

# Online Purchasing and the Elderly

## „Online“ куповине и старији потрошачи

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**Сажетак:** Старији потрошачи су постали значајан тржишни сегмент у развијеним земљама, због повећања њиховог броја и примања. Док је њихов значај у погледу маркетинга на западу већ уочен, њихово понашање у „online“ условима још увек није довољно истражено. Иако старији купци нису у почетку користили интернет, данас га користе као и млађе генерације. И поред тога што је мали број сајтова прилагођен њиховим потребама, интернет мрежа пружа бројне могућности. Овај елемент маркетинга у Централној и Источној Европи је још увек потцењен. Истраживање је спроведено с циљем унапређења дате ситуације. У пролеће 2013. године, организовали смо истраживање на бази упитника уз помоћ студената на универзитету у Гуђ-у у Мађарској, и прикупили одговоре од 556 испитаника. Испитали смо које медије користе, у које доба дана, како и колико времена проводе на интернету. Одговори су понудили доста могућности за анализу.

**Кључне речи:** старији купци, маркетинг, примена Интернета, „online“ куповина, упитник.

**Abstract:** Elderly consumers have become a more significant market segment in developed welfare countries, due to their increased numbers and income growth. While their importance in marketing terms is generally recognised in the West, their online presence is not. Although seniors did not initially use the internet on an everyday basis, today they use it much as younger generations do. Although fewer websites are geared towards their needs and abilities, the World Wide Web offers many possibilities for seniors. This element of marketing in Central and Eastern Europe is still underestimated. We undertook this research to help to improve this situation. In the spring of 2013, we organised a questionnaire survey with the assistance of senior students at The Senior University in Győr in Hungary, and received responses from 556 people. We examined which media they are using, what time of the day they are using it, how they spend their time on the internet and how much time they spend. The answers given offer many opportunities for analysis.

**Keywords:** senior, ageing marketing, internet usage, online shopping, questionnaire survey.

## Introduction

The advanced industrial states experienced population explosions over the previous two centuries, but in the last couple of decades, these countries have been experiencing population stagnation, and even depopulation. Overall it is a genuine global phenomenon that has never been experienced previously and which is most probably irreversible. The “ageing” of society calls into question what we have assumed to date about economic and social issues. We do not have developed social standards or values

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for this ageing phenomenon and the appropriate social structures, institutes, and cultural patterns are lacking. This is understandable for now, as we are only at the beginning of this demographic change (Age Wave), but it will become an increasingly urgent task to prepare for the challenges of the new situation (Hock – Bader 2001, Lehr 2006).

This trend in demographics will cause a realignment of the market, as the number of customers will decline and even their structure will be different from now on. One of the segments that has been neglected by marketing professionals is that of older age groups. In the future however, these consumers will be one of the most important submarkets. As a targeted group, they have a lot of potential; they will be the most important, the largest, and the most solvent group in the first half of the 21st century.

Businesses consider their active customers as being in the 18–49 age bracket and those over 50 are considered marginal and almost insignificant market participants in the eye of many marketers. However this view of the elderly is out of date, because in welfare countries the number and income of seniors is growing. The era of youth-focused advertising is over. Consumer-oriented companies will have to adapt, and orient their services (and even their prices) toward the elderly.

Older people in society have never previously been in such a strong consumer position; they are financially well placed, and those over 50 have the highest income in the population as a whole (Branger et. al. 2000, 7). Even their consumption is higher; they spend much more than their parents and grandparents did. They are experienced, demanding, quality-oriented customers. Their needs can be easily satisfied with products which are only marginally different than those aimed at younger people (Krieb – Reidl 2001, Hock – Bader 2001, Hupp 2000).

The processes may differ from one country to another, but the intensity and direction of this trend is incontestable. Central Europe shows similar demographic indicators to the West, but the difference in economic levels affects their consumption as well. Markets in this area have not discovered the senior cohort yet. The assumption still holds that the elderly are passive, poor, thrifty and spend a great deal less, so they are insignificant as customers, and are not worth the time to worry about (Brauchbar-Heer 1993, 13-14).

However, it is inevitable that the economy will turn toward the older age groups, and therefore there will be a major role for marketing in this change. Marketing strategy for seniors (ageing market strategy - AMS) is clearly a new phenomenon. Almost all companies are still focused on younger people (80% of marketing budgets target 18-35 year olds), while they spend a much smaller proportion attempting to reach the older age groups (Niemelä- Nyrhinen 2007, Kirsch 2003, 182-183, Stroud 2006, 181).

Narrowing the focus on the older age groups has already become part of marketing strategy in western countries for a few decades, but in Central Europe this opportunity has only been recognised in the last few years. It is a theme that crops up in various marketing conferences, but it is still considered a peripheral topic.

