



# Our Ageing Society: challenge or opportunity for business?

Report of a Symposium held on 20 March 2017  
at the Palace of Westminster





Working in partnership with Age UKs in the South East



SEEFA is the South East England Forum on Ageing. Our aim is to bring people together to influence later life strategies, policies and services to make later life better for current and future generations. SEEFA draws on a **Policy Panel** comprising people with first hand experience of ageing who meet regularly to examine, through structured discussion, key issues relevant to ageing. SEEFA aims to work with policy makers, service providers and planners to actively engage with them to make later life better now and in the future.

Age UK in the South East comprises a network of independent charities working locally in the community to provide services and activities to inspire, enable and support older people. Age UK's vision is for a world where everyone can love later life.

## Foreword by Peter Dale, Chair of SEEFA

On 20 March 2017 ninety later life experts, business leaders and representatives of organisations working in the field of ageing came together in Committee Room 4A in the House of Lords at the Palace of Westminster to share views and debate how to work together for a better later life experience. The subject of the Symposium was: ***Our Ageing Society: challenge or opportunity for business?***

The relationship between older consumers and the business community is a significant marker in terms of wider society's attitudes to ageing. If older people are generally perceived to be a social and economic 'problem', it is likely that the business community shares such a perception and that the older consumer will not, therefore, be high on the business agenda. A shift in attitudes is required to achieve greater recognition of the value and contribution of older people, and hence a more positive response to their needs. SEEFA and Age UK in the South East believe that a dialogue with the business community will achieve a better understanding of the older consumer. The more business values this market, producing goods and services that are relevant, the more society as a whole will see older people in general for what they really are – net contributors to the economy and valuable assets within the community.

SEEFA and Age UK in the SE are enormously grateful to **Lord Filkin** CBE, Chair of the Centre for Ageing Better for hosting the Symposium and to **David Brindle**, Public Services Editor of The Guardian for chairing the debate. We were privileged to have key contributions from the following: **Jo Causon**, Institute of Customer Service; **Mark Beasley**, Mature Marketing Association; **Jason Dormieux**, MEC UK; **David Sinclair**, International Longevity Centre; **Charlie Blagborough**, Building Societies Association; **Bernie Bradley**, Monaghan Council, Ireland; **Sally Benton**, Director of Policy and Communications, The Design Council; **Katie Ellis**, The Able Label; **Jonathan Collie**, The Age of No Retirement; **Philippa Aldrich**, Future Perfect Company; **Eddy Elton**, University of Brighton; **Lynne Corner**, Institute for Ageing, Newcastle University; **Leela Damodaran**, Loughborough University: digital inclusion; citizen engagement and participation.

## Background to the debate

An ageing society presents both opportunities and challenges to businesses. The past stereotypes of older people's purchasing patterns are becoming outdated as our marketplaces become increasingly sophisticated and diverse. Social change, globalisation, de-regulation and technological advances have changed the commercial landscape. Many older consumers feel left out or at least left behind. Old values such as loyalty and personal relationships appear no longer to have currency. Our high streets are changing and the fast moving on-line market place, whilst comfortable for the younger consumer, may not be as welcoming to older consumers.

South East Age UKs and SEEFA – the South East England Forum on Ageing – joined forces to examine:

**How** if at all, older consumers are disadvantaged and what barriers they face?

**Why** given the scale of demographic change, older consumers don't appear to be a high priority for business?

**What** does an 'age friendly' future look like? What may need to change?

The intention of this high profile debate was to make a real difference to the way we view older people as consumers and contributors to the economy. Its overall aim was to demonstrate the consequences for society as a whole of business policies and practices that fail to take account of the needs of older consumers and to identify what changes will produce benefit for the large market place of older consumers in the future.

## The older consumers' perspective

The Symposium debate first heard the views of older consumers themselves, the views emerging from a SEEFA Policy Panel.

What the Policy Panel highlighted is that the experience of the older consumer is being overlooked and their needs neglected. Policy Panel members told us that they are not as well catered for as they might be. This appears to be associated with more a general sense of wider society's largely negative attitude to ageing, rather than disability issues. So important though these matters may be, older people's sense of exclusion goes beyond easy opening doors, places to sit, toilets, easy to reach shelving and so on. What is needed is a new narrative which promotes a positive view of ageing. The Policy Panel highlighted:

- **poor customer service:** including poor customer care, indifference to customer loyalty, complex tariff systems and what appears to be a bias to the younger leisure market, leading to a 'product gap'
- **the digital world and technology:** as well as the fast pace and complexity of the modern world, there seems to be slow progress in harnessing technology to respond to the needs of older people
- **design and functionality:** where products are developed for older people they are often poorly and unattractively designed.



The view that older consumers are poorly served is supported by recent research. A summary of recent research studies is included at the end of this report.

