

getting to know the millennials

by julie liesse

Kristen is a bubbly 18-year-old high school student who loves performing in musicals, collecting vintage jewelry and working with kids at her job at Boys & Girls Club. She maintains a 3.9 GPA because it's part of her implicit contract with her parents. When she comes home from school she's online on MySpace.com, which she calls "the cult of American youth." Her constant companion is "Rand Jr.," her iPod (her first iPod was named "Cupcake"). "I listen to it as soon as I get up, while I'm blow-drying my hair and before I go to sleep," she says.

How does Kristen describe herself? "I am overly nice," she says with a huge, confident smile.

Erika, a 23-year-old law student, lives with her parents. She is studying law in hopes of working for some humanitarian organization, doing something with economic development or sustainable resources. She studies all the time but loves to go out to lunch with friends, spend time on the beach and watch movies (she'd rather watch at home than at a theater). Although she finds most television dramas boring, when it's "Family Guy" night, the world has to stop and I drop everything to watch," she says. She communicates with her friends via cell phone and instant messages. "I don't usually e-mail them because when I'm online they are usually online, too," she says.

Meet the Millennials, the 83 million Americans born between 1977 and 1996. They are the largest generation in American history

and, because of their size and profile, and with historic trends on their side, the Millennials are poised to take over the media and marketing world.

"The Millennials represent something we haven't seen in a long time," says Jack MacKenzie, president, Millennial Strategy Program, for leading researcher Frank N. Magid Associates. "It has been 40 years since a dominant generation came of age in American society—the baby boomers."

Academically speaking, generations are determined by trends in birth rates. But just as important, a generation is defined as a group of people who grow up with a shared experience. "As soon as you get to a point where how you have grown up is different from peo-

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(millennial facts:)

- ▶ The Millennial generation is already the largest ever, and it's getting larger—the U.S. Census Bureau says immigration will boost the number of Millennials to nearly 90 million by 2020.
- ▶ Millennials will make up 50 percent of the 18-to-49 demo by 2010.
- ▶ Millennials spend almost 15 hours a day interacting with various media and communications technologies.
- ▶ More than half of Millennials talk on the phone regularly while watching television.
- ▶ 45 percent of Millennials refer to themselves as nonwhite.
- ▶ 20 percent of adult Millennials (18-to-29-year-olds) have at least 25 friends in their social network.
- ▶ 59 percent of Millennials spend at least an hour a day talking on their cell phones.
- ▶ About 11 million Millennials are married—and two-thirds of those who are married have kids of their own.
- ▶ 84 percent of Millennials say getting a college degree is "cool."
- ▶ 51 percent of Millennials say it's important to volunteer for community service and 48 percent have done so.
- ▶ 32 percent of in-college Millennials live at home.
- ▶ Console gaming is by far the No. 1 leisure activity for Millennial males—watching TV and talking on the cell phone leads the way for women.
- ▶ 20 percent of 26-year-olds live with their parents.

(key generations)

Silent Generation Born: 1925-1944	Baby Boomers Born: 1945-1964	Generation X Born: 1965-1976	Millennials Born: 1977-1996
Major Events/Issues: ▶ The Great Depression ▶ World War II "The only thing we have to fear is fear itself" ▶ Golden era of radio ▶ Birth of TV	Major Events/Issues: ▶ Vietnam War ▶ Civil Rights Movement "Ask not what your country . . ." "I have a dream . . ." ▶ Broadcast network TV ▶ TV goes color	Major Events/Issues: ▶ Watergate ▶ Oil Crisis "Our long national nightmare is over" "Crisis in confidence" ▶ Fourth network - Fox ▶ Early days of cable TV ▶ CNN, ESPN, MTV	Major Events/Issues: ▶ Clinton Impeached ▶ 9/11 "You've got mail" "Girls rule" ▶ iPod ▶ Social networking ▶ Cell phone ▶ Text messaging

Source: Millennial Strategy Program, Frank N. Magid Associates



abc family

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ple of other ages, that begins to define generational qualities," Mr. MacKenzie says.

The 78 million baby boomers were born in the collective relief after World War II, with the last born about 1964. The boomers grew up during the Vietnam War, the fight for civil rights, the moon landing and the freedom and experimentation of the 1960s.

The next generation, Generation X, was born and grew up during difficult years, marked by Watergate, assassinations, the oil crisis and a disillusionment with many social and government structures. During the Gen X years, divorce and abortion rates were on the rise, and birth rates were extremely low, falling to about 3 million in the mid-1970s from a peak of 4.3 million in 1957.

