

SILVER Marketing: Strategy for Senior Market

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ABSTRACT

This paper aimed to present the result of study in the topic of marketing strategies affecting purchasing decision in dietary supplement product for the elderly in Thailand.

The study by questionnaire from 1,160 elderlies in 6 provinces in Thailand findings yielded the marketing strategies, namely, SILVER marketing to motivate elderly purchasing decision in dietary supplement product. Each alphabet represents the strategic symbol. S = Stimulus as to provoke the desire for sales promotion for quick buying decision, whereas I = Interaction as to build relationships with the employees and elderly clients, having the employees concentrating on service instead of sales volume and understanding in the elderly health hygiene so they could make proper health advice to elderly. L = Loyalty to Brands as customers continue to buy familiar and unique products that they had been consumed for longtime, whereas V = Value that worth the price paid for product quantity and expected benefits from paying reasonable price. E = Ethics as related to the elderly moral consciousness and focused on advertising health products as social assistance, including advice on health problems at no cost, and R = Reach as the elderly easily access to products through the product dealers due to elderly hardships in travelling, the focus was on the products available both in the department and convenience stores.

Keywords: SILVER marketing, marketing strategy, senior market

Over past decade, the number and proportion of elderly or elderly over 60 years in Thailand has increased steadily and is now advancing into the population aging stage as already occurred in many developed countries. As a matter of fact, Thailand has entered aging society since 2007. Population aging is defined as the number of population older than 60 years above 10 percent. In the recent year 2014, the census record of National Statistical Office indicated the number of elderly higher than 13.2 percent with the tendency to increase higher throughout the country. According to the forecasting number of population from 2010-2040 by the National Economic and Social Development Plan, in the next 2 years or by 2017, Thailand young generation comprised of those 0-14 years old would be equal in number as the elderly, whereat the number continues to rise contrary to shrinking number of young generation. By 2040, the number of elderly would reach nearly 20 percent and over 30 percent of the total population, pushing the country into full aged society. Judging from the decline of birth rate and elderly longevity which have been contributed by the advance of medical science, adjustment of attitude and lifestyles, elderly tends to pay more attention to own health, make him live longer than before. Whether these changes are disguised as the opportunity or threat depending on how could our society adapt to

population aging society and be ready to face the challenge for this major upcoming change in Thai population structure (United Nation, 2007) [1]

To display correlations between Thai economy and the elderly, the findings from the survey indicated that over half of total elderly are still employed and generated incomes, but they have diverted from working under the capitalism to outside the system, either in agriculture or self-employed, so there is no actual retirement age. As a result, the elderly's average incomes increased steadily throughout the country apart from the government established a major policy to enhance Long-Term Old Age Fund as to guarantee elderly security and income in Thailand as well upgrade the benefits step by step.

These activities indicated that to date the elderly is not only capable of reducing financial problems from self-care, but also play important role in helping the offspring, and sharing responsibility to better community surroundings. The survey findings in 2009 indicated that Bangkok elderly earned monthly income as much as 25,919 Baht per month, at the same time elderly earnings in all regions and administrative districts have grown steadily and in turn resulting in economic expansion and elderly increasing their spending. The in depth observation in business aspect, escalate purchasing power and increasing number of elderly pushes forward the need for health services and sustaining individual lifestyle, including health products and services to pamper clients. This has led to the birth of Senior Market that provided medicine and Medical Service as well as Nursing care and consumer goods, aiming to promote health for longevity through various channels of distribution and marketing communication, easy accessibility for all senior groups. All of these have opened up business opportunity for product designs, more distribution channels and marketing promotions to match the need of Target Market, namely, elderly that tend to ever increasing in number, not only as the foundation for generating income, developing business and improving health services in Thailand, but also forming long-term economic base at the nation and regional levels in the forthcoming future. (Knodel, John E. and Napaporn Chayovan, 2008) [2]

Arttakarn (2014) [3] as he has written about the Marketing Communication concept as being the extension of marketing-related operation, or put it another way, as the promotion that had become a major motivation force in consumer's purchasing decision as well as creating positive reaction towards the product or service, leading to the ongoing satisfaction until he decided to become a loyal customer through faith and confidence in product quality, brand and organization. This is the ultimate goal for every successful business striving to gain from consumers. One crucial finding expected to gain from the research entitled, "Influence marketing strategies on purchasing decision in dietary supplement product in Thailand" is the acquisition of advance holistic knowledge on similar topic. This research is primarily based on the dietary supplement product so that the outcomes could be implemented in further developing marketing strategies for other type of businesses as well coping with Thailand elder society in the near future, not counting the benefits from current teaching implementation in Business Administration, especially Marketing and Marketing Communication.

