



Old Is the New Young

How Global Consumers
Are Challenging Ageing

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AN EXTRACT FROM THE REPORT

Old Is the New Young: How Global Consumers Are
Challenging Ageing

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Perceptions, attitudes and behaviour related to ageing have changed dramatically. The world is maturing, and healthy life expectancy is longer, yet people are looking and feeling younger than ever before. In this strategy briefing, Euromonitor International takes a deeper look at consumer behaviour and the ways in which consumers and influencers are challenging ageing.



AN AGEING WORLD



Life expectancy continues to creep up

The world is ageing rapidly. The median age of the global population was 29.6 years in 2015, up from 27.5 years a decade earlier. Average global life expectancy is now 72 years, up from 69 years in 2005. Over the decade, the global percentage of people aged over 60 years grew from 10% to 12%, and by 2020, this figure is expected to rise to 13%.

Why are populations ageing?

The vast cohort of post-war baby boomers are now starting to turn 70.

Lower birth rates are bringing up median ages.

People are living longer, owing to factors such as health prevention, lower smoking levels and higher standards of healthcare.

In Japan, Italy and Germany, the share of the population aged over 60 years is much higher than average, at 33%, 28% and 27% respectively in 2015. In Japan, as much as 8% of the population was aged 80 years or over in 2015, compared with a global average of 2%.

Key findings

Results from Euromonitor International's Global Consumer Trends Survey of 2016 and Beauty Survey of 2016, as well as economic and sales data from Passport examine the effects of ageing populations on societies, health and buying behaviour and uncover the following trends for the senior consumer:

Living longer, healthier

The boundaries of old age continue to shift as we live longer and take better care of our health and wellbeing. The number of over-60s has risen by a third over the last decade, making this the fastest growing consumer segment.

Baby boomers are redefining ageing

Baby boomers are less conservative than their predecessors and are influenced by media images of active and wrinkle-free models and celebrities. They are generally unwilling to take a passive attitude towards ageing, and are attempting to remain youthful, healthy and energetic for as long as they can.

A burgeoning market for "age management"

A large and growing market has arisen for products and treatments that help protect the skin and hair or reverse the signs of ageing. This includes anti-agers and other beauty products that incorporate anti-ageing properties; beauty devices; and cosmetic procedures, such as injectable fillers.

A holistic lifestyle

More consumers are taking a holistic approach to ageing, paying attention to good nutrition and recognising the need to balance their emotional wellbeing with keeping their body active and mind sharp. This is benefiting a range of health and wellness foods and beauty-positioned supplements.

Brain fitness

A healthy brain and positive mindset are further essential components to staying youthful. With Alzheimer's disease and dementia being big concerns for ageing consumers, they are choosing to remain socially and intellectually active by staying in work longer, travelling, learning new skills or using brain training apps.

Adapting to the mature consumer

Companies are responding to the needs of an ageing consumer base by adapting or segmenting their products and packaging; offering greater customisation; and casting older icons in their advertising campaigns.

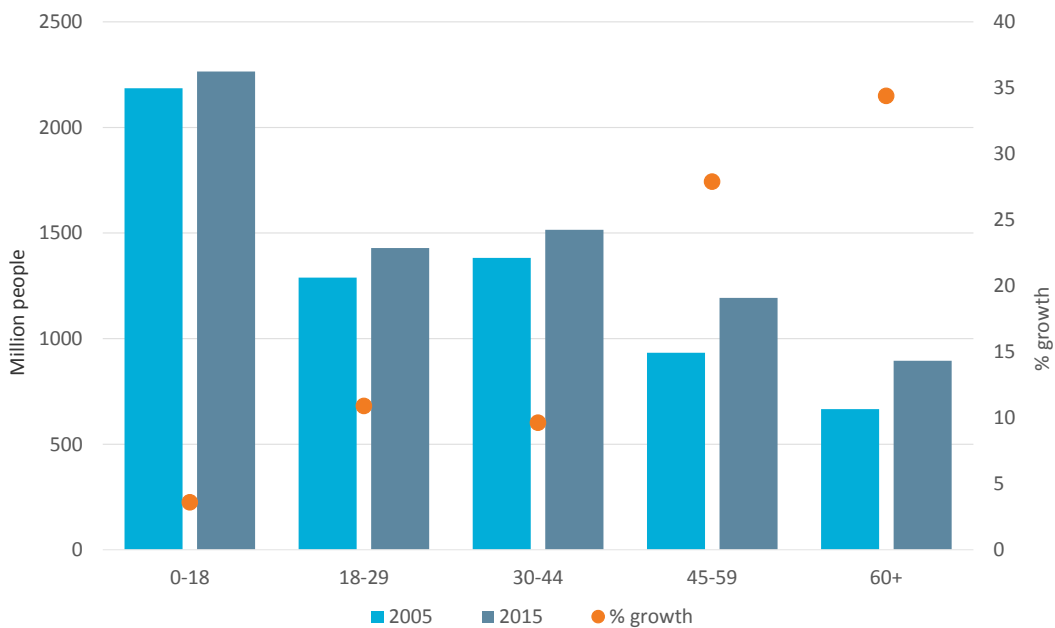
TARGETING THE SENIOR CONSUMER



Over-60s form the fastest-growing population segment

Although the over-60s still represent the smallest of the key age groups, their growth has been more rapid than any other segment over the decade to 2015, at 34%. In contrast, the number of under-18s crept up by just 3%. The over-60s saw their share expand from 10.3% in 2005 to 12.3% in 2015.

