

“What is senior marketing from the perspective of gerontology?”

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President of Senior Life Design
Executive Director of Society for Applied Gerontology – Japan
Collaborative Researcher of Institute for Gerontology, J.F. Oberlin University
Yuko Horiuchi



Speaker's Profile

Public service

- Surveyor, the Tokyo Metropolitan Long-Term Care Service Information Disclosure System
- Evaluator, the Tokyo Metropolitan Welfare Service Third Party Evaluation

Research activities

- Collaborative Researcher, Institute for Gerontology, J.F. Oberlin University
- Executive Director of Society for Applied Gerontology – Japan
- Executive Director, Japanese Association of Community Based Civil Safety Sciences

Private sector work

- Consulting (Development of products and services for seniors)
- Research (mainly qualitative research)
- Corporate advisor
- Lecturers, lecture activities, and writing

Affiliated Societies

- Society for Applied Gerontology – Japan, The Association for the Study of Security Science
- Japanese Association of Community Based Civil Safety Sciences



Today's Agenda

1. What is Gerontology?
2. Situation of Japan's Super-Aged Society in Numbers
3. Normal Aging and Today's Seniors
4. The Concept of Senior Marketing (Elderly Consumerism)
5. Diverse Senior Population in Six New Segments



1. What is Gerontology?



**Are you familiar with the
word “gerontology” (老年学)?**



Background of today's topic

Where does the name “Gerontology” come from?

The term “Gerontology” is a combination of
geronto (old person),
and logy (study) } the following two
Greek words



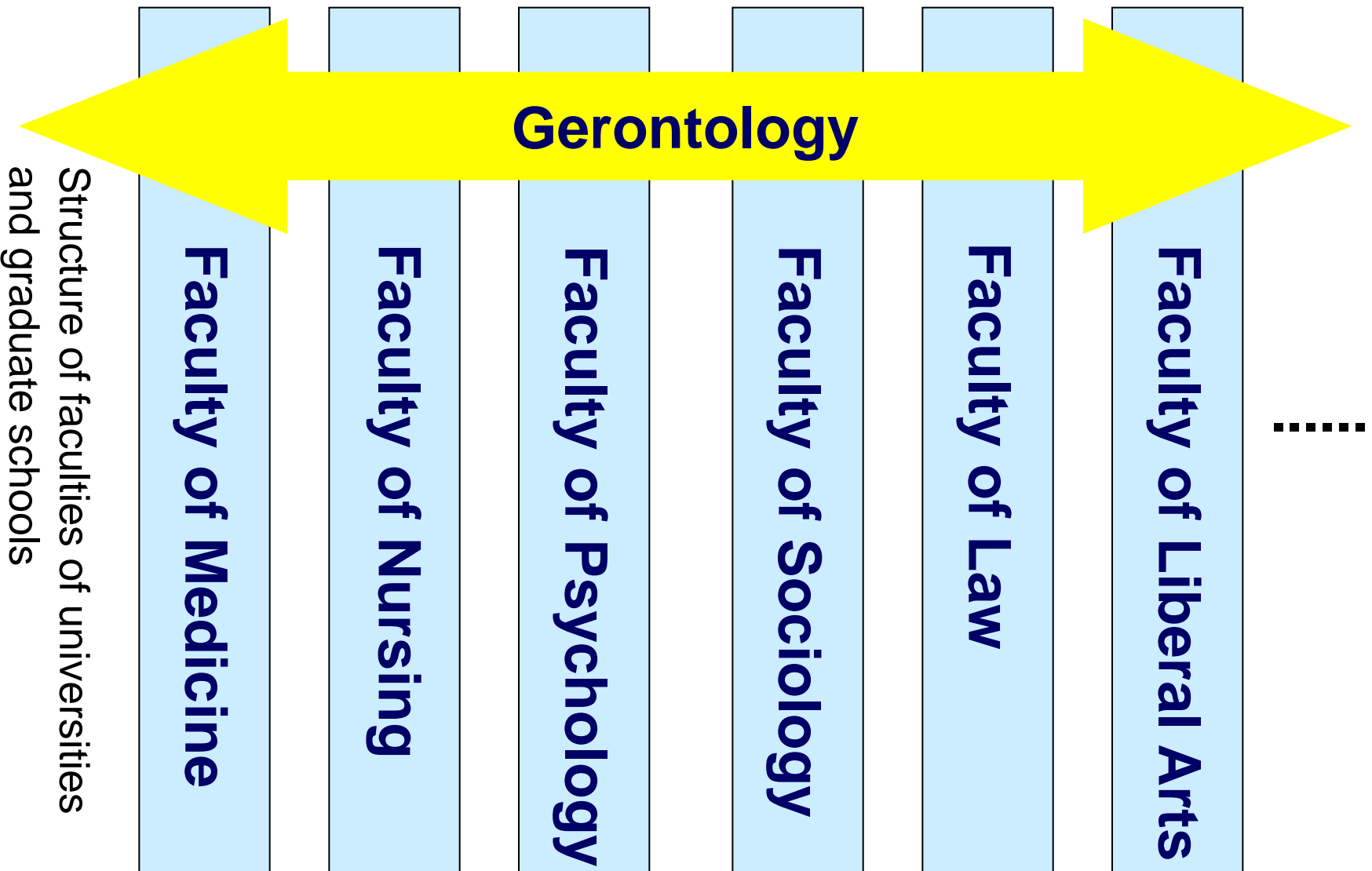
**In Japan, the word was translated as “rojin-
gaku” (老人学) in 1950.**

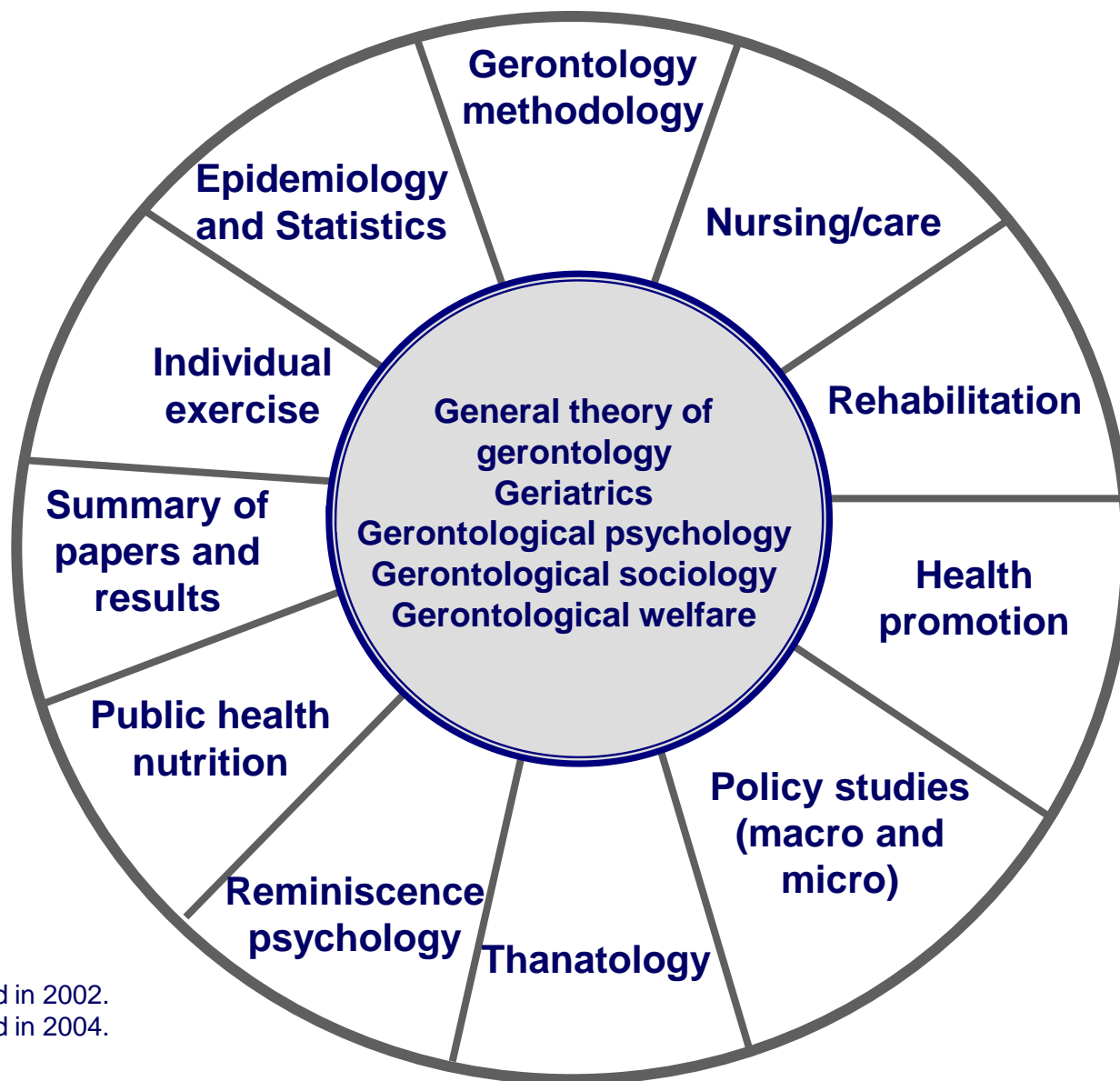
What is Gerontology?

- 1 Scientific study of age-related changes
- 2 Scientific study on problems middle-aged/elderly people have
- 3 Study from the standpoint of humanities (history, philosophy, religion, literature, etc.)
- 4 Application of knowledge useful for adults and the elderly
(Maddox et al eds : The Encyclopedia of Aging, 1991)
- 5 Study of intergenerational problems

Introduction to gerontology

(interdisciplinary content)



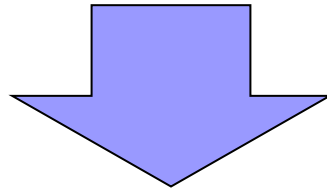


Doctoral Program started in 2002.
Doctoral Program started in 2004.

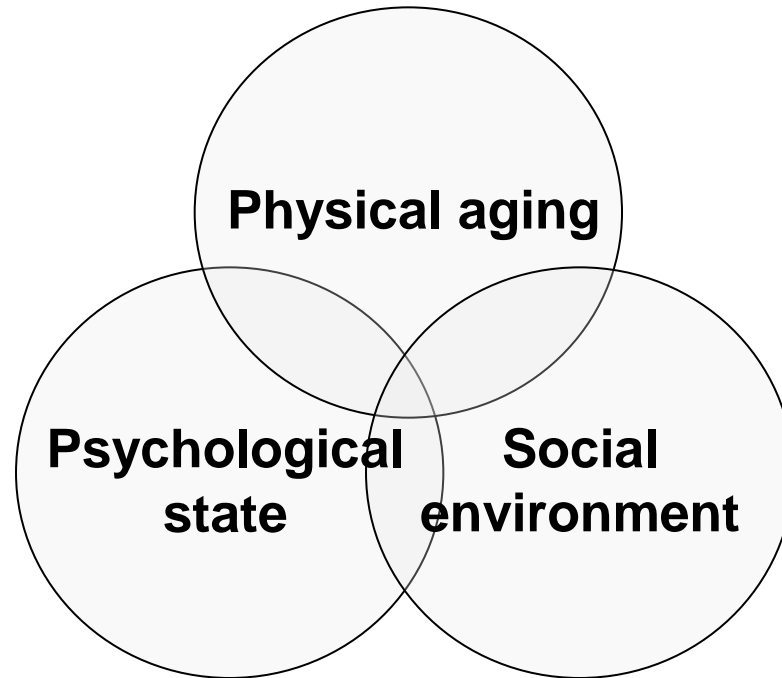
Figure 1 Structure of Master's course of Graduate School of Gerontology, Oberlin University

Source: Hiroshi Shibata, Mission of Society for Applied Gerontology - Japan, Japan's Applied Gerontology 2007

What necessitates a gerontological perspective in the senior market?



