

## **РЕТРОМАРКЕТИНГ – НОСТАЛЬГІЯ ЗА МИНУЛИМ. ДЖЕРЕЛА УСПІХУ РЕТРОМАРКЕТИНГУ У СЕГМЕНТІ СТАРШИХ СПОЖИВАЧІВ**

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**Представлена роль спогадів і ностальгії у поведінці старших споживачів і визначена важливість критичного періоду стабілізації споживчих вподобань для ефективності ретромаркетингу.**

**Ключові слова:** ретромаркетинг, старші споживачі, спогади, ностальгія.

## **RETROMARKETING – NOSTALGIA FOR THE PAST. THE SOURCES THE SUCCESS OF RETROMARKETING IN THE SEGMENT OF OLDER CONSUMERS**

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**The paper presents the role of reminiscences and nostalgia of older consumers' behaviors and it indicates the importance of a critical period of consumers' preferences stabilization to the effectiveness of retromarketing.**

**Key words:** retromarketing, older consumer, reminiscences, nostalgia.

**Problem formulation.** The aging of societies which results from higher life expectancy and birth decline is a significant and current challenge for marketing and marketing communication. The segment of older consumers will grow the fastest of all demographic groups in the next couple of years. Therefore, learning about and understanding behaviors of older consumers may be an effective tool to plan marketing activities, particularly with reference to retromarketing. An important dimension of older consumers' behaviors is functioning of their memory, nostalgia and reminiscences. It turns out that not only is the reference to the past in marketing communication an attractive approach, but it is also effective.

**Analysis of current research outputs and publications.** While looking through current marketing literature one can notice an increasing interest in the segment of older consumers. It is hard to resist the impression that this interest is due to the necessity resulting from a growing number of older consumers rather than a real care of their needs, manners and behavior. It is a group of younger consumers that is usually in the center of marketing attention. Higher life expectancy and decreasing population growth rate create new conditions for planning marketing activities. The aging of population is one of the deepest mega demographic trends in human history; it is a ubiquitous and to a large extent irreversible process [1, p.313-328; 3, p. 630]. This process is determined by cataclysms of war and socio-economic conditions, which took place particularly in the first half of the 20<sup>th</sup> century [2, p. 130]. The escalation of the signs of aging process will be the most visible in the first part of the 21<sup>st</sup> century because of postwar population boom and demographic echoes.

A significant premise for marketing, despite the change in population number is also a change in market needs and behaviors of older consumers which is the result of more and more extensive unfavorable changes in basic areas of biological, psychological and social functioning. Those changes take place gradually and are very individual [3, p.630]. The group of older purchasers consists of fully expeditious people as well as those who suffer from dementia, lost independence or are handicapped in some other ways. Not only can we find professionally active members of this group who are also parents

and take care of their little children but also those who have been unemployed or lonely for some time. Changes caused by aging are usually related to three areas:

- health state and fitness (the level of organism exploitation),
- cognitive changes (limitations in the functioning of the senses, susceptibility to distraction, cognitive functions reduction, intellectual capabilities reduction, diminishing the pace of data processing),
- social relationships (reducing contact with the surroundings, social exclusion).

Older consumers' behaviors on the market are also determined by external variables related to our surroundings, dynamics of the occurring changes, the pace of modernization and the innovation of the surroundings.

The abovementioned factors and higher and higher awareness of the transitoriness of life lead to certain features which differentiate older consumers from younger ones. They:

- are more sensible emotionally [14, p. 356-357; 17, p. 24],
- are reluctant to risk and innovation [4, p. 12],
- are unwilling to search for new information [15, p. 263-264],
- make use of their experience and knowledge they already possess [5, p. 107]
- repeat shopping behaviors and use decision heuristics [16, p.50-56].

All these factors make older consumers susceptible to reminiscences and longing for the past.

**Article objectives.** Humans, as intelligent beings, are fully aware of living in a limited period of time. Such awareness is more visible at advanced age when the tendency to memories increases and nostalgia appears. Both memories and nostalgia are connected with memory functioning. The course of reminiscences is quite characteristic: first memories are usually dated back to 3-4 years old and their culmination is at around 20 years old. In the next ten years their number is insignificantly dropping, after reaching 40 years old a substantial fall can be observed [18, p. 84-90]. Most memories are created between 15 and 27 years old, this is the culmination of cognitive abilities (memory and concentration abilities reach culmination) and also so called critical period [12, p. 550-551], when shopping preferences are shaped. Reminiscences are the tendency of older people to look into the past in retrospect and summarize it; it is the return to past events and experiences which are the attempt to escape from unpleasant aspects of current life. Until 1960s geriatricians and psychologists evaluated the existence of reminiscences among elderly people negatively as they claimed these reminiscences exert negative influence on well-being, cognitive skills (particularly short-term memory functioning and concentration) and intensify social exclusion. Only after 1980s was it noticed that talking about the past and coming back to memories have a positive influence on people's mood and their relations with the surrounding. Memories may be evoked by image, film or music [18, p.123], which are accompanied by certain emotions. Emotions connected with reminiscences can be either pleasant or evoke distress or sadness. The kind of memories determines current mood – if a person is depressed bitter memories come back, if a person is optimistic – cheerful memories appear. M. Bernsten and A. Rubin noticed one more interesting regularity. Considering a past event as the saddest memory is more probable if the event is close to current time [18, p. 100-101]. Therefore, it is claimed that pleasant memories are usually situated in youth and the unhappier ones are closer to today. The characteristic feature of reminiscences is that they do not have to be real. The past is equally changeable as the future because it is evaluated today in retrospect. Older consumers tend to make past events older (on the contrary to younger consumers who date events as younger than they really are).

