Ageism in American Advertising: A Matter of Awareness

Ageism is the last socially condoned bigotry. Unlike so many cultures where age is honored and elders of society revered, older Americans endure ugly, misguided stereotypes and must fight for a place at a table they themselves worked to build. It's completely shortsighted. Unlike other targets of bigotry, we will all – if we're blessed with a long life – join the ranks of this group someday.

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Testimony prepared by Mature Market Group, part of J. Walter Thompson Worldwide
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Ageless Marketing

When I was first approached about the possibility of testifying before this committee I hesitated for a moment before accepting this privilege and responsibility. Why the hesitation? Simply put, I pondered the potential outcomes of such a hearing. Could it actually make a difference? I came here today with the belief that our leadership does indeed not only have the responsibility but also the moral obligation to help rid our nation of injustice of all kinds. Progress has been made on many such fronts in the United States, yet the feelings and emotions that revolve around the aging process have yet to be addressed at the highest levels. Thoughts must be followed by action if change is to take place. And change must take place if we are to evolve our society to a higher level of mutual respect and appreciation for one another.

As those who have testified before me have shared this morning, Ageism is alive in our country. Awareness about the problem is growing, but for the most part our awareness of this problem is in its infancy. This report is designed to raise awareness of a persistent problem in the failure of marketers to address the needs of 50-plus Americans. The Mature Market Group, part of J. Walter Thompson Worldwide, sees many advertisers and their agencies overlooking the largest, wealthiest consumer group in a collective worshipful attitude toward youth. Just missing the older segments would be unwise in most marketing plans. Laughing at and stereotyping older Americans appears to be tolerated by many industries in ways that would never be allowed for any other group in our country. We believe it's time to raise awareness of ageism in advertising and work toward its demise. My sincerest hope is that this hearing can be a springboard for change – change that will have one of the most uniquely positive impacts on life in America and throughout the globe in the century ahead of us.

How Did We Get Here?

Since the founding of J. Walter Thompson in 1864, those attempting to advertise or promote a product have been looking for ways to communicate with a "target" market. Mass marketing became highly successful following World War II. Although advertisers have given themselves far too much credit for the impact of messaging developed for various products, no one can deny the

tremendous success that many companies and products have garnered as a result of these marketing and advertising efforts. During the 1950's everyone needed a house and a car. Everyone wanted the electric washing machine and the convenience of prepackaged foods was irresistible to young couples. The simple mix of new products offering time-saving convenience with individuals who longed to enjoy new families and experiences is a phenomenon not likely to repeat itself again during our lifetime. The discovery by researchers and marketers that consumers could be understood through the use of demographics (mostly related to age and income) and more accurately targeted by advertising communications would prove to be the key to all marketing communication in the final 50 years of the 20th century.

Results of 50 Years of Demographically Based Marketing

Books have been written about the various generations. Research has been conducted with regard to the various life stages, which many of us over the age of 50 have faced or will face during our remaining years. Yet, these additional insights have not really changed the way we think about consumers. I would propose that years of research and marketing based on demographics has created stereotypical images of various segments of the population which are so ingrained into our way of thinking that it is difficult to see that the problem of ageism even exists.

As researchers have become more sophisticated in their approaches to and understanding of human behavior, one would think that new methods of marketing and creating advertising communications would have evolved over the past 50 years. While strides have been made, when all the bells and whistles are stripped away, the strategies of today's advertisers are similar to those used in the 1950's.

For the past few years, companies that advertise consistently are reporting that marketing costs are rising and the return on investment is down. Yet, even with this evidence, the industry continues to "do the same things and expect better results." Customer Relationship Marketing efforts, once considered the panacea for increasing sales and capturing lifelong relationships with the customer have been yielding less than satisfactory results. With this as the backdrop for entrance into the new millennium, it would seem logical that the marketing world would open its collective mind to new and far-reaching ideas that would turn the marketing world upside down as the Internet has done on the technology side of our world. The Internet has literally forced a fundamental change in

strategies in technology and companies are scrambling to be connected at lightning speed. It has happened quickly and without regard to size or depth of brand equity held by any company. The Internet is brand blind. The Internet is age blind. Yet, the shift in thought with regard to human behavior, motivating underlying values and brain science has not really even started. This shift in thought needs to be as dramatic as the technological shift; however, because changes in social thought occur slowly over time, it will take a concerted and sustained effort to create lasting change in the way in which we view the chronologically older portion of our population. I look forward to the day when marketers are age blind.

