



Building a Digital Strategy for Generational Marketing

Understand how each generation is interacting with advertising channels.

Table of Contents

1	Segmenting Target Audiences	INTRODUCTION
2	Generational Marketing in Digital Advertising	
3	Gen Z	DEMOGRAPHIC BREAKDOWN
4	Millennials	DEMOGRAPHIC BREAKDOWN
5	Gen X	DEMOGRAPHIC BREAKDOWN
6	Baby Boomers	DEMOGRAPHIC BREAKDOWN
7	How to Build a Customer Profile	
8	Get the Most Out of Generational Marketing	CONCLUSION

Segmenting Target Audiences

All customers are different. This is why it's so important to segment your target audiences.

Segmenting your target audience can help you reach specific niches and tailor your message to specific types of people. This ultimately enables you to nurture customers, drive conversions with precision, and provide a personalized experience for your audience.

To up your targeting game, consider generational marketing. Based on the natural affinities and similarities found between generations, you can draw certain conclusions for how they may behave—which can inform where you might find them online, and the phrasing of the messaging in your ad campaigns.

Once you uncover the general preferences of generations, whether related to specific devices or certain lifestyle values, you can inform your digital strategy accordingly.

Although some of the shopping habits among people of one generation might differ slightly depending on the product or service they are looking into, many basic characteristics ring true across a generation.



In this guide we're breaking down why generational marketing is so important for campaign strategy and personalization. And, we'll explore each generation's demographics, defining characteristics, consumer behaviours, and media usage in detail.

Ultimately, you'll learn how to best reach each of today's most prominent generations: *Gen Z, millennials, Gen X and baby boomers.*

Generational Marketing in Digital Advertising

Generational marketing helps you to personalize your ad campaigns to specific audiences. This is important because consumers have grown to expect hyper-relevant advertising.

Every generation behaves differently, is motivated by different things and consumes media in different ways. These differences are driven by various factors, like the events happening in the world as they grew up, or the access they have had to specific technologies. *Each generation shares similarities in life experiences which can then shape how they view the world, their most important values, and their ideals.*

Understanding each generation and how they interact with technology can inform your digital marketing strategy. In such a tech-driven world, this approach helps marketers to identify where digital ads will be most effective, according to each generation.

By targeting audiences based on their generational cohort, you create segments who share similarities. This empowers you to craft a personalized and relevant message that draws *a direct connection between individuals and how they relate to your brand.*

Studies have shown that effective personalization strategies can improve return on ad spend (ROAS) by as much as **70%**. With personalization, you can produce creatives that are eye-catching to a specific generation. For example, Gen Z consumers might respond to the use of emojis and age-specific verbiage. Baby boomers, on the other hand, will prefer creatives that feature products that they are familiar with in the real world.

Gen Z

Born Between 1997–2012

With over 74 million kids and young adults, Gen Z makes up almost one-quarter of the US population. Although their disposable household income is on the lower end at \$26,565, this generation does spend. Gen Z has a spending power of \$143 billion and accounts for about 40% of global consumers in 2021.



Gen Z

Defining Characteristics

Gen Z are the first generation to grow up immersed in technology. They are remarkably tech-savvy, connected, and informed: true “digital natives.” Having grown up on social media, these young people are the self-image generation.

Gen Z has distinct values, attitudes and lifestyle habits. Because of their adept internet usage, they are highly aware of what is happening in their own communities as well as globally, making them very socially conscious.

Many Gen Zers grew up watching their parents take huge financial hits during the great recession and during the COVID-19 pandemic. Witnessing their parents’ struggles has made Gen Z seek stability and security. They are financially minded and pragmatic spenders.

