

Part One

Introducing Generation 2.0

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Meet the Kids

*Say Hello to the
Newest Wave of
Millennials*

BUZZSPOTTER PROFILE

Jamie's iPod alarm wakes her up with Miley Cyrus's "Can't Be Tamed." She throws back the sheets on her brand-new Target bed-in-a-bag, powers on her Sony Vaio laptop, and lets her friends (and the rest of the world) know that she's awake by updating her Facebook and Twitter profiles. After checking her Facebook newsfeed to see what her friends are up to, she grabs a pair of Olsenboye jeans, pairs them with a Material Girl top, and finishes off the look with classic Converse high-tops. She grabs her iPhone and sends a text message to her best friend to make sure their carpool to school is on time. She's already moving fast, and the day has just begun.

Meet Jamie—an everyday tween who represents the Millennial generation.



Pop Quiz

True or False: The majority of teens shop online.



BUZZFLASH: THAT'S A LOTTA KIDS

The U.S. Census Bureau estimates that within five years there will be more than 76 million American children under age 18. In 2015, the largest group of children will be between the ages of 5 and 13 (an estimated 39 million kids). There will be 17 million teenagers between the ages of 14 and 17, and 22 million kids under the age of 5. More than 20 percent of the total will be of Hispanic origin.

The term *Millennial* has become common parlance nowadays. It is usually used to describe a generation of young people who have

changed the ways we think, work, and communicate. Although they're still in their formative years, members of this cohort have already made an impact on the entire planet through their innovative uses of technology, chaotic yet controlled attention spans, and constant craving for instant action and information. Although older generations may occasionally complain about these new ways of life, we all know that we indeed live in a new world and, like it or not, we will follow the Millennials' lead.

Who, exactly, are these Millennials? Basically, this group consists of anyone aged 8 to 26, born during the years 1984 to 2002. Breaking them down another level, Millennials are tweens, teens, and young adults. Chapter 2 describes ways to categorize young people based on their mind-set and preferences rather than age, but let's start with the numbers.

Tweens are Millennials between the ages of 8 and 12 (sometimes as old as 14) and, as far as marketers are concerned, are the most important age group in this generation for one significant reason: They spend their parents' money. They also have some cash of their own to spend. According to C&R Research, the average weekly allowance is \$9. The bulk of their personal money comes from gifts from parents and grandparents. Of course, there are plenty of other reasons to focus heavily on tweens. They are the first age group of humans to grow up completely engulfed in a world connected by the Internet. They are learning in entirely new ways, and they will mature with a constantly evolving educational system. They'll be the first to use more electronic tools (computers, e-learning software, and touch-screen test taking) in the classroom than traditional ones like pencil and paper. All of these new tools allow tweens to learn faster than any generation before them, and therefore to find their identity and formulate their opinions at a much younger age than society is used to.

Tweens are essentially the "golden egg" for marketers, as capturing market share in this demographic can result in substantial payoffs. Consider the rise and continued popularity of a company like Disney. This entertainment corporation—at one time focused almost entirely on cartoons, films, and in-person entertainment like theme parks—has extended its brand in a variety of ways to remain in the forefront of the

tween market. For example, the launch of the Miley Cyrus properties, starting with the Hannah Montana television series and extending Cyrus's musical products, exhibited Disney's role as a major player in the music business. Disney's record label, Hollywood Records, has experienced tremendous success and increased revenues while the rest of the major record labels are heading toward an inevitable demise.

Tween boys are a bit tougher for marketers to figure out. They're still a bit finicky with their decisions and not as quick to choose their tastes and preferences with the same amount of conviction as their female counterparts. This leads brands to launch campaigns that consist of more trial-and-error marketing. Even sports, once a sure bet to attract tween boys, has been fragmented due to the rise in popularity of several new sports—including those once considered “alternative,” like skateboarding and snowboarding—and the revitalization of old classics like martial arts. Basketball, baseball, football, and soccer are no longer the only popular choices.

Ten years ago, the tween market didn't even exist. We would have called them “children” or “kids.” But this emerging group, in between childhood and the teenage years, is where the money and hot products are. Tweens are the first group to live entirely wired lives. Later in this book, we're going to discuss the effects of a totally wired life and examine the expectations of this tween consumer. For now, it's important to understand that marketing to tweens is a slippery slope: Tweens don't want to be treated like children, but they still come attached with a purse-string-holding adult. So, how can marketers please both tweens and their parents? They should take a page out of the marketing book of tween retailer extraordinaire, Justice.

