



HIGH-DEFINITION NEWS

Marketing to the Newest Global Consumer Segment

By Clark Crowdus

As demographic measurement and psychographic research become more advanced, marketers are chopping groups of consumers into smaller and smaller pieces, identifying specific needs within those life segments, and then linking the life segments in an integrated strand—almost from cradle to grave.

The most recent example of segmentation is the emergence of "twixters" as a distinct demographic and psychographic group. Marketing researchers and sociologists have been busy identifying and defining this new segment, which has become so prominent that *Time Magazine* devoted a recent cover story to twixters.

The first consideration for a marketer is, of course, who are these people?

According to *Time*, twixters are an emerging market of young consumers between the ages of 21 and 29 who continue to live with their parents; have fairly good jobs and income; and who are not making any moves to get married, establish families or take on other adult responsibilities that the previous generation did almost automatically.

And the twixter segment is present in many developed countries, including Canada, the UK, France, Germany, Italy, Japan, and the USA. Known as 'KIPPERS' in the UK (Kids In Parents' Pockets Eroding Retirement Savings) or 'Nesthocker' in Germany (nest squatter), twixters job hop; dress like teenagers and expect instant gratification. They have a nearly sleepless lifestyle in which they make purchasing decisions at midnight and expect delivery at 1 am, or at least the next morning.

And yet, in other ways, they are more traditional than you might expect. Twixters are really more like the 50s generation in the USA because they trust their parents and established institutions. Like their parents, they are very self-oriented and require immediate gratification of needs.

Just as marketers have identified and addressed such *previously* new segments as teens, diverse cultures, and seniors, here are some considerations for marketers who might consider approaching *this* newest segment:

Trust in institutions — If you are a financial services brand, for example, you may want to emphasize transactional and service capabilities to twixters—as opposed to branding concepts of financial strength, trust, stability, and the like. They already trust you; there is no money in the mattress. Understand their

culture; give them service that works for them at this stage and don't try to manipulate them.

Living at home — This means twixters are not likely to be burdened with the "overhead" of life that people who have moved away from home have. With the basic necessities of life covered and with more disposable income, a greater share of income can be channeled into purchases which fall into the bailiwick of credit and debit cards. Adding utility to these payment cards will spur loyalty. And, if you're a lender, there are cosigners with hefty assets living under the same roof as well: boomer parents.

Studying longer — Twenty-three percent of twixters surveyed by *Time Magazine* said they were 24 years or older when they finished their education. Many routinely take six years to complete an undergraduate education. That could drive a *sustained* emphasis on university venue marketing across products—led, of course, by student lending.

Spending big and in debt — Twixters are big spenders. The *Time* survey notes that twixters say they spend more than most people do on (in order of magnitude) dining out, clothes, entertainment and computers and software. Not surprisingly, the group is also pretty leveraged with 66% exiting college carrying more than US \$10,000 in debt. While many expenses are covered by parents, lenders should approach with caution, emphasizing transactions and services over loans. Credit card issuers early on should educate about credit scores and how to establish sterling credit. Twixters are in no position to buy anything that could be considered an asset. But gadgets and clothes? No problem. Associate yourself with Apple, Abercrombie & Fitch, Circuit City and the like, and you'll nab that business.

Overspending, but not overearning — A study by Syracuse University found that only half of Americans in their mid-20s earn enough to support a family. Again, this is somewhat mitigated by support from parents.

Delaying marriage — For a financial institution, this can be one of the most frustrating aspects of twixterdom. If you think of marriage as the merging of two incomes, two careers and two sets of potentials, the fact that twixters often fail to marry before age 30 means they won't become prime prospects for key products right away. At the point of marriage, as most financial services marketers know, emphasis shifts to a different set of financial products emphasizing savings, wealth preservation and growth—along with spending.

Even if you are not a financial services marketer, there is still grist for the marketing mill with this emerging group. Because the more clarity you can gain about the attitudes, beliefs and demographic realities of twixters or any life segment—boomers, tweens or Gen Xers—the more you will be able to build products and lifetime customer value.

And once you have, you can begin to use personal selling to convey the product message to *your* twixter at home over dinner!

Your feedback is welcomed and should be directed to Clark Crowdus,

RESOURCES:

The following resources are recommended by High-Definition Consulting Group:

Article: Time Magazine/They Just Won't Grow Up —
<http://www.time.com/time/archive/preview/0,10987,1018089,00.html>

Poll: Time Magazine/Inside the World of the Twixters —
<http://www.time.com/time/covers/1101050124/graphic/index.html>

Web log: Voisen.org/Discussion of Twixters —
<http://voisen.org/archives/2005/01/twixters.php>

Web site: E-Zine Articles/Aggregator of Zine Articles —
<http://ezinearticles.com/?Meet-The-Twixters!&id=12990>

Web article: Allbusiness.com/What are Demographics and Psychographics?
— <http://www.allbusiness.com/articles/content/23768.asp>

Academic Paper: The Impact of Perceived Channel Utilities, Shopping Orientations and Demographics on the Consumer's Online Buying Behavior
— <http://www.ascusc.org/jcmc/vol5/issue2/hairong.html>

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