Gen Y: The Future of Marketing

We need to leverage technology to make sure we are on the radar of this young, tech-savvy generation.

But we needed to answer 2 key questions…
1. Who Are Gen Y?

Lots of opinions, little rigor.
2. How Does Social Media Impact Consideration?

Should Brands Invest Heavily? Or Is it “Fool’s Gold?”
Our Project:

- Test an App’s impact on Gen Y consideration of Chevrolet.
- Our goal: more than mere app development.

1. What distinguishes Gen Y “mindset” consumers?
   - Survey data Factor and Discriminant analysis

2. How does social media affect consideration?
   - Field experiment
Data & Analysis
1. Who are Gen Y?

Survey to identify Gen Y “mindset” (n=500):
• 125 consumers 18-24, 250 consumers 25-30, 125 consumers 31-36

• **Factor Analysis:**
  – Which variables are correlated and reflect underlying structural similarities?
    • Across 30 variables

• **Discriminant Analysis:**
  – Use the factors to predict membership in Gen-Y age group (18-30)
    • Very strong predictors have coefficients above .5, moderately strong predictors between .4 and .5)
Who Are Gen Y?

Factor Analysis revealed 7 Component Profiles:

We Labeled Them:

1. “Tech World”
2. “Cause-Related”
3. “Custodial Friends”
4. “Conservative”
5. “Reality TV”
6. “Avoid Paying”
7. “Alternative”

But what distinguishes the Gen Y mindset?

Who are Gen Y?:

Discriminant analysis results predict 74% of Gen-Y correctly and 75% of non Gen-Y. Tech world (p=.000), Custodial friends (p=.003), Reality TV (p=.000), Avoid paying (p=.000), Alternative (p=.000) are all significantly different.
The App Experiment

Gen Y results informed our test app development.
App elements must reflect:

- Technology lifestyle
  - Social networking
  - Personal expression/Discovery
  - Bragging Rights
  - Getting something for nothing
Phase 2: Field Experiment

*How does social media affect consideration?*
Experimental Conditions: Media

Random Assignment (n=2002)

Traditional Media

OR

New Media

Independent Variables
Traditional Media: TV

Chevrolet Ad: Status

Ford Ad: Sync
DreamCar
Bring it to life.

PRESENTED BY
CHEVROLET
New Media: DreamCar Concept App

- Customization
- Discovery of Information
- Social Networking

Independent Variables
Customization (Low/High)

Choose:
- Dog Person
- Ski Bum
- Business class
- High-tech
Food for Thought

Nice Work! Below are some similar vehicles as well as links to uncensored reviews and discussions about cars. Check out at least one of these links in order to progress in the DreamCar app; we'll ask you about what you discovered later.

Chevrolet Corvette

Dodge Viper

BMW 74
My name is Brandon. I'm 25 years old. I live on the southern coast of NC. I'm married to my wife Courtney of almost 5 years. We have a little cat named Foxxie. As wimpy as this sounds, she is my baby. I'm a musician and enjoy all types of music, but I prefer an alternative style of rock. I'm a big gamer, preferably Xbox 360. If you have a gamertag, just message me! I also enjoy traveling, especially with my Grandparents. I live by the beach, so I'm always there every weekend. I am a foreman at one of the biggest landscaping firms on the east coast. I actually enjoy my job and I'm looking forward to what this company has to offer me.

My family is extremely important to me and each one of them impacted my life in some sort of way. But I do have to say the person who has impacted my life the most (besides my wife), is my brother-in-law, Drew (my wife's brother). He has Downs Syndrome and has really opened up my eyes to a lot of things. He's one of a kind, he's one of the best (if not the best) individuals you will ever meet, and he's truly an inspiration. I can honestly say I can see God through his eyes and I'm very blessed to have him a part of my life. He's my buddy, for sure!

