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CHARACTERISTICS OF A GENERATION

THE EIGHT NET GEN NORMS

When *Growing Up Digital* was published in 1997, my daughter Niki had just turned 14. She did her homework on the computer in her room and, like most girls her age, she loved to talk with friends on the phone. We had a phone curfew of 10 p.m., and after a while we noticed she wasn't talking on the phone anymore. That seemed like a good thing, until we discovered that Niki was talking to her friends on the Internet via ICQ—one of the early instant messaging systems—from the moment she walked into her bedroom until she turned out the light. As her parents, our first reaction was to feel like she had tricked us, and the issue of ICQ became a sore spot for us all. But my wife and I were torn, because she was getting very good grades, and it was clear that all her friends were connected this way.

Since I was in the business of observing the impact of the Internet, I started pestering Niki with questions at the dinner table about what she was doing online. She was checking her horoscope, downloading music, researching for her homework, playing games, checking the movie schedule, and, of course, talking with friends. Niki tried to put an end to it, with a plea: “Can we have a normal conversation at the dinner table?”

For Niki, her link to the Internet was a sweet taste of freedom. She could talk to whom she wanted, find

“This is my world.”

—NIKI TAPSCOTT

out whatever she wanted, and be who she wanted to be, without interference from her parents or other adults.

We all want that sense of freedom, but this generation has learned to expect it. They expect it because growing up digital gave kids like Niki the opportunity to explore the world, find out things, talk to strangers, and question the official story from companies and governments. When teenagers in my era did a geography project, they might have cut out some pictures from their parents' *National Geographic* and included some information sent by the PR department of the foreign country's local consulate. Niki, on the other hand, could find significantly more interesting information just by tapping her fingers on her computer in her bedroom.

Niki and her younger brother Alex, who started playing games and drawing pictures on the Internet at age seven, were the inspiration for *Growing Up Digital*. It seemed that every week they would do something amazing with technology or through technology that I had not seen before. Through my experience with them and the 300 other youngsters we studied, I concluded that these kids were very different than their boomer parents. I refer to these differences as “norms”—distinctive attitudinal and behavioral characteristics that differentiate this generation from their baby-boom parents and other generations. These norms were tested in the nGenera survey of 6,000 Net Geners around the world. The list stood up pretty well.

The eight norms are: 1) freedom; 2) customization; 3) scrutiny; 4) integrity; 5) collaboration; 6) entertainment; 7) speed; and 8) innovation.

These eight norms are rooted in the different experience of today's youth—especially with regard to their media diet. They have grown up being the actors, initiators, creators, players, and collaborators. It has made them who they are— young people who are different in many ways than their parents and grandparents were at their age. The Internet has been good for this generation. And I believe that even the skeptics will see that these *Grown Up Digital* kids will be good for us.

FREEDOM

When my generation graduated from college, we were grateful for that first job. We hung onto it like a life preserver. But times have changed. Kids see no reason to commit, at least not to the first job. High performers are on their fifth job by the time they are 27 and their average tenure at a job is 2.6 years.¹ They revel in the freedom. My son Alex, for instance, is thinking about getting an MBA or a law degree. But when I asked him about his immediate plans for a job, he put it

this way: “A commitment of three years or more would make me hesitate. I don’t want to get locked in to something I may not enjoy 10 years down the road. I want the freedom to try new and different things. If I like what I’m doing, if it challenges me and engages me and is fun, then I would definitely commit to it, I guess. I think about the time I reach age 30, I would settle on something. I view my twenties as a period of self-discovery and self-realization.”

Alex is typical of his generation. The Internet has given them the freedom to choose what to buy, where to work, when to do things like buy a book or talk to friends, and even who they want to be. Politicians like Barack Obama have tapped into it. Obama’s iconic line, “Yes we can,” has spawned a music video by will.i.am of the Black Eyed Peas, plus the spoofs—proof positive that it went viral. These three words speak volumes about the Net Gen’s belief that they can do anything, that no one can tell them not to. “Yes we can” was perfectly tuned to this generation, just as the peace sign was for mine. They’re on a quest for freedom, and it’s setting up expectations that may surprise and infuriate their elders.

Our research suggests that they expect to choose where and when they work; they use technology to escape traditional office space and hours; and they integrate their home and social lives with work life. More than half of the Net Geners we surveyed online in North America say they want to be able to work in places other than an office. This is particularly true of white- and some gray-collar workers. An almost equal number say they want their job to have flexible hours, again with some differences among the various employee types.²

“I can work from home whenever I want. I just plug into my virtual private network and I have access to my e-mail, files. I’m just as productive at home as I would be at the office.”

—MORITZ KETTLER

Alex doesn’t buy the line that young people expect their first employers to accommodate them with flexible hours and telecommuting. “It makes young people look childish. We’re not going to start making demands about hours.” Alex says he and his friends want to work hard, be productive, and succeed. “I’m not sure it’s a young–old thing.”

Yet, in my research and in my work as a consultant to major corporations and governmental institutions, I see signs of a generational trend. They prefer flexible hours and compensation that is based on their performance and market value—not based on face time in the office. And they’re not afraid to leave a great job if they find another one that offers more money, more challenging work, the chance to travel, or just a change. As one 26-year-old woman who

answered our online survey put it: “We’re given the technology that allows us to be mobile, so I don’t understand why we need to be restricted to a desk; it feels like you’re being micromanaged.”

Intel gets it. Many of its employees telework, while other staffers take advantage of flextime, compressed workweeks, part-time hours, and job shares. All the company’s major work sites offer employees great amenities, such as fitness centers, locker rooms, basketball and volleyball courts, dry cleaning, sundries, and food court–style cafes with menus that change daily.³ Studies repeatedly show that perks such as those offered by Intel boost employee satisfaction and performance.⁴

So does Google. Its engineers are asked to spend 20 percent of their workplace time on projects that are of personal interest to them. Google says it has a strong business case for making such an offer. If Google’s employees are the best and brightest available—and Google believes they are—then whatever piques their personal interest could open new avenues of business for the company.

