



age of majority

# The Massive Growth Opportunity That Marketers Are Missing

This seminal research from consultancy Age of Majority substantiates the extent to which mature consumers remain misunderstood and overlooked by marketers, who are fixated on targeting youth.

The study surfaces a simple and powerful question to marketers: if you knew your brand was leaving millions of dollars of potential revenue on the table, would you do something about it?

## Approach

With a hypothesis that marketers disproportionately invest in youth under false assumptions about aging shoppers, Age of Majority embarked on a national online study weighing marketer assumptions and practices against American consumer attitudes and behaviour. The study sampled a cross section of adult consumers and sales and marketing decision-makers spanning different ages and 18 product and service categories.

As predicted, this comparative approach exposed significant gaps between marketer perceptions and practices and actual consumer beliefs and shopping habits; contrasting attitudes between different age groups also reinforces broader societal biases toward aging.

The results are potentially eye-opening for marketers, and offer direction for better engaging the large and growing population of active aging consumers.

## Methodology

In August 2017, online surveys were conducted among 1,284 randomly selected American adults and 202 US brand-side marketing & sales decision-makers. The margin of error is +/- 2.5%, 19 times out of 20; discrepancies in or between totals are due to rounding. The poll was conducted by Blink Insights, on behalf of Age of Majority.

## Topline findings

- Marketers have a strong fixation on millennials and youth, with younger marketers, especially, bringing societal biases and age-related stereotypes to work. This contributes to significantly overestimating millennial spending power and underestimating the value of consumers 55+.
- There is a significant misalignment between how marketers prioritize spending against younger and older consumers and the actual expenditures of those groups.
- Incorrect marketer assumptions about consumers have contributed to a high level of dissatisfaction among consumers (especially older consumers) regarding how they are marketed to.
- Marketers express a desire to better market to aging consumers, but do not appear to possess the requisite understanding to effectively pursue growth with the 55+ audience.
- Based on the true spending power of consumers 55+, failing to deliberately pursue these shoppers means marketers are collectively leaving nearly three trillion dollars of revenue on the table.

**89% of marketers under 35 think that people over 50 are less digitally savvy or engaged.**

**Only 26% of consumers over 50 agree.**

(Source: Age of Majority Research 2017)

## Expanding on key themes

### Marketers bring societal biases and stereotypes around aging to work

Society, in general, has a strong fixation on youth; and most media and marketers follow suit, clamouring over millennials and Gen Z. According to Google, in 2016, there were about 3.5 times more articles mentioning 'millennials' than 'baby boomers'.

The Age of Majority survey revealed that 9/10 (86% of) marketers overestimate how much consumers under the age of 35 spend, by an average of 23% across all categories. Meanwhile, three-quarters (72%) of marketers underestimate how

much consumers 55+ spend, by an average of 10% across all categories (Sources: Age of Majority Research 2017; United States Census Bureau 2016).

The bias toward investing in youth and away from the mature market reveals itself early in the marketing planning process, where one in five (20% of) marketers do not even include consumers 55+ in their marketing research or creative briefs.

Marketers under the age of 35 years old were found significantly more likely than

older marketers to underestimate, ignore, under-invest in, and unfairly stereotype consumers 55+ (see chart below).

Should we be surprised by the prevailing biases and stereotypes around aging? Perhaps not. Consider that while 42% of the US population is over 50 years old, only 6% of the advertising industry is made up of people over 50 years of age (Source: Institute of Practitioners in Advertising, 2016).

**% of audience who believe stereotype to be true**

The Stereotype	Marketers Under 35*	Marketers (all)	Consumers 18-34	Consumers 35-54	Consumers 55+
People over 50 are <b>more brand loyal</b> (less likely to switch brands)	91%	92%	64%	51%	46%
People over 50 are <b>less digitally savvy</b> or engaged	89%	81%	48%	31%	26%
People over 50 <b>spend less</b> money than younger groups	66%	58%	31%	28%	26%

(Source: Age of Majority Research 2017)

### \*The influence of young marketers

Considering the bias revealed among marketers under 35 years old, it is worth noting their high level of authority. Marketers under the age of 35 (28%) were twice as likely as those 55+ (14%) to report having North America-wide sales and marketing decision authority; marketers under the age of 35 were slightly more likely than older marketers to report having global sales and marketing authority.

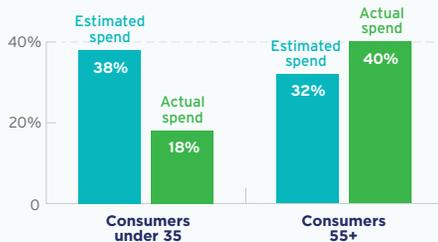
## Marketer investment in mature consumers doesn't match the market opportunity

Erroneous assumptions regarding mature consumer spend and the gross overestimation of millennial spending power also reveals itself in ad spending. Marketers surveyed tend to overinvest in the under 35 group by an average of 20% and to underinvest in the Gen X and 55+ groups by 13% and 8% respectively, when you contrast distribution of marketing investment against actual consumer spending data.

The tendency to overlook the mature consumer is reinforced by Nielsen data showing that, despite representing more than 40% of all consumer spending, consumers 50+ are the target of only 10% of US ad spending.