"The year 1977 is when birth rates started ticking up," Mr. MacKenzie says. "Beginning in 1980, they exploded up and stayed up—meaning more than 4 million live births a year through the mid-'90s."

That increase in birth rates marked the beginning of the Millennial generation. The first time they began to be acknowledged as a generation was in the late 1990s. A 1997 report on ABC-TV's "World News Tonight" quoted researchers' belief in a new kind of teenager coming of age in America. Anchorman Peter Jennings announced an online poll offering these teens a chance to help name their emerging generation. The term "Millennials"—reflecting the fact that these individuals would come of age in the new millennium—won out over Generation Next, Generation Tech and Generation.com.

Who they are

"Like any generation, Millennials are a product of the world they grew up in and the parents they had," Mr. MacKenzie says.

Unlike Gen X babies—born during a time when women were jumping headlong into the work force and feeling conflicted about starting a family—"what gave rise to the large number of Millennials,"



wrote Neil Howe and William Strauss in their seminal 2000 book "Millennials Rising" (Vintage Books, New York, 2000), "was, mostly, the passionate desire of their parents to bear and raise more of them."

As a result, Millennials are possibly "our most-loved generation," says Paul Lee, president of ABC Family, which has spent four years building its knowledge of Millennials.

Millennials have been included in family discussions and decisions from an early age. "We may protect them physically, but we have been asking them what family vacation we should go on since they were 4," Mr. MacKenzie says. "We have been allowing them to make contextually important decisions early on."

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millennial appeal

by julie liesse

What's so great about today's generation? They're smart, confident and optimistic. They're also changing the media world—and ABC Family is right there with them

Tonight's premiere of "Greek" represents another milestone in ABC Family's evolution into a network for and about Millennials.

"Greek" is the network's latest scripted original series, an hour-long comedy-drama set at the fictional Cyprus-Rhodes University. At the center of the story are Casey and Rusty, a sister and brother navigating their ways through the social minefield of sorority and fraternity life on campus.

"Greek's" brother-sister family connection is the heart of the story. The campus setting presents slightly older characters with more sophisticated social dilemmas than last year's breakout hit, "Kyle XY."

"It's about the evolution of the Millennial audience: As you step outside your family of origin, how do you define who you are going to be as you grow older?" says Kate Juergens, senior VP-programming & development for ABC Family. "Greek" is the most logical evolution of our brand and what we have been doing."

ABC Family's Millennial-based strategy began four years ago—not as a broad approach, initially, but as a tactical decision to create a block of teen-oriented after-school programming on the network. Because teens had not previously been a target, ABC Family commissioned researcher Frank N. Magid Associates to conduct a study about young viewers and how to appeal to them. The network wanted to know about teens' lifestyles, what motivated them and was important to them.

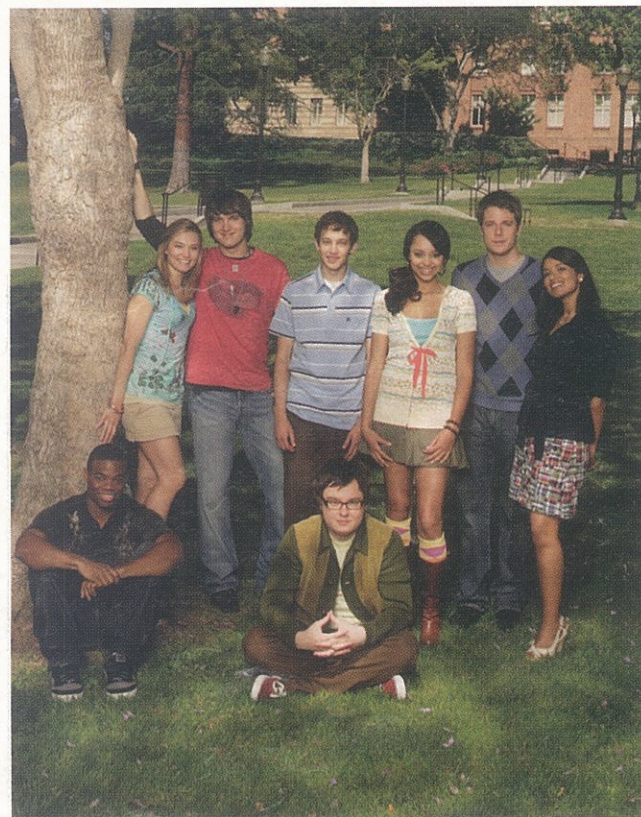
"In that research we came across what we now know is a Millennial mind-set—a nontraditional teen mind-set that took all of us by surprise," says Jack MacKenzie, president, Millennial Strategy Program, for Magid. "Looking back, ABC Family was at the forefront of understanding that this was more than just a new kind of teenager, but really a new American with distinct generational characteristics."

