

How to Sell and Market to the Right Generations
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Marketing will never be an exact science. Understanding who is buying and how they want to buy can make a huge difference in being successful at the marketing game. To successfully accomplish this, you need to ask yourself these questions: Which demographics are buying your products and services? What are they buying, how are they buying and what is motivating them? What characteristics define them as a group? Taking a critical look at what you think you should do and balancing that against the influencers that affect the marketplace and your customer will enable you to be more effective in meeting your marketing and sales goals.

Who might be your target audience and how do they think? To be sure we understand the different groups making up the population pool, let's take a look at this chart that summarizes some of the key differences between generations of consumers.

G.I. Generation (1901 - 1943)	Defining Values
Expanding affluence	Civic values and building
Conserving values	Institutions over individuals
Post War Generation (1926 - 1945)	
Negotiators, adaptive	Loyalty for order and establishment
Compromise	Avoid risk
Proponents of incremental change	
Preserve values	
Boomer Generation (1946 - 1965)	
Idealism	Focused on individual development
Start change and break from the past	Individuals over institutions
Liberal values	
Risk takers	
Generation X (1966 - 1981)	
Sustaining values	Emphasis on autonomy
Reactive, pragmatic and creative	
Self-forming networks	
Financially engaged	
Work-oriented	

Analyzing original research and adding to that the extensive knowledge of industry gained experts on demographics and the home, the primary buying populations become clear. Although there are many different demographic groups involved in the buying market, the children of the late 1950s and 1960s and the group termed Generation X are two of the strongest and most important consumer audiences to consider in product development and marketing strategy and implementation.

Let's explore more specifically who these people are and their interests.

GENERATION JOANS: PURCHASING POWER THAT'S ROCKING THE HOME PRODUCTS MARKETPLACE

They are the children of the late 50s and 60s, too young to be Baby Boomers but too old to be part of the emerging Generation X. Today, they have, at last, been given a name by sociologist Jonathan Pontell - Generation *Jones*.

This generation originally explored extensively by Pontell is widely recognized as **one of the two groups** with today's **most** economic buying power. The phrase "keeping up with the Joneses" has taken on a whole new meaning.

In the home design and products channel, women hold much of the buying power (certainly true of this age group). Recent research has shown that when a man comes home, he relaxes. Home is a place of refuge. For women, the home is another area of stress in their lives. Home design is beginning to acknowledge this, for example, moving the laundry room so it's not the first thing a woman sees as she walks in the door.

For the home and building channel, we like to think of this attitudinal group as Generation *Joans* - women, generally ages 35 - 50. More important than their age is their attitude. It's how these women live that will help us understand how to pursue and woo them.

Pontell's Generation *Jones* is the core group of 39 - 50 year olds that make up the largest segment of what was previously called the Baby Boomer generation. They were raised on television and turmoil, quite different from the older boomer crowd who is not as technologically savvy and is heading for or is already in retirement. Generation *Jones* is active, working, shopping the Web, and desiring cutting-edge technology and design. This generation is always in the process of enhancing their home and their life.

The key decision maker in the home is Generation *Joans*

Generation *Joans*, the women of this age group, have literally worked themselves to the bone juggling motherhood and work pressures and never feeling that they have done either well enough. As they enter middle age, they are revisiting their idealist roots and getting involved in their home, family, and community.

They hold the sweet spot of prime earning and spending power, estimated at an annual \$1.4 trillion. **No matter what your product, this is the key audience to attract.**

They want the latest products that show their individuality and offer functional convenience and timesaving features. The overall goal is to provide them with time to make the emotional connection with their home and family. This is where you come in.

IF WE KNOW WHAT THEY WANT, HOW DO WE REACH THEM?

What it really comes down to is to understand your audience and speak directly to them and their emotional needs. Images, music, color and messages that get them in their comfort zone all play an important role in motivating this group to consider your product. With the busy *Joansers*, reaching them also requires a no-nonsense, concise approach that appeals to their pragmatic side, in addition to making them comfortable by appealing to their emotions.

Capture them with Nostalgia: Music, icons from their television youth, and colors of the 70s speak to them. Take them back beyond the days of their youth to an earlier time they perceive as comfortable and safe.

Promote convenience and time saving attributes: If it makes their life easier, they will want it. This is a generation of women in perpetual motion. Easy-to-clean, easy-to-use, no-hassle enjoyment are some of the things that our *Joans* are looking for in a product. When evaluating product attributes and marketing we must ask ourselves if we are rewarding the consumer's time via product performance, packaging, ease of instructions, etc.

