Successfully Selling Retirement and Investment Advisory Services to Baby Boomers

BY JIM GILMARTIN

Despite that fact that we have more information about baby boomers than any other generation, companies still find them a tough sell. Interestingly, explanations for this challenge generally exculpate marketing and sales professionals. Blame gets laid on external conditions, such as the fact that boomers are a well-informed, more educated consumer population, the astonishing range of choices facing consumers, ad clutter, and, of course, the Internet. Regardless, the aging of society is driving historic changes in the leading views, values, and behaviors of the marketplace, and this fact alone radically is changing the rules of marketplace engagement.

Almost Everything You Thought You Knew about Marketing May Be Wrong

In 1989, the year that adults 40 and older became the “new customer majority,” the validity of youth-dominated marketing began fading, but marketing and sales approaches have been slow to respond.

Ultimately, the biggest challenge in marketing to boomers today is overcoming old ideas made obsolete by the Internet and the new customer majority.

Consider the old idea that youth is ideal. In service of this myth, marketing experts repeatedly remind us that aging boomers hate the idea of aging, so they tell us to market to them with the values of youth. The reality, however, is that many studies indicate that people generally adjust well to aging.

Moreover, product-centered marketing is dead. Pine and Gilmore (1999) reported that marketing is now more about the customer experience than the product. Customers once had limited recourse when a company displeased them, but not anymore. Boastful advertising cannot compete with the new customer majority’s real-life online tales of product and service experiences.

It’s Not Your Father’s Retirement

Boomers are redefining retirement as well. Boomers realize they may live to be 90 or even 100. Many have had satisfying careers and feel it’s time to move on. But rather than leaving their careers for leisure, many are choosing to start new careers that are personally fulfilling, exciting, and fun.

Until retirement and investment services marketing and sales profes-
Young, Middle-Aged, and Old Minds All Work Differently

Too few people in marketing and sales realize that new customer-majority minds don’t work like old youth-majority minds. A 30-year-old mind processes the contents of a commercial, print ad, or direct-mail piece differently from a 50- or 60-year-old mind. As a mind ages, it becomes more sensitive to emotional triggers that activate memories, and the stronger the memories, the stronger the emotional response.

David B. Wolfe, an expert in marketing to older consumers, has developed the following approach to marketing communications that has as its foundation the writings of behaviorists Abraham Maslow, Eric Erikson, and others.

Progressive Changes in How Aging Minds Process Information

1. Aging minds rely less on reason to determine what is of interest and more on intuition, which is cued by emotional responses. Marketers need to identify and use images that promote strong positive emotional responses; relationship building must precede presentation of company and product; relationship potentialities are primarily emotionally inferred (“gut feelings”) rather than rationally deduced.

2. First impressions, which always are emotionally based, are more durable and more difficult to reverse than for younger adults. Marketers must be sensitive to images that can stimulate negative first impressions. Probably the strongest sources of negative impressions are images that conflict with idealized self-image, especially autonomy and personal validity.

3. After a matter qualifies for interest, older consumers tend to want more information than younger consumers. Marketers must manage the transaction continuum so that emotional cues are present when most advantageous, then shift to objective information when most advantageous; information content must be no greater than what the person wants at a given moment.

4. Older minds experience decreasing speed in rational processing of objective information.

TABLE 1 How Do You Get Their Attention?

<table>
<thead>
<tr>
<th>TAP IN ON NOSTALGIA</th>
<th></th>
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<tbody>
<tr>
<td>• Strong boomer hook</td>
<td>• Baby boomers want to spend more time with children</td>
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<tr>
<td>• Yearning for calm</td>
<td>• Desire traditional standards of: good manners, family life, parental responsibility</td>
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<tr>
<td>• Love their rock and roll</td>
<td>• Want to do this in innovative ways</td>
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<tr>
<td></td>
<td>• Baby boomers look for enriching experiences: shared by family, in any setting</td>
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<tr>
<td></td>
<td>• Especially outside the home</td>
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<tr>
<td></td>
<td>• Want time to be a celebration not merely an accommodation</td>
</tr>
<tr>
<td></td>
<td>• Restaurants—special, formal, calmer, and quieter</td>
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<tr>
<td></td>
<td>• Homes—family-friendly kitchen serving as headquarters for family and guests</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>FAMILY FOCUS</th>
<th></th>
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<tbody>
<tr>
<td>• Baby boomers the most stressed generation in history</td>
<td></td>
</tr>
<tr>
<td>• Want to control only the most important things</td>
<td></td>
</tr>
<tr>
<td>• Willing to delegate one less problem, concern, headache</td>
<td></td>
</tr>
<tr>
<td>• Think of Honda “Simplicity” ads</td>
<td></td>
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<tr>
<td>• Boom in personal services continues</td>
<td></td>
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<tr>
<td></td>
<td>• Money management and food shopping</td>
</tr>
<tr>
<td></td>
<td>• Household chores and child care</td>
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<td></td>
<td>• Security, etc.</td>
</tr>
<tr>
<td></td>
<td>• What not to do</td>
</tr>
<tr>
<td></td>
<td>• Be careful about technology that makes customers make even more decisions</td>
</tr>
</tbody>
</table>