While flexible work hours and workplace amenities are routine practice at many high-tech firms, the flexible workplace philosophy is making inroads in other sectors. Best Buy, America’s leading electronics retailer, is trying to revamp its corporate culture to make its workplace more appealing to young employees. The endeavor, called ROWE, for results-only work environment, lets corporate employees do their work anytime, anywhere, as long as they get their work done. “This is like TiVo for your work,” says the program’s cofounder, Jody Thompson.⁵ By June of 2008, 3,200 of Best Buy’s 4,000 corporate staffers are participating in the ROWE program. The company plans to introduce the program into its stores, something no retailer has tried before.⁶

There are even signs that more Net Geners will seek to own their own business, especially after they worked for a traditional bureaucratic company for a while. The appeal is having more creative control, more freedom, and no boss to answer to. In recent years, YouTube, Facebook, and Digg have emerged as outstandingly successful examples of organizations started by individuals under the age of 25. Such stories inspire other youthful entrepreneurs to pursue their dreams.

Young people insist on freedom of choice. It’s a basic feature of their media diet. Instead of listening to the top 10 hits on the radio, Net Geners compose iPod playlists of thousands of songs chosen from the millions of tunes available. So when they go shopping, they assume they’ll have a world of choice. Curious whether the African Pygmy hedgehog makes a good pet for a pre-

teen? Google offers more than 25,000 links to for “African Pygmy Hedgehog,” to help the Net Gener decide. Interested in buying a book? Amazon offers millions of choices. Search for a digital camera on Froogle, Google’s shopping search engine, and more than 900,000 pages appear. The number is even greater in Asia, which has far more choice in consumer electronics than North America.

Baby boomers often find variety burdensome, but the Net Gener love it. When faced with thousands of choices, they show no signs of anxiety, from what we could see in our online survey of 1,750 North American kids. Only 13 percent strongly agree with the statement, “There is so much to choose from that when I buy something, I tend to wonder if I have made the right decision.”

Typical Net Gen shoppers know what they are going to buy before they leave the house. They’ve already checked out all the choices online, and they are well informed and confident in their decisions—83 percent say they usually know what they want before they go to buy a product.⁷ With the proliferation of media, sales channels, product types, and brands, Net Gener use digital technologies to cut through the clutter and find the product that fits their needs. And if it turns out to be the wrong choice, Net Gener want to be able to change their mind. They are attracted to companies that make it easy to exchange the product for something different or get their money back.

The search for freedom is transforming education as well. At their fingertips they have access to much of the world’s knowledge. Learning for them should take place where and when they want it. So attending a lecture at a specific time and place, given by a mediocre professor in a room where they are passive recipients, seems oddly old-fashioned, if not completely inappropriate. The same is true for politics. They have grown up with choice. Will a model of democracy that gives them only two choices and relegates them, between elections, to four years of listening to politicians endlessly repeating the same speeches actually meet their needs?

CUSTOMIZATION

Last year, someone sent me an iTouch PDA. It was sitting in a box on my desk at home when Niki and her boyfriend spied it. They were astonished I hadn’t opened it up, so Moritz opened the box, and then hacked into the iTouch so he could give it some special features—lots of widgets, some of my favorite movies, like *The Departed*, plus some music from my computer, including a couple of great tunes pounded out by my band, Men In Suits, with Niki singing lead vocals and me on the keyboard. They kindly left the

hotrod PDA on my desk, with a little note. It sat there for months, until someone took it away. It's not that I wasn't grateful. I just wanted the PDA to work. I didn't need it to work *for* me. That's the difference between me and the Net Gen.

As a typical boomer, I took what I got and hoped it would work. Net Geners get something, and customize it to make it theirs. This is the generation that has grown up with personalized mobile phones, TiVo, Slingbox, and podcasts. They've grown up getting what they want, when they want it, and where, and they make it fit their personal needs and desires.

Half of them tell us they modify products to reflect who they are.⁸ Niki, for example, has a phone with white-and-orange swirly "wallpaper" on the screen,

"My phone is an extension of me. It's an extension of who I am. It's like a nice handbag. It's a display of your personality."

—NIKI TAPSCOTT

plus a ringtone that sings out a techno version of "Taking Care of Business."

My son Alex has a special mouse for his laptop. Now, most of us have a mouse with two or three buttons.

Alex has five. "My mouse is called the Mighty Mouse," he tells me. "Each of those buttons does a separate thing, according to my interests and what I need to use it for. My left button clicks on something. The right button opens up a window, just like a regular one. The middle button is a track wheel so if I'm on a Web page or a window in my operating system I can scroll 360 degrees. On the side, if I click on one button every single window that's open on my computer will shrink down so I can choose individually. On the other side is a button that opens up my dashboard, basically, which shows me different widgets—a news widget, a wiki widget, a sports widget, a weather widget, a time zone widget, and a widget that monitors the health and productivity of my computer." See what I mean? "It's funny," Alex notes. "I'm actually in the middle to the low end of technological advancement in my peer group."

Today, the "tuner" car-customization industry, largely fueled by Net Geners, is worth more than \$3 billion in North America. The trend snuck in under the radar of the big auto companies. At least one auto company, Toyota, is trying to pounce on it by introducing the Scion niche brand back in 2003. Company research shows owners spend \$1,000–\$3,000 on customization and accessories, from paint jobs to XM satellite radios with Bazooka subwoofers. These are kids in their twenties, and they "have changed every category they have touched so far," says Jim Farley, VP of Scion. "It's the most diverse generation ever seen."⁹

Our research at nGenera also shows that the *potential* to personalize a product is important to the Net Generation, even if the individual decides not to make any changes. The desire is about personalizing and accessorizing—it is more aesthetic than functional. Personalized online space is now almost obligatory; witness the popularity of sites such as MySpace and Facebook. Net Geners also customize their media. Two-thirds of early technology adopters say they watch their favorite TV shows when they want to rather than at the time of broadcast. With YouTube, television networks run the risk of becoming quaint relics. The industry will still produce programming, but where and when the programming is watched will be up to the viewer.

