

EPSILON®

AGE MATTERS: A GUIDE TO CROSS-GENERATIONAL MARKETING

How to adapt your marketing
to the Silent Generation,
Gen Z and everyone in between





TABLE OF CONTENTS

Introduction	2
Methodology and definitions	2
Spend behaviors	3
Spend by industry	6
Industries with the highest spend	7
Preferences and behaviors	8
Retail	9
Technology	10
Loyalty	11
Media, influences and social	12
Takeaways	13

INTRODUCTION

Today's marketers face a unique challenge: engaging members across more generations than ever before. Older generations live longer, and younger generations have more spending power at earlier ages. You need to know how to focus your marketing across five generations at any given time: silents, baby boomers, Gen X, millennials and Gen Z.

This research aims to help you understand similarities and differences across generations, including actual spend behaviors and preferences. We'll focus on the areas with greatest generational variance: retail channels; technology; loyalty; media, influences and social; and spend by industry. We'll also dive deeper into how Gen Z influences older generations.

Keep reading to see what we learned and how you can apply it to your brand.

Methodology

The findings outlined in this report came from two unique sources:

1. Using Epsilon's transactional data, we analyzed the 12-month spend of 85 million U.S. consumers across the generations.
2. Using Epsilon's proprietary consumer panel, Shopper's Voice®, we surveyed 3,000+ cross-generational U.S. individuals on a variety of topics including shopping preferences, technology attitudes, media usage and privacy.

Definitions*

- | | | |
|-----------------------------------|-------------------------------|----------------------------|
| ○ Gen Z minors**: Born after 2000 | ○ Millennials: Born 1983–1993 | ○ Boomers: Born 1943–1963 |
| ○ Gen Z adults: Born 1994–2000 | ○ Gen X: Born 1964–1982 | ○ Silent: Born before 1943 |

*For the purposes of this report, findings from the above methodology were extrapolated and applied to these definitions and, in some instances, the general consumer population.

**Data for Gen Z minors was obtained from a partner research panel that has opted-in consumers under 18 for research purposes.



A woman with long blonde hair and glasses, wearing a red top, is sitting on a couch. She is holding a smartphone in her left hand and a credit card in her right hand, looking at the phone screen. The background is blurred.

SPEND BEHAVIORS



SPEND BEHAVIORS

Every generation spends. What's different is how much they spend, and what they buy.

The silent generation doesn't spend much. They're mostly retired and have smaller households. But they do invest in travel, especially higher-end cruises, and they spend the most on education, including online learning like Rosetta Stone. When silents spend, it's selective and with the intention of enhancing life. Their pragmatic spending reflects their priorities.

Baby boomers are spending heavyweights due to their population, higher incomes and large family sizes. They spend the most across all categories and the most per transaction, preferring premium brands and stores. But they also have the tendency to spend more than save. As they retire, boomers are investing in travel and their homes, spending more at home improvement stores than any other generation.

Gen X is largely ignored by marketers, but they spend the next highest amount behind boomers. This generation's importance will continue to grow as they're in their earning prime (and boomers start to spend less in retirement). Gen Xers are top spenders for all categories, especially retail, grocery and drug, automotive, communication service providers and entertainment.

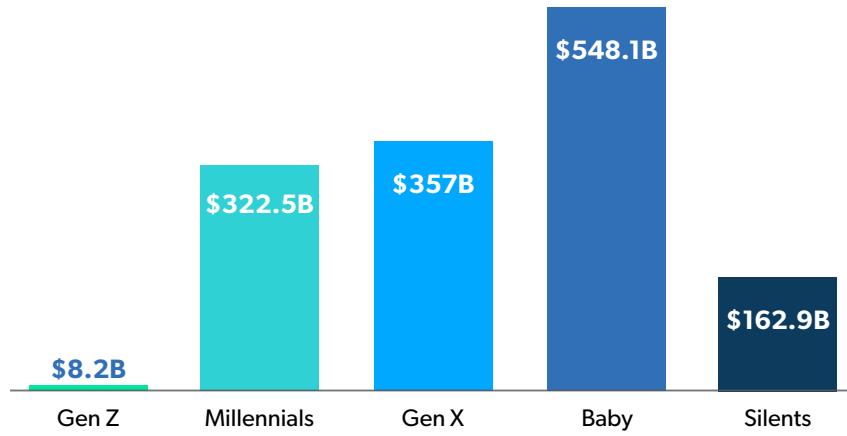
Millennials are starting to earn more. They're establishing their careers, paying off student loans, getting married and having families. Their spending power is growing larger, but budget restraints result in less spend per transaction.

