Grey Ocean Strategy
Agewise marketing for the mature consumer

Chapter 1 Forces Driving Change: The Age to Come
Chapter 2 Strategic Marketing for a New Age
Chapter 3 The Psychology of Aging
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Edgar Keehnen

Stili Novi Publishing
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“Now that older people stay more youthful in spirit, the trick is in devising a marketing strategy for people who do not want to be seen as ‘being older’ but who will, nevertheless, develop the need for products that enable them to continue to be active, mobile, healthy and young at heart.”

Annemieke Robeek, Professor of Strategy and Transformation Management at Nyenrode Business Universiteit

“This timely volume gives us insight into a growing marketing segment: the mature consumer. In the academic marketing literature, the generation of older consumers has mainly been constructed through segmentation by chronological, cognitive and/or subjective age. Edgar Keehnen uses a different approach by focusing on ageing, which allows us to get a better understanding of the mature consumer. Grey Ocean Strategy should be read by marketers and researchers who are grappling with agewise marketing for the mature consumer.”

Eugene Loos, Endowed Professor of old and new media in an aging society at the University of Amsterdam

“It is essential that businesses gain a better insight into the behavior of older consumers. This book offers many challenging ideas for developing a marketing strategy specifically for this growing target audience.”

Hans Kasper, Professor of Marketing and Market Research, Chair in older consumers’ behaviour

“We all know that the global population is aging. But how do you effectively cater to that older consumer? And what do you need to truly ‘link into’ the ideas and values of this important group of citizens and consumers? Grey Ocean Strategy teaches us to understand the older consumer’s mindset from the inside and provides practical pointers for policy makers, marketers and communications experts to respond to this mindset in a meaningful way!”

Pieter Paul Verheggen, CEO of Motivaction International

“Finally a book that offers a complete insight into mature marketing. It provides both theories and insights into how and why the mature target group come to the decisions they take, as well as practical tips on how to use the Soft Spots to seize opportunities. A must read for everyone who wants to know and understand how to connect with this target group.”

Allard Vogelpoel, Manager CRM Holland Casino

“It’s clear in mature marketing that chronological age says nothing about an older consumer’s mindset. It’s their cognitive age that counts. Fortunately, Keehnen shows us that there are universal marketing rules for each marketing plan aimed at this heterogeneous target group. I can think of very few well-founded marketing books that are so well suited for application in the field as this one. Indispensable for every marketer who wants to start taking consumers over 50 seriously.”

Marcel Aalders
Marketing Manager Prominent Comfortproducten

“In a world in which real insights and opportunities regarding the mature market are often still in their infancy, Grey Ocean Strategy provides insights, inspiration and tools with which to develop and accommodate this wonderful and promising market. A must read for every consumer marketer and entrepreneur.”

Klaas Niewold, Director Customer Segment Seniors ABN AMRO

“We know that the global population is aging. But how do you effectively cater to that older consumer? And what do you need to truly ‘link into’ the ideas and values of this important group of citizens and consumers? Grey Ocean Strategy teaches us to understand the older consumer’s mindset from the inside and provides practical pointers for policy makers, marketers and communications experts to respond to this mindset in a meaningful way!”

Pieter Paul Verheggen, CEO of Motivaction International
Introduction

Too often we interpret the future by looking at the past. And yes, it is important to know where we are coming from for effective strategy development. It is even more important, however, to think forward by identifying the key forces that are expected to have an impact on our industry. Any business has to respond to these forces to satisfy all its stakeholders by creating a sustainable competitive advantage. From the 1990s onward, marketing has been moving from a product-based to a more consumer-based approach. It has become clear that the consumer is more and more in charge. However, marketing-wise we did not have a clear overview of the implications of the most important forces driving change in the marketplace. These are forces that have had and still have an impact on the consumer decision process. The old rules of marketing will no longer help us to respond to these forces. Classic marketing theories might have been highly effective when companies, as senders of marketing messages, were in charge of marketing communication. However, in the current world environment, characterized by change, the traditional marketing models will no longer lead us to our goals.

Aging as a force driving change

Technological changes, such as the rise of the Internet, and various marketing implications of these changes have been discussed by other scholars. However, the impact of aging as a ‘demographic earthquake’ was and still is hardly considered. That the implications of aging for marketing have not already been studied extensively might come as a surprise, given the impact that aging has on the consumer decision process. The effects of aging requires to reconsider various marketing paradigms. Due to the demographic earthquake called aging, the number of consumers with an extensive
experience has already increased substantially and this number will continue to increase for the next twenty years. An aging population means there will be more and more consumers with a relatively high net disposable income and equity. Might these be antecedents for a ‘booming business’?

