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The Golden Economy

The Consumer Marketplace in an Ageing Society

Research by ILC-UK for Age UK October 2010



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1 Introduction

*We are all consumers. Our need for food, shelter, clothing, transportation, finances, travel & leisure, health care, education, etc. assures our status as consumers.*¹

The consumer is king. At least that is what we are told. With the growing role of the private sector, access to the consumer market is not a luxury. It is an essential part of day-to-day life and has been for many years. For those unable to access goods and services, it can have a negative impact on the quality of life of an individual, resulting in exclusion and isolation.

Adam Smith talked of this in 1776:

*A linen shirt, for example, is, strictly speaking, not a necessary of life. The Greeks and Romans lived, I suppose, very comfortably though they had no linen. But in the present times, through the greater part of Europe, a creditable day-labourer would be ashamed to appear in public without a linen shirt, the want of which would be supposed to denote that disgraceful degree of poverty which, it is presumed, nobody can well fall into without extreme bad conduct. Custom, in the same manner, has rendered leather shoes a necessary of life in England. The poorest creditable person of either sex would be ashamed to appear in public without them.*²

Yet it is not just low income that acts as a barrier to older people's efficient participation in the market. Even services aimed at the better-off may have basic failings that could easily be remedied.

*In many European cities one of the main groups eating in restaurants are those over 50, yet very few 50-year-olds are able to read a menu by candlelight without their reading glasses. That is because the menus are usually designed by young people in print shops not for senior citizens. What a crazy situation: the people who the restaurants want to market to cannot read any of their sales literature.*³

Sustainable consumption is arguably more important than income as a measure of well-being. Money is of no value if you cannot use it. 'Consumption is frequently used for measuring economic wellbeing. As such, it may even be considered preferable to disposable income, because people gain utility rather through consumption than income', noted the United Nations Economic Commission for Europe recently.⁴

1 D. Hilton, 'The Impact of Aging Consumers on Business', *Coastline Journal*, 7 April 2009, Fort Hays State University. Available at: <http://coastlinejournal.com/2009/04/07/the-impact-of-aging-consumers-on-business> (accessed 30 September 2010).

2 Adam Smith (1776) *An Inquiry into the Nature and Causes of the Wealth of Nations Book Five. Of the Revenue of the Sovereign or Commonwealth*.

3 Patrick Dixon (2008) 'Marketing to Older Consumers', interview for *Marketeer*, October. Available at: www.globalchange.com/marketing-to-older-consumers.htm (accessed 30 September 2010).

4 United Nations Economic Commission for Europe (November 2009) *Older Persons as Consumers*, Policy Brief Number 3.

When people cannot access the private consumer market it can impact on both the small and big things in life. A lack of access to even the smallest aspects of the consumer market can be frustrating and depressing and have a negative impact on quality of life. A small study of older consumers⁵ included a housebound man who relies on mail order, cannot return goods because the post office is too far away, and has limited choice in men's clothes and a blind woman who would like to choose stylish clothes but has no one to describe how clothes look in the department store. Many participants highlighted the physical barriers to the consumer market (including inaccessible store design) and the barrier which limited mobility and transport creates for them in accessing the consumer market.

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.

It is important to recognise that while the consumer market is important to older people, they are also important to the market. The older consumer market is large and it is growing. The older market is forecast to grow by 81 per cent from 2005 to 2030, but the 18–59-year-old market only by 7 per cent.⁶ Analysis by the Personal Finance Research Centre at Bristol University finds that the 65-plus age group now accounts for 20 per cent of the UK consumer population (16-plus), and is expected to rise, so that in 2030 over-65s account for 25 per cent of the consumer market. Nor is this solely a UK phenomenon. For those interested in the global market, the picture is a similar one internationally. The United Nations has estimated that by 2050, one-third of the populations of developed regions and one-fifth of the population in less-developed regions will be aged 60 and over. This presents an enormous opportunity for those companies willing to address the needs of people in later life.

⁵ Older People's Programme (unpublished) *Investigate! Older People Investigating Goods and Services*, research undertaken on behalf of Help the Aged, 2006.

⁶ Patrick Dixon (2008) 'Marketing to Older Consumers', interview for *Marketeer*, October. Available at: www.globalchange.com/marketing-to-older-consumers.htm (accessed 30 September 2010).

In the context of a changing demography and growing numbers of older people, a wide range of literature now recognises that older consumers are an increasingly important market for a variety of goods and services.⁷ It is not surprising news that consumers are getting older. While there is limited academic research in the field, it has been a subject that has attracted attention for at least 50 years. We have identified research going as far back as the early 1970s in which academics in the US talked about the fact that, even then, the older market was bigger than the youth market.⁸

Some companies are already profiting from this market. Coca-Cola, for example, entered the coffee, tea, wine and orange juice markets during the 1980s, partly to attract older consumers who were less interested in their Coke brands.⁹ Others have also recognised this market and benefited significantly. It is argued, for example, that when Anheuser-Busch, the largest US brewer, attempted to reach the 50-plus age group, they found themselves creating one of their top-selling brands, Michelob Ultra.¹⁰

The UK Government has also recognised the economic opportunities for UK businesses in meeting the needs of the older consumer.

The December 2000 report of the Foresight Ageing Population Panel noted that:

*Businesses need to ditch outdated stereotypes about older consumers and focus on the grey pound, both in the UK and overseas. If they fail to grasp these new markets, overseas competitors will take advantage... Businesses that plan on the assumption that tomorrow's older consumers and workers will simply be like today's will be wrong-footed by the effects of generational change... As a matter of urgency, business organisations, trade associations and trades unions should raise the profile of ageing as a business issue and fill the information gap with industry-specific guidance. Assistance should be made available to firms to help them seize the new opportunities presented by an ageing customer base.*¹¹

Aspects of the Economics of an Ageing Population, the 2005 report by the House of Lords Select Committee on Economic Affairs, felt that there was a 'generalised failure by industry and commerce to take advantage of the lucrative market represented by the ever-growing group of older people who have at their disposal what is sometimes called the Grey Pound.' They went on to argue that there had been little progress since the Foresight Ageing Population report. 'The evidence we have received shows that little has changed over the last five years.'

7 L. Sudbury and P. Simcock (2009) 'Understanding Older Consumers through Cognitive Age and the List of Values: A UK-based Perspective', *Psychology & Marketing* 26(1) (January): 22–38. Sudbury and Simcock refer to: Burt and Gabbott, 1995; Chura, 2002; Kennett, Moschis and Bellenger, 1995; Miller and Soyoung, 1999; Moschis and Friend, 2008; Stammerjohan, Capella and Taylor, 2007; Yoon, Lee and Danziger, 2007.

8 R. Eugene Klippel (1974) 'Marketing Research and the Aged Consumer: The Need for a New Perspective', *Journal of the Academy of Marketing Science*, 2, 1 (December): 242–8.

9 B. Gunter (1998) *Understanding the Older Consumer: The Grey Market*, London: Routledge, p. 24.

10 K. Green (2004) 'Marketing Surprise: Older Consumers Buy Stuff, Too', *Wall Street Journal*, 6 April.

11 *The Age Shift – Priorities for Action* (2000). Available on: www.education.edean.org/pdf/Intro013.pdf (accessed 30 September 2010).

The UK Government ageing strategies, *Opportunity Age* (2005) and *Building a Society for All Ages* (2009) talked of the importance of the older consumer to the economy. *Building a Society for All Ages* explained its position:

*To take advantage of the business opportunities from longer lives, we have published New Industry, New Jobs, the Government's vision for Britain's economic and industrial future setting out key areas where Government action can have most impact. This acknowledged the opportunities and challenges presented by an ageing population and proposed an Innovation and Growth Team which will draw up an action plan for business and Government to take advantage of the economic opportunities presented by an ageing population. The team of experts from academia, business and the age sector will be responsible for identifying business opportunities and will make its recommendations to Government by spring 2010.*¹²

BIS launched this initiative in February 2010 before publishing an analytical and discussion paper on whether business was ready for an ageing nation.¹³ The paper discussed some of the opportunities for business and presented some of the issues raised at a high-level seminar in February 2010.

Yet, despite these examples, the private sector as a whole seems to have been slow to target older consumers. As one researcher notes, it is 'quite puzzling that despite the tremendous potential older consumers have, at least in market size, they do not seem to attract significant interest from both marketers and researchers'.¹⁴ Many of the market barriers remain similar to those identified almost 50 years ago.

This report seeks to gather evidence and arguments about the older consumer into a single place. It is clear that the quality of some evidence cited is questionable. The aim of the report is to identify where the market is working, where it is not, and what is the role for the private, public and voluntary sector in terms of tackling some of the market failures.

12 HM Government (2009) *Building a Society for All Ages*. Available at: www.hmg.gov.uk/media/33830/fullreport.pdf

13 BIS (2010) *Is Business Ready for an Ageing Nation?* (Analytical Paper and Discussion Paper). Available at: www.bis.gov.uk/assets/biscore/corporate/docs/ageing-population/10-827-opportunities-and-challenges-of-ageing-population-discussion-paper.pdf (accessed 30 September 2010).

14 R. Ahmad (2003) 'The Older or Ageing Consumers in the UK: Are They Really That Different?' *International Journal of Market Research* 44(3).

2 Recommendations

2.1 For older consumers

- Don't be afraid to ask for support.
- Be demanding.
- Provide both positive and negative feedback.
- Read the small print.
- Get advice if you feel you have been the victim of consumer crime.
- Do your research.
- Shop around.
- Start up a food co-op to avoid the expense of shopping in small quantities.
- Accept yourself and your needs including your frailty.
- Be positive.
- Be confident.
- Vote with your feet.

2.2 For Age UK

- Age UK should review their own commercial services to ensure they follow the best practice outlined in this report and ensure that their products and shops are 'age-friendly'.
- Age UK should monitor the impact of the Equality Act 2010 on the older consumer experience.
- Age UK should influence businesses to take up the principles of inclusive design, usability and accessibility in their new products, shops and websites.
- Age UK should work with the private sector and government to improve access to existing retail environments that are currently difficult for some older people to use.
- Age UK should develop good practice guidelines to support providers of goods and services to improve the consumer experience for older people.
- Age UK should support, develop and promote materials that ensure that older people know their rights and responsibilities in the market place.
- Age UK should work with small business organisations to ensure that they are making the most of an ageing society and are promoting age equality in their offer of goods and services.

2.3 For Government and regulators

- Government should review within three years the impact of the Equality Act 2010 on the supply of goods and services to older people.
- Government should review the case for further legislation, regulation, product standards and/or good practice guidelines to promote inclusive design across the private sector, including manufacturers and retailers.
- Government should use their own spending power to promote inclusive design, accessibility and usability by demanding these features in the products and services they procure, particularly when they are primarily for people in later life.
- Unless Government gives greater priority to older people in digital inclusion initiatives, it will not meet the target of getting 60 per cent of those currently without internet access online by 2015.

- Governments across the UK should continue to review consumer protection legislation to take into account the increasingly ageing population.
- There is a need for specialist advice and support for those who fall victim to poor consumer practices, particularly those who are traumatised by the experience.
- The BIS review launched in 2010 should result in a White Paper incorporating action on how the UK economy can make the most of an ageing society and tackle the market barriers identified in this report.
- BIS, working with Business Link, the Confederation of British Industry and the Trade Association Forum should encourage industry groups to join one of the good trader schemes and produce and promote good practice for marketing to and supporting the older consumer.
- Government should implement and invest in 'Lifetime Neighbourhoods' in order to protect local economies and create accessible retail environments for people in later life.
- Government must continue to invest in improving transport to ensure that it is safe, accessible, reliable and affordable.
- Government should focus on financial inclusion among older people and ensure that existing payment and future payment mechanisms are more accessible for older people, including any replacement for cheques.
- Government should review existing Universal Service Obligations (USOs) to ensure that they meet the needs of an ageing society, including the need to introduce new USOs (e.g. in banking).

2.4 For businesses

- Businesses should realise that the older population is not a homogeneous group and that there is great diversity in interests and needs of the older consumer market.
- Businesses should ensure that all age groups, including older age groups, are included in their consumer research. Segmentation of older consumers should be far more nuanced than in the past.
- Businesses should mainstream the principles of inclusive design, usability and accessibility when designing new products, services and retail outlets and look for ways to improve the usability and accessibility of their existing products, services and outlets.
- To ensure that older consumers are not locked out of the market by financial exclusion, businesses should ensure that older consumers can use a range of payment mechanisms that are user-friendly, safe and low-cost.

- Marketing and advertising should not ignore older consumers.
- The retail sector should extend and actively promote any support they offer to those who have difficulty navigating their existing retail outlets.
- Businesses, particularly in the marketing, advertising and digital sectors, should ensure that their recruitment policies and practices do not discriminate on the grounds of age and promote equal opportunities for all ages.
- Businesses should not use age to arbitrarily refuse products and services.
- Businesses should work with local government to ensure that there are age-friendly shopping areas and accessible transport to them.
- Businesses should ensure that their pricing models do not disadvantage older consumers.
- Marketing professionals and journalists should follow existing guidelines on the language and imagery used to represent and describe older people.
- Standards-makers should ensure that their standards take account of the needs of older and disabled people.

2.5 For further research

There is a clear lack of high-quality research on ‘the older consumer’, particularly by academic researchers.

Key questions for new research to explore include:

- What factors affect spending patterns in later life?
- How do these differ between older and younger consumers?
- What are the aspirations, expectations, behaviours and experiences of older consumers who rely on others for support to access private goods and services? Research should include older consumers with cognitive decline or dementia and those living in residential homes.
- What are the economic models of demand and supply of goods and services for an ageing population?
- What are the most effective models for marketing to consumers in later life? How do they differ from marketing to other age groups?
- How do small businesses respond to an ageing consumer population?

Researchers should ensure the inclusion of isolated and excluded groups of older people in researching older consumers.

3 Understanding the older consumer market

Analysing figures from the Office of National Statistics' *Family Spending* report, published in January 2010, Age UK calculated that in the UK, people over the age of 65 spent an estimated £97 billion in 2008, around 15 per cent of the overall household expenditure. Allowing for inflation and the average annual increase in the number of people in this age group, the Charity predicts that this figure is now likely to have passed the £100 billion milestone. But what do we know about this group, their spending power and the way they spend?

3.1 Wealth

The recently published results of the first wave of the Wealth and Assets Survey (WAS)¹⁵ give us a comprehensive indication of how household wealth in Great Britain varies by the age of the head of the household.¹⁶ Figure 1 shows the average net wealth held by households taking into account all physical, property and financial assets and liabilities, including pensions.

The general trend shown by the WAS is that the youngest age groups have the least wealth; wealth increases with age group, peaking among 55–64-year-olds and declines by age group after this peak. However, average wealth in the oldest age group (85+) is still higher than that in the youngest age groups (16–24 and 25–34). When looking at 'types' of wealth separately, the 55–64 age group hold the highest property and financial wealth. The decline in wealth past 64 can be largely accounted for by a decrease in pension wealth. On average, households headed by someone in an older

age group held slightly more wealth in property than those with a household head under the age of 55 (almost certainly because the younger cohorts have outstanding borrowing). There is a noticeable difference between the mean and median amounts held in financial wealth, indicating that small numbers of people had very large amounts of financial wealth, a finding that persists across the age groups.

3.2 Income

We can use the Expenditure and Food Survey (EFS) data from 2007 and the third wave of ELSA (English Longitudinal Study of Ageing) to explore how income varies by age. Gross household weekly average income peaked for households headed by someone aged 30 to 49 and fell gradually among older cohorts (Figure 2). The average weekly income of the oldest households in 2007 (75 or older) was around £300, or just under £16,000 a year.

However, it should be remembered that household sizes also change with age, and on average older households have fewer members. Taking this into account, we can make an estimate of the income per person. Figure 3, opposite, shows that on average, income was actually greatest on a per-person basis for those in households headed by someone aged between 50 and 64 (£321). It ranged between £212 and £287 among other cohorts and averaged over £100 per week less among the oldest households, compared with those who were headed by someone aged 50 to 64.

¹⁵ In this section we report key findings of the first ever Wealth and Assets Survey across Great Britain. This covers the period July 2006 to June 2008. Over the two-year period, interviews were held with adults in over 30,000 private households.

¹⁶ This is based on the household's highest earner. If earnings are the same, or not applicable, the oldest household member is taken as the head of the household. Please also note that, like most national household surveys, it does not include people living in residential homes, hospitals or other institutions.

Figure 1 **Distribution of household wealth: by age of household head, 2006/08**¹⁷

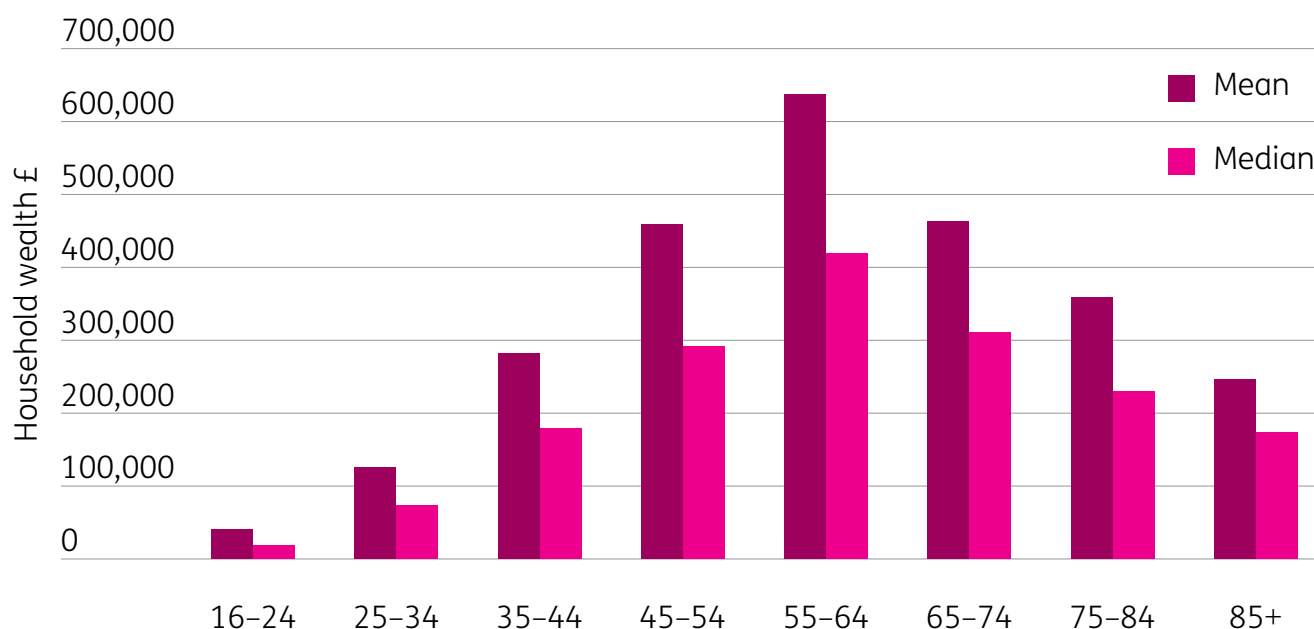


Figure 2 **Average gross household weekly income by age of household reference person, 2007**¹⁸

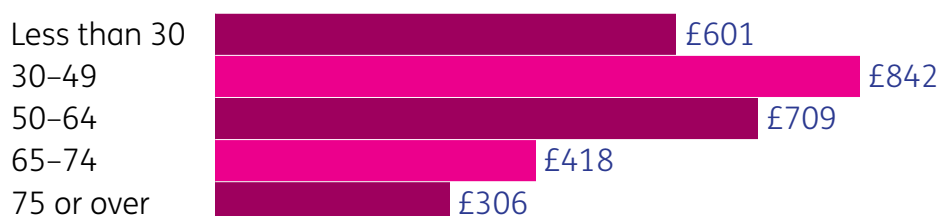
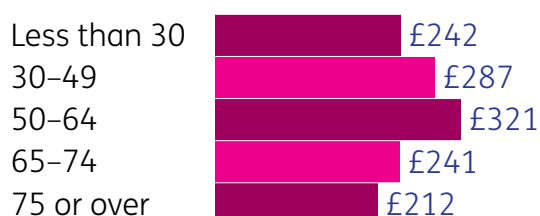


Figure 3 **Average gross weekly income per person by age of household reference person, 2007**¹⁹

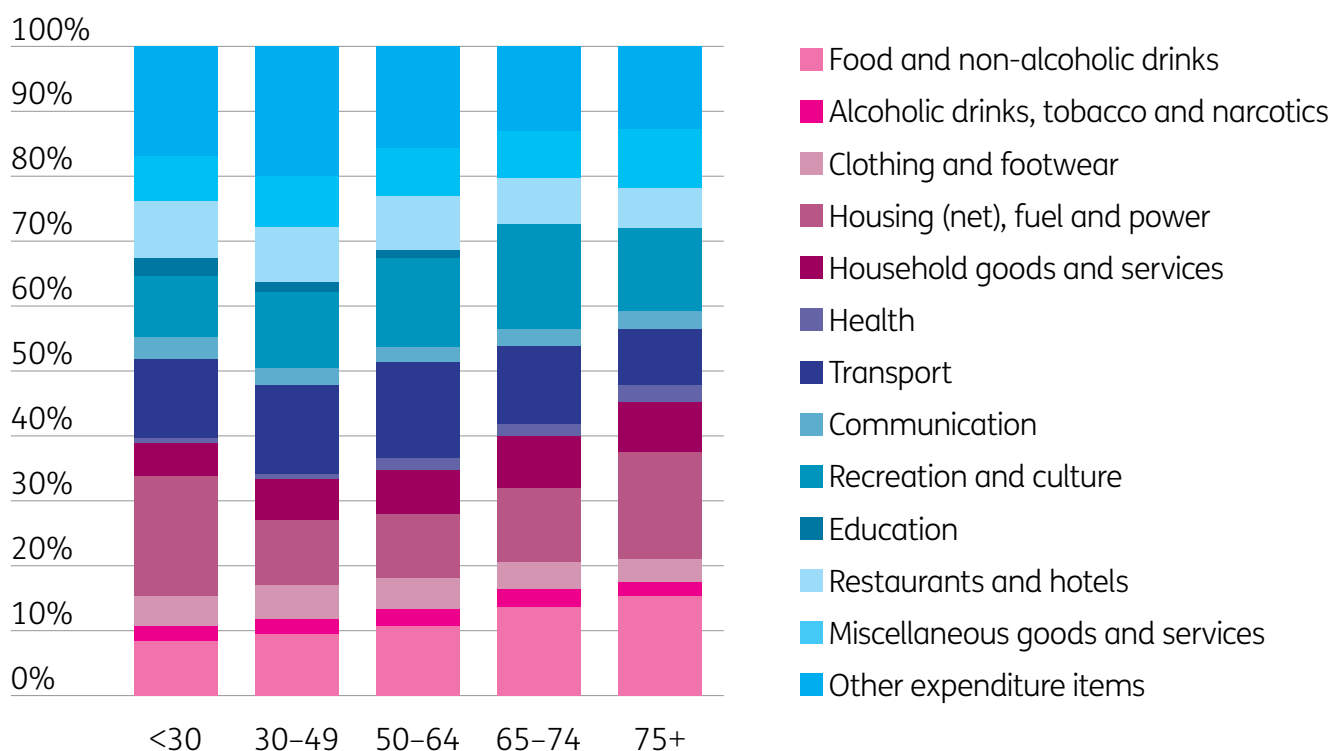


¹⁷ *Wealth and Assets Survey* (2009) Office for National Statistics (created from data in click-use graphs).

