



The New Consumer Manifesto

Why Old is New, and Young is Old News

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Advertising and marketing are broken—and you know it.

Fixing it is relatively simple. Advertising agencies have to learn how they got here and why their “strategies” aren’t effective. CMOs have to find the courage to challenge the status quo inside of the organizations where they will be given less than two years to perform. In other words, everyone involved in the advertising and marketing process needs to creep out of the bunker of fear, stop pretending small ideas are working, and actually listen to the consumer. Easy peasy, right?

Let’s Start at the very beginning. Everything we know about modern advertising theory was created in the late 1950s and early 1960s. If you tuned in to *Mad Men*, you probably already know that. It was the post-war era of relative prosperity and a burgeoning business climate. The suburbs were built. American manufacturing was in full swing.

The most important artifact of this period, however, was birth of the first real consumer market of young people—the result of the baby boom.

They would be the first generation to pass through a new lifestage called “teenagers”—as opposed to going from childhood to working adulthood. This expanded childhood changed the shape of the American family. Post-war parents, newly prosperous, wanted more for their children. College and university educations were now obtainable for more young people. Rock and roll was born, the generation gap widened, young women demanded equal rights and the “youth culture” was born.

Madison Avenue became obsessed with the 78 million “baby boom” kids experiencing this lifestage with new freedom and their optimism about the future. The love affair with the baby boomers continued through their marriages, their acquisition years, having children, buying homes, and planning vacations. The era yielded some of the best advertising campaigns in the history of the business.

At some point the brilliance of targeting a huge demographic, with money to spend, and a self-image to support, turned into an outright obsession with youth. When the baby boom generation hit the big five-o, no one seemed to care anymore. Most media measurement considered 45-54 years olds to be old and not particularly valuable. The affair was over.

Talk about moving your cheese!

The next generation of young people was very small, but companies continued to beat the youth drum and sales declined. So they went younger, hoping to engage the “echo boom”—the babies of the huge baby boomer generation. Agencies scurried to find answers, doing things the same way they had always been done, with little innovation or new strategic thought. But the cohort influences and lifestyles for this generation of young people were very different. The economy was different. Planners were brought in to interpret the research that growing research and insight units were turning out at record speed.

Simultaneously the media world went digital. Ad agencies, which really understand television, with a little radio and print on the side, struggled to keep up. The digital geek squad would become the agency all-stars, stepping over the bodies of petulant creatives.

No one stopped to ask where all those baby boomer consumers went.

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Generational Congestion: Younger and Hipper

It may be hard to tell who the boomers are. Tamar Kasriel of HenleyCentre HeadlightVision predicted a growing sense of agelessness; people are no longer “acting their age,” and there is increasing confusion about what behavior is appropriate for different age groups. Former JWT trendspotter Marian Salzman characterized it as “the disappearing generation gap.”

In a room full of adults over 30, it is becoming increasingly harder to distinguish people by age. Friendships are becoming less generationally focused and are more values and interest driven. The average age of a first time grandparent has traditionally been around 48 years. It has begun to rise in recent years. The median age is 50 for first time grandmothers and 54 for first time grandfathers. This rise in age is driven largely by daughters who are waiting longer to start families—which is closely correlated to higher levels of education and a career focus, plus advances in fertility science which allows women to bear children later in life.

Consider what this famous crew has in common—Actors Kiefer Sutherland, Jim Carrey, Pierce Brosnan, and Whoopi Goldberg; musicians Kid Rock, Marie and Donnie Osmond, Sharon and Ozzie Osbourne, Cee Lo Green and Naomi Judd; politicians Bill and Hilary Clinton, and George and Laura Bush; NFL Champ Brett Favre. They are all grandparents. Grey buns and rocking chairs? Not a one.

The majority of today's grandparents are from the baby boomer generation; they appear more youthful, vital, and active than grandparents of previous generations. Grandparents are spending thousands on rock concerts, hundreds on hip jeans, stocking up on the best anti-aging formulas and scents, while amassing a shoe closet that Carrie Bradshaw would envy.

Still, if you do an image search on grandparents in Google, look at what pops up! You will see photos of people 75+ in sedentary environments. Or cartoon caricatures of couples with gray buns, sagging bellies and boobs, and canes. This is far from the reality of the baby boom generation grandparents. In reality, only 20% of grandparents are 75+. Stereotypes like this keep advertisers and their agencies from realizing the potential of the grandparent market as a viable target consumer base.

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Follow the Money

The sheer size of the potential market is compelling for even the most jaded CMO. There are currently over 100 million people over the age of 50. With a total US population of approximately 320 million, one in three people is over the age of 50. Further in the next 15 years, 2030, all of the Boomers will cross the 65-year-old threshold. In the next five years—by 2020—the number of Americans 65+ will increase 39%. In fact the rate of growth for the 65-74 year old population is increasing faster than any other population segment.

