

BABY BOOMERS AND GEN Y HAVE EMERGED AS TWO DOMINANT CONSUMER SECTORS THAT WILL DICTATE DESIGN AND MARKETING FOR YEARS TO COME. TO REACH THESE IN-DEMAND GROUPS, YOU'LL NEED TO KNOW HOW THEY DIFFER — AND WHY THEY'RE SO SIMILAR. BY TIFFANY MEYERS

GENERATIONALLY SPEAKING

In many ways, an assessment of Boomers and their babies/grandkids—the millions of young Americans known as Generation Y—is an apples-to-oranges prospect. The two groups have come of age in vastly different eras of U.S. history, consuming and creating different cultural touch points. To compare the two generations, you'd have to compare the space race to MySpace, Earth Day to Green Day, the Mod Squad to the iPod, and so on all the way up to Watergate vs. Monicagate. Perched on (almost) opposite ends of the demographic spectrum, each group brings a unique set of needs to the marketplace as consumers.

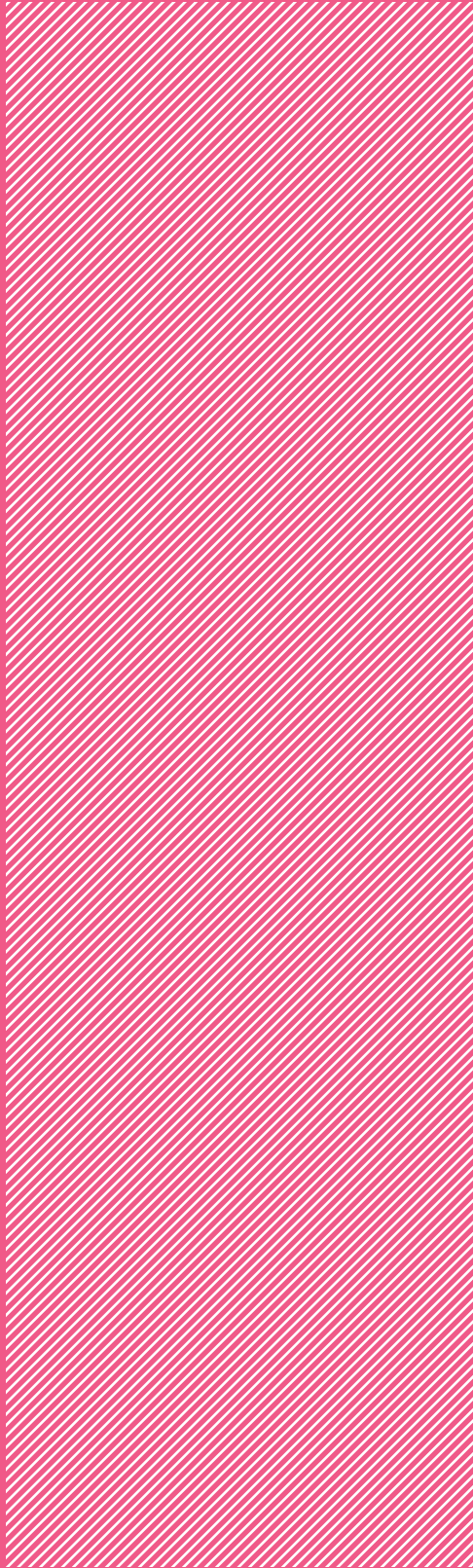
All of this makes the traits they *do* share particularly notable. For one, these groups both live with a rather unflattering reputation for suffering from self-entitlement issues. Also from the Department of Blanket Statements, they're said to view the future of the world through rose-colored glasses—particularly in comparison to the purportedly nihilistic Generation X that sits between them. And of course, they're two highly sought-after consumer sectors.

As the two largest generational segments in the U.S., Boomers and members of Generation Y exert tremendous influence over the nation's social, cultural and political landscape. Wielding formidable power and influence in economic terms as well, they've emerged as two of the sweetest spots for marketers pitching all manner of products and services.

