

What Next for Digital Millennial?

Yuejuan Wen

University of Aberdeen, Scotland, UK

Keywords: Millennial, Digital market, Sharing economy, Customer behaviors, Marketing strategy

Abstract: The article discussed the consumer characteristics and marketing strategies for millennial through comparing the gap between social sources and literature review. The study focuses on marketing strategy from product, price and promotion orientation in terms of millennial group.

1. Introduction

A Time magazine article defined millennial as a groups who reach young adulthood in the early 21st century. Generally, the generation were born between 1980 and 2000. Nowadays, a new generation of shoppers, dubbed millennial , are forming unprecedented shopping habits and preferences (Ludovica Di Silvestre, 2016). According to an analysis of U.S. Census Bureau data (2016), more than 35% participants in the U.S. workforce are millennial , which become the largest generation in the U.S. labour force. As a result, millennial have become main customer group.

2. Research Objects and Methods

2.1 Research Objects

The objects are to identify the implications of consumption characteristics for millennial and how these factors influence market opportunities and strategies in the next few years.

2.2 Research Methods

The main research method is literature review and all critical comments from multiple sources. The aim of these critical reviews from literature and social platform is to identify main characteristic of millennial including their customer performance, habit and consideration. All literature sources are from published journal and books.

3. Literature Review

3.1 Market Opportunities

A new Pew Research Centre survey (2018) of U.S. teenagers found that young generation insisted digital environment could regard as essential space to keep touch with their friends and meet like-minded people. In addition, the trend of market is transforming to globalized and less

boundary because of information exchange without physical barrier. Therefore, digital market is main trend, such as E-commerce, AI and IT system were adapted to products research, this view refer to article from McKinsey quarterly archive by John D. Louth.

In addition, sharing economy integrated to online marketplace gradually. Parag Jain, CEO and Co-founder of Juggernaut pointed out that dozens of digital-sharing companies are already driving economic and social change in global market such as Africa, Asia and Latin America. Derek McKee, Finn Makela, and Teresa Scassa (2018) illustrated the examples such as Airbnb, Uber and Spotify etc. to develop their business in this model.

3.2 Consumer Behaviours

Simoes, L. e Gouveia, L (2008) indicated that technology influence the life-style of young generation since childhood, such as laptop, smartphone, and AI etc. In addition, Tanya Gazdik (2014) researched that millennial spend long time on using media compared with other generations, approximately 9.5 hours per day. According to the data from Pew research centre in 2007, 75% europeans aged 15 to 24 have a mobile phone. This result implies that millennial accept new technologies in their life.

In addition, young generation develop their social networks via new technologies. Simoes, L.e Gouveia, L(2008) concluded that millennial appreciate creative and innovative marketing. Refer to figure 1, millennial (24%) and Gen X (24%) spend lots of time on social media than other ages further.

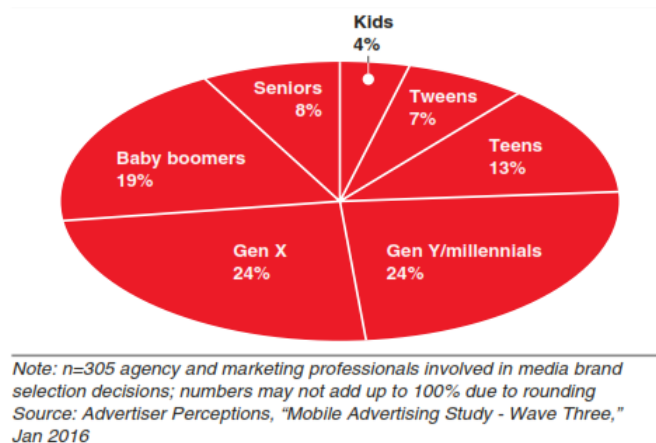


Fig.1 Estimated Consumer Spending Share According to Us Marketers

(Source: Pew Research Centre, 2015)

Furthermore, Lindsay Drucker Mann, a vice president in Global Investment Research at Goldman Sachs, found that 57% millennial prefer to make price comparison in store using their mobile devices before purchasing products in 2012. Consequently, this result implies that millennial pay attention to value of money of one product before they purchase it.

Based on a questionnaire was led by Sandeep Kumar Machavolu & M. Srinivasa Narayana (2016), including 135 respondents are millennial. The result shows that 58% respondents have gone online in the last one year. Moreover, 75% of respondents prefer to shopping online rather than purchasing in physical stores. However, a few years ago, Beirne, Mike, and Neil, Howe. (2008) supposed that millennials use Technology only as a tool to fulfil their desire to fit in their community (Beirne, Mike, and Neil, Howe, 2008). Therefore, social media and new technology play vital roles in digital market for generation Y.

