

# THE NEW CONSUMER GAP



## Are Generational Differences Changing the Selling of Eyewear?

### A VM STAFF REPORT

There's a new and growing breed of optical retail consumer emerging, poised to give the Baby Boomer sector and retailers a run for their money. The Millennial Generation, aka Generation Y, an 80 million to 90 million group of Americans born between 1982 and 2000, are already bigger than Boomers in size and influence. And the day is fast approaching when their bank accounts will rival and eventually surpass Boomers'.

Understanding these changing demographics and addressing the shifting needs—and expectations—of both generations is vital for ECPs and optical retailers who, like many other retail sectors, are fighting for every consumer dollar.

According to Pew Research, the Millennial generation currently outnumber the aging Baby Boomers and are three times larger than the generation that follows, which translates into huge consumer spending clout. “Since the Millennials’ generation is larger than the Baby Boomers and three times

bigger than Generation X, marketers’ understanding of Millennials’ needs, tastes and behaviors will clearly shape current and future business decisions,” said Jeff Fromm, a senior vice president for Barkley, an independent marketing agency.

Tendencies of this younger generation of consumers are becoming more important as retailers struggle to keep up with new spending habits, technology and modes of communicating. A recent survey by Barkley looked at more than 5,000 Millennials to track their digital and social media habits, as well as their attitudes in the areas of cause marketing, grocery shopping, dining preferences and peer relations. The results were eye opening and pointed to some of the striking similarities and differences between the two generations.

Technology plays an increasing role in the generational shopping split. Millennials are more than two times more likely to be early adopters of technology than older generations, serving as a leading indicator for retailers of what is likely to become mainstream, said Christine Barton, a partner at Bos-

ton Consulting Group. Millennials are more likely than older shoppers to check out brands on social networks (53 percent versus 37 percent) and use mobile devices to read reviews, research products and compare prices while shopping (50 percent versus 21 percent), according to the Barkley report.

When shopping for eyewear, technology use is the most noticeable difference between the two age groups. Millennials tend to research products on the Internet and question retailers about their findings whereas Boomers are more comfortable taking advice from ODs and opticians.

“They’ve [Millennials] grown up with devices in their hands, so they’re much better at multitasking and using digital media in more flexible and innovative ways,” said Peter Matthews, founder and CEO of Nucleus, a marketing consulting firm in Surrey, England.

The difference is especially apparent with mobile technology, Matthews said. “We study the stats very carefully, and we can see with certain

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## Shopping Habits, Technology Define the Generational Split

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brands, particularly with luxury brands, mobile browsing of the web has grown from 3 percent or 4 percent in 2010 to 10 percent now," he said. "And some brands are heading toward 20 percent being accessed by mobile." He believes that trend is led by Millennials' use of the web on the go.

Compared with other generations, Millennials are more aware of newer, youth-oriented marketing campaigns and they report greater exposure to campaigns through social media (40 percent versus 9 percent for nonmillennials) and online news (28 percent versus 22 percent), while nonmillennials rely on newspapers and direct mail, the Barkley survey showed.

While a majority of all respondents shop alone, Millennials are more likely to shop with others versus nonmillennials. Plus, Millennials reported more shopping than other generations with family units, spouses, children and with adult friends. Not only does this generation seek adventure, but they also think life should be fun. Whether shopping, dining out or immersed in their mobile devices, Millennials prefer the music turned up and a casual atmosphere, the responses indicated.

So studying the behaviors and understanding this new generation of consumers is key to retail success, but what about the Baby Boomers (born between 1946 and 1964) who at nearly 80 million strong still wield substantial spending power? This huge and often wealthy market, characterized by its individuality and diversity, still holds the purse strings to the economy. Having come of age during turbulent times of social change, they are known as a generation of trendsetters.

While the Millennials represent a larger group of potential customers to optical retailers and ECPs, the growing vision needs of the aging Baby Boomers is one factor that will help level the playing field between the two groups.