Ad Industry Numbers and Trends

The resulting status of marketing and advertising in the United States can be summarized as follows:

- *We have all been placed into buckets according to age, income and generation.*
- *It is generally assumed that because we are a certain age, read a certain magazine or are a part of a generational label (GI's, Boomers, GenXers), we are very much alike others within that same generation.*
- *The advertising world is dominated by youth. Companies with products to sell are, in general, mesmerized by the "need" to capture the youth market. The reasoning goes like this. "In order to preserve our market share for the future, we must capture them while they are young." Research supports the notion that this is nonsense and yet companies and advertisers continue to do as they have always done.*
- *Those over the age of 50 are, for the most part, labeled as "spill over" according to those who place media buys for major advertisers.*

"Media buyers estimate 55 percent of the $8 billion in advertising spent in TV's upfront and scatter market last year was directed to the 18-49 age group. Remainder went to kids under 18 and adults 25 to 54." (Ad Age, 5/13/02)

Less than 10 percent of today's advertising focuses on people over 50. Up from one to two percent a decade ago. (Age Wave, 2002)

With the exception of pharmaceutical advertising, most of the images seen in advertising featuring seniors mocks them with bad humor or stereotypes.

"For a lot of brands we work with, it's sexier to advertise to the younger consumers who are trendier, much more fashion-forward, very social and very much in the public eye. With marketing dollars so limited and precious, you want to bet ... on the future." (Melissa Pordy, SVP of print at Zenith Media)

"There's a certain illogical standard today when baby boomers ... are moving into their 50s and taking a predominate amount of spending with them. Nielsen Media Research now tracks 35- to 64-year-olds, proof that some advertisers look at this demographic as more representative of where the core consumer is." (David Poltrack, EVP, research and planning at CBS)

The tug of war between CBS and ABC over "The Late Show with David Letterman" was fought mainly because the younger-skewing "Letterman" brings in $100 million in advertising. That's more than ABC's "Nightline" and that very fact reinforces the notion that finite marketing dollars are better spent on fledgling consumers. (Ad Age, 2002)

Myths of Aging – Spurious Correlations

The topic of aging is durably encapsulated in a layer of myths in our society. And, like most myths, the ones about aging include a confusing blend of truth and fancy. We have compressed a few of the most familiar of the aging myths into single sentence assertions – frequently heard, usually with some link to reality, but always (thankfully) in significant conflict with recent scientific data.

Myth #1:	You get old; you get sick
Myth #2:	You get old; you lose interest in intimacy
Myth #3:	You get old; you are unwilling to try anything new
Myth #4:	You get old; you lose control of bodily functions
Myth #5:	You get old; you can't function in the work place
Myth #6:	You get old; you can't understand technology
Myth #7:	You get old; you have no social life
Myth #8:	You get old; you cannot fully participate or pull you own weight
Myth #9:	You get old; you need help to make decisions

It is our belief that the public in general and advertising people in particular are programmed to think that aging is a BAD thing that once you're past 40, you're over the hill and out of the game. However, if you talk with most healthy, older people, you'll learn there are many positive things about aging. In fact, Rowe and Khan speak to "Successful aging (as) dependent upon individual choices and behaviors ... attained through individual choice and effort."

We find that many advertising people: copywriters, art directors, account executives and media buyers subscribe to these myths and perpetuate ageism within our industry by being unaware of the realities of marketing to the matures. It may be easier for young staffers to go with what they know and understand ... what appeals to them personally. Often the thought is, "we'll pick up the older consumer anyway."

The hard fact is that over the course of the next 15 years, the sheer numbers of Baby Boomers will change everything. The advertising agency that understands this and acts to stamp out ageism in advertising will survive.

