

Y It's Different: Understanding Gen Y Consumers, Ways Property Management Companies Can Reach Them, and **How Visa Can Help**



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UNDERSTANDING GEN Y CONSUMERS

They're a huge consumer segment. You wouldn't know them by how they dress, since they wear mainstream brands. They don't stand out as obviously different than Boomers or Gen X consumers. But don't be fooled: Gen Y, or "Millennial" consumers are nothing like any other customer segments. And they're everywhere. At 79 million, Gen Y consumers—people between the ages of 16 and 34—already outnumber Boomers.¹ Their buying power still trails that of their elders, but the math is simple: as they advance in their careers and lives, so will their importance to marketplaces for commercial and residential property management. By 2030, their numbers will exceed all other consumer groups *combined*.

Their attitudes and influences are the new normal.

Understanding this consumer segment isn't just about the numbers. As the first generation to grow up utterly immersed in technology, it's a fair guesstimate that they won't be the last. Their attributes, such as constituting the majority of online bloggers,² will be reflected in the predispositions of the consumers who follow them. The qualities of Gen Y will indeed become *the new normal*, and that will require a deeper understanding of why and how they buy, lease, and rent.

WAYS PROPERTY MANAGEMENT COMPANIES CAN REACH THEM

Marketing symbols of smarts, not success. Since their tastes and sense of entitlement came from their parents, Gen Y consumers find themselves caught between expectations for the material well-being of their elders and an inability to afford it in the challenging economy that has defined most of their own adulthood (they're also called "Echo Boomers"). They're the first generation in a century that won't likely do better financially than their parents.³ This has changed the way they work and live, requiring that messaging focus on smart and innovative solutions instead of simply relying on the basics of math; don't just invite them to consider assets, but convince them of your property's specific and unique attributes. In the corporate world, one major car brand says this means reaffirming marketing in terms of the deeper truths of product functionality, not relying on the obvious symbols of status alone.⁴

Selling first to the community. Various networks of friends, associates, and like-minded interest groups loom large as primary influencers of Gen Y. A vast majority of them use social networking to vet decisions and report on their experiences.⁵ They value the opinions of strangers online as much or more so than they do those of immediate family and friends.⁶ Their trust of marketing and branded communication is commensurately down; they won't buy unless their communities of friends agree that it's a good idea.⁷ Successful property managers will become better communicators, sharing information that can help improve the rental, leasing, or ownership experience. Becoming an educator and a resource for future customers is also an approach that can be applied to existing relationships as well, since your clients will report their experiences back to their communities.

HOW VISA CAN HELP

Exploit the everywhere of tech. Almost *half* of all Gen Y consumers don't have land lines but instead rely exclusively on their mobile phones.⁸ Technology for them isn't just everywhere but embedded in their lives (mobile makes their communities a part of every moment, for instance). Tech is therefore an *expectation* and not necessarily a benefit, and it means that when Millennials have to do the paying themselves, they're not only comfortable with but prefer automatic payment and subscription models. (One Gen Y blogger claims to have a "coffee fund" for automatic savings contributions to cover the cost of her daily lattes!⁹) Offering Visa as a payment option makes it easier for your customers to manage their property payments.

Enable better customer conversations. In an era of 140-character Tweets and the information overload made possible by the rest of the Internet, Gen Y values simplicity and have a low tolerance for mistakes. Simplicity is a synonym for *authenticity* and is a core motivator of *action*, as if they apply Occam's Razor to every brand communication and subsequent purchasing decision.¹⁰ So the fact that Visa payments are guaranteed to clear means that your conversations don't have to get

sidetracked with such issues. The less time you spend on collecting fees and payments translates into more time available for you to strengthen your client relationships... or market to new ones.

Focus on your core business. Visa solutions also allow you to focus on that all-important engagement with your Gen Y consumers, through providing such benefits as improved cash flow (purchases made with Visa post faster than those made with checks) and improved processing efficiencies (reduced time spent processing checks). This frees time and resources in your organization that are necessary for the engagement, conversation, and support that will truly differentiate your property from the competition.

**TO LEARN MORE VISIT
WWW.VISA.COM/MERCHANT**

Footnotes

¹ *The Millennial Consumer*; Christine Barton, Jeff Fromm, Chris Egan; Boston Consulting Group; April 16, 2012
https://www.bcgperspectives.com/content/articles/consumer_insight_marketing_millennial_consumer/

² *Inside Blog Demographics*; Sysomos; June, 2010
<http://www.sysomos.com/reports/bloggers/>

³ *Generation Y's steep financial hurdles: Huge Debt, No savings*; USA Today; April 23, 2012
http://www.usatoday.com/money/economy/2010-04-23-1Ageny23_CV_N.htm

⁴ *Soundbites: Trends and Gen Y Values*; Ford Motor Company; undated
http://media.ford.com/article_display.cfm?article_id=35060

⁵ *How Generation Y Will Change The Future*; Kiplinger; December, 2010
http://www.kiplinger.com/slideshow/generation_y/2.html#top

⁶ *Why Millennials Rely on Friends' and Online Strangers' Advice Equally*; Lani Rosales; AG Beat; February 13, 2012
<http://agbeat.com/real-estate-sales-marketing/why-millennials-rely-on-friends-and-online-strangers-advice-equally/>

⁷ *Talking to Strangers: Millennials Trust People Over Brands*; a white paper published by Bazaarvoice and The Center for Generational Kinetics; January, 2012
<http://www.bazaarvoice.com/talking-to-strangers-millennials-trust-people-over-brands>

⁸ *36 Facts About Generation Y in the Workplace and Beyond*; TheEchoBoom; October 5, 2010
<http://theechoboom.com/2010/10/36-facts-about-generation-y-in-the-workplace-and-beyond/>

⁹ *Feed The Pig!*; Emily Jasper; From the Gen Y Perspective; March 1, 2012
<http://www.emilyjasper.com/gen-y/feed-the-pig/>

¹⁰ *Gen Y Gives Thanks: Simplifying My Life*; Sharalyn Hartwell; Examiner.com; November 2, 2010
<http://www.examiner.com/article/gen-y-gives-thanks-simplifying-my-life>