

# Multifamily Housing: Marketing to Millennials



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# Introduction

Marketing to millennials can be a slippery slope. Traditional practices must be twisted, modified, and in some cases, rethought entirely. We'll explore the tendencies of this tech-savvy generation, the first to operate primarily in a digital world, and identify the tactics that best attract them to your community. While some of the concepts seem obvious, others are intricate and multifaceted. This generation absolutely loves to rent and is the primary demographic to pursue in many markets. We'll present ideas and best practices to bring you on par with this instant-gratification generation.




# Targeting the Tech-Savvy Generation



There are those of us who came to know new technology and others for whom it has been a reality all along. Introducing the Millennial Generation: the first truly tech-savvy, mobile-device-oriented demographic. The emergence of these young residents in the rental market has caused a reconfiguration of how to reach prospective renters and an overhaul of marketing methods.

Those who believe traditional marketing methods will remain effective with this demographic are in for a surprise. If their competitors are already on the cutting edge of the technological landscape, then the time to play catch up is now.



*“You have to provide anything new to grab that attention, because the trend that we’re seeing with millennials is they need it now, they need it yesterday,”* said Kate Irving, digital communications manager at Northwood Ravin. *“They need to be on the forefront of what’s next. Nobody wants to be the last one to the party.”*

While millennials have forced a rethink of marketing methods in every industry, it’s important to examine their influence specifically in the apartment industry.

Identified as those born between 1981 and 1997 (aged 18-34 in 2015), according to the Pew Research Center, millennials are a socially conscious, multicultural generation that values instant gratification. Millennials eschew old-fashioned interaction – such as picking up the phone – in favor of searching for an apartment on a laptop, tablet or mobile device. They crave authenticity and react swiftly and negatively to inauthentic content.



**Millennials are identified as those born between 1981 and 1997 (aged 18-34 in 2015).**

If the photo on your listing doesn't accurately portray the community, forget about wrangling in a strong millennial base. Millennials are the first generation to include ratings and reviews as a significant part of their decision-making process. The popularity of review sites underscores the emerging notion that communities must have a keen awareness of their online reputation and proactively manage it.

The economic impact of millennials cannot be overstated. Their annual buying power totals \$889.3 billion. And they account for 25 percent of the population at roughly 76 million, a figure projected to grow to 83.5 million by 2030.



Attracting a piece of that is more challenging than it appears due, in part, to the subgenres and delineations within the Millennial Generation. But many marketers have faced the challenges and tapped into best practices to reach this generation.

## Before digging in, there are a few key facts about millennials to keep in mind:



- Like any youthful generation, millennials don't possess a bevy of disposable income. However, the wealth gap between generations is the largest in history, with the average millennial income at \$34,100. Those aged 35 and above have an average income of \$48,400, according to a RentPath study.
- The income figures don't suggest an education disconnect, as an estimated 63 percent of millennials will have a college degree by the end of 2016. Those who compose the generation are characteristically ambitious, want to define their own dreams, invent their own solutions and assert their will in the marketplace.
- While the generation is highly educated, it comes with a price tag. With college and other post-secondary-education costs soaring over the past decade, many are saddled with heaps of student-loan debt. This particularly pertains to younger millennials, who carry 56 percent more debt than older millennials with an average of \$25,000.



**63% of millennials will have a college degree by the end of 2016.**

- They are socially conscious. RentPath data shows that 73 percent have donated time to a cause they believe in, and 69 percent have donated money.
- Millennials expect a value exchange for their brand patronage or loyalty. Along those lines, they often seek like-minded brands that are similar in their philosophy.
- In a testament to their tech-minded lifestyle, three of the top four brands favored by the generation are tech-based: Apple, Samsung and Sony. Shoe and apparel giant Nike is first on the list.

This is a snapshot of a generation that is rapidly becoming the key cornerstone of the market, and soon, the workforce. The ways to target millennials are ever evolving, but there are ways to stay on the plus side of the curve if they are your target demographic.



