

# Silver Economy Industry Market Consumption Characteristics Research

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## Abstract

This study focuses on the consumption characteristics of the silver economy industry market. The silver economy refers to the total economic activities generated by providing products and services to meet the special needs of the elderly. Due to the imbalance in global population development, this economic phenomenon has significant regional characteristics worldwide. This study focuses on the consumption characteristics of the silver economy industry market, revealing the uniqueness of the consumption behavior of this group and market potential through in-depth analysis of the silver economy. In the market analysis section, we conducted a detailed study on the market size and growth trends of the silver economy in terms of consumption, services, and products, finding that it is showing a rapid development trend. Especially as the demand of the elderly for industries such as health, entertainment, and information technology is gradually increasing, this phenomenon reflects the diversification of the silver market in industrial structure. Through an in-depth analysis of the competitive situation of the main participants, we found that many companies in the market are enhancing their competitiveness by innovating services and personalized products. In-depth research on consumption characteristics reveals that the elderly are increasingly tending to rational choice and brand loyalty in consumption decisions, and the attention to quality and safety has significantly increased, forming a unique consumption psychology. This paper also discusses the impact of the policy environment on the silver economy, proposing systematic policy support suggestions, including strengthening community elderly care services and promoting the application of smart technology, to provide support for the sustainable development of the silver economy. It is expected to provide theoretical references and practical guidance for policymakers and industry practitioners in related fields.

**Keywords :** Silver economy ; Industry market ; Consumption characteristics

**Suggested citation :** Wu , W., Ying, S., & Wu, Y. (2025). Silver Economy Industry Market Consumption Characteristics Research. Journal of Modern Social Sciences, 2(1), 94–97. <https://doi.org/10.71113/jmss.v2i1.187>

## Introduction

In 1950, the global population was about 2.5 billion, and the number of people over 65 was about 130 million. As of the end of 2023, the global population has exceeded 8 billion, and the number of people over 65 is about 750 million, and the phenomenon of global population aging is becoming more and more obvious. Starting from the 1970s when Japan introduced "silver seats" reserved for the elderly, the concept of the silver economy gradually emerged. The silver economy is the sum of economic activities generated by providing products and services to meet the special needs of the elderly, which not only covers the consumption behavior of the elderly themselves but also includes products and services developed for the needs of the elderly. By discussing the characteristics of the silver economy and deeply understanding the consumption needs of the elderly group, it can help promote the growth and development of the social economy.

According to data from the United Nations, by 2050, the global elderly population is expected to reach 2 billion, accounting for more than 20% of the total population. Such a huge elderly consumer group contains a huge market value. Since the consumption psychology and behavior of the elderly are significantly different from other age groups, in the research process of the silver economy, attention should be paid to their special needs to stimulate the consumption potential of this group.

## Literature Review

In 1864, France became the first aging country, followed by Norway and Sweden, which also began to enter the aging stage. Western developed countries entered the aging stage earlier and have conducted in-depth research. Combining the research of multiple scholars, the silver economy can be defined through three key elements: first, the age characteristics of the target group, usually referring to the elderly group aged 65 and above; second, the related consumption fields, including medical care, daily consumption, leisure tourism, and life services, etc.; third, industrial market innovation, that is, the redesign of products, business models, and technical application scenarios around the needs of the elderly.

Laperche, B. (2018) believes that innovation in products and services for the elderly has promoted the development of the silver economy in France. Marcucci, G. (2021) analyzed and discussed the emerging trends of the silver economy through bibliometric methods. A. Klimczuk (2021) discussed the silver economy as a constructive response to aging public policy, emphasizing that the silver economy is not only about creating social welfare and private profits but also a public policy issue, which should be reflected in industrial policies that promote the development of the silver economy. Caridà, A. (2022) discussed how to transform the silver economy into gold through technology, emphasizing the power of technology in the silver economy, especially the application of service robots in the elderly care scenario. Cai, F. (2024) provided an industrial solution for the silver economy, which can fill three growth gaps on both the supply and demand sides. Cai, F. believes that the silver economy should play a leading role in the new

development concept, creating new growth forces for the economy by promoting the development of multiple industries.

