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# Insights into mature consumers of financial services

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# Insights into mature consumers of financial services

**Abstract**

Purpose: The purpose of this paper is to investigate psychographic, demographic and situational characteristics of Baby Boomer generation consumers, specifically in relation to their consumption of financial services.

Design/methodology/approach: A survey was pre-tested and 776 responses (77.6 per cent response rate) were subjected to correlation and ANOVA analysis. The survey covered a wide range of variables for decision making for financial services, including situational, demographic, and psychographic.

Findings: Consumers who scored higher on scales for competitiveness and need for material resources tended to have higher incomes. Mature consumers were likely to face major life events involving their children and parents, but these events were least likely to prompt the use of a financial service adviser. However, some respondents showed a propensity for seeking financial advice in relation to many types of life events. There were also relationships between seeking financial information from certain service providers.

Research limitations/implications: The paper's findings assist in building a picture of the psychographic and behavioural tendencies of the largest age cohort.

Practical implications: The findings suggest strategies for: cross-selling through referral networks of different financial service providers; communications to increase awareness of the likelihood of financial pressures from aging parents, potentially concurrently with adult children; and lead generation based on the likelihood of having a higher income, seeking financial advice and using financial services.

Originality/value: There is a dearth of literature on the consumption behaviour of mature consumers in relation to financial services. Financial services are a major industry in most developed economies and sound financial management is critical for the Baby Boomer cohort. This paper assists in understanding this significant market to facilitate enhanced marketing strategies.

**Keywords**

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# Title: Insights into Mature Consumers of Financial Services

## Introduction

The importance of the baby boomer generation has long been recognised by marketers, and their influence only increases as they grow older. Fifteen years ago Leventhal noted the significance of the first of the baby boomer cohort turning 50, describing it as “the start of what is to become one of the greatest marketing movements ever seen in the USA” (1997, p.276).

The significance of the baby boomer generation to marketers in general has been well covered in the literature (for example, see Leventhal, 1997; Moschis, Lee & Mathur, 1997). However, one of the many reasons for the significance of the aging baby boomer cohort is the provision for their retirement. The baby boomers are the largest generational cohort and are likely to have longer life spans than preceding generations (Hopkins, Roster & Wood, 2006). This generation therefore prompts a surge in need for financial services. With such a large (and growing) market, financial services marketers will benefit from enhanced understanding of the baby boomer market. The current study investigates psychographic, demographic and situational characteristics of these mature consumers specifically in relation to their consumption of financial services.

## Mature Consumers - Segment Size and Demographics

Baby boomers are usually considered to be those born between 1946 and 1964 (Reisenwitz & Iyer, 2007). For this study the group was expanded slightly to include those aged 40 to 69 years old. Forty is the age at which consumers approach the end of financial constraint with children potentially becoming financially independent; the family home paid for; and/or loans reaching their terms. Often this is also the time when financial planning for retirement begins. This expanded baby boomer segment will be referred to as ‘mature consumers’ throughout this paper.

One reason for studying characteristics of mature consumers relates to the size of the cohort with this group being one of the largest constituencies in society (for example, see Leventhal, 1997). While the proportion of mature consumers varies somewhat across populations, in general it sits at about 20% in most developed countries (Bloom, Canning & Fink 2011).

## Mature Consumers and Financial Services

Mature consumers possess the greatest amount of wealth in western nations (Moschis & Nguyen, 2008; Pettigrew, Mizerski, & Donovan, 2003), for example, mature consumers hold approximately 60% of Australia’s net worth (Australian Bureau of Statistics, 2007, 2010). In the USA, people over 55 year are said to control more than half of the country’s assets and more than half of its discretionary income (Moschis, Lee & Mathur, 1997). The baby boomer is an above average socioeconomic group and its members are two times as likely as the average person to earn over $50,000 (Reisenwitz & Iyer, 2007). Thus their decisions have significant impact within the world of financial services.

