Marketing to a Mature Audience: A Comparative Study of the Marketing Techniques Used by Private English Schools in Japan and South Korea in Reaching the Mature Segment of the ESL Market

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Abstract
Someone once said 'Yuppies are out and Muppies are in.' Muppies refer to mature upscale professionals. As the population of the world ages there is increasing need for an assessment of the marketing strategies that are used to target the elderly. The literature relating to the marketing of foreign languages to the elderly is sparse. This fuelled the researcher's desire to undertake a comparative assessment of the marketing techniques used by the Japanese and Koreans in respect of marketing English education services to them. Although academicians are divided on the specific age at which a customer transcends to the mature market many agree that this market can begin with members 50 years and over. Neilson and Curry (1997) and Moschis (2003) have written in depth expositions on the strategies that ought to be used in respect to members of the mature audience. The Moschis Framework is one of the most relied on segmentation model in respect to the elderly as it combines Gerontographic and psychographic variables in order to develop a profile of the elderly not based on age or life stage variable. A qualitative approach was used to garner the data needed using in depth interviews and archival research. Japanese marketers are more prone to appeal to the younger self referent ages of the elderly through their use of younger looking models, brighter colored pamphlets and creative settings for advertisements. Koreans are more conservative in their approach and are inclined to appeal to the nationalistic tendencies of older Koreans. However both groups use similar segmentation techniques with age being the dominant variable. It is recommended that further research incorporates other segment of the mature audience like the very old and be expanded to look at the marketing strategies that could be effective in marketing online English courses to Asian customers 50 years and over.

Keywords: Andragogy, Marketing, Mature Audience, ESL, Eikaiwa, English, Gerontography, Psychography, Japan, South Korea
Introduction

The Department of Economic and Social Affairs Population Division of The United Nations (2010) in its World Population Ageing Report reports that Japan is now faced with an aging population and is poised to have the most remarkable increase of persons living over the age of 80 years than any other nation on the planet. Japan is one of the 6 countries worldwide which contains half of the world aged population behind China and the United States. The report projects an increasing trend for the Republic of Korea and other Asian states. Ageing has become such a topical issue in Asian states that it is predicted that Japan will have most of the world’s centenarians by 2050 accounting for 1% of its total population.

The implication of an ageing population is far reaching and the education industry is not exempt. Private English education courses are widely accessed all over the island but more so in urban areas with specific focus on the young. Like Japan, South Korea is also facing an aging population and therefore it is critical to investigate how private English Schools deal with this from a Marketing and Promotions perspective. The South Korean comparative angle will seek to identify whether similar approaches are used and whether any differences are attributable to culture or economics.

Neilson and Curry (1997) proffer that the 50+ age group is the single longest life stage. Therefore, there is no mistaking the lifetime value of the mature market. The literature relating to the packaging of educational services to the elderly is visibly sparse with more scholars focusing on health, financial and governmental services.

This study aims to critically assess the techniques used by private English schools in Japan and South Korea in targeting and marketing to mature audiences and to make recommendations on how to improve the effectiveness of their tactics.

The English Industry in Japan

The Japanese English Industry is divided into two parts. One part deals with English as a school subject and follows strict curriculum rules in order to prepare clients for particular exams such as High School and University Entrance exams and the Eiken tests. The other part deals with English as a communicative tool and targets people that use English as a means of international communication. This part is known as Eikaiwa and forms the foundation of this study.

The English Industry in South Korea

The South Korean English industry has been estimated at $333 million dollars with another $833 million spent on study abroad programmes (Hadzantonis, 2013). Pennycook (2004) in describing this industry explains that English continues to be the gatekeeper to amplify socio economic power and status and is sometimes used as a class marker. Hadzantonis (2013) asserts that this has spurred a new drive in all areas of the market to achieve competency in English Language as a national economic developmental strategy.
Language and Older Learners

It has been long thought that older people make poor students of second languages. However seniors have begun to prove all types of stereotypes wrong. In fact reports have continued to surface especially in some parts of Asia such as China and Japan of an upward trend in language education enrolments by persons 50 years and over (Anderson, 2012). The author explains that there is an increasing trend among American seniors travelling abroad to engage in language immersion classes.

The Mature Audience

Marketing to the elderly is a complex undertaking which requires keen attention to be paid to the act of segmenting and the development of marketing strategies and tactics. Several academicians have offered several means of segmenting this consumer group based on demographic, psychographic and gerontographic variables (Moschis, 2003; Michman, Mazze and Greco, 2003; Lazer, 1986; Bone, 1991). However, a central theme throughout academic publications is that chronological age should not be relied on as a significant segmentation variable. Doka (1992) extends by showing how life-stages is a meaningless segmentation basis for the elderly as their experiences do not necessarily relate to age but can differ based on economics, geography, culture, religion and education. This means that the mature market cannot be seen as homogenous thus generically developed strategies to reach them will prove ineffective.

The elderly differ from other consumer groups (Moschis, 2003) and require strategies that appeal to their self referent ages (Mattila, Karjaluoto and Pento, 2003). The elderly prefer products and services that allow them to feel younger and reinforce their continuing independence and connectedness to the society. Carrigan (1998) expounds that this need for social interaction makes the mature audience a prime target for relationship marketing techniques. In addition, Balaz (1995) found that because of the younger psychological age of the elderly, marketers and product developers should desist from branding products as being ‘for the elderly.’ Instead Lazer (1986) admonishes that the mature market should be seen as the second ‘youth market’ and be made to feel and act younger.

The higher discretionary income and increasing mobility of the elderly have impacted their lifestyle making it different from those of their predecessors. Moschis (2003) argues that older models do not appeal to the elderly. But Carrigan and Szmigin (1998) rebut by explaining that the mature audience are more likely to trust information coming from their peers. The use of older models also guards against disengagement and reinforces the connectedness to society that the elderly has.

The mature audience are laggards and are prone to rely on what works best for them. They are cynical of changes (Neilson and Curry, 1997) and quick cut marketing tactics do not work for them. They are information driven and require clear content rich infomercials (Moschis, 2003). They are not as price sensitive as younger cohorts but discounts on standardized products do appeal to them (Moschis, Curasi and Bellenger, 2003).
The mature market is said to be less self absorbed than younger cohorts and thus the concept of lifelong learning appeals directly to them (Michman, Mazze and Greco, 2003). This is reinforced by the Activity Theory of Aging which explicates the need for the continued connection of the elderly to society through their engagement in multiple activities ranging from civic and community ventures to educational and leisure activities. So, education has a place in the lives of members of the mature market even though this link may be obscured by the fact that they have transitioned into a purely consumerist state (Manheimer, 2005).

**Research Objectives:**

1. To critically assess the marketing strategies used by Japanese Private English Schools as well as Korean English schools.
2. To identify any similarities or differences in marketing activities used by both countries and to ascertain what may be the root cause of such differences.
3. To ascertain the proportion of mature students who attend private English schools in relation to the general student body of those schools with the aim of developing a general profile of the student.
4. To ascertain the financial viability and willingness of the investigated schools to serve this segment of the market.
5. To propose ways in which schools may wish to configure their techniques in reaching a more mature audience in response to current trends and based on the information unearthed through this study.

**Methodology**

The epistemological approach used was Social Constructionism. This stance was chosen out of a need to unearth meaning from the participants’ experiences and actions in the marketplace and to seek to understand the rationale behind the use of particular marketing tools and activities. This contextual approach may inhibit the likelihood that conclusions drawn are representative of the society (Green, 1994). Because this research primarily subtends on an assessment and critique of marketing techniques used by Japanese and Korean practitioners, both primary and secondary qualitative data was required in order to fulfil the objectives of the dissertation. This was collected by means of semi-structured interviews and archival research.

**Conclusion**

The results of this study are especially useful now as Japan and South Korea experience aging populations. It has been estimated that the mature consumer will become the most important segment of all consumer group (Matila, Karjaluoto and Pento, 2003). Therefore, it is of utmost importance that the current practices of brand managers in the private English education industry of both countries be investigated as a means of comparing and contrasting their practices and ascertaining how these practices differ from Western conceptualized marketing theories and practices.

The decision to market to the elderly has come at an opportune time as marketers from both countries contend with an aging population. But this is also coupled with the increasing disposable income and discretionary time of members of this segment which makes them financially attractive. Both countries recognize the necessity of
English education to the advancement of their economies but their techniques differ in a number of respects. The Koreans appeal to the nationalistic pride of the citizens by encouraging the elderly to learn English in order to assist younger generations. The Japanese practice takes a more outward approach by appealing to the elderly’s increasing engagement in leisure activities such as foreign travel, education and community involvement, their growing inclination to explore and seek new challenges and their need for social interaction as a means of empowerment. The progression of the Japanese practice may be due to the ongoing internationalization of Japanese marketing practice and their adoption of Western marketing philosophies (Herbig, 1995).

Japanese Practice

During the Japanese bubble there was an exponential rise in expenditure on services, including education. This coupled with increasing expansion of Japanese businesses gave rise to a number of private firms offering English education across the island. An increasing number of Japanese brands such as Rakuten are now making English the main language of communication within their companies. Others use English as the lingua franca between and among subsidiaries. In previous times many Japanese and South Korean firms followed an Ethnocentric Staffing policy (Desler, 2003) which meant that home country employees were sent to staff subsidiaries overseas. This increased the need for English education. Because of this and other factors the general creative themes of advertisements of English education services were once focused on national pride, nation building, global integration and expansion. Over time this has progressed to a more personalized individual approach where the acquisition of English is not only to support the expansion and integration of Japan into the global arena but to empower the individual. For the 50+ year old segment the marketing strategies now focus more on English education, not being a tool of commerce, but a leisure activity which allows for continued social interaction; which reinforces and appeals to members’ self referent ages, which ensures connectedness and makes foreign travel and interaction with foreigners easier.

Korean Practice

The Korean practice has remained inward looking showcasing English education as a tool for the expansion of the Korean community into the International arena. It is nationalistic with slogans highlighting the benefits of English acquisition to the nation rather than to the individual: the ‘self.’ The Korean concept of ‘self” still exists within the family and the community and not the individual (Rhee, 2002) and this may partly account for this continuing practice. Rhee (2002) furthers that Confucian precepts still impact many of the marketing and public relations activities that are undertaken in South Korea. The continued dependence on *wu lun* and avoidance of conspicuous consumption moderates the Korean Marketing practices and therefore may account for their more inward conservative approach to marketing to the mature audience.

Notwithstanding these practices are also embedded in the type of mature customer that is primarily targeted by these English schools.
Mature Customer

Both Japanese and Korean schools target mainly the Younger Olders (Lazer’s Classification) or the Young Matures (Gordon, Moschis and Warren’s Classification), the Healthy Indulgers (Moschis’ Classification) or the New Age Elderly (Mathur’s Classification). This group differs the least from the younger generation of Baby Boomers, are more socially engaged and more inclined to demand educational services. New challenging experiences appeal to them and they are always in search of experiences that aid their self actualization process. Positioning educational services to them may prove more profitable than for any other segment. Lazer (1986) explains that this sub-segment is cognitively younger than their counterparts and possesses greater proclivities to and desire for connectedness. This profile of the typical mature customer supports the positioning that is used by both the Japanese and South Korean schools. Because this group seeks new experiences and creative personal challenges (Mathur et al., 1998) they may be the most profitable segment for English education in the mature market. Their desire for connectedness reflects their inclination to sign up in pairs or groups. Mathur et al., (1998) further explain that the use of group packages for the new age elderly can successfully reinforce their desire for social interaction. This may prove profitable and beneficial for any marketing organization to consider.

Older customers tend to be more loyal. As reported by the participants of this study, the lower attrition rates among the elderly mirrors their higher levels of loyalty. In addition Asian customers are less likely to defect after a relationship has been developed. Capitalizing on the loyalty of mature customers is therefore essential to continued profitability. This loyalty should be leveraged to ensure an increase in retention. In addition, it may be remiss of the respondents not to capitalize on this loyalty through the use of referral programs. Marketing strategies should therefore appeal to the enduring loyalty of this consumer segment.

It should be noted that in targeting this sub-segment there is a considerable portion of the mature segment that are left untargeted by language schools in Japan and South Korea. From a profitability standpoint the literature however confirms that this sub-segment may be the most profitable in demanding language services rather than their older counterparts. In keeping with the chronological definition of the elderly this younger sub-segment still falls within the ambit of the mature audience.

