



Gen X and Y Marketing

Often immune to traditional marketing, 18- to 40-year-olds crave an individualized, edgy sales approach

By Lisa Dowling

It's simple, if you are not specifically marketing to 18- to 40-year-olds, chances are good that you are losing valuable revenue. Why? Because these young business owners use the latest technology to access an incredible network of contacts and quickly spread the word about products and services they love *and* hate.

Sure, equipment, processing platforms,

and value-added applications function the same for a 20-year-old as they do for an 80-year-old. But younger merchants are different when it comes to the approach of the sale. Specifically, they are drawn to products and services that are presented in terms to which they can relate.

“Older merchants have the experience and are already established, but younger merchants are hungrier and have a lot

more energy and ambition. Their goals are different, and the way they want to achieve them is less traditional and more innovative,” says Gabe Penaso, 26, who operates a Total Merchant Services independent sales office in Long Island, New York, with his brother Taj, 27. “Because of that, we talk to those merchants like we’d talk to our friends. We speak to them on their level.”

Those conversations often involve sharing their own stories and experiences. Since 2004, the Penaso brothers have successfully navigated the bankcard business by knowing not only what sells but how to sell it to this new breed of merchants.

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The brothers identify the challenges facing younger merchants and educate them accordingly. They embrace the role of advisor and teacher when it comes to helping young entrepreneurs establish corporate structure, and they share their knowledge of starting a new business, having gone through it themselves at a young age.

“One thing that you have to be careful about when guiding them through the process is not to be condescending,” Gabe Penaso cautions. “They may not have experience or established credit and may need a reality check when it comes to ambitions beyond their means,



but you have to keep their excitement and their goals intact. We point out that it's going to take a lot of their time and sacrifice, but it's worth all their hard work and efforts. We're the best examples of that."

Money Movers of America, a registered ISO and merchant service provider of Chase Paymentech Solutions, has developed an entirely new campaign geared toward Gen X and Y merchants. This Illinois-based organization recognizes that the market has become saturated and has made the conscious decision to appeal to the younger merchants that its competitors are ignoring.

This new breed of merchant is not only more educated but takes the time to research interchange rates and the cost of processing, asserts Money Movers Chairman and CEO Anthony Holder, 29. They want to make the right decision but are inundated with dozens of ISOs making the same claims. Because of this, Money Movers tries to appeal to them on a different level. The company plans to donate a portion of its proceeds to a nationally recognized charity. By doing so, it is giving its younger merchants the ability to advertise—through brand identification and marketing materials—that money spent at their retail locations will go to a good cause.

"Consumers will look for the logo we are going to put out in all our merchant material and that will drive traffic into those locations," says Holder. "The ability to advertise with a nationally recognized charity is very appealing to younger merchants who are all about giving back to the community and protecting the environment. It will kick open doors."

Another component of Money Movers' new strategy is the introduction of a PCI compliant interface solution. It also will be promoted through a dynamic marketing campaign geared toward the younger target market. "We are getting away from selling or placing traditional POS devices with our all-in-one interface product that incorporates a USB mag stripe reader," says Holder. "It's a smaller, much more compact product that appeals to the taste of the younger merchant. To be successful, you have to have tools in your toolbox that appeal to them." **TT**

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Make the Generational Connection

Lisa Johnson, author of *Mind Your 'Xs' and 'Ys* and member of The Reach Group, a boutique consultancy firm, has spent the last two decades studying consumer behavior and teaches businesses how to connect with younger buyers. She offers these 10 tips to compel Gen X and Y in your sales efforts:

>>> Shine the Spotlight. More companies are recognizing the power of personalization and highly engaging tools that celebrate a person's potential. By gearing your payment processing offerings toward younger merchants' business plans, you highlight their strategies and make them feel like they are a priority.

>>> Raise My Pulse. There's new premium placed on adventure, and the hunger for brands that deliver exciting, interactive, and compelling experiences can be translated into new value-added products. Prepaid, gift, and loyalty cards are a perfect example of how innovative technology can showcase your merchant's individual brand and stimulate customer traffic.

>>> Make Loose Connections. Social networks are shaping consumer appetites. Why not create a marketing campaign focused on younger merchants who all share the same network of products? You'll increase your target area and enhance your expertise.

>>> Give Me Brand Candy. Innovative design is the new vehicle to steer troubled brands out of mediocrity. Revamp your presentation package with dynamic graphics and bold colors that will catch the eyes of Gen X and Y retailers.

>>> Sift Through the Clutter. Editors and filters have gained new prominence as trusted resources for spotting the next big thing. Become that resource. Stay on top of the latest best-in-breed products and keep them handy in your sales presentation kit.

>>> Keep It Underground. Gen X and Y reject push advertising, so create word-of-mouth buzz without appearing mainstream. Simply put, referral is the standard for these savvy merchants. Get them talking by providing knowledgeable and effective processing services.

>>> Build It Together. Connected X and Y community groups are influencing change. Become a part of the clique. Offer to be a guest speaker at their gatherings and participate in their events. Get in front of them and show how you can increase their sales.

>>> Bring It To Life. Brands that attract Gen X and Y take turning everyday activities into entertainment by engaging the senses, the imagination, and the spirit. Embrace your creative side when pitching your products and services to younger merchants. Add components to your presentation that will grab their attention.

>>> Go Inward. For these merchants, spiritual hunger and modern media find common ground. Take your offerings to the next level when showcasing them to potential customers. Philosophize about your services by pinpointing how they can meet your merchant's life and business goals.

>>> Give Back. Today's Gen X and Y volunteers are redefining community contributions. Be sure to mention your personal community activities when speaking with younger merchants. Going green can take on a whole new meaning.