

THE LAST OF THE HIPPIES HIT 50

THEY WERE THE ORIGINAL REBELS, THE GENERATION THAT BURNED THEIR BRAS AND DISCOVERED ROCK ‘N’ ROLL. BUT NOW THE BABY BOOMERS HAVE SURPASSED MIDDLE AGE AND BECOME INVISIBLE TO MARKETERS AND AGENCIES UNSURE HOW TO SPEAK TO THEM. WITH THEIR AVERAGE HOUSEHOLD NET WORTH IN EXCESS OF \$1 MILLION, IS A MAJOR OPPORTUNITY BEING MISSED?

WORDS: BROOKE HEMPHILL

What do Keanu Reeves, Courtney Love and Nicholas Cage all have in common? This year, the trio hit 50, along with about 7,000 Aussies who are celebrating the milestone each week.

They’re the last of the Baby Boomer generation to reach an age which has long been considered, well, old. But according to those in the industry thinking outside the coveted 16-to-39 demo, they’re about to redefine the ageing process and with that, marketing targeted at a group traditionally called ‘seniors’.

At the start of the year, Sara Garcia, principal of Blaze Research, conducted a study of more than 1,000 Boomers. She says: “One of the problems with talking to Baby Boomers is there doesn’t seem to be an understanding of what age they are. Older people, in their 80s for example, they’re not Baby Boomers. They’re the ‘Silent’ generation. So the Baby Boomers are not actually the elderly. They may be becoming the elderly, but they’re not elderly yet. There is an assumption that people past 50 are all the same.”

To understand why it is important to make the distinction, you only have to look at where the Baby Boomers come from.

The Boomer generation was born between 1946 and 1964 and gets its name from the post World War II baby boom. In the US alone, births increased during the 18 year period by four million. This was the first generation to grow up

with television and the first to make full use of the contraceptive pill. Many Baby Boomers migrated to Australia seeking new opportunities and would go on to set up businesses both big and small, shaping the state of our nation today.

Russell Tate, executive chairman of Macquarie Radio Network (MRN), not only runs radio stations targeted firmly at this demo, he also falls within the age bracket himself. He says: "They were unbelievable times and we are a product of that time. We just got very, very lucky. There were plenty of jobs, there was education, there was the greatest music. There was a complete revolution in the way people lived. Our parents could afford to buy a house for the first time or even think about it, and that sort of continued."

Katie Rigg-Smith, CEO of media agency Mindshare, might not be in the demo but she echoes Tate's sentiments. She says: "They were the first to rally for women to work. They're the first generation of women to have superannuation of their own. They're the first ones to see the retirement age pushed back. They're the first ones that got people to university. Their generation has paved the way and I think sometimes we forget that they're in it together. They're the rebels with a cause. It's easy to categorise them as 'older' but we forget they've got a little bit of rebel in them."

The characteristics of the demographic couldn't be more different than the one that came before, the 'Silent' generation. While the 'Silent' generation ►

generation was getting ready to relax when they retired, the Baby Boomers have different plans.

Josh Wittner, executive manager of marketing for insurance firm APIA, says: "They've been through the times of having to bring up kids, paying off mortgages, all that sort of stuff so now it's time for them."

Referring specifically to female Baby Boomers, Linda McGregor from female marketing consultancy All About Eve, says: "She refuses to fade quietly into the background. She has places to go, people to see, and dreams to fulfil."

Garcia says marketers need to watch out as this generation is a force to be reckoned with, something that stems from their rebellious past. She says: "They're active in society and active in life."

And it doesn't look like that's about to change just because they're getting older. Last year's Roy Morgan State of the Nation report revealed the fastest growing age group running small businesses in Australia is the over 50s, who now account for 45% of businesses compared to 38% in 2002.

You could say life begins at 50 although Wittner doesn't quite agree. He says: "What we try to focus on is a continuation of life. Saying 'life begins at 50' has the connotation that you didn't really do that much beforehand. Once you get to a certain age, people don't necessarily want to start winding down and they may not necessarily want to do more but it's about being able to continue what they've always been doing."

