
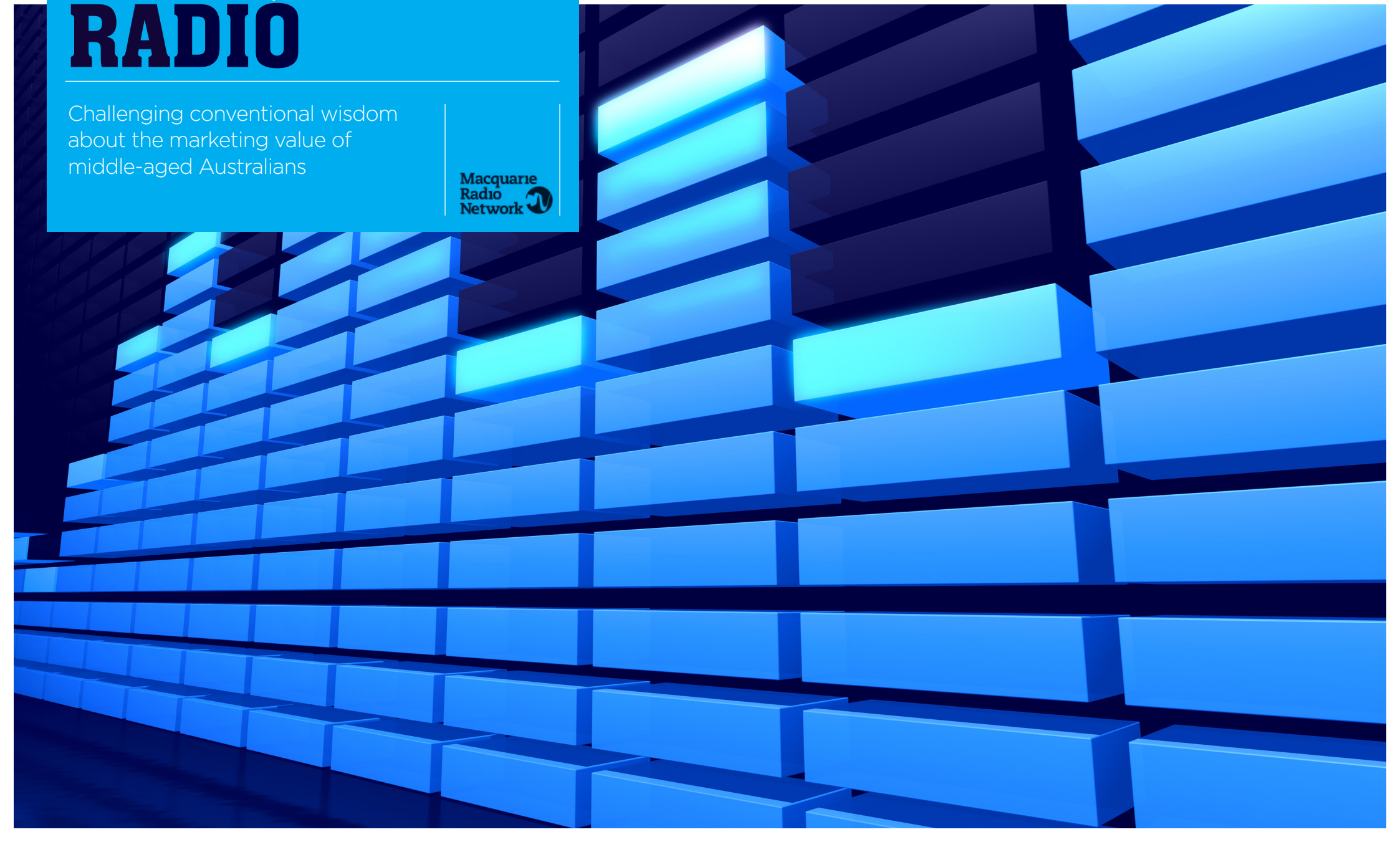


2014

MACQUARIE RADIO

Challenging conventional wisdom
about the marketing value of
middle-aged Australians

Macquarie
Radio
Network 



A major research study into the lifestyles, attitudes, behaviours, purchase habits and financial strength of middle-aged Australians, aged 45-69.

INTRODUCTION

IN MID-2013 MACQUARIE RADIO NETWORK, OPERATORS OF SYDNEY RADIO STATIONS 2GB, 2CH AND REGIONAL STATIONS, COMMISSIONED WOOLCOTT RESEARCH TO UNDERTAKE A MAJOR STUDY INTO THE LIFESTYLES OF OLDER AUSTRALIANS AND IN PARTICULAR THE 45-69 YEAR AGE GROUPS.

It was expected that the findings would:

- Challenge existing perceptions amongst marketers that older Australians represented a relatively less important target market.
- Encourage marketers and media buyers to re-think their target market mix and priorities
- Help position Macquarie Radio Network's audience as a vitally important part of that mix

The field work comprised three elements:

- A mixed mode survey of 1200 Australians 18 years and older, split as follows;
 - 18 - 44 years old > 489 respondents
 - 45 - 69 years old > 490 respondents (55 - 69 years old > 294 respondents)
 - 70 years old > 223 respondents
- An online survey of 600 2GB and 2CH listeners
- 6 focus groups of 40-69 year olds, split based on life stage

In addition to the field work, relevant data was accessed from Government sources.

For further details on methodology and findings, contact:

Ian Woolcott or Karyn Wong at Woolcott Research (02) 9261 5221, or Rob Loewenthal at Macquarie Radio Network (02) 8570 000.

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EXECUTIVE SUMMARY & COMMENTS

TODAY'S MIDDLE-AGED AUSTRALIANS THE 45 - 69 GENERATION

Today, over half of Australia's adult population is over 45 years of age. And almost 40% of adults are aged between 45 and 69. This group is often referred to as the "Boomer Generation". They are the largest generation in our history, born between 1946 and the mid - late sixties. Today, when the average age at which a person is considered to become "old" is 72, the so-called "Boomer Generation" are Australia's middle-aged.

When they began to come of age in the 1960's this generation proved to be what Nielsen called " the most market-friendly consumers in the history of business - media loving, eternally optimistic and completely self-indulgent... marketing's most valuable generation."

The findings of this research study suggest that 40 or 50 years on, they may still be marketing's most valuable generation, despite the fact that they now sit in demographic segments which up to now have held relatively little appeal to marketers.

Put simply this generation just hasn't aged in the way that previous generations did. Not physically, not socially, and certainly not attitudinally. This is a "breakthrough" generation which has blown away traditional stereotypes of older Australians. Those stereotypes just do not hold true for today's middle-aged Australians, who represent far greater potential than many of Australian marketers appear to acknowledge.

Today's middle-aged Australians are not "OLD". Across all age groups researched, from 18 to 80, the average age at which a person is considered 'old" is now 72!

On average, middle-aged Australians see themselves as 13 - 14 years younger than their actual age, and they behave accordingly. They are much fitter and healthier than previous generations with a much longer life expectancy. But it is their attitudes, perceptions and lifestyle which really set them apart from previous generations and in many ways make them more similar to younger age groups. They have been a rebellious generation for most of their lives and they are now rebelling against the very idea of getting old.

EXECUTIVE SUMMARY & COMMENTS

They are not about to “act their age” as their parents did. They place a high priority on staying fit and healthy and they keep up with fashion.

They are a happy and positive lot and much moreso than younger people. Far from sitting back in their rocking chairs they are highly active and in terms of day to day activities such as shopping, eating out, entertaining, travelling and keeping fit, the research found very little difference between the middle-aged and the under 45's.

There is clearly now much less of an age related gap between middle-aged and younger people. Factors such as the shift to having children later, increasingly caring for grandchildren whose parents both work, and having grown children staying at home longer, have resulted in a greater level of contact with, and influence from, younger people.

This younger influence covers a range of areas such as shopping and going out together, learning about new media and technology, fashion, language, watching the same movies and listening to the same music.

Today's middle-aged Australians are positive and optimistic about their futures. The improvement in life expectancy, combined with a younger, fitter mindset, and a feeling of achievement and contentment has them looking forward to an exciting time of life ahead. In fact, they have a much more positive view of the future than people aged under 45.

Far from the stereotypes of “being set in their ways” and “resistant to change”, middle-aged Australians are now actively seeking changes. Change has been a constant throughout their lives and they continuously want to try new things and challenge themselves, in part to prove that they are still young.

Middle-aged Australians now have the freedom, time and importantly, the money, to be more experimental than most young people can. They are more likely to compare options for major purchases and to compare prices and products when shopping for grocery items. If anything they are more likely than younger people to claim to want to buy new and different products.

Most of the real money in Australia is with the 45 - 69 year age group. Gross income, disposable income and net assets all peak within the 45 - 69 years age group. In terms of income, just over 60% of Australia's high income earners, defined as those with an income of \$200,000 or more, are in this segment. And, because a lot of the expenses of home and family are behind them, this group has a significantly higher mean level of monthly disposable income than younger people.

EXECUTIVE SUMMARY & COMMENTS

More than 70% of all Australian high net worth households (>\$1 million in assets) lie within the 45 - 69 years age group.

