



PROJECT

The Baby Boomer Mindset

DATE October 7, 2010

CLIENT NARM



Why Boomers?

- Boomers already represent 37% of all U.S. households
- 54% have household incomes exceeding \$100K
- 50+ consumers control more than 75% of the nation's assets
- Estimated discretionary spending \$2-\$3 trillion annually
- The 11th largest world economy
 - Spending larger than GDP of Mexico or Canada
 - “Boomerland” is the 15th largest world population
 - A population larger than England, Italy or France



The Baby Boom (1946-1964) was unprecedented

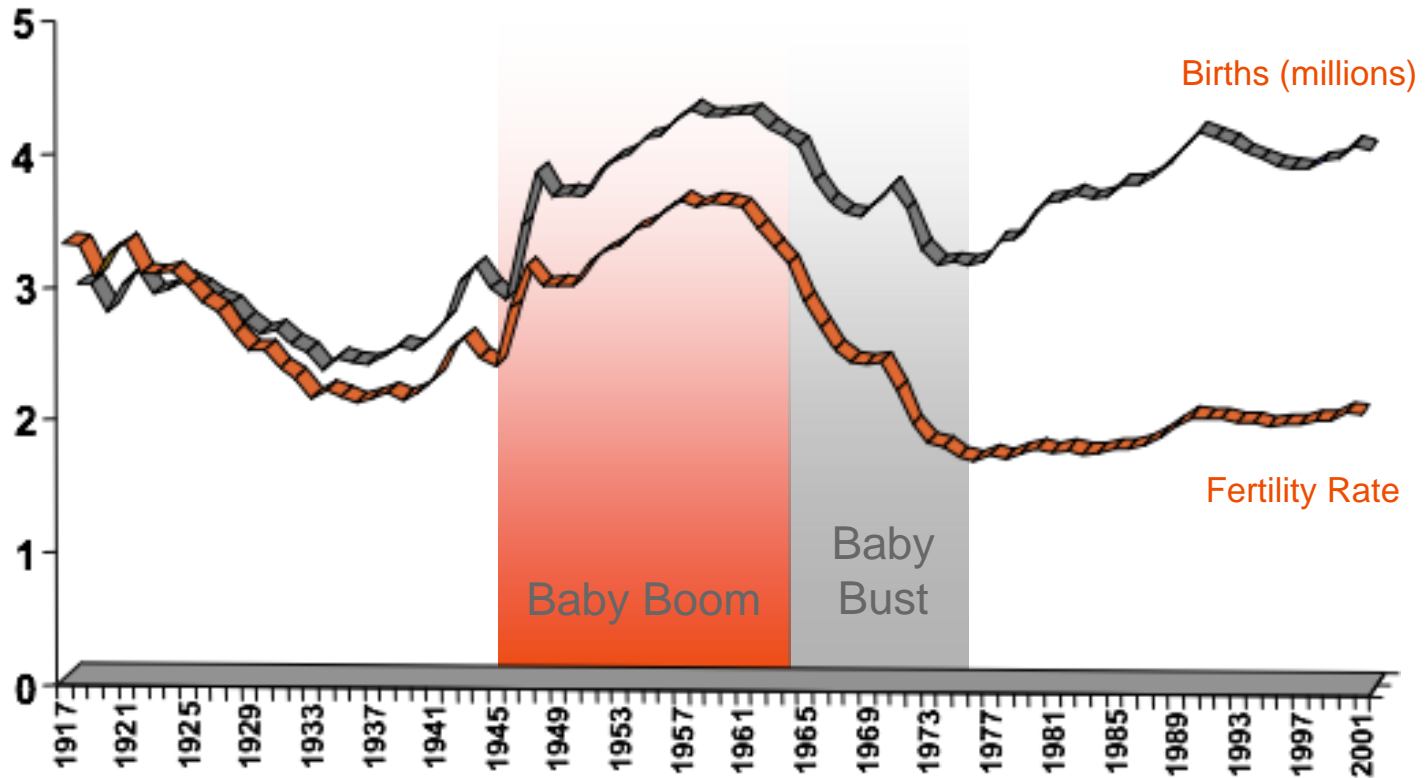
It marked the first time that
fertility had increased

There were more children
born in 1957 at the peak of
the Baby Boom than any
other year in U.S. history





Live Births & Fertility Rates (1933 to 1999)





As Boomers have migrated through various stages of life, the issues that concern them – whether interpersonal, physical or financial – have become the dominant social, political, and marketplace themes of the time.

Boomers did not just eat on the go—they built the snack and fast food industries

They did not just wear clothes—they transformed the fashion industry

They did not just date—they transformed gender roles and revolutionized sexuality

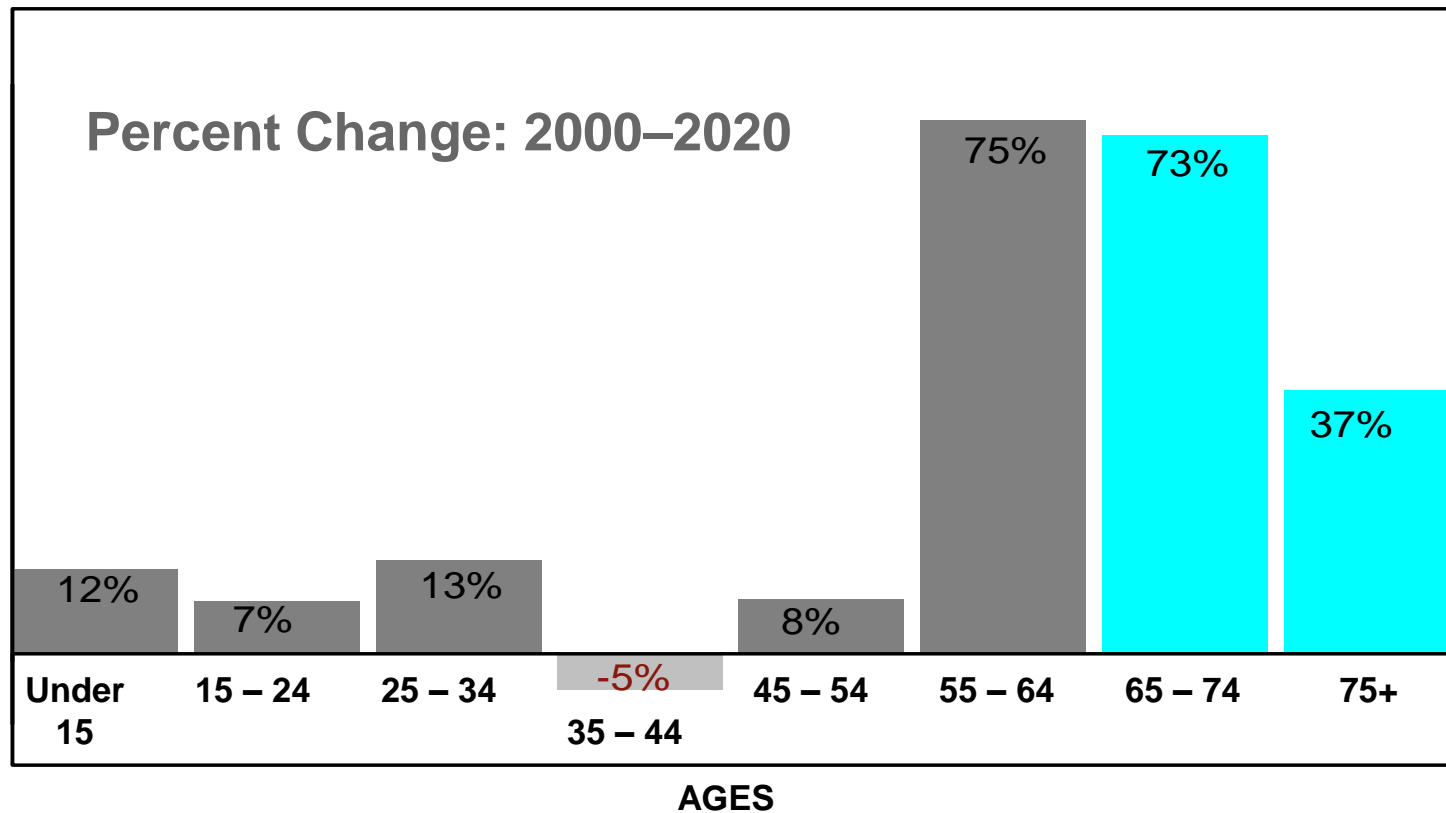
They did not just get married—they transformed relationships and the institution of family

