

COMING OF AGE

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

Baby Boomer Marketing & Senior Marketing

How to Avoid Being Myth-Interpreted

By Jim Gilmartin

A Marketing Revolution

On January 1, 1996, the first of the babies born during the Baby Boom turned fifty. For each year thereafter another 4 million Boomers will cross the half-century mark until 2013. Approximately one out of every four Americans is more than fifty years of age. They are progressing first into their fifties and then their sixties and seventies marking a revolution in the size and influence of baby boomer and older (commonly referred to as seniors) customers.

In the space of 150 years the U.S. population will have changed from 3.1 million persons over sixty-five (one-in-25) around nineteen hundred, to 33.2 million (one in 8) in 1994, to almost 80 million (one-in-5) in 2050. Some other considerations include:

- The increasing uses of early retirement in recent decades as a downsizing tool to reduce corporate expenditures set the definition of “mature” back to fifty-five, where it rested for some years before falling to its current entry point of fifty.
- Quality of life for baby boomer and older customers has also improved. Besides including more youthful fifty year olds, new medical technologies, healthier lifestyles and increased knowledge are not only extending life expectancy but also positively transforming their quality of life.

The message for marketers is that the tidal wave of Boomers turning 50 will only intensify the trend toward youthfulness among the mature population. Just as Boomers have changed every stage of life, they have lived through so far, so they are likely to create a second middle-aged market, thus altering the very nature of baby boomer and older customer markets.

- They have renamed all the life stages. Some examples include “second middle age,” “third life,” “the third age”[“], second adulthood,” “mid-youth”, and “middle-aged senior”.
- In this youthful mature population, fifty is clearly not very different from fifty-five.
- People age fifty to seventy-three, born between 1922 and 1945 dominate baby boomer and older customer markets.
- Understanding what distinguishes baby boomers as a group from older populations will be the key to planning for successful marketing to the baby boomer and older customer populations in the coming decades.

Rethinking the Markets

We have geared advertising in the twentieth Century toward reaching youth markets. Selling to maturing boomers will require a rethinking of how and why advertising works. Boomers will continue to shop for a better world even as they pursue a comfortable retirement. Marketing campaigns that deliver, even in a modest way, on both fronts, are more likely to be winners. Those that ignore the significance of the 1960's idealism on the mature consumer market do so at their peril.

The aging of the Baby Boomers will affect America in several ways. The country will become more conservative; the home will be the focus of their life; and the nation may be wealthier. Baby boomers have become middle-aged people. They are well educated, high-tech parents, who like to have more leisure time. Boomers, now aged 46 to 64, are also stereotyped, as is the previous generation. Stereotyping baby boomers has resulted in inaccurate and ineffective marketing communications.

As baby boomers age, some characteristics will be common. Characteristics* that can be considered common to 78 million baby boomers in most areas includes:

- Love of their rock and roll
- Children at home
- Part of a married couple family
- Three out of four baby boomer women are in the labor force
- There is a prospective new member every 8 to 10 seconds for the next 15 years
- Visual impairments
- Hearing impairments
- High blood pressure
- Arthritis
- Much more individual
- An attitude that they can always take care of themselves
- The basic feeling of financial security
- Less happy than other adults with the status quo
- Think that politicians commonly lie
- Skepticism and rejection of a banks and negative opinions about financial services
- Worried and pessimistic about foreign relations
- Likely than others to focus on education
- Retain their love of Granola
- Likely than other adult to believe that anything labeled "natural" is better
- Boomers equate natural with authenticity
- Boomers are less concerned than young adults about the environment
- There more likely than other adults to discipline a child
- Begin their day before 6:00 a.m.
- Makes long distance phone calls
- Likely than older on or younger adults to own computers
- Access electronic bulletin boards

- Send and receive electronic mail and faxes
- Feel stress and tension at the end of nearly every day
- Have less leisure time than other adults
- Regularly take a walk of one mile or more
- Most likely live in two income households
- Concerned with their children and their jobs
- Always be a little selfish about the leisure time
- Remain suspicious of the status quo
- And, they will always love rock and roll
- It is too large a group to have shared opinions about much of anything.

