

SelfInformed

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Member Spotlight

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ENGAGING THE DIGITAL GENERATIONS:

Marketing to Millennials and Gen Z

To thrive in the years to come, small businesses need to secure young customers and clientele. To do that, business owners need to know what makes teenagers, students, and Millennials in the “digital generations” tick.

In this article, we will explore some practical ways for small business owners to reach young people with marketing, answering the following questions:

- Why are generational differences significant?
- Who are the Millennials?
- What’s unique about Generation Z?
- How can we reach younger consumers?
- How does youth engagement benefit businesses?

Defining the generations

First, some definitions are in order. The Center for Generational Kinetics **breaks down Americans currently in the workforce** into five age groups:

- Generation Z: born in 1996 or later.
- Millennials: born 1977 – 1995.
- Generation X: born 1965 – 1976.
- Baby Boomers: born 1946 – 1964.
- Traditionalists (the Silent Generation): born 1945 or earlier.

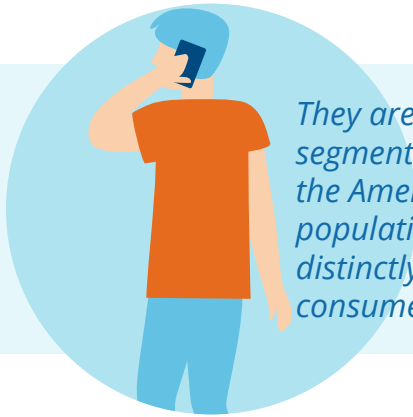
There are variations to these groupings, depending on the research methodology. The federal Census Bureau, for example, defines the **Millennial span**

as 1982 – 2000. Pew Research Center **divides Gen Z from Millennials** at the birth year 1996.

Generations are “birth cohorts” — they’re people born within a certain time frame, and consequently, they’re raised in similar cultural and economic conditions. It doesn’t mean they’re all the same, of course. But in general, shared social experiences contribute to shared social behaviors.

Let’s take a closer look at the two younger generations, Millennials and Gen Z. Young people have been immensely shaped by the Internet, social media, and digital technology — especially smartphones. At the same time, they spent their formative years in economic recession, grappling with problems like student loan debt and stagnant wages.





They are a huge segment of the American population with distinctly modern consumer habits.



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Meet the Millennials

We've heard a lot about Millennials in the past few years, usually in the context of "ruining" something by withholding their purchasing power. It's true that they wield a major impact on businesses: they're a huge segment of the American population with distinctly modern consumer habits.

At 83.1 million people, **Millennials have overtaken Baby Boomers** as the largest generation in the US, representing more than one out of every four people. These Americans are now entering their working prime, starting families, and making major purchases like real estate. They make up a huge chunk of both employees and customers.

The National Association for the Self-Employed has long been tracing the economic footprint of Millennials. NASE noted in 2017 that **Millennials generate upwards of \$200 billion** in consumer spending. Writing for *Forbes* magazine last year, business consultant and author Micah Solomon estimated these consumers will wield a **lifetime spending power of \$10 trillion**.

They aren't just on the consumption side of the economic equation. Increasingly, Millennials are also starting small businesses, taking the reins of family businesses, or stepping out as entrepreneurs themselves. One survey by American Express found fully three-quarters of **Millennials want to run their own small business** someday.

Even those who do not work for small businesses, though, **express a desire to support local businesses** and independent retailers. While Millennials do a large amount of online shopping, they also like to feel they are supporting their neighbors and local organizations, says Chelsea Segal, CEO of Targetwise. "Millennials have a strong sense of community and like to feel connected to the products and services they buy."

Zoom in on Z

If Millennials are known as a digital generation, Gen Z are true digital natives. These young people were born into the Internet age and know no other way of life than the "connected" one. They are inquisitive and quick to find answers, directions, and options with their ever-present smartphones.

Advertisers have been banging their heads against the wall over how to reach Gen Z, who tend to spend hours a day on YouTube, Snapchat and Instagram. Teens and young adults prize the combination of visual immersion, entertainment, and relative privacy provided by these platforms. That presents a real challenge for marketing.

