7 REASONS BOOMERS WILL GROW YOUR BOTTOM LINE.

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The generation that declared, “Never trust anyone over 30,” are all now over 50. What does that mean for marketers? In short, the chance of a lifetime.

As they have throughout their lives, Baby Boomers are still providing companies with incredible opportunities for economic growth.

Evidenced by our 38 million members, AARP knows a thing or two about marketing to the 50+ consumer. So, now that Boomers are squarely in our sweet spot, we thought it was time to share some of what we’ve learned along the way.

Given that only a reported 10% of marketing dollars are specifically targeting the demographic that accounts for 50% of all consumer purchases, there’s an unprecedented opportunity for smart marketers to gain from “7 Reasons Boomers Will Grow Your Bottom Line.”

– Shelagh Daly Miller, VP, Group Publisher
AARP Media Sales 2016
ROUGHLY 76 MILLION BABY BOOMERS were born between 1946 and 1964. Today, due to immigration, there are an astonishing 81.5 million Boomers in the U.S. They represent more than 30% of the adult population.

Because of their enormous size and the advent of demographic targeting, Boomers were marketers’ darlings as they transitioned from childhood through adulthood. And as a result of Boomers aging into each new life stage, industries—from toys and cars to housing and healthcare—were founded and flourished. Yet once they turned 50, for the first time in their lives, Boomers became invisible to most marketers.

The irony here is that the reason the 18-49 demographic became the desired consumer target was to reach Baby Boomers as they bought their way through each life stage. So why now, when Gen X (49 million) and Millennials (82 million) have significantly less buying power, are Boomers no longer directly pursued by most mainstream marketers?

One misperception might be that 50+ has a limited life span as a consumer. While life expectancy at the turn of the 20th century was 49 years old, thanks to innovations in health, wellness and technology, today’s 50+ Americans can expect to live for at least three more decades.

Even as a mature cohort, Boomers and older consumers will remain the dominant and most powerful consumer group for decades to come. So as a marketer, no matter your age, 50+ will likely dominate the consumer marketplace for the majority of your career.

SOURCE U.S. Census Population Projections 2014
AS THE WEALTHIEST GENERATION IN HISTORY, BOOMERS ARE IN THE BEST POSITION TO BOOST YOUR BRAND. Fueled by Boomer spending, 50+ accounts for $3.2 trillion, or 50%, of our nation’s annual consumer expenditures.

While Millennials (born 1977-1994) have size, Gen Xers (born 1965-1976) have high household income, and Matures (born before 1946) have high accumulated wealth, only Boomers have all three.

Boomers have money in the bank, and given that people are working longer (expected retirement age among Boomers rose from 64 in 1998 to 68 years in 2011), many working Boomers are at the peak of their earning. Conversely, Millennials have been hampered by lingering college debt and the inability to gain a financial foothold; they represent 40% of all unemployed workers.

Post-recession, Boomers and older consumers continue to drive our economy more than younger generations. In the past two years, their consumer expenditures have risen by $289 billion. During the same period, spending among 18-49 year-olds has risen by one-fifth that amount, or just $53 billion.

The discrepancy in financial power is starkly represented by a difference of over $100,000 in median household net worth, with people 50+ at $293,000 and people 18-49 at $175,000. Finally, 50+ households own 61% of all investments and are 41% more likely to own investments than 18-49 year-olds.

Given Boomer and older consumers’ size, as well as their earned and accumulated wealth, adding 50+ to your marketing strategy will ensure your brand a share of voice with the consumer group that can most profoundly impact your bottom line.

BOOMERS ARE A MASSIVE MARKET WITH EXTRAORDINARY SPENDING POWER, but what makes them even more valuable to marketers is that after age 50, they embark upon a large number of new purchase decisions driven by age, and life stage or both.

CONSIDER JUST A FEW OF THE SIGNIFICANT EVENTS LIKELY TO IMPACT BOOMER SPENDING AT AGE 50 AND BEYOND

1. Age milestones are a wake-up call to establishing long-term financial security, necessitating a heightened focus around planning and investing.

2. Becoming an empty nester creates new housing considerations—whether downsizing, remodeling, moving or buying a second home.

3. Family cars are replaced by vehicles that meet evolving lifestyles, as reflected by the 67% of all new hybrids and 31% of all motorcycles purchased by 50+.

4. High rates of job and career changes create opportunities around connectedness, technology needs and skill building for the 39% that have home offices. In fact, 50+ represent 46% of workers who primarily work from home.

