

A Study of the Australian Seniors Market: Social Concerns and Marketing Implications

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ABSTRACT

According to the Australian Bureau of Statistics in 2003, the seniors market is an increasingly important part of the Australian population. In particular the population aged 65 years and over has increased by 66%, the ages from 15-64 has increased by 33% since 1982 compared with only 6% in the number of children aged 0-14 years. In other words, the population is gradually aging. The Australian statistics are comparable with those for the United States and Canada. The potential influence of the senior market according to Grupendoff (1991) reflects the fact that they control a large proportion of household net worth, own much of the financial assets and represent a major consumptive demand.

This paper was designed to identify the main issues that are of concern to the senior consumer market in Australia, and to discuss the marketing and social-environmental implications. The results showed that health was ranked by the majority (75.7%) of the respondents either as the first or second most important issue of concern to them. Of lesser concern were the social issues of defence, social security, education and the environment. The meaning of these rankings were analysed using the concept of three orientations: egocentric (self-focused) homocentric (socially-focused) and ecocentric (focused on the environment).

INTRODUCTION

Two of the social trends being observed in western countries are the growth of the senior market and the increase in environmentalism. Seniors, (i.e. individuals over 50 years of age) are an increasing proportion of western populations and they represent a significant market force with access to high levels of economic and social power. Since the late 1970s evidence of a significant change in pro-environmental concern has been measured in samples of the general population (Dunlap and Van Liere, 1978; Dunlap, Van Liere, Mertig and Jones, 2000; Milbrath, 1984). The interests of the new 'green' market are relevant in identifying segments for consumption and the marketing of 'green' products, in decisions about land use, and for the platforms of political parties. Identification of the characteristics of this market has been a research topic with application in a number of areas including tourism, natural resource management, conservation behaviour, and the political arena.

Social issues such as health, education and the environment are rarely considered in isolation from each other. It is often at the political level, where the competition for

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media attention and access to resources between the various stakeholders and proponents of the issues is most clearly observed. This paper was designed to identify the main issues that are of concern to the senior consumer market in Australia, and to discuss the future marketing and social-environmental implications. The paper also provides a socio-demographic profile of the groups who rated health and the environment as most important. The next section now reviews some of the previous research involving socio-demographic profiles of environmental concern, followed by the methodology, presentation of the results, limitations and implications for further research.

SOCIO-DEMOGRAPHICS AND ENVIRONMENTAL CONCERN

Environmentalism is a relatively new phenomenon in the western world and many attempts are being made to describe and understand it. Traditional methods of classifying people on the basis of socio-demographic characteristics have produced variable results. At a broad social level there appears to be some evidence to support the stereotypical environmentalist as being a younger, well educated, liberal thinking, urban dweller, who is not employed in primary industry. This profile has remained stable over time (Jones and Dunlap, 1992), however, other researchers have reviewed the relationships between socio-demographic variables and environmentalism, and concluded that the relationships were generally weak (Dietz, Stern and Guagnano, 1998; Fransson and Garling, 1999). At a broad level, women are thought to be more concerned than men about environmental issues (Dietz, Stern and Guagnano, 1998; Steel, List and Shindler, 1994) but gender issues are highly complex and become intertwined with issues of equality, ecofeminism, religion and spirituality. Gebhardt and Lindsey (1995) supported the idea that environmentalism is associated with social class, but again, this concept is often confused with other characteristics such as occupation, income and place of residence. Some studies support the idea that urban residents are more likely to be concerned with the environment than those in rural areas (Jones and Dunlap, 1992). The hypothesis that environmental support can be related to economic conditions, and that people will withdraw support in hard times has not been supported (Jones and Dunlap, 1992).

