



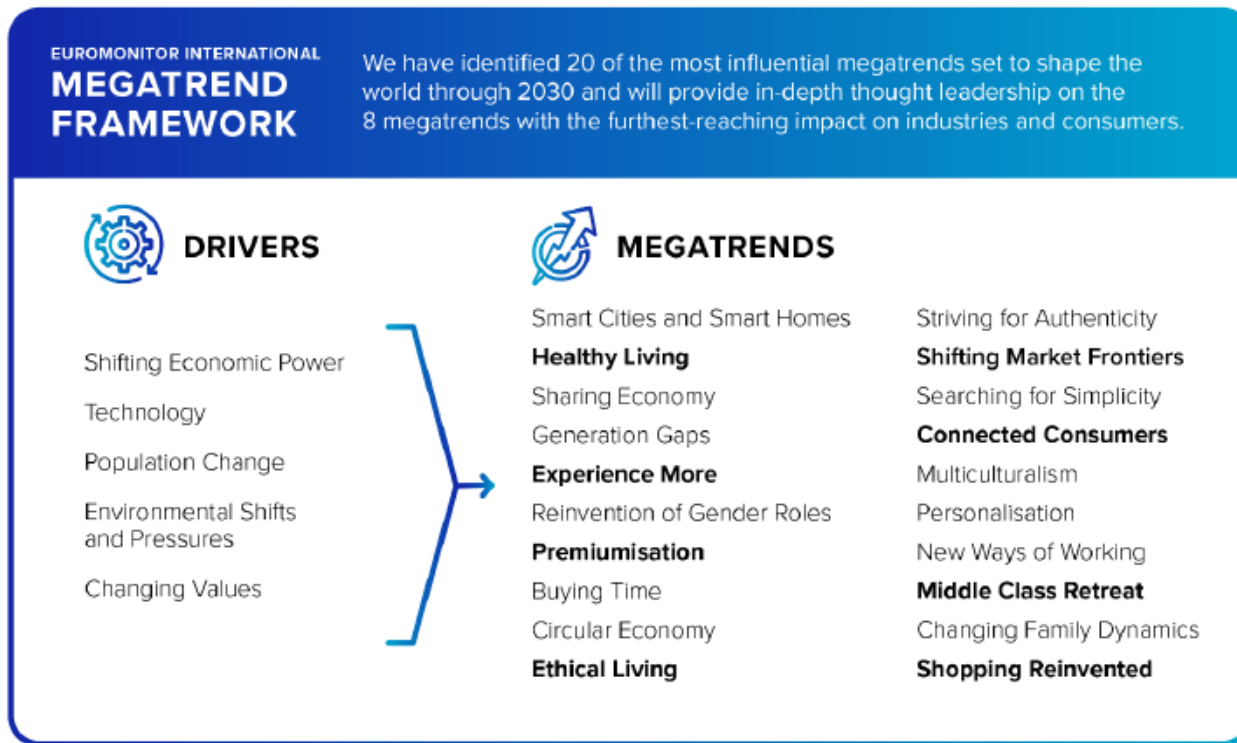
Passport

HOW AGEING POPULATION AND RISING LONGEVITY DRIVE MEGATRENDS

January 2020

Scope

- Population change has been identified by Euromonitor International as a driver of consumer megatrends, while ageing is one of the major demographic shifts under this driver. This report thus looks at the link between population ageing, rising longevity and megatrends, highlighting the growing impacts of silver consumers on the global consumer market in the years to come.



Euromonitor International’s team of economic, consumer, and industry trend experts have identified the 20 most influential megatrends shaping consumer markets. A megatrend framework enables better identification of new emerging trends, while also monitoring the more established long-term megatrends shaping the world.

A look into global ageing trends

Global Population Aged 65+

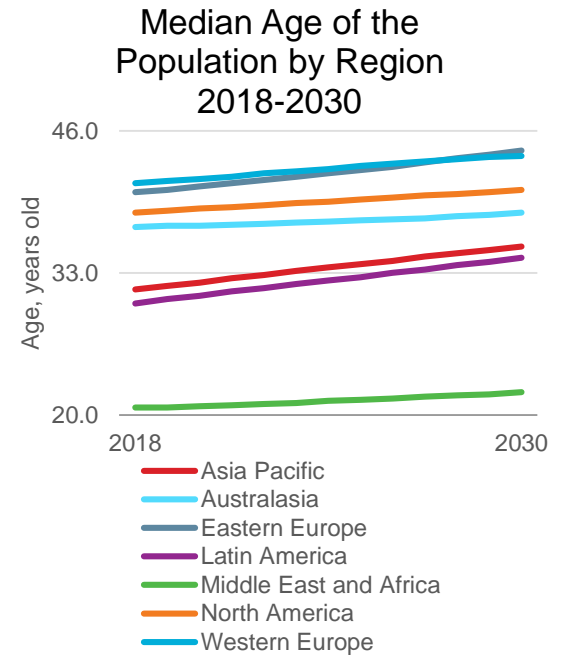
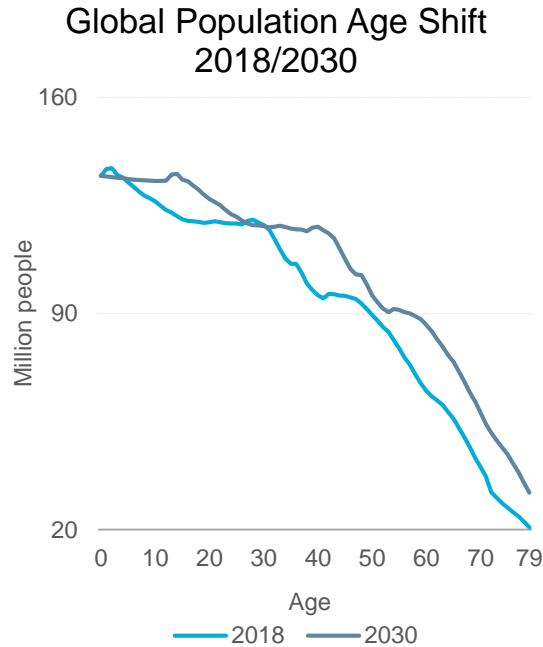
2000	2018	2030
------	------	------

