

Marketing to the Millennials

For every action there is an equal and opposite reaction. Newton's first law is fundamental to the understanding of the physical sciences but also happens to apply to certain aspects of the social sciences. Following the invention of the birth control pill in 1960, the national legalization of abortions in 1973 and the "latch key kid" phenomenon of the 1980s, the culture began to shift towards greater valuation of the child. Perhaps the most iconic artifact of the era was the often nauseating "baby on board" emblem shown in car windows. Not as groovy as the '60s peace sign or as care free as the '70s happy face icon, the baby on board symbol let everyone know we were suddenly taking parenting seriously, very seriously.



*I got you babe...
And it's so groovy.*



*The revolution is
over; be happy*



*Steer clear,
this is serious*

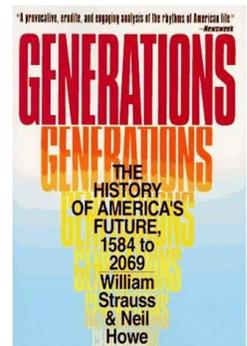
The Awakening

As the "Generation X" cohort group was defined, in part, by the macabre realization that they were in fact the most aborted generation in the history of the world, we began to react. Unfortunately, in the midst of the recovery and the accordant rediscovery of the value of human life and well-being, Columbine happened, creating the seminal event that demarcates the terminus of one cultural era and the beginning of another. Why did two boys create such an impression? Because we all realized it could happen in our neighborhood school. We circled the wagons, started showing up at kid's soccer games and invented multi-tasking (and the personal devices that go with it).



*We say: why?
They say why not?*

This paper provides an overview of the Millennial cohort group, also known as "Generation Y," the "Digital Generation," "The Echo Boom" and "Gen-Next." It reviews the sociological basis for the group and the psychological implications for marketers. Why is "Y" important? Based on numbers alone, they can't be ignored. They are the largest group since the baby-boom group. They are entering their peak consumption and influence years and they have an attitude towards change that many find irresistible. We conclude with a set of prescriptions for understanding and marketing to the Millennial Group.



Our primary frame-of-reference for this and the other cohorts we compare to is the work done by William Straus and Neil Howe. Their book Generations and a follow-up book Millennials Rising provide two excellent treatments of the subject. We will use their definitions of eras and cohort groups (as there are other conflicting or slightly different definitions and cohort size).

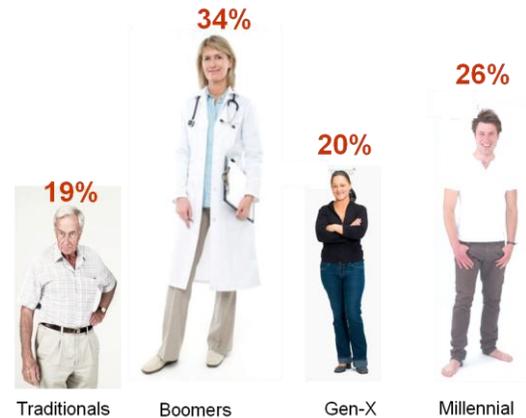
On a cautionary note, care should always be taken when making generalizations about any population group. There are always personality differences, regional differences and demographic differences (including differences by age within a group defined by a twenty year time span). In other words, generational cohorts are one of many ways to draw inferences about a population. As marketers we are interested in all ways to gain insight and usually rely on multi-dimensional means to create targeting strategies (i.e. would usually not rely on one method alone).

The Cohort

The Millennial group was born between 1980 and 2000, a typical time span for a cohort. Due to the size and the fertility period of the baby boom, this is also a large group, hence, the sometimes used nickname: Echo Boom.

They are also referred to as an Echo Generation because their attitudes reflect those of an earlier generation. Not Gen-X or Boomer, but the GI generation. The greatest manifestation of this is their attitudes towards civic responsibility and team play. They are fiercely in favor of the planet, are future minded and are more willing than the generations immediately preceding them to perform well on teams.

This group accounts for roughly one-quarter of the adult population in the United States, making them significantly larger than the Generation X group but still smaller than the boomer group. They are between ten and thirty years old.



Comparisons with Prior Generations

Proving that history repeats itself (but always with a more contemporary version), Millennials are most often compared with Traditionalists and in particular the ethics and values of the G.I. Generation. They are team oriented, politically active, willing to fight for “the cause” and decidedly less self-oriented than the Boom and Gen-X cohorts.

