Results of studies from various fields suggest gaps in knowledge and needed research to help understand the factors that explain degrees of vulnerability among the aged to marketing communications. Suggesting the employment of more global measures of consumer vulnerability in relation to consumer welfare, a blueprint that encompasses emergent theories and methods of studying behavior in social science is presented to guide future research on older consumers’ vulnerability. Insights gained from new conceptualizations and methodologies relevant to the study of older consumers’ vulnerability may better inform public policy initiatives.

In 2009, 39.6 million Americans were aged 65 years or older. By the year 2030, it is estimated that there will be 72.1 million older (65+) Americans, representing almost 19% of the US population (U.S. Administration on Aging 2010). Business opportunities serving the needs of this growing segment show promise (Court, Farrell, and Forsyth 2007) and raise public policy concerns. Some business practices have adverse effects upon consumers’ welfare by “bilking them out of hundreds of millions of dollars per year” (FTC 2010). These business interests and government concerns have been increasingly creating need for information useful in corporate strategy and public policy. Thus developing useful information about the older population is important to both private and public interests, both economically and socially (Vincent and Velkoff 2010).

This article addresses the issue of older consumers’ vulnerability to various forms of marketing communication. From a public policy perspective, “vulnerability” implies a tendency to act based on an inaccurate perception of information that may have been provided with the intent to deceive, when action based on such information can have
harmful effects on the person’s well-being (e.g., Iowa Attorney General 2000). Public policymakers are particularly interested in understanding the intended and unintended consequences various forms and strategies of marketing communications aimed at older consumers may have, as many such communications are believed to have adverse effects on older consumers’ welfare. Such concerns can be seen in the actions taken by several states against companies such as Publishers Clearing House (PCH) that allegedly have targeted the elderly (Press Release 2001). For example, Iowa’s Attorney General requires PCH to implement a program to identify elderly consumers at the point where their spending is just beginning to be excessive—when an Iowan aged 65 or over has spent $500 or more in a calendar quarter for PCH products (Iowa Attorney General 2007). Although consumer activists allege that various forms of marketing communications are aimed at misleading older consumers who are disadvantaged due to mental deficits associated with aging in late life, advocates of marketing practices argue that such allegations are invalid due to absence of scientific evidence (e.g., Iowa Attorney General 2000; State of Wisconsin v. Publishers Clearing House 2000). However, current knowledge on older adults’ consumer behavior is rather limited (e.g., Moschis 2003), and little progress has been made in generating information relevant to addressing issues of interest to policymakers.

To help generate knowledge, first, this article presents evidence from various disciplines to assess the prevalence of vulnerability among the older population. Second, it identifies gaps in our knowledge and reasons for our limited understanding of the factors that explain degrees of vulnerability among the aged. Finally, the article presents a blueprint that encompasses emergent theories and methods of studying behavior in social science that can be used to guide future research on consumer vulnerability in later life.

BACKGROUND

Consumer Vulnerability

Vulnerability can be defined at both cognitive and behavioral levels of consumer response. When vulnerability is conceptualized at the cognitive level, researchers use various forms of cognitive response, such as the degree consumers deviate from optimal decision making, ability to filter puffery in promotional claims, limited information processing (e.g., noncompensatory information processing) and use of ineffective decision rules (e.g., heuristics) (e.g., Baker, Gentry, and Rittenburg 2005; Smith and Moschis 1985; Yoon, Cole, and Lee 2009). In contrast, when
vulnerability is conceptualized at the behavioral level, the focus is on consequences of cognitive responses. Such consequences are usually inferred either from favorable responses to fraudulent activities or actions taken as a result of dissatisfaction with products or services received (e.g., complaints to the seller and authorities, negative word-of-mouth communications) (e.g., Moschis 1992; Waddell 1975).

Evidence of Vulnerability in Older Adults

Researchers generally disagree on whether older consumers are vulnerable or more vulnerable than younger consumers, in part because they disagree on the criteria that should be used for assessing vulnerability (e.g., Healy and Hasher 2009; Salthouse 2010; Sternthal and Bonezzi 2009; Yoon, Cole, and Lee 2009). Assessment of older consumer vulnerability is based on two main types of sources: theory based and empirical. In the first category, the relevant information is based on theories of aging and factors that may explain age-related differences in vulnerability. The second category includes statistics from government records and surveys.

Theoretical

Although chronological age has value in classifying consumers and defining eligibility (e.g., Social Security, senior discounts), it has practically no significance as an explanatory variable (Rutter 1996). Rather, explanations for behavior are usually sought in three widely accepted forms of aging, with theories from various disciplines offering explanations for age-related differences in thoughts and actions over the course of the person’s life (e.g., Birren and Bengtson 1999). Because aging and age-related behaviors are of multidimensional nature, explanations for vulnerability run parallel to those derived from several disciplines where theories abound. Aging can be viewed as a biological phenomenon involving maturation and decline in various functions of the body. Empirical studies that report age differences in vulnerability in later life attribute such differences to declines in performance of bodily systems. For example, the older person’s increasing difficulty in functioning efficiently in the marketplace with age is assumed to be the result of biological changes (e.g., Gregoire 2003; Moschis 1992; Schewe 1988). Declining performance of bodily systems (e.g., visual) and the onset of physical impairments (e.g., Alzheimer’s) can result in greater vulnerability among older adults due to decreased ability to accurately or fully perceive commercial stimuli such as acquiring product information (e.g., Moschis 1992). One example is the older consumer’s difficulty
in reading the warning label information on his prescription medication due to the small font. Legally, the pharmacist or pharmaceutical company could claim they provided the necessary information, but the manner in which it was presented is not perceived by the intended recipient, thus not comprehended and acknowledged. Although the firm and service provider acted under mandated or good intent, the intended effect of protecting the consumer is not achieved.

