



# How to Sell to Boomers - Life Stage Planning

THE ELEVENTH ANNUAL INTERCOMPANY LONG TERM CARE INSURANCE CONFERENCE





# How to Sell to Boomers – Life Stage Planning

## Speakers

- Janet Dunn Gale – Consumer Education and Relations, Genworth Financial
- Lindsay R. Resnick – Chief Marketing Officer, KBM Group: Health Services



## Data Driven

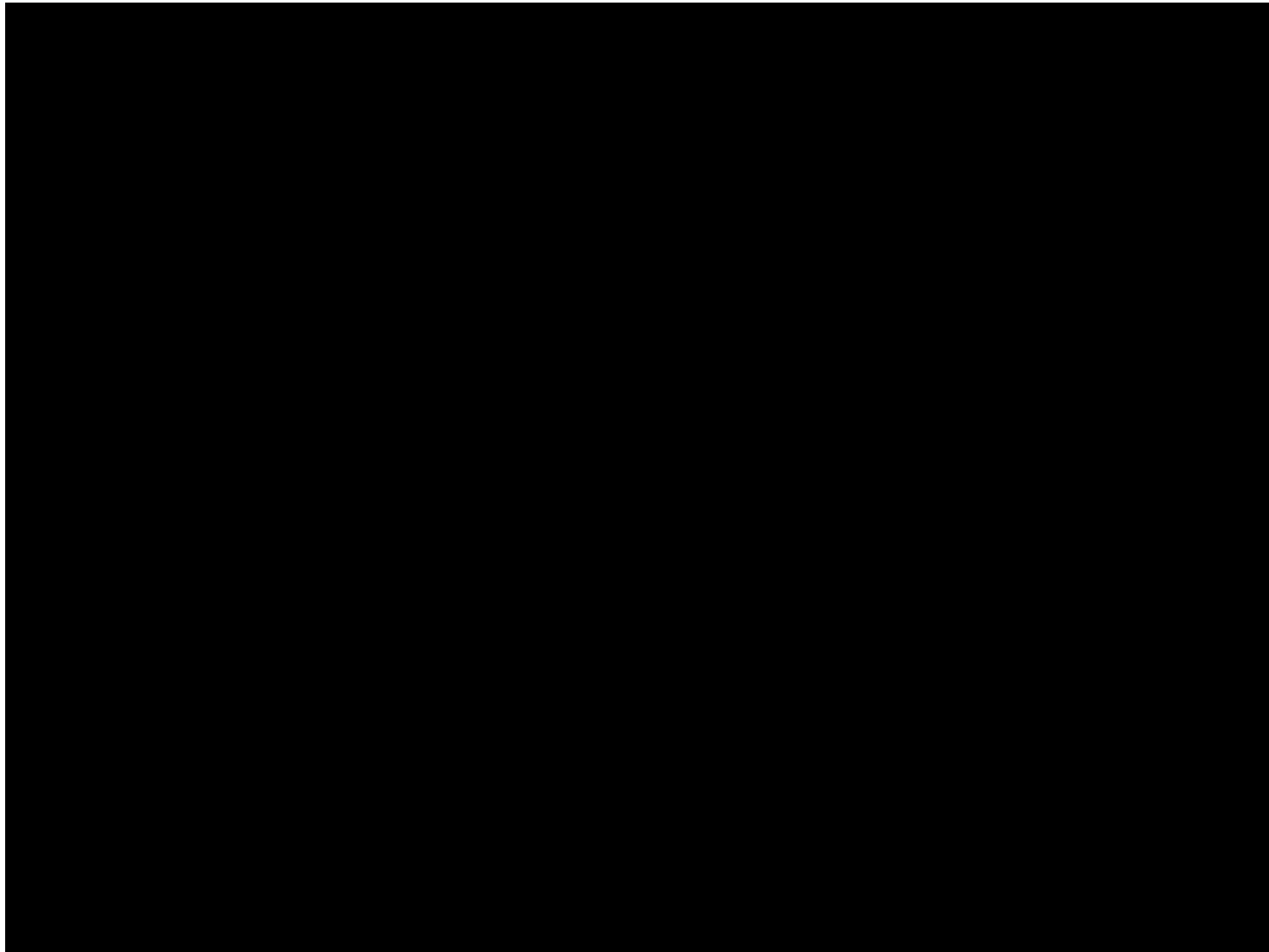
**Segment, segment, segment!**

- Common purchasing behavior
- Lifestyle choices
- Life stage
- Demographic attributes
- Socioeconomic status
- Attitudes





# Pat and Jane - Video





# Consumer Segmentation



RETIREMENT AND PROTECTION

## Consumer Segmentation



### Protective Pre-retirees

I am constantly at battle with myself between saving and spending. I buy top quality, name brand products but hunt for the sale racks! I have my feet on the ground and have taken some great steps but can always do more. Retirement is creeping up on me and I need to set more money aside if I want to continue my lifestyle.

#### Top Concerns

- Uncertainty of healthcare costs
- Social Security won't be able to pay the benefits they are entitled to
- Being a burden on others



46% plan to purchase LTC insurance



### Troubled Tryhers

It feels like I live paycheck to paycheck even though I have good assets built up. I participate in the 401(k) at work and my balance is growing. Slowly. I wish I could get control of my life and my debt. That would certainly help me sleep better at night. I am very worried and want to better plan my future. Now.

