

Marketing to Boomers and Beyond

Focus on the Niagara Region

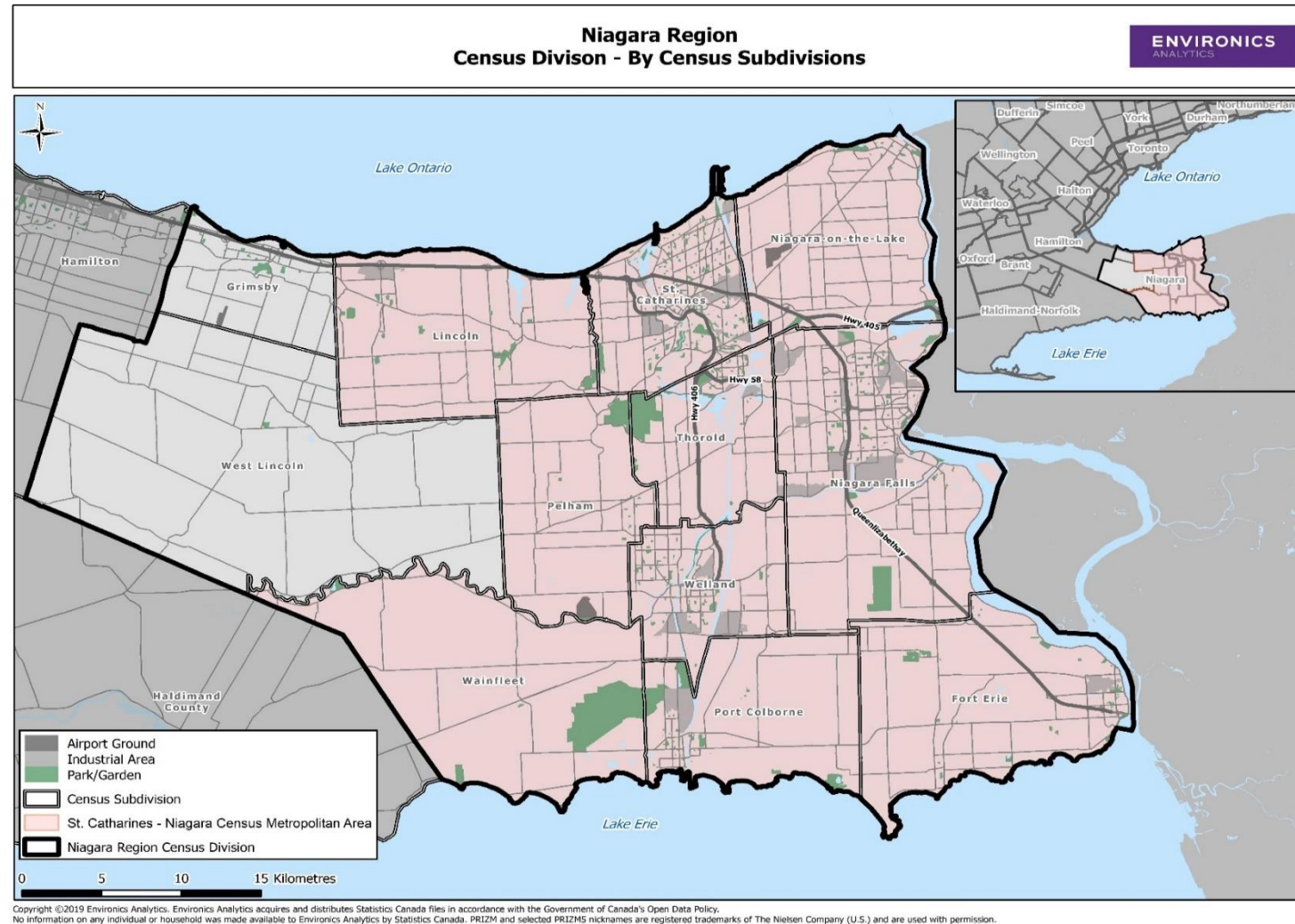
Presented September 18, 2019 , Business of Ageing, Niagara Network, Niagara College, Welland Campus



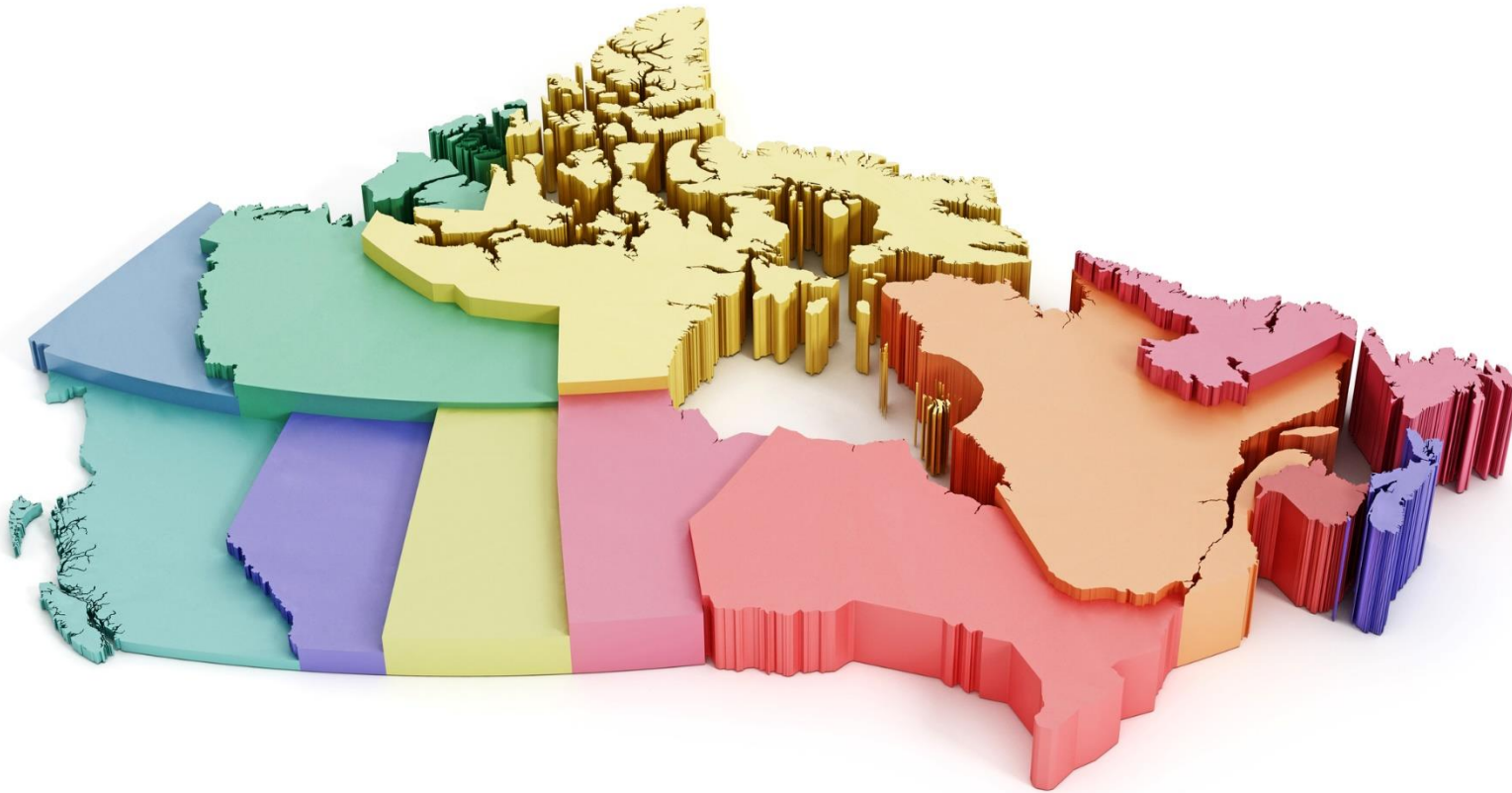
Doug Norris

Senior Vice President and Chief Demographer

Comparison of Niagara Region and St. Catharines-Niagara CMA (Grimsby and West Lincoln not in CMA)



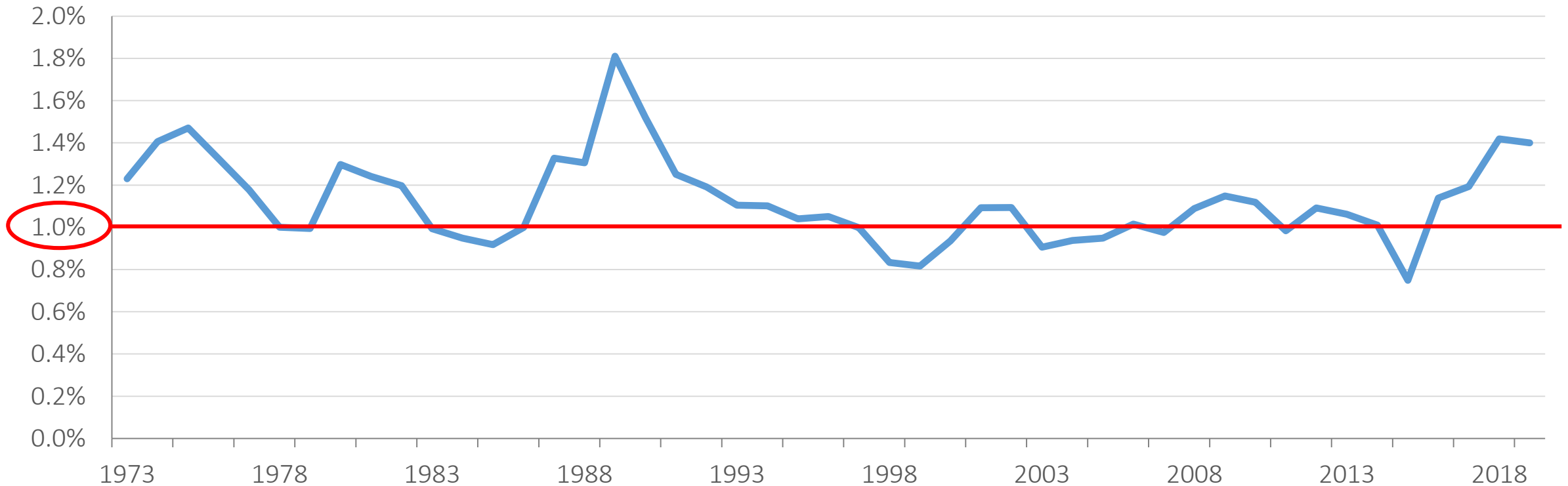
Canada continues to lead G7 in population growth, but growth varies across and within regions



Canada's growth rate has been fairly constant for 25 years but increased in recent years