The field of gerontology, being interdisciplinary, takes a holistic view of older individuals, considering their physical, psychological, and social well-being.



These factors affect their spending habits.



2. Japan's Super-Aged Society in Numbers



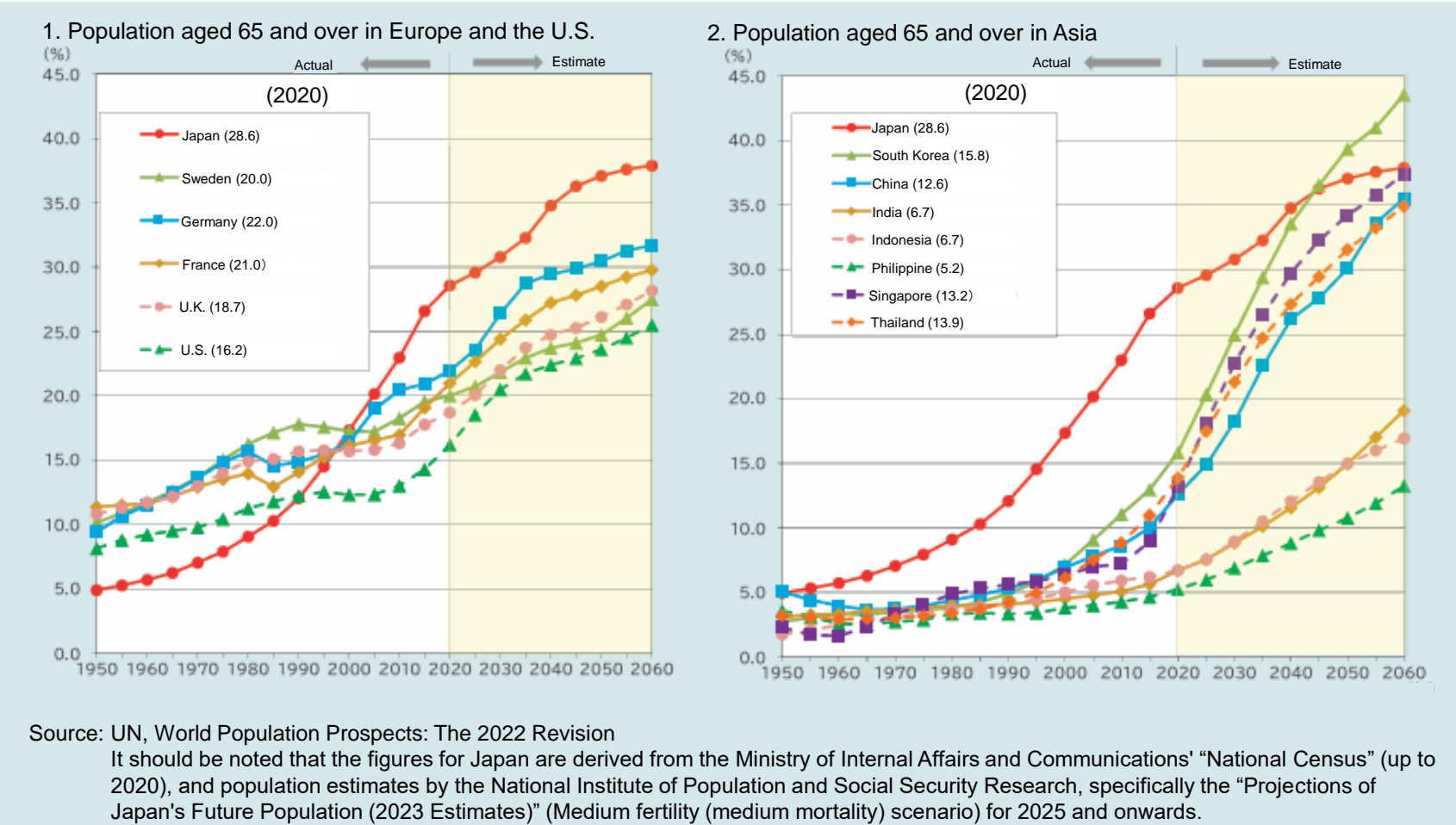
2024 Respect-for-the-Aged Day Topics (September 16)

and others from Annual Report on the Aging Society

- While the total population is declining, the population aged 65 and over reached a record high of 36.25 million.
- Population aged 65 and over: Record high of 29.3%.
- Japan has the highest proportion of people aged 65 and over in the world.
- Over 95,000 centenarians, a record high for the 54th consecutive year (88% female).
In 1963, there were 153 centenarians nationwide. This number increased 620-fold in the following 62 years.
- The number of employed individuals aged 65 and over has increased for 20 consecutive years, reaching a record high of 9.14 million.
- The proportion of employed individuals aged 65 and over reached a record high of 13.5%.
- Japan's employment rate for those aged 65 and over is high compared to other major countries.
- In 2023, the ratio of the working-age population to individuals aged 65 and over in Japan is 2.0 to 1.

Source: Press release material by Ministry of Internal Affairs and Communications,
“Japan’s aged population in Numbers — on Respect-for-the-Aged Day”
: Annual Report on the Ageing Society 2024

A comparison of aging rates between Japan and Western countries shows that Japan's rate peaked in 2005 and is projected to remain high. In contrast, some Asian countries, such as South Korea and Singapore, are expected to experience even faster aging in the future.

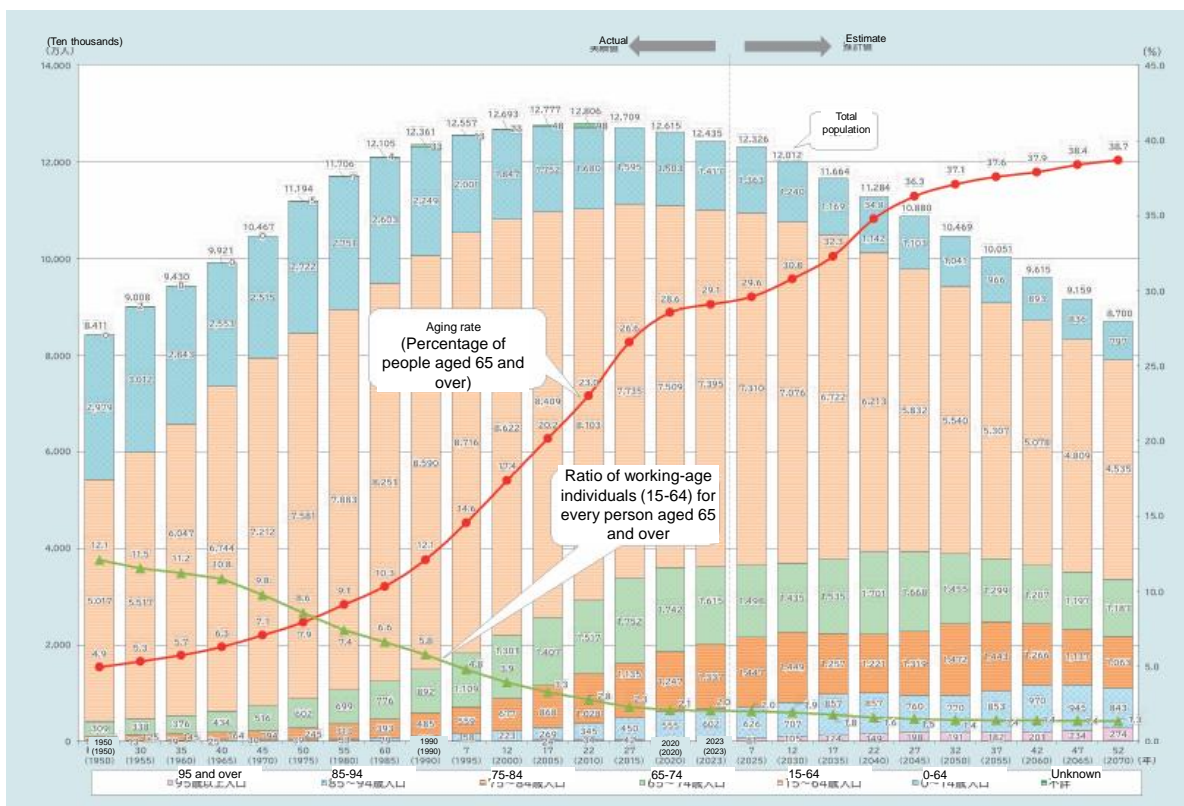


Global Trends and Percentages of Elderly Population by Age Group

Source: Annual Report on the Ageing Society 2024

Situation of Japan's Super-Aged Society (Aging Trends)

The percentage of Japan's population aged 65 and older, below 5% of the total in 1950, rose above 7% in 1970 and then past 14% by 1994. This rate of aging has persisted in its ascent, attaining 29.1% as of October 1, 2023. The working-age population (15-64) peaked at 87.16 million in 1995 and has since decreased, accounting for 73.95 million, or 59.5% of the total population, in 2023.



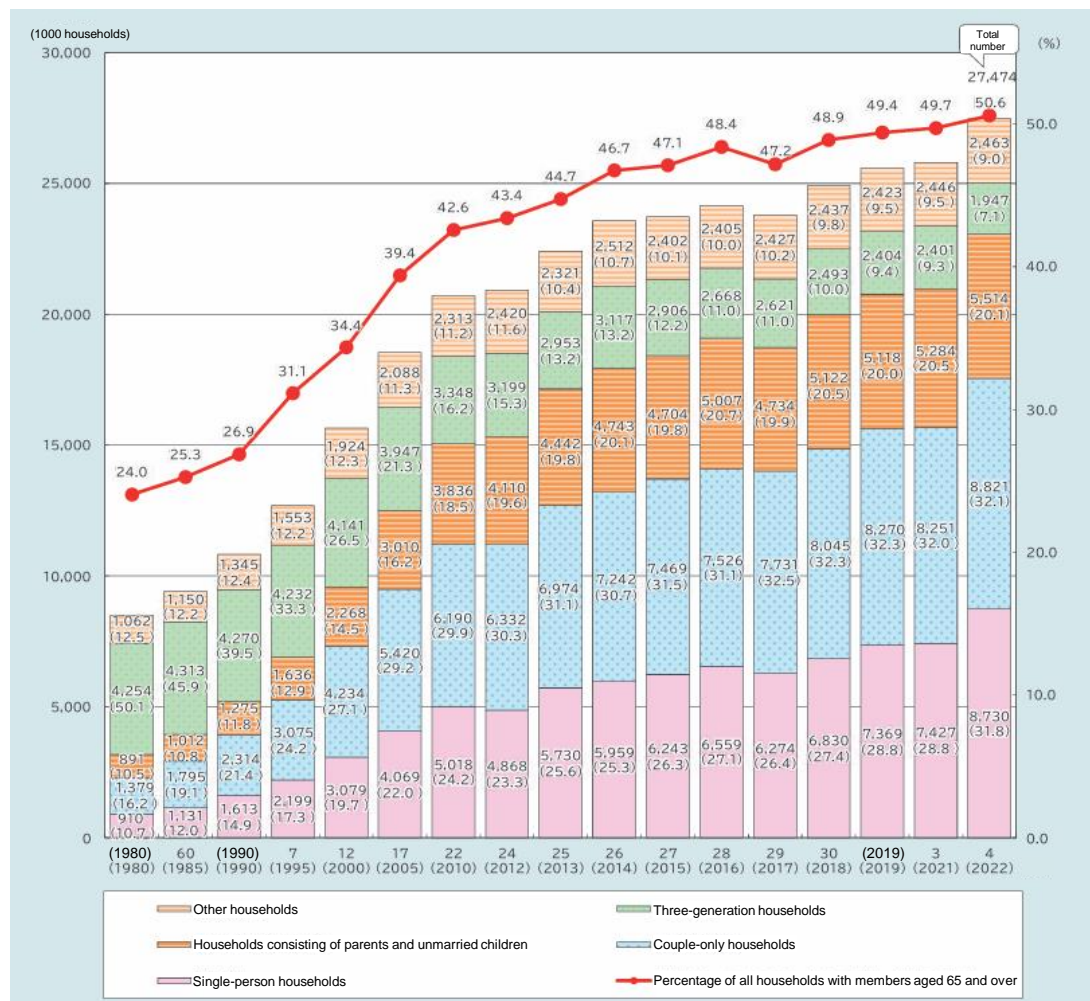
Trends and Percentages of Elderly Population

The current support ratio in Japan is 2.0 working-age individuals per person aged 65 and above (as of 2023). The aging rate is projected to increase, while the working-age population share decreases, resulting in a ratio of 1.3 working-age individuals for every person aged 65 and over by 2070."



