



Older Consumers in Malaysia: Spending Patterns, Leisure Activities and Consumption Preferences

Ong Fon Sim

Professor of Marketing - Taylor's Business School

Research Fellow - Universiti Tun Abdul Razak

Honourary Research Fellow - APIAS, Lingnan University



Introduction

- Older people must be allowed to realize their potential for physical, social, and mental well-being.
- This is active ageing - the process of optimizing opportunities for health, participation and security in order to enhance quality of life (World Health Organisation 2002, p. 12).



Introduction

- Active ageing encompasses consumption activities.
- These activities engage older people physically, socially, and emotionally such as emotional affiliation to the products they like or their favourite television programmes.
- The competence that is associated with cognitive functioning in planning involving financial and purchase decisions in consumption testifies the engagement of older adults.

- 
- Theory of disengagement suggests that the gradual withdrawal of older people from work roles and social relationships as inevitable and natural process (Powell, 2001).
 - As consumers older persons continue to function and stay active long after their retirement.
 - Older persons like people in younger age groups are part of the economy – the silver market.

- 
- Older persons in many Asian cultures appear to be thought of by marketers as “invisible consumers” (Ong and Phillip, 2007).
 - This neglect of the ‘silver market’ can be costly to marketers in view of the pervasive influence on consumption brought on by the consumer culture of the 21st century.
 - Many of the older consumers today were once the young consumers of the post war period and were regarded as innovators in the consumption of products (Higgs et al. 2009).



The Silver Market in Malaysia

- Department of Statistics (2010) - 2,251,216 of the Malaysian population are classified as older adults.
- In 2020, Malaysia will be an aged society with 9.9% of population aged 60 years or older.
- The absolute numbers of older adults is growing.
- By 2030, the 55+ market segment will gain dominance as it is expected that a significant jump will occur when the baby-boomers begin to reach their retirement age (while the early boomers are already into their golden years).

- 
- They can be substantial consumers, a point sometimes previously overlooked.
 - In the United States, for example, the over-55 market segment purchased 30% of all food consumed in the home and older consumers may tend to stay more loyal (Moschis et al. 2004).

- 
- In Malaysia, attention on older consumers remains somewhat low (Ong, Kitchen, and Jami 2008).
 - The basic marketing literature seems characterized by the assumption that older adults' consumption patterns and lifestyles remain largely the same over their life cycle, ignoring the possibility of changes in preferences.

- 
- They are heterogeneous as consumers among themselves (Silvers 1997; Dychtwald 1997).
 - In fact, later life consumption is not undifferentiated (Higgs et al. 2009:103).
 - It was against this broad background that the present paper intends to provide insights into the silver market of Malaysia.



Objectives/Research Questions

- What do older people spend on and how do they make purchase decisions?
- Where do they shop for their groceries and why?
- Are older adults in Malaysia active in terms of pursuit for leisure activities?
- What are their media habits?
- How do older consumers obtain their information?
- Are they happy consumers?

THE STUDY

- Data from the northern, central, southern and eastern regions of West Malaysia where choices for a myriad products and services are abundant.
- Household survey - Face-to-face interviews were conducted by a team of trained enumerators.
- A close-ended questionnaire.
- The questionnaire was translated into the Malay language and Mandarin using the back-to-back translation method.
- 537 sets of responses from older adults aged 55 years or older.

Demographic Profile

- Urban respondents - 68.3%
- Rural - 31%
- Mean age - 64 years (SD = 7.3).
 - 55-59 years – 180 (34.9%)
 - 60-64 – 123 (23.8%)
 - 65-69 – 90 (17.4%)
 - 70-74 – 62 (12.0%)
 - 75 or older – 61 (11.8%)
- Male – 57%; females - 43%.
- Malays -56%; Chinese 29%; Indians 12.1%
- Education:
 - Primary/secondary school – 75%
 - Diploma/University -8.6%
- Living arrangement:
 - 58% lived with spouse and children
 - 7% lived with children only
 - 16% lived with spouse only



- Religion:

- Muslims - 56%
- Buddhists 24%
- Christians - 10%
- Hindus - 8%

- Marital Status:

- $\frac{3}{4}$ married with children
- 18% - widowed

- Employment status:

- 22% still working
- 56% were retired or not employed
- 22% were retired but continue to work on either a full-time or part-time basis

- Income:

- 38% had monthly income of less than RM1500.
- 25% - RM1500 to RM2499
- 11.5% - RM4500 or more.

