

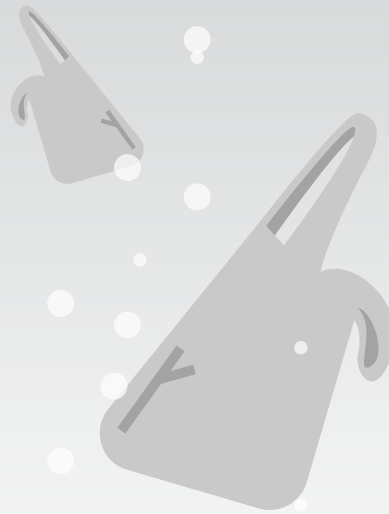


# AN OLDER OPPORTUNITY

**DON'T IGNORE THE BOOMER POPULATION.**

BY JOHN W. MARTIN & MATT THORNHILL





## WHY DO WE DO THINGS THE WAY WE DO THEM? OFTENTIMES, THE REASON IS “WE’VE ALWAYS DONE IT THAT WAY.”

Here’s an example: The standard width between railroad rails in America is a seemingly random spacing of four feet, eight-and-one-half inches. The reason, mostly true, is that U.S. railroads were built based on English standards, and those standards came from people who previously built carts with wheels that were four feet, eight-and-one-half inches apart. Why were carts built to those specifications? Apparently to fit in existing ruts worn into ancient stone roads built by the Romans more than 2,000 years ago.

Why did the Romans use that spacing? To accommodate the width of the horse pulling their chariots. So, modern railroads in America are built to accommodate a horse’s rear end from 2,000 years ago.

While c-stores haven’t been around quite as long, many have fallen into the trap of running their business based on the “we’ve always done it that way” model. This can be especially true when retailers think about their ideal consumer and ideal worker.

For decades, the rules of marketing tell us to identify and sell to a target audience. And for most c-store operators, that is

defined as someone aged 16 to 34 years old. The same is true for the ideal worker. But is that the best approach to be taking today?

We think not. C-stores intentionally stock and sell products that people of all ages need and buy, but most of the time, the store design, merchandizing and product promotions are all focused on one audience: younger shoppers. It’s time that changes.

According to the Census Bureau, in 2018 America, there are 85.1 million people aged 16 to 34, the core demographic target for most c-stores. The Census Bureau also reports 84.0 million people ages 50-70 in America, almost as many as the younger segment. Between now and 2025, little change is expected. By then, there will be an estimated 86.7 million 16- to 34-year-olds and 85.5 million 50- to 70-year-olds in America.

These numbers suggest an opportunity for c-store operators to broaden their thinking about how they do business. Ignoring a population base as large as your traditional segment is like hopping around on one foot when you have two perfectly good feet you could be using.

Now is the time to start including older adults in your marketing and hiring efforts.

Just because you've "always done it that way" doesn't mean you shouldn't change.

### The Older Market Opportunity

For decades, consumers over the age of 50 were considered "over the hill" and only deserving of marketing attention by AARP, Geritol and Depend. That began changing about 20 years ago when the first members of the boomer generation began turning 50 years old.

Boomers are not wired like the prior generation and don't act the same way. They don't see themselves as "old" at age 50, 60 or even 70. Think about it, Bruce Springsteen has completely sold out his performances of "Springsteen on Broadway" this year at the age of 68. This generation remains vital, relevant and worthy of a marketer's attention. Smart marketers know there is still money to be made by focusing on older consumers.

One way to effectively reach boomers today is to focus on their quest for vitality. Boomers know they aren't young anymore, but their goal is to remain vital—and relevant—until they take their last breath. That means they'll spend time and money to stay financially, physically, mentally, socially and spiritually vital. C-store operators who develop programs, products and services that help boomers maintain their vitality will strengthen sales and revenue from this important demographic segment.

Take a look at your store design, product array, in-store merchandizing, point-of-purchase promotions, gas-toppers and everything else you use to sell to shoppers. Are you trying to reach all of your shoppers, or only younger consumers? If you're like most c-store operators, it's likely you only focus on the latter.

### NOT EITHER/OR, BUT AND

This isn't an either/or choice, it's *and*. Developing programs that appeal to older consumers does not mean you ignore younger consumers. Quite the opposite. The approach to use is to develop programs that reach everyone at every age. Let's look at who shops in your store. Isn't it everyone?



**ONE WAY TO EFFECTIVELY REACH BOOMERS TODAY IS TO FOCUS ON THEIR QUEST FOR VITALITY.**

According to NACS Convenience Tracking Program (CTP) data, 43% of current c-store shoppers are members of the millennial generation (ages 18-34). Another 32% are Gen Xers (35-50 years old), and 23% are 50 and older. Interestingly, about three in four boomer shoppers are in a c-store at least once a week, the same rate as younger generations.

So let's agree that consumers of all ages are in your store weekly. Are you trying to connect with

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all of them, or only your ideal consumer segment? Our recommendation is to consider modifying your marketing and merchandizing to appeal to the *universal* consumer, rather than a target. Stop shooting arrows at a narrowly defined target and toss out a big net to capture more customers across all ages.

How can you do it?

The secret is to develop programs that appeal to and delight older consumers, because it is likely younger consumers will respond to the effort as well. The opposite, however, is not true. Efforts developed to appeal to younger consumers often will turn off older consumers.

For example, Red Bull is intentional in targeting its messaging to younger consumers. It's very effective. You likely sell quite a bit of Red Bull to younger customers, and we can guess you don't sell many cans to people in their 50's. Same goes for Monster energy drinks.

On the other hand, in recent years, most c-stores have developed robust hot beverage programs that appeal to all ages. You offer a range of coffee flavors and intensities. Why? Because customers of all ages buy coffee. You don't want to exclude anyone. As a result, customers young and old buy your hot beverages.

Take a look around your store. Are your promotional materials targeting all ages or only younger shoppers?

One lesson marketers tell us they've learned in recent years is that effective programs that reach and delight older boomers also appeal to younger consumers. When brands focus exclusively on youth that's all they get (see Red Bull example). When they attract and delight consumers over 50, they sell to everyone.

## LESS DIFFERENCES, MORE SIMILARITIES

The good news is, like their love for coffee, younger and older consumers have many things

in common these days. Both ages are more health-conscious and want fresher choices and options in c-stores. They want the same in-store experiences: clean facilities (especially bathrooms) and an in-store environment that is well organized and easy to navigate, with clear signage and lighting. They want payment options and loyalty programs, too. Older shoppers may not be as mobile-oriented as younger shoppers, but they are not too far behind.

The opportunity for c-store operators is to think about how to broaden their appeal to more of their shoppers. It isn't about only reaching one age segment, and developing programs and merchandizing initiatives exclusively for them, but about reaching everyone.

This is especially true when one considers the demographic realities facing c-stores. The universe of younger shoppers will not increase, and the size of the 50+ segment is just as big and visiting the store just as often. Developing products, services and merchandizing programs that reach and delight older consumers is the best path to prolonged success.

Ignore older consumers at your peril. **C**



**John W. Martin** and **Matt Thornhill** of SIR's Institute for Tomorrow share insights on the key demographic trends impacting convenience stores. This article is part of a series of regular articles to appear in *NACS Magazine* on what convenience stores need to do today with employees and customers to win tomorrow.

