The Elderly: *Still* The “Invisible and Forgotten” Market Segment

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For some time, researchers have noted that the number and proportion of individuals 65 years old and over have been steadily increasing. By the early part of the 21st century, it is expected that the proportion of older individuals will almost match that of younger individuals (0-19 years old) (U.S. Bureau of Census 1976). Explanations for these trends include better nutrition, improved living conditions, and medical advances for older individuals as well as a decline in the birth rate.

Despite these trends, the 65-and-over age group has received relatively little attention from consumer researchers and marketers when compared to other age groups (Bernhardt and Kinnear 1975; Block 1974; Waddell 1975). Most marketers have long assumed that the elderly market (defined here as individuals 65 years old and over) was not responsive or large enough to justify special attention (Allan 1981). Perhaps blind adherence to such assumptions has deterred marketers from aggressively pursuing the elderly market. For example, specialty clothing retailers have tried to meet the needs of the tall, the fat, and the short. But the unique clothing needs of the elderly have gone virtually unnoticed. Speculating why cosmetics manufacturers have neglected the elderly, Moroz (1979) of Compton Advertising said “No products were developed for the older market, and so none were sold — which led others to doubt that the market existed.” The same situation exists for many other product and service categories, such as groceries, drugs, banking, and travel (Annand 1975; Lambert 1979).
The purpose of this article is to show that the elderly — the “forgotten and invisible group” in our society (Berry 1972) — can be a viable market segment for many marketers. After defining the term “elderly,” the nature and size of the elderly market are discussed. Next, the article highlights various strategic actions in terms of product, price, place, promotion, and packaging that marketers can implement in order to meet the neglected needs of the elderly market. These actions not only contribute to the welfare of the elderly, but they are likely to be profitable for the marketers as well. Finally, some important issues in public policy oriented toward the elderly are identified.

THE ELDERLY MARKET — DEFINITION, SIZE, AND NATURE

Definition of the Elderly

Various researchers have identified the elderly market as over 45 (Schutz et al. 1979), over 49 (Bartos 1980; Edwards 1979), and over 65 (Towle and Martin 1975; Yep 1977). Others have utilized developmental or cognitive approaches (Barak and Schiffman 1980) to define the elderly. But no satisfactory method exists for systematically identifying older individuals (Atchley 1972). Therefore, one is forced to use chronological age as an operational definition.

Since most U.S. workers retire at the age of 65, this represents a reasonable lower age limit for defining the elderly market. With retirement, a number of changes occur, such as increased leisure time, loss of income, and perhaps social disengagement. These changes define what it is to be “elderly” in the U.S. more than chronological age. Hence, for purposes of this article, the elderly market will be defined as those individuals 65 years of age and over.

Size and Growth

In 1978, there were slightly more than 23 million individuals 65 years and over in the U.S. This represents about six million households. Also, the number of elderly persons has been growing steadily as a share of the U.S. population. From 1900 to 1975, the proportion of the population 65 years and over increased two and one-half times — 4.1 percent in 1900 to 10.5 percent in 1975 (See Table 1). By 1990, the Bureau of the Census projects the proportion of the U.S. population 65 years and over to be 11.7 percent.