As older consumers begin to retire or scale back their work requirements, their weekly income from employment reduces and they start to live off investment returns, at the same time as having fewer liabilities. Baby boomers have been described as having a strong focus on financial security (Roberts & Manolis, 2000). This increased focus on investment makes the mature market a highly attractive segment for providers of financial services. In addition, most westernised nations have begun to transition their populations into enforced savings through for example in Australian, mandatory superannuation schemes and means testing of pensions to move increasingly towards individualised or self-management of retirement assets

(Bateman & Piggott, 2000, 2003; Eberstadt, 2011). However, clearly not all mature consumers carry the same life-time customer value to a financial services organisation. Given the predicted continuing growth in this mature segment of the population, it will be useful for those offering financial services to be able to segment the market more effectively to identify those more likely to have higher income and/or an interest in using a financial adviser.

There have been many studies examining consumption behaviour and/or marketing strategies related to mature consumers or those facing retirement (for example, Beneke, Frey & Chapman, 2011; Hopkins, Roster & Wood, 2006; Myers & Lumbers, 2008; Sudbury & Simcock, 2009). There is however far less empirical research on the characteristics and consumption behaviour of mature consumers of financial services in particular. Kennett, Moschis and Bellenger (1995) examined mature consumers of financial services but explored marketing strategies rather than consumer characteristics. Nasco and Hale (2009) studied mature consumer information search in relation to purchases of home, medical and financial services. Given the limited literature available, the current study took a broad approach, exploring various aspects of mature consumers in relation to financial services.

**Method**

The study involved the distribution and analysis of a survey questionnaire investigating the characteristics of mature age consumers in the context of decision making for financial services. A stratified random sampling technique (by state of residence) was used to select mature consumers from a large Australian service provider. Data were entered into SPSS from 776 completed questionnaires.

A pre-participation request letter was distributed to 10,000 customers of the sponsoring body, who provided both financial and in-kind support. Positive responses were received from 1,000 potential participants and surveys were sent to each of the respondents. Seven hundred and seventy six completed surveys were returned, equating to an effective response rate of 77.6% from those who received surveys. The researchers compared demographic characteristics of those who chose not to participate, those who did not return the survey, and respondents, and no significant differences were identified. Missing value analysis was also conducted and missing data was found to be random.

*The instrument*

The survey included demographic items such as age, education level, gender, income, residential status, family composition and occupation data. Questions relating to use of various financial services were also included. The other main section included items relating to various psychographic variables, including personality traits and decision-making approaches for financial services.

To measure the psychographic variables, personality scales were selected from the literature after discussion with experts in the respective fields. Cronbach's alpha was considered an acceptable tool for the measurement of inter-item consistency and hence reliability (Nunnally & Bernstein, 1994). Cronbach's alpha was used on the relevant measures and those that did not reach the prescribed 0.7 level were discarded from the research. The measures that were incorporated into the survey instrument are listed in Table 1.

Prior to the survey being finalised, interviews and survey pre-testing were carried out with financial planners, marketing academics, marketing practitioners, statisticians, an actuary, and 55 consumers.

**Table 1: Personality Scales Used in Survey**

| Scale (Author) | Author α | Sample α |
|---|---|---|
| Conscientiousness (Mowen & Harris 2003) | 0.86 | 0.749 |
| Need for material Resources (Mowen & Harris 2003) | 0.86 | 0.727 |
| Competitiveness (Mowen & Harris 2003) | 0.94 | 0.759 |
| Openness to experience (Mowen & Harris 2003) | 0.96 | 0.792 |
| Goal Orientation (Malouff et al. 1990) | 0.81 | 0.754 |
| Revised Life Orientation Test (Scheier, Carver & Bridges 1994) | 0.82 | 0.771 |
| Uncertainty Orientation (Smith & Bristor 1994) | 0.76 | 0.792 |
| Subjective Knowledge (adapted from Celsi & Olson 1988) | 0.73 | 0.762 |
| Subjective Expertise (adapted from Celsi & Olson 1988) | 0.81 | 0.838 |

## Results

*Mature Consumer Characteristics*

Respondents were relatively evenly spread in terms of gender, with 46.9% male and 44.8% female. Only about a quarter of the respondents were retired (25.4%), with 62.1% not currently retired, and 12.5% not indicating either way.

