

BOOMERS ARE DISRUPTING AGING: WHAT'S A MARKETER TO DO?

*An Overview of the 50+
and How Businesses
Should Approach Them*

EXECUTIVE SUMMARY

- Despite a focus on marketing to millennials, the untapped potential lies with Boomers, the most influential consumer group in America.
- Businesses are either making mistakes when marketing to Boomers or ignoring them altogether. And Boomers are beginning to become very aware.
- Boomers are disrupting what it means to age and are reinventing life after 50. Forget retiring to Florida to play mahjong; Boomers are choosing this point in their lives to carve out a second adulthood, one defined by enjoyable experiences and new, meaningful careers.
- Boomers, notably willing to switch brands and make purchases to upgrade, are generally looking for quality, convenience and great customer service from the businesses they choose to buy from — and they are willing to pay more for it.
- The biggest impact a marketer can make on successfully reaching influential Boomers is to throw out stereotypes and generalities and build customized campaigns, taking into account critical life triggers that act as foundations on which to build a successful marketing strategy.

In the world of consumer marketing, the millennial generation — considered by many executives to be the most confounding, enigmatic consumer demographic today — is undeniably on trend. Companies are fiercely competing for millennial mindshare, even as many would admit they have not determined, definitively, what makes them tick. As a result, marketers focused on decoding millennials are leaving behind the most influential consumer demographic in America today — Boomers — based on what has traditionally been defined as life after 50.

But Boomers (Americans born between 1946 and 1964) could hardly be expected to conform to the societal norms established by their parents. Their history has worked out differently. And aging is no exception. As marketers focus on the “selfie” generation, the demographic that inspired modern consumerism in the post-war era is quietly, but radically, redefining what it means to age. Forget retiring to Florida to play mahjong; the economic downturn has made continued work a necessity for many Boomers. In other words, they are still spending, but perhaps putting

off retirement a little longer than expected. Instead, many Boomers are choosing this point in their lives to carve out a second adulthood, one that is often defined by enjoyable experiences and new, meaningful careers. What businesses thought they knew about growing older simply is not ringing true with today's over-50 crowd, and as marketers begin to close the book on Boomers or rely on outdated stereotypes, they, by default, are leaving behind the most influential consumer group available to them at their own peril.

70%



OF U.S. DISPOSABLE INCOME
IS CONTROLLED BY THE 50+

THE 50+ MARKET

In the U.S., people age 50 and over control 70 percent of the nation's disposable income, spending \$230 billion on consumer packaged goods annuallyⁱ. But despite Boomers' spending strength, businesses are budgeting less than 10 percent of their marketing dollars on themⁱⁱ. Overall, research shows marketers today are either speaking to Boomers ineffectively or ignoring them altogether, and the impact is so profound that Boomers themselves are taking notice.

In a recent surveyⁱⁱⁱ by Influent50, 83 percent of Boomers said brands are making some kind of mistake when trying to appeal to their age group. Even worse, over one-third (36 percent) said marketers "get it all wrong" when it comes to advertising to people ages 50 to 69. Half of those surveyed (47 percent) say companies use inaccurate stereotypes about people their age in advertising. Four in 10 Boomers (40 percent) agreed that companies simply don't know what's important to people their age.

83%



OF BOOMERS SAID
BRANDS ARE MAKING
SOME KIND OF MISTAKE
WHEN TRYING TO APPEAL
TO THEIR AGE GROUP

Virtually every business should consider marketing directly to Boomers, and those who already are may want to consider a fresh approach. The value of consumer attention is at an all-time high, which makes getting it right all the more critical. Understanding the shifting paradigm of Boomer lifestyles is imperative for businesses looking to increase the effectiveness of their marketing and messaging dollars and grow their share in an increasingly competitive marketplace.

A BOOMER EVOLUTION

In post-war America, consumer goods played an important role in middle-class lifestyles. Adults were immediate participants, using new credit cards and charge accounts to buy things such as televisions and cars. But manufacturers and marketers had their eyes on a second group of shoppers: namely, the relatively affluent young generation that would become known as Boomers. As kids, Boomers bought mouse-ear hats to wear while they watched "The Mickey Mouse Club." They bought rock 'n' roll records, hula hoops and Barbie dolls.