A case in point: a 2018 study by media ratings firm Nielsen found wholly 90 percent of automated ads targeting Gen Z **"missed the target."** Part of the problem, researchers say, is that teens and young adults are "bombarded with messages and are a generation that can quickly detect whether or not something is relevant to them."

A **Pew Research Center survey** found 78 percent of 18- to 24-year-olds were on Snapchat, and 71 percent were on Instagram. While Facebook is the reigning social champion – 68 percent of Americans are now on the platform, including 80 percent of 18- to 24-year-olds – younger people tend to use it more for its personal messaging than as their social media "home base."

Reaching the Gen Z demographic is critical for growing a business not only because it wins teen consumers – it wins their parents and others in their households and social circles that teens influence. So how can businesses tap into this growing market segment?

How can we reach younger consumers?

Attitudes toward advertising and marketing are decisively negative among younger Americans. Ads that are too in-your-face, especially pop-ups or videos, are repelling. As a result, millions of young people have **implemented ad blocking software** to avoid the more intrusive advertisements.

Let's look at some practical steps small businesses can take to engage young potential customers.

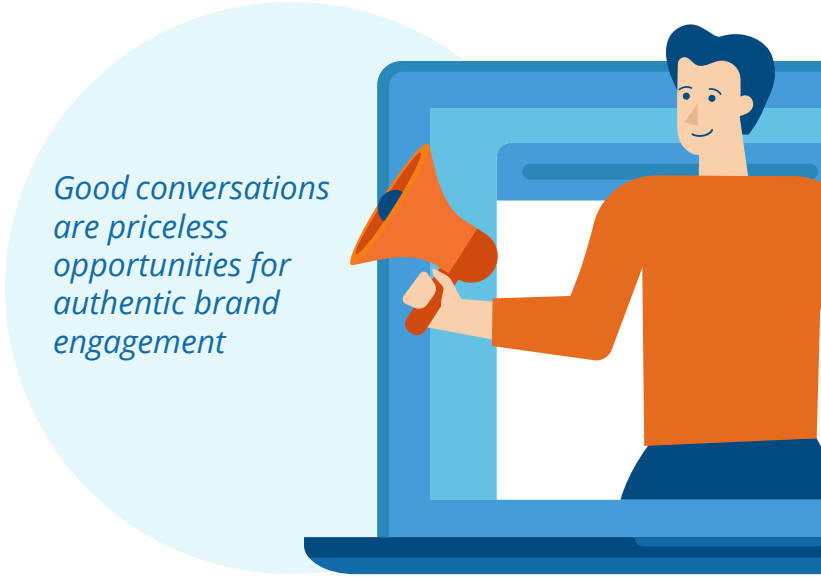
Create a responsive, visible website. A **majority of web surfing** now happens on smartphones, meaning there is a premium on responsive web design and a business listing on Google. And obviously, if it doesn't show up on Google Maps, your business will lose out in local mobile searches.

What this means for your business is that our youngest customers expect you to be online, they expect your website to work correctly on any device, and they will gauge the quality of your business not only by what you say but by what everyone else says about it, too.

Establish your social media presence. Reaching Millennials and Gen Z means being online, especially on social media. Chances are, you already have a basic business page on Facebook or Twitter. If you don't have an Instagram, it's time to add one to your regular marketing routine.

Don't just post about your business. Share articles and photos. And when followers comment on your posts, respond to them. Good conversations are priceless opportunities for authentic brand engagement; according to marketing consultancy Sprout Social, more than one in five consumers are **"more likely to buy** from brands they can reach on social [media]."

Practice authentic storytelling. The classic English 101 advice applies to your business outreach: "Show, don't tell." There is a whole school of marketing dedicated to the art of crafting stories to build trust and brand loyalty. Reach out to your customers and listen to them. Let them tell how your company or product solved their problems, and you've instantly found a marketing goldmine in the form of storytelling.



