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Silver Consumers and Their Shopping Specifics**

JEL Classification: M20

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Abstract: Seniors constitute large and constantly growing group of consumers. These „silver consumers“ form a potentially significant market segment for the near future. An ageing population has implications for pension policy, healthcare policy, but also market policy. In spite of the scope of senior’s group, little attention was paid to this segment from the retail industry in Slovakia, and more research to identify their shopping behaviour is required in order to suggest relevant actions.

Considering the need for understanding this market segment, the objective of our paper is to identify the specifics in shopping behaviour of the seniors market, with the emphasis on grocery products.

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** This paper is the output of the research grant VEGA 1/0612/12 „Determinants of level, structure and trends in individual consumption and consumer behaviour of seniors in the context of pricing and pension policy in SR“, funded by the Ministry of Education, Science, Research and Sport of the Slovak Republic.
Two main goals were stated as the key for our research: the identification of preference factors in the choice of a shopping place by seniors, and the factors influencing seniors decisions in grocery stores.

To explore views and opinions of silver consumers in relation to a preferred place of shopping, focus groups were created. Questions regarding the patterns of shopping, decision factors and motives were also raised. A total of 126 participants took part in the focus groups. Because the seniors are rather multidimensional and very complex segment, in order to indicate the key characteristics in the shopping behaviour of seniors, three age subgroupings in the large segment of seniors were formed: seniors aged 60-69, seniors aged 70-79, seniors aged 80+.

The principal purpose of the focus groups interviewing was to determine the factors affecting store choice and shopping behaviour of older people. Recommendations on how the retail industry could respond best to silver consumers were developed based on the empirical outcomes.

Introduction

One of the largest growing segments of the population are adults over 60-years old. They form a potentially significant market segment for the near future. According to the Office of National Statistics in Slovakia, this segment accounts for nearly a fifth (19%) of the Slovak population and is expected to grow in the next decade due to decreased fertility and increased longevity. An ageing population has implications for pension policy, healthcare policy, but also market policy. Silver consumers form a remarkable market for many products and services and have unique shopping habits. Even though a substantial part of the seniors are poor, they represent a market which is greater than the youth market, and which is more attractive for many firms.

In spite of the scope of senior’s group, little attention was paid to this segment from a retail industry in Slovakia and more research to identify their shopping behaviour is required in order to suggest relevant actions.

Older consumers are (because of age) more experienced, request more information about the products than younger customers do, and they have enough time to verify the obtained information. Their time spent on purchase decisions is longer in comparison with young buyers. Senior customers have different concerns, needs and desires to compare with younger people when they choose shopping places and stores. Such attributes as store location, low prices, smaller package sizes, staff courtesy or easy access to the stores, etc. cause satisfaction or dissatisfaction of older shoppers.
There is a tendency in practice to treat everyone over 60 years old as „a one-dimensional, monolithic market“, despite the literature and research on „the diversity and richness of the old age and seniors consumer behaviour“ (Moschis 2004).

With the successive age people become more diverse. As a result, within the large seniors market smaller subsegments (subgroupings) exist, requiring different marketing strategies. Responding to the dramatic demographic changes involves an understanding of the growing diversity within the older population (Moschis-Mathur 1993).

Older people have less in common with each other than younger people have with their peers, because they are no longer driven by the career, family formation and children. Neither do they live with the unifying influence of the global media and new technologies that create such commonality among younger generations. There are some characteristics of older consumers that differentiate them from the younger consumers. These include: tendency to risk avoidance, greater levels of store loyalty, prioritising functionality, convenience and simplicity of products. These characteristics have implications for retailers.

Moschis and Mathur (1993) have emphasised the importance of understanding the heterogeneous nature of the senior’s market. They note that more life experience results in a wider range of personality-shaping aspects that produce greater heterogeneity to compare with younger age segments. The complexity of this segment indicates that it may be more difficult to successfully target the whole 60+ segment than examining needs and preferences of smaller subgroupings within this segment.

Within the existing literature, there is agreement that low prices, attitudes of service staff, avoiding long queues at checking points and accessibility of products on shelves are particularly important to seniors shopping. It is also important for seniors that shopping places are clean and have easy access.

