



University of St.Gallen



## Silver Markets – What are we talking about?

**Or: Why we still struggle to find a useful definition**

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1. The Challenges

2. The Facts

3. The Conclusions

## Who is the customer?

- “... ‘silver market’, the market segment more or less broadly defined as those people aged 50 or 55 and older.”

[Kohlbacher / Herstatt 2008]



# What is the product?

- “Today, in fact, the silver economy comprises products and services in very diverse and by no means only “social” market segments“

[Kohlbacher / Herstatt 2008]

- “Demographic change is relevant for all business models (...)“

[PriceWaterhouseCoopers/IMH-HSG 2006], translated



## So what are we talking about?

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- A market of approx. 1'500 bn Euro (PPS) per year in the EU 27
  - 11'250'000 tons of 1 Euro coins



- + B2B market

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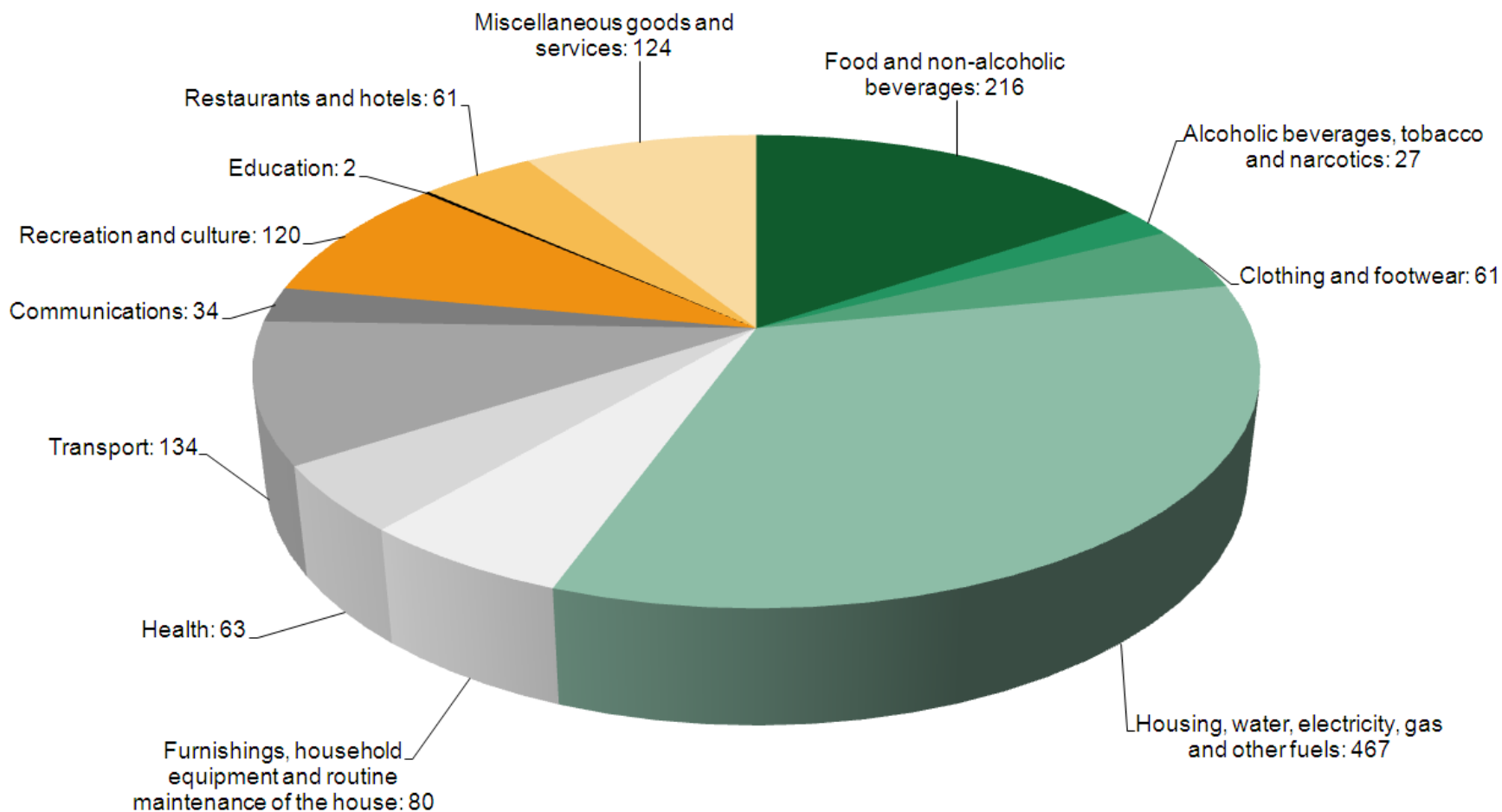
1. The Challenges

