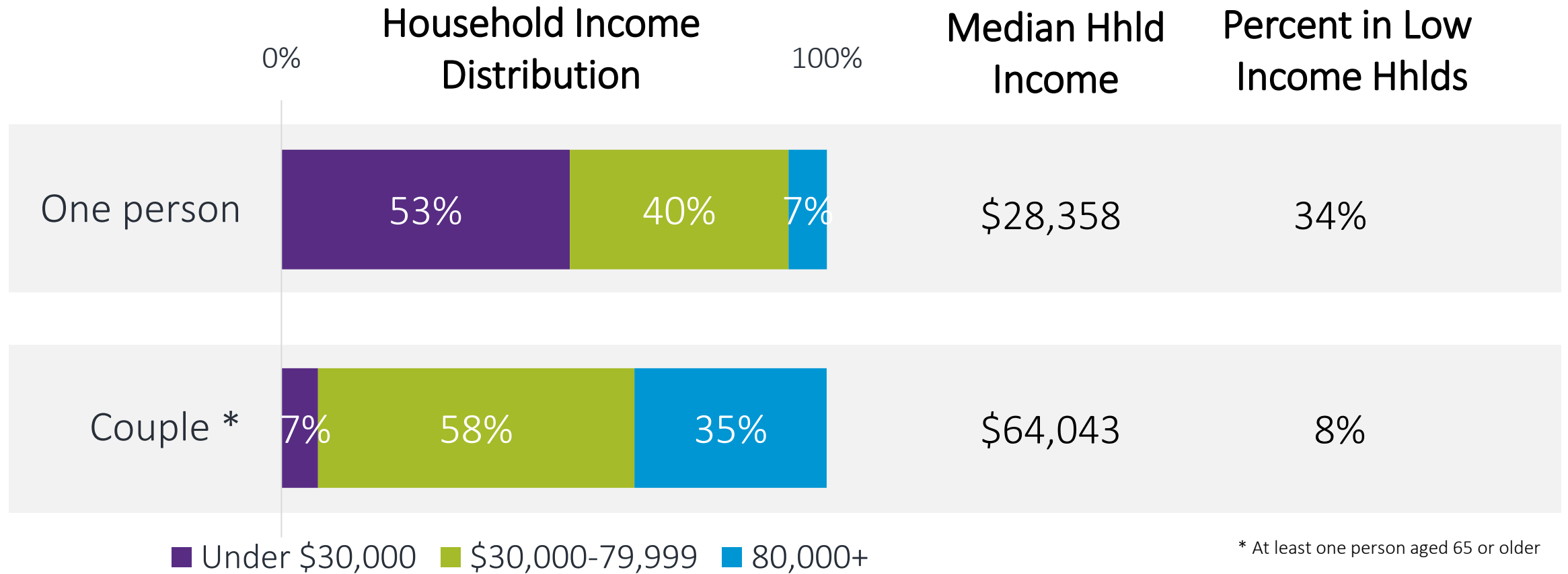


Median Income    \$ 78,889    \$79,846    \$57,500    \$46,947



# Living arrangements make a big difference

 Household Income, Persons Aged 65 and over, Canada, 2015

