

# DEEP Pockets

These five red hot demographic groups should be on your marketing team's radar. Here's how to woo them with the right promotional items.

(BY BETSY CUMMINGS)

**Q**uick, who's got the most buying power in America? The answer isn't as easy as it sounds. The landscape of the United States is changing, and so is the purchasing power of many different demographic groups. For instance, that 10-year-old brat who lives down the street might have more money in her pocket than the average Generation Xer. Indeed, the tween group (Also known as "Echo Boomers") has a staggering amount of disposable income (you can thank their Boomer parents) considering that they've likely never held down a job.

But tweens aren't the only hot demographic ground around these days. From the 40-million strong Hispanic market to the soccer mom set, here's a sneak peek at the hottest demographic groups in America - and how you can target them with your promotional efforts.

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# HOT DEMOGRAPHICS



## Hot Target - Baby Boomers

AARP isn't the only group with its eye on this market. Boomers, more than 76 million strong, are one of the most sought after demographics in almost any industry. Why?

They've got tremendous buying power. "They have 54% greater savings than that same age group did 20 years ago," says Craig Millon, chief growth officer for Marketing Drive Worldwide, a marketing and promotions company in Boston. That means big bucks – more than \$2 trillion a year. "They're so big that Wal-Mart is trying to

target boomers by age group, not their entire segment," Millon adds.

Indeed they are huge. And they are at the top of almost every marketer's list. From La-Z-Boy to Victoria's Secret, there are few companies that aren't targeting this demographic. To do so they're tapping into the youthful persona that is increasingly a part of the Boomer lifestyle. Forget the 60-year-old with an eye on retirement and his porch rocker. Today's marketers know that Boomers are starting new careers, becoming late-in-life athletes, even having children into their 40s and beyond. Those who are 50 and starting new professions or businesses are realizing that 50 is the new 30. All of that means they want products that can accompany these lifestyle changes. And promotional products that draw them in should reflect those same interests.

A recent Sephora promotion targeted at female Boomers, for example, provides a blue satin bag packed with Prada, Givenchy, Bliss, Stila and other lotions and makeup items for shoppers who spend \$40 or more at Sephora.com – all items that might have once been reserved for consumers 10 to 20 years younger. Such a promotion not only taps into the youthful appearance of Boomers whose average salaries hover around \$55,000 a year, but their penchant to look and feel young as they age.

Tassimo, a manufacturer of high-end coffee makers, recently created a campaign in which people can receive premium products with the purchase of Tassimo machines. Promotional gifts for the promotion include Amy Tan's latest novel, *Saving Fish from Drowning*, the Sopranos fifth season DVD and a box of exotic truffles, all products that fit a Boomer demographic.

With dozens of web sites specifically targeted to Boomers, marketing to them with promotional offers is as easy online as it is through bricks and mortar retailers, says Alan Weiss, president of business consultancy Summit Consulting Group Inc., in East Greenwich, RI. "The Web is the largest repository of content-specific items in the

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## HOT DEMOGRAPHICS 101

Still targeting all your product promotional dollars to Generation X? There are other groups with considerable buying power to keep in mind. Consider the numbers behind today's hottest demographic groups:

### Baby Boomers

They're rich, energized and ready to live for another 30 years. Plus, they have the spending power and sound financial footing to back up their plans. With 76 million people, this category should be on just about any company's promotional radar.

### Echo Boomers

Equally as plentiful with 80 million members, this crowd of Boomer offspring may not yet have the financial stability of their parents, but what they lack in their bank accounts they more than make up for in their desire to spend. Echoes grew up with the latest technology and they want to be at the forefront of buying it. Promotional products that push technology and the latest consumer goods will certainly catch their eye.

### Hispanics

With an estimated 40 million Hispanics in the U.S., they're a strong consumer spending group. The key for marketers is to differentiate the tastes of various Latino cultures, since cultural gaps can be fairly wide from one group to another.

### Women

Women account for more than 50% of purchases in the country. They're eager to spend, tap into many consumer goods through women's magazines and are one of the most receptive audiences for promotional giveaways.

### Gays and Lesbians

There are an estimated 10-15 million gay and lesbian consumers in the U.S. With average incomes that exceed their heterosexual counterparts by several thousand dollars a year and a penchant for the latest gadgets, the gay and lesbian demographic is quickly becoming one of the most sought after.

universe,” he says, adding that marketers should be using it to specifically target older consumers, who have dozens of Web sites that cater to their demographic specifically and offer a gold mine of promotional product marketing opportunities.

