

50-plus: A Market That Marketers Still Miss

by Richard Rawlinson and Natasha Kuznetsova

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The World War II generation started to turn 50 in the late 1970s. In the developed world, this was generally a newly prosperous group with rising wages, real pensions, and home values that their parents could only dream about. Even back then, experts warned marketers against ignoring this rich vein of aging consumers. Yet, save for a few exceptions, companies failed to act on this valuable advice, and they have continued on the same course for 30 years. Marketers focus their products and advertising on youth and young families, treating middle-aged and older consumers as an afterthought. That's still true today, when the 50-plus generation is the heralded baby boomers — responsible for more than 40 percent of retail spending in the U.S. and western Europe. It appears that companies have still not learned the lesson. Why have marketers failed to seize this opportunity?

Marketing assumptions are part of the problem. Marketers are convinced that mature consumers are brand loyal and stuck in their ways. They grasp that boomers have money to spend, but do not understand the impact of longevity on spending. In fact, at 50 or 60, with 20 to 30 years of good health ahead, boomers represent a renewed chance at “lifetime customer value” — round two for marketers to engage these con-

sumers. With children grown, debts cleared, inheritances collected, and their professional maturity achieved, this audience is ready for new experiences and solutions. The boomers are prepared to explore brands and products, old and new, that can help them live better in new circumstances.

But marketers' seeming inability to understand the impact of longevity on spending is only part of the story. Perhaps more importantly, the 50-plus market requires a unique type of marketing that most organizations are not prepared to offer. In large measure, companies lack the mature employees, depth, and expertise to successfully target products at graying demographics — those that are as different from the youthful set as opera is from hip-hop. (And in some cases, the older demographic groups are radically different from each other.) Here are some of the recent findings about the characteristics peculiar to today's mature consumer:

- **As people age, they need products that help them stay engaged.** That is, they want anti-wrinkle creams, lighter do-it-yourself household tools, easy-to-prepare meals for two, and vacations packaged around volunteer work. The products should be simple, but quality is critical, as mature consumers are often keen judges. Moreover, many in this generation want to leave the world a better place and are willing to pay a little more to improve the planet for their children and grandchildren.

- **Middle-aged and older people need customized communications.** Changes in eyesight call for plainer typefaces, higher-contrast colors, and bigger fonts. Personal contact and the ability to moderate information flow are important to this group, as are compelling, substantive rationales for why a product is better than its competitors. Age breeds cynicism, at least about marketing messages.

- **Mature consumers demand brands that fit, rather than define, their personalities.** With age, self-perceptions are fully formed; most 50-plus people accept who they are. And they want brands that match their perceptions. (By contrast, younger consumers often use brands to define the groups they hope to become a part of and to shape their image.)

- **Health, wealth, and lifestyles diverge with age.** A 60-year-old may be part of a large family and working full-time, retired and traveling the world, or holding down a part-time job while caring for an ill partner or parent. Marketers would do well to target these disparate aspects of life and the transitions — empty-nest years, retirement, parental or spousal illness — that this age group is experiencing.

- **They may all be aging, but their attitudes are defined in part by their generations.** Too often lumped together as merely “mature consumers,” those who make up today's 50-plus market lived through radically different formative years. The World War II generation (born 1925 to 1945) saw the end of a global war and flourished during strong postwar economic times. The first wave of baby boomers (born 1946 to 1955) witnessed the boundless promise of technology

and social change with the first man on the moon and the new freedoms of the 1960s. But they were molded by the worst that politics can produce with the mismanagement and tragedies of the Vietnam War and the assassinations of political leaders and activists. This generation broke more sharply in values, attitudes, and habits from their parents and grandparents than any before or since. What could be termed the crisis generation (born between 1955 to 1965) came of age during an era of energy crises, high unemployment, and soaring inflation. Smart marketers pay attention to how history shapes preferences.

Companies successfully adapting these insights to their marketing campaigns are so rare that they stand out. Fidelity Investments has attracted a growing number of boomer accounts with life-affirming messages from generational icon Paul McCartney. L’Oreal SA’s Plenitude line was initially aimed at women in their 30s, promising to “take care of your skin for the future.” A decade later, the audience had aged — and so had the brand’s offerings. The Plenitude line began offering products that “take care to prevent signs of aging today” — and its promotional efforts were increasingly linked with issues that concern women more as they get older, such as breast cancer.

And to reach the prime Porsche Carrera buyer — average age, 49 — the automaker spends the lion’s share of its marketing dollars on “Porsche weekends” of test driving and adventure tours. The goal is to let mature, quality-conscious consumers experience the value of the car firsthand and for a longer time than they could with a short road run at the dealership. In addition,

Porsche hopes to develop personal relationships and trust with these potential customers, who can help build a word-of-mouth network even if they don’t buy a car.

For most companies confused about how to reach older consumers, a good place to start is a cultural shake-up of the marketing organization, which should include the addition of an entirely new set of skills. Typically, marketers learn their trade in their 20s, manage brands in their 30s, and move to general management in their 40s. Companies must slow this turnover and allow marketers to age with their customer base, following consumers like their brands through life stages and changing the message as their customers age so that the products reflect the fundamental values of the older generation. In short, more gray hairs are needed among brand managers and external collaborators such as agencies, research firms, and media planning organizations.

To achieve this organizational change, some companies will have to carve out distinct mature marketing teams to maintain a laser-like focus on the 50-plus market and continue to develop new findings and ideas about how to attract these consumers. Or a company may need new marketing partners who have expertise in this area and the confidence to buck conventional wisdom.

Companies like Nike, Coca-Cola, and Apple shape the marketing profession because their iconic, youth-oriented brands attract the best talent; for any marketer, it’s enthralling to pitch cutting-edge, sexy products. Because of this understandable marketing myopia, companies hoping to target mature

consumers must offer a creative, open environment with innovative brands and unshackled promotional campaigns. The audience may be aging, but the workplace doesn’t have to feel like it is as well.

Change is hard for consumer companies. For all the with-it bluster that marketers like to believe emblemizes their industry, their business structure is highly conventional and unable to adapt easily to new ideas. Despite shifting demographics and innovative technologies and channels for reaching existing and new audiences, marketing is still rooted in past realities, including the dominance of network TV and youthful consumers. To tap into the extremely valuable 50-plus age group, companies must break out of these behaviors. They have to challenge core practices and organizational structures, including the very assumptions and career paths by which their own attitudes, experiences, and aspirations were shaped. +

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