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Analysis: Brands miss out on over-50 market

by Alex Blyth [Revolution UK](#) 01-May-08

By 2015, the majority of the UK's population will be over 50, so there's no denying that the market holds value for marketers, but do digital brands target the 'silver surfers' as much as they should?

Regan Maloney, digital planner at marketing agency Craik Jones, has been working closely with the Association of Train Operating Companies in the past 18 months. She has been comparing the online purchasing habits of

those, aged 16 to 25, buying Young Persons Railcards, and those, aged over 60, buying a Senior Railcard. She reports that, remarkably:
"Seniors are ten per cent more likely than 16 to 25 year olds to buy their railcards online."

Discoveries such as this are forcing the online marketing world to finally sit up and take notice of the over-50s market. We have seen online communities such as 50connect and mychumsclub set up to join established players such as Saga in a market that is fast growing, wealthy, and increasingly online. However, while online marketers are starting to take the grey market more seriously, they are also discovering that reaching this market is far from easy.

The power of the grey pound

Fiona Hought, managing director of marketing agency Millennium, offers some figures to demonstrate the spending power of the over 50s: "The grey sector accounts for 40 per cent of consumer spending and controls a staggering 80 per cent of the country's wealth. Furthermore, an Ofcom report recently highlighted that the over 50s are spending 42 hours online a month and this is set to rise."

She continues: "According to a recent TGI 2007 report, 25 per cent of over 50s are using the internet every day and now account for 30 per cent of all online users. Therefore it comes as no surprise that the over 50s are set to dominate the online shopping market by 2010. However, remarkably, fewer than five per cent of the total British marketing spend proactively targets the over 50s."

The evidence is overwhelming. The average net worth of a 60 year old is seven times that of his or her 35-year-old counterpart. People aged 50 to 65 are now spending twice as much on leisure and entertainment as the under 30s. The TGI 2006 report showed that nearly three-quarters of the over 50s had DVD players and nearly 80 per cent had a mobile phone. Likewise, nearly 60 per cent of over 50s now own a PC or a laptop.

Womenswear brand Gray & Osbourn had always used mail order to reach its customers, who are typically aged over 50. However, Katy Ingram, its commercial director, reports that this is now changing: "As time has gone on and the market has become more internet-savvy, our online presence has grown and our e-newsletters have become a central part of our marketing mix. The online facility has also allowed for a more interactive customer experience."

Untapped market

In some ways it is remarkable that this enormous market is so under-exploited. To some extent, this is because the over 50s have been relatively slow to become comfortable with online shopping. However, Louis Fernandez, senior account director at marketing agency Acxiom Digital, believes there is another reason why so little online marketing is targeted at this rich seam of potential customers.

He says: "Digital attracts a lot of young, talented people, and they tend to be more comfortable working for the brands they consume. These tend to be in sectors such as gaming, social networks, mobile telephony and fashion brands. If you're under 30, you have very few personal reference points when trying to construct a campaign aimed at the over 50s."

Underestimated

Iain Dawson, director of communications planning at Equi=Media, is less charitable. He believes that brands have chronically underestimated the potential of this market: "There is still a perception that the over 50s will not provide long-term value for brands. This is not true. A survey from Westminster Primary Care Trust predicts that a wealthy 65-year-old woman in central London can expect to live until she is 96."

He continues: "It is no surprise therefore that the over 50s are now an important and active part of the population. Brands need to recognise the lifetime value of older customers who are more likely than younger ones to remain loyal to the brand. The over 50s are well worth investing in and acquiring as new customers, both offline and online."

Those behind 50connect, Mychumsclub, SagaZone and similar sites have clearly recognised this fact, and are aiming to provide a space in which brands can communicate with this audience. As Pete Anderson, planning director at marketing agency Underwired, says: "Mychumsclub is a social community site for the over 50s, which provides a great platform for conversations, information and brand engagement with the target audience."

