



KEYPOINT
INTELLIGENCE

| *InfoTrends*

SERVICE AREA:

Business Development Strategies

ANALYSIS

MARKETING ACROSS GENERATIONS: A GUIDE FOR PSPS

OCTOBER 2018





contents

Table of Contents

Introduction	2
Key Highlights	2
Recommendations	2
The Generations: Who Are They and Why Should You Care?	3
The Big Picture	3
Generation Z	4
Millennials	5
Generation X	7
Baby Boomers	8
InfoTrends' Opinion	8

List of Tables and Figures

Table 1: America's Consumer Generations	3
Figure 1: How frequently do you access the Internet from your smartphone?	4
Figure 2: How often do you notice direct mail messages that suggest you engage with them in the following ways?	6



Introduction

Regardless of the message, nothing is more important than understanding your target audience. By developing a solid understanding of recipients' preferences, senders can meet them where they are and engage with them on their own terms, improving the overall experience and fostering consumer loyalty. Although every individual is unique, people are shaped by the historic events, societal conditions, and technological innovations that they have experienced throughout their lives. Businesses that better understand these forces and how they have contributed to the psychological and sociological development of American generations will be the best equipped to craft communications that resonate with their recipients. This analysis examines the four major generations encompassing most consumers in the US today. It explores why these generations matter to marketers, what matters to them, and how print service providers can help their clients more effectively communicate with consumers of all ages.

Key Highlights

- ◆ While Millennials and Gen Xers were the smartphone pioneers, Gen Zers are smartphone natives. Each day, Gen Zers spend an average of 3 hours and 38 minutes online with their smartphones—nearly a full hour longer than the global average.
- ◆ Many Millennials are experiencing “digital fatigue” and have grown tired of exclusively digital communications and engagements. As a result, traditional media communications can actually be more effective with this group.
- ◆ Gen Xers exert a strong influence on their Millennial/Gen Z children as well as their parents. Although they were not born with technologies that their children enjoy, they have adopted them and have encouraged their parents to do the same.
- ◆ Although nearly two-thirds of Baby Boomers use text messaging, they still prefer face-to-face communication and phone-based interactions.

Recommendations

- ◆ Marketers should be working to successfully engage Gen Zers now, even though many of them have yet to enter adulthood. This can help establish loyal, lifelong relationships between young consumers and their brands.
- ◆ When marketing to Millennials, creating messages that are relevant to their individual preferences, experiences, and past purchases is an absolute necessity.
- ◆ Like their younger counterparts, Gen Xers rely on reviews when making their own purchases and nearly half post reviews of their own. Marketers should recognize that these individuals can make great brand advocates if their experiences are positive.
- ◆ Baby Boomers hold on to a desire for tangible communications, so it is important for marketers to understand that face-to-face communication and phone-based interactions are still strongly preferred.



The Generations: Who Are They and Why Should You Care?

The Big Picture

Individuals that were born during a particular timeframe typically share common family values, global experiences, life stages, and technological advancements that will affect their communication preferences. The Table below offers an overview of just some of the factors that helped shape the perceptions of each generation of American consumers. Although the beginning and end dates for each generation are imprecise, this table relies on generally accepted ranges.

Table 1: America's Consumer Generations

	Baby Boomers	Gen X	Gen Y/ Millennials	Gen Z
Birth Dates	1945 to 1960	1961 to 1980	1981 to 1995	After 1995
Approx. US Population	71.2 Million	63.7 Million	83.1 Million	86.6 Million
Family Values	Strong family values; Multi-child families	First latchkey kids; Increased divorce rates	Grew up with more single parents	More single/same-sex parents; Little attachment to traditional values
Global Events	Post WWII Peace & Love Movement Rock & Roll Assassinations of JFK, RFK, MLK	Berlin Wall Watergate Scandal Moon Landing Vietnam War Civil Rights Movement	Rise of Technology Environmental Issues Financial Crisis Terrorism	Rise of Social Media Same-Sex Marriage Climate Change Terrorism
Preferred Communication Mediums	Face-to-Face Radio/TV Print/Direct Mail	e-Mail Mobile Face-to-Face TV	Mobile/Smartphones e-Mail Digital IM	Mobile/Smartphones Digital Facetime/Skype/ Hangouts IM

