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THE BABY BOOMERS—GROWN BUT NOT FORGOTTEN

by Lynne Draper

The consumer market has undergone a radical transformation in the past few years as a result of the changing composition of the workforce, the increasing prominence of middle-aged consumers, and a break from the traditional definition of the household as a family. Many of the changes in market identification, available products, product targeting and advertising in the consumer market can be attributed to the great number of people in their early 20s to mid 30s, better known as the "baby boom" generation.

The purpose of this paper is to examine the "baby boomers," their current behaviors and their effect on the consumer market. A review of past changes in the consumer market and a consideration of current beliefs and behaviors will reveal how the "baby boomers" are shaping the course of products and advertising.

In the pages to follow, I will first define the term "baby boom," both in the demographic and the "common" sense and then examine the effect of a large peer group size on the labor market. After reviewing the changes in household composition and the increased prominence of singles and working women, I will examine the recent growth in the number of new parents. Additionally, I will consider the attitudes characteristic of the baby boom generation, including the recent concern for health and fitness and the redefinition of "prestige" products. Finally, I will consider how the concerns of the middle-aged baby boomers have affected marketing in the over-55 age group. But first, some background.

I. Definitions, Demographics and Labor Market Effects

The term "baby boom" is mistakenly believed to refer to the decade of births immediately following World War II. Although there was an increase in the birth rate in the first few years following the demobilization of the Armed Forces, it was actually the ten-year interval from 1955 to 1964 which saw the record number of births—nearly 42 million. Today, the "true" baby boomers are therefore between the age of 21 and 30. They represent almost 30% of the adult population and, as of 1983, number 46 million (Abrams, March 24, 1983, p. 35). However, the more common definition
of the baby boom generation includes those individuals born between 1947 and 1964.

As a means of identification, demographers usually refer to those born during the initial increase in the birth rate (between the end of WWII and 1950) as members of the "first wave" of the baby boom. These early baby boomers have economically prospered. Members of the "second wave" of the baby boom (those born between 1950 and 1964) have faced greater competition in the labor force which has resulted in lower paying jobs, a slower rate of growth of real wages, and higher unemployment. In fact, the average relative income of families headed by a member of the second wave of the baby boom (those currently in the 21 to 35 year old age group) has dropped steadily when compared to the average income of all family households. Census Bureau figures even show an absolute decline in the average earnings of this portion of the baby boom generation in the past few years when converted to constant dollars—from $26,568 in 1979 to $22,776 in 1983 (Mariana, p. 22).

In 1982 the oldest member of the baby boom entered the 35–44 age group, making this age category the fastest growing demographic segment of the population. As these boomers approach middle-age, they have also effected a general rise in the overall age of the U.S. population. From 1971 to mid-1984 the median age of the U.S. population (meaning that half of all Americans were older and half were younger) rose 3.3 years (from 27.9 to 31.2 years). This aging trend is expected to continue as the early baby boomers enter middle age. The trend will also be exacerbated by the generally increasing longevity of older Americans.

As I will point out in the following sections, these changes in the demographic make-up of the population have had a marked effect on the composition of American households.

II. Household Composition Changes

Ten or fifteen years ago the traditional affluent family ($50,000 in 1982 dollars) was headed by a male in his mid-40s to early-50s who was the sole breadwinner. Nowadays, however, it is more likely that the affluent family has two incomes and is headed by an individual in his mid-to-late 30s (Yorvovich, p. M-11). The most significantly different characteristic of the newly affluent households is the prevalence of second careers—and second paychecks—as boomers require combined purchasing power to achieve the style of life formerly attained with one income. Two paychecks have propelled such families to early affluence and have shaped the way the newly affluent lead their lives.

Dual paycheck families, of course, are more sensitive to time constraints since both adults are committed to their work schedules. An array of products have been successfully introduced to help the increasing number of working women cope with their domestic responsibilities. Microwave ovens, gourmet frozen foods and the resurgence of housecleaning services are all examples of how the priority on time manifests itself in busier lives. In addition, husbands and children have begun helping with more household chores.

