

# Selling Diapers for All Ages

Kimberly-Clark says aging population making up for low birth rate

**Life Cycle.** The key to success is maximizing both ends of the life cycle, says Kimberly-Clark. Its U.S. diaper category, for example, is weak due to the U.S. birth rate dropping off pretty dramatically after the economic downturn. “So we saw cumulatively from ’08 to 2010 probably 8 percent to 9 percent fewer births in the U.S. So that hasn’t come back yet,” says Tom Falk. At the same time, the company is seeing strong growth for adult diapers. “The flip side of low birth rate as we’re all living longer and so that we have more people that are entering the dependent side of categories and that part of our business has been growing high single-digits.”

**Future Growth.** Eli Lilly sees animal health, diabetes and oncology as the most important pharmaceutical categories. Autoimmune and aging are two other areas for growth. “On the one hand I want to be opportu-



**Larissa Faw**  
The Business Roundup

nistic, and if we can make a difference in Alzheimer’s, I don’t think there’s anything more this company can do for human health, says Eli Lilly’s John Lechleiter. “At the same time, we know in diabetes and oncology we have the infrastructure, we have the scientific leads, we have the substrate, we have the relationships.”

**Big Games.** The beginning of the year is like the Super Bowl for

the furniture category as customers tend to want to spend their income tax refund checks on big-ticket product, says Big Lots. Now, the discount retailer is expanding its furniture financing program available in about 800 stores and will be in approximately 1,300 stores by the end of Q2. Patio furniture is currently the second most popular category for this financing program.

**Mad Money.** The Mad Men TV series Mad Men will generate approximately \$150 million an ultimate revenue from video-on-demand channels that didn’t even exist five years ago when the series debuted, says Lionsgate. This means shows start making money immediately for producers compared to the traditional approach of defeciting series for five or six years and waiting for a syndication payoff.

**Happy Guy.** Despite criticism, McDonald’s new happy meal character happy is “not

scary” says McDonald’s Don Thompson. “He really is a happy character.” Happy will promote the consumption of fruit, vegetables, low-fat dairy and water or juices globally. Happy is now coming to the United States to help in the chain’s wellness efforts. Still, McDonald’s breaks the country into 22 different regions and in those markets, they do certain products through shelf promotions or local promotions. “So you will see in some of our southern markets like the chicken biscuits, which goes much better than it might go out in some of the west coast markets.”

**Club Members.** Costco is testing membership signups via social media including with LivingSocial and Zulily. Frozen food, candy and meat, deli were relative standouts over the last few months. Electronics sales were down. Average inventory per warehouse was up about 7

percent, on a per warehouse basis coming in at \$13.0 million this year up from \$12.2 million last year. The increase was pretty much spread over many departments, apparel was probably the biggest jump, with the men’s, women’s and children’s apparel was up year-over-year of about little under \$200,000 and foods and candy was up about \$150,000.

**Tepid Growth.** The publishing industry isn’t expected to have a blockbuster summer, says Books-A-Million. In fact, the only two authors that executives are excited about are familiar faces: Tom Clancy and Stephen King. Hillary Clinton’s memoir Hard Choices is the remaining book called out by executives to drive summer sales.

Larissa Faw covers business trends for Forbes, The Motley Fool and other outlets. Contact her at [larissafaw@gmail.com](mailto:larissafaw@gmail.com).

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