Understanding the Mature Marketplace

Pathways to Success in Challenging Times
Presented to FPA of Colorado
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Embracing Change in Challenging Times

- *"Observe always that everything is the result of a change, and get used to thinking that there is nothing Nature loves so well as to change existing forms and make new ones like them."*

Marcus Aurelius (121-180 A.D.)
Meditations. iv.36

Mature Marketplace Growth in Numbers

- In 2000, 70 Million Americans Over Age 50;
  In 2016, 115 Million Americans Over Age 50
  - 75 Million 50 – 64; 40 Million 65+
- 1 in 3 Americans is Over Age 50
- Average Lifespans: 77 for Men; 84 for Women
  - Couples at Age 65
    - 50% Chance at Least One will Live to Age 92
    - 25% Chance at Least One will Live to Age 97
- Fastest Growing Segment of the Population?

Inside the Numbers

- 7% of Boomers, 22% of Seniors have Financial Plan
- 20% Will Receive an Inheritance (Avg. $64,000)
- 33% Still Working Expected to be Retired Already
- 55% Unsure How Much They'll Need in Retirement

  - *AARP.org*
  - *Senior Journal.com*
  - *U.S. Insurance News*
  - *American Society of Actuaries*

Mature Marketplace Investment Patterns

- Current Impact of the Housing Market
  - 34% of 50-64, 48% of 65+ Say Good Investment
- Current Impact of the Stock Market
  - 50-64 Remain Largest Age Group of Investors

    - *Pew Research Study (3/2013)*
    - *Gallup Poll (4/2014)*
    - *AARP Research (7/2013)*

Section 1

Inside the Mature Marketplace

5 Key Concepts

- What Motivates the Mature Marketplace
  - Autonomy/Self-Sufficiency
  - Connectedness
  - Altruism
  - Personal Growth
  - Revitalization

Segmenting the Mature Marketplace

- The "Matures"
  - Born Before WW II
    - Extremely Patriotic
    - Self-Sacrificing
    - Debt-Free
- The "Boomers"
  - Born After WW II
    - Instant Gratification
    - Self-Entitled
    - Debt is Way of Life

Physical Changes

- Eyesight
  - Less Responsive to Cool Colors
    - Because of Yellowing of the Retina that Occurs with Aging, Ability to Distinguish "Cool" Colors Decreases
    - Use Warm Shades as Accents in Office Décor and on Collateral Materials
  - Increased Glare Sensitivity
    - Limit Harsh Overhead Lighting, White Paint on Walls
    - Print on Dull or Matte Finish Paper Stocks, Instead of Gloss or Enamel Coatings

Physical Changes

- Hearing
  - 1 in 10 Americans Have Hearing Loss
    - 1 in 6 of 50+; 1 in 3 of 65+; 1 in 2 of 80+
    - Higher Frequency Losses More Common with Men
  - Communicating in Person
    - Read Body Language: Hands, Lips and Eyes
  - Communicating by Telephone
    - Speak Slowly, Repeat Salient Facts, Pause to Ask Questions

Cognitive Changes

- Verbal Memory Declines More than Visual Memory
  - Impact on Testimonial Letters vs. Lifestyle Photos
- Personality
  - Little Change with Aging
  - Patterns Formed in Young Adulthood
    - Impacts on 75-Year-Old Client
    - Impacts on 50-Year-Old Client

Intelligence and Memory

- Fluid Intelligence = "Episodic Memory"
  - The Process of Assimilating New Knowledge
    - Peaks in Early 20's, then Declines with Age
    - Deals with Words, Numbers and Incidents
    - Impacts Person's Ability to Process New Information
- Crystallized Intelligence = "Life Knowledge"
  - Experience Mixed with Long-Term Memory
    - Does Not Decline with Age
    - Deals with Images, Colors and Emotions
    - Creates Positive or Negative "Cognitive Association"

Left Brain vs. Right Brain Thinking

- With Aging, Left Brain (Logic) Thinking Declines, While Right Brain Thinking (Instinct) Increases
  - The Right Brain is Better at Recognizing Relationships and Visual Processing
  - With Right Brain Thinking, Impressions are Formed Visually and Instantaneously
  - It is Through the Right Brain that the Benefits of Making Life-Impacting Decisions are Understood

Mature Marketplace Purchase Behaviors

- To Replace Something Old & Obsolete
- To Feel Part of Something Important
- To Give Gifts
- To Accumulate Enriching Experiences
- To Maintain Lifestyle

The Role of "Secondary Influencers"

- Definition: Spouse, Family, Care-Giver
  - Involved in 2/3 of Life-Impacting Decisions
- Impact on Purchase Cycles
  - Conduct Community Outreach Programs Before/After Major Holidays

Interactive Exercise #1

- How Do You Retain a Mature Marketplace Client?
  - By Having a Sale or Giving a Discount?
  - By Creating a Relationship Based on Perceived Value and Personalized Service?