They did not just borrow money—they transformed the debt market



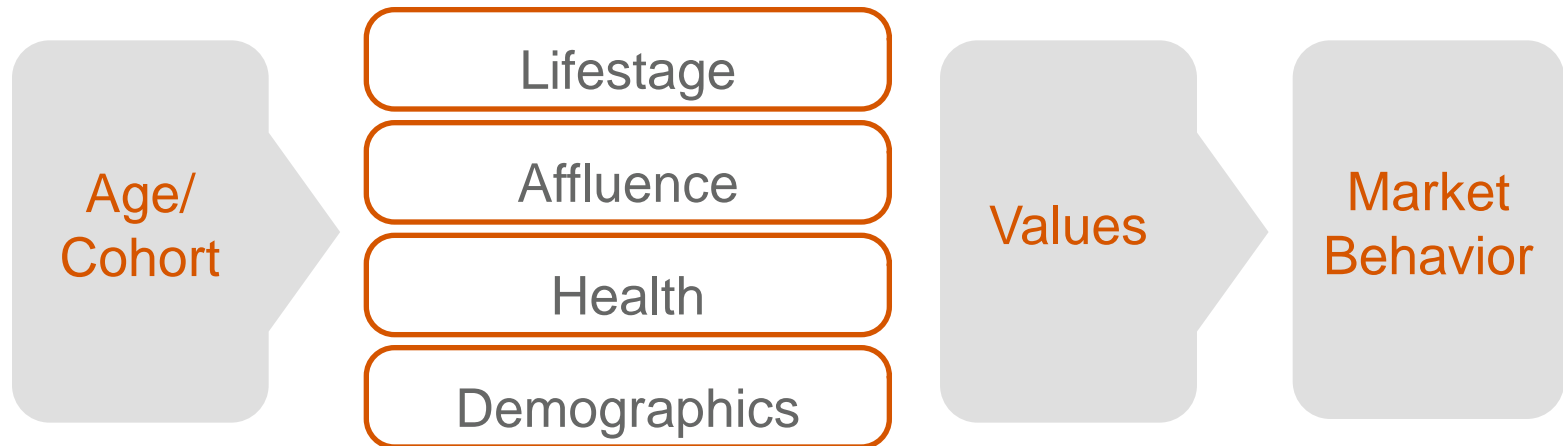
Mature Population Growth

Between 2000 and 2020 the number of persons aged 55-74 will increase by 74%





Mature Consumer Influence Model





Cohort Definition

A group of consumers born within the same time period. Influenced similarly by events within their formative years (late teens – early twenties).

Hold a common set of beliefs and perceptions.





Cohort Influences: Formative Years

	WWII	Ikes	Leading Boomers	Middle Boomers	Trailing Boomers
Formative Years	1930 to 1945	1946 to 1963	1960 to 1970	1967 to 1977	1974 to 1983
Political/Social	Prohibition, Social Security, FDR/ New Deal, Bread Lines, WWII, Labor Movement	McCarthyism, Cold War, Brown vs. Board, Highways & Suburbanization, Korea	JFK, LBJ, MLK, Civil Rights, Viet Nam, Woodstock, Kent State, Draft Lottery	Viet Nam, ERA, Watergate, Roe vs. Wade, No Fault Divorce, Casual Sex	Hostage Crisis, Reagan, Terrorism, Middle East Conflict, Rise of Conservatism
Economic	Stock Market Crash, Great Depression, Keynesian Econ	G.I. Bills, Housing Act, Prosperity	New Frontier, Medicare, Great Society	Price Controls, Nixonomics, Inflation	Oil Shocks, Reaganomics, Stagflation
Popular Culture	Chaplin, Babe Ruth, Radio, "Talkies", F Scott Fitzgerald, Movies, Lindbergh, No TV	Sinatra, James Dean, Elvis, M. Monroe, Disney, Hot Rods, Duck & Cover, Sputnik, Family TV	The Beatles, Dylan, Rolling Stone Magazine, Moon Walk, The Pill, Psychedelic Drugs, News TV	Saturday Night Live, All in the Family, Mary Tyler Moore, Ms .Magazine, Counterculture	Star Wars, Disco, Fitness Craze, Punk Rock, Space Shuttle, Crack and Drugs, Crime & Violence TV
Core Traits	Thrifty, Patriotic, Sacrificing, Defer Gratification	Status Quo, "Don't Rock the Boat" Respect Authority	Idealistic, Demanding, Nonconformist, Seek Immediate Gratification	Status conscious, Individualistic, Seek Immediate Gratification	Pragmatic, Apolitical, More Conservative, Fade to Gen X



“Where were you”?

