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Ages and Stages

A Primer on Generational Marketing

In a scene from *Fried Green Tomatoes*, quintessential desperate housewife Evelyn Couch is waiting patiently to pull into a supermarket parking spot when two young women zip in from the other direction and grab her place. They laugh at her, taunting, “Face it lady, we’re younger and faster.” Angry and fed up, Evelyn rams her car into theirs. “Face it, girls,” she tells them. “I’m older and I have more insurance.”

This scene captures some of the conflict marketers face when trying to reach divergent age groups. Younger consumers, particularly Generation Y, are fast—quick to adopt new technology, quick to share likes and dislikes via text messaging or Facebook, and quick to tune out traditional marketing messages. Boomers and their older counterparts do have more insurance, right along with more time and more disposable income. They use new technologies to be sure, but their need for information isn’t so immediate. They’re willing to read the direct mail piece or the product brochure, and they’re still listening to broadcast radio and watching TV in their living rooms. Gen Xers, meanwhile, fall somewhere in between—a little bit like Y and a little like the boomers, and overall very hard to capture. Understand these different groups, and you’ll have a better idea how to reach them with your marketing messages. But don’t get too hung up on age, or you’ll miss your target. Focus on life stages within these consumer categories instead, which are ever-increasingly becoming less age specific.

Life stages are definitive times in a person’s life, each calling for new information and services and spurring new spending. Typical adult life stages include early career, dating, marriage, parenting young children, parenting teens, divorce, grand-parenting, second marriages, care taking, empty nesting and retirement. These stages are not linear, but will regularly overlap. In describing boomer woman, authors Mary Brown and Carol Orsborn write: “She may still be paying off her children’s school loans while applying for new school loans herself. Along the same lines, she may be an empty-nester, grandparent, and dating—all at the same time.”¹

The authors are quick to caution that even 20-somethings can’t be categorized by their age, as many delay serious career choices and raising a family until their 30s or 40s.

¹*Boom: Marketing to the Ultimate Power Consumer—the Baby Boomer Woman*. Mary Brown and Carol Orsborn. American Management Association, New York, 2006.

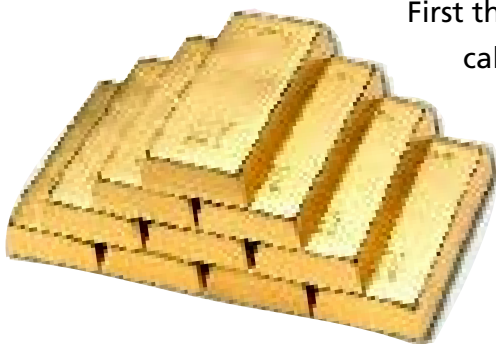
Boomers



In the following sections we'll describe these generations and their life stage-consumer behavior in more depth. For the boomer market and older, we'll share best practice stories, illustrating how some companies are using innovative products to speak to a variety of life stages. For Gen Y, the youngest market of employed consumers, we'll talk about marketing strategies that appeal to this interactive, Internet generation. And for Gen X, we'll highlight how this small group has its own uniqueness.

Silver and Gold Rush: Marketing to Boomers-Plus

How 3 companies are getting it right



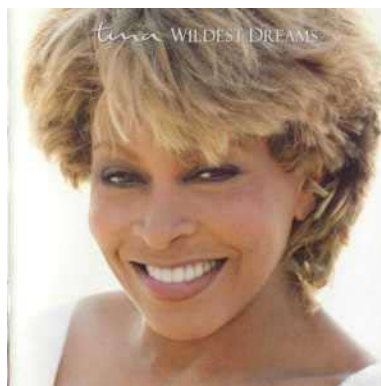
First things first, just who are these boomers? By most calculations, boomers were born between 1946 and 1965.

The first boomers will turn 65 in 2011. They expect to live a long life (more than half will live past 90²), and they want to live well. People 50 and older account for \$2 trillion in income and 50% of all discretionary income. They are the new consumer-spending majority.

