



DIGITAL MARKETING: UNDERSTANDING THE MILLENNIAL CONSUMER



Marketing to millennials (roughly speaking people born between 1980 and 2000) is famously challenging. They're known to be budget-conscious, sceptical - and way ahead of the game when it comes to technology. Variously known as 'foodies', the 'me' generation, and the 'always on' generation they can be difficult to get to know.

However, it's worth the effort. Millennials now make up over a quarter of the UK population, and are coming into their own when it comes to spending power, representing an incredible e-commerce opportunity for brands and retailers.¹ So now's the time to make your marketing millennial-friendly!

This eBook looks at how to integrate millennials into your digital marketing strategy and capture them as consumers.

OFFER MILLENNIALS A SEAMLESS M-COMMERCE EXPERIENCE

Millennials use mobile for everything from social media and chat, to online research and purchasing. This behaviour makes it essential for brands and retailers to be accessible on mobile and offer a consistent, user-friendly experience. Responsive design is a must, so make sure you offer the best layouts and resolutions.

Mobile payment is also getting increasingly popular, especially among the younger generation. Forrester Research expect the value of mobile transactions in the EU to increase almost threefold in the next five years - from \$52 billion at the end of 2015 to \$148 billion by 2021.² Much of this has been instigated by increasing consumer awareness - and retailer interest - in mobile payment options.

New standards in mobile payment technology, for example the transformation of mobiles into handheld wallets are becoming the norm. So unless you can provide millennials with streamlined, user friendly systems and processes, they could disengage and buy elsewhere.

CHATBOTS AND AI: A LIKELY PROSPECT?

The main obstacle to an even greater uptake of sales over mobile is screen size. According to Capgemini's Unadkat report, AI and chatbots should be key areas for retailers to focus on, in order to help eliminate their mobile shoppers' pain points.³ For example, by being an early adopter of voice capabilities, you can save shoppers having to manually type in names, payment credentials and shipping information – and encourage them to convert from browsers into mobile buyers.



¹ <http://www.thisisinkling.com/inklingreports/2016/1/21/inkling-report-no-1-uk-millennials>

² <https://www.emarketer.com/Article/Personal-Mobile-Payments-on-Rise-Europe/1015592?ecid=NL1002>

³ <https://www.uk.capgemini.com/news/uk-news/imrg-capgemini-e-retail-sales-index-uk-online-sales-exceed-ps130-billion-in-2016>

MAKE USE OF CUSTOMER DATA TO PERSONALISE AND BOOST LOYALTY

Use customer data wisely to ensure you're creating a more personalised experience; looking at what customers bought, where they bought - and their motivation to convert. Understand your younger customers' preferences and make recommendations. Make them feel valued to create loyalty.

Then reward customers for their loyalty. Studies have also shown that millennials are especially loyal and 78%⁴ more likely to choose a brand that offers a loyalty or rewards program over one that doesn't.⁵

SHARE BECAUSE YOU CARE

Millennials are all about social networks like Snapchat, Facebook and Instagram. UK millennials are particularly fond of Facebook – over 90% of them are on there, while Instagram reaches 60% of this demographic.⁶ They love to share content, being almost four times as likely to share content on social networks as other generations - and they're twice as likely to click on content shared by peers.⁷ Use this free word-of-mouth advertising to its best advantage by creating social media content that offers readers value and emotional benefits.

Track popular items pinned on the social network Pinterest, and display them as 'top pinned' items with your logo. Incorporate social feedback into the shopping experience and take the lead from the customer to ensure you're aligned with what they want. These visually-oriented social networks contain images of billions of products shared by members looking for inspiration and ideas – so needless-to-say, make sure your images 'pop' on social.

A LITTLE MORE CONVERSATION

Not only do they love to share with peers but one in three millennials say social media is a preferred channel for communicating with businesses.⁸ It's no longer enough to simply have a brand page on Twitter or Facebook – you need to be actively posting relevant questions, asking for opinions and answering queries about products.

Recognise millennials strive for self-expression. Almost 60% of millennials say the brands they buy reflect their style and personality, with 40% paying more for a brand or product that reflects the way they wish to portray themselves.⁹ Encourage consumers to upload their photos, ideas and stories to express this.

⁴ <https://www.digitaldoughnut.com/articles/2016/june/retail-for-millennials>

⁵ http://www.aimia.com/content/dam/aimiawebsite/CaseStudiesWhitepapersResearch/english/Aimia_GenY_US.pdf

⁶ <https://www.comscore.com/Insights/Data-Mine/Facebook-retains-Social-Media-crown-for-UK-Millennials>

⁷ <https://www.channeladvisor.co.uk/blog/industry-trends/millennials-are-more-than-hashtags-understanding-the-demographic/>

⁸ <https://learn.infusionsoft.com/marketing/social-media/best-social-media-marketing-stats-and-facts/>

⁹ https://www.bcgperspectives.com/content/articles/marketing_center_consumer_customer_insight_how_millennials_changing_marketing_forever/?chapter=3



Add social media influencers to your networking circle. These trusted voices can help you share your brand message with a wider audience.