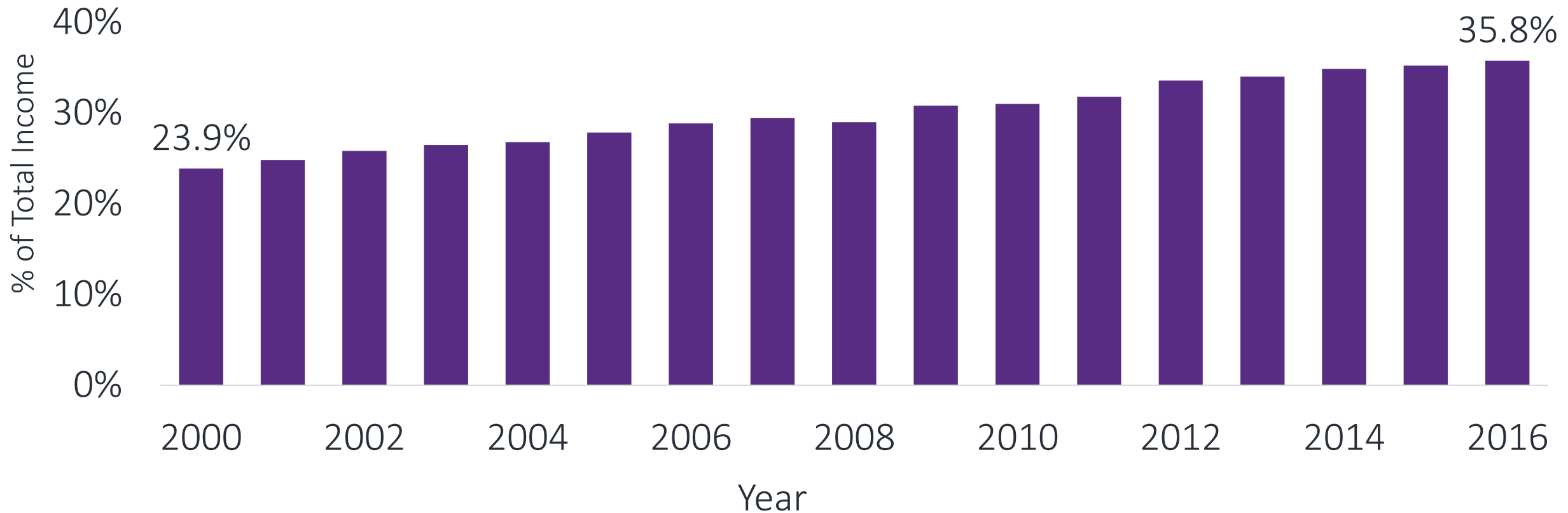


Source: 2016 Census

# Seniors control an increasing share of income



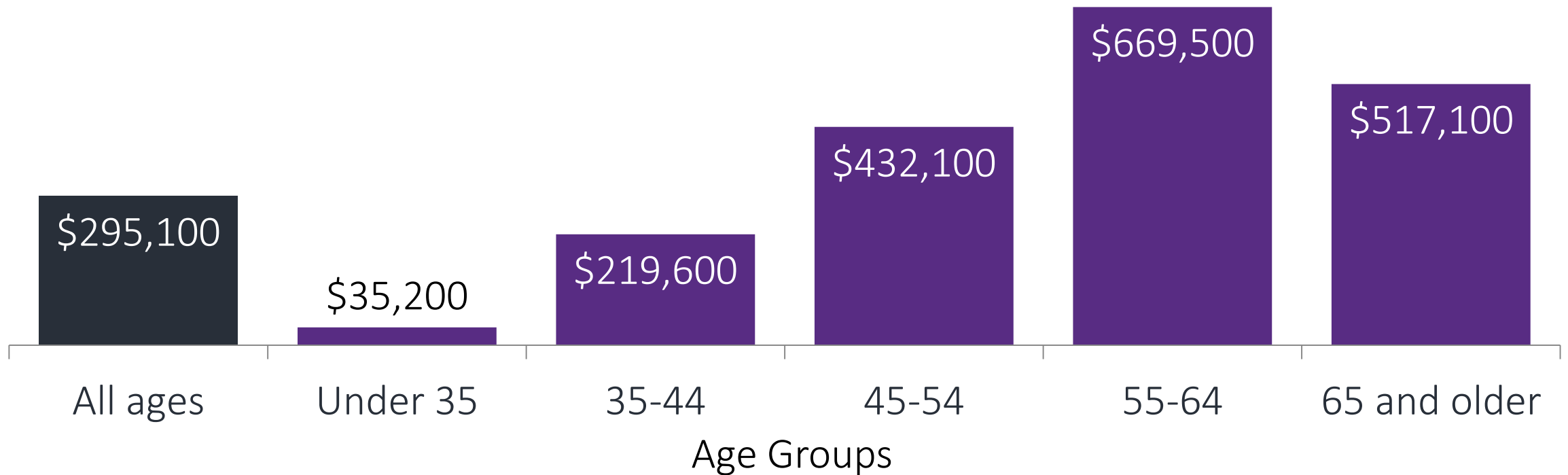
Percent of Total Income for Population Aged 55 and Over, Canada



