Report and Analysis of 45-54 Age Cohort

Submitted by

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Table of Contents

Introduction

45 to 54 year-olds make up most of Generation X, a generation of adults currently 39-54 years old. This generation is often called "The Forgotten Generation", "slacker generation" or "the forgotten middle child".[1] This is due to the fact that they bridge the gap between two of America's most defining generations, Millennials, and Baby Boomers. At a size of 66 million, they make up about 20% of America's population.

Over 40% of people in this age cohort make over $100,000 a year.[2] They make $18,000 more than the average American, yet spend 11% more than Baby Boomers and 33% more than Millennials.[3] This can be attributed to the fact that they are in the stage of life where they are raising children as well as taking care of aging parents. In their own household, the age cohort prior has a larger percentage of children in their household with 65.3%, while Generation X has approximately 40%. [4]

As far as race, 73.7% of the American population of this age group identifies as white. 12.5% identify as African American, 4.9% as Asian and 8.9% as fall into other. When considering ethnicity, 85.3% identify as Non-Hispanic while 14.7% are Hispanic.[5] This is fairly consistent with the racial segmentation of both the age cohorts below and above as well.

With relation to education levels across our age cohort, they have shown to have a larger percentage of grad school completed as their highest level of education when compared to the

[1] Angela Woo, "The Forgotten Generation: Let's Talk About Generation X," (Forbes, 2018).

[2] Simmons Oneview, "Spring 2017 National Consumer Surveys Adult study 12 month," (Simmons Experian, 2017)

[3] Woo, "The Forgotten Generation: Let's Talk About Generation X"

[4] Simmons Oneview, "Spring 2017 National Consumer Surveys Adult study 12 month"

[5] Simmons Oneview, "Spring 2017 National Consumer Surveys Adult study 12 month"

Baby Boomers following. Baby Boomers have an average of 29% completing graduate school, while Generation X has closer to 34%. [6]

Pet Food

According to Passport, the pet care market is a $50,101 million industry. Pet products contribute to $17,653.4 million of sales and the remaining $32,447.8 million comes from the sales of pet food. When considering where consumers are buying the food, 77.1% of pet food is sold through store-based selling, with 30.4% being sold in grocery retailers. Non-store retailing makes up 16.7% of channel sales and 6.2% of sales are through non-retail channels. [7]

We conducted primary research to find out how likely 45-54-year-olds were to have pets and what they purchased to care for them. For the purposes of our research, we specifically focused on cats and dogs as pets, as most of the existing research on pet care and pet food markets are specific to cats and dogs.

45-54-year-olds are primarily dog owners, with 39% of respondents saying that they owned a dog and 28% saying that they owned a cat. 55-64-year-olds also tended to primarily be dog owners while the younger cohort, 35-44-year-olds were equally as likely to own cats and dogs.

We gave respondents a list of eleven factors commonly associated with choosing pet food brands and asked them to choose which five were most important to them. These factors were: availability, cost, dietary restrictions, family/friend recommendation, freshness, nutrition, pet's preference, quality of ingredients, sustainable/ethical/organic sourcing, veterinary-recommended, and weight control. The order of factor importance to 45-54-year-olds is nutrition, quality of ingredients, cost, pet's preference, dietary restrictions, availability, family/friend

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6 *Ibid.*

7 Passport, "Pet Care in the US - Demographics," (2018).

recommendation, veterinary-recommended, and weight control. No 45-54-year-olds in our study chose sustainable/ethical/organic sourcing as an important factor. 20% of 45-54-year-olds chose nutrition as an important factor. When compared to other generations, only 15% of 55-64-year-olds and only 11% of 35-44-year-olds chose nutrition as one of their most important factors. The other two factors that were most popular among 45-54-year-olds were quality of ingredients and cost. These remained consistent across the surrounding age cohorts as well.[8] In order to be of interest to 45-54-year-olds, one of the primary cohorts purchasing pet food, they should focus on delivering nutritious, high-quality recipes at the best cost. 45-54-year-olds are not as concerned with the sourcing of the food to be organic, sustainable, or ethical. Even though these are traits that are viewed as positive and are important to many brands today, it is not as high on the list of concerns for this group.