Middle-aged Australians are a big spending and accessible market group. Not only are they large in number, representing nearly 40% of all adults, but in terms of importance to marketers they pull well above their weight. They account for 45% of all grocery purchases and 42% of households goods expenditure, higher than per capita proportions, as many buy groceries and household items for families other than their own and for their children's children for whom they are increasingly caring as both parents work.

Their freedom, wealth and youthful lifestyle mean that middle-aged Australians are great holiday takers. They have already travelled widely through their lives and are now seeking more adventurous experiences. They account for a staggering 57% of all spending on holidays and travel.

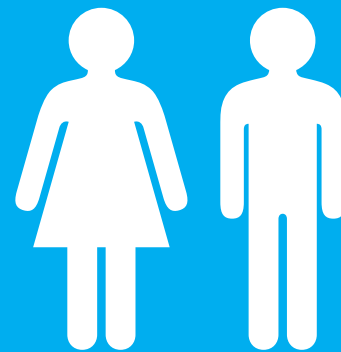
Today's middle-aged Australians were the first generation to experience high levels of mass market advertising. They grew up through the boom times with the growth of television in particular. They have fond memories of great campaigns and still see advertising as potentially informative. In this respect they are actually more likely to be influenced by advertising than younger groups, who may perhaps be more cynical.

The findings of this study provide a powerful argument for marketers and media buyers to re-think their prioritisation of middle-aged Australians, the 45 - 69 year old age group. Existing stereotypes simply don't hold true for this latest generation, the largest in number, the most positive, the highest spending and the wealthiest of all of today's generations. They may indeed still be marketing's most valuable generation. They are certainly its most undervalued.



SIZE AND SEGMENTATION OF AUSTRALIA'S 45+ POPULATION

In 2013 just over half of the adult population (18+) of Australia was aged over 45 and the older age groups are by far the fastest growing.

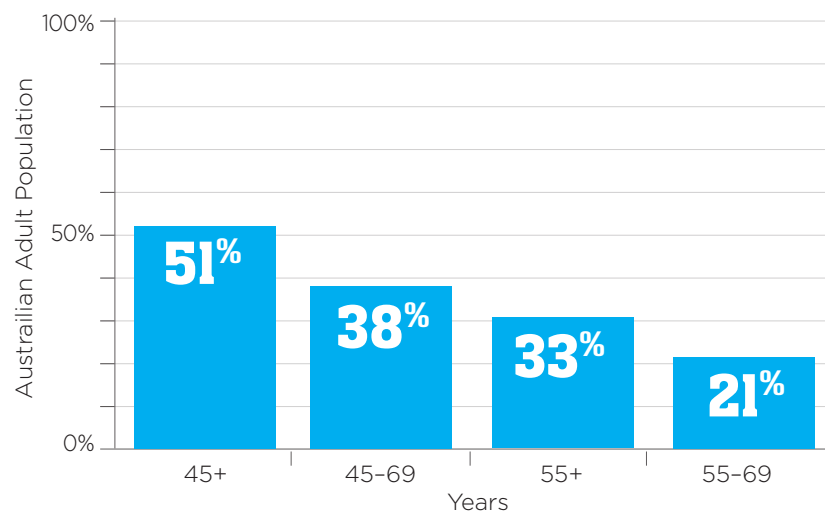


SIZE OF OLDER AUSTRALIAN POPULATION

QUESTIONS

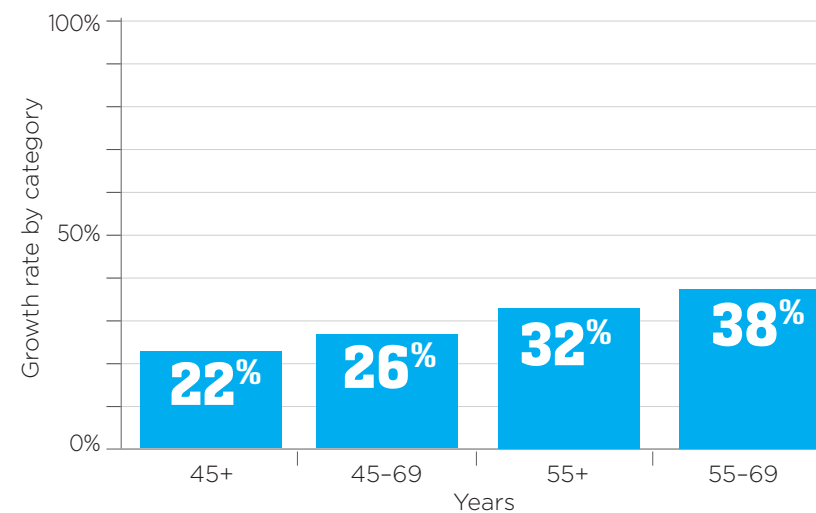
IN 2013

Percentage of Australian adult population



OVER THE LAST 10 YEARS

Growth rate by category





ATTITUDES TO GROWING OLDER: HOW OLD IS 'OLD'?

Across all age groups researched, the average age at which a person is thought to be “old” is 72!

That makes the 45-69 year age group “middle-aged” in the eyes of the young. Through the course of this report we will refer to them in that way. We will also point out differences, where they exist, between the lower middle-aged segment (45 -54) and the upper middle-aged segment (55- 69). In general though, there were not significant differences between the upper and lower ranges.

Older Australians today see themselves as much younger than their actual age. And they define age ranges (young, middle-aged and older) as older.

They genuinely believe that they are much fitter and healthier than previous generations and as a result the “55 is the new 40, 65 is the new 50” concept is very real.

Australians in the 45-69 group are defining a whole new concept of ageing. They don't look old, they don't think like an old person and they don't behave as though they are old.

The line between young and old is now drawn more by physical and mental limitations than chronological age. There is a strong feeling that they no longer have to “act their age” and they certainly do not intend to grow old in the way their parents did.



ATTITUDES TO GROWING OLDER: HOW OLD IS “OLD”

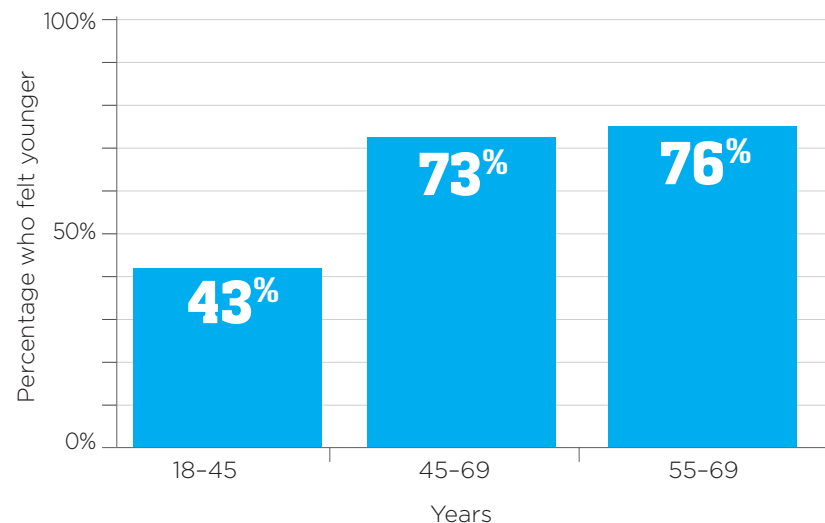
QUESTIONS

QUESTION

Would you say you feel younger, older, or the same as your age?

Response

Percentage who ‘felt younger’

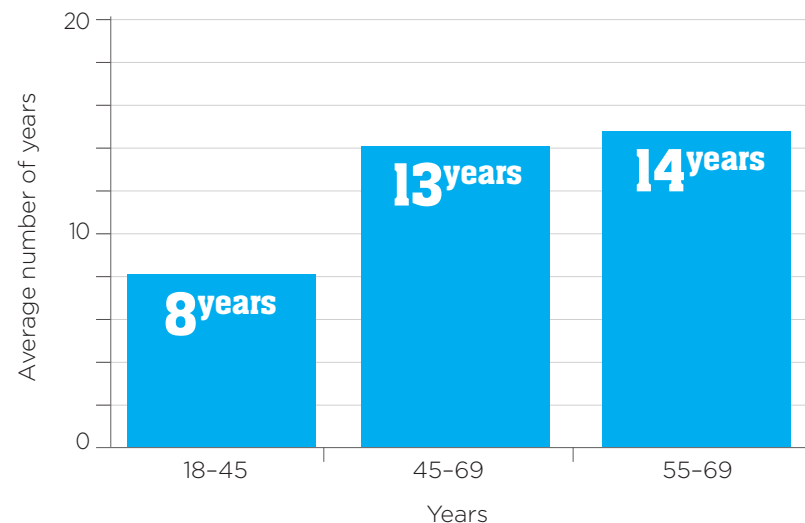


QUESTION

How many years younger than your actual age do you feel?

Response

Average number of years



DIFFERENCES TO PREVIOUS GENERATIONS

Middle-aged Australians today believe they have experienced a lifestyle very different to that of previous generations. Life, they feel, was much simpler in their parents' day – less choices, fewer decisions to make and fewer options.

There was back then, it was felt, a traditional expectation of trajectory through life – staying in the same job, living in the same house... a relatively narrow, predictable life.