# Net worth peaks at ages 55 to 64



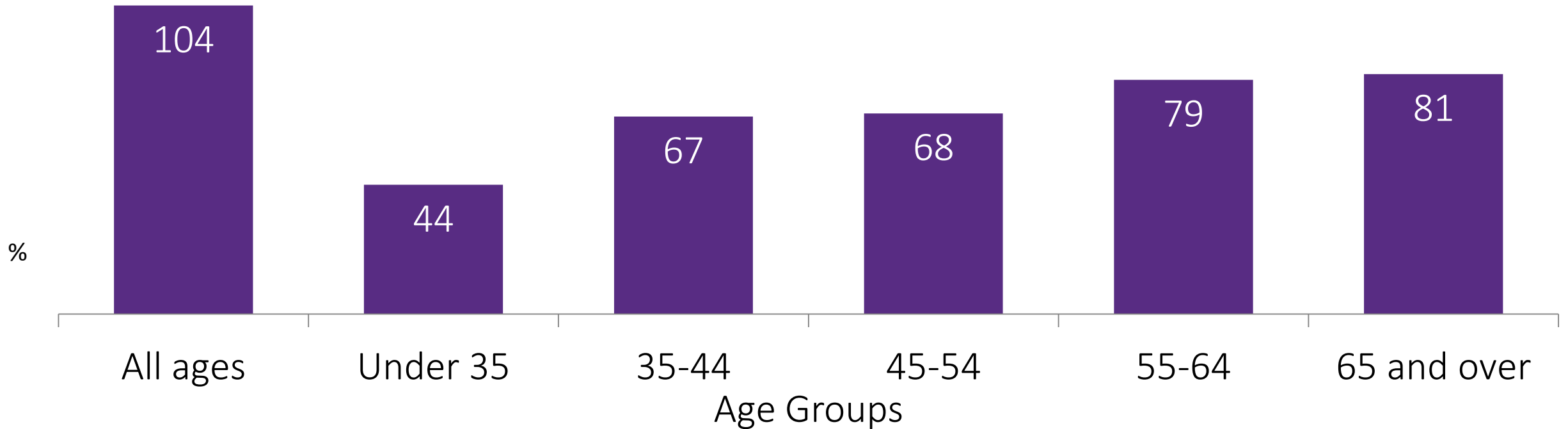
Median Net Worth, Canada, 2016



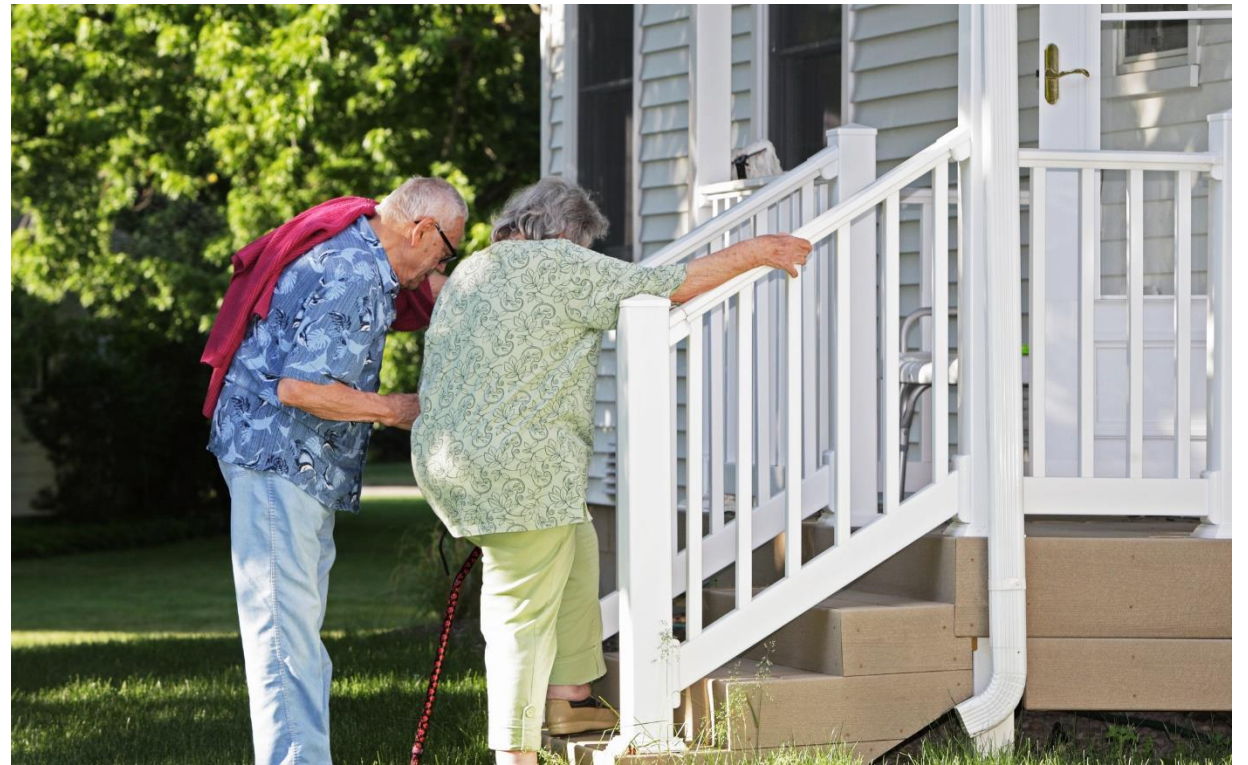
# Higher growth in net worth for older population



