

GEN X

CASH RICH, BRAND STARVED AND A BIG OPPORTUNITY MARKETERS PREFER TO IGNORE

Youth is king! Nobody exemplifies this better than Indian marketers. For a whole decade or so, Indian brands have chosen to pamper the flirtatious non-committal generation of millennials over the more value-driven, brand loyal generation of Gen Xers that precedes them. What the reasons are for this, we cannot say. However, in this article, we attempt to understand how addressing this generation - who is as vivacious about living and spending as the younger one - can open up a whole new market.

By **Sheetal Choksi** and **Sharmila Cirvante**

Open any advertisement in any media and you'll be greeted by an abundance of youth. Young happy millennials urging you to dress smarter, eat healthier, go off-road with the latest hybrid, attract the opposite sex by smelling better, flaunt the latest phone, and more. And why shouldn't they? More than 65 percent of India's population constitutes the young and the restless that fall below the age of 35. Majority always wins!

A bit of statistics to prove this: in 2011, almost 701 million from a total of 1.2bn estimated Indians were under the age of 35 years. It is 2016 now and that number would have put on some weight. Is it surprising then that most retailers and brand marketers prefer to woo this extremely large base of consumers? Every time we hear brand and marketing managers define their target audience demographic, the age band seems to draw the line at 35, which is typically segmented into either 18-25 or 25-35 year olds. All the others beyond that age group sink into oblivion. Apart from a few luxury brands and of course, the higher end automobile and lifestyle brands, for everybody else, well, the 35 year olds and above - the Gen X - do not seem to eat, drink, dress, drive, or work. Actually, they do not seem to exist.





to Paperwhite. We have seen the change, adapted to it and made it a part of daily life. Our attention spans are longer and more focussed. In fact, we can take credit for creating the term, “multi-task”. Despite this, none of the tech brands seem to think they can hold our interest.

Straddling two generations: This is the last of the generations that can comfortably fulfill the physical and emotional needs of the previous generation as well as those of the future ones. Most would have at least one parent who is above 70 years and simultaneously be raising a young child or supporting an adult child. And both generations can be equally demanding.

What brands do not realise is that Gen Xers control the purse strings for both. Yet, they are the ones overtly ignored.

Strong value system: Does that even exist anymore? Especially when everything today – be it material objects or relationships – has a shelf life. Now contrast this with how Gen X thinks. They were brought up on a strongly enforced value system that emphasised the importance of both, things and people. Human relationships were respected. Physical objects were handled with care. Loyalty extended beyond brands and to human beings.

A strong bullshit meter: This Gen likes it honest and real. They can see beyond the surface and delve deep into anything before investing in it financially or emotionally. If you lose their trust, you’ve lost them forever. Brands that have evolved from companies with solid foundations – such as financial institutions, travel companies, appliances and others - could do well to tailor their communication around Gen Xers.

Savings a big priority: Parents of the Gen X lived a simple life where they worked jobs, not careers. As global MNCs were nowhere on the horizon, these often included government jobs or small private firms where both growth and salaries were at a minimal. Money was reserved for important priorities like health and education. Eating out was a luxury and indulged in only on special occasions.

Being honest, Gen X can see beyond the surface and delve deep into anything before **investing in it financially or emotionally. If you lose their trust, you’ve lost them forever**

sandwich generation but there’s a lot of meat in that sandwich”. Needless to say, what really matters is not the age, but the attitude that defines them. If you belong to this generation, you will nod your head in agreement as you read on.

Overlooked and Underestimated

We may rave and rant and fight for our tribe, but that is not enough. Do marketers really believe that there is an opportunity in addressing Gen X?

TO BE ABLE TO UNDERSTAND THE POTENTIAL THEY OFFER, WE FIRST NEED TO UNDERSTAND THEM.

Big dreams, big aspirations: Our humble origins made us more practical, more grounded. Yes, we were aspirational, but that aspiration ended at owning a Maruti 800, or a Sony Walkman at the least. Our resources were limited but that did not stop us from aspiring to experience the world. The happiness quotient was still at an all-time high.

Today, most Gen Xers fall in the top end of the Income Tax slab. Their disposable income is high and their aspirations

even higher. This is the segment that is shopping around for Audis and Mercs and high end classic brands like Omega, Bose and B&O love speaking to them, both for their maturity and their money.