Says Barry Stoddard, VP-research for ABC Family, "We saw the importance of this early on and wanted to pursue it."

Magid went on to create its Millennial Strategy Program, and ABC Family became the first client. "We leveraged Magid's knowl-

edge of Millennials—a target that has been embraced by both the programming and the sales and marketing ends of our network," Mr. Stoddard says.

"The Millennials are the generation that is changing the media world, and we have really embraced them in the past three years," says Paul Lee, who took over as president of ABC Family three years ago. "These 14-to-28-year-olds are our core audience, and we have put a huge amount of effort into them—into reaching out and lis-



"Greek"

tening to them."

When ABC Family executives looked at their research with Magid, four things about the Millennial audience "kept jumping out of the research," says John Rood, senior VP-marketing for the network. These four characteristics shape how Millennials use television, and understanding them has helped ABC Family shape its programming and marketing to most effectively reach Millennials:

▶ First, Millennials multitask, consuming 11 hours of media in a six-hour time span. They don't just sit back and watch television; they have the laptop open or the cellphone handy.

▶ Second, they make decisions by consensus—aided by their multitasking technology, which allows them, for instance, to chat online while watching television.

▶ Third, although Millennials embrace media, they "seek relevance in their media," Mr. Rood says. "For us, it meant storytelling that's genuine and real, and embraces families with all their dysfunction, heart and humor."

▶ Finally, Mr. Rood says, "We learned that Millennials value their families. As a network called ABC Family, that was music to our ears."

"We realized through our research that it wasn't that America's young adults had a problem with family; it is that they had a problem with family television—specifically the stereotypical conservative, boring or insincere aspects of family television," he says.

The network began airing programming targeted to that core group, and original series such as "Wildfire" began to click with the Millennial audience. Then two big things happened.

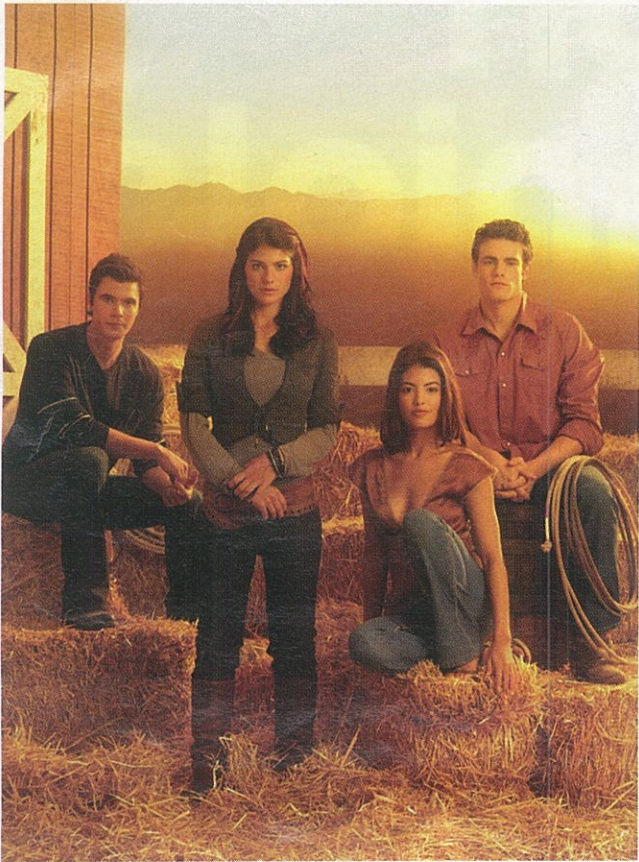
ABC Family acquired the rights to air several of the top WB shows, including "Gilmore Girls," "Seventh Heaven" and "Smallville," which fit its idea of a new kind of family.

Then last year, the network's original series "Kyle XY" proved a huge summer hit.

