

Busting the Myth of “Get ‘Em While They’re Young”

By: Christie Henricks,
Director of Brand Strategy (a Gen-Xer)
chenricks@siegelgale.com
and **Marisa Paoli,**
Brand Analyst (a Millennial)
mpaoli@siegelgale.com

Who’s in your target?

Boomers	1945–1965
Gen Xers	1965–1980
Millennials	1980–2000

It is one of the most prevalent ideas in the brand world: capture the brand loyalty of a person when they are young, and they will be yours forever. Companies pursue this idea with a vengeance, abandoning older audiences to win the hearts and minds of children, teens, and college students. And it is one of the biggest mistakes brand professionals can make.

A recent study showed that, in fact, consumers are likely to switch brands within a range of product categories regardless of age, indicating that brand loyalty is not captured young and held for life. A different study, conducted for AARP, echoed this finding, demonstrating that in some categories, older consumers are less loyal and actually more likely to switch brands.

Think about your own life: you are probably not wearing the same clothing brands you did in your youth. Or driving the same car brand. Or even using the same kind of laundry detergent. Your tastes change. Your household income changes. You get married, have kids, get busy, retire. There are very few brands that can see a person through all of those changes in life—and there are very few brands that should even try.

Taste, Experience, and Self-Expression

The “get ‘em while they’re young” theory works differently among three different types of brands:

- + Taste Brands—food, beverage, or household brands that involve your sense of taste or smell;
- + Experience Brands—when the consumer experience can be the driving factor, such as financial services, retail, and online brands; and
- + Self-Expression Brands—when the products you use say something about you, such as clothing, automotive, and some electronics.

There is power to the idea that Taste Brands can hook young consumers by establishing taste bud preferences early in life. Pepsi learned this in the early 1980s, after it launched its “Pepsi challenge” in 1975 and consistently beat Coke in taste tests. It was smart strategy for Pepsi to debut the “Next Generation” campaign in 1984, just as the earliest Millennial Generation toddlers were taking their first sips of soft drinks. This makes inherent sense—if you start life thinking all cola is sweet, and then you get a taste of a less sweet cola (Coke), it just doesn’t taste “right” to you.

But extending this notion to Experience or Self-Expression Brands does not hold up. Imagine you’re a college student looking to set up a checking account: Washington Mutual might seem like a good option because it offers free checking, friendly people, and an innovative in-bank experience. But then you make your first million—and suddenly, “friendly” doesn’t matter so much. What you want is a bank who takes you, and your money, seriously. You have a different need, thus requiring a different experience—so you switch to Chase because it promises a more compelling experience for you at that particular phase of life.

Imagine where the same college student is going to buy clothes: Urban Outfitters, Abercrombie & Fitch? Are those the clothes he wants to be wearing after he makes his first million? He's now probably a Banana Republic guy—or maybe even a Barney's guy. “The whole notion of brand preference is a myth. If baby boomers were brand loyal they would still be buying Thom McAn shoes and shopping in Woolworth stores,” Matt Thornhill, president of The Boomer Project, told the *LA Times* in 2005.

Managing brands for generations

Many brands mistakenly focus on young consumers, in spite of data that shows they are better suited to serve a more mature audience. “The loyalty creation idea may well be... a rationalization, more acceptable in the business environment than the real reason [to reach out to youth markets], which is the urge to identify with youth—with the new and up-to-date rather than the humdrum attempt to please dull, middle-aged people,” wrote Thomas Semon in *Marketing News*.

Other brands begin in the youth market but try to age with their customers and become irrelevant in the process. This may have been Gap's critical mistake. In the late '80s and early '90s, Gap had major share in the college and young adult market—they had the right fit and fashion for the Gen X crowd. But as Gen X aged, Gap stalled—they tried to develop more sophisticated fashions to retain Xers as they advanced into adulthood, while still remaining cool and hip to the next generation. They could not do both, and should not have tried, because their image became fragmented. Now, Gap is for nobody—not for the Xers who are now in their late 30s and 40s, and not for the Millennials who followed, who wanted something “just for them.”