As of 1980, members of the baby boom generation were more inclined to form single households than earlier generations since they married later, if at all, and had a higher rate of divorce. These changes caused quite a difference both in the number of families and in the composition of these families. The typical family of the 1980s has only two children, whereas the average family of the 1950s had four (Russell, p. 95). Today, because of the higher divorce rate, it is also less likely that a married couple heads the household. Together with the growing number of people over 65, the trend is thus toward more and smaller households at the extremes of the age distribution.

A. Marketing Strategy Changes Caused by the Growing Number of Singles

The number of households comprised solely of a single adult is growing. During the 1970s there was a 46 percent increase in the total number of single people—never married, widowed, or divorced. Today twenty-five percent of the population lives alone, and over half of these single dwellers are under 25 years of age. By 1990 it is estimated that approximately
one-half of all households will consist of single dwellers. The singles population accounts for 12.5% of consumer spending, much of which is on non-necessities since many singles don't have dependent children. The general attitude of society toward these singles is much different from years ago when marriage was considered the norm and all else was aberrant (Langer, p. 39). The self-image of singles tends to be more “positive”—i.e., to be single no longer implies that one could not find a mate. Singles are developing lifestyles indicative of a “family feeling,” suggesting the potential for more organizations like Club Med and camps for adults that encourage feelings of belonging. Surveyed singles often report that they want to see reflections of themselves included in advertising, not just ads depicting traditional families. Marketers would be well-advised, therefore, to look to extend their influence on the purchases of this segment of the population rather than offend them by creating feelings of exclusion in the advertising message.

A particularly important segment of the singles’ market to which marketers and advertisers must become more attentive is that of the single male household. Between 1970 and 1980 the number of men who lived alone rose 92% and now comprises 11.3% of the population. Their numbers are expected to increase even further over the next decade. These men must deal with the traditionally female tasks of cooking, cleaning and shopping. They desire products and services that will make their home life easier and their entertainment livelier, yet won’t insult their “maleness” while they perform tasks formerly regarded as “women’s work.” Easy food and snacks for TV-centered entertainment are examples of prime markets for these brand-loyal men who consider coupons a nuisance and would rather stick to products they like than shop by price. There is also an increasing market for men's fragrances, clothing and cosmetic aids that are promoted as healthful and a part of total well-being (Langer, p. 40).

B. Marketing Strategy Changes Caused by Working Women

As already noted, a major change in the composition of households over the past fifteen years is the increasing number of working women. As wage earners, these women feel entitled to enjoy the fruits of their labors. Small treats and luxuries without high prices that make them feel pampered and indulged have been introduced to satisfy this growing market segment. Body perfumes, which serve a dual purpose as deodorant and scent, and perfumed hand creams are just two examples of successfully introduced new products for women (Langer, p. 38).

Many established products have been re-targeted to appeal to the broader market of working adults that now includes women. An example of one such promotional change was made by American Express. Based on the belief that there were 10 million American women who met the financial, economical and lifestyle criteria of American Express but were not cardholders, existing promotional campaigns were reviewed and studies were conducted to determine how to appeal to this large group of potential customers. One study undertaken by American Express considered the changing nature of “prestige.” In the past, “prestige” was defined in American Express advertisements as success and attainment. Since 1974 entertainers, athletes and politicians with famous names yet unfamiliar faces have personified this definition of prestige. However, recent surveys have determined that women and young men increasingly define prestige as the leading of an interesting, varied, unexpectedly rich life. Many non-cardholders were reported to see prestige attached to those who have interesting hobbies or skills, have lived in several places or have had more than one career. With this in mind, American Express has since supplemented its familiar “Do You Know Me?” advertising campaign with one entitled “Interesting Lives” in order to appeal to the women who felt that American Express was not interested in them. The television ads in this new campaign have featured confident, independent women using the American Express card while a female announcer states, “The American Express card, part of a lot of interesting lives.” This statement also serves as the only line of print run-
ning with the recent ads in women's magazines. The results of the new American Express advertising strategy have been extremely successful; the number of women who feel the company "is interested in them" has tripled while the number who plan to apply for an American Express card has doubled (Abrams, August 4, 1983, p. 23).