And therein lies one of the greatest challenges of marketing to Baby Boomers: the language. It's something APIA's Wittner is all too aware of given his brand's heritage. He says: "There's a legacy for APIA from the brand being The Australian Pensioners Insurance Agency. We haven't called ourselves that for quite some time because when the business was formulated 26-odd years ago in Warrnambool Victoria, 'pensioner' was a standard everyday word that was quite common and accepted. These days the demographic is completely different. People don't like to be referred to as pensioners."

Garcia is of the belief there's no need to label people's ages in marketing. She says: "Really, it's

the same rules as it is for any other generation: you don't need to call their age out to them and nor is it necessary to do so for Baby Boomers. It isn't relevant. When you mention it, whichever way you mention it, it feels like you're saying life is closing down and you need to do everything you can to hang on to it. It is extremely depressing."

So they don't want to be called pensioners and given the name of the website *Starts at Sixty*, which publisher Rebecca Wilson says is Pedes-train.tv for the over 60 set, there's clearly some debate around whether it's okay to infer Boomers haven't accomplished much before hitting retirement age.

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But research into the demographic suggests there's a larger issue to contend with. According to a study conducted by Mi9, 94% of Baby Boomers dislike the way advertisers communicate with them. Garcia says: "I'm a Baby Boomer myself. I've had several altercations with my bank for the fact that the only time they call me is to offer me funeral insurance. As soon as I turned 50, that phone rang."

APIA's Wittner is very conscious of getting it right. He says: "I do see examples out there where people think, 'Well, okay. What I'm going to do is put a grey haired person in the advert and that's going to do my job of marketing'. It's so much more than that."

Starts at Sixty's Wilson says: "I'll be blunt. A lot of brands are condescending in their marketing. They are stereotypical, and they are

working with a preconceived agency notion of what this demographic looks like. I have sat in workshops with agencies that have not even been able to tell me what a 65-year-old woman does. It's tragic they are so disconnected from this demographic."

But Garcia goes back to her earlier point of confusion around what constitutes the demographic. She says: "When companies advertise to Baby Boomers and they show the elderly, not surprisingly, they don't recognise themselves."

MRN's Tate doesn't reckon Boomers need to be spoken to differently. He says: "I think that's a mistake. 'We've got to talk in a different way to these poor old buggers that don't really understand what we're saying if we're talking to 40-year-olds or 30-year-olds.' That's nonsense. The messaging is more or less the same. The real issue here is the targeting."

Last year the radio network conducted an extensive piece of research into its audience and has since spent several months working with media agencies to share the findings. Tate says: "We've done a lot of work with agencies – media agencies in particular – because I wanted once and for all to establish what we had known to be the truth. That is, in marketing terms, Baby Boomers have been, and they still are today, pretty much undervalued by marketers. I can remember back when I was doing media schedules, there was over 55s and you rarely went there when you were planning your schedule."

BECAUSE YOU'RE WORTH IT

If there's one point those working with the Boomer demo agree on, it's that this generation is grossly undervalued. In research published last year, Macquarie Bank equity analysts explained that Baby Boomers comprise 25% of Australia's population but hold 56% of the country's property assets and 59% of the population's net worth.

Marketers might well be missing this cashed up mark but Garcia takes it further. She suggests they may have lost them altogether. "Marketing and media have not really got the message about Baby Boomers and are not able to speak to them properly. But what I'm more concerned about is that they are now managing very well ►

without marketing. That, to me, is a concern,” says Garcia. “To some extent they have been left off the hook – they are invisible. That means they’re making their own decisions based on their own research. But they’re not distressed by being ignored and that means we lose them, so we need to get the relationship back.”

The ball is firmly in the marketer’s court.

Chris Cormack of Senioragency Australia specialises in marketing to Baby Boomers. He believes that the impact of ignoring Boomers spreads far beyond traditional ‘senior’ products like incontinence pads. He says: “A female Baby Boomer is currently purchasing for four generations: her parents, her partner and her peers, her children and her grandchildren. It’s an insult to seniors for any marketer not to recognise the spending power that she has.”

Starts at Sixty’s Wilson has spoken to many marketers and agencies as she seeks out advertisers for the online hub. She says: “I have walked into so many meetings in the past year and been told by a pleasant 23-year-old agency staffer that no, we don’t brief over 45. No, our client won’t ever brief over 45. No, our client never ever has a campaign for that demographic. I think that’s blind considering 39 per cent of our population sits over 50 years old.”

