

SEcondary research report

The consumer & The culture
By: Kathryn Jeffords

Research objectives

To gain a greater understanding of the modern Millennial customer, their smartphone usage, purchasing decisions, relationship with technology and general beliefs about the world.

To address the 2014 culture of mobile usage, customer experience and in-store as well as online shopping experiences.

information needs

- *Who is the modern millennial customer?*
 - *How do they value their purchases?*
- *How are they using & interacting with their smartphones?*
- *What traits differentiate them from other generations?*
- *How does their generation determine purchasing decisions?*
 - *What unique ways can marketers reach them?*
 - *How is the culture of smartphone usage evolving?*
 - *What is the future of smartphone use?*
- *How are service providers interacting with customers?*

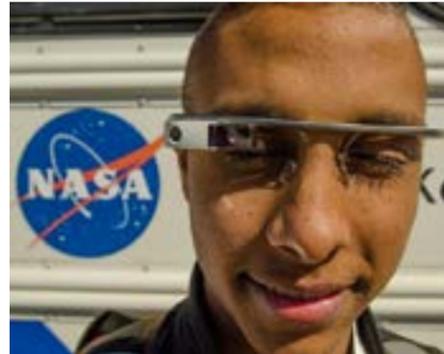
the Millennials

THE CONSUMER and how to reach them

Who they are...

There are about **80 million** of them, born between 1980 and 1995, and they're taking over the world. Last year, corporations like Merrill Lynch and Ernst & Young hired consultants to teach them **how to deal with the generation** who only take "yes" for an answer. So who are the millennials?

- Ages 18-34
- Children of Baby Boomer generation
- Tech-savvy
- Connected 24/7
- Independent & Confident
- Multitaskers
- High value on education
- Account for 24.5% of the U.S. population
- Most racially diverse generation, more liberal
- More likely than average adult to be unemployed



Other Important traits...

Visual Learners: Millennials respond better to emotional content than strictly informational content

Interactive: Millennials were the first generation to grow up with Internet so they expect to be able to control how they receive information

Experience Driven: One in ten Millennials say having life experiences (i.e. travel, exposure to other cultures) is critical to success

"they also love being obscure" and "pride themselves on being outliers" -AdWeek

<http://academic.mintel.com/display/680599/>

<http://www.propointgraphics.com/resources/blog/category/millennials/>

http://www.deloitte.com/assets/Dcom-UnitedStates/Local%20Assets/Documents/us_consulting_hc_millennials_110608.pdf

Journal of the Communication, Speech & Theatre Association of North Dakota, "Motives for Communication: Why the Millennial Generation Uses Electronic Devices"

<http://www.cbsnews.com/news/the-millennials-are-coming/>

what matters in a purchase?

- When it comes to **making purchases**, Millennials place the highest importance on **getting value for their money** and on having a **positive purchase experience**. 96% say that getting the most value for their money is at least "somewhat important" to their purchasing decision, while 91% say the same about having a positive shopping experience.

the Millennials

- Millennials (48%) are significantly more likely than all adults (29%) to use their smartphone daily. However, they are less likely to prefer to keep in touch with friends/family by making phone calls.
- Millennials are significantly more likely than all adults to simultaneously **multiscreen** (that is, to use different types of technology—such as watching TV and searching the internet on their mobile device – at the same time)
- They are **more receptive to mobile marketing**—they use their mobile phones to redeem retail coupons more than all adults – and more likely to admit having been influenced by an online or mobile ad.
- Millennial women are leveraging technology to make their lives easier and more convenient. It gives them **more flexibility in their lives**

Millennials Rack Up 18 Hours of Media Use Per Day
Average time millennials in the U.S. spend interacting with media per day (th:mm)*

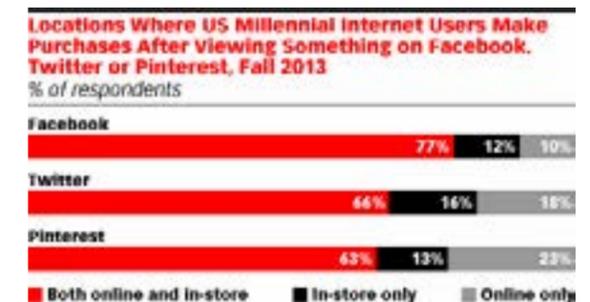


*media activities are not mutually exclusive; based on a 2014 survey among 838 U.S. adults aged 18-36.
THE WALL STREET JOURNAL. Source: Crowdfunder, Ipsos MediaCT, statista

- Nearly 70% of millennial social media users are at least somewhat influenced to make purchases **based on their friends' posts**
- Nearly eight in 10 millennial internet users who made a purchase after seeing an item on Facebook shopped both online and in-store.
- **One-quarter of the millennials surveyed reported making 100% of their online purchases on their smartphones, while 16% made all of their digital purchases on a tablet.**

So What?

Leverage technology: Campaigns need to be transparently **multichannel**. Simply a Twitter handle or Facebook page is not enough. Engage with Millennials—the more personal a connection one can make with them, the stronger the bond. Make it flexible & convenient for them to share and interact with online.



