

INSIGHTS

The (Data) Science Behind Generational Myth Busting

Why you can't always rely on generations to predict brand loyalty or switching behaviors

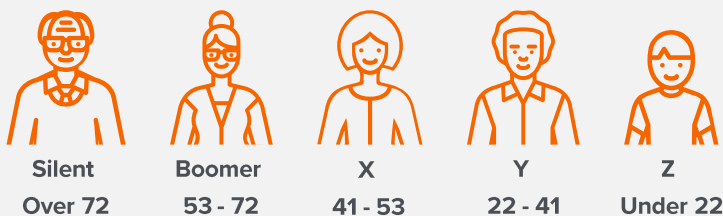


The New Marketing Focus

Generational marketing, like focusing on millennial consumers, has been an industry priority for years. Lately, however, there's been a recent shift towards reaching more niche groups like Generation Z. We tend to naturally assume groups of people act similarly, so this may seem like a smart plan on the surface, but is it truly "ok" to market generationally?

We challenged our team of Data Scientists to investigate the loyalty and switching behaviors of generations alone, compared to generation plus other demographic factors, to see just how accurate this type of marketing really is.

Generations By Age



Using a combination of our Claritas Technology Behavior Track, Claritas Insurance Track and additional modeled data, our team returned some surprising insights*.

Generations alone are not good predictors of loyalty or switching behaviors, simply because the data can be inconsistent when using a singular view, and that just does not lend itself to broad generalizations.

*All original research mentioned is compiled from head of household respondents, 18 and older.

So, We Can't Market To Generations?

We're not exactly saying don't market to generations. In fact, that can be an important factor in your messaging. You wouldn't necessarily send college recruitment materials to the Silent generation, just like you might be wasting your marketing dollars by sending information on local 55+ communities to Generation Z, but in all cases, you'll wind up making smarter decisions with your budget if you consider more than just generation.

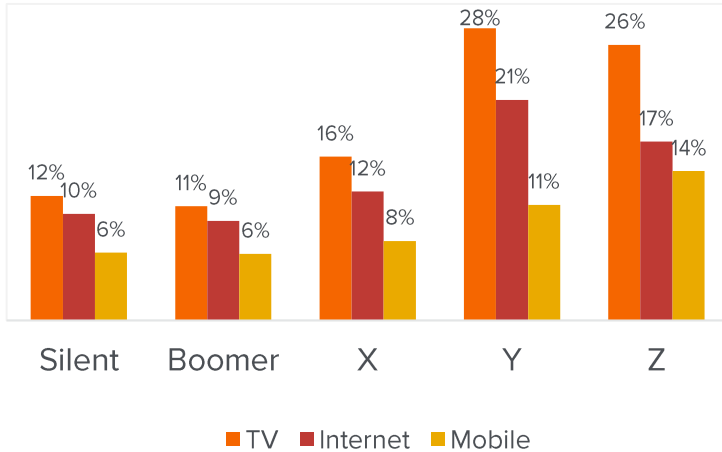
Factors like **income, race, marital status, homeownership and presence of children** can affect an individual's likelihood to switch providers, and are often **more consistent and reliable predictors** than generation alone.

When we looked at generational impact, plus modeled data and demographic variables, Hispanics, African Americans, married couples and households with children were **more likely** to switch providers than other ethnicities and single individuals. On the other hand, females and homeowners proved **less likely** to switch providers.

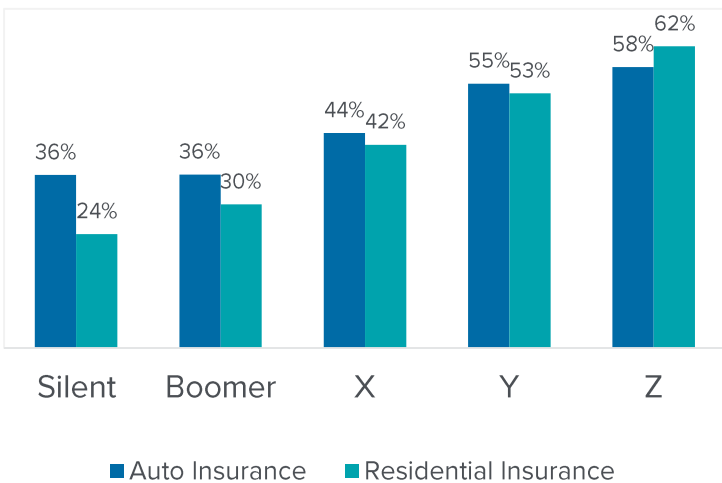
*Gen Z is the **most racially diverse** of all generations. To market smarter, create varied messages that resonate with this "new American mainstream."*



GENERATIONS WHO SWITCHED TELCO PROVIDERS BY CATEGORY, IN THE LAST YEAR



GENERATIONS WHO SWITCHED INSURANCE PROVIDERS BY CATEGORY, IN THE LAST 3 YEARS



Sources:
Claritas Technology Behavior Track 2017 Claritas Insurance Track 2017

Note: Charts may not equal 100%, as survey respondents were able to select more than one response on certain questions.

Generation Z is **less likely** to switch Internet providers than Generation Y, but **more likely** to switch auto insurance providers.



Informed Marketing

Even in areas where we did find generations to be good indicators of behaviors, the results were surprising. While price is a concern to both Generation Y and Z in choosing a provider, they are much more likely to be swayed in their decision by company reputation, as well as the variety of options and ease of billing, than any other generation. Knowing this can help guide your marketing, like highlighting your customer satisfaction rate, or multiple payment channels available when marketing to these two generations.

The diversity of Generation Z, and future generations to come offer a unique challenge to marketers. A “one size fits all” approach will prove less fruitful. Selling smarter starts by selecting a partner with a particular power to help you **understand the “why behind the buy”**, so you can succeed in creating a message that turns potential buyers into your best customers.

For more information, contact your Claritas Representative at 800.234.5973 or visit www.claritas.com