Population by Age Group



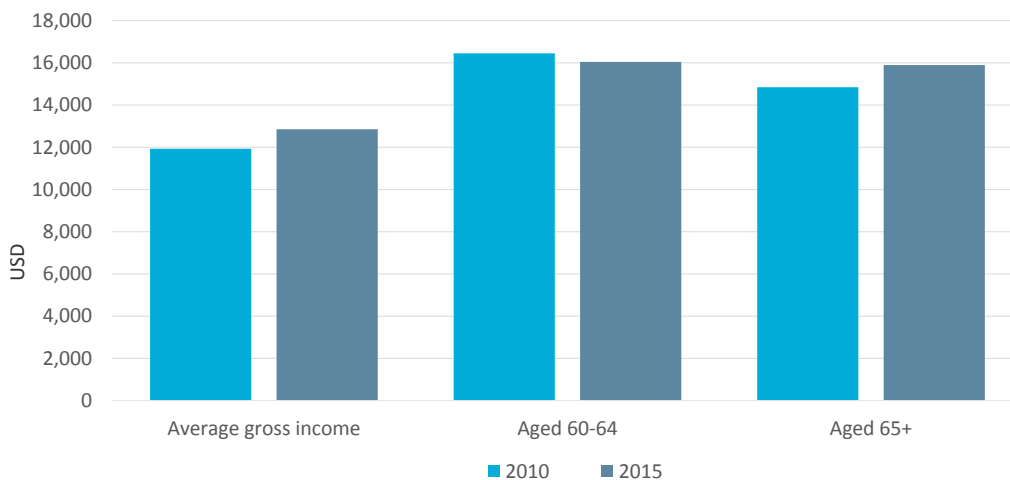
Source: Euromonitor International

In absolute terms, China and India have the largest numbers of people aged 60+ (211.9 million and 110.7 million, respectively), reflecting their vast populations. China’s population is ageing rapidly, a consequence of its one child policy. The number of people aged 60+ increased by 48% over the decade from 2005–2015, while India’s 60+ population grew by 43%. The most rapidly ageing populations over the last decade have included Colombia, Philippines, Malaysia, Saudi Arabia and Brazil, where the number of people aged 60+ has grown by more than 50%.

Senior spending power

The wealth and wellbeing of the elderly population varies widely across the globe, according to differences in social policies and living standards. This is believed to be contributing to the growing divide between rich and poor. Due to the lack of well-established pension systems, retirees in developing countries are often less well-off than their counterparts in the developed world, many of whom benefit from high pensions and extra incomes from their financial and property investments. Poorer families must often rely on extended families to support them. Similar disparities exist within developed countries, where some benefit from generous pensions while others have not saved sufficiently for retirement and are struggling with their finances.

Global Average Incomes, 2010 / 2015



Source: Euromonitor International

Overall, later lifers are in better financial shape than the rest of the population, boasting the highest spending power among all age groups. In 2015, those aged 60–64 years—many of whom are still working and have reached senior positions or have inherited wealth from their parents, earned an average of USD16,048—a full 25% above the average earnings of all age groups (USD12,854). This makes this group a key target market for luxury and indulgence items. The older age group (65+), consisting mainly of retired people, also earned more than the global average, at USD15,897 in 2015.

Avoiding ageist marketing

Cal-in+, a yoghurt brand from Yoplait and General Mills that contains vitamin D and calcium for strong bones, does not explicitly target older consumers but is marketed to protect against age-associated losses in bone mass. Sales of the brand increased by 18% in Western Europe over two years to reach US\$10.5 million in 2015.

While it is important to take a maturing population's needs into account in terms of product and packaging design, marketing needs to be subtle and inclusive to avoid alienating those who are sensitive about ageing and do not wish to be singled out from their younger counterparts. With clever marketing and communication, there is clear potential for foods and other products to be positioned for healthy ageing without mentioning the "A" word. Companies will continue to surreptitiously make life easier for older consumers, for example by increasing font size on packaging (many people start to encounter problems with near vision after 40).



Forget about age-based marketing. It is out of date. Instead, position your product as the hero and target consumers by their attitudes instead of demographics.

Kim Walker
CEO, Silver Group Consultancy



More mature style icons

Although ageing consumers wish to retain a youthful appearance, they do not necessarily consider younger models and celebrities as role models.

A recent international survey by the London College of Fashion for Look Fabulous Forever, a make-up brand aimed at older women, confirmed that beauty brands are not targeting mature consumers effectively:

- 98% of respondents said they wanted to see older models and celebrities used in advertisements for beauty products aimed at their age group.
- 65% disliked the current choices, saying that those used to advertise products aimed at older women were usually too young and often digitally enhanced.
- Almost half of respondents said that these tactics made them less likely to buy a product.

