

Los Angeles Times

MARKETING

Advertisers know there's money to be made by selling to aging boomers.

By Jonathan Peterson

Los Angeles Times

June 4, 2006

Wailing guitars and psychedelic lava lamps were never the props for selling mutual funds. Youth-obsessed cosmetics makeup vendors rarely featured makeup for women over 50, much less hyped that set's sex appeal.

And few ski resort operators dreamed of a day when they'd be courting middle-aged speedsters with gentler slopes and après-ski wine tastings in the lodge.

Then again, the Baby Boom generation never got old before.

Across American industry, companies that traditionally ignored people over 40 are now actively seeking their business. Food makers are discovering gold in empty-nest households. Fitness salons and clothing retailers are targeting middle-aged women. A Toyota ad tells parents that life begins anew once they drop off their kids at college.

"All of a sudden corporate America is waking up to what's going on," said David Wolfe, a prominent marketing consultant and author who follows generational themes in advertising.

AARP, the advocacy group for people 50 and older, said it posted a 21 percent increase in advertising revenue for its AARP magazine for the first three months of the year, compared to an industry average of 0.4 percent. Among its new advertisers are cosmetics companies, including L'Oreal, Lancôme, Vital Radiance and Aveeno.

"A couple years ago we had nobody advertising beauty products in the magazine," said Jim Fishman, group publisher for AARP publications.

Business, of course, has always been interested in Baby Boomers, the 78 million Americans born between 1946 and 1964. As children, Boomers – the largest swath of the U.S. population -- were the market for hula hoops and Hot Wheels. As adult yuppies, they snapped up BMWs and big-screen TVs.

What's different now is that the Boomers are reaching an age where the marketing world likes to write people off. The oldest Boomers turned 60 in January. About half are now over 50. In the long-held view of Madison Avenue, aging consumers are stuck in their habits, don't switch products and shy away from new experiences.

The Boomer generation, as it has throughout its history, is changing the equation. They are healthier and more affluent than their predecessors. Many Boomers cling to the view that they are still youthful. They have little loyalty to products, experts maintain, making them better targets for ad pitches.

Even in television, well-known for worshipping the 18-to-49 age group, there are signs of changing attitudes. TV Land, the cable network that telecasts reruns of *The Brady Bunch*, *Leave It to Beaver* and other shows Boomers grew up with, has been adding original content aimed at expanding within that demographic that viewer base. This year, it plans a series of specials on the Baby Boomer generation.

A 2005 reality show, *Chasing Farrah*, focused on the daily life of Farrah Fawcett, "the ultimate Boomer pin-up," in the words of TV Land President Larry W. Jones. "More and more marketers are coming around to the fact that this is the biggest generation on Earth," Jones said. "They've got a ton of money and a ton of time. Why don't we target them?"

Gap Inc., owner of the Gap, Banana Republic and Old Navy apparel chains, is targeting Boomer women, a group that may feel out of place in teenage-oriented mall stores that emphasize low-slung jeans and skimpy T-shirts. To win them over, Gap last August launched a retail brand called Forth & Towne, with five stores in Chicago and New York. It plans about 10 more this year, in Los Angeles, San Francisco, San Jose and other cities.

"If you're us, you're looking at this fastest-growing demographic," said Gary Muto, president of Forth & Towne. "It spends the most on apparel, and we have very little market share over 35. Why wouldn't you go after it?"

In the new thinking, later adulthood can be a time of fun and self-indulgence. Consider the Toyota ad that features a young man in the foreground, standing outdoors on a college campus surrounded by his worldly possessions. In the background is the Toyota Highlander in which his parents drove him there. "5:15 p.m. Dropping the kid off at college," the text declares. "5:17 p.m. What kid?"

Ski areas, having seen data showing that 31 percent of skiers are now over 45, are smoothing more slopes to make them friendlier to aging knees, as well as putting on wine tastings to win a mature crowd.

"These people represent a large portion of our business and a very important part of our business," said Christine Horvath of Squaw Valley USA.

Nowhere is the contest for Boomer cash more spirited than in the field of investment and money management, where firms are chasing after an estimated bonanza of \$30 trillion as Boomers retire from their jobs and look to transfer their 401(k) nest eggs and other savings into new investments.

On top of that, a giant intergenerational transfer of wealth is under way. Boomers are in the process of inheriting \$8 trillion as their parents pass away, according to Paul G. Schervish, director of the Center on Wealth and Philanthropy at Boston College.

For investment companies, "the window of opportunity is now," said Salim Ramji, an analyst with consulting firm McKinsey & Co.

Not long ago, ads for investment firms featured graying actors in formal, wood-paneled offices. To reach the new generation of retirees and near-retirees, advertisers are channeling Woodstock and other symbols of the bygone 1960s.

After American Express spun off its financial advisory business into Ameriprise Financial last year, the new firm aired ads showcasing hippies, psychedelic vans, outdoor festivals and guitars.

In one spot, a guy is shown as a long-haired youth and later as a graying adult -- still wailing on the electric guitar. Some accuse Ameriprise of pandering, but marketing expert Brent Green says the company is simply trying to show that it knows its customers. "The deeper message is that Ameriprise understands you as an aging Baby Boomer, that Ameriprise gets it," said Green, author of *Marketing to Leading-Edge Baby Boomers*. "It's that Ameriprise knows where you're coming from."

A growing number of firms are betting that Boomers will experience old age as a vital, extended period, transforming the prevailing view of life's later years -- just as they left an their imprint on America's visions of childhood, adolescence and adulthood. This notion of life as a series of fresh chapters animates commercials for Fidelity Investments.

One ad chronicles the life of Paul McCartney through his phases as a Beatle, a member of Wings, a poet and a father.

Said Fidelity marketing executive Claire Huang: "He fit perfectly our model that you don't really retire, you just keep doing something new."