

COMING OF AGE

I N C O R P O R A T E D

Baby Boomer Marketing & Senior Marketing

Position Your Product as a Gateway to Desired Experiences

By Jim Gilmartin

Your Markets Are Changing

Baby boomers (born between 1946 and 1964) are the fastest growing, wealthiest, best educated and most sophisticated of purchasers. To better capture and keep these customers, marketing and sales communications must create motivating communications, effective sales presentations and service improvement programs. Other business costs are falling while marketing costs are increasing, yet, response rates to many traditional marketing and sales techniques are off. There is growing impatience with the marketing function of business that is costing more, delivering less and resists accountability.

A Coopers and Lybrand study found in a study of 100 leading companies marketing departments to be "ill-focused and over-indulged" with department heads who "overstated their contribution to the corporation, but could not specify what the nature of the contribution was".

A 1995 McKinsey report somberly warned, "Doubts are surfacing about the very basis of contemporary marketing". The report charged marketing departments with generating "few new ideas", being "unimaginative" and failing to "pick up the right signals". Finally, Kevin Clancy and Robert Shulman, both formerly with customer researcher Yankelovich Clancy Shulman predict a marketing revolution "because failure is self-evident and everybody -- stockholders, directors, CEOs, customers, the government -- is angry because marketing, which should be driving business, doesn't work".

Now that the adult median age is in the mid-40s and continuing to rise, pressure is building on marketing and sales professionals to learn how to better market to a dominantly older customer population. Progress in this direction must be founded in the recognition that young, middle-aged and old brains and minds all work differently.

Though we don't notice it happening -- any more than a child notices that he has grown an inch taller during the summer -- changes take place across our full life span in how information is processed by our brains (which process information sent to it by the five senses) and the mind (where thinking takes place). How a 30-year-old mind processes the contents of a commercial, print ad or direct mail piece will be markedly different from how a 50- or 60-year-old mind processes the same information.

¹Who Are The Baby Boomers?

1. 78 million strong with a Quest for self – “voyage to the interior”
2. Came of age from the early fifties through the late seventies
3. Rebelled against parents & in the 60’s – against government & Vietnam War
4. Evolved into sustained search for personal fulfillment & as they mellowed – remained focused upon themselves
5. Better educated & want “To be something” – not just do something is appealing
6. Strong belief in own individual capabilities & believe “it” can be done
7. Fixated on self-improvement & accomplishment & evaluate success in terms of personal achievement
8. Want one unbelievable experience after another
9. Middle age brings worries that they won’t own the American dream but they will try to rent it when & where they can
10. Indulged by parents taught by Dr. Benjamin Spock & grew up with strong sense of entitlement
11. Confident that progress & prosperity would continue & do what they can to avoid disappointment of expectations. They go where they can beat the odds and this is a driving force behind purchase motivators. Still strive to come out on top
12. Grew up with expectations, life skills & values created by the unbridled economic growth of their formative years
13. Sense of privilege & high divorce rate
14. Likely to part of a married couple & 2 out of 3 married
15. Strongly tied to the workplace & economic optimism freed them from worrying about basic survival
16. Boomers have always spent their money - get it now – no lines & no waiting!
17. Boomers rosy outlook motivated causes like civil rights & woman's movement. Believed including others wouldn’t diminish there entitlement
18. Boomers have always broken the rules:
 - a. Drugs
 - b. Sex
 - c. Rock & Roll
19. Individuality was lionized & conformity was eschewed. Rules that interfered were easily broken
20. Boomers challenged authority, blurred gender roles, embraced the unconventional
21. Boomers want to be on top & in charge & they believe they know best. Their independence based upon self-confidence
22. The struggle to remain in control & get their perceived entitlement has motivated Boomers marketplace activities in the last two decades
23. The turning point for Boomers was 1979
 - a. Three Mile Island
 - b. Stagflation
 - c. Unemployment
 - d. Iran hostage crises
 - e. Cold war warmed up
 - f. Gas lines made their return