Aging forces the business world in general and marketing in specific to construct a new way of thinking, develop new business models and define new marketing strategies. Given the dramatic change in the characteristics of consumers in the marketplace (caused by aging), the business world must find new answers to the fundamental question of how to create value for older consumers and thereby creating a sustainable competitive advantage. We must redefine strategies to reach our business goals.

**A Blue Ocean Strategy leading to Business Model Generation**

When creating a value for the mature consumer, we need a strategy; a Grey Ocean Strategy that is based on new business models rather than only, for example, offering elderly people a ten percent discount. We need to re-think how we search for innovative business ideas that create value and build new businesses. Do we only adjust our product or do we really transform our organization? Sometimes renovation alone is enough. However, a sustainable competitive advantage requires innovation, which implies the need to redesign current business models. How can we invent, design, and implement effective business models for the mature market? A successful business model based on mature consumers recognizing themselves in the value proposition?

In developing Grey Ocean Strategies, we will make use of Kim and Mauborgne’s Blue Ocean Strategy (2015). Their value canvas will tell us what values we need to consider in order to develop the most effective value proposition for the mature consumer, with the
right brand. To create and spread the value proposition, we will be using the Business Model Canvas from Osterwalder and Pigneur (2010). The psychology of aging is the foundation on which our business model will be based. We will consider the major changes that occur emotionally and cognitively as we age, which will lead us to the Seven Soft Spots of aging. Once we have explored these, we will be able to make an accurate description of the Customer Segment ‘mature consumer’ as a Building Block of the Business Model. Based on the Seven Soft Spots, we will then discuss creating the right value proposition for the mature consumer and the implications aging has on the other Building Blocks of the Business Model Canvas.

**Stages of mature marketing development**

This textbook can be seen as the start of the fifth stage of mature marketing development. The textbook starts with an overview of the evolution of mature marketing, also referred to as 50+ marketing, describing the first four stages (Moschis, 2003). Prior to 1980, the mature market was not considered as being relevant, and was ignored. Products tailored to older consumers were not offered and research into this market segment was scarce. If anything was done, it was limited to offering a senior discount. The second stage, in the 1980s, is characterized by “trial-and-error marketing”. Marketers were becoming aware that the number of aging consumers was becoming substantial and that this consumer segment had quite a disposable income. However, due to a lack of scientific research, effective marketing was very difficult. Stereotypes and generalizations based on anecdotes were the foundation of many marketing decisions.

During the third stage, in the 1990s, the number of products offered to this segment increased quite substantially. Scientific literature was expanded by scholars such as Carstensen (1991, 1992, 1994, 1995) and the first serious textbooks about
the aging consumer were published by authors such as Wolfe (1990) and Dychtwald (1999). Initial marketing insights to attract older consumers were generated. The first Baby Boomers were just passing the 50-border but the products offered were mainly aimed at solving health-related problems. However, as of 2000 that started to change, during the fourth stage of mature marketing. Companies offering ageless products realized that elderly consumers also drive cars, use toothpaste to brush their teeth, and drink soda. Offering similar products and services to young as well as older consumers raised various fundamental marketing issues such as segmentation and positioning. During the first decade of this century, a substantial number of scientific articles on the aging consumer were finally published. Scientific research generated more insights. These insights however, were fragmented and not integrated which led to marketing implications of these insights being unclear.

Now we live in the 2010s, a decade that started with a substantial economic downturn. Companies are wondering how to respond to this downturn and how to generate sales. Unfortunately, too many companies still focus on price propositions, bringing down costs, which enables them to bring down the price and which leads to instability in many markets. But fortunately, there are still some companies left that focus on developing new business models and successful value propositions for new target markets with potential; target markets such as those of Baby Boomers and seniors.

**The Psychology of Aging**

**Creating, Spreading and Realizing a Value Proposition for the mature consumer**

The constant change in the environment, requires a constant change in our thinking regarding the purpose of marketing. Climate change, the shift of the economic power from the West to the East, the digitalization of our society as well as aging all ask for
a rethinking of what marketing should be all about - because all these forces driving change lead to a change in consumer behavior. This is a change of a major increase of the number of consumers with substantial consumer experience; consumers who no longer buy only products and services but who look for an experience that adds value to their lives. Profits will be generated by creating inspiring moments for these mature consumers.