According to Simmons, 45-54-year-olds are 16% more likely to own dogs and 17% more likely to own cats than the American population. 55-64-year-olds are only about 3% more likely to own dogs and 2% more likely to own cats. 35-44-year-olds are 1% less likely than the American population to own a dog and only 4% more likely to own a cat. Because 45-54-year-olds are the group most likely to own pets, they also have strong opinions when it comes to preference of food. [9]

When considering types of pet food purchased, there are three main categories: treats, wet food, and dry food. The 45-54-year-old age cohort indexed higher than any surrounding cohort for buying treats for their cats and for their dogs. This is logical since they are the cohort most likely to own these pets. 45-54-year-olds indexed at 116 for buying cat treats, with specifically 45-54-year-old males indexing at 116 for buying them. Women of the same age only

[8] Team 4 Survey, (2019)

[9] Simmons Oneview, "Spring 2017 National Consumer Surveys Adult study 12 month"

indexed 110 and the highest index for purchasing cat treats from any other cohort being 104. These numbers are consistent when considering who is purchasing dog treats and how often. 45-54-year-olds and 45-54-year-old males again index at 116 for purchasing them. The only other groups that came close in comparison were 55-64-year-old males and females, who indexed at 120 and 118 respectively for buying treats for their dogs. [10]

When considering wet dog food, people ages 45-54 indexed 130 for not buying. When broken down by gender, 45-54-year-old males indexed 123 for not buying and females indexed at 128. When compared to the older 55-64 cohort, they over-index for purchasing wet dog food. The younger generation of 35-44-year-olds did not have significant indices in when it came to purchasing or not purchasing, which aligns with the fact that they are less likely to own either animal as a pet. [11]

Dry dog food, in comparison, indexed much higher within the 45-54-year-old cohort. 45-54-year-olds indexing at 17% for purchasing dry dog food, with specifically 45-54-year-old males indexing at 117 for purchasing it. The older cohort, who preferred wet dog food indexed at 130 for not buying dry dog food. The younger generation again did not index high either way, which is supported by the fact that they index at only 99 for owning a dog. [12]

Although 45-54-year-olds tended to not purchase wet food for their dogs, they are purchasing it for their cats. 45-54-year-olds index at 115 for buying wet cat food with 45-54-year-old men specifically indexing at 127. Females 45-54 years old by contrast index at 115 for not buying wet cat food, showing that men are more likely to be making the purchases for the household. No other surrounding age cohort significantly indexed for buying or not buying wet

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[10] Simmons Oneview, "Spring 2017 National Consumer Surveys Adult study 12 month"

[11] *Ibid.*

[12] *Ibid.*

food for their cats, which is consistent with their low indices for owning cats. Dry cat food is also popular among 45-54-year-olds with a 118 index for purchasing dry food. Again, when comparing males and females, 45-54-year-old males consistently indexed higher for purchasing, with an index of 121 for purchasing dry cat food.[13]

According to Passport, the leading companies in the cat industry are Nestle Purina PetCare Co, Mars Inc, Big Heart Pet Brands, and Hill's Pet Nutrition. The brands that rule the industry are Purina Gourmet, Purina Friskies, Purina Cat Chow, Meow Mix, and Whiskas. Purina clearly dominates the market with their brands making up 46% of brand shares of cat food in the U.S. Meow Mix is a brand under Del Monte Foods, which is not a leading company in the cat food industry and Whiskas, owned by Mars, Inc, still cannot surpass Purina in the eyes of pet lovers. [14] In the dog food market, Nestle Purina PetCare Co, Mars Inc, Blue Buffalo, and Big Heart Pet Brands are companies leading the industry. While the companies were very similar to the top companies in the cat food category, the leading brands differed with preference. The top brands in the dog food category are Pedigree, Blue Buffalo, Ol' Roy, Purina ONE, and Purina Beneful. Although two Purina brands did make their way to the top charts of the dog food category, the leading brand, Pedigree, is owned by Mars Inc., establishing their dominance in the dog food market. Purina brands only account for 20% of dog food sales.[15]

Across the pet food category, people ages 45-54 are overwhelmingly the group indexing the highest for having opinions towards what type of foods they are buying for their pets. In general, men are most likely to have the strongest opinions on which types of food are purchased for their pets and are more likely to buy treats for their pets. According to Mintel, 71% of males

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13 *Ibid.*

14 Passport, "Cat Food in the US - Country Report," (2018).

15 Passport, "Dog Food in the US - Country Report," (2018).

are dog owners and 57% of pet owners are most concerned with buying food that is the best nutrition for their age.[16] By targeting men 45-54 and emphasizing the focus on nutrition and quality ingredients at a fair cost that optimizes value, the pet food brands such as Nestle Purina and Mars. Inc in the U.S. would maximize efficiency.

Insights

- 45-54-year-olds are the most likely to own a pet.
- Dogs are the most common pet among our cohort
- Our cohort indexes at 116 for buying treats for their cats and dogs
- Nutrition, quality of ingredients, and cost are the most important factors to 45-54-year-olds when choosing a pet food.
- They are more likely to buy dry dog food with an index of 123 for not buying wet food for their dogs.
- They are more likely to buy wet cat food with an index of 127 for not buying dry food for their cats.