5. Health becomes a daily priority with a new focus on prevention, maintenance and management, providing new opportunities for food, health and weight loss marketers.

6. Given that nearly one-third of people age 50+ become separated, divorced or widowed, new opportunities emerge around apparel, beauty, entertainment, fitness and dating.

At 50+, Boomers are looking to marketers for guidance in making the right purchase decisions for themselves, their families and their futures. Companies that provide products and services that meet the changing needs of this audience will thrive.

SOURCE MRI Fall 2014
WHILE BOOMER SPENDING AT 50+ IS LARGELY DRIVEN BY LIFE STAGE NEEDS, it is also driven by life stage desires. As they have done through every life stage before age 50, Boomers are reinventing life after 50, and this means discretionary spending on products and services that help them create rewarding, meaningful, enjoyable experiences throughout their second adulthood.

With both accumulated wealth and high income at their disposal, Boomers are able to make purchases that other generations simply cannot afford.

In fact, while Boomers represent 3 in 10 American adults, they are responsible for 41% of all new vehicle sales and 46% of vacation home purchases. And, 1 out of every 2 Boomers buys tech products annually—cell/smartphones, digital cameras, computers, tablets and e-Readers.

Annually, they spend more than other generations on foreign vacations—$9.7 billion more than Millennials and $10 billion more than Gen X. They spend $18 billion more than Millennials and $21 billion more than Gen X on home remodeling. And, they make more trips to restaurants—83 million more than Millennials and 249 million more than Gen X.

Boomers, more than any other generation, have the ability to go beyond buying essentials and spend on those “extras” that help them truly make the most of life at 50+. The next generation to enter the 50+ life stage is 30% smaller than the Boomer generation. Marketers who strike now will generate sales levels among 50+ that won’t be seen again for another 20 years.

SOURCE MRI Fall 2014, U.S. Census Population Projections 2014
THE DIGITAL AGE HAS CHANGED THE WAY PEOPLE DO BUSINESS AND CONNECT WITH FAMILY AND FRIENDS, and despite popular misconceptions, Boomers have embraced technology as part of their daily lives. Over 8 in 10 Baby Boomers are online. In fact, younger Boomers are as likely to go online as those 18-49.

On the surface, it may seem that Boomers use digital media in much the same way that younger consumers do. However, their actual online experience differs significantly, making Boomers more appealing than their younger counterparts.

Younger Americans tend to be grazers, often going online as a matter of routine and getting caught up in whatever catches their attention on a given day. In contrast, Boomers and older users are more purpose-driven. They log on with a specific, task-oriented goal in mind. As a result, they are a more focused audience, looking for solutions, open to advertising messages and ready to take action.

In fact, online shopping is the #2 activity engaged in by online Boomers, and 44% of Boomers make online purchases every month. Research from Forrester indicates that Boomers spend roughly $400 online every three months, making them an ideal target for marketers looking to get more bang for their proverbial buck.

Advertisers who make the investment to connect with the online Boomer and older audience through a combination of robust content, effective creative and targeting will cash in on the audience that accounts for 1/3 of all online sales.

SOURCE MRI Fall 2014, Forrester 2012
BOOMERS ARE THE ONLY GENERATION TO HAVE BEEN A PRIMARY MARKETING TARGET from childhood to the beginning of their middle age years, making them the savviest of consumers. Yet, marketers have abandoned them just when they’ve got more spending power than ever—and when they are most looking for marketers’ help.

ADVERTISING MUST ACCURATELY PORTRAY BOOMERS’ VITALITY, PRIORITIES, RELATIONSHIPS, AND THE ROLES THEY PLAY IN THEIR FAMILIES, COMMUNITIES, WORKPLACES AND SOCIETY AT LARGE.

Marketers who speak to Boomers on their own terms, which means portraying them as they see themselves—not as getting older, but as being in perpetual middle age—will find a highly engaged and responsive audience looking to create better lives at 50+. Advertising must accurately portray Boomers’ vitality, priorities, relationships, and the roles they play in their families, communities, workplaces and society at large.

Ironically, the youth-focused fashion industry has taken a leadership role in this regard with the recent use of older women to promote spring lines, including Versace (Madonna, 56), L’Oréal (Twiggy, 65 and Helen Mirren, 71), Céline (Joan Didion, 80), and Kate Spade (Iris Apfel, 93). This is exactly the kind of marketing that is needed to grab Boomers’ attention at this stage of their lives.

