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L'Observatoire

BY  BNP PARIBAS
PERSONAL FINANCE



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L'Observatoire Cetelem 2016

IS THE SILVER ECONOMY ENTERING ITS GOLDEN AGE?

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SENIORS:
LOVING LIFE (SOCIABLY)!

WHEN THE HUMAN
AND DIGITAL WORLDS MEET

L'Observatoire

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The word senior is used fairly indiscriminately.

Depending on the profession and generation of the person using the term, the age of the individual it designates can vary immensely. Its etymology is not of great use in attempting to closely define its meaning. Latin in origin, senior simply means «older».

In French, it has also given rise to the word «*seigneur*» (or lord), suggesting that the person must be treated with a certain amount of deference! We can at least agree that yesterday's seniors are very different from today's. At the same age, they are wealthier, have a higher life expectancy and enjoy much better health, which allows them to consider the time ahead of them and plan their pastimes with a more positive outlook.

L'Observatoire Cetelem de la Consommation 2016 therefore decided to focus its analysis on this particular community, which is set to play an ever greater role in our society. The age bracket examined tells you where we stand in terms of defining this category of individual.

This edition has produced a large number of very interesting findings that render many of the clichés surrounding seniors obsolete. What also emerges is a comprehensive overall snapshot that reveals that seniors are poised to find the philosopher's stone of contemporary consumer behaviour: A consumerist alchemy that allows them to make the most of retailers, the internet and new emerging economies such as the collaborative economy. Lastly, even when it comes to their day-to-day lives, seniors are able to strike a healthy balance and to enjoy their personal interests and passions without requiring their loved ones to make sacrifices.

And this is not the only positive finding of L'Observatoire Cetelem de la Consommation 2016. The survey confirms that the mood of European consumers is improving, both from a personal standpoint and in terms of the situation in their country, and there is an encouraging convergence of opinion.

Enjoy your read.

“ *Seniors
are no longer
a cliché!* ”

PARTNERS & METHODOLOGY

All sociological and economic analyses, as well as forecasts, were performed in conjunction with the survey and consulting firm BIPE (www.bipe.com), based on a survey conducted between 2 November and 4 December 2015.

- Survey carried out via the internet by TNS Sofres – TNS_LSR panel, quota method
- 10,673 Europeans surveyed, with samples of at least 800 individuals per country (1,004 individuals in France), including at least 275 individuals aged 50 to 75 per country.
- Questions posed to representative samples of the national populations (aged 18 or more) of 13 countries:

Germany (**DE**), Belgium (**BE**), Denmark (**DK**), Spain (**ES**), France (**FR**), Hungary (**HU**), Italy (**IT**), Poland (**PL**), Portugal (**PT**), Czech Republic (**CZ**), Romania (**RO**), United Kingdom (**UK**), Slovakia (**SK**).

Calculation of the European average: to enable an analysis of the underlying sociodemographic factors affecting consumer trends, this average is weighted according to each country's demographic makeup. The values obtained reflect the behaviour of consumers in the 13 European countries studied.



1 CONSUMER TRENDS IN EUROPE: THE UPTURN CONTINUES

While the recovery of 2014 was tentative and uneven, 2015 was a year of increasingly harmonious growth and consolidation in Europe. Although the international climate remains tense, from an economic perspective Europeans are breathing a little easier and expressing a greater degree of optimism, both personally and in general. Indeed, the indicators used by L'Observatoire Cetelem de la Consommation have all risen, with a relatively euphoric mood spreading in countries that were hitherto downbeat.

GREATER OPTIMISM AMONG (ALMOST) ALL EUROPEANS

A smile is beginning to return to the faces of European consumers.

The economic crisis appears to waning and this breath of fresh air has opened new horizons.

A return to growth...

Slowly but surely, Europe is returning to economic growth (Fig. 1).

With growth reaching 1.6 % in the Euro Zone in 2015 (vs. 0.9 % in 2014), Europeans should see a scaling down of austerity policies and a slight increase in their spending power. On the jobs front, the news is just as positive (at last!), suggesting that unemployment could gradually fall in a number of countries.

... and confidence too

European consumers have increased their spending in line with this recovery (+1.8 % in 2015, source: European Commission). A sign of their renewed confidence is the fact that **their perception of the**

overall situation in their country has improved for the third year running, having been in a downward spiral for a number of years since the financial crisis. Bolstered notably by an upturn in the Mediterranean countries, the average score of the countries examined by L'Observatoire Cetelem reached 4.7 this year, not far off the pre-crisis figure (4.8 in 2008).

“The average confidence score continues its recovery”

Germany is the only European country whose score has dropped significantly, by 0.7 points. Although the Germans are still the most optimistic European population when it comes to the overall situation in their country (with a score of 5.7, one point higher than the average), this figure is the worst recorded in six years.

Fig. 1 ▶ GDP growth of the countries examined by L'Observatoire Cetelem

Source: European Commission, November 2015 forecasts.



Doubts are creeping into German minds

This is not entirely surprising. Having led Europe out of the economic and political crisis, the German economy stalled in 2015. The cause? The slowdown in foreign demand, notably from China, and the Russian embargo have had a significant effect on exports. Another factor is the scandal that has hit one of the crown jewels of Germany's automotive industry. While economic growth remains strong in the country, the numerous downward revisions by its national institutes have not gone unnoticed among German consumers.

France regains its senses

Among those countries whose score has improved, Spain and Italy post the greatest increases. Gaining almost a whole point, both countries now boast scores higher than 4/10, a sign of renewed economic hope after a few dark years.

France also contributes to this upward trend by gaining half a point. It is now back on a par with the European average after six years of gloom, during which its score struggled to exceed 4/10. The French now seem less critical of the situation in their country.

Probably hindered by its difficult relationship with the European Union, the United Kingdom has failed to improve its score, but remains in the leading group, just behind Germany and Denmark.

Portugal and Hungary bring up the rear but have posted significant and encouraging improvements. Nonetheless, these are the only two nations of L'Observatoire Cetelem to score lower than 4/10 when it comes to assessing the overall situation in the country.

The end of a multi-tiered Europe?

The 2016 Observatoire Cetelem marks a real shift. Indeed, never in the last six years have the scores given by European consumers been so close. The fall in the German score, the stabilisation of the British and Belgian scores, together with the upsurges in Spain, Italy and France, are evidence of greater homogeneity among Europeans when it comes to assessing the overall situation in their country.

This contrasts immensely with 2014, when L'Observatoire Cetelem was able to clearly identify a three-tier Europe, with the German «locomotive» positioned far ahead of Spain and Italy at the back of the «train».



PERSONAL CIRCUMSTANCES IMPROVE AT LAST

This renewed optimism also characterises the opinion held by European households when it comes to their personal circumstances. Once again, there has been an improvement and the average score recorded is the highest since the start of the economic crisis (5.6/10).

(Fig. 2) than of their country's overall situation (Fig. 3), the difference being approximately one point. The gap is even wider in France, Italy, Spain and Portugal, where consumers are much more optimistic regarding their own fate.

The feeling of insecurity is subsiding

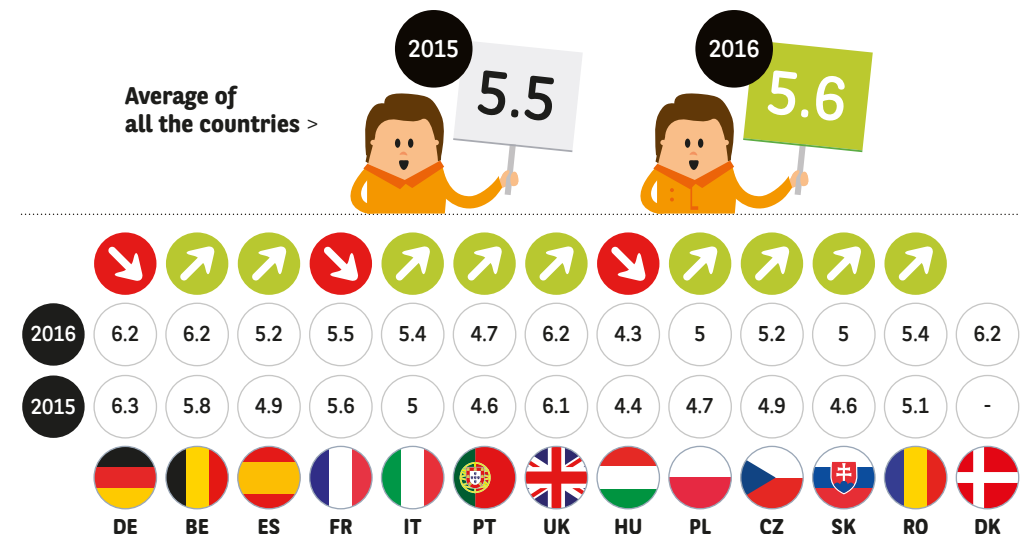
Although this indicator has risen very little on average, it is worth noting that 28 % of Europeans give their personal circumstances a score of between 1 and 4, compared to 33 % in 2015. Individual assessments of personal circumstances are less polarised and pauperism is in decline. At the other end of the scale, the proportion of Europeans who gave a score of 9 or 10 has not increased (there has been a slight drop, to 6 %). This small change should not disguise the fact that the situation remains very tough for more than a quarter of Europeans, who continue to describe their personal circumstances in negative terms.

While the individual increases posted by each country are less pronounced, Spain and Italy are gradually climbing back towards the European average, while the Belgians and British return to the top of the pile alongside the Germans (6.2/10).

As is the case every year, European consumers have a better opinion of their personal circumstances

Fig. 2 ▶ How would you rate your current personal circumstances on a scale of 1 to 10?

Source: L'Observatoire Cetelem de la Consommation 2016.



“Spain’s growth is twice as high as that of Germany”

Spain and Italy find renewed confidence

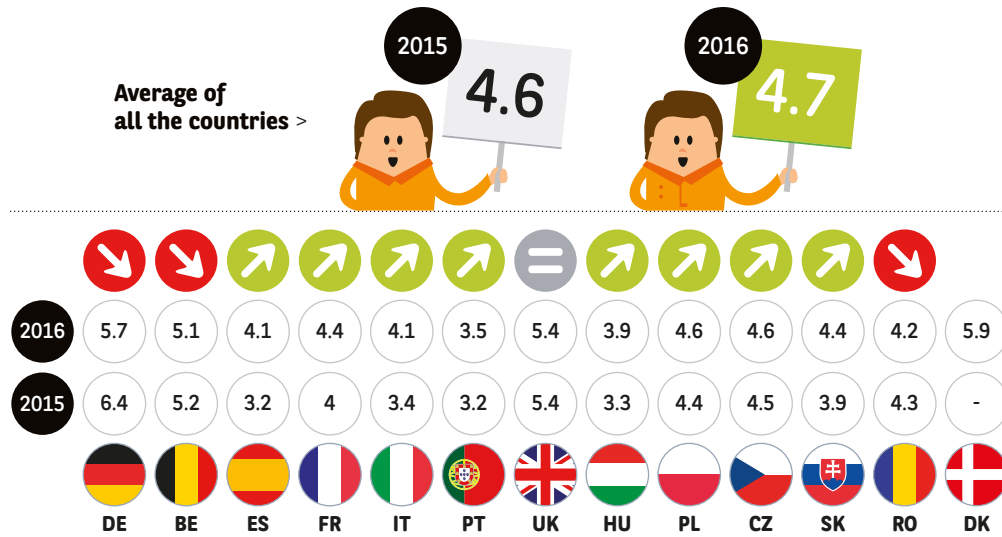
Having agreed to make considerable efforts after the crisis, Spanish and Italian households have made the most of a healthier economic climate that has enabled consumer spending to recover. In Spain, the lowering of interest rates has enabled the middle classes to take on debt more cheaply, thus favouring purchases of durable goods. Meanwhile, Italy has finally enjoyed a positive year in terms of job creation - the result of a proactive

policy in this area - after a disastrous 2013 and an uninspiring 2014. Spain’s growth was twice as dynamic as Germany’s in 2015 and, little by little, Italy is making up lost ground.

Poland is set to continue posting what are record growth figures for a European country, a trend that other nations of Central and Western Europe are expected to follow. This should help redress the balance between households on the continent.

Fig. 3 ▶ How would you rate the general situation in your country on a scale of 1 to 10?

Source: L'Observatoire Cetelem de la Consommation 2016.



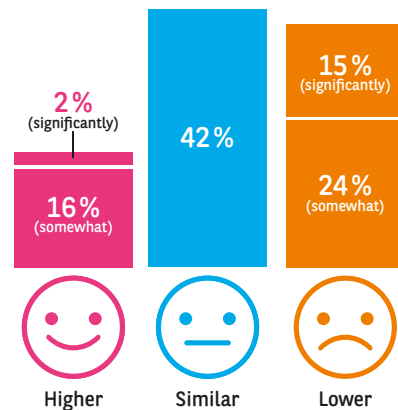
But others always seem to have it better...

Despite this convergence of opinion and this relative optimism, it should be noted that almost 40 % of those surveyed believe that their income is lower than that of their fellow citizens (Fig. 4). That's twice as many as those who believe their income to be higher than that of the majority of their compatriots (almost 19 %).

Many Europeans therefore underestimate their income. This is especially the case in Eastern and Northern European countries (Poland, Hungary, Denmark, Czech Republic) and less so in the West (France, Belgium, Portugal).

Fig. 4 ▶ With regard to your current income, would you say that it is higher, lower or similar to that of the majority of your country's population?

Source: L'Observatoire Cetelem de la Consommation 2016.



SPENDING POWER: THE LIGHT AT THE END OF THE TUNNEL

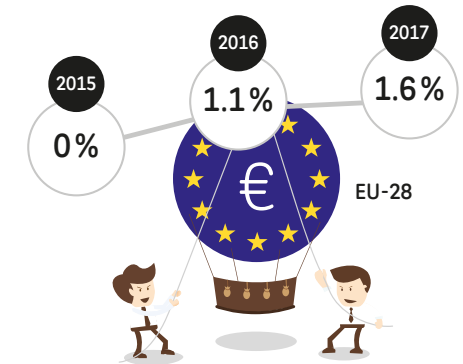
Although it is not yet perceived as such by European consumers, their spending power is beginning to rise once again.

A €550 bonus

After four years of stagnation at a very low level, and even a contraction in a number of countries, spending power was up once again in 2015, growing by around 4 % overall across the continent (source: GfK, November 2015). This rise can be explained by rising incomes, virtually zero inflation and the fact that the price of crude oil is at a ten-year low. These three factors combined meant that every European had €550 more in their pocket in 2015, with significant savings made on energy costs in particular. However, this is a trend that remains precarious (Fig. 5).

Fig. 5 ▶ Inflation forecasts for Europe

Source: European Commission, November 2015.

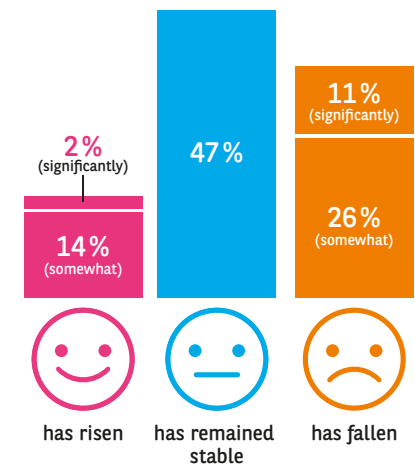


An improvement that most have not felt

However, European consumers do not yet appear to be aware of this financial boost. Indeed, just 16 % believe that their spending power has increased over the last 12 months, compared with the 37 % who believe it has fallen. This biased assessment is the result of several years of economic gloom (Fig. 6).

Fig. 6 ▶ Over the last 12 months, would you say that your spending power...

Source: L'Observatoire Cetelem de la Consommation 2016.



Let's not forget that the costliest living expenses (rent, service charges and loan repayments) are on the rise in Europe. Thus, while overall spending power is up, the disposable income available to households once their regular direct debits have been made at the start of the month – which equates to their perceived spending power (see BIPE for LSA) – is still under huge strain.

SAVING OR SPENDING: WHO BENEFITS FROM THIS UPTURN?

When Europeans are asked whether they intend to spend more or save more, their answers are always extremely varied, with the «grasshoppers» at one end of the spectrum and the «ants» at the other. It is worth noting that the figures for both camps have risen compared with L'Observatoire Cetelem 2015.

Indeed, 42 % declare that they intend to save more over the next 12 months (+7 points vs. L'Observatoire Cetelem 2015), but only 9 % are certain of doing so. The majority of these individuals are working

people, who are always the first to enjoy income rises and tend to save the sums left over.

An equal number of «grasshoppers» and «ants»

Meanwhile, 39 % of Europeans plan to increase their spending (+4 points vs. L'Observatoire Cetelem 2015). But once again, very few of them are sure to do so (6 %), with the majority preferring to take a hypothetical view. This is particularly true for families with young children, whose spending is inevitably going to increase.

On this point, the views of European consumers diverge. The «ants», who are more likely to save,

Fig. 7 ▶ Over the next 12 months, do you expect to...

Source: L'Observatoire Cetelem de la Consommation 2016.

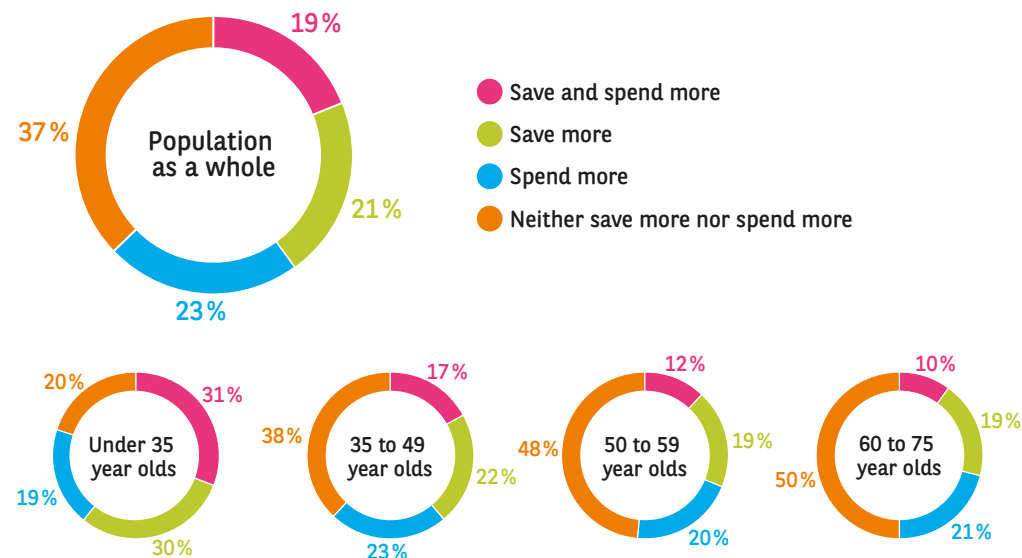
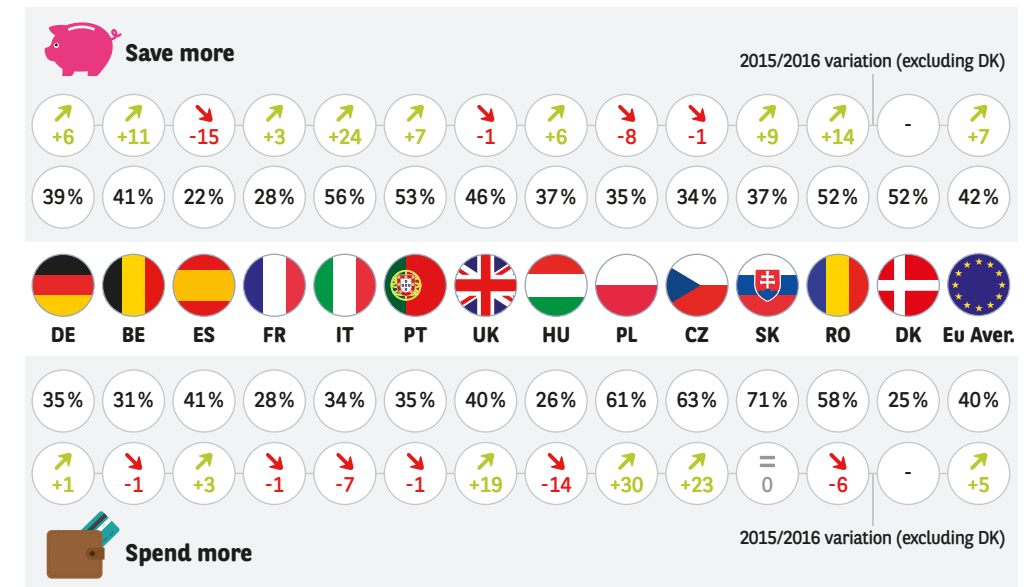


Fig. 8 ▶ Over the next 12 months, do you expect to...

Source: L'Observatoire Cetelem de la Consommation 2016.



include the Italians, the Danes, the British and the Portuguese. Among the «grasshoppers», who have a greater propensity to spend, the Poles, the Czechs and the Slovaks are overrepresented.

Also noteworthy is the fact that 19 % of Europeans declare that they will be both saving and spending more. Unsurprisingly, the latter have a positive view of their personal circumstances with an average score of 6.5, more than one point above the average.

Meanwhile, 37 % state that they intend neither to save nor spend more. The majority of these individuals give their personal circumstances a score of between 1 and 5 (Fig. 7).

If we take into account age, it appears that over 50s make very few changes to their saving or spending habits. Almost half do not intend to alter their

spending or saving behaviour in 2016. Conversely, under 35 year olds, who need to make important purchases while also preparing for their future, generally state that they wish to both save (61 %) and spend (50 %).

Travel and leisure lead the way, digital devices are booming, housing is struggling and cars are on the up

Europeans still place travel and leisure at the top of their list of purchasing intentions (56 % of intentions on average; Fig. 8). In particular, these scores are up in Spain, Italy and the United Kingdom. This contrasts with the figures produced by Germany and especially France, whose domestic climate has suffered as a result of the terrorist attacks. The French look set to focus on other types of purchase, notably cars and digital devices. As for the Germans, their purchasing intentions are down in all categories, apart from housing and... cars!

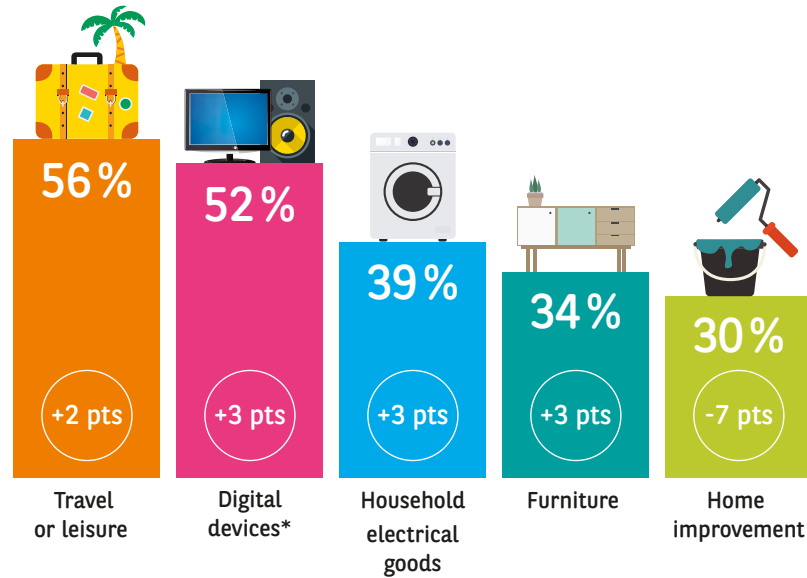
While European consumers are more optimistic than last year with regard to most expense items, the biggest loser seems to be housing. While property purchasing intentions remain stable (10%), home improvement and renovation work, which has traditionally been the third largest spending category (30%), has dropped significantly (-7 points), most notably in Italy, Poland and the United Kingdom. Household electrical goods now sit in third place (39%), thanks to a three-point rise prompted by spending increases in Spain, Italy, France and the United Kingdom. Furniture lies in fourth place, up three points. Digital devices are

hugely popular: smartphones (32%), hi-fi and video equipment (26%), tablets (21%) and personal computers (21%) are all on the up, with the exception of tablets (Fig. 9).



Fig. 9 ▶ 2016 purchasing intentions: do you plan to purchase the following products/services over the next 12 months? Subtotal «Yes, definitely» and «Yes, probably» (in %).

Source: L'Observatoire Cetelem de la Consommation 2016.



* Includes TV, hi-fi or video equipment, computers, tablets and smartphones

	DE		BE		ES		FR		IT		PT		UK		HU		PL		CZ		SK		RO		DK		European Aver.	
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Travel or leisure	60	59	49	60	50	55	53	47	54	61	41	43	61	65	45	37	45	50	42	57	39	49	60	57	-	63	54	56
Household electrical goods	35	33	44	38	31	41	24	29	38	46	33	39	38	40	38	35	38	40	45	46	38	43	60	59	-	42	36	39
Furniture	35	35	22	28	28	31	23	26	34	36	22	30	30	38	28	26	37	35	34	40	34	41	38	38	-	36	31	34
A smartphone	32	30	18	23	35	40	17	22	33	39	26	27	28	30	25	26	33	37	26	26	27	31	44	45	-	31	29	32
Home improvement/renovation work	43	47	30	34	20	21	30	28	31	19	30	26	49	20	38	31	48	32	29	28	33	30	47	44	-	28	37	30
DIY/gardening equipment	20	22	21	22	17	25	18	21	27	30	15	16	34	34	24	27	31	27	31	29	27	35	26	33	-	27	24	26
TV, hi-fi or video equipment	30	26	17	19	21	23	12	17	26	31	17	21	18	26	15	20	24	30	21	27	22	25	38	42	-	26	23	26
A tablet	20	18	15	16	24	24	11	17	27	28	19	15	23	20	18	16	25	19	23	17	21	22	35	31	-	21	22	21
A personal computer for your home	19	17	14	16	15	24	10	13	25	31	10	21	16	20	11	16	20	23	25	21	19	22	23	26	-	22	17	21
A used car	15	16	13	13	17	16	10	16	19	19	14	18	16	20	12	14	25	25	19	18	15	20	19	22	-	14	16	18
Sports equipment	16	14	11	17	19	24	8	12	16	20	16	11	10	13	17	16	21	19	19	21	21	21	25	23	-	19	15	17
A new car	12	14	10	13	19	22	7	12	24	29	8	10	14	17	5	3	10	11	7	11	8	10	8	11	-	10	13	16
Real estate	7	7	8	10	9	10	8	9	12	14	9	7	9	10	10	10	11	9	8	7	8	11	18	11	-	9	10	10
A motorcycle or scooter	4	4	4	5	7	9	3	4	8	10	5	4	5	5	2	6	7	8	6	5	4	4	4	5	-	4	5	6



② SENIORS, LOVING LIFE (SOCIABLY)!