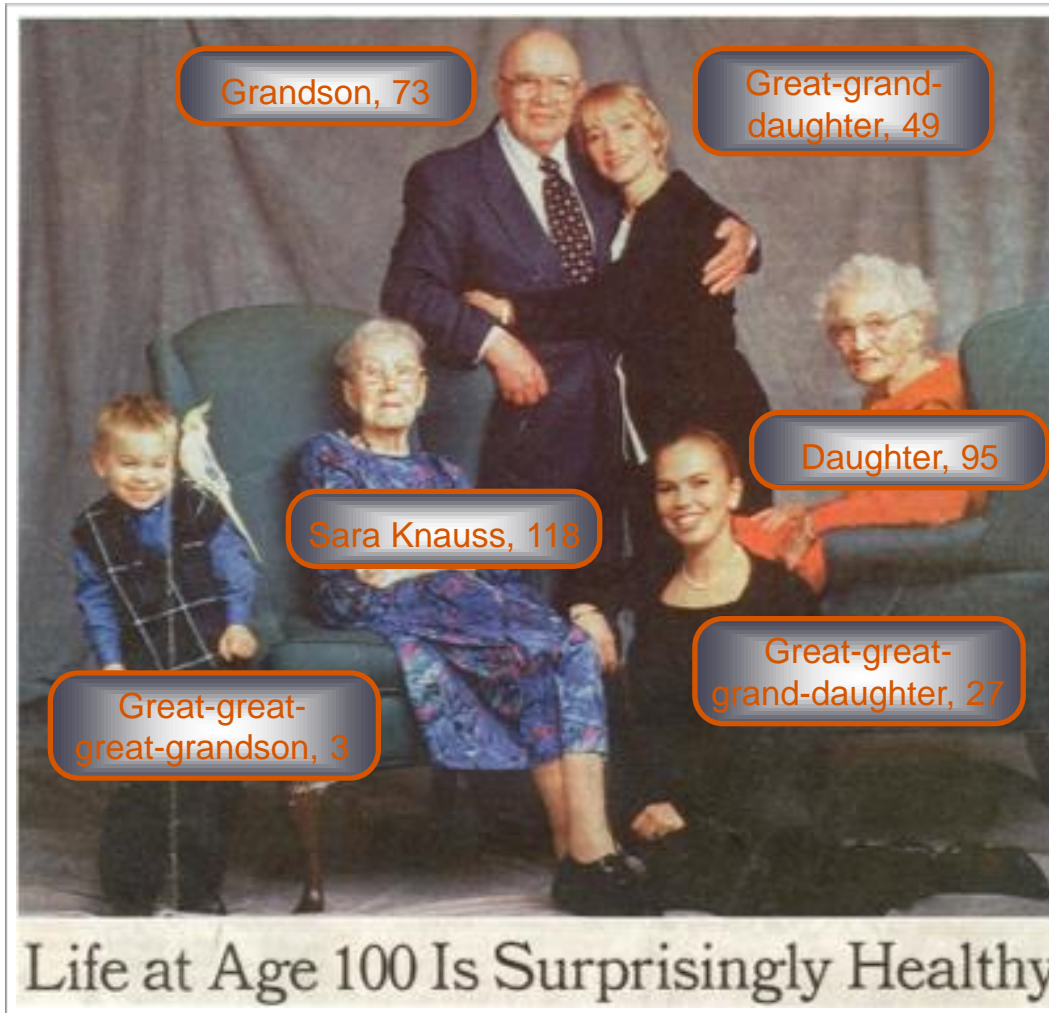
What were the events that transformed Boomers?

- **Leading Boomers**

- The defining experience remains the assassination of JFK. Boomers still have vivid memories of this event and most can clearly recall where they were or what they were doing
- For many Boomers their first experience with popular culture coincided with the Beatle’s meteoric rise up the charts. The band’s first appearance on Ed Sullivan marked a focal point and paved the way for the subsequent “British Invasion”

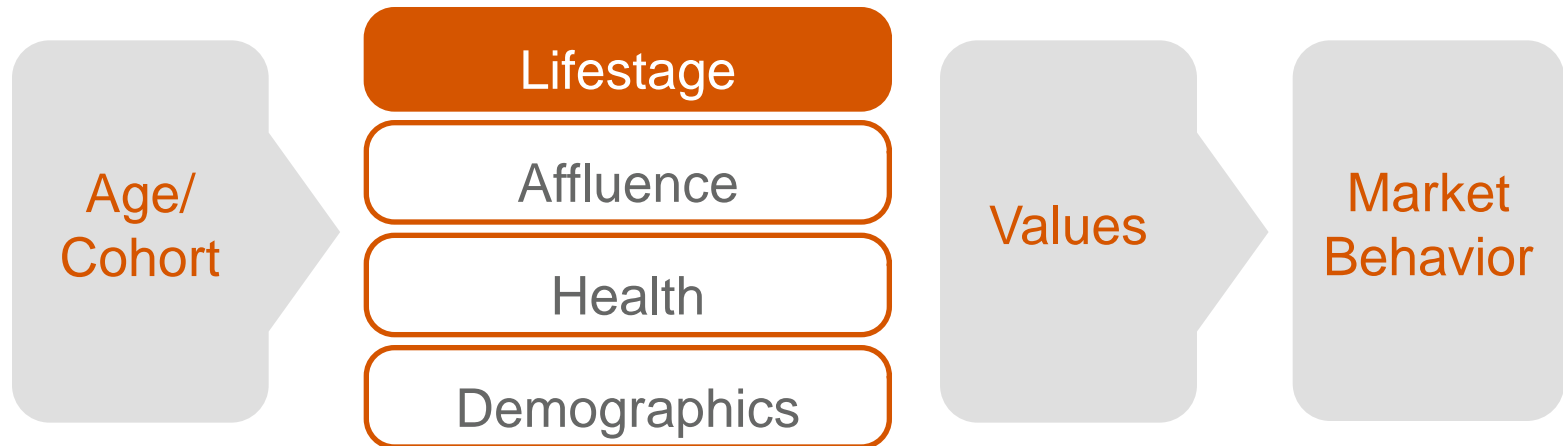
- **Trailing Boomers**

- Many were too young to remember JFK, but many can recall sitting down with their families to watch the first lunar landing
- There were no events with the magnitude of JFK’s assassination for this cohort, but most have salient memories of Nixon’s resignation, the death of John Lennon, and the Three Mile Nuclear Accident