Andrew Wilson, founder of Funky Fogey, adds: "Funkyfogey.com and other such sites have built a rapport and trust with members. Therefore our communications with them are more likely to be viewed positively. Funkyfogey.com has also been designed so brands can easily target our audience via the ezines and by interest area, in an innovative and interactive way."

Trenton Moss, director at web design agency Webcredible, says the key to reaching this audience is to address usability issues. He offers this advice: "Investigate innovative ways to communicate the fact that a page is not finished and requires scrolling. Often older users will scroll down and may miss important information. Avoid technical terms if possible. Identify links in a consistent and obvious way. Make content as concise and clear as possible. Lastly, provide a 'make the writing bigger' link, and always use high contrast to display text."

However, brands should be careful not to make inaccurate assumptions. Jenni Lloyd, director at marketing agency NixonMcInnes, says: "When designing a campaign for Stannah Stairlifts we assumed that users would tend to have low-spec PCs and low-resolution monitors. Looking at the website analytics totally disproved this. We also assumed that users in their 70s would have a lower level of ability in using the internet. Testing the website in a usability lab with real users again disproved this."

Separate identities

Indeed, while targeting and site design are important, by far the most important factor in successful marketing to the over 50s is understanding that they are not a homogenous group. Nicholas Miller, chief executive of marketing tools manufacturer Kyp Systems, explains: "The interests of a 55-year-old male chief executive living in central London are going to be very different to those of a 75-year-old retired female living in Kent. However, the two are typically bulked together in market research."

According to the Office for National Statistics by 2031, 43 per cent of the UK population will be over 50. That is an extra four million people compared to today. This means that online marketers need to start targeting this group. However, paradoxically, to do this successfully they need to avoid marketing with an age group.

As Rob Kelly, senior publisher sales manager at TradeDoubler concludes: "Even when using sites that target age, consumers are much more likely to respond to messaging that is based on their interests. This means for an advertiser to view this market as a homogenous mass would be an error. Targeting specific groups within this audience is a must for anyone who is serious about achieving results."

FLORA PRO.ACTIVE TARGETS OVER-50 WOMEN WITH CHOLESTEROL CAMPAIGN ON 50CONNECT

In December 2007 the Flora pro.activ team approached Rachael Hannan, editor of 50connect, an online community for the over 50s. According to Flora's 'Check For Change' report, only 15 per cent of the healthcare professionals they surveyed were aware that menopausal women face the same risk of coronary heart disease as middle-aged men. It is not standard practice for GPs to offer their female patients a cholesterol test when they start showing symptoms of the menopause.

Flora wanted to raise awareness of this issue and in turn, boost sales of its pro.activ cholesterol-lowering products, by targeting women who are approaching menopause. As part of their campaign, they were urging women to take charge of their own health, by offering a free cholesterol and blood-pressure test at Lloyds Pharmacies. The test was free on the presentation of two Flora pro.activ products.

Those that did this were given a money-off voucher so that if they wanted to make diet and lifestyle changes, and consume Flora pro.activ products, they could return to Lloyds Pharmacy for a re-test in three months to see if their cholesterol was now at a healthy level.

Hannan says: "As a market-leading over-50s website with two million unique monthly visitors, 50connect was the natural choice to showcase Flora's campaign. We ran a health article on this issue. To date, this has received 14,138 visits."

As an offshoot, 50connect also interviewed Gloria Hunniford and ran it as a feature. Hunniford is the face of Flora pro.activ, starring in all its television ads and pictured on the packaging of Flora pro.activ products. These two articles were linked together and as such, subtly reinforced the Flora campaign and their pro.activ products. Both pieces went into the monthly newsletter, which goes out to the 140,000 registered members of the site.

Hannan says: "The over 50s are not about to be easily sucked in by scaremongering or sensationalism. The Flora 'Check For Change' campaign is an example of successful marketing to this demographic. The campaign had solid research behind it and encouraged women to take charge of their health with a free cholesterol test, therefore offering a complete package for anyone concerned about the link between menopause and cholesterol."