



(In Special Consultative Status with the ECOSOC at United Nations since 2011)
-Associated NGO Status with UN-DPI-

**Changing Patterns of
Income & Expenditure
of Older People in India:
An Assessment**
April 2018

NATIONAL



An Agewell Initiative
Under
RESEARCH & ADVOCACY CENTRE
(For Needs & Rights of Older people)

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I. Introduction

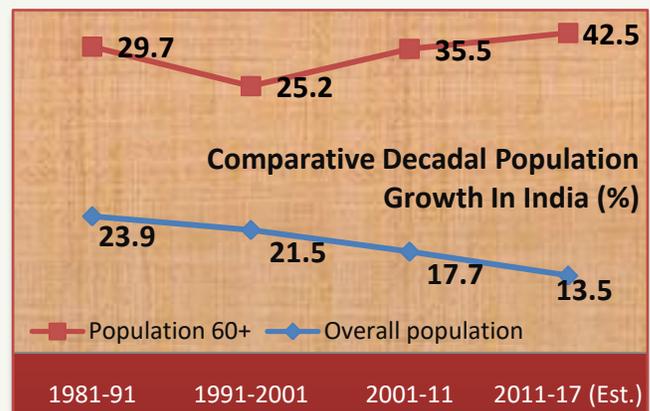
In today's market oriented world, everyone's life is affected by never ending possibilities in the market and each one of us is a consumer. India is one of the fast growing economies and with rapid globalization, liberalization and privatization of Indian economy; India is already world's 6th largest economy in 2018.

Till few years back, Indian market was focused on younger people and older persons had never been considered as primary consumers due to their negligible presence in national population as well as traditional and socio-economic scenario. With ever growing population of old people particularly because of increasing life expectancy of older persons in India, the market scenario has also started changing. Currently India is 2nd largest populous country of the world. India has second largest elderly population i.e. 130+ million older persons (60+) and by the year 2021 approx. 11% population of the country will be 60+.

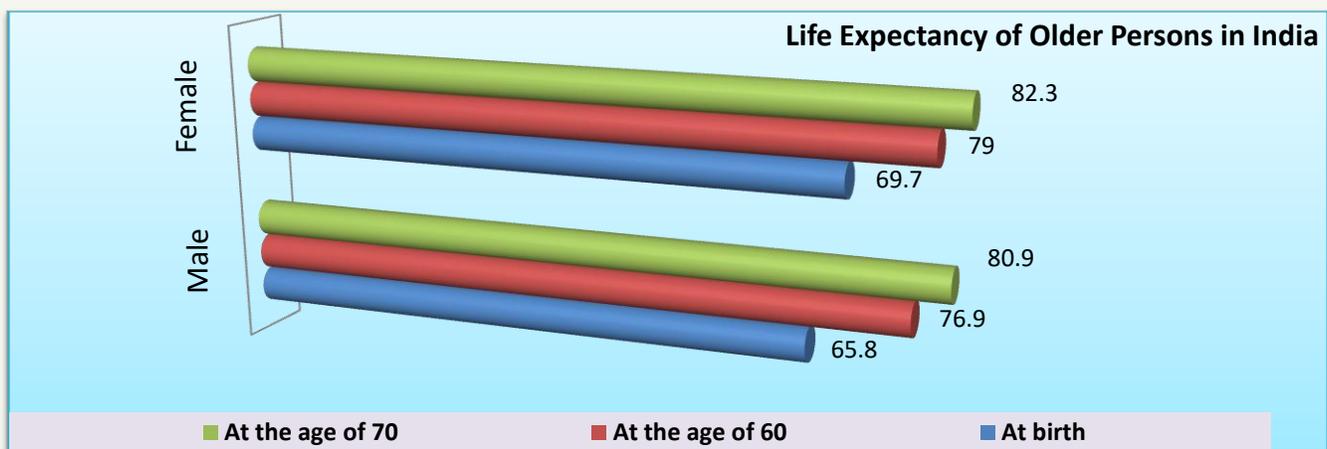
According to data from the Sample Registration System (SRS), life expectancy at

the age of 60 has increased from 14 years in 1970–1975 to 18 years in 2010–2014 with women living about two years longer than men.

Owing to the change in financial status and improved independence of older persons, particularly belonging to middle, upper middle and upper classes, their role in financial activities has also undergone significant change. Today, they can be observed to be active buyers as well as consumers of various products and services and embarking on other financial activities.



Source: Report of Ministry of Statistics & Programme Implementation, Govt. of India



II. Overview

Consumption is frequently used for measuring economic wellbeing of older persons. In India people generally tend to accumulate assets when income is high and use these assets when their income declines. That's why, older and younger generations save less than middle-age individuals do. Thus, savings are mostly accumulated during working life and used for financing consumption and maintaining the health and standard of living in old age.

Older persons constitute an important and growing consumer group. Their share is rising very sharply as they have considerable purchasing power, and they tend to use up accumulated savings in old age.

Older persons, who have earned money with their hard work and efforts and have self-acquired net-worth or inherited wealth, value of money is important for most old people. With sound financial status, they believe that consumer is the king and tend to seek good value for their money. It has also been observed that financially well-settled older persons prefer to utilize their purchasing power for better quality of life in old age.

Older persons have considerable purchasing power, which is backed up by the family support that their respective younger family members provide to them. Government has also undertaken efforts to enhance the economic well-being of older persons. Government schemes have implemented significant parametric reforms for social security and healthcare with increased pension amount, tax concessions, discounts and benefits specifically for older population.

Older people have higher net-worth value in comparison to other age group consumers, as

- They have earned money throughout their life
- They have inherited properties in their name
- They have well-settled children who support them financially as well
- They have varied needs & requirements in old age
- Their consumption is higher than other age groups
- Most of them head their respective families



Opportunities in Market Segments of products & services, primarily used by older persons

In India, the market for products & services, primarily used by older persons is still largely underdeveloped in terms of both product and service offerings compared to other developed countries.

Elderly Care Products & Services

Medicines

India is among the top six global pharmaceutical producers in the world Drug consumption by the 60+ age group is typically two or three times higher than that of any other age group. Older persons are big consumers of the medicines/treatment for these diseases;

- Hypertension
- Cerebrovascular Disease
- Diabetes
- Chronic Obstructive Pulmonary Disease (COPD)
- Rheumatoid Arthritis
- Ischemic Heart Disease
- Gastroenteritis Intervertebral Disc Disorders
- Cholelith and Cholecystitis
- Cataract
- Respiratory Diseases
- Cancer
- Alzheimer's Disease
- Arthritis
- Osteoporosis
- Depression
- Oral Health

Mobility & Impairments

India currently has nearly 130 million old people and almost 2/3rd are impaired – mobility, visual, hearing. This section of elderly largely depends on mobility aid products, hearing and visual auxiliary equipment and rehabilitation. A rapidly ageing population, especially the increasing 80+ age group, will drive demand for elderly care products/services, rehabilitation centres and nursing facilities.

Impairment

- Walking
- Vision
- Hearing

Products and services (for elderly consumers)

Products

- Wheelchairs
- Walkers
- Walking sticks
- Adult Diapers
- Hearing aid
- Specs / contact lenses
- Crutches
- Dentures
- Other accessories



Services

- Medical – Dental, Eye, Diabetes ,Blood pressure, Pathological, Thyroid Test, Body scan, Arthritis, Osteoporosis, Cancer, Joints Pain, Paralysis, Hypertension, nutrition, Counseling

- Financial – Counseling, Financial literacy, Investments, Pension, Insurance, Medical Insurance, Reverse Mortgage
- Legal – counseling, Will-making, legal, property related issues,
- Social – Counseling, social interaction, interpersonal, socio-cultural , pilgrimage, Travelling
- Old age Care – Housekeeping, Care giving, Daycare homes, Recreational, digital literacy
- Psychological – counseling, referral,
- Others – religious, political

Nutritious food items

- Vitamins/Proteins/Calcium
- Health supplements
- Anti-ageing products

Comfort products

- Special Chairs/tables
- Footrests
- Exerciser
- Bathroom aid

Old Age Care

Services and Housing

Changing family structures due to popularity of nuclear family system and rapid urbanization trends, large number of Indian elderly population is living alone and the trend is increasing day-by-day. The traditional family home care approach for the elderly is being challenged, creating a void to be filled by the government / non-government / private sector.

This has emerged huge demand of old age care homes, caregivers, nursing homes. Today

there are 1000+ old age homes in India, but these cater to just about 1% elderly who are in search of old age homes across the country.

In India majority of elderly living alone opt for home-based elderly care and many Indian elderly are often not aware of the availability of many at home or residential-based care, rehabilitation and counseling services.

In view of fast changing family system, there is huge demand of old age services in India.

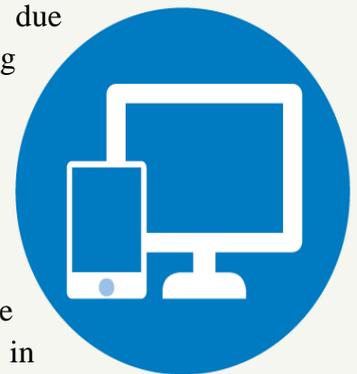
Health Foods & Nutritional Supplements

India is seeing a rapidly growing number of diet-related chronic diseases such as high blood pressure, diabetes and obesity. Indian elderly consumers are becoming more health conscious. Despite an aspiration for maintaining healthier eating habits as a top aim, they are turning to self-medication such as health supplements; vitamins and minerals to strengthen their immune systems and boost their energy levels.

The majority of them are willing to pay higher premiums for food products deemed to be healthier and more active.

Digital Technology

With growing interest in digital technology among older persons, due to increasing affordability, greater user-friendliness and various convenient apps for socializing or entertainment, smart phones are gaining popularity in elderly community. Increasing social mobility and urbanization is stimulating



demand for innovative gadgets, which can help alleviate fears of loneliness and isolation. In addition, older consumers are increasingly pursuing digital health devices such as blood pressure monitoring, wearable medical alert systems and various electronic aids to assist with daily living.

Personal Care products

Modern day Indian elderly are also conscious towards their appearance and body. They take interest in style, relevant fashion and better services, as they have a strong desire to enjoy their social lives more, regardless of their age.

Travel, Leisure & Entertainment

Elderly consumers who have more money in their pockets and leisure time, like to travel more often to improve their social and health wellbeing, socializing and relaxation. Elderly consumers prefer to travel with companions, either in small groups of families, and with former colleagues or friends. They commonly indicate that price is less important than who they are travelling with and the destination.

Higher incomes and rapid urbanization are

generating a growing demand for leisure and entertainment in India. Apart from the travel industry, India's entertainment industry has all experienced tremendous growth in recent years. Older Indians are looking for a more sophisticated lifestyle with greater personal enjoyment and leisure time.

With fast increasing population of elderly, it's a good sign for travel and tourism industry in India.

Financial Services & Products

This growing elderly consumer segment is not only opening up potentially lucrative business opportunities for manufacturers and service providers, but also for the financial services industry – where India, unlike most developed nations, has previously not focused on. With decent personal savings in hand but lack of investment options, they have turned to participate in various types of investments, such as FDs of banks. Elderly with high net-worth value are enthusiastic and relatively savvy investors, but they are left largely to rely on their own or younger family members' expertise when engaging in financial trading due to a lack of financial consultancy services



and investment products to aid their decision making.

