

# **BUYER ANALYSIS FROM LIFE EXPECTANCY ASPECT AS A FACTOR IN FORMULATING MARKETING STRATEGY**

**T.Miceski<sup>1</sup>, N.Stojovska<sup>2</sup>**

---

<sup>1</sup> Trajko Miceski Ph.D. University “Goce Delchev”, Faculty of Economics- Shtip, [trajko.miceski@ugd.edu.mk](mailto:trajko.miceski@ugd.edu.mk)

<sup>2</sup> Natasha Stojovska M.Sc. University “Goce Delchev”, Faculty of Economics-Shtip, [natasa.stojovska@ugd.edu.mk](mailto:natasa.stojovska@ugd.edu.mk)

## **Abstract**

Today, company activities begin with understanding and anticipating customer needs, demands and desires, continue with delivering desired values that satisfy these needs and end up with loyal and profitable relationships. Achieving the final goal requires detail analysis of all the factors that influence customer behavior.

Buyers around the world, beside purchasing power as main economic factor that determines the quantity and types of purchased products and services, differ each other in terms of their life expectancy and that demographic variable also has a significant impact on their behavior.

Historical statistical data about life expectancy vary from country to country, but also from region to region. When it comes to Macedonia and EU countries, comparative data indicate significant differences. Thus, the average life expectancy in the Republic Macedonia in 1995 was 72 years, in 2000 was 73 years, and in 2010 was 75 years. In the EU in 1980, the average life expectancy was 73 years, in 1995 was 76 years, in 2000 approximately 77 years, and in 2010 was 80 years.

This paper will show the processed statistical data with their comments through tabular and graphical display.

**Key words:** life expectancy, data processing, forecasting, statistical analysis, buyers, marketing strategy.

## **Content**

Introduction.....	4
1. Factors influencing buyer behaviour.....	5
1.1. Demografic factors.....	5
1.2. Social factors.....	6
1.3. Personal factors.....	6
1.4. Psychological factors.....	9
2. Average life expectancy of population in Republic of Macedonia and EU countries.....	11
2.1. Some drivers for increased life expectancy.....	13
Conclusion.....	17
Bibliography.....	18

## **Introduction**

Customer behavior is considered as one of the most complex issues in theoretical marketing concepts. The main reason for this treatment is the individuality of customer in the buying process. From this point of view, the age of the buyer appears to be very important factor in deciding whether to buy the product or use a service.

On the other hand, buyer behavior has influence on the process of formulating marketing strategy. The buyer is the starting point in this process. In fact, the process of formulation begins with identifying buyer's needs, desires and demands, analyzing the factors that influence buyer behavior, possibilities for buyer's segmentation and finishes with building loyal, lasting and profitable relationships with target customers.

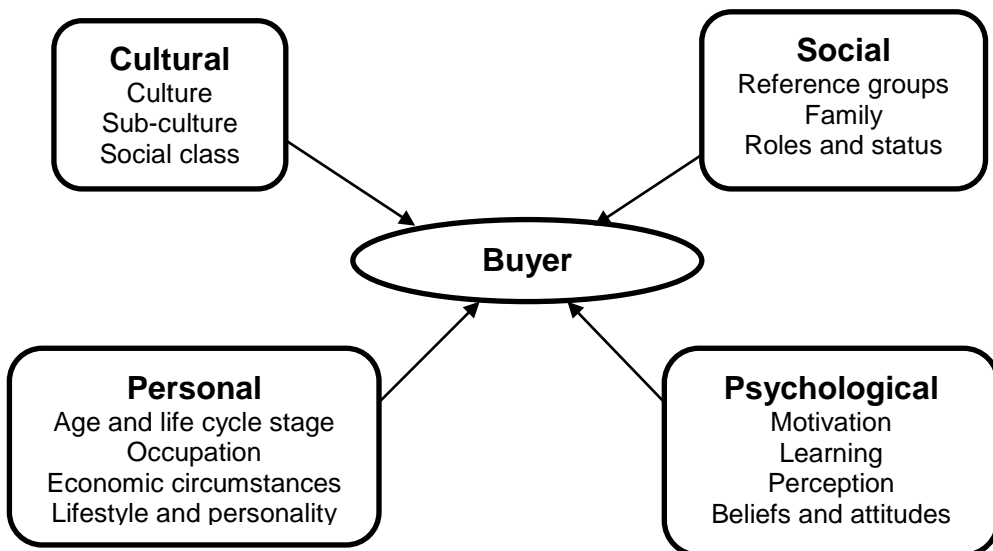
For the company, the entrance in a particular market means a challenge to understand consumer behavior. Here, marketing manager needs to analyze the following questions: What, when, why and how consumers buy? Which factors influence customer behavior? How age and life expectancy affect the choice of products and services? Who is involved in the purchase? Which elements of the marketing offer the consumer sees as extremely important and which elements drive the consumer away?

