

Consumer Behaviour of the Millennial Generation

Luís Simões¹, Luís Borges Gouveia²

¹PhD Student (Information Science), Fernando Pessoa University (lismoes@ufp.pt)

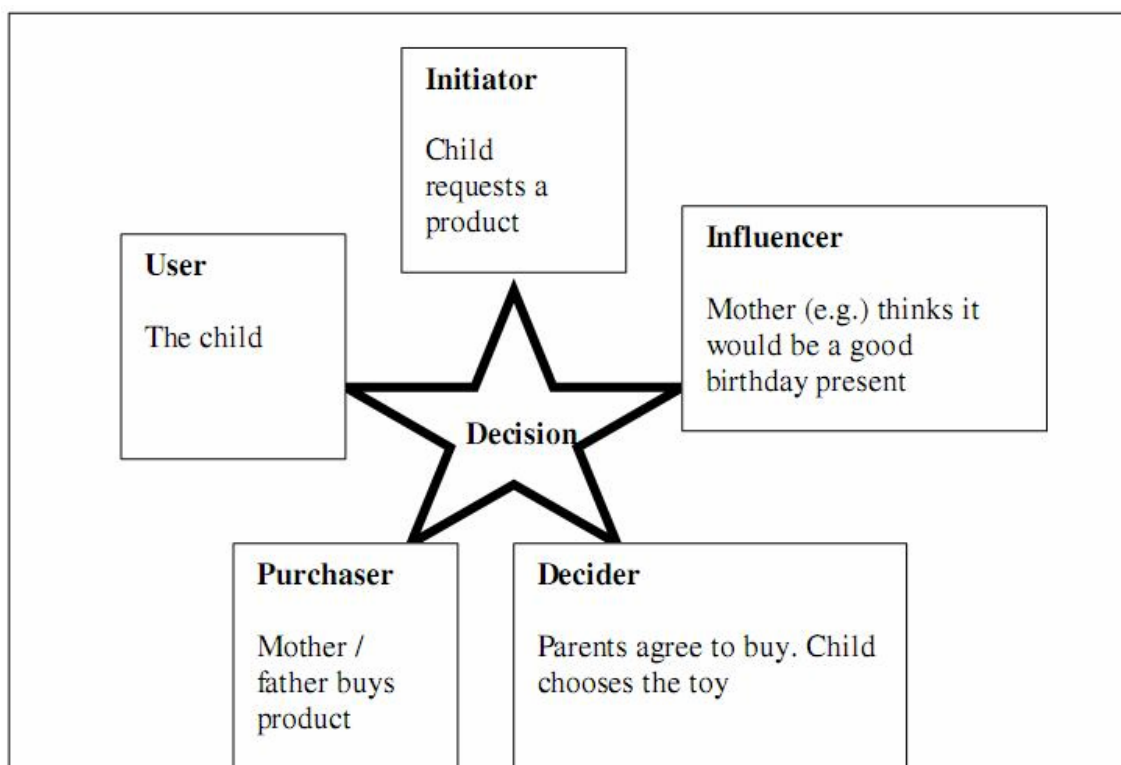
²Associate Professor, Fernando Pessoa University (lmbg@ufp.pt)

In this paper we present an integrative view of Millennials' consumer behaviour. After applying some classical models based on the traditional "information-processing paradigm", we concluded that only a framework that takes into account the impact of the culture and lifestyle surrounding Millennials is useful to derive guidelines on how to make successful advertising campaigns aimed at this population. The paper concludes with some recommendations on how to be able to reach this segment of consumers.

I. Millennials as Consumers

Advertisements targeting children and adolescents tend to have a profound impact on this population. Brands try to obtain lifelong loyalties by connecting with teens that will thereafter develop strong identity feelings with those brands.

