

# On the Mark

Helping you **mark** your credit union for success



Marketing Matters

Blog Updates

Online Buzz

Success Stories

Website

## Pearl Harbor or Pearl Jam? Bridging the Generation Gap

The following piece was initially featured in the December issue of Connection, a magazine published by the Credit Union Association of New York.

*“The old style advertising that works very well with boomers, ads that push a slogan and an image and a feeling, the younger consumer is not going to go for.”*

—*Business Week*

Our society continues to change with each generation. We’ve gone from Pearl Harbor to Pearl Jam; from stern parents to Howard Stern; from Neil Armstrong’s walk on the moon to Michael Jackson’s moon walk; and from American Bandstand to XM satellite radio. Our society and culture have changed.

But what does that mean for credit unions? Actually, quite a lot. There is a huge generational gap that exists both with our membership and among our employees. Credit unions that embrace and leverage these generational differences will succeed. Those that ignore the generational implications risk becoming obsolete.

This article covers:

- Generational overview
- Generational marketing insights
- Credit union applications

### Generational overview

Various dates are used with each generation. For example, one source might indicate Boomers were born in 1960 while others say it was 1964. For the purposes of this article, we will use the dates from William Strauss and Neil Howe. They are the leading demographers of our country and use dates associated with societal change rather than parental birth patterns.

Strauss and Howe break the generations into the following groups:

**Matures**—born between 1925 and 1942 (between the ages 69 and 86). Matures are also known as the Silent Generation and the Greatest Generation. There are currently 27 million Matures (9% of the population). You never want to call this group “seniors” in your marketing material. They don’t want to be called seniors—until they go to the movies!

**Baby Boomers**—born between 1943 and 1960 (between the ages 51 and 68). Baby Boomers are also known as the original “yuppies” (the young upwardly mobile professionals). There are currently 64 million Boomers (21.5% of the population).

**Generation X**—born between 1961 and 1981 (between the ages 30 and 50). Generation X is also known as Baby Busters, Slackers and Latchkey Kids. There are currently 89 million Xers (30% of the population). We just blew away a myth. The myth is that there are more Boomers than Xers. That is actually not true (of course, it’s because the Boomers are dead from the drugs they took in the sixties—just kidding!).

**Generation Y**—Born between 1982 and 2003 (currently between the ages 8 and 29). Generation Y is sometimes referred to as the Dot Com Generation, Echo Boomers or Millennials. Depending on where you mark the demarcation line, there are 78 million in the Gen. Y group (26% of the population).

Characteristics of each generation include the following:

### —Matures

1. Formed by war and economic depression
2. Define themselves by family
3. Defining moment = end of World War II (V-J or V-E Day)
4. Idealistic
5. Devoted to things beyond themselves
6. Devoted to “old fashion values”

### —Baby Boomers

1. Formed by the sixties
2. Define themselves by work
3. Defining moment = JFK assassination
4. Self centered
5. Spoiled by affluence growing up
6. Impatient: want things now
7. Faded idealists

## —Generation X

1. Formed by technology and cable TV
2. Define themselves by individuality
3. Defining moment = Space Shuttle Challenger disaster
4. Skeptical
5. Raised by absentee parents
6. Resent boomers
7. Independent and diverse
8. Gen. X is growing up, they're starting families and they're becoming career-oriented

## —Generation Y

1. Diverse
2. Media savvy
3. Family oriented
4. Defining moment = September 11
5. Technology driven
6. Financially smart
7. Work-life balance
8. Change
9. Educated

The better you know each generation the better you can serve them (both externally and internally).

### Generational marketing insights

While knowledge of the generations is helpful, it's important to take that information and see how it translates into reaching your members. Below are selling and serving tips for each generation:

#### —Matures

(1) Emphasize savings—Your older members' deposits serve as the base for loans to your younger members. Don't assume you have all their money. One friend recently recounted the story of his older mother letting him know she had \$5,000 cash in her freezer for safe protection.

(2) Remember investments—Obviously, they are a good target for estate planning because they are preparing to transfer a large amount of wealth to their children and grandchildren.

(3) Reward loyalty—This generation tends to be your most loyal members. Relationship building through a high level of personal service is fundamental.

(4) Don't write off technology—They do indeed have some level of sophistication with technology. Because they have now discovered pictures of their kids and grandkids they are using computers to connect with their family.

## —Baby Boomers

(1) Emphasize some lending, not savings—While some Boomers are savers, most are spenders. Boomers believe they deserve their financial success (and they want to enjoy it immediately). They will remain a key loan target market well into their later years.

(2) Remember simplicity—Boomers want simplicity in their financial lives. They are very interested in quality of life. Many of them are actually “sandwich parents,” meaning they are “sandwiched” between the generations: taking care of their aging parents while having younger twentysomethings moving back home.

(3) Reward upcoming retirement—Boomers are anxious about retirement. Their 401(k)s are now 201(k)s. Boomers want to learn how to maximize their resources and plan for a retirement that is approaching fast. Retirement planning may be the key financial need for Boomers.

(4) Don't dismiss their inheritance—Boomers are likely to inherit a sizable wealth. The typical Boomer will get 10% of his or her wealth by inheriting their parents' estate.

## —Generations X & Y

(1) Emphasize mostly lending—These two generations are mostly borrowers, although some are savers. They are in their prime borrowing years. Nine out of ten consumers in their 30s are in debt. If you want loans, lead your marketing with these generations.

(2) Remember value—With Generation X and Y, be sure to ditch the hype and pitch the value. Position your credit union as an information source. The best marketing practices in the future will be those that communicate what is real and authentic about your credit union.