This study applied the Customer-driven Strategy of Professor Philips Kotler and Professor Gary Armstrong (2012) [4] as the Marketing-mix tool for consumer to base their purchasing decisions on in order to arouse consumers desire to use the product and service and meet their satisfactions. There are 11 controllable factors on consumers purchasing decisions as follows: product, brand, new product development, price, and channel of distribution, advertising, public relations, Personal selling, sale promotion, direct marketing and online marketing, which could be explained in more details:

1) **Product** is the substances that businesses have to offer and sell to customers to meet their needs, make them satisfy with different goods or services depended on the composition of product, packaging, size, attribute, style, product placement, product varieties and distinction , including product or service quality.

2) **Brand** is the substances creating difference between a business in order to make the consumer remember about the product and business organization. It is the experience and emotional bond, leading to product loyalty and thus creating the difference in product value, forming product reliability and competitive edge between similar products.

3) **Product Development** is the process to respond to consumer desire by focusing on consumer's necessities and the new design of products to the market through production technology and development to yield maximum benefits in the same number of consumption.

4) **Price** is the cost that consumer paid in exchange of benefit received from the product. Consumer would make a comparison between price and quality, including the expected benefits, product image, source of raw materials and buyer income.

5) **Place** of distribution is the delivery process of product to consumer by considering time and proper place for customers to easy access the product.

6) **Advertising** is the business presentation of product or organization to the public through appropriate contents, forms and media such as, television, radio and other publications, aiming to capture the consumers' attention as to arouse their desire for purchasing the product.

7) **Public Relations** helps business to present public information on the product by focusing on building corporate image, good reputation, leading to public trust.

8) **Personal selling** is the use of individual to distribute information and arouse the desire with personnel knowledge, advice, personality and willingness to serve customer, leading to decision to buy the product and two-way communication between salesperson and consumer. Communication is directly affected consumer-decision process with salesperson expecting consumer to conform to his sales pitch until a customer desire such product as well as eliminate the emotional doubt , leading to purchasing decision eventually.

9) **Promotion** is something that business use to arouse consumer curiosity until they wanted to test the product and decided to make initial buying or repeat purchasing or purchase in large quantity.

10) **Direct marketing** is the process directly communicated with consumer with the intention to gain consumer immediate response to product selling through television, radio, telephone, magazine and postal media such as letter, and catalogue.

11) **On Line marketing** is the process that employed internet as the channel to communicate with the target consumer, aiming to achieve maximum sale and brand awareness as to facilitate sale, regardless of location, time and travel. In addition, on line marketing is in trend, making product sophisticated and reliable, at the same time consumer could access information at home before buying.

Just to favor the dissemination of information to all sectors so they could be ready to prepare Thailand to enter aging society in every dimension, many related researches were carried out, including the research entitled, "Influence marketing strategies on purchasing decision in dietary supplement product in Thailand", as an approach to acquire marketing strategies to reach a group of elderlies, a future target group. This study was carried out as the mixture between Quantitative and Qualitative researches to extract the marketing strategies affecting Thai elderly purchasing decisions that originated from Customer-driven Strategy of Professor Philips Kotler and Professor Gary Armstrong (2012). These factors are product, brand, product development, price, distribution channel, advertising, public relations, Personal selling, sales promotion, direct marketing, and online marketing which had been subjected to the statistical analysis to find Determinant of Influence that affect elderly purchasing decision in Thailand. Out of this process, 1,160 research populations from 6 provinces in 6 regions of Thailand were selected. These are elderly from Lampang, Nakornratchasima, Prachuap Kiri Khan, Choburi, Pathumthani and Chomporn.