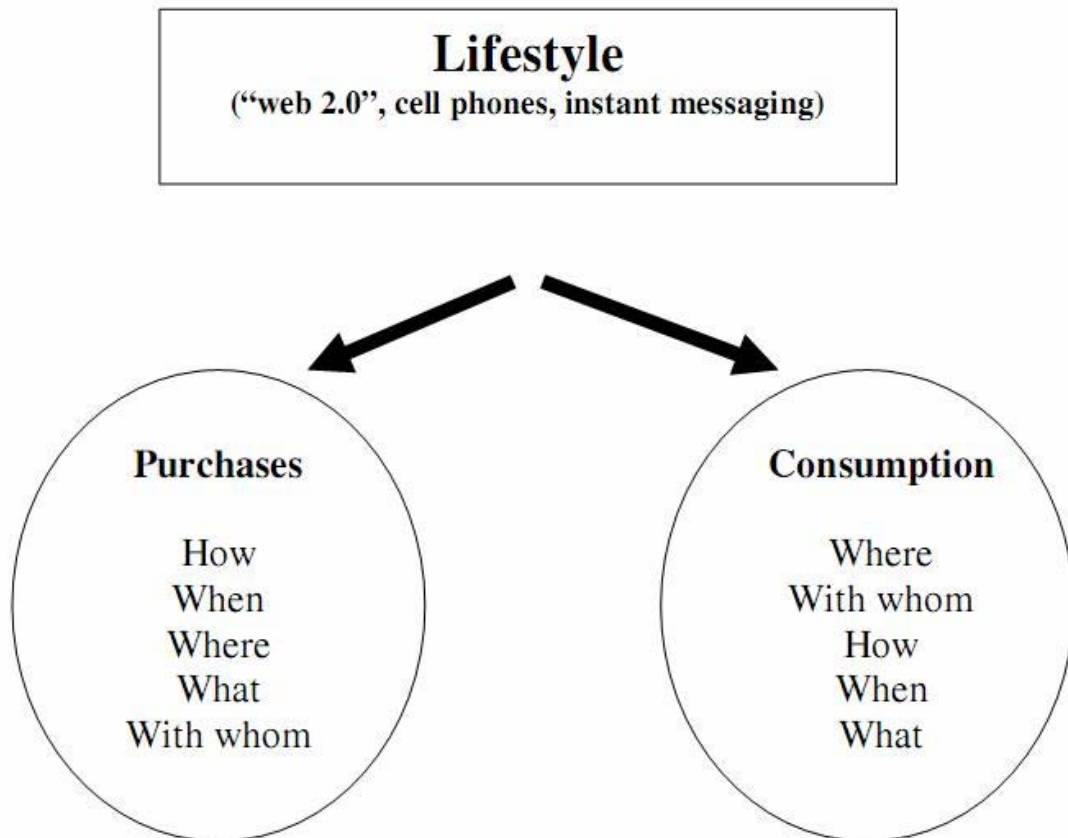
In a study carried out in 1999, with 5-9 year-old students in Dutch schools it was found that 52% of the children referred brand names when asked what gifts they wanted for Christmas (McNeal, 1999). In another study it was also found that the child's first request for a product occurs at about the age of 2. The context where this request is likely to appear is the supermarket. The most frequently requested product is breakfast cereal (47%). Toys appear further below the list of frequent requests (21%). What is particularly interesting is that even at this young age, requests are often for a particular product of a specific brand name (McNeal, 1999). These kids have grown to become today's adolescents and junior college students, and they are good representatives of the Millennial Generation's attitude towards consumption. A model of family purchase roles is presented on Picture 1.



Picture 1. Family roles in the purchase process [Kotler, P., 2000, Marketing management, Millennium edition, U.S.A.: Prentice-Hall, p. 176.]

The “rebel” behaviours and attitudes of adolescents have also become commodities that are captured, and refurbished to them by clever merchandising: the emergence of “radical sports” is a good example of how there is an overlapping between youth culture and the marketed version of that culture (McNeal, 1999).

While the previous generation members (“Generation X”), are considered overall as very techno-savvy, Millennials have been intertwined with the Internet. The Internet has a profound influence in their views of communication, and they became accustomed to the continuous and instantaneous nature of the Web (Russell, 2002). Having used these technologies since childhood, most of Millennials have become accustomed to depending on their laptops, cell phones, instant messaging, e-mail, the web, and interactive media in almost all aspects of their lives. This life-style influences the patterns of consumption that are typical of this generation, as depicted on Picture 2 and Table 1.



Picture 2. Lifestyle and patterns of consumption. [Hawkins, D.I., Best, R.J., Coney, K.A., 2001, Consumer behavior, 8th edition, New York, U.S.A.: McGraw-Hill, p. 436]

Table 1. Lifestyle of Millennials, according to McMahon and Pospisil (2005)

Information Connectedness	Ubiquitous rapid information access, as an integral part of their lives
Multitasking	Millennials perceive themselves as having a need of coordinating several aspects of their lives at once
Focus on Immediacy	This generation manifests a general low tolerance to delays, due to their experiences with fast internet access and powerful personal computers

II. Technology, Lifestyle and the Millennial Generation

Everyday applications of technology are considered to be commonplace and part of Millennials environment and lifestyle, and only new features or gadgets would be considered to be a “technology” by this group. Prensky (2001) refers to this generation of students as “Digital Natives”, since they are native speakers of the “digital language” of computers, the Internet and video games.

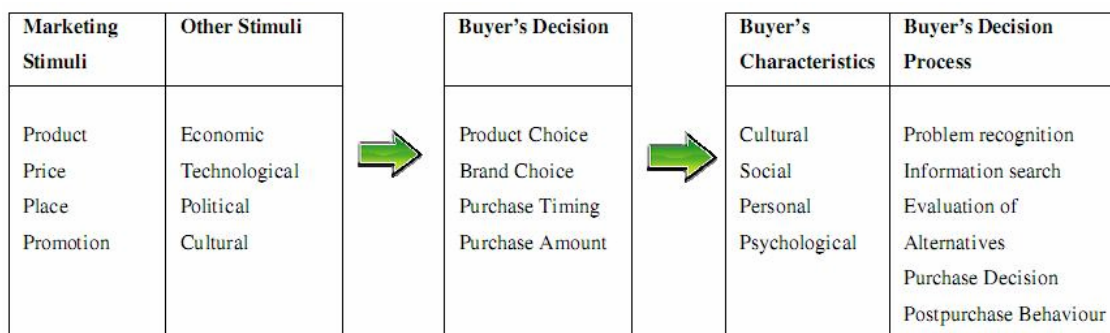
In a 2005 study by McMahon and Pospisil, the lifestyle of millennial students was analysed, by monitoring their use of technology in both the university and social

settings. The students that participated in this pilot study could be characterised as shown in Table 1.

Millennials have adopted new technologies more than any other generation: about 90% of all Europeans aged 15 to 24 have a mobile phone, compared to 75% for all age-groups Europeans Citizens (Pew Research Centre, 2007).

The Internet, and particularly the technologies associated with the “Social Web”, or “Web 2.0” are part of their social lives. Millennials use new technologies to expand their social networks and to maintain contact with their families and friends. For this generation, multi-tasking is a way of life. They live in a world where choice is abundant, and they are always searching for new opportunities, and desire not to miss anything (Pew Research Centre, 2007).

A simple model of consumer behaviour, proposed by Kotler (2000), is presented in Picture 3. In this model several aspects related to stimuli and consumer decision process are integrated. According to this framework, we can understand the consuming behaviour of Millennials as the result of the interplay between marketing (and other) stimuli, buyer’s own characteristics, and the cognitive/affective aspects related to the decision process. Traditional models like this one don’t give much attention to the cultural dimension, but culture is a key element to differentiate consumers belonging to different generations.



