

The Effects of Aging Society on Consumer Market Trend in Thailand: Literature Revisited

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Abstract

It is indisputable that Thailand demographic is experiencing a shift to a higher proportion of elderly persons. This creates changes in many sectors such as family structure, labor, finance and consumer market. This study is a literature revisited gathering data from Science Direct, Research Gate, Google Scholar and Bank of Thailand. The variables reviewed are physiological changes, cognitive capabilities and motivation, retirement planning and pension fund, government policies and inflation. The results suggest that the consumer market trend spawned from aging society will value healthy living, convenience, quality and cost-effectiveness, therefore we recommend businesses to invest in health items such as medicine and healthy food with low or no sugar and cholesterol, as well as elder friendly furniture and appliances such as doorknobs and latex mattresses. We also recommend further research that would assist in the making of effective government pension policies to protect the integrity of elderly's buying power.

Keywords: Aging population, Consumer market trend

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1. Introduction

According to the United Nations (2019), the world is experiencing a growth in the number and proportion of older persons in its population due to the increase in life expectancy and decrease in fertility and it is said that this change is going to become one of the most significant social transformations of the century. This phenomenon is called population aging and this demographic change will influence nearly all sectors of society from family structure to labor, financial and consumer market (United Nations, 2019). Inevitably, according to Santiprabhob (2019), the current Governor of the Bank of Thailand, he revealed in Thai National Shippers' Council (TNSC) 25th Anniversary Exclusive Dinner Talk that the demographic of Thailand is aging and is aging at a fast rate to the point of becoming the first developing country to become a hyperaged—having 20 percent of the population over the age of 65— society by 2035. It is undeniable that Thailand is going through population aging which will affect businesses in many of its sectors.

At present, there has been several studies around the world that attempts explain the several impacts of the shift to older demographic on consumer market. There are some studies and discussions in Thailand has pointed out the possibility of steady increase in healthcare spending due to aging population (Deloitte Thailand, 2019). It is projected that healthcare expenditure per GDP is likely going to rise to 6.8% by 2021 and that aging citizens will represent more than 30% of total population by 2040 (as presented below) (Deloitte Thailand, 2019). Furthermore, MICE Intelligent Center (2019) provide several markets that would emerge due to population aging; This includes fall-detection system to help identify elderly that fell so appropriate help could be given as fast as possible, digital medical device to enhance elderly's quality of life and telehealth service to facilitate long-termed relationship between patients and doctors or medical service providers through video doctor visits and remote patient monitoring devices (MICE Intelligence Center, 2019). In addition, according to a study in the European Union and industrialized countries, it is found that senior citizen is more likely to travel either by medical/health tourism or to just reward themselves with unforgettable experience via hard-earned pension money (Alexandru & Mihaela, 2017). However, the challenge presented is that each generation may have different consumption pattern when reaching old age depending on their mentality so the consumer trends must be thoroughly studied to provide an effective way of reaching out to customers (Alexandru & Mihaela, 2017).

1.1 Statement of problem

This topic is significant to study because nowadays, every country faced the problem of the increase number of elderly persons. This research can help companies to realize what they should produce to support aging society. Despite having many studies that predicts that Thailand will soon become one of the countries that has population aging, there is not many studies that help businesses identify helpful consumer market trend that would happen in Thailand. While Santiprabhob's talk in Thai National Shippers' Council (TNSC) 25th Anniversary Exclusive Dinner Talk cover some of the important trends such as orthopedic shoes, anti-slip floorings, organic food and medical tourism, the trend mention is still a speculation without any solid

evidence to back it up thus it is a crucial point for this study to point out significant consumer market trends caused by population aging that will happen in Thailand (Santiprabhob, 2019).

1.2 Objective

1. To examine the effects of aging population on the consumer market
2. To explore possible new venue of niche business that can be developed in the future

1.3 Research Question

What are the changes in the consumer market trends that can arise from an aging population in Thailand?