In terms of communication preferences, we can see an increasing brevity with each passing generation—Baby Boomers write letters, Gen Xers type e-mails, Millennials tap out text messages, and Gen Zers post Emojis. A kinder assessment might be that each successive consumer generation is making communications more efficient, relevant, and personalized. Businesses must embrace these changes and meet consumers halfway. The subsections that follow provide a brief overview of the various generations to help get you started.

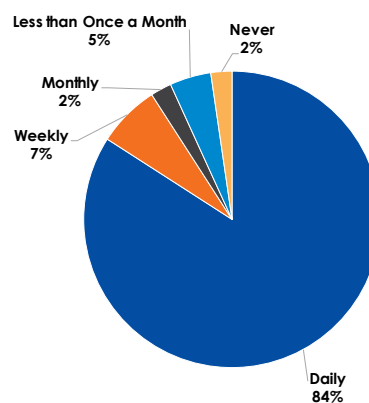


Generation Z

Gen Zers, the children of Generations X and Y, are only just beginning to exert an independent force on the US economy. By 2020, however, they will comprise 40% of the American consumer base. Together with the Millennials, they will account for the bulk of consumer spending for years to come. This ascendant demographic is tremendously important to any business' future. Marketers should be working to successfully engage Gen Zers now, even though many of them have yet to enter the workforce or start families, so they can help establish loyal, lifelong relationships between these consumers and their brands.

While Millennials and Gen Xers were smartphone pioneers, Gen Zers are smartphone natives. Although today's businesses can reach young consumers on any channel, Gen Z is a mobile-first generation. Many of today's teens and young adults have been using smartphones for over a decade, and these devices are central to their online lives. In fact, research from Keypoint Intelligence – InfoTrends (InfoTrends) reveals that over 84% of Gen Z consumers use their smartphones to access the Internet every day.

Figure 1: How frequently do you access the Internet from your smartphone?



Source: Personalized Video: Evaluating Consumer Demand from Around the Globe; Keypoint Intelligence – InfoTrends 2018
N = 44 Gen Z Consumers in the US

Gen Zers spend an average of 3 hours and 38 minutes out of every 24 online with their smartphones—nearly a full hour longer than the global average. Daily screen time on PCs, laptops, and tablets accounts for 3 and a half hours, so Gen Zers spend slightly more time on their smartphones than they do on the other screens combined. Like most Internet users, Gen Z consumers have multiple devices—but mobile communications are key for reaching these individuals.

Social media sites and YouTube exert a tremendous influence on the buying habits of Gen Z consumers. Word of mouth is powerful force—over 80% trust product information shared by other consumers on social media more than they trust advertising. At the same time, however, Gen Z consumers do take notice of a brand's social media persona—nearly 70% have visited a physical store because of a retailer's social media posts.



After growing up surrounded by screens and interfaces, Gen Zers have an intrinsic desire to focus and unplug. A printed piece can offer a tangible escape from distraction, enabling younger consumers to focus their attention on a single printed representation of a brand. For a generation that is accustomed to seeing everything in pixels, print is uniquely authentic and sensory. Printed communications also offer a tangible way for consumers to assess the quality and personality of a product, and they can have a longer shelf life than digital ads that come and go in seconds—particularly if they are slick and personalized.

Today's savvy young consumers value transparency and experience. They want to know how products are made, how ingredients are sourced, and how a company's employees are treated. Marketing and advertising campaigns that feature peer reviews and social media testimonials will likely have a greater impact than celebrity endorsements.

According to research by FutureCast, 77% of Gen Zers prefer ads that show real people in real situations. Meanwhile, 65% of them dislike messages that depict “a perfect life.”