*“It’s tough to identify with the millennial crowd if you’re not technologically savvy,”* said Ryan Perez, vice president of marketing for CFLane. *“You have to be able to play in their space and understand how they want to be communicated to because, most of the time, it’s not going to be an in-person interaction because they prefer to operate digitally.”*

## The Millennial Mindset: What You Need to Know

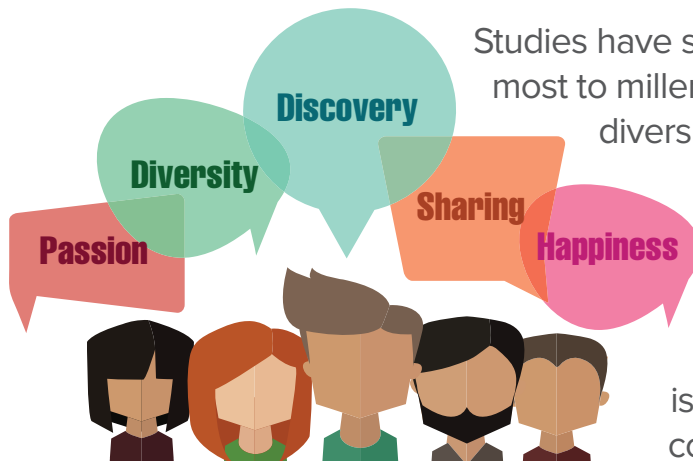
- They are fond of their devices and up-to-date on the cutting edge of digital technology; hence their craving for instant gratification.
- Millennials are culturally diverse, socially conscious and crave authenticity, expecting value in exchange for their brand loyalty.
- They do not possess a bevy of disposable income, as many are saddled with student-loan debt.
- Despite the lack of disposable funds, their impact is pronounced. Millennials account for nearly \$900 billion in annual buying power

# The Challenges Multidimensional Millennials Create for Marketers



Because millennials have to be pursued in fresh and innovative ways, the multifamily marketing world can't allow marketing plans to become completely static. While this conversation will continue to evolve as long as technology does, many of the primary challenges have been firmly identified.

Gathering data valuable enough to be leveraged can be a mission in and of itself. Whether it is budget constraints or limited resources, a lack of reliable information can short-circuit any effective marketing campaign. But even if you're armed with boatloads of data, that's only half the battle.



Studies have shown that the values that matter most to millennials are happiness, passion, diversity, sharing and discovery. In addition, the facts and numerical data outlined in Chapter 1 certainly are relevant when diagnosing their tendencies. While this serves as a solid start for marketers, the goal is to leverage that knowledge and convert it into leases.

The question marketers need to ask: **What does the millennial renter experience need to be to attract and keep their interest?**

Some millennial tendencies provide easy answers, such as their vast affinity for pets. Communities, particularly those under construction, would be wise to include an onsite dog park, dog wash stations and other pet-friendly amenities.

Other millennial characteristics create deeper questions. Will they go to community events? If so, what type of community activities will be a hit and which others will prove to be a waste of resources? Then there is the data that can further convolute the process. For instance, although it is a debated topic in some circles, many claim that millennials are the first generation that will largely opt to rent rather than purchase homes. That seems great for community managers, but there's a flipside: The motivation behind their decision to rent is their desire for flexibility. They have a higher propensity to move, and do so several times. Many still are on the hunt for a career and will jump from community to community as they climb the corporate ladder.

While that alone is a lot to consider into a marketing scheme, there are a few more challenges that face multifamily marketers:

### **Millennials are a very diverse generation**

Just when you think you've diagnosed millennials to the fullest extent possible, you realize there are several subsets within the generation. Although the digital propensities will continue to exist throughout, mature millennials will exhibit different tendencies than those in their college years.

Irving, the digital marketing manager for Northwood Ravin, notes that, while all millennials are young, those in their early 30s are more likely settled in their career and considering starting a family. That's in stark contrast to the majority of college-aged millennials who are nearly a decade away from their early 30s.



*“With that, marketing tends to be geared toward the younger, social-media-driven demographic,” Irving said. “Older millennials didn’t really grow up with phones that could do anything smart. It’s the younger millennials who grew up with everything at their fingertips, so you have to react in a much quicker way.”*

Irving is a millennial herself at age 31 and fully grasps the concept of having to delineate between different types of millennials when putting together a marketing strategy. She can do some of the research, after all, by identifying her own tendencies.





*“I’m very new-school in that I want things to be readily available,” Irving said. “I want to be able to go to the website of my community and drop in a work order. If I can go online and see my application and the status of it, that’s good for me. I don’t want to always have to pick up the phone and call, but at the same time, I still like the personal touch.”*

Personal touches resonate with mature millennials because of the stark contrast they provide to the new digital standards they’ve become accustomed to.



*“I still like receiving a card in the mail after a visit,” she said. “I still like seeing a card hanging on my front door when it’s my birthday. It’s a good mix, but keep in mind I am that older millennial and I still remember the time before tech and everything being so ‘instant gratification.’ I like it to be convenient when I need it to be convenient, and I like it to be personal when it needs to be personal.”*

## Millennials aren’t the only generation living at your community



Focusing too much on millennials through marketing, or even community design, can result in alienating Generation Xers or Baby Boomers, who often want very different things.