in millions

421 677 994

as % of total population

6.9 9.0 11.7

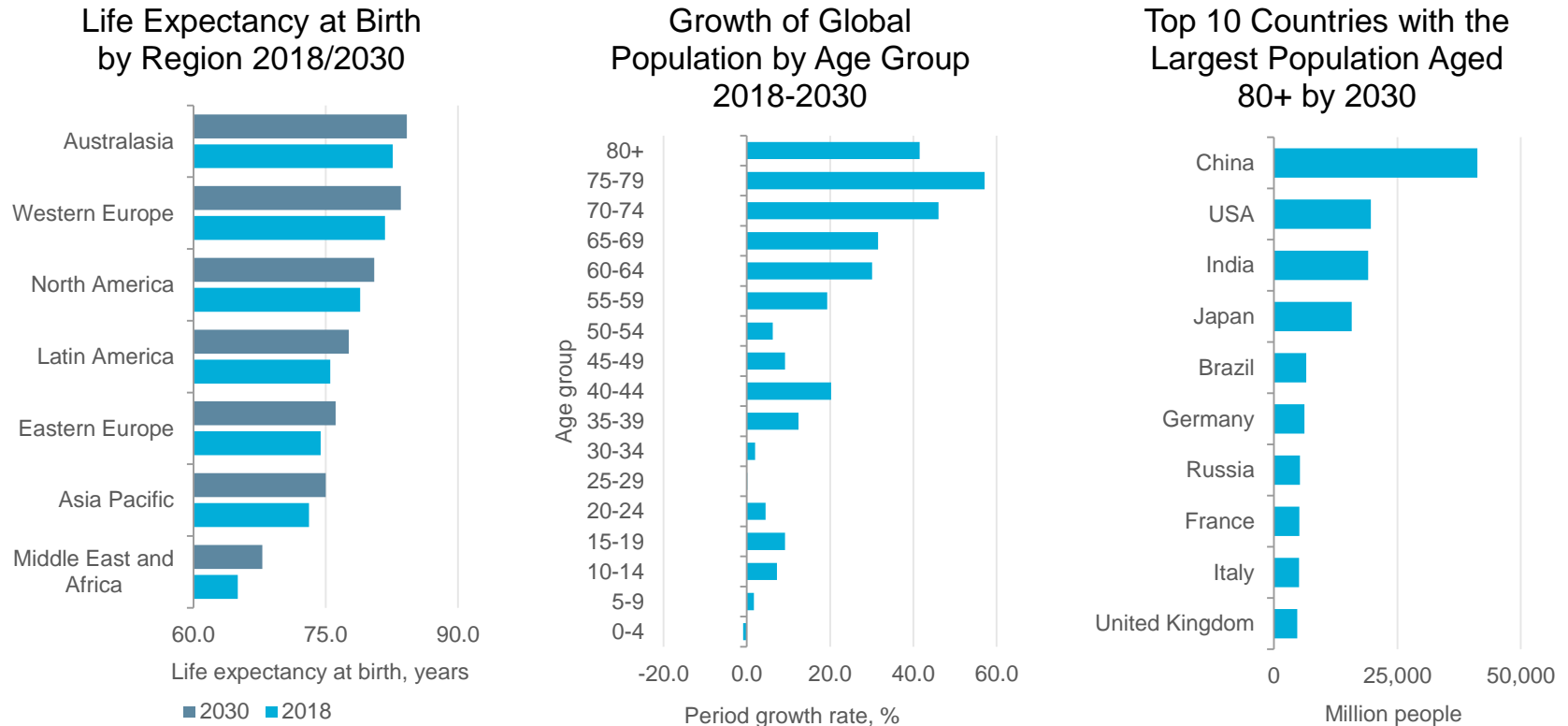


Source: Euromonitor International from national statistics/UN
 Note: Data from 2019 are forecasts

- The world is growing older rapidly as birth rates fall and life expectancy increases amid rising living standards and better healthcare. The global population aged 65+ will almost reach the one billion milestone by 2030. One quarter of them will live in China and half in other emerging and developing countries. Higher life expectancy and population ageing are also boosting the median age of the population across all regions.

... and the longevity boom

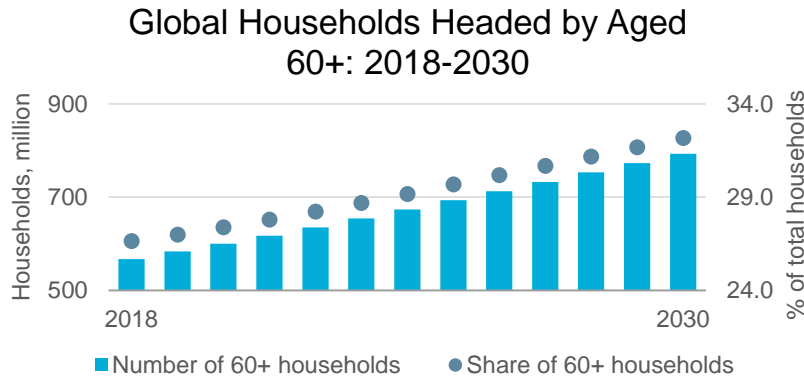
- Older age groups will grow the fastest among all cohorts during the next decade, making longevity the new norm. Longer lifespans will thus have increasing impacts on the consumer market in terms of changing demand and spending patterns.



