

Close the generation gap to connect with customers, employees

By Traci Matt
Associate Editor

In today's world there are more people living—and living longer—than ever before in recorded history. This means more generations acting on their own idiosyncrasies, more conflicting values, and more potential for misunderstanding between age groups. Businesses which recognize and act upon these differences will be ahead of the competition.

In order to communicate effectively with potential customers and employees you must find a way to grab their attention with a message that is relevant to them, according to marketing expert Laura Lake.

“Generational determined lifestyles and social values exercise as much influence on buying and purchasing as more commonly understood demographic factors like income, education, and gender do—perhaps even more.”

Lake said in order to market across generations you must understand how the motivation of your consumers correlate with the underlying values of their generation. You can then present a relevant message regarding your products and services.

Here is a snapshot of today's generation groups in the United States:

- The Mature Citizens—born between 1909 and 1945; 57.8 million live births
- Baby Boomers—born between 1946 and 1964; 82.8 million live births
- Generation X—born between 1965 and 1980; 58.9 million live births
- Generation Y—born between 1980 and 1994; 80.5 million live births

Some demographers include children born today in Generation Y; others begin a new segment called “Generation Z,” “The Internet Generation” or “The New Silent Generation” and generally include those born after 9/11 in this population segment.

The mature generation

The group of Americans born after the

turn of the 20th century and before 1945 is today called the Mature Generation. Some demographers include subgroups termed “The GI Generation” or “The Silent Generation” within this segment. This cohort is currently almost entirely retired.

They were the first Americans to allow marketing to direct their existence. As men and women began to recover from the sacrifices made as a result of two world wars, the advertising world pounced on an opportunity to encourage indulgence in post-war prosperity.

In addition to the world wars, this generation's defining events and trends include The Great Depression, New Deal, birth of the Cold War, Korean War, and suburbanization.

According to the Center for Mature Consumer Studies, these consumers are the most likely drivers of luxury cars. They are conservative when it comes to where they spend money and tend to use referrals, buy name brands, and avoid uncertain purchases. Conventional advertising such as direct mail, print ads, special promotions, and point-of-purchase displays remain the best ways to reach this segment of the population.

Center for Mature Consumer Studies Director George Moschis said, however, that the Mature Generation is not out of reach of the Internet.

“Seniors are very results oriented. If you show them benefits, they will use the Internet,” he said. “Once seniors do become involved in Internet technology, they are devoted participants who can commit great amounts of time. In fact, seniors who have access to the Internet are twice as likely as younger people to use the technology.”

The Baby Boomers

Although the cry of some marketing execs is: “Move over Baby Boomers, and make room for Generation X,” the Boomers continue to be the driving force of marketing in the United States based on sheer numbers—literally millions more people than any other demographic. They spend more than \$2 trillion each year on consumer goods and services.

Although most are empty-nesters, 36 percent of this generation still has a child under 18 living at home. This translates into the highest potential car-repair household out there. One-third of this cohort

live in single-income homes, although that doesn't mean there is only one person living in the home. Married Boomers are much more particular about where they spend money than singles.

This generation was shaped by the Cold War, Vietnam War, civil rights movement, the first Apollo moon landing, and the rise of the T.V. According to A.C. Nielsen Co., by the time the average Baby Boomer reaches age 65, he or she will have spent nine years in front of the television.

Research by Insight Express has revealed this group is embracing mobile communication at a higher rate than expected. Approximately 80 percent of Boomers own a mobile phone, and 13 percent of them send text messages on a daily basis. Some even admit to texting while driving—a behavior most attribute exclusively to younger drivers.

Researchers say this generation is the most likely to use a combination of old and new media to make purchasing decisions. The average Boomer spends 123 minutes a day on the Internet, yet 76 percent also listen to the radio (the highest of any group), and 57 percent read a local newspaper regularly. A full quarter of them plan to spend more money online this year than they have in the past. Two-thirds prefer to shop at big stores with low prices.

As this enormous population segment moves through life it has a profound effect on the American economy. Ken Gronbach, author of “Common Census: The Counter-Intuitive Guide to Generational Marketing,” in an interview on spiralstory.com, said the Boomers may be the bane of Detroit automakers.

He explains that the average buyer for an American-made vehicle is a 43-year-old male, which is today the tail end of the Boomer generation.

“After that we plunge into the canyon of Generation X where we are missing about 15 million people,” he said. “Yet Detroit is still making SUVs. They're still building SUVs when the brand new market for cars, which the Japanese understand, is kids. And I don't care how you market a 6,000-pound SUV, if the kid wants a 2,000-pound road rocket, he ain't gonna buy it, and that's where we're at.”

Generation X

The GenXers, or “baby bust” generation, have been accused of being coddled and self-indulgent. Gronbach said this myth may simply come from the fact that there are so many fewer of them—a quantitative difference versus a qualitative difference. Fewer people to potentially contribute charitably, volunteer their time, and get involved in politics has resulted in a bad rap for this group.