¹⁸ *Expenditure and Food Survey* (2007) Office for National Statistics (created from data in click-use data table).
Averages are means across all households.

¹⁹ Note: this graph has been created by taking the average household income and dividing by the average number of people per household (regardless of age). Source: *Expenditure and Food Survey* (2007) Office for National Statistics (created from data in click-use data table).
Averages are means across all households.

Figure 4 **Categories of household expenditure by age of household reference person, 2007**²⁰



Note: 'Other expenditure items' includes mortgage costs, whereas 'Housing (net)' excludes mortgage interest payments, council tax/rates.

Table 1 **Average weekly expenditure by age of household reference person**²¹

	<30	30-49	50-64	65-74	75+	All
Average weekly household expenditure	£459.50	£561.90	£497.30	£320.80	£218.00	£459.20
Average weekly expenditure per person	£185.30	£191.20	£225.20	£185.00	£151.30	£194.80
Weighted number of households (thousands)	2,620	9,760	6,450	3,130	3,390	25,350
Weighted average number of persons per household	2.5	2.9	2.2	1.7	1.4	2.4

20 Expenditure and Food Survey (2007) Office for National Statistics (created from data in click-use data table).

21 Excluding mortgage interest payments, council tax and Northern Ireland rates. ONS, Family Spending 2007, © Crown copyright 2008.
A 'household reference person' (HRP) is the person who own or rents or is otherwise responsible for the accommodation. In the case of joint householders, the person with the highest income takes precedence and becomes the HRP. Where incomes are equal, the older is taken as the HRP.

3.3 Expenditure

Figure 4 uses data from the Expenditure and Food Survey (EFS) to demonstrate the percentage of household expenditure that is spent on different categories of goods and services by age group. Overall there are notable similarities. The proportions of household expenditure on housing appear to vary quite widely across age groups (although it is not possible to fully examine from these figures it is likely this is related to the costs of renting vs owning a home which become particularly relevant to older people as home owners pay off mortgages and renters continue to pay). The proportion of spending on transport peaks in the 50–64 group and decreases to a low in the 75+ group but it is not possible to say to what extent this is related to reduced travel, use of subsidised travel or increases in other areas of expenditure. Perhaps the most interesting trend is that the proportion of expenditure on food and non-alcoholic drinks increases steadily with age. Although average overall expenditure is lower among the older age groups, the proportion spent on other categories is relatively stable. This might suggest that people expand and contract their expenditure according to their means but it is difficult to identify particular areas of spending that are important to older people.

However, there is considerably more variation between age groups in the amount of spending. As we might expect following the findings on income, the *Family Spending Report* (2007) revealed that average weekly household expenditure per person increases by age group, peaks within the 50–64 age group and declines to a low among the over-75s.

In all age groups the average weekly spending per person is lower than the average weekly income. The differences in average expenditure and income by age group suggest that the 50–64 age group are also likely to have the highest average ‘excess income’. This declines in the upper age groups but even among the oldest group, the over-75s, average weekly excess income is higher than for the under-30s. This raises interesting questions about how income and spending are related.

We can use the EFS to explore the consumption of people with high incomes, to see whether there is any evidence that older people with relatively high incomes are more likely to consume less than their income would predict. Table 2 looks only at those 20 per cent of people with the highest equivalised income.²² We might expect that all of those people with the highest income would also fall into the highest expenditure category, but that is not the case. In fact around 5 per cent of those high-income respondents aged 65 and over have expenditure that is among the lowest of all EFS respondents.

²² Ideally, we would look at assets, particularly financial holdings, but the EFS does not measure this.

Table 2 **EFS consumption expenditure quintile by age – highest income quintile**

	Column percentages					
	30 and under	30–49	50–64	65–74	75+	All
Expenditure in lowest quintile 1	3	2	2	5	6	3
2	14	10	7	12	16	10
3	21	15	15	28	23	16
4	24	25	29	25	29	26
Highest quintile 5	38	48	47	30	26	45
<i>Unweighted base</i>	92	602	376	57	31	1,158

Source: *Expenditure and Food Survey* (2007) Office of National Statistics (weighted percentages)

Table 3 **How often respondent has too little money to spend on needs²³**

	Column percentages									
	52–54	55–59	60–64	65–69	70–74	75–79	80–84	85–89	90+	All
Never	38	34	41	44	44	48	56	56	61	43
Rarely	29	32	30	28	28	24	23	26	24	28
Sometimes	24	24	22	22	21	22	17	15	10	21
Often	4	6	5	5	5	4	3	3	2	5
Most of the time	4	4	2	2	2	1	1	1	3	2
<i>Unweighted base</i>	116	1,634	1,399	1,161	1,103	880	593	330	99	7,315

23 Source: ELSA Wave 3 Core respondents. Weighted percentages (excluding missing data).

ELSA respondents were asked how often they found they had too little money to spend on their needs – ‘needs’ was not defined, but left up to the respondent to define as they chose. There is a clear relationship between this variable and age. Despite the evidence so far that wealth and income are concentrated among 50–64-year-olds, this age group were also among the most likely age group (of older people) to say they sometimes, often or most of the time had too little money to spend on their needs. Similar results were found for 65–79-year-olds, but the over-80 group were considerably less likely to feel they had too little money to spend on their needs.²⁴ It is possible that those in the younger age groups consider their needs greater than the older age groups. However, it is also likely that this is a reflection of the Wealth and Assets Survey findings, which show the 55–64 age group having a particularly wide range of wealth, and that there is a significant subset of this group with low incomes and wealth who are struggling to meet their needs.

Case study: food

Data from the Family Spending Report (2007) show that, pounds per week, household expenditure on food is lowest among households headed by someone aged 75 or over (£33.40 per week).²⁵ It is likely that this reflects both smaller household sizes and lower incomes in this age group. However a closer look, using data from EFS shows a more nuanced picture. This survey found that as a percentage of total household expenditure, spending on food increases with the age of the head of household, with the greatest percentage of household expenditure going on food for those over 75.

The same data also reveal that overall households of retirement age spent more per person on most food items than younger households.

Although, by household, spending on food may be lower among older people than younger people, these findings suggest that many older people have an important relationship with the food industry, giving over a significant amount of their expenditure to food retailers. This makes supermarkets and food shops an important area for further investigation to understand the experiences and needs of older consumers.

Case study: durables bought and owned

We can see from the most recent wave of ELSA, that the vast majority of people over the age of 50 in England owned at least some of the more common consumer durables, such as DVD players and microwave ovens. It seems that a television is the only durable item that is owned by a larger proportion of older cohorts than younger ones. Almost everyone over the age of 80 reported owning a TV (96 per cent) compared with around three-quarters of those aged 52 to 54 (73 per cent). In contrast, some six in ten (60 per cent) of those aged 55–59 had a computer, but only one in ten (9 per cent) of the oldest cohort had computers.

The proportions owning particular durables peaked at different ages. A greater proportion of 55–59-year-olds owned a DVD player than any other age group surveyed (60 per cent), while ownership of microwave and CD players peaked among the 70–74-year-old cohort (86 per cent and 80 per cent). Video recorders were owned by a larger proportion of 75–79-year-olds than other cohorts, but across all the cohorts more people had a video recorder than a DVD player.

²⁴ Unfortunately there is no data available to compare with younger age groups.

²⁵ *Family Spending Report* (2007) Office for National Statistics.

Case study: mobile phones

We have been able to look for associations between certain characteristics and mobile phone use. Regression analysis suggests that, other things being equal, age is a significant predictor of mobile phone use, with those in their early 50s having over five times the odds of owning a phone as people in their 80s. Ethnicity is also an important predictor: white respondents have 1.8 times the odds of owning a mobile phone. Those people who reported that health prevents them from using public transport had only around half the odds of having a mobile, while, other things being constant, people with qualifications had twice the odds of those without.

The regression analysis indicates that men were slightly less likely than women to have a phone, but that people in couples were significantly more likely to own one than single people. Those who found that they often didn't have money for the things they wanted had lower odds than those who never found this to be the case (while this should not be read as wanting a phone, it might indicate that they were unable to afford one).

Case study: social participation

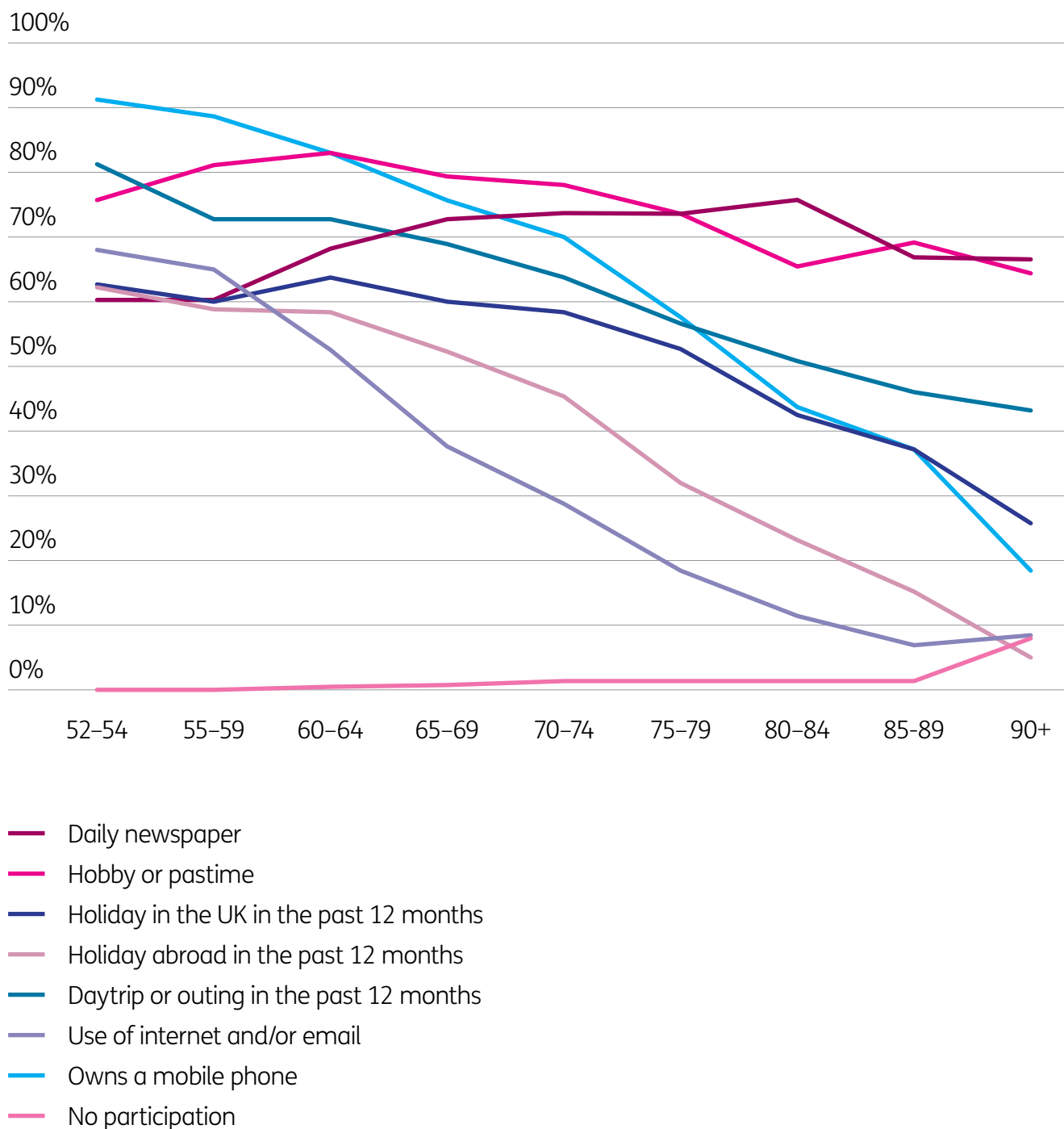
Much of the non-essential consumption by older people may be expected to be linked to social participation. Through a paper-based self-completion questionnaire, ELSA collects details about a range of activities and media by which older people may participate in society. There are fewer respondents in this section of the survey, and thus they may not reflect those who were the most socially isolated in certain ways. However, the figures indicate that there is a significant decrease in social participation by age.

It seems that the proportion enjoying hobbies and pastimes increased briefly around retirement age, only to fall away again among older respondents. Similarly, retirement appears to have triggered additional newspaper reading,²⁶ although this stayed high for some time, before dropping gently beyond the age of 75. This appears to be reflected in the decrease in spending on recreation and culture in the over-75s.²⁷ However, this decline in participation ought not necessarily to be taken as simple decline in appetite for participation. This will be discussed further below.

²⁶ Unfortunately the data does not tell us which type of newspaper people take.

²⁷ *Expenditure and Food Survey (2007)* Office for National Statistics.

Figure 5 **Social participation by age**²⁸



28. ELSA Wave 3 Core respondents. Weighted percentages.

3.4 Spending habits

3.4.1 Shopping in-store

Between 1993 and 2000 Mintel reported a 29 per cent increase in the number of multiple food outlets, resulting in large grocery stores dominating the retail sector with an 81 per cent share of the market in 2001.²⁹ The dominance of the large supermarket in the UK has an impact on the shopping habits of the older population.

Arber and Hunter found that older people visit fewer shops to purchase food than in any other European country. Older people are less likely to visit a market (30 per cent of food shopping occurs in markets in Italy and Poland – only 5 per cent in the UK) or a bakery (over 25 per cent of food shops visited are bakeries in Spain, Italy and Portugal, 15 per cent in Germany and only 1 per cent in the UK).³⁰ As a result, they pointed out that older people in poor health or lacking a car may struggle to access the food they need and called for more research in this area. Having reviewed the research in this area, Meneely et al. suggest ‘that the transformation of food retailing has brought about more problems for older members of society than it has benefited them’.³¹ A *Marketing Week* survey found that shopping habits of 50–80-year-olds (1990) were determined by whether or not the shopper had access to a car.³²

3.4.2 Online shopping

Online shopping may be seen as a valuable alternative approach for shoppers seeking easy access and convenience. Using EFS data we have created a variable³³ that identifies whether people have used the internet to order any of 16 categories of goods/services in the past three months to a year.³⁴ We can see from Table 4 that almost half of 30–34-year-olds had made at least one of these purchases online in the last 12 months. The probability declines markedly with age: only half as many 60–64-year-olds surveyed had made an online purchase in the last 12 months, and around half that in the 65–69-year-old group.

It is clear that internet shopping decreases with age. The analysis shows that once other factors are taken into account, 65–69-year-olds were around half as likely to have made an internet purchase in the preceding 12 months as the comparison group (45–49). At the extremes, we see that 45–49-year-olds were more than five times more likely to have made an internet purchase in the preceding 12 months compared to those aged 80 or over.³⁵ Only 2 per cent of people aged 80+ had purchased goods or services on the internet within the last 12 months.

29 L. Meneely, A. Burns and C. Strugnell (2008) ‘Food Retailers’ Perceptions of Older Consumers in Northern Ireland’, *International Journal of Consumer Studies*, 32: 342.

30 S. Arber and W. Hunter (2005) *Food Shopping and the Older Consumer*. Presentation of project findings. Available at: www.foodinlaterlife.org/senior480.html (download, accessed 30 September 2010).

31 L. Meneely, A. Burns and C. Strugnell (2008) ‘Food Retailers’ Perceptions of Older Consumers in Northern Ireland’, *International Journal of Consumer Studies* 32: 342.

32 B. Gunter (1998) *Understanding the Older Consumer: The Grey Market*, London: Routledge.

33 The questionnaire wording asks them to mention online orders, even if they did not pay online; we are using the phrase ‘online purchases’ to describe this.

34 The questionnaire asks about some orders in the past three months, and others in the past year. Financial products and vehicles in the last 12 months: mortgage payment, endowment policy, mortgage protection, structural insurance, private pensions, life insurance, medical insurance, season tickets, vehicles (vehicle insurance was not recorded in the data). Household goods and travel in the past three months: furniture, carpets, package holidays, hotel accommodation, self-catering. Travel in the past 12 months: flights from UK. Final question for all those who shopped online in the last 12 months: other.

35 As the regression take into account all respondents, there are 410 people in the oldest age category, making this a valid comparison.

Table 4 **Has made any online purchase in the last 12 months**³⁶

	19 and below	20 to 24	25 to 29	30 to 34	35 to 39	40 to 44	45 to 49	50 to 54	55 to 59	60 to 64	65 to 69	70 to 74	75 to 79	80+	All
Yes	22	30	36	47	35	37	35	37	31	23	13	10	7	2	1,645
<i>Unweighted base</i>	23	170	395	459	593	647	621	541	549	552	446	405	325	410	6,136

The regression indicates that the most important factor for predicting shopping online is having internet access within the home. We would expect that people who want to shop online regularly would be connected, and that, conversely, those with a connection would be more likely to shop. This is borne out by the analysis; after controlling for age and other factors, those with an internet connection were over eight times more likely to have made such a purchase compared to people without a connection. Income is also strongly associated with online shopping (even after taking into account home internet access). Those with income in the top 20 per cent were 3.3 times more likely to have shopped online as those in either of the two lowest quintiles.

Even after taking age, home access and other factors into account, car ownership is related to greater likelihood of using the internet to shop. This shows that people with cars were more likely than their car-less peers to be shopping online regardless of age and income, suggesting that the internet is not being used primarily by people with limited mobility.

3.4.3 Brand and product preferences

There is limited data to help investigate the brand and product choices of older people compared to younger people. However, the evidence we do have suggests that different brands are attractive to different age groups. Nomura, for example, found that while Marks and Spencer have a market share of around 11 per cent for clothing and footwear, this increases to around 20 per cent for those aged over 55.³⁷

Table 5 shows how different age groups are attracted to different products, services and brands. It details websites with the greatest percentage of traffic by age and shows marked differences among the age groups.

