

billions in the balance

the value & spending
habits of marketing's
most valuable generation



the buying power of older adults

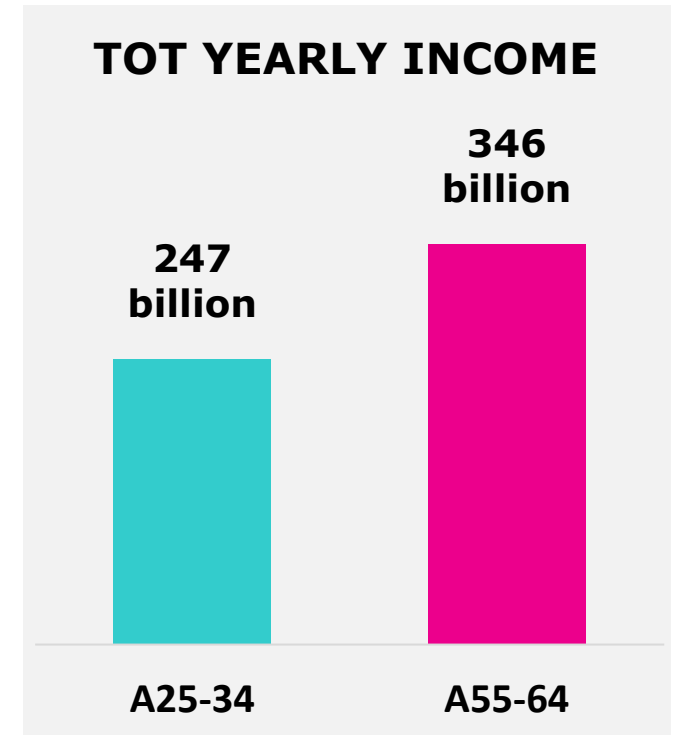
and why you need to keep marketing to them

The hype about millennials continues, but the reality is that while they are strong in numbers, they are much less impressive when it comes to buying power.

Adults 55-64 in Canada have an average yearly income of \$66,000, far exceeding the \$48,000 for Adults 25-34; their combined yearly income – **346 billion** – is **40% higher** than the sought-after Millennial demo.

Think you don't need to advertise to older adults? Think again: Without frequent reminders, the consumers you don't reach will stop reaching for you / your products.

Focusing on younger adults and ignoring the lucrative older adult group means leaving significant money on the table.



the different cohorts

millennials

Born: 1981-1996
Age in 2022: 26-41

generation x

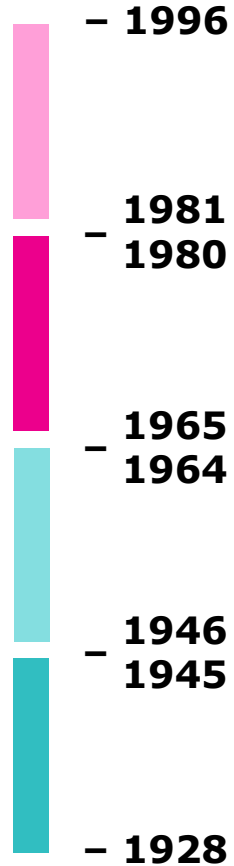
Born: 1965-1980
Age in 2022: 42-57

baby boomers

Born: 1946-1964
Age in 2022: 58-76

silent generation

Born: 1928-1945
Age in 2022: 77-94

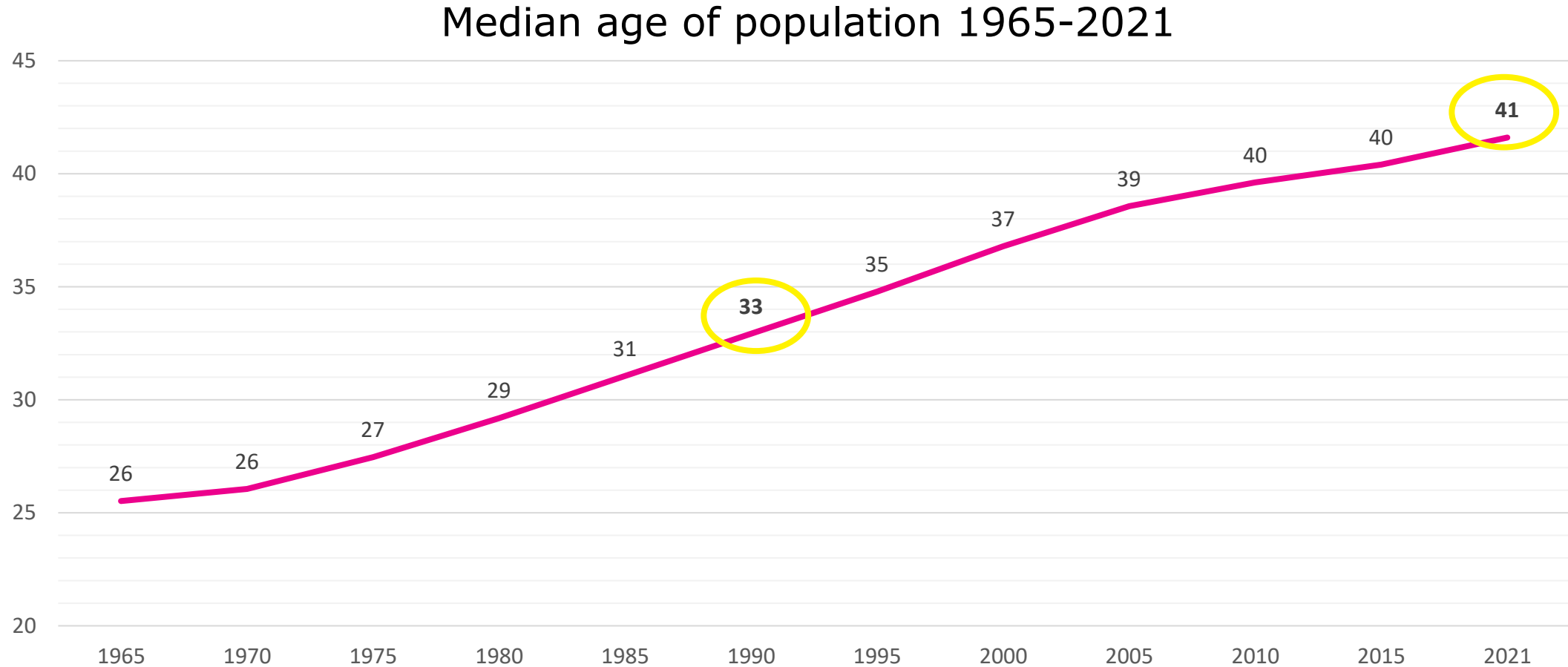


The Canadian population is getting older ... In 1990 the media age in Canada was 33 – today it's 41.

Millennials are now 26-41 years old, while Boomers are 58-76. The Boomers represent a larger cohort (span of 19 years) compared to Millennials (16 year spread), so to simplify our analysis – and compare equal-sized cohorts - the bulk of this presentation will concentrate on the younger end of both the Millennial and Boomer demos (A25-34 and A55-64 respectively).

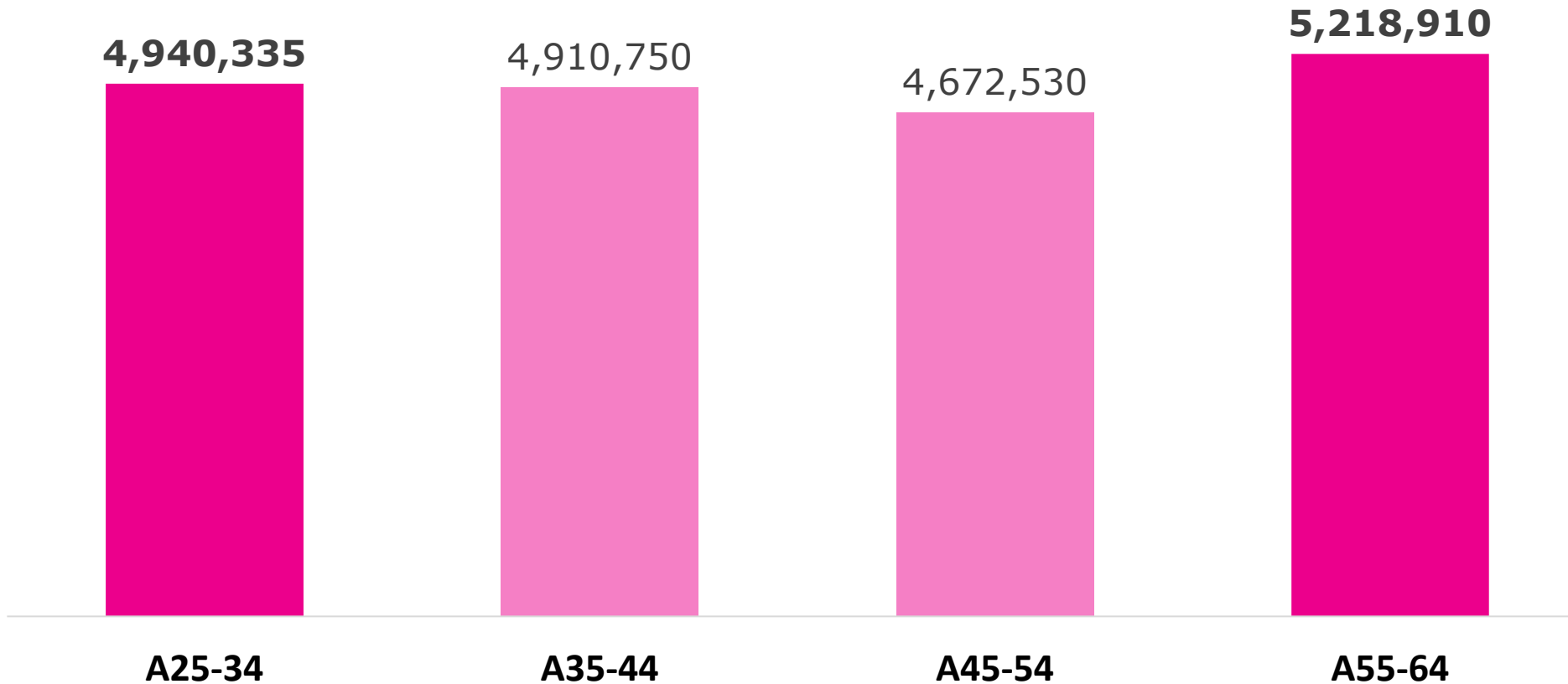
41 is the new 33:

Canada's median age is 8 years older than it was in 1990



while the population is spread out fairly evenly ...

Population of Canada

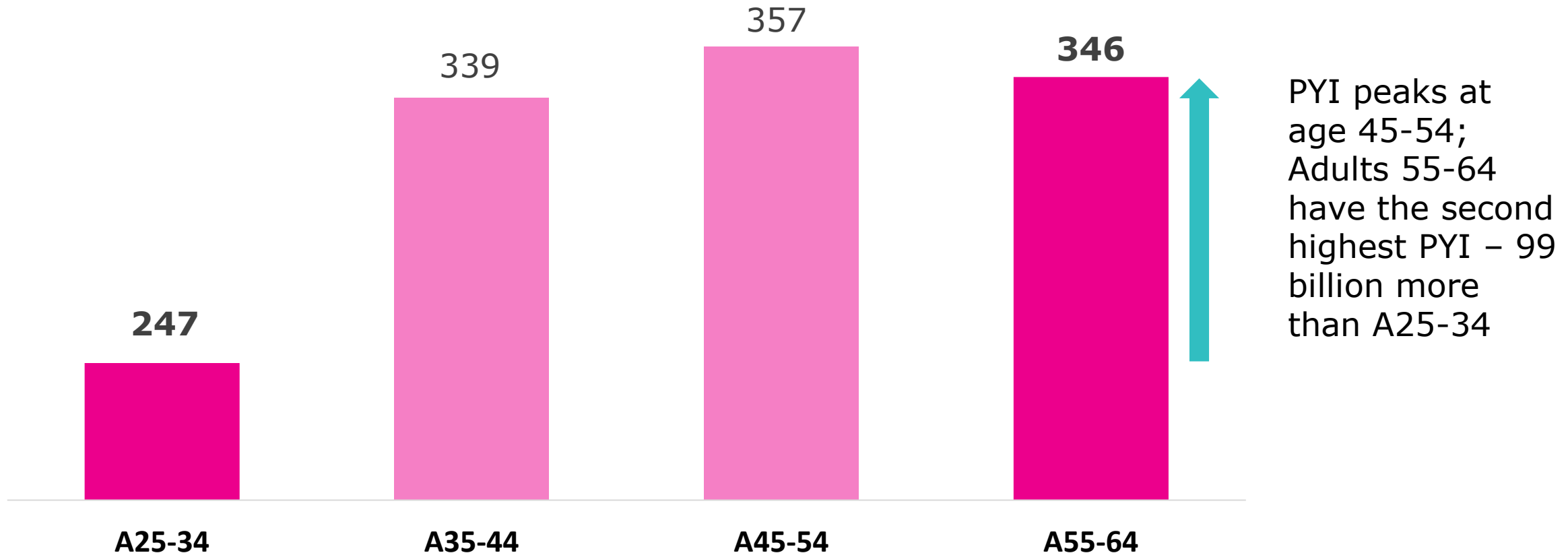


There are roughly the same number of Adults 55-64 as Adults 25-34

... income is not

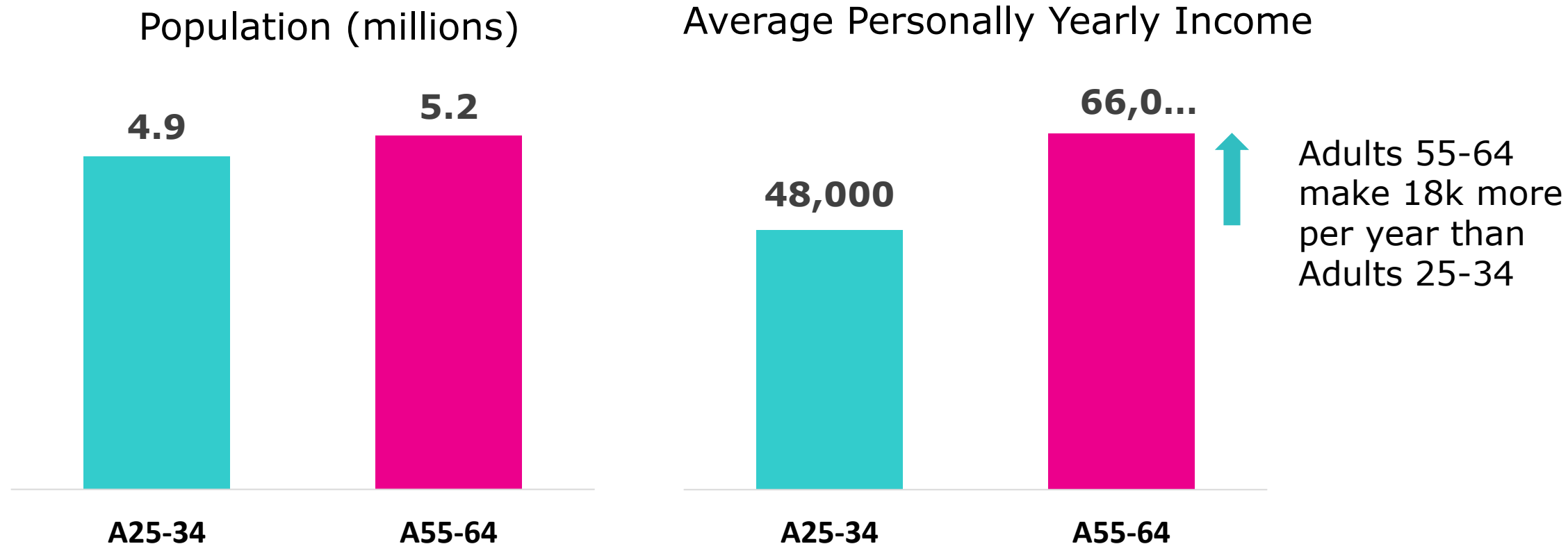
Adults 55-64 have **99 Billion more** in yearly income

