

GENERATION Y: YOUR NEXT CLIENTS



The largest generation since the Baby Boomers, Generation Y is smart, savvy and service-oriented—and they're already becoming homeowners. **Here's how kitchen and bath dealers can successfully engage this up-and-coming generation.**

By Matt Alderton

True, they'd rather wear jeans and T-shirts than suits and ties. Yes, many of them prefer texting to talking. But don't be quick to dismiss Generation Y as lazy, entitled or frivolous, tethered to technology and divorced from reality.

Nothing could be further from the truth, says T. Scott Gross, author of *Positively Outrageous Service: How to Delight and Astound Your Customers and Win Them for Life*.

Generation Y—those born between 1977 and 1994, also known as “Millennials”—may have a short attention span and a love affair with technology. But that doesn’t make them slackers. In fact, it makes them more educated, efficient and involved as shoppers than the average consumer. It also makes them more demanding.

“When Generation Y comes in to experience your product, it’s not likely that they had their kitchen or bathroom remodeled before,” says Gross who recently completed a whitepaper titled, “My Way, Right Away, Why Pay? Meet Gen Y.” “So when they’re comparing your

service, it’s not to one of your competitors; it’s to the last place they got great customer service. If they just got home from a trip and stayed at the Ritz-Carlton, that’s who they’re going to compare you to.”

Kitchen and bath dealers who recognize the purchasing power of this young segment stand to reap the rewards. According to research from MetLife, Generation Y is:

- **Sizable:** Generation Y is the largest generation since the Baby Boom generation, representing about 25 percent of the United States population and totaling approximately 76.4 million people.
- **Homeward Bound:** Homeownership already totals 23.6 percent among Americans under age 25; 40 percent among Americans ages 25

to 29; and 53.5 percent among Americans ages 30 to 34.

- **Aspirational:** Ninety-five percent of Generation Y believes it’s possible for them to achieve “the American dream” in their lifetime.

Frequently misjudged and misunderstood, members of Generation Y are not all living jobless in their parents’ basements. On the contrary, many are purchasing their first homes—and are looking for K&B dealers who understand them.

What Matters to Millennials

Generation Y is extremely knowledgeable, fiercely loyal and very willing to give referrals—as long as you give them what they want.

“This customer has so many more options today than the customer of 10 and 20 years ago,” says Doug Fleener, president and managing

QUICK TAKE

- Generation Y is the largest generation since the Baby Boomers, and many are already buying homes.
- Members of Generation Y are “researchers and negotiators” who research purchases online in advance of store visits.
- Generation Y values good customer service and is willing to pay more for it.
- Dealers that want to engage Generation Y should create in-store experiences that integrate technology.
- Dealers can offer quick response codes that customers can scan with their smartphones and leverage tablet computers in the sales process.
- Members of Generation Y want to buy from salespeople they can imagine as close friends.



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partner of Dynamic Experiences Group LLC, a retail and customer experience consultancy. “They know what they want, and if they don’t find it, they know they can go online and easily find out where to get it.”

So, just what do they want?

1. GENERATION Y WANTS CONVENIENCE. This segment likes doing business when it’s easy and convenient to do so. “They want you to deliver when they want it delivered and they want to be able to find your products easily,” Gross says.

K&B dealers looking to appeal to Generation Y should, therefore, consider their hours of operation, delivery windows, the credit cards they accept and even the contents of their showroom. The goal is to make products and services available “on demand,” whenever and wherever the customer wants them.

For this reason, dealers’ websites are crucial because Generation Y treats online stores as extensions of brick-and-mortar showrooms. “This generation starts the buying experience online,” Fleener says. “One thing you can’t have with Generation Y is an outdated website.”

To amp up the convenience factor of your website, consider offering virtual tours of your showroom or enabling real-time customer service via instant messaging or chat, which keeps your showroom accessible to Generation Y even when it’s closed.

2. GENERATION Y LOOKS FOR VALUE, NOT PRICE. Because they start the buying experience online, members of Generation Y are very price-conscious. More than that, though, they’re value-hungry. “They are researchers and negotiators,” Gross says. “Before they buy anything, they go

A “Y” FOR DESIGN

Engaging Generation Y requires a new approach to sales, marketing and customer service. It also may require a modified approach to design, as Generation Y has a unique set of priorities when it comes to kitchens and baths. Before sitting down with your next 20- or 30-something customer, consider the typical Generation Y “wish list”:



■ **Contemporary Design:** Nearly 60 percent of young professionals ranked contemporary design as “very important” or “somewhat important” in a recent survey by real estate consultancy The Concord Group.

