

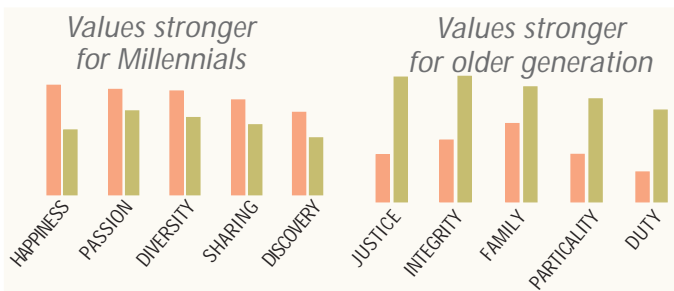
Understanding the Millennial Consumer Mindset



Change in traditional behaviour and consumption patterns

Millennials are focused on amassing life experiences rather than tangible objects, forgoing large financial commitments in order to pay down debt and increase their savings. This shift in spending priorities will define their generation for decades to come. Traditional milestones of adulthood are crumbling because of changing values and curbed economic opportunities. The result is a generation living very differently than their parents were at similar ages. Brands that insist on tying their marketing strategies to traditional values and outdated rites of passage are missing the mark, and potentially inadvertently alienating masses of convention-defying Millennials.

Collective-focused values that resonate strongly with Boomers such as duty, integrity and family are not valued as highly by Millennials. On the flip side, inward-looking and experience-oriented values matter most to this generation.



Marketing to the millennial consumer

Most brands are missing the mark when it comes to marketing to the millennial consumer, ages 19-36, according to the recent CEB Iconoculture report "Inside the Millennial Mind." Whether the millennial consumer lives by a YOLO ("you only live once") mentality or not, there are still 75.7 million millennials, which makes it the largest generation by population size—and one that wants to spend money. The average millennial earns an average of \$60,000 a year and have an estimated purchasing power of \$1.68 trillion.

In a recent Forbes article, Katie Elfering, consumer strategist for CEB Iconoculture, said that the disconnect happens as brands try to push major life events like getting married, buying a home or starting a family,

which may have driven the Baby Boomer or older generations' purchasing habits—but may not be top of mind with this generation. Instead, millennials are more interested in paying down debt and have more life experiences (time with family, music festivals, travel), instead of getting married or buying a car.

"Millennials grew up in an expanding world of choice and options for just about everything they ever needed or wanted," said Elfering in the report. "Because of this, they view life very differently. They don't see just see one path available to them—they see limitless possibilities to make their life their own.



As a result, they are misjudged and misunderstood—called narcissists or assumed to be in a state of perpetual stunted adulthood. In reality, it's because a lot of these aspects of adulthood aren't as available as they were in the past and, more importantly, because they know they have a lot of alternative options for what adulthood looks like."

Focus on millennial moms

Millennial Moms are spreading information on a wide range of products and services. Nine in 10 or more of them are sharing information about apparel, retail stores and groceries/food and beverages. What may come as a surprise to some technology sector professionals is the degree to which these women share information about electronic devices and products or services for digital devices.

Additionally, Millennial Moms are more likely than average moms to spread information about several categories.



Millennials want brands that:

HELP THEM DO SOMETHING



POSITIVELY DISRUPT THE STATUS QUO.



READILY FOLD INTO THEIR LIFESTYLE.



ENCOURAGE PARTICIPATION.



ENGAGE INSTEAD OF ADVERTISE.



FEEL AUTHENTIC IN THEIR BRAND IDENTITY.



Some product categories of which they are exceptionally good info-sharers are financial investments and life insurance. Despite their relative youth, Millennial Moms are savvy when it comes to products that protect the financial wellbeing of their families.

Millennial Moms are experiencing motherhood from a much different perspective than older moms. They are twice as likely to be single – whether that is by choice or circumstance – but yet just as likely as the average mom to be the majority income contributor in a multi-resident household. 32% are single/never married/not cohabitating with a partner (vs. 16% of moms in general). Approximately six in 10 are married or living with a partner (61%). 33% are the majority contributor to their household's income (vs. 26% of moms in general). 89% live in households of 3 or more people (as do 87% of moms in general).

Much is portrayed about Millennial Moms frantically but adeptly juggling motherhood and careers. However, our study indicates that when it comes to employment status, homemakers have a slight edge over full-time workers. With such diverse daily experiences, it is not surprising that Millennial Moms are more likely than the average mom to feel overlooked by advertisers. 30% are employed full-time and 35% are self-identified homemakers. 42% believe that “most advertising and

marketing is not geared toward women like me” (vs. 36% of moms in general).

Making the millennial connection

Millennials are more focused on discovery and happiness than more of the collective-focused values like marriage and having a family, which marked the Baby Boomer generation. Firms need to take more time to understand what compels this generation to spend, according to the report, and should gear marketing strategies to where their values lie instead of where the status quo expects them to be.

“Many brands feel that connecting with millennials is extremely difficult,” said Elfering. “But, in reality, connecting with millennials is pretty straightforward. In fact, we’ve narrowed it down to three key strategies that brands should keep in mind when engaging millennials. First, understand and speak to the values that drive them – happiness, passion, diversity, sharing and discovery. Second, understand their realistic lifestyles and experiences and find ways to amplify their reality. And, finally, make sure they feel informed and involved, not just marketed to. By following these three strategies, brands will find more opportunities available to them to gain this generation's affinity.” ■

Source: Weber Shandwick; CEB