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Missed opportunity *Grandparents are an untapped market*

By Rob Grede, for *Small Business Times*

Gary Duvernell is a proud grandparent. He is also one major missed opportunity.

Duvernell, 61, is a retired bricklayer on a fixed income, not the wealthiest grandparent around. But this Mukwonago resident has lots of disposable income. And he loves to spend it on his grandchildren, ages 10 through 18, even if it's a gift that only makes them happy "for half an hour."

Duvernell's problem, like that of his peers, is trying to figure out what his grandchildren like.

"My main objective is to make them happy, but the truth is, kids today are pretty fickle and I don't really know what's popular," says Duvernell. "So I buy them stock. Not exactly what a 10-year-old dreams about, but it's really for their college education."

Asked to name a single company that does a good job marketing kids products to him, Duvernell just shakes his head. He isn't alone.

Despite recent fanfare about their willingness (and ability) to buy, few manufacturers and retailers are marketing themselves effectively to the burgeoning grandparent market.

It's their loss. They are missing a huge opportunity, a vast market growing bigger as the population ages. There are 78 million baby boomers out there, the oldest of whom are becoming grandparents at the rate of more than 10,000 every day, nearly 4 million a year.

Grandparents today are taking on a bigger role in their grandchildren's lives. The increase in single-parent homes means children have less and less adult influence in their lives. It's the grandparents who are picking up the slack. Some grandparents are even becoming the main providers of such staples as food and clothing.

Grandparents are living longer; most have disposable income; most of them have time; all of them adore their grandchildren. And with today's blended families, a typical child today might have as many as six or seven grandparents.

We're not just talking about toys, either. Grandparents are spending more on travel, computers, recreation, financial services, and entertainment. They have the wherewithal financially — more so

than their children — to buy and travel and do all those things the parents can't do.

According to a 1997 Roper Starch poll:

- one in three American adults is a grandparent
- grandparents spent \$505/year on their grandchildren in 1997 (up from \$320 in 1992)
- 55% of grandparents purchased a gift for a grandchild in the past month
- grandparents buy one of every four toys sold in the US.

The 50-plus market is one of America's most affluent secrets. While it represents only a third of the population, it controls 70% of the net worth.

Yet Madison Avenue continues to worship at the altar of youth. Part of the problem is the generation gap between ad executives and the folks to whom they want to sell. Twentysomething and thirtysomething copywriters struggle trying to relate Generation X thinking to Eisenhower-era grandparents.

Too often, seniors are depicted as befuddled hicks who can't program a VCR, or simply senile and in poor health. But only 5% of the mature market ever goes into a nursing home. It's only the very oldest part of the market that's in poor health.

Ad spending on toys, games and hobbies topped \$870 million last year, according to Competitive Media Reporting in New York City. But little if any of the ad spending was directed at seniors.

Not all companies are missing out on this mega-market opportunity. Recently, several firms have begun recognizing the potential of the grandparent.

Disney advertises a limited edition Peter Pan video with a headline that reads: "The Quickest Way To Get Your Grandkids To Fly Right Over." The Lawrence Welk Show in Branson, Mo., advertises its programs with billboards that say: "Bring Your Kids ... Heck, Bring Their Kids."

Catalog company Genesis Direct offers hobbies and games through its "Gifts For Grandkids" catalog, and sales have tripled in each of the past two years. Its marketing strategy includes quarterly newsletters and a grandkids birthday club that works like a personal shopper.

Grandtravel travel agency offers 19 worldwide destinations with

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tours specifically designed for grandparents and their grandkids. Many are educational; all are meticulously planned. Alaska is the No. 1 destination, followed by Kenya.

Toys 'R' Us recently instituted a program aimed at seniors: Grandparents 'R' Us includes a splashy Web site that recommends popular toys, including many perennial favorites, such as model trains, Play-Doh, and Monopoly.

"It makes it a lot easier to buy for my grandkids if I know what's popular," says Duvernell.

The number of companies that take the time to talk to grandparents like Gary Duvernell is growing. Those that advertise effectively to them will reap the benefits of this burgeoning market.



Robert Grede, author of *Naked Marketing - The Bare Essentials* (Prentice Hall), also speaks on the subject

of marketing and strategic thinking at universities, civic organizations, and corporate venues. (www.nakedmarketing.com)

TV advertising

Tip #30

Television offers the best opportunity to create awareness for your product or service in the minds of your customers.

Here are three guidelines for maximizing your ad's effectiveness:

1. What you show is more important than what you say.
Your pictures tell the story; use words to reinforce the message.
2. Sell only one thing with your 30 seconds.
Too many selling points in one ad confuse viewer.
3. Use your product's name at least three times. Make sure your viewer remembers your product next time she decides to make a purchase.

Customer complaints

Tip #31

It's much easier to keep your existing customers happy than it is to hunt new customers. If your customers complain, be sure to acknowledge the complainer and remedy the problem quickly.

Research reveals that only one person in 25 actually complains about a product or service.

That means, for every complaint about your product or service you receive, there are 24 others with the same criticism who simply did not complain.

So if you receive a complaint, thank the person for complaining. You have been alerted to a problem shared by 24 others.

— For more tips, go to www.thegredecompany.com