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Tap Into the Boomer Market

Baby boomers: 76 million strong and a force to be reckoned with.

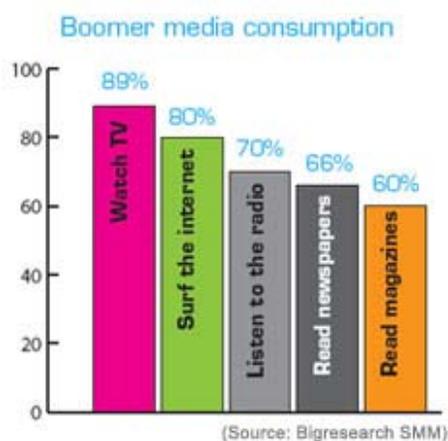
By Matt Thornhill | [Entrepreneur Magazine - May 2009](#)

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There's a long-held belief in marketing that once consumers reach age 50, they're dead. That's because for the past 40 years, businesses trained their budgets on younger adults, ages 18 to 49. When a consumer reached 50, he vaporized--unless, of course, he needed denture cream or incontinence products.

Marketers are finally awakening to the demographic tsunami of the nation's baby boomers. Born during the post-World War II prosperity from 1946 to 1964, boomers are 76 million strong--comprising 1 in 4 Americans. However, in the past decade, this massive generation became invisible at the rate of 10,000 members per day as they passed the five-decade mark. Now the recession is prompting businesses to rethink marketing.

The fact is boomers spend far too much money to be ignored during tough times. By some estimates, they spend \$400 billion more per year on goods and services than any other generation. The numbers tell the tale: According to our analysis of U.S. Census data, over the next 10 years, the 18 to 49 age segment is projected to grow by only 1 percent to about 137 million. Meanwhile, the 50-plus age segment will swell 21 percent to 116 million.



Any marketer worth his salary should be hard at work developing plans for this segment. "In many categories, our data shows that boomers spend as much each month as any other generation, on a per capita basis," says Phil Rist of Bigresearch, which conducts monthly surveys of more than 7,000 consumers, track-ing their spending. "But there are so many more of them."

That's one reason Bill Dahlquist, 42, invested in a Home Instead Senior Care franchise in 1999. "We saw boomers and health care as essentially recession-proof," says Dahlquist, who brought in 2008 sales in the multimillions. "The demand for in-home professional care giving is going to explode as boomers grow older."

Smart entrepreneurs who want to refocus on boomers need to get the new rulebook. Boomers at 50 and beyond are very different from the *Golden Girls* generation. Having never experienced the Depression or World War II, they're far more optimistic about the future--no matter how many dark clouds loom now.

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Today's Boomer Consumer

Businesses need to understand today's boomers from three perspectives: 1) where they are in their heads in terms of what drives their behavior; 2) where they are in their lives in terms of lifestyle and life stage; and 3) how their shared generational experiences coming of age in the late '50s to early '70s shape their perceptions. Through these lenses, marketers can better connect with this demographic.

Psychological: Boomers have reached a stage of cognitive development in which they're driven more by internal motivations than external. Gerontologist and boomer expert Ken Dychtwald calls this shift "from success to significance."

Sociological: The linear, predictable lives of previous generations are no longer relevant. Boomers find themselves at a million different life stages. Some are empty nesters, some still have kids at home, some are retired and others are starting businesses.

Anthropological: The "Wonder Bread Years" for boomers established traits that cut across the entire generation. Boomers

are driven, self-centered and transformational. As they evaluate any offering, they want to know, "What's in it for me?" They have more vigor and vitality than ever.

New Rules for Marketing

Capture the attention and spending of boomers with these five rules.

1. **Aim inwardly.** Boomers are less driven by material things and more interested in life-enriching experiences. They seek to fulfill internal motivations: self-respect, -fulfillment, -realization. Show them how your product fulfills these needs.
2. **Be positive.** Laura Carstensen, psychology professor and founding director of the Stanford Center on Longevity, studies how older consumers process incoming information. She's discovered that older adults are more likely to ignore negative images, concepts and ideas. So stay away from selling fear and desperation. Focus instead on aspirations.
3. **Focus on life stage or lifecycle.** Boomers have more in common with others at the same stage than with others the same age. Therefore, stay away from age-based marketing, and instead, focus on life stage and lifestyle.

Serial entrepreneur Jerry Shereshevsky wanted to create a new media product for Boomers that could attract advertising revenue. His solution was to launch Grandparents.com. He says "The average age of a Boomer who is a grandparent is 53. Oprah is older than that. By focusing on Boomers who are grandparents, we're delivering a large and important consumer segment for marketers. Remember, once a grandparent, always a grandparent."

4. **Use traditional media.** Boomers surf the internet, but they're loyal to traditional media: radio, newspapers and TV. But they watch different types of TV programming--movies, police shows, news, sports and documentaries--making it cost-effective to reach them via cable.
5. **Follow the moving target.** Where boomers are today is not necessarily where they'll be tomorrow. The only way to keep tabs on them is to ask. Build in feedback, talk with your customers and conduct surveys. Ignore them, and they will take their money elsewhere.

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