

Top 10 Misconceptions that Sabotage Marketing to Mature Audiences: #6

Older consumers are more reluctant to open their pocketbooks

Part 2: Consider the “Surrogate Shopper”

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Our previous white paper addressed the misconception that older adults are more reluctant consumers—which stems from perceptions that they have limited technology skills and physical limitations that make them less likely to be active shoppers. While these perceptions have influenced marketers to traditionally favor younger consumers, research seems to debunk that theory. It shows that while the recession has altered Baby Boomers’ habits, they still make up one of the largest and most powerful age-based consumer demographics—and that it pays for companies to focus their marketing efforts on this oft-overlooked group.

Recent evidence suggests that marketers would also do well to consider another audience that they may never even have thought of: grown children of these older adults, who heavily influence the buying habits of their elder parents—or even take over their parents’ finances out of necessity.

THE PHENOMENON OF THE SURROGATE CONSUMER

The study of consumer behavior attempts to understand the “when, where, how, and why” of consumer buying habits. Blending elements of psychology, sociology, social anthropology, and economics, it evaluates the characteristics of individual consumers—such as demographics and behavioral variables—to understand people’s needs, motivations, and desires.

It also considers influences on consumers from family, friends, reference groups, and society in general. Marketers who focus on older adult audiences are keenly aware of how important influence groups can be in understanding the decision-making process of older consumers. Marketers today need to be aware of the emergence of one especially important influencer.

“Alpha Moms” who dominate consumer decisions in their own households are transitioning into (or often doubling as) “Alpha Daughters”—who heavily influence the consumer decision making of their senior parents. Many older adults are delegating purchases—especially major ones, or those that are made online—to their daughters (more often) or sons (less often).

This group was first identified by Peter Kruger in 2009.¹ Alpha Daughters are women who have evolved into primary caregivers for their aging parents and are becoming a key target for companies marketing health care devices and services. Their influence often extends into many other facets of their parents’ lives as well—doing everything from arranging their parents’ travel plans to making major purchases, such as furniture or electronics, on their behalf.

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In fact, these “surrogate spenders” are sometimes catalysts for purchase. They often encourage their parents to purchase, upgrade, or replace things that they really need or want to counteract their parents’ generational mentality that values “making it last.”

The Alpha Daughter’s role as a proxy consumer is similar to that of the Alpha Mom, a mother who purchases goods and services on behalf of her children and household. In fact, Alpha Moms are responsible for—or at least heavily influence—up to 70% of household expenditures. Factor in the Alpha Daughter’s higher level of technological proficiency, and it’s easy to see how she can quickly become an indispensable “assistant” to aging parents.

According to Kruger, it’s a relationship that’s on the rise. “Unlike the Alpha Mom market, the Alpha Daughter market is expanding, with elderly people growing into it rather than growing out of it,” he says. How important is this phenomenon? Evidence indicates that in an effort to stimulate economic growth, some governments are already putting fiscal structures in place that transfer wealth from older adults to younger consumers.² Companies that are aware of this transfer—and the role that Alpha Daughters will play in it—will be in position to take advantage of the business opportunity that this presents.

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FOCUS ON HEALTH CARE

According to the American Association of Retired Persons (AARP), more than 34 million people in the U.S. help care for a parent or elderly friend or relative—and four out of 10 people in the U.S. are taking care of their parents’ finances.³ So it’s not surprising that the health care market will create a particularly lucrative opportunity for marketers who provide products and services to people who care for their parents.