Mature Consumer Influence Model



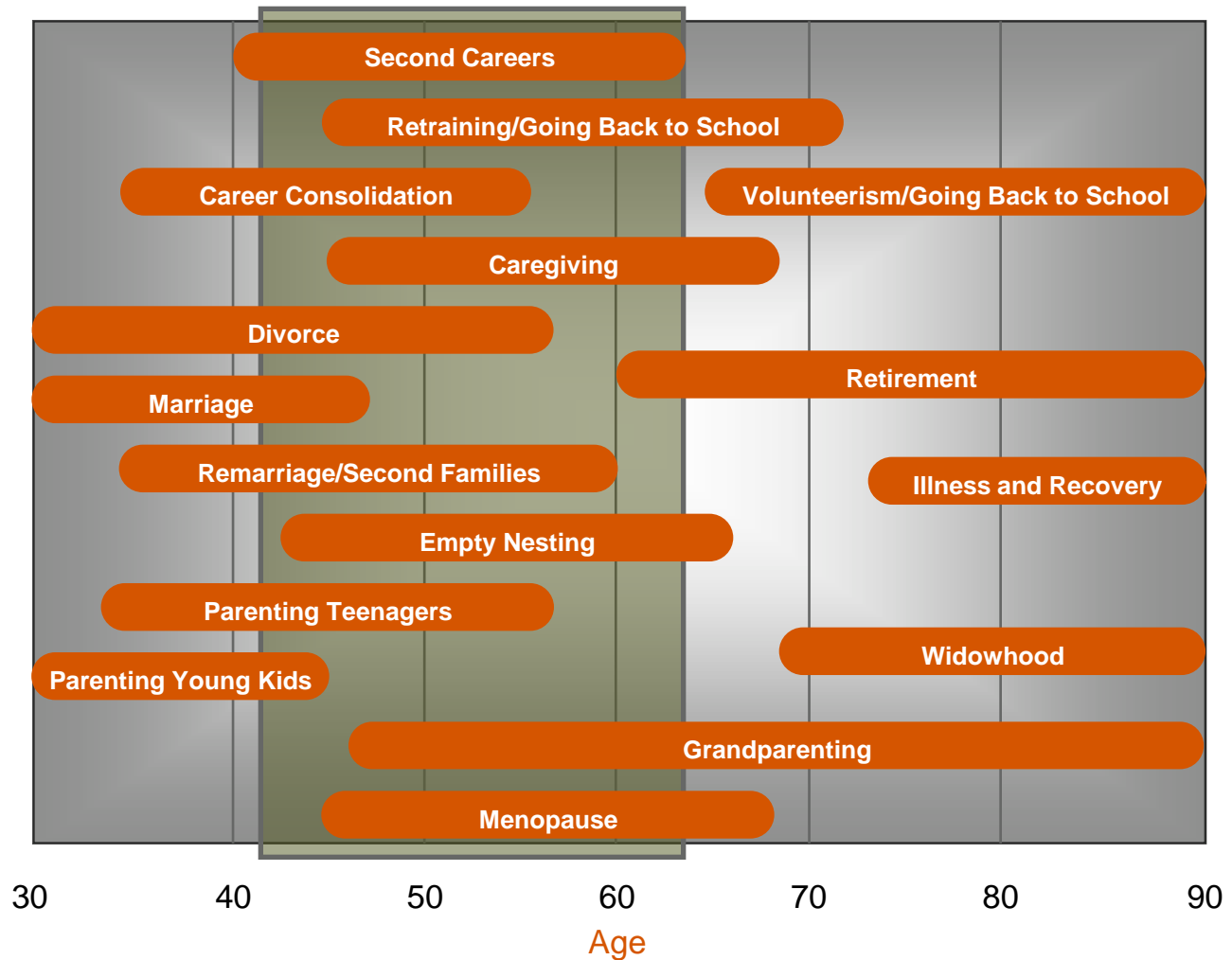


Lifestages

- Precipitated by discrete life events, often abrupt, which profoundly change your life
- New and unique sources of stress, usually accompanied by a new set of consumer wants and needs
- Heightened receptivity to new products, previously ignored or not in the consideration set



Lifestage Mosaic





Mature Consumer Influence Model





- **There is a general cloud of anxiety hanging over Boomers heads that is influenced by three factors:**
 - The economy and their jobs
 - The political environment
 - Cost of caring for extended family and adult children
- **Boomers are not overly optimistic about their financial situations**
 - too much debt
 - too little savings
 - average to below average incomes
- **They believe their parents were better off financially at their current age**
- **All three mature generations think their kids will be better off than they are**



Mature Consumer Influence Model





Values: The “Traffic Cop” for Behavior



- Values:
 - are a system to manage chaos of messages
 - are relatively stable over time
 - set boundaries for behavior
 - control day-to-day behavior/choices
- Older consumers have more defined values and literally “think” differently
 - Greater expanse of experience



Self-Actualization is Characterized by a Shift from **Ego Values to Being Values**

Intellect ➡ Intuition

Reason ➡ Feeling

Objective ➡ Subjective

Morality ➡ Reality

Differences ➡ Differentiation

Competition ➡ Cooperation

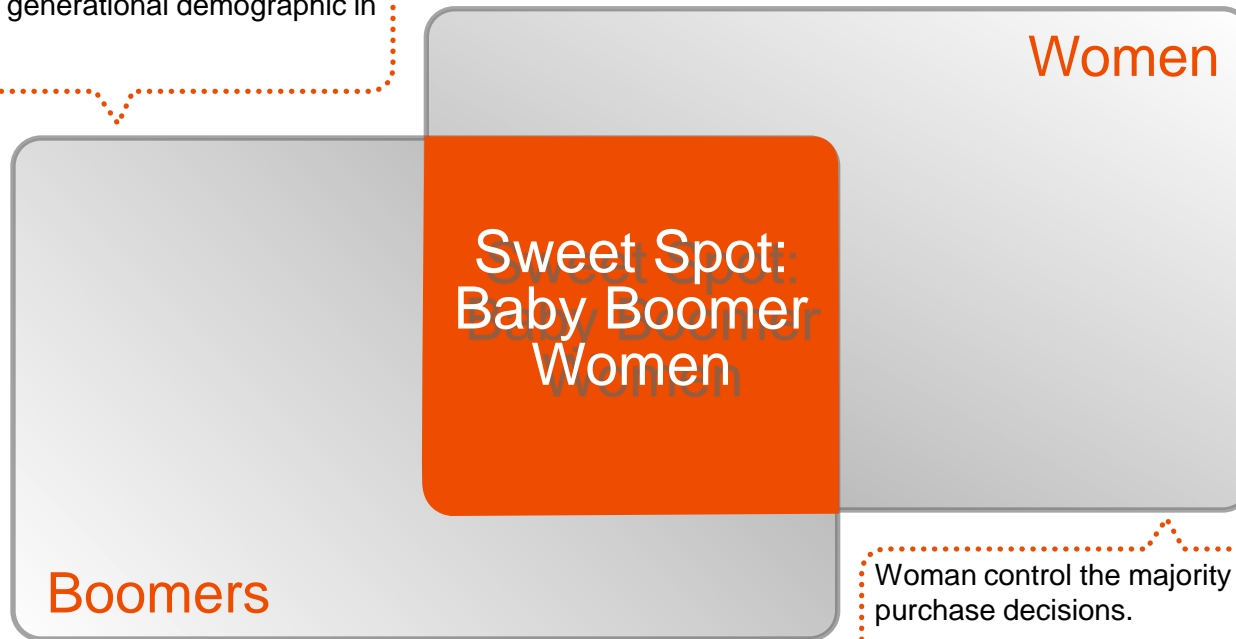
Power ➡ Influence



Trends Collide:

Convergence of today's two mega-demographic trends and consumer powerhouses:

Baby Boomers make up the largest and most affluent generational demographic in U.S. history.