At work, the Net Geners will want to customize their jobs. In our online survey of 1,750 kids in North America, more than half of Net Geners said they liked working offsite.¹⁰ They enjoyed the change of scenery, they said, and their ability to work outside the office showed their employer they could be trusted to get the job done. They may even want to customize their job descriptions, although they still welcome some structure and want to know what is expected of them. Ideally, companies will replace job descriptions with work goals, and give Net Geners the tools, latitude, and guidance to get the job done. They may not do it on day one, though. “Demanding to customize a job description is a bit brash if you’ve only just started a job,” Alex told me. “But after a while, I think it’s fine to make suggestions on how the job could be changed or improved.”

SCRUTINY

On April Fool’s Day 2005, I decided to play a bit of a gag on my employees and associates. I asked my executive assistant to send them the following e-mail:

Through Don’s connections at the World Economic Forum, Angelina Jolie (she’s an actress who has become involved in social responsibility), who attended the last Forum meetings, is interested in Don’s work and wants to come to Toronto for a meeting to discuss transparency in the global economy.

This has been arranged for Thursday, May 26th.

Don will be having a private lunch with her and will come to the office afterwards so she can meet others here and continue the discussions. The day will end with a cocktail party at Verity.

She’ll bring some of her friends.

Please confirm your attendance.

Thanks,

Antoinette

In my dreams. Anyway, not a single young member of my staff fell for the joke. I would get responses like “Nice try” and “You and Angelina. Right.”

However, associates my age reacted in a completely different manner. They were falling over themselves to join the afternoon discussions and attend the cocktail party. I believe the expression is they fell for it hook, line, and sinker. And they were not happy to find out that Angelina was not going to appear.

Net Geners are the new scrutinizers. Given the large number of information sources on the Web, not to mention unreliable information—spam, phishers, inaccuracies, hoaxes, scams, and misrepresentations—today’s youth have the ability to distinguish between fact and fiction. They appear to have high awareness about the world around them and want to know more about what is happening. They use digital technologies to find out what’s really going on. Imagine if Orson Welles had directed the radio version of *War of the Worlds* today, instead of in 1938, when it caused widespread panic as many listeners believed the Martians had actually landed. In a couple of clicks, Net Geners would figure out it was a play, not a news broadcast. No one would have had to flee their homes!

The Net Generation knows to be skeptical whenever they’re online.¹¹ When baby boomers were young, a picture was a picture; it documented reality. Not so today. “Trust but verify” would be an apt motto for today’s youth. They accept few claims at face value. No wonder the 74-second “Evolution” video was such a big hit when it was posted on YouTube in October 2006. The video showed an ordinary attractive girl—the director’s girlfriend, in fact—being transformed into a billboard model—with considerable help from Photoshop, which lengthened her neck, reshaped her head, and widened her eyes. You could see, before your very eyes, how fake the image of beauty is in magazines and billboards. The video was made for Dove soap by a young Australian working for the Ogilvy & Mather ad agency in Toronto. It instantly struck a chord among Net Geners worldwide. Unilever, the British conglomerate that owns Dove, estimates it was seen by at least 18.5 million people worldwide on the Net,¹² not including how many saw it on TV, where it was prominently featured on morning talk shows. Not bad for a video that cost only \$135,000 to make.

But the story didn’t end so well for Dove’s parent Unilever. Very quickly, some young consumers took note that Unilever was also the maker of Axe, a men’s cologne with a campaign of ads featuring highly sexual and exploitative photos of women. The theme was that if you bought Axe, women would be dying to strip and submit to you. As fast as you can say “mockumentary,” videos began appearing on YouTube pointing out the contradiction. One, “A message

from Unilever, the makers of Axe and Dove,” ends with the tagline “Tell your daughters before Unilever gets to them.”

Students Provide Correct Facts to Teachers

Lawrence Douglas is a professor of law, jurisprudence, and social thought at Amherst College. One day he was giving a lecture to students on the logistics of informing and training every cop in the United States about Miranda rights. “It is hard to even fathom how many officers there are in this country, at the federal, state, county, municipal, and collegiate levels,” he said. “I have the number here, if you give me a second.” Douglas began rummaging through his notes, trying to find this stat he scribbled down moments earlier in his office. After 30 unsuccessful seconds, he opened up his briefcase to test his luck again. No need. By the time he had pulled the first crumpled page from the bag, help was at hand—from sophomore Adam Shniderman. He had accessed the Internet on his BlackBerry and had found the U.S. Justice Department’s Bureau of Justice Statistics page. There are, it turns out, 17,876 police departments in the United States, with over 800,000 full-time sworn-in officers. The professor thanked Adam and continued on with his lecture, which was, according to student reports, fascinating.

For anyone wanting to reach this age group, the best strategy is candor. They should provide Net Geners with ample product information that is easy to access. The more they have scrutinized a product, the better they feel about purchases, especially ones requiring a large financial or emotional investment.

Boomers marvel at the consumer research available online; Net Geners expect it. When they go shopping, almost two-thirds of Net Geners tell us, they search for information about products that interest them before they buy.¹³ They compare and contrast product information online, and look for the cheapest price without sacrificing value. They read blogs, forums, and reviews. They’re skeptical about online reviews. Instead, they consult their friends. They can be very picky. Our survey found that 69 percent of the “Bleeding Edge” (first adopters) said they “wouldn’t buy a product unless it has the exact features I want.” Only 46 percent of Luddites (technophobes) felt that way.¹⁴ It’s easy to be a smart shopper in the digital world, and it’s about to get easier. As Niki tells me, “You’ll be able to scan the barcode of a product on the store shelf and up will pop information on what the product costs at other stores.” Barcodes that can hold that amount of information are already registered with the patent office.¹⁵ It’s only a matter of time.

Since companies are increasingly naked, they better be buff.¹⁶ Corporate strategies should be built on good products, good prices, and good values. The

Progressive Group of Insurance Companies Web site is ideally suited to the Net Generation. It provides potential customers with an online insurance quote, and calculates how much the company's competitors would charge for the same package. Progressive believes it offers the best value in most cases, and backs its belief with facts.