BOOMERS

BORN 1946 TO 1964

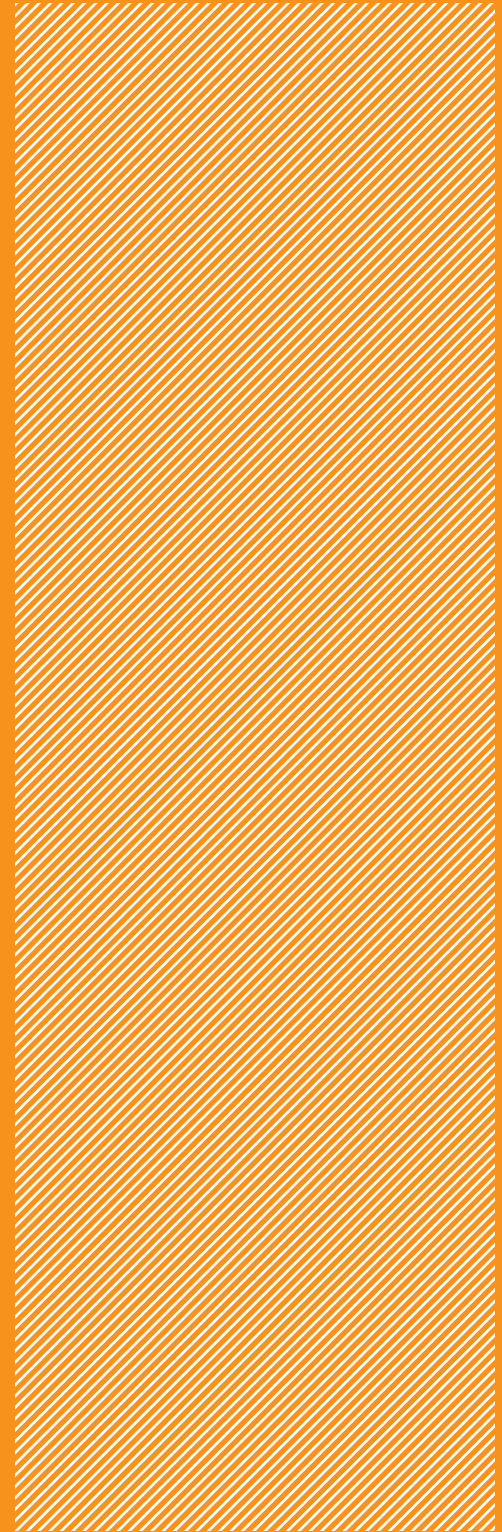
2005 CENSUS = 78 MILLION



GEN Y

BORN 1978 TO 2000

2005 CENSUS = 76 MILLION



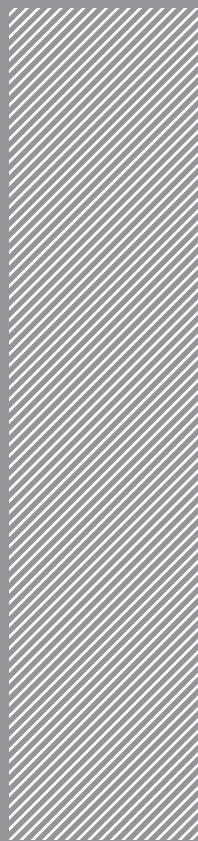
GEN X

BORN

1965 TO 1977

2005 CENSUS

= 48 MILLION



THE [FILL IN THE BLANK] GENERATION

The first thing to know about Generation Y is that it possesses more monikers than a demographer's spreadsheet. In its roughly 30 years of existence, this group has been called Millennials, Reagan Babies, Generation Next, Echo Boomers and iGeneration, to name a few. Age parameters—and thereby definitive population figures—also depend on who you ask. But if Gen Y is defined as a group of people born between 1978 and 2000, estimates put the population at around 76 million. That's comparable to 2005 Census data figures for Boomers—born between 1946 and 1964—who are 78.2 million strong. Often defined as a group of independent-minded, irreverent people born between 1965 and 1977, Generation X—aka the indifferent or invisible generation—is estimated to be only around 48 million in size.