Situation of Japan's Super-Aged Society (Composition of Households)

The dominant household structure has shifted from three-generation households, which constituted half of all households in 1980, to couple-only and single-person households (including elderly-only households), which now make up 60% as of 2021.

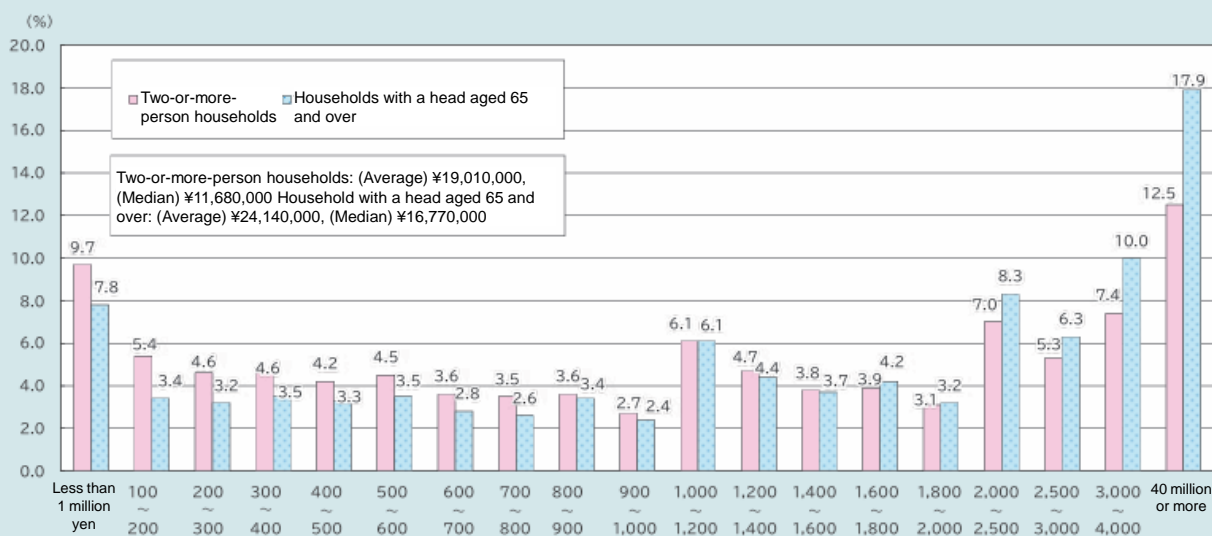


Seniors are increasingly taking control of their own finances



Situation of Japan's Super-Aged Society (Savings)

The median savings balance for two-or-more-person households is 16.77 million yen for households with a head aged 65 and over, and 11.68 million yen for all households, with the former being approximately 1.4 times that of the latter.



40% of such households have savings of 20 million yen or more

Approx. 18% of such households have savings of 40 million yen or more

Are savings sufficient?
Concerns about reduced income need to be alleviated

Source: Ministry of Internal Affairs and Communications, "Family Income and Expenditure Survey (Two-or-more person Households) (2022)"

(Note 1) Single-person households are excluded.

(Note 2) Total savings are defined as the sum of savings within financial institutions, encompassing deposits in Japan Post Bank, Japan Post Insurance and Postal Savings Japan, Japan Post Network Co., Ltd., banks, and other financial entities (including commercial banks); life insurance premiums and premiums for savings-type non-life insurance (total premiums paid since enrollment); and marketable securities such as bonds, stocks and investment trusts (market value at the time of the survey), and money trusts (nominal value), as well as savings outside financial institutions, including internal company deposits and workplace mutual aid associations.

(Note 3) The median refers to the savings balance of the household that falls exactly in the middle when all households with non-zero savings balances are arranged in ascending order.

Distribution of Households by Savings Amount Class

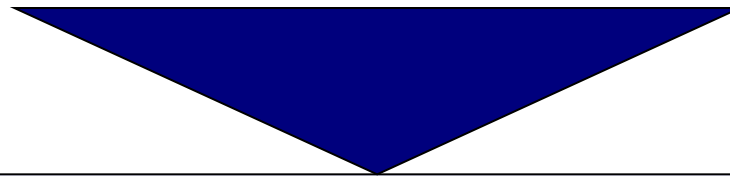


3. Normal Aging and Today's Seniors

Understand Normal Aging of the Elderly

Physical changes: normal aging

Everyone ages. (normal aging)



- **Aging = the process of growing old**
- **Aging senescence = mental and physical decline as a result of aging**



About Normal Aging

- **Normal aging** → **Physiological aging**
- **Pathological aging** → **Significant decline in mental and physical functioning compared with normal persons of the same age**

Aging in Terms of Biology

- **Aging in Terms of motor function**



The feature is that the mild decline of motor function such as walking is not noticeable, but the degree of decline is remarkable in the exercise which requires instantaneous force such as running.

- **Aging in Terms of sensory function**



Generally, sensory functions such as vision, hearing, sense of taste, skin sensation, and balance will decline. These are caused mainly by diminished neurologic function.

- **Aging of the autonomic functions**



Circulatory function, respiratory function, digestive function, urination control function, body temperature regulation, body fluid regulation, blood sugar regulation, endocrine function

- **Aging of sleep-wake function**



It is reported that 25 to 40% of the elderly suffer from sleep disturbances. Declining activity due to aging of the biological clock located in the brain together with aging of sensory functions.

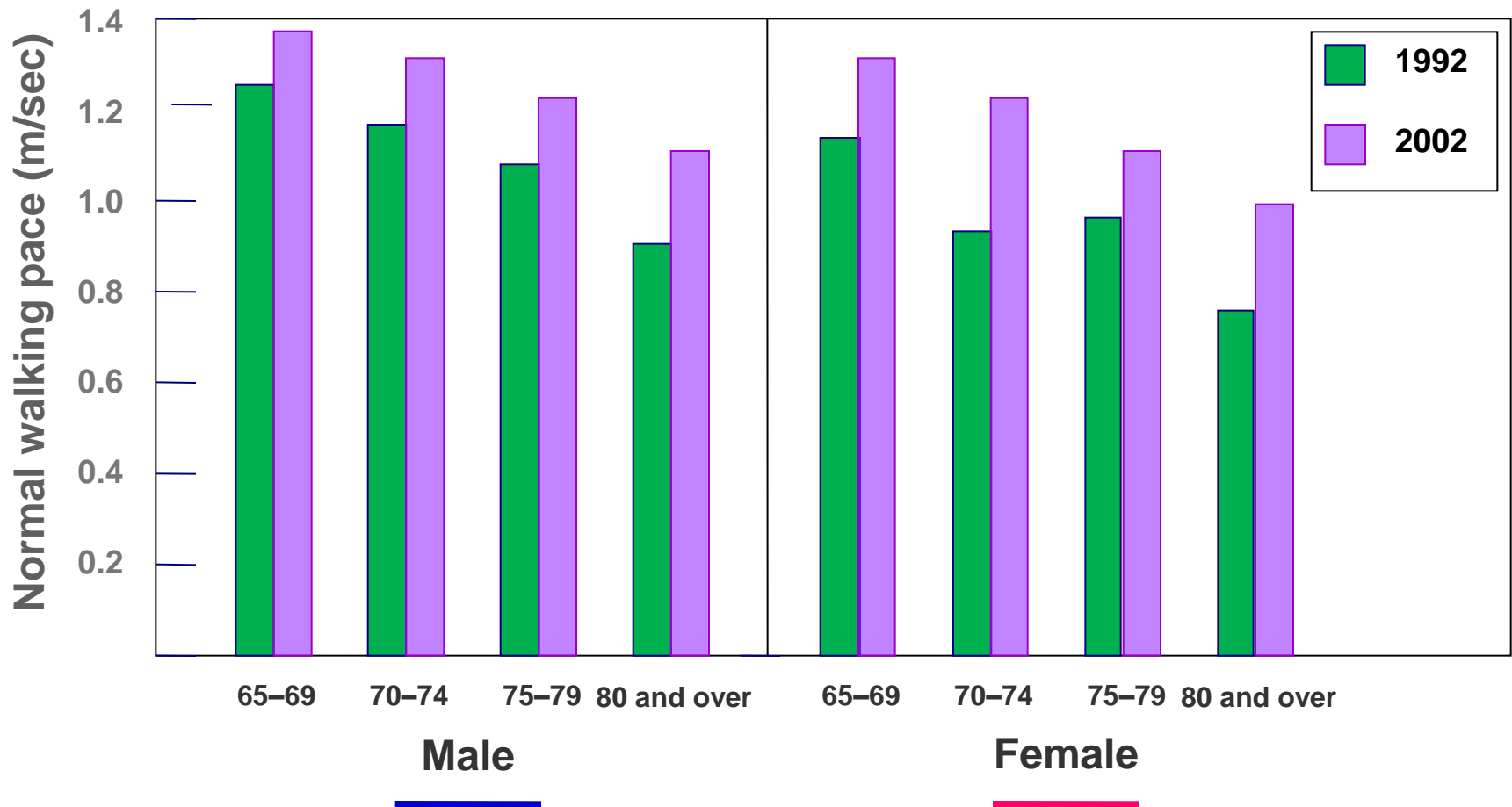
- **Aging of the higher nervous system**