Source: Euromonitor International from national statistics/UN
 Note: Data from 2019 are forecasts

From silver to gold: the growing power of silver consumers

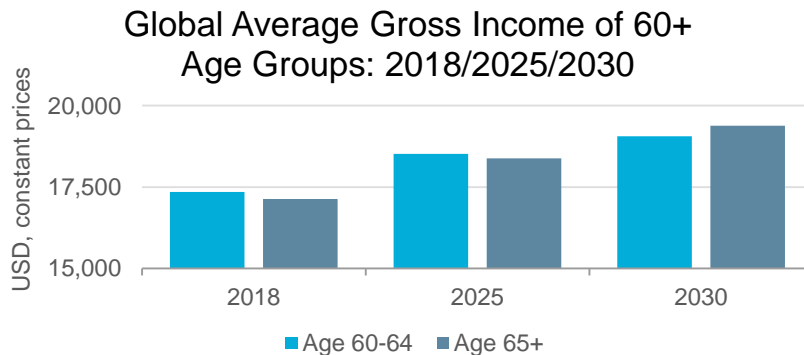
One third of global households will be led by age 60+ adults by 2030



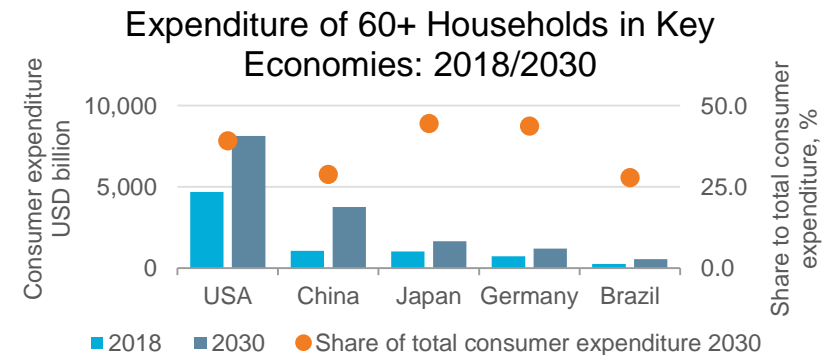
Older adults still have vibrant lifestyles

- 65% of people aged 60+ used technology to improve their day-to-day life in 2019
- 69% walked or hiked for exercise at least once a week in 2019
- 43% made 1-3 international personal trips per year in 2019

Older adults' income is rising



Spending by 60+ households will also increase



Source: Euromonitor International from national statistics/UN/Euromonitor's Lifestyles Survey 2019

Note: Data from 2019 are forecasts

Silver consumers and megatrends

Experience More

- As people now live decades after traditional retirement age, they seek far more than rest. Retirees often have time and, in many cases, resources to travel and pursue their personal interests.

Shifting Market Frontiers

- Benefiting from economic growth, new retirees in emerging Asian and African countries are now much wealthier and healthier than previous generations.

Healthy Living

- Health becomes even more important as one ages. With a wish to stay fit even in their old age, senior consumers are fuelling demand for health and wellness, ranging from food and nutrition to activities.

Ethical Living

- Younger consumers are known to be strong supporters of ethical living, but seniors could be the next important wave of conscious consumers as many wish to live purposefully.

Middle-Class Retreat

- In an effort to optimise their limited incomes, elderly consumers are obvious drivers of middle-class retreat trends.

Premiumisation

- Senior consumers in high-income brackets are important drivers of demand for premium products.

Shopping Reinvented

- Together with urbanisation, ageing is a driving force behind the changing landscape of the retail industry. Demand for convenient shopping is huge among older consumers.

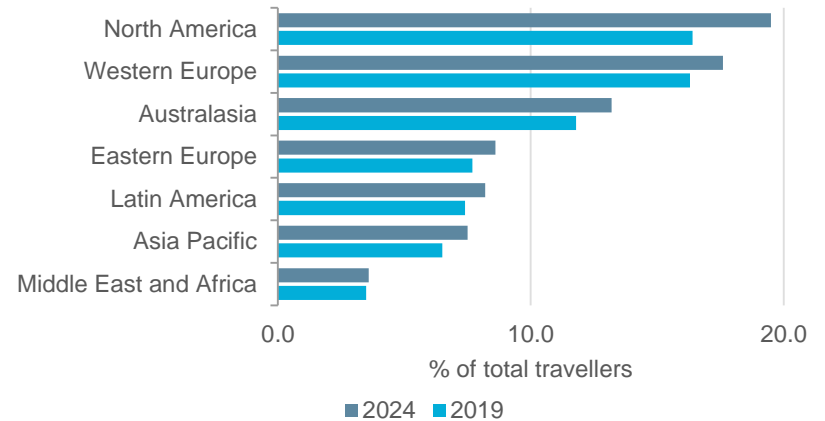
Connected Consumers

- Technology, such as home automation, remote health monitoring and robotic caregivers, has great potential among silver consumers as it helps improve the lives of the elderly.

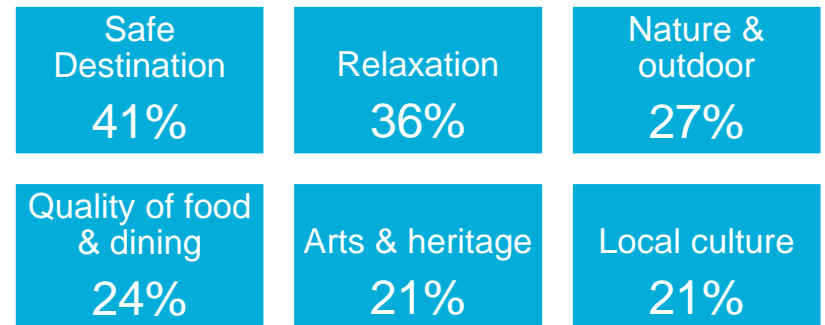
Experience More: older adults show a strong desire to travel

- The number of global travellers aged 65 and over is forecast to rise from 210 million in 2019 to 250 million by 2024 (making up 10% of total travellers), reflecting the strong demand to experience new places, new cultures and cuisine among silver consumers.
- The mature markets of North America and Western Europe have the highest proportion of older travellers. Asia Pacific is home to the biggest and fastest growing group of travellers aged over 65.
- Like other demographics, older consumers are diverse in terms of interests and needs. Silver travellers thus offer opportunities for not only relaxation travel but also cultural, heritage and even educational trips.
- Nevertheless, in order to capture silver travellers, companies still need to consider the physical challenges that older generations face, from poor eye sight to mobility difficulties, in designing facilities and services.

