

Generation x – consumer behaviour



Baby boomers presently make up the lion's share of the political, cultural, industrial and academic leadership class in the United States.

Bill Clinton and George W. Bush, born within sixty days of each other in mid-1946, are the first and second Baby Boomer presidents, and their careers in office illustrate the wide, often diverging spectrum of values and attitudes espoused by this largest American generational group to date. William Strauss and Neil Howe, in their book *Generations*, include those conceived by soldiers on leave during the war, putting the generation's birth years at 1943 to 1960.

Howe and Strauss argue that persons born between 1961 and 1964 have political and ultra patterns very different from those born between 1955 and 1960 and fit into what those writers term the Thirteenth Generation or Generation X (also known as the Cold War generation) born between 1961 and 1981.

As the influence of Strauss and Howe has grown, a smaller number of people still accept Baby Boomers as including those born after 1961, although there are some who put the dates at 1946 to 1963 because of the number of significant "Gene-X" figures born in 1964.

There were over 79 million babies born during that generation. It can be argued that the defining event of baby boomers was the Vietnam War and the protest over the draft. Conscription in the United States ended in 1973 so anyone born after 1955 was not at risk. This argues for a ten year range 1946 to 1955 and this would fit the demographic covered by the TV show of the same name.

This means that those born in the ten years 1956 to 1965 would be Generation X in the late sass and would be twenty something as a response.

By the middle of the first decade of the new millennium, the oldest Boomers are approaching retirement age. The younger members of the generation are still in their arties, and many have yet to “ leave their mark upon history,” a desire that drives most leaders of this generation. Patterns of history for Idealist generations suggest that Boomers will have a long tenure of political office and cultural influence, as was true for the Awakeners of Benjamin Franklin and Samuel Adams, the Transcendental of Abraham Lincoln and Walt Whitman, and the Missionaries of Franklin Delano Roosevelt and George Cattle Marshall.

Strauss and Hose’s posited patterns of history indicate that Boomers will occupy the upper echelons of worldly power Consumer Behavior By chinning through a likely Crisis Era that will not end until about 2020.

The best Idealist leaders demonstrate vision, decisiveness, and culture that allows them to lead in the best manner in the worst of times. A caveat applies: the arrogance, selfishness, and ruthlessness that Strauss and Howe attribute to an unusual degree in all prior Idealist generations can lead to factional strife (as during the American Civil War) or to outright despotism.

Younger generations may need to rein in these destructive tendencies.

Leaders of this generation tend to reevaluate their lives in midlife, and any focus desperately on the successes and failures of their children.

Increasingly, the tendency to “ micromanage” the lives of their children is expressed in this generation to a significant degree; and this generation’s tendency to regulate personal behavior (as in alcohol and drug use and the content of cultural creations) is arguably more stern than that of the “ uptight” adults that Boomers knew during the “ Consciousness Revolution” that Boomers experienced around 1970.

As an example, Boomers may have not gone so far as Missionaries did in attempting to outlaw alcoholic beverages, they have been in the forefront of efforts to attack the theologies (drunk driving, domestic abuse) of drunkenness and drug use. Boomer prosecutors have shown unusual willingness to impose severer sentences upon criminal offenders, including “ three strikes” laws and the death penalty. Boomers have played a strong (and surely unforeseen) role in attempts to make America more overtly religious.

Many have turned to fundamentalist Christianity as a solution to what they see as social rot. Many prefer religion over science wherever any doctrinal conflict appears; thus one finds a rise in creationist dogma and the promotion of prayer in public schools to an extent not known since the time of the Scopes Trial.

If not so religious, Boomers are also the ones who insist upon V-chips in television so that children not see ‘ adult’ content that Boomers could hardly wait to indulge in when children; they are unusually swift to sanitize the culture that children see.

Boomers seek to improve society through children as their Silent next-elders seem to have failed (by Boomer standards) through excessive leniency. Such change will come with mixed blessings, particularly to those who must endure Boomer Judgment, which becomes steadily harsher as Boomers supplant older (GIG, Silent) adults. Boomers may have been best known for hippies and other counter-cultural types, but the conservatism that one associates with country music has become more the norm.