Today, the Baby Boomer generation has more discretionary income than any other age group and

controls most of the net worth of American households accounting for 40 percent of total consumer demand, according to Baby Boomer Magazine. But the Great Recession has not been kind to this generation and they have been hit hard by the downturn's economic shocks.

Baby Boomers are spending less on frills than the prior generation but more on education, their adult children, and mortgage debt, putting their retirement nest eggs in jeopardy. That's the conclusion of a study, *How Are Baby Boomers Spending Their Money?* by Pamela Villarreal at the National Center for Policy Analysis. Relying on data from the Bureau of Labor Statistics' Consumer Expenditure Survey, she compared the spending habits of 45- to 64-year-olds in 1990 and 2010.

While real income for today's pre-retirees and those from 20 years ago has not changed much, the portion of disposable income spent on certain things is changing, Villarreal said. Baby Boomers are no longer spending more on discretionary items or products. Food purchases, including eating out, household furnishings and clothing expenditures all fell. Education expenses and housing costs increased the most of any spending categories in the last decade: for 45- to 54-year-olds, education costs skyrocketed by 80 percent and the cost of maintaining a house increased by 25 percent, Villarreal found.

She concluded that Baby Boomers are reaching the ages when they are inclined to spend less on accumulating more "stuff." They are more attracted to buying experiences and are spending precious income on travel and activities like golf, tennis or classes. Sporting events, concerts and other live performances are other experiences which Baby Boomers are actively pursuing.

In a 2012 Report titled *Baby Boomers: Riding the Wave of Diversity* issued by SymphonyIRI Group, John McIndoe, SVP of marketing summed it up best saying, "Relying on traditional thinking about any shopper group is a dangerous practice. With Boomers,

given their diversity and spending power, it can be very detrimental to a brand or channel's chances for success. But, by developing marketing strategies that are aligned with shopper needs, retailers and manufacturers create shopping experiences that will win shopper spending and ongoing loyalty."

As *VM* kicks off its newest editorial series "Mind the Gap," we turn to four experts on the front lines of eyecare and optical retailing to find out how these generational splits are affecting the business of selling, fitting and dispensing eyewear as we examine these two very different generations, their attitudes, imaginations and loyalties. Find out what optical retailers are doing in their businesses to "mind the gap" as they develop strategies that will spark a connection with both sectors of the market. ■

—Mary Kane

**MIND THE GAP**

### A New VM Series: Mind the Gap

**V**M kicks off a new editorial series, "Mind the Gap" with this month's cover feature—**The New Consumer Gap**, which explores the different attitudes, values and consumer priorities of today's 20-something Millennials and 55 and over Baby Boomers—and how ECPs and optical retailers are addressing the needs of this new "age divide."

Look for upcoming series installments which will tackle bridging other "gaps" that exist in the retail, optical dispensing and eyewear product arenas. Stay tuned as *VM* helps retailers/ECPs Mind the Gap with key data about trends and practical info about tactics that can help your business on the information, knowledge, technology and culture fronts. ■

# Georgetown Optician

## Similar But Different; Selection Important to Both Groups

**B**oth Millennials and Baby Boomers enjoy discovering the latest from their favorite brands and discovering new technologies, frame materials and avant-garde designs, according to Pierce Voorthuis, general manager and second generation of family-owned Georgetown Optician, celebrating 35 years with two locations in the Washington, D.C. area. “I find Millennials typically come in looking for a certain brand but are more open to seeing the range of products we carry and discovering a brand they’ve never heard of. While, Baby Boomers typically choose a new pair more quickly and are more open to bold, artsy options, since many have worn glasses all their lives and want what’s unusual and new.”

According to Voorthuis, Millennials and Boomers can have very different buying processes. “I see it more and more as a result of Millennials growing up with so much technology and information within reach.

“Our older clientele typically purchases a frame and lenses upon recommendation, trusting the optician and themselves in their choice of frame,” he said. “They recognize the quality of a higher-end frame and justify the price accordingly. Our younger clientele are much more prone to researching a purchase before committing and checking prices in other major cities to ensure they are getting a valued product. This habit seems to come from the ‘internet generation’ and what’s become second nature when buying online.