C. Innovative Marketing Strategies for New Parental Boomers

As the number of working mothers continues to increase, it is likely that the market for high-quality, educational toys will become even more important. The under-5 age group is currently larger than it has been for 15 years, a reflection of the rise in the number of baby boom generation women in their prime child-bearing years. Working mothers are typically very concerned with the quality of the lives of their children and desire to give their children every possible competitive advantage. This has led to the establishment and growth of markets for computers and other kinds of educational toys and has resulted in many new marketing strategies aimed at the parental boomers' pocketbooks.

Noteworthy among these innovative techniques for reaching the parent's pocketbook through the child is Johnson & Johnson's direct-marketing strategy. Johnson & Johnson markets a line of toys to the parents of newborns (approximately 3.6 million births in 1984, according to the Census Bureau). Parents are encouraged to sign up their baby at birth for a series of educational toys. A new gadget arrives every 6 weeks with an accompanying pamphlet explaining how the learning tool stimulates the infant's skills and attention (James, p. 31). This is a particularly appropriate approach in light of the fact that the parents are part of the most-educated generation in U.S. history. As such, they are vitally concerned with the education of their offspring.

III. Health and Fitness Consciousness

A particularly important inspiration for new products in the United States (though, curiously, nowhere else), has been nutrition. The fact that a large segment of the U.S. population is entering middle age has not gone unnoticed as the consumer market has seen a surge of products directed at the health- and diet-conscious American consumer. This is particularly true for the boomers seeking to retain their youthful physiques.

With consumers becoming more health conscious yet finding more constraints placed on their time (especially in dual-paycheck families), they have begun demanding lighter, more nutritious prepared dinner entrees than were previously offered. As a result, many formerly well-established product lines have begun to suffer as consumer preferences changed. For example, between 1978 and 1981 Campbell Soup Company's Swanson division experienced a sales drop of 16 percent within the growing market for dinner entrees. Nutrition-conscious consumers were moving away from Swanson's traditional "belly-filling" trays of spaghetti and fried chicken—which were heavy, fatty and salty—to lighter and more nutritious selections. As a consequence, Swanson recently has spent $10 million upgrading its products and image to appeal to the record number of singles and working mothers. Many of these, of course, are baby boomers, who are making convenience a top priority, giving frozen food a new respectability and contributing to the 5 to 7 percent annual growth associated with the industry. The result of Swanson's research has been the introduction of a "classier" looking and sounding line of nutritious dinner entrees, called "Le Menu" (Engelmayer, p. 33).

After research similar to that undertaken by Swanson, the Quaker Oats Company introduced a chewy granola bar in an attempt to increase its position in the emerging market for healthier snack foods. Snack foods, because of peoples' faster-paced lifestyles and changing habits, have come to be viewed more favorably in recent years. Companies are now attempting to communicate the nutritional value of foods traditionally thought of as "junk foods" (e.g., corn chips and pizza) in order to remain competitive in a market strongly influenced by a concern with health. Analysts see a blurring of the categories of health foods, "minimeals," and convenience foods as marketers seek to
make these products a more significant part of the American diet (Sobczynski, p. M-17).

In general, products associated with health and fitness have a good chance to succeed today as baby boomers attempt to preserve their health and youthful fitness. Examples include diet soda, sales of which are growing at the rate of 10 percent (in comparison with a 2 to 3 percent growth in overall beverage sales), caffeine-free sodas (whose sales are growing almost as quickly as diet sodas), reduced salt foods, low cholesterol products, yogurt, granola bars, and generally anything designated "light." The physical fitness market has also been doing well, with annual sales of $500 million for equipment and $5 to $6 billion for fitness apparel (Advertising Age, January 1984, p. 27). In a related trend, health clubs are no longer considered places reserved only for the very rich. Rather their appeal is to a much wider class of income earners, serving an additional function as social meeting places.

