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GREY MARKET

Ahead of any evaluation or research into the area of marketing dubbed the “grey market” is undertaken, an immediate and thorough knowledge of the subject area is compulsory in order to understand, explain and justify its application towards the self-chosen advertisement.

It has been noted that it is complex to divide people into age cohorts, an assemblage of people with comparable ages who also more probably have shared close or similar life experiences. But when marketing a product or service a specific target group is of a paramount need in order to gain suitable exposure.

A simple definition described in the literature text by *Solomon, Bamossy & Askegaard (1999)* is that the grey market is the “*term used to describe the phenomenon of a fast growing segment of consumers aged 62 or older.*”

In fact in most cited examples the grey market is often referred to as being from the age of 55 onwards. Its description as a phenomenon is a valid and justified one as the European grey market is relentlessly growing and by the year 2010, almost a fifth of all Europeans will be over the age of 62. This is due mainly to the impact of another market segment, referred to as the Baby Boomers.

The continual growth in the grey market is due mainly to the increase in the average life expectancy of the majority if not all members of the public, which can be put down to improved living and healthcare conditions. As the average age continues to spiral upward due to the increase in proportion of the older market, the European populace is considered to be continually and steadily “greying”. This sort of population trend has, and will continue to have, major connotations in terms of the outlook marketers acquire when promoting goods and services.

Segmentation Of The Grey Market

The grey market is complicated to examine when looked at as one whole segment of a still larger population market. It is understood that to make it easier to seize advantage of this market, then it must be split in to four sub-segments consisting of an “*older*” group, that contains members that are aged between 55-64, an “*elderly*” group that consists of 65-74 year-olds, an “*aged*” group that is occupied by people in the 75-84 age bracket and lastly the “*very old*” group which consists of anyone aged 85 and upwards.

It is established that approaches must only be made with the prior understanding that a major flaw in the behavioural aspects of the grey market is the unpredictable interpretation any individual has concerning dealing with later life. Different people approach things in different ways. Some try to stop the aging process altogether, some get depressed about the thought of getting older and some adopt the view that old age is a new and exciting challenge in life.

A widely used approach to the segmentation of the grey market is known as ***Gerontographics***, which divides the market into sub-sections based on the individuals physical / mental condition and social environment, influences and behaviour.

A gerontographics table compiled by *Solomon, Bamossy & Askegaard (1999)* that was sourced from *G.P.Moschis (1996)* show that there are four groups known as the;

Healthy Indulgers – who occupy 18% of the grey market and who have in life experienced less than their fellow grey market occupants in terms of spouse deaths or retirement and so perform like younger customers in order to achieve their focus of enjoying life. The marketing implications of this group are that they are excellent customers for the discretionary services in order to achieve a more independent life.

Healthy Hermits – this group is around 36% of the grey market segment and is the most prominent of the four. These people fit the description of becoming withdrawn when life events turn against them, for instance, the death of a family member. They also despise the fact that they are expected to perform and appear like a stereotypical old person. The marketing implications of this section of the market are that they endorse and sustain the “usual”, the things that they have constantly known.

Ailing Outgoers – this group consists of around 29% of the grey market and is occupied by people who are high on life and have positive self-esteem. Even though they fully comprehend life’s limitations they are still determined about the issue of enjoying life. The marketing implications of such a group is that they need products and services catered for their needs and specific disadvantages.

Frail Excuses – this segment consists of around about 17% of the overall share of the market and is the smallest group of the four. These are the people who have adopted a new way of living to suit the means of old age and are emotionally / mentally stronger than most others. The marketing implications of this group is that goods and services need to be aimed at an almost house bound consumer.

Today marketers have an accepted set of prominent values that are used in relevance with the grey market in mind. For strategies to succeed within a market of this orientation, then they must include in one or of the following factors that every one of the “greys” aspires too.

- *Autonomy*
- *Connectedness*
- *Altruism*
- *Personal Growth*

Source: *Wolfe (1994)*

The Advertisement

On the whole the elderly have shown a keen interest in adverts that boost their self-esteem, enabling them to feel as if they are younger or not as inhibited than they really are. So as an example of this basic theory I have chosen an advert that I believe is stereotypical of what is produced by marketers and advertisers in order to capitalise on the grey markets perceived potential. The basic guidelines of what have deemed to be effective promotion towards the grey market are clearly visible within such an advertisement (Original Advertisement available in the Appendix).

This advert's aim is to convey a simple message to the consumer in order to gain their understanding of the product available and hopefully their support through a purchase. The advert does this in a number of ways including its language, visual appearance and subversive meanings.

Language

The language of this advert is simplistic in its use, as not to over stress the reader with large indigestible words or phrases. The objective of this approach is not to overwhelm the audience with mind-boggling technical jargon. The creators have simplified all of the deemed relevant benefits through the system of bullet pointing each one as to avoid confusion and lead the eye to the significant factors. The thing that is extremely significant in this advert concerning the use of language is the amplification of the word "new". This enables the reader to imagine the thought of having the newest design instead of only considering the continual theme of old age. This advert is aimed at the elderly who have difficulty with their mobility, and so the use of the names of "JAZZY" and "PRIMA" are appealing to the youthfulness of this market.

