

ADVERTISING TO THE OLDER CONSUMER BECOMES MORE IMPORTANT

Professor John L. Stanton, Ph.D.*

Professor of Food Marketing, Erivan K. Haub School of Business
Department of Food Marketing
Saint Joseph's University, 265 Mandeville Hall, 5600 City Avenue
Philadelphia, PA 19131-1395
Phone: (610) 660-1607
Fax: (610) 660-1997
jstanton@sju.edu

Abstract

In many parts of both the more developed nations and the less developed nations the average age of the populations is increasing. Some researchers argue that research on mature consumer's buying behavior and attitude is scarce. Other researchers discuss the development, importance and impact of **marketing** to senior citizens with particular emphasis on demographic change. The purpose of this paper is to examine exactly what types of advertising elements are most impactful with older consumers. The objective of this study is twofold. First, we will attempt to identify which executional alternatives are most effective (as measured by recall and persuasion) for older consumers. Second, we will quantify the effectiveness of these executional alternatives such that future advertising executives will have a guideline that they can use to more accurately predict how consumers in these age cohorts may react to an advertisement that does or does not contain the given element.

Key words: consumer, advertising, population

JEL classification: M31, M37

Introduction

The world is aging! In many parts of both the more developed nations and the less developed nations the average age of the populations is increasing. While this has had a dramatic effect on many aspects of society, it will also impact how the older consumers react to and respond to advertising. Some researchers suggest that given the increasing number of **older** individuals, the exploration of age differences in attitudes toward ... is critical. (Lapel, 2011) Some researchers argue that research on mature consumer's buying behavior and attitude is scarce. (Holmlund, 2011). It has been shown that the Socio-demographic trends mean that the 50+ age group are wealthier and now enjoy high per capita incomes. Some large firms are now exploiting the opportunities within this market. (Charton, 2011) The key issue is whether small firms are also revising their **marketing** practices in response to socio-demographic change. Equally significant are both the large and small firms adjusting the way they communicate and advertise to the older consumer. Some researchers are being more proactive in their findings. Meiner et.al. discuss the development, importance and impact of **marketing** to senior citizens with particular emphasis on demographic change. (Meiner, 2010)

The purpose of this paper is to examine exactly what types of advertising elements are most impactful with older consumers. While this paper does not dwell on the reasons for the aging populations some background may provide context for the analysis. According to a United Nations report, "Population ageing is unprecedented, without parallel in human history—and the twenty-first century will witness even more rapid ageing than did the century just past. Population ageing is pervasive, a global phenomenon affecting every man, woman and child—but countries are at very different stages of the process, and the pace of change differs greatly. Countries that started the process later will have less time to adjust." (United Nations, 2002).

Key factors leading to global aging

There is not one single factor that explains global aging but clearly there are two key factors. One primary factor is fertility decline. Over the last half century, the total fertility rate decreased globally by almost half, from 5.0 to 2.7 children per woman. Over the next half century, it is expected to drop to the replacement level of 2.1 children per women. In the more developed countries fertility is significantly below the replacement level. (United Nations, 2002) In countries like Singapore, women are paid to have children to increase the fertility rate and stem the aging issue.

A second and more obvious factor is that people are living longer. Over the last five decades, life expectancy at birth increased globally by almost 20 years, from 46.5 years in 1950-1955 to 66.0 years in 2000-2005. On average, the gain in life expectancy at birth was 23.1 years in the less developed regions and 9.4 years in the more developed regions. On average, at current mortality rates an individual born in the more developed regions is now expected to outlive by almost 12 years an individual born in the less developed regions. (United Nations, 2002)

It appears that while some countries may be more impacted by the aging population, all countries are impacted. Table 1 shows the percentages of the population that is 65 or over for the year 2000 to 2050. As one can see globally the percentage of over 65 will more than double and in some regions of the world over a third of the population will be over 65. Japan will have the highest percentage over 65 with more than 36% of their population over 65. Romania is not far behind Japan. The percentage of the population over 65 in Romania in 2005 was 19% and predicted to be over 34% in 2050 and older than the eastern Europe average of 23% . In the year 2000, there were approximately 35 million individuals aged 65 or older in the United States (US Census Bureau 2002b). They head over 18 million households in the United States and in 2010, 1 in 7 Americans were 65 or older. In the next twenty years, the number of individuals aged 61-79 will grow by 90% (Lach 2002).

The issue is whether Romanian marketers will change TV commercials executional elements to create recall and persuasion from when there were only 14% of the population over 65 in 1975 to something different when 23% of the population in 2025 will be 65 or older. If they are going to change what is the most effective way to garner the older population's recall and persuasion.

