# B<span>dot</span>OM

## Marketing to Baby Boomers through
## **Meaningful Online Engagement**

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# Contents

# Preface

On Friday, October 3, 2008, Jonathan and I, along with four of our Immersion Active team members, were sitting in a lecture room in New York City, anxiously awaiting our first presentation on some of the points from this book. Our presentation's title — "Online Campaign Optimization: Influencing Boomers through Meaningful Online Engagement" — was a mouthful, but we were confident the subject matter would resonate with the noteworthy group of boomer-focused marketers the Focalyst Executive Forum drew.

As the presentation before ours was about to begin, one of our employees rushed over to our table. "The House approved the bailout," she whispered, explaining that she had overheard the news from an attendee who had been monitoring her BlackBerry.

Politics (and a fleeting twinge of jealousy that our company doesn't manufacture wooden arrows) aside, I wasn't surprised. Even before Congress passed the "Emergency Economic Stabilization Act of 2008" (better know as *the* bailout), we knew that this conference was not going to be a typical "boomers spend, SPEND, *SPEND!*" event. From CMOs to entrepreneurs, we all were facing the sobering reality of an uncertain economy. Yet,

here we all were, attending an event focused on connecting with the *wealthiest* generation in the history of the United States.

As the preceding group came to a close, each of us approached the stage with thoughts not on the 30-minute presentation we were about to deliver, but on the future of our nation's economy and how our company's clients and, more importantly, the boomers were going to react.

Later, after the conference came to a close and as our train was departing New York's Penn Station, I thought about how marketers were going to adapt. We all know marketing is often first in line to be affected by uncertain times (from tightened budgets to agency consolidations to layoffs). And in tough times, the easiest (and usually most common) way for marketers to adapt is to become protective of our turf and reactionary in our tactics.

But, I asked myself, with terms like "crisis," "recession," and even "depression" being thrown around like warm-up pitches at Camden Yards, is that really how marketing should respond?

The conclusion I reached as our train barreled through Philadelphia was exactly the opposite: In tough times, it is our opportunity as marketers to shine. Our job as communication professionals is not simply to market to people. Our job is to move people, to inspire them, and to help them process their lives. Thinking about our role within the context of this new economic reality reaffirmed to me the importance of understanding what truly motivates consumers and the need to develop marketing campaigns that proactively engage them in authentic and meaningful relationships.

That is what our company aims to do. When Jonathan and I founded Immersion Active ten years ago, we were driven by the need to create meaningful and enriching interactive experiences online. Our goal was to engage our clients' target audiences in the most relevant manner possible.

Early on, we recognized that a higher level of engagement begins and ends with a better understanding of the user. By immersing ourselves in the user experience, we realized that taking advantage of the ever-changing nature of interactive media required more of a focus. This realization pushed us to dedicate Immersion Active to the 50-plus markets — a consumer group that is the Web's largest and fastest-growing constituency[1], yet remains the most underserved by online marketing.

Initially, some of our industry peers questioned us for such a focus. Now, some of those same skeptics are once again raising their red flags (or white may be more appropriate) in our direction. They think that the boomers are to blame for our country's problems. Others are suggesting that with their retirement funds melting away, boomers and their needs will just shrivel up and disappear.

There's no denying that boomers, and most Americans for that matter, are currently re-evaluating their finances and will need to make adjustments. That said, it is our belief that the needs of this large, aging demographic will continue to drive the market for many years to come.

Always the optimists, most boomers will not only find ways to meet their base needs, but also find a way to maintain the lifestyles they have become accustomed to. I recently read one journalist's assertion that "despite the current doom-and-gloom about the state of the housing market, retirement, and savings, experts believe boomers will be able to stay the course and at the same time change the way marketers target consumers[2]."

We agree. Baby boomers will continue to be the most powerful consumers in the marketplace. Jonathan and I see this already in our work at Immersion Active. At a time when a lot of agencies and marketers are struggling, our company continues to be blessed with

plenty of clients whose focus on targeting older adults is helping them thrive.

To help our clients make the most of any tough situation, we as marketers need to focus our efforts on connecting with these powerful consumers by showing them how our brands can continue to help them.

As marketers ourselves, Jonathan and I also recognize the growing need for better return on investments in challenging times. More and more, the Internet is providing the most efficient and effective ways to achieve these results, especially with boomer consumers. In fact, 72 percent of online retailers said that online channels are better suited than offline channels to withstand an economic slowdown, mainly because consumers on a budget shop online for convenience and better values[3].

That's where the strategies in *Dot Boom* come in. The philosophies, principles, and techniques explained throughout this book will enable marketers to successfully, and repeatedly, deliver effective online campaigns targeting mature adults (as they have for us).

*Dot Boom: Marketing to Baby Boomers through Meaningful Online Engagement* provides insight into the baby boomer markets, their online motivations, online behavior, and online preferences. As you read *Dot Boom*, you'll gain a deeper understanding of what baby boomers want and need from an Internet marketing campaign. You'll also explore a framework you can use to create these campaigns in a replicable, effective manner.