But like other Idealist generations of the past, Boomers have strong passions for personal and social improvement, and although the expressions of such passion change, the intensity of that passion remains until they age out of prominence. Affluent Baby Boomers Although it is debatable whether the baby boom generation actually forms a subculture, there are sufficient lifestyle similarities in huge generation of Americans born between 1946 and 1964 for us to see that this large impact on marketers and the economy as a whole.

Fundamental change in the age characteristic of its population, principally because of dramatic changes in birthrates over the last half century. During the great Depression of the 1930s there was a baby bust, as the number of children born to average woman during her lifetime. As the time passes boomers grow older, the bulge moves on, growing through the population like a melon being digested by a constrictor. These consumers tend to be affluent and have a new set of product needs and wants.

Once a person has qualified staff of effective followers, he or she needs to be a leader who can motivate and challenge each and every one of his or her workers. For example, given the influx of women into the workplace, more

attention has been paid to attracting and retaining women. The swing generation was involved in the rebuilding of the United States after world war II. There is little doubt that the impact of the Baby Booms generation has never been underestimated.

The cohesiveness of this cohort, however, has perhaps been grossly overestimated.

Although commonly viewed as a monolith, the idea of the Baby Boomers as a homogeneous group is more myth than reality. With its members spanning nearly 20 years of life, Baby Boomers are represented by a wide range of life stages, life experiences, and life values. The temptation to generalize about this generation is likely driven by a compelling need to understand how this huge segment of society will shape the future. Yet, one of the key characteristics of the Baby Boom cohort is its diversity.

For policymakers and business leaders, the diversity of the Baby Boom generation presents major challenges as we prepare for a new millennium and a new type of retirement. This diversity will, in fact, become more pronounced as Baby Boomers move en masses into their fifties. To tap into the wide range of values, attitudes and behaviors that Baby Boomers will bring to their retirement in the new millennium, in 1998 ARP embarked upon a major research initiative with Roper Starch Worldwide Inc. ARP undertook this research with the goal of understanding this generation in all its complexity.

The result is a definitive and comprehensive portrait of this massive group as it prepares to enter later adulthood. Baby Boomers Envision Their

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Retirement: An ARP Segmentation Analysis underscores the heterogeneity of today's 33-to-52 year-olds as it relates to their retirement planning and preparation and their hopes and expectations of the future. Segmenting the generation into five key attitudinal and behavioral groups, this research provides a road map to the retirement of the largest generation in the nation's history.

From the Self Reliant and Enthusiasts, groups who are well- prepared for the retirement road ahead, to the Struggles and the Anxious, those who are more pessimistic about the future, to Today's Traditionalists who expect a rotational retirement that also includes work, the following report provides keys to better understanding and communicating with the next generation of American retirees.

INTRODUCTION Thousands of the seventy-five million American baby boomers born between 1946 and 1964 celebrate their 50th birthdays every day.

The graying of the United States, which is occurring as well in other industrial nations, constitutes a demographic revolution and presents the most critical public policy issue of our times. While many experts, popular pundits and the press have made predictions about how the aging of the baby boomers will affect the United States, in actuality, no one really knows with any certainty what will happen. What is clear is that the policy implications and ramifications are unprecedented in history.

America's graying will transform politics, retirement systems, health care systems, welfare systems, labor markets, banking and stock markets.

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It will force a re-thinking of social mores and prejudices, from issues of age/gender discrimination in the Job market to end-of-life care. Whether that transformation is positive or negative will depend on planning and preparation that must begin today. To prepare our country, we must start now to develop a radically new vision which transcends outdated policies and generational/institutional biases.

Now is the time to encourage and institutionalize intergenerational, “out of the box” thinking, creative “systems” policy development and innovative multidisciplinary research which will effectively address the challenges our nation will face with the aging of our baby boomers. Creating a bold, new intergenerational paradigm to address the aging of the boomers will not be easy, but it is not impossible and will be one of our nation’s greatest achievements. Baby boomers will be living younger longer.

They will provide leadership and solutions to many of the issues relating to their aging and wonderful opportunities will flow to our country because of their efforts. The work the 2005 White House Conference on Aging Policy Committee is doing in this area is of critical importance to harnessing our national goodness and vibrancy to initiate a constructive process of national intergenerational policy dialogue, development and implementation. So first, let me thank and commend you madam Chairperson and the Committee for inviting me to speak and for providing the critical national leadership. II.