Umm, I guess I'm pretty much open about everything. I don't judge people because of color, gender, sexual preference, or lifestyle choices. I just don't believe it's my place to do so. I wouldn't want people to judge me, so why would I towards others? I don't really have any peeves or anything like that. The only thing that does bug me are whiners, especially over trivial situations. I don't believe whining or complaining about something solves anything. Things happen in life that are completely unfair and all you gotta do is pick yourself back up and move forward. Complaining or whining about it does nothing but hold you back and brings everyone else around you down.

I'm just a simple guy with a simple life!
Social Networking: Posts to Profile Page

Buckethead

Joined on: 05-05-2011
Last visited: 06-27-2011
Timezone: -6.00 GMT

Custom Profile Info

- Respa: 114611
- Gender: Male
- Age: 29
- Room: 3

Buckethead's Bio

I leave for Marine Corps Boot Camp later this year.

Interests: cars, gaming, gaming with son
Likes: money, gaming and knowledge.
Dislikes: liars, cheaters, and thieves oh yea and politicians!

Sylvia wrote Something in common
on 06-11-2011 2:50 AM

Hey my name is Sylvia, I have serious sleep issues 2, you’re not alone!

acaile1 wrote Former Marine here.
on 05-09-2011 7:27 PM

Good luck with bootcamp, and don't let it go to your head. Also be sure this is what you want.

mnoxious wrote Semper Fi
on 08-09-2011 3:43 PM

Much respect for a future Marine. My brother was in the Army and I'm in the Air Force.
Also Buckethead is amazing and the only reason I bought Chinese Democracy.

Echo wrote Marines
on 05-09-2011 3:28 PM

Awesome that you’re going to be in Marines. My family serves in the Marines and Army. Thanks!
Social Networking: Design Feedback

Created By: karmaleon

Name: Sky Ryder

Users Who Added This: pk_mk, cpsfinest1130, Victoria_75232, AcM5, thebrownings2938

Danielle Well that's different lol
5/13/2011 4:48:35 PM

SUPERGIRL Gangsta! A flying flame exhaust car. Nice ;)
5/13/2011 5:19:31 PM

cpsfinest1130 Very creative
5/13/2011 7:06:29 PM

Victoria_75232 That is a super ideal! I love the orginality of it
5/13/2011 9:11:29 PM

pk_mk haha, love this
5/14/2011 5:49:13 PM

SUPERGIRL Gave you 5 stars ;)
5/14/2011 6:51:02 PM

nunuliang Very different and awesome!
5/15/2011 2:44:23 PM

LilLee518 Creative!
5/16/2011 3:22:20 PM

thebrownings2938 I absolutely love the creativity of this design!
5/18/2011 7:19:04 AM

missbb02 very creative!
5/19/2011 10:09:38 AM
# Social Networking: Discussion

<table>
<thead>
<tr>
<th>Topics</th>
<th>Replies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pulling a trailer</strong></td>
<td>10</td>
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<tr>
<td>Latest post by JenK, 05-19-2011 9:50 AM</td>
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<tr>
<td><strong>Advice, Input, Recommendations,... ALL appreciated.</strong></td>
<td>12</td>
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<tr>
<td>Latest post by wvwastik6, 05-19-2011 11:57 AM</td>
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<td><strong>The World</strong></td>
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<td>Latest post by wvwastik6, 05-19-2011 11:46 AM</td>
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<td><strong>Glovers?</strong></td>
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<td>Latest post by box12, 05-17-2011 1:35 PM</td>
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<td><strong>Hello</strong></td>
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<tr>
<td>Latest post by irsickstan, 05-15-2011 11:37 PM</td>
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<tr>
<td><strong>TOYOTA - How Do You Feel About Their Reparations?</strong></td>
<td>28</td>
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<tr>
<td>Latest post by acalle1, 05-15-2011 1:18 PM</td>
<td></td>
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<tr>
<td><strong>Best used 5-door hatchback/small wagon</strong></td>
<td>6</td>
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<tr>
<td>Latest post by acalle1, 05-15-2011 1:14 PM</td>
<td></td>
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<tr>
<td><strong>Lexus or Infiniti</strong></td>
<td>29</td>
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<tr>
<td>Latest post by acalle1, 05-15-2011 1:12 PM</td>
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<tr>
<td><strong>Share your tips and tricks for the &quot;Create a Car&quot; Feature...</strong></td>
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<td>Latest post by acalle1, 05-13-2011 6:02 PM</td>
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<td><strong>Ambien</strong></td>
<td>10</td>
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<tr>
<td>Latest post by acalle1, 05-13-2011 6:26 PM</td>
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<tr>
<td><strong>First time buying used, No clue what to get my brother.</strong></td>
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<td>Latest post by acalle1, 05-13-2011 6:24 PM</td>
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<tr>
<td><strong>Scavenger Hunt - Making Friends</strong></td>
<td>107</td>
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<tr>
<td>Latest post by acalle1, 05-13-2011 6:14 PM</td>
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<tr>
<td><strong>Vehicle favorites</strong></td>
<td>52</td>
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<tr>
<td>Latest post by krisay05, 05-12-2011 2:27 PM</td>
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<tr>
<td><strong>Member Information: Rules for Earning Points</strong></td>
<td>0</td>
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<td>Latest post by DanielleC, 05-12-2011 11:42 AM</td>
<td></td>
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<tr>
<td><strong>BEST movie you've seen recently</strong></td>
<td>50</td>
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<tr>
<td>Latest post by Echo, 05-10-2011 4:21 PM</td>
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**Popular Tags**

