

FINANCIAL TIMES

May 27, 2015 12:12 am

Brands must adapt to an ageing world

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The world is not merely ageing. It is trading young for old.

In 1950, more than a third of the world's population was 15 and younger. A mere 5 per cent was 65-plus. Looking ahead to 2050, the UN projects a threefold increase in the percentage of people 65-plus and a declining percentage of those 15 and younger to just over a fifth of the world.

More telling is that well before mid-century, numerous countries, including all but one of today's top 10 economies, will see a crossover in the percentages of young and old. This is a demographic event with no precedent, one in which children are vastly outnumbered by old people.

Global brands: Top 100



Even in countries that will not see this crossover, such as India, the one exception among today's top 10 economies, there will be big increases in median age. India will go from a median age of 25 in 2010 to 37 in 2050, as its percentage of people 15 and younger falls from 30.2 to 19.5 and its percentage of people 65-plus more than doubles from 5.1 to 12.7.

Brands face this future with some timeworn rules-of-thumb that won't measure up to the challenges and opportunities ahead. In particular, consumers aged 50 and above have long been written off, except by brands filling the niche of remedies for the ills and ailments of old age. As a result, the cultural flavour of life not to mention the bulk of consumer offerings reflects the tastes and preferences of youth.

When older consumers predominate as younger consumers do today, the relentless focus on youth will have to give way. Indeed, with tomorrow's older consumers healthier and more active, and thus living, working and consuming longer, youthfulness will no longer be the private preserve of the young.

For brands, this future entails more than introducing products suited for older preferences and capacities. It means adapting the designs of existing products to parallel shifts in the demography of

scale. Brands must go where the numbers are, and that means trading young for old.

With Japan ageing more rapidly than most other countries, it is no surprise that Japanese brands are leading the way in this transition of focus and priority. Lingerie manufacturer Wacoal promotes its product line as a fit that complements body shapes of all ages rather than something to refit older bodies into younger shapes.

Food manufacturer Kewpie targets ageing consumers who once bought or grew up on its baby foods with a line of foods similarly pulped and processed, but updated for older tastes. So-called silver shopping malls offer older Japanese consumers more seating, wider aisles and more convenient parking.

Apple and IBM teamed up to roll out a new iPad in Japan that is specially designed for older consumers with simpler interfaces, larger fonts, a modified version of FaceTime, and an array of apps for older needs and interests.

Announcing this iPad, Tim Cook, Apple chief executive, made specific note of the fact that in terms of older consumers, all countries will soon look a lot like Japan. Adapting products to follow the demography of scale is an imperative that Apple understands, and one that no brand can ignore.

Brands are exploring all options to meet this imperative. Massachusetts Institute of Technology's AgeLab works with many corporate partners in its continuing study of adapting to the disruptive demographics of what it describes as a 30-year longevity bonus. A consortium of Fortune 500 companies sponsors research at the University of Cincinnati in the US to investigate and develop innovative product ideas for consumers over 50.

Opportunities await brands that can get ahead of this rapid shift from young to old. For example, in China, the markets for calcium, ginseng, lingzhi, and tonics and nutritive drinks have boomed alongside the growth of older consumers looking for ways to manage their health.

In the US, the markets for housing, transport, foods, pharmaceuticals and financial services have undergone significant transformation as the rising number of older consumers changes the aggregate profile of demand.

The demographic future we recognise today stands in sharp contrast to the dystopian science fiction fantasies of the mid-20th century, a time in which the post-second world war baby boom seemed to portend a future of generational conflict that would see the young put the knife to the old.

Instead, the future will unfold as the opposite, yet not in an undesirable way.

What lies ahead is a fundamental shift in the demography of scale, with older not younger consumers as the dominant dynamic. To survive and thrive, brands must fall into lockstep with this demographic march into a future in which the stretch of years, not the rush of youth, is the driving force in the marketplace.

** All demographic figures cited are from Rakesh Kochhar and Russ Oates, Pew Research Center, "Attitudes About Aging: A Global Perspective," January 30, 2014, <http://www.pewglobal.org/2014/01/30/attitudes-about-aging-a-global-perspective>*

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