We must be careful in interpreting these findings, especially given the limited use of the internet by older people and the fact that the over-55s are 'lumped together' as one group. However, the indications are that there are differences, both in the products and services attracting older people and younger people, and the brands they choose.

³⁶ *Expenditure and Food Survey* (2007) Office for National Statistics. Weighted percentages.

³⁷ J. Llewellyn and C. Chaix-Viros (eds) (2008) *The Business of Ageing: Older Workers, Older Consumers: Big Implications for Companies*, Nomura Equity Research, p. 123.

Table 5 **Retail websites with the greatest percentage of traffic by age**
(four weeks to 17 November 2007)³⁸

18–24-year-olds	25–34-year-olds
<ol style="list-style-type: none"> 1. Asos 2. Chemical Records online 3. Ark Clothing 4. Cult Clothing 5. La Senza 6. Topman 7. Hard to Find records 8. Miss Selfridge 	<ol style="list-style-type: none"> 1. Blooming Marvellous 2. JoJo Maman Bébé 3. Mamas & Papas 4. Two Left Feet 5. Kiddicare 6. Confetti 7. Mothercare 8. Vertbaudet
35–54-year-olds – Families	35–54-year-olds – Empty nesters
<ol style="list-style-type: none"> 1. Virgin Vie at Home 2. Build-a-Bear Workshop UK 3. Wii Consoles 4. Next 5. Confetti 6. Toys Direct to Your Door 7. Early Learning Centre 8. Tesco Photo Centre 	<ol style="list-style-type: none"> 1. Ocado 2. WaitroseDeliver 3. Coopers of Stortford 4. Lands' End UK 5. Crocus 6. Joules Clothing 7. Hawkshead 8. Boden
55-year-olds and over	
<ol style="list-style-type: none"> 1. Coopers of Stortford 2. Damart 3. Joanna Sheen 4. Choice Stationery Supplies 5. Abe Books 6. Fifty Plus 7. Hotter Shoes 8. Cotton Traders 	

38 Source: Hitwise. Quoted in C. Dennis-Jones and K. Kilgallen (2007) 'The Age of the Consumer', *Retail Week*, 29 November.

3.4.4 Shopping around

Evidence suggests that, for many products and services, older generations are less likely to shop around than younger ones. Ofcom have developed a model of participation which they publish each year in the Ofcom Consumer Experience. They split customers into four different segments (inactive, passive, interested, engaged) based on willingness to switch and interest in 'keeping an eye out' for better deals on the market. This survey continues to find that older consumers were more likely than other ages to be inactive in relation to the fixed-line market, the mobile-phone market, the broadband market, and the multichannel-television market. In other words, older people are less likely than other ages to shop around or be keeping an eye out for better deals.³⁹ The report also highlights that older people are less likely to switch mobile supplier and reveals that older consumers are also more likely to believe that making cost comparisons is difficult, compared to other age groups.⁴⁰

Research for Age Concern revealed a similar picture in terms of shopping around for energy. They found that 'pensioners are the least likely to use the internet to switch energy supplier – only 16% shop around online, compared to almost four in 10 of those aged 25–54'.⁴¹ Age Concern also found that 63 per cent of over-50s have never changed their telephone service and that 90 per cent were either unlikely to or definitely would not change their supplier. The main reasons why people were reluctant were satisfaction with the service and not seeing any benefit in changing.⁴²

Other research for Age Concern and Help the Aged in 2007 showed that 28 per cent of those over 75 never shopped round for motor insurance, compared to only 16 per cent of 30–49-year-olds.⁴³ The research also showed that 23 per cent of drivers aged 65-plus and from higher social classes⁴⁴ never shopped around for motor insurance, a figure which increases to 34 per cent for the lower social class drivers aged over 65.⁴⁵ In other words, older people in the lowest social classes (who could benefit most!) were less likely to shop around than those in higher social classes.

39 Ofcom (2009) *The Consumer Experience 2009: Telecoms, Internet and Digital Broadcasting*, pp. 93–98. Available at: <http://stakeholders.ofcom.org.uk/binaries/research/consumer-experience/research09.pdf> (accessed 30 September 2010).

40 Ofcom (2009) *The Consumer Experience 2009: Telecoms, Internet and Digital Broadcasting*, p. 118. Available at: <http://stakeholders.ofcom.org.uk/binaries/research/consumer-experience/research09.pdf> (accessed 30 September 2010).

41 'Reliance on Switching Leaves Pensioners Paying a Premium for Energy', Age Concern Press release, 7 November 2008.

42 50plusview Panel, Wave 2, 2005 (unpublished).

43 Age Concern and Help the Aged, *Insurance and Age: Exploring Behaviour, Attitudes and Discrimination* (2007), research undertaken by CM Insight and Andrew Smith Research.

44 Social classes ABC1.

45 Social Classes CDE1.

3.5 What aspirations are currently unfulfilled?

The evidence reviewed above gives us insight in to what older consumers buy, but, as will be discussed below, there are certain barriers to the consumer market that can make it harder to for older people to access the goods and services they want or need. In order to understand how the market is failing older people, it is helpful to look at what older consumers are not buying and seek to understand why. Unfortunately, data in this area is limited but further examination of ELSA data is a helpful indicator.

As described above, there is a significant drop in social participation among the older, especially the oldest, age groups. As part of the self completion questionnaire, respondents provide information about the frequency with which they undertake several activities, and then answer a question about whether they are happy with the frequency with which they are able to take part in these activities. We have used these questions to identify the proportion of people answering the questions who undertook the activities less than once a month and were unhappy with this situation. It is clear from Table 6 (page 23) that many older people would have liked to participate more in these activities.

Taken together, four in ten respondents were unhappy about the fact that they were not doing at least one of the first three activities regularly, a similar proportion to those who were unhappy about their infrequent participation in the final category – theatre, concerts and opera.

A regression analysis of this data reveals the factors that were and were not associated with being unhappy about infrequent participation. The results are surprisingly mixed (see page 24).

Financial concerns seem to be prominent here, but overall it is surprising how different the predictors of dissatisfaction with infrequent participation are among the different activities looked at. Furthermore, the regression models did not fully explain the variation in levels of satisfaction. For example, when looking at desire to go to the cinema the model tested explained just over 7 per cent of the variation in being dissatisfied, suggesting that a range of other factors not investigated were influencing this. It is also worth noting that age alone did not feature as a strong predictor of dissatisfaction with participation.

This data on desire for social participation demonstrates how, in the leisure market at least, there is a significant access problem, where older consumers are not accessing the goods and services they want; but the reasons for that are far from clear. This is perhaps because the barriers to the market for older people, as will be discussed below, are complex and multi-faceted.

Table 6 **Infrequent participation and respondent would like to participate more often**

	Percentages within age group									
	52 to 54	55 to 59	60 to 64	65 to 69	70 to 74	75 to 79	80 to 84	85 to 89	90+	All
Cinema	38	34	27	26	26	21	22	30	34	28
Eating out	28	24	22	21	22	23	24	24	29	23
Art gallery, museum	36	34	30	26	24	24	30	26	19	29
Theatre, concert, opera	45	48	44	43	41	39	44	42	39	44
<i>Unweighted base</i>	92	1,307	1,079	879	825	625	372	188	47	5,405

Source: ELSA (English Longitudinal Study of Ageing) Wave 3 Core respondents. Weighted percentages; of those who answered yes (excluding missing data). Note that differing numbers of respondents gave yes/no responses (unweighted) – unweighted base represents maximum number responding to any of the questions.

Activity	People who participate infrequently and would like to participate more often were more likely to	Factors that were not associated with infrequent participation and desire to participate more often
Cinema	<ul style="list-style-type: none"> – Sometimes or often feel they have too little money⁴⁶ – Be female – Feel they were worse off than their friends – Have a qualification – Report that health limits the extent to which they can use public transport 	<ul style="list-style-type: none"> – Feeling safe in the streets at night – Being single or in a couple
Eating out	<ul style="list-style-type: none"> – Report that health limits the extent to which they could use public transport – Be unqualified – Feel they are worse off than their friends – Sometimes or often have too little money – Have been incontinent in the last 12 months 	<ul style="list-style-type: none"> – Age – Gender – Cost of public transport – Ethnicity – Being single or in a couple
Art gallery, museum	<ul style="list-style-type: none"> – Be under 70 – Be female – Have been incontinent in the last 12 months – Not use public transport more often because it is too expensive – Feel they are worse off than their friends – Sometimes or often have too little money 	<ul style="list-style-type: none"> – Having health issues that limit the use of public transport – Ethnicity – Being single or in a couple – Feeling safe in the streets at night
Theatre, music concert, opera	<ul style="list-style-type: none"> – Be female – Sometimes have too little money – Feel they are worse off than their friends – Have a qualification 	<ul style="list-style-type: none"> – Age – Being single – Incontinence – Feeling safe in the streets at night – Cost of public transport – Ethnicity

⁴⁶ We were unable to access income data for wave 3, and so have used the question discussed above about how often people feel they have too little money to spend on their needs as an income-related measure. While this is not the same as income, in some ways it is arguably a more important indicator when considering why people don't do something they would like to do.

3.6 What influences older people's needs and aspirations?

Sudbury and Simcock⁴⁷ highlight a number of reasons why older consumers may be different from other groups. They make a distinction between biological and social ageing.

Biological aging is likely to alter consumer needs and the consumer's ability to function in the marketplace.

The social aspects of age and ageing are important because society has expectations from people of different ages, as society is age graded (Birren & Cunningham, 1985).⁴⁸

We explore below the potential impact of these factors on older people as consumers.

3.6.1 Changes to physical and mental health

An estimated 3.9 million (33% of people aged 65–74 and 46% of those aged 75+) have a limiting longstanding illness. This equates to 39% of all people aged 65+.⁴⁹

Changes to physical and mental health are likely to have an impact on the demand for certain goods and services. They are also likely to impact on our ability to engage with the consumer market. At present, such changes

have a significant impact on older people's independence due to an unnecessary mismatch between the designed world and their changed capabilities.⁵⁰ Biological ageing is the progressive decline in physiological ability to meet demands that occurs over time. It is due to the accumulation of damage at the cellular level and the rate of biological ageing is determined by both environmental and genetic factors.⁵¹ Biological ageing is a very important factor in the consumer market. 'However young we may feel, our health is very likely to deteriorate eventually, with advancing age'.⁵²

Most people do not age with a single disabling condition and the deterioration is often gradual: 'With age, people change physically, mentally and psychologically. For most people these changes involve multiple, minor impairments in eyesight, hearing, dexterity, mobility and memory. In terms of sensory loss there is a decrease in performance with age.'⁵³ Both men's and women's eyesight declines sharply beyond the age of 65, although women report failing eyesight in greater numbers. There is also a comparable increase in reported hearing difficulties with rising age, although in this case it is men rather than women who are more likely to experience hearing problems.⁵⁴

47 L. Sudbury and P. Simcock (2009), 'Understanding Older Consumers through Cognitive Age and the List of Values: A U.K.-based Perspective', *Psychology & Marketing*, 26(1)(January): 22–38.

48 L. Sudbury and P. Simcock (2009), 'Understanding Older Consumers through Cognitive Age and the List of Values: A U.K.-based Perspective', *Psychology & Marketing*, 26(1) (January): 22–38.

49 The estimate is for the UK, based on Great Britain data from *General Lifestyle Survey 2008* (2010) Office for National Statistics.

50 R. Coleman (2007) *Inclusive Design: An Introduction to Inclusive Design*, Design Council (unpublished).

51 Jean M. Adams and Martin White (2004) 'Biological Ageing, A Fundamental, Biological Link between Socio-economic Status and Health?' *European Journal of Public Health*, 14(3):331–334.

52 D. Metz and M. Underwood (2005) *Older Richer Fitter: Identifying the Customer Needs of Britain's Ageing Population*, London: Age Concern Books.

53 D. Metz and M. Underwood (2005) *Older Richer Fitter: Identifying the Customer Needs of Britain's Ageing Population*, London: Age Concern Books, p. 35.

54 A. Darnton (July 2006) *Communicating with the over 75s*, research on behalf of the Department for Culture, Media and Sport. Available at: www.digitaltelevision.gov.uk/pdf_documents/publications/2006/7996-AOver75s_Jul06.pdf (accessed 30 September 2010).

However, the picture is not as clear as is sometimes set out. In terms of the variability across the population, genetic and gender factors can be more important than age in terms of both physical and sensory loss. Disability and frailty is not an inevitable part of ageing. However, with an ageing society, the simple weight of numbers will mean that we will have many more people living with disabilities.

The image of an old age of frailty and dependence is certainly not one that most older people are experiencing, partly because ‘the onset of serious deterioration typically occurs quite late in life’.⁵⁵

However, research by Help the Aged⁵⁶ revealed that over the next ten years we could see:

- Nearly 7 million older people who cannot walk up one flight of stairs without resting.
- 1.5 million older people who cannot see well enough to recognise a friend across a road.
- Over a third of a million older people with major speech problems.
- Over 4 million older people with major hearing problems.
- Up to a third of a million people aged 75-plus with dual sensory loss.

- Over a million people aged 75-plus who find it very difficult to get to their local hospital.
- A third of a million older people who have difficulty bathing.
- Nearly a million older people with dementia.
- 4–7 million older people with urinary incontinence.
- 1.5 million older people suffering from depression.

3.6.2 Social ageing vs cognitive age

The changes to our health that we experience as we age are likely to have a tangible effect on our consumer needs. But it is not so easy to pinpoint the ways in which our aspirations as consumers, and the products and services we want to buy, might change as we get older.

One theory suggests that ageism in society is likely to impact on the attitudes of older people themselves as to their own perceived role. Social or psychological ageing has been defined as ‘The norms, values and roles that are culturally associated with a particular chronological age’.⁵⁷ In other words people act a certain way because society expects them to act in this way. The physical decline of an older person impacts on society and thus the attitudes of older people (‘People my age don’t do that sort of thing’).

⁵⁵ D. Metz and M. Underwood (2005) *Older Richer Fitter, Identifying the Customer Needs of Britain’s Ageing Population*, London: Age Concern Books.

⁵⁶ K. Jopling et al. (eds) (2008) *Future Communities*, London: Help the Aged.

⁵⁷ A. Giddens, with the assistance of S. Griffiths (2006) *Sociology*, London: Polity Press, p. 182.

Social or psychological ageing may impact on older consumers in a number of ways including for example:

- Older people assume that certain products and services aren't for them and therefore do not consider purchase.
- Older people may assume that certain technologies are for younger people and do not consider their use as a means of engaging with the consumer market.
- The media and corporate sector may strengthen the negative impact of social ageing through ageism.

However, there is also considerable research to suggest that many older people perceive themselves to be younger than their chronological age⁵⁸ (cognitive age 'is the age one perceives one's self to be and is considered an element of self-concept'⁵⁹). The *Cultures of Consumption Research* found, for example, that 'boomers feel younger in themselves than their actual age by approximately 12 years'.⁶⁰ In a review of the available evidence, Stephens finds that being 'cognitively young' is associated with increased social participation and engagement in educational or cultural activities, while being 'cognitively old' is associated with less social activity, feelings of negativity, lower self-esteem and a belief that others view them as old.

She also cites several studies supporting the hypothesis that expressing an older cognitive age is catalysed by age-related life events such as retirement, deterioration in health or loss of a spouse. From her own study, Stephens finds higher income and education levels to be associated with being cognitively young.⁶¹

It is not possible to unravel from the available evidence how these issues of social ageing, cognitive age and life events interact and different studies show evidence for the existence of each phenomenon. However, the overriding message is that society, including older people, have certain expectations of behaviour based on age. How we as individuals choose to react to those expectations, whether by conforming to them or circumventing them by identifying as younger than we are, may vary, but the expectations themselves appear to remain largely unchallenged and are likely to have an impact on our consumer behaviour.

58 Including Thomas K. Fitzgerald, 'The Elderly at the Millennium: Courting the Older Consumer', *Ageing International*, 25(1): 72–86.

59 N. Stephens (1991) 'Cognitive Age: A Useful Concept for Advertising?', *Journal of Advertising*, 1 December. Available at: www.allbusiness.com/marketing-advertising/advertising/276975-1.html (accessed 30 September 2010).

60 R. Leach et al. (n.d.) *Boomers and Beyond: Intergenerational Consumption and the Mature Imagination*, Findings report for project February 2005 to March 2007. Available at: www.consume.bbk.ac.uk/research/biggs.html (accessed 30 September 2010).

61 N. Stephens (1991) 'Cognitive Age: A Useful Concept for Advertising?', *Journal of Advertising*, 1 December. Available at: www.allbusiness.com/marketing-advertising/advertising/276975-1.html (accessed 30 September 2010).

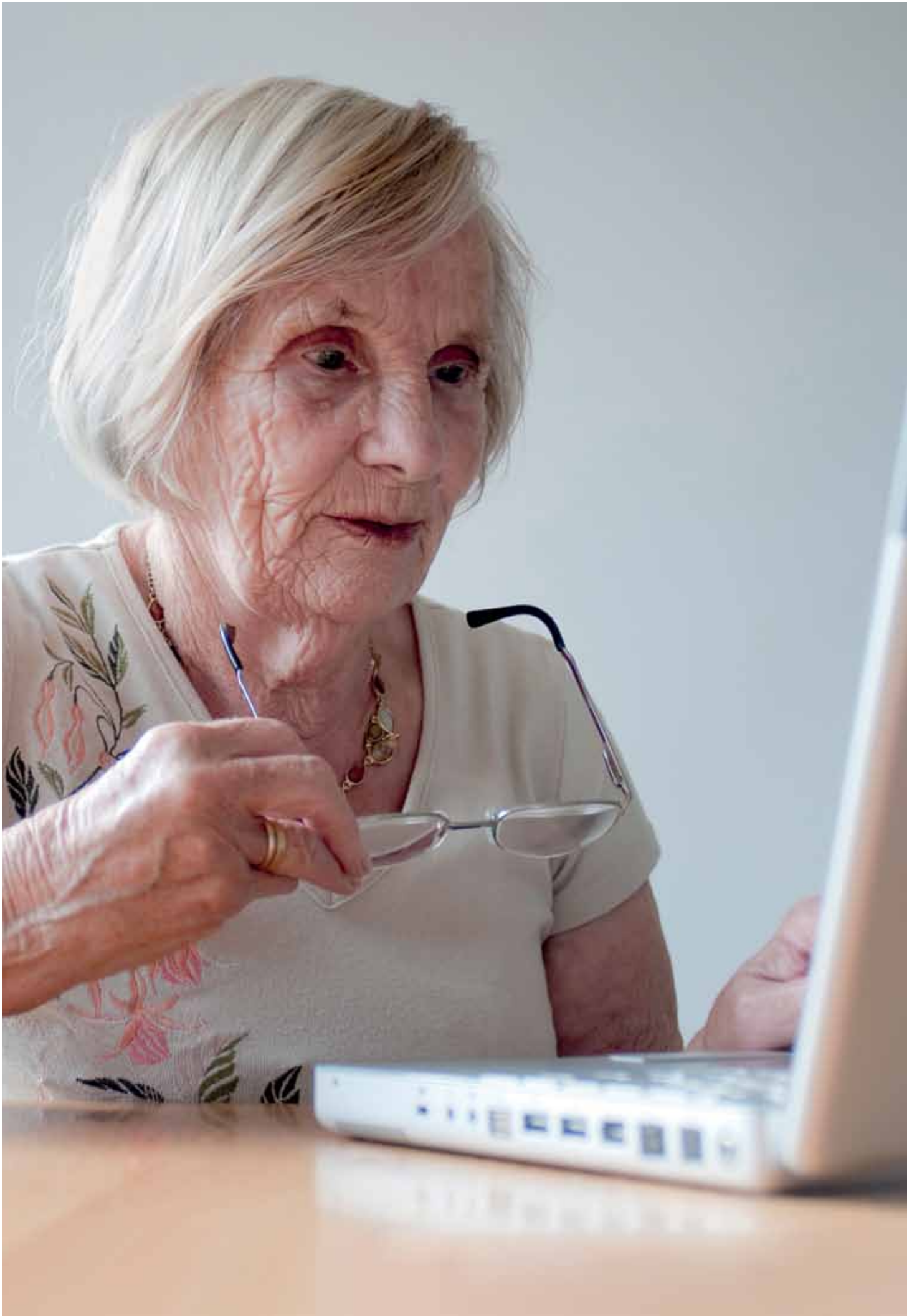
3.7 Conclusion

The data on wealth and income by age demonstrates a complex picture of how money is distributed by age in the UK. The differences in median and mean wealth among all age groups, but particularly the older groups, illustrate how differences within age groups are very significant and must be considered in conjunction with differences in wealth between age groups. The data on income hints at the way income and household size interact. Nevertheless a general pattern emerges suggesting that a sub-group of the 55–64 age group hold a very high proportion of the UK's wealth and are likely to have significant spending power, but this reduces among the older groups.

