

**Insights:
Innovation**

The Silver Tsunami:

Consumer Driven Innovation

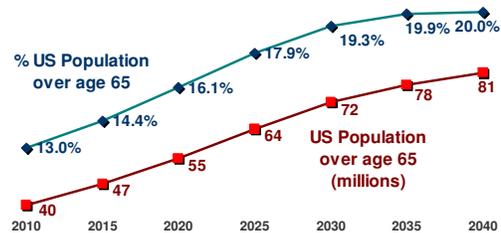
A massive shift is occurring. Baby Boomers entering retirement represent the leading edge of an impending “Silver Tsunami” - whose effect on healthcare and consumer products will be profound.

Three questions can help executives frame their thinking about how to respond to this demographic shift:

- How important is it to address the “Boomer” cohort as they become seniors?
- What are the common desires of boomers and current seniors?
- How do the attitudes of boomers differ from those of the current seniors?

Today’s Boomers are Tomorrow’s Seniors

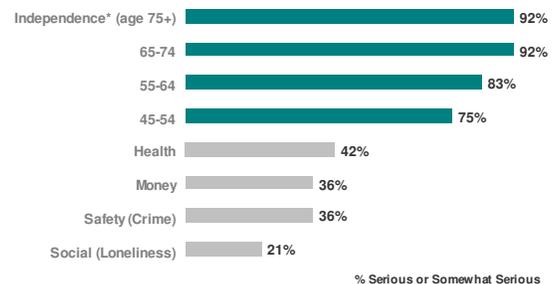
The Boomer generation represents 76 million Americans born between 1946 and 1964. Starting in 2011, more than 7,500 Baby Boomers will turn 65 every day, signaling the start of a shift in “over 65” US population from 13% in 2010 to 20% in 2040. As a group, Boomers currently possess an annual purchasing power estimated at more than \$2 trillion per year. These spending levels are likely to be maintained, as Boomers strive to maintain the lifestyles that have defined their generation. As they have done throughout their lives, aging Boomers will transform industries through their day to day use of innovative products and services in residential, retail, and clinical settings.



#1 Senior and Boomer Desire: Independence

As studies reveal, independence is the #1 aging concern for both Seniors and Boomers – beating out health, money, safety, and loneliness.

Though cited as #1, the interpretation of “independence” varies among the two groups. Independence among current seniors, who came of age during periods of shared sacrifice, is more outwardly expressed; not being a burden to others regarding care and the activities of daily living.



Sources: AARP "Fixing to Stay". Myths and Realities on Aging 2002, National Council on Aging.

Ask Boomers about independence, and the response will be more inwardly focused; being independent enough to continue the lifestyle and interests they have become accustomed to.

Boomers have different needs, attitudes, and values from the present generation of Seniors.

Compared to present Seniors, Boomers are:

- More physically active
- Not as brand loyal
- Skeptical of institutions and individuals
- Reluctant to acknowledge aging (“60 is the new 40”)
- Willing to investigate products on their own
- Active participants in their own health (55% try to cut back on unhealthy foods)
- Defining health as more than “absence of disease”
- Demanding immediate gratification
- Not passive
- Time deprived
- Increasingly online
- Willing to pay for luxury, expertise and convenience.



At BIC, we integrate the characteristics of particular cohort groups to guide the process of developing new products and business opportunities. This keeps innovation efforts focused on delivering solutions to the job customers want done. As an example, consider the possible approaches to serving aging boomer communication needs:



Not Senior Friendly



Take away all the functions and make the buttons larger – This screams “I’m Old!”



Give me choice and flexibility

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Products and services that focus on maintaining independence will address a common aging desire. Embodying the unique needs and attitudes of Boomers will increase prosperity during the Silver Tsunami.