Justice opened its doors in 2004. Some of you may remember its predecessor, Limited Too, launched in 1987 by Limited Brands. The store offers the most cutting-edge tween clothing that is also Mom and Dad approved. But the real secret to the retailer's success is its monthly *catazine*, a catalog/magazine, in which girls can preview items that will be arriving in stores, read special content, and participate in contests and promotions. Each month, Justice ships more than 11 million catazines, whose readership among tween girls is greater than that of *Girl's Life*, *Seventeen*, and *Teen Vogue*

combined. Justice has figured out the way to speak to tweens. More important, it has translated into sales. Even in a tough economy, parents are still spending money on their tweens. If you're looking for an entry point into the youth market, the tween consumer may just be the right target for you.

I believe that for a brand to be successful in the tween market, it must meet three essential needs of the tween consumer: aspiration, security, and acceptance. Justice offers all of these things. Tween girls want to be teen girls. That will never change. They want to dress like their favorite Disney and Nickelodeon stars. Justice offers skinny jeans, UGG-style boots, and graphic tees. The stores even offer cosmetics and spa products! It's the very definition of tween aspiration.

It's also important for tweens to shop in a comfortable environment. Justice stores offer tweens that security. They know that there will be no embarrassing moments, shopping among their teen counterparts. More important, there are no tween boys. It's important to understand that even though tweens aspire to be older, psychologically, they are more like children than they are teenagers. They still need and want their mom to play a major role not only in their buying decisions, but also in their lives. In a recent Buzz Marketing Group survey, Mom ranked number one as a confidant over teachers and friends.

Tweens also need to feel accepted. If a tween girl is going to try out a "punk" look, it's more likely that her group of friends (or her tribe) will also be trying out this look. Tween girls are figuring out who they are and what they want to be. They're still not sure of themselves. They are experiencing new things every day and have not yet totally defined who they are. Tweens will not try a brand that has not yet been vetted for the cool factor. Even a Queen Bee tween is most likely sporting well-known brands. It's just not a risk they're willing to take.

While tween girls identify themselves based on their retail choices, tween boys are not shoppers. Where will you find a tween boy? The obvious answer is playing with his video games. They may have abandoned the Legos they played with as boys for Lego Star Wars, the action video game that, according to *Wired* magazine, has sold more than 6.7 million copies. We know that boys like the action and escapism offered in video games, but what else do they like?

Books. That's right, tween boys are big readers. And no series is more popular with tween boys than Jeff Kinney's *Diary of a Wimpy Kid*. This series offers every element I mentioned earlier as being important to tweens: aspiration, security, acceptance. In some ways, they can relate to the main character in the series, Greg Heffley. Even though he may be a little nerdy, he's aspirational. He's a nerd who wins. There is security in the reading experience. It's something that tween boys own. It can also be as private or as public as they like. And *Diary of a Wimpy Kid* is cool with other tween boys and girls, having sold millions of copies.

Here's one final caveat: Tweens are not brand-loyal. That's right, of all of these subsets, tweens are the most elusive. One example of their lack of loyalty is the transition of all of the Limited Too stores to Justice. Same products, different name, same tween customer. Tweens weren't at all loyal to the Limited Too brand. It may have been a different brand name, but it offered the same aspiration, security, and acceptance.

Even so, tween retail is exploding right now. Teen retailer Aéropostale launched its tween brand, P.S., in 2009. In 2010, it has opened more than 40 stores, with plans to open five more before the end of 2010. American Eagle Outfitters also launched its 77kids brand online in 2008. In 2010, it opened a handful of stores. These new stores join longtime tween retailers Abercrombie & Fitch, which has more than 200 Abercrombie stores, and Gap, which operates more than 200 GapKids locations. In 2011, they currently have 35 P. S. by Aéropostale stores. As of 2011, there are nine 77kids stores, according to ae.com.