The traditional four Ps (Product, Price, Promotion and Place) of marketing will not help us define these inspiring moments, because these four Ps are quite instrumental and are not always customer-based. Adding more Ps such as People and Process will not cause a substantial change. Three dimensions of marketing are covered in this textbook that enable marketers to create inspiring moments for the mature consumer. The first dimension pertains to creating the value proposition for the mature consumer. We explain why, given aging, new value propositions need to be created, with Authenticity being the trump card. We discuss the importance of allowing mature consumers to build-up the brand story because, due to their experience, they are able to identify the brand's Authenticity. “Tell me and I’ll forget, show me and I might remember, involve me and I’ll understand”. Through co-creation, they will be involved and given something to talk about. Co-creation will lead to a higher credibility of the offer. Given the extensive experience the mature consumer has, credibility is crucial to generating sales. Authentic value propositions will enable the marketer to gain their trust. The marketer also needs a clear definition of what ‘age’ actually means. The value proposition is built upon the consumer’s needs. To be able to create a successful value proposition, we must first examine how needs might change due to aging based on the psychology of aging, which we will describe as the Seven Soft Spots of aging.
Once the value proposition has been created, the second dimension, spreading the value proposition, comes into play. We have to realize that value propositions that have been created become successful when people feel triggered to tell a story about the experience they have had. The story needs to be spread among consumers and it needs to bring people in motion. A successful value proposition will stimulate consumers to convey information about brands to other consumers. The key question for any restaurant owner, for example, should be what the story is that people should have once they leave the restaurant and which they will pass on to their family and friends. The mature consumer has quite some experience which, among other things, implies that the credibility of a marketing message is crucial. Because the mature consumer has seen so many promises in so many above the line campaigns all their lives, traditional media strategies will not be successful in spreading a credible, trustworthy story about the value proposition. We examine (E-)word-of-mouth marketing as the most effective and least expensive marketing communication tool that can be used to convey a message.

The third dimension of marketing we discuss pertains to realizing the value proposition for the mature consumer. A value proposition needs to be sold, and to be able to sell, we have to put the mature consumer at the center of all activities. We have to understand the consumer decision process and how to influence this process. What does consumer behavior in later life look like? And what is the impact of age? In order to successfully convey a message, this message needs to draw our attention and we need to be able to understand it. That is why we have to be aware of the impact of aging on the relevance of cognition and emotion, because aging is associated with a decline in cognitive skills. Compared to younger adults, older adults’ memory, speed of processing information, and comprehension of new information deteriorates (Horn and Cattell, 1967; Meadow, Cosmas and Plotkin, 1981; Ensley and Pride, 1991; Salthouse, 1996;
Yoon, 1997; Philips and Stanton, 2004). This has implications on how older consumers process information and how they respond to external marketing stimuli.

For young and old, emotion is the glue between the consumer and the brand. For elderly consumers, however, this glue is much stronger. A substantial number of studies have demonstrated various motivational differences that are age-related and have an impact on how older consumers process information. They lead to a consistent outcome: due to the perception of the shortness of their lifespan, elderly people pay more attention to emotional than to non-emotional information and place more emphasis on experience and the alignment of the emotion in the offer and their personal values (Carstensen, 1992). All in all, cognitive abilities decline as we age. The ability to manage emotions, however, improves (Carstensen, 1992, 1995). Compared to younger adults, elderly people are better at acknowledging and regulating emotions, which has implications on how the message should be told in order to be effective.

After describing some broad ideas related to consumer behavior in later life, we will examine the relevance of competence in the consumer decision process. At the end of the day, the mature consumer has to make a choice in our multiple-choice society with an overload of products and services to choose from. We will discuss the paradox of choice. What is the impact of age on brand choice and what are the mechanisms? A mature consumer has gone through different periods of life and has typically encountered different brands. The older you get, the less likely you are to switch brands? If so, why is that the case? We will consider the relevance of age in branding, describing age-denial, age-adaptive, age-irrelevant and age-affirmative brands.
Creating, spreading and realizing the value proposition ultimately leads to an important key performance indicator for any marketer: the Net Promoter Score, the answer to the question “To what extent would you be prepared to recommend our brand to your family and friends?”. Studies show that there is a correlation between the Net Promoter Score and the sustainable long-term growth of a company which can be interpreted as a correlation between the Net Promoter Score and the ability to realize the right value proposition (e.g. Reichheld, 2003). Positive consumer experience based on creating inspiring moments is a precondition of a high Net Promoter Score.