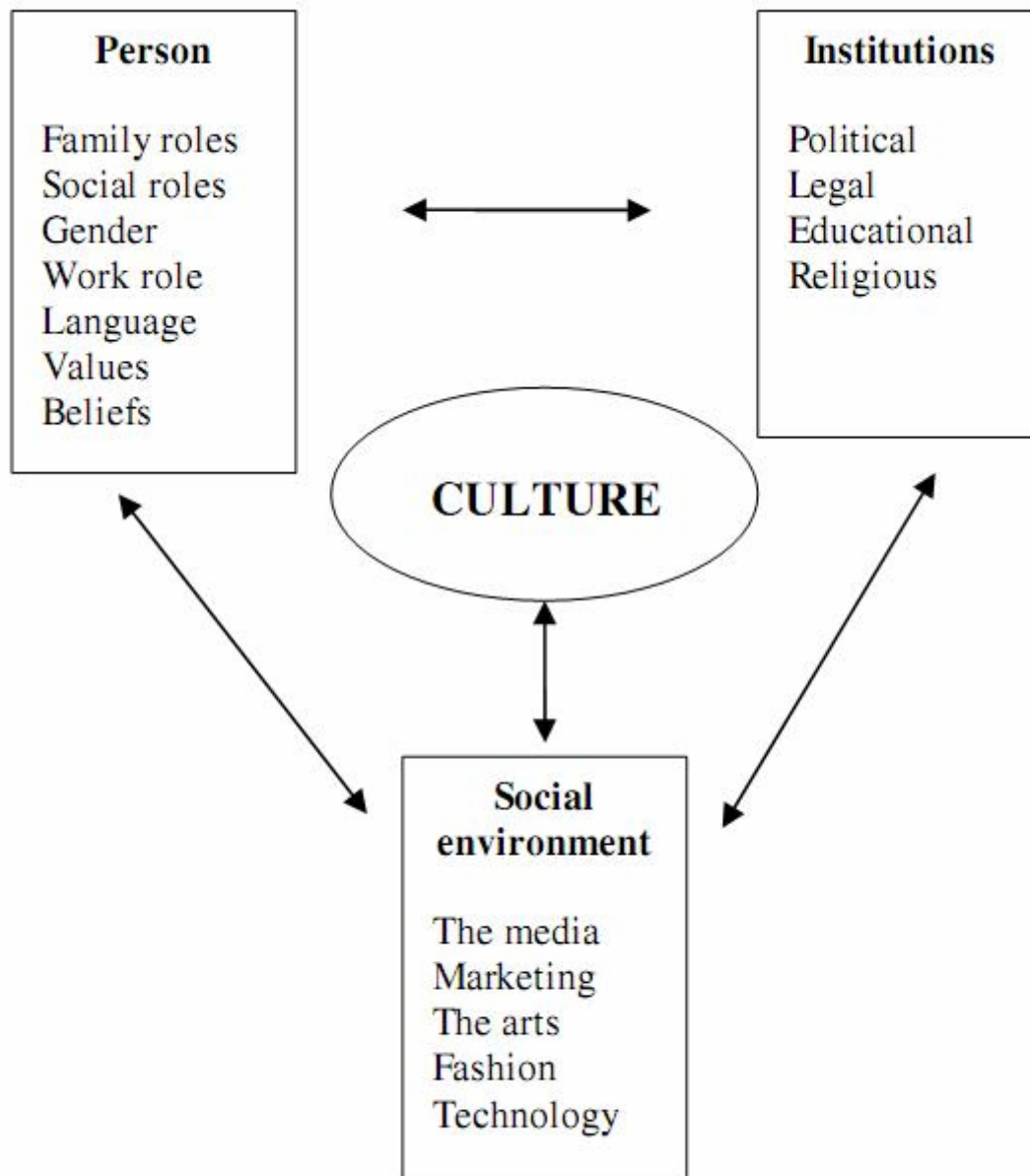
Picture 3. A theoretical model of buyer behaviour [Kotler, P., 2000, Marketing management, Millennium edition, U.S.A.: Prentice-Hall, p. 161.]

