



CATERING FOR CHINA'S SILVER DOLLAR

With the already colossal 50-plus population in China set to grow exponentially in the next ten years, brands are increasingly looking at communicating with the silver market. Yet are the seniors being properly marketed to in China? **Ben Burrowes** reports.

To get a true perspective on the size of

China's senior population, consider the fact it outnumbers the entire population of the United States.

And with the number projected to grow by nearly 37% over the next 10 years, it's clear the Chinese seniors market is worth pouring a few marketing dollars into.

The huge numbers have seen a fair amount of research being undertaken in recent times to better understand the market in China and all the findings have come to the same conclusion.

A study from Ogilvy & Mather Greater China revealed that the senior citizen's spending power will quadruple to over US \$4,000 per capita in 2015, correlating directly to the projected growth of the senior population.

Yet despite the figures it's a market which hasn't yet been mastered, and with marketers traditionally capping their audience profile at around 39 or 45, access to the seniors in China has been limited. Brands have often viewed the ageing process as a hindrance without looking at the massive opportunities.

"We invested in this research because we realize that the more we understand about Chinese consumers and the Chinese market as a whole, the more effective and culturally sensitive our campaigns will be," Shenan Chuang, CEO of Ogilvy & Mather Group China, says.

"We wanted to take a forward-looking approach to this topic because we believe seniors are an often overlooked demographic that is vital to the future success of many of our clients' businesses in China."

Kunal Sinha, the executive director of Discovery, Ogilvy & Mather Greater China, says the first thing companies need to realise is that the 50 and over market is a vitally important target group. That starts by creating products that are relevant to them.

"Companies like Nokia and Samsung seem to come out with a huge number of phone models each year – models targeted at the youth segment, models targeted at the business segment and models targeted at women.

"Why not recognise that there's a big mar-



More Chinese seniors get the hang of email.

ket out here for a mobile phone which is simple to use and inexpensive?"

Winnie Lee, managing director of OMD China, says that more local rather than international brands are embracing this market, with products that offer limited functionality and very simple design.

They span various categories including medical, healthcare and personal care, including brands like SANJING, Nao Bai Jin and personal care items such as adult diapers, as well as hearing aids from brands such as Siemens, ReSound, StarKey, AST and increasingly other big players in the mobile phone sector.

Former M&C Saatchi CEO & president for Asia Kim Walker is one who has taken stock of the numerous opportunities and has launched Silver – a new marketing consultancy which focuses on the seniors sector. Silver has also launched extensive research into the senior markets of Asia Pacific nations, including China, and the findings have also shown the market to be poorly neglected.

While the research has obviously highlighted the rapid growth of China's senior population, it's also shown how they prefer to be marketed to – allowing Walker to create intellectual property which helps brands and marketers effectively tap into the lucrative age-group.

"I'm not suggesting that all companies need to change their strategies overnight but there is a massive and rapidly growing opportunity – particularly in China," Walker says.

Walker says there are fundamentally two

different approaches to take, one being an age-segmented approach and the other an ageless marketing approach.

Though one of the biggest issues companies face, Walker explains, is if they're a particular image group and they have a franchise among younger users, they don't want to be seen deliberately targeting an older consumer otherwise they'll lose their existing franchise.

"The other equally important thing that our research shows is the thing which people in the (senior) age bracket dislike the most about ageing is that they're categorized as an old person," he says.

"The lesson there for marketers and advertisers is that they can potentially alienate both younger and older consumers."

It's evidently quite a complex strategy to get right so Walker has developed SilverAudit – a score sheet for clients to check they've got the correct practices in place.

One important aspect is the communications vehicle, a category which has been rapidly changing for the seniors market in recent times.

The Ogilvy & Mather study also revealed that 85% of senior citizens in the survey communicate with their friends via email and that their average monthly telco bill exceeds even their medical expenses.

OMD's Lee says these reports of modern media usage being high may be true in Tier 1 cities, but in the lower tier markets with middle level income and education, the landline and face-to-face communication is still the preferred medium for socialization.

"The Chinese as a whole are heavy users of television, and in the lower tier cities, the seniors are highly social, practicing tai-qi and playing mah-jong," Lee says.

"But while the younger generations are increasingly independent in their thinking, this market is still heavily influenced by authority, and communication strategies need to reflect this in both the language and the medium in which we communicate.

"This is still a heavily collective culture and they are influenced by major television networks such as CCTV, and other state run media which they consider trustworthy."