

Top Ten Misconceptions That Sabotage Marketing to Mature Audiences: #8

The mature market is one big, homogenous audience

April 2010

Common sense tells us that the two most critical success factors in any marketing initiative are 1) identifying the prospects that are most likely to be interested in the product or service you're offering; and 2) once you've found them, crafting marketing messages that will be relevant to them. The challenge is that the larger and more complex the audience is, the more time and effort you need to spend upfront to make sure you have it right. And while this is important with any initiative, it's especially important when you're marketing to the vast and dynamic mature adult audience.

Traditionally, the 18–35 year old segment has been considered the “sweet spot” for marketing. So with their focus elsewhere, it was easy and convenient for marketers to think of mature adults as one big, homogenous group—and assume that most of its members had the same motivations, aspirations, behaviors and values. But it's important to remember that today's mature adults have likely seen more change in their lifetime than any other group in history. While the eldest in this group lived through the Great Depression, the youngest grew up during an explosion of technology, unprecedented wealth, and social upheaval.

The data is staggering. By 2030, the number of people age 65 and older is projected to swell to more than 70 million—with the greatest increase being in the 85-plus category, which is expected to increase to 20 million by 2050 (from only four million at the turn of the century).¹ Clearly, marketers need to brace themselves for this tidal wave of mature adults—considering that even today, this group controls more than 70% of all disposable income.¹

This white paper takes a closer look at the mature market—specifically, research showing that the “homogenous” theory of marketing to this audience is not only misguided, but the polar opposite of reality. It examines why demographics are important, but aren't the whole story—and why psychographic segmenting may reveal more valuable information to help marketers engage this diverse and growing audience and target their message to its various subgroups.

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MATURE MARKET DEMOGRAPHICS

When marketers research mature adults, demographics are often the only selection criteria that are assessed. It's the first that comes to mind, and the easiest to access. However, while age, income, marital status, ethnicity, and other key demos are indeed necessary to know, they only scratch the surface of this complex audience.

For example, older adults are often generally described as “the nation’s most affluent audience.” A closer look reveals that in reality, older Americans are the nation’s most highly polarized group in terms of wealth, ranging from extreme affluence to dire poverty. It’s like the 80/20 rule: 20% of older adults control nearly 80% of the nation’s wealth. So marketers, armed only with demographic data, could spend a lot of time and money to create a campaign around affluent themes and messages—not realizing that they’re only speaking to one-fifth of their audience.

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To effectively reach their target, marketers need to dig a little deeper. One way is to take the mature market and segment it into smaller, more manageable groups that are easier to study. It's the starting point for researching psychographics, which provide richer and more specific information about older adults that companies can use to more finely craft their messaging. Demographics deliver surface-level statistical information; psychographics can help you look deeper into each demographic—to help explain the “why” of consumer behaviors, as well as the “what.”

PSYCHOGRAPHICS: BEHAVIORS AND MOTIVATORS

Psychographic profiles of the mature market reveal that there is as wide a range of differences in the attitudes and behaviors of older adults as there are among younger audiences. There's an old saying: “people don't change as they get older, they only become more so.” There's some truth to it; for instance, shy kids tend to be more timid later in life, and risk-takers typically retain those behaviors as well. Whether spendthrift or penny pincher, glass half-empty or half-full, these traits are embedded in our DNA.

Attributes such as health, values, upbringing, and life experiences also influence a person's outlook on life—and on a company's brand, product, or service. That's why it's important for marketers to understand the three experiential stages of adult life²: possession experiences (material desires), catered experiences (desire to be served by others), and being experiences (desire for experiences that transcend the other two stages). For example, an older adult may still buy an expensive car—but at this point in his or her life, it's for the sheer joy of driving it, rather than as a status symbol. In fact, finding this deeper level of meaning in everyday life is a common thought process among older adults. The difference is subtle, but important—and understanding it can help a company target its messages more effectively.

PSYCHOGRAPHIC SEGMENTATION

So, how do marketers begin to understand the diverse mature market segments that exist? Psychographic segmentation may be the answer. It further differentiates between groups using values, motivations, and beliefs—not age, sex, and income. Using our car example again, the difference between demographics and psychographics is this: demographics can tell you that your target customer owns a car. Psychographics help to reveal why he or she bought it.

Early attempts at psychographic profiling were helpful in understanding general consumer behaviors, but fell short in illuminating the values and motivators of subgroups like the mature market. For example, the original Values, Attitudes, and Lifestyles Surveys (VALS) identified personality categories to classify consumers, but did not delineate between different demographics.

The next step in the evolution of psychographics involved applying its principles to a specific demographic group: the mature market. Dubbed “gerontographics,” it presented the mature market as a series of four subgroups whose members differ based on upbringing and life experiences: Healthy Indulgents, Healthy Hermits, Ailing Outgoers and Frail Recluses.³ The flaw in this concept of psychographic profiling is the assumption that these experiences automatically change a person’s lifestyle.

This leads us to the most recent evolution in psychographic segmentation: values. Unlike behaviors, life events, and lifestyles, values rarely change over time—which make them vital for marketers to understand consumer behaviors.

