

THE MATURING MARKETPLACE

Buying Habits
of Baby Boomers and
Their Parents

George P. Moschis,
Euehun Lee, Anil Mathur,
and Jennifer Strautman



QUORUM BOOKS

Westport, Connecticut • London

Contents

Tables	xi
Acknowledgments	xiii
1. Overview	1
<i>The Maturing Marketplace</i>	2
<i>The Focus of Our Studies</i>	3
<i>The Buying Habits of Baby Boomers and Seniors</i>	4
<i>Older Consumers Are Very Heterogeneous</i>	5
<i>Older Consumers' Habits</i>	6
<i>Buying Habits of Upscale Older Adults</i>	11
<i>Mature Consumer Segments</i>	12
<i>About the Findings of Our Surveys</i>	17
2. Food and Beverages, Food Stores, and Restaurants	19
<i>Present vs. Past Tastes and Preferences for Food</i>	19
<i>Reasons for Choosing Brands of Foods and Alcoholic Beverages</i>	23
<i>Reasons for Patronizing Food and Grocery Stores</i>	28
<i>Reasons for Patronizing Restaurants</i>	34
<i>Preferences for Methods of Payment</i>	39
<i>Media Use Profiles</i>	41
3. Apparel and Footwear	43
<i>Purchase of New Apparel and Footwear</i>	43

	<i>Information Sources for New Apparel</i>	44
	<i>Preferences for Methods of Purchasing Apparel and Footwear</i>	46
	<i>Reasons for Patronizing Department Stores</i>	46
	<i>Reasons Considered before Buying Apparel by Phone or Mail</i>	52
	<i>Reasons for Choosing Brands of Apparel and Footwear</i>	55
	<i>Media Use Profiles</i>	58
4.	Pharmaceutical Products	61
	<i>Use of Drugs and Cosmetic Products</i>	62
	<i>Preferences for Sources of Information for New Drugs and Cosmetics</i>	63
	<i>Preferences for Methods of Purchasing Prescription Drugs</i>	65
	<i>Preferences for Methods of Purchasing Cosmetics and Health Aids</i>	67
	<i>Reasons for Patronizing Specific Drug Stores/Pharmacies</i>	68
	<i>Reasons for Choosing Brands of Drugs and Health Aids</i>	74
	<i>Reasons Considered before Buying Direct</i>	79
	<i>Payment Methods</i>	83
	<i>Media Use Profiles</i>	85
5.	Housing	87
	<u><i>Housing Preferences</i></u>	87
	<u><i>Reasons for Moving into an Apartment, Townhouse, or Condominium</i></u>	93
	<i>Reasons for Moving into a Retirement Community</i>	96
	<i>Reasons for Moving into a Nursing Home</i>	100
	<i>Reasons for Choosing a Single-Family House</i>	102
	<i>Reasons for Choosing an Apartment, Townhouse, or Condominium</i>	107
	<i>Reasons for Choosing a Retirement Community</i>	111
	<i>Reasons for Choosing a Nursing Home</i>	115
	<i>Preferences for Sources of Information</i>	118
	<i>Profile of Potential Residents of Retirement Communities</i>	119
	<i>Profile of Potential Residents of Nursing Homes</i>	121
6.	Technology Products and Telecommunication Services	123
	<i>Preferences for High-Tech Products and Telecommunication Services</i>	123
	<i>Automobiles</i>	127

<i>Preferences for Sources of Information Regarding New Electronic Products</i>	128
<i>Sources of Information for Telecommunication Services</i>	130
<i>Preferences for Methods of Purchasing Electronic Products</i>	132
<i>Reasons Considered before Buying Direct</i>	133
<i>Payment Methods for Burglar or Fire Alarm System</i>	136
<i>Payment Methods for Home-Appliance Services</i>	138
<i>Media Use Profiles</i>	140
7. Health Care	143
<i>Demand for Health-Related Services</i>	143
<i>Preferences for Nontraditional Health-Care Services</i>	147
<i>Preferences for Health-Related Products</i>	149
<i>Preferences for Sources of Information</i>	152
<i>Reasons for Patronizing Specific Hospitals</i>	154
<i>Reasons for Choosing Specific Physicians and Surgeons</i>	158
<i>Payment Methods for Health-Care Services</i>	163
<i>Payment Methods for Eyeglasses</i>	165
<i>Media Use Profiles</i>	167
8. Travel and Leisure	169
<i>Preferences for Travel and Leisure Services</i>	169
<i>Sources of Information for Vacation/Travel Packages</i>	174
<i>Preferences for Methods of Purchasing Vacation Packages</i>	176
<i>Reasons for Patronizing Airlines and Cruise Lines</i>	178
<i>Reasons for Patronizing Hotels/Motels</i>	183
<i>Preferences for Payment for Airline Tickets</i>	188
<i>Preferences for Payment for Hotel/Motel Accommodations</i>	191
9. Financial Services	195
<i>Preferences for Financial Services</i>	195
<i>Preferences for Sources of Information</i>	202
<i>Preferences for Methods of Purchasing Financial Services</i>	205
<i>Patronage Preferences for Checking or Savings Accounts</i>	207
<i>Patronage Preferences for Certificates of Deposit</i>	210
<i>Patronage Preferences for Stocks</i>	214
<i>Patronage Preferences for Government Bonds and U.S. Treasury Bills</i>	218

<i>Patronage Preferences for Money Market Funds</i>	220
<i>Patronage Preferences for IRA/Keogh Accounts</i>	223
<i>Patronage Preferences for Asset-Management Services</i>	227
<i>Patronage Preferences for Financial Planning Services</i>	230
<i>Patronage Preferences for Tax Advice</i>	232
<i>Patronage Preferences for Insurance Policies</i>	235
<i>Reasons for Patronizing Financial Institutions</i>	238
<i>Use of Credit Cards</i>	246
<i>Asset Ownership and Composition</i>	252
<i>Preferences for Using IRA/Keogh or Pension to Pay Post-Retirement Expenses</i>	256
<i>Preferences for Using Other Investments to Pay Post-Retirement Expenses</i>	258
<i>Preferences for Methods of Getting Cash from Home Equity</i>	261
<i>Use of Home Equity to Pay for Post-Retirement Expenses</i>	264
10. Insurance	269
<i>Preferences for Insurance Services</i>	269
<i>Preferences for Sources of Information Regarding New Insurance Services</i>	271
<i>Reasons for Patronizing Insurance Companies</i>	273
<i>Patronage Preferences for Nontraditional Insurance-Service Providers</i>	277
<i>Preferences for Methods of Purchasing Insurance Services</i>	279
<i>Reasons for Buying or Not Buying Insurance by Phone or Mail</i>	281
<i>Media Use Profiles of Those Likely to Buy LTC Insurance</i>	284
11. Summary and Implications for Marketing Strategy	289
<i>Food and Beverages, Food Stores, and Restaurants</i>	289
<i>Apparel and Footwear</i>	290
<i>Pharmaceutical Products</i>	291
<i>Housing</i>	292
<i>Technology Products and Telecommunication Services</i>	294
<i>Health Care</i>	294
<i>Travel and Leisure</i>	295

CONTENTS

ix

<i>Financial Services</i>	296
<i>Insurance</i>	298
Selected Bibliography	299
Index	301