Far from homogenous, boomers have been divided into two main camps: leading edge and trailing edge. Leading edge boomers were born at the beginning of the generation from 1946 to 1954. They were influenced by the Civil Rights movement, the first moon walk, Elvis, and the introduction of the birth control pill. These are the boomers turning 60 right now. Trailing edge boomers were born between 1955 and 1965 and are still in their 40s/early 50s. These were the young adults who saw *Star Wars*, danced to disco, and bought the first VCRs.

When a boomer reaches age 50 today, he or she still has half their adult life ahead of them. These modern "seniors" are changing the way we view age, radically shifting our expectations for health, image and sexuality. Marketers must also readjust their thinking.

Recall the famous painting *Whistler's Mother*? A thin, gray-haired woman draped in a shapeless black dress sits stiffly in a chair, her feet propped on an ottoman. Anne McNeill Whistler was 67 years old at the time of the painting and she looked, well ... old. Now picture Tina Turner (www.officialtina.com, if you need some help), also 67. The diva is still rockin' it in short skirts, form fitting clothes and blond highlights. We're not saying the permed, white-haired seniors from the Life Alert® commercials (you know, "I've fallen and I can't



²50+: *Igniting a Revolution to Reinvent America*. Bill Novelli. St. Martin's Press, New York, 2006. p. 51

get up.”) aren’t still around, it’s just that those seniors are in their 80s or 90s. Our idea of “old” has aged by a couple of decades.

It’s not just our notion of who boomers are that has to change, but also our concepts of what they buy.

In *50+: Igniting a Revolution to Reinvent America*, AARP CEO Bill Novelli tells marketers that they must discard the following four myths:

1. Older consumers are reluctant to part with their money.
2. Older consumers already have everything they need, so they limit their purchases to replacement items.
3. Older consumers resist switching brands more than younger consumers do.
4. Older consumers are technophobic.

The author debunks each myth with compelling data from AARP research as well as actual marketplace results. The 50+ market, for example, buys computers at twice the rate of younger computers.³ And get this: Consumers 45 and older buy 50% of all concert, play and movie tickets, as well as all dining and take out food.⁴

In reality, boomers and their elders are experiencing a variety of life stages. They’re dating, getting remarried or simply living together. Many are going back to school or starting new hobby-careers. And plenty are caring for aging parents or their grandkids.

Here’s how three national marketers are reaching out to the boomer-plus consumer:

Dove pro-age™ campaign

A continuation of Dove’s Campaign for Real Beauty, Dove launched a series of products aimed at women age 50-plus. The online and print ad campaign features naked, strategically posed women in their 50s and 60s, demonstrating that older women are still beautiful enough to pose in the buff—despite some grey hair, wrinkles, or sunspots. One print ad featuring 61-year old, real-woman Daniela, reads: “too old to be in an anti-aging ad. but this isn’t anti-age. it’s pro-age.” In keeping with Dove’s recent history of rich, multi-media Web content, the Dove pro-age site includes 30-second commercials featuring the same naked women as well as real-life consumer feedback and commentaries on the company’s bold advertising move.



³50+, p.156

⁴50+, p.154

Takeaways: Redefine your ideas of age. Feature fit, attractive older models in your campaigns. Brenda Sagat Darling, publisher of *More* magazine, says the 40-year-old-plus audience is turned off by wrinkle cream ads featuring 20-year-olds. Today's boomer woman wants to see someone who looks like she does—only just a bit better—to inspire her to be the best she can be.

Good Grips

The Good Grips® story is well-known in marketing circles. Sam Farber, successful founder of the Copco kitchenware company (nephew to the founder of FARBERWARE®), had recently retired when he noticed his wife Betsey had a hard time gripping kitchen tools due to arthritis in her hands. He came out of retirement with the idea of designing tools that were comfortable for all people. In 1990, the first OXO Good Grips tools were introduced and were a fast success. The company's Web site describes it best—"the ergonomically-designed, transgenerational tools set a new standard for the industry and raised the bar of consumer expectation for comfort and performance."



Picture Sam and Betsey Farber in your head. What type of people did you associate with the words *retirement* and *arthritis*? Now check out the couple's photo on the OXO site - www.oxo.com/oxo/about_roots.htm. Do you need to rethink your idea of aging?