Eventually, as they grew older, some Boomers began to reject suburban consumerism and instead fight for social, economic and political equality and justice for the disadvantaged. Student activists held massive demonstrations against the war in Vietnam and occupied public parks and buildings, eventually precipitating the end of the war.

Fast forward to today, where remnants of the Boomer generation's countercultural tendencies are redefining our expectations of what it means to age. At the same time, their experience in the 1950s and 1960s consumer culture is providing opportunity for brands and businesses with something to sell.

Boomers are not showing any signs of slowing down. Boomers, in fact, are generally very active, with a variety of interests and activities. Consider these points:



- Half of the 50-and-over respondents to a survey^{iv} said they enjoyed gardening.
- Eight in ten 50+ Americans say they ate away from home within the past 30 days and are beginning to trend toward fast-food restaurants rather than sit-down restaurants (84.8 percent versus 78.5 percent).
- They enjoy attending events. In fact, 22 percent have attended a professional sporting event in the past month and 20 percent attended live theater. In general, they are spending less time at the casino than they have in previous years (32.8 percent in 2013 versus 36.5 percent in 2008).
- More of them reported having gone swimming (22 percent), bicycling (18 percent), fishing (17 percent) and jogging/running (12 percent) in the past 12 months rather than golfing (11 percent).

They are also avid technology users, choosing to get their information, keep up with family and friends and make purchases through a variety of mediums. Consider the following:

- 92 percent of the 50+ spend time in front of their televisions each week^v. The most-watched channels include the History Channel (34 percent), The Weather Channel (33 percent), Discovery Channel (30 percent) and ESPN (29 percent).
- Boomers are spending more time online (not including time at work) each week than even millennials^{vi}. More than 50 percent of those ages 51 to 69 are online at least 15 hours a week, versus just 41 percent of respondents ages 18 to 33.

- Younger Boomers, those ages 50 to 59, are the most technologically savvy. In fact, 68 percent of them own smartphones^{vii}.
- 20 percent of adults 50 to 59 say they use social media one or more hours a day and 69 percent say they access it on their phones.

37%



MORE THAN ONE-THIRD
OF RESPONDENTS
**ANTICIPATE WORKING
FOR PAY AFTER THEY
RETIRE FROM THEIR
CURRENT CAREERS**

A PARADIGM SHIFT

Roughly 44 million people in the U.S. are 65 or older, and by 2050, the Census Bureau expects that figure to double^{viii} as the Boomer generation — the largest in U.S. history — lives longer than any before it. But Boomers, who have traditionally held lofty expectations for their lives and pushed hard to meet them, are positioned to use these qualities to grow older with comfort and purpose, as opposed to daily rounds of golf and evenings playing bingo. It's critical that marketers understand that Boomers are carving their own path in the second half of their lives, especially when it comes to retirement.

The most popular age group for retirement is 65-69 (45 percent), according to a 2015 AARP study^{ix}. But more than one-third of respondents (37 percent) anticipate working for pay after they retire from their current careers. Among them, almost half (44 percent) will be looking to work in new fields of interest. For some, their dream job is about the profession; for others, it is about a lifestyle. Jobs in sports, creative, hospitality and education fields were mentioned frequently, while others included flexibility, travel opportunities and a charitable aspect as important.

50%



HALF OF BOOMERS
SAID THEY ARE **MORE
WILLING TO SPLURGE ON
NEW THINGS** NOW THAN
THEY DID WHEN THEY
WERE YOUNGER

As consumers, Boomers are largely rejecting the “spend less and save” tendencies of their parents, who were significantly affected by the Great Depression. They are ready to spend and clearly not just sticking with the products and brands they know. Half of Boomers said they are more willing to splurge on new things now than they did when they were younger. Eight in 10 are open to considering new brands for a purchase, and one-third (34 percent) are willing to upgrade to a newer version of something even if the old one they have still works.