The Policy Panel members were clear that they wanted the discussion not to focus on *whether* there is a problem for the older consumer but rather on what lies at the heart of this and what needs to be done.

The Symposium was, therefore, invited to examine:

- whether the challenge for business boils down to the nature of the ‘age market’ – perhaps perceived as limited and of low priority – and to the fact that older people are reluctant spenders;
- or whether business itself is unaware of the potential for new products and services and lacks understanding of the needs of older consumers;
- or indeed whether, partly as a consequence of the age profile of most product development and marketing employees, much of business tends to be ‘youth-centric’ and simply isn’t interested in the older market.

The Policy Panel recognised that the debate is complex and that of course business is in many ways responding to a perceived age market, e.g. stair lifts, cruises, finance products etc. There are very evident shifts in certain industries: the regular appearance of older fashion models in Sunday magazine supplements; a significant proportion of recorded music is bought by older people; Fender guitars and Harley Davidsons are marketed to men of a certain age.

However, there remains the suspicion that the business perception of ageing is more to be found in such things as adverts where older people are often portrayed as figures of fun or pity.

The Policy Panel was clear that market segmentation based on age is not what older consumers want: most older people simply want a ‘generation neutral’ approach, to have the same choices and opportunities as anyone else. But people report that they can be made to feel ‘out of place’ in a world that seems to compartmentalise generations and puts older people in a ‘you don’t really belong in the mainstream box’. There is consequently a danger of behaviour becoming self-limiting; older people feel they don’t belong so they stop doing things. It’s perhaps not the fault of business that conditions don’t always favour the older consumer but maybe with a more understanding and care they could be made more welcome.

However, for those older people who have limited choices, perhaps we can hold business more accountable for the apparent reluctance to develop goods and services that may help to address these limitations. Why is it for example that technologies that could revolutionise the lives of older people with life limiting conditions are largely developed for the younger leisure market? The answer to this question is crucial to the debate.

## Key themes and conclusions

### *‘No business can afford to ignore the needs of older consumers’*

The spending power of people over 65s is £76 billion and forecast to grow to £127 billion by 2030.

The ageing society presents an enormous opportunity for wise businesses who are aware they will potentially ‘miss a trick’ if they ignore the purchasing power of older age groups. Businesses need to look at product design, communication, marketing and customer service through the lens of the older consumer if they are to capitalise on the shifts in the marketplace.

### *‘Negative attitudes to ageing in wider society are equally present in businesses’*

The prevailing negative attitudes to ageing result in older people either being low priority or being treated as an homogeneous mass. This cannot be good for business in the current climate. A ‘new narrative’ on ageing is needed.

Businesses which challenge themselves on the assumptions and the stereotypes they may hold about older people as consumers are likely to be more successful.

### *‘It is a myth that only younger people are creative’*

A youth-centric approach to employment means that product development, marketing and advertising tend to be driven by younger employees, resulting in limited understanding of the needs of the older consumer. Employment practices that effectively discriminate against the older workforce significantly contribute to this lack of understanding.

### *'Change will need to come from the top'*

Boards could do much more to understand the business case and direct product development, marketing and customer service strategies to a broader age range. There is a need for leadership from senior management at board level, particularly to shape the customer service agenda.

Moreover, there is a need to change the world of work in order to accelerate change – *age friendly employment practices* which result in an older work profile could make a significant contribution to the way in which older consumers are treated. Having a valued older workforce could pay dividends.

### *'Actually I don't like beige'*

Older consumers may accept lack of choice as normal because they feel powerless and alienated and don't know how to have their voices heard by businesses. As business is increasingly conducted on the internet a *digital divide* can make matters worse. Older people report feeling excluded or patronised. Business needs to listen to what older consumers would like. Research through customer surveys, focus groups, genuine follow up on customer satisfaction etc would obviously prove worthwhile.

### *'Older consumers need to drive the market more'*

Business appears not to understand ageing and the age market. Consequently older consumers need to be more vocal in articulating their needs and more pro-active in establishing a dialogue with business. Engaging older people in the processes of business at all levels has the potential to ensure that business is more aware of the needs of the older consumer while at the same time affording the opportunity for older consumers to influence the development of more relevant goods and services.

**Paul Coles, Chair of Age UK in the South East Congress said:**

*'There is strong evidence from dementia-friendly communities projects around the country that businesses are keen to work with their local communities to make people's lives better. Age UK's loneliness and isolation review of evidence concluded that between 6 and 13 per cent of the UK population are described as **often or always lonely**, with these rates having remained relatively stable in the previous 50 years.*

*The evidence also concluded rates of loneliness were higher in urban areas than rural, with increasing evidence on the risk to people's health from loneliness. Local communities need to develop strategies to combat loneliness and isolation. Engaged local businesses have a role in this and, by engaging with older people, they can develop business models that are attractive to older people, encouraging them to use their services and develop their friendship groups. Our report clearly identifies the next steps to bring around lasting change.'*