New Customer Majority

Over 12 years ago, my friend and colleague David B. Wolfe, author of the book "Serving the Ageless Market" documented and wrote about the next step in the evolution of understanding human behavior as it relates to marketing. As is true with many explorers, inventors and scientists, David's understanding of the fact that a person's chronological age is nearly a *nonsequitur*, has for the most part fallen on deaf ears. The study of the brain has led to some rather astonishing conclusions, which fly in the face of traditional marketing strategy. According to David, people become more *introspective*, *individuated* and *autonomous* at midlife.

> The *introspective* midlife mind is a more subjective mind that offers greater resistance to objective analysis than the more objectively biased minds of the young. Older consumers think in a more nuanced manner, and see more shades of gray where young consumers perceive the world in black and white. This is a big reason why consumer research has become less dependable as the consumer population has aged.
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> The more *individuated* midlife mind is less tolerant of marketing when its individuality is denied in marketing communications and when transaction processes depersonalize the customer experience. This is why customer loyalty has fallen as the customer population has aged.
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> The *autonomous* midlife mind is more resistant to attempts by others to bend it to their wills. This is why "argument" styled advertising that hard sells product features, functional benefits and economic value has lost much of its effectiveness as the customer population has aged.

My work with J. Walter Thompson focuses solely on this "new" majority. As I do speaking throughout the North America with regard to our Value Portraits® research I am amazed by the positive response to the material. No one individual in any audience has been able to tell me how the demographic differences between the "leading edge" boomers and the so-called "silent" generation affect their messages or marketing strategy. They can spout streams of data, but they cannot apply the information they do have so that it positively impacts the bottom line. Marketers

everywhere know something is wrong, but they don't know how to use the traditional age-related demographic information they possess to improve results.

Until enough "noise" is made about the need to embrace a fundamental shift toward viewing this new customer majority as an "ageless market," no change in marketing efforts (that currently skew toward ageism) will take place. Simply put, advertisers and marketers continue doing what they have always done because it is easier than taking a new path, even if this new path will lead to better communication with potential customers and ultimately grow revenues.

Finally, one of my favorite examples as to why using chronological age and life stage events (research from the past 50 years) will ultimately fail when used as a basis for marketing communication is this. The world has changed to a global economy. This fact cannot be changed. It cannot be reversed. Marketing strategies that proved to be successful in North America in the past will simply not work in a multicultural world filled with ethnic diversity. Just think for one moment about all those young MBAs who are being educated today. How do we expect them to understand Chinese markets? Through age? Through generational experiences? The current system is destined for communications failure. The foundation upon which future marketing communication is to take place must be timeless and ageless.

Educating the Marketers to a New Advertising Strategy

> "This is a highly heterogeneous marketplace. This is not a one-size-fits all. If there's a hallmark for this audience, it's change - biological and social. (Rick Adler, The Senior Network, Inc.)

> "Advertisers will need to understand the change in sophistication of today's over 50 population. Boomers want to see people their own age represented in ads for products they buy rather than the 70-plus stereotypes or the advertising that uses 20- and 30-year-olds." (Les Harris in Quirk's Marketing Research Review 2000)

The 50-plus market holds more than $1.6 trillion in buying power ... even with this kind of cash, 'corporate America is leery,' an ad exec says. ...Marketers should directly target (this) group, which by 2020, will include one in three Americans. (Ad Age, 2000)

Value Portraits®

A new approach toward appealing to seniors

Traditionally, companies have relied on attitudes, opinions and demographics and even life stages to predict consumer behavior, but these can and do change over time due to life events and circumstances. Although members of any generation are linked by the shared life experiences of their formative years, it is not the experiences and events that have meaning, it is the attitudes, beliefs and values that have been created as a result of these events that is important. The key to capturing the mature audience lies in understanding their key values.