There is a significant amount of expenditure made by this age group. However, there is wide variety in the incomes of the older population, and differences in household make-up and essential outgoings (for example, a single person in a rented home may have higher essential outgoings than a couple in a mortgage-free owned home) mean that income does not translate in any straightforward way to consumer spending power. The evidence that even some of those with the highest incomes are spending the least indicates that there is much more to find out about the relationship between income and expenditure and about the relationships older people have with the consumer market.

It is relatively easy to identify statistical measures of how health, income and age are related to consumption through the use of survey data. However, we have considerably less information about the values, attitudes and aspirations of older people; how these are formed; whether they are affected by life transitions (such as retirement, bereavement or deteriorations in health); to what extent they are related to life stage or cohort or other influences; and how these influences might affect the goods and services people want and the way they want to buy them. This evidence gap makes it impossible at this stage to create a fully effective 'segmentation strategy' to characterise older consumers. However, the wide variety in consumer behaviour that is seen, even when variables like health, income and age are accounted for, certainly indicates that the older population are a heterogeneous group in terms of consumer needs and that simplistic stereotyping of older consumers would be a mistake for academics, policy-makers and marketers.

There is evidence that older people are less likely than their younger counterparts to engage in consumer behaviour that has significant potential benefits, such as using the internet for shopping and shopping around for the best deals. This, coupled with the evidence that there are significant numbers of older people not enjoying the level of social participation they desire, and some who are spending much less than their incomes would appear to allow, suggests that there are barriers to the consumer market for some older people. A review of the existing literature has identified a number of barriers that older consumers face and these are discussed in the next chapter.



4 The consumer experience – barriers to the market

Just because I'm over 60 nobody wants to sell me anything any more.

— Germaine Greer⁶²

Ageism and age discrimination are the stereotyping and discrimination of someone (or a group of people) due to their age. It is not a new phenomenon, but has been increasingly studied over recent years. Research by social psychologists at the University of Kent has established that older people are stereotyped as friendly but incompetent, or 'dodderly but dear' (whereas younger people are stereotyped as cold but competent).⁶³ These stereotypes are associated with emotions such as pity towards people in later life and are likely to feed in to types of behaviour that end up causing discriminatory outcomes, such as older people being denied opportunities or services because others assume they don't want or need them.⁶⁴ Data from Europe, collected in June 2009, suggested that three in five respondents to a nationally representative survey (61 per cent) reported that age discrimination is widespread in the UK. This compared with 58 per cent across the whole of the European Union (EU27).⁶⁵ Indeed, UK respondents were more likely to report that age discrimination was more widespread than discrimination in respect to gender, ethnicity, religion, disability or sexual orientation.

Ageism undoubtedly influences the consumer market. Marketing and advertising, as the public face of the consumer industry, provide some of the most striking illustrations of ageism in the consumer industry and demonstrate the context in which older people operate in the consumer market. Stroud and Batchelor argue that

*The western and much of the eastern world is institutionally ageist. Youth, youthfulness, vitality and modernity always trump age, maturity, wisdom and experience. It is not surprising then, that living in a culture where young is good and old is boring, marketers behave as they do, This is not a value judgment, it is a fact of life.*⁶⁶

In 1965 the Chief Executive of Elizabeth Arden wrote in *Forbes* magazine: 'We don't want to be connected with older women'.⁶⁷ Although time has moved on, some authors have continued to find evidence of ageism in marketing and examples of an inability to empathise with older consumers.⁶⁸

62 Quoted in Jane Silk (n.d.) Interview in *The Marketer*, <http://mature-marketing.co.uk/cms/page.php?17> (accessed 26 October 2009). Available to subscribers at: www.themarketer.co.uk

63 Policy Unit, Age Concern England (2008) *Ageism in Britain 2006*, London: Age Concern.

64 D. Abrams, T. Eilola and H. Swift (2009) *Attitudes to Age in Britain 2004–2008*, London: Department for Work and Pensions, Research Report No. 599.

65 Available at: http://ec.europa.eu/public_opinion/archives/ebs/ebs_317_fact_uk_en.pdf

66 D. Stroud and A. Batchelor (2008) 'Meet the Charmed Generation', *Journal of Direct, Data and Digital Marketing Practice* 10: 43.

67 Quoted in R. Eugene Klippel (1974) 'Marketing Research and the Aged Consumer: The Need for a New Perspective', *Journal of the Academy of Marketing Science*, 2(1) (December): 242–248.

68 E.g. Flatters 1994 and Higham 1999; quoted in P. Simcock and L. Sudbury (2006) 'The Invisible Majority? Older Models in UK Television Advertising', *International Journal of Advertising*, 25(1): 87–106.

Direct ageism in the consumer market can also be identified very starkly through arbitrary or unfair age limits placed on goods and services. Stroud and Batchelor have identified a number of different examples including:⁶⁹

- A mail order company refusing a customer the purchase of a jigsaw because they had an upper age limit for credit.
- The insurance industry continuing to use upper age limits.
- A spa with an upper age limit of 65 for guests.

However, age discrimination in the consumer market place is not always so direct. As Abrams et al. demonstrate, ageism towards older people often emerges in more subtle forms, in contrast to other forms of prejudice, like racism, that are often directly hostile.⁷⁰ A widespread failure to target people in later life as general consumers (rather than just a specialist market for age-specific products) has led to a failure by industry to cater for the needs of an older customer base. Despite a number of examples of good practice (which we have highlighted where possible) we have identified a number of barriers to the consumer market place that potentially exclude older people or make access to the market more difficult.

4.1 Product design

Increasing age does not necessarily diminish our need for consumer products, in particular, the need for basic products such as food, household goods and cleaning products. However, the consequences of biological ageing, including diminished eyesight, hearing, strength, dexterity and mobility may well have an impact on our ability to use these products.

Older people in the UK argue that many goods and services are not designed to be attractive to or easy for older people to use.⁷¹ There remain countless stories highlighting very basic failings which could easily be remedied.

The instructions with the hand-held tape recorder are – as with all electrical items – in very small print.⁷²

Mobile phones have so far been designed for those with 20/20 vision, petite and nimble fingers, who relish the challenge of mastering fiendishly complex menu systems.⁷³

In many European cities one of the main groups eating in restaurants are those over 50, yet very few 50-year-olds are able to read a menu by candlelight without their reading glasses. That is because the menus are usually designed by young people in print shops not for senior citizens. What a crazy situation: the people who the restaurants want to market to cannot read any of their sales literature.⁷⁴

69 D. Stroud and A. Batchelor (2008) 'Meet the Charmed Generation', *Journal of Direct, Data and Digital Marketing Practice* 10: 46–47.

70 D. Abrams, T. Eilola and H. Swift (2009) *Attitudes to Age in Britain 2004–2008*, London: Department for Work and Pensions, Research Report No. 599.

71 Older People's Programme (unpublished) *Investigate! Older People Investigating Goods and Services*, research undertaken on behalf of Help the Aged, 2006.

72 Older People's Programme (unpublished) *Investigate! Older People Investigating Goods and Services*, research undertaken on behalf of Help the Aged, 2006.

73 D. Stroud and A. Batchelor (2008) 'Meet the Charmed Generation', *Journal of Direct, Data and Digital Marketing Practice* 10: 46–47.

74 Patrick Dixon (2008) 'Marketing to Older Consumers', interview for *Marketeer*, October.

Available at: www.globalchange.com/marketing-to-older-consumers.htm (accessed 30 September 2010).

These failings are backed up by the research charity Ricability, who also argue that too often the best features of products and services, in terms of usability, are there by luck rather than planning. ‘We have consistently found a mix of easy and difficult features on almost all models we have tested in each product group. Too often the good features seem to be there by chance rather than design.’⁷⁵

These findings were supported by our focus groups. The problems that they reported with product design tended to fall in to four categories: packaging, information and instructions, user-friendliness and style.

Packaging

The difficulties that people experience with packaging were often focused on food products. A common theme was that there is too much packaging on most products (this was seen as an environmental problem as well as a problem about ease of use) and that many types of packaging are difficult to get in to. Cans, cartons, jars and ‘childproof’ bottles were all given as examples of products that are hard to open, with one participant noting that she has to ask her young grandson to open cleaning products that are supposed to be ‘childproof’. Some participants discussed methods they use to get around the problems they have with using certain products, such as wrapping a knitting needle around the end of the cling film, asking for help from family to open packaging, or even avoiding certain products altogether. These stories illustrate the ways that people are adapting to a market that is not serving their needs.

Information and instructions

A number of participants in both groups noted that they found information written on products or in instruction booklets difficult to read. This was down to both print size – it is simply too small – and a problem with language. Some people commented on how the language in instructions is often unclear and written in technical jargon. This was a particularly prominent problem with electrical products. Similar problems were highlighted about information on food packaging – it can be too small or poorly explained. There was some discussion of the new ‘traffic lights’ food labelling system, designed to make information clearer, but there was disagreement among the participants about whether this had improved clarity or not. One participant observed that he found the pictures on food packaging misleading and dishonest. This highlights how the information we receive about a product is not just written but comes in other forms, and this problem is not easily divisible from other concerns about packaging design.

Difficult-to-use products

In all the groups people offered examples of products that were difficult to use, often because they did not suit the physical abilities of the user. Mobile phones, for example, were cited as difficult to use because the buttons are often shiny and too small for older people who may have limited sight and dexterity. However, it was not just modern, technological products that could be problematic, but also basic goods like cling film and sticky tape (difficult to find the end).

⁷⁵ Lindsey Etchell and David Yelding (2004) ‘Inclusive Design: Products for All Consumers’, *Consumer Policy Review*, 14(6) (November/December): 189.

Style

A number of participants across the groups discussed style and felt that products that are targeted at people in later life are not designed with style or aesthetics in mind. This was a particularly common theme among women discussing choice in clothes. A number of women indicated that they did not want the mass-market, high-street clothes that they perceive to be designed for younger women but also did not want the limited, staid choice they felt was offered by shops targeting their age group. There seemed to be an appetite among a number of the women in the discussion groups for attractive, stylish clothes, designed with their body types and age group in mind. However, complaints about lack of style was not limited to clothes but extended to other products designed 'for' older people, such as big-button phones.

4.1.1 Changing policy and practice

Inclusive design at its simplest means designing for as many people as possible, taking into account the diversity of their abilities.⁷⁶ Since the early 1990s we have seen a move to encourage mainstream designers to consider a wider user group for their products, a move partly prompted by recognition of demographic change and legislation in the US and the UK (e.g. the 1990 Americans with Disabilities Act and the 1995 UK Disability Discrimination Act).^{77,78} This concept is commonly known in the UK as inclusive design,⁷⁹ but confusingly is also called 'universal access', 'barrier-free' and 'universal design'.

The UK Government recognises this concept. In *Lifetime Homes, Lifetime Neighbourhoods: A National Strategy for Housing in an Ageing Society*, they commented:

*Inclusive design must become part of mainstream thought in designing every aspect of our environment. We need to ask fundamental questions about the design faults of our most familiar and important home products. Our brightest designers should be challenging the everyday: stairs, chairs, baths, beds, everything including the kitchen sink. We have seen an inclusive design revolution by simply adding wheels on suitcases. Once business realises the massive and expanding market for inclusive design, then it will become the standard that everyone demands.*⁸⁰

In *Building a Society for All Ages* (2009) they also made two relevant recommendations acknowledging the importance of inclusive design in an ageing society.

We will promote an age design programme to ensure products and services in the UK economy increasingly meet the needs of our ageing population. In addition to encouraging innovative design in housing and neighbourhoods... we will support Age OK. This is an initiative launched in April 2009 by Age Concern, Help the Aged and the Engage Network which includes over 50 businesses such as Marks & Spencer, Microsoft and Barclays.

76 Lindsey Etchell and David Yelding (2004) 'Inclusive Design: Products for All Consumers', *Consumer Policy Review*, 14(6) (November/December): 186.

77 A. Newell (2003) 'Inclusive Design or Assistive Technology' in *Inclusive Design – Design for the Whole Population*, ed. J. Clackson et al., Springer-Verlag, pp. 172–81.

78 Lindsey Etchell and David Yelding (2004) 'Inclusive Design: Products for All Consumers', *Consumer Policy Review*, 14(6) (November/December): 186–187.

79 Lindsey Etchell and David Yelding (2004) 'Inclusive Design: Products for All Consumers', *Consumer Policy Review*, 14(6) (November/December): 186.

80 Department for Communities and Local Government (2008) *Lifetime Homes, Lifetime Neighbourhoods: A National Strategy for Housing in an Ageing Society*, Department of Health/Department for Work and Pensions.

Age OK is an accreditation that sets a benchmark for products and services that meet the needs and interests of people in later life. The first award was recently made to Sky TV who offer alternative remote controls that have larger and bolder graphics for easier button identification, raised contoured buttons with more reference points, increased colour contrast between the body of the remote and the buttons, and either a textured back or a back strap.

We will support inclusive design standards as set out by the British Standards Institution. Inclusive design seeks to ensure that products, services and environments are accessible to the largest number of people. We will organise a seminar for designers and business to promote its use. We are supporting the Royal College of Art and Design Business Association on their 2010 Inclusive Design Challenge to enable it to be focused on goods and services in an ageing society, and the Royal Society of Arts on their Design Directions Awards. The 2009 awards are part of their Action for Age project, addressing issues of isolation and marginalisation in later life. This will conclude in an awards event in spring 2010.

United Nations institutions have also recognised the importance of inclusive design,⁸¹ arguing that:

The special needs, interests and preferences of older persons have further implications for the design of products... [producers and service providers need] to aim at designing products and services in a more user-friendly and practical manner, e.g. instructions on medical prescriptions should be legible and understandable.

The development of a 'design for all ages' should include all areas of life: public transport, urban development, housing, information, and communication technology, services of general interest as well as the everyday goods and services offered to the public, e.g. the design and installation of ramps that are usable by wheelchair users as well as parents pushing a stroller.

Inclusive design offers a large number of potential benefits for older and disabled consumers. These have been most succinctly set out by Etchell and Yelding:⁸²

- Inclusive design leads to increased and prolonged independence for older people.
- There will be a delay and a reduction in the need for adaptations and assistive products.
- Older and disabled people will have a wider choice of accessible and usable products.
- Through the economies of scale, mainstream products are generally lower priced than low volume specialist equipment.
- More comfortable to use and requiring less effort.⁸³

Metz argues that designing for people with impairments can also bring benefits to other users, simply by making products easier to use. For example 'pensioner trolleys' in supermarkets (where the basket is at a higher level to avoid bending down) have proved popular with shoppers of all ages.⁸⁴

81 Quoted in United Nations Economic Commission for Europe (2009) *Older Persons as Consumers*, Policy Brief Number 3, November

82 Lindsey Etchell and David Yelding (2004) 'Inclusive Design: Products for All Consumers', *Consumer Policy Review*, 14(6) (November/December): 187.

83 Lindsey Etchell and David Yelding (2004) 'Inclusive Design: Products for All Consumers', *Consumer Policy Review*, 14(6) (November/December): 190.

84 D. Metz and M. Underwood (2005) *Older Richer Fitter: Identifying the Customer Needs of Britain's Ageing Population*, London: Age Concern Books, p. 68.

And there are certainly many benefits to the corporate sector of inclusive design. These include:

- Opening up a product to a much wider audience.
- Reduction in consumer complaints.
- Cost-effectiveness (inclusive design can save money and result in more sales).⁸⁵
- Companies save money by not having to produce alternatives for people with disabilities.

Inclusive design is not just about ensuring that products are as accessible as possible, but also that they integrate together. Inclusive design is an approach towards designing rather than a specific type of design.⁸⁶

The case for regulation

Despite the strong case for inclusive design, parts of industry have deep concerns about a regulatory approach. The main arguments are around the ‘complexities of drafting a workable law which would take account of the diversity of impairments and the range of products it would need to cover’.⁸⁷ Industry representatives have also argued that prescriptive product standards would stifle certain new innovations and products, while those leading in the area of inclusive design argue that regulation would damage their competitive edge. Some campaigning and consumer groups also have concerns about the efficacy of a regulatory approach. Observers of the impact of the Disability Discrimination Act argue that while the law does cover website design, poor design is still widespread.

When the House of Lords Committee on the Economic Affairs considered this topic, it argued that ‘Our witnesses were unanimous in believing that the solution was not legislation or regulation, and we agree. We believe nevertheless that the Department for Trade and Industry (DTI) could use its influence to educate and train designers and marketers, and to bring to the attention of industry and commerce the opportunities open to them.’⁸⁸

85 Research for Ofcom has revealed that ‘The return on investment by usability studies is estimated at typically 800–1200 per cent’. Research audit by Mike George and Linda Lennard (2007) *Ease of Use Issues with Domestic Electronic Communications Equipment*, Ofcom.

86 R. Coleman (2007) *Inclusive Design: An Introduction to Inclusive Design*, Design Council. Accessed at www.designcouncil.org.uk (November 2009). No longer available.

87 Lindsey Etchell and David Yelding (2004) ‘Inclusive Design: Products for All Consumers’, *Consumer Policy Review*, 14(6) (November/December): 190.

88 House of Lords, Select Committee on Economic Affairs (2005) *Aspects of the Economics of an Ageing Population*, Session 2002–03, 4th Report.

However, there is currently some legislation which does or could support improved design of products and services for older people, including the Disability Discrimination Act, The EU Treaty of Amsterdam (Art. 13 on anti-discrimination), the General Product Safety Directive; the Electronic Communications Framework Directive; and the Universal Services and Users Rights Directive.⁸⁹

The case for product standards

An alternative to a regulatory approach may be the development of product standards. Product and service standards vary from being compulsory or voluntary, to simply schemes which promote good practice. They can be national (e.g. British Standards Institution – BSI); European (e.g. European Committees for Standardisation – CEN and CENELEC); or global (International Organisations for Standardisation – ISO and IEC) and can apply not just to products but also services.⁹⁰

There are a number of existing standards which encourage aspects of inclusive design. Part M of the building regulations covers the design of housing, for example. Alongside this, the Lifetime Homes Standard, promoted by the Habinteg, sets 16 design criteria. And the British Standard on Inclusive Design Management BS7000-6 ‘introduces a new level of thinking and practical action steps to conventional design processes, and offers senior management a rationale and mechanisms for realigning business goals with changing consumer needs.’⁹¹ In addition, ISO and IEC and CEN and CENELEC have guidelines for standard-makers to ensure that they take account of the needs of older and disabled people.

Other sectors have also begun to develop specific guidelines. For example, CEN has guidelines on accessible information and communication technology (ICT) and lifts. BSI is currently developing a standard on Inclusive Service Provision. This aims to help service providers ensure that their provision is available and accessible to all. There are also a number of accessibility standards for the World Wide Web and W3C (World Wide Web Consortium) are currently undertaking research to identify how the needs of older internet users may vary from younger disabled users. New standards or developed standards may emerge as a result.⁹²

89 Lindsey Etchell and David Yelding (2004) ‘Inclusive Design: Products for All Consumers’, *Consumer Policy Review*, 14(6) (November/December).

90 For more discussion about the different standards and regulatory approaches to standards, see D. Metz and M. Underwood (2005) *Older Richer Fitter: Identifying the Customer Needs of Britain's Ageing Population*, London: Age Concern Books; and Lindsey Etchell and David Yelding (2004) ‘Inclusive Design: Products for All Consumers’, *Consumer Policy Review*, 14(6) (November/December).

91 R. Coleman (2007) *Inclusive Design: An Introduction to Inclusive Design*, Design Council. Accessed at www.designcouncil.org.uk (November 2009). No longer available.

92 See www.w3.org/People/Andrew (accessed 30 September 2010).

There are also voluntary sector accreditation schemes. In 2008, for example, Age UK launched engage, a business network, which brings companies together to share expertise in meeting the needs and requirements of older consumers, to promote best practice, and to advise on adapting business models and products for an ageing society. The engage network has over 50 members including British Gas, Dixon Sales Group, Marks and Spencer, Microsoft, BT, Sky, Barclays and McDonalds. As part of engage, Age UK has launched an accreditation, Age OK, which seeks to identify, accredit and promote best practice in product design.

The case for inclusive design standards in public procurement

Central and local government were estimated to have spent around £670 billion in the financial year 2009/10.⁹³ While a proportion of this spending goes direct to individuals through pensions and benefits, government bodies have significant spending power which they could use to promote inclusive design. Unsurprisingly, evidence shows us that when the government makes demands about the products it procures, industry responds.