One of the key questions concerns what the main differences are between elderly and younger customers. (Moschis 2000, Brauchbar-Heer 1993, Hupp 2000, Krieb-Reidl 2001) How do the elderly behave as customers, what are their expectations, which media are they using and how can they be targeted effectively? It is still not clear, however, what factors allow us to include someone in the seniors market segment. The most common classification is by age, but within this approach there are a number of competing views. Specialists propose the age of 50 or 60-65 which is closer to retirement (Meyer- Hentschel 2009, 11, Töröcsik 2003, Széman 2008). Even the name of this group varies - particularly in English and German marketing terminology (Verheugen 2004).

Of course, it is not easy to categorise aged customers, as they are an extremely heterogeneous target group, with diversity in life experiences and history, and the distinct stages of ageing offer several market opportunities. Numerous theories have been posited concerning this segmentation. (Härtl-Kasulke 1998, Töröcsik 2011, Sudbury-Simcock 2009, Pompe 2007, Hofmeister-Tóth 2006, Otten 2009). Marketing to this age group requires a strongly segmented, differentiated targeting but if products and services are adjusted to their needs, then appropriate marketing communication can be effective.

While the field of marketing has been responding a little slowly in Central Europe, in the western countries science has been busy with the topics of marketing to the elderly (Disch 2000, Stroud 2006, Rutishauser 2005). Similar research has not yet taken place in Hungary and only a few research projects have addressed this topic. The following article and our survey are intended to contribute an improvement in this area.

## **1. The seniors and Internet in professional literature**

### **Using the Internet**

The new information and communication technologies are now widespread. An increasing proportion of the population are aware of the technologies and benefit from them. The role of the Internet is invaluable, being both a source of information and a communication medium at the same time.

This new interactive channel was initially used by younger generations, but thanks to its popularity nowadays it is familiar to all age groups, including older people. However there are differences in how the World Wide Web is used by different age groups, for example younger users are high-level consumers, whereas seniors do not spend so much time online yet.

How open are the elderly towards new technologies - does it depend on the age someone starts using a new technological tool? An old stereotype is the relationship between technology and older people: it suggests that only young people pick up on new trends, and the older segments of society are more technophobic. The reality however is much more nuanced. It is a fact that young people are more interested in constantly evolving technologies, because they were brought up in such a milieu. There is a strong connection between youth and digital technology and a belief that the Internet is the 'territory' of the younger generations. In addition, it is still very much an English language medium, which also makes it more appropriate for them, and this is the reason that 18-24 year olds represent the Internet's dominant age group. Older consumers discovered it more slowly. When it just began to spread around the world (in 1997), only 3% of users were between 50-59 years old and the Internet was only available in 1% of households in Germany. In the first few years of new millennium 60% of twenty-year-olds used the Internet, while the figure for 50 year-olds was only 20% (Rutishauser 2005, 26, Meyer-Hentschel 2009, 24).

In the first decade of internet usage, the main influencing factor was age. But after a few years, more people found themselves using it, and nowadays the number of seniors who surf online is rising significantly. The potential for growth in this age group is the highest. This is supported by several German studies: in 2000, there were 3 million users online over 50, three years later this number was 7 million, in percentage terms, more than 49% were over 50 and 21% of the users were over 60. In 2005, more than a third of Germans had internet access at home; 56% used it at least three times a week, and 22% visited a webpage every day. The proportion of people in each age group who used the Internet in 2005 exceeded 50% (web users in their thirties: 78%, forties: 71%, fifties: 62%). By the end of decade 40% of those over 70 were using the Internet. If we focus only on age groups by everyday use, nowadays the bigger consumers are those over 45.

In the near future it seems self-evident that the Internet will become an everyday tool for seniors. In America, the number of Internet users over the age of 50 is close to the average in their household. They also spend an average time surfing online; their usage is comparable to that of thirty-year-olds. The consumption of interactive, digital technologies is less dependent on age. It is worth noting that pioneers of IT belong to the over-50 age group (for example, Bill Gates). When the aptitude for using the Internet was tested among youngsters and seniors, the younger age group actually performed less effectively, due to impatience and lower competence in understanding and analysing text (Stroud 2006, 190, Eastman-Lyer 2005, Gergátz 2008, 83-89).

Although the growth in internet users has been similar in Western European countries, there are some differences between Northern and Southern countries. In Western states, there were governmental and civil incentives to help seniors enter the digital world. In Switzerland, an organisation called "Web für Alle" (Internet for Everyone) was created with the aim of reducing the digital gap for seniors. They provided PCs free of charge, and they also helped senior users to install programs on it.

Similar associations also exist in Germany and Austria (e.g. <http://a1internetfueralle.at>). In the USA an award programme was established, which offers prizes for the best web pages for elderly every year (World Wide Web Mature Media Award: [www.seniorawards.com](http://www.seniorawards.com)).

