The Next Big Thing

May 11, 2006 is the big day. You might not know it to look at me, but that’s the day when my experience, my education, my influence and my purchasing power all become irrelevant in the eyes of Madison Avenue. While I’m still on the vital side of the 25-54 demo, I thought I’d make a few observations.

Ever since the Boomer Generation officially began in 1946, it has been influencing social and business megatrends. Every industry which has positioned itself in the path of this demographic juggernaut has boomed right along with the Boomers — from blue jeans to Rock music to Coke to cars to homebuilders to daycare to financial services to travel to mental and physical healthcare to managed retirement. This is not a matter of interpretation or opinion; the data is irrefutable. Noting this, why in the world would media planners and buyers abandon this group wholesale at age 55? Wouldn’t Mister Spock say this was illogical?

When Boomers reach any stage of life, as Dr. Ken Dychtwald, president of Age Wave notes, “The issues that concern them — whether financial, interpersonal, or even hormonal — become the dominant social, political, and marketplace themes at the time. Boomers don’t just populate existing life stages or consumer trends, they transform them.” Let’s look at the numbers.

AARP, the American Association of Retired Persons starts recruiting at age 50. They currently have 35 million members and every single day, 10,000 new people become eligible to join. Half of the entire Boomer generation is now 50+. Remember that this demographic wave lasted nearly 20 years and added nearly 80 million Americans to the ranks.

The Merrill Lynch New Retirement Survey found that 81 percent of Boomers expect to continue working past 65. “They want the action,” says Dychtwald. “They don’t want to be on the sidelines.” People 60-years-old today have an actuarial life expectancy of 82.3, though they expect medical science to extend that to 100. So forget traditional retirement, most Boomers want to work until they drop, though doing more meaningful work in their later years.

Consider Fidelity Investments’ new tag line: “80 is the new 60.” Consider their new spokesperson: Sir Paul McCartney.

So what happens in your entrepreneurial mind when you notice a huge swath of audience, a group with education and energy and influence and buying power, and an entire demographic that is currently underserved by radio? What do you do? You invent new formats, of course. And which style of music radio comes into its own in the fifty-plus age group? Classical. Focus on the data. Age 50 is the point where Classical radio, CD sales, and concert ticket purchases all begin to accelerate, a trend that stays on the upswing until the end. Classical music has a strong spiritual component that resonates with mature people, who have come to realize that there is more to life than a house and a car and an IRA. The sophistication and timelessness of the music goes hand in hand with this age group’s increasing desire for self-actualization, meaning, learning, expanding, and sampling new experiences. And Classical music is a new experience for many. It doesn’t matter when a piece of music was written — the first time you hear it, it’s new to you.

Now I’m not talking about your father’s Classical radio. You ask the man on the street to imitate a DJ and he will immediately make a puking noise. Ask that same fellow to imitate a Classical DJ and he will lift his nose in the air and speak as though a broomstick were positioned just so. That old school approach to classical radio won’t fly in the 21st century. The hushed museum tones, the religious reverence, the academic prerequisites, the tedious anecdotes about Mozart and the Third Duke of Patoity. All of that is just gone. Instead, imagine a bright, entertaining, sophisticated adult contemporary approach to the presentation, marketing, and promotion. Imagine a high profile personality radio format with a major passion and enthusiastic attitude. Add a tightly-dayparted but broadly-based music list of the greatest hits of the 17, 18, and 1900’s, and boom — call it Neo-Classic. It’s not as radical as you might think. They’ve been doing this quite successfully for more than ten years in London. It’s called Classic FM.

I programmed one of the Big Five Classical stations in Boston in the 1990’s. Since then I’ve worked with commercial and noncommercial Classical stations all over the country. I’m currently the board president of the Bellevue Philharmonic Orchestra in the Seattle area. I have never known music that makes people so passionate, music which is taken so personally and which becomes such an integral, daily part of their lifestyle. Of course, I could be wrong about Neo-Classic as a viable new format. I’m from way up here in the upper left hand corner of the country where people with totally outrageous and unrealistic business plans that no bank should underwrite go on to become fairly successful. Imagine a three-dollar cup of coffee. Imagine unseating IBM. Imagine a new format that serves the biggest audience there is. Is that too wild an idea? Or is it just wild enough to work?