Marketing Technique

An aging population is the main reason why marketers in Japan and South Korea have begun to market English educational services to the mature client. Changing lifestyles of the elderly also mean that they are more mobile and more socially engaged than their predecessors. This paired with their decreasing psychological ages have made them prime targets for educational services. These changes have led to changing marketing techniques used to reach the elderly. The Japanese’s transition from a nationalistic positioning to a more individual positioning, which focuses on the elderly not in terms of his connection to the nation but as his own person, may mirror current trends in the marketing approaches to the elderly where marketing efforts that cause the elderly to ‘be’ are more well received than other traditional approaches (Gordon, Moser and Warren, 2002). The elderly will reject marketing efforts that do
not appeal to them. It is imperative that the marketing of services reinforce their whole picture orientation and cause them to extend the enjoyment of their life experiences. This approach is better embraced by the Japanese marketers than the Koreans. In this regard services that are positioned in a way that facilitates the self actualization process of the elderly will be popular among this segment.

But the enduring nationalistic Korean technique may reflect the undying loyalty that mature customers have to country, products and brands. Lunsford and Burnett (1992) explain that mature customers pride themselves as being more loyal than other age cohorts. In addition, Chang (2007) explains the effectiveness of appealing to Korean pride in the positioning of products. This may account for the Korean’s continuing positioning success. The impact of Collectivism on marketing cannot be overlooked and must be taken into consideration when analyzing the approach of the Koreans in marketing English education to members of a mature audience. Chang (2007) further explicates the influence of previous governments in South Korea in instilling national pride and how this has served to impact the marketing strategies that have become most successful in that nation. The Koreans also take advantage of events marketing activities which surround the hosting of several international events, to modify their strategy in reaching all segments including the elderly. Capitalizing on the influx of foreigners and increasing tourism which surround these large sporting events also appeal to the Korean pride and support the nationalistic positioning of the Korean’s marketing technique.

**Segmentation**

The results show that the participants have recognized the importance of marketing to the elderly due to their high discretionary income and decreasing psychological ages which cause them to engage in further educational activities. Interestingly, schools in Japan and South Korea target customers on the very edge of the elderly spectrum which leaves a section of the mature audience unaccounted for. Although the majority of respondents stated that a mixture of variables are used in segmenting the market all agree that age is used as the main defining variable. This is used because of its ease and convenience. This practice goes against caution offered by (Greco, 1987; Doka, 1992; Lazer, 1986) who showed that age, whilst useful in segmenting the mature market, can prove to be insufficient because of the heterogeneity that exists within the mature market.

In analyzing the data within the Collectivist Asian culture, this level of heterogeneity should also be questioned. The enduring homogeneity of Asian cultures as outlined by Hofstede’s framework, reinforced through, rules, education, societal norms and the standardization of procedures may mean that the elderly in Asian cultures may not be as heterogeneous as the elderly in Western cultures, assuming that levels of heterogeneity can be measured. It may be arguable that age may still possess a great degree of credence in segmenting the mature market in some countries more than others. Lazer, Murata and Kosaka (1995) alludes to this homogeneity especially within Japanese markets. Notwithstanding, many of the segmentation classification still rely on age as a measure of demarcation. In doing so Mathur et al., (1998) allude to the use of age to separate the new age elderly from the traditional elderly and on which assumptions about lifestyle, mobility and levels of engagement can be made.
The ease and convenience of using age still has significant foundational value in marketing educational services within the Asian context.

The Koreans’ use of location is unique. This may reflect the underlying assumption of the level of mobility of the elderly within Korea and their ability and willingness to travel for educational services. Using discretionary income as another equally important basis of segmentation reflects the Koreans’ assumptions on the ability of the elderly to pay for the service. Korea has lower purchasing power parity than that of Japan which may mirror their greater reliance on discretionary income in segmenting the mature market. This can form the basis of further research to test whether certain segmentation variables bear more importance in particular markets. That is the possibility that discretionary income plays a more significant role in segmenting the mature market in countries that have lower disposable income among the elderly.

