

eMarketing: Marketing to Generation Y

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Companies are continually studying different ways to identify and attract potential customers and maintain a lasting relationship with current customers. As more and more potential and current customers are using electronic media, companies are resorting to eMarketing as a way to reach target segments. Generation Y, also known as Echo Boomers or Millennials, is the largest upcoming generation since the Baby Boomers, with roughly 71 million people in the U.S. and 1.75 billion people worldwide (Sullivan, 2004, p. 10).

Generation Y is an influential consumer group whose eMarketing preferences are not completely understood. Although the exact years differ between sources, most research identifies Generation Y to have been born between the years from 1980 to 2000 (Beekman, 2011, p. 16). Weightily influenced by technology and the internet, this consumer group has evolved very differently from previously generations, which makes it a difficult group to target (Lester, Forman, & Lloyd, 2005, p. 126). Specifically, two research questions are addressed in this paper:

- Why should eMarketing be used to reach out to Generation Y?
- What is the best way to reach Generation Y through eMarketing (e.g. social media advertisements, email promotions, ect.)?

My second research question will be answered through the use of a survey.

Background

eMarketing, or electronic marketing, refers to the use of marketing principles and techniques through electronic media. eMarketing includes all the activities that a business controls by the internet or digitally with the desire to attract new business, retain

current business, and develop its brand identity (What Is EMarketing and How Is It Better than Traditional Marketing?). The advantage of using eMarketing is it helps organizations in the promotion of products and services in a very customized and cost effective manner (Joshi, 2013, p. 17).

No matter what kind of business, eMarketing cannot be ignored. Businesses can reach millions of people each year in ways that it could never have been possible before. The widespread use of the internet for purchasing almost any product has redefined the way businesses advertise and interact with their customers (What Is EMarketing and How Is It Better than Traditional Marketing?).

Why eMarket To Generation Y?

Generation Y is currently one of the largest demographic groups and will soon outnumber the Baby Boomer generation; it is also the largest consumer group in U.S. history (Taylor & Consenza, 2002, p. 393). In the United States alone, there are over 70 million people who are considered to be in Generation Y, with over \$200 billion in purchasing power (Sullivan, 2004, p. 10). The majority of their purchases are made on clothes, shoes, jewelry, sporting equipment, entertainment, health and beauty aids, and food (Barbagallo, 2003, p. 65). Their generational impact on society, culture, business, politics and economics in the next three decades will be similar in scale to that of the Baby Boomer generation. The size of this generation has already had an intense effect on the retail industry (Kim & Ammeter, 2008, p. 7). As more people within Generation Y graduate college and get jobs, their earning potential as a whole will make them even more important as a powerful consumer group.

Even though targeting different generations have always been a challenge for marketers, Generation Y has created a more difficult challenge because they are not as influenced by traditional media as previous generations (Valentine & Powers, 2014, p. 598). They were the first generation that grew up in a media-saturated world and therefore, respond to advertisements differently (Valentine & Powers, 2014, p. 599). As shown in Figure 1, the element that makes Generation Y the most unique is its technology use.

Generation Y	Generation X	Boomer	Silent
1 Technology use (24%)	Technology use (12%)	Work ethic (17%)	WWII/Depression (14%)
2 Music culture (11%)	Work ethic (11%)	Respectful (14%)	Smarter (13%)
3 Liberal/tolerant (7%)	Conservative (7%)	Values/moral (8%)	Honest (12%)
4 Smarter (6%)	Smarter (6%)	'Baby boom' (6%)	Work ethic (10%)
5 Clothes (5%)	Respectful (5%)	Smarter (5%)	Values/Morals (10%)

SOURCE: Pew Research Center, Jan 2010.

Figure 1: What makes generations unique?

People in Generation Y typically enjoy technology and the social interaction they receive through activities like instant messaging, blogging, texting, and emailing (Kilber, Barclay, & Ohmer, 2014, p. 82). A recent survey conducted among Generation Y revealed that 83% of them keep their cell phones close, or near 24 hours a day, seven days a week (Bannon, Ford, & Meltzer, 2011, p. 61). A similar report showed that Generation Y has spent 30,000 hours on the Internet or playing video games by the time they are in their 20's (Tapscott, 2008). Through extensive research, the internet has proven to be Generation Y's medium of choice, just as network television was for Baby Boomers (Neuborne, 1999). For this reason, many companies are relying less on traditional media advertising and more on eMarketing (Ciminillo, 2005, p. 43).