Case study: digital switchover

During the process of digital television switchover, the Digital Switchover Help Scheme sought to procure set top boxes for up to 2 million potential users. Consumer groups advocated that this box should meet the highest standards of usability and accessibility, including the provision of audio description for blind and partially sighted users. The Consumer Expert Group for Digital Switchover produced a paper which set out a specification for the set-top box,⁹⁴ including standards for usability and accessibility. At this point there were no set-top boxes (for terrestrial television) on the market that offered audio description, and the industry seemed reluctant to include this provision. However, when the Government went to tender for the product, they found that the majority of potential suppliers included audio description within their tender. Subsequently, terrestrial set-top boxes that include audio description have become widespread in the market. This was a clear example of a procurement process influencing the broader market and the supply of an accessible product.

In the US there is regulation that 'requires all ICT procured, developed and maintained by US government agencies to be accessible to people with disabilities.'⁹⁵ Etchell and Yelding argue that the result of this has been that 'American industry associations have helped to develop the necessary technical specifications and standards'. They go on to argue that this model could bring great benefits to European consumers if followed here.

93 Public Finances Databank (21 October 2009). Accessed on: www.hm-treasury.gov.uk/d/public_finances_databank.xls or www.hm-treasury.gov.uk/psf_statistics.htm. No longer available.

94 Consumer Expert Group (2006) Digital TV Equipment: Vulnerable Consumer Requirements. A Report by the Consumer Expert Group to Government and the Digital UK, DCMS and DTI.

95 Lindsey Etchell and David Yelding (2004) 'Inclusive Design: Products for All Consumers', *Consumer Policy Review*, 14(6) (November/December).

The European Public Procurement Directive (2004/18/EC) includes a provision (Article 23) ‘which encourages public authorities to take into account inclusive design requirements in public contracts awards whenever possible.’⁹⁶ This has allowed authorities to incorporate inclusive design into the procurement process. The recent UK Equality Act (2010) with its extension of age discrimination legislation to goods and services, alongside the development of a public duty to promote age equality could have a very positive impact on procurement by the public sector.

Despite the examples of good practice identified above, there are relatively few product standards and accreditation schemes specifically focused on the accessibility or usability of products for older people. There is scope for action on standards both from within industry and without (by government and the third sector) to incentivise businesses to take an inclusive approach to product design.

4.1.2 Inclusive design – conclusion

Inclusive design offers a solution to one of the major barriers older people face as consumers: products that are not designed with them in mind. Evidence suggests that ‘older people neither need nor want specially designed products’,⁹⁷ but everyday products can be redesigned to suit the needs of a wider range of people with benefits for all users.

Despite the potential benefits to industry and a growing literature about how inclusive design can be carried out, progress has been slow. It is clear that there is a case for intervention. Governments (central, local and European) have the potential to lead in this area. Given that there is resistance to legislation, they could create greater demand by including a requirement to address inclusive design in their public procurement process, particularly where the products or services involved will be used primarily by older people. Retailers also have a significant role to play. They could also create a commercial demand by seeking to stock products that have taken account of inclusive design principles. The third sector has the potential to both put pressure on industry and provide incentives through accreditation schemes. Both governments and the third sector can work with businesses to market the business case for inclusive design. But ultimately, the act of mainstreaming inclusive design in to product development has to come from industry itself.

96 Lindsey Etchell and David Yelding (2004) ‘Inclusive Design: Products for All Consumers’, *Consumer Policy Review*, 14(6) (November/December).

97 D. Metz and M. Underwood (2005) *Older Richer Fitter: Identifying the Customer Needs of Britain’s Ageing Population*, London: Age Concern Books.

4.2 The retail environment

It is not just inaccessible or poorly designed products that create barriers to some older consumers, but also the physical design of retail environment. Companies can inadvertently exclude older people because of 'the type of service they provide, the type of environment they provide it in, or the level of support they offer.'⁹⁸ Table 7 demonstrates that the proportions of older people who experience difficulties shopping for groceries are significantly higher than those with difficulties making telephone calls or managing money. This suggests that there are specific barriers within the retail environment that are unnecessarily excluding some older people, particularly the oldest old.

4.2.1 Shops

A review of the research in this area reveals a number of recurring problems that older people experience when in shops, particularly supermarkets.⁹⁹

- A lack of rest areas and seating making shopping tiring.
- Poor store layout (particularly narrow aisles and poor shelf signposting) making shops difficult to navigate and goods hard to find.
- Shelves at a height that are difficult to reach (high and low), a particular problem for those with limited mobility and dexterity.
- A lack of adequate toilet facilities.
- Deep trolleys which are difficult to get shopping out of (and scarcity of the shallow trolleys that are designed to mitigate this problem).

Table 7 **Difficulty with shopping, communicating and handling money**¹⁰⁰

	52 to 54	55 to 59	60 to 64	65 to 69	70 to 74	75 to 79	80 to 84	85 to 89	90+	All
Difficulty shopping for groceries	2	7	8	8	9	13	19	32	60	11
Difficulty making telephone calls	1	1	1	1	3	3	6	7	24	3
Difficulty managing money, e.g. paying bills, keeping track of expenses	-	3	2	2	3	4	7	14	34	4
<i>Unweighted base</i>	119	1,656	1,419	1,176	1,129	907	622	372	135	7,535

98 Older People's Programme (unpublished) *Investigate! Older People Investigating Goods and Services*, research undertaken on behalf of Help the Aged, 2006.

99 See, for example: S. Arber and W. Hunter (2005) *Food Shopping and the Older Consumer*. Presentation of project findings. Available at: www.foodinlaterlife.org/senior480.html (download, accessed 7 October 2010); J. Llewellyn and C. Chaix-Viros (eds) (2008) *The Business of Ageing: Older Workers, Older Consumers: Big Implications for Companies*, Nomura Equity Research, p. 120; Older People's Programme (unpublished) *Investigate! Older People Investigating Goods and Services*, research undertaken on behalf of Help the Aged, 2006.

100 ELSA Wave 3 Core respondents. Weighted percentages.

Although these findings are derived from recent research, Dodge's 1962 work illustrates that these are not new concerns:

*Some expressed a desire for more places within the store for people to sit and rest, for larger stocks or assortments of merchandise appropriate to the needs of older customers, better delivery services, wider aisles, better and clearer store directories and signs, and better lighting. Many older persons stated they did not like to shop in crowded stores where it was difficult to move around.*¹⁰¹

Accessibility is not simply about designing a product that meets the needs of the user but about creating a whole shopping environment which is inviting and easy to use for those who want access to the goods and services that companies want to sell.

Our focus groups also raised concerns about the way products are sold with supermarkets a key issue. People we spoke to in all the groups were dissatisfied with the widespread use of buy one get one ('BOGOF') and similar special offers that offer discounts for buying in bulk. For those who either live alone or aren't able to carry a lot home, these offers are seen as making it more expensive and more difficult to shop in small quantities. Although supermarkets were the major issue, dissatisfaction with the way products and services are sold extended across a range of industries from energy providers (switching provider is difficult; there is not enough information available; and there is a fear of being cut off) to restaurants (meals are rarely sold in smaller proportions suitable for someone with a smaller appetite).

When talking about the shopping environment participants raised a range of issues that can make the experience of shopping easier or more difficult. A common theme arose around difficulties with shop layouts, particularly with reaching products on the top and bottom shelves. Other physical barriers included heavy doors and a lack of automatic doors making it hard even to get in to the shop. One participant discussed the difficulty she has when products are frequently moved around in the store making them difficult to find. Another mentioned finding it difficult to read small price tags. Most people in both groups said they are happy to ask staff for help and generally found staff willing to give that help, but they are not proactive about offering nor are they always available.

Other environmental barriers people experienced were not physical difficulties but about feeling comfortable in the environment. A number of participants described 'young shops' and considered these places off-putting, especially in the clothing market. Others were deterred from using shops where staff used technical jargon when asked about products.

4.2.1.1 Changing policy and practice

There are relatively cheap changes that businesses can make to improve their accessibility to older consumers. Volunteers from the Investigate! project and the Newcastle and Oxford workshops suggested ways in which businesses could improve their shops:

- consult older people
- put yourself in our shoes when going around your store
- provide clean toilets and seating in your stores.

101 R. Dodge (1962) 'Purchasing Habits and Market Potentialities of the Older Consumer', *Law and Contemporary Problems* 27(1) (Winter): 142-156.

Following public and media interest of a chain of older-people-friendly shops in Germany, it was clear that UK supermarkets were beginning to identify a challenge and opportunity for their business.¹⁰² In August 2009 Tesco announced that it was building an older-person-friendly retail environment ‘complete with wider shopping aisles and brighter lights’.¹⁰³

Although older people can experience difficulties while shopping because of the design and layout of shops, there is also evidence of excellent service which can help mitigate these problems. The Investigate! project highlighted how some companies go out of their way to support older consumers.

I discovered that Morrison’s offers a special service where a member of staff will come around the supermarket with you to help you find the items you want on your shopping list.

Asda are particularly helpful to shoppers with disabilities and will escort them round the store if requested. The service desk is also very good.

Romany and Derek recently visited the Queens Theatre in London to see Les Misérables. They both said that the service and care they received was excellent and, as a carer, Derek received a free ticket for the performance. One of the theatre staff met them in the foyer and escorted them via an outside door to the right level for their seats. Someone was also on hand to help Romany to get to the toilets, and at the end of the performance a member of staff came to their seats to ensure that they both got out safely.

*Many smaller shops do not have toilets advertised for use by the public. However, we’ve both found that shop staff are often very helpful when asked and will allow you to use the staff toilet.*¹⁰⁴

Although these services do not solve the root cause of this problem – that shops are not designed with older and disabled people in mind – this evidence suggests that ‘a little bit of help’ can open up the existing market to people who would otherwise have difficulties. There is little academic work in this area, but research from New Zealand suggests that older people value this help and will choose where they shop accordingly: The level of service experienced was also a significant discriminating attribute – in larger shops, it is often more difficult to find someone who is able and willing to help them. As a result, groceries are often purchased at an outlet with a higher level of service quality than other stores even if prices are marginally higher.¹⁰⁵

However, the Investigate! evidence suggests that, although available, these support services are not widely promoted and customers must be proactive to find it. The participants in the research offered these suggestions to businesses:

- publicise your support services
- train your staff to provide for the needs of their older customers
- reach out to isolated older people.

102 A. Clark (2007) ‘German Supermarkets Become Senior-Friendly’, CBS News, 28 April. Available at: www.cbsnews.com/stories/2007/04/28/business/main2738695.shtml (accessed 30 September 2010).

103 C. Irvine (2008) ‘Supermarket for Older People Planned for Newcastle’, *Daily Telegraph*, 29 August.

104 Older People’s Programme (unpublished) *Investigate! Older People Investigating Goods and Services*, research undertaken on behalf of Help the Aged, 2006.

105 D. Goodwin and R. McElwee (1999) ‘Grocery Shopping and an Ageing Population: Research Note, *International Review of Retail, Distribution and Consumer Research* 9(4) (October): 403–409.

Small changes such as providing toilets, easy-to-use trolleys and better store layouts, combined with visible and willing support from shop staff can go a long way towards opening up existing shop environments to older people. However, in order to make the process of shopping truly accessible to older people, the wider environment, including the design of towns and cities, as well as transport services, must also be improved.

4.2.2 The local area, transport and mobility

The House of Lords Select Committee on Economic Affairs, in its report *Aspects of the Economics of an Ageing Population*, noted that a ‘particular problem that confronts some older people is the location of shops’ and ‘to the extent that shops are concentrated in places that require access by motor cars, this will produce difficulties for those who can no longer drive.’ The ‘movement of stores to suburban locations away from concentrations of elderly consumers in city centres is a crippling and disabling hurdle to the elderly food shopper’, according to Sherman and Brittan.¹⁰⁶ In the field of food shopping, the dominance of large supermarkets has led to the decline of local shops.¹⁰⁷ This is an issue which is relatively widely recognised politically featuring in reports from the UN.¹⁰⁸ Meneely et al. found understanding of this issue within industry: the retail managers they surveyed all recognised the importance of public transport facilities for older people.¹⁰⁹

Despite an apparent understanding of this problem both in government and industry, the problem persists. Investigate! volunteers highlighted many examples of how town and transport planning is creating difficulties for older people:

I want good access to facilities like bus stops and shops. I really do not want to be stuck on an estate in a remote area which doesn't have many transport links or where you have to walk a long way to get to the bus stop.

I enjoy going to matinee performances at Poole Arts Centre, but these finish later than the last bus back, meaning that I'd have to leave the performance early to catch the bus. These changes have really affected me and cut down my choice. Why should I, when I am reasonably hale and healthy, be tied to the house?

Living in Verwood with few shops, virtually no infrastructure and no car is a nightmare.¹¹⁰

Most people in our focus groups were very happy with the availability of public transport services making good use of free bus passes. They considered that the transport services in both Oxford and Newcastle were reliable and frequent. However, a number of people highlighted the differences between transport services ‘in town’ and in more rural areas, noting that rural transport services could make it difficult to travel around freely. Despite this good availability, some barriers to using public transport were identified.

106 E. M. Sherman and M. R. Brittan (1973) ‘Contemporary Food Gatherers: A Study of Food Shopping Habits of an Elderly Urban Population’, *The Gerontologist* 13 (3 part 1): 358 – 364.

107 S. Arber and W. Hunter (2005.) *Food Shopping and the Older Consumer*. Presentation of project findings. Available at: www.foodinlaterlife.org/senior480.html (download, accessed 30 September 2010).

108 United Nations Economic Commission for Europe (2009) *Older Persons as Consumers*, Policy Brief Number 3, November.

109 L. Meneely, A. Burns and C. Strugnell (2008) ‘Food Retailers’ Perceptions of Older Consumers in Northern Ireland’, *International Journal of Consumer Studies*, 32: 341.

110 Older participant, Older People’s Programme (unpublished) *Investigate! Older People Investigating Goods and Services*, research undertaken on behalf of Help the Aged, 2006.

An issue brought up by one of the Newcastle groups was concerns about safety on public transport. Although most were happy to travel alone during the day some expressed concerns about travelling after dark. Another participant mentioned physical difficulties using the bus because, for example, the bus moves off before you have a chance to sit down.

This is clearly a broad issue that cannot be solved overnight. However, the design of our towns and cities is not inevitable, it is man-made. There are steps that government and the private sector can take to influence how our future environments are built and to improve our existing ones.

4.2.2.1 Changing policy and practice

*Communities, particularly smaller ones, need a good mix of businesses, facilities and services to support their population, especially those who are less mobile and rely more on local services. Too many outlets offering the same sorts of goods or services can seriously restrict choice in other areas, especially where retail units are very limited. We have also seen an example of people within a community who have really missed a local grocer who offered a very personal and helpful service to many, but whose shop was taken over by a large chain convenience store stocking products specifically aimed at a younger market and offering a less flexible service.*¹¹¹

The Government has described lifetime neighbourhoods as those:

*which offer everyone the best possible chance of health, wellbeing, and social, economic and civic engagement regardless of age. They provide the built environment, infrastructure, housing, services and shared social space that allow us to pursue our own ambitions for a high quality of life. They do not exclude us as we age, nor as we become frail or disabled.*¹¹²

Following the introduction of the Government's housing strategy, *Lifetime Homes, Lifetime Neighbourhoods*, there has been growing interest in how government can create neighbourhoods which work for all ages. Age UK argues that:

*small but potent improvements could empower older people to play a more active role in their communities both economically through their spending power, and in terms of their participation in civic leadership, volunteering, local decision making and caring for grandchildren while other family members work.*¹¹³

While government clearly has a lead role in creating accessible communities with good transport links, businesses and charities have an opportunity to supplement their efforts. For example, the Investigate! project demonstrated the difference that a Shopmobility scheme makes in terms of ensuring that city centres are accessible.

¹¹¹ Older People's Programme (unpublished) *Investigate! Older People Investigating Goods and Services*, research undertaken on behalf of Help the Aged, 2006.

¹¹² Communities and Local Government (2007) 'Towards Lifetime Neighbourhoods: Designing Sustainable Communities for All: A Discussion Paper' Available at: www.communities.gov.uk/publications/communities/lifetimeneighbourhoods (accessed 30 September 2010).

¹¹³ Age Concern and Help the Aged (2009) *Coping with the Crunch, the Consequences for Older People, Economy in Crisis*, London: Age Concern and Help the Aged.

One volunteer explained: ‘Poole centre is extremely well laid out for the less nimble and has Shopmobility’ (a scheme that lends manual wheelchairs, powered wheelchairs and powered scooters to members of the public who have limited mobility to shop and to visit leisure and commercial facilities within the town, city or shopping centre). Another had a very different experience:

I find Bournemouth town centre to be a complete nightmare to get around and few shops are user-friendly or suitable for older or less able people. Bournemouth Council appears to be doing the bare minimum for the older and less nimble, and many people I have spoken to in Verwood now avoid it like the plague. There is no Shopmobility at all, but few shops could cope anyway.¹¹⁴

Investing in Shopmobility and similar schemes is a way for businesses to open up their markets to more people. In an ageing society this will become essential to a successful retail market.

4.2.3 Payment mechanisms

As technology moves on, payment mechanisms are changing. The introduction of chip and PIN, price discounts for people who use direct debit and the phasing out of cheques are all likely to have an adverse affect on older people unless appropriate action is taken.

Table 8 shows that use of direct debits to pay for utilities decreases with age, particularly among the over-70s. Further analysis of the ELSA data also shows that as the frequency with which respondents felt they had too little money increased, so the propensity to pay by direct debit decreased – those who were often in this situation were about as likely to use direct debit as those who never found themselves short of money. These findings suggest that direct debit is not being used as much among people who find it hard to make ends meet as it is by other households.

Table 8 **Payment methods for utilities by age**¹¹⁵

	52 to 54	55 to 59	60 to 64	65 to 69	70 to 74	75 to 79	80 to 84	85 to 89	90+	All
Direct debit	72	67	67	63	67	57	58	56	42	64
Monthly or quarterly bill	21	26	26	29	28	36	35	33	42	29
Pre-payment meter/card	15	8	7	6	4	5	3	2	6	6
Frequent cash payments	1	2	1	2	3	2	3	2	2	2
Unweighted base	101	1,456	1,260	1,067	1,001	789	510	256	66	6,506

¹¹⁴ Older participant, Older People's Programme (unpublished) *Investigate! Older People Investigating Goods and Services*, research undertaken on behalf of Help the Aged, 2006.

¹¹⁵ ELSA Wave 3 Core respondents. Weighted percentages; of those who answered that they were using this payment method for either gas or electricity payments (excluding missing data). Note that the columns do not necessarily add to 100 per cent, as different methods could be used for each of the two bills

There are several possible explanations for this; it could be that people who are unable to make ends meet are also the ones without a bank account, or that those with a tighter budget prefer to manage their money in a more visible way (such as paying by cheque). This is worrying, given that payment of utilities by direct debit is often incentivised by a discount. Research by the National Consumer Council (now Consumer Focus) has revealed that the poor often pay more and get less than other consumers.¹¹⁶

However, the analysis also revealed that ethnicity is a significant predictor, even when disposable income is controlled for. This suggests that direct debit use is a more complex issue and that further research to understand why people do or do not use direct debits may be warranted.

Older people are also more likely to rely on cheques as a form of payment. According to the report *Cheque Market Research*, published by the Cheque and Credit Clearing Company in 2009, people aged 65 and over were the most frequent users of cheques. Less than half of consumers (of all ages) thought there was a convenient alternative for the reasons why they used cheques; 57 per cent thought that it would be a problem if they were not able to write cheques, and 21 per cent thought that it would be a major problem.

In late 2009, the Payments Council set a target date of 2018 for the closure of central cheque-clearing in the UK. In the absence of an alternative that meets the needs of people in later life, and particularly in relation to usability, cost and security, this move is likely to cause significant issues for older consumers.

For example, a local Age Concern raised the following case:

C's carers buy her food at a major supermarket using a signed cheque. C has an agreement with the supermarket that they will countersign the cheque and that the carer can only spend up to £50. The supermarket has written to C to say that they no longer accept cheques, so this arrangement will come to an end. They suggest three options: (1) sending C's debit card with the carer but this would mean revealing the PIN. (2) A 'chip and sign' card – but either C would need to be present or the carer would need to be given authority to sign, which could be difficult as there are lots of different carers. (3) Payment by cash – but as C now has her pension paid direct to her bank account, she has little access to cash.

The introduction of chip and PIN attracted concern from older people and consumer groups about the usability of the new technology for some older people, particularly those with dementia.¹¹⁷ Although chip-and-signature debit cards are available, mystery shopping by the RNIB¹¹⁸ found that in a third of cases shoppers were told that there was no alternative to a PIN.

¹¹⁶ 'Why Do the Poor Pay More... or Get Less?' (2004) National Consumer Council.

