



Using Demographic Trends To Grow Your Licensing Business: Women, Hispanics and Baby Boomers

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Every year both LIMA and the Licensing Letter provide an estimate of the size of the “licensing industry.” Reported in terms of annual retail sales, most updates reveal either a small increase or a small decline in that number. While a useful benchmark, I always think this number gives a false sense of all the things that licensing can mean, and all the things it can deliver for manufacturers, retailer and brands.




I am bullish on the long-term prospects for licensing not only because there are so many iconic brands that have yet to license, and so many product categories where licensing has yet to add value, but because there are also so many new ways to think about it and use the tools it offers to generate great new consumer products.

Licensing professionals are often guilty of thinking about licensing in the same ways, over and over. We typically build strategic licensing plans around the same concepts, including brand equities, usage occasions, lifestyle affinities and distribution channels. But we rarely build licensing programs around demographic groups.

This paper will outline an additional way to think about licensing, one that focuses on demographics and demographic trends to identify new consumer opportunities to license.

Licensing towards a targeted demographic group is not new. The Olsen Twins’ licensing program was built around their then-target demographic of tween and teen girls, and Wal-Mart sold Chinese boatloads of all the products those girls wanted.

But licensing towards certain demographic groups should get more attention. Three such demographics are Women, Hispanics and Baby Boomers. The graph below shows that these three groups are large, growing quickly and/or spending dollars in disproportionate numbers.

	Population (millions)	Growth	Spending (billions)	Spending Per Capita
Hispanic	47		\$1,000	\$23,000
Women	160		\$7,200	\$45,000
Baby Boomers	76		\$4,000	\$53,000



While these groups are large, each of them exhibits certain common perceptions, which lead to some shared best marketing practices.

Shared Perception	Best Marketing Practice
Ignored by mainstream marketers	Recognize them directly.
Brands take them for granted	Pay attention to their genuine needs and interests. Be authentic.
Outsider status makes them rely on referrals	Give them a way to tell others like themselves about your brand.
They are interested in how companies market to them	They will disproportionately reward the brands that get them right.

These characteristics make these demographic niches ideal for licensing.

WOMEN

It may be strange to talk about half of our population as a “demographic niche,” but lots of research in the last decade has established a “marketing to women” field that offers great opportunities for licensing. For those who want to learn more, some of the landmark books in this space are:

- [*Marketing to Women*](#), by Marti Barletta
- [*What She’s Not Telling You*](#), by Mary Lou Quinlan
- [*Why She Buys*](#), by Bridget Brennan

There are also great newsletters and conferences where you can learn more about marketing to women (be sure to check out www.M2W.biz).

Licensing to women means more than the products that ONLY women use. Marketing to women is important because research has shown that women make purchase decisions for as much as 80% of all purchases. If a woman doesn’t love your product, it won’t make its way into her house. And appealing to a woman’s sensibility doesn’t mean ignoring men. Look at Martha Stewart. Her media empire speaks mostly to women, but a lot of men sleep on her sheets and live happily in houses with walls colored with her licensed paint.





Finally, licensing to women can also mean making sure that your licensed products appeal to women, too. Harley-Davidson and the NFL have recently made breakthroughs (and seen great success) from developing licensed products for women, in colors and cuts that women will actually buy. Sometimes licensing to women can be as easy as letting them know they aren't ignored.

Where else should marketers look for licensing opportunities that appeal to women? Consider certain traits of the target:

- Women are Workers: Don't forget that they are business travelers and entrepreneurs, and not just moms.
- Women are Readers. Consider licensing some of the authors whom women love most.
- Women are Connectors and Entertainers: Licensing food and beverages, tableware products and holiday items appeal to a woman's connecting gene.
- Women Obsess over Appearance. Licensing needs to tackle fashion and beauty products beyond perfume.



HISPANICS

Almost 50 million strong, Hispanics make up the largest race minority in the U.S. and our fastest-growing demographic. 1 out of 4 children born in the U.S. have Hispanic parents. While they spend less per capita than other demographics, the median age of U.S. Hispanics is only 28, compared to 37 for the population overall. Because Hispanics will make up 30% of the U.S. population by 2050, if you don't figure out how to license to them you could be missing as much as 1/3 of all consumer opportunities in the years ahead.

There are lots of resources to learn more about the Hispanic marketplace, from the Pew Hispanic Center, to MediaPost's "Engage: Hispanics" newsletter, to standards texts like the Korzenny's [Hispanic Marketing](#).



What has worked in licensing for the Hispanic market? Most notably, Hispanic stars like Daisy Fuentes (the first Latina model for Revlon) and J.Lo have built giant businesses in fragrance, cosmetics, clothes and housewares. Nickelodeon has sold billions of dollars of consumer products that feature the best-known Hispanic girl in the world, Dora the Explorer. And Budweiser and Dr. Pepper/7Up Group have launched a best-selling combination of beer and Clamato juice that is popular in the Hispanic community as a "Chelada."