Table 2 provides a full summary of frequencies for the following demographic variables: Marital status, age, income, number of financial dependents, education level and occupation. As evident from the table, just over two thirds of respondents indicated they were married at the time of the survey (68.2%), with only small numbers spread over the other marital statuses. Respondents were also relatively well spread across all age categories. The average age fell in the 50 - 54 year age bracket.

The average household income was in the $60,001 - $90,000 per annum category, but the mode was $30,000 - $60,000. Respondents had an average of 1.7 other people who were dependent on them financially, however, more than a third of people (34.4%) did not answer this question – a much higher number of missing values than for any other question. It is likely that missing values were due to respondents leaving the question unanswered as a way of signally that they had no dependents, rather than ticking the ‘none’ option.

Most respondents had completed secondary schooling (87.1%), and two thirds (67.1%) had completed a tertiary or professional qualification of some kind. The mean and mode for education level both fell in the vocational qualification or diploma category.

**Table 2: Summary of Selected Demographic Variables**

| Marital Status | n | % |
|---|---|---|
| Single | 52 | 6.7% |
| In a relationship | 29 | 3.7% |
| De Facto relationship | 33 | 4.3% |
| Married | 529 | 68.2% |
| Separated | 20 | 2.6% |
| Divorced | 60 | 7.7% |
| Widow/widower | 29 | 3.7% |
| Missing | 24 | 3.1% |
| Total | 776 | 100.0% |

| Income | n | % |
|---|---|---|
| Less than $30,000 | 112 | 14.4% |
| $30,001 - $60,000 | 221 | 28.5% |
| $60,001 - $90,000 | 161 | 20.7% |
| $90,001 - $120,000 | 118 | 15.2% |
| $120,001 - $150,000 | 57 | 7.3% |
| $150,001 - $200,000 | 47 | 6.1% |
| $200,001 + | 36 | 4.6% |
| Missing | 24 | 3.1% |
| Total | 776 | 100.0% |

| Financial Dependents | n | % |
|---|---|---|
| None | 117 | 15.1% |
| 1 | 131 | 16.9% |
| 2 | 125 | 16.1% |
| 3 | 86 | 11.1% |
| 4 | 31 | 4.0% |
| 5 | 15 | 1.9% |
| 6 | 2 | 0.3% |
| 7 | 2 | 0.3% |
| Missing | 267 | 34.4% |
| Total | 776 | 100.0% |

| Age in Years | n | % |
|---|---|---|
| 40 – 44 | 93 | 12.0% |
| 45 – 49 | 125 | 16.1% |
| 50 – 54 | 145 | 18.7% |
| 55 – 59 | 162 | 20.9% |
| 60 – 64 | 119 | 15.3% |
| 65 – 69 | 110 | 14.2% |
| Missing/Outside range | 21 | 2.9% |
| Total | 776 | 100.0% |

| Education Level | n | % |
|---|---|---|
| No attend school or only primary | 4 | 0.5% |
| Some secondary school | 96 | 12.4% |
| Completed secondary school | 149 | 19.2% |
| Vocational qualification, diploma | 190 | 24.5% |
| Bachelors degree | 143 | 18.4% |
| Professional qual (e.g. CPA) | 101 | 13.0% |
| Higher degree (e.g. Masters, PhD) | 87 | 11.2% |
| Missing | 6 | 0.8% |
| Total | 776 | 100.0% |

| Occupation | n | % |
|---|---|---|
| Professional | 222 | 28.6% |
| Manager or Administrator | 173 | 22.3% |
| Other | 99 | 12.8% |
| Para-professional | 81 | 10.4% |
| Clerical Worker | 62 | 8.0% |
| Trades-person | 47 | 6.1% |
| Stay at home parent | 34 | 4.4% |
| Sales Person | 27 | 3.5% |
| Labourer | 13 | 1.7% |
| Plant Operator | 10 | 1.3% |
| Missing | 8 | 1.0% |
| Total | 776 | 100.0% |

A one-way between groups ANOVA was conducted to explore the relationships between many variables within the study. Despite many relationships reaching statistical significance, the actual differences in mean score between most of these groups were small. In Table 3 we present those relationships which showed an effect size ($eta^2$) of moderate to large impact, as defined by Cohen (1988). Post-hoc comparisons using the Tukey HSD test and examination of the means plots indicated that the relationships presented below showed significant differences between groups and relatively straightforward linear relationships.