Today's middle-aged Australians almost feel like pioneers in being the one generation that brought about and experienced big and constant change. They see themselves as a rebellious generation. They lived through the 60's where so much tradition was challenged and continued to be challenged through the 70's and 80's.

- The Vietnam War protests re-shaped our sense of national identity and made people realise they had a choice

- The Womens' movement forever changed traditional roles
- Attitudes and behaviour around sex and drugs underwent massive liberalisation
- Widespread access to tertiary education fuelled broader thinking and the challenging of much conventional wisdom
- The children of post-war immigrants moved away from their parents' narrow perspectives
- The post-war migration boom changed Australia in so many ways and gave us much more diversity in terms of diet, religion, culture, music, art and entertainment and philosophy

Today's middle-aged see themselves as the transitional generation. They no longer see work as the central theme of life. They largely rejected the traditional work ethic in favour of more balance and variety.

They worked through the “boom” times, the great times, when there was less regulation and a more liberated work environment. They are still carrying forward that free thinking, fun loving, relaxed attitude. They dislike over-regulation and especially the concept of political correctness and the nanny state. They are more willing to just say what they think and feel.



ATTITUDES TO HEALTH AND APPEARANCE

Middle-aged Australians see themselves as healthy, happy, fit and stress-free.

They place a high priority on keeping fit and healthy and they keep up with fashion and always try to look their best.

The 45-69 years age group recalls having spent a lot of time worrying about money, jobs, relationships and success over the years. They can now live for the moment and have fun with much less stress and no young family or work pressures. They are concentrating on enjoying themselves now.



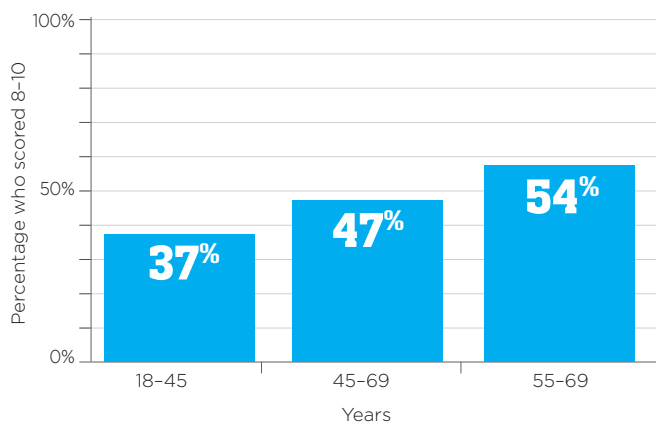
ATTITUDES TO HEALTH AND APPEARANCE QUESTIONS

QUESTION

On a scale of 1 to 10, where 10 is extremely healthy, how would you rate your personal level of health?

Response

% who scored their health 8-10

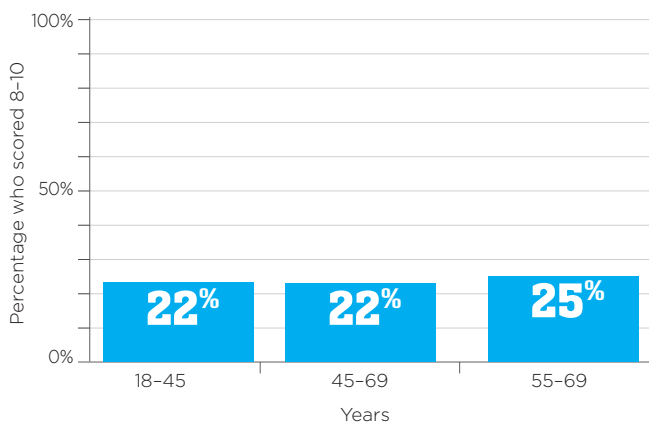


QUESTION

On a scale of 1 to 10, where 10 is extremely fit, how would you rate your personal level of fitness?

Response

% who scored their fitness 8-10

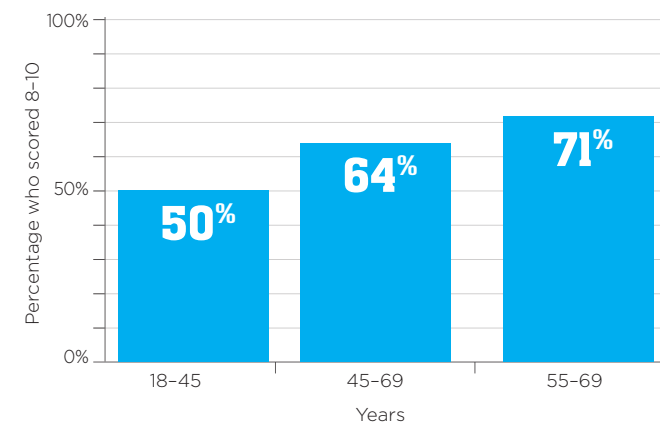


QUESTION

On a scale of 1 to 10, where 10 is totally happy, how would you rate your personal sense of happiness, on average?

Response

% who scored happiness 8-10



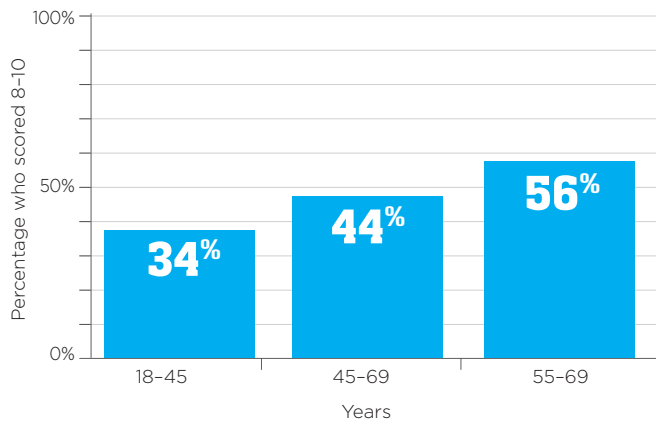
ATTITUDES TO HEALTH AND APPEARANCE QUESTIONS

QUESTION

How would you score your average level of day-to-day stress, where 10 is totally stressed?

Response

% who scored their stress low, between 1-4



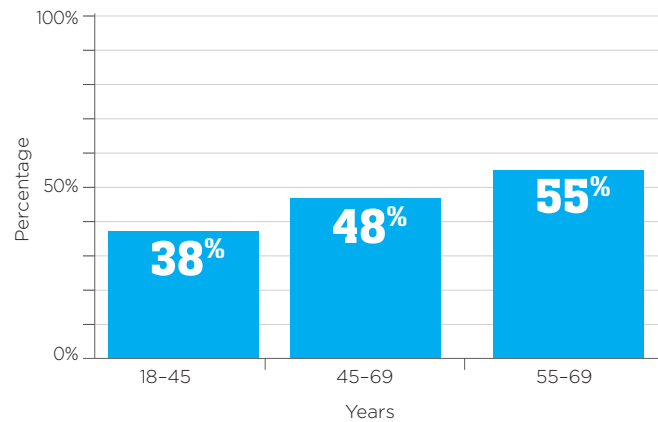
QUESTION

Tell me whether this statement applies to you a lot, somewhat, or not at all -

“Keeping fit and healthy is a high priority for me”.

Response

% who said this statement applied “a lot”



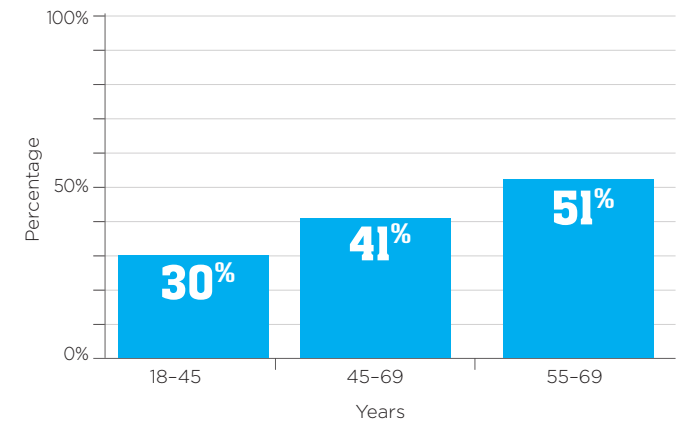
QUESTION

Tell me whether this statement applies a lot, somewhat, or not at all -

“It’s important for me to always try to look my best”.

Response

% who said this statement applied “a lot” or “somewhat”



ATTITUDES TO HEALTH AND APPEARANCE QUESTIONS

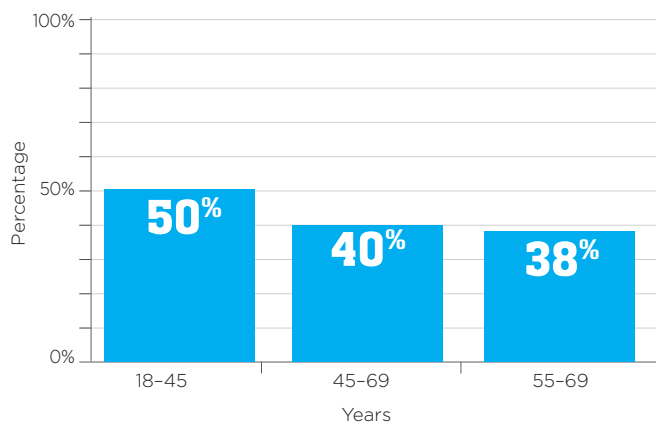
QUESTION

Tell me whether this statement applies a lot, somewhat, or not at all -

“I try to keep up with the latest fashions”.

