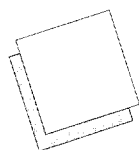


**An executive summary for managers and executive readers can be found at the end of this issue**



## Marketing to the self-actualizing customer

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**Abstract** *Companies increasingly complain about a new band of "mysterious" consumers whose behavior is challenging the very foundation of modern consumer economies: materialistic aspirations. There is less interest in "things". Designer labels are not the turn-on like they were a few years ago. Despite significant means, many shoppers are passing up Lord & Taylor for Wal-Mart. An especially valuable resource for these and other changes in consumer behavior that are altering the rules for successful marketplace engagement is the annals of adult development psychology. Epochal changes taking place in leading consumer behaviors owe much to the common midlife shift toward self-actualization.*

### **New customer majority**

In Vol. 14 of *JCM*, in an article entitled "Older markets and the new marketing paradigm", we described aging as a generally positive experience accompanied by material changes in consumer behavior due to the influence of self-actualization needs (Wolfe, 1997). For the first time ever, most adults in developed economies are middle aged or older – the years of life when self-actualization needs have a transformational effect on consumer behavior. These adults form the new customer majority. The fact that most adults are now 40 and older is reason enough to pay them more attention in the marketplace; however, because of a "psychological center of gravity" effect, whereby the more seasoned perspectives of the new customer majority influence behavior in all customer age groups, including teens, marketers face new challenges in a consumer universe driven less by the materialistic values of acquisitive lifestyles and more by the forces of self-actualization.

### **Introduction**

The values, views and behaviors that dominate the marketplace today reflect the emergence of the new customer majority – people aged 40 and older who for the first time in history outnumber, by a large margin, the number of adults under the age of 40. In 2002 in the USA, adults below the age of 40 numbered 84.8 million vs. 123 million adults 40 and older. It is astonishing that few companies have become aware that consumers age 40 and older are a 45 per cent larger market than adult consumers under age 40, and that by 2010 the 40 and older age group will be more than 60 per cent larger with a population count of 138.25 million versus 86.9 for adults aged 18-39.

Underscoring the economic importance of the new customer majority: by 2010, it will be outspending the below-40 adult populations \$2.6 trillion to \$1.6 trillion – a difference of \$1 trillion! Despite this, marketers and



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advertisers continue to overwhelmingly favor young adult markets. However, one additional fact clearly demonstrates why marketers and advertisers need to give up their long-standing preoccupation with younger markets: the traditionally most economically important 20-year age cohort – 25-44-year-olds – is shrinking by 4.3 million people in this decade, meaning no sales growth to this age group in scores of product lines. Considering that 25-34-year-olds spend the most *per capita* in motor vehicles and 35-44-year-olds spend the most *per capita* in housing and housing-related products, e.g. mortgage finance, furnishings, etc. one can easily imagine the adverse effects on corporate top lines of population shrinkage in these key age groups. However, many companies facing declining sales because of population shrinkage in younger age groups may find salvation in the new customer majority markets where by far the greatest overall sales growth in this decade will occur. This is especially the case among 45-64-year-olds (mostly boomers) whose numbers will increase by over 16 million and whose spending will increase by \$329 billion in this decade vs. \$104 decline in spending among 25-44-year-olds.

### **Growth strategy**

Under these circumstances, the best sales growth strategy for thousands of companies will be to increase focus on the new customer majority while continuing to tap the below-40 adult market that will begin growing again in the next decade. However, in view of the time-honored belief among marketers that marketing to older audiences tends to turn off younger audiences, is this a realistic strategy? The answer is decisively “yes” when the multigenerational approach to markets is ageless. Ageless marketing invokes values that have appeal across generational divides. Simply using older models to market to the new customer majority will not make the grade because a 45-year-old is not just a 20-year older version of her 25-year-old self. Her behavior is influenced by markedly different life needs, including needs that derive from her having entered a self-actualization track that moves her into the culminating stages of personal development. Ageless marketing appeals to all customers; traditional marketing largely neglects older customers and is increasingly ineffective with younger ones as well.

For the first time ever, marketers must deal with a customer majority whose members are in the years when the forces of “self-actualization” needs exert a transformational influence on customer behavior. In the second half of life, as people enter a self-actualizing track, they become more introspective (less dependent on others in making decisions), more individuated (less like their peers, which makes them more difficult to segment into clear-cut segments) and more autonomous (less easily persuaded by traditional marketing approaches).

### **Traditional marketing is fast becoming obsolete**

### **Product message**

The beliefs and practices that guide marketing evolved from a youth dominated marketplace that no longer exists. For instance, there was a time when marketers successfully pushed product features and benefits in their product messages. This worked when markets were younger because features and benefits are more easily quantified and cognitively grasped than such things as the “product experience”, a decidedly more subjective and individualized measure of a product’s value. Young minds are more easily engaged by quantifiable attributes than by less tangible, subtler qualitative attributes. The older minds that now dominate the consumer universe tend to be less responsive to product features and benefits promotional messages than they were when they were younger and more to all that has become broadly termed “the customer experience”.