One foot in the past, one in the future:

We lived through changing times and effortlessly took them in our stride. We balanced traditional values with modern mindset, traditional technologies with fast-paced digital exposure. We have effortlessly transitioned two centuries.

We have had a lot to learn but we learnt it well. As a marketer, don’t you think this opens up a bigger basket of brands and greater spending opportunities? Fashion brands such as Anita Dongre, Fab India and Cotton World have taken advantage of these changing scenarios by catering to the varying tastes and sizes of Indian women.

The technology wave: This is the generation that has seen the most technological shifts. From microwave ovens to colour TVs to Chromecast. From bulky desktops to iPad minis and rotary dials to smart phones. From hard bounds

Till today, no matter how much they earn, Gen X will continue to save for their children's education, to provide a real estate for their heirs and to manage medical expenses for their parents.

Now contrast all of the above with the behaviour patterns of the millennials and you will see that if approached slightly differently, brands that target Gen X have much to gain.

Gen X: 40s is the new 30s
What makes Gen X a worthy consumer? Here is our case:

Have money, will save, will spend: The Gen Xers are in the prime of earning money and therefore have plenty to spend (despite their need to save). They are calculated spenders but are willing to spend on experiences (not just travel but also shopping), luxuries, accessories and much more. They are a generation which comes from a perspective of "controlled spending" and are today fulfilling all the aspirations which didn't come easily when they were growing up.

Talk to any Upscale Gen X consumer about what they spend on and you will find travel, fine beers and wines, food experiences, status signifying products – car, watches, clothes, art, accessories and much more on their list. Even the more mass market Gen X consumer seeks products which resonate their hard earned status and proclaim that they have arrived in life. They are, at the same time, concerned about escalating costs of living and will work towards saving for contingencies.

Gen Xers are less likely to experiment with new brands and find comfort with the ones they have experienced and trust. **They are also willing to shell out more money for this**

Are as comfortable with online shopping as the millennials: According to a Master Card study the online shopping behaviour of 35-49 years is not significantly different from those younger than 35 years.

Children influence their spending patterns: Most Gen X consumers have children who influence their purchasing behaviour. While they may be conservative spenders, they have worked hard and are willing to support and indulge their children with products and services that weren't afforded to them. They understand that the only way to stay ahead in a fast changing world is by experiencing it and are willing to invest in whatever this takes for the growth and success of their children's future.

Are brand loyal: Gen Xers are less likely to experiment with new brands and find comfort with the ones they have experienced and trust. They are also willing to shell out more money for this.

Quality conscious: Gen X is discerning and will not hesitate to pay a higher price for better quality and experience. They are prudent purchasers and will not invest in anything until they have completely researched it and are completely satisfied with the results.



MASTER CARD ONLINE SHOPPING BEHAVIOUR SURVEY 2015								
	overall	Male	Female	18-24 years	25-34 years	35-44 years	45-49 years	50-64 years
Base(All)	n=1006	n=710	n=296	n=333	n=361	n=137	n=82	n=92
% respondents accessing the internet for online shopping	86.80%	85.80%	86.70%	85.70%	89.20%	87.40%	80.50%	77.90%
% respondents who have made at least one purchase in the last 3 months	96.60%	97.00%	95.50%	96.40%	97.70%	95.80%	96.10%	94.30%
Average number of occasions an online purchase was made in the past 3 months	54	55	51	51	6	52	45	49
Base(Those who have made a purchase online)	n=971	n=689	n=283	n=321	n=353	n=131	n=79	n=87
Average number of years of experience of online shopping	28	28	27	25	28	3	31	28
Average number of item purchased online in the past 3 months	63	63	63	61	67	64	58	58