The fact that you are reading this textbook, implies that you already consider aging a key force driving change. The key question you will most likely have is “How do I go about developing the right strategies to exploit the opportunities of this key force driving change?” My goal in writing this textbook is to provide marketers as well as students and professors with an up-to-date and thorough view on mature marketing to help them in defining these, what I call, Grey Ocean Strategies. I have been engaged in research, concept development and marketing consultancy for the 50+ market since 2000. During my work in this field, I have defined various marketing implications of aging as a force driving change. My view is based on an extensive review of scientific literature, combined with input from executives I had the pleasure of working for while applying this knowledge to everyday life. This all has been complemented by extensive research of the consumer behavior of mature consumers, conducted by both myself and my students. As you will notice when reading this textbook, we do not define a mature consumer by his or her age. This textbook is not about 50+ marketing, rather it describes the implications of aging on consumer behavior and on successfully creating, spreading and realizing a value proposition.
Yet another book on mature marketing? Well yes. Though there might already be books on mature marketing, this textbook is not about tactics only but also focusses on strategy development, using the psychology of aging as a foundation for relevant consumer insights. It is based on the Seven Soft Spots of aging. Moreover, it is not grounded solely on case histories but applies empirical and scientific research that remains valid across time. This textbook is meant as a start for the fifth stage of mature marketing and will hopefully help students and marketers alike to gain knowledge and insights allowing them to generate a booming business. It integrates and describes the marketing implications of scientific studies on aging, synthesizes these insights and draws conclusions on how to apply them.

My objective in writing this book was to create a new, well founded puzzle. A puzzle that combines pieces that already existed but have never been put together with new pieces that apparently fit well with the others. At the end of this book, I hope that you have gathered various new thoughts about marketing in general and about mature marketing in specific. And that you have realized that to reach the mature consumer, we have to change our marketing paradigms by developing Grey Ocean Strategies. The Grey Ocean Blueprint, described in the last chapter, should help you to do so. And by doing so, you should be able to develop a booming business. Please join me in making this happen.
Preview

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2 Strategic Marketing for a New Age

2.1 Introduction

In chapter one, we had a look at the various trends that do or will have an impact on how successfully we run a business. These trends will have an impact on our likelihood of adding value for our stakeholders. We concluded that aging is definitely one of the forces that has an impact on almost any business in almost any industry. It is up to management to understand the causes of aging, the psychology of aging and the implications for the business. Management needs to have a clear vision about the future of its industry.

The initial question for any business is, ‘what are the opportunities and threats caused by aging as a key force driving change?’ To answer that question, we need to understand the timing of aging as a force driving change. It is obvious that aging is an urgent strategic issue. In the United States, Canada and Europe as well as in Asia Pacific and Africa, aging is already on its way and will continue to grow for the next two decades. The next question deals with the impact of the force on your industry in general and your company in specific. It can be assumed that aging will have
a big impact on industries such as hospitality, tourism, education, culture, housing, care and legacy, which will be confronted with big opportunities for business. Once the relevant implications of aging on the industry have been determined, the ability to develop the most effective strategy to deal with the force of aging will lead to the road to success. When management is not able to define the relevant implications of aging on their business, they will be left wondering what's going on. If management only focuses on external and internal analysis, they will only be watching what's happening. But if management is able to translate these analyses into effective strategy development, they will be able to make things happen.

But how do we go about developing a successful strategy? This textbook is not meant to give the one and only answer to this question, simply because of the fact that there is no one and only answer. In this chapter, however, we will share with you some serious “food for thought”. We will start with considering the changes that have already taken place and are about to take place in marketing in general, sharing some thoughts from Kotler, Kartajaya, and Setiawan (2010) with regard to strategic marketing in the new age. These scholars indicate that marketing in the new age is no longer about the traditional marketing Ps like product, place, promotion and price. In our rapidly changing environment, marketing is about creating, spreading and realizing an innovative value proposition. New value propositions need to be created as a brand story; a brand story that needs to be spread around through promotion and distribution and that needs to be realized, leading to sales.