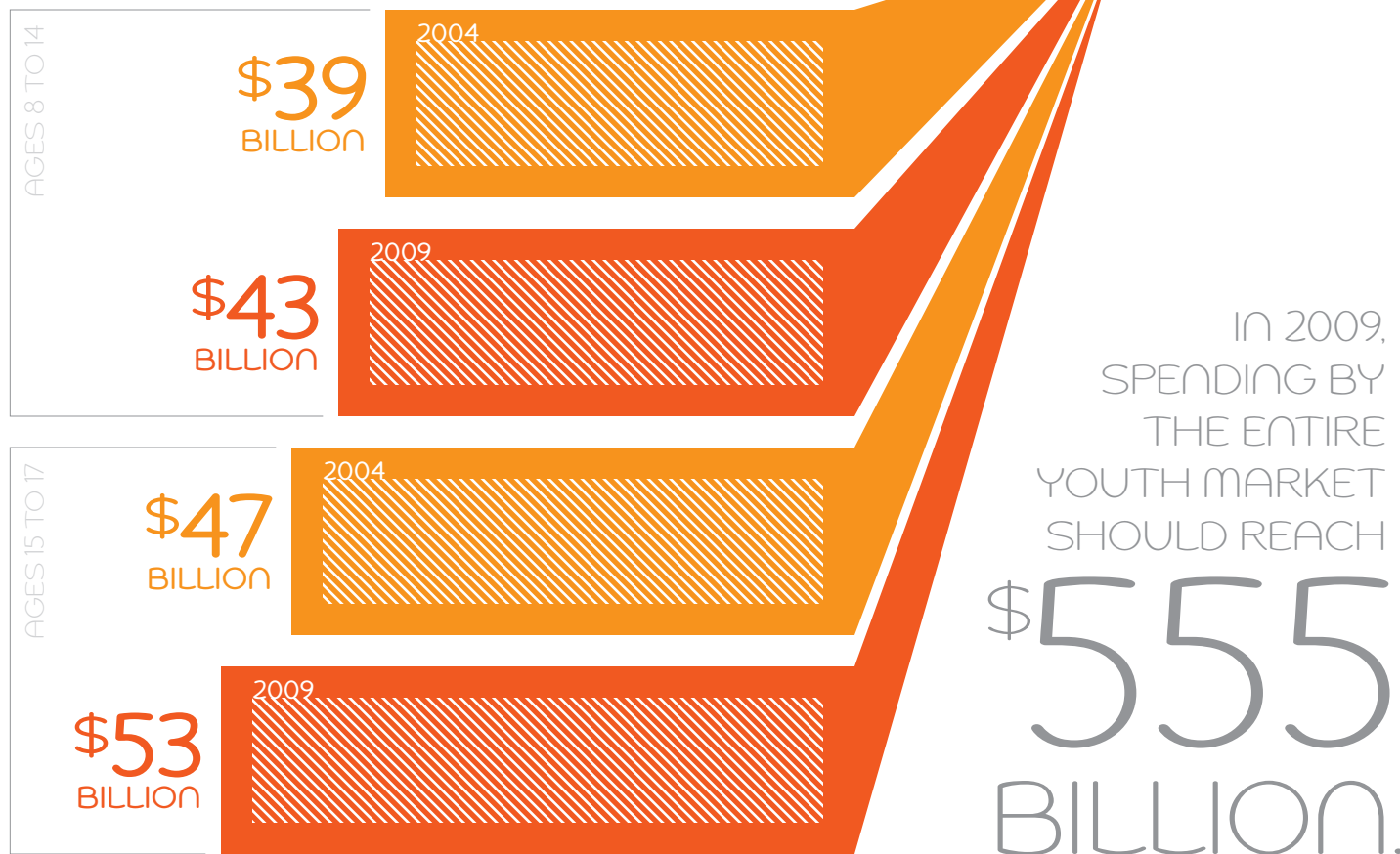
Gen Y's economic impact isn't so open to interpretation. According to estimates from Packaged Facts, the publishing division of MarketResearch.com, the purchasing power of 8- to 14-year-olds will increase from \$39 billion in 2004 to \$43 billion in 2009—and expenditures by 15- to 17-year-olds will increase from

\$47 billion to \$53 billion over the same period. Factoring in the \$502 billion that 18- to 24-year-olds are expected to spend in 2009, expenditures for the entire youth market should reach \$555 billion that year.