Companies should expect employee scrutiny. Two-thirds of the Bleeding Edge say that they've searched a great deal for online information about the organization they are currently working for or about people working in their organization. Sixty percent of the same subgroup say they would thoroughly research an employer before accepting a job offer. Respondents say they want to prepare for a job interview, learn about corporate culture, and ensure that

"Now that I am a lawyer and I have clients, I have to be careful what I put on my MySpace page. I have actually taken things off of my page just to be safe."

— ANONYMOUS

the company and job fit their needs and desired lifestyle.

Scrutiny, as we have seen, can go the other way too. Many Net Geners still don't realize that the private information they disclose on social

networking sites like Facebook may come back to bite them when they're applying for a big job or public office.

INTEGRITY

Recently, Niki received an alarming message from one of her high school friends. The young woman, who was volunteering in Ecuador, reported that she had seen the horrible conditions of people working in the fields of roses—the dreadful chemicals sprayed on the flowers, the long hours, the child labor. Niki instantly sent the message to all her friends on her Facebook network. Now, whenever she buys roses, Niki asks questions about where they come from. She won't buy flowers from a company that sprays poisonous chemicals on plants that children pick. It's a small, but telling, example of the values Niki shares with her generation.

The stereotype that this generation doesn't give a damn is not supported by the facts. Net Geners care about integrity—being honest, considerate, transparent, and abiding by their commitments. This is also a generation with profound tolerance. Alex had an experience that drove this home for me. I asked him to describe it.

My junior year, I decided to study abroad in London, England. I will always remember what one of my fellow students said the very first day. Before we

began, he stood up in front of an auditorium of 250 students, faculty, and program coordinators and made this announcement:

“Hi everyone, my name is Steve, I am from St. Louis, Missouri, and, like the rest of you, I am really excited about being in London. But perhaps unlike the rest of you, I have Tourette Syndrome. So if you think you hear a donkey or a sheep in the back of the classroom, don’t hide your lunches because it is just me. Sometimes I can’t help making animal noises. Also, don’t be distracted if you hear any swear words or grunting either, because that’s me too. Thanks for hearing me out.”

With that, most people in the class just shrugged their shoulders and began making small talk with the people around them. Sure enough, the head of the program was barely able to get out a “Welcome to London” before Steve started BAAAing away. At first, some people did seem distracted. I personally was fascinated with him, both for his peculiar problem, and with his ballsy move at the beginning of class. I was impressed with his confidence and how honest and direct he could be about his illness, and I think everyone else was too. After a couple of minutes, it was like his illness wasn’t even there (even though his grunting and cursing still was).

Alex’s story made me flash back to when I was a kid. There would have been no student in my class with Tourette’s syndrome. More likely, he would have never made it to any university, or worse, would have been locked up in a mental institution. If he had gotten into our class, how would we have reacted to such a seemingly bizarre thing? Would we even have known about psychiatric conditions like this? Would we have just shrugged it off as Alex and his 250 classmates did? Would we have had such tolerance for diversity and such instant compassion for someone with an illness like this? Or would the stigma of mental illness have gotten the better of us? And would we have had Alex’s admiration for the courage and determination his fellow student showed?

Generation Me?

Psychology Professor Jean Twenge calls them Generation Me, “the most narcissistic generation in history.” Narcissists have a positive and inflated view of themselves, she says. They think they are more powerful and more important than they really are. It affects their personal relationships: “Generation Me often lacks other basic human requirements: stable close relationships, a sense of community, a feeling of safety, a simple path to adulthood and the workplace,”¹⁷ she writes. Narcissists can even be dangerous, Twenge’s research suggests. They can abuse drugs and alcohol, make risky decisions, gamble in a pathological way, and even assault people. So all that praise

from parents and teachers has done them a real disservice: “We may be training a little army of narcissists instead of raising kids’ self-esteem.”¹⁸

But is this generation really the most narcissistic ever? Twenge’s claim is based on 16,000 college students who took a first-year psychology course and responded to a Narcissistic Personality Inventory.¹⁹ This NPA asked college students to score themselves against statements such as “I think I am a special person” or “I can live my life any way I want to.” (It’s a measure of personality traits, not of a disorder.)

Her study reports that in the early 1980s, students answered 15 out of 40 statements in a narcissistic way. By 2006 the average score went up to 17. What’s more, the percentage of students with what Twenge calls an elevated level of narcissism (a score of 22 out of 40) has gone up from one in seven students in 1982 to 1 in 4 in 2006.

This study has been widely quoted and criticized. One research group, led by a psychologist from the University of Western Ontario, challenged Twenge’s findings head-on, saying there was “no evidence” that narcissism was rising in college.²⁰ Another study of over 400,000 high school students found no sign of an increase of narcissism either.

We could debate her methods—are the high-scorers narcissistic or just confident? It turns out, for example, that Twenge saw a noticeable increase in narcissism in women, but not in men (based an analysis of about half the participants).²¹ Couldn’t that just be a welcome sign that women were gaining confidence in themselves during that period? We could also debate her claims that the high-scorers have antisocial behaviors; other studies find that low self-esteem is the problem, not high self-esteem.

The bottom line is not what kids in a first-year psychology course write on a survey. It’s what they do.

As you can see from the charts, their actions do not portray a self-centered generation with no sense of community who display antisocial behavior. It’s just the opposite. As the charts show, risky behavior—like smoking and drinking and teen pregnancy—has gone down. Youth crime has gone down. Volunteering has gone up. This isn’t a “little army of narcissists,” it’s a peace corps.

Their actions show that they are confident and self-assured, with qualities that are normally attributed to leaders.