*Source: Adapted from Roper Starch Worldwide, Inc. New York City

In addition to understanding typical characteristics of boomers, understanding behavior shifts can help marketers predict future wants and needs. Boomers will have clearly defined preferences and strong opinions that distinguish them from other Americans. Some preferences stem from what experts call the “cohort” effect; the common experiences shared by boomers when they were young.

Some suggest that the way baby boomers act is determined by a large part by their stage of life. “People buy products/services based on the developmental stage they reached, says author of “Ageless Marketing” David B. Wolfe. “Cohort and life stage effects, mixed with boomers individual personalities and situations, create consumer purchase motivations. Understanding how the manifestation of their “survival values”, the factors that determined their behavior change over time can help marketers and sales professionals to predict what these groups will want and need in the future.” says Wolfe.

Boomers also want to look good but they don't want to starve themselves says Mimi Field, spokesperson for the Intimate Apparel Council, a trade organization in New York City. Boomers are very pleased with the invention of lycra. It's not considered underwear; it's considered equipment. Also, today there is support among boomers for plastic surgery, liposuction, tummy tucks, firmers and Wonder bras. Baby boomers do not see themselves as aging. They see themselves getting on with their lives.

As we age, the quality of the average American's vision will decline due to both normal age related in vision problems and an increase in diseased eyes, says Dr. George Bresnick, professor and chairman of the Ophthalmology Department at the University of Rochester Medical Center in Rochester, New York. Vision problems can have a dramatic effect on business when boomers can't read advertisements, or for that matter, any communication, because the type is too small, or it has poorly contrasting colors or the paper used has a glare.

Fortunately, it isn't difficult to make the changes that older eyes appreciate. The communication and advertising issue is readability. If the print is not large enough, many potential customers will miss the message. Simple type styles are more effective than ornate types that tend to distort the image. All uppercase lettering should also be avoided. Remember, if it can't be read, there won't be an interest.

The aging baby boomers in America will heavily influence six market segments: financial services, fitness, travel, food, health care and beauty products. Marketing to baby boomer and older customers is becoming more mainstream as companies and advertisers begin to break away from stereotypical thinking regarding aging and its effects. The current myths and stereotypes about aging have a negative effect on business.

The vast majority baby boomer and older customers are self-sufficient. With changes in mandatory retirement, will baby boomer and older customers seek to continue working? Income is one reason baby boomer and older customers' stay employed. A secondary important factor is the desire to continue contributing to society and remaining productive.

Aging is a Reality. Everybody's doing it.

Since ageist attitudes exist in American life it follows they will appear, however unwittingly, in our thinking, print and other communications.

- When young people develop a negative view of aging and of older persons, they may lower their goals for achievement in later life.
- Biases against aging are often so deeply ingrained in our culture that they are difficult to identify. They unintentionally creep into our writing, marketing, sales, advertising and service efforts.
- We can eliminate, or greatly reduce ageism, and the benefits are well worth the effort. First, communications will be more accurate, thus realistic. Second, they will appeal to a larger audience.

Facts to Be Kept in Mind by Marketers, Communicators and Sales and Service Professionals Who Seek to Avoid Discriminatory Depictions

Success in avoiding unintentional discrimination depends on the awareness, knowledge and willingness of the communicator to change his or her frame of reference about baby boomer and older customers, identify, and avoid ageist stereotypes.

- The most common treatment of baby boomer and older customers is not to treat them at all.
- Showing that baby boomer and older customers take part in the mainstream of life is necessary for accuracy, and is crucial and simple.
- Most baby boomer and older customers are women. The stereotyping of older women is particularly strong. We show them almost exclusively in kinship roles as wives, mothers and grandmothers in domestic settings.
- Shrew, hag and crone are negative words used to describe an older woman.
- A sexually active mature man is termed lecherous, not virile; we frequently portray the sexually active mature woman as odd or pathetic, not alluring.

Not Glamorizing the Aging Experience Is Equally Important

Baby boomer and older customers struggle each day with the same economic, social and psychological problems as people of other ages.

- Baby boomer and older customers no more fit a stereotype than members of other arbitrary groupings of people
- The only blanket assertion that applies to all baby boomer and older customers is that they have lived longer.