¹¹⁷ D. Derbyshire (2005) 'Confusion over Chip and Pin "Is Worse than Expected"', *Daily Telegraph*, 11 March. Available at: www.telegraph.co.uk/news/uknews/1485376/Confusion-over-chip-and-pin-is-worse-than-expected.html (accessed 30 September 2010).

¹¹⁸ Available at: www.rnib.org.uk/getinvolved/campaign/yourmoney/chippin/Pages/mystery_shopping.aspx#H2Heading3 (accessed 30 September 2010).

Taken together, these findings suggest that changes in payment mechanisms have the potential to exclude some older consumers, particularly the poorest, from some areas of the market.

Although cash may be the payment method of last resort, there is a significant security risk. Some people are also in the position of not being able to get to a bank, post office or ATM in order to draw cash, or having to pay for a taxi because there is no accessible transport.

4.2.3.1 Changing policy and practice

To reverse this current trend of exclusion, government, businesses and the third sector will need to take the initiative in ensuring that older consumers have access to payment mechanisms that are user-friendly, safe and low-cost. Age UK has said that cheques should not be withdrawn until a range of alternatives is available that are:¹¹⁹

- **easy to use** – particularly for those with cognitive impairments, dexterity problems, hearing or sight impairments and other disabilities.
- **accessible** – without the need for special equipment: although internet usage is growing among people in later life, they are unlikely ever to be at the cutting edge of new technology and there will always be some who are no longer able to use special equipment or who cannot afford it
- **operable from home** – (i.e. including a paper-based option which can be posted). People should be enabled to maintain their own financial independence, rather than forced to become dependent on others
- **accepted by retailers**
- **able to pay individuals** (including by post)
- **controllable** – people on tight incomes need payment methods where they can control the timing and the exact amount, where there is no risk of overdrawing and where they can track spending without needing to access to special equipment
- **secure and perceived to be secure** – but with security features that are easy to use
- **protected** – some alternative payment methods might emerge from outside the normal banking market. Consumers should not be forced to use products that have a lower level of protection than that offered through the cheque-clearing system
- **difficult to abuse** – any solutions must take account of how easy it is for third parties such as family, friends or carers to abuse the system; for example, is there a clear audit trail for spending?
- **easily available** – a cheque book is currently accessible on most accounts without having to take special action: someone who needs non-standard provision is often in the worst possible position to manage the process of getting one – they need first to know what alternatives are available and then persuade the bank to provide one
- **suitable for people on low incomes** – 2 million older people are living below the poverty line: it has been government policy to encourage them to take up banking, but it is essential that they are not penalised by having to bear extra costs as a result.

119 *The End of Cheques?* Age UK submission to Treasury Select Committee Inquiry, March 2010.

The UK Payments Council has been exploring alternative forms of payment methods, but while each alternative may provide some of the facilities listed above, none matches up particularly well. The debit card is widely used, but many people remain concerned about security, and some people find them difficult to use. It is difficult to keep close track of spending, and although they can be used for internet and a limited range of telephone shopping, they cannot be given to someone else to withdraw cash or shop on your behalf, without the PIN. Their usefulness for people who are housebound would be greatly increased if all banks were to offer the option of a second card on current accounts, with a separate PIN, without requiring the account to be held in joint names. This would mirror the 'second card' option of a Post Office Card Account (POCA). Banks would need to make customers aware of their option to have a second card.

Payments through mobile phones are often suggested as the way forward, but to date there is no industry-wide proposal and there are likely to be many concerns about security. They are unlikely to be an acceptable replacement for cheques, because of the cost, security and usability difficulties. Ownership of mobile phones also falls markedly with age (see page 16).

As stated above, direct debits are resisted by many older people because of fears about control and security. They can create difficulties if people go into hospital or forget to cancel a direct debit for another reason. A one-off direct debit process has been suggested, using a paper form that could be sent to the consumer's bank. This might deal with fears about the open-ended nature of the commitment, but it does not offer anything more than is already available with a cheque. The form would presumably have to be ordered specially or initiated by the payee.

Pre-paid cards or vouchers that could be ordered and topped up over the phone and delivered by post would have the advantage that they could be given to carers for shopping, or used over the telephone or internet. Some models (such as the cards used for school lunches) could provide a printout of spending to provide a paper audit trail. However, without the option of a printout on demand it is not easy to keep track of spending, so the user risks losing a small remaining balance. They are also extremely costly and require payment up-front. Some local authorities are already offering them for direct payments for care (for example, Kent offers the 'Kent Card') but in this case the authority pays the cost.

4.3 The digital divide

As the ELSA data on durables owned (see page 15) showed that there is relatively low ownership of computers among older people. 64 per cent of people aged 65 and over have never used the internet.¹²⁰

Not having access to new technologies can have a significant impact on older people's ability to act as consumers. Age UK argues:

*Missing out on the best savings rates or being able to compare prices online can cost older people dearly. The internet isn't a luxury any more but a necessity to ensure you get the best information and the best deals.*¹²¹

Evidence reviewed earlier (see page 21) suggests that older people are less likely to shop around for the best deal and potentially end up with more expensive or unsuitable goods and services as a result. The internet offers a great and increasing opportunity to consumers to make informed choices, but the barriers to internet use for older people can exclude them from this. With home internet access increasingly ubiquitous (currently 70 per cent of households¹²²) it is likely that those without access will suffer growing disadvantage. This view was also confirmed by research conducted by the Communications Consumer Panel, which found that members of the public considered that those without access to broadband at home would be at a significant disadvantage.¹²³

The experience of older people seems to support this position:

*My daughter booked my flight for me over the internet. The flight to Gerona, including taxes and insurance, cost £54 and a bus from Gerona into the centre of Barcelona was £15 return. Altogether I think this was really reasonable. But you have to be able to get on to the internet to get a price like this.*¹²⁴

For those who do not go online, issues such as a lack of motivation, a fear or distrust of technology, low media literacy, cost, ageism and usability are all key barriers.¹²⁵ Research conducted by BT and Age Concern and Help the Aged¹²⁶ found that the main barrier to use of computers and the internet by older people is a lack of understanding of and confidence with 'how it works'. For some, being dismissive masks a lack of confidence and they are likely to be more open about trying the internet if they receive the right encouragement and support. The respondents made a number of suggestions for motivating and helping older people to access and use the internet. These included awareness-raising by promoting relevant benefits to older people; training, preferably in small classes of older people and in a community venue; monetary incentives to encourage participation and learning; and provision of ongoing help, preferably personal help.

120 *Internet Access Households and Individuals* (2009) Office for National Statistics, Statistical Bulletin. 120.

121 'Older People Miss Out Financially in Digitally Divided Nation' (2009) *Mature Times*, 3 September. Available at: www.maturetimes.co.uk/node/8872 (accessed 30 September 2010).

122 *The Consumer Experience*, Ofcom, December 2009.

123 *Not Online, Not Included* (2009) Communications Consumer Panel, June.

124 Older People's Programme (unpublished) *Investigate! Older People Investigating Goods and Services*, research undertaken on behalf of Help the Aged, 2006.

125 T. Watts (2009) 'Major Survey Reveals Why Older People Are Increasingly on the Wrong Side of the "Digital Divide"' (6 October). Available at: www.maturetimes.co.uk/digital-divide-survey-oxford-institute (accessed 30 September 2010).

126 Age Concern and Help the Aged (2009) *Introducing Another World: Older People and Digital Inclusion*, London: Age Concern and Help the Aged.

The research also found that the demystification of computers and the internet as well as practical help is key. Accessibility and usability of online (and other new media content) services frequently fail to meet the needs of an older population and are a major barrier to internet use among older people.

*The physiological effects of ageing also determine how people use interactive communications channels like the Web, SMS, iDTV, MMS, e-mail and instant messaging. Older people are likely to be slower and make more errors when using these channels. The reaction to colour, size of images, menu systems and animation are all affected by ageing. Most interactive channels are built by the young to be used by the young, and pay scant attention to the needs of the older person.*¹²⁷

Research conducted by online consultancy Webcredible revealed that only 19.9 per cent of older online users felt that websites were designed with them in mind.¹²⁸ The dominance of 'youth' in internet culture is exemplified by recent research by Nielsen Online, which considered the responsiveness of adults to internet videos by age. The report was promoted with the conclusion that 'older consumers like longer video clips'. It is only when delving into the detail that it becomes clear that what Nielsen (and/or the journalists writing up the findings) mean by older consumers is actually consumers aged between 35 and 49.¹²⁹

It is not surprising, in this context, that older internet users find websites ill suited to their needs. Tackling ageism in the digital industry is key to opening up web usability to older consumers. There is plenty of advice on making websites accessible but too many websites are ignoring it.

In both the Newcastle and Oxford groups of older people who helped us with this report, there was a mix of computer users and non-computer users. Among those who did use the internet, some said that they used it for talking to friends and family via the internet, for banking, for volunteer and admin work and for 'shopping around', but few were regular internet shoppers. Some participants said that they asked friends and family to find information on the internet for them. However, one Oxford participant explained how she found the internet a useful tool for supermarket shopping. She explained that when there is no one available to help her carry her shopping, she orders her groceries online and when it is delivered it is brought straight in to her kitchen, making the whole experience easier. This illustrates how removing barriers to internet shopping would benefit those who have difficulties shopping in store.

127 D. Stroud and A. Batchelor (2008) 'Meet the Charmed Generation', *Journal of Direct, Data and Digital Marketing Practice* 10: 46–47.

128 R. Scott (2009) 'How to Market Effectively to Silver Surfers'. Available at: www.utalkmarketing.com/Pages/Article.aspx?ArticleID=13732&Title=_How_to_market_effectively_to_silver_surfers (accessed 30 September 2010).

129 K. Knight (2009) 'Nielsen: Older Consumers Like Longer Video Clips' (15 June). Available at: www.bizreport.com/2009/06/nielsen_older_consumers_like_longer_video_clips.html (accessed 30 September 2010).

A number of people in both groups raised concerns about the security of shopping on the internet and many felt reluctant to enter their bank details on websites. The padlock security symbol allayed these fears for a couple of participants, but others were not aware of the symbol or what it meant. Others found the internet inconvenient to use because of the difficulty of remembering passwords, and because internet forms can be poorly designed and difficult to use. The Age Concern and Help the Aged/BT research also identified concerns over internet security as a barrier to take-up. Recently, the National Fraud Agency (NFA) has reported that online fraud currently makes up 37 per cent of the fraud cases reported to them in June 2010. The NFA has recently run a series of online campaigns providing fraud prevention tips and advice.¹³⁰

Cost may also be a barrier for some low-income older households. Research from the Institute for Financial Studies commissioned by Age Concern and Help the Aged shows that under-65s increased their spending on communications technology at two and a half times the rate of those above pension age in the past 12 years.¹³¹

4.3.1 Changing policy and practice

In June 2009, the Government published the Digital Britain final report. This also recognised that those who were not online were at an increasing disadvantage and pledged to meet the needs of the all adults in the UK who were still offline. It recognised the obstacles facing those still off line were availability, affordability, capability and relevance. Martha Lane Fox was appointed as the new Champion for Digital Inclusion to devise programmes that would encourage those both digitally and socially included to get online. The communications regulator Ofcom was charged with forming a consortium of stakeholders to encourage people to take up digital communication technologies by providing motivation, information and support. As well as Age UK some other members of the Consortium are BT, the BBC and BSkyB. The report also considered there was a need for reform in online consumer protection and the Office of Fair Trading (OFT) has recently issued a consultation on their proposed new approach to consumer protection in e-commerce.¹³²

In recognition of the importance of inclusive design in improving take up among those with disabilities, the Government has set up an eAccessibility Forum. This Forum proposes to produce and implement an eAccessibility Action Plan that addresses the issues of people with particular needs, to ensure that they can partake fully in the UK digital economy.

¹³⁰ *Media Literacy Bulletin*, Ofcom, August 2010.

¹³¹ Quoted in 'Older People Miss Out Financially in Digitally Divided Nation' (2009) *Mature Times*, 3 September. Available at: www.maturetimes.co.uk/node/8872 (accessed 30 September 2010).

¹³² OFT e-consumer protection, July 2010.

It is estimated there are 10.2 million adults who have never used the internet. Sixty-two per cent (6.4 million) of these are people over the age of 65. Government initiatives to date have been disproportionately weighted towards younger people. Unless older people are given greater priority, the Government will not meet its target of getting 60 per cent of those currently offline online by 2015.

4.4 Consumer protection

- The National Fraud Agency estimates that fraud cost the UK at least £30.5 billion in 2008, costing every adult £621 per year through taxation and the increased cost of products and services.¹³³
- They estimate that individual losses were £3.5 billion a year.
- The average age of a distraction burglary victim is 79 years, with 77 per cent of victims being female and living on their own.¹³⁴
- Victims of rogue traders are likely to be older consumers living alone, especially women.¹³⁵

There is a need for all consumers to receive protection and support when faced with unscrupulous business practices. Poor business practices range from 'sharp' or aggressive selling (using forceful selling methods to provide unsuitable goods and services) to outright consumer fraud.

There are various types of fraud or scams carried out under the guise of consumer businesses. 'Customers' are targeted through mass communications (email, telephone, direct mail) and tricked out of money with, for example, the offer of a free holiday or entry in to a competition. Mass communication has meant that scams are now perpetrated on a global scale, making it difficult to police. The Office of Fair Trading (OFT) has commissioned considerable research in this area and estimates that 3.2 million people fall victim to scams every year. Their research shows that while older consumers are more likely to be targeted by a scam, there is no evidence to suggest that they are more likely to be victims. Victims were more common in the 35–44 year group. However, while anyone can fall for a scam, older people are often hit hardest. OFT research shows that older victims are likely to lose nearly twice as much per scam as others. There are also a minority of older scam victims who become 'chronic' scam victims. They are often socially isolated, over-trusting or afflicted by illnesses such as dementia and many lose their life savings, suffering depression and ill health as a result.¹³⁶ The OFT has some striking photographs of the homes of chronic postal scam victims that give some understanding of the sheer volume of post they receive.

133 *Championing the Fight against Fraud in the UK*, National Fraud Agency.

134 Operation Liberal handout 2008.

135 OFT website.

136 OFT press release, 14 August 2008.

A Help the Aged survey revealed that seven out of ten older people in Britain, more than 6.6 million people, are targeted by scams every month, either by telephone or letter. The survey also revealed that, in Britain, 38 per cent of older people are not confident in their ability to spot a scam, 60 per cent of people aged 65-plus would not report a scam to a family member and a quarter said that, if they received a phone call offering a free holiday, they would not end the call immediately.¹³⁷

People over the age of 60 are less likely to be burgled than other age groups. However, if they are victims of burglary they are likely to suffer a decline in health faster than non-victims of the same age. Two years after the burglary they are 2.4 times more likely to have died or moved into a residential home.¹³⁸

Distraction burglary is a crime which does target older people. This is when entry to a house is gained by someone who pretends to be a person who would normally be allowed entry – for example, a council or utilities employee – but their intention is to steal. There are 19,000 reported offences in England and Wales each year, but there is massive under-reporting due to the embarrassment of victims or ignorance that the offence has been committed.

Rogue traders also target older people. In 2004, the OFT estimated that there were 16,000 reports about rogue doorstep traders made to local authority Trading Standards Services each year – though the OFT thinks that the overall figure could be much higher, again due to embarrassment. Often large sums are lost to rogue traders, particularly when they are offering bogus house repairs.

Rosemary et al. argue that older people are likely to be on the receiving end of aggressive sales tactics because stereotypes of older people as vulnerable and easily manipulated lead to their being considered ‘easy targets’.¹³⁹ It was as the result of complaints received that Age Concern commissioned research to establish whether some companies selling assistive aids products were engaging in sharp trading practices. The study,¹⁴⁰ undertaken by Ricability, found that sharp practices were being carried out by a minority of companies. Of particular concern was the practice of using over-forceful selling practices, dramatic price reductions to induce purchase and selling a product that was unsuitable for the person’s abilities and needs. Typical comments by the case studies were:

We felt as if our heads were swimming.

I felt I was pressurised throughout this sale.

At no time was I offered a test ride.

The price reductions – from £3,642 to £1,200 – made me slightly suspicious; I don’t need the riser and the massager does nothing for my back pain.

137 This survey, commissioned by Help the Aged, was carried out by ICM during the weekend of 15–17 August 2008. A total of 1,002 English, Scottish and Welsh respondents, all aged 18-plus, were interviewed by telephone – a total of 186 respondents were aged 65-plus. For the purpose of this press release, ‘young adults’ refer to those aged between 18 and 24, ‘younger people’ are aged under 65, while ‘older people’ are respondents aged 65 and over.

138 ‘Experience of Older Burglary Victims’ (2003) London: Home Office.

139 P. Rosemary et al. (2007) ‘Ethical Ideologies and Older Consumer Perceptions of Unethical Sales Tactics’, *Journal of Business Ethics* 70: 191–207.

140 *Sharp Practices in the Sale of Assistive Products to Older People* (2002) London: Age Concern.

Recommendations of the report included:

- Responsible advertising – new codes relating to assistive products.
- Promotion of independent advice – better publicity and provision.
- Responsible traders – strengthening and promotion of industry codes of practices.
- Protective laws and practices – review to give greater consistency and protection.
- Co-ordinated collection of data on complaints – to identify their extent and the persistent offenders.
- Literature and information setting out consumer rights – targeted to older people buying assistive products at home.

4.4.1 Changing policy and practice

All consumers require protection from poor business practices, and the evidence that older people may be more commonly the targets of such poor practice makes it all the more important that they receive adequate support and protection.

The Government has a strong role to play in reducing the incidence of fraud and recent years have seen a welcome increased interest from Government and police authorities in the issue. In 2008 the Government established the National Fraud Strategic Authority (NFSA). This is tasked with devising a national strategy for dealing with fraud, including scams, and ensuring that this is implemented.

The City of London Police has been asked to establish a new National Fraud Intelligence Bureau and a National Fraud Reporting Centre to tackle the problem of under-reporting, help enforcement officers identify trends and provide information to support investigations.

Operation Liberal is a national organisation set up to tackle distraction burglary. It has contacts in each police force in England and Wales and a close working relationship with those in Scotland and Ireland. It raises vulnerable people's awareness of security issues, but also works with organisations that call on vulnerable and elderly householders.

The Government has also established trading standards scambuster teams that operate nationwide. These work with other enforcement agencies such as the police, the Benefits Agency and HM Revenue and Customs to target the hardest to tackle scams and rogue traders that set out to defraud people. The OFT runs an ongoing campaign to raise awareness of how to handle doorstep sales tactics and the risks of rogue traders. It is aimed primarily at women over 70, and their families, friends and carers.

Efforts are also being made to promote codes of practice among businesses to give consumers help in choosing a supplier since the codes have standards for the quality of workmanship and provide access to a complaints system should something go wrong. The OFT supports codes of practice where accredited businesses offer a higher level of consumer protection than that required under legislation. Currently ten industries have secured full approval, including the British Healthcare Trades Association and the Direct Selling Association.

Trustmark is a scheme supported by the Department for Business, Innovation and Skills to help people find reliable and reputable traders who carry out repairs maintenance and improvement work inside and outside their homes. Competent small businesses are not always prepared to pay the costs of joining these schemes but may be more prepared to join Local Authority Assured Trader Schemes. These also aim to give consumers a reliable way of finding businesses they can trust, offer a source of help and advice if things go wrong and enable local business to demonstrate that they have signed up to national standards of consumer care.

Local Authorities also support their residents wanting to set up 'No Cold Calling' zones. These aim to discourage cold callers from specific residential areas – usually a street or small cluster of houses. The introduction of the scheme provides householders with the opportunity to collectively discourage the often unwelcome practice of cold calling. The zones are visibly identified by overt signs and by each participant displaying a sticker on their door. Residents are given information on how to deal with cold callers should the signs be ignored and advice about some security products.

Partly as a result of the Age Concern *Sharp Practices* report in 2002, the Government agreed to amend the doorstep selling legislation by introducing a seven-day cooling-off period for contracts agreed as the result of a solicited visit from a business. This gave the same cooling-off rights as consumers had when purchasing something as the result of an unsolicited visit.

It is hoped that as well as making it easier to inform consumers of their rights when buying in their own home, it will reduce the incidence of high-pressure selling, since there will be less point if the buyer could cancel the contract when no longer subjected to the pressure. *The Cancellation of Contracts Made in a Consumer's Home or Place of Work etc. Regulations* came into force on 1 October 2008. In addition, the European Unfair Commercial Practices Directive has specifically named high-pressure selling as an unfair trading practice. This Directive was transposed in the UK as the *Consumer Protection from Unfair Trading Regulations* and came into force in May 2008.

