



## Generation Y—why worry?

Because the 60 million young people in this population group (born between 1977 and 1994) represent one-quarter of the U.S. population, spend more than \$180 billion a year and embody significant differences in attitudes and behaviors versus baby boomers, that's why. Our resident authority on the baby boomers' babies shares a marketer's perspective on this important, influential and utterly unique generation of consumers.

*By Kathy S. Cox*

There is real urgency in recommending that business owners would be well-served to learn more about Gen Y. Why? Because this group will soon dominate the marketplace.

Generation Y is the now our second-largest population cohort—some 60 million strong—compared with 72 million boomers which is three times more than Generation X (born between 1961 and 1981). Equally important, Gen Y is the fastest-growing segment of the workforce. They now collectively represent 21 percent of the U.S. work force, compared with 14 percent just four years ago.

After many years observing my own four Gen Y kids—and their multitudes of friends—I thought it would be interesting to learn what motivates their behavior by examining some of the latest Gen Y research. Here's what I found.

### **They are tech savvy**

This is perhaps the most significant difference between Gen Y and previous generations. This group's familiarity with—and attachment to—technology impacts everything they do and buy. For most of them, having a home computer and Internet access is simply a part of

normal life. They've grown up expecting information to be at their fingertips, global communications to be available on demand and assuming they can access whatever entertainment they want whenever they want it.

### **They live online**

According to most research, typical Gen Yers spend 28 percent more time online than 27- to 40-year-olds. They are 50 times more likely to chat via Instant Messaging (IM). And all that "chatter" matters: About one-half of all electronics and automotive purchases are recommended by a teenager.

Their primary mode of communication is e-mail, and as John R. Samuel, American Airlines director of interactive marketing points out, "If a company can't communicate online, [Gen Y's] attitude is, 'What's wrong with you?'"

When a Gen Y customer walks into a store and asks about your products, you'd better be sure you know what you're talking about. Chances are that customer has not only visited your Web site (and those of your competitors) but has also checked some blogs and other online reviews of your product, typically written by fellow Gen Yers offering a brutally honest assessment.

### **They're content creators**

Some 57 percent of young people create daily content for the Internet, either through text, pictures or video. They spend up to three hours a day on the Web and nine out of 10 use the Internet to help with homework.

### **College students embrace new media**

In a survey of 7,705 college students Reynol Junco and Jeanna Mastrodicasa (2007) found that:

- 97 percent own a computer
- 94 percent own a cell phone
- 76 percent use IM; 15 percent are logged on 24/7
- 69 percent have a Facebook account
- 34 percent use the Internet as their primary news source
- 28 percent own a blog and 44 percent read blogs

### **They've been indulged**

A generation ago, the concept of "high tech/high touch" was proposed to define the dilemma of serving consumers who demand both. Gen Y embodies this principle like no other group before. On one hand, technology—which is often remote and impersonal—is fundamental to their lives. On the other hand, Gen Y has gotten used to being pampered and expects a lot of personal attention.

That's because they've been nurtured and programmed with countless structured activities since they were toddlers. For example, my kids joined the scouts, took piano lessons, played soccer, baseball and basketball and

participated in dance, drama and a long list of other activities. As a result, like typical Gen Yers, they're high-performance and high-maintenance.

### **They like their "helicopter parents"**

Most typical Gen Yers insist on independence, yet expect personal attention from parents "hovering" over them—not too close to cramp their styles, but close enough for instant response when needed. Ninety percent of teens report being very close to their parents. In 1974, more than 40 percent of baby boomers said they'd be better off without their parents—anyone over the age of 30 being suspect. Today's kids are more apt to trust parents (86 percent), teachers (86 percent) and the police (83 percent) than music celebrities (35 percent) and athletes (30 percent).

A recent survey found that 41 percent of teenagers between 16 and 19 had their own car (we have five cars at our home), yet about 40 percent of those cars were purchased for them by their parents. By comparison, only 23 percent of Gen Xers had a car when they were teens.

### **They are tolerant and socially conscious**

Gen Y sees the world's problems as the result of negative traits they associate with their parent's generation, and they want to fix that.

They are truly multicultural (one-third of Gen Y is non-white) and more tolerant of interracial, gay and lesbian relationships, an attitude that's reinforced by their information consumption habits. "Television drives homogeneity," explains Mary Slayton, Nike's global director for consumer insights, "the Internet drives diversity."

### **They are more socially conservative**

Despite their tolerance, however, Gen Y tends to be more spiritual and religiously devout than their parents. They attend church in greater numbers than any previous generation. Plus, they are less likely to smoke, drink, do illegal drugs, get pregnant, commit crimes or drop out of high school than their parents were in the 1970s.

### **Their behavior is goal oriented**

Most Gen Yers expect to have careers—often entrepreneurial ones—and a majority are already thinking about home ownership, according to a Northwestern Mutual Life Insurance survey of college freshman.

"This is a very pragmatic group," says Deanna Tillisch, who directed the survey. "At 18-years-old, they have five-year plans. They are already looking at how they will be balancing their work and family commitments."

For example: To rejuvenate its weekly fashion show *House of Style* (originally aimed at a Gen X audience), MTV switched the emphasis from celebrity lifestyles to practical information, with segments on decorating a bedroom and buying a prom dress.

### **They strive for work-life balance**

To Gen Y, balance isn't just a buzz word. Unlike boomers, who tend to put a high priority on career, today's youngest workers are more interested in taking jobs that accommodate their family and personal lives. They want flexibility, telecommuting options and the ability to work part time or even leave the workforce temporarily when children enter the picture.

"There's a higher value on self fulfillment," explains Diana San Diego, 24, who lives with her parents in San Francisco and works on college campuses preparing students for the working world through the Parachute College Program. "After 9/11, there is a realization that life is short. You value it more."

### **They operate at high speed**

According to a 2005 *USA Today* survey, the typical Gen Yer only waits three seconds for a page to download before clicking away. Meanwhile, they're multitasking: chatting with friends, surfing the Internet, watching TV and doing their homework—all at the same time.

### **They're all about change**

Gen Yers don't expect to stay in a job or a career for too long. Even during their school years, they don't stay too long on any one assignment. They want to move fast, but at the same time they're concerned about society and about the world they stand to inherit.

So, did the research hit the mark with my four Gen Yers? For the most part, yes. As a marketing strategist and a mom, I feel it's necessary to offer a little motherly advice: Ignore Gen Y at your own peril. Now, go do your homework.

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