

# Millennials Are NOT Your Target

FEBRUARY 2018

***"We really want to focus  
on targeting Millennials"***

- words that every marketer has heard before

Millennials have been a trending topic for the past 10 years. The intensity of interest in them is growing as their purchasing power increases, soon to surpass that of the Baby Boomers. Nearly every company has identified a need to connect with the millennial generation. A handful have defined an actual strategy around targeting and engaging millennials.

This intensity comes from a reasonable place – a desire to tap into a segment of the American population with **both** a high disposable income and a lifetime value to a brand that could span decades.

But here's the problem: *Targeting a loosely defined group of 80 million people doesn't exactly classify as a marketing strategy.*

The media likes to represent all millennials as carefree and entitled wanderers, fixated on social media and just beginning to dip their toes into the workforce. But subscribing to that notion can be very dangerous for any company who wants to be relevant to this demographic five years from now. The truth is – from top to bottom -- millennials are the most diverse generation of economic significance in the US today. So we need to stop treating them all the same.

While there is no official start and stop date, it's widely accepted that consumers born between 1981-1999 represent the "true" millennials. That means that consumers as young as 18 and as old as 36 are all legitimately considered millennials. Some elder millennials have lived literally twice as long as their youngest counterparts. So, where does that leave us?

The secret to effectively leveraging this generation of consumers lies in targeting one specific group. Within this diverse mix of college co-eds and minivan driving parents, your real audience is hiding in plain sight. They are known as the HENRYs.

If you want to develop a successful marketing strategy, millennials are not your target. If you want to develop a strong loyalty strategy, millennials are not your target.

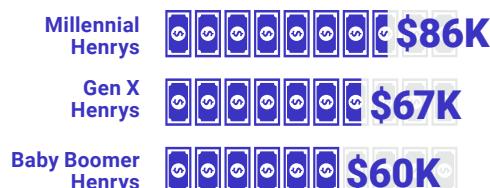
Millennial HENRYs are your target. Let's look at why.

## HENRY stands for "High Earner, Not Rich Yet."

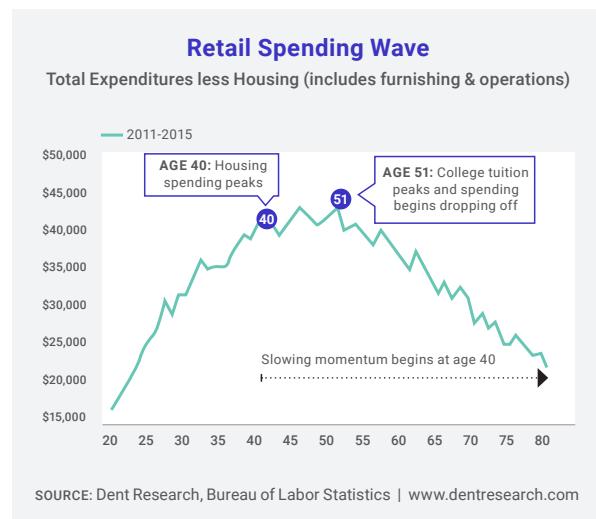
A HENRY (High Earner Not Rich Yet) is defined as: a household under 55 years old with an annual income between \$100K and \$250K, but that has not amassed investable assets of \$1M.

And while demographics for the term HENRY technically span three generations, the millennial HENRYs are where brands need to focus on building out loyal customers for two core reasons:

1. They have a significantly higher budget for discretionary spending than Gen X or Baby Boomer HENRYs.
2. Young HENRYs are the most likely to become brand's most valuable customers both in terms of money spent & influence given over their lifetimes.



Discretionary Spending InfoGraphic (EQUIFAX)



## Millennial HENRYs at a Glance



## **Millennial HENRYs Most Important Distinction**

More significant than all the other characteristics of this segment is this: they care about brands that have the potential to improve their own *personal* brand equity.

HENRYs are upwardly mobile and hyper-aware of how they market *themselves*. Before purchasing, whether consciously or subconsciously, HENRYs consider how their interaction with a brand will be perceived by others. On the flip side this also means that HENRYs are more apt to actively disassociate from a brand that has a clear conflict of interest with their ideal selves.

So companies should resist the urge to insert themselves into every HENRY social conversation unless they are *absolutely steadfast* in their position and willing to deal with both the good and bad consequences that can stem from these situations.

## **Engaging the HENRYs**

Whether you want to connect with HENRYs at an overall brand level, or more specifically through a targeted loyalty strategy, their unique attributes provide clear signs as to how to do that effectively:

- 1. Focus on Experiences:** Tap into their sense of adventure. Your brand doesn't need to offer the experience itself, but showcase your products elevating an experience or making it easier to attain. Simply create content that gives them more information about a subject they are likely to be interested in, [like Chase Sapphire did earlier this year](#). Remember HENRYs are making purchasing decisions with their ideal self in mind, so help them envision an ideal scenario which features your brand.
  - **78% of millennials** said they'd like to increase spending on experiences over material objects in the coming year.<sup>1</sup> Since we know millennial HENRYs vacation often, prefer experiences, and always book travel online, brands can use this information to their advantage by offering experiential rewards in their loyalty program.
- 2. Leverage Scarcity:** Keep a core offering of loyalty rewards for the creatures of habit, but implement the [scarcity principle](#) to perk excitement and give existing members a reason to check back in with your content often. HENRYs love being "in the know" and when they see novel content, they are more likely to share within their sphere of influence. Southwest Air marries HENRYs affinity for experiences with a limited supply with [Rapid Rewards Access Events](#).
- 3. Keep Communications Simple:** Make information about your brand, product, and loyalty program clean and easy to digest. HENRYs didn't just luck into their current status. They are smart and savvy individuals who can collect and filter enormous layers of information about a product and its alternatives before finalizing a purchasing decision. Growing up on the internet,

<sup>1</sup> Millennials – [Fueling the Experience Economy](#). Harris. July 2014.

they expect to find instant answers to whatever they are looking for. If your in-store messaging isn't clear or your website or loyalty program is a disaster to navigate, forget about it. In fact, according to research conducted by Maritz, millennials are more likely than Boomers to cite a top reason for disengaging being insufficient communications and reminders about the program (31% vs 21%), as well as the program being 'boring,' with nothing new and different over time.

- 4. Be Available 24/7:** [Half of millennials spend over 3 HOURS A DAY on their smart phones](#) so make sure you are meeting them where they are – which is on their phones.

### The Takeaway

HENRYs are ready to spend money with your company right now. And even more importantly - as the most affluent group of their generation, their current behaviors and lifestyle choices will be emulated by aspirational millennials for years to come as they too strive for an elevated level of financial success.

Gaining the loyalty of HENRYs first is your key to capturing the attention of the whole generation.



#### ABOUT THE AUTHOR

**Evan Snively** is a Loyalty Strategist for Maritz Motivation Solutions. In his role, he works with brands to help them strengthen their relationship with consumers beyond the transaction. Evan is loyal to a number of brands, including Spotify, Patagonia, and any restaurant that serves a good sweet tea. He has a degree in economics from Loyola Marymount University and currently lives in St. Louis, MO, with his wife, two sons, and Great Dane.

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