Aging can also be viewed as a psychological development and decline (process). Studies that view aging and age-related consumer responses the result of psychological aging rely primarily on the cognitive paradigm that focuses on decision-making skills. According to this paradigm, the aging person’s mental resources decline in later life and lead to suboptimal decisions—hence increasing one’s vulnerability (for a review, see Yoon, Cole, and Lee 2009). Specifically, due to declines in processing capacity, older consumers may experience greater effort in processing product information as compared to younger consumers. In response to this higher effort condition, older consumers may resort to using heuristic styles of information processing more frequently, thus not attending to key detailed information (e.g., exclusions, exceptions, terms and conditions of the offer) which may then result in poor decision-making outcomes.

Finally, aging can be viewed in a social context. Social aging involves the assignment of people to positions and roles by society based on ideas about what people at various ages or life stages are capable of and about what is appropriate for them. A number of theories of social aging are found in the interdisciplinary “discipline” of gerontology (for a review, see Moschis 1992, 2000). Some of these theories suggest older adults’ greater vulnerability with increasing age is the result of greater social isolation (e.g., society expects older people to retreat to retirement as suggested by disengagement theory), or due to formations of self-perceptions as less competent decision makers (as suggested by social breakdown theory). For example, social isolation may enhance vulnerability through the associated lack of awareness of various scams that may be topics of discussion among trusted noncommercial sources of information such as friends, co-workers and family members (e.g., Moschis 1992; Phillips and Sternthal 1977). In the context of social breakdown theory (Kuyper and Bengston 1973), society’s labeling of older persons as less competent is likely to yield uncertainty and low self-esteem, increasing the likelihood older persons may rely on a commercial source that conveys the confidence and certainty they think they are lacking.
Although explanations for the older person’s vulnerability based on theories of aging are diverse, our present knowledge derived from these sources is rather thin. When evidence is presented based on theories, it is generally assumed that people become increasingly vulnerable to marketing communications with age in later life. However, aging theories have been severely criticized on several grounds and, therefore, theory-based explanations offer limited insights into the older person’s vulnerability. For example, theories proposed to explain behavior in later life either have not been formulated in sufficient detail to be considered as theories or they do not meet the criteria of a theory (e.g., see Moschis 2000; Salthouse 1991, 2010). They all claim to explain changes in consumer responses from observed age differences, even when such age differences are acknowledged to include cohort and period effects (e.g., Yoon, Cole, and Lee 2009). Furthermore, these theories use either age as a surrogate measure of changes, which has little explanatory power (e.g., Rutter 1996), or psychometric measures that have little relevance in assessing competencies in older adults (e.g., Moschis 2000; Salthouse 2010; Schaie 1987). Most of these theories have been largely discredited and alternative explanations of their findings have been offered in both theory and method (Moschis 2000; Schwarz 2003; Williams and Drolet 2005; Willis and Schaie 1986, 1988).

**Empirical**

Empirical evidence on older consumers’ vulnerability is based on two main sources: government records and consumer surveys. Much of the data used to compute statistics on older adults’ susceptibility to deceptive business practices are based on consumer complaints compiled by government. Although accurate ranking and tabulation of consumer problems among the aged are difficult, frequently reported complaints in some areas might create areas of concern. Unfortunately, such data cannot be used as accurate evidence of the elderly’s susceptibility, compared with younger adults, because these studies do not compare frequency of complaints between younger and older adults (Moschis 1992) or account for frequency of product or service purchase and use. A higher incidence of product or service purchase is likely to create circumstances for complaining behavior. For example, the majority of complaints about health care come from those 65 and older, but this should not come as a surprise as this group is three times as likely to use health care services as their younger counterparts (Minkler 1989). Another drawback of using consumer complaints as evidence of vulnerability is that the
most vulnerable individuals are also those most likely to be unaware of abusive practices; they may not detect fraudulent business practices, unless brought to their attention by others or experience dissatisfaction with the product or service provided.

Another set of evidence on older consumers’ vulnerability has been presented by government agencies that compile information on fraudulent business activities. For instance, when the FTC seized contact lists from fraudulent telemarketers, 56% of the contacts were comprised of consumers who were 50 years or older. These “mooch lists” of consumers considered particularly vulnerable to the scams, typically over-indexed with older consumers (FTC 2003). Similarly, when the FTC brought charges against telemarketing companies that solicited charitable contributions in return for a prize, 85% of the victims were 65 or older (Pitofsky 1997). According to other estimates by AARP (1997), more than half of telemarketing fraud victims are over the age of 50. Although such relatively high percentages create concerns, they do not conclusively show vulnerability among older adults. As a result of widely held stereotypes of elderly as frail and vulnerable (e.g., Moschis 1992, 2003; Waddell 1975), telemarketers may have been focusing exclusively on the elderly.