Therefore, in this paper we will try to explain some of these issues.

## 1. Factors influencing buyer behavior

Every buyer is characterized by a set of internal and external factors that lead their behavior in all stages of the buying process (problem recognition, search of information, evaluation of the alternatives, decision making and post-purchase behavior). These factors can be classified into four groups: cultural, social, personal and psychological<sup>3</sup>. Most factors are beyond the marketing manager's control, though he can attempt to understand consumer behavior. Thus, the more effort the marketing manager puts into understanding the interaction of these factors (cultural, social, personal and psychological), the easier it will be for him to understand their impact on consumer behavior in the buying process.

The following picture presents four factors that determine buyer behavior.



Picture 1 – Factors determining buyer behavior<sup>4</sup>

We will attempt to explain those factors that have some relation with the life expectancy of buyers.

### 1.1. Cultural factors

Of the four factors, the most fundamental is the impact of cultural, including culture, subculture and social class.

**Culture** shows as a factor that has the greatest long-term impact on buyer behavior. From a marketing perspective, culture can be defined as a set of values,

---

<sup>3</sup> Colin Gilligan and Richard M.S. Wilson "Strategic marketing planning", 2003, p.225

<sup>4</sup> Colin Gilligan and Richard M.S. Wilson "Strategic marketing planning", 2003, p.226

beliefs, customs, attitudes and behavior accepted by society, which manifest in the process of buying.

The impact of culture is particularly evident in language and communication, food, way of dress, work habits, learning, interpersonal relationships. Culture also affects the structure of consumption, decision-making and company's promotion. This effect is important for the marketing manager to take in account.

Culture as a broad set of values is affected, but also affects on the subculture as a narrow segment of which the consumer is a member. **Subculture** refers to the existence of larger or smaller groups within a culture that are characterized by specific values, customs and habits of consumption. These include national, regional, geographic and ethnic groups, each of them showing large differences in terms of ethics, cultural preferences, taboos, attitudes and lifestyle<sup>5</sup>.

Subculture subsequently affects the third set of variables - social stratification, and especially **social class**. In fact, every society is hierarchically divided into social classes, and each class is a different target market and has a different influence on the behavior of buyers who belong to these classes<sup>6</sup>.

## 1.2. Social factors

As a social being, humans communicate with other people in their environment, and therefore to create formal and informal relationships.

**The family**, as a primary reference group and social factor, has the strongest influence in creating individual's behavior, attitudes and values.

For most products, family, as the extended family (parents, brothers and sisters), as well as the core family (spouse and children), has the greatest impact on the buyer behavior. The impact is not just in relation to the external environment (economic, political, social factors), but also in terms of internal motivations and characteristics of the individual. The family as a factor of consumer behavior is the subject of many studies aimed at determining the role and impact of different family members.

On general level, one research in America has identified three models of decision by the family, and individual product categories in which each model are addressed. They are:

- 1) Dominant husband - life insurance, cars and TVs
- 2) Dominant wife - washing machines, carpets, kitchen utilities and furniture that is not for living room
- 3) Common decision - holidays, housing, furniture and entertainment

The last social factor influencing buying behavior refers to the **role and status** of the individual in society generally, and within the group. Each individual has their own place in society, from which comes their role and status, and consequently their purchasing power as a buyer<sup>7</sup>.