Methods

I conducted this study to identify which types of eMarketing channels have an influence on and are preferred by Generation Y. This study was performed by conducting a survey. A convenience sample was used because it allowed me to obtain basic data and trends without the complications of using a randomized sample. The eMarketing channels that were considered in the survey were: email marketing, social media marketing, display marketing, mobile marketing, and search engine marketing. Since the aim of convenience sampling is easy access, I used students at CSU Stanislaus that I have easy access to in order to get students to answer my survey.

I surveyed 100 people who were between the ages of 20 and 37. I surveyed 100 people because the number of people responding to an answer could be easily converted to percentages and displayed on graphs. Most researchers consider an acceptable margin of error to fall between 4% and 10% at the 95% confidence level. The margin of error for this survey is 9.8%, with a population size of 71 million people and a 95% confidence level. The age group of 20 to 37 was chosen based off of the age of Generation Y in a major source that I have been using in aiding this study.

My survey consisted of nine multiple choice questions. In order to form my survey questions, I used a question bank comprised of questions created and certified by survey methodologists. I used a question bank in order to minimize bias and give me the most accurate responses to my survey questions.

Results

The first survey question pertained to the overall effect of eMarketing advertisements. It was found that 61% of respondents admitted that an eMarketing advertisement has influenced them into buying a product. This question was included in the survey to

validate that eMarketing can be lucrative for a company. With 61% of people saying that they have been influenced by eMarketing, companies should definitely look into investing in this form of marketing. The results are shown in Figure 2.

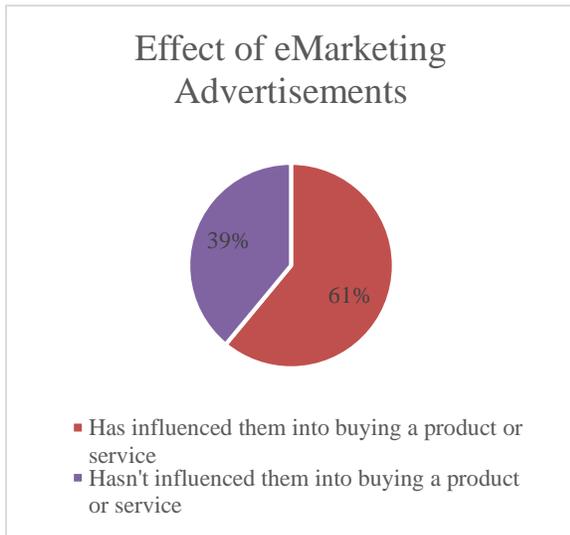


Figure 2: Effect of eMarketing Advertisements

The second survey question addressed eMarketing channel preferences. The eMarketing channels that were considered in the survey were: email marketing, social media marketing, display marketing, search engine marketing, and mobile marketing. I directly asked which form of marketing they prefer to be exposed to. I provided examples of each of the types of marketing in order to educate respondents who were unsure of what each type of marketing entails. Email marketing ranked first with 36% of respondents choosing it. This may be due to the fact that people can sign up to receive promotional emails instead of being advertised to without consent through other forms of marketing (which wouldn't be the case if it was spam email). Some people even wrote on their surveys that they prefer email marketing for this reason. Social media marketing and search engine marketing tied to rank second with 24% each. Display marketing followed with 13%. Lastly, mobile marketing ranked last with

only 3%. Based off of these results, companies should heavily invest in email marketing, along with social media marketing and search engine marketing; mobile marketing does not prove to be preferred with these results. The results are shown in Figure 3.