In contrast, when vulnerability is assessed using consumer surveys, one finds little self-reported evidence of vulnerability to business practices in general, as well as to specific forms of marketing communications. Specifically, surveys show that older adults are less vulnerable to business practices than younger adults. For example, when an AARP (1990) survey asked respondents to indicate how often they feel misled as consumers, older adults indicated they felt misled less frequently than their younger counterparts. This age difference was present even among those respondents who believe that businesses try to mislead consumers. A more recent survey by the FTC (2004) also found that seniors (age 65 and older) face the lowest risk of being a victim to fraud. Similarly, when consumers in an AARP (1993) study were asked if they had experienced various types of consumer deception described to them, older people reported fewer instances of victimization.

Another set of findings on older adults’ vulnerability to marketing communications comes from surveys that focus on specific forms of marketing communications. The AARP has commissioned a number of studies to examine the older consumers’ vulnerability to various forms of direct marketing strategies, such as telemarketing, direct mail and door-to-door. With respect to telemarketing, these studies generally concluded that although the frequency of receiving sales calls was high among older
adults, the frequency of purchasing a product or service as a result of these calls was low. Among those receiving telephone sales calls, only 8% purchased a product or service. The older the consumer, the less likely he or she was to report buying a product from the telemarketer (AARP 1997, 1999). Marketing attempts involving direct mail and door-to-door contacts were also found to be less effective with older consumers. Older people were less likely than younger people to read their junk mail. Seventeen percent of people age 65 and older reported “never” reading direct mail promotional pieces, whereas only 5% of younger people never read this type of mail. Even among consumers who responded to direct mail solicitations, older consumers were those less likely to respond (AARP 1993).

Finally, older consumer vulnerability concerns have been raised with respect to sales promotion practices such as sweepstakes, contests and other types of sales promotions. One study found that older consumers are either “equally as likely” or “less likely” than younger consumers respond to such sales promotions (Smith and Moschis 1985). With respect to their response to sweepstakes, a study by Donnelly Marketing found that these promotional tools were totally ineffectual in getting older people to buy a product (Balkite 1988). A similar conclusion was reached from the AARP (1993) data. Even among those who respond to sweepstakes offered by mail or over the phone, the study found only 11% did what was requested in order to collect their prize, with the older (65 and over) and younger consumers responding the same way.

To summarize, when the bases used for assessing vulnerability to marketing communications is based on various theoretical assumptions, one finds less than satisfactory explanations for age-related differences in vulnerability. Similarly, although government statistics show a high incidence of vulnerability to marketing communications in the older population, consumer surveys suggest that older consumers are as vulnerable as younger consumers, if not less vulnerable.

NEED FOR NEW RESEARCH DIRECTIONS

The evidence on older consumers’ vulnerability presented in the previous section is far from conclusive and suggests gaps in our knowledge and approaches that would be needed to answer questions in this area. We suggest several research areas where attention is needed: (1) re-conceptualization of “vulnerability,” (2) theory development, (3) the role of earlier-in-life experiences, (4) contextual and sociocultural effects and (5) use of effective research methods.
Re-Conceptualizing “Vulnerability”

Results to date suggest that we may not be conceptualizing or examining consumer vulnerability in the most useful way to inform public policy. Although one form of vulnerability has been viewed as the result of one’s decline in cognitive processes and ability to make sound decisions due to aging, such an assumption may not be valid for several reasons. First, despite the plethora of research devoted to information processing and decision making, equivocal conclusions can be reached on the basis of the available findings. Despite moderate agreement about the nature of cognitive declines, debates ensue among researchers as to whether these findings can be interpreted as “deficits” (Salthouse 1991, 2010), a lack of interest in making optimal decisions (Sternthal and Bonezzi 2009), or due to measurement artifacts (e.g., Baltes, Dittman-Kohl, and Dixon 1986; Willis and Schaie 1988) (for a review of these and other issues, see Moschis 2000). For example, Baltes, Dittman-Kohl, and Dixon (1986) present evidence which suggests that biological-based declines in later life are most notable in measures of optimal or maximum performance, while Schaie (1987) has raised the issue of appropriateness of traditional psychometric tests (which focus on cognitive processes) in studying “everyday competence” in adults and the elderly. In a similar vein, Healey and Hasher (2009) suggest that decisions at optimal levels may not be necessary for effective functioning and may not necessarily enhance the older person’s well-being.

Second, the observed age differences in deficits may not be due to limitations or the inability to allocate one’s resources. Rather, perceived deficits in decision-making quality may reflect differences in achieved or desired life goals rather than concern with details of day-to-day activities. Such deficits may also reflect the elderly’s self-regulation and desire for higher-level construals that offer less effortful means of rendering judgments than is required by lower-level construals (Sternthal and Bonezzi 2009). Third, even if one assumes the presence of deficits in older adults, there is overwhelming evidence to suggest that, with age, people tend to compensate for the declining ability to process information by using experience in abstracting the stimulus input (e.g., Salthouse 1991, 2010).

