Minna Utriainen

MARKETING OF SERVICES WITH THE SILVER ECONOMY GENERATION

Thesis
June 2019
Abstract

This thesis is a marketing related thesis as a part of the larger Silver Economy Project.

For the first time in history, older people make up a proportionately larger portion of the population in total. The “baby boomers” are currently in their 50s, 60s and 70s and they create the silver economy. The older consumers are expected to spend 13.9 trillion euros annually by 2020. Additionally, it is claimed that baby boomers have reached their peak with income and consumption and they desire to be young.

The purpose of this thesis is to examine the most suitable marketing actions regarding services with the silver economy generation in Northern Savonia, Finland. Simultaneously, the aim was to examine the silver economy’s media consumption and service usage habits. In addition, the current theory was investigated and mirrored to the research results to evaluate their uniformity. The research implemented qualitative methodology by doing interviews with bypassers.

According to the research, the 50+ generation is not one larger homogeneous segment without specific desires. With the existing theory in addition to this research’s empirical study, the results were opposite from the presumptions. As people age, they start to develop individual demands, which in return creates challenges from a marketing point of view. This might make this generation the hardest one to manage marketing-wise.

Tämän opinnäytetyön tarkoitus on tutkia parhaiten sopivia palveluiden markkinointikeinoja koskien Silver Economy-ikäluokkaa Pohjois-Savossa, Suomessa. Samalla tarkoitus oli tutkia Silver Economy-ikäluokan median kulutusta sekä palveluiden käyttötapojia. Lisäksi opinnäytetyö tutki ja vertaili olemassa olevaa teoriaa ja tutkimustuloksia ja arvioi niiden yhdenmukaisuutta. Tutkimus suoritettiin kvalitatiivista metodia käyttäen haastattelemalla ohikulkijoita.

# CONTENTS

1  INTRODUCTION .................................................................................................................. 6
   1.1 Thesis objectives & research questions ............................................................... 7
   1.2 Structure of the thesis .......................................................................................... 7

2  THEORETICAL FRAMEWORK ......................................................................................... 8
   2.1 Marketing ............................................................................................................... 8
   2.2 Marketing process ................................................................................................ 9
   2.3 Understand the marketplace and customer needs and wants ........................... 9
   2.4 Designing a customer-driven marketing strategy ............................................. 10
   2.4.1 Segmentation and targeting .......................................................................... 10
   2.4.2 Target market selection .................................................................................. 11
   2.4.3 Effective segmentation ................................................................................... 12
   2.5 Value proposition: Positioning and differentiating ......................................... 12
   2.6 Construct an integrated marketing programme that delivers superior value .... 13
   2.7 Marketing mix ....................................................................................................... 13
   2.8 Build profitable relationships and create customer delight ............................. 15
   2.9 Capture value from customers to create profits and customer equity ............. 15
   2.10 Service Marketing ............................................................................................... 16
   2.11 E-marketing ........................................................................................................ 17
   2.12 Social media ....................................................................................................... 18
   2.13 E-segmentation .................................................................................................. 19
   2.14 Adoption process ................................................................................................ 19
   2.15 Buyer decision process ...................................................................................... 20
   2.16 Consumer buying behaviour .............................................................................. 22

3  THE SILVER ECONOMY ................................................................................................. 23
   3.1 Marketing to the ageing consumer ..................................................................... 25
   3.2 Segmenting ageing consumers ......................................................................... 27
   3.3 Silver Economy and technology ........................................................................ 28
   3.4 'Digitally excluded' silver economy .................................................................. 29

4  BEST PRACTICES ........................................................................................................... 30
   4.1 Segmenting older consumers with age ............................................................... 30
   4.2 Best practices cases ............................................................................................ 31
   4.2.1 ElderTreks ....................................................................................................... 31
   4.2.2 Viaggi Floreali ................................................................................................. 32
   4.2.3 Algarve Senior Living .................................................................................... 33
   4.3 Best practice discussion ...................................................................................... 33

5  QUALITATIVE RESEARCH – THE BYPASSER INTERVIEWS .................................. 34
   5.1 Research methodology ....................................................................................... 34
   5.2 Data collection ..................................................................................................... 35
   5.3 Research results .................................................................................................. 36
   5.3.1 50+ and digitality ............................................................................................ 37
   5.3.2 50+ and services ............................................................................................. 39
   5.3.3 50+ and information collection ...................................................................... 40
   5.3.4 Customer loyalty ............................................................................................. 41
   5.3.5 50+ and marketing .......................................................................................... 42
   5.4 Analysis of the research results ......................................................................... 44
   5.5 Inference of the results ....................................................................................... 45

6  DISCUSSION .................................................................................................................... 47
APPENDIXES

Appendix 1 Interview template
1 INTRODUCTION

The research was implemented as a commission to the larger Silver Economy project assigned by Karelia University of Applied Sciences. This research is part of core studies in the degree programme of International Business. This thesis is marketing related, and the purpose of this thesis is to examine the most suitable marketing actions regarding services with the silver economy generation in Northern Savonia, Finland. Simultaneously, the aim was to examine the silver economy's media consumption and service usage habits. The research consisted of a theoretical framework and implemented empirical research.

The research ensued the following research method. Firstly, the relevant theory was investigated in order to deeply understand marketing, service marketing and segmentation. Secondly, relevant theory related to older consumers' consumption habits, digitality, current marketing strategies and segmentation were investigated. Best practices were also viewed briefly. This was followed with the empirical study, implemented with a qualitative methodology. After viewing the results, these were analysed and discussed.

For the first time in history, older people are a proportionately larger portion of the world population in total. This is caused by increased life expectancy, declining fertility rates and the “baby boomers”, a generation born in between 1946 and 1964. The “baby boomers” currently are in their 50s, 60s and 70s, and they are known for the surprising period growth in fertility rates. In addition, baby boomers have reached their peaks regarding income and consumption. Jointly, these factors create a current theme, because of the meaning of 50+ generation marketing increases. Before, the purchasing power of older consumers has been underestimated, and companies have not realized the true potential in them. As today’s older generations live longer than ever before, they want to enjoy their life even though ageing affects the quality of our senses, cognitively to the quality of our mind and physically to our bodies. The longer older consumers live, the longer they are a market niche.
The research was implemented in Finland, both theoretically and empirically. The empirical interviews were implemented in Northern Savonia, Finland. The theoretical framework was utilized both from abroad with various sources, but also Finnish references were used.

1.1 Thesis objectives & research questions

The objective of the thesis is to discover the most effective marketing actions regarding services with the silver economy generation in Northern Savonia, Finland. Simultaneously, the aim was to examine the silver economy’s media consumption, service usage habits along with the current marketing actions. Ergo, it was hoped to examine different communication tools and what should be taken into consideration, as marketing would be implemented towards older consumers. The target was to discover from where older consumers retrieve their information and what were their reasons for choosing a specific service provider. The research tries to identify the most suitable marketing tools regarding service marketing to the 50+ generation.

1.2 Structure of the thesis

The thesis theoretical framework is divided into two subcategories: to describe marketing in general as a communication tool and to take a closer look at the silver economy. A general marketing process was introduced with five vital steps. It is crucial for marketers to understand their marketplaces and their characteristics. After this, a marketing strategy can be designed. As segmentation and targeting were some of the most important elements of this research, those subjects were covered thoroughly with both theoretical parts. Also, the marketing mix with both 4 and 7 Ps was covered, as the thesis focuses on marketing services as well. In order to understand the 50+ generation’s digitality, it was crucial to investigate e-marketing and social media. Additionally, the general consumer behavior was presented. In the second part of the theoretical framework, the Silver Economy, marketing to the silver economy and segmenting
were covered. Also, digitality had to be taken into consideration, as it was part of the research questions. Best practices brought a certain angle of views from implemented well-detected practices from cases abroad. The empirical part of the research was implemented with a qualitative methodology. The interviews were executed as semi-structured interviews, to which 23 answers were collected with a coincidental sample from by-passers aged over 50. The results of the gained research are presented. After this comes an analysis and discussion, and eventually an inferences were made. Lastly, conclusions offer the main findings and future research ideas.

2 THEORETICAL FRAMEWORK

The theoretical framework is divided into two main sections: marketing in general and focusing on the silver economy. The first part provides the most relevant theories regarding marketing and consumer behavior. The second part familiarizes the silver economy as a generation. This part also tries to identify the suitable marketing to the ageing consumers, and the style to segment them.

2.1 Marketing

The idea of marketing is to attract new customers with the promise of value in the product and managing existing customers by providing satisfaction. Companies and organizations use marketing as a way to inform other enterprises and customers about their products or services. Marketing is defined as “The process by which companies create value for customers and build strong customer relationships to capture value from customers in return.” (Kotler, Armstrong, Harris & Piercy 2013, 4-5). As previously mentioned, marketing is about developing interactive companionship between parties. Marketing targets creating value for consumers, who in return capture value for example in the form of sales, profits and long-term equity. (Kotler, Armstrong, Harris & Piercy 2013, 4-5.)
2.2 Marketing process

As seen in Figure 1, a simple model of the marketing process includes five steps. These five steps are explained in the following chapters.

Figure 1. A simple model of the marketing process (Source: Kotler, Armstrong, Harris & Piercy 2013, 5).