50 to 75 year olds are active and involved, more as a result of the intensity of their relationships than through participation in multiple activities. Far removed from the cliché that senior consumers are egotistical hedonists, caring only about their sports clubs and leisure pursuits, L'Observatoire Cetelem 2016 shows them to be responsible and committed. Concerned for their dependent parents and attentive to their children, whether they are grown up and still living under their roof or have left home, seniors offer many forms of support: attention, visits, caring for grandchildren, financial help, etc. In addition to their direct input into consumer spending, seniors stimulate it further by helping to finance the purchases and expenses of their loved ones. This has prompted L'Observatoire Cetelem to highlight their role as a generational pivot point.



SENIORS: WHO ARE THEY?

«Senior» is a subjective term and there is no officially agreed definition. It is used in various fields to describe highly disparate age ranges. In most sports, the seniors class sits between the juniors and the veterans, and generally includes 20 to 45 year olds. In the professional sphere, human resources departments place the lower limit of the senior category at 45 or 50, depending on the country. As for government policy, 60 is the age usually mentioned when the notion of seniors is broached in legislation. In the medical world, 70 is generally considered the age at which health issues begin to accumulate.

Meanwhile, sociologists have pointed out the advantages of reasoning in terms of people's life cycles. After childhood and a period of higher education comes the time to establish a home and start building a career, either alone or with a partner (these stages may or may not coincide). Then comes a phase during which individuals actively mature (living as a couple, having children, greater professional stability, etc.). Around the age of 50, their now grown-up children begin, in turn, to leave the family home. In the professional world, this phase of life is synonymous with seniority. Health problems become more frequent. People's expectations and lifestyles

must be adjusted to their new needs. Then comes the tipping point of retirement, the age of which varies according to the country and the sector. Lifestyles are restructured around new activities or demands, sometimes linked to elderly parents and sometimes to grandchildren. This can even involve a move to a new region. This highly active period gradually wanes. The pace of life slows down after the age of 75 as the effects of ageing begin to take their toll, before often becoming debilitating around the ages of 80 to 85. This is the start of a final phase for our elders, who must now deal with the gradual loss of their self-sufficiency. While there is no universal time line that applies to all Europeans, these stages more or less define people's life stories.

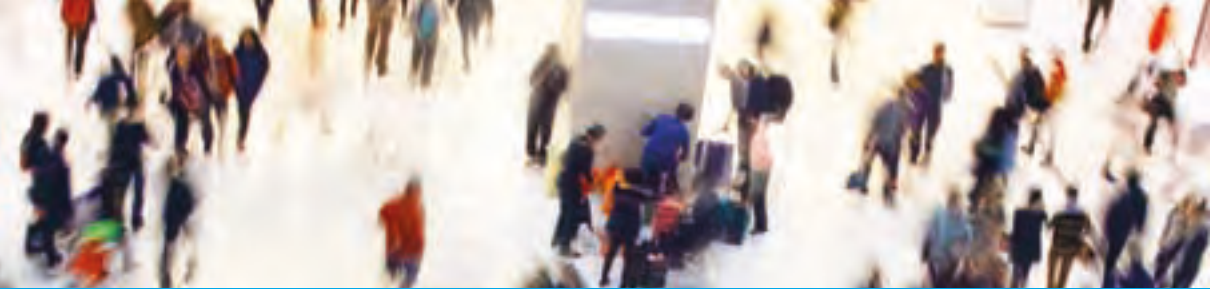
The objective for L'Observatoire Cetelem 2016 was to examine the lifestyles, expectations and spending habits of working seniors and retired seniors alike. While they do not fall into a homogeneous category, these two age groups – 50 to 59 year olds and 60 to 75 year olds – form an ever larger population of consumers with either a great deal of spending power or a large amount of spare time.

Europe will need to adapt to an unprecedented trend. Over 65s will be the largest age group by 2050, accounting for around 30 % of the population, a figure that stood at around 10 % in 1960. Their sheer number and the pre-eminence of their expectations require us to reassess the stakes of the Silver Economy. This is a groundswell that will affect every sector, from transport and healthcare, to leisure, housing and food. A significant proportion of these consumers were born during the baby boom. They entered adult life when our «consumer society» began to truly gain ground. The changes they are now

experiencing are due not only to their position in the cycle of life, but also to a wholesale shift in our day-to-day behaviours. After triggering a revolution in the world of communication, digital technology is now transforming objects and services, and shaking the very foundations of the economy, with the ever growing «uberisation» phenomenon. L'Observatoire Cetelem was duty bound to analyse these vibrant consumers and their strong appetite for spending, with a focus on one essential question: **what sort of consumers have the children of the consumer society become?**

Age group	77% of seniors		23% of seniors	
	50 to 59 year olds	60 to 74 year olds	75 to 84 year olds	Over 85 year olds
Number of consumers (scope: Euro 28)	70 million	80 million	33 million	12 million
Number of consumers (scope: countries of L'Observatoire Cetelem)	59 million	67 million	28 million	10.5 million
% the age group represents as a proportion of the overall population (scope: countries of L'Observatoire Cetelem)	13.8%	15.7%	6.5%	2.5%

Source: Eurostat.



50 TO 59 YEAR OLDS WORKING SENIORS



50 to 59 year olds represent **14 %** of the population of L'Observatoire Cetelem countries. They are overrepresented in **Germany** and **Poland**.
(source: Eurostat)



The vast majority are members of the **active population**, with only 2 % having retired.



They earn an average of **€20,400** a year, **12 %** more than the average for the population. *(source: Eurostat)*



The average unemployment rate stands at **7 %** (compared with 4 % in 2008; *source: OCDE*).

43 % still have **children living at home**.



Overall, they are more **pessimistic** about their personal circumstances, with an average score of 5.2 (compared with 5.6 for the population as a whole).



32 % are considering **saving** more over the next 12 months, while **33 %** are planning to **spend** more.



Two-thirds (**66 %**) **own** their home and 40 % still have a mortgage to repay.



21 % have taken out a **consumer loan** over the last 12 months.

Other source: L'Observatoire Cetelem de la Consommation 2016.

60 TO 75 YEAR OLDS PRE-RETIRES AND RETIREES

60 to 75 year olds represent **16 %** of the population of L'Observatoire Cetelem countries. They are overrepresented in **Germany, Italy** and **Denmark**.
(source: Eurostat)

Half of them state that they are still **active** (50 %), the other half that they are **retired** (50 %).

They earn an average of **€19,200** a year, **5 %** more than the average for the population. *(source: Eurostat)*

17 % still have **children living at home**.

They are more **pessimistic** about their personal circumstances, with an average score of 6.0 (compared with 5.6 for the population as a whole).

29 % are considering **saving** more over the next 12 months, while **32 %** are planning to **spend** more.

More than two-thirds (**68 %**) **own** their home and 40 % still have a mortgage to repay.

18 % have taken out a **consumer loan** over the last 12 months.

A PIVOTAL GENERATION

Family is extremely important to the seniors surveyed.

Nowadays, children are leaving home later and later, with many people essentially cohabiting with their parents. In the opinion of seniors, intergenerational bonds are both unbreakable and meaningful.

Homes are often shared

Some 80 % of the seniors surveyed for L'Observatoire Cetelem are parents. 43 % of those aged between 50 and 60 still have a child living under their roof. In the age group above, 17 % of 60 to 75 year olds share their home with one of their children.

5 % of seniors also live with one of their parents or parents-in-law. This is relatively unusual in Europe, as the latter tend to have their own separate accommodation. 40 % of seniors therefore have at least one parent with their own home **(Fig. 10)**.

Intergenerational cohabitation, a cultural phenomenon

Intergenerational cohabitation is not new in Europe. However, for the last few years, the age at which children leave home has been rising. According to a Eurostat survey published in 2015 **(Fig. 11)**, young Europeans now leave at an average age of 26. Indeed, lengthening periods of education, the struggle to find employment and the fact that individuals are starting relationships later all serve to delay the age at which young adults begin to stand on their own two feet.

Fig. 10 ▶ Seniors and family

Source: L'Observatoire Cetelem de la Consommation 2016.

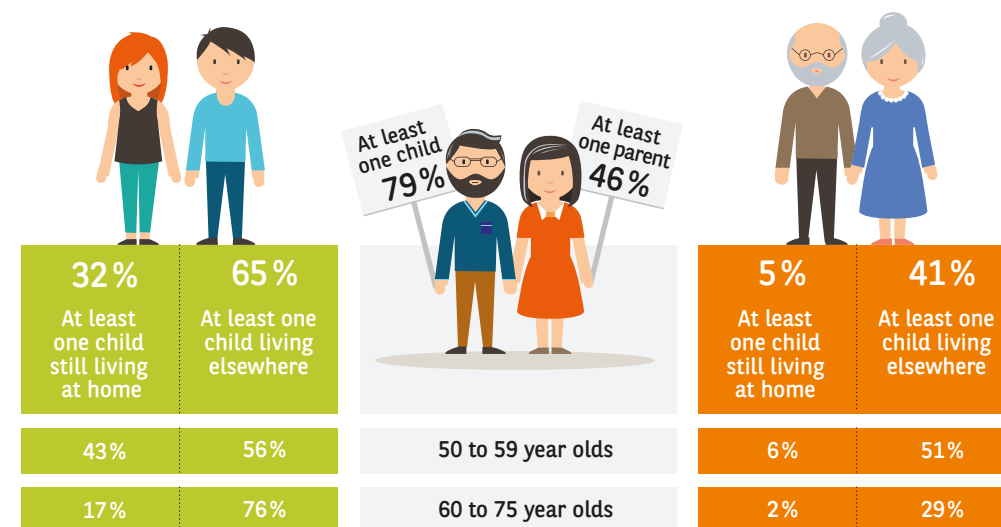
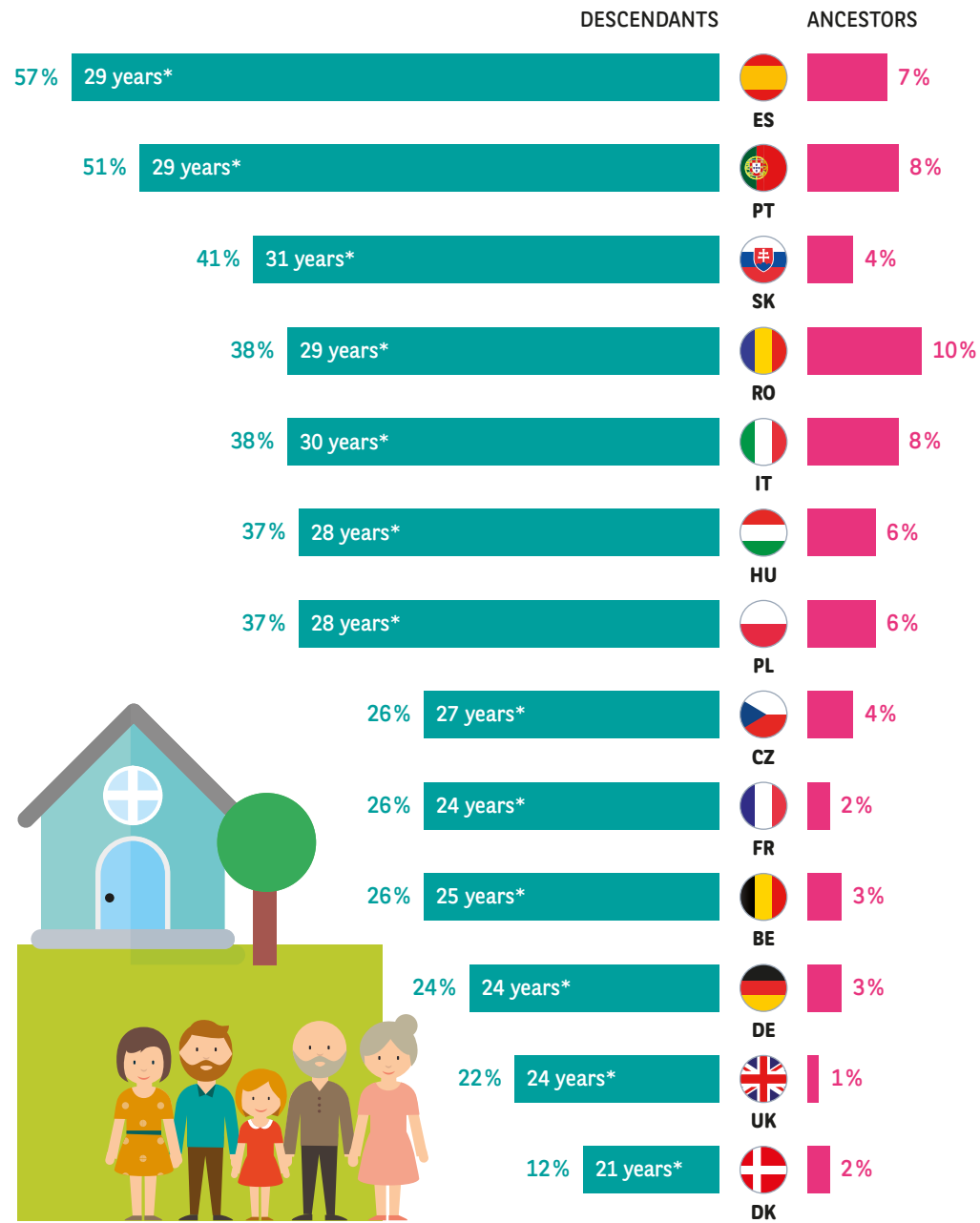


Fig. 11 ▶ Do you have children, grandchildren, great grandchildren, parents or parents-in-law living in your home?

Source: Eurostat, L'Observatoire Cetelem de la Consommation 2016; scope: 50-75 year olds.



*Average age of home leavers.

The crisis has done little to overhaul cultural differences in Europe. In fact, quite the contrary. **Intergenerational cohabitation between parents and children, and even between grandparents, parents and children, is now more common in Mediterranean countries** such as Italy, Spain and Portugal. In Spain, where children leave the family home at an average age of 29, 57 % of seniors state that they still have a child living at home, almost double the European average! They are also twice as likely than average to have parents or parents-in-law living under their roof. The figures for Portugal are similar. The same is true in Eastern European countries such as Romania, Slovakia, Hungary and Poland, where children live in their parents' home for longer.

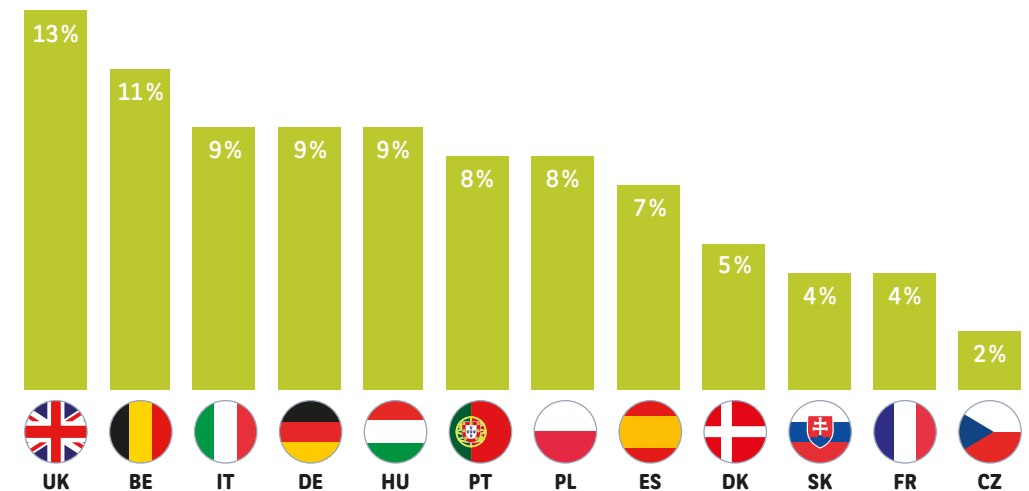
Further north, the Scandinavian model, which is built upon a highly protective welfare state, frees seniors from excessive constraints when it comes to supporting their (grown-up) children and elders. Indeed, Denmark is the country where living

with adult children is least common, with offspring leaving home at an average age of 21.

In Germany and the United Kingdom, intergenerational solidarity is clearly less engrained in people's mindsets, despite the fact that employees can now receive considerable support from their employers (family care leave, reduction in working hours) to look after loved ones who are sick or nearing the end of their lives. It should be noted, however, that 13 % of over 65s in OECD countries live beneath the poverty line (Fig. 12).

Fig. 12 ▶ Poverty among individuals aged 65 and over (proportion of the population aged 65 and over who live with less than half the median wage)

Source: OECD, Pensions at a Glance 2013.



Crucial financial support for children

After the children have left home, family solidarity lives on. Almost 80 % of Europe's seniors occasionally or regularly contribute to the expenses or savings of their children or grandchildren (Fig. 13).

If we look at the breakdown, 63 % help their children with day-to-day expenses once they have left home (food shopping, education, pocket money, etc.). 56 % give them a financial «helping hand» when it comes to purchasing the equipment they need. **These two figures highlight the decisive contribution seniors make to the spending of younger generations!**

In addition, more than a third of them help their children or grandchildren cover their accommodation costs, as these tend to be the biggest drain on their budget. They also contribute significantly to their children's savings (52 %).

Financial support is also provided to parents

Almost two in five seniors with at least one living parent offer them financial support, either occasionally or regularly (Fig. 14). As with their children, this support relates primarily to day-to-day living expenses and purchases of new equipment.

To a lesser extent, it also contributes to accommodation expenses and savings. It tends to increase as parents near the end of their lives, chiefly to cover medical, home adaptation and palliative care costs.

Indeed, while social security systems in most parts of Europe are seeking to restructure in order to cover part of the costs relating to elderly dependence, in the majority of cases the needs of aged dependants are met by family members. Not only does this represent a considerable outlay for providers of support, a third of them also give more than 20 hours of their time per week, according to the OECD. Fifty-somethings are on the front line of this generational solidarity, with more than half stating

“ *By offering day-to-day financial support, seniors help with the purchases of other generations, thus boosting their contribution to consumer spending in Europe!* ”

that they have at least one parent, parent-in-law or grandparent nearing the end of their life.

A contribution that varies from country to country

Financial ties between seniors and their children, on the one hand, and their parents, on the other, are much stronger in Southern and Eastern Europe. Contributions to the accommodation expenses of children who have left home are more common in Spain, Portugal and Poland, countries in which the path to employment is strewn with obstacles. The unemployment rate of individuals aged under 25 is particularly high in Spain, where it reached 49 % in 2015, and in Portugal, where it stood at 32 % (compared with an average of 20 % in Europe, source: Eurostat).

Contributions to the day-to-day expenses of elderly parents are more common in Romania, Hungary and the Czech Republic. This kind of financial support for our elders is less common in Germany, France and the United Kingdom, where the living standards of the older generations make it much less of a necessity.



Fig. 13 ▶ Would you say that you contribute, either occasionally or regularly, to financing the following expense items of at least one of your children, grandchildren or great grandchildren who do not live in your home:

Source: L'Observatoire Cetelem de la Consommation 2016; scope: seniors with descendants who do not live in their home.

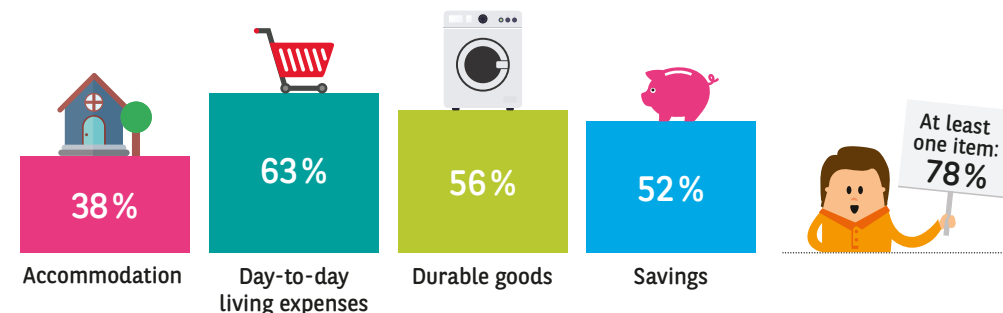
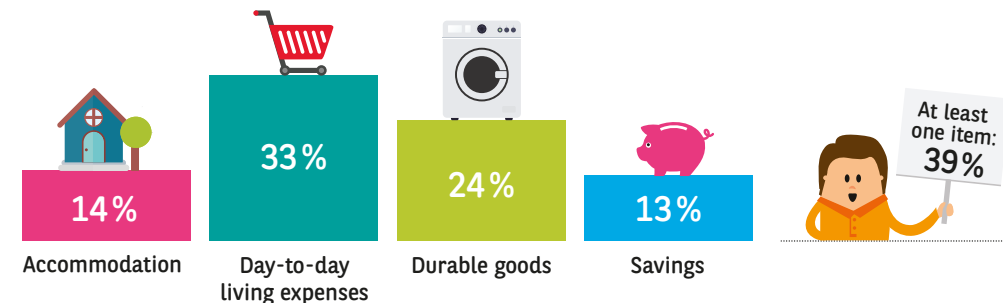


Fig. 14 ▶ Would you say that you contribute, either occasionally or regularly, to financing the following expense items of at least one of your parents, parents-in-law or grandparents who do not live in your home:

Source: L'Observatoire Cetelem de la Consommation 2016; scope: seniors with parents who do not live in their home.



Giving a helping hand, a moral issue

Providing financial support to the generations above them (Fig. 15) and below them (Fig. 16) is important to the vast majority of seniors. All feel that it is a moral duty, whether they offer occasional or regular financial help to their loved ones.

In France, where intergenerational financial support is less prevalent than elsewhere, seniors nevertheless state that they are very attentive to the needs of their parents and children. Not providing financial help does not mean neglecting!

While instilling responsibility is the dominant approach in Western and Northern Europe, seniors retain a benevolent attitude towards their loved ones (Fig. 17).

The professional and personal circumstances of children and grandchildren is a preoccupation for almost two-thirds of European seniors (64%) (Fig. 18). Once again, the degree of concern displayed varies according to each country's economic situation. Thus, the Spanish, Portuguese, Italians and French declare that they are «very concerned», while the Germans and British are less worried about their descendants.

Sharing with those we love

The intergenerational relationships forged ultimately mean that seniors play a major social role. Initially exercised alongside their profession, this key role makes it easier to embrace retirement. Being able to contribute enriches the lives of seniors who are still active and very keen to be involved. Two-thirds of them declare that being surrounded by their loved ones is essential to growing old happily. They devote time to them, with more than half seeing their family more than once a week. Two countries stand apart: Italy, where it is rare that a week goes by without seniors spending time with their family. Germany, where seniors see less of their loved ones.

Fig. 15 ▶ How important do you believe it is to provide financial support to your parents, parents-in-law or grandparents?

Source: L'Observatoire Cetelem de la Consommation 2016; scope: seniors with living parents

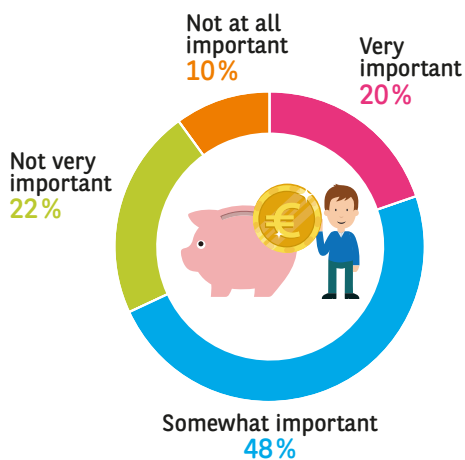


Fig. 16 ▶ How important do you believe it is to provide financial support to your children, grandchildren or great grandchildren?

Source: L'Observatoire Cetelem de la Consommation 2016; scope: seniors with children or (great-)grandchildren

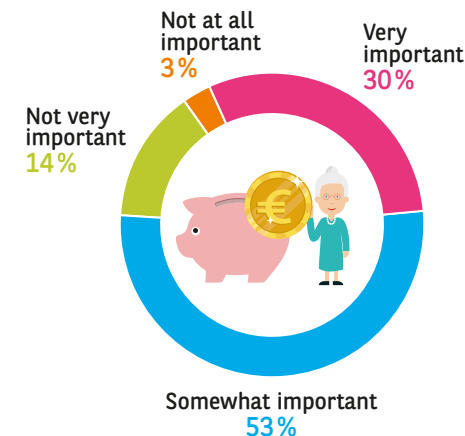
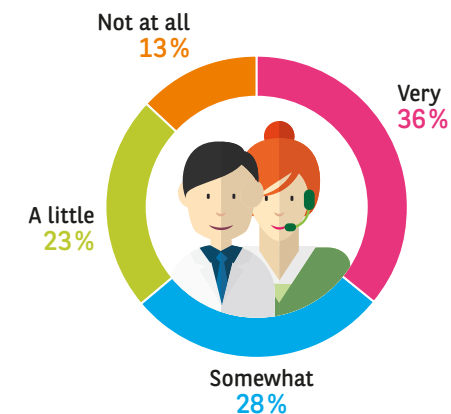
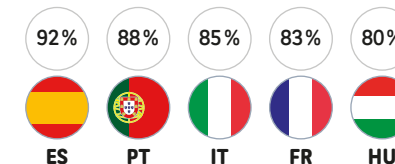


Fig. 17 ▶ Are you concerned about your children's future professional and personal circumstances?

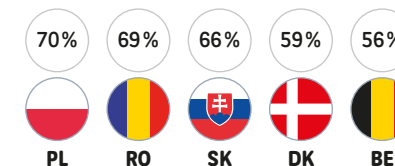
Source: L'Observatoire Cetelem de la Consommation 2016; scope: seniors with children or (great-)grandchildren



Very concerned



Somewhat concerned



Not very concerned

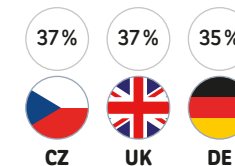
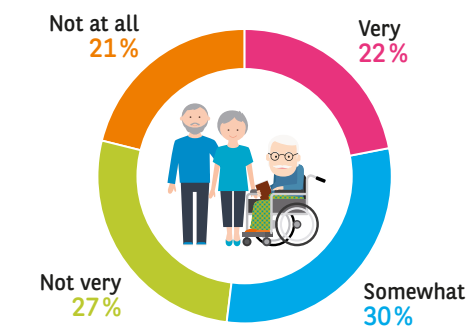


Fig. 18 ▶ Are you concerned about the well-being and personal circumstances of your parents, parents-in-law or grandparents?