The purpose of this study is to investigate the extent to which 65 year old and over consumers respond to various executional elements in television advertisements. The key to this analysis is the rich data provided by a commercial advertising testing agency. The

data were obtained from a large-scale study on advertising effectiveness, as measured by recall and persuasion.

Literature review

Researchers have studied and written extensively on how various age groups differ from one another in terms of attitudes, experiences, information-processing ability, consumer tastes, and musical tastes (Cole and Balasubramanian 1993; Holbrook 1993; Holbrook and Schindler 1989; Meredith and Schewe 1994; Ryder 1965; Yoon 1997).

In general, how any advertisement is executed may have a significant impact on the persuasiveness of the commercial. For any given ad, one consumer may enjoy the humor, another may appreciate the product information, while still another may like to see a favorite sports star as the spokesperson. These and other executional elements used by advertisers may be more or less impactful for different viewers. While there are countless ways in which we can divide the consumer world to compare one group of consumers to another, this study focuses on the unique perceptions that different age cohorts have about various executional elements in advertising.

Age-related differences in perceptions of advertising are of particular interest to advertising professionals. When advertisers purchase airtime, they make a request for a show that, for example, targets women 18 to 45. Similarly, when advertisers purchase space in a magazine, one of the first questions asked is the age demographic which the particular magazine is designed to target. Individuals who are in the same age cohort have similar life experiences and have reached similar life stages as other members in the cohort. Because of this, different age cohorts are likely to view the executional elements in advertisements differently from one another. That is, certain appeals, music, and images are likely to work better with people in a similar age cohort. The purpose of this research is to investigate some of the similarities and differences in how people in different age groups view certain advertising elements.

Marketers need to better understand older consumers in order to develop product, distribution, pricing, and promotional strategies that better meet the unique needs of this segment. It has been found, for example, that older consumers prefer situations in which they perceive that they have an established relationship with a particular retailer or manufacturer (Medina 1997). Advertisers also need to better understand the particular characteristics of advertisements that older consumers find most appealing. The consequences of not doing so could be devastating to a company that relies on the older market for a significant portion of their business. According to one study, fully one-third of older people said that they deliberately did not purchase a product because the older actors in the ad were portrayed in a negative light (Beck 1990). Although this example is only one executional element in a vast assortment of elements that are potentially available to the advertiser, a better understanding of which elements work and do not work for this group would certainly be advantageous.

The objective of this study is twofold. First, we will attempt to identify which executional alternatives are most effective (as measured by recall and persuasion) for older consumers. Second, we will quantify the effectiveness of these executional alternatives such that future advertising executives will have a guideline that they can use to more accurately predict how consumers in these age cohorts may react to an advertisement that does or does not contain the given element. Other researchers have

addressed memories and recall for various historical events as a function of age (Schuman and Scott 1989). However, these previous researchers have not examined how age differences relate to the effect of various executional elements on the recall and persuasiveness of a commercial. As a result of our analysis, we will illuminate important perceptual similarities and differences in these age groups.

Method

The data used in this study were provided by RSC, The Quality Measurement Company. Each commercial was coded as to whether each executional element was present or absent in each commercial. Each commercial was categorized by multiple coders. Coders were part of the trained RSC organization. To be considered in the analysis, an executional element must be present in at least 200 commercials, and the inter-judge reliability must be at least .80. Also, note that these judges were only used to determine whether the executional elements were present or absent. The persuasion score, or dependent variable in the analysis, was obtained from actual advertising tests conducted on the audience selected by the advertiser.

The research firm used a pool of several hundred TV advertisements, which were previously tested for corporate clients to develop a comprehensive list of different executional elements that are present in advertisements. The research firm used multiple coders to classify these elements, and the resulting list of 24 elements represents the most commonly used techniques (see Table 2). The most commonly used executional element was “Substantive Supers” (i.e., if there were a significant number of supers - more than one sentence - it was considered present) while the least commonly used element was “Convenience in Use” (i.e., if the ad described the convenience/benefit of the product, it was considered present).

Each ad was classified as either containing the executional element or not containing the executional element. If the ad contained the element, the element was considered to be “present” whereas if it did not contain the element, the element was considered “absent.”

Consumers were invited to the testing lab, and after a brief introduction to the study, they rated each of the commercials using the standard copy testing methods employed by the advertising research firm. The number of consumers who viewed a given executional element varied from a high of 440 consumers for “Product Results Demonstrated” to a low of 255 consumers for “Actors Playing Ordinary People.” At the conclusion of the study, participants were debriefed and thanked for their participation.