2.3 Understand the marketplace and customer needs and wants

A simple model of the marketing process starts with understanding the marketplace and customer needs and wants. This state examines five core concepts: ““- (1) needs, wants and demands; (2) market offerings (products, services and experiences); (3) value and satisfaction; (4) exchanges and relationships; and (5) markets.” (Kotler et al. 2013, 6.)

A need is a feeling of lacking a necessity, while a want is only a culturally or personally transformed “need”. Demand, on the other hand, is originally a want but transforms to demand after added buying power. To fulfil a need, want or demand there are market offerings available on the market for customers in forms of products, services, information or experiences. When pre-purchasing from market offerings, the consumer determines either they get satisfaction and value from it and decide appropriate offering for them. As an outcome, a consumer will eventually purchase a market offering, which results in exchanging and in hope of building a long-term relationship. Eventually, this chain of events with possible buyers creates a market. (Kotler et al. 2013, 6-7.)
2.4  Designing a customer-driven marketing strategy

To build an effective and strong marketing strategy a company must first select its target market by dividing the market into segments. Dividing the market into segments is segmentation. Secondly, the company must determine its value proposition by positioning and differentiating itself from rivals by creating value for itself. (Kotler et al. 2013, 8-12.)

2.4.1  Segmentation and targeting

Segmentation occurs when companies search their target market by filtering a vast heterogeneous market into smaller, more homogenous sections; this is called target marketing (Solomon, Marshall, Stuart, Barnes & Mitchell 2013, 223). Through segmentation, companies are trying to reach the segment more effectively with marketing. As “customers place greater value on different product/service configurations than it costs to create this variety”, there simply is logic in segmentation (Dowling 2004, 171). Before strategizing, it is a company’s or organization’s supplier’s job to determine whether the segments composed are of a big enough population to be operational with in order to deserve the additional costs segmentation will cause. Few features can be used in segmenting. The first is price discrimination, in which the price can vary between segments. Secondly, there must be a different kind of demand for the product or service with different segments, meaning that distinct segments should react differently to the price changes. Thirdly, the cost of segmenting the markets is lower than the gain of doing it. The product differentiation approach differentiates the product into a modified product that varies between segments. This approach must be considered thoroughly. (Martins, Yusuf & Swanson 2012, 12.)

Segmentation can be done with various styles; however, there are filters that can narrow the audience. (Albaum & Duerr 2011, 268). The heterogeneous market can be divided into segments with geographic factors such as: world region or country, country region, city or metropolitan size (population), density and climatic zones. Geographic factors usually rule out a vast mass of people, as companies
tend to choose smaller areas at one time. However, e-marketing enables marketing done also in the macro environment and allows reaching any Internet user. (Dann & Dann 2011, 80-81.)

The second filter consists of demographic factors such as; age, gender, family size, family life cycle, income, occupation, education, religion, race, generation and nationality. According to Kotler et al., demographic factors are the most effective factors with filtering, as these traits are the easiest to measure from all factors (2013, 206-209). The third filter is psychographic factors, such as social class, lifestyle and personality (Kotler et al. 2013, 209). The fourth filter is behavioral factors, such as occasions, benefits, user status, user rates, loyalty status, readiness stage and attitude toward the product. (Kotler et al. 2013, 209-211).

In addition to the mentioned filters, Dowling suggests that there are three more segmentation types: strategic perspective, broad product-markets and tactical. Strategic perspective focuses on competitive advantage and the competitive industry as well as broad types of products or services to supply. The broad product-markets focus is on types of products and services that are offered in certain markets. Tactical segmentation style’s idea is to create a value approach to the customer through marketing by offering value, calculating the value of a company’s benefits, communicating value as integrated marketing communication, delivering value by making an offer, capturing the value with pricing and servicing the value through customer service. (Dowling 2004, 10, 170.)

### 2.4.2 Target market selection

After recognizing and evaluating the segments, suitable segments must be selected for market entry. Kotler, Roberto and Lee suggest three approaches, which are: undifferentiated marketing, differentiated marketing and concentrated marketing. Undifferentiated marketing, also known as mass marketing, means using the same strategy with all segments, focusing mainly on common needs
instead of different needs. Differentiated marketing is focusing on separate segments with specific strategies. This approach is more expensive than undifferentiated marketing. Concentrated marketing focuses only on a few key segments that are eliminated. (Kotler, Roberto & Lee 2002, 128-129.)

2.4.3 Effective segmentation

Kotler, Armstrong, Harris and Piercy suggests five requirements for effective segmentation. In order to segmentation to be useful, market segments must be measurable, accessible, substantial, differentiable and actionable. Market segments must be measured by size, purchasing power and profiles in order to be effective. Once these indicators are aware, the market segments must be reached and served easily. The market segment must be substantial or profitable in order to profit enough from a tailored marketing plan. The market segment must be worth all the work behind the sales. The fourth requirement is to be differentiable, which is precise segmenting and the segment must respond distinguishably to the different elements of the marketing mix. Lastly, the segmentation must be actionable that the targeted segment can answer and action. (Kotler et al. 2013, 213.)

2.5 Value proposition: Positioning and differentiating

A company’s value proposition forms through positioning and differentiating, which means that a certain company/brand has something different from rivals and offers a set of benefits with its products or services. The value proposition is essential to discover as it might set the opinion in consumers’ heads and guide them into a buying decision. Creating value proposition, positioning and differentiating helps to design the advantage of one brand over another. (Kotler et al. 2013, 9). “Positioning means developing a marketing strategy aimed at influencing how a particular market segment perceives a good or service in comparison to the competition,” indicates Solomon, Marshall, Stuart, Barnes and Mitchell (2013, 238) about positioning.
2.6 Construct an integrated marketing programme that delivers superior value

All the mentioned actions including segmentation and positioning define a company’s integrated marketing plan. In this stage, the plan will be put into implementation, and the target is to create the desired value for customers in order to make a sale. Before implementing the plan, marketing mix tools are classified; these are: product, price, place and promotion. The marketing mix is also known as the four Ps of marketing. (Kotler et al. 2013, 12.)

2.7 Marketing mix

Marketing is one part of the four Ps, which includes: Product or service, Price, Promotion and Place. The marketing mix is the company’s way to specify its feasible stage of the process, right after it has decided on its marketing strategy. As seen in Figure 2 there are four main elements that all affect the intended positioning and are targeted at the target customers. The product and services show the variety of goods a company is offering. The product has an impact on consumers with the following qualities; variety, quality, design, features, brand name, packaging and services. Price’s function is to set a specific amount of money for a product in return to make the purchase. A certain type of good can be negotiated and tailored for a certain customer. Discounts, allowances, payment periods and credit terms help to make the buying decision. Place designates the activities a company makes to deliver the good to the end consumer, such as channels, coverage, locations, inventory, transportation and logistics. The last part of the marketing mix is promotion, which signifies the actions in order to persuade the customer to purchase the company’s goods. Promotional acts such as advertising, personal selling, sales promotion and public relations targets affect customers’ decisions. (Kotler et al. 2013, 53.)

Solomon, Marshall, Stuart, Barnes and Mitchell suggests the AIDA model, which targets to communicate. AIDA means getting the attention, sustaining the interest, creating desire and resulting in action. (Solomon, Marshall, Stuart,
Barnes and Mitchell 2013, 444). The same model applies also in e-marketing (Dann & Dann 2011, 189-190).

In addition to the mentioned promotional tools, direct marketing can be added to this list, forming the promotion mix or marketing communications mix (Kotler et al. 2013, 418-419). These tools are used to communicate with customers (Solomon, Marshall, Stuart, Barnes & Mitchell 2013, 423).

Figure 2. The four Ps of the marketing mix (Source: Kotler et al. 2013, 53).
2.8 Build profitable relationships and create customer delight

Customer relationship management (CRM) is a concept that manages detailed information about individual customers through tailoring targets to create customer loyalty. CRM “- - is the overall process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction,” (Kotler et al. 2013, 13). According to Kotler et al. by delivering superior customer value and satisfaction the “satisfied customers are more likely to be loyal customers and give the company a larger share of their business” (2013, 13).

Customer value creation is challenging because of the vast set of products available, which is why companies can offer customer-perceived value. Customer-perceived value is customers’ own evaluation of the difference between the offerings of competing brands. Customer-perceived value varies among customers from bundle offers to price reduction sales. (Kotler et al. 2013, 13.)

Customer satisfaction also varies between customers, as customer satisfaction is customers’ personal expected performance of the product. It is researched that higher customer satisfaction has led to higher customer loyalty, which is already a reason for companies better their performance. Delivering beyond expectations creates customer loyalty; moreover, customers are delighted and in addition to repurchasing, they spread the recommendation word. (Kotler et al. 2013, 13.)

2.9 Capture value from customers to create profits and customer equity

To create profit, a company must make a sale. To make the sale, a company must create superior customer value and preservation. To reach these, a company must create customer loyalty. Nowadays, brand loyalty is not the customers’ main priority. Because of the economic recession in the early 2008, people prioritize lower prices over brands even though that decision would be less convenient (Business Wire, 2010). This is why companies also have to
reform their value propositions along with people and changing markets. According to Kotler et al., it is five times cheaper to keep an old customer than to obtain a new one (2013, 19). That is why the focus should be on customer lifetime value. Customer lifetime value means the entire stream of products that a customer would make over a lifetime as a customer base/clientele. Moreover, companies should target customer equity, which is the total of the customer lifetime values of current and potential customers. Customer equity equals loyalty. (Kotler et al. 2013, 19-21.)