Cohort	A.K.A.	Birth Yrs	Trigger	Characteristics	Notables
Traditionalists	<i>G.I. (early) Silent (late) Greatest</i>	1922-1944	<i>Depression</i>	<i>Cheerful, Obedient Conservative Past oriented Uniform/Conforming Rational/Scientific</i>	<i>John Kennedy J.D. Salinger Walter Cronkite Joe DiMaggio Billie Graham</i>
Boomers	<i>Woodstock Me Generation</i>	1945-1961	<i>End of WWII</i>	<i>Independent, Confident, Goal-Oriented, Value Individuality</i>	<i>George Bush Bill Clinton George Foreman Jay Leno</i>
Gen-X	<i>Slackers 13th</i>	1962-1979	<i>Hostage Crisis</i>	<i>Diverse, Flexible, Tech adept, Individualistic</i>	<i>Dave Matthews Michelle Obama Jon Stewart Damien Hirst</i>
Millennials	<i>Y Echo Boom Digital Gen Next</i>	1980-2000	<i>Columbine</i>	<i>Adaptable, Impatient, Tech Savvy, Multi-taskers, Learning oriented</i>	<i>Lebron James Prince Harry Andy Roddick Mark Zuckerberg</i>

Formative Years & Underlying Psychology

Millennial parents put intercoms and cameras in their infants' rooms, bought "Pac 'n Plays" and evolved into a huge tribe commonly referred to as "soccer moms." You may be one. The point is, we were psychologically impacted by a feeling of danger in the world. Buildings were bombed, terrorism flourished, security lines and cameras became a fact of life. Many focused on careers and postponed parenthood until they were "ready." And when they chose to have children, they corrected, or tried to correct for, some of the missteps taken by their boomer parents. Remember, these are latch key kids raising children. They arranged the school desks in pods (not rows), spent an entire week on birthdays, and gave every kid a trophy (just for showing up). Everyone is a winner in millennial little league. And it's not just the boys playing with balls, the girls do too...softball, basketball, golf.



Millennial Attitudes

Millennials are open minded, multi-cultural, neo-liberal, politically active, team oriented, tech savvy and resilient. We've all seen the bumper sticker. They want to co-exist--with other generations, other races, other sexual preferences and, yes, even with their parents and siblings. And, unlike the Baby Boom generation, they actually get along with their parents. The research shows that there is a "Generation Gap," the likes of which we haven't experienced since the Viet Nam era. In other



words, the differences between generations on important social values is wide and wider than it has been in forty years. Unlike the generation gap of the '60s with its "failure to communicate," the Millennials are communicative, tolerant and less likely to protest their difference in views.

Notably, they are in much closer contact with their parents. The primary goal of the Millennial is not to gain independence from their parents. Quite the contrary. They can be seen texting, chatting on facebook and talking on their smart phones with not just their friends but also their parents. Their parents are friends, advisors, financiers and travel companions. It's tough out there, why not be in league with your parents? As a species, we may have finally figured it out.



Parents of Millennials have been so doting that they have been nicknamed "helicopter parents." They hover just above their children waiting to make an emergency landing at the first sign of a skinned knee or a college rejection letter.

Liberal Or Conservative...Yes. What is neo-liberalism all about? Individualization, autonomy and self-sufficiency. The policy implications are manifold. Millennial-style neo-liberalism is about more control from the private sector, free trade, tax reform, deregulation and privatization. Millennials are cause oriented but are less likely to rely on the government, or any authority figure, to push the cause.

While "neo-liberal," this is not the sixties. Millennials are, somewhat paradoxically to the untrained eye, conservative in their lifestyles. They do not tend to "color outside the lines" and tend to avoid unnecessary risk. Millennials expect marketers to work with them to avoid risks.

For example: most Millennials are pro-women and are feminists. The difference is, they don't use traditional feminism terminology or the "f-word" as it is sometimes called. The movement has been subsumed into the culture and has evolved since the Betty Friedan and Gloria Steinem era. It has even moved on from the brash exploitations of Madonna. Today's movement is about education attainment, professionalism and responsibility. The glass ceiling still exists but it is more often about individual competency and empowerment and less about protest and, frankly, frustration.

Goals. Millennials are different from other generations in important ways that are less visible. They are more concerned with making a difference, for instance. Volunteer rates are climbing with organizations like Peace Corps, Teach for America and AmeriCorps benefiting from this trend. Again, they are civic minded like the GI Generation and less materialistic compared to the Baby Boom generation. Still, they are more concerned with money and fame than the Generation X group. A favorite mantra among Millennials is the need for "work-life balance." So, while they aspire to change the world, they want to do it in a realistic way.

