Exploring baby boomers’ patterns of health care consumption: A New Zealand consumer research agenda

Introduction

Ageing baby boomers are tipped to be a consumer segment of considerable power and influence (Spinks & Lawley, 2005). Despite the significant impact their ageing is predicted to have on health care expenditure, little empirical research has been conducted on the health-related consumer behaviour of baby boomers. In New Zealand (NZ) baby boomers already constitute one quarter of the population and the number of people aged 65-plus is expected to double over the next three decades (Brook, 2004; New Zealand Treasury, 2004). These Kiwi boomers are projected to account for 63% of the total Government health expenditure by the year 2051 (New Zealand Treasury, 2004), which is just halfway into the 60-year period that it will take for the cohort to pass through conventional ‘old age’ (Cornman & Kingson, 1996). When the first Kiwi boomers reached the official retirement age of 65 this year, they became eligible for NZ Superannuation, a state-funded old-age benefit package. NZ commentators are particularly concerned about the financial and social burden on NZ society of meeting the healthcare needs of its baby boomers.

This paper presents findings from exploratory research into NZ baby boomers’ attitudes, expectations, and needs relating to health care in general, with a specific focus on their consumption of health care delivered by General Practitioners. The exploratory research precedes a larger research project into NZ baby boomers’ health care consumption behaviour, designed to provide empirical data for marketing and management of health care that is more effective – both in terms of costs and health outcomes – for this cohort in NZ.

Background

Veterans of social change, these consumers appear to be actively resisting societal expectations of ‘old age’-appropriate behaviour and, rather than pruning their lifestyles and cutting back on spending as they settle quietly into their armchairs, they look set to continue with the consumption behaviour of their younger days (Catterall & Maclaren, 2001). Some suggest that baby boomers are less price-sensitive consumers because they enter their golden years with significantly more discretionary wealth than previous generations and that they are likely to embark on a spending boom (Borland & Akram, 2007; Roberts & Manolis, 2000; Szmigin & Carrigan, 2001).

Marketers were quick to recognise the sales potential of this segment when it was younger, because of its collective wealth and the size of the cohort. However, despite their continued purchasing power, the baby boomer segment appears to have been increasingly sidelined by marketers reluctant to associate their products with older consumers (Szmigin & Carrigan, 2001). Thus, at the time when we urgently need to understand the baby boom cohort, it is evident that there are large holes in our knowledge about this segment, their consumption behaviour, and how to market to them as consumers (Quine, Bernard, & Kendig, 2006; Spinks & Lawley, 2005; Moschis & Lee, 2000).

Certainly, the broad characteristics of the baby boom cohort are well-accepted. Baby boomers are generally described as being a stand-out generation that, having lived through enormous social change and not prepared to conform to the status quo, will do things very differently from previous generations. They are characterised as independent; more experienced, more travelled, and more divorced than previous generations; and holding values such as self-actualisation, autonomy, accomplishment, and individuality (Bartlett, 1999; Welch, 2010; Spinks & Lawley, 2005). Baby boomers are expected to reinvent ‘old-
age’; they resist viewing themselves as ‘old’, and are unwilling to stop work and retire at age 65 (Buckland, 2009; Quine and Carter, 2006).

In terms of those characteristics especially relevant for marketers, baby boomers are regarded as pragmatic and well-informed, (Deloitte Development LLC, 2011), mobile, distrustful of institutions, and self-centred, more informed, harder to please, with greater expectations than previous generations (satisfaction snapshot) and more exposure to marketing and media (Quine & Carter, 2006). Some writers propose that baby boomers are more concerned about their health and actively seek out information about prevention and behavioural change, and will use more health services and different modalities to stay healthy and able for as long as possible. As health care consumers baby boomers are likely to demand convenience and excellent service, expect high quality and expertise, be more active in decision-making, and refuse to accept health care advice at face value (e.g., Moschis, Lee, & Mathur, 2000; Quine & Carter, 2006).

The costs and provision of health care to baby boomers is a major concern for policy makers and health care service providers around the world (e.g., Humpel, O’Loughlin, Wells, & Kendig, 2010; Moschis, Lee, & Mathur, 2000; Teasdale, 1999; Quine & Carter, 2006). While some literature suggests that baby boomers will be healthier in their old age than previous generations (Harkin & Huber, 2004; Mello & Rehr, 2005; Stark & Carpenter, 2006), other research finds the number of overweight and obese baby boomers is increasing, with long-term implications for the costs of managing diabetes, heart disease and other health conditions (see Quine & Carter, 2006). In addition, advances in behavioural health and medicine will prolong the lifespan of boomers, ultimately resulting in increased lifetime health care costs and extra pressure on health care systems (Quine & Carter, 2006).