The play-on-words used in the slogan of the advert, "*A Real Chair Not A Wheelchair*", is focusing upon the reader's desire for greater freedom through utilising all options concerning their mobility. Through using a slogan of this sort they are again trying to eliminate the theme of old age by, in this case, eliminating its biggest symbolism, other than the walking stick, the wheel chair. They are hoping that the message that is heralded is that this is not a wheelchair, and so is one less symbol that defines the elderly as being old and incapable.

In regards to the slogan, I can see what the marketers have tried to do as I have stated above but in my opinion the fact that the word wheelchair is there at all, would bring the tone of the advert down within the eyes of some, if not most, of the grey market.

Age Concern, a charitable fund that ensures the welfare of older people, have some interesting facts that I believe could have been incorporated within the text as a way of enhancing its effect and in turn making the product more of an essential than a desire. For instance in a section regarding elderly citizens' safety it was found that "(GB) In 1998, of 906 pedestrian fatalities on the road, 422 (47%) were over the age of 60" and "in 1998/9, of the pensioners living alone, 13% had a car, compared to 72% of all other demographical households." (www.ageconcern.org.uk)

Media Used

This advertisement placed within the magazine known as "The People's Friend" (Copy available within the Appendix) that is primarily targeted at women in the age of sixty and eighty. Due to the age cohort targeted the creators of the advert have considered it to be a suitable vehicle to convey their message/sell their product. At only 58p the magazine is cheaper than most other grey market targeted magazines, but isn't as well circulated. The magazine is certainly aimed at the age cohort stated above due mainly to the cross-stitch and knitting patterns and the cooking sections featured within it. The magazine also contains stories of idealistic love, wartime coming-togethers and British holiday destinations descriptions.

In my opinion, the best way to utilise the advert's potential as it is at present is to place it within a more high profile and better circulated magazine within the grey market or even Saturday and Sunday newspaper supplements along the lines of "The

Times” or “The Telegraph”. I mention these two in particular not only for the larger profile and distribution they both have in comparison to “The Peoples Friend”, but also because a product such as a power chair requires a substantial outlay of finance to purchase and so would be better having been aimed at the middle-upper classes. As a general rule these classes are notoriously broadsheet readers, and also this would be visible to the male grey market as The Peoples Friend is regarded as an “old ladies magazine”.

Magazine Positioning

Even though the advert is located as far back as page forty and not on one of the more powerful pages, in terms of audience attention (i.e. front or back cover, first two inside pages), the advert is in a fairly prominent position. With it being placed in the top left hand corner of the two page spread on pages forty and forty one, the readers of the magazine will be immediately drawn to the advert as most people read pages top to bottom and from left to right.

With regards to the adverts positioning on the page that it was on was perfect as it amassed almost a quarter of page forty. Other than placing it on the back or front covers or the first two pages inside the positioning of the advert was good.

Graphics and Visual Effect

The graphics of the advertisement have a certain appeal about them in that they emphasise the object of sale and place them in positions of prominence within the placement of the text and the images of the advertisement. Also the main feature has been placed first with the demographics of the potential consumer, being placed at the foot of the advert. This has been done to firstly capture the attention of the reader with the product on sale and then the details come after as not to lose the readers interest at the first glance.

Gestalt - When looking at this advertisement it is perhaps relevant to explore the literature of Gestalt psychology concerning the way in which people derive their meanings from the totality of the stimuli, rather than from any individual stimulus (Solomon, Bamossy & Askegaard (1999)). When applying Gestalt psychology to the advert in question, we have to consider that differing age cohorts will interpret the overall message in different ways. This is no more evident than when applying the concept of Gestalt psychology, known as the, figure-ground principle. The concept is based upon the idea that one part of the stimuli is dominant and the rest becomes the components of the background. In relation to the advert, its images of the power chairs are the most prominent and so confine the text, but not so much the slogan, to the background. Concentration is lost on the reader as he/she is more gripped with images rather than of the facts.

Summary

To summarise this essay I would say that the grey market is by the year 2001 to become the largest source of marketing in Europe. Therefore marketers have begun in recent years to acknowledge that their main source of income will come at the hands of the “greys”. With the larger disposable income that they have they are without doubt an important area of study and research. With the likes of Solomon, Bamossy & Askegaard, Wolfe and Moschis all acknowledging that their potential will become unparalleled in the not too distant future, further segmentation has already

begun on dissecting the market, which was once disregarded as the least important, in order to capitalise on the “greys” affluence and desire to effectively, and without condescending stereotypes, distribute their wealth.

Bibliography

Solomon, Bamossy & Askegaard - ***“Consumer Behaviour: A European Perspective”***
(1999) – Prentice Hall Inc.

G.P.Moschis – ***“Life Stages of the Mature Market”*** (1996)

(www.ageconcern.org.uk)

David B. Wolfe – ***“Targeting the mature market”***(1994)
American Demographics

Appendix