Gen Z has fewer people spending as a generation—but active buyers spend more money per year, through more transactions, than any other generation. With limited responsibilities and many living with parents, they spend what they have and shop often. They mainly spend on retail, restaurants and entertainment. Not surprisingly, Gen Z spends more with industry disruptors such as Uber, Airbnb, Netflix, Spotify and iTunes—demonstrating their comfort with tech and a desire for personalized experiences.

- 
- 
- 
- 
- 

SPEND BEHAVIORS (CONT.)

Annual total dollar spend by generation



But for brands, it's not just about total dollar spend. Younger generations make more trips to the checkout, but older generations spend more per transaction in fewer visits.

Change in spending and brand interactions



With each younger generation, there's significant growth toward self-serve options and services that put consumers in control.

	Gen Z	Millennials	Gen X	Boomers	Silents
Uber	22.5%	21.6%	17.1%	13.1%	6.7%
Airbnb	5.2%	4.9%	3.3%	3.1%	1.3%
Spotify	10.9%	6.0%	5.2%	3.6%	1.5%
Netflix	29.7%	27.5%	26.2%	21.2%	14.0%
iTunes	33.5%	33.1%	30.0%	24.0%	14.5%

	Average total transactions	Average spend per transaction
Gen Z	358	\$58.30
Millennials	330	\$54.91
Gen X	306	\$60.36
Baby boomers	269	\$61.69
Silents	202	\$60.38



SPEND BY INDUSTRY

All generations spend across a wide variety of categories or industries. But as the chart below shows, some generations spend more in certain categories than others, such as younger generations on entertainment and older generations on education.

Average annual dollars spent by generation

	Gen Z	Millennials	Gen X	Boomers	Silents
Automotive	\$1,176	\$978	\$1,034	\$950	\$735
Communications service providers	\$1,963	\$1,681	\$1,795	\$1,642	\$1,377
Education	\$124	\$174	\$169	\$183	\$248
Entertainment	\$939	\$840	\$887	\$761	\$624
Financial services	\$1,940	\$1,431	\$1,555	\$1,578	\$1,500
Food/convenience/drug store	\$3,431	\$3,017	\$3,133	\$2,978	\$2,645
Other retail	\$3,215	\$2,989	\$3,006	\$2,700	\$1,969
Restaurant	\$2,765	\$2,529	\$2,460	\$2,090	\$1,651
Retail	\$6,768	\$5,928	\$6,137	\$5,562	\$4,137
Services	\$245	\$218	\$234	\$245	\$214
Travel	\$3,827	\$3,112	\$3,414	\$3,431	\$3,000

INDUSTRIES WITH THE HIGHEST SPEND

Travel spend by generation



Gen Z

- Highest number of transactions.
- Over-index on self-serve offerings such as Airbnb, Expedia, Uber and Lyft.



Millennials

- More interest in international travel.
- Spends on lower-cost airlines such as Frontier and Spirit.
- Uses self-service offerings.



Gen X

- Spends across all categories.
- More use of international airlines and casinos than other generations.



Boomers

- Spend more on travel than other generations.
- Enjoy cruising.



Silents

- Have fewer travel transactions.
- Spend the most per transaction (and tend to buy higher-end cruises).

Average annual travel spend

	Gen Z	Millennials	Gen X	Boomers	Silents
Airline	\$2,068	\$1,637	\$1,859	\$1,800	\$1,572
Car rental	\$561	\$504	\$535	\$549	\$531
Casino	\$364	\$332	\$379	\$370	\$365
Cruise lines	\$2,529	\$2,410	\$2,532	\$3,377	\$4,376
Hotel	\$1,842	\$1,563	\$1,726	\$1,670	\$1,423
Ride sharing	\$293	\$267	\$241	\$257	\$233
Travel services	\$1,175	\$1,055	\$1,125	\$1,224	\$1,365

Retail spend by generation

- Gen Z and Gen X lead the way in retail spending:
 - Gen Z has the highest spend and frequency of transactions (trips).
 - Gen X has higher spend per transaction and number of transactions.
- Millennials spend more online than other generations, including Amazon, Gilt and Zappos. They're frequent shoppers, but they tend to spend less per transaction due to lower income.
- Gen X spends more in warehouse clubs and on sporting goods than any other generation.
- Boomers spend a lot on home improvement.