Source: L'Observatoire Cetelem de la Consommation 2016; scope: seniors with living parents



AN EMPHASIS ON COMFORT AND A WELL-BALANCED LIFE

When questioned about their conception of «ageing well», seniors reveal their fundamental aspirations for the medium term.

While ageing healthily is a universal preoccupation, the answers given demonstrate that there is a strong desire for comfort and a balanced life, rather than excessive activity.

Ageing well, the holy grail for seniors

Health is a key concern for seniors and Europeans as a whole. Those under 35 are just as hopeful of ageing healthily as those aged 60 to 75, and this aspiration intensifies with age. It is what more than

85 % of European seniors wish for the most. Only the Hungarians consider closeness to loved ones to be the number one factor in «ageing well».

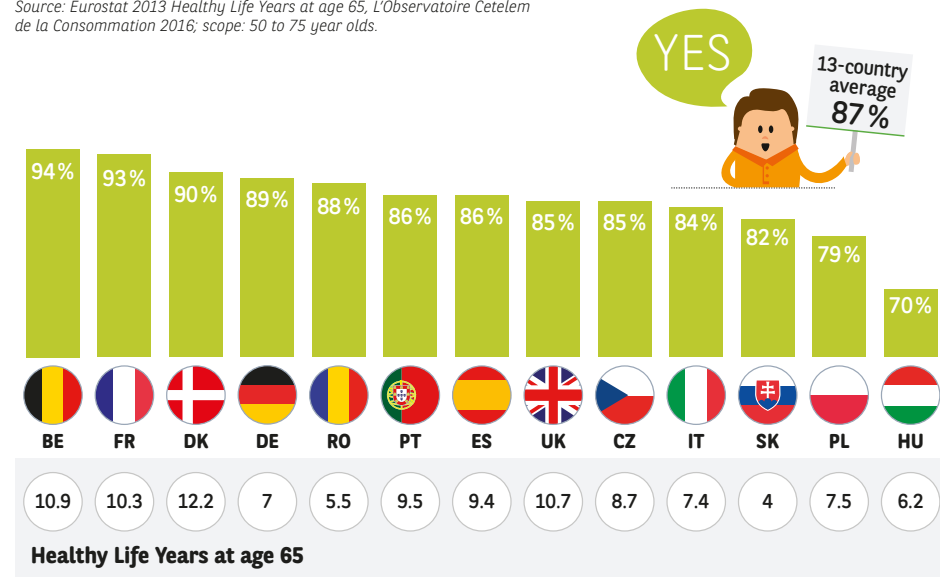
Fortunately, this desire to age well is supported by a constantly improving figure for **Healthy Life Years at age 65 (Fig. 19)**. This indicator, which was put in place last decade, stands at 8.5 years in Europe and is highest in the Northern countries (Denmark, Belgium, United Kingdom).

Spotlight on health

From a financial perspective, healthcare is a major expense item for seniors and one that costs them as much as clothing and durable goods (source: Eurostat). It should also be noted that, in all countries, healthcare expenses that are not covered by social security or insurance are on the up.

Fig. 19 For you, «ageing well» means «being healthy» above all.

Source: Eurostat 2013 Healthy Life Years at age 65, L'Observatoire Cetelem de la Consommation 2016; scope: 50 to 75 year olds.



Beyond the preventive measure taken and actual treatments undergone, **health concerns clearly have a very strong influence on the day-to-day consumer behaviour of seniors**. A number of European studies show that they account for more than half of all purchases of skincare products, mineral water and probiotic yoghurt. Thanks notably to seniors, health food is one of the food sector's growth segments in Europe, although this is even truer in the United States and Japan.

Seniors are also lovers of comfort

Health is evidently the most precious asset to Europeans, an aspiration that rises in a fairly linear fashion with age. However, the expectations of seniors contrast, in terms of their intensity, with those of the younger generations when it comes to three items that collectively highlight **a desire to enjoy a comfortable life (Fig. 20)**. More than 60 % of seniors would like to be surrounded by loved ones

and enjoy financial peace of mind. More than half aspire to living in a high-quality environment. That's 5 to 10 points more than 18 to 49 year olds.

However, «ageing well» at a more advanced stage in life does not seem to revolve around sporting activities, leisure pursuits, working with associations or even professional activities. This is a perspective that seniors share with under 35s and 35 to 50 year olds. People therefore display great continuity in their expectations. **The aspirations of the younger generations and today's seniors are similar, but the latter place a greater emphasis on living comfortably.**

In Germany and Belgium, material concerns take clear precedence over interpersonal relations. They also score highly in the United Kingdom, France, Italy and Romania. Meanwhile, the presence of loved ones is viewed as fundamental in Poland, Hungary, Spain and Portugal (Fig. 21).

Fig. 20 For you, above all «ageing well» means... Several possible answers. Several possible answers.

Source: L'Observatoire Cetelem de la Consommation 2016.

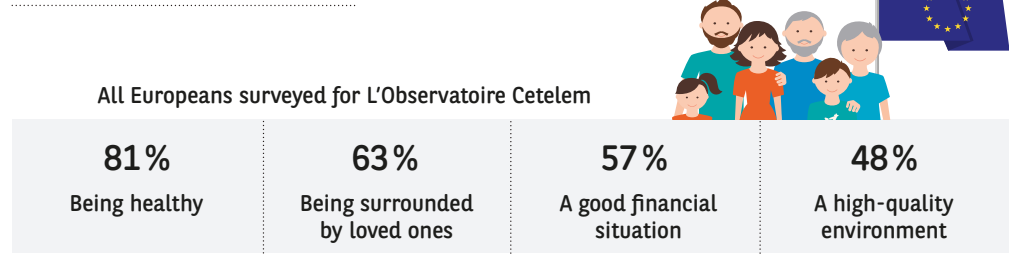
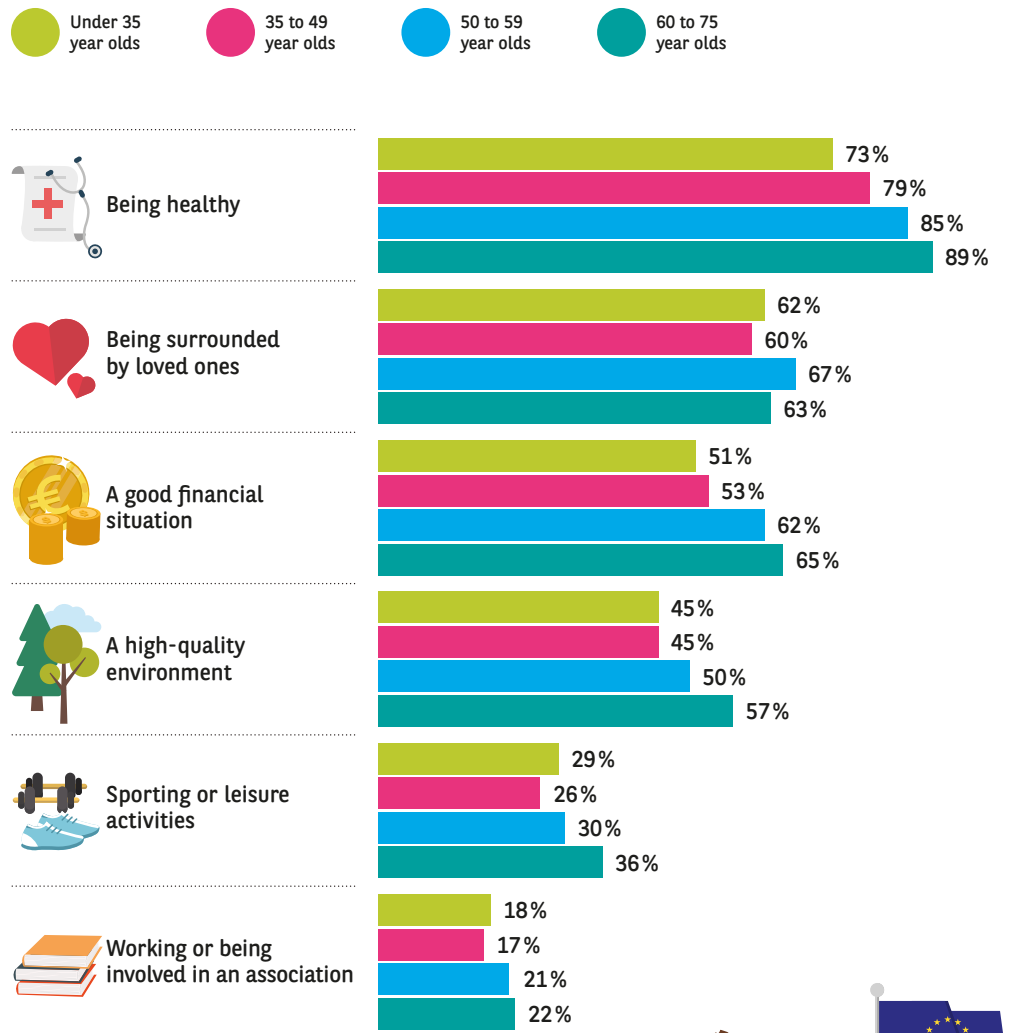
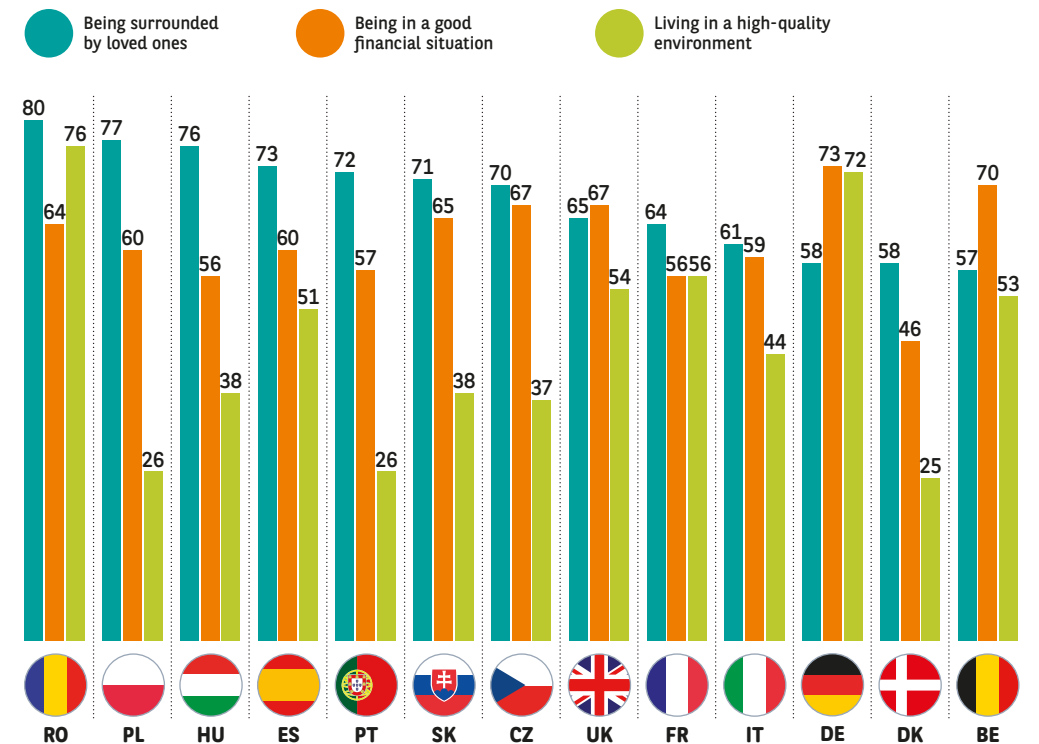


Fig. 21 For you, above all «ageing well» means... Several possible answers.

Source: L'Observatoire Cetelem de la Consommation 2016; scope: 50-75 year olds.



A HIGHLY SOCIALLY ACTIVE GENERATION

As a pivotal generation that is also keen to live a comfortable and balanced life, seniors lead a busy existence. L'Observatoire Cetelem reveals that they are more interested in leisure pursuits they can enjoy in the comfort of their own home than in going out to partake in multiple activities or travel the world.

Connected to the globe

The first generations of technophiles are now reaching retirement age. They have previously used digital tools as part of their job and often own several devices. Having been won over by the internet primarily because it allows them to keep in touch with friends and family (email and social media) or to meet other web users (forums, etc.), seniors now go online for a whole host of reasons.

They are very well equipped, but prefer desktop computers to more mobile technologies (tablets, smartphones, laptops), although the latter are extremely popular in Spain and Italy. They go online at all hours and, in some cases, more often than young people in the evening and at night.

Seniors 2.0

Seniors have developed a taste for websites on the themes of health and beauty. They are also very fond of online games. Proud of their technological independence, they increasingly make use of digital services to manage their travel arrangements and health.

In France, more than one in four sexagenarians belong to a social network, twice as many as five years ago (source: Credoc). Social media penetration is also very high in Portugal and Hungary.

TV is putting up a fight

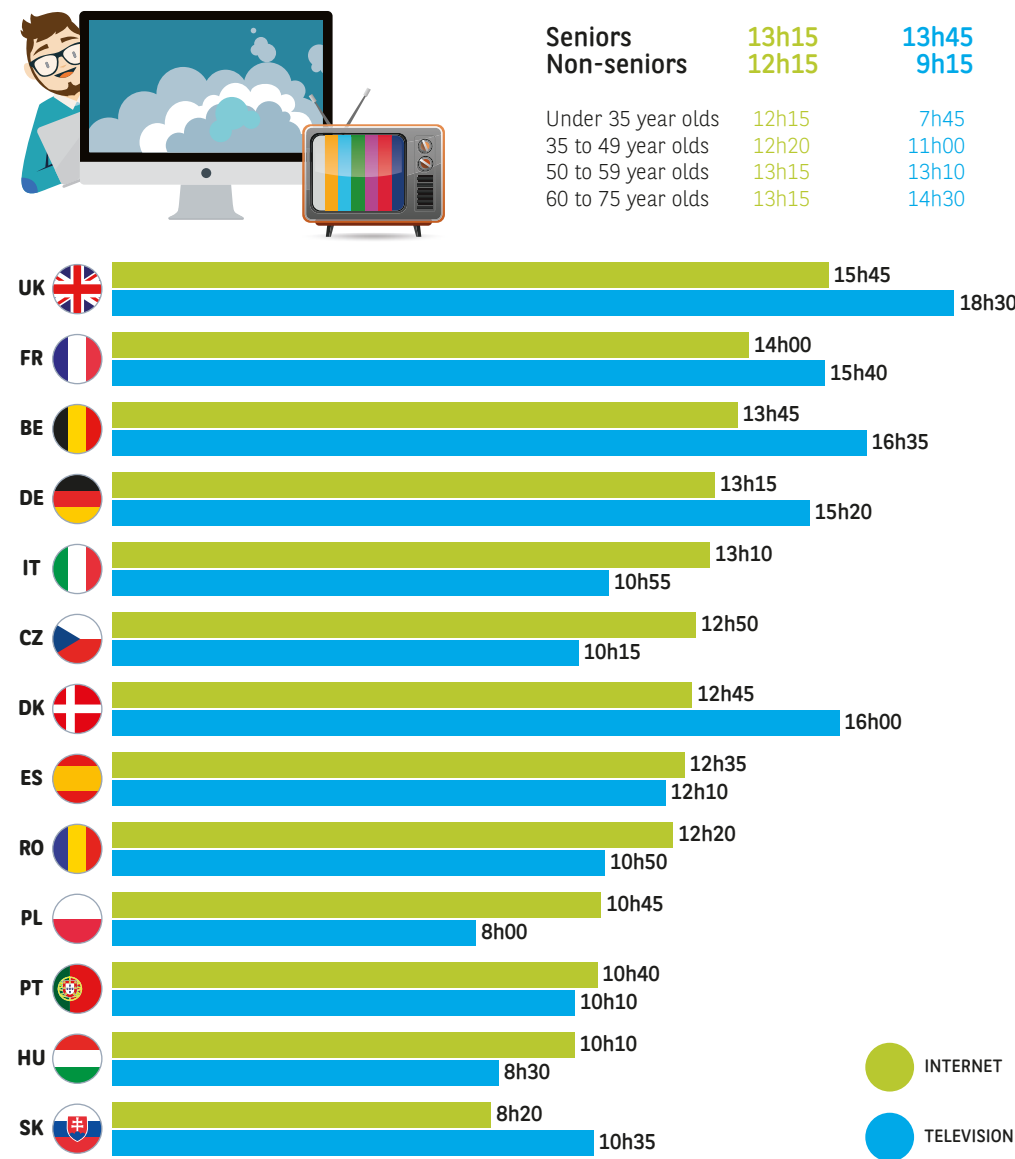
But this does not mean that the internet has replaced television, the medium traditionally preferred by seniors. It allows them to relax and escape, keeps them informed and is even a way for some to get to sleep.

If we add up the time spent online and watching television (Fig. 22), seniors spend 27 hours a week in front of their screens, more than an entire day. More tellingly, that's 20 % more time than their juniors. The days when seniors could be considered «technophobes» seem well and truly over. And this enthusiastic presence on the web and in front of their TVs makes them great targets for advertising.

Northern countries lead the digital stakes-

From a geographical perspective, some countries demonstrate a staggering digital tropism. Europe's digital champions are the British, who spend almost 16 hours a week on the internet and more than 18 hours a week in front of their televisions, a «digital existence» that consumes more than 34 hours of their week. The French and the Belgians are just behind them with a combined total of 30 hours, including 14 hours on the web.

Fig. 22 ▶ On average, how much time per week do you spend on the following activities? Surfing the internet (on any type of device: computer, smartphone or tablet) / Watching television
Source: L'Observatoire Cetelem de la Consommation 2016; scope of the chart: seniors.



More open-minded than sociable

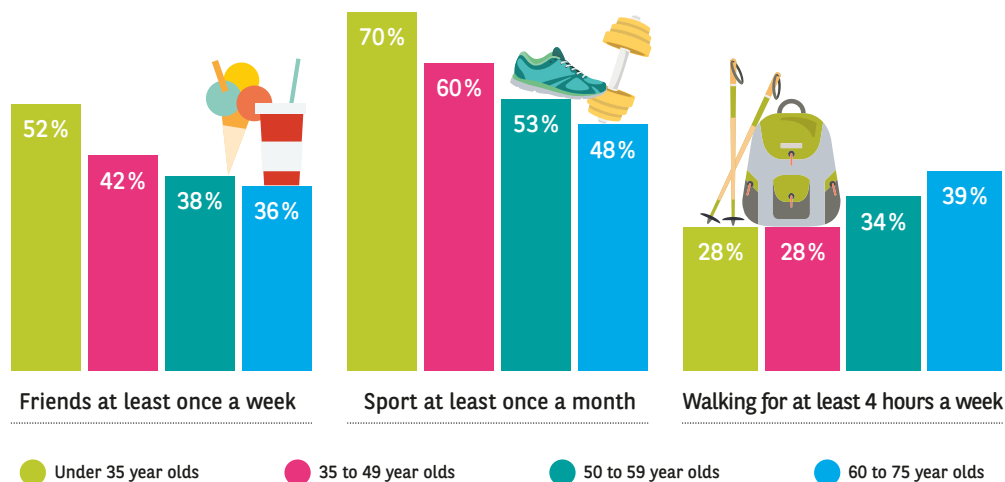
At first glance, seniors have more free time than 35 to 49 year olds. They devote more time to the internet than to regular activities out of the home. In this respect, they are very similar to the younger generations.

Thus, 37 % of European seniors see their friends at least once a week, compared with 52 % of under 35s (Fig. 23).

One in two seniors practice a sport at least once a month, compared with 60 % of 35 to 49 year olds and 70 % of under 35 year olds. Spain, France and Italy are the countries where seniors are the most likely to take part in sports on a monthly basis. The figure in these countries is around 60 %, twice the proportion in Hungary and the United Kingdom, the bottom two nations of L'Observatoire Cetelem in this particular area. Physical activity can take a more gentle form, with seniors spending an average of 4.5 hours a week walking.

Fig. 23 ▶ How often do you partake in the following activities? Seeing friends at least once a week / Practising a sport at least once a month / Walking for at least four hours a week)

Source: L'Observatoire Cetelem de la Consommation 2016 (in %).



Lastly, when it comes to activities outside the home, Europe appears to be split in two, with Mediterranean seniors being very sociable and those in the North more reluctant to venture out.

France's fondness for associations

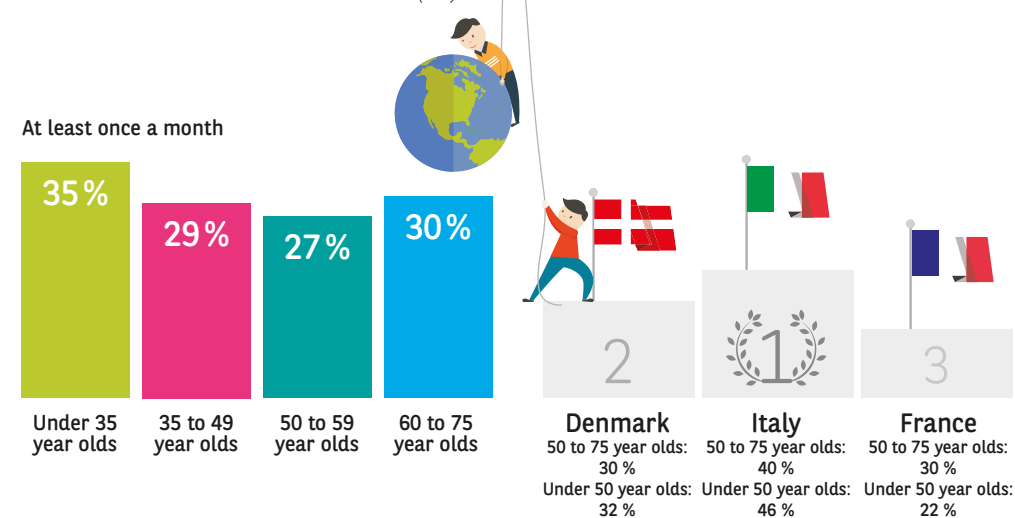
Getting involved, sharing one's experience, being of use, taking on responsibilities and meeting new people are just some of the pluses. But are seniors as keen to work for non-profit organisations in all European countries? Relatively speaking yes, because some 30 % of seniors give their time to an association at least once a month. However, this is a similar proportion to under 50s (Fig. 24).

The degree to which 50 to 75 year olds are involved in associations is also restricted by their availability, given the amount of time they regularly invest in their families. Being able to go away for a few weeks or simply have a rest, free of any constraints, is important to seniors. This can limit their desire to involve themselves in initiatives.



Fig. 24 ▶ How often do you partake in the following activities? Involvement in a non-profit organisation: socially-oriented associations, charities, etc.

Source: L'Observatoire Cetelem de la Consommation 2016 (in %).



Insufficient information or a lack of associations near their home, as well as an unwillingness to assume the costs that come with working for an association (transport, membership, etc.) also limit their involvement.

The one exception is France, which boasts the highest number of associations (more than a million!). The balance established in the rich fa-

bric of French associations is largely reliant on the contribution made by seniors to their management, administration and day-to-day activities. It is the only country of L'Observatoire Cetelem in which the proportion of seniors who are involved in an association at least once a month is much higher than that of non-seniors.



THE URGE TO ESCAPE IS PROPORTIONAL TO AGE

Seniors often boast greater financial resources than average, especially over 50s who are still working, not to mention a wealth of free time once they have retired. But does this mean that they take in more culture or embrace the joys of travel? Once more, L'Observatoire Cetelem reveals their taste for «everything in moderation»!

A relative lack of curiosity among seniors

Almost a third of European seniors go to the cinema, the theatre or the museum at least once a month (Fig. 25). The Italians top the list with 51%, followed by the French (40%) and the Spanish (38%).

At the other end of the scale, the Czechs, Germans, Slovaks and, in particular, the Hungarians seem less interested in the pleasures of the mind (between 20 and 26%). The differences noted may be due to supply (cultural centres with free admission, promotional and information channels, etc.).

Younger consumers tend to be keener on these types of outing (+10 points vs. seniors). Almost one in two under 50s state that they go to the cinema, the theatre or the museum at least once a month.

Again, France is the exception. Under 50s and 50 to 75 year olds enjoy cultural outings with a similar frequency. The younger generations fall below the European average, while seniors sit above it.

On the whole, seniors across Europe may be more likely to head out for cultural outings if they received clear, high-quality information, particularly on events close to them. A signal that many would do well to heed when one considers how much time seniors spend on the internet.

Fig. 25 ▶ How often do you partake in the following activities?

Cultural outings: theatre, cinema, museums, etc. at least once a month

Source: L'Observatoire Cetelem de la Consommation 2016 (in %).

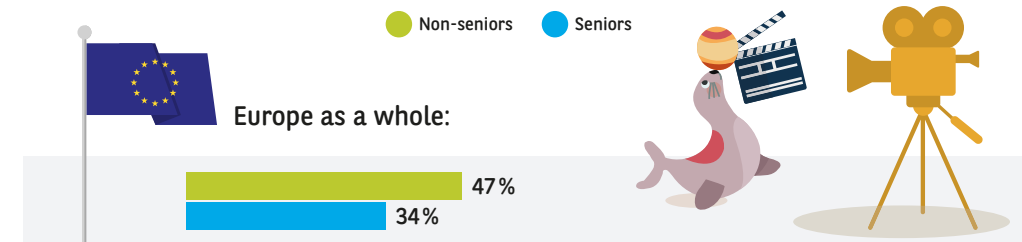
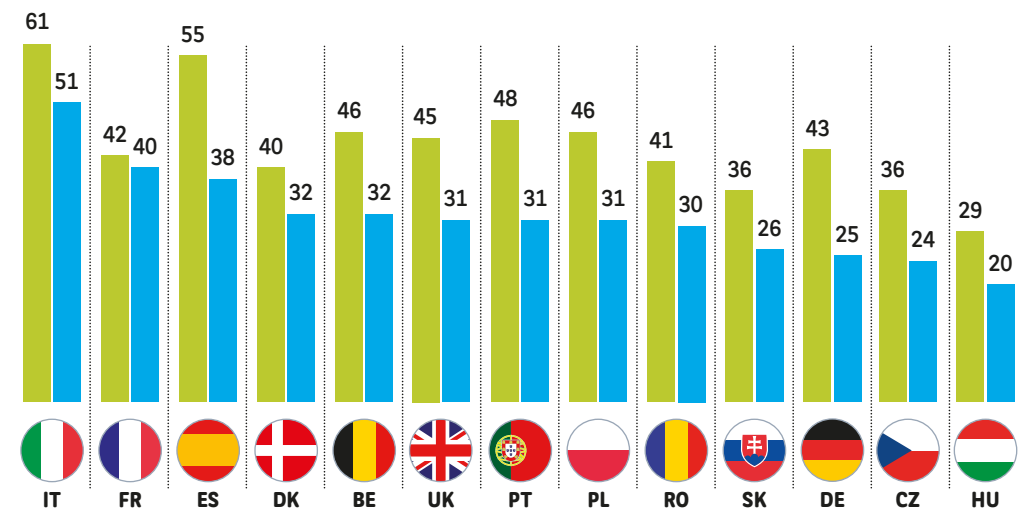
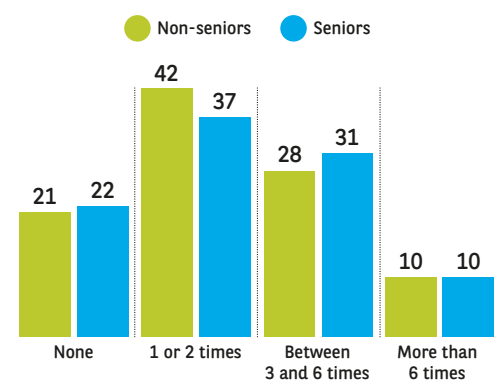




Fig. 26 Over the last 12 months, how many times did you go on holiday or for a weekend away (for leisure purposes)? That means spending at least one night away from your primary residence.