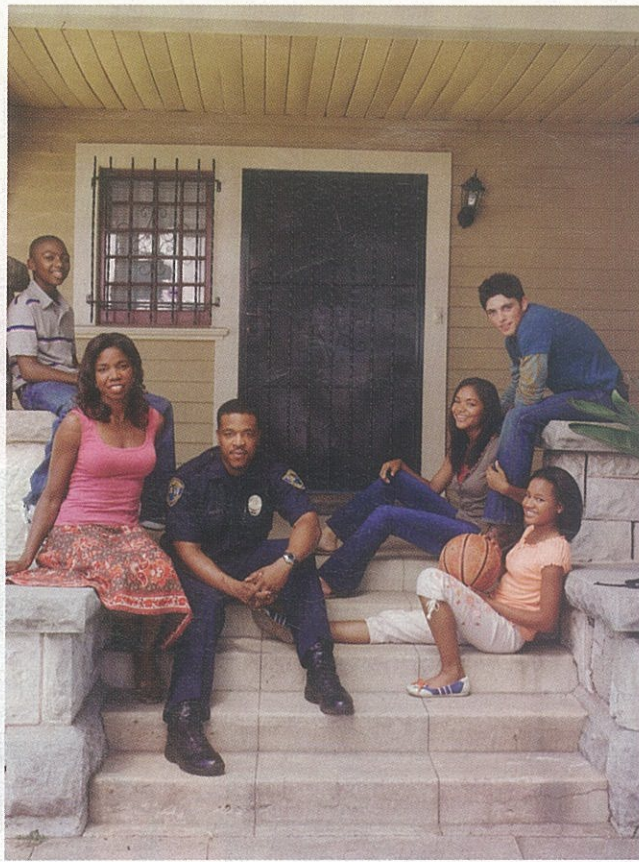
"We were heading down the Millennial road, trying to figure it out. We had our acquisitions from the WB network. Then 'Kyle' hit in a fundamental way," says Ms. Juergens. "Its success validated our plan and showed what viewers were thinking about the network."

The main character, Kyle, played by emerging star Matt Dallas, embodies many elements of the Millennial mind-set. "Kyle's sense of responsibility for not only his family but the world resonates with Millennials. So does his sense of optimism," Ms. Juergens says. "He is not a Gen X antihero, but very invested in his world. That all helps define him as a Millennial hero."

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"Wildfire"



"Lincoln Heights"



"Fallen"

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The network knew "Kyle" was a hit immediately. Says Mr. Lee: "We put the first 'Kyle' episode on iTunes free for a week, then on ABC Family, then on ABC and then on our Web site. It was No. 1 on iTunes—and then three days later we searched YouTube and there were 48 parodies of 'Kyle.'"

"As we have pursued our Millennial strategy, our original dramas have really defined us," Mr. Lee says. "Wildfire' set the table. Then 'Kyle' became the highest-rated show in the history of the network. People started to think differently about us. These series have proved we could be warm and cool at the same time."

ABC Family codified its Millennial strategy with the tagline, "A new kind of family," introduced last summer. A lively persimmon color, the handiwork of a creative team led by Michelle Walenz, reflects the network's personality: optimistic, bright, hopeful and funny are the adjectives Ms. Juergens uses.

That tagline appears in all the network's uniquely Millennial marketing efforts.

"We have discovered that this is an audience that is very social, passionate about their families and passionate about media," Mr. Lee says. "They are very happy to follow their stories onto all plat-

forms. Over the past three years, we have written for them on all platforms. We market to them on all platforms. We tell them stories on all platforms. We make sure they talk and bring their family and friends in whatever platform they are on.

"I could not imagine a world where we weren't touching our audience on cable, abcfamily.com, iTunes and beyond."

The network's Web site has featured some of its most interesting marketing efforts. Click on the "Kyle XY" Web site's Kyle Continuum and you'll find a high-tech interface featuring star Mr. Dallas. Interacting with different touch screens prompts Mr. Dallas to move and open different information screens. But if a viewer does nothing, eventually Mr. Dallas reaches into his pocket and pulls out a pack of Cadbury Schweppes' Sour Patch Kids—an original "Kyle XY" sponsor. He'll keep munching on the candy while waiting for a viewer prompt.

This spring, the network tested an idea to appeal to the social nature of its Millennial audience: the online "Viewing Party." The idea is that a viewer can "host" an online party for a group of friends to watch an episode of an ABC Family show together. As they watch, the group can stop the video, rewind and send each other comments.

The first Viewing Party was offered for the season finale of "Wildfire"; 300 online groups signed up. "This idea reflects that multitasking nature Millennials have: They can watch a favorite show and get inside the chat rooms at the same time," says Albert Cheng, exec VP-digital media for the Disney-ABC Television Group.

ABC Family also is offering Viewing Party signups for the new season of "Kyle XY," which started June 11.

The network's online push for "Greek" features a special Web site, virtualrush.com, where Millennials can explore six fictional fraternities and sororities of the show's university. Each visitor is encouraged to choose the group whose personality best matches his or her own. Posting a profile enters the visitor in a contest; the most popular profile on the Web site will be eligible to win a walk-on role on "Greek."

