

Marketing to Seniors

A Direct Choice Perspective

Profiting from the Silver Tsunami

He's not just the cranky old guy in the chair, and she's no Granny Clampett. No sirree, folks, today's senior market is as varied as each individual hair in their not-so-gray heads. What is still true—and getting truer—is that these over-somethings represent major revenue streams for marketers of products and services worldwide.

Truth is, from now until 2025, someone in America will turn 60 every seven seconds. Whether you're a Medicare health care product marketer, pharma or medical device manufacturer, a luxury brand or other consumer package goods marketer—you're smart to count seniors in, not out. With the largest amount of available discretionary income, extra time, and the savvy of their accumulated years, their enthusiasm for your product or service can be critical. And make no mistake: preconceived notions about senior attitudes, characteristics, preferences and behaviors spell marketing suicide. Knowing the subgroups and segments and mining every ounce of available data is what will bring your senior marketing initiatives to life.

With our belief that the only rule is that there are no rules, we've created these handy guidelines—or *strong suggestions*, if you will—to help you craft success with the silvers.

First, a few things to know:

1. Know who they are: this ain't your father's senior market. Well, your dad may very well be a senior, but marketing to him is different than, say, to his father. Today's seniors don't consider themselves elderly and infirm. And neither should you. They can be 50, 60, 70, 80, 90 or more, and still be trying and buying. As my own 86-year-old mother said recently, looking around the room when someone mentioned getting the opinions of the "older people" present: "Oh? Are there any here?"

This response mirrors the findings of a recent research study that asked consumers over the age of 75 whether they saw themselves as young, middle-aged or old; 26% of them responded that they were middle-aged. Chances are you know someone in their 70s who's still working. With folks living longer, the question of "when do you become a senior" becomes a more individual thing. The most common definition is people age 50 or older, but in most markets, the local movie theater doesn't think anyone is a senior until they qualify for Medicare.

For marketing purposes, let's segment seniors into four groups based on age, netting out with similar needs and desires:

- **The World War II Generation:** People born before 1933, age 76-plus today. Truth is, their consumption of goods and services has slowed, and this group is not the sweet spot for most marketers.
- **The Swing Generation:** Born between 1933 and 1945, now age 63–75, this is the generation immediately preceding the Baby Boomers. The pop culture architects hit the Medicare years. These folks vote, buy and lead businesses and cultural institutions. Most important to marketers, members of the Swing Generation have managed to accumulate more wealth than any other generation in history.
- **Big Boomers:** The original Baby Boomers born between 1946 and 1954. They range in age from 54 to 62 today. The so-called Me Generation has now left the disco. Numbering 33 million, they represent 17% of the U.S. population and are the live-for-today types that drive the economy. Most are still accumulating material possessions, well beyond the age at which their parents ceased spending.
- **Little Boomers:** The youngest Baby Boomers born between 1955 and 1964. These consumers range in age from 42 to 51; many are still parenting younger children. At 49 million strong, they are big spenders too. Together with their older Big Boomer siblings, they represent a virtual river of money. Boomers overall control 77% of all personal assets in the U.S. and half of all discretionary spending—\$750 billion. They own 40 million credit cards, buy 48% of all the luxury cars sold in the U.S., and spend \$610 billion on health care, which includes 74% of all prescriptions filled in the nation's pharmacies. Oddly, fewer than 10% of general advertising impressions are targeted at them, even though they're far more receptive to advertising than younger consumers who have developed an almost phobic immunity to traditional advertising channels and messaging.

2. Know who's buying: follow the females. As households get older, the females tend to make most of the spending decisions (about 85%) for the family. This means that marketers not only have to consider age; they also need to make certain that their selling contacts appeal to women. If they're using prospect lists, they might want to consider addressing the woman rather than the "head of household," which is usually weighted in favor of the male. Women in this age group tend to set their own personal priorities to meet the needs of others in their life. That makes "viral" marketing, building communities and other ways of influencing personal chains of trust very effective marketing strategies.

