

# COMING OF AGE

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

## Baby Boomer Marketing & Senior Marketing

### “Show Me the Money” – Baby Boomer Customers Can!

---

By Jim Gilmartin

#### Try Not To Alienate Aging Boomers

The New York Times reported some data that succinctly and starkly illustrate that ageism (or is it youthism?) is alive and well on Madison Avenue and in the media. The article is about the WB network, which has prospered by focusing on attracting young (18-34 year old) viewers. To show how effective this strategy has been, the article, which ran on the first page of Monday's business section of the Times, stated the following:

"A typical episode of '60 Minutes' [on CBS] is watched by 14 million people with a median age of about 60, according to Nielsen Media Research. By contrast, a typical episode of 'Smallville' [on WB] is watched by just 7.5 million people, with a median age of about 29. Nonetheless, a 30-second advertisement on 'Smallville' sells for about \$111,000, according to the trade publication Advertising Age, which prices a 30-second ad on '60 Minutes' at \$90,000."

The population count for adults under age 40 is now about 85 million while the Boomer+ populations number over 123 million and will grow to over 138 million by the end of this decade. Given that the baby boomer populations are already 45 percent larger than the under 40 adult market, and that this older and more affluent market will soon represent a trillion dollar advantage over younger markets, how much longer can the traditional Madison Avenue logic that the lion share of attention should be given youth and young adult markets?

The baby boomer market represents one-third of the population, yet controls three-fourths of the wealth. One of the 78 million Boomers reaches 50 every seven seconds. The over-50 group is already 79 million strong — 28 percent of the U.S. population. By 2020, it will be 36 percent of the population, according to the Census Bureau. Baby boomers are no more or less brand loyal than individuals a fraction of their age; for some product categories, they are more likely to abandon a brand than their younger counterparts are. And their lives are far from sedentary.

Marketing messages that embrace clichéd themes not only miss their mark but also alienate baby boomers. A survey conducted by Active Times reported that people over age 50 feel that advertising messages geared to them are condescending, stereotypical and place far too much emphasis on medical conditions. Smart marketers are replacing conventional approaches with new ways of understanding and connecting with mature Americans.

Traditionally, companies have relied on many methods to predict customer behavior, including those based on chronological, biological or psychological age--or on customers' attitudes, opinions or demographics. While all of these approaches have merit, they also have shortcomings.

Chronological age is no longer considered sufficient for understanding baby boomers. How many of us can't think of an 80-year-old going on 50, or vice versa? Biological age provides an understanding of metabolic changes such as decreasing visual and aural acuity or diminished mobility, but health declines occur at different rates in different people.

They have a stranglehold over certain industries. Boomers make 80 percent of luxury travel purchases, 58 percent of luxury auto sales, 41 percent of all new car and truck sales, 77 percent of prescription drug sales and 61 percent of over-the-counter drug sales.

### **A Boomer Profile**

Boomers were the first generation to break long-held societal rules—they remain the ones who question everything, and want things their way, when they want them. As customers, they do not accept, "We're out of stock" or "We'll have to order it for you." After all, they are the founding members of the "instant gratification" generation. However, there are some unpleasant facts that Boomers cannot control. The years are catching up to him or her: 12,000 Boomers turn 50 every day and AARP can send out an invitation every 8 seconds and still not keep up.

Boomers are not very happy with the idea of aging. Turn on the television and watch a few Infomercials targeting Boomers. Everything is "tone up", "tighten up", "look younger". However, don't let the Boomers fool you! They may balk at the so-called "Senior Citizen" programs that they are being invited to join, but they are more than willing to take any discount you have to offer.

### **Save Them Time & Money**

Boomers worry about putting their children through college, paying for retirement and the quality of life. Boomers seem to be working harder and longer, without much light at the end of the tunnel. They might opt for a lower-stress job, but they will probably be employed for most of their lives. This has a tendency to leave most of them time starved and stressed out. Time is something this generation craves more than anything, so it's no wonder that when they shop, Boomers seek retailers who are willing to help them out.