Annual Growth of Population, Canada

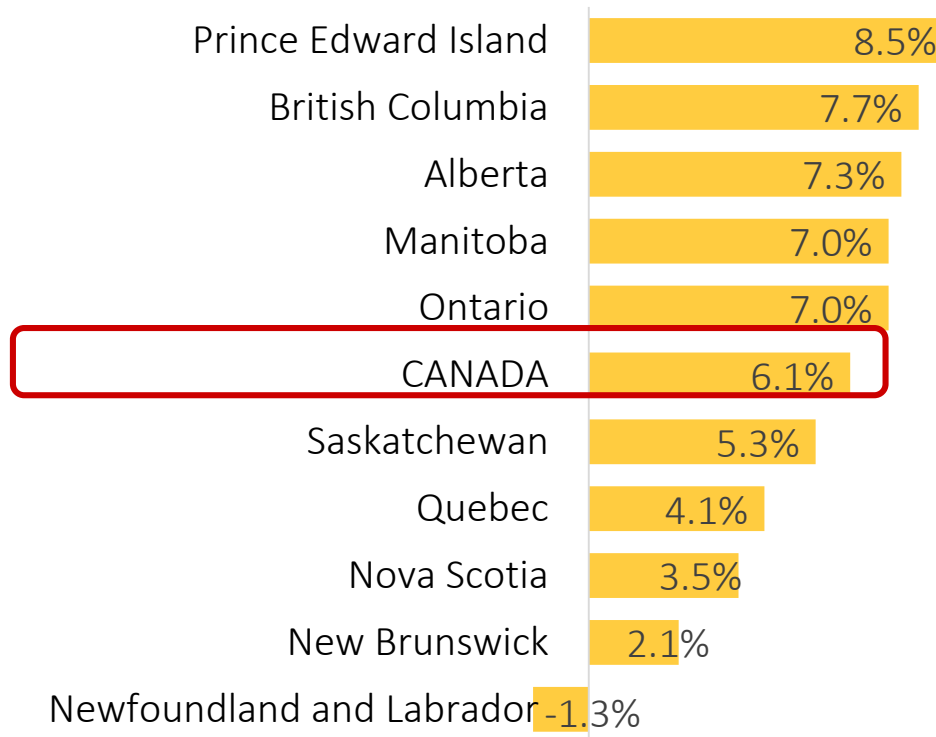
Total Population, 2019 – 37.6 M



Source: Statistics Canada, Demographic Estimates

High growth in PEI and three western provinces over past five years

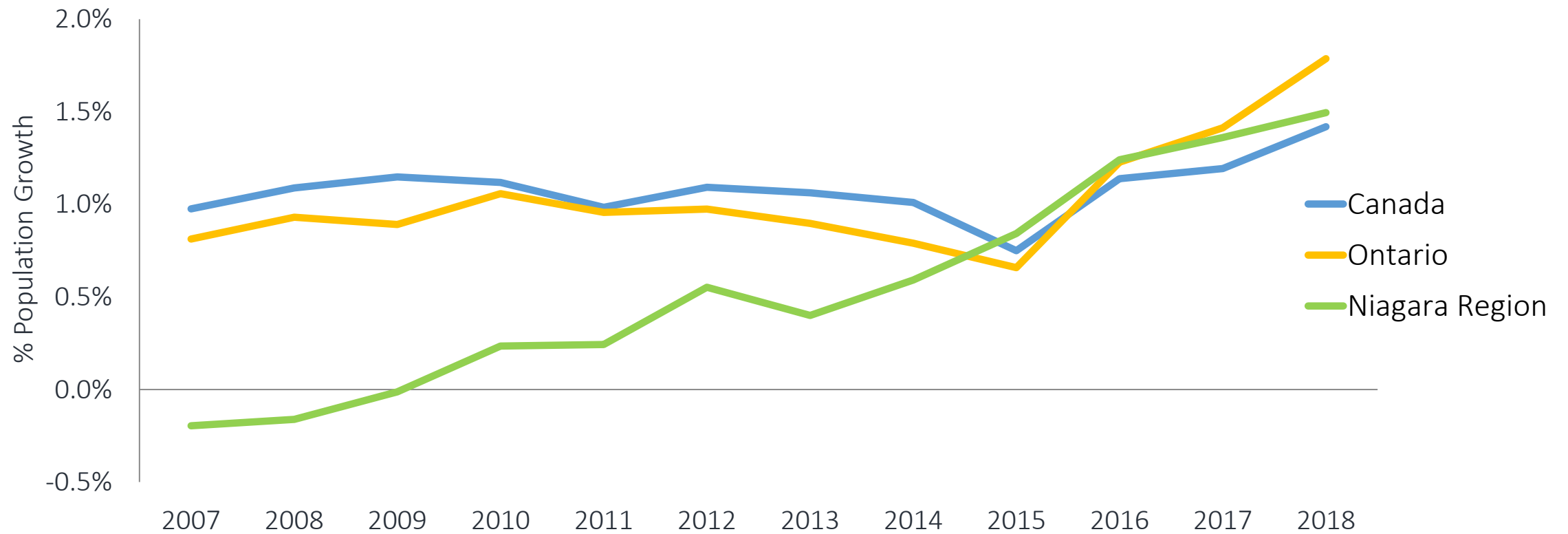
Five Year Population Growth 2014-2019



Source: Statistics Canada, Demographic Estimates

Growth has steadily increased in the Niagara Region

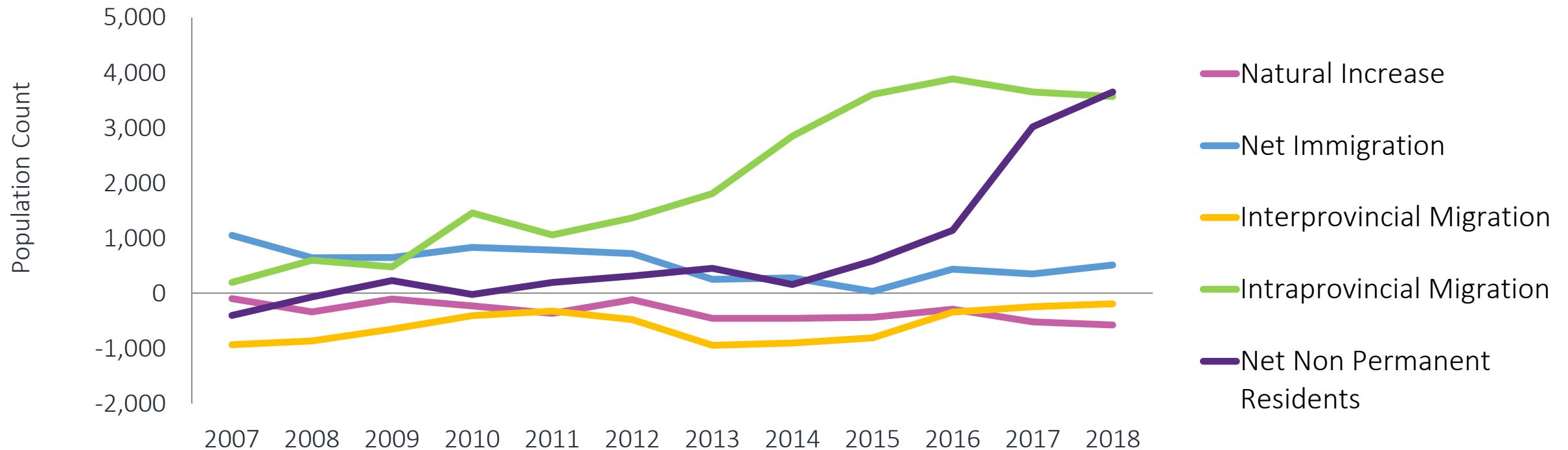
Annual Rate of Population Growth, 2007-2018



Source: Statistics Canada, Population estimates

Growth mainly due to intraprovincial migration and in last few years non-permanent residents

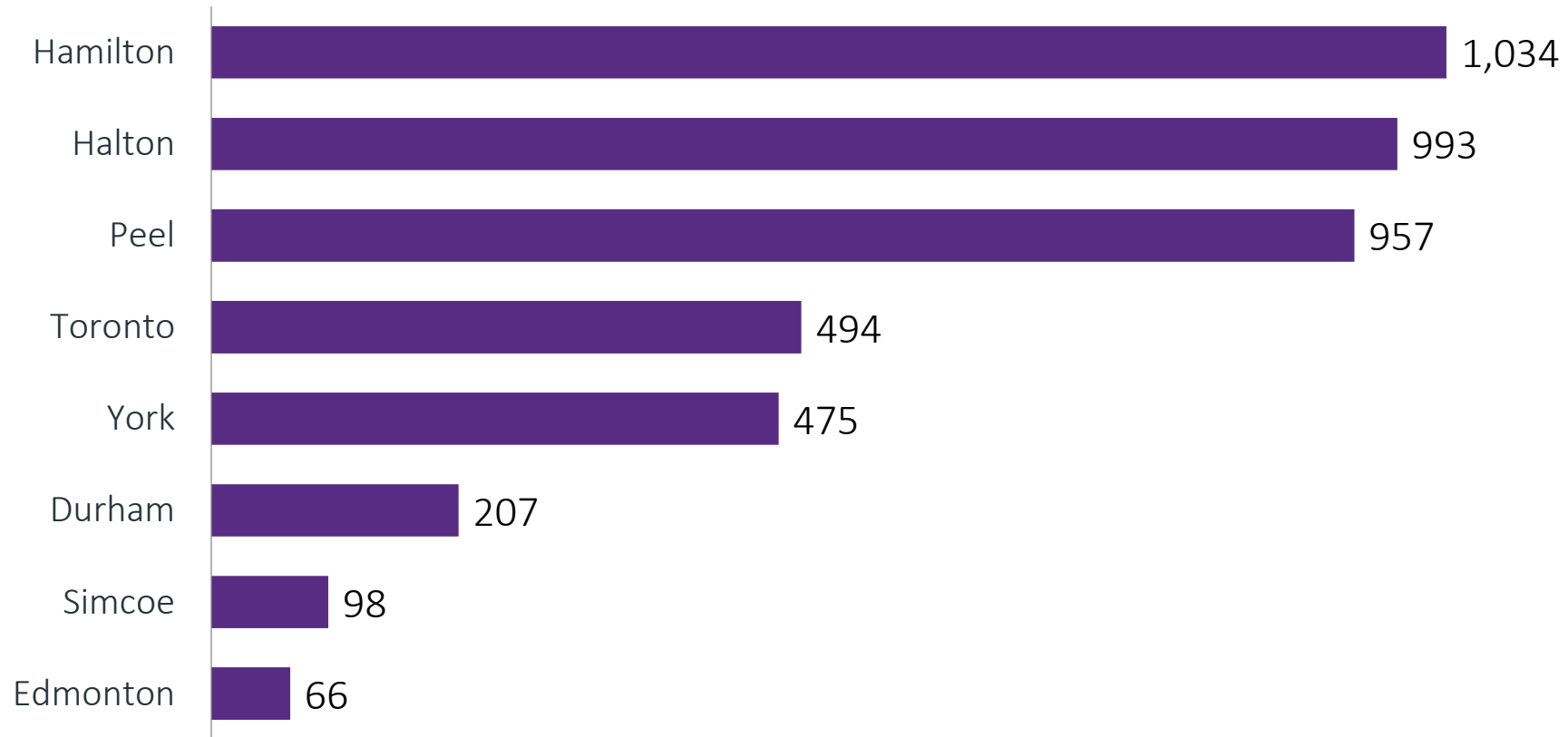
Components of Population Growth, Niagara Region, 2007-2018



Source: Statistics Canada, Population estimates

Migration mostly from Hamilton and the GTA

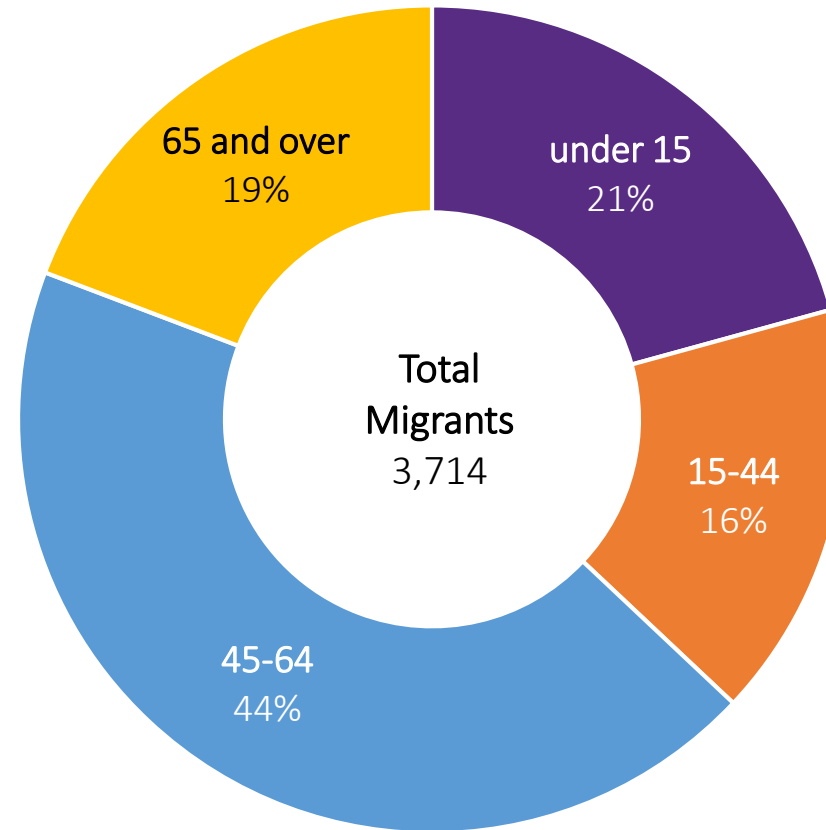
Net Internal Migration by Origin, Niagara Region, 2016-2017



Source: Statistics Canada, Demographic estimates

Nearly two thirds of intraprovincial migrants are aged 45 or older

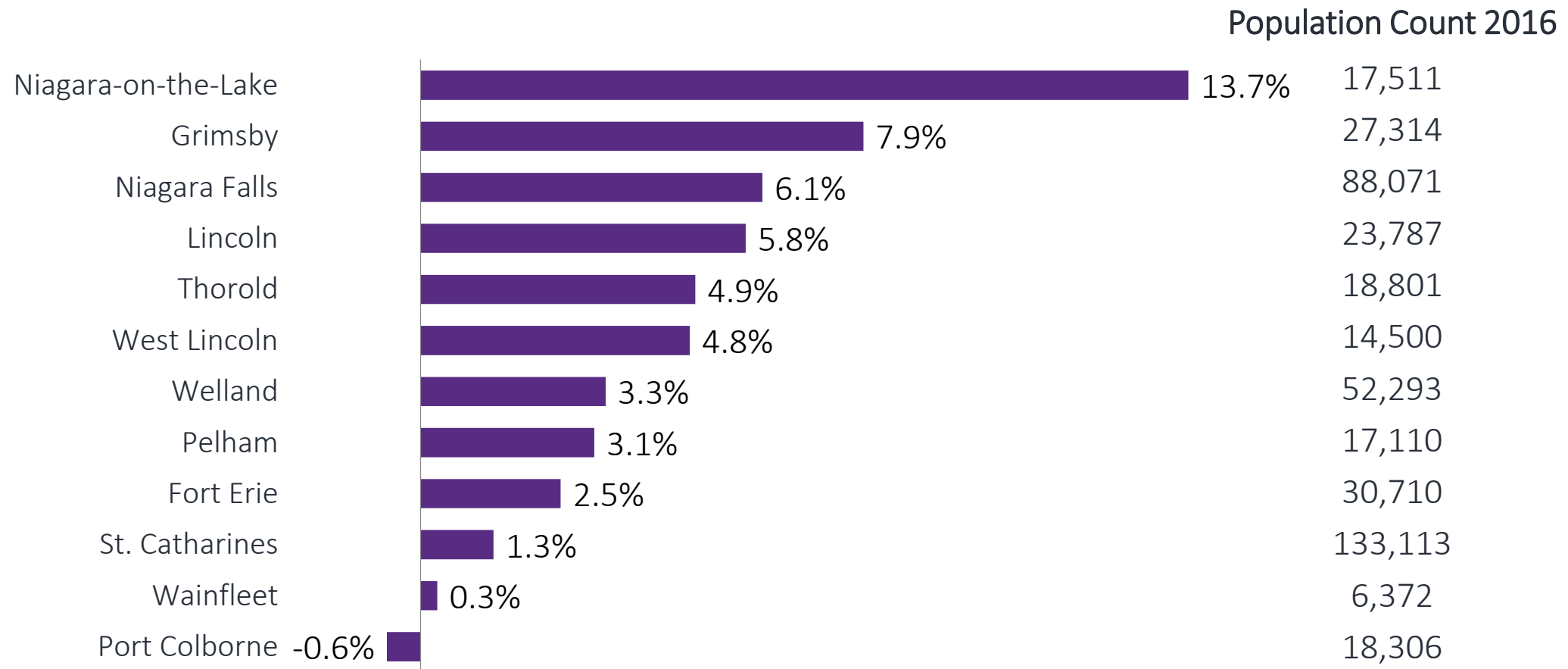
Average annual number of Intraprovincial migrants, 2013-2016, Niagara Region