1.4 Significance of the study

Due to the increase in life expectancy and decrease in fertility, many countries, including Thailand, are going to experience a shift towards an older demographic. Furthermore, in 2017, it is found that the consumption of Thai population older than 50 is worth 2.8 trillion baht or around 18 percent of the GDP. This will only continue to grow with population aging which create a large niche market for businesses (Santiprabhob, 2019). According to Santiprabhob (2019), Thailand's aged dependency ratio—the ratio between populations aged 65 and over to the working age population—is expected to elevate from less than 20 percent to more than 50 percent in 20 years. This will influence the demand for certain products and services; thus, it is in one's interest to pay close attention to the trends of the consumer market that would come with an aging population allows business owner to prepare appropriate strategies to reach out to the consumer more effectively.

2. Literature Review

2.1 Theoretical framework

The following section will discuss several relevant theoretical frameworks that are helpful when identifying customer market trends in countries affected by aging population.

2.1.1 Demand and Supply Theory

Demand is composed of two factors: taste which is a desire and willingness for a good at a specific price and ability to buy which is sufficiency of wealth or income in order to buy goods and services at a specific price. Both of the factor is determined by the market price. If the price is high, the demand will be low. In contrast, if the price is low the demand will be high. This means that if the price is low then consumers will be able to purchase a product. Acquiring additional increments of goods and services in some time period will result in lower satisfaction; this is called *diminishing marginal utility* (Whelan and Msefer, 1996).

Supply is the willingness and ability to supply of the seller. When the price is high, a buyer has more commodity available because the suppliers will be able to maintain a profit even though the costs of production is higher and it may result from short-term expansion of their capacity

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achieved by giving workers overtime hours, contracting to an outside source, or increasing the load on current equipment. In reality, if the inventory is less than the desired inventory, manufacturers will raise both the supply of their product and its price; this will cause manufacturing price to rise which in turn elevate the selling price (Whelan and Msefer, 1996).

Demand is the amount of goods and services people are able to buy at different prices, while supply is defined as how much of goods and services is offered at each price. The buyer and seller show opposite trends to the increasing prices (Whelan and Msefer, 1996). When price increases, the willingness and ability of sellers to offer goods will also increase, while the willingness and ability of buyers to purchase goods will decrease.

2.1.2 Socioemotional Selective Theory

The socioemotional selective theory is a lifespan theory that aims describe the change in personal goals and behaviors in relation to age. This theory mainly focuses on the basis that one's perception and motivation will change as he or she ages which relates to the future time perspective which refers to a person's perception of how much time they have left (Cleaveland, Hubner, Anderson & Agbeke, 2019). Many studies used this theory as a way to explain why in some countries like the United States, there is a trend where the elderly in their 60s and 70s tend to spend less despite their excess lifesavings and pension. According to a Wall Street Journal article written by Tergesen (2017), retirees cut back on their spending due to optimism gap; this refers to a person's wariness of future stock market, economy and individual finance. In 2014, a study by University of Michigan was conducted in order to compare the optimism and spending of adults under 35 and over 65. The result is that there is a 30% to 40% optimism gap between the two sample and in each successive year people spend less on average of 2.5% (Tergesen, 2017).

2.1.3 Life-cycle hypothesis (LCH)

It is an economic theory developed by Franco Modigliani and Richard Brumberg (Sablik, 2016). The definition for Life-cycle hypothesis by United Nations Economic and Social Commission for West Asia (2014) explains that it is theory that people pertains the same level of spending and saving habits of people over the course of a lifetime. To expand, this model states that in the early stage of one's life, consumption expenditure may exceed income as the individual may be making major purchases related to buying a new home, starting a family, and beginning a career. To support these investments, at this stage in life, the individual will borrow from the future. However, in mid-life, these expenditure patterns begin to level off and are supported or perhaps exceeded by increases in income. Those excess amount is used to pay off any past borrowings and once everything is paid off an individual begins to save for her or his retirement. Upon retirement, consumption expenditure may begin to decline however income usually declines dramatically. In this stage of life, the individual dis-saves or lives off past savings until death (Ruby, 2003).

The Life-Cycle Hypothesis is based on the following model:

$$\begin{aligned} \max U_t &= \sum^L [U(C_t)(1+\delta)^{-t}] && \text{maximize the utility from consumption over time} \\ \text{s.t.} \quad \sum^L C_t(1+r)^{-t} &= \sum^N Y_t(1+r)^{-t} + W_0 && \text{lifetime consumption must equal income} \end{aligned}$$

where $U(C_t)$ is the satisfaction received from consumption in time period 't', C_t is the level of consumption, Y_t is income, ' δ ' is the rate of time preference (a measure of individual preference between present and future activity), r is the rate of interest, and W_0 is an initial level of income producing assets (Ruby, 2003).