A misunderstanding of the target market's core beliefs and underlying key values will result in stereotypical communications based on the creator's personal beliefs and values. Misunderstanding occurs because as individuals we each view the world (including its material contents, interactions with others and observations of others behaviors) through our own frame of references or "values eyeglasses." While the goal is to create effective communications, the result is often communication that misses the mark and even borders on ageism because we look at others through our own values eyeglasses.

Values do not change

Values are developed over time as a result of beliefs and attitudes. Once developed, values are not likely to change. Beliefs and attitudes are shaped by three important factors:

- *Personal experience*
- *Social proof* or confirmation by others either validates or invalidates our beliefs.
- Finally, and most dangerously, our *imagination* plays a part in defining our beliefs.

Beliefs themselves exist in levels of intensity. Opinions are beliefs we all possess, but we have little psychological attachment to opinions. From there we move into those beliefs that become the constant measure of how we run our day-to-day lives. They become our guiding rules. Mostly, they just operate in the background, helping us make decisions. We generally don't think about our routine daily decisions, but rather respond to any communication or event using these deeply rooted beliefs and values without hesitation.

Finally, those values that have become such a part of us that they indeed make up our identity are called convictions. These are the unchangeable values that have become a deep part of our psyche. We don't question them. We have satisfied ourselves through life's tests and experiences that these are the values that lead to the best decisions and quality of life. It is these last two groups of beliefs that form the "values eye glasses" through which we make daily judgments. They, in fact, become the nearly unconscious "traffic cop" of our every move and choice.

Values are not held distinctly or separately, but as part of an integrated belief system, according to Shalom Schwartz and Wolfgang Bilsky in the *Journal of Personality and Social Psychology*. Values guide actions and judgments across situations; attitudes and opinions, on the other hand, are "domain-specific" (beliefs about a particular object within a particular context). Although attitudes and opinions affect behavior, they are likely to change throughout one's lifetime. Values, on the other hand, are deeply engrained, remarkably stable, and change slowly, if at all, over the course of life. Moreover, values constructs are relatively few in number and are largely universal. *Values* can be defined as (a) relatively stable thoughts or beliefs, (b) about desirable behaviors or ways of living, (c) that transcend situations, (d) guide decision making, and (e) are ordered by relative importance.

Eight distinct groups of seniors

What does vary from one individual to the next, rather, is the relative importance one places on different values, depending on one's background and life circumstances. Value Portraits classify mature Americans with similar belief systems into eight distinct groups. Members of each group share a mindset that reinforces a predisposition to behave in a certain way and underlies specific attitudes (for example, purchasing certain products or healthcare services).

The Mature Market Group and Seniors Resource Group conducted a study of adults 62-plus to determine if a person's life events, situations and generational experiences shape their core values, and determined that they can be categorized into eight distinct segments to help predict their marketplace behavior.

Woeful Worriers (5 percent) never recovered their fiscal confidence after the depression, but they retained their faith in authority. They are comfortable with order and routine and shy away from excitement and risk – even if they are dissatisfied.

Liberal Loners (9 percent) find it difficult to become a part of the human family. They appear to fit a bleeding heart stereotype, but they focus on their own independence, concerns and needs, leaving little energy for family or friends.

Fiscal Conservatives (15 percent) are aware that they are admired for their accomplishments and for their possessions. They shop for quality over value, but manage to find the bargains. Wary of change, they focus on tradition and family pride.

Active Achievers (10 percent) have enjoyed all aspects of their lives. They don't see themselves as "old" and don't plan to join the older ranks, regardless of their chronological age. They are well educated, socially involved and usually well to do. Nonconformists, they enjoy excitement. They are often divorced and may lose touch with their families.

True Blue Believers (20 percent) are often the moderates. They are religious but not zealous, compassionate but not overindulgent, happy not giddy, smart not brilliant, conservative not inflexible. They are fulfilled by families and friends and satisfied with themselves.

In-charge Intellectuals (7 percent) are lifelong readers and thinkers who keep up with change and are secure in their abilities and opinions and perceptions. Their personal relationships may be casual. They expect more of themselves than others.

Intense Individualists (14 percent) see the world as unforgiving and a tough place to be. They have a pioneer's resourcefulness and self-reliance. They assume a leadership role in their families and communities. They are unsentimental and uncompromising.