It’s not surprising that Net Geners display such tolerance and even wisdom, compared with previous generations. They have been exposed to a ton of scientific, medical, and other pertinent information that wasn’t available to their parents. The world around them has changed, too. So it’s not surprising that they

FIGURE 3.1 YOUTH RISK BEHAVIORS

YOUTH RISK BEHAVIOR	CURRENT RATE	RATE CHANGED SINCE 1990
Used seat belt	90%	+16%
Rode with someone who had been drinking	29%	-11%
Carried a weapon	19%	-8%
Was in a physical fight	36%	-7%
Used a condom	63%	+17%

Source: U.S. Center for Disease Control and Prevention

care about honesty. Among other things, they have seen the giants of corporate corruption, the CEOs of Enron and other major companies, being led away in handcuffs, convicted, and sent to jail. It's far easier for Net Geners than it was for boomers to tell whether a company president is doing one thing and saying another. They can use the Internet to find out, and then use social communities like Facebook to tell all their friends.

They expect other people to have integrity, too. They do not want to work for, or buy a product from, an organization that is dishonest. They also expect companies to be considerate of their customers, employees, and the communities in which they operate. Net Geners are also more aware of their world than ever before, due to the abundance of information on the Internet.

This astuteness of the Net Generation has big implications for companies that want to sell things to Net Geners, or employ them. At a time of uncertainty, young people look for companies they can trust. They have a low tolerance for companies that lie when they're trying to sell something, and they can find out pretty quickly if that's the case.

In a crowded marketplace, a company's integrity becomes an important point of difference. Net Geners don't like to be misled or hit with costly surprises, whether measured in money, time, quality, or function. Seventy-seven percent agreed with the statement "If a company makes untrue promises in their advertising, I'll tell my friends not to buy their products."²³ They get angry when they feel they were wronged: "Blockbuster says no late fees. It is all a lie!"

said one 15-year-old boy. “After a week you have to pay \$1.25 and then you have to buy the movie after two weeks. They trick you!”

Although Net Geners are quick to condemn, they are also quick to forgive if they see signs that the company is truly sorry for an error. Seventy-one percent said they would continue to do business with a company if it corrected a mistake honestly and quickly.²⁴

Integrity, to the Net Gener, primarily means telling the truth and living up to your commitments. Does it also mean doing good? Would Net Geners shun a company that pollutes on a massive scale or mistreats its employees? The survey data is not clear. Our research suggests that only a quarter take into account a company’s policies on social responsibility or the environment when making a big purchase. About 40 percent would abandon a product they love if they discovered that the company has suspect social practices.²⁵

Yet my interviews with Net Geners suggest that significant numbers of them think about values before they buy. It’s not because they’re necessarily better human beings. It’s because they can easily find out how a product is made, and what’s in it. Knowledge leads to action. When you can scrutinize the environmental and labor practices of a company as readily as Net Geners like Niki can, you can make decisions on the basis of what that company is doing—not just what it’s saying.

Integrity swings both ways though. You can find plenty of Net Geners who judge companies by a very strict ethical standard, and yet they are downloading music for free—which the music industry regards as stealing. A third of iPod owners are downloading illegally, according to a study by Jupiter Research.²⁶ My research suggests that’s an underestimation. According to nGenera research, 77 percent of Net Geners have downloaded music, software, games, or movies without paying for them.²⁷ What’s more, 72 percent of file-sharers age 18–29 say they don’t care about the copyright status of the files they share, according to a Pew Internet and American Life Project.²⁸ Most don’t view it as stealing, or if they do, they justify it in different ways. They see the music industry as a big business that deserves what it gets, or they think the idea of owning music is over. Some even think they’re doing small bands a favor.

Do You Steal Music?

We asked Net Geners: “Do you steal music? If you download from free sites, do you view this as stealing? If not, why not?”

Tony, 25, Systems Analyst: Yes I download music from the Internet without payment or borrow tunes from friends—however, I do purchase music using iTunes on occasion. This does constitute stealing because you are tak-

ing something you do not have the right to. I'm completely detached from the "victim"—in this case, massive corporations in the music industry. Does that make it right? No. That is why nowadays I make the utmost effort to pay for all digital media that I feel is of high quality and worthy of payment.

Morris, 23, Marketing Manager: Yes. I'm a thief. And so is everyone else I know. I do believe however that the definition of music ownership (and the transfer of ownership) is outdated. It just doesn't fit for our generation. I guess when we come to power we'll redefine what theft is. Hopefully we'll also come up with a new model so songwriters, artists, and others that actually create some value get properly compensated.

Graham, 24, Management Consultant: The manner in which the industry generates revenue from customers needs to better incorporate value derived from concert tours, merchandise, and placement in mediums such as ads, ringtones, television, movies, or video games. The channels through which people discover, obtain, appreciate, and consume music has shifted from the past; yet the music industry has been slow to react and adapt.

Carolina, 27, Consultant: I don't feel that it constitutes stealing to download music without payment or to borrow tunes from friends. If anything, I believe that this promotes new types of music that I wouldn't have otherwise been exposed to. If I am introduced to an artist that I really enjoy I will go out and buy the CD or download the album. I feel extremely lucky to have grown up in a time when Napster was first available to flood my computer with free music.

Alex, 22, Student: I don't have moral certainty about this issue. I pay for music on iTunes but I go onto LimeWire to download remixes and other things I can't find on iTunes. In the end, though, price matters to me. I can't afford to download 100 to 200 songs a month from iTunes' music store.

Alan, 23, Risk Analyst: I am completely comfortable stealing music. I believe this stems primarily from my early experiences with Napster, and the complete disconnect between the joy I felt downloading (and listening) to music, and any sense (or perceived existence) of downside risk. The rules may be clearer now, but my view of music downloading gestated when there was no transparent and consistent approach to intellectual-property laws and enforcement.

Morgan, 23, Video Games Developer: No, I do not download directly from the Internet without paying, mainly because I got sick of dealing with bad downloads and viruses embedded in the programs. I do however "borrow" music from friends. I do not think it is stealing because if they got it why can't they share it with others; same deal with letting a friend watch a video you rented, reading a book you bought, or eating half your lunch.

