



mediaspace
S O L U T I O N S



THE BENEFITS OF MARKETING AND ADVERTISING TO BABY BOOMERS

Engage a market segment that controls a significant amount of discretionary income.

TABLE OF CONTENTS

| | |
|--|----|
| INTRODUCTION | 3 |
| BABY BOOMERS AT A GLANCE | 4 |
| Age | 4 |
| Household Income | 4 |
| Homeownership | 5 |
| Education | 5 |
| Personality | 5 |
| Values | 6 |
| Interests | 6 |
| Lifestyle | 6 |
| Market Share | 7 |
| Growth | 7 |
| THE VALUE OF BOOMERS AS CONSUMERS | 8 |
| Baby Boomers' Spending Power | 9 |
| Baby Boomers' Spending Habits | 9 |
| THE NEED FOR WELL-DEVELOPED CAMPAIGNS TARGETED AT BABY BOOMERS | 10 |
| Techno Boomers | 10 |
| Targeted Marketing | 11 |
| <i>Treat Boomers as Individuals</i> | 11 |
| <i>Just Give Them the Facts</i> | 11 |
| <i>Make Them Feel Something</i> | 11 |
| <i>Don't Focus on Their Age</i> | 11 |
| <i>Do Focus on Life Experiences</i> | 12 |
| <i>The Myth of Boomer Brand Loyalty</i> | 12 |
| <i>The New B2B Means Business to Boomers</i> | 12 |
| <i>Email as a Communication Channel</i> | 12 |
| <i>When in Doubt, Get Boomer Input</i> | 12 |
| CONCLUSION | 13 |

INTRODUCTION

Every time a bell rings a Boomer turns 50.

Okay, not exactly, but close. In reality, it's said every seven seconds, somewhere in America, a Baby Boomer does indeed turn the big 5-0. Now, consider the following:

FACT:

By the year 2018, almost 50% of America's adult population will be over the age of 50 and this group will control 70% of the nation's disposable income.

This same generation also stands to inherit \$15 trillion in the next 20 years.

These facts should be enough to have marketers clamoring for Boomer business, yet many marketers are still operating under an antiquated theory: consumers between the coveted ages of 18 and 49 are the most valuable audience to target. While this theory may have been true in years past, it should be noted that during the last 40 years, Baby Boomers *made up* that 18 to 49 demographic, and are just now aging out of it. The generation that has been wooed by Madison Avenue for almost half a century is now being neglected and underserved.

The truth is, Boomers have the most money to spend and, contrary to popular belief, enjoy spending it, unlike previous generations who experienced economic hardships at the beginning of the 20th century which caused them to hold on to the money they made.

Not only do Boomers have more to spend and are prepared to spend it, they are also much more tech savvy and marketing-friendly than is currently believed.

This report will highlight the tremendous opportunity today's marketers have in winning the business of this dynamic cohort and offer actionable insights into how that business can be won.



BABY BOOMERS AT A GLANCE

Age

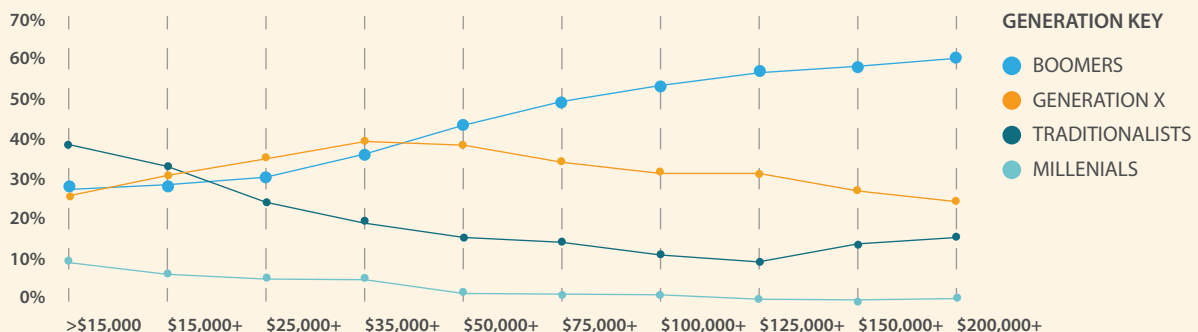
Boomers were born between the years 1946 and 1964, also known as the post-World War II baby boom. They currently range between the ages of 48 and 66, and the life expectancy of this group is longer than generations previous.

Household Income

According to the United States Government Consumer Expenditure Survey, Boomers' median household income is 55% greater than post-Boomers and 61% more than pre-Boomers. Collectively they have \$2.4 trillion in annual income and own 65% of the aggregate net worth of all households in the United States.

Before you can begin marketing to Baby Boomers you have to implicitly understand who they are and what makes them tick.