Lifestyle has been lauded as a worthwhile segmentation variable as it reflects the elderly’s proclivity to demand particular products and services. Lifestyle is closely related to the Activity Theory of Aging, which reflects the enduring connection that mature customers have with society; and also with Gerontography as explicated by (Moschis, 2003). The Japanese reliance on lifestyle as a segmentation variable mirrors a more targeted individualized approach to the marketing of English education to senior citizens. In targeting Healthy Indulgers it means that persons who are more socially engaged, mobile, healthy and cognitively younger can be reached and marketed to for educational services. This dependence on lifestyle also aids in the development of the creative concepts used by the Japanese and makes greater use of the mature excitement that should be inherent in all marketing approaches used for the elderly. This reliance on lifestyle also comes in conjunction with the younger self referent ages of the elderly which cause them to engage in more youth oriented activities.

Price, Discounts and Special Service Offerings

Following the segmentation of the market it is now possible to explore what special service offerings have been developed for the targeted sub-segment. This includes an exploration of the use of price and discounts.

Group packages have been known to positively reinforce the social interaction need of the elderly and may induce demand. Private English schools in South Korea do not use group packages as a means of inducement for the mature market. They had no special offerings to seniors but instead relied on standard packages that are available to all customer segments. This positively correlates to the ‘same person’ concept. Singling out seniors for special classes may be seen as pointless if it is agreed that this service offering is ‘age-neutral.’ Having seniors in the same classes as all students still fulfils the need for interaction as the concept of interaction and connectedness can transcend chronological age. Not having special class offerings for seniors can also serve to reinforce their connectedness to society and their continued ability to interact with all ages. But some Japanese schools utilised special service offerings to seniors in terms of conversation classes just for seniors. This supports the positioning of their service which highlights the social interaction that is to be had with one’s peers.
Both countries use price as a positioning tool. South Korea which has a lower Purchasing Parity uses price as a means of affordability in terms of attracting the mature audience through lower prices. The Japanese use premium pricing. The use of premium pricing may follow (Moschis, 2003) postulations that the elderly are less price sensitive than younger cohorts. It may also come in tandem with the fact that Japanese schools are more likely to design special courses for the elderly which may necessitate higher prices. Japanese schools reported the type of clientele they wish to target and therefore pricing may be used both as a positioning and sifting tool in demarcating the market. Following these different perspectives on prices, respondents were just as equally divided on the use of discounts for seniors with Koreans more likely to offer discounts. Seniors are attracted to discounts that are offered on standardized services but are less swayed by discounts offered on differentiated service (Sidbury and Simcock, 2009). The Koreans’ use of discounts may prove more valuable and effective than if it were used by the Japanese given the standard nature of courses offered by the Koreans. The Koreans lower purchasing power may make discounts more attractive to seniors in that country. By not offering discounts to seniors, the Japanese agree with the concept that seniors are not as price sensitive as younger cohorts of the market so offering discounts may not prove to be a worthwhile marketing strategy. But offering discounts to them for standard courses may act as an impetus for them to purchase.

The inclination of Japanese schools to use premium pricing in respect to the elderly may capitalize on this cohort’s lower price sensitivity and be used to support the marketing positioning of the particular brands. It was evident from the information gleaned through archival research that stronger, better known brands tended to use higher prices in respect of seniors to also attract a particular sub-segment of that market and to support the profile of the mature customer they most wish to serve. This comes in direct contravention to practices used in Western societies where the use of lower prices through senior discounts is used to attract older customers. In fact, Moschis, Curasi and Bellenger (2003) explain that discounts based on age may induce seniors to purchase.

Advertising

Both Japan and South Korea depend more on print advertisement on reaching the elderly than they do on TV or radio advertisements. This dependence on print agrees with (Moschis, 2003) recommendations for advertizing strategy toward the elderly to make use of print. However this non-reliance on TV advertisements deviates from more Western practices which highlights that this segment is the highest among television viewers and thus TV advertisement forms a viable tool to be used when marketing to them. This dependence on print advertisements through the use of newspaper and magazine advertisements, pamphlets and community notice board ads may stem from the Japanese marketing culture which relies heavily on the use of print (Herbig, 1995). Japanese marketing practice is filled with paradoxes and although may come into close alliance with more western practices it is still quite unique in a number of areas.