**Table 3: Relationships between significant demographic variables**

| Dependent Variable | Independent Variables | $Eta^2$ | Effect Strength |
|---|---|---|---|
| Income | Education Level Respondent | 0.122 | Moderate |
| | Education Level Partner | 0.139 | Moderate |
| | Demographics - respondent age | 0.084 | Moderate |
| | Demographics - partner age | 0.116 | Moderate |
| | Respondent Occupation | 0.073 | Moderate |
| Education | Education Level Partner | 0.244 | Large |
| | Respondent Occupation | 0.170 | Large |

*p=0.000*

As expected, analysis of the ANOVA provided statistically significant results and strong relationships between common demographic measures. For example, the socio-economic status variables provided direct linear increasing relationships between income, education and occupation. There were similar relationships between partner income, partner education, and partner occupation. These findings confirm many previous studies which have shown that higher education leads to a higher perceived occupation which in turn leads to higher income - for both the individual and their partner.

Conversely, age showed a statistically significant result between groups when compared to income levels, with a largely negative overall relationship. As mature consumers begin to retire their income reduces. There is however a significant difference for those in the $200,001+ income bracket as they tended to be younger than their counterparts. This is likely to be due to those in their late 40s and 50s not yet having retired and earning very high incomes as they reach the top of their career.

*Use of financial services – Situational Variables*

The survey asked respondents to answer the following question "*how actively do you seek (go out of your way to find) information from the following sources when you need to make an important decision regarding your finances*", by selecting a point on a scale from 1 (not actively seek) to 7 (actively seek). Table 4 displays the responses for different financial service providers. It is clear that for important financial decisions, respondents were more likely to actively seek information from a financial planner or accountant than the other financial professionals listed.

**Table 4: Sources used when seeking information for important financial decisions**

| **Source of information** | **Not actively seek: Low (1 & 2 on scale)** | | **Middle of scale (3-5)** | | **Actively seek: High (6 & 7 on scale)** | |
|---|---|---|---|---|---|---|
| Financial Planners | 197 | 25.4% | 255 | 32.9% | 313 | 40.3% |
| Accountants | 152 | 19.6% | 306 | 39.4% | 306 | 39.4% |
| Banks | 262 | 33.8% | 368 | 47.4% | 135 | 17.4% |
| Funds Managers | 305 | 39.3% | 328 | 42.3% | 133 | 17.1% |
| Stockbrokers | 422 | 54.4% | 255 | 32.9% | 89 | 11.5% |

Table 5 shows respondents' current use of various financial services. It is interesting to note that the proportion of respondents who would actively seek information from a financial planner (Table 4) is similar to the proportion who report that they are currently using a financial planner, whereas the proportion of respondents currently using the various banking services, accountants, managed funds, and stock brokers is higher than the number who would use those institutions for information for financial decisions.

**Table 5: Financial services currently used by respondents**

| **Financial Services Used** | **n** | **%** |
|---|---|---|
| Bank Account | 670 | 93.7% |
| Credit Card | 613 | 85.7% |
| Loan / Mortgage | 349 | 49.6% |
| Savings Account / Term Deposit | 486 | 68.3% |
| Insurance | 438 | 61.5% |
| Accountant | 423 | 59.1% |
| Managed Fund | 289 | 40.5% |
| Financial Planner | 284 | 40.5% |
| Stock Broker | 150 | 21.1% |

One-way between groups ANOVA was conducted to explore the relationships between the propensity to seek advice from the different financial service providers. The findings from this analysis are presented in Table 6.