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Offer discounts and online promotionals. Not only does a special coupon code boost online engagement (and your ability to see who is looking at your marketing), it also taps a deep-seated need among the young generations to feel they're spending their money well.

Remember, teens and young families spent formative years in the middle of the worst economic crisis since the Great Depression. And like the frugal grandmother of old, the young generations love a great bargain. Thrift stores have seen a renaissance because of the phenomenon.

Create real atmosphere. The key to making your mark online is to recognize that it's not all about being online. A business can attract young people by making small changes at their brick-and-mortar locations that increase engagement.

Creating atmosphere means paying attention to photographable moments, personalizing and customizing the "user experience" of your restaurant, shop, or organization. Practically speaking, it could mean paying more attention to the lighting inside your store, making your goods more camera-ready, and tidying the outside of your business.

Take charge of your image. Most critically, business owners should take initiative and post photos online themselves — or better yet, enlist your youngest workers to help create content for your social media accounts. Photos that show up in searches and accompanying Google Maps queries are highly influential on whether a potential customer chooses your business or someone else's.

Review your reviews. Reviews are a top factor in consumer decisions. Flowing from the desire to socially document their engagement with your business, Millennials and Gen Z are more prone to “check-in,” review and rank their purchases on Yelp, Amazon, Google, and elsewhere.

Good reviews are a potent ingredient in the mix of influence for other potential customers. One 2017 survey found a staggering **93 percent of consumers were influenced** in their buying decisions by online reviews.

Less-than-stellar reviews are still a good chance to “make it right” by responding to reviewers. If you can’t change their opinion, you can still show anyone else reading a critical review that you care.

Encourage word-of-mouth endorsements. The takeaway from the power of the online review is that younger people value opinions of their peers over the promises of an ad. Tap into your loyal customers by asking them to spread the word about your business. And don’t discount the sway of your own young employees. They can be your best advocates.

Businesses benefit from Millennial and Gen Z traits

In some respects, engaging young people has always been a vexed question for marketers and small businesses. That’s natural, because as

an older generation passes the torch, cultural norms change. Taken as a whole, we can see that consumer decisions are influenced by complex technological and social factors.

Below are a few traits of Millennials and Gen Z that can be of enormous benefit to small businesses:

- **Loyalty**, especially a desire to support local communities and small businesses, is strong and sincere among young people.
- **Frugality** is an asset to businesses when offering promotions. Millennials prize good quality and a sense of fairness in pricing.
- **Trust** can be cultivated by comprehensive positive reviews, word-of-mouth endorsements, storytelling and other authentic marketing efforts.
- **Integrity:** The flipside of a distrust for advertising is respect for and fidelity to brands that deliver.

Finally, marketing successfully to young people yields dividends across generations. Indeed, Gen Z have Gen X and Millennial parents. Young people influence their parents when it comes to where the family goes to eat, what pieces of technology they buy, clothing and apparel purchased, and much more.

And ultimately, of course, winning teens, students, and young adults to your business secures its future success.

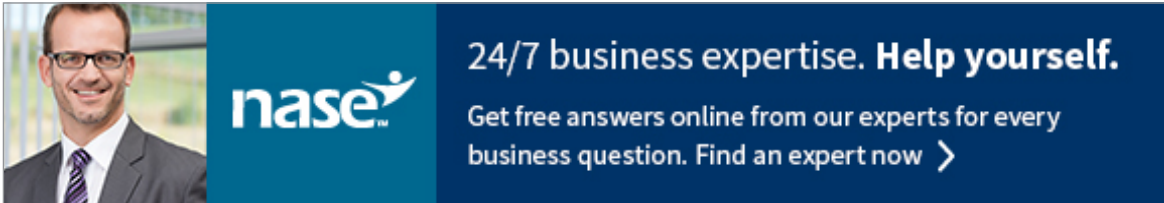


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NASE is always here to help, and with the recent Supreme Court ruling in South Dakota v. Wayfair, sales tax is changing for online retailers. This includes the self-employed and microbusinesses.