Recommendations

- For industry leading brands like Purina and Pedigree, stress nutrition, quality and cost when advertising to 45-54-year-olds.
- Focus on men ages 45-54 as they have the strongest opinions when choosing foods and treats for their pets.
- Top brands should place emphasis on advertising to this age cohort as they are the most likely to be pet owners.

Wine and Spirits

'Gen X'ers, which includes people ages 45-54, have been increasing their spending on alcohol. This is evident in a study published by the U.S. Bureau of Labor Statistics, which reports that the Gen Xers, with 624.04, have a higher mean annual expenditure on alcoholic beverages in 2015 than both the Millennial and Baby Boomers. Data for aggregate shares of expenditures is 33.8 for Generation X which is higher than Baby Boomers and lower than

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16 Mintel Press Office, "Dogs Really Are Man's Best Friend 71% of US Males Own a Dog," (Mintel, 2016).

Millennials. This figure is consistent with their spending on other areas such as food and housing. [17]

The Beverage Industry published 'Shooting its Shot', outlining trends in the alcoholic beverages industry currently positively impacting sales. In 2018, spirits gained market share versus beer and wine with sales rising 7/10ths of a point to 37.4% of the total beverage alcohol market. Supplier sales were up more than 5.1 %, raising $1.3 billion to a total of $27.5 billion. Volume rose 2.2% to 231 million cases, an increase of 5 million cases compared with the prior year, it adds.[18]

Through our survey, we sought to find out where 45-54-year-olds are most likely to consume wine and liquors (spirits) and how often. 70% of the respondents in our age cohort noted they drink 2 standard glasses on a day they consume wine. This aligns with the overall calculation of all the other cohorts with 57% also answering with 2 glasses. The highest majority of our age cohort, 33%, consumes wine once a month. This frequency of wine consumption is higher than 55-64-year-olds with the majority never drinking wine. Conversely, this is less frequent than 66% of 35-44-year-olds who consume wine once a week.[19]

Additionally, when our age cohort was asked how likely they are to consume wine at certain locations, the top two were at their home and at a family/friend event (wedding, holiday, birthday). 55% of our cohort said they are extremely likely to consume wine at home which is similar to results for both 35-44 and 55-64-year-olds. 50% are extremely likely to consume wine at a family/friend event (wedding, holiday, birthday). A location they are extremely unlikely to consumer wine is at an entertainment/sporting even with 60% stating so. The second location is a

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[17] Geoffrey D Paulin, "Fun facts about Millennials: comparing expenditure patterns from the latest through the Greatest generation," (Monthly Labor Review, 2018).

[18] Taylor Karg, "Shooting its Shot," (Beverage Industry 2019).

[19] Team 4 Survey, (2019)

bar/club with 50% of them stating they are extremely unlikely. [20]

In regards to the survey results for liquor, when asked how often they consumed liquor the majority of our age cohort, 29%, responded with several times a week. This frequency of liquor consumption is lower than 35-44-year-olds with the majority, 12%, drinking once a week. The frequency of liquor consumption is higher in our cohort than the overall results with once a month being the most chosen with 28%. 45-54-year-olds are most likely to consume liquors at a bar/club with 47% saying they are extremely likely. Family/friend event (wedding, holiday, birthday) is the second most common with 37% of them responding with extremely likely. On the other hand, the two locations our age cohort is extremely unlikely to consume spirits are at an entertainment/sporting event, 47%, and at their own home, 42%. [21]

According to Simmons males between 45-54 are most likely to consume bourbon whiskey with an index of 135. Their second alcoholic drinks of choice was a tie between rum and scotch whiskey both with an index of 122. Women in the cohort's favorite liquor is gin with an index of 127. They do prefer port, sherry & dessert wines as their alcoholic beverage of choice with an index of 136. Champagne and sparkling wine follow closely behind an index of 126. [22]

Focusing on trends in the wine industry, a study published by Beverage Industry reported that the wine market in the U.S will continue to grow due to an increasing interest in expensive wine. Higher-end wines are priced $11 plus while table wines are priced at $20 plus. Both have seen an increase in growth with 5.9% for domestic and 4.4% for imported in 2016. The

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[20] *Ibid.*

[21] *Ibid.*

[22] Simmons Oneview, "Spring 2017 National Consumer Surveys Adult study 12 month"

compound annual growth rate (CAGR) of the wine industry experienced a 1.9% increase from 2011 to 2016.[23]

Passport noted that E&J Gallo Winery currently leads the market with a 24% total volume share in 2017. Their label Barefoot Cellars currently has the largest market share with 6%.[24] When it comes to liquor the leaders in each category are, Hendrick's, Captain Morgan, Patron, Tito's, and Jameson with the highest share of orders in 2018. [25]