In the next sections, the importance of factors influencing seniors decision-making in selection of grocery shopping places is explored, based on the results of interviewing focus groups.

**Goals and Methods**

To communicate more effectively with older consumers, the retail industry needs to understand this segment. Considering the need for understanding this market segment, the purpose of our paper is to identify the shopping
requirements of the senior market. In order to serve seniors effectively, retailers need a clear understanding of the seniors need and want.

Two main goals were stated as the key for our paper: 1) the identification of preference factors in the choice of a shopping place for grocery products by seniors and 2) the selection of factors influencing seniors decisions in grocery stores. We raise questions: „what are the factors that influence seniors decisions for particular grocery store selection and what are the implications for retail management?“. 

Grocery shopping was chosen as the focus of the research for two reasons. Firstly, the role of grocery industry is extremely important, as food represents an essential component of health and well-being. Secondly, food expenditures represent one of the largest items in the seniors household budget. The development of the grocery retail industry has brought many store options for shoppers in terms of size, location, product range and customer services. In this context there is an essential question why seniors choose and prefer a certain store to others.

We are aware that age alone is not a fully significant factor in explaining the differences in shopping behaviour. However, what counts with age is decreasing family size and the different circumstances which people face in senior’s years. Also, such factors as multiple sources of income (pension, part-time work), health and mobility condition have significant influence on shopping behaviour.

To explore views and opinions of older consumers in relation to preferred place of shopping, focus groups were created. Questions regarding patterns of shopping were also raised. A total of 126 participants took part in the focus groups. Each focus group consisted of ten to fifteen participants. Interviews took place during February and March 2012.

In order to indicate the key characteristics in the shopping behaviour of seniors, three age subgroupings in the large segment of seniors were formed: seniors aged 60-69, seniors aged 70-79, seniors aged 80+.

The principle purpose of the focus groups interviewing was to determine factors affecting store choice and shopping behaviour of older people. Based on the empirical outcomes, recommendations were developed for the retail industry to respond best to the seniors needs.

The preference factors in store selection were measured by asking the respondents to indicate whether or not each of 13 factors was important to them for patronizing a specific store (see Table 1). They were asked to indicate as many factors as they needed. The factors were grouped into five categories representing the key policy areas of retailers: price policy, product policy, communication policy, staff policy and store access with
store characteristics. The percentage given in Table 1 is the proportion of the subsample indicating the particular factor.

**Results**

Customers may patronize stores for a number of reasons. Thirteen store choice attributes were explored in our research: price level, price discounts, quality of products, assortment structure, familiarity of brands, knowledge and courtesy of staff, products display in stores, location and access to stores, cleanliness in stores, advertising and peers influence to visit the store.

Some of the attributes have been reported in the literature: adequate access to and within the store, price-level, discomfort associated with queuing. Courtesy and behaviour of store staff are described in the literature also to be an important aspect.

Respondents were asked to indicate which of the 13 factors applies to their decision to select a certain store. Responses given by older shoppers (over 60 years) are summarised in Table 1 and Table 2.

The results show that the perception of the importance of the 13 factors in choosing stores changes with age, as indicated by our 3 subgroupings of seniors (Table 1). Younger seniors place highest importance among all subgroups on aspects of product policy and lowest importance on aspects of price policy. The aspects of brand familiarity or store location were considered less important for them, probably because they have the transport means to be flexible in store choice.

In generally, seniors aged between 70-79 years are price-sensitive, cautious, with high sensitivity for staff courtesy (highest value among all subgroupings). Large differences were identified between 60-69 age group and 70-79 age group in store access factors and communication policy.