Total Personal Yearly Income by age group in \$ billions



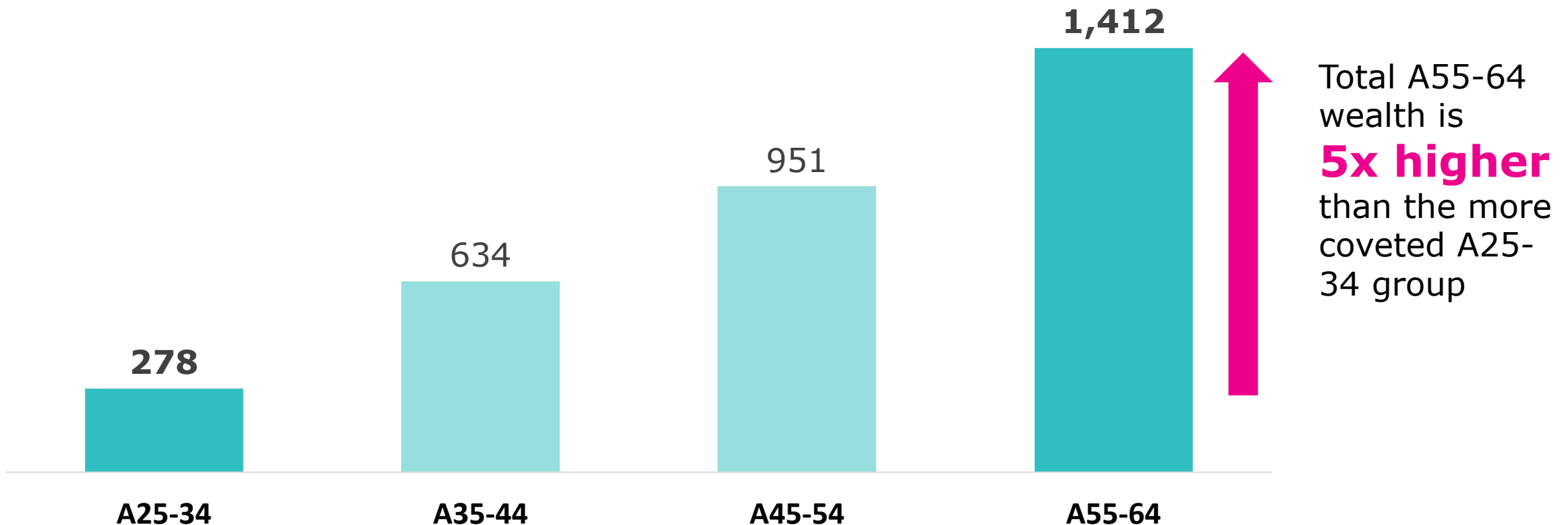
similar in size, but not in income

although similar in size, Adults 55-64 have a 37% higher yearly income than Adults 25-34



the difference in personal wealth is even bigger

Total Wealth by age in \$ billions





perception



reality

is marketing's "most valuable generation" also the most misunderstood?

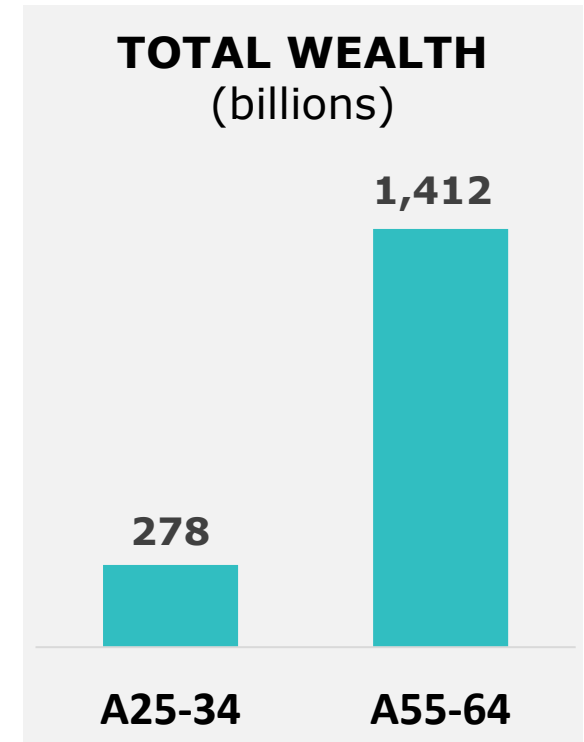
"Boomers" are "marketing's most valuable generation"*, spending billions of dollars across a huge range of categories – they spend close to 50% of all CPG dollars! – so why don't they get more of advertisers attention? Perhaps because we continue to market based on out-dated assumptions.

Boomer Myths:

- Boomers are saving, not spending
- Boomers don't work and aren't active
- Boomers are set in their ways and unlikely to switch brands

Boomer Truth:

- Boomers not only *make* the most money, they *spend* the most money
- Boomers work, work out, dine out, travel, drive and shop.
- Boomers are just as likely to experiment with new products, with brand loyalty levels equivalent to other age groups*. And like other age groups, they need to be reminded and encouraged to buy your products through frequent and compelling advertising.



older adults are no more brand loyal than younger adults



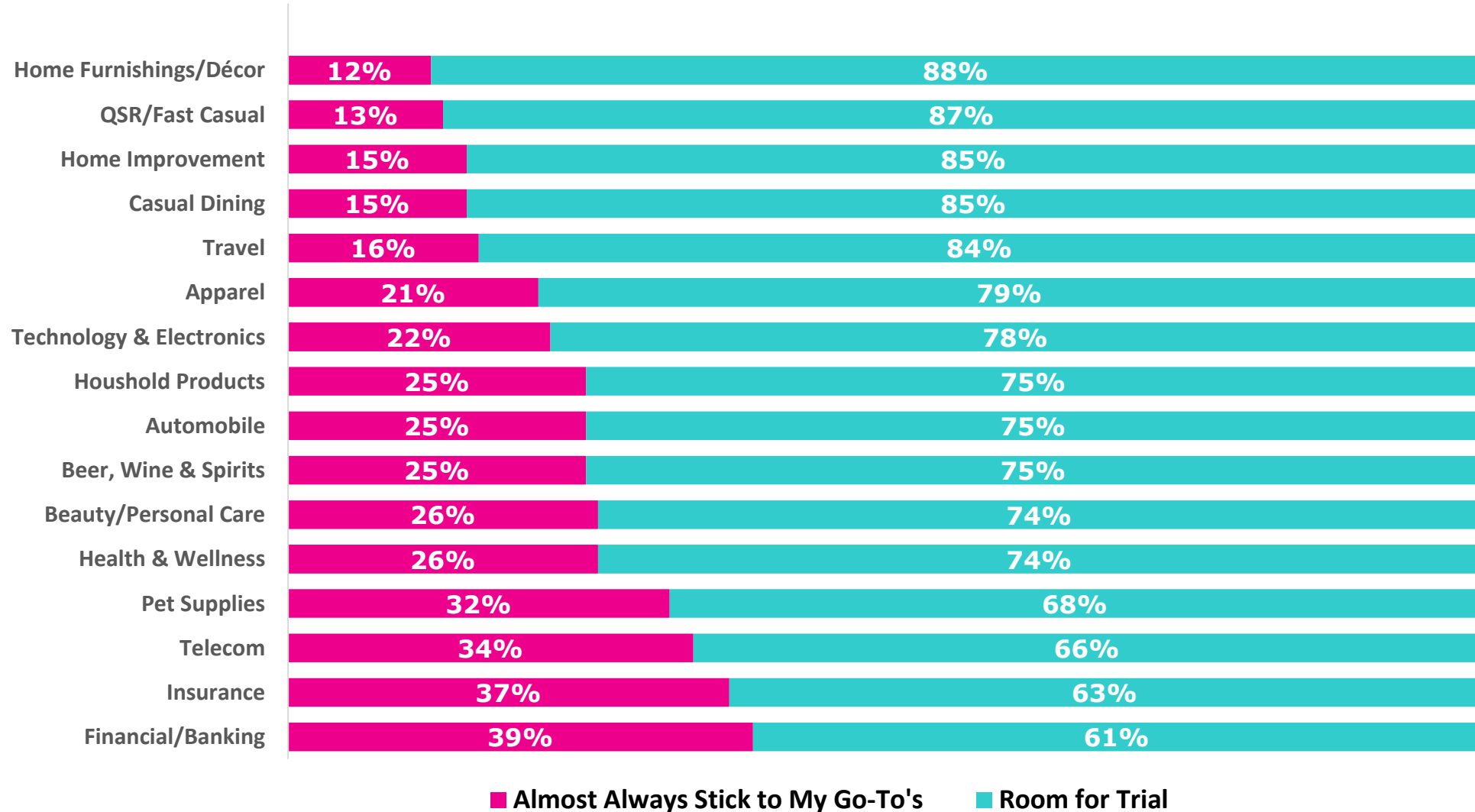
the brand loyalty myth



The stereotype that the older population is set in their ways, not interested in new products, are very price sensitive and unlikely to switch brands must be rejected.

