

# THE STATE OF CONSUMER SPENDING:

Millennials Flexing their Retail  
Market Influence in U.S. and U.K.



MAY 2019

# THE STATE OF CONSUMER SPENDING:

## Millennials Flexing their Retail Market Influence in U.S. and U.K.

First Insight conducted a consumer study in the U.S. and the U.K. on shopping habits, purchase behavior and influences driving purchase decisions. The results point to the growing power of Millennial shoppers, as their behavior contributes to the success and longevity of several retail models.

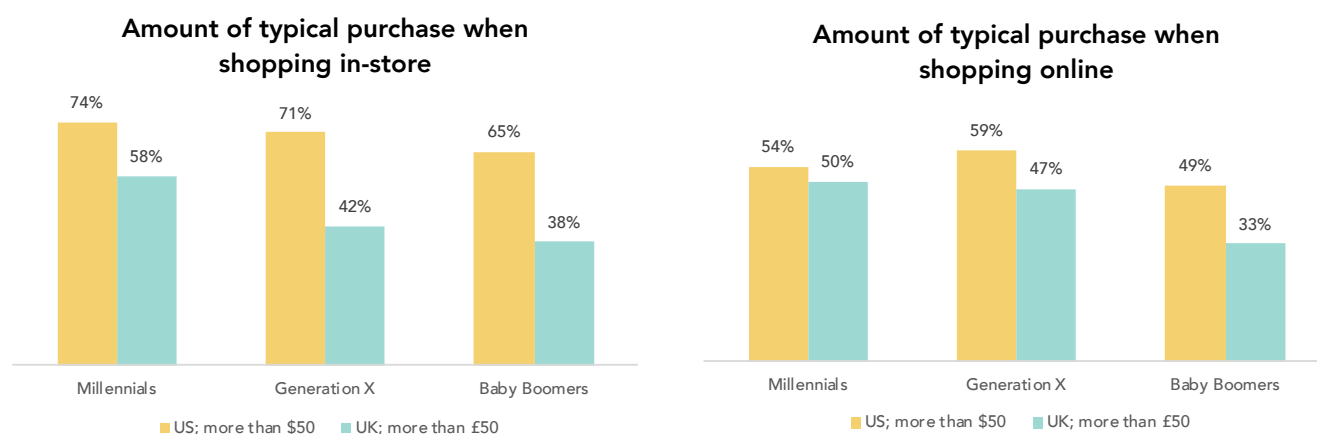
The study found that:

1. Millennials are currently the biggest spenders per visit both in-store and online in the U.S. and U.K.
2. Millennials are the most impulsive purchasers and more likely to add unplanned items to their carts than other generations in the U.S. and U.K.
3. The spending gap between online purchases and in-store purchases is much smaller in the U.K. than in the U.S.
4. Millennials are currently using subscription box services the most in both the U.S. and the U.K. with more planning to subscribe in the coming year than other generations.
5. Fewer U.K. than U.S. shoppers overall plan to use subscription boxes in the next six months.
6. Millennials are the most likely generation to “flex,” or display brands to show a personal association with the brand, across every brand category in both the U.S. and the U.K.
7. Both U.S. and U.K. shoppers prefer to flex sports brands over luxury brands.

First Insight’s findings are based on the results of a U.S. consumer study of a targeted sample of more than 1,000 respondents fielded in February 2019, and a similar study of 565 respondents in the U.K. fielded in April 2019. The study was completed through proprietary sample sources among panels who participate in online surveys.

First Insight is the world’s leading customer-centric merchandising platform that empowers retailers and brands to incorporate the Voice of the Customer into the design, pricing, planning, and marketing of new products. Through the use of online consumer engagement, the First Insight solution gathers real-time consumer data and applies predictive analytic models to create actionable insights, which drive measurable value.