There are shifts in consumer attitudes leading to the upward trends in the alcohol beverage industry. Beverage Marketing Corporation Eric Schmidt says. "These robust results show adult consumers are continuing to favor spirits over beer and wine, He adds, "Premiumization in the category is one of the key underlying characteristics that have helped drive [category] growth." [26]

Research indicates a shift in consumer attitude with value now at the top of consumer's top of mind over price point. A study published by Beverage Industry corroborates the emergence of premiumization in their findings stating, "A Time for Wine" report that on-premise wine consumption is sluggish and consumers may be using their discretionary income on direct-to-consumer (DTC) shipments for higher quality wine." The article notes that in all demographics consumers enjoy going drinking when going during a special occasion but they prefer to drink at home. When they do go out consumers are purchasing more expensive drinks. This was evident in Simmons which indicates, women in the age cohort have an index of 131[27]

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[23] Barbara Harfmann, " A Time for Wine," (Beverage Industry, 2017).

[24] Passport, "Wine in the US - Analysis" (2018).

[25] Rebekah Gallacher, "The Most Popular Beer & Liquor Brands of 2018," (Bevspot 2018).

[26] Barbara Harfmann, " A Time for Wine," (Beverage Industry, 2017).

[27] Simmons Oneview, "Spring 2017 National Consumer Surveys Adult study 12 month"

for prepping their cocktail mixes with liquor. Consumers prioritize value and uniqueness in their drinks when going out. [28]

The trend of premiumization is also evident in the liquors category. Volume for "super premium" spirits jumped 10.8%, while the next-highest priced grouping "high-end premium" posted a 5.5% increase.[29] This trend favors pricier spirits, like Glenlivet, Macallan, and Grey Goose. According to L.E.K, from 2012 to 2017, the super-premium spirits and high-end premium spirits segments grew 6%-7% per year by volume.[30]

Possible recommendations for the cohort would be focusing on selling higher-end wine, due to the market growth expressed. [31]In terms of priorities for consumers, price is not top-of-mind therefore a higher value wine that is pricier will perform best.

The brand with the highest percentage share of whiskey orders in 2018, Jameson.[32] They would maximize efficiency by focusing on premiumization. Premiumization has allowed spirits to surpass other alcoholic beverages in terms of popularity which can be utilized.[33] We recommend focusing on specialized drinks such as cocktails, due to their growth in popularity, which the target will most likely purchase spirits in a bar/club. For men who are 45-54 year old, we recommend focusing on their drink of choice, bourbon whiskey, in bars/clubs. [34]

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28 Barbara Harfmann, " A Time for Wine," (Beverage Industry, 2017).

29 John Kell, "3 Signs the U.S. Liquor Business Had a Great 2016," (Fortune, 2017).

30 Rob Wilson, "Top 10 Trends Affecting the Spirits Industry" (L.E.K., 2018).

31 Barbara Harfmann, " A Time for Wine"

32 Rebekah Gallacher, "The Most Popular Beer & Liquor Brands of 2018"

33 John Kell, "3 Signs the U.S. Liquor Business Had a Great 2016,"

34 Simmons Oneview, "Spring 2017 National Consumer Surveys Adult study 12 month"

The brand Barefoot Cellars, with the largest market share[35], would benefit from focusing on port, sherry & dessert wines which they will most likely consume at home for our cohort. [36]

[35] Passport, "Wine in the US - Analysis" (2018).

[36] Simmons Oneview, "Spring 2017 National Consumer Surveys Adult study 12 month"

Insights

Wine

- Barefoot Cellars currently has the largest market share
- Premiumization: Using their discretionary income on DTC shipments for higher end wine
- Women in cohort prefer port, sherry & dessert wines with an index of 136
- 55% said they are extremely likely to consume wine at home

Spirits

- Hendrick's, Captain Morgan, Patron, Tito's, and Jameson with the highest share of orders in 2018
- Premiumization: Volume for "super premium" spirits jumped 10.8%
- Males in cohort are most likely to consume bourbon whiskey with an index of 135
- Women's liquor of choice is gin with an index of 127
- Most likely purchase spirits in a bar/club with 47% saying they are extremely likely

Recommendations

- To Target women: Focus on port, sherry & dessert wines which they will most likely consume at home.
- To target men: Focus on their drink of choice, bourbon whiskey, in bars/clubs.
- Premiumization: Focus on "super premium" (pricier) spirits. Price is not top-of-mind therefore a higher value wine that is pricier will perform best.