Source: Statistics Canada, Demographic estimates

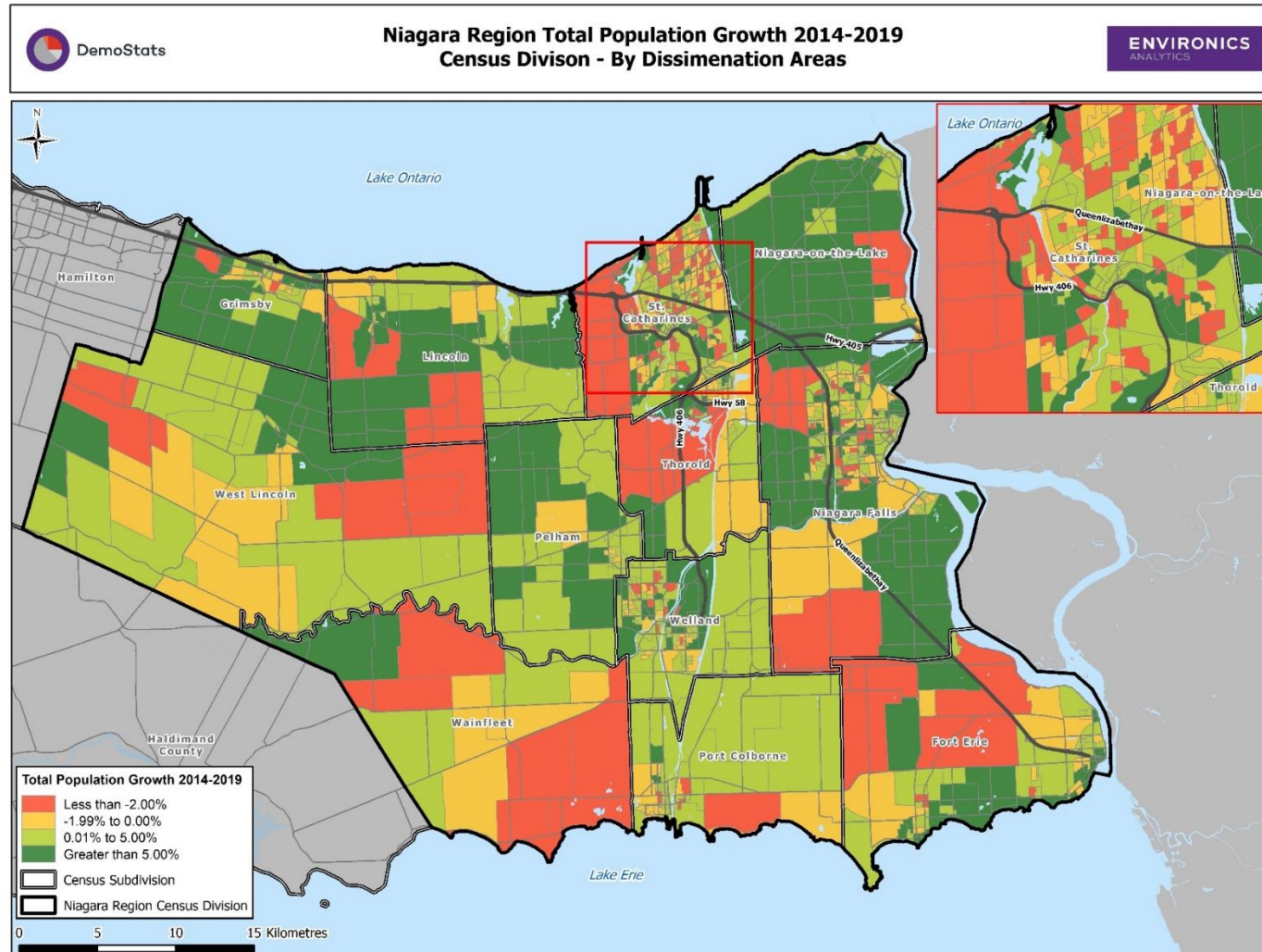
Growth varies across the region

Population Growth, Niagara Region, 2011-2016



Source: Statistics Canada, 2016 Census

Total Population growth 2014-2019, Niagara Region

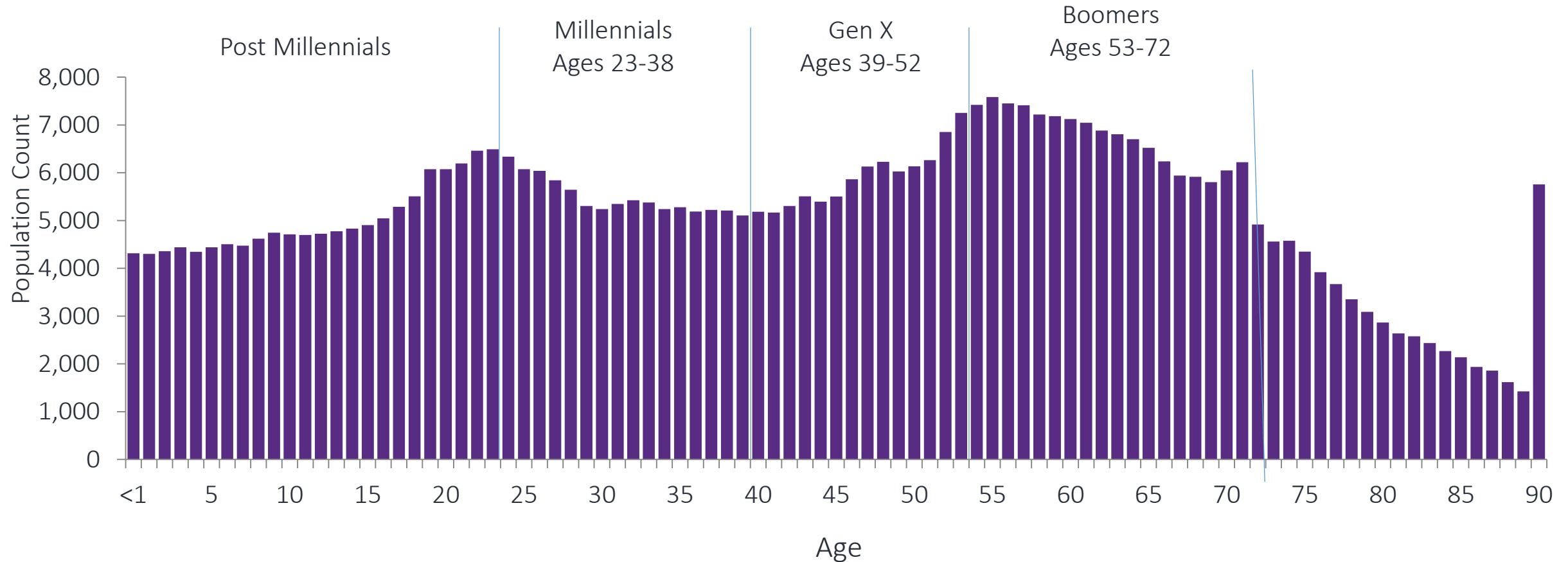


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Our population is aging: the Boomers are here



Population of Niagara Region, 2018

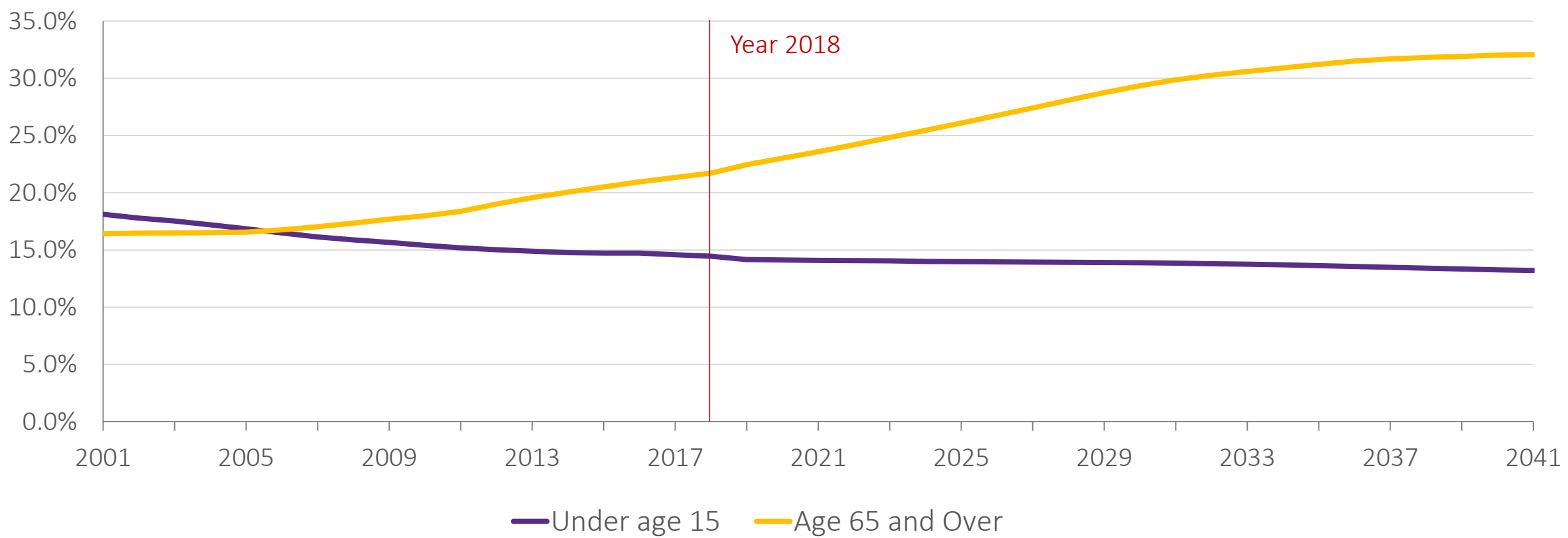


Source: Statistics Canada, Population estimates

Total Population: 472,400

In 15 years over 30 percent of the population will be over age 65

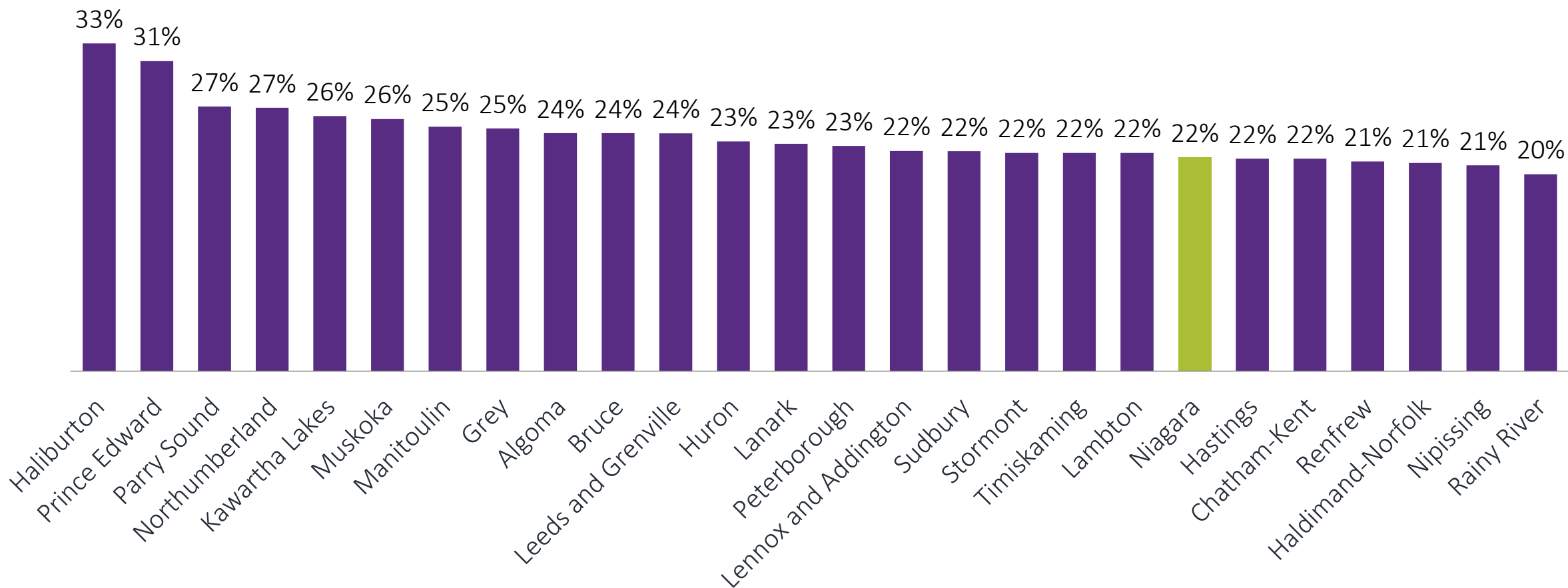
Distribution of population, Niagara Region