Joanna, 24, Publicist: No. There has to be some form of payment for the music. Whether it means that you buy a concert ticket to the artist's show, pick up a T-shirt, etc., it doesn't really matter so long as something is being given back so that the creative process can continue. Music is many artists' livelihood and if they aren't monetizing from that livelihood in one way or another then we are robbing them of their trade and ourselves of some potentially kickass art.

Graham, 24, Management Consultant: Yes. As for why, I'll start with the observation that a 160GB iPod, sadly, does not fill itself. I think that downloading without payment, and "borrowing" from friends, has become such second nature that in the minds of many it is likely viewed as the legal equivalent of exceeding the speed limit or crossing against a light on an empty street.

Zakir, 24, IT Analyst: Yes. I also buy bootleg DVDs. Why would I pay \$5 to rent a movie from Blockbuster when I can just as easily own the movie forever for \$5? Maybe we are a screwed-up generation because I know I am not the only one who thinks this way.

Brandon, 26, Consultant: Yes. However I don't consider this stealing. Buying CDs and paying for downloads is more beneficial to the record companies, not the artists themselves. Downloading is a preview—if I like the music, I will pay for a concert ticket to see the band.

There's one clear sign that Net Geners value the act of doing good: a record number of Net Geners, as we'll see in Chapter 11, are volunteering for civic causes. One of them even launched a magazine, aptly called *GOOD* magazine. Niki says 70 percent of her crowd is volunteering, and she's an enthusiastic example. This winter, she helped organize a big fundraiser for Toronto's Centre for Addiction and Mental Health. "We want to end the stigma against mental illness," says Niki. Her friends have taken a big step in this direction. "A lot of my friends have anorexia or depression and like most I've got mental illness in my own extended family. It's time to take a stand. We can talk about it. It's not swept under the carpet."

Integrity is driving their behavior in other institutions as well. They want their universities, schools, governments, and politicians to be honest, considerate of their interests, accountable, and open. As parents, the early evidence suggests, they want to run their families based on such values. This is such a hopeful finding—the biggest generation ever is demanding that companies and other institutions behave with integrity. What a powerful force for a better world.

COLLABORATION

At most companies, employees chat over coffee, in front of the fax machine, or by the water cooler. But at Best Buy, Net Gen store employees—some as young as 19—helped to create an entirely new kind of digital chat zone. It's The Watercooler, a mass-communication and dialogue tool for all employees at all levels. It's part of Best Buy's big effort to tap the unique skills of its Net Gen employees, especially in using digital technology to get the front-line staff to contribute ideas. "The Watercooler fills a huge hole we've had," said Best Buy's senior manager of communications, Jennifer Rock. It's "a direct line between employees in stores and all locations to talk about business topics directly with corporate leaders, teams, and with each other. In the first three months, we've gained 85,000 active users."

The Watercooler is the best place for employees to get answers to their questions about things like best practices for home theater installation, or why they do not sell Dell products in their stores. It gives the company a way to mine the knowledge and experience of the entire employee population for input on weighty business decisions. "Being that Best Buy, like most companies, has traditionally communicated *at* employees instead of *with* them, we didn't forecast how quickly The Watercooler would become this business communication tool," said Rock. "But our employees were obviously ready."

Net Geners are natural collaborators. This is the relationship generation. As much as I thought that I, as a 10-year-old, had a relationship with the fabulous teenager Annette Funicello on *The Mickey Mouse Club*, it wasn't so. (She did eventually answer my letters, but today I wonder if they were really her answers.)

They collaborate online in chat groups, play multiuser video games, use e-mail, and share files for school, work, or just for fun. They influence each other through what I call N-Fluence networks, where they discuss brands, companies, products, and services. They bring a culture of collaboration with them to work and the marketplace and are comfortable using new online tools to communicate. They like to be in touch with their friends on their BlackBerrys or cell phones wherever they are—on the street, in the store, or at work. It gives them a sense of virtual community all day long. It makes them feel like they have a friend in their pocket.

Their eagerness to collaborate can be a bonus for companies. Net Geners want to work hand-in-hand with companies to create better goods and services, something their parents never dreamed of. Companies never thought of it either: without the Internet for a free two-way dialogue with customers, they conceived new products in secret.

Today, Net Geners are helping companies develop advertising campaigns. In one early experiment in advertising collaboration, GM invited consumers to a newly built Web site that offered video clips and simple editing tools they could use to create ads for the Chevy Tahoe SUV. The site gained online fame after environmentalists hijacked the site's tools to build and post ads on the site condemning the Tahoe as an eco-unfriendly gas-guzzler. GM didn't take the ads down, which caused even more online buzz. Some pundits said GM was being foolhardy, but the numbers proved otherwise. The Web site quickly attracted more than 620,000 visitors, two-thirds of whom went on to visit Chevy.com. For three weeks running, the new site funneled more people to the Chevy site than either Google or Yahoo did. Most important, sales of the Tahoe soared.²⁹ To be sure, concern for the environment did not impede the young car enthusiasts from purchasing the Tahoe. For them, the competing norms resolved in GM's favor.

Many Net Geners are happy to help with product design. They believe they offer useful insights and like to feel part of a knowledgeable and exclusive group. They are willing to test product prototypes and answer survey questions. Half of Net Geners are willing to tell companies the details of their lives if the result is a product that better fits their needs. This number rises to 61 percent of Early Adopters and 74 percent of the Bleeding Edge. However, they hesitate to share the data if they feel a company might misuse the information, sell it to other companies, or inundate them with junk mail and spam.³⁰

Now, Net Gen consumers are taking the next step and becoming producers, cocreating products and services with companies. Alvin Toffler coined the term *prosumer*, in his 1970s book *Future Shock*,³¹ I called it *prosumption* a decade ago.³² I can see it happening now, as the Internet transforms itself from a platform for presenting information to a place where you can collaborate and where individuals can organize themselves into new communities. In the Web 2.0, new communities are being formed in social networks such as Facebook and MySpace, and these communities are starting to go into production. People are making things together. So prosumption was an idea waiting to happen, waiting for a generation who had a natural instinct to collaborate and co-innovate.