Before we get into the implications of developing a strategy, the basics of strategy development will be briefly discussed. How is ‘strategy’ being defined? How can I ensure that my strategy will be effective? The Blue Ocean Strategy as developed by Kim and Mauborgne (2005, 2015) still can be considered as a useful way of developing an innovative strategy. We will consider this strategy and describe how we can transfer a Blue Ocean Strategy into a Grey Ocean Strategy, tailored to the mature market.
Based on such forces driving change, the consumer decision process has changed substantially which implies the need to question the classical marketing paradigms. A different approach to consider is the collaborative marketing strategy (Kotler et al, 2010). This marketing strategy focusses on connectivity and interactivity. With collaborative media, consumers work together to actually develop the product. It has become very easy for consumers to express themselves. Using expressive media such as YouTube and Facebook, consumers can share their experiences and let others know what is happening in their lives. Other consumers will be influenced by their opinions and experiences. Delivering a poor customer service can have a tremendous impact when consumers use these media to share their experiences. In 2009, United Airlines was one of first companies confronted with enormous negative publicity due to a customer putting a bad experience on YouTube with the video “United breaks guitar”.

An implication of the collaborative marketing strategy is related to media. In the consumer decision process for many products and services, social media have become the most important credible source of information. Another implication is an enormous change in the job description of the brand manager. Though he or she might still be responsible for managing the brand, the way in which a brand is managed has changed dramatically. The brand manager is no longer in control. It is the collective power of consumers that will affect the image of the brand and not an advertising campaign with a specific GRP. The one and only way for the brand manager to get his job done is to collaborate with the consumer. It is more important to spend time with consumers to jointly develop social media than to sit down with the advertising agency to develop a campaign.
3 The Psychology of Aging

Jung identified the following seven tasks of successful aging:

1 **Facing the reality of aging and death**
   This task refers to the necessity to not deny aging but accept the reality of aging and death. For many people this is difficult to deal with. Unhappiness about aging can only be cured not by denying it, but by instead embracing it as a natural part of life. By successfully doing this, people will grow ageless in their outlook on life. The possible negative elements of aging someone might have anticipated at age 40 turned out to not be as bad as they were afraid they would be. They realize what really matters in life: family, friends, faith, trust, authenticity, experiences, giving back, and having a positive outlook.

2 **Reviewing our lives**
   The second task involves reviewing our lives and reflecting upon; writing our life story. To some extent, we all have a need to tell our story before we die because we want to be remembered somehow. The sweet and the bitter needs to be reconciled when summing up our lives; our story should not only contain regret and anger.

3 **Defining life realistically**
   The third task of defining life realistically deals with accepting that there are experiences and dreams that will not be realized and that certain things are not as important to us as they once seemed to be. Irony is particularly therapeutic in helping us to cope with the things we cannot change change. We realize that our lives have finite limits. It is time for us to let go since we acknowledge that there are limitations. The focus is on setting goals that are still challenging yet attainable.

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The seven tasks of successful aging by Jung

1. Facing the reality of aging and death
2. Reviewing our lives
3. Defining life realistically
4. Letting go of the ego
5. Finding new rooting in the self
6. Determining the meaning of our lives
7. Rebirth – dying with life
3.4 Successful Aging during the Four Seasons of Life

The first Face is that of creativity and intellectual involvement. Older people want to stay involved and continuously search for news. When watching television, they will prefer programs on current affairs. Reading magazines and newspapers is a favorite activity. When they travel, it is not to escape from their daily lives, which tends to be the case with younger people, but to experience something new. This can be considered an implication of the change in meaning of self-actualization.

The second Face concerns the desire to share experiences and wisdom. This desire to share pertains to the Soft Spot Generativity (see section 5.5), which Erikson describes as the final responsibility in the last decades of life (Erikson, 1982). People in this phase of life want to experience things and share these experiences with younger generations.

Vitality and productivity make up the third Face, which pertains to producing something of value. Vitality refers to the capacity to grow, regardless of age. Vitality is the capacity for a meaningful or purposeful existence which should lead to the power to life or grow.

Finally, the fourth Face concerns compassion for others and concern for the world around us. Living consists of giving as well as taking. However, in marketing campaigns aimed at mature consumers, the focus is often on taking. Retirement is portrayed as a never-ending vacation. However, the older we get, the more important giving becomes. Serving the community as a volunteer is of great value to the mature consumer. This need to be able to add value to society and add value to people around us is related to the Soft Spot Making Sense of Life (see section 5.7).
3 Two-sided positioning

With two-sided positioning, also called dual positioning, informational and transformational positioning are combined. Product features as well as consumer values are communicated. Functional elements explaining how a problem is solved and what benefits are provided are combined with values linked, for example, to self-image enhancement and social meaningfulness.