At Sphere Trending, a forecasting and trending company in Waterford, MI, founder and president Maxine Lauer uses the term "Generation Now," a group she defines as people aged 12 to 31. "We call them Gen Now because this group wants everything quick, fast and now," she says. "And they want it their way." The instant-gratification ethos is due to the instant-access world they live in. Ask this group to define "research" and they're not likely to describe library stacks, but rather the few keystrokes that can call up thousands of articles in seconds.

"The internet emerged with Generation X, but Gen Now was the first group for whom the web was not a complicating factor," Lauer says. As a result, the barriers between the virtual and real worlds are less distinct for this group. Lauer points to the popularity of Second Life among young people. In that virtual world, "residents" make real profits off virtual property,

INCREASING TEEN PURCHASING POWER



products and services (like hug making). As the next generation turns the corner—a segment aged 0 to 11 that Lauer has christened the “Digital from Birth” generation—those barriers will continue to dissolve.

KEEP IT REAL

In contrast, you won't find too many Boomers who can easily carry on a cell phone conversation as they simultaneously IM a friend—with the TV on in the background. “For an older generation, that's chaos,” says Steven Morris, who heads up Morris! Communication, a youth-oriented graphic design and branding firm in San Diego. “For a younger generation, it's normal. They can take it all in. They're used to ingesting information at that pace, and as a result, they've developed skills to filter what they're going to pay attention to.”

The Kaiser Family Foundation reports that people ages 8 to 18 “media multitask”—or use more than one type of media at once—74% of the time that they're sending instant messages, 74% of the time they're surfing the internet and 67% of the time they're playing computer games. Half the time that this group is doing homework on the computer as a “primary activity,” they're also using another type of media.

Morris frames the “short attention span” of American youth—over which many marketers' hands have been wrung—more as a matter of an accelerated pace of information processing. For Yu-Gi-Oh!, a quick-thinking card game for kids from client Upper Deck Entertainment, Morris! Communication's media mix includes online banner games that snag kids' attention as quickly as they provide rewards. “If we were to

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[GEN Y HAS] HONED A SIXTH SENSE ... OF KNOWING WHAT IS OR ISN'T REAL TO THEM. THEY DON'T WANT TO BE SOLD TO. THEY WANT TO BE ENGAGED AND ENTERTAINED.

— STEVEN MORRIS, MORRIS! COMMUNICATION

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— MAXINE LAUER, SPHERE TRENDING

use traditional marketing methodology, they wouldn't ingest the message,” Morris says. “But if they're served a message while doing something engaging, it makes it authentic and much more palatable.”

In fact, it all comes down to authenticity, says Morris. “This group can sniff out the bull from a mile away. They've honed a sixth sense in terms of knowing what is or isn't real to them. They don't want to be sold to. They want to be engaged and entertained.”

It's not easy to pass the sniff test. Young people are not about to take what advertisers tell them at face value. According to a 2006 survey from Harris Interactive, only 6% of 1,306 people ages 8 to 18 agree with the statement, “Advertising tells the truth.” Not much gets past the 57% of respondents who say they often notice tricks companies use to get them to buy something. And 73% of these savvy young people agree that companies try to get people to buy things they don't need.

Brands that attempt to circumvent this savvy by getting stealthier—planting “brand ambassadors” in chat rooms, for instance—are in for a rude awakening. Fully 41% of those 8- to 18-year-olds say that

they dislike or strongly dislike when companies get someone to mention a specific product in a chat room. It seems that the best policy—as it has been for millennia—really is honesty. “Not only do we have an ethical obligation to be authentic when reaching this audience,” Morris says, “it's also an effective way to go about your business.”

EVER-CHANGING DEMO

Adam Nisenson, principal and creative director of the youth-oriented sports marketing firm Active Imagination in Houston, gained firsthand experience with young people's skepticism when his firm developed the brand strategy for the inaugural 2005 Dew Action Sports Tour, an extreme sports event for the Gen Y segment. His team began by immersing itself in the skate and BMX sports cultures. Some kind of immersion process is a requisite for getting to know any consumer group, but it's particularly important in terms of the youth market, whose preferences are in a perpetual flux. “This is an ever-changing demo,” Nisenson says. “Generation Y is always looking for the next thing, so their ideas about what's cool are constantly changing.”