Nostalgia or longing for something from the past are the results of reminiscences. At first nostalgia was deemed to be a disease of soldiers doing their military service far from home, now however, it is considered to be a mental disorder. Older people feel nostalgia and reminiscences more intensively, it is when cognitive skills get worse, social relationships decline and people become dependent on others (they cannot decide for themselves). The feeling of nostalgia and reminiscences are shaped by changes which take place in consumers' living space which they do not accept and are unable to follow them. They feel like strangers in this space, like emigrants who lost their homes. The past which is restored to life in memories and nostalgia becomes the pleasure of current days. What is the role of reminiscence and nostalgia in effectiveness of retromarketing?

**Presentation of main materials.** The beginning of the 21<sup>st</sup> century is the time of retro-mania [6, p. Xxii], nevertheless, marketing activities started referring to the past much earlier. S. Brown proves that *a la retro* fashion appeared in France as early as in the 1970s, then it emerged in Great Britain in 1985 as an advertisement directed to refreshing Levi's 501 denim jeans (Levi's Laundrette). At this time also Coca Cola undertook some steps of their product improvement. It was when they tried to launch New Coca Cola, but since it was unsuccessful, they came back to the traditional flavor [7, p. Vii]. The major problem in the discussion on reromarketing is its definition. Inasmuch as it is quite easy to find examples of activities making use of reromarketing, the essence of the issue is still uneasy to define. In marketing literature reromarketing is described rather philosophically as "yesterday's tomorrows, today" [8, p. 363-376] or as the effect of postmodernism [9, p. 28-30] or marketing communications tendency [10, p. 304]. Nevertheless, it is highlighted that reromarketing takes advantage of past ideas in order to evoke nostalgia and memories which are perceived in the atmosphere of positive emotions and retrospective impressions which shape consumers' current attitudes and preferences. Using the motif of the return to the past in marketing is sometimes perceived as intellectual bankruptcy and the decline in creativeness of current marketing specialist [7, p. Vii].

Using nostalgic ethos in marketing is characteristic for economies which face some crisis, social instability, surrounding turbulences and transformations [8, p. 367]. Quick technological changes in nowadays' economies or uncertainty about tomorrow make people long for slower pace of life, safety and simpler decisions. It is people's natural tendency to reach for past experiences, memories of events, products, brands or sensations which put them in a good mood and remind them of old good days. Sensitivity to reromarketing influence can be observed particularly among older consumers who are dissatisfied with current situation which is connected with aging (biologically, psychologically and socially) and lack of tolerance for the pace of changes which occur in their surroundings.

Older consumers take advantage of their experience in shopping decisions and shopping preferences shaped in so called critical period [11, p. 104]. This specific time occurs in the years of the consumers' highest cognitive abilities (most frequently between 20 and 30 years old) and refers to stabilization of the sequence of preferences and establishing so called canon of brands. The products and brands to which consumers feel attached at this moment are usually preferred throughout many years. This is the time when most of reminiscences are born. Therefore, if retromarketing "coming back to the past" is to be effective "the past" should be represented by memories from the critical period.

An interesting way of connecting nostalgia and critical period in retromarketing in Volkswagen Passat advertisement (2011-2012) which uses the figure of Darth Vader and the soundtrack from Star Wars. As one may guess from the advertising convention, the car is aimed at mature customers (+45) who were born in 1960s and watched the first parts of the film at the time of their premieres (1977-1983) which took place in critical period of the target customers. Another success was the usage of the refreshed stylistics of Vw New Beetle.