Health

- Baby boomer and older customers do require health care more often and for longer periods than young people do.
- Most of the physical changes that occur with age are not very debilitating.
- While certain diseases and ailments may be more prevalent among baby boomer and older customers, they are not unique to the baby boomer and older customer. For instance in 1992, of the more than eleven million visually impaired Americans, almost four million were young or middle aged.
- Only 5% of mature Americans age sixty-five and above live in nursing homes at any one time.
- With age often comes a more holistic, realistic and balanced perspective. Additionally, many baby boomer and older customers have an increased sense of self and direction.

Income/Productivity

- Most baby boomer and older customers, in fact 88% of those age sixty-five or more, have adequate incomes.
- Approximately 12% of persons age fifty and above have incomes below the poverty line and another 13% are considered "near poor."
- The vast majority of baby boomer and older customers are self-sufficient.
- With changes in mandatory retirement, more baby boomer and older customers may seek to continue working.

Contributions

- Most baby boomer and older customers study issues and vote.
- Twenty-eight percent of all persons fifty and older devote time and energy doing volunteer work in the community.
- In the American Association of Retired Persons (AARP) programs alone, there are more than 250,000 volunteers.

Personal Growth Does Not End At Age Thirty, Fifty or Sixty-Five

Age brings the potential of attaining an enriched emotional, spiritual and intellectual well-being. Maturing heightens the need for positive life experience.

- Active participation in all facets of life is normal for baby boomer and older customers.
- They highly value independence.
- Love and sexuality is a part of maturing.
- The desire for satisfying companionship, both emotional and physical, is perhaps even greater in later years.

Ageism is an insidious denial of the potential of all individuals; it is inaccurate and untrue, yet so pervasive that detecting it without a conscious effort is difficult. Ageism in the business setting "muddles" the creative thought process and reduces opportunities in this growing market.

Population Size and Growth

- The median age of the population rose from 23.0 in 1900 to 30.0 in 1950 to 34.3 in 1995. In addition, the median age will continue to rise - by two thousand it was 35.7, by 2010 37.4, and by 2020 38.0. It will finally level off between 2040 and 2050 at more than 39.0.
- About 30% of the population in 1992 was born during the baby boom.
- After 2010, when the surviving baby boomers start to enter the sixty-five plus age groups, the proportion of sixty-five and over will increase dramatically – from 13.3% in 2010 to more than 20% by 2030, while its numbers grow from 39.7 million to 69.8 million.
- Only 14% of the babies born in 1900 could expect to live to age eighty. However, for those born in 1984, 44% can expect to reach that age.
- Baby boomer and older customer markets are also getting larger because it encompasses a larger range of ages. A decade ago senior customer markets only included people age sixty-five and over.
- For a lack of a common term for them, marketers so often lump people age 50-plus with those much older and call them all “seniors”. This is a serious mistake. Fifty year olds reject any efforts to put them into a senior category.
- The older population has credit cards and uses them with increasing regularity. According to mature America in the 1990's, 62% of Americans over the age of fifty have some type of charge card, while only 54% of adults under the age of fifty have them.
- Sales representatives need to understand how to respond to the individualistic nature of maturing boomer customers. It means, providing personalized answers to their needs. It means, acknowledging their independence. It means, giving them several options and leaving the decision-making to them.
- Older boomers, and all baby boomers for that matter, are the most educated generation ever. They are more demanding and sophisticated consumers.
- Boomers are likely to be “high tech” consumers and more likely to own a personal computer than older or younger adults. They are comfortable with advisors who present information on a laptop computer and talk with them through electronic bulletin boards, E-mail and faxes.
- Boomers are more questioning of authority. They want to know the basis for

recommendation so they can decide for themselves whether it is valid. They do not like hype. The last thing another generation wants to hear is a salesperson saying, “Trust me”.

Debunking Myths

Recent research in the field of aging contradicts the stereotypical assumptions about aging. The stereotypes of aging are inaccurate and are refuted by the best and most recent research. There is no believable physical decline because of aging. Some people live until their 90's and even 100 in normal health without becoming chronically ill.

