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Millennials: Clued in or Clueless?

Failing Grade: The 10 Things College Students Don't Know About Marketing

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Marketers are fascinated by Gen Y's youngest cohort, the Millennials -- and with good reason: They are an important market today and will become even more important as they graduate, start jobs, marry and establish households.

How to communicate effectively with Millennials is the topic of many research studies. We are told what they read (magazines) and what they don't read (newspapers), which brands they love (Apple) and which ones they hate (anything "too corporate"), devices they use (iPods and cellphones) and don't use (CD players). There are articles on how they communicate (Facebook) and don't communicate (e-mail) and where they get their news ("The Daily Show"). We learn that they are not like us in their views of the world (they've never experienced a presidential election without a Bush or a Clinton in the running). Most ominously, we are informed that they have lived in a media-saturated world from a young age. Consequently, they are clued in to -- and tuned out of -- marketers' most ingenious means of influence.

To the last pronouncement, I ask, "Really?" My classroom provides a front-row seat to just what many college students know about marketing's basic principles, strategies and methods. Their naiveté regarding retailers' role, the true target for many brands, the rules on pricing and how product placement comes about might surprise you.

Here are my top 10 observations about what college students don't know about marketing and the implications for marketers.

1.

COLLEGE STUDENTS ARE NOT THE TARGET FOR MOST PRODUCTS

College students are remarkably egocentric. Name a product where the benefit is convenience or the approach is humorous, and they will

invariably believe it was intended for them. Surely Swiffers, Target superstores and Stouffer's Lean Cuisine were designed to make their lives easier. In late October, Febreze announced its "What Stinks?" viral campaign targeted to the nation's 18 million college students to capitalize on this insight. College students all over America are no doubt wondering what took so long.

THE IMPLICATION

Don't worry much about how to make a product or its advertising relevant to college students. If it's useful, they will believe it's for them.



2.

THE AVERAGE HOUSEHOLD INCOME DOES NOT SUPPORT A CLEANING LADY (OR AN IPOD)

About 5% of U.S. households have someone else clean their home, yet college students consistently overestimate this at 30% or more. They find it hard to believe that the median household income is around \$50,000. They also believe they are "poor college students," regardless of the fact that most are sporting new laptops, the latest cellphones, video iPods with thousands of songs and unlimited text-messaging plans.



THE IMPLICATION

Don't position a product as a luxury because they consider themselves "poor."

3.

THERE ARE MORE OLD PEOPLE THAN YOUNG PEOPLE

The world of a college student is amazingly homogeneous. Students outnumber adults by a factor of 20 to 1. Given this daily exposure to all things youthful, it comes as a shock to learn that 18- to 24-year-olds represent less than 10% of the total population and that 72% of the population is older than they are. They are unaware that someday they'll need a galaxy of products that they are exquisitely unaware of.

THE IMPLICATION

Marketers can feel free to speak to other audiences without much fear of turning off the college crowd.



Photo: Rich Vintage

4.

FACEBOOK IS AN ADVERTISING-SUPPORTED,

COMMERCIAL SERVICE

Students do not think Facebook was invented for any purpose other than to facilitate their social lives. Wisely, Facebook has refrained from rubbing its commercial aspirations in their Facebook-facing faces, allowing them to sustain the myth. Innovations such as news feeds and opening up the service to high-school students and (gasp) anyone with an e-mail address have made only a passing impression on this obliviousness to reality. Nevertheless, a reckoning is inevitable.

THE IMPLICATION

Facebook is of the people, by the people, for the people. Marketers should tread lightly where even Facebook fears to go.



Photo: Markham Johnson

5.

SERVICE MARKETING IS MORE THAN A LATTE WITH A SMILE

College students are unaware how much of their spending, and indeed how much of the GDP, goes to services until it is pointed out to them. Many of the services they use are provided "free" through campus facilities built for health care, exercise and socializing. They aren't accustomed to thinking that tuition, interest on credit cards and loans, textbook markups, and fees for online travel agents are all "prices" of services.



THE IMPLICATION

Starbucks got it right: Mask the cost of providing the service in the cost of the accompanying product.

6.

RETAILERS, NOT MANUFACTURERS, SET THE PRICE

Students are surprised to learn that manufacturers have limited say in how much their products will sell for. Retailers are thought to simply pass along manufactured goods with a small margin for themselves. It comes as a considerable shock to learn that retailers can be guilty of price gouging and that there is such a thing as a "loss leader."

THE IMPLICATION

The manufacturer will get the blame or credit for very high or very low prices, not the retailer. And retailers will get little credit for low prices.



Photo: Robyn Mackenzie

7.

IT'S ILLEGAL FOR ADS TO LIE

Students take it as a matter of faith that advertisements mislead consumers about the truth of a product's performance. Their natural skepticism leads them to dismiss most product claims made in advertising without realizing that there are correcting forces (courts, industry self-regulation, damage to brand equity) that make this unlikely. Conversely, they are all too ready to believe that ads use a host of "subliminal" message strategies to improve product perceptions.



Photo: Christine Balderas

THE IMPLICATION

Don't waste time substantiating claims that are likely to be dismissed. Create affinity; show how the product is relevant to their lives.

8.

98% OF PRODUCT PLACEMENTS ARE PAID

Product placements in media were up 48% in 2006 and amounted to a more than \$3 billion investment.

Nevertheless, college students are surprised to learn that these products don't just appear in movies and TV shows for free. What's more, they do pay attention to who is wearing and using which items. They do not find it at all jarring (as I do) to see product after product in their favorite shows. Product placement is a powerful medium that doesn't face the same skepticism barriers as commercials and other "advertisements."

THE IMPLICATION

Stephen Colbert's Oct. 26 announcement of his Doritos-sponsored presidential run: priceless.



9.

MOBILE PHONES AND IPODS ARE NEW MEDIA

Deloitte's "2007 State of the Media Democracy" survey found that Millennials maintain an average of 37 people on their instant-messaging and texting lists, compared with an average of 17 for all those surveyed. Hours spent with phones, iPods and the internet far outstrip those spent with TV. But millennials believe they are not using new media but simply communicating. Consequently, they deplore advertisements in front of YouTube videos or other invasions of their personal-communications space.

THE IMPLICATION

Students will be unwilling to tolerate much advertising on these devices without significant compensation -- such as free services.

10.

BRANDS INFLUENCE BUYING BEHAVIOR

College students think of themselves as highly rational, price-oriented buyers. They reject the notion that they are influenced by affinity to a set of brands. When asked to identify their favorite brands, they are unable to name more than one or two: Apple. Nike. Adidas. The reason for their nonchalance is that they are unaware how many of their decisions are brand-driven. Choice of college, computer, concert or even where to go for lunch are thought of in terms other than one brand over another.



THE IMPLICATION

Keep up the good work!



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