This approach explains that individuals and households change their consumption and savings patterns over their life span and look forward in their consumption plans. It implies that people accumulate assets when income is high and use these assets when income declines. This theory assumes that older and younger persons save less than middle-age individuals, so savings are mostly accumulated during working life and used for financing consumption and maintaining the standard of living in old age (UNECE, 2009).

2.2 Related research studies

The following section investigates and analyze related researches regarding customer market trends in countries affected by aging population.

2.2.1 Physiological Changes

Physiological changes are a change that is related to biology. As one ages they experiences changes in biological processes in their body at different stages of their life. For example, when children are transforming into adolescence they must go through "puberty". Consequently, since these biological processes are the basis of survival, they would naturally influence the needs or the demand of the customer.

A study by Schwe (1988) and Drolet, Aylar, Mohammad and Davis (2018) attempted to portray trends in physiological changes as a person age. In the study, they examined several parameters such as organ capability, vision capacity, hearing capacity, taste and olfactory sensitivity, touch sensitivity and muscle strength. Schwe (1988) and Drolet et al. (2018) demonstrated that by the age of 40 people's physiological process declines significantly with age.

In Japan where it had also been established that they are also an aging population, researchers had found out that what truly motivates them is convenience. From this, we can see that all of the products sold in their country is the true embodiment of the concept convenience; from the convenience of obtaining the product until the usage of the product, every aspect of what is sold in Japan implies convenience. For instance, nowadays, convenience stores such as 7-Eleven, Lawson and Family Mart have been catering more to elderly as demographics shift. They start to introduce home delivery, healthy bento boxed meals and a one-stop shop where pharmacies share floor space, showing that they are catering to the elderly need for convenience and health care (Koreda, 2015).

According to the Statistics provided by the National Statistical Office in 2011, 52.76% of elderly population suffered from at least one illness from 15 of the highlighted diseases in the survey. In the survey, it is found that the number one ranked disease elderly suffered from was cardiovascular diseases such as hypertension, dyslipidemia and high cholesterol (33.69%). Next in line was diabetes (15.03%), followed by skeletal and joint diseases (10.05%), heart diseases

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(4.83%), paralysis (1.73%), and kidney diseases (1.67%) in that order. When compared between genders, it is found that the rankings are the same for the first 4 diseases. The differences are at rank five and six; In women, kidney disease was ranked in fifth (0.95%) and paralysis was ranked in sixth (0.87%), while in men, the opposite occurs (0.86% for paralysis and 0.72 for kidney disease) (National Statistical Office, 2011).

2.2.2 Opportunities in the Health Sector

There have been many studies that verified that population aging would flourish the businesses in the health sectors with many opportunities. As previously establish in 2.2.1, aging creates several troublesome physiological changes that would result in opportunities for business to tailor goods and services that fits the aged-up lifestyle. One of the most important opportunity that needs to be heavily highlighted is the opportunities that would rise up in the health sector. Aging population would greatly impact the global health, mainly due to the physiological changes that would deteriorate overall health status overtime by internal conditions and non-communicable diseases. With all of this in mind, it would be evident that in an aging society where elder population are prevalent, there would be more demand for items and services that promotes good health. Many studies had also confirmed this. For instance, Deb (2016) illustrated that a cross-sectional regression between aging population on medical expenditure in urban and rural areas of India revealed a statistically significant and positive impact. Deb also showed that even though, aging population has statistically no significant impact of total expenditure in China, in the rural area, the aging population is proven to be statistically significant and has a positive impact on medical expenditures. Furthermore, Sahin (2008) also found out that aged population are interested in health services which provide physical and psychological support, personal health care and anti-aging products, and web pages giving information about health issues rise. When this information is considered, many researches and studies, including Llewellyn and Chaix-Viros (2008), approved the positive and gigantic opportunities that can be seized in the healthcare sector. Llewellyn and Chaix-Viros (2008) also analyzed that the bloom in this trend could also be due to a shift in the burden of the disease, a shift to a more cost-effective medicine, a shift to preventive healthcare and diagnosis, a shift in demand for devices, implants, stents, dialysis, and hips/knees evolution of two-tier healthcare systems and a change in business model in pharmaceutical companies, which are the main health-related businesses. All in all, it cannot be denied that an aging population would play a positive impact for business opportunities.