Source: L'Observatoire Cetelem de la Consommation 2016 (in %).



Some travel more than ever, while others are just getting started

Tourism has hit new heights of popularity among seniors, who make the most of their «silver» years to go away for holidays or weekends.

Indeed, 40 % went away at least three times over the last 12 months (Fig. 26), 4 points more than their juniors. According to Eurostat, spending on tourism by over 65s in Europe increased by more than 30 % between 2006 and 2011, more than any other population. Realising their dreams of faraway climes, quenching their thirst for travel and discovering new pleasures are just some of the reasons why seniors decide to pack their bags.

In the West and the North, seniors travel significantly more than their younger compatriots. In France and Denmark, half went away for a short break or a holiday at least three times in the last year, compared with 37 % of under 50s. Conversely, in Romania, the Czech Republic and Portugal, more than 50 % of under 50s went away more than three times over the period, compared with just over 40 % of seniors.

Cost stands in the way of travel

These trends should not vary significantly in the short term. A quarter of seniors state their intention to go away on holiday more often over the next three years. Another quarter intend to do so less frequently. The remaining half plan to travel the same amount.

Those who are resigned to travelling less almost always cite financial reasons (80 % of cases). The second reason mentioned, but some distance behind, is failing health (18 %) (Fig. 27).

As for those under 50, finances are again the number one reason why they plan to go away on holiday or for weekend breaks less frequently. They also mention lack of spare time and family reasons. Each life stage comes with its own constraints!

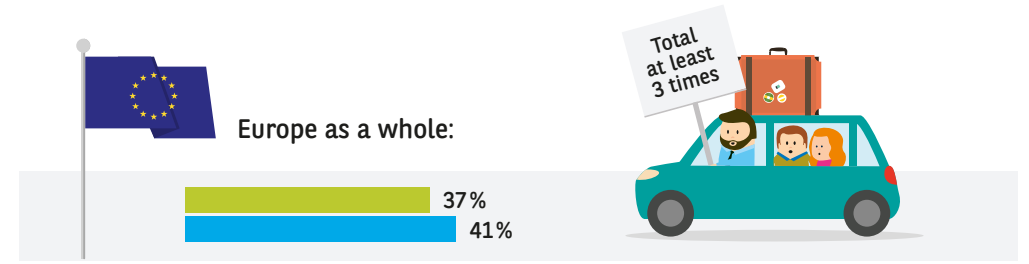
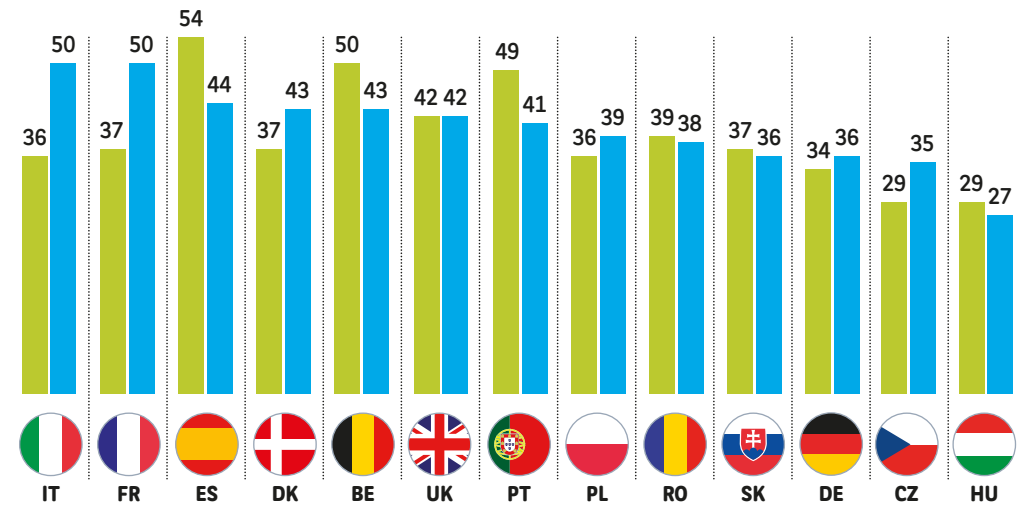
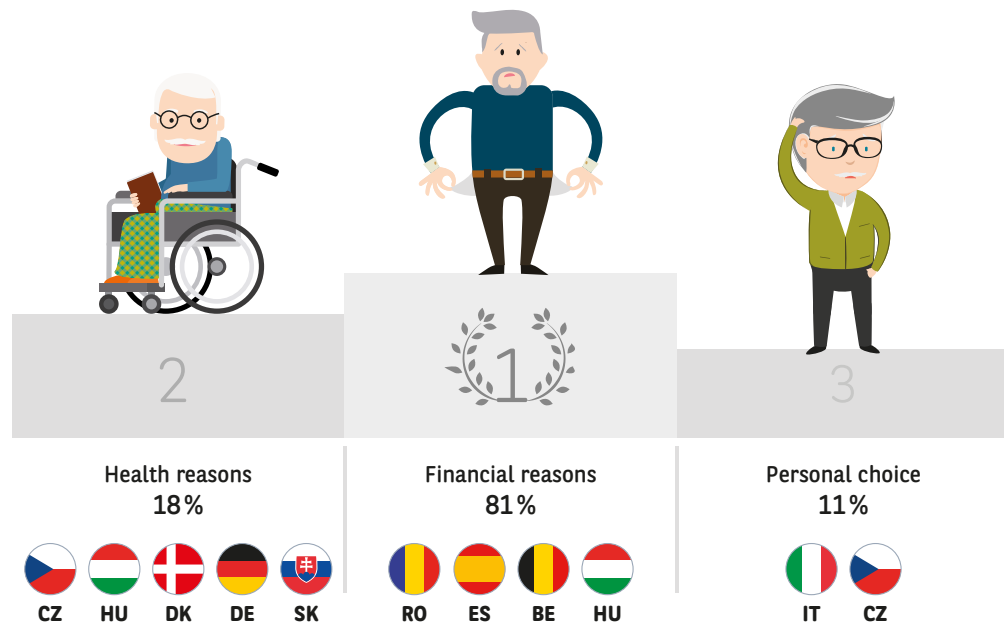




Fig. 27 ▶ For what reasons do you plan to go away less often?

Source: L'Observatoire Cetelem de la Consommation 2016 (in %); scope: 50-75 year olds.



The comforts of hotels and staying with loved ones

When it comes to choosing accommodation, seniors display similar habits to the younger generations. 60 % have stayed in a hotel at least once in the last two years (Fig. 28). Many also enjoy the catering services on offer, a factor that often conditions the success of a holiday, with 30 % stating that they take advantage of hotel meals (source: Coach Omnium). They place great importance on comfort and are very particular about cleanliness, room comfort as well as quality of service.

Almost one in two seniors enjoy regular stays with family and friends, especially when finances are tight. This is an option that is frequently taken in France and Eastern Europe. In Hungary, Poland, Romania and Slovakia it is even the leading form of holiday accommodation.

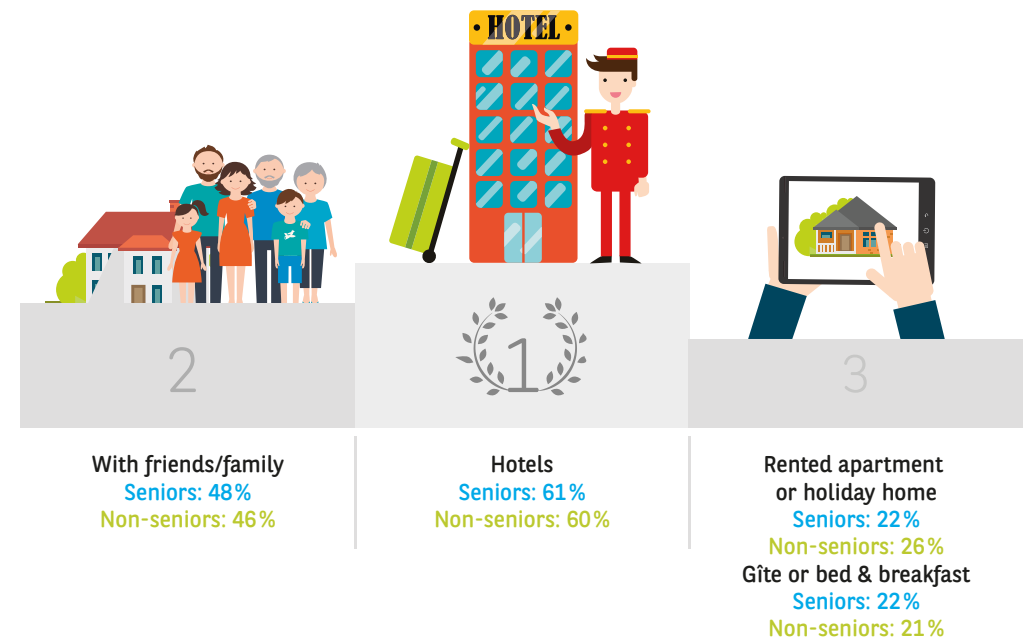
Secondary types of residence

French seniors stand out for their fondness for camping. Indeed, 17 % have stayed in campsites over the last two years, double the European average. The Italians are keener on gîtes and bed & breakfasts, while the Portuguese have a penchant for their own holiday homes.

Apartment and house sharing is booming, driven in great part by Airbnb, but it remains uncommon among seniors. Only 5 % have tried it, while twice as many under 50s have done so over the last two years.

Fig. 28 ▶ Over the last two years, which types of holiday accommodation have you stayed in?

Source: L'Observatoire Cetelem de la Consommation 2016 (in %).





THE JOYS OF GARDENING

Living happily means living at home! Seniors know how to keep busy at home and are ever happier doing so.

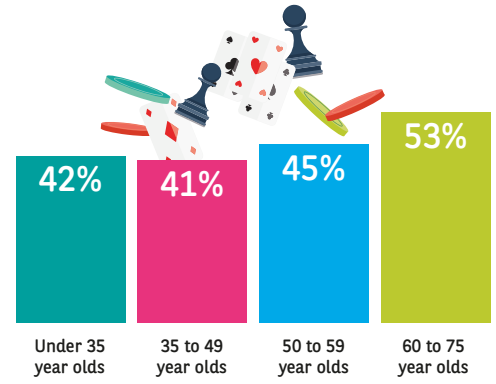
Hand-made leisure
 Seniors in Europe place a great deal of importance on looking after their home and garden, rather than more artistic pursuits. A way of combining enjoyment and practicality, self-fulfilment and day-to-day comfort. Over 50 % of seniors enjoy manual activities (DIY, gardening, sewing, etc.) more than once a month and 18 % more than once a week. That's twice as many as non-seniors.

The pleasures of being and relaxing at home
 Seniors are also keen on in-home leisure activities (Fig. 29): reading, crosswords, board games, puzzles and memory games. What better source of fun than one that stimulates the brain! They devote an average of 6.5 hours to such pursuits each week, an hour more than the younger age groups, with the figure reaching more than 8 hours in Britain!

We have examined the profiles and lifestyles of 50 to 75 year olds, but what about their spending habits?

Fig. 29 ▶ Proportion of Europeans who enjoy in-home leisure activities for at least 4 hours a week

Source: L'Observatoire Cetelem de la Consommation 2016.





3 HUMAN CONSUMERS WITH DIGITAL TENDENCIES

Neither consumerist nor devoid of consumer power, the seniors described by L'Observatoire Cetelem de la Consommation 2016 are particularly mature consumers who are eager to maintain social ties and comfortable with the latest technological developments. In their own way, they manage to follow trends and make the most of the choices on offer. Shops are still their preferred retail channel. They use the internet as a source of information and to make comparisons. They trust fellow humans to offer them the best advice. They tend to be lured by creative and emotional advertising. And without being truly part of it, they seem to be open to a collaborative, sharing and «uberised» economy. Good news for retailers and advertisers!



THE COLLABORATIVE ECONOMY CAN GAIN GROUND

Seniors are increasingly keen on carpooling and apartment sharing. While they have yet to fully embrace the collaborative economy, they are increasingly heading in its direction.

A car is for sharing!

Carpooling, which is great for those who like to chat, and apartment sharing, which is often simply about exchanging keys, are viewed very differently among seniors (Fig. 30). While 38 % are interested in the former, almost half as many see the appeal of the latter (22 %).

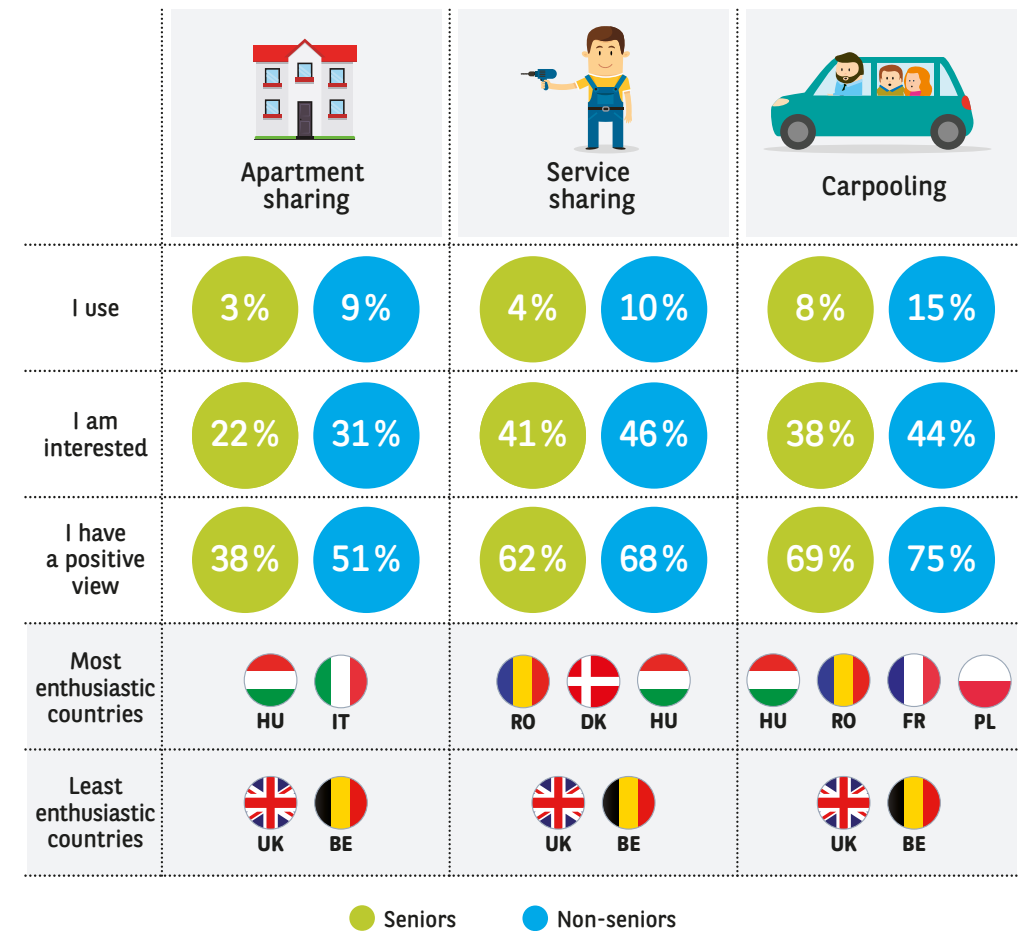
Carpooling is the sharing economy's most widespread practice in terms of the number of users, although just 8 % of European seniors say they have previously tried it (vs. 15 % of their juniors). Financial savings are not the primary driver of this shared mobility, given that high earners are overrepresented among seniors who carpool. The practice also has a female bias, with women representing almost 60 % of carpool users. In France, where organised carpooling first took off,

15 % of the seniors surveyed for L'Observatoire Cetelem say they have used it in the past.

“ Seniors are interested in the collaborative economy, their positive view of this model being fuelled in great part by its ability to bring people closer together. ”

Fig. 30 ▶ Do you have a positive view of these practices? Do you use them? Would you be interested? Select one answer only.

Source: L'Observatoire Cetelem de la Consommation 2016.



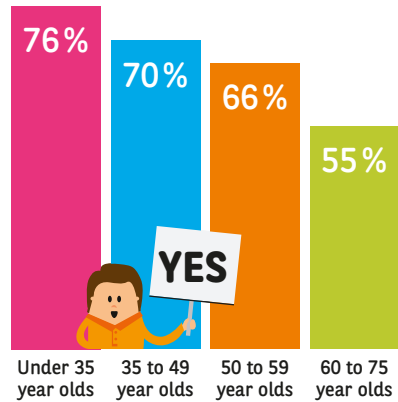
A big yes to the new economy

Much like car sharing, the collaborative economy is viewed positively by almost two-thirds of Europe's seniors. But while service sharing between private individuals seems popular (62 % respond positively), this is less true for apartment sharing (62 % respond negatively). Indeed, this is a service that requires providers to allow strangers into the intimacy of their home. But are seniors ready to do so? Not yet, or so they tell us.

Over 60s seem less keen on consumer services based on collaboration and sharing than younger age groups (Fig. 31). 55 % have a positive opinion of existing services of this type, compared with 76 % of under 35s, for example. These new models are therefore still subject to generational trends, although it should be noted that some over 60s do choose to take advantage of them.

Fig. 31 ▶ Do you have a very or somewhat positive opinion of the collaborative and sharing economy?

Source: L'Observatoire Cetelem de la Consommation 2016.



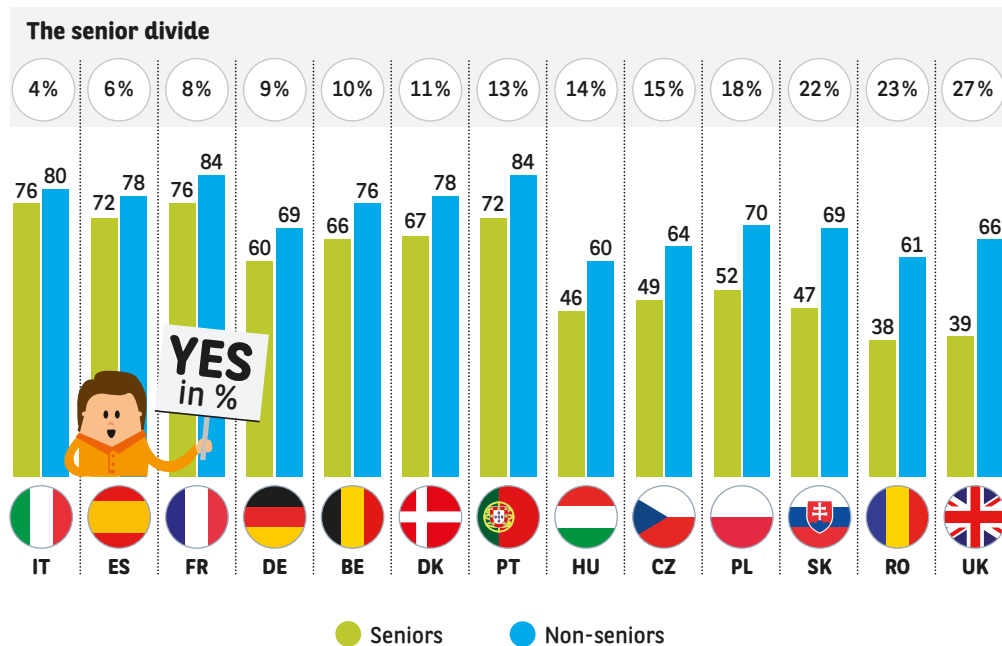
An East-West divide

The countries of the South (Spain, France, Italy and Portugal) have a much more positive opinion of the collaborative and sharing economy than the European average (Fig. 32). These are the countries in which the differences between seniors and younger generations are the smallest, bearing witness to the widespread, wholesale and cross-generational adoption of these new consumer habits. Conversely, only 50 % express a positive view of these practices in the United Kingdom and in the countries of Central and Eastern Europe, although they are fairly popular in Hungary and Romania.



Fig. 32 ▶ Do you have a very or somewhat positive opinion of the collaborative and sharing economy?

Source: L'Observatoire Cetelem de la Consommation 2016.



THE INSTINCT OF OWNERSHIP

The seniors surveyed feel that it is better to own than to hire.

Yet sharing is something they do not shy away from.

in the case of services. Less than 20 % of them say they are ready to offer others the use of their car, bicycle or kitchen appliances. That's 10 points less than their juniors, on average. Unsurprisingly, British seniors are the most attached to their property. Indeed, just 8 % would be prepared to share their car. Safety and the upkeep of items and vehicles may be a factor, while the financial advantages, which tend to lure younger generations, are less of an enticement to seniors.

Ownership for the sake of simplicity

Possession appears to be sacred for over 50s.

Only 9 % of seniors hire equipment (DIY equipment, kitchen appliances, etc.) and 18 % occasionally borrow it (vs. 21 % and 33 % of under 50s, respectively). Far from being consumerists, they are more concerned with convenience and being able to use their car and kitchen appliances without constraint. Two-thirds of seniors own their home. As their children leave the nest, more space becomes available to store the equipment they need.

When questioned about whether they would be prepared to give up ownership of certain products and instead share them with others (Fig. 33), seniors seem less enthusiastic than

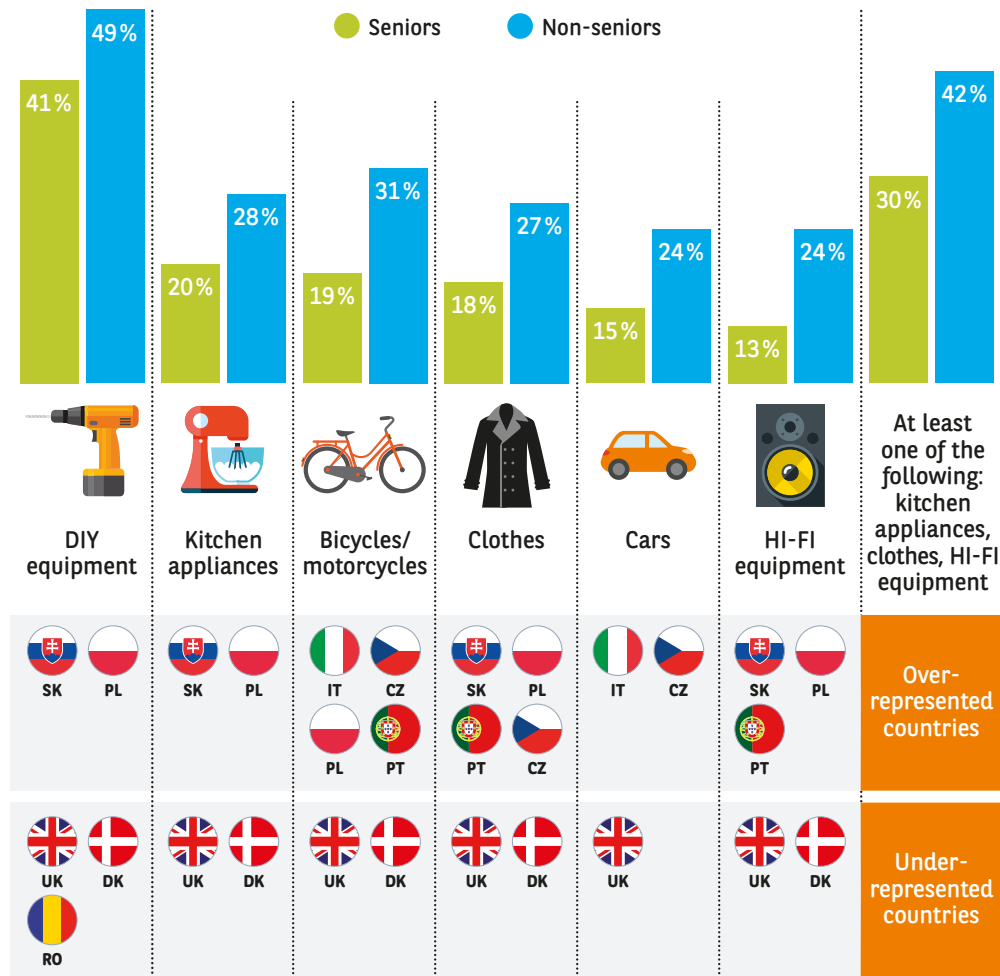
DIY is the exception

When it comes to sharing, DIY equipment stands apart.

While two-thirds of seniors engage in DIY at least once a month, 41 % would be prepared to lend their equipment on an occasional or regular basis. This proportion is even higher among those who state that they regularly do DIY, with the exception of the Danes, who lead the way when it comes to home improvement but are not keen on sharing equipment. Perceived as less personal than cars or kitchen appliances, the lending of DIY equipment also gives seniors the chance to share advice and know-how, while also meeting local people. Their motivations are therefore more than just financial.

Fig. 33 ▶ In the future, would you be prepared to give up ownership of the following products and instead share them with others? Yes, very probably.

Source: L'Observatoire Cetelem de la Consommation 2016.