Most, or perhaps all, physical deterioration in late life is due to poor nutrition, lack of exercise and specific illness. Loss of strength is chiefly a result of disuse – lack of exercise. Research at Boston's Tufts Center on Aging has shown that frail ninety years old men on a weight bearing exercise program gain increased muscle mass as fast as do twenty year olds. Weight bearing exercise can improve bone density at almost any point in life.

Some physical deterioration is a product of nutritional deficiencies. The Tufts Center on Aging, for example, recently discovered thirty years old studies that show that folic acid and vitamin B6 deficiencies can lead to a build up of plaque and cardiovascular disease. There is no inevitable intellectual deterioration with aging. Increased connections among the remaining cells accompany the celebrated “reduction in brain cells”, implying that reserves aren't being discarded, and expanded reasoning ability is created.

Creativity does not inevitably decline. Creativity is a personality trait and as is always present to a greater or lesser degree. Studies have shown that quantity of output is a better index of creativity than age. Success in a new enterprise depends on personal “fit” and can occur at any age or stage of life.

MYTH # 1 “You can't teach an old dog new tricks.”

Baby boomer and older customers can and do learn new skills easily. In fact, in properly designed programs, older individuals can benefit from training as much as, and sometimes more, than younger people can.

MYTH # 2 “Intelligence declines with age.”

Experienced-based intelligence remains stable or improves well into late adulthood. In many jobs, the expertise of older workers allows them to be among the safest and most productive employees. The speed and efficiency of processing information can decline, however, with increasing age. Recent scientific experiments show that, with practice, baby boomer and older customers can reverse some of these effects.

MYTH # 3 “All ‘Old people’ eventually become senile.”

Specific diseases and health problems like Alzheimer's disease, depression or poor nutrition cause senility, or dementia. It is not a normal result of aging. The vast majority of baby boomer and older customers remains mentally vital and alert throughout their lives.

MYTH # 4 “All ‘Old people’ have to live in nursing homes.”

Less than 5 percent of older customers live in nursing homes at any one time. The average age of an older adult entering a nursing home is eighty years of age. Most older customers live independently in their own homes or with relatives.

MYTH # 5 “All ‘Old people’ have no interest in sex”.

Although erections may be less firm for older men and vaginal lubrication less fluid for older women, both men and women can, and do, enjoy sex and their sexuality late in life. Of course, the drug “Viagra” has had an impact on the sexual activity of all ages.

MYTH # 6 “You won't live long if your parents didn't”.

Although there is a heredity factor in longevity, other factors are far more important in determining how long we live. Following good fitness, nutrition and relaxation habits adds years to our life.

MYTH # 7 “All ‘Old people’ can't find work.”

Although attitudes often work against hiring maturing adults, many of these attitudes are changing. Job sharing and job restructuring are increasing opportunities for mature adult workers. Baby boomer and older customers have higher productivity and lower absenteeism than younger workers do.

MYTH # 8 “All ‘Old people’ want to be young.”

Most baby boomer and older customers are happy to have lived their lives and are not anxious to go back. As Jonathan Swift wrote, "No wise man ever wished to be young." However, maintaining a youthful exuberance, looks and outlook can be expected from aging baby boomers.

MYTH # 9 “People more than sixty-five are old.”

There are neither biological nor psychological reasons to connect the number 65 to the onset of "old age.” We developed the number 65, a marker of ‘old age’, in the 1930's, along with the Social Security Act. The government believed placing the retirement age at sixty would have been too costly; placing the age of retirement at seventy would have eliminated almost everyone because the life expectancy was then approximately sixty-two. Today, we should probably consider 95-100 old. We are aging at a slower pace, and when we hit sixty-five we are still far from old.

MYTH # 10 “All ‘Old People’ are in poor health.”

Many baby boomer and older customers may have chronic, controlled health problems, and often, they do not bother them. Most baby boomer and older customers are not ill. A study by

the Louis Harris polling company found that far fewer maturing Americans report problems with their health. In response to the survey, only a little more than 20 percent said that health problems debilitated them.

MYTH # 11 “All ‘Old people’ are unproductive.”