## Behavioral choices

How the mind works changes considerably over the course of life. Young minds generally draw more heavily on the analytic left hemisphere in forming perceptions, thoughts and decisions. They are more objectively biased in shaping their beliefs and decisions and depend more on social consensus to determine what is right or wrong, acceptable or unacceptable. They are uncomfortable with decisions that cannot either be rationally justified or socially endorsed, especially by age peers. Their greater dependence on others for cues and clues in shaping their behavior predisposes them to move in tandem with their peers. They are thus more subject to what marketers refer to as “the herd instinct”.

However, as midlife approaches, people begin to depend less on objective analysis of behavioral choices in decision making. They also become less reliant on social consensus to determine appropriate behavior. They begin moving away from preoccupation with keeping faith with their peers as they embark on a path that Carl Jung termed individuation and Maslow called self-actualization. Both terms refer to a maturational process that reduces social influences on perceptions, thoughts and behavior so that a person may become more truly who he or she is.

The traditional view of customers thus no longer works very well. It is incongruent with behavioral attributes that are characteristic of people in the second half of life – those who now form the adult customer majority. The traditional view of customers is an objectified, statistical rendering in which customer individuality is lost in sweeping generalizations that are used to create demographic and psychographic profiles. This view was more productive when the young, who tend to act in tandem, ruled the marketplace. It is easier to reduce “herd behavior” to averages and generalities. The more individuated and autonomous behavior of older people makes them harder to predict. However, it also predisposes them to being more responsive to being treated as distinct individuals. That bent help set the stage for mass customization, experiential marketing, one-to-one marketing, permission marketing, gonzo marketing, relationship marketing, customer relationship management and so on.

## Adult median age

Advocates of each new school of marketing thought roundly denounce the way marketing has been traditionally carried out. But the way it was done was for the most part right for the times. What few companies and marketers yet realize is how much a continuing rising adult median age has dramatically changed the leading behaviors in the marketplace. While it is common to hear how customers now often act in surprising or paradoxical ways, the yet generally unrecognized truth is that leading consumer behaviors have changed because the average age of consumers has dramatically risen, resulting in middle aged consumers (mostly boomers) becoming the dominant force in the marketplace. Members of the middle age segment of the new customer majority have the same core needs that people in midlife have always had, and are generally behaving in ways to satisfy those needs in much the same way as people in midlife always have.

Consider that thought in light of what Bill Bernbach, one of advertising’s all-time great minds, once observed:

Human nature hasn’t changed for a million years. It won’t even change in the next million years. Only the superficial things have changed. It is fashionable to talk about the changing man. A communicator must be concerned with the unchanging man – what compulsions drive him, what instincts dominate his every action, even though his language too often camouflages what really motivates him.

The pathways of human development have not changed, at least not since people started writing about human behavior several millennia ago, most notably in Vedic and Hindu traditions of ancient India whereby the life lived well is one of ever becoming by following a path that ultimately dissolves the worldly ego. The ancients saw time best spent in the second half in pursuit of emancipation from the sensuous minded ego. This came to be mirrored millennia later in the work of Carl Jung who noted that as many patients neared midlife they began to experience what we refer to as a midlife personal paradigm shift that leads in the direction of weakened materialistic aspirations and stronger experiential aspirations. In a marketing context, this results in changes in life perspectives that alter consumer needs and how people go about seeking satisfaction of those needs. Thus, to understand members of the new customer majority is to acquire the understanding the ancients had about the main purpose of the second half of life: shifting life focus from development of the social self to development of the inner or "real self", as Jung termed it.

### **The new S word**

Sex, which is invoked to sell everything from cars to you name it, has long been the big S word in marketing. But that is changing. The new big S word is self-actualization.

As already noted, for the first time ever, most adults are middle age or older, the time in life when the motivational forces of what Abraham Maslow dubbed self-actualization often influence behavior. While this does not dissolve interest in sex, it does drive changes in attitudes about sex and many other things in ways that challenge common views of older customers.

### **Hierarchy of needs**

Nearly everyone in marketing knows of Maslow's hierarchy of needs. Self-actualization tops the list. It comes into play when lower level needs are substantially met, a process that usually takes five or six decades in Maslow's book. Now, with adults 40 and older in the majority, marketers would do well to learn what self-actualization is about. People on a self-actualization track do not think, feel and act like others and their needs are often quite different.

No one doubts the importance of understanding customers' needs. Companies spend billions annually in research trying to understand customers' needs. But not much can be learned about self-actualizing needs by talking to customers. The roots of self-actualizing behavior lie beyond the reach of consciousness because it is developmentally rather than willfully initiated.

### **Peak effectiveness**

Peak effectiveness in new customer majority markets requires understanding changes in behavior wrought by self-actualization processes. You are marketing-challenged in today's biggest markets without such an understanding.

### *A brief definition of self-actualization*

Putting it in personal terms, self-actualization is the developmental process of becoming or actualizing the "real you". Before midlife, the "social you" dominates behavior. Much of the time, the "real you" is submerged in the quest for worldly success. But typically, around 40 or so, and provided basic physiological, safety, love and esteem needs are being satisfied, people begin switching over to a self-actualizing track to discover and actualize their "real selves".

## Self-actualization

The real self is more internally focused (introspective), less influenced by subject to peers and other social influences, and less persuadable by traditional marketing methods. The real self more often follows gut feelings than what the crowd says. It is a less imitative self, the main reason why product endorsements by famous people usually do not carry as much weight with older people.

Self-actualization can be thought of as the opposite of social actualization. Social actualization is the primary developmental focus in the first half of life. To have good chances for a satisfying life, a person must become socially developed (actualized). However, as midlife approaches, the needs of the “real” or inner self begin clamoring for more attention.

*Characteristics of self-actualizing customers.* Self-actualization is an advanced state of psychological maturity in which behavior is more:

- Realistic, more practical notice to ad makers: novelty has less appeal.
- Dependent on context notice to researchers: behavior is harder to predict.
- Detached, more individuated less subject to peer and other social influences, yet more caring of relationships.
- Resistant to persuasion less influenced by advertising bombasts that makes claims about product features and benefits being superior.
- Emotional, intuitive “gut feelings” often trumps reasoning.
- Focused on peak experiences desires are less materialistic, more experiential; pleasure sought in little things.
- Introspective more self-informed.
- Authentic less disposed to trying to impress others; fewer “airs”.
- Less influenced by time urgency strategies.
- Less influenced by design changes (keeping up with the Jones is not as important).

### *The midlife wakeup call*

Until you have heard it, it is not easy to understand the power and potential pain of the inner self’s midlife wakeup call to switch from a social-actualization to a self-actualization track. It can be gentle or explosive. Years of favoring the social self over the inner self can build powerful unrelieved tensions throughout a person’s emotional structures that make change of major proportions – whether it comes explosively or gradually – inevitable.

## Midlife changes

Some people hardly feel these tensions and move unaware through sundry midlife changes. They simply wake up one day surprised by how much their worldview has changed and realize they are both more detached from the world yet more caring of it.

For some people, years of accumulated tension produce a roiling reservoir of compressed energy ready to blow at any time with devastating results. Something happens – perhaps something not very significant, the straw-that-broke-the-camel’s-back sort of thing. Then BOOM! An overstressed middle-ager takes an action that forever changes his life as well as the lives of those around him. Such explosively wrought changes are often not directly predictable from recent events. “I wonder whatever got into George”, people say in bewilderment.

What happened to George is that after years of neglecting his inner self, it came crashing into his consciousness in a state of outrage. "I have not been me!" George cries out. Like many others experiencing the same thing, he complains in self-pitying fashion, "I have sacrificed myself for others. Now it's my turn!"

George selectively blames others for his disappointing life to justify a sudden turn of path in life. Boss, spouse, and children are seen as barriers to happiness. Blaming others for how he feels makes it easier for George to rationalize what he is inclined to do in any event: break ties with the past because he believes the cure for his midlife unhappiness is radical change in his life scenario. So, he may acquire a new significant other and a sporty car that reflect his return to an adolescent worldview in a perversion of the motivational forces of self-actualization processes.

### Life satisfaction

Others respond more constructively to rising self-actualization needs. Instead of looking outwardly for life satisfaction as George did, they turn inward. But even this introspective bent has a certain adolescent quality about it. Like adolescents, people in midlife face critical identity questions: "Who am I? What is the meaning of my life? Of all Life? What about my legacy?"

Developmentally, midlife is about finding balance between the social self and the inner self and between work and play, purpose and fantasy. Perhaps no company projects a better understanding of today's consumers than New Balance. It has become the fastest growing athletic shoe company in the USA by connecting with the midlife values that now rule the marketplace. While Nike has experienced no real sales growth since 1997, new balance has been zipping along with double-digit annual sales growth. What is more, while new balance chose to go after aging boomer markets in the early 1990s, it is now outpacing most of its competition in young markets, giving support to the idea that younger consumers are following the lead of middle age consumers. Incidentally, new balance does not use famous athlete endorsements in its marketing. Such endorsements have less influence on the buying behavior of middle aged and older customers. New balance's younger customers are following suit by buying new balance in spite of it having no Michael Jordan to hawk the brand.

### Motivational forces

Not everyone who experiences the pangs of self-actualization needs will become a truly self-actualizing being. But most everyone whose material well being is satisfactory will experience the motivational forces of self-actualization in some fashion in midlife.

Carl Jung saw the midlife wakeup call of the inner self as the first step toward dissolving the *persona* (Latin for "mask"). The *persona* is necessary to achieving social integration and success earlier in life, but it stands in the way of self-actualization because the persona compromises authenticity. It is a mask designed to impress others. Self-actualization brings on a desire to minimize if not dispense altogether with such artifice. This is a key adult developmental milestone that plays a strong role in how older people respond to marketing communications.

*Self-actualization is a higher and more complex state of being*

Biologists view developmental growth as the movement of an organism from a lower and simpler state to a higher and more complex state. Maslow saw self-actualization as the highest and most complex state of humanness. Most adults in today's marketplace are operating at higher and more complex states than marketers conditioned by a heavy focus on younger markets are

## **Novelty used to capture attention**

accustomed to. As a result, marketing messages often reflect a yawning generation gap between marketing think and customer think. A recent Saturn television commercial illustrates this. The commercial shows a Saturn winding uphill and down in a desert landscape covered by teeming masses of German Shepherd-size ants fanning across the barren waste. Technically brilliant, it was otherwise juvenile. While a young person might exclaim, "Cool!" members of the new customer majority will more likely say, "What was that all about?"

Ad creators use novelty to capture attention. However, novelty is less effective in getting attention in the new customer majority. Younger minds are more easily seduced by novelty because lust for novelty is nature's way of drawing the young into experiences that teach new things. Because older people need fewer such lessons, novelty has less attention-getting power with them, especially when it has no other purpose than to get attention.

Season-of-life differences in customer behavior are generally ignored in marketing. Thus, as the median age rises, marketers have increasingly complained: "consumers are acting 'mysteriously' ". The *Yankelovich Monitor* recently said: "consumers are acting more paradoxical"[1]. Traditional consumer research has failed to provide a credible explanation for why people are acting more mysteriously and paradoxically in the marketplace. As Coca-Cola researcher Garrett (2000) says: "The old ways (of customer research) are fraying."

The head of customer research at a major pharmaceutical company recently called us with the complaint: "We're doing research the way we always have, but results have gotten less dependable". We suggested the problem was in how research is geared to younger minds than now dominate the marketplace. He exclaimed: "Of course! I should have known that is the problem. I also research physician markets. When I ask young doctors a question, I often know what they are going to say before they answer it. It is not so simple with older doctors".

## **Worldviews and behaviors**

One reason that the behavior of people in the first half of life is easier to predict is because their worldviews and behaviors are biased toward the social self, which consciously seeks to reveal its circumstances and the products of its decisions and actions in service of the values and expectations of others, especially peers. Thus, what the group does is a good indication of what individuals in the group will do. This is generally much less true among people in the second half of life who tend to be more detached from group influence, thus not so easily understood through generalizations based on group analysis. In the era of the new customer majority, this fact challenges traditional ideas about segmenting customers into crisply defined typologies.

### **Developmental influences on customer behavior**

A recent *Wall Street Journal* article threw the spotlight on one major change in consumer behavior that has taken place since the emergence of the new customer majority. The article observed: "American shoppers say that designer threads are losing their appeal", noting that women in their 40s and 50s especially are bypassing designer labels for house brands at such retailers as Target and Kohl's (Branch, 2002). This should not be a surprise. It is a function of altered worldviews in the new customer majority, which makes the classic market strategy of induced design obsolescence less effective.

Designer labels and the latest design are matters of greater importance to the less individuated social self than to the more socially detached inner self.

## Developmental stages

A number of research firms sell consumer trends reports based on polling of consumers, but it is not as necessary as generally thought to bother people at dinner hour in telephone polls to determine the leading values, views and behaviors in the marketplace. It is possible to predict with greater accuracy than commonly appreciated how people will generally think and behave a decade or more hence by studying aging trends and matching the results with insights from adult development psychology.

Maslow is a good starting point because his observations are timeless. Forget the idea that boomers are all that different. They are passing through the same developmental stages in their later years that their parents did and their children eventually will. Learn what self-actualization is about and how it evolves and you will have a solid foundation for success in the new customer majority marketplace.

*The new customer majority.* In comparison with younger people, members of the new customer majority generally tend to be:

- More individuated. They are less easy to predict.
- More quickly turned off by hype. Most want the unvarnished truth.
- More emotionally-driven. They are more comfortable with their gut feelings than they were earlier in life.
- Less materialistic. They are not as self-oriented, thus more prone to altruistic behavior.
- More deliberate in buying decisions. They tend to be less responsive to time-urgency advertising and promotions.
- See more products as equal. It's harder to persuade them of material differences between competing products.
- Look for the competitive differences between companies. Most older people really want to deal with companies they can have a relationship with.
- Less price sensitive in discretionary buying decisions. Quality often trumps price as the decisive factor in a purchase decision; however, they tend to have an increased sensitivity to affordability and a more complex ways of assessing value.
- More price sensitive in nondiscretionary spending. Tend to be more price sensitive.

## Replacement levels

*Why young people are behaving like self-actualizing older people*

Birthrates below replacement levels drive the median age up. This pushes the "psychological center of gravity" (PCG) – people within five years of the adult median age – upward, into older age groups. The current adult median age is 44, thus the PCG now extends from age 39 to age 49. As the PCG rises, the influence of younger people in defining the leading values, views and behaviors in the marketplace decreases. History bears out our observation that the PCG has a disproportionate influence on the popular culture.

Contrary to popular belief, boomers did not launch the "cultural revolution" of the 1960s. During the tumultuous 1960s, the PCG extended from the mid-20s to the mid-30s. The leaders of the massive cultural changes in that decade were not boomers. They were people in the 1960s era PCG, including Jerry Rubin, Abbie Hoffman, Jane Fonda, Martin Luther King, Abbie



Hoffman, Gloria Steinem, Ralph Nader, Stokely Carmichael, Joan Baez, and Bob Dylan, the prima balladeer of the protest culture, all of whom were born in the 1930s and who were members of the “silent generation” – so-called because it supposedly did little to influence society. Tom Hayden, the chief ideologue of the 1960s and co-founder of the militant students for a demographic society was born in 1939. Of 125 thought leaders of the tumultuous 1960s listed on one Web site, not one was a boomer (Wolfe, 1998). Members of the 1960s PCG, made up exclusively of people in the silent generation, provided the inspiration and rallying cries for youthful boomers who simply followed the traditional path of youth by challenging existing orders at any opportunity.

### Age ratios

Age ratios are shaped mainly by births and deaths, both of which can be predicted with considerable accuracy over long time spans, barring unforeseeable events such as major wars. For that reason, we can know the age ratios 20 years into the future which means we can know what ten-year segment will define the PCG in 20 years. This in turn makes it possible to know the general characteristics of prevalent worldviews 20 years into the future because seasons of life predispose the general nature of people’s worldviews, which are not so much about what people believe, but how they cognitively connect to the external world. Whatever the worldviews of a current PCG, they influence people of all ages because we all drink from the same cultural waters, as it were, and the PCG largely determines the taste of that water.

As ad man Bill Bernbach intuitively knew, the broad outlines of human behavior do not change from one generation to the next. Adult development would be a bogus branch of psychology otherwise. Styles of behavior change, but in substance, behavior remains constant over time. This is why the current spiritual renaissance in the USA was predictable 30 years ago, and in fact was predicted by the lead author nearly 15 years ago in his book, *Serving the Ageless Market* (Wolfe, 1990). The USA’s growing passion for spirituality owes much to the PCG’s shift into midlife, a time when people begin paying less attention to their place in society and more attention to cosmic matters, including discovering the meaning of life.

### Metaphysical issues

Interest in metaphysical issues has always tended to grow stronger in midlife. But this was ignored when just a few years ago many people predicted that self-indulgent, materialistic boomers would move *en masse* into old age as spending profligates to fuel a mighty economic boom. That prediction ignored the well-accepted idea in human development psychology that that older people tend to want simpler lives, be less tied to “things” and generally grow in concern with their place in the cosmos. In the course of normal development, they become less self-absorbed, a disposition that reflects a waning of narcissistic and materialistic influences on the elements of lifestyle aspirations that undergird consumer needs and buying decisions.

Knowledge of the developmental dimensions of behavior makes it easier to anticipate the general characteristics of behavior for any age group, in any era, years into the future. For example, the imitative ways of adolescents made it inevitable that when the majority of adults were middle age or older, adolescents would begin reflecting some of the core values that psychologists have traditionally associated with later life, especially midlife, which encompasses the current PCG. Despite their conscious desires to be seen differently from people in their parents’ generation, today’s PCG, which extends between the ages of 39 and 49, is having a strong influence on adolescents. While their parents struggle to get answers about the meaning of

## Product endorsements

life, often in the context of their agnosticism or atheism, young people in greater numbers than ever are probing life's meanings in temples and churches in a movement tagged by *The Wall Street Journal* as a "new way to rebel" (Miller, 1998). However, we suggest that the PCG effect is a better explanation than rebellion for the unprecedented interest in spirituality found among today's young in their music, entertainment and lifestyle behaviors.

### *A youth backlash against brands?*

Another change in adolescent behavior that is perplexing marketers is the ebbing influence of famous personality product endorsements. People in midlife are generally less susceptible to external influences, including famous personalities, because of a more autonomous bent in their behavior. Now, as Nike and agents for NBA athletes have learned, famous personality endorsements are not working in young markets as well as they once did.

After reading about Levi Strauss's plans to close most of its US plants because of falling sales, one of the authors asked his adolescent daughter how her age group felt about Levi Strauss. She answered: "Brands aren't as important as they used to be. Kids don't feel they need to dress like each other". The teenager was attributing to her age group values usually more associated with people in midlife – a time when consumer behavior reflects greater individuation and autonomy.

Though adolescents seem to be reflecting a measure of individualism more commonly associated with people in midlife and older, this is more apparent than real. Adolescents are not maturing faster. Rather, the PCG influence is toning their behavior, giving the appearance that adolescents are emulating midlife behavior. However, they still cue more of their behavior than members of the new customer majority do by observing and imitating peers, and they are more strongly influenced by narcissistic and materialistic values than most people over 40 are.

## Altruistic behavior

### *A turn toward altruism*

Recent articles in the popular press have discussed how so-called Gen Xers are less materialistic than members of previous generations at the same age, and how they are keener on contributing to making a better society. Again, we posit that the PCG is playing a role in fostering altruistic or at least seemingly altruistic behavior among the young.

In the fall season of life (ages 40-60) and in the winter season of life (60-plus) purpose tends to take on a more altruistic character. This is a critical dimension of self-actualization when, in Maslow's words, a person "takes deeper more interest in matters beyond his own skin". Thus, a person's bundle of purposes expands to deepen his or her concerns about the welfare of the group, or more broadly, the species and the planet.

Accordingly, life purpose tends to revolve more around personal survival in the first half of life, while becoming more tuned to group and species survival in the second half of life. This shift from consummate focus on self to increased focus on the group (or species) signals the declining presence and influence of the ego, a development that marks a person's ascent to a new, higher and more complex level of beingness, which is precisely why people in the new customer majority pose new and unfamiliar challenges to companies who covet their business.

It is important to keep in mind that altruism is not defined by the act, but by the motivation behind the act. When a young person takes some action that appears altruistic, it may simply be an action motivated mainly by the

## Personal gain

developmental task of establishing and defining his or her social identity. This is neither cynical nor does it detract from the value of a young person's "good works". It simply recognizes that the need for recognition by others generally has a stronger influence on their motivations, including the motivation to do good.

In the fall and winter of life, when the influence of the external world ebbs and identities are fully formed, a person's "good works" are more likely to fit the classical definition of altruism as activity benefiting others from which personal gain is subordinate to social gain. Erikson (1988) addressed this with his concept of "generativity", which he defined as tending to the welfare of the next generation.

Still, regardless of whether or not one agrees with our view of altruism, it appears that concern for others is growing in the collective unconscious of society. In some cases, this concern might be viewed as enlightened self-interest. For example, a growing number of companies believe that taking authentic interest in the well-being of employees and customers has a bigger payoff than the old command and control ethos in which workers and customers were objects to be manipulated.

### *Convergence between men and women in the middle years*

Developmental psychologist David Gutmann, who has spent his career life studying the middle years when people move onto a self-actualizing track, has devoted considerable time researching the midlife masculine shift in affect toward a more nurturing self, and a corresponding feminine shift toward self-assertiveness in the middle years. First clinically observed by Carl Jung, this midlife convergence of the genders leads to changes in lifestyles and by extension, buying behavior. However, this significant change in worldview by each gender, is rarely if ever recognized in marketing communications. Yet, like other dimensions of self-actualizing oriented behavior, these changes are too important to ignore in the era of the new customer majority.

Gutmann describes a tendency in the post-parental period of life for both sexes to "reclaim aspects of themselves that were hitherto unused, on hold – subordinated, if you will, to the tests of career advancement, survival, and child rearing".

## Parental perspective

Mothers give up the parental perspective that they must live in and through their children. Gutmann says: "You see very often a sense of liberation, a sense of 'now I don't have to be developing them; I can develop myself'".

Women reclaim the assertiveness that they throttled back for the sake of children, while their husbands now takes the first steps toward retiring "from his macho wars and begins to reclaim what he used to concede to his wife, gentleness, tenderness, sensuousness, and even a maternal quality"[2].

Gutmann's observations, which describe a key task in self-actualization, point toward significant behavior changes in midlife that deserve attention in marketing executions. Yet, again, how many marketing messages project midlife males in an attractive nurturing role and midlife females in an attractive assertive role?

Keep in mind that Gutmann is not talking about what people in midlife consciously choose to do, but about the demands of personal development they are called on to answer by the voice of nature. Conscious behavior only comes into play in how the midlife woman and midlife man respond to that

voice – the voice that summons the adult toward the summits of the self-actualized personality.

**Needed: conditional rather than absolute positioning**

To be optimally effective with the new customer majority, marketing communications must be styled to be in synch with the different mental processing styles of people who are on a self-actualizing track. Moreover, in order to gain maximum benefit from an ageless marketing approach, it is necessary to execute marketing communications somewhat differently than has been typical in advertising in the last.

**Consumer segment**

Advertising used to be less segment-focused than much of it is today. When directing an advertising message to a specific consumer segment, the message can be more explicit than when a message is designed for multiple segments. Explicit marketing messages tend to polarize consumer audiences between those who can align themselves with the specifics of a message and those who cannot. But when a message conveys possibilities in a more implicit fashion, more people, in more segments, can see themselves in the message. That is the essence of what we call “conditional positioning” of the product message.

Al Ries and Jack Trout became famous with their notions of product positioning. But Ries and Trout extolled the virtues of explicitness in calling for clear statements about products in waging “The battle for your mind”, the subtitle of their seminal book on positioning. They promoted absolute positioning. We propose that absolute positioning is not as powerful as it was when Ries and Trout first advanced their ideas about positioning. Keep in mind that when they first advanced their ideas on positioning, youth and young adults were the customer majority.

Ries and Trout’s brand of positioning was primarily objective and absolute, calling for a single core statement or idea that could be quantitatively verified. Today’s more subjective consumer universe calls for conditional positioning, which avoids absolutes, serves up ambiguities, and cannot be objectively quantified.

**Conditional positioning**

Apple Computer’s “Think different” may be grammatically wanting, but is a good example of conditional positioning. Apple’s tagline is consumer biased; it is not product specific and touches the subjective dimensions of consumers’ minds. It challenges consumers to “get outside the box” and do things their way. Xerox’s tagline, “The document company”, and Lincoln’s “What a luxury car should be” are examples of absolute positioning that are product biased.

Metaphors and storytelling are highly effective for conditionally positioning product images in consumers’ minds. A recent Wachovia Bank campaign uses children to convey ideas through story and metaphor. One commercial projecting the idea of Wachovia as “your partner” opens with a freckled-face rotund boy of ten sitting pensively on the sidelines at a dance class while the other kids are having a great time. Then, a pert, pretty girl of the same age, but about six inches taller, asks him to dance. The other boys look on with admiring wonder.

Wachovia’s tagline “Let’s get started”, is dynamic and underscores the partnership theme of the campaign. It establishes parity between the consumer and Wachovia in a qualitative, hence subjective manner that can be interpreted differently by each person, from a small business owner or major corporation to a freshly minted college grad or older couple nearing

## Push to pull dynamics

retirement. How well did the campaign work? An ROI analysis revealed unusually high returns on the advertising dollar, and Wachovia featured the campaign in its next two annual reports to shareholders.

Absolute positioning is better suited to the dynamics of “push” marketing, when the objective is to thrust products and messages into the marketplace with the horsepower of highly charged advertising and promotions. Now, with consumers becoming more influential on marketing processes and driving a shift from push to pull dynamics, absolute positioning runs the risk of sounding too confrontational to consumers’ growing sense of autonomy.

Conditional positioning respects that autonomy. It projects willingness to let consumers largely define the marketing process. But it also makes it possible for more consumers to connect with the message because they, not the copywriter, determine what the message says. That is the power of implicitly wrought conditional positioning.

The marketing message needs to be crafted in such a way that each person can subjectively sense the message as being written expressly for them even though objectively they know it was not. Similar to the multiple places an electron shows up before it is observed, in a subjective marketing model, a marketing message effectively appears in as many versions simultaneously as there are people seeing and hearing it. The key intent in conditional positioning is to capture the interest of many, while leaving enough unsaid that each person can subjectively complete the message. In that way, like the scientist creating subatomic reality merely through the act of observation, the consumer can create her own reality out of the contents of the message.

### Marketing as storytelling

Abbott Joseph Francis, a Trappist monk, commented at a weekend retreat on storytelling in business venues held several years ago: “The role of the storyteller is to help people process their lives”. From the puzzling vignettes of Lao Tse to the simple fables of Aesop, from the moral parables of Jesus to the earthy tales of the bard of Lake Wobegone, stories have been and remain the main source of the learning we need to process our lives.

## Good marketing

We believe that good marketing is also about helping people “process their lives”. Marketing that works is less about a product’s features than about its linkage with dreams of who people want to be, what they want to do, feelings they want to have, and feelings they would rather not have.

The use of storytelling in advertising has recently increased, provoking arguments about whether advertising should sell or entertain. It is a silly argument. Every good storyteller knows the best way to get capture people’s attention is to touch their hearts before engaging their minds. A story cannot do this if it lacks personal meaning to a person – if it is not a tale that helps him/her “process his life”.

When the US Army beckons recruits with the mantra “Be all you can be”, it offers to help young men and women to process their lives. New balance does the same when it says “Achieve new balance”. The shoemaker’s “life processing” theme is “tend to the inner self – not simply as a refuge from a complex world, but as a strategy for going back out into the world, revitalized to meet its challenges”.

Apple Computer’s “Think different” tag line is life-processing oriented. It urges people to cast off the shackles of mindless conformity. It first took this position 14 years ago in one of the most famous commercials ever. The

## Didactic presentations

Orwellian “1984” commercial that introduced the Macintosh during the 1984 Super Bowl challenged people to break away from mindless attachment to Big Blue – IBM. Though the commercial aired only once, it was famously successful.

Stories generally are better at getting attention for a brand than are didactic presentations of features and benefits. Sometimes people remember a story in a 60 second commercial better than they remember the program in which it appeared. This is because stories trigger adrenalin flow by arousing emotions. Adrenalin is critical to the formation of long-term memory.

Some stories amuse, are memorable, but do not move a consumer toward a brand. Consumers liked Nissan’s Ken and Barbie-like animated characters but did not arrive in show rooms in larger numbers. Miller Lite’s “Dick the copywriter” series got a lot of people laughing and talking, but did not boost sales.

What makes a story work in advertising? Cleverness is not enough. Amusement is not enough. To work, a story must connect with some “life processing” need of consumers. A story can amuse a person without being relevant to his interests, i.e. to his life processing needs.

Life processing needs change across the course of a person’s life. They also differ according to gender, socioeconomic background, personality type and other factors. Adolescents need to make more dramatic statements about their identities than adults because they need to escape parental dominance in their marks of identity. This need is a life processing need. Calvin Klein and Benetton show an understanding of this life processing need in their advertising. Levi Strauss has lost market share among the young in part because its advertising stopped connecting with their life processing needs.

## Intergenerational marketing

The art of story telling has rich possibilities in intergenerational marketing. McDonald’s used to be good at it. Its famous “New kid” commercial (1987) showing a retired man going back to work at a McDonald’s appealed to all ages. It drove up patronage by older consumers without adversely affecting the brand’s image among younger consumers. In the past, most of McDonald’s advertising used to be “life processing” oriented. Its core themes reflected the humanistic values of founder Ray Kroc. When McDonald’s commercials told stories about elderly, handicapped and mentally retarded individuals, the brand was recognized as being an authentically people-oriented brand. All ages warm to this kind of message.

Today, we see a lot of humorous storytelling in advertising. Much of it amuses without warming consumers to the brand. Humor must be matched to life processing needs for an advertising message to both amuse and move a consumer toward a product. Humor tastes change across the life span. Young people like edgy, put-down and irreverent humor. But around the onset of middle age (late 30s, early 40s) this tends to change. The subtleties of ironic and earthy humor become more attractive, while in-your-face humor loses its appeal. Ironically, while insult is out, self-deprecation becomes in.

Developmental differences in humor tastes across the lifespan often go unrecognized in advertising. Because ad creators are mostly young adults, humorous ads generally reflect young people’s humor tastes. To be successful with humor in intergenerational marketing, it is necessary to know about developmental differences in humor tastes – and to know what kinds of humor appeal to all ages. Family humor, for example, appeals to all ages.

## Sexual humor

Hallmark Cards often reflects an understanding of this in subtle ways in its commercials.

Interestingly, sexual humor is as popular among the old as among the young. However, in later life, people tend to be turned off by raw sexual humor. When sexual humor is suggestive, but not oblique, its presence in advertising can appeal to people of all ages after childhood.

### Conclusion

Ignorance of adult human development costs companies billions and billions. Companies waste vast amounts of money researching what does not need researching because much of what they would like to know about customers is already existing knowledge. The developmental changes over the normal lifetime provide an astonishingly solid baseline whose use in customer research and marketing practice could dramatically improve outcomes. Knowledge of these changes not only explains why customers' perspectives have changed as the average of consumers has risen, and why customer centricity is becoming less an option, such knowledge will give guidance for dealing with those interconnected events. Understanding customers as individuals was not important when youth ruled the marketplace. It is critical to success now that middle age and older customers, who are more insistent on being understood as individuals, rule the marketplace.

### Notes

1. The paper was delivered 26 September 2001 as a special presentation of the *Yankelovich Monitor* Live Teleconference series. At the time of this writing, an MP3 audio file was available at [www.yankelovich.com](http://www.yankelovich.com)
2. "Are older people getting younger", aired on PBS's "Think Tank", hosted by Ben Wattenburg, 29 March 1996. The transcript as of 11 March 2003, appears at [www.pbs.org/thinktank/show\\_301.html](http://www.pbs.org/thinktank/show_301.html)

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