Anti-Aging Skin Care

Skincare in the United States is a fairly broad product market. From the varying forms of skin care products each with their own plethora of different benefits, it is often complicated to divide the market overall into one segmentation. For the skin care market as a whole, there is a projected growth of 5.4% in retail value RSP by 2022. Based on data from Passport in 2017, facial care has the highest growth performance out of all other forms of skincare with an $11,729.10 million market out of the overall $18,368 million. For the skin care market overall, 62.9% of the channel distribution is through store-based retailing, while the other 37.1% is non-store retailing, including the internet, direct selling, and home-shopping platforms. In this industry, the top company shares belong to L'Oreal USA, with 9.9%, Johnson & Johnson, with 9.6%, and Estee Lauder Cos Inc, with 8.0%. [37]

A team survey conducted through Qualtrics was able to show the usage within our age cohort of 45-54 overall. When asked about products within one's daily skin care routine, the data showed that about 23% of respondents used facial cream on a daily basis. The next top products were cleanser and sunscreen each with about 18% using on a daily basis. We also asked which benefits they find most important which included: anti-aging, hydration, firming, acne fighting, pore-minimizing, and sensitive skin. Ranking at number one is anti-aging from 57% of our age cohort and hydration following as a close second place with 47.62%. This shows their primary focus is anti-aging in any form of skin care product. When segmenting the respondents between male and female, it becomes apparent that females are more likely to use a larger quantity of products as well as look for anti-aging 52.94% of the time. [38]

Females that responded to the survey showed that on a daily basis they use facial cream, cleanser, and sunscreen which correlates to the overall respondents in our age cohort. With regards to the males who took the survey, they looked for anti-aging as the primary benefit 75% of the time. For the products they used on a daily basis, they used sunscreen 50% of the time with cleanser and eye cream as the only other two products in their daily regimen. Due to a large number of products used on a daily basis for both females and males, it would be a smart decision to advertise anti-aging products within a whole skin care regimen. This would not only promote the anti-aging benefits for a product or line, but it would also promote an increase in sales across all product lines. [39]

37 Passport, "Skin Care in the US - Datagraphics," (2018).
38 Team 4 Survey, (2019)
39 *Ibid.*

By comparing the benefits most looked for with the age cohort prior, it shows that there is no clear distinction between anti-aging, hydrating, and pore-minimizing with each receiving 33.3%. This shows that in this stage of life, there is not necessarily one benefit that outweighs all the others that are offered by skin care products. It is once the cohort's progress to ages 45 to 55, they begin to see or want the benefit of anti-aging over all others offered. When the age cohort was asked where they gain information about new skin care products, they stated that they learn through word of mouth 57% of the time. This is followed by 19% learning through social media. When segmenting by gender, these numbers stay fairly consistent for females with about 35.3% learning through word of mouth and 23.5% learning from social media. Looking at males, on the other hand, they responded with 25% in the world of mouth, magazines, television and their spouse. Comparing to the prior age cohort, 35 to 44, these respondents said 66.7% they learn from social media. This demonstrates how our age cohort is not focusing on sponsored social media posts, but rather from their friends and families recommendations. I would recommend that advertisements would be targeted to the percentage who interact through traditional media posts along with social media. From here through the hands-on use of the products, word would spread throughout families and friends either being positive or negative reviews. Aside from continuing general ad campaigns targeting the anti-aging benefit, there is no direct way to increase the word of mouth for this sector. [40]

From data pulled from Simmons, it was shown that females were looking for anti-aging benefits in the products they purchase and use with an index of 146. This is the opposite of men who were looking solely for cleansing benefits with an index of 76 or acne care with an index of 30. This is highly consistent with the age cohort following, ages 55 to 64, with females indexing

[40] Team 4 Survey, (2019)

at 153 for anti-aging, while males index at 71 for cleansing. When looking at the prior age cohort as well, 35 to 44, it shows that there is no major distinction between anti-aging (index 162), acne care (index of 139) and cleansing (index of 133) for females while males have no high index for any individual benefit. When looking at which skin care products are most highly used by our target age cohort, it is apparent that all but any form of gel product indexes high for females, with indices ranging from 139 to 189. This includes cleansers, foaming face wash, toner, lotion, creams, scrubs, and masks. Males, on the other hand, do not index high for any particular product. This differs from the data reported in our survey, as it showed both males and females used facial cream, sunscreen, and cleanser on a daily basis. When looking at how many products overall are used from our age cohort, females indexed at 131 for using eight to thirteen products. For men in this age cohort, they either use fourteen or more, index of 79 or using none at all with an index of 141. This is a change from the age cohort before, 35 to 44, as the men in this cohort only indexed high with 79 for using four to six products, rather than using none at all.[41] This signals a change in purchasing behavior for how many products they purchase and use on a daily basis. This could be due to the change in attitude towards one's appearance. In order to gain new consumers, an anti-aging brand should target their campaigns around cleansers, for men, and creams for females. This would create the first connection to a brand through these essential product purchases. From here the advertisements could target these individuals with a whole skin care regimen with unique products that focus on anti-aging.