Collaboration extends to other aspects of the Net Geners' lives. At work, they want to feel that their opinion counts. While they acknowledge their lack of experience, they feel they have relevant insights—especially about technology and the Internet—and they want the opportunity to influence decisions and change work processes to make them more efficient. Making this happen

requires a receptive corporate culture and the work tools, such as blogs and wikis, that encourage collaboration.

The new collaboration is not traditional teamwork at all. The difference today is that individual efforts can be harnessed on a large scale to achieve collective outcomes, like Wikipedia, the online encyclopedia written by 75,000 active volunteers and continually edited by hundreds of thousands of readers around the world who perform millions of edits per month. That would have been impossible to achieve without a new generation of collaboration tools.

These tools make collaboration on an international scale so easy, as my daughter Niki found last year while working for an international consulting company. She'd cook up an idea for a widget that might be useful for a client, and at the end of the day she'd send a message to a team of four computer developers in the Czech Republic. The next morning, there it was: a new widget ready for her to check out. "There's an old saying that two heads are better than one," she says. "Well, I say that 10,000 heads are better than 2. There are lots of smart people out there, and we should be using new technologies to tap into their talents."

Net Geners are collaborators in every part of their lives. As civic activists, they're tapping into the collaborative characteristic with aplomb. The Net Gen wants to help. They'll help companies make better products and services. They're volunteering in record numbers, in part because the Internet offers so many ways, big and small, to help out.

Educators should take note. The current model of pedagogy is teacher focused, one-way, one size fits all. It isolates the student in the learning process. Many Net Geners learn more by collaborating—both with their teacher and with each other. They'll respond to the new model of education that's beginning to surface—student-focused and multiway, which is customized and collaborative.

ENTERTAINMENT

In the high-tech world, where employers put a premium on attracting the brightest Net Geners they can find, some work sites look like playgrounds. You can play foosball at Microsoft's Redmond campus—or baseball on the company diamond or soccer or volleyball. There's even a private lake. You can take your pick of the 25 cafeterias on campus, along with the requisite Starbucks stands. Xbox consoles are stashed in alcoves. Nearly 3,000 works of art hang on the walls. You can even go on whale-watching excursions. Over at Google, there's a rock-climbing wall on the premises, along with a company pool, a

beach volleyball pit, a gym, plus pool tables. You'll feel like you're right back in college. You can even bring your pet.

These employers know that for Net Geners, work should be fun. Net Geners see no clear dividing line between the two. This may be anathema to corporate types who enjoy the grind. The old paradigm was that there was a time of day when one worked and a time of day when one relaxed and had fun. These two

"It is pretty useless to try to draw borders around different spheres of life for them. It's better to let them shift among them as long as the work gets done."³³

*—CHARLES GRANTHAM,
A PRINCIPAL AT FUTURE OF WORK*

modes have now become merged in the same activity because Net Geners believe in enjoying what they do for a living. Net Geners expect their work to be intrinsically satisfying. They expect to be emotionally fulfilled by their work. They also see nothing

wrong with taking time off from work to check their profile on Facebook or play an online game. Eighty-one percent of teens play online games—and once they get jobs, they're likely to play online games at work to blow off steam.

Employers often growl when they see Net Geners goofing off online at work. But I think that employers should cool it. What's wrong with spending 20 minutes playing an online game at work? Why is that any worse than what my generation did—amble downstairs for a coffee, a smoke, and a shared complaint, usually about management? Immersion in digital technology has taught this generation to switch very quickly between one line of thought and another. Switching off for a few minutes by playing a game can generate fresh ways to solve problems. It's arguably more productive than hunkering down and spinning your wheels for hours on end.

The Internet gives them plenty of opportunity to amuse themselves online. The Web is the fun tool of choice with which to catch up on news headlines, Google, check e-mail, and IM with friends. There's entertainment from around the world from Web sites, chatting with "Net pals," and online gaming. There's niche entertainment that caters to their interests, such as HollywoodStockExchange.com for movie buffs, or StyleDiary.net for fashionistas. Many Net Geners maximize their interactions by engaging in multiple "netivities" simultaneously, such as chatting with friends on MSN while listening to their media player and surfing the Net. YouTube raises the bar for interactive entertainment. Users upload hundreds of thousands of videos daily, either snippets of television programs they like or content they've created. Users vote and comment on the submissions.

To be sure, employers who allow Net Geners to amuse themselves online or

wear headphones, need proper work design and policies to maximize productivity. In some situations, listening to music on headphones at work is fine, while in other situations it might not be. Notwithstanding the Net Gen ability to multitask, it's best to minimize distractions, including online ones, for work that requires deep thinking.

Net Geners' love of entertainment also has important implications for companies that want to sell things to them. Nearly three-quarters of Net Geners agreed with the following statement: "Having fun while using a product is just as important as the product doing what it is supposed to do." Net Geners value the experience of using the product beyond its primary function. They find amusement in accessory options and playing with tactile features, particularly younger males. Net Geners become bored easily, so playing with their tech devices keeps them interested.³⁴

Still, making a product fun as well as useful presents a challenge to companies targeting the generation. How, for instance, do you make a mortgage fun? Well, take a look at what MtvU, the national network for college students, is doing as part of its campaign to help Darfur. On the site, the network launched an audacious game that asked players to put themselves in the shoes of a teenager in Darfur faced with a terrible decision of whether to go and get water before the bloodthirsty militia roll in. Millions of kids have played the game online—a testament to the power of the "games for change movement."

SPEED

When I began working with computers, I used a 360-bits-per-second dial-up modem to write my first book from my home office. Fifteen years later, when I wrote *Growing Up Digital*, the typical access rate was 9,600 bits per second. Many young people today access the Web at between 5 million bits per second and 65 million bytes per second!