Average annual retail spend

	Gen Z	Millennials	Gen X	Boomers	Silents
Apparel	\$1,267	\$1,051	\$1,103	\$934	\$722
Department stores	\$1,237	\$1,061	\$1,149	\$1,106	\$876
Discount stores	\$206	\$189	\$200	\$198	\$181
Electronics	\$1,032	\$884	\$967	\$845	\$697
Home improvement	\$1,996	\$1,849	\$1,853	\$1,841	\$1,334
Mass merchandiser	\$1,883	\$1,787	\$1,762	\$1,557	\$1,316
Plus size	\$349	\$339	\$359	\$331	\$299
Warehouse clubs	\$2,133	\$1,895	\$2,145	\$2,039	\$1,804

A close-up photograph of a person's hands holding a digital thermometer. The person is wearing a red and black plaid shirt. The thermometer is white with a blue screen and keypad. The background is blurred, showing a wooden surface.

PREFERENCES AND BEHAVIORS



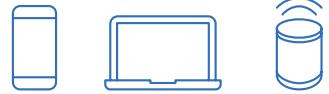
How Gen Z influences channel preferences

- Boomers with kids are more likely to shop online (42%) than boomers without (33%).
- Millennials and Gen Xers who have kids are more likely than those without to use a smartphone to shop.
- Boomers with kids are much more likely to use a tablet than those without.
- On the flip side, Gen Xers and boomers without kids are more likely to steer clear of in-store shopping.

RETAIL

Preferences and behaviors

The death of retail is an ongoing conversation, but 80% of consumers in every generation have recently shopped in a store, and half consider it their preferred channel. Millennials are more likely to shop online from a smartphone, but their younger counterparts prefer in-store shopping like the older generations.



In-store vs. online

- Going to stores is preferable for almost every generation except millennials, who shop in-store and online equally.
- Older generations prefer in-store shopping to experience products and for easy returns.
- Gen Z prefers in-store shopping for purchase speed and the social aspect of shopping with friends.
- Millennials prefer shopping online for the shipping convenience, which also appeals to boomers and silents.

Online retailers

- Amazon is favored by all generations, with millennials as its biggest users (65%).
- Gen Z is 2x more likely to use an online-only store or brand website than any other generation.

Devices used to shop online

- About 75% of Gen Z and millennials use smartphones to shop online—more than any other generation.
- 63% of Gen Z use laptops to shop online, significantly higher than any other generation.
- Voice assistants are growing, but only 3% of consumers use them to order online, mainly Gen Z, millennials and Gen X.

TECHNOLOGY

Preferences and behaviors

When you think about generational differences, technology is one of the first things that comes to mind. It's common to think that younger generations are the primary tech audience, but all generations use technology. The biggest differences are how we use it and how we feel about it.



Voice-activated assistants and gaming devices

- Gen Z leads in adoption of gaming and voice-activated technology in the home (70%+), followed by millennials and Gen X (50%).
- Adoption of voice-activated assistants is similar across generations—primarily for search, playing music, weather/traffic/news and setting reminders.
- Gaming devices are used by Gen Z for gaming, buying games, live-streaming games and watching movies and shows.



Streaming use and adoption

- Main uses: play music and watch movies, TV and YouTube.
- Gen Z leads usage, followed by millennials and Gen X, especially for YouTube and music.
 - Amazon Prime is accessed by more millennials and Gen X than all other generations.



Streaming vs. traditional TV

- Older generations (Gen X, boomers and silents) still heavily use traditional TV.
- Gen Z prefers streaming.
- Millennials are the bridge, using both traditional TV and streaming equally.