For the interview was arranged to collect data from key informants, supplementary diet business managers, elderlies, and government representatives to derive at complete and accurate data. To be specific, data from the interview contributed diversified and helpful information to strengthen the research outcomes. For example, the President of Elderly Club at Ministry of Health yielded gave relevant information on government policies. Others key informants including technocrats, professors from the Faculty of Business and Marketing, businessmen, and executive of popular supplementary diet business was the main contributor of data. The confirm study was derived from interviewing Mr. Dul Vongsupsawas, General Manager of Cerebos (Thailand) Ltd. that manufactured supplementary product "Brand" well-known among Thai elderly.

Data were collected, analyzed and subjected to statistical test to acquire quantitative outcome. Subsequent findings indicated that all marketing factors favored Thai elderly's decision to buy supplementary diet. Nonetheless, 6 factors exhibited high level of influence over the elderly's decision to buy and being explained as follows:

Part 1) Personal selling is the most influential factor as compared to other marketing mixes. It was found that salesperson that focused on more on assisting than selling would understand more in health conditions of elderly, enabled to give customer advice politely, service with eagerness and cheerful attitude. After the try out interview with elderly representative, marketing scholar, health product manufacturer and government representative on the subject of elderly well-beings to inquiry about their opinions on research outcomes, the useful findings claimed that the salesperson ability the converse, take the comment and quick respond to the inquiry had influenced the sale of product to elderly, especially if the advice is from a reliable

source, acquaintance, elderly would pay more attention, reliable, and make decision to purchase easily.

Therefore, the research findings and the supporting justification from the interview had extracted the initial component or good personnel interaction with the willingness to help and service. The attention to customer needs is then important strategy to determine elderly purchasing decision.

Part 2) Price is the second most important factor next to elderly purchasing decision in Thailand, especially if the product price matches the quantity and expected benefit.

Once the findings were taken for in depth interview with elderly representative, marketing scholar, health product manufacturers and government representative on elderly welfare to ask their opinions on product price that affected elderly purchasing decision in Thailand, the findings revealed that “the elderly taking the supplementary diet intend to do that on own free will and with sufficient income, they could afford to buy product that better their health regardless of the price. Some elderly spent money extravagantly on supplementary product because they are firmly believed in such product. In this case “Low price strategy” would not work with supplementary diet because the consumer had not based his purchasing decision at the product, instead he judged on the values and benefits since supplementary diet associated with the living. To some elderly, if the health product happened to sell at low price, they maybe doubt if such product is a good product or not. Meantime, a high price product sent out the image of good quality product, especially the dietary product promoting good health. Therefore, the elderly purchasing decision is not focusing on low price, but only the price suitable with quantity, benefit and income as compared with similar product in different brands, as long as the price is reasonable, it does not have to be the lowest price”.

To conclude, the research findings and supporting reasons from the interview indicated that price strategy for Thai elderly must be emphasized on product value even paying higher price.

Part 3) Public Relations is the distribution of information and knowledge on the product without force buying, providing knowledge on health problems and food consumption without request so that information on CSR should favor Thai elderly purchasing decision.

Meantime, data form interviewing marketing technocrat and supplementary diet executive listed public relations as the initial impact on Thai elderly purchasing decision. The advantage of public relations is the elderly looked at it as the advice, consultation and information on the product, not force buying, instead making the elderly understand and believe that such product is good for health before buying. The information regarding CSR is to build good product image and reassure the elderly of product health benefits as well as concerning about society well-being. This concept is coincided with the research finding of Karani Gyanikarani et. al., (2010) [5] in who found retired elderly had more time to select product as well as better judgment and moral as he was getting older. The elderly would not be hesitated to change brand if he found that such brand violated the ethical code.

Therefore, public relations proof to be a part of CSR through product and providing elderly with useful information on product and solving health problems

with no emphasis on sale, which considered as the display of Ethics as the major marketing strategy affecting elderly purchasing decision.

Part 4) Promotion worked well with Thai elderly who would choose product with sample to try out and discount.

The marketing technocrat remarked that the discount could speed up consumer's purchasing decision and giving product samples worked best when the customer tested the samples to see how well the product worked and decided to make a purchase.

Therefore, the research findings and supporting reasons from the interview indicated that promotion is the stimulus marketing strategy affecting elderly purchasing decision.