THE CONCEPT OF AN ORIENTATION

A useful way to conceptualise broad populations and groups within population is an orientation or world view. The four cultural dimensions developed by Hofstede (2003) provide a method to compare some of the broad differences between cultures. Hofstede (2003) described the way in which culture influences values with respect to equality between people, individualism, masculinity and uncertainty avoidance. In Australia and other western countries such as Great Britain, New Zealand and the United States for example, the notion of individualism is particularly strong compared with other countries. Within the context of natural resource management and marketing, the notion of an orientation has been used to help describe and understand the needs of western recreational market and their needs. An orientation is not a single concept but a cluster of values (Stern *et al.* 1995) and it has been extensively used as an indicator of environmental concern (Dunlap and Van Liere, 1978; Dunlap, Van Liere, Mertig and Jones, 2000). The concept of an orientation is useful in relation to important current social issues because it acknowledges the different perspectives through which people relate to themselves, other people and other entities such as the natural environment. Environmental orientation is usually conceptualised as a continuum with an

anthropocentric (human centred) and a biocentric (nature centred) perspective at the extremes, and varying positions in between (Gebhardt and Lindsey, 1995). Merchant (1992) described three main orientations: ecocentric, egocentric and homocentric. The ecocentric orientation is an holistic perspective focused on the cosmos and ecosystems, in which the whole is regarded as being greater than the sum of the parts. An egocentric orientation regards the self and the individual as primary, thus the greatest good is that which benefits the individual. The homocentric orientation is focused upon the interests of human society but denies the same consideration to nature (Merchant, 1992). Thus it is only the ecocentric person who tends to give equal consideration to a world of both humans and non-human entities. This typology of orientations is useful in which to consider the relative importance of a range of entities and to interpret the results of the comparative importance of issues. One of the questions addressed in this paper is the relative importance given to broad social issues by the senior market. The results have been interpreted within the context of an orientation to help understand the relative concerns and focus of this market.

METHODOLOGY

The sample used for this study consisted of data collected from seniors over 50 years of age. Based on the type of information that was required, the wide dispersion of respondents across Australia, and confidentiality and privacy issues, a mail self-administered questionnaire was considered most appropriate. The questionnaire was supported with a covering letter from the CEO of COTA National Seniors and a reply-paid envelope. No pre-notification of the survey or reminder letter was communicated to the potential respondents. The data was collected during January and early February 2004.

The data presented in this paper is a small part of a larger study examining the seniors market in Australia. For this study, six broad current Australian issues were provided: education, environment, economy, social security, health and defence/national security. Respondents were asked to number the issues in order of preference from most to least important. An "Other" category was also made available for respondents to indicate alternative issues. Demographic data to profile the respondents were also collected.

The sampling frame consisted of members of COTA National Seniors. A probability random sample of 6000 member names was drawn from eight age categories: 50-54, 55-59, 60-64, 65-69, 70-74, 75-79, 80-84 and 85+. For each age group, names were selected at random from the database in proportion to the size of the population of each state/territory in the corresponding age bracket. The response rate for the study was 40% (2376 responses), and the effective response rate was 38% (2253 responses). Return to sender, deceased, health reasons and incomplete questionnaires reduced the usable response rate to 38%. To check the representativeness of the sampling frame, a Chi-square goodness of fit test was conducted on age by age categories at the National level. The Australian Bureau of Statistics data was compared with respondent data on this dimension and a significant difference was identified at the 0.05 level. The > 85 age group was under represented by 60%, while the 60 – 64 age group was over represented by 14%. The remainder of the age groups aligned with the Australian Bureau of Statistics data.

FINDINGS

Demographic profile of senior respondents

Respondents ranged in age from 50 to 85+ years. The ages were relatively evenly spread over three groups, with 40% in the 50-59 age group, 30% in the 60-69 group and 30% in the 70+ group. Male respondents comprised 44% of the sample and 56% were female. Only 23% were employed full time and a further 16% employed part time/casual, with 49% of respondents being retired. Fifty-seven percent of respondents were currently or previously employed in a professional, associated or management positions. Respondents' highest education achieved ranged from primary/junior (32%) to postgraduate with 21% of the sample reporting tertiary education. Household income was slightly above the national average for the over 50 age group with 26% of respondents reporting a household income of greater than AUD \$60,000. Thirty-five percent of respondents were in the lower income bracket of less than AUD \$29,999. Further details of the demographic profile of all respondents are provided in the second column in Table 1.