Women control the majority of all consumer purchase decisions.

Women comprise just over half of the Boomer population, and that % will only increase in the coming years.



We must wake up and smell the truth:
Women are the primary purchasers
of damn near **everything**.

- Tom Peters,
Trends



Boomer Women Influence Purchasing in Every Category

Cars	65%
Food	81%
Computers	66%
Sports Apparel	80%
Electronics	57%
Packaged Goods	92%
Home Improvement	80%
Household Finances	75%



The Research

Fielded an Economic Impact study in December 2008; then a follow-up study in September of 2009. Since then we have tracked boomer attitudes about the economy and their response in our social media and technology research projects.

National (US) sample including these age groups:

Ikes (age 64-75)

Leading Edge Boomers (age 55-63), 1946-1953

Trailing Boomers (age 45-54), 1954-1964

GenXers (age 35-44)


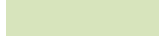
50/50 Male/Female



Boomers Have Multiple Sources of Stress

Sources of life stresses

Source of Stress	Ikes	Leading Boomers	Trailing Boomers	Gen X
Losing my job	8%	28%	33%	32%
Stress at work	5%	14%	28%	53%
My health	46%	28%	17%	10%
The health of a family member	36%	26%	21%	17%
Not having enough time to get everything done	26%	22%	19%	34%
My personal or family finances	33%	24%	22%	21%
Relationship issues with a member of my family - such as my spouse, children, or parents	32%	26%	21%	22%
Relationship issues with a non family member – such as a romantic relationship, or relationships with friends	25%	25%	18%	33%

 increases with age
 decreases with age

Question: What are the things in your life you are most stressed about?



Boomers' Lives Are Still In Transition

Life events in the past 3 years (Leading Boomers and Trailing Boomers only)

Cohort	Leading Boomers	Trailing Boomers
Major change in financial situation	29%	40%
Experienced the death of a close relative or friend	34%	34%
Lost job	18%	24%
Became a grandparent	23%	13%
Changed jobs	13%	15%
Had a major or life-threatening illness	14%	11%
Retired	20%	5%
Had an adult child move back home	5%	15%
Had last child leave home	8%	11%
Spouse had a major or life-threatening illness	9%	10%
Major career change	6%	8%
Spouse retired	8%	4%
Became a caregiver for an elderly parent or relative	5%	6%
Started a business	6%	3%
Divorced/Separated	3%	3%
Married	1%	1%
Remarried	1%	1%
Became a parent of another child	1%	1%

Question: People experience major changes – both good and bad – at various stages of their lives. Which of these major life changes have happened to you within the past three years? Please select all that apply.



Trend Notes - Anxiety

Boomers are translating frugality to simplicity

New Boomer “Planners”

Changing household structures



- More Boomer women are employed or have been re-employed
- Return to the extended family structure of the WWII era
- Grandparents/Adult Children



Ikes and Leading Boomers Still Use Traditional Media More Than Trailing Boomers or Gen X

Percentage subscribing to various media services

Media	Ikes	Leading Boomers	Trailing Boomers	Gen X
TV service (cable, satellite dish, or other)	89%	91%	81%	77%
Home telephone - ("land line")	85%	79%	68%	68%
Cable telephone	23%	23%	21%	25%
DVD movie rental	14%	14%	20%	23%
Internet	92%	91%	90%	86%
Local newspaper	61%	50%	38%	32%
National newspaper	7%	5%	9%	8%
Online news service or newsletter	11%	10%	13%	12%
Magazines	60%	58%	46%	46%
Cell phone	80%	80%	80%	77%
Satellite radio	5%	15%	7%	13%

 higher for older generations
 higher for younger generations

Question: Which of the following do you subscribe to?



Boomers Unwilling to Give Up the Internet

Percentage willing to give up a media service they currently subscribe to (Leading and Trailing Boomers only)

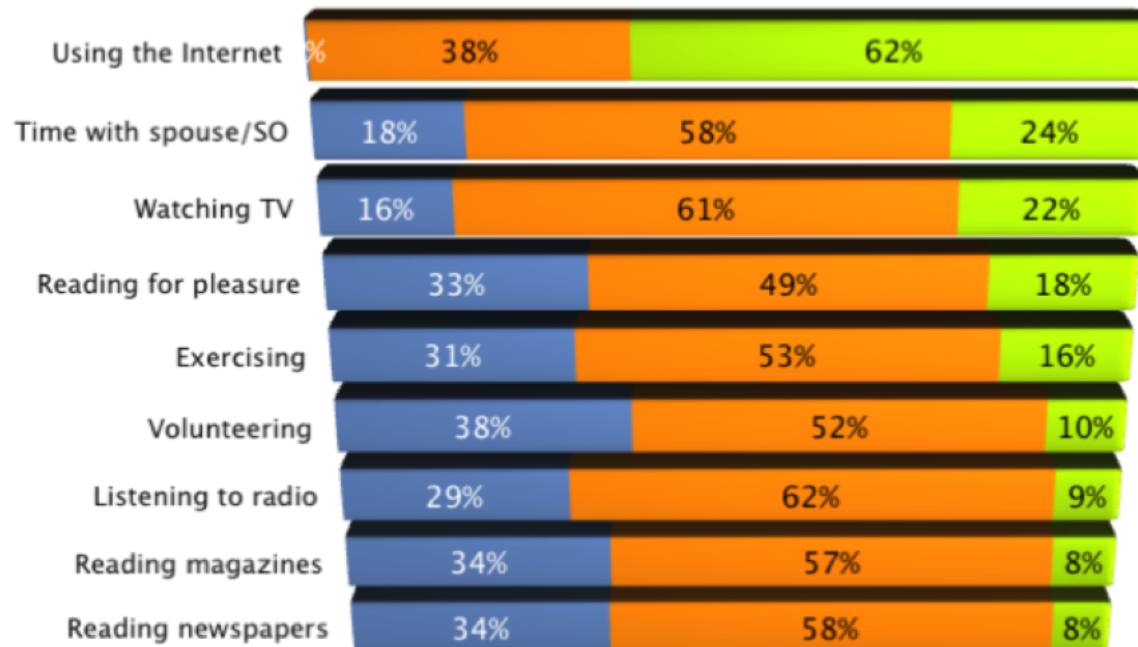
Media	Percent
DVD movie rental	61%
Home telephone - ("land line")	41%
Online news service or newsletter	38%
National newspaper	36%
Magazines	34%
Local newspaper	28%
Cell phone	11%
TV service (cable, satellite dish, or other)	9%
Cable telephone	9%
Internet	5%

Question: If you had to choose one service which you currently subscribe to give up which would it be?