Finally, and perhaps most importantly, even if there are cognitive deficits that interfere with effective decision making (i.e., vulnerability at the cognitive level), such deficits may have a little or no impact on the person’s quality of life (i.e., when vulnerability is assessed at the behavioral level). Salthouse (2010) makes a compelling argument that
cognitive declines have virtually no consequences on the person’s day-to-day living. Salthouse’s observations appear to apply to the consumer field when consequences of presumed vulnerability of older adults are assessed at the behavioral level. For example, despite the higher frequency of receiving sales calls from telemarketers among older adults, compared with younger adults, the frequency of purchasing a product or service as a result of these calls was lower in the older age groups (AARP 1997, 1999).

To summarize, the criteria presently used to assess vulnerability leave much to be desired. There appear to be issues of validity and practical usefulness of relying on cognitive responses as bases for presence (or absence) of vulnerability, and such bases are far from adequate in capturing the landscape of other cognitive, emotional and behavioral responses that ultimately can affect the aging person’s efficient functioning in the marketplace and welfare in general. Therefore, it is suggested that vulnerability be re-conceptualized broadly to include a diversity of factors, beyond those that indicate cognitive deficits, including compensatory skills at the cognitive and behavioral levels. Vulnerability should be assessed not only on the basis of optimum or effective decision making (efficient use and processing of information) but also on the basis of the consequences of one’s decisions on his/her goals and priorities in life and ultimately on the person’s quality of life. Examples of more encompassing conceptualizations of vulnerability can be found in various disciplines. According to stress researchers, for instance, “vulnerability reflects the inability to forestall or assuage the stressful implications of life circumstances” (Kaplan 1996, p. 10). Similarly, developmental researchers suggest the concept of adaptivity or behavioral plasticity, such as the quality of one’s memory and cognition and the quality of one’s ability to cope with stressful events, as a measure of potential and preparedness for dealing with a variety of demands (Baltes and Baltes 1990). Thus, if one were to alter or expand the conceptualization of consumer vulnerability, different theoretical and methodological approaches to examine the phenomena may prove to be insightful.

Theory Development

The information presented suggests that theory development to explain differences in consumer vulnerability would need to provide explanations of consumer response beyond those suggested by the resource-deficit model. The resource-deficit model has been criticized and challenged in
light of evidence that shows that declines in resources are not inevitable or they may not even occur at all; and, in case certain declines occur, there is a need for a theory that explains which specific cognitive abilities change, the conditions under which they occur, and how (change mechanisms) (e.g., Healey and Hasher 2009; Salthouse 1991; Sternthal and Bonezzi 2009). Even if we accept the premise that cognitive abilities change with advancing age, we are confronted with the question of individual differences in rates of declines and their effects on the various criteria used to assess vulnerability.

Furthermore, theory development should explain vulnerability in time and context. The available data do not conclusively suggest that age differences reflect changes in mental states (limited resources) or physical changes (in sensory and motor performance systems) because the underlying mechanism(s) responsible for these changes is not well understood. Implicit in the assumption that older consumers are more vulnerable than their younger counterparts is the notion that older consumers were less vulnerable in earlier life. Thus, a developmental theory should not only address the changes in susceptibility that occur from one life stage to another, but it also should specify the mechanisms (processes) involved, and why (reasons for changes) (Salthouse 1991).

Finally, context is relevant in theory development. In general, the role of emotions in consumer behavior has been ignored in part due to the dominance of the cognitive paradigm as a framework for research (Natarajaian and Bagozzi 1999). Yet, emotions are present when buying and consuming products and services (Holbrook and Hirschman 1982; Richins 1997; Shiv and Fedorikhin 1999; see Erevelles 1998 for a review). In the context of vulnerability, emotions can deter effective decision making and other criteria used to assess vulnerability (e.g., Gentry, Baker, and Kraft 1994; Williams and Drolet 2005). The effects of emotions on vulnerability can be situation specific or short term, as in the case of stress induced by a specific product decision (e.g., Luce 1998), or long-lasting due to persistent demands of situations in which a person is embedded that tax the person’s adaptive resources (Gierveld and Dykstra 1993).

The Role of Earlier-in-Life Experiences

Available evidence also suggests that older consumers’ vulnerability can be influenced by earlier-in-life experiences unique to each person (as opposed to experiences common to large collectivities of people, such as “cohort” and “period” discussed next). Recent reviews of studies
in cognitive psychology and consumer behavior are rather conclusive regarding the effects of previous experiences on the person’s competencies and possible vulnerability to undesirable marketing communications (e.g., Salthouse 2010; Yoon, Cole, and Lee 2009). These reviews indicate that in certain decision situations or contexts older consumers can draw on a lifetime of experience with consumption decisions to compensate for inferred declines in cognitive resources, suggesting previous experiences are relevant dimensions of theory and analysis.

Regardless of the conceptualization of vulnerability, during our life course we are exposed to different types of events and circumstances that have a significant effect on our human capital and ways of life (e.g., Frytak, Hartley, and Finch 2003). Crosnoe and Elder (2002) note that although some people experience a decline in physical and mental capabilities during later years, others thrive and adapt. Their research shows a wide interindividual variability in physical and mental capabilities, with such capabilities that are essential for well-being in later life linked to earlier-in-life experiences. This research also raises the issue regarding the type(s) of early-in-life experiences that contribute to increased life satisfaction in later years, especially those physical and mental capabilities that relate to consumer choices. Thus, theory should incorporate early-in-life experiences, especially those that are growth enhancing as a result of enactment of roles (e.g., Elder, George, and Shanahan 1996).