Exchange rate, USD 1 is roughly equivalent to RM3

Expenditure Patterns and Grocery Shopping

Items	Mean (RM)	SD
Food	463.6	325.5
Beverages and Tobacco	76.2	109.3
Clothing and footwear	47.5	72.0
Gross rent, fuel, and power	164.6	193.8
Furnishings and household equipment and operations	35.3	69.2
Medical care and health expenses	100.7	98.9
Transport and communications	135.4	125.7
Recreation, entertainment, education and cultural services	90.3	248.5
Food away from home	129.1	169.0
Beverages away from home	28.4	47.9
Other miscellaneous goods and services	55.6	114.7
Total	1327.4	850.8

Significant differences between rural and urban households – in bold

Grocery Shopping

- In view that food and beverages made up a major proportion of household expenses , we examine:
 - preferences for retail outlets
 - reasons for patronage behaviour
 - shopping companion
 - shopping patterns – time and day for grocery shopping
- Places they commonly shopped at were: sundry shops, wet markets, supermarkets and weekend/night markets.
- Close to 58% shopped at sundry shops (also known as convenience stores or neighbourhood stores), 38% at wet markets and 36% at supermarkets.



Comparing urban and rural adults

- 78% of the rural respondents indicated preference for sundry shops compared to 49% urban respondents ($p < .001$).
- Since supermarkets and hypermarkets are modern retail outlets in urban centres, a higher percentage of older adults in urban areas shopped at these outlets compared to rural respondents
- Wet market and weekend/night markets, are more popular among the rural respondents (46%), only 36% of the urban respondents reported wet market as their favourite grocery shopping outlet.

Grocery Shopping Behaviour

- Reasons for patronage
 - The most important factor was **ease of locating items** or merchandise as reported by 83% of the respondents
 - **Price**
 - **Product assortment**
 - **Comfortable environment**
 - Loyalty card incentives – least cited reason
 - For urban shoppers, **special deals** was important
- Shopping companions – alone, or with spouse, hardly with children
- Shopping patterns – 20% shopped in the evening, 70% shopped in the mornings, and during weekdays (60%)

Reasons for Outlet Choice

Reasons for Patronage	Total		Urban		Rural	
	N	%	N	%	N	%
Ease of locating items	447	83.2	293	79.8	154**	90.6
Special deals	191	35.6	140*	38.1	51	30.0
Payment method	92	17.1	60	16.3	32	18.8
Fast check out	121	22.5	77	21.0	44	25.9
Services, e.g. carry out, home delivery	110	20.5	63	17.2	47*	27.6
Price	319	59.4	212	57.8	107	62.9
Helpful assistants	108	20.1	71	19.3	37	21.8
Comfortable place to shop	204	38.0	135	36.8	69	40.6
Product assortment	287	53.4	188	51.2	99	58.2
Loyalty card incentives	52	9.7	39	10.6	13	7.6

** significant at .01, * significant at .05



Product-related Evaluative Criteria

- Although it is evident that previous research [e.g. Curasi (1995) , Hare, Kirk and Lang (1999) Lipke (2001) Duizer et al. (2009)] support the argument for product specific evaluative criteria, we explore if consumers have a tendency to use a common set of evaluative criteria for product-related purchase decision.
- In the same vein that we test for urban-rural differences in grocery shopping behaviour, differences in evaluative criteria for purchase decisions are also expected.

Evaluative Criteria

	Total		Urban		Rural		Sig.
Criteria	Mean	SD	Mean	SD	Mean	SD	
Design	2.76	1.32	2.80	1.37	2.66	1.22	ns
User friendliness	4.07	0.93	4.10	0.95	3.99	0.89	ns
Safety features	4.35	0.77	4.40	0.77	4.22	0.75	<i>p</i> < .05
Durability	4.38	0.75	4.45	0.76	4.24	0.72	<i>p</i> < .01
Clear labels	3.66	1.26	3.85	1.17	3.24	1.36	<i>p</i> < .001
After sales service	3.42	1.22	3.58	1.20	3.06	1.18	<i>p</i> < .001
Brand	2.63	1.39	2.64	1.40	2.59	1.36	ns
Quality	4.39	0.72	4.45	0.73	4.26	0.70	<i>p</i> < .01
Environmental friendly	3.28	1.21	3.38	1.19	3.08	1.22	<i>p</i> < .01
Comfort	4.32	0.71	4.37	0.70	4.20	0.72	<i>p</i> < .01
Price	4.25	0.84	4.25	0.88	4.94	0.25	ns



Leisure Activity Participation

- In line with the concept of active ageing, this study attempts to examine if older adults engaged in leisure activities which could measure the extent of social involvement among older adults.
- Results showed that at least 531 (or 99%) of them had at least one leisure activity.
- The mean number of activities these older adults engaged in was 1.8 (SD = 1.1).