Even though the older generations didn’t grow up with digital and mobile technology, it doesn’t mean they aren’t savvy with devices. Granted, the technology is more ingrained in the everyday life of a millennial, but Gen Xers and Boomers aren’t immune from texting, reading sports scores on their phones or posting videos on social media sites.

However, many of those in the older generations are old-school and simply set in their ways. They don’t want to pay their rent online or on a mobile app, they want to bring a check to the leasing office and interact with the staff for a few minutes. They don’t want to submit a service request through an online portal. They want to call the office, explain the problem and be assured the maintenance team will soon be on the way. They don’t want a text alert if there is going to be fire alarm testing on Tuesday. They want a call or a printed notice hung to their door.



*“A lot of our communities are dual markets where we’re reaching millennials, and we’re also reaching the empty nesters,” Irving said. “So we’re trying new ways to do double marketing. While some things might be done perfectly for Facebook or for a visual sense online, we also need to make sure we can put it in an email and send it out to our Baby Boomers who might not have a Facebook account.” We send out thank you cards as well as thank you emails. We’re doing both because we know that not everybody is going to respond to only one type of marketing.”*

Perez notes that this concept at times can be a non-issue because typically communities are largely filled with a certain demographic. That being said, keeping options, such as paying rent by dropping off a check, can go a long way. And it’s not the end of the world, she said, if some of the residents don’t read your Twitter and Facebook feeds or leave a community review on Yelp.



*“If you put the content out there and they don’t want to engage, I don’t think you alienate them,” Perez said. “I think if you’re still using some of your key marketing principles with a really solid website that houses a lot of good content, whether those folks engage in social or reputation management alone doesn’t matter. These customers can find the content on your website engaging, and the overall outcome of the experience is positive. All customers don’t speak the same language—the key is to offer them a comprehensive experience as opposed to a singular focus.”*

## **Managing leadership that is reluctant to change**

**Hey, this worked in 1989, so it will work now, right?**

Some leaders can stall progress because they are reluctant to adapt to changing consumer behavior. Most property management leaders are in the Baby Boomer or Gen X generations and don’t necessarily have a firm understanding of millennials. Sometimes these leaders can adhere to the if-it-ain’t-broke-don’t-fix-it mantra until it’s too late.



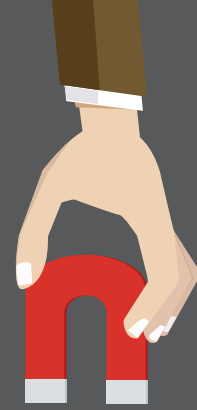
Some of these missteps can be masked by the notion that the apartment industry has been exceedingly hot in the past several years. Communities, particularly in booming locales, are filling up whether the marketing efforts are fantastic or subpar.

When the inevitable level-off or downturn occurs, it will become clear which communities haven't allocated budget appropriately on the latest digital advertising sources to target millennials.

## Top Challenges in Reaching Millennials:

- Millennials are a wide-ranging, diverse generation that is very difficult to put in the typical demographic box.
- Millennials might not be the only generation at your community. Baby Boomers are retiring and many Generation Xers have decided to rent.
- Existing leadership might be slow to adopt new practices or alter their strategy, especially in a strong economy.

# Solutions to Attract the Millennial Generation to Your Community



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Before you can market effectively to millennials, or any generation, you must have extensive knowledge of your resident base. Once that has been diagnosed, don't cut corners. If millennials are your target demographic, do all the research you can to understand them as renters.



While deep-rooted data can be difficult to find, you don't need to break the bank to gather a basic understanding of the millennial renter. Google has a large inventory of information and demographic data that can be readily gleaned with a few clicks.

But don't stop there. Use that information as a baseline and become proactive. Encourage your leasing associates to gather data from residents during lease signings, resident tours and community events. Mine the data in your property management software. Segment millennials based on behavior and lifestyle traits rather than on basic demographics.

Once you understand what they want, give it to them.



*“If we have a property that we know is going to be millennial-driven, it's coming up with what's new, what's now,” Irving said. “It's having cool things in the clubhouse. It's having USB ports in the kitchen to promote the idea that you don't even have to fish out a charger for your phone. Go ahead and plug in right here. It's the walk score. It's amenities like the dog-washing station, the dog park, the hot-cold plunge pool. It's having hammocks outside. Anything new to grab that attention.”*

Irving notes that one of Northwood Ravin's properties is set to have a motorcycle hung from the clubhouse ceiling. The downtown area in which the community rests has a very urban, historic feel. The community adopted a logo with a vintage


style and incorporates several similar aspects into its signage and marketing materials. It's relatable to millennials because the community fits in with the submarket and is inviting them to experience that lifestyle.

