

Case Study: Lessons Learned in Selecting Distribution Channels and Promotion Strategies for Products for Baby Boomers

James A. Leahy • University at Buffalo • Center on Knowledge Translation for Technology Transfer

ABSTRACT

It is especially important to consider both distribution and promotion strategies when you are going after a new customer segment, releasing a new product, or looking for ways to aggressively grow a business targeted at a specific consumer demographic.

BACKGROUND

The distribution channel along with the promotion strategy selected is of great importance in ensuring a products successful introduction in the marketplace.

Distribution Channels

- Wholesaler/Distributor
- Dealer
- Direct/Internet
- Retail
- Direct/Catalog
- Sales Agent/Manufacturing representative
- Direct/Sales Team
- Etc.
- Value-added Reseller
- Consultant

Target market: Baby Boomer Generation

- Born 1946-1964
- 23.7% of the total population (estimated 76.4 million people)
- Financially relying on support from the government and their children to support retirement
- Want to age in place and are seeking products to make their lives easier

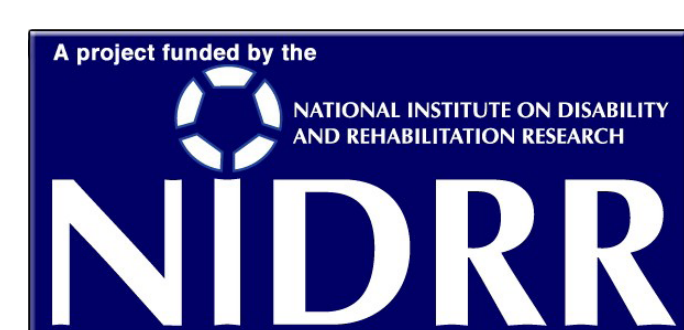
METHOD

Presented through three case studies of products developed for the Baby Boomer generation

Case 1: Lids off automatic jar opener

Distribution: Mainstream Channel

- Distribution began through an Internet product launch as a preliminary 'testing of the waters' on consumer purchase intent and price point.
- Follow up distribution channels were through mainstream retailers currently selling small home kitchen appliances (Wal-Mart, Target, etc.)



Promotion: Extensive Cross Marketing Campaign

- An in depth publicity campaign was initiated with advertisements in many newspapers and magazines
- With slow sales, price was lowered and advertising budget increased

Who would buy it? The targeted user of the product was not the buyer, as they were not willing to spend the money; but rather adult children of older adults (Baby Boomers) to give as a gift to their parents

Outcome:

- Sales took off totaling over a million units in the first year

Case 2: The Line Butler (Product that allows land line telephones to still be used if left 'off the hook')



Distribution: E-commerce only

Promotion: Minimum marketing campaign

Who would buy it? Secondary market would buy it for themselves, and baby boomers were buy it for their parents use

- Primary Market: Older adults or people with disabilities who are living alone and may accidentally knock or leave the telephone 'off the hook'
- Secondary Market: Individuals with children or pets

Outcome:

- Advent of cell phones caused the mainstream marketplace for traditional land line phones to shrink rapidly; making large scale production no longer feasible
- Loss of the secondary market due to disruptive technologies
- Project was terminated (potential revenues declining as cell phone usage increased)

Case 3: iWalk 2.0 (Hands free crutch substitute that allows one to remain ambulatory and still have the free use of their arms and hands)

Promotion: Winning new medical device competitions at various trade shows throughout the nation; high profile users - Harrison Ford on the set of the new Star Wars movie



The iWALK 2.0 Hands Free Crutch
www.iwalkfreeusa.com

- Highly informative website to serve as reference for the clinicians and consumers
- Company personally teaches each retailer about the device, how to sell it, and how to fit it
- Provides a webinar and certifies clinicians (dealers) to become iWalk fitters

Distribution Channel: Being sold by the manufacturer directly to trained dealers who in turn sell the consumer on the product (marketed directly to clinicians who would ordinarily be fitting the target population with standard crutches)

DISCUSSION

Distribution Channel Selection for Baby boomer Demographic:

Does your product need to be customized or installed; does it need to be serviced; is there a need for education and training in the use of your product. Or is your new product a useful, intuitive to use product that is just 'plug and play' ready for the consumer?

Promotion Strategy Selection for Baby Boomer Demographic:

Key question has always been: 'What is the best way of informing your target market of your product's existence?'

Careful selection of Terminology is important: Certain Terms to Avoid - golden years, the elderly, senior citizens, functional limitations, impairments

2 main points from initial research

1. Distribute through mainstream distribution channels with a broad promotion strategy
2. Know the competitive landscape you are entering, and the eccentricities of your target population

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