Dependent Measures

Recall. The recall measure assesses the extent to which the consumer can recall the ad, where a higher score suggests that more consumers recalled the ad. The measure itself is referred to as “related recall,” indicating that the consumer must do more than simply recognize the ad by saying, “Yes, I remember it.” Instead, the consumer must prove that the specific commercial was recalled from memory.

Persuasion. Persuasion is the change in potential purchase behavior after watching the ad. This measure is akin to the behavioral intention measure that is used in many consumer research studies in that it measures the extent to which consumers intend to

purchase the product. Again, higher persuasion scores indicate that the advertisement persuaded more consumers to change their intentions.

In addition to global recall and persuasion scores, individual item recall and persuasion scores are also calculated for each executional element. These measures represent the average recall or persuasion score for the ad for which the element was either present or absent. Finally, the percentage change scores represent how much the inclusion of the element in an ad either helped or hindered recall and persuasion.

Results

Recall in Older Consumers

By far, the advertising element that was most effective in terms of recall with the older consumer was “Actor Playing an Ordinary Person” (135% increase in recall). It seems that the older consumer is more attuned to seeing people like them...ordinary as shown in Table 4. Other elements that were likely to increase recall for the older segment were “Cute/Adorable” (34% increase) which should be no surprise as this executional element is believed to always grab people's attention of all ages; “Demonstration of Product in Use” (26% increase), “Principal Character(s) Male” (13% increase), “Child/Infant/Animal/Animated” (13% increase), and “Time Until Product/Package is Shown” (13% increase).

As important as what executional elements enhance recall are the elements that seem to detract from recall. As can be seen in Table 5, there were very few executional elements that were detrimental to recall for this group. Advertisements which showed “No Principal Character” hurt recall the most (12% decrease in recall) as it seems that the older consumer wants to see “someone” in the advertisement. Other elements which resulted in a few percentage points decrease were “Time Product was on the Screen” (4% decrease), “New Product or New/Improved Features” (3% decrease), and “Nutrition/Health” (2% decrease). It might be surprising to some that Nutrition and Health is not more important in getting consumers' attention but they are so involved with health and nutrition that it may just fall on deaf ears...or eyes.

Persuasion in Older Consumers

The most persuasive element for this group was “Convenience in Use” (99% increase in persuasion). It seems the older consumer wants the products to be convenient as shown in Table 4. This group was also positively impacted by “Product Results Demonstrated” (55% increase), “Brand Differentiating” (54% increase), “Indirect Comparison” (53% increase), and “Actor Playing Ordinary Person” (38% increase).

There were also several elements that were detrimental to persuasion. Older consumers did not seem to respond favorably to “Humorous” ads (37% decrease in persuasion), “Nutrition/Health” claims (28% decrease), or ads which had a very short time until the “Product/Package was Shown” (25% decrease), shown in Table 5.

Discussion

A review of these findings indicates that older consumers are somewhat inconsistent in their recall and persuasion. For example, of the five most important elements in recall and persuasion none appear in both top five. This obviously makes creating advertising for older consumers more difficult. The elements that seem to get remembered are not the same ones that impact persuasion and therefore intention to buy!

A similar situation is true for the "lowest five" executional elements or the ones which have the most detrimental effect on recall and persuasion. Only Nutrition and Health appear on both the recall and persuasion list. This is the most perplexing to the author. One would expect that this executional element would have the most appeal to older audiences. Clearly more research needs to be done in this area.

The creation of effective advertisements is both an art and a science. It is hoped that the conclusions and recommendations reported in this study will result in the development of better science in advertising. In developing better science, advertising creatives can focus their efforts on what they do best; the art of advertising.

Limitations

Any consumer researcher knows that the answer to almost any question about how a consumer might behave is, "It depends." Age differences are but one means by which we can analyze how consumers might recall and/or be persuaded by a given executional element. Further, variations in the viewing environment, in the type and duration of ads that come immediately before or after the ad, and in the number of times a consumer views a particular ad can all have a big impact on group similarities and differences. Instead of issuing global edicts as to how an advertiser should or should not approach older consumers, this research provides guidance on what appears to be effective and ineffective. By offering some guidelines that may help the creative person in making more effective ads, we believe that we can allow that person to better focus their talents in creating such ads.