More advertising needs to be directed at the older population: They are interested, active, and open to change. But they need to be *reached* to be *persuaded*.

older adults open to trying new brands



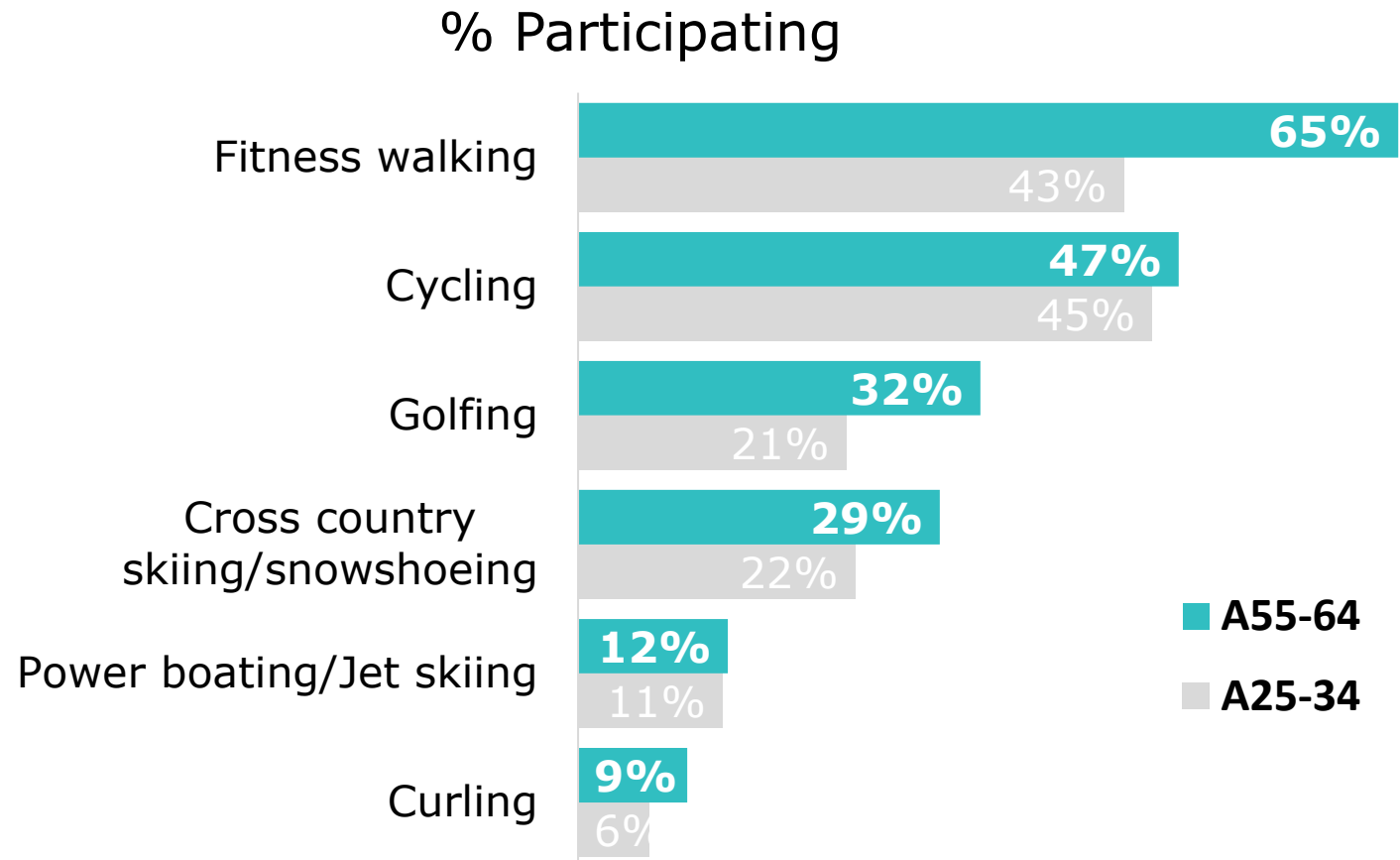
older adults are active & wealthy

The majority of older adults are still working, own their home, and have a huge amount of money at their disposal

"MILLENNIALS" A25-34	"BOOMERS" A55-64
\$247 billion in personal income annually	\$346 billion in personal income annually
investments/savings: \$278 billion	investments/savings: \$1,412 billion
29% own their home	86% own their home
81% work	60% work

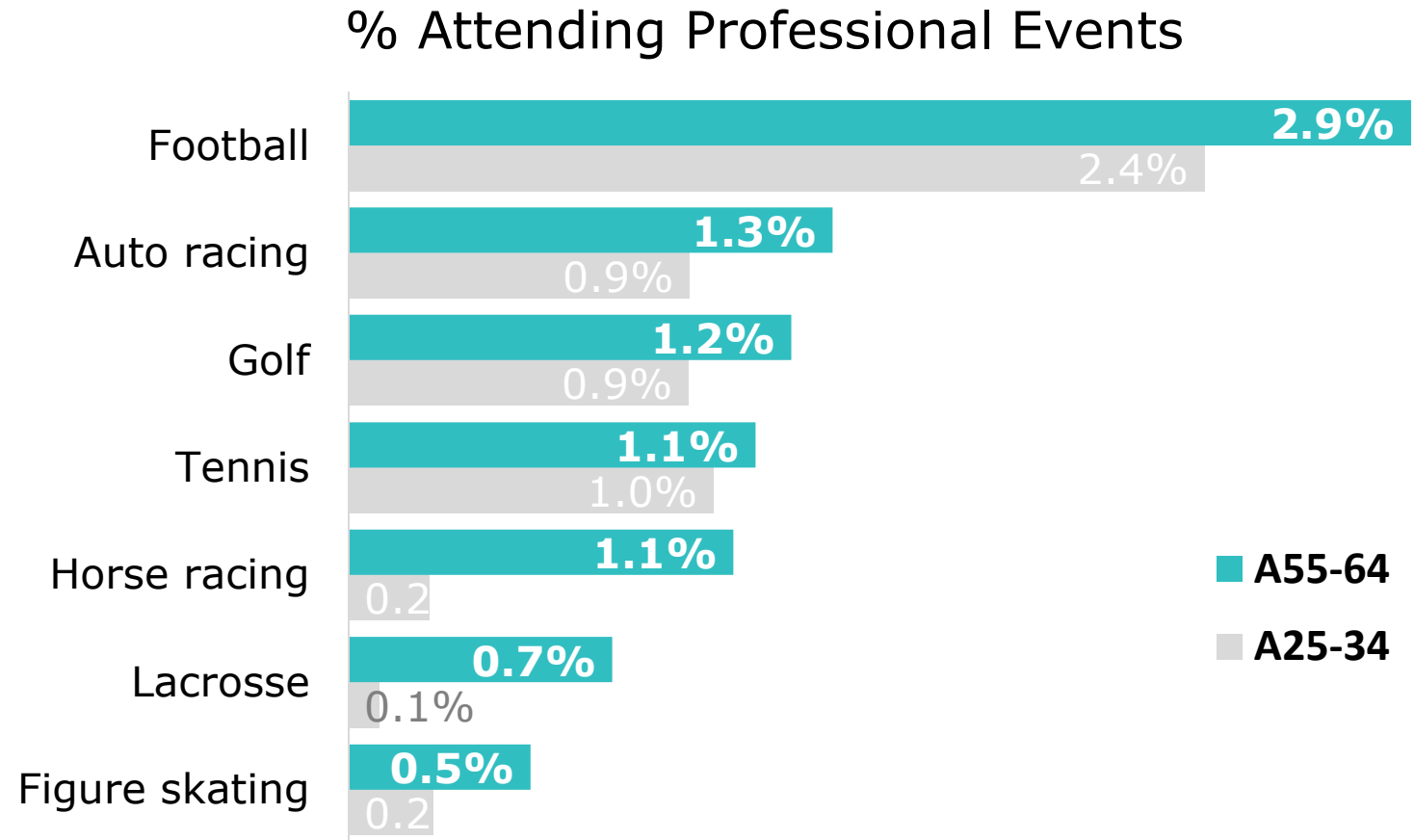
older adults are just as **sporty** as younger adults