### Millennials Most Likely to Spend the Most Per Visit In-Store and Online in the U.S. and U.K.

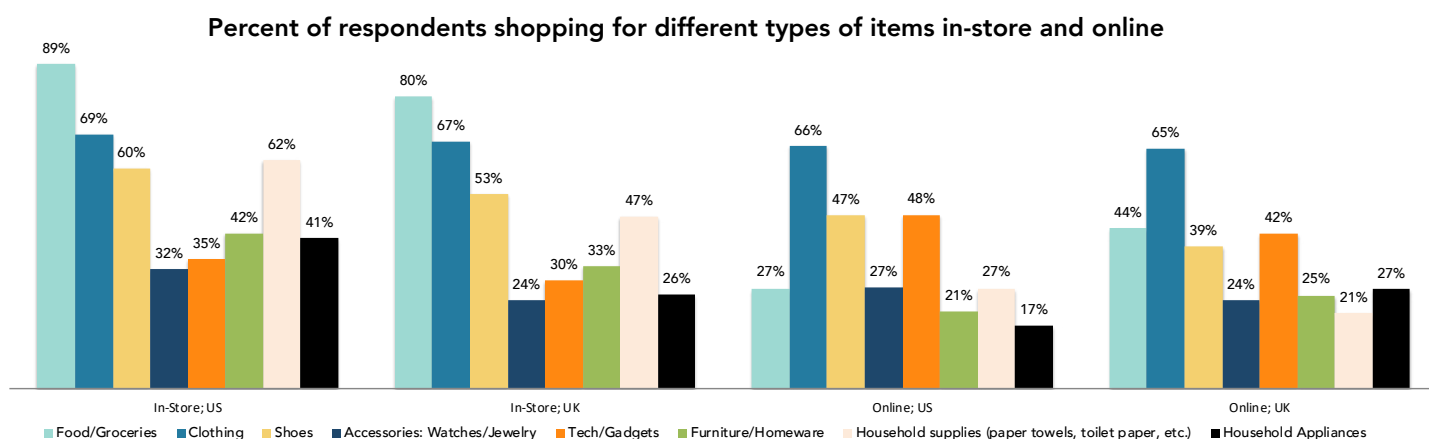


According to the study, Millennials surveyed in both the U.S. (74 percent) as well as the U.K. (58 percent) were most likely to spend more than \$50/£50 per visit in-store as well as online. This compares to 71 percent of Generation X and 65 percent of Baby Boomers in the U.S., and 42 percent of Generation X and 38 percent of Baby Boomers in the U.K.

Similarly, Millennials in the U.K. are also spending more than other generations online, as 50 percent of those surveyed spend more than £50 per visit, compared to 47 percent of Generation X and 33 percent of Baby Boomers. In the U.S., while Generation X shoppers are most likely to spend more than \$50 when shopping online (59%), more than half of Millennials (54%) are spending as much, followed by Baby Boomers (49%).

## The Gap Between In-Store and Online Shopping is Closing Faster in the U.K. Versus the U.S. Across Most Categories.

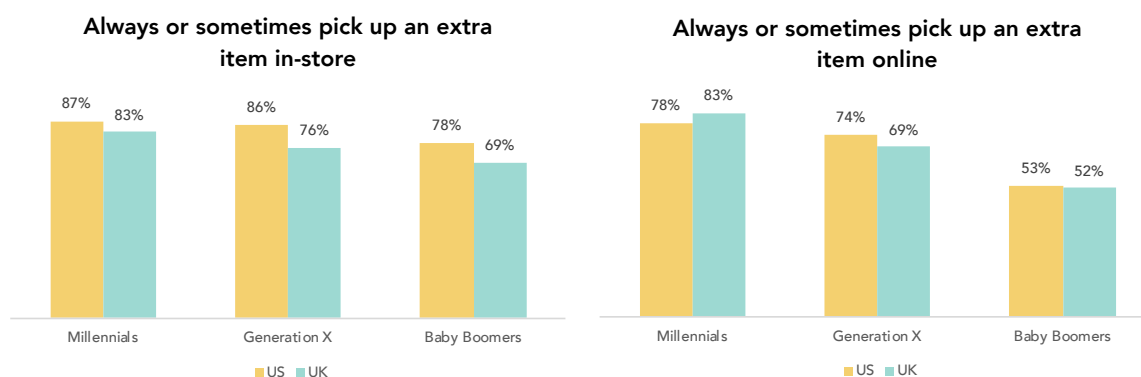
With the exception of clothing where in-store and online shopping is happening almost equally in both the U.S. and the U.K., the gap between online purchases and in-store purchases is much smaller in the U.K. than in the U.S. according to the study.