While the number of personal computers with Internet access grew, at first women were less well represented. Nowadays there is no such a difference between genders. In 2000, 60% of senior net users in the USA were male, while 5 years later it was evenly divided and moreover they spend almost the same amount of time surfing online. In Europe, however, by the middle of the first decade there was still a marked gender difference. In Germany, of those over 55, only 20% of users were women; in Sweden, in the same age group, this was only 38%. Since then, gender differences started to decline and today 48% of users are female (Stroud 2006, 202, Mediascope 2013, 9).

One of the European research projects, *Senior Watch*, shows that qualifications play a key role in whether someone in an older age group uses this technology or not. There is also a correlation with a higher income. Most qualified seniors are on the internet, and an 80-year-old with a university degree is more likely to be familiar with the internet than a 50-year-old non-graduate.

In another comprehensive study, Mediascope Europe surveyed Internet usage since 2003. They examined 50,000 people in 28 different countries around the continent in 2013. The results showed that 65% of the European population has access to the World Wide Web, and they spend more than 2 hours on a daily basis online. They spend just a little more time watching television, at 2 and a half hours every day. 36% of Europeans over 55 have access to the Internet, and they spend one and a half hours every day surfing online. 18% of European net-users are between 45 and 54, 11% of them are between 55 and 64, and 7% of them are older, whereas each decade between 15 year-olds and 44 year-olds accounts for 20% of users. In other words, fewer seniors use the internet than the younger generations and even those who do use it, do so much less frequently (Mediascope 2013, 7-10, 20).

Using the Internet offers many opportunities to the elderly. It can make their life easier, or help to solve everyday issues. These 'silver surfers' use the web in a similar way to the younger age group, but there are differences. Primarily older users are concerned with the easy and quick search or exchange of information, keeping up with news, and keeping in touch with friends and family. Tracking finances and shopping are also important.

Table 1: German Silver Surfers in 2007  
(Answers given in %, W&V Compact 2007, 15)

	age between 50-59	above 60 years
E-mail	84	84
Searching	83	77
News	67	68
Online banking	59	56
Online shopping	57	47
Local news	57	55
Sport reports	38	40
Gastronomy	31	31
Family, kids	20	19
Messenger, chat	19	16

The Internet can be particularly useful in searching for information, especially in relation to health care, which is an important topic for many seniors. Even for job searching, the Web is a key tool for them, enabling them to find some work more easily, and thus helping to reduce loneliness and depression. Because leaving the house is often less easy for many seniors, the importance of reaching out to friends and family in a cheaper way increases. Sitting in front of a screen for extended periods might also suit their lifestyle better if they are less mobile. E-mail and chat programs make communication much easier for people who face challenges with speaking or hearing. This method of keeping in touch is quicker and cheaper than traditional postal services or the telephone, and has no geographical borders. More grandparents realise that keeping in touch with their grandchildren is easier to do online. The number of seniors chatting online is growing, although they are still behind the younger age groups.

Table 2: European net users over 55 years in 2013  
(Percentage using the giving item, Mediascope 2013, 20-21)

	%
e-trade, shopping online	84
daily e-mail	79
news	77
social media on everyday basis	37
watching TV online	34
listening to the radio online	31
listening music online	29
watching movies	29

The Internet helps older adults learn how to deal with their everyday business on their own, which makes huge savings for society. Many services are available online, including TV and radio schedules, travel planning, phone books, banking, tickets, public service announcements, doctors, etc.). They can also study something new from

home. This phenomenon is specific to older people in the West, who enjoy visiting web pages with e-lessons, because these lessons are not tied to a particular place or time, and are not restricted by mobility or health. In addition, they can also participate in online museum tours (Meyer-Hentschel 2009, 24).

The older age groups in society are drawn to e-trade and web stores. Shopping online has been a popular pastime in the West for years. In the European Union, 19% of web users' total spend took place online in 2012. In Germany 45-54 year-old users spend 26% of their annual expenditure online, 55- 64 year-old users spend 22% and those above 65 spend 17%, while users in the 15-44 age group spend 30% on online purchases/services (Mediascope 2012, 9).

Customers for some product categories are dominated by older age groups. For example, music CDs purchased online in Germany were bought principally by the 50+ age group. This is the same for PC hardware, household appliances, or making reservations for a trip or booking a hotel room. (The most popular web stores are: Bader, Amazon, Tchibo, Otto and Neckermann)

Table 3: What do older customers buy online?  
(Survey of German consumers, answers given in %, W&V Compact 2007, 15)

	between 50-59	over 60
<b>Searched information online</b>		
Hotels	60	56
Trips	59	51
Plane/Train tickets	55	53
Books	49	40
<b>Bought in the past year</b>		
Books	31	25
Hotel reservations	30	28
Plane/Train tickets	28	27
Theatre tickets	25	16

Thanks to the increasing use of the Internet among older age groups, there are now specific online offers which target them directly. This is why there are coffee shops for seniors, or online courses tailored for these groups (Liedtke 2003, 120).