A handful of contemporary researchers warn that demographic statistics and psychographic generalisations will not provide the detail required by those keen to develop an accurate understanding of the buying and consumption preferences and habits of Baby boomers. Recent research in Australia confirms that much of the current literature “is based on policy makers’ and researchers’ opinions and projections of baby boomers’ expectations rather than baby boomers’ own opinions and experiences” (Quine, Bernard, & Kendig, 2006, p. 145). Others argue that baby boomers’ deep-seated individualism and penchant for change make it difficult to anticipate their behaviour with any certainty (Welch 2010; Buckland, 2009), while the inherent diversity across the 1946-1964 cohort means their goals, aspirations, and needs will be different as they age (Cornman & Kingson, 1996). Finally, while there will be some similarities because of the ‘shared’ formative events that distinguish them as a generation, research findings about boomers in one country cannot be applied as the proxy profile of boomers in another because of fundamental cultural differences (Buckland, 2009).

A comparative attitudinal study designed to investigate NZ baby boomers’ characteristics has found a distinctive Antipodean character that differentiates them from other baby boomers (Buckland, 2009). This study, of 1162 NZ baby boomers, reveals Kiwi boomers are generally ‘younger’ in spirit, more physically vital, more adventurous, emotionally energetic and fiercely self-determined, and they exhibit greater ingenuity and a more resilient optimism than American baby boomers. The study identified health to be the biggest concern of Kiwi boomers and most are not confident that the NZ health system will be able to support them as they age.

To conclude, baby boomers health care consumption is a significant issue for both NZ service providers and for baby boomers. This exploratory research which answers the call of theorists for segment specific and service specific investigations (e.g., Moschis, Lee, & Mathur, 1997), marks the first stage in a larger research agenda on NZ baby boomers’ health care consumption behaviour.
Method

The research used a qualitative method of personal interviews with 14 New Zealand baby boomers to explore both their health care behaviour in general and their consumption of health care services delivered by General Practitioners (GP). Networking and an online group forum were used to recruit participants. Data were collected adhering to the institution’s policies on ethics in human subject research. Prior to each interview, participants were informed that their responses would be audio-taped, yet their identities would remain anonymous. The interview topic guide related firstly to participants’ attitudes to healthcare, their healthcare service needs, and decision processes. The second topic area focussed on their health care consumption behaviour with specific reference to GPs, with questions about GP loyalty, trust, self diagnosis, integrative medicine. The final section asked for demographic and lifestyle details.

Participants had to be born between 1946 and 1964 (Statistics New Zealand Baby Boomer classification); be NZ born and/or living in NZ for at least five years; and either use the services of one particular GP and/or use the services of any GP at least once every 12 months. The age of the participants ranged between 51 and 61 years. The majority of participants were female and in full time employment. Two-thirds were married with children and two thirds of the participants were tertiary-educated.

The interviews lasted between 35 and 90 minutes, were audio-taped and later transcribed. The analysis of the transcripts involved a close reading of the data and categorizing the data into relevant themes (Dye, Schatz, Rosenberg, & Coleman, 2000; Lincoln & Guba, 1985, Strauss & Corbin, 1990). Both inductive and deductive methods of analysis were applied (Ryan & Bernard, 2003; Thomas, 2006). Throughout the coding process, quotes were extracted to elaborate themes and sub-themes.

Results and Discussion

In general terms, the participants saw the coming years as a time to reap the benefits of their hard work identifying that their lifestyles would change with decreasing responsibility to their dependents and, for many, an increasing disposable income. Their two key concerns were health and finance. Continuing health, maintaining their independence and ensuring a high quality of life were closely inter-related in these two key concerns.

The baby boomers in our research expect to be cared for by the state in proportion to the contribution that they have made to society during their working careers. They have grown up with many opportunities, had access to resources, been cared for by the state, and been able to have and do what they want to an extent - they now expect similar support in health care during their senior and retirement years. One participant explained it thus: “We expect because we have been working for a particularly long time with relatively good incomes that we expect our healthcare to be [looked after].” This confirms Buckland hypothesis that New Zealand baby boomers perceive social welfare as their right (Buckland, 2009). These expectations are best understood in relation to the NZ welfare state as they have direct implications for kiwi boomers’ demands on health care service provision. These boomers have grown up with a NZ public sector until 1984 that provided for them, “...the state is going to be looking after us relatively less than what we are enjoying now and I would say as a Baby Boomer that I am a bit pissed off about that because I would have thought that well I have paid 40 years of taxes and I am going to get a worse deal than what my folks got.”

Against this backdrop, the data were then categorized into three distinctive themes to explore NZ participants’ consumption of GP healthcare. These themes have been labeled as:
Long healthy lives, Keeping control, and Exercising choice. Each of the themes is discussed briefly with supporting quotes.

1. Long healthy lives
Health is the key to the lifestyle NZ baby boomers expect. They approach their aging and health concerns with pragmatism and realism. So if achieving the lifestyle they want means improving their diet, regular check-ups, or information-gathering, then they will take responsibility for these. For example, participants stated: “We are possibly going to live to 80 and more, how do you pace yourself because it is about quality of life not just quantity.” “[It’s] a bit like a warrant of fitness on the car, I like to know it is safe...a bit like a maintenance program.”