2.2.3 Cognitive Capabilities and Motivation

There have also been several studies that attempt to check what motivates elderly to buy something. Drolet et al. (2018) attempted to illustrate cognitive capability in customer decision making then make implications on their effect have on consumer marketing. They found that, cognitive-wise, although seniors have declined working memory, long-term memory and a bad source of memory (referring to where they get their knowledge), they make it up to their decision making by having an intact knowledge-based memory or what is commonly known as “wisdom”. In addition, considering their motivation, Drolet et al. (2018) also found out that since older adults

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have less time on the clock, the goals of knowledge acquisition and planning for the future become less essential and therefore less likely to be pursued and as a result, emotional well-being and experiencing are more likely to be trail. This is why strategies that are more emotionally triggering can get a more effective result. Lastly, the study also states that elderly is more inclined to buy things that is easy to use and effective therefore it is hard to rely on them for their brand loyalty. Similarly, Sahin (2008) also agrees that aged customers values what the product offers rather than the brand itself. In addition to what Drolet et al. established, Sahin (2008) also dug deeper into the emotional vulnerability of the aged seniors. She found out from one-on-one interview that these people are more concern with the value of moral issues, helping others, human and family love, friendship and fellowship as their source of happiness are stemmed from there (Sahin, 2008). Generally, looking at the aged population's motivation when buying goods and services, it can be concluded that the aged market is a market of experience rather than 'products-services market', a market that focuses on the product rather than the brand and a market that responds heavily to emotion.

In Thailand, there have been several people who have studied and described the cognitive abilities along with motivations of the Thai elderly of an aging population. Jarutach and Lertpradit (2020) believed that people have different motivations according to their money and age which goes in line with the socioemotional selectivity theory and life-course theory, previously explained. From there, he divided the elderly population in Thailand into three groups and described their motivations.

Early elderly: These are elderly people whose age are between 60-69 years old. Currently, this group is the biggest proportion of the elderly, dominating with 59% of the elder population. In this group, people are very much interested in healthy living thus investing a lot of their money on any products or services that promote a healthy wellbeing. This would include frequent health checks ups or skincare and cosmetics with anti-aging properties.

Mid-elderly: These are elderly people whose age are between 70-79 years. This is ranked the second highest in terms of proportion of elderly population. This group of elders are motivated to find comfort or leisure. Some of the people in this demography also tend to have congenital disease which means that they often need to educate themselves about their sickness and how they should deal with it. This would mean that they are compel to slow life traveling, means that would help them learn about social media and IT tools.

Late elderly: These are elderly people whose age are 80 years old and onwards. This is the age in which they must heavily rely on others. This would mean that they are interested in nursing homes and convenience products such as diapers, adjustable back rest, cold and hot packs (Jarutach and Lertpradit, 2020).

2.2.4 Retirement planning and pension fund

Retirement is being able to choose if you will continue working. Retirement is not something that has an absolute point, meaning that people go in to retirement at different time; some goes into retirement at the age 40 and some are still even working after the age of 70. The indicators can be whether they are (1) having a house that is fully paid for (2) free of debt (3) have adequate health insurance cover for medical expenses and (4) have enough savings or passive

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income to pay for your retirement lifestyle. All in all, different country has different mentality and requirement for retirement, therefore understanding retirement planning of the country of interest is important when understanding the consumer market trend (Government of Singapore, 2018). In Thailand, traditionally, according to the Government Pension Act, 1951, retirement only cover the public sector and stated that civil servant with the age of 60 or higher would be allowed to retire with the benefit of pension. Nowadays, the right to retirement expands to the private sector; according to the Labor Protection Act (No. 6), 2017, employers are obligated to permit their employees to the right of retirement once they reach the age of 60 as a result many Thais retire at the age of 60. However, as pointed out in the beginning, the fact that some people also retire earlier or later than the age of 60 also stands in Thailand.