Share of Age 65+ Travellers by Region 2019/2024

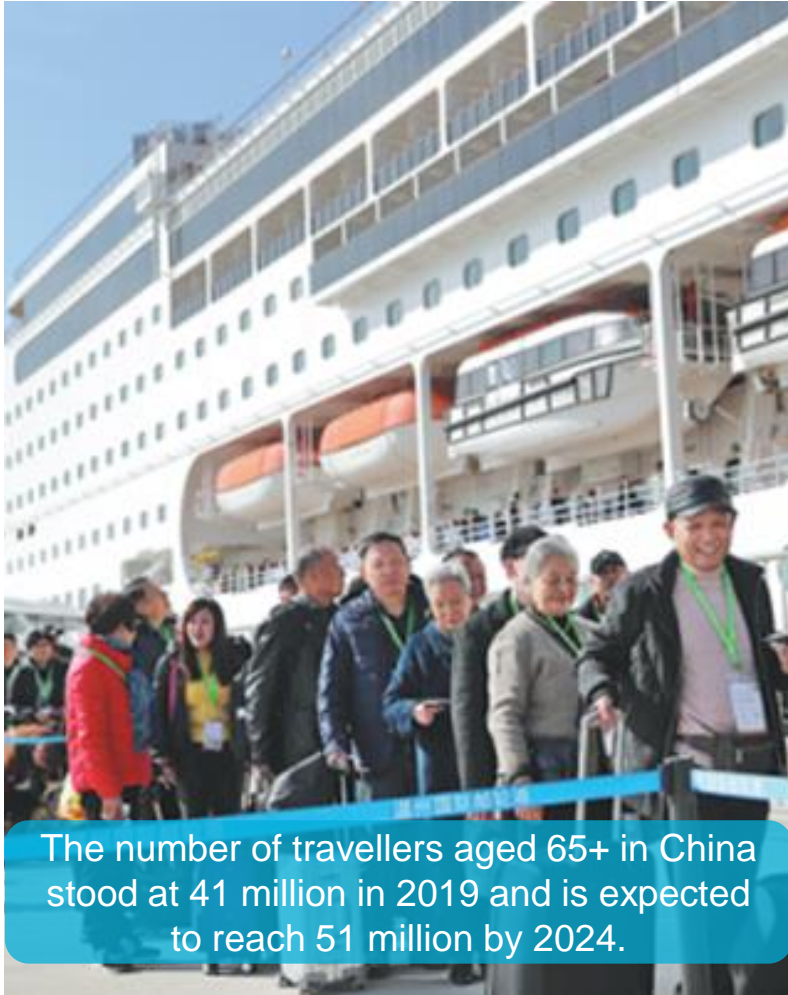


Top Preferred Travel Features by Age 60+ 2019



Source: Euromonitor International from trade sources/ Euromonitor's Lifestyles Survey 2019

Case study: China's travel industry driven by a silver tourism boom



The number of travellers aged 65+ in China stood at 41 million in 2019 and is expected to reach 51 million by 2024.

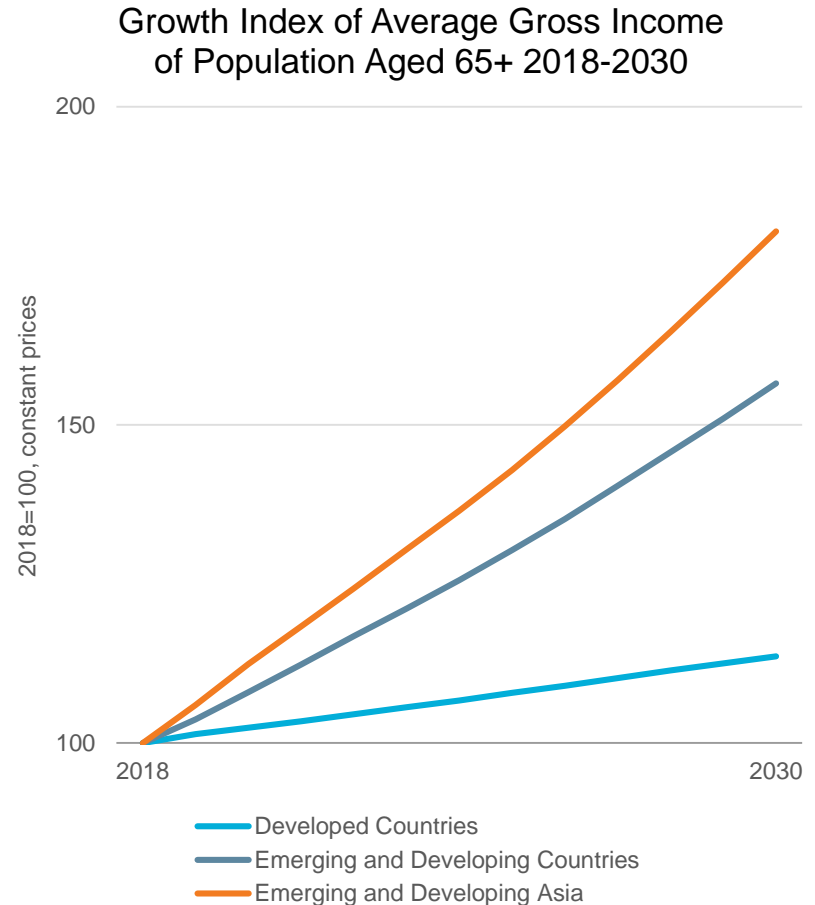
- Retirees in China today are different from previous generations in that they want more from life than just staying at home or taking care of their grandchildren. Travelling is now the new interest of many silver Chinese.
- Realising the opportunities brought by China's ageing population and the growing travel demands of Chinese aged 60+ consumers, many travel agencies have customised their offerings to cater to this market. Ctrip, one of the leading online agencies, has designed packages, group tours and high-end travel options for Chinese seniors who are willing to spend on travelling with comfort. The tours often include door-to-door transportation and are less heavy in the sightseeing schedule. The company also offers packages like "Mom and Dad Relaxation Tours" to market to adult children who want to buy trips as gifts for their parents.