Missed opportunities

Ever concerned about the quality and durability of the products they acquire, seniors are reluctant to purchase second-hand goods. 28 % do so occasionally or regularly, compared with 46 % of under 50s. Seniors in the Czech Republic, Denmark

and Portugal are the happiest to take advantage of the second-hand market. Their stage in life must surely have some effect. Indeed, as they accumulate possessions with age, people are more likely to be sellers than buyers!



CONSUMER SPENDING: A STRONG EMPHASIS ON TRUST

While seniors are fully prepared to place their trust in the digital world, nothing can replace the essential physical and social ties forged through human contact.

The rise of online shopping

As mentioned above, the fact that seniors surf the web for more than 13 hours a week shows that they have truly turned a digital corner. And this time online is particularly fruitful. **Almost two-thirds state that they regularly buy at least one product online.** The web is also their primary channel for leisure purchases.

exceeds that of digital channels when it comes to purchasing food, household electrical goods and furniture. 90 % of seniors do most of their food shopping in hypermarkets or supermarkets, compared with just 3 % via the web. Similarly, most seniors buy their furniture in specialist superstores (53 % of cases) or in city-centre stores (26%), while few are comfortable committing to such purchases online (14 %).

The age factor is negligible. The proportion of 50 to 59 year olds who make online purchases is similar to that of over 60s. However, finances are clearly a factor, with the highest-earning seniors being more inclined to perform online transactions.

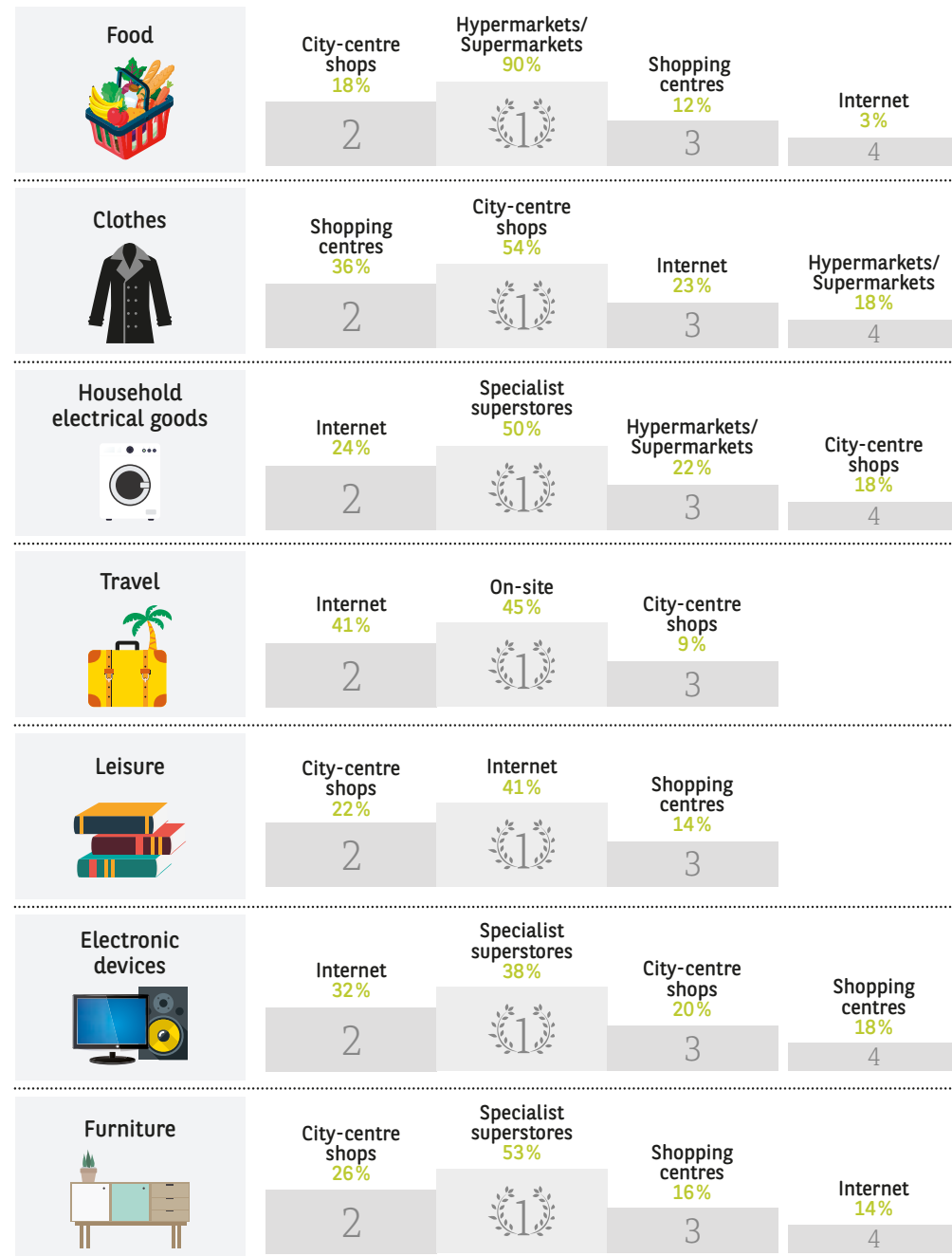
This hesitation is common to all European countries, even though every country has its own specific distribution model. Thus, the French prefer hypermarkets. The Spanish, Portuguese, Italians and Danes, on the other hand, are more more likely to head to local and city-centre shops.

Shops lie at the top of the pile

Nonetheless, seniors are still very much attached to shops. They consider them to be an essential retail channel and one that they choose for most products (Fig. 34). Their use far

Fig. 34 ▶ Where do you usually purchase the following products? TOP 4 answers of seniors.

Source: L'Observatoire Cetelem de la Consommation 2016.



Seeing and touching before buying

Why are seniors slow to embrace online shopping (Fig. 35)? The problem is not mistrust of online payment systems, which is mentioned by only a fifth of respondents, a similar proportion to other generations. The main reason stated is **a pugnacious desire to see and touch a product before buying it**, so as to gain an idea of its characteristics.

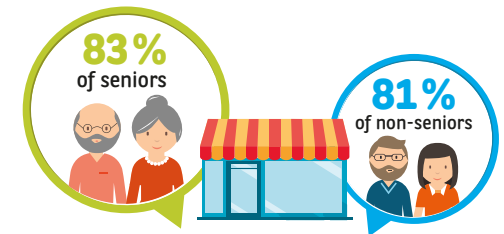
On average, with the exception of travel, 65 % of seniors turn their back on digital channels for this very reason, a much higher proportion than their juniors. And this applies to all products. 80 % do not purchase clothing online for this reason, while the figure for food shopping is 76 %. This is common practice primarily in the Northern countries, such as Germany, Belgium and Denmark.

It is also worth noting that when choosing a product, most European seniors compare the goods themselves at the point of sale.

Nothing replaces human contact

With age, seniors become gradually less involved in the professional sphere, making human contact more crucial to them than ever. Making purchases

Before buying durable goods...



carefully compare the products at the point of sale

enables them to meet retail staff and other customers, and generally to see people. They are not yet prepared to forego this aspect of shopping.

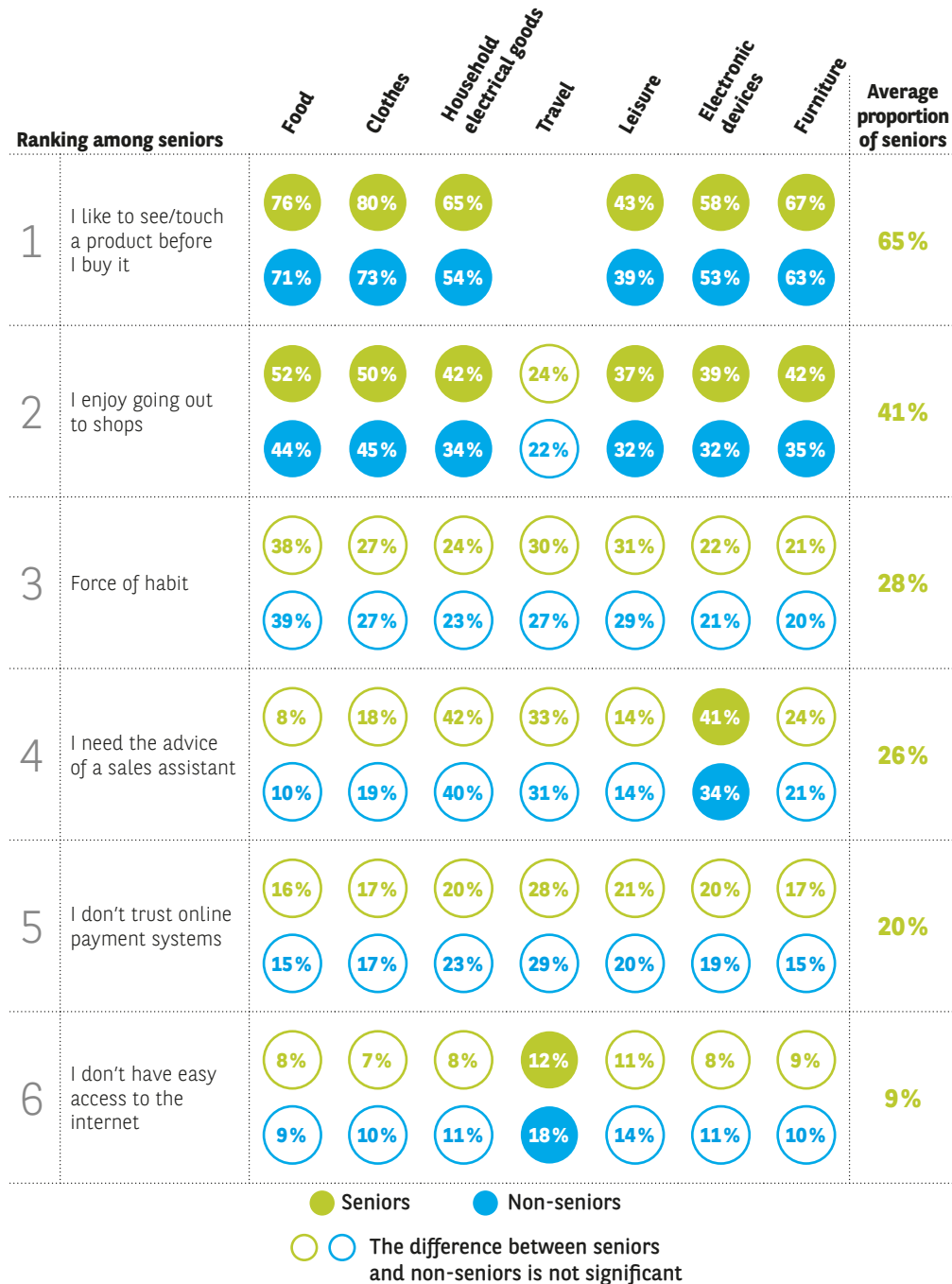
In addition to closely comparing products, more than 60 % of European seniors seek advice from sales staff at the point of sale before purchasing durable goods, 5 points more than under 50s. The Belgians, Italians and Spanish place the most value on this practice. **This attitude is commonest among female consumers**, with women aged over 50 stating that they need this advice in two-thirds of cases.



Fig. 35 ▶ Why don't you regularly purchase these products via the internet?

Select one or more answers.

Source: L'Observatoire Cetelem de la Consommation 2016.



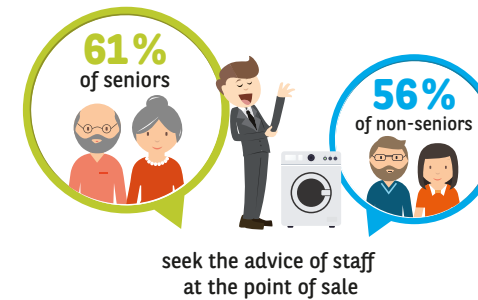
The internet, an anonymous sales channel

This desire to be assisted by an actual person when choosing a product is a significant obstacle to online purchasing. On average, when they decide not to make a purchase via the web, 26 % of European seniors say it is because they need the advice of a sales assistant. This is particularly important to them when buying electronic devices (41 % of seniors avoid doing so online for this reason, compared with 34 % of under 50s). This is not so much the case when it comes to food and leisure activities, whose characteristics they are more familiar with.

Sales assistants are of particular strategic importance in Germany, Belgium and Romania, while the British are not so dependent on their advice.



Before buying durable goods...



Advice closer to home

Sales assistants are not alone in being able to offer European seniors the advice they need to complete their purchases. The latter are also keen on word of mouth and very sensitive to the opinion of those close to them. Family and friends are a key source of information and their opinions give seniors more confidence. Almost 50 % ask for advice from people they know before buying durable goods.

An advisor (almost) like me

Does the person who advises them need to have a specific profile? At first glance, no. Only 12 % of seniors express a preference for a particular type of profile and they are primarily concerned about the age of the person they wish to speak to during the purchasing process. **These respondents tend to prefer the sales advisor to be aged between 30 and 50, highly experienced and able to relate to their aspirations**, but they should also be slightly younger than them, with the ability to offer advice on the very latest products and keep them up to date on recent developments.

Shopping, an outing of choice

Unlike 35 to 50 year olds, seniors see shopping as a pleasure rather than a chore. They clearly enjoy going into shops, which should prompt retailers to invest in their quality of service and pamper this enthusiastic market segment. On average, more than 40 % of European seniors state that they do not buy products online because they enjoy going shopping, especially for food and clothes.

Home deliveries hold limited appeal

L'Observatoire Cetelem 2016 also reveals that seniors have less interest in the service offerings created to make life easier for consumers, particularly in food retail. Seniors do not appear to have been fully won over by solutions such as Click & Collect and online grocery shopping with home delivery, which remove physical and social ties that are important to them. Just one in ten seniors are interested in online grocery shopping that requires them to pick up their products from a hypermarket or warehouse (the Click & Collect concept).

And this seems to be a long-term trend. In the future, 75 % of seniors will be shopping for groceries

the traditional way, i.e., in stores (compared with 64 % of under 50s) (Fig. 36). In the Czech Republic and Slovakia, seniors seem more prepared to break away from this practice (Fig. 37).

The main alternative for which European seniors may opt is the home delivery of their grocery shopping... once they have selected their products in-store. A way of combining the pleasure of human contact with logistical efficiency. It also makes life easier, since it means not having to carry groceries, as well as being cheaper and greener by expanding the transport options available to shoppers.



Fig. 36 ▶ In the future, which of the following options are you likely to choose for your food shopping? Choose a maximum of two answers.

Source: L'Observatoire Cetelem de la Consommation 2016.

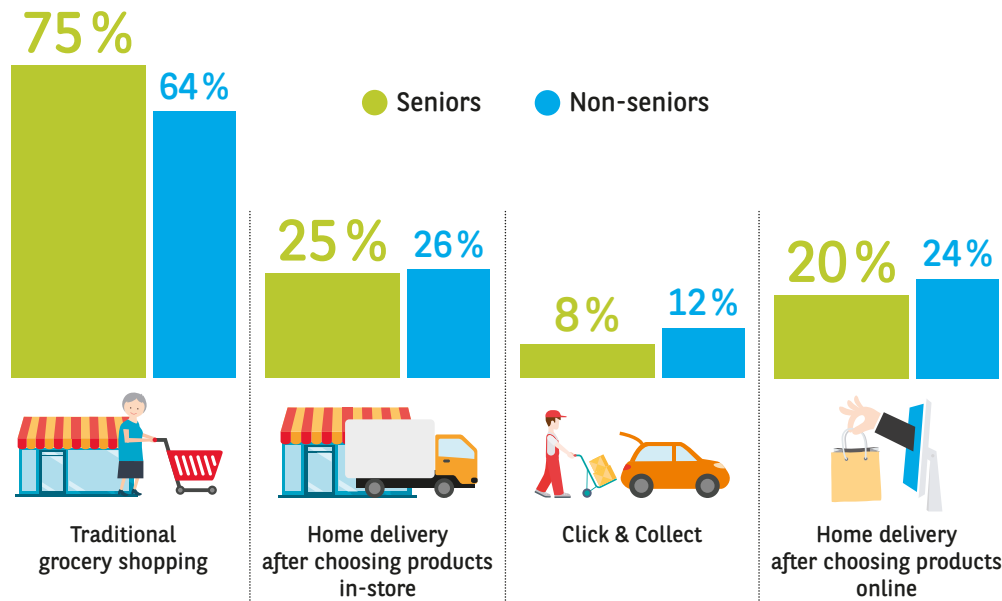
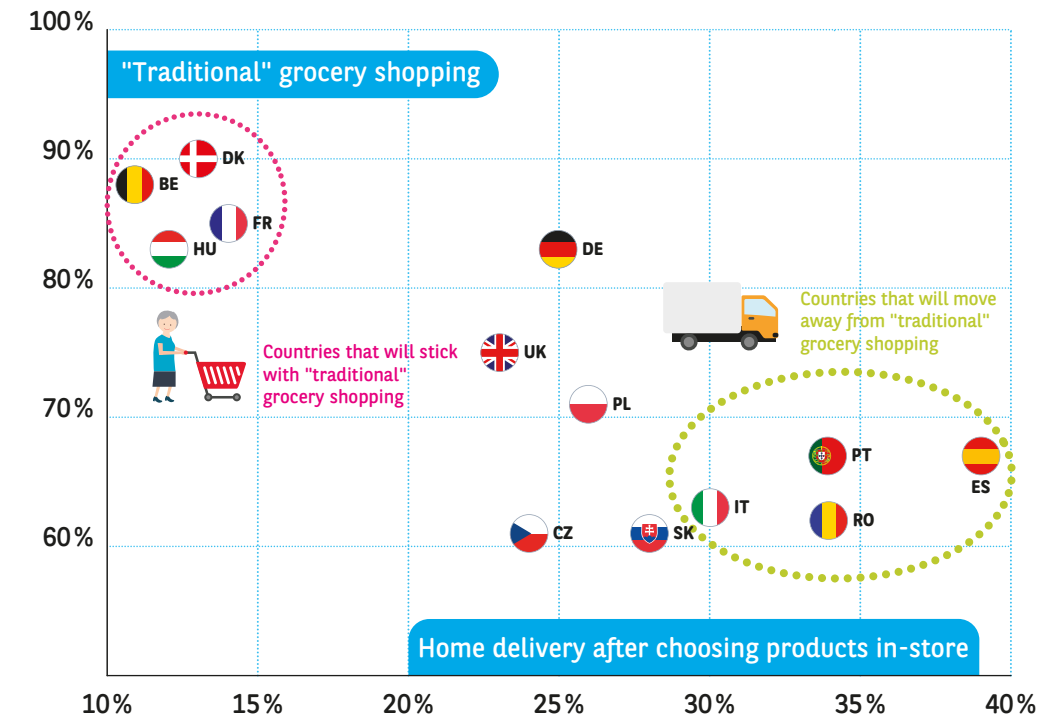


Fig. 37 ▶ In the future, which of the following options are you likely to choose for your food shopping? Choose a maximum of two answers; scope: seniors.

Source: L'Observatoire Cetelem de la Consommation 2016.



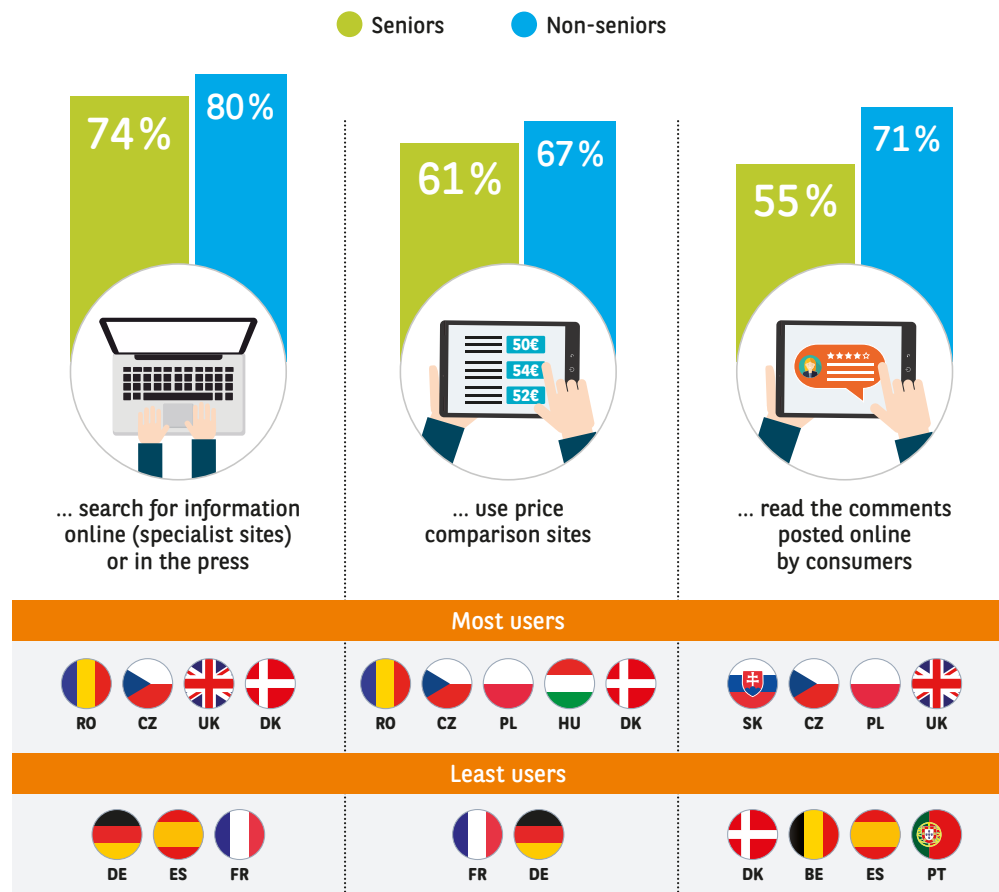
The internet, the home of information

40 % of seniors describe themselves primarily as «utilitarian» web users. This is borne out by the fact that the internet is their primary source of consumer information (Fig. 38). From online comparison tools and user opinions, to consumer websites and detailed product specifications, they seek a whole host of additional information to guide them through their purchases, even if

it means going to a store to perform the actual transaction. **When purchasing durable goods, more than 80 % use the web to help them make their choice.** They visit specialist websites (74 % of European seniors), use price comparison tools (61 %) or read the comments posted by other consumers (55 %). They like comparison tools because they are easy to use and provide them with most of the information they need in a short space of time.

Fig. 38 ▶ Before buying durable goods, you... Very often or quite often.

Source: L'Observatoire Cetelem de la Consommation 2016.



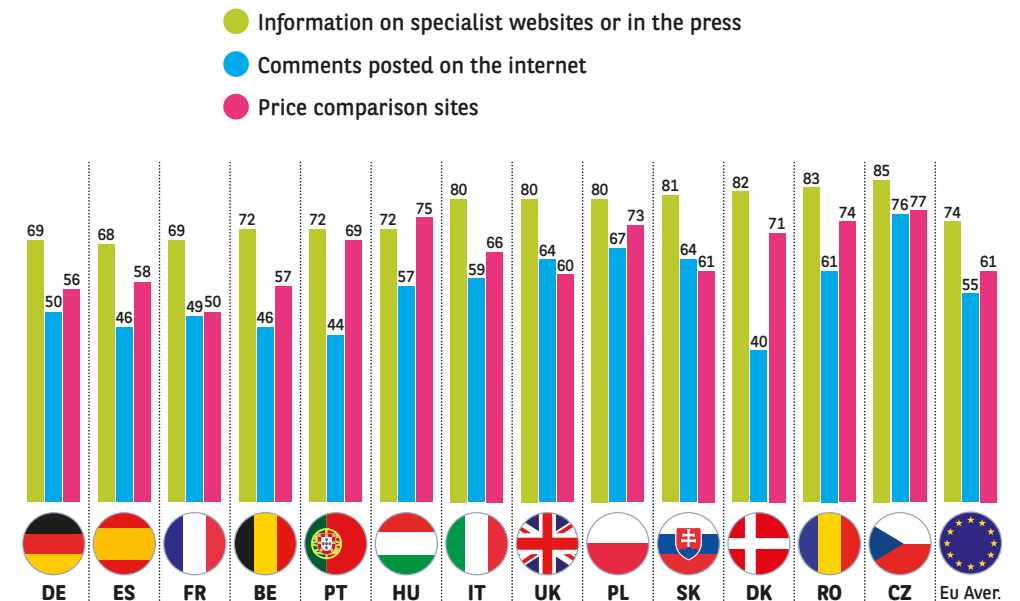
The countries where seniors are most likely to use the web as a source of information are not necessarily the biggest internet users. **Information from the web is most useful when seniors are constrained by their purchasing power.** In Eastern Europe, more than 70 % of seniors use price comparison sites and more than 60 % read the comments of other users (Fig. 39). Despite stating that they are «hyper-connected», the French and Germans are the least likely to use price comparison tools.

“ The internet, primarily a way of choosing products with greater peace of mind ”

Fig. 39 ▶ Before you buy durable goods, quite often or very often you check...

As a percentage; respondents: seniors.

Source: L'Observatoire Cetelem de la Consommation 2016.





PRAGMATIC AND RESPONSIBLE SPENDING

Over 50s are particularly keen on the interpersonal aspects of being a consumer, rather than just seeking to fulfil physiological and material needs. In addition, their spending is pragmatic, responsible and far from ostentatious, meaning that they are able to take an objective view of the brands that try to lure them.

Purchasing in one's own interests

Seniors are pragmatic, first and foremost. When buying durable goods, their main purchasing criteria are price (82%), quality (71%) and product functionality (51%). This is a top three that all Europeans share, but seniors place more importance on these factors, on average, than under 50s (Fig. 40).

In those countries where over 60s earn less than the national average (Belgium, Czech Republic, Poland and United Kingdom), price is more often cited as an important purchasing criterion. Elsewhere, it is the emphasis placed on quality and

functionality that makes price, or value for money to be specific, a deciding factor.