The 2013 Consumer Expenditure Report (US Census Bureau) reports \$3.2 trillion in annual spending by the 50+ demographic. According to the World Bank, this spending is greater than the gross domestic product of Italy, Russia, United Kingdom, Brazil and France. Consumers 50+ dominate 119 out of 123 consumer packaged goods categories. 81% of the demographic own a home, and 55% have no mortgage. The three oldest generations in the US own 63% of US financial assets; when you add assets that Boomers control on behalf of elders and children, that number is closer to 70%. In spite of recent economic events, consumer spending in households 50+ has risen faster than any other age category, outpacing inflation.

Grandparents, as a large segment of the 50+ population, spend. There are nearly 40 million grandparent households in the US, out of a total of 117 million total US households. This means one in three households in the US is a grandparent household. Since 2000, grandparent spending has outpaced general consumer spending, at an average rate of approximately 8% annually.

Even in the face of this economic downturn, people aged 50 and over managed to come out the other side in better shape than younger consumer markets. According to a MetLife and Generations United report, 43% of grandparents are providing more financial support due to the economic downturn. Thirty-four percent say they are providing financial support even though it is having a negative effect on their own financial security. Every demographic segment says the recession changed their point of view on family relationships, work-life balance, spending, and retirement.

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Why Youth-Focused Advertising Has Stopped Working

Older consumers are different. It really is that simple. Consumer behavior is much more difficult to predict as consumers age. This is an issue that confounds younger brand managers and CMOs who move to brands with older consumer markets. They bring all of their marketing genius from their last job and are gobsmacked when those strategies for younger consumers do not work.

In the advertising agency business I spent years teaching executives why and how mature consumers respond differently in the marketplace, and how to align their communications for greater effectiveness. Now that the majority of the marketplace is over the age of 50 it is even more critical to understand the nuances of mature consumer marketing. It is vital to understanding how to reach the grandparent economy. This is not a tactical discussion. Tactics are simply a distribution system for messaging. You will not find another discussion of “do they or don’t they use digital technology” here. (They do!)

David B. Wolfe’s book *Serving the Ageless Market*, published in 1990, is as relevant today as the day it was written. He examines the work of Abraham Maslow and Erik Erikson to help explain the stages or seasons of life and how that affects market behavior.

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Let us look at how and why mature adult “thinking” evolves. David Wolfe said that human beings are complex, yet we seek oversimplified explanations for our behavior. Honoring that thought we will broadly review the work of adult developmental psychologists. In *Serving the Ageless Market*, David describes three Experiential Stages of adult life. These three stages reflect the combined sociocultural and psychological influences on an individual moving toward full personality maturation. They are highly complex and intertwined, but are simply described as:

- » **Possession Experience Stage**—developing generally in young adulthood; need to establish identity as an adult.
- » **Catered Experience Stage**—developing during the middle adult years; enjoying the benefits of full adult identity.
- » **Being Experience Stage**—developing around the sixth decade of life; anti-materialistic; when one’s fully formed adult identity metamorphoses into a broader human identity.

The Possession Experience Stage is experienced in those years when young adults are moving away from their families and establishing their own place in the world. They begin to make choices and purchases that illustrate for the outside world who they are as people. Products are a manifestation of their identity—the clothes they wear, the cars they drive, the smart phone they choose, etc.

The Catered Experience Stage occurs in the late thirties through the mid-fifties, depending on the person. At this stage, possessions are taken for granted. The aspirations of the catered experience become more important than the drive for possessions; the novelty of the shiny object is gone. Services that cater to a consumer's needs are king. DIY is out. Having it done for you is in.

Interestingly, this stage coincides with what Erik Erikson, a German-born developmental psychologist and psychoanalyst, described as the “mid-life crisis” years. He was referring to a stage when middle age adults are unsettled with their current psychological and sociological position in life. Adults re-evaluate identity, purpose, and the meaning of one's life. Relationships, careers, and lifestyles may see radical shifts. Things are less important than the issues of life. With more financial resources, middle age adults buy experiences that serve this new self. The travel industry reports high volumes of middle-aged people looking for peak travel experiences—adventure travel, cooking tours, and learning tours.

The Being Experience Stage begins in the mid fifties and manifests in the sixties for most adults. The “we have arrived” experiences of the Catered Experience Stage shift to confronting the idea of our own mortality. Grandparenting plays a central role in this stage. The birth of a grandchild is frequently the first time an older adult thinks about the family continuing on after they are gone.

The Being Experience Stage is characterized by letting go of regrets, resolution of internal conflicts, and the ability to experience life for what it is. There is a desire for greater connectedness, which enhances the relationship with grandchildren. Acquisition and possessions during this stage are for others or to contribute to personal ideals. It may involve catered experiences. The difference is that the catered experiences are more focused on the aesthetic quality and inner growth.

These Experiential Stages Wolfe described are validated by looking at the work of several noted psychologists. Erik Erikson, mentioned earlier, established eight stages of personality development in his work *The Life Cycle Completed*. Erikson was influenced by Freud. He explored aspects of identity and identified these three: Ego identity (self); Personal identity (what distinguishes one person from another); and Social/Cultural identity (the social roles a person may play).