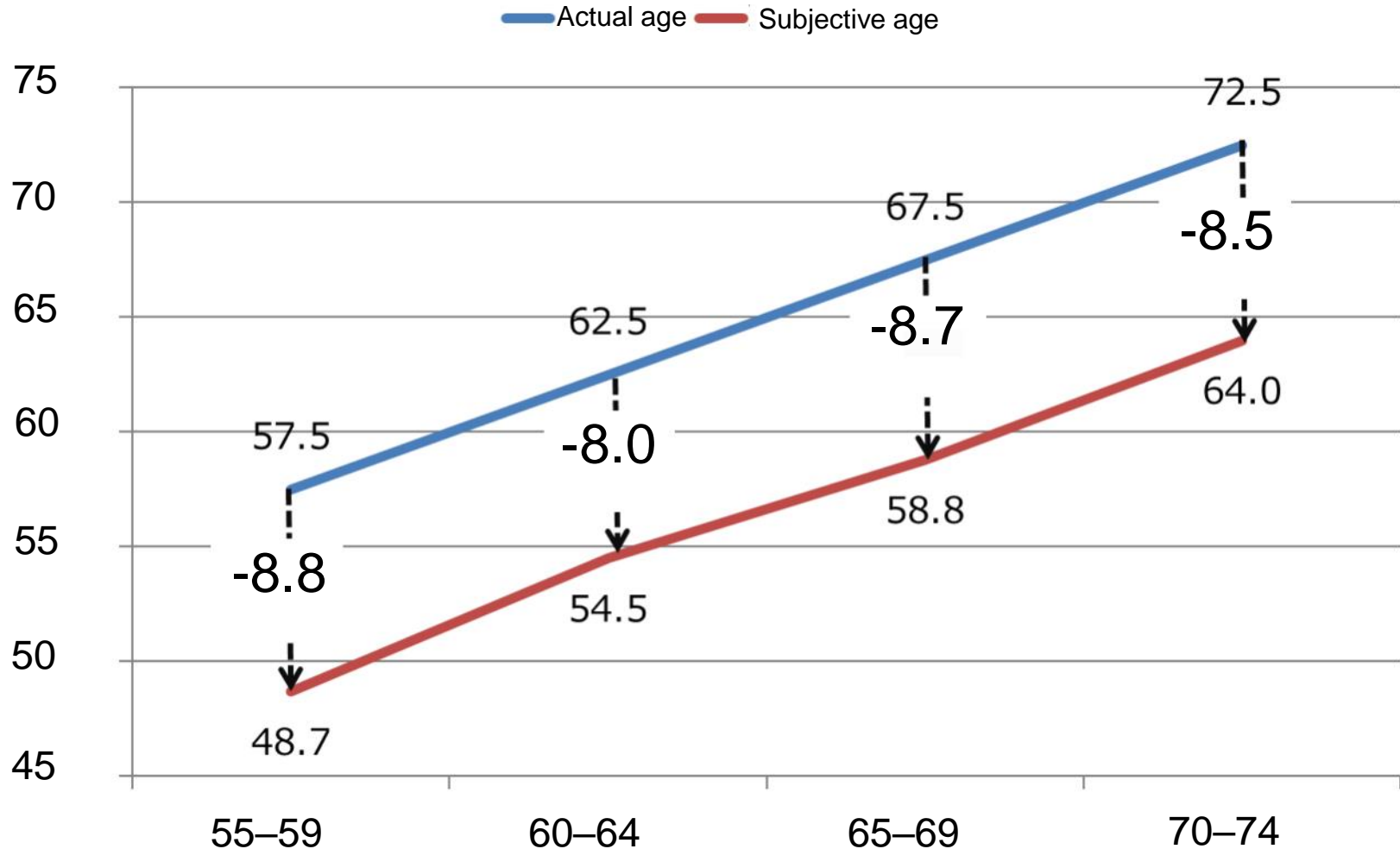
Fluid intelligence

Change in Normal Walking Speed (the usual pace of walking)

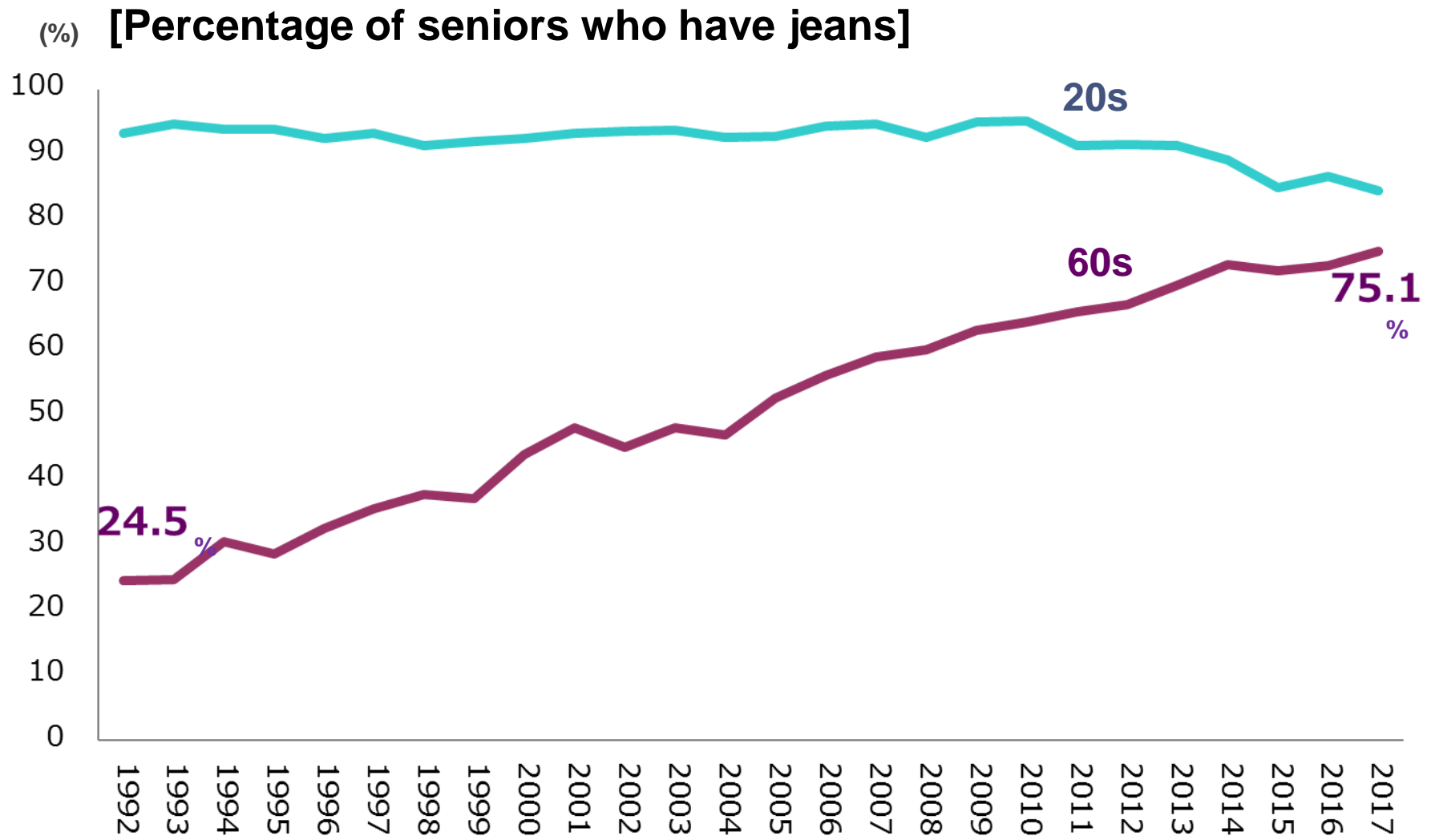
“10 years younger in terms of data!”



- “Subjective age” of today’s seniors is 8 years younger than the real age on the average.

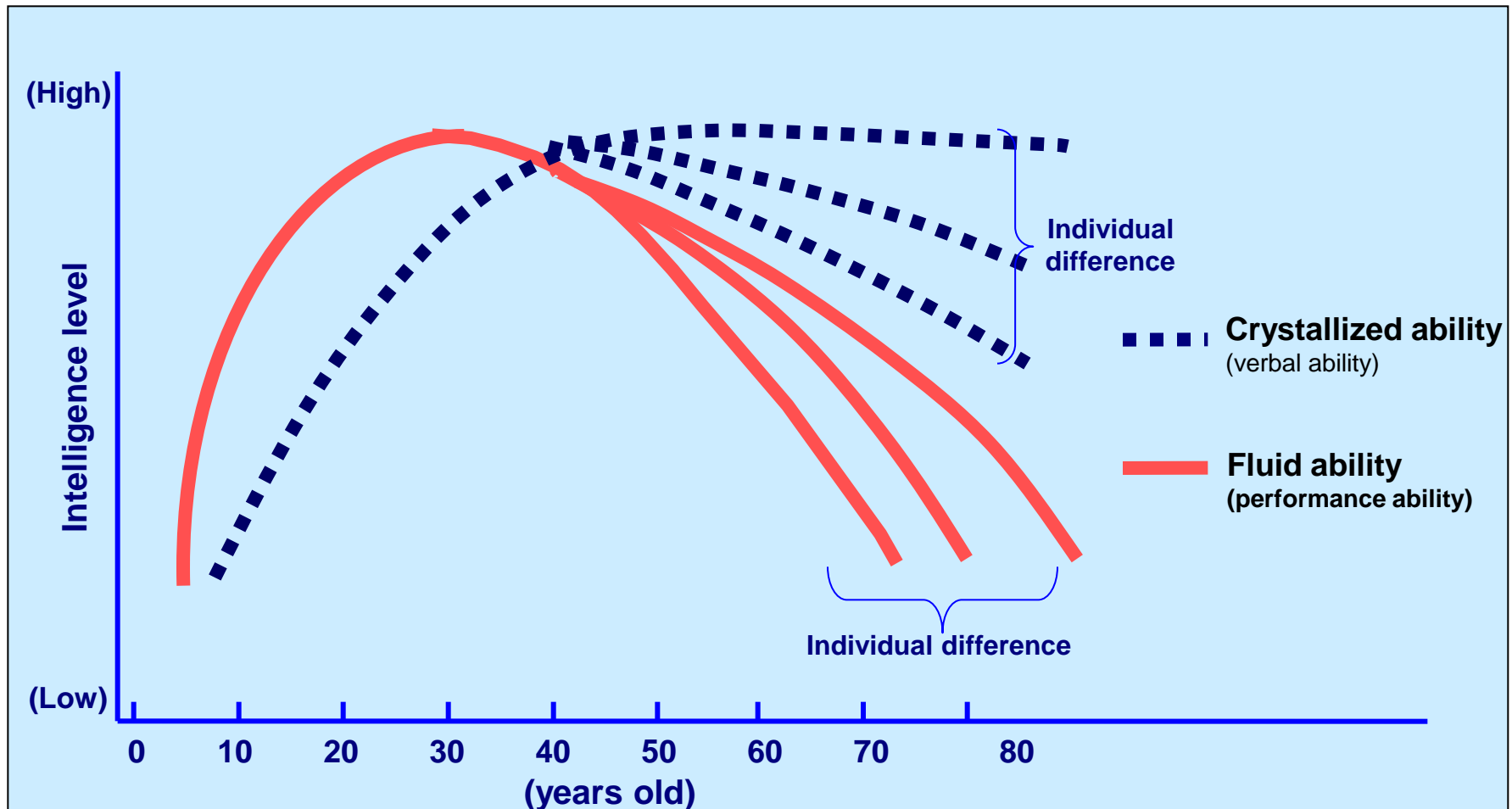


- Today's seniors are different from those of the past; more than 70% of those in their 60s wear jeans.