Surveys and studies have shown that mature workers have fewer avoidable accidents than younger workers do have, and have good attendance records. According to gerontologist Pauline K. Robinson, "the factual record belies the expectation held by many that mature workers would be absent because of illness." No consistent pattern exists to show the superiority of any age group.

MYTH # 12 “All ‘Old People’ are pretty much the same”.

It is this myth that has created the so-called “senior” market and the assumption that all baby boomer and older customers are alike. When we look beyond the myth, there is no age group more varied in physical abilities, personal styles, tastes, desires, needs or financial capabilities than the baby boomer and older customer. There is no evidence that baby boomer and older customers think, act and look much the same.

People in their latter years become more, not less, diverse. There is no “average” aging consumer. Tomorrow’s baby boomer and older customers will be different not only from one another, but from today’s baby boomer and older customers as well. The reality is "Senior" markets do not exist! As we age, we become less alike not more alike. To be successful in a baby boomer and older customer market understanding and research is a key to success. Marketing professionals must move from “net fishing” to “fly-fishing”. Finally, a twenty five year old typically considers anyone over the age of fifty to be “old”. Consider the business implications of your employees manifesting this belief in their actions, words and attitude toward consumers.

Marketing To Baby Boomer and Older Customers

Why markets have gotten tougher?

Markets are undergoing unprecedented change. Advertising has become less effective and brand loyalty is declining. Consumer buying behaviors are increasingly pattern less. Consumers are more demanding, independent and skeptical. Consumers are suffering from information overloads. They are more sophisticated and have an over abundance of choices. The growth of the baby boomer and older customer has created fragmented markets from broad markets.

We Are Challenging the Ideas of The Past

Baby boomer and older customers organize reality differently and may speak a different language. We need a full and balanced understanding. Also, market segments are getting smaller and psychographics attributes of segments are less well defined. In addition, the rise in ethnocentricity has complicated segmentation. The rise in the median age has changed the demographic foundations of segmentation. Rising individualism works against aggregating

consumers into neat categories. As a result, new paradigms (rules) are required to adapt to today's changed marketplace.

Method Marketing.

We have a flawed impression of baby boomer and older customers and few effectively market to them. Today's markets and yesterday's markets are different! The advertising professional's ego can be a detriment to effective communication to baby boomer and older customers. The era of the youth dominated markets has ended.

We Cannot Solve Today's Challenges with Yesterday's Solutions

<u>Yesterday's Approach</u>		<u>Today's Market</u>
Norms	vs.	Idiosyncrasies
Simplicity	vs.	Complexity
Naiveté	vs.	Sophistication
Conformity	vs.	Individualism
Acceptance	vs.	Skepticism

Consumer Buying Decision-Making Process How the Consumer Mind Works

- Experience checks. The unconscious mind evaluates information against experience
- Completion of the preconscious program. Buyer rechecks throughout the brain and unconscious mind and emotions determine the value
- If it feels good - buy it
- If it doesn't feel good end further consideration

Consumer Behavior Marketing™

Consumer Behavior Marketing™ (CBM) focuses on how baby boomer and older customers think - not on what they think. Its concepts are derived from the writings of David B. Wolfe (Developmental Relationship Marketing). Consumers have a difficult time of articulating: why they do what they do and why they buy what they buy. We should give consumers the key to the executive office! Marketers have to change from net fishing to fly-fishing. That is provide enough information to titillate each readers imagination and conclude how the product advertised will help them personally.

Psychographics - A Research Paradigm

Purchase motivators are considered the product/service features, attributes and benefits and presume constant rules of behavior. The rules attempt to identify the psychological connections between products and purchase motivating values.

Wolfe's developmental Relationship Marketing focuses on how baby boomer and older customers think - the mechanics. It's recognized that behavior changes emerge in later life and that baby boomer and older customers develop beyond traditional research methodologies. The most successful companies of

the future will be those that operate as analogues of their consumers. In traditional marketing, the marketer manipulates. In interactive marketing, the consumer manipulates. It is the ultimate manifestation of being customer driven.