2.10 Service Marketing

Services are intangible acts, efforts or performances that customers purchase from the service provider without ownership rights. Services have four characteristics: intangibility, perishability, variability and inseparability. Because of the intangibility characteristic of a certain service, it is more difficult for the customer to evaluate a prospective service. Because of the unawareness, marketers must ensure and assure customers by for example publishing pictures of the service, its phases, the facility, logo, websites, etc. As a service is intangible, it is not possible to store it, which makes it perishable. By reducing the perishability, marketers can reduce the prices to increase the demand to fill in otherwise empty time slots. Variability is a characteristic that varies between customers and service providers. A service cannot be standardized; this is why it is different every time. When variability changes all the time, inseparability does not. Inseparability means that purchased service takes place when and where the service provider performs it. It is not possible to separate the production of service from its consumption. (Solomon, Marshall, Stuart, Barnes and Mitchell 2013, 344-348). The same characteristics apply also in e-services. Moreover, the most significant benefits with e-services are improved consistency, greater consumer empowerment and the customer’s independence of place and time. (Dann & Dann 2011, 226-229.)

As seen in Section 2.7, there are four Ps of the marketing mix. However, with intangible services the marketing mix expands to 7 Ps; people, process and
physical evidence (Appannaiah, Reddy, Raghavan & Gopala Krishna 2010, 77). Services are directly linked to people, as people deliver the service. Hence, people’s motivation and passion towards their pursuing service is crucial for the quality of the work. It is also important to recruit the right people and train them, and most importantly, train them brand’s values (Dann & Dann 2011, 186-187). In order for people to deliver a valuable service, there exists a process that includes the procedures, mechanisms and routines by the provider. The processes fluency and seamless influences the customer’s received experience, also with online processes (Dann & Dann 2011, 192-194). Physical evidence relates to the environment and beforehand gained cues about the service. Physical evidence is anything that gives cues about the service provider to customers, such as brochure, logo, venue, website etcetera (Solomon, Marshall, Stuart, Barnes & Mitchell 2013, 352-353). With online marketing, physical evidence is digital, such as privacy policy, guarantees, refund policies etcetera (Chaffey & Smith 2013, 90-91).

2.11 E-marketing

“Online advertising is increasing rapidly, and worldwide expenditures were estimated at $26.4 billion in 2009” (Albaum & Duerr 2011, 47). “E-marketing is any type of marketing activity that needs some form of interactive technology for its implementation.” E-marketing is an umbrella term for any kind of marketing used for online delivered marketing. The idea of e-marketing is to get to close to the customer, collect data of them and to maintain a dialogue with them. (Chaffey & Smith 2013, 15). Because the Internet is a vital part of the product’s / service’s research process, the consumer spends more time researching goods online. The Internet can be the first place to look for information about goods, which is why correct e-marketing can be also very effective (Chaffey & Ellis-Chadwick 2016, 72-73). Word-of-mouth online marketing can be stimulated, and it is said that if a customer has a positive experience of product or service, they will tell twelve people about it, and if it did not meet the expectations, they will tell even double the number. (Chaffey & Ellis-Chadwick 2016, 538).
According to Dann and Dann, there are three forms of interactive marketing; marketing over IP, interactive marketing and mobile marketing (Dann & Dann 2011, 4-6). Marketing over Internet protocol, also known as MOIP, is any kind of marketing that is implemented over the Internet and requires an Internet connection. On the contrary, interactive marketing is the opposite of MOIP, as it is a non-Internet nor non-mobile interactive system. Interactive marketing can be for example: CD, DVD, iPod, USB stick, etc. Additionally, interactive ads (banners) take the clicker to destination site easily. Usually, in destination sites, there is a possibility to order opt-in email which usually is for example e-newsletter or campaign. This tool is considered a powerful communication tool; however, careful measures need to be taken into consideration to avoid intense spamming. Email marketing is a relatively low cost of fulfilment versus direct mail. (Chaffey & Smith 2013, 454-455.)

The last form of e-marketing is mobile marketing, which utilizes wireless access, Bluetooth connection, multimedia messaging (MMS) and short messaging system (SSM). Even though nowadays the Internet can be reached over the phone almost any time and everywhere, there is a line between mobile marketing and MOIP (Dann & Dann 2011, 4-6.) On top of this, companies must ensure consumers’ privacy (Albaum & Duerr 2011, 44).

2.12 Social media

Social media is an interconnection between users, content and communication technologies (Dann & Dann 2011, 344). Social media is described as ‘social’ because the core idea is to encourage users to participate, interact and to share. Users can participate and interact through sharing opinions, news, posts, pictures, videos, and so on (Chaffey & Smith 2013, 214). Social media marketing functions on the company’s behalf through monitoring and facilitating customer interaction and participation. The participation’s idea is to encourage positive engagement with the company’s website, social networks or third-party sites. (Chaffey & Ellis-Chadwick 2016, 528.)
2.13 E-segmentation

The idea of doing segmentation with e-marketing is similar to other marketing, this can be found in Section 2.4.1. According to Dann & Dann, e-marketing can be divided into specific segments with five filters: usage patterns, internet experience, familiarity, audience match and technical demography. (Dann & Dann 2011, 80-82.)

Usage patterns refer to, for example, consumer’s usage of different websites. In addition to visited websites, the frequency of the usage and the duration on a website can be segmented. By Internet experience, the segmentation can be implemented through the length of time the user has been online, experience with the Internet and whether they feel natural on the Internet. Familiarity describes the depth of knowledge with the brand, product, service or Internet offering. Familiarity is linked to a self-imposed recall, product category and truthful response about Internet-knowledge. Audience match signifies the matching convenience the product offers to the consumer. Audience match can be boosted with value creation for users. The last segmenting filter is technical demography; segmenting the consumer based on their technology. Usually, this information is collected via software publishing companies, and those can also be drawn from website logs. (Dann & Dann 2011, 80-82.)

2.14 Adoption process

The adoption process is the mental process that goes on in individuals from first hearing about an innovation to adoption. In the adoption process, individuals make a decision about adoption by first evaluating an new innovation. Kotler et al. suggest five stages in the adoption process: awareness of the innovation, generating the interest, evaluating the innovation, trialling it, and finally adopting it (2013, 164). According to Dann and Dann, there are five different types of adopters with Internet users: innovators, early adopters, early majority, late majority and laggards (Dann & Dann 2011, 128-136). The same theory applies to offline buyers (Kotler et al. 2013, 164-165).
Innovators like to try new things and are also ready to take risks when it comes to trying new products. They are characterized as venturesome and they are used to trying new inventions even though it might end with failure. Innovators cover only 2.5 per cent of all audience.

Early adopters are seen as socially respected leaders of the pack because they form others’ opinions. Early adopters have a sense of even complex innovations because of their above-average intelligence and their education. Early adopters cover 12.5 per cent of the pack, which means that they have to differentiate themselves in regards to keeping their social status.

The early majority group represents the segment who adopt the idea when it is not new anymore but is still seen as worth a try. The early majority is described as ‘security over uncertainty’, and they are calculating their decisions before purchasing. The early majority covers 34 per cent of the pack, which makes them financially valued and a sheer volume.

The late majority are “late” usually because of the product, not because of their personality. They take careful consideration with new ideas and expenditure and are sceptical with innovations. Which is why they purchase only if they have to. They are reserved; however, they cover 34 per cent of the pack.

Last adopters are laggards are cautious and wait until the product is developed to their high standards. Laggards are traditional and like to stick with their long-term products, making them loyal to a brand. Laggards make up 16 per cent of the pack. (Dann & Dann 2011, 128-136; Kotler et al. 2013, 164-165.)

2.15 Buyer decision process

As seen in Figure 3, the buyer decision process starts from the need recognition, guiding to the information search and evaluation of the alternatives, and leading finally to a purchase decision and post-purchase behaviour. It is suggested that
with routine purchasing, some consumers skip or reverse some of the mentioned stages. (Kotler et al. 161-163.)

Figure 3. Buyer decision process (Source: Kotler et al. 2013, 161).

Need recognition arises from a problem or a need; a need can be also triggered with persons’ personal internal stimuli such as thirst, or by external stimuli like advertising. An information search begins when an already interested consumer starts to look for information either actively or passively. The interest can also rest and stay passive in the back of a person’s mind. The information search can happen through personal sources such as family and friends, commercial sources as advertising and dealer websites, public sources as media and Internet search and experiential sources as examining or using the product. Kotler et al. have also examined that word of mouth is one of the biggest influences when forming an opinion. (Kotler et al. 162). User-generated content like forums, blogs, online review sites and social media sites have three times more influence with purchase decision than other more traditional marketing methods. The evaluation of alternatives depends on the nature of the product or service because there is not an evaluation process that all consumers would implement with different product categories. With precise category consumers use different evaluation than with other categories when evaluating brands.