Teens are Millennials between the ages of 13 and 19 (born between 1991 and 1997); this age group receives the majority of the Millennial generation's spotlight. America has been fascinated by teen culture for the past few decades. Movies like *Back to the Future* and *The Breakfast Club*, now considered classics, provided a few early glimpses into teen culture. They highlighted, in humorous and entertaining ways, the quick changes that occur in the lives of this puberty-stricken age group stuck between childhood and adulthood.

The fascination with teens really started to explode in the late 1990s with musical groups like the Backstreet Boys, NSYNC, and female

Forever Popular Forever 21

Forever 21 was founded in Los Angeles 1984 by a South Korean couple, Dong-Won Chang and Jin Sook, under the name Fashion 21. By 1989, the couple had changed the name to Forever 21 and was operating 11 stores. The eleventh store was also the company's first mall-based store. In 1995, they opened a store in Miami, which was the first location outside of California. By 1997, they were operating more than 40 stores. Today, more than 450 stores operate under the Forever 21 umbrella, and 2008 revenues were reportedly \$1.7 billion.

What's the secret to the chain's success? Despite competitors like Charlotte Russe, H&M, and Wet Seal, Forever 21 seems to be the most popular with teens, and now tweens, since unveiling a new tween-targeted collection. For starters, it's not affordable luxury. No, that was the cloud on which H&M floated into the American psyche. Forever 21 is all about fast fashion. For example, you admire a friend's dress, she tells you it's from Forever 21, you go the following week, and it's nowhere to be found. That is the key to Forever 21's success. Forever 21 is appointment shopping. You must get it before it's gone. There is nothing Millennials love more than an experience that feels exclusive and limited. Throw in value, and you are on the fast track to superbrand status. Target has learned a thing or two from Forever 21, with its exclusive and affordable collections.

Emerging brands should think about what they can learn from Forever 21's quick thinking on fast fashion.

pop icons Britney Spears and Christina Aguilera. These entertainers showed us that the teen dream was alive and kicking, as the whole globe watched them grow up. (In fact, almost all of these performers were brought up in the Disney "farm system" while participating in the Mickey Mouse Club.) Marketers also took notice as these groups created an explosion of merchandising opportunities that pushed teens into the driver's seat to guide cultural tastes from music toward fashion.

At the turn of the century (and millennium), teen culture was in full swing with the launch of teen titles like *Teen People*, *Elle Girl*, and *Teen Vogue*. The popularity of these magazines proved that teens had a strong voice and commanded the attention of peers, parents, and marketers alike. The entertainment industry has become flooded with teen movies, teen television shows, teen actors, and televised contests searching for the next big teen talent.

While it seems that America's fascination with teens will continue, it is important to remember that this group of Millennials—more than tweens and young adults—still struggle to find their identity and commit to lifestyle choices. They're more likely to timidly feel their way through their adolescent years before really capturing their individualism as they approach the brink of young adulthood.

Capturing the heart of a teen consumer is no easy task. They have completely different motivations than their tween and young adult counterparts. I believe that there are three things that matter to the teen consumer: inspiration, disruption, and value. Teens need to feel inspired by the brands in which they invest their time and money, which companies like Pepsi have shown they understand. Pepsi's latest cause-marketing masterpiece, "Pepsi Refresh Project," has created a viral marketing juggernaut. Consumers are asked to participate in a voting process by selecting their favorite nonprofit cause for microgrants. They are also able to submit their own funding ideas in several key areas, including arts and culture, health, food and shelter, and the planet. Almost 2 million people "Like" this on Facebook. But inspiration via cause-marketing strategies is not the only thing that's important to teens. Retailers like American Eagle Outfitters offer visual inspiration to teens, and brands like Apple—with cutting edge technology and upbeat advertisements—are incredibly rousing as well.

While the notion of disruption may seem a bit counterintuitive, it's necessary in order for teens to embrace a new brand. We often hear about the power of disruptive technology, and one example I love to use relates to digital downloading. When music companies decided to phase out singles, teens and young adults began sharing files illegally online—a practice that was eventually replaced by legal services such as iTunes and Amazon.com. No longer was it necessary

to purchase a 14-track CD for the sole purpose of owning a single favorite song; consumers simply didn't have to pay for music they did not want. However, record labels were not prepared to deal with this, and they still have not recovered. Their initial strategy was to sue consumers, the majority of whom were minors, instead of focusing on solving their main problem by creating and distributing music consumers wanted.