## **Gear your marketing activities to specific audiences**

The buzzword at millennial-driven communities is gamification. The concept is catching on like wildfire and offers residents a kickback for using the communities' online resources.

Residents can earn virtual points for things such as paying rent on their mobile device, submitting service requests online, renewing a lease, writing a review, resident referrals, sharing or liking or tweeting a community post, mentioning or checking in the community, etc.

Perez and CFLane utilize gamification at their properties through a tool called Modern Message (one of many on the gamification front) and residents can pile up virtual points to cash in for various incentives, such as free coffee and even rent discounts.



*“The biggest way to engage – not necessarily market to, but engage – with the millennial base is gamification,” Perez said. “We have 22 available options to choose from and that earns them different levels of points, and they can turn that into incentives. Each property is different, but it could be gift cards from Starbucks and it can escalate from \$5 to \$50. Or you can give it as a rent discount too. You have to figure out what entices the different crowds.”*

If millennials account for the largest part of your resident base, spend the majority of resources on activities that specifically reach them. Gamification fits that category, as it has been abundantly successful among the communities that have incorporated it. Deft-thinking marketers also put together a spreadsheet of the percentage breakdown by generation at each community as a resource on how much is spent for each generation. Along the same lines, they don't hesitate to train Gen X or Baby Boomer residents on key tech-enabled services, such as online rent payments. They allow them to pay the old-fashioned way if they resist.



*“You want to employ a whole digital strategy and want to have residents utilize the website to pay online or request a service order,” Perez said. “But, of course, if you have a customer that feels unfamiliar in that territory and is not technologically savvy, be mindful that offering options will appeal to the masses. You have to keep all avenues open.”*

## Educate community leadership on the new approach

You’ve decided to overhaul your entire marketing budget to better cater to millennials, but it can be a bit hard to swallow if it’s unveiled all at once. Everyone has to be on the same page moving forward, so as a marketing team, take the time make sure it’s done right.

- Provide education about millennials in phases. Begin with a presentation about who millennials are and build up to subsequent presentations about how you’re addressing their needs.
- Phase the budget. Giving away too much at once could be a recipe for failure, so unveil changes incrementally and clearly outline your objectives for success through the process.
- Ownership/leadership is more apt to accept the changes if you suggest testing before doing a full rollout. Pick a market and test activities before rolling out the entire portfolio.

## Keys to success in reaching millennials

While we have touched on all of these in varying capacities, there are six key concepts to reaching out to millennials. Use listing services. Leverage social media. Provide legitimate content. Manage your online reputation. Devote resources to SEO and SEM. Offer real-time pricing and availability.

**Listing services:** Millennials want to see more than just the communities you operate when they begin searching. They want to see all of the inventory in the market and the ability to choose. They’ll look elsewhere if they only see your communities. That’s why listing services are so valuable. Widely used by this



generation, listing services allow users to see the majority of the communities in their markets of interest. Failure to appear on the list often equates to failure in securing a lease.

**Social media:** While this goes beyond the apartment industry, the importance of having a social media presence is escalating on a daily basis. Remember the businesses in the 1990s and early 2000s that were forced to shut down because they were slow to launch a website? Not having a Facebook or Twitter account for the community probably won't have as extreme of ramifications, but the same concept applies. Many millennial consumers use social media as their primary destination for research and information. It's not enough just to have social media. Make sure your marketing strategy is a targeted social approach.



Because millennials are visually driven, image-focused sites like Instagram and SnapChat also can prove their worth on the social media ladder. Show them that their new place is “Instagramable” with artful posts.

**Authentic content:** As underscored previously, content and photos that accurately depict the property are a must.



*“It’s truth in advertising, and I think transparency is the way to go,” Perez said. “We’d never use stock imagery unless we had no other options. I would always suggest that you use actual photography that really showcases the product they’re going to see when they arrive. Millennials are not afraid to push back – at all. The same goes for online content. A lot of that is taken care of by making sure that your content is genuinely accurate.”*

Take it a step further. If you know your resident base and know they are most enamored with the surrounding area, don't showcase your resort-inspired pool on the home page. And don't be shy to incorporate scenes depicting residents in your photos.