Response

% who said applied “a lot” or “somewhat”



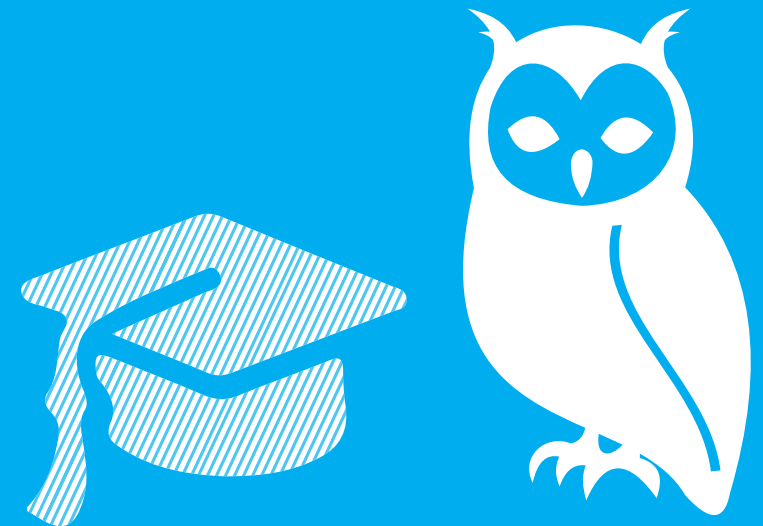


EXPECTATIONS AND KNOWLEDGE

Middle-aged Australians are well informed, well travelled and optimistic. For earlier generations, only the wealthy and the elite could afford to travel. Today's middle-aged Australians were the first generation to branch out en-masse and see the world.

They see themselves as being more exposed to the rich tapestry of life and, as a result, they are more open-minded and enquiring.

Improvements in life expectancy, combined with a younger, fitter mindset and a feeling of achievement and contentment, have this group looking forward to an exciting time of life ahead.



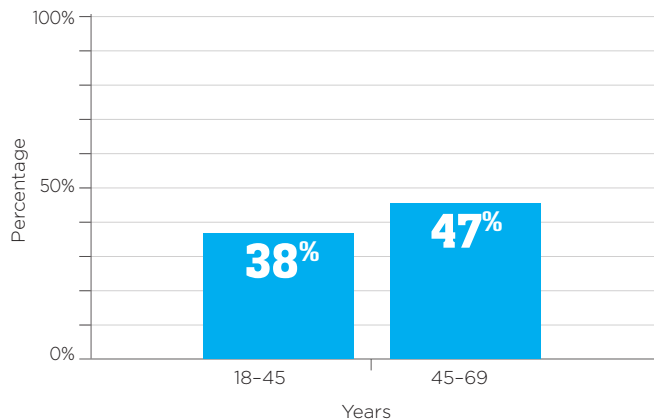
EXPECTATIONS AND KNOWLEDGE QUESTIONS

QUESTION

Which of these statements best describes you in terms of how well informed you are with local and national issues....

Response

% “extremely” or “very” well informed

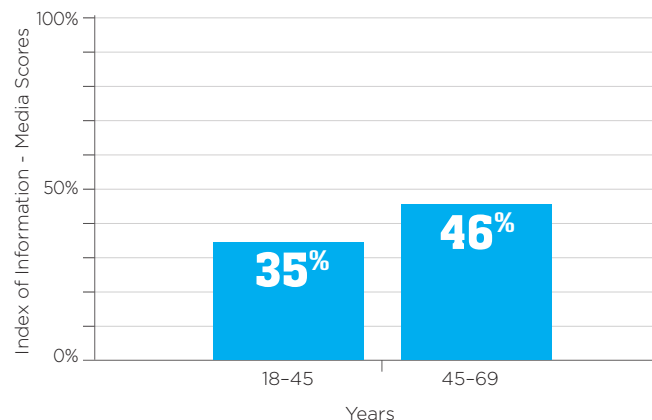


QUESTION

How often do you watch, read, or listen to the following....?

Response

Index of Information - Media Scores



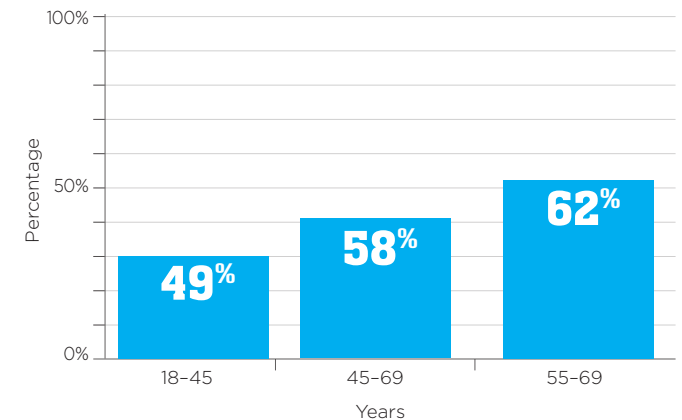
QUESTION

Tell me whether this statement applies “a lot”, “somewhat”, or “not at all”

“I am generally optimistic about the future”.

Response

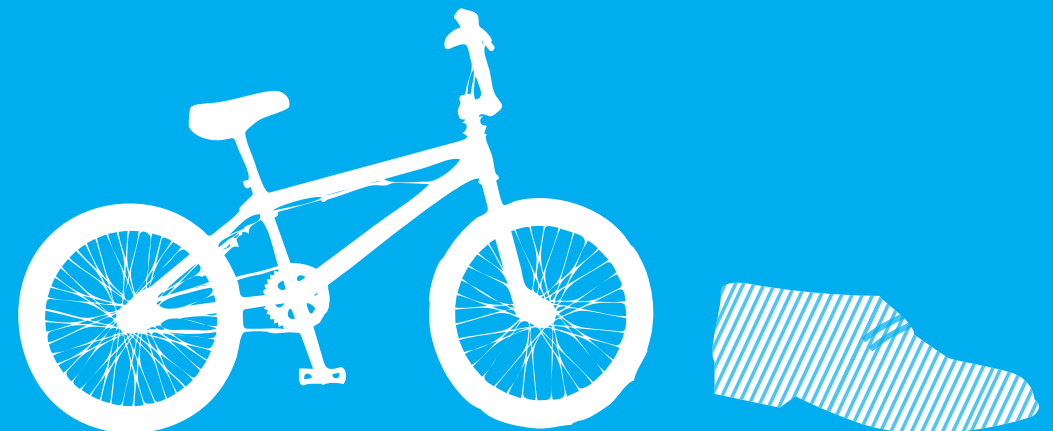
% who said applied “a lot”



LIFESTYLE

Middle-aged Australians actively strive to lead a busy and interesting lifestyle. They seek out new experiences like active, adventurous holidays. Challenge and novelty are important in their lives and they enjoy shopping for new things almost as much as younger groups.

They have a strong desire to gain the approval of their peers. Maintaining a high level of self esteem (allied to demonstrating that they are still young) is a primary driver of their seeking challenge and novelty in activities generally, and travel in particular. Because this generation has seen and done so much already, they always have an eye out for the next new thing.



LIFESTYLE QUESTIONS

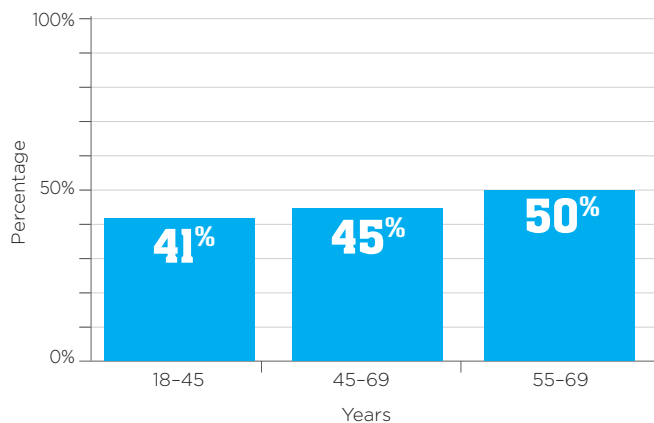
QUESTION

Tell me whether this statement applies “a lot”, “somewhat” or “not at all”-

“I like to keep challenging myself with new experiences”

Response

% who said applied “a lot”



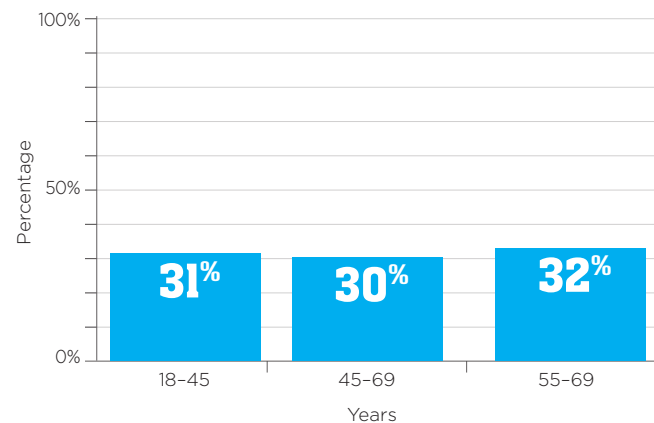
QUESTION

Tell me whether this statement applies “a lot”, “somewhat” or “not at all”-

“I prefer to go on holidays that are more active and adventurous”.