- Advice
- automatic
- BMW
- car
- Clover
- Dream
- driver
- FlexFuel
- fuel-efficient
- hybrid
- lifetime
- minivan
- service
- standard stick
- Toyota
- transmission

[View more]
FINDINGS
How Does Social Media Impact Consideration?

Invest in Social Media?  Or stay away?

A: It Depends!
Recall & Consideration

Forced television exposure is more effective than the app for brand sponsor recall, a key component of consideration.

One forced exposure of TV leads to better recall than creating only 1 car in the app.

<table>
<thead>
<tr>
<th>DV: Recall</th>
<th>Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>App (Controlling for 1 car created)</td>
<td>-2.7***</td>
</tr>
</tbody>
</table>

Recall is positively related to Chevrolet brand consideration.

<table>
<thead>
<tr>
<th>DV: Consideration</th>
<th>Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recall</td>
<td>.525**</td>
</tr>
</tbody>
</table>

Managerial implication: Recall is essential for brand consideration.

Logistic regression coefficients; *p≤.1, **p≤.05, ***p≤.01. Zero would mean no change.
Controlling for T1 consideration.
Difference measured from T1 to T3.
But even holding recall constant, we see that the App increased brand consideration via the Discovery of **new information** in the blogs and Customization options.

<table>
<thead>
<tr>
<th>DV: Consideration</th>
<th>Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Networking</td>
<td>-.159</td>
</tr>
<tr>
<td>Customization</td>
<td>.384*</td>
</tr>
<tr>
<td>Discovery</td>
<td>.598***</td>
</tr>
</tbody>
</table>

Managerial implication: Apps can increase consideration via Discovery and Customization.

Logistic regression coefficients ; *p≤.1, **p≤.05, ***p≤.01. Zero would mean no change.
Controlling for T1 consideration and Chevrolet brand recall.
Difference measured from T1 to T3.
Looking over the time, the impact of these variables on Consideration differed short-term to the long-term.

<table>
<thead>
<tr>
<th>DV: Consideration</th>
<th>Short Term (T1 to T2)</th>
<th>Long Term (T2 to T3)</th>
</tr>
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<tbody>
<tr>
<td>Social Networking</td>
<td>-.402*</td>
<td>.06</td>
</tr>
<tr>
<td>Customization</td>
<td>.022</td>
<td>.445**</td>
</tr>
<tr>
<td>Discovery</td>
<td>.204</td>
<td>.555***</td>
</tr>
</tbody>
</table>

Managerial implication: Social networks can spread old information without infusions of new, positive information from transparent sources.