Considerations for realizing the brand value for the mature consumer

Given the fact that a two-sided positioning usually combines the promise with the proof, one could argue that this is the best positioning strategy to reach the mature consumer for many products and services. The right balance between emotion and ratio should play an important role in drawing the mature consumer’s attention and then triggering them. Given their familiarity as consumer, however, seeing the proof of the promise is very important for the mature consumer to be convinced and for the value proposition to be realized. The way Starbucks is positioned can be considered as an example of two-sided positioning.
As discussed earlier, the psychology of aging is considered to be the foundation of a Grey Ocean Strategy to reach the mature heart. The Seven Soft Spots, as described in chapter 5, give us very useful insights into the mature consumer’s motives, needs and wants. In the next chapter, we will use the Empathy Map for the mature consumer to consider what these Soft Spots imply for creating and realizing the right value proposition.

*Empathy Map, developed by AgeWise*
We are looking for a new interpretation of life after 50, especially after retirement, with a combination of learning, work, play and rest. Because they look at the Bright Side of Life, many elderly people are open to possibilities instead of focusing on problems. These are not necessarily possibilities for completely new things to do but also include opportunities to resume hobbies that they previously pursued.

To conclude: throughout the fall and winter seasons of life, our level of happiness remains stable. Due to a better ability to manage their emotions by having a better balance between positive and negative emotions, the mature consumer has a more positive outlook on life. Aging goes hand in hand with a shift from black and white to gray. A more relative and emotional way of thinking replaces a more absolute way of thinking. As we grow older, emotional functioning is well-preserved or may even improve, which triggers the mature consumer to look at the Bright Side of Life. For many mature consumers, the second half of the game is more exciting than the first half.

5.2.2 The Grey Ocean Strategy 1: Ameliorate

> Create and realize an innovative value proposition by focusing on the quality of life

The Bright Side of Life: Creating the Value Proposition

Life events can have a substantial effect on our outlook on life. The development of the skills used to regulate emotions that are caused by life events is part of the process of aging. On the negative side of the equation, a deteriorating health is of course of great influence in later life. A critical disease will put a great burden on our ability to manage
our emotions. On the positive side, events like children leaving the nest, retiring and becoming a grandparent will add to the positive outlook on life. To create a successful value proposition, we have to seriously consider the type of gain the mature consumer is looking for. As described in the Empathy Map in section 4.7, we concluded that these gains are related to:

1. Depending on circumstances, the ability to “live the good life”
2. Being in charge
3. Having the feeling of being a competent consumer.

The question is what kind of value can be offered that supports the mature consumer in “living the good life”, in giving them the feeling of being in control and being a competent consumer. In order to align the value proposition with the mature consumer’s positive outlook on life, an age-affirmative strategy needs to be applied. This implies that living the good life in later life plays an important role in the value proposition for the mature consumer. The value offered focusses on the positive elements of aging: “Old is beautiful”. Of course, many products and services offer values that offset a negative event or the likelihood of one. The purpose of an insurance is to offset the negative financial consequences of something that might happen. However, focusing on what could go wrong brings out negative emotions. Fear might become the key message, but this is not a message that will trigger the mature consumer. The value proposition should focus on the positive elements of the value you offer. Furthermore, there are age-bound products, specifically marketed towards elderly people, that tie in to age-related problems. When creating value propositions for products such as hearing aids or painkillers, the focus should not be on the problem that will be solved but on how using the product will enhance the consumer’s quality of life. Have a look at how Bay Audiology did so in Australia.
Connectivity: Realizing the Value Proposition

Realizing the value proposition for the mature consumer is impossible if the brand is cold, impersonal and generates a feeling of anonymity. We are dealing with a generation that did not grow up with do-it-yourself and self-service. When buying a product or service, the social component, e.g. advice, or a dialogue or at least a personal element, either explicitly or implicitly, plays a crucial role when realizing the value proposition.

Based on the Soft Spot Connectivity, implications for realizing the value proposition are:

1 In marketing communication, focus on empathy and not rivalry
   The mature consumer will not be triggered by an advertisement in which the story is about outranking others or how the competitor will be defeated. Their attention will be drawn by values that are related to closeness, consensus, and helpfulness.

2 In marketing communication, focus on the people, not the product
   It is not the product that is relevant, because for most mature consumers, it is not about the thing to buy. Shift the focus to the experience offered to the consumer. The older we get, the more interested we become in people, especially family ties and community involvement.