#### Top Concerns

- Taking care of themselves in old age
- Health care will require a significant amount of their assets
- Social Security and pensions going away



women 71%  
men 29%



### Assured Affluents

I'm comfortable, living it up, and have my investments spread out so if one goes south I'm not worried. I have things covered but you never know. I love to maximize my returns and revisit my decisions to keep pace with changing products and services.

#### Top Concerns

- Taxes will rise sharply
- Impact of health care requiring significant amount of assets
- The stock market will decline significantly



97% with assets >\$1mm (other than home)



### At-Capacity Couples

I feel like I am constantly trying to catch up. I realize that I need to better prepare for the future but today's responsibilities don't leave much for me to put away or to even think about that. I worry about having to support my parents. I crave simplicity.

#### Top Concerns

- Supporting multiple generations
- No guaranteed retirement plans like Social Security or pensions
- Not being able to maintain their current standard of living/life-style in retirement



44% have children living at home



### Masterful Moms

I am the Master of Multitasking! Career. Kids. Friends. Home. Working out. Just name it. If it's on my to-do list, it's getting done. I am self-reliant and optimistic about where my financial future is headed and will do what it takes to make it all happen. I blend my personal identity along with responsibilities and rewards of parenting.

#### Top Concerns

- Social Security being able to pay benefits they are entitled to
- Impact of health care requiring significant amount of assets
- Inflation and taxes will reduce the value of assets



women 69%  
men 31%



### Resting & Vesting

I feel pretty good about my financial situation. Having a pension and Social Security will help in the future. I like to buy things that are simple & easy to use. I'm all about enjoying life – that's what it's all about. I prefer things on auto pilot and always choose the sure bet over the risk associated with going after maximum return.

#### Top Concerns

- Impact of health care requiring significant amount of assets
- Taxes will rise sharply
- Inflation will rise and the value of their assets will be reduced significantly



67% of investments in annuities



### Secure Seniors

I'm confident I am poised for a comfortable future. I have retired in a time when pensions still exist and Social Security has kept its promise. My kids do well on their own and I have taken care of my needs so I am in good shape. My career and financial planner have served me well. I only wish I could be that confident about healthcare costs.

#### Top Concerns

- My spouse/partner or I will be in poor health in later years requiring us to spend a significant amount of our assets
- Taxes and inflation will rise and stock market will decline reducing value of assets



80% are retired

FOCUS SEGMENTS ACROSS R&P

Energizing  
the Industry

THE ELEVENTH ANNUAL INTERCOMPANY LONG TERM CARE INSURANCE CONFERENCE



# Long Term Care Example



Assured Affluents

**Asset protection**



At Capacity Couples

**Protection of family**



Masterful Moms

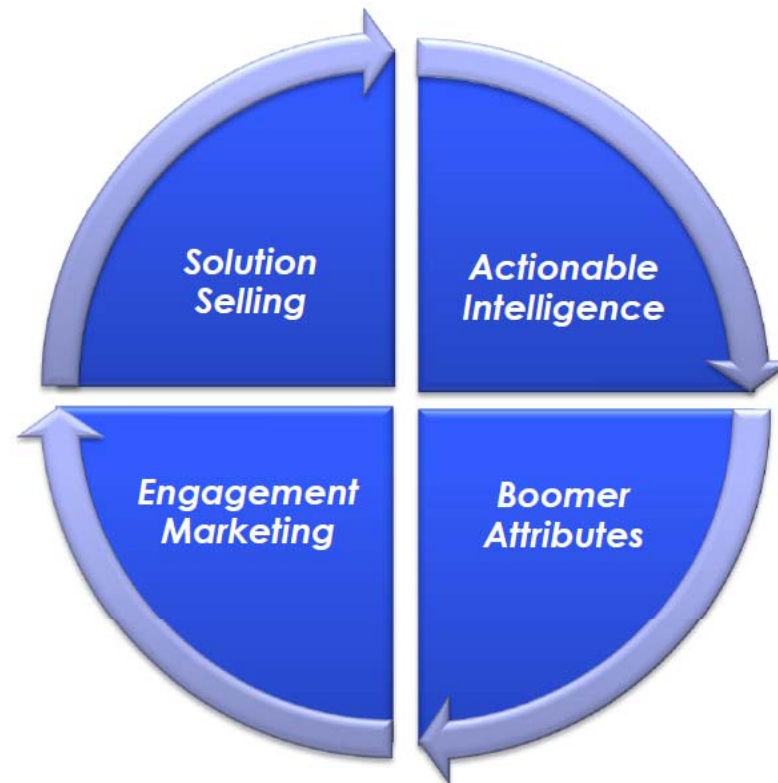
**Choice and control**

**Each segment requires a different message in order to most resonate**



**LTCi**

## How to Sell to Boomers - Life Stage Planning







# What Exactly Is a “Boomer”?

## Baby-Boomers

- Leading Boomers
  - Born 1946-1954
- Trailing Boomers
  - Born 1955-1964

**Biggest Marketing Opportunity  
You'll Ever Have!**







# Actionable Intelligence



# It's a New World

*...but it's still data-driven*

- Demographic variations and customer lifestage/lifestyle data provide more insight about consumers than ever before.
- “Throw it up against the wall” is a thing of the past
- Smart marketers use customer profiles to effectively leverage their brand, manage tactical mix and deploy scarce resources

## CONSUMER CONNECTION

What's important to them?

What concerns them?

What do they want?

## CUSTOMER CONTACT

Who and where are they?

How to get their attention?