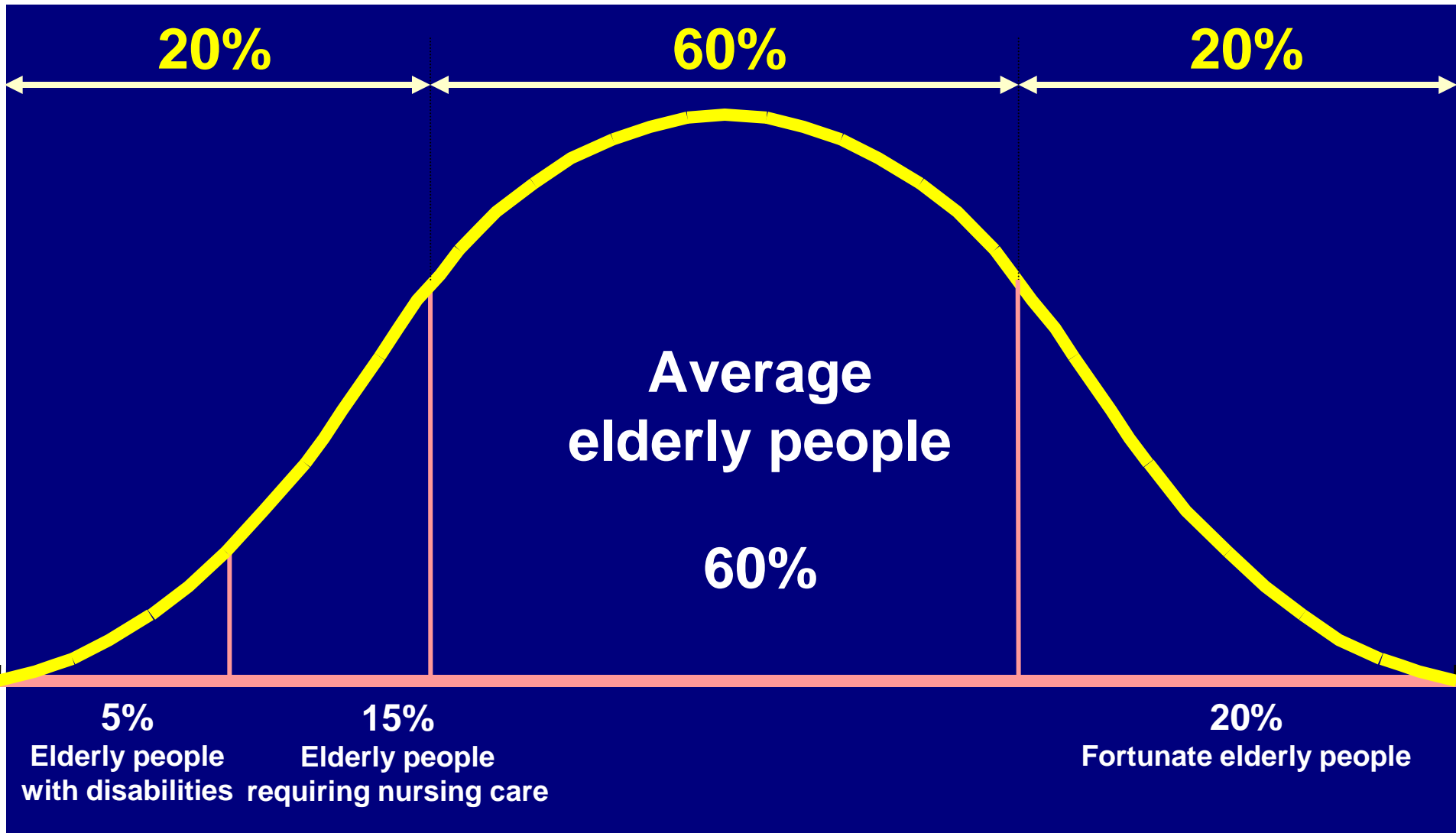
Video Research ACR; total of the figures in 7 regions in Japan

Age-related Changes in Intelligence



**Figure 2 Age-related changes in intelligence
(lifetime changes in fluid ability and crystallized ability)**

Model of deviation value concerning vital life functions (degree of aging) of the elderly

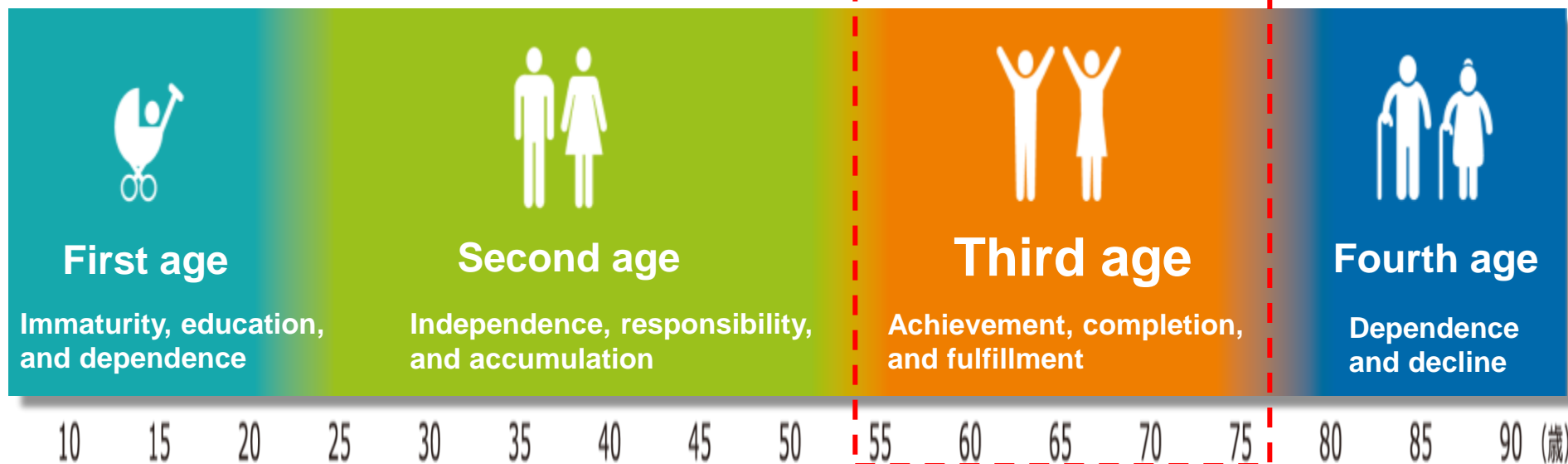




4. Concept of Senior Marketing (Elderly Consumerism)

The theory of the four stages of life by Peter Laslet

Four ages based on our concept



Begin to become aware of aging

"Changes" begin

- Changes in body
- Changes in social position
- Changes in family structure

Consumption and life become **less varied**



















- Changes in body
- Changes in spending

50-55 years old

74-80 years old

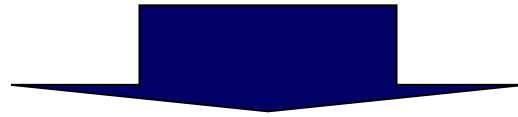
Senior power increases with age

Emergence of “Active Seniors” with financial and time affluence

	College students	30	45	55	65	75+
Money						
Time						
Body						

So why isn't senior marketing working?

Seller/producer assumptions (stereotype)



- Lack of understanding of senior psychology, physiology, and evolution
- ||
- Lack of opportunities to study seniors holistically, as in gerontology

Difficulties in the Senior Market

- ① Challenges due to diversity → Income, employment, past experiences
- ② Difficulty in understanding needs → Wide range of experience and preference
- ② Difficulty in senior product recognition and comparison → Digital divide
- ④ Difficulties in Capturing Unobtrusive Spending → Other-directed consumption, experiential spending
- ⑤ Challenges in predicting future anxieties → Illness, aging, and financial concerns

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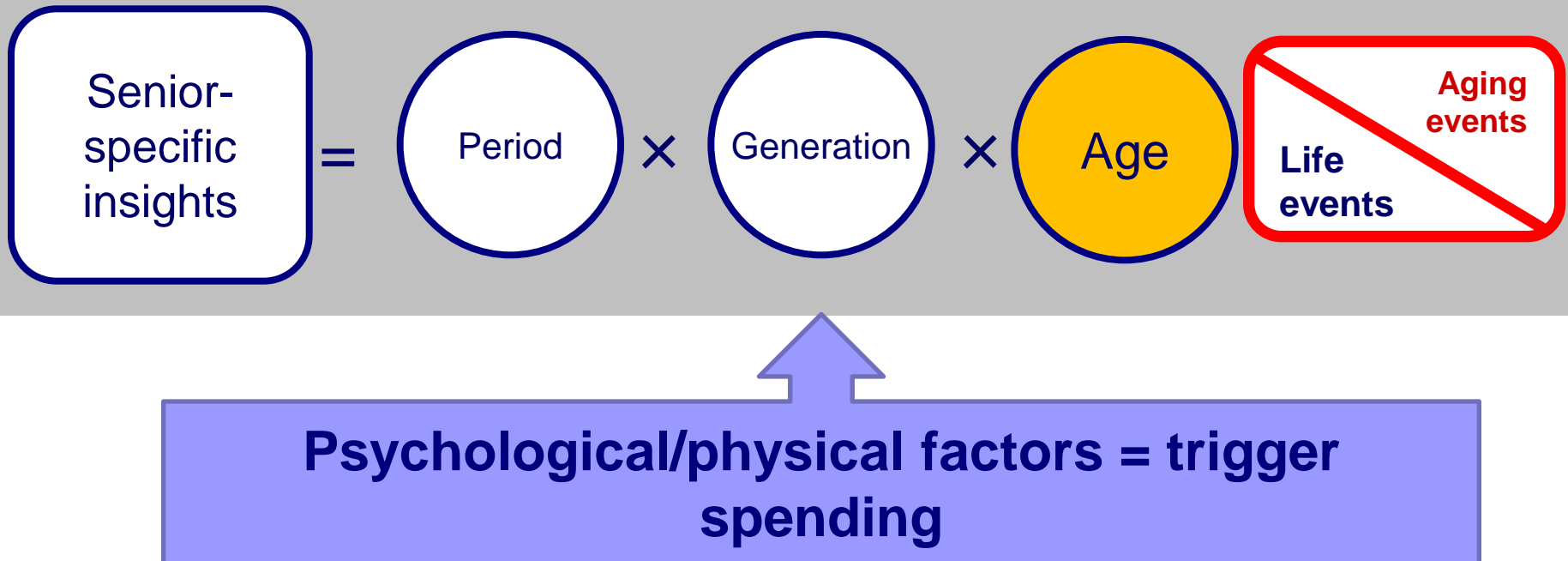
etc

The Senior Market Equation

We aim to understand unique senior insights through two axes:

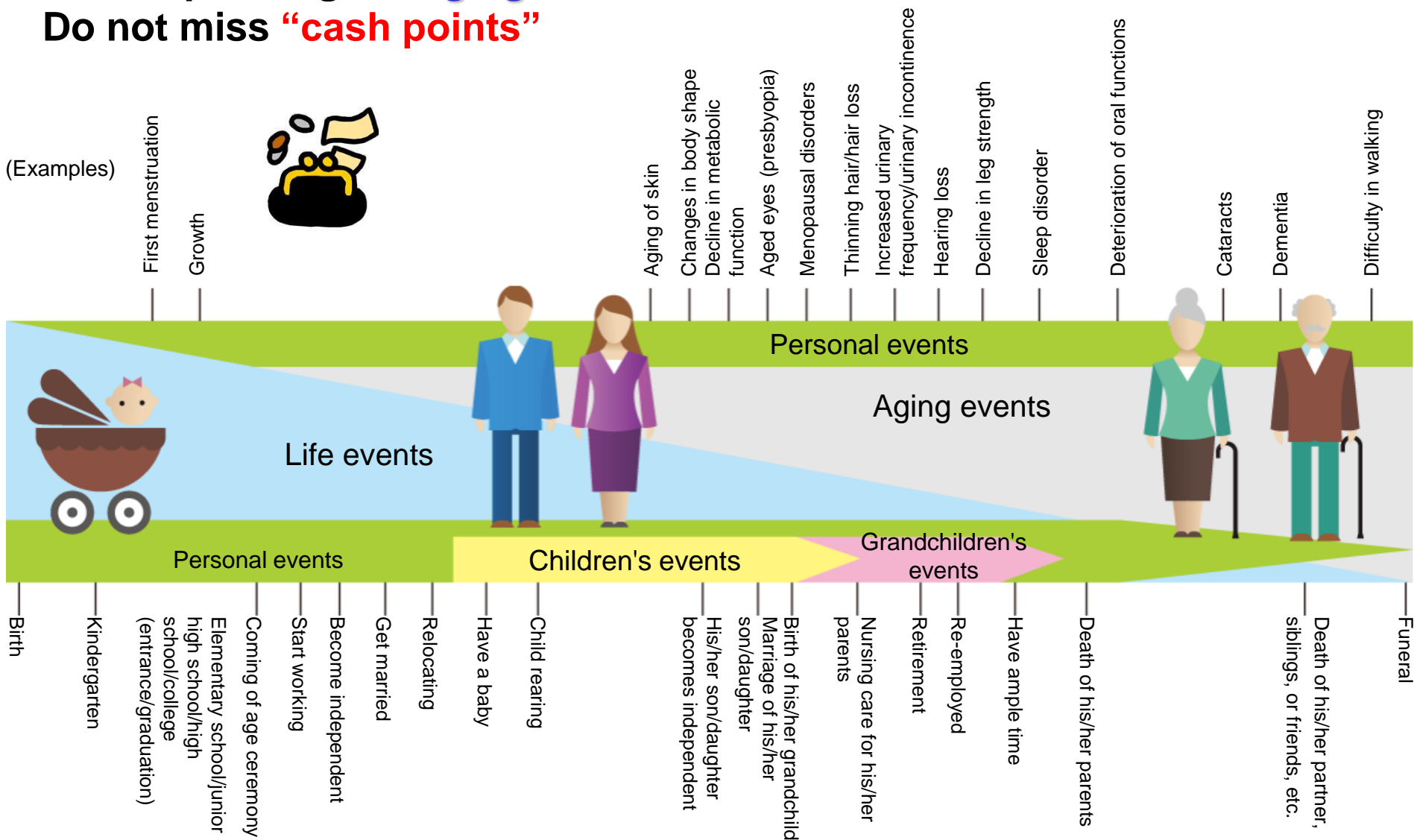
aging events and life events.

The Senior Market Equation



The crucial market trigger for seniors lies in identifying and responding to “aging events.”

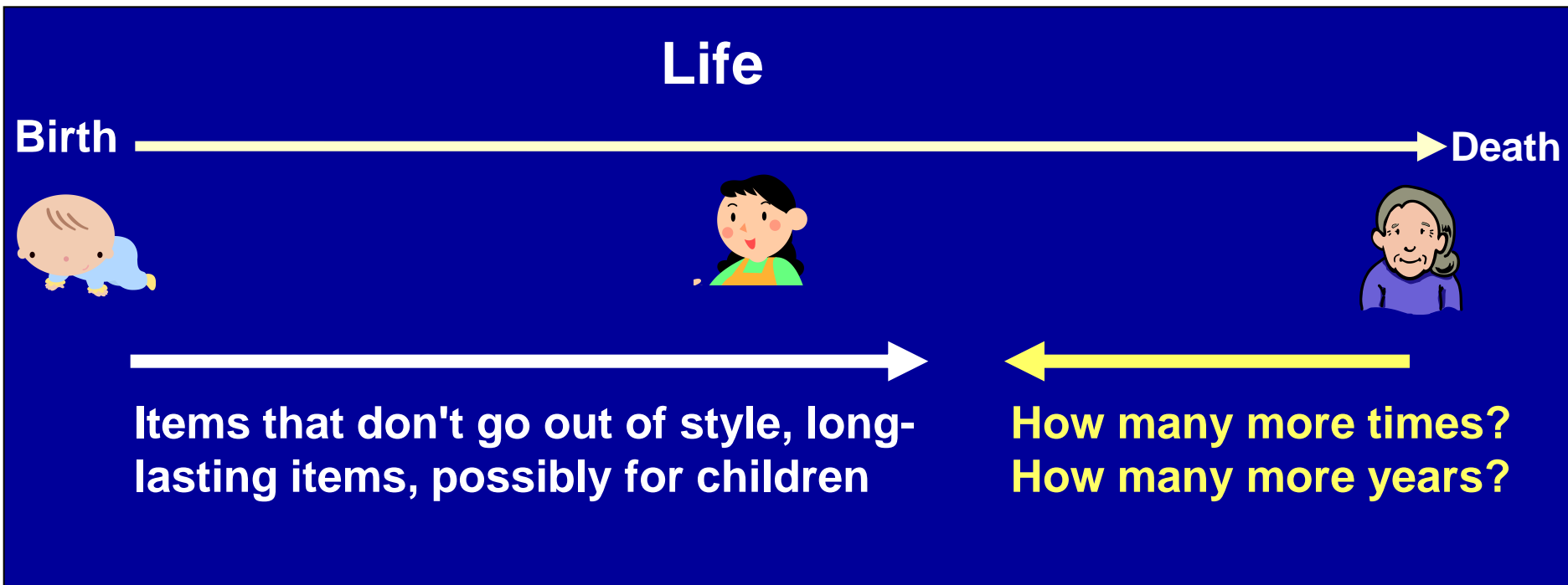
Do not miss “cash points”



Subtraction-based thinking loosens the purse strings!

The strongest motivator for spending is the thought, "This might be my last chance..."

Travel to World Heritage sites while I'm still physically able!
How many more cars will I buy... so I'll buy the one I want!
How many more Paul McCartney concerts can I attend? I'll go while I can!



Triggers: Physical decline/illness, death of friends/acquaintances, sudden awareness of mortality, etc.

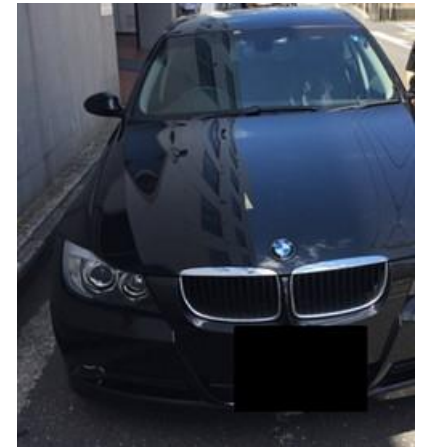
Positive subtraction-based spending

How many more times can I go there? How many more times can I do this?

Trigger: Own illness and death of someone of the same age

Men⇒ 50 years old (When the retirement age comes in less than 10 years)

Female⇒ Sudden awareness of mortality (menopausal disorders, the departure of children and grandchildren)



While I am physically able...

Considering I'll only be purchasing a few more of these...

Negative subtraction-based spending

Given the limited years I may have left to live..

Trigger: Own illness and death of someone of the same age

Men⇒ 50 years old (When the retirement age comes in less than 10 years)

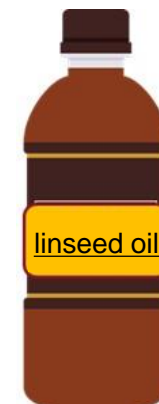
Female⇒ Sudden awareness of mortality (menopausal disorders, the departure of children and grandchildren)



Supplements



Spend to eliminate worries



Lifetime longevity support insurance

Long-term care insurance (private)

Key points of the Senior Market

②

Past



+

①

Today's seniors



+

③

Future

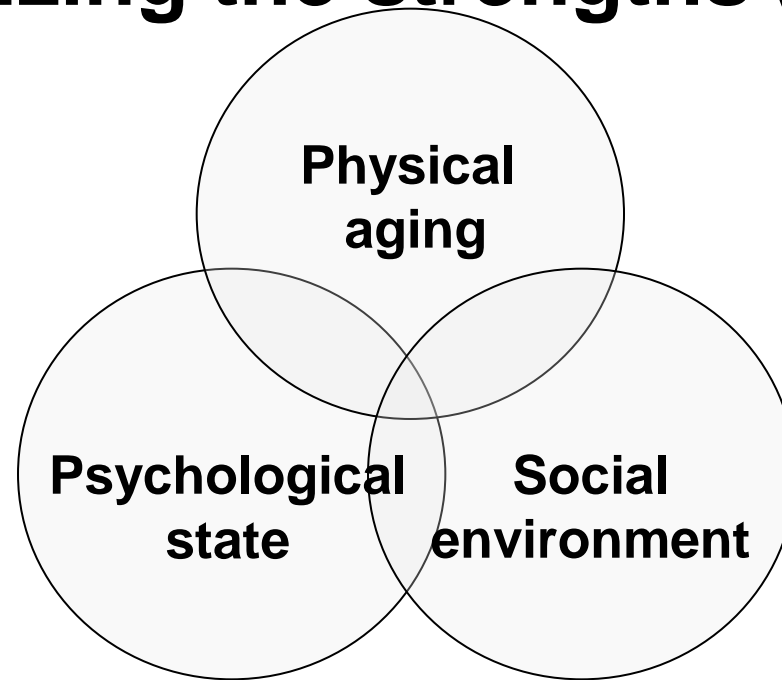


Impact of past experiences and encounters on spending habits

Spending due to current needs, life stage, and social conditions

Spending with consideration of the remaining years of life

“Market-oriented” instead of “Product-oriented”;
however, **capture the senior market holistically** by taking into account their body and mind and social environments while utilizing the strengths (products).



“Seniors” cannot be considered as one category.



Senior people are highly diverse and are different from each other, so it is difficult to grasp their actual selves only from the perspective of the category of the senior age group.

It is necessary to try to understand seniors by period/generation/age while taking into consideration their body/mind and society.

**The last
important
thing**

Acquire the **ability to spot senior people's lies**.

Have you experienced a situation where you created a product based on a survey targeting senior people but it didn't sell?

"Unconscious lies"
Tell lies without noticing.

- Gap between mind and body
- Normal aging

"Lies to get away with the situation"
Hide the true feelings
(especially men)

- Pride
- General/public theories

"Lies due to empathy"
That's what I thought at that time.
(especially women)

- Flexibility/empathy
- High level of coordination skills

"Well-intentioned lies"
Not telling the truth.