Nowadays it is also easier to find websites, particularly in the USA, that have been developed specifically for older adults. The most significant of these is the website of the American Association of Retired Persons, which counts more than 40 million members, and their site ([www.aarp.org](http://www.aarp.org)) deals with topics that affect older people. The website [www.second50years.com](http://www.second50years.com) is also worth mentioning, because this is the most comprehensive website for older people. In America there are also more online-only journals (e.g. Senior Journal, Senior Woman, Grand Times, Grand Magazine), and there is also an online radio for these groups ([boomerradio.com](http://boomerradio.com)). (More website for seniors in USA: [www / 50something.us](http://www/50something.us), [50.plus-feeling30.millgate.com](http://50.plus-feeling30.millgate.com),

retiredamericans.org, retirement-4-u.com, reretirementlife.com, network.smartsilvers.com, seniormatch.com, wiredseniors.com, generationsonline.com, seniornet.org, oatsny.org.)

In Germany, feierabend.de is a favorite social media site for older people. This site offers information about evening programmes, coupons for shops and is also a great communication platform. Its revenue is generated from selling items in their web shops, as an advertising platform and from sponsorship. In the second half of the first decade the site had more than 50,000 registrations, their users' average age was 61, and the site had over 3 million page views per month. The registered users communicate not only online, but also organise face-to-face meetings off the grid (Wild 2006a). (More webpage for seniors in German-speaking countries: [www / gerontotechnik.de](http://www/gerontotechnik.de), [meyer-hentschel.de](http://meyer-hentschel.de), [senio.de](http://senio.de), [seniormodels.de](http://seniormodels.de), [seniorenweb.ch](http://seniorenweb.ch), [wiener-seniorenmesse.at](http://wiener-seniorenmesse.at), [die-66.de](http://die-66.de))

The 65-70 age group became aware of the digital revolution particularly late. A US survey which looks at both Internet users and non-users found mainly two groups among the latter: those who are not interested in the online world, and those who have no access to the World Wide Web (due to financial issues, or because they do not have access at their workplace, or at home). Both categories include many above 65 years old. In 2005, the Internet was used by only a fraction of those above 70 worldwide, while in the UK this number had already risen to 21% a few years ago, and in the US was only a little lower, at 17%. Internet usage within this group (above 70) is six times lower than people between 50 and 70 years in Europe (Stroud 2006, 202).

The explanation for this is that they do not use technology at work, where personal computers have become everyday work tools since the Millennium. Because they do not have any experience of this digital era, it is excessively hard for them to acquire this knowledge. In a few years' time, perhaps a decade, it will no longer be a problem for those over 65 to handle new technologies.

In Hungary, people over 50 years are still not integrated into the 'information society'. It is partially a financial issue, but also a lack of interest, and they question the usefulness of the Internet. In 2009 only 14% of older people in Hungary were familiar with the online world. 88% of them had never encountered IT tools before. There have been several attempts to help seniors to obtain access to the Internet, such as "Click on it Gran!", a programme that organises courses with the aim of improving computer skills among older age groups. 200 pension clubs joined the e-Hungary network. Despite these efforts, only 6% of retired Hungarians participated in internet courses (Kollányi-Székely 2006, 54, Idősügyi Nemzeti Stratégia 2009, Gergátz 2008, 109-116). (Webpages for seniors in Hungary: [www / oreganeniked.hu](http://www/oreganeniked.hu), [50plusz.lap.hu](http://50plusz.lap.hu), [50plusz.net](http://50plusz.net), [ezustido.hu](http://ezustido.hu), [otvenentul.hu](http://otvenentul.hu), [seniorok.hu](http://seniorok.hu), [50plusz.hu](http://50plusz.hu))



## Senior marketing and the Internet

The new innovative communication channels (internet, e-mail, cell phone text messaging, chat, digital television, etc.) poses new opportunities and challenges for the profession of marketing. In the near future (but also today) the new interactive media will grow in importance, while the classical tools of marketing and advertising will lose value.

This new platform for digital communication has not been used by marketers so far, and the only reason for this is that the professionals in this business have not truly understood it, or do not see the opportunity it represents.

The power of online advertising is still not significant, but it indicates a tendency for dynamic growth and it will become increasingly important to have interactive solutions for advertising. In the UK in 2005, 12% of media consumption was already taking place online, while expenditure on online advertising was just 3%. These rates have changed since then. Predictions suggest that online, interactive advertising will grab a larger slice of the advertising cake, compared with traditional printed press advertising.

In comparison with other media, the Internet offers many benefits. The presentation format of information is customisable (for example font size, and the fact that some content can be made audible rather than simply being readable).

However, interactive marketing is still being not adapted to the needs of older customers - no matter how big a part they play in the digital society. In the next few years, we will see much greater importance being attached to senior Internet surfers.

When we collected information on how media channels could better meet the needs of their older customers we focused primarily on the Internet, on web page design, and email communications,

Nowadays, it is not recognised how important it could be to target older customers through online media: website advertising and e-mail marketing. An American university tested 36 different websites for seniors, and found that use of these sites was overcomplicated and cumbersome, and there was not enough guidance for them (or at least none that was easy to find), and that these pages had not even been constructed with an age-friendly design in mind (Stroud 2006, 217).

