Five Things to Keep in Mind About Millennial Shoppers in 2018
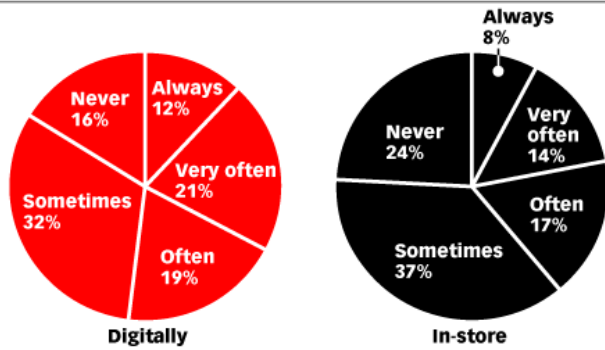
Millennial preferences and spending habits have disrupted virtually every aspect of the retail sector. Here's a roadmap for attracting and retaining millennial customers, in five charts.

No. 1: They Like a Discount

If there's a coupon out there, millennials will find it. And discounts definitely impact the way they shop. November 2017 data from CouponFollow found that more than eight in 10 millennials surveyed said they used coupon codes when shopping online—and they used them often. Separate data from YouGov mirrors CouponFollow's findings. YouGov revealed that nearly a third (34%) of respondents look for online coupons on a weekly basis, and another 40% do so with print coupons. But, millennials aren't just looking for a discount for a pair of shoes they like. They're also looking for deals on restaurants too.

Frequency with Which US Millennial Internet Users Use Coupons When Shopping Digitally vs. In-Store, Nov 2017

% of respondents

Digitally
- Never 16%
- Always 12%
- Very often 21%
- Often 19%
- Sometimes 32%

In-store
- Always 8%
- Very often 14%
- Often 17%
- Sometimes 37%
- Never 24%

Note: ages 20-35
Source: CouponFollow, "Millennial Money Report: Shopping, Spending and Saving," Dec 5, 2017

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No. 2: Don't Call Them Cheap—They Want to Spend

While deals are constantly on the horizon for many millennials, they're also spenders when it comes to certain purchases. An August Bankrate.com survey, conducted by Princeton Survey Research Associates International, found that nearly seven in 10 younger millennials would be very likely to purchase at least one big-ticket item —including furniture, a computer or a large home appliance—by the end of the year. And separate research from Deloitte looking at millennials and luxury purchases found that many of these young consumers report several triggers that motivate them to make a luxury purchase, like a big payday or even when they're feeling a bit low.

Primary Way in Which Young Adult Internet Users in Select Countries Research High-End Fashion/Luxury Items, 2017

% of respondents

	Italy	China	US	UK	Total
Social media	21.5%	15.0%	23.1%	21.8%	20.5%
A brand's website	13.7%	18.3%	12.4%	15.7%	15.1%
Fashion magazines	14.0%	17.6%	14.3%	12.4%	14.4%
Fashion websites	14.2%	16.4%	12.5%	13.0%	13.9%
Celebrities	13.4%	10.8%	13.0%	10.8%	11.9%
Friends/family	8.4%	6.8%	12.3%	12.7%	10.3%
Blogs/vlogs	10.5%	6.6%	8.5%	10.0%	8.9%
Catwalk videos	3.9%	8.5%	2.6%	3.3%	4.5%
Other	0.4%	-	1.2%	0.4%	0.5%

Note: ages 20-30; numbers may not total 100% due to rounding
*Source: Deloitte, "Bling it On: What Makes Millennials Spend More?" July 5, 2017*

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No. 3: They're All for Tech and Its Convergence with Retail

Artificial intelligence, chatbots, big data? If it elevates the retail experience, then millennials are all about it. A survey Salesforce conducted earlier this year gauged how consumers felt about shopping-related technologies that help streamline the retail experience. For the most part they were for it, especially if they were able to receive personalized offers based on their purchasing history. In general, millennials were more optimistic about retail technology capabilities than their older cohorts. And let's be honest, if anyone is going to buy something directly from a chatbot, it's millennials.

Likelihood that US Millennial Internet Users Would Purchase Products/Services from Brands Using a Chatbot, Dec 2016
% of respondents

Not interested
14%

Neutral
19%

Likely
67%
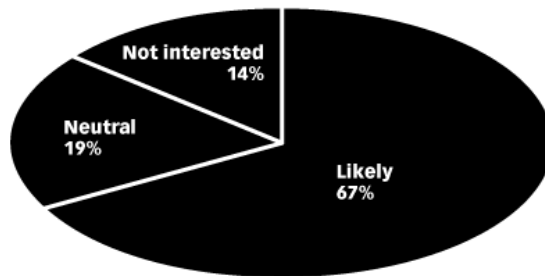
Note: n=500 ages 18-34
Source: Retale, Feb 21, 2017

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No. 4: Avocados for Avocado Toast? Add to Cart

A study from food industry firm Food Marketing Institute (FMI) reveals that out of all age groups, millennials are most willing to use online-only stores for their grocery needs. More than four in 10 millennials said they shopped this way at least occasionally—that's a rate almost 80% higher than in 2015. In contrast—and unsurprisingly—older consumers, those ages 53 and older, were less likely to shop this way. Similarly, a Morning Consult survey found that younger people are considerably more likely to use an online grocery delivery service.
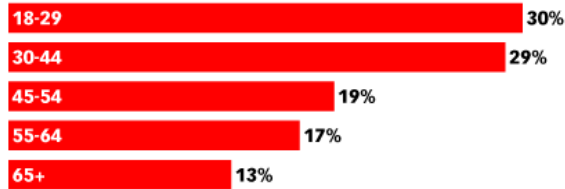
US Internet Users Who Have Used an Online Retailer*
for At-Home Grocery Delivery, by Demographic,
June 2017
% of respondents in each group

Gender

Male	27%
Female	18%

Age

18-29	30%
30-44	29%
45-54	19%
55-64	17%
65+	13%

Race/ethnicity

White	21%
Hispanic	37%
Black	26%
Other	30%

*Note: *e.g., Amazon Fresh, FreshDirect, Peapod*
Source: Morning Consult, June 27, 2017
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No. 5: It All Comes Down to Convenience

Whether it's subscribing to a meal-kit subscription service to receive a prepared meal, buying something online and having the option to return it whichever way is easiest, or being able to scan their own products in-store and then pay via an app, making sure the path to purchase—as well as the post-purchase experience—is seamless is important to keeping this demographic happy.

US Internet Users Who Subscribe to a Meal-Kit
Delivery Service, by Age, July 2017
% of respondents in each group

18-34	24%
35+	14%
Total (18+)	16%

Note: n=1,314
Source: Fluent LLC, "There's a Box for That: From Meal Kits to Makeup,
Subscription Services Face High Hurdles," Aug 17, 2017
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