

COMING OF AGE

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

Baby Boomer Marketing & Senior Marketing

“Generations Older Than the Baby Boomers Are Gaining In Customer Power

By Jim Gilmartin

Let's Revisit the Opportunities

In 1946, Baby Boomers began their tremendous influence on America. No one could have predicted how this generation would reshape the nation. From 1946 until 1964, 76 million Baby Boomers were born and nothing has been the same ever since! Their current chronological age span is 38 to 57.

As of Jan. 1, one Baby Boomer turns 50 every seven to ten seconds. Additionally, according to the U.S. Census, 50 plus households controls 41 percent of all discretionary income, totaling \$169 billion. Finally, people over 50 comprise 68.2 million (one-third) of the adult population. In the next 25 years, that number will increase to 115 million.

Aging baby boomers are determined not to be ignored by America, or, at the very least, to maintain their buying power-recognition. For ad pros, the 18-to-49 age group has been the Holy Grail since the 1950s. Today, television networks work to attract that coveted demographic with shows such as "Survivor" and "The Bachelor", to name a few. Moreover, companies are willing to pay big bucks to advertise products during station breaks and between programs with a young audience.

The baby boomer generation makes up about one-third of the U.S. population but it controls three-fourths of the wealth. It wields \$1.7 trillion in annual buying power. Nevertheless, frustration is mounting because the \$245 billion ad industry still gears only 10 percent of ads toward 50-plus customers.

But What About the Senior Generation – Those Born Before 1946

Paul Kleyman, Editor, *Aging Today*, a publication of the American Society on Aging, in the United States, commented on a study by Nancy Hicks Maynard, *Mega Media: How Market Forces Are Transforming News* (New York City: Maynard Partners, 2000).

Maynard came to disturbing conclusions after conducting interviews during more than two years with 200 of the most influential executives in the media. The negative impression of senior audiences reflected by Maynard's informants was apparent in one solution she recommended for

attracting much-sought-after younger readers. She generalized that many journalists "preparing the news shy away from today's tools and rules" of high-tech interactivity.

Maynard went on, "Journalists with these sensibilities don't connect with the young and neither does their coverage. Some news executives are beginning to understand this. As they do, in the finite world of print, they unceremoniously ax the old warhorses to make way for something new. In 1999, the *New York Times* fired from its op-ed page both humorist Russell Baker and former executive editor Abe Rosenthal. They were replaced by clever baby boomers. . . . "

Maynard repeated to her audience of media decision-makers what a growing number of authorities in media advertising and marketing now challenge as a major misconception about senior customers. She commented, "While older people have most of the money and spend a lot of it, mass-media advertising influences them the least. A number of high-end or specialty magazines cater to their tastes. The young women who control the family purse are the biggest target for mass media, so advertisers pay a premium to get their attention." This convention of the advertising world has been soundly refuted in recent years by a variety of ad-industry sources.

For example, Richard A. Lee, principal of High-Yield Marketing, a marketing and research firm in Roseville, Minn., conducted a 1995 study titled "Ageism in Advertising: A Study of Advertising Agency Attitudes Toward Maturing and Mature Consumers" in cooperation with the Association of Advertising Agencies International. This proprietary report concluded that ageism was a secondary effect of the industry-wide practice of estimating numbers of household units, especially those in which young, June Cleaver-type mothers make family buying decisions, rather than calculating audience size and buying power by per-capita income.

Using per-capita estimates would place a spotlight on today's more affluent senior audiences, according to Lee, but force advertising agencies to abandon the household unit, which, though as outmoded as the *Leave It to Beaver* image of the American family, more easily enables advertisers to claim they are reaching mass audiences that command high advertising rates. Lee stated, "Advertising-industry denial of changes in family structure that make per-capita spending more important than household spending is a major contributor to ageism in advertising."

An article titled "Senior Spending" in *American Advertising* (Winter 1999-2000), a publication of the American Advertising Federation, Washington, D.C., noted, "While Generation Y is appealing to marketers, focusing on the senior population, an oft-forgotten group, also can be highly profitable."

The article cites findings of a 1999 survey of 600 people ages 55 and older conducted by Research 100, Princeton, N.J. This proprietary study found that elders are "neither frugal nor set in their ways" and spend "more time considering new products and brands than other age groups." Furthermore, said the article, Zona Research, "reports that seniors 55 and older spent three times as much on Internet purchases during the 1998 holiday season than the average Internet shopper." The article concluded, "This exploding market can be of great benefit to advertisers, if only they take the initiative to target [elders]".

Also, when Brad Edmondson was the editor of *American Demographics*, he wrote in a cover story titled "Do the Math" (October 1999), "The boomers are not the only market in America. . . . In particular, our data also show that generations older than the baby boom are gaining in customer power, so that robust spending on some products may be emerging among householders in their 70s and 80s."

Despite these and similar findings, media ageism is perpetuated by the impressions of media executives and managers that the field's bottom line is most heavily damaged if, say, a television network is identified as attracting an "old audience," a phrase used by *New York Times* television columnist Bill Carter.

These Markets are Not "Cool"

John F. Zweig, CEO of WPP Group-USA, the parent company of media giants J. Walter Thompson, Ogilvey & Mather and Young & Rubicam said, "We deal with three-fifths of the Fortune 500 companies as advertising agencies, marketing consultants or research partners." One factor in perpetuating ageist attitudes that Zweig cited is that most creative staff at ad agencies are ages 25 to 35. He explained that the rise of the huge and youthful boomer generation brought about "a revolution" in advertising in the 1960s. "That's when this idea of a cultural and market phenomenon came together, and marketing became anything that was cool. By definition, when you are talking about seniors, the market is not 'cool'.