After received knowledge, consumer forms purchasing intentions; however, there are two affecting factors afore actual purchase decision. After intending to purchase, others’ attitudes might affect to the decision. Additionally, unexpected situational factors might arise, such as surprising expenses or economic turn. Solomon, Marshall, Stuart, Barnes and Mitchell suggest that consumers often rely on ‘heuristics’, which guide their final decision-making process, such as high price equals higher quality. (Solomon, Marshall, Stuart, Barnes and Mitchell 2013, 152-159). The idea of post-purchase behaviour is with meeting the consumers’ expectations and setting out only the qualities that the brand and the product can achieve. As mentioned, negative word of mouth or online review site evaluation
can have an effect on someone’s purchasing interests. (Kotler et al. 2013, 161-163.) According to Chaffey and Smith, the online buying process follows a similar process with problem recognition, information search, evaluation and separately added decision, action and post-sale. Decision stage describes the decision consumers have made considering a certain product, and by this stage, everything should be made simple for the consumer in order to action with the purchase. (Chaffey & Smith 2013, 182-183.)

2.16 Consumer buying behaviour

It is suggested that some characteristics affect consumer behaviours, including factors, involving culture, subculture and social class. Also, social factors affect consumer behaviour, such as social networks (word of mouth for instance), family and status. Personal factors such as age, stage of a life cycle, occupation, economic situation, lifestyle and personality have an effect upon consuming habits. Additionally, psychological factors like motivation, perception, beliefs and attitudes shape our consumer behaviour. (Kotler et al. 2013, 146-159.)

Dholakia suggests differences in consuming habit enjoyment and motivation regarding the consumer’s sex. The shopping experience is more likely pleasant for women because they enjoy the purchased product and also from the shopping, experience itself. Furthermore, men are greater users of online shopping, when women might find online shopping risky. According to a study performed in the United States, shopping motivations also differ between sexes. This occurs because of different kinds of self-perceptions, as men’s self-perception is more independent and women’s view is more interdependent. In addition, men have a greater interest in information searches and convenience, while women seek more uniqueness, social interaction and like to do the browsing. (Dholakia 2012, 79.)
3 The Silver Economy

There are multiple terms used when talking about the silver economy, although there is not only one defined universal term. The silver economy is an economic opportunity arising along with the ageing over 50-year-old population's specific needs. Furthermore, older consumers are expected to spend 13.9 trillion euros annually by 2020. (Arensberg 2018, 2). Additionally, it is claimed that baby boomers have reached their peak with income and consumption. For the first time in history, older people are a proportionately larger portion of the population in total in the world. (United Nations Population Fund 2012). Vigolo proposes three main reasons for population ageing phenomenon; “- (1) increased life expectancy, (2) declining fertility rates, and (3) a “temporary blip” known as the ‘baby boom’.“ (Vigolo 2017, 3). Life expectancy means an average number of years that people are expected to live, which also can be interpreted as a measurement of the quality of life. The life expectancy has increased because of the improvements such as in nutrition, health care, education and economic well-being. As seen in Figure 4, the portion over 64-year-olds has increased over the years. It is also estimated that it will increase from 1985s 6% to 2050s 16% of the total world population. This also affects the 0-14 year-olds as a decrease from their part. (Martins, Yusuf & Swanson 2012, 170). The declining fertility rates refer to the weakened birth rate, which accelerates the population ageing. The baby boomers are a generation born between 1946 to 1964 who are currently in their 50s, 60s and 70s. (Solomon, Marshall, Stuart, Barnes & Mitchell 2013, 226). Baby boomers are known as a period of surprising growth in fertility rates (Vigolo 2017, 3-5).
Martins, Yusuf and Swanson claim that baby boomers have reached their peak with income and consumption. Moreover, most of the baby boomers will reach their retirement age in the next two decades. (Martins, Yusuf & Swanson 2012, 95). Solomon, Marshall, Stuart, Barnes and Mitchell claim that baby boomers are the generation having the most money without forgetting their drive to be young. “Boomers are willing to invest significant money, time and energy to maintain their youthful image - .” This segment is also known as “silver” or “grey” market/economy. (Solomon et al. 2013, 226-227). It is claimed that when baby boomers will reach their peak on earnings along with spending years, they continue on creating “a lucrative market” also with services. A study has shown that current baby boomers see themselves 12 years younger than they actually are; in general, they like to “think young”. The more active boomers are called “zoomers” as they are very eager to welcome a new phase in their lives. (Kotler et al. 2013, 80). According to Beisgen and Crouch Kraitchman, in 2002 the silver economy market was controlling more than 50% of the total discretionary incomes in the United States of America. (Beisgen & Crouch Kraitchman 2002, 35). Which all proves that there is a niche for the silver economy and they also have money to spend if the correct way of marketing is invented.
3.1 Marketing to the ageing consumer

Stroud and Walker suggest, “Age-neutral positioning with age-friendly customer experiences is the marketing approach best suited to the future demographic profile of customers.” (Stroud & Walker 2013, 156). The following chapter will explain suggested marketing strategies for older consumers.

Figure 5 represents Stroud and Walker’s age/marketing matrix, which focuses on four main ways to do marketing with ageing consumers, considering both specific and neutral strategies of marketing and products. A most specific strategy is silo marketing, which targets specifically older consumers with product design and age customized marketing. Retirement housing or medical care are typical silo marketing examples. Silo marketing is considered the most common form of marketing with older consumers. Diametrically opposite is neutral marketing, which is not an age-specific strategy. With this strategy, the product and service range is larger than in a silo. Neutral marketing is age-neutral and because of it, it does not effectively reach targeted ageing consumers. Travel services and cars are good examples of neutral marketing. Targeted marketing is neutral product wise but more specific with marketing, like age-related discounts. Both the marketing campaign and the product are modified for the user in selected marketing. Examples with selected marketing can be health-related products such as something linked to cholesterol reduction. (Stroud & Walker 2013, 11-12.)

![Figure 5. The age/marketing matrix (Source: Stroud & Walker 2013, 11-12).](image-url)
According to Stroud and Walker: “- - there is a need for a tool that enables individuals with limited training to conduct assessments of age-friendliness that results in an accurate, clear, actionable roadmap to improve the appeal of a brand or business to its older customers.” (Stroud & Walker 2013, 159). In order to turn business into more age-friendly, the process must follow seven key criteria: comprehensive, flexible, holistic, consistent, comparable, affordable and actionable.

1. Comprehensive: The process must include physiological ageing effects and all common touch points which both influences consumer behaviour.
2. Flexible: The process should be flexible enough to transform with all types of products and services.
3. Holistic: Holistic approach must be used in all of the departments in order for age-friendliness to become a success. Also, all of these criteria must be in line together to achieve the set goal.
4. Consistent: This criterion encourages using objective measures for consistent results. In order to ensure a consistent and accurate evaluation, the subjectivity must be minimized.
5. Comparable: By comparability, the development towards age-friendliness can be measured among competitors yet also internally.
6. Affordable: This criterion suggests minimizing the expenses when conducting tests competently and accurately. The idea is to apply this criterion universally.
7. Actionable: Eventually, the process must be understandable and put into action by business leaders. (Stroud & Walker 2013, 157-160.)

According to Kohlbacher and Herstatt’s publication, previous research implemented in Japan observed that by defining and understanding the market the suitable innovation strategy can be applied. This varies case by case. The same study identified different strategies at silver markets: (1) innovation strategies that develop and promote products and services focusing to older consumers (unique solutions); (2) innovation strategies that aim at adapting products and services focusing to older consumers (extended solutions); (3) innovation strategies that develops age-neutral products and services but try to
offer value to older consumers and also try to intrigue younger customers (universal solutions). (Kohlbacher & Herstatt 2011, 4.)

3.2 Segmenting ageing consumers

The segmentation with ageing consumers is contradictory as some claim that the best approach is to segment with age, while others think that age-friendly segmenting should be done by the nature of the products. However, older consumers are highly heterogeneous with their consuming habits and distinct themselves as they age. (Moschis, Lee, Mathur & Strautman 2000, 6 & 12.)

According to Sonkin, Petäjäkoski-Hult, Rönkä and Sodergård’s publication, Jean-Paul Treguer segmented markets according to their age as follows: 50-60-year-olds as “Masters”, 60-70-year-olds as “Liberals”, 75-85-year-olds as “Retirees” and over 85-year-olds as “Seniors”. “Masters” enjoy the golden era as children may have moved out, incomes are the highest and debts are paid. “Liberals” find their freedom from children, work, stress and the “new life” begins. “Retirees” might get lonely at times and they are starting to have some health problems. Companies have not prepared anything for “Seniors”. Additionally, he adds that people begin to differ as they age. He suggests five main criteria with segmenting: age, health, money, activity and consumable time. (Sonkin, Petäjäkoski-Hult, Rönkä & Sodergård 2000, 91.) Kohlbacher and Herstatt claim that segmenting with age is not adequate enough. Also, all the population of over 50-year-olds should not be segmented into one segment; instead focus should be on consumer preferences. (Kohlbacher & Herstatt 2011, 5.)