In conjunction with tonight's premiere of "Greek," ABC Family is relaunching its network Web site, abcfamily.com. "This will be one of the first TV Web sites to interweave community into everything it does," Mr. Cheng says. "We will organically integrate the community of viewers on every page of the Web site. They will, in essence, be driving the content on the Web site."

In addition to "Greek," the second season of "Kyle XY" and the returning series "Lincoln Heights" and "Wildfire," ABC Family this summer will debut its first animated series, an original comedy called "Slacker Cats," and host a four-hour special event for its "Fallen" property.

As it announced this lineup at its upfront presentation this spring, ABC Family tied all its offerings together under the Millennial banner. And network execs reiterated how the ABC Family name and the "A new kind of family" tagline tie it all together for the target audience.

"During our upfront presentation on Millennials, I was struck by how many clients said, 'This is where we need to be; this is where we should be going,'" says Laura Nathanson, exec VP-national sales.

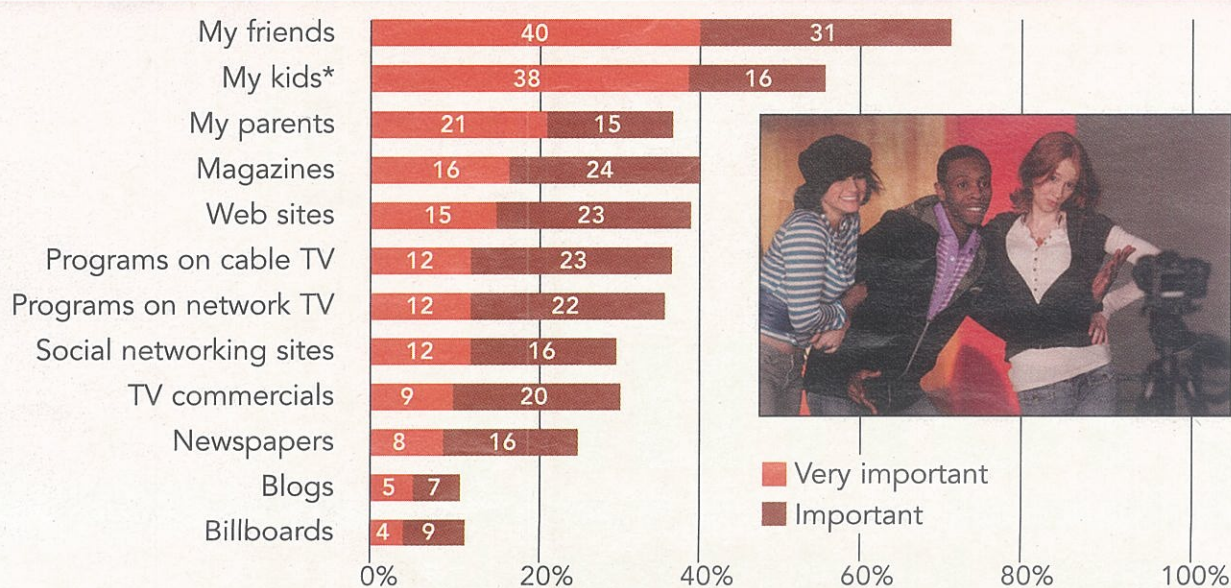
In order to conduct field research with advertisers, ABC Family is seeking partners to join its work with Magid. The network is calling this initiative the Millennial Engagement Lab, and its purpose is to test different creative approaches with its Millennial audiences.

Says Mr. Rood, "It's refreshing to get to that 'aha moment,' when you realize in the general cable landscape, telling stories about today's relationships is exactly where we want to be."

Network President Mr. Lee expresses it this way: "Our brand is about great storytelling, and community and where those two things intersect. Our viewers are there, and they love our optimism and our warmth. And coming off a record year and a record quarter, we are in a sweet spot." ●