At the same time, there are some other views in the academic community on the silver economy. For example, some studies point out that the definition of the silver economy should more broadly consider the interaction between the elderly and other social groups, emphasizing the cross-generational economic relationship, and should not be limited to the one-way consumption behavior of the elderly, but should pay attention to their active participation in social and economic activities. The elderly should not only be passive recipients of services but also participants in social and economic activities and even promoters of industrial innovation.

## Methodology

### *Literature Research Method*

Through the literature research method, understand the development process of the bank economy, the current market size. Moreover, analyze the market structure of the silver economy, discuss the basic situation of supply and demand in various sub-markets, as well as existing problems, and propose suggestions.

### *Comparative Analysis Method*

By comparing and analyzing the social environment of the silver economy industry in various countries, including the macroeconomic environment and the characteristics of population aging, analyze the development situation of the silver economy.

## Discussion and Analysis

### *The market size and growth rate of the silver economy are steadily increasing*

The silver economy, as an important research hotspot in the fields of finance and socio-economics, is rapidly developing globally and has become an important consideration for policy formulation and market layout in various countries. When analyzing the development situation of the silver economy, it is necessary to focus on the market size, growth rate, and trends, especially the differences in different countries and regions. The analysis of the market size of the silver economy industry not only needs to count the current market valuation but also should make reasonable predictions based on dynamic forecasting models.

According to the "2024 World Population Prospects" report released by the United Nations, the number of people aged 65 and above worldwide is expected to reach 1.6 billion by 2050, almost doubling compared to 761 million in 2021. The proportion of people aged 65 and above worldwide is expected to increase from 10% in 2023 to 16.5% in 2050, and this proportion will reach 24% by 2100, meaning that the competitive market demand will increase.

According to the report by Factview Research, the global silver economy market size was valued at about 5.5 trillion US dollars in 2023 and is expected to reach 8.5 trillion US dollars by 2032, with a compound annual growth rate (CAGR) of 5.0%.

The growth of the silver economy is not evenly distributed. In some countries, such as Japan and Germany, the proportion of the elderly population is as high as 30% and 23%, respectively, and the growth rate of the silver economy significantly exceeds the young population market. This phenomenon is particularly prominent in Japan, where the market for elderly products and services is expected to grow at a rate as high as 10% in the next five years.

### *Based on Maslow's Hierarchy of Needs, the consumption needs of the elderly can be divided into five levels*

The Maslow's Hierarchy of Needs, proposed by psychologist Abraham Maslow, categorizes human needs into five levels: physiological needs, safety needs, social needs, esteem needs, and self-actualization needs. The fulfillment of lower-level needs is a prerequisite for pursuing higher-level needs.

Based on Maslow's theory, the needs of the elderly can be divided into five levels:

First, the elderly have the most basic physiological needs for food, water, sleep, and cleanliness, which can be met through services such as meal delivery and housekeeping.

Second, they also focus on health security, physical safety, and financial stability, which are their safety needs.

Third, they desire to establish connections and a sense of belonging, which can be satisfied by providing services like senior communities, travel, and cultural entertainment.

Fourth, they seek respect and recognition from society, which can be achieved through the development of senior education, training, and volunteer services, allowing the elderly to contribute and gain a sense of value and achievement.

Fifth, some elderly individuals, after meeting their basic needs, will pursue self-actualization, which can be supported by encouraging senior entrepreneurship and providing platforms for artistic creation, enabling them to continue pursuing personal interests and development.

These five levels of needs for the elderly form the foundation of the silver economy's industrial structure and are key to its development.

### *The industrial structure of the silver economy shows a trend of diversification*

The structure of the silver economy industry is complex, involving products and services including life services, medical care, daily consumption, pension finance, leisure tourism, and high-tech products. These fields are not only important pillars of the silver economy but also reflect the increasing diversification of elderly consumer needs.