After retirement some people will get pension funds. Pension funds are pools of savings accumulated during the working life of individuals. At any given point in time, they are the sum of the flow of the employer and employee contributions, investment income, and eventual benefits paid (Impavido, 2013). The pension plan differs in each country. Studying pension fund in each country is important to establish consumer market trend in countries affected by aging population because it will help in the understanding of the elderly's ability to buy.

Thailand also have a pension system. It first started off in 1902 by King Rama V for the well-being of all government officials after their retirements. It was the defined benefit scheme funded by the annual government budget, granting pensions to all government officials and to top it off, it is based on the last month salary. The scheme continued for almost a century, however, the apparent and increasing financial burden urged the Thai government to strengthen its sustainability by adopting the World Bank's Multi-Pillar of Old Age Security in 1990s (Government Pension Fund, 2012).

The first pillar is intended for basic needs; the second pillar is a defined contribution pension system for civil servants; the third pillar is a privately-financed personal provision and is voluntary. Provident Fund is an occupational pension. In contrast to, normal savings, it is incentivized with tax advantages and can be used to close pension gaps. In addition, voluntary retirement saving can be made through personal saving plans, including the Retirement Mutual Funds, opened for all including the employees not covered by provident funds. In 2015, the National Saving Fund (NSF) was introduced to cover Thai citizens who are not covered by any pension schemes especially the informal workers (Government Pension Fund, 2012).

Many researches had attempted to dive into how elderly spends their time and money after their retirement. A study by Mihaela and Nedelea (2008) pointed out that due to the increased leisure time, the elderly population will probably play a massive effect on tourism. In other studies, Erfurt, Peppes and Purdy (2012) and Llewellyn and Chaix-Viros (2008) brought up that since the elders have "vast purchasing power" as well as "increased leisure time," they are more likely to spend most of their time "having fun" to compensate their hard work around the middle of their life time. Therefore, it is important for business to take this opportunity and provide more goods and services that would increase the elderly's comfort as they travel, for example, adding rails to assist in walking and standing, increasing the number of chairs in the resting zone and even

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providing massaging chairs or by small massaging stores. Mihaela and Nedelea (2008) also mentioned the importance of studying all demographic as people do not change their travel behavior just because they turn 60 or 65, or because they retire so they are likely to keep their travelling pattern. In addition, Mihaela and Nedelea (2008) added that due to the focus on health it is likely that aged people will actively seek for health or medical tourism, a kind of tourism that plays a positive effect on one's body, for instance, onsen trips, mountain climbing trips, etc. Overall, due to increase in buying power and leisure time that is given by retirement and pension, in the world of aging population, senior citizens will be what people have to keep in mind when developing goods and services in all sectors.

The National Statistical Office reported that the state of income in the elders in Thailand is quite concerning. They reported in 2017 that there is 21% of the elderly population who lack any income at all and another 84.2% have an income that is lower than 30,000 baht per year. This is very concerning because the Securities and Exchange Commission estimated that in order to sustain the basic elder lifestyle from the moment of retirement until death in Thailand, one needs at least 4 million Thai baht (around 15,000 baht per month). However, 70% of provident fund members were reported to only have around 1 million Thai baht in their retirement life. Even if the members use this 1 million for investment, they would only get 3% profit per year (4,742 per month) which is still clearly not enough (National Statistical Office, 2017).

2.2.5 Government Policies

Aging population can result in positive impact for businesses, given that they are able to respond to the senior's specific needs, governmental policies should also be given a consideration. We must consider this because government can persuade and guide the public's perception and focus.

In terms of government policies, there are several aspects to review. For retirement planning and pension funds, the government announced several policies that aim to improve the elder's population income. One of the policies listed is to extend the age of retirement. This strategy is also used in countries like Singapore (from 65 years old to 67 years old), South Korea (from 55 years old to 60 years old) and Japan (from 62 years old to 65 years old). In Thailand, it is planned that the age of retirement will change from 60 to 63 years old by 2024. In addition, the government is also planning to encourage retired personnel to work after retirement and also encourage the private sectors to increase the employment of people aged 60 and onwards. In order to persuade the private sector, the government issued a law that would decrease corporate income tax up to 100% if the company employed elders older than 60 years old (Marketingopp, 2019).