Even if agencies are open to the demo, Cormack says there’s another stumbling block. “How can a 27-year-old sell to a 60-year-old when she’s already been purchasing for nearly 50 years?”

MRN’s Tate admits that the age gap between agency staff and his listeners was one of the driving factors behind the research the network conducted. He says: “Typically you’ve got people involved in this who are not only just into their 30s, many of them are still in their 20s. They do not listen to our product, nor do we expect them to. And that clearly makes it very difficult.”

But from an agency perspective, Mindshare’s Rigg-Smith says it doesn’t matter whether you’re the same age or gender of a desired target audience. She says: “If you’re a strategist, you should be able to have empathy for any audience. It shouldn’t matter if you’re planning for a male target if you’re female and vice versa. You should be able to be empathetic and, in fact, if you’re not in the audience you

can potentially do a better job because you have no assumptions. But it does require that we’re incredibly curious and what we get our staff to do is ‘consumer journeys’. So if you’re planning an audience you have to have consumed the media they’re consuming.”

THE BOOMER MAGAZINE BOOM

One piece of media that female Boomers are consuming is magazines. Publishers are recognising the opportunity and have created several titles accordingly. At the start of the year, Bauer Media launched *Yours Magazine*, a fortnightly title for women over the age of 50. Publisher Sebastian Kadas says: “We spent 18 months researching. We knew the market was there but we wanted to know what they wanted and what they weren’t finding in other magazines.”

One gripe the Bauer team found in focus groups was that often magazines targeting older readers did fashion spreads with younger models, which goes back to the issue of brands struggling to talk to Baby Boomers. Kadas says: “Speaking to our radio partners about this age bracket, there’s definitely a fear advertisers don’t know how to speak with this audience.”

Current advertisers in *Yours* include beauty products that adopt the ‘life begins at...’ tone. Kadas believes this works for his readers. He says: “They want to feel celebrated not looked down on.”

As Cormack previously mentioned, female Boomers are even more valuable than their male counterparts given their cross-generation shopping habits. Kadas says the 50 plus female demographic has a spending power in excess of \$220 billion. And interestingly, they’re also more optimistic than men.

All About Eve’s Linda McGregor says: “At a time when men of the same age are feeling less confident in their abilities, their personal power, and their relevance; post-menopausal women are feeling more confident, more positive and more powerful. This is often attributed to the shift in levels of testosterone and oestrogen but is also influenced by a new found sense of liberation as she embarks on ‘the Second Act.’”

Interestingly, *Yours* magazine is bucking the trend of recent magazine launches by eschewing

a multi-platform offering. While the brand interacts with readers on Facebook, there is no stand alone website. Kadas says this was a conscious decision but not one driven by a belief that the magazine’s target audience is lacking tech savvy. He says: “It’s just really trendy to be multi-platform but you have to understand what the purpose is for the brand.”

Launching a *Yours* site might be something for Bauer to consider given the statistics around Boomers and their online habits. The 2012 Online Landscape Review from Nielsen found that Australians 50-to-64 years of age account for 20% of all online traffic with 3.2 million spending an average of 95 hours online each month. And the MRN research shows 45% of 45-to-69 year olds are on Facebook compared to 80% of 18-to-45 year olds.

Research conducted by AIMIA, Australia’s digital industry association, found 94% of Boomers own a mobile phone with 42% rocking a smartphone, but research firm Forrester says nearly 60% of Australians over the age of 45 who have a smartphone use Android. Only 21% of adults over the age of 45 currently use Apple.

APIA’s Wittner says: “There is a misconception that they’re not online and they’re not tech savvy. That’s an absolute furphy. If you look at 50-to-59, 90% of them are online on a monthly basis.”

“Research that we’ve done shows that 90% of the over 50s think that it’s very important to keep up to date with the latest technologies. There’s a recognition there that they need to be up to date with those types of things because it helps them connect with their families.”

You’d imagine Courtney Love would have a handle on technology – after all, she has more than 300,000 followers on Twitter and according to Fox News “regularly communicates” with Miley Cyrus on the platform.

Clearly, this is a demographic not to be underestimated, on all fronts. *Starts at Sixty’s* Wilson says: “They created the drug movement, they created the Hippy movement, they created the women’s liberation movement and I believe they will create the mature rights movement as well.”

Cormack says: “Ignore them at your peril.” ■