OVERVIEW AND DEMOGRAPHICS

In 1995, the White House hosted the 1995 White House Conference on Aging (Waco) entitled: “The Road to an Aging Policy for the 21st Century”.

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Subsequently, recognizing the demographic revolution the country will be facing with the aging of the baby boomers, the 1996 Executive Summary of the Conference concluded and cautioned: " A strong sentiment conveyed by many of the thousands of people throughout America who participated in the 1995 Waco was that change in our national aging policy is needed now to lay a strong foundation that will serve us in the 21st century.

The national policy should be intergenerational, and it should embody a sense of community, with shared rights, responsibilities and values. "(I) " The window of opportunity for developing and implementing a compassionate, comprehensive, cost-effective national aging policy is closing rapidly. By the year 2000, there will be 26 times as many Americans over the age of 85 as there were in 1900. Also, in the year 2000, there will be almost 76, 000 Americans at least 100 years of age.

In contrast, more than one million of the Baby Boomers will live to be 100 years old, with women significantly outnumbering men. Delays in planning for our national population will result in greater demands upon our nation and its people. "

(2) The seriousness of this warning can best be put into perspective by understanding the major demographic trends and changes the aging boomer cohort brings, along with some of the major implications of these changes: ; In 2006, the baby boomers will begin to turn sixty and in 2011, sixty-five.

In the coming decades, there will be a significant increase in the number of elder boomers and in their proportion to the total population. By 2030, the

boomers' proportion will increase to 20% of the population up from a current 13%, and the number of elderly will double.

(3) Put in different terms, from 2010 to 2030, the 65+ population is projected to "spike" by 75% to over 69 million people.

(4) Then from 2030 to 2050, the growth rate is projected to grow about 14% with the number of elderly totaling about 79 million.

(5) ; The 85+ population is the fastest growing segment of the older population. The most rapid increases in the number of persons 85+ will take place between 2030 and 2050, when the baby boomer cohort reaches these ages. By 2050, the 85+ group will rise from a current 1.4% to comprise about 5% of the population.

(6) There will be a significant increase in the number of centenarians within this group. ; Women will predominate among the elderly, especially among the oldest old.

By 2050, it is projected that women 85+ will outnumber men 85+ by about four million, accounting for about 61% of the 85+ population.

(7) Most of the 85+ will be widowed women.

" The imbalance of the sexes and the low percent of married women have been associated with reduced income, greater poverty, poorer health and greater risk of institutionalizing of older women.

(8) ; Even though the notable increase of the oldest old and the elderly in general is good news in terms of our attempts to lengthen the lifespan, there is a downside.

There will be large increases in some very vulnerable groups such as the oldest old living alone, with an unacceptably high percentage of individuals living in poverty or with low incomes. They will require a much greater share of public/private support and services.

(9) By 2030, there will be sizeable increases in the number of people requiring services in health care, nutrition, housing, transportation, recreation and education.

(10) ; Within the general elderly population, minority elderly populations are projected to increase substantially for the next three decades.

While the white 65+ population is projected to increase by between 1995 and 2030, older minorities will increase at a greater rate, including a 154. 6% increase for Blacks, a 417. 1% increase for people of Hispanic Origin and a 380. 1% increase for people of Other Races (Asian, Pacific Islanders, American Indians, Eskimos and Aleut).

(11) The rapid growth of these minority elder groups will greatly impact the demand for targeted supportive revise

; In the near future, the baby boomers will be the recipients of the largest intergenerational transfer of wealth in the history of this country if not the world.

More than ten trillion dollars will be transferred from the boomers' aging parents. While this transfer bodes well for the finances of a number of boomers, a significant number of less well off boomers will be unaffected and the wealth differentials which exist today will follow the baby boomer generation. These "wealth disparities" will determine the life style options for many aging boomers and will limit the choices of millions of Americans (especially women and minorities) in quality of health care, housing and numerous other areas.

12) Almost ten years have passed since the 1995 White House Conference on Aging issued its warning, and no comprehensive policies dealing with the aging of the nation's baby boomers have been formulated to address the coming demographic and societal challenges.