Word-of-Mouth Dominates as Source of Coolest, Hottest, Latest

Based on adult Millennials who say the source applies to them

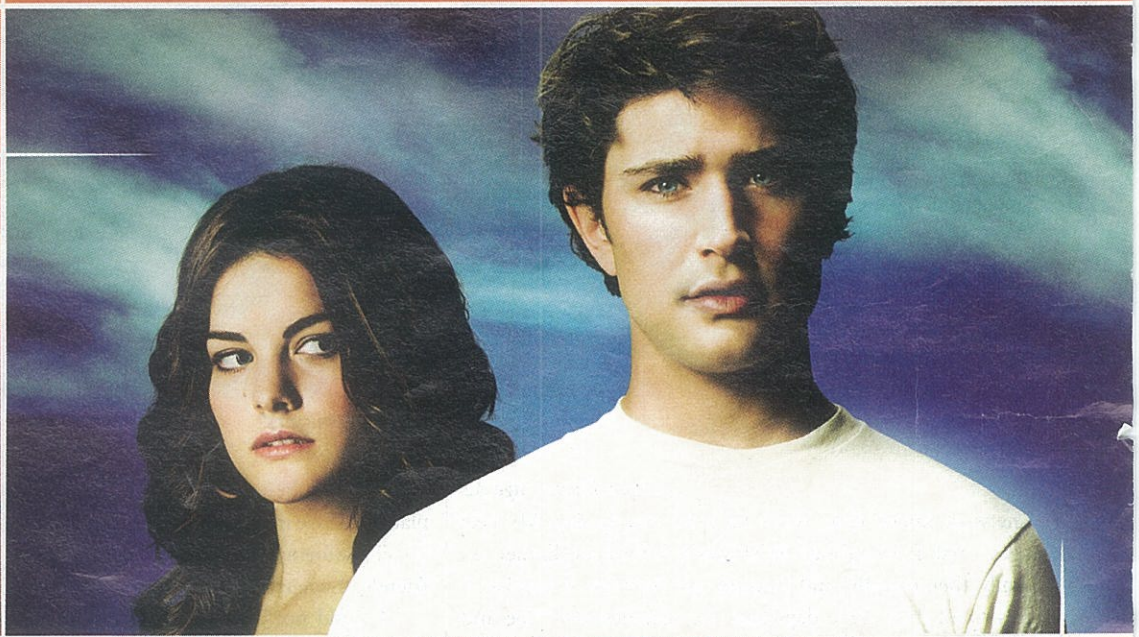


Q. How important are each of the following in helping you keep up with the latest trends, the coolest things to do or the hottest things to buy? *Asked of those 18 or older with kids

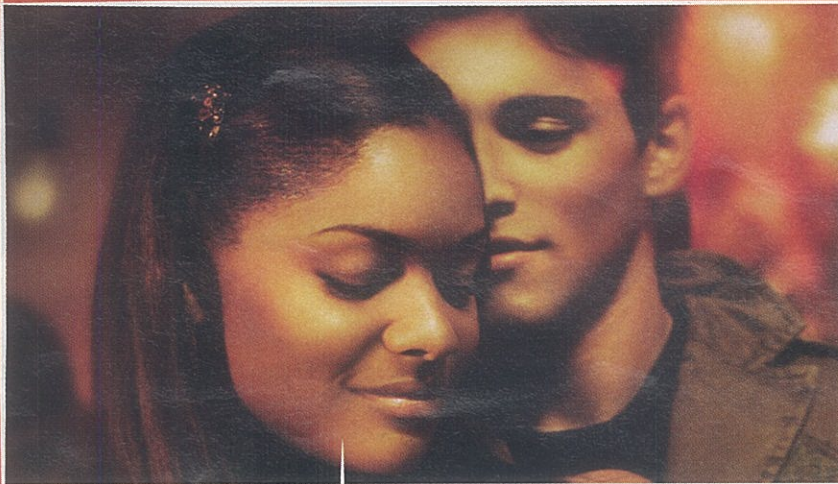
Source: Millennial Strategy Program, Frank N. Magid Associates

the destination for millennials

KYLE XY



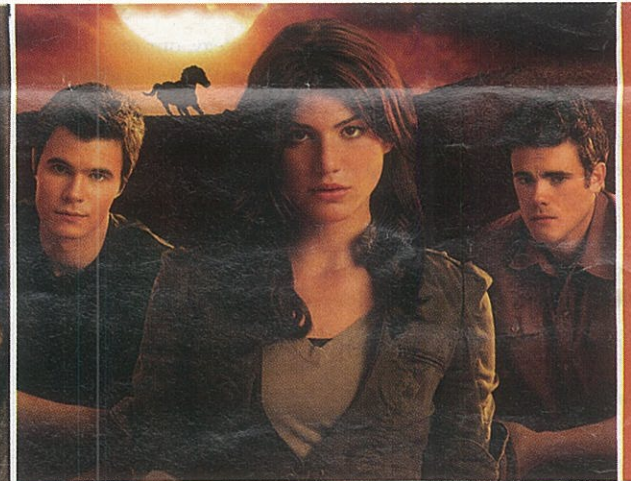
LINCOLN HEIGHTS



SLACKER CATS



GREEK



WILDFIRE

P12-17 • F12-17 • P12-34 • F12-34

abc family
a new kind of family

Source: Nielsen Media Research 2006-2007 STD (9/25/06 - 6/3/07), primetime M-Su, 8p-11p. Top 10 rank among ad supported cable excluding non-commercial, sports and news networks, and networks that program less than 50% of daypart. Based on live (00s).