Source: Statistics Canada population estimates and Ontario Finance projections

Many regions older than Niagara

Percent of Population Aged 65+, 2018

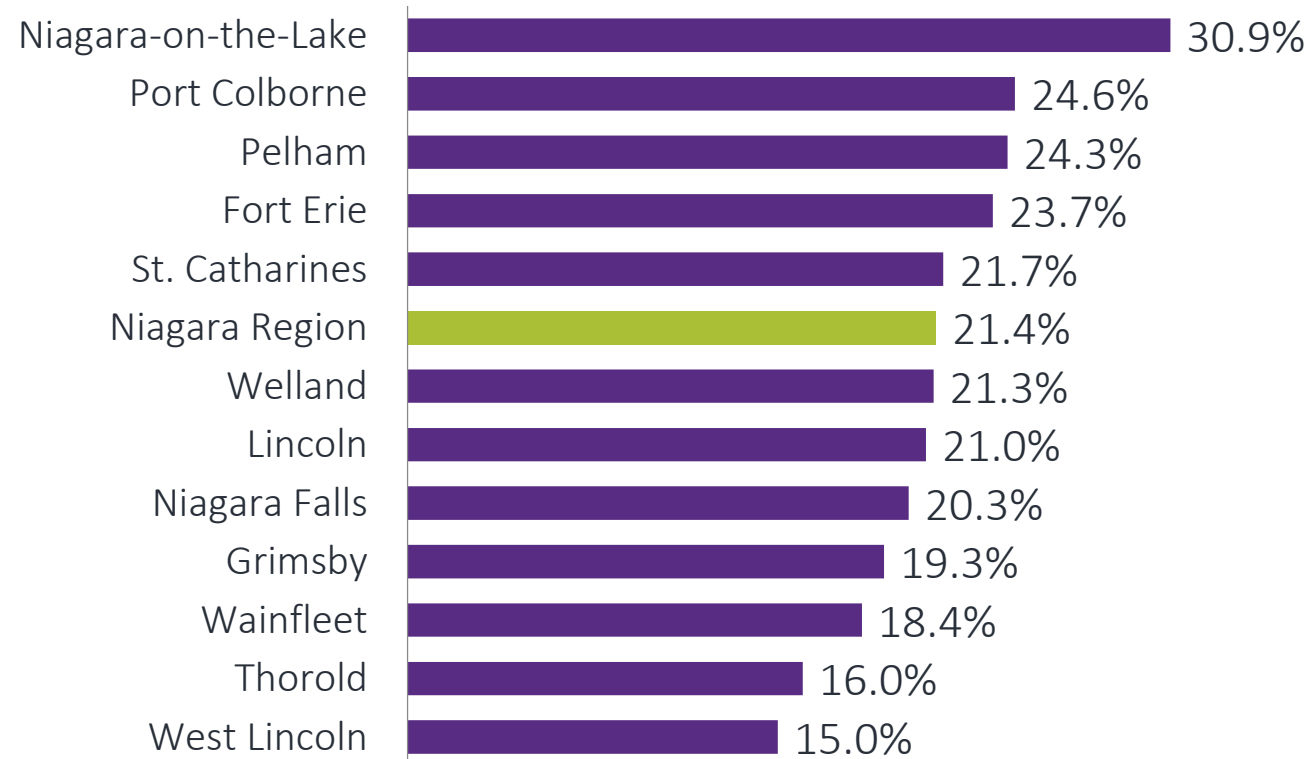


Source: Statistics Canada, Demographic estimates

Ontario: 16.9%

Wide variation in age across the region

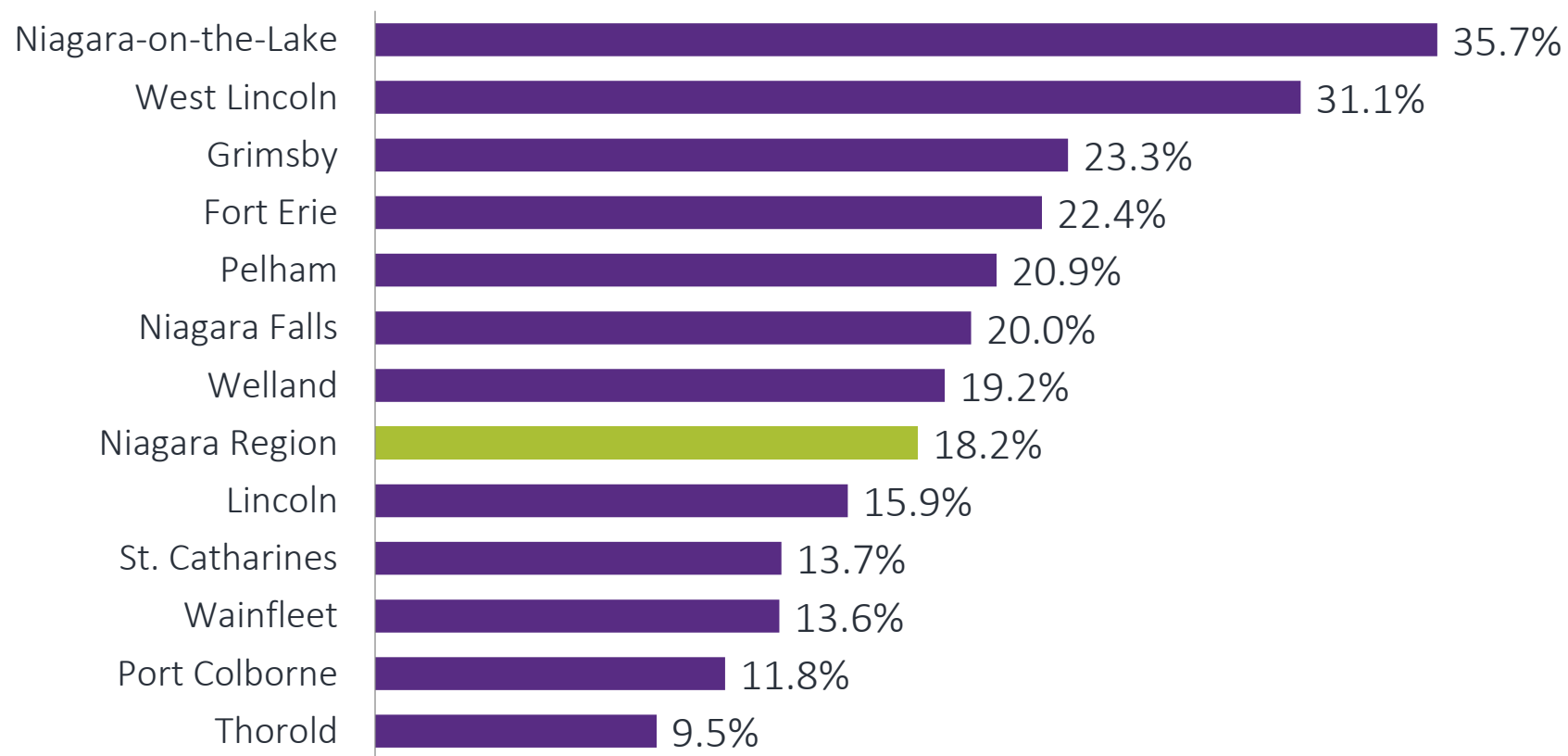
Percent of Population Aged 65 and Over, Niagara Region, 2016



Source: Statistics Canada, 2016 Census

Niagara-on-the-lake ageing the fastest

Growth of Population Age 65 and Over, 2011-2016



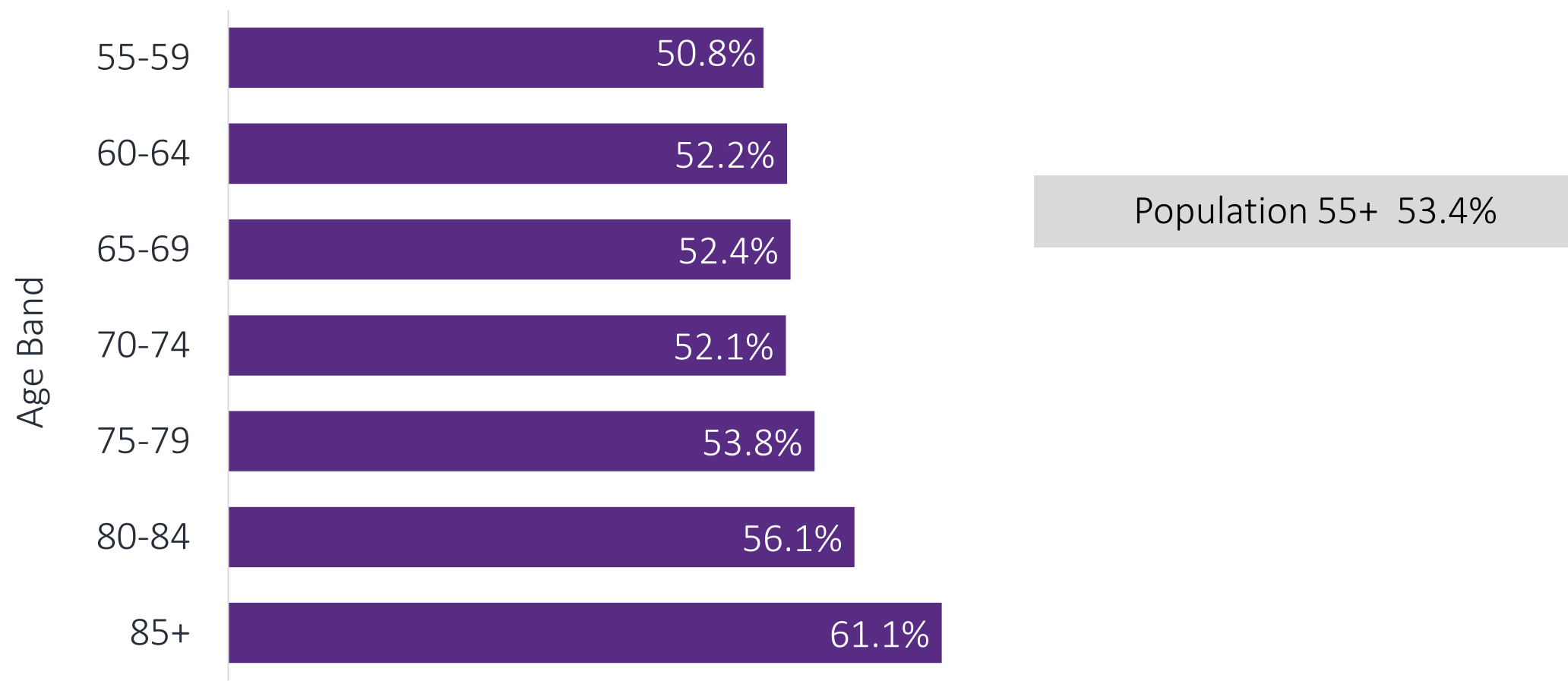
Source: Statistics Canada, 2016 Census

Some characteristics of Niagara's older population



Higher percentage of women at older ages

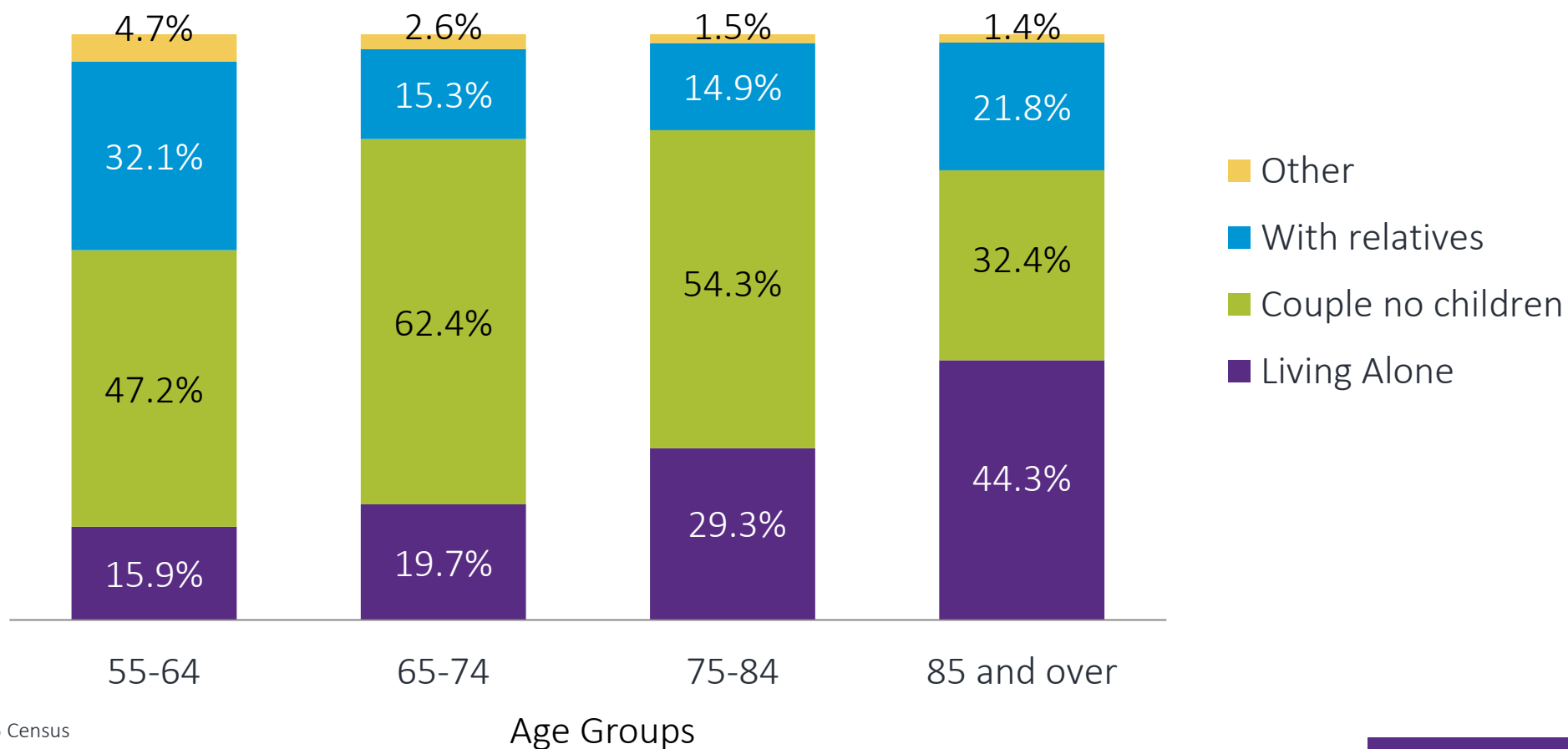
Percent Female in Niagara Region, 2018



Source: Statistics Canada, Demographic Estimates

Living arrangements change with age

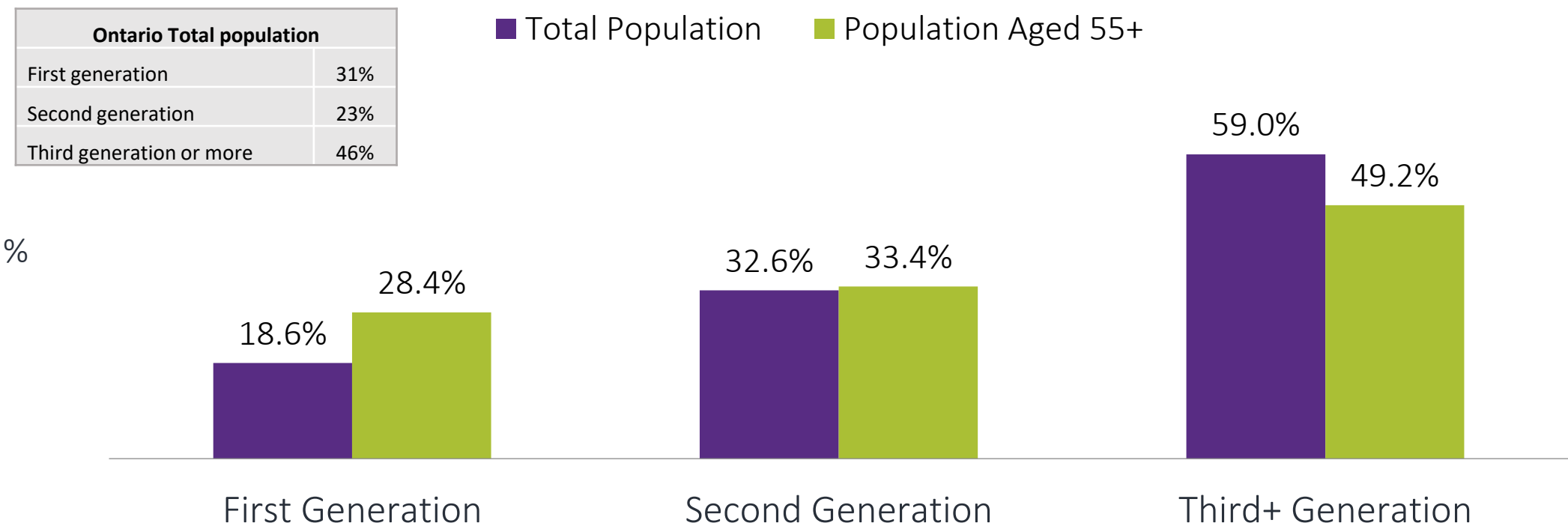
Living Arrangements of Population, Niagara Region, 2016