<i>Life Goals</i>	<i>Millennial</i>	<i>Gen-X</i>
To get rich	81%	62%
To be famous	51%	29%
To help people who need help	30%	36%
To be leaders in the community	22%	33%
To become more spiritual	10%	31%

Source: 2006 Gen Next Survey, Pew Research



Millennials are putting family, flexibility and balance ahead of careers and money. Economically, it is unlikely that they will attain the same standard of living as the generations that preceded them, at least in this country. Two phrases that are sometimes used to characterize their expectations: "New Normal" and "Downturn Generation." Both speak to this generations ability or at least need to reprioritize around less economic or material values.

Relationships & Marriage. Millennials have a more pragmatic view of marriage. Most still aspire to marriage but postpone it, reflecting a desire to settle down prior to commitment. Many Millennials feel they are "expert" at relationships and their ability to connect with other people. Millennials are determined to be good parents and are often outspoken about their views on parenting. Sometimes known as the "Juno Effect," some Millennials are willing to parent on their own if an appropriate suitor does not materialize.

Team Oriented. Millennials grew up playing on teams. Sports teams, teams in class rooms and the family team. They entered organized sports at younger ages than ever before and were taught that "team matters." Their desks were arranged in pods instead of rows not because it is more efficient which is what we worried about when we had a boom of babies, but because it promotes cooperation. When they graduate, they value cooperation in the workforce along with equality. Millennials accomplish things on teams and expect to work in groups and teams. That's the good news; the bad news is that they appear to need more direction than other cohort groups.

Technology. Perhaps the greatest distinguishing feature of the Millennial, and therefore the Millennial marketplace is their tech-savviness. They are "digital natives." In other words, they have known nothing other than digital. Analog is not part of their repertoire, except to the extent they are exposed to it via an old movie, wrist watch or gauge on their dashboard. Millennials consider personal devices to be a birthright and have a virtually innate ability to use them. Many of us are familiar with the notion of the "third place" (i.e. home, office and an additional third place); the Millennials are about the "third screen" (television, computer and a personal device).

Their sophistication with devices easily translates into their ability to use them as consumers and their expectation that you will use devices, mobile communications, widgets, whatever as part of your communications and distribution strategy. Millennials are also adept at using mobile and personal devices as “marketing filters” to exclude messages and contact from companies or people with whom they have no interest. They expect content two ways: 1) on demand and 2) free.



They're Programmed. From a very early age, Millennials are programmed, scheduled and committed. They grew up following often rigid schedules, going from music lessons to soccer practice to tutoring. They've had little in the way of downtime and have mastered multitasking. They are not just committed to the technology, they are committed to the cause. They aren't dreamers; they are planners. If you are expecting '70s style free-spirits, they are not that. Again, they are more like the G.I. Generation in this respect. They are more willing to follow authority if it is the right kind of authority; conversely, they are less willing to follow just any kind of authority.

Millennials are Measured. They've been measured from the start. Not just measured, assessed, benchmarked and evaluated beginning with their APGAR score and ending with their college SAT. No generation has been more measured than the Millennials. Consequently, Millennials not only accept measurement, they've become shrewd users of metrics, benchmarks and standards. They are measured in their thinking. This is how they shop.

Privacy Paradox. Millennials grew up with their own stuff. Personal devices are part of it. But, they also had their own rooms, their own cars, computers. Conversely, they have tolerated security cameras, metal detectors and internet spam. They value privacy but also blog and expose *their* world to *the* world on facebook.

Authenticity. This is a key insight for anyone marketing to Millennials. I am sorry Mr. Whipple, Madge, Lonely Repair Guy and Marlboro Cowboy...you've been retired. You



won't be selling anything to Millennials. They are too skeptical and smart. Madge's: "you're soaking in it" isn't going to work. Millennials grew up on reality shows, a virtual world, cyberspace, the blogosphere and the digital universe. They know the difference between a reality show and reality. And they know a cheesy spokesperson from the information that allows them to make an informed choice. Get real.



Apparent Paradoxes

Like any broadly defined population group with birth years spanning multiple decades and therefore ages spanning several life stages, the Millennials are not easy to generalize. There are several areas that create paradoxes after even a casual of the literature.

