

by Omni Apico

THE MILLENNIAL MARKET

A GENERATION OF CHOICE



The Millennial Market: a generation of choice

The Millennials, the most talked about consumer group of the past several years, are loosely defined as those born between 1982 and 2000. This group has now entered its prime purchasing age and is one of the largest generations to date, at 77 million in the US alone. They hold influence over other generations' decisions and are trendsetters from food to fash-

ion. By 2020 they will represent \$1.4 trillion in spending and 30% of all retail sales annually. Companies struggle to connect with this large generation of consumers, as they do not respond well to traditional marketing techniques. This article will define who the Millennials are, what their values are, and how to capture their interest and spending potential.

#MILLENNIALS

AKA **GEN Y**

BORN BETWEEN 1982 & 2000

THE LARGEST GENERATION TO DATE

The infographic features a central grid of icons: a man with a mustache, a woman with a bob haircut, a man with glasses, a woman with long wavy hair, and a smartphone. Below these are icons for an envelope, a handheld game console, a video game controller, a music player, and a mobile phone. Further down are social media icons for Facebook, LinkedIn, Twitter, Spotify, Instagram, and YouTube, along with a USB symbol, a computer mouse, a floppy disk, a hand cursor, and a globe with a mouse cursor. At the bottom right is a USB drive icon.

Who are the Millennials?

This generation is highly educated and career driven; 6 in 10 hold a Bachelor's Degree and 1 in 10 hold a Master's or PhD Degree. "Despite popular belief – [they] do indeed develop strong brand loyalty when presented with quality products and are actively engaged by brands"¹.

Due to the turbulent economic climate they grew up in, many Millennials are putting off major decisions and purchases, such as a house, making their consumer behaviour unpredictable.

A main characteristic of this generation is the search for authenticity and transparency. Typical brand communications such as TV and billboard ads are seen as insincere. The Millennials search for the core behind the brand and for values that resonate with their own.

The Millennials' daily life is marked by technology and innovation across all platforms. They are the first generation to grow up wholly online and expect instant gratification and 24/7 accessibility. Moreover, being able to share their thoughts, accomplishments and images across social media, has allowed them to connect directly to brands and the experiences they provide.

Their response to traditional marketing methods

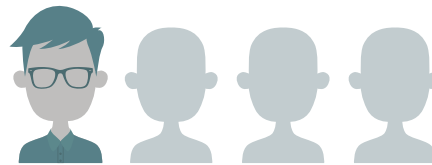
Gen Y is not easily influenced by advertising, one of the central pillars of marketing. Less than 10% trust adverts, while only 1% claim that an ad will influence their opinion of a brand. They value experiences at an overwhelming percentage and prefer to interact with brands in their own time and through their chosen channels.

Similarly, over 90% of the Millennial market trusts the word of a friend over a brand's and would consider a purchase based on a peer recommendation. They review blogs before making a purchase, in contrast to previous generations that rely more heavily on traditional media. The Millennials share their experience with a brand, good or bad, for others to see. This is a very important trend, since they are creating user generated content that can in turn be used by the brand.

Brand Loyalty

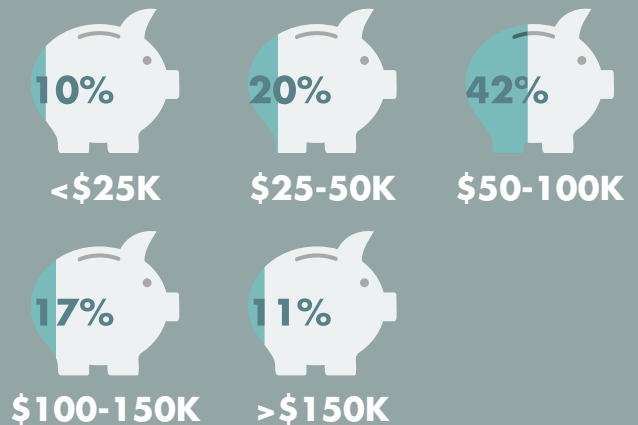
The Millennial market is fiercely loyal to brands they trust and believe in. Over 60% claimed that they are often or always loyal to their brands and are repeat customers. The most important factor to the Millennials when choosing a brand is product quality. About 48% of a survey's respondents claimed that the quality of the product is

MILLENNIALS IN THE U.S.

