

For Media Post

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The Power of the 50+ Market in Asia Pacific

It seems to me that American and European marketers have well and truly woken up to the indisputable power of the Baby Boomer (and older) market. And while an equal or greater prize awaits in the markets of Asia Pacific, business here and abroad seems blind to the opportunity.

Consider these few facts. In the 10 years to 2018 the 50+ population in Asia Pacific will:

- Grow almost 5 times faster than the total population growth
- Represent almost 1 billion people across the region
- Comprise more than 35% of the population of most developed countries in the regions

At the same time, younger populations are either shrinking (pre-teens -6.5%) or stagnating. One dramatic example is China where the 50+ is already greater than the entire population of the USA and will grow dramatically in the coming years while at the same time, the under-50's will shrink by 117 million in the same period! Another shocking statistic is Japan's 0~34 population will decrease around 16% in the same 10 year period. Bad news for youth-obsessed marketers!

Wealthy and wise

What's more, as in the west, older consumers have wealth. One estimate by MasterCard puts the spending power of the *retired* population (65+) in APAC to exceed US\$2 trillion by 2015. People often comment on the volume vs. value of the older consumer in Asia Pacific. China again, is a clear example. Based on data from Global Demographics, households in China with persons aged 50 to 64 (i.e. still economically active) are important even though they earn marginally less on average, than younger households. Because of their smaller average household size, their per capita income is actually 30% greater than younger households. Their discretionary expenditure per household (and per capita) is also significantly higher. This means their total market value (number of households multiplied by average discretionary spend per

household) is projected to reach Rmb 1,206Bn (about US\$176 billion) in 2019. 100% growth in a decade!

East/West: Family versus Self

Multi-national companies looking to expand into the APAC 50+ market should take note of [our research](#) which shows clearly that there is definitely an East/West divide in attitudes towards obligations to family and self among the 50+ sector. Getting this balance right is critical.

Among countries where the culture is predominantly Asian or Confucian, the welfare of the family remains a top priority even after retirement, much more than a more 'westernised' outlook such as in Australia and to a degree, Singapore.

Removing the barriers

While there is undoubted potential for 'old products for old people' (just as there are baby products for babies) the grand prize lies in ageless marketing. This includes the concepts of Universal Design and Inclusive Communications.

Companies need to reassess their entire customer experience. While people don't want to be talked to as being 'old' we can't avoid the inevitability of physiological ageing including the cognitive, physical and sensory effects. Marketers must understand these issues and make adjustments to render their customer experience 'age-neutral'. From communications to product design, retail placement, packaging and labelling through to customer service the entire cycle needs to be assessed and adjusted to remove the barriers and welcome back the older (but not old) customers.

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