Understanding the many faces of the baby boomer generation can help your company stand out in their eyes.

CONTROLLING MORE THAN $2 TRILLION IN ANNUAL SPENDING, BABY BOOMERS REPRESENT A DREAM DEMOGRAPHIC. THEY'RE SMART, LOYAL, AND MOTIVATED. JUST DON'T TELL THEM THEY'RE OLD

BY LYNN RUSSO WHYLLY

OVER THE PAST FIVE YEARS, marketers of products and services have been trying in earnest to reach the younger demographic, especially the $175 billion teen market. Whole marketing campaigns, for example, have been built around social networking sites like MySpace and Facebook to attract young consumers.

It's a smart strategy, to be sure, but when it comes to sheer spending power, experts say there is only one demographic marketers should bend over backwards for — baby boomers. Encompassing 78 million Americans between the ages of 43 and 64, the boomer generation controls more than $2 trillion in annual spending, according to the MetLife Mature Market Institute. And these consumers crave your attention.

Pharmaceutical company Novartis, based in Basel, Switzerland, is one of a growing number of advertisers across a diverse spectrum of industries that see big potential in building a tighter bond with boomers. "Demographically, they are still the largest population cohort, and their ages make them susceptible to many of the diseases for which our brands provide treatment," says Deborah Dick-Rath, executive director of the consumer center of excellence for Novartis. "Psychologically, they are attractive because they are engaged, they are willing to talk to their doctors about health care choices, and they can even be confrontational, which means they are passionate and interested, not passive."

LOOK Who's Listening

Although boomers as a whole may appear similar, there are significant enough differences at both ends of the segment to make marketing a serious challenge. Differences exist even among boomers of the same age, cautions Mary Brown, a partner at JWT Boom, a division of New York–based JWT Worldwide, and coauthor of *Boom: Marketing to the Ultimate Power Consumer — The Baby Boomer Woman*. For instance, she says the needs of a 45-year-old empty nester vary considerably from those of a 45-year-old mother with a small child. Therefore, marketers must tailor their messages accordingly.

Ethnicity is also a critical issue. "The majority of Hispanic boomer women were not born or raised in the U.S., so they bring with them a more traditional culture and tend to be more conservative," Brown points out. "And the African American boomer woman is more comfortable with her body type than her Caucasian counterpart." »

ILLUSTRATIONS: CSA IMAGES

The key to capturing boomers' attention, and their wallets, experts say, is to appeal to their attitudes, lifestyles, and behavior and to understand their media habits. If you don't speak directly to what's important to them, in a medium they prefer, boomers will quickly turn a deaf ear to your marketing.

What Motivates Boomers

According to J. Walker Smith, president of Chapel Hill, N.C.–based consumer research firm Yankelovich, boomers are on a lifelong journey of self-discovery. They place a heavier emphasis on originality, novelty, and experimentation than on fads and fashion. They're also motivated by potential and possibility and share interest in new things and new adventures. Boomers spend money differently than do other market segments — especially when it comes to travel, leisure activities, and their home, Smith says.

Viewing a job as a career is another key difference between boomers and their older or younger counterparts. Boomers are self-proclaimed workaholics who believe it's important to juggle multiple tasks and to seize opportunities. They also enjoy the finer things in life, such as cooking, gardening, and going to museums. Just don't mention the "A" word — as in aging. "They know they're getting older," Smith says, "but they want to get older with a youthful spirit and attitude. They're going to age in a very different way than we've seen in prior generations."

That youthful spirit doesn't stop baby boomers from thinking about retirement, however. According to "The New Retirement Mindscape," a study conducted by Harris Interactive and Age Wave on behalf of Minneapolis-based Ameriprise Financial, there are five stages of retirement preparation: imagination, anticipation, liberation, reorientation, and reconciliation (see sidebar on page 32). Understanding which stage a boomer is in can significantly improve an ad's effectiveness.

Consider a recent TV commercial for Ameriprise Financial, in which the narrator says, "We're redefining retirement from *this* to *this*." A picture of a boomer playing shuffleboard accompanied the first reference to *this*, and the second one featured a photo of a person flying his own plane and yelling, "Wahoo!" The commercial epitomizes the difference between baby boomers' outlook on life and that of the previous generation.

Best Practices

1. Don't talk to boomers about aging. Instead, refer to their youthful spirit, sense of adventure, and desire for self-discovery. Acknowledge that they are in control of their life.
2. Position health care products as supplements or wellness items, not as solutions to problems or illnesses.
3. Segment deeper within the boomer sector. For instance, acknowledge that there are differences between "leading edge" boomers (those closer to 64) and "trailing edge" boomers (closer to 43). Remember, the former group grew up with doo-wop, the draft, and staying at home until they were married; the latter had Elvis, Earth Day, and MTV.
4. Keep your message straightforward. Boomers don't like gimmicks or hype and will give you only so much of their time before you lose them.
5. Don't slack on customer retention. Boomers are willing to try new products and services, so you must work hard to keep them as loyal customers.