- Consideration/thoughtfulness

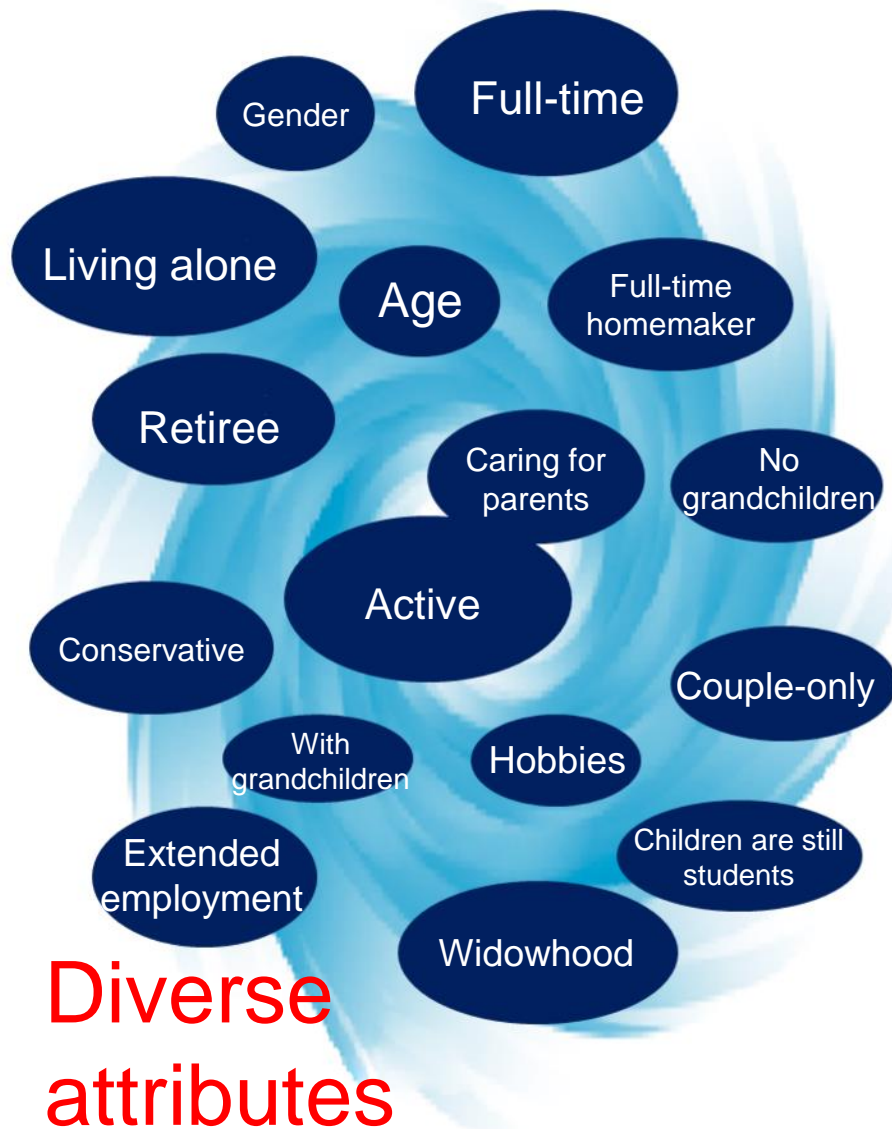
Seek out the true feelings of seniors by observing the context of their conversations or their behavior, etc.



5. Diverse Senior Population

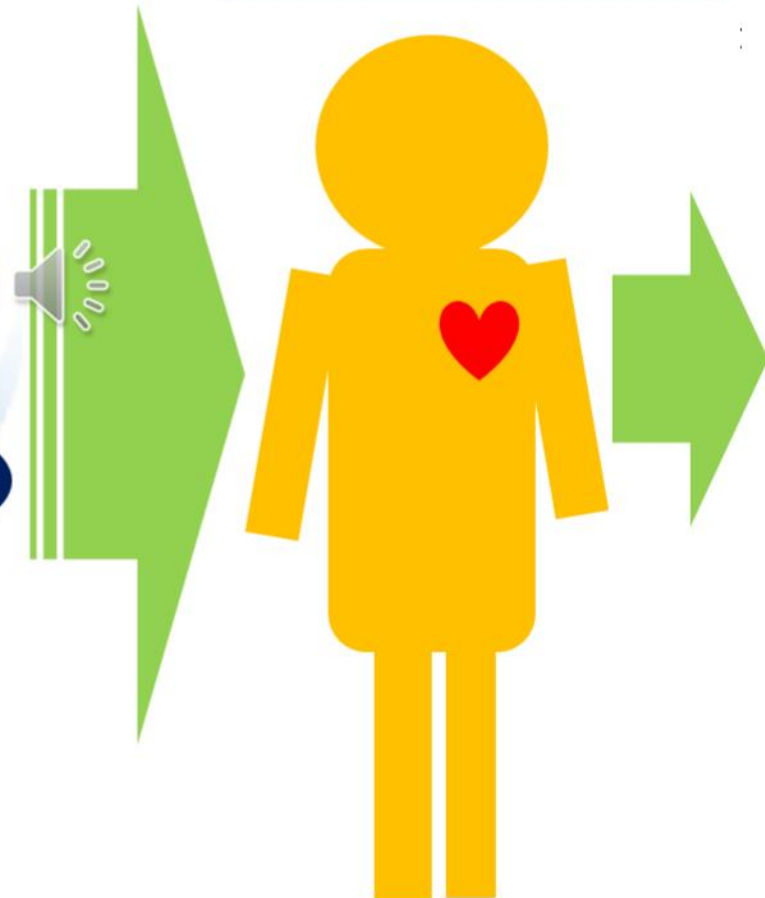
Grouping Seniors in Six New Segments

Understanding the values of diverse seniors

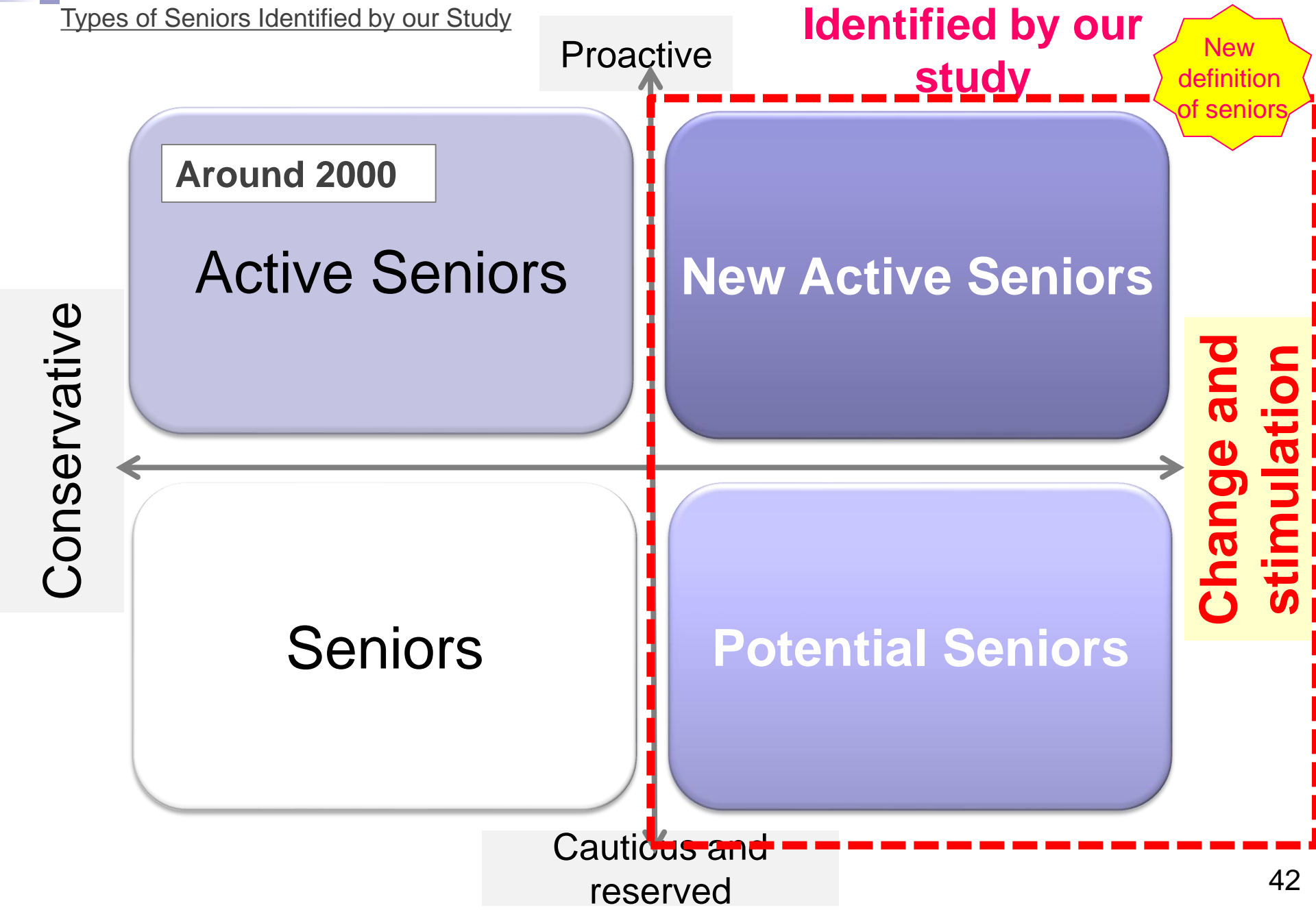


People's behavioral choices reflect their

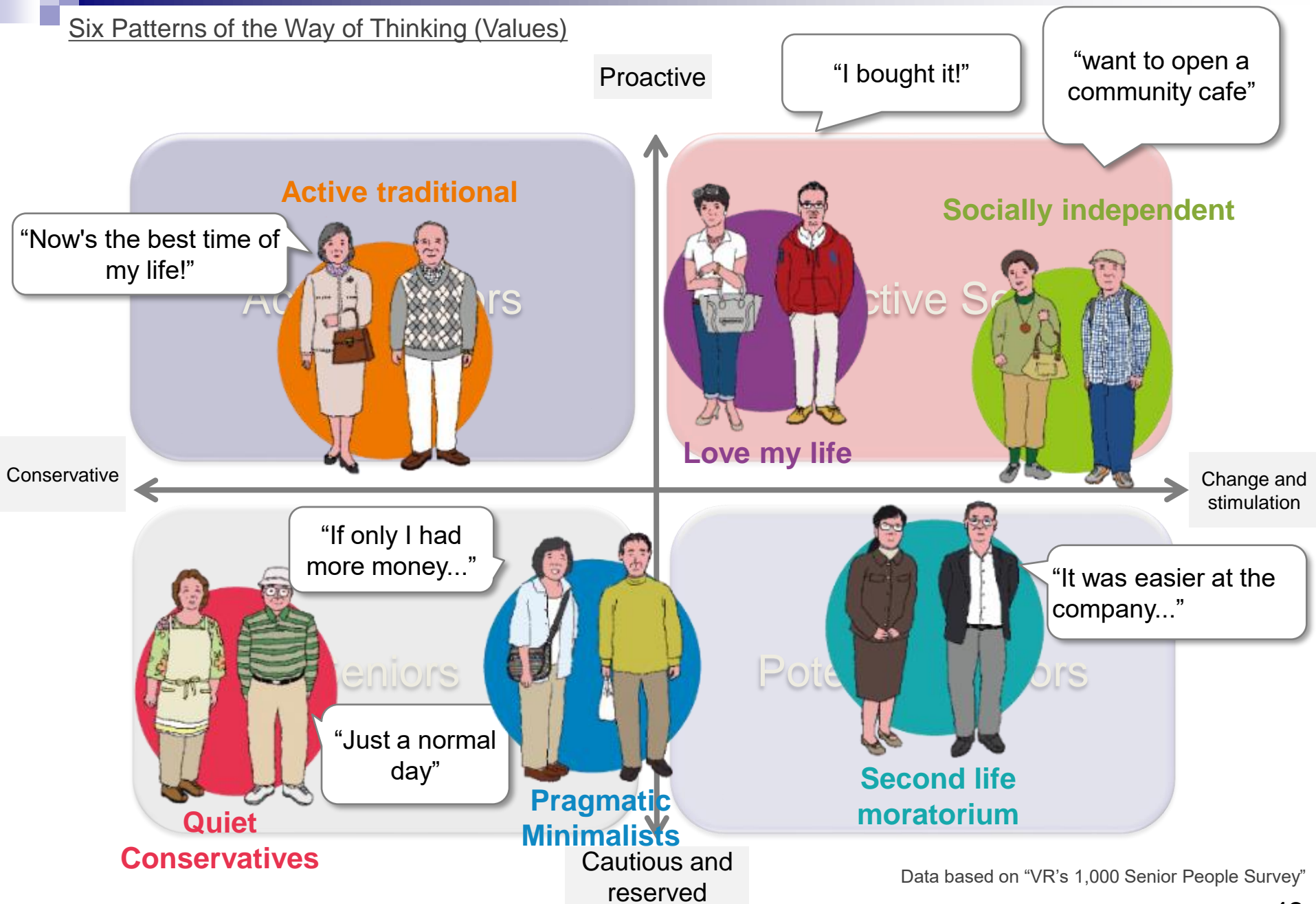
Sense of Value



Types of Seniors Identified by our Study



Six Patterns of the Way of Thinking (Values)



Characteristics by Type

Proactive

Active Seniors

Active traditional



Many live comfortably in retirement with both financial security and ample leisure time. Active in both spending and behavior, yet strongly conservative in mindset.