Note: born between 1980-2000; among those who use the site, numbers may not add up to 100% due to rounding
Source: University of Massachusetts Dartmouth Center for Marketing Research, "Millennials Drive Social Commerce: turning Their Likes, Follows"

<http://www.emarketer.com/Article/Millennials-Use-Different-Social-Networks-Post-Buy-Different-Product-Types/1010609>
<http://academic.mintel.com.ezproxy.elon.edu/display/695057/>

the Millennials

- Compared to Millennial men, Millennial women place importance on getting the **most value for their money, having a positive shopping experience, purchasing at a discount, or buying something that makes them feel good**. More than 30% of Millennial dads rate each of the 12 surveyed purchased factors as “very important,” compared to just five factors that are cited by 30% or more of moms.
- One in four Millennials agree they would make an effort to buy from companies that either **support issues they believe in, take an active role in their community, or donate to charities and nonprofit organizations**.
- About one in four Millennials say that buying something that will make them “**stand out**” is very important, with more than one third of Black and Hispanic Millennials noting this.

So What?

Millennials are just embarking on a stage of life as being the primary decision maker/shopper for their household. They are beginning to make product evaluations for themselves with little previous experience. It is not surprising that they attach **meaning to their purchases**.

Their purchases **say something about them**. Marketers need to consider how they can incorporate and communicate emotional benefits into their product and services to provide a pleasant shopping experience. Half of millennials say that having a positive experience in the store (i.e. friendly, knowledgeable and helpful staff) is very important in their purchasing decision.

WARNING: Do NOT oversimplify. This is not a homogenous group. Marketing efforts to Millennials must be more segmented or you risk alienating important groups. You must identify a specific core target within this group and then pursue research.

Living through the screen



Think about it this way: to the Millennials, a smartphone is not a modern convenience, it is a **functional necessity**. Why is this important? Because to them, a phone is not just something to make their life easier, it's just as essential as a car, a microwave or even a significant other. Don't believe it? According to Pew Research Center, 83% of Millennials **sleep with their phone next to them**.

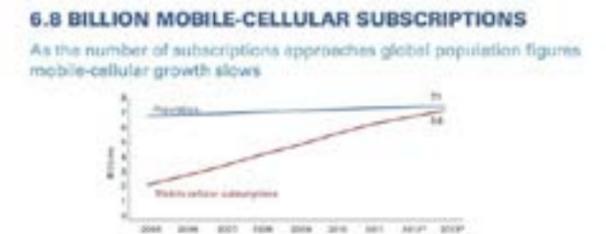
the culture

The mobile economy

"The mobile industry has scaled dramatically over the last decade."

GSMA

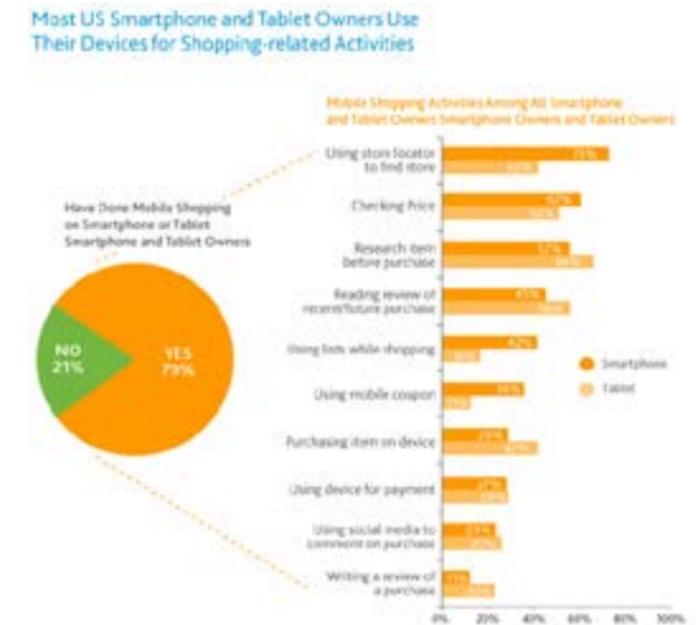
- In developed markets there is an increasing proportion of connections now on **higher speed 3G and 4G networks**
- Higher speed networks and more advanced devices are enabling the growth of data hungry applications such as **video streaming, internet browsing and file downloads**



MOBILE trends

- According to Adobe Digital Marketing Insights, tablet users spend over 50% more per purchase at online retailers when compared with smartphone visitors, and 20% more when compared with traditional laptop and desktop visitors.
- **BUT 75% of consumers still prefer shopping in a brick and mortar store**

<http://www.zendesk.com/retail/why-customers-still-love-in-store-experience>
<http://corp.wishpond.com/mobile-marketing-resources/new-trends-of-mobile-users-and-their-shopping-behaviour/>



Areas for growth



Personal Data: consumer access to data can be determined by a digital identity linked to phone number & secured by SIM



Digital commerce: online purchases will be the heart of commerce, with ability to purchase all kinds of products online



connected living: intelligent networks that connect an even greater range of devices and revolutionize the lives of consumers

<http://www.tagonline.org/files/documents/GSMA-For-Mobility/GSMA-Mobile-Economy-Report-2014.pdf>

the culture

So What?

The digital market is there, and marketers need to utilize it the best way they can. Ideally, they can incorporate online & in-store shopping experiences together for the **perfect balance**. As technology in mobile technology evolves, so do the Millennials. Marketers need to be adaptive to these changes.



HYpotheses

The following hypotheses are based on the secondary research findings:

- The in-store experience should be supplemented with an online experience whenever possible.
- The company is likely to be more appealing to the Millennial if they support social issues, take an active role in the community or donate to charities & non-profits.
- If the company can create an in-store experience that allows customers to make product choices that make them “stand out” or say something about themselves, Millennial foot traffic will increase.
- If Millennials are sharing their purchase information on social media, their friends are more likely to come into the store.
- The more authentic and transparent the company is, the more likely they are to gain Millennial support