Vigolo research older tourists and claims that companies must determine whether older tourists are their primary target or only secondary target along with other segments. Vigolo has identified four main marketing segmentation approaches with older tourists: (1) mass marketing approach, which is not age-specific, it is general with all tourists instead, (2) segmented marketing approach, which has low differentiation with older tourists, (3) inclusive marketing approach, which differentiated offer that is a combination of several segments’ needs, (4) niche
marketing approach, which differentiates or tailor-makes an offer to older tourists. (Vigolo 2017, 160.)

3.3 Silver economy and technology

As for Vigolo, there is a relationship between technology adoption and age. These factors are connected to Internet access, which is strongly correlated with socio-demographic variables like income, education, gender and age (Vigolo 2017, 87). According to a study from 2012, as seen in Figure 6; the “Middle” group, ergo people aged 45-54, from all consumed video media used the most television (65%). Related TV usage with “Seniors”, 65+ years, was 88.1%. “Middlers” use a computer with 29% from all video media, when “Seniors” per cent is only 9.3. Older people are increasingly using Facebook to socializing with younger relatives and with other extended groups of people (Dholakia 2012, 131). As a conclusion, TV might be the best marketing approach with people over 45 years (Dholakia 2012 34). However, correct segmentation is the key to reach the wanted segment, hence a computer can also be suitable with some cases.

![Figure 6. Video consumption among different age groups (share of different video media). (Dholakia 2012, 34.)](image-url)
3.4 ‘Digitally excluded’ silver economy

According to Stroud, ‘digitally excluded’ is a commonly used term for people who are not using the Internet. This term suggests that these people are victims of social or economic problems. While in some cases might be true, the majority are rather digitally disinterested or digitally indifferent (Stroud 2012, 10). In the United Kingdom out of the 25+ years old adult population, a fifth do not use the Internet. The majority of this portion (7.3 million) are over 55 years old. Contradictorily, only 1.5 million people below this age are not online. The vast online resistance arises from older age groups’ absence in the use of a PC (personal computer) in their working life. Moreover, people below the age of 60 will have some experience of using a PC at work. However, this portion of people, who are the result of unwanted digital exclusion because of their age, will pass away in the coming decades. (Stroud 2012, 7.)

As seen in Figure 7, the usage of the Internet remains last from all media consumption with people aged 55-64. With the same age group, the most used media was clearly newspapers, followed by television, radio and magazines. On the contrary, people aged 45-54 did not use only one media clearly the most, but they consumed equally radio, newspapers, direct mail, outdoor media and the Internet. It is also vital to remember that according to a study done in 2012, the group aged 55-64 are now (in 2019) 62-71, and the group aged 45-54 are at the moment 52-61.
Figure 7. Media consumption of people aged 45-64 years. (Index: 100=average.) (Stroud 2012, 12.)

4 BEST PRACTICES

“Best practices” means the most suitable practices that are observed to work the best. According to Stroud and Walker “There is probably no worse way of alienating an older person than suggesting they should buy an older person’s product.” (Stroud & Walker 2013, 57).

4.1 Segmenting older consumers with age

Vigolo suggests two main concerns that arise with segmentation according to the audience’s age: (1) self-perception of age, and (2) the connotation of words. Defining older consumers after chronological age is risky, as people do not like to be defined that strictly. Besides the subjective age (individual perception of their personal age) simply influences peoples’ interests, lifestyles and consumer behaviour, more than chronological age. Additionally, the connotation of words might imply a meaning also about age. These implications might influence someone negatively and effect to their self-esteem and self-efficacy. In order to avoid the referencing to older consumers, a new term “keenagers” has been
introduced. This term combines “keen” and “teenagers”, which both imply people’s passions and interests. However, there is a possibility that these kind of terms might sound pretentious, or in a worse case, imply a connotation that ageing would be embarrassing or denied. (Vigolo 2017, 158-159). As a conclusion, there is not a correct way to call older consumers with one universal term; obviously, it is not possible to please everyone. Companies must know their audience thoroughly before implementing a strategy, as these features vary depending on the location for instance.

4.2 Best practices cases

In order to implement promotional activities for companies’ favour, it is crucial to first decide whether the company is referring to older consumers or not. Vigolo recognized that the major challenge is to create a positive and non-stereotyped view of older consumers. (Vigolo 2017, 171.)

4.2.1 ElderTreks

“ElderTreks is an adventure travel company designed exclusively for individuals aged 50 and over” (Vigolo 2017, 133). The reason why ElderTreks has a 35% return rate with their tours is and they monitor customer satisfaction through questionnaires after the visited tour. ElderTreks promotes responsible and active travels with the best possible service quality with suited value for money. For their promotional strategy, they use printed advertising, brochures, web marketing and social media. According to ElderTreks’ tagline “exotic adventures for travellers 50 and plus” (Vigolo 2017, 135), they directly reach their target market. Eldertreks focuses mostly on printed advertising and has reached out for collaborations with magazines that are specifically for 50+ consumers. Additionally, they have a digital brochure available on their website, but they see a paper brochure as a strategic communication tool. Their website is an important platform because their customers can find more detailed information in there in addition to the newsletter, competition section and the contact form. In order to raise brand
awareness, ElderTreks uses search engine optimization and search engine marketing activities to drive a larger share of users into their website. On top of all this, ElderTreks uses Facebook in order to reach customers aged 50-75. However, the company’s problem is that they have age defined term within their brand name; “elder”, this term might cause negative connotation. Which can lead to that their customers might not do word-of-mouth at all because the brand name represents a barrier. (Vigolo 2017, 133-137.)

4.2.2 Viaggi Floreali

Viaggi Floreali is “Slovenian-based tour operator and travel agency, “small artisanal workshop specialized in the creation of slow travels, for very small groups, to discover gardens and natural areas of great beauty.” (Vigolo 2017, 137.) VF’s (Viaggi Floreali’s) strategy is age-neutral, but most of their customers are 50-65 year-olds. In order to follow their customer satisfaction, they invite their customers to write a review to the company website. VF’s return rate is 90%, which might be the result of positive word-of-mouth. This even strengthens the customers’ expectations, which leads to the company’s continuous willingness to improve their services. As a promotion strategy, VF focuses mainly on below-the-line activities (below-the-line activities include direct and personal communication with the target, as in direct mail and public relations. Above-the-line activities usually refers to advertising). VF’s founder frequently participates in gardening exhibitions and events in which she has speeches and simultaneously elaborates the speech with pictures and circulates a form that the audience can subscribe to the company’s newsletter. The itineraries are concise and include a vast number of elaborate pictures from the trips. As the company places a great deal of importance on personal contact, the founder’s personal information is also available on their website. (Vigolo 2017, 137-144.)
4.2.3 Algarve Senior Living

Algarve Senior Living is an accommodation solution for long-term stays and “…offers rental-based independent living propositions for 50-plus, typically retirees or near-retirees from more than 20 countries around the world, in Southern Europe.” (Vigolo 2017, 144). Additionally, ASL (Algarve Senior Living) offers the same group of people help in regards to moving permanently abroad. According to ASL, this decision can drive down peoples’ retirement costs. ASL differentiates itself from rivals with the following points: (1) a focus on the elderly market, (2) a vast choice of possibilities, (3) both rental and sales opportunities and (4) geographic region. The company focuses mainly on below-the-line activities with their promotion, which are explained in Section 4.2.2. Additionally, they consider distribution partners vital in order to attract customers. ASL also participates in industry-related events, and their key point in their promotion strategy is to use their brand’s name Algarve Senior Living. (Vigolo 2017, 144-151.)

4.3 Best practice discussion

Based on the mentioned cases related to tourism, it is vital to go beyond customers’ expectations in order to satisfy them completely. Additionally, it is crucial to take care of basic needs but also attract them unexpectedly. Going beyond satisfactory will results in good experiences that causes positive word-of-mouth as well as loyalty. One part of the success is to plan everything carefully in order to make the journey smooth and even seamless for the customers. For example, already a booking should be easy to handle, even for the elderly. In addition to planning ahead, it is essential to offer a vast amount of information. Additionally, Vigolo recognized that continuously available personalized customer care was important. (Vigolo 2017, 165.)
5 QUALITATIVE RESEARCH – THE BYPASSER INTERVIEWS

In order to understand deeper into 50+ consumers’ minds, it was crucial to implement the empirical part of the research via interviews, preferably face-to-face. Hence a qualitative research methodology was chosen. The interviews were done with voluntary bypassers, who were picked coincidentally among 50+ consumers. Altogether there are 23 respondents, from which 9 are from people in their working life.

5.1 Research methodology

Qualitative research methodology was used in order to gain the most fruitful responses, because this methodology examines respondents’ underlying desires and motives. (Kothari 2004, 3). In addition to desires, motives and opinions, also attitudes and experiences can shine through qualitative interviews. (Dawson 2002, 14-15). With this method, respondents were able to say how they deeply feel about a specific topic, and the interviewer was able to observe their attitudes towards the topics. (Kothari 2004, 3). In order to compare and contrast the gained information with answers, semi-structured interviews were implemented. With semi-structured interviews, the interviewer has designed a question order to gain similar information from every interview. However, these kind of interviews enables the respondents to untie their knowledge. (Dawson 2002, 28-29). Both primary and secondary research were used. (Dawson 2002, 45). As mentioned in section 5.2. The interviewer also affects the participants, and a rapport must be created. In order to create the rapport, all five factors should be thought of: treating the interviewees with respect, thinking about the appearance, thinking also about the body language, making eye-contact and not invading personal space. (Dawson 2002, 70-71.) All of the mentioned factors were performed with success.
5.2 Data collection

The interviews were held on a weekday in Kuopio, Northern Savonia in Finland. The exact location was selected from various options; however, one bigger mall including IKEA was eventually selected as the location for the interviews. This mall has a bigger flow of people, which is why the sample size is larger. The selected mall is located in a relatively remote location; hence, people have to use either public or their own transportation in order to get there. This factor might influence older consumers visiting this mall.