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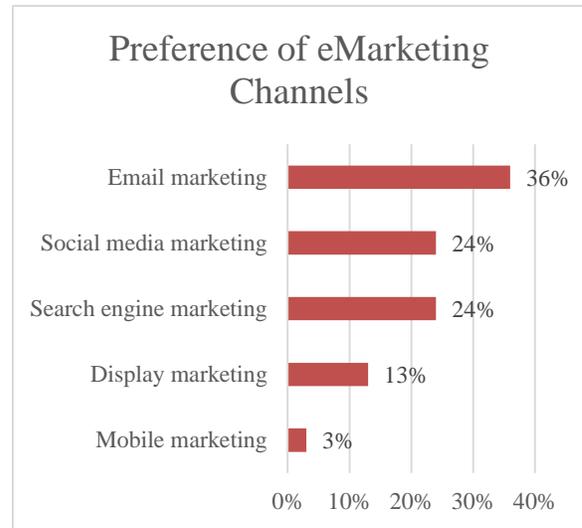
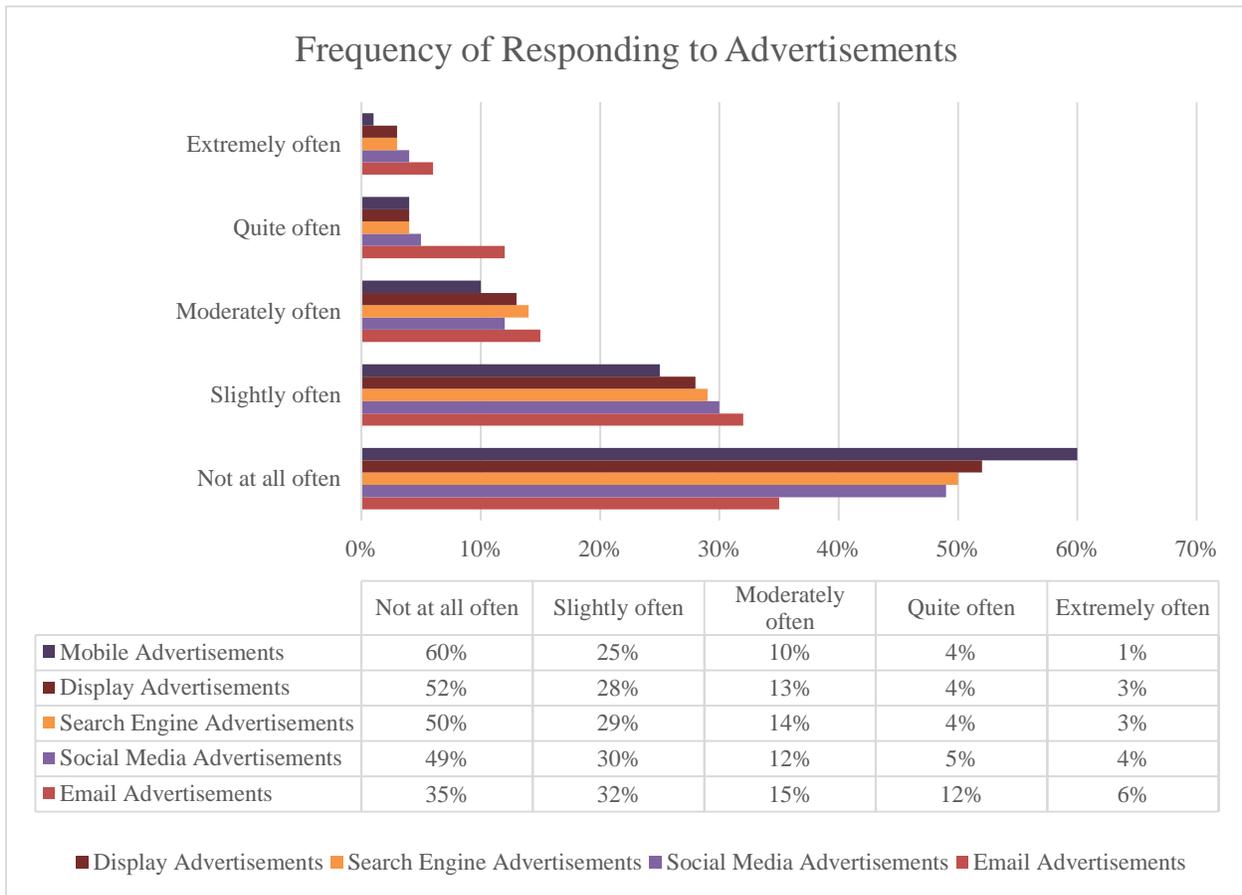