Smart home products

- Millennials and Gen Xers check on their homes when they're not there.
- Gen Z is most likely to use smart-home products to unlock the door.
- Silents' adoption of products is higher than boomers', including Nest thermostats, cameras and doorbells, and monitored fire and burglary systems.



Camera phone

For younger generations, snapping and sharing pictures on social media is embedded into everyday life. Older generations simply take pictures.

Gen Z minors have the most uses for their phone, including: taking pictures, videos and selfies; finding recipes and parking spots; remembering products they like; comparing prices; using QR codes; and managing medications, important docs, credit cards and loyalty cards.



How Gen Z influences technology use and adoption

Kids in the household have a big impact on technology use and adoption. Gen Z leads in tech adoption, and their parents are more tech forward, too.

- Gen Xers and boomers with kids are more likely to have at least one voice assistant. The same is true for gaming devices.
 - Gen Xers with kids use the device to play games.
 - Boomers with kids use the device to watch movies or TV shows.
- Gen Xers and boomers with kids are more likely to have a vehicle that's connected to the internet. Their adoption is virtually equal to that of the leaders, Gen Z.
- Gen Xers with kids are more likely than those without to control cameras inside or outside their home.
- Boomers with kids are more likely than those without to watch movies or TV shows via streaming devices. Gen Xers without kids are more likely to watch live TV.
- Boomers with kids are more likely than other generations to adopt their kids' camera habits by photographing important documents, credit cards or loyalty cards.



Privacy across generations

- Millennials have taken the most steps to secure their privacy, including reviewing settings in apps, setting up two-step verification and restricting access. They're followed in this behavior by Gen X, then boomers.
- More millennials, Gen Xers and boomers use ad-blocking features than Gen Z or silents.
- 50%+ of older generations are concerned about privacy online, but 22% of Gen Z minors don't care at all. As they age, they become more concerned.



How Gen Z influences brand and retailer loyalty

- Loyalty to shoe brands is strongest among the youngest generations, with more Gen Z minors considering themselves loyal than all older generations, followed by Gen Z adults and millennials.
- Loyalty to cellphone manufacturers is more widespread among millennials with kids than those without.
- Gen Xers with kids are more loyal to many categories than those without, including QSRs, casual restaurants, shoes, clothing brands and home décor.
- Millennials with kids have stronger loyalty to cellphones, clothing retailers (more so than brands), coffee shops and QSRs.

LOYALTY

Preferences and behaviors

Figuring out what rewards, points or experiences will grow customer loyalty is a challenging proposition. Many factors impact likelihood of loyalty, including age. As consumers mature, their loyalty evolves.

Categories each generation is most loyal to (in rank order):

Gen Z minors	Gen Z adults	Millennials	Gen X	Boomers	Silents
○ Cellphones	○ Cellphones	○ Cellphones	○ Cellphones	○ Banks	○ Credit cards
○ Shoes	○ Shoes & coffee shops (tie)	○ Coffee shops	○ Clothing retailers	○ Cellphones & credit cards (tie)	○ Banks
○ Clothing brands	○ Restaurants (QSR & casual)	○ Clothing retailers	○ Cars & trucks	○ Cars & trucks	○ Cars & trucks
○ Clothing retailers	○ Quick-serve restaurants	○ Quick-serve restaurants	○ Shoes	○ Clothing retailers	○ Clothing retailers
○ Quick-serve restaurants & coffee shops	○ Clothing brands & retailers (tie)	○ Makeup & shoes (tie)	○ Banks & coffee shops (tie)	○ Cars & trucks	○ Cars & trucks

Brand vs. retailer

Younger generations, especially Gen Z, are more loyal to brands than retailers. This shifts as generations mature.

MEDIA, INFLUENCES AND SOCIAL

Preferences and behaviors

Who we trust, how we seek out information and how we engage with others are major differences among generations.



Bloggers

Millennials and Gen Z are much more likely to trust bloggers than the other generations.



Celebrities

Gen Z minors are the most likely to pay attention to celebrities for product information. This steeply falls as age increases.



Reviews

Gen Z relies on friends and family for advice. Millennials and Gen X consider online reviews more reliable than recommendations from friends and family.



Search engines

Every generation uses search, including 87% of the silent generation.

