Millennials on Millennials

What makes us a generation

Our advertising derivation

College of media

SXSW INTERACTIVE

Thank You

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SXSW.
INTERACTIVE
AUSTIN, TX.

Executive Summary

Four months ago the Illinois Sandage Research Initiative began with the goal of establishing insights about the Millennial generation and how they interact with advertising. Millennials are quickly permeating advertising markets. But between generational similarities, current events, and shifting spending power, what's a Millennial really all about? Through research, we wanted to see what unique pockets Millennials occupy and how to reach them.

In particular, Millennials have been synonymous with the advent of social media. In addition, marketers are continuously struggling to capitalize on social media to engage with their target consumers. By looking at current trends, we can understand how social media is only one facet of a very complex landscape.

Big data and advances in technology enable effective targeting and efficient media buying. Because of this, there is a demand for diverse and personalized content. To help solve this, we can borrow content strategy from social media to help navigate the "always-on" marketing mentality.

Throughout our primary and secondary research, we have produced the evaluative criteria that advertisers should consult before addressing the Millennial market. This criteria was developed based on overall trends in the media landscape that include humor, beacons, programmatic, gamification, live streaming, and the quantified self, among others.

The Course

Out of 24 applicants, 14 Advertising students were selected to participate in the inaugural launch of the course. Tasked with designing, implementing and interpreting this research, we worked with renowned advertising faculty at the University of Illinois. We conducted focus groups, surveys and other research on Millennials in a diverse campus community.

Our Story

At the beginning of the semester, we focused on establishing a purpose for our research on Millennials. We held focus groups, conducted secondary research, and talked amongst ourselves about where there was opportunity for new and unique research.

As Millennials researching Millennials, a generation known to be early adopters, SXSW Interactive naturally was a great place to guide our research. We conquered a massive list of panels at SXSW Interactive and divided them according to their relevancy to our project--which still left a huge number of panels to attend. Over the course of six days, we attended over 110 panels, as well as other interactive branded/ sponsored houses that were operating throughout the week.

The result of attending SXSW Interactive was a sharp focus on how Millennials and brands interact. More specifically, what do they like about brands? What do they identify with? How can brands win over millennial loyalty? What brