

Building Generation X Loyalty



By Mike Fitzpatrick

Hospitality marketers would do well to reach certain segments right now and not to waste money on others who aren't currently worth the marketing investment. Following on the heels of the baby boomers, Generation X (GenX) has big shoes to fill. After all, baby boomers are the largest demographic group in U.S. history.

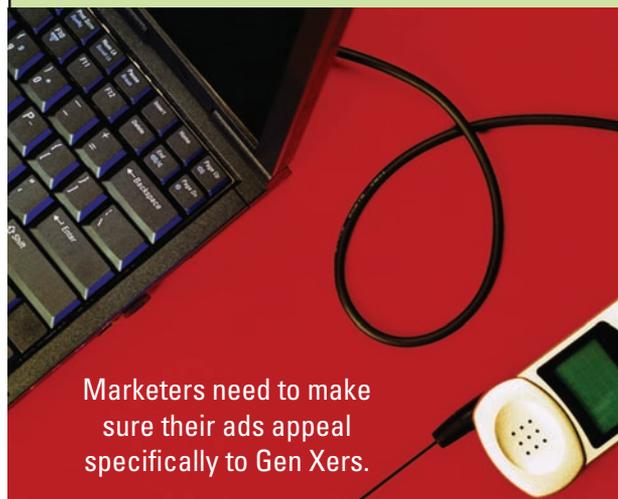
Of the almost 300 million people in the United States, about 50 million are ages 25 to 40—falling within Generation X. Representing an estimated \$1.4 trillion in spending power during 2004, Generation X will exercise this spending power over the next several decades to become a dominant force in the economy. For hospitality marketers, this means you have the opportunity to extract more than 40 years of lifetime value from this market.

But reaching Generation X will take a bit of understanding. Companies won't get anywhere marketing to them with the same offers and messages currently used for baby boomers.

Just Who Is Generation X?

Sandwiched between the baby boomers (born between 1946 and 1964) and Generation Y (born between 1981 and 1994), Gen Xers account for about one-third of all U.S. households.

Generation X is the best educated and the first technologically savvy generation in history. These people tend to have realistic expectations and a greater tolerance for diversity. Those who choose to have children (and almost 30 million Gen Xers are parents) are determined to be family-oriented. Generalities aside, the most common trend among this group of people is individuality — they don't see themselves as a collective force.



Marketers need to make sure their ads appeal specifically to Gen Xers.

Meet the Gen Xers

Many different types of people exist within Generation X. Extensive research and analyses have revealed a great deal about Gen X behaviors and preferences such as travel patterns, vehicle preferences, attitudes, publication readership, television viewership, health habits, consumer behavior and Internet practices.

From these analyses, 11 cohesive consumer segments within the 35 million Generation X households have emerged. These include four married segments, four single-female segments and three single-male segments. Each segment is based on age, income level and behavior characteristics.

- Married Generation Xers range from hyperactive newlyweds and young, married starters to young families and back-to-school families.
- Single-female segments include educated working women, single moms with careers, single moms on a budget, and fit, stylish students.
- The three single-male segments within Generation X are male students and graduates, single dads and energetic young guys.

Just as is true of all segmented marketplaces, Generation X contains groups of varying sizes and importance to your business.

Getting Through to Generation X

So how do marketers reach Generation X? Primarily through the Internet, because these tech-savvy customers are researching air, car and hotel options online so search engine optimization and keyword buys are vitally important. And, with direct online bookings now a fundamental goal of hospitality marketers, it is interesting to learn that Gen X is the first generation to reach for a mouse, rather than a phone, when it comes to booking travel.

Hospitality marketers can also use traditional media to drive Gen Xers to their Web sites. For instance, energetic young men read *Men's Health* magazine, so it's a great publication to advertise Web sites and easy online bookings. Marketers might also consider renting magazines' subscriber files for a direct mail effort. A simple postcard concurrent with the print advertisement can be very effective.

Hospitality marketers can also take advantage of a great opportunity with Gen Xers. They are very likely to provide their e-mail addresses. After establishing a business relationship, they also have a higher propensity for click-throughs when sent an e-mail.

Most of all, marketers need to make sure their ads appeal specifically to Gen Xers.

Customizing ads to reach Gen X doesn't have to be elaborate—just relevant. In the sidebar example (pg. 146), the marketer is appealing to these young people not only with an offer, but also with the casual, hip tone of the copy. Many people recognize how important it is to maintain Internet access while on vacation, and because Xers are likely to be members of frequent flyer programs, promising they can earn miles instead of points within the brand portfolio can provide the perfect enticement.

Here's an example of how household-based segmentation can help transform a resort property e-mail geared toward baby boomers into an e-mail that effectively markets the same resort property to Generation X consumers.

A baby boomer resort property e-mail ad targeted to affluent professional couples:

You owe it to yourself to revel in the luxury of XYZ resort. After all, you've earned it! Spa treatments, fine dining, manicured golf courses and golden, romantic sunsets are daily fare. Our shuttle-limo is waiting for you at the airport to whisk you to your getaway. And, in case you can't fully get away, modern business services are always available. Call (800) 555-1234, or visit online at xyzresort.com.

Gen X resort property e-mail ad targeted to hyperactive newlyweds:

Now you can get away without getting disconnected! XYZ Resort offers everything you need for having fun while staying logged in to the office—with Wi-Fi access in your room, in our lobbies and on our table-service patios. Want a treadmill in your room? Done. ESPN high-def? Done. Guys' weekend for golf or girls' weekend for spa treatments? Both? Done! Come see just how comfortable you can get for a great value—and earn mileage credit on your favorite airline, too! Check out our online tour at xyzresort.com and experience our one-click booking.

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Airlines, car rental operators and hotel chains have the opportunity to join the sports teams, retailers and search engines that have already garnered Generation X's loyalty.

Using hotel operators as an example, it's time to gear properties toward these ultra-high-tech consumers. Outfit hotels with wireless high-speed Internet access, high-definition televisions and state-of-the-art workout centers—and don't forget to ramp up Internet advertising to be sure to reach Gen X.

Armed with an understanding of the different groups of people within Generation X, marketers can target the right offer and the right message to the right people, using the right medium. And once they learn to tap into this younger demographic, their marketing opportunities will grow right along with them.

Mike Fitzpatrick is vice president of account services for Cohorts®, a marketing information company that helps marketers improve the effectiveness and ROI of customer/prospect databases through the use of household-based segmentation. Mike is also co-chair of the Direct Marketing Association's Travel and Hospitality Council. He can be reached at (303) 893-8600 or mfitzpatrick@cohort.com.



"Sir?... our new virtual Hotel Problem Eliminator game system is still undergoing limited test marketing at this time... sir?... sir?..."