Consumer Behaviours

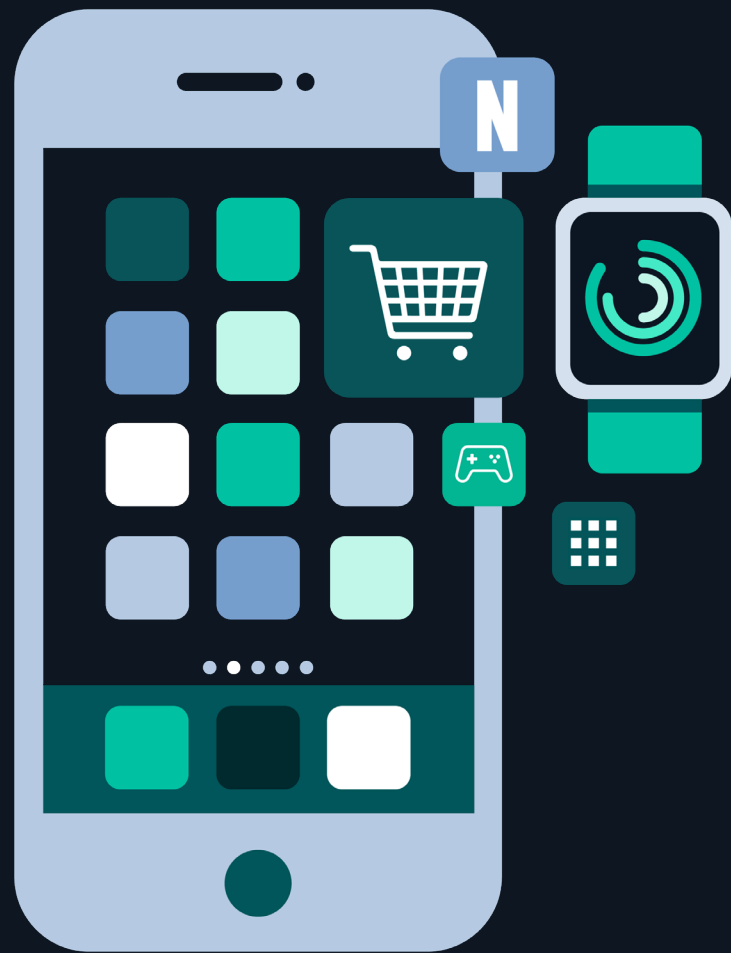
Brand values matter to Gen Z. They will make purchasing decisions if they see alignment between brand values and their personal values. Gen Z expects the brands they support to take a stand on social justice issues, and 89% feel that brands should aim to do good in the world.

Gen Z are very influenced by their communities and people they admire, like celebrities and influencers. Their purchase decisions are often driven by user-generated content and recommendations from people they know or influencers they admire. As a result, this generation has minimal brand loyalty—only 16% shop at a single store for clothing.

Gen Z are digitally savvy and love to be online. More than 74% of this generation say they spend their free time using various web-connected devices, and 66% of Gen Z reports using more than one internet-connected device at a time.

Gen Z

Device Usage



Gen Z are on mobile:

55% of Gen Z use their smartphones for five or more hours a day, and 26% use their phone for 10+ hours a day. This generation is known to use their smartphone over a computer or tablet.

Gen Z are multi-taskers:

95% of Gen Z uses another device while watching TV, most commonly for social media or to chat with friends.

Gen Z use their devices for almost everything:

73% of Gen Z use their internet-connected devices to communicate with friends and family, followed by entertainment (59%) and gaming (58%). Gen Z watches an average of 15 hours a week of streamed TV on a connected TV device.

Gen Z are online shoppers:

72% of Gen Z has purchased a product online using whichever device was most convenient. 61% of Gen Z has made a purchase via mobile.

Gen Z are listening to digital audio:

Gen Z clock in at more than 18 hours per week (2.6 hours or more each day) of digital audio listening.

How can you best reach Gen Z?

Through mobile, social media, and connected TV (CTV).

Communicate your brand values in a personal and relatable way. Ensure the messaging in your ads speaks to how you align with their values as well.

Improve the quality of your online experience: dynamic content, aesthetically pleasing images, carousel ads, and videos.

Reach Gen Z across screens: run ads across devices including mobile, desktop, tablet, and CTV.

Reach Gen Z in screenless moments: Run programmatic audio campaigns to capture audiences listening to digital radio and podcasts.

They are least willing of the generations to tolerate any form of online advertising. So, avoid invasive ads and go for context-fitting, organic ads instead. Leveraging contextual advertising methods can ensure you are reaching them in the right contexts.

