The Characterization Of Cohorts: A Review Of Generations Y & Z

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Abstract

Today, when social diversity is more evident than ever and social dynamics are volatile as ever, the biggest challenge before a marketer is to devise an effective and comprehensive scheme of segmentation in order to reach the right audience for her offer. Generations sew the social fabric all over the world and the social setting where multiple generations reside together is indeed a challenge encompassing multitude of opportunities for the marketers. Present paper endeavors to understand the concept of generation and various terms used to classify the cohorts. Moreover, it aims to delineate the characteristics or features of these cohorts in an attempt to offer a generalized picture for marketers to base their marketing strategies upon. In order to avoid losing focus and producing just a generalized snapshot of various generations, this paper focuses upon generations Y and generation Z who are the most active customers and consumers in today's market place. A thorough and comprehensive review of existing literature demonstrates that both the generations share common traits on account of most of the parameters of comparison. However, there are particular characteristics of each that render them uniqueness and a distinct personality and these characteristics have been summarized at the end of the paper to offer a succinct account of comparison between generation Y and Z.

Keywords

INTRODUCTION:

The study, analysis and comparison of generations have long been a matter of perennial interest among social scientists and psychologists, medical practitioners, researchers and marketers alike. The wide spread practical implications of generation driven differences have produced a plethora of case studies and empirical researches in all relevant fields of study. Understanding intentions, thought processes and behaviors along with what causes them does provide input of humungous significance for furthering and improving the existing state of affairs. The social structure today is more diverse than ever as people with different backgrounds, races, religious beliefs and value systems across multiple generations who cohabitate, interact and influence each other at a scale larger than life. Furthermore, there are barely any distinct boundaries of demarcation left among people of diverse age groups, societies and nationalities as the world has turned into a global village with accessibility to instant information. With distinctiveness in terms of actions and behaviors getting blurred while core values and attitudes retaining a sense of

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individuality among different generations, marketers often find themselves in a tough spot when it comes to identifying the unique features of generations for the purpose of effective segmentation and targeting. Cohort analysis is an important tool of business analytics used by the businesses to identify clear patterns across the life cycles of a customer. Such analysis breaks a unit i.e., customers into multiple groups of customers who share common characteristics or experiences during a particular time period. The present paper works on a similar line and analyzes select generations as cohorts who share particular sets of nurture and nature in order to draw distinct characterizations for each.

The traditional idea of generation is the average period of time between the birth of parents and their progeny. However, this definition has long lost its relevance as the biological clock is being pushed furtherer in response to shifts in opportunities for studies, career and other life experiences waiting to be explored. Moreover, a gradual but constant alteration of social values has rendered previous social customs and norms obsolete. Therefore, even if one goes by the biological definition of generation, the average time would be a greater number as the child birth is put off for as long as possible. A more suitable way of understanding the generations would be to gather information about the common thought patterns shared within a set of people and the factors that shaped those patterns. Following sections attempt to explain the concept of generation and present a useful characterization of selected generations through a thorough review of literature:

GENERATION:

Mannheim (1952) posited that the notion of 'generation' and 'generation gap' is a resultant ofgenerational theory. Huntley (2006); Donnison (2007) opined that the concepts of generation has not been left unchallenged. Pendergast (2010) underlined the absence of an established generational theory and suggested thatnumerouscontending versions are available for theorizing the framework.She further stated that "Generational theory seeks to understand and characterize cohorts of people according to their membership of a generation, which is objectively assigned according to the year of birth" and called it a "a dynamic, socio-cultural theoretical framework" (p. 1).

