

## Generation Y Seeks Personalized Experience

The housing market may have softened, but smart home builders will see an opportunity to reach a new, ready to buy audience — Generation Y. This group is generally described as those born between 1981 and 1995. Builders ought to understand how to best reach this new segment of customers and capitalize before their competitors do.

Generation Y is unlike their Generation X and Baby Boomer predecessors, so home builders must re-think how they market and sell to them. Generation Y homebuyers grew up with technology and rely on it. They like being informed, especially when they make a serious purchasing decision, and buying a home is likely the biggest purchase they will ever make.

From one perspective, this is a great time for Generation Y, because mortgage rates are low and it's a buyers' market. Generation Y consumers generally have more spending power, because they are well educated and have higher starting salaries out of college.

Research shows the average Generation Y homebuyer is 26 years old and they are willing to spend more money on a new home in order to get exactly what they want. They understand this is a prime time for them to buy a home and potentially have a mortgage payment less than what they would pay in rent. Due to optimal market conditions and improved financial situations, more single females are also buying homes on their own at this point.

When shopping for a new home, Generation Y consumers want to live close to where they work and socialize, but also be near friends and family. They prefer living in the city or at least in close proximity.

If the home building industry wants to reach out to these potential customers, they must realize how important a role technology plays in the lives of Generation Y consumers. This generation relies on e-mail, the Internet, PDAs, BlackBerrys, and other devices—and for many, these technologies are their preferred method of communication. Not only is this an efficient and effective way to reach prospects, it is also less expensive than advertising using traditional channels like print advertising, television, and billboards.

Studies show eight out of 10 Generation Y homebuyers do their research using the Internet. Once they have narrowed down their choices, Generation Y consumers want their requests for information responded to quickly and personalized. They don't want a generic response or to wait a week or two to hear from somebody — they want a fast response so they can make a decision. There is a good chance that if the home builder they contacted is slow to respond, the homebuyer will move on to one who can accommodate their needs.

So how does a home builder level the playing field with Generation Y? They need to utilize technology tools to help them communicate. Generation Y consumers will lose interest quickly if you don't show that you value quick communication, according to a [Forrester Research article](#) about creating experiences for younger consumers. A customer relationship management (CRM) system with a strong marketing automation suite can provide home builders with the ability to deliver detailed, personalized information in a timely fashion, nurture prospects until they turn into hot leads, and collect data to build customer profiles.

Using a CRM tool, home builders can have personalized information sent automatically to potential buyers based on the questions they answer in a survey, such as what they are looking for in a home, what is their timeframe for buying, and what kind of amenities are most important to them. Generation Y consumers will appreciate getting a tailored response to their inquiries, and this will also make them more likely to provide additional information about their buying preferences.

Armed with this type of information — especially the buying timeframe — your sales team can be instantly alerted to hot leads, allowing them to launch follow-up programs to get these prospects into the office. And responding quickly can be an important differentiator between you and a competitor when reaching out to a buyer, especially if the buyer is using a Web site like Move.com or NewHomeSource.com, which feature multiple home builders. Typically, buyers are prone to visit the communities of home builders that respond to them first with the personalized information they seek.

Using marketing automation and collecting buyer data are great ways to build rapport, but it doesn't end there. Time is very valuable to Generation Y and they want to use technology to create wish lists for the communities they are interested in and also for the design of their dream home.

Builders can use the Web and surveying to educate buyers about communities and assist them in identifying a home that meets their needs. Providing a list of communities that fit their needs lets home buyers narrow down their wish list and spend more time checking out the communities that are right for them. By the time they go to the community, they will have a better idea of what they want in a home. In return, the sales associate will also have a much better understanding of their customers and be able to help ensure that they are making the best recommendations.

Home builders can also use technology to provide convenience and personalization in the design process via a virtual design center. The center is accessible via a Web browser and home buyers can actually start looking at the available options for their homes. They can start designing their dream home, which gives them more ownership and a connection to the home, sometimes even before they walk into the community.

The virtual design center provides the ultimate in convenience because it can be accessed 24 hours a day, seven days a week, giving busy Generation Y homebuyers information at their fingertips anytime they need it. They can even create an account to store and update their preferences. In the end, they will be happier with their decisions, because they've had more time to think them over, which may reduce cancellations. After the house is sold, home builders can continue to communicate with customers via e-mail or a Web portal about things like warranty information, maintaining the connection with the home buyer and encouraging referrals.

Home builders must realize Generation Y homebuyers are moving away from traditional marketing and communications methods—and to reach this latest generation of homebuyers, home builders need to as well. Through deeper knowledge and use of the technology so central to this generation's buying habits, home builders can provide a better, more personalized customer experience, achieve a faster sales cycle, gain a deeper understanding of customers' needs, sell more options, and build stronger, more profitable relationships.

*Steve Lewkowitz is Professional Services Director of the Home Building & Real Estate Group within the Pivotal CRM team. Pivotal CRM offers the industry-leading Pivotal Homebuilder Front Office,*

*2006 winner of the Innovative Housing Technology Awards prizes for Best Sales, Marketing, and Customer Service Automation Product and Best Overall IT Product.*

For more information about this item, please contact Joshua Nester at 800-368-5242 x8461 or via e-mail at [jnester@nahb.com](mailto:jnester@nahb.com).