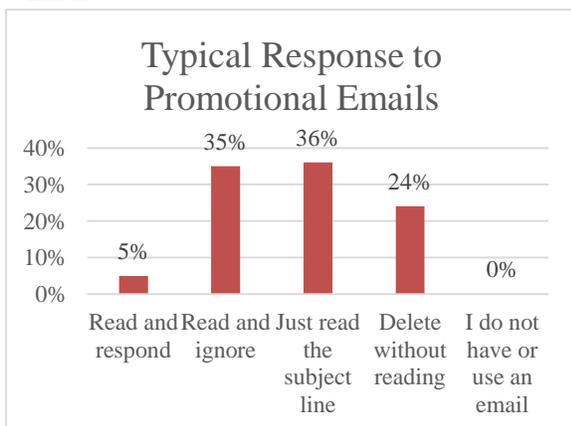
Figure 3: Preference of eMarketing Channels
 seventh survey questions asked the respondents how often they actually click on different types of advertisements. These questions were worded significantly different than the previous question because they indirectly asked people which type of advertisement is the most effective on themselves. Email marketing ranked first with 18% of people saying they click on email advertisements either extremely often or quite often. Ranked from most effective to least effective, people said they use click on the following advertisements either extremely often or quite often: social media advertisements (9%), search engine advertisements (7%), display advertisements (7%), and mobile advertisements (5%). The results for these questions are combined and shown in Figure 4.

Figure 4: Frequency of Responding to Advertisements



The eighth survey question focused on how people typically respond to promotional emails. 5% of people said that they usually read and respond to promotional emails; in the previous question, 6% of people said they click on email advertisements

Figure 5: Typical Response to Promotional Emails

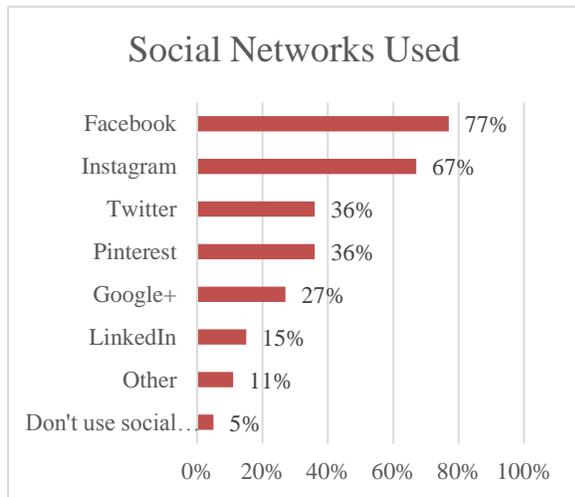


extremely often, which is a similar result. 35% of people said they typically read and ignore promotional emails and 36% of people said that they just read the subject line. Only 24% of people delete promotional emails without reading the email. The fact that these results show that only 24% of people delete without reading promotional emails and 0% do not have or use an email, supports the use of email marketing as a whole. The results are shown in Figure 5.

The ninth and final question focused on which social networks people use. 77% of respondents use Facebook and 67% use Twitter. Based off of these results, companies might want to invest the most in advertisements on Facebook and Twitter, in regards to social media advertising. Even though it still may be beneficial for companies to invest in other social networks

to reach Generation Y, these two social networks seem to stand out from the rest and should be the most heavily invested in. The results are shown in Figure 6.

Figure 6: Social Networks Used



Conclusions

eMarketing can be an effective way to draw in Generation Y consumers. In order to gain a better understanding of Generation Y as a consumer group, I conducted a study that has provided an overview eMarketing preferences and media habits of Generation Y consumers. Although the research in regards to eMarketing preferences was done on a small-scale, it does provide an initial examination on this subject that has not been previously reported. The research findings

described in this article could be used by companies in formulating their target marketing strategies for Generation Y, which forms a large portion of the population today.

There are limitations on the study that should be noted as well as directions for future research. In terms of limitations, the use of a non-random student sample has to be considered. Even though the respondents to the survey are a part of Generation Y, they are college students and represent a subset of the general population; therefore, it would be necessary to replicate the research with a larger and random sample. The survey was only given to students at CSU Stanislaus, which is a limitation because people who live in other geographic locations outside of the university's general area were not involved. Furthermore, future research is necessary to confirm the findings contained in this paper. The results of the present research provide some initial findings on the media habits and eMarketing preferences of Generation Y; however, the nature of the research design limits the findings. Additional research that considers the media habits and eMarketing preferences of Generation Y would be beneficial to companies and marketers seeking to reach this important market segment.

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