This is not to say that Boomers only respond to ads that target them exclusively. Universal creative also works, but it must show Boomers authentic messaging that is relevant to their lives. Apple has done an exceptional job creating products, aesthetics and marketing with cross-generation appeal.

Marketers who recognize the power of the Boomer market, and realize that these vital consumers want to be targeted in the ways that they have been accustomed to, will find an eager audience searching for products and services that enhance their lives.

SOURCE J.D. Power Auto Media and Marketing, Winter 2013
WITH MONEY COMES POWER, and the generation with the most money, Boomers, finds itself in a unique position to heavily influence the spending of those in and beyond their own households.

In the wake of the recent economic collapse, the number of multi-generational households has skyrocketed to its highest level since World War II. 51 million Americans live in a house with at least two adult generations, and more than half of parents are providing financial support to their adult children. In fact, 1 in 3 Millennials currently lives with either one or both parents.

These adult children have become accustomed to a certain standard of living and, faced with the realities of the modern financial climate, are forced to move back home in order to maintain it, placing many of their purchase decisions back in the hands of their Boomer parents.

Additionally, Boomers are Influentials, those individuals that GfK Roper defines as highly trusted, well-informed consumers who make frequent recommendations across broad social networks. Boomers are among the top two most influential generations for over 70% of the 60 different Influential categories measured by GfK Roper, and they are the leading generation of Influentials for key categories such as real estate, home remodeling, household furnishings, vacation travel, finance/investments, healthcare, insurance, pharmaceuticals and groceries.

With category Influentials comprising at most 13% of all adults, marketers targeting Boomers will hit the Influential market sweet spot. Because Influentials are significantly more likely than other consumers to pay attention to marketing messages, marketers targeting Boomers will maximize the power of their messages to impact all Americans.

SOURCE U.S. Census, MRI Fall 2014
1. SHEER NUMBERS
Roughly 76 million Baby Boomers were born between 1946 and 1964. Today, due to immigration, there are an astonishing 81.5 million Boomers in the U.S. They represent more than 30% of the adult population.

Even as a mature cohort, Boomers and older consumers will remain the dominant and most powerful consumer group for decades to come. So, as a marketer, no matter your age, 50+ will likely dominate the consumer marketplace for the span of your career.

2. SPENDING POWER
As the wealthiest generation in history, Boomers are in the best position to boost your brand. Fueled by Boomer spending, 50+ accounts for $3.2 trillion, or 50%, of our nation’s annual consumer expenditures.

Given Boomer and older consumers’ size, as well as their earned and accumulated wealth, adding 50+ to your marketing strategy will ensure your brand a share of voice with the consumer group that can most profoundly impact your bottom line.

3. LIFE STAGE TRIGGERS
Boomers are a massive market with extraordinary spending power, but what makes them even more valuable to marketers is that after turning 50, they embark upon a large number of new purchase decisions driven by age and life stage.

At 50+, Boomers are looking to marketers for guidance in making the right purchase decisions for themselves, their families and their futures. Companies that provide products and services that meet the changing needs of this audience will thrive.

4. RESPONSIBLE REWARDS
While Boomer spending at 50+ is largely driven by life stage needs, it is also driven by life stage desires. As they have done through every life stage, Boomers are reinventing life after 50, and this means discretionary spending on products that help them create rewarding experiences.

Boomers, more than any other generation, have the ability to go beyond buying essentials and spend on those “extras” that help them truly make the most of life at 50+. Marketers who strike now will generate sales levels among 50+ that won’t be seen again for another 20 years.

5. PLUGGED IN
The digital age has changed the way people do business and connect with family and friends, and despite popular misconceptions, Boomers have embraced technology as part of their daily lives. Over 8 in 10 Baby Boomers are online. In fact, younger Boomers are as likely to go online as those 18-49.

Advertisers who make the investment to connect with the online Boomer and older audience through a combination of robust content, effective creative and targeting will cash in on the audience that accounts for 1/3 of all online sales.

6. READY & RESPONSIVE
Boomers are the only generation to have been a primary marketing target from childhood to the beginning of their middle age years, making them the savviest of consumers. Yet, marketers have abandoned them just when they’ve got more spending power than ever—and when they are most looking for marketers’ help.

Marketers who recognize the power of the Boomer market, and realize that these vital consumers want to be targeted in the ways they are accustomed to, will find an eager audience searching for products and services that enhance their lives.

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