Marketing To Millennials

Do They Really Shop Differently Online Than Gen X and Boomers?

Strength in Numbers

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It seems like every week there's another article in the media on how different Millennials—those born between the early 1980s and mid-1990s, depending who you ask—are from the generations that preceded them. For instance, Millennials are more likely to job-hop. They are more cause oriented. They are smartphone-obsessed. Last year, we published a research report delving into how brand-loyal Millennials are compared to their parents. The survey, which solicited answers from only Millennials, showed some self-reported differences in how Millennials view brands compared with how older generations viewed them.

But what happens when you compare Millennials' actual shopping behaviors and advertising preferences with those of their older counterparts? Are they really all that different? Recent research would tell us the answer is "No."

An April 2014 study by Moosylvania, for instance, found similarities in shopping habits between Millennials and other generations. While half of the Millennials said they learned about brands via Facebook, 45% said they got their information from friends and family as older generations tend to do.* Radius Global Market Research determined that both Millennials and Baby Boomers consider price, quality and value before purchasing.** And when you look at shopping habits on the gender level, women across generations share similarities, such as being more likely to complete purchases on a PC (74% Millennials, 76% Gen X and 81% Boomers).†

The media and researchers heavily scrutinize each generation and point out its unique attributes. But these differences don’t necessarily match up with how each generation shops, consumes content and responds to advertising. By 2020, Millennials' purchasing power is expected to increase 133%, from $600 billion to $1.4 trillion.^ It's important for advertisers to recognize both the differences and similarities Millennials share with other generations as they refine marketing strategies geared towards this population.

There's an opportunity here to look at segmentation based on behaviors rather than demographics, which are contained in third-party data. Learn more by looking at behaviors across sites through leveraging pooled, online transactional data. Online pools of shared shopper data not only let you see where your Millennial customers are shopping when away from your site but also clue you in to the types of content they are consuming that might indicate changing preferences and lifestyle factors that influence shopping habits. Building models at scale using this fresh transactional data is the key to finding Millennial shoppers who behave like your core customers and have the greatest likelihood of converting. You can then activate audience models across all digital media channels to drive increased personalization and performance at scale.
Objectives & Methodology

To gain insight into how Millennials shop online and view advertising, MediaMath conducted a study to ask Millennials and those 35 and older about their shopping and content consumption habits. The insights gained in the survey are meant to assist agencies and brands in evaluating how their current marketing efforts align with Millennials’ actual shopping habits and sentiments towards online advertising.

The study was fielded from April 24, 2015, through May 24, 2015. The survey targeted a random sample of 1,000 US and Canadian consumers who self-identified as 18–34 years of age and who owned both a smartphone and a personal computer, and 500 US and Canadian consumers who self-identified as age 35 and older and owned both a smartphone and a personal computer.
Major Findings

• Both Millennials and those 35 and older do the majority of retail browsing in-store—57% and 61%, respectively. In general, we see that men are more likely to browse in-store than women—for those 18–34, 62% of men browse in-store vs. 50% of women; while for those 35+, 70% of men browse in-store vs. 48% of women.

• When it comes to which online social medium affects retail purchases the most, both Millennials and those 35+ chose online review sites, 55% and 54%, respectively. For both generations, women are more likely to say that social media has no influence on them: for those 18–34, 21% for women vs. 11% for men; and for those 35+, 37% for women and 12% for men.

• The majority of respondents are also more likely to click on a mobile ad over a desktop ad—55% of those 18–34 and 52% of those 35+. Even though respondents are more likely to click on mobile ads, we still see the majority of purchases happening on PCs.

• Millennials are slightly more likely to click on a native ad than a banner ad—81% compared with 75% of those 35+.

• Both age groups are as equally likely to purchase from the same categories on a mobile device, with the exception of entertainment. Forty-seven percent of those 18–34 purchase from an entertainment category on mobile, as compared to 38% of those 35+.

• Most Millennials and those 35+ are likely to change their plans to visit a retailer or restaurant if they are away from home and receive an ad on their mobile device for a local deal or discount in the area—73% and 71%, respectively.