Percentage Increase in Median Net Worth 1999-2016 (2016\$), Canada, 2016



# Challenges of an older population



# An aging population presents some challenges...

- Pension system
- Health care
- Overall economic growth
- Providing for an age-friendly society – a society in which people of all ages can actively participate in community activities and everyone is treated with respect, regardless of their age





# ...But many opportunities for business

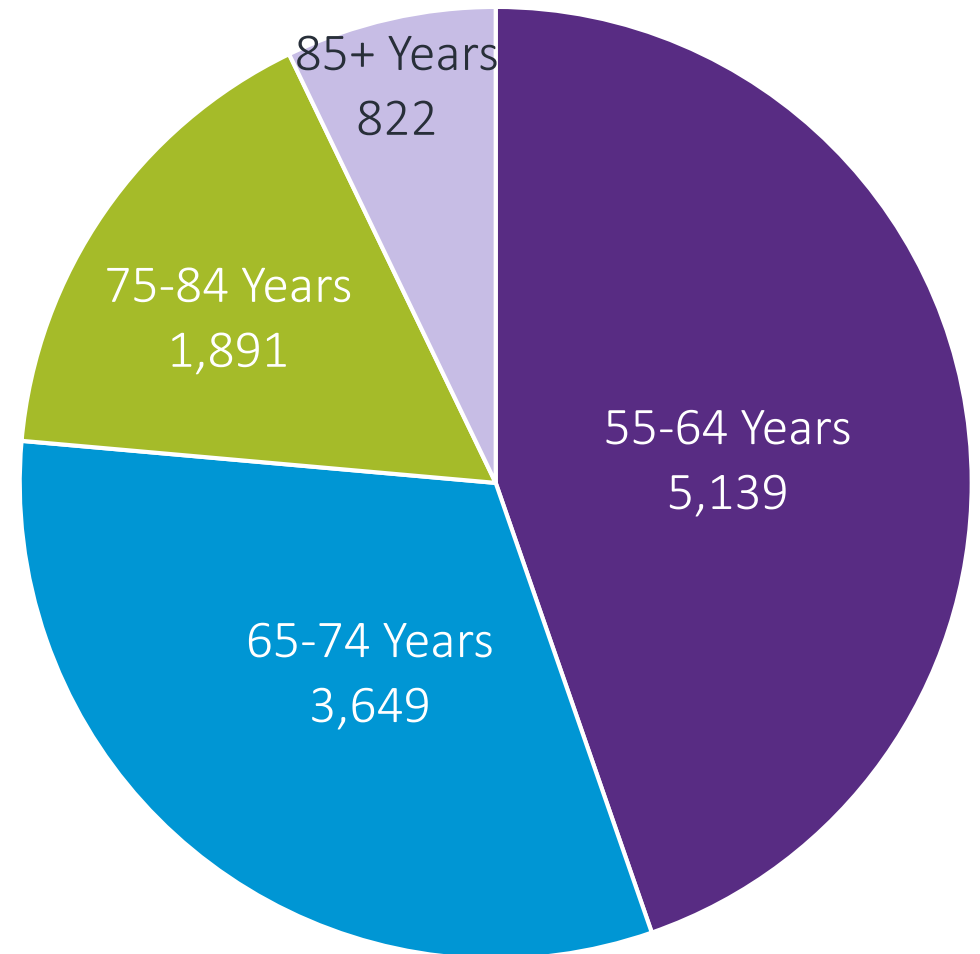


# Four segments of the older population

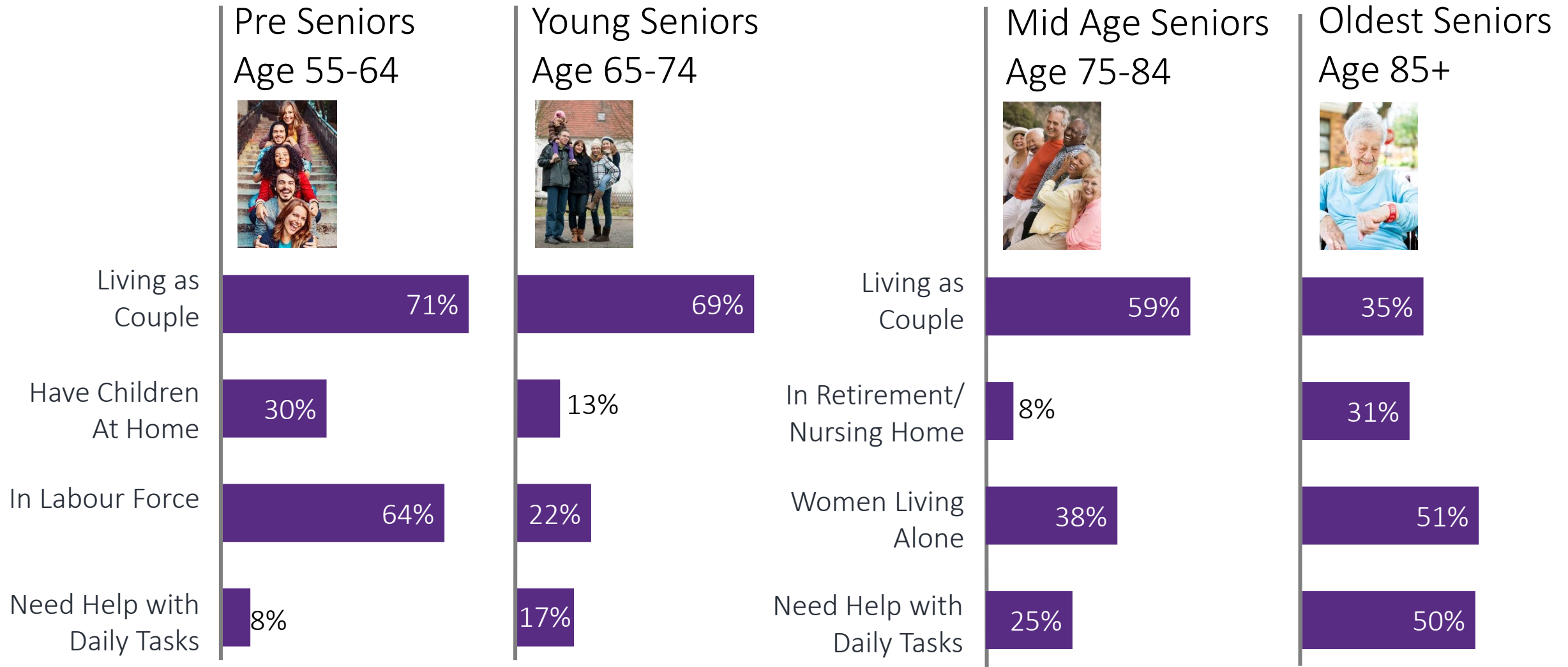
- Pre seniors aged 55-64
- Young seniors aged 65-74
- Mid age seniors aged 75-84
- Older seniors aged 85 and over