High savings habits of middle class older persons

Older persons in India, particularly middle class have strong tendencies to save, as average retirement pension remains low.

Traditional family support network is breaking down due to Urbanization and economic development accelerated, along with the influence of the nuclear family system; it has become increasingly difficult for younger family members to perform their perceived duty to look after their elderly family members. Senior citizens are becoming more economically independent; they do not want to be a financial burden on their families, so planning for their future financial situation is becoming essential.

Retirement benefits

The financial services sector has huge potential, providing products and services for the 130 million older people of India. The government has put continuous effort into

reforming the pension system, including encouraging pension funds to invest in capital markets, pushing to expand their investment scope, diversify risk and improve returns.

Insurance

With rapidly ageing population and increased life expectancy, social security system is struggling to cope with the large number of retired older persons who demand long-term pension payouts and quality health care in the coming decades. Private insurers, both domestic and foreign, are expected to play a bigger role in providing protection for senior citizens, ranging from life and pension insurance to healthcare and long-term care insurance.

Wealth Management

In India, majority of older people prefer to invest their savings and earnings in Banks' various saving schemes. However, with rising net-worth value and annual income they are now looking new options to invest their financial resources. Currently real estate, stock market, mutual funds and gold schemes are some of the favorite investment options.



III. Aims & Objectives of the Study

Over the years, overall financial status of older people has improved, primarily due to fast changing socio-economic conditions, ongoing open market policies, liberalization of economy and host of other factors. The main objective of this research endeavour is to assess the status of older persons as consumers through an in-depth qualitative study. Aims and specific objectives of the study are as under;

- To assess the financial status of the older persons.
- To assess the net-worth value of older persons
- To assess the increasing purchasing power of older people
- To assess the needs & requirements of older persons
- To assess the contribution of older persons in their families' overall consumption
- To assess the role of older persons as buyer, negotiator, influencer, payer and actual user
- To assess the expenditure pattern of older persons
- To enlist opinions and views regarding the protection of consumer interests of older persons
- To assess the growing markets of products and services useful for older persons



IV. Scope & Methodology

This study is an attempt to understand status of older persons as consumer in view of current market scenario. It has been endeavored to explore the emerging role of elderly consumers in business and economy.

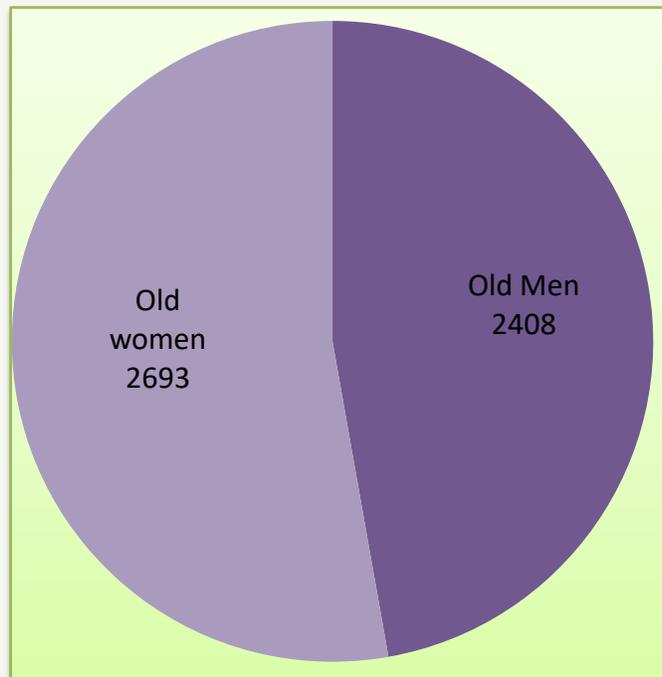
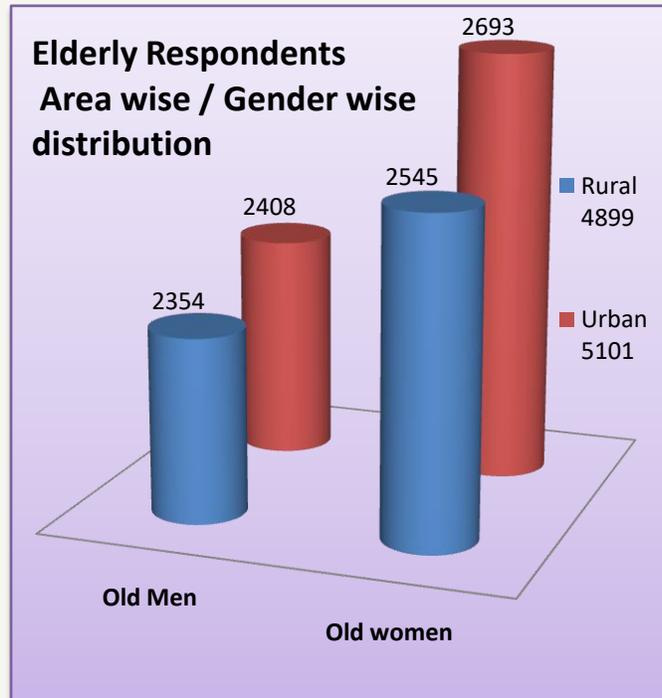
Sampling Frame

A list of older persons who were willing to be part of the study was first prepared. As the literature review suggests the older people are faced with diverse issues, problems and challenges ranging from frailty to functional inadequacies; physical & health problems; social isolation & loneliness; neglect, economic insecurity etc. Therefore, while developing this list of respondents or the sampling frame the representation of this diversity was kept in mind so that vast variety of challenges, particularly financial issues that older people face are culled out from this research.

Sampling Method, Sample Size & Duration

The respondents who comprised the sample for the study were selected on the basis of **random sampling** made on the basis of gender , community (rural-urban), age-group etc.

Sample Size: A total of **10000 respondents** were studied by 400 volunteers across all the five regions of Northern, Southern, Western, Eastern and Central India. The survey was conducted during the month of **March - April 2018**.

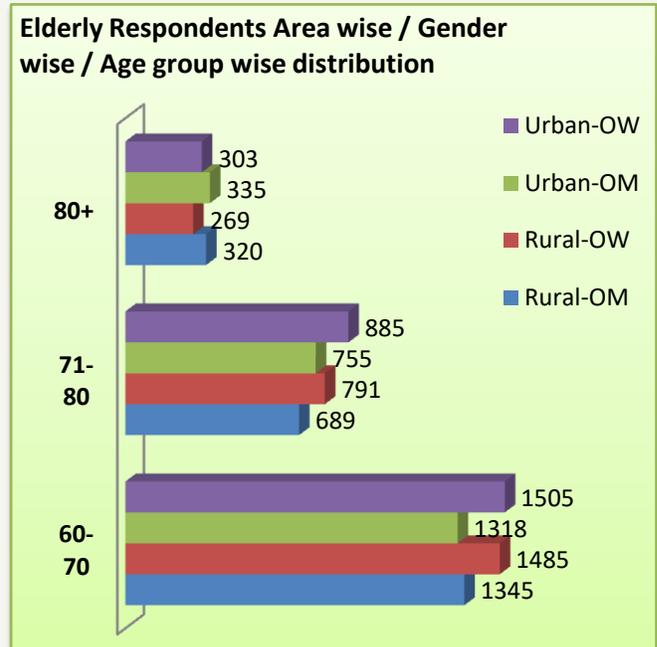


Respondents included 4899 rural and 5101 urban elderly. As for as gender wise composition of the sample is concerned, out of 10000 total respondents, 4762 respondents were older men and 5238 older women. However, the number of older women respondents was comparatively higher as is depicted in the diagram.

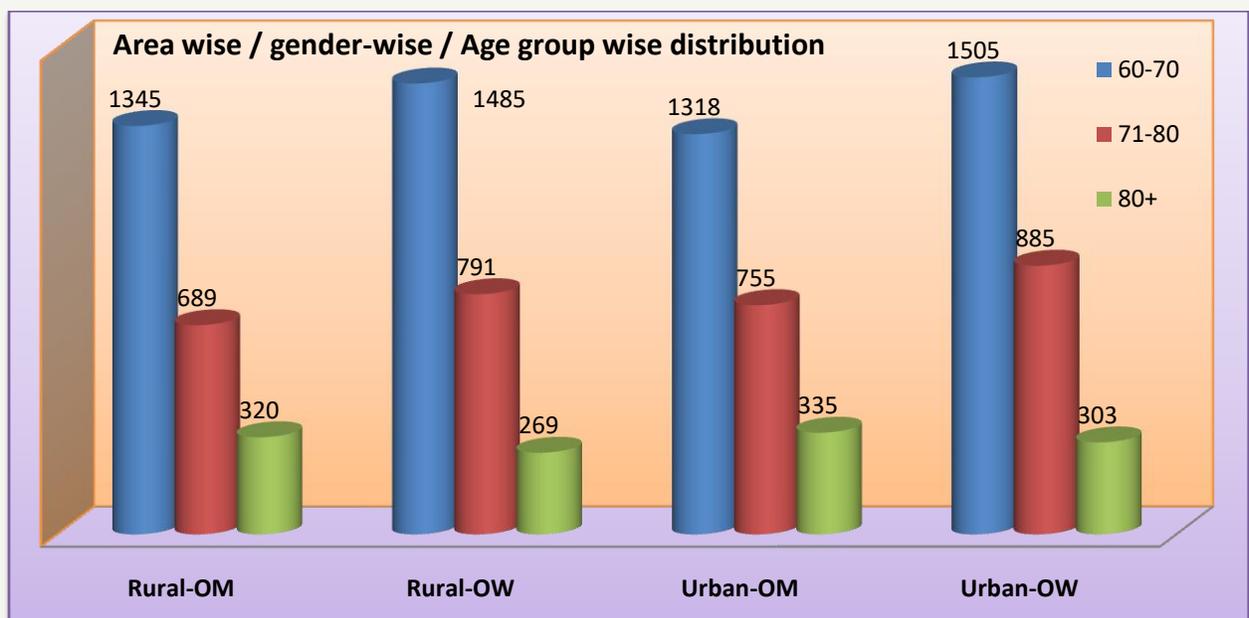
Tools and techniques for data collection

Main emphasis was on qualitative information therefore, a **more intuitive Approach** was adopted for the research so as to arrive at an understanding of the issue to cull out a sample. The information was enriched with the help of focused group discussions and **in-depth interviews**.

- Out of 10000 elderly interviewed during the survey, 5653 respondents (56.5%) were found to be in the age group of 60-70 years, 3120 respondents (31.2%) were between 71-80 years and the remaining 1227 (12.3%) respondents comprised the oldest old group (81+ years).