There is a clear indication that with continuing advances in the social and physical sciences, significant segments of the baby boomer and other generations will be living a lot longer than currently projected.

Given this fact, many age-related public policies involving diverse areas may be inadequate to address future needs because of the unreliable underlying longevity data projections. Indeed, if boomers and the other younger aging cohorts live significantly longer than currently projected and in better health, then many national policies dealing with practically every area of our society will have to be revisited, researched and refined to address these revolutionary demographic changes.

2. Internet Usage: Tech-savvy baby boomers, who grew up with television and radio and adopted cell phones, cars, microwave ovens, and computers

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as they aged, are set to put their stamp on the Internet as they gray and move on to a wired retirement. Boomers will be far better connected than retirees today.

Only 17.7 percent of households with members over 50 have Internet access, about half the rate of society at large. Boomers, by contrast, have about the same Internet usage as Generation Seers who follow them. Boomers tend to be wealthier and better educated than generations before them thus leading to a higher Internet usage.

They have also been forced to adopt to technology in the workplace, which spills over to their home life.

To the extent that financial pressures on the U. S. Retirement system extend the boomers' working life, those extra years in the workplace will also likely extend boomers' Internet usage. Other potential factors enhancing boomer technology usage include age-related disability, staying connected to family, loved ones, children, grandchildren and institutional doctors such as the trend to move government, health care and other services online.

Most likely, changes within private sector such as banks, nursing homes and religious institutions will have a greater affect on Internet use by aging boomers than will any government-sponsored initiatives. Given the great economic and social opportunities of the baby boomers increased use of the internet, this issue needs closer scrutiny and examination.

3. Economic Growth: To sustain economic growth, in addition to continuing the great strides we have made in productivity, we will still need an expanding work force.

This is a challenge for our nation since by 2011, when the first boomers turn 65, it is estimated that millions of jobs which need to be filled will outnumber available workers.

4. Retirement Trends and Planning: As a follow-up to the prior section, many questions arise about the baby boomers' retirement and work force plans and the effects they will have on our society and its economic well being in the coming years. As with many Americans, boomers historically have been "low savers".

Many boomers look to the equity in their houses as their savings.

Very few boomers have made realistic plans to replace the income they will lose when they retire. Given these circumstances many issues arise and should be examined: Will the baby boomers have retirement plans similar to those of current retirees? Will they change current notions of retirement? Will boomers become "bored" with traditional retirement? Will they work longer or will retirement be viewed as a gradual process where over a period of time, the employed boomer cuts back on the time she/he spends at work?

To sustain economic growth, government policies will need to provide incentives to encourage boomers to remain at work into their elder years, do more retirement planning and increase individual savings. But how can we formulate realistic policies if we do not know the boomers' intentions? Some

boomers will have more than one career and take a new career for a challenge or pleasure. Others, especially single women and minorities, will not retire because they cannot afford to do so. Twenty years from now, it is projected that women and minority men will constitute about two-thirds of the workforce.

16) If there are no significant policy changes and a significant portion of the boomers, especially women and minorities, keep working in their older years to just “make ends meet”, what will be the effects on our culture? While women constitute a majority of the elder retiree population and boomer women play a major role in our work force and in the care of our children/elders, our pension and retirement policies are generally gender biased towards men. Will our policies have to be refocused to reflect the unique retirement needs of women?

Economics influence the retirement and health care options for individuals which, in turn, impact their quality of life and life expectancy. A number of boomers will be more affluent than today's retirees. It is postulated that the older baby boomers may be better off financially than the younger boomers because the older boomers may have experienced a healthier economy as adults and some inherited greater wealth. Many agree that, at current trends, there will be a growing gap between the rich and poor boomers. How will policies address this growing gap?

Definition Generation x Born between 1946 and 1964, Generation x (the baby busters') is small, but possesses of discretionary income.

Given a variety of names, Such as “ afterburners” and flyers” , the group is noted for valuing religion, formal rituals, and materialism, and has more negative attitudes toward work and getting ahead than the boomers had their age. Because of the group small size, employers must compete for them in the job market. Until recently Generation x was ignored by marketers. But one marketers.

But, as one executive pointed out, “ as baby boomers enter middle age, marketers are being forced to confront Generation x. These people will fuel the growth for products categories from fast food to liquor to apparel to soft drinks.