- g. Chrysler almost folded
- 24. Boomers began to doubt the system & couldn't take the future for granted
- 25. Began adopting a "New Realism" – a desire for control – single minded focus upon not loosing
- 26. "Conspicuous consumption" & "strategic shopping" were ways to show Boomers as winners & brands no longer dominated the marketplace. Loyalty waned.
- 27. Clipped coupons to ferret out the best deals & marketers capitulated & spent more on promotions than advertising
- 28. Crash of '87 changed mantra from "shop till you drop" to "drop shopping"
- 29. Thought they were winning but were loosing
 - a. Latchkey kids
 - b. Debt & weight higher than ever & Diabetes at record high
 - c. Financial heroes to jail
 - d. Finding themselves laid off
- 30. Boomers turned bitter & cast themselves a victims & resentment & anger dominated the 80s & 90s
- 31. Took out frustrations on marketers & retailers & the era of anti-brand & customer satisfaction blossomed
- 32. Today the marketplace belligerence is subsiding & Boomer self-absorption & control reemerging
- 33. Sense of possibility regained & reorganizing priorities
- 34. Growth opportunities for marketing & sales if:
 - a. Better understand the values driving Boomer consumption motivations
 - i. Ingrained generational values motivates customer behavior
- 35. They will keep on spending

In Marketing & Sales - It's Not What Baby Boomers Think That's Important - It's How They Think That's Important

The whole business of marketing and sales is about getting information into people's brains and persuading their minds to buy or do something. The older we become the more emotional reactions determine if we should think about a matter. Emotional triggers in the brain activate memories and the stronger the memory - the stronger the emotional response. Marketing and sales must integrate both empathy and vulnerability into marketing messages. These two attributes are necessary to build trust, and are essential to optimal results in marketing and sales communications.

How Do They Process Information

An understanding of the above characteristics and applying that knowledge to marketing and sales messages and sales approaches will help to avoid wasted money and time. The adult median age is in the mid-40s and continuing to rise and company marketing and sales need to challenge current communications and sales protocols. Progress in this direction must be founded in the recognition that young, middle-aged and older brains and minds all work differently.

David B. Wolfe, noted author, lecturer and expert in marketing to older customers has developed

an approach to marketing he calls “Developmental Relationship Marketing”. His approach to communications has as its foundation writings of behaviorists Abraham Maslow, Eric Erikson and current noted authors. The concepts that follow are taken from several of David’s unpublished papers.

EIGHT PROGRESSIVE CHANGES IN HOW AGING MINDS PROCESS INFORMATION

1. Less reliance on reason to determine what is of interest, and more on intuition (which is cued by emotional responses). Implications: identify and employ images that promote strong positive emotional responses; relationship building must precede presentation of company and product; relationship potentialities are primarily emotionally inferred ("gut feelings") -- rather than rationally deduced.
2. First impressions (which are always emotionally based) are more durable and more difficult to reverse than for younger adults. Implications: be sensitive to images that can stimulate negative first impressions. It is probable that the strongest sources of negative impressions are images that conflict with idealized image of self, especially with respect to autonomy and sense of personal validity.
3. After a matter qualifies for interest and further attention, baby boomer customers tend to want more information than do younger customers do. Implications: manage the transaction continuum so that emotional cues are present when most advantageous, then shift to "hard" or objective information when most advantageous; information content must be no greater than what the person wants at a given point in time.
4. Decreasing speed in rational processing of objective information. Implications: Deliver objective information (e.g., company product, benefits and features, technical information, etc.) at a slow to moderate pace. Avoid "jump cuts" and incomplete sentences.
5. More resistant to absolute propositions. Implications: present information on company and company products in a qualified, even deferential manner. Baby boomer minds resist hyperbole.
6. More sensitive to metaphorical meanings, nuances and subtleties. Implications: take advantage of greater sensitivity to subtlety to expand the content of the message, especially in terms of metavalues - values that transcend the generic value of the product and expand its perceived attractiveness. Nonverbal symbols are effective in accomplishing this.
7. More receptive to narrative-styled presentations of information, less responsive to information presented in expository style. Implications: Make greater use of story-telling techniques to get information across.
8. Perceptions are more holistic. Implications: Project an interest in the "whole" person, not just the facet that might need a particular company product; also, avoid depicting representatives of target market in flat, single dimension contexts (e.g., simply showing customers using or talking about the facility without reference to a larger context).

The primary purpose of sales is to close by solving the customer’s problems. Without a clear understanding of the customer’s motivators’ sales suffers from a handicap. The above characteristics should be seriously considered when developing communication and sales approaches for these populations.

How Do You Get The Attention of the Baby Boomer?