Section 2

Defining Yourself in the Marketplace

Starting Point in Challenging Times

- Consistency of Message
  - What You Want Your Business to be Known For
    - A.K.A. "Positioning" or "U.S.P."

Positioning Endures

- 1927

Positioning Endures

- 1951

Positioning Endures

- 1986

Interactive Exercise #2

- In 25 Words or Less, Tell Us What You Want Your Business to be Known for

Section 3

The Relationship Imperative

Two Kinds of "Buyers"

- <u>Transactional Buyers</u> – Make Purchase Decisions Based on Price or Convenience, but not on Loyalty
- <u>Relationship Buyers</u> – Make Purchase Decisions Because of the Relationship You've Created

  - Relationship Buyers do Return, Transactional Buyers do not Return

4 Rules of Relationship Building

- Requires Individual Knowledge of Your Clients
- Must be Interactive
- Does not Need to be High-Tech
- Based on Perceived Value and Personal Service

Industries Using it Then…

- Airlines
- Credit Cards
- Telephone Services

Industries Using it Now…

- Everyone

  - Who Was "Joe, the Corner Grocer" and Why is he the "Father of Relationship Building"?

Leverage Point in Relationship Building

- First Point of Contact

The Staffing Equation

- One of the most Important Human Needs is "*Identity*"
- Treat your Staff as part of Your Business
- Empower them to Become Experts at what they do
- Create an Environment where Everyone knows how Important they are to Your Overall Success

The Staff Training Question

- Some Business Owners ask, "What if I Train my Staff and they Leave?"

The Staff Training Answer

- The Better Question is, "What if I <u>Don't</u> Train my Staff and they Stay?"

Office Design

- Glare Sensitivity
- Visual Stimuli
- Olfactoral Stimuli
  - Creates Positive Cognitive Association
- Continuous Loop TV
- Family Friendly Environment
  - 26% of Grandparents have Regular Care of Grandchildren

Section 4

Understanding the Mature Marketplace

Features vs. Benefits

- <u>Features</u> are the Physical Characteristics of Your Product or Service
- <u>Benefits</u> are How Those Characteristics Improve Product or Service Performance

Interactive Exercise #3

- Think of the Product or Service You Want to Provide Most
  - Write 3 Features of that Produce or Service
  - Write 3 Benefits of that Product or Service

Interactive Exercise #4

- Imagine You Are 18 Years Old and About to Leave for College
  - Write a Short Letter to Mom & Dad, Asking to Borrow $10,000 for Your 1st Year's College Tuition

Features vs. Benefits vs. Values

- <u>Features</u> are the Physical Characteristics of Your Product or Service
- <u>Benefits</u> are How Those Characteristics Improve Product or Service Performance
- <u>Values</u> are the Emotional Translation of how Product or Service Improves Clients' Lives

"Values-Based" Communication

- 3 Ways to Influence Human Behavior
  - Addressing Human Needs is Least Powerful
  - Addressing Human Wants is More Powerful
  - Addressing Human Values is Most Powerful
    - Use an Exchange of Values to Create Environment of Trust and Confidence
    - When Clients talk About their Values, it Leads to Understanding what Makes their Lives Unique
    - Values are like Fingerprints; Each is Similar, but no two are Identical

5 Mature Marketplace Needs

- Necessities for Everyday Life
  - Food/Water
  - Affection
  - Safety
  - Shelter
  - Survival

5 Mature Marketplace Wants

- Aspirations not Always Attainable
  - Personal Items
  - Larger Home
  - Financial Security
  - Unlimited Spending Ability
  - Staying Current with Latest Advances

5 Mature Marketplace Values

- Translated from 5 Key Concepts
  - Family
  - Health
  - Peace of Mind
  - Friends
  - Leisure Time

Communicating with the Mature Marketplace

- Be "Conversational"; Write as if You are Speaking to that Person
- Remember the "You"
- Use Adverbs for Men, Adjectives for Women
- "50 Word Rule"
- Always use a P.S.

Guidelines for Layout

- Minimum 12 pt. Type
- "Flush Left/Rag Right" Alignment
- Indent Each Paragraph
- Maximum 2 Sentences, 3 Lines per Paragraph
- Personalized Salutation
- Backwards is "Proof Positive"

Inbound vs. Outbound Communication

- Hubspot ™ Report
  - 85% of Businesses to Spend Less on Print Ads in 2016
  - 71% of Businesses to Spend Less on Direct Mail in 2016
  - 82% of Businesses to Spend More on E-Communication in 2016
  - 68% Fewer $$$/Lead by Inbound vs. Outbound
  - Estimated More $$$ from Inbound than Outbound by 2018

E-Communication Programs

- AARP™ Study Shows Mature Marketplace Fastest Growing Segment (98 Million in 2016)
  - 18 Hours/Week
  - 74% are Looking for Products and Services Locally