To begin, you'll learn David Wolfe's Developmental Relationship Marketing (DRM) concepts to discover what motivates older consumers' purchasing decisions, especially in relation to the Internet. Engaging older consumers online is not simply about understanding their *user* behavior, but understanding the biological and psychological motivators behind that behavior. You can then

use that knowledge to create better online connections between your brand and your target audience through relevant messaging and imagery.

Later, we'll focus on a process to develop campaigns that encompass the variety of ways in which boomers engage with your brand online. Engagement is a marketing buzzword that's been getting a lot of attention lately, but so far, Jonathan and I have been unable to find an engagement definition that 1) works well for boomers, and 2) allows us to determine why a campaign is successful.

That's why we've developed our own, boomer-specific definition of engagement — Meaningful Online Engagement. It is a definition that helps us methodically identify what works and what doesn't, so we are able to replicate our successful campaigns again and again. This definition, as described in the second half of *Dot Boom*, will give you the framework to create an effective engagement strategy and to insert your brand into boomers' digital lives in a powerful way.

In first embarking on *Dot Boom*, Jonathan and I decided that we wanted readers to walk away with actionable ideas on how to better connect with baby boomers online. Now, more than ever, marketers need a better way to reach these dynamic, lucrative consumers — none of whom fit neatly into traditional demographic segments. Today's marketing professionals require online strategies that are different. *Dot Boom* breaks down those strategies and provides guidance on how to effectively and efficiently market to baby boomers online.

As we all continue to adapt to our nation's (and world's) changing economy, I'm comforted when I think about October 3. That night, as I exited the train in Baltimore (our final destination) and watched my bleary-eyed co-workers sleepily stumble onto the

platform, I thought about our book. The Focalyst Executive Forum was the first time Jonathan and I unveiled *Dot Boom* to our industry peers. And after that train ride, amidst all of the uncertainty our nation faced, I realized that we had a message that resonated. More important, we have a book that can be part of the solution.

Happy reading.

# Section 1:
# Challenging Conventional Marketing

There's no denying the impact, even from a mere demographic standpoint, that the baby boomer generation has had (and is continuing to have!) on the United States. Their size and influence, and the subsequent focus the media has placed on them throughout their lives, have made them the nucleus of our cultural center, ultimately driving — and in their later years shaping — the societal norms that other generations follow.

By looking at boomers in the news today, it's apparent that they are not slowing down as they reach retirement. They remain powerful and influential consumers, both online and off, and they demand significant marketing attention. Their economic clout, in combination with the ever-evolving nature of the Internet, requires a much-needed re-evaluation of conventional marketing strategies.

In this first section of *Dot Boom*, we'll explore the promise that online marketing to baby boomers holds and the problems marketers must overcome before truly connecting with that potential.

# Chapter 1:
# The Promise of Marketing
# to Boomers Online

*"When I get older, losing my hair, many years from now… Will you still need me, will you still feed me, when I'm 64?"*

— The Beatles, *"When I'm 64"*

Such an upbeat tune from Sgt. Pepper's Lonely Hearts Club Band has never been so relevant to the generation that came of age worshipping John, Paul, George, and Ringo. Why? Because despite boomers' reputation as a force to be reckoned with, many of today's institutions, organizations, and businesses still fail to understand what truly motivates these older adults' behavior. This lack of understanding is especially pervasive within the marketing industry.

Traditional marketing tactics and techniques have focused on the 18- to 35-year-old demographic because when boomers were in that age range, they represented a huge consumer majority (the likes of which had never been seen before). However, now that those same 18- to 35-year-olds have moved on to a new season of life, marketers have failed to transition with them. For the first time in history, the majority of the United States population is over age 40[4] — and adults over 40 think and act much differently than

their younger counterparts. They go about fulfilling their needs differently, making their purchasing behavior unique. As a result, traditional marketing approaches are simply not effective with this consumer majority because traditional marketing lacks the perspective required to understand the needs of an aging adult.

In other words (and my Fantasy Football buddies will shudder upon hearing me use this phrase), *marketing needs a makeover*. That's the only way we, as marketers, can effectively reach today's older consumer majority.

But where to start? Before delving into the issues surrounding marketing to boomers, especially online, let's take a quick look at the boomers themselves.

**Baby** [bey-bee] *noun*: an infant or very young child[5].

**Boom** [boom] *verb*: to move with a resounding rush or great impetus; to progress, grow, or flourish vigorously[6].

**Baby boom** [bey-bee boom] *noun*: a period of sharp increase in the birthrate, as that in the U.S. following World War II[7].

## Behind the Boom

Baby boomers are one of the largest generational cohorts the United States has ever seen. While the first boomers will turn 64 in 2010, the last of this 78-million-strong cohort will not reach that age until the year 2028. With birth years spanning 18 years (1946 to 1964), the baby boomers will be an important consumer group for many years to come.

In fact, according to data from the U.S. Census Bureau (who I'll reference often in this book), people over the age of 40 now account for more than 60 percent of all adults, numbering 138 million. That is

compared to just 91 million adults under age 40. What's even more significant is that the gap between older and younger adults will continue to grow. Between now and 2025, the younger adult crowd will grow by approximately seven-tenths of 1 percent, adding 6.9 million to that group. However, the number of adults over 40 will increase by more than 21 percent, meaning that there will be almost 30 million more adults over the age of 40 in 2025 than there are today.