---

<sup>5</sup> Colin Gilligan and Richard M.S. Wilson "Strategic marketing planning", 2003, p.227

<sup>6</sup> Colin Gilligan and Richard M.S. Wilson "Strategic marketing planning", 2003, p.227

<sup>7</sup> Michael R.Solomon, Nancy J.Robolt "Consumer behavior in fashion", 2004, p.281

### 1.3. Personal factors

Studies in recent years have shown that certain demographic variables such as age and life cycle, occupation, economic circumstances, lifestyle and personality, are significantly changed. For example, many companies for toys have recognized the differences between children of different ages and adjusted their offers. In this way, not only the potential for children's development is maximized, but the toy's choice of parents, friends and relatives is greatly facilitated.

**Personality** of the individual, or his identity, characteristics, attitudes, beliefs, desires, emotions and habits have a significant impact on its behavior as a buyer.

When we talk about the personality of the individual, we must mention the **self concept**. This term refers to the perceptions, attitudes and emotions of the individual for himself. Image of self creates and changes as a result of contact with other individuals in the environment, implicit and explicit learning, acquiring new skills and experience.

A number of authors and researchers over the last 30 years have said that the personality of the individual and his self-concept influence the choice of products and brands. Assuming that this is true, then it is reasonable to take into account the personality in formulating a marketing strategy, particularly in market segmentation, repositioning the brand, developing new products or modification of promotional messages. The choice may reflect an alien concept for the person or how others perceive the individual, but usually reflects the real picture of buyer himself or herself, or at least, how they would like to be seen. This is more characteristic for consumer products than for products for individual use. However, buyers who are very critical of themselves and quite sensitive about the opinions that others have of them, prefer products that are currently in fashion<sup>8</sup>.

**Age** as demographic and personal factor that influence buyer behavior, can be also used as a factor for their segmentation. Unquestionable attraction of demographic segmentation is the wide availability and easy interpretation of the data. This makes this method most appropriate, easily understood and commonly used in buyer segmentation.

In terms of age, there may be a different number of groups depending on the range of years (example, to 10 years, 10 to 20 years, 20 to 30 years, 30 to 40 years, over 40 years). Age has an impact in many areas such as clothing, cosmetics and others. Closely related to age is the segmentation based on the generation. Namely, each generation is marked with certain figures, photos and events in the field of fashion, music, film etc. Personalities and styles of a particular generation have an impact on buyers and offer the opportunity to make this type of segmentation.

Demographic characteristics allow marketing manager to get to know their buyers. For example, it might be determined that 60% of buyers are women, between 20 to 30 years, with a monthly income of 25,000 to 35,000 denars, which buy products for at least 3,000 denars per month, and remaining 40% are men

---

<sup>8</sup> Philip Kotler, Kevin Line Keller, "*Marketing management*", 13<sup>th</sup> edition, p.183

between 25 to 35 years, with a monthly income of 30,000 to 40,000 denars, which once in three months buy products for approximately 1000 denars or not buy again. These buyer's demographic characteristics combined with its activity (frequency of purchase), give valuable information to marketing manager who further uses them to make appropriate changes in marketing mix, adjusted to gender, age, income and other demographic characteristics of each segment.

**Lifestyle** can be defined as the way of life of the individual expressed through their actions. It is believed that lifestyle created from the earliest ages through the process of biological development and interaction with the environment, under the influence of social, psychological and economic factors. From the buyer's perspective, lifestyle reflects the needs, attitudes, buying decisions and use of certain products and services. Recognizing the lifestyle of the target customers and potential change is of great importance for marketing managers, because in that way they can learn which products, services and brands the target customers prefer.

The importance of life cycle as a demographic variable is best shown in the concept of the family life cycle – FLC, as a progressive movement of the family through different life stages (childhood, graduation, young married couple without children, couple with children, couple with dependent children and singles), and consequently changes in the consumption structure. Recent analyzes of family life cycle have shown a tendency for decreasing family size, delaying the marriage and an increase in the number of divorces. Though this is a characteristic of developed countries, it is becoming more present in less developed countries, including Macedonia.

Today, most used model is Wells and Gubar nine phased FLC<sup>9</sup>, shown on Picture 2.

Potential strategic value of FLC stems from the way it highlights the change in the family's financial situation as they move through different stages. Taking into account these changes, the marketing manager can more easily develop marketing offer that will meet the specific rather than the general objectives of the target customers.