For Thailand, according to the Bank of Thailand (2017), it can be seen that the important aging policies have been mentioned while being well-aware of the situation at hand, they are needed improvement in integration planning and key coordinating body. For example, although there is a pension system in place for both public and private sectors, the structure is not yet so well defined. Currently, there are efforts to encourage employers and employees to save more than 3% and less than 15% from the employee's salary. Furthermore, although there are some elderly-friendly infrastructure and accessible healthcare services, the healthcare services are still limited.

2.2.6 Inflation

Inflation is an increase in the overall level of prices in the economy. It plays a big role on money's value and worth over time. There are two causes of inflation cost-push inflation and demand-pull inflation. Cost-push inflation is when goods and services become costlier to produce. For instance, when the price of oil increase, the price of plane ticket may increase as well due to higher fuel price. On the other hand, demand-pull inflation occurs when there is strong need for a certain goods and services which drives the price up. For example, the price of seafood and meat increases during Chinese New Year because people need it for their tradition. Inflation is important to keep in mind because it influences people mentality (Government of Singapore, 2018). For example, fear of monetary value erosion may cause people to spend excessively instead of saving (Government of Singapore, 2018).

For a while, Thailand have had low level of inflation rate which stems from three factors: First, the development of production technology allows companies to supply more products with decreased cost (Bank of Thailand, 2020). Second, the expansion of e-commerce business increased competition making it harder to increase price of goods and services. Third, moving towards an aging population society decreases the overall expenditure of goods and services (Bank of Thailand, 2020).

3. Methodology

This research analyzes mainly 5 factors that may affect consumer market trend regarding the situation of aging population, which are 1) Physiological Changes, 2) Cognitive Capabilities and Motivation, 3) Retirement Planning and Pension Fund, 4) Government Policies, and 5) Inflation

In order to analyze the data, this research uses a qualitative method. The research starts by describing the situation of physiological change, cognitive capabilities and motivation, retirement planning and pension fund, government policies and inflation happened in Thailand. After that, we shall provide a prediction of consumer market trends based on theories that existed, past occurrences that happen in other countries of similar circumstances and results from past statistics.

The data used for this literature revisited research is from researches found in Science Direct, Google scholars, Research Gate and Bank of Thailand covered from 1988 to present.

4. Results and discussions

4.1 Results

4.1.1 Physiological change

To answer our first objective, Schwe (1988) and Drolet, Aylar, Mohammad and Davis (2018) had shown that as a person ages, there are several physiological deteriorations in sight, hearing, smelling, tasting, touch and muscle strength which will increase the demand for tools and services that can be utilized to improve aged population's quality of life. For example, food that are personalized for aged individual and medical supplies would create a positive impact for consumer market (Deb, 2016; IUFoST, 2014; Llewellyn and Chaix-Viros, 2008; Sahin, 2008).

The body declines as a person age. This means that their body becomes much frailer and their organ function would deteriorate too. So, one of the good methods to predict the consumer market trend is to look at the statistics of illness and health conditions that exist in Thailand.

In the 2013 health survey of the elderly, it is found that 2% of the elder population were bed-ridden and 19% were home-bound because they had limited mobility and could not easily go outside their home (Foundation of Thai Gerontology Research and Development Institute, 2014). From the same survey the common health conditions were limited physical ability (58%), followed by hearing impairment or communication problems (24%), vision impairment (19%), learning disability (4%), emotional problems (3%) and diminished intellect (2%) (Foundation of Thai Gerontology Research and Development Institute, 2014).

According to our second objective, we now know what kind of illness and conditions the elderlies in Thailand have. The statistics reveal as a guideline for investors to choose which section of healthcare they would like to invest in. This is because people who are ill are bound to buy medical tools or objects which would lengthen their life or at least alleviate discomfort.

4.1.2 Cognitive Capabilities and Motivation

To answer our first objective, Drolet et al. (2018) found that, cognitive-wise, although seniors have declined working memory and long-term memory, they make it up to their decision making by having an intact knowledge-based memory or what is commonly known as “wisdom”.

