



Gen Y ARE THE NEW money-makers

In the fourth of this generational marketing series, **Neil Osborne** explains that, despite all their narcissistic baggage, Gen Y will likely prove being “special” true, and in doing so deliver a motherlode of money to ‘right-fit’ businesses.

THERE'S ALMOST AN entire lexicon devoted to the Millennial generation. However, one word stands out among the mostly negative things said about them: special.

From the time they were born, Gen Y basked in the focused attention of their Boomer parents. They were told they were ‘special,’ that they could be whoever they want to be, and that they could do whatever they were passionate about doing. But reality happened. And when you're set up to believe you'll lead an extraordinary life and an average one happens, you're bound to be disappointed. So they're bitter. Self-centred. And feel they're entitled.

But it's pointless to complain about them. Why? Because it's a losing battle. Gen Y is huge – they

match (if not better) the Boomer market numbers – and they are both the most interesting topic and biggest money-making target for business right now.

And before we go further, remember that this sort of generational thing has happened before, bigtime. Or rather, Boomer-time. And when it did... business, investment, politics, culture and pretty much everything else, flowed out of those changes.

So, let's recap the history. In 1969, author Alvin Toffler wrote a bestseller titled ‘Future Shock.’ It drew a bold picture of the future and showed how the huge baby boom generation would transform everything through incredible technological advances. Look at your smartphone and you'll see what he envisioned, decades ago.

Now Gen Y is changing things much like their Boomer parents did long ago. Many of them grew up watching their parents working day and night, doing stressful corporate jobs, accumulating wealth and possessions, only to lose them in the GFC. Those events have shaped their views on the workforce, business, and their need for more meaning, with a better work-life balance.

So let's explore how your salon can tap into this special, life-changing generation.

Part Four: Generation Y/Millennials – born 1981-2000 – influenced by boomer parents

According to U.S. Census Bureau estimates released in early 2016, Millennials have surpassed Baby Boomers as that nation's largest living generation. Gen Y – defined as those aged 18-34 in 2015, now number 75.4 million, surpassing the 74.9 million Baby Boomers (aged 51-69). And Generation X (aged 35-50 in 2015) is projected to pass the Boomers in population by 2028.

In Australia, Millennials make up 4.2 million of our population and have a combined disposable income of \$530 million per year. However, many brands are failing to connect with these tech savvy Instagrammers.

Millennials have their own beauty product needs as well as shopping and marketing preferences. By understanding how to reach them and anticipating their needs and interests, brands can build greater business loyalty, engagement and sales success.

Here's three key Millennial traits to help you become a ‘right-fit’ business and enjoy the millennial motherlode:

1. Stand for something

How do you do that? Share your values and what you stand for. Gen Y wants to know that their actions (and purchases) are contributing to the world at large. According to the “2015 Cone Communications Millennial CSR Study,” 91 per cent of Millennials would switch brands to one associated with a cause (versus the US average of 85 percent). The report also stated that Gen Y is more likely to purchase a product with a social or environmental benefit, and volunteer for a cause supported by a company they trust.

However, beware if your actions come across to them as insincere ‘purpose-washing.’ Causes may prompt Gen Y into action, but they are intolerant of things (and brands) that either do not support their favoured causes, or fail their support for marketing gains. Unlike past generations, their opinions and influence are far from passive or narrow – instead they are active advocates and detractors, using social media to broadcast their preferences (good and bad) to influence the choices of others.

Salon business lesson: Bake your ‘reason for being’ and purpose into your brand, from the beginning. Gen Y is more likely to buy a service or product that somehow benefits a cause greater than themselves – be it organic, ethically produced, or a one-for-one business model.

Afdhel Aziz and Bobby Jones, both highly experienced marketers and the co-authors of the book ‘Good is the New Cool: Market Like You Give a Damn’ have said, “...brands that genuinely find purpose and align themselves with non-profits and artists to create large-scale, meaningful ways to solve people's problems, will be able to solve the “trust gap” with consumers and turn them into their biggest advocates.”

2. Experience trumps possessions

This generation appreciates special experiences. They crave meaningful experiences, memories and have an overwhelming desire for adventure. A survey from Harris Poll revealed that from trying new foods to traveling, 78 per cent of Millennials would rather spend their money on collecting experiences than possessions.

For them, the novelty of a new possession fades fast, but a shared memory always remains special. That memory could also draw together a community of like-minded people for a common purpose or cause that your brand actively supports.

Salon business lesson: Weave compelling experiences into your brand strategy. They actively seek out the new, the unique and the exciting, so having a solid ‘event style’ program for your salon or brand, will appeal to the Gen Y need for spontaneity and their desire to look good in front of their peers.

Branded VIP parties, exclusive sneak peeks and selective, influencer-style events are all perfect ways to make them feel like trendsetters. Alternatively, community and cause-based events that support your brand's

deeper purpose or beliefs – whether that be through monetary donations or non-currency related contributions like time, expertise or resources – can bring them together with you and your brand, as well as satisfying their desire for adventure and doing good.

3. Be switched on, all day, every day

Gen Y has been shaped by the technological revolution that happened throughout their youth. Having grown up with technology, being connected is now hardwired into their DNA. Equipped with the latest technology and gadgets – iPhones, laptops and tablets – they're online and connected 24/7, 365 days a year.

Millennials are spearheading the use of social media for civic engagement and in doing so, they are reshaping the very definition of ‘community’. They're using technology to better understand the plight of others – friends and strangers alike – more than any generation before and that's shaping their belief systems and purchasing choices in unprecedented ways.

Salon business lesson: Generally, Millennials are mobile first, or multiscreen at best. Enhance your engagement by producing content bites that can be easily consumed on a small screen – while waiting in a line, over a coffee or sitting on public transport.

User-generated content is also big for them. Remember to give them opportunities to contribute to your brand, because Millennials are not just content consumers, they are content creators. They love infographics, video and the real-time authenticity of Snapchat and other video platforms. Go deeper than just Facebook and Twitter on social media. Find the niche networks where they hang out and contribute. But never, ever sell.

There are many ways this new Millennial generated reality is playing out in modern life.

The sharing economy is booming – think Airbnb and Uber – and changing the way we consume goods and services. People are renting or borrowing products. They're hiring their neighbours to drive them to work, paint their house or rearrange their closet. Everything is up for grabs.

However, the real secret to becoming a ‘right-fit’ business is to understand them. And know that their change-making powers truly are, special. ■

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