McCrindle and Wolfinger (2009) insisted that an appropriate way of explaining generation would be sociological whereby "a generation refers to a cohort of people born within a similar span of time who share a comparable age and life stage and who were shaped by a particular span of time (events, trends, developments)" (p.2). Benckendorff et al (2010) proposed that cohort analysis is derived from the idea that generational cohorts are similar in terms of a distinctive social character formed in the course of time and these distinctive patterns of values, attitudes and behaviors affect that generation's response to a host of social and public initiatives. Howe and Strauss (2000) asserted that there exists a repetitive cycle among generations which consists of four distinct stages – idealist, reactive, hero and artist. They proposed a set of characteristics for each of the aforementioned stages as presented in table 1.1:

Table 1.1. Characteristics of Generations

Life-Cycle type & Attributes		Idealist (prophet)	Reactive (depressed/nomad)	Heroic	Artistic (adaptive)
Childhood	Nurture received	Relaxed	Under-protected	Tightening	Overprotected
Young adulthood	Style	Reflected	Competing	Building	Remodeling
	Nurture given	Tightening	Overprotecting	Relaxed	Under-protective
Mid-adulthood	Attitude	Judgmental	Exhausted	Energetic	Experimental
Elder hood	How perceived	Wise, Visionary	Persuasive	Busy, Confident	Senstive,Flexible
	Leadership Style	Austere, Safe	Pragmatic	Grand, Inclusive	Pluralistic
	Motto	Truth	Persuasion	Power	Love
	Positive attributes	Principled, resolute	Savvy, practical, perceptive	Rational, competent	Caring, Open-minded
	Negative attributes	Selfish, arrogant, ruthless	Pecuniary, amoral	Overbold, Insensitive unreflective	Indecisive, Guilt-ridden

Howe and Strauss (2000)

Presented below is a literature based account of general as well as consumption related characteristics of generations Y and Z:
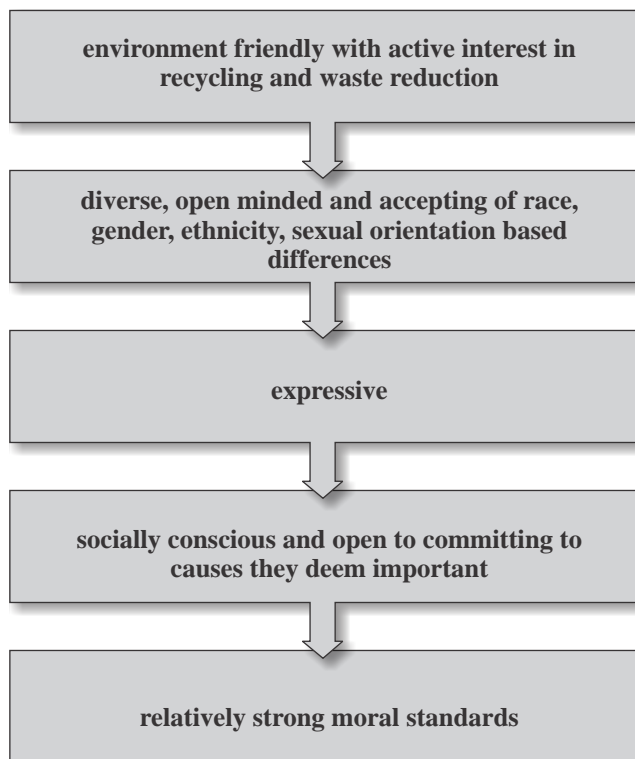
Generation Y:

Williams and Page (2010) defined generation Y as people born during 1977-1994 including Millennial, Echo Boomers, Why Generation, Net Generation, Gen Wired, We Generation, DotNet, Ne(x)t Generation, Nexters, FirstGlobals, iPod Generation and characterized this generation as confident, broad minded, sanguine with a strong sense of independence. Viswanathan and Jain (2013) reviewed multiple researchers and posited that individuals categorized as generation Y were born during 1980 to 2000 (Weingarten, 2009) and they are known as Millennials (Howe and Strauss, 2003), netgeneration (Shaw and Fairhurst, 2008) and generation next(Martin, 2001). Jerrard (2002); Eisner (2005) asserted that generation Y likes a

culture characterized with organization, integration and growth orientation. Howe and Strauss (2003) observed that people in generation Y were brought up in a safe and focused atmosphere. Alsop (2008) calledthe generation Y children "trophy kids" indicating towards their achievements and pointed that had few siblings which led to a less competitive home as suggested by Strutton et al. (2011). Borges et al. (2006) noted generation Y's preference towards team work. Berkowitz and Schewe (2011) agreed that generation Y believes in the superiority of team work over individual working style for better accomplishment of goals. Alch (2000) suggested that generation Y looks forward to life-long learning.

