

SA's over 55s: Redefining aging and reshaping consumer behaviour

South Africa's over 55s age group is gaining significance and evolving, which is especially valuable in the context of a struggling economy. Yet brands are no longer interested in them.



Source: © Mikhail Nlov [Pexels](#) SA's over 55s group is gaining significance, but brands are no longer interested in them says UCT Liberty Institute of Strategic Marketing's *Forerunners Report*

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The UCT Liberty Institute of Strategic Marketing's *Forerunners Report (Over 55s)* highlights the importance of this age group, which despite limited research on this demographic, is redefining aging and reshaping consumer behaviour.

Dr James Lappeman, head of projects at the Institute and report co-author, says that the stereotype that this segment has already made their brand choices, is far from the truth.

"Most are ready to switch brands, and older consumers are also highly influenced as they shop for value, convenience, perception, and trust. However, 55% say that brands are no longer interested in marketing effectively to them."

One of the country's fastest-growing demographic segments

As the life expectancy of South Africans continues to increase, the number of South Africans over the age of 55 continues to grow, with this segment now numbering over eight million.

This makes it one of the country's fastest-growing demographic segments, with an aggregate taxable income of over R600 billion annually.

This segment will continue to grow, and this trajectory is set to continue well into the future.

Active for longer

The Forerunners Report found that not only are middle-class South Africans staying economically active for longer, but they are also reimagining traditional models of retirement.

“Through our research, we found that middle-class South Africans want to remain active, with many continuing to work both out of choice and necessity,” says Paul Egan, managing consultant at the Institute and report co-author.

Interestingly, Egan adds that they found that 64% of middle-class individuals aged 55-60 have children living at home.

“This means that the empty-nester stage, when adult children become independent, appears to be happening later in many cases, leading to parents bearing financial responsibility for a longer period,” he says.

At the same time, the study found that nearly two-thirds of middle-class individuals aged 55 to 60 expected their financial position to improve over the next five years. “This is likely connected to an anticipated 'windfall' when financial responsibility for children ceases,” says Egan.



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Longevity: a shifting horizon

Longevity is one of the 'horizons that have shifted' for those over 55, as detailed in the study - simply stated, South Africans are living longer.

The study found that 52% of middle-class individuals under 55 expressed a desire to live beyond 90.

And with age comes different dimensions.

According to Andrew Scott, author of *The 100-year Life*, in the UK and the US, a 75-year-old today has the same mortality rate as a 65-year-old from 40 years ago. So, 75 is the new 65 - a notion supported throughout the research.

“Our commitment to this kind of work lies in continuously gaining deep insights into our diverse audiences, allowing us to create tailored solutions and services that align with their unique needs and life stages”, says Kroshelan Chetty, experience & journey management executive at Liberty.

“We are deeply committed to addressing the needs of the Forerunners segment, with an unwavering focus on helping them with their transition into this next chapter of their lives.”

He adds, “Dispelling the notion that people shift from being producers within the economy to becoming solely consumers once they have ‘retired’ is fundamental to unlocking the immense potential and opportunity that exists,” said Chetty.

A shift in retirement

Another shift noted in the report is the growth of the Black middle class as SA prepares to usher in its first major wave of retirees in this segment over the next 20 years.

This segment will set the precedent for what 'Black retirement' looks like, as they become the first generation to do so with resources, which historically has not been the case.

The report introduces the notion of a 'Grey Zone' in contrast to the traditional three-phased life model of 'learn, earn, retire' – wherein people are still working up until their late career stages and transitioning into the next chapter over time.

“Our research is showing that there is this ‘bridge phase’ before retirement, characterized by resetting priorities and an increased identification of one’s future,” Lappeman explains.

Thabang Ramogase, Liberty’s chief marketing officer, says, “The Forerunners are indeed writing a new playbook – they are taking more control and are no longer willing to be 'passive recipients' of retirement thinking.

“That makes it incumbent on us as financial services providers and marketers to meet them where they are and ensure that our product solutions and marketing programmes are aligned with this new horizon for those over 55 as detailed in the report.”

This 18-month study was conducted through a survey of 1,900 people, with over 300 interviews conducted by the UCT Liberty Institute using quantitative and qualitative methodologies.

The report is available to subscribers of the UCT Liberty Institute’s research library.

For more, visit: <https://www.bizcommunity.com>