During Critical Christmas Shopping Season, Consumer Habits of Generations X and Y Present Tricky Mix for Marketers

Lori Wright
UNH Media Relations
During Critical Christmas Shopping Season, Consumer Habits Of Generations X and Y Present Tricky Mix For Marketers

November 22, 2011

DURHAM, N.H. – While the independent-minded members of Generation X take consumer decisions into their own hands, the younger Generation Yers are much more dependent on the opinions of others – especially their parents – when making purchases. Taken together, the significantly different shopping habits of these two generations of consumers present a tricky situation for marketers who are now in their most lucrative time of the year -- the Christmas shopping season, according to a University of New Hampshire professor.

The research was conducted by Nelson Barber, associate professor of hospitality management. He investigated the consumer habits of Generations X and Y, which represent 116 million consumers. Born between 1964 and 1977, Generation X totals an estimated 44 million consumers. Born between 1978 and 1998, Generation Y totals an estimated 72 million consumers.

Specifically, Barber looked at the consumer influences of parents, peers, mass media, and the Internet on Generations X and Y. He found that Generations X and Y take significantly different approaches to purchasing based on their social and cultural traits.

Shrewd online shoppers, Generation X has been raised with a keen understanding of marketing and media, and focuses on gathering information and gaining a deep understanding of products prior to purchase, according to Barber. Traditional media and the Internet play important roles in their information gathering.

“Generation X is very motivated to search for purchase-related information and is adept at searching. Generation Xers tend to use information not as a point of pride but as assurance that they are not being taken advantage of by marketers and are getting the best deal possible,” Barber says.

“For Generation X, marketing strategy should focus on providing product-related information that is verbally and visually rich, and highly informative because such messages are compatible with the needs of elaborate processors,” he says.

In contrast, Barber found that when Generation Y makes decisions, they look to their parents, and often their peers, for guidance and have trouble making decisions on their own because of excessive "hovering" parental oversight. The need to conform to parental norms and an overdependence on technology, coupled with the ease of connecting with peers, adds to their inability to make decisions.

"Generation Y selects and consumes products that help them achieve their goals of blending in with the crowd or a certain group; thus, they are influenced by the need to conform in order to be liked and accepted by them,” Barber says.

Barber recommends companies focus on attracting Generation Yers through peer interactions. Websites should be optimized with social networking, blogs, and live chat customer service. The mobile Web also plays an important role in how Generation Y socializes.

"Because Generation Y is media savvy and conscious of being the target of marketing, brands that succeed will be those that open a dialogue, admit their mistakes, and essentially become more transparent,” Barber says.

The University of New Hampshire, founded in 1866, is a world-class public research university with the feel of a New England liberal arts college. A land, sea, and space-grant university, UNH is the state's flagship public institution, enrolling 12,200 undergraduate and 2,300 graduate students.