Adults 55-64 are more likely to walk, cycle, golf and snowshoe than Adults 25-34



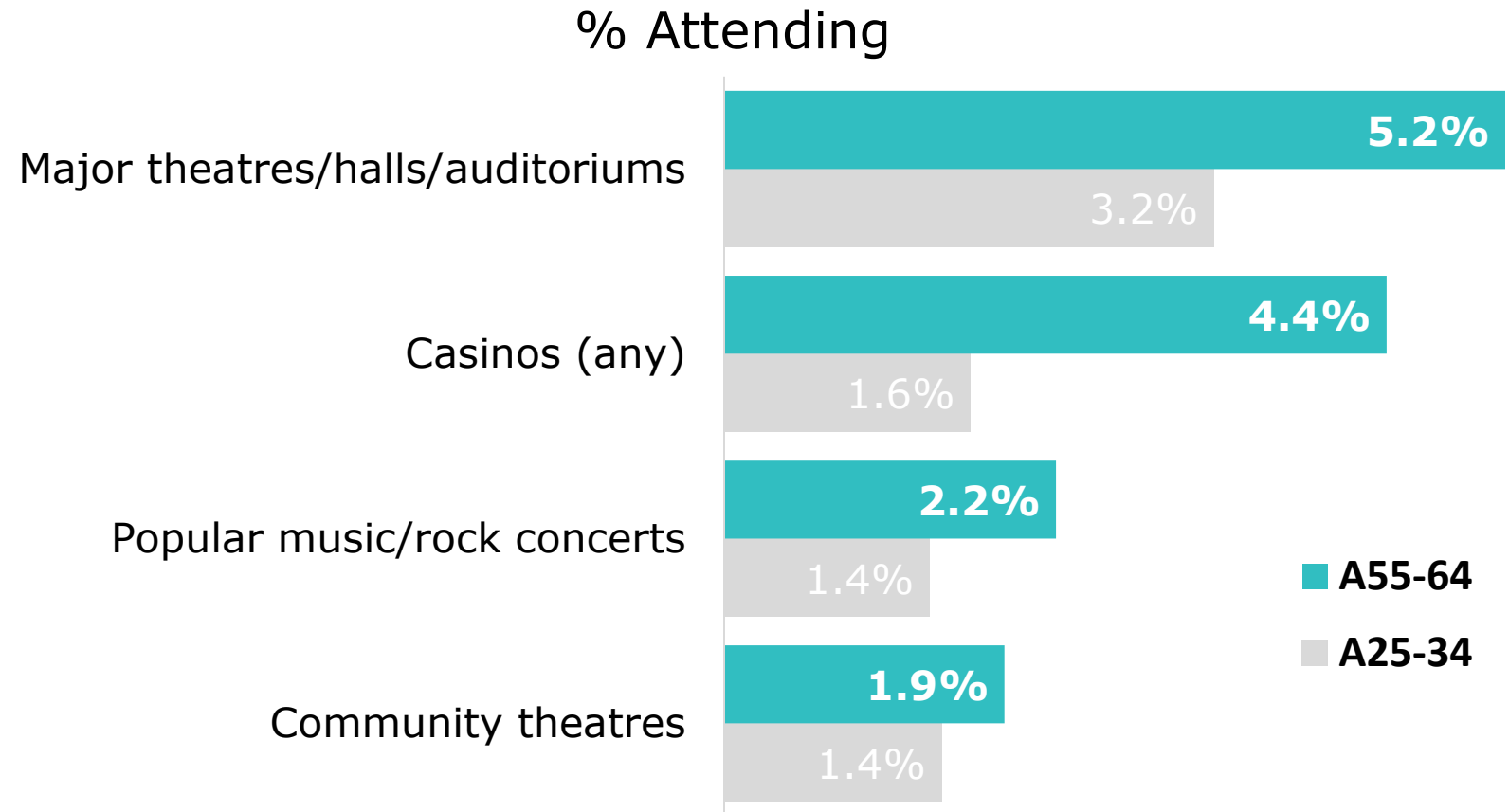
older sports fans are just as **avid** as younger fans

In fact, Adults 55-64 are more likely to attend a number of sports events compared to Adults 25-34



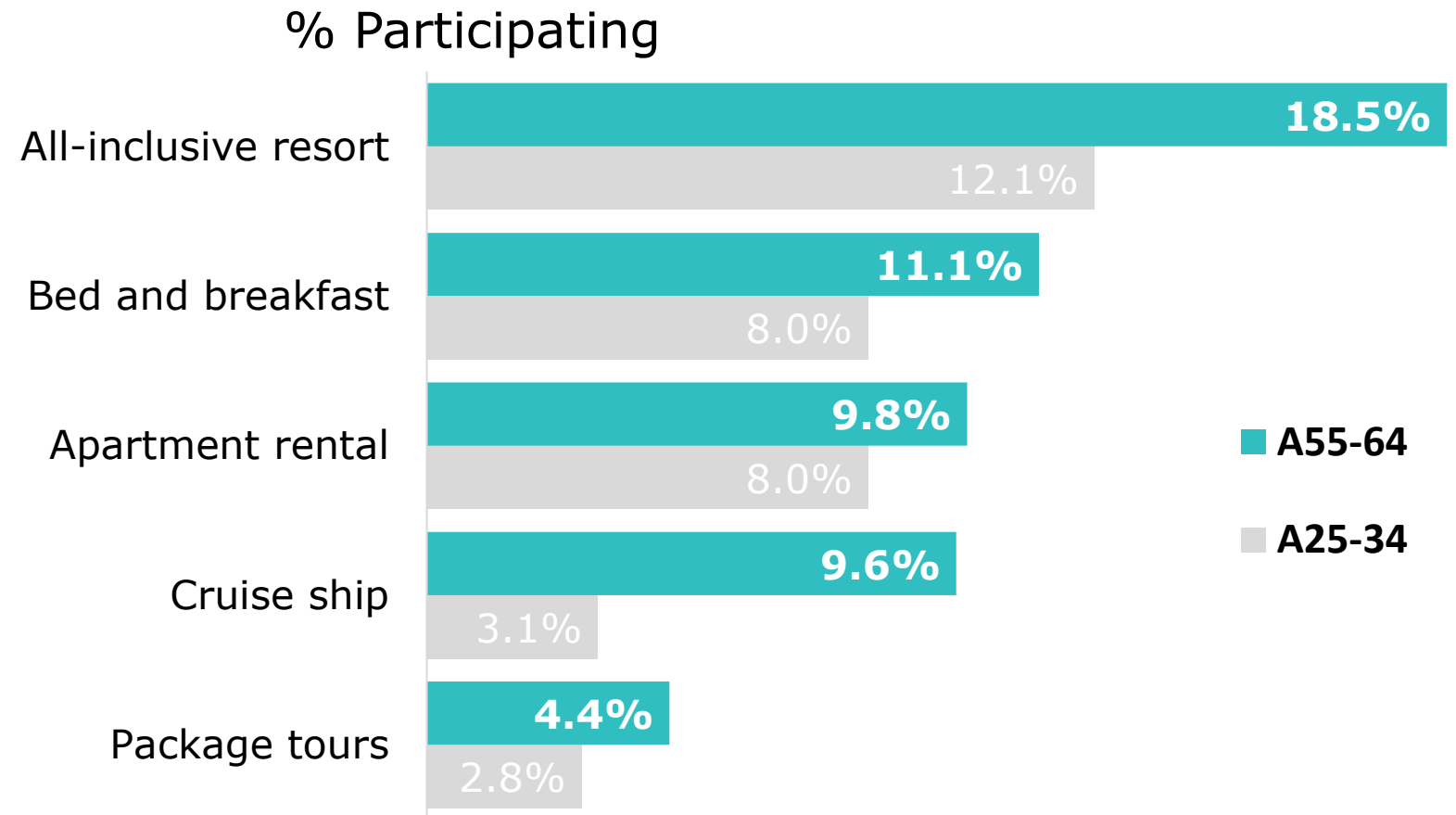
there are also many non-sports events that older adults enjoy more

Adults 55-64 are more likely to go to the theatre, a casino or a rock concert compared to Adults 25-34



older adults are actively traveling

Adults 55-64 are more likely to stay in an all-inclusive resort and go on a cruise than Adults 25-34





cashing in

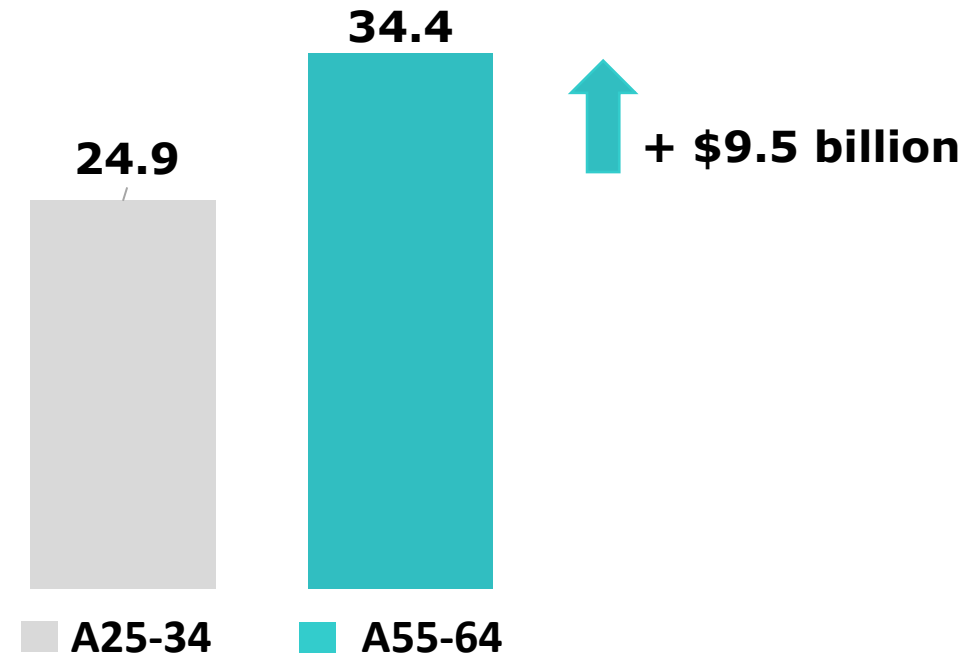
A55-64 spend \$34 B on groceries alone

Older adults spend significantly more than younger adults across a number of categories, starting with groceries

Older adults spend an astonishing **\$9.5 billion more** than younger adults on groceries

