

I'm a Millennial, right?

I'm part of one of the world's most discussed age groups. When I read articles about what my generation is like, I don't always recognize myself. I must admit, I do fit a lot of the stereotypes. I'm always connected through social media and can usually be found on one of my three Twitter accounts or sharing my daily life through Instagram, Snapchat or Periscope. My family knows I'm an "early adopter" of the latest technology, and they're usually asking me to help them figure it all out. When I'm not playing PokemonGo, I'm using one of my iPhone apps to watch movies, listen to music, text friends...and, yes, manage my money. I've used a mobile wallet, sent money to friends through Facebook messenger, and since my bank added mobile check deposit, I never go to a branch.

I'm a Millennial, right?

Actually, I'm a Baby Boomer. Admittedly, I fall in the later segment of Boomers, known as Leading-Edge Boomers (those born between 1956 and 1964) – but, demographically speaking, I am definitely *not* a Millennial. And I'm certainly *not* alone in confounding the traditional demographic-centered approach to marketing.

In November 2014, the world's leading consumer trend firm, *Trendwatching*, described this obvious statistical misalignment as "post demographic consumerism." They'd noticed that consumers weren't behaving as they 'should' – in fact, people of all ages and in all markets were developing consumption patterns "not defined by 'traditional' demographic segments such as age, gender, location, income, family status and more."ⁱ

In other words, a man my age, living in the same neighborhood, earning the same income, may have a very similar demographic profile; but very different interests, motivations and behaviors. It's attitude, not age. Some would say this is evidence of socio-cultural globalization: as we consume the same things our values, tastes and preferences begin to overlap. But it is more likely that advances in technology have contributed the most to this phenomenon. As *Trendwatching* explains "any and all revolutionary – or simply just compelling – innovations will be rapidly adopted by, and/or almost instantly reshape the expectations of, **any** and **all** demographics." New cohorts are emerging, not defined by age but by expectations.

Are demographics dead? No. But the marketing landscape is changing and consumers no longer want to be treated as part of a large category. Demographics still play a part in consumer segmentation – but knowing how consumers think and feel is increasingly important. In this brave new world of 20-somethings and 50-somethings expecting

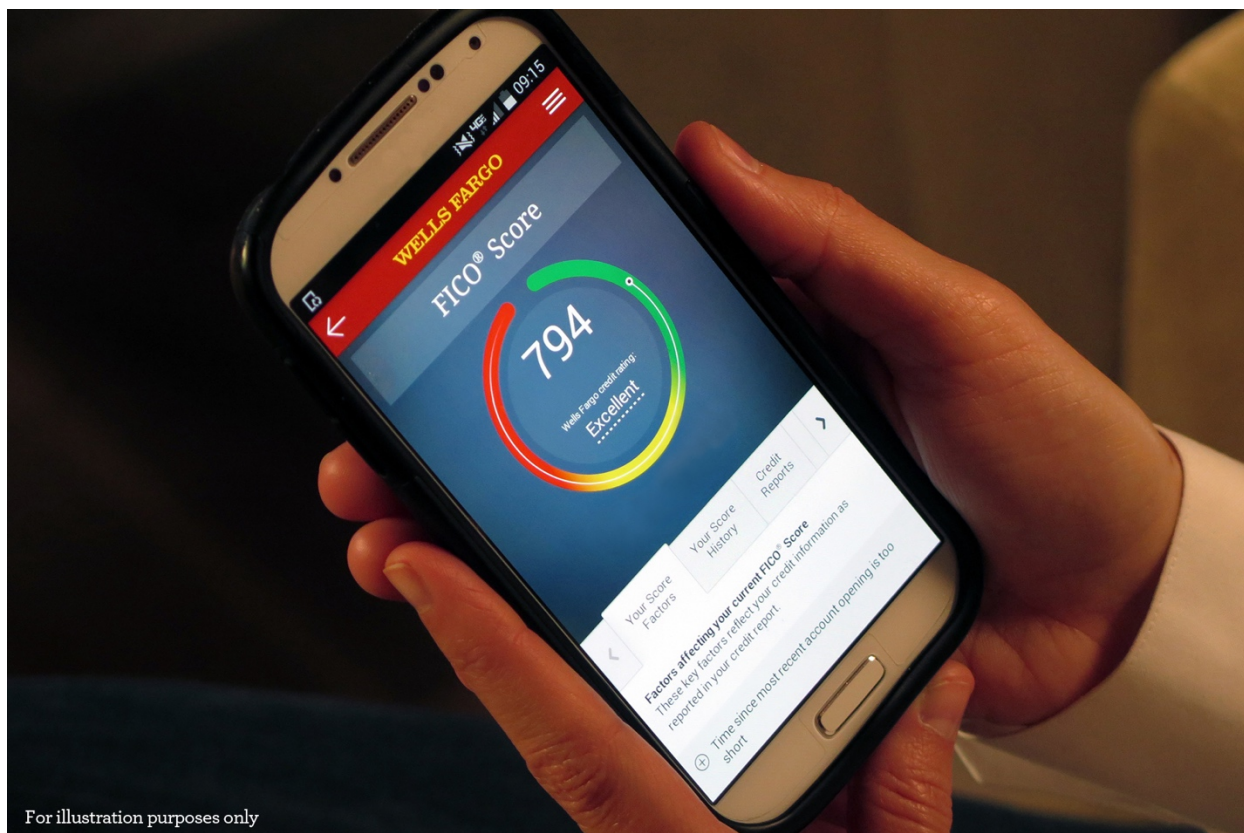
exactly the same things from their primary financial institution, here are a few things to consider as you shape your marketing and social media strategies.

