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[Feature Story]

## In Touch With Gen Y They Still Want Human Contact

By Patrick Dalton

Second of two parts

Despite their deep and abiding affection for all things electronic, the approximately 70 million young people who comprise Generation Y have not abandoned good old-fashioned human interaction.

"They want to do all of their day-to-day transactions electronically, but they still want to be able to access a real person when there is a problem and when they need advice and information," says Rich Weissman, president and CEO, DMA Corp., Portland, Ore. "They haven't become robots, and we tend to forget that with this generation."

Weissman explains that the banking industry tends to think in terms of either electronic or personal contact.

"This generation is both. Think about it. The baby boomers are enamored by technology because it's whiz-bang. It's 'gee-willikers, isn't this neat?' Gen Y doesn't consider this cool and neat, it's just the way the world operates. So for them technology is a wonderful way to do things quickly and efficiently, but it's not 'gee-whiz,'" he says.

"They're not enamored by it, they expect it," Weissman explains. "They still want human interaction when it comes to problems and when it comes to making important purchase decisions. We can't assume that they're going to disappear into the electronic world exclusively."

(Weissman will speak at the ABA Marketing Conference, Sept. 16-18 in Baltimore. For more information, call 1-800-BANKERS.)

Gen Y goes online, he says, to get information and to educate themselves about products. "Then when they're ready to buy, they buy in person," he says. "What's very interesting is that they're still buying in the malls and the stores, but they've done all of their homework in advance.

"That's how this generation operates. You want something, you need something, you go online and get information. Do your comparison. You sift through the [advertising] messages. You figure out what's best for you, and then you go out to buy," Weissman says.

For bankers, this means they will see Gen Yers in the branches when they're ready to buy, but they will have already done their homework.

"As an example, 70 percent of Gen Y pays its bills online. They want a bank that provides things like instant messaging, text messaging to their cell phones. We haven't thought about that, but banks should absolutely be thinking about it," he says.

"How many banks use the cell phone as a primary delivery vehicle, where I can text my bank, they'll text back and give me the information I want? Those are the ways in which this group is using products," Weissman says. "Yet we're not doing that. Do we have text alerts for things like balances, transfers, overdrafts? Are banks set up when there's an overdraft to text-message me? That's Gen Y."

Targeting Gen Y in advertising also must be done differently because they respond to different messages and often steer clear of conventional media, he explains.

"They respond to humor, irony and truth, and they are the three basic components in advertising to Gen Y," Weissman says. "Because of their lack of trust as a fundamental core value, they respond to companies that are willing to be humorous, ironic and tell the truth. Don't claim to be the best, if you're not the best. Don't claim to have instant access to credit if indeed it takes five hours for approval. Be honest."

Weissman cited the Mac versus PC advertising campaign as one that appeals to Gen Y. "It's a wonderful campaign where Macintosh is simply talking truthfully about the fact of why their product is better," he explains. "They're not exaggerating it, but they're doing it with humor and irony and they're only talking about those things that are true."

Gen Yers also live in a world "where you just flip through ads -- where you can TiVo things and fast-forward the ad -- and they live in a world in which they spend a lot of time not necessarily watching TV but watching it on the computer, where they're downloading shows," Weissman says.

He explains that successful Gen Y marketers outside of banking understand that interactive media is the key. Shows like American Idol, where people can participate, appeal to Gen Y. They also understand that advertising must be done in places where Gen Y congregates.

Weissman therefore suggests sponsoring podcasts and text-alert services, and also creating pages and sponsor groups on networking Web sites like MySpace and Facebook.

While Gen Yers are not profitable customers for banks now, they will be, he explains.

Says Weissman: "This is a group that should be targeted, not for current profitability, but for long-term development of trust, so that when they have something to bring to the table, they'll select your bank."