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And Nisenson didn't stop there. With logo concepts mounted on boards, he headed to local skate parks, where he intended to record young people's reactions to his ideas on video. But kids gave Nisenson a clear signal—namely, by walking away—that they weren't up for a sales pitch. "At one of the skate parks, I couldn't get any of the kids to stop and talk to me," he says. "It was like I was talking and walking behind them."

The good news is that once young people know a brand values their opinions, they tend to share their insights readily. Lauer says Gen Now could be called "The Do-It-With-Me Generation"—an appellation that underscores their receptivity to being included in brands' creation of both products and messaging.

While Nike iD arms consumers with the tools to design their own shoes, Lauer expects young people's demand for co-creation opportunities to explode in the near future.

And in fact, once Nisenson convinced the reluctant youth that he wasn't trying to sell them anything, attitudes changed. "Suddenly, I had crowds gathered around me," he says. Nisenson maintains that this direct contact with kids, for all its kinks, was a critical component to his firm's capacity to create a resonant, authentic brand identity for his client. "A lot of decisions made for Generation Y are made in a boardroom," he says. "Well, a boardroom demographic isn't the one you're targeting."

THE BOOMER BOON

The American "teenager" was invented—or at least established as a cultural concept—in the 1950s, thanks to the star power of James Dean and other more wholesome Hollywood heartthrobs. That's around the same time Americans began to worship a culture of youth at the expense of almost any other. So, too, did marketers. For the next handful of decades, most companies, with notable exceptions, operated on the assumption that people dropped out of the consumer scene at around age 50, when their brand loyalties were thought to have calcified anyway.

But times, as that anthem of Boomer culture has it, are changing. Robin Raff, president of marketing consultancy Boomer Business & Beyond in Walnut Creek, CA, says that as of 2006—the year the oldest Boomers, including Cher and Bill Clinton, turned 60—she's seen a surge in marketing activity around Boomers.

Far from dropping out of the marketplace, Boomers are driving it. According to marketing consultancy The Boomer Project, Boomers control 70% of the nation's wealth and spend more than \$2 trillion annually on goods and services. By 2010, adults over 45 will outspend young people by \$1 trillion. And projections from MetLife's Mature Market Institute indicate that by 2030, Boomers born between 1946 and 1964 will control 40% of the nation's disposable income and 77% of private investments.

For Raff, the single most important marketing-to-Boomers insight is that, while this generation follows a set of general principles, it isn't a homogeneous group. "There's this feeling in a lot of marketing that, 'We recognize you came out of the '60s so we're going play '60s music and call it a Boomer ad.' What that tells me is a brand doesn't know anything about me other than that I listened to Led Zeppelin at one time."

Any generation is more than the sum of its college record collection, but Boomers in particular are in the midst of intense transitions that marketers would do well to address. Some are planning for an empty nest, others for retirement. That underscores the wisdom of building communications around Boomers' lifestyle preferences and life stages, says Raff, who emphasizes another critical Boomer issue: In large numbers, these Americans are taking on the role of caregiver for aging parents—even as they raise their own children. A National Alliance for Caregiving/AARP survey estimates that 44.4 million people currently provide unpaid care to another adult. Of these, 59% either work or have worked while providing care.

As family members of different ages continue to share their lives together, Raff advises marketers and designers to reflect that reality by leveraging intergenerational imagery. She also predicts a sizeable uptick in the demand for support materials—like a document

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—NICOLAS APARICIO, LANDOR

44.4
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— ROBIN RAFF, BOOMER BUSINESS & BEYOND

she developed for Longevity Alliance, which helps Boomers broach the uncomfortable subject of their parents' plans for aging—in the near future.

OLD IS THE NEW YOUNG

As members of Gen X roll past their thirties, they can thank Boomers for that perhaps too-frequently evoked quip: "Forty is the new thirty." A fact sheet from the Boomer Project reports that people over 50—who see themselves as "early middle age"—don't expect "old age" to strike for another 20 years. That perceptual shift is grounded in fact, as Americans live longer than ever. In 2000, men aged 65 were expected to live another 16.5 years, and women another 19.5 years, according to the MetLife Institute on Aging. By 2040, men age 65 can expect to live another 19 years, women another 22 years.

