Is Generational Marketing a Mistake?
by Charles B. Wendel

A recent article by Steve Cocheo for the *Financial Brand* website raises important for financial services companies hoping to attract and retain post-Boomer generations. The article is titled "Is Everything Bankers Think They Know About Millennials & Gen Z wrong?" It suggests that generational thinking, breaking out targets by groups like Gen Z, Millennials, Baby Boomers, and Seniors, may be taking banks down the wrong path for succeeding with these segments.

Steve sums up the current approach favored by many banks that focus on winning over their highest priority segments. "Generational thinking affects much more than branching strategy, of course. Marketing channels, images, use of video, product names and much more often hinge on what financial marketers believe Millennials and Gen Z want. Some of the hot trends in the field, such as purpose marketing — involvement with social and even political causes — stem from research that indicates that that's what the younger generation purportedly wants."

Much of the article presents the views of Bob Hoffman, an advertising executive and blogger whose view is, "How can you take hundreds of millions of people and say they're all alike in some way?" Hoffman views the changes between generations are tied to life-style changes based upon age. He warns that bank leaders need to be circumspect about what third-party marketers are pushing: "Every 15 or 20 years, they invent a new generation that's going to be completely different from the last one." Hoffman blames young marketing people who focus on their own age groups.

He warns against a youth focus, stating that "Gen Z doesn't have any money" and will not have "serious money for 20-25 years." He points out that in his view: "90% of all marketing is aimed at people under 50," while the 50+ group holds 70% of U.S. wealth.

Hoffman also pushes back against the idea that grabbing onto a young customer now will result in the customer staying with that bank for decades. He says, "This is a complete fantasy and a delusion because of life-stage issues." His point centers on the selection criteria for a financial services provider changing over time. The young with relatively little money and simple needs may bank based upon price, the latest technology, or similar factors. A 50+ year old with significant assets has different concerns, financial priorities, and goals. Hoffman's view makes logical sense.

He also has the courage or foolishness, depending upon your perspective, of offering a view about companies taking stands on social or political issues. As you might guess from the views expressed above he thinks they are "mostly nonsense… Most people don't care what their peanut butter maker's opinion on immigration policy is. They don't know and they don't care. They want something that tastes good." Similarly, most want their banks to provide flawless service, quick problem resolution, and quality products, all at a competitive cost. Period.

Hoffman's perspective is worth reading and discussing internally. Too many institutions, banks and others, follow a lemming -like path. People like Hoffman push against the conventional wisdom and should make management pause to reconsider its approaches. Unfortunately, at many companies a person speaking Hoffman's words would be shunned, viewed as a neanderthal or worse, rather than encouraged to challenge practices and philosophies that demand reconsideration.

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