   A good example of Connectivity, though not primarily targeted at the mature consumer, is the Bertolli campaign in which people of all generations share a memorable experience.

www.greyoceanstrategy.com/book/videolibrary/Bertolli
5.6 Soft Spot 5: The Moment is Now

Aging implies that the present becomes much more important than the past or the future

5.6.1 Introduction

One of the (many) stereotypes of elderly people is that they tend to live in the past and dwell on the past. “Back then life was much better.” Of course there are always people who are somewhat traumatized and tend to hold on to the “good old days”. Having depressive symptoms can be associated with being focused on the past (Holman and Silver, 1998). For them, growing older is like driving a car and always looking in the back mirror.

Traumatized or not, older people have many more memories than do their younger counterparts and will now and then think back to the past, which makes them prone to nostalgia. However, many do live in the present, with memories of the past. Related to this phenomenon is the Socio-Emotional Selectivity Theory, which describes various consequences of the awareness of a limited life span (Cartensen 1991, 1992, 1995). Whether time is perceived as either expansive or limited has an important influence on the selection of goals in life. One of the consequences is, with age, people become more present-oriented due to the feeling that time is running out (Fingerman and Perlmutter, 1995; Carstensen et al., 1999). The moment is now and the satisfaction needs to be in the experience of the moment. When aging, people start to realize not only what they have but also that their current situation cannot last forever. We start to realize life’s fragility so we tend to count our blessings.
These four types are based on a distinction between either absorption or immersion and active or passive participation (see figure 5.1). Absorbing the experience means it is experienced from a distance, whereas the consumer becomes part of the experience when they immerse themselves in it. When the experience is passive, which is most often the case with entertainment experiences, the consumer does not necessarily have to do anything themselves. With an active experience, however, they need to do something to be able to have the experience.

Figure 5.1: Pine and Gilmore (2011) The Experience Model
6 The Grey Ocean Blueprint

6.1 Introduction
We started this book with the key question: “How do we go about developing successful strategies to exploit the opportunities of aging as a key force driving change?” In the previous chapters, we considered the psychology of aging and the implications of aging on emotions and cognition. The Seven Soft Spots of the mature consumer were identified. The strategic consequences of the dramatic change in the size and the characteristics of this customer segment of mature consumers were recognized.

The theories of Blue Ocean Strategy and Business Model Generation were found to provide us with helpful guidelines for developing Grey Ocean Strategies. We concluded that the traditional marketing paradigms about Product, Promotion, Price, and Place need to be changed into customer-based marketing management, based on
creating, spreading, and realizing an innovative, authentic value proposition for the mature consumer. In this chapter, based on the Grey Ocean Strategies as previously described, we will offer the Grey Ocean Blueprint as a tool to “make things happen”.

The Grey Ocean Blueprint consists of questions we have to ask ourselves to be able to develop a successful Grey Ocean Strategy. These are questions that are related to the external and internal environment. They should help us to successfully create, spread and realize the value proposition for the mature consumer. Because sometimes you might know what you don’t know, but there might also be other things you don’t know you are unaware of. Let these questions help you to clarify what you might not yet know about successfully targeting the mature consumer.

6.2 The Grey Ocean Blueprint

Relevant Questions to Making Things Happen

To develop a Grey Ocean Strategy, we have to go back to the future. First look into the future, recognize aging as a key force driving change and giving answers to questions with regard to aging, such as “What is aging?”, “Why, when and where is it happening?”, and “How is it happening?” Then go back into describing the Customer Segment called mature consumers and identify the Empathy Map and their Soft Spots. This should enable you to create, spread, and realize the right value proposition that will create a sustainable competitive advantage.

6.2.1 The External and Internal Environment

Before we start creating the value proposition, we will first consider the external and internal environment. For strategy development, we must define the opportunities, threats, strengths, and weaknesses and confront them to determine the strategic direction. Besides the questions of the Grey Ocean Blueprint we must answer, an extensive competitive analysis will of course also raise the necessary questions, which will also need to be answered.
Acknowledgments

Although my name appears on the cover, I have obviously not been working in complete isolation when writing this textbook. My gratitude goes out to Simone Siemons, managing director of Stili Novi Publishing, who inspired me with creative, new ways of thinking and made sure things got done. Reviewing drafts of this manuscript required the involvement of many people. Their efforts made a large contribution to improving the manuscript. A big thank you goes out to colleagues and friends in the Netherlands: Eugene Loos - Endowed Professor of old and new media in an aging society at the University of Amsterdam, Hans Kasper - Professor of Marketing and Market Research/Chair in Mature Consumers’ Behavior at Maastricht University, Annemieke Roobeek - Professor of Strategy and Transformation Management at Nyenrode Business Universiteit, Fred van Raaij - Professor of Economic Psychology at Tilburg University, Hans Kipp, senior lecturer at Hotelschool The Hague, Allard Vogelpoel - Manager CRM Holland Casino, Marcel Aalders, Marketing Manager Prominent Comfortproducten, Klaas Niewold, Director Customersegment Seniors ABN AMRO and Pieter Paul Verheggen - CEO of Motivaction International.