Successful Business Culture

Every employee is a marketer and research is the core of successful product/service design and marketing. Understand the behavior of your market:

- People continuously change
- The objective in growth is improvement in adaptability
- Growth is time dependent
- The objectives of growth change throughout the lifespan
- Growth & the need to sustain growth is a primary source of needs
- DNA, environment and subjective dynamics have formed personality
- Most changes take place outside the conscious mind
- Subjective responses determine nature of thought & personality
- The less developed a person the greater narcissistic values
- Three stages of growth and aging:
 - Possession experiences stage - I want it and it defines who I am
 - Catered experiences stage - I want to be served
 - Being experiences stage – I want to experience more

Needs reflective of a given state substantially determine a person's beliefs of growth. Mental activities generally reflect the seasons of growth & aging. The most effective marketing/communications reflect differing styles:

- Objective - black & white, to-the-point, etc.
- Subjective - shades, feelings-dominated
- Applying CBM marketing principles

Underlying needs arise from root motivators and survival values. Product/service attributes and direct benefits cannot function as root motivators' - they can function as:

- Arousers of Survival values
- Secondary motivators
- Agents of rationalization

The key to success is to stir the emotions, not the intellect. Design the sequence of the message to match the sequence of the brain. Understand the role of emotion & reason in the decision making process. Understand the key root motivators' - survival values.

Key Underlying Motivating Values of Baby boomer and older customers

- Autonomy and self-sufficiency

- Social connectedness
- Altruism
- Personal growth
- Revitalization

You can increase your marketing and sales effectiveness by reflection knowledge of these values in your message and sales approach.

A Summary of Maxims of Consumer Dynamics

Behavior is defined by needs based upon position along the continuum of life growth. The potential for a successful sale begins with stimulating the root motivators. We most effectively accomplish the initial stimulation of root motivators through nonverbal means (images).

Other Words of Advice

Again, it is not What baby boomer and older customers think that is important; it is How they think that matters. The number of Americans over fifty years of age has grown to one hundred and twelve million in 2010. Clearly, baby boomer and older customers are today's target population and, even more so, tomorrow's target market.

Principles and Factors to Consider

- Generally, mature consumers buy products and services that serve as a gateway to positive or being experiences rather than because of the intrinsic value of the product or service.
- Do not consider age as a determinant or predictor of baby boomer and older customer behavior, or as a predictor of specific consumer reaction to a product or service. Change your frame of reference (shift paradigms) about this market. Do not let "Myopia" interfere with an intelligent approach to the baby boomer and older customer populations.
- Time is usually not of the essence to baby boomer and older customers when making a purchase decision. Attempts to instill a sense of urgency are generally ineffective.
- When the direct or indirect result of a purchase is a positive experience, the baby boomer and older customer perceives a proportionately greater difference between generic and perceived value because of purchasing your product or service.
- When making a purchase, the cognitive process of the baby boomer and older customer generally begins with the instinctive right side of the brain and concludes with the abstract (left) side of the brain. Not applying this principle can have costly implications when communicating and marketing to the baby boomer and older customer.
- Things that were important to us decline in importance as we age, and experiences that once were unimportant become important to the baby boomer and older customer.
- As baby boomer and older customer's age, they generally take on the following traits or characteristics: Altruism; anti selfishness; anti luxury; anti hyperbole; anti materialism and increased sense of spirituality (they value tradition). Baby boomer and older customers tend to view their environment from a holistic perspective, and they have a greater sense of reality.

Growth of the Markets of the Decade

In summary, identifying the winning business in the next decade is not difficult. Think of the business implications of that! You can adapt your planning and timetables to pinpoint new market segments before they enter their most rapid growth periods. How, you say? The first step is to put on new glasses. See things from the point of view of the new Customized Economy and its principles of growth, productivity and management.

Many marketers see only problems. They say, “Baby Boomers don’t follow patterns.” Baby boomers are creative and productive and you can highly motivate them to purchase in the right environment. Business will grow if they put on new glasses and change management, marketing, communication, sales and customer services methods and tactics.

Information is out there. All you have to do is learn to recognize it. This article provides tips to improve your success rate. However, you must take the time to recognize the changes currently in the market and those coming. At a minimum, you will avoid the pitfall of remaining unchanged. Maintaining the “status quo” will guarantee certain failure.

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 older 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.