With the possible exception of the Chelada, all of these products obviously appeal to non-Hispanics as well. Just as men can enjoy products licensed to women, lots of non-Hispanic girls look up to J.Lo and Dora. But these licensed properties have succeeded with Hispanics especially well because they represent them and speak to them directly. More brands need to embrace and reap rewards from the Hispanic consumer. Here are some of the concepts and categories they should be targeting:

- Food. Hispanic households spend almost 50% more per week on groceries.
- Family-focus. Consider products that will appeal to Hispanic families and their children.
- Focus on Countries of Origin. Because “Hispanic” doesn’t mean one thing to all immigrants, consider foreign brands that appeal to large subsegments of the Hispanic community, whether they come from Puerto Rico, Mexico or Central America.
- Sports and Events. The U.S. market for the world’s most popular sport (soccer) is still underdeveloped.
- Growing Middle Class. The buying power of Hispanics will continue to grow, and the licensing industry needs to be thinking about the higher-priced products (like home furnishings) that Hispanic consumers will be buying in greater numbers in the years ahead.

BABY BOOMERS

Baby Boomers are now aged 46-64, and while the group of individuals born between 1946 and 1964 will not be growing (early deaths will actually see the number decline), the number of citizens passing age 50 and entering a new lifestage will be growing dramatically over the next 10 years.

Some important things to remember about Boomers: They are aging but not old. The average Boomer is still only 53 years old. This means that they came of age more in the 1970s than in the 1960s. They make up the majority of internet users. And they remain guided by the belief that they can reinvent the world.

One more thing: Don’t ever call them Boomers. While Baby Boomer remains a very useful marketing term, and most Boomers know the generation they belong to, I have never met a person who identifies themselves in any meaningful way as a “Boomer.” Like most people, they think of themselves as businesspeople, or triathletes, or grandparents, but not as Boomers.

There are many resources for understanding Boomers, including books like [Boomer Consumer](#) by Matt Thornhill and John Martin, and [The Vibrant Nation: What Boomer Women 50+ Know, Think, Do and Buy](#) (by myself and Carol Orsborn, Ph.D.), and there are good conferences like Mary Furlong’s What Next Boomer Business Summit (www.boomersummit.com). Boomers love examining themselves and sharing the news.



Where has licensing already succeeded with Boomers? General Mills is building a giant food-licensing success with Fiber One, a brand with timely and functional appeal to Boomers. And while Jimmy Buffett appears to be loved by all generations, he spoke first and most successfully to the Boomers who now buy his Landshark Lager (a partnership with Anheuser-Busch), tequila, frozen food, and clothing. Boomers' eyes are aging too, and the booming market in "readers" has seen several licensing successes, from the *New York Times* to Borghese.



Where do other opportunities for licensing to Boomers lie?

- Boomers are aging . . . but not old. They are not their parents. They love fashion brands (like Not Your Daughter's Jeans) and accessories that let them look as good as they feel.
- Financial Services. Boomers have more discretionary income than others, and will inherit trillions of dollars over the next 20 years, yet financial service firms have failed to win their trust – especially for women.
- Technology/consumer electronics. Consumer electronic companies seem to think that their products need to target either 20-year olds or 80-year olds, yet Boomers may end up making up the largest market for e-readers.
- Travel. Boomers plan farther ahead and spend more on travel than any other demographic. They like their travel when it also offers wellness and learning opportunities. Think about brands like universities and spas (even luxury brands) that could add value to travel planning.
- Spirituality and wellness. Boomers want to explore the meaning of life, and make it last longer. Deepak Chopra and Dr. Andrew Weil have nailed these themes, but the opportunities will continue to grow as Boomers age.

CONCLUSION

The next time you are in a licensing strategy session and people are using grids or concentric circles to show where a brand could go, don't forget to bring up demographic niches and demographic trends. You might find unexpected product categories where a large and fast-growing group of consumers will be glad you decided to license.



About the Author- At IMC Licensing, Stephen is responsible for overseeing licensing strategy and relationships with IMC's clients as well as IMC's business development and marketing efforts within the licensing industry. Stephen serves on the Advisory Board of the Licensing Journal and is a past officer of the International Licensing Industry Merchandisers' Association (LIMA). Stephen has published articles in BRANDWEEK, brandchannel.com among others, and has been a featured speaker at leading industry events including Licensing University, LINK and The Licensing Letter Symposium. A former corporate attorney, Stephen graduated from Yale College, summa cum laude, and from Stanford Law School, after which he clerked for Justice John Paul Stevens of the U.S. Supreme Court.

Stephen is also founder of vibrantnation.com, the leading online community devoted exclusively to the influential and fast-growing demographic of smart and successful women over 50.