Millennials

Born Between 1981–1996

Millennials stand out for their technology use because they grew up with digital media. Although they aren't considered digital natives in the way that Gen Z are, they are very tech-savvy. With 53% of millennial households having children, these shoppers are spending on family-related items. Millennial shoppers spend \$600 billion in the US each year.



Millennials

Defining Characteristics

Millennials are gaining buying power as they become more established in their jobs. They're building their careers, paying off student loans, getting married, buying houses, and having families. With their busy lives, millennials appreciate convenience and will look for this characteristic when making purchase decisions.

Millennials were very impacted by the great recession and COVID-19, and don't have the same financial security that their parents did. Their salaries have less buying power compared to previous generations at the same age, and many are carrying more debt. Millennials therefore value affordability and will carefully research before making a purchase.

Consumer Behaviours

Millennials are omnichannel shoppers. About 60% of millennials use some mix of digital and in-store to research a product or service before making a purchase. Like Gen Z, they aren't particularly brand loyal—they are likely to hop between brands and try new ones to get the best price.

Millennials are online spenders. They spend more online than other generations. While shopping online, millennials expect personalized experiences. They want to be served relevant ads, and respond well to other personalization features like targeted product recommendations.

Millennials are receptive to social proof. A Trustpilot survey found that 66% of millennials were more likely to purchase based on social proof. They will look at online reviews, take recommendations from peers and influencers, and they will self-educate before making a purchase decision.

Millennials

Device Usage

Millennials are on mobile:

92% of millennials own and actively use smartphones, and 48% are using the internet almost constantly.

Millennials are on CTV:

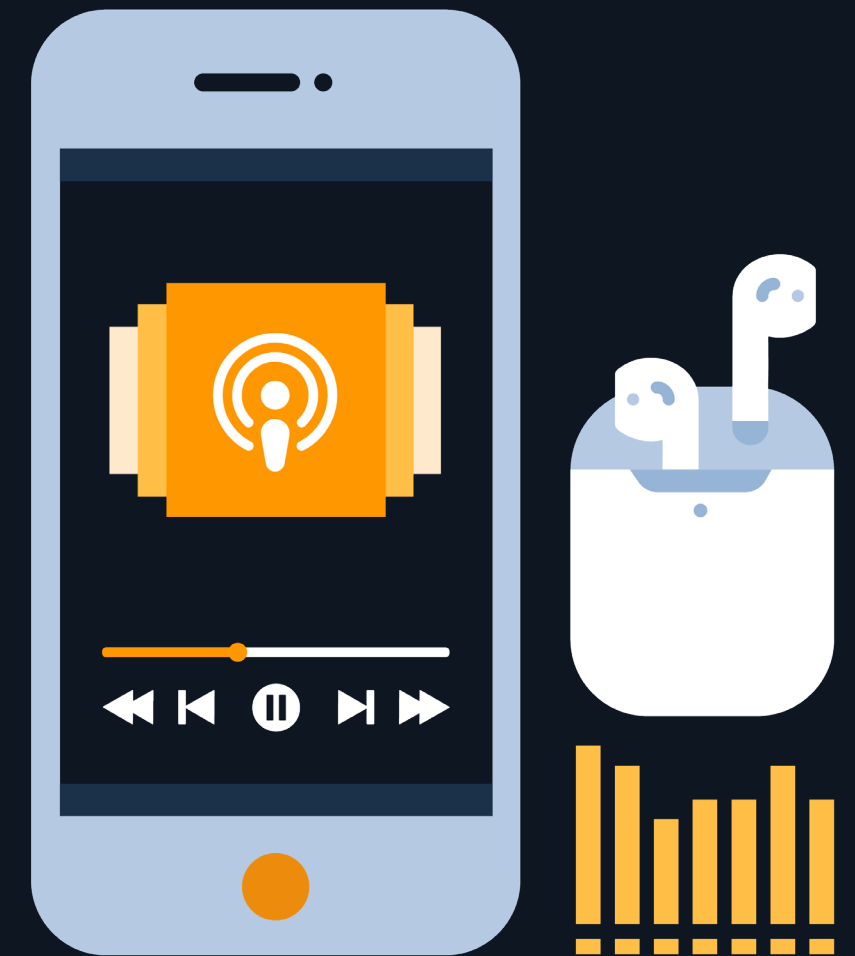
Millennials have been cord-cutting, spending 3.5 hours per day watching TV online through a connected device.