Source: Statistics Canada 2016 Census

The older population has higher percent of immigrants but region is lower than the province

Population by Generation, St. Catharines - Niagara, CMA



Source: Statistics Canada, 2016 Census

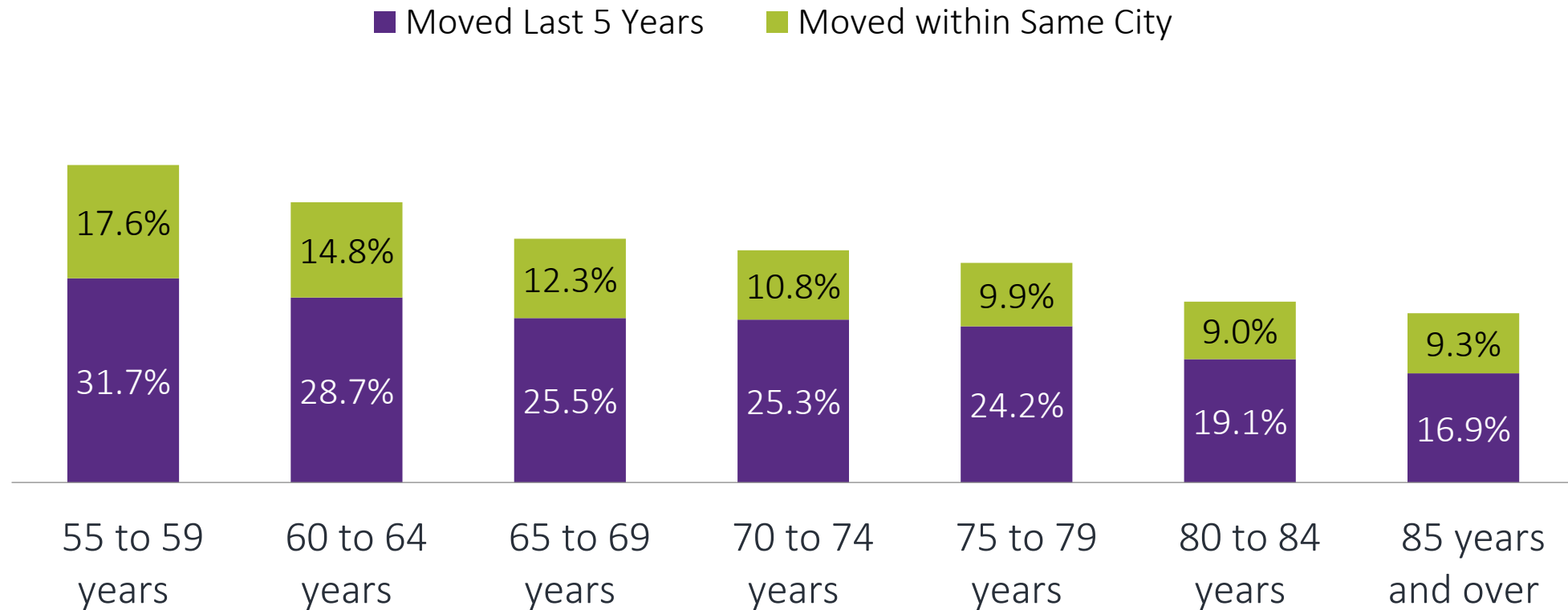
DECISIONS ON HOUSING

- Many different alternatives for Seniors
 - Stay where we are but make home more accessible
 - Downsize but stay in community
 - Sell the family home and rent
 - Adult-lifestyle community/ Condo
 - By the lake/ski slopes
 - Residences for Seniors/ nursing home



Close to one in four of population aged 65 and over move every 5 years

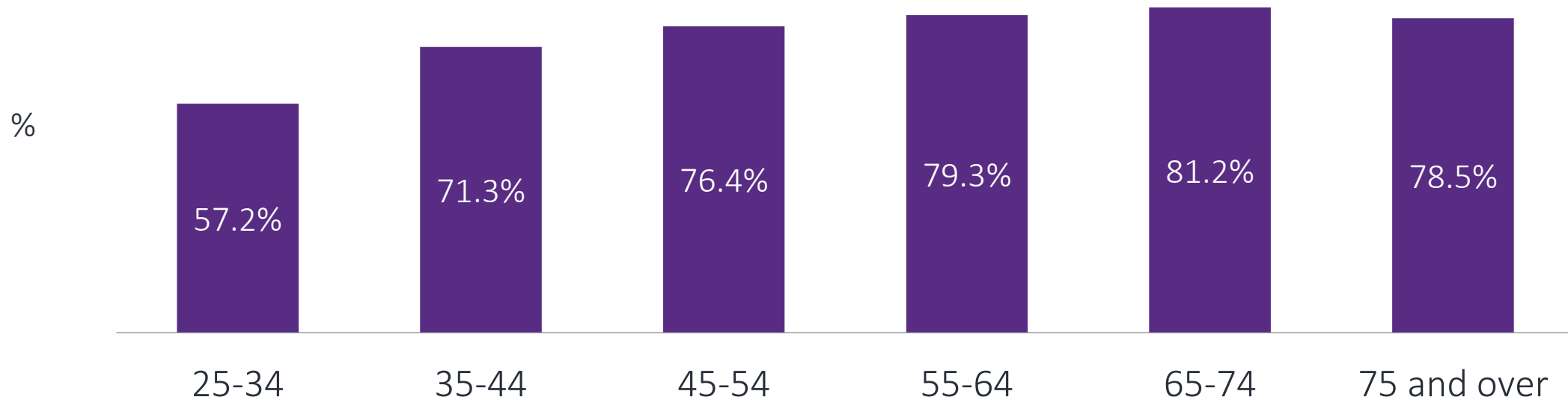
Mobility status, St. Catharines - Niagara, CMA, 2011-2016



Source: Statistics Canada, 2016 Census

Home ownership drops slightly but not until age 75

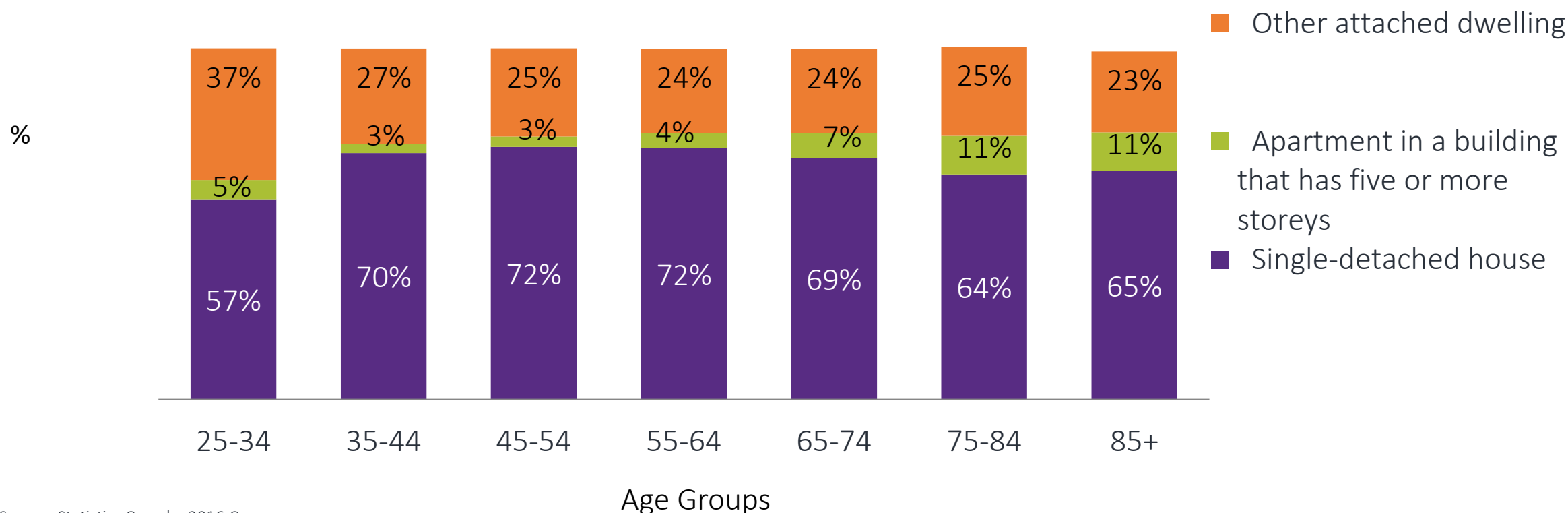
Home Ownership Percentage, Niagara Region, 2016



Source: Statistics Canada, 2016 Census

A gradual shift to apartment living after age 65

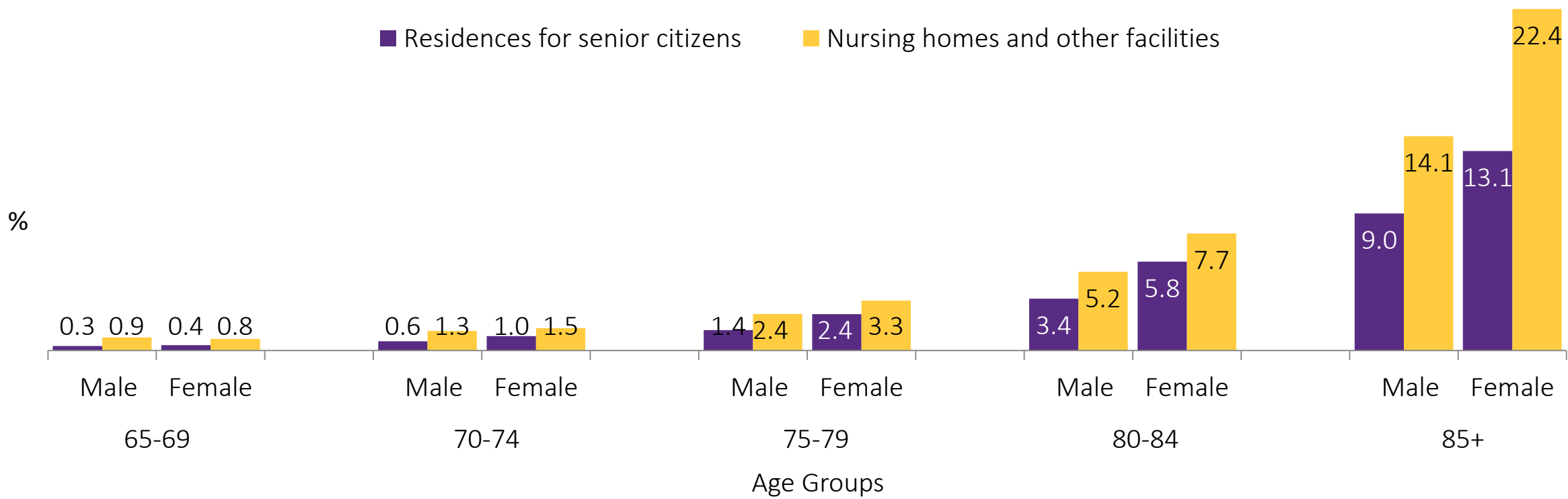
Type of Dwelling, Niagara Region, 2016



Source: Statistics Canada, 2016 Census

Living in a health-related facility increases in late 70s

Percent of Total Population Living in a Health Related Facility, Canada, 2016



Why focus on the older population?

