

## Older Americans Not Out of It

According to the TNS Compete and the Consumer Electronics Association joint study, *Greying Gadgets: How Older Americans Shop for and Use Consumer Electronics*, the age segments of 50-somethings, 60-somethings and 70+ use many technologies at or near comparable rates as younger age segments.

Consumers in their 50s are as likely to own, or plan on buying, an HDTV as those under 50. Eighty percent of 60-somethings used a cell phone in the past week, nearly equal the usage rates of 18-34 year olds. Additionally, 71 percent of 60-somethings and 52 percent of 70-somethings used a search engine in the past week, compared to 77 percent of 18-34 year olds

Older Americans, however, rely more heavily on in-person information sources for purchasing electronics products. Sixty-three percent spoke with a sales associate in-person when researching their consumer electronics purchase, compared to 47 percent of those aged 18-49. And, as might be expected, sixty percent of consumers aged 50 and older indicated that a product having too many features was a main reason for being frustrated with technology, compared to 39 percent of consumers aged 18-49.

Elaine Warner, director, consumer technologies, TNS Compete, opines "... companies need to learn more about how to effectively reach this critical segment of older consumers..." And Tim Herbert, CEA's senior director of market research, continued "...frustrations do exist... (but) should be viewed as an opportunity for companies to... better address the technology needs of older Americans..."

As defined by this study, Older Americans are US consumers ages 50 and over. They were born in 1958 or earlier, and span three different generational cohorts. When Older Americans were children and young adults, common-place technologies such as the Internet, personal computers and cell phones did not exist.

- Baby Boomers (1946-1964)
- Silent Generation (1925-1945)
- G.I. Generation (1901-1924)

**US Population Age 50 and Older** (31% of Total Population)

<b>Age Group</b>	<b>Population 50 and Older</b> (millions)
Total	96.2 MM (100%)
50-59	40.8
60-69	27.8
70+	27.6

*Source: TNS Compete, January 2009*

Over the next 10 years, the Older Americans segment is projected to grow 23%. By 2020, this market segment should be nearing 119 million people and represent 35% of the total population, as provided by the US Census.

Key findings In response to study objectives of older Americans use and perception of consumer electronics technology and shopping behavior

- Older Americans (50+) currently comprise 31% of the US population. In 10 years they will comprise 35%
- 78% of 50-54 year olds are online
- 45% of 70-75 year olds are online
- 67% of 70-somethings use a cell phone on a weekly basis
- Older Americans are 27% more likely to visit travel websites than the average internet user, and 98% more likely to visit health sites
- 24% of 18-49 year olds are often frustrated by technology
- 37% of 60 year olds are often frustrated by technology
- 77% of 50-somethings, 71% percent of 60-somethings and 52% of 70-somethings report having used a search engine in the past week
- 20% of 50-somethings have used a social networking site in the past week
- 24% of those 70+ have watched an online video in the past week

- 60% of all consumers surveyed are planning on spending less than \$500 on consumer electronics in the next 12 months
- In the next 12 months, HDTVs are the most sought after consumer electronics product to purchase across all age groups. Laptop PCs are the second most sought after product
- 83% of 18-34 year olds feel comfortable making consumer electronics purchases for their household. 62% of 70-somethings feel the

The economy is on the forefront of most consumers' minds currently, and this is true for consumer electronics shoppers as well. This survey was conducted in November and December 2008, and economic uncertainty and distress came through in responses about intent to spend on consumer electronics in the short term, says the report.

Few consumers in any age category are planning on spending more than \$2000 on CE in the next year.

- 60% of all consumers surveyed are planning on spending less than \$500 on consumer electronics in the next 12 months
- However, over 60% of consumers aged 18-69 surveyed are planning on spending over \$1000 on consumer electronics in the next 5 years

The projections are lower than typically seen in similar studies, but those in their 50 and 60s are just as likely to spend on consumer electronics in the next five years as younger consumers, implying that a significant amount of disposable income is in play for consumer electronics companies that cater to Older Americans.