Born roughly between 1965 and 1980, this was the generation that introduced e-mail, faxing, videophone conferencing, and e-commerce to a workplace used to personal meetings, phone calls and overnight deliveries. In their world, faster is not only the best way, it’s the only way.

Their defining issues and events include Watergate, the PC revolution, AIDS, and grunge music. They are generally cynical consumers looking for true value and permanence with products.

This cohort is now producing the dutiful parents in our society. They have more education than their parents but are far more pessimistic about their financial futures, which leads to more cautious spending.

Even affluent GenXers like to brag about how much money they’ve saved—not spent—and they are especially drawn to Internet deals. Surprisingly, in combination with online marketing, direct mail is one of the best ways to reach them. Paper marketing is most effective when supplemented with contests, sweepstakes or discounts accessible through your company Web site.

Most GenXers are Internet savvy enough to find their way to your Web site but will only spend time there if the information loads quickly. (If you must use complex graphics, don’t place them on your homepage.) They have no fear of online shopping, but if they have to make a phone call, print a form, or e-mail a request you will probably lose them.

Generation Y

Also known as “Echo Boomers” or “Millenials,” this group consumes 500 percent more than their parents and is just a couple million live births short of Boomer status. Their defining events include the O.J. and Monica scandals, explosion of the Internet, 1999 Columbine shootings, and 9/11.

According to the U.S. Census Bureau,

these teens and 20-somethings have \$1 trillion in disposable income and as many as 70 million of them are now poised to enter the workforce.

If you’re looking to tap into that potential employee market, the best avenue is the Internet. Free sites like craigslist.com and facebook.com are where this generation hangs out when at the computer.

Don’t be surprised when Generation Y employees make their opinions known and look at a job as simply a way to make money—not as an identity.

According to Kelly Koster and Alexandra Smith of iconoculture.com, Millenials were raised to believe “everyone is special” and take it for granted that the workplace should be a place for collaboration and community. Other values they hold dear are transparency (Dr. Phil, anyone?), flexibility, reciprocity (“I’ll give if I get”), and trust.

Weaned on slick ads and commercials like no generation before, they can spot and block an insincere message a mile away.

They like free access to information, telecommuting, wireless communication, social networking (MySpace.com) and supporting a cause. They abhor anonymous mass-marketing, restricted access to information, and things that have already been done. Ninety percent have home computers and a full quarter of 18- to 24-year-olds even have Internet-enabled phones.

A Generation Y customer will likely ask you to text them with quotes and information, and will expect at the very least that you have the capability to e-mail their phones when you need to communicate.

Although it may be inconvenient to learn these new communication techniques, Microsoft’s Joanna Krotz says snagging a Gen Y customer is like “triple dipping.”

“First you get the youngster. Next, you get the parent. Third, you get the loyal customer that teen grows up to be,” she said. “Traditional values and parental approval are important, more so than the Gen X before them.”

Millenials are highly likely to spend money based on a peer recommendation and respond well to special promotions, yet the message that resonates with them

is one including some type of community awareness or “giving back.”

Looking into the world of today’s young adult

Almost two million students in the United States will begin their second semester of college this month. Most of them are about 18 years old, and born in 1990. The class of 2012 has grown up in an era where computers and rapid communication are the norm. These adults are multicultural, politically correct and environmentally conscious. They have never feared the Russians and the Warsaw Pact.

Today’s young adults live in a world where Sammy Davis, Jr., Jim Henson, Ryan White, Stevie Ray Vaughan and Freddy Krueger have always been dead. They have never “rolled down” a window or had a gas station attendant ask, “Want me to check under the hood?”

In the minds and experiences of these college students:

- Personal privacy has always been threatened.
- Living wills have always been asked for at hospital check-ins.
- Stadiums, rock tours and sporting events have always had corporate names.
- They learned about JFK from Oliver Stone and Malcolm X from Spike Lee.
- China has always been more interested in making money than in reeducation.
- More current events are communicated through Jon Stewart and Stephen Colbert than the newspaper.
- Texting is the primary mode of peer communication and they only e-mail professors and parents.
- They have roughly equal numbers of female and male professors regardless of the department.
- They’ve never heard of Johnny Carson.
- Food packaging has always included nutritional labeling.
- “Off the hook” has never had anything to do with a phone.
- Wal-Mart has always been a larger retailer than Sears and

has always employed more workers than GM.

- There have always been gay members of the clergy.
- They recognize Jack Nicholson primarily as “The Joker.”
- Being “lame” has to do with being uncool, not disabled.
- Gas stations have never fixed flats, but most serve cappuccino.
- WWW has never stood for World Wide Wrestling.
- Authorities have always been building a wall along the Mexican border.
- Employers have always done credit checks on potential employees.
- The space program has never really caught their attention except in disasters.
- General Motors has always been working on an electric car.

(Original lists compiled by Tom McBride and Ron Nief, Beloit College, Beloit, Wisc.)

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