

COMING OF AGE

I N C O R P O R A T E D

Baby Boomer Marketing & Senior Marketing

Don't Let The Age Of Your Markets Determine Your Approach: The Costs Can Be Significant!

By Jim Gilmartin

Don't Be Fooled By the Hype

Over the next decade the over 50 year old markets will increase by approximately 50% while the under 50 markets will increase by only 1%. Management and Marketers would be wise to affirm or reaffirm their approach to this growing market. Unfortunately, most companies that target baby boomers (78 million strong born between 1946 and 1964) and senior customers (34 million strong born before 1946) take a programmatic, tactical or numbers approach rather than a strategic approach to increasing market share. In addition, because of all the rhetoric and media hyperbole about demographic trends, marketers are allowing the age of their current and future customers to decide their approach to service design and delivery.

Age is the inappropriate focus. Marketers may have developed a frame of reference about baby boomer and senior customers that too often causes them to focus on the development "senior" programs exclusively to serve the wants and needs of these significant segments of their market. Unfortunately, this approach is costing them market share.

Rather than designing services based on the age groups in their market (a numbers/tactical approach), companies should be concentrating their efforts on developing and implementing strategies to improve customer satisfaction across all of the current services provided. However, improved strategies will only come with a better understanding of the behavior of the baby boomer and senior customer and applying that knowledge to current service, marketing and sales decision-making.

A Need for a New Research Paradigm: Developmental Relationship Marketing

David B. Wolfe, noted expert on the business implications of an aging marketplace, has called for a new paradigm - Developmental Relationship Marketing (DRM). "We base DRM theory, says Wolfe, "in human development concepts, principally following the ideas of Carl Jung, Abraham Maslow and Erik Erickson on human development processes and stages."

Marketers that take the time to understand the behavior of baby boomer and senior customers, the findings of life stage and life style research, and the findings of split brain, chronological vs. cognitive age research, etc., will significantly increase their chances of success in aging markets.

Through a process that changes their frame of reference regarding baby boomer and senior customers, and the frame of reference of employees (shift paradigms), companies can make significant progress, and improve the position of their organizations in baby boomer and senior customer markets. The most successful companies are those who recognize the need to strategically adapt to a changing demographic environment, and identify and act upon new opportunities.

A Self Analysis

To begin the process of changing your frame of reference about the segment that could make up sixty to 80 percent of your business, you might consider asking yourself and staff the following questions:

- Do we take a programmatic/tactical or strategic approach to baby boomer and senior customer markets? Has management critically thought through the company's vision, goals, strategies, priorities and potential options to set direction and sense of purpose (created a common construct)? Planning and prioritizations are major components of success for customer service improvement in aging markets. Are we integrating the implications of baby boomer and senior customer behavior into our vision, goals and strategies?
- Is leadership collaborating to shape a culture that makes superior service as natural as thinking? Have we surfaced a "Champion" and empowered him or her to take the action necessary to assure that we actualize the vision, goals and strategies of baby boomer and senior customer markets' improvement initiative? In smaller companies, the leader is the "Champion."
- Have we begun developing an organizational culture to support the belief that the service delivery staff is the most important people in the company - since they serve the customer? Do we understand that the environment we create for the staff is the world they will create for the customer?
- Do we know our internal capabilities? Have we declared war on bureaucracy? Are we allowing individual agenda's to control our approach to baby boomer and senior customer markets? Have we begun the process of analyzing our organization's marketing, sales and service delivery or distribution system, with the goal of responding to the life satisfaction needs of this population?
- Do we know the needs, wants (they are not the same) and desires of baby boomer and senior customers? Have we identified the service gaps? Qualitative and quantitative research is a significant key to a workable or service improvement strategy.
- Have we taken the time to acquire and apply our knowledge of baby boomer and senior customers to operations management, and to product and service planning and decision-making?

- Do we continue to use the age of the target market as the determining factor for marketing, sales and service development or modification? Do we use our knowledge of the findings of Life Stage and Life Style research to decide our approach to marketing, sales and service development and improvement?
- Are we questioning our current approach to communicating with the baby boomer and senior customer? Do we consider perceptions, values, behaviors and physical changes of the target market in our deliberations? Have we considered the age of those in our company responsible for communications to baby boomer and senior customers? Generally, younger staff has difficulty empathizing with the baby boomer and senior customer population. Are we including members of the baby boomer and senior customer population in our service design, delivery and communications development process?

In Summary, Consider The Following Keys To Success In Baby Boomer And Senior Customer Markets.

- Be able and willing to change your frame of reference regarding these growing markets
- Be prepared to challenge current marketing, sales and service approach to baby boomer and senior customers
- Know the physiological and behavioral changes affecting baby boomer and senior customers
- Educate and train management (sensitize management)
- Know your internal culture, capabilities' & obstacles
- Understand the human communications process
- Understand the organizational obstacles to success
- Know your internal capabilities
- Understand the price of commitment
- Develop a “circuit loop of management” to assure the lights go on below when we turn the switch on above
- Develop a strategic approach
- In large companies select an executive as a baby boomer and senior customer champion
- Know your baby boomer and senior customer’s needs and wants (research)
- Include baby boomer and senior customers in product, marketing, sales and service development (test your concepts)
- Apply knowledge to product development & service delivery
- Educate and train (sensitize sales and service employees)
- Develop a culture that supports the sales and service delivery staff
- Develop a culture that makes superior service as natural as breathing
- Make physical facility changes to create a user friendly and appealing environment for baby boomer and senior customers

Marketers, sales management and operations leadership should not continue to practice what they consider to be "tried and true" methods to attract and retain baby boomer and senior customers. The physiological, psychological and behavioral changes caused by the aging process demands a significantly different management, marketing, sales and service approach than many companies currently practice.

Biographical note: Jim Gilmartin is president of Wheaton, IL based *Coming of Age, Incorporated*. Established in 1991, the full service integrated marketing firm specializes in helping clients to increase leads and sales in baby boomer and senior customer markets. The firm provides clients' marketing communications, full advertising agency services and public & media relations' services. The firm also provides clients sales and service improvement training and turnkey Customer Loyalty/Affinity Clubs.

Jim is a frequent speaker at sales and marketing conferences, leadership/management retreats and association meetings. He currently teaches marketing and management seminars at the *University of Chicago* and is on the faculty of the *Bank Administration Institute's* Graduate School. He can be reached at 630-462-7100 or e-mail him at jimgilmartin@comingofage.com.