Response

% who said applied “a lot”



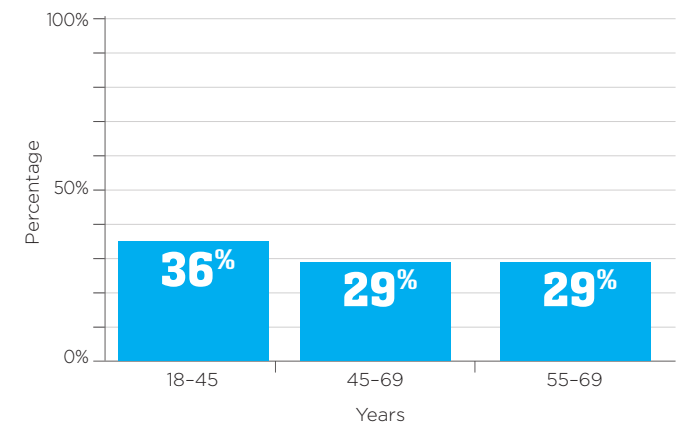
QUESTION

Tell me whether this statement applies “a lot”, “somewhat” or “not at all”-

“I really enjoy shopping for new things”.

Response

% who said applied “a lot”



FREEDOM TO DO WHAT THEY WANT AND TRY NEW THINGS

Middle-aged Australians are in fact more likely than under 45's, to compare supermarket products and prices, and to compare all the options when making a big purchase. They are only slightly less likely than under 45's to try new or different grocery products and they still have a significant enjoyment of shopping for new things. They remember when advertising was new, informative and entertaining and are now slightly more receptive to advertising than under 45's.

Generally they are only slightly more resistant to change than younger groups. In fact, many of them actively seek change! It has been a constant throughout their lives and they now have the freedom, time and money to be more experimental.



FREEDOM TO DO WHAT THEY WANT AND TRY NEW THINGS

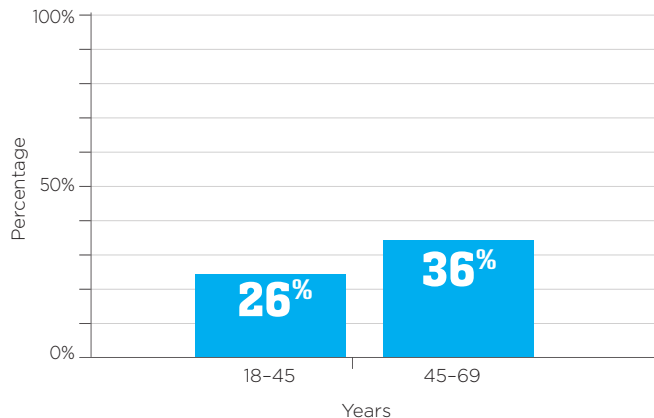
QUESTIONS

QUESTION

Thinking about an average week, how much freedom do you have to do the things that you really want to do, such as hobbies and leisure activities?

Response

% who said “total freedom”



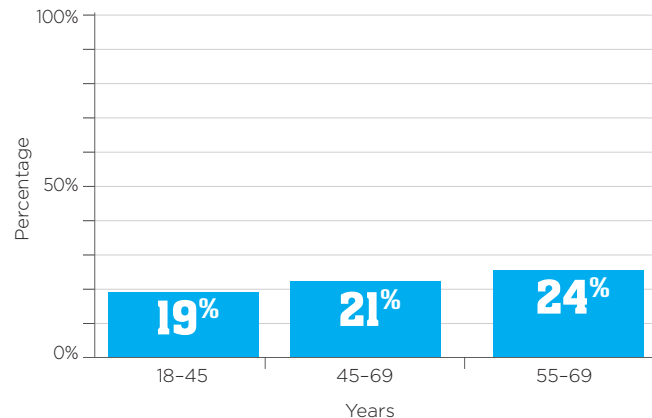
QUESTION

Tell me whether this statement applies “a lot”, “somewhat” or “not at all”...

“As I get older, I find I am more resistant to change”.

Response

% who said applied “a lot”

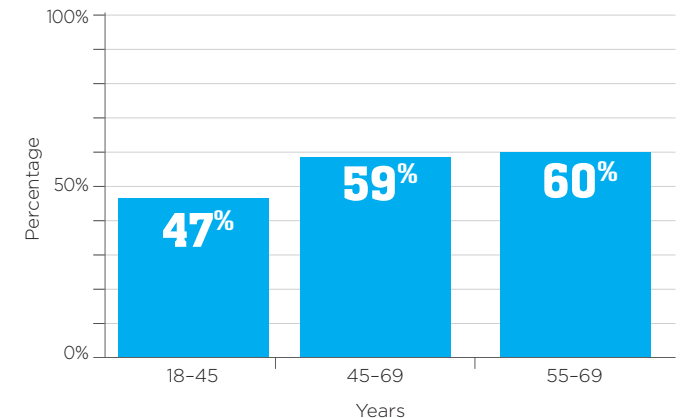


QUESTION

When making big purchases, how often do you have the time to really compare all of the options before making up your mind?

Response

% who “always take the time to make a full comparison”



FREEDOM TO DO WHAT THEY WANT AND TRY NEW THINGS

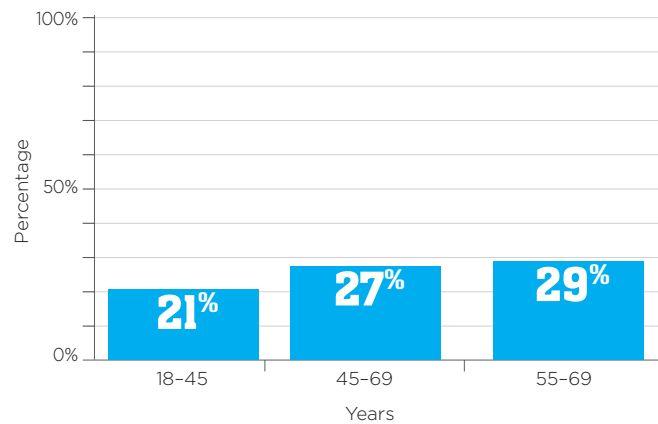
QUESTIONS

QUESTION

When you are shopping in the supermarket, how often do you take the time to look at different products and compare prices?

Response

% who compare prices & products "all of the time"

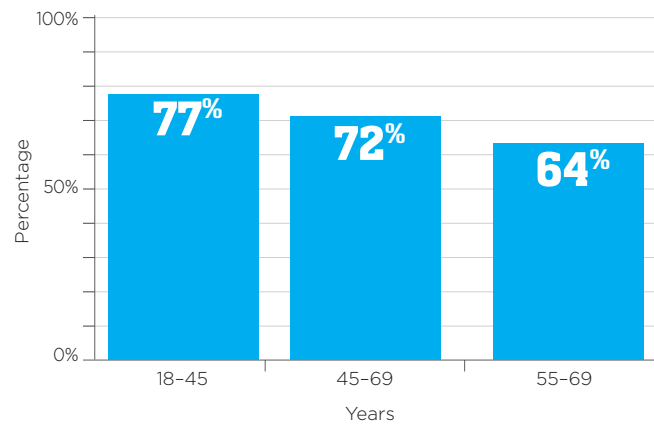


QUESTION

When it comes to grocery shopping, how likely are you to try new or different products?

Response

% likely to try new/different products



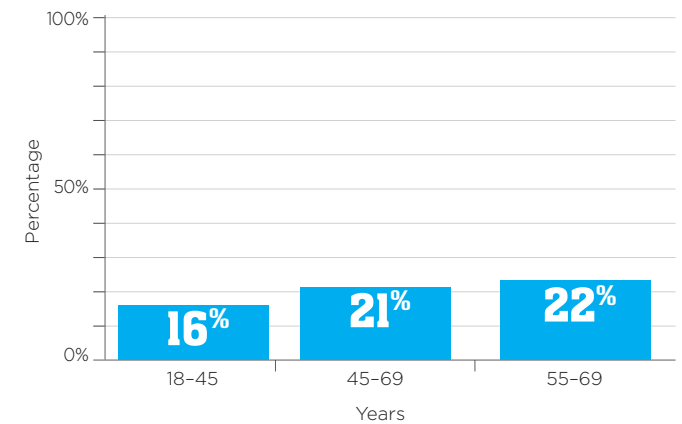
QUESTION

Tell me whether this statement applies "a lot", "somewhat" or "not at all"...

"I find advertising in general very informative and useful".

