

**What do beer, gum, candy, snacks, and fragrances have in common? All are categories that under-spend on media against a Boomer demographic that accounts for the bulk of consumer packaged goods sales.**

It's a question for the ages. Why aren't TV advertisers targeting Baby Boomers, a demographic with proven clout at the cash register and demand to spare? Even as Boomers expect to live and work longer, extending their consumer life cycle. Even as Boomer incomes continue their upward spiral. Even as Boomer kids leave the nest and leave Mom and Dad with more disposable income, media planners shun the age cohort and exclude it from advertisers' national TV ad schedules.

**Old school view**

Age and sex demographic criteria have constituted key parameters guiding TV advertising buys since Nielsen began measuring demographic audiences in the 1970s. Advertisers following a classical marketing model have focused on two main demographics: adults ages 18-49 and 25-54, zeroing in on women for household products and skewing younger for soft drinks, movies and apparel.

These targets were established "back in the day", when the two age cohorts (today's Boomers and Greatest Generation) controlled the majority of product spending. They reflect the commonly-held assumption that consumers establish brand loyalty in their first apartment or house after college and retain those brand loyalties throughout their adult lives. A recent Nielsen study commissioned by the Hallmark Channel proved these beliefs wrong on all counts.

**A recent Nielsen study proved these beliefs wrong on all counts**

**Boomer spending habits**

The Nielsen/Hallmark study updated information on Boomer spending power and compared brand loyalty measures by product across Boomers and younger demographics. Boomer households represented more than 50% of sales in 98 of the 122 product categories analyzed, accounting for almost \$200 billion in total sales in those categories.

**Baby Boomer Household Share of Sales for Select Categories**

Beer	59.7%
Carbonated Beverages	58.9%
Pet Food	57.7%
Gum	56.7%
Water-Bottled	56.6%
Men's Toiletries	55.4%
Candy	54.2%
Snacks	54.1%
Fragrances - Women	54.0%
Electronics, Records, Tapes	53.6%
Hair Care	53.2%
Frozen Novelties	53.2%
Deodorant	52.4%

Source: Nielsen Homescan  
Total U.S. All Outlets 52 weeks ending 06/28/08

Yet, despite the fact that the average Boomer share of those categories was 53%, some advertisers do not target Boomers with their media strategy, instead concentrating dollars on younger consumers with the intent of wooing loyal lifetime customers. A sampling of categories pursuing this strategy can be found in above chart.

**Brand basics**

Moving from the category view to the brand level, Nielsen measured more than 6,000 individual brands with U.S. household penetration greater than 1%. For two-thirds of those brands, Boomer shoppers account for more than their fare share (55%) of sales purchase for these brands, totaling sales in excess of \$100 billion. On a share of sales basis, Boomer households index high, spending 3% more than their share of the population.

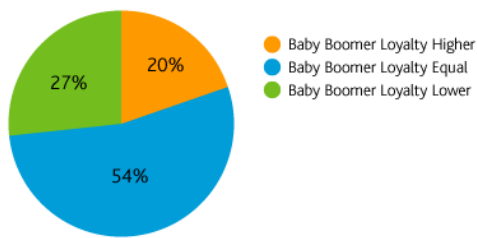
**Boomer shoppers account for more than their fare share**

**Looking at loyalty**

Brand loyalty is assessed by measuring the percent of an individual household's category purchases dedicated to a specific brand. For example, if Household A buys \$10 of Heinz ketchup and \$20 of total ketchup, the household is 50% loyal to Heinz.

Marketers make a reasoned choice when developing media targets—whether to speak to current, loyal users or to focus on potential brand switchers. The Nielsen/Hallmark analysis revealed that there was no clear distinction between Boomer households and younger households in terms of brand loyalty. In fact, Boomer households may actually be less brand loyal.

## Share of Total Brand Dollars



Source: The Nielsen Company

Fully 54% of total dollars were spent on brands where there was no difference in brand loyalty across age cohorts. In 27% of the cases, Boomers exhibited less brand loyalty than their younger counterparts. Only 20% of total dollars went to brands where Boomer loyalty was higher than younger demographics.

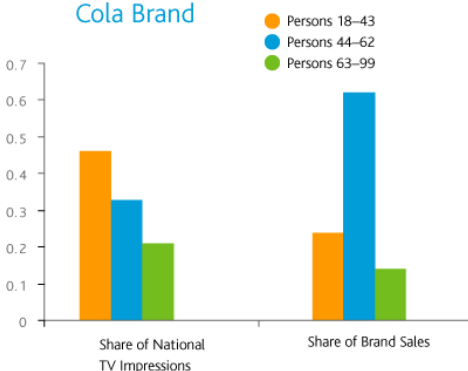
These findings are consistent with two prior brand loyalty studies: AARP research that found consumers aged 45+ are less brand loyal in categories such as home stereo systems, computers, cell phones and athletic footwear, and a Yankelovich study determined that fewer consumers aged 50+ felt it was risky to buy an unfamiliar brand than did shoppers ages 16-34.

### Media implications

For media planners and buyers, step one is understanding the importance of Boomers in terms of spending power. Step two is evaluating how well the current media strategy delivers against Boomers—then making necessary changes.

National TV media tends to segregate itself based on the median age of the audience. Specific broadcast and cable networks that skew younger, include Fox, CW, Comedy Central and VH1. Conversely, other broadcast and cable networks cater to a more mainstream audience, such as ABC, CBS, TBS, TNT and Hallmark. Advertisers who fail to recognize the economic value of Boomers, and continue to allocate media dollars to younger audiences, will fail to deliver Boomers and capitalize on their spending power today.

## Share of TV Impressions versus Share of Brand Sales Cola Brand



Source: The Nielsen Company

### A case in point

Here's how the age blinkers could impact a beverage and a candy brand. In the case of a major cola brand, Boomer households account for 60% of product sales, but Boomers receive only 30% of the national TV media impressions. At a major candy manufacturer, a nearly identical situation exists—a media strategy targeting younger consumers delivers half the appropriate Boomer share of impressions, based on Boomer households share of product sales.

Advertisers need to take a fresh look at their assumptions and brand sales and adjust media schedules to effectively reach key audiences. One method for calibrating the mix is to deploy the Nielsen Brand Target Audience databases, which cover categories like consumer packaged goods and pharmaceuticals, allowing companies like Hallmark to work with an advertiser in developing cross-platform packages that reach high value marketing targets.

By: Jess D. Aguirre, Jr., Senior Vice President, Research, Hallmark Channels, and Howard M. Shimmel, Senior Vice President, Consumer Insights, The Nielsen Company