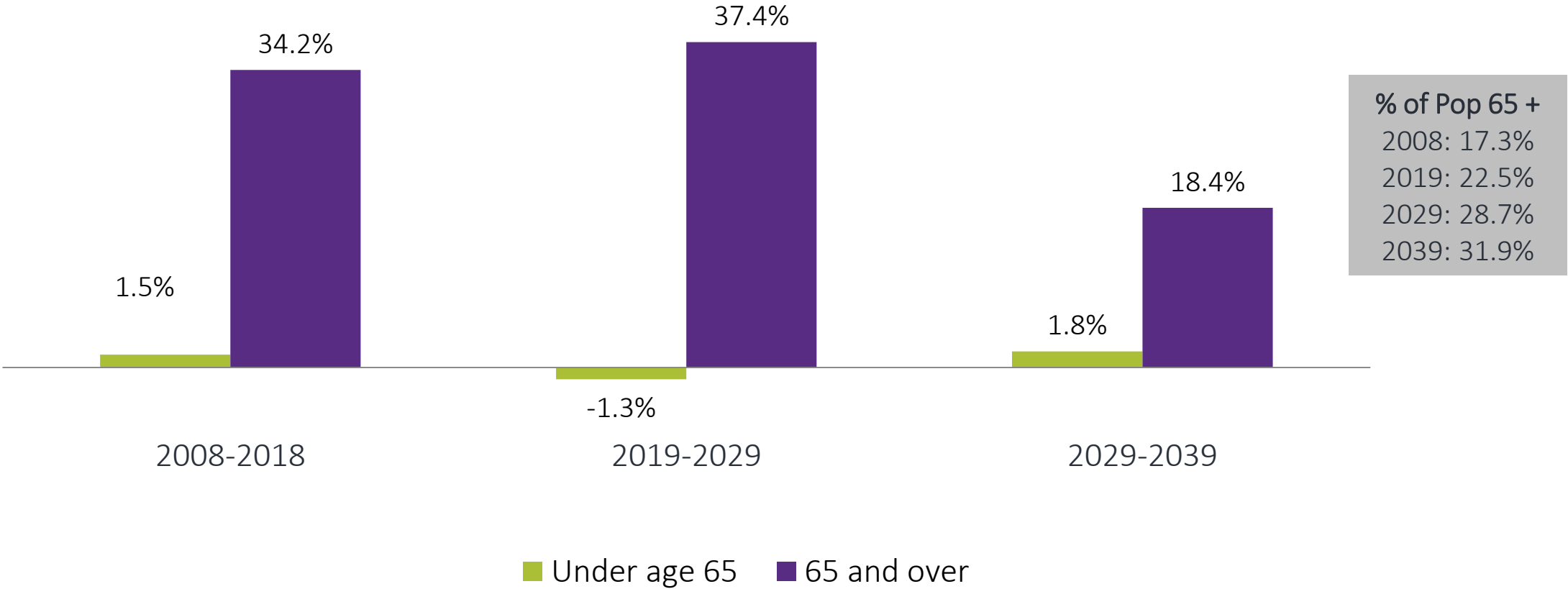


“People over the age of 55 have the most money and buy the most products. Yet, the advertising industry is infatuated with the 18- to 34-year-old target market.”

Terry O'Reilly, *This I Know: Marketing Lessons from Under the Influence* (2017)

Most future growth due to growth of the older population

Projected Population Growth, Niagara Region, 2018-2039

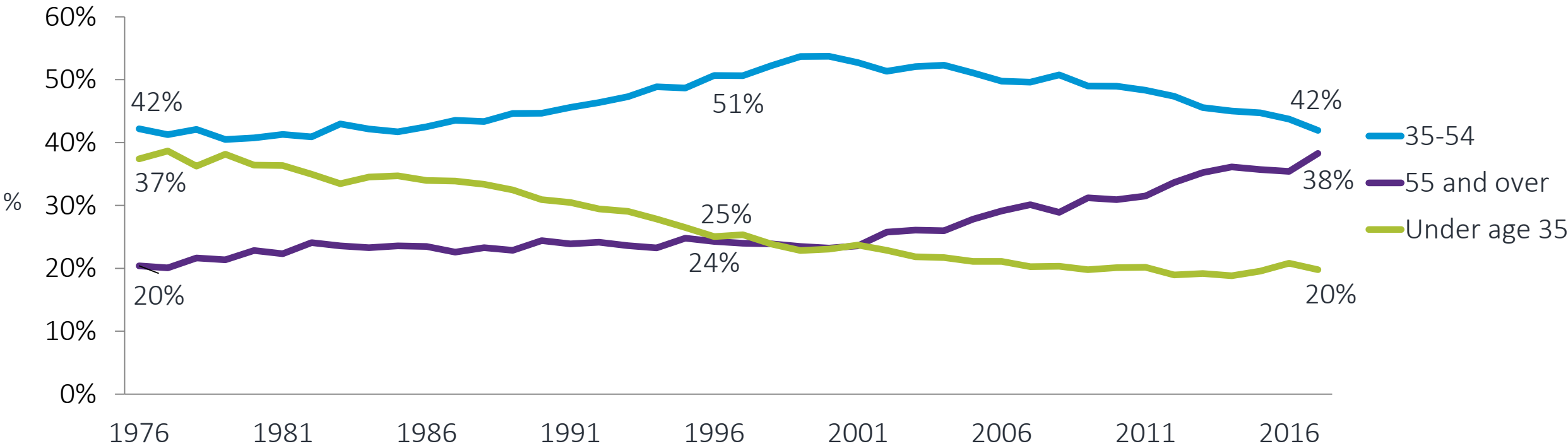


Source: Ontario Ministry of Finance Population Projections 2017-2041

The older population accounts for an increasing share of total income

Share of Total Income, Ontario

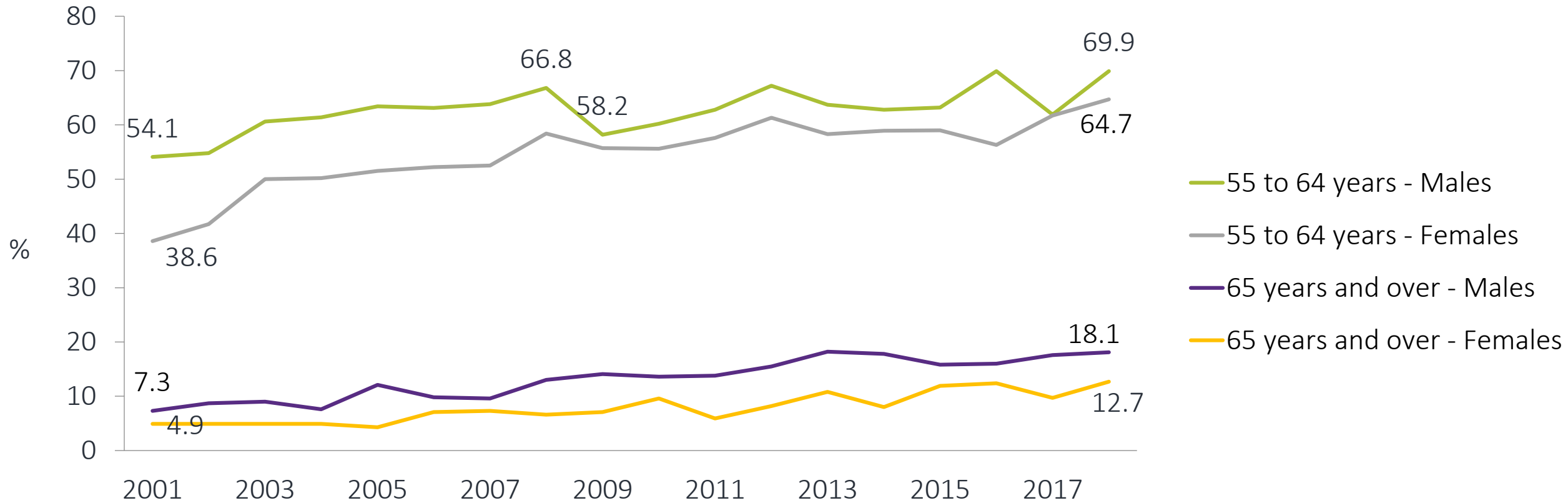
St. Catharines-Niagara 2015
55 and over 2016: 45.5%



Source: Statistics Canada, Income Statistics

More older workers

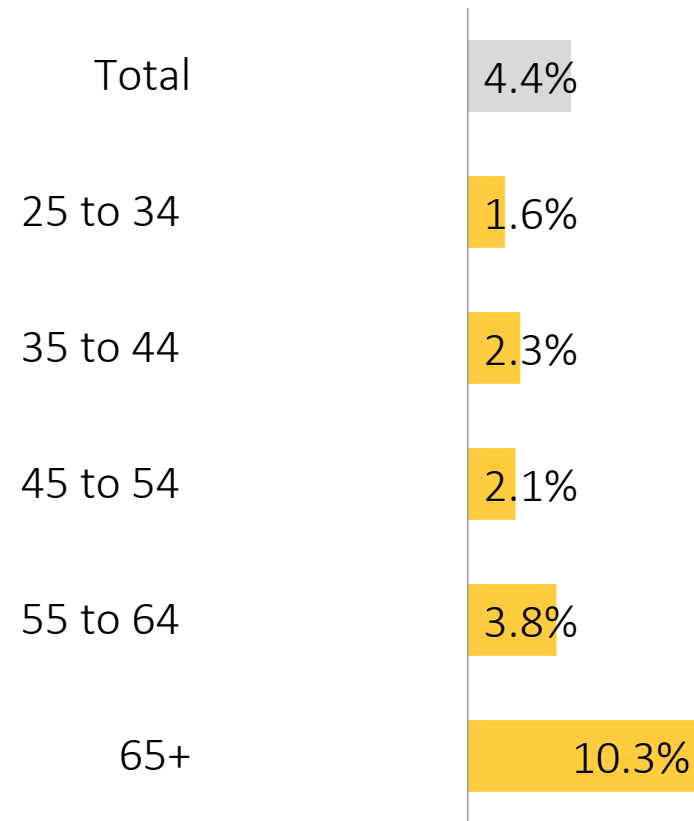
Labour Force Participation Rate, St. Catharines-Niagara CMA



Source: Statistics Canada, Labour Force Survey

Older population had highest income growth

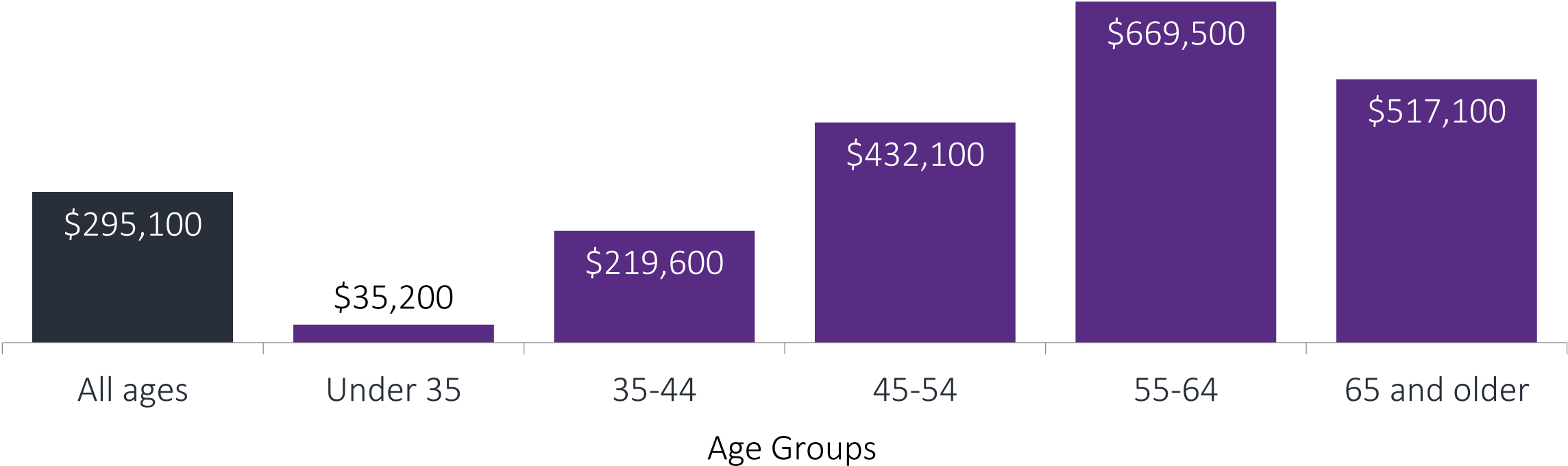
Change in average total income, St. Catharines-Niagara CMA, 2005-2015



