The State of Retail

Baby Boomers

2015
Baby Boomers

Baby Boomers are described as those who are born between 1944 and 1964. Baby Boomers are the largest demographic in the U.S. and they have the most money to spend. Baby Boomers outspend other generations by an estimated $400 billion each year on consumer goods and services (U.S. Government Consumer Expenditure Survey)\(^5\). And, in a recent report by Gallup\(^6\), Baby Boomers are spending more than they were a year ago.

This spending power is impressive and should not be ignored, but retailers must keep in mind how Boomers spend their money and how they are influenced. Baby Boomers grew up in an era where media was different than their younger counterparts, therefore different types of advertising influence them in different ways. For example, eMarketer.com\(^7\) reports that while Internet users age 50–69 go online to compare prices, what really sways their purchasing decisions are commercials on television.

Pre-purchase research online is now common among boomers. As a recent survey by Prosper Insights & Analytics\(^8\) found that nearly half of US boomer internet users researched online before buying electronics. More than one-fifth said they did this before purchasing apparel or appliances.

Boomers’ online research is distinct compared to other generations though. A recent survey by Market Strategies International\(^9\), indicates that Baby Boomers are more likely than Millennials to use “consumer websites and publications” and much more likely to cite these as “primary” sources.

For the majority of Baby Boomers, purchasing happens in the store.

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\(^6\)“Baby Boomers Are Opening Their Wallets,” John H. Fleming, Gallup.com 
\(^7\)“For Digital Shopping, Baby Boomers Favor Desktop Over Mobile,” August, 14th, 2013, eMarketer.com 
\(^8\)Consumer Snapshot, Prosper Insight & Analytics, consumersnapshot.com, April 2015 
\(^9\)“How Old-Fashioned Are Baby Boomer Shoppers?” www.marketstrategies.com, July 18, 2014
At the same time, 89% of TimeTrade respondents between the ages of 55 and 64 indicate they like to shop in the store because they like to ‘touch and feel’ products before they decide what they want to buy. This is 4% higher than the survey’s global result.

And, 60% of this survey segment values smart recommendations over fast service, This is 10% higher than the answer by global respondents.

However, one statistic that stands out is that 64% of survey respondents ages 55-64 want store associates to know the best product for their specific needs and budget (Figure 2). This is 17% more than global respondents, indicates that while Baby Boomers have a lot of disposable income, they are still budget-minded and, at the same time, want stores to know their needs.

Figure 2. When being helped by an associate, I expect them to know (please check all that apply):

(Respondents Age 55-64)

<table>
<thead>
<tr>
<th>Product Information</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Which product is the best value</td>
<td>56%</td>
</tr>
<tr>
<td>Which product has the highest quality</td>
<td>57%</td>
</tr>
<tr>
<td>Which product is the most popular</td>
<td>25%</td>
</tr>
<tr>
<td>Which product is the most reliable</td>
<td>59%</td>
</tr>
<tr>
<td>The best product for my specific needs and budget</td>
<td>64%</td>
</tr>
</tbody>
</table>
Author:
Sarah Wallace
Sarah currently works as the Content Marketing Manager for TimeTrade. Wallace previously served as an Analyst for the telecom industry covering topics such as Next Gen Customer Experience, Big Data Analytics, Omni-channel, Social CRM and OSS/BSS.