BASE: ALL RESPONDENTS, SOURCE: MasterCard

(FIGURES IN %)	TOP 2 - BOX % STRONGLY/ SOMEWHAT AGREE							
	overall	Male	Female	18-24 years	25-34 years	35-44 years	45-49 years	50-64 years
It is easy to shop online	83.4	82.1	86.6	78.2	86.1	88.6	85.7	82
It is convenient to shop online	82.6	81.1	86.3	74.6	87.4	85.6	84.4	86.9
Online shopping is easier than shopping via an offline catalogue and a telephone	78.7	77.3	81.9	71	84.5	85.6	77.9	73.8
I tend to go the same online sites again if i've used then before	78.7	77.9	80.7	74.2	81.4	82.6	79.2	77.9
I often read and consider online reviews of the product before purchasing	78.7	77.9	80.6	72.6	84.3	86.2	76.6	69.7
There is a wider range of selection from online providers than in offline shops	78.6	77.7	80.9	72.6	83.2	86.2	76.6	73
Most goods are much cheaper online then they are offline	75.1	75	75.2	70.2	82.2	76	75.3	63.1
Most people tend to shop online a lot	71.9	68.7	79.6	67.1	79.9	77.2	66.2	54.9
People like me tend to shop online a lot	71.6	70.6	74	67.9	78.4	76.6	66.2	55.7
When I shop online, I would prefer to have a hotline number for enquiry	71	70.9	71.3	64.7	77.1	73.1	70.1	68
Shopping is the fun way to pass time when browsing online	70.1	67.4	76.4	67.5	75.5	72.5	63.6	60.7
I feel secure shopping online	70	69.8	70.5	63.5	77.6	76	62.3	61.5
Shopping online is esential for me	65.5	66.2	63.9	62.3	74	68.9	53.2	50
It is difficult to exchange or return goods bought online	55	54.5	56	54.4	61.3	55.1	46.8	39.3

**New for 2015, BASE: ALL RESPONDENTS, SOURCE: MasterCard*

A ripe, rich audience for brands

Are you convinced enough to include Gen Xers in your marketing plans? Here are some worthwhile strategies to keep in mind if you want to win this influential segment.

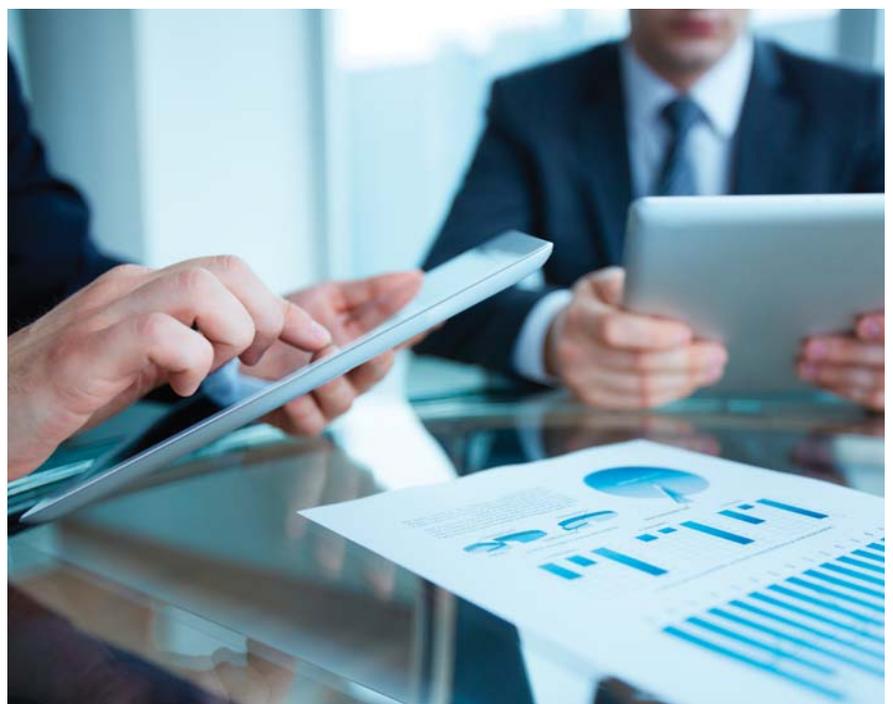
Appeal to what they desire most: Unlike the millennials, Gen X is rarely swayed by materialism and regard most material objects as a means to fulfilling non-tangible desires such as:

A.) Their desire for independence/ self-reliance: If you are marketing wellness, health or fitness products to figure conscious millennials, make sure to cast a wider net to include the health-conscious Gen X and see the difference it makes to your sales curve. From health foods to fitness apparel, from gadgets to apps, Gen X – with their growing interest and comfort with technology – are scouring the market for products and services that keep them fit and able and help reinforce their independence. And we’re not just talking about insurance policies and post-retirement finance or medical services which seem to be the only companies talking to them.