What motivates them to buy?





# Data Driven

## Segment, segment, segment!

- Common purchasing behavior
- Lifestyle choices
- Life stage
- Demographic attributes
- Socioeconomic status
- Attitudes





*Free love. Peace. Hippie. In a time of political unrest marked by the Vietnam War, the draft, and the assassinations of JFK and Martin Luther King, Jr., 44 million Leading Boomers demanded change. Through protests and riots, they voiced their support for civil rights, protection for the environment and women's rights. These free-spirited individuals experimented with everything from sex to social structure and psychedelic drugs.*

## LEADING BOOMERS (DOB 1946 – 1955)

### SEGMENT

### PROFILE

Small Town Traditionalists

Traditional and conservative. Likely work in a blue-collar job. Struggling with the impact of loss of jobs and out-migration. Limited online access, and don't purchase by mail. Low income, lowest home value, possibly older homes and some in mobile homes.

Gold'n'Gray

Exclusive suburbs, luxury travel, retirement nest eggs, portfolio management; mostly execs and upper-level professionals; many still working part-time or consulting. Highest income, newer homes, mostly married with the kids in college.

Small Town Singles

Low average household size — and income. Mostly blue-collar towns and neighborhoods; not online, they live on their own in small cities or towns.

Mainstream Matures

Typical Boomers, not particularly religious or political; professional jobs, comfortably middle class. Online, active mail-order buyers.

American Bedrock

Traditional and stable. Grandparents. Community and church oriented. Modest income but live comfortably. Lots of mail order (not email), large households, with 20-something children.

Urban Mix

Multiethnic, apartment dwellers — single professionals with higher than average education. Gentrified, trendy and mixed urban neighborhoods.





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## LEADING BOOMERS (DOB 1946 – 1955)

### Urban Blues

Ethnically very mixed. Very vulnerable in both health and finances. Living in central city apartments, public transportation-dependent, their neighborhoods and lives are both transitional; they have the highest percent divorced or separated. Low online penetration.

### Credit Commandos

Slightly above average income — heavy credit users. Confirmed suburbanites and empty nesters, they're making up for lost time by buying on time.

### Blue-Collar Strugglers

Predominantly African-American, living in the older blue-collar neighborhoods of urban areas. They are making ends meet but don't have much extra.

### Settled Suburbanites

With income and home value both higher than average, these empty nesters are happy to stay right where they are. They have the longest average length of residency of any segment. Heavy mail-order buyers.

### Classic Rockers

Boomers raised on Rock & Roll, now living in the 'burbs' and raising teens. Ready to buy by mail and online.

### All-American Online

Net-savvy Boomers and their Boomerang offspring. They have the largest household size and are ready to meet their many needs and wants online.



*Born after 1955, nearly 50 million Trailing Boomers were lucky to miss the draft. Less optimistic than older Baby Boomers, their distrust of the government only grew with each political crisis: Watergate, the oil embargo, the Cold War and raging inflation. Their cynicism, though, didn't deter their love of pop culture; "Star Wars" smashed box office records, and disco exploded with the release of "Saturday Night Fever."*

## TRAILING BOOMERS (DOB 1956 – 1964)

### SEGMENT

### PROFILE

Rural Outsiders

Rural, low income — highest percent in mobile homes, highest percent white. "Country" isn't just where they live, it's who they are. Strong traditionalists, they tend to be isolated, with no Internet access.

Family Transitionals

Living in typical, middle-class suburbs, sharing their space with 20-something children, they are still transitioning toward empty nesting and retirement.

Urban Outsiders

Single in the city, making their way in very transitional neighborhoods with low home ownership, high-percentage of recent move-ins. Tend to be isolated, with no Internet access.

Suburban Mainstream

The American Dream, suburban style. Minivans whizzing from work to school events to soccer practice set the hectic pace.

Metro Influentials

Stocks & investments, luxury travel & vehicles, fine wine and gourmet food. Have the means and savvy to live out their dreams. Highest income, house value and home ownership.

Wired Wanderers

Distinguishing characteristic is presence online. Short average length of residence. Online is where they live.



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## TRAILING BOOMERS (DOB 1956 – 1964)

### Urban Sophisticates

Citified apartment dwellers: think gentrified neighborhoods, coffee houses and lofts. Ethnically diverse, politically liberal, these well-educated professionals have above average income — but are not mail-order buyers.

### Suburban Strivers

They want it all, but what they really have is credit. And they use it. Their address is in the suburbs, but they could be living beyond their means.

### Empty Nest Caregivers

The kids are grown and gone, but Mom or Dad has moved in. Likely caregivers, the demands on their time make them heavy mail-order buyers.

### American Family Up-and-Coming

From SUVs and computers, home improvements to HDTV, they're movin' on up. Plugged in, savvy consumers, purchasing frequently both online and by mail. Biggest households — 3+ adults, with children in their 20s.

### Blue-Collar Blend

With small households and a shorter average length of residence, they're an ethnically mixed group in transition. Working for a paycheck in blue-collar neighborhoods, they're not online, don't buy by mail.

