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Finding the solutions to serve Generation Y consumers effectively should not be the subject of a long-range plan. It should be a priority item of business.



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For those of us who reached maturity when touch-tone telephones and color televisions were the last word in technological achievement, the last twenty years may seem to have been moving at warp speed.

Entire new media have erupted – the Internet, e-mail, blogs, social networks, twitter to name just a few – while traditional media such as daily newspapers, broadcast television networks and general interest magazines are suffering unprecedented challenges and, in some cases, the threat of either becoming irrelevant or extinct.

Young people today accept this as the norm – because it is their norm -- communications that are quick, omnipresent, readily accessible and often self-determined. By the latter, I mean communications that reflect their interests, opinions, perspectives and even their biases.

I focus on today's evolving communications paradigm because our upcoming customers, the people who are just starting to enter the workforce, have been molded by these new media in ways that we must recognize and understand if we're to count the members of "Generation Y" (individuals born between 1980 and 2001) as future customers for our life and health insurance products. Reaching this emerging generation of buyers, will mean adopting and leveraging our marketing and distribution models to work within the media to which they are accustomed.

It is sometimes said that the Baby Boomer generation is the last one for whom reading and writing were the principal methods of learning. Today's youngsters are likelier to respond to

images and videos than to words and while even the youngest student can text at dozens of words per minute, fewer students are learning cursive script. Today, the Internet is the most commonly used research tool used by students, making it one of the most popular learning tools.

I don't want to appear critical of these changes. Some are undoubtedly liberating. The prevalence of cell phone usage has made it possible to reach people more quickly than ever before, while the various features of electronic media, such as GPS systems, reflect their total comfort with technology.

As an industry, we need to make some important decisions

What I do think is for us to effectively use the new media and the people who depend on it requires us to make some important decisions regarding our products, our marketing strategies and the effectiveness with which we can meet these new challenges.

First, consider some of the terms that Generation Y members use to describe themselves:

- Impatient
- Socially conscious
- Entrepreneurial
- Diverse

Those just entering the workforce, in admittedly difficult times, don't see themselves staying in the same job for the long term. They plan to move from company to company or

to start firms of their own. Whether you consider them unrealistic or idealistic, they see themselves reaching top positions very quickly. Their time frame for success is more compressed than earlier generations.

Some of the challenges we, as an industry, face in reaching this demographic:

- We have to understand what Generation Y expects in communications. A cell phone or PDA is not a small-scale television. We cannot think that running a television ad as a form of viral marketing on the Internet is going to succeed. Similarly, we cannot assume that if we make information available electronically – essentially downloading today’s printed information – will make it more likely that people will read it. We have to tailor our messages to the media. For most of us, that will mean reshaping our own opinions and perspectives.
- Members of Generation Y are much likelier to purchase insurance without the intervention of an agent. They are used to purchasing everything from vacation trips to motorcycles on line. They are confident that they can make good decisions on their own, and often are distrustful of people and businesses that set themselves up as experts in the field.
- This group, as studies show, has a shorter attention span than their predecessors. They want information presented quickly and concisely – a major challenge for our industry whose products are often complex and subject to a variety of interpretations. This is the instant messaging generation.
- This generation will expect financial instruments of every kind to be tailored

to their individual needs. More than their forerunners, if they purchase insurance, it will be as individuals, not as members of a group. They are not going to accept any kind of cookie-cutter “one-size-fits-all” approach to purchasing insurance.

- As a group, members of Generation Y understand and subscribe to the idea of personal responsibility and long range planning. Their attention span may be short, but their attention to their long-term goals is considerable. Just because they learn and communicate differently does not put them at a disadvantage either in terms of what they know or how they make judgments.

How do we serve the Generation Y market?

So what can and should we do to serve this emerging market?

First, recognize that it will be an important market to penetrate. This group has already been identified as having significant health issues, such as a tendency to obesity. Some conditions such as carpal tunnel syndrome, identified with repetitive motion, are showing up with alarming frequency among video game players and texters.

We must acknowledge that our traditional market channels are probably not going to be effective in reaching the members of Generation Y. Our contact with them will infrequently be face-to-face; it will be conducted electronically. That

means we have to understand and exploit the capabilities of emerging media. As an industry, that may be one of our most pressing and intransigent challenges. I think missteps are inevitable, but we have to be willing to work outside our comfort zones if we are to succeed here.

And we must rethink our products themselves. I am not talking about lowering our standards or “dumbing down” our business. Far from it. We have to develop products that are clear, concise and appealing to potential purchasers who will not be willing to wade through pages of corporate boilerplate to find out under what conditions coverage applies. In many cases the agents will have to adapt their own message and approach. Since insurance contracts are legal documents, any simplification will not be a simple task – but it is one we have to tackle.

The media and attitudes of Generation Y may not be ours – though they definitely are those of our children or grandchildren. Like them or not, admire them or not, they represent the world we’re going to be operating in within a very short time. Finding the solutions to serve Generation Y consumers effectively should not be the subject of a long-range plan. It should be a priority item of business.



The MIB Group is the leading provider of fraud detection data, risk management tools and actuarial analytics for the North American insurance industry.

Editor’s Note: To comment on this issue, please email Mr. Cook at JCook@mib.com