Boomers Spending More Time Online

Percent of time Leading Boomer and Trailing Boomer respondents spend on activities compared with three years ago



■ Spend less time ■ Spend same amount of time ■ Spend more time

Question: Compared with 3 years ago, how has the amount of time you spend on each of the activities following changed?



Boomers Catching Up with Gen X with **Social Networking**

Percentage maintaining a page on various social networking sites

Social networking site	Ikes	Leading Boomers	Trailing Boomers	Gen X
Facebook.com	39%	39%	43%	50%
Twitter.com	5%	8%	15%	14%
Linkedin.com	6%	8%	11%	10%
Classmates.com	19%	20%	21%	12%
Myspace.com	11%	10%	22%	29%
None of these	50%	47%	45%	32%

Question: On which social networking sites do you maintain a profile? (select all that apply)



Trend Notes - Media

Online activity with older consumers continues to grow

- Shareable content is important

Integrate, don't eliminate

- While online is growing, older consumers are still the largest consumers of traditional media

Social Media is the big story



Social Mavens

Social media involvement was defined by two of many questions in this study:

- On an average, about how many people do you have contact with in a typical day, including all those who you say hello, chat, talk or discuss matters with, whether you do it face-to-face, by phone, online, and whether you personally know the person or not?
- How often do you recommend specific products or services to those in your personal or social network?

Three clear segments emerged:

Isolated Insulars: fewer than 5 contacts a day, recommend < twice a year

Everyday People: 5-20 contacts a day, recommend 3-10 times a year

Social Mavens: 20+ contacts a day, recommend >10 times a year



Social Mavens Have More Frequent Contact with Individuals **Across All Types of Groups Within Their Social Network**

Percentage of respondents having very or somewhat frequent contact with the following groups

Type of social connection	Isolated	Everyday	Mavens
Family members, apart from my immediate family	55%	66%	75%
Issue-oriented organizations	14%	17%	32%
Hobby or interest groups	18%	27%	37%
Religious affiliation or church	32%	36%	46%
Social groups	21%	30%	40%
Neighbors	45%	54%	61%
Co-workers	18%	39%	64%
Former co-workers	16%	24%	38%
Professional or business-related contacts	14%	29%	52%

Question: In thinking about all of the people in your own personal or social network, how frequently do you have contact with individuals you know from the following areas or groups?



Mavens are More Likely to be Working, and Younger Boomers

Characteristics of respondents by level of social connectedness Leading Boomers and Trailing Boomers only

Characteristic	Isolated	Everyday	Mavens
Female	46%	50%	53%
Leading Boomers	61%	54%	38%
Trailing Boomers	39%	46%	62%
Working full or part-time	18%	39%	62%
Self-employed	10%	9%	22%
Retired	36%	25%	11%
Household income 100K+	15%	26%	43%
Volunteer	25%	45%	60%
TV service (cable, satellite dish, or other)	87%	85%	91%
Local newspaper	42%	44%	49%
Online news service or newsletter	9%	12%	16%
Magazines	45%	54%	67%
Satellite radio	9%	11%	18%
Facebook.com	31%	44%	58%
Twitter.com	8%	12%	16%
Linkedin.com	4%	11%	16%
Classmates.com	17%	23%	22%
Myspace.com	13%	16%	20%



Mavens Have More Face-to-Face Contact and Use Smart Phones **More Than Other Boomer Respondents**

Percent age of typical weekly communications by various methods (Boomers only)

Type of communication	Isolated	Everyday	Mavens
Email from a computer (PC or MAC)	39%	30%	29%
Email from a smart phone or cell phone	1%	3%	6%
Text messaging	6%	6%	7%
Instant messaging	5%	2%	3%
By phone (cell or "land line")	21%	25%	19%
Postings to a social networking site	3%	4%	4%
In person, "face-to-face"	25%	29%	32%

Question: In thinking about all of your personal communications in a typical week, what percentage would you estimate are from each of the following types. (Do not include communications specifically for work)



Compared with Others in Their Cohort, Social Mavens are More Likely to Try New Products, Technologies, and Seek New Experiences

Values and attitudes based on social connectedness (Boomers only)

Value/Personality Trait (percent agree)	Isolated	Everyday	Mavens
People often come to me for advice	35%	55%	73%
New technology plays an important role in my life	51%	71%	78%
I prefer to be the leader in a group	34%	46%	62%
I often try new products before other people I know	21%	32%	44%
I would like to spend a year or more in a foreign country	32%	37%	56%
As soon as I see an opportunity to try something new, I do it	26%	33%	47%
I am not afraid to provide criticism	33%	44%	51%
I am not bothered by things that upset my daily routine	51%	58%	71%
I take pride in being self-sufficient	41%	50%	60%
I am determined to get what I want from life	14%	19%	29%
I can motivate myself by setting my own goals and timelines	71%	78%	87%
I think that young people should be taught to question authority	19%	28%	33%
My successes in life are largely the result of my own talents and hard work	55%	62%	69%
I am very optimistic about the future	49%	57%	62%



Trend Notes - **Mavens**

Integration, Integration, oh and Integration

- Think before eliminating media from your plans

Online is the core

- Consider the experience that each medium can deliver

Men and Women - not just women

- Opportunities for co-marketing and affinity marketing based on many interests and touchpoint opportunities



Mature Consumer Decision Making

The nature of relationships for older adults

The idea of a couple as two individual consumers as they age

Fighting traditional notions of aging couples



Defining Independence

Couples often have different ways of interacting and sharing activities and responsibilities in their lives. In the following list please check yes if the statement is true for you personally and no if it is not true.

Have a personal checking account only in your name

Have at least one credit card only in your name

Have separate investment portfolios, apart from retirement/401K plans

Sometimes take separate overnight trips primarily for leisure or recreation

Often eat dinner separately

Often eat breakfast separately

Visit family separately that live more than one hour away (children or parents)

Have different hobbies or interests

Belong to different political parties

Have different religious affiliations or beliefs

Have different circles of friends



Marketing Consideration:

Men are typically early adopters of technology and are “features” focused

Women care about benefits and the way those benefits are conveyed

Need to understand how a technology product will make their life easier

Once the product is integral to their lives they are reliant and loyal



A Word About Recommendations/ Referrals:

In general Ikes refer less than Boomers when it comes to technology

Men are more likely than women to recommend tech products.

