

COMING OF AGE

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

Baby Boomer Marketing & Senior Marketing

Looking To Increase Market Share and Profit? Understand Better the Baby Boomer & Senior Customer

By Jim Gilmartin

Marketing & Sales is in Crises

That's not news. The news is what is causing that crisis. People are tuning out marketers' and sales messages as never before. Consider some other random symptoms of marketing's What is the source of the grim picture in marketing? Why does the rash of symptoms plaguing their art baffle so many people whose livelihoods depend on marketing and sales? Why is it that with more information on customers than ever before in history, companies are finding them tougher challenges to sell?

Almost Everything You Thought You Knew about Marketing & Sales May Be Wrong

Almost everything you thought you knew about marketing and sales may be wrong! Customers now control most markets. Ultimately, the biggest challenge in marketing today is overcoming the momentum of old ideas made obsolete by the Internet and the aging of society. Consider the old idea that youth is the ideal human state. In service of this bad penny, marketing experts repeatedly remind us that aging boomers hate the idea of aging, so base your marketing to them on the values of youth. Many studies indicate that people generally adjust well to aging

Know Your Customer

“Know your customer” is the first commandment of customer relationship management. You'll be more successful in your efforts if you understand better the baby boomer and senior customer. To “know your customer” includes understanding her in terms of her season of life. A 45-year-old is not just a 20-year older version of her 25-year-old self. The 45-year-old is typically less concerned about playing to the external world in her buying behavior.

So what's new ... you might ask? Market Research-101 tells us that! What more do I need to know about baby boomer and senior customers that's not been included in typical marketing and sales seminars and literature? What's so different about baby boomer and senior customers that warrant further consideration? The answer to both questions is - plenty!

Author and gerontologist Ken Dychtwald predicted that the number and power of the elderly,

and those family members who assist the elderly, would drastically change many of our business assumptions about what it means to be a baby boomer and senior customer. We will also change how we develop, produce and distribute products and services for the mature market.

To reiterate some facts associated with a dramatic phenomenon - the unprecedented growth of baby boomer and senior customer markets - consider that their members:

- Represent almost 35% of the total adult population (that's more than 110 million)
- Are estimated to be over 80 million by the year 2000, and 97 million by 2010 (that's a 50% increase), while the under 50 markets will grow by only 1%
- Have more discretionary income (wealth) than any other age group
- Control 70% of the total net worth of American households - \$7 trillion of wealth
- Own 80% of all money in savings and loan associations
- Purchase approximately 43% of all domestic cars and 48% of all luxury cars
- Purchase 80% of all luxury travel
- Purchase more than 25% of all the toys sold
- Purchase approximately 25% of all alcoholic beverages
- Spend more in the drugstore than any other age group
- Spend more disproportionately to their numbers
- Are not fanatically loyal to brands (or companies)
- Spend more on health and personal care products than any other age group
- Purchase 37% of all over the counter medicine and 37% of all spa memberships
- Spend more per person in the grocery store than any other age group
- Watch television more than any other age group
- Read newspapers more than any other age group
- Spend more on quality child's clothing than any other age group, and
- ACCOUNT FOR A DRAMATIC 40% OF TOTAL CUSTOMER DEMAND.

Gerontologists also tell us that over time, our five senses generally deteriorate, and a measurable loss of strength and manual dexterity becomes noticeable. In addition, as we mature we are subject to a process of change that affects us all psychologically and behaviorally. Our values, perceptions, desire and needs change. In addition, according to noted psychologist Abraham Maslow and experts in the field of aging, as we age we also develop:

- A superior perception of reality
- Less interest in material things and more interest in things that lead to positive or being experiences
- Increased acceptance of self, others and nature
- Increased wisdom
- Higher capacity for humor
- Increased spontaneity
- Increased resistance to hyperbole
- Greater freshness of appreciation
- Increased appreciation for friendships
- Increased desire to do for others

- Increased sense of fair play and fairness
- Increased creativity, and
- Changes in how we manifest our value system

Understanding these changes, and applying your knowledge, can lead to improved services, and increased market share and profit. Unless your company is aware of the implications of baby boomer and senior customer populations to your company, your efforts to increase market share and profits may be counterproductive.

Changing Your Approach is Not Difficult

Creating customer experiences that give your product a strong competitive edge is not difficult. Don't make the mistake of confusing not difficult with easy. What follows are some general suggestions to improve your marketing and sales success rates. The objective is to provide a road map that leads you to more leads and a higher lead conversion rate.