In connection to the top industry leading brands, females in our age cohort index high with the leading industry brands: L'Oreal, index of 213, and Estee Lauder, with an index of 148.[42]Out of all brands that had a relative index in relation to females in our age cohort, the two

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[41] Simmons Oneview, "Spring 2017 National Consumer Surveys Adult study 12 month"

[42] *Ibid.*

mentioned prior have the highest index overall. Those used by females in the Generation X cohort were Pond's (209), Olay (201), and Lancome (180).[43] By targeting specifically females in the 45 to 54 age cohort, the leading brands would be able to maintain their status, while also increasing brand awareness and profitability.

Insights

- 45-54-year-olds rank anti-aging as #1 benefit as most important 57% of the time
- Followed closely by hydration in the #2 spot by both male & female
- They are the first age cohort index high for only anti-aging at 146.
- 23% of those in the age cohort use facial cream on a daily basis
- Females are more likely to use more skincare products every day
- Males index highest at 141 for using no skincare products
- 45-54-year-olds learn most information from word of mouth 33.33% followed by Social Media with 19%

Recommendations

- Gear advertisements from leading industry brands to females in the Generation X age cohort.
- Focus on providing a complete anti-aging routine to advertisements to increase the number of products used on a daily basis
- Drive advertisements both in-store and traditional media forms in order to gain word of mouth

Books and E-Books

We conducted primary research to find the buying habits and preferences of books among 45-54-year-olds. Reading physical books is the preference among the types of ways to enjoy books. We found that only 19% of respondents enjoy ebooks and audiobooks. When it comes to ebooks and audiobooks only 19% of 21 of respondents within the 45-54 age cohort prefer this method of reading. 65% of readers in our cohort research prefer to purchase ebooks

43 *Ibid.*

and audiobooks on Amazon. 25% prefer to buy from a bookstore website like Barnes and Noble and 10% prefer to purchase ebooks and audiobooks via a bookstore subscription service. Our findings showed that 47% of respondents in this age cohort prefer to buy books at chain bookstores over local independent bookstores or nonbookstores. 62% of respondents purchase physical books from brick and mortar bookstores most often. Only 4% purchase physical books from nonbookstore brick and mortar locations and 34% purchase online. [44]

When considering the types of books purchased within this cohort, we focused on hardcover books, audiobooks, and ebooks. Simmons data suggests that women are the leading consumer for this age cohort. Females have an index of 114 when it comes to purchasing books overall while males have an index of 76 making them 26% less likely to purchase books. The report focuses on physical books (hardcover and paperback), ebooks, and audio books. We found the index of hardcover books to be 112 and paperackbooks to have and index of 117.[45] When it comes to digital books simmons findings show that 28% of participants are more likely to purchase a form of digital ebook.

Simmons reported the Amazon Kindle, cellphone/smartphone, and desktop or laptop computer, as the selection of devices used to read or listen to ebooks and audiobooks. The data shows that females lead the category of digital books and are more likely to use an e-reader such as Amazon's Kindle at an index of 113 and males at an index of 63 making them 37% less likely to use and e-reader. However, the prefered device of digital books is reported to be the e-reader specifically the Nook Reader by Barnes & Noble with an index of 196.[46]

[44] Team 4 Survey, (2019)

[45] Simmons Oneview, "Spring 2017 National Consumer Surveys Adult study 12 month"

[46] Ibid

People in the 45-54 cohorts read physical books. Researchers from the University of Arizona and Towson University have found that the psychological experience of owning an ebook is significantly different from that of owning a print book. We can see that this age cohort is reading physical books at a higher rate than ebooks. This is attributed to the fact that this age cohort is more tied to perceptions of 'what is mine'. Participants in the study described being more emotionally attached to physical books and said they use physical books to establish a sense of self and belonging. Study author Sabrina Helm stated ebooks and print books are entirely different products with different functions. The study, published in the journal Electronic Markets, found that adult consumers across all age groups perceive ownership of ebooks very differently than ownership of physical books.[47] In order to guide this age cohort towards e-readers, the focus would need to be set on emulating the experience of reading a physical book, which might require making physical changes to e-readers that make it easier to do things such as scribble notes in the margins.

Understanding differences in how people relate to digital versus physical products are important. The advantages of ebooks include the ability to change text size, and the ability to carry many at once, giving readers access to all reading options at all times. However, when it comes to usage, our age cohort prefers a physical book and has a brand preference toward Amazon and Barnes and Nobles bookstores. These are the leading brands for 45-54-year-olds when it comes to online book and ebook/audiobook purchases. Focusing on the actual sale of physical books is worth noting because a lot of participants pointed out that they see digital books as too expensive for what they deliver, because they don't offer the same richness as a physical book, implying that once you read an ebook/audiobook there is nothing left.[48]

[47] Alexis Blue-U, "Millennials may prefer reading paper books over e-books," (Futurity, 2018).

