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Retailers may shift gears in the '90s

STABY

It's time to downshift your retailing strategies. Get off that fast track of trying to be everything to everyone. Put your business in reverse and return to the basics—value and service.

by Jean Adamczak

The pioneering consumers of the '90s are going to be well-heeled and educated, according to retail industry analysts. There are an infinite number of variables to consider when predicting what the future will hold for retailers. For our purposes, we will address the following groups.

Baby boomers will be older, with smaller families (only 1.7 children) and more discretionary income than ever. **Baby busters** (baby boomers' offspring) will become a recognizable force in the marketplace as will elderly consumers or **silver streakers**. Last but not least, there'll be a resurgence of the "we" generation as couples discover the old-fashioned art of marriage, having babies and staying home with kids.

Baby boomers

The best is yet to come for this group. Generally defined as those born between 1945 and 1962, baby boomers currently comprise 31.5 percent of the U.S. population, according to Management Horizons, Dublin, Ohio. When younger boomers were prone to fads and showed little brand loyalty. But that's in the past.

"The Pepsi generation is dead," opined Joe Coates,

president, J.F. Coates, Inc., a Washington, D.C.-based research organization. "Crinkles around the eyes and mouth are in," he announced at the last meeting of the National Retail Merchants Assn. (NRMA). "Chic propaganda and health advocacy aside, these folks are overweight, urban, sedentary and in high-income households. Millions of those dual-income and dual-career households are by any traditional standard enjoying astronomical incomes."

And they're willing to spend those incomes, too. One study completed by The Conference Board's Consumer Research Center revealed that the buying power of baby boomers will nearly double in the next 15 years. According to the study, titled, "Baby Boomers in Midpassage," each year, for the next 15 years, 4 million men and women will reach the age of 35. The total personal income of this age group will climb by 90 percent between now and the year 2000. Boomers will definitely be ready to spend, but they may also pay more attention to what their dollars are buying.

Boomers are piecing together component lifestyles, according to retail industry forecasters. In returning to tradi-

tional values, boomers are looking for and choosing products and services that best express their growing sense of uniqueness while still trying to save a buck. For example, a boomer may own a BMW, but fill it with self-serve gas. Or shop for socks at K mart, but go to Brooks Brothers for suits and dresses. How can retailers keep up with these shifts in consumer preferences? By turning to the values of past generations.

"It's time in retailing to go back to the basics," Leonard Berry, president of the American Marketing Assn., said at the NRMA gathering. "Many retailers have lost sight of the fundamentals of success in today's intensely competitive market. They have become too short-term oriented, too imitative, too cautious. They have lost sight of the fact that retailing is a service business.

"Retailers have lost touch with their customers' true needs and have been too willing to substitute a merry-go-round of sales promotions for

good strategic thinking. They have become too oriented to saving money rather than serving customers."

Combating this desensitization toward customers requires emphasizing service. Train employees to wait on customers rather than try to sell them a product. Create a customer service area in your store where people can comment on merchandise, return products or settle complaints. Stress the value and quality of products rather than prices. Pay closer attention to the needs of baby boomers entering your store and watch the cash register tally its praises in response.

Baby busters

Riding on the money belts of their parental baby boomers are baby busters. Although this generation is smaller in numbers, it's still a potentially potent force in the marketplace. Born between 1965 and 1974, this demographic group has also been



In the future baby boomers may have more money to spend, but they'll be very selective about where and how this income is spent, industry analysts predict.

nicknamed "flyers," or fun-loving youth en route to success. Whatever you wish to call them, these youngsters have lots of discretionary income. Many make purchasing decisions on their own because their parents are either working or divorced.

Although busters run the gamut from teens to young adults, market analysts have already identified certain distinguishing traits:

- Many value tradition, religion and formal rituals, such as proms and lavish weddings.

- Most are preoccupied with success in school and careers.

- On the whole, they're materialistic.

"Busters are definitely a materialistic group, but unlike yuppies, they're more into being entrepreneurs—starting their own health club or disco," said one marketing consultant. According to *STORES*, a retail trade magazine, over half of all teenagers work part-time or full-time and many receive allowances. A study conducted by Teen-Age Research Unlimited (TRU), a market research firm specializing in American teenagers, reported that teens spent \$65 billion in 1985. In that year, TRU found teens spent \$30 billion of their own money to purchase clothes and other discretionary items, or about \$80 a month. Also, 52 percent of teen girls do weekly family grocery shopping, with 25 percent making most grocery brand decisions, the study pointed out.

The study also revealed that 74 percent of teens have savings accounts and 12 percent have access to credit cards. At the college level, those numbers go up. Ap-

proximately 88 percent of college students maintain checking accounts and 56 percent have and use credit cards. One deviation from this independent, money-carrying teenage profile is a fact revealed by *American Demographics* magazine. In 1985, 60 percent of men and 48 percent of women aged 18-24 lived at home with their parents, the magazine reported.

ness of the "me" generation, the '80s revealed a "we" generation which experts expect will continue into the '90s. Also termed the "new pessimists" and the "new social consciousness," this generation exhibits a renewed emphasis on couples or families rather than individuals. Indicators of this return to basic values are the births of baby busters, the increasing

The buying power of baby boomers is expected to double over the next 15 years.