This is a case where I believe disruption can also go a step further. Simply put, *disruption* literally means “an interruption or interference.” It is about innovation and understanding where your brand fits into a consumer's mind-set. Teens literally need to be *interrupted* to pay attention to your brand.

Let's think for a moment about a teenager's typical day. Teenagers normally rise around 6 AM, or hit the snooze button, thereby throwing off the rest of their prep time for the day. They'll eat something for breakfast on the run (how nutritious that something is isn't clear), dress, and either drive to school or catch the bus. They'll spend eight hours interacting with friends (and hopefully learning something). Then they're off to sports, after-school activities, a part-time job, or some combination of these. They're finally back at home in the evening doing homework, chatting with friends online, and (maybe) watching some TV.

There's a lot going on throughout that day, and at some point, teenagers make a decision to either interact with your brand or not. Are they eating *your* breakfast cereal? Dressing in *your* clothes? Talking on *your* cell phone? Driving *your* car to school, or walking there in *your* brand of shoes? They're doing these things with *someone's* products, and how they decide what to use is a result of a series of choices—both their own and those of others. It could be Mom who ultimately plunks down the cash for the purchase, a friend who shares the “latest thing,” or a team member who advises them on the apparel that will best improve their game. Whatever your brand can do to be disruptive—to make just enough noise to become relevant—is extremely important to this group of consumers.

Finally, you have to offer value. Business students, on writing their very first business plan, are told that they must offer a “value proposition.” This is a simple statement that normally starts with

something like, “We promise to . . .” and ends with something like “. . . give you the shiniest hair possible [the most stylish pair of shoes, the best fashion content].” But there is one ending that trumps all others: “. . . at a reasonable price.” When it comes to teens, price matters—more than you think. It did even before the recession hit. You can only imagine how they feel about it now, in this postrecession era. Teens have tons of expenses: lower-priced commitments, like prom, clothes, and electronic devices, and the bigger-ticket items as well, with college and a car purchase looming. The list goes on and on. Value, indeed, is of the most importance these days. A recent TD Ameritrade survey found that 36 percent of teens would delay college because of the price.

Young adults are Millennials between the ages of 20 and 26 (born between 1984 and 1990), and they are the first group of Millennials to cross over from childhood to adulthood during the Internet age. The timing of their maturity makes this group somewhat oxymoronic; while they’re very valuable, they’re also potentially destructive in many marketers’ eyes. On one hand, today’s young adults have tremendous capacity to change the way we think and learn. They grew up with one foot (or one toe, depending on how you look at it) in the old school, but with their eyes on new ways of doing things. This grants them the knowledge to communicate with older generations, who need help getting up to speed in a faster world and marketplace, while also using these very skills to outperform older generations who grew up in a much different, and much slower, learning environment. Many young adults are using this to their advantage; for example, Facebook founder and billionaire at 26 Mark Zuckerberg was recently the youngest person named to the *Forbes* list of richest people in America.

I just pointed out how disruptive innovation affects tweens, but a great example of the impact of young adults on modern commerce is evident in the music industry as well. Once-popular music file sharing program Napster, developed in 1998 by 18-year-old Shawn Fanning, hit its peak around 2000. The program allowed young adults to crack the record labels’ codes, making music accessible on a widespread—and *free*—platform. As many people know, the labels fought back hard—and not very diplomatically. What resulted

was a decade of dramatic and tragic decline of the organized music industry, all because the traditional powerhouses weren't willing to listen to the Millennial generation. Like Zuckerberg, Fanning was "just another kid in a Boston dorm room" who changed the face of global culture forever.

As far as marketers are concerned, young adults have moved past the point where they can rely on their parents for extra cash. Because they have the least amount of disposable income compared to other Millennials, they're the most difficult for marketers to reach. Like their younger teen and tween counterparts, young adults are learning to adapt more quickly to globalization than older generations. Zuckerberg and Fanning have showed us that this group can make a global impact—and be extremely well compensated for it—without following a traditional career-building path. This means that they are more business-savvy, often making them more money conscious and very aware of the current economic climate.

In addition to entering the workforce and having a better understanding of the value of a dollar, young adults have fine-tuned their tastes and developed more precise spending habits. They may have to pinch pennies at times, but they know what they want. Most of them stick to the tribal characteristics they've developed in their teenage years, and they're saving what they can for their first big luxury purchase. Some of them, however, may decide to invest by starting a new business or developing a hobby into something that they can monetize and use to put some extra money in their pockets.