---

<sup>9</sup> Geoffrey P. Lantos “*Consumer Behavior in Action: Real-Life Applications for Marketing Managers*”, 2011, p.273



<b>Stages in the family life cycle</b>	<b>Buying patterns</b>
1 Bachelor stage: young, single people who are living at home	Few financial commitments, recreation and fashion oriented Buy: cars, holidays, entertainment items
2 New married couple: young people Without children	Financially better than they are likely to be in near future, high purchase of consumer desirables Buy: cars, white goods, furniture
3 Full nest 1: youngest child under six years	Low liquid assets, house buying Dissatisfied with level of savings and financial position Buy: toys, baby food, white goods
4 Full nest 2: youngest child six years or over	Financial position is improving, higher proportion of wives are working Buy: wide variety of foods, bicycles
5 Full nest 3: older married couples with dependent children	Financial position is still improving, Increased purchase of desirables Greater proportion of wives work and some children get jobs Buy: furniture and more luxury goods
6 Empty nest 1: older married couples, no children at home, head of household is still in the workforce	Improved financial situation and increased savings Home ownership, Interested in travel, recreation and self-education, Not interested in new products Buy: holidays, luxuries, home things
7 Empty nest 2: Older married, no children living at home, head of household retired	Substantial reduction in income, Buy: medical products and appliances that aid health sleep and digestion
8 Solitary survivor in the workforce	Income still high, but selling the home is possible
9 Solitary survivor, retired	Same medical and product needs as group 7 Substantial cut in income, Need for attention and security.

Picture 2 - The family life cycle (FLC) and its implications on buying behavior<sup>10</sup>

<sup>10</sup> Colin Gilligan and Richard M.S. Wilson “*Strategic marketing planning*”2003, p.417

Besides the obvious attraction, FLC was the subject to a series of criticisms. Mostly, this stems from the significance of the changes taking place in society, whose effects are reflected only marginally in the FLC model. For example, woman's role illustrated in FLC does not correspond to the reality, where many of them work even in the early stages of their children's lives. Also, this model fails to reflect the large number of divorces and the large number of single parents. As a result of these criticisms, the validity and usefulness of this model are questioned. But, defenders argue that this model is a simple representation of demographic variables that combines the effects of age, marital status, income and presence or absence of children, which can further be combined with other variables to reflect reality.

As an extension of the traditional life-cycle thinking and because of the fundamental weaknesses of FLC model, recently the focus has been on the psychological life cycle by which age by itself is not a factor that will greatly determine consumption patterns. As an increasingly more important factor appears to be the transformation of attitudes and expectations, something that is reflected in research in the USA: "The age has become a bad indicator of the timing of life events, as well as a bad predictor of person's health, employment and family status, and therefore a person's interests, concerns and needs. There are more pictures of people at the same age: for example, 70 year old man in a wheelchair and 70 year old man in tennis court, 35 year old man who sends its children to school and the 35 year old man who is still not married<sup>11</sup>".

#### **1.4. Psychological factors**

Psychology as a science that studies the human and his internal mental state (emotions, motives, perception) has significant contribution to the analysis of customers, which manifests externally in the form of buying decisions. Great attention is turned to the study of individual characteristics of the consumer as an individual in the process of buying certain products. The psychological factors that have a significant impact on consumer behavior are: motivation, perception, learning, beliefs and customs.

**Motivation** is the most important factor, but also the most complex for analyzing. Motivation refers to the force that leads the consumer, so he behaves in a certain way in the process of buying<sup>12</sup>. In this process, first it is necessary to recognize the difference between biogenic needs, which are physiological (hunger, thirst and discomfort) and psychogenic needs that are actually psychological states of tension (this includes the need for respect and desire for recognition and belonging). Studies have shown that consumers have similar needs that are expressed differently in the buying process.

---

<sup>11</sup> Bernice L. Neugarten "Middle Age and Aging: A Reader in Social Psychology, 1968, p.5

<sup>12</sup> Del I. Hawkins, Roger J. Best, Kenneth A. Coney, "Consumers Behavior - Implication for Marketing Strategy", fourth edition, Richard D. Irwin, Inc., Homewood, Boston, 1989, p.355

To understand the factors that influence motivation, marketing manager should be aware of the impact of **perception**, how motivated individuals perceive the situation, which in turn clearly determines the way they behave. Perception is a process in which the individual, through the senses of sight, hearing, taste, smell and touch receives stimuli from the external environment, then selects and organizes them and finally makes sense of the stimuli, based on the individual's acquired knowledge, experience, beliefs and attitudes.