Source: Statistics Canada, 2016 Census

Net worth peaks at ages 55 to 64

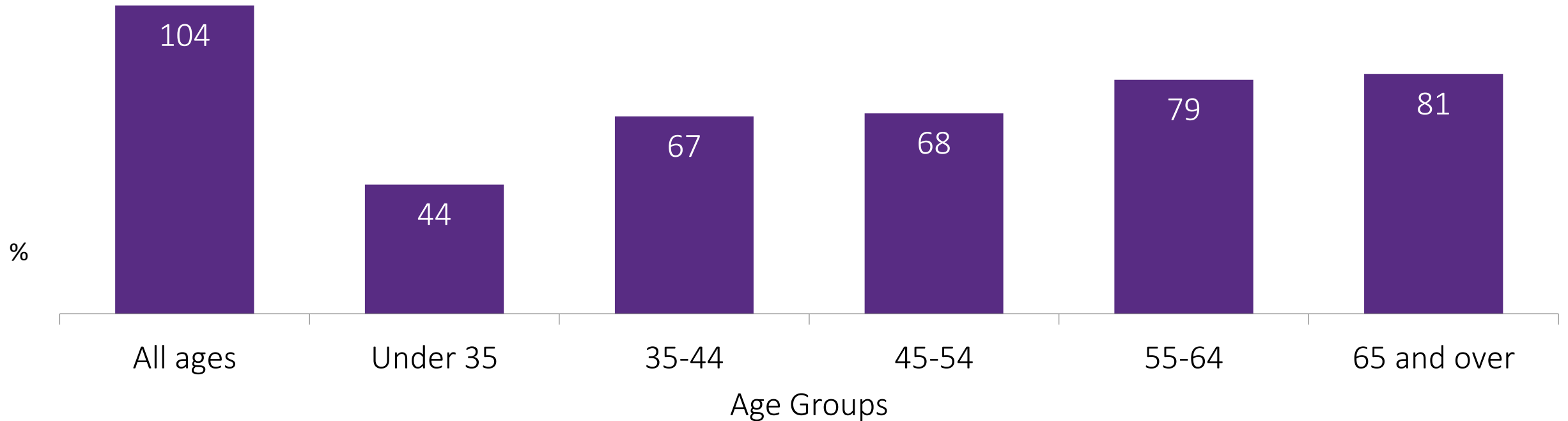
Median Net Worth, Canada, 2016



Source: Statistics Canada, Survey of Financial Security

Higher growth in net worth for older population

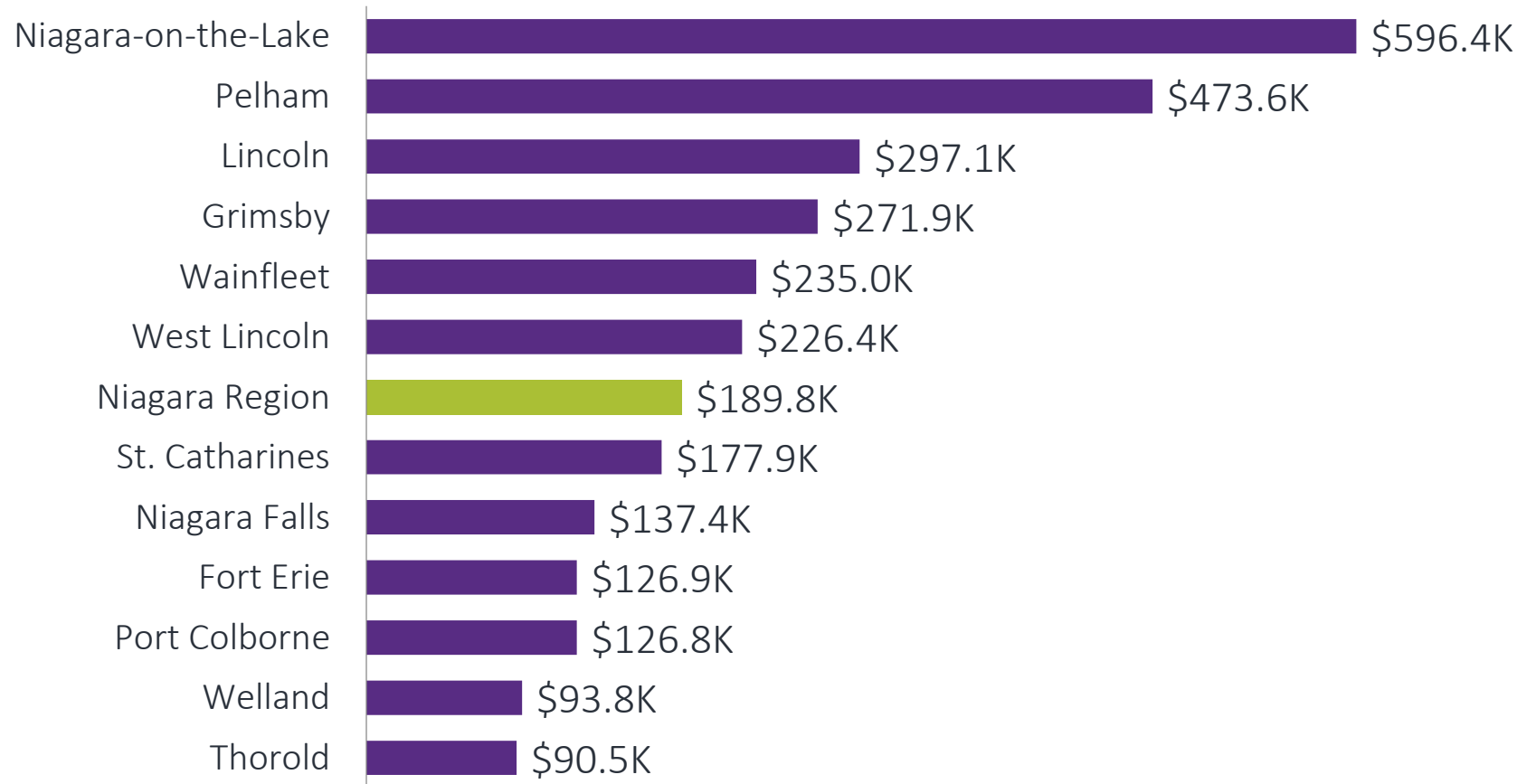
Percentage Increase in Median Net Worth 1999-2016 (2016\$), Canada, 2016



Source: Statistics Canada, Survey of Financial Security

Niagara-on-the-Lake has highest average net liquid assets

Average Net Liquid Assets, 2019



Source: Environics Analytics, 2019 Wealthscapes

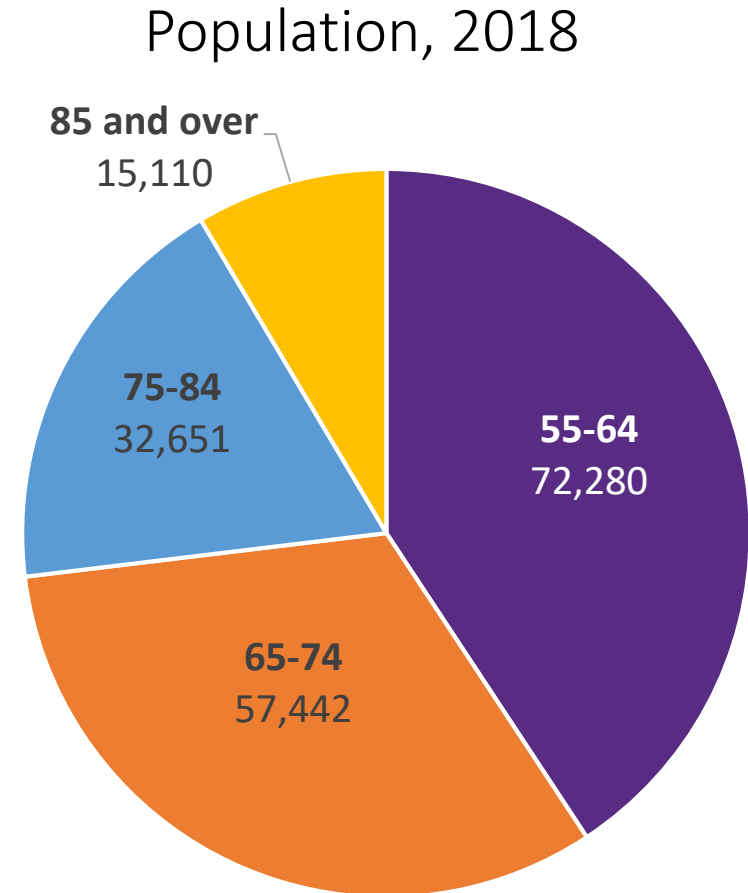
...But many opportunities for business



Four segments of the older population, Niagara Region

- Pre seniors aged 55-64
- Young seniors aged 65-74
- Mid age seniors aged 75-84
- Older seniors aged 85 and over

Total population age 55+: 177,483



Pre seniors aged 55-64

- Many are still employed
- Most living as a couple, some with older children living at home
- Incomes relatively high
- Many involved with caregiving

Young Seniors aged 65-74

- Most retired, still in good health living as empty nest couple with many years to live
- Time to enjoy activities not possible in younger years

Mid-age seniors aged 75-84

- Health issues start to be more common and some need help with daily living
- Mortality starts to have impact; more women living alone
- However, many remain active and pursue interests

Older seniors aged 85 and over

- Mobility and other health limitations become more common
- Women make up 60% of this group with over half living alone
- Retirement homes more common
- Nursing homes a necessity for some

Seniors spend on all types of products, but opportunities may be greater in some areas



Health Products and Services
(e.g. hearing aids, eyewear, prescription drugs)



Travel and Other Leisure Activities
(e.g. packaged and/or adventure trips)



Financial Services/
Retirement Planning



Luxury Goods
(e.g. that red sports car)



Cannabis
(Back to the 60s)



Homecare/ Caregiving Services



Home Monitoring Devices



Home Delivery

Housing decisions and opportunities



New types of
housing for seniors



Seniors
residences



Higher end
rental units



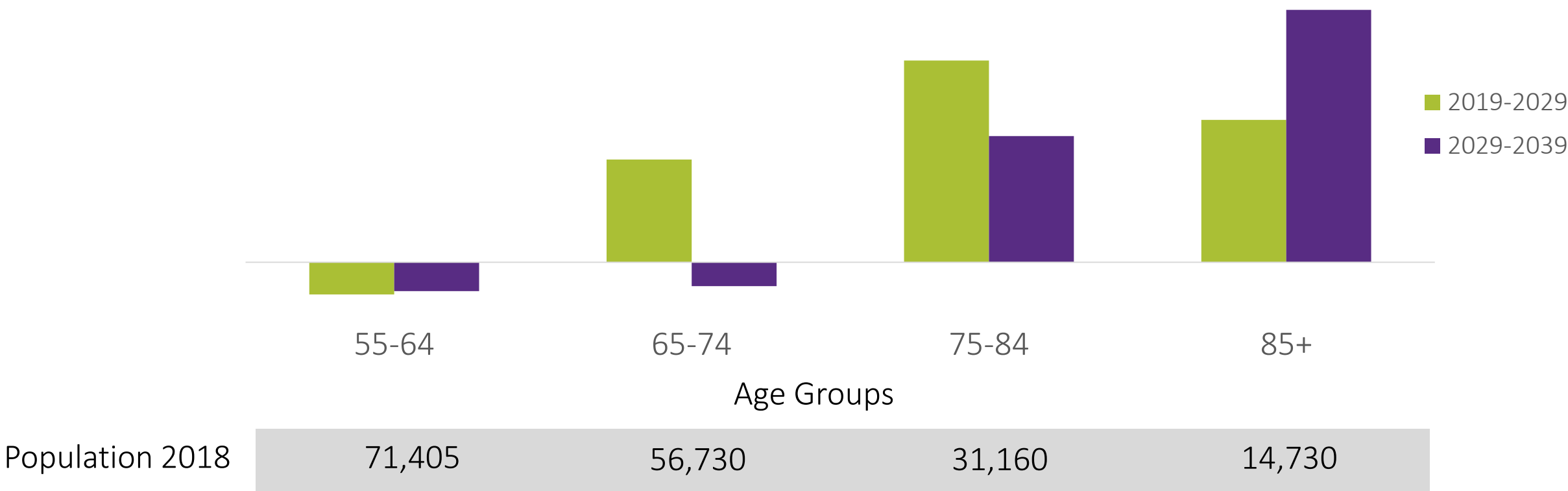
Condos for
seniors



Home
renovations/
furniture

Growth varies by age segment

Projected Population Growth, Niagara Region, 2019-2039

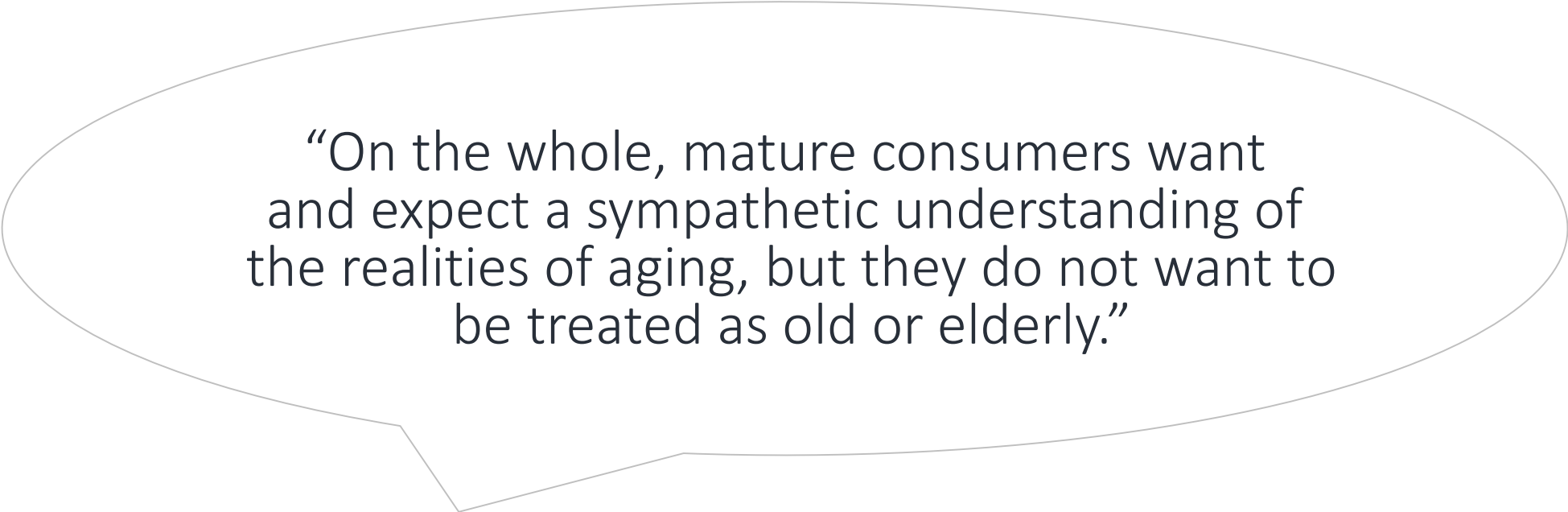


Source: Ontario Finance, 2017 Reference Projection

Businesses also need to change their approach for an older population



What do older consumers want?



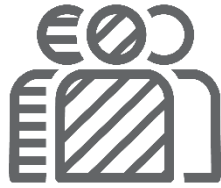
“On the whole, mature consumers want and expect a sympathetic understanding of the realities of aging, but they do not want to be treated as old or elderly.”