Takeaways: Think about modifications that would make your product or store more accessible to seniors or people with disabilities, but don't get all antiseptic on them. Design is still quite important. For retailers, consider ramping up staffing on certain days and market those times for people who want extra assistance with their shopping. For advertisers, recognize that vision deteriorates with age. Keep the print at a reasonable size, but still think modern and hip.

Sony Handycam®

A great commercial for the Sony Handycam first appeared during the Super Bowl in 2003. The ad featured a newly retired business executive who liquidates his assets and then travels to Russia for a tourist trip into space. As the background music plays, the slightly gray-hair, but polished man is seen filming the view out a shuttle window. The spot ends with a line on the screen that reads: "When your kids ask where the money went, show them the tape." A second commercial featured a 50-year-old, camera-toting scuba diver heading under water on a shark encounter. Reportedly, the company posted double-digit sales growth after these commercials aired.⁵

⁵50+, p. 159

Takeaways: The 50+ group is plenty interested in new technology and multimedia toys. The tech-savvy will come along just fine, but you can expand your market by helping make technology easy and accessible for others. Offer classes that provide easy introductions to new gadgets. Market a personal drop-in service so that people can come in and learn how to use PDAs or GPS', even long-after the purchase.

Passing Over Generation Me

Marketers have been saying "Generation Next" to Gen X

Born between approximately 1966 and 1978, Xers are known for their entrepreneurialism and an emphasis on quality of life. As human resource staff know, Xers are all about working to live rather than living to work. This marks a distinct departure from the power-lunching, 80-hour-week-working baby boom generation.

Xers believe in a good work for fair pay and want meaningful projects that can be accomplished within an 8-hour day. They want flexible hours and, because they job-hop a lot anyway, aren't overly concerned about landing a secure position. After all, this is the generation that boomed, busted, and moved on, right along with the rest of the dot-co .

Do these fickle job habits mean that Xers have less money to spend? Not really. The best educated generation in our nation's history, this group started out with healthy salaries and moved up from there.⁶ In their 30s and 40s, Xers are entering their prime earning years, set to take over top management jobs as the boomers retire.

However, Gen X is only about 50 million people strong, and brand managers haven't exactly been tripping over themselves to reach this group. After all, Gen X is notoriously skeptical when it comes to marketing messages. Having grown up as latch-key kids in the last few years before obsessive, over-protective parenting became the norm, they are fiercely independent. They buy what they need and what they want, but they aren't into blatant consumerism or celebrity-based advertising.⁷ So, with about 78 million baby boomers on one end and another 70 million Gen Yers on the other, marketers haven't been putting forth very much effort to reach this challenging market.

However, 50 million isn't exactly something to stick your nose up at and with a small amount of effort, can be highly rewarding. To connect with Gen Xers means you have to be pragmatic and sensitive to their sense of independence. Marketers can appeal to this group's core values with appropriate lifestyle products and experiential marketing

⁶"Generation X is Having Babies." No author. BabyShopMagazine.com. www.babyshopmagazine.com/fall00/genx.htm. Visited September 12, 2007.

⁷"Anatomy of the Gen X Consumer." Monique Reece Myron and Pamela Larson Truax. Denver Business Journal, April 24, 1998.

Boomers
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techniques:

Be Genuine

Again, Gen X is full of skeptics. Keep your marketing messages sincere. Consider the backlash when Sarah Jessica Parker became the spokesperson for Gap®. Fresh from her Blahnik-wearing *Sex and the City* days, Parker was synonymous with couture and risk-taking fashion. She was everything Gap wasn't, and they had her promoting khaki, no less. Shoppers were less than enthusiastic and Parker's stint was short lived.

