

Our Biggest Generation

Our Biggest Generation

Our nation's largest population ever is on the march toward marriage. Are you ready?

By Katie Roberts

1. "The news couldn't be any better for the marriage market."
2. Gen Y will have enormous spending power, estimated in the tens of trillions.
3. The upcoming generation is very "me-centric" and thrives on customization.

Generation Y, a group you probably already know as the individuals born to their Baby Boomer parents during the 1980s and '90s. You're also probably aware that this demographic is currently America's youngest generation, spanning in age from 0 up to 24.

But what you might not realize is the sheer size and magnitude of this group of youngsters that has started the march toward marrying age and will continue stepping that way for the next 25+ years.

Projected to reach more than 100 million people, Gen Y will not only be gigantic but also the largest generation our nation has ever seen.

"The news couldn't be any better for the marriage market," says Kenneth W. Gronbach, a demographer, futurist, generational marketing expert (www.kgcdirect.com) and author of "The Age Curve" (Amacom, 2008). "In fact, you couldn't pray for a better market."

Getting a Closer Look

Numbers Reveal Good News

Riding on the coattails of Generation X, which ranges in age from 24-43 years and is about 69 million strong, Gen Y is going to steal the population show by at least 30 million people. And since most Gen Yers will marry at least once, if not two or three times, the wedding industry is on a path toward unprecedented profit.

According to experts, the ballooning should start in about five years, or when today's 24-year-olds hit the current median marrying age: 29 for men and 27 for women. (Note: Some sources predict the marrying age might lower by a couple of years).

Gronbach likens the potential impact to a tidal wave that's unstoppable, noting that in 2007 alone, the United States broke a fertility record with 4.3+ million live births. In response, the country, as well as consumer industries like bridal, formalwear and prom, better be ready, he says.

"Historically, what happens to people who don't pay attention to demographics is they lose money," says Gronbach, whose predictions are based on statistics pulled from sources such as the U.S. Census Bureau, the U.S. Bureau of Labor Statistics, and the National Center for Health Statistics. "Their market either ages away from them or, because they didn't anticipate the size of the market coming at them, they lose it to someone else. The idea, in our economy, is to prepare for it."

And it's not just the large size of this generation that bridal retailers should prepare for, Gronbach says. It's also their potential spending power, a perk of being offspring to the prosperous Boomers.

Our Biggest Generation

"The Boomers were the recipients of the largest transfer of wealth in the world, estimated anywhere from 7 to 10 trillion, from their GI Generation parents," Gronbach says. "He who has the gold rules, and they will have (the gold) for another 20 or so years. Consumer spending is 6.5 trillion right now, but who is controlling the purse strings? The Boomers. But Gen Y has a huge influence on that purse...and their spending power will be in the tens of trillions."

Living vicariously through their kids - a common characteristic of Gen Y's parents - Boomers are expected to shell out significant dollars for their children's perfect wedding, as well as their first home, and then cut ties. But even if mom and dad can't fund such extravagances, Gen Y children will likely still find a way to celebrate - and afford - their nuptials.

In fact, the current trend is toward more engaged couples paying for a notable portion of their marriage-related expenses, according to Millie Martini Bratten, editor-in-chief of BRIDES.

According to the 2007 Conde Nast Bridal Study, 59 percent of couples are contributing some money to their weddings, while a staggering 30 percent are self-financing the entire event. Given that the average cost of the wedding continues to climb at a steady pace, reaching nearly \$29,000 today, who is paying for the wedding is not pulling down the price tag, estimated at nearly \$72 billion today.

That said, the economic climate is obviously affecting how today's engaged couples are choosing to spend money - be it theirs, or Mom and Dad's.

"Brides are bargain hunting and looking at that bottom line a bit more closely," says Diane Forden, Bridal Guide's Editor in Chief/VP. "But even in difficult times, brides are still spending money; they're still buying wedding gowns, but maybe having the guest list be a little smaller or cutting expenses on certain aspects and not being frivolous. So if the population increases, it can only be more positive."

Getting With the Program To Manage Projected Potential

Change is a great teacher, and as Gen Y teens pass through their prom years, retailers already catering to these consumers are getting a good taste for what's in store. After all, for about the last seven years, the size of high-school classes have been ballooning, and growing numbers of teen spenders have been infusing the consumer prom scene with renewed profit.

And what's more, some retailers have already seen a difference between these shoppers and their Gen X predecessors. For instance, Gen X customers are synonymous with "signature," as in infusing their personal touch into their special event in some "wow" way. But Gen Y is taking customization to a new, much deeper level, according to Carley Roney, co-founder of The Knot (www.theknot.com).

"Customization is the one overarching movement," she says. "But this is not about the monogram anymore. It's 'hyper-customization,' and it's about there being some genuine uniqueness, something real or authentic. And that's finding its way into everything from fashion to invitations and menus."

Roney continues, "It could be a hand-stitch around the outside of invitations, giving them that homespun feel. Or it could be choosing from a line of 25 dresses instead of 10. This puts a

Our Biggest Generation

tremendous amount of pressure on the industry because how do you provide hyper-customization while being price-sensitive?"

Some manufacturers and designers are already responding to that issue by tossing out traditional ideas of quality, yet providing the ultimate product or service in terms of personalization. Roney notes one niche company that offers customized invitations that are digitally printed on nontraditional wedding papers.

"Personalization is coming ahead of traditional definitions of quality," she says. "It's not the weight of the paper or the style of printing that matters. To a bride, it's all about the look and how much that look matches her vision."

Speaking of "her vision," when it comes to this largest generation of consumers, it's going to be all about "the customer's vision". And experts say you'd better be able to adapt to this demanding, "me-centric" attitude, because in this case, if you snooze, you truly stand to lose.

"Gen Y women are very used to having customizable everything (cellphones, jeans, t-shirts, and so on)," says Andrea Learned, an expert in gender trends and marketing (www.learnedonwomen.com) and co-author of "Don't Think Pink" (AMACOM, 2004). "They never knew a time when it wasn't possible, so they really expect that personalization option - or the perception of that option. This might be reflected also in their default to Internet use/research for almost every purchase. Again, they NEVER knew a time when that wasn't how shopping was done."

So what happens if you don't meet them somewhere in cyberspace? What if you don't "get them" or their visions of a perfect prom or the ideal wedding? What if your policies don't seem flexible, or if you've failed to give these consumers the power to make changes or choose what they want at no (apparent) extra cost to them?

Gen Y will absolutely go elsewhere and find someone who does all this and maybe more. They'll find that resource that "gets them," whether it's down the street, one town over or online. And while they're finding exactly what they want and how they want it, they'll also tell all their friends about their experience with your business via text messaging, MySpace, Facebook and more.

The viral nature of their communication makes it crucial to take this consumer's behaviors and characteristics seriously. And while this change isn't occurring overnight, it is most definitely happening, starting with the more urban areas like Los Angeles and New York, and slowly spreading into the heartland of rural America.

Keep in mind, though, that you can't totally forget about Gen X right now. They're still out there, getting married for the first, sometimes second and even third time. But while you're serving this current market, you need to have your eye on the ball, one that is coming your way with a force like never before and from a fresh direction.

Learning about and getting to know this group, studying their characteristics, and understanding your immediate marketplace's consumer ways are the golden keys to meeting Gen Y's demands, earning their respect, and cashing in on the rewards.

And if you succeed? Considering that this unstoppable tidal wave of consumers is already heading your way, the projected profit should be nothing short of abundant. So get ready!

Copyright 2009, Vows magazine/Grimes and Associated, 24 Daisy St., Ladera Ranch, CA 92694; 949 388-4848.