[48] Ellen Duffer, "Owning Print Books Feels Different from Owning E-Books," (Forbes, 2018).

Insights

Physical books
- 81% of responders in the 45-54 age cohort prefer to read physical books
- When purchasing books our age cohort prefers to buy from chain bookstores

E-Books/Audiobooks
- 14% of responders in the 45-54 age cohort prefer to read ebooks
- Cellphone/smartphone is the preferred device for reading e-books
- 5% in the cohort prefer audiobooks
- Preferred purchase site for e-books/audiobooks is Amazon

Recommendations
- Focus on making the e-reading experience more closely emulate the experience of reading a physical book.
- Establish e-books as a unique form of entertainment by creating more of a service-based experience to target our cohort.

Media

It is not an easy task to narrow down the types of media used today by different age cohorts since the market is so saturated with various mediums. According to a 2018 study by Nielsen, average viewing times for traditional forms of media such as television and radio have remained steady over the past couple quarters, a testament to their reliability. The study showed that "Radio alone reaches 92% of adults on a weekly basis; live and time-shifted TV has a weekly reach of 88%." [49] In 2018 the average time spent watching television across the entire United States population was 4 hours and 46 minutes. However, television consumption notably increases from 37% of daily time spent on that medium in people ages 35 - 49 to 48% in people ages 50 - 64. Radio consumption does not appear to change based on the age of a cohort, with all

[49] Nielsen. "Time Flies: U.S. Adults Now Spend Nearly Half a Day Interacting with Media," (Nielsen, 2018).

age cohorts' radio consumption averaging at 14 - 17% each day.[50] Focusing on traditional media such as radio and television may be one of the best ways to reach our age cohort. According to a 2018 MRI report, channels such as ESPN Classic (Index 133), HLN (Index 135), TV Land (Index 128), and the Outdoor Channel (Index 130) are watched frequently by our target. Placing advertising on these channels would be a way to reach them that would reduce media waste.[51]

A team survey was conducted to gain some more insight into the 45 - 54 age cohort as well as the surrounding age cohorts. We found that 70% of people ages 45 - 54 rank television as their number one source of entertainment, followed by 55% of people ages 45 - 54 ranking web search as their second most important source of entertainment. Interestingly, the majority of people ages 35 - 44 and 55 - 64 that responded to our survey also ranked television as their number one source of entertainment. However, when asked about their number one source of general knowledge, 50% of respondents stated the web search was their number one source. Only 20% of respondents stated that television was their number one source of general knowledge. Taking it a step further, when asking respondents what their number one source of education is, 65% of respondents selected web search.[52] The majority of respondents in both the 35 - 44 age cohort and 55 - 64 age cohort also ranked web search as their number one source of education. When asked which social media platform on the internet ranked as the most important for our age cohort, 70% of respondents ranked Facebook as the number one platform. This rings true for all other cohorts in our survey *except* the 70% of respondents ages 18 - 24 that rank Instagram as the most important social media platform.[53] A 2018 study by Pew Research Center confirms most of the above survey data stating that 80% of people ages 30 - 49 use Facebook

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50 *Ibid.*

51 Mediamark Research & Intelligence. "2018 Spring GfK Reporter MRI," (Growth from Knowledge, 2018).

52 Team 4 Survey, (2019)

53 *Ibid.*

while about 55% of people ages 50+ use Facebook. The study also supports the idea that Instagram usage is on the rise with 71% of people ages 18 - 24 using Instagram. When reaching our cohort through social media, Facebook would be the most effective platform to use. Over 80% of people aged 50+ do not use Instagram, Snapchat, or Twitter and less than 50% of people ages 30 - 49 use those platforms. In order to reduce media waste, we should probably limit or eliminate the use of those platforms when trying to reach our age cohort. [54]

When asked about the amount of time that our age cohort spends on these mediums on an average day, 65% percent of respondents stated that they used social media anywhere from 1 to 2 hours. According to our team survey, there is a negative relationship between the increasing age of a person and the amount of time they spend on social media. Over 62.5% of respondents ages 55 - 64 spend less than 1 hour on social media each day. When talking about the usage of television, web search, radio, social media, and magazines, we found two notable insights. There were only two mediums where usage was centralized two a specific time of day: radio and television. From 6 AM - 9 AM about 40% of our age cohort listens to the radio, with 70% of the cohort answering that they listen to the radio <1 to 2 hours daily.[55] This means that they are most likely listening to the radio during their morning commutes. We also found from Simmons data that men index at 125 for agreeing that "I listen to the radio when I need a quick news update."[56] The second medium, television is consumed by 50% of our age cohort between the hours of 6 PM - 9 PM. This means that our target could potentially be tuning into the evening news and prime time television.[57] An optimal way to reach people in our age cohort could be to introduce

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54 Aaron Smith, "Social Media Use in 2018," (Pew Research Center, 2018).
55 Team 4 Survey, (2019)
56 Simmons Oneview, "Spring 2017 National Consumer Surveys Adult study 12 month"
57 *Ibid*.

advertisements on the radio in the morning during their commutes and to then place similar advertisements on television during the evening to reinforce the message.

