

Millennial Consumers - Understanding key trends driving consumer behaviours

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Abstracts

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SUMMARY

The millennial generation has been a much maligned one in terms of how the rest of society perceives it. However, the reality is very different from the perceived differences between it and the previous generations. Millennials want much of the same things in life; they haven't changed that dramatically from other ages of people and still have the same basic needs and life goals. However, they do have unique circumstances that they have evolved into, such as the widespread use of technology allowing people to be online at all times, reduced disposable incomes and underemployment compared to previous generations and better education on lifestyle, health and ethics. Many of these factors have led to all kinds of unusual trends in the business world as companies adjust and try to maneuver to cater for any drop off in sales to young people. Sometimes though, many of the new products and changes we see are solving a modern problem that millennials have, rather than being something that millennials actually want. Fundamentally millennials want the same things in life and in many situations minor tweaks to products and brands can prevent millennials leaving companies behind.

KEY QUESTIONS ANSWERED

What products do millennials favor?

Why do millennials favor and purchase the types of products that they do?

How are they different from previous generations?

How is this affecting the food, marketing, technology and retail industries worldwide?

SCOPE

Learn about the key drivers behind millennial consumer behaviour and how companies are learning to tailor their products to suit.

Examine which types of industries and businesses are doing particularly well with millennials and which are not.

See how millennial consumer behaviour is changing our highstreets and online spaces.

REASONS TO BUY

The behavioral changes exhibited by millennials have also resulted in changing marketing strategies to appeal to them. Traditional methods are less effective, with personalization a key driver. This refers to both dictating their own experience with the product, and also using peer review (whether social networks or online reviews) to judge which product is best for them. Social media platforms such as Instagram and YouTube have drawn the attention of companies, particularly in the fashion and beauty industry, as vloggers and streamers become the new gatekeepers to access millennials. In the videogames industry, platforms such as Twitch are thriving, and live streaming is another area in which companies can explore opportunities. As smartphones are now the primary point of online access for millennials, strong mobile marketing infrastructure is essential. Along with personalization, millennials like companies that take ethical issues seriously. However, companies must be prepared to back their campaigns, as L'Oréal divided its customers after it fired transgender model and political activist Munroe Bergdorf (a week after hiring her to improve diversity) due to her social media response to the Charlottesville march.

The millennial generation is proving to be a tricky group to cater to for many businesses. At face value, in the restaurant and food retail industry, millennials are good consumers of food products eating out regularly, ordering takeaways and cooking at home just as

much if not more than the generations before them. However they tend to have completely different priorities (convenience and unique experiences for instance) and some established brands and food stuffs are suffering as a result of a stuffy outdated image or ineffective branding, when faced with competition from new brands more able to connect with the millennial generation. Finding ways to appeal to the specifics of the generation is not a tall order, but it may alienate brands from their traditional customers in process, so for many restaurant and food brands the transition is not a painless one.

News outlets abound with reports that various products are in decline due to disinterest from millennials; commentators cite a fundamental shift in attitude to ownership as the primary cause, but there is more to it. Whilst it is true attitudes among many millennials have shifted compared to previous generations, other causes such as necessity and economic conditions must at least rank alongside cultural developments to explain trends. Perceptions among millennials on what is required for an acceptable standard of living are forcing changes in ownership of certain product types (such as houses and cars) which were formerly a staple item for most people. Apocalyptic predictions of what may happen based upon millennial behavior may have some underpinning but can also be accused of missing the point that millennials are mainly reacting to a changing world.

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Millennials & Technology: E-commerce and sharing apps prosper at expense of traditional outlets

Millennials & marketing: Influencers become critical to success

Personalization of experiences works with millennials

Instagram and YouTube have become powerful marketing tools

Weibo and WeChat also significant in China

User generated content can help brand make inroads

Starbucks, and Urban Outfitters have good UGC strategies

User generated content has pitfalls

Influencers are also a good entry point for millennials

YouTube lookbooks and sponsored content an entry point

Fashion Nova employed Instagram influencers to great success

Instagram model reveals depths of marketing strategies

Live streaming offers cheaper way to authenticate influencer

Twitch has potential to expand beyond gaming roots

China is ahead of the curve for live streaming

Regulatory crackdown has not dimmed investor spirits

Mobile infrastructure significant to millennials

Ethical stances more important to millennials

Rising tide of SMEs with outwardly socially conscious objectives

L'Oréal divided its customers over Munroe Bergdorf incident

Restaurants & Food Retail: Millennials have specific requirements when it comes to food

Healthy and ethical foods are more important for this generation

Fast casual shows just how important convenience is for millennial customers

Introducing new fashionable ingredients to remain on trend

New ordering tech and home delivery very useful for businesses

Uber Eats, Deliveroo and Just Eat have brought restaurant food to the home

Money is a big issue for millennials as they are underemployed and have less disposable income

Millennials care less about ownership, but predictions of doom are exaggerated
Fewer homes are purchased by millennials, but many still harbor desires to become home owners

Culture of millennial car ownership is slipping under weight of economic pressure

Millennials are leading society to entertainment free of ownership

Music has been transformed by millennials uninterested in ownership, creating new players

Attracted by low costs, millennials are using Uber to get about, but impact on taxi market varies

Millennials & Activities: happy to spend on activities and prioritize experiences

Cost is a major driver of purchasing choices, because of lower wages

Millennials are not willing to accept worsened quality of life despite less disposable income

It has been identified that millennials are more willing to spend on the “authentic” experience

Festivals and day events really connect with millennials and numbers are booming

Holidays with millennials are less traditional and tend to favor “instagramable” experiences

Attracting millennials to hotels is entirely possible with some changes

Unique experiences of all types can help to sell to millennials

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Millennials are extremely online

Millennial online habits reflected in e-commerce

Online retail continues to grow

Apparel the main beneficiary

Traditional retail outlets losing ground

Department stores suffering in both US and UK

Selfridges invests online in attempt to adapt

Apps facilitate cheaper sharing services in austere age

Sharing economy apps have potential to grow

Companies that prioritize convenience and price succeed

Tech startups generally lead to aggressive expansion

Sharing economy has led to the rise of the gig economy

Gig economy workers' conditions are damaging publicity

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Sharing and gig economy present problems for governments

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