Rowh (2007) posited that generation Y individuals acclimatize and consumer technology in ways more than one. Oblinger (2003)opined that internet was mainly a source of information and

entertainment for generation Y people. Highlighting the importance of technology in generation Y's lives, Carr and Ly (2009) argued that generation Y has a tendency of using digital media for reading messages and other text and they like rich visual messages better in comparison to text messages. Gioia (2004); Nielsen (2005); Perez (2008)also indicated towards generation Y's averseness towards reading text. According to Cheung (2007) generation Y was brought up in a digital age and thus, they look for prompt connection, instant devices and fast food. Erickson (2008) regarded Gen Y as special due to their mutual respect to each other and the sense of gender equality. Gravett and Throckmorton (2007) highlighted the unique perspectives of this generation through following characteristics:

environment friendly with active interest in recycling and waste reduction
diverse, open minded and accepting of race, gender, ethnicity, sexual orientation based differences
expressive
socially conscious and open to committing to causes they deem important
relatively strong moral standards

Gravett and Throckmorton (2007)

Martin and Tulgan (2001) argued that due to access to technology driven innovations and opportunities to use all media types including social media, generation Y has turned out to be independent and tech savvy. Lancaster and Stillman (2002) added that using the novel ways of communication and a desire to be flexible ushered generation Y into the global world and made them entrepreneurial. While researching on the buying habits of generation Y, Farris et al. (2002) pointed that Generation Y of America has a great dependence upon internet and technology. Puybaraud et al. (2010) in their report stated that generation Y gives huge weightage to workplace as a factor and considers it a platform for learning, developing and socializing.

Sorce et al. (1989); Ekström (2007) carried out a study on children belonging to Generation Y and found that about two thirds exercised an impact over the family's purchase decision making through their expert power.Bush et al. (2004) investigated the influence of sports personalities on the behavioral intentions of Generation Y with special reference to athletes and found that athlete role models had considerable influence on Generation Y customers in terms of favorable word of mouth and brand loyalty.Maloney (2002), in his work about the lifestyles and shopping patterns of American customers of generation Y, called generation Y "mall friendly" with good financial background who have inclination towards disposable products instead of reusable and repairable ones. Further, these customers pay attention to brands that appeal to their lifestyles and pose challenge of developing and maintaining flexible and multi-tier strategies suitable for constantly changing consumption environment before the retailers. Lodes (2010) examined Generation Y in terms of brand loyalty and customer satisfaction along with assessing the

impact of economic recession on the purchase behavior in New York. The study found that generation Y is not brand loyal across both the genders and that purchase behavior remained aloof of the economic recession. Nusair et al. (2011) studied the mechanism of developing commitment with a travel web vendor among the American generation Y and used an online travel context for testing the theoretical model of relationship commitment. Their findings suggested that affective commitment had an effective role in formation and retention of long term associations and though, the amount of investment was affected by both affective and calculative commitment, satisfaction was found to have an inverse relationship with calculative commitment.