Because of its spending power, Generation x is being taken seriously by marketers. The Generation x Market This age grouping often referred to as Seers, busters or slackers(as opposed to boomers); and twenty something, consists of approximately 46 millions 18- to 29- year-olds who spend about \$125 billion yearly.

Ironically, they do not like labels and do not want to be singled out and marketed to. Unlike their parents, Who are frequently baby boomers they are in no rush to marry start a family. Or work excessive hours to earn high salaries.

For Generation X Consumers, Job satisfaction is typically much more important than salary Seers reject the values of older co-workers who may neglect their families while striving to secure higher salaries and career advancement. For Generation X it is more important to enjoy life and to have a lifestyle that provides freedom and flexibility.

Many Seers are such more interested in tennis shoes, furniture for their apartments and camping equipment than in BMW or oceanfront condos. Owning one own home is often considered a negative that reduces an individual's flexibility. Although upward mobility has traditionally been the American dream , Seers often find good Jobs either difficult or impossible to find. Appealing To Generation X Members of generation X often pride themselves on their sophistication.

Although they are not necessarily materialistic they do purchase good brand names (e. Sony) but not necessarily designer labels . They want to be recognized by markets as a group in their own right and not as mint-baby boomers. Therefore advertisement targeted to this audience must focus on their style in music , fashions and language (see Figure 1 5-6).

One key for marketers appears to be sincerity . Seers are not against advertising but only opposed to insincerity . Baby boomers media does not work with Generations X members. For example 18 to 24 years olds have the lowest percentage of daily newspaper readership of all age groups.

Seers are the MET generation and while the three major united states TV networks attract cent of its viewers are in this age roof.

The success Fox has had with Seers may be due to such programs as “ Married with children”, The Simpson In living Color and “ Beverly Hills 90210. Furthermore a number of cable TV networks such as Met Comedy Central and E! Have been very successful in reaching this audience . At appears that a low key approach works best in reaching this market segment. Cultural

convergence continues to transform the marketplace as borrowing among cultures accelerates.

It is valuable to evaluate groups of residents of different nations to identify generational similarities and/or differences. This work presents the results of a pilot study comparing Generation X in the United States and South Koreans who fit the age requirements for membership (born between 1961-1981). The focal points for the study include: education, occupation, and financial wealth. The areas of agreement and disagreement are identified, results interpreted, and implications for marketers explored. Much has been written about Generation X and the challenges they present.

Analysis of previous research, the bulk of which appears piecemeal in general business and trade publications, reveals some alarming contradictions (Mitchell and Orm 1998). Marketers find this consumer group to be highly individualistic and diverse ethnically, culturally, and attitudinally (Ritchie 1995). Cultural convergence continues to occur throughout the world as technological advances make physical distances easier to span and cross-cultural norms more quickly diffused (Contain and Ranking 1998).

Indeed, telecommunications technology, broadcast technology, inexpensive long-distance travel, and other innovations make cultural borrowing more likely. Given the continued globalization of markets, the convergence of cultures, the speed of communications and diffusion of consumerism throughout the world, it is of value to compare generations of Americans with their counterparts from other nations. Since the early 1980s, the U.

S. And South Korea have been inextricably linked, thanks to the Korean War. (Such a statement may be valid of the relationship between the U. S. And communist North Korea.

) The U. S. As maintained a military presence in Korea (approximately 50, 000 strong) to ensure peace in the region. As such, American young people have (knowingly or unknowingly) helped to diffuse the American culture throughout the region.

Further, many Korean students elect to study in the United States, particularly at the graduate level. These two factors, along with technological advances and the ease of inter-continental travel, have made cultural borrowing between the two nations more likely. The Pacific Rim contains 56% of the world's population. Further, the region accounted for approximately 33% of global income in 1997.

Newly industrialized economies such as South Korea, Taiwan, Singapore, and Hong Kong are expected to continue their histories of strong economic growth fueled by foreign investment and export- driven industrial development (Keenan and Green 2000).

For this reason, an examination of possible generational similarities/differences between these two cultures is particularly timely. The purpose of this work is to present a pilot study of the generational similarities and differences between the American generation known as " Generation X" and South Koreans who fit the age profile tort group membership.