#### *Life Service Industry*

With the gradual improvement of the quality of life requirements for the elderly, the life service industry for the elderly has also gradually developed. For example, services specifically for the elderly, such as health cleaning, home appliance cleaning, assistance in buying medicine, supermarket shopping, bathing and hairdressing, daytime care, and meal delivery, have gradually become emerging industries with expanding market size. For example, some platforms specifically provide internet-selected home services for elderly users, and their rapid rise indicates the importance of life services in meeting the mobility and daily life needs of the elderly.

#### *Medical Care Industry*

The medical care industry is one of the most important components of the silver economy, accounting for a significant proportion of the total consumption of the elderly group, especially the demand for products related to the "Longevity Industry" and "Health Management" shows a significant growth trend. In addition, with the popularization of smart health devices and the development of remote medical services, it meets the urgent needs of the elderly group for disease prevention and health management.

#### *Daily Consumption Industry*

The consumption concept of the silver generation is gradually changing, from "keeping the money bag" to "spending money to buy comfort and satisfaction," paying more attention to the quality of products and services, and focusing on brands.

#### *Pension Finance Industry*

According to the special needs of the elderly, the financial industry services are reconstructed. For example, elderly trust funds provide full-life cycle pension planning services for customers through cross-period management and asset isolation advantages. Steady financial products meet the needs of the elderly for fund safety and stable returns, such as pension insurance and pension savings. Real estate pension finance provides property insurance and other value-added services through the "house for pension" model, converting real estate into pension funds. Pension fund custody services provide one-stop services such as account management and investment transactions for the elderly, ensuring fund safety and convenient use.

### ***Elderly Leisure Tourism Industry***

The elderly leisure tourism market is developing rapidly, showing a diversified consumption trend. The elderly pay more attention to the quality, comfort, safety, and health preservation of tourism, preferring natural landscapes and historical and cultural landscapes, and have high requirements for safety and service quality during tourism. The market has seen the emergence of various products such as health tourism, cultural tourism, and leisure vacation, integrating health, culture, and social elements.

### ***High-tech Products for the Elderly***

With the development of technology, more and more high-tech products are applied to assist the elderly. For example, wearable devices and smart home systems can monitor the physiological data of the elderly in real-time, such as heart rate and blood pressure, and timely warn of health risks. Through the Internet of Things technology, the elderly can remotely control lights, air conditioners, TVs, etc., at home, enhancing the convenience of life. Smart security systems, including smart cameras and door and window sensors, ensure the safety of the elderly's homes.

### ***The competitive situation of the silver economy industry shows heterogeneity***

When discussing the competitive situation of the silver economy industry market, it is necessary to systematically analyze the number of market participants, market share, and competitive strategies. The number of market participants in the silver economy shows a diversified trend, including various entities from innovative startups to traditional large enterprises. This diversity brings rich vitality to market competition, and at the same time, it also leads to a significant heterogeneity in the competitive strategies among different companies.

The distribution of market share is worth paying attention to. According to the latest statistical data, the main participants in the silver economy, including e-commerce platforms targeting elderly consumption, health management service providers, and financial technology companies, have become a major feature of the current competition with an unbalanced market share. By conducting in-depth research on the consumption habits and preferences of the elderly population, companies can quickly adjust their product strategies to gain an advantageous position in the growing silver market.

The diversification of competitive strategies shows that different companies have different grasps of market opportunities. In terms of development strategies, many participants have chosen a differentiated competitive path to meet the changing needs of elderly consumers. For example, companies focused on smart home products enhance user experience and loyalty by providing user-friendly devices and 24-hour online customer support. In contrast, some companies use a cost leadership strategy to expand market coverage by reducing the prices of products and services, although this strategy may affect product profitability.

### ***The consumption characteristics of the silver economy show unique psychological characteristics***

Analyzing from the consumer's perspective, the consumption characteristics of the silver economy show unique psychological needs and behavioral habits. Using the "Consumer Behavior Analysis Model" to deeply understand the consumption characteristics of elderly consumers when choosing products and services for analysis. The consumption psychology of the elderly group varies significantly due to different life experiences, physical conditions, and socio-cultural backgrounds.