**Table 6: Sources of information actively sought for important financial decisions**

| **Dependent Variable** *"Actively seek information from…"* | **Independent Variables** *"Actively seek information from…"* | **Eta$^2$** | **Effect Strength** |
|---|---|---|---|
| Accountant | Stockbroker | 0.088 | Moderate |
| | Financial planner | 0.067 | Moderate |
| | Funds manager | 0.072 | Moderate |
| Stockbroker | Financial planner | 0.044 | Medium |
| | Funds manager | 0.092 | Moderate |
| Financial Planner | Funds manager | 0.249 | Large |

*p=0.000*

As depicted in Table 6 consumers seeking information from an accountant were also more likely to seek information from stockbrokers, financial planners and funds managers. Similarly those that were more likely to seek information from a stockbroker were more likely to seek information from financial planners and funds managers. Furthermore a particularly strong relationship exists between financial planners and funds managers, which mirrors the practical side of the industry where these two functions are often performed symbiotically. This has important implications for 'lead generation' which will be discussed further in the latter stages of this paper. While other advisory and financial services such as government bodies such as centre-link and media sources all formed part of the survey, the four key financial services (accountants, financial planners, funds managers and stockbrokers) were the only ones that showed statistically significant strong relationships.

*Life events – Situational Variables*

The link between life events and use of financial services was also addressed in the questionnaire. The survey asked respondents to identify whether specified life events would be likely to occur in the next five years, and also which events would lead them to seek financial advice. Mean responses are presented in Table 7. Events related to retirement had a strong connection to seeking financial advice, while those related to children received the lowest average scores.

Responses to the questions related to seeking financial after life events were all found to be significantly correlated ($0.403<r<0.777$, $p=0.000$, $748<n<766$) indicating that those consumers who would seek financial advice for some types of life events would tend to seek advice for different types of life events as well. This implies that there might be an enduring propensity to seek advice given a change in situation for some mature consumers.

**Table 7: Perceived likelihood of a life event occurring in the next 5 years & seeking financial advice if a life event occurred**

| | Perceived likelihood of: (*scale: 1 highly unlikely - 7 highly likely*) | | | | | |
|---|---|---|---|---|---|---|
| | Life event occurring in the next 5 years | | | Seeking financial advice if life event occurred | | |
| **Life Event** | **Mean** | **SD** | **n** | **Mean** | **SD** | **n** |
| Increased responsibility for care of parent/aged relative | 3.53 | 2.33 | 766 | 2.96 | 2.11 | 757 |
| Seriously consider retiring | 3.36 | 2.53 | 751 | 3.76 | 2.48 | 753 |
| Reduce the number of hours you work | 3.35 | 2.34 | 754 | 2.78 | 2.13 | 762 |
| Retire | 3.21 | 2.54 | 757 | 4.53 | 2.55 | 754 |
| Have a significant promotion at work | 2.78 | 2.13 | 762 | 2.45 | 2.01 | 769 |
| Move to a smaller home | 2.73 | 2.05 | 756 | 2.35 | 1.96 | 759 |
| Receive an allocated (non-government) pension | 2.71 | 2.43 | 755 | 3.90 | 2.55 | 758 |
| Receive a superannuation payout | 2.66 | 2.35 | 756 | 4.44 | 2.54 | 761 |
| Receive a government pension | 2.53 | 2.35 | 754 | 3.44 | 2.50 | 756 |
| Change jobs | 2.50 | 1.96 | 755 | 2.30 | 1.86 | 759 |
| Receive an inheritance | 2.47 | 1.89 | 753 | 3.86 | 2.42 | 764 |
| Have an adult child move back home | 2.18 | 1.80 | 766 | 1.53 | 1.19 | 757 |
| Have your last child move out of home | 2.13 | 2.09 | 753 | 1.64 | 1.42 | 766 |
| Be forced to retire | 1.99 | 1.69 | 755 | 4.00 | 2.58 | 760 |
| Lose your job | 1.98 | 1.57 | 764 | 2.88 | 2.29 | 758 |

*Psychographics & decision making variables*

Correlation analysis of the psychographic and decision-making variables confirmed logical and unsurprising associations between variables (summarised in Table 8) which provides reassurance regarding the robustness of the instrument. For example, those respondents who scored higher on the decision-making item ‘I just know what to do about my finances', also tended to score high on their perceptions of their own financial knowledge (subjective knowledge and subjective expertise). Similarly, those who scored high on ‘Openness to Experience’ also tended to score high on ‘Uncertainty Orientation’; and ‘I tend to put away for a rainy day’ was correlated with ‘Goal Orientation’.