Know Me

I often tell audiences; demographics can help you understand *who* walks into your branch or opens a new savings account, but **psychographics** helps you understand *why* they do. Psychographics classifies population groups according to psychological variables such as attitudes, values, behaviors, etc. and segmenting in this way aids both retention and acquisition efforts. A few years ago, PNC Bank used customer behavioral data to launch its first digital-only marketing campaign promoting its Virtual Wallet. They looked at customers' online shopping habits and lifestyles so they could identify individuals whose needs and behaviors aligned with the elements and features of their Virtual Wallet. Needless to say, their marketing effort was a success. Today, over two million customers use their online and mobile money management system. Similar psychographic segmentation can shape your marketing and social media – and your social media data can supplement your customer's psychographic profile; helping you know and ultimately understand them in a much deeper way.

Remember Me

Increasingly, consumers expect us to personalize rather than generalize: act as if you know who I am. Marketers may think in terms of mass personalization, but the net effect must feel like we're targeting a "segment of one." Companies like Netflix realized this several years ago and created a complex global algorithm that allowed them to use their customers own behavioral data in order to give recommendations to its users. It is time for community banks and credit unions to adopt a similar imperative. The Financial Brand's *Digital Banking Report* found "less than one-third (31%) of consumers surveyed thought their financial institution knew their needs well and only slightly more (34%) thought their bank had their best interests in mind."ⁱⁱⁱ



For illustration purposes only

(Photo: Business Wire)

The bigger banks have figured this out. Just this week, Wells Fargo announced that they had integrated their customer's FICO® Credit Score with their mobile banking experience so "checking their credit health is as easy as checking their account balance." The service was initially launched to two million customers who were given the opportunity to view their scores, learn factors that impacted their score and receive *personalized* credit tips. Wells Fargo has now expanded the free service to 30 million customers. Mass personalization, yes – but it *feels* individualized.