Media of Choice

According to Experian Simmons Research, in Fort Lauderdale, Fla., baby boomers are heavy users of cable TV, radio, and prime-time broadcast TV, but unlike their younger counterparts, they are less likely to find Internet advertising useful, with the possible exception of weblinks. Boomers are also receptive to product placement in movies and TV shows and, because they travel more, are more likely than other age groups to notice ads in airports or roadway billboards.

"Morning and evening news programs are the most dominant boomer day parts on television," says Andrew Schirmer, executive vice president and managing director of New York–based McCann HumanCare. He notes that seven of the 10 pharma brands he manages, including Pfizer, Novartis, and GlaxoSmithKline, actively target boomers, with magazine advertising playing a big role in that effort. "And magazines are becoming more of an interactive medium," Schirmer adds. "We hear countless doctors report that patients come in with the print ad torn out. We're responding to that by putting in a BRC or a tip-in that says these are the five questions you should ask your doctor." Boomers are also avid readers of newspapers.

One of the first baby boomer campaigns to break traditional boundaries was Palm, Inc.'s launch, in 2002, of the Zire handheld for women. Magazine, newspaper, and radio ads for the product featured a woman as the hero and communicated the thousands of ways Palm could touch and improve her life, Brown points out in *Boom*. The Zire had the highest sales figures during its first three months after introduction of any handheld tracked by the Port Washington, N.Y.–based marketing information company the NPD Group, and it generated 60 percent more media hits than previous Palm launches.

While boomers consider themselves tech savvy, they use technology differently than Generation Xers (people born between 1965 and 1977). "They tend to view new media as a tool for getting something done, not as a platform for social connection," Smith says. "It's more about personal growth." Boomers are 21 percent more likely than the general population to use a personal digital assistant and 40 percent less likely to have an MP3 player than their younger counterparts, according to Experian Simmons. »

PERSONAL PERSPECTIVE

EONS HELPING BOOMERS LIVE LONGER, BETTER

By Jeff Taylor

In 1994, I founded Monster.com to reach baby boomers in their peak earning years. It is now a $5 billion enterprise spanning 30-plus countries. Over the years, I learned that boomers are not likely to retire as their parents and grandparents did; rather, they will "graduate" to new and bigger life experiences.

Fifty-plus baby boomers are in the midst of the most unstructured and liberating time of their lives. They are healthier than their parents were at the same age and, on average, are going to live 15 to 20 years longer than their grandparents did. With the eventual mass retirement of millions of boomers, I not only identified a huge continuation market for which there was no clear brand or destination in the marketplace but also saw a tremendous opportunity to fill that gap.

THE RISE OF EONS

In September 2005, I founded Eons to deliver innovative product and service offerings that challenge boomers to "Do More, See More, Be More." As the center of gravity for the 50-plus consumer, the Eons mega brand creates a marketplace for a generation that is redefining life after 50.

Eons.com was subsequently launched last July to provide the 35.5 million Web users between the ages of 50 and 64 with a meeting place, a community, and an efficient buyer/seller marketplace. Today, Eons.com has more than 150,000 registered users who represent more than 1 million visits; users are split nearly evenly between women and men.

More than 1,000 user groups have been created on Eons.com, ranging from "50+ Singles" to "Cooking" to "Motorcycles." They now account for over 25 percent of the page views. Additionally, some 1,900 blogs have been launched, and we send out weekly e-mail newsletters that average a 27 percent open rate. Members enjoy giving us feedback. For instance, they told us they wanted to find each other on Eons more easily, so we introduced a robust function that allows members to search for groups/people by location, age, or keyword.

MAKING DREAMS COME TRUE

Advertisers are hungry for this demographic. Our launch partners — Harrah's, Humana, Hyatt, Liberty Mutual, and Verizon Wireless — told us, even before we had a Web site, that they were looking for a place to speak to this audience in a way that resonates. One of our most recent advertisers, Bausch & Lomb, received a 1.6 percent clickthrough rate on its Ocuvite advertising — about eight times the industry average. It was a successful campaign because it was relevant.

And advertising opportunities continue to expand rapidly. Eons members make it very clear what matters most to them, as evidenced by the 150,000 dreams in our "Life Dreams" section. The Eons100 aggregates the top 100 most popular dreams and serves as a master indicator of where boomers intend to spend their time and money.

Eons is based on inspiring people to live the most fulfilling life possible, from the time they celebrate turning 50 to the reachable goal of living to be 100 years old — or older. We do this every day on Eons.com. In the coming months, we will be adding a paid "Eons Membership" area that will reward members for their loyalty. We are also planning to launch a custom magazine, *Eons Life*, to attract an even greater number of the 50-plus generation.

Indeed, it's great to be 50-plus.

Jeff Taylor is founder of Eons and Monster.com.