Sales tax is regulated at the state level, so the same question from two businesses could have a different answer solely based on location. **We have added a specific Sales Tax expert to NASE's panel of experts** to help guide our members through these changes, as well as any other Sales Tax advice needed. You do not have to face these taxing problems alone, with NASE at your side.



On July 29, 2019, Capital One Financial Corporation announced that they suffered a data security incident in March of this year. An unauthorized individual was able to access the sensitive personal data contained in applications for credit products from 2005 to 2019, which could affect approximately 100 million individuals in the U.S. With this information, cybercriminals can take over existing accounts, file taxes, or even commit other crimes in your name.

Norton 360 with LifeLock helps protect you against identity threats with all-in-one protection. Protection that includes LifeLock and Norton, leaders in identity theft protection and consumer cybersecurity, backed by one of the world's largest civilian cyber intelligence networks. Only Norton includes LifeLock to monitor your personal information, alert you to potential threats, and if there's a problem, a dedicated Identity Restoration Specialist will help resolve it, all backed by the LifeLock Million Dollar Protection™ Package.††† Norton 360 with LifeLock.



A Guiding Hand as Self-Employment

Sedonia Perrier is the owner of Steelhead LLC in Gretna, Louisiana. The purpose of Steelhead LLC is to provide guidance in as many areas as possible including: empowerment, self-love, development of self-concept, financial responsibility, community growth and togetherness, educational aspiration assistance, mental health counseling and general awareness and guidance.

When and why did you join the NASE?

Within a week of filing for permits to secure our business title, Steelhead researched economical as well as cogent memberships in business to gain

insight from and educate ourselves about resources for small businesses. It did not take long for us to discover the unique virtue of NASE. One factor, among many that stood out was how the NASE catered to students. As CEO, I would like to share that I am pursuing a PhD. I love the fact that being a student is supported by NASE.

When and why did you start your business?

Steelhead LLC Officially started on July 2, 2019. This company has been in works for over two years and as CEO, it has been a dream of mine for over a decade. When I was 7 years old, I lost my mother. Before her death, I was often on her lap for group therapy sessions. My siblings and I were often uprooted to stay in shelters, with friends or family due to safety concerns at home. Back then I did not know what was happening. As I grew older, I realized that not many people could explain to me what was going on with that experience. Mental

Member Spotlight

health and wellness were either taboo or not understood. In my teen years I had to research for myself. During that time, I realized that both of my parents suffered from mental illness. One sought treatment and one did not and the difference in affect and behavior was striking. Upon discovering the impact of treatment, I knew I wanted to one day start a business where I could help others.

During this journey, I also discovered that mental health care and wellness alone will not solve everything. There are systemic changes that need to take shape in order for someone to live better and live longer. The question for me then became, "how do I achieve this for myself and teach it to others?" That was my quest.

Steelhead LLC was born out of necessity. The clients I joined with had a myriad of issues that hindered their mental health and no one who crossed my path professionally, was interested in truly solving this issue. Through gathering like minds and professionals, Steelhead is taking a comprehensive approach to wellness. We focus on mental health awareness, access to mental health services, parenting classes, financial wellness, trauma assistance and community outreach. Additionally, we provide speaking engagements to larger entities who would like to know more about all the topics above as well as how they could have the greatest impact on their employees wellness.

How do you market your business?

We market our business primarily on social media. This keeps costs low and allows us to give updates in real time. Additionally, we are currently working on a website where we plan to integrate social media promotion.

What challenges have you faced in your business?

The largest challenge is finding consistency and integrity in people on the ground floor. Steelhead LLC has been diligent as it pertains to the type of professionals we trust to helm our operations. There have been setbacks due to missteps in the hiring process, paperwork and funding. The most important thing I have learned is that some

things require grit and force and others require a lighter approach and deep contemplation before proceeding. Knowing the difference can determine whether an outcome is a success or failure.

Do you have any employees?

Steelhead LLC is ever expanding. Currently, we have 12 full time and 2 part-time employees. Upon opening Synchronous (our non-profit mental health service), we plan to expand to over 200 full-time and part-time employees.