One notable product line which has been suffering from the recent emphasis on physical fitness is that of alcoholic beverages. As a result, some companies have been concocting sweet, creamy drinks to attract the baby boom consumers who don't like the "bite" of bourbon and scotch or have been producing low-calorie spirits to appeal to weight-conscious drinkers of all ages. Since their flavors have been improved, lower-alcohol or "lite" beers have been growing faster than the beer market as a whole. Similarly, there has been impressive growth in the market for low-alcohol wine. Examples include Taylor California Cellars Light, promoted as the choice for diet-conscious women over 35, and Masson Light, which uses a unisex, athletic image to appeal to health-conscious men and women between 30 and 40 and weight-conscious adults 40 to 60 years old (Alsop, p. 37).

Liquor companies have attempted to appeal to the numerous potential baby boom consumers by making still other changes. Because traditional advertising campaigns tend to appeal mainly to older, previous customers, more provocative advertising and promotion campaigns are being used to attract younger consumers who tend to have less of a taste for hard liquor than do their parents. By attracting younger consumers and bringing the average consumer age down from well over 40 to the late-20s or mid-30s, distillers and brewers can thereby assure themselves of many years of business from today's young adults. To appeal successfully to the baby boomers, marketers must accept that the boomers' overriding concern for health and fitness largely precludes heavy consumption of alcohol. The "live-for-today" attitude of past years has been replaced with a desire for good living now and into the future, which means taking care of both body and health. Continued success for companies operating in this and other industries thus requires a clear understanding of these new consumer attitudes and a willingness to change both their promotions and products accordingly (Alsop, p. 37).

IV. The Changing Nature of Prestige

Products which are considered "prestigious" are often so defined by the lifestyles and general economy of the times. As noted above, many baby boomers (especially those of the second wave) have found that it now takes two incomes to achieve the kind of lifestyle their parents achieved with one. "Pricey" commodities, such as designer chocolates, are affordable luxuries that may sometimes serve as consolation for the inability of a person to afford such luxuries as a large house. The older, more blatant status symbols such as fur coats and Cadillacs are increasingly being rejected for more "image-conscious" products such as imported goods, designer products and gourmet foods. There also seems to be a greater willingness today to spend more money on high quality and style, which has led some observers to claim that the later baby boomers tend to be more self-indulgent and spend their money conspicuously (Garland, Sec. 3, p. 4).

As advertisers continue to adapt their appeals to the changing nature of prestige, more promotions and campaigns will be dependent on word-of-mouth advertising. Being able to recommend a product often gives a person a feeling of prestige, of being an "instant expert."
It is also one of the most credible forms of advertising a company can hope to sponsor. Among the companies which have used prestige as the backbone of their promotional campaigns is the bottler of Perrier water. Indeed, Perrier water was a frequent topic of conversation long before it was widely available for purchase, initially being sold only in high-class restaurants and gourmet stores. The talk generated by the early advertising created credibility and prestige not only for the brand, but for the product category as well. Another example of advertising steeped in prestige is Rolex’s practice of giving $5000 timepieces to highly recognizable celebrities and actors. When seen upon the wrists of such people, Rolex benefits from the association made between the watch and the celebrity (Prescott, p. 32).

V. The Changing Over-55 Market

In a move sure to strengthen their position as the baby boom generation ages, many manufacturers and marketers have begun adapting products and marketing strategies to attract consumers over 55 years old. It is increasingly important to attract consumers in the 55 and over age bracket, not just because of the current size of the over-55 population but also because of the fact that by the year 2000, the over-55 population segment will be the fastest growing age group of the American population. In fact, according to U.S. Census Bureau estimates, by the year 2030 one in five people will be at least 65 years old, as the baby boom generation ages and general longevity continues to increase. At the present time, individuals over 55 years old have almost twice the discretionary spending power of those under 35. Additionally, households headed by people in the 55–64 age group have per capita incomes about 26 percent above the national average (New York Times, February 23, 1984, p. D1).

