


MILL ENN IALS

WHERE THEY SHOP.
HOW THEY SHOP.
WHY IT MATTERS.



WHY MILLENNIALS MATTER TO RETAILERS.



The largest living generation, a body of digital natives, a population associated with communications, media and technology: millennials are reshaping the economy and how companies conduct business with consumers. For retailers, this means an entirely different landscape between marketers and customers compared to the past.

Today, millennials have product information, peer reviews and price comparisons at their fingertips. Not to mention, they're distracted. Shifting their attention between media platforms such as laptops, smartphones, tablets and television at least 27 times per hour, it's difficult to keep millennials focused on anything, let alone getting them through the buying process.

Due to this plethora of distractions and constant access to information, it should come as no surprise that millennials are turning to brands who offer personalized, convenient experiences at the lowest cost. Yet, while the retail landscape has changed thanks to the internet, marketing hasn't changed with it. In the 1800s and 1900s, brands marketed to the masses based on the interests of the majority. At the time, mass marketing made sense because we didn't have access to the data we have today.

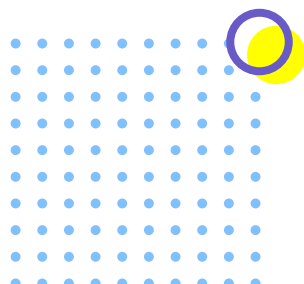
However, in the age of digital marketing, this is no longer the case. Now we have insights into every shopper's experience from beginning to end: whether a website visitor comes from an email, social media or paid advertising, how often they visit the website, what they've purchased in the past, what they're interested in, how far they're getting in the purchase funnel, etc.

With this knowledge, we can personalize communications hinged on a customer's shopping habits. In fact, this is what millennials prefer: individualized messages and personalized offers based on their interests. To prove it, SmarterHQ conducted a consumer survey targeting 1,000 millennials to determine their shopping habits and marketing preferences.

IN THIS REPORT...

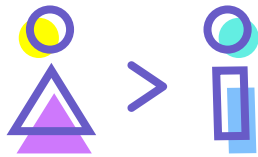
We help retailers understand their most important audience by highlighting 6 key trends we identified from the survey results.

By the end of the report, marketers will have a glimpse into the mind of a millennial-- their marketing preferences, their shopping habits-- to help them align their strategies with the current landscape of the retail space.



MILLENNIALS PREFER SHOPPING IN-STORE.

Despite the growth in online shopping in recent years, 50% percent of millennials still prefer to shop primarily in-store. Because retail bankruptcies are at an all-time high, marketers have emphasized optimizing their digital marketing strategies with the idea that consumers prefer to shop primarily online. However, our data shows that it's important for brands to breathe life back into their brick and mortar as well.

