

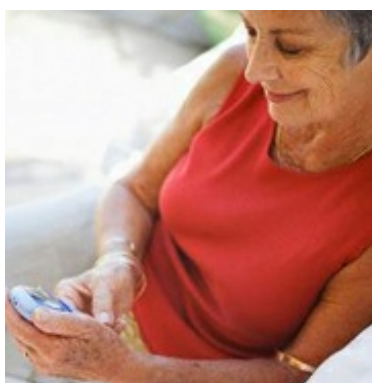
MULTICHANNEL

## Why luxury baby boomers still matter

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By ELIZABETH ZELESNY



Luxury brands and retailers are preparing for the future by

targeting young, affluent consumers with their marketing initiatives. But when it comes to luxury spending via mobile and online, what about the baby boomers?

Although the times are changing, and many in the young, affluent Generation Y consumers are spending as much as the baby boomer generation, it is still important for luxury brands to target the older market. Luxury marketers must understand the unique desires and differences between both the under 40-year-olds and over, especially in the mobile space and online.

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“I think it's incredibly important for luxury brands to target baby boomers via mobile because it's such a perfect demographic,” said Lauren DeLisa Coleman, a New York-based socio-political digitalist and president of Punch Media Group.

“Here you have a population which turned 46- to 64-years-old in 2010, thus typically more affluent than their younger counterparts and in a better economic position, at least in theory, to actually purchase rather than aspire to luxury brands.

“Younger boomers are also making more and more smartphone purchases, so it's a beautiful way to engage them on a platform that is always on,” she said.

### Boomer consumers

Baby boomers were the first television generation and, later, the first PC generation. Now, they are mobile users.

This demographic uses technology differently than younger generations and luxury marketers need to understand their digital habits.

A new report by eMarketer titled “Digital lives of Boomers: Reaching them Online,” found that 78 percent of boomers are online, when is nearly 60 million adults.

Even as the baby boomer luxury consumers numbers decline, the eMarketer report said the penetration rate will remain high through 2015.

According to the report, the baby boomers control more than \$2 trillion in annual spending.

Boomers spend more time and money online than any other demographic.

Young boomers, ages 47-55, spend about an average of 40 hours per month online, according to eMarketer.

Older boomers, ages 56-65, averaged only slightly less, at 36 hours per month online.

This is vital information for luxury brands and retailers because it is not just the tech-savvy, Generation Y consumers buying high-end products via mobile and online.

The baby boomer generation is tech-savvy, too. And they shop online.

**Forrester Research** reported that boomers spend an average of about \$650 online over a three-month period in 2010, compared with \$581 by Generation X Internet users ages 35-46 and \$429 by Generation Y consumers, ages 18-34.

### Baby bloomers

Boomers may be slower to embrace mobile applications than their early-adopter counterparts, but as the smartphone matures, the baby boomer generation has come around to the power of both mobile applications and the mobile Web.

“Media makes fun of boomers being slow adopters of tech, but that’s not generally true,” said Vanessa Horwell, chief visibility officer of ThinkInk, Miami Beach, FL.

“The generally accepted wisdom of effective apps applies to boomer appeal as well: ease of use, attractive, responsive and intuitive interface, relevance and utility and a low or free, download price point all resonate with boomers and users in general,” she said.

“An app that telegraphs its utility – particularly if it’s a branded app – will gain the most traction with this lucrative market.”

Many luxury brands have developed mobile applications in which a game is involved. These marketers, it would seem, are targeting the younger affluent consumers.

How should luxury brands target the older consumers with their mobile applications?

“I think it's fully possible to address one segment without alienating another, if you are a smart marketer,” Punch Media's Ms. Coleman said. “We live in a world of fragments now, so one-size just can't fit all.

“To do that is to risk leaving money on the table,” she said.

To make both the younger and older generations happy, luxury brands should develop an application that is user-friendly with easy navigation.

Luxury automakers Audi and BMW have done a good job with their mobile applications in targeting both audiences.

For example, German automaker Audi teamed up with Gameloft for a mobile racing game in which users get to test-drive the vehicle ([see story](#)).

Audi, it would seem, is targeting its younger consumers with this particular application. But, the automaker has several applications that are informative for the older consumers as well.

“[Luxury brands should] make the purpose of the app clear from the get-go,” said Simon Buckingham, CEO of Appitalism, New York. “Don’t try to do too much. Mobile is all about getting information to the consumer as fast as possible without the clutter.

“Luxury brands can feature apps that provide directions to their retail stores using the smartphone's native GPS, [which is] a great way to bring in consumers who already have an interest in the brand,” he said.

ThinkInk’s Ms. Horwell said luxury brands should not develop an application just to have one in the mobile space. Marketers should create a branded application with a purpose that delivers value to users.

“Alternatively, lend your brand to an established app that aligns with your brand’s values,” Ms. Horwell said. “Nearly every free app that has cross-appeal to influential boomer demographics has room for advertising.

“Clearly, mobile is a channel that can reach boomers effectively, so marketing to them through this channel really does behoove luxury brands,” she said.

Final Take

*Why luxury brands must target baby boomers*

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