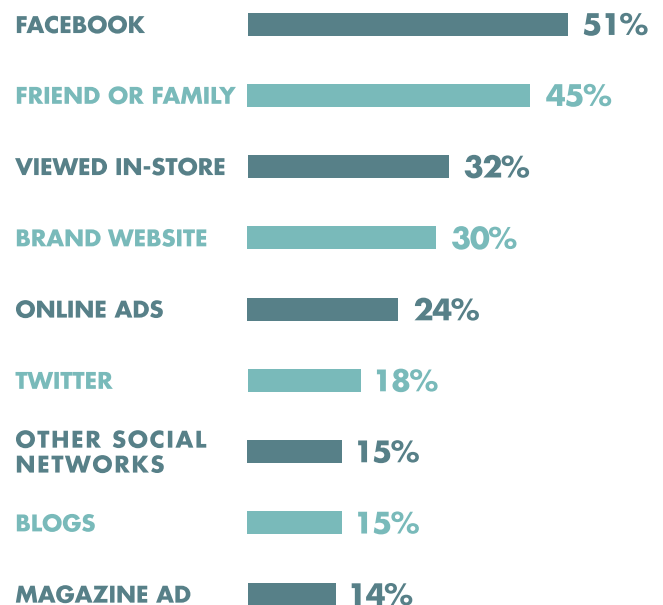


1/4
of the population

ANNUAL HOUSEHOLD INCOME (U.S.)



TOP 9 WAYS MILLENNIALS DISCOVER BRANDS



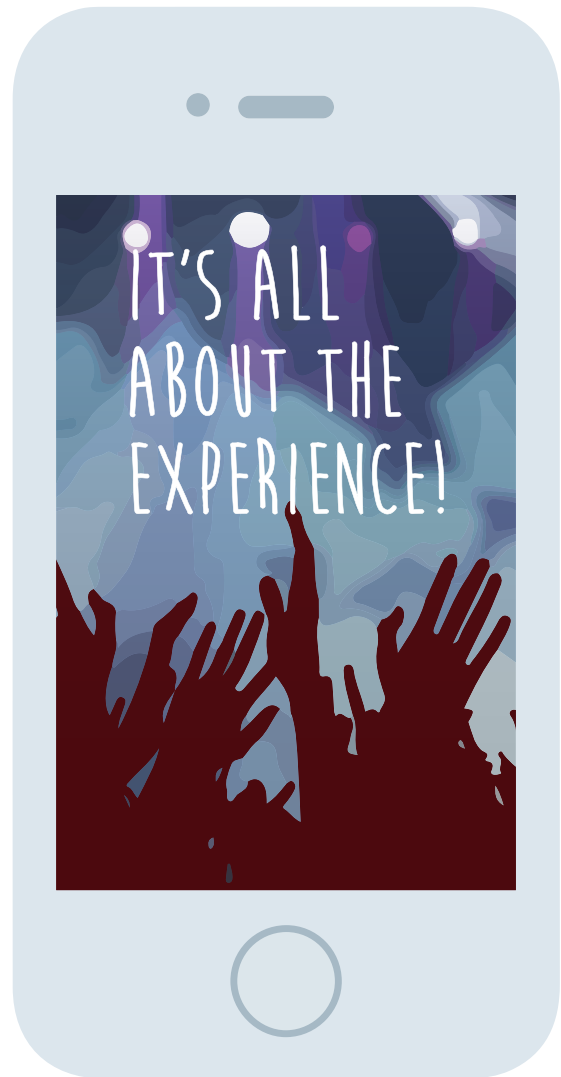
the most important factor when considering a purchase. Interestingly, price was only 21%. Later, when asked what prompts them to share their experience with a brand online, 39% said the quality of a product while 30% said a good customer experience.

The Millennials & Experiences

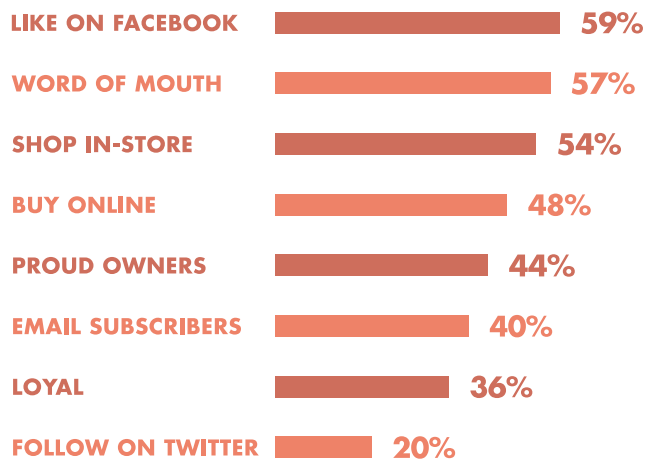
According to a Harris Study sponsored by Everbrite, “this generation not only highly values experiences, but they are increasingly spending time and money on them: from concerts and social events to athletic pursuits, to cultural experiences and events of all kinds. For this group, happiness isn’t as focused on possessions or career status. Living a meaningful, happy life is about creating, sharing and capturing memories earned through experiences that span the spectrum of life’s opportunities”².