Response

% who said this statement applied "a lot"



FREEDOM TO DO WHAT THEY WANT AND TRY NEW THINGS

QUESTIONS

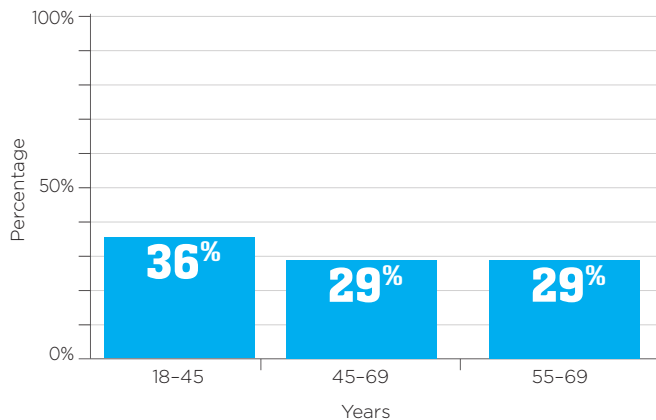
QUESTION

Tell me whether this statement applies “a lot”, “somewhat” or “not at all”...

“I really enjoy shopping for new things”.

Response

% who said this statement applied “a lot”





SOCIAL MEDIA, ON-LINE SHOPPING & TECHNOLOGY

A significant proportion of middle-aged Australians use social media, on-line shopping and keep up with technology. Most admitted that they would be unlikely to be early adopters but did become enthusiastic users once new technology was introduced to them.



SOCIAL MEDIA, ON-LINE SHOPPING & TECHNOLOGY QUESTIONS

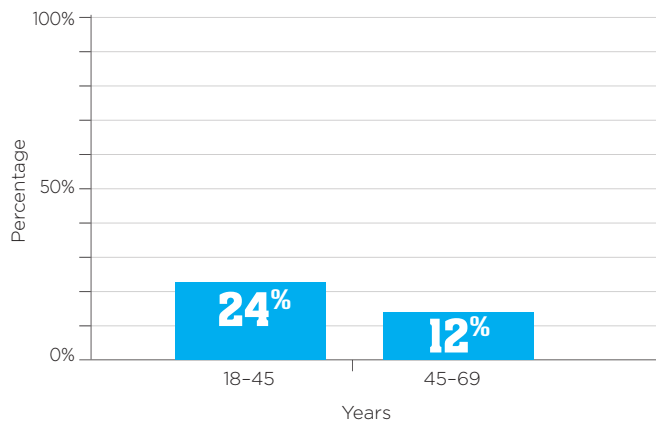
QUESTION

Tell me whether this statement applies “a lot”, “somewhat” or “not at all”...

“I do a lot of online shopping”.

Response

% who said this statement applied “a lot”

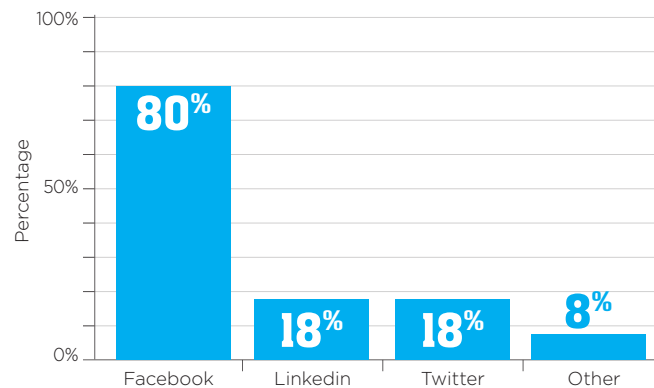


QUESTION

“Which of the following social media networks do you use?”.

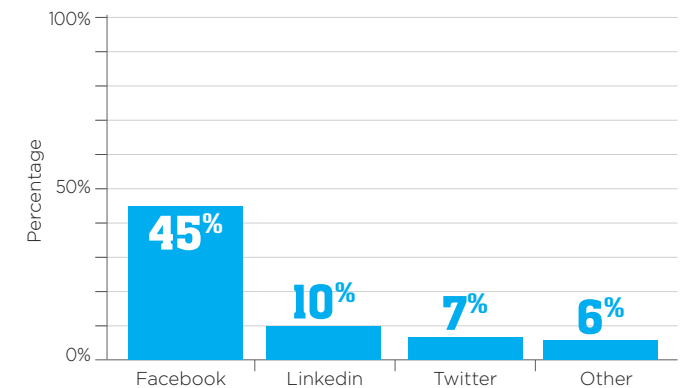
Response

18-45 years



Response

45-69 years



INTERACTION WITH YOUNG PEOPLE

The survey revealed a strong sense that there was much less of an age related gap between older and younger people, driven by:

- Increased contact between older and younger people
- A feeling that children were maturing earlier and becoming more adult at an earlier age
- Older people feeling and behaving younger

Middle-aged Australians feel that they get on well with younger people and that contact with younger people helps keep them young. It was often mentioned that having children later in life, combined with the trend for adult children to stay at home longer, meant a significant level of ongoing contact between older and younger family members.

Respondents noted a significant generational change in that when they were younger, there was often a non-working partner (wife) who took primary responsibility for looking after young children, whereas today the majority of young families contain two working parents. As a result, many middle-aged Australians are now often looking after their childrens' children. This has helped keep them more in touch, younger and more engaged.

At the same time, the trend of having children later in life also means that many 50+ people still have school-age children at home and hence greater influence from younger people in their shopping habits and in areas such as new media, technology, fashion and entertainment.



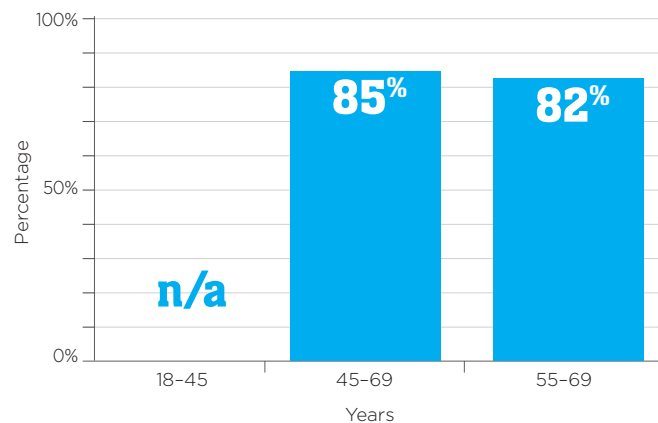
INTERACTION WITH YOUNG PEOPLE QUESTIONS

QUESTION

How often do you have contact with people aged 18-30? This could be family, friends, work colleagues or neighbours. Would it be....?

Response

% who had contact with people aged 18-30 at least once per week



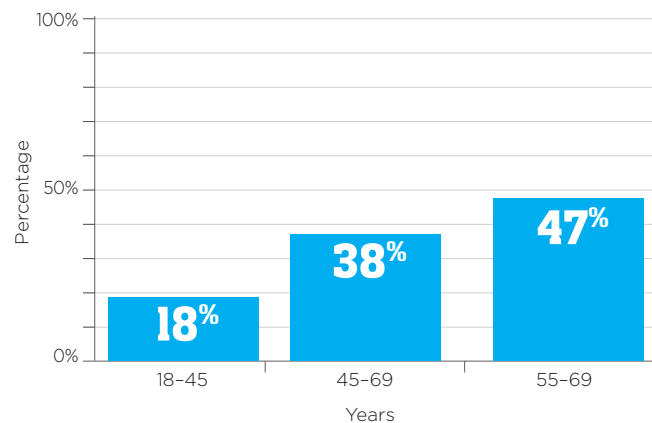
QUESTION

Tell me whether the statement applies “a lot”, “somewhat” or “not at all”

“I enjoy socialising with people younger than myself”.

Response

% who said this applied “a lot”

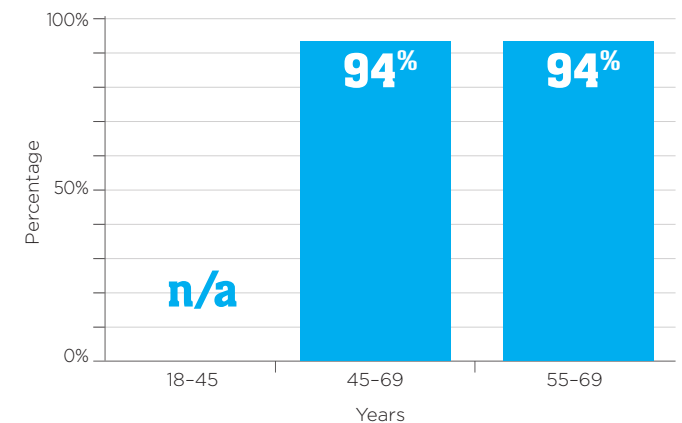


QUESTION

How do you feel you get on with these younger people? Would you say you get on with them....?