In light of the above statistics, it is not surprising that there is an increasing array of products and services, from clothing and housing to travel packages and financial counselling, designed for older people. Roomier slacks and sportswear, luxury retirement villages for those over 55 and a variety of travel discounts are just a few of the products and services specifically designed to meet the desires of people in this age category. Since many older people live alone, they are also a target for smaller-size package foods, just as younger singles are. It is important to note that today’s older people are in better shape physically and can expect to live longer than any preceding generation. They also have a more positive self-image than previous older generations and are thus annoyed by advertisements portraying them as crotchety whiners who are concerned only about aches and pains and children who never call. This group is very responsive to role models such as George Burns, who has made many successful advertisements because older people enjoy identifying with him (New York Times, February 23, 1984, p. D1).

The needs and tastes of the population over 55 will become weighty as this segment of the population increases in the years to come, causing companies to realign their marketing strategies even more to cash in on this lucrative sales potential. Of course, the reformulation of marketing strategies must be done with care since members of this older segment don’t like to be reminded of their age. The subject of old age and its associated infirmities are presently treated delicately in advertisements but may soon become taboo if boomers refuse to sit back and accept behaviors formerly considered stereotypical of middle age. A product already doomed to be studied as a classic mistake in marketing strategy is H. J. Heinz Company’s “Senior Foods.” Essentially nothing more than baby food repackaged and marketed as a product for people with a more delicate digestive system, the product had to be withdrawn from the market after people simply refused to buy it, claiming that purchase of it set them apart from other “normal” adults. Rather than dwelling on negative aspects of aging, successful advertisements for products targeted to elder Americans must show older people as well-integrated, contributing members of society (New York Times, February 23, 1984, p. D1).

As the American population continues to age, advertising will increasingly shift from depicting youth as the ideal to emphasizing instead health, vigor and alertness regardless of
age. More important than the casting of promotional advertising will be respect for the intelligence of the audience and a greater use of older models in dignified roles. The middle-class, family-oriented, status-conscious portrayals of present-day advertising will give way to appeals to the “inner-directed” consumers who desire high-quality products, exhibit less brand loyalty and are more willing to experiment by trying innovative products. Consumer product manufacturers and marketers must therefore incorporate demographic changes into their plans for both their current and future products and advertising campaigns if they are to remain competitive.

VI. The Future—or “How to Keep Up with the Boomers”

Maturing baby boomers have refused to accept the behaviors stereotypical of previous generations in various stages of the life cycle. Marketers and companies must be prepared to redefine old age and perceptions of accompanying behavior in anticipation of the boomers approaching the onset of old age. Careful studies are needed to determine the needs and desires of the large, aging segment of the population. Not only must the effect of current beliefs and behaviors be projected to determine what products and services will be desired by consumers, but companies must also prepare to service these needs and desires. Many nutritious single-serving size food products are already available for the historically high number of singles, both young and old, but what of the social and physical needs of an aging population?

A large market already exists for organizations that provide outlets for the energies—either physical or mental—of retired workers. This will become even larger in the future as many people who find fulfillment in their work face retirement at 70. The demand for timesaving products will remain strong as the number of women in the labor force continues to grow. Since children will continue to assume more of the tasks formerly performed by housewives, wise marketers should consider this fact when designing and targeting advertisements for products known to be used by younger members of a household.

Finally, marketers must recognize the changes that have occurred in the lives of their customers and assess the changes needed in their own strategies. The demographic changes which I have noted include the aging of the largest segment of the population, the trend toward more and smaller households and the increased longevity of Americans. The societal changes include the growing number of women in the workforce, the trend toward children and husbands helping out with domestic chores, and the increased acceptability of a single’s lifestyle. These changes—both demographic and societal—have affected more than just those people who are part of the baby boom. They have also affected beliefs about middle age, perceptions of success, and the behavior of people both older and younger than the baby boom generation. To produce goods that appeal to consumers thus requires that marketers be aware of how lives are being led. It is, therefore, important that marketers and producers alike be aware of such changes and adopt appropriate strategies to ensure the continued existence and profitability of American businesses.
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