

Good example of changes in demand – baby diapers and retirement villages essay

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The target consumer of any product is defined by its demographic characteristics. Age especially influences consumer behavior as individuals born around the same time typically have similar wants and needs. For instance, all babies need baby food and baby care products. This might actually mean that the increase in the number of people of the particular age group leads to the increase in demand for products designated for this group, and on this basis trends in consumer demand can be forecast.

Following the same logic, we can forecast changes in demand for products developed for babies or senior adults, looking at National Population Projections produced by the United States Census Bureau (2014). As projected, from 2015 to 2060 the number of babies and toddlers (people under 5 years) will be increasing at the average rate of 1% every five years. The number of senior adults (people aged 65 or older) will be growing at the average rate of 8% every five years, especially rapidly from 2015 to 2025. Comparing to 2015, in 2060 there will be 105% more senior adults and only 14% more babies and toddlers.

These findings allow us to suggest that in the USA consumers will strive for slightly more baby diapers and other baby care products, for more baby food, possibly more organic. As to the seniors, we may forecast that there will be a need for twice as much retirement houses, a lot more healthy food with special nutrients for elderly and pharmaceutical drugs.

Still, there is the phenomenon of age blurring when products developed for a particular age group, appeal to a wider age group (Agriculture and Agri-Food Canada, 2012), and it should be taken into account. For instance, according to a survey by Parenting Group and BlogHer Inc. (2011), the average age

when toddlers begin to use a smartphone is falling, and soon it can become one of the most demanded products for this age group. In a similar way, seniors may refuse to go to the retirement houses as it makes them feel old. Anyway, the projected significant increase in the number of senior adults may lead to a shift in overall market demand and create many opportunities for companies in this sector.

References

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