abcfamily.com

©ABC Family

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Consider how focused parents have been on Millennial safety, purchasing everything from car seats to bike helmets for their progeny, for example. The result of such love and attention, he says, is that Millennials "have grown up believing they are right, they are smart, they can accomplish anything they set their minds to, they can demand whatever attention they deserve, they can change things in a way that works for them, they can control their environment."

Millennials also are the most diverse generation in history. While 80% of baby boomers are white, 45% of Millennials describe their race as something other than white.

Mr. MacKenzie traces other milestones of the Millennial generation's early years: Girl power (a direct result of Title IX sports programs for girls), youth soccer, the birth of the minivan and Gymboree, which opened in 1977.

"We draw a line from Gymboree to MySpace," Mr. MacKenzie says. "The reason MySpace is successful is not just because it's fun. It's successful because Millennials need that ongoing cohort feedback and relationship maintenance—because they were reared on it."

"They were in playgroups at the age of 1—so why wouldn't they need that at the age of 21?"

In "Millennials Rising," Messrs. Howe and Strauss list seven distinguishing traits of the Millennial persona:

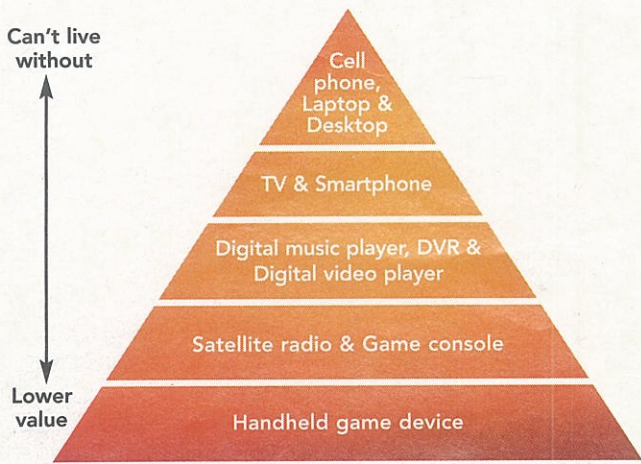
- ▶ They feel special.
- ▶ They have been sheltered.
- ▶ They are confident and boast about their generation's power and potential.
- ▶ They are team-oriented.
- ▶ They are high achievers.
- ▶ They feel pressured to excel.
- ▶ They are conventional.

Ask a Millennial what's important, and he or she will tell you family and friends. "They really like their parents," Mr. MacKenzie says. "They have these great relationships with their parents—some people would say strange relationships. They may go off to college but then come live back home. They shop with their moms, they talk to their dads three times a day on the cell phone while away at college."

At the workplace, the Millennial generation promises to be a challenging group to manage because of their high expectations and desire for continuous feedback. But "the single largest issue will be that they don't have an inherent corporate loyalty," Mr. MacKenzie says. "Watching their parents get laid off or downsized, the Millennials saw that working your ass off doesn't get you the happiness that we think it does." As a group, Millennials define themselves by their family and friends rather than their jobs, and have begun to demonstrate a "militancy" about maintaining a work/life balance.

"Millennials are always on the lookout for the next thing," says

The Millennial Value Pyramid Here Comes the Laptop Generation



Barry Stoddard, VP-research at ABC Family. "They want to find the job that's good for them, not the right thing for the company."

Media, marketing & Millennials

Another key force in the development of the Millennials is that, as Mr. MacKenzie says, "This is also the first generation that has been marketed to from Day One."

Millennials were young kids when cable TV began to assert itself as a dominant medium in the 1980s. What followed was an explosion of TV programming for kids of all ages—preschoolers, school-age kids and teens. Alongside that was a parallel explosion in youth marketing.

Purchases by and for children ages 4 to 12 tripled during the 1990s, Messrs. Howe and Strauss write, and that shows no sign of slowing. Americans spent \$240 million purchasing items from baby registries in 2006. Spending by teens totaled \$179 billion last year, according to consumer researcher Teen Research Unlimited.