Generation Z:

Researchers from various disciplines have tried to identify this age group and the characteristics that set it apart from previous generations (Strauss and Howe, 2006; Lancaster and Stillman, 2003; Martin and Tullgan, 2001; Zemke et al. 1999). Wood (2013) stated that "Generation Z refers to those individuals who were born in the decade following the widespread emergence of the World Wide Web, from the mid-1990's to the early 2000's. Most of Generation Z comprises the children of Gen X, although some may be children of later Baby Boomers."Bassiouni&Hackley (2014); Fister-Gale (2015) classified generation Z as adults born in 1995 or later and who are well educated, technology friendly, innovation driven, creative and still in their younger years. Ernst and Young (2015) suggested that these people have had plenty of experiences in life so far and have witnessed several political, social, economic and technological developments. Wood (2013) alienated the characteristics of generation Z consumers in terms of following trends:
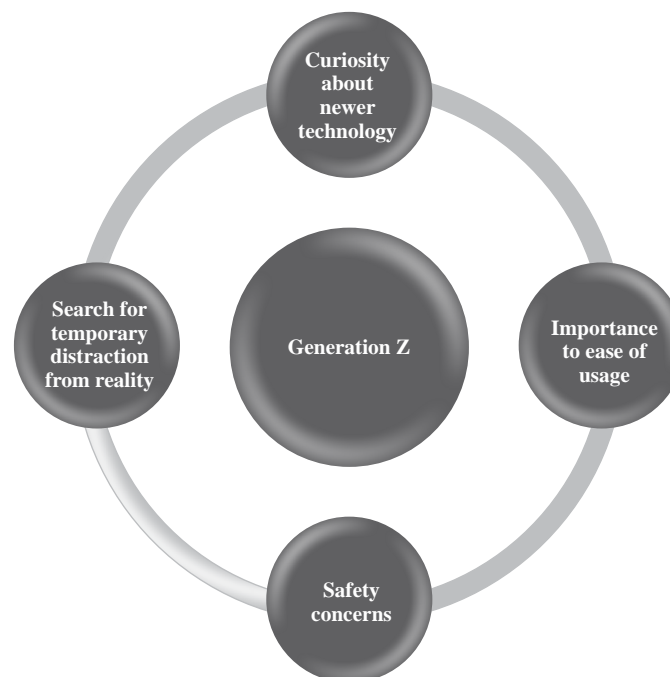
Wood (2013)

Abram and Luther (2004); Berk (2009) emphasized upon the generation Z's inclination towards technology and called them to be "born with a chip". Bernstein (2015) also pointed towards the Z generation's ease with technology and argued that this generation led other generations born into a world characterized by its inclination towards digital mediums of integration and brand engagement. Schlossberg (2016) opined that generation Z has high consumption expectations, low loyalty towards brands and are experience driven. Woodward and Grindina (2000) estimated that children spend as many as six and a half hours before an electronic screen. Gunter et al. (2004) stated that children have heightened sense of ownership and engagement with mobile devices along with good access to internet resulting into an exposure to wide ranging information. However, Rowlands et al. (2008) argued that this generation lacks in critical and analytical skills required to evaluate the information they find through internet. Beastall (2008) stated that generation Z youngsters enjoy an unconventional relationship with technology which starts to improve from their early years.Van den Bergh &Behrer (2016) posited that generation Z has heavy usage of technology while Schlossberg (2016) asserted that generation Z has significant deviances from previous generations in terms of behavior and thus, it carries an ability to bring shifts in consumer behavior.Tinsonand Nancarrow (2005); Thomsonetal. (2007); Marshall(2010)pointed towards the substantial influence of generation Z members in their family's decision making. Ekström (2010) observed great cultural changes with regard to behavior and experience of people belonging to this generation and themarketing practitioners see themasconsumers with great degree of independence.