3.3 Marketing Strategy

E, Jerome McCarthy (1960) proposed the 4Ps concepts of strategy including product, price, plan, and promotion. The following context discuss the main concepts orienting millennial generation.

3.3.1 Promotion Orientation

Promotion is a process to make communication with customers group, it is important in modern days in the form of non- price competition since fair price and attractive package are not enough (K. Ramachandra et al., 2010). Since young customers rely on social media and internet as mentioned earlier in content, marketer should make use of online platform and advertisements to attract them as well as build brand through providing after sale services, logistics service etc. (Pamela Bump, 2019 & Ramachandra, K., et al. 2009).

3.3.2 Product Orientation

On the one hand, Phil Town (2018) mentioned that innovative and personalized products attract digital millennial much since they are willing to try as well as accept new products. Besides, they pay attention to design of package of a product. However, Farris Ray et al,(2002) stated that young generation spend money not only for entertainment purposes, but also for more adult-like investment product. Consequently, the seller would concerned more consumer demands even in financing scope.

On the other hand, millennial prefer to buy products that fit their lifestyle or personality, so they do not care much about the branding (Caplan, 2005). Marketers should build an emotional attachment with their customers, which should not only consider price advantage, but also conform to their life concept and experience (Hamilton, 2009).The reason is that they look for cheaper alternative substitutes possibly once no other advantages attract them (Sandeep Kumar& M. Srinivasa , 2016). Apart from that, millennial tend to value experiences over material goods. According to a study by Pwc, The sharing services that are most popular among millennial in the U.S., at ride sharing (47%), lodging (15%) and goods or equipment (7%), around 32,000 online adults. Therefore, the sharing economy model is popular among young people in terms of customer experience.

3.3.3 Price Orientation

An article in 'emarket' website stated that millennial make impulse purchases when they see the advertisement, However, Palmatier R. and Sridhar S. offered a different view in 2017, he believed millennial also focus on branding and value for money, high price could make them decide to purchase other substitutes. What is more, He did a case study regarding testing brand loyalty and customer satisfaction, the target group is college student. The result shows that college students did not show strong brand loyalty. Therefore, marketer should not define their product with quite high price if main target customers are young generation, also they should highlight the irreplaceability and uniqueness (Sandeep Kumar & M. Srinivasa , 2016).

4. Conclusion

millennial as a main customer group in digital era, they have their own consumption habits and preferences. Firstly, social media and technology are symptom of identification of this generation; they prefer to go shopping online and spend time on social media. Secondly, they consider price before they purchase a product; beside entertainment, they realize wealth product and political news.

Finally, innovation and creativity are core concepts for millennial consumers; they consider not only price but also penalization and aesthetics. Consequently, marketers should follow characteristics of consumer behaviour when they promote their products in the future.

The sharing economy model is an emerging business model in digital era, which connects technology, social media and network platform together in short term. In addition, this model reduce the organization conflicts compare with traditional commercial model. Meanwhile, the attitudes toward consumption and property ownership have changed among millennial, young generation accept them for the reason of affordability and flexibility of products or services in sharing economy model. As a result, this trend would help potential growth of the market as well as expansion.

References

- [1] CAPLAN,ERIK(2005) *Brand Loyalty. Dealerscope 60. ProQuest. Siena College, Loudonville. Regulating Online Market Platforms. University of Ottawa Press*
- [2] JEROME MCCARTHY E(1960).*Basic marketing, a managerial approach. Homewood, Ill., R.D. Irwin.*
- [3] FARRIS,ROY,CHONG,FRANK,DANNING,DARLENE(2002).*GenerationY: purchasing Power and Implications for marketing. Academy of Marketing [J]vol. 6, no1-2 PP:65-69*
- [4] HAMILTON,ANNIE M.(2009).*Brand Loyalty Under Pressure; Marketing Strategies Adjusting to the Recession Mind-Set. Hartford Courant. Sec. D: 1. ProQuest. Siena College, Loudonville.*
- [5] K. RAMACHANDRA,S. Shivakumar (2010). *Marketing Management. Himalaya Publishing house .*
- [6] PALMATIER R., SRIDHAR S.(2017).*Marketing Strategy, Based on First Principles and Data Analytics, Palgrave*
- [7] JOHN D. LOUTH (1966). *McKinsey Quarterly archive, the changing face of marketing.*
- [8] LUDOVICA DI SILVESTRE(2016).*How to lead millennial : Human Resource, Practices and Generation Y.*