It was interesting to note that ‘Need for Material Resources’ was positively correlated with ‘Competitiveness’ – it is reasonable to suppose that those who are competitive would feel in need and be striving to achieve more. ‘Need for Material Resources’ was also unsurprisingly negatively correlated with ‘I don’t need much, to live my life the way I want’.

**Table 8: Significant psychographic and decision making correlations**

| Pairs of correlated psychographic variables | *r* | *n* |
|---|---|---|
| Financial decisions - 'I just know what to do about my finances'<br>Psychographic - Subjective Knowledge | 0.521 | 759 |
| Psychographic - Openness to Experience<br>Psychographic - Uncertainty Orientation | 0.505 | 757 |
| Financial decisions - 'I just know what to do about my finances'<br>Psychographic - Subjective Expertise | 0.486 | 762 |
| Psychographic - Need for Material Resources<br>Psychographic - Competitiveness | 0.422 | 764 |
| Psychographic - 'I tend to put away for a rainy day'<br>Psychographic - Goal Orientation | 0.410 | 750 |
| Psychographic - Achievement Striving<br>Psychographic - Conscientiousness | 0.401 | 753 |
| Psychographic - 'I don't need much, to live my life the way I want'<br>Psychographic - Need for Material Resources | -0.409 | 767 |

*p=0.000*

Further correlation analysis was undertaken on the key financial services variable of income with many other variables within the study. The associations that were found are depicted in Table 9. All correlations with household income were relatively weak (r<0.400) however significant at the p=0.000 level.

**Table 9: Variables Correlated with Household Income**

| Positive Correlation with Household Income | *r* | *n* | Negative Correlation with Household Income | *r* | *n* |
|---|---|---|---|---|---|
| Demographic - Education Level Partner | 0.362 | 587 | Demographic - respondent age | -0.238 | 741 |
| Demographic - Education Level Respondent | 0.316 | 751 | Demographic – partner's age | -0.270 | 595 |
| Psychographic - Need for Material Resources | 0.242 | 749 | Actively seek information from centre link | -0.327 | 746 |
| Psychographic - Competitiveness | 0.218 | 746 | Psychographic – 'I don't need much to live my life the way I want' | -0.283 | 750 |
| Psychographic - Subjective Expertise | 0.214 | 740 | Financial decisions – 'I look for financial information everywhere, I have little knowledge about finances and want to know everything I can' | -0.213 | 740 |
| Financial decisions – 'Likely to seek financial advice when retiring' | 0.209 | 733 | | | |

*p=0.000*

As previously shown (Table 3) the education level of mature consumers and their partners positively correlate with income levels. Furthermore, higher levels of competitiveness and need for material resources correlated with higher income levels. In addition, higher levels of subjective expertise as well as the propensity to seek financial advice when retiring correlated highly with income. On the contrary an inverse relationship was found between income and the age of the mature consumers and their partners, which reinforces previous results (Table 3). Further to this, negative correlations are shown between income and actively seeking information from social support services. In addition negative correlations were shown between income and those that consider 'I don't need much to live my life the way I want' and looking for financial information "everywhere".

One-way between groups ANOVA was conducted to explore the relationships between psychographics, income and several other variables - the most pertinent results are depicted in Table 10.