"Aging is no longer a dirty word," says Maddy Dychtwald, senior vice-president and co-founder of the Boomer think tank Age Wave in San Francisco. "That's yesterday's perception. More and more, we have to ask: What are we talking about when we talk about 'older people'? Do we mean a 40-year-old? Well, what do 40-year-olds—or 60-year-olds, for that matter—look like?"

To be sure, not like they used to. "The most important lesson for us to understand is that while Boomers

realize there will be certain limitations to their lives as they age, they don't want to be thought of as old," says Nicolas Aparicio, executive creative director of Landor, San Francisco. "And they don't want to be put into a box where everything is suddenly about financial planning for retirement. They very much want to be a part of the trends and excitement that's happening in the retail world at large."

And they're not likely to let the mere onset of presbyopia—the eye's diminished ability to maintain focus as objects move closer, which tends to strike after age 40—to change that. For Boomers, the idea of selecting unattractive bifocals from a rack at Rite Aid is about as appealing a prospect as chugging a six-pack of Ensure. So when Cable Car Eyewear approached Landor to invigorate its appeals to Boomer consumers, the firm helped the national distributor of over-the-counter eyewear create a new brand, Zoom Eyeworks, offering frames in a range of sophisticated designs.

As a name, "Zoom Eyeworks" evokes the functional benefit of magnification, but it also communicates that this product line is as fast-moving as the trends Boomers stay on top of. The product line's fashion orientation encourages consumers to buy more than one pair of frames—the better to coordinate outfits with. In one swoop, Landor transformed a symbol of senescence into a vibrant accessory—a means for people to

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express who they are, says Aparicio, who also explains that the iconic quotation marks that pervade Zoom Eyeworks' brand materials are a graphic representation of the concept of self-expression.

WHAT'S GOOD FOR BOOMERS ...

From a design perspective, it's a mistake to assume that the only way around presbyopia is the use of monster-truck typefaces. Dychtwald explains that sans-serif fonts and slightly expanded tracking and kerning go a long way in aiding the aging eye, which also tends to struggle with reverse type. It's also a mistake to assume that this is an exclusively Boomer issue. Having spent their formative years glued to computer and other screens, Generation Y is reporting high rates of eyestrain. "The fact is, what's good for people who have sensory challenges is generally good for everyone," Dychtwald says.

One case in point comes from Fidelity Investments. As the leading edge of the Boomer generation reaches retirement, the financial service has focused considerable energy on identifying design features that better

meet the needs of older web users. Tom Tullis, senior vice president of user experience, recently examined the unique web behaviors of "older" users, defined here as 55 and up, in comparison to the under-55 set.

Interacting with a test site, the older group completed fewer tasks successfully than did the younger cohort. They struggled with web-specific jargon, small text and highly detailed tables. Older users also engaged in what Tullis calls "cautious clicking." With mouse hovering over links, they debated with themselves before taking the plunge, as if each click represented a kind of virtual vortex from whence they might never return.

Tullis' second test site introduced more descriptive links to cut down on the caution, options to increase font size and simpler terminology throughout. The results surprised even Tullis. Though he fully expected the modifications to help the older cohort, observations revealed a 27% *overall* improvement in successful task completion. As Dychtwald has already noted in a different context: What's good for Boomers—in many cases—is good for everyone.

TRAVERSING

THE AGES

No brand can be all things to all people. It's still the case that most successful strategies identify the most appropriate target, then funnel resources in that direction. But at least one aspiration shared by Boomers and their Millennial counterparts points to a swath of common ground that could be leveraged to intergenerational effect.

"Boomers are moving from 'success to significance,'" Dychtwald says. (The alliterative phrase serves as the title of a forthcoming book by Age Wave co-founder Ken Dychtwald.) As Boomers enter new phases of life, according to the "success to significance" precept, they're using their personal and financial successes—not to mention accumulated wisdom—to further causes they deem significant. Al Gore is a good example. So are Bill and Melinda Gates. But this extends beyond the rich and famous.

It seems that what's been called the "Me Generation" also has a selfless streak. "Part of Boomers' history has to be give back," Dychtwald says. "It's in their DNA. What's fascinating is that the older Prime Time generation has more accumulated wealth than the Boomer generation, but they don't give back the way the Boomers do."