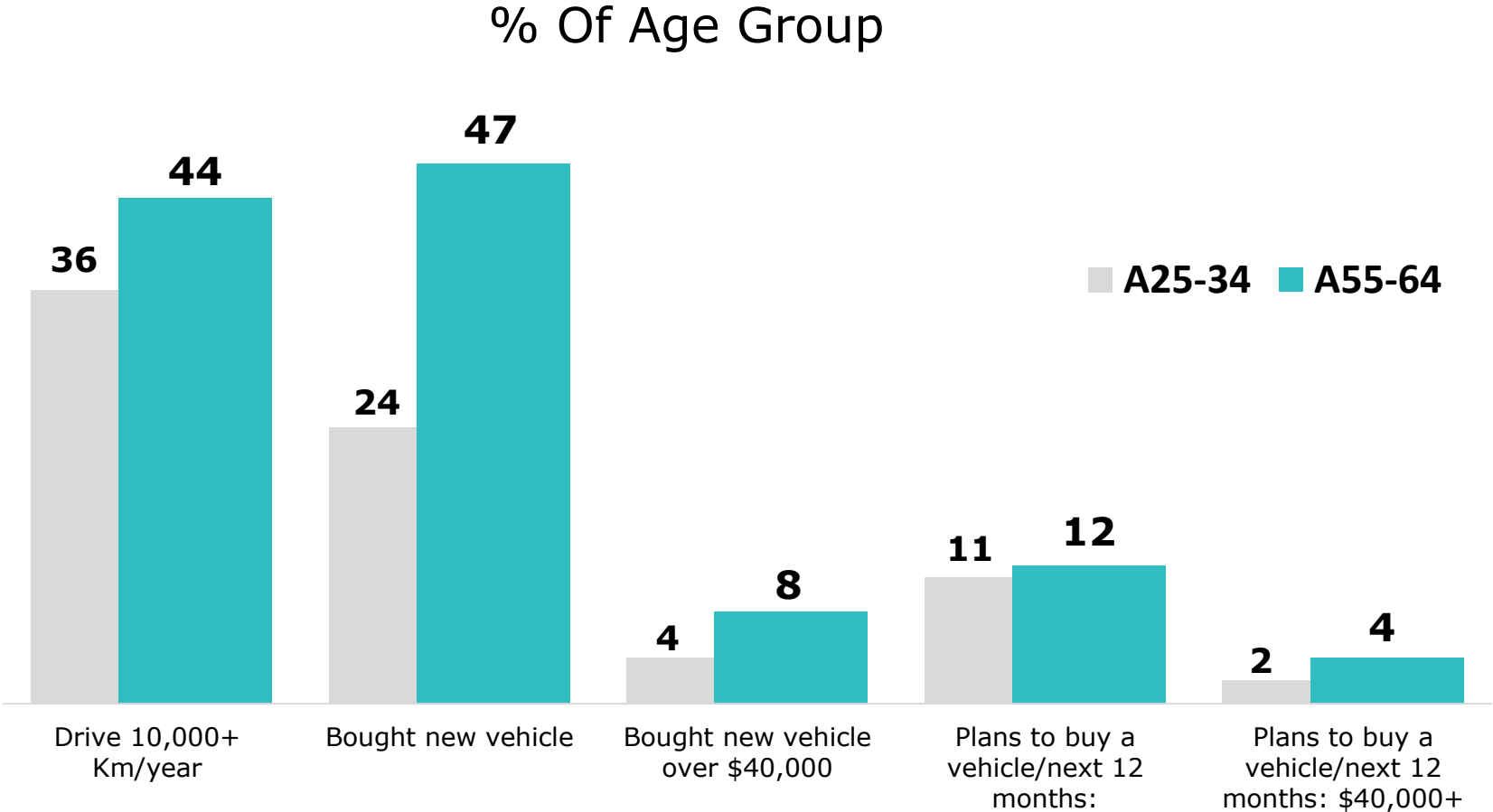


Annual Expenditures
in \$billions



older adults are much better automotive prospects

Older adults drive more and are more likely to purchase a new vehicle; **the average age of a new car buyer is 57***

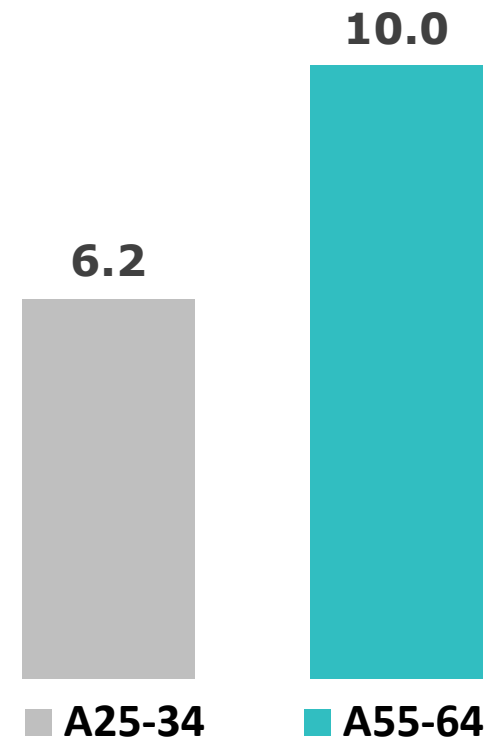


older adults spend a lot on **travel**

Adults 55-64 spent a cumulative **\$10 billion** on their last vacation - **60% more** than Adults 25-34

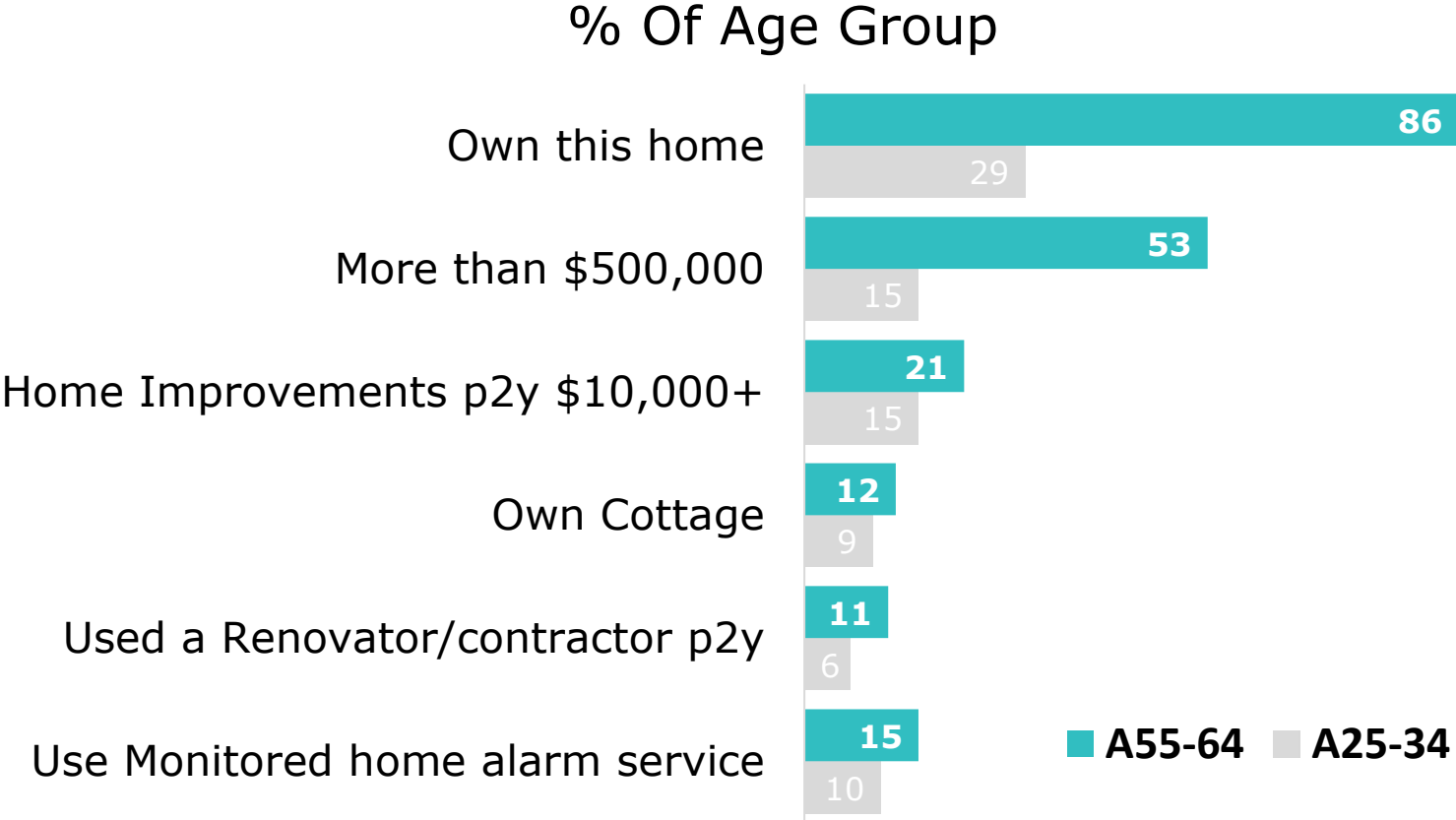


Total Travel Spend Last Trip
(\$ billions)