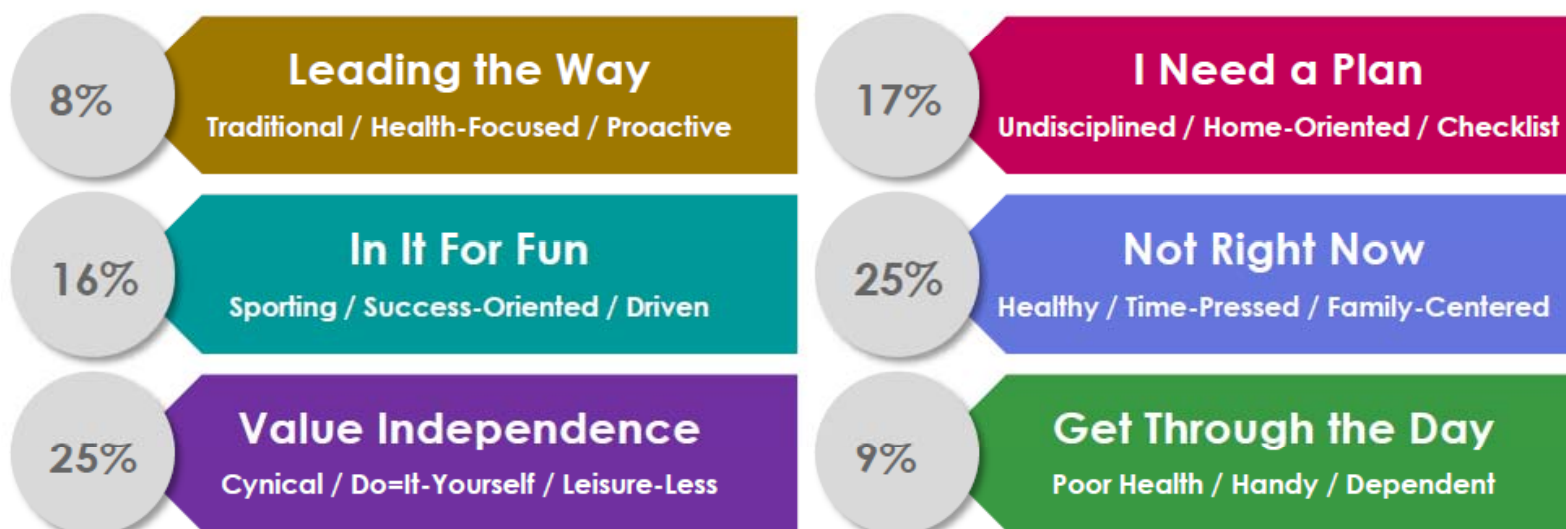
### Urban Strugglers

It's not always pretty in the city. They're hanging on in the oldest homes, getting by instead of getting ahead. Mostly African-American, many are single, but they still live in single-family, working-class neighborhoods.





# Health Segmentation



## Drivers of the Segmentation

- Health behaviors
- Health attitudes
- Perceived control over health
- Future health orientation
- Information-seeking preferences



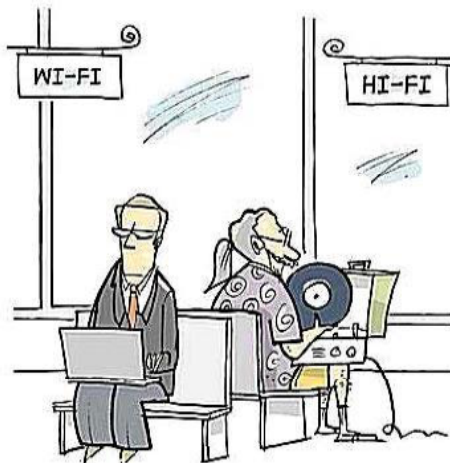
# Wired Boomers

## 2000

- 40% use internet
- <5% home broadband
- 34% own a cell phone
- 0% connect wirelessly
- 24% online/day

## NOW

- 74% use internet
- 62% home broadband
- 72% own a cell phone
- 43% connect wirelessly
- 52% online/day





# Digital Segmentation



## Culture Vultures

This group skews female, and spends a great deal of time surfing, particularly cultural, entertainment and society sites.



## Digital Cleavers

Typical American family. Likes to be active, with affinity for the outdoors. They visit a broad range of sites and buy across multiple categories.



## Footloose Singles

Younger singles who focus on socializing. Surf at entertainment-oriented sites and purchase some small-ticket items.



## Mouse Jockeys

This group spends the most time online overall. High likelihood of having high-speed access. Surf a broad range of sites.



## Striving Cyber Singles

More likely to be single and employed. Strong interest in career and news sites.



## Upscale Analogs

Upper class family with sophisticated interests. Light surfers who visit content-related sites from education to career.



## Ticker Trackers

Strongest overall financial interest. Heavy surfers who conduct finance-related transactions and research investments. Very light shoppers.



## E-It-Yourselfers

Average family who are avid online shoppers, bill payers and bankers. They use the Web to help them get things done for their family and home.



## Mid-Scale Families

Average family with kids that uses the Internet sparingly. When they are online, they visit home and shopping sites but rarely purchase.

■ Super Involved

■ Involved

■ Less Involved



# Digital Segmentation



## Super Spenders

Boomers with many interests who spend a great deal of their online time shopping. Heavy travel-related purchases as well as smaller-ticket items.



## Digital Dream Seekers

They surf for the latest entertainment and news, but don't bank or buy online. For them, the Web is for providing information and updates.



## Blue Collar Investors

Blue collar family with kids that do a great deal of finance and money management-related surfing.



## Budget Balancers

Professionals that use the Internet as a purely functional tool to pay bills and to manage their finances. Light purchasers and limited surfers.



## Elder Surfers

Older, skew male. Enjoying retirement, but mindful of their money. Use the Internet for bill paying and news.