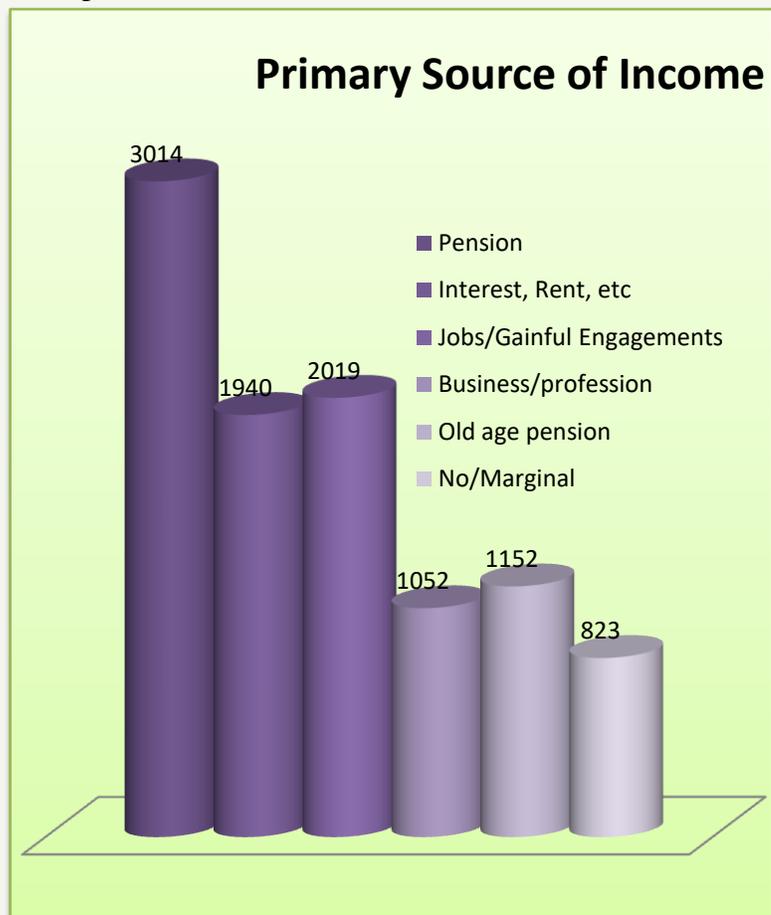
Elderly respondents were divided into 4 categories on the bases of gender and community of the respondents. Each of the category, rural older men (23.54%), rural older women (25.45%), urban older men (24.08%) and urban older women (26.93%) consisted of nearly one fourth of the total respondents.



VI. Major Findings

Primary Source of Income of Older Persons

- During the survey, 30.1% elderly respondents said that their primary source of income was their monthly pension. Out of 10000 elderly respondents, 3014 respondents said that their main source of income is pension.
- Among sample respondents, 19.4% respondents claimed that their main source of income is money earned in form of rental from their land / house properties, interest on investments, dividends, etc.
- As per 20.19% respondents, their main source of income in old is their jobs or other gainful engagements. 2019 elderly people said that they are engaged in at least one gainful job/occupation, even after retirement.
- Approx. 1/10th elderly respondents reportedly claimed that they earn their major part of monthly income from their respective business/professions. Out of a total 10000 respondents, 1052 claimed this.

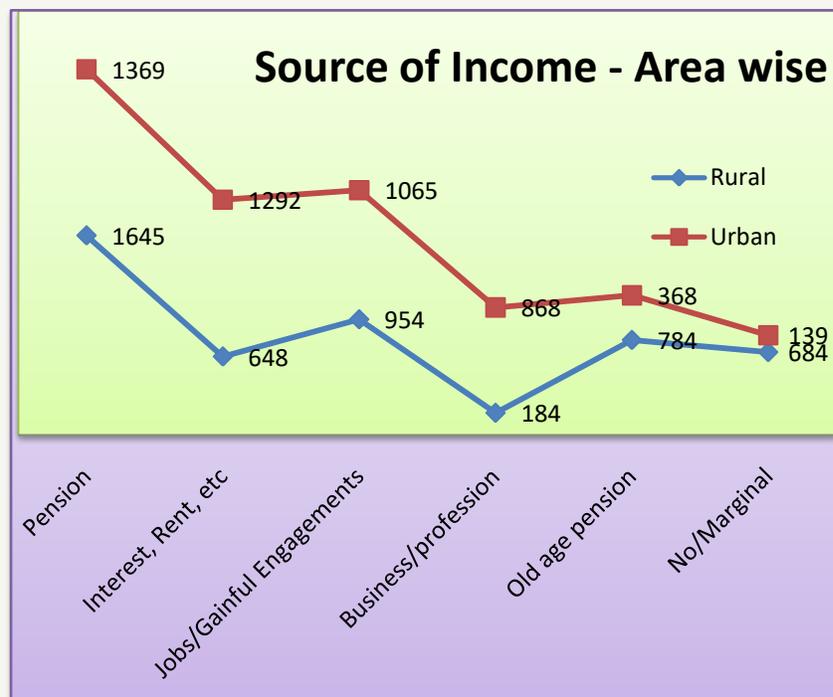


- Further 11.5% elderly respondents said that they depend on their govt. sponsored old age pension scheme, which is their primary source of income in old age.
- During the interview with sample elderly respondents it was also found that 8.2% elderly people have no or marginal income in old age. They are totally dependent of others for their day-to-day needs and requirements.

Major source of Income area-wise

- On analyzing the feedback collected from older persons, it was found that among rural elderly 33.6% and among urban elderly 26.8% were receiving major part of their income from pension while 13.23% rural elderly and 25.3% urban elderly were getting income from rent/interest/etc.
- In urban areas 20.9% respondents claimed that they earn from their jobs or other gainful occupation, while in rural areas only 19.5% elderly said they their major part of income comes from their jobs/occupation.

- Further in urban areas 17% and in rural areas 3.8% elderly people said that they are earn substantial income from their respective business or professions.
- In rural areas almost every 6th elderly person (16%) gets old age pension, which is his/her primary source of income. In urban areas percentage of elderly in this category is 7.2 only.



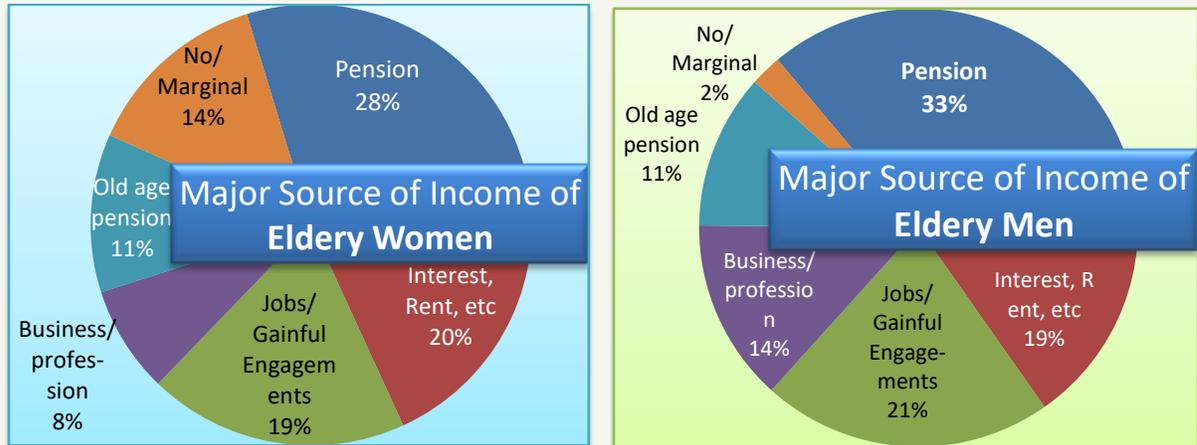
- During the survey it was also found that in rural areas 14% older persons has no or negligible income in old age, while in urban areas there are approx. 3% people who have no/marginal income.

Major source of Income Gender-wise

- When data pertaining to income of older persons, further analyzed gender-wise, it was found that for 28% elderly women pension/family pension was the major source of income in comparison to 33% elderly men.
- For 21% elderly men jobs/gainful engagements were major source of income, while 19% elderly women were earning major part of their income from their jobs. 14% elderly men in

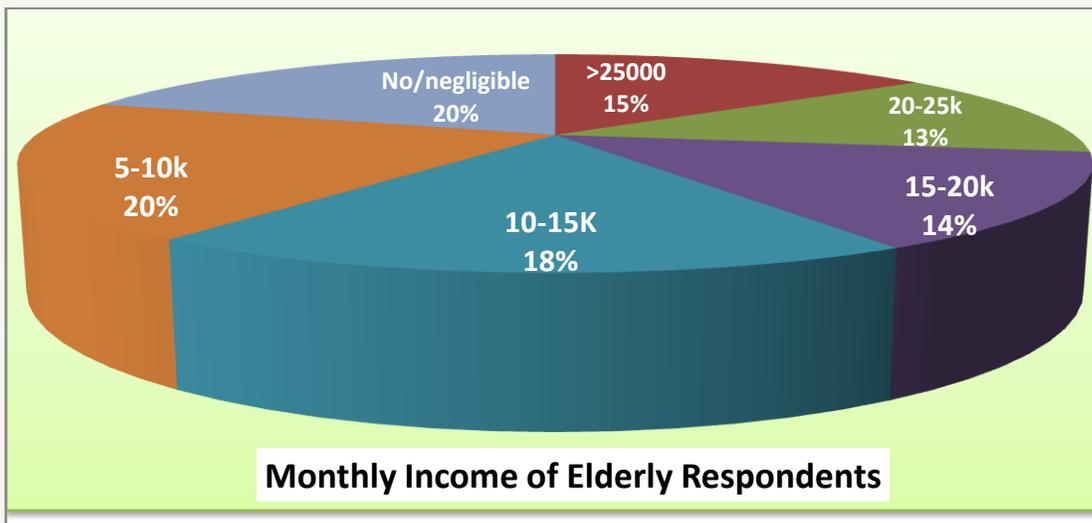
comparison to 8% elderly women were found receiving their primary income from business/professions.

- While 14% elderly women and 2% elderly men claimed that their income is nil / negligible in terms of money.