■ **Sustainability:** In The Concord Group’s survey, nearly 70 percent of members of Generation Y said green design is either “very important” or “somewhat important.”

■ **Open Floor Plans:** Approximately 90 percent of young professionals said open floor plans are either “very important” or “somewhat important”; more than 90 percent said the same thing about large kitchens, according to The Concord Group study.



■ **Smart Space Planning:** Generation Y likes to multi-task, so rooms that serve dual purposes are especially popular. Consider versatile kitchen designs, for instance, with counter space that doubles as office space when it’s not being used for food prep, or cabinets that can store files just as easily as they can store dishes.



■ **Low-maintenance Materials:** Members of Generation Y lead a busy lifestyle, so they demand materials that are durable and easy to clean.

■ **High-tech Amenities:** Members of Generation Y have integrated technology into their lives, and they want it integrated into their homes, as well. Consider charging stations for mobile phones or iPod docking stations, as well as larger “wow” pieces such as “cybertecture” bathroom mirrors, which integrate digital applications within a reflective surface.

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But this generation also recognizes the difference between products and services, and often is willing to pay more for superior customer service, he adds.

Thanks to the Internet, K&B dealers who compete on price alone may not fare well with members of Generation Y. Instead, dealers should focus on adding value. “You have to get really good at selling benefits, not just features,” Gross says.

For example, showrooms should be staged to highlight lifestyles rather than products. To appeal to a young family, a kitchen display can be staged with toys, kids’ drawings and a table setting for dinner.

Because Generation Y is accustomed to getting things for free—they can stream free music and television online, for instance—another way to add value is to offer complimentary perks, Gross says. It could be something simple like coffee and doughnuts in the showroom, or something more sophisticated like offering to pay for access to one of the many existing interior design mobile apps.

3. GENERATION Y CRAVES EXPERIENCES. Just because Generation Y is comfortable with technology does not mean it’s the only thing that interests them. “I do focus groups, and over and over again, people say they want experiences,” Gross says.

To integrate online and offline experiences, Fleener suggests embracing QR codes, “quick response” barcodes that customers can scan with their smartphones. QR codes on products and displays could link to YouTube videos featuring product demonstrations, to manufacturers’ websites, to a photo gallery of recently completed projects or to the dealer’s Facebook page.

Fleener also recommends leveraging tablet computers, such as the Apple iPad. By equipping salespeople with tablet computers, dealers can add an interactive component to the sales process. The salesperson can use his or her tablet to help customers design their kitchen or bath using the free version of Google’s SketchUp software—in the showroom, at the client’s home or in a coffee shop.

Experiences do not have to be high-tech, but they should be sensory and



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social, as Generation Y likes to engage all of the five senses and typically does everything from dating to shopping in groups. “My daughter-in-law is just like all of her friends: They have enormous kitchens, but they don’t cook often,” Gross says. “If I were selling kitchens, I’d invite customers and their friends in for a cooking lesson. I’d have brownies baking. Make your showroom a multimedia event.”

A New Frame of Mind

Dealers can change their hiring criteria to ensure staff is more personable. They can change their showrooms to allow more integration with technology. They can host events, redesign their website and even change their hours of operation to suit young people’s tastes.

But ultimately, dealers who successfully target Generation Y understand they must first change *how* they sell in order to change *to whom* they sell. WP

4. GENERATION Y BUYS FROM PEOPLE THEY LIKE. When it comes to this generation, employees are just as important as experiences. “Having a knowledgeable sales staff is really critical,” Gross says. “When you’re dealing with Generation Y, chances are they know a lot about the product.”

The most effective salespeople for this age group are the ones who don’t overwhelm them. “This consumer wants help when they want it, and they don’t want help when they don’t want it,” Fleener says. “So if customers want their space, we need to give it to them. And when they do want help, we need to be ready to give them that, too.”

Most importantly, Generation Y only wants to deal with people that are approachable. “It’s not a certain age, ethnicity or even mode of dress,” Gross says. “It’s just about likeable people.”



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