Crafting the Right Message

Boomers not only have money to spend, they also have a high level of need in certain categories — most notably health, wellness, financial services, travel, and leisure. Experian Simmons found that boomers are significantly more brand loyal than Gen Xers. "But they're resistant to buying unknown or cheaper brands to save money and are less likely to be approval seekers," says Max Kilger, a chief behavioral scientist with Experian Simmons. "They don't purchase to impress."

That said, JWT's Brown cautions marketers not to take boomers' loyalty for granted. "Don't assume that if you have boomer customers, you're going to have them indefinitely," she says. "You have to work just as hard to keep them, because boomers are very willing to try new things."

Boston-based Liberty Mutual aspires to be a top-five writer of auto and home insurance in the U.S. To accomplish the task, the company is reaching out to baby boomers about the importance of asset protection, says Ed Notarpole, vice president and manager of affinity partnership marketing. But rather than market to the general public, Liberty Mutual is focusing on affinity groups such as alumni organizations. "When we look at different partnerships, we always look at the customer profile," he says. "What we've found is that the average age [of people] in some of these markets tends to be older than [people in] our standard book of business. We're perfectly happy going after that type of business. The results have been quite good."

That's what drew Notarpole to Eons, an online marketplace for consumers over 50 (see "Personal Perspective" at left). Liberty Mutual is the corporate founding partner of the site's "Money" content channel. "We were intrigued by the Eons business model," Notarpole says. "We liked the way [founder] Jeff Taylor presented the idea to people. He offered a very positive and inspirational message. I thought, 'I wouldn't mind aligning myself with that philosophy.'" »

FIVE STAGES OF RETIREMENT

Understanding the five stages of retirement can be very helpful in determining how to craft the right message to capture baby boomers' attention.

1 Imagination (up to 15 years before retirement): Consumers develop a clear vision of what they want out of retirement and turn their attention to preparation for retirement.

2 Anticipation (up to five years before retirement): Planning for recreation, new hobbies, family, and post-retirement careers is in full force. This stage is filled with excitement and emotion. In the one to two years prior to retirement, a typical nervousness will kick in.

3 Liberation (up to one year after retirement): This is the honeymoon phase of retirement. During this phase, 49 percent of retirees were excited and 24 percent were relieved. Up to 89 percent said they thought they would have enough to keep them busy; 93 percent planned on spending more time with their families; 79 percent planned on traveling; 76 percent said they would do more meaningful work.

4 Reorientation (up to 15 years after retirement): People reorient their priorities, activities, relationships, and lives. It's not unusual to discover that retirement is more challenging or different from what they expected. There is some form of letdown during this period.

5 Reconciliation (16 or more years into retirement): Retirees enter a phase of contentment and acceptance. They set their sights on the possibility of a new home or location. Although resting and relaxing is increasingly appealing, these consumers have a renewed interest in activities and hobbies.

SOURCE: THE NEW RETIREMENT MINDSCAPE STUDY

McCann HumanCare's Schirmer says boomers are not swayed by gimmicks or hype, so your marketing message must be straightforward and truthful to resonate. "Boomers will only give you so much room for entertaining them before wanting the message," he says. "Clarity of communication — that's what wins every time. Yet, the boomer audience will be insulted if you assume they're not smart enough to get it or if you assume they're smarter than they think they are. The goal is to give them just enough information to make them want to seek more, either from their doctor or from the Web site."

A perfect example is a direct mail campaign McCann did for Avodart, a drug from GlaxoSmithKline for an enlarged prostate. "Many men who have an enlarged prostate think they have a bladder problem and assume it's because they're getting old," Schirmer explains. "So the message on the outer envelope we used was, 'You thought you had a going problem, but you really had a growing problem.' The Avodart campaign treats the boomer cohort with respect. It doesn't nag them for not understanding what's going on."

"I don't think boomers are as willing to cut companies a lot of slack as you see with the late teens and twenty-somethings today," Smith adds. "These younger people have grown up in a world where corporate logos are part of fashion. Boomers didn't flaunt corporate logos to show they were cool. They faulted the man. Now they've become the man, but their receptiveness toward institutions is very different."

Novartis is planning a major ad campaign targeted toward baby boomers. "We're going to start by trying to evaluate all the insights available to us, considering [boomers'] behavior and habits regarding not just general health treatments but around specific disease areas, as well," Dick-Rath says. "Our marketing messages will stay focused on communicating the brand benefit, but we may use specific executional elements to attract boomers to the messages, such as music, tonality, or other shared psychological traits, such as joining groups."

As more companies begin to target baby boomers, Yankelovich's Smith says, marketers will have to be smarter about zeroing in on a particular group within the demographic. "[Baby boomers] have a great diversity of opinion," he adds. "We've got to do a better job of focusing on individual boomers and marketing to a particular set of interests and preferences." ■

Next Steps

For additional insights on baby boomers' attitudes about marketing and advertising today, visit boomerproject.com.