

Retailing to the arbiters of cool: meet the Millennials

By John Geraci, Vice President of Youth Research, Harris Interactive

As consumers, today's highly influential youth don't just want it all, they've come to expect it all. Yet retailers who want to reach them must connect with their parents as well.

Millennials, today's youth generation, represent an enigma for retailers. They are difficult to reach and understand and, compared to their Baby Boomer parents, their buying power is moderate. Nevertheless, they are a potent economic force. Millennials exert \$233 billion of spending power annually and boast a "power of influence" many times that figure. Youth influence is pervasive: U.S. youth culture is perhaps the country's most significant export, and it is difficult to win over any consumer group if your store isn't seen as appealing to this group.

Millennials also represent the next great consumer generation; they are poised to take the baton from their boomer parents in a few short years. As such, investments made by retailers to connect with Millennials will pay dividends for years to come.

For all these reasons, retailers are justifiably fixated on achieving success with the youth demographic. However, retailers who view youth simply as "mini-adults" are fundamentally missing the mark. As with each generation, Millennials have their own characteristics and values, which must be clearly understood.

Diverse, loyal, and influential

Millennials are diverse – and they appreciate diversity. In North America, 64 percent of today's under-18 population is Caucasian, and that number is expected to decline to 55 percent over the next 20 years. Almost half of children aged 8-18 tell us they have a close friend from a different racial background. Four in five (82%) teenagers tell us they would consider interracial dating. They listen to music from a broad range of genres.

The Millennial generation holds a Ph.D. in consumer savvy, but they are not fickle. In fact, many Harris studies show they can be more loyal to brands and stores than adults – especially to stores that have connected with them. We recently asked a large sample of teenagers to think about their favorite mall store, and

to assume that they went to this store and had a terrible customer experience. Four in five of our teen respondents said that they would still go to this store the next time they visit the mall. They will tolerate mistakes if you have connected to their needs.

Young consumers are also more likely than adults to discuss the pros and cons of visiting your store with their peers. However, their influence extends beyond their own peer groups, as other generations also take style cues from Millennials. Boomers, for example, are not graying gracefully (or at least not willingly); they view themselves as much younger than their true age, and they are influenced heavily by the needs and culture of their children. Boomers agree that trends are sparked among the young and that today's teenager is the arbiter of "cool." This is an important consideration for almost every brand and retailer in America – even those not traditionally thought of as youth-oriented.

From afterthought to primary concern

It is interesting to look at the history of marketing over the past century from a youth marketing perspective. The post-war boom of the 1950's and 60's begat the birth of brand management in the U.S. Advertisers had mass media at their disposal, and there was so much growth that children were an afterthought for most marketers and retailers.

In the 1970's, as many brands began to mature, marketers began to pursue growth by focusing on children. But this was the era of Generation X, a group that was individualistic, untrusting, and pessimistic, and who grew up with the parent at the top of the household organization chart. In that parent-centric world, marketing to children was really accomplished by marketing to their moms.

All this has changed in the past 20 years. The children of the 1980s and 90s – the Millennials – were born during the longest economic boom in history. "Baby on Board" signs started appearing in mini-vans – vehicles parents disliked but → page 20



bought for the protection of their children. Kids became cherished and sheltered by adults, empowered and confident. Yet youth were also respectful of authority and structure; typically, they looked to their parents as role models and even heroes. Children rose to the apex of the family organization chart, became consumers, and gained tremendous economic power.

As a result, while companies, universities, advertisers are now clamoring over themselves to compete for Millennials' attention, many marketers have concentrated on youth to the *exclusion* of parents, believing that marketing to the two groups at once will mean failing with both.

This isn't quite right, and successful youth marketing isn't quite so simple. These days, kids and their parents form collaborative decision-making units, and they work together to make shopping decisions in a complex way. Marketers who want to be successful with youth must also be successful with their parents. Retailers must not only engage today's young consumers but also guide them to intelligent buying decisions that their parents will approve of.

Millennials thrive in a next-generation, digital world, in which a cacophony of advertising media is vying for their attention. How can a retailer cut through this clutter?

The simple answer is: *be relevant*. Teens constantly tell us in focus groups that they want brands to "be real" – not pretentious. Millennials don't want retailers and products to try to make them something they are not. In this sense, their tastes can be surprisingly conservative. Yet, paradoxically, they want to stand out. As the saying goes, a teen wants to be different, just like everybody else.



John Geraci is responsible for all survey research conducted by Harris Interactive among parents, kids, teens, and young adults, as well as on education and parenting issues. He has overseen more than one and a half million interviews on behalf of organizations that target the Millennial demographic.

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