

A force to be reckoned with



Retailers with store brands could better meet the needs of baby boomers and elderly shoppers with convenient packaging, special-diet SKUs and more emphasis on key categories

It seems like millennials get almost all of the attention these days and with good reason, as retailers and manufacturers bend over backwards to win over this highly demanding, digitally savvy generation that will only gain in buying clout in the years ahead.

But it's important not to take baby boomers, the generation born between 1946 and 1964, and elderly consumers for granted when developing and marketing store brands. Not recognizing and catering to the needs of older consumers amounts to a missed opportunity — make that multitudinous missed opportunities, retailing experts say.

Currently, 108.7 million people in the United States (one-third of the population) are age 50 and older, according to AARP, which has conducted research showing that 66 percent of these individuals spend at least \$100 a week on groceries. Although millennials now outnumber boomers (82 million versus 76.4 million), there are far more older consumers in the United States than 20- to 36-year-olds.

By
Carolyn
Schierhorn

Of course, individuals in the 50-plus age range are not a monolithic group, notes private brands consultant Jim Wisner of Libertyville, Ill.-based Wisner Marketing. This broad demographic classification includes people in their prime earning years, active retirees with considerable savings, retirees on fixed incomes who are struggling to make ends meet, individuals with debilitating health conditions and mobility problems, people caring for extremely frail and elderly parents, and so forth.

Be that as it may, retailers can make several general assumptions about consumers older than 50, Wisner says. First, they are heavy buyers of certain categories, many of them non-food. Second, they have emerging if not full-blown health and wellness concerns. Third, they value convenience; they don't want to walk far to find what they're looking for. Fourth, they don't want to struggle to open and close containers and they would like to be able to read product labels easily despite worsening vision. Fifth, unlike millennials, many of them still look through newspaper

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circulars, even though they may also learn about promotions online.

Most important, according to Wisner, aging consumers don't like to be called "old." Marketing to these individuals means calling out those aspects of a product that are important to this demographic while stressing the positive — the active, interesting, vibrant lives led by the no longer young.

Leverage OTC, need for eyeglasses

Over-the-counter medications, vitamins and minerals, and home health devices are disproportionately purchased by older consumers. In fact, "half of OTC products are purchased by people over the age of 50," Wisner says.

10 tips for winning over older consumers

Much can be done to target the needs of older consumers and make the shopping experience more enjoyable for them. To win over these potentially most loyal customers, here are some recommendations:

- 1 Strengthen the pharmacy section to draw more shoppers to store brand over-the-counter products.
- 2 Develop food products with specific chronic health conditions in mind such as diabetes mellitus, hypertension and heart disease.
- 3 Don't suggest on packaging or signage that certain products are intended for frail elderly consumers.
- 4 Packaging callouts should address the common health issues of individuals older than 50 and be in a large enough font size for them to read.
- 5 Large stores should have comfortable seating in several locations, not just a bench at the entrance.
- 6 Retailers should encourage retirees to gather at the store for coffee and conversation or for an early dinner in the grocerant dine-in section.
- 7 Do recognize the opportunity to develop and sell private brand reading glasses to older customers.
- 8 Like millennials but for different reasons, older shoppers prefer containers that are lightweight and easy to open and close.
- 9 Aging consumers often desire smaller portion sizes in private brand heat-and-eat refrigerated, frozen and shelf-stable meals.
- 10 Although they generally prefer to shop in the store, aging consumers might like to order certain bulky and personal products online such as paper towels, moistened toilet paper and adult incontinence products.

Among the OTC segments dominated by aging consumers are analgesics for arthritic pain, antacids and other remedies for digestive problems, laxatives to address the common medication side effect of constipation, eye drops for dry eye syndrome, foot care products, first aid products such as wound care items, and sensitive toothpastes and denture-cleaning products. In addition, older individuals are more likely to buy calcium and Vitamin D supplements to prevent or combat osteoporosis as well as multivitamins targeted to middle-aged and senior populations.

"OTC is also a category where store brands are extraordinarily powerful," Wisner says. "By volume, store brands account for more than 50 percent of sales. It's a huge category, and it's a growing category."

Just as most consumers now realize that generic prescription drugs are comparable to brand-name drugs and much less expensive (not to mention much more likely to be covered by health insurance plans), shoppers today recognize the quality and tremendous value of private brand OTC products. To fully leverage the OTC category to increase sales to older consumers, supermarket chains and other large grocery retailers need to strengthen and leverage their pharmacies, Wisner suggests. "Once you lock in pharmacy customers, they are more loyal than any other customers," he emphasizes.