Once individuals respond to the messages, they go through the process of **learning** or gaining knowledge and experience about the products they buy. Learning refers to change in buyer's behavior or long-term memory. For example, many people avoid food that they consumed just before getting sick. But learning is not based entirely on knowledge. For example, if the sales staff in one store is more pleasant than in some other store, the buyer might prefer the first store. Though interestingly, buyer might not be able to give a reasonable explanation for the reason he prefers that store.

The last factor in this group is the **beliefs and attitudes**. From a marketing perspective, belief refers to the thinking that customer has about particular product, service, brand or company. Beliefs are the result of the learning process.

Psychological theory divides attitudes into internal and external. The decision to make a purchase on the basis of internal attitude involves (motivation), while the external consumer attitudes include the help of other people such as family, friends or sales staff.

For the marketing manager of particular importance is the dependence between attitudes and customer behavior. Attitudes are a useful tool to predict future demand of products and services, and also sale of new products.

The set of beliefs and attitudes that stem from personal experience or the experience of reference groups, the influence of mass media and other factors create the image of the product and brand. This in turn leads consumer to behave in relatively consistent way. In this context, the obvious problem that the company may face is the difficulties to change attitudes after they are formed. There are many ways to get the attention of consumers towards particular product. One way is to temporarily reduce the price of the product. Others include, giving bonuses that bring certain benefits to consumers in terms of price, warranty, possibilities for paying and so on. Another way is to link two products in set through promotional activities that will display information about the product, then advertise the product for which the consumer has no opinion or attitude.

After the marketing manager has analyzed all demographic, social, personal and psychological factors that have influence on buyer behavior, then he should create value that will meet the consumer's needs, demands and desires more efficiently and effectively than competitors. There are several interesting issues that deserve attention:

- The attributes of the product, such as price, design, quality and style;
- Relative importance of each attribute for consumers;
- The perception of consumers for each brand;
- The benefits of each product attribute.

Once determined, the marketing strategy does not guarantee success. It needs constant adjustment and improvement in accordance with all the changes in the environment that influence buyers. This can be done by changes in the supply of products in the following six ways:

- Modification of the physical product, such as adding certain features (real repositioning)
- Change in attitudes that buyers have about the product by highlighting certain attributes (psychological repositioning)
- Change in attitudes that buyers have about competing products through comparative advertising (competitive repositioning)
- Change the relative importance of certain attributes - as a product goes through its life cycle and buyers become more familiar with the concept and technology, the focus in promotion may shift from providing security and support services to a wide range of additional uses
- Emphasis on specific features of a product that had previously been largely ignored
- Changing consumer expectations.

Beside this, the manager should also take into account the actual act of purchase, with special emphasis on the place, quantity and time of purchase, as well as the payment methods.

## **2. Average life expectancy of the population in Republic of Macedonia and the EU**

We will present trends in life, and thus average life expectancy, special information needed in all areas of society<sup>13</sup>. For example, monitoring these trends allows planning situations related to the health and social security, retirement, care for old people and so on.

Average life expectancy in Republic of Macedonia has been gradually increasing over the last thirty years. From 1980 to 1986, the average life was 70, from 1987 to 1991, the average life expectancy increased to 71, in the period from 1992 to the end of 1996, it increased by one year to 72 years, in the period from 1997 to the end of 2003, a seven year span, the average life expectancy was 73 years, while from 2004 to 2008, the average life expectancy increased to 74 years and since 2009 the average life expectancy has reached 75 years.

The average life expectancy in the EU countries in the last thirty years is also gradually increasing. From 1980 to 1993, average life expectancy is increased one year, and from 1994 to 2010, life expectancy increases one year every four years in 1980, raising from 73 years in 1980 years to 80 years in 2010.

Statistical data about the average life expectancy in the Republic of Macedonia and the EU countries in the period 1980 to 2010, are presented in Table 1 and Picture 3.