“While it is easy to assume a younger clientele is not as willing to spend \$700 on a new pair of glasses, we’ve always had the philosophy that showing any potential customer a range of eyewear options, including some of our more expensive brands, is essential, because you never know what kind of spending they justify on fashion,” he explained. “Many of our customers also value feedback from not



*Pierce Voorthuis.*

only our staff but family members, and with Millennials we find ourselves taking more pictures, e-mailing and texting potential pairs. Sometimes a secondary visit is also necessary with younger clients.

“We cater our selection to cover both groups, as well as all those in between,” Voorthuis added. “Both can have price conscious consumers, so we make sure our mix has offerings at multiple price points with both conservative and bold options. We also always work to find what niche we’re missing and fill it to satisfy any consumer that walks through our doors.

“When we realized many Boomers were happy with their classic rimless frames, but wanted more options with color or customizability, we expanded our selection,” he said. “A few years back when we found that many of the Millennial customers wanted a more exciting basic wire frame with more innovative technology, brands like Mykita filled the gap and we got many of our first-time patients into its clean styling.”



*Georgetown Optician.*

Voorthuis said specific brand preferences aren’t as clear as specific styling is when it comes to Millennials and Boomers. “I wouldn’t say any one of our brands caters just to one type of client, even classic brands like Lunor or Robert Marc, which one would think skews a little more mature, are quite popular with our younger clientele. Additionally, one of our most fun and colorful brands, Anne et Valentin, has certain models with extreme color, which tend to go for more mature buyers, while their unique but more subtle colorings are

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## Vision Correction Needs Dictate Individualized Service

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more popular with our younger clients.

“Oliver Peoples is one of those brands that has huge brand recognition and a large repeat client base since many Boomers have worn the brand several times in the past and like to buy a new variation of a classic style,” he said. “But we also see younger clients shopping for a pair that mimics the retro styling of their parent’s glasses.

“Brands like Dita, Thom Browne and Barton Perreira are more often requested by younger clients, while more established brands like Oliver Peoples, Lunor and Cartier tend to appeal to repeat buyers,” explained Voorthuis. “It seems all consumers have a preference toward acetate, with younger clients still preferring the chunkier, edgier zyl. A newer category, wood eyewear, which has been touched upon by brands like Cartier and

Chrome Hearts, is impressive to both generations when done in all wood, and we’re often surprised by younger clients falling in love with a Rolf frame and willing to spend the extra money it costs.”

The most significant changes between groups are in the way they are marketed to and the degree to which their vision correction needs dictate the way they interact with associates in the store, according to Voorthuis. “We have found that brand-marketing has been an important part of our advertising budget, but we are increasingly working on social media and blogging to advertise toward Millennials.

“For the most part, we treat both groups quite similarly but realize the vision needs of each are quite different,” he continued. “When working with Baby Boomers who require progressives or other multi-focals, we adjust our selection process automatically, suggesting frames that accommodate

their needs better. We also find ourselves asking more questions regarding use of their frames and past vision experiences with progressives, to ensure that we offer the correct lens and that their frame selection meets their needs.

“We really try to individualize our service toward each client’s particular need. A client that wears progressive lenses requires quite a bit more attention regarding measurements, lens uses, and choosing a specific progressive design, and our staff is trained to treat each of these cases as a chance to offer a newer technology and a customized experience. And we have started to find that we can use some of these same techniques with our younger clients, recommending digital lenses and some of the more advanced technologies available in even our single vision sales,” Voorthuis concluded. ■

—Deirdre Carroll

# Gramercy Park Optical

## Experienced Staffers Offer Knowledge to Well-informed Patients of All Ages

**G**ramercy Park Optical is named for the lively section of Manhattan's East side where it is located. Consisting of Dr. Warren Zimmerman's optometric practice and well-equipped dispensary, the cleanly designed, brightly lit store attracts an eclectic mix of young professionals, families and seniors from the surrounding neighborhood and throughout the city. They come for first-class eyecare, expert optical advice from an experienced dispensing staff and a broad selection of fashion frames.