Table 1: Demographic profile of respondents: all respondents, health and environment number 1 ranking

	Profile of all respondents n = 2253	Profile of respondents who ranked Health as the most important n = 1238	Profile of respondents who ranked Environment as the most important n= 287
Gender			
Male	44%	41.5%	37.6%
Female	56%	58.5%	62.4%
Age			
50 – 59	40.5%	40%	45%
60 – 69	30%	30.5%	30%
> 69	29.5%	29.5%	25%
Household Income (Aust \$)			
< \$29,999	35%	38%	31.5%
\$30,000 – \$59,999	39%	37.5%	42.5%
> \$60,000	26%	24.5%	26%
Occupation			
Professional/Manager	57.5%	55%	58%
Advanced Clerical/Clerical	24%	25%	25%
Trade/Labourer/Home Duties	18.5%	20%	17%
Education			
Junior	32%	36%	27%
Senior	12%	12%	11%
Skilled vocational	17%	17%	17%
Ass Diploma/Diploma	18%	16%	19%
Bachelor/Postgraduate	21%	18%	26%
Employment Status			
Full time/ part time	39%	37%	42.5%
Retired/unemployed/home duties	61%	63%	57.5%

Ranking of Current Australian Issues

The majority (55%) of the respondents ranked health as the most important issue of concern. Referring to Table 2, health is displayed in the first row, with the ranking of importance from one = most important, to six = least important based on the total number of respondents provided in the final column. The table shows that health was also ranked as the first or second most important issue by 77.5% of respondents. Further findings based on the most important column indicate that the economy was the next most important issue (22% of respondents). Education (14%) social security (13.5%) and the environment (13%) were ranked by a smaller number of respondents as most important. Defence/national security was considered the least important of the issues provided (11%). A larger percentage of respondents (55%) ranked the environment in the last three ranking categories as highlighted in Table 2.

Table 2: Ranking of current Australian issues in order of importance

Issue	Order of Importance						Total Response (%) n = 2253
	Most Impt-1 n (% of Issue)	2 n (%)	3 n (%)	4 n (%)	5 n (%)	Least Impt - 6 n (%)	
Health	1238 (55)	505 (22.5)	280 (12)	111 (5)	40 (2)	12 (0.5)	2186 (97%)
Economy	488 (22)	354 (16)	458 (20)	426 (19)	275 (12)	99 (5)	2100 (94%)
Education	315 (14)	354 (16)	318 (14)	361 (16)	404 (18)	301 (13.5)	2053 (91%)
Social Security	307 (13.5)	335 (15)	291 (13)	332 (15)	451 (20)	361 (16)	2087 (92.5%)
Environment	287 (13)	194 (9)	335 (15)	406 (18)	434 (19)	407 (18)	2063 (91.5%)
Defence/ National Security	250 (11)	205 (9)	249 (11)	292 (13)	317 (14)	717 (32)	2030 (90%)

% calculated for importance level of each issue by row is based on the total in the final column

% displayed in final column of the table is based on total number of responses n = 2253

The Self Oriented Health Group

Health is a highly personal issue and those respondents to whom it was the most important can be regarded as the more egocentric or self focused members of the sample. This group of seniors we refer to as the self oriented health group. Table 1 shows that this group was made up of mainly females (58.5%), and their age profile was close to that for the whole sample with 40% in the 50-59 category, 30.5% aged 60-69 and 29.5% aged over 69 years. The employment status reflected the sample overall with 37% engaged in full or part-time work and 63% being retired, unemployed or home duties. Chi-square goodness of fit tests were used to test for differences between frequencies within each of the demographic categories. No significant differences were found for gender, age groups or employment status.

Within the health group significant differences were found between levels of education, income and occupation. The health issue is slightly more important for lower educated respondents ($\chi^2 (16) = 38.15, p < 0.05$) and for those in lower income groups ($\chi^2 (8) = 23.55, p < 0.05$). Health is also a more important issue for respondents in the blue collar worker category (trade/labourer/home duties) ($\chi^2 (8) = 27.18, p < 0.05$).

The Environment Oriented Group

The environment was rated as the first or second most important concern by about a fifth (22%) of respondents. These respondents can be regarded as ecocentric individuals who focus on ecosystems and the importance of both human and non-human entities. This group of seniors we refer to as the environment oriented group. A high proportion (62.4%) were female and were slightly younger than the rest of the sample, comprising 45% in the 50-59 age group, 30% in the 60-69 age group and 25% aged 70 and over. They were more highly represented in the employment category of full time/part-time (42.5%).