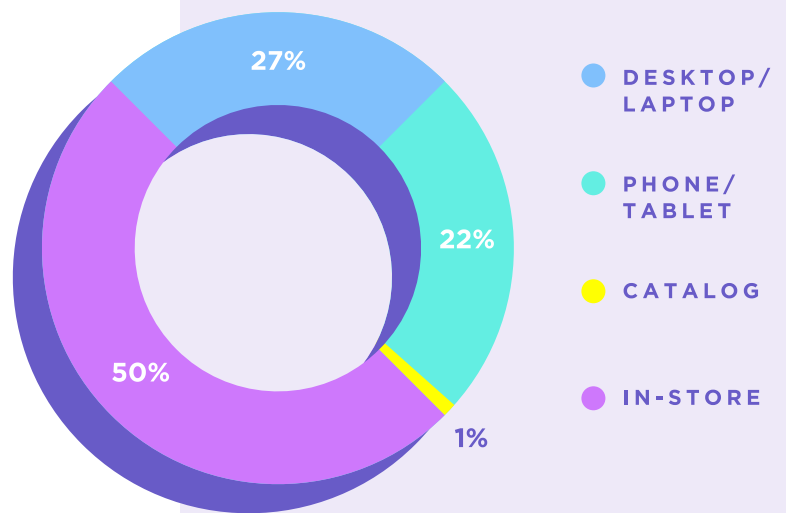


**Females shop in-store
9% more often than males**

**As education & income
decreases, shopping
in-store increases**



Where millennials typically shop



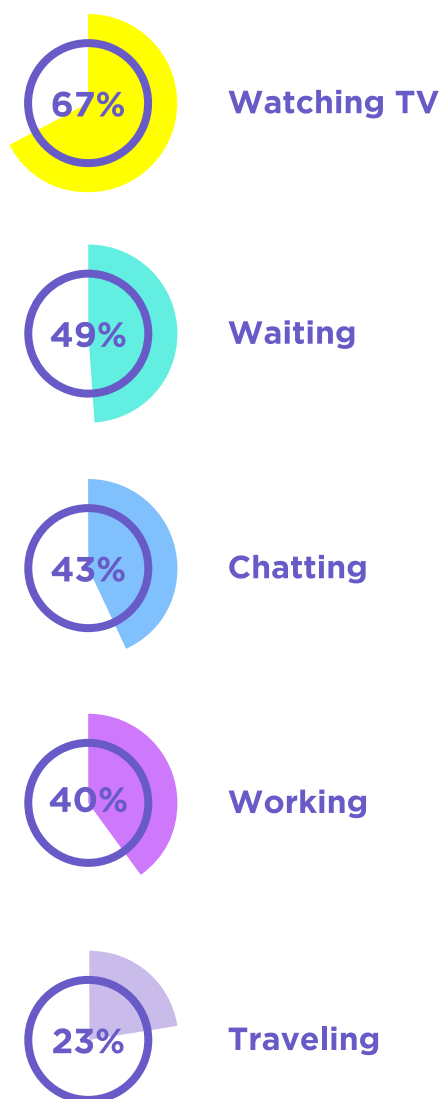
One way to do this is to carry the customer's experience across channels by unifying both in-store and online data. Consistency is critical especially when your customers are transitioning between channels. With this 360 degree view of the shopper, not only can retailers ensure the customer's journey is seamless regardless of where they're shopping, but they have more insight into how to communicate with the shopper based on their buying behaviors. Then, marketers can encourage in-store shoppers to make purchases online, and send online shoppers to their brick and mortar.

MILLENNIALS ARE CONSTANTLY DISTRACTED...

95% of millennials are doing other things while shopping.

This should come as no surprise. In a hyper-connected world, we're constantly multi-tasking and this is especially true for millennials. As a generation marked by their increased use of digital technologies, millennials are plugged into a device while maintaining a conversation, commuting, working, watching television, etc. While multitasking is the norm for many millennials, it has certain ramifications for retailers.

For one, an increase in distractions means a decrease in concentration. Millennials aren't focusing solely on shopping, or completing the purchase. They may get halfway through the checkout process when their boss interrupts to discuss an assignment, or a funny part of a movie diverts their attention for a few minutes. You have to fight to keep them engaged and focused on the task at hand-- that's where real-time, personalized communications comes into play.

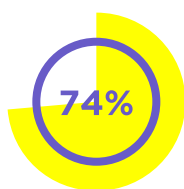


TOP 5 DISTRACTIONS

...AND THEY DO NOT WANT TO BE BOMBARDED WITH MARKETING COMMUNICATIONS.



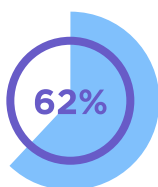
TOP 5 FRUSTRATIONS



Too many emails



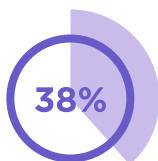
Irrelevant emails



Shipping is too pricey



Irrelevant ads



Website is difficult to navigate

74% said they are frustrated with too many marketing communications.



Again, because millennials are throwing their attention in twenty different directions, it's important to market to them with the right message at the right time. Millennials don't want to be bombarded with marketing messages, and they're frustrated with the irrelevant content they receive from brands. In fact, millennials are more irritated with brands sending too many emails and irrelevant emails than they are annoyed with expensive shipping costs.