To improve sales to older customers, the in-store pharmacy should be in clear view and a short walk from a store's main entrance. The pharmacists and technicians should be able to answer customers' questions about —and help them find — all manner of OTC products. In-store events such as osteoporosis screenings and heart health programs can drive more traffic to this part of the store, Wisner adds.

In developing new OTC drugs or when revamping packaging, retailers with store brands should consider that senior citizens often have trouble removing standard child-proof caps. Elderly people with memory problems would also find the newer combination-lock pill bottles challenging to open. There is much room in this realm for invention, and retailers who come up with the perfect pill bottle for their store brand medications stand to benefit.

What's more, the font sizes on OTC drug labels and other packaging should be larger. "The packages should be easier to read and find," Wisner says.

Speaking of diminishing vision, reading glasses constitute a category that retailers should play up in targeting middle-aged and older consumers, he adds.

"One spinner rack in a store is not enough," Wisner says. "You need several of these racks."

Indeed, many people own two or more pairs of reading glasses at a time and frequently buy replacements.



“You don’t just buy one pair of reading glasses,” Wisner explains. “You need one upstairs and one downstairs. And you need to replace the pair that you left at your kid’s house by mistake and the one you sat on last week.”

Reading glasses and eyeglass frames in general are an underdeveloped category for store brands, one with considerable growth potential, says Kieran Forsey, co-founder of Nottingham, U.K.-based Solutions for Retail Brands (S4RB). He notes that grocery retailers might want to consider adding optometry services to take full advantage of this category’s possibilities.

Address special dietary issues

Like millennials, older consumers tend to prioritize health and wellness, but their particular concerns are different. Millennials are known for eschewing artificial preservatives and other chemical additives they deem harmful, and they seek out organic and clean label products. This generation believes in making better choices today in the hope of having a longer, healthier life and preserving the planet for future generations.

Baby boomers and elderly consumers, in contrast, often are forced to restrict their diets because of pressing medical problems. They may have to limit

sugar intake due to Type 2 diabetes mellitus, sodium due to hypertension, or saturated fat due to heart disease — or all of the above.

“When you look at the older generations, particularly with food, they are much more focused on specific health issues and immediate health benefits,” says Matt Sargent, senior vice president of retail with Minneapolis-based Frank N. Magid Associates. “Younger age segments are more focused on sustainability issues, local sourcing and things like that.”

Despite the prevalence of health concerns among older shoppers, U.S. grocery retailers, for the most part, have not developed store brand ready-to-eat or heat-and-eat meals or meal kits with aging consumers’ dietary needs in mind. And seldom does a supermarket grocerant section feature a hot or cold bar targeting customers with dietary restrictions.

Kristi Maynard, a United Kingdom-based senior manager of branding and marketing strategy for Daymon, points out that Europe (including the U.K.) and Japan are way ahead of the United States when it comes to addressing the dietary demands and preferences of older consumers.

British retailer Marks & Spencer, for example, has created a brand called Active Health aimed at

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consumers with cardiovascular and other health concerns. In addition to selling Active Health meals in its stores, the retailer provides nutritional information and heart-healthy recipes online.

This brand does not target older consumers specifically, Maynard observes. In advertising, packaging and merchandising, “people don’t want to be talked to like they’re old,” she explains. “Similarly, you don’t want to have a section in the store where the merchandising and products are obviously aimed at older customers.”

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What retailers should do, says Maynard, is develop private brand food lines that reflect older consumers’ needs and preferences but also can be consumed by younger individuals with similar health concerns. Any promotional pieces and signage that do specifically target middle-aged and older consumers should capture the dynamism, fun and adventure of this stage of life.

Meeting the needs of truly elderly consumers is another matter, however. In Japan, which among all countries has the largest proportion of consumers over age 65, grocery retailers have made serving this demographic a high priority.

Maynard, who works with a Daymon retailer client in Japan, notes that private brand “soft foods”

aimed at elderly consumers who have trouble swallowing have gained traction in this country’s grocery sector. “These foods come in easy-to-open pouches,” she says. “They are pureed but are not baby food products. They are designed to meet the specific nutritional needs of the elderly.”