**Table 10: Associations between psychographic, demographic and situational variables**

| Dependent Variable | Independent Variables | $Eta^2$ | Effect Strength |
|---|---|---|---|
| Income | Need for Material Resources Average | 0.062 | Moderate |
| | Competitiveness Average | 0.049 | Moderate |
| | Subjective Expertise Average | 0.060 | Moderate |
| | Rank Plan - your capital is secure | 0.093 | Moderate |
| Education | Uncertainty Orientation Average | 0.061 | Moderate |
| | Rank Plan - your capital is secure | 0.081 | Moderate |
| Actively seek information from stockbrokers | Competitiveness Average | 0.073 | Moderate |
| | Subjective Expertise Average | 0.085 | Moderate |

*p=0.000*

Income shows moderately strong relationships with a range of psychographic variables in particular higher income is associated with higher competitiveness, a higher need for material goods, as well as higher subjective expertise with financial matters. Further to this those with more money also tended to want to keep money secure. These relationships showed steadily increasing linear relationships with Tukey HSD test showing significant differences between groups throughout, in particular those at either end of the spectrums.

Education shows a moderately strong positive relationship with the ability to cope with uncertainty. The skill set required to take more risk, or put themselves in uncertain situations can be mitigated by those with more education (or at least is perceived as such).

It is interesting to note that of all the financial services and psychographics tested, the strongest relationships existed between those 'likely to seek information from a stock broker if making an important decision regarding their finances' and competitiveness as well as financial expertise. Stockbroking is considered a relatively elite level financial service, it follows that mature consumers that use this product understand that there are much less advisory services provided and therefore would naturally consider themselves more of an expert in the field. It also follows that these mature consumers are more competitive.

## Discussion and Managerial Implications

This study explored the situational, demographic and psychographic characteristics of mature consumers in relation to decision-making regarding financial services.

*Demographics and use of financial services*

Many of the findings were to be expected, for example the demographics of the sample mature consumers were consistent with stereotypical demography. For example, those mature consumers that were more highly educated tended to have higher status occupations and as a result increased income (for those not already retired). It was interesting to note that those with higher education levels and incomes also had partners that had higher educations, occupations and incomes.

From a practitioner's perspective, the study therefore confirmed that the common assumptions about how to identify potentially valuable customers hold true. The data from the study confirms that those with higher levels of education tend to have higher levels of income. Targeting people with higher educational attainments when they are relatively young, may enable financial service providers to gain advantage due to these customers' potentially higher value later in life.

An important finding from the study was that respondents were much more likely to seek financial information from accountants and financial planners than from other types of finance professionals and/or institutions. Even those respondents who were currently using a variety of financial services such as accountants, banks, managed funds, or stock brokers, were not necessarily likely to consider those service providers as a source of financial information. Given that many banks provide financial advice services as a mechanism for retaining customers, it is important for them to note that mature consumers appear less likely to consider them in their frame of reference as a valuable financial information source. This lends credence to the argument that mature consumers still consider banks and accountants to be specialists in their fields but would rather seek a specialist in the financial field for their financial planning.

*Situations and Cross-selling*

Cross selling opportunities exist from many of the situational elements explored in the study. These relationships imply that some situations and financial service providers act as gateways for potential cross-selling opportunities. Whilst the relationship between funds managers and financial planners is an expected one, the relationships between use of accountants, funds managers, stockbrokers and financial planners shown in this study has implications for networks of customer contact. While traditional models have seen some financial planners essentially act as the sales arm for managed funds, it is the interactions in Table 6 revealing the relationships between use of accountants, funds managers, financial planners and stockbrokers that shows promise for practitioners. While it is normal for financial planners to have professional relationships and agreements with funds managers it is less common for accountants to have similar lead generation or referral networks with stockbrokers and funds managers. This finding in particular has potential for new entrants into the financial services markets as an opportunity for a lead generation arrangement with a wide network of financial service professionals is currently underutilised.

*Psychographics*

Psychographic traits are potentially the most enduring and meaningful of consumer characteristics and so can be useful identifiers of future high value customers. In the study, positive relationships were found to exist between income, the need for material resources and competitiveness. These are traits that could be measured at an earlier age to predict levels of earning power in later life. For example, sports players tend to have higher levels of competitiveness and thus could be seen as long-term lead generation prospects. Stockbroking firms in particular should be interested in the competitiveness relationship as this is particularly strong for the active seeking of their services.

