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Labovitz School of Business & Economics, University of Minnesota Duluth, 11 E. Superior Street, Suite 210, Duluth, MN 55802

The Senior Taboo? Age Based Sales Promotions, Self-Perceived Age and the Older Consumer

Lynn Sudbury, Liverpool John Moores University, UK

Peter Simcock, Liverpool John Moores University, UK

Although the importance of the older consumer market is well documented, outside the USA there still exists very little empirical evidence into the consumer behaviours of these older adults. Two areas of particular neglect are that of sales promotions and self-perceived age. As part of a larger study, 650 adults aged 50-79 were questioned on their ages and on their usage intentions and behaviours towards senior promotions. Results suggest that older consumers cannot be treated as a homogenous mass with sales promotions. Rather, three distinct groups emerged. Practical implications for targeting older adults with senior promotions are discussed.

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Lynn Sudbury, Liverpool John Moores University, UK
Peter Simcock, Liverpool John Moores University, UK

EXTENDED ABSTRACT

The Older Consumer Market

Analysis of world population statistics reveals increases in older adults and accompanying declines in the number of younger people that is unprecedented in human history, and which will result in the old outnumbering the young by 2050. In the developed world, older adults are healthier and wealthier than previous generations and are willing to spend. Thus, in terms of sheer size, longevity of demand, and potential profitability the older consumer market is an increasingly important one. Despite this importance, outside the USA there still exists a relative paucity of empirical evidence that can be used to guide practical marketing strategies. This paper aims to fill a small but important gap in terms of sales promotions aimed at older adults.

Senior Promotions and Self-Perceived Age

The small number of previous studies, all American, that have investigated senior promotions or discounts have found that relatively large numbers of older consumers do not use such promotions. Possible reasons include socio-demographics, health status, or the type of marketing used. One study (Tepper 1994) however, found that negative associations with age, found in Western culture, might be the underlying reasons for non-use of such promotions. On this basis, the current study considers that self-perceived age may be an important underlying variable in the consumer behaviours toward age-based promotions among older adults. Indeed, because the number of years lived is a poor indicator of a person's values and attitudes (Chua, Cote and Leong 1990), self-perceived age may give a more useful insight into the behaviour of older adults than can chronological age alone.

Method

Age-based quota sampling was employed, resulting in a sample of 650 adults aged 50-79, which mirrors the UK older population in terms of 5-year age bands. Usage and usage intentions toward age-based sales promotions were measured by questions pertaining to actual usage of senior discounts, interest in owning an age-based discount card, and usage likelihood. To better understand the underlying reasons for responses, an open-ended question asking respondents to explain their answers was included. Two methods of self-perceived age, age identity (originally designed by Cavan *et al.* in 1949 and now used extensively in gerontology studies) and cognitive age (designed by Barak and Schiffman in 1981 and now used extensively in marketing) were measured, in addition to respondents stating their actual age and income.

Results

The reliability of the cognitive age scale was found to be acceptable (Cronbach's alpha .89). Respondents' mean cognitive age was almost 10 years younger than their actual age. Additionally, the majority of people rejected the status old, with almost 70% stating that they perceived themselves as 'middle-aged', and 17% choosing to describe themselves as 'young'.

In terms of actual consumption of senior discounts, analysis revealed a very highly significant and positive correlation with chronological age ($\tau\text{-}b=.285, n=638, p<0.001$), indicating that as

age increases, so too is the likelihood of taking advantage of senior promotions. No such relationship was found with cognitive age, although in terms of age identity, significant differences were found ($X^2=15.2, df=2, p<0.001$), with those who consider themselves old being the highest users, and those who perceive themselves to be young the lowest. This association with chronological age remained even when income was held constant ($r=.31, n=571, p<0.001$), indicating that age does play a part in the use of senior promotions.

In contrast, the remaining measures demonstrated a different, but consistent pattern. The younger and older age groups, in terms of all three types of age, were significantly less likely to use, or to be interested in, senior promotions than were the middle group. Thus, those whose actual age was in the 60s, who tended to have cognitive ages in the 50s or 60s, and who perceived themselves to be 'middle-aged' demonstrated the most positive attitudes toward senior promotions. Indeed, the younger and older groups demonstrated very similar levels of interest and usage intent. Analysis of the qualitative data revealed two very different underlying reasons for these findings. On the one hand, the oldest consumers were sceptical and mistrustful of such discounts, viewing them either as a ploy to encourage debt, or were fearful of being bombarded with direct mail should they take advantage of such discounts. In contrast, the youngest group rejected senior discounts on the basis that they did not yet feel old enough to qualify for such promotions. For these relatively young consumers with young self-perceived ages, consumption of senior promotions was incongruent with their youthful self-image.

Conclusions

This research has clearly demonstrated that the relationship between actual and intended usage of age-related discounts and different age measures is a complex one. Of the three groups of older consumers in terms of feelings toward senior discounts, the group that is the most positive is the middle-aged segment, both chronologically and cognitively, and these have middle-aged age identities. This group welcomes senior promotions, and views them as rewards. For this group, then, positioning such discounts on the basis of loyalty and rewards is a viable strategy. In contrast, the youngest and oldest groups have similar, relatively negative, feelings toward age-based promotions, but for different underlying reasons. The oldest group show mistrust, whilst the youngest group are not yet ready to accept that they qualify for offers on the basis of their old age. For the older group, then, there is a need to provide more information and education, and to provide reassurances that there is no catch, and they have a choice as to whether or not they receive mailings for other promotions. The youngest group, though old enough to qualify in terms of actual age, do not yet feel old enough to use senior discounts, and thus targeting these consumers with age-based discounts is not a viable strategy. Instead, positioning promotions on the basis of loyalty rewards, or off-peak discounts, may be the only way to reach these youthful seniors.

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