According to our second objective, Ruangkalapawongse and Ruangkalapawongse (2015) explained what motivate the elderly to spend for food products. Ruangkalapawongse and Ruangkalapawongse (2015) assessed the motivations in terms of dimensions rather than age group in contrast to Jarutach (2020)’s. Despite that, the assessment showed a similar trend. They were able to find that in buying food items the elderly prioritizes the concept of healthy living; they only go for products that are considered healthy food. Another aspect that is the same is that the elderly value products that improve their health and the need to educate themselves. One thing that the analysis added though is that the elder are not really swayed by popular trends. They tend to prioritize the convenience of obtaining products and services and their peer opinion rather than what the mass suggests. They also give importance to the price, believing that being more expensive would translate to having higher quality. They are also less likely to be swayed by brand loyalty. Lastly, they confirmed that having a staff to motivate the elderly into buying increases the chance of purchase (Ruangkalapawongse and Ruangkalapawongse, 2015).

4.1.3 Retirement planning and pension fund

To answer our first objective, Mihaela and Nedelea (2008) pointed out that due to the increased leisure time from retirement and money from pension, the elderly population plays a massive effect on sectors such as tourism. According to our second objective, Erfurt, Peppes and Purdy (2012) and Llewellyn and Chaix-Viros (2008) brought up that since the elders have “vast purchasing power” as well as “increased leisure time,” they are more likely to spend most of their time “having fun” to compensate their hard work around the middle of their life time.

The elderly population of Thailand, once gone into retirement, still have several ways that would sustain their income. This includes pension from social security and subsistence which the

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Thai government gives to all old age Thais who never gain benefits from government agencies or state enterprises (National Statistical Office, 2017). If a person is an official then the government will also grant them a pension fund. If he or she works for private companies then he or she may or may not receive a provident fund which is given upon retirement.

4.1.4 Government Policies

According to our first objective, it can be seen that if there are policies that encourage the concept of economic sphere in terms of production, distribution, advertising and the selling products and services, people in that country or region are most likely to tailor goods and services with specificities of older people (United Nations Economic Commission for Europe, 2009). According to the Bank of Thailand (2017), Thailand's policies are somewhat aware of aging population and is pivoting towards facilitating mainstreaming aging. However, the policies are not optimal to completely facilitate the mainstreaming of aging.

For our second objective, the results show that government has advocated the investment concerning products and services needed by people in aging population. For instance, the Bank of Thailand reduced interest to invite more investors to start investing in aging population products and services development (Marketingopp, 2019).

4.1.5 Inflation

To answer our first objective, the result shows that people tend to save during inflation. In addition, if a country suffered from inflation before, chances are that the elderly of that generation may not have savings which caused them to not retire early and use money for things like tourism.

According to our second objective, it can be seen that the inflation rate has been somewhat in the category of deflation which is to be expected considering the COVID-19 pandemic that had been impacting the whole world. While there is no consensus about a good inflation rate, people believe that an acceptable inflation rate is around 2 percent or a bit below. The inflation rate in Thailand likely becomes slightly deflated before becoming slightly inflated to around 2%. This is a good indication as slight inflation help encourage both businesses and consumers to use money which will benefit the economy.

4.2 Discussions

From investigating the literatures, we can tell that the consumer market trend values healthy living, convenience, quality and cost-effectiveness. The reasons are discussed below.

From physiological changes, we can see that there are a handful of health conditions that are common in elderly population in Thailand. These health issues are the trend in which the consumer market will approach in the future. The medical complications include cardiovascular diseases, diabetes, followed by skeletal and joint diseases, heart diseases, paralysis, and kidney diseases in that order of significance. So, with this list, we have outlined important sicknesses which will be critical for companies to take advantage of and invest in. These would account for products like special medicine, technologies and process food that fits the criterion of treating the diseases or facilitating the life of those with the disease. Another thing to take note of is not only in the pharmaceutical industry but also in lifestyle industries like furniture and cosmetics. Since health deterioration includes slow decline in body both functionally and visually, there are also opportunities to be ceased in anti-aging products, healthy living food as well as elderly friendly

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furniture and household appliances. Furthermore, the variable of cognitive capabilities and motivation highlights the concept of health and convenience for elderly products and services even more. This stresses that the elderly is not only in physical need of products and services that would help them with their declining body but also is mentally seeking for it as well. In most instances where product development from scratch is inevitable, some other products can be inspired from products that already exist in other markets. One of the other countries we could look at for convenience orientated product would be Japan. Lawson even started to invest in its first outlet with a nursing care consultation desk in Kawaguchi, Saitama Prefecture (Koreda, 2015). If companies in Thailand can start providing this kind of care to their customers, then this can be a huge opportunity to capitalize on.