Gen Z consumers have a notoriously short attention span—only 8 seconds! Marketers must find a way to quickly attract their attention. Printed communications can make an impact because they are tactile, sensory, and memorable. By creating messages that are authentic, relevant, and personalized, marketers can foster loyalty among teenagers and young adults. It is important for marketers to remember that this audience has an audience of its own—Gen Zers are avid social media sharers. Brands that leverage this sharing power can transform these consumers into loyal and engaged brand ambassadors.

Millennials

Millennials, the children of Baby Boomers and Gen Xers, have already become a force to be reckoned with. They account for roughly a quarter of the US population, and they are the most ethnically and racially diverse generation in history. By 2030, Millennials will represent three-quarters of the American workforce. They wield an immense spending power on the US economy, generating about \$200 billion today.

Like Gen Zers, Millennials can be reached via all media channels. They crave authenticity, experiences, and engagement. Confident and achievement-oriented, Millennials expect a lot of themselves and those around them. They place a premium on consistency, engaged experiences, and quality service.

Although Millennials grew up with the developing digital age, this does not mean that they are all digital addicts. Technology is second nature to them, but they still respond well to analog marketing techniques. This is largely because many Millennials are experiencing digital fatigue—these “always on” consumers have grown tired of exclusively digital



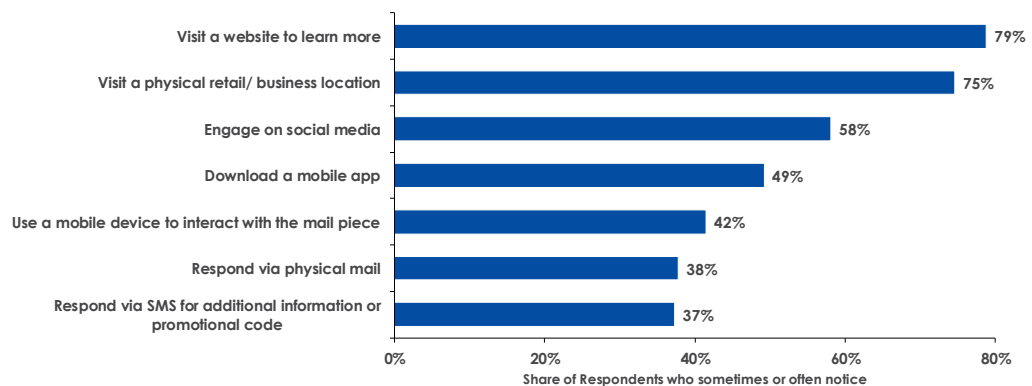
communications and engagements. As a result, traditional media communications can actually be more effective.

According to InfoTrends' most recent Annual Marketing Communications Consumer survey, over 71% of Millennials looked at most of the direct mail that they received. Although 48% of Millennials reviewed their direct mail pieces for at least a few minutes, less than 40% devoted the same level of attention to e-mails. Furthermore, over 37% believe that companies sending direct mail are more serious about winning their business.

Nevertheless, the impersonal door drops of yesteryear won't give marketers a competitive edge with today's individualistic Millennials. Creating marketing messages that are relevant to a consumer's individual preferences, experiences, and past purchases is an absolute necessity. Over 53% of Millennials report spending much more time viewing personalized direct mail marketing pieces than those that are not personalized. In addition, over 86% are more likely to open and review a highly personalized marketing message than a generic one. All other things being equal, a personalized message will always win regardless of the channel, and relevance is key. At the same time, however, only about 39% of Millennials believe that most of the direct mail they receive is truly relevant to them. Digital marketing messages scored even lower, with only 35% of Millennials considering most of them to be relevant.

Today's marketers clearly have their work cut out for them when it comes to personalization, but maintaining the consistency and proper branding of a single message across multiple channels can also be challenging. The good news is that Millennials recognize and welcome the opportunity to engage with brands.

Figure 2: How often do you notice direct mail messages that suggest you engage with them in the following ways?