2. The Facts

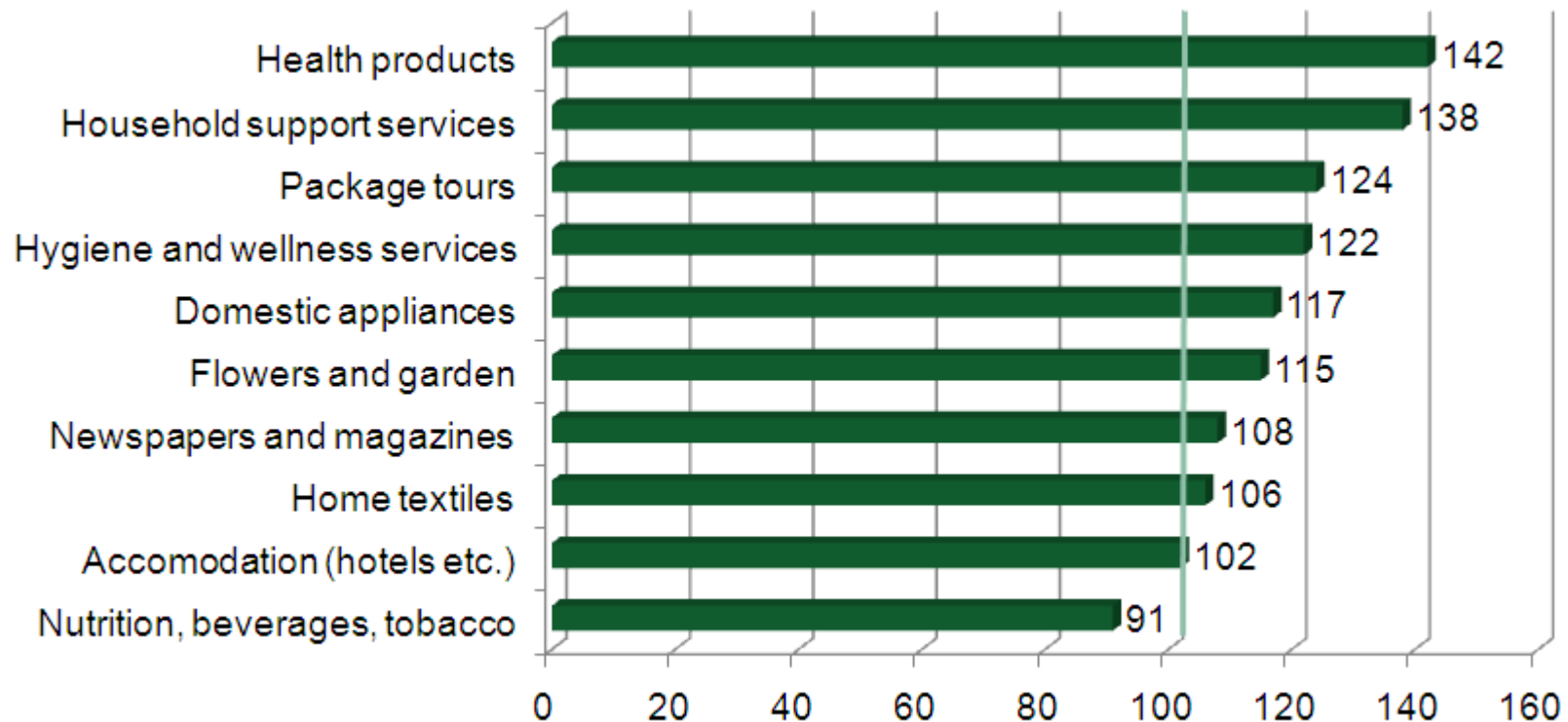
3. The Conclusions

## Private consumption of European senior households is enormous – in all sectors

Private Consumption of Senior Households (60+) in the EU27 (in billion Euro per year)