Response

% who get on “extremely”, “very”, or “quite” well with younger people



INTERACTION WITH YOUNG PEOPLE

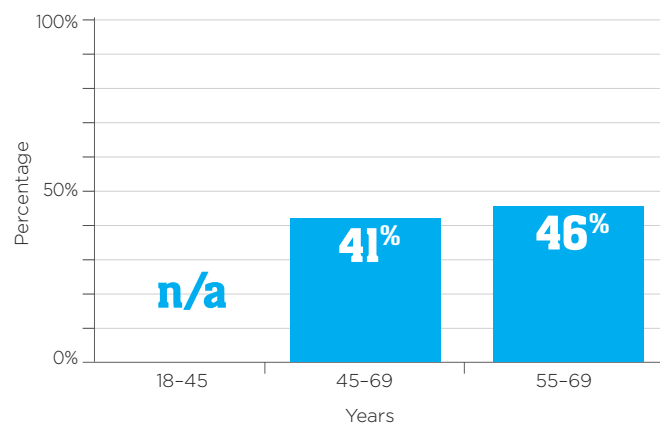
QUESTIONS

QUESTION

Which of the following possible impacts from spending time with younger people applies to you personally? Spending time with younger people....

Response

% who agreed that socialising with younger people “just makes me feel younger myself”



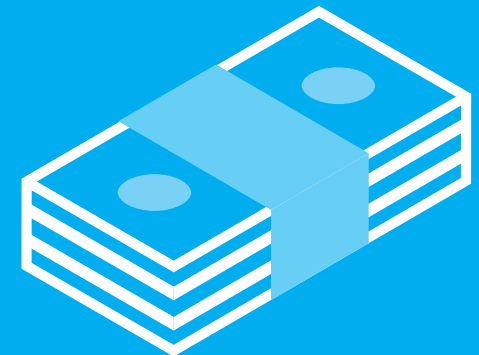
\$ FINANCIAL STRENGTH

Gross income, disposable income and net asset worth all peak within the 45-69 years age bracket. Over 60% of Australia's high income earners, defined as those with an income over \$200,000, fall within this segment, and the highest number of high income earners in any age category are in the 55+ segment (35%).

Furthermore, because a lot of the expenses of home and family are behind them, this age group enjoys a much greater level of monthly disposable income than younger groups. Disposable income in the 55- 69 segment drops off only slightly from the 45- 54 segment and is significantly higher than the under 45 segment.

High net worth households are clearly an extremely attractive segment for advertisers. These households are likely to spend more on premium and discretionary items and are obviously attractive to the financial services market.

If "high net worth" is defined as \$1 million or more in net assets, then more than 70% of all Australian high net worth households fall within the 45-69 year age group, and 60% within the 55+ group.



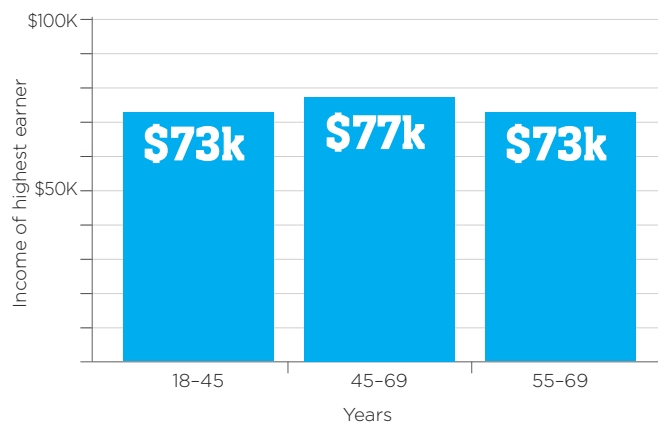
FINANCIAL STRENGTH QUESTIONS

QUESTION

What is the annual income of the highest income earner in this household?

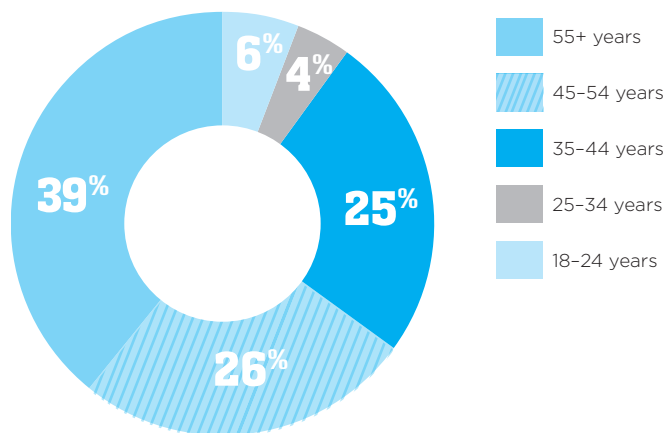
Response

Mean income of highest earner in household



Response

Breakdown by segment of income earners \$200k +



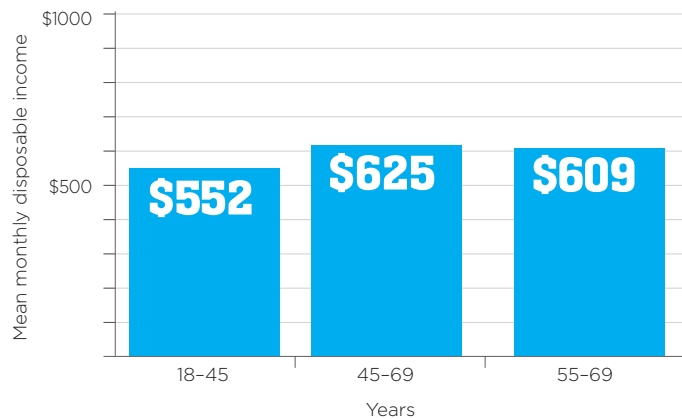
FINANCIAL STRENGTH QUESTIONS

QUESTION

How much money do you have left over in this household each month after paying for all of the basic living expenses of the household, including the rent or mortgage, food, clothing, kids' education and regular bills?

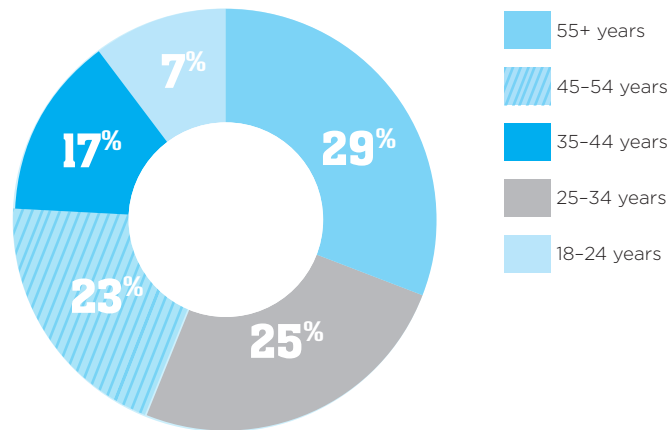
Response

Mean monthly disposable income



Response

Breakdown by segment of monthly disposable income over \$1,000



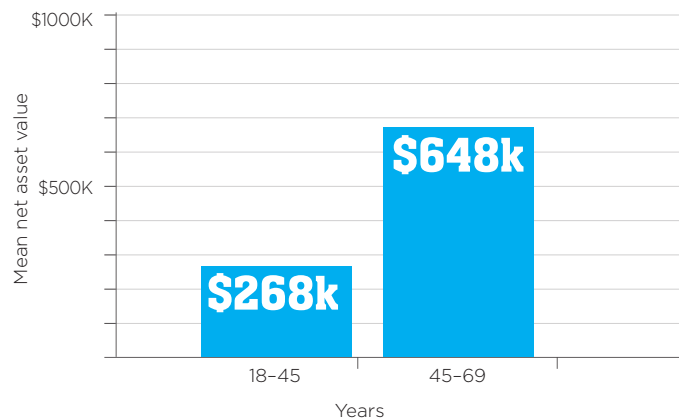
FINANCIAL STRENGTH QUESTIONS

QUESTION

Approximately what are the total net assets of this household if you add up the value of the things you own, such as the house, cars, bank accounts, investments, etc. and subtract any amounts owing on loans?

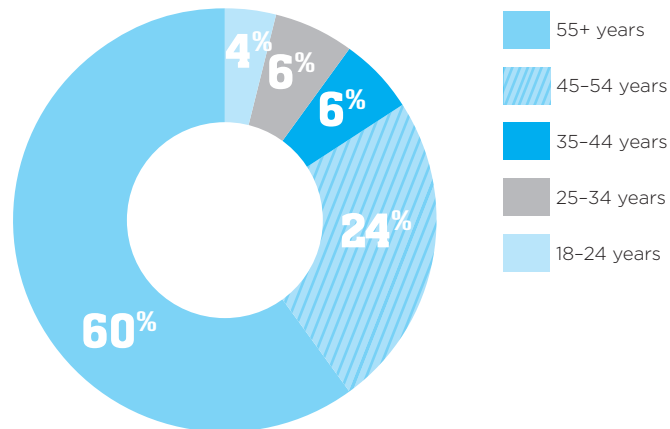
Response

Mean net asset value



Response

Breakdown by segment for Australians with net assets of \$1 million plus



SPENDING HABITS

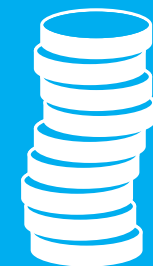
Middle-aged Australians spend considerably more than younger groups on groceries, entertainment and going out. A considerable number of them (19%) do grocery shopping for other households and grandchildren.