“The Battle For Your Mind” Has Evolved

The 20th Anniversary Edition of *Positioning: The Battle for Your Mind* was released in 2001, introducing the fundamentals of product centric positioning to a new generation. Ries & Trout, the authors, created a blueprint for absolute positioning, or the act of fixing a brand in the mind of the consumer on a mass basis. They wrote:

“It is quite difficult to change a consumer’s impression once it is formed. Consumers cope with information overload by oversimplifying and are likely to shut out anything inconsistent with their knowledge and experience. In an over-communicated environment, the advertiser should present a simplified message and make that message consistent with what the consumer already believes by focusing on the perceptions of the consumer rather than on the reality of the product.”

The Baby Boom generation was the young adult market when Ries and Trout developed this approach to fixing a brand in the minds of mass consumer market. The concept continues to hold up for young adults. But it ceases to work effectively to position brands for older adult markets.

Older consumers have become so individuated that absolute positioning is difficult. They are more resistant to being told what is and what is not. Their own (and their cohorts) experience

as a consumer is more trusted. The mature consumer believes they are capable of their own choices and will bring their own meaning and value to a brand.

Conditional positioning is more effective. It is about the consumer and not the product; it encourages a person to define a brand from their own unique point of view, filtered through their values, worldview, needs, and behaviors. While absolute positioning is about what the brand brings to the party, conditional positioning is about what the consumer brings. There is a more nuanced relationship with a brand and a comfort with ambiguity that aligns more effectively with the psychology of the older mind.

Harley Davidson is conditionally positioned. It engages the rebel in everyone—whether you are a regular in a biker bar, a lawyer who rides on weekends, or a woman who always wanted to ride. The brand has broad appeal. When you leave room for consumers to bring their hearts, minds, and imaginations to the brand, you get a much deeper level of engagement with the brand. Harley Davidson's annual report has this say about brand loyalty, "Retention is for wimps. We measure the percentage of customers who have our name tattooed on one of their body parts." That is commitment!

The “Unchanging Man”

David Wolfe once reminded me of a story about Bill Bernbach, one of the true geniuses of the advertising business. Famous for the introduction of the VW Beetle into the US and the founding of Doyle Dane Bernbach, he once said:

“I warn you against believing that advertising is science.” On his death in 1982, *Harper’s* magazine described him as having “a greater impact on American culture than any of the distinguished writers and artists who have appeared in the pages of *Harper’s* during the past 133 years.”

Bernbach’s work is fresh, human, and empathetic, making the campaigns he crafted near perfection. He is quoted as saying:

“Human nature hasn’t changed for a billion years. It won’t even change in the next billion years. Only the superficial things have changed. It is fashionable to talk about the changing man.

“The mature consumer believes they are capable of their own choices and will bring their own meaning and value to a brand.”

A communicator must be concerned with the unchanging man—what compulsions drive him, what instincts dominate his every action, even though his language too often camouflages what really motivates him.”

Wolfe, in *Ageless Marketing*, challenged marketers in the mature consumer arena to learn to “tap the soul of the unchanging man.” To do that requires insight and an understanding of the archetypes, root motivations, and powerful emotions that consumers may not realize are lurking beneath the surface. Has an ad ever brought a tear to your eye? Mature consumers appreciate the art of a story well told, brand stories that are memorable years later.

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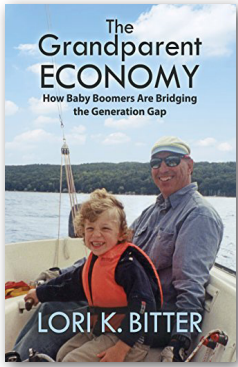
Making Marketing Work Again

To engage consumers, agencies must embrace agelessness. They must appeal to consumers for whom age is not a factor in their self-definition. While this could refer to consumers of any age, this sense of agelessness (or wisdom) generally manifests itself later in life.

Contrary to the stereotypes of the Boomer generation, this is not denial of aging or yearning for lost youth. It is a more centered sense of the timelessness of all things. Agency creatives need to lean into ageless marketing that is inclusive of everyone, without regard to age.

The world is fast becoming an intergenerational one, and parsing budgets demographically makes no sense for the majority of companies. Purchases may involve three generations—an end consumer, an influencer, and a purchaser—with the older consumer holding the purse strings. Ageless campaigns are like universal design. When you design for the oldest part of the population, you create a better brand experience for people of all ages. **Epic brands live in the ageless space.** 📌

Info



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ABOUT THE AUTHOR | Lori Bitter provides strategic consulting, research, and development for companies seeking to engage with mature consumers at The Business of Aging, and serves as publisher of *GRAND*—the digital magazine for grandparents. A leader in research on topics relevant to the senior and Boomer population, she has contributed to five books on aging consumers and a been featured in *AARP* magazine, the *Los Angeles Times*, *Forbes*, on CNBC and the American Marketing Association’s blog. She was named to *Entrepreneur* magazine’s 100 to Watch List. A sought-after speaker, Lori has presented research, trends, and analysis about mature consumers to more than 200 conferences worldwide.

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