

## BRIDGING THE AGING GAP: OPPORTUNITIES TO BETTER SERVE THE UNMET NEEDS OF OLDER CONSUMERS

Insights from the  
**Age of Majority Research Team**



### { The Aging Gap }

(noun)

The unmet needs that exist between current product and service offerings and the (currently ignored) functional and emotional needs of older adults.

age of majority

## Introduction

There are currently over 110 million adults ages 55+ in Canada and the US representing 30% of the population. By 2050 they will represent 36% of the population and a staggering 42% by 2100! The world is getting older, and it will continue to do so.

Yet despite their size and buying power, older adults are largely ignored or often stereotyped in marketing. With their needs changing as they get older, there is a great opportunity for organizations to develop products and services that solve for these unmet needs and to bridge gaps in understanding while driving significant incremental revenue.

## Key Takeaways

Despite older adults living longer, healthier and more vibrant lives, society's love affair with (the) youth continues and is often carried over into the business world. While a number of factors come into play, prevailing ageist stereotypes continue to drive negative perceptions and portray older adults in unrealistic and often demeaning ways.

The reality is that many companies prioritize targeting younger consumers, who have less disposable income but the potential to become customers for life, over older adults who have money now and are willing to spend it on products and services that meet their ever-changing needs.

Marketers would do well to divert some of their existing spend and resources from younger to older adults, who are craving attention by brands.

## METHODOLOGY

Age of Majority conducted research in March 2023 to better understand gaps in understanding older consumers.

Our survey sample consisted of 931 respondents, working adults aged 18+ employed across a large range of industries. Findings were compared to 2021 Consumer Expenditure Surveys, collected by the US Census Bureau for the Bureau of Labor Statistics. Population estimates data come from the United Nations World Population Prospects 2022.

## HIGHLIGHTS

- The business world highly overestimates the spending power of younger adults (particularly GenZ) while underestimating the longer-term opportunities and spending power of older adults.
- The potential for a higher lifetime value with younger consumers is offset by less brand loyalty and a greater likelihood of switching brands.
- While marketers admit older adults are often ignored, they express a desire to target them more effectively.
- Prevalent ageist stereotypes paint an unrealistic picture of older adults leading to them being ignored or portrayed in stereotypical, unrealistic, or non-inspirational ways.

## Detailed Findings

- Organizations are over-prioritizing younger consumers and under-prioritizing older consumers based on the actual spending power of these respective groups.

Individuals born between 1997 and 2012 are collectively labeled as Gen Z. Numbering close to 68 million people and representing over 20% of the total population, they are a large consumer group worthy of marketers' attention.

Despite the attention this group enjoys from companies, they account for less than 3% of all consumer spending\* which is in sharp contrast to the 24% (or nearly a quarter of all spending) that the business world believes they are responsible for. They also allocate an estimated 22% of their marketing resources to targeting Gen Z, likely based on the illusion of their higher spending power and potential.

In contrast, Baby Boomers, who are now between 59-77 years old, account for approximately 15 times the level of consumer spending of their Gen Z counterparts. Survey respondents estimated significantly lower spending levels and allocation of resources against older adults.

	% of Population (Statista, US Census data)	2021 Actual Consumer Spending (CE surveys, BLS)	Estimated Spending	Reported Resource Allocation
Gen Z	20.9%	2.8%	24.0%	22.0%
Boomers	20.6%	30.4%	15.0%	16.0%

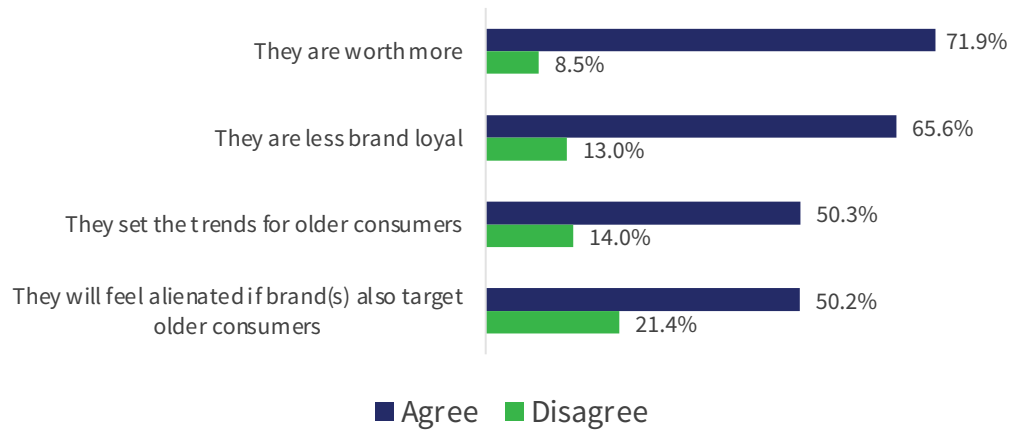
- Younger consumers may have greater lifetime value, however they are also less brand loyal and more likely to switch brands compared to older adults.

