

MILLENNIALS (GENERATION Y)

Me Generation with a Social Conscience



The age cohort that followed Gen X (born after 1977) was referred to as Gen Y. Gen Y was an early term (later the term Generation Next was added), and in recent years the term Millennials has become more prevalent. When Gen Y was the popular term, there was no consensus on whom to count in. Some authors counted only 1977 to 1984, whereas others extended it up to 1995. Millennials are usually considered to be those born between 1977 and 1995, although some authors extend the period to 2000. We will count 1977 to 1995, and according to the U.S. Census data based estimate (by author), there were 83 million Millennials in 2015. Because this is a broad age band, it is useful to divide it into

Older (born 1977 to 1985, 45 million) and Younger (1986-1995, 38 million) Millennials. In 2015, the oldest Millennial has just turned 38, and the youngest, 20.

Sixty-five percent of Millennials are U.S. born; that is, one-in-three is an immigrant. It is ethnically the most diverse age group, about 20% Hispanic, 14% African American, and 5% Asians. As a whole, this group is among the most educated groups—24% have a college degree and another 35% are in college. It has income ranging from \$25K (for Younger Millennials) to \$48K (for Older Millennials). Twenty-one percent are married, and one in five is a parent.

Like Gen X, Gen Y has disowned the boomer values of self-absorption and materialism. But they do differ from Gen X in one important respect. Gen X did not adopt any alternative ideology, staying uninvolved in any social issues. In contrast, Gen Y is ideological, embracing social issues such as environmentalism, animal treatment, racial integration, etc. They intermingle with ease with other ethnic groups, with exposure to and close acquaintances among immigrant and native multi-ethnic groups.



Psychographics

1. Self-expression with Caring for Family. Early writers characterized Millennials as the “Me Generation,” but recent research suggests that this label is undeserved. Yes, they are driven by a desire to establish a personal identity, but they are not self-absorbed. Their self-focus is a search for creativity, self-expression, and uniqueness, not for personal gain. In fact, Millennials are family oriented—63% want to take care of their parents (compared to 55% among Boomers). And they have philanthropic minds; 40% have donated money to and 22% have volunteered for a nonprofit organization.²⁶

2. Social Awakening. Social causes are high on Millennials’ list of what is important in life. Among causes, education, poverty, and the environment top the list. And they put their money where their mouth is: In a survey, 64% of Millennials said they are willing to pay more for brands that support social causes. When cashiers ask customers if they would like to round up to donate to a charity, Millennials happily agree to the request.²⁷

3. Preference for Urban Living and Street Consumption. The so-called American Dream—a house in the suburbs—is not something the Millennials fancy. Instead, they prefer living in dense, urban areas with shopping, restaurants, and entertainment at their

doorsteps, and in fact that is where they live. They want to spend their leisure time on the street, nursing their beverages at sidewalk cafes and drinkeries, and dining at non-chain food restaurants with patios, sidewalks, or open store-front seating. Hanging out at Starbucks, Panara Bread, and Barnes & Noble, for leisure reading as well as serious work, they are at the forefront of what has been termed the “Third Place” (after the home and employer) economy. And it is this generation that has, within last five years, made food trucks all the craze.

4. Short on Money but High on Taste. Although the Older Millennials are well into their careers, they have the expense of forming new households (some are married, some have newborn babies). The Younger Millennials are either in college or, due to the recent economic downturn, awaiting their first jobs. As such, their financial resources are constrained. A full 30% still live with their parents and 46% depend on financial support from parents. Yet, they have good taste and want to buy unique and high quality products. They seek deals, but they are not looking for products that are on sale; rather they want deals for products they want.²⁸



Driving the Third Place economy

Marketing Opportunity

With these psychographics of Millennials, how can companies market to them? Below is a quick guide.

Marketing to Millennials

A Guide

MYCBOOK

1. Meet them on the street Take your products to the city street. Home builders need to shift focus from sprawling suburban housing developments to city center lofts with aesthetic architecture and layout. Millennials like to do experimental cooking, look for a convenient fitness center, and need convenient home delivery of all kinds of stuff they buy online, and the loft apartments need to be structured around these must-haves. Merchants of boutique brand clothing, convenience food stores, drinking, dining, and entertainment need to locate their retail outlets in city centers and also take their wares to urban events through nomadic vendor outlets (e.g., food trucks).

2. Imbue your brand with a character Millennials want brands that give them identity but it is they (as a group) that give those brands the identity they want. The brand name imprints should be, therefore, subtle. Abercrombie & Fitch, for example, recently decided to migrate its logo and brand name from the prominent display on the outside of the garment to an inside tag. Also, Millennials want to buy authentic brands—brands that stand for more than the bottom line. Accordingly, they like to patronize brands that support social causes. An ace example is Chipotle, with its mission as “cultivating a better world.” And Whole Foods likewise has its equally homespun mission statement chalk-boarded on its walls inside the store: “our deepest purpose as an organization is helping support the health, well-being, and healing of both people and the planet.” TOMS is another Millennials favorite, as it donates one pair of shoes to the poor for

every pair sold; besides, its shoes are unique, comfortable, and purposely understated.

3. Offer deals as adventure Millennials seek unique and high quality products, but they are hounds for deals and they will buy them only if they are priced for great value or if there is a deal on them. A coupon in the newspaper or via direct mailing does not appeal to them, for it is available to everyone. Rather it is the new generation of couponing such as Groupon and Living Social that makes them feel especial and connected to the brands on social media and online.

4. Sync with their mobile life Millennials are on their smart phones all the time. Before buying anything, they check their mobiles—find out movie times, check out current merchandise in stores, do price comparisons, take a picture of the product and share it with friends, asking for their advice, read restaurant reviews on Yelp, etc. Wouldn’t it make sense then that marketers meet them there, in social media and on mobiles? Marketers need to make their Web sites mobile friendly, and more importantly, sync their entire interface with customers’ smartphones. Starbucks is a prime example: Its app allows consumers to order and pay via their smart phones, and then be rewarded with free games and music downloads via the same mobile app. Taco Bell is a pioneering convert. On October 28, 2014, it “went black” on all of its digital media presence, with a simple notice: The new way to Taco Bell isn’t on the Internet. It’s #OnlyInTheApp. Readers could click on the app icon at the bottom of the notice to download the app (for Apple and Android).

Further reading: Millennials: Breaking the Myths, Nielsen, 01-27-2014; “Getting Millennials to Discover Your Brand Means Creating A Shared Experience,” Greg Vodicka, Millennial Marketing, 11-24-2015; *Marketing to Millennials: Reach the Largest and Most Influential Generation of Consumers Ever*, Jeff Fromm and Christie Garton, Amacom, 2013;