Arlene Schlesinger, manager of Gramercy Park Optical, said she approaches all customers the same way, regardless of their age. "I don't think there's much of a difference between how I would work with a 25 year-old patient compared to a 35 or 55 year-old," said the veteran optician. "Each patient has different needs and you can't make assumptions based on their age. That's true even for products like progressive lenses, which many people think are just for presbyopes. But we get 25-year olds and even children who wear progressives."

When discussing the latest digital lenses with patients, Schlesinger finds that many patients, especially Baby Boomers, respond well to visual aids. "If I have a 45-year-old who is a first-time wearer, I show them a picture of a diagram of a 1970s living room, with a couch and TV, plus a coffee table that has a remote control and a newspaper. Then I show them a living room today, and the coffee table's got a cellphone, newspaper and iPad, and TV is the distance. People's visual needs have changed. It's an excellent visual that helps people understand."

Schlesinger noted that many patients now educate themselves about eyeglasses before they visit the dispensary, and reference online information sources when they're shopping for glasses. "They've already read up on things, and it's almost like they're testing you," she said. "That's very different for me."

Schlesinger said that patients often cite contradictory information based on reading different people's opinion of the same products. "I wind up explaining and interpreting what they've read. It's much more time consuming than it used to be."

As a result, Schlesinger and Gramercy Park's dispensing staff have to familiarize themselves with the same information their patients have gathered. The information may come not only from social media websites but from manufacturers' sites as well. "They're hitting information that I wouldn't ordinarily bring up. They get to a level of detail that I have to be aware of too. As soon as they mention certain facts or phrases, I know they've done their research. Then you've got to go through it with them."

Schlesinger's younger colleague, optician Vincent Salerno, believes that no matter how much a patient may know—or think they know—his professional opinion still carries weight with them. "Young people come in who spend eight to nine hours a day in front of the computer," he said. "While they have lots of information at their fingertips, just because they have facts doesn't mean they have real knowledge. When they hear it from the horse's mouth, it eases their mind."

"It's like going to a pharmacy and getting a medication," said Salerno. "The pharmacist is a licensed professional, and it's their word that counts."

Both Salerno and Schlesinger said they find it challenging to deal with patients who shop for glasses online and then come to Gramercy Park Optical and expect to pay the same prices. Others never intend to purchase products there, but use the store as a show-



*Vincent Salerno  
and Arlene Schlesinger.*

room. "Some people come in and ask, 'Do you have any Ray-Bans?' said Schlesinger. "When I show them our selection, they say, 'Good, I ordered the right ones and paid \$99 instead of \$129.' Then they leave."

Salerno acknowledged that it's hard for brick-and-mortar locations to compete with online prices. However, he has developed techniques for engaging online shoppers that sometimes leads to a sale. "I ask them, 'Do you have vision insurance?' If they do, I show them products that are covered by their plan."

Some people can be impulsive when shopping online, and the eyewear they buy isn't always the best choice for them, observed Salerno. "Sometimes people don't know much about their prescription, and they might order frames that are too big for that prescription," he said. "We can demonstrate the lenses and fit the eyewear to their face."

In-store dispensing has other advantages as well, Salerno pointed out. "I wear glasses too, so I can show them how a certain product looks, like AR coating," he said. "They can relate to that."

—Andrew Karp

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## Nationwide Vision

### Sun Belt State's Not Just for Retirees Anymore as Millennials Move to the Front

While Arizona is often viewed as a state that's filled with retirees, that's not necessarily the case, according to both Nationwide Vision as well as the United States Census bureau. "The perception of Arizona is that everyone is old and retired, but the demographics are the opposite," said Al Bernstein, president/COO of Nationwide Vision. "Arizona is getting younger and younger and younger."

Statistics back him up. Only 14.2 percent of the population is over 65, according to the United States Census bureau, while 36.2 percent are between the ages of 10 and 34, composed primarily of Millennials born between 1982 and 2000.

