

Discounts for seniors to go boom or bust?

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Margaret Bernstein
Plain Dealer Reporter

Two days before Christine Zust's 50th birthday last Saturday, her AARP application came in the mail.

"They don't miss a beat," said the Westlake communications consultant, laughing about the letter that arrived before her candles had even been lit.

Did she recoil in horror at being asked to join an organization for retired persons at the tender age of 50? Not really.

Frankly, she was eager to tear into the envelope: "My sister had already told me all about the AARP card. She said when you turn 50, it'll be the greatest thing. You'll get all these discounts" on everything from travel to insurance.

As members of the baby-boom generation continue to enter their 50s, they're expected to set off seismic quakes in the world of senior discounts.

More senior deals will be offered online, as older Americans become increasingly computer-literate.

And that's not the only change. Many experts forecast that the arriving boomers will surely put the squeeze on senior discounts, causing the deals to either shrink in size or be reworked.

Boomers control most of America's wealth, and every eight seconds, one of them turns 50, said Ken Budd, editor of AARP's Modern Maturity magazine. "They're healthier, they're living longer, they're more affluent. Some companies may be asking, 'Why are we pampering these people?'"

"Offering boomers discounts as they turn 55 could hurt revenues in a lot of industries," agreed Cheryl Russell, a baby-boom expert and editor of American Consumers newsletter. "I think in the next few years there's going to be some experimenting with the idea of dropping the discounts.

"Some [companies] will justify it by saying boomers don't want to be offered the senior discounts, or that they don't need them. But mostly, it will be a way for companies to boost revenues."

In its January/February issue, Modern Maturity sounded the alarm nationally, noting several senior deals that already have been axed, including Senior Dollar Days at New York Mets games.

Buckeye card going strong

But in Ohio, the ax hasn't fallen yet. The number of merchants honoring the Golden Buckeye card is at 23,500 and holding steady. The card offers discounts on everything from haircuts to auto repairs to Ohioans age 60 and up.

At ailing CVS Corp., which has shut down some stores as well as a Columbus mail-order facility, there are no plans to discontinue the discounts available to customers age 50 and up. "It's an important health care issue. Seniors use more prescriptions than any other age," said CVS spokesman Mike DeAngelis.

But change is inevitable, even though it may take place a few years down the road, senior experts predict.

"No one wants to say they're dropping the discounts. They're a good marketing tool, and they're popular, and it just looks bad," Budd said.

Russell said that as competition becomes tougher and profit margins become slimmer, some companies will be forced to say they can't afford the loss and cut the discount.

Other retailers may find it's more important to woo boomers through their doors and decide the financial risk of offering senior deals is worth it.

Will these newly minted seniors be able to check their egos and admit they are old enough to merit a discount? If they don't, rest assured that they'll pay full price, because stores aren't going to inquire.

"You may lose a customer" if you ask their age, said Cleveland furniture store owner Fred Crosby laughingly - so he doesn't. Those who flash the Golden Buckeye card at his Crosby Furniture on St. Clair Avenue receive 10 percent off.

Boomers will quickly get over their fear of being branded a senior citizen, predicted Russell.

"Ultimately I think that boomers will be surprisingly open to the 'senior discounts,' although a new word is needed. I think eventually they will insist on it, just like the boomers have become the eager customers of mass discounters. They're also going to be looking for that extra discount to honor all the years they've put into shopping."

Gretchen Lane, manager of a Fairview Park staffing office, fits that profile. "I would have no qualms about using the AARP card. I feel I've earned it," said Lane, who turned 50 last year. Lane has no doubt that she and her husband are doing better than previous generations. They have a nice house in Fairview Park, unlike Lane's parents, who never owned their own home.

"But I can remember the months when I only made \$500 a month and I needed an AARP card then," she said. "When we get to this age, we deserve it - the discounts, the lower pharmaceutical prices or whatever it might be."

Seniors are exceedingly loyal customers and will drive a long way to patronize a business that values them, said David Smidt, president of www.seniordiscounts.com.

"Seniors are almost expecting these discounts now. In the end, businesses will find it will be better to keep them, just because it attracts seniors. By taking them away, they'll see a decrease in business," he said.

You can go on his Web site to find hundreds of discounts in the Cleveland area.

The Web has been a great launching pad for his business, Smidt said, because most of the people now turning 50 are familiar with computers. Smidt opened his Web site nine months ago with 25,000 listings of establishments that offered senior deals and jumped to 75,000 listings in nine months.

"We're finding [business owners] are pushing to market to the seniors because they're so new to the Internet and they have the time to be on the computer. I think this is the right time and the right place to go after seniors," he said.

But predictably, with this newfound emphasis on aging baby boomers, the over-60 crowd is starting to feel ignored.

Cynthia Bailey of Lakewood, a 72-year-old who travels frequently, was disappointed to hear that several airlines had eliminated their senior discount clubs in favor of other discount programs.

But it's a pet peeve whenever she hears that cheaper airfares are available online than if you phone the airline.

"I think it's unfair to seniors to say you get a better fare if you buy online," said Bailey. "I don't have a computer at home. Why should I be punished just because I don't want to buy online? That's for the younger people."