- Up to 80% of Gen Z and millennials use search daily or more often.
- Gen Z, millennials and Gen X use Google. Boomers and silents use Yahoo and Bing.



Social

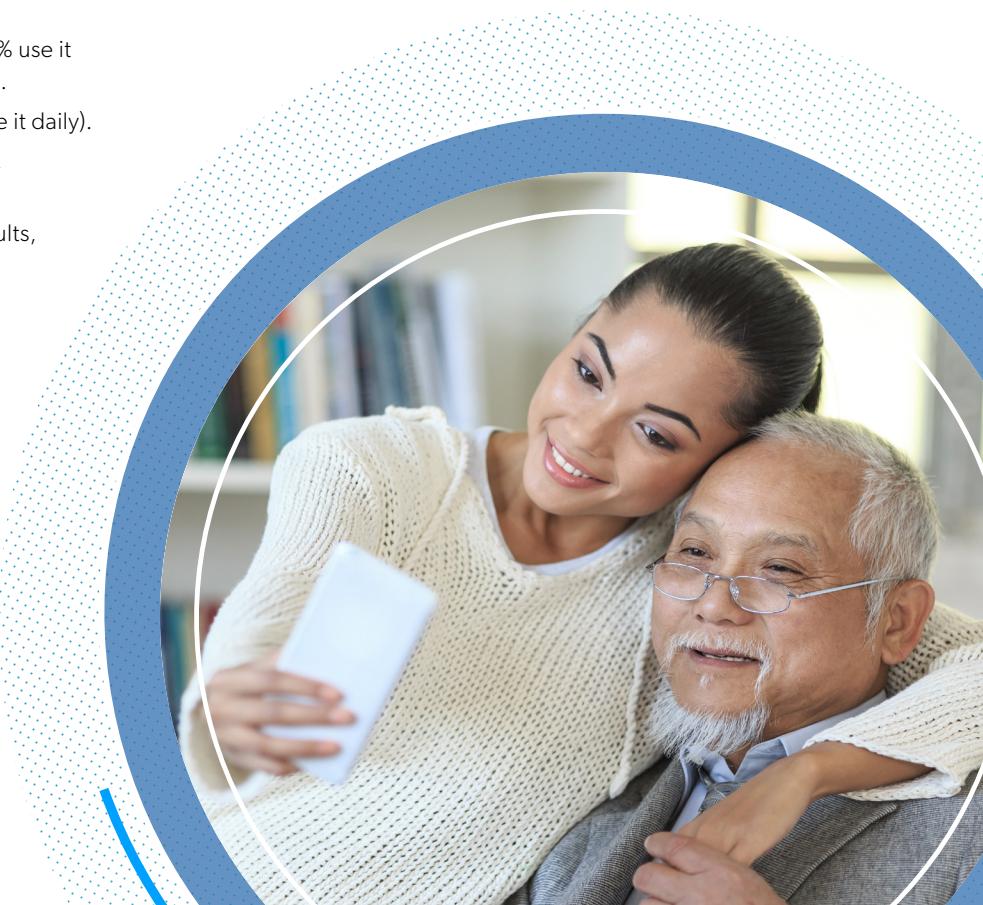
Social is used by virtually everyone except the silent generation.

- **Facebook:** The most popular platform—two-thirds of millennials use it daily. Only 20% of young Gen Z use it daily, but many will join when they get older.
- **Instagram:** Dominated by Gen Z (60% use it daily) and millennials (40% use it daily).
- **Snapchat:** Loved by Gen Z (50+% use it daily).
- **Pinterest:** Used daily by Gen Z (14%), millennials (17%) and Gen X (12%).
- **Twitter:** Top daily users are Gen Z adults, then Gen Z minors; millennials and Gen X are consistent.
- Instagram and Snapchat are the preferred social sites for Gen Z. 50%+ use them daily.
- The youngest and oldest generations are more likely to have given up on social media. 5–17% don't use any social media.



How Gen Z influences social

- **Facebook:** Gen X and boomers with kids use Facebook more than those without kids.
- **Instagram:** Gen X with kids use Instagram 1.5x more than those without.
- **Pinterest:** Millennials with kids use Pinterest much more than those without (21% compared to 13%).