The characteristics which were more likely to distinguish the Environment Oriented group were age, education, employment status and income. Chi-square goodness of fit tests were used to test for differences between frequencies within each of these demographic categories. Findings indicate that respondents in the younger group (50-59 years) considered the environment significantly more important than those in the over 60 age groups ($\chi^2 (10) = 18.83, p < 0.05$). Those holding a tertiary bachelors degree or higher, rated the environment as significantly more important than those with lower educational levels ($\chi^2 (20) = 53.57, p < 0.01$). There was a significant relationship between the environment ranking and income ($\chi^2 (10) = 27.23, p < 0.01$) such that those respondents with higher incomes tended to rate the environment more highly than those with lower incomes. The respondents were significantly more likely to be employed than retired, unemployed or occupied with home duties ($\chi^2 (6) = 17.91, p < 0.01$).

Other Australian current issues

The economy, education and social security form a second band of issues that are of concern to senior Australians. These issues are seen as a strong stabilising base to support a good health system in Australia. The economics issue was ranked first by 22% of respondents, and given the close links between the Australian economy and the investment income of seniors, particularly superannuation, this group of respondents may be most appropriately described, along with the self oriented health group, as having an egocentric orientation. The respondents who ranked social security and education appear to be less focused on themselves and show a concern for the broader society and so may be more likely to hold a homocentric orientation. The defence issue was ranked as the least important by the sample, and it may be explained as being an issue which provides no immediate benefit to respondents.

A relatively small proportion of each group indicated that they considered other issues to be equally important. In the self oriented health group 10% of respondents also ranked the environment as most important. Approximately 30% of the respondents in the environment oriented group illustrated their broader focus by indicating that more than one issue was important. This group is estimated to be around 4% of the total sample.

Respondents were also given the opportunity to list other issues they regarded as important which were grouped into the 14 categories shown in Table 3.

Table 3: Other issues mentioned

Issue	%
1. Family, society, morality, social justice, age discrimination	1.3
2. Accountability of government, politicians, tax	1.2
3. Self funded retirees, superannuation, pensions, tax	1.0
4. Crime, law and order	1.0
5. Refugees, immigration	0.9
6. Aged care, hospitals, health, accommodation	0.8
7. Transport	0.3
8. Employment	0.30
9. Environment protection	0.3
10. Child care	0.2
11. Youth and drugs	0.2
12. Rural issues	0.1
13. Bank charges, prices,	0.1
14. Other –veterans affairs, housing, recreation, electricity, ageism, global issues, research	0.8

DISCUSSION

The sample represents an influential segment of the population, comprised of relatively well educated people of whom a high proportion have been or are in a professional occupation. The large first ranking of health reflects the position of the sample in which their personal health is an issue either now or for the near future. It is probably realistic to argue that the ranking of the economy in second place also reflects a concern for personal investments such as superannuation that will also have a near future impact on respondents' wellbeing. As Oumlil and Williams (2000) state, mature consumers are in the process of transforming their lifestyles, and therefore factors such as health, financial status and education play dominant roles as antecedent variables. These results indicate that up to 77% of the respondents are egocentric, that is, people who are primarily concerned with themselves. It supports Hofstede's (2003) conceptualisation of Australians as highly individualistic.

The characteristic of egocentrism is favourable for the marketing of innumerable products and services that provide benefits to the individual, but it is less likely to find support for those products, services and behaviours which are directed towards society or to non-human entities such as the natural environment. For example, Stern and Dietz (1994) commented that environmental damage cannot be solved by egocentric individuals, because people holding this perspective are likely to protect only those aspects of the environment that affect them personally. However, this group would be more likely to support 'green' products and issues if they were advertised to provide them with a personal benefit. The issue of climate change for example, may hold little relevance for people if it is communicated from a perspective of the global community, but may be particularly salient when framed in terms relating to personal issues such as potential cost increases, inconvenience and threats to health.