Empower their "control freak" natures: Direct messaging and value-added options are what they respond to. They want to make the decisions about what they will buy, when, and for how much. Companies playing into this recognize the customers desire to be informed, yet that she is a controlled decision maker.

Help them "Seize the Day": They want to have the things they did not splurge on earlier in life. Manufacturers, retailers, and marketers are expected to perform on that basis or this customer will go elsewhere. Companies that offer both the product and service rolled into one package will be appealing to this group.

They like "green": This generation responds to green products, ecology, green building, environmental benefits, and health and safety for their families. Eco-friendly innovations for the home will appeal to this audience.

Remember Price: Here, perception is everything, not the actual price tag. If you can deliver in the emotion and function categories, what is "fair" in terms of price becomes relative. They may have money, but they are a price conscious crowd.
Value + Fair Price = A sale

Be memorable: Be distinct with your products and marketing messages or be extinct. Advertising needs to be memorable, no matter what form it takes.

WHERE DO THEY LOOK FOR THEIR MARKETING INFO?

It has to be on the Web. They get almost all of their daily information and also research their buying and lifestyle choices there. Another new marketing trend that is proving very successful is what we call the "Brand Contact Experience." Here the goal is to provide opportunities for the customer to try the product, i.e. see it, feel it and experience it in their lives before they buy it. This could be in high-end restaurants, hotels, or art museum restrooms. Put it where they live and in places they are emotional about and "sell" them without them ever knowing it is happening.

DEVELOPING PRODUCTS THAT WILL CAPTURE THEIR INTEREST:

What does this mean to you as you look to develop products and tap into this vast audience? To be successful with this group, your products need to hit a nerve and serve a purpose. Distinctive design is based on attitude. Marketing distinctive design is also based on the attitude of the audience.

Selling is not about products. It's about creating a feeling. If all you can sell is a product then all you are offering is manufacturing. If all you are offering is manufacturing than you're fighting China, and that's a battle you probably can't win.

Above all else, you need to think about your customer in a new way. Think about what her attitude is toward what you are offering. Invest in building your brand. Make it important and distinctive to the audience. Promote the emotional connection between the product and the customer. If you do, it will be attractive to those you want to buy it.

Now let's jump forward a bit and learn about another key group to the home industry.

GENERATION X: A BUYING FORCE TO BE RECOGNIZED

Gen Jones and even the aging baby boomers, are key groups for consideration, but it is the **next generation** that is the real emerging consumer force in this country. And they are very different than their predecessors!

This generation is nomadic, pragmatic, active, and non-traditional. A group of individuals, ages 25 - 34, who value personal time and expect ready access to the things they want. They represent 14 percent of the total population, and they are on the move.

These qualities may fool some into believing that Xers are not yet a viable market for the home products, building, design, décor, and remodeling industries to pursue, but this is **not** the case. Xers wield considerable economic power. This force of 40 million emerging consumers and homeowners is positioned for ascension, yet they have been virtually untapped by our industry.

They will buy homes and build new ones. They will furnish them, renovate them and modernize them, all with a focus on individuality and personal style that will drive the trends in design and style, not follow them, for the next 20 years.

WHO IS GENERATION X?

So, who are these young up and comers and how as an industry do you respond to their expectations of "home" and life? I'd like to take some time to tell you what we found out about them and then to talk about what all of this means to you as you look to the future.

At my agency we felt so sure that the 25 - 34 age group held great promise for our existing and future clients, that we initiated a series of research studies with our research partner nQuery specifically on this demographic.

WHAT OUR GENERATION X RESEARCH FOUND:

The 25 - 34 age group is particular about design, has ready access to money, and views their home as an investment. Their "free agent" mentality causes them to accept relocation and change in their careers, and they don't wait until marriage to purchase a home. The Bureau of Labor Statistics' 2002 Consumer Expenditure Survey (CEX) found that 49 percent of people in the Xer age group own homes. Another recent study puts the number even higher at 68 percent. According to the National Association of Realtors, the median age of first-time homebuyers is 31. This is nearly five years younger than it was in 1993 and makes up 40 percent of the overall home sales in 2003.

Xers describe themselves as quick thinkers - sensible and capable of objectively assessing life. In comparison to Boomers, who thrive on education and discipline, Xers resist dependence and place emphasis on practical experience. Through their objectivity they are "more at ease than their elders with change and complexity, and with people who are different from themselves." (Turco, 1996)

Marriage

Xers get married later, but they are not waiting until then to purchase their first home and furnish it the way they want. According to a tracking study conducted by the National Association of Realtors, the percentage of homebuyers who are married couples has been on a slow decline since the mid 1990s. Conversely, the number of single females, single males, and other unmarried couples buying homes has been on the rise.