So, What Makes These Generations Tick?

Zweig stressed, though, that every corporate advertising or marketing plan today includes at least a paragraph on the growing importance of the mature market. "It's not lost on these people that this 25% of the population [55 or older] controls 70% of the purchasing power," he said. "Yet, despite this there are countless examples of ageist or just plain stupid exclusions of this incredibly important market."

So, if your product or service is, or can be, attractive to these generations, marketing and sales needs to come to terms with the fact that the things they have to do to secure a more seasoned customer are often not the same as what they did to entice younger populations. Let's revisit what makes this generation tick:

1. Born between the turn of the century and WW II
2. Country's 1st "Senior Citizens"
3. Experienced economic difficulty during childhood
4. Triumphed over the great depression, Germany and the Japanese
5. Built the suburbs
6. Fueled an economic boom
7. Cheered when Neil Armstrong walked on the moon.
8. Accomplished goals through hard work & made sacrifices
9. Created the most conformist culture of the twentieth century
10. Came of age when discipline and self-sacrifice were cornerstones of their outlook
11. Hard workers with a self-sacrificing commitment to bettering society

12. Shared the same generational experiences and developed the same basic values and motivations
13. Rebuilt America after WW II ensuring the foundations of a better life resulting in a sense of responsibility. Loyalty, patriotism and teamwork typical characteristics
14. Hard work its own reward, financial security through savings, the good of the group before the good of the individual, and a belief that the good life had to be earned are typical values
15. First to fully participate in the American dream
16. Success was measured in tangible, economic terms - homes, cars, appliances - value was a synonym for price
17. Respect they feel for institutions and their desire to conform translated into an enduring loyalty toward brand name products patterns
18. Crime and personal safety are some of their chief worries
19. Like to associate with those of similar views and backgrounds
20. Don't like advertising that assaults their infirmities and reminds them of their problems
21. Respond to advertising that plays to the notion that they overcame daunting odds and have reach a payoff point
22. Reached a level of financial comfort where they are less likely to deny themselves life's pleasures
23. Spend money wisely and responsibly
24. Less likely to try products before anyone else
25. Concerned that purchasing products may stigmatize them
26. Marketing messages that focus on the intrinsic attributes of a product are less effective in this demo than in younger markets
27. Marketing messages that stress "luxury" or self-indulgent services are generally less effective in this demo than in younger markets
28. In making discretionary expenditures, respond more favorably to products and services that they perceive as facilitating desired experiences
29. Typically tends to respond more favorably to marketing messages that emphasize introspective or altruistic values. They respond less favorably to marketing messages that emphasize selfish interests
30. Have a strong aversion to embellished claims and to what they perceive as misleading imagery
31. Cognitive patterns become less abstract (left-brain orientation) and more concrete (right brain orientation). Results are sharpened sense of reality, increased capacity for emotion, and enhancement of their sense of connectedness
32. They are subjective/reflective in their thinking, they recognize that every-one's reality is different, they are barely imitative and have a selective but strong sensitivity to nuance
33. Increased spirituality of maturing customers results in a higher regard for traditional basic values commonly perceived in a society as universal and eternal. Marketing messages should avoid images that are contrary to such values and invoke images that reflect such values

The above characteristics should be seriously considered when developing communication and sales approaches for these populations. Since the primary purpose of advertising is to generate

ads with the best chance of generating interest and converting that interest into a sale, the ads should reflect a real empathy with the values and motivators of this demo.

Ads should be easy to read and be experiential in nature. They should reflect empathy for the values of this demo in terms of WWW being a gateway to desired experiences of the target.

- Autonomy and self-sufficiency (independence/participation)
- Social connectedness (relationships/friendships)
- Altruism (opportunity to share wisdom and ability to do for others: family, community & country)
- Personal growth (gain knowledge)
- Revitalization (need to rejuvenate)

are all values and motivators for this demo. The more ads and sales approaches that reflect the product or service is in harmony with these values and motivators the better.

Aging related changes like poor vision need also be considered. For example, as we age, we need more light to see, pastel colors become distorted and blend to dark, etc. Large font serif type, vivid colors, etc. are recommended.

We See What We Want To See

There is also evidence that ads that take a "less is more approach" to this demo are more effective. Presenting your company or product in a manner that is more suggestive than descriptive allows the target demo to subjectively interpret the message based upon his/her needs, values and motivators. Customers buy products projecting images of who they want to subjectively be, not who they are.

Most marketing and sales centers on customers' objective identities (demographic and psychographic) and research show that a product's message succeeds when it connects with a customer's subjective identity (allows for individual interpretation). Brilliant messages and sales presentations not connecting with the subjective mind are usually unproductive.

Stories Work Well

Another good communication tactic is the greater use of story-telling techniques. Stories are generally quicker to arouse emotions than straightforward propositions about a product's features. Think hallmark cards - they surpass most in using stories to present its products.

Today's customer universe is age-weighted toward midlife values. Resistance to emotionally neutral information (mainly processed in the left hemisphere of the brain) increases in midlife. Receptivity to emotionally enriched information – such as stories – increases in midlife. Storytelling has become an important part of market strategy. Whoever tells the best story and tells it best will most likely win.

Finally, consider:

1. Presenting messages in an upbeat tone
2. Creating credible, experience and benefit oriented ads
3. Applying knowledge of aging related changes to communications
4. Not playing on fear/vulnerability
5. Not putting them all on a diet
6. Keeping a sense of humor
7. Not taking romance out of life
8. Helping them to plan
9. Projecting your product or service as a gateway to desired experiences
10. Providing these populations:
 - Information not Hyperbole
 - Goal setting not Panaceas
 - Empathy not Sympathy

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.