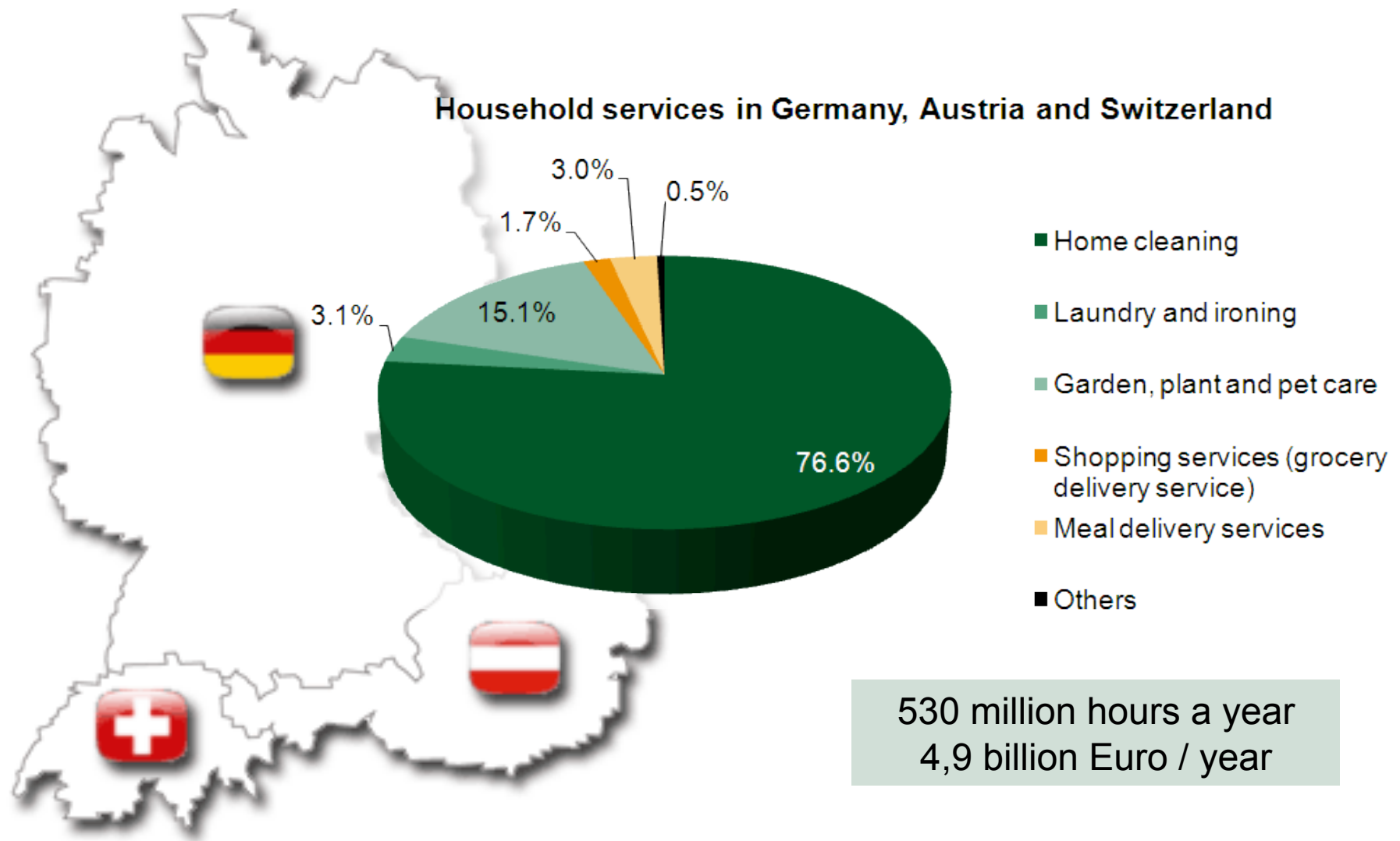
## Older people spend more on health, household support services and package tours than people on average do



[cf. PriceWaterhouseCoopers/IMH-HSG 2006]