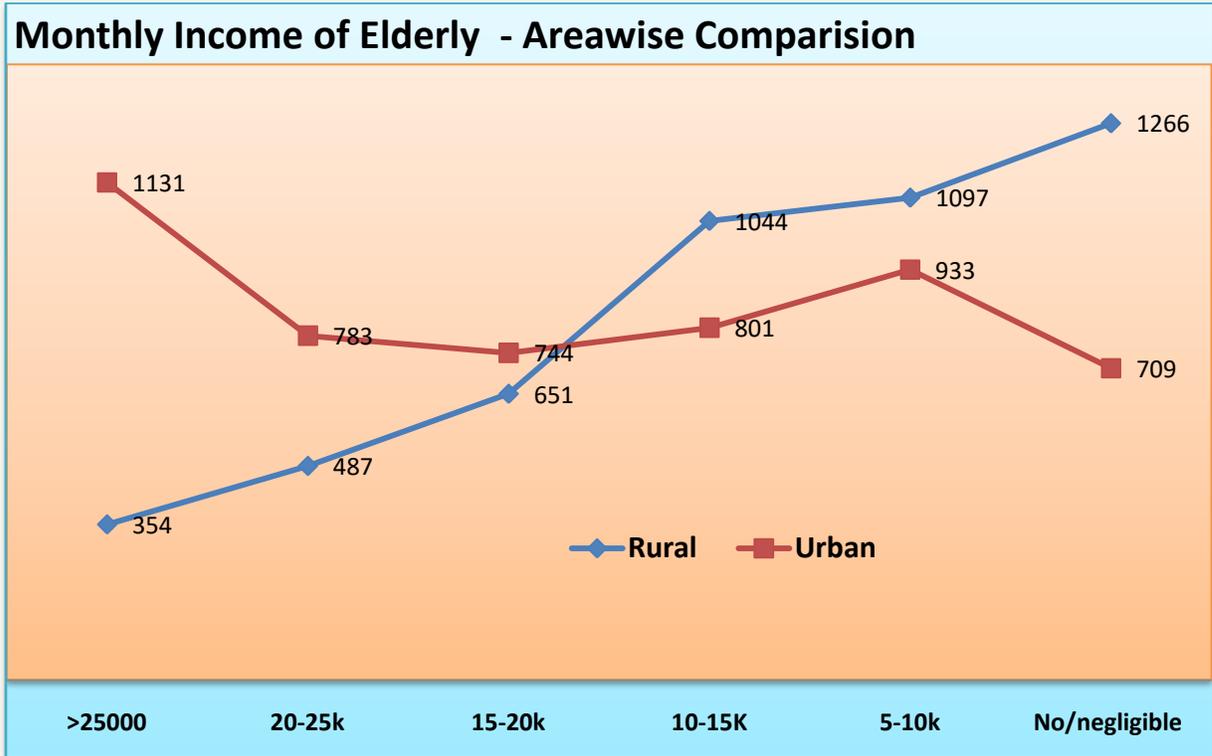


Monthly income of older persons

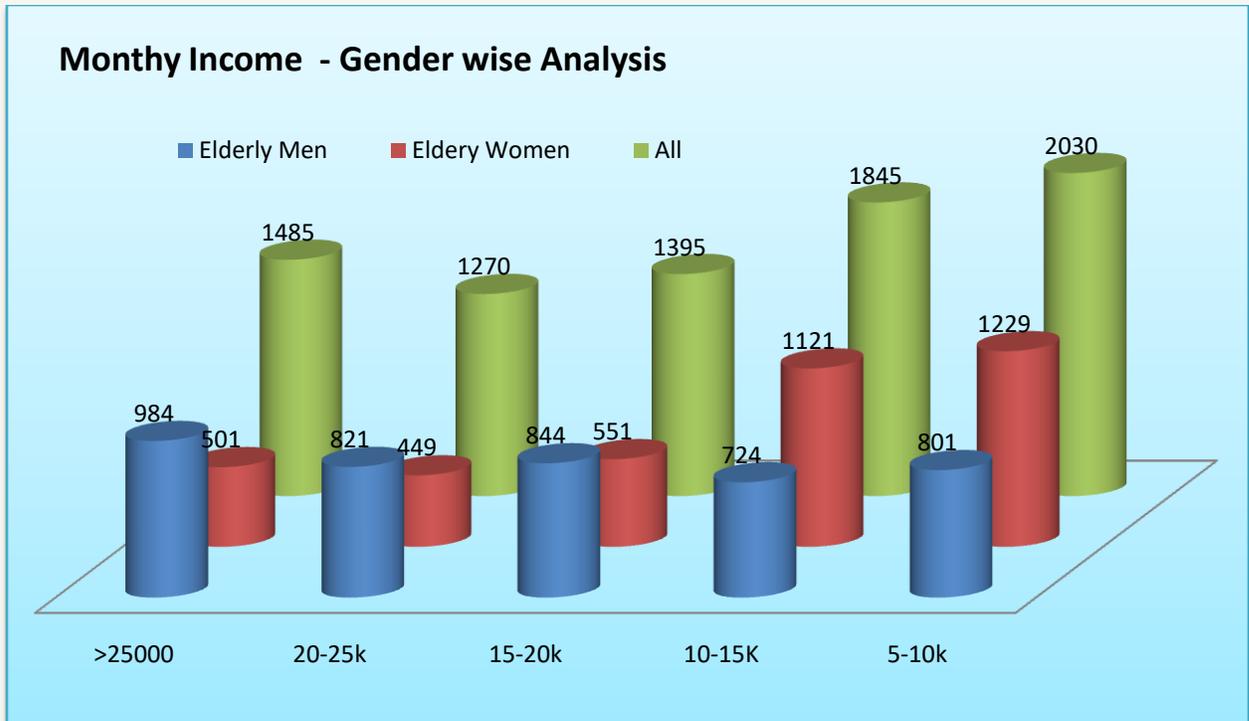
- 14.85% respondents reportedly claimed that they earn Rs. 25000 and above every month, while 12.7% elderly respondents said that their monthly income is above Rs. 20000 but below Rs. 25000.
- 18.45% elderly respondents were found in lower-middle income group i.e. Rs. 10000/- to Rs. 15000/- bracket, while 13.95% elderly respondents were found in middle income group i.e. Rs. 15000-20000.



- Every 5th elderly were found in the lower monthly income group of Rs. 5000-Rs. 10000. Out of 10000 elderly respondents, 2030 elderly said that their monthly income is between Rs. 5000 and Rs. 10000/.
- 19.75% elderly respondent claimed that their monthly income is nothing or negligible.



- On analysis of data area-wise it was found that 22.17% urban elderly respondents above 60 years of age, were earning more than Rs. 25000 per month, while only 7.23% rural elderly respondents were earning Rs. 25000 and above per month.
- 15.35% urban and 9.9% rural elderly claimed that their monthly income is between Rs. 20000 & Rs. 25000, while 14.6% urban and 13.3% rural elderly said that they earn Rs. 20000-Rs. 25000 per month.
- In rural areas 69.5% elderly respondents in comparison to 47.9% urban elderly respondents were found earning monthly income of Rs. 15000 and below.
- Every 4th rural elderly and 7th urban elderly claimed that they have no source of monthly income.

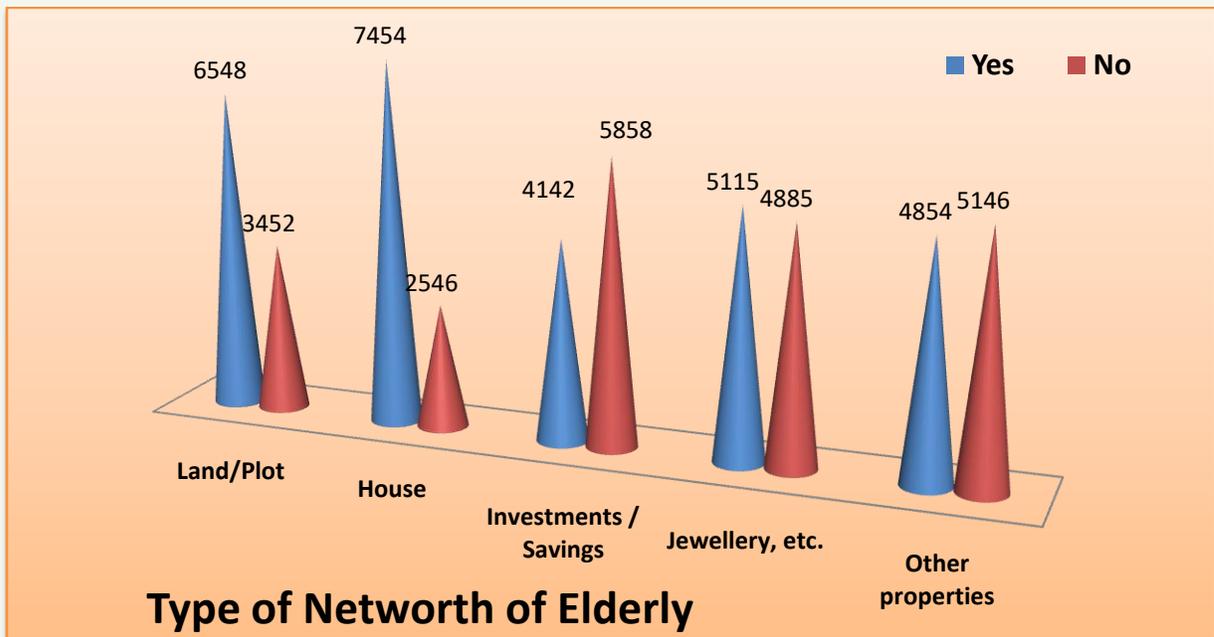


- Gender wise analysis of data shows that every 5th older men and every 10th older women have monthly income of Rs. 25000 & above.
- Approx. 35% older men claimed that their monthly income is something between Rs. 15000 and Rs. 25000, while 19% older women were found in this group.
- Approx. 1/3rd elderly men reportedly were earning monthly income of Rs. 5000 to Rs. 15000, while approx. 45% elderly women said that their monthly income is between Rs. 5000 to Rs. 15000.
- Every 8th and 4th elderly men and elderly women respectively were found with no or negligible monthly income during the survey

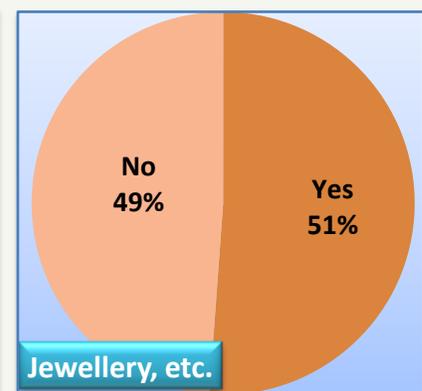
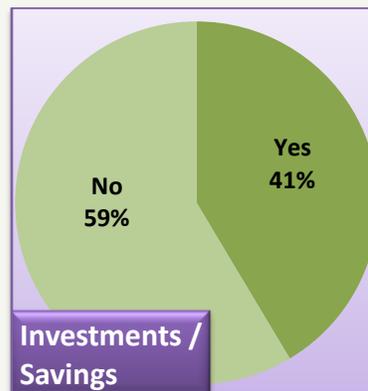
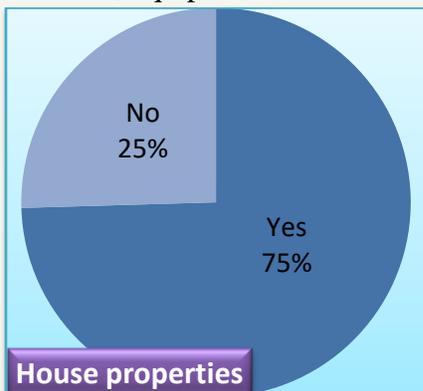
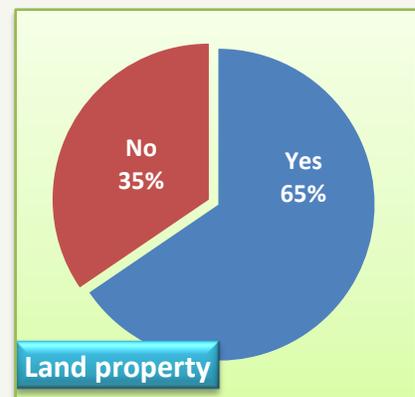
Net-worth value of older persons

- Out of total 10000 elderly respondents interviewed by volunteers during the survey, 65.5% respondents claimed that they have land properties in their name in the form of agricultural land / plot, etc.
- More than 74% elderly respondents have house property in their name. Out of 10000, 7454 respondents said that they own house.

