

Generational Marketing

For more than 25 years, we have been continually probing the values and attitudes that make consumers tick. At the core of our research is an ongoing inquiry into the aspirations and expectations that make each American generation distinct--and the critical role that those factors play in shaping consumer trends. Our conclusion is that generationally 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--maybe even more. We have found that the common experiences of a generation create a specific sensibility that touches all its members in some way: It teaches them what's funny, what's stylish, what's status, what's taboo, what works and what doesn't. It tells them what to aspire to and what to avoid.

Only by knowing how the motivations of your customers are tied to the underlying values of the generation to which they belong will you be able to tailor your products, services, and communications to their needs, interests, and desires. Applied knowledgeably, that information will provide you with a key competitive advantage.

Consumers active in today's marketplace can be divided, for all practical purposes, into three broad generations--Matures, Boomers, and X-ers. Some of the most significant influences that define the Matures' generation are the depression, the New Deal, World War II, and the GI Bill. For Boomers, significant influences include the Great Society, general economic prosperity and the expansion of suburbia, Nixon, color TV, and sex, drugs, and rock 'n' roll. For the current crop of young people, Generation X, they include divorce, AIDS, Sesame Street, MTV, crack cocaine, GameBoy, and the PC.

The Matures were born between 1909 and 1945. Their attitudes toward life and work were formed in the crucible of economic upheaval, in uniting against common enemies, and in witnessing America's role as an emerging superpower. Matures grew up in tough times, so they have a more constrained set of expectations. As a result, their core values are what we think of today as traditional values--discipline, self-denial, hard work, obedience to authority, and financial and social conservatism.

Those values still determine the way Matures relate to the marketplace. People in this group have been slow to embrace new products. They saved their money and saw retirement and leisure time as rewards for hard work. Products that fit their basic values have succeeded--and will continue to succeed--because those values grew out of their shared experiences and still guide their consumption.

Baby boomers, or Boomers, born between 1946 and 1964, are the most populous and influential generation in America. Born to prosperity in a time of booming postwar economic expansion, Boomers enjoyed unprecedented employment and educational opportunities. They took those opportunities for granted, and their shared assumption of prosperity and affluence shaped their values and embroiled them in the tumult of events that filled the 1960s and 1970s. The value system of Boomers, the "me" generation, is

built on the sense of entitlement created by their presumption of economic growth. With little else to worry about, Boomers were able to be more self-absorbed, pursuing personal goals and instant gratification.

Indeed, while Matures came of age expecting little because of the sacrifices demanded by wars and the depression, the overriding collective experience for Boomers was the economic prosperity of the postwar years, a prosperity that was so internalized that it has shaped all Boomer attitudes about the marketplace. Boomers could, for example, more easily embrace an inclusive social perspective because they assumed there was prosperity enough to make everybody a winner.

The story of Boomers over the last decade has focused on the fact that their ingrained sense of entitlement has been overtaken by unmet expectations. Boomers have had to learn to deal with less, and the impact of that on the marketplace will continue to be felt for the next 20 years.

The next group, Generation X, or X-ers, could be dubbed the "why me?" generation. Born in the wake of the dominant Boomers, they have been buffeted by tumultuous political and economic conditions. They are wary and uncertain about America's position in the world and about their own place in America. Yet, contrary to the image portrayed by the popular media, the X-ers are savvy, and they're enthusiastically ready, willing, and able to take on the challenges they face.

For X-ers, hard work is a pragmatic necessity, and they tend to be careful in planning for the future. In many ways X-ers are embracing some of the values of Matures, because they too have lived through uncertain formative years.

Of course, every generation ultimately will pass through the same life stages, from youth to old age. Similarly, no matter what generation we belong to, we all must deal with the same current circumstances, whether that means facing an economic downturn, a war, or a World Series. But each generation--Matures, Boomers, and X-ers--responds to those life stages and circumstances in ways determined by the *early* shared experiences that helped form the values and life skills of their generation.

Matures and Boomers, for example, have responded differently to economic recessions over the past two decades, recessions they have both faced at the same time. Same economic pressures, different consumption patterns. X-ers today look nothing like the Boomers of 20 or 30 years ago. Same life stages, different consumers.

A marketer who bases a sales and advertising strategy strictly on demographic data, such as age, might assume that Boomers will abandon the Rolling Stones and switch from Diet Coke as they pass their 50th birthdays in the years ahead. That would have major implications for the music and beverage industries. However, a smart marketer who considers generational marketing knows that those deeply implanted preferences are sticking with Boomers as they pass through each life stage. When the Boomers began to

turn 35, predictions were rife that they would begin to save and become more conservative, politically and socially. It didn't happen.

Developers of retirement and golf communities are discovering that Boomers are far less interested in those communities than they'd anticipated. Boomers are much less likely than Matures to go to those cookie-cutter communities. Instead, Boomers are looking for something with the kind of sophistication and impertinence that has always appealed to them.

You make a mistake if you assume that just because your customers are turning a certain age they will behave in the same way as those who came before them. As obvious as that may seem, it is one of the most common mistakes made in marketing planning.

Another common mistake is something we call "generational myopia," or the shortsighted application of the values and attitudes of your own generation to the development of strategies for marketing to another generation. A marketer will misjudge events and motivations by applying the perspective of his or her generation without truly understanding the unique generational experience of a different target group of consumers. That is a recipe for failure.

Technology, the economic climate, and competitive conditions are all vitally important in understanding the future direction of markets. But in today's rapidly changing environment, mastering each of those elements alone is not enough. New market trends wrought by generational differences are causing business upheavals, bringing new categories into being at warp speed and causing the old ones to shrink or disappear. Marketers who pay attention to generational marketing will thrive.