### **Make Boomer's Lives Easier**

A way to a Boomer's heart is through customer service. The clear winners will be those companies that provide products and services to make Boomer's lives easier. Many retailers have yet to reset their marketing strategies from the youth market to a Boomer market. Do not make that mistake: Get ahead of your competition and implement these "how-can-I-help-you" strategies in your company.

"I'll be happy to take care of that for you." Because their lives are so full, Boomers rely on the services that well-informed retailers could provide. If, in addition to the important products that you carry, you can offer custom orders, quick delivery, gift-wrap, shipping and personal shopping, you've got it made with this group.

Think of what conveniences a time-starved customer needs, and add them to the list of services you already offer. Ask customers questions and listen to what they tell you. Look for opportunities and react now, rather than later. Flexibility is critical when marketing to Boomers.

### **Love You - Love Your Kids**

Chances are a Baby Boomer shopping in your business will have a child in tow. Shopping is tough enough when time is limited, but it can be miserable when done with an unhappy child. There is no doubt that Boomers spend more time (and money) in businesses where children are welcome and comfortable.

Some stores keep balloons, lollipops and popcorn on hand just for their customer's children. It's been suggested that retailers give children "Cookie Credit Cards" that can be redeemed for cookies every time they come into the store. Guess which store the kids want to go to first when they hear that the day includes shopping? (Give us a call if you'd like us to send you a "Cookie Credit Card" sample.)

### **Come back and see us again!**

Making your customers love you is tantamount to the success of your company. It's no secret that it can cost five times as much to attract a new customer as it does to keep a current one happy, so one of your goals should be to encourage your customers to return repeatedly. Loyal customers are less price sensitive too, because they are "value-drawn" to your company. It's not only price that lures them in, it's the personal, friendly service environment you foster.

Boomers want a relationship with the companies they do business with, and they love to feel a sense of belonging. One store has started a "Gold Card Club" and "Congratulations! You're a Gold Card Member!" can often be heard throughout the store. Members of this exclusive club are the store's frequent shoppers. When they visit the store, their membership entitles them to a cup of coffee or a soft drink, and they can check their coats and packages, or get their gifts wrapped free.

In-company clubs, groups and gatherings are other ways to keep your customers close. Newsletters, special savings and invitation only events also encourage customer involvement.

A handwritten invite to an invitation-only event creates a special feeling. Try a "Holiday Open House for Club Members Only" on a slow Thursday evening. Celebrate the arrival

of spring; hold a business seminar in the company. It doesn't matter what you highlight—the fact that you schedule an activity is what's important.

After the event, or after the sale, remember to keep in touch. Send occasional handwritten notes thanking customers for their business—never miss an opportunity to be the first of your kind on a customer's mind!

## Quality Lifestyles

Boomers may expect a lot from the company they do business with, but they give a lot in return to those that pamper them with supreme customer service. You hold all the cards. You can do the things that thrill Boomers, and you can be flexible to their ever-changing demands. When it comes to pleasing a Boomer customer, if you give them what they want, when they want it, the way they want it, they'll beat a path to your company!

Many in the advertising industry believe older audiences are loyal to brands and set in their ways. However, Lippert explains, these Boomers have changed the perception of age. The new members of the 50-and-up club are trendier than past generations and are willing to spend money.

The organization formerly called the American Association of Retired Persons has even repositioned itself to meet the needs of the Baby Boomer retiree. The organization is now just going as AARP. It goes without saying; today's mature Americans and the now-aging baby boomers and seniors are living and enjoying more active lives than ever before. In a recent national survey conducted by Del Webb Corp., Boomers predict that, from education, to health, to careers, they will do in retirement what they have always done -- push the American envelope.

