



THE POST-MILLENNIAL ERA STARTS NOW

When a new generation begins to take its place on the adult stage, it's not unusual for marketers and other businesspeople to have difficulties understanding them and how this affects their business. The newcomers more than likely have attitudes and values that are very different from those of the generation that preceded them, and there's often a lot of contradictory information about those attitudes and values that can be difficult to reconcile. The rise of the Millennial Generation has been no different; almost two decades after their emergence, it's still possible to find wildly different views of what this generation is all about.

For those whose marketing tends to focus on young adults and who still find themselves in this situation, here's the spoiler alert: maybe you shouldn't bother. Millennials are no longer a youth generation. In 2018 the oldest Millennial will turn 38. In this same year the first members of the post-Millennial generation will turn 21. It's time for beer and other alcoholic beverage producers to start getting their heads around the new generation, a group often referred to as Generation Z. They go by other names as well, although this article will use the term Centennials, the name preferred by Kantar Futures, one of the firms that has already studied this generation extensively.

In terms of pure numbers, Centennials are the largest American generation yet, comprised of 78 million members. They're the last generation to have non-ethnic whites as the majority, although barely 52%. Significantly, 24% are Hispanic.

Of course, Centennials have some things in common with Millennials, and certain trends that began in the Millennial will continue throughout the coming two decades. These include:

A growing immersion in digital technology. According to a survey of moms conducted by consulting firm Influence Central, the average kid today got his or her first smartphone at age 10.3 and their first social media account at 11.4.

An increasing embrace of diversity. Another consultancy, Frank N. Magid Associates, reports that 45% of Millennials and 47% of the emerging generation say they have a positive opinion about America becoming more ethnically diverse, compared to 38% of Gen Xers and 32% of Boomers.

Another trait shared by Millennials and Centennials is their assumption that the pace of social, cultural, and economic change has accelerated to the point where lifelong adaptability is one of the most important skills they'll need to develop. But based on research conducted by this author and other publicly available analyses, it seems entirely possible that as Centennials enter their 20s they'll have very different responses to this situation. Millennials came of age with a sense of optimism, while Centennials tend to be more pragmatic, their worldviews formed by frightening events such as the Columbine shootings, the terrorist attacks on the World Trade Center, and the Great Recession of 2007.

Thus, while (then) optimistic Millennials idealized adaptability as they came of age, and sought out products and brands that reinforced their self-image as adaptable people, Centennials may see adaptability as just another obligation – and, like other obligations, something to escape from when going out for a drink with friends.

Instead, Centennials may well seek out products and brands that better reinforce their connections with others. To be clear, connecting with others is a big part of all social occasions. But while a Millennial might tend to be assumptive about that connection, Centennials may actively seek to build even stronger connections. And this has implications for the future of beer.



Marketers will tell you that when people are out drinking and eating with friends, they're often seeking to make an emotional transition. One might be looking to feel safe and secure; another might want to reward herself for some small or large accomplishment; another may be looking to broaden his horizons in some small way. Certain types of beverages have long been more associated with certain types of transitions.

For beer, the core emotional transition has always been about feeling more connected with others – at least, it has been for mainstream beer. But an important part of the reason that both craft beer and liquor have been growing at the expense of mainstream beer is that 20-something Millennials were less likely to be seeking a greater sense of personal connection when they're out – not because it doesn't matter to them, but because they already have a strong sense of connection. Millennials were more likely to be seeking that sense of reward or to broaden their horizons, and doing so by choosing a liquor brand or a craft beer brand, because these are more likely to be associated with those sorts of emotional transitions.

While all of this comes under the heading of “informed speculation” at this point, there are at least three important potential implications for the beer category.

Centennials may well gravitate back toward beer, both mainstream and craft.

Per capita beer sales have been on a declining trend since 2001, with flat performance in 2016. This decline has been driven almost entirely by mainstream beer, as craft and imports have both seen growth over this period. Yet the big brewers have always positioned their brands with a strong nod toward personal connection, whether you call it bonding, or socializing, or having fun with friends.

Does this mean the momentum will swing away from craft beer? It's possible, but not probable. In recent years craft has expanded its emotional appeal, moving beyond reward and horizon-broadening to include more personal connection. This has been associated with the rapid growth of sessionable styles and canned craft beer, both of which help make craft beer feel more accessible to those who may have previously found craft culture a little intimidating, a trend that's been called “the democratization of craft beer.”

In a seeming nod to this trend (or in leadership of it) in 2013 New Belgium launched a campaign called “Pairs Well With People,” a marked contrast to its previous campaign “Folly Your Folly,” which was much more targeted toward those motivated by a sense of creative vision.

If mainstream, craft, and imported beer all begin growing at the same time, the pressure may well be on liquor brands to respond.

The growth of brewpubs and tasting rooms is likely to continue and even accelerate.

Much has been written about the idea of “third places” (or “third spaces”), welcoming venues that are neither home nor work and where people get together to share camaraderie, conversation, and idleness (Think of television's Cheers. The phrase “a Cheers bar” has actually become a common term for these places.)

Centennials seeking personal connection may well add fuel to the fire when it comes to the growth of brewpubs and tasting rooms.

The rampant variety-seeking seen in today's craft consumer may well subside.

Research conducted by this author and others has found that variety seeking, not surprisingly, is ultimately motivated by a desire to gain perspective and broaden horizons, to reinforce one's sense of being an adaptable person. While variety-seeking won't suddenly go away – for all practical purposes it's become established as a cultural norm in the world of craft beer – it's entirely possible that some craft drinkers will once again begin seeking out familiar beers, and maybe even have the same beer on two occasions in a row!



While no-one can predict what Centennials will be like as adults in 10 or 15 years (or even next year) it's clear that they won't be like Millennials, just as Millennials have become a different kind of adult than Gen Xers. Their impact on the beer market and trends may be trivial or profound or something in between. It may be too soon to develop specific plans to address that impact, but it's not too soon to begin considering the possibilities.

Are your strategies connecting with your customers?