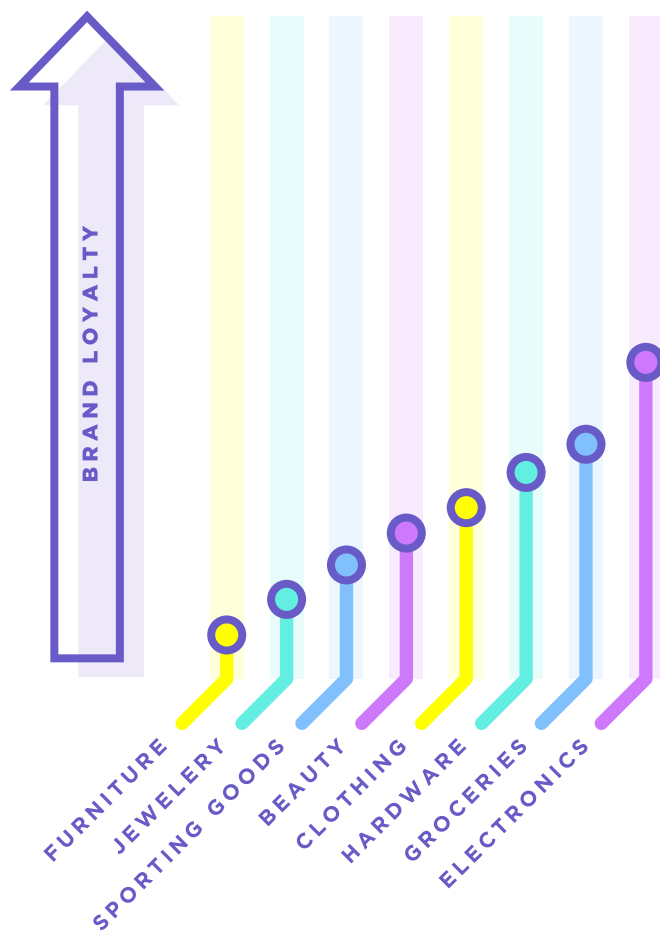
Millennials prefer 1-3 marketing emails per month.

Millennials notice when a brand puts extra effort into understanding their needs and wants. Rather than triggering batch and blast messages to an email list, retailers need to engage their shoppers in real-time with communications that are tailored to that specific customer. With millennials wanting only 1-3 emails per month, it's pertinent brands make those emails count with relevant content. Not only will you keep their focus on completing the purchase, but you'll differentiate yourself among competitors and encourage customer loyalty. Which brings us to our next point...

MILLENNIALS ARE NOT BRAND LOYALISTS.

With the plethora of information available at the click of a button, a strong brand isn't enough to lock in a sale. Many millennials conduct research, compare prices and prioritize convenience. Not what you wanted to hear? Don't worry, there's a bright side to this.

Millennials are not brand loyalists. However, those who prefer personalized communications have a 28% higher brand loyalty than those who do not.



Despite millennials lack in innate brand loyalty, they can be persuaded with personalized communications. Only 6.5% of millennials identified themselves as brand loyalists. However, Millennials' brand loyalty increased on average by 28% if they received personalized marketing communications.

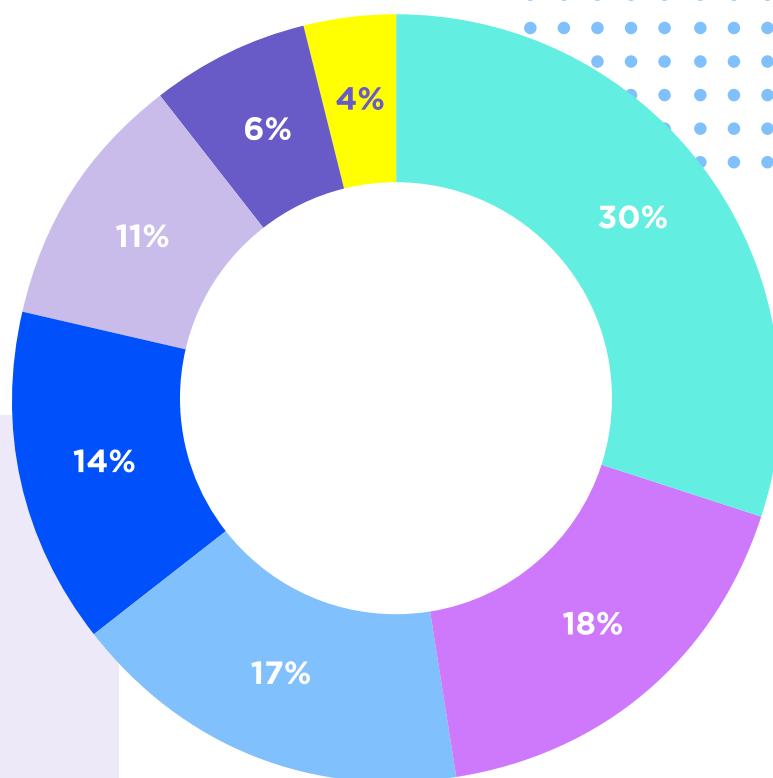
Simply put, there's a positive relationship between personalized communications and brand loyalty-- the more you connect with a customer on an individualized basis, the more likely they are to continue shopping with you. And because acquiring a new customer can cost anywhere from 5 to 25 times more than retaining a current customer, it makes sense for retailers to prioritize and encourage brand loyalty.