TAKEAWAYS





#1 - GEN Z INFLUENCES THEIR PARENTS AND GRANDPARENTS.

Rather than thinking about generations in isolation, consider how generations influence each other. Having kids under the age of 18 in the household accelerates technology adoption, strengthens brand loyalty and fuels purchase activity.

How to put this into action:

-  **Use complete data to understand households.** Attributes such as family composition, presence of children and number of generations in the household can help define your audience and refine your marketing approach.
-  **Adopt a tech-forward approach with every generation.** Don't assume that everything you're reading about tech adoption among millennials or Gen Z doesn't apply to boomers or Gen X. When there's kids in the house, it does. This also applies across channels: older adults with young kids use channels outside their generational norm.
-  **Don't market to a single generation: focus on who's in the household.** Don't just tailor messaging to the kids or the parents, but use multichannel techniques to reach each group with the messages that matter to them.

#2 - TALK TO EACH GENERATION DIFFERENTLY.

The generations aren't the same. You should talk to each generation differently, but also recognize the role that each generation plays in your overall brand strategy.

The defining characteristic of each generation:



Gen Z

Image: Experiences, tech, selfies, influencers/celebrities, phone integration



Millennials

Survival: Convenience, affordability, tech for efficiency and savings, rely on reviews, prefer shopping online, privacy aware



Gen X

Forgotten: Big spenders, at height of careers/income, open to tech, active on social, privacy aware, brand loyal, rely on reviews



Boomers

Active spenders: Approaching retirement, have money to spend, still young enough to spend, premium brands, traditional TV viewers



Silents

Pragmatic: Selective spenders, priorities have shifted, enjoying life, less spend volume because there are fewer of them

How to put this into action:



These themes can serve as a high-level messaging guide across generations, and influence the channels where you reach them, including mobile, social, gaming, reviews, streaming and traditional TV. They're also an important reminder that even though Gen Z is the generation everyone is talking about, the bulk of the spending power resides with Gen X and boomers. In retail, Gen X or boomer parents are spending on themselves and their kids. Both share the power of influence, but ultimately it's mom who's paying. Consider the implication of that influence on your business.





#3 - GEN Z SPENDS A LOT.

There are few Gen Z spenders, but the ones who are active buyers spend a lot more money per year than any other generation, across more transactions. Gen Z has a less expensive life than any other generation. Many live at home and don't have many expenses. If they're working, they can spend all their earnings.

How to put this into action:



There's a finite window to reach those lucky Gen Z adults with access to plastic before they enter the "real world." Examine your customer file for untapped Gen Z potential, and use data to find new spenders and engage them across channels.



Remember: Gen Z is spending their disposable income in stores because they like the speed and immediacy. When online, they prefer brand websites, and they're more interested in brands than retailers. Influenced by social media, celebrities and bloggers, this is the generation that may **push your brand to experiment with new channels** such as influencer marketing or voice-assisted tech.

To adopt a cross-generational marketing strategy, you need complete data—including purchase data, demographic and lifestyle information, behaviors and preferences.

Learn more about the data that fueled this research and how to apply it to your marketing across the generations.

Visit epsilon.com/data or contact us at 800 309 0505.

About Epsilon-Conversant

Epsilon-Conversant is a leader in interaction management, empowering brands to transform ordinary customer experiences into meaningful, human experiences. Our connected suite of products and services combine leading-edge identity management, industrial strength data and technology expertise with big brand acumen gained over five decades working with the industry's top brands. Our human-powered, data-led marketing delivers unmatched depth, breadth and scale to help brands turn meaningful human interactions into exceptional business outcomes. Epsilon-Conversant employs over 8,000 associates in 87 offices worldwide. For more information, visit www.epsilonconversant.com. Follow us on Twitter at [@EpsilonMktg](https://twitter.com/EpsilonMktg) and [@Conversant](https://twitter.com/Conversant).

Epsilon-Conversant™, Epsilon® and Conversant® are trademarks of Epsilon Data Systems, LLC or its affiliated companies.

epsilon.com

EPSILON®

This document is intended solely for distribution by Epsilon. Do not copy, distribute or otherwise share. © 2019 Epsilon Data Management, LLC. All rights reserved. All names and logos are trademarks or registered trademarks of their respective owners.