Continued (opposite)
**TABLE 1 How Do You Get Their Attention? continued**

**REINFORCE THE STRONG BOOMER SENSE OF SELF-RELIANCE**

- Baby boomers don't want to delegate being in control
- Growing need for simplification
- Continuing need to control
  - No-haggle pricing for automobiles
  - One-rate for long distance services
  - HMOs
- Provide simplicity and control simultaneously
- Baby boomers are demanding and want the truth
- Aggressive scrutiny helps them keep control
- Most likely to want data before they buy
  - Most likely to seek advice
- Already owns product
  - Consumer information services/reports
- Marketing strategies should reinforce the strong boomer sense of self-reliance and individual superiority but shouldn't require a lot of effort and participation on their part

**BE CAREFUL ABOUT USING THE WORD SENIOR**

- Baby boomers think 79 is old
- Will avoid company products pitched to older consumers
- More subtle approach is required
  - Dockers and GAP
- Continue to be attracted to romance and adventure

**HELP THEM FIND NEW WAYS TO WIN**

- Typically responsive to brands effectively positioned as choices for winners
  - High-energy foods
  - Powerful, sleeker, sportier cars
  - Areas where baby boomers don't want to win anymore
    - Concerned more with comfort than style
    - Novelty for its own sake is out
    - Brand names no longer badges of success
  - Help them find new ways to win
    - Functionality is what baby boomers now want
    - Pizzazz will fizzle and function will flourish
    - Let them know they are getting a good deal
    - Baby boomers want to think they are winning shoppers
    - Give them reinforcement

**RETIREMENT NOT IN BOOMER DICTIONARY**

- Don't view leisurely retirement as a reward
- Likely to start new careers
- Retirement approached as a work style not lifestyle
- Baby boomers cite work as primary way to express creativity
- Baby boomers may not have financial wherewithal to retire
- Baby boomers are work centered and will continue to focus on this
- Still looking for meaning and fulfillment
- Need to reduce debt and plan for eventual retirement

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Marketers must deliver objective information (e.g., company product, benefits and features, technical information, etc.) at a slow to moderate pace. Avoid “jump cuts” and incomplete sentences.

5. Older minds are more resistant to absolute propositions. Marketers must present information on company and products in a qualified, even deferential manner. Older minds resist hyperbole.

6. Older minds are more sensitive to metaphors, nuances, and subtleties. Marketers should take advantage of this greater sensitivity to subtlety to expand the content of the message, especially in
for some specific suggestions and examples. Without a clear understanding of the customer’s motivators, the marketing and sales professional is at a fundamental disadvantage.

Changing Your Approach Is Not Difficult
Understanding how minds process information is key to successfully marketing and selling to baby boomers, the new customer majority. But creating customer experiences that give a company a strong competitive edge is neither expensive nor complicated, because meeting the expectations of the new customer majority really isn’t difficult.

When an ad or sales presentation fails to connect with a boomer’s idealized self image, it’s likely to be ignored. Remember; don’t focus on selling the product. Focus upon selling your knowledge of a customer’s needs and how your product can help your customer achieve the life experience that he or she wants.

But making changes in your company’s mindset to accommodate this shift does require the commitment of executive leadership. Ads and sales approaches targeted to the new customer majority need to be experiential in nature. They should reflect empathy for the values of this demographic such that they present your company and its products and services as a gateway to desired experiences.

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References

Endnotes