Leisure Activity Participation

Activities	Total		Urban		Rural		Sig.
	N	%	N	%	N	%	
Travel	36	6.7	31	8.4	5	2.9	<i>p</i> <. 01
Reading	168	31.3	119	32.4	49	28.8	ns
Exercise	111	20.7	76	20.7	35	20.6	ns
Shopping	33	6.1	30	8.2	3	1.8	<i>p</i> <. 01
Watching television	279	52.0	214	58.3	65	38.2	<i>p</i> <. 001
Going to movies	31	5.8	28	7.6	3	1.8	<i>p</i> <. 01
Listening to music	29	5.4	23	6.3	6	3.5	ns
Gardening	148	27.6	87	23.7	61	35.9	<i>p</i> <. 01
Others	136	25.3	96	26.2	40	23.5	ns

Other activities: engaging in religious activities, handicraft work, socialising with friends, and visiting



Source of Information for Products and Services

- As consumers, older adults will have to rely on certain sources of information to make informed purchases.
- The present study collected data on the possible sources of information that older adults relied on for a list of commonly used products and services:
 - travel, financial matters, grocery products, fashion, appliances and furniture, medical and health care, and shopping.

Source of Information for Products and Services

- **Children (sons and daughters) formed the major source of information for these older adults across all categories of products and services.**
- **Next, friends were relied upon for information needs.**
- **Reliance on interpersonal source for information.**
- **Although these older adults tended to shop for groceries alone or with spouse, information for grocery products flowed from either sons or daughters to these older adults.**

- 
- **The mass media, radio and television as well as newspapers did not feature as popular source of information across categories of products and services except for shopping**
 - **The Internet was the least used source.**

Are They Happy Consumers?

- A list of items that could affect shoppers' satisfaction are included: shopping facilities, consumer protection, elderly friendly products, customer service, complaint channels, check-out counters, rest areas, stairs and security.
- Measured using 5-point Likert scale, 1 = not satisfied, 5 = satisfied. Total score ranged from 9 -45.
- Over all, they were not particularly satisfied as indicated by the mean score of 25.56, (SD = 7.1).
- They were not happy with all of the items covered in the study except **rest areas** and **customer services** that had a mean score of greater than 3.0.

Life Satisfaction

- Life satisfaction was measured by using the Satisfaction with Life Scale (SWLS) (Diener et al. 1985).
- Respondents were asked to indicate on Likert-type scale, “1 = strongly disagree” to “7 = strongly agree”.
- The mean score was 25.13 (SD = 5.7).
- Using Pearson correlation, satisfaction as consumers and life satisfaction showed a positive significant relationship with $r = .173$ ($p < .001$).
- Comparing the level of satisfaction with consumption and life satisfaction among the rural and urban older respondents, results showed no significant difference.

Discussion and Conclusion

- As has been evidenced in the paper, marketing grocery products to older adults in Malaysia should begin with an understanding of where and when they buy, and an appreciation of the evaluative criteria they adopt, as well as the sources of information they rely on for purchase decision.
- Results of the study show that older adults in Malaysia are active; they know what they want and are judicious about what to look for in a purchase.
- Their independence is evident in shopping activities as they tend to shop alone or with spouse. And their engagement in leisure activities.

- 
- Less than 20% shopped with their children even though they relied on their children for information relating to various categories of products and services, including grocery products.
 - Their attitude towards purchase decisions is not different from older adults in more advanced countries (e.g. Biren 1994; Duizer et al. 2009).
 - Marketers should avoid a narrow and inaccurate stereotyping of them (i.e., they are older consumers and no longer active).

- 
- As the market for older consumers expands over time, marketers would be wise to consider potential and profitable segments not just for their basic needs, but for other leisure related products or services.
 - In the UK households headed by retired persons who belong to the younger cohorts of older adults are found to spend more on leisure, but their expenditure on food and fuel declined (Higgs et al. 2009).

- 
- For communication strategy, marketers must take cognizance of the information sources used by older adults.
 - Appeals adopted in advertising message should incorporate aspects that could appeal to both older adults and their children since older adults rely on their children for information.
 - The children are likely to play roles of information gatherer and influencer.

- 
- They are the gate-keepers and opinion leaders in the households of older people.
 - Marketers, when deciding on television stations and newspapers as vehicle of advertising message should consider the stations watched and the newspapers read.
 - In particular, advertisers targeting the ethnic Chinese market must understand that newspaper readership habit in urban and rural areas can be different.



Limitations

- The lack of a clear control group might be seen as a limitation.
- In the future, we would propose to extend the study with a control or at least a comparison group from younger age ranges, so that we can make stronger statements about consumer attitudes and purchase behaviour of older adults, for within and between age groups differences.
- Behaviour patterns may be product specific. Thus future research should examine different product categories specific to older adults and those that are **age neutral**.