- The most common mistakes mentioned by elderly users (Wild 2006b, Stroud 2006, 223) were:
- Hard to find any information
- Hard to read its contents - the typeface was not sufficiently distinguishable from the colourful background

- Pages contain overcomplicated, incomprehensible wording - even pages that were not written in English still used many English terms, while seniors want clear and easily comprehensible texts without any foreign words or expressions.
- It is easy to become lost on the website due to the many and different branching internal links.
- Because online transactions are so convoluted, with one procedure leading to another, older people often lose their patience (for example making a reservation, a banking transaction, an appointment, etc), and that is why they abandon it, and turn back to traditional methods, like standing in line at the post office.

To create an age-friendly web site is not an easy task and developers need to have instructions. Moreover, web sites are usually created by younger people, and designed for young people, whose way of thinking is completely different, and who cannot understand the needs of older people. Developers are on the whole unaware of their own ignorance in this regard, or if they are not, they claim, wrongly, that is not possible for a website to serve different generations at the same time. The first step towards the resolution of this problem is to recognise that it exists. If the online world would admit the market importance of the older age groups in the digital world, this would represent a new era in attitudes to business marketing.

What modifications are needed to create an age-friendly site? (Stroud 2006, Appendix 1)

- Adjust vision problems: larger font size, more readable fonts, contrasting colours, avoid using annoying background behind the content, and skip unnecessary elements of design.
- Adjust hand movement problems: icons/links need to be large, with a space between them, and avoid drop-down menu lists (which can only be activated by fine cursor handling), make it easy to navigate though the keyboard.
- Adjust concentration problems: make the site simple, comprehensible, with clearly visible search options; easy steps to return to previous phase; avoid overcomplicated expressions, technical jargon, make it precise and clear, use simple sentences, do not use any animation, which just causes confusion.
- Make the site printable; seniors like to have the information they find in print form.
- Proven, smoothly-working websites do not need any modifications.

Unless you assess the needs of seniors through research, the solution will not reveal itself. A positive example is the Fidelity Investment financial group (American), which developed an age-friendly website, based on extensive research, testing the needs of older people, and their habits while using the Internet, and asking about their

expectations concerning financial services. This research (Stroud 2006, 228) revealed that:

- Males prefer news, information, site maps and company information.
- Females prefer special offers, and like to see photographs of the management (to know who are they and be able to make a more personal connection)
- Of those over 65, 40% wanted a larger clickable interface, and an FAQ section.

When developing a webpage, it is recommended to test it on a focus group of older users. Even if there is already existing research on the needs of seniors, a focus group test is still useful. Taking users' age structure into account is not currently general practice, even for younger generations, and samples are not representative. Every online page needs to be screened for the needs of older users, as well as the functionality of a website, its navigation structure, design, language, advertisements and e-mail marketing, etc. If those elements become sufficiently senior-friendly, and not simply in an ad hoc way (as the websites of most companies will reach that level during their development), then the company will be seen in a positive light by older customers.

The opportunities for selling online to older age groups, such as communication channels for sales through, for example, e-mails, and direct advertisement via e-mail, are largely untapped. Presently, only a few sellers are making use of this communication opportunity. In addition, it is often more affordable to develop and maintain your own online services, for example, when needing to notify an existing customer base about newly-released products by email, as customers are likely to provide their email addresses if asked, simply to hear about new bargains and new products. Many manufacturers and merchants can now be queried through emails from customers. A few years ago it was rare to receive an answer, but nowadays website operators have learned how to communicate more effectively and efficiently with their customers online (Haimann 2005, 183-184).

Shopping online will become more important among older people. These kinds of sites require professional and adequate online advertising and customised, easy-to-handle shopping interfaces and by making use of such developments, they could create further impetus.

## **2. Our own research**

In the spring of 2013, we carried out a survey among the older students at Széchenyi István University in Győr, Hungary, before a 'Senior University' lecture, the name of the University's programme aimed at helping older people to learn more about current opportunities in the 21<sup>st</sup> Century. Half of the participants, 556 people, completed our questionnaire. The survey included several themes in which we tried to achieve a clear picture of our respondents, and of their online habits. We were curious about how and

which kinds of media they were using and at what time of day, how much they use the internet and for what purposes, whether they were buying online as well, whether they ever bought a product because of an advertisement, and what were the key aspects which influenced their decision to buy. The responses obtained offered a great deal of opportunity for analysis.

## Features of the samples

In terms of the gender distribution, the sample is not representative, since 77.7%, 432 of responders were women, and only 124 (22.3%) of them were men. It is true that nationally women predominate, but not to such an extent (over the age of sixty, 61% of the population is female).

The average age of the sample was 67.2 years, with males a little higher (68.8 years), while females were half a year younger (66.7 years). The youngest respondents were 54 the oldest was 90 years old.