Boomers, notably willing to switch brands and make purchases to upgrade, are generally looking for quality, convenience and great customer service from the businesses they choose to buy from — and they are willing to pay more for it. Three out of four Boomers (74 percent) said they are more likely to pay extra for something that offers more convenience or higher quality today than they were 20 years ago. Three-fourths of Boomers (76 percent) said they would consider a new brand that offers higher quality. Five out of six (84 percent) agree that they are more likely to consider quality and features, and not just price, when they are considering a new purchase.

OPPORTUNITIES TO SUCCEED

Boomers are generally active participants in the consumer marketplace — more so than any other generation. The biggest impact a marketer can make on successfully reaching influential Boomers is to throw out stereotypes and generalities and build targeted segmentations that act as foundations on which to build a successful marketing strategy. To capture the attention of Boomers, marketers should consider the following points:

- 1. Speak directly to them.** The marketing campaigns employed to reach them should be tailored specifically to their needs. Brands that use umbrella campaigns to reach them not only will turn Boomers off but also risk losing an otherwise interested buyer.
- 2. Lose the high-pressure approach.** Boomers live by the “when you buy cheap, you buy twice” mentality. They don’t approach a purchase in a hurry — they will do their research — but they will splurge when all the prerequisites are met. For example, some might consider the next car they purchase to be one of their last. So their approach is to get the best quality car they can. It might not be a sports car, or the most expensive car available, but it is the car just right for them. They dislike feeling pressured to make a purchase.
- 3. Respect them as intelligent consumers; smart humor is OK.** Generally, Boomers respond best to advertising campaigns targeted to their specific wants, needs and lifestyles. Boomers indicated they are generally turned off by product advertising that features subjects that they have a hard time identifying with or that indicates the passage of time. Businesses that position their advertising as an intelligent conversation, with an informed buyer, tend to be the businesses that are winning. Boomers want to feel respected as intelligent consumers before they spend money on a product.
- 4. Capitalize on the many life triggers that spur purchases.** In particular, Boomers are at varying but critical stages in their lives, and the life triggers they often experience offer opportunities for businesses, depending on the product or service they are marketing. For example, the differences in messaging to someone age 52 who might have just sent their last child off to college are vastly different from somebody who is 64 and considering their Social Security and Medicare options. Adapting strategy appropriately is necessary to achieving the best possible results. In particular, advertising that focuses on connecting with Boomers at an emotional level, that offers a product or service that will increase each user’s freedom and autonomy and help them connect with their loved ones, is most likely to succeed.

Growing older has changed, thanks to Boomers. And it has left some businesses behind as those businesses prioritize younger generations. Boomers, unlike how their parents might have been at this point in their lives, are ready and willing to spend. In fact, they'll spend more for quality and convenience, but they want to be respected as intelligent consumers and spoken to accordingly. Marketers should not only be actively considering Boomers in their strategies, but they also should take into account the changing landscape and specific life triggers to create campaigns that provide clear, concise information that helps Boomers in their journey to build their second chapter in life.

Influent50, a division of AARP Services, Inc., is a full-service marketing agency wired with a deep understanding of how to communicate with 50+ consumers, how to design products and services that fit their lives and how to connect with them on a personal level.

To find out more about how your business can approach the 50+, visit influential50.com.

- i "Boomers: Marketing's Most Valuable Generation," The Nielsen Company & BoomAgers LLC, 2012.
- ii "Boomers: Marketing's Most Valuable Generation," The Nielsen Company & BoomAgers LLC, 2012.
- iii "Are You Talking to Me? Influent50 Omnibus for Ages 50+," Influent50 & ORC International's Generational Online CARAVAN Omnibus, 2015.
- iv "Getting to Know Americans Age 50+," AARP Research 2014.
- v "Getting to Know Americans Age 50+," AARP Research 2014.
- vi "The State of the User Experience," Limelight Networks Inc., 2015.
- vii "AARP Attitude, Trend & Opinion Monitor," AARP Research, 2015.
- viii "An Aging Nation: The Older Population in the United States," U.S. Census Bureau, 2014.
- ix "AARP Post-Retirement Career Study," AARP Research, 2015.