Total population age 55+: 11,501,800

Population (in '000s), 2018



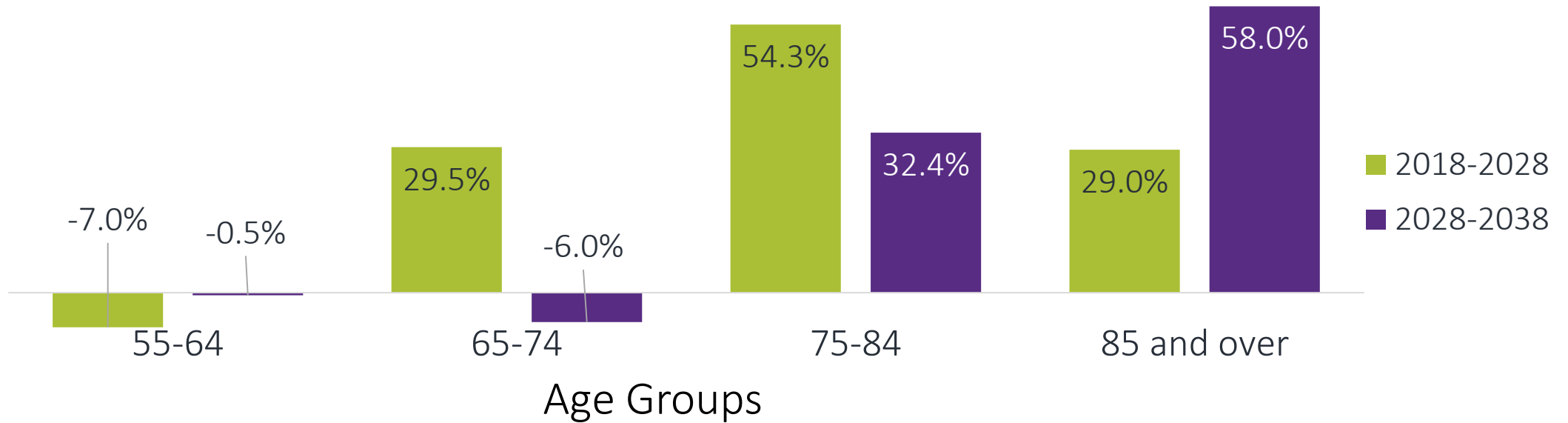
# Differences in demographics



# Growth varies by age segment



Projected Population Growth, Canada, 2018-2038



| Population 2018 | 5,139,000 | 3,649,000 | 1,891,000 | 822,000 |
|-----------------|-----------|-----------|-----------|---------|
|                 |           |           |           |         |

# Seniors spend on all types of products, but opportunities may be greater in some areas



Health Products  
and Services

(e.g. hearing aids, eyewear,  
prescription drugs)



Travel and Other  
Leisure Activities

(e.g. packaged and/or  
adventure trips)



Financial Services/  
Retirement Planning



Luxury Goods

(e.g. that red  
sports car)



Cannabis

(Back to the 60s)