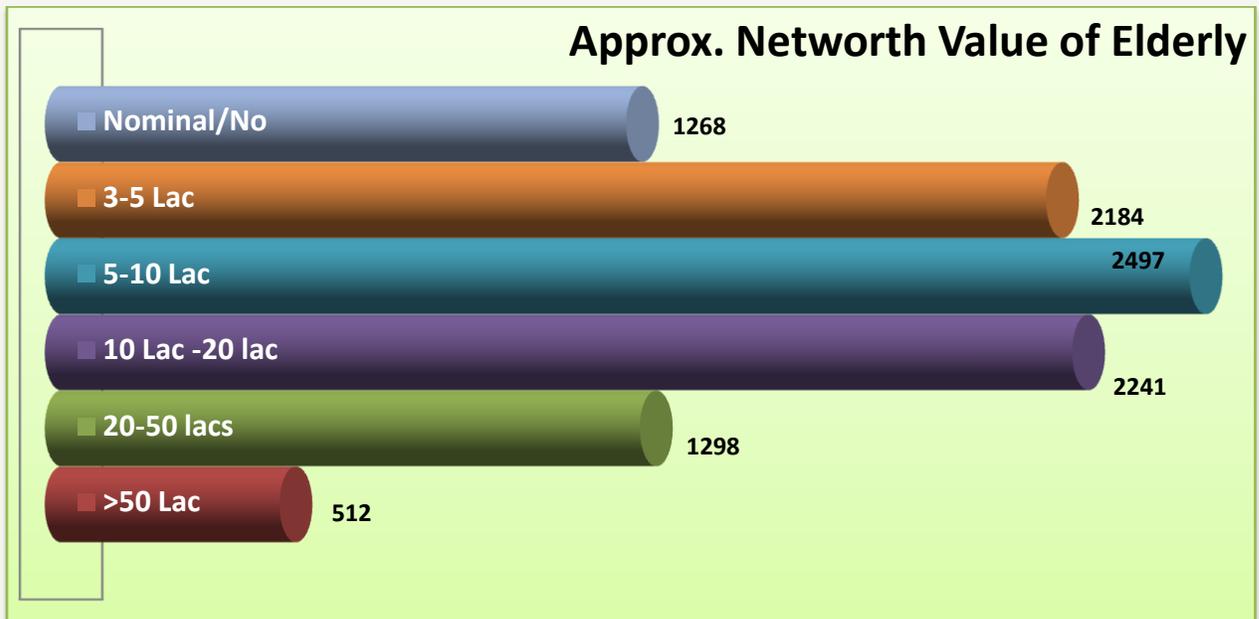
- Every 22/5th elderly respondents (41.42%) have some kind of investments/savings with banks or other financial institutions. 4142 respondents accepted that they have invested their financial resources in various investment schemes run by banks/financial institutions, real estate, stock market, etc.



- More than ½ elderly respondents, interacted during the survey reportedly said that they have jewellery and other valuable ornaments with them, bought over the years or gifted by someone to them.
- Less than half (48.5%) elderly respondents claimed that they have other valuable properties in their name or under their ownership. Other properties included moveable properties like vehicle, tractor, furniture, household items, cattle, equipments, etc.



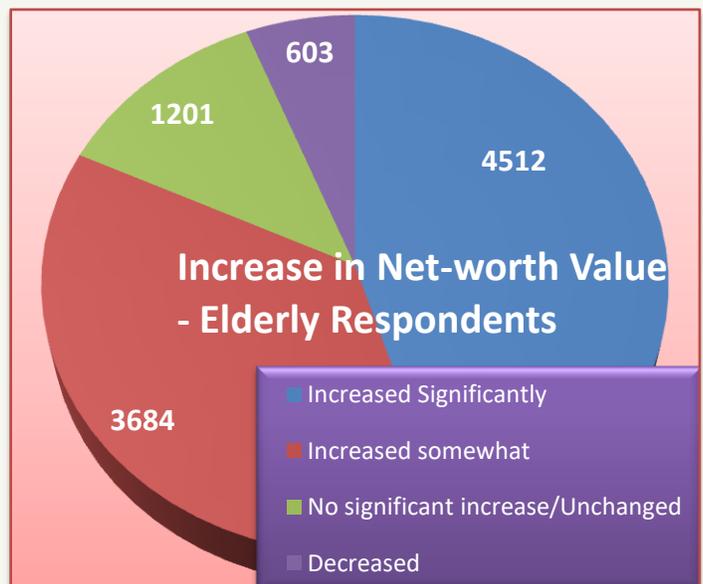
- When value of net worth of older persons was tried to assessed, it was found that more than 1/5th elderly respondents (21.43%) have net-worth value of Rs. 20 Lac and above as they own real estate, house properties, valuable movable properties, etc.
- Among these respondents, 845 i.e. 8.45% of total respondents said that their net-worth value is > Rs. 50 Lac while another 12.98% elderly claimed their net-worth value is less than 50 lac but above Rs. 20 Lac.



- Among respondents, almost every 5th elderly (21.41%) has net worth value of Rs. 10 Lac – Rs. 20 Lac while every 4th elderly (24.97%) has properties worth Rs. 5 Lac but below Rs. 10 Lac.

- It was also found that approx. 1/3rd elderly respondents have properties in their name worth Rs. 5 Lac and below. Among these 16.35 respondents' net worth value is almost nil.

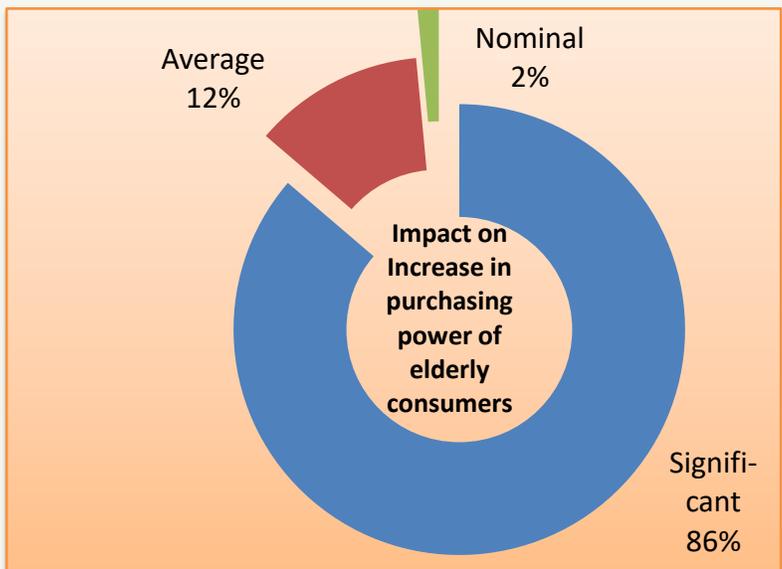
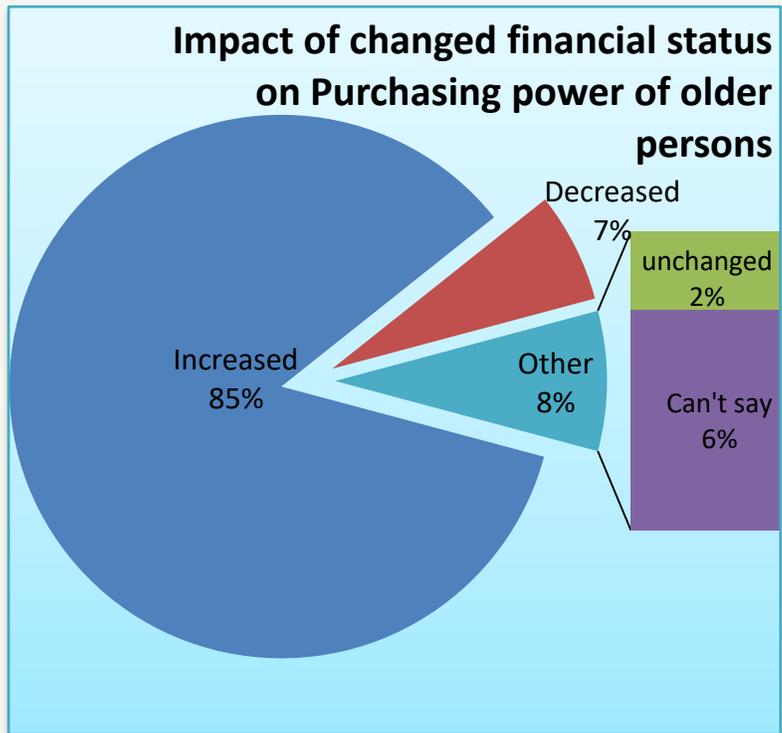
- When impact on increased net-worth value of older persons due to various factors, during the past decade was assessed, it was found that according to 45.1% respondents, their net worth value has increased significantly.



- 36.84% elderly respondents said that they noticed average increase in their net worth value during the last decade.
- Approx. 12% older persons, contacted during the survey claimed that there is no significant increase or almost no change in their net-worth value during the past 10 years, while 6% elderly respondents claimed that their financial value of their properties decreased during the past decade or they lost value.

Purchasing power of Older Persons

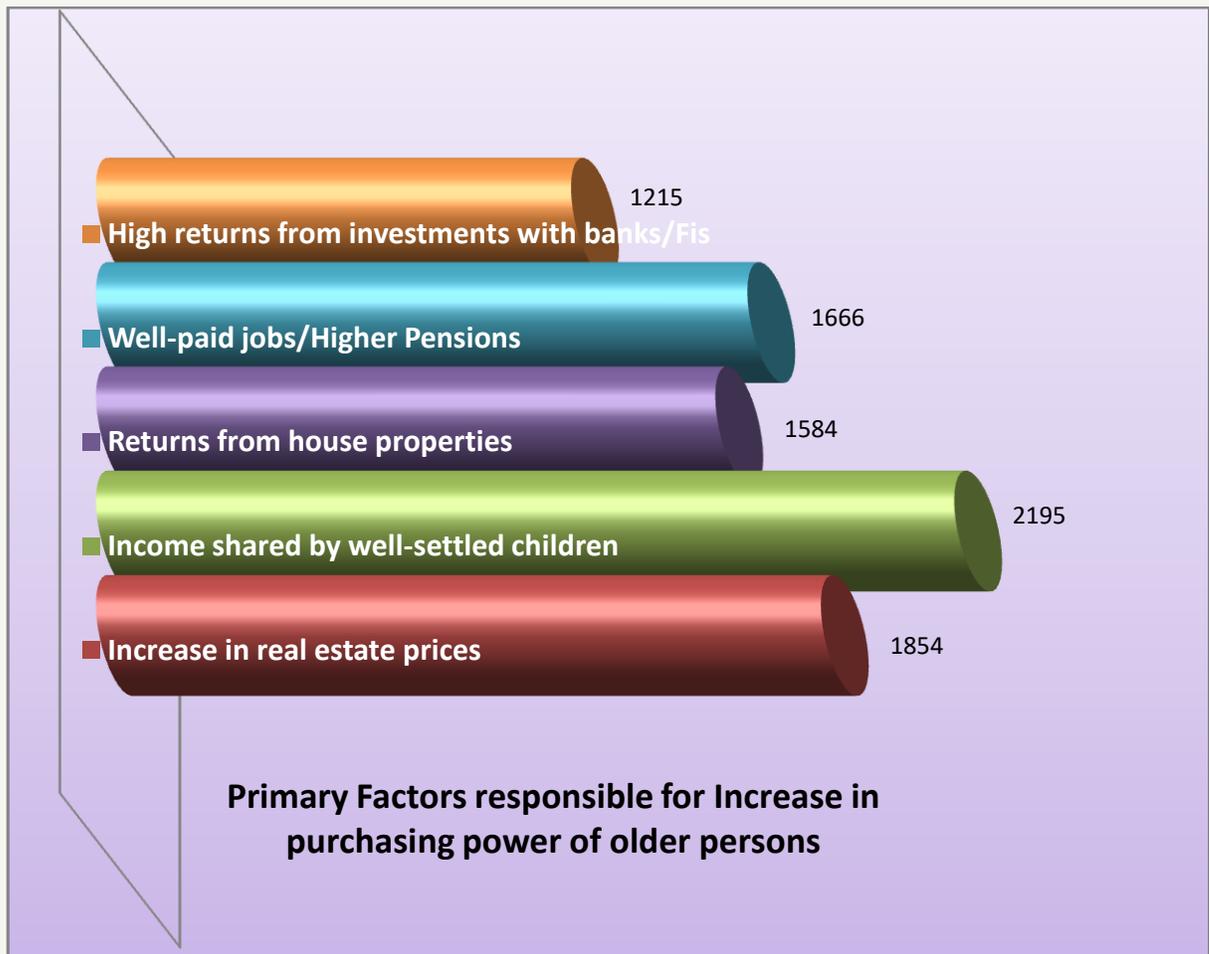
- According to 85% sample elderly respondents (82% rural and 88% urban), spread across the country, purchasing power of older persons has increased during the past decade. In rural areas 4001 and in urban areas 4513 elderly people acknowledged that they have more purchasing power, in comparison to elderly people of 10 years ago.
- Approx. 6.5 % elderly complained that their purchasing power has decreased over the years, while 2.2 % said that it remained unchanged and 6% elderly respondents expressed their inability to respond the question.
- Out of total 8514 elderly, who reportedly claimed that there is increase in purchasing power of older persons, 7345 elderly (86.27%) said that increase in purchasing power is significant, while 1041 elderly (12.33%) opined that its



average and remaining 128 elderly said that increase in purchasing power of older persons is nominal.