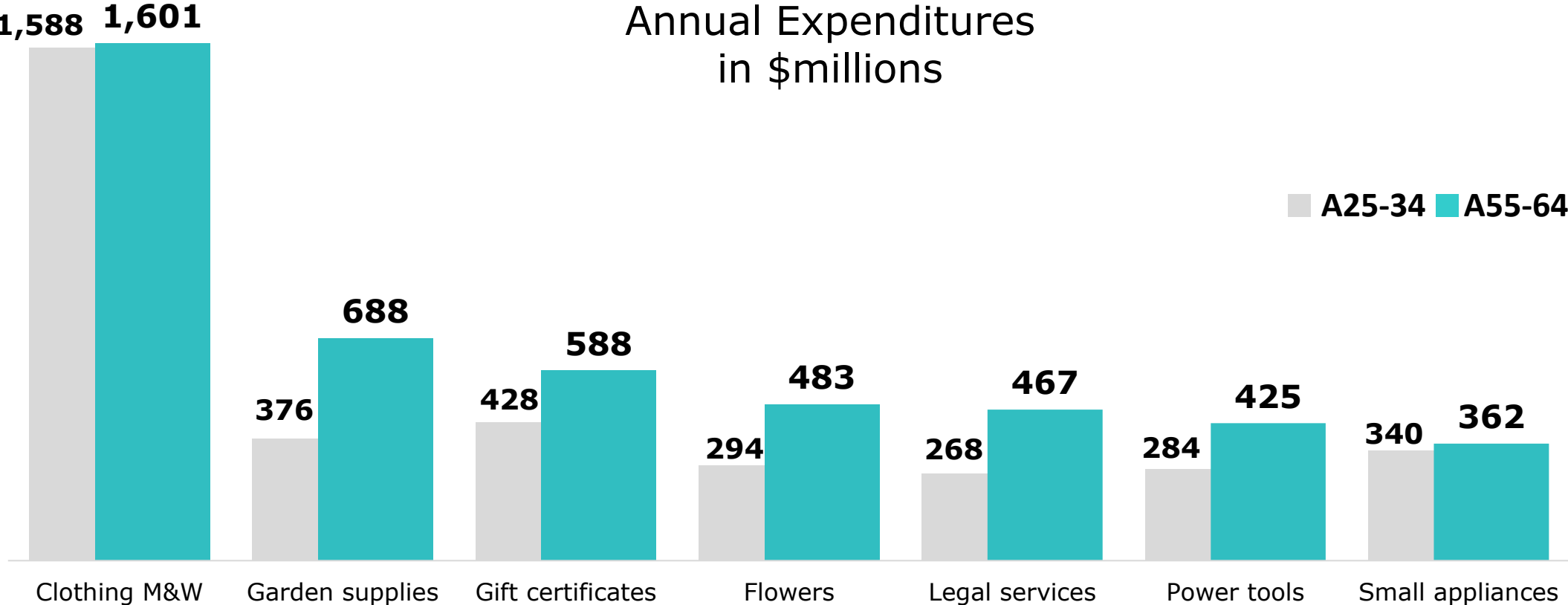


older adults spend more money on their homes & home improvements

Adults 55-64 are far more likely to own their homes and spend money on home improvements



older adults spend **significantly more** across many other categories





**extend your target and
increase your sales**



Extend your target to drive growth.

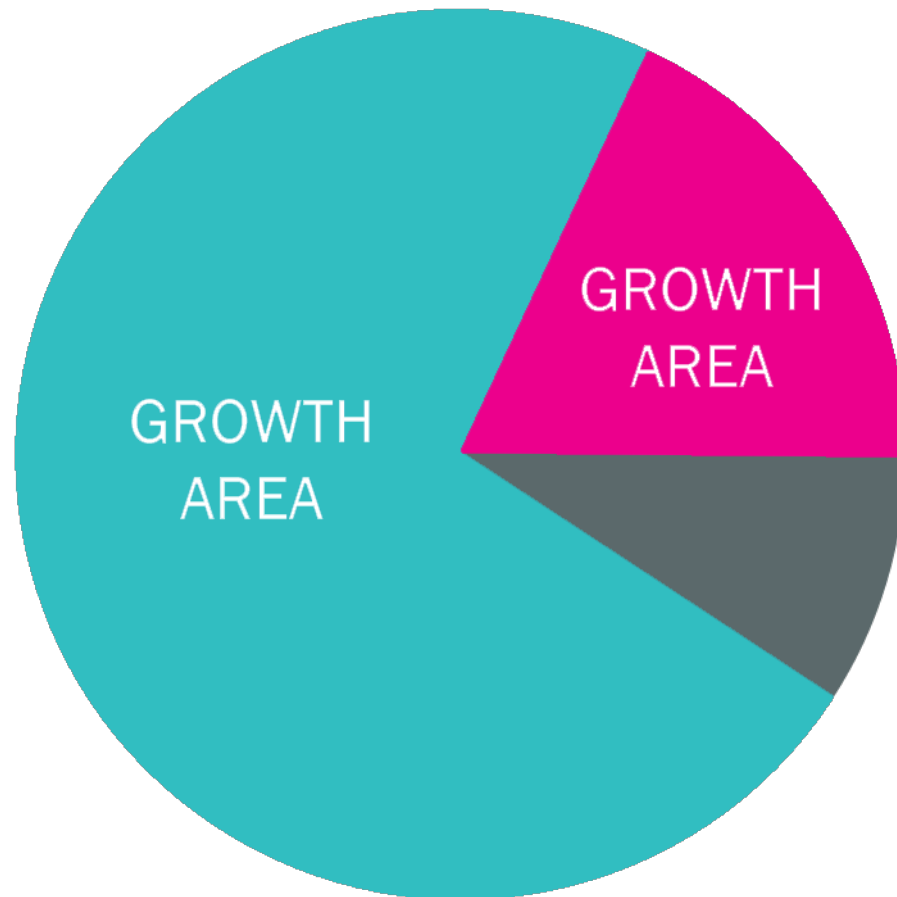


Marketing activities only build mental availability in the audience they reach.

This makes planning for reach the foundation of any sound media strategy.

Byron Sharp
Professor of Marketing Science, University of South Australia

Byron Sharp has shown that the biggest growth comes from targeting light and non-buyers