Homecare/  
Caregiving Services



Home Monitoring  
Devices



Home Delivery

# Where to look for housing opportunities



New types of  
housing for  
seniors



Seniors  
residences



Higher end  
rental units



Condos for  
seniors



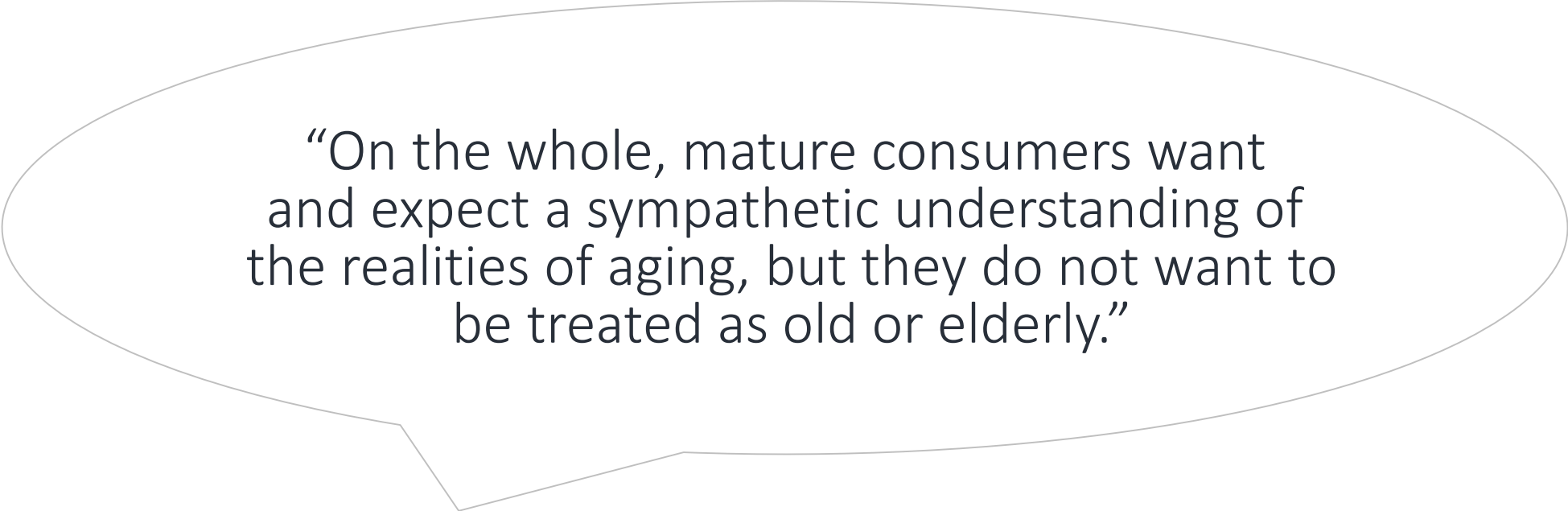
Home  
renovations/  
furniture



# Businesses also need to change their approach for an older population



# What do older consumers want?



“On the whole, mature consumers want and expect a sympathetic understanding of the realities of aging, but they do not want to be treated as old or elderly.”

# 1. Recognize opportunities

- Recognize the opportunities presented by a rapidly growing older population and reject stereotypes
- Recognize the reality of increasing health and mobility limitations and make accommodations in things like signage and store layouts
- Make products easier to reach, labels easier to read and products easier to open
- Consider setting aside shelves or aisles for products of particular interest to seniors (e.g., home health aids)
- Have places where seniors can rest while shopping

## 2. Provide good customer service

- Provide good personal customer service (in store, on the phone, and online)
- Train retail staff to understand age related changes and needs that older consumers might experience
- Consider incentives to attract senior clients (e.g. senior's days, age discounts)

# 3. Develop new or modified products

Some Examples:

- Gillette developed the new TREO, the first device engineered for caregivers to shave men who can't shave themselves
- The tech company GreatCall developed a senior-friendly Jitterbug phone, which comes with extra-large buttons and screens and alerts first responders when there's an emergency
- In new condos targeted at seniors, vendors might include, or offer as options, packages that make the new home more age-friendly (e.g. wider doors, grab bars, monitoring system)
- Offer a range of options that recognize the differential mobility of the older population, e.g. tours/cruises with a variable amount of walking involved

## 4. Account for seniors' use of the Internet and social media

- Over 60 percent of persons aged 65-74 use the Internet daily
- Social media use is increasing but the types of social media used by seniors may differ from those widely used by Millennials; different jargon
- Online shopping for groceries, meals and other products, perhaps coupled with home delivery, may be attractive for many seniors
- New technology, wearables and apps must speak to values of healthy aging and be tested by older consumers



## 5. Recognize that the older population also spends for others

- Nearly a third of seniors are caregivers and have out-of-pocket expenses related to transportation, travel, and accommodation as well as health services and medication
- Nearly three quarters of Canada's seniors have grandchildren and businesses can do things that make it easier to shop for grandchildren
- A once a month “grandparents day” is attractive to many
- Indigo provides gift recommendations based on age, gender and preferences as well as in-store wrapping for the perfect present

# The advantage of an age-friendly business

“By providing the retail spaces and products that can help meet the needs of aging consumers, our members can create an immediate impact and a long-term advantage not just for our industry but also for society as a whole.”

“If you are a marketer looking for a robust market to chase, think boomers.”

Terry O'Reilly, *This I Know: Marketing Lessons from Under the Influence* (2017)

# Questions?



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