For example, in the U.S., over 3 times more respondents shop in-store for groceries than online (89 percent versus 27 percent), whereas in the U.K., the difference is much slimmer (80 percent versus 44 percent). In household appliances, more than twice as many U.S. respondents prefer to shop in-store than online (41 percent compared to 17 percent), versus U.K. shoppers who purchase appliances online versus in-store almost equally. A similar trend can be seen when considering the furniture and houseware category. Where twice as many U.S. consumers prefer to shop for these goods in-store (42 percent versus 21 percent), only 8 percent more respondents in the U.K. shop for these items in-store.

## Millennials Impulse Shopping More than Other Generations in Both U.S. and U.K.

In both the U.S. and the U.K., by generation, Millennials have the highest added-to-cart percentage rates both in-store and online. In the U.S., 87 percent of Millennials said they sometimes or always add items to their carts they weren't planning to buy when shopping in-store. This compares to 86 percent and 78 percent of Generation X and Baby Boomer respondents, respectively. U.K. respondents mirrored these responses closely, as 83 percent of Millennials said the same, followed by 76 percent of Generation X and 69 percent of Baby Boomers.



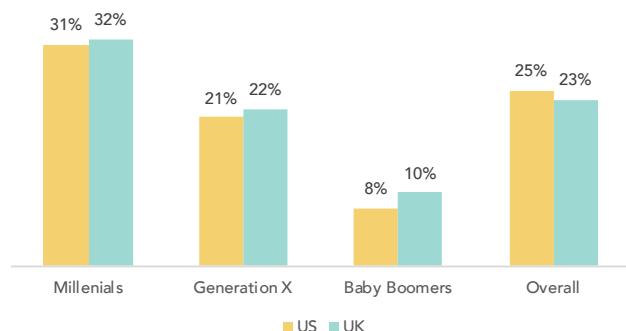
# THE STATE OF CONSUMER SPENDING:

## Millennials Flexing their Retail Market Influence in U.S. and U.K.

When shopping online, U.K. Millennials are actually more likely to sometimes or always add items to their carts (83 percent) compared to Millennials in the U.S. (78 percent). However, Millennials both from the U.S. and the U.K. far outpace other generations in their respective country. In the U.K., 69 percent of Generation X and 52 percent of Baby Boomers surveyed said they add items to their cart when shopping online. In the U.S., 74 percent of Generation X and 53 percent of Baby Boomers said the same.

### Millennials Biggest Users of Subscription Box Services in the U.S. and the U.K., but Far Fewer Respondents Overall Plan to Subscribe in U.K.

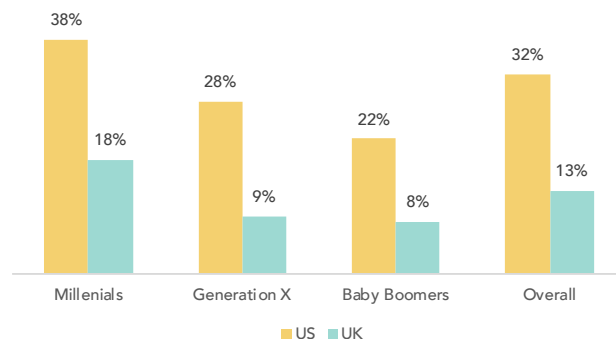
Currently subscribe to at least one subscription box



Data around current usage of subscription box services are fairly similar when comparing the U.S. to the U.K., driven primarily by Millennial adoption. Twenty-five percent of respondents in the U.S. and 23 percent in the U.K. currently utilize subscription services. This is driven primarily by Millennials in both countries, as 31 percent of Millennials currently use to subscription boxes in the U.S. versus 21 percent and 8 percent of Generation X and Baby Boomers, respectively. In the U.K., 32 percent of Millennials versus 22 percent of Generation X and 10 percent of Baby Boomers are currently subscribers.

