



# More thoughts about 50-plus marketing

Dick Stroud is MD of 20plus30. He can be contacted at [dick@20plus30.com](mailto:dick@20plus30.com)

*According to Abbey Savings, the UK's 50-plus have a collective wealth totalling five trillion pounds. **This is larger than the annual GDP of every nation except the USA.***

Europe is 'old' and getting older, containing nine of the ten oldest countries – only Japan has an older population. There are over 150 million Europeans aged 60-plus.

In the US, Unilever's research shows that in 2007, Baby Boomers (born between 1946 and 1964) will spend 60% of all consumer package goods shopping dollars.

In addition to being numerous and wealthy they are perhaps the most diverse of all generations. There is no such thing as a "50-plus consumer". They come in all shapes and sizes; the rich the poor, the healthy and the sick and with the same spectrum of buying behaviours as the rest of the population.

There is no simple list of rules that ensures success when marketing to the older consumer, but there are some guidelines that will improve your chances of success and stop you making a disastrous blunder.

## They are a 'Pivotal' Generation

Nielsen estimates that 40% of US Baby Boomers help fund their elderly parents and nearly 60% supplement the income of their adult children. People in their 50s and 60s are increasingly involved in purchase decisions ranging from their children's first home to their parents care home.

Marketers must appreciate that the 50-plus are increasingly part of the decision making process for products and services where they are not the customer, but the primary source of funding. The person writing the copy for a car loan mailing, aimed at the 30-something, should realise that the person making the buying decision may be 30 years older.

## Focus on lifestyle and values not age

Most companies still segment their markets by age. This made sense when age was a proxy for behaviour, but that is no longer true. There are very few instances where you can deduce a person's wants, needs and behaviour from their age. It is a pity that somebody hasn't told this fact to companies who persist in using age as their primary segmentation!

As the President of Unilever U.S. recently said: "The 50-plus generation is anything but homogenous".

When OMD researched the 50-plus market in its Understanding the Fifties and Over (UFO) study, it identified seven distinct lifestyle groups. These differed dramatically in their media and brand preferences; their reaction to contemporary advertising and how they organised their lives.

One group, the Live Wires, exhibited a behaviour that was more aligned with that of their children whilst another, Anchored in the Past, resembled the archetypal "old person".

The idea of having a single marketing approach that would resonate with both groups is plainly wrong.

## Don't confuse age-silo and age-neutral marketing

The most common understanding of marketing to the 50-plus is that it involves some type of 'special' older person's product or service. Examples of these are special rated car and medical insurance products and devices to help with physiological ageing (e.g. stairlifts, hearing aids and retirement housing). This is age-silo marketing.

The far larger market involves the categories of products that span the age spectrum (e.g. TVs, cars, PCs etc). For instance, 50% of all new cars are purchased by the over-50s but the marketing materials and channels are invariably optimised for the younger buyer. Age-neutral marketing is the skill of targeting and appealing to a wide range of customer ages.

Age-silo and age-neutral marketing are very different. They are equally valid strategies but the way they are implemented is totally different.

## DM works well with older people

The UK's Royal Mail has researched the older market and has found that it has the highest response rate to direct mail (over 16%) of any group of consumers. When questioned, 42% of the 50-plus said that in the last six months a mailing had encouraged them to become a new customer of a company. Approximately 50% responded that a mailing had prompted them to buy from a company they already use.

The fact that somebody is older doesn't mean they will tolerate poorly constructed mailing materials, but they have a higher propensity to respond than their children.

## You must get the sales proposition and execution right

Saga was the first UK company that targeted the older market, selling holidays and financial services. It has been extremely successful and is rumoured to be floating on the stock market with a price tag of £2 Bn.

In the past couple of years other companies have tried to replicate Saga's success. Last year the UK's largest age charity, Age Concern, created a new company called Heyday to sell travel, financial products and to be a pressure group for older people's rights. Within 12 months the company lost a rumoured £5 million and its ambitions have been radically scaled back.

Heyday had a muddled marketing proposition that was poorly implemented. Even though its target market is large and growing, is wealthy and poorly served by other companies, didn't guarantee business success, when the marketing basics were poorly executed.

Within the last month another charity, Help the Aged, has launched a new company (Intune) to sell financial products to the older market. It is too early to know how this venture will fare.

## Fortune favours the brave

Marketing campaigns to older consumers range from being condescending to plain boring. Marketers seem to think that older people are not motivated by challenging new products and advertising. Two examples of companies who have clearly understood the mindset of the older person and used the

knowledge to create new products and marketing campaigns are the UK retailer Marks & Spencer and Dove, the global cosmetics company.

In 2006 Marks & Spencer used Twiggy, a UK icon model from the 1960s, to feature in an ad campaign with Erin O'Connor and Lizzie Jagger. This campaign is credited with helping the company to turnaround its financial fortunes. The advertising creative was humorous and full of vitality. It was a perfect example of age neutral marketing, appealing to women of all ages.

During the past two years Dove's advertising and PR campaigns have challenged the advertising industry's concept of beauty by using models of all ages, shapes and sizes. In 2007 the company launched its pro.age product range to challenge the conventional view that ageing is negative. The campaign and product have been very successful.

The 50-plus consumer provides marketers with a huge opportunity and challenge, in equal measures. The starting point for success is to forget the caricatures and myths that abound about older people and apply the same rules of marketing as you would any other age group.

*Dick Stroud is a consultant, lecturer and writer. He is the founder and MD of the marketing consultancy 20plus30 and author of The 50-Plus Market*  
[www.the50plusmarket.com](http://www.the50plusmarket.com)