B.) Their desire to leave behind a legacy:

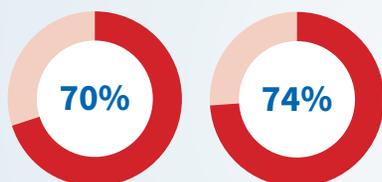
Gen X make great providers and are willing to invest in products and services in which they see lasting value. From jewellery to watches, from exotic holidays to first or

second homes, while they are willing to pay a premium, they will not overpay and are uncompromising on quality. Gen X is also immune to hype or trends.



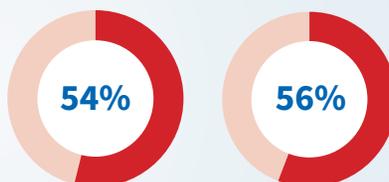


Q: Are you aware of the existence of loyalty or reward programs in India



Millennials Non-Millennials

Q: Are you currently participating in any loyalty or reward program?



Millennials Non-Millennials

Non-Millennials in India have better awareness and participation in loyalty programs, **motivated to a greater extent by financial benefits than the younger generation**

generation that grew up on newspapers and television and migrated efficiently to Google, OS and Android. In fact, they respond equally well to new age media as conventional marketing techniques, so the opportunities to not just target them but also reinforce your brand message are manifold.

Show them value: Better still, give them real value. Everybody likes a good deal and Gen Xers are not ones to be left behind. While they seek discounts, they are most likely to opt for value over volume if they see the worth in it.

Win them and win their loyalty: According to the India Millennial Loyalty survey conducted by Aimia in 2013, “Non-Millennials in India have better awareness and participation in loyalty

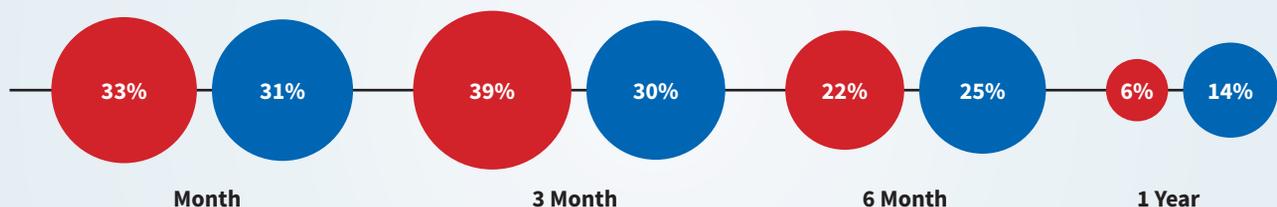
Speak from the heart and back it with delivery: Honesty is a quality they value so be sure your brand speaks the truth in every aspect. The slightest dissonance in brand communication and experience is enough to drive a wedge. Be transparent and you have won their loyalty for life. Do not try too hard to be something you are not. Some brands strongly echo this sentiment. Tanishq, for example, has successfully extended its brand by introducing collections aimed across various age segments.

Give them the information they seek: This is a segment which will not buy anything till they have thoroughly researched

it, both online and offline. According to a MasterCard Survey, compared to millennials, Gen X is a segment that digs deep and prefers to read reviews before making any purchase. Remember, they have grown up in a frugal economy where money was valued and they continue to use it with caution.