However, when considering longevity of the subscription box model, the data reflect a significant difference between U.K. and U.S. shoppers. While in the U.S., 32 percent of study participants intend to subscribe in the next six months, only 13 percent of U.K. respondents said the same. When looking at generational breakdowns, 38 percent of Millennials, 28 percent of Generation X and 22 percent of Baby Boomers in the U.S. plan to subscribe in the next six months. This is significantly more than U.K. respondents, where only 18 percent of Millennials, 9 percent of Generation X and 8 percent of Baby Boomers plan to subscribe.

Intend to try a subscription box in next six months



Of note, significantly more U.K. respondents said they “never subscribed” to subscription boxes than those in the U.S. Forty-nine percent of U.K. Millennials, 63 percent of Generation X and 84 percent of Baby Boomers reported they never subscribed to a subscription box service. In the U.S., however, 33 percent of Millennials, 48 percent of Generation X and 64 percent of Baby Boomers said that they have never subscribed.

### Both U.S. and U.K. Shoppers Prefer to Flex Sports Brands Over Luxury Brands, with Millennials Flexing Most Often

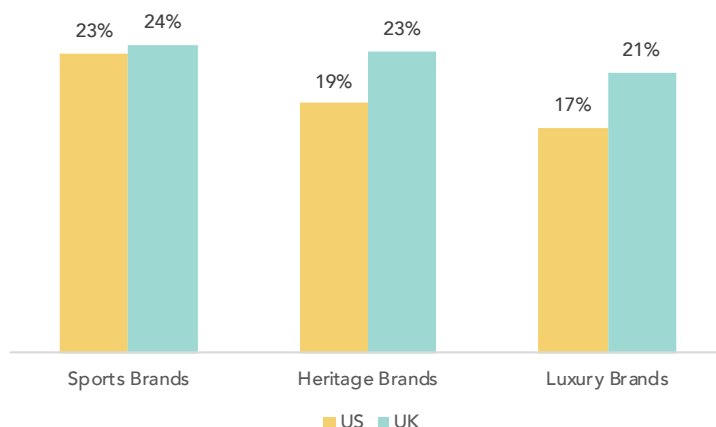
The study also examined which types of brands are being “flexed” most. Flexing is to wear or display brands to show a personal association with the brand. This can be done to display wealth or status or to make a statement. While the assumption may be that most consumers prefer to

personally associate with luxury brands, the study found that sports brands are actually the most popular for flexing in both the U.S. and U.K., with Millennials the most likely to flex all brands across every category.