Give Me Options

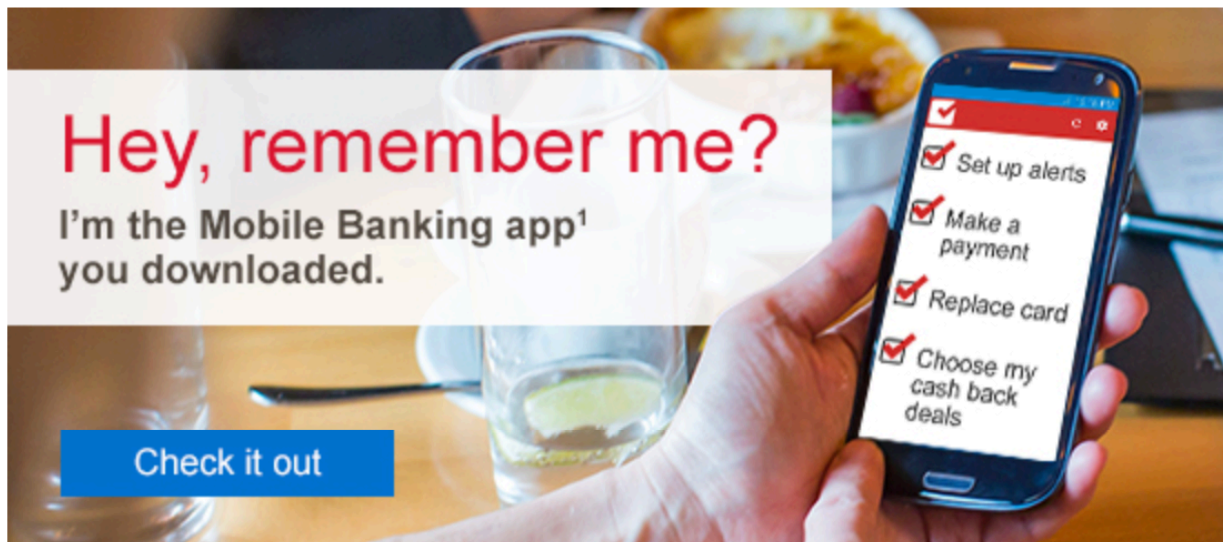
Another way to ensure that you are meeting cross-demographic expectations is to give your customers as many ways to interact with you as possible. Consumers today want robust self-service, digital, voice and social means to engage with you. Channel use continues to evolve and more and more expect the customer experience to be seamless. Having options puts the customer in control and addresses their expectation of convenience.

And convenience isn't just about bricks and mortar. A 2015 study by Novantas showed that convenience is less about the nearest physical branch, and more about strong digital capabilities. Regardless of the delivery channel, the goal should be to enable customers to build and control their own experience.

Engage Me

Finally, the easiest way to navigate the era of post-demographic consumerism is to routinely communicate with, and listen to, customers in ways that aren't just about selling. Whether a Boomer or Millennial, consumers expect engagement – but through the channels they prefer. I had signaled to one of my banking relationships that email was an efficient way to get my attention. So the other day I received this email reminder, that wasn't about sales, per se, but sought to re-engage my use of their mobile app.

More than 18 million Americans use our app. See why.



You're protected by our Mobile Banking Security Guarantee²

The email reminded me that mobile banking put me in control of the relationship. I could set alerts, enjoy cash back offers, etc. So by logging in to my app, I helped them know more about my preferences – helping them design even more personalized products and services. Moreover, a real-time 3-question survey immediately following an online experience further reinforced the perception that they were listening to me. Engagement

allows you to both discover and demonstrate a deeper understanding of your customer or prospect.

If you remember one thing from this article, remember this: your current and potential customers can pick and choose what financial brands they identify with and what products and services they purchase, without regard to demographic 'conventions'. A 45-year-old suburban housewife may have the same expectations as a 22-year-old graduate student or a 63-year-old grandmother.

Know Me. Remember Me. Give Me Options. Engage Me. And the more you target smaller (and more accurately defined) attitude-based segments in ways that feel personalized, the greater result you'll see over traditional demographic-centric marketing – because, unlike chronologically defined generations, the attitude-based segments will only get bigger over time.

About the Author

Jim Perry is Senior Strategist at Market Insights. The majority of his work is concentrated on marketing, branding, leadership development and strategic planning. As a consultant, trainer and public speaker, Jim is known to make complex concepts easy to understand and simple to apply.

ⁱ <http://trendwatching.com/trends/post-demographic-consumerism/>

ⁱⁱ <https://thefinancialbrand.com/58063/personalization-in-banking-digital-research-study/>