MILLENNIALS' SHOPPING HABITS, PREFERENCES, AND INFLUENCES VARY WILDLY.

People shop differently and they shop for different reasons. Some like to browse casually for new products, while some prefer to conduct research on a specific item. This is obvious, or at least it should be. Yet many retailers continue to treat each and every shopper as if they're the same-- they market to the mass, not to the individual.

SHOPPER TYPES

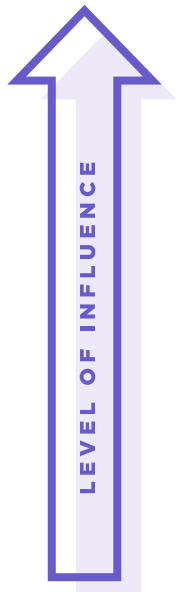
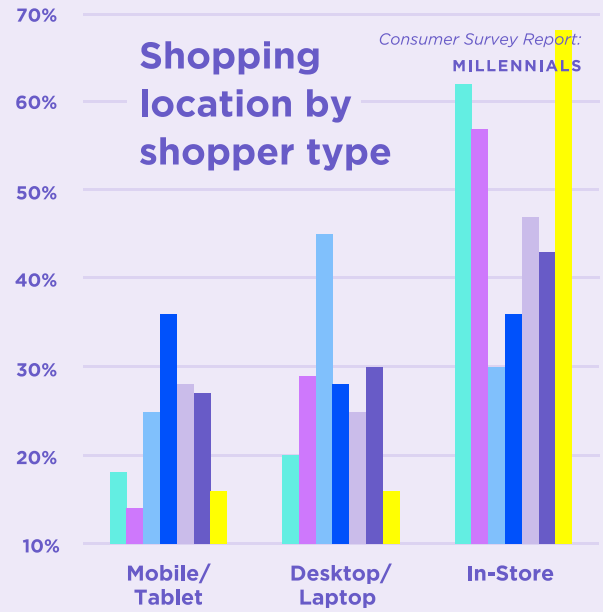
- BARGAIN
- GOAL-ORIENTED
- RESEARCHER
- CASUAL BROWSER
- IMPULSE BUYER
- BRAND LOYALIST
- SEASONAL SHOPPER