---

<sup>13</sup> Miceski T. "*Practicum in Statistics*", University "Goce Delchev", Faculty of economics, Shtip, 2007, p.93

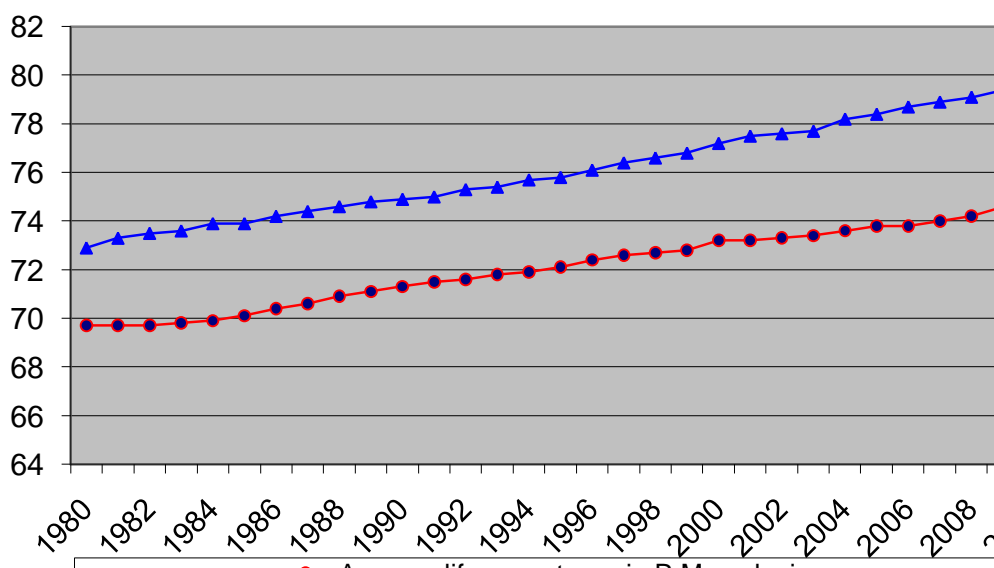
**Table 1. Average life expectancy in Macedonia and the EU<sup>14</sup>**

<b>Year</b>	<b>R. Macedonia</b>	<b>EU</b>
1980	69,7	72,9
1981	69,7	73,3
1982	69,7	73,5
1983	69,8	73,6
1984	69,9	73,9
1985	70,1	73,9
1986	70,4	74,2
1987	70,6	74,4
1988	70,9	74,6
1989	71,1	74,8
1990	71,3	74,9
1991	71,5	75,0
1992	71,6	75,3
1993	71,8	75,4
1994	71,9	75,7
1995	72,1	75,8
1996	72,4	76,1
1997	72,6	76,4
1998	72,7	76,6
1999	72,8	76,8
2000	73,2	77,2
2001	73,2	77,5
2002	73,3	77,6
2003	73,4	77,7
2004	73,6	78,2
2005	73,8	78,4
2006	73,8	78,7
2007	74,0	78,9
2008	74,2	79,1
2009	74,6	79,4
2010	75,1	79,6

For greater clarity, the average life expectancy of the population in Macedonia and EU countries is shown in Picture 1.3.

---

<sup>14</sup> <http://search.worldbank.org/data?Qterm=expected%20life&language=EN>



Picture 3 – Average life expectancy in EU countries and R. Macedonia

Republic of Macedonia with an average life expectancy of the population of 75 years, is behind the EU countries, where this number is around 80 years.

## 2.1. Some drivers of increased life expectancy

The trend of the constant increase of average life expectancy in Macedonia and EU countries is partly as a result of the changes in customer behavior taking place in 21st century, such as demographic changes, changes in family relationships, rise of the cash-rich, time-poor segment, search for greater value, growth of ethical consumption, emphasis on health and healthy lifestyle, the desire for enjoying small pleasures and more.

All these drivers of consumer change, including life expectancy, have a significant impact on buyers and marketing managers, so each of them will be explained separately<sup>15</sup>.

### • Demographic changes

#### - The youthful elderly

Although it has been believed for a long time that in many countries demographic changes lead to an increase in the elderly population, little attention has been given to the characteristics of these people. The youthful elderly can be explained by the fact that, as children of the 1960s crossed into middle age, they are increasingly retaining their youthful lifestyle and behavior. Due to increasing physical activity and having more money than previous generations, today's seniors

<sup>15</sup> Colin Gilligan and Richard M.S. Wilson “Strategic marketing planning”, 2003, pp.278-282

are more able to live life in full swing. In these circumstances, age becomes largely an attitude of mind.