Households by Size, 1970 - 2002

	1970	1980	1990	2000	2002
1 Person	17.1	22.0	24.6	25.5	26.3
2 Persons	28.9	31.4	32.3	33.1	33.2
3 - 4 Persons	33.1	33.2	32.8	31.0	30.7
5 Persons or More	20.9	12.8	10.4	10.4	9.8

**Source: U.S. Census and distillation of information from Yankelovich Research and various other reliable resources available from secondary research.*

As a group, the home ownership rate for young adults (age 25 - 34) is around 48 percent. According to Census data, an additional 6.8 million young adults will buy a home by the age of 40. (The U.S. Census shows the homeownership rate to be 65 percent among 35 - 39 year olds, a 17 percent increase from ages 25 - 34).

According to the National Association of Home Builders (NAHB), in the first 12 months after purchasing a newly built home, owners spend an average of \$8,905 to furnish, decorate, and improve their homes. For young adults, this represents as much as a \$71 billion market opportunity in the first year alone.

The Home Living Environment

Whether they have purchased a new home or are renovating one, they will furnish their homes with products that they consider "new" and innovative, performance driven and current in color and design.

Design is more important to them than it has been to past generations and they move quickly to create a living environment that is comfortable and fresh. According to the 2002 CEX data, the 25 - 34 age group accounts for 16.5 percent of the home furnishing market and 19.9 percent of furniture purchases. When it comes to getting home improvement projects done, this age group may be more commonly associated with the term 'do it yourself;' however, the more affluent portion of this group will pay for professional service and expertise to increase the value of their homes, always with resale in mind.

Improvements that will enhance resale value are extremely important to them because they are not focused on staying put for long. This creates a vast opportunity for our industry to help them furnish homes **over and over again**. Unlike older generations, they do not always approach careers, homes, or even relationships with permanence. As a result, participants in our focus groups unanimously agreed that they would be in their first home for five years or less. When asked what would prompt a change, only a third cited a growing family. For the rest, career changes were the most likely catalyst.

So, this is all great, but how do they buy?

Key product attributes are quality, longevity, value, and reliability. They are also interested in companies and products that provide the latest in technology and offer

ready access to help or assistance via toll free telephone lines or a user-friendly Web site.

They make their decision on major home improvements based on how the change will impact the value of their home, i.e. resale potential. And, they want what's new. They shun products that are common or considered traditional and look for the latest in performance, a variety of options, and contemporary design.

To attract this consumer, manufacturers and marketers need to take a dynamic approach by offering high performance products, high style, and information-based marketing programs.

THEY WANT WHAT'S HOT AND WILL GRAVITATE TO ATTRACTIVE, FUN, AND INTERACTIVE MARKETING:

The challenge is to find a way to effectively address this group of more financially responsible (13 percent did household shopping as a child); more experienced (74 percent worked part-time during high school); and more savvy (they are the generation to use computers in school) consumers. (Pearce, 1997), (Foot and Stoffman, 1996). They are competent at processing and comparing information from different sources and can access, evaluate, and interpret information more efficiently than other generations. Therefore message delivery is vital.

Gen Xers Love to Shop!

When these young homeowners shop, they extensively research their purchases on the Web, and then shop in-store. When shopping in-store, they rely heavily on point of sale information to help them make the correct product selection. Consistent and detailed messaging and instructions on packaging, in the mass media, on the Web, and through technical assistance telephone lines are essential components to marketing to this audience.

Remember that this group is on information overload. *Advertising Age* reports that younger generations are increasingly exposed to TV, video, CD-ROMs and online computer services. According to *PC Week*, they are logging on to the Internet for information and shopping resources. To succeed in the over congested online environment, marketing campaigns need to be carefully tailored to fit the psyche of the individual.

Xers want simple access to "all" the information they are looking for. Advertisers can take advantage of this either by having a presence online, or steering sites that act as informational gateways.

This is the Internet generation:

The Internet is an invaluable tool in marketing to these consumers. They see technology as essential, a shortcut to better communication and entertainment. If a company is attempting to directly sell to these consumers, they must approach them with the intention of adding value.

HOW DOES ALL THIS RELATE TO THE HOME?

Getting back to the home, as they emerge with force into the home buying and home improvement marketplace, it is clear that the high expectations of the 25 - 34 demographic will be a catalyst for a range of new products, fresh design ideas, and a focus on convenience and options. This is where all of us come in. There is no doubt in some industry leaders' minds that the 25 - 34 group of emerging consumers will

be an important force in shaping home design and the development of home products over the course of the next 10 to 25 years.