Millennials are listening:

Literally. They are active listeners on digital audio channels, and known as the “audio generation”.

Millennials respond to shoppable content:

The majority of millennials will make a purchase through shoppable content, including clickable images and videos.



How can you best reach millennials?

Through mobile, social media, CTV, and audio.

Run ads across devices to target millennials on any screen, ensuring you reach them when and where they are most likely to engage.

Consider running ads on CTV because millennials find CTV ads relevant and informative, and will seek out more information after exposure.

Integrate programmatic audio to capture millennial attention when they are listening in screen-free moments.

Millennials have grown to expect hyper-relevant advertising, so use dynamic retargeting to deliver ads with personalized content to millennials who browsed your website to re-engage them.

As millennials work to inform themselves about a product or service before purchasing, leverage native ads to provide educational content and put them in the driver's seat for making a research-based purchase decision.

Gen X

Born Between 1965–1980

Gen X is at the height of their careers, which means they are now in their prime spending years. Given this, it comes as no surprise that Gen X accounts for 31% of the total US income despite being the smallest generation. Currently, their mean household expenditures are \$74,683 annually, and according to the US Department of Labor, Gen X outspends all other generations when it comes to housing, clothing, eating out and entertainment.



Gen X

Defining Characteristics

Gen X is a challenging generation to define because they are tightly sandwiched between baby boomers and millennials. As a result, some of the Gen Xers born earlier have baby boomer characteristics, and Gen Xers born later have some millennial characteristics.

Many Gen Xers have started families and have children that are school-aged or in college. As a result, this generation holds strong family values. Many of their decisions are influenced by their desire for financial security and their family's safety.

Gen X are a unique generation because they didn't fully grow up with technology like Gen Z and millennials did, but they are still open to it. Gen Xers are quick technology adopters and are very active on social platforms, but they do still engage with traditional media. Many continue to listen to the radio, read newspapers, and watch traditional television.

Consumer Behaviours

Trust is an important factor for this family-oriented generation. They will research brands and businesses before making a purchase. Gen X are brand loyal, and will enroll in loyalty and reward programs for brands that they like and trust. In fact, new research shows that Gen X are the most brand-loyal of the generations.

Most Gen X shoppers are on social media, but they tend to be more influenced by email marketing campaigns. In fact, 92% of Gen X respondents say they have used email in making a purchase decision in the past month.

Given that they are at the height of their careers, Gen X is one of the more financially stable generations. They are planning for retirement, so they tend to look for purchases that are on sale or provide high value. 71% say coupons affect their purchasing habits.

Gen X who are parents have unique values as well. They look to consume media that reflects those values, and is personal and authentic.

Gen X

Device Usage

Gen X shops on mobile:

Their device behaviour is similar to millennials in that 90% of those who own smartphones use them for shopping.

Gen X is cord cutting:

Gen X are shifting their viewing habits from traditional TV to CTV. They now spend 4 hours per week with CTV.

Gen X switches devices:

They might open emails on their mobile devices, but they will switch to their laptop to click through and make a purchase.

Gen X looks at new and old media:

According to Nielsen, Gen X spend nearly the same amount of time with old media like traditional TV and radio as with their digital devices.



How can you best reach Gen X?

Through mobile and CTV.

Don't assume Gen X aren't responsive to digital. They are tech-forward and receptive to digital advertising across channels and devices.

Use dynamic retargeting to serve ads with personalized content to Gen X consumers who visited your website to explore your product or service.

Gen X tend to research on the internet before purchasing. Use native ads to provide more information about a product or service, rather than just pushing a sale.