"This is the generation that is changing the media," says ABC Family President Paul Lee. "These are the guys who are incredibly comfortable on all platforms. They are social networking all the time. They are likely to be using five pieces of equipment at the same time. While they are watching TV they are likely to be IM-ing and talking on the telephone and have the laptop open playing 'Sims.' "

"Our research shows that Millennials aren't upset about watching commercials," says Laura Nathanson, exec VP-national sales at ABC Family. "Millennials accept the notion that advertising pays for TV programming. They understand that advertising is how they learn about stuff. And they really care about knowing what's hip and cool."

"They may not be as passive as past generations in watching commercials but, at the same time, if there is a cool product out there, they want to know about it. And they know the way to do that is ads."

Although they accept these roles of commercials, Millennials have what ABC Family's John Rood calls "hypersensitive b.s. detectors."

Marketers need to be honest with Millennials about their goals. "Millennials are suspicious of marketing messages from big entertainment conglomerates," explains Mr. Rood, the network's senior VP-marketing.

The same is true of television programming. "When people ask us what is the No. 1 thing you have to be with Millennials, our answer is: You have to be real. Real means that it has to pass the sniff test, that it's believable. It doesn't mean it can't be fantasy, but the characters themselves have to have some piece of them that Millennials regard as 'real.'"

This represents a huge difference from the Silent Generation and the baby boomers—whose better-than-real-life TV world ran from Ozzie and Harriet Nelson to the Cosby family.

"The traditional sitcom model is rejected by the Millennials—the bumbling overweight husband; the ditzzy wife; two kids, one who's the class clown and one who is the good student. That whole model doesn't make sense for Millennials," Mr. Rood says.

"In terms of programming," Ms. Nathanson says, "one of the things we have uncovered is that Millennials don't always want the same thing all the time. There certainly is an audience for what I call 'ADD programming'—more reality, short-format, more 'leaning-forward' programming."

"But there is another side to Millennials," she adds. "They still like to lean back and engage with longer-format programming. There is a time when they want to kick back and make a connection with television shows and their digital platforms."

When Millennials watch TV, they are not merely passive viewers. Magid research shows that while Millennials are watching TV, 80% are simultaneously online, 67% are talking on their cell phones and

51% are listening to music.

"This is the generation that is changing the media," says ABC Family President Mr. Lee. "These are the guys who are incredibly comfortable on all platforms. They are social networking all the time. They are likely to be using five pieces of equipment at the same time. While they are watching TV they are likely to be IM-ing and talking on the telephone and have the laptop open playing 'Sims.'"

Magid's Mr. MacKenzie says that multitasking is hardwired into the Millennial brain. "It's not that they want to multitask, it's that they have to," he says. "Their brains are working in a way that they just can't focus on one thing. They don't see the efficiency in that."

Their historic impact

In "Millennials Rising," generational experts Messrs. Howe and Strauss search historic trends to predict the ultimate impact of the Millennial generation on society.

"Three basic principles apply to any rising generation in nontradi-

tional societies (like the U.S.) that allow young people some freedom to redirect society according to their own inclinations," they write.

The new generation will solve a problem that faced the prior youth generation—in the Millennials' case, Gen X. They will correct the behavioral excesses of the current midlife generation (the boomers). And they will fill the social role being vacated by the departing elder generation (the "Greatest Generation").

So, Mr. MacKenzie says, when you look at the big picture, "The Millennials are an attitudinal/trend repeat of the G.I. or Greatest Generation. They are a 'hero generation.'"

Part of what defines a hero generation is size. Because there are more than 80 million Millennials, they have the ability to wield influence in our society.

Messrs. Howe and Strauss have researched generational trends since the arrival of European settlers to America in the late 16th century. Their research shows every fourth generation has been a hero generation: a generation "that does great deeds, constructs nations and empires, and is afterward honored in memory and storied in myth." There have been four hero generations in U.S. history. Thomas Jefferson, who with his peers created the American republic, was a member of a hero generation. So was Woodrow Wilson, whose generation rid the U.S. of child labor and ushered in the "Progressive Era."

The authors conclude: "Using history as a guide, we believe the emerging Millennial persona will mature over time into a peer group destined to play a pivotal role in the future of the American nation—and, perhaps, the world."

Magid's Mr. MacKenzie, whose firm has interviewed and keeps in touch with thousands of Millennials, says he sees the emergence of the hero persona in these young people. "When we talk to Millennials, we hear them say, 'We are waiting for our turn. We know we'll do the right thing.' They believe and expect that they will inherit the world and that they will make the world a better place for everyone."

He says he's betting that the Millennials ultimately will leave their mark on history through environmental initiatives addressing pollution, global warming and energy use.

"They say that the G.I. Generation saved the world in World War II," Mr. MacKenzie says. "The Millennials are in a position to save the planet." ●



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