What's your schedule like, what's a typical day for you?

I start most days by checking in with the board of executives, each person is tasked with specific goals for the week. I check in daily with staff to answer any questions or discuss issues they may be facing. Before lunch, I typically make or return phone calls and take notes on future actions.



Member Spotlight

After lunch, I take time to meet with previously scheduled appointments and address issues as they arise. At this time, a typical day can stretch into the night because we are still building.

What's the best thing about being self-employed?

Autonomy is the best thing about being self-employed. While working for others, I never felt I could reach my true potential as I seemed limited by their dreams or beliefs. Being self-employed feels truly free.

What's the best compliment you've ever received from a client?

"You have absolutely helped change my life by helping me realize my potential."

What's the most important piece of advice

you would give to someone starting their own business?

Even on the hard days when you feel like giving up, take a moment, close your eyes and visualize your dream coming to fruition.

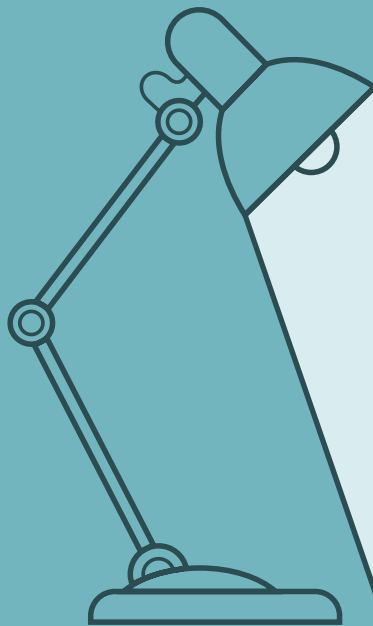
Which NASE member benefit is most important to you?

The most important aspect of my NASE membership is the access to business related resources and education.

Any other information you would like to share?

At the current time Steelhead LLC as well as Synchronous (our related non-profit still in progress) rely heavily on grants and donations. Steelhead LLC speaking engagements and guidance services are available at fee per service.

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We are always looking for NASE Members to feature in our monthly spotlights. If you want free publicity for your business and you are an NASE Member, we can help you promote your business! Simply fill out our "Get Publicity!" form here, and you and your business could be featured in an NASE publication, like our monthly member e-newsletter, SelfInformed.

Fill out our **Publicity form** and an NASE representative will reach out to discuss featuring your business!

[Get Publicity](#)



NASE Supports Bipartisan Legislation to Deduct Health Insurance Costs

The National Association for the Self-Employed (NASE) enthusiastically supports H.R. 3880, “*Tax Fairness for the Self-Employed Act*” introduced by Congressman Antonio Delgado (D-NY) and Congressman John Joyce, M.D. (R-PA). The legislation would allow the 34 million self-employed individuals to deduct their health care premiums as a business deduction, saving self-employed individuals an average of \$750 a year.

The NASE has long advocated for parity in the tax code for America’s self-employed, especially tax benefits that have long been afforded to corporate America. One of the biggest expenses a sole-proprietors absorbs is the cost of health insurance and ensuring that America’s small businesses, the backbone of our economy, receive the same tax treatment would be monumental.

“Every day, we are advocating for the tax parity for the self-employed, the NASE applauds this bipartisan effort to address a glaring disparity with our current tax code. It is a breath of fresh air to

know that lawmakers are focused on common-sense solutions to help support and encourage continued economic growth for the 34 million self-employed Americans that run their businesses.

Under current law, employees and employers each receive a tax benefit for contributing to an employee’s health insurance premiums—employees are able to utilize pre-tax dollars for their share while employers deduct their contribution as a tax-exempt business expense. Self-employed individuals pay taxes as both the employer and employee, however, they are prohibited them from deducting this contribution as a business expense as other employers do. As introduced, the *Tax Fairness for the Self-Employed Act* would allow self-employed individuals to deduct their health insurance premiums as a business expense, and continue to allow them to deduct costs from their individual income tax. ■

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