However, it should be recognized that in the segment of the population that is over 50 years old, there are significant differences. Although an increasing number of retired people are healthier, more active, richer, eat more out and travel, willing to experiment with food and are open to new technology (including the Internet), many must pay more for their health from their pension and thus are becoming more conservative in terms of new ideas and products. Therefore, there is a growing polarization within the group.

- *Aging of children (under 14 years)*

Despite the trend of youthful elderly, a more obvious trend is the aging of children. When it comes to children under 14 years, practice shows their "aging" in terms of their behavior. The reasons for this lie in the availability of technology and media, so children enter in the adult world much earlier. They are often aware of the ads and their role by the age of three. One result of this is that the requirements for brands are higher. The child is more sophisticated and unforgiving when it comes to brands, expecting fun and having a low threshold of boredom (they become easily bored), while their parents, under pressure for time, easily provide the children luxury and thus spoiling them.

- *Aging of children (teenagers)*

Although the segment of teenagers, among the other segments of consumer markets, has traditionally been changing faster, recent studies show that this segment is changing even faster than before. Partly, this is due to the fact that teens today are exposed to many more ads and messages than before, and this in turn leads to the generation that has far more knowledge in terms of promotion, media, technology and brands, becoming more demanding and critical.

- **Changes in family relationships**

With the breakdown of traditional family structures, reducing the number of births per woman and the growth in the number of workingwomen, family decision-making has suffered a fundamental change. Here, the question is who within the redefined family makes decisions and how are the decisions made.

Today, there are no clearly defined stages in life and less "age appropriate" behavior. Children are exposed to various messages (on TV, computer, cell phone) and have a far greater awareness of the products. Adults remain young longer. The age at which an individual gets married and has children is now later, because more focus is put on entertainment and recreation (the growth of "middle youth" - people in their thirties who still do not have families). Also, the increasing number of women in the workforce and divorced, has resulted in a change in the male-female relationships. But many critics have identified "the feel of guilt" which refers to the question how to be a good mother and creating a career at the same time.

- **Growth of cash-rich, time-poor segment**

Because more and more are people working longer hours, the service sector has grown enormously to fill the lack of time required for performing duties independently. The idea of someone else doing something that the individual does not have time for is no longer considered as laziness and snobbery, but a sign that

the individual appreciates his life. Factors leading to the growth of the service sector are:

- From the women of working age, today, most of them are employed, so they do not have enough time alone to complete all obligations. The number of single-person households is also increasing, so these people have no one else to do these things for them.

- People want to fully use that little time they have. Therefore, they are willing to pay for the time and quality, because life is too short to do these things themselves.

- The emergence of the Internet allows people worldwide to buy the desired combination of products at any time in any place in the world.

- Diseases related to stress is also increasing, as stress is seen as inevitable phenomenon in the modern world.

However, simultaneously with the growth of cash-rich, but poor-time segment, there is growth of time-rich, but cash-poor segment.

- Search for greater value

In the mid-1990s, the center Henley said that there are three nations within society. Profile of the "first nation" is rich with cash, but poor with time and clearly differs from the other two segments named "second" and "third nation".

The characteristics of these three segments are shown in Picture 4. Here, 20% of people in the first segment are characterized as willing to spend money to save time, which differs from the other 80% of society. Based on their income level, this segment of society is more open to a wide range of products and shows a greater degree of willingness to move to other aspects of life management than the other two segments.

First nation	Second nation	Third nation
20% of the population	50% of the population	30% of the population
40% of consumer spending	50% of consumer spending	10% of consumer spending
Cash-rich	Cash constrained	Cash-poor
Time-poor	Time constrained	Time-rich

Picture 4 - Society with "three nations"<sup>16</sup>

The results show that:

- 20% of households are rich and make 40% of consumption. One in three households is poor and it is becoming even more.

- Awareness of the price continues to rise, and companies are set in a way to get profit from this.

- Even richer and older households will feel "squeezed" as a larger portion of their discretionary income goes to health, education and private insurance.

---

<sup>16</sup> Colin Gilligan and Richard M.S. Wilson "Strategic marketing planning", 2003, p.281



- Consumers have higher requirements for quality and focus more on cost/value as best solution, rather than price above all.