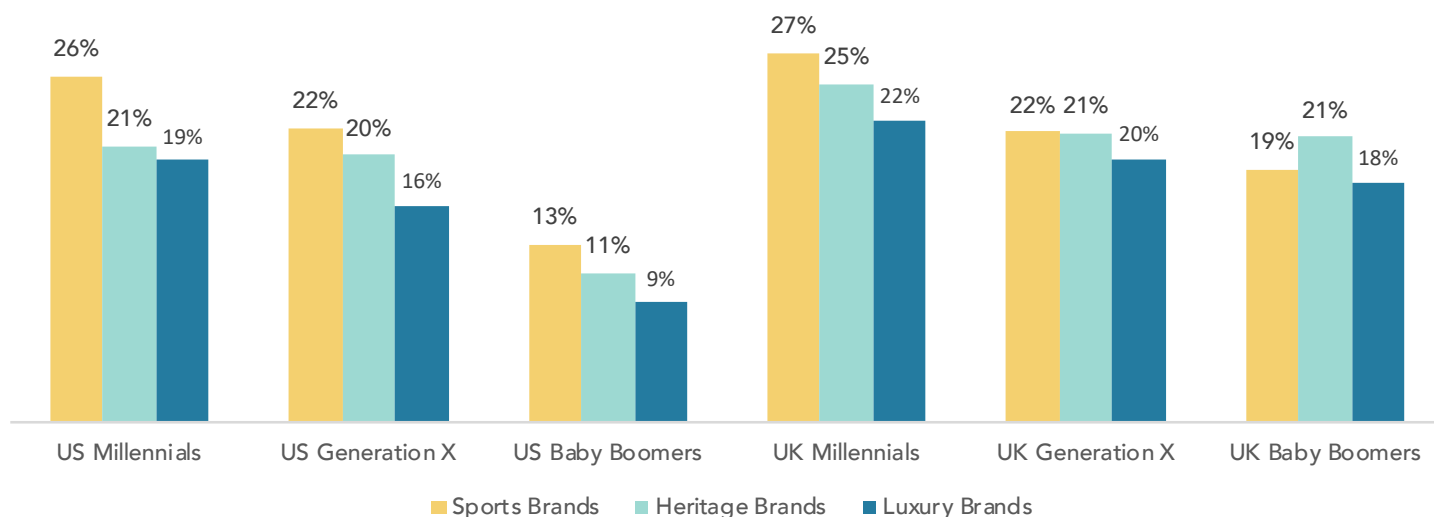
In the U.S. and the U.K., respectively, an average of 23 percent and 24 percent of study respondents overall said they are flexing sports brands, versus 19 percent in the U.S. and 23 percent in the U.K. saying the same for heritage brands. By comparison, an average of only 17 percent of U.S. respondents and 21 percent of U.K. respondents flex luxury brands.

While the generation most likely to flex luxury brands is Millennials in both the U.S. (19 percent) and the U.K. (22 percent), they were even more likely to flex sports brands (26 percent in the US and 27 percent in the U.K.).

**Flexing by brand type**



**Flexing by generation and brand type**



Further, heritage brands were also more popular with Millennials, as 21 percent of Millennials in the U.S. and 25 percent of Millennials in the U.K. reported flexing these brands.

When it comes to items being flexed, people in both the U.S. and the U.K. are flexing clothing the most (57 percent versus 51 percent of U.K. and U.S. respondents, respectively), followed by shoes (35 percent of U.K. respondents and 42 percent of U.S. respondents), and accessories like watches, jewelry and bags (20 percent of U.K. respondents and 28 percent of those in the U.S.). When it comes to flexing technology gadgets, U.K. respondents flex them slightly more at 24 percent versus 21 percent of U.S. respondents.



# THE STATE OF CONSUMER SPENDING:

Millennials Flexing their Retail Market Influence in U.S. and U.K.

## Conclusion

A consumer study by First Insight examined shopping habits, purchase behavior and influences driving purchase decisions in new and traditional in-store and online shopping environments in both the U.S. and U.K. The study revealed that Millennials continue to be the dominant force in retail both in the U.S. and the United Kingdom, as their shopping habits can be a deciding factor in what makes or breaks the success and longevity of old and new retail models. Across both regions, Millennials are spending more, are adding extra items to their carts more often, and are the most likely to adopt new retail models including subscription boxes as well as to flex the brands they love. Where Millennials shop, how they shop and when they wear the brands they love are direct reflections of how they define themselves. To tap into this lucrative group of shoppers, retailers must be able to connect with this generation through the right shopping experiences and unique products at the right price.

## Contacts

### First Insight

Gretchen Jezerc  
SVP of Marketing  
[gretchen.jezerc@firstinsight.com](mailto:gretchen.jezerc@firstinsight.com)

### Media

Michael McMullan  
Berns Communications  
(212) 994-4660

## About First Insight

First Insight is the world's leading customer-centric merchandising platform that empowers retailers and brands to incorporate the Voice of the Customer into the design, pricing, planning, and marketing of new products. For more information, visit: [www.firstinsight.com](http://www.firstinsight.com)