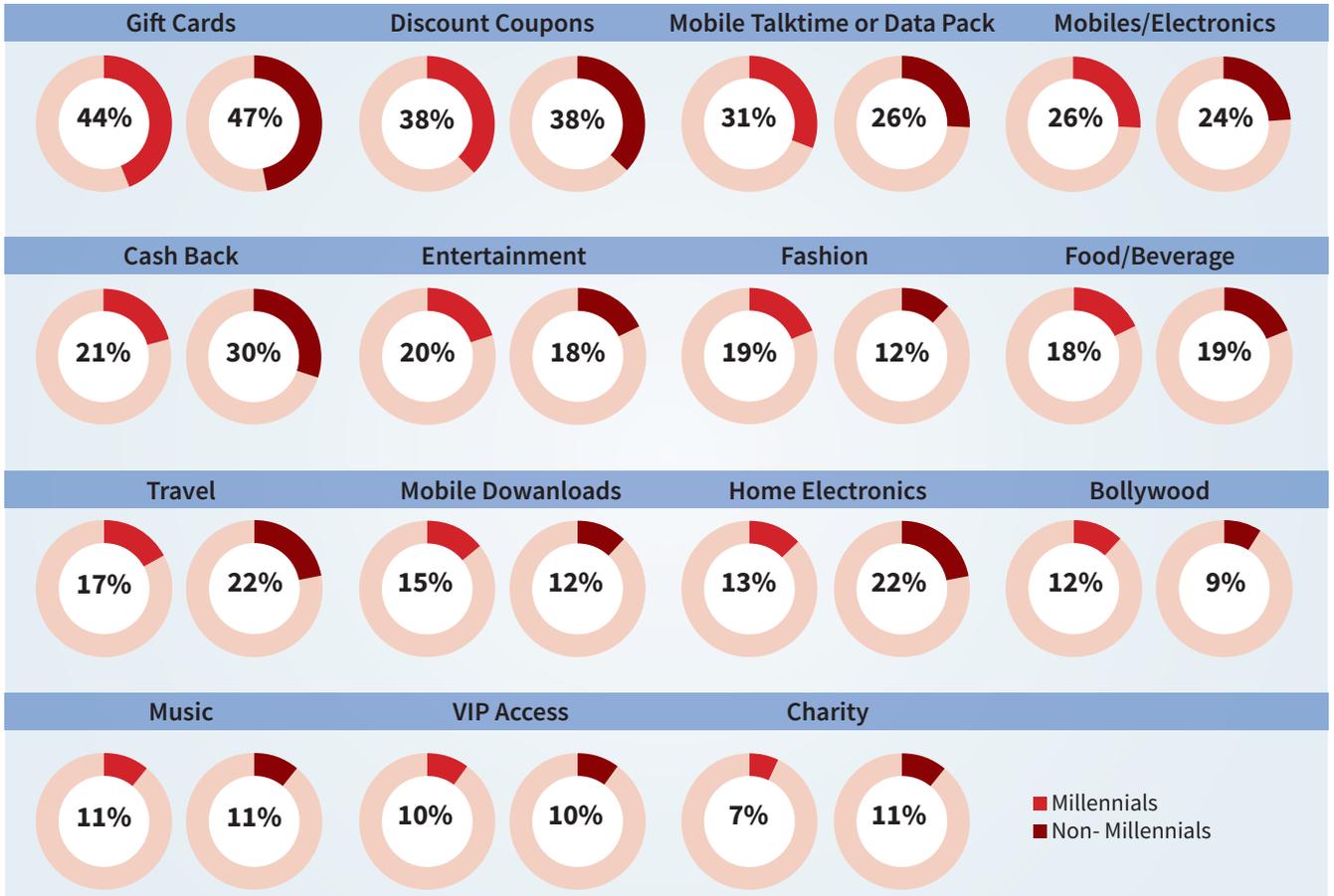
Connect with them on their turf: While Gen X is a tech-savvy lot, unlike the millennials, they turn to both offline as well as online channels for their information. It would therefore do marketers good to include traditional advertising such as print, radio and television in their media plans. This is a

Q: How long should it take to earn a reward



Q: When earning reward in a loyalty or reward program, which category of rewards is most appealing to you?

(% ranking their Top 3 reward categories)



Source: Aimia, India Millennial Loyalty Survey, 2013

programs, motivated to a greater extent by financial benefits than the younger generation. Millennials in comparison are much more motivated by exciting, lifestyle driven rewards with higher expectations on how frequently and speedily they can earn these rewards”.

The data further reinforces Gen X’s brand loyalty. Gen X is willing to wait and earn rewards over a longer period of time, a commitment they are willing to make when compared to millennials who are a more here-and-now generation.

It’s time to think different

TO CONCLUDE, HERE IS WHAT GEN X THINKS OF THEMSELVES.

We are the ones holding senior or leadership positions. This means, we earn more and we can spend more than the millennials.

We are also the ones managing millennials in the work place and at home and the reason behind their bank balance and credit cards.

We are the ones who make important decisions which can have a tremendous



impact on anything from the environment to the economy.

Then why do the millennials continue to be worshipped by marketers and us cash rich, brand loyal Gen Xers continue to be sidelined? Is there any particular reason why Indian marketers and brand teams choose to ignore us?

Gen X is a far more culturally and economically significant demographic that is maintaining a low profile. Glancing in their direction might be worth your bottom line. Gen Xers may be silent but they are slowly preparing to make some noise.

All we can say is that you are ignoring an important segment of consumers that is willing to give you everything your brand desires – high spending power and a higher brand loyalty.

While you are trying to figure that out, we will sit quietly and watch our bank balance rise as we play games on our smart phones.