Key takeaways:

- Product customisation to meet the specific needs of older consumers will help to win the silver market.
- Marketing to seniors' adult children can be a very effective channel to target silver consumers.

Shifting Market Frontiers: rising influence of Asian silver consumers

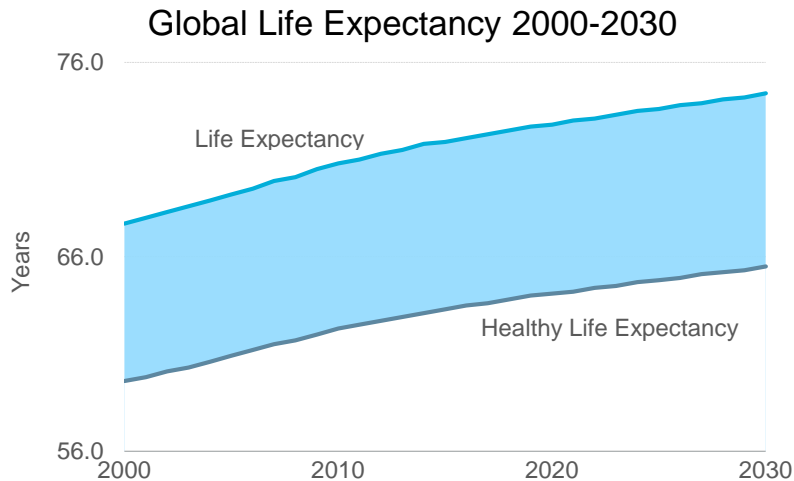
- Asia will be home to more than half of the global population aged 65 and over – that means more than 500 million – by 2030. Though the average income of Asian older adults remains significantly lower than their Western counterparts, the over-65s in the region will witness the strongest income growth globally through to 2030. Combined with their evolving lifestyles, Asian silver consumers will have growing influence on the regional and global market.
- As the silver consumer market in Asia remains relatively underserved, it offers great growth potential, with growing demand for not only necessities and health goods, but also travel, leisure activities and elderly care services.
- It is thus worth for companies targeting the Asian markets to consider how to make their business relevant to this large group of consumers. Many businesses in the consumer health sector, for example those providing vitamins and supplements, have tailored their products to target Asian older adults.



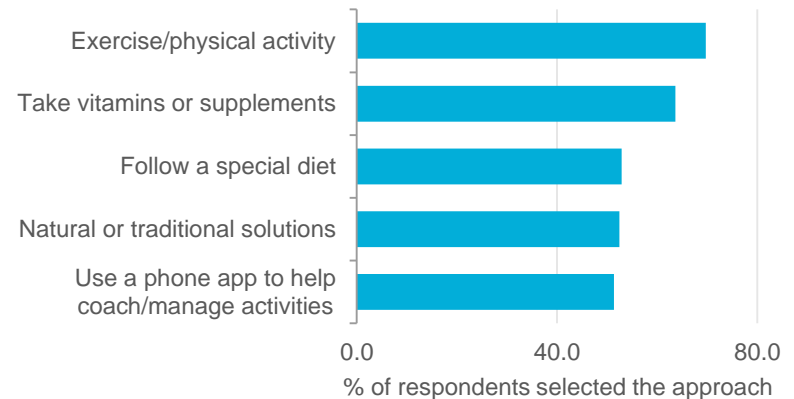
Source: Euromonitor International from national statistics
 Note: Data from 2019 are forecasts.

Healthy Living: a strong quest for healthy ageing

- To age healthily is the hope and dream of all consumers, particularly of older adults. Life expectancy is increasing globally, but the extra years are not always the healthy years. Driven by the desire to enjoy a good quality of life for their remaining years, older consumers are increasingly embracing healthy lifestyles through health conscious nutritional habits and activities which support physical as well as mental wellbeing.
- Sectors like health and wellness, vitamins and supplements and health-related technology have so far benefited most from silver consumers' pursuit of healthier lifestyles. With more product innovations – particularly in relatively untapped sectors like food - that fit to the diverse needs of silver consumers, businesses can reap even more rewards from this growing market segment.