## Population Growth in the U.S. by 2025
### Young Adults vs. Adults 40+

**% Growth in Population**

**Adults 40+**
····▸ **21% growth**
*(plus 30 million people)*

**Young Adults**
····▸ **0.7% growth**
*(plus 6.9 million people)*

2008                     2025
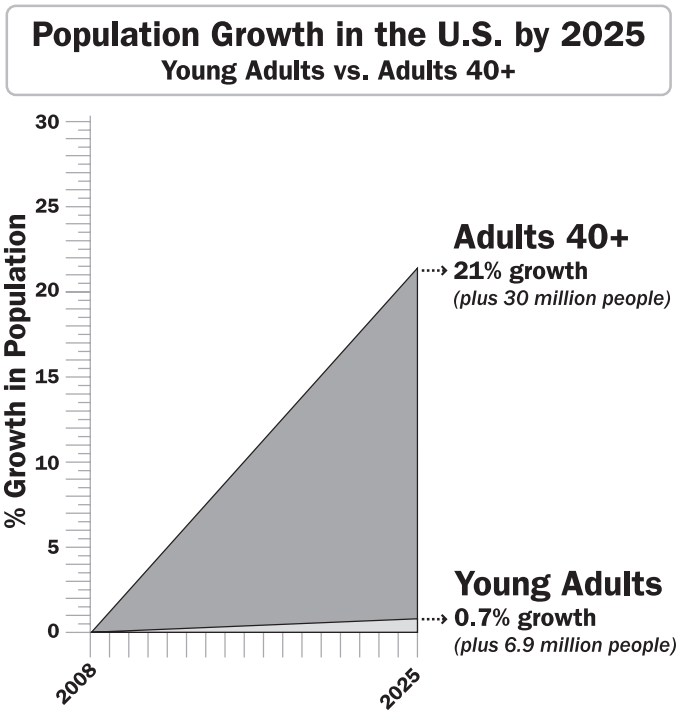
Boomers in the United States are more racially and ethnically diverse than previous generations, with almost 20 percent of today's boomers being members of minority groups[8]. They are also the most educated, with almost 90 percent of baby boomers graduating from high school, versus only 68 percent of their parents[9]. Boomers

are even slightly more likely to have a college degree than members of the younger Generation X[10].

 And, currently, boomers are experiencing more significant life events, simultaneously, than any other generation. Today's boomers are raising toddlers, becoming grandparents, caring for their aging parents, getting married, getting divorced, retiring, going back to school, starting new careers, and more. This unique combination of life events makes it especially difficult to segment or group boomers using traditional demographic approaches.

## Meet the Boomers

Clearly, boomers are not one big, homogenous group. In turn, I could never attempt to create a prototypical boomer that represents them all. But in an effort to bring the concepts, theories, and practices of this book to life, I'll refer to three specific boomers throughout the first two sections of this book. Let me introduce you to Mary, Robert, and Carol, all based on three real boomers. (I've simply changed names to protect the innocent.)

### Mary

Mary is a 55-year-old mother of three. Her oldest child, a 24-year-old woman, recently moved back in with Mary, bringing her 5-year-old daughter (Mary's granddaughter) with her. Mary's oldest son is 21 and also lives at home while he attends trade school. Her youngest son is a senior in high school. Mary has always been very active in all of her children's (and grandchild's) lives, attending their sporting events, supporting the booster club, and driving them wherever they needed to go.

Mary's mother died last year and her father lives about five hours away. She has close ties with her family and tries to get home whenever she can. She often worries about her father living alone and wonders if she and her siblings will soon need to care for him.

Mary works the night shift at the local hospital as a pediatric nurse. Her husband (of 30 years) works as a project manager for a computer software company. His long commute is taking a heavy toll on him and he is talking about wanting to change careers or find something closer to home (despite the obligatory pay cut).

## Robert

Robert is a 53-year-old man with two children who are about to finish college. One goes to school in Texas and the other in California. About five years ago, Robert sold his printing business, which he had owned for almost 20 years, and decided to retire in his home state of Massachusetts. His retirement only lasted about a year. Then, because of boredom and, more important, a need to finance his children's college education, he took a job with the local school system in its printing office.

Robert spends a significant amount of time looking after his elderly mother. She recently broke her hip in a fall and has been in and out of a nursing facility as she recovers. Robert has been forced to figure out all the intricacies of Medicare and health insurance in a relatively short period of time. When she is not in nursing care, Robert's mother lives in her own home, which is about 20 minutes from Robert's house.

When he is not working or caring for his mother, Robert stays active in the community, primarily through the local high school. There, despite the fact that his youngest child graduated six years ago, Robert coaches the local lacrosse team, is president of the school's booster club, and runs the concession stand at athletic events year round.