## Barely-Surfing Seniors

Mature population with low-intensity interests. Spend very little time online.



## Joe & Jane 6-pack

Younger blue collar families with kids. Entertainment-oriented surfing habits.



## House-Proud Matures

Older retired couples with a strong interest in their home. Surf at a wide range of home-related sites.

■ Super Involved

■ Involved

■ Less Involved





# Woodstock

1969

## Boomer Attributes





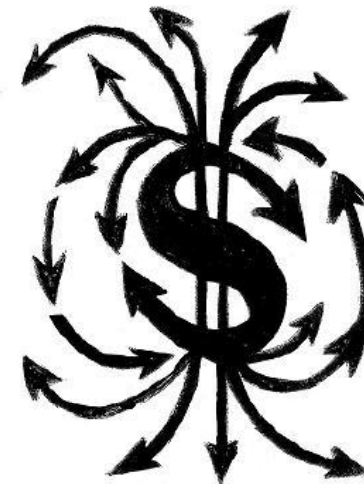
## Baby Boomers (46-64 Today)

- **The largest-ever generation of Americans**
  - Turning 60 every seven seconds until 2025
- **No longer young, but youthful**
  - Will do everything in their power to forestall becoming & feeling **old**
  - Delaying retirement, but in next 10-yrs millions exiting workplace
  - Being dragged into “old age” kicking and screaming
  - Completely different than parents at that age
  - Raised to be independent and in control



## Baby Boomers (46-64 Today)

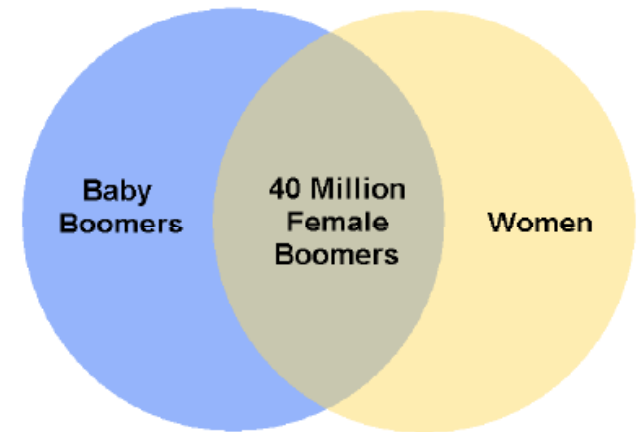
- Control more than **77%** of U.S. assets
- **50%** of discretionary spending
  - \$1 Trillion
- More than **\$7 trillion** in wealth
  - More than \$2 trillion in annual income
- **79%** are homeowners
- Have 40 million credit cards
- Buy **41%** of all new cars
  - 48% of the luxury cars
- Spend **\$610 billion** on healthcare
  - Buy 71% of all prescription drugs







# Female Boomers



- They have the buying power
  - Control 85% of household spending
- Savvy consumers
- Deliberate and purposeful in research
- Seek “insider” information and seek validation
- Trust friends and known reliable sources
- Set priorities according to needs of important people in their lives
  - Often purchase for a loved one



# Baby Boomers (46-64 Today)

## ■ Entering new adult life stages

- Empty-nesting
- Grandparenthood
- Widowhood
- Retirement

## ■ Changing makeup of households

- Non-family households
- Married without children
- Adult children at home
- Caregivers
- Three-generation households
- Blended and extended families

## ■ Different Values

- Individual choice
- Community involvement
- Prosperity and ownership
- Self-actualization
- Health and wellness





# Baby Boomers (46-64 Today)

## ▪ Key Attributes

- Goal-oriented
- Focus on individual choices
- Adaptive to a diverse workplace
- Positive attitude
- Family Oriented
- Spending time with families
- Over-Protective
- Raising Grandchildren
  - ♦ Kids very dependent on their parents
  - ♦ Encouraged to take an interest in their grandchildren
  - ♦ Social and economic equality beliefs
    - Civil Rights Movement
    - Women's Movement
    - Sexuality Movement



# Leading Boomers (56-64 Today)

- Born 1946-1954
- 33 million people
- Defining Characteristics
  - Embrace youthfulness, invincibility, freedom
  - Live for today
  - Spend, borrow and live beyond their means
  - For many, their job is their life
  - Want to be in charge
    - ♦ Believe they know best
    - ♦ Self-confident, take independent action

## DEFINING EVENTS

- JFK assassinated
- Civil rights disturbances
- Vietnam war
- First heart transplant
- Woodstock
- Bobby Kennedy & MLK assassinated
- Nixon resigns



## Trailing Boomers (46-55 Today)

- Born 1955-1964
- 25% of the population
- Defining Characteristics
  - Instant gratification
  - Consumption-oriented / status seekers
  - Comfortable with debt to acquire “stuff”
    - ♦ *Will keep spending even when they shouldn't*
  - Prefer environmentally-friendly products
  - Like rock & roll
  - Permissive views on sex

### DEFINING EVENTS

- Watergate
- Iran hostage crisis
- Soviets in Afghanistan
- Gasoline lines
- Unemployment lines
- Three Mile Island



# Bad News / Good News

## Bad news for Boomers

- **63%** have experienced a parent's death
- **35%** have been caregivers to a parent
- **27%** have survived a major illness
- **22%** expect to have serious health problems
- **17%** say they are in fair/poor health
- **18%** expect to stop working earlier than they would like due to poor health