Factors responsible for increase in purchasing power of Older Persons

- Most older persons (25.8%) reportedly claimed that their purchasing power has increased primarily due to their well-settled children, who have shared their income with their ageing parents.
- After this, 21.8% elderly respondents claimed that increase in prices of their real estate properties is major factor their increased purchasing power in old age.
- For 1/5th elderly respondents (19.6%), their well-paid jobs / higher pension amount is major factor responsible for increase in their purchasing power.
- 18.6% elderly said that increase in their purchasing power is primarily due to high returns on their properties



Actual Control on purchasing power of Elderly

- From the data collected from elderly, during the survey, it was found that 37.8% elderly respondents use their discretion while exercising their purchasing power as their purchasing power is not controlled by their family members or other.
- Almost 1/3rd elderly respondents (31.7%) reportedly accepted that their purchasing power is often control by their younger family members.

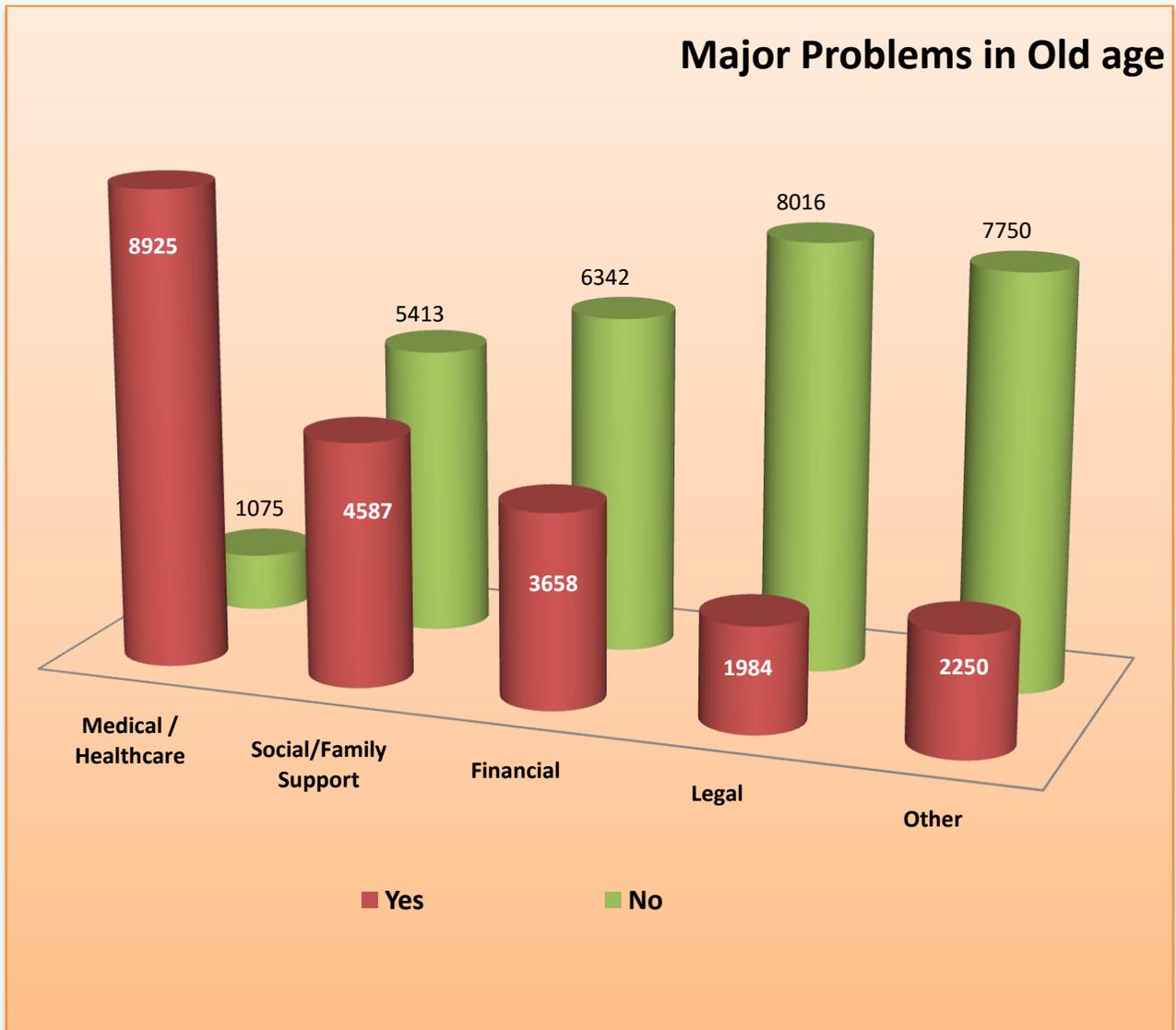


- Approx. 25.1% of elderly respondents (2140 elderly out of 8514 elderly), enjoying good purchasing power said that their spouses control their purchasing power.
- Further 461 elderly (5.4%) said that they are not free to use their purchasing power as other people control their purchasing power.

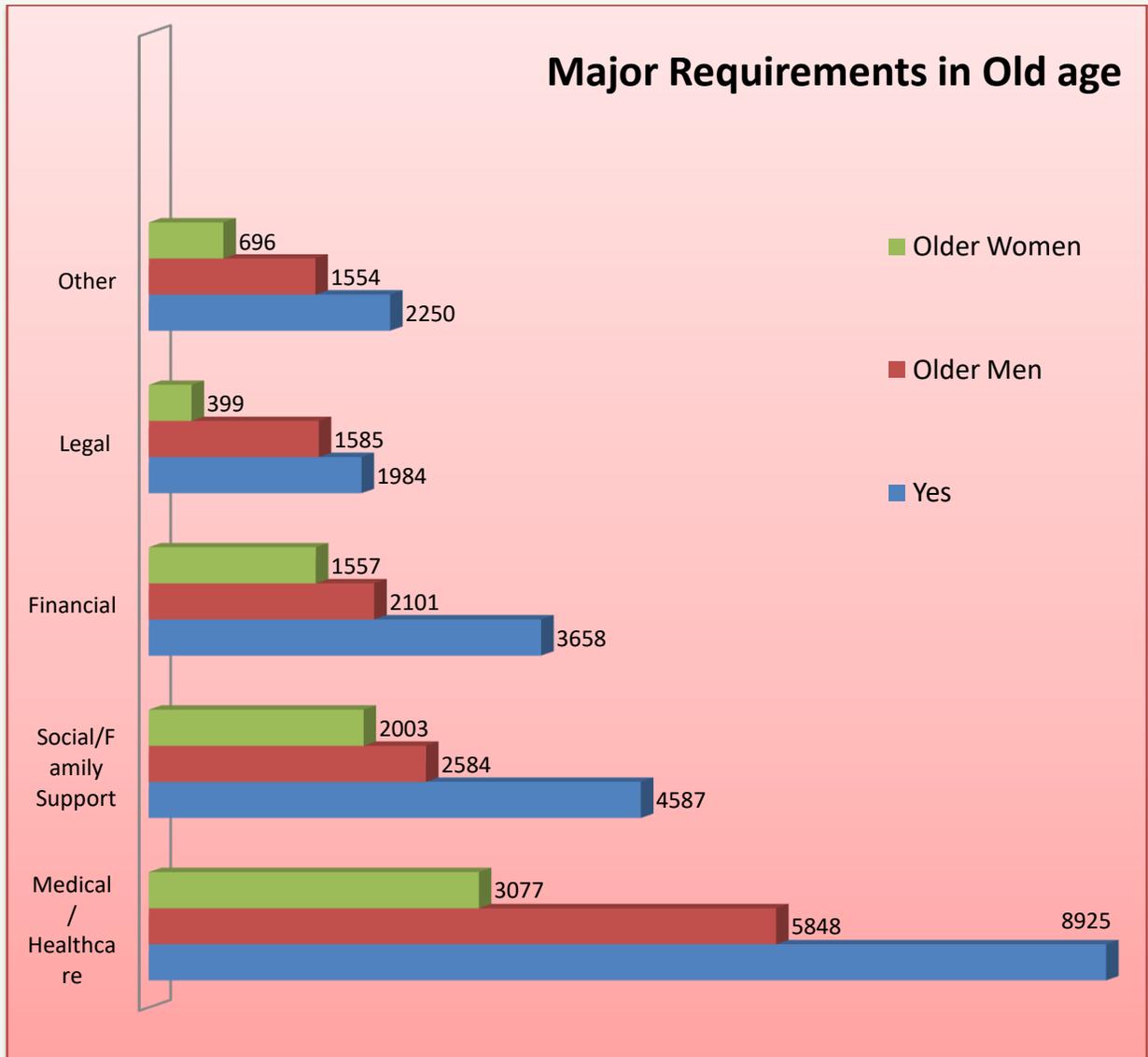
Major Requirements in Old age

- During the survey, 89% elderly respondents said that they are facing medical/healthcare related problems, while approx 11% claimed that their medical/healthcare related requirements are insignificant.

