



Baby boomers rely on discounts more than cash-strapped millennials do

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Perpetual discounting in department stores is seeping into Americans’ psyche — and it’s impacting one group of shoppers in particular.

The vast majority of baby boomers expect some level of discount before they’ll consider making a purchase, according to new research by First Insight.

More than 70 percent of baby boomers told the firm they “definitely” or “probably” would not pay full price for smartphones, home appliances, furniture or automobiles. That number jumped to 80 percent for home electronics.

By comparison, less than half of the millennials surveyed by First Insight said they would “definitely not” or “probably not” pay full price for vehicles, furniture, home appliances or home electronics. Only 35 percent said they’d be less likely to buy a smartphone without a discount.



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First Insight, a technology company that helps retailers select the optimal price for their products, will release the results of its study Monday morning at the ShopTalk conference in Las Vegas.

“There is a sense of value from a millennial’s perspective, but when they value something they’re willing to pay the price for it,” First Insight CEO Greg Petro told CNBC.

Millennials define value in a different way than boomers do, Petro said. While they seek bargains at off-price and other low-price chains, they’re comfortable paying full price for unique items. Those could include one-off products they find on crowdfunding websites like Kickstarter, or fashion from on-trend brands like Rebecca Minkoff, Petro said.

The fact that they shop less frequently in department stores could also play a role, he said. In total, roughly 90 percent of consumers said discounts at those retailers and mass merchants “significantly” or “somewhat” influenced their expectation for discounts when buying home electronics, home appliances or furniture.

There was no noticeable deviation between the prices that male and female shoppers were willing to pay, First Insight found.

The company pulled its results from a March survey of 750 shoppers, split evenly between baby boomers, Gen Xers and millennials.