That's why Nationwide Vision, with 65 locations throughout Arizona, has embraced new marketing techniques designed to reach this younger audience. To do so, "creativity is the key," said Anushka M. Figueroa, director, brand strategy. "The message has to be very compelling," and to catch the attention of this group, she's found that it must express three important points. "Millennials want to talk about eye health, they are very fashion forward, but it must be affordable."

At the same time, this three-pronged message must be delivered in a way that actually reaches these young adults, so it's no surprise that Nationwide has chosen various forms of electronic media to do so. "They are not reading print at all," said Figueroa. "They are all about their iPads and their mobile phones and social media such as Facebook and Instagram and Twitter." So Nationwide's marketing strategy has gone electronic.

In addition to relaunching its website from a brand perspective to call attention to its fashion forward style, Nationwide has also ventured into placing ads on electronic billboards as well as on the online radio station Pandora. The company also



*Billboard advertising is one way Nationwide Vision reaches Millennials, which comprise more of the Arizona population than Boomers.*

tested traditional radio spots promoting some concerts on a station geared toward males aged 18 to 49 with their "sweet spot" being the 25-year-old.

Figueroa particularly likes electronic media such as Pandora because she can measure its effectiveness. "Social media and digital are 100 percent measurable. To reach 18- to 35-year-olds, whether they are streaming Pandora on mobile or on the computer, it's very measurable who is clicking onto the ad," she said.

The use of Quick Response (QR) codes is another highly quantifiable marketing technique that Nationwide has utilized to reach Millennials. The company has also placed banner ads on the Arizona Republic website, [www.azcentral.com](http://www.azcentral.com).

Anecdotally, Bernstein has already noticed the difference in the effectiveness of some of these new marketing outlets the company has explored when compared with more traditional advertising. "In the past, when I met new people and introduced myself, they'd ask what Nationwide Vision is, though I know they've seen my ad in their mailbox," he said. "Now, they say, 'Hey, I saw your billboard.'"

Of course, with over 14 percent of Arizona's population and 10 percent of Nationwide's customers being seniors, this statewide optical chain

doesn't ignore the older demographics either. Its doctors perform over 1,000 cataract surgeries per year, and Bernstein attributes much of its business from the over 65 set to the snowbirds who are likely to get their eye exams during the six months out of the year that they are living in Arizona. To get its message to these travelers, Nationwide advertises with AAA. "We go after them with senior ads in AAA magazine," said Bernstein. "We do seven figures to reach AAA members every year."

Other techniques the company uses to reach the older demographic include advertising on the Dr. Oz show and offering seniors discounts for eye exams on the typically slow days of Tuesday and Thursday. In-house research studies have also determined that seniors prefer having a second pair of eyeglasses. "They want a backup pair in their drawer," said Bernstein, so Nationwide also offers two-pair specials to seniors as well.

With print and television for the older set, social media and digital advertising for the young adults, and of course promotions and discounts for both groups, Nationwide Vision has both the Millennials and the Boomers covered throughout the state of Arizona.

—John Sailer

# Oxford Opticians

## College Town Optician Focuses on Loyal Boomers Not Budget-Conscious Students

One would expect that having a location in a college town would result in serving a majority of Millennial customers, but that's not the case for the one-man shop that is Oxford Opticians. For 30 years, proprietor Thomas S. Hicks, HFOAA, ABOC, FNAO, has run the location in Oxford, Ohio, home to Miami University, where he caters primarily to Baby Boomers.

"The Boomer generation is still the loyal generation. They've been with you, and they stay with you," he said. "The younger generation is not loyal. They will go wherever they can get a deal. We're a showroom, and they've grown up with the notion that things online are cheaper."

He's even witnessed the younger generation exhibiting behavior that's come to be known as show-rooming, viewing merchandise in a traditional brick-and-mortar store with the intent of purchasing it later online, expecting to get it at a lower price.

Hicks has observed this most with plano sunglasses, which he said he used to sell by the thousands each month in the days before the internet, but now he only sells about 500 per month. Since everything is under lock and key, these Millennial shoppers have to be pretty blatant about what they're doing. "All they want to do is try them on," said Hicks. "They write down the information after looking at the product and then they go order it on the internet."