• Millennials are slightly more bothered by advertisers’ remarketing efforts—83% of those 18–34 vs. 77% of those 35+. There is more of a gender disparity with those 35+: 64% of women vs. 85% of men are more likely to be bothered by these ads, whereas for those 18–34, it’s 75% and 88% for women and men, respectively.

• The majority of both Millennials and those 35+ agree that one-click purchasing makes a difference in their likelihood to buy something: 68% and 69%, respectively. Given this information, retail merchants should more heavily promote this functionality.
Demographics

Both Millennials and those 35+ tend to do most of their retail browsing in-store.
Shop ‘til you drop

WHERE DO YOU DO MOST OF YOUR BROWSING FOR RETAIL PURCHASES?

Much is made about the increase in mobile shopping trends and projected mobile ad spending by brands and agencies in 2015 and beyond—but where are Millennials actually browsing for retail purchases? It turns out the majority browse in-store; 57% of those 18–34, with a split of 62% for men and 50% for women. Similarly, 61% of those 35+ browse in-store, with a split of 70% for men and 48% for women.

Making shopping social

WHICH ONLINE SOCIAL MEDIUM AFFECTS YOUR RETAIL PURCHASES THE MOST?

With the proliferation of social media channels today, there are more media consumers can use along the purchase journey. Both Millennials and those 35+ chose online review sites, 55% and 54%, respectively, as the online social medium that most affects their retail purchases. Facebook grabs 20% of both those 18–34 and those 35+. Women in both age groups are more likely than men to say social media has no effect on them: 21% and 11%, respectively, for those 18–34; and 37% and 12%, respectively, for those 35+.

Base: n=1,000, 18–34 and Base: n=500, 35+  Sums may not equal 100 due to rounding
The multi-channel purchase journey

**DO YOU TEND TO RESEARCH A PURCHASE ONLINE BEFORE BUYING IN-STORE?**

The majority of Millennials and those 35+ do not browse online before making a purchase in-store—34% in both age groups say they never research a purchase online before buying. In contrast, only 16% of those 18–34 say they always research a purchase online before buying in-store, compared with 13% of those 35+.

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Base: n=1,000, 18–34 and Base: n=500, 35+  Sums may not equal 100 due to rounding

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Ad-tracted to online and mobile

DOES ONLINE AND/OR MOBILE ADVERTISING INFLUENCE WHAT YOU PURCHASE?

The majority of all our survey respondents replied that online and/or mobile advertising does affect what they purchase—75% of those 18–34 and 73% of those 35+. Men in both age groups are more likely to say they are influenced by online and/or mobile advertising. For 18–34, it’s 82% of men vs. 64% of women, and for 35+, 82% of men vs. 58% of women.

The mobile takeover

ARE YOU MORE LIKELY TO NOTICE AN AD DISPLAYED ON YOUR MOBILE DEVICE AS OPPOSED TO YOUR LAPTOP/DESKTOP?

When it comes to noticing ads between devices, the majority of both age groups surveyed report that ads on their mobile devices grab their attention more than ads on PCs. Sixty-three percent of those 18–34 and 59% of those 35+ say they notice ads more on mobile.
No discounting unplanned purchases

**IF A RETAILER DISPLAYED AN AD WITH A DEAL OR DISCOUNT ON YOUR MOBILE DEVICE WHILE YOU WERE IN-STORE ARE YOU MORE LIKELY TO MAKE A PURCHASE YOU MAY NOT HAVE OTHERWISE MADE?**

The majority of respondents say they would probably take advantage of a deal or discount ad on their mobile device while they were in-store and make an unplanned purchase—77% of those 18–34 and 73% of those 35+. Men in both age groups are more likely to make the unplanned purchase after seeing an ad on mobile: 82% of men and 69% of women 18–34, and 81% of men and 61% of women 35+. These figures seem to point to the fact that advertisers should offer real-time marketing in the form of location-based services, push notifications and beacons when possible to capitalize on in-store opportunities.

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**18–34**

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**35+**

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<td>I would ignore the offer and not make an unplanned purchase</td>
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**MEN 18–34 82%**

**WOMEN 18–34 69%**

**MEN 35+ 81%**

**WOMEN 35+ 61%**
Mobile vs. desktop

ARE YOU MORE LIKELY TO CLICK ON A MOBILE AD OR A DESKTOP AD?