N = 730 Millennial Consumers in the US
 Source: Annual State of Marketing Communications Consumer Survey; Keypoint Intelligence – InfoTrends 2017



When asked how often they noticed direct mail with various forms of engagement, the most commonly recognized methods were invitations to visit a website or a physical retail store. By ensuring that all touchpoints are relevant and consistently branded, marketing firms can improve customer experience and ultimately engender customer loyalty.

Generation X

Unlike their parents, Gen Xers grew up during a period of slow economic growth. As a result, they are generally socially responsible and independent. They are also the most highly educated generation—35% have college degrees compared to only 19% of Millennials. Gen Xers exert a strong influence on their Millennial/Gen Z children as well as their parents. Although they were not born with digital conveniences that most of their children now enjoy, they have adopted them and have encouraged their parents to do the same. As a result, many of today's Baby Boomers are now texting and using social media.

Gen Xers represent a bridge between young and old, digital and analog. Although they have embraced many up-and-coming technologies, they are less dependent on their mobile devices than the younger generations. They use personal computers at home and at work, and they prefer to communicate through e-mail or text message. Many Gen Xers rely on product reviews to make their own purchases, and they also like to write reviews of their own. According to InfoTrends' 2018 Transactional Communications research, nearly half of Gen Xers will post a review and/or tell friends about a company that offers a great customer experience. This makes them ideal brand advocates.



Baby Boomers

Born between approximately 1945 and 1960, many Baby Boomers have entered or are approaching retirement. They are the heavyweights of the American consumer base—Boomers are responsible for nearly half of all retail sales and they hold more disposable income than any other generation. Thanks to tremendous medical advancements that have occurred during their lifetimes, Baby Boomers have been able to live longer and exert a greater influence over the economy than their predecessors.

Baby Boomers understand the fast pace of technology, and they've adopted many digital conveniences at the encouragement of their Gen X children. They are now spending more money on technology than any other generation. In addition, Boomers represent the fastest-growing demographic segment in terms of social media adoption—over 70% are on Facebook. Although about 85% of Baby Boomers consistently shop online, InfoTrends' research suggests that they still prefer in-store purchases. Although nearly two-thirds of Baby Boomers use text messaging, they tend to find SMS communications impersonal. Consequently, they still prefer face-to-face interactions or phone conversations. Due to a desire for tangible interactions, Boomers are extremely receptive to direct mail and are particularly likely to take advantage of coupons or other money-saving offers.

InfoTrends' Opinion

No two generations are exactly the same, and consumers across all demographics expect to be communicated with via their preferred channels. Knowledge about individual customer groups is the key for a good marketing communication strategy. Today's consumers understand that marketers have a wealth of information about their individual preferences and purchasing habits, and they expect their communications to reflect this depth of knowledge! As a result, a one-size-fits-all approach will likely backfire. Across all age demographics, consumers expect a personalized experience that caters to their unique preferences. Developing an understanding of the various generations and their unique preferences is the first step toward success. By communicating with consumers via their desired channels and providing a seamless experience across all media types, marketers can attract new customers, retain existing ones, improve overall satisfaction, as well as generate long-term loyalty and customer advocacy.

opinion



authors



Will Morgan

Sr. Research Analyst

+ 1 781-616-2155



Will Morgan is a Senior Research Analyst at Keypoint Intelligence - InfoTrends. Mr. Morgan's responsibilities include tracking market developments and reporting on them, supporting major research initiatives and multi-client studies, and assisting with the annual forecast process.



Eve Padula

Sr. Editor/Writer

+ 1 781-616-2170



Eve Padula is a Senior Editor/Writer for Keypoint Intelligence – InfoTrends' Business Development Strategies, Customer Communications, and Wide Format Consulting Services. Her responsibilities include the promotion and distribution of content, assisting clients and channels in building business development programs, handling data analysis for forecasts and research reports, and managing the editing cycle for many types of deliverables.

[Comments or Questions?](#)

This material is prepared specifically for clients of InfoTrends, Inc. The opinions expressed represent our interpretation and analysis of information generally available to the public or released by responsible individuals in the subject companies. We believe that the sources of information on which our material is based are reliable and we have applied our best professional judgment to the data obtained.