Meanwhile, retirement planning and pension fund, just shed light on something that is very concerning. This tells us that while the elderly population is the majority of the buying power in Thailand, the fact that they lack funding and money will decrease their buying power immensely, despite having more leisure time. While it is true that the government is trying to improve the situation of elderly population in Thailand, it is still a working process. Many elderly individuals are limited to buying only important necessity products which greatly limits the possible business venues such as spa tourism, anti-aging cosmetics, and anti-aging surgery. In addition, this also means that companies that can produce products and services that are cost-effective and worthy shall have advantage over other competitors and that companies that focus on luxury products are less likely to be successful.

The development of the nursing home industry should be emphasized as it would satisfy the variable of physiological changes and cognitive capability and motivation. However, from the context of retirement planning and pension funds, living in a nursing home would pretty much be a luxury. In a nursing home the price per month would fluctuate depending on the location, the quality of service as well as the caliber of furniture and appliances. Nevertheless, the price would be around 20,000 baht per month which definitely exceeds what a normal Thai elderly has (Zander, 2017). However, people may say that the elderly could get support from their family since Thai families are considered to be very family orientated and would no doubt help their old family members financially. This would need to be looked at how much family members are willing to support the needs of the elderly financially.

5. Conclusion

5.1 Overall Summary

On this basis, we conclude that our analysis findings aim to examine the effects of the aging population on the consumer market and identify the future possibilities for new venues of niche business based on Thailand's older demographic customer trends. This paper has determined the prominent trends caused by the emerging aging society by targeting demographic populations of customers who are 60 years old or older. By our literature revisited, we found that older populations require different products from the market. There are several physiological deteriorations in strength which will increase the demand for tools and services that can be utilized to improve the aged population's quality of life. Elderly population plays a significant role in tourism due to their pension and retirement funds. Thailand's policies are adapting to the aging population and facilitating elderly, and lastly, some of them might not have enough money to spend due to multiples inflations in their lifetime.

5.2 Recommendation

5.2.1 Policy Suggestion

For the policy suggestion, all businesses should start to invest in also in the field of healthy processed food such as low-fat meals with no cholesterol, low sugar or no sugar products, and food supplements to enhance the health of their new customer base. In addition, there have also been increasing trends toward tools that facilitate an elderly lifestyle which includes water taps, doorknobs, light switches, and electrical outlets that are specifically made for the elders to function easier without any help. Lastly, companies can also turn to furniture and household appliances that help support customers with lower strength such as a height-adjustable bed, latex mattress, and personalized pillows. Therefore, it can be observed that the customers' trends are more focused on improving life longevity and health-enhancement, the business should take these factors into consideration to understand the older customer's demands within the market.

5.2.2 Further Research

The further research should consider the potential effects of low pension and retirement funds offered by the Thai government more carefully. For example, this study found that the elderly population in Thailand has lower buying power after their retirement due to the fact that many of them lack income saving and the amount of pension provided by the government is too little to sustain any comfortable lifestyle. Therefore, their buying power is relatively less compared to other countries, despite having more leisure time to spend and enjoy their free time. This may constitute the object of further studies by researching the impacts of low pension and retirement funds on customers, as well as the effectiveness of the government's funds in sustaining the lives of older citizens, and their low spending's impacts on business. This is an issue for further research to explore because many of the aging populations lack financial stability to spend, the issue of their financial spending will limit their spending to certain necessary products, such as medicines and food for basic survival. This indicates that primary research must be conducted based on the aging customer's demands, spending's capability, and limitations based on the government's policies. Overall, it is undeniable that the customer's trends in Thailand are rapidly developing into a health-focused sector due to the older population trends that are transforming the customer's demands and concerns towards a healthy lifestyle. This study indicates that businesses should also develop their products and market into the health-sector to supply the new demands that were created by the latest demographic trends.

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