What do they expect from marketers and from the brands they love? I believe that the three most important things to young adults are reflection, commitment, and self-fulfillment. By this stage in their lives, Millennials are looking for brands not to define them, but to *reflect* who they are. The college years have helped them identify their tribe—whether a wired techie or hipster preppy—and discover what they like.

The good news is that young adults provide a great target for emerging brands. If these consumers already identify with hipster culture, it's clear that they will at least consider purchasing products or services from a new brand in this category. An interesting

example of this is the web site Karmaloop.com, an online retailer that specializes in urban fashion. Founded in 2000 by Greg Selkoe, this once-small online retailer now has over 3.5 million visitors per month and more than 30,000 brand evangelists. In 2005, a bricks-and-mortar store opened up on famous Newbury Street in Selkoe's hometown of Boston. Karmaloop.com carries more than 150 different brands—some well known, like Puma, and others lesser known, such as Hellz Bells. But fashion isn't all that this company is about. In 2008, Karmaloop.com registered thousands of young people to vote. It's clear that Karmaloop is a reflection of its customers, just as much as it's an inspirational place for them to shop.

It's not enough these days for young adults to see themselves in the brands that they love. They also feel a commitment *from* those brands. Converse is an example of this. For over 100 years, Converse's commitment to its consumers has not changed. The company, which predated Nike, Puma, and Reebok, has always been cutting-edge. It's one of very few products that can instantly increase a purchaser's "cool factor." That commitment to style and substance has not been lost on its young adult fans. Converse is also one of only a handful of brands that has not decreased its "hip factor" by partnering with Target. In fact, this has only increased its ubiquity.

In order for young adults to commit to a brand, the brand must first firmly establish its identity and not waver—no matter what the current pop culture says you have to do or be. A brand like Converse, which has survived over 100 years and consistently attracted the same core consumer, has clearly developed and stuck to a compelling identity.

Since these older Millennials have grown up in a world full of causes to support, they expect their brands to take part in some form of cause marketing. But it's not just about the cause for these consumers; they themselves need to experience a sense of fulfillment from interacting with the brand. Doing so might be as simple as buying a book via Amazon 1-Click or reading an article on www.nytimes.com. Self-fulfillment is the most important element of any brand experience for young adults. Projects like FEED Africa, which not only provides a chic handbag but also a year's worth

of meals to a child in Africa, satisfy a need to be both fashionable and philanthropic.

This trend even extends to politics. President Barack Obama attributes a lot of his success to young adult voters who desperately wanted change. This group saw in President Obama what they see in themselves: hope, opportunity, intelligence, commitment. It is incredibly important for Millennials to be able to believe in something greater than themselves. They unite around causes, ideas, concepts—anything that represents the bigger picture. President Obama ran his campaign so much like marketers run brands that he was actually awarded 2008 Marketer of the Year by *Advertising Age* magazine.

In an October 2010 Buzz Marketing Group Political Pulse survey, in which more than 1,000 young adults participated, a whopping 92 percent of those surveyed said they would be voting in the midterm elections. What's interesting is that only 29 percent of respondents are actually happy with the job the president is doing. Young adults aren't rallying around the president; rather, they're rallying around a cause that is important to them—having their voice heard.

Economic Awareness

Now that we know *what* Millennials want from their brands, the bigger question is, given this economy, what can they *afford*? Historically, Millennials don't bring to mind a generation of people who need to save money. Yet these days, it's all about saving, and their priorities have definitely changed.

Our recent survey found that clothing was the number one casualty, followed by dining out, shoes, electronics, and movies, in that order. All of these correlate to companies that have suffered during this recession, with the exception of movies. In a recession, people need escapism. Whether it's TV, films, or happenings in pop culture, Millennials, and all of us, need an outlet for anger and frustration.

Almost everyone is worried about money. Those who don't have much are in a constant struggle to keep up. Those who do have some savings are holding on to what they have, waiting for more prosperous times. Millennials are no different. In the spring of 2010,

we performed a recession-focused survey that revealed information on teen spending habits, changes in leisure-time activities, and the Millennial generation's hopes and worries for the future.