The most effective brands pick an age cohort (say 18–24) and continue to serve that group's needs—not as the individual people within that group age, but as new people move into that group. Consider MTV, which is as relevant to Millennial teens today as it was to Gen X teens in the 1980s. And while it has retained some of those Gen Xers, according to an interview with Todd Cunningham, SVP of Brand Strategy and Planning at MTV, “there's been no deliberate attempt to maintain this older secondary audience.” Instead, MTV evolves over the years to maintain its relevance to today's teenagers, not yesterday's.

But what happens when your brand has reached the limits of its potential with your target demographic? The best companies develop new brands that address those other groups' unique needs.

Think about Toyota. Its market is quite broad, but the core demographic is approximately 25–45 years old. When it saw the wave of Baby Boomers aging and becoming more affluent, Toyota didn't try to stretch in order to be all things to all people. Instead, Toyota introduced Lexus, giving the company a whole new access point to a different age group (at that time those over 40, but since stretching to people in their 30s). A decade later, as Xers became the core Toyota audience, the company realized it needed a new brand to address the unique needs and interests of the younger generation, and introduced Scion. Many brand observers attribute Toyota's actions to pricing strategy, but that's a narrow-minded approach. Toyota's brand architecture is based on a sophisticated understanding of the different needs of different generations, and has evolved over time to meet those needs.

The Gap might be more successful as an organization if it focused less on the price differences between its brands and more on the age differences. It is commonly understood that Gap is the “mainstream” brand, and that Old Navy and Banana Republic are down-market and up-market from Gap. Banana Republic has remained focused on young, hip professionals and evolved to address the needs of the next generation of young, hip professionals as they shifted from mostly Boomers to mostly Xers, and now to Millennials entering the workforce. Perhaps this is why it is the best performer in the Gap portfolio. You might think of Gap’s introduction of Forth & Towne to target women 35–50 as a failed example of the notion. But we tried it, and we believe it wasn’t the strategy that was wrong, it was the experience. Forth & Towne felt too much like Chico’s and not enough like Ann Taylor Loft. Gap may have forgotten that women 35–50 aren’t just Boomers anymore, they’re also Xers.

4 Steps to Success

Brands that are most successful at demographic targeting abide by four core principles:

1. Identify and embrace your core age group

They may not be young and they may not be sexy, but they’re yours. Figure out what age group really drives your business. Then, don’t apologize for them or wish they were someone else—go after them!

2. Understand and fulfill their needs

Boomers grew up in the postwar glory days of Beaver Cleaver and “I like Ike.” Xers grew up in the wake of Watergate and came home to empty houses. Millennials were raised in the post-Cold War era with “Baby on Board” signs in the back of their moms’ cars. It’s natural that these different generations have different values, and it’s important to know what matters to the generation that’s in your core demographic today—and to adapt your customer experience to deliver on those values.

3. Keep your eye on the next generation

Your brand must be prepared to evolve for the next generation that enters your target age group. If your brand targets 35–55 year olds (like Lexus), you have spent the last several years focused on what Boomers like. But a successful brand will realize that the oldest Xers are now in their early 40s—they make up a significant portion of your core demographic and will soon make it up entirely. You need to adjust your customer experience to deliver for them as well. Lexus realized this in 2001, and asked Siegel+Gale to help it redefine what luxury means for the next generation. New Lexus vehicles—including the IS and the RX hybrid—are squarely addressing the values of Generation X, and today, Lexus remains the best selling luxury vehicle in the United States.

4. Develop new brands to serve other age groups

If you feel that your brand is closing in on its maximum potential with its target age group, don’t stretch it to the point of irrelevance. Follow Toyota’s lead and start a new brand with intense focus on the current needs of that age group. But remember to keep your eye on the group that’s coming, because you will need to constantly change in order to stay relevant to changing generations.