## Good news for insurers

- Many Boomers don't believe Medicare or Social Security will be there when they qualify
- Life events and personal fears drive personal planning





**Engagement  
Marketing**

**Energizing**  
the Industry

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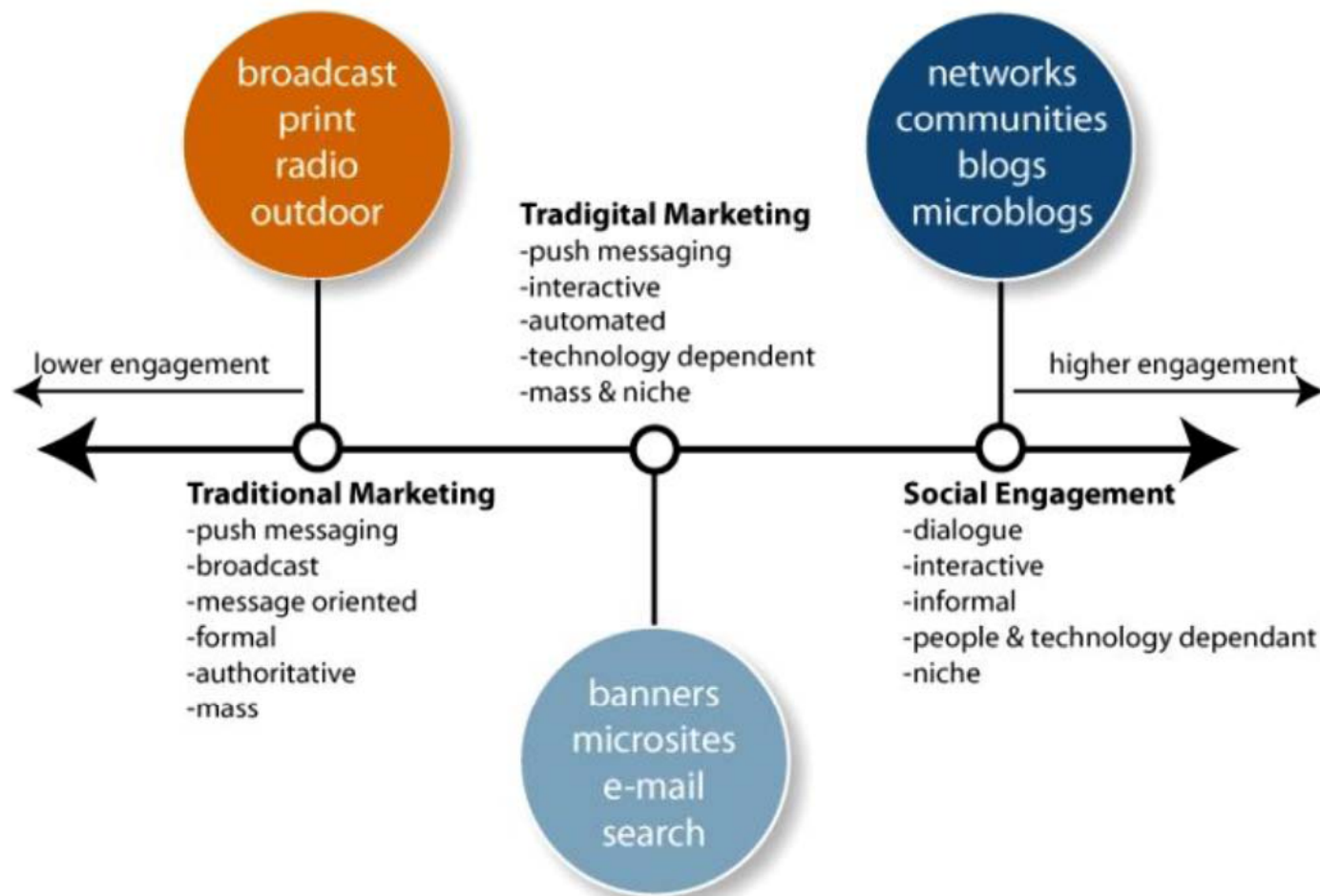


# Changing Marketing Mix





# New Marketology



20% consumers trust advertising

80% consumers trust other consumers



# Marketing has changed forever!

Websites	234 million
E-mail	247 billion/day
Google	304 million/day
YouTube	100 million visitors
Blogs	150 million
Wikipedia	14 million articles
Twitter	75 million users
Flickr	4 billion photos
Facebook	550 million users
LinkedIn	60 million users

**206 million Americans online  
280 million mobile devices**



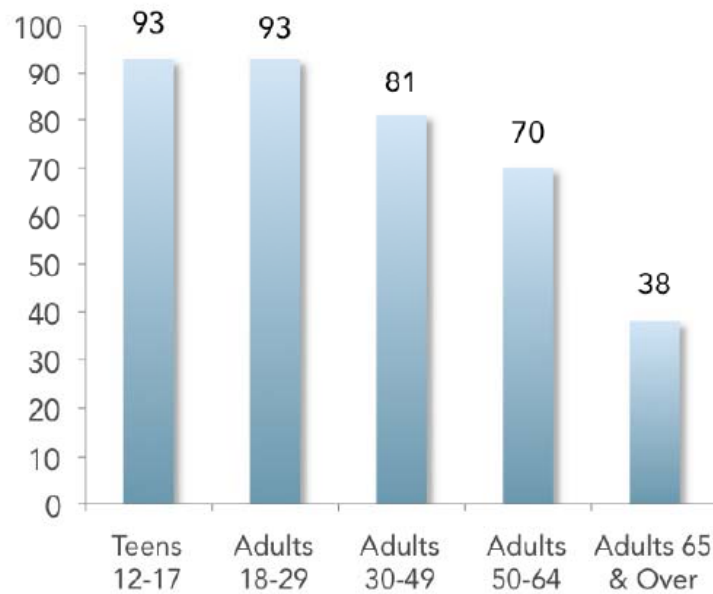


Brianna Hendrickson won this year's U.S. National Texting Championship. The 13-year-old from New York sends an average of 7,000 texts per month.