The oldest seniors place in their store choice highest value to price and store access. Shoppers in this group were found often living alone, female, with a lower socio-economic status. As a result of restricted mobility and economic situation, these seniors would give up most aspects of store offerings to the „accessibility“ requirements and lowest possible prices. While they placed high emphasis on price aspects, it was secondary for them the breath of assortment or quality of products.
Table 1. Importance of factors in store selection by senior subsegments (%)

<table>
<thead>
<tr>
<th>Factors</th>
<th>Age subsegments</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>60-69 (n=62)</td>
<td>70-79</td>
<td>80+</td>
<td>Mean</td>
<td></td>
</tr>
<tr>
<td><strong>Price policy</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low prices</td>
<td>82,4</td>
<td>86,5</td>
<td>94,9</td>
<td>87,6</td>
<td></td>
</tr>
<tr>
<td>Price discounts</td>
<td>80,9</td>
<td>83,9</td>
<td>94,9</td>
<td>86,6</td>
<td></td>
</tr>
<tr>
<td><strong>Product policy</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High quality products</td>
<td>70,4</td>
<td>64,2</td>
<td>60,2</td>
<td>64,9</td>
<td></td>
</tr>
<tr>
<td>Broad assortment</td>
<td>66,9</td>
<td>62,5</td>
<td>40,2</td>
<td>56,5</td>
<td></td>
</tr>
<tr>
<td>Carry brands familiar to seniors</td>
<td>63,7</td>
<td>69,2</td>
<td>83,7</td>
<td>72,2</td>
<td></td>
</tr>
<tr>
<td><strong>Staff policy</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledgeable staff</td>
<td>67,4</td>
<td>66,6</td>
<td>69,1</td>
<td>67,7</td>
<td></td>
</tr>
<tr>
<td>Staff helpful, courteous</td>
<td>69,0</td>
<td>69,2</td>
<td>69,1</td>
<td>69,1</td>
<td></td>
</tr>
<tr>
<td><strong>Store characteristics</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Location near senior’s home</td>
<td>63,7</td>
<td>72,1</td>
<td>87,7</td>
<td>74,5</td>
<td></td>
</tr>
<tr>
<td>Easy access to entrance / exit</td>
<td>48,0</td>
<td>62,9</td>
<td>73,0</td>
<td>61,3</td>
<td></td>
</tr>
<tr>
<td>Products display in store</td>
<td>55,5</td>
<td>55,1</td>
<td>51,2</td>
<td>53,9</td>
<td></td>
</tr>
<tr>
<td>Cleanliness in store</td>
<td>46,4</td>
<td>47,2</td>
<td>44,6</td>
<td>46,0</td>
<td></td>
</tr>
<tr>
<td><strong>Communication policy</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td>50,3</td>
<td>35,1</td>
<td>30,5</td>
<td>38,6</td>
<td></td>
</tr>
<tr>
<td>Recommendation by same-age people</td>
<td>58,6</td>
<td>62,5</td>
<td>67,7</td>
<td>62,9</td>
<td></td>
</tr>
</tbody>
</table>

Source: own calculation.

Based on Dunn Test 4 groups of factors were indicated across all age sub-groups (Table 2):
- A (most relevant factors): low prices, price discounts, brands familiarity, location near one’s home
- B (very relevant factors): products quality, easy access to store, knowledge and courtesy of staff, recommendations by others to visit the store
- C (relevant factors): breadth of assortment, products display in store
- D (slightly relevant factors): advertising.

General results for the whole segment of seniors without differentiating into subsegments (Table 2) indicate that low prices were mentioned by nine in ten of seniors as a reason in their decision to patronize certain stores. Price proved to be the most important factor in buying decision in all subsegments. The same applies to price discounts.
Further, nearly three quarters of all senior respondents indicated that the location plays an important role to their decision to select a certain store. Location near the respondent’s residence is a highly influencing factor as well. More than two thirds of seniors in all subsegments indicated that their preference was motivated by the availability of familiar brands or items.

Table 2. Factors influencing store selection by seniors as a whole (%)