Bibliography:

- [1]. Beck, Melinda (April 23, 1990), "Going for the Gold," *Newsweek*, 115 (April), 74.
- [2]. Ian Chaston. Older consumer opportunities: small firm response in a selected group of UK service sector markets *The Service Industries Journal*. London: Feb 2011. Vol. 31, Iss. 3; pg. 371
- [3]. Cole, Catherine A., and Siva K. Balasubramanian (1993), "Age Differences in Consumers' Search for Information: Public Policy Implications," *Journal of Consumer Research*, 20 (June), 157-69.
- [4]. Holbrook, Morris B. (1993), "Nostalgia and Consumption Preferences: Some Emerging Patterns of Consumer Tastes," *Journal of Consumer Research*, 20 (September), 245-56.
- [5]. Holbrook, Morris B., and Robert M. Schindler (1989), "Some Exploratory Findings on the Development of Musical Tastes," *Journal of Consumer Research*, 16 (June), 119-24.
- [6]. Holmlund M, A Hagman, P Polska. An exploration of how mature women buy clothing: empirical insights and a model *Journal of Fashion Marketing and Management*. Bradford: 2011. Vol. 15, Iss. 1; pg. 108
- [7]. Lach (2002). "Dateline America: May 1, 2025."
- [8]. Karen Leppel, Donna W. McCloskey. A cross-generational examination of electronic commerce adoption *The Journal of Consumer Marketing*. Santa Barbara: 2011. Vol. 28, Iss. 4; pg. 261

- [9]. Medina, Kurt (1997), as quoted in "Marketers Reveal Industry Dos & Don'ts; Say Capitalize on Relationship Building," *Selling to Seniors: The Monthly Report on Marketing*, Silver Spring, MD: CD Publications, 97-11 (November), 1-2.
- [10]. *Meiner H, B Seeberger*. Marketing to Senior Citizens: Challenges and Opportunities, *The Journal of Social, Political, and Economic Studies*. Washington: Fall 2010. Vol. 35, Iss. 3; pg. 293, 36 pgs
- [11]. Meredith, Geoffrey, and Charles Schewe (1994), "The Power of Cohorts," *American Demographics*, 16 (December), 22-31.
- [12]. Ryder, Norman B. (1965), "The Cohort as a Concept in the Study of Social Change," *American Sociological Review*, 30 (December), 843-61.
- [13]. Schuman, Howard, and Jacqueline Scott (1989), "Generations and Collective Memories," *American Sociological Review*, 54 (June), 359-81.
- [14]. *United Nations, Department of Economic and Social Affairs World Population Ageing: 1950-2050, 2002*
- [15]. U.S. Census Bureau (2002b), "Census 2000 Profile <http://www.census.gov/main/www/cen2000.html>.
- [16]. Yoon, Carolyn (1997), "Age Differences in Consumers' Processing Strategies: An Investigation of Moderating Influences," *Journal of Consumer Research*, 24 (December), 329-42.

Table 1
Percentages of population 65 years of age or older

Region	2000	2050
World	7	16
Eastern Asia	8	23
Southern Asia	5	13
Southeastern Asia	5	16
Western Asia	5	11
Europe	15	29
Eastern Europe	13	28
Northern Europe	15	27
Southern Europe	16	34
Western Europe	16	29
Latin America	5	17
North America	12	21
Africa	3	7
Japan	23	36
Romania	18.8	34

Source: United Nations, World Population Ageing: 1950-2050

Table 2.
Definition of Executional Elements.

<u>Executional Element</u>	<u>Definition</u>
Brand Differentiating	If the ad has a message differentiating it from other brands
Number of Brand Name Mentions	If the # of mentions in the ad exceeds 3, it is considered present
Time Until Category Identification	If the category is mentioned before 4 seconds, it is considered present

Time Until Brand Name Identification	If the brand is mentioned before 5 seconds, it is considered present
Time Until Product/Package Shown	If the package is shown before 5 seconds, it is considered present
Time Product on Screen	If the total time that the product is on screen exceeds 6 seconds, it is considered present
Number of On-Screen Characters	If the number of on-screen characters exceeds 3, it is considered present
Nutrition/Health	If a nutrition/health claim is mentioned, it is considered present
Convenience in Use	If the ad described the convenience/benefit of the product, it is considered present
New Product, New/Improved Features	If the ad announced that some aspect of the product was new or improved, it is considered present
Product Double-Branded	If both the company and brand are mentioned, it is considered present (e.g., P&G's Tide)
Setting Related to Product Use	If the setting relates to the use of the product, it is considered present (e.g., food in the kitchen)
Substantive Supers	If there are a significant number of supers (more than one sentence), it is considered present
Cute/Adorable	If, in the opinion of the raters, the ad sought to be cute, it is considered present (e.g., pictures, music, or theme)
Humorous	If, in the opinion of the raters, the ad sought to be funny, it is considered present
Indirect Comparison	If a comparison is made between brands, but does not mention the other brand by name, it is considered present (e.g., "the best")
Demonstration of Product in Use	If the product is shown in the ad being used, it is considered present
Product Results Demonstrated	If the results of the product are demonstrated, it is considered present (e.g., the floor is clean)