Source: What do Mature Consumers Want? Martin Walker and Xavier Menard, The Global Business Policy Council, AT Kearney

Boomers are very different from yesterday's seniors



More highly
educated



More culturally
diverse



Smaller & more
diverse families



Women in
labour market



Delay retirement



Will live longer
with
more years in
good health



Higher income
and wealth



Recognize Opportunities

- Recognize the opportunities presented by a rapidly growing older population and reject stereotypes
- Recognize the range of different needs

Seniors in good health who want to enhance their lifestyle

Seniors who want to adjust their daily living in view of health conditions

Store design

- Make aisles accessible
- Signage easier to read/follow
- Make products easier to reach
- Consider setting aside shelves or aisles for products of particular interest to seniors (e.g., home health aids)
- Have places where seniors can rest while shopping

Product Design

- Market products that target older population wanting to enhance their lifestyle
- Look for products that might be appropriate for various physical states/conditions
- Need for smaller sizes
- Make labels easier to read and products easier to open

Some Examples

- Gillette developed the new TREO, the first device engineered for caregivers to shave men who can't shave themselves
- The tech company GreatCall developed a senior-friendly phone, which comes with extra-large buttons and screens and alerts first responders when there's an emergency
- In new homes targeted at seniors, vendors might include, or offer as options, packages that make the new home more age-friendly (e.g. wider doors, grab bars, monitoring system)
- Offer a range of options that recognize the differential mobility of the older population, e.g. tours/cruises with a variable amount of walking involved

Provide Good Customer Service

- Provide good personal customer service (in store, on the phone, and online)
- Train retail staff to understand age related changes and needs of older consumers
- Consider incentives to attract senior clients (e.g. senior's days, age discounts)

Don't rule out the internet and social media

- Over 60 percent of persons aged 65-74 use the Internet daily
- Social media use is increasing but the types of social media used by seniors may differ from those widely used by Millennials; different jargon
- Online shopping for groceries, meals and other products, perhaps coupled with home delivery, may be attractive for many seniors
- New technology, wearables and apps must speak to values of healthy aging and be tested by older consumers

Recognize that the older population also spends for others

- Nearly a third of seniors are caregivers and have out-of-pocket expenses related to transportation, travel, and accommodation as well as health services and medication
- Nearly three quarters of Canada's seniors have grandchildren and businesses can do things that make it easier to shop for grandchildren
- A once a month “grandparents day” is attractive to many
- Indigo provides gift recommendations based on age, gender and preferences as well as in-store wrapping for the perfect present

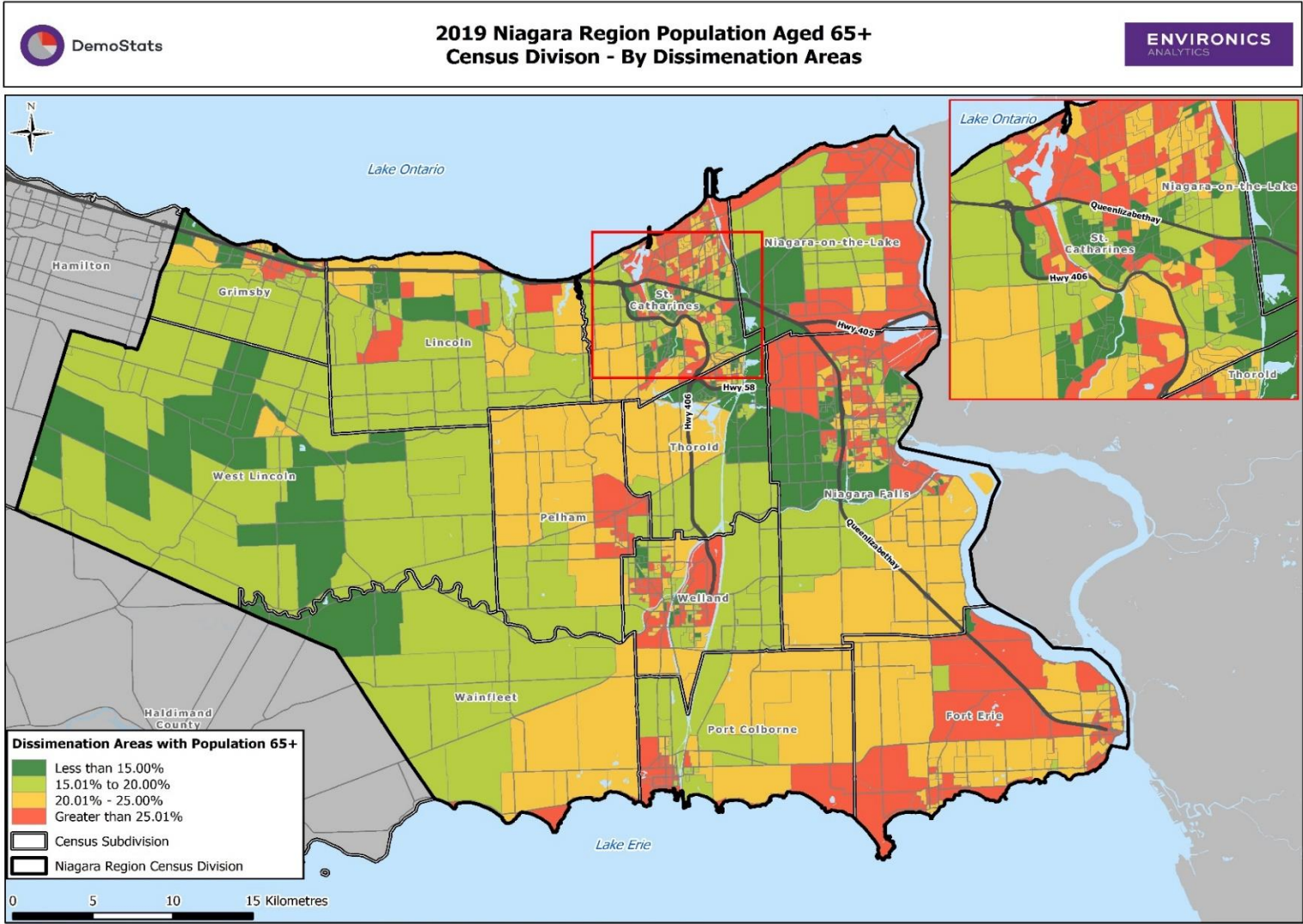
Locating the older population



Approaches to locating older population

- Direct use of demographic estimates
- Segmentation system such as PRIZM5

Concentration of population aged 65 and over



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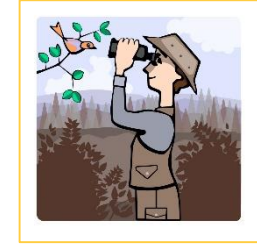
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 Icon illustrations by Scott
 Brooks.

Three segments with high concentration of older population



Source: Environics Analytics 2019 PRIZM5

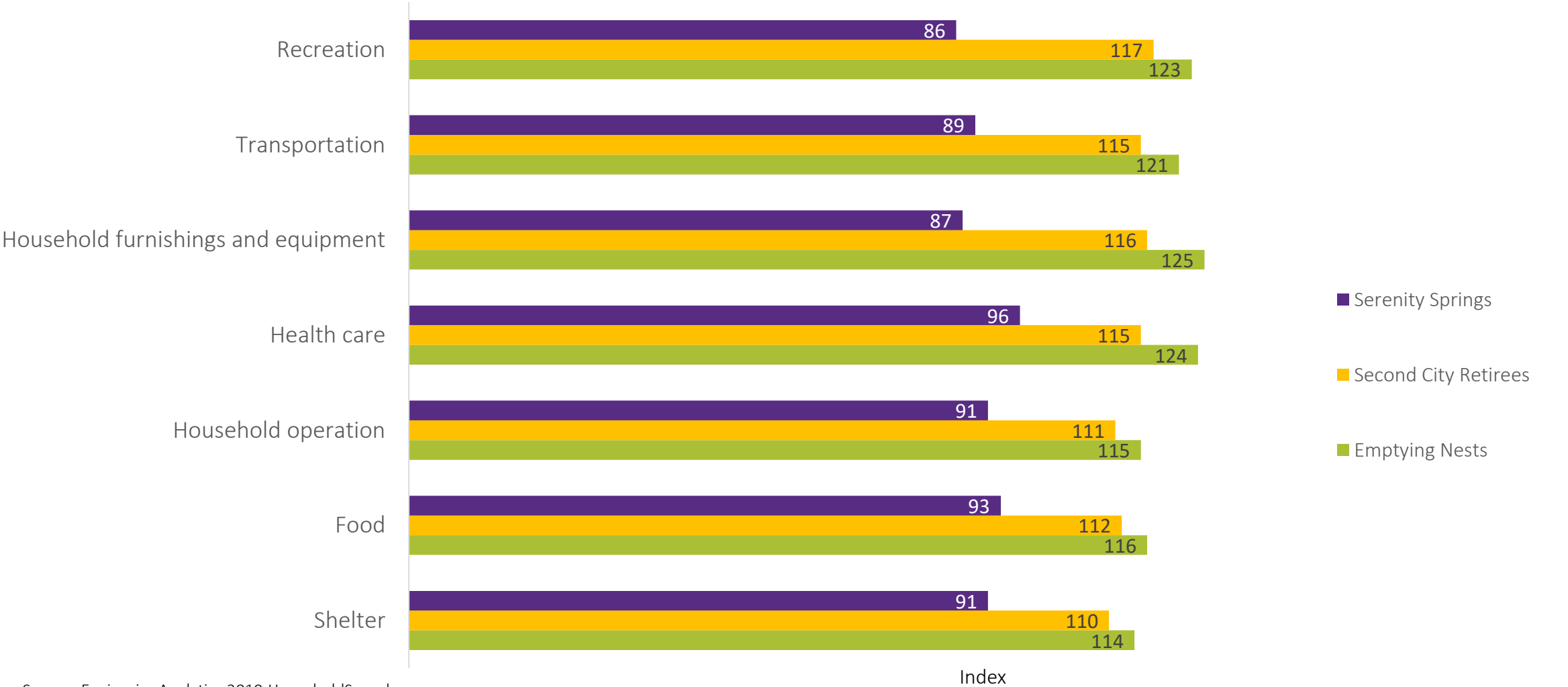
Demographics



	Emptying Nests	Second City Retirees	Serenity Springs
Total Households	4,705	30,177	5,545
Percent Own Homes	83%	87%	73%
Average Household Income	\$111,467	\$104,071	\$81,399
Percent with University Degree	24%	21%	14%
Percent One Person Households	25%	23%	31%

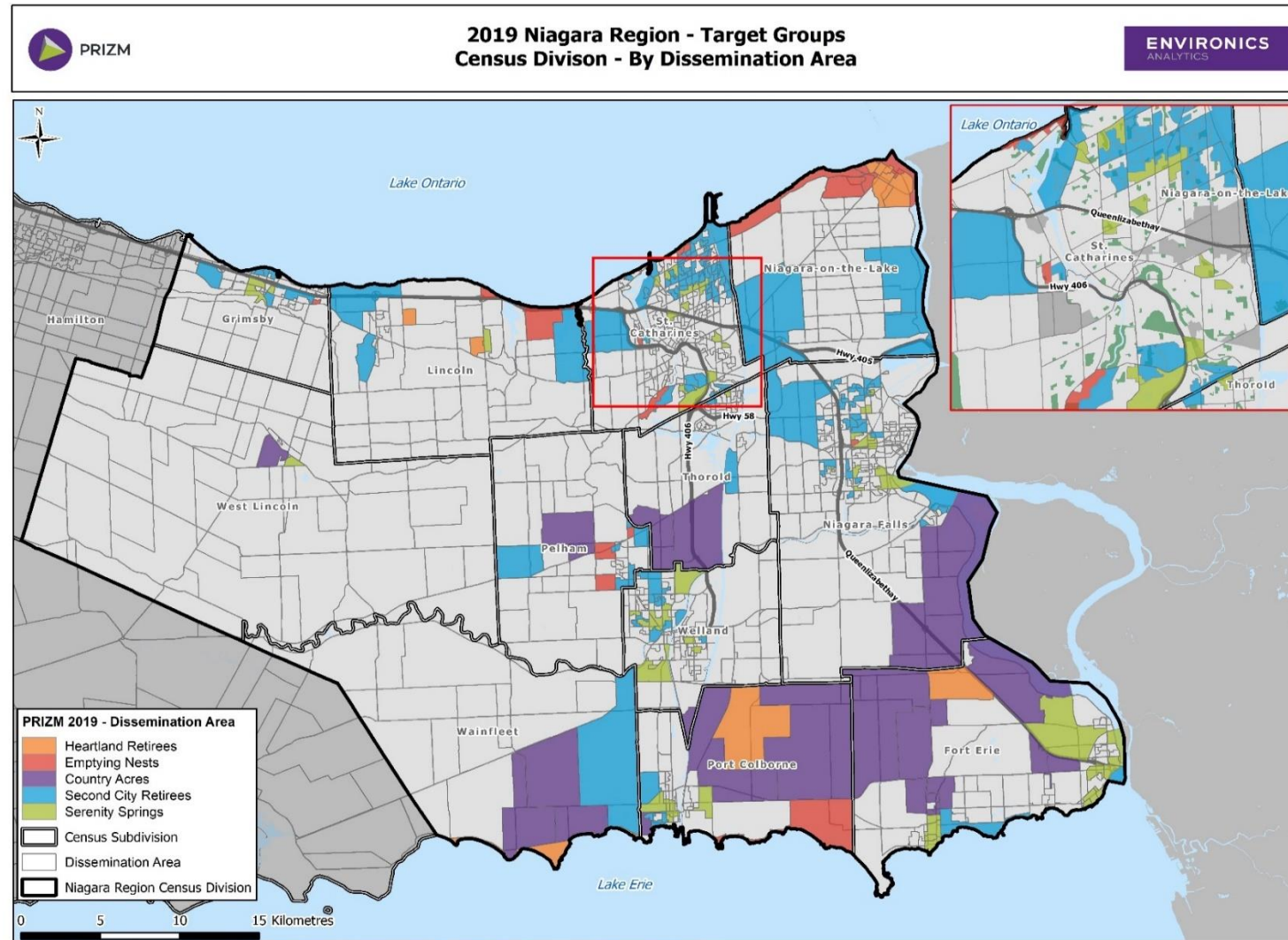
Source: Environics Analytics 2019 DemoStats

Where they spend their money



Source: Environics Analytics 2019 HouseholdSpend

Segments with high concentration of older population




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Summary

- Consumer base will continue to grow but growth varies widely across the region
- Population will continue to get older
- “Demographic dividend” for products targeted at seniors as seniors have increasing share of spending
- Large increases in number of one person and two person households
- Implications for store design and product design
- Implications for shopping patterns with more leisure time

The advantage of an age-friendly business



“By providing the retail spaces and products that can help meet the needs of aging consumers, our members can create an immediate impact and a long-term advantage not just for our industry but also for society as a whole.”

“If you are a marketer looking for a robust market to chase, think boomers.”

Terry O'Reilly, *This I Know: Marketing Lessons from Under the Influence* (2017)

Questions?



Dr. Doug Norris

Senior Vice President and Chief Demographer

Environics Analytics

Doug.Norris@environicsanalytics.com