Hearth and Homemakers (20 percent) keep their family and friends at the center of their lives. Their religious congregation is the center of their community. Often caretakers and volunteers, they're happy and see their lives as rewarding.

This segmentation serves to match those with the strongest need or desire for certain products or services with those particular categories. Creative and media can be matched to the segments to provide different approaches to match differing needs, lifestyles and lifestages.

Age Blind, Value Clear

Looking at human behavior through values-based segmentation research is not only logical but it is also statistically accurate. The key difference between this segmentation and others based on life stage or demographics is that values don't shift--while life stage and demographics do. Even attitudes shift. Values on the other hand are virtually constant in the guidance they provide for each of us.

In fact, if one were to view each segment, as a different solar system, then each would have a different combination of values at the center representing its sun. Around these values revolve not planets, but words, phrases and images that work for that segment. There are also negative values or values that *repel* each segment. These might be considered the black holes of this little universe. If the creative images and words or even communications tactics used are the wrong ones, then the system repels those words and images akin to the like poles of a magnet. In other words, marketing pieces may get tossed into the black hole, not necessarily due to poor product features or benefits, but because the words and phrases used were repelled by that person's universe of values.

Likewise, the impact of a values-based segmentation on media planning can and will be felt. Knowing the media habits of the 62+ population is important. By determining the media habits of the *Active Achievers* or the *Intense Individualists,* for example, media placement and tactics can be more targeted and thus cost effective.

The values-based segmentation has a huge potential to help those individuals who market to seniors. It can help them achieve a greater insight as to which words and phrases to use and which to avoid generally, and in each universe. Finally, the potential of values-based research is that one can truly begin the process of marketing to an "ageless" market. For instance, *Active Achievers* and *Intense Individualists* place a very high value on thrills and excitement. This explains some of those "odd" seniors that don't fit into the stereotypical view of this population. These market segments are the

ones skydiving and trekking off to some reclusive place on earth to visit a hidden temple. Interestingly enough, we know there are younger individuals doing the same thing. Why? Because values cut across all age groups. If a 45-year old and a 65-year old aspire toward the same value, then messages based on that value will communicate with both.

As the leading-edge boomers begin to age chronologically, every company in America is trying to scramble to grab this market. There are so many numbers, so many life stages and so many different types of boomers that trying to make sense of it all can be confusing, costly and fruitless.

One of the key functions of research based on Value Portraits is that it provides an unchanging baseline against which all known demographic information can be categorized and evaluated. Now marketers can take the known information and look at it through the "values eyeglasses" of their target market instead of filtering the information through their own biased eyes.

"We've entered a new age of old age." (James Firman, President, National Council on Aging)

Marketers who worry about their product being labeled as an "old folks' brand" need to educate their 30-year-old brand managers to walk in the shoes of someone twice their age. Help them to know that those who may be of "retirement age" don't necessarily retire – they often redirect, refocus and reinvent themselves.

Studies show that someone over 60 views themselves as 15 years younger. "Whereas your typical 30-year-old copywriter, if you ask them to pick a 60-year-old out of a group of seniors, they'll pick someone who is 75-years old." (Kathy Curry formerly of Sandcastle Group in American Demographics 2000)

"Older Americans are spending a lot more than advertisers give them credit for. We are a youth culture. We value youth above all else, but some advertisers can see through the gloss ... and go for the sale." (Stacey Lynn Koerner, SVP of broadcast research, Initiative Media)

"Sixty-year-olds don't think like they did in the last generation. Sixty-year-olds in the last generation wore plaid pants." (Richard Kinsler, president of SLG Advertising and former publisher of Playboy and Mademoiselle)

50-PLUS NUMBERS AND FACTOIDS

Fifty-plus adults now comprise 38 percent of the U.S. population and this number jumps to 47 percent by 2020. (Census Bureau)

Fifty-plus adults account for approximately 80 percent of personal wealth in U.S. banks and financial institutions, and have 50 percent of all discretionary income. (Age Wave Report, 2001)

A Baby Boomer turns 50 every seven seconds.