Achenreiner and John (2003): Greenfield (2004); Narin et al. (2008) mentioned that marketers assume that generation Z children have wide spread knowledge and preferences regarding brands that they develop during a relatively early age and consequently, young children are perceived as main market instead of a reference market as suggested by McNeal (1999); Piachaud (2007). Greenfield and Yan (2006); Nairn et al.(2008) suggested that internet based media has drastically altered the knowledge, experience and brand consumption of children and impacted their thinking and learning.Quortrup (1994); Lee (2001); Ekström (2007) opined that the "pester power" of children has turned into "expert power" in generation Z because of the self-reliance they have when it comes to digital communication technology which acted as a catalyst in children being considered "equal" to adults.Williams & Page (2010) agreed on the confidence and optimism of generation Z.Sutherland and Thomson (2003); Tinson and Nancarrow (2005); McDermott et al. (2006); Ekström (2007);Tufte and Rasmussen (2010); asserted thatchildren possess an expert power over their parents with respect to digital technology. Sutherland and Thomson (2003) further argued that such power reduced the age by which children strive for autonomy and exercise it.Thomsonet al. (2007) underlined the socialization of parents whereby children lend their technology and innovation related knowledge and skills to their parents.Cheung (2007) considered generation Z's ability to influence their parents purchasing patterns as their power. Ekström (2007) found that children socialize their parents in both pre purchase and post purchase stages. Moreover, Childwise (2003) highlighted generation Z children's attitude towards advertising and reported it to be skeptical.

DISCUSSION & SCOPE FOR FUTURE RESEARCHES:

Though there is slight disagreement over the biological or age based classification of different generations among researchers as different sources mention different birth years range for a particular generation, there is a significant number of studies devoted to decoding the characteristics of generations with meticulous attention to lifestyles, attitudes, technological orientation and value systems. Generation Y surfaces as a cohort of people characterized with confidence, sanguinity, sense of autonomy, open-mindedness, love for instant fulfillment of needs and an ease with technology. On the other hand, the young at the moment cohort of generation Z has been recognized for their creative styles, inclination towards innovation and technology and increased influence in family decision making. Based upon the understanding developed through the review of aforementioned literature and other relevant sources, the most widely accepted characteristics of generations Y and Z are tabulated below:

Basic Characteristics		Technological Orientation		Organizational Behaviours	
Y Generation	**Z Generation**	**Y Generation**	**Z Generation**	**Y Generation**	**Z Generation**
Sanguine	Realistic	Internet friendly	Comfortable with social media	Preference to teamwork	Collective conscious
Present Oriented	Future Oriented	Text based communication	Visual content based communication	Covet invention	Covet achievement
Multicultural	Blended (race & Gender)	Digital Savvy	Digital Centric Tablet, Smart Phone	Motivating factor- Money	Motivating factor - Career Enhancement
Lesser maturity	Mature	Portable Computing		Broadminded ness	Cohesiveness
Sharing	Creating			Reliant	Self - sufficient
Relatively less confidence	Modesty			Entitled	Persistent
Slacktivism	Active Participation			Keepers and sharers	Begetter and collaborators
Narcissistic	Mindful			Importance to work life balance	Importance to realistic career alternatives
				Value to learning experiences	Want technology on regular basis

The literature presented above underlines significant points of parity as well as difference between generation Y and generation Z. Both the generations under study seem to thrive on technology and innovation in terms of both consumption and communication. While a large part of generation Y has never experienced the world without technology, generation Z has learned to employ and exploit technology on own terms. Moreover, the sense of autonomy and authority has been on an upward shift in generations Y and Z with youngsters of generation Z creating huge impact on the overall consumption scenario due to their sense of ownership, expertise and self-reliance. However, it has been indicated that generation Y is relatively less brand loyal and their concerns for causes rarely move from expressions to actions whereas generation Z has been actively participating into issues that matter to them.

While the present study highlights the distinct characteristics of generations Y and Z on the basis of studies conducted so far, it is important to note that most of the researches focused upon the population of developed countries leaving a significant fraction of globe unattended. This raises doubts about the universal applicability of the findings of these studies as people belonging to same generations are bound to witness diverse social, political and technological developments which create considerable differences in terms of their lifestyles, attitudes, value systems, social norms and access to technology. Thus, there is a call for carrying out studies aimed at classification of generations with special reference to developing and under developed nations along with attempts to delineate the specific characteristics of each generation. Furthermore, the present study relies on the findings of investigations carried out over a great length of time. Thus, the findings need to be verified by initiating fresh research investigations in order to take into account the recent developments and potential changes in this regard.

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