*Life events*

The study revealed that those likely to seek advice as a result of any type of life event are likely to seek advice for other types of events also. This general propensity for seeking financial advice has implications for CRM. Those customers who approach an organisation for financial advice for a nominally one-off situation, should be followed up on as they are likely to be open to advice as other major events occur in their life. The need to develop a strong relationship with mature consumers was stressed by Leventhal, (1997), confirming the value of such a strategy.

In general, those consumers that have a higher propensity to seek advice based on situational decision making variables should be sought after consumers for organisations offering financial advice services. This study did not reveal the characteristics of such consumers, but it would be a useful topic for further research - there is scope therefore to explore the concept of a latent or holistic 'financial advice seeking' behaviour.

Another finding from the study was that life events related to children, for example children leaving home or returning home, are less likely to prompt a search for financial information. It is possible that such events are simply considered expenses or 'responsibilities', rather than financial issues that require planning. The baby boomer generation had different experiences as children – they left home younger, were more able to afford their own home, and less likely to move back in with their parents. Therefore as baby boomers mature, they may not appreciate the likelihood and financial implications of the changing patterns of behaviour of their adult children.

Many social changes increase the likelihood of baby boomers facing financial pressures from their children as they near retirement, in a way that previous generations did not experience. Delayed marriage, delayed child bearing, and increasing divorce and remarriage rates (and the additional children that may ensue) all lead to baby boomers having parenting responsibilities later in life than their own parents (Wassell 2006, Riley & Bowen 2005). The baby boomers are also more likely to be part of the 'sandwich generation' to a degree not experienced by their parents. The term 'sandwich generation' refers to the people who simultaneously care for two generations of relatives – usually their parents and children (Cravey & Mitra 2011). In 2001, approximately 40% of people in the USA aged between 45-55 years, had financial responsibility for their parents and for children under 21 years living in their home (Cravey & Mitra 2011). Our respondents perceived that the most likely life event to occur in the next five years is a parent moving into the home. However, similar to the responses to child-related life events, respondents did not perceive this as prompting them to seek financial advice.

Another significant social trend is the 'boomerang kids' where adult children return to their parents' homes. An increasing number of adults in the USA have had to move back in with their parents after having left home (Braverman, 2010, Wassell 2006). In the 1990 census 25% of adult children (18-24 years) were living with their parents, compared to 56% of adult sons and 47% of adult daughters in 2000 (Wassell 2006). These parents hosting adult children had assumed their children would leave home and live independently and had not anticipated a return to the family home (Riley & Bowen, 2005). This is an important point as it may explain our respondents' perception of there being a low likelihood of their children moving back into the family home.

While planners appear to be recognising that the sandwich generation requires financial advice, the response appears to have predominantly been to produce resources to assist with offering advice to such customers, rather than strategies to target these customers (Pavia, 2005; Paikert, 2008). The current study's insight into the fact that financial demands of having children return to the nest are not widely anticipated or appreciated by consumers suggests that financial organisations need to be more proactive. This is an area where providers of financial advice could endeavour to communicate with consumers so that they are able to manage their finances more effectively in relation to major life events involving their parents and children.

**Conclusions**

There is little research into the consumption behaviour of mature consumers of financial services. This broad ranging study explored a variety of aspects of mature consumers and the results suggest several areas where financial service providers could enhance their marketing efforts. The confirmation of the link between education, occupation and income should act as a reminder to service providers to target those younger consumers who are more likely to have high income later in life. Competiveness, and a need for material resources were found to be associated with higher income, so may provide another mechanism for earlier identification of potential higher value customers.

The study also revealed a preference from respondents to get financial information from financial planners and accountants rather than other financial institutions that suggests that banks offering financial advice services need to enhance their marketing communications. Results also highlighted opportunities for expanded referral networks involving a broader range of financial service providers, and CRM initiatives to ensure follow up with clients who approach the firm for advice for a discrete event.

Results suggested that consumers may not be aware of the prevalence and financial impact of the trends towards ‘boomerang kids’ and the ‘sandwich generation’. This is another area where marketers can communicate with consumers to assist them to understand the impact of various life events on their finances and to obtain financial advice.

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