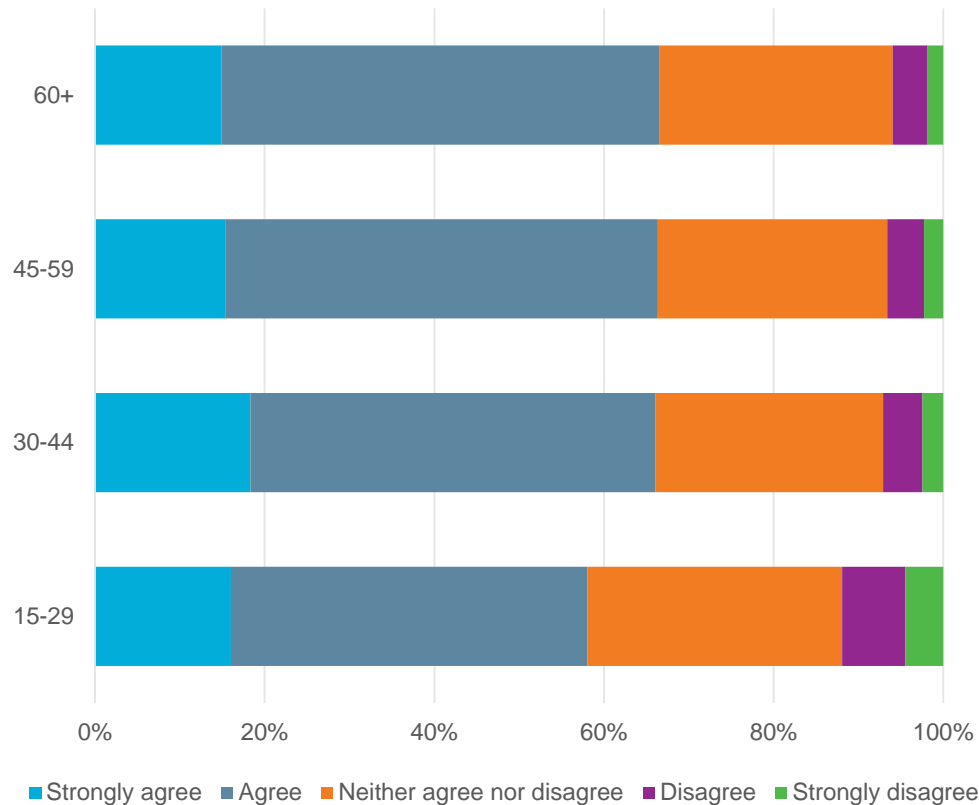
Top Health Prevention Approaches of the Aged 60s+ 2019



Source: Euromonitor International from national statistics/UN/Euromonitor's Health and Nutrition Survey 2019
 Note: Figures from 2019 are forecasts.

Ethical Living: having a purposeful life

Green Attitude by Age Groups 2019
 “I try to have a positive impact on the environment through my everyday actions”



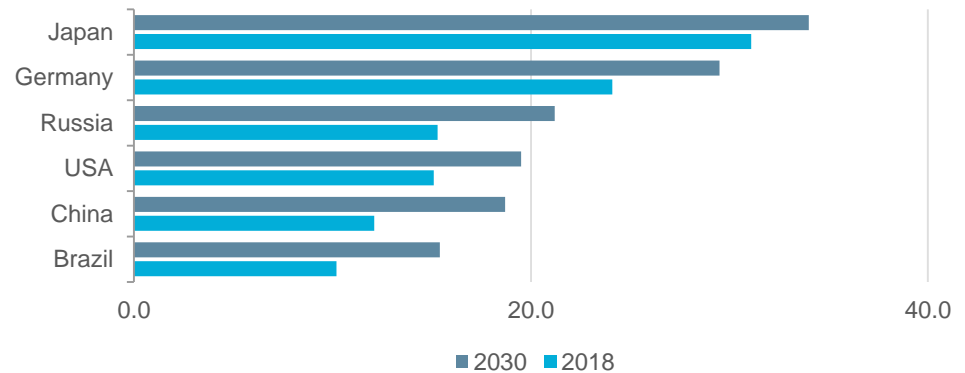
Source: Euromonitor International's Lifestyles Survey 2019

- Though older consumers tend to have been moderate activists of ethical lifestyles so far, they are conscious consumers like other age groups. This is mostly driven by their desire to do their part and take care of the environment for future generations (27% of Euromonitor's 2019 Lifestyles Survey respondents aged 60+ said buying eco- or ethical-conscious products made them feel good).
- Older consumers tend to trust products which are locally sourced, natural and environmentally conscious or eco-friendly. To win the attention of older consumers on ethical products, however, brands need to communicate with them effectively. Traditional media remains a source of information for older adults, while word of mouth is also influential.
- Affordability of ethical products and services is a concern for silver consumers, as many retirees live on a limited budget.

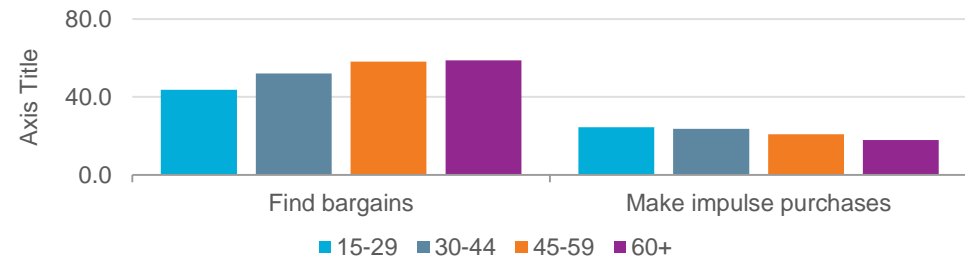
Middle Class Retreat: silver consumers trade up and trade down

- Amidst population ageing, silver consumers will account for a larger share of the middle class in most countries. In some advanced economies, the over-65s will make up more than one third of the middle-income population by 2030. How middle-class older adults spend, therefore, will increasingly drive consumer trends among the middle class in the next decade.
- Over-60, middle-income consumers tend to focus on both value and quality, given the limited income they earn after retirement. As their spending priorities often change in later life, they are likely to trade up in some areas that are considered to be more important for them now (eg fresh foods, health and wellness products, travel), while trading down in others, including reducing the quantity of consumption. Understanding the spending preferences of silver consumers thus will become even more important for businesses in the years to come.