### A tale of two realities

Contrasting marketer estimated % consumer spending vs. actual % consumer spending, by age group



(Source: Age of Majority Research 2017)

## Older consumers feel marketers are doing a poor job of engaging people their age

With apparent stigmas against aging consumers and little marketing investment in older demographics, it is no surprise that the Age of Majority research found that the older the consumer, the less likely they feel marketers do a good job of engaging people their age.

Across all categories, nearly half (49%) of consumers under 35 think marketers are doing a good job, yet only a third (36%) of consumers 35-54 and only a quarter (27%) of those 55+ agree this is true.

### A lack of engagement

Top 5 categories where consumers 55+ were **far less likely than younger groups** to say marketers are doing a good job engaging them.

1. Technology
2. Alcohol
3. Footwear and Apparel
4. Entertainment and Recreation
5. Food and Non-alcoholic Beverages

Among reasons consumers said categories do a poor job engaging shoppers of their age, products and services failing to meet their needs was their #1 reason, with over half (55%) of all consumers

(and 64% of those 55+) identifying this as a problem. Meanwhile, over half of mature consumers, especially women, named 'their ads don't include people like me' among issues with marketing.

**The point?** The fix requires more than an ad campaign with grey hair; for most brands, effectively engaging older audiences will require a better understanding of their needs on both a functional and emotional level.

## Marketers are effectively overlooking trillions in opportunity

### The math is rather simple:

Consumers 55+ spend \$2.9 trillion on products and services each year, more than twice that of consumers under 35 (\$1.4 trillion) and nearly as much as 35-54 year olds (\$3.1 trillion).

But with a disproportionately small amount of marketing spend directed toward the 55+ demographic (recall only 10% of ad spend on 40% of consumer spend), marketers are making little concerted effort to capture active agers' share of wallet – which represents trillions of dollars across all categories combined.

## Marketer barriers to targeting aging consumers are largely unfounded

It might be easy to draw the conclusion that marketers are disinterested in pursuing the 55+ consumer demographic, but Age of Majority research suggests this is not the case. Four out of five marketers (84%) reported they want to target consumers 50+ more effectively than they do today and almost as many (79%) agree that consumers 50 and older are a growth priority for their business.

**The good news?** Age of Majority research revealed that perceived barriers to better engaging older consumers are largely unfounded.

Marketer Perception	vs.	Reality   Consumer Insight
<b>Older consumers spend less</b> 58% of marketers believe that consumers 50+ spend less than younger groups.		Consumers 55+ represent 40% of all consumer spending vs. 42% for consumers 35-54 and only 18% for consumers under 35.
<b>Older consumers won't switch brands or are too brand loyal</b> 92% of marketers believe consumers 50+ are less likely to switch brands.		On average, across categories, more than half (52%) of consumers 55+ vs. 61% of consumers under 55 are open to switching brands next time they shop; the desire to 'try something new' drives over half (55%) of consumers 55+ to try new brands.
<b>Targeting older consumers could alienate younger consumers</b> 50% of marketers feel consumers under 35 will feel alienated if their brand targets older consumers.		Two-thirds (65%) of all consumers say that seeing someone much older in an ad would not change their likelihood to purchase; less than half (46%) of consumers under 35 would be less likely to purchase.
<b>Youth-size fits all</b> 65% of marketers believe that consumers under 35 set the trends for older consumers.		73% of consumers 55+ feel marketers are not engaging them effectively; fewer than half of Americans (48%) agree that people over 50 aspire to be younger or to stay young.

## Conclusion

Although the majority of marketers indicate a desire to more effectively capitalize on the mature consumer opportunity, they continue to operate under false assumptions and under-invest in this fastest growing segment.

A logical starting place for marketers who want to reach active aging consumers, is to evaluate their team and tactics against the misperceptions, stereotypes and perceived barriers that are holding them back. Mature consumers are spending and waiting for a reason to choose your brand. Given the significant 'size of the prize' for brands that identify and capitalize on products, services and experiences to better serve the active ager, better understanding of the mature consumer is an investment with nothing but upside.

If you're ready to seize your brand's Age of Majority opportunity, contact us or visit us online to learn how we can help you win with the active aging consumer.

## About Age of Majority

Throughout our collective management consulting, brand management and agency experience, we have observed a huge gap in how the market perceives, portrays and engages mature consumers. That's why we launched Age of Majority.

We're on a mission to break the myths and to crush the stigmas and stereotypes associated with aging and to help brands identify and exploit business opportunities to grow revenue and affinity with the mature consumer audience.

Find out more at [www.ageofmajority.com](http://www.ageofmajority.com)

**Age of Majority refers to the largest, wealthiest and fastest growing consumer cohort:**

The **mature consumer**, age 55+



**Jeff Weiss**

President and CEO

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As a Baby Boomer with over 30 years of marketing experience on both the client and agency sides of the business, Jeff has witnessed the dramatic changes of the aging population. In his experience of working for and with major brands including Pepsi, Gillette, Dannon, KitchenAid and Unilever, he understands why major brands and corporations are missing the boat on the over 55 crowd and he knows what's necessary to take advantage of this largest and fastest growing segment in business.



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A former management consultant and brand-side marketer, Jennifer is passionate about asking the right questions and using the right information to unlock winning business ideas that help brands drive affinity and growth with consumers. She's a millennial by the numbers, and an old soul at heart.