INCOME GENERATION
By generation group.



Nielsen & BoomAgers Report

Homeownership

The parents of the Boomer generation embodied the “American Dream.” According to a study by the National Association of Realtors, nearly 80% of Baby Boomers own their own home and one in four owns more than one property.

Education

Educationally speaking, the Boomer generation is diverse. Census data indicates that 28.8% of Boomers have earned a Bachelor’s degree or higher, while another 28.9% have attended some form of college classes.

Personality

Baby Boomers grew up during a time of great reform and promise and they carry this sense of “anything’s possible” with them today; though instead of trying to change the entire world the focus is now on changing their *own* world for the better.

Boomers have always been confident, independent and self-reliant and, as a group, have questioned established authority systems and challenged the status quo. Because they were given educational and financial opportunities that previous generations had yet to obtain, they are naturally achievement-oriented and career-focused and welcome excitement and challenges.



Values

Every generation has a core set of values and these play an important role in affecting purchasing behavior throughout a person's life. Boomers value personal autonomy, individualism, optimism, enthusiasm, active participation, self-actualization, health and wellness and prosperity ownership.



Interests

When the whole world is presented as your personal oyster, you tend to dive in and experience as much as you can. Boomers were the generation that pledged to live life to the fullest and there's no indication that this joie de vivre is going away anytime soon.

Boomers have a diverse range of interests. The desire to stay physically fit and healthy has led many Boomers to get involved in tennis, golf, hiking, swimming and even rock climbing and surfing. You name it, they'll try it.

Boomers are also huge consumers of multimedia. Whether it's television, online videos or printed newspapers and magazines, this generation consumes media because they love it, and because they have more time on their hands to interact with it.

Their independent spirit and love for learning and new experiences makes this group one that will take up photography, painting, furniture making, canning, gardening, cooking and home improvement projects.

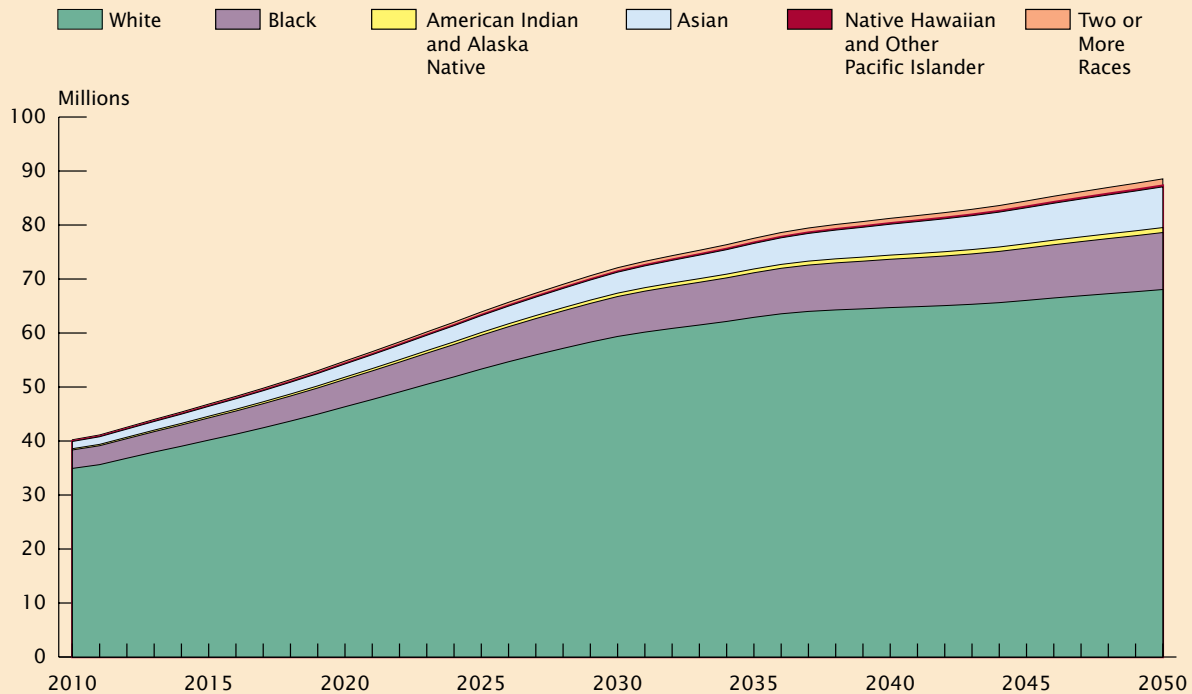
Lifestyle

Being the first generation to live by the golden rule "work-hard-play-hard," Boomers are now getting to play after working hard for so many years.