Share of Aged 65+ in Social Class C in Selected Economies 2018/2030

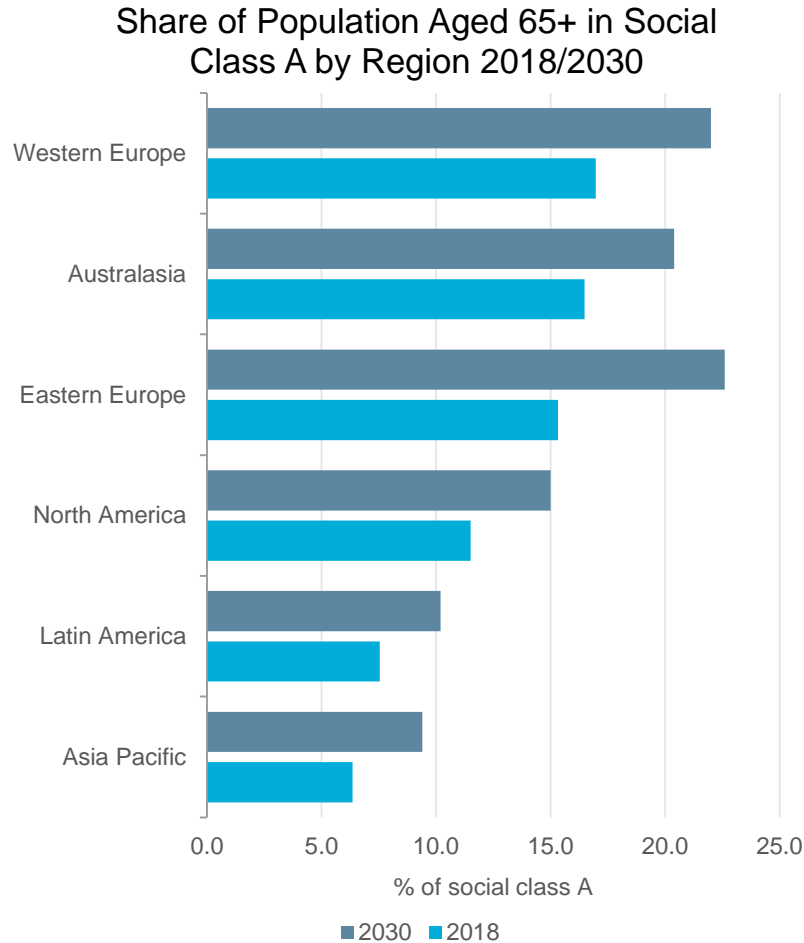


Shopping Preferences by Age Group 2019 (% of respondents selected the feature)



Source: Euromonitor International from national statistics
 Euromonitor's Lifestyles Survey 2019
 Note: (1) Social class C represents the middle-income population. (2) Data for 2030 are forecasts.

Premiumisation: older affluent consumers a target for luxury



Source: Euromonitor International from national statistics

- The changing priorities of older consumers nowadays are driving demand for premium products and services. For example, with a stronger focus on health, older consumers have demand for higher-quality, natural and functional foods. Also, as more silver consumers now travel, there is a growing demand for premium travel services. Similarly, grandparents have become an important target for marketers of premium child products, as they tend to spend generously on their grandchildren.
- Some luxury brands (such as LVMH) have recognised the potential of high-income silver consumers and tapped into this market by incorporating the over-60s into their product portfolio and marketing strategies.
- With the highest proportions of the population aged 65+ as well as strong purchasing power of the over-65s, Western European markets are highly attractive for businesses seeking to market high-end, luxury products and services. Nevertheless, the number of wealthy over-65s is growing faster in other regions, representing rising opportunities.

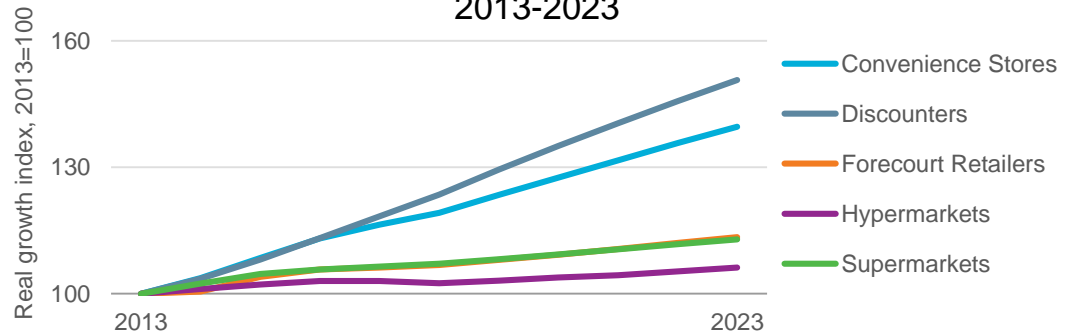
Shopping Reinvented: great potential for convenient shopping

- Silver consumers' shopping preferences are changing, as their time, financial situations and health conditions may alter as they enter retirement and age.
- Combined with urbanisation and digitalisation trends, the rapid increase in the number of 65s+ consumers will drive the future retail sector, requiring transformations and adaptations ranging from product design to store design. For example, older consumers may prefer home delivery services or smaller stores that are easily accessible by public transport.
- Silver consumers' shopping preferences can be as diverse as other consumer groups: while many of them still enjoy in-store shopping, many do embrace online shopping or want new shopping experiences both in-store or online.

Top 5 Online Shopping Motivation of 60+ Age Group 2019



Market Size Growth of Grocery Retailers by Types 2013-2023



Source: Euromonitor's Lifestyles Survey 2019/ Euromonitor International from trade sources
 Note: Data from 2020 are forecasts.

Case study: the transformation of convenience stores in Japan



Convenience stores in Japan grew by 5.2% in real terms in 2013-2018, compared to a decline of 1.2% for grocery retailers as a whole.