Whether living at home with traditional-valued mom and dad, or out on their own in BMW-land, busters have money and are looking for places to spend it. Retailers can attract these money-wielding youngsters to shops by featuring brightly-colored window and in-shop displays to capture their attention. Florists can cash in on this market by running prom, graduation and homecoming specials in conjunction with high school and college events. Advertising in school publications would help get busters' attention. Two-for-one coupons entitling the holder to receive a free rose with the purchase of a regular-priced rose would be especially appealing to busters. That's just the sort of promotion a value-conscious, ready-to-spend buster may respond to.

The 'we' generation

While the 1970s embodied the selfishness and haughti-

ness of the very elderly, growing numbers of minorities and a renewed distrust of big business and politics resulting from scandal, impropriety and economic uncertainty, according to Management Horizons. Replacing the swinging-single lifestyle are marriage, family and home life.

Indeed, marriages are at an all-time high, according to *Bride's* magazine, which reported that approximately 2.5 million weddings took place last year. Of course, this is the 1980s and engaged couples feel compelled to make their own imprint upon traditional marriages. For one thing, men and women are waiting longer than ever to marry. According to U.S. Census Bureau figures, in 1970 only 36 percent of women aged 20-24 and 11 percent of women aged 25-29 had never been married. By 1987, those figures were 61 percent and 28 percent, respectively.

Once these older brides and grooms finally make it to the altar it takes them even longer to make it to the maternity ward. And when they do have children, they're having fewer. This fact, combined with the rise in the number of marriages may be attributed to the aging of baby boomers. Those born in 1957, the peak baby boom year, are over 30 now and many female boomers are extremely conscious of their ticking biological clocks. As people get older, they tend to marry, settle down and start families, according to demographic experts. Many of these married couples are affluent, too.

According to *American Demographics*, married couples still comprise the largest and most affluent households. The 52 million married-couple families in America today have median incomes of nearly \$33,000. To fill out the marriage nest, nearly 80 percent of married couples between ages 25 and 44 have children at home, the magazine reported. Plus, about half of all marriages, or 26 million couples, feature both spouses working, the magazine noted. This means members of the "we" generation have some discretionary income to spend.

To florists who actively seek wedding work, these numbers ring magically like wedding bells, or should we say cash register bells? Once you've done a couple's wedding, chances are they'll be back—for home accessories, silk arrangements for the family room or new baby arrangements.

Of course the "we" generation is not only about weddings and babies. It's also about the elderly. No longer

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obsessed with themselves, the "we" generation is concerned about the health and welfare of their elderly relatives. The very old will require long-term care; their children will be caught between caring for them and meeting the demands of their own children. As a result, retirement homes, special care and convalescent facilities will increase in number. As parents visit their elders in these facilities, their children will be left to grocery shop and care for themselves. These secondary shoppers will add to the increasing number of young people responsible for making household decisions.

Silver streakers

Call them "empty nesters," "silver streakers," or the "gray market." Whatever their name, the 50-year and older segment of the population is commanding great attention from marketers and merchandisers these days.

Today's silver streakers are a far cry from stereotypical rocking chair- or checkerboard-bound retirees. Many are active with part-time jobs after retirement. According to *American Demographics*, silver streakers are healthy, energetic and comfortably well-off. They spend money on travel, luxury cars and second homes. To attract this market segment, retailers must overcome their old-fashioned attitudes toward the elderly.

"Most of the aged consider themselves healthy, whether they are or not," Jack Ossofsky, president, National Council on the Aging, Washington, D.C., said. "They also think of themselves as 10 years younger than their ac-

tual age. They seek things that reaffirm their sense of independence, strength and vitality. They want to see themselves portrayed in active but realistic roles in advertising and in television programs."

A study published by Meretrends, the consulting service of Retail Planning Associates, Inc., portrayed silver streakers as consumers seeking quality products, good value for their money, good service and trustworthiness in retailers. These older customers are loyal and willing to spend, but they're also extremely quality-conscious and demand hassle-free shopping, the study

pointed out. The Meretrends research indicated that 89 percent of mature consumers prefer a few high-quality items, as opposed to larger numbers of lesser-quality items.

Convenience is a high priority when silver streakers are looking for a place to shop. According to Meretrends, 71 percent of the mature consumers participating in the study said they would pay more for the same merchandise if it were available closer to home. The number-one shopping barrier for silver streakers is poor customer service, particularly being forced to wait in long check-

out lines, the study reported.

How can florists adapt and appeal to this lucrative market segment? To overcome the convenience barrier, offer mature market customers free delivery service. If possible, offer to send an employe to pick up the elderly customer and bring him or her to the shop. Another idea is to hold a "seniors only shopping spree" in your shop. This would be especially effective around Christmas. On this special shopping day, employes could provide assistance in gift selection, free gift wrapping, package delivery and other special services to cater to older consumers' needs. To encourage silver streakers to visit your store year-round, incorporate a senior citizen discount of 10 or 20 percent.

The sooner retailers reflect the new attitude of the silver stalker market, the better. It may take a while to implement some mature market programs in your shop, but in the end it will be worth it. After all, it won't be long before baby boomers will be silver streakers themselves.

There's no question that today's consumers are different from those of only a few years ago, and that tomorrow's consumers will be even more different than today's. The key to running a successful shop during rapidly-changing times is to recognize the approaching changes and make adjustments. Being aware of national demographic studies and consumer trends is a good idea, but an even better idea is looking in your own backyard. See what's happening in your community. Look to your customers for clues as to what their needs may be and then meet those needs as best you can. □



Silver streakers, or consumers over 50, will be entering the marketplace in full force during the next 10 years. With more disposable income than ever, this market segment will be interested in value, convenience and service.