... and in the collective interest

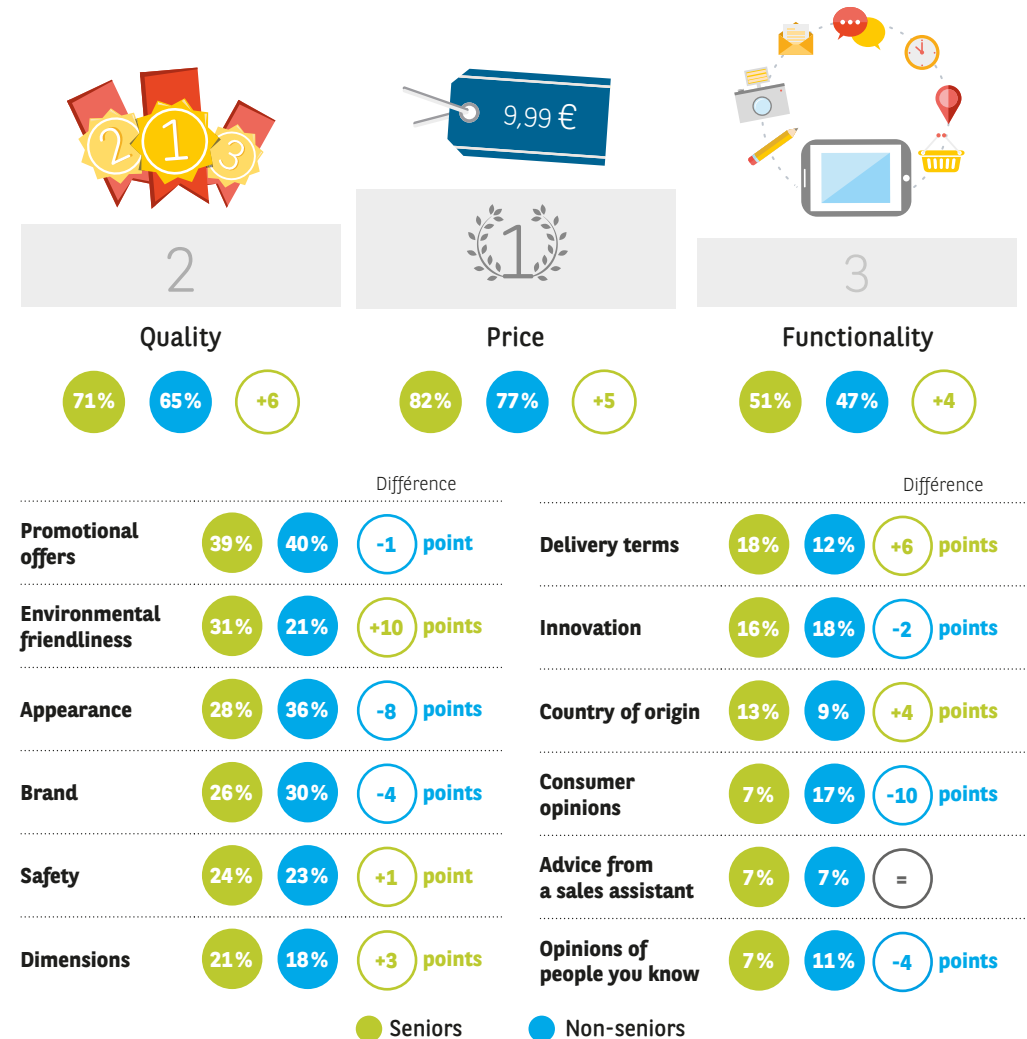
As consumers, seniors appear to be both more pragmatic and more responsible than their juniors. Environmental friendliness (which the survey equates to awareness of energy use) is among their top-five decision-making criteria. Almost a third take this into account when purchasing durable goods. **The gap between seniors and under 50s is such that seniors could be described as the leading proponents of responsible consumer spending.** They are also much more mindful

than their juniors of the origin of the products they purchase. 13 % consider this to be an important criterion, compared with just 9 % of under 50s.

the French and Italians, who are keen to support their domestic industries. Meanwhile, the British seem less sensitive to these issues.

Responsible spending even seems to be a credo for the Spanish, Portuguese and Hungarians, who are particularly over-represented when it comes to environmental aspects. This is also the case for

Fig. 40 ▶ When you buy durable goods, what are the five main criteria that govern your choice? Choose a maximum of five answers.





A more mature relationship with brands

Having had to deal with the economic crisis and the crises of confidence triggered by several recent scandals, consumers in general are becoming more demanding and more careful when choosing a brand. **One of the key findings of L'Observatoire Cetelem 2016 is that European seniors place less importance on the brand when choosing a product**

than the younger generations. 26 % consider it an important purchasing criterion, compared with 30 % of under 50s. While thirty- and forty-somethings seek to highlight their social status through the brands they buy, seniors no longer follow this rationale. Three-quarters of them see the brand as an indicator of a product's quality. In the eyes of these increasingly shrewd and ever less gullible consumers, the belief in a link between brand and quality subsides with age (74 % of over 60s compared with 81 % of under 35s).

The brand appears to be more important to male seniors, with 29 % of men considering it important compared with 23 % of women.

One interesting point to note is that seniors are split into two consumer categories. Those in the first care about the brand and see it as an indicator of quality. Those in the second are more concerned about the environment and about the design and general appearance of the product (Fig. 41).

There are also significant differences from one country to the next (Fig. 42). The French, Italians and Romanians place a greater focus on the brand than the Danes and the Germans, who are also less likely to correlate brand and quality.



Fig. 41 ▶ Do you consider the brand to be an important criterion when making a purchase? Do you consider the brand to be an indicator of quality?

Source: L'Observatoire Cetelem de la Consommation 2016.

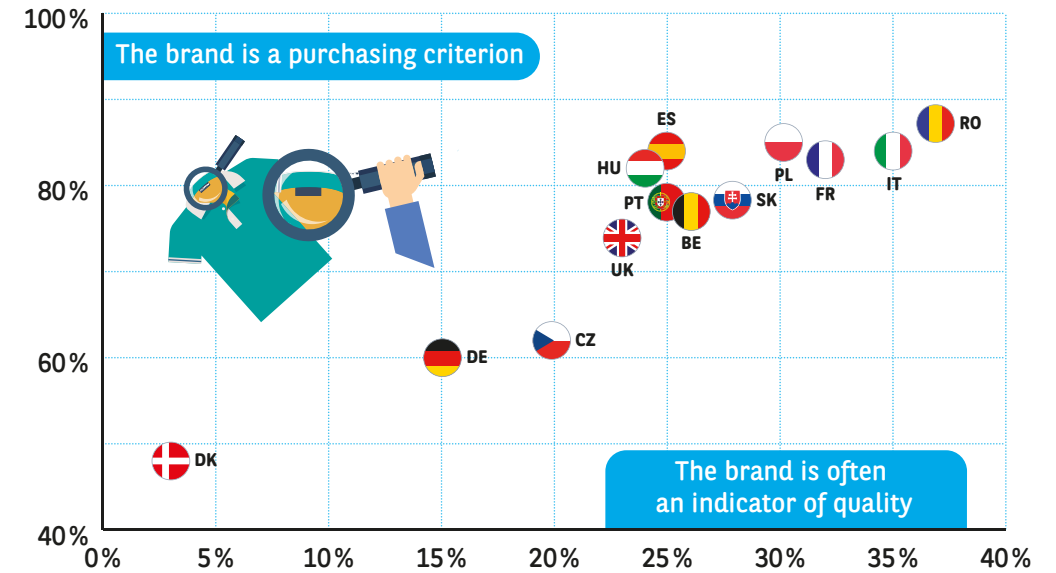


Fig. 42 ▶ When you buy durable goods, what are the main criteria that govern your choice?

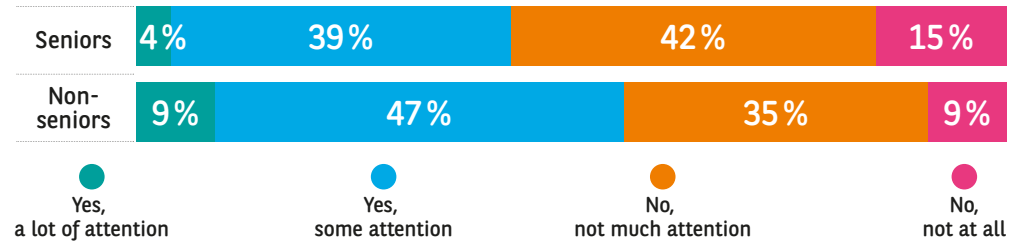
Source: L'Observatoire Cetelem de la Consommation 2016.

The seniors for whom the brand is an important criterion place...



Fig. 43 ▶ In general, do you pay attention to brand advertising?

Source: L'Observatoire Cetelem de la Consommation 2016.



Seniors are not great lovers of advertising

As responsible consumers, seniors tend to keep brands at arm's length, despite the fact that their purchasing power could lead us to believe the contrary. But what about advertising? Displaying consistency, **they state that they are less sensitive to advertising than under 50s (Fig. 43)**. 43% take notice of these messages, 13 points less than their juniors. The figure even drops to 32% among retired seniors!

and France), advertising clearly has less of an impact on seniors, despite the fact that they watch the most television (16.5 hours per week compared with 11 hours in other countries).

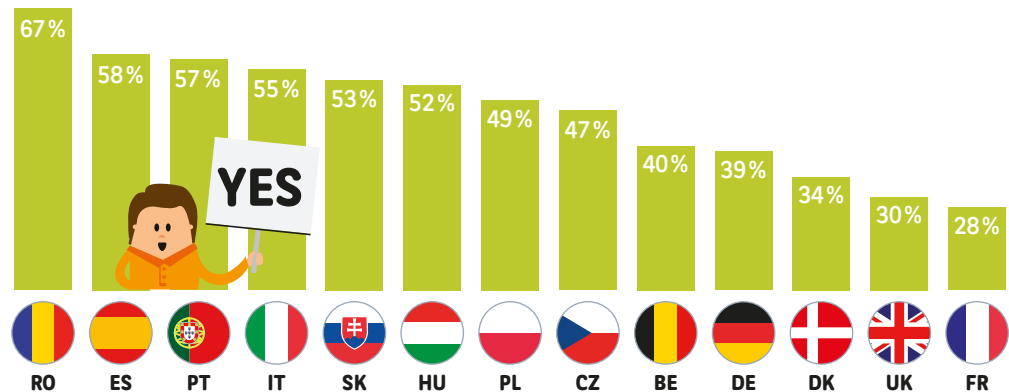
But that is not to say that advertising, particularly on TV, does not have a subliminal effect on viewers. The latter is difficult to assess from a simple statement of opinion, as its impact on spending is extremely subtle.

“ Less than one in two seniors pay attention to brand advertising ”

Should this be seen as a blow to the brands targeting them? Advertisers in Southern and Eastern European countries can rest easy. Commercials have a greater effect on their «silver customers» than elsewhere in Europe (Fig. 44). In the North and West (Denmark, Germany, United Kingdom

Fig. 44 ▶ In general, do you pay attention to brand advertising?

Source: L'Observatoire Cetelem de la Consommation 2016.



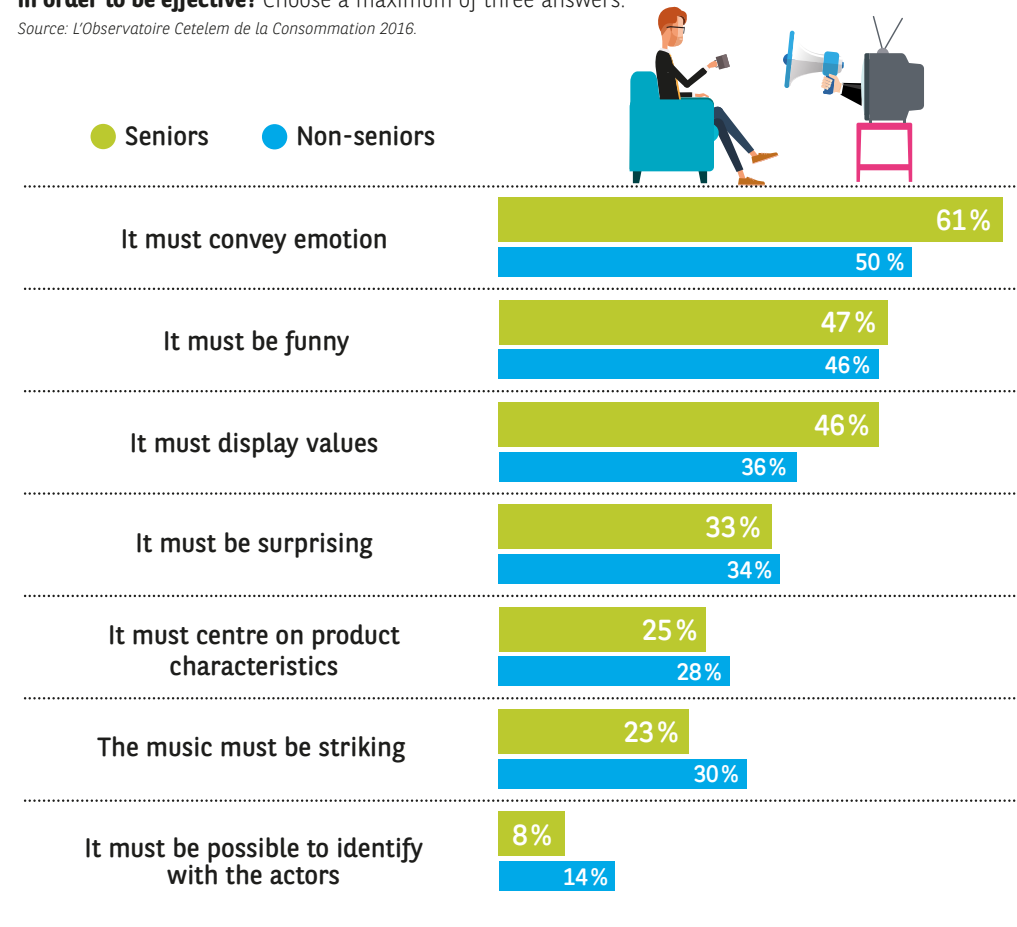
Passion over reason

In actual fact, if advertising is to appeal to seniors, it needs to focus on emotions, humour and values (Fig. 45). For seniors, these are the three primary factors (61%, 47% and 46%, respectively). Contradicting the austere image often associated with them, the Germans are the exception to this rule, considering that a funny advertisement is the best way of catching the attention of consumers. Conversely, the Spanish, who are accustomed to humorous advertising, would rather see more functional advertisements, much like the Romanians.

However, on the whole, this functional approach seems to bore European seniors. Bear in mind that they are perfectly capable of finding this information themselves via the web or by asking a sales advisor. Only 25% of them believe it is important for advertising to emphasise a product's characteristics. In any case, the expectations of seniors when it comes to advertising clearly differ from those of the younger generations. While the former are keen on emotion and values, the latter are also sensitive to the music used and, to a lesser extent, the presence of actors with whom they can identify.

Fig. 45 ▶ In your opinion, what are the three main criteria an advertisement must meet in order to be effective? Choose a maximum of three answers.

Source: L'Observatoire Cetelem de la Consommation 2016.



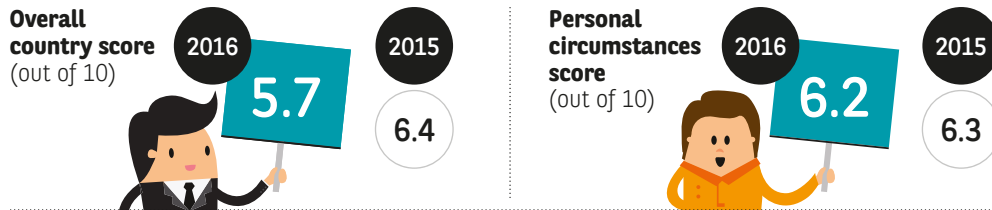


4 THE COUNTRIES OF L'OBSERVATOIRE CETEM

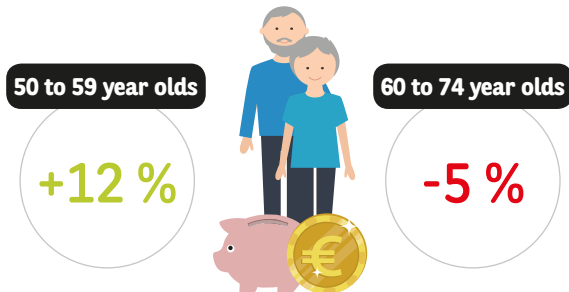
IS THE GERMAN LOCOMOTIVE RUNNING OUT OF STEAM?

It is true to say that **optimism remains the order of the day for German consumers**. The score they give the overall situation in their country is in the leading group of L'Observatoire Cetelem countries (5.7/10). However, while the scores awarded by other Europeans are on the up, the significant drop in the German score compared with 2015 points to an unusual degree of **concern**, triggered by unexpected economic and geopolitical events.

For the moment, **there is no fear for consumer spending**. Boosted by a significant increase in wages (around 3.5 %) and very moderate price rises, German consumers have continued to shop. Spending grew by more than 2 % in 2015, a figure that has not been achieved since last decade. L'Observatoire Cetelem even notes that spending intentions for 2016 are higher than last year's. Thus, **German growth should not be hampered this year** and the 3 % mark is not out of reach.



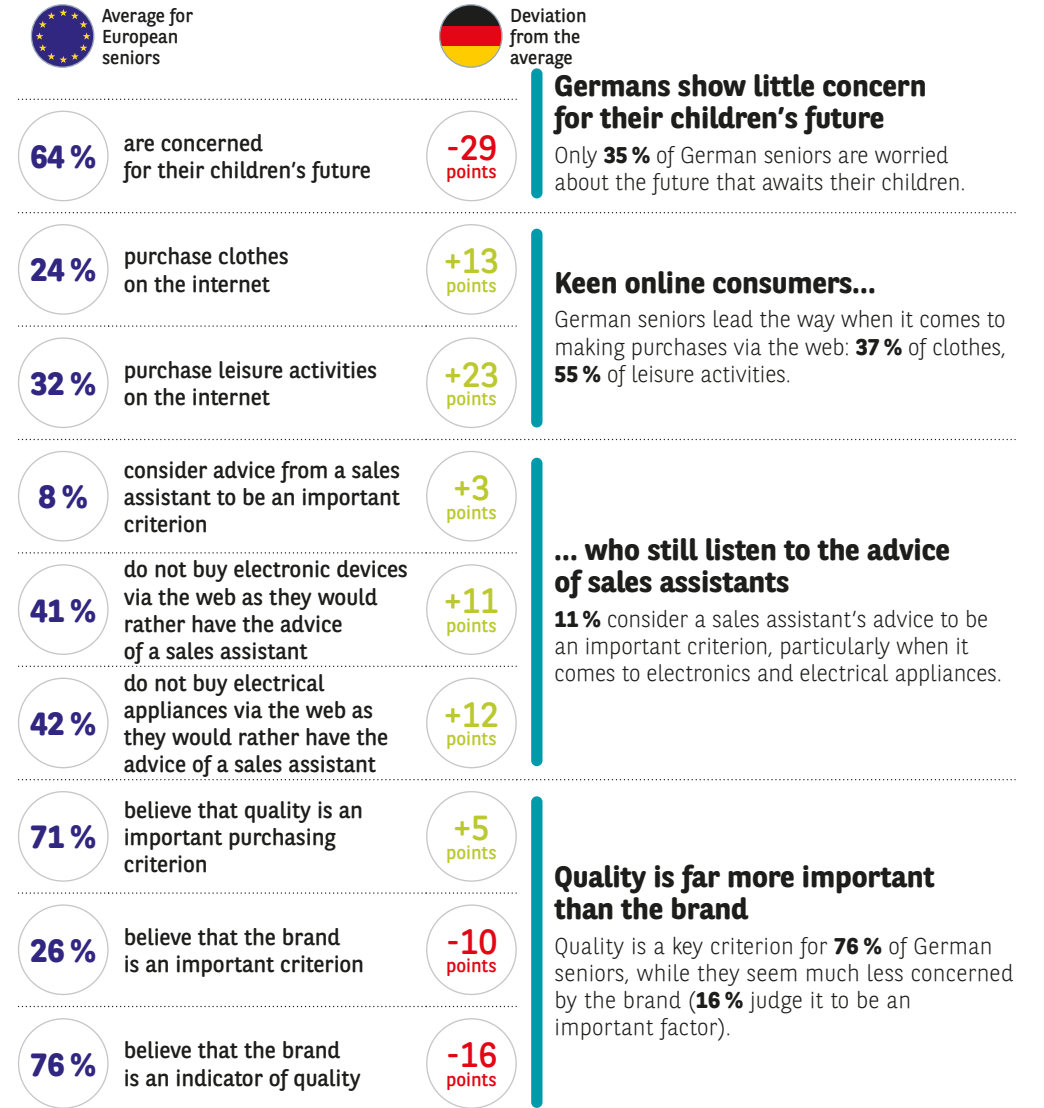
Income gap between the overall population and seniors



Source: L'Observatoire Cetelem/BIPE

Technophiles with little focus on brands

Bolstered by a strong economic situation, German seniors are not particularly concerned for future generations. They are highly connected to the world and skilled in the use of digital channels. They no longer hesitate to use the latter to finalise certain purchases, but continue to call upon sales advisors to help them assess a product's technical characteristics. More surprisingly, and despite the fact that they still seek out «German quality», their relationship with brands is much weaker than elsewhere. For many, brands do not guarantee the success of a purchase.

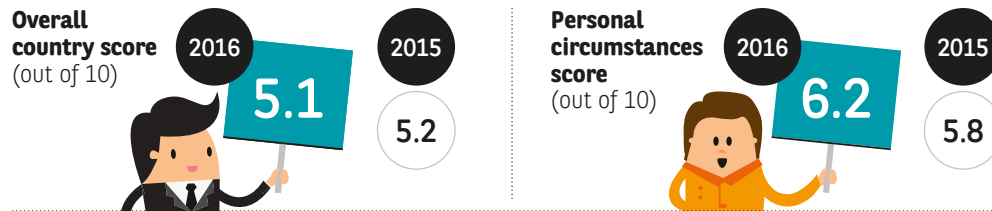


Source: L'Observatoire Cetelem/BIPE

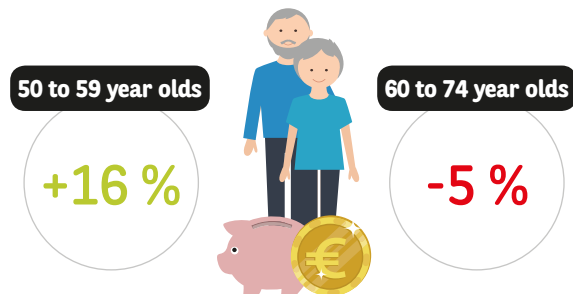
CONSUMER SPENDING IS HINDERED BY STAGNATING PURCHASING POWER

In 2015, Belgian economic growth stood at 1.3 %. The main hindrance to growth is the struggling employment market, with unemployment stuck at 8.5 % and a freeze on wages that has restricted the rise in purchasing power. And Belgian consumers are feeling it. 49 % believe that their purchasing power has fallen and 78 % that prices increased in 2015, significantly more than the European average.

In 2016, consumer spending in the country is set to remain unimpressive. Only 31 % intend to spend more. This figure is down compared to last year and falls short of the results posted by the other countries.



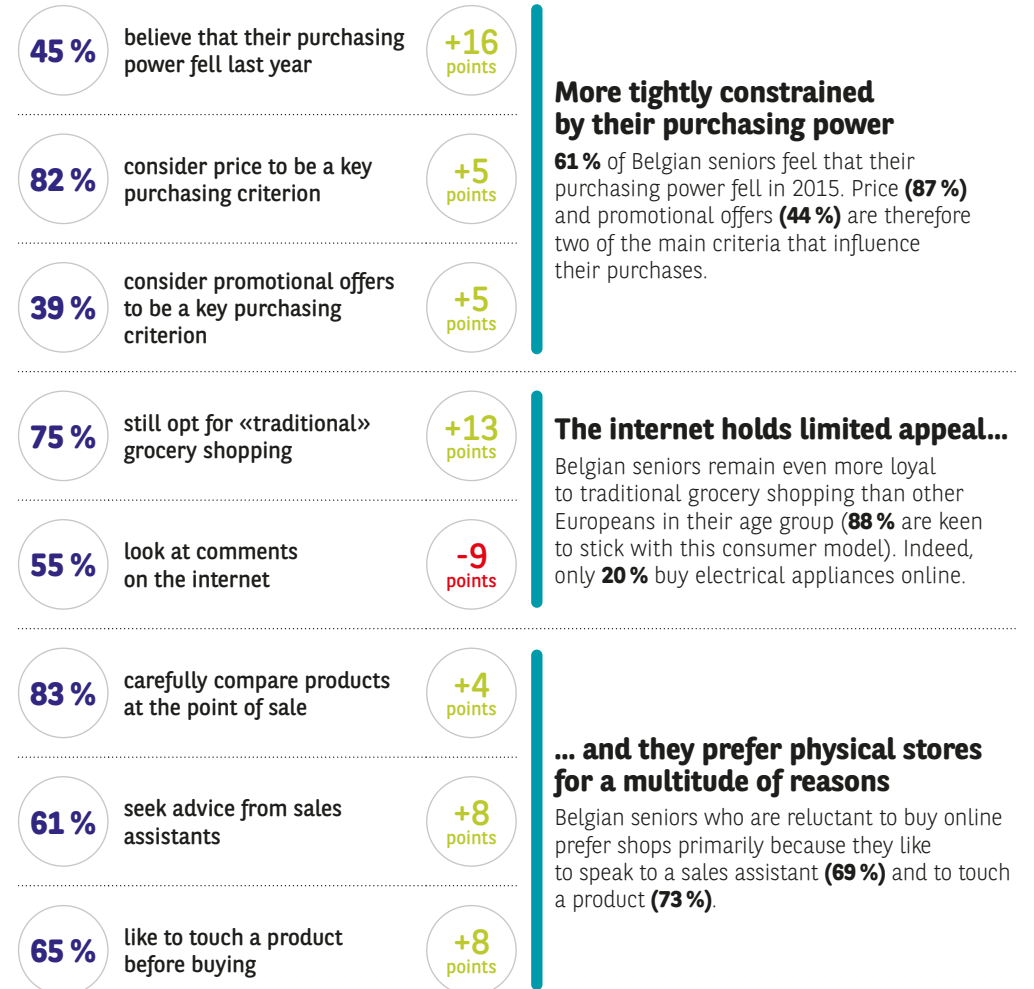
Income gap between the overall population and seniors



Source: L'Observatoire Cetelem/BIPE

Secure in their consumerist tradition

Caught up in the overriding gloom, Belgian seniors base their spending habits on a chiefly financial rationale: finding the lowest price, taking advantage of promotional offers, etc. In this climate, they cannot afford to go crazy. Physical points of sale are preferred by the vast majority.