Respondents to our survey in both age categories are more likely to click on a mobile ad over a desktop one—55% of those 18–34, and 52% of those 35+. Females in both age groups are less swayed by ads; 30% of women compared to 13% of men ages 18–34, and 28% of women and 9% of men 35+, answered “Neither.”

55% of those 18–34 and 52% of those 35+ are more likely to click on a mobile ad than on a desktop ad.

Base: n=1,000, 18–34 and Base: n=500, 35+  Sums may not equal 100 due to rounding.
Smells like native advertising

**ARE YOU MORE LIKELY TO CLICK ON A NATIVE AD, AN AD THAT LOOKS LIKE THE OTHER CONTENT SURROUNDING IT—LIKE IN YOUR SOCIAL MEDIA FEED—THAN A BANNER AD?**

When asked if they were more likely to click on a native ad over a banner ad, 81% of those 18–34 and 75% of those 35+ answered “Yes.” Men 35+ are more likely than their female counterparts to click on native ads—84% to 62%, respectively.

81% of those 18–34 and 75% of those 35+ are more likely to click on a native ad over a banner ad.
Entertaining mobile purchases

FROM WHICH CATEGORY OF PRODUCT ARE YOU MOST LIKELY TO PURCHASE USING A MOBILE DEVICE?

Over more than a dozen product categories, Millennials and those 35+ align on most in terms of which they are most likely to purchase using a mobile device—except for entertainment. In that category, 47% of those 18–34 are likely to purchase using their mobile device, as opposed to 38% of those 35+. In terms of the gender split amongst the general product categories, men 18–34 are more likely than women to purchase food from a mobile device, 27% to 19%, respectively; whereas women 18–34 are more likely than men to purchase toys on a mobile device, 30% and 23%, respectively.
A Beacon of Light

**WOULD YOU BE MORE LIKELY TO MAKE A PURCHASE IF YOU SAW SOMETHING PERSONALIZED TO YOUR INTERESTS ON AN IN-STORE BEACON/DIGITAL DISPLAY?**

Both Millennials and those 35+ are equally as likely—85%—to make a purchase if they see something personalized to their interests on an in-store beacon or digital display. Men in each category are more likely than women to make a purchase: 91% to 76%, respectively, of those 18–34; and 93% and 72%, respectively, of those 35+.

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An App-etite for advertising

**IS IN-APP ADVERTISING MORE EFFECTIVE THAN MOBILE WEB ADVERTISING?**

Sixty-nine percent of those 18–34 and 35+ say that in-app advertising is more effective than mobile web advertising. The genders were almost equally split across both age groups: 78% of men and 55% of women 18–34, and 79% of men and 52% of women 35+.
Localized deals are winners for all ages

**IF YOU’RE AWAY FROM HOME AND RECEIVE AN AD FOR A LOCAL DEAL OR DISCOUNT IN THE AREA, ARE YOU LIKELY TO CHANGE YOUR PLANS TO VISIT THAT RETAILER OR RESTAURANT?**

Millennials are like their 35+ counterparts when it comes to being likely to suddenly visit a retailer or restaurant if they receive a local deal or discount in the area when away from home. Seventy-three percent of those 18–34 and 71% of those 35+ answered “Yes” to the question.

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**Millennials and those 35+ are both likely to suddenly visit a retailer or restaurant if they receive a local deal or discount when away from home.**

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Base: n=1,000, 18–34 and Base: n=500, 35+   Sums may not equal 100 due to rounding
Making advertising relevant

**DO YOU FEEL MOST OF THE ADS YOU SEE ARE RELEVANT TO YOU?**

In a quest for more personalized, 1:1 marketing, how are brands currently stacking up in the eyes of Millennials and those 35 and older? Sixty-five percent of survey participants in both age groups say they feel most of the ads they see are relevant to them. The majority of women in both age groups answered “No” to the question—51% of women ages 18–34 and 56% of those 35+.