Despite this range of measures more needs to be done. In particular, it is crucial that there is adequate information and advice for those who do fall victim to poor consumer practices. Although there are a number of organisations offering help and advice, there needs to be specialist help available for victims who are traumatised by the experience. As the research on the impact of mass marketed scams found:

*Victims are often vulnerable people who may be in financial distress or are elderly or socially isolated. The personal impact on them and on their families is devastating in terms of future peace of mind and health. Victims can be left with damaged self-esteem and a reduced sense of self-worth. Victims suffer stress, anxiety and depression. Lives can be ruined.*¹⁴¹

¹⁴¹ Research on the Impact of Mass Scams, OFT, December 2006.

Older people are more likely than younger people to say there is insufficient information to protect themselves against fraud. This leads to a key question of whether older people have the same protection as people of other ages. It is a point also raised by the UN Economic Commission for Europe:

*Action may be taken to determine whether older persons enjoy the same degree of consumer protection as other age groups and whether they encounter any particular obstacles in availing themselves of such protection. Older consumers must be given the opportunity to make well-informed choices about goods and services and be able to hold businesses accountable when things go wrong. When working to achieve this, vulnerable older consumers should not be discriminated against. More specifically, contracts, advertisements, sales techniques and warranties must not confuse, frighten or mislead older persons, and older consumers must be given adequate time to consider and reconsider their contractual undertakings.*¹⁴²

The Investigate! project highlighted potential difficulties for older people seeking support:

*George received a number of cold calls from people offering energy audits. He was concerned about this activity and checked with the police who advised that Energywatch should be contacted about this. When George tried to contact this organisation, he found himself in a system of pressing buttons on the phone. After pressing 14 different options, he gave up as he felt he wasn't getting anywhere.*¹⁴³

Another older person contacted Help the Aged to say that they wanted to complain to the BBC's *Watchdog*, but because the answer phone only allowed short messages, they did not have enough time to explain their concerns before they were cut off.¹⁴⁴

The recognition of the barriers to accessing advice and support was highlighted in a Help the Aged report aimed at money advice agencies and credit unions. *Lost in the Money Maze* (2008) set out a checklist for advice providers to ensure that their advice was accessible. It highlighted, for example, the importance of good-quality and accessible promotional material and the importance of outreach.

4.5 Marketing and the media

*Youth is still worshipped, and age, while it may bring wisdom, just is not a sexy word in marketing terms.*¹⁴⁵

Advertising is a powerful tool that is specifically designed to influence our consumer behaviour. Whether or not older people are targeted by marketers and the way in which they are targeted are likely to have an impact on the products and services that older people choose to buy.

Although it is difficult to find conclusive statistical evidence, the overwhelming consensus within the marketing literature is that the majority of advertising is directed at a young audience.

142 United Nations Economic Commission for Europe (2009) *Older Persons as Consumers*, Policy Brief Number 3, November.

143 Older People's Programme (unpublished) *Investigate! Older People Investigating Goods and Services*, research undertaken on behalf of Help the Aged, 2006.

144 Vocalpoint. Help the Aged.

145 I. Szmigin and M. Carrigan (2001) 'Learning to Love the Older Consumer', *Journal of Consumer Behaviour* 1(1) (March): 22–34.

*According to Admap, 90 per cent of marketing spend is directed at the under-50s. So, unsurprisingly, older consumers feel the advertising industry doesn't talk to them or address their aspirations, needs and concerns.*¹⁴⁶

Help the Aged have estimated that as much as 95 per cent of advertising revenue is aimed at under-35s.¹⁴⁷

In addition to the failure to target older people, even marketing that is not specifically aimed at a youth audience can effectively whitewash older people from their advertising by only portraying younger people:

*A leading car manufacturer spokeswoman admits that the brand does not use models who look over 50 in ads, though she denies discriminating against older people. 'There are target age groups for specific name plates, but it is about attracting a type of consumer that is youthful and outgoing rather than saying they are people in their 30s or 50s,' she says.*¹⁴⁸

Despite the fact that the over-50s account for 45 per cent of consumer spending, for example, buying 80 per cent of all top-of-the-range cars, they are rarely featured in advertisements, argued Help the Aged in 2006.¹⁴⁹

The Help the Aged report, *Marketing and Advertising to Older People* (2002), revealed that, despite the fact that in the aggregate those aged 55 and over are the highest consumers of TV and radio, this trend is not reflected in the representation of older people in the media, and scheduling for older people's interests.¹⁵⁰

Similarly, Sudbury and Simcock have found that:

*as a whole, and in particular women, [older people] are still under-represented in major roles, and there is an apparent reluctance by marketers in some product categories to portray older models at all... However they might be defined, the evidence for the under-representation of older models in advertising is overwhelming.*¹⁵¹

As Allen points out, this results in a situation where many older consumers don't relate to the marketing they see.¹⁵²

Research by Szmigin and Carrigan published in 2001 found that advertisers and agencies saw only certain products as appropriate for older people to advertise.¹⁵³ This is best exemplified by a research participant who noted: 'we go and shop for washing powder just like them (i.e. younger consumers) but they never show anybody our age' (Longe 1998).¹⁵⁴

146 Jane Silk (n.d.) Interview in *The Marketer*, <http://mature-marketing.co.uk/cms/page.php?17>. Available to subscribers at: www.themarketer.co.uk (accessed 26 October 2009).

147 J. Pickett (2002) *Marketing and Advertising to Older People*, London: Help the Aged.

148 D. Benady (2008) 'Marketing to the Over-50s', *Marketing Week*, 30 April.

Available at: www.marketingweek.co.uk/home/marketing-to-the-over-50s/2060579.article (accessed 30 September 2010).

149 Help the Aged Policy Statement 2006.

150 Help the Aged Policy Statement 2006.

151 P. Simcock and L. Sudbury (2006) 'The Invisible Majority? Older Models in UK Television Advertising', *International Journal of Advertising* 25(1): 87–106.

152 Quoted in A. Allen (n.d.) *How to... Market to the Over-50s*. Accessed at: <http://mature-marketing.co.uk/cms/page.php?16> (November 2009). No longer available.

153 I. Szmigin and M. Carrigan (2001) 'Learning to Love the Older Consumer', *Journal of Consumer Behaviour* 1(1) (March): 22–34.

154 I. Szmigin and M. Carrigan (2001) 'Learning to Love the Older Consumer', *Journal of Consumer Behaviour* 1(1) (March): 22–34.

Further work by the same researchers reveals that, while over half of advertising agencies found it appropriate for an older person to be a central figure in a financial service advertisement, only a quarter did so for car adverts.¹⁵⁵ Although this research is now some years old, it seems unlikely that this under-representation in advertising, particularly for certain products, has disappeared. A recent study for IPC magazines found that older people continue to be under-represented and where they were found in advertisements, it was largely for disability aids.¹⁵⁶

It is also possible that where older people are represented in advertising, that representation is negative. Marketing and Advertising for Older People found that where older people were represented in the media, this was often in a derogatory or trivial manner.¹⁵⁷ It is difficult to know to what extent this is true, however. Contrary to the evidence from Help the Aged, research by Simcock and Sudbury found that older models are not portrayed using negative stereotypes: 'Our analysis showed that, overwhelmingly, older models are not portrayed in a negative, derogatory or stereotypical light, regardless of the role category in which they appeared.'¹⁵⁸ Whatever the truth in this, we can be more confident that older people perceive themselves to be poorly represented. Age Concern's *How Ageist Is Britain?* (2005) found that two-thirds of older consumers feel that advertising portrays them negatively. Earlier work for Age Concern and the BBC revealed that older people are dissatisfied with advertising that is irrelevant to them and their self-identity.¹⁵⁹

There was some variety in how our focus group participants in both Oxford and Newcastle felt about advertising and the way that products are marketed to older people. Despite a general consensus that older people are not widely portrayed in advertising and are often pigeonholed in certain types of adverts (for insurance, funeral payment plans etc.), there was less consensus about whether or not this is a problem. Some participants felt hostile to the way that older people are only represented in certain advertisements, while others felt that it was not a big concern or even that it might be preferable to use younger people in advertising ('Who wants to see too many oldies? Nobody!'). There were also varying views on whether products that are explicitly designed for and marketed to older people are attractive to older consumers.

Commenting on these issues one participant explained this as a tension between older people's needs in the consumer market, which include products that cater for increasing frailty, and a general desire of older people to disassociate themselves with ageing and a refusal to accept their own frailty. She concluded that this cannot be solved without de-stigmatising old age and frailty in society more generally.

Some participants also pointed out the growing use of older people in advertising citing Twiggy in Marks & Spencer adverts and the general use of older women in cosmetics adverts (usually those for anti-ageing products).

155 I. Szmigin and M. Carrigan (2001) 'Learning to Love the Older Consumer', *Journal of Consumer Behaviour* 1(1) (March): 22–34.

156 I. Szmigin and M. Carrigan (2001) 'Learning to Love the Older Consumer', *Journal of Consumer Behaviour* 1(1) (March): 22–34.

157 J. Pickett (2002) *Marketing and Advertising to Older People*, London: Help the Aged.

158 P. Simcock and L. Sudbury (2006) 'The Invisible Majority? Older Models in UK Television Advertising', *International Journal of Advertising*, 25(1): 87–106.

159 I. Szmigin and M. Carrigan (2001) 'Learning to Love the Older Consumer', *Journal of Consumer Behaviour* 1(1) (March): 22–34.

Despite a recent growth in interest in marketing to the over-50s this triple-layered problem – failure to target, failure to represent and tendency to stereotype older people in marketing – results in a situation where older people feel pigeonholed and widely excluded from mainstream advertising. There is very limited research on the impact of advertising on older people, but it seems likely that older people are less likely to buy products where the marketing does not relate to and engage them, especially where it appears to be explicitly targeted at a youth market. It is possible that this exclusion is contributing to apparent different consumer behaviours by older and younger people. For example, where technology is routinely targeted at a youth market it may be contributing to the reason behind the fact that only 9 per cent of over-75s in ELSA own a computer.

4.5.1 Changing policy and practice

The reasons behind this marketing phenomenon are complex, rooted in ageism within the marketing industry and reflective of ageism in society, including ageist attitudes internalised by older people themselves. The circular nature of this makes the problem difficult to solve, but there do appear to be steps that marketers can take that may help to break the cycle, include older people and potentially open up their markets to a wider consumer group.

One of the most common reasons given for some of the problems with the consumer market is the gap between the young advertising executive and the older consumer.¹⁶⁰ The argument frequently made is that younger professionals simply do not ‘get’ older people.

*Given the increasing size of the 50+ demographic and its well-documented affluence, the obvious question is why is it so consistently underrepresented in all forms of mainstream advertising? In part, this can be answered by the unconscious but inherent ageism in marketing generally, and the advertising industry in particular.*¹⁶¹

*This ‘scare them by the numbers’ tactic is at best useless, at worse counterproductive. The numbers are perfectly correct, but when young marketers read the statistics, they filter them out and pigeonhole the arguments as yet more stuff banging on about old people.*¹⁶²

*Marketing theory is intrinsically age neutral. It should be unbiased, dispassionate and make no assumptions about the implications of age. There is, however, a very big ‘but’. The application of marketing is instinctively and illogically youth-centric. Here is the conundrum; marketing theory is unaffected by age but marketers are. The way most companies practise marketing is not neutral, it is contorted by years of age bias.*¹⁶³

160 It is worth noting that similar criticisms are made of young designers.

161 P. Simcock and L. Sudbury (2006) ‘The Invisible Majority? Older Models in UK Television Advertising’, *International Journal of Advertising*, 25(1): 87–106.

162 D. Stroud and A. Batchelor (2008) ‘Meet the Charmed Generation’, *Journal of Direct, Data and Digital Marketing Practice* 10;44.

163 D. Stroud and A. Batchelor (2008) ‘Meet the Charmed Generation’, *Journal of Direct, Data and Digital Marketing Practice* 10;49.

With recognition of this problem coming from within the industry it seems puzzling that it should be so persistent, but evidence suggests that the demographic profile of advertising industry employees may be a contributing factor. An Institute of Practitioners in Advertising (IPA) study found the average age of advertising agency staff to be 33.3, with only 5 per cent aged 50 or above.¹⁶⁴

A solution sometimes posited is simply that the corporate sector (not just the advertising industry) should employ more older people. Others, including Patrick Dixon – ‘Marketing people need to employ older people to get their messages right’¹⁶⁵ and Priscilla Wallace – ‘As for the skills required to reach the Boomer market, someone put it best by saying, ‘It takes one to know one.’¹⁶⁶ – make similar points. This view seems to be backed up by academic evidence from both Sudbury and Simcock¹⁶⁷ and Szmigin and Carrigan:

*One reason for this [lack of interest] is the age profile of those working in advertising. The average age of most advertising executives is below 50 and this potentially contributes to an environment which lacks empathy towards the older population.*¹⁶⁸

Although age diversity in the advertising sector and the corporate sector more broadly would be a welcome move, this alone is unlikely to break the cycle of the exclusion of older people from advertising. Ageism is a society-wide problem and there is a fear among marketers that the inclusion of older people in advertisements would be off-putting due to the ageist attitudes of their target audience. One marketer argues:

Many brands want a ‘below the radar’ way of communicating with 50-somethings, since their youth positioning can suffer if they are seen by under 35s to be targeting older consumers... Many people do not want to be reminded of their advancing years.

In a market already biased towards youth, there is a perception that young people will reject a brand if it is associated with older people.

However, it is not just young people who may be put off by images of older people in advertising – older people may be too. For example, one marketer advises colleagues:

*the key to capturing the loyalty of this age group is to not patronise them – they hate being depicted as elderly. Ads should use images of people 15 years younger than their target audience to avoid frightening that audience away.*¹⁶⁹

164 Institute of Practitioners in Advertising, 2008 Agency Census. Summary of results available at: www.ipa.co.uk/Content/IPA-publishes-2008-Agency-Census (accessed 30 September 2010).

165 Patrick Dixon (2008) ‘Marketing to Older Consumers’, interview for *Marketeer*, October. Available at: www.globalchange.com/marketing-to-older-consumers.htm (accessed 30 September 2010).

166 Priscilla Wallace (2006) ‘Boomers Can Be Engaged without Excluding Other Consumer Groups’ (21 June). Available at: www.thematuremarket.com

167 P. Simcock and L. Sudbury (2006) ‘The Invisible Majority? Older Models in UK Television Advertising’, *International Journal of Advertising*, 25(1): 87–106.

168 I. Szmigin and M. Carrigan (2001) ‘Learning to Love the Older Consumer’, *Journal of Consumer Behaviour* 1(1) (March): 22–34.

169 N. Clark (2009) ‘Homogenous Messages to the Grey Market Risk the Ire of “Fed-up 50s”’ (14 July). Available at: www.marketingmagazine.co.uk/news/search/919812/Homogenous-messages-grey-market-risk-ire-Fed-up-50s (accessed 30 September 2010).

The issue of 'cognitive age' discussed earlier and tendencies of older people to be cognitively young (i.e. to identify as younger than they are) highlight the way in which older people may internalise ageism, preferring to reject any association with their chronological age and identify with younger people.

It is not really clear how to what extent these marketers' fears are true. In fact, the evidence is conflicting. There is actually some evidence that older models are 'viewed at the very least neutrally, even positively, by younger audiences for many products.'¹⁷⁰ This is a point also highlighted in an article in the *Wall Street Journal*:

*Some companies are discovering that ads featuring older people can speak to younger people too. Sony found that its commercials showing a grandmother taking underwater pictures of sharks scored well with young viewers, who related to the adventure. Other companies continue to use young models but slip in messages that are likely to resonate with older audiences – the approach used by Anheuser-Busch Cos. in its successful marketing of the low-carb Michelob Ultra beer.*¹⁷¹

On the other hand, French and Craske investigated the impact of advertisements on older people by asking for brand associations of six well-advertised commercial themes, two of which were directed primarily at the old age market. The advertisements which were targeted specifically at older consumers had the lowest theme recall by them.¹⁷²

Sudbury and Simcock concluded that there is a 'need for us to know much more about how older consumers themselves feel about their representation and portrayal in all forms of advertising.'¹⁷³ The evidence on how people, young and old, react to older people in advertising and the reasons for those reactions are under-researched. Until we have a better understanding of this issue it will be difficult to put it right. However, the older consumer market represents a unique opportunity for the marketing industry and those who tackle the problem of marketing to all ages will benefit. This makes this a vital area of research not just for academics and policy-makers, but for marketers.

170 I. Szmigin and M. Carrigan (2001) 'Learning to Love the Older Consumer', *Journal of Consumer Behaviour* 1(1) (March): 22–34.

171 K. Green (2004) 'Marketing Surprise: Older Consumers Buy Stuff, Too', *Wall Street Journal*, 6 April.

172 C. Tynan and L. Drayton (1985) 'The Methuselah Market Part II: Decision Making and the Older Consumer', *Journal of Marketing Management* 1(2): 213–221.

173 P. Simcock and L. Sudbury (2006) 'The Invisible Majority? Older Models in UK Television Advertising', *International Journal of Advertising*, 25(1): 87–106.

In the meantime, the media as a whole has a vital role to play in halting the perpetuation of ageist attitudes and beliefs. Some of the worst examples of ageism unearthed during this report seem to come from journalists rather than the advertising sector. In an article about marketing to older people one author describes older people as ‘oldies’, and ‘silver haired’ before going on to note that ‘It might not be entirely flattering for a young at heart 55-year-old to be pigeon holed alongside other oldies!’¹⁷⁴ Another journalist talks of ‘grey gappers’¹⁷⁵ who increasingly want to take time out to travel, while a third talks of ‘a huge and growing audience of wrinklies out there’.¹⁷⁶ If individuals writing about good practice in marketing to older people are using such language, we should perhaps not be surprised if poor and counter-productive practice appears in print and other mediums.

The NUJ Guidelines on Reporting Age recognise that ‘language can be a powerful tool in shaping our views and reflecting public attitudes and perceptions – both of which can form barriers that prevent people of every age from integration and participation in society’. Although this guidance exists, it is clearly not followed in all sections of the media.

174 ‘Do We Not Matter to You?’ (2007) *Harpers*, 21 September.

175 A. Goss (2009) ‘Gap Years Are Not Only for the Young’, *The Times*, 8 September.
Available at: www.timesonline.co.uk/tol/money/consumer_affairs/article6825940.ece (accessed 30 September 2010).

176 ‘Youth Culture Is Dying a Death, but Industry Won’t Help the Aged’ (1999) *Marketing Week*, 21 January.
Available at: www.marketingweek.co.uk/home/youth-culture-is-dying-a-death-but-industry-wont-help-the-aged/2019575.article (accessed 30 September 2010).



5 The future of the market and older consumers in an ageing society

As the UK population continues to age, older consumers will become an increasingly important part of the market. Structural changes, including an increasing proportion of older people in the population and expected increases in incomes, are likely to affect expenditure. In February 2010, the Department for Business, Innovation and Skills (BIS) presented new analysis that showed the potential growth of certain industries based on these factors. Using data from the Expenditure and Food Survey (EFS) on spending in different categories among different age groups, ONS population projections and historical data from the Pensioner's Income Series, BIS calculated potential growth in expenditure in different areas between 2008 and 2033.

The top bars in Figure 6 (see page 64) demonstrate the pure demographic effect – the projected increases in spending as a result of the growing proportion and number of households headed by an older person. The bottom bars demonstrate the possible expenditure increases associated not just with demographic change but increased incomes (and so increased spending) as older households get richer over time.¹⁷⁷ These projections show growth in all areas, but the growth is particularly significant in health and recreation, suggesting that the structure of the market is likely to change, with some industries seeing more growth than others.