## Carol

Carol is a 60-year-old woman with three grown children. All three are married, have their own children, and live within two hours of Carol's home. Carol was married to her high school sweetheart for 30 years before they divorced 10 years ago. Since then, Carol remarried a man who has a 28-year-old daughter of his own (who is also divorced) and an autistic grandson. Family is extremely important to Carol and she talks to each of her children at least three or four times a week.

Carol worked as a secretary for about 15 years but quit working when she remarried. She has also always been very active in her church and in community organizations such as the Friends of the Library.

In recent years, Carol has started to suffer from a variety of health conditions including fibromyalgia and celiac disease (an allergy to wheat products). Both of these conditions make it difficult for Carol to drive, get out of the house, and do many physical activities. In addition, her husband, who is three years younger than she, works more than 60 hours per week, meaning Carol is home alone much of the time.

While baby boomers have and probably always will be grouped together simply because of the high birth rate between

1946 and 1964, don't make the mistake of thinking that all boomers are alike just because of their age. Woodstock may have been huge, but did all 78 million baby boomers attend? Not a chance. In fact, a boomer who is age 50 today was only 11 years old during that historic music festival.

And despite the stereotype that boomers have an affinity for radical social and political change, boomers did not lead many of our country's definitive movements, such as Civil Rights, feminism, and the protest against the Vietnam War. Rev. Dr. Martin Luther King, Jr. and Bob Dylan were members of the Silent Generation and Betty Friedan (who wrote *The Feminine Mystique*) was a member of the GI Generation. In fact, a study by Chadwick Martin Bailey found that only 15 percent of boomers claim to have participated in demonstrations or protests.

However, social consciousness has risen to the top of boomers' charts as they've aged. So while they aren't racing for the rallies, picket signs in hands, as consumers, baby boomers are very responsive to companies that maintain a sense of social consciousness and give back[11]. Boomers are also going green faster than younger generations. Both of these trends reflect boomers' maturing psyches, acceptance of their age, and desire to leave a legacy behind them.

But the drive to leave the world a better place is not unique to today's boomers. These socially conscious desires are largely driven by deep-seated biological and psychological needs that are shared by all humans as we grow older. Today's boomers may be exhibiting them most markedly, but it was these same needs that also drove King, Dylan, and Freidan in the '60s.

## Boomer Bucks

Let's get down to what really matters to marketers: "Boomer Bucks" (as my 11-year-old daughter likes to call them). In 2005, baby boomers possessed three-quarters of the nation's financial assets and an estimated $1 trillion in *annual* disposable income[12]. And despite the stock market declines (as of the publication of this book), boomers still control more wealth than their younger counterparts.

According to the Bureau of Labor Statistics, 75 percent of adults age 45 to 54 owned their own homes in 2006 (compared to only 50 percent of 25 to 34 year olds)[13]. And while housing values may have decreased in recent years, home ownership still provides for a greater overall net worth.

In addition, the average boomer household earned almost $20,000 more per year in 2006 than younger households[14]. And older workers are generally the most highly employed. In September 2008, the unemployment rate for 24 to 35 year olds was 6.1 percent while the unemployment rate for 45 to 54 year olds was only 4.4 percent[15]. (The lowest, 4.1 percent, was for adults age 55 and older[16].)

What's more, boomers outspend their younger consumer counterparts in almost all areas. The Bureau of Labor Statistics[17] reported that in 2006, younger boomers (age 45 to 54) outspend younger adults (age 25 to 34) in all major areas:

|  | **Age 25 to 34** | **Age 45 to 54** |
|---|---|---|
| Income before taxes | $57,208 | $77,043 |
| Homeowners | 50 percent | 75 percent |
| Average annual expenditures | $47,582 | $57,563 |
| Food at home | $6,104 | $7,328 |
| Food away from home | $2,918 | $3,292 |
| Housing | $17,139 | $18,377 |
| Clothing | $2,152 | $2,176 |

| | | |
|---|---|---|
| Transportation | $9,047 | $10,111 |
| Healthcare | $1,652 | $2,757 |
| Entertainment | $2,237 | $2,770 |
| Personal care products | $547 | $696 |
| Education | $710 | $1,736 |
| Insurance and pensions | $5,252 | $7,346 |
| Cash contributions | $1,070 | $2,118 |
| Miscellaneous | $615 | $971 |

As previously stated, the before-tax income of adults age 45 to 54 is almost $20,000 more than adults age 25 to 34. In 2006, there were 24.7 million young boomer (age 45 to 54) households compared to only 20.1 million young adult (age 25 to 34) households. Through simple math, you can reach the conclusion that young boomer households have a *combined difference* of more than $92 billion annually.

Another significant aspect of boomer spending, aside from the sheer size of the generation, is that today, the majority of boomers are in or entering their peak earning years, as peak earning age is generally considered to be between the ages of 45 and 54[18].

## Boomers Online

Demographics indicate that boomers are a highly educated, diverse consumer group ready to connect with your brand. And boomers are ready to connect with your brand *online*. One misconception sometimes associated with boomers is that because they did not grow up with the Internet, they do not go online. Baby boomers are, in fact, the Web's largest constituency, making up more than 30 percent of the United States' 195.3 million Internet users[19]. It should come as no surprise that adults over the age of 50 are the Internet's fastest-growing group[20].