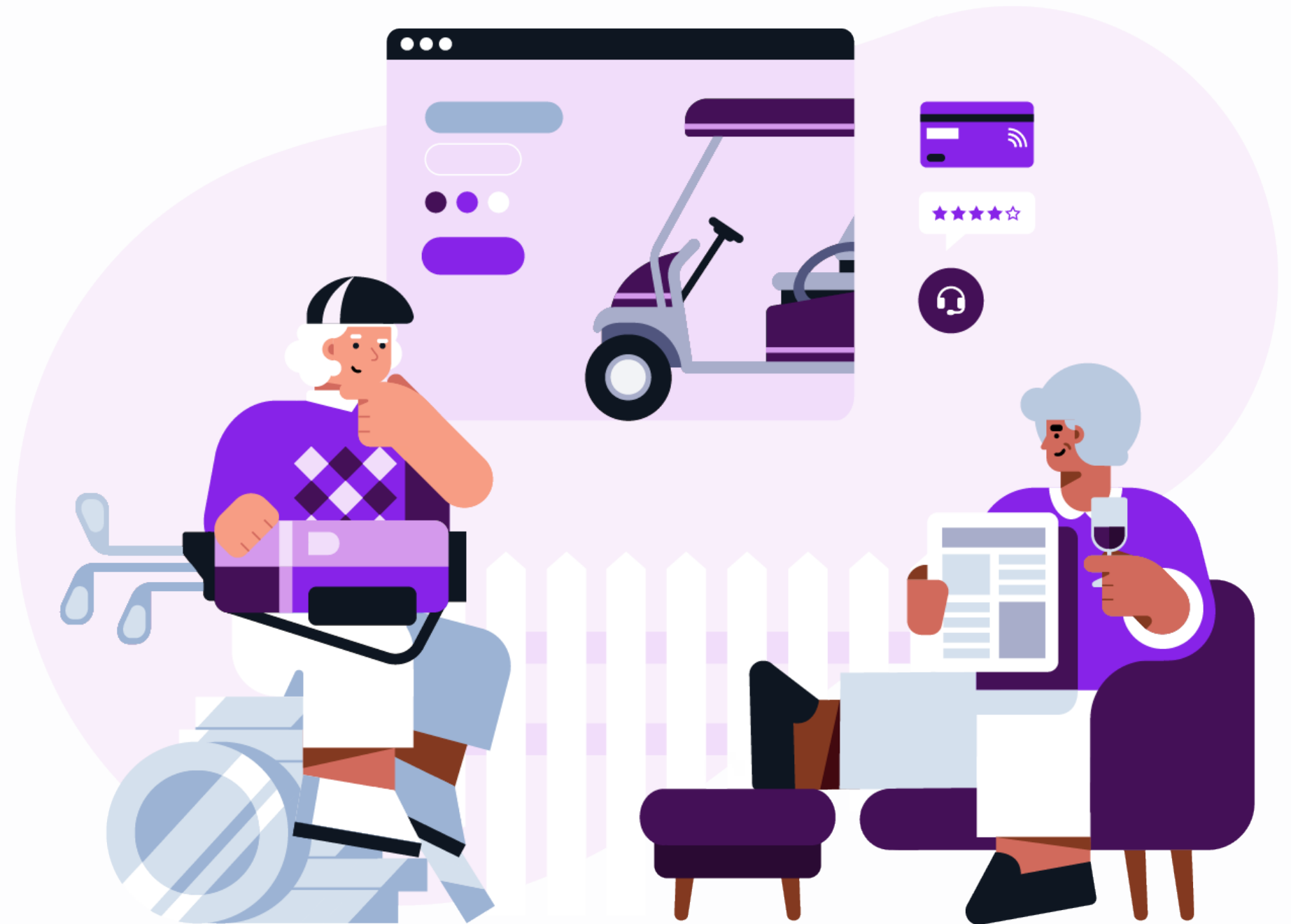
Use 3rd-party data to understand Gen X households. Attributes such as family composition and the presence of children can help define your audience and refine your marketing approach.

Leverage customer reviews and value-adds in your messaging. Curating the messaging in your ads to highlight what customers have said about your product will boost purchase confidence in Gen X.