Compared with the young consumer group, the silver generation generally pays more attention to the practicality and safety of products. For example, when choosing health care products, they are more inclined to choose products that have been clinically verified rather than novel consumer goods on the market. This phenomenon is partly due to the elderly's emphasis on health and also reflects their high attention to brand reputation.

In terms of behavioral habits, the consumption pattern of the silver generation shows a more cautious and planned side. They usually take a longer time to compare products and collect information, such as comparing the evaluation and price of different products on online platforms. This behavior is not only related to the elderly group's pursuit of cost-effectiveness but also shows their gradually developing digital literacy in the digital environment. It is worth noting that in recent years, with the popularization of smartphones, the proportion of elderly consumers shopping online has significantly increased, even reaching more than 40%, indicating that they are good at using new technologies in the consumption process.

### ***Suggestions***

#### ***It is necessary to provide corresponding policy support for the silver economy industry***

In recent years, as the "silver economy" has increasingly become an important driving force for economic development, governments of various countries have introduced a series of policies to support the rapid development of this industry. From the supply side, the government has set up special funds and provided tax incentives to encourage enterprises to innovate and invest in the "silver economy" field. For example, China's "Silver Industry Development Special Fund" aims to promote the research and application of products, services, and technologies oriented to the needs of the elderly and has gradually become an important financing source for related enterprises. At the same time, in terms of improving the technical capabilities of market entities, the government guides vocational training and the training of elderly service personnel in the industry through policy orientation, thereby improving the professional quality and service level of practitioners.

#### ***Increase the coordination and specificity of silver economy policies***

Elderly care issues are typically handled by civil affairs departments, but innovations in the elderly financial industry also involve financial regulatory authorities. It is crucial for government departments to establish a multi-departmental collaboration mechanism to ensure that policies are effectively coordinated during implementation. For example, policies for the silver economy need to be jointly formulated and executed by at least the civil affairs department, the health and wellness department, and the financial regulatory department.

Furthermore, it is important that special funds are directed towards key industries in the silver economy. A list of key industries and technologies in the development of the silver

economy should be identified and supported with special funds, ensuring that the funds are truly used for key technologies such as smart elderly care and rehabilitation assistive devices.

### ***Increase innovation and service improvement in silver economy products***

In today's society, the rise of the silver economy is not only a reflection of demographic changes but also brings new market opportunities. Currently, the industrial structure of the silver economy is becoming more diversified, and the competitive landscape is increasingly heterogeneous. Only by focusing on the five major needs of the elderly and continuously innovating products and improving services can we seize market opportunities.

For the home service industry, can services like in-home haircuts and bathing assistance be booked with a single click through a smart platform? In the medical insurance industry, can each elderly person have a dedicated health manager who provides 24-hour remote medical consultation services? For the daily consumer industry, can a convenient shopping channel that integrates online and offline be provided for the elderly? In the elderly financial industry, can a dedicated financial manager be assigned to each elderly person to develop customized retirement products and ensure the safety of their financial assets?

### **Conclusion**

The silver economy is not merely a one-way consumption behavior by the elderly; it is a complex and interactive economic system and an important part of complete social activities. It encompasses all stages from production, distribution, and circulation to consumption, involving various sectors such as catering, healthcare, elderly care, finance, and tourism. The development of the silver economy not only meets the diverse needs of the elderly but also creates new job opportunities and economic growth points for society. Moreover, it promotes the optimal allocation of social resources and drives the upgrading of industrial structures. With policy support and market innovation, the silver economy is becoming an important engine for promoting high-quality social and economic development. Ensuring that every elderly person is well cared for, secure, and happy is essential for achieving a harmonious, stable, and fulfilling society.

### **Acknowledgments**

The authors thank the editor and anonymous reviewers for their helpful comments and valuable suggestions.

### **Funding**

Not applicable.

### **Institutional Review Board Statement**

Not applicable.

### **Informed Consent Statement**

Not applicable.

### **Data Availability Statement**

The original contributions presented in the study are included in the article/supplementary material, further inquiries can be directed to the corresponding author.

### **Conflict of interest**

The authors declare that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

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Not applicable.

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