The next two rankings (education and social security) reflect a more homocentric orientation where other humans and the society as a whole are the main consideration. According to Merchant (1992) people with this view regard humans as holding a stewardship role towards nature but deny a right to the environment. The placement of

defence/national security as least important is notable given the high profile of this issue in the media over recent months. A number of the other comments also fall into this category and issues such as immigration, child care, youth and drugs reflect a concern which extends outside the individual to the whole society and other people.

The ranking of the environment as the most important by approximately 13% of the sample indicates an ecocentric orientation in which humans are regarded as a part of the natural world but are not superior to it. The results support the stereotyped characteristics of the environmentally concerned person as being more highly educated with a higher income than most people. It also supports the notion that younger people, in this case the 50-59 age group, relative to those who are older are more likely to be environmentally concerned. Given that this research was conducted on a sample of mature people, it suggests that environmental concern may be a function of broader social characteristics of a particular group.

Although the Environment Oriented Group is a relatively small percentage of the sample, when projected to the Australian population it represents a large group in absolute terms. The over 50 age group in Australia currently constitutes approximately 5.8 million people, which means the potential size of the Environment Oriented Group is around 760,000 (ABS, 2003). This is even more important in light of 2051 population projections which indicate that not only will Australia's population grow from 19 million (in 1999) to between 24 and 28 million, but that the proportion of the aged is expected to increase. Estimates indicate that the over 65 years population will double its present size by 2051 (ABS, 2000).

The linkages between values, orientations and pro-environmental behaviour suggests that members of the Environment Oriented Group are more likely than other members of the sample to engage in pro-environmental behaviours. The participation in pro-environmental behaviours by individuals, particularly those who are more mature, can however, be difficult. For example, people may lack knowledge of complex issues, may feel their contribution is insignificant or they may have difficulty in knowing what to do. In this respect, large organisations can play a vital role in linking individuals into groups that can have greater impact in addressing such issues. In America the Senior Environment Corps, a non-profit organisation, aims to make use of the senior market for various activities including recycling, energy conservation and education (Gruppenhoff, 1991). In Australia, organisations such as COTA National Seniors, the fourth largest seniors organisation in the world is in a unique position to help its members work together to achieve benefits for the environment. Such activity has the potential to provide for meaningful and fulfilling activities for people, particularly those who are retired.

LIMITATIONS, IMPLICATIONS AND DIRECTIONS FOR FUTURE STUDIES

Since the sample was limited to an age grouping characterised by a specific profile which may lessen the transferability of these results to the wider population, further work is needed to identify factors that can illuminate the association between issue rankings and sample characteristics more clearly. It is ironic that the Environment Oriented Group also forms part of the infamous 'baby boomers'. This group have been able to enjoy unprecedented material benefits concurrently with an accelerated threat of environmental issues including pollution, land clearing, biodiversity loss, climate change and salinity. The link between this lifestyle and environmental concern needs

further research to identify further sub-groups within the population overall. In this respect research that measures the sample's values and orientations may be useful. It may reflect the results shown in this research however, that this group is more concerned with their own well-being and that the environment is in second place.

This research shows that it is important to consider the relative rankings of current issues rather than considering them in isolation. Given that resources are scarce, peoples' business and marketing decisions need to incorporate a priority ranking of the relative importance of the various issues which compete for those resources. Egocentric individuals such as the self oriented health group are more likely to make resource allocation, behavioural and purchasing decisions that best meet their own personal interests. Ecocentric individuals will be more likely to consider not only themselves and other humans but non-humans in their resource allocation, and will be more likely to respond to appeals and campaigns that reflect the interests of the environment. These results show that while western societies are becoming more environmentally concerned, there remains a majority of people in the senior market for whom the world outside them is a secondary concern.

In today's world however, business and marketers need to plan in advance of the market, and to acknowledge that environmentalism is an increasing phenomena particularly within younger groups. There is also an ethical responsibility on business to help develop solutions to problems and not reproduce them. Education of the market is an aspect of business operations in which companies have an important role. This research shows that the most profitable way in which a business or marketer deals with today's senior market is to focus on personal benefits. In the future however, as this market is replaced by a more environmentally concerned younger market, and if the environmental problems now facing the world are not resolved, a new focus will be needed. We conclude that the time to develop that new focus ought to begin today.

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