Baby Boomers

Born Between 1946–1964

While this generation didn't grow up with digital technology, they are catching up fast. Baby boomers are beginning to retire, but they are still big spenders. There are now around 68 million baby boomers in the US, and they have a mean household expenditure of \$63,325 annually.



Baby Boomers

Defining Characteristics

Baby boomers grew up in the era of the “American Dream.” As a result they are more financially stable and affluent than any other generation. As this generation is approaching and entering retirement, they have disposable income and want to spend, but they want to spend it well and wisely.

Baby boomers were well into adulthood when home computers and internet usage became a household norm. As a result, they aren’t considered as tech-savvy as Gen Z and millennials, but they shouldn’t be discounted. With 68% of baby boomers owning and using smartphones, many spend up to 5 hours a day on their devices. Additionally, 96% of baby boomers use search engines, 95% use email, and 92% shop online rather than shopping in stores and shopping malls.

Consumer Behaviours

Baby boomers tend to gravitate toward premium brands and stores. This generation is willing to spend more money for a high-quality product. Compared to other generations, baby boomers spend the most across all categories and the most per transaction.

Baby boomers have high expectations when it comes to customer service—both online and offline. Quality and pleasant interactions with brands and their employees will leave a good impression on this generation, and lead to brand loyalty.

As baby boomers retire, they are investing more in travel and their homes. Baby boomers are more likely than other generations to spend on expensive items like wine, home goods, appliances, pharmacy and healthcare.

Baby Boomers

Device Usage

Baby boomers browse on mobile:

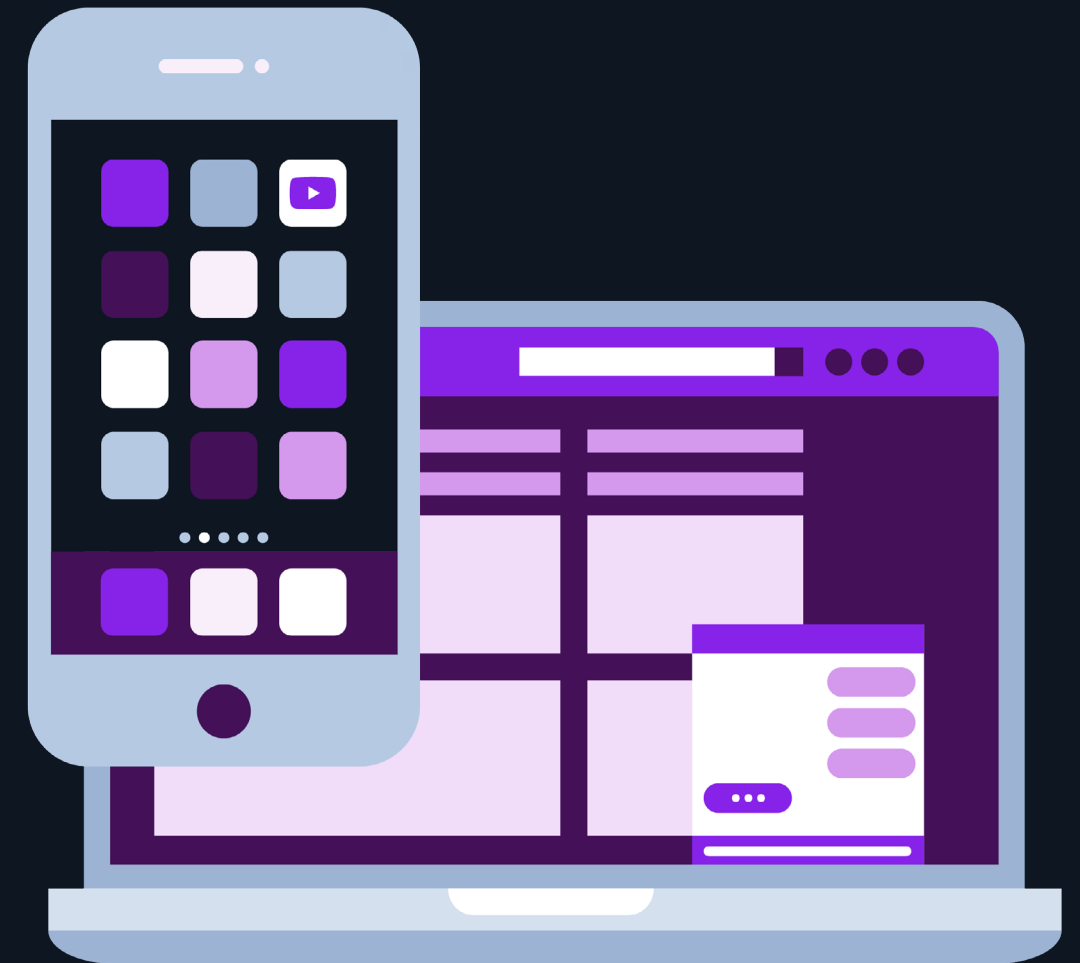
76% of boomers with smartphones browse on their phone, and then switch to their laptop to complete an online purchase.