Researchers have developed “Value Portraits”² that help establish a relationship between the consistency of a person’s values and his or her behavior when making purchase decisions. They found that the most important values among adults 62 and older are self-respect, family ties, faith, warm relationships, compassion, and intellectual curiosity, along with 28 other essential values. The following eight Value Portraits further segment the mature market, describing subgroups based on their most fundamental values²:

- Woeful Worriers: faith in authority, comfortable in routine, shy away from excitement and risk
- Liberal Loners: focus on their own independence, concerns and needs; little worry for family and friends
- Fiscal Conservatives: shop for quality over value, wary of change, focus on tradition and pride
- Active Achievers: well-educated, socially involved, enjoy excitement; don’t see themselves as “old;” often divorced and may lose touch with family
- True Blue Believers: moderate, religious, compassionate, happy, smart, fulfilled by family and friends

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- In-Charge Intellectuals: lifelong readers and thinkers, secure in their abilities, opinions, and perceptions; personal relationships are casual
- Intense Individualists: see the world as unforgiving, with a pioneer’s resourcefulness and self-reliance; unsentimental and uncompromising
- Hearth and Homemakers: family and friends are the center of their lives; religious, caretakers, volunteers, happy, and find their lives rewarding

This is just one way to segment the mature market that has shown to be useful for marketers to understand their audience and craft their messages. For example, researchers have suggested segmenting the mature market by how they prefer to consume media such as newspapers and the Internet⁴. Others have suggested that the four key factors for segmenting the mature market are age, ability, aptitude, and attitude⁵ (see sidebar).

In order to determine which method is right for their product or service, it’s critical for marketers to conduct their own research, specific to their audience, to gauge what their customers are truly like.

AGE IS MORE THAN A NUMBER

Some researchers argue that because of differences in physical and cognitive abilities, among other things, older adults are more diverse than younger people. Eyesight and hearing begin to degrade, short-term memory becomes less reliable, and motor skills start to falter—but not for every older adult, and not at the same age. One research team suggested that there are four factors marketers should consider to meet the needs of older adults:⁵

Age. Includes chronological age, but takes life experiences into account.

Ability. Includes both physical and cognitive ability. Diminishing vision, cognitive and motor skills are issues that are measurable and predictable, and should be a lens through which other factors are viewed.

Aptitude. Research has shown that experience alone doesn’t correlate with performance (for example, how long an older adult has been using the Internet), but expertise does (knowledge of browser functions).

Attitude. Confidence levels and emotional state of mind determine how older adults deal with getting older. Some do well, while others struggle. Some see the glass half-full, others half-empty. This has a profound effect on their behavior: for example, how active they are, or whether or not they take on new challenges.

These four attributes can help marketers judge their audience’s need for support and training, and the level of complexity and features they can be fairly expected to master.

COMMON PITFALLS

When communicators set out to segment a market, they often make one of these three common errors⁶:

- Using demographics to infer an audience’s motivators or behaviors—such as assuming that a mature adult has difficulty with the Internet. This is nothing more than an intuitive leap of faith, not necessarily based in reality.
- Oversimplifying attitudes and motivations within an audience. A single behavior has many motivations behind it. Assuming that all mature adults are more respectful of authority when compared to younger people is an example of the sort of oversimplification that can lead to misguided marketing efforts.
- Targeting messages to the average. The “average consumer” does not exist, and campaigns targeted to this mythical audience are unfailingly too general to convince or motivate.

When you apply psychographic segmentation, the need to oversimplify or generalize disappears, and you can simply select the most effective message for each segment. Once you’ve identified the psychographic segments, the demographics of the now-smaller groups become even more enlightening. Looking at all facets of a psychographic segment tells you whether or not it’s worthwhile to target it—so you can focus your marketing efforts on the groups that have the most potential to enhance your return on investment.

HOW TO SEGMENT A MARKET

Now that we’ve examined the “don’ts,” what are the “dos”? To effectively segment a market, communicators need to do more than just analyze the main function of their products or services for their target consumer—they must consistently measure the values and motivators of those consumers.

Today, companies have a number of choices when it comes to choosing partners to assist with “customer intelligence.” Though the approaches can vary significantly, these resources commonly employ advanced data-collection methodologies and measurement sciences to help businesses turn data into insights that can measurably improve marketing efforts.

For example, one group of researchers lists five criteria that a marketer should follow to ensure that their market segmentation strategies align with the company’s business goals and objectives⁷:

- 1. They must be closely tied to a specific product, issue, or service.** This is why general studies are inherently weak.
- 2. They must be based on multiple and redundant measures.** Behaviors have many different underlying values and motivators. Examine as many as you can.
- 3. They should overlay multiple psychographic segmentations,** which focus on various aspects of a product or service. Human motivations are complex; there are no simple answers.

4. They represent a multidimensional approach. In the same way, no single perspective can identify your best prospects. Psychographic or attitudinal segmentation strategies help reveal the “why” that demographic segmentation leaves unanswered.

5. Finally, they are measured empirically. Develop your segmentation strategy after the fact, based on the data from the respondents themselves. For example, don’t segment your target market into groups aged 40-64 and 65 and over before you even begin the research. Let your audience tell you where they should go.

The vital step is #4, since it encompasses all the others. The multi-dimensional approach prepares a marketer to understand consumers in a richer, more detailed way. Combining demographics and psychographics leads to discoveries about consumer motivations and behaviors— not just what your audience does, but why they do it.

CONCLUSIONS

The research is clear: if marketers only study the demographics of the mature market and view it as a single, homogenous group, they are doing themselves a disservice. Today, it’s essential for companies to do their own research and study different psychographic segments to uncover deeper insights into the ways older adults think, feel, behave, and react in relation to their motivations.

Why is psychographic segmentation so important? Because it’s based on values, motivations, and beliefs that tend to remain more constant. Every individual is different. A person’s behavior changes over time. However, values tend to stay the same, unless evolved by paradigm-changing life events and experiences. This is why it’s important to constantly analyze, monitor, and measure established segmentations within any market—but especially one as large and dynamic as mature adults.

For now, if we were to offer one common thread to hold you over until you complete your due diligence and discovery, look at motivators. While these do change with age, they grow to be more similar across all the various older adult populations. They may represent a vital link to help you understand mature consumers and communicate with them effectively.

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