Tweens are the only group within the Millennials who, because they still completely rely on their parents for spending money, are experiencing little direct change in their spending habits, as exhibited in the following survey response: "My grandmom still gives me money all the time!" However, many of their parents are not earning as much as they used to and are more reluctant to dip into savings, so tweens feel a secondary impact.

While tweens have a lot of influence, there is still a major shift occurring with these consumers. According to Research and Markets, tweens spend \$43 billion annually, which translates to about \$2,047 per tween. This group's influence is everywhere, from automobile purchases to grocery store purchases. According to a recent Experian Research National Kid Study, kids have more influence over the brand of toothpaste used by their family (92 percent) than the toys they play with (82 percent). Additionally, 78 percent of tweens go grocery shopping with their parents, with girls (82 percent) outnumbering boys (68 percent).

Tweens still wield some power and influence in their households, but I believe that in this postrecession era, parents are taking back the power of the purse. This is more practical than psychological. There is simply less money to go around, and for the most part, moms have to allocate all of the household dollars.

Parents still feel the need to provide for their tweens in the same way that they may have provided for older teen and young adult siblings, so they're feeling the effects of the recession a bit less than their sibling counterparts, but their mom's influence is there.

Although tweens have yet to reach the age where they must adapt their behavior to the economy, 85 percent of the teen and young adult respondents to our survey say that their spending habits have changed because of the recession.

Teens are still bridging the gap between relying on their parents and finding jobs of their own (at least part-time jobs), and they're aware of the impact on both their parents and the job market. They exhibited a keen awareness regarding the shortage of cash

these days, as shown in these responses: “When my mom is making less, then I get less,” and “Getting a job is not as easy as it used to be.” We can still expect teens to spend money, but this already-fickle demographic will become more and more choosy. This, of course, means marketers will have to work harder to sincerely engage with teens as they start to choose their preferences (likely to match the tribe that they’re joining).

Our survey indicates that malls are getting quieter, because buying clothes is the number one casualty of the recession as it pertains to Millennial shopping habits. Malls are teen hangouts, so this doesn’t mean that teens aren’t shopping at all, but it adds pressure on marketers used to a youthful shoppers with a “this *and* that” mentality, evident during better times, who have switched to a “this *or* that” mind-set during the current economic malaise.

What’s more, teens are turning to mall alternatives such as clothing swaps, eBay, and discount stores like Plato’s Closet. Accessibility is so important to teens. It doesn’t matter *how* they acquire a coveted item; it just matters that they get it, and in a timely fashion. This is why retailers like H&M and brands like Coca-Cola consistently rank high on brand index surveys. Teens—or the Microwave Generation, as I like to call them—need instant access.

In the survey, some teens even provided responses that business leaders and politicians of the past decade could have considered, such as, “Steady income is never a guaranteed thing, and . . . I should always plan ahead and save for a financial crisis.” This leads teens to “think before [they] spend” and to move away from frivolous extra purchases (little things by the checkout, for instance) that have helped marketers retain market share.

Young adults, most of whom have outgrown the age of financial dependence, have learned the value of the dollar, unlike many previous generations. A lot of them are working and going to school at the same time, and many of them have significant student loan debt. The ones who spent their teens spending loosely have really pulled back the reins and learned to cope without the extras. Here’s one response that shows a drastic shift from the past few decades of decadence and luxury: “. . . I can live without whatever it is I think I need, especially media. I can always borrow things from

other people or find alternative ways of getting things, like from the library.” In short, young adults have “learned to be more frugal” and now “look for quality and durability in the products [they] buy as opposed to trendiness or fancy packaging.”

Not surprisingly, the Millennials’ new economic awareness and perspective on the value of the dollar resembles that of a generation about 60 or 70 years their senior, the generation that lived through the Great Depression, many of whom fought or participated in World War II. The economy is faltering and the job market is bleak, forcing people to cut back on spending, save more, hunt for discounts, and use coupons. Most of our survey respondents indicated these types of changes in their behavior. In their words, they have “learned the difference between a need and a want.”