Almost 80% of the respondents had a declared income of less than €600. This confirmed our presumption, that in Hungary the older age group have a lower disposable income. In our samples, women had, on average, far less income than men, and there seemed to be a trend that in the lower income categories, women vastly outnumbered men.

Table 4: Gender distribution of the various income categories

		Male (%)	Female (%)
under €200	31	6,5	93,5
€200-400	250	14,0	86,0
€400-600	168	29,8	70,2
€600-800	65	36,9	63,1
above €800	22	45,5	54,5
No response	20	15,0	85,0
<b>In total</b>	<b>556</b>	<b>22,3</b>	<b>77,7</b>

The students of the Senior University were more qualified than average Hungarians of the same age. 37% of them had a degree, and only 13% had not reached high school graduation level.

Educational level represented a significant difference between genders, with males being better qualified, and more of them had a university degree than the 50+ age group nationwide. This university degree advantage is observed over 54 years, and high school graduation over 69 years. Women in younger generations have a higher educational level.

Our survey indicated a strong correlation between level of education and income levels. If someone in the sample had a higher level of education, they were more likely to have a higher income to provide for their old age. Those who completed only elementary school, can be found only in lower income categories, and the trend

suggests that the higher the income of the respondent, the more likely it is that they will have a university degree.

Our survey is undoubtedly not a representative sample, because it does not reflect in every aspect the attributes of the average Hungarian in the older age groups. The difference from the national average in our survey mostly concerned educational levels and gender composition. Nevertheless, the answers provided can be evaluated scientifically, and we received usable results from it. Our conclusions are applicable to certain subsets of older people, primarily educationally qualified female seniors are general and valid, while aspects from the whole age group are relevant only within certain boundaries.

### Seniors and the use of Internet

Table 5: Income and the use of Internet (1. social media site / 2. search programs) relation (%)

	<€200		€200-400		€400-600		€600-800		>€800	
	1.	2.	1.	2.	1.	2.	1.	2.	1.	2.
<b>1 (not applicable)</b>	8	0	41	23	51	11	44	6	9	0
<b>2</b>	15	7	7	4	15	4	23	4	18	7
<b>3</b>	54	33	33	40	20	36	20	33	37	40
<b>4</b>	8	27	8	10	10	25	8	33	9	13
<b>5 (very typical)</b>	15	33	11	23	4	24	5	24	27	40

Table 6: Income and frequency of online purchase (given in %)

	<€200	€200-400	€400-600	€600-800	> €800
<b>1 (not applicable)</b>	75	82	80	53	33
<b>2</b>	25	6	7	14	11
<b>3</b>	0	8	9	17	44
<b>4</b>	0	1	1	8	0
<b>5 (very typical)</b>	0	3	3	8	11

Among Internet users, fewer seniors visit social media sites, while they are more likely to visit a web search site. So using a search site is more common than any other kind of website (visiting a social site or making online purchases).

The highest income group in the survey use social media site most often, but they also use web search sites more regularly.

Even purchasing online is only typical among the higher income level groups in the survey, despite the fact that even then the rate is low.

Table 7: Qualifications and use of the Internet (1. social media / 2. search programs / 3. online purchase) relation (given in %)

	Elementary			Vocational			High school			University/College		
	1.	2.	3.	1.	2.	3.	1.	2.	3.	1.	2.	3.
<b>1 (not typical)</b>	50	0	100	25	17	88	42	16	81	43	11	69
<b>2</b>	0	0	0	5	11	0	14	3	7	15	5	10
<b>3</b>	50	100	0	60	55	6	27	38	8	25	35	14
<b>4</b>	0	0	0	5	0	0	7	21	1	10	20	2
<b>5 (very typical)</b>	0	0	0	5	17	6	10	22	3	7	29	5

Table 8: Relation of genders and Internet usage(%)

	Social media		Search program		Shopping online	
	Female	Male	Female	Male	Female	Male
<b>1 (not typical)</b>	40	45	14	14	78	69
<b>2</b>	12	19	4	7	8	8
<b>3</b>	30	23	37	41	9	18
<b>4</b>	9	6	16	31	2	0
<b>5 (very typical)</b>	9	6	29	7	4	5

Table 9: Marital status and Internet usage (1. social media / 2. search programs / 3. online purchase) relation (%)

	Single			Relationship			Widow(er)		
	1.	2.	3.	1.	2.	3.	1.	2.	3.
<b>1 (not typical)</b>	24	3	66	43	13	74	44	24	86
<b>2</b>	12	8	9	16	4	9	6	4	4
<b>3</b>	40	40	13	25	39	12	32	30	4
<b>4</b>	15	22	3	8	21	2	8	12	2
<b>5 (very typical)</b>	9	27	9	8	23	3	10	30	4

Use of the Internet is more common among the higher categories of educational level (high school diploma/university degree). Our results reflect pan-European research. Online purchasing is more common among seniors with college degrees, but even in this group it is not high, being just a fraction of the respondents in our survey.