It is common practice in the private English school industry in Japan and among the largest private English schools to use pamphlets to advertise their service offerings. This practice seems to conform to the general trend in marketing educational services.
The Japanese schools tend to place more information in the pamphlets that are designed for members of the mature audience. The need for clear and complete information by the elderly supports (Wolfe, 1990) pronouncements of the importance of information–centric marketing strategies targeted to the elderly. It is interesting that all schools created separate pamphlets for the elderly as arguments relating to the age neutrality of English education could be offered as a reason for taking a less targeted approach in this regard. The design of the pamphlets by Japanese institutions with lively colors seems to reinforce the mature excitement that the Japanese practitioners aim for. The use of more subdued colors by the Koreans mirrors their more conservative approach towards the elderly.

Using pamphlets as the main advertising tool to reach the elderly has several implications. The elderly crave content rich information and pamphlets are regarded as limited in meeting these expectations. Pamphlets may be a limited means of advertising to the elderly because it means that they are left to seek out the service. These pamphlets are mainly displayed in the schools’ lobbies, city halls and city libraries. Unlike the Japanese, the Koreans also place these pamphlets in shops, supermarkets, hospitals and health clubs. Of important note is the fact that radio is not used as a medium to attract the elderly in South Korea and Japan for English education classes. Heinze (2011) reveals the continued dominance of TV over radio in Asia with less than 40% of the population in Japan listening to radio at least once a week.

It was revealed from the data that designing special advertisements for the elderly follows a positive assessment of the contribution they are able to make to operating profits and their economic strength as a consumer group. Because the elderly are more prone to pay on time and have a higher discretionary income than they once had, Japanese and Korean marketers have begun to design marketing efforts specifically for them.

The use of older models is a point of deference between both countries. Japan is more prone to use younger looking models in advertisements to the elderly because of the central creative theme of all their advertisements which accentuates the longevity of life remaining for the elderly and which appeals to their younger self referent ages. This agrees with (Moschis, 2003) assertions that older customers do not relate to older models. The creative positioning of the Japanese advertisements capitalizes on the psychological ages of members of the mature audience and supports the ‘can do’ attitude reinforced by youth and vitality. The use of older models by the South Koreans agrees with (Milliman and Erffmeyer, 1990) findings that older customers are more inclined to believe and are better persuaded by older models. It is arguable that English education is considered an ‘age neutral’ product and therefore does not require the use of either younger or older looking models.

While the central creative theme for Japanese marketing campaigns rests on showcasing the longevity of life of the elderly and highlighting the social interaction aspects of English education courses that they offer, the main creative theme for South Korean schools subtend on using English as a means of giving back to the community, altruism and selflessness. The Koreans’ creative positioning seems to rely more on Leventhal (1997) model which stresses altruism and connectedness. This
connectedness is seen more in the selfless contribution to the community rather than connectedness through socializing with peers.

Relationship Marketing in respect to the elderly is very important in sustaining demand. Using Berry (1995) theoretical framework of relationship marketing it is evident that Korean English schools rely more on level one relationship management by way of using pricing incentives in order to create customer loyalty. Their use of discounts for senior citizens testifies to this. Japanese schools rely on levels two and three which are social bonds and structural solutions. Having specialized classes for seniors and other value added benefits such as group trips to English speaking countries create a competitive advantage which these Japanese English schools can leverage. This disparity in approaches may mirror the underlying differences between marketers of these two countries where Korean marketers may see the elderly more as transaction customers and so are more profitable to serve by using pricing as a main tool of inducement to purchase. The use of electronic tools by way of social network media in respect to the elderly can be seen more in the Japanese practice than the Korean.

Japan and South Korea have experienced an increase in the demand for English education by the elderly and have cited many reasons for this including an increase in disposable income, greater mobility, changing lifestyles and even the hosting of international games. The Daegu Games in South Korea and Japan as hosts of the Olympic Games in 2020 have been given as contributory factors. Seniors may be inclined to enrol in English education classes in both countries when there is an impending influx of foreign visitors. But with that said, there are similarities and differences in how seniors are targeted and marketed to in both countries. Some practices follow text book rules while other practices have not progressed in tandem with the West. Some techniques remain culturally embedded while others are more contemporary.
References


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