They are some of the most prolific online shoppers spending \$7 billion annually. They also use the Internet as their primary source of intelligence when it comes to comparison shopping for major purchases such as cars and appliances.

With their disposable wealth, newfound time and insatiable need for new life experiences, Boomers represent upwards of **80%** of all premium travel.

Projected Population Aged 65 and Over by Race for the United States: 2010 to 2050



Note: Unless otherwise specified, data refer to the population who reported a race alone. Populations for each race group include both Hispanics and non-Hispanics, as Hispanics may be of any race.

Source: U.S. Census Bureau, 2008.

Market Share

Because it's worth repeating: in the very near future Boomers will control 70% of the nation's disposable income, and will also inherit \$15 trillion in the next 20 years. They currently account for almost \$230 billion in sales for consumer packaged goods alone, out-spending all other age groups in products like magazines, coffee and diet soda.

Growth

According to the United States Census Bureau, by 2050 the number of Americans aged 65 and older is projected to be roughly 88.5 million. This number is more than double its original projected population of 40.2 million in 2010.

THE VALUE OF BOOMERS AS CONSUMERS

The Boomer Consumer Group conducted a survey in 2003 consisting of 400 participants over the age of 50. Their research turned up some not-so surprising statistics: those over 50 already felt their needs were being ignored by marketers and advertising execs. In fact, 66% felt that marketers were specifically targeting either people younger or older and that they were being completely overlooked.

For decades advertising dollars have been solely focused on the 18 to 49 demographic. Typically, once consumers reach the cut-off age of 49, marketers refocus their efforts on the up-and-coming crop of 18- to 49-year-olds, assuming this segment will promise lifetime loyalty.



But, now that the Boomers are departing that coveted segment in droves, they and their discretionary income are being completely ignored. Marketers who continue to neglect this valuable segment risk losing out on a tremendous return on their investment for a couple reasons:



Baby Boomers' Spending Power

According to the United States Government Consumer Expenditure Survey, Boomers' median household income is 55% greater than post-Boomers and 61% more than pre-Boomers, and on average they have an annual disposable income of \$24,000. Boomers also have a net worth 3x that of their younger counterparts (ICSC) and own 65% of the aggregate net worth of all households in the United States (United States Consumer Expenditure Survey).

Baby Boomers' Spending Habits

The United States Government Consumer Expenditure Survey also pointed out that Boomers outspend other generations by an estimated \$400 billion *each year* on consumer goods and services. According to the Bureau of Labor Statistics, consumers age 50 and older spent \$116 million in 2009, up 45% from the previous 10 years. And Forrester Research points out Boomers outspend younger adults online 2:1 on a per-capita basis.

To date, Baby Boomers dominate 119 of 123 consumer packaged goods (CPG) categories, which is a whopping **94%**. They also spend close to **50%** of all CPG dollars, yet it is estimated less than **5%** of advertising dollars are targeted to this group.

THE NEED FOR WELL-DEVELOPED CAMPAIGNS TARGETED AT BABY BOOMERS

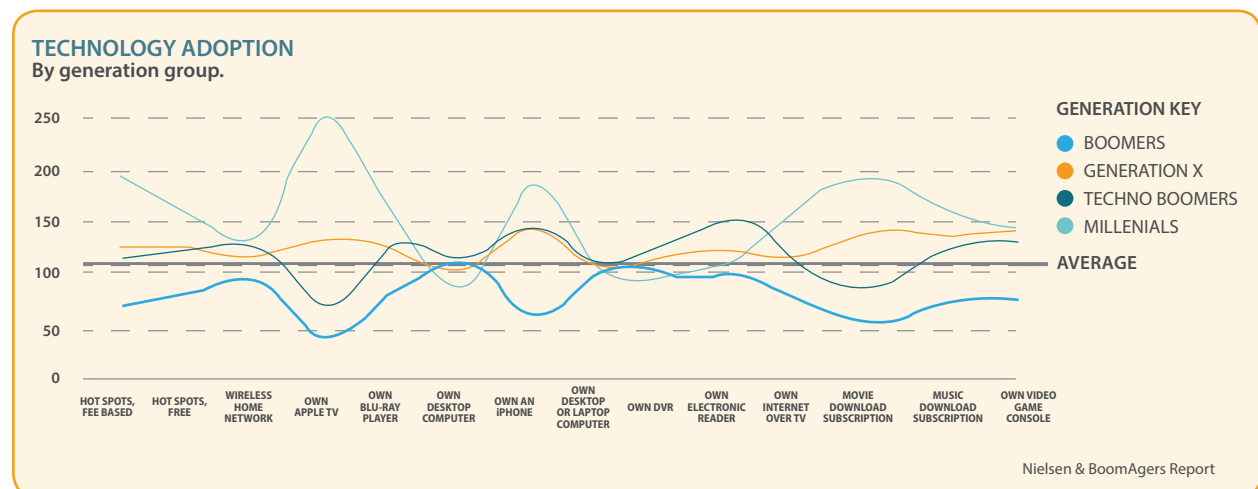
The numbers don't lie. Targeting those 50 and above may not have been a viable choice in the past, but it is now. As Baby Boomers age, they will continue to spend money and consume traditional media. In order to attract their attention and retain their loyalty, marketers must create targeted campaigns with specific messaging.

