Chapter 16
Grey Power: Older Workers as Older Customers

S. Tempest, C. Barnatt, and C. Coupland

Abstract This chapter explores the increasing importance of “grey power” in the labour market and the marketplace. To fully understand grey market potential, companies need to develop an understanding of individual older customers and their broader social contexts in terms of both their varying immediate household compositions, and their intergenerational relationships. In this chapter we first challenge stereotypes and then introduce a model of older-person segmentation. The frame of analysis is then extended beyond the individual older customer in order to assess the range of “future households” in which the old will increasingly play a key role when purchasing decisions are being made. We provide a wealth/health segmentation for firms seeking to develop older customer strategies, and supplement this with a categorization of future households and the issues raised by intergenerational dynamics. This is then used to challenge false assumptions about older household compositions in the twenty-first century. In turn, this provides a segmentation of the old as workers and as customers in a variety of social contexts, which we hope offers some useful tools for companies seeking to capitalize on grey power now and into the future.

Introduction

In June 2007, YouTube asked 79-year-old web celebrity “Geriatric 1927” to provide the launch video for their UK website. A month later NASA set up a panel of retired engineers from its Lunar Module Reliability and Maintainability team to provide advice to current employees charged with returning a man to the moon by 2020. And, 2 months after that, on 23 September the US Department of Labor celebrated its fifth National Employ Older Workers Week. As demonstrated throughout this book, as population ageing continues to increase, so the “old” are increasingly being recognized as icons of consumer power, a source of key knowledge, and vital labour force participants.
This chapter explores the increasing importance of “grey power” initially in the labour market, but more significantly in the marketplace. In doing so it first challenges stereotypes and then reasserts a model of older-person segmentation of potential value to companies seeking to most successfully market their products and services. The frame of analysis is then further extended beyond the individual older customer in order to assess the range of “future households” in which the old will increasingly play a key role when purchasing decisions are being made.

Older Workers

As people live longer, rigid work retirement distinctions are becoming untenable. The Centre for Aging in London forecasts that there will be almost 700 million “elderly” people (age 65+) in the world by 2020 [12]. More people are also living to be centenarians. For example, in the USA there are 80,000 centenarians, with over 1 million forecast by 2050 [2]. Research into centenarian longevity suggests that if you have been healthy you live longer, and even amongst this very old cohort 30% have no significant deterioration in their thinking ability [2].

Widespread increases in longevity and in lifelong health necessitate a reappraisal of the work/retirement distinction and a revisiting of our stereotypes of older workers [14]. Older workers (those aged 50+) are sometimes perceived as unable to adapt to change, unable to learn new techniques and skills, and reluctant to embrace new technologies [4]. This can even become a self-fulfilling policy if older workers mentally and emotionally disengage from the workforce. Indeed, there is the danger that older people themselves internalize this socially constructed stereotyping and “discriminate against themselves” by not coming forward for training or promotion [10].

Governments are concerned about the low participation rates of older people in the workforce. This has manifested itself in concern about dependency ratios between the economically active and the economically inactive. Governments also have good reason to be concerned. Evidence suggests that many older workers are leaving the labour force on an involuntary basis. In Europe this has promoted a focus on equal opportunities and age discrimination legislation, as has been in place in the USA for many years. Companies too are becoming concerned about demographic changes, with a “war for talent” emerging as the proportion of younger people in the population in developed countries continues to fall. This has prompted debate about the optimal role and deployment of older workers. All this implies that there is a growing recognition that long-held stereotypes of older workers are unhelpful and increasingly redundant [14].

As a first step in challenging stereotypes, we would suggest a need to recognize the increasing diversity of older workers on the basis of both their wealth and their health. This concept is supported by an ongoing study by the US National Council on Aging that suggest that decisions about when to retire will in future be influenced primarily by accumulated savings and health decline [5]. Figure 16.1 illustrates our