The scoop on remarketing

**ARE YOU BOTHERED BY ADS YOU SEE AFTER YOU’VE BEEN TO A RETAILER SITE FOR THE SAME OR SIMILAR MERCHANDISE FROM THAT RETAILER?**

The majority of respondents to our survey in both age groups are pestered by ads they see after they’ve been to a retailer site for the same or similar merchandise from that retailer. Eighty-three percent of those 18–34 and 77% of those 35+ answered “Yes” to the question. In the 35+ group, men were more likely than women to answer “Yes”: 85% and 64%, respectively. This statistic is quite different from a [remarketing study](https://www.mediamath.com) we conducted in 2013, which saw just 11% of respondents saying they felt negatively or very negatively about seeing ads from an advertiser after they’d visited their sites. This could mean that shoppers are being inundated with remarketing messages to the point where they are starting to develop a negative association with these ads.
**Marketing to Millennials**

**Are the ads you see after a visit to a retailer site for the merchandise you were looking at helpful in getting you to go back to the retailer and make a purchase?**

Despite being bothered by remarketing ads as stated above, the tactic still seems to work. Millennials and those 35+ are equally as likely to say that the ads they see after they visit a retailer site for the merchandise they were looking at are helpful in getting them to go back to the retailer and make a purchase. Seventy-three percent of those 18–34 and 75% of those 35+ answered “Yes” to the question.

**Does one-click purchase make a difference in your likelihood to buy something?**

The majority of survey respondents are affected by the availability of one-click purchasing—68% of Millennials and 69% of those 35+ answered “Yes” to the question. Millennial women were split down the middle on the question, answering “Yes” and “No” 50/50.
Conclusion

As you can tell from our survey data, Millennials’ online shopping habits and responses to digital advertising are not necessarily all that different from those of Gen X and older shoppers.

The survey results demonstrate even more clearly that advertisers and agencies need to avoid pigeonholing Millennial shoppers. They will need to reach beyond stereotypes to explore the nuances of the Millennial generation, particularly as more of them enter the workforce and buying power increases, to see if they actually warrant completely disparate marketing strategies compared with other generations of shoppers. The key will be to stay nimble to account for both the similarities and differences between Millennials and other generations of shoppers. As seen in our study results and the Radius Global Market Research report, marketers might have better success if they tune in to differences within the generations, such as gender and other demographics.

The best approach for advertisers is to use the right data sources so they get the right “signals” about the Millennial generation as they continue to grow up. The oldest Millennials are now parents and are shopping very differently than they were even a year ago. Paying attention to the different life stages of Millennials using a mix of first-, second- and third-party data activated through programmatic performance media will help brands increase their campaigns’ effectiveness and ROAS. Marketers will be able to better determine if their content and offers align with what Millennial shoppers need in their lives now.

Whether targeting Millennials or shoppers from another generation, it’s crucial that marketers start viewing their customers as multi-dimensional and continue to layer additional attributes onto their shopping audiences so they don’t miss out on opportunities. Standard segments won’t cut it. You need a fresh data source that will alert you to the signals of Millennials’ changing life and shopping habits. Pooled online transactional data is the best source of fresh, accurate shopper data outside your own first-party data. Tapping into this type of data will allow you to see where Millennials are shopping and consuming content away from your own site and store so you can target them with effective marketing that will hopefully turn them into loyal, life-long customers.
About MediaMath

MediaMath is a global technology company that is leading the movement to revolutionize traditional marketing and drive transformative results for marketers through its TerminalOne Marketing Operating System™. A pioneer in the industry introducing the first Demand-Side Platform (DSP) with the company’s founding in 2007, MediaMath is the only company of its kind to empower marketers with an extensible, open platform to unleash the power of goal-based marketing at scale, transparently across the enterprise. T1 activates data, automates execution, and optimizes interactions across all addressable media, delivering superior performance, transparency, and control to all marketers and better, more individualized experiences for consumers. MediaMath, which has experienced triple-digit year-over-year growth since inception, has a seasoned management team leading 15 global locations across five continents. Key clients include every major agency holding company, operating agencies, and top brands across many industries.

Sources:
† [http://shespeaksinc.com/shespeaks-cross-generational-study/](http://shespeaksinc.com/shespeaks-cross-generational-study/)
^ [http://fortune.com/2015/05/27/7-facts-every-business-should-know-about-millennials/](http://fortune.com/2015/05/27/7-facts-every-business-should-know-about-millennials/)