III. Cultural and Upbringing Factors of Millennials

In Picture 4, the role of culture as a mediator between personal, social and institutional dimensions is depicted. What cultural factors are worth to emphasise in order to understand this generation? From Howe and Strauss (2003) seminal PhD work on

generational traits, some psychological characteristics can be predicted from both historical patterns that these authors identified in generations going back several hundred years, until at least 16th Century Europe, and from the verifiable traits associated with the people that are raising them, namely late Boomers (born 1946-1964) and early Generation X (born 1965-1980). According to Howe and Strauss (2003):

- 1) Millennials were protected by their parents (and Society as a whole), from the problems that the previous generations encountered. There never was a generation more protected, from TV signs to parental control, through “Baby on Board” on cars, special seats and regulations addressing child safety and welfare.
- 2) This generation is found to be more civic-minded, and team oriented, easily engaging in activities with their peers (somewhat contrary to the “Army of One” philosophy of previous Generation X).
- 3) It is expected that Millennials will bring a new emphasis on courtesy in social relations. This can have a huge impact on how people interact online, and on what is considered to be acceptable behaviour in the Internet (and other media).
- 4) Class, arising from wealth, is predicted, by these authors, to rise above gender or race as a differentiation factor in group formation.
- 5) Millennials are expected to start reverse the tendency to late marriage and later childbirth.
- 6) Young workers will demand that employers adjust to their needs and characteristics.
- 7) They will not be prone to sacrifice family for career.
- 8) Millennials generally want to live a less stressful life.
- 9) Older employees will question their creativity, although Millennials skills, confidence and team-oriented spirit will be admired in the workplace.
- 10) Technology will be used as a mean of social homogenization, instead of a way of individual differentiation. The main goal of technology is to reach others, in order to communicate with other people.
- 11) Generation X was best addressed by niche brands, but big brands are expected to return to the youth marker, since broader scoped brands are more prone to be accepted by Millennials than they were by their older counterparts.



Picture 4. Culture as a core mediator in the interplay between personal, institutional and social dimensions. [Adapted from Brassington, F., Pettitt, S., 1997, *Principles of Marketing*, Great Britain: Pitman Publishing, p. 111]

IV. Conclusion and recommendations

Independently of whether one agrees with “generational traits” theories like the one presented by Howe and Strauss (2003), it is nevertheless interesting to verify that the description these authors give from Millennials allows to understand some

recommendations that are being made from market researchers to advertisers that want to target this population.

In order to conclude this paper with some useful information that is based on the theories and ideas exposed so far, we will present the recommendations of two respected entities (HarrisInteractive, Inc, 2000 and Los Alamos Chamber of Commerce, 2006) on how to reach young audiences. According to the research from these institutions:

- 1) Advertising can take advantage of the spirit of volunteerism typically found in Millennials: campaigns can be built upon the urge that young people manifest in making direct and meaningful connections with the surrounding community.
- 2) Millennials are much more prone to be influenced by peer-to-peer networks than by “push advertising”: this generation has grown immersed in advertisements, and use their nearer social references as a guide on what products are really important to them.
- 3) It is important to bring people together: people of this generation have a growing sense that they can spark change, and the power is shifting rapidly from big companies to consumers, “armed” with the new communication technologies.
- 4) Young consumers may not recall successful pitches from the past: instead of trying to reinvent new creative angles, sometimes a tested classic is better (even though the same campaign wouldn’t result with their parents, because for them the message has lost its originality).
- 5) Young people must be treated with respect: they appreciate smart and unusual marketing campaigns. They have to see a true benefit of purchasing the product before spending their money.
- 6) Humour tends to work. It’s a hard job to make a good funny line, but if it works, it can be a very strong catalyser on a marketing campaign. It’s very important, though, that the brand also gets remembered and not just the funny line.
- 7) Although Millennials are described by older people as being rather “conservative”, in relation to how those people behaved when they were young, it is very important for an advertiser to understand that just because Millennials question less their parents values than previous generation, that doesn’t mean that they are not “rebellious” as consumers: young people seek novelty, and they are less tied to the past. They are also rebellious, but in their unique way.

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