In 2011, the number of boomers who use the Internet at least once a month will reach 63.7 million. In addition, "83.2 percent of U.S. baby boomers will use the Internet regularly in 2011, up from 75 percent in 2006[21]." And during a typical week, 90 percent of boomers (who already use the Internet) read and send email and 86 percent surf the Internet[22].

It's important for you to know that baby boomers are willing to spend their money online, as well as offline. On average, baby boomers spend $7 billion online annually[23]. And weekly, 77 percent of baby boomers purchase products online, (a mere 1 percent less than Generation X — a statistical dead heat — and 24 percent more than Generation Y)[24].

*In a 2007 study, Forrester Research concluded that older boomers (between the ages of 52 and 62) spend the most money online[25].* That same study also found that while younger generations (X and Y) are more likely to have recently purchased something online, more than three-quarters of all baby boomers regularly buy online[26]. Consider the following figures[27]:

> Baby boomers have the largest annual household income, so it's logical to conclude that they would spend more than younger generations who make less. But when members of each generation were asked how much they currently spend and are planning to spend online, the boomer response was double.
>
> - **Generation Y (age 18 to 27)**
>   - Spent online in the past three months: $429
>   - Expected to spend online in the next three months: $313
> - **Generation X (age 28 to 41)**
>   - Spent online in the past three months: $558
>   - Expected to spend online in the next three months: $451

- **Baby boomers (age 42 to 62)**
  - Spent online in the past three months: $1,150
  - Expected to spend online in the next three months: $1,260

Further emphasizing these findings, eMarketer observes that, "boomers wield enormous economic clout and are increasingly turning to online and mobile channels for a variety of needs, including e-commerce, financial services, travel, entertainment, health and wellness information, news, and user-generated content[28]."

Boomers aren't just buying online either. They are using the Internet to research both online and offline purchases. According to a 2006 study conducted for FH Boom, baby boomers cite the Internet as the most important source of information when they make a major marketing purchase, such as automobiles or appliances[29]. Frankly, I've found that most boomers cannot imagine life without the Internet. During the summer of 2007, Immersion Active conducted "man-on-the-street" interviews with baby boomers in my hometown of Frederick, Maryland. We posed a simple question: "What would you do without the Internet?"

The answers ranged from sighs of disbelief to nervous laughter. And throughout the significantly wide range of answers, not one of the boomers interviewed could fathom living without the Internet. The most poignant answer came from a lively, professional woman, whose face twisted in disgust as she answered: "I would have to go to the… *Yellow Pages*? Or to… [sigh] I don't even know. And I'm not young, and my mother is 79, and she does the same thing."

**View interviews online**
www.dotboombook.com/boomer_videos.

The Internet offers a plethora of opportunities to reach and engage boomers (because clearly, the phone book is not going to cut it). It's just a matter of sorting through the myriad of online opportunities to determine the best way to connect with these consumers. This process begins with an understanding of *how* boomers are interacting with online media.

## The Web Goes "Boom"

According to a study conducted by ThirdAge*, the top three reasons baby boomers spend time online are to seek out information (92 percent), to stay in touch with friends and family (92 percent), and to shop online (73 percent)[30]. Sharing information, or word of mouth, is especially important for boomers. On average, most baby boomers are asked for product or service recommendations about 90 times per year and close to 90 percent of boomers who were asked to give advice gave it to their fellow boomers. Practically all boomers consider their family and friends to be their most trusted sources of information[31]. What's most relevant is the growing use of the Internet for word-of-mouth interaction, as nearly half (45 percent) of all boomer word-of-mouth recommendations are made online[32].

Baby boomers are often referred to as the "TV generation," as they were the first generation to come of age with television in the home. Online, video is gaining "prominence as a source of news, entertainment, sports, and user-generated content, among other media types[33]" for boomers. Our own research found that this sentiment also translates into an affinity for rich media content, especially when it's used to assist or entertain the user.

Boomers are also beginning to bridge the gap between the ever-expanding channels of social media. The Pew Internet and American

*Please note that multiple responses were allowed.*

Life Project concluded that boomers are more like younger age groups than they are like seniors when it comes to user-generated content, being more likely to pursue a broader range of activities online and to experiment with newer online pursuits, such as blogs and social networks.

