



Know

t h y m a r k e t

David Wolfe
author of *Ageless Marketing*.

Behavioral based marketing outlines the forces that shape people in the four seasons of life

by Colin Milner

In his book *The Tipping Point*, writer Malcolm Gladwell describes a magic moment when an idea, trend or social behavior crosses a threshold of consciousness and spreads like wildfire. The belief that the older adult market is the most powerful economic force the country has ever seen is *tipping* throughout society today. But, now, what do we do? How do we actually market to this demographic?

To help us understand the older adult market better, the *Journal on Active Aging* (JAA) talked with David Wolfe, author of *Ageless Marketing*.

Wolfe has gained a reputation for looking at the older adult market differently than most marketers. What separates Wolfe from many of his counterparts is his knowledge of what makes consumers act a certain way, based on behavioral patterns rather than statistical data.

JAA: *Why is it important to know consumers' behavior patterns? And can't we get these from statistical data?*

DW: We depend heavily on customers telling us about themselves in surveys, focus groups and research. This is where the problem starts. We know from recent brain research that people are quite limited in knowing the roots of their motivations. Customers often tell researchers one thing in research that is later contradicted in the marketplace. Companies frequently make decisions based on misleading customer research, because relatively few people in research or marketing have a behavioral foundation underneath their belief systems.

JAA: *You utilize Developmental Relationship Marketing (DRM) as the foundation for your books and business. What exactly is DRM?*

DW: DRM is the first marketing model built on a *bona fide* behavioral foundation that recognizes the idea that our needs and motivations are much more linked to stages of personality development than generally recognized in marketing. For example, research indicates that older people consider sex as important in intimate relationships as younger people, yet they tend to be turned off by crude treatment of sex, while younger people can be titillated by it. Think about the Calvin Klein ads.

JAA: *How does personality development lead to changes in our behavior over time?*

DW: Our basic needs are determined by the season of life in which we live. We pass through four seasons: *spring*, *summer*, *fall* and *winter*. Each season has a primary developmental objective, survival focus and characteristic life story theme.

Spring's developmental objective is initial development in preparation for adulthood. Its survival focus is play, because that is nature's device for enticing the young into modeling life and trying things. The life story theme is fantasy: everything will ultimately work in a person's favor.

Summer's primary developmental objective is development of the social and vocational self. The survival focus is *becoming someone*, which is usually dependent on showing promise to others; thus, everything we do has that in mind—from what we wear to how we dress, the friends we keep and the activities we do. We subordinate much of ourselves to the external world to increase our opportunities for securing the social integration that makes us successful in relationships, and for gains

in social status, getting jobs, job promotions and so on. The life story theme in summer is romantic, heroic: *I can do anything I set my mind to.*

Fall's chief developmental objective is development of the inner self. As we come to the end of summer, we may feel empty because either we haven't done what we thought we were going to do or we have done even more, yet still feel empty. We now turn inward to perhaps examine our life purpose in a quest for fulfillment. The survival focus in *fall* or midlife is about *being somebody*. *Becoming* somebody has become less important than *being* somebody. This shift from an outer world focus to an inner self focus accounts for the infamous midlife crisis. We hear the inner voice knocking, *Let me out*, but get confused as to what to do about it.

In *winter*, we move to the final states of psychological maturation. Our survival focus is reconciliation—making peace with it all. We begin to look at life retrospectively to make more sense of it, seeking to resolve the yin and the yang of life, the sweet and the bitter. We may ultimately conclude that there is usually a bit of good in every bad and vice versa, and thus find the peacefulness in our souls that we have long sought.

Incidentally, a lot of people talk about life stage marketing, but I mean something different than how that term is usually used. For example, insurance companies build marketing around such events as people getting married, having kids, kids leaving for college, empty nester status or retirement—those are all social stages. I am talking about psychological or maturational stages. No one has brought this perspective into the marketing area before.

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JAA: *Why do you think that is?*

DW: Marketing has been driven by the idea that it's essentially a numbers game. People who have supreme confidence in the laws of statistics often believe they don't need to understand behavior. This is idiotic. Marketing is about attracting the attention of minds and influencing those minds to action. It's not a game of statistics; it's a game of psychology. Statistics don't buy; people buy.

JAA: *What do you think will have to happen for things to change? Or do you think change has already started and it's just a matter of time?*

DW: It is more the latter. Most people don't change until the pain of staying the same exceeds the pain of changing. Right now, there is a lot of pain out there. Advertising, print media and television networks are all suffering. Madison Avenue is in its second year of recession—the first time since the Great Depression it has had back-to-back losing years. Yet the recession did not hit the consumer economy. Consumers kept spending. Marketers are scratching their heads trying to figure it out. Sooner or later, they will start getting it.

JAA: *Has the maturing of the market had an impact on this situation?*

DW: Yes. You cannot take as statistical an approach in older markets as you can in younger markets. Young people tend to move in tandem with their peers. If we know the behavior statistically of a group, we have a good chance of knowing what the individual will do. However, all that changes in the second half of life. People become much more individuated. Take Jim Smith, for example. Jim belongs to the Bud Light segment. From that knowledge, we can predict what magazines he reads, what car he drives and what music he listens to. When Jim moves into midlife, he is

going to fit into one group in one context and into another group in another context. So we really can't pin him down and say he's this type or that type without identifying the context.