Like their elders, young people want to know the brands they support care about more than the bottom line. According to an Alloy Media + Marketing College Explorer Study, conducted by Harris Interactive, 33% of college students ages 18 to 30 say they prefer

brands that give back to the community, are environmentally safe or are connected to a cause. One in four say they've purchased a product this year specifically because it was socially conscious.

Not too many marketing initiatives use that point of convergence to tie these generations together. Brands that seek to reach older consumers and simultaneously maintain interest among younger consumers are not likely to launch large-scale, Boomer-based campaigns. To avoid "aging a brand's image," the prevailing strategy has been to reach older people through more covert strategies, including web efforts and direct mail.

All it took to shake things up, however, was one celebrity with appeal so far-reaching it's practically meta-generational. U2 frontman Bono—the personification of "success to significance" and a man who's turned his own progressive lenses into a serious fashion statement—approached branding firm Wolff Olins, New York, with an idea: If given the opportunity to vote with their wallets, American consumers could eliminate AIDS in Africa.

To help Bono and his team evangelize that idea in brand terms, Wolff Olins created not only a new brand but a new business model, one that allows diverse partners to incorporate the cause into their own brands—without diluting their images. Product (RED) launched in the U.S. in October 2006. The initiative's partners, which include Apple and Gap, among others, all donate some portion of the profits



INSPI(RED)
 Launched in October 2006, Product (RED) appeals to both ends of the socially-minded age spectrum. Companies like Gap and Apple have enlisted spokespeople from Millennial Dakota Fanning to Boomer Steven Spielberg to promote the campaign, which helps AIDS patients in Africa.

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ALL GENERATIONS WELCOMED (RED) WITH OPEN ARMS. FROM THE BEGINNING, THIS WASN'T ABOUT REACHING A YOUTH MARKET OR AN OLDER TARGET. IT WAS REALLY ABOUT THE AMERICAN PEOPLE.

—DEAN CRUTCHFIELD, WOLFF OLINS

from their (RED) product lines to help distribute anti-retroviral medicine to AIDS patients in Africa. But each does what it sees fit with regard to the communications strategies built around those products.

“From the beginning, this was about all ages and all types,” says Dean Crutchfield, chief growth officer at Wolff Olins in New York City. “It was about taking the idea to the High Street. Well, people of all ages enjoy shopping on the High Street.”

Indeed, activity around (RED) spans generations. Celebrity endorsements in Gap’s campaign include Millennial Dakota Fanning, GenXer Chris Rock, and Boomer Steven Spielberg. A brand presence on MySpace has built buzz among tweens and teens, while Oprah Winfrey spread the word among grown-ups, devoting an episode of her show to (RED).

“That was a huge indication of the way all generations welcomed (RED) with open arms,” Crutchfield says. “From the beginning, this wasn’t about reaching a youth market or an older target. It was really about the American people. What we’re talking about is idealism meets pragmatism.” And what—other than fresh-faced idealism on the one hand and wizened pragmatism on the other—could better link the young

and old, or more appropriately, “the older”? According to Dychtwald, doing so is the wave of the future. For those who are afraid to traverse the ages, she raises a fire-engine red flag: “You can’t reach more than one generation at a time? Well, we’re entering an era in which multiple generations will coexist, so people need to open their minds to new perceptions about aging. If they want to continue to be viable in the marketplace, they’re going to need to figure out how to reach multiple generations. It’s the only way they’re going to see success.” **HOW**

Tiffany Meyers, a card-carrying member of that in-between generation known as X, is a Chicago-based freelance writer. Her work has appeared in Ad Age, Communication Arts, the Chicago Tribune, Metropolis and Forbes.com. tiffanymeyers@verizon.net

- NICOLAS APARICIO** SAN FRANCISCO www.landor.com
- DEAN CRUTCHFIELD** NEW YORK CITY www.wolff-olins.com
- MADDY DYCHTWALD** SAN FRANCISCO www.agewave.com
- MAXINE LAUER** WATERFORD, MI www.spheretrending.com
- STEVEN MORRIS** SAN DIEGO www.thinkmorris.com
- ADAM NISENSEN** HOUSTON www.aimagination.com
- ROBIN RAFF** WALNUT CREEK, CA www.boomersandbeyond.biz