When boomers do participate in social media, they are currently more likely to be passive participants, reading blogs and reviews as opposed to actually posting a comment and blogging themselves. In fact, in a given week, 27 percent of boomers read blogs, while only 7 percent actually blog[34].
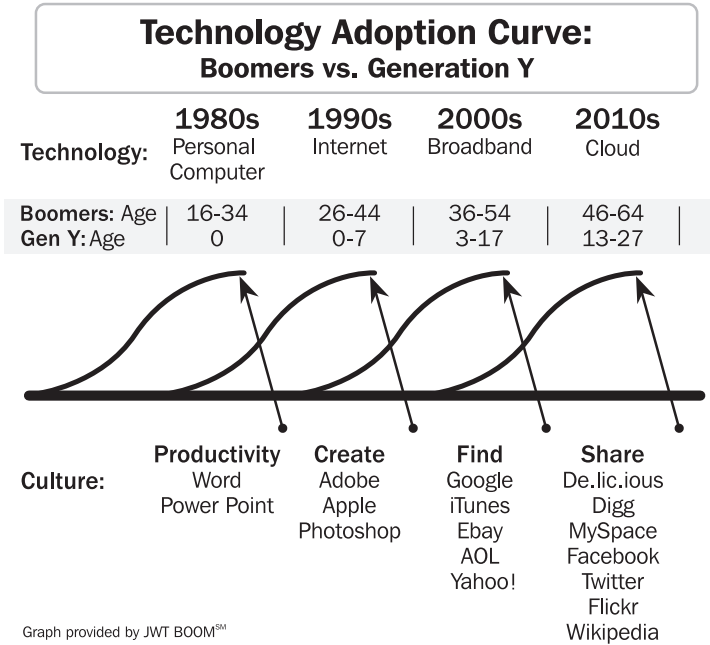
But even though boomers are closer in usage to younger users than to seniors, they are not adopting social networking (MySpace, Facebook, and the like) as rapidly as their younger counterparts. However, looking forward, eMarketer predicts that more than 50 percent of the U.S. adult population will use social networks by 2011, compared to 37 percent in 2008[35].

What's important to for us to understand from these statistics is that, while boomers may lag behind younger age groups in their adoption of a specific technology, boomers will generally follow suit soon afterwards. Consider these trends:

- Although their Instant Messaging (IM) usage has not nearly reached the saturation levels common among teenagers and younger adults, it is rising in popularity among boomers. This trend is most likely driven by boomers' desire to keep in touch with their younger family members.
- 79.5 percent of boomers own mobile phones, but their daily mobile Internet access is similar to younger users — across all generations it's less than 5 percent[36]. (However, I expect this to rapidly change as devices like Apple's iPhone and the Google phone become more mainstream.)

- Boomers, like the majority of all Internet users, say they do not use RSS[37]. (However, I should note that most users — regardless of age — often do not even realize when they are consuming RSS content. They simply know that their news headlines are being updated.)

A general misconception might be that older adults' slightly slower adoption rate makes them poor candidates for digital marketing. But it's important to keep in mind that current adoption rates do not necessarily reflect the true potential of any given technology or technique.

## Technology Adoption Curve:
### Boomers vs. Generation Y

| | 1980s | 1990s | 2000s | 2010s |
|---|---|---|---|---|
| **Technology:** | Personal Computer | Internet | Broadband | Cloud |
| **Boomers:** Age | 16-34 | 26-44 | 36-54 | 46-64 |
| **Gen Y:** Age | 0 | 0-7 | 3-17 | 13-27 |

| | Productivity | Create | Find | Share |
|---|---|---|---|---|
| **Culture:** | Word Power Point | Adobe Apple Photoshop | Google iTunes Ebay AOL Yahoo! | De.lic.ious Digg MySpace Facebook Twitter Flickr Wikipedia |

Graph provided by JWT BOOM[SM]

In fact, current adoption rates show just the opposite, exemplified by the above technology prediction curve. For example, boomers may have been slower to initially adopt email or use search engines, but today, email is the primary way boomers stay in touch with friends and family online. In addition, search is one of the

most popular ways boomers seek out information online. On any given day, 46.5 percent of Generation X and Y use search, with boomers not far behind — 38 percent use a search engine daily[38].

Because boomers tend to follow suit with the technology adoption of younger generations, marketers may be able to leverage this slower adoption rate to predict future technology usage more accurately. Marketers can also prepare for an oncoming shift in usage by evaluating the current state of younger demographics.

## Where, What, and Why?

Another common misconception about boomers' Internet usage is that they are going to different places than other age groups. Actually, our research finds that the places they are going are not that different from younger audiences, from categories of websites to specific Web properties. (For more on our research, see the appendix titled "Where Are They Online?")

So is there any value in knowing where baby boomers are online? Of course, especially for the sake of media planning. But just knowing *where* boomers are online and even *what* they are doing isn't enough. Effectively crafting boomer marketing campaigns also depends on understanding *why* they are online. We need to understand what is motivating their behavior and how to engage with them. We can then leverage a deeper understanding of boomer consumers to actually *influence* their actions.

One of the things Jonathan and I wrestled with when we began studying the boomer markets was figuring out what these consumers were doing differently online that warranted a special

approach. What we quickly learned is that, at first blush, where boomers were going and what boomers were doing online did not seem that unique. But beyond the easily observed there are some very important differences in how they go about making decisions online. Herein lies what we believe to be one of the greatest opportunities on the Web.

So where do we begin? With a need to do things differently.

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**The Take-Away**

For the first time in history, the majority of the U.S. population is over age 40, a direct result of the aging boomers. When it comes to this new consumer majority's spending habits, they are vibrant, informed, and are in or about to enter their peak spending years. In addition, boomers are experiencing numerous concurrent life events like no other generation before, giving them more reasons to use the Internet — creating all the more potential for marketers to extend their brand's influence to effectively connect with them online.