Ikes: 24% of men vs. 13% women

Boomers: 49% of men vs. 24% women

Those who self report being “tech savvy” are most likely to recommend/refer



How are Boomers Influenced by Their Children?

Technology and Consumer Products

- Boomers appear to be most influenced when their children are older but still living at home (Middle School and Teens). This influence seems to wane some once the children leave home
- Boomers with children aged 6 to 18 are much more likely to indicate they would not want to do without these products or technologies:
 - ✓ Digital camera,
 - ✓ Smartphone
 - ✓ iPod
 - ✓ GPS
 - ✓ Wireless home network
 - ✓ Facebook
 - ✓ Texting
 - ✓ Their favorite blog
 - ✓ Last but not least, a TV in the bedroom



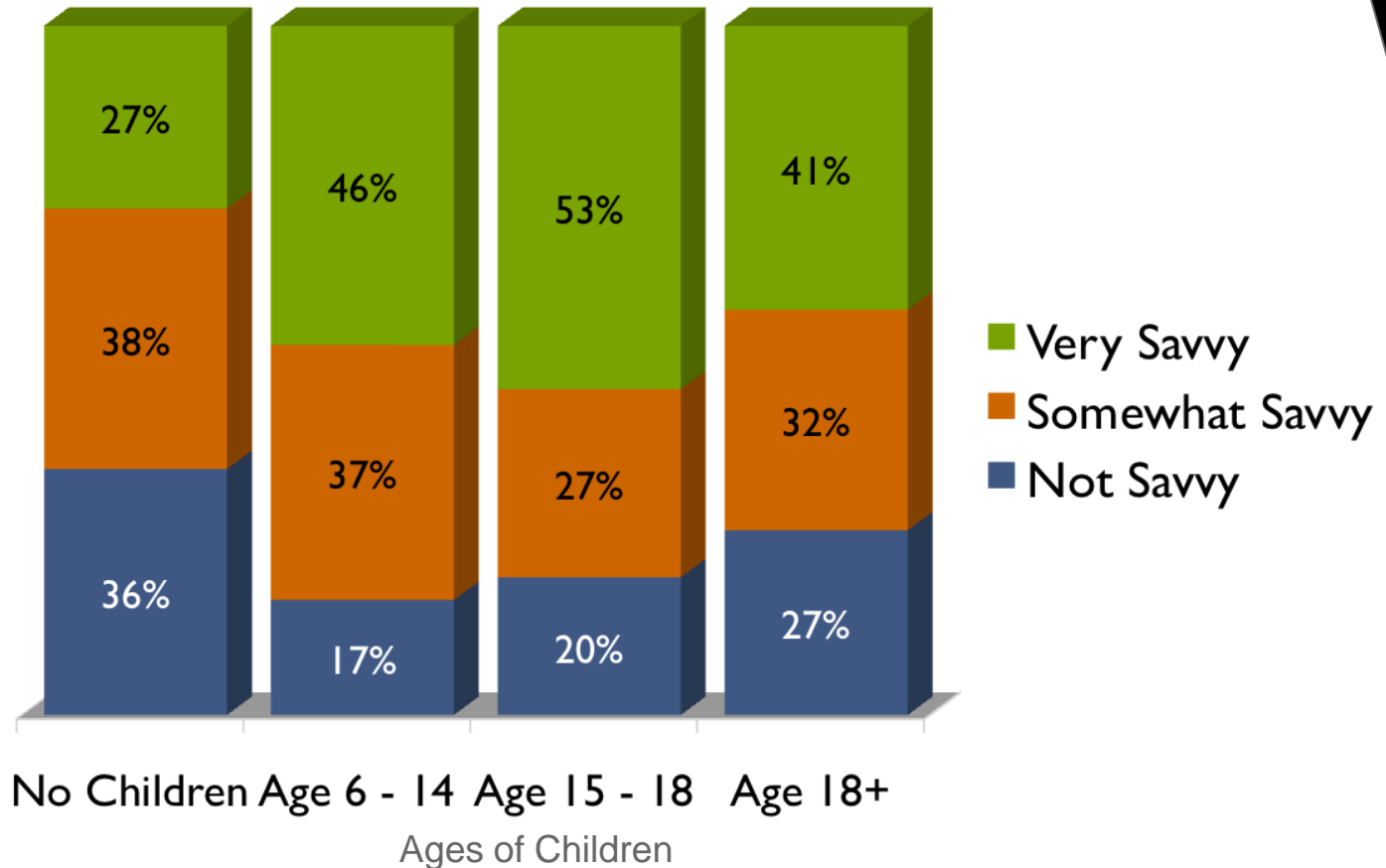
Boomers with Children Still at Home Place a Higher Value on Many Common Technologies **Than Empty Nesters or Boomers with No Children**

Item or Activity	Ages of Children			No Children	Overall
	6 to 14	15 to 18	Age 18+		
Email	94.4%	94.6%	91.4%	95.9%	93.5%
Home Broadband	94.4%	92.7%	90.4%	89.8%	91.1%
Digital Camera	74.1%	69.1%	66.9%	56.1%	67.9%
Laptop	68.5%	69.1%	63.3%	63.3%	65.7%
HD TV	68.5%	65.5%	65.6%	62.2%	65.5%
Google	68.5%	63.6%	65.2%	66.3%	65.2%
Home Wireless Network	70.4%	74.6%	63.6%	58.2%	64.5%
TV in Bedroom	81.5%	80.0%	58.9%	59.2%	62.4%
Flashdrive	51.9%	52.7%	47.0%	51.0%	49.6%
GPS	59.3%	50.9%	51.3%	38.8%	47.2%
Smartphone	42.6%	40.0%	27.5%	24.5%	30.0%
Facebook	38.9%	32.7%	28.2%	24.5%	27.3%
Ipod	38.9%	34.6%	25.5%	24.5%	26.9%
Texting	37.0%	34.6%	22.9%	19.4%	24.7%
Favorite Blog	35.2%	36.4%	22.2%	15.3%	22.1%
Ebook	14.8%	10.9%	10.6%	20.4%	14.6%
Skype	13.0%	21.8%	12.9%	9.2%	12.0%
Twitter	14.8%	7.3%	7.0%	5.1%	6.2%