The interviews were implemented in the afternoon on a sunny April day. The time slot was selected as the interviewer assumed that older people might visit the mall on a quieter period of the day. The day of the interviews was in the middle of the surrounding holidays, i.e. Easter and the First of May. People take relatively easily these days free, which also can affect the flow of people. In addition to the mentioned factors that might affect people regarding the interview participation, the appearance, the voice, the way of approaching and the chosen words of the interviewer also have an effect.

The interviewed people were sampled coincidentally. Around 30% of the asked people accepted the interview. Even though people were somewhat willing to answer, they were in a hurry and did not want to answer with long lines. Additionally, some people did not know their answers to some questions, leaving the answers blank. Twenty-three people answered the interview with an average of four minutes per interview. There were 16 core questions as seen in Appendix 1, two questions had follow-up questions depending on the answer the interviewee gave. Questions were open-ended; however, if the interviewer sensed that the interviewee was not sure what was meant, she started to enumerate alternatives to help the interviewee. The interviews were done in Finnish and recorded with interviewer’s smartphone.
5.3 Research results

The research results are divided into three subsections carrying different themes, this is because the questions in Appendix 1 carried different themes as well. Throughout the results, the questions can be viewed in Appendix 1. As seen in Figure 8, there were altogether 23 respondents, from which 11 were women and 12 were men. The average age was 62.5 years old. Nine out of 23 interviewees are still in their working life.

<table>
<thead>
<tr>
<th>Number</th>
<th>Gender</th>
<th>Age</th>
<th>Occupation</th>
</tr>
</thead>
<tbody>
<tr>
<td>M01</td>
<td>Male</td>
<td>52</td>
<td>Production director</td>
</tr>
<tr>
<td>M02</td>
<td>Male</td>
<td>73</td>
<td>Retired</td>
</tr>
<tr>
<td>M03</td>
<td>Male</td>
<td>80</td>
<td>Retired</td>
</tr>
<tr>
<td>M04</td>
<td>Male</td>
<td>50</td>
<td>Merchant</td>
</tr>
<tr>
<td>F01</td>
<td>Female</td>
<td>64</td>
<td>Retired</td>
</tr>
<tr>
<td>F02</td>
<td>Female</td>
<td>58</td>
<td>Nurse</td>
</tr>
<tr>
<td>M05</td>
<td>Male</td>
<td>72</td>
<td>Retired</td>
</tr>
<tr>
<td>F03</td>
<td>Female</td>
<td>51</td>
<td>Office secretary</td>
</tr>
<tr>
<td>F04</td>
<td>Female</td>
<td>59</td>
<td>Retired</td>
</tr>
<tr>
<td>F05</td>
<td>Female</td>
<td>67</td>
<td>Retired</td>
</tr>
<tr>
<td>M06</td>
<td>Male</td>
<td>69</td>
<td>Retired</td>
</tr>
<tr>
<td>M07</td>
<td>Male</td>
<td>61</td>
<td>Paperwork employee</td>
</tr>
<tr>
<td>F06</td>
<td>Female</td>
<td>68</td>
<td>Retired</td>
</tr>
<tr>
<td>F07</td>
<td>Female</td>
<td>70</td>
<td>Retired</td>
</tr>
<tr>
<td>M08</td>
<td>Male</td>
<td>52</td>
<td>Sales manager</td>
</tr>
<tr>
<td>F08</td>
<td>Female</td>
<td>65</td>
<td>Retired</td>
</tr>
<tr>
<td>M09</td>
<td>Male</td>
<td>61</td>
<td>University lector</td>
</tr>
<tr>
<td>F09</td>
<td>Female</td>
<td>85</td>
<td>Retired</td>
</tr>
<tr>
<td>M10</td>
<td>Male</td>
<td>72</td>
<td>Retired</td>
</tr>
<tr>
<td>M11</td>
<td>Male</td>
<td>54</td>
<td>Salesman</td>
</tr>
<tr>
<td>F10</td>
<td>Female</td>
<td>52</td>
<td>Wellness coordinator</td>
</tr>
<tr>
<td>F11</td>
<td>Female</td>
<td>55</td>
<td>Retired</td>
</tr>
<tr>
<td>M12</td>
<td>Male</td>
<td>58</td>
<td>Retired</td>
</tr>
</tbody>
</table>

Figure 8. Demographic information about participants who were interviewed. (The bypasser interviews 2019.)
5.3.1 50+ and digitality

Firstly, the question was made about the existence of respondents’ email accounts. From 23 answerers, 21 admitted having an email account, two did not have an account at all, these both were men. The ones who did not have an email account, were also some of the oldest interviewees. Only one respondent admitted to having an email account without using it. The follow-up for the mentioned question was whether they receive any marketing emails into their account. The answers to this question already indicated frustration towards marketing from respondents. No interviewee mentioned not receiving any marketing emails into their account. However, 12 admitted getting them and eight answered sometimes. Seven of these answers indicated directly that they received “too much” of marketing emails.

“I do receive them, sometimes it is just too much.”

“Unfortunately I started to receive junk mail after I once made a mistake and participated in one newspaper’s competition.”

The next follow-up question was whether the interviewees have subscribed to any email newsletter. Ten of them answered yes and eight of them said no. Some of the “accepting” answerers pointed out that they have ordered only a few of them, and they are very careful with their subscriptions.

The following question focused on interviewees social media usage, to which 19 answered that they are using at least some social media channel, and two answered that they are not using any channel. Again, the ones that did not use any social media channel were the oldest of the sample group. Only one respondent showed some frustration regarding social media:

“I have accounts on some channels, but I do not use them. I feel that those are completely unnecessary.”
“I feel that Facebook, for example, is only this kind of temporary folly and it will pass.”

Some respondents answered with multiple channels and some answered with only one choice. However, Facebook is the most used one with 13 users of 23 answers. Following channel is WhatsApp with 12 users. The biggest gap arises with third and fourth channels, which were Instagram and YouTube, as only two answered both of these. With Facebook and WhatsApp answerers, both men and women answered around an equal amount of both, but only females answered Instagram. The following question focused on competition participation online. Eleven of these answerers claimed to not taking part in competitions when nine admitted taking part at least sometimes. This question awakened strong feelings within the answerers, as some of them felt tricked and some genuinely interested.

“Sometimes I take part out of pure interested and if you can win something.”

“Usually I do not take part because then you start to get all those advertising emails.”

“I do not need anything.”

“Usually there is something before the prices, some problem, you attend to it and before you know it, you are obliged to do something.”

“I do not take part, I don’t have time for that, the time must be used better.”

In order to avoid upcoming marketing emails, people avoided participation in competitions. Not only avoidance of marketing was the reason for not participating, but also one person stated not being in need of anything.
The last question within this theme related to seeing e-marketing. Twenty-one answered yes to seeing e-marketing somewhere, and two answered that they did not see any e-marketing. The core of this question was to see whether respondents noticed e-marketing over just seeing it, did they concentrate on it for even a second. To which one interviewee answered:

“I see it but I don’t really take it into account.”

5.3.2 50+ and services

The next question related to the usage of the services, as what was the most used service. Restaurant and coffee shop services in their different forms arose as most used with nine answers. Secondly, the most used service was hairdresser/barber with five answers. Both cultural services and services related to exercising got four answers each. With all answers in this category, both men and women answered all services equally, the gender did not specify peoples’ preferences in service usage. The interviewer also asked whether interviewees could think of any service they might use but people generally in their age might not use, however, no-one could find any service like that.

Next question tried to retrieve whether some marketing channel would effect on people’s tendency to buy something. Seven of the respondents claimed that nothing would affect their buying behaviour. Both pure “need” and advertisements in various magazines or newspaper got four answers. Lastly, the Internet was indicated by three respondents. The following question examined peoples’ grounds for choosing a service provider. Some people have multiple answers, 17 of all 23 interviewees answered with more than one factor to this question and usually, people took into consideration two main factors influencing this decision. 16 answered with ‘price’, indicating a suitable price from decent service. Secondly most answered attribute was ‘quality’ with seven answers. “Location” was mentioned four times and “recommendation” from an acquaintance three times. All “availability”, “experience/habit” and “domesticity/locality” got two answers
each. Lastly, “company’s values and reputation/brand” was mentioned once. But on the other hand, not all follow some factor:

“What happens to be right there and what is the situation of that time.”

5.3.3 50+ and information collection

Following questions covers information retrieving when it comes to services. Firstly examined that where would interviewees search information about services actively. The oldest interviewee answered asking for recommendations when trying to find information. However, 21 of 23 respondents answered retrieving information from the Internet.

“Mostly from the Internet, some from newspapers.”

“From the Internet, if I am not able to find information from any other place.”