One of the biggest surprises coming from this research is the extent to which Young Homeowners believe their home to be their best investment. This attitude is being driven by several important factors: annual home values have been appreciating above historical levels. Some homebuilders, seeing the trend of personalization, now offer numerous design and product upgrades often at substantial cost to the homeowner and profit to the builder.

This group also has a desire for contemporary design. More than anything, Young Homeowners want their homes to reflect their individuality and personal style. The following is a sample of some of the personal touches Young Homeowners in our focus groups desired:

- "I want something to jazz up my bathroom"
- "I plan to convert my entire garage into a media room"
- "I want every room in my house to be a color that my mom will hate"
- "I like to cook and spend most of my time in the kitchen"
- "I'm having a fireplace installed in the master bath"
- "I want a Japanese sauna and rock garden"

Certain themes emerge when this group is asked to compare their home improvement preferences and skills to their Baby Boomer and Post-War generation parents. Here are the key differences:

- Contemporary styling - they do not want homes, furnishings, and landscapes that look like other peoples'
- Willing to be more whimsical in design by using vibrant color, unusual artwork, and other eclectic decorating items
- More meticulous with keeping the yard mowed and cleaned
- Far less motivated to complete home improvement projects. They would rather spend discretionary time on eating out, socializing with friends, and traveling.
- Much more confident in admitting what they don't know, and not trying to complete complex projects without some help
- Much more likely to hire professionals to do complete projects around the house. They were not as willing to learn from their mistakes if it meant that the home improvement project did not meet their standards. Interestingly, basic decorating and updating were frequently cited as essential improvements.

WHAT IS THIS GROUP BUYING FOR THEIR HOMES?

Spending by New Home Buyers in First Year after Purchase

<i>Category</i>	<i>Mean Dollar Amount</i>
Property alterations	\$3,194
Furnishings	\$3,632
Appliances	\$2,079
<i>Total</i>	<i>\$8,905</i>

IMPORTANCE OF BRANDS

Brand recall is low with this group because marketers haven't developed exciting messaging that resonates with this younger audience.

Below is what is ultimately important to consumers looking to buy:

- Quality
- Value
- Longevity in Market

- Reliable Supplier
- Access to help or expertise when needed (toll free line, Web site)

With this group, if you want them to value your product and you wish to get their attention, the first step is to evaluate your Web presence. Then think about your product offering in terms of styling. New and hip is key!

UNDERSTANDING WHO THE TARGET IS IS ONE THING, GETTING A MARKETING BULL'S-EYE IS ANOTHER:

So, you're probably saying to yourself, this is all fine and good to know, but what does it mean for me? It means that those companies who take steps now to embrace this emerging spender and to understand what they will be looking for, will rise to the top, particularly if you are in product design and development.

What does this mean to the home products community?

- Promote quality and individual/customization options
- Create home portfolios with design options
- Feature space and ease of living in home designs
- Offer convenience features and outdoor living spaces
- Offer the option to upgrade and personalize the home through color, home system upgrades, flooring options and convenience features at the point-of-sale
- Focus on longevity of home systems/importance to resale value

Some key attributes to consider when marketing to these audiences:

- **Sell smarter, not harder** - create messaging that resonates and creates an emotional connection between the potential buyer and the brand
- **Focus on product development and manufacturing in addition to marketing** - new product development is essential. Astute homeowners want options, and they want products that reflect their personal style. They shun products that are too common and fail to meet their expectation for contemporary design.
- **Pay attention to perceived value** - it's not what you think about the product, it's how the customer feels about it that will make or break the sale
- **Focus on resale and value** - position products and home improvement projects based on how they will increase the value and resale potential of the home.
- **Pay attention to the point of sale** - savvy homeowners in each of these groups considered the in-store displays to be the most helpful source in figuring out how to complete a project and what parts to purchase. If applicable, consider superior in-store merchandising to be an essential part of your overall marketing effort.
- **Provide consistent messaging through open lines of communications** - messaging and instructions need to be consistent across packaging, mass media, the Web, and any in-bound technical assistance lines
- **Promote performance, quality, and product attributes in marketing messaging** to overcome low brand recall. Market products to fulfill a particular need "useful," not products that just exhibit status.
- **Consider the Internet the key** to benefiting from the interactivity that is appealing to these audiences and to cater to the way they begin the shopping process.
- **Focus on the individuality of the customer** and whatever you do, don't be boring.

Looking forward, those who will be successful in designing, creating, and marketing products to the Xers and Joanses will create dynamic, cutting-edge products that offer style, function and personalized marketing messages.

We now understand what drives them, so we must now focus our products and messages on each of them as the powerful buying forces they are and will continue to be in the future.