Approximately 6,000 Americans each day celebrate their 65th birthday. (Selling to Seniors, 2001)

A person who turned 65 in 1998 can expect to live an additional 17.8 years. (Research Alert, 2001)

Of those persons 55-plus in the civilian labor force in 2000, 97 percent were employed, including 96.8 percent of men and 97.2 percent of women. [These numbers may have fluctuated during the latest economic turmoil.] (U.S. Census Bureau, 2000)

An analysis by the U.S. Bureau of Labor says 17.5 percent of men 65-plus were still in the workforce in 2000 (up from 16.4 percent in 1990), as were 9.4 percent of women 65 plus (up from 8.7 percent in 1990).

Median household net worth in 1999, according to age of household head: 55-64, $145,000; 65-74, $190,000; 75 plus, $132,900. (Administration on Aging, 2001)

Distribution of sources of income for Americans 65-plus based on a study in 2000 by the Employee Benefit Research Institute: Social Security, 41 percent; earnings from work, 20 percent; asset income, 18 percent; pensions and annuities, 19 percent; other, 2 percent.

Percentage who owned their own homes in 1999: 50-54, 77.8 percent; 55-59, 80.7 percent; 60-64, 81.3 percent.

Fifty-plus adults own almost 50 percent of the credit cards in the U.S. (Age Wave Report, 2001)

Spending

Consumers over 50 spend an average of $75.24 per week on groceries. (International Dairy-Deli-Bakery Association, 2001)

According to a survey by the Cotton Incorporated Lifestyle Monitor, the amount of money spent on clothes in the past month (June 2002) by women 50-55: none, 20 percent; $1-$50, 30 percent; $51-$100, 14 percent; $101-$200, 20 percent; over $200, 17 percent.

Fifty-plus adults buy 41 percent of all new cars, and 48 percent of all luxury automobiles. Consumers in the 60-69 age bracket have more than doubled their new-vehicle purchases since the early 1970s. (Age Wave Report, 2001)

Today's 50-plus adults represent 80 percent of all luxury travel, and spend 74 percent more on a typical vacation than 18-49-year-olds. According to an Age Wave report in 2001, they spend 40 percent more time vacationing in their 50s than they did in their 40s.

Favorite activities enjoyed by mature vacationers: shopping, 29 percent; visiting historical places or museums, 15 percent; attending cultural events or festivals, 12 percent; gambling, 11 percent; outdoor activities, 11 percent; visiting national or state parks, 8 percent; going to the beach, 7 percent; golf/tennis/skiing, 3 percent. (Travel Industry Association of America, 2001)

Drugs and Health Care

Of the 50 drugs used most frequently by seniors, the average annual cost per prescription as of early 2001 was $956. (AARP) The average number of prescriptions per older American increased from 19.6 in 1992 to 28.5 in 2000. (Families USA, 2000)

Consumers 50-plus purchase 77 percent of all prescription drugs and 61 percent of over-the counter drugs. (Advertising Age, 2000)

Seniors spend anywhere from 12 percent to 19 percent of their income on out-of-pocket health expenses. (AARP, 2001)

Technology

Half of 50-plus consumers have personal computers at home, and 70 percent of this group has Internet access. (Advertising Age, 2000)

Ninety-two percent of those computer owners age 55-plus have shopped online, and 78 percent have made purchases. (Age Light Institute, 2000)

Most popular on-line activities for senior Internet users according to a Pew Research Center study in 2000: e-mail, 93 percent; search for health info, 53 percent; get financial information, 44 percent; read political news, 36 percent; play a game, 32 percent; buy/sell stocks, 12 percent.

Examples of Ageism in Advertising

Ageism (n.) didn't enter the vocabulary until 1969. It is defined as prejudice or discrimination against a particular age group, especially the elderly.
Elderly (adj., noun) entered our vocabulary in 1611. Webster's describes elderly as "rather old, especially beyond middle age."
Please see our videotape and handout for recent examples of Ageism and Ageless Advertising in the U.S.

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