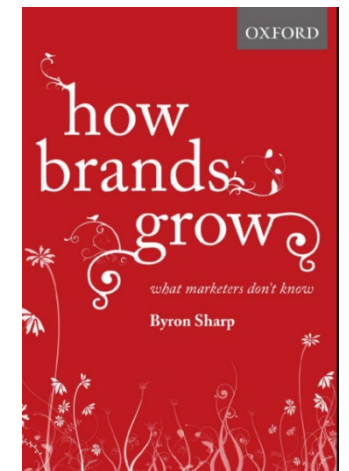
Non-buyers
of your brand



Light buyers
of your brand



Heavy buyers
of your brand



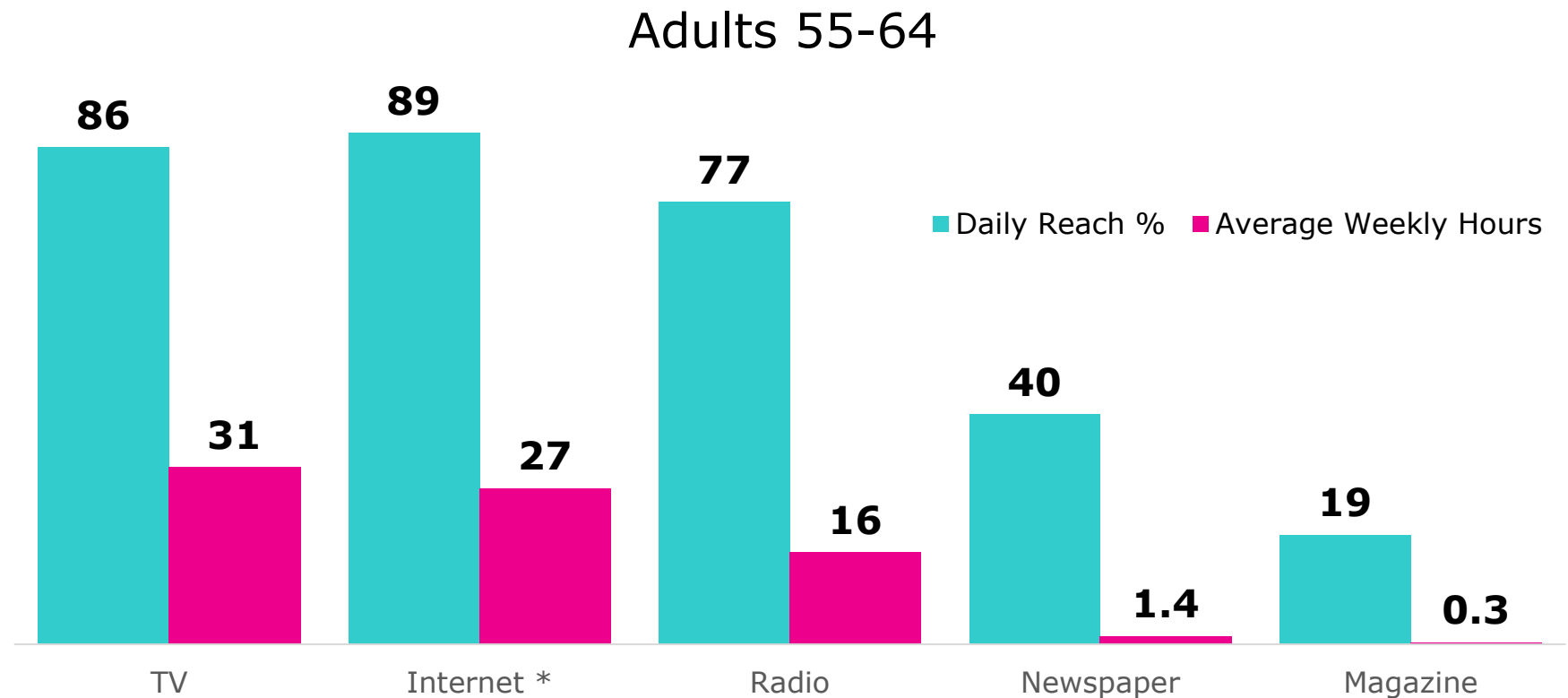


extend your market &
target the **spenders** with **tv**

target the spenders with **tv**

tv reaches 86% of Adults 55-64 **daily**

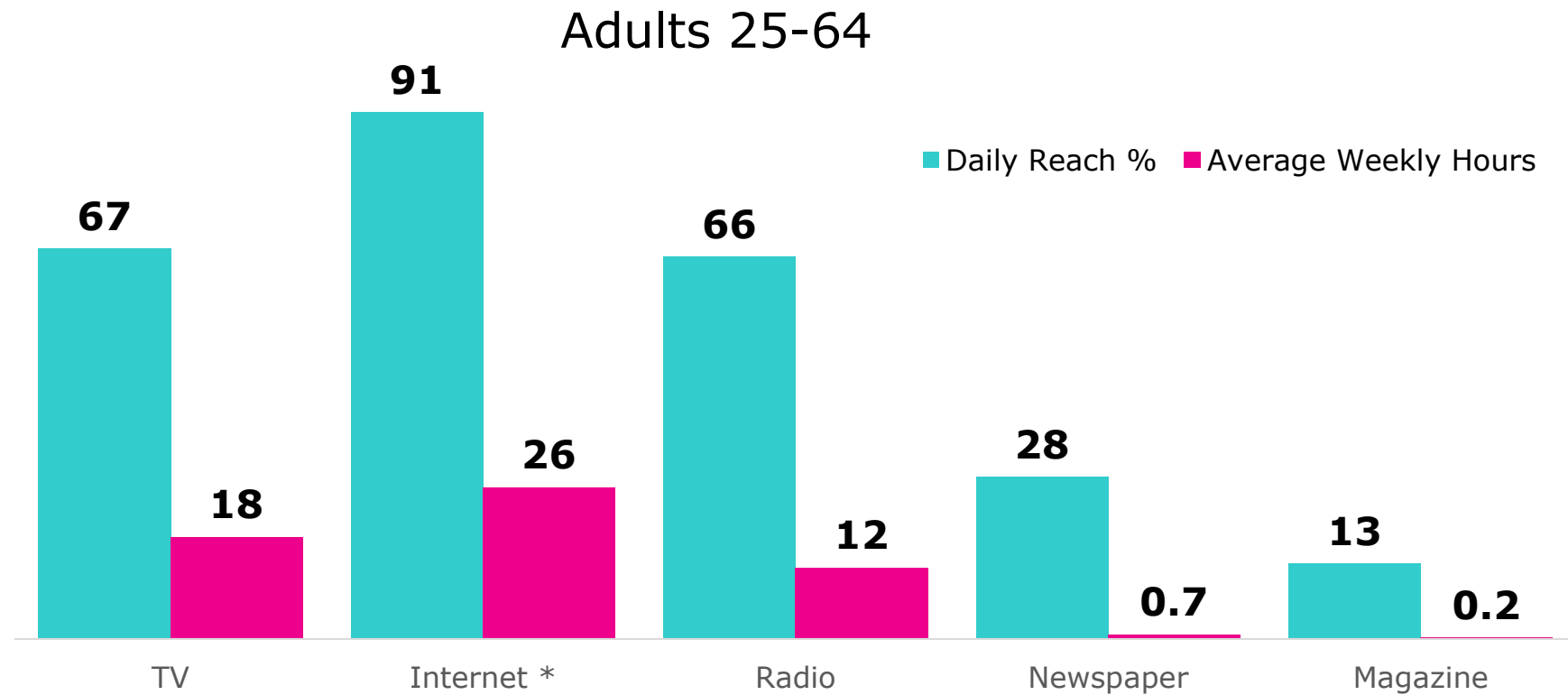
Older adults are an engaged audience of TV viewers, spending 31 hours per week watching TV



**Internet includes Entertainment, social media, and services like shopping, banking & email*

target the spenders with **tv**

the extended 25-64 demo watch 18 hours of TV per week

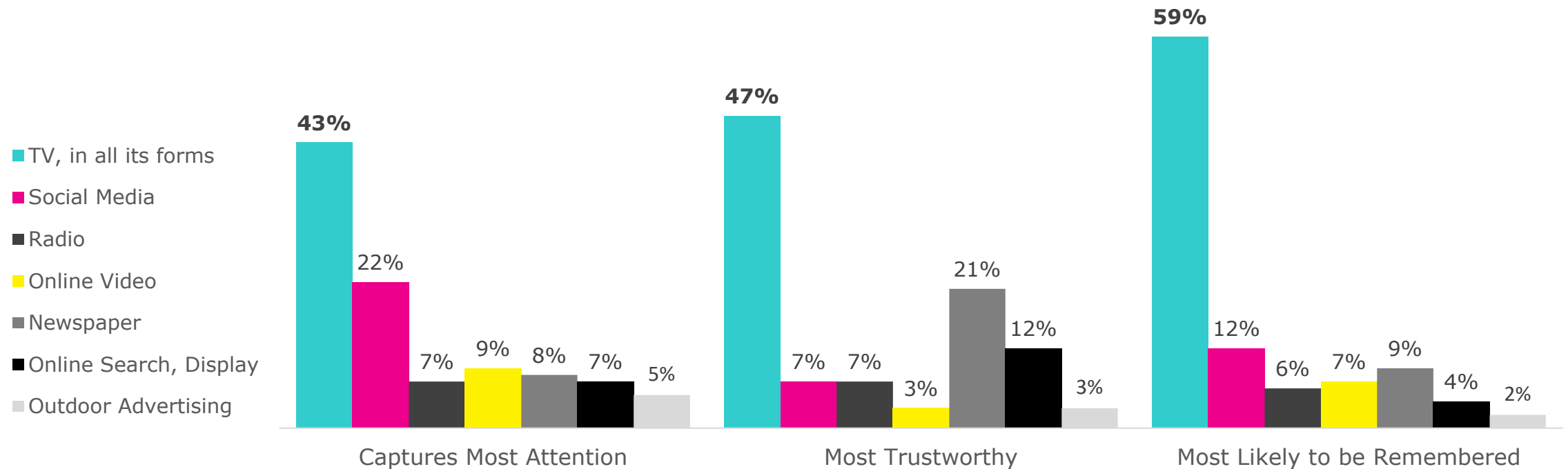


**Internet includes Entertainment, social media, and services like shopping, banking & email*

target the **spenders** with **tv**

Television is a great way to deliver your message: TV ads are the most **engaging**, **trusted** and are most likely to be **remembered**

Adults 55-64



target the spenders with

in summary:

- Young Boomers – Adults 55-64 - earn \$346 billion per year - almost **\$100B more than Adults 25-34**, while their personal wealth is **5x higher** than the younger group.
- **Older adults spend significantly more** than younger adults in a number of key categories, from groceries and travel to cars and home improvements.
- Adults 55-64 are a vibrant, active group who spend a lot of money and are willing to try new brands.
- The best way to reach this attractive cohort? TV. Adults 55-64 watch **31 hours of TV per week**, and find advertising on TV the most **engaging, trusted** and most likely to **prompt a purchase**.



“The Boomer is a dynamic consumer and a very valuable one. It’s clear that taking their loyalty for granted, or forsaking them for being too loyal or set in their ways, are both risky approaches.”

- Nielsen Report: “Marketing’s Most Valuable Generation”

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