Teens and young adults in particular are exercising unprecedented levels of caution. There are marketers who seem to think that, like all economic downturns of the past, the current recession will sort itself out fairly quickly and things will return to normal. It would behoove all marketers and the companies they represent to move as cautiously with this line of thinking as the Millennials are moving with their spending. What we are witnessing is a cultural shift in the way young people spend their money, primarily due to the economic downturn, but also, significantly, due to a digitized shopping process that allows young people to quickly find the best deals (a process that can rapidly decrease brand loyalty). Our survey indicates that young people are currently split on whether they will return to their previous spending habits. The smart bet is that they will not return and will instead continue to follow the cultural shift of economic awareness. They have learned to live without certain luxuries and are more cautious than ever about laying down big bucks for an item for which they can’t justify the need.

Despite the fact that these teens and young adults are cautious about spending, they’re still not willing to commit to a job they don’t love—even after witnessing the current deep recession. The National Association of Colleges and Employers, which conducts an annual survey of thousands of recent college graduates, found that 41 percent of job seekers turned down offers in 2010. That’s the same exact percentage that turned down such offers in

2007! Whether operating in a booming or recessionary economy, Millennials are just not willing to compromise their happiness for a job they don't love. Much has been written about older Millennials who feel entitled to jobs that they love, whereas their parents at times were just happy to be gainfully employed. How can you blame them, though? Members of this generation were taught that "everyone is a winner" and would often see their parents argue for a higher grade they may not have deserved. At some point, we're going to have to deal with this entitlement issue. It's making its way into offices all over the world—and shocking the heck out of boomer bosses.

Overall, interaction with Millennials is not about marketing to a demographic anymore; it's about marketing to a mind-set. In the next chapter, I break down the four predominant mind-sets of today's young people, which I call *tribes*: techies, preppies, alternatives, and independents.

Marketing Moment: While Millennials are still spending plenty of money, their parents have an even bigger role in those decisions in this postrecession era. To be successful, you have to make sure there's a parental incentive to purchase, which could be as simple as a discount.

Along with the shift in mind-set about spending, Millennials are used to using technological tools to get things done faster, both when shopping and when performing everyday activities. Older generations may think that Millennials are cutting corners, but that is not often the case. The fact is that technology has found ways to improve processes and turnaround times in exponential multiples. This does not always correlate with a lower-quality product. It will be interesting to observe how Millennials, led by folks like Mark Zuckerberg and Shawn Fanning, continue to change the ways we think about human life, through methods of interacting (Facebook) and sharing (Napster). As one of our survey respondents highlighted when asked about the impact of the recessions, "Family will always

be around, money won't." Even if times are tight, the human race is experiencing times of unprecedented sharing and collaboration. Millennials are in the driver's seat, and they have a better grasp of staying grounded than we give them credit for.

TINA'S TOP 5

1. Today's Millennials are more wired than any generation before them.
2. The Millennial generation includes three subsets: tweens, teens, and young adults.
3. Over 85 percent of Millennial survey respondents say their lives have been changed by the recession.
4. With Millennials, it's not about marketing to a demographic, it's about marketing to a mind-set.
5. Millennials are global mobiles, and they expect their brands to be global, too.

1. *Today's Millennials are more wired than any generation before them.* Today's youth are plugged in. They live their lives constantly checking e-mail, text messages, and browsing online with their handheld devices. This may make some of them distracted, but we're seeing the benefits of always being connected to each other. We learn a lot more about the things they are interested in, and the constant stream of communication is full of valuable data that demonstrates predictable habits and shifts in preferences. Brands will have to continue to work with younger people where they are most comfortable, on their phones and computers.

With every upside, there is a downside, and it's no different with this wired generation. Cybersafety is a very prevalent issue in today's digital landscape, one that extends to so many different areas: protection of information, actual safety concerns in regard to cyberbullying, and the psychological effects of spending so much time online. An MTV-Associated Press Study estimates

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that over 50 percent of 14- to 24-year-olds have suffered some type of digital abuse.

Then there's the ongoing war between Facebook and its 500 million members. What information do users own, and what is considered private? Can there be any *true* privacy when you willingly utilize the technology provided by Facebook?

Finally, how do brands get into the game? There is so much fear associated with allowing consumers to somehow take control over a brand—something I completely understand. If you're a brand that's invested billions into an image, do you necessarily want to hand that over to Millennials? Heck, if you've even spent \$5 on marketing and invested tons of sweat equity, I doubt you'd want to relinquish control. But you have to—to some extent—in order to get in the game. Technology is not going away and cannot be ignored. To reach Millennials, brands nowadays have to have to get totally wired.