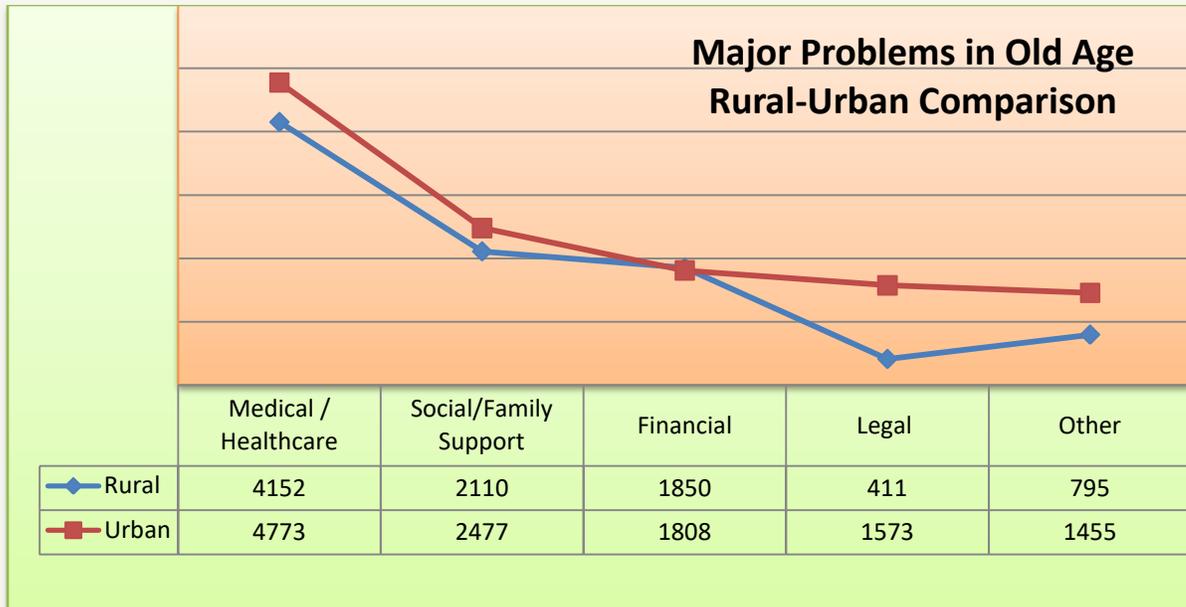
- 45.9% elderly respondents accepted that their social and family support requirements are higher while 54.1% respondents did not find their social/family support requirements worth mentioning, as majority of them were enjoying family support.
- More than 1/3rd respondents (36.6%) claimed that their financial requirements are also among their major requirements in old age, while 63.4% elderly claimed that their financial problems are not so important for them.
- It was also found that 19.8% elderly respondents were suffering from legal problems, thus they included legal requirements among their major requirements in old age.
- Further, 22.5% elderly also responded that they are also facing other problems other than medical, social, financial and legal.



- When data pertaining to major requirements in old age was further analyzed gender wise, it was found that old people facing medical/healthcare problems include 65.5 % men and 34.5% women.
- Among elderly facing social / family problems, 56.3% were men and 43.7% women.
- Elderly men were also facing financial problems more than elderly women.

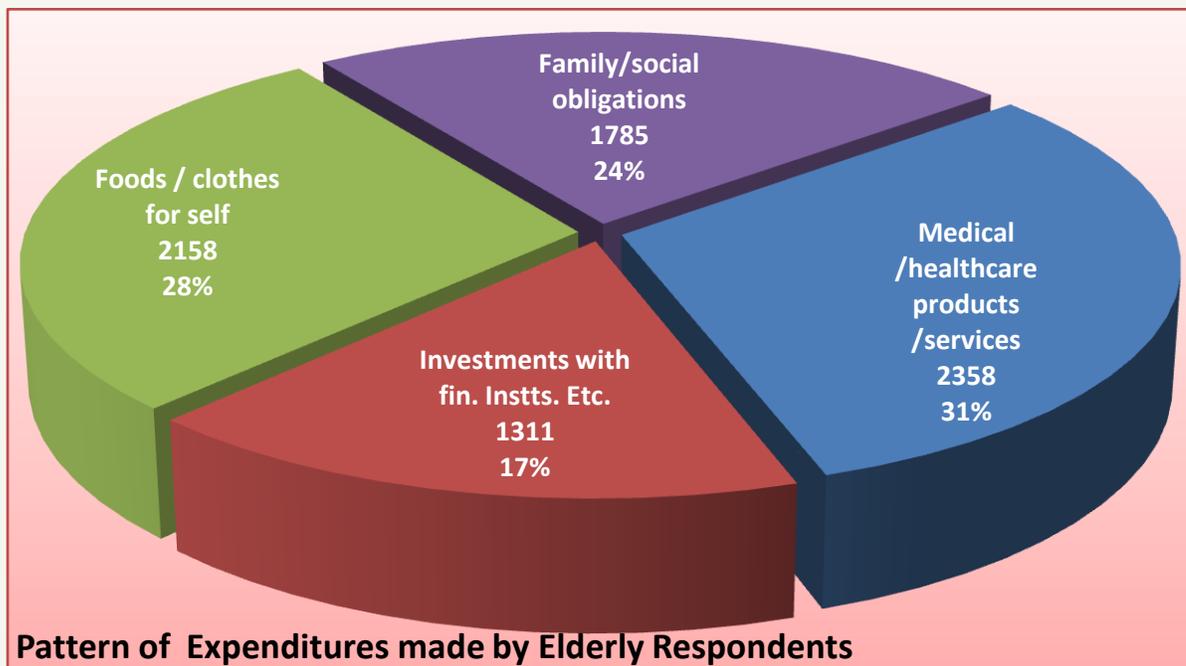


- When data pertaining to older persons' major problems analyzed further, it was found that in urban areas 53.5% elderly as compared to 46.5% rural elderly have financial problems among major requirements in old age.

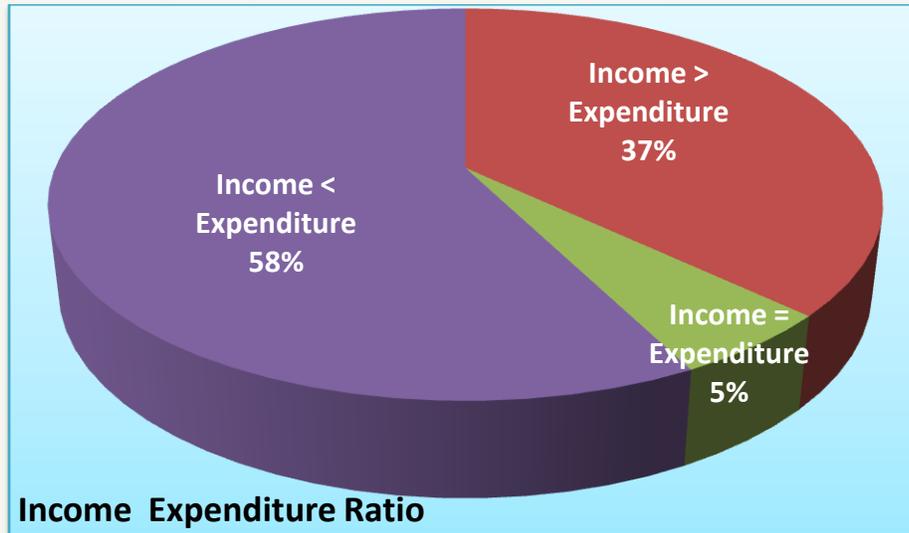


Proportion of Expenditures

- When proportion of expenditure made by 8025 elderly respondents, who have some kind of monthly income analyzed, it was found that 29.4% of their income is spend on medical/healthcare products/services.
- Elderly respondents claimed that 26.9% of their total income was spent on purchasing of foods/clothes for self/spouse.



- They spent 22.2% of their income on their respective families/social obligations like education/ marriages of grandchildren, treatment of family members.



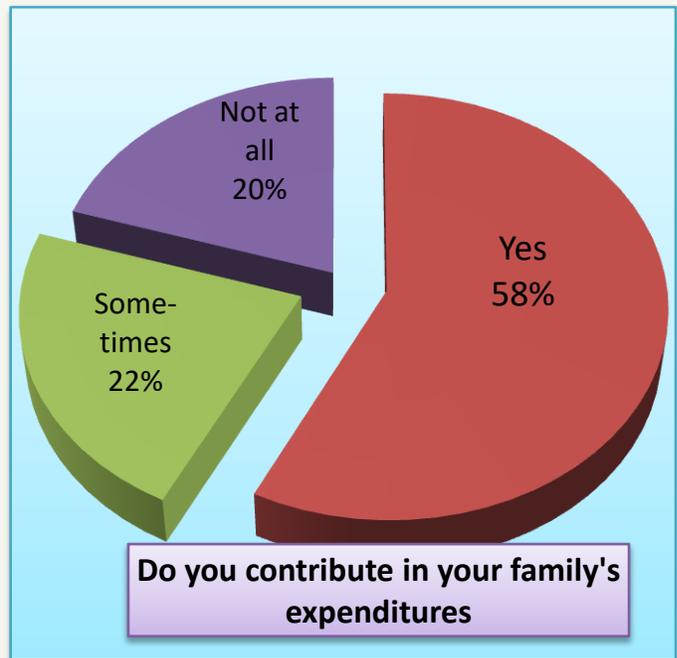
- Almost 1/6 part of their income (16.3%) was invested by them with various banks/financial institutions, etc.
- During the study of the data compiled by volunteers, it was also attempted to ascertain the Income and Expenditure Ratio of elderly respondents. 57.6% of the total respondents reportedly claimed that in their opinion their income is greater than their expenditures.
- 5.5% elderly respondents said that their income is more or less equal to their expenditures.
- According to 36.8% elderly respondents their income is less as compared to their expenditures. They said they hardly found their income enough to meet their expenditures.



- On an average, 18% elderly respondents consider their income is good enough in comparison to others, while 23% said their income is not good but average.
- Almost 1/4th elderly respondents claimed that their income is below average, while 15% elderly said that their income is very low while almost 20% claimed that they have no/negligible income.

Older Persons contribution in Family Expenditure

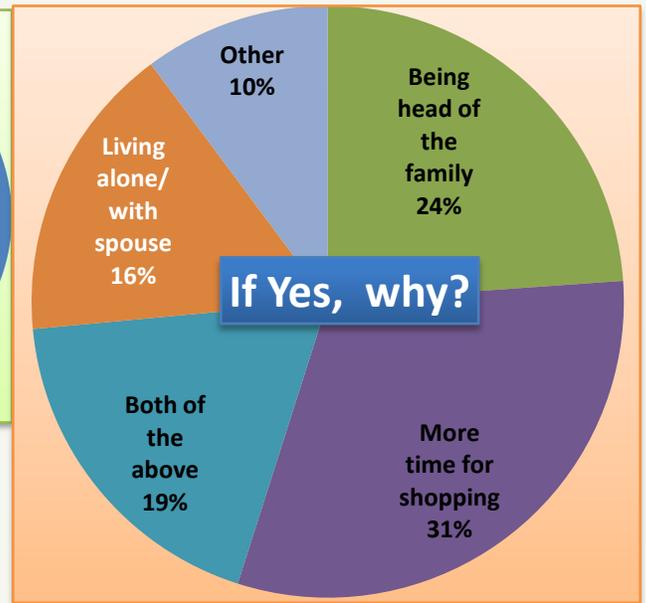
- 58% older persons claimed that they contribute in their family's expenditures while 20% elderly respondents said that either they are not in a position to contribute in their family's expenditure or they don't contribute at all.
- 22% elderly respondents claimed that they contribute in their family's expenditure sometimes only.



V. Behavior of Old People as Consumers

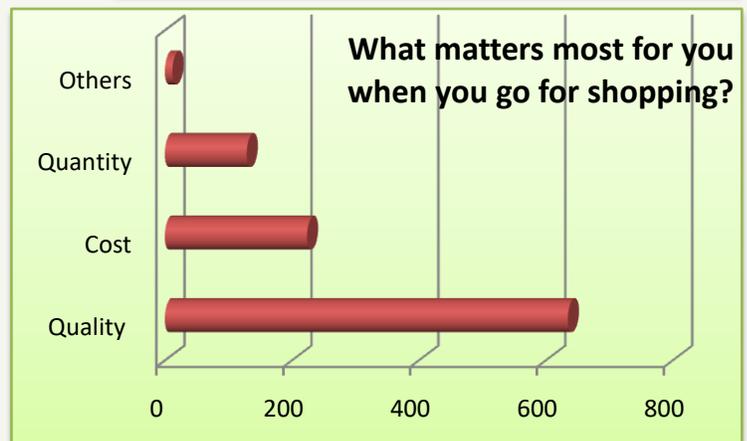
Older Persons are primary shoppers in traditional family system

In traditional family system of India, older persons are generally given the responsibility of shopping for day-to-day utilities for their respective families. As majority of them enjoy this responsibility as they may have comparatively more free time, they may be head of the family, who look after financial matters of the family.