Your Customer

Do you know who they are? More importantly, do you know how they think? If you don't, you need to find out! Understanding your most likely customer is the first simple secret in Lead Conversion. Do you know their behavior, their likes and dislikes, and other factors that influence their purchasing decisions?

Your Sales System

Does your business have a systematic approach to making and tracking sales? The key is to create and maintain a system that can be replicated over and over and over again. Do you believe that everyone is responsible for sales? Does everyone know your sales message? Does everyone know why your business and product is different? Every time there is a customer contact, that employee is the company to the customer. Your employees are a reflection of your business and your selling system. Do they know the customer? You need to know your benchmarks and your sales cycle in order to do the forecasting that is a critical part of your strategic planning for your business.

Do You Know Why Your Customer Buys?

Simply put, people buy benefits. People also buy experiences. People buy your product or service for what it does for them; they buy the results they believe they will obtain.

Do You Why They Don't Buy?

Do you really know why your prospects don't turn into customers? Understanding why someone didn't buy is every bit as important as understanding why she did. If you know why prospects drop out of your sales system--and at which point in the cycle--you have your first clue as to what do about it.

Follow this Road Map to Increased Sales

Here are some clues to communicating with and ultimately selling to baby boomer and senior customers.

DO:

- Learn as much as you can about physical and behavioral changes caused by the aging process. Apply your knowledge to product design, marketing, advertising and sales communications and approaches.
- Design your promotion or advertising to allow the customer to define the service attributes using his or her imagination in terms of needs and desires. Don't try to shove ten pounds of copy into a five-pound page. Less is more.
- Design your product to meet functional, social reinforcement, and related experiences' expectations.
- Promote and advertise your product as a gateway to desired experiences beyond the intrinsic value of your product. What additional value does your product provide?
- Portray these populations as doing for others, as individuals, as smart, as active, as wise.
- Use marketing and advertising firms with a demonstrated knowledge of your target markets (Check if people over 50 years of age are on the creative team).
- Use aging customers to assist in product, service and communications development. Do not talk down to, treat them as children or remind them of their age. Most do not consider themselves "old".
- Although there is disagreement about using words like "senior citizen", reserve such terms for World War II veterans, but not for the leading edge of the baby boomers who started turning 55 in 2001.
- Use realistic but positive images of mature people. Show people with wrinkles but have them doing something active.
- Stick to the facts about your product or service. Aging people make judgments that are more independent and base their decisions on information rather than peer pressure.
- Design your communications so that aging people will stick around and read what you have to say.
- Win aging people over gradually. You will have to gain their trust before they will buy from you.
- Give them content. Aging people are avid readers and will appreciate the information you provide.
- Avoid overly busy website design; small type sizes; garish colors; and gratuitous design elements such as flash or slow-loading graphics.
- Avoid "hype" at all costs. Give them the facts. The aging customer has "seen it all" and is naturally skeptical.

DON'T:

- Underestimate the significance of these markets. They are the *New Customer Majority*. More than one hundred million people in America are over the age of fifty.
- Consider age a determinant of customer behavior (there is no evidence that a person's age is a major factor in determining buying habits). Age should be considered as a correlating factor only.
- Design your service or advertisements to appeal to self-gratifying interests of the customer.
- Design or promote your services to appeal to the vulnerabilities associated with the aging process. At times, they feel bad enough; you don't have to remind them.
- Attempt to instill a "sense of urgency" during a purchase consideration (time is usually not of the essence in their decision making process).
- Over-embellish product or service performance claims -- may be automatically perceived as misleading as would small print on product labels and advertising.
- Stress self-indulgent benefits of your product/service -- more effective in younger markets.
- Stress images that are contrary to traditional basic values. Generally accepted universal or traditional values may include American flag, church or temple, home, traditional small town, etc.

Touch their hearts and they will allow you to enter their minds. Remember that aging baby boomers and senior customers, on average, have a superior sense of reality. Don't succumb to the myths and stereotyping about aging that pervades our society -- you may do so at the expense of increase your product sales.

Companies that understand the dynamics of the aging process, and incorporate that knowledge into marketing, sales and service decision-making, will be better equipped to achieve success in baby boomer and senior customer markets. Remember that baby boomer and senior customers, on average, have a superior sense of reality. Don't succumb to the myths and stereotyping about aging that pervades our society - you may do so at the expense of the long-term potential of your company.

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.