During Del Webb's 40 years of experience in marketing living communities to active adults, the company has seen significant change in the attitudes, needs and buying habits of customers. The current national advertising campaign, "Live On", reflects what the company has learned about this evolving demographic -- reaching the age of 50 is simply a new phase of life to be enjoyed and embraced.

It is important for marketers to understand the dynamics and opportunities associated with these statistics. And it's equally important for them to understand how the goals, attitudes, behavior and buying patterns of those approaching retirement differ from those that have been retired for many years. Significant life changes typically occur between 18 and 34, and again between 35 and 49, allowing advertisers to capitalize on the evolving needs of these demographic groups. However, the decade of 50 to 59 also represents great change, and there is a multitude of opportunities for businesses, products and services that choose to accommodate such change.

These are the years when people tend to reevaluate their goals, needs, priorities and preferences. Ultimately, their spending habits change as well, which creates an opportunity for advertisers to capture their interest as well as their loyalty. A broad lack of understanding of Second Half markets (baby boomer and senior markets) permeates the marketing community. Few marketers

have enough working knowledge of the worldviews, values, needs and motivations of people in Second Half Markets to be as effective in those markets as they have been in First Half markets.

### **Improving Communications**

Lessons on marketing meted out in business schools and learned on the job in the marketplace reflect decades of experience in markets dominated by the views, values and behavior of people under the age of 40. Many of those lessons no longer apply. Worse, persistence in following them is eroding marketing effectiveness because people over the age of 40 are now the adult majority. *That makes almost everything you thought you knew about marketing wrong.* Or certainly, a good chunk of what you thought you knew.

In 1989, the year that adults 40 and older became the *New Customer Majority*, the validity of many ideas about marketing, that were shaped by experiences in youth dominated markets, began to fade. However, not necessarily their influence on marketing. Like Newton's law of momentum – an object in motion tends to stay in motion – ideas in play tend to stay in play. Ultimately, the biggest challenge in marketing today is overcoming the momentum of old ideas made obsolete by the Internet and the rapidly growing Boomer+ Customer Majority.

To a remarkable degree, marketers and consumer researchers pay less attention to the workings of the human mind than others might think. That's curious given that marketing is about attracting the attention of minds and persuading them to action. Marketing is unique among professions in that it does not educate its practitioners in the central focus of its practice, which is the mind. It is indeed astonishing that a person can earn an MBA in marketing without taking a single behavioral science course.

### **Why Understand the Workings of the Mind**

Why have the workings of the mind mattered so little in marketing? Researchers and marketers place too much stock in the idea that behavioral issues that matter can be reduced to statistical constructs. In this view, what the numbers say is given more importance than what principles of behavior might say. However, reducing customer behavior is not as fruitful as it was when youth ruled the marketplace. That's because statistical analysis works best *en masse*. It's not very good at predicting one person's behavior.

Young people's behavior is influenced more by the masses than is the case with older people. With the young, if you know the behavior of the group, you have a good idea about the behavior of one. Not so with older people who's more individuated, subjective, autonomous behavior is less easily reduced to meaningful statistical constructs. Thus, success in the New Customer Majority dominated marketplace is more certain when marketing activities reflect tenets of behavioral science as well as rules of statistical math.

Midlife developmental changes in behavior members of the Customer Majority are experiencing challenges the view of marketing as a game of persuasion. The object of marketing has been to "capture" customers and overwhelm their wills. That's why so much marketing is not working. Adaptive marketing can put marketing back on track. But it takes knowledge and the ability to

become one with the customer, as a sailor becomes one with wind and sea. This oneness turns customers into co-creators of marketing success. Customers provide energy to move marketing forward at a faster clip than the marketer can achieve alone. But taking full advantage of this energy requires lessons in human behavior that you might have never before felt you needed.

*Authors note:* Ideas and concepts in this article are taken from *Ageless Marketing*, David B. Wolfe, Dearborn Trade Publications.

---

*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](mailto:jimgilmartin@comingofage.com).

---