Percent indicating the technology is nice to have

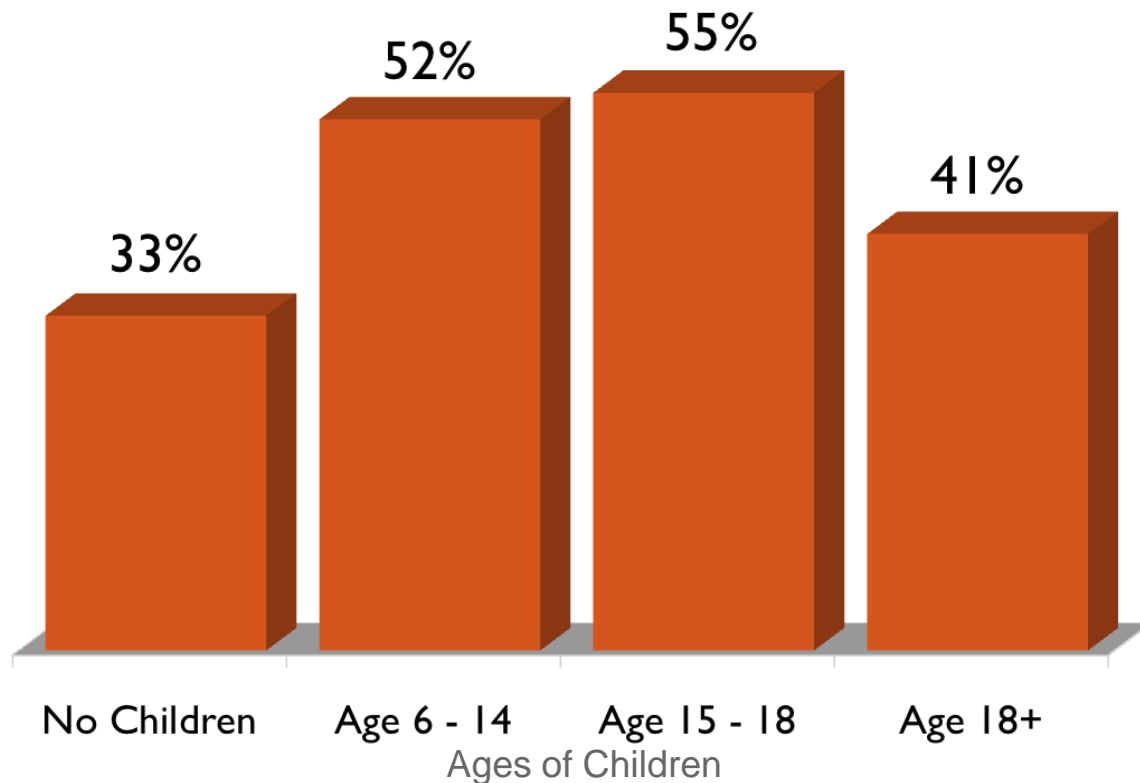


Boomers with Teens at Home are Most Likely to Describe Themselves as “Tech Savvy”



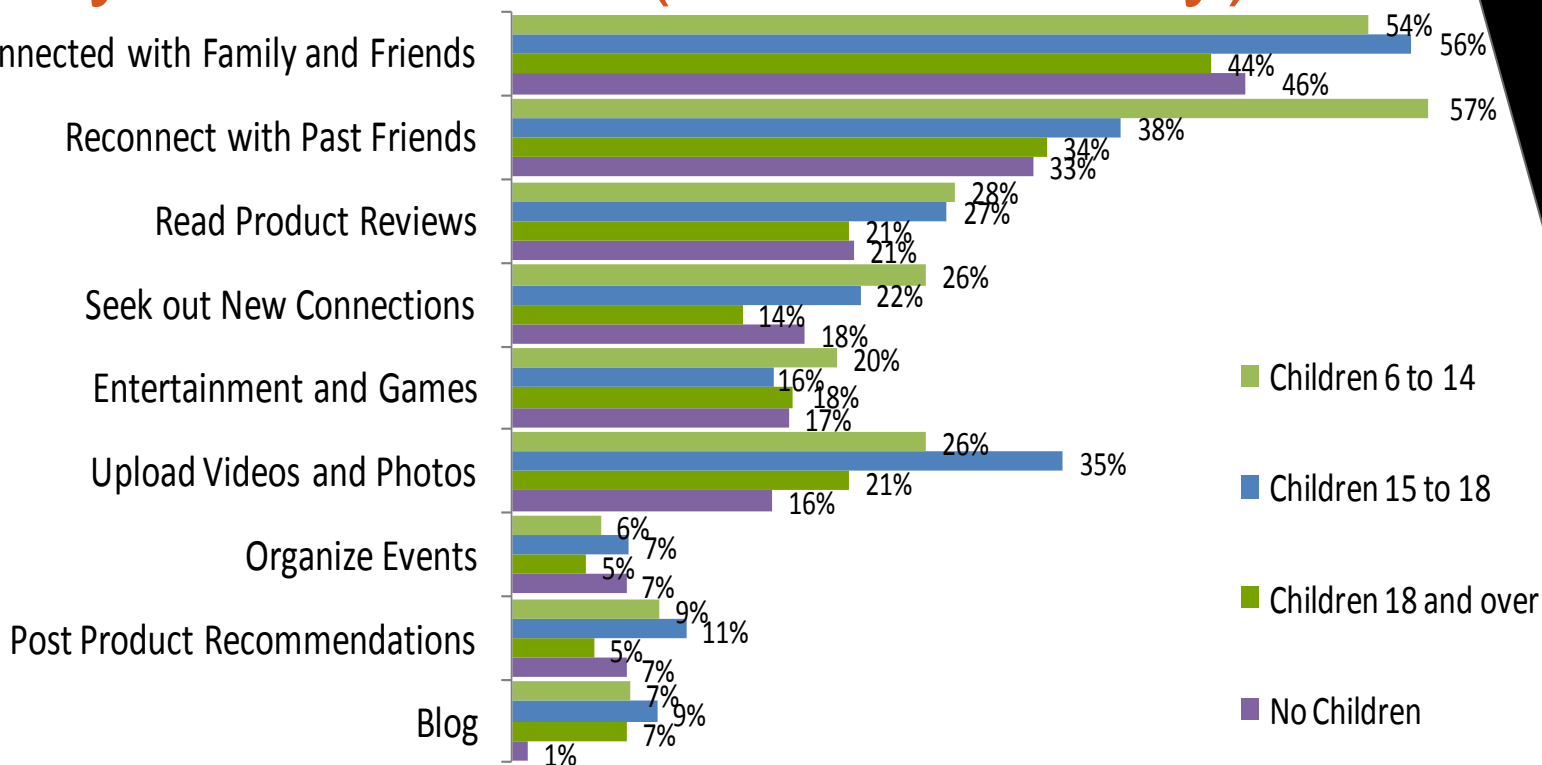


Boomers with Children at Home are Most Likely to Agree They “Often Try New Products Before Others I Know”





Boomers with Children at Home Use Social Networking Sites for a Greater Variety of Activities (Boomers only)



Percent engaging in activity on social networking sites (sites include Facebook, MySpace, Twitter, and others)



Trend Notes – Family

Couples are behaving as individuals when it comes to technology

- Think two sales instead of one

Presence of children at home matters

- Higher value on tech devices and services

Children influence trial



Chase Us

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