For these participants then, health care supports their strategy for continued independence and they think their lives should be “long healthy lives not just long lives.” When asked about their goals for the future and what may stand in their way, responses “if my health stays with me”, “if my health and energy are OK”, “as long as your health stays good” were common. In this way baby boomers are regarding health as the driver to being able to remain active as they age. There are strong links between this theme and certain characteristics of kiwi boomers; notably, individuality, self responsibility, and independence (Buckland, 2009).

2. Keeping control
Their awareness of limited time and inevitable physical degeneration drives the baby boomers to be proactive in maintaining their health and wellness and they “...think more about being in tune with [their] body.” These participants intend to take responsibility for their health and fitness. Most of the respondents have altered their diet, exercise routine, and/or lifestyle in reaction to their ageing process. They also recognise they cannot handle the same pressures that they placed on their health in younger years: “I realised that you can’t just ignore [your health] and assume someone else has all the responsibility because if you do you put yourself at risk.”

This self-determination influences the participants’ demands in terms of GP health care provision. One describes his doctor as a ‘gate-opener’ who supports him in finding the right course of action for his personal needs. For some there was an enduring relationship but even then the relationship was largely instrumental, in achieving their health goals not for social togetherness: “I wanted the doctor to be a link to the next step or treatment or diagnosis.” The GP is required to provide accessible and timely care, dispensing advice, treatment and, above all, information: “... [he] is there to do a job and I am there to get the answers.”

At the same time our participants have become experienced consumers and demonstrate little tolerance for bad service: “... if I wasn’t satisfied I would go somewhere else ... somewhere that actually could treat me in the manner of which I want them to ...” and “I expect him to give me the same respect that I give to him.”

Participants’ sense of personal responsibility extends into a preference for prevention versus treatment. There is, however, a pragmatism that justifies regular checkups as part of the prevention strategy: “I only go [to the doctor] if I have to go.”

The data indicate that our baby boomers are taking control of their health and consequently their quality of life. They demonstrate self awareness, self determination, independence and optimism about their future. Being healthy is their responsibility but with support: “Doctors are not just problem solvers, they should be supporters as well.... helping you, rather than it being done to you or done for you.” This theme appears to build on the previous research that identifies NZ baby boomers as being distinctively more trusting of their instincts, forging their own path, and unwilling to compromise on what they want (Buckland, 2009).
3. Exercising choice
Participants made it clear that they will not automatically accept the entrenched way of doing something or the authority of an accepted treatment. Rather they will decide when and what treatment they will need: “... there was a point where I just felt like I didn’t need to have the treatment anymore ... I am taking this back now, so it is my situation”, and “I can sort of judge when I have got a major versus a niggle.” In addition, our baby boomers are aware of the alternative healthcare services and are willing to experiment with them. Participants recognise that they can learn from others - their desire to maintain their independence does not translate into isolationism. They do rely on others, ranging from family to health care practitioners, in their search for information about healthcare. Respondents also engage in self-diagnosing techniques via the Internet, past experiences or advice from trusted acquaintances. They evaluate the information they are given suggesting a willingness to challenge diagnoses and treatments. As one participant explains, “We have quite a lot of our own knowledge about what our health problems are. And so we seek a GP who is absolutely a no-bullshit GP in the sense that we probably have enough knowledge to know if they are snowing us or not.”

Word of mouth referral is central to the participants’ decision making with regard to health care providers: “Networking is huge in NZ ... people still ask people ‘Who is your doctor? Where would you go?’” Most often relied upon are referrals from credible and trusted sources, “We found out about that GP through friends and that was the key [choice factor].”

In the context of them exercising their choice, the GP is merely one source of information: “GP’s have to meet us on our own level” and “We have come to an agreement about treatment together.” Baby boomers in this study want credible healthcare from their GPs; they need a healthcare provider who they are confident is capable, knowledgeable and rational. When this does not occur they take control, “I felt like the diagnosis I was getting [from the GP] was a bit too vague ... I felt like I was being asked to make the diagnosis myself ... So I did try some alternative[s]... I felt that I was in control a bit more.”

Conclusions
Findings from this exploratory research indicate that NZ baby boomers’ health care consumption behaviour may be unique in key aspects. NZ baby boomers take an instrumental and self-reliant approach to GP-delivered health care. The research suggests several culture and service-specific factors impact the health care consumption behaviour and preferences of NZ baby boomers. In the light of this research and discussion we are designing a large scale quantitative investigation of baby boomers’ health care consumption that will provide accurate and timely data for more effective marketing to target these consumers. Without such data, NZ health care policy makers and practitioners run the risk of providing a system and services that are out of place in the future that baby boomers are shaping for themselves.
References