More than 3 in 4 Millennials would choose an experience or an event over owning something. A Forbes article states: 69% of respondents believe that attending events and experiences helps them connect with their friends and their community. Similarly, 83% claim that they have participated in a live event in the past year and more than 70% claim they would like to increase their spending on experiences in the coming year. Another study shows that Millennials would prefer to tell someone about something they did over something they own. Considering how powerful buzz and WOM is to a brand, creating an experience the Millennial wants to share is of paramount importance.

An event, however, is not just a party. Taco Bell appealed to the sense of adventure in every Millennial when launching their breakfast menu. They handed out to 1,000 influencers across the nation pre-paid burner phones that had a direct line to Taco Bell headquarters. The Millennial influencers received secret missions to fulfill via Twitter and Instagram. The campaign reached 16,000 tweets in a span of 10 days.



TOP 8 WAYS MILLENNIALS SUPPORT THE BRANDS THEY LOVE



Social Media and the Social Network

The Millennials comprise a very vocal generation. They take to social media to voice opinions in regard to issues and products that affect their day to day life. “The ‘social generation’ is heavily connected to brands and one another, aiding in the fluidity of conversation between business and consumer, and also peer-to-peer interaction. We believe that Millennials are valuable to brands because they are early adopters and active brand ambassadors on social media”³.

Successful businesses encourage this demographic to comment and make it easy for them to share content about their brand across multiple touch points and locations. A mobile app, a product review page, hashtags and Facebook pages all appeal to this generation. Moreover, it is these comments and feedback that will influence the Millennials’ peers.

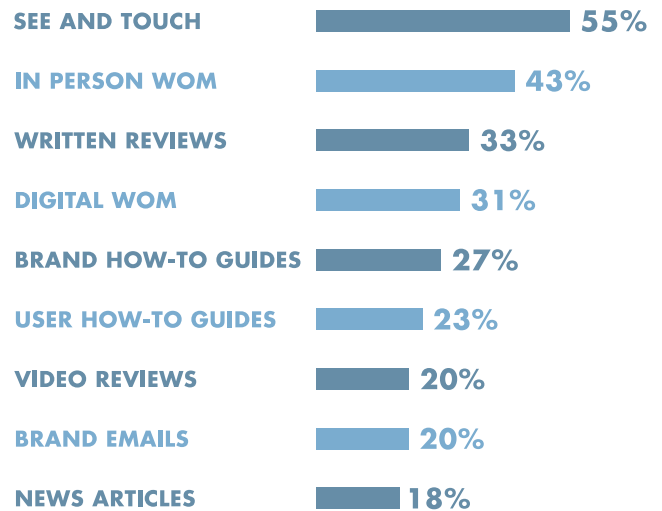
Online and Retail Buying

The Millennial might be tech savvy, but that does not mean that the traditional stores will go out of business. A study conducted in the US showed that the Millennial prefers visiting stores to the online experience. While online and mobile channels are of paramount importance, they are so in terms of research; checking product reviews, feedback on retailers and so on.

The four elements Millennials search for in their retailers are online shopping, flexible fulfillment options, integrated merchandising and services that make the shopping experience more unique and memorable. The online marketplace, however, is booming because in the Millennial's eye, many retailers under-deliver.

The experience must reflect consumer demand and be seamless and consistent across platforms. Cross channel transparency should be the aim, in order to connect with the Millennial across all touchpoints.

9 PRODUCT EXPERIENCES THAT RESONATE WITH MILLENNIALS



The Marketing Mix Needs to Change

Consumer connectivity is not likely to fade away. It is a dominant trait of Gen Y consumers and will probably be even more so for subsequent generations. Brands attuned to the Millennials understand that this generation wants to be connected, voice their opinion and share their experiences. Social media, apps, forums and blogs are all necessary tools for any brand wishing to connect with this sought out demographic.

In order to remain successful, companies need to make their online footprint more visible and adapt to this new consumer paradigm. Those who rely strictly on traditional methodologies will eventually face an ever-diminishing audience.

The marketing mix needs to change.

¹ David Arabov, CEO and Co Founder of Elite Daily. Taken from AdAge
² Study conducted by Harris, sponsored by Everbrite. Taken from Forbes
³ Elite Daily

Charts Source: Moosylvania

SOURCES

OMNI APICO Analysis, Forbes, Ad Week, AdAge, US Chamber Foundation, Accenture, NY Times, Reuters, Entrepreneur, HubSpot, Huffington Post, NPR, The Guardian, BCGPerspectives, Elite Daily, Millennial Marketing, The Next Web, Women's Marketing, Psychology Today, Live Science

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