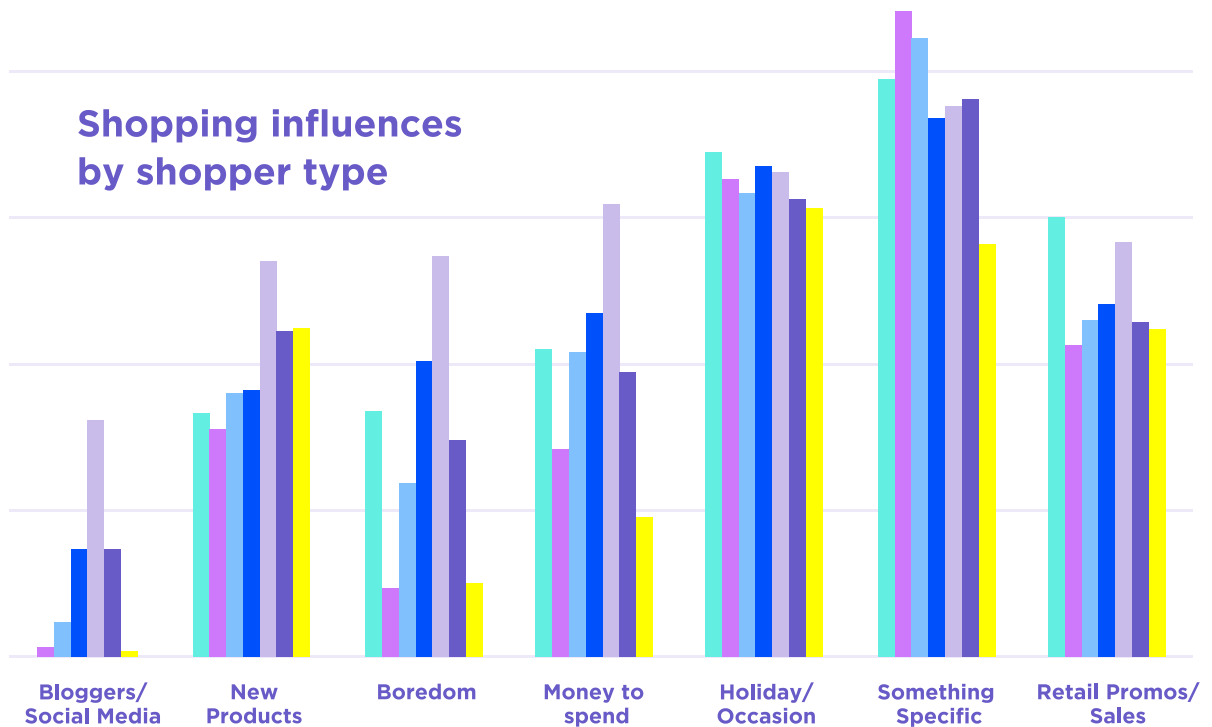
70% of millennials are comfortable with retailers tracking their purchasing and browsing behaviors.

TREND 04

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Shopping influences by shopper type



You get it by now. Personalization is required amongst millennials. And while we've hammered down that fact, we haven't discussed how to personalize. 70% of millennials are comfortable with retailers tracking their purchasing and browsing

behaviors, meaning the majority of millennials prefer brands to use their data to provide relevant communications. By consuming behavioral data and using it to power marketing messages, brands can engage shoppers properly.








MILLENNIALS PREFER PERSONALIZED EMAILS OVER BATCH AND BLAST.

70% of millennials are frustrated by brands sending irrelevant emails.






Now that we know millennials want only 1-3 personalized emails from brands per month, let's talk about how to make those sends count. We asked millennials to tell us which communications they preferred from retailers, and here are their top 5 favorite personalized emails:

TOP 5 FAVORITES

-  **Sale notification for previously carted item**
-  **Sale notification for previously browsed items or categories**
-  **Recommended products based on their interests**
-  **Reminder of products left in the cart**
-  **New products based on their interests**

By focusing on individual shoppers rather than mass segmentation, retailers stand out in their customer's inbox and drive shoppers back to their site repeatedly. The previously mentioned emails are just a few examples of personalized messages that can be powered using behavioral data. In fact, there are several successful campaigns that use this approach in email personalization.

Here are 5 other marketing emails that have proven to increase campaign revenue by 291%:

-  **Checkout abandonment**
-  **Product browse abandonment**
-  **Back-in-stock-notifications**
-  **Welcome messages**
-  **Re-engagement emails**

A FINAL NOTE.



Understanding the landscape between marketers and millennial shoppers is essential for the eCommerce industry. While 1:1 marketing is imperative for retailers, it doesn't have to be difficult or time-consuming. SmarterHQ's leading multichannel behavioral marketing platform makes it easy for brands to automate personalized email and website experiences in real-time.

With our behavioral marketing platform, you can:



**Harness all of your
online and offline
customer data**



**Create segments in seconds
based on any interaction a
customer has with your brand**



**Convert customers faster & keep
them coming back with real-
time, personalized messages**



The SmarterHQ behavioral marketing platform helps retailers deliver truly tailored email and website experiences that are so relevant, so personalized they create valuable, lifelong customers that drive increased revenue.

**We've been recognized by
Forbes as technology to push
B2C companies into a new era
of personalization and
Forrester's Total Economic
Impact study to deliver 667%.**

Want to begin personalizing each and every interaction in real-time? Let us show you how! Request a demo today, or visit SmarterHQ.com for more information.

THANKS FOR READING!