**Spending Expectations For Consumer Electronics (Television, Video Players, Computers, Cameras, Cell Phones, Etc) In Twelve Months As Well As In Five Years. (% of Age Group)**

<i>Anticipated Expenditure</i>	<i>Age Group</i>				
	18-34	35-49	50's	60's	70's
Less than \$500					
Within 12 Mos	57.6%	59.7%	57.1%	65.7%	81.4%
Within 5 Yrs	18.9%	21.6%	21.0%	22.0%	49.0%
\$500 to \$999					
Within 12 Mos	23.3%	23.4%	22.4%	20.3%	13.7%

Within 5 Yrs	20.6%	18.8%	17.6%	21.9%	23.5%
\$1000 to \$1999					
Within 12 Mos	14.0%	12.1%	15.8%	12.0%	2.9%
Within 5 Yrs	22.2%	27.2%	28.1%	28.9%	20.6%
\$2000 or more					
Within 12 Mos	5.1%	4.8%	4.7%	2.0%	2.0%
Within 5 Yrs	38.3%	32.4%	33.4%	27.2%	6.9%

*Source: Source: TNS Compete, January 2009*

**Current Ownership of Selected Consumer Electronics (% of Age Group)**

<b>CE Product</b>	<b>Age 18-34</b>	<b>35-49</b>	<b>50-59</b>	<b>60-69</b>	<b>70+</b>
Cell Phone	87%	86%	87%	85%	78%
Digital Camera	81%	85%	82%	80%	63%
Desktop Computer	73%	89%	93%	90%	81%
Laptop Computer	59%	55%	49%	46%	36%
Video Game Console	59%	47%	29%	15%	10%
MP3 Player	54%	50%	36%	19%	9%
HDTV	41%	42%	41%	42%	37%
Home Theater System	41%	41%	36%	29%	17%
Digital Video Recorder	34%	38%	32%	32%	20%
Portable Gaming Device	27%	29%	16%	8%	8%
GPS	22%	24%	23%	24%	17%
Digital Camcorder	20%	26%	19%	14%	14%

Smartphone	19%	16%	10%	7%	3%
Digital Photo Frame	11%	14%	14%	15%	9%
iPhone	6%	4%	3%	1%	0%
<i>Source: Source: TNS Compete, January 2009</i>					

**Interest in Future Ownership of Selected Consumer Electronics (% of Age Group)**

<i>CE Product</i>	<i>Age 18-34</i>	<i>35-49</i>	<i>50-59</i>	<i>60-69</i>	<i>70+</i>
HDTV	23%	24%	27%	27%	21%
Laptop Computer	18%	21%	21%	14%	11%
Digital Camera	18%	12%	11%	9%	8%
Cell Phone	17%	14%	14%	11%	11%
Video Game Console	15%	10%	5%	3%	1%
Desktop Computer	14%	8%	11%	9%	8%
Digital Camcorder	11%	6%	6%	4%	2%
MP3 Player	10%	8%	4%	3%	1%
Smartphone	9%	6%	5%	4%	2%
GPS	9%	7%	7%	5%	8%
Digital Photo Frame	9%	5%	6%	5%	1%
Portable Gaming Device	8%	3%	1%	0%	0%
Home Theater System	8%	5%	6%	3%	0%
Digital Video Recorder	7%	5%	4%	5%	2%
iPhone	6%	3%	1%	1%	1%

*Source: Source: TNS Compete, January 2009*

General conclusions by the report writers say that after surveying and analyzing 3135 US shoppers online:

- "Older Americans are a lot like younger Americans." While differences do exist... 67% of 70-somethings use a cell phone on a weekly basis... a leading indicator that consumer electronics is secured as "mainstream" for Older Americans.
- In addition, there is a universal frustration with consumer electronics products irrespective of age in that products have "too many features".
- And, the study finds that Older Americans are active online, with over 60% of people over 50 using the Internet.
- Finally, says the report, Older Americans are embracing technology and technology products at a rapidly increasing pace.

*The Greying Gadgets study was conducted online to a national sample of 3,135 U.S. adults during November 2008.*

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