Although these are useful indicators, we cannot take them as straightforward predictions. There are other factors that we must take into account that make understanding future expenditure and consumption much more complicated. The projections above work on the assumption that expenditure patterns among older people are likely to stay constant. However, we cannot necessarily assume this is the case. Among marketers at least, there is a widely held belief that older consumers are changing, behaving differently to their predecessors at the same point in life. Much of this discussion revolves around the 'generation effect', the movement of the 'baby boomers' through their life course and heading towards retirement. Saga gives us an example of the assumptions made about this generation:

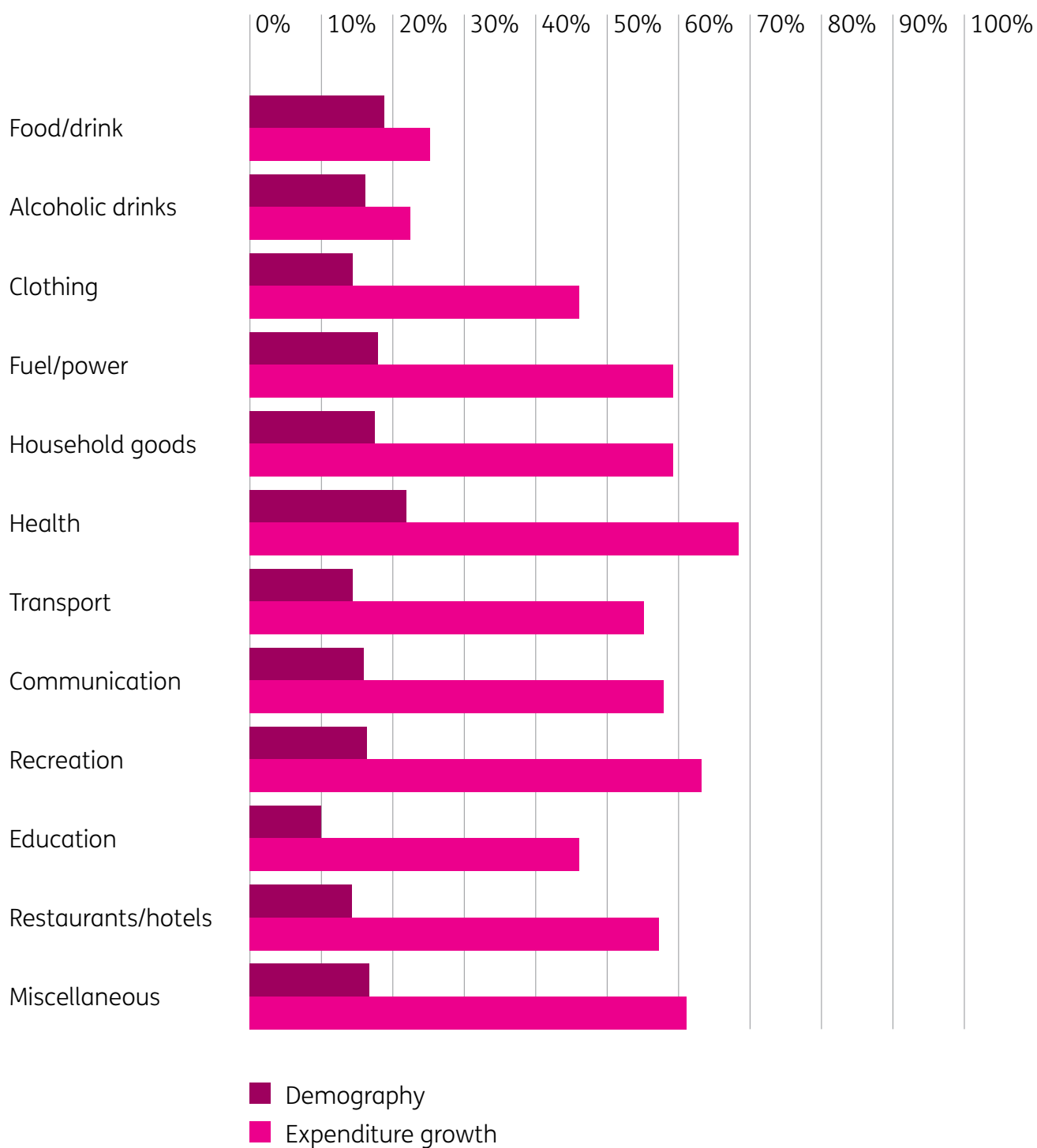
At Saga we have been closely observing older consumers for five decades, and it is blindingly obvious that there is enormous difference between the 'seniors' of yesteryear and people of the same age today. Many older people are now more active, enjoy better health, and have a radically different attitude to age... Earlier generations conformed to expectation, adopting the retirement uniform of pipe and slippers or twin-set and pearls, but their descendants are as likely to buy a Harley, take a gap year, or head to Glastonbury.¹⁷⁸

177 Also accounting for income elasticity.

178 Tim Bull (2005) 'Older People as a Key Consumer Market', *The Edge*, 20 (November).

Available at: www.esrcsocietytoday.ac.uk/ESRCInfoCentre/about/CI/CP/the_edge/issue20/older_consumers.aspx (accessed 30 September 2010).

Figure 6 **Projected growth in expenditure by category, 2008–2033 (%)**



Source: BIS (2009) *Is Business Ready for an Ageing Population? Economic Opportunities and Challenges of Ageing: an Analytical Paper*.

If this is the case, we might expect to see changing patterns of expenditure, as this 'boomer' generation of older consumers spends in a different way to their predecessors. However, the idea that a fundamental shift in attitudes among older people is taking place is not new. Dodge made remarkably similar comments in the early 1960s about the older generation he observed at the time:

*No longer do senior citizens feel that their potential contribution to society is ended. As they observe numerous older persons in fine health and enjoying activity, they see emerging a changing attitude which may allow them to live as active members of our society. This new role for senior citizens is now in the process of evolving.*¹⁷⁹

It seems the idea that healthy, active ageing is a new characteristic of the current older generation, is in fact at least half a century old, suggesting this may be more rhetoric than reality. The joint ESRC/AHRC research programme, Cultures of Consumption, funded 26 projects between 2002 and 2007.^{180,181} *Boomers and Beyond*¹⁸² explored the popular conception that the post-war 'baby boomer' birth cohort (born between 1946 and 1964) was developing new third-age lifestyles. The researchers found only limited evidence for this, noting instead that most people had fairly modest aspirations, hoping at best to maintain their current lifestyles as they entered later life.

There is still little consensus on how generation and life stage affect consumer needs and aspirations and it is very difficult to make projections about how spending might change in an ageing society based on these ideas, particularly given the diversity within that group. What we have learnt from the analysis of spending patterns across age groups is that although there are some age-related predictors of consumer spending, these are relatively weak and there is a very high level of diversity among older people in terms of consumer spending patterns that cannot be explained simply by age, income or health status. In many ways the spending habits of older consumers are not easily divisible from those of their younger counterparts.

We must also consider the possible changes within the market as well as within the older population. The consumer market is after all a two-way interaction and the future is likely to rest on the attitudes and behaviour of those in industry as well as consumers themselves. Taking recreation as an example (one of the areas in which the BIS projections shows significant growth as incomes among older people increase), the earlier examination of ELSA data (see page 22) looked for indicators to suggest why some people participate in social activities less frequently than they would like.

179 R. Dodge (1962) 'Purchasing Habits and Market Potentialities of the Older Consumer', *Law and Contemporary Problems* 27(1): 142–156.

180 See www.consume.bbk.ac.uk/researchfindings/overview.pdf for a full summary of the findings (accessed 30 September 2010).

181 Rick Nauert (2008) 'Baby Boomers Are Now Mainstream', 14 October. Available at: <http://psychcentral.com/news/2008/10/14/baby-boomers-are-now-mainstream/3125.html> (accessed 30 September 2010).

182 R. Leach et al. (n.d.) *Boomers and Beyond: Intergenerational Consumption and the Mature Imagination*, Findings report for project February 2005 to March 2007. Available at: www.consume.bbk.ac.uk/research/biggs.html (accessed 30 September 2010).

The regression analysis found no clear link to standard variables such as age, income or health and left a large amount of variation unexplained. This suggests that there are other forces at work. The finding that there are significant numbers of people in later life spending much less than their incomes would appear to allow also suggests that there is something other than income keeping spending lower than it might be in some areas. The discussion of barriers to the market in this report suggests that, in fact, markets are failing older people. It is likely that these failures are preventing market growth in some areas. If this is the case, we may find that patterns of consumption and expenditure would change and potentially grow if the market began to serve older people more effectively.

The evidence reviewed earlier suggests that different age groups are attracted to different brands and types of products. Companies that respond to the challenge of marketing to and catering for older consumers are likely to see the benefits. For example, in 2002, after 28 consecutive months of declining sales, American Gap began a campaign aimed at older consumers. They changed their product range and produced an advertising booklet entitled *For All Generations*, containing imagery of celebrities of all ages wearing similar Gap clothing. Several months later their sales increased 11 per cent.¹⁸³ Marketing successes such as these suggest that a change in attitudes and behaviour on the part of marketers and retailers can attract older consumers.

5.1 The role of consumers

*I feel strongly that if we don't tell companies or organisations how to improve things, nothing will ever improve. We can make a difference but only if we tell organisations... what is needed. And we must always remember to say thank you when they react appropriately. Complaints or suggestions [must be] accompanied by positive alternatives. We need to be seen as a fresh pair of eyes.*¹⁸⁴

Although there are opportunities for businesses to make relatively small and easy changes to open up their markets to older consumers, there are also wider structural problems. Ageism within society is reflected in consumer markets and government, businesses and the third sector all have a significant role to play in creating a market, and a society, where inclusivity is the norm. This is no easy task and change will not be automatic. There is also a role to play for consumers themselves in bringing about the changes that are needed.

Older people have themselves told Help the Aged that they felt that they could be more demanding. One 77-year-old argued, for example, that

*People are not assertive enough, are too willing to sit back and accept what they're given – could this be a throwback to the days when you were expected to be 'grateful' for what you got? People will grumble and complain to their relatives, to their friends once they get home, but do they direct their concerns to the right place?*¹⁸⁵

183 H. Dennis (2004–05) 'Evolution of the Link Between Business and Aging', *Generations*, I XXVIII(4) (Winter): 11–12.

184 Older People's Programme (unpublished) *Investigate! Older People Investigating Goods and Services*, research undertaken on behalf of Help the Aged, 2006.

185 Vocalpoint, Help the Aged.

We were interested in gathering the views of everyone who came to our focus groups on how they thought older consumers might be encouraged to change their behaviour and become more demanding. This was a difficult question for everyone to answer but a number of themes arose both during this discussion and throughout the workshops which help us to understand the consumer behaviour of older people.

Many of the participants in both groups began by saying that they personally were happy to complain about a poor product or service but recognised that is not the same for all older people. One of the major points identified by all groups is that 'not making a fuss' is both a cultural and specifically a generational characteristic: 'we were not brought up that way' was a common refrain. However, some participants also pinpointed an age-related aspect to how they felt that complaints would be received. One participant described how she felt 'we won't be listened to because we're old' and another highlighted an attitude she had grown to expect from others of 'what do you expect at your age' (when you find it difficult to use a product, etc.). On the flip side of this expectation a couple of participants noted how they might be reluctant to complain for fear of being viewed as a 'grumpy old person' or an 'old fuddy-duddy'. These attitudes express how age and stereotypical views of older people might be impacting on older consumers' willingness to 'make a fuss' but more in-depth work is needed to understand how and why this is happening.

Although the negative behaviour of complaining was a difficult issue, there was a strong feeling in all the groups that positive behaviour in response to good service was appropriate and important as a way of rewarding individual staff and companies and as a way of encouraging better practice in future. A number of respondents indicated they tend to 'vote with their feet', choosing retailers according to experience of good service and avoiding those where they had previously had bad experiences. For those participants who were happy to make complaints about poor products or services, there was still an emphasis on positive behaviour with comments including 'you get more by being polite' and 'there's a right way to complain'. The conclusions drawn by both participants in Investigate! and our focus groups were:

- older consumers could explore ways of making the market work better for them; for example, shopping jointly with other people (or setting up a 'food co-op') enables single people to benefit from discounts from bulk buying
- don't be afraid to ask for support
- be demanding
- provide both positive and negative feedback
- read the small print
- get advice if you feel you have been the victim of consumer crime
- do your research
- shop around
- accept yourself and your needs, including your frailty
- be positive
- be confident
- vote with your feet.

Etchell and Yelding argue that it is this lack of a demanding consumer which has resulted in slow progress towards inclusive design: 'Consumer demand for inclusive design has yet to be felt in the marketplace. Older and disabled people have the most critical needs from a product, but they are not the most demanding consumers.'¹⁸⁶

La Forge (1989) considered the theory of learned helplessness and the notion of uncontrollability to explain reluctance to complain. This theory argues that people will become passive or give up trying if they routinely meet with failure.¹⁸⁷ Part of the reason for this is that 'Traditionally, older people have tended to blame themselves rather than poor design for the difficulties they experience with domestic products every day ('what can you expect at my age?')'.¹⁸⁸ This was demonstrated by an Investigate! participant who appears to be blaming herself for the fact that a shop is not accessible to her as a person with a disability:

*The business people themselves tend to be very kind and will come outside to serve you, if you can get their attention when they are busy, if you have difficulty getting in. So one has to sit outside sometimes in the rain to be served!*¹⁸⁹

If the growing ageing population wants to see a transformed consumer market, which better meets the needs of people in later life, the population must increasingly seek to stand up and be heard. However, consumers do not bear this responsibility alone. The private sector can support this assertiveness. Meneely found that none of her (small) sample of retailers had attempted to survey older consumer for feedback and only one had made any attempt to organise and participate in consumer engagement.¹⁹⁰ They also found that few have visible and formal complaints procedures in place. These are examples of practices that businesses can change and are likely to see benefits as a result. The government and third sector are also well placed to support older consumers to become more assertive, providing them with information, support and enhanced protection for those who are vulnerable. Transforming the consumer market to become accessible to all people regardless of age will require effort from all sides but also offers benefits for all.

186 Lindsey Etchell and David Yelding (2004) 'Inclusive Design: Products for All Consumers', *Consumer Policy Review*, 14(6) (November/December): 189.

187 B. Gunter (1998) *Understanding the Older Consumer: The Grey Market*, London: Routledge. p. 37.

188 Lindsey Etchell and David Yelding (2004) 'Inclusive Design: Products for All Consumers', *Consumer Policy Review*, 14(6) (November/December): 189.

189 Older People's Programme (unpublished) *Investigate! Older People Investigating Goods and Services*, research undertaken on behalf of Help the Aged, 2006.

190 L. Meneely, A. Burns and C. Strugnell (2008) 'Food Retailers' Perceptions of Older Consumers in Northern Ireland', *International Journal of Consumer Studies*, 32: 245.



6 Appendix: Methodology

This report on older consumers has been produced using:

Primary qualitative research

- Investigate! mystery shopping. Conducted in 2006–07, but previously unpublished.

Quantitative analysis

- Secondary analysis of existing datasets by PFRC at Bristol University.
- Publication of some previously unpublished quantitative research conducted by Age Concern Research services.

Secondary analysis of existing literature

- A literature review of academic and grey literature alongside opinion pieces.
- Sense-checking with older people's groups.

6.1 Primary qualitative research – 'Investigate!'

In 2006, Help the Aged commissioned the Older People's Programme (OPP) to design and run a project, called 'Investigate!', with the following key aims:

- (i) To review older people's experiences (positive and negative) of a range of goods and services.
- (ii) To develop recommendations for how goods, services and opportunities could be improved to better meet the needs and aspirations of older people.

The project was undertaken using a mystery shopping exercise and carried out by a range of older volunteers recruited to the project. The volunteers carried out investigations on areas of personal interest and reported back on experiences in the following areas:

- day-to-day shopping and services
- holidays, travel and short breaks
- technology
- services for older people
- housing.

The findings of Investigate! have been incorporated into this report.

6.2 Quantitative analysis – PRFC at Bristol University

The Personal Finance Research Centre at the University of Bristol was commissioned to undertake analysis of quantitative research to support this report. Adele Atkinson and David Hayes undertook this work on behalf of ILC-UK and Age UK. The quantitative analysis sought to explore existing datasets.

PRFC used the English Longitudinal Study of Ageing (ELSA) to explore recent quantitative indicators of consumption patterns among older people.¹⁹¹ This data first focuses on adults over the age of 50. We have focused on the second wave (June 2004 to July 2005) and third wave (May 2006 to August 2007) of ELSA. The main limitations of this data, from the perspectives of this particular study, are that the coverage is not of the United Kingdom, but only England, and that the fieldwork for available waves predates the widespread financial crisis.

In order to compare older people with their younger counterparts, PRFC turned to the Expenditure and Food Survey (EFS), focusing primarily on data from 2007. EFS is a continuous, cross-sectional survey of household expenditure, food consumption and income. This dataset is primarily used to provide information about spending patterns for the Retail Price Index, and about food consumption and nutrition.

PRFC have also drawn on published results from the first wave of the Wealth and Assets Survey (WAS),¹⁹² the Family Spending report that uses EFS data¹⁹³ and various results from Eurobarometer datasets compiled on behalf of the European Commission.¹⁹⁴ Relatively small sample sizes for the Eurobarometer data mean that findings broken down by age should be seen as indicative rather than conclusive.¹⁹⁵

A note on survey data and weighting: both the EFS data and the ELSA data analysed by the PRFC for this report have been weighted. Unless survey data arise from an ‘equal probability of selection method’ (EPSEM) and almost everyone agrees to be interviewed, then the sample will provide a biased representation of the total population unless adequate correction is made in the subsequent analysis. Corrections are made by weighting, to correct for the non-equal probability of selection of respondents and different response rates within the group of selected individuals/households. The EFS data uses a weight that adjusts to non-response and grosses to population estimates. ELSA uses a non-response weight only as the design of the Health Survey for England (from which the ELSA sample is drawn) is broadly EPSEM and does not require a population weight adjustment. Where ‘weighted percentages’ are referred to, this means that the data presented has been weighted. Where ‘unweighted base’ is referred to, this means the data is the actual number of responses received.

191 M. Marmot et al. (2009) *English Longitudinal Study of Ageing: Wave 0* (1998, 1999 and 2001) and Waves 1–3 (2002–2007), 12th edition, Colchester, Essex: UK Data Archive.

192 See www.statistics.gov.uk/downloads/theme_economy/wealth-assets-2006-2008/Wealth_in_GB_2006_2008.pdf (accessed 30 September 2010).

193 See www.statistics.gov.uk/downloads/theme_social/Family_Spending_2007/FamilySpending2008_web.pdf (accessed 30 September 2010).

194 Eurobarometer (2008) ‘Family Life and the Needs of an Ageing Population’. Available at: http://ec.europa.eu/public_opinion/flash/fl_247_en.pdf (accessed 30 September 2010).

195 Please note that throughout the report, some of the categories in tables have bases of less than 100. Please treat these figures with caution.

6.3 Secondary analysis of existing literature

This report was not intended to be a ‘systematic review’, and the literature reviewed includes a mix of academic and grey literature, alongside opinion pieces. Searches were carried out on online databases and search engines including Google and Google Scholar, Ageinfo, WRAP, BBC News archives, and Hansard. In addition, searches were also undertaken on academic databases accessed at the British Library of Political and Economic Science.¹⁹⁶ When we identified relevant literature, we also reviewed the bibliography to further identify other evidence. Our search terms included a combination of Older People or Elderly and Consumers; or Consumption; or Marketing. When searching academic databases, we sought to include all text fields (title, abstract and keywords) in the search. After undertaking the initial review, we added further searches to identify other relevant evidence which had not been picked up in detail by the initial search. In addition to these searches, material was obtained from Age UK following searches of their library database. Some of this material was previously unpublished. Given the relative paucity of evidence, we did not limit our search to recent publications. However, where the evidence used may no longer be relevant, this has been highlighted. While this report includes literature from across the world, we sought to focus on evidence from the UK.

A major part of this report is ILC-UK’s analysis of the evidence. We have come to our own conclusions and made our own recommendations based on our reading of the research. ILC-UK appreciate that this report is broad in nature and that much more primary and secondary research is needed in this area. We hope that this paper stimulates further debate and would welcome comments.

6.4 Expert workshop

In April 2010, ILC-UK presented the initial findings to a group of consumer experts (including for example, representatives of Consumer Focus and Which?). The consumer experts fed comments on the early findings and on the draft recommendations. Comments were incorporated into the final report.

6.5 ‘Sense-checking’ with older people

In May 2010, a draft of this report was presented to two older people’s groups. One group met in Bristol and one in Oxford. The two groups contributed thoughts on the recommendations and added additional thoughts. These comments were incorporated into the final report.

¹⁹⁶ The LSE Library is one of the largest libraries in the world devoted to the economic and social sciences. It is also home to the International Bibliography of the Social Sciences.



Our ambition

We want to see the transformation of later life in the UK and globally. Our ambition is for:

- a world where we celebrate ageing and treat people of all ages fairly, with dignity and respect
- financial security for us all and an end to poverty in later life
- better health for longer and improved care when we need it
- excellent support to stay independent when we are frail or caring for loved ones
- the ability to work for as long as we want, with no forced retirement
- products and services designed to meet our needs
- communities where every one of us is able to have fun, take part and have a voice
- recognition of our diversity and support for the most vulnerable.

To meet this ambition Age UK will be a powerful voice campaigning for change. But we will not just challenge others, we will act. With our partners we will:

- deliver trusted information and advice to more than 5 million people each year
- enable millions more people to benefit from new technologies
- provide practical services to help people stay independent at home
- create local opportunities for people to enjoy life, stay well and beat isolation
- address market failures with age-friendly services, products and business partnerships
- commission biomedical, social and lifestyle research to tackle ill-health and boost quality of life
- work globally to help over a million people in developing countries.



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