New Active Seniors

Love my life



A strong pursuit of youth and beauty, with a focus on anti-aging. Enthusiastic about new products and well-informed. Trend-conscious.

Socially independent



Value connections and actively seek new relationships and intergenerational interactions.

Change and stimulation

Change and stimulation

Conservative

Conservative

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Pragmatic Minimalists



Frequently express feelings of financial constraint and resignation. Not particularly lacking in assets, but have a low propensity to spend.

Second life moratorium



A strong fear of being left behind by society, and actively searching for ways to navigate their future.

Potential Seniors

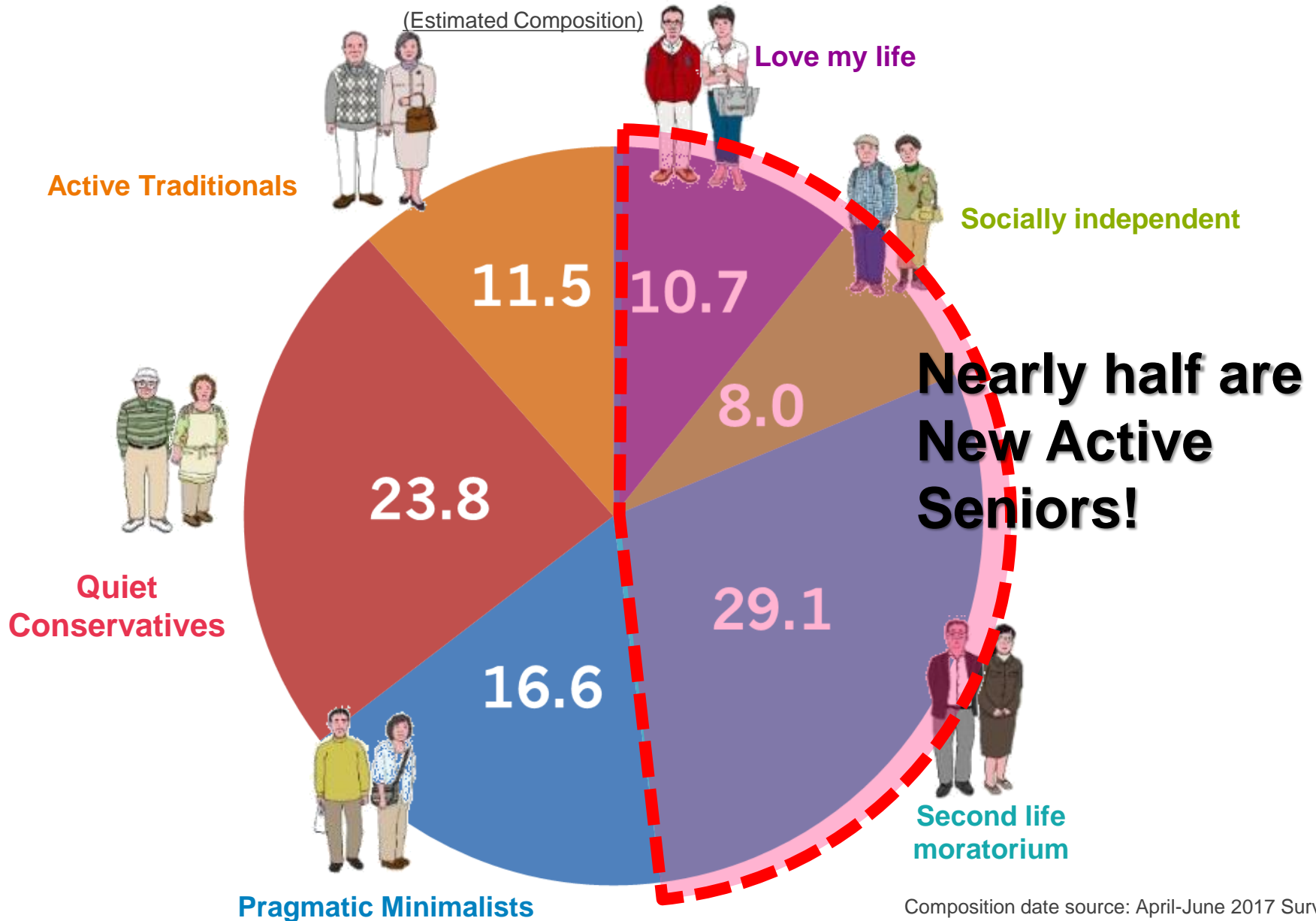
Quiet Conservatives



Content with their current lifestyle and have no desire for further change. Live quietly and peacefully, without strong opinions.

Seniors

Cautious and reserved



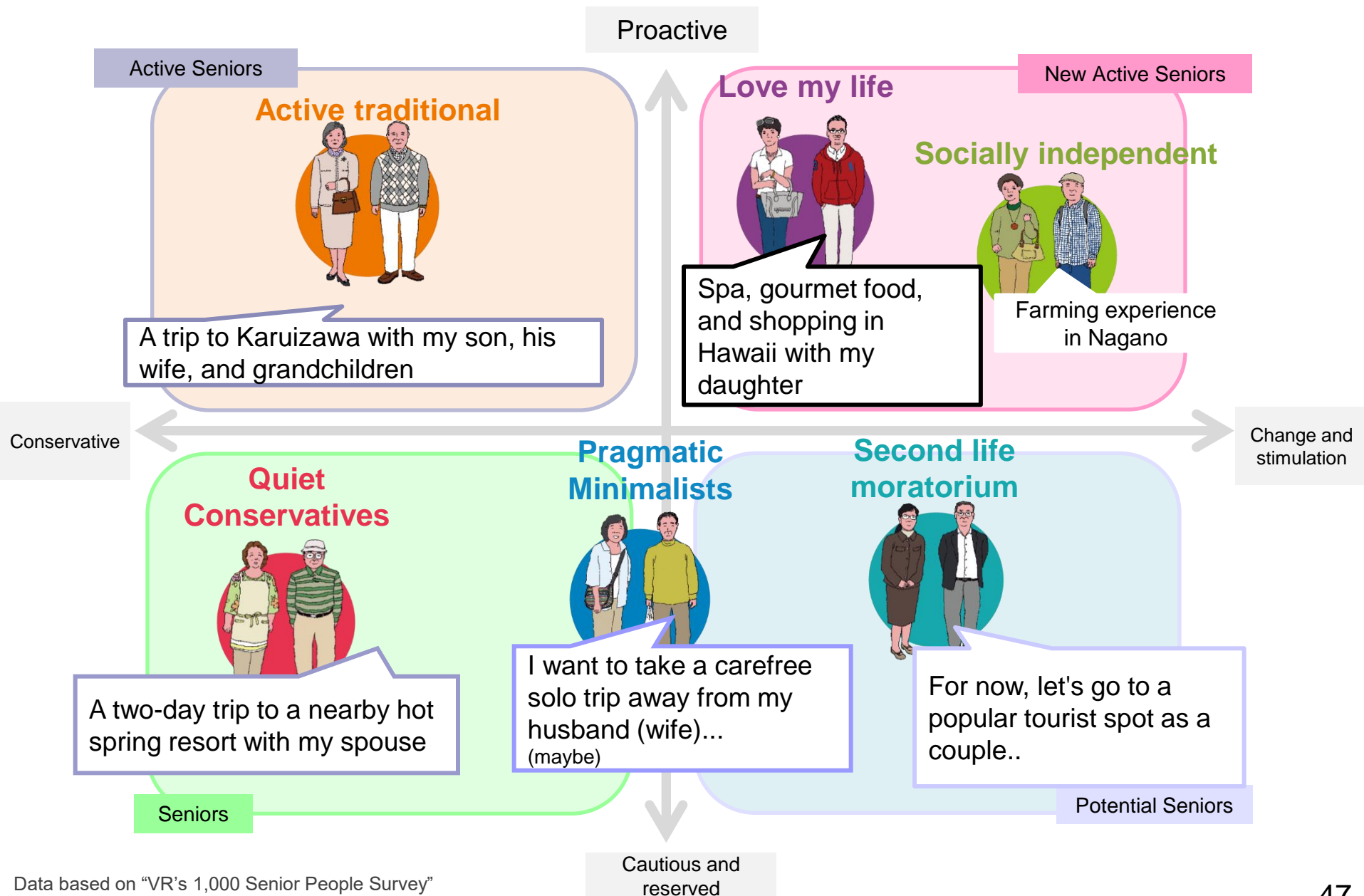
Composition date source: April-June 2017 Survey
(Target: Men and women aged 55-74)



Approach Tips

- **Product/Service Selection:
How Does It Differ?**
-

For example, in planning a travel,



Love my life

International Orientation/

For those likely to spend on all aspects of travel, from pre-trip preparations to local activities and souvenirs...



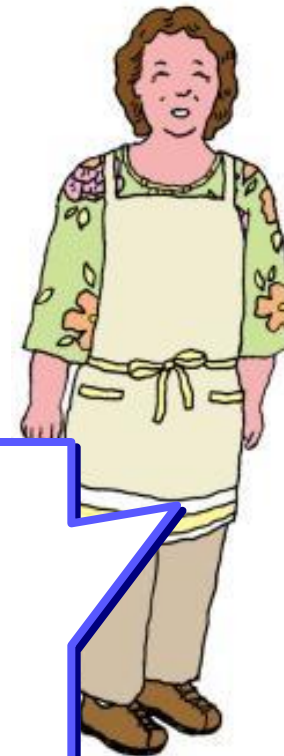
- Cosmetics to maintain **beauty even on the plane**
- Foot care products for non-swollen, **beautiful legs**
- Wrinkle-resistant semi-formal dresses and foldable pumps for restaurants with **dress codes**

- Foldable sub-bags **for carrying numerous souvenirs.**
- Walking shoes designed **for comfort and extended wear**
- **Easy-to-use smartphones** for travel maps and photos

Quiet Conservatives

Domestic Orientation/

For those who take short trips (day trips to two-night stays) and consider souvenirs for family and neighbors essential...





END