- **Growth of ethical consumption**

Because of the numerous financial, health, food and environment threats, a significant cynicism about governments, politicians, big business and brands has emerged. Ethical consumption has appeared as response to this, reflecting the desire of consumers to take control of their lives. In these conditions, prices are often less important than the way the product is positioned.

- **Emphasis on health and healthy lifestyle**

Because of the growing awareness of the ability and the responsibility of individuals to influence their health, increasing numbers of evidence about relation between diseases and diet, and the transition from welfare state to individual, more attention is paid to the lifestyle management. The recognition that the diet has a significant contribution to health supports this idea. However, there is general confusion about how to eat healthy (healthy diet's tips are constantly changing) and a group of consumers who cannot afford to feed healthy (want to eat healthier, but it would cost more money to buy the real products).

- **The desire to enjoy the small pleasures**

As society becomes richer, as disposable income of consumers and the number of people who consider themselves "middle class" increases, tastes and desires are changing. Stressful lifestyles and lack of time means a greater need for better enjoyment, recreation and leisure. Even in times of economic crisis, small pleasures are increasingly considered as important.

## **Conclusion**

In most markets, consumers differ significantly in terms of their behavior in the buying process. They differ according to age, income, education level and geographic location, but much more important are the differences in their personalities, psychological status, lifestyle and motivation.

One of the demographic factors that has influence on the process of formulating marketing strategy is customer's life expectancy. The research within this paper shows that the average life expectancy in the last thirty years, from year to year, is gradually increasing in EU countries, as well in Macedonia. In EU countries, the average life expectancy in the past thirty years, is longer three to five years than in the Republic of Macedonia i.e. in 2010 in EU countries it is 80 years, while in Macedonia 75 years.

According to the current development trend, in the future is also expected gradually increasing of population's life expectancy. This means increasing of older population. Their lifestyle, needs and buying behavior require adjusting of the marketing strategy. Because of this, marketing managers should take into account this variable, its influence and consequences in the process of formulating the marketing strategy.

## Bibliography

1. Bernice L. Neugarten “*Middle Age and Aging: A Reader in Social Psychology*”, 1968
2. Colin Gilligan and Richard M.S. Wilson “*Strategic marketing planning*”, 2003
3. Del I.Hawkins, Roger J.Best, Kenneth A.Coney, “*Consumer Behavior - Implication for Marketing Strategy*”, 4<sup>th</sup> edition, Richard D.Irwin, Inc., Homewood, Boston, 1989
4. Geoffrey P. Lantos “*Consumer Behavior in Action: Real-Life Applications for Marketing Managers*”, 2010
5. Lars Perner, “*Consumer psychology*”, Marshall School of Business, University of Southern California, Blog Subscription
6. Leon G. Schiffman, Leslie Lazar Kanuk, “*Consumer Behavior*”, 2<sup>nd</sup> edition, PrenticeHall, IN C, Englewood Cliffs, New York, 1983
7. Miceski, T. “*Statistics*”, University Goce Delcev, Faculty of economics, Shtip, 2008
8. Miceski, T. “*Health Statistics*”, University Goce Delcev, Faculty of economics, Shtip, 2009
9. Michael R.Solomon, Nancy J.Robolt “*Consumer behavior in fashion*”, 2<sup>nd</sup> edition, 2008
10. Paul Newbold, William L. Carlson, Betty Thorne “*Statistics for business and economics*”, 2010
11. Philip Kotler, Kevin Line Keller, “*Marketing management*”, 13<sup>th</sup> edition, 2006
12. Poposki G., Poposka-Treneska V. “*Statistics*”, Kiro Dandaro, Bitola, 2001
13. Richard Malcolm Sano Wilson, Colin Gilligan “*Strategic Marketing Management*”, 3<sup>rd</sup> edition, 2005
14. Ristevski S. “*Statistics for business and economics*”, University “Ss. Cyril and Methodius”, Skopje, 2008
15. Sotirovski K. “*Statistics*”, University “St. Clement of Ohrid” Bitola, Faculty of economics-Prilep, 2009
16. *Statistical Yearbook of the Republic of Macedonia*, State Statistical Office of Macedonia
17. State statistical office of Republic of Macedonia, <<http://www.stat.gov.mk/>> (03.05.2013)
18. The World Bank, <<http://search.worldbank.org/>> (04.05.2013)