*“Great shots of the amenities go far, but so does showing lifestyle shots of the community around us,” Irving said. “We’re very purposeful in where we acquire communities, so photos of the surrounding market – the restaurants, the places to go and be seen – are also being incorporated into all of our content. At that point we can really make our community into a lifestyle.”*

As millennials are constantly consuming video, virtual tours through YouTube, Vine or Facebook also can be effective.

**Reputation management:** The message here is very narrow. Respond to all your reviews. All of them. Whether positive, negative or neutral; whether on Yelp, Google Plus, ApartmentRatings or any other site; offer a response.

The primary concept to keep in mind here is that the response is more for the readers than reviewer. Many of the readers are prospective residents and they want to see how you are handling a situation. What might have been an off-putting negative review if left untouched might now have left the prospect with a sense of charm when they read about the community addressing the matter in a proactive, customer-friendly way.



*“With a lot of these ratings and review sites, it’s perfectly OK not to block or try to delete the bad ratings,” Perez said. “Everybody wants to see a little salt and pepper. Nobody believes just because it’s a perfect location, you’re downtown and you’re appealing to the hipsters that you have a five-star rating and everyone thinks you’re wonderful. It’s not rainbows and puppies every day. It just isn’t. If that’s what you’re portraying to the audience, I think there’s going to be a level of disbelief there.”*

Studies have shown that consumers received more of a negative impression by reviews that weren’t responded to than those that were responded to unprofessionally by a business. Now, we’re not advocating that communities respond poorly to reviews. Respond in a customer-friendly manner that shows you truly care about your residents.

Be authentic. Apologize for something if it’s a negative review. Proactively come up with solutions for problems and offer the resident an opportunity to speak in person. And perhaps most importantly, generate a different, personalized response for every review.





“They don’t want to see pre-fab content,” Perez said. “They don’t want to see that you just copied and pasted the same response for different reviews. They consider that inauthentic. Everybody wants and deserves a custom response.”

**SEO and SEM:** Make sure your listing service is putting ample resources into SEO and SEM. Implement a little of each into your own strategy without taking resources from your Internet listing budget. Listing services, as noted, are key to reaching this audience that wants inventory, authenticity and choice. Stealing from the listing budget to do your own SEO and SEM is counterproductive. You need additional budget for your own SEO and SEM play.

**Real-time pricing and availability:** This is extremely important to millennials, who are accustomed to seeing the price and the availability of every product they want to purchase on the websites where they shop. Without the price or availability, they’re bound to go elsewhere.

While utilizing these concepts will undoubtedly help, don’t stop there. Use outside-the-box ideas to capture the attention of a complex generation. Keep thinking. Some communities have recruited brand ambassadors to deliver their messages in a more trusted voice. It has been effective in reaching millennials through social media and word-of-mouth.

Remain authentic and continue to mine for ideas, as many of today’s marketing strategies will only remain relevant until the next technological breakthrough.

## Reaching Millennials: Quick Points and Strategy

- Millennials use listing services because they provide the variety and inventory they want when searching for an apartment home.
- Social media is the communication medium of choice for millennials and should be leveraged to reach them.
- Gamification offers a new opportunity to garner the attention of millennials who aren’t reachable through traditional advertising channels.
- Millennials value authenticity, expecting photography and copy to accurately reflect your communities.
- Millennials often read reviews on popular sites before deciding where to live, making reputation management a necessity.
- Millennials begin their apartment search on Google, increasing the importance of implementing an SEO and SEM strategy.
- Real-time pricing and availability is no longer a luxury. It’s an expectation from millennials who are very price conscious.

# Summary

Marketing to millennials requires not only a deep understanding of the generation, but also a proper plan to help attract the wide-ranging, digitally-based demographic. Millennials can be difficult to understand in part because of the many subgenres within the generation that exhibit different tendencies (adult millennials, college-aged millennials, etc.). The window to reach millennials is narrower than with other generations because of their desire for constant change and use of mobile technology to multitask. Content and photography targeting this generation must be authentic and engaging if you want to capture their attention. We're here to help, so if you would like more information or products that can help bring millennials to your community, please visit [www.rentpath.com/solutions](http://www.rentpath.com/solutions).



RentPath is a leading digital marketing solutions company, that empowers millions nationwide to find apartments and houses for rent. Through its brands, RentPath continues to simplify the apartment search experience while driving quality advertiser leads that result in occupancies and a high return on investment. With powerful online and mobile solutions that provide prospective renters with the information and tools they need, RentPath connects consumers with a home that reflects their personal lifestyles.



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