If you're not sure about the best social networks for your brand use a social media monitoring tool to find people who will potentially be interested in your products. For example if you sell vegetarian food, find mentions about vegetarianism in social media and invite authors personally. Always reply to mentions about your brand.

THINK CREATIVELY TO BUILD A STRONG RELATIONSHIP

Millennials still visit brick and mortar stores, and when they're instore they generally have their phones with them. According to the DMA 80% of millennials use their phones in retail outlets as part of their purchase process - using social media in real time, they're posting pics of their whereabouts and purchases.¹⁰ This affords you instant social traction - in real-time, providing you with plenty of opportunities to target them and affect their purchases. Get creative - ensure your stores evolve into top entertainment spots and encourage like-minds to gather together - it's a great opportunity to engage with this target group.

Millennials love traditional experiences too, with three quarters of them opting for an experience or event over buying something desirable - and they're particularly motivated by movies and dining.¹¹ Get creative with your marketing - for example, sponsor live events, offer deals and contests, and turn shopping into a fun experience.

KEEP YOUR ONLINE REPUTATION IN GOOD ORDER

Keep your online reputation squeaky-clean. 80% of millennials won't buy a hairspray without reading 10 reviews online first.¹² They do their research thoroughly, and when they're faced with the decision of whether to buy from a brand-name with a poor reputation compared with one with glowing reviews - they'll opt for the latter every time.

Earn your good reviews by offering superior customer service - including making it easy to return items. And always encourage customers to write reviews.

Millennial shoppers like most online shoppers, have strong views around delivery. For this read 'immediate delivery'. They also demand efficiency and the ability to track online orders. Entice them to buy by offering free delivery, because free shipping is a key reason many people shop online.¹³



¹⁰ <http://www.itproportal.com/features/the-changing-face-of-the-shopper/>

¹¹ <http://www.socialmediatoday.com/marketing/marketing-millennials-2017-5-things-change-your-business>

¹² <http://www.socialmediatoday.com/marketing/marketing-millennials-2017-5-things-change-your-business>

¹³ <http://marketingland.com/e-commerce-report-9-10-consumers-say-free-shipping-no-1-incentive-shop-online-180280>

ADVERTISE BUT DO IT RELEVANTLY

Don't show millennials irrelevant ads. A recent survey of UK internet users aged 16 to 49 found that the majority skip ads whenever they can.¹⁴ Try out Remarketing Lists for Shopping Ads (RLSAs) to capture past visitors to your site – showing them targeted ads based on the pages shoppers have browsed. These ads connect with people while they're actively searching for your keywords online, giving you a better chance of capturing their attention and driving them back to your website.

Use comparison shopping engines to put your best priced items head-to-head with your competitors' products: Google Shopping, PriceGrabber, Yahoo, Shopzilla, Comparethemarket, GoCompare and more!

And advertise on mobile. Search ad revenue from mobile is escalating and has already surpassed desktop search revenue.



THINK TECHNOLOGY-FIRST

Tech savvy millennials are 2.5 times more likely to be early adopters of new technology.¹⁵ They're plugged in and constantly disrupting traditional purchasing patterns.

Millennials think technology is a good thing and that it's their enhanced relationships, with 73% saying it's given them a better work/life balance.¹⁶ And where millennials lead, others will follow.

A recent survey by Time magazine showed that millennials switch devices (TV, tablet, laptop, and phone) on average 27 times during a non-working hour.¹⁷ So, use every way possible to reach them. Think omnichannel and give them a seamless experience across multiple channels. Personalise messages, and tailor services in real time based on analytics and modelling. Engage proactively to up-sell and cross sell, and automate transactions and processes wherever you can.



¹⁴ <https://www.emarketer.com/Article/Heres-How-UK-Internet-Users-Deal-with-Adst-Aint-Pretty/1015587?ecid=NL1002>

¹⁵ <http://www.mbymontcalm.co.uk/blog/will-millennial-shopping-habits-affect-future-behaviours/>

¹⁶ <https://www.ypulse.com/>

¹⁷ <https://contact-centres.com/imimobile-demystifying-customer-service-for-the-millennial-customer/>

DON'T UNDERESTIMATE THE BUYING POWER OF THE MILLENNIAL GENERATION

Millennials' buying power looks set to surpass that of all generations before them, and retailers will need to work hard to meet their demands. They're influencing trends and redefining buying habits - and it's a case of adapt - or lose out. So be creative, communicate on a one-to one basis and take full advantage of all the opportunities presented by social media. If you do, there's every chance millennials will respond to your efforts.

We hope you found this eBook useful. If you'd like help in identifying how your business could better connect with millennials contact us at UKteam@ChannelAdvisor.co.uk. We're also on hand with advice on all aspects of your digital marketing activity – and for regular updates direct to your inbox on all things e-commerce why not subscribe to our newsletter?



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