Having grown up digital, they expect speed—and not just in video games. They're used to instant response, 24/7. Video games give them instant feedback; Google answers their inquiries within nanoseconds. So they assume that everyone else in their world will respond quickly too. Every instant message should draw an instant response. If a member of their peer group doesn't respond instantly, they become irritated and worried. They fear it may be a negative comment on their status and a personal slight. "IM has made this worse, because if someone sees you online and you don't answer, they *know* you are ignoring them," a 28-year-old man said in our online survey.

Net Geners also expect to receive an item they have purchased within a

matter of days. They are no longer willing to wait four to six weeks to receive their secret decoder ring after sending in their cereal box tops. Corporations that are quick to respond to inquiries are praised and viewed as trustworthy, while long wait times are criticized. Needless to say, Net Geners do not like being put on hold.

When they e-mail a company, 80 percent expect an answer back quickly. But when they talk to their friends, e-mail is too slow for this generation, too cumbersome. They prefer the speed of instant messaging. They're impatient, and they know it. When we asked them what they thought of the following statement—"I have little patience and I can't stand waiting for things"—56 percent agreed.³⁵

It makes working in the conventional office hard. "Working in a typical company can really sap one's energy because things happen so slowly," said Net Gener Moritz Kettler. "A lot of my friends tell me they are frustrated with the glacial pace of decision making. There is a lack of urgency. There's no 'let's get this done.' There is a big culture clash in the workplace with my generation and the bosses, who can often be much older."

The pressure of living in an instantaneous environment can overwhelm some Net Geners. They know others are expecting an immediate response from them, and many experience feelings of saturation, craziness, and never having a moment of peace. Some wish they could disconnect by turning off their cell phones and logging off their computer, but they're reluctant to do this because they fear missing an important message and don't want to feel detached from their social environment.

E-mail is faster than talking, which is why Net Geners often prefer to communicate with people at work via electronic means rather than meeting them—unless it's a first-time meeting or an important negotiation.

Many Net Geners would like their careers to progress at the same fast pace as the rest of their lives. They appreciate continual performance feedback from employers. It helps them gauge their progress and enhances their professional self-esteem and sense of career momentum. Loyalty is strengthened when Net Geners regularly receive feedback that helps them feel "on track" to being successful at the company. Conversely, loyalty may weaken if requests for regular feedback are not acknowledged in a short time frame. This alone may not cause them to switch jobs, but they will feel less emotionally satisfied at work.

INNOVATION

When I was a kid, the pace of innovation was glacial. I remember when the transistor radio came on the scene. I got one and took it to summer camp. We all had one. It was a wonderful innovation. And that radio and its predecessors didn't

really change for years. I also remember our first television. That thing lasted for many years as well, until a new innovation—color—appeared on the scene.

This generation, on the other hand, has been raised in a culture of invention. Innovation takes place in real time. Compare my transistor radio that lasted for years with today's mobile devices that improve, sometimes dramatically, every few weeks. Today my kids want the new mobile device every few months, because the current one doesn't have the capability of the new one. And as for televisions, flat panel technology is an engine of innovation, dropping in price significantly every 18 months or so.

For marketers, there is no doubt that Net Geners want the latest and greatest product available—in ways that supersede the needs of their parents. The Net Geners live to stay current, whether it's with their cell phone, iPod, or game console. The latest product makes their friends envious and contributes to their social status and their positive self-image.

Motorola came out three years ago with the RAZR, its ultrathin cell phone with built-in camera and music player. Samsung Group answered within a year with the Blade. Motorola responded with its SLVR, a phone even sleeker than its predecessor. "It's like having a popular nightclub. You have to keep opening new ones. To stay cool, you have to speed up," says Michael Greeson, president of market researcher The Diffusion Group.³⁶

For Niki, her latest innovation is the Nike+ iPod Sport Kit. The Sport Kit allows a Nike+ shoe to talk to an iPod nano. The sensor uses a sensitive accelerometer to measure a runner's activity; then it wirelessly transfers this data to the receiver on the runner's iPod nano. As Apple's Web site says: "You don't just take iPod nano on your run. You let it take you. Music is your motivation. But what if you want to go further? Thanks to a unique partnership between Nike and Apple, your iPod nano becomes your coach. Your personal trainer. Your favorite workout companion." As you run, iPod nano tells you your time, distance, pace, and calories burned via voice feedback that adjusts music volume as it plays. In addition to progress reports, voice feedback congratulates you when you've reached a personal best—your fastest pace, longest distance and time, or most calories burned. Voice feedback occurs automatically, according to predetermined intervals that vary by workout type. Niki loves her Nikes and nano: it helps keep her fit.

In the workplace, innovation means rejecting the traditional command-and-control hierarchy and devising work processes that encourage collaboration and creativity. Former chairman and chief mentor N. R. Narayana Murthy at the Bangalore-based Infosys Technologies introduced the company's "voice of youth" program eight years ago. Each year, nine top-performing young

employees—all under 30—participate in eight senior management council meetings, presenting and discussing their ideas with the top leadership team. “We believe these young ideas need the senior-most attention for them to be identified and fostered,” says Sanjay Purohit, associate vice president and head of corporate planning. Infosys CEO Nandan M. Nilekani concurs: “If an organization becomes too hierarchical, ideas that bubble up from younger people [aren’t going to be heard].”³⁷

Infosys is on the right track. Net Geners don’t want to toil in the same old bureaucracies as their parents. They’ve grown up in an era of constant innovation and change, and want the workplace to be equally innovative and creative. Net Geners told us an innovative work environment is perceived to be leading edge, dynamic, creative, and efficient. Not surprisingly, an innovative workplace is expected to have leading-edge technology.

These are the eight norms of the Net Generation. They value freedom—freedom to be who they are, freedom of choice. They want to customize everything, even their jobs. They learn to be skeptical, to scrutinize what they see and read in the media, including the Internet. They value integrity—being honest, considerate, transparent, and abiding by their commitments. They’re great collaborators, with friends online and at work. They thrive on speed. They love to innovate. This is the Net Generation, and in the next few chapters, we will explore how those characteristics are displayed in different spheres of the Net Gen life and how, if you understand these norms, you can change your company, school or university, government, or family for the twenty-first century.