

# Think Young Make Money

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“Think Young Make Money” is a short article written for companies wanting to connect with the “new” generation (Gen Y’rs) on “their” level; technology that is... more specifically, “social networking”.

## Who is embracing technology?

At present, there are three groups that are beginning to or have adopted the new social networking technologies. These are Gen Y, “some” baby boomers and “some” companies.

Gen Y, those 25-35 year olds, grew up with technology. Since they sat on mom or dad’s lap at the family’s computer banging on the keyboard. These people have had technology in every aspect of their lives. Technology has formed their lives. Technology permeates both their personal and careers, and they are OK with this.

Baby boomers; their birth to technology began with Atari’s Space Invaders, dial-up modems and 64K of memory. Today, they are consumers of gadgets and the wallets for the Gen Y’rs. They are comfortable with technology but their lives existed before the “invasion”.

Then, there are companies who are embracing this technology. Most of these companies are in technology, or have technology as core to their operations. Yes, many other sectors, such as, finance, services, retail and others all have computers as part of their everyday operations, but the companies using social networking tools are very limited. For others in other sectors unless they have enthusiastic boomers or Gen Y’rs in their organizations they are missing out.

## Show me the money

The above tells us who are using social networking tools, but this article is about companies wanting to financially benefit from this new wave. According to a recent article in CRM [November 2008] Magazine, Gen Y has a significant financial impact on the economy. Is this enough money to go after?

- **Spending Power** - \$189.7 billion in 2006
- **Discretionary Income** - American households with at least 1 Gen Y member spent 15% more than the average household

## How do you “connect”?

Yes, Gen Y is your target, but how do you connect? This generation is accessible in so many ways, IM, Live Chat, cell phones, texting, MySpace, Facebook, Twitter, etc., and that is part of the challenge. So, which technology does a company develop their marketing programs for?

The answer to this question is based on a company’s desire to pursue this market and their technology budget for developing the appropriate tools. And, don’t forget the assigning of resources to manage and keep these tools up to date.

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Based on these factors, development costs and maintenance, the following priority is recommended.

1. **Tap the Phone** – The prevalence of cell phones and texting amongst Gen Y's, is the first area a company should look to benefit from. Today, technological solutions exist which can automatically call/text a cell number within a specific geographical area. For example, let's say you are the owner/operator of a fashion boutique in a town's retail district. The technology can scan the immediate area, identify when a "cell phone is walking by" and then send a text to the phone notifying the person of a "special cell phone only" sale if you come in today. (The issue of privacy is not addressed here.) This solution represents relatively low costs and has the compelling benefit of appealing to people's sense of urgency and spontaneity.
2. **Pull versus Push** – The value of any technological business solution is the ROI. All companies today have a website. But, these solutions are designed for the masses (unless there are special member login areas). These solutions are typically designed to "push" a company's wares and create a static "feedback wanted" digital presence. With the new (Facebook is now 5 years old!) social networking sites, these are designed to be more personal and create an environment to exchange ideas and foster communications. The cost of a social networking page or site is significantly less than a web-based business solution.

Companies should consider a model which invites its customers and partners to "want" to participate i.e. YouTube. Your organization should look to create the DIY (Do-It-Yourself) experience. Think about it, why else have Home Depot, Lowe's, Build-a-Bear and Make-Your-Own-Brew locations prospered – people want the experience. Research has shown that Gen Y will quickly promote "their work" before talking about ABC Company's latest product or service offering; they can "relate" to their work. Today's tools enable this "relating to" and "interact with" experience.

3. **Digital Live** – The last consideration for companies are the "live" channels of communications. Live channels of communication are represented by those websites in which you can create a chat session by simply clicking on a button. These are usually fulfilled by a specific sales or services engagement. But, imagine a live digital company representative who can truly be an empowered representative of their company and engage in value-added communications on all topics. The reason for positioning this offering last is the cost of maintaining knowledge and assuring that those handling the communications are always current.

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The wisdom and sage advice given by companies and individuals suggest there are three simple steps to follow when creating a plan; establish a goal, do the research and make a decision, act and stay committed.

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This author proposes a similar approach for companies looking to take advantage of this new wave of technology – with a few additional details added.

- **Establish a goal** – What is the company’s desired outcome for investing in these technologies; new customers, more customers, more revenue, ROI? As an example, for a financial management firm, an increase in new customers might be the goal. But as we have recognized, Gen Y is not thinking about tomorrow and living for today, thus a company such as this might look at the cost of acquiring customers through the use of these technologies. However, if a finance company can create a compelling story and deliver via a social networking site then they might get Gen Y to part with some of that discretionary income.
- **Do the research** – As is the case with all other expenses a company faces, once a company determines its goals, it then must determine which “communication channel” (or channels) it should use. With proper research and planning a company can leverage their digital presence across several solutions. Using our finance company as the model, this organization might create a presence on Facebook, MySpace, etc., ask for input on money spending, and then create an iPhone app to calculate Starbuck’s spending in terms of retirement time in Bermuda. There are many, many creative ways in which technology can be used, so the challenge is determining which one.
- **Get an attitude** (*a young one that is!*), **act on it and commit to it** – I am not saying hire a young person, I am saying hire a person with relevant knowledge and experience within this emerging wave of technology. However, it will be the young person who is immersed in these technologies so you might want to ask your daughters or sons for help in creating a space on MySpace. The goal is simple; you want a person, or a team of people, who will keep the buzz alive in your office not only from a technology view but also from a content perspective.

An additional benefit in hiring a young (age) person is that young people buy from young people. Given the growth and future of Gen Y, then this becomes a smart hiring practice (EOE-aside).

The digital world with social networking technologies has arrived and is moving fast. Your market is retiring and growing up. Act now – think young and make money.