The female respondents actively use the available opportunities offered by search engines and social media. There is no significant difference between genders when it comes to online purchases, with both genders rarely using the Internet for this purpose.

In terms of marital status, we found that single people in our survey took greater advantage of the opportunities of the Internet, across all three purposes. More of those who reported themselves as single shopped online, those in a relationship or a marriage

purchase less, and is a much rarer phenomenon among the widows/widowers group. (These analyses could be deeper with the help of Cramér- Rao bound.)

### Pattern of elderly net use

We examined the variables in the Internet usage data from these nine questions and found them relevant, and also sufficient for factor analysis. We used statistical methods such as Bartlett's Test and Kayser-Meyer-Olkin, MSA (Measure of Sampling Adequacy) and we also worked with correlation, and anti-image methods (matrix, communality). All the variables could be merged into three main components, which explain 52% of the variance across the original variables in the whole survey and which are sufficient, with additional calculators, for factor analysis. By applying rotated factor loading, we were able to determine three principal components which reflected three different patterns or habits of Internet use within the sample.

The first main component consists predominantly of e-mail, search engine, Skype and online purchase variables. The factor explains those variances most strongly. The second component is mainly weather, sport news, and political/economic news. The third component is largely social media and tabloid press. We applied the following labels to these three main components: relationship-oriented, news-oriented and chat-oriented.

Seniors who responded to our survey are motivated to use the Internet by two factors: they build interactive relationships with it, and use it as a news source. Academic literature and various Western European and American research seem to confirm these two motivations.

Table 10. Whole sample – rotated factor matrix

	Component		
	1	2	3
e-mail	,752	,064	,037
Search program	,668	,176	-,291
Skype	,570	,086	,168
Online purchase	,569	,115	,265
Weather	,217	,709	,084
Sport news	-,110	,696	,287
Politics, economy	,349	,614	-,080
Social media	,394	-,033	,716
Tabloids	-,081	,308	,595

We found that looking at the main component analysis by gender explained 53% of the variance of main components in the case of women, and 60% in the case of men.

The rotated factor matrix shows three different patterns of Internet usage in the case of females and males. However, both cases show a slightly different pattern when compared to the whole survey and when compared to each other.

In the main component, in the female group, the variables of political and economic news, alongside searching and e-mails, feature more prominently. This component is a little more pronounced compared with the sample as a whole, as it combines the relationship- and news-oriented factors. The second component consists of gossip/sport news and weather, and the third largely consists of online shopping, Skype, and social media sites. The second component shows a mixed picture as well, as it is news- and chat-oriented at the same time. The third main component varies somewhat from the whole sample's relationship-oriented variable. The main components are hard to interpret from one aspect, the motivation of older age groups for using the Internet are complex, and more varied, compared with the sample as a whole and it is harder to separate the basic types.

Table 11. Female and male rotated factor matrix

Female	Component		
	1	2	3
Search program	,841	,019	,009
e-mail	,695	,033	,288
Politics, economy	,475	,277	,207
Gossip	,105	,735	-,182
Sport news	-,047	,724	,224
Weather	,281	,515	,242
Online shopping	,192	,054	,725
Skype	,291	-,037	,610
Social media	-,040	,403	,603



Male	Component		
	1	2	3
Sport news	,754	-,222	,085
Politics, economy	,752	,119	,168
Weather	,721	,176	,017
Social media	-,060	,798	-,170
Skype	,008	,743	,197
E-mail	,222	,729	,240
Search program	,183	,123	,761
Online shopping	,244	,232	,608
Gossip	,404	,222	-,593

Among senior males, the first component consists of sport news, political and economic news, and weather. These variables bring together the strongest news-oriented factor, as it does with the whole sample. The second component is a relationship-oriented factor which brings together social media, Skype, and e-mail. The third component includes the variables of search engines, and online shopping, as well as the very negative attitude of older men in this sample against the tabloid-type news information. This area of Internet use shows particularly strong differences between the genders.

### Online shopping: gender, qualifications, age and income

One in ten of the older age group who answered our survey (10.1%, 56 people) reported that they had purchased a product or service online. Men are slightly more active, with one in seven (13.7%, 17 people) being an online shopper, while for the women, it was typically 9% (39 people).