Next question was somewhat similar to question number five but ultimately examined receiving information passively, without purposeful searching. 16 noticed that they received information without looking for it, and five did not notice it. The group that admitted noticing mentioned phenomenon, claimed to notice those adverts but only some actually took it in.

“Yes, those adverts bounce right open immediately and are already in Facebook before you even get there.”

“Those come from everywhere, but go in one ear and out of the other.”

“In newspapers, they break a story about something, which eventually are adverts, hidden advertising.
Although some TV and radio adverts are so annoying that it's absurd.”

5.3.4 Customer loyalty

Following questions focuses on customer loyalty, the first question simply examined whether interviewees felt loyal with the specific service provider. Nine out of 23 respondents recognized themselves as loyal customers. But people know to demand high-quality:

“If there is a good service then absolutely, but if even once I get disappointed I won’t go back. So the trust and quality have to be continuous, there can’t be any intervals.”

Six of all respondents defined themselves as not loyal with services, also six said they are somewhat loyal. Two interviewees indicated that they were not loyal because of the good offer or better price elsewhere, and the rest did not point out any specific reason why they are not loyal customers.

“Kind of the purchasing decision is already made and then I just go to some service provider.”

Nest question focused on why the respondents would stick with a specific service provider. People were not that unanimous with this question, however, nine answered that the ‘quality’ would be their main reason to continue with the specific service provider. Five of them mentioned ‘price’ and ‘location’, ‘experience/habit’, ‘recommendation’ each got answered three times. The ratio between the good price in relation to quality got answered five times by respondents.
This part of the results covers interviewees’ answers related to marketing questions. The first question focused on whether the respondents felt they are easily reached by marketing, and 11 answered that they are and 10 answered they are not. A few said that they were too easily reachable, which indicates mild frustration. Four of the answers with this question came across positively receiving marketing, and did not mind about it.

“I believe that I am because I check day’s offers first before reading the actual news.”

For the majority, the general frustration was perceptible, as some of them stated that they are not easily reached but still direct selling just finds them no matter what.

“It might be that I am not that easily reached as I actually don’t want any marketing, I by myself choose what I want.”

The following question examined whether there was too much or too remote amount of marketing at the moment from interviewee’s point of view. 17 respondents thought that there are too much of marketing, against that only one claimed that there could be more of it. Three thought that there were ‘enough’ of marketing as it is at the moment. People also decide on their own whether they choose to have it.

“I have so many marketing blocks and all marketing I receive comes with mail and local newspaper I read online.”

“Suitable amount, but it must be hard for companies as well to find suitable market niches anymore. Many
companies have target marketing so they can focus on the right field of business with the right customer base.”

The follow-up question depended on what the interviewee answered to the previous question. If the interviewee answered ‘too remote’, the interviewer asked where they would like to see it more. Moreover, if they answered ‘too much’, where they saw it too much. The one who answered ‘too remote’ answered this question with “It is in good order”. Others, on the other hand, saw it too much both on the Internet and through papers with five answers each. Social media was the next biggest channel with four answers. Both email and telemarketing got each two answers and television one.

“Kind of too remote because I have chosen that.”

“Too much through papers, quite idiotic.”

“I don’t like the fact that there is marketing on Facebook, it has lost its’ meaning.”

“Through every channel, maybe because we have a home and everything, following marketing is rather a hobby for me.”

The last question examined the most favourable way of receiving marketing from the customer’s perspective. The majority with 10 answers agreed with advertising papers and brochures. However, there was strong support with digital distribution with four answers to email and three with the Internet. This kind of thinking was supported by comments like this:

“Carbon footprint should be taken into consideration, so I would like to receive marketing rather digitally so it would not come to my mailbox. As long as it would conserve the nature.”
"Forcing upon does not help, from all the possible ways the telemarketing, ergo direct selling is just the worst, I hate that system."

Two of the respondents claimed not wanting marketing at all anymore. Additionally one stated television being the best channel for them.

5.4 Analysis of the research results

At first, the interviews were transcribed from recorded form to written form using Excel’s programme. The interviews were first categorized by the question in order those were represented to the interviewee. A table was created from respondents’ answers and comments. The results formed and the separate table was made from results. Main findings started to be more visible. After which the questions were divided into categories as those were presented through sections 5.3.1 to 5.3.5. Appendix 1 expresses the questions and with the category “50+ and digitality” 2, 2.1, 2.2, 3, 4, 5 were covered. Service-related questions were covered in “50+ and services’ with questions 6, 7, 8, 9, 10, 11, 12 and 13. The last category was about marketing with the topic “50+ and marketing”, that covered questions 14, 15 and 16.

With results, both age and gender were compared in relation to the topics. However, with this size of a sample, it is not possible to give definite results as only with few questions the gender was clear defining factor. Additionally, the respondents did not answer every question directly with the intended thought behind the answer, which is also, why some of the answers could not be taken into account with the final results. For instance, question number ten was often misunderstood and resulted in a different kind of answer, that was first retrieved. In order to get even more specific answers, some of the questions could have been clearer. Although, the qualitative methodology does not necessarily follow a slavishly specific theme why it might offer qualitative answers. (Saaranen-Kauppinen & Puusniekka 2009, 95.)
5.5 Inference of the results

Based on the limited amount of results (23 responses), it is possible to observe the most common trends and allusions with the silver economy’s digitality, service consumption habits and marketing’s effectivity with them. The purpose of inference is to clarify how gained results can be utilized with marketing to the silver economy in future actions.

According to the results, with many interviewees, it was noticeable how much strong feelings some of the questions caused, mainly because of the general frustration towards marketing. With the question about receiving marketing emails, answers like: “I do receive them, sometimes it is just too much.” explain a lot about the respondent’s attitude towards marketing emails, and the abundance of those. It is also justifiable to think whether older consumers know how to unsubscribe from email lists, as someone felt that they had made a mistake when once attending to a newspaper’s competition and kept receiving emails after that continuously. With the following question about subscribing/ordering marketing or newsletter, the affirmative ten were very careful with their orderings. Which might be because they are genuinely interested in the matter that they are ordering. Because of this genuine interest, it would be vital businesswise to get this kind of people into their marketing lists. Social media itself did not cause that much of a reaction among the respondents, as mostly younger 50+ consumers adapted newer channels such as Facebook, Instagram and YouTube. Most of the respondents were confident with the matter of social media and did not show much interest towards different channels along with the discussion. Moreover, as only females answered using Instagram, it might indicate that males are not that familiar with the mentioned channel. However, both Facebook and WhatsApp were the most used social media channels, but it is possible to do user-generated marketing only on Facebook, which might be a good opportunity. Furthermore, it seems that at least eleven of the respondents do not participate in competitions on Facebook, as they do not trust online contests. Older consumers might not know this, they did not point out that taking part with these competitions makes actually themselves as marketers because they share and comment and like some posts that companies have
posted in order to gain followers. Interestingly, one who answered that does not take part with contests claimed that they do not need anything, which also is vital observation as people at their age might genuinely feel that they already have everything they actually need. Moreover, one stated that they do not have time for those, which also indicates general satisfaction with life. Ultimately, competitions might not be the best way to reach the 50+ generation. E-marketing, on the other hand, can be catchy for some older consumers as 21 of them answered that they have seen e-marketing somewhere. Only the correct place must be figured first, as in general there were not distinguishable reluctance towards the Internet.

According to the results, older consumers use different services diversely, like restaurants and coffee shops, hairdressers, cultural and exercising services. The results provided the main reasons for choosing a specific service provider and the majority (69.5%) agreed price being the most influencing factor. However, the second most answered factor was quality, and as these factors were mentioned the most to the relation between price and quality emerged. Which indicates that older consumers are ready to pay even extra in order to get good quality. However, this is not the case every time, as good quality can be at lower prices as well. Surprisingly continued habit or experience was not one of the main factors with this sample, which can also be connected to age. Additionally, only nine respondents claimed themselves as loyal customers with services. The information retrieving through the Internet with this sample was somewhat familiar to 21 respondents as they all answered the Internet as a main information search tool. Which also indicates that this generation is familiar enough with the Internet users that they can use it independently. Without looking for information, 16 respondents claimed seeing passive advertising. It seemed that interviewees were most frustrated with marketing on Facebook, rather seeing adverts through papers.

These sample respondents felt somewhat disagreed equally about their personal reachability by marketing, as 11 said they are easily reached and 10 are not. Those who are not easily reached usually decided about that on their own and were not willing to receive more of it. These people are hard to reach and maybe
they are not the correct segment to focus on, rather focusing on the segments that are even a tiny bit willing to read or hear marketing advertising. As one woman stated that she follows marketing as a hobby-like because she already has everything she actually needs, these segments are the best possibilities for marketers. However, the correct way must be found with every segment as 74% of the respondents thought that there were too much of marketing.

As a conclusion, 50+ generation is a diverse group and cannot be segmented as one cluster. The older the age is with the 50+ generation, they might not be that familiar with newer media channels, as social media is. According to results, it is mildly suggested that advertising through papers are most accepted and effective marketing channel with this sample, even though some disagreed with this. As section 3.4. suggests, the newspapers were the most consumed media channel with people aged 55-64. Which is also linked to the fact that people that age are not that familiar with computers and like to read papers also because of the news. Even though the Internet, ergo e-marketing might have best reach over 50+ generation, it might not be the most effective channel with this generation. Because people do not like to be interrupted over the Internet, which might be because of their unawareness of computer usage outright. They might feel that e-marketing is confusing them and that might make the computer usage even harder as it is. Although there might not be a clear channel to support marketing actions with the 50+ generation as they seem to fend well by themselves.