**Contextual and Sociocultural Effects**

When researchers examine age-group differences in responses, they usually acknowledge the confounding effects of other contextual and sociocultural factors that may account for their results. These factors are assumed to be experienced collectively by the different age groups and tend to affect responses (e.g., Salthouse 2010). Two of the widely known contextual and sociocultural factors are known as “period” and “cohort” effects. The first kind refers to factors in the physical or social environment experienced for a relatively long time, such as long periods of economic prosperity, whereas “cohort effects” refer to influences shared by people growing up in a particular time period that persist as the individual ages, such as the effects of the Great Depression years. Studies show that such sociocultural and environmental factors have a significant impact on responses to tests and other types of behaviors (Salthouse 2010). These effects have never been addressed in the context of older consumer’s vulnerability; rather, they are often offered either
as speculations or as caveats in interpreting age-related differences in consumer responses (e.g., Cole and Gaeth 1990; Yoon, Cole, and Lee 2009).

Addressing Methodological Limitations

A major reason for the equivocal findings on older consumers’ vulnerability can be attributed to limitations inherent in the various methods used. Studies may yield different findings according to the type of method used. Cross-sectional studies appear the least desirable, as they tend to either estimate population parameters (without full knowledge of nonsampling error) or attempt to explain the observed differences in age groups (without full knowledge of factors that may account for these differences). Experimentation is often used, as this research design provides greater control over factors that can contaminate results, but even this method is not free of biases (e.g., Salthouse 2010) when age-group analyses or comparisons are made. For example, although experimental studies in consumer behavior show age-related deficits in cognitive functioning (e.g., Cole and Gaeth 1990; Gaeth and Heath 1987), longitudinal studies suggest that these differences in cognition may be due to cultural factors (e.g., Willis and Schaie 1988). This is because even in experimental studies the effects of aging cannot be easily separated from those of cohort and period (Salthouse 2010).

Longitudinal designs, which consist of repeated measures on individuals and relatively fixed intervals, appear desirable over surveys and, in certain instances, over experiments. However, even longitudinal studies have limitations. As Campbell and O’Rand (1988) indicate, longitudinal survey samples do not share a common baseline, and they tend to be heterogeneous with respect to the length of time they have been at a given state (e.g., use of a brand or product, health impairment). “Events that occur between waves of measurement vary across subjects, and are not under the investigator’s control, and do not occur either in a fixed order or at the same time” (p. 73). Finally, certain factors that could affect vulnerability cannot be easily studied using traditional scientific approaches, as in the case the effects of stressful life event (e.g., loss of a loved one) on the quality of decisions. Thus, humanistic approaches would be appropriate in certain situations. Although the appropriateness and merit of a particular method appears to depend on the research question at hand, some recently developed methods (to be discussed in the next section) appear to have an advantage over those traditionally used.
To summarize the needed research to advance the area of older consumers’ vulnerability, first, the concept needs to be defined broadly to include variables beyond those that define optimum or effective decision making. Second, theory development should focus on explaining changes from one stage or state to the next (from being less vulnerable to being more vulnerable). Third, vulnerability should be studied in time by considering earlier-in-life experiences on the person’s responses at the time of study. Fourth, vulnerability should be studied in context by considering the social and other environmental circumstances in which an older person is embedded. Finally, methods of data analysis should be capable of overcoming major limitations inherent in the traditional designs that produce age-related differences that are confounded with the cohort and period effects. The section that follows shows how emergent research approaches and methods developed in social sciences can be used to satisfy most of these research needs. These approaches and methods are discussed within the broader multitheoretical framework of life course, because this framework encompasses these developments.

A NEW PARADIGM FOR STUDYING OLDER CONSUMERS’ VULNERABILITY

During the past few decades, several approaches to the study of behavior at any stage of life have been developed and diffused across an increasing number of disciplines. These approaches have three distinct characteristics in common (Elder, Johnson, and Crosnoe 2003; Mortimer and Shanahan 2003). First, they acknowledge the contributions of theories and perspectives in various disciplines, and try to integrate them into multitheoretical models. Second, there has been a trend toward using the interpretive science perspective. Third, there has been a turn away from theories of understanding age-related differences (e.g., role theory for understanding retirement) to more general concerns about processes and patterns of aging over time and place. The object of research has gradually shifted from studying people at different stages in life (e.g., studying the “aged”) to studying “aging” across the entire life span. Thus, various phenomena are studied in time and context, and the methodological agenda has turned to more dynamic, historical analysis strategies with new data requirements (Campbell and O’Rand 1988). This shift has resulted in the emergence of a new paradigm from the various disciplines for the study of aging in the form of life course analysis (e.g. Elder 1997; Giele and Elder 1998; Mortimer and Shanahan 2003).
The study of individuals over the course of their lives has employed growth models, life-span models and life course models (Pulkkinen and Caspi 2002). Each of them makes different assumptions as to how people change over the course of their lives. However, the life course paradigm is broad enough and incorporates growth and stage models as well as life-span models (Elder and Johnson 2002). Stage and life-span models specify the temporal order of life stages, whereas life course models tend to emphasize social-role demands at different ages and the importance of early life-stage transitions and experiences for understanding behavior in later life.

