Chapter 2

Behavior of Older Consumers in the Digital Age and Creating Marketing Strategies:
Mature Population as Part of Customer 4.0

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ABSTRACT

While population aging is a logical consequence of demographic transitions, marketing managers are increasingly focusing on the needs or problems of older consumers. Namely, in modern business conditions, marketing managers must keep in mind that older consumers, especially those who are not retired yet, are a very valuable and attractive target group in terms of consumption. In this chapter, the authors analyze how demographic factors as well as digital environment factors determine the behavior of older consumers (i.e., the extent to which older consumers may be marked as Customer 4.0) and whether their attitudes and purchase behavior influence the creation of marketing strategies.

INTRODUCTION

The Internet has forever changed the world of marketing, and on this basis, scientists have developed a new approach to marketing - Marketing 4.0 (Kotler et al., 2016; Jara et al., 2012). In that sense, Kotler et al. (2016) introduced the concept of Marketing 4.0 as the integration of four elements: Brand Identity, Brand Image, Brand Integrity and Brand Interaction. Thus, the digital age clearly indicates the inevitability of orientation to Marketing 4.0, i.e. it suggests a transition to a more inclusive, horizontal and social approach to marketing (Dash et al., 2021), not only in developed but also in developing countries. In order to meet the new requirements in an environment where information technology plays a dominant role, it is up to marketing professionals to better understand how the elements involved in the Marketing 4.0 function, and ultimately how they influence consumer behavior when making purchasing decisions.

The changing world of business, new technologies and the development of the Internet in every area of life in recent decades have led to the fact that, in the present digital age, Marketing 4.0 combines online and offline interactions between clients and enterprises (Wereda and Woźniak, 2019). Therefore, the modern client may be considered as a customer, i.e. a consumer who is oriented towards the Internet and actively works online, who is socially involved in the new digital reality, which is why his demands are growing (Saura et al., 2019). Namely, this is the basis of Customer 4.0, i.e. the fourth generation of e-commerce, run by young and very influential generations, where the customer really has control (Freeman, 2017).

However, the question arises as to what is the connection between the new digital reality and older consumers. The market for the elderly consists of consumers over 50 years (Štulec et al., 2017). Most developed countries have aging populations, and consequently seniors represent a growing market for the global economy (Tiago et al., 2016). In this way, the best-known characteristics of market participants, and especially customers and consumers are connected with their generation. Namely, consumer demand is evolving with each generation's changing needs, wants, and values (Noble and Schewe, 2003), and so do the older generations.

Demographic change and aging are macro trends that affect most aspects of socio-economic life of the twenty-first century (United Nations, 2015), so consumer behavior today takes place in the context of a competitive environment, rapid technological transformation and population aging (Tiago et al., 2016). In this regard, new research focusing on marketing strategy, tactics and operations (Jiao et al., 2020) states that understanding customer needs and desires is one of the most important marketing goals.

So, in modern business conditions, marketing managers must keep in mind that older consumers, especially those who are not retired yet, are a very valuable and attractive target group in terms of consumption, and that they have interests, desires and needs that do not differ much from other consumers who are significantly younger than them (Melović et al., 2021; Szymkowiak et al., 2021), and even from millennials who may be younger for several decades. When taken into consideration the greater economic well-being of older consumers with their growing number, more independent life and better health, it may be concluded that older consumers represent a very attractive market for many areas, such as tourism, medicine, culture, recreation, etc. On the other hand, the authors start from the thesis that older consumers today form part of the widest group of consumers designated as Customer 4.0. Namely, the changes brought by digitalization, without a doubt, have not bypassed the elderly population, so marketing managers must take care of it. In order to respond to the aforementioned consumer challenges in the modern age, it is necessary to include strategies of segmentation, targeting and positioning. Customer

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