6 DISCUSSION

The discussion represents others’ presented theories in comparison with this thesis’ research results (Eriksson & Kovalainen 2008, 283).

Primarily it is vital to understand that the silver economy is not one larger segment, who agree with different matters such as consuming habits and how they perceive marketing. Actually, this thesis proved that it is the opposite as when people age they start to develop more individualistic demands and wants.
This might make this segment the hardest to serve at. Hence, the 50+ generation must be segmented in order to please and reach different segments. The age might give a direction regarding the audience’s usage of different media channels; however, it is not that simple.

Without supportive empirical data, it is not secure to evaluate whether older consumers prefer age-neutral or silo marketing, however, an allusion can be made that it actually depends on the area the marketing will be implemented. The results gained from qualitative interviews done in Finland, the targeted marketing strategy might be the most suitable strategy. As older consumers would like to see advertising mostly on papers, target marketing strategy would suit them as targeted marketing is neutral product wise but is specific with marketing actions and may offer age-related discounts for instance. However, as seen in the best practices discussion Section 4.3, also postal advertising was mentioned as a strong communication tool with older consumers. It might be advisable to try such concepts also in Finland, where consumers would be met personally respecting them and offering smaller activity focus groups.

As suggested in Section 3.4, newspapers are the mostly used media channel with people aged 55-64. This theory was strengthened with these case results, as paper advertising is the most pleasant way to receive marketing among the 50+ generation. Especially the ‘digitally excluded’ who for a reason or other do not use the Internet. These people might not have any interest in the Internet and remain ‘digitally excluded’ by choice. Paper advertising, television and radio could be answers with this segment of the 50+ generation. Nevertheless, empirical research proved that there were two answers considering the carbon footprint and saving nature, which both are common issues currently and in the future. This issue might not arise within discussion among the 50+ generation, as papers were the first media channels in their childhood.
CONCLUSIONS

The purpose of the thesis was to discover the most effective marketing actions regarding services with silver economy generation in Northern Savonia, Finland. The aim was to examine the silver economy’s digital contribution, service usage habits and current marketing situation.

The research consisted of a theoretical framework and implemented empirical research. The theoretical framework was divided into two main sections: to describe marketing in general as a communication tool and to take a closer look at the silver economy. As segmentation and targeting are the keys in order to reach older consumers, those subjects were covered thoroughly with both theoretical parts. Additionally, service marketing was discussed, and general consumer behaviour was presented. On the second part of the theoretical framework, the silver economy, marketing to the silver economy and segmenting were covered. In addition, digitality had to be taken into consideration as it was part of the research questions. Best practises brought views from implemented well detected practises from abroad.

The empirical part of the research was examined qualitatively. The interviews were implemented as semi-structured interviews, to which 23 answers were collected with a coincidental sample from bypassers aged over 50. From the research results, it can be noticed that the most effective marketing channels would be through the Internet and via postal advertising. According to the results, older consumers search for information mainly through the Internet and are somewhat loyal with services. Seventy-four percent thought that there was too much marketing via the Internet and postal advertising. Both were answered as a most favourable channel to receive marketing, in addition to email. All of these diverse answers strengthened the noticed phenomenon from the theoretical framework; older consumers are not a concordant segment. By means of the research, the research questions were answered.
7.1 Validity and reliability of the case study

Coincidental sampling and the research’s results of appropriate processing increases the research’s reliability. This research’s interviews’ quality increased in careful planning on the structure of the interviews in advance. Additionally, the interviewer guided through the interviews in order for them to move forward smoothly. This assisted to cover all the planned themes and questions. All the interviews were implemented consistently, as well as all transcriptions, which happened in the following days from the interviews’ execution. All of the interviewees were sampled coincidentally and participated voluntarily. They were also informed before the interview about the purposes of the interviews and that their answers cannot be traced to them. Participants were also informed that all of the interviews were recorded via interviewer’s smartphone. This enabled the bypassers to speak freely about their feelings and attitudes with separate themes without feeling pressure. This results in more reliable results. Reliability implies research’s “repeatability” or “consistency”. The results are considered reliable if by repeating the same research it would give us the same result again every time. (Sachdeva 2009, 69). In viewing the reliability of research, also the audience’s attitudes or opinions might have changed and the interviewer plays a role in this as well. Whether the interviewer fluently interacts with all the interviewees, the reliability increases. Regarding the reliability of this research, changes could be possible, but the results could be concordant. The reliability is decreased as the sample size remained relatively low, which is why the results indicate the most common trends and allusions among the sample. In order to increase reliability and gain more certain results, the sample size could be bigger.

The interviews proceeded smoothly; however, some of the answers did not directly answer the question that was made, which decreased the uniformity of the research. Although, semi-structured questions were the right choice within this kind of interview taking the target market into consideration. As the sample was diverse, including people from different life situations and ages, the group was heterogeneous. Which cannot form unitedly one segment’s results. The research was able to identify some of the most commonly used media channels
and identify correct marketing channels with the silver economy, which answers to the thesis’ research questions.

7.2 Suggestions for further research

As people currently live longer than 50 years ago, older consumers will relatively grow into a larger proportion of all population. This offers multiple interesting follow-up research ideas. Making deeper qualitative interviews with bigger samples domestically would give more reliable results for future studies and marketing actions. Another beneficial research idea could be to focus only on segmenting older consumers with different characteristics in order to create separate categories. These results would benefit companies from marketing point of view as there would be a clearer body for segmenting the 50+ generation. Taking into consideration the research results of this thesis, two interesting subjects arose: is following marketing only a hobby for people over 50 years old who already have everything, and would 50+ generation be ready to move from postal advertising to digital marketing in order to decrease their carbon footprint and saving nature? All of the mentioned research ideas are fascinating; however, there is a large niche currently for medical care services, as people tend to live longer nowadays. Would there be a niche only for ageing women medical services, as they usually outlive men?
REFERENCES


Saaranen-Kauppinnen, A. & Puusniekka, A. 2009. Menetelmäopetuksen tietovaranto, KvaliMOTV.
Interview template

1. Age and occupation?
   (Ikänne ja ammattinne?)

2. Do you have an email account?
   (Onko teillä sähköpostitiliiä?)

   2.1. Do you receive any marketing to your email account?
   (Saatteko markkinointia edistäviä sähköposteja tilillenne?)

   2.2. Have you subscribed into any email newsletter?
   (Oletteko tilanneet minkä tahansa mainos- tai uutiskirjeen?)

3. Do you use social media? If you do, which platforms?
   (Käytättekö sosiaalista mediaa, jos käytätte, mitä sovelluksia?)

4. Do you take part into competitions? Do you engage in them or would you rather ignore them? Why?
   (Jos tulee kilpailuita somessa/netissä sivuutatteko vai osallistutteko niihin? Saako mainonta teidät osallistumaan siihen vai sivuutatko ne? Miksi?)

5. Do you experience/see e-marketing? If you do, where?
   (Näettekö/koetteko elektronista markkinointia, ja jos näette, millä alustoilla?)

6. What services do you use the most?
   (Mitä palveluita käytätte eniten?)

7. Are there any services you use that you think others wouldn’t use?
   (Tuleeko mieleenne palveluita joita te käytätte mitä muut eivät saattaisi käyttää?)

8. From where do you search for information about services actively?
   (Mitä kautta etsitte tietoa palveluista aktiivisesti?)

9. Do you get passive information without a specific search?
   (Huomaatteko passiivista mainontaa ilman tarkoitukseellista etsimistä, kuten televisiosta? Muistatteko jotain esimerkkiä?)

10. What kind of marketing channel would most likely make you decide about a purchase?
    (Minkälaisen markkinointikanavan kautta päädytte todennäköisimmin ostopäättöökeen?)

11. Based on what you choose your service provider?
    (Minkä perusteella valitsette palveluntarjoajan?)

12. Do you think of yourself as a loyal customer? (Or would you rather follow good offer moneywise, or just go to the nearest provider even though these characteristics might be unfavourable for you?)
**Interview template**

(Koetteko olevanne uskollinen asiakas? Vai käytättekö mieluummin hyvän tarjouksen tai ajatte kauemmas tietylle palveluntarjoajalle koska haluatte juuri tietyn palveluntarjoajan?)

13. Why would you stick with a specific service provider?  
(Mistä syystä valitsisitte saman palveluntarjoajan uudestaan?)

14. Do you feel that marketing reaches you easily?  
(Tuntuuko että olette helposti tavoitettavissa markkinoinnin puolesta?)

15. Is there too much or too remote amount of marketing?  
(Onko markkinointia liikaa vai liian vähän?)

a. If too much, which channel offered it?  
(Mitä kauutta liikaa?)

b. Too remote, where would you like to receive more of it?  
(Missä enemmän?)

16. What kind of marketing do you prefer?  
(Jos pitäisi valita niin millä tavalla mieluiten ottaisitte markkinointia vastaan? Miksi?)