The life course approach views behavior at any stage in life or given point in time to be affected by responses to earlier life conditions and the way the individual or other units have adapted to these circumstances (e.g., Mayer and Tuma 1990). Studies within this paradigm are typically organized around issues of stability and change. Such research either identifies factors early in the life course that provide continuity in behavior over time or highlights the individual’s changing circumstances, such as events that act as turning points in the life course (McMillan, Morris, and Kruttschnitt 2004). Life conditions and behaviors at a given stage in life are viewed as outcomes of (1) biological and psychological changes during an individual’s life and (2) social demands across the life course that are defined by typical life events and social roles. These events serve as turning points in the person’s life (Pulkkinen and Caspi 2002).

The life course paradigm suggests that life-event experiences create physical, social and emotional demands and circumstances to which one must adapt. This adaptation entails the processes of socialization, stress, and coping, development and growth or decline. These processes are the underlying change mechanisms of the three most widely accepted life-course perspectives: normative (socialization), stress and human capital, respectively (Moschis 2007a). Furthermore, the processes that link specific events and circumstances experienced in earlier life to behavioral and attitudinal responses at a given stage in life are viewed as complementary rather than competing (Sherrod and Brim 1986). Within the life course framework, researchers focus on the processes (causal mechanisms of the three life course perspectives [normative, stress, and human capital]) that link the specific life events to outcomes such as consumption activities. They also recognize the importance of contextual or structural variables in affecting the processes that shape mental and behavioral outcomes (e.g., Elder 1998; Moschis 2007a). In the section that follows, we show how each of these perspectives could contribute to the study of older consumers’ vulnerability.
Theoretical Perspectives

**Normative**

The *normative perspective* assumes that certain life events such as marriage, divorce and retirement serve as markers of transition into important life roles (e.g., spouse, parent, retiree). Through the process of socialization, individuals acquire socially desirable skills, attitudes and behaviors compatible with the roles they enact. The socialization process is rather predictable, with the socializee changing in response to socializers or adapting to the requirements of the environment (Mortimer and Simmons 1978).

As older people make transitions into new roles, especially roles they unexpectedly assume such as the role of a caregiver to an older relative and that of a widow(er) for which they had limited preparation in earlier life, they are likely to look for cues in their commercial and social environments to help them enact these roles, in line with the social breakdown model (Kuypers and Bengston 1973). In the absence of effective socialization agents in their social environment (e.g., siblings, children, peers), they are likely to develop perceptions about norms and behaviors relevant to such new roles, as well as about their own competence as consumers, suggested by commercial sources, especially the mass media (Smith and Moschis 1985). The preponderance of evidence shows that the elderly are negatively portrayed in the mass media (e.g., Peterson and Ross 1997), which has a great impact when people are isolated from social sources that offer them opportunities to validate the information they receive from commercial sources (Moschis 1987). Society’s labeling of older persons as less competent is likely to yield uncertainty and low self-esteem, increasing the likelihood older persons may rely on a commercial source that conveys the confidence and certainty they think they are lacking. Thus, older adults, especially those who are socially isolated, may be particularly vulnerable to commercial stimuli upon assuming roles for which they have had little or no preparation.

**Stress**

A central idea of life course models is that life events, negative as well as positive and neutral ones, create disequilibrium. These events are stressors that create a generalized demand for a readjustment process, as the individual aims to establish a new balance (Gierveld and Dykstra 1993). Each person builds a unique set of strategies to cope with unacceptable and painful feelings produced by expected and unexpected events over the life course (Vaillant 1977). Thoughts and behaviors that
help reduce the stress an individual experiences during a particular time span in his/her life course are originally effortful and reflect coping, but over time they may be reinforced and become conditioned responses that characterize the individual’s attitudinal and behavioral orientations.

Some research questions could be addressed in the context of the stress perspective of the life course paradigm. For example, policymakers should be interested in understanding the type and impact of stressful life events on the older person’s vulnerability. Some of the most common cases of elderly fraud are believed to take place during highly stressful times in that elder’s life, such as when he/she experiences the death of a spouse (e.g., Gentry, Baker, and Kraft 1994; Moschis 1992). Stress is likely to tax the older person’s resources and interfere with information processing; and compared with younger adults, higher levels of stress are expected to motivate older consumers to seek less information, use prior experience and use compensatory strategies such as delegating decision making to others (Lockenhoff and Carstensen 2004; Moschis 2007b). Such styles of information processing and evaluation are believed to lead to suboptimal consumer decisions (Yoon, Cole, and Lee 2009). Thus, the stress perspective provides an alternate view of the elderly’s vulnerability because it suggests that greater vulnerability may not be the result of cognitive deficits in mental resources associated with aging but rather the effect of life circumstances in which the older person is embedded.