<table>
<thead>
<tr>
<th>Factors</th>
<th>Frequency</th>
<th>Mean of importance</th>
<th>Groups of factors</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Price policy</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low prices</td>
<td>126</td>
<td>87,6</td>
<td>x</td>
<td>p&lt;0,001</td>
</tr>
<tr>
<td>Price discounts</td>
<td>126</td>
<td>86,6</td>
<td>x</td>
<td>p&lt;0,001</td>
</tr>
<tr>
<td><strong>Product policy</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High quality products</td>
<td>126</td>
<td>64,9</td>
<td>x</td>
<td>p&lt;0,001</td>
</tr>
<tr>
<td>Broad assortment</td>
<td>126</td>
<td>56,5</td>
<td>x</td>
<td>p&lt;0,001</td>
</tr>
<tr>
<td>Carry brands familiar to seniors</td>
<td>126</td>
<td>72,2</td>
<td>x</td>
<td>p&lt;0,001</td>
</tr>
<tr>
<td><strong>Staff policy</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledgeable staff</td>
<td>126</td>
<td>67,7</td>
<td>x</td>
<td>p&gt;0,001</td>
</tr>
<tr>
<td>Staff helpful, courteous</td>
<td>126</td>
<td>69,1</td>
<td>x</td>
<td>p&gt;0,001</td>
</tr>
<tr>
<td><strong>Store characteristics</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Location near senior’s home</td>
<td>126</td>
<td>74,5</td>
<td>x</td>
<td>p&lt;0,001</td>
</tr>
<tr>
<td>Easy access to entrance / exit</td>
<td>126</td>
<td>61,3</td>
<td>x</td>
<td>p&lt;0,001</td>
</tr>
<tr>
<td>Products display in store</td>
<td>126</td>
<td>53,9</td>
<td>x</td>
<td>p&gt;0,001</td>
</tr>
<tr>
<td>Cleanliness in store</td>
<td>126</td>
<td>46,0</td>
<td>x</td>
<td>p&lt;0,001</td>
</tr>
<tr>
<td><strong>Communication policy</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td>126</td>
<td>38,6</td>
<td>x</td>
<td>p&lt;0,001</td>
</tr>
<tr>
<td>Recommendation by same-age people</td>
<td>126</td>
<td>62,9</td>
<td>x</td>
<td>p&lt;0,001</td>
</tr>
</tbody>
</table>

Source: own calculation.

There was a high level of agreement amongst respondents that sales staff is of importance to older customers.

The views and opinions presented by older shoppers should be of concern for the store managers and store staff, in order to satisfy effectively the needs and wants of seniors and to gain their loyalty.
Discussion

Staff policy

The staff was described as a very important determinant of the satisfactory shopping experience for older people.

Both two factors representing staff policy were considered important by about 66 to 69 per cent or more respondents (Table 1). A slightly larger percentage rated courteous and friendly staff higher than professional knowledge of the retail staff. Several respondents mentioned the quality of service received in the past by small specialist stores as a strength, and an opposite to non-personal type of store culture in recent years.

It is symptomatic that the courteous, friendly and helpful staff is considered equally important by all three subgroups. Today, the idea of relationship marketing deserves a lot of attention among retailers. A positive staff-customer relationship with senior consumer is a very strong preference motive, with evidence that this factor becomes more important with age.

Product policy

In the category of product policy, the importance of two factors declines with successive age: quality of products and assortment’s breath. On the contrary, brand familiarity shows an increase with age: a larger percentage of older seniors than younger seniors values their familiarity with brands.

A larger percentage of youngest subsegment (66,9 %), in comparison with 40,2% in oldest subsegment patronize stores because of their assortment. Seniors putting emphasis on assortment (60-69 years), expected the possibility of broader choice. Based on these results, we could conclude that the reasons for store choice that were considered important by the younger seniors show a bias towards product-related rather than store related attributes. Quality and broad assortment were highest-valued by the youngest age category (60-69). They consider product quality and product features as central issues.

Brands familiar to the shoppers are of greater importance to the oldest seniors, with 83,7%, reporting this factor to be relevant in their store preference decision, in comparison with 63,7% in the youngest subsegment.

Unexpected to our assumption, product quality was not rated as the highest priority and most important factor by more than one third of the respondents. The perceived importance of quality shows a slight decline with age.
During focus interviews, some other important product features have been mentioned by seniors. Small size of text on products has a consequence that seniors with eye and reading problems hardly acquire the desired information about prices and products attributes. Reading product and package labels can be a problem because of small print size. Seniors have also difficulties with differentiating colors of similar intensity. Pastels, as well as dark shades or combinations of green-blue colors could be particularly difficult. These changes should be taken into account in marketing decisions when developing packaging, product materials, advertising illustrations or store design.