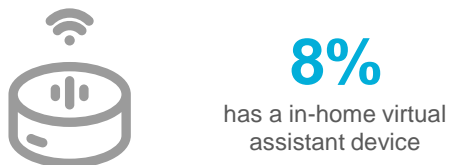
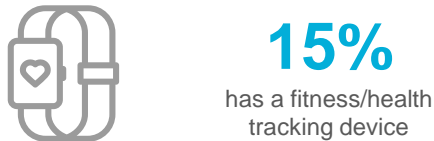
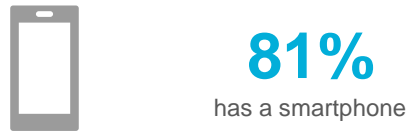
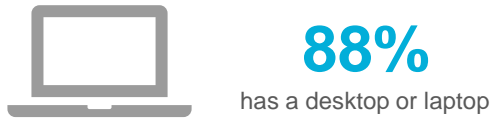
- As Japan has one of the oldest populations globally (28% of the population aged 65 and over in 2018), silver consumers have strong influences on the country's retail market.
- Despite a decline in the overall retail sector, convenience stores have expanded in Japan. Apart from having easily accessible locations, retailers have transformed their stores to meet the special needs of silver consumers. 7-Eleven offers extra in-shop services like seating areas, karaoke and out-of-shop services like room cleaning and mending. In some areas, 7-Eleven stores are thus becoming places to socialise for older people. It also launched "mobile store" travels by truck twice a week to a housing complex in Tokyo where many elderly people live. Lawson, another convenience retailer, incorporate three separate spaces under one roof: a pharmacy, convenience store and health consultation to make it a one-stop shopping solution for seniors.

Key takeaways:

- Enhancing the shopping experience with tailored services for the elderly is becoming vital for retailers in rapidly-ageing markets.

Connected Consumers: high demand for elderly-friendly tech

Possession of Digital Device of 60+ Age Group 2019
 (percentage of survey respondents aged 60+ confirmed possession of the device)



- Technology products have increasingly become part of older consumers' life, despite the bias that all things digital are primarily for younger generations. Though possession and usage of smart devices among the over-60s remained lower than younger groups, they are increasing, making silver consumers an essential part of today's digital consumers. In 2019, 31% of Euromonitor's Lifestyle Survey respondents aged 60+ made an online purchase of goods and services at least once a month, up from 20% in 2017.
- The increasing wish of older consumers to maintain their quality of life has given rise to the "Ageing in place" movement, which focusses on keeping elderly people in their own homes for longer as they age. Technology has shown great potential for improving the life of the elderly. For example, home automation, remote health monitoring and robotic caregivers are allowing older adults to continue to live independently in their own homes without affecting their health and safety. Alexa, Amazon's virtual assistant, already helps many seniors by answering questions, reading the news, calling relatives and controlling devices such as lights and the television, on demand.

Source: Euromonitor's Lifestyles Survey 2019

Case study: the rise of technologies supporting senior living



Robot assistant



Smart health device



VR experiences



Smart glasses

- Businesses around the world are gradually waking up to the emerging market of technologies designed to enhance and enrich the lives of seniors. The fact that silver consumers nowadays are becoming more tech-savvy further supports this trend. Some examples of innovations that help seniors live healthier and happier:

- **Samsung Bot Care:** measures a user's blood pressure, heart rate, respiration, and sleep state. It also reminds them when to take their medicine, and can be viewed by an elder as a kind of companion.
- **Rendever:** builds a kind of virtual reality version of Netflix in which seniors can choose from a variety of experiences, such as spectator and active sports, educational activities, and travel.

Key takeaways:

- Developing age-friendly technologies could be the most compelling impact investment in the decades ahead.

Key takeaways: be inclusive and adaptive to win silver consumers

The future is silver

- Population ageing is one of the forces that drive consumer megatrends today and tomorrow. Megatrends that should expect the most influence from silver consumers are Healthy Living, Middle-Class Retreat and Shopping Reinvented.
- As this market segment is too large to be ignored, businesses need to understand, explore and address silver consumers' demand to ensure long-term success.

Inclusion

- To capture this attractive market segment, there is a huge need for inclusion of older consumers in retail spaces, marketing, technology and product designs.
- On the other hand, given the rise of the “ageless” generation who favour age agnosticism, older consumers are often alienated by age labels. Silver consumers are and want to be seen as "mainstream" consumers.

Adaptation

- Silver consumers do have specific needs, interests and values and will favour product segmentation based on these. Adapting products and services to better meet the needs of an ageing consumer base thus has huge potential for future success.
- Innovation – development of new products/services that can serve new markets in an ageing society - is expected to reap the rewards of the silver consumer market.



Passport

FOR FURTHER INSIGHT PLEASE CONTACT



Lan Ha

Population Senior Consultant

Lan.Ha@euromonitor.com

Experience more...

This research from Euromonitor International is part of a global strategic intelligence system that offers a complete picture of the commercial environment. Also available from Euromonitor International:

Global Briefings

Timely, relevant insight published every month on the state of the market, emerging trends and pressing industry issues.

Interactive Statistical Database

Complete market analysis at a level of detail beyond any other source. Market sizes, market shares, distribution channels and forecasts.

Strategy Briefings

Executive debate on the global trends changing the consumer markets of the future.

Global Company Profiles

The competitive positioning and strategic direction of leading companies including uniquely sector-specific sales and share data.

Country Market Insight Reports

The key drivers influencing the industry in each country; comprehensive coverage of supply-side and demand trends and how they shape future outlook.

Learn More

To find out more about Euromonitor International's complete range of business intelligence on industries, countries and consumers please visit www.euromonitor.com or contact your local Euromonitor International office:

Bangalore +91 80 67740500

Cape Town +27 21 524 3000

Chicago +1 (312) 922 1115

Dubai +971 4 372 4363

Dusseldorf +49 211 8909 44 0

Hong Kong +852 3461 3137

London +44 (0) 207 251 8024

Santiago +56 2 2 9157200

São Paulo +55 11 2970 2150

Seoul +82 2 6123 0200 0215

Shanghai +86 21 603 21088

Singapore +65 6429 0590

Sydney +61 2 9581 9200

Tokyo +81 3 3436 2100

Vilnius +370 5 243 1577