<i>Paradox</i>	<i>Possible Interpretation</i>
Liberal versus Conservative	Politically more liberal and laissez faire with respect to government intervention in commercial markets. Conservative with respect to personal risk or risk tolerance. Progressive but not wild and crazy.
Civic versus Career	Millennials are understandably concerned about the planet and the institutions that impact it. They are equality, diversity and cause oriented. But, they are pragmatists that know the value of getting things done and making a living.

Private versus Public	Millennials tolerate invasions into their privacy but do so with some protestations. Due to the incalculable invasion of privacy, they have grown weary when it is not on their terms. Their facebook accounts on the other hand are within their control for the most part and are a means of sharing on a pre-determined basis.
Team versus Individualized	Millennials are cooperative and team oriented but they also seek to individualize themselves and celebrate personal, ethnic and attitudinal differences. They key is their ability to tolerate differences among team members. A “Team of Rivals” attitude.

Many of the attitudes and lifestyles summarized above reflect a decided post-modern preference. Millennials distrust authority and view marketing with great skepticism. They are diverse, skeptical to the point of being distrustful and have very good screens and filters by which to eliminate unwanted marketing overtures. They are a mass marketer’s nightmare if not approached with the right principles. Like their Gen-X predecessors, they resent being labeled and targeted in the interest of commercial enterprise.

On the other hand, given their need for equality and their predilection for team-play, Millennials are a group you can work with. Give the brand to them; invite them into the process; react to their feedback. The next section outlines a set of specifics that may help a marketer tune his or her efforts to this large and “rising” market.

Prescriptions

1. Be Relevant and Relational. Understand them before you try to sell to them. They are different than the other groups not just because of their age but because of the way they spent their formative years and their attitudes. Do your research and be prepared to do it on the sub-segments that define the various Millennial “Tribes.” Then, build a relationship. Put long-term relationships ahead of short-term transactions. Meet them “where they live” in social media, on their “third screen” and in their lifestyle events before you try to sell them something in a store. Fit your product into their life.
2. Be Authentic. Get real, very real. Strip away anything fatuous or that rings of hard-sell, slice of life, formulaic advertising. Walk the talk. Don’t over promise and emphasize the information they need to make rational choices. Include the comparisons and metrics they portray your product in a fair way.
3. Be a Necessity. Luxury is out; position your product as a necessity. Attach it to the things in their life that they hold dear. Greed is out with this group and so are the conspicuous consumption patterns that go with it. If your product is a “badge product,” keep it real and keep it humble.
4. Be a Value. Millennials are enduring tough times, like the rest of us, but they have had little time to create economic assets to draw upon. The employment market is difficult and they are possibly more value conscious than other groups. They are shoppers, tend to compare, price shop and compare products based on their utility relative to their cost. Remember, they are familiar with measurements. Don’t be afraid of a value positioning or appealing to their rational side.
5. Be Socially Responsible. In particular, be socially responsible and transparent. Non-product value-drivers can be the tie breakers that tip a purchase decision in your favor. Treat your workforce right, communicate values and make sure you live up to your promises. Be egalitarian trustworthy and for the cause. Adopt a cause that makes sense for the brand and use it as a means to improve the world. Ask Millennials to team with you on the cause.

6. Be Social. Design-in ways for Millennials to share your product, the experience associated with it and the communications used to promote it. Market the campaign as a means of marketing the product. Create “Social Currency” that entertains, creates buzz and increases your chances of becoming a viral phenomenon. Develop a content strategy alongside the product strategy so that you have a reason to relate, share and be present in their social media platforms. Communicate via dialog, not monolog. Join the conversation.
7. Be Multi-Cultural. Millennials are looking for brands that invite everyone to the party. Move past the tokenism of the past into genuine inclusion of different population groups that can enrich your communications. Respect and celebrate cultural differences and do the research to determine how your product can be changed, even superficially, to meet the aesthetic preferences of more than the mainstream population.
8. Be Risk Sensitive. Remember that Millennials are rational, value-conscious and conservative. Figure out ways to reduce the risks associated with trial, purchase and long-term contracting with your brand. Saleable trials, downsize packaging, guarantees & warranties, liberal return policies, trial periods, etc. Pursue relationships, not transactions.
9. Be Parent Sensitive. Millennials rely on their parents for advice. This is particularly true in product categories in which they have less experience and for big-ticket purchases. Adopt a two-track approach that markets to Millennial parents while marketing to actual users.
10. Be Empowering. Millennials believe they can and will change the world. Become part of it. Make and position your product in a way that helps them get there. Think of your product as a tool, solution or part of their manifest destiny to greatness. Emphasize features that appeal to the need for learning, control, mastery and self-actualization.

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