Kruger points out that “providing services and technology to help people who care for their parents could also provide a simple route into the health care market for companies that are currently finding it difficult to gain traction with mainstream health care providers.”⁴ In fact, he asserts that equipping these people with mobile-based health care services could take pressure off of health care providers and spark the next boom in mobile and online services—thus creating the latest market explosion caused by Baby Boomers.⁵

The level of health care needed by older adults runs the gamut from occasional look-ins, to home-care services, to nursing home referrals. So the influence of the children caring for them will likely vary widely as well. Often, sons and daughters who take over their parents’ finances do so out of necessity, and find themselves in crisis situations.⁶ In some cases, their parents’ physical and mental deficiencies have been building over time, often making it difficult to find files and records. In these cases, companies that can help them sort through the difficulties—whether it’s advocacy services, financial services, counseling, home care, or simply a helping hand—can offer a win-win situation for themselves and the caregiver by providing solutions at their point of greatest need.

While health care is likely to be one main focus of the Alpha Daughters' influence, it will undoubtedly extend to other areas as well. It's safe to assume that as the physical and mental capabilities of older adults wane, the purchase decisions regarding the other basics of life—food, clothing, personal care items, and shelter—will eventually fall to the older adults' proxy consumers. But even more capable adults may well seek the help and opinions of their younger family members when it comes to purchases such as those that involve the latest technology (mobile phones, computers, and the like), a great deal of time, travel, and research, such as choosing materials and contractors for home improvements.

SO WHAT DOES THIS MEAN TO MARKETERS?

Whenever marketers set out to create communications aimed at older adult audiences, they must be aware of the powerful influencer groups. As gatekeepers, these groups have an enormous impact on how well (or poorly) your message, product, service, or value proposition will perform. Understanding their motivations and barriers to acceptance will help. Although these will vary based mainly on economic circumstances, here are a few to remember:

Protective instincts. This is the most powerful motivation of all. Just as parents' instincts to protect their young ones are all-encompassing, an adult child's protective instincts deepen over time and as their parents' needs increase. The best ways to break through this barrier are to:

- 1.) Keep the best interest of the intended consumer clearly in mind.
- 2.) Be honest and balance your messaging. Accentuating the positive is fine, but tell the whole story. Don't gloss over or omit essential information, even if it could be perceived as detracting.
- 3.) Understand that caregivers to older adults need and want *help*. Position your product or service as having the potential to make their job easier, as well as enhancing the quality of their parent's lives.

Impressionable tendencies. Because influencers and caregivers for older adults also have to take care of their own households, they're often overwhelmed and have less time to research their purchases thoroughly. So they may be susceptible to sound bites: hype, hearsay, or well-intended but inaccurate or incomplete information. Marketers can combat this by:

- 1.) Making their messages clear, concise, and complete. These consumers may not have the time or energy to absorb a complex campaign or message.
- 2.) Monitoring viral marketing conversations closely to ensure their accuracy and help build positive brand perceptions.
- 3.) Incorporating the oft-used, but still effective, tactic of peer testimonials to help defuse any cynical tendencies.

WHEN COMMUNICATING WITH OLDER ADULT AUDIENCES, IT'S IMPORTANT TO INCLUDE INFLUENCER GROUPS LIKE THE ALPHA DAUGHTER

Financial stress. Managing—or more often, stretching—a fixed budget while maintaining a comfortable lifestyle is demanding and stressful. While younger people have the time to replenish funds after an impulse purchase decision, older adults on fixed incomes have to more carefully weigh the consequences—so purchase decisions are often more difficult and drawn out.

For some adult children, spending their parents’ money is even more emotional because it can equate to spending down their own inheritance. To overcome this reticence, marketers should:

- 1.) Emphasize the potential their product or service offers to produce a *measurable, positive* difference in parents’ lives.
- 2.) Demonstrate how any financial pain caused by the purchase will be outweighed by the pleasure (improved circumstances, peace of mind, etc.).
- 3.) Realize that it may take multiple customer touch points to make the sale.

CONCLUSION

When communicating with older adult audiences, one of the largest and most powerful consumer groups in existence, it’s important to include influencer groups and “surrogate spenders” like the Alpha Daughter. Understanding the significance of these traditional and emerging influencer groups—and the motivators that drive them—can help guide marketers through the complexities of marketing to older adult audiences.

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