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# Chapter 2:
# The Need to Do Things Differently

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*"Gonna change my way of thinking, make myself a different set of rules. Gonna put my good foot forward, and stop being influenced by fools."*

– Bob Dylan, *"Gonna Change My Way of Thinking"*

As I suggested in Chapter 1, we need to reconsider some of today's conventional marketing strategies if we want to successfully engage boomer consumers online. It's time for that makeover.

Boomers (and older adults in general) see life through different lenses than younger adults and have become disenchanted with traditional marketing approaches. A recent poll conducted by Harris Interactive found that nearly two-thirds of people believe that television programming and advertising is targeted at those under age 40[39]. And, according to a study by TV Land, more than one-third of boomers, representing more than 25 million people, are dissatisfied with the current state of marketing[40].

Advertising messages continually disenfranchise boomer consumers in a number of ways. First, marketing messages fail to connect with boomers as the vibrant consumers they are today. Advertising is an industry dominated by young professionals,

whose naturally biased views of older adults are often reflected in the marketing messages they create for boomers.

In addition, today's marketing approaches often deliver fragmented, transaction-obsessed messages that fail to understand the factors that drive human behavior. Sometimes marketers deliver successful campaigns (which encompass the appropriate mix of creative, strategy, and technology), but then fail to understand why it worked so well. What's more is that they lack a repeatable, systematic framework to reproduce it.

In other words, conventional marketing lacks three key ingredients:

- A deeper understanding of human behavior

- A holistic measurement of marketing effectiveness

- A framework for replicable success

Let's take a quick look at each ingredient now and then explore them in greater depth throughout the rest of *Dot Boom*.

## Understanding Human Behavior

Baby boomers have and probably always will be grouped together simply because of the high birth rate between 1946 and 1964 — but don't make the mistake of thinking that all boomers are alike just because of their similar birth years. At this stage in their lives, boomers are experiencing more significant life events simultaneously than any other generation. It is this characteristic that makes targeting boomers both lucrative (change equals opportunity) and difficult.

The fact is that regardless of our life events, and to some extent, regardless of our age, *all humans* have certain basic needs we are trying

to fulfill[41]. And it is the drive to meet these needs that motivates our behavior. We can't help it. It's natural. However, people of different ages will go about fulfilling their needs in different ways. You, me, and everyone we know will make conscious decisions about how we meet our needs, which are often influenced by our age.

By determining what needs a person is trying to fulfill and showing how your brand can help meet those needs (in whatever manner consumers are trying to fulfill them), you can more effectively target today's boomers. It is this aspect of the aging boomers that makes a unique marketing approach critical.

This approach, called Developmental Relationship Marketing or DRM (developed by human behavior expert David Wolfe), helps us, as marketers, reach aging consumers on a deeper, more meaningful level. By understanding the most basic motivators of behavior, the marketing messages you develop appeal to consumers' basic human needs, not simply their life events, age, or actions.

In Section 2 of this book, we'll explore the DRM approach and present you with proven methods to help you move toward addressing the *motivation* behind the boomer consumer's buying behavior.

As important as it is to understand human behavior and consumer motivators, effective online marketing requires more. It requires a different way to measure and monitor the success of our efforts.

## Holistically Measuring Marketing Effectiveness

For years, marketers have lived and died by metrics such as cost-per-sale, cost-per-acquisition, and cost-per-lead. Quite frankly, the beauty and the bane of the Internet is that it has made it possible to add even more measurements to this list (such as impressions, hits,

clicks, and conversions) and allows these metrics to be monitored more precisely. Unfortunately, the very things that have helped marketers prove their value has also led to a decrease in marketing's overall effectiveness.

When comparing trends in overall productivity costs for U.S.-based corporations, marketing is the only operational area where costs have risen over time while effectiveness has decreased. In other words, while the manufacturing and administration departments have generally been accomplishing more with less, marketers are actually spending *more* money and achieving *less-effective* results. Why? Because marketing, especially online marketing, has continued to define success in a narrow and overly transactional manner.

When the Internet first became a viable marketing medium, marketers measured the success of our websites and online campaigns simply based on the number of hits or impressions we received. But we all know that the number of times an advertisement is seen is not a good indicator of how well a campaign is working. It really is just a decent measurement of how thoroughly an advertising agency spent an intended budget. This metric falls far short of determining how effective a website or an advertisement is because it does not provide any insight into whether a particular hit or impression resulted in a meaningful action.

Online, the majority of marketers have moved beyond measuring hits and impressions to measuring unique visitors and clicks. Now we can tell how many people are visiting which pages of content, how long they spend there, and the path they take to navigate through a site. However, just like hits and impressions, these measurements provide little insight into what actually motivated the person's behavior. Even other metrics like "time on site" or "average page views" provide limited insight about the person and his or her intent

and level of active interest. One of my favorite quotes is from Albert Einstein, who says it well: "Not everything that can be counted counts, and not everything that counts can be counted."

I agree that each of these metrics does provide some valuable information, however, they all focus on a single action, usually, the last action a user took. This singular focus on improving only the advertisement that leads to a conversion is often referred to as the "Last Ad" trap.