And last and definitely not least of course my wife Anneke, and my sons Berend and Bonne. Without their patience with me spending so much time on writing, there might not have been this book to help you develop a Grey Ocean Strategy.

I very much welcome your comments on this textbook. Please feel free to send them to keehnen@agewise.nl.
About the author

Edgar Keehnen (1962) earned his M.B.A. at Erasmus University in Rotterdam, the Netherlands, after studies at Nyenrode Business University, and the University of Michigan. He furthermore attended various hotel management courses at Cornell University School of Hotel Administration in Ithaca, New York.

Since 2008, he is a part-time lecturer of Strategy Development and Marketing, and research fellow at Hotelschool The Hague. During his early career, Edgar worked for companies such as American Express, OHRA Bank and Insurances Group, and Swedish Telecom TeleMedia Yellow Pages as Director of Marketing, Sales, and Customer Services. In 2000 he founded AgeWise, an agency for concept development, research, consultancy, and advertising for the 50+ consumer. He has been a speaker on the subject on various industry forums and for many companies in the Netherlands as well as in London, Copenhagen, Valencia, and New York.

Edgar is (co-)author of various books on the subject of mature marketing, and is chair of the Mature Marketing Platform of the Dutch marketing association NIMA.

His favorite quote?
“Life goes so fast, so always eat your dessert first.”

The Seven Grey Ocean Strategies

Strategy 1 Ameliorate
Strategy 2 Authenticate
Strategy 3 Humanize
Strategy 4 Propagate
Strategy 5 Actualize
Strategy 6 Realize
Strategy 7 Simplify
We face a demographic earthquake called aging. The enormous increase in market potential caused by this fact drives change and requires new marketing rules for each marketing plan aimed at this heterogeneous target group. I can think of very few well-structured and critically reviewed marketing books that are so well suited for application in the field as this one. Indispensable reading for every marketer who wants to start taking advantage of the huge market potential caused by the force driving change. Edgar Keehnen (1962) earned his M.B.A. at Erasmus University in Rotterdam, the Netherlands, after studies at Nyenrode Business University and the University of Michigan. In 2000 he founded AgeWise, an agency for concept development, research, consultancy and advertising for the mature consumer. He is currently professor of consumption management at Nyenrode Business University.

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Trials often fail because simple people are not given information. It provides both insights and-widths to us and are thus the most effective way to reach the right market. It is therefore not surprising that the Seven Soft Spots of Aging are the Soft Spots of choice among 38 professionals. A must read for everyone who wants to understand and deal with the internal and external marketing rules of the grey market. If we want to reach the mature consumer, we have to change our marketing paradigms.

We use the psychology of aging as the foundation of a Grey Ocean Strategy. We develop a customer-based marketing proposition for the mature consumer. This textbook describes clearly how to develop a successful proposition for the mature consumer. It provides both theories and insights into how and why the mature target group makes its decisions and what it wants. The traditional marketing paradigms need to be changed into customer-based marketing.

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Kristallnacht to Dachau

Diary from Ernst Geiduschek
Translated by June Nathan

During Kristallnacht on November 10th 1938 the Gestapo arrested, mistreated and transported Ernst Geiduschek together with 11,000 Jews of Vienna to Dachau concentration camp near München in Germany. His family managed to buy emigration papers for him to England while he struggled to survive the horrors of the camp.

This diary of Ernst Geiduschek was written December 1940 in England. April 29th 2015 it is 70 years ago that the prisoners at Dachau concentration camp were liberated.

The Revenues of this book are donated to the ShelterBox organisation to help refugees of humanitarian disasters.

Holland Tunnel Gallery

Paulien Lethen
Heleen Schuttevaer

This is the story of the Holland Tunnel Gallery. It spans a period of almost two decades and depicts a unique microcosm in a changing neighborhood in Brooklyn. The book gives a complete survey of the amazing, beautiful, magic special exhibitions and events that took place in the Williamsburg gallery, in the summer extension on the Greek island of Paros, and in Stairmasters, the long-term exhibition space in the brownstone next to the gallery, from 1997 to 2014.

“One of the quirkiest spaces in Williamsburg is Holland Tunnel...”

Roberta Smith, The New York Times

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