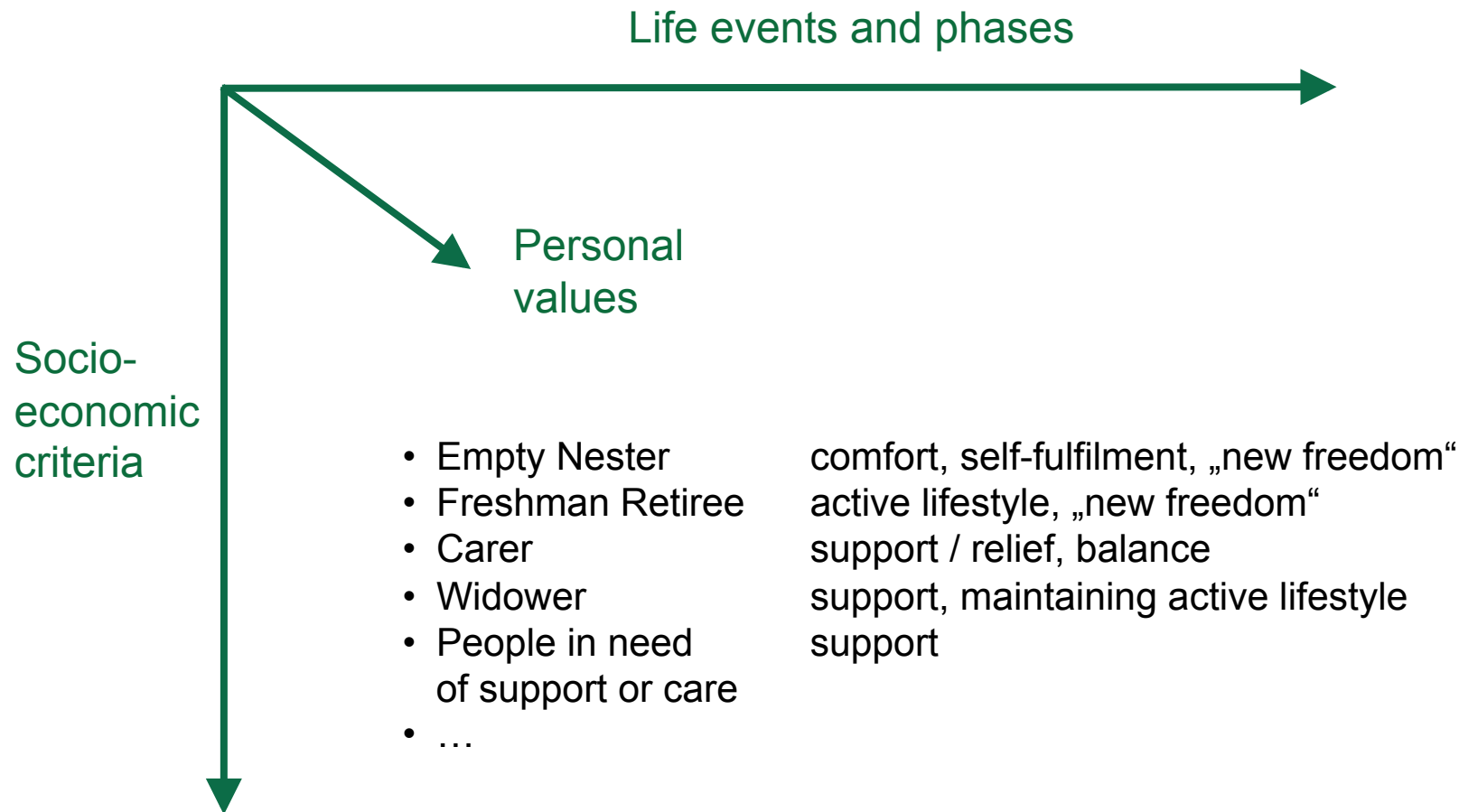


## We analyzed the market for household services in German-speaking Europe in more detail



## Even for a small subset of the overall „Silver Market“ like household services customer segmentation remains challenging

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## Summary

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- “Silver Markets“ are huge and offer tremendous economic potential
- “Silver Markets“ are way too broad
  - Hardly useful for discussing the market potential
  - Useless to innovate solutions and develop new business models
- We need to be more specific about which customers and which products we talk
  - Multi-dimensional segmentation
- There is not and will not be the one segmentation of „Silver Markets“

# Contact Information

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