(3) Reward their vehicles—These groups are your best vehicle loan market. You should heavily promote car loans to these age segments and use visuals in your promotions to which they can relate. Next year, 40% of all car sales will come from Generation Y.

(4) Don't forget the importance of the technology—If you don't use technology you will not reach Generations X and Y. These generations grew up with technology as part of their everyday lives. This means text alerts, social networking, instant messaging, mobile banking, online account opening, live web chat, etc.

## Credit union applications

While the above information is helpful, it's important that we take it and apply it to our individual situations. Here are several practical steps credit unions should take regarding generational issues:

(1) Pull the current age of your existing membership base and put them in these generational buckets—This gives you invaluable data about your credit union. If the majority of your members are in the Mature or older Baby Boom demographic, where will your credit union be in five or ten years?

- (2) Conduct generational training with staff—Your front line staff tends to come from Generation Y, while your members who conduct branch transactions tend to be older Boomers or Matures. Can you say “generational clash?” One credit union actually became one of the top ten credit unions in the country in membership growth by focusing on generational training with their staff.
- (3) Focus on generational issues in your strategic planning session—Every credit union should conduct strategic planning on a yearly basis. When doing your session this year, spend time examining these generational issues and the many strategic implications.
- (4) Examine your brand—Does your brand resonate across the generations? What is your brand vision, mission and message?
- (5) Determine your targets—Your credit union cannot be all things to all people. And it can't be all things to all generations. The best credit unions focus on particular niches.
- (6) Serve the generations uniquely—Take the above information and customize talking points your front line staff can use with each group (for example, grandchildren CDs for the Mature generation).
- (7) Bridge the generations—While separating the generations is helpful, you also want to look for ways to bring the generations together. This could be in the form of wealth transfer or college planning workshops.
- (8) Update your marketing—Make sure marketing is not “old school” (unless your primary target is Matures). Do the images in your newsletters and brochures match your target generations?
- (9) Conduct generational focus groups—One of the best ways to research the generations is to dialogue with them. Focus groups can provide keen insight on what is important to each group.
- (10) Show each generation value—We are biased toward our own generation. Yet each generation brings unique value to the credit union. We need each generation to grow our credit unions.

As Ecclesiastics says, “One generation passes away and another one comes.” For your credit union to succeed you must reach generations that are coming and going.

---

## Blog Updates

Follow Mark's blogs for frequent and timely information on topics like marketing, branding, generations, leadership, Think Huge and more. Blog posts are updated weekly. Here are links and summaries from some recent posts.

### [Start Thinking of 2012 Goals Now](#)

December. A month to celebrate, shop and spend time with family. We may slow down at work and speed up at home (to get all the shopping done). But whether you tap the brakes or hit the gas pedal in December, we typically aren't thinking about the upcoming year. We'll let the New Year's Resolutions begin in January. But now is the perfect time to begin thinking of your 2012 goals.

### [CEOs and Other "Chiefs" Play Critical Role in Branding](#)

In *Breakaway Brands*, author [Barry Silverstein](#) says, "More and more, management plays a critical role in the success of a brand that breaks away from the pack." But let's get specific: it's not just management, it's the CEO (and other "chiefs" such as the chief financial officer, chief operations officer, etc.) who plays that ultimate critical role in the credit union world.

### [Are Websites Dead?](#)

With the spectacular rise of social media sites like Facebook, Twitter and YouTube, as well as the dawn of smartphone and app use, some pundits are calling for a website funeral march. So, are websites dead? Is your credit union better served by bypassing this "old school" technology altogether?

### [How a Marketing Audit Can Improve Your Credit Union](#)

Credit unions do all types of audits all the time. Compliance audits. Loan audits. Teller drawer audits. BSA audits. Branch audits. Yet one area that credit unions typically do not audit is the marketing function. Perhaps it's time we should.

---

## Online Buzz

### Comments and Ideas from Mark's Blog Readers

#### How a Marketing Audit Improves Your CU

"Excellent list. I would add that a critical component of the audit must be a Business Assessment. That is, to what extent are the various marketing related activities supportive of the business strategy. The assessment and ongoing monitoring should ideally be based on quantifiable metrics that have a direct bearing to the business strategy."

**-Serge Milman**

#### Developing Your CU Brand Elevator Speech

"I like how your process requires the speaker to really think about what differentiates their organization. The tip about new initiatives is genius, never thought about that one."

**-Ken Gardner**

#### What is Your Legacy?

"You know, the most striking point to me is just how short our time is. The older you get, the more you realize it. I used to think the goal was to accomplish "things". Then a few years ago I learned (through staff members) exactly what you've already said...that is, it's really about your impact on the people around you.

Whether we realize it or not, we are impacting people every day. Our legacy will be if we choose to accept that privilege and how we decide to actualize it. Like anything else in life, we always have a choice; and our decision at each choice-point will define who we are over time...and how we will be remembered."

**Shawn Temple**

"At OECU, we have a full-time Social Networking position (which really isn't enough), but we also have several others on staff that tweet or use other Social Media all day. Hootsuite works great for teams...Our biggest impact has not been on connecting with other industry related "tweeps," but with those in our local community. 90% of our followers are "locals" right here in our community that had never heard of us (or know what a credit union was) before we found a "voice" on Twitter."

**- Scott Bell -**

***We want to hear from you. If you have used an idea or learned something of value from one of Mark's blog posts, be sure to leave a comment on the blog so others can benefit from your experiences, as well.***

---

---

speaking • branding • planning

**Contact Mark Arnold:**

**(214)538-4147**

[mark@markarnold.com](mailto:mark@markarnold.com)