Table 12: Age composition of online shoppers

	In total	Average age	Under 60 years (58-59 years)	60-69 years	over 70 years (70-72 years)
Female	39	63,7 years	5 12,8%	31 79,5%	3 7,7%
Male	17	66,0 years	1 5,9%	10 58,8%	6 35,3%
<b>In total</b>	<b>56</b>	<b>64,4 years</b>	<b>6 10,7%</b>	<b>41 73,2%</b>	<b>9 16,1%</b>

Table 13: Educational indicators of online shoppers

	In total	High school graduate	%	College/University graduate	%
Female	39	14	35,9	25	64,1
Male	17	4	23,5	13	76,5
<b>In total</b>	<b>56</b>	<b>18</b>	<b>32,0</b>	<b>38</b>	<b>68,0</b>

Table 14: Financial circumstances of online shoppers

	<b>Purchased</b>		<b>%</b>	<b>Female</b>		<b>%</b>	<b>Male</b>		<b>%</b>
<€200	2	6,4%	3,6	2	6,9%	5,1	-	-	-
€200-400	18	7,0%	32,1	14	6,5%	35,9	4	11,4%	23,5
€400-600	13	7,7%	23,2	8	6,8%	20,5	5	10,0%	29,4
€600-800	13	20,0%	23,2	8	19,5%	20,5	5	20,8%	29,4
>€800	8	36,4%	14,3	5	41,7%	12,9	3	30,0%	17,7
Ø information	2	10,0%	3,6	2	11,8%	5,1	-	-	-
<b>In total</b>	<b>56</b>		<b>100,0</b>	<b>39</b>		<b>100,0</b>	<b>17</b>		<b>100,0</b>

Compared with the whole sample, the average age of people purchasing through the Internet was three years younger, with the oldest being 72 years old. This clearly confirms the assumption that under the age of 70, people use the Internet more actively and in a wider variety of ways than those over 70.

Of those who made online purchases, all were members of the higher categories of educational qualifications. More than two-thirds had a higher education degree. So for older age groups it is true that the more educated respondents, particularly those with higher education qualifications, use the Internet for shopping.

18.4% of seniors with a college degree and 6.5% of seniors with a high school diploma had purchased something online. Of the female respondents, 16.9% had a college degree, and 6.3% of them had a high school diploma. Of the men, 22% were college graduates and 7.7% had high school diplomas.

Financial circumstances affect online purchasing trends within this sample. Wealthier seniors are more willing to shop online. Only 6-8% of those with an income level below 170,000Ft had already made an online purchase, a fifth of those with an income level between 170,000 and 220,000Ft also made purchases online, but in the higher income level category, 36% were online shoppers. Within each income level, there are some difference between men and women.

The item categories that represent most online purchases across both genders are books, followed by electronics. In terms of travel-related purchases, the most common items were entrance tickets. Females make online banking transactions, or spend money on cosmetics, clothes, children's toys (for grandchildren) and household appliances, whereas men purchase primarily IT products.

Table 15: What do the seniors in our survey buy online?  
(Any number of elements could be listed)

	Females	Males	In total
Books	17	6	23
Electronics	7	3	10
Trips, accommodation, plane ticket	3	3	6
Cosmetics	5	-	5
Clothes, shoes	4	-	4
Entrance ticket (e.g. museum)	2	2	4
IT products	1	3	4
Online banking	3	-	3
Children's toys	3	-	3
Household appliances	3	-	3
Photos	1	1	2
Vitamin, medicated products	1	1	2
Gardening tools, products	1	1	2
Newspaper subscriptions	1	-	1
Food service	1	-	1
Jewellery	1	-	1
Sports article	-	1	1
Home furnishings	-	1	1
Car parts	-	1	1
<b>In total</b>	<b>54</b>	<b>23</b>	<b>77</b>

The conclusions for marketers that can be deduced from these findings are that online shopping is largely irrelevant to older age groups in Hungary and that it is not worth focusing on these market segments. The exceptions to this would be higher income level groups and older people with a higher level of education who could be targeted with specific product advertising such as books, electronics, special trip offers, and perhaps cosmetics.

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## Summary

The breakthrough in marketing to older people has still not happened and their economic significance is still not acknowledged by businesses. However, we believe that a major change is on its way, and that we will experience this new approach in our everyday lives. Developing a successful marketing strategy for seniors is clearly not easy, because communication professionals have to take into account a wide variety of factors and information which can alter the results. For those who recognise this gap in the market, the goal of successful product positioning will be a huge challenge and one which will be difficult to overcome. Until now, our attitude towards older consumers has not been positive or attentive and that needs to change. First of all the target group need to be identified clearly, and we need to know their priorities, habits and desires in order to reach seniors effectively. Completely understanding these newly-discovered

social groups will require a significant re-evaluation of previous assumptions, including physical, psychological and social factors. The new 'silver generation' is quite different from the older generations in previous centuries, and also very different from the opinion of young generations about older people. Nowadays, older members of society in developed, wealthy countries are more active both mentally and physically, they are richer in social connections, they are more independent, they have their own expectations and desires, and they also have more income and capital at their disposal. In the next few years the expectations of these groups will rise as a result of their growing numbers and income, and they are more likely to turn to the online world and be accessible through it. The coming generation of seniors will be more self-confident, flexible and more heterogeneous, and will become a target group for selling as they feel more at home in the new virtual world. In the near future most of society will be over 60 years and being 'old' will be the norm. It is likely that more research will focus on these groups, and so a more sophisticated methodology will need to be developed than what we have at present.