Address their Balanced Lifestyles

Gen Xers are busy, successful professionals who make time for a life outside of work. Speak to that dichotomy. The booming pre-prepped/meal assembly industry has been one huge Gen X breakthrough. Customers come to the kitchen and assemble a number of recipes using pre-portioned and pre-chopped ingredients. They get to create effortless home-cooked meals, minus the shopping and clean up. Gen X is also fueling rapid growth in the luxury pet care business. Putting off their childbearing years, Xers have disposable income to spend on their pets, including daily daycare service and high-end boarding suites complete with heated floors, TVs and personal windows.



Leverage Experiential Marketing

In *Mind Your X's and Y's*, marketing expert Lisa Johnson suggests that to excel in today's marketplace, brand managers must deliver experiences. "Customers are seeking highly interactive encounters that teach and challenge, and in the process, give them personal insight and help them define who they are," she wrote.⁸ We'd like to point out that AARP CEO Bill Novelli made a similar argument for the 50-plus group, but we can see the particular value of marketing experience to this lifestyle-driven group.

Experiential marketing can take several forms. It can be an educational scenario, with special classes that introduce guests to different specialty food, cigars or adventure sport. It can mean behind the scenes access. Help customers really understand your product by offering special packages to tour your workshop or cook with your chef. Johnson told the story of Vocation Vacations, whose customers pay to try out their dream career for a few days, working alongside brew masters, cattle ranchers, makeup artists or even guitar makers. Johnson also mentioned a Maytag promotion which invited customers to bring in their dirty dishes or stained clothes and actually use Maytag products. We know of one

⁸*Mind Your X's and Y's*. Lisa Johnson. Simon & Schuster, New York, 2006. p. 39.

local hot tub dealer who ran a similar promotion, sponsoring pizza parties for prospective hot tub buyers and their friends.

The need for speed: Gen Y

How you can keep up with this market

While Gen Y is more ethnically diverse than its predecessors (one in three is not Caucasian⁹), it is perhaps the most cohesive generation in terms of consumer characteristics. An optimistic group, Gen Y grew up with relative economic prosperity. They never knew life without the Internet. For them, Web sites and online services (e.g. online banking, account access) are not attractive bonus features—they are the cost of doing business. This generation is hyper-connected and technologically savvy, manipulating their cell phones and digital cameras with the greatest ease. They are multi-taskers who can process a great deal of incoming information at once.

Born between (roughly) 1979 and 1995, this generation is 70 million strong—the largest generational demographic since the boomers. Also known as the Millennials, the Internet Generation, or the Echo Boomers, these are primarily the children of boomers and the oldest Gen Xers. As one writer on Wikipedia indicated, Gen Y is likely to share social views with the boomers (their parents) and culture with Gen X (their older siblings.)

Research by the Harris Interactive Group shows that Gen Y generally hold the following traits:

1. Economically optimistic
2. Resistant to ads and creative marketing
3. Brand-conscious
4. Comfortable with fragmented media.¹⁰

Author Rebecca Huntley called Gen Y “the first consumer generation.”¹¹ Raised in a time of rising fear for childhood safety, with busy boomer parents occupied at work, Gen Y kids spent more time at home with the television than outside in supervised play. Marketers took note and have been targeting this generation since childhood. As a result, Huntley argues, this generation is made up of confident consumers who believe in their ability to sway the marketplace.



⁹“Gen Y.” Ellen Neuborne and Kathleen Kerwin. Business Week, Feb. 1999.

¹⁰ “Gen Who What Y.” Michele Featherstone. Credit Union Magazine, May 2005.

¹¹ *The Worlds According to Y.* Rebecca Huntley. Allen & Unwin, Australia, 2006. p. 144

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While Gen Y has relatively little wealth now, they are eager shoppers, amassing debt and/or putting off home purchases by living with the parents longer than previous generations. Even more than Gen Xers, these Millennials were raised in affluent, dual-income households and grew accustomed to a comfortable lifestyle. As one journalist wrote, "Gen Y's approach to life is buy, buy, buy."¹²

All the spending however doesn't come without strings attached. Above older generations, this group has developed marked consumer habits and demands:

Immediacy in Information

In marketing messages, get to the point, fast. If they want more information, they will access it online. Be sure your Web site includes in-depth information on both your products and your company philosophies (i.e. charitable giving, sustainability). Provide an opportunity to ask real-time, online questions. Email is becoming the communication tool of last resort for this generation—it just isn't fast enough.