2. *The Millennial generation includes three subsets: tweens, teens, and young adults.* In the next chapter, I will introduce the four “tribes” that most adequately represent the mind-sets of today's youth: techies, preppies, alternatives, and independents. However, we can learn from the numbers, so to speak, by following kids up the age ladder as they become tweens (8 to 12) and start to identify their tribes, who then develop strong individualism as teens (13 to 19), which is reflected in their spending and living habits, and who finally take the leap into adulthood as young adults (20 to 26) and start making decisions for themselves instead of relying on others for financial support.

Each subset also has its own wants, needs, and desires. Tweens aspire to be older. They seek aspiration from brands. They are still very connected to their parents and need security. Acceptance is also very important to tweens, and no matter what the brand is, they must know that their friends also like and accept that brand.

Teens are at a place in their lives where they need to feel inspired. They're becoming more independent and no longer

need to feel acceptance from their friends when it comes to brands. They want to be cool, but they're doing it their own way. To get a teen's attention, you will also have to be disruptive and literally shake things up. There must always be value with this group, since there will always be something else that requires their money and time.

3. *Over 85 percent of Millennial survey respondents say their lives have been changed by the recession.* Older generations often regard young people as less aware of the economic environment and the workings of financial economy. I'd actually argue that some young people have *more* awareness than their older counterparts, as they are finding it harder than ever to find even part-time jobs, and some of them are starting their own businesses in their teens—showing that their awareness goes beyond just their shopping habits. Ironically, the Millennials could teach us all a thing or two about how to save, especially by identifying ways that technology can make certain things in life cheaper. Shopping on sites like eBay for discount goods, along with price comparison, is a compelling advantage in this sphere.

It's important for marketers to understand that there's a major shift in consumer spending presently occurring. Brands that offer 40 to 50 percent off on a regular basis cannot go back to charging full price. The consumer mentality has definitely changed—and Mom is back in the driver's seat. She's thrifty and always on the hunt for a deal, but also wants to keep her family happy. If you can figure out how to satisfy moms, it will definitely pay off in the long run.

The value proposition is no longer just a space filler on a business plan (if it ever was). It should be the first thing you consider when you're creating a new brand for Millennials.

4. *With Millennials, it's not about marketing to a demographic, it's about marketing to a mind-set.* The old days of marketing were

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about pushing out a product through advertising and aiming it at a select group of individuals, usually categorized by age, gender, and sometimes ethnicity (demographic). The modern world of marketing requires much more work on the part of marketers, who now have to pull their customers toward them by directly engaging through digital means.

This is a totally new way to market products, but it's been successful for brands like Playtex Sport, for example. Playtex decided to market a product to a mind-set, sporty girls and women, not solely to a demographic, 13- to 19-year-old girls. It turned into a multibillion-dollar business. Understanding how this type of marketing can work for your brand is so successful for marketing it.

The good news is this: All of the tools needed for direct customer feedback are in place. Run a Twitter search for your product (with a #hashtag) and read some real-time reviews. Young people are telling us what they want; we just have to listen.

5. *Millennials are global mobiles, and they expect their brands to be global, too.* It wasn't so long ago that things like studying abroad or taking a trip to Asia to visit a pen pal were uncommon. Now, everyone is on the go, making the world smaller than ever. Brands and trends can go viral (and therefore global) in a matter of minutes with the right online buzz. Word of mouth literally extends to every corner of the planet, largely thanks to wireless-enabled mobile devices and more robust broadband infrastructure. Finding a target market means thinking globally and finding ways to reach potential customers across any sea and on top of any mountain.

In 1999, MTV introduced young adults to a floating university via its show *Road Rules*, which focused on Semester at Sea. From the Bahamas to Brazil to Vietnam, viewers got to see what life was like when students attended college virtually *on* the ocean. Throughout its *Real World* and *Road Rules* programs, MTV has been a pioneer

in showing Millennials the world. Brands like McDonald's, Coca-Cola, and Abercrombie & Fitch are global phenomena.

Marketers must remember that even though Millennials crave global brands, they have to remain local at the same time. While this is a fine line to walk, it provides enormously valuable payoff.

Answer: True. Our survey showed that 86 percent of respondents shop online.