Baby boomers are on social:

Their favourite social media platform is Facebook. 68% of boomers actively use this social network to connect and stay in touch with families and friends.

Baby Boomers enjoy video content:

Baby boomers are watching streamed video on their laptops and on connected TV devices. YouTube is particularly popular amongst baby boomers, with 70% of them active on the platform.



How can you best reach baby boomers?

Through mobile, digital video, and CTV.

Custom segments will enable you to capture baby boomers. Target users in their age range who have recently searched for information on your market category.

Use dynamic retargeting to serve ads with personalized content to baby boomers who visited your website to explore your products or services.

Baby boomers are savvy shoppers that like to research before purchase, so give them the information they're looking for by providing clear and direct messaging.

Display ads on desktop will grab the attention of baby boomers. Use them to reinforce brand awareness and deliver messaging that speaks to the quality of the product or service that you offer. This will be particularly impactful as a retargeting tactic, leveraging site visits from a mobile device.

Leverage an empathetic tone in your messaging. This generation values quality customer service, so demonstrate how your brand will support them if they need it.

How to Build a Customer Profile

Customer profiles provide factual information about the demographics and buying behaviours of your target audience.

STEP 1

Begin by identifying the problem that your product or business is aiming to solve, and the type of audience that is seeking an answer to that problem. For example, baby formula solves the problem of feeding a baby, which is relevant to parents. So, it's safe to say that parents are your broad audience. From there, narrow the audience down into a profile that aligns with your product.

STEP 2

Use your customer's journey from awareness and consideration to conversion and evaluation to narrow your customer profiles. To do this, think about how a customer comes to know your business and eventually make a purchase. Customer journeys will vary depending on your customer's generation. A baby boomer's first touchpoint might be an ad on CTV, whereas a Gen Zer's first touchpoint might be hearing your ad on a podcast.

STEP 3

Once you have a broad idea of who your audience is and the customer journey, consider their demographics in detail. Build a profile description that includes information like their age, marital status, education level, income, and whether they have children.

How to Build a Strategy Around the Profile

1

Use your customer profiles to understand how your customers are interacting with tech.

We're in a tech-driven world, so finding that alignment is key when building a marketing strategy. When you understand what tech your customers are using, you can identify what digital ads will perform best in reaching those profiles.

2

You can then build out your strategy around the channels that make the most sense for reaching a particular profile. For example, if in building your profile you see that Gen Z is your ideal target market, you'll want to focus on mobile, social, and CTV.



Get the Most Out of Generational Marketing

Generational norms evolve over time. They are shaped by world events, culture, technology, and more. As generations get older and new technology becomes available, the channels that they are most likely to respond to digital ads on will change. With this in mind, it's important to remember to regularly review and make iterations to the profiles you have created for your generational marketing strategy.

About



StackAdapt is a self-serve programmatic advertising platform used by the most exceptional digital marketers. This state-of-the-art platform is where some of the most progressive work in machine learning meets cutting-edge user experience. Ad buyers plan, execute, and manage data-driven digital advertising campaigns across all devices, inventory and publisher partners.

For more information, visit stackadapt.com.