Tap in on Nostalgia

- Strong Boomer hook
- Yearning for calm
- Love their Rock & Roll
 - Janis Joplin – Mercedes-Benz
 - Disco hits – Burger King
 - Rolling Stones – Microsoft
 - Beatles – GTE, Nike
- Sell to Boomers pining to recapture old thrills

Family Focus

- Boomers want to spend more time with children
- Desire traditional standards of:
 - Good manners
 - Family life
 - Parental responsibility
- Want to do this in innovative ways
- Boomers look for enriching experiences:
 - Shared by family
 - In any setting
 - Especially outside the home
 - Want time to be a celebration not merely an accommodation
 - Restaurants – special, formal, calmer & quieter
 - Homes – family friendly kitchen serving as headquarters for family & guests

Reduce Their Stress

- Boomers the most stressed generation in history:
- Want to control only the most important things
- Willing to delegate one less:
 - Problem
 - Concern
 - Headache
- Think of Honda “Simplicity” ads
- Boom in personal services continues
 - Money management & Food shopping
 - Household chores & Child care
 - Security, etc.
- *What not to do*
 - Be careful about technology that makes customers make even more decisions
 - Too many choices online could be a problem

Reinforce the Strong Boomer Sense of Self-Reliance

- Boomers don't want to delegate being in control
- Growing need for simplification
- Continuing need to control e.g.,
 - No-haggle pricing for automobiles
 - One-rate for long distance services
 - HMO's
- Provide simplicity & control simultaneously
- Boomers are demanding & want the truth
- Aggressive scrutiny helps them keep control
- Most likely to want data before they buy
 - Most likely to seek advice
 - Already owns product
 - Customer information services/reports
- Marketing strategies should reinforce the strong Boomer sense of self-reliance & individual superiority but don't require a lot of effort & participation on their part
- Mass customization a way to balance simplicity with control
 - *Custom Foot* – a shoe store

Be Careful About Using the Word Senior

- Boomers think 79 is old
- Will avoid company products pitched to baby boomer customers
- More subtle approach is required
 - Dockers & GAP
- Continue to be attracted to romance & adventure

Help Them Find New Ways to Win

- Typically responsive to brands effectively positioned as choices for winners
 - High energy foods
 - Powerful, sleeker, sportier cars

Areas where Boomers don't want to win anymore

- Concerned more with comfort than style
- Novelty for its own sake is out
- Brand names no longer badges of success

Help Them Find New Ways to Win

- Functionality is what Boomers now want
- Pizzazz will fizzle & function will flourish

- Let them know they are getting a good deal
- Boomers want to think they are winning shoppers
- Give them reinforcement

Retirement Not in Boomer Dictionary

- *Retirement Not in Boomer Dictionary.* Retread not Retire
- Don't view leisurely retirement as a reward
- Likely to start new careers
- Retirement approached as a work style not lifestyle
- Boomers cite work as primary way to express creativity
- Boomers may not have financial wherewithal to retire
- Boomers are work centered & will continue to focus on this
- Still looking for meaning & fulfillment
- Need to reduce debt & plan for eventual retirement

Ads and sales approaches should be easy to read and be experiential in nature. They should reflect empathy for the values of this demo in terms of your company products/services being a gateway to desired experiences of the targets. Understanding how customer's brains and mind processes information is a key to effective communications and increased sales. If a company ad or sales presentation fails to connect with a baby boomer's idealized image of self, it is more likely to be ignored. Finally, remember; don't focus upon selling the product. Instead, focus upon selling your knowledge of the customer's needs and how your product is a gateway to helping them to reach their goals and desired experiences.

Biographical note: Jim Gilmartin is president of Wheaton, IL based *Coming of Age, Incorporated*. Established in 1991, the full service integrated marketing firm specializes in helping clients to increase leads and sales in baby boomer and senior customer markets. The firm provides clients' marketing communications, full advertising agency services and public & media relations' services. The firm also provides clients sales and service improvement training and turnkey Customer Loyalty/Affinity Clubs.

Jim is a frequent speaker at sales and marketing conferences, leadership/management retreats and association meetings. He currently teaches marketing and management seminars at the *University of Chicago* and is on the faculty of the *Bank Administration Institute's* Graduate School. He can be reached at 630-462-7100 or e-mail him at jimgilmartin@comingofage.com.

¹ *Rocking the Ages*, J. Walter Smith & Ann Clurman, Harper Business