Reminiscences used in retromarketing make a product or a brand being treated by a consumers as a part of the history of their lives, they are an emotional bond with a particular past situation. Reminiscences and nostalgia can be individual – when they refer to personal experience – or social when they are caused by situations significant for the functioning of whole societies. Political events are the examples of such important situations (The fall of the Berlin Wall, the collapse of communism, wars or economic crises). Social and individual nostalgias are related. Usually people born in the same historical period were influenced by the same historical conditions, hence they have homogenous attitude towards the world, similar values and lifestyle expectations [2, p.155]. All these features are factors which differentiate one generation from the other, they have different memories. What was frightening or new and led to anxiety in the past today is a binder between people who experienced it. Thus, nostalgias lead to creating homogenous groups of consumers (segments) who can be offered brands, products or services characterized by reminiscences (retro brands). But not every brand can be a retro brand. Retro brands are usually those which were present on the market during the critical period of a given consumers' group. Based on research conducted by R.M. Schindler and M.B. Holbrook it can be stated that the period of establishing brand preferences in consumers' lives depends on the product category; for instance it is at around 23 years old for pop songs, around 26 years old for car stylistics and around 27 years old for Oscar films [11, p. 105]. Using the brand preferences established in youth was verified in reference to numerous product

categories; they were researched by K. Anderson B. Sharp [13, p. 433-441], R. Lambert-Pandraud, G. Laurent [12, p. 104-121], S. Brown [7,8], M.B. Holbrook and R. M. Schindler [12, p. 549-564]. The presence in critical period of consumers' lives is the first requirement which a retro brand should meet. This is the incentive for regenerating the brands which disappeared from the market but are still present in consumers' memories (for polish consumers such brands are: Frania – impeller-type washing machine, Syrena – car, Pewex – shop or Donald – chewing gum). A brand can be called a retro brand if there are clear personal and social relationships between it and a customer. Its success in such establishment will be based on so called 4A: Allegory, Arcadia, Aura, Antinomy [13, p. 21]. A retro brand should have a figurative meaning and be a symbol recognized by target older consumers. Moreover, it should be authentic, special and perceived as consistent with the original but simultaneously modern and offering a “surprise” for consumers. Such paradox – on one hand tradition, on the other hand modernity – is an incentive to buy a product for older consumers. Older consumers aim at eliminating shopping risk and are more willing to reproduce earlier shopping decisions; they buy products and brands which they know from the past which have stable opinion on the market. However, it does not mean that emotional relationship and previous experience will always decide about the purchase. If a brand is of a poor quality and its functionality is negatively assessed by consumers, it will lose their trust. For instance, TAG Heuer watch can look like the original version from 1930 but the current model must have some current quality.

**Conclusions and perspectives for further research.** Retromarketing takes advantage of consumers' reminiscences and nostalgias in order to shape shopping behaviors and preferences. Reminiscences and nostalgias are connected with memory functioning (psychological conditions) however, their existence depends on a social dimension – they integrate a group and exert influence on its cohesion. Their value is particularly important for older consumers who experience numerous unpleasant changes with aging (biological, psychological and social) and they have a set of established brands and preferences from a critical period. They also experience changes related to contemporary market functioning. These changes are reflected in the pace and quality of contemporary life, which is not always accepted by older consumers. In their memories they tend to return to better days of their youth and slower pace of life, which is conducive to a better mood and happiness. Therefore, this social group is susceptible to marketing activities which use the topic of “coming back to the past”. Retromarketing is effective if it evokes positive reminiscences and nostalgias in older consumers.

Retro style can be used in advertising both new brand which are being introduced into the market and already existing ones. But it may be also effective in restoring brands which do not exist anymore and were popular in the period of establishing the repertoire of brands among today's older consumers. The brand which is remembered between 20 and 30 years old is prone to be brought back to consumers' shopping bags when they are seniors.

Determining the power of influence of the character of reminiscences on the decision making process while shopping and the homogeneity of the target segment will constitute an interesting direction of further research on reminiscences and nostalgia.

It will stimulating to indicate the influence of critical period in shaping preferences on retromarketing success in reference to the brands which are not on the market anymore. The segment of older consumers is extremely varied and the chronological age is not the only feature of such variation. So far only reminiscences at a specific chronological age have been dealt with, however little do we know about how cognitive age determines reminiscences and nostalgia.

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## МАРКЕТИНГОВІ ЗАХОДИ НА ЕНЕРГЕТИЧНОМУ РИНКУ В ЄВРОПЕЙСЬКОМУ СОЮЗІ

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Представлена основна інформація про діяльність енергетичного сектору у країнах Європейського Союзу, особливості енергетичних ринків, характеристика елементів енергетичного середовища підприємств. Наведено основні інструменти та маркетингові заходи енергетичних підприємств, а також питання, що стосуються розроблення маркетингової стратегії функціонування підприємства на енергетичному ринку.

**Ключові слова:** енергетичний ринок, маркетингові заходи, Європейський Союз.

## MARKETING ACTIVITIES ON THE ENERGY MARKET IN THE EUROPEAN UNION

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The article presents basic information concerning activities of the energy sector in the European Union, characteristics of the energy markets, characteristics of the energy enterprises elements environment. The author presents basic instruments and marketing activities of energy enterprises as well as issues concerning developing marketing strategy of the enterprise functioning on the energy market.

**Key words:** energy market, marketing activities, European Union.

**Problem formulation.** Marketing in the energy sector developed much later in comparison to other goods markets. This happened because for decades energy markets were identified with the existence of natural monopoly, the range of which (although it is only connected with network activity) was extended