3. Know how they're browsing: it's linked to their affluence. And finally, while direct mail is still the most accepted medium for direct marketing to seniors, know that a surprisingly large number of them are using the Internet to access information. They research—and buy—products and services online, and the number of them that do so will grow dramatically in the next few years. Almost 60% of Americans age 50–64 are online, and more are plugging in each passing day. Even more surprising, 22% of consumers 65 and older use the Web regularly, up from less than 2% 10 years ago. Not surprisingly, Internet usage among seniors skews heavily to those who have the greatest financial resources. If your product or service is targeted at lower income buyers, know that direct mail continues to be the heavyweight marketing channel for you.

Here's how seniors *who are online* use the Internet:

- 95% use email
- 66% have looked for health/medical information
- 66% have done product research
- 60% have visited a government website
- 47% have bought something on the Internet
- 41% have made travel reservations
- 20% have done online banking

Bonus factoid: until recently, the Internet among seniors was mostly male-dominated, but that's no longer true. Half of all online seniors are now women.

Okay, now for those *strong suggestions* mentioned earlier:

1. **Target females when you can. They make the decisions.**
2. **Use data analytics to segment and target the subgroups. No one-size-fits-all approach will do.**
3. **Stay away from funny with your messaging.**
4. **Stay way away from scare tactics. Not only is it tacky, it's downright illegal in some regulated industries such as Medicare products.**
5. **Use uplifting images and photography. Nobody wants to see someone in a wheelchair, even someone who *is* in a wheelchair. Remember: 50 is the new 40, 60 is the new 50...you get it.**
6. **Make copy upbeat and positive. Even if you're referencing the current economic climate—no gloom and doom. Position your product or service as a solution—in slightly larger type, please!**
7. **Remember your manners. Don't be too chatty or overly familiar. Personalization and customization is great, but don't call them by their first names. Be respectful.**
8. **Use lifestage events as a catalyst in strategy and messaging. Retirement, an upcoming significant birthday or a decade change give you a reasonable excuse to message a trigger to purchase.**
9. **Target wealth, not just income. There are many seniors who have no income but have plenty of money.**
10. **Watch your consumer data source. When you're targeting, make sure your data source or vendor has the data points that matter most in reaching them. Not all data sources are equal; consult your direct marketing partner for the best results.**
11. **Take the time to explain the benefits of your product. Long copy is OK, as long as it is divided into easily understood, bite-size chunks.**
12. **Make sure they know that the toll-free number is really free.**
13. **Avoid using Customer Service Reps with heavy accents. Also make sure your inbound and outbound scripts include calling seniors by Miss/Mrs./Mr. and not their first names.**
14. **Use humans instead of an IVR.**
15. **Don't talk to them like children, either in mail, online or on the phone.**

And speaking of online:

- 1. When you design a website targeted at seniors, know that most of them (72%) still have dial-up and not broadband. Don't assume everyone has DSL or cable access to the Internet; they don't. Designers trying to reach seniors need to forget Flash, high-density images and gimmicks that can cause Web pages to load slowly.**
- 2. Make navigation simple.**
- 3. Use large, high-contrast type.**
- 4. Make the navigation elements that take the visitor to the next page and step in the sale very visible and easy-to-understand. Large arrows that are labeled "next page" and "go back" are examples.**
- 5. Keep it to a click. Don't tell them they can "get a quote" and then take them to a page that requires them to download a PDF, print it, fill it out and mail it via snail mail. The vast majority of them won't do it.**
- 6. Use the power of the Web to build relationships and community. Most seniors value personal ties.**
- 7. Be gender-specific. If the target is male, organize Web pages to look like a newspaper layout with lots of white space, black type, lists and menus. Men bore easily, so focus on relevant content and fast navigation. If the target is predominantly female, use lots of color, present relevant information in an uncluttered format and build communities in which they can participate.**
- 8. Finally, test your online creative with age-appropriate folks before going live. That twenty-something designer and that thirty-something account manager may need an older perspective on what's "hot."**

Sourcing

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Ken Dychtwald, *Age Power: How the 21st Century Will Be Ruled by the New Old*

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