## What needs to happen next?

Following the Symposium, SEEFA and Age UK in the South East are developing proposals for a project designed to promote the engagement of older consumers in the business processes of developing, marketing and rolling out of goods and services to ensure they are more responsive to their needs. Specifically, the project aims to create the following outputs:

- a) A *toolkit* to facilitate dialogue between older consumer representatives and the business community locally, including strategic partners such as the local authority
- b) A *strategic analysis* of older consumer views and current relevant research highlighting issues, challenges and opportunities as a platform for policy level discussions with the business community at a national level, including, for example, the CBI and Institute of Directors
- c) The establishment of a *coalition* of relevant age organisations and business representatives to reflect the older consumer perspective in the above policy level discussions, leading to a *shared vision* of an age friendly business approach

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## A summary of recent research studies

### ***The fashion-conscious behaviours of mature female consumers, International Journal of Consumer Studies, Volume 31, Issue 1, pp 102–108, January 2007***

In response to expressed needs for more research into actual and desired consumption by older consumers, this study examined the apparel and shopping preferences of mature women in America. Under-appreciation of mature consumers as a numerous and comparatively wealthy market segment has resulted in not only lost revenues for business, but also lost consumption and service opportunities for the elderly.

### ***Understanding older shoppers: a phenomenological investigation, Journal of Consumer Marketing, Vol. 25 Issue 5, pp 294–301, 2008***

This research aims to explore the shopping behaviour and needs and wants of the over 55s market. The importance of shopping as a means of socialisation and a leisure pursuit was emphasised by older consumers (who) see themselves as experienced, astute shoppers who seek quality and service. Retailers and shopping places need to better understand and tailor their offer to benefit from the growing importance of the older shopper.

### ***The Golden Economy, The Consumer Marketplace in an Ageing Society, Research by ILC-UK for Age UK October 2010***

Many of the barriers that people in later life face are, at worst, indicative of market failure. At best, they are evidence that the needs of older consumers are often not well met. A variety of research highlights the factors which need to be considered for the consumer market to better meet the needs of an ageing society. These include: product design, the retail environment, payment mechanisms, the digital divide, consumer protection, marketing and the media.

### ***The Age Audit: Delivering a business response to ageing, International Longevity Centre and ICAEW, 03 October 2014***

This Age Audit, published by ILC-UK and The Institute of Chartered Accountants in England and Wales (ICAEW), states that unless businesses respond to ageing UK plc faces significant fiscal and economic challenges. If the over 65s are unable to find employment, those who are in work will account for a diminishing proportion of the population, and tax revenue from those in work may fail to keep up with demand for social security from an increasingly large proportion of people aged over 65 and out of work.

People who are over 65 and in work are likely to be more active consumers and therefore likely to make a greater contribution to economic growth. The report argues that if businesses make the right decisions to support increasing flexibility in the workplace, to raise the health

and wellbeing of the workforce, to counteract ageism and to embrace continuous learning, the concept of retirement as we think of it today will no longer have any use. It could be inferred that a further consequence of businesses making such decisions is that they are likely to have a better understanding of the needs of the older consumer who are currently spending around £2.2 billion per week on goods and services (forecast to rise to over £6 billion by 2037).

***The Missing £Billions: The economic cost of failing to adapt our high street to respond to demographic change, International Longevity Centre, 21 December 2016***

This report investigates the impact of 'health barriers' on consumption expenditure in retirement, as well as on participation in social and cultural activities. The report defines health barriers as general poor health issues, such as having a long-standing illness, mobility issues, such as having a difficulty walking for ¼ of a mile unaided; and other health conditions or disabilities such as arthritis, poor eyesight, difficulty hearing and incontinence.

Findings include: a) older people with a walking difficulty spend on average 14.5% less than those without such a disability; b) people aged 50+ with poor eyesight spend 9–10% less on leisure and eating out.

The report also explores the impact on spending on what are called 'connectivity barriers', barriers that include: lack of proximity to shops and amenities, especially for people living in rural areas; lack of access to a private means of transport, such as a car or a van; and lack of access to the internet.

This research points to the need for changes in the built environment in order to address such health and connectivity barriers.

***Age-friendly business, Valuing and including older consumers in supermarkets and service companies, Age UK February 2017***

Many people feel that businesses do not seek out older people as customers or meet any practical needs they have. Four in ten (40 per cent) people aged 65+ agree that businesses and retailers have little interest in the consumer needs of older people. People told us they feel 'invisible', unwanted, 'not the kind of customer' shops want.

In the context of an ageing population, shops and companies that want to survive and thrive need to ensure they welcome and support customers of all ages. There is no single 'older consumer'; people in later life are incredibly diverse, in terms of interests, age, ethnic background, income and health. Therefore, it is vital that shops and companies do not stereotype or make assumptions, while also being aware of the specific ways in which some people need a bit of practical support.