Older consumers want quality, value

But in the United States, do older consumers, who remember well the days of low-priced “generic” private label products in plain packaging, have respect for private brands? Among this population, the quality perception of store brands has improved as the products themselves have risen in quality, Wisner says.

Still, the value aspect of private brands is what resonates with many aging consumers — those who need to keep to a tight budget, he points out.

Sponsored by the Food Marketing Institute, IRI and Daymon, the “Power of Private Brands” research report notes that the quality perception of private brands differs somewhat but not significantly by generation and by product category. Boomers and older “silver” consumers regard dairy and fresh produce as the categories in which store brands are of the highest quality, with boomers ranking dairy No. 1 and silver consumers ranking fresh produce at the top.

Millennials and GenX consumers have the highest regard for the quality of store brand dairy and bakery items.

Interestingly, all four generational groups rank private brand personal care products and beverages near the bottom in terms of quality perception.

The “Power of Private Brands” study can help grocery retailers identify underdeveloped product categories in their store brand portfolios, in which new lines and products would likely win over mature consumers.

Double duty

Fortunately, when it comes to product and packaging trends, some of the preferences of older consumers are similar to those of millennials, Wisner says. Millennials, who snack throughout the day rather than having three square meals, want smaller portion sizes. Older shoppers, who typically have slower metabolism rates and less ravenous appetites than their younger selves and frequently live alone, also desire smaller meals.

Notorious for not owning can openers, millennials want easy-to-open and easy-to-close containers when they purchase CPG food products and beverages, Wisner notes. Aging consumers, who may have arthritic hands and declining fine



motor skills, also strongly prefer containers that are simple to open and close.

Younger shoppers may wish to avoid cans because of bisphenol A in can linings or because heavier packaging is perceived as less sustainable, whereas elderly shoppers might appreciate the lighter weight of alternative materials such as aseptic packaging.

Millennials are known to be foodies who fanatically seek out the new and different while caring deeply about what's in the products they consume. Baby boomers, who also like ethnic foods and care about ingredients, enjoy many of the millennial-driven product introductions. SmartLabel technology, an industry-wide initiative to enable consumers to have easy and instantaneous access to detailed information about thousands of products, is one solution to the challenge of giving different generational segments the specific information they need to make smart, healthful purchasing decisions.

Make them feel comfortable

Aging consumers, especially those with mobility issues, may be good candidates for buying certain products online for home delivery. Why go to the store to buy paper products or personal care items such as moist toilet paper?

But far more than younger generations, people over age 50 prefer to shop in the store. For elderly consumers in particular, going grocery shopping is an opportunity for social engagement, perhaps the only time they get out and interact with other people during the day, Maynard notes.

In Europe, she says, grocery retailers are starting to provide specific training to employees on how to assist elderly shoppers.

"In the U.K., Asda has dementia-friendly days; that's been a huge initiative here," Maynard says. She notes that these scheduled shopping times are aimed at people with severe dementia, who can be dropped off at the store by caregivers. Employees in the store are trained to accompany the elderly shoppers, offering help when needed in selecting products, navigating the store, and getting out the money to pay for the items.

"This is a way for individuals with dementia to be around people and do familiar tasks without being completely overwhelmed," Maynard says.

Similarly, at Albert Heijn stores in the Netherlands, cashiers are trained to spot loneliness in elderly people. "The cashiers are trained to engage with older consumers and connect with them," Maynard says. When these shoppers check out, they are not rushed but encouraged to take their time.

"That cashier may be the only person they talk to for a week," she notes.



Grocery retailers everywhere should think more about the needs of older consumers in the layout and design of stores, Maynard suggests. There should be more places for senior citizens to sit comfortably, well-placed couches rather than a single hard bench near the store entrance. There should be magnifying glasses available to help them read product labels, as well as long-handled reaching and pickup devices to help them retrieve items from store shelves independently.

Senior citizens could be encouraged to have early dinners in the supermarket grocerant dine-in section before the evening rush. Or they could be invited to gather for coffee and conversation and board games or other hobbies during the day.

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"I used to live in China. And it was very interesting that when you'd go to a grocery store at 7 a.m., it would be packed with elderly people," Maynard shares. "They wanted to pick up specials and fresh produce. And they were enjoying this social time together. There was definitely a community aspect to it."

To reach out to older consumers, she advises U.S. retailers to "create more opportunities for consumers to engage and interact with each other." **SB**

Schierhorn, the managing editor of Store Brands, can be reached at cschierhorn@ensembleiq.com.