# Cybergraphics

WEB USE BY AGE



**74%**

All Adults  
18 & Over  
Online

	2000	2010
Google Search/day	100 million	2 billion
iTunes Downloads	0	10 billion
Snail Mail/day	208 billion	175 billion
Time Online/week	3 hours	18 hours
Hard Drive Storage	\$10/gig	\$0.06/gig





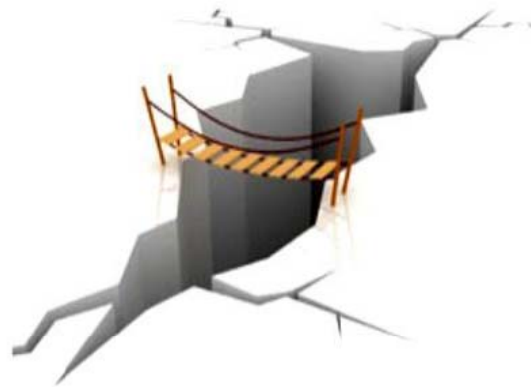
# Rules of Engagement

## DO

- Position wealth, not income
- Take the time to explain
- Use lifestage marketing
- Educate and consult
- Build trust

## DON'T

- Call or picture them as OLD
- Lump leading/trailing together
- Use humor about aging
- Use scare or hard-sell tactics
- Be overly friendly





# Rules of Engagement - Men

- **Men like:**

- White space and black text
- Relevant information in a “newspaper” format
- Ease of search and comparison
  - ♦ Menus and lists
  - ♦ Search engines
- Speed of access (bore easily)

- **Men dislike:**

- Lots of color
- Images
- Banners
- Testimonials







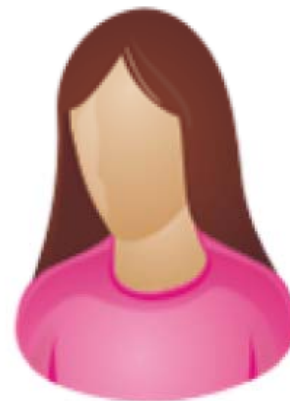
# Rules of Engagement - Women

- **Women like:**

- Relevant information in a uncluttered format
  - ♦ Descriptive text
- Ease of search and comparison
  - ♦ Extensive menus
- Sense of community
- Color and large text
- Testimonials

- **Women Dislike:**

- Gray
- Banners
- Clutter





# Online Behavior – Women vs. Men

## Men

- Extremely task-oriented
- Bore easily without interesting and relevant information
- Move quickly from page to page, lots of return visits to the home page to navigate

## Women

- Slow and patient researchers
- Gather a lot of information before making a judgment
- Rarely leave a page without looking for item of interest