Yet, he feels competing wouldn't be good business. "I cannot compete at the online price," he said. "I would rather they walk." Instead, he focuses on the clientele who make the most business sense and who have proven to be the most loyal over the years, the older generation.

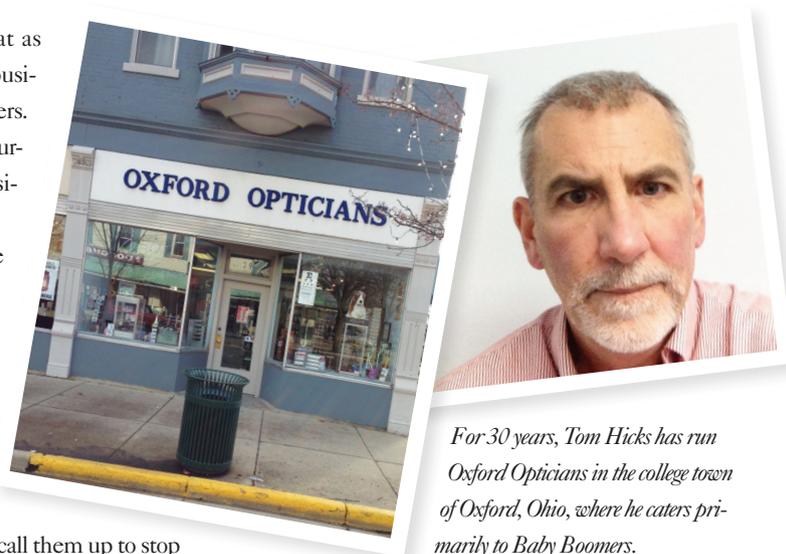
For them, Hicks focuses on service. "For the Boomer generation, it's all about service," he said. "If you treat them well and are honest with them, they will stay with you." He also cited the fact that Boomers will go wherever their vision care insurance dic-

tates and he estimates that as much as 75 percent of his business is with third-party payers. "If I didn't take eyecare insurance, I would be out of business," he said.

Some older customers are so loyal that Hicks even invites them in to help select styles when frame reps pay a visit. For example, he said, "I have customers who are loyal to Ogi Eyewear, so when that frame rep comes in, I'll call them up to stop by to pick out frames." This turns into a word-of-mouth marketing technique as well. "When they talk about it at bridge club or wherever, then their friends come in to look at the specific frames that the customer picked out," he said.

He also appeals to the older set by sending product home with loyal customers when they can't make up their mind among a selection of frames. "If we pick out two or three frames that they want their daughter to look at, for example," he said, "I actually send the frames home with the customer, and they come back choosing the one the daughter picked out. That creates a lot of goodwill with some of my returning customers."

At least one time this approach almost backfired when he sent some frames home with a customer who brought them to work with her to show her coworkers. He got a call from her boss complaining that he should never do that again because he didn't get any work out of his employees for an hour. "But I sold three pairs of glasses," said Hicks, acknowledging the effectiveness of this marketing technique. "I did it again six months later with one of the other ladies in the office."



*For 30 years, Tom Hicks has run Oxford Opticians in the college town of Oxford, Ohio, where he caters primarily to Baby Boomers.*

Still, he does do some work with the younger generation, much of it not the traditional business one might expect at the neighborhood optician. For example, he sees a lot of younger adults requesting lenses-only jobs when they buy the frames online and bring them in to be finished.

The younger crowd is good for emergency work as well. Over the years he's realized that most of his town's college kids have an eye doctor at home and can get through four years without a prescription change at that age, so they're more likely to stop by Oxford Opticians when they're in panic mode after losing their contact lenses or breaking their glasses.

The tide may be turning, however, as time progresses and purchasing habits and eyewear styles change. Hicks' daughter has gotten involved with the business now, and one of her roles is to rotate the window displays. He's observed that she's more frequently putting younger style frames in the windows, which "In some respects is trying to appeal to the younger generation," he said, quickly adding, "or trying to attract the 50-year-olds who want to look younger." ■

—John Sailer