Indeed Boomers in particular aren't immune from the technology marketing push. At companies such as iGames, a franchise of gaming centers nationwide, product promotions are part of regular marketing efforts to target young Boomers, says Mark Luden, president and CEO of The Guitammer Company Inc., a gaming equipment supplier in Columbus, OH, that sells its products under the brand name ButtKicker. Promotional T-shirts at iGames centers are specifically distributed to attract gamers who have the financial means to purchase an in-home theater system.

## Hot Target – Echo Boomers

It stands to reason that a population more than 70 million strong would produce another generation equally as large. And the Boomers have. Echo Boomers, as they're often called, account for some 80 million people in the U.S. and are comprised of everyone from the 9- to 14-year-old tweens to young adults. Why would a corporate marketer target the seemingly empty pockets of a 10-year-old? She's got money to burn, and marketers know it. In fact, the Echo Boomer demographic, nearly a third of the population, forks over an estimated \$170 billion a year in consumer spending.

This group, particularly younger consumers, is enthralled by the latest gadgets, personal products and trend apparel. So much so that companies like Gillette are creating promotional giveaways targeted especially to this demographic. Last year the company launched Gillette Young Guns program in partnership with NASCAR in an effort to attract Echo Boomers to the brand. The campaign, which consists of a corresponding Web site on which racing fanatics

can follow their favorite drivers, offered razors for sale inside six different imprinted plastic razor travel cases in the shape of race cars. Those rabid enough about the sport could collect all six. “As you see companies market to Echo Boomers, you see more unconventional ways of touching consumers,” Millon says.

For a group that bounces from wireless devices to television to blogs, movies and more, finding out how to target them is the key. And standing out with unique premiums and incentives is even more important than ever, experts say.

But their flexibility with various electronics makes them ideal targets for multiple marketing messages, says Chris Consorte, president and CEO of Integrated Direct LLC, a direct marketing company in New York. Echo Boomers “are very big into e-stuff,” Consorte says.

Pick up a copy of any teen magazine and the number of free product giveaways dotted throughout is overwhelming – free skin care solutions, free T-shirts, purses, shoes, even a *Charlie and the Chocolate Factory* DVD – much of which is given away via Web sites, where visitors have to click to get freebies. Plenty of traditional media outlets in the form of magazines, television and video games exist for this age group as well. But marketers should be looking to distribute promotional product offers through other means as well, says Millon, including blogs, grassroots and viral campaigns, and other forms of guerilla marketing.

## Hot Target – Hispanics

It didn't take J.Lo, Ricky Martin or other Latino stars to convince corporate marketers of the hot commodity that is the Hispanic market. Some 40 million Americans are Hispanic making them arguably one of the most coveted groups among product marketers. And for good reason. They dominate the media – with dozens of television and radio stations, and more than 200 publica-

tions nationwide. And they aren't afraid to buy, dropping \$700 billion on goods a year, a number that is estimated to rise to \$1 trillion by 2007, according to the United States Hispanic Chamber of Commerce.

Companies from Estée Lauder to ConAgra foods are eagerly marketing to this powerful group of spenders with regular product promotions. Indeed, part of their appeal lies in their diverse spending habits, which makes them ideal marketing targets. “The purchasing patterns vary widely within different Hispanic cultures,” says Beth Zimmerman, principal at Cerebellas LLC, a marketing and strategy company in Long Beach, NY. For that reason, she says, it's important that marketers not lump them into one homogenous Hispanic group. Puerto Rican consumers have different interests than people from Mexico or South America.

Still, Zimmerman says, there are trends within the Hispanic population from which all promotional product marketers can take note. Mobile technology, for example, is hot with Hispanic consumers. Companies like TRACFONE, which offers pay-as-you-go wireless services, is targeting sweepstakes to the Hispanic population in magazines such as *Latina*, where promotions offer product giveaways from flat screen televisions to movie certificates.

Part of Hispanics' appeal is their increasing spending power, experts say. “They make up 23% of the nation's purchasing power,” says Peter Koeppel, president of Dallas-based Koeppel Direct, a direct response media company. “Their propensity to spend in cash rather than use credit is appealing to businesses as well,” Koeppel adds.

## Hot Target – Women

Women have long been considered strong financial decision-makers, particularly when it comes to making household buying deci-

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sions. Indeed, females are thought by experts to be largely responsible for travel, healthcare, nutrition, clothing, education and leisure spending decisions for themselves and their families. “When marketing to women you have to think beyond pink,” says Zimmerman. By that she means marketers should be targeting product promotions to women that highlight far more than product purchases and giveaways associated with breast cancer awareness, for example. Women, Zimmerman says, should be paid as much promotional attention as men, on as wide a scale – for everything from outdoor equipment to cars.