Also package size seems to be too large for senior households. Family-size packages are not appropriate for older people both for their budget constrains, and the typical smaller food portions consumed by seniors. Hence, grocery stores should incorporate small packages popular by senior consumers into their merchandise offer.

### Store characteristics

With the successive age older seniors prefer to shop close to home and to have nearby bus routes. Lowering mobility with increasing age diminishes the preference of those retailers which are located in suburban parts and away from the heaviest concentrations of older consumers. Location near their home is an important preference motive for store choice especially for the oldest 80+ subsegment (87.7%).

Another factor of concern for older customers is easy access to store entrance. The access to the store is far more important to the oldest group than to the youngest senior group (73.0% vs 48.0%). Older respondents also indicated that they would welcome a place to sit and rest during their shopping in the grocery stores.

Approximately five in ten seniors across all three age groups indicated that products display in store is very important for them. Several interviews suggested that seniors find it difficult when the stores change their layout frequently.

Cleanliness in store was considered important by 44.6 - 47.2% between all respondents.

### Price policy

Older consumers are very price sensitive. Price was the most influential factor, central to the vast majority of seniors for their store choice decision. It was the highest rated factor in all age subsegments, with 82.4% in the...
youngest subsegment (60-69 years) and 94,9% in the oldest subsegment (80+ years).

Seniors are focused on price and actively seek out the products with the lowest possible price. They are prepared to travel a lot in order to get the minimal price. Price becomes increasingly important with age in late life.

**Communication policy**

Older people are heavier consumers of mass media, particularly radio and television, than other adult population segments. In spite of the fact that they use media as an important source of information, they are rather sceptical to media advertising, as our research has shown.

Five in ten youngest seniors (60-69), in comparison with only three in ten oldest seniors (80+), consider advertising as an important factor influencing their store selection. Word-of-mouth recommendation from the same-age peers is far more important than advertising in all senior age subgroups, with the highest level of importance in the subsegment aged over 80 years (67,7%).

Most of the respondents in our research indicated that they do not like to try new products or services. Older people have been shown to resist the purchase of new consumer items.

We found that elderly respondents interviewed would not buy foods advertised primarily for older people. It has to do with individually perceived age by seniors, which is lower than biological age. This psychological aspect can explain the limited market acceptance of food produced for the seniors. Product strategies appealing to all age segments have higher chances of success in developing positive responses from older consumers. In case that age is used as a main element in advertisements focused on older people, it should be applied with high sensitivity, featuring positive aspects of old age, such as experience, knowledge, etc.

**Conclusions**

Developing a better understanding of seniors is crucial for business success so that organizations can better appeal to this important segment. As people age, they become more diverse. More segments exist within the large seniors market, requiring different marketing strategies.

Although certain aspects of the store choice are common to all seniors, there are also differences in the degree of emphasis put on various factors by different subsegments of seniors. The shopping behaviour of older peo-
ple does not only differ from the behaviour of the younger people, it also varies by various subsegments. The research presented in our paper reveals differences in the way how seniors respond to various marketing stimuli. The knowledge of factors which are taken into account by seniors in their store selection is essential for retail management.

Seniors may patronize stores for a number of reasons. Following factors show significant increase in importance with age:

– The importance of store location in relation to senior’s home and easy access to store grow with age and become important factors for the choice of a certain store.

– Low prices and price discounts become increasingly important with subsequent age for oldest seniors.

– Finally, the influence of brands familiarity increases with age in late life.

On the other hand, three factors show decline in shopping behaviour and store choice with successive age: advertising influence, breath of sortiment and quality of products.

Our data provide evidence of the senior’s preference to shop in a store where staff is knowledgeable, polite and helpful. Price was rated as the most important factor across all subsegments. The „young“ old (60-69) place more emphasis on the quality of products and broad products assortment, while the „old“ old (80+) emphasize location aspects of shopping place and familiarity of brands in store. Because of the physical and other health problems of older population, stores should pay attention to the store layout and location. Reading various package and ingredient information apparently remains a problem for many older consumers. More attention also needs to be given by manufacturers and retailers to the needs of seniors in the area of package sizes that are too large for senior’s limited consumption.

Developing a better understanding of the senior consumers is crucial for retailers so that they can better respond to their needs and develop the loyalty of this constantly growing segment.

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