## The Last Ad Trap

In the Last Ad trap, marketers attribute a customer's successful completion of an action solely to a single touch point before the action occurred. For example, a consumer will often click on a banner ad, go to a website, and then make a purchase. The trap that marketers can easily fall into is attributing 100 percent of that conversion to the last ad clicked, thus investing a significant portion of their budget to optimize that one ad — a narrow and solely transactional definition of success.

The problem with this approach is that it does not account for anything the user did *before* he or she clicked on the ad. It does not consider that the user may have visited the company's website before, heard about the company through blogs, received emails from friends about the product, and so on. Instead of considering the holistic impact of the customer's exposure to the brand, the Last Ad trap only considers the effectiveness of a single marketing touch point.

Of course, optimizing ads so that more people are motivated to take action still plays an important role within the larger context of

a campaign. However, focusing only on a single ad that delivers the highest conversion rate is like planning a battle and only focusing on the bayonet thrust. It's important, but when planning a campaign for your product you need a more comprehensive, overarching strategy — a strategy that delivers a cohesive experience. Otherwise, the Last Ad trap simply creates an ever-increasing number of disjointed, fragmented campaigns that fail to connect with the more holistic worldview boomers are adopting as they age. (I'll talk more about this concept in Section 3.)

Remember, boomers will often visit a website and fill out an online form, but they are just as likely to get the phone number from the website and call a company's office. Boomers will often read a blog, but won't necessarily post a comment. And boomers often participate in word of mouth by forwarding an email to a friend, after they've read it themselves. However, if you only track the form submission, the comments, or the email open rate, you are not gauging the true effectiveness of your efforts. How then do you reflect the cumulative effect of the multitude of consumer touch points when planning your marketing campaigns?

At Immersion Active, we use a more boomer-friendly measurement of advertising effectiveness — a measurement we call *Meaningful Online Engagement*. For us, Meaningful Online Engagement is a way to measure the effectiveness and value of the sum of all marketing efforts. It means not only considering how many visitors, how many pages they click on, how much time they spend on those pages, and what actions they take, it also means identifying how invested a person is with regard to a specific topic at a particular point in time. Instead of being a single factor that you can measure and monitor, it is a combination of a variety of activities and factors that determine an overall level of intensity.

This intensity is topic-specific and focused on meeting a specific *basic human need*. Once you know how consumers are engaging in this regard, you can then focus your campaign on inserting your brand into these engagements (like a character in a play) with the intent of inspiring the influencers.

In Section 3 of this book, we'll delve into Immersion Active's definition of online engagement specific to baby boomers, which expands on the DRM approach, to provide insight into how the sum of consumer engagements can be monitored and measured.

## Establishing a Framework for Replicable Success

So, even if you gain an understanding of the basic needs driving human behavior and you take a more holistic, engagement-based approach to creating and measuring your marketing campaigns, how can you deliver successful marketing campaigns over and over again?

We've occasionally heard successful marketing described as "a crap shoot," but we recently heard a better gambling analogy: Today, campaign planning is a bit like playing a slot machine. If you can get the perfect alignment of creative development, media planning, and interactive implementation (i.e., all your cherries line up), you hit the jackpot. Otherwise, you have to keep dropping your money in and pulling the lever, hoping to hit the right combination. In other words, you're counting on luck.

Too often, marketers do not approach campaigns with a framework that considers the efficient integration of the creative, the media through which it will be delivered, and the interactive technology used to deliver it. Instead, the creative is often developed

by one department, which then sends it to another department (or another agency entirely) to handle the media. Yet again, someone else determines how that creative is going to be delivered via which technology.

Often, technology can negatively impact the creative, and vice versa. How many times have you heard someone in your technical department say, "We can't do that because…"? Or, because certain technologies, such as blogs, social networks, or widgets, are hot, the campaign is developed around those technologies without aligning them with the overall strategy. As Steve Jobs once said, "Design is not just what it looks and feels like. Design is how it works." (That will be my one Steve Jobs reference, I promise.)

Although it is often the case, the problem isn't only that distinct departments are not working together. The larger issue is that many marketers are faced with a disparate group of skill sets that have no process for working in harmony. Generally, creative development, media planning, and interactive considerations do not come together seamlessly, as they should for cohesive campaigns.

And even when a campaign *is* successful, marketers can rarely provide a definitive conclusion as to why it succeeded, thus significantly decreasing their chances of replicating that success in the next campaign.

To address this problem, we've created a model based on our Meaningful Online Engagement definition — a strategic planning framework that merges creative, media, and interactive elements into an integrated approach to engaging boomers online. It is the combination of three strategies, each of which build off of the other, that enables you to create campaigns that encompass a thematic online experience for your brand. (Otherwise it's just a gamble.)

**The Take-Away**

To successfully appeal to baby boomers, marketers need to have a deeper understanding of human behavior, a more holistic measurement of marketing effectiveness, and a framework for replicating success. In short, DRM and Meaningful Online Engagement offer the solution to these problems and make it possible to more effectively connect with boomer consumers in today's aging, yet vital society.

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