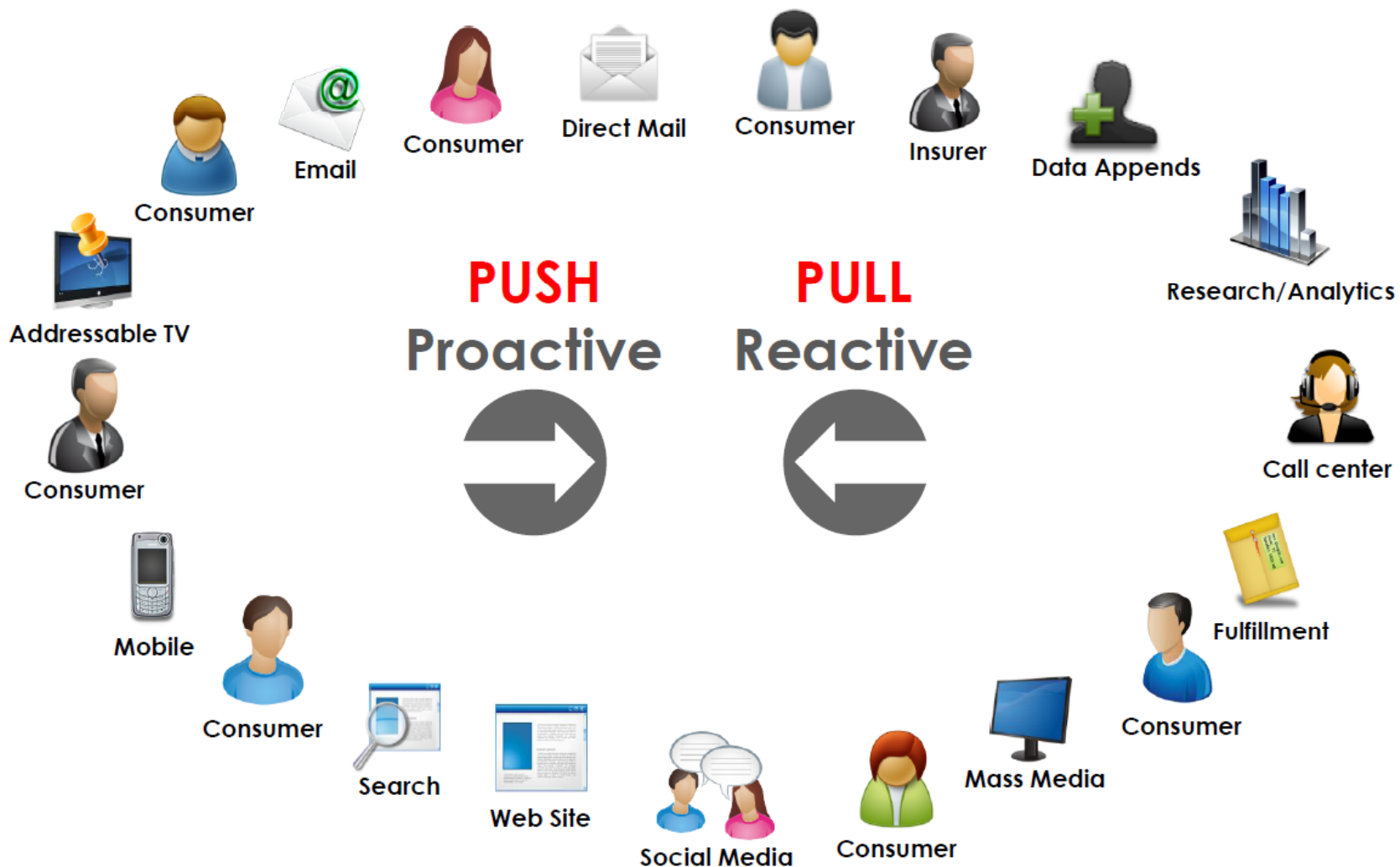
## Solution Selling



**Trustworthy  
Credible  
Relevant  
Expert**



# Consumer Engagement







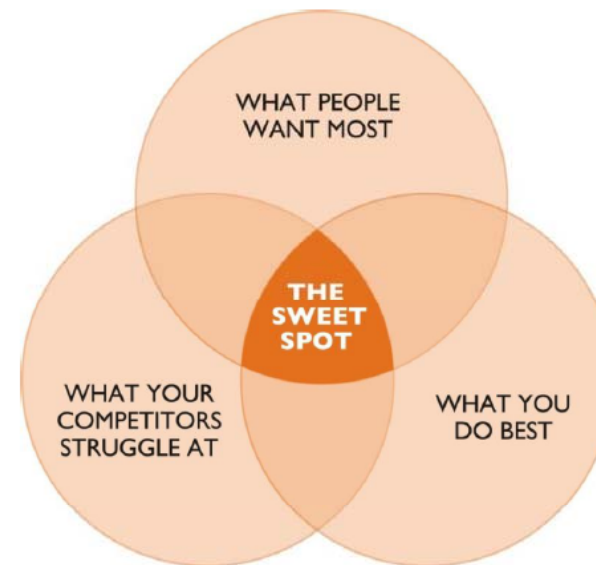
# Marketplace Differentiation

*Identify Sustainable Competitive Advantage*

- What are your top three market advantages?
- Are you reaching the *right* prospects?
- What is your “big idea” – *market clutter buster*?
- Why should someone do business with you?

“A brand for a company is like a reputation for a person. You earn reputation by trying to do hard things well.”

– Jeff Bezos





# Solution Selling

*Getting Back To Basics*

**PAIN** What's motivating your customer? Are they ready?

**POWER** Are you aligned with decision-maker?

**VISION** Is your offering differentiated and preferred?

**VALUE** Can you answer "*what's in it for me*"?

**CONTROL** How can you control the buying process?





# Integrated Marketing & Sales Cycle

*Marketing must deliver sales.*

*Sales must deliver profitable revenue.*

*Always be working to spend less for both.*





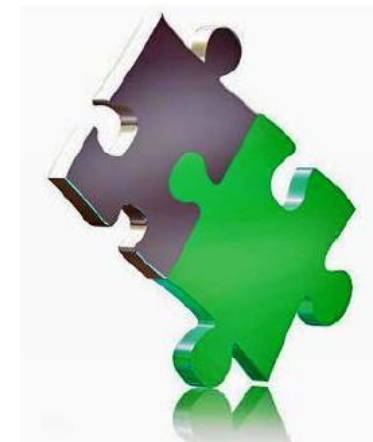
# Position For The Future

*Achieve Strategic Clarity*

<b>Credible</b>	Will customers and stakeholders believe it?
<b>Relevant</b>	Will it meet the “ <i>what’s in it for me</i> ” test...and stick?
<b>Different</b>	Does it set you apart from competitors?
<b>Aspirational</b>	Does it take the company far enough? Too far?
<b>Actionable</b>	Can you consistently deliver on your promise?
<b>Sustainable</b>	Does it have a shelf life? Can it continue to evolve?

## TRUST-BASED SELLING

Boomer’s trust is more important than ever.  
It’s what they are looking for...and it’s what  
they share with each other.







# Fogeyism

*An adherence to old-fashion ideas and intolerance of change.*

## SYMPTOMS

Decision paralysis in uncertain times

“They’ll never buy this online”

Little recognition of changing consumer attributes

“But that’s the way we’ve always done it”

*“The definition of insanity is doing the same thing over and over again...and expecting different results”*

- A. Einstein





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