**Human Capital**

Human capital refers to the resources, qualifications, skills and knowledge that people acquire and that “influence future income and consumption” (Frytak, Hartley, and Finch 2003, p. 627). Development and change in the individual’s human capital are derived from and influenced by individual and environmental factors that are defined at different levels of aggregation and stability. These factors have been viewed as nested, hierarchical and inter-related structures ranging from distal (macrolevel) settings (e.g., class, culture) to those located proximally (e.g., family, work). The macrosystem defines the character, structure and function of proximal settings, but it is the proximal settings that constitute “the vehicles of behavior change and individual development” (Bolger et al. 1988, p. 2).

Unlike the normative perspective, which views the outcomes of socialization as impervious to change, theories of human capital development acknowledge that outcomes and processes are likely to shift. Human capital theories—mechanistic, organismic and contextual (e.g., Moschis 2007a)—allow for change in outcomes, which may include maladaptive
and deviant responses (e.g., excessive, compulsive) (Mortimer and Simmons 1978). These theories recognize the influence of people’s choices on outcomes.

In the context of the human capital perspective of the life course paradigm, research could examine the effects of the older person’s early-in-life experiences on one’s vulnerability to various types of commercial stimuli. Because research suggests that older consumers can draw on a lifetime of experience with consumption decisions to compensate for inferred declines in cognitive resources (e.g., Salthouse 2010; Yoon, Cole, and Lee 2009), previous experiences are relevant dimensions of theory and analysis. Thus, the older consumer is expected to be less vulnerable to marketing communications relevant to a decision to the extent one has had prior experience with such a decision.

Researchers could also examine the reason(s) the size of a person’s social network is negatively associated with susceptibility to deceptive offers. Developing and maintaining social networks (or social capital) lead to increase in human capital, which may deter vulnerability (Frytak, Hartley, and Finch 2003). Previous research has found social activity is associated with increasing competencies (e.g., Moschis 1992, 2007b), which may also suggest that being socially active helps to attenuate the biophysical and cognitive decline of aging. It might be that social networks provide information that helps one combat the persuasive efforts by making the person knowledgeable about marketing offerings. Although e-mail continues to be the primary way older users maintain contact with friends and families, many users now rely on social network platforms to help manage their daily communications, with one in four (26%) users age 65 or older participating (Madden 2010). Research examining older consumers’ use of social media and how it may influence one’s use of commercial sources is an area of research opportunity.

Methods

Alford (1998) makes a compelling argument that the most satisfactory explanation of a social phenomenon can be best approached by integrating several paradigms: the dominant multivariate paradigm based on the scientific method, the interpretive that is based on (sub) culturally constructed meanings, and the historical paradigm that is based on historical events. The life course paradigm appears to have the potential of serving as an overarching framework that could help integrate these three paradigms. Although the life course approach lends itself to multiple methods of studying stability and change over one’s life—positivistic,
interpretive and historical (e.g., Giele and Elder 1998; Mortimer and Shanahan 2003), recently developed hazard rate models collectively known as “event history analysis” (EHA) have greatly contributed to the advancement of the life course framework to one of “the most important achievements of social science in the second half of the 20th century” (Colby 1998, x).

EHA models express a gradual or abrupt behavioral or mental change or transition as an event that can be modeled as a probability in the rate of transition (change)—abrupt or gradual—with respect to time on the basis of how long an individual has been at a given state (Mayer and Tuma 1990). Hazard rate models are more effective than commonly used methods; they outperform conventional models (regression, discriminant, probit) in terms of stability of the estimates, face validity of the parameter estimates and predictive accuracy (Helsen and Schmittlein 1993). For example, they are more likely to show significant effects of independent variables than commonly used methods. They can accommodate data collected retrospectively as well data collected over time (e.g., Henry et al. 1994), and are appropriate when studying gradual or abrupt changes over time. EHA can detect patterns of variation over time and disentangle forces occurring at different levels of aggregation (e.g., individual, family, class, ethnic group, cohort), as well as in distinguishing between time dimensions (e.g., age, duration in a given life stage, exposure to a particular event or social situation, historical eras and point-in-time events) (Campbell and O’Rand 1988; Mayer and Tuma 1990). EHA models allow researchers to disentangle the effects of aging, period and cohorts, a major benefit in making age-related interpretations.

Researchers can use EHA to study the older person’s presumed increased vulnerability as occurrence of an event, using several types of variables as covariates (e.g., other events, process variables, individual and group characteristics). Although EHA treats the likelihood of an event (change) as a dependent variable, such as an increase in a person’s vulnerability, other events that affect the dependent variable can be used in the form of life changes, and processes (e.g., socialization, stress, and coping behaviors) can be built into these models as covariates. Thus, EHA allows researchers to incorporate variables derived from all three life course perspectives into a single model, allowing the simultaneous testing of the effects of these variables on the rate of change in the person’s vulnerability to various types of marketing stimuli. For example, an older person’s vulnerability to a scam may increase due to a recent transition into a new role, consequently raising one’s stress, and thus interfering with optimal decision making (Moschis 2007b). Alternatively,
vulnerability may increase due to a lack of knowledge concerning the new role and due to the absence of effective socialization agents or social networks, which then may create a temporary dependency on outside/other sources for guidance and information (Moschis 1992). Measures of the older person’s duration in various states or situations (e.g., roles, environments) should be incorporated as covariates into EHA, as the duration of such experiences is a source of opportunities for learning (socialization), psychological dislocation (stress), and human capital (intellectual growth) (Elder, George, and Shanahan 1996; Han and Moen 1999) and, therefore, an important dimension of theory and analysis.

