

# Number Crunch

## Take Different Approach With Boomers

BY RAY KEENER

This month I turned to Jay Townley, who recently returned from the OR trade show, to pick his brain on what our outdoor cousins were talking about in the research and statistics area.

“There was a lot of buzz around a recent *Business Week* article entitled, ‘The Incredible Shrinking Boomer Economy.’ Check it out,” Townley said.

I did, and it’s an eye-opener. *BW* talked to Mercedes,

Starwood Hotels and Nordstrom to gauge their strategies for dealing with newly tight-fisted Boomer consumers.

The core statement of the article: “When 79 million people—nearly a third of Americans—start spending less and saving more, you know it won’t be pretty.”

Mercedes has seen U.S. sales drop

by a third compared to last year. High-end bicycle sales have seen a similar percentage decline.

What is the frightened Boomer looking for? Value. Boomers “are making a virtue of value shopping, once viewed by this group as hopelessly déclassé,” the article said.

So instead of trying to upsell from Ultegra to Dura-Ace, offer the 105 bike as an alternative to Ultegra that can be upgraded

later. Everyone thinks the economy will recover; it’s a “when” not an “if.”

“Our industry’s goods and services have always been an incredible value,” said bike industry consultant Bill Fields. “Understanding the fix that Boomers are in, respecting and responding to that, is the key to keeping sales strong.”

### Hard Cash Facts

**\$400 billion:** the reduction in U.S. consumer spending in the current downturn

**47%:** Boomer’s share of disposable income in 2005

**From 1% to 5%:** The projected increase in consumer savings