



An Aging Audience

by Jeff Goldman

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Most wireless carriers don't see older users as a significant market—but people over the age of 65 are a large and growing segment of the global population. What will it take to get carriers to address their needs?

Check out the latest ads from U.S. carriers like T-Mobile (www.t-mobile.com) or AT&T Wireless (www.attws.com), and you'll see images of hip, urban youths using their mobile devices to stay in touch. As a rule, carriers focus their marketing on business users first, and younger users second—but in the meantime, a large and growing part of the population is being ignored.

According to the U.N. Program on Aging (www.un.org/esa/socdev/ageing), one in ten people worldwide is now aged 60 years or older. By 2050, one in five will be 60 or older—and in more developed regions, it'll be one in three.

Most wireless carriers see older users as being averse to new technology, and less likely to be high-volume users. Still, a recent report from the International Telecommunication Union (www.itu.int), citing an increase in mobile phone use among senior citizens, suggests that this is a misconception. Instead, the ITU report contends, the senior market could prove to be a highly profitable one.

Examining the Issues

One person who's looking at the specific needs of elderly mobile phone users is Marie Sjölander of the Swedish Institute of Computer Science (www.sics.se). The Institute's Elderly People in the Mobile Age (ELMO) project is currently examining the ways in which older people interact with mobile devices.

The project is funded in part by the leading Swedish carrier, Telia (www.telia.com): Sjölander says the carrier's interest is a logical response to the changing demographics of the population. "Elderly people are getting healthier, living longer, and becoming a larger group in society," she said. "They are a very large target group for companies, but they must feel they need the services and the devices the companies are offering."

The question being examined, Sjölander says, is how challenging mobile devices really are for older users. "We're studying elderly users as they perform different tasks," she said. "Some tasks are related to basic phone functionality, like changing font sizes, and some tasks are related to the use of WAP services, like finding a specific shop in a specific town, or finding out what's on TV tonight."

While smaller buttons can make navigation difficult, Sjölander explains that older users actually face a more complex problem in terms of understanding how mobile

services are structured. "You need to have a lot of Internet experience to use WAP services," she said. "When the interface is smaller, it's a problem if you don't already understand the concept of web searching."

Similarly, a phone's menus become more difficult to navigate as memory declines. "Navigating through menus places a high demand on remembering a sequence of actions," Sjölander said. "Elderly users more often return to places they've visited earlier on the web."

And on a more basic level, Sjölander says, initial phone setup needs to be made simpler. "Most manuals are directed towards a young, experienced user group," she said. "It should be easy to find instructions on how to change font size so that elderly users with vision impairments can at least start to use the device. They can't do anything if they can't see the text on the screen."

Leading the Way

The first carrier to offer a device that answers these kinds of concerns is Japan's NTT DoCoMo (www.nttdocomo.com). Two months ago, the carrier announced the launch of its F671iS phone, nicknamed Raku-Raku (Easy-Easy). Supporting the ITU's contention that the market is a viable one, the Raku-Raku phone has been a big hit: over 200,000 units were sold in the first two months of its release.

With a large screen, big buttons, and an enlarged font size, the phone solves some basic problems faced by older users—but it also goes further. On-screen instructions explain how to perform basic functions like listening to messages and creating mail, a 'read-aloud' feature offers voice readouts of everything from message logs to operating menus, and many of the phone's functions can be activated using voice commands.

In-Stat/MDR (www.in-stat.com) analyst Neil Strother suggests that, if the Raku-Raku phone continues to be a success in the Japanese market, that may be all that's needed to prompt other carriers worldwide to follow suit. "If they see it working in Japan, I think the smarter carriers will try to adopt that concept," Strother said.

Still, NTT DoCoMo spokesman Miki McCants is quick to point out that the phone is not being marketed exclusively to elderly users. Instead, the device is being positioned simply as an easier-to-use handset. "It targets the user who is not too familiar with mobile phones, who needs simple and easy-to-understand functions," McCants said.

In fact, Strother notes, an easier-to-use device is probably a great idea for all users, not just the elderly. "Simplicity is really age-agnostic," he said. "A simple device can work for anybody, 10 or 110. Too often, people get enthralled with all the things a device can do, and then throw it out to the market—but a lot of the complexity in these devices gets lost on many people."

Nokia (www.nokia.com) spokesman Keith Nowak agrees. "A lot of people don't like small phones," he said. "They want something with a bit more size, something they can hit the keys on, something they feel more comfortable holding. So we do have phones with bigger keys—not made for the elderly, but more usable for a wider group of people."

This points to another issue carriers face: it's difficult to market to elderly users without risking being perceived as an old person's carrier. Any carrier or manufacturer is quick to contend that their devices aren't made for old people: they're just easier to use. As a result, ads focused on older users are unlikely to replace those targeted at businesspeople or teenagers—at least for the time being.

Looking Ahead

Senior citizens are now the fastest growing group of wired Internet users worldwide—but what will it take to get carriers and manufacturers to see their potential as a viable market segment for mobile phones? Successful offerings like NTT DoCoMo's may provide significant inspiration for other carriers, but there's still a general expectation that older customers won't be aggressive users of data services.

According to Yankee Group (www.yankeegroup.com) analyst Linda Barrabee, that's a major deterrent for many providers, particularly as they roll out expensive high-speed networks and new services. "The carriers have made enormous investments in next-generation networks, and senior citizens are not considered to be early adopters of data services," she said.

At the same time, however, those carriers are starting to realize that they need to expand into different customer segments. "If you look at the wireless market in the U.S., we're surpassing 50 percent penetration, so clearly new customer segments need to be cultivated," Barrabee said. "And senior citizens are the fastest growing population segment."

In-Stat's Strother notes that, as location-based services become increasingly available, they may prove a strong selling point. For older users in particular, there are significant safety implications in being able to know exactly where you're located, where friends are, and where nearby services can be found. "I think some of the more practical, location-based services could have a benefit for many older folks," he said.

Still, Strother admits, it's a difficult sell. "Most older people aren't going to be individual big users," he said. "The carriers want people that are on their systems a lot, whether it's for voice or for data, and I don't think they've thought outside the box to the growing numbers of older folks. It's a much trickier marketing approach than going for the young, hip 18 to 35 year old audience."

In the long run, ELMO's Sjölander says, it may just be a matter of time. Once the current generation of users to grow older, they'll demand devices and offerings more suited to their needs—and the companies already serving them will have to respond. "The next generation of elderly users will be used to this technology, which will put higher pressure on companies to take usability issues more seriously," she said.