In addition to media consumption, we also gathered data about our age cohorts attitudes towards various types of media. The most interesting take away from the data gathered on media attitudes from Simmons was not necessarily how people ages 45 - 54 indexed, but rather how they indexed *compared* to people ages 35 - 44. The most significant drop occurred for the statement, "Advertising helps me choose products to buy for my children." Females ages 35 - 44 index at 144 for agreeing to that statement, while females in our age cohort only index at 106. However, not only are their attitudes changing significantly but their usage of certain mediums. Females ages 35 - 44 index at 124 for agreeing that "Radio is my number one source of entertainment.", while only indexing at 86 for agreeing that "TV is my number one source of entertainment." For females that are aged 45 - 54, the index for the same statement about radio drops to 115 and the index for the statement about television increases to 106. Now, these indexes alone may not seem significant, but compared to each other they are interesting. According to Simmons, there are a few notable differences between male and female attitudes in the 45 - 54 age range. Most notably, females in the category index at 122 for agreeing that "When I am watching television, I am usually involved in other activities" while males index at 81. The other notable attitude difference is that males index at 81 for agreeing to "I often read ads in magazines just out of curiosity" while females index at 120 for agreeing to the statement.[58] These two statements may suggest that the most optimal way to reach males in the 45 - 54 age cohort is through television, while it could be more effective to reach females through magazines. According to a 2018 study from MRI, some of the best magazines to reach our cohort

[58] Simmons Oneview, "Spring 2017 National Consumer Surveys Adult study 12 month"

would be Woman's World (Index 141), Glamour (Index 128), First for Women (Index 175), and Vanity Fair (Index 124). [59]

Insights

- In 2018, the average time spent watching television across the US population was 4:46
- 70% of 45 - 54 year-olds rank television as their number one source of entertainment
- "When I am watching television, I am usually involved in other activities"
  - Females 45 - 54 Index 122
  - Males 45 - 54 Index 81
- 55% of people ages 45 - 54 rank web search as their second most used source of entertainment.
- 50% of people in this cohort rank web search as their number one source of general knowledge
- 65% of people ages 45 - 54 selected web search as their number one source of education
- Listening to radio for all age cohorts makes up about 14 - 17% of their daily media consumption
- "I often read ads in magazines just out of curiosity"
  - Females 45 -54 Index 121
  - Males 45 - 54 Index 81
- 70% of people ages 45 - 54 ranked Facebook as their number one social media platform

Recommendations

- Heavy up on traditional media like television and radio to optimally reach our target.
- Introduce advertisements on the radio in the morning (6AM - 9AM) then place similar advertisements on television in the evening (6PM - 9PM) to reinforce the message.
- Using Facebook to reach 45 - 54-year-olds would reduce media waste since over 70% of our respondents use the platform.
- Place male specific advertisements on television and female specific advertisements in magazines.

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[59] Mediamark Research & Intelligence. "2018 Spring GfK Reporter MRI," (Growth from Knowledge, 2018).

Conclusion

In conclusion, even though 45-54-year-olds fall within America's lost generation, they are active consumers impacting many markets. Our age cohort is the group most likely to be pet owners and have the strongest opinions in relation to food preference, making them influential to the pet care market. In regards to wine and spirits, the 45-54 age cohort has been increasing their spending on alcohol. Gen Xers have a higher mean annual expenditure on alcoholic beverages in 2015 than both the Millennial and Baby Boomers. Thus, they are a crucial cohort to consider for any company hoping to increase their alcohol sales. In relation to skin care, our age cohort is most likely to consume multiple products as well as target anti-aging benefits when choosing a product to purchase. Consumers within the 45-54 age cohort prefer to read and buy physical books from chain bookstores. Physical books and ebooks do not compare in terms of experience and this age cohort values the richness of a physical book over an entertainment experience that an e-reader provides. As far as media, it is important to focus on traditional media vehicles such as television, radio, and magazines. Heavier weight should be placed on the radio during our cohort's morning commute and in the evening on television in order to best reach 45-54-year-olds.

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