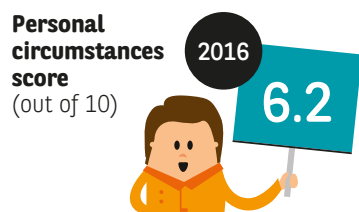
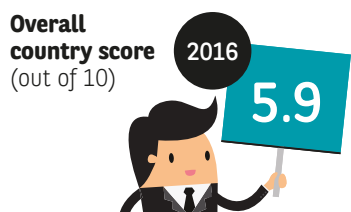


Source: L'Observatoire Cetelem/BIPE

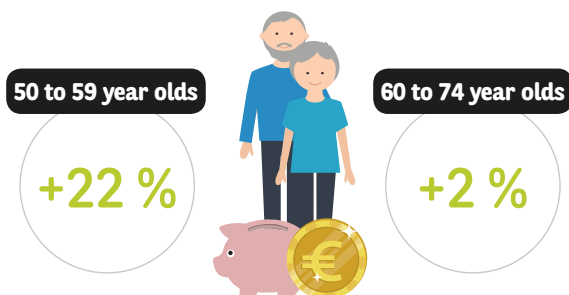
DESPITE A HEALTHY LEVEL OF CONFIDENCE, THERE IS NO GREAT URGE TO SPEND

The Danish economy's growth is set to stabilise at 2 % in 2016. Consumer spending should benefit from the combined effects of fresh wage increases and high household confidence. This underpins **the score awarded by Danes to the overall situation in their country, which is the highest of all the countries of L'Observatoire Cetelem** (5,9/10).

Furthermore, low interest rates are having a significant impact on Danish households, which post the highest debt figures in the world (a debt-to-income ratio of 260 %). Mindful of the need to carefully choose the loans they take out, the Danes remain prudent in terms of their purchasing intentions. Only 25 % say they will spend more, while 52 % are keen to top up their savings.



Income gap between the overall population and seniors



Source: L'Observatoire Cetelem/BIPE

Great mobility, high incomes and a strong sense of ownership

Travel and leisure are high on the list of priorities for Danish seniors. They are the most mobile of all the Europeans surveyed for L'Observatoire Cetelem. It is important to note that the income levels of 50 to 59 year olds are very comfortable (22 % higher than the Danish average). So it is no surprise that they are reluctant to give up ownership of their possessions. More than 80 % of them are not prepared to share day-to-day consumer products. As regards their food shopping, they will continue to opt for the more traditional channels, using digital tools only to compare prices.



Average for European seniors



Deviation from the average

41 % went away on holiday at least three times over the last

+9 points

41 % often purchase holidays online

+23 points

32 % often purchase leisure activities online

+26 points

75 % will opt for «traditional» grocery shopping in the future

+15 points

30 % are prepared to share rather than own certain consumer products (clothes, kitchen appliances, hi-fi equipment)

-15 points

19 % are prepared to share rather than own a bicycle

-11 points

61 % use price comparison sites

+10 points

55 % look at the comments of web users

-15 points

43 % pay attention to brand advertising

-9 points

A strong appetite for travel and leisure

Danish seniors are the most likely to travel (**50 %** went away at least three times in 2015). They are also very fond of leisure activities, both in and out of the home. More often than not, they purchase these products and services online (**64 %** of holidays, **58 %** of leisure activities). Conversely, online food shopping is far from common: **90 %** of Danish seniors will continue to opt for traditional grocery shopping.

There remains a reluctance to share

Danish seniors are generally unwilling to give up on ownership in favour of sharing. Thus, just **15 %** would be prepared to share day-to-day consumer products (clothes, kitchen appliances, hi-fi equipment) and **8 %** a bicycle, a form of transport of which they are particularly fond.

Shying away from «overinformation» during the purchasing process

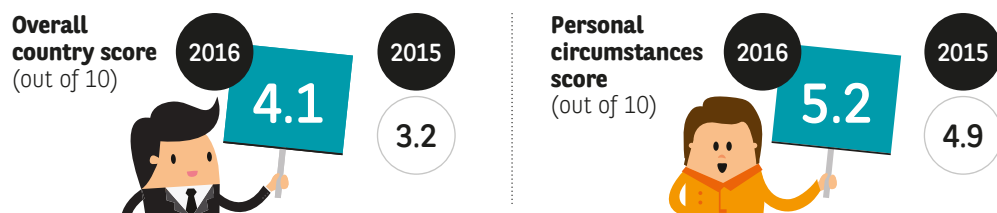
While Danish seniors are happy to use price comparison sites before they purchase durable goods (**71 %**), they are less likely to read the comments of web users than any other European seniors (**40 %**) and pay the least attention to brand advertising (**34 %**). One explanation is that they are simply able to form their own opinion of the products they buy.

Source: L'Observatoire Cetelem/BIPE

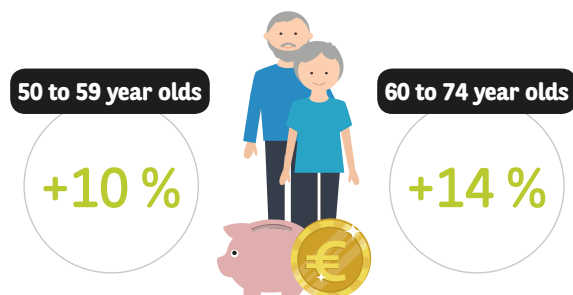
SPANIARDS REOPEN THEIR WALLETS

The Spanish economy made a **strong recovery in 2015, growing 3.1 %** (Source: European Commission). Unemployment continued to drop, job creation was back on the agenda, credit terms improved and taxes were cut. All these factors allowed household spending to quickly climb back up to normal levels. Relieved by this upturn, the Spanish have given their country's overall situation an improved score this year (up 0.9 point).

In 2016, 41 % of them intend to ramp up their spending, 3 points more than in 2015 and 15 points more than in 2013!



Income gap between the overall population and seniors



Source: L'Observatoire Cetelem/BIPE

Concerned for their children, but supportive

The family structure is a key social institution in Spain and has been turned into a real haven by the economic crisis. Spanish seniors are very worried about the future awaiting their children, who have been deeply affected by unemployment. Intergenerational cohabitation, financial support, as well as the sharing of products and services have been of precious help during this tough period. Seniors therefore hold a positive view of the collaborative economy. And now that the economy appears to be back on track, they are prepared to spend more, with a preference for going out to shops.



Average for European seniors



Deviation from the average

64 % are concerned for their children's future career **+27 points**

66 % consider that ageing well means being surrounded by loved ones **+7 points**

32 % have children who still live at home **+25 points**

9 % occasionally choose to hire rather than buy **+4 points**

18 % occasionally choose to borrow rather than buy **+13 points**

23 % often purchase clothes online **-16 points**

25 % will choose their groceries in-store and have them delivered **+14 points**

41 % enjoy going to shops **+6 points**

Family comes first!

57 % of seniors live with at least one of their children. They are particularly concerned about their future (**91 %**) and **73 %** consider that ageing well means having loved ones nearby. With a strong emphasis placed on family, **68 %** see their relations more than once a week.

Share and own alike

31 % of over 50s borrow instead of buying and **13 %** hire products more than occasionally. **72 %** have a positive view of the collaborative and sharing economy (equal 2nd place).

Shops still hold great appeal

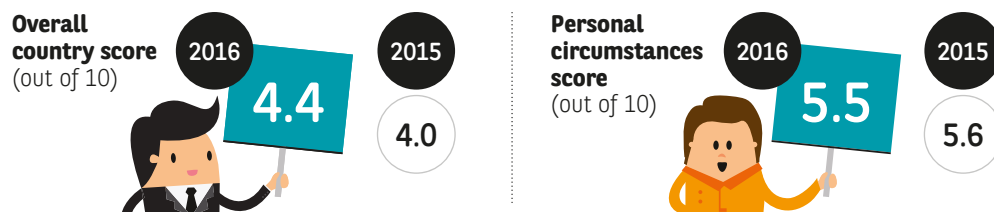
Over 50s in Spain are at the back of the pack when it comes to online purchases. To give just one example, only **7 %** often buy clothes online. On average, **47 %** of those who do not make online purchases cite the pleasure they take from going out to shops as the motive. In the future, **39 %** plan to shop for groceries in-store and have the products delivered.

Source: L'Observatoire Cetelem/BIPE

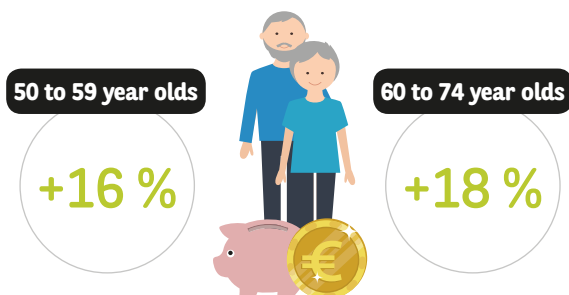
CONSUMER MORALE REMAINS IN THE DOLDRUMS

While France's economic situation improved slightly in 2015, with growth of 1.3 % compared to 0.2 % in 2014, **the mood among consumers remains downbeat**. 58 % believe that their purchasing power has dropped, a figure significantly higher than the European average (37 %).

In 2016, renewed investment by businesses should lead to job creation and a fall in unemployment. However, this is not enough to raise optimism among the French. Only 28 % plan to either spend or save more.



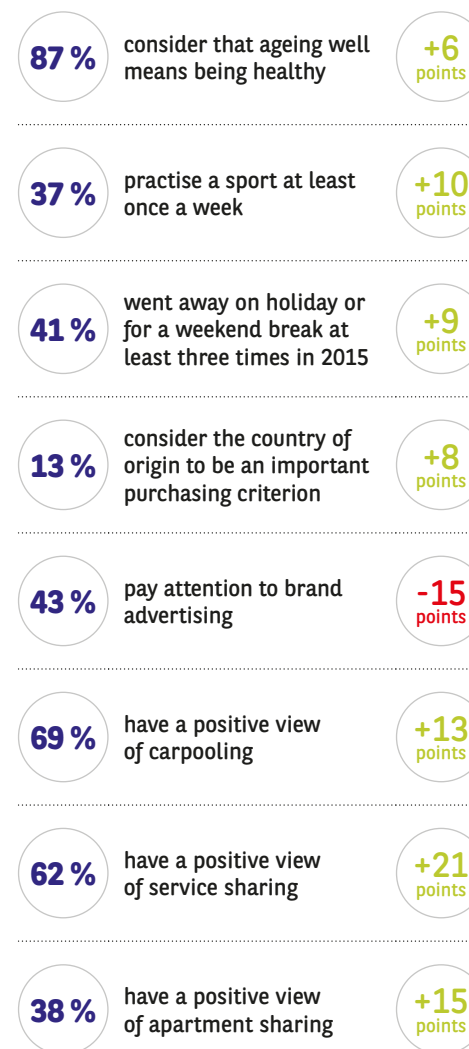
Income gap between the overall population and seniors



Source: L'Observatoire Cetelem/BIPE

Hyperactive and «hyper-responsible»

Compared to the rest of Europe, French seniors are the best positioned with respect to their own compatriots, with a mean income that is more than 15 % higher than the national average. This more comfortable financial situation means that they lead the field when it comes to travel and partaking in sports. Like their children, they engage in more responsible spending, influenced by protectionism and the desire to share.



Keeping moving to stay healthy

93 % of French seniors believe that ageing well means staying healthy, first and foremost. A large proportion partake in sports: **47 %** do so at least once a week, the highest proportion of all Europeans. In addition, they often go away on holiday or for a weekend break. **50 %** went away at least three times last year.

Reasonable spending is the watchword

21 % of French seniors consider the country of origin to be an important purchasing criterion. Only **28 %** pay attention to brand advertising (the lowest figure in Europe) despite watching more than 15 hours of television per week (**15 %** more than average).

Supporters of alternative economies

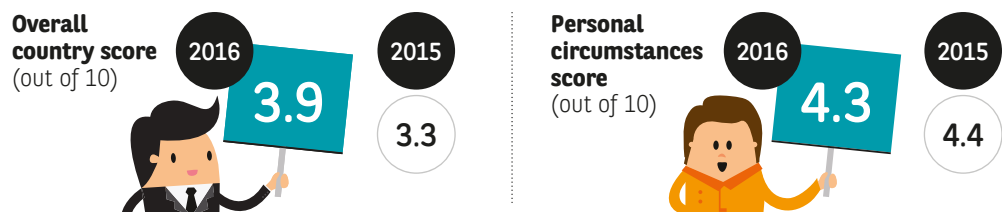
More than **80 %** have a very positive view of carpooling or service sharing between private individuals. Similarly, **53 %** view the rise of apartment sharing in a positive light. Finally, **13 %** of French seniors already make use of carpooling and three times more are interested in doing so.

Source: L'Observatoire Cetelem/BIPE

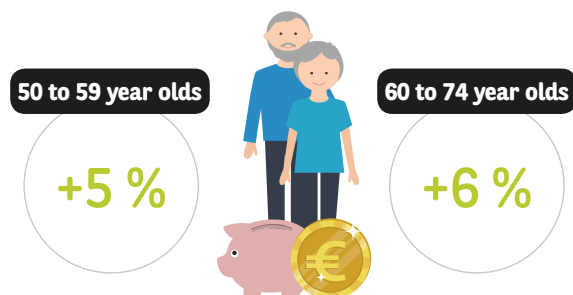
CONSUMERS REMAIN PRUDENT

Hungary's stunning 2014 GDP growth slowed down in 2015, to around 3%. In 2016, household spending should be aided by tax cuts, low inflation and a more vibrant job market. However, prudence is still the order of the day. Only **a quarter of Hungarians intend to spend more in 2016**.

Despite its economic growth and the notable rise in the score given to the overall situation in the country (3.9/10, up 0.6 point), Hungary remains at the tail end of the European countries surveyed.



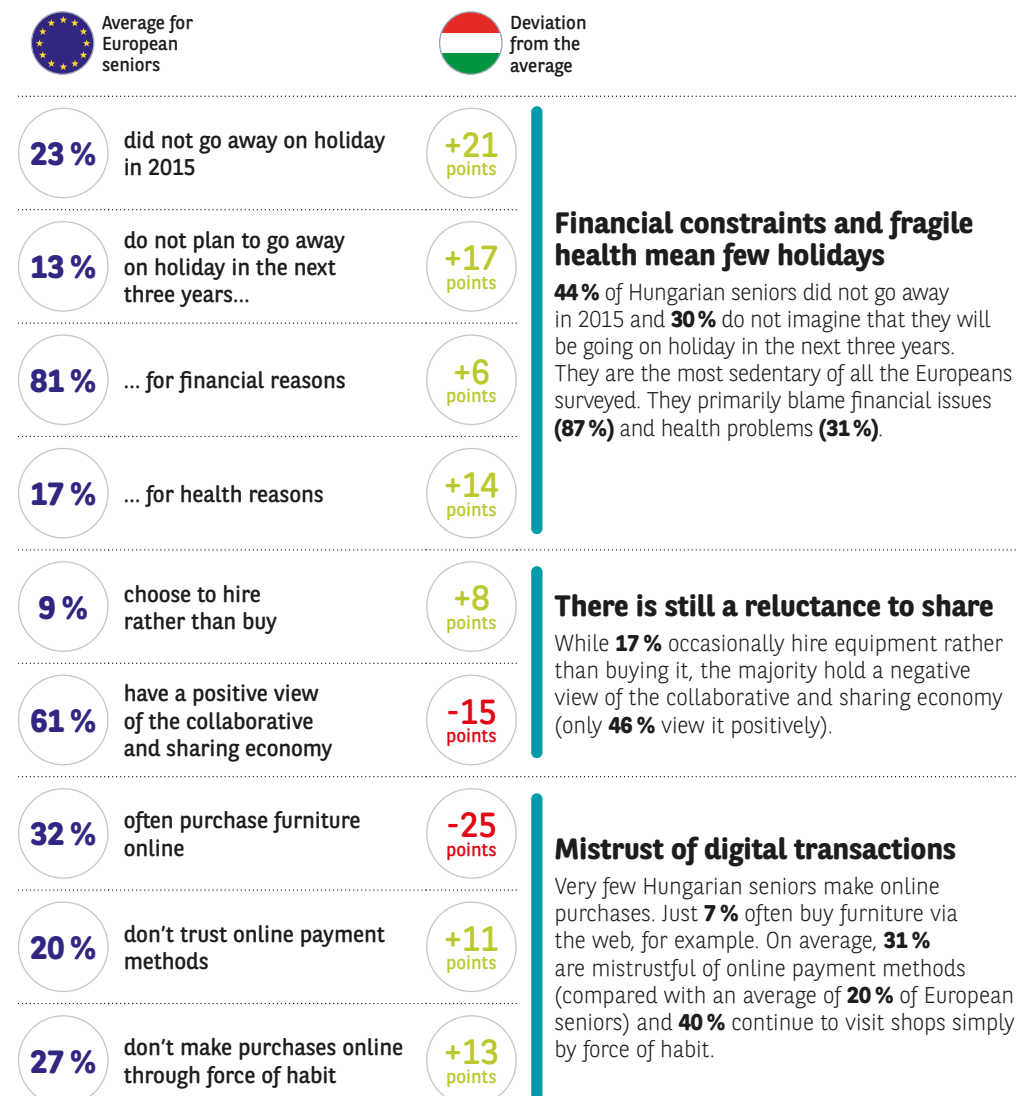
Income gap between the overall population and seniors



Source: L'Observatoire Cetelem/BIPE

Preoccupied and home loving

Despite the country's GDP growth, Hungarian seniors are still worried about their children's future. Their life expectancy is among the lowest in Europe (76 years) and health problems are one of the main reasons why they travel so little. Economic constraints have led to the establishment of a hiring culture. However, this is no guarantee of success, either for the collaborative economy or the digital economy in general. Indeed, a number of obstacles first need to be removed, including the lack of trust in online payment methods.

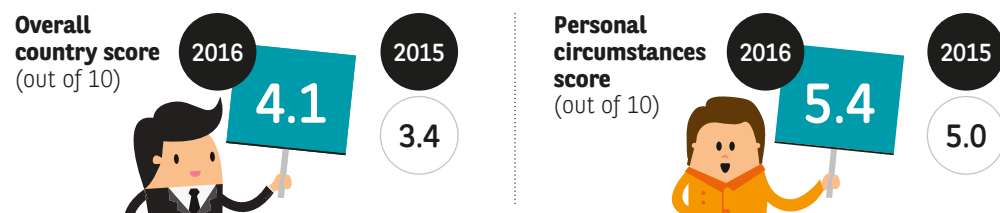


Source: L'Observatoire Cetelem/BIPE

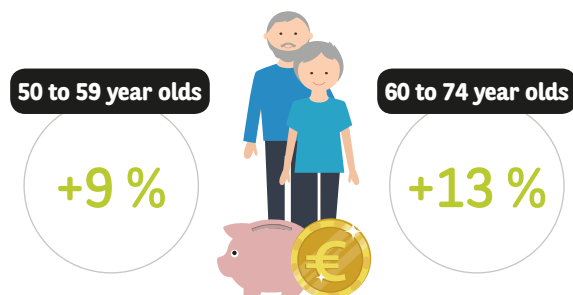
A BREATH OF FRESH AIR FOR CONSUMER SPENDING IN 2016

From an economic standpoint, **Italy was far more upbeat in 2015**. Job creation was once again healthy and low inflation led to a resurgence in consumer spending. Household confidence even returned to pre-crisis levels. With all this in mind, the Italian consumers surveyed for L'Observatoire Cetelem had no hesitation in increasing their country's overall score by almost a point (+0.7).

By no means have the Italians been carried away by euphoria, however, as they will seek primarily to grow their nest eggs. 56 % plan to increase their savings, 14 points more than the European average. But their purchasing intentions also reflect a certain optimism. 29 % will probably buy a new car, 31 % a computer and 61 % holidays or leisure activities, significantly more than the average.



Income gap between the overall population and seniors



Source: L'Observatoire Cetelem/BIPE

Lovers of sharing and supporters of brands

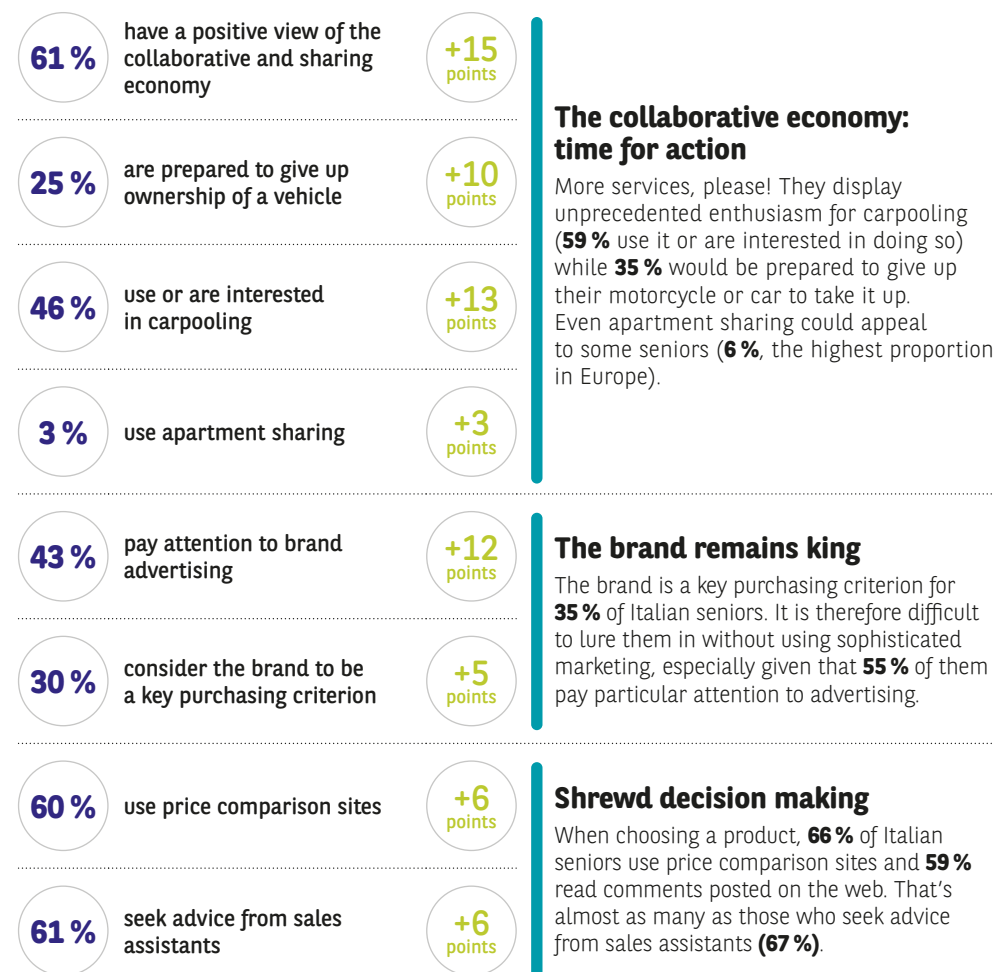
Italian seniors are particularly open to the idea of collaborative services and sharing, making them Europe's leading lights in their age group. Many would even be prepared to give up ownership of their car, despite its omnipresence in their day-to-day lives! When it comes to spending, the Italians are hungry for information to guide them in their choices: advertising, price comparison websites, advice from sales assistants, etc. Nothing is left to chance when it comes to making a purchase. The brand remains one of their main selection criteria.



Average for European seniors



Deviation from the average

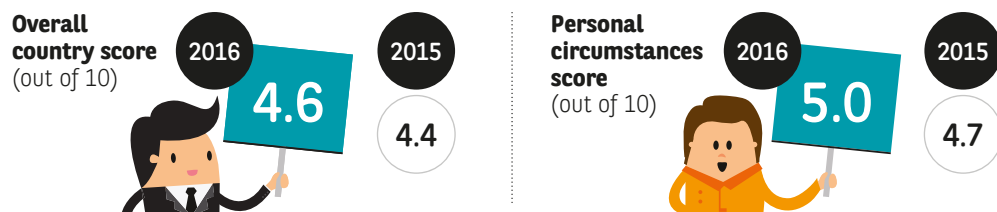


Source: L'Observatoire Cetelem/BIPE

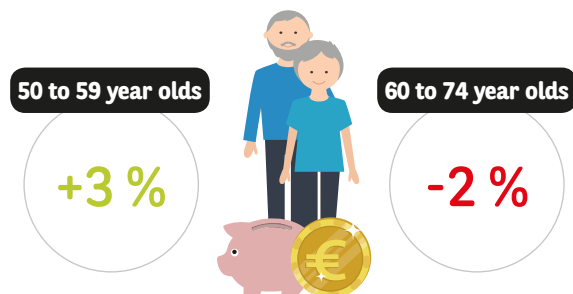
CONSUMER SPENDING GETS THE GREEN LIGHT

The return to growth witnessed in 2014 (when GDP was up 3.3 %) was consolidated in 2015 (+3.5 %), thanks to a resurgence in household spending. Deflation is on the brink of being contained and unemployment continues to fall (having reached 9 % in 2014, the European Commission has put out a forecast of around 7 % for 2016).

The restored confidence of consumers translates into an **improved score for the overall situation in the country** (4.6 compared to 4.4 in 2015), but more importantly into a **two-fold increase in purchasing intentions compared with last year** (61 % vs. 31 % in 2015). This bodes well for Polish consumer spending in 2016.



Income gap between the overall population and seniors



Source: L'Observatoire Cetelem/BIPE

Internet use is becoming popular and there is great enthusiasm for shops and carpooling

Polish seniors have already been won over by digital tools: 43 % declare themselves to be «hyper-connected», more than twice the European average. They consider the web to be a good alternative to television, which they are much less likely to watch than other European seniors, but also an essential source of information that guides their choices. They regularly use price comparison sites and read the comments posted by web users, even if they still prefer to visit physical stores to finalise their transactions. Despite their opinion being divided when it comes to new purchasing methods and spending models, they do express interest in certain practices, such as carpooling.



The internet, a precious source of information to shape their choices...

For Polish seniors, surfing the web is an essential part of the process when planning a purchase. **67 %** regularly read the comments of web users, **73 %** regularly use price comparison sites and **12 %** even consider the opinion of other web users to be a decisive criterion.

... but they continue to make their purchases in shops

Despite their appetite for all that is digital, Polish seniors make relatively few online purchases. For instance, the proportion of Poles in this age group who buy their clothes via the web is half the European average. The main reasons for this are their need to touch a product before buying and mistrust of online payment methods.