One popular path to reach women is through media that is largely female-oriented, such as *Lucky* magazine, a publication about shopping that contains no less than a half dozen pages a month detailing various product giveaways for readers who visit web sites, make purchases or otherwise engage advertorial sponsors.

In the December issue of *Lucky*, readers could receive free gifts from La-Z-Boy just by stopping by the company’s SoHo store in Manhattan. Other product promotions include gifts from brewer Tassimo with the purchase of any hot beverage system, a free gift from clothier XOXO with the purchase of certain items, and makeup giveaways from Nordstroms and Sephora.com with relatively small purchases.

Soccer moms, those women between 28 and 42, are an especially hot target within this segment because they’re highly motivated to buy and have a higher discretionary income than the average woman. That’s what natural bioscience company Swiss Medica Inc. discovered two months ago when it launched its PMS Escape nutritional supplement for women suffering from PMS symptoms. For five weeks, 209 radio stations nationwide participated in trivia contests in which callers could phone in, answer questions about that dreaded monthly affliction and receive a free makeup bag with product samples inside. The giveaway aimed at soccer moms was a \$50 value, says Wendy Kramer, vice president

for the Toronto-based company. But it was worth it.

More than 1,100 bags were given out across the country and sales have been explosive, according to Kramer, though she says it’s too early for exact figures. Research showed the makeup bag to be a coveted item among women in that demographic group, Kramer says. Indeed, the soccer mom set includes women who are well educated, interested in improving their health and savvy shoppers. They’re wealthy enough to experiment with products that could improve their lives, but they don’t feel guilty about spending the money if their purchase doesn’t yield results.

The giveaway “was a perfect fit,” Kramer adds.



With more than \$600 billion in spending power, the gay and lesbian market is a hot demographic for corporate marketers these days. Companies like Walgreens, Orbitz, RCN, Kraft and the Wyndham Hotel Chicago realize this, as sponsors of events like the 2006 Gay Games VII in Chicago, which will include premium products and incentives targeted specifically to a gay audience.

With an increase in publications oriented toward homosexual audiences, marketers are using them to tap into the gay market as well. Companies such as 1-800-flowers.com, for example, are placing back cover ads that promote discounts on items when using a promotional code found only in magazines such as *SCENE*, a gay publication for men, as well as other product promotions.

Statistics show that gay households earn on average about \$5,000 more a year than heterosexual households. A high percentage of gay consumers are college educated, shop online and are interested in the latest technology and other consumer goods, according to Forrester Research Inc., a market research firm in Cambridge, MA.

Because this group is known for its deep pockets and high levels of education and sophistication, promotional marketers should consider trendy, high-quality promotional products, says Koepfel.

To get a piece of the \$54 billion gay travel market, the Greater Philadelphia Tourism Marketing Corporation called on the Philly-based Altus Group Inc. to put together an entire marketing campaign with the slogan, “Keep your history straight and your nightlife gay.” The campaign, focused on Philadelphia historical sites and promotional products targeted to gay consumers, included high-quality knapsacks stuffed with information about city attractions, as well as T-shirts. “The T-shirts were a little special – more likely to be worn by the gay community,” says David Jeffreys, Altus’ president. “They were fitted shirts and we printed the campaign theme on them a bit more delicately, so they would be more stylish ... keeping in mind that we’re trying to appeal to a very fashion-conscious audience.”

One word of caution when targeting the gay market, experts say: Don’t just pay lip service. If you’re developing marketing materials geared toward gays and lesbians, they should be gay friendly. For example, Pennsylvania’s Bucks County Convention & Visitors Bureau is also making a big push to attract gay tourists. Promotions include giveaways like postcards and buttons at the SameSexWeddings trade show in New York. (The buttons were imprinted with the Web address: [gaybuckscounty.com](http://gaybuckscounty.com) and the words “available” or “taken,” depending on one’s status.) “The purpose was to build recognition for the gay-friendly section of our Web site, *ExperienceBucksCounty.com*,” says Executive Director Keith Toler. “The URL [www.gaybuckscounty.com](http://www.gaybuckscounty.com) takes you directly to the gay-friendly content without hitting the main Web page.”

Such efforts, say marketing experts, show gay and lesbian consumers that you’re truly committed to earning their business. ●

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