In the West, a growing number of brands are responding to these needs and casting older celebrities in their advertising campaigns. However, there is still huge potential to launch marketing initiatives featuring over-50s in Asia. At present, there is still a relative lack of older icons in Asia, partly to the predominance of 30-something professionals in the marketing industry and partly due to the region's negative preconceived notions about ageing, and its obsession with youth. This means that most beauty-related marketing campaigns in Asia, even those promoting anti-ageing products, are aimed at 30–40 year-olds.

The future of anti-ageing

Nivea launched the Face Facts Boutique for its new Cellular Anti-Age range in UK shopping centres in 2014, offering women aged 40–60 years free skin consultations and expert advice on skin care routines.

At the retail level, the anti-ageing sector will see further robust growth in anti-agers and beauty ingestibles over the forecast period, as well as more anti-ageing properties being incorporated into regular beauty and personal care products, such as cosmetics, sun care, moisturisers and hair care. The future is also likely to see a more customised approach to skin care as in-store skin consultancies proliferate. A US-based study by Canadean in 2014 found that 45% of women aged 45 and above would consider choosing a laboratory over a department store beauty counter if it meant they could find a product to match their skin perfectly, 54% would be prepared to provide their own blood, hair and skin samples and 51% said they would give a DNA swab sample.

Case study: Topical Botox on the cards

Companies are racing to commercialise a topical version of Botox, which would avoid the need for invasive treatments. While many products promise Botox and filler-like effects, none has come close to competing with injections as yet, although there are some such products being developed that still need to gain authorisation, such as a topical gel in the US called RT001. Midaskin claims to have already launched South Korea's first topical Botox product, BOLC A+. The product uses botulinum, which has officially been accepted by INCI as a cosmetic ingredient. However, compared with Botox, clinical trials of BOLC take far longer for results to be visible (3–4 weeks). The product retails for USD200.

The next scientific breakthroughs

With injectable fillers becoming more mainstream, demand for such treatments will remain strong. However, the future will continue to see the development of more revolutionary rejuvenation techniques. For example, in 2016, US researchers tested lab-grown “second skin”, a silicone-based polymer film that can erase wrinkles for 24 hours.

The race is on for scientists to find new ways to combat or even reverse the signs of ageing. There are frequent reports of scientific breakthroughs that may offer pathways for new types of treatment. For instance, in 2016, scientists at Newcastle University in the UK found that the activity of a key metabolic enzyme in the “batteries” of human skin cells declines with age, and the hope is that this can lead to the development of products that will counteract the decline in the enzyme’s activity levels. Also, researchers in California are planning a clinical trial in which participants’ blood will be altered in the hope of slowing down the ageing process and preventing age-related diseases such as Alzheimer’s disease, Parkinson’s disease and type 2 diabetes. Blood will be passed through a machine that “resets” abnormal levels of proteins seen in older blood. In the longer term, experts predict the development of lab-grown organs, as well as genetic modifying, or “editing” of DNA to eliminate disease and hence increase life span.

Is an anti-ageing vaccine on the horizon?

Clinical trials have begun in the US for what could turn out to be the world’s first anti-ageing medication, based on the common diabetes drug, metformin. Experts believe it may be able to extend human lifespan to 120 years and beyond, due to its ability to increase the number of oxygen molecules released into a cell. The drug has already been proven to extend the lifespan of animals, and has been permitted by the FDA to be tested on humans, with the goal of creating an anti-ageing vaccine to slow down the ageing process (i.e., by reducing the prevalence of age-related conditions such as loss of muscle tone, dementia, and loss of eyesight).

OUTLOOK AND RECOMMENDATIONS



The world will continue to age

The global population will continue to age, on the back of rising life expectancy, falling birth rates and the ageing of the Baby Boomer population bulge. The number of people aged 60+ could grow by 16% from 2015–2020 and represent 13% of the global population by the latter year.

While China and India will continue to have the largest over-60s populations, and will experience faster ageing than the global average, the most rapid growth will occur in Saudi Arabia, South Korea, Malaysia and Colombia.

Key trends to watch

Baby boomers and their younger counterparts will continue to redefine ageing over the next decade. Less conservative than their predecessors, they will want to remain stylish, active and youthful looking well into old age. Consumers' desire to hold back time will ensure a large and growing market for anti-ageing products of all kinds, and will provide an opportunity for manufacturers to adapt and segment their products to meet differing anti-ageing needs and expectations at all stages of life.

At the same time, the overriding motto of the future will be to “grow old gracefully”. Consumers are likely to choose a holistic path to ageing, whereby they pay attention to wellness of mind and body to ensure they stay fit and healthy for longer. Studies show that mature consumers do not want to be treated as one homogeneous group by marketers. Finding the right language can be tricky, considering people do not want to be viewed as old. US studies show that words like “senior”, “ageing” and “retiree” often receive a strong negative response.

HOW CAN EUROMONITOR INTERNATIONAL HELP?



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