Companies that get it right: Earthlink® is one of the country's national but smaller Internet service providers, serving just over 5 million customers. An early adopter of online chat technology, it offers customer service via chat lines, simultaneously increasing customer satisfaction while cutting expenses.¹³

At many universities, admission staff are using instant messaging to communicate with prospective students. Financial institutions, health care agencies, catalogue and online retailers (pretty much anyone with a call-in customer service line) should follow suit.

Immediacy in Goods and Services

Long waits for products or services are problematic. Online retailers should offer affordable priority shipping options. Brick and mortar retailers should offer consumers the ability to check inventory online and/or purchase an item for in-store pick up.



Companies that get it right: Circuit City was one of the early pioneers to offer in-store pick up for online orders. The program was so popular they soon introduced a 24-minute pick-up program. The retailer guarantees the item you purchased will be ready for pick-up within 24-minutes of the time stamp on your confirmation email or they'll give you a \$24 gift card.

¹² "Has Gen X Fallen Through the Cracks?" Vivian Manning-Schaffel. www.brandchanel.com, viewed September 7, 2007.

¹³ "How an ISP Used Online Chat to Lower Customer Service Costs and Achieve an 80% Satisfaction Rate." Luarie Lande. www.marketingpros.com/casestudy/49. Viewed September 7, 2007.

Deep Product Knowledge

The Millennials know their way around the Internet and are quick to do product research. Plus, their generation is also accustomed to sharing peer-to-peer product reviews through informal social networks. Your sales staff needs to arm themselves with the same information.

Loyal to Friends not Brands

While Gen Y is highly brand conscious, they are not particularly brand loyal. They follow trends, moving from one top fad to another, conforming to the spending habits of their friends.¹⁴ However, establishing your product as the next “it” trend is tricky. Gen Y is less attentive to traditional media. Bombarded with near-constant marketing messages since birth, this group is more skeptical of advertising. To capture their attention, companies rely on unique experiential campaigns and viral tools that facilitate peer-to-peer information sharing. Retailers are turning to YouTube and MySpace and Facebook, creating subversive or entertaining advertisements that are so good people not only watch, but forward them to friends.

Companies that get it right: Dove. Hey, hey, the same company that knows how to target the boomer-plus generations also created some of the top viral marketing on the web. As part of Dove’s Campaign for Real Beauty the company created a video short called Dove Evolution. The clip featured an attractive young model arriving for her photo shoot. The crew comes to get her ready and the video moves into time-lapse photography as we watch while professional hairstyling, makeup, special lighting, and finally a good deal of computerized touch-ups transform a perfectly lovely girl into some supernatural, impossible beauty. The video clip was a hit, forwarded and posted to blogs all over the world.

To top it off, a parody video--featuring a dashing male model who is fed a diet of beer, soda, cigarettes and fast food transforms from young hottie to middle age slop—provided added exposure and extended Dove’s original play time. In the two years since Dove launched its real beauty campaign, the company has realized double-digit sales growth.¹⁵



¹⁴The World According to Y. Rebecca Huntley. Allen & Unwin, Australia, 2006. p. 154

¹⁵"The Top Ten Viral Ad Campaigns." No author. July 25, 2007. Times Online. business.timesonline.co.uk Visited September 11, 2007.

Trafficking in Generalities

Not everyone fits the mold

Yes, yes, we know. We're painting with broad brush strokes here. YOUR 67-year-old mother may be an arthritic techno-phobe who counts her pennies and wears shapeless muumuus. YOUR 19-year-old nephew is an anti-consumerism activist who buys all his clothes at Goodwill and has restored an old-fashioned rotary-dial phone. These descriptions will not fit everyone. They are, however, representative of the generational majorities.

As a marketer, your job is to identify your best target market, and generally speaking you get the most bang for your buck with a broad-base of like-minded consumers. So we're not trying to push a stereotype on anyone. All we want to do is provide a little insight into some consumer groups who just might be your next big customers.



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