Standard Website Content

- Home Page
- Staff Highlights
- Products and Services
- "News You Can Use"
- Testimonials
  - Video Testimonial; Testimonial from Spouse
- "5-Minute Test"
- Contact Page
  - Self-Qualifying Questions

Variations on the Website Theme

- Definition of "Branding Site"
  - Who You are and the Products/Services You Offer
- Definition of "Power Page"
  - Example: (Your Town) FinancialServices.com
    - Information Becomes part of E-Database
    - "Click Here" Brings them to "Landing Page"

The "Client-Centric" Website

- Secure the "Landing Page"
  - Value-Addeds: Coupons, Offers
  - Interactive Elements
- Be "Transactional"
  - Appointment Setting
  - Event/E-Newsletter Sign-Ups
- Be "Personal"
  - Establish "Client Portals"
  - Communicate with Key Staff
- "Cross-Promote" Site
  - Guide Visitors to Other Pages

Monitor Your Site's Success

- Google Analytic ™/Webmaster ™
  - Learn the Most Popular Pages
    - Add Offers/Update Information
  - Conversion Rate
    - 2% or Higher
  - Bounce Rate
    - 50% or Lower
  - Opt-In Rate
    - 3% or Higher
- Pingdom ™
  - Download Rate
    - 2 Seconds or Less

Social Media Programs

- Facebook ™
  - 1 Billion Users
    - 72% of All Internet Users
    - More People Over 50 than Under 21
    - 50% Visit Daily; 700 Billion Minutes/Month
- Twitter ™
  - New Street-Corner "Soapbox"
  - 572,000 New Accounts; 177 Million "Tweets"
- LinkedIn ™
  - Business Networking/Referrals
  - 135 Million Users; 38% $100K+

Social Media, Cont'd…

- Yelp ™
  - Learn What the Community is Saying
  - 48 Million Users; New "Town Crier"
- To Blog or not to Blog
  - 62% More Leads/Month
- Don't Forget YouTube ™
  - Emeritus, Anderson, SC

  - Women 45-55 Fastest Growing Segment
    - Ability to Reach Secondary Influencers

Promises & Perils of Inbound Communication

- Promises
  - Life at the Speed of Light
    - 8/2008: Google ™ Overtakes Yellow Pages ™
    - 8/2010: Facebook ™ Overtakes Google ™
  - 1st to 50 Million Users
    - Radio = 38 Years; TV = 13 Years; Internet = 4 Years
    - Facebook ™ = Nine Months to 100 Million Users
  - 44% of All "Sharing" Done by Facebook ™ Visitors
    - Ability to Establish Ongoing 2-Way Communication
  - Keeping it Fresh
    - New Postings 3x/Week Will Increase SEO

Promises & Perils, Cont'd…

- Perils
  - Living in a Viral Age
    - No Such Thing as "Digital Death"
  - The Myth of "Free"
    - 56% Spend 6+ Hours/Week
    - 30% Spend 12+ Hours/Week
  - Accountability/Legal Issues
    - Assume the Same Rules Apply

Free Media Programs

- Inverted Pyramid Style
- Newsworthiness
- About the Business
  - New Location/Staff
  - New Products/Services
  - Conference/Event
- About the Clients
  - Human Interest
  - 1st-Person Testimonials
 - Client Success Stories

Maintaining Media Contacts

- Locate Media Directory "Source Book"
  - Library
  - Chamber of Commerce
  - Newspaper
  - Ad Agencies
    - Combine both Print and Broadcast Contacts

Working with the Media

- Prepare "Talking Points" in Advance
- Understand Their Workdays
  - Place Follow-Up Calls between 10:00 am – Noon
- Present Yourself as an Expert, not a Salesman
- Fax/Mail/Hand-Deliver or Electronic Distribution

Appearances on Radio/TV
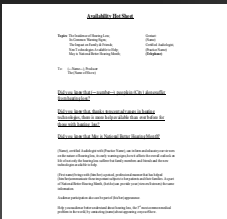
- Availability Hot Sheet
- Popularity of News or Interview Formats
  - 2000+ Stations in 2016
- Use B-Roll Footage in Continuous Loop System
 - Beta/DVD Formats

Community Outreach Programs

- Low-Cost "Messaging"
- Communicating Directly With Target Audience
- Improve Intra-Office Communication Skills

Community Outreach: Philanthropy

- Involve Your Business in Charitable Programs
  - PR, PSA Benefits Build Goodwill
- Encourage Clients to Become Involved
  - Private Donations Represent 75% of Contributions
  - Key Concept #3: Altruism
    - Intergenerational Giving

A Simple Equation for Challenging Times

- Better Communication Skills = Longer Relationships
- Longer Relationships = Greater LTV
- Greater LTV = Higher Profitability
- Higher Profitability = Successful Business
- Successful Business = Where You Want to Work
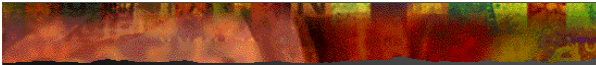
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