IMPLICATIONS FOR PUBLIC POLICY AND CONSUMER WELFARE

The information presented in this article has implications for further research that could generate useful information for public policy. To begin with, there appears to be a need for re-conceptualizing vulnerability in a broader context that is more relevant to consumer welfare that it has been in the past. Vulnerability could be examined as a multidimensional concept that includes a diversity of cognitive activities, compensatory strategies and construals, which can be subsumed under more global measures of vulnerability such as satisfaction with the decision, and the decision’s impact on the person’s life goals and well-being. We seem to know relatively little about the relationship between the cognitive dimensions of vulnerability (e.g., ability to make optimal decisions, filter puffery, detect scams) and their behavioral consequences. Although researchers could examine the circumstances that make older adults more vulnerable due to inability to make suboptimal decisions in the context of life course paradigm—i.e., whether this is due to cognitive deficits, stress or transition into new roles, of greater importance would be the study of the circumstances under which vulnerability has negative consequences on the older person’s welfare. Such information would enable policymakers to focus on the most vulnerable consumer groups, which could be identified based not on their age but rather on the circumstances in which they are embedded (e.g., recent experience of stressful events, social isolation). If such circumstances were found to promote vulnerability, legislation would be needed requiring marketers to obtain information on older consumers’ recent life changes or circumstances before deciding on targeting certain individuals via direct methods (e.g., direct mail, personal selling).
Policymakers tend to view the older population as a homogeneous group of consumers, assuming that (1) every person of a certain age is equally vulnerable and (2) older adults are more likely to be vulnerable than their younger counterparts. However, these assumptions need further validation in light of evidence presented in this article which shows that older consumers may not be more vulnerable than younger adults in general. Rather, given the great heterogeneity of the older population, it is likely that certain groups of older consumers are at greater risk of becoming victims to fraudulent activities, and consumers in these groups account for the high incidence of fraud victims shown in government statistics. Thus, the study of differences in vulnerability within the older population may provide better explanations of the older persons’ vulnerability than the traditionally studied differences between the young and the old. Such an approach also has merit in that it accounts for period and cohort or subcultural effects inherent in wide age-group comparisons that tend to mask the explanations of changes due to aging (Salthouse 2010).

Another potential implication for public policy suggested by the human capital perspective of the life course paradigm focuses on older persons’ ability to make consumption decisions that have different effects on their well-being. Specifically, research in cognitive psychology suggests the importance of early-in-life experiences on the older person’s vulnerability or susceptibility to marketing communications; some cognitive skills do not change and even improve in later life for some people due to their earlier-in-life experiences (Salthouse 1991). Recently, it has been suggested that the more knowledge one has about the product and/or the persuasion attempt, the less vulnerable the consumer is to deceptive offers (Ringold 2005), making experience more relevant than age in explaining the person’s vulnerability. Although investigators acknowledge the importance of earlier-in-life experiences in understanding behavior at a given stage in life in the form of aging, period and cohort effects (e.g., Yoon, Cole, and Lee 2009), they have had inadequate theoretical and methodological tools to address issues related to such effects. The life course paradigm provides a vehicle for studying the effects of early-in-life experiences on the older person’s behavior as a consumer, including his/her vulnerability to marketing communications. By studying changes in the person’s vulnerability over the course of his/her life, researchers will be in a better position to understand what changes occur as a result of the person’s experiences with the marketplace, how they occur (i.e., change mechanisms) and why. Such knowledge would have practical and theoretical implications (Salthouse 1991, 2010).
Finally, rather than suggesting the need for protecting those with the least experience or educating older consumers (Goldberg 2009), both challenging and even daunting tasks, a new approach has been suggested that calls for a better preparation for the many challenges of aging and consumption decisions in later life (e.g., housing, insurance, healthcare, financial) (Moschis forthcoming; Moschis and Pettigrew 2010; Pettigrew and Moschis 2011, forthcoming). Research that links one’s early-in-life experiences and their duration, such as financial lifestyles and purchasing habits, to the older person’s well-being would be particularly helpful in designing educational programs to help better prepare younger age groups and make them less vulnerable in later life. This premise for well-being in later life places more emphasis on consumers as active participants and contributors to their own welfare, in line with the life course paradigm; it promotes consumer empowerment by suggesting that people can develop and even adopt habits at earlier stages in life that enhance life satisfaction in later life. This emphasis in thinking about well-being entails a change in philosophy and approach to doing research. Rather than studying consumers as they are in their present stage in life, they should be studied as they should be behaving at different stages in life. Furthermore, this premise places emphasis on the need to educate and transform younger (rather than older) consumers to more responsible individuals for their well-being; it views consumers as potentially active participants in their own transformation (Pettigrew and Moschis 2011, forthcoming); it implicitly assumes the need to instill these consumption habits in young people—i.e., socialize them early in life. These notions are congenial to the life course paradigm because this model provides the conceptual framework that enables researchers to study consumers in time and context.

REFERENCES