Principal Character(s) Male	If principal character is male, it is considered present
Actor Playing Ordinary Person	If principal character is playing an ordinary person, it is considered present
No Principal Character	If there is no principal character, it is considered present
Background Cast	If there is a background cast in the ad, it is considered present
No Particular/Neutral Setting	If there is no particular setting to the ad, it is considered present (e.g., a white background)
Child/Infant/Animal/Animated	If ad included children/animals/animation, it is considered present

Table 2.
Average Recall Scores for Older Consumers.

Executorial Element	Older Consumers		
	Avg 1.89		
	Present	Absent	% Change
Brand Differentiating	1.96	1.82	8%
Number of Brand Name Mentions	1.87	1.89	-1%
Time Until Category Identification	1.94	1.82	7%
Time Until Brand Name Identification	1.98	1.81	9%
Time Until Product/Package Shown	2.03	1.79	13%
Time Product on Screen	1.84	1.91	-4%
Number of On-Screen Characters	1.90	1.87	2%
Nutrition/Health	1.86	1.89	-2%
Convenience in Use	1.95	1.88	4%
New Product, New/Improved Features	1.85	1.91	-3%
Product Double-Branded	2.07	1.85	12%
Setting Related to Product Use	1.93	1.83	5%
Substantive Supers	1.89	1.88	1%
Cute/Adorable	2.50	1.86	34%
Humorous	1.97	1.88	5%
Indirect Comparison	2.04	1.85	10%
Demonstration of Product in Use	2.02	1.60	26%

Product Results Demonstrated	1.99	1.84	8%
Principal Character(s) Male	2.06	1.83	13%
Actor Playing Ordinary Person	4.38	1.86	135%
No Principal Character	1.74	1.98	-12%
Background Cast	1.95	1.84	6%
No Particular/Neutral Setting	1.87	1.89	-1%
Child/Infant/Animal/Animated	2.10	1.86	13%

Table 3.
Average Persuasion Scores Older Consumers

Executorial Element	Older Consumers		
	Avg 6.58		
	Present	Absent	% Change
Brand Differentiating	8.05	5.23	54%
Number of Brand Name Mentions	6.47	6.64	-3%
Time Until Category Identification	5.92	7.26	-18%
Time Until Brand Name Identification	5.76	7.22	-20%
Time Until Product/Package Shown	5.48	7.30	-25%
Time Product on Screen	6.04	6.89	-12%
Number of On-Screen Characters	7.17	6.00	20%
Nutrition/Health	4.99	6.97	-28%
Convenience in Use	12.50	6.28	99%
New Product, New/Improved Features	7.37	6.03	22%
Product Double Branded	8.42	6.23	35%
Setting Related to Product Use	6.97	6.04	15%
Substantive Supers	6.63	6.40	4%
Cute/Adorable	6.97	6.56	6%
Humorous	4.25	6.77	-37%
Indirect Comparison	9.06	5.93	53%
Demonstration of Product in Use	6.80	6.09	12%
Product Results Demonstrated	8.61	5.57	55%
Principal Character(s) Male	5.99	6.77	-12%
Actor Playing Ordinary Person	9.02	6.55	38%
No Principal Character	6.24	6.79	-8%
Background Cast	6.30	6.76	-7%
No Particular/Neutral Setting	6.42	6.64	-3%
Child/Infant/Animal/Animated	5.42	6.71	-19%

Table 4.
Most Effective Recall and Persuasion Elements.

Persuasion Older Consumers	Recall Older Consumers
1) Convenience In Use	1) Actor Playing Ordinary Person
2) Product Results Demonstrated	2) Cute/Adorable
3) Brand Differentiating	3) Demonstration of Product in Use
4) Indirect Comparison	4) Child/Infant/Animal/Animated *
5) Product Double-Branded	5) Principal Character(s) Male*
	Time Until Product/Package Shown*

Table 5.
Least Effective Recall and Persuasion Elements.

Persuasion Older Consumers	Recall Older Consumers
1) Humorous	1) No Principal Character
2) Nutrition/Health	2) Time Product on Screen
3) Time Until Product/Package Shown	3) New Product, New/Improved Features
4) Time Until Brand Name Identification	4) Nutrition/Health
5) Child/Infant/Animal/Animated	5) Number of Brand Name Mentions *
	No Particular/Neutral Setting*