Including grocery shopping done for other households, middle-aged Australians are the largest buyers of groceries, accounting for 54% of all purchases.

Middle-aged Australians account for 45% of spending on entertainment and going out. The 55+ segment is the biggest single spender (27%)

Middle-aged Australians spend similar amounts to under 45's on household furnishings, white goods and electronic items. Over 55's are the biggest single group of spenders in this category.

Middle-aged Australians spend far more than younger groups on travel and holidays, accounting for 62% of all travel and holiday expenditure. The 55 - 69 year segment alone accounts for 39%.



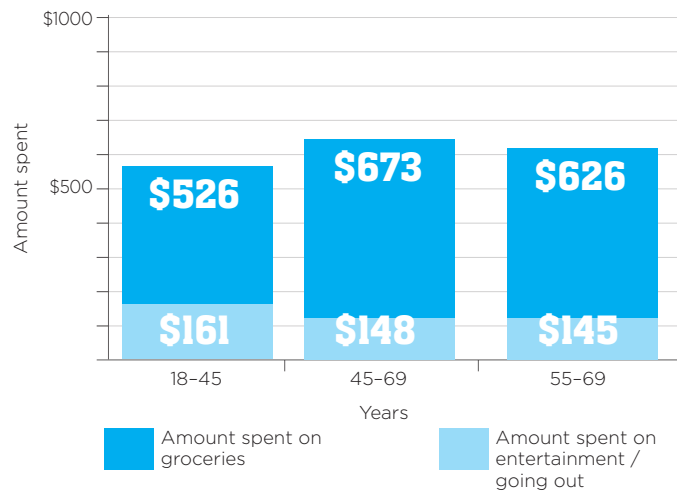
SPENDING HABITS QUESTIONS

QUESTION

Approximately how much money would you spend in the household per month on the following activities....

Response

Amount spent on groceries and amount spent on entertainment / going out

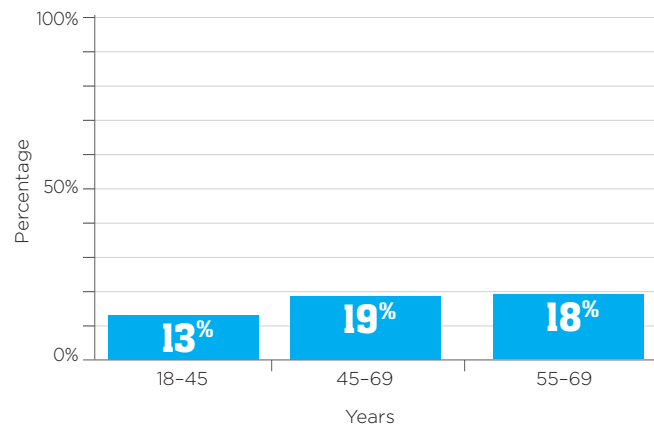


QUESTION

Aside from grocery shopping for your own household, do you ever buy groceries for another household?

Response

% who buy groceries for other households

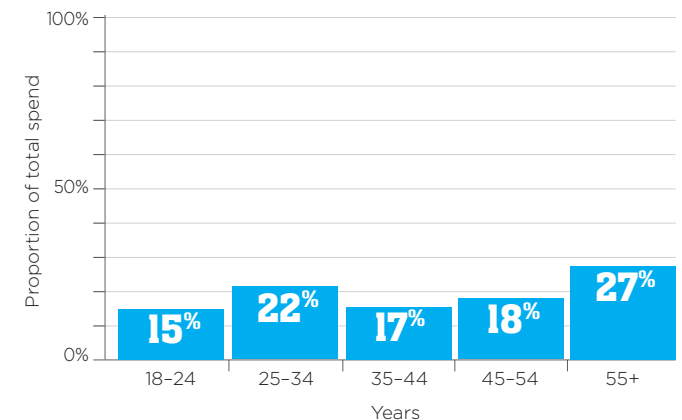


QUESTION

Approximately how much money would you spend in this household per month on entertainment and going out?

Response

Proportion of total spend on entertainment and going out



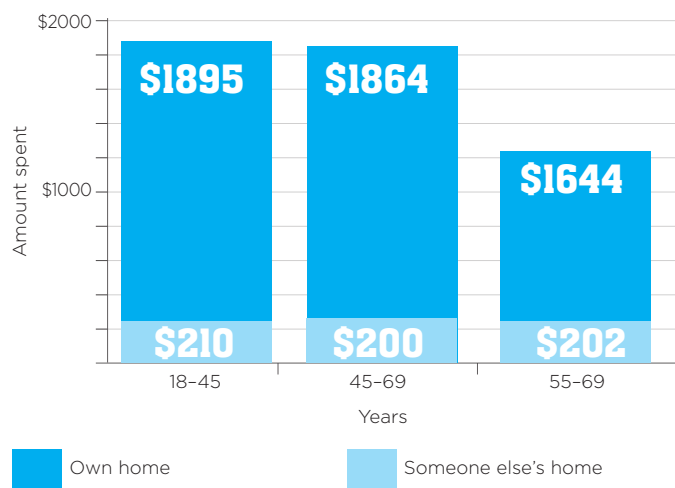
SPENDING HABITS QUESTIONS

QUESTION

How much have you spent on household furnishings, white goods and electronic items in the past 12 months? And how much have you spent on these items for other households, such as adult children or older relatives in the past 12 months?

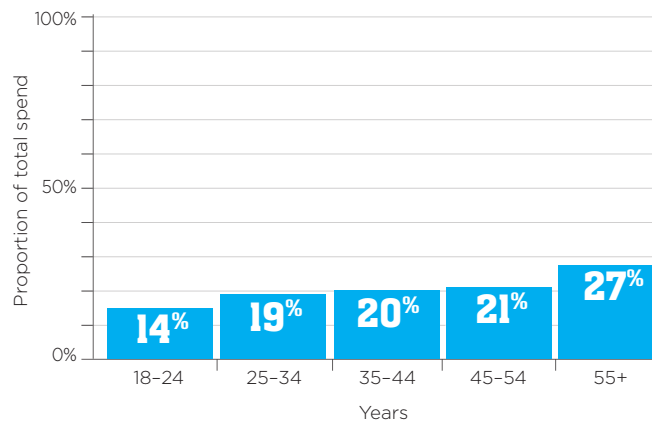
Response

Mean amount spent



Response

Proportion of total spend



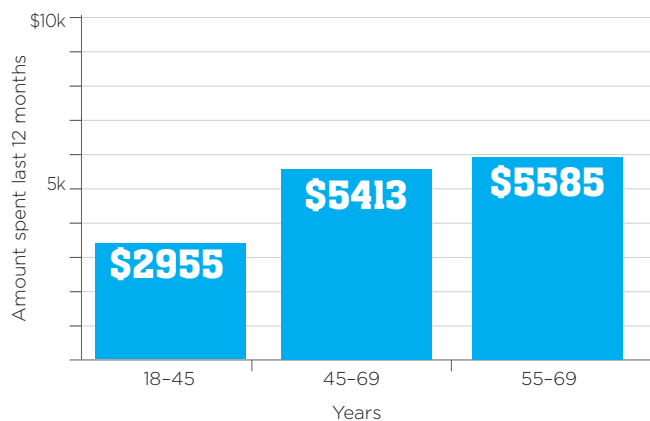
SPENDING HABITS QUESTIONS

QUESTION

How much have you spent on holidays and travel in the last 12 months?

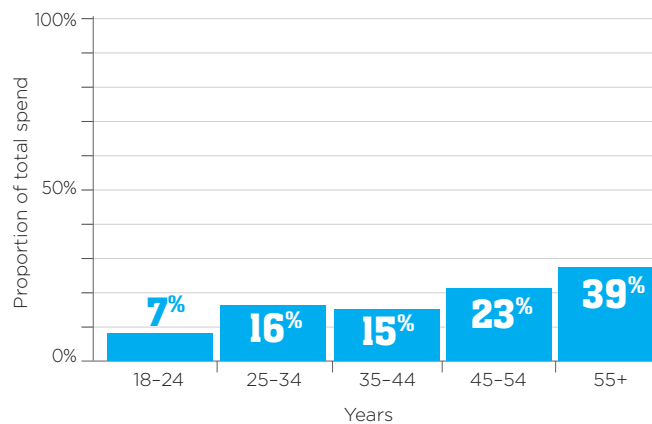
Response

Mean amount spent



Response

Proportion of total spend



THOUGHTS ABOUT THE FUTURE

Middle-aged Australians see a lot of positive and negative issues confronting Australia.

On the negative side, at the time of the field work for this study (pre 2013 election), politics dominated, followed by the economy (cost of living, jobs for young people), crime, youth behaviour, and migration.

On the positive side, lifestyle dominated (freedom, relaxed/friendly people, opportunities, standard of living). The environment was seen to be among the best things in Australia (weather, natural beauty, space) followed by the positive aspects of the economy (full employment, better off than most), our diversity and tolerance, and our social structure.

On balance, though, they have a significantly more positive view of the future than people aged under 45 (58% versus 49%).

