Segmenting the Silver Market Using Cognitive Age and the List of Values: Empirical Evidence From Japan

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Despite the increasing impact of demographic change around the globe, older consumers remain under researched, especially in Japan, the most severely affected with a rapidly ageing and shrinking population. This paper is the first study to apply Sudbury and Simcock’s (2009) segmentation approach using cognitive age and personal values to a sample of 316 older Japanese consumers. Results do not support the argument that cognitive age is biased by a Western emphasis on youthfulness and therefore not applicable in Japan. Further, Japanese senior consumers appear to value fun and enjoyment more than their counterparts in the UK and the US.

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EXTENDED ABSTRACT

Conceptualization

Despite the increasing impact of demographic change around the globe, older consumers remain under-researched, especially in Japan, the most severely affected country by the demographic shift with a rapidly ageing as well as shrinking population. This paper aims to contribute to the state-of-the-field of research on older consumers in general and the Japanese older (“silver”) consumer in particular. Following the segmentation approach proposed by Sudbury and Simcock (2009), this paper applies their approach to the Japanese context by attempting to get a better understanding of the Japanese older consumer through the concepts of cognitive age (Barak and Schiffman 1981) and Kahle’s (1983) list of values (LOV). While cognitive age as a form of self-concept has proved important in gerontology and marketing, empirical studies outside the western world are scarce. In addition, personal values are a widely used concept in marketing and consumer behavior, but have received hardly any attention in research on older consumers. These two concepts thus form the theoretical background for our research. Moreover, Sudbury and Simcock (2009) have so far been the only ones to look into the relation between personal values and cognitive age for mature consumer behavior. Our empirical study is the first one to apply this segmentation approach to the Japanese context and thus aims to enhance understanding of the older consumer and—given the outstanding dearth of research on Japan’s older consumers—fills an important gap in the literature.

Method

Based on a review of the relevant literature, our research questions focus on: 1) Exploring cognitive age among Japanese older consumers. 2) Examining the magnitude of the difference between actual age and cognitive age in comparison with previous studies. 3) Finding a relationship between LOV rankings for different cognitive age groupings of Japanese older consumers and comparing with the previous study conducted in the UK by Sudbury and Simcock (2009). To ensure better comparison with the previous study in the UK, we kept the LOV scale measures separated without forming composite variables. We also used the same decade classification method, taking the mid-point of the cognitive age decade, for our respondents.

The data sample was collected in February 2009 face to face by a team of Japanese speaking trained research assistants in the main commercial street of the Sugamo district in northeastern Tokyo, an area well known in Tokyo as a place of social interaction and gathering of older Japanese. A total of 316 completed surveys were obtained for a response rate of 45.6%. As referrals in terms of gender and estimated age groups were not different from those retained in the final sample, there is no reason to believe that the final collected sample is not representative of the Japanese people aged 50 years and older frequenting the shopping area where the data were collected. As the objective of this research was to replicate a previous research with the use of a different sample in a different country and to test for relationships between theory-driven concepts, we deemed such a convenience sample appropriate, even though it neither enables us to make an estimate over the total Japanese population nor to generalize the findings to other populations.

We measured cognitive age with the 4-item scale used by Barak and Schiffman (1981) and personal values using the 9-item version of Kahle’s (1983) list of values (LOV).

Major Findings

The age perception of older Japanese respondents of our sample is on average 8 years younger than their actual biological age. T-tests for the equality of the mean values for men and women of our sample on actual age, cognitive age and the difference between actual age and cognitive age did not reveal any significant statistical differences. On a scale from 1 to 5, our sample of Japanese older respondents gave a top score of 4.73 to “warm relationships with others,” followed by 4.71 for “security.” The least important values were respectively: “sense of belonging” with 3.72 and “excitement” with 3.71.

Despite the fact that a cross-cultural comparison is difficult since equivalence of meaning and measurement is not guaranteed, a tentative interpretation of the ranking similarities and differences between older Japanese and British respondents seems to point to a strong importance of “security” for both groups but to a substantial ranking difference of the importance of “self-respect,” ranked first by British but fifth by Japanese respondents. In addition, Japanese respondents give top ranking to “warm relationships with others,” while this comes third for the British. The oft-reported collectivist culture and the harmony-seeking behavior of the Japanese may explain this difference, even though we are aware that such kinds of broad generalizations about a culture should be interpreted with great care. Finally, “fun and enjoyment in life” as well as “being well respected” appear on average less important for British than for Japanese respondents.

For respondents up to the cognitive age group of 60 years old, “fun and enjoyment in life” is ranked first or second and drops down to third for those perceiving themselves in their 70s and 80s. For UK respondents, the ranking is much lower at 5 or 7 for people in their 50s, 60s and 70s cognitive age groups. “Warm relationships with others” tends to stay in first or second position for Japanese respondents with no trend in relation to cognitive age. There is also no trend in relation to cognitive age for UK respondents, but the ranking is lower, in third or fourth position. “Security” comes third for Japanese feeling younger than 50 years old, moves to the second or third most important value for those who consider themselves in their 50s, 60s and 70s, and reaching first importance for those who consider themselves in their 80s. The ranking pattern of UK respondents is very similar. “Being well respected” is also a value showing a big jump (from seven to fourth place) in importance for the group of Japanese respondents feeling in their 80s. The available rankings of UK respondents also show an increase in ranking with higher perceived age.

In sum, our results do not support the argument that cognitive age is biased by a Western emphasis on youthfulness and therefore not applicable in Japan. Further, Japanese senior consumers while also sharing a number of similarities in terms of personal values by cognitive age group appear to value fun and enjoyment more than their counterparts in the UK and the US.
REFERENCES

Full references available on request.