Given their sheer numbers and apparent long-term potential it is easy to see why businesses can “fall in love” with adults under the age of 35. Our survey findings provide other clues that may contribute to the over-investment in this group:

- **38.8%** believe marketers can relate more easily to younger consumers
- **28.3%** believe younger consumers are a better long-term opportunity
- **27.3%** believe younger consumers will be put off by targeting older ones
- **26.7%** believe younger people are cooler, sexier, more fun, etc.

Companies may argue that capturing younger customers now will lead to higher lifetime value based on keeping them as customers for life. This holds true if these consumers remain brand loyal, however younger adults are also more likely to switch brands (according to survey respondents).

**FIGURE 1. AGREEMENT WITH MYTHS ABOUT US CONSUMERS UNDER 35**



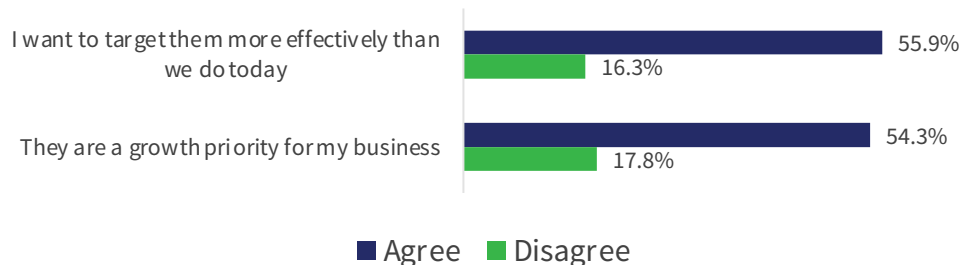
**I THINK MARKETERS DO NOT TRY TO PUT THEMSELVES IN THE SHOES OF PEOPLE 50+. THIS MAKES THEM OUT-OF-TOUCH WITH THEIR CONSUMERS.**

- SURVEY RESPONDENT

iii. Despite the fixation on younger consumers, there is an expressed desire to target older adults more effectively.

While marketers may see greater long-term growth opportunities in targeting younger consumers, they do view older consumers as a growth priority and have an interest in better targeting and marketing to them:

**FIGURE 2. ATTITUDES TOWARDS US CONSUMERS IN THE 50+ AGE GROUP**



Despite the view that older adults are a growth priority for many businesses, the reality is that less than 20% of resources are being allocated to targeting this large and valuable group of consumers. This suggests a lack of internal alignment on where the best and biggest growth priorities lie (or exist).

**SAVVY MARKETERS WILL ACKNOWLEDGE THAT OLDER CONSUMERS ARE DIFFERENT TODAY COMPARED TO PREVIOUS GENERATIONS AND HAVE FUNCTIONAL AND/OR EMOTIONAL NEEDS THAT ARE NOT BEING MET.**

iv. Ageist stereotypes make it difficult for marketers and businesses to effectively portray older adults and to engage and drive action with them.

The reality is ageist stereotypes that may have been at least partially true 20 or more years ago are no longer relevant (at least to the extent they once were). Yet our survey found the majority of respondents still believe these myths to be true with less than 20% of respondents disagreeing.

Ageist Stereotype:	% Agreeing	% Disagreeing
They are less digitally savvy or engaged than younger groups	59.3%	13.8%
They are more brand loyal (less likely to switch brands) than younger groups	53.3%	14.2%
They are unwilling to try new things	52.3%	19.4%
It is difficult to teach them new things	51.0%	17.4%
They are physically inactive or frail	50.1%	19.8%

## Conclusion

Your needs change as you get older, yet companies for the most part have not developed products and services that solve for those unmet needs. Companies that are able to do so will reap the benefits of tapping into the fastest growing group of consumers who have the spending power to significantly boost sales and profitability.

This over-investment in younger consumers, combined with the under-investment in older adults, is a major contributor to what we call an Aging Gap. Focusing a greater proportion of resources against older adults could garner significant and quick incremental revenue. This does not mean moving all resources away from younger consumers, but rather a reallocation more in line with the spending power and business opportunities tied to adults 55 and over.

If your organization believes there is a significant opportunity to drive business growth by targeting older adults, contact us or visit us online to learn how we can uncover unmet needs so you can make your products or services more usable, desirable and marketable to older adults.



FOR MORE INFORMATION

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