Logistic regression coefficients ; *p≤.1, **p≤.05, ***p≤.01. Zero would mean no change. Controlling for T1 consideration and Chevrolet brand recall. Difference measured from T1 to T3.
Social Media & Consideration Model

From T1 to T3, the model for the effect of social media on Chevrolet consideration:

<table>
<thead>
<tr>
<th>DV: Consideration</th>
<th>Coefficients</th>
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<tbody>
<tr>
<td>Social Networking</td>
<td>-.27</td>
</tr>
<tr>
<td>Customization</td>
<td>.30</td>
</tr>
<tr>
<td>Discovery (clicked blog)</td>
<td>.77*</td>
</tr>
<tr>
<td>Brand Recall</td>
<td>.54**</td>
</tr>
<tr>
<td>App Rating</td>
<td>.38***</td>
</tr>
<tr>
<td>Winner</td>
<td>.96**</td>
</tr>
</tbody>
</table>

Managerial implication: Key components of effective social media.

Logistic regression coefficients ; *p≤.1, **p≤.05, ***p≤.01. Zero would mean no change. Measured at T1, T2, and T3.
We measured brand relationships along 6 dimensions. 

- **“Stranger”**: Most difficult brand relationships to change.
- **“Do not like”**: Most affected by app.
- **“Job Done”**
- **“Fling”**
- **“Hope to Know”**
- **“Friend”**
**Consumer-Brand Relationships**

**Using the App:**
Positively related to higher level brand relationship, holding recall constant.

<table>
<thead>
<tr>
<th>DV: Relationship Strength</th>
<th>Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>App</td>
<td>.395**</td>
</tr>
</tbody>
</table>

**Liking the App:**
Positively related to higher level brand relationship, even controlling for just one car designed; liking the TV ad was not.

<table>
<thead>
<tr>
<th>DV: Relationship Strength</th>
<th>Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liking TV Ad (Forced exposure)</td>
<td>.127</td>
</tr>
<tr>
<td>Liking App (1 car only)</td>
<td>.17**</td>
</tr>
</tbody>
</table>

Positive effect becomes stronger if more than one car designed.

Ordinal logistic regression coefficients, *p≤.1, **p≤.05, ***p≤.01. Controlling for ingoing relationship at T1.
**Key App variables depend on the relationship state:**

<table>
<thead>
<tr>
<th><strong>DV: Relationship</strong></th>
<th><strong>Variable</strong></th>
<th><strong>Coefficient</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>“Fun Fling”</td>
<td>Social Network</td>
<td>.380**</td>
</tr>
<tr>
<td>“Hope To Know”</td>
<td>Customization</td>
<td>.357*</td>
</tr>
<tr>
<td>“Friend”</td>
<td>Discovery</td>
<td>.385**</td>
</tr>
</tbody>
</table>

Logistic regression coefficients; *p≤.1, **p≤.05, ***p≤.01. Zero would mean no change.
Controlling for T1 version of relationship and Chevrolet brand recall.
Difference measured from T2 to T3.
Managerial Implications: Moving the Needle
Do Apps Increase Consideration?

They can, if:
- Enjoy the app
- Get involved and participate
- Recall who brought it to them
- Can win and sample the auto with a drive, source of new information

Keep in mind:
- Social networks can have negative effects if no new information
- But blogs can enable discovery of new information that combats negative perceptions
Managerial Implications for Social Media

1. Create new media that builds in high-tech, zero-cost ego boosts.
   • Apps are an example.

2. Focus on Gen Y-like mindset as well as Gen Y age group.
   • Similar, but Gen Y-like has greater spending power.

3. Use a mix of Traditional TV and new Social Media (apps) to increase consideration:
   • Work differently, but synergistic
   • Correct mix subject to further research
Thank you, team!

- Andy Norton
- Sigal Cordeiro
- Sharon Sheremet
- Joyce Salisbury
- David VanderVeen
- Jonathan Owen
- Rod Tesic
- Nina Leask
- Patricia Hawkins

- Glen Urban
- Renée Richardson Gosline
- Nell Putnam-Farr
- Keone Hon
- Emily Zhao