Part 5) Place of Distribution with many distributors so product could be bought conveniently, especially if such product is available at the Department store or Convenient store. After interviewing marketing technocrats, many have given the reason to support the concept that distribution channel is very crucial for elderly who has limited mobility, then product should be made available for elderly without travelling far away to access the product. Therefore, arranging easily Reach distribution channel is vital for elderly to make purchasing decision.

Part 6) Brand is important for the elderly to focus on familiar health brand that carried good image and he had been taken the product for quite sometimes.

The additional information from the supplementary diet executive indicated that the elderly as the consumer preferred familiar items or those items consumed before because this was the time to avoid hassling with new product.

This finding is coincided with the research of S.D.Singh (2011) [6] who found that the elderly inclined more towards brand loyalty than the young by changing the place to buy instead of switch to other brand if that place is out of that brand. The work of Karani Gyanikarani et. al., (2010) indicated that the elderly were willing to pay higher price instead of risk buying new brand and continue using same product, same brand more than changing brand even with newly developed product.

Therefore, the components from Brand could be considered as the instrument to build elderly Loyalty to Brands.

Apparently, all 6 components derived from factors and variables could be classified as 2 types of communication, whether being the Marketing Communication comprised of Personnel, Public relations, and Persuasive Communication, namely, price, distribution channel and brand which are able to rearrange into new marketing paradigm, so-called SILVER Marketing, which comprised of appropriate marketing strategies to benefit elderly decision-making. The following are the letters representation of each strategy:



S = Stimulus is to arouse the elderly desire through Sales promotion by giving purchase discount to entice purchasing decision and distribute samples for elderly to try out so they know whether the product fits for their ages.

I = Interaction is to act reciprocally between Personal selling and consumers or elderly through the employment of salesperson who is willing to service elderly with courtesy, eagerness, smile and create intimacy and focus on giving assistance rather than making a sale. Such salesperson must understand the elderly health and thus be able to advise and explain quickly when the elderly is in doubt. This should make the elderly trust, confide and interest in the product presented to the elderly up to the point of purchasing decision in Thailand.

L = Loyalty to Brands is the devotion of elderly in Brand of familiar product with good image and the elderly has consumed for longtime. When a Brand represents a product, it is intended for the customer to remember and accept that product so whatever such product wanted to convey to customer, the outcome would affect purchasing decision, especially if the Brand could build loyalty among elderly in Thailand. This is of great advantages because the elderly have the tendency to resist change in Brand even with the price increase.

V = Value is when the elderly concerned the price paid worth the product quality and expected usefulness by willingness to pay high price if the product quality is guaranteed. If the product is set at low price, consumer may think of it as poor quality product. Therefore, to entice purchasing decision, product should not be set at the lowest price only, other criteria and standard price must be taken into consideration. Sometimes, product with high price reassures consumer with feeling of good quality.

E = Ethics is when the business operated with firm morale through Public Relations as the marketing instrument that could reveal itself as a part of CSR to assist the public as related to product, as well as providing advice, solve problems and giving product information without someone request, or force buying. Moreover, the elderly understanding and having confidence in the product should affect the elderly purchasing decision, especially in the retirement age where he has more times to select merchandise, access information. Therefore, any product that focuses more on CSR would affect the elderly purchasing decision who are partial to change Brand upon learning the company has violated the ethics.

R = Reach or accessing product available in places with many distributors, which made it easy to buy such product. Because of elderly travelling and health limitations, they prefer to purchase product available at nearby Department store or convenience stores. The elderly purchasing decision then depends on the access to distributed products so the product should be available for elderly to access easily and thus reduce the access limitations.

In conclusion, SILVER Marketing is the strategy for communicating with the elderly as the consumer and the target market that requires persuasion with complete elements, through communication, product, brand, and price and distribution channel, integrating with marketing mix, comprising of promotion, public relations, and personal selling. These entire devices are destined to become instruments for marketing and marketing communication with elderly in Thailand.

However, through observation, 3 segments of SILVER Marketing emerging as the marketing communication strategies to entice elderly into purchasing decision have been included in Promotion and they are below the line Promotion which coincided with “Communication Branded IMC & Customer Engagement” by Arttakarn Sattayapanich who referred to below the line as the communication pattern expected marketing results from target group, as if sending the infantry or promotion, public relations and personal selling for advance attack with the weapons or brand, price and distribution channel, aiming for Thai elderly, new and large market await for many businesses to capture.

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