Techno Boomers

While Boomers indeed digest more offline media such as magazines and newspapers than younger generations, they are quick to embrace technology and use it to stay connected and research products and services.

Consider the following:

One-third of the 195.3 million Internet users in the United States are adults aged 50 and above (Jupiter Research). Two-thirds of Boomers shop online, 36% of Boomers own a smartphone, and 44% of those owners access the Internet daily through their device (Pew). A whopping 27.4 million Boomers engage in social networking, 19 million of which are on Facebook (comScore), and 82% of Boomers use the Internet to research health and wellness information (Pew Internet and American Life Project).



Targeted Marketing

While there's no mistake modern media can help marketers deliver messaging, that messaging must first be made hyper-relevant and targeted specifically to this valuable demographic. Though market segmentation will create the most effective campaigns, there are certain general "Golden Rules" in marketing to Boomers.



Treat Boomers as Individuals

Boomers value individuality and autonomy, and because of this, are less subject to peer influence than younger consumers. Campaigns that focus on social status or "keeping up with the Joneses" will not play as well with this market.

Just Give Them the Facts

Unlike younger consumers who can be swayed by sweeping claims in marketing messages, Boomers are turned off by hyperbole. When considering a purchase, the 50+ crowd wants the facts and only the facts. With years of buying behind them, Boomers have consumer intelligence which allows them to sniff out hype when they hear and/or read it.

Make Them Feel Something

Although Boomers want cold hard facts, they usually don't want them until they are emotionally hooked. Studies have revealed that as people enter midlife they begin relying more on right-brain functions (emotions) and less on left-brain reasoning. If you can make Boomers feel something deeply, you have a chance at making a customer for life.

Don't Focus on Their Age

Boomers are aging very differently than the generations before them who seemed to throw in the youthful towel once the big 5-0 came around. They don't want to be treated as "seniors" and inundated with messaging that solely focuses on health conditions and retirement plans. Though this age bracket may indeed need a few prescription medications and information regarding investment opportunities, they are still people who need to buy basic consumer goods just like everyone else and they want to be treated as such.

Do Focus on Life Experiences

When people reach a certain age, they're no longer interested in acquiring "stuff" so much as having new life experiences. Ad messaging that helps Boomers recognize how a product or service will enhance their ability to explore life and try new things will appeal to this crowd far more than ads simply touting product features.



The Myth of Boomer Brand Loyalty

Many marketers assume Boomers are already loyal to certain brands and choose to instead focus advertising dollars on younger consumers who haven't yet pledged their loyalty to certain products or services. But as Boomers move into a new life stage, they often demand new consumer goods. Consider the 55 year-old woman who for decades used the same moisturizer, but now requires one made especially for older skin. Or the 55 year-old man who happily drove a family-friendly car for years, but now desires a sportier vehicle. New life stages mean opportunities for marketers to reach a new consumer group.

The New B2B Means Business to Boomers

The 2008 recession made many entrepreneurs of Boomers. Over the last few years, Boomers created more startups than their Gen-Y counterparts, and according to a study by the Ewing Marion Kauffman Foundation, the 55 to 65 age group is actually driving a new business boom. This presents a terrific opportunity for B2B marketers who can tap into the spending power of these older entrepreneurs.

Email as a Communication Channel

Boomers are more amenable to email than younger generations who prefer receiving information via text messaging. According to a recent article on Vocus.com, in December of 2012, more than 33.3 million, or 68.5% of Boomers used email as a main source of communicating. This is a highly effective channel for marketers to reach new consumers, provided the messaging is clear, direct, well-written and preferably in HTML format.

When in Doubt, Get Boomer Input

Boomers are some of the trickiest consumers to market to simply because they cannot all be lumped together in one neat little demographic. Once a person reaches the age of 50, they have been refining their individual tastes for 30+ years and it becomes ineffective for marketers to make sweeping generalizations in their messaging. Smart marketers will seek input from Boomers themselves in order to create effective online marketing campaigns.

CONCLUSION

The Boomer generation is a key demographic for marketers and can drive higher sales if reached effectively. The single largest consumer group in America, Boomers are wealthy, educated and sophisticated shoppers. Advertisers that can win their loyalty have a significant opportunity to grow their business and expand their market reach.