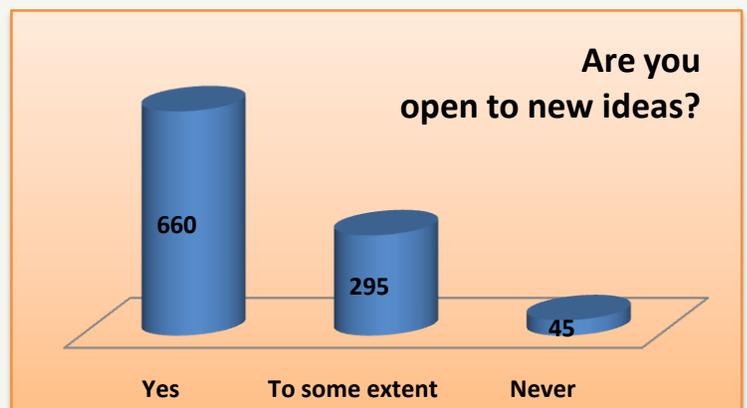
They are willing to pay extra for quality

Older consumers are not necessarily conservative and purely price-sensitive, they often pursue value and quality rather than low prices as they understand that quality costs. They are most likely to spend more on health-related products such as food and pharmaceuticals. However, there is a growing trend in purchases of higher-end goods such as personal luxury items.



They are open to new ideas and things

Although they tend to stick to products or services they are familiar with, they are not hesitating for newer ideas. They have a strong desire to improve their quality and enjoyment of life in retirement and



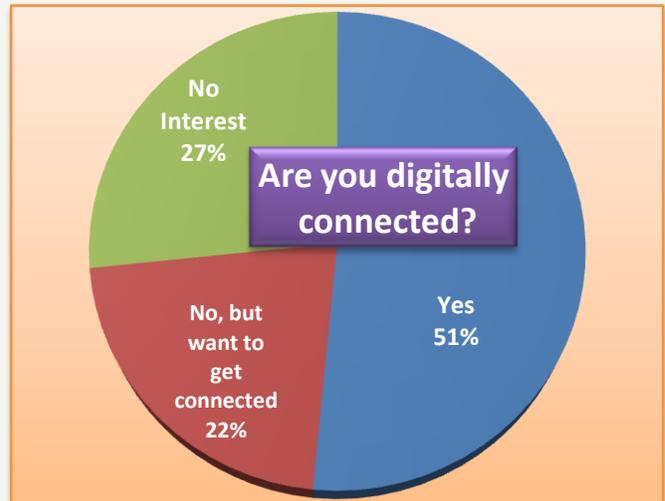
they are likely to make choices based on experience and a confidence in knowing what they like, and having the patience and self-confidence to learn and to try new things.

They are health and wellbeing oriented

Changing lifestyles and the increasing prevalence of chronic conditions have made elderly consumers more concerned about their health and well-being. They are increasing their purchases of health foods and nutritional supplements. While also paying more attention to their emotional health by participating in religious, travel and leisure activities.

They are ready for Digital connectivity

Indian elderly, particularly young old people (60-70) are taking up the digital age by driving growth in online transactions, online payment and social networking. The trend of digital connectivity will continue among the elderly segment as consumers increasingly perceive the benefits and convenience of internet based activities.



VII. Representative Statements

"During the past decade prices of my house and land properties have increased and now I earn a good monthly income in form of rent and return from investments with banks. My health is not well I have to visit doctors and hospitals regularly. I spent my most of income on my medicines and medical treatment."

-Sudhakar Trivedi, 75, Gurgaon, Haryana

"We have no regular source of income except sale of crops during season. Our children are settled abroad and hardly visit us. However, they transfer money in our accounts on regular basis; hence finance is not a problem for us. We are not at all interested in saving money at this stage of life and spent almost all money on our health wellbeing and social obligations."

- Rajwanti Kaur, 69, Jalandhar, Punjab

"Being an old man sitting idle at home after retirement, responsibility of shopping for almost all daily utilities and services is handed over to me by my family members. Therefore I have to use my own discretion while purchasing goods and services for my family. I hardly take advice from younger family members for general and day-to-day products and services."

-Shiv Shankar Reddy, 75, Chennai

"I have to spend substantial part of my income on my younger family members, as their income is not

enough to take care of entire family. I have land and house properties in my name and get good income in form of rent from tenants. Despite, being the head of the family, my family members hardly consult me whenever they go for big/important financial deals."

-Khatoon Nisha, 81, Kolkata

"I earned good money even after my retirement, but my poor health condition is a cause of concern for me as I am living alone with my wife. I am looking for suitable health insurance scheme for us, but there are no such policies/schemes, on which I can depend. "

-Pankaj Dandekar, 64, Pune



VIII. Observations

For older persons, who have earned money with their hard work and efforts and have self-acquired net-worth, value of money matters most. Older persons with sound financial status, live to the fact that consumer is the king and tend to have good value for their money. It has also been observed that financially well-settled older persons prefer to utilize their purchasing power for sake of better life in old age.

With high net-worth value, older persons have higher purchasing power, but they hardly use their discretion while exercising such powers. Younger family members often control their decisions. That's why in spite of major role and active participation of older persons in country's economy, they are still considered as negligible consumers in comparison to the younger generation.

Due to change in financial status and ever increasing independence of older persons, particularly belonging to middle, upper middle and upper classes, their role in financial activities has also undergone significant change over the years. Today, they can be observed to be active consumers of various products and services and embarking on other financial activities.



- Net-worth value of older persons has increased primarily due to sharp increase in real estate prices over the past two decades. During the survey it was also observed that property entitles remain in the name of older persons for longer years as their life span has also increased significantly over the years.
- It has been observed, that attachment of older people towards their financial resources and properties has increased over the years due to comparatively longer life span in old age. Ever increasing role of money in modern lifestyle is also seen as major factor responsible for older people's attachment towards financial resources.
- With changed socio-economic and demographic scenario, mindset of older persons have also changed towards utilization of their net-worth as they want to get fuller benefit of it during their life.

IX. Expert's Observation

Senior Citizens as a Buying Segment

Whenever any product is transacted, there are 5 roles being played actively on the buying side:

1. Buyer: The role of deciding which of the products must be bought from among the alternatives available. This role would span from the identification of alternatives to the finalization of the ultimate choice.
2. Negotiator: The role of negotiating the final price and the terms of payment and delivery.
3. Payer: The role of actually footing the bill.
4. Influencer: May be responsible for no decision but may exert a mild to strong influence on the decision making at various stages.
5. Actual user: The person (s) who would be the real user / beneficiary of the product.

Quite often, a single individual may play many or all of the above roles. Hence, the terms “consumer” and “buyer” and “customer” are generally used interchangeably. However, a little thought would help one see several situations in which the roles are played by different individuals – thereby increasing the complexity of the buying decision making process. For example, when a car is bought for the secondary earning member of the household, the Actual User is the particular individual but the Payer may be the lead earning member, who may also be the prime negotiator. The kids and elders in the family may have an influence on the purchase decision. An intelligent marketer would be alert to this reality and would target different elements of the marketing communication to address all the participants in the decision-making process.



Senior citizens as a target audience for marketers

The popular discourse in India today is that India has a huge and growing young population with an insatiable appetite for consumption. Many marketers are focused on the youth as the primary target for products and communication for a wide spectrum of products – be it vehicles, vacations, gadgets, personal care products, apparel, entertainment and what have you. The segment of senior citizens appears to have been relegated to a much lower priority. However, marketers need to revisit the importance of senior citizens as a target audience for their efforts.

For this, they must carefully examine and understand the involvement of the senior citizens in each of the roles enumerated above.

There would be several products in which the seniors are playing ALL the roles. This would be true for almost the entire spectrum of products in cases where the senior citizens financially independent and are living by themselves. However, very often senior citizens may be staying as members of a joint family. In such situations, they may often exercise a very powerful influence on the purchase of several products and services – even if they themselves may be a part- user or a non-user. This could be because of social and cultural traditions of India or, at times, also because the household is partly dependent on the wealth of the senior citizens for the quality of survival. The wealthy seniors in India often indulge the youngsters with gifts – hence they exercise influence on purchase decision of products which they don't use themselves! In addition, given their financial strength and experience, they may be the most important decision makers for financial products and services and real estate for the entire family.

Senior citizens who are fit and active and yet embedded in joint families also tend to contribute to sharing in household workload. One dimension in which they often contribute is to manage the regular shopping responsibilities of the family. They may not be funding the shopping, but they would be making most of the decisions for the products and consumables of regular use. In these cases, the seniors are the finicky Buyers and demanding Negotiators though not the payers. Marketers would overlook their extreme importance only at their own peril.



Then there is a large spectrum of products for which the senior citizens are the primary Actual Users – medicines, hearing-aids, walking -aids, special clothing, gadgets, health attendants, meditation classes, etc. For such products, they may or may not be the payers or the buyers – yet the products are for them. With the numbers of senior citizens growing, this class of products and services would see a fast growing market. And, since senior citizens have several physical challenges, they tend to need higher order of customization of products and services and communication about the same– thereby enhancing the degree of challenge for the marketers. It is for the enterprising marketers to take cognizance of the challenge and establish themselves in positions of advantage relative to the competitors.

- *Santosh Kumar Sood, Agewell Volunteer*

X. Conclusion:

Since ageing of the population affects every aspect of society and economic activity, old people should also be recognized as a significant consumer group with shared and specific needs, interests, and preferences. Governments, manufacturers, service providers and civil society should take into account the views of older persons on the design of products and delivery of services.

Older persons constitute an increasing consumer group with specific needs and significant aggregate purchasing power. Policymakers at various levels of government must encourage manufacturers and service providers to bring to the market more products and services for older people.

It is therefore important to educate the market about products and solutions, meant for older persons and to provide continuous training as well as support to create a competitive market for older persons-friendly products and services, so that specific needs and requirements of millions of older persons could be addressed.

However, Governments, service providers, and civil society should promote the concept of creating products and services for all ages, which would support older persons' full participation in society.

Aside from the differences among key generations, there are many emerging consumer trends in the market of products and services being used by older persons. These trends are believed to be more prevalent in the next few decades and particularly relevant to address market players.

Corporate sector must consider the potentials of products and services tailored to the needs of older persons. Policymakers may furthermore want to promote mainstreaming ageing in the spheres of production, distribution, advertising and the selling of products and services, given the great benefit for older persons as well as companies and the overall contribution to the economy and the society.

Designing products in a more user-friendly and practical manner can enable older persons to cope with difficulties in their daily life. Providing accessible and available services and products can significantly contribute to the aim of an equal social, economic, political, and cultural participation of older persons.





Agewell Foundation

(In **Special Consultative Status** with the ECOSOC at **United Nations** since 2011)

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