JAA: *Can you tell us why DRM is more effective with the older adult or mature market?*

DW: DRM is more sensitive to season of life than other approaches. DRM also has something unique in marketing—a conceptual or theoretical foundation, which can be universally subscribed to, that encompasses the primary drivers of all behavior.

JAA: *What are those drivers?*

DW: There are five:

- Identity;
- Relationships;
- Purpose;
- Adaptation; and
- Energy.

No behavior lies outside these areas. Of the five drivers, *identity* is the most powerful, because it's wrapped up with our self-preservation imperatives. But we need *relationships* to give us more direction in life; for instance, our belief systems and the institutions behind them are a part of relationships. We also need *purpose*, which is the most ignored of behavior drivers in marketing, particularly with older people. *Adaptation* is simply the skills we bring to bear to meet our life agendas. And, finally, *energy*, which is our health and well-being and functional competency.

These drivers are essentially the same for every human being in every place on the globe. They never change from one generation to the next. They are part of our biology, so they can be passed on through our DNA.

So, I consider customer behavior in two contexts: a biological and a psychological context. The psychological context depends on the biological context. For example, getting hungry doesn't start in our psychology, but in our body chemistry. The hankering to make love wells up from our biology, as does feeling lonely and needing a friend, or feeling bored and needing excitement. What we do about these needs is up to our psychology.

The needs and motivations that emerge from biology change by season of life. Young people, for example, are strongly driven by a biological need to perpetuate the species through procreation. This need continues in the second half of life, but it takes on a more altruistic nature—doing things to protect or extend the species, or at least those in our family and immediate community.

JAA: *What steps does a company need to take to create an effective DRM program or system?*

DW: The first step is to see that the people on your team have a better grounding in psychology, especially in human development. The fundamental axiom of DRM is that stages of personal development are the primary underlying source of worldviews—how we connect to the world, not what we believe—and of needs, motivations and general approaches to need satisfaction. Maturational stages also lead to continuous changes in how customers process information mentally. With the knowledge of these and other influences, a company will find that there is much about customer behavior that is quite predictable.

JAA: *The premise behind DRM appears to emphasize using word and graphic pictures of experiences people would like to have, rather than telling customers about*

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features, benefits or discounts.

DW: Correct. This approach becomes more salient in *second half markets* or people ages 40 and over.

As we move into our 40s and beyond, we shift more and more of our mental activities to the right hemisphere, which is the emotional, intuitive side of the brain. The right hemisphere is holistic; it sees the forest better than the trees. The left hemisphere is the tree-seeing hemisphere; it focuses on details. When we talk about features and benefits, we're talking about product details. Older people want to feel right about a company or brand *before* devoting any left brain attention to analyzing it.

JAA: *Does that mean that the right brain considers a product message before the left brain gets to analyze it?*

DW: Simplistically speaking, yes. A marketing message will be submitted to primary information processing (PIP) in the right hemisphere before secondary information processing (SIP) in the left hemisphere. The first thing the right brain wants to determine is the salience of incoming information. The right hemisphere has no language abilities, but deals only in sensory images. So anything that comes into the right brain is evaluated from a sensory perspective,

rather than a lexical perspective. Hence, the importance of graphic and word pictures in older markets, because more of their mental process is in the right brain.

If we want to get older people's attention, we need to speak to them in language that is evocative of sensory responses. Storytelling is one of the best ways to do this. This is why we are beginning to see an increase in the use of storytelling in advertising. Storytelling information moves with the grain of the brain. If we start with a feature and benefits claim or a question that someone has to think about to answer, we are going against the grain of the brain and fighting the way the brain naturally works.

JAA: *Say I own or manage a company, and I have a whole telemarketing division. Do I have to write different scripts for different ages?*

DW: Yes.

JAA: *And one of the first questions I should ask, or one of the first things I should somehow establish, is the age of the person on the line?*

DW: Companies often have this information from advance research. But what you say is also true in research. Research questions should be styled differently for older people than for younger people.

I have a developmental psychologist friend who specializes in cognitive issues in later life. She said that, during one of her studies, she could see the older people visibly discomfited with some of the questions, while the younger people just raced through them checking off this and that. She said it made her aware of how context sensitive older people's cognitive patterns are. Older people would come to a question and would want to say, *Well, that depends*, or make a similar qualification in their answer. But the instrument did not allow the older person to give any answer but an unconditional answer.

JAA: *The first question that comes to*

mind with DRM is money. To implement a behavioral based marketing model into an organization, what type of investment would I need to make?

DW: It's really a reallocation of funds, not new investment. First of all, DRM will help you get better returns on your research dollar.

Keep in mind that nothing is more expensive than money invested in a marketing program that fails. In the end, it isn't a question of whether DRM is cheaper or more expensive. It's a question of whether it's a more effective way. And I think it is.

Wachovia Bank's ad agency brought me in to give them a primer on DRM. They did a campaign based on DRM, which turned out to be the most successful campaign in corporate memory.

JAA: *What type of results did they experience?*

DW: The campaign had the biggest return on dollar investment Wachovia had ever experienced. Wachovia's next two annual reports to stockholders credited the campaign for making a major contribution to Wachovia's continuing growth.

May I end by sharing a couple of my favorite quotes from Einstein that fit the times? First, "You can't solve a problem in the same consciousness in which it arose." Whatever the problems marketers are facing today, the biggest ones cannot be solved by applying yesterday's solutions. The second quote is, "Not everything that can be counted counts, and not everything that counts can be counted." So, it's time people stop thinking about marketing as just a numbers game. ▼

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