They are prepared to carpool but sceptical about other services

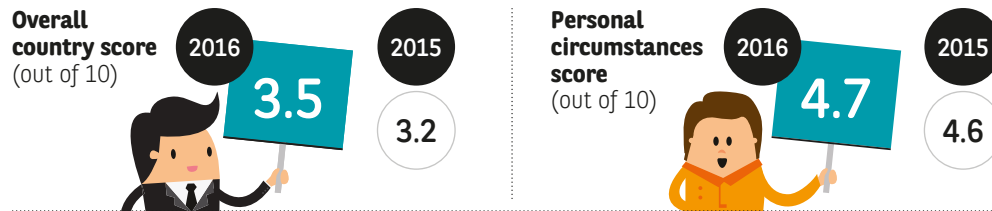
Polish seniors are the most avid carpoolers (**14 %** use such services and **61 %** are interested in doing so). But generally speaking, their opinion of the collaborative economy is mixed, with just **52 %** expressing a positive opinion.

Source: L'Observatoire Cetelem/BIPE

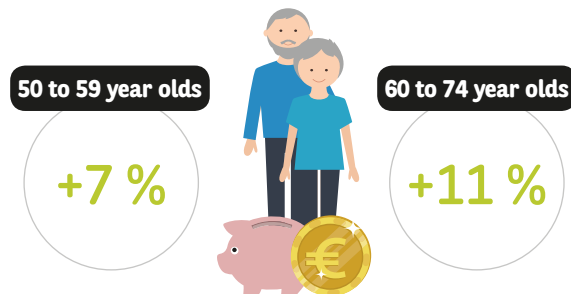
A SLIGHT UPTURN, BUT NOT ENOUGH TO RESTORE CONFIDENCE

In 2015, Portuguese households witnessed an increase in their available income and a rise in job creation, as well as tax cuts and an improvement in credit terms. But the recovery appears somewhat fragile and the upturn has not benefited the entire population. Despite having fallen, the rate of unemployment still exceeds 10%. In this context, 57% of the Portuguese population still believe that their purchasing power is down.

The score awarded by the Portuguese to their country's overall situation (3.5/10) is **the lowest of all the nations surveyed for L'Observatoire Cetelem**. Displaying caution about the future, they generally plan to save rather than spend (53% intend to save, 11 points above the European average).



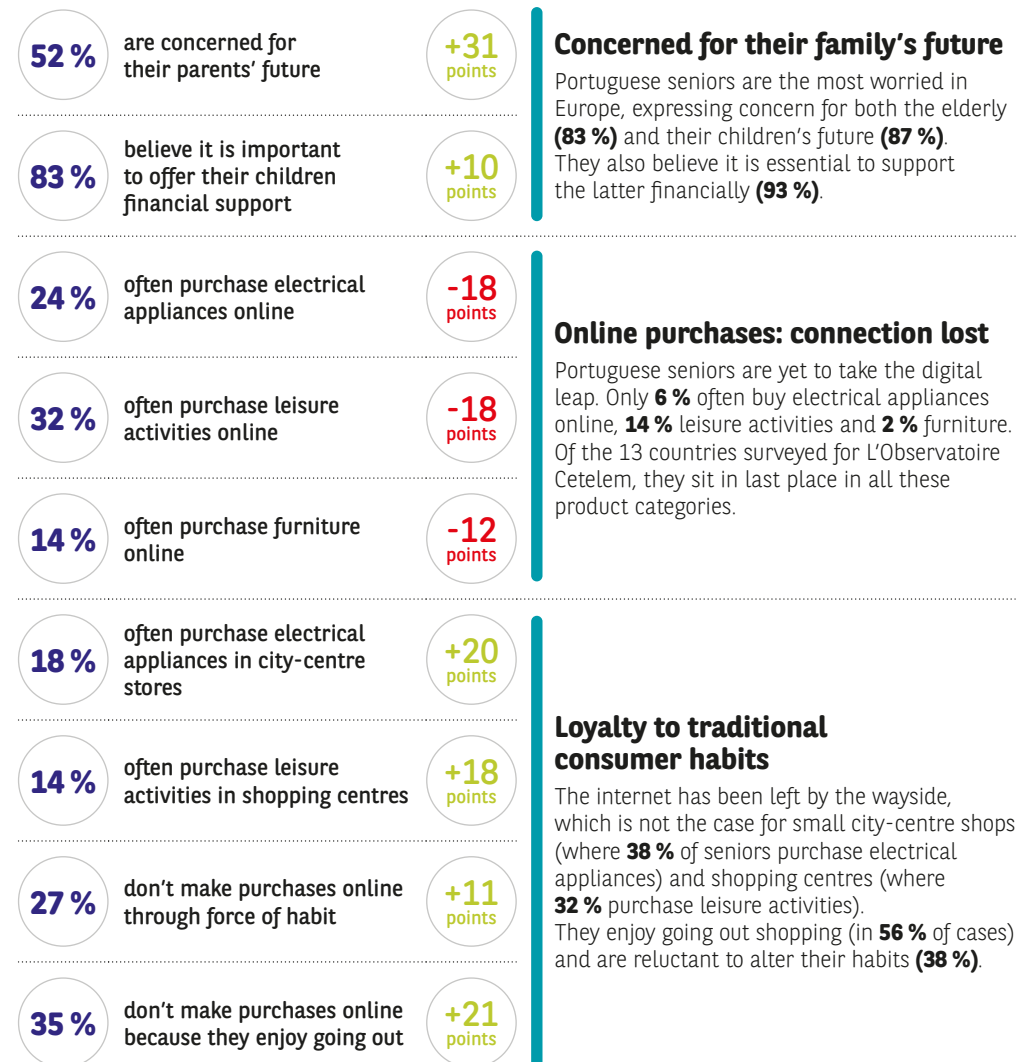
Income gap between the overall population and seniors



Source: L'Observatoire Cetelem/BIPE

Attached to their family... and traditional shops

Having been deeply affected by the crisis, seniors remain worried about their family's future and endeavour to support them. They therefore have no great desire to alter their spending habits. Superstores, small city-centre shops and shopping centres are still their preferred points of sale. Digital channels still struggle to lure them, despite their potential ability to bring prices down.

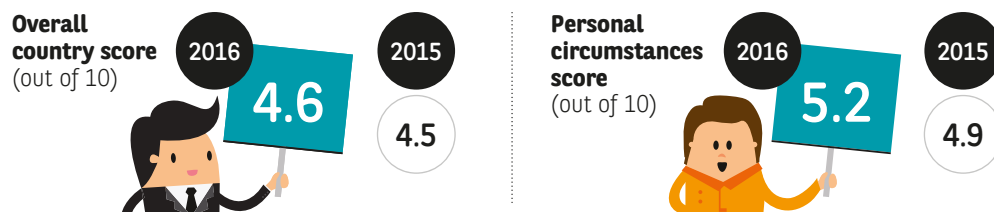


Source: L'Observatoire Cetelem/BIPE

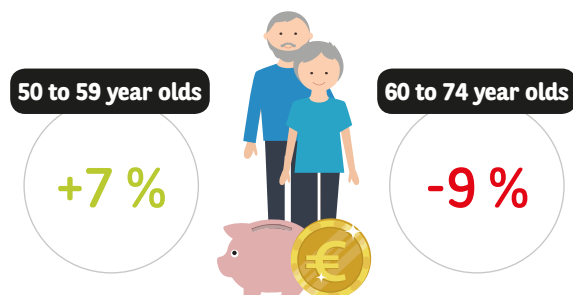
GREAT OPTIMISM SURROUNDS CONSUMER SPENDING

After the recovery of 2014 (+2 %), growth really took off in 2015 (+4.3 %, according to the European Commission). Consumer spending increased by 3 % in 2015, in a context marked by low inflation, rising wages and one of the lowest unemployment rates in Europe (5 % in 2015). Household confidence is on the up and the score awarded by consumers to the overall situation in the country (4.6/10) is close to the pre-crisis figure.

The purchasing intentions of Czech consumers have risen sharply in 2016 (63 %), placing them far ahead of the European average (39 %).



Income gap between the overall population and seniors



Source: L'Observatoire Cetelem/BIPE

Technophiles and buyers of second-hand goods

Online shopping is already very common among Czech seniors, half of whom claim to be «hyper-connected». E-commerce has a bright future in the country: 36 % plan to shop for food online and opt for home delivery. Although they are less keen on the collaborative economy than other Europeans, they top the pile when it comes to second-hand purchases. They have no hesitation in buying used goods rather than new products. This is the case for cars, in particular.



Average for European seniors



Deviation from the average

55 % read the comments of web users before making a decision

+21 points

69 % use price comparison sites

+8 points

74 % seek information online and in the press

+11 points

20 % plan to do their grocery shopping online and opt for home delivery

+16 points

65 % don't buy online because they need to touch a product before they make a purchase

-7 points

28 % regularly buy second-hand products

+19 points

15 % would be prepared to share their car

+8 points

39 % have a negative view of service sharing

+14 points

The internet, a crucial part of the purchasing process...

Czech seniors are the most likely to use the web to guide their spending decisions. **76 %** read the comments of web users, **77 %** use price comparison sites and **85 %** search for information on specialist sites.

... at the expense of shops

However, they do not shy away from converting their searches into online purchases. **36 %** are even prepared to do their grocery shopping online. Moreover, touching the products does not appear to be essential to them.

Buying goods new is not the be all and end all

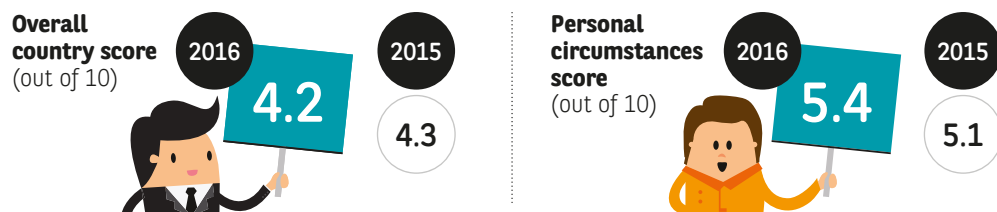
Although Czech seniors have a less positive image of the collaborative economy than the European average (**53 %** view it negatively), **23 %** of Czech seniors would be prepared to give up ownership of their car (the highest proportion in Europe). They are also used to buying products second hand, with **47 %** doing so on a regular basis.

Source: L'Observatoire Cetelem/BIPE

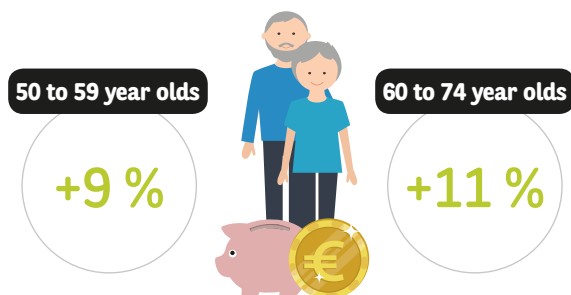
LIVING STANDARDS CONTINUE TO IMPROVE

Romania's economic growth has increased significantly, reaching 3.5 % in 2015. With inflation low, wages up and social security contributions down, consumer spending should continue to grow steadily. Conscious of their improved living standards, 28 % of Romanians believe that their purchasing power has increased over the last 12 months, almost twice the European average.

Purchasing intentions are stronger than in the other countries too, with **58 % of Romanians planning to spend more in 2016**.



Income gap between the overall population and seniors



Source: L'Observatoire Cetelem/BIPE

Ageing better and seeking comfort through technology

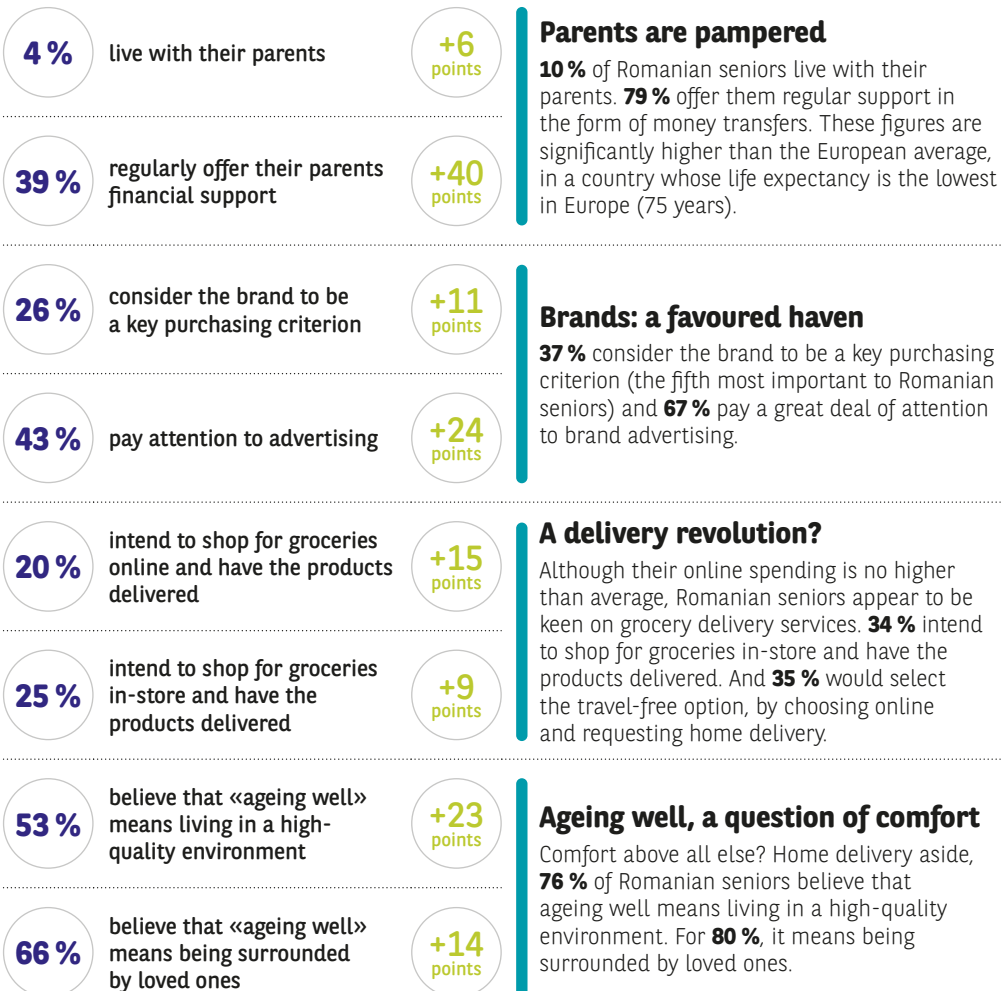
In Romania, intergenerational bonds remain powerful. It is not rare for seniors to live with their parents. To them, ageing well means being surrounded by their loved ones. Ever concerned for their own well-being, they see new technologies as a way of making life more comfortable. For instance, they express an interest in the delivery services that will be available to them in the future.



Average for European seniors



Deviation from the average

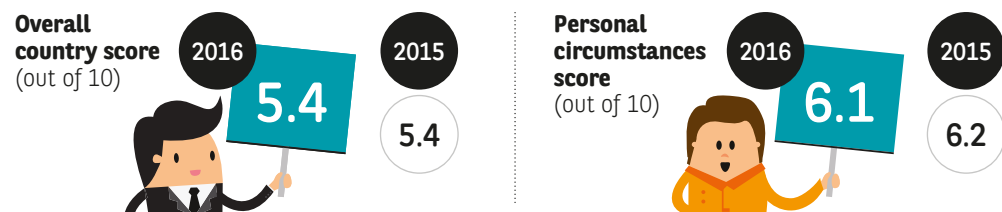


Source: L'Observatoire Cetelem/BIPE

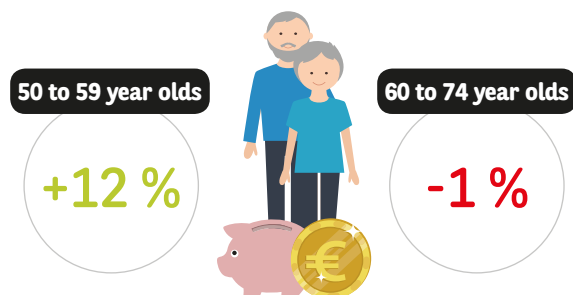
A FERTILE CLIMATE FOR SPENDING

British growth continued in 2015 (+2.5 %, having reached +2.9 % in 2014), driven by consumer spending in a context of virtually zero inflation. Unemployment dropped further in 2015, to the historic figure of 5.4 % (having reached 7.9 % in 2012) and is set to remain stable in 2016. British consumers are clearly aware that the situation in their country is good, because they award it a score of 5.4/10, the sample's third highest rating. While 37 % of Europeans believe their purchasing power fell in 2015, only 22 % are of this opinion in the United Kingdom.

Purchasing intentions for 2016 are up significantly. 40 % intend to spend more, twice as many as the previous year.



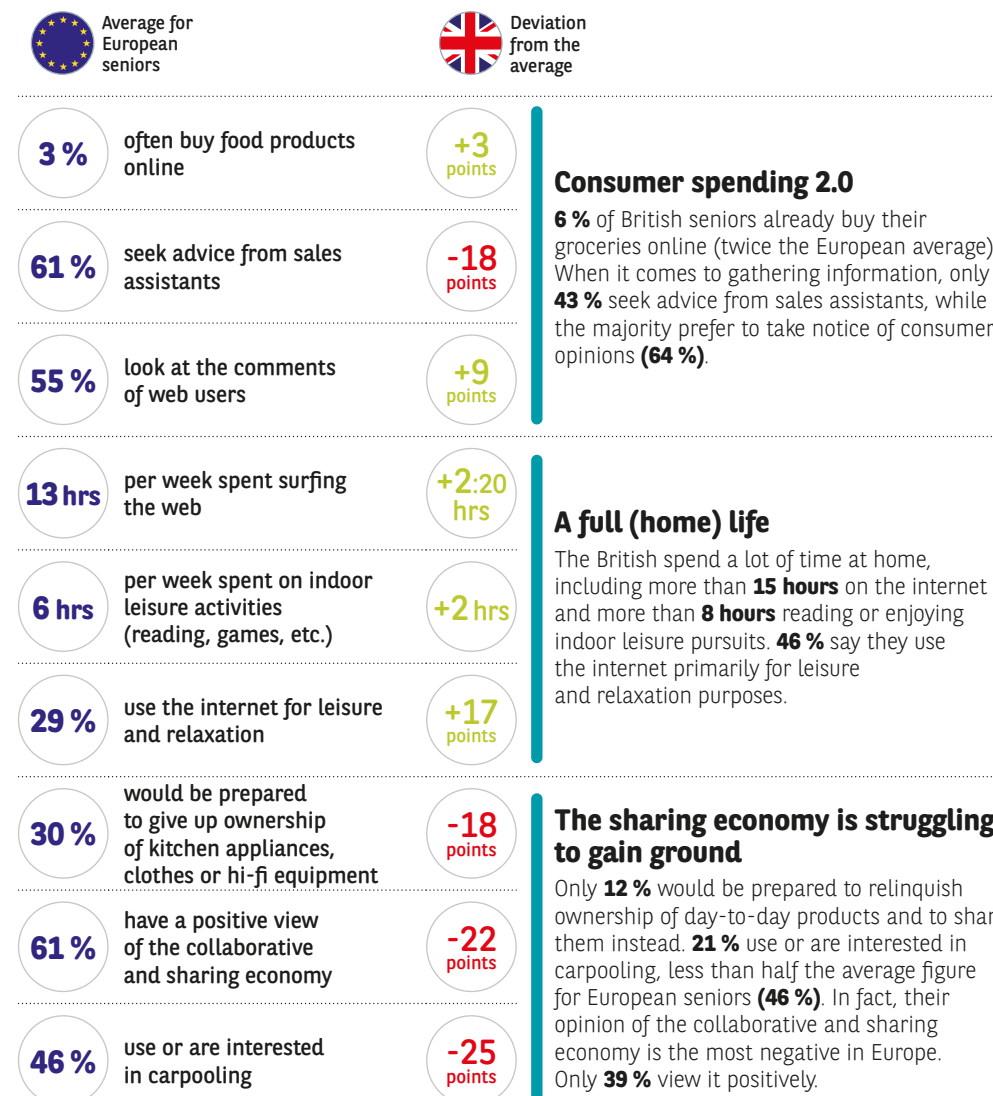
Income gap between the overall population and seniors



Source: L'Observatoire Cetelem/BIPE

Consumers are connected and self-sufficient when making a purchase

British seniors are the most connected of all those surveyed for L'Observatoire Cetelem. They spend more than 15 hours a week online. Whatever the product, be it food, furniture or leisure, they have no hesitation in going online for their purchases. But their spending habits are primarily individualistic. They are not particularly interested in the advice of sales assistants, intergenerational spending is low and there is little enthusiasm for the collaborative economy. Indeed, the British remain reluctant to part with their possessions.

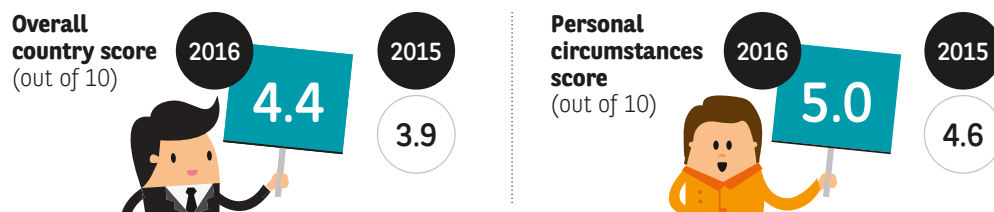


Source: L'Observatoire Cetelem/BIPE

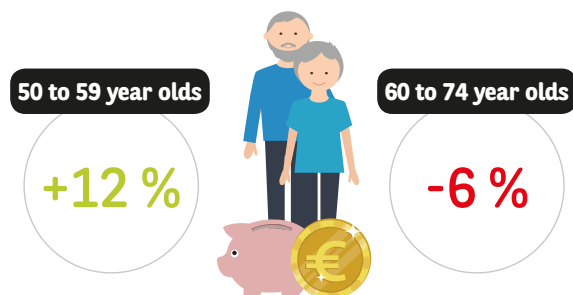
CONSUMER SPENDING LOOKS SET TO RISE

The situation in the job market is improving gradually and unemployment is returning to pre-crisis levels. GDP growth was significant in 2015 (+3.2 %). Meanwhile, Slovak perceptions of the situation in their country continue to improve in 2016, with a score of 4.4/10, an increase of 0.5 point.

A high proportion of consumers (71 %) plan to ramp up their spending in 2016. This is the highest of any of the countries of L'Observatoire Cetelem.



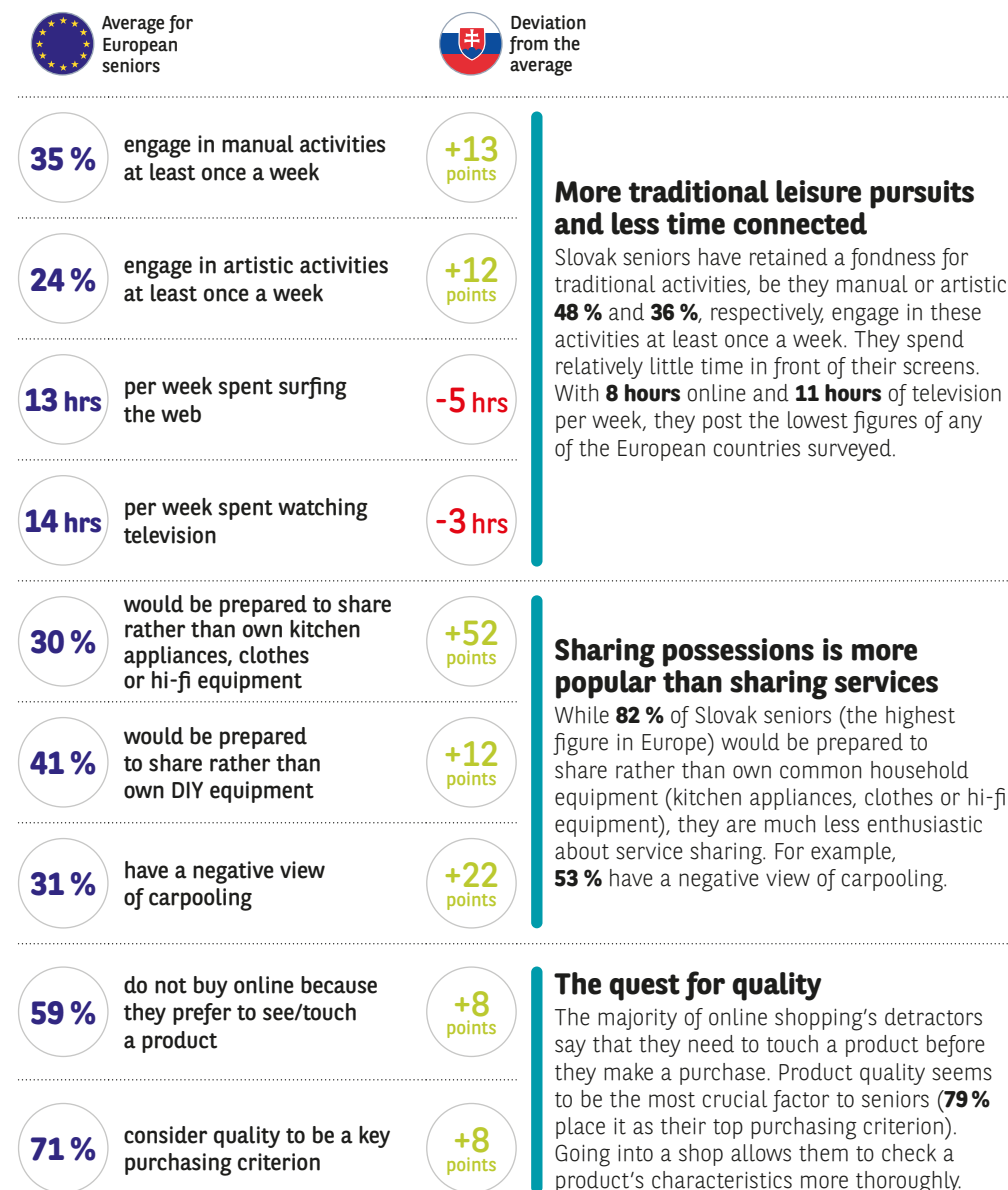
Income gap between the overall population and seniors



Source: L'Observatoire Cetelem/BIPE

Craft activities and the sharing of possessions

Spending relatively little time connected, Slovak seniors seem to devote many hours to manual and artistic activities, in which they engage more frequently than all their fellow European seniors. The sharing of possessions (DIY equipment, clothes, kitchen appliances) is already widely accepted, although, conversely, the sharing of services has not gained the popularity required for its development.



Source: L'Observatoire Cetelem/BIPE

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