Matt Thornhill, president of the Boomer Project, a Richmond, Virginia marketing research and consultancy points out that one of every three adults in the U.S. is a Boomer. Seventy percent of the nation’s net worth is in their hands, as is half of all the household discretionary income. They’re not “seniors” any more than Howard Stern, Jerry Seinfeld, Cher, Robin Williams, or Bill Clinton is a senior. Mature maybe (or not), but certainly not senior. These people think they’re 35, yet we market to them like they’re 75. (It’s a little ironic, don’t you think?) They are better educated and richer than any previous generation in history. As their parents die, they’re expected to benefit from the largest transfer of inherited wealth in history. They spent $2 trillion annually on

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The Personal People Meter (PPM) holds the promise of more accurate ratings measurement. At Paragon Media Strategies, we feel that if done right, technology like the PPM is a welcomed and long-overdue improvement to the traditional diary. This article sets out to examine some of the more worthy concerns about the PPM and its ramifications. By spelling out these concerns, perhaps this article can frame to a more informed discussion.

It’s odd that in today’s technological age that we’re still using a diary measurement system that’s over a half-century old. The programming games we have to play to be accredited with top-of-mind measurement in Arbitron are an unwelcome diversion from providing appealing programming. Paragon Media Strategies conducted some projects years ago, which measured the shortfall of station reporting in the diary method. The conclusions of those studies emphasized that a more accurate form of measurement was clearly needed. The diary requires recall...some of it long after the fact of listening. This method has built in problems. Indeed, historically we have seen different results when the diary methodology was compared to basic telephone interviewing. During the times when there were ratings companies that used telephone surveys to compete with Arbitron’s diary methodology, we saw that the diary favors certain formats, e.g. Adult Contemporary, over formats that serve a younger more transient population, e.g. CHR.

One would think that the idea of truly accurate ratings measurement should be celebrated by the radio industry. However, there are meaty concerns about what the PPM portends for radio sales and concerns about the hardware and sampling employed in the PPM research. We’ve seen a spate of negative and fearful articles and letters about the PPM.

Two major groups refused to participate in the recent Houston PPM ratings.

One question I’ve had since seeing a demonstration of the PPM in the early 1990s is why this technology wasn’t rolled out a long time ago. The initial answer came down to an economic conundrum Arbitron faced back then. Initially, the PPM was supposed to be part of Arbitron’s television ratings as well as radio. Just as PPM was being conceived, Arbitron got rid of their television ratings. Part of the hold up was Arbitron trying to make PPM financially viable by trying to partner with Nielsen and/or European ratings companies. Because of business considerations, not methodological issues, the economic question continues to hang over the entire PPM implementation.

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consumer goods and services. And they fall off our media map at age 55.

You might be aware that for more than a decade, NPR-affiliated stations have been leaving the Classical format and opting for news and information. The state of our world could be driving this trend. Many major American cities have reduced Classical availability. Some no longer even support one Classical station. All this spells one thing to me: opportunity. It’s a contrarian play, pure and simple. If you want to win, then don’t follow—lead. Zig when others zag. Build in the path of growth. Remember what hockey superstar Wayne Gretzsky said: “If you want to be successful, skate to where the puck is headed, not to where the puck is now.” And the demographic puck is moving toward 55-plus.

Will Neo-Classical be as big as Garth Brooks? You can bet your big black hat it won’t. You won’t be able to drop this, franchise-style into a market ala Betty LouFINAL. But I’m betting that with proper design, presentation and marketing, Neo-Classical can be a highly attractive 21st century format that appeals to tens of millions of Boomers in the strongest phase of their purchasing power and influence. But like I said, I could be wrong. Madison Avenue thinks so and those kids look pretty smart. They’ve got their fingers on the pulse, Paris Hilton and all.

The Boomer generation is going to exit the way they entered—noisy, breaking rules, defying expectations and transforming industries to the very end. Gramps is taking Jazz piano. Nana is going on an arts tour of Europe, solo. Uncle Dave fell in love with Beethoven. Dave fell in love with Barbara too, and now he’s a brand new dad at age 58. Smart companies from A to Z have observed Boomer mega-trends and have made their strategic plans to offer goods, services, experiences, information, value, and expanded quality of life to this group. What is your group’s profitable strategy to serve the single largest consumer segment in America? Where is the plan?

John Silliman Dodge is a radio Swiss Army Knife. He’s announced, produced and programmed formats from metal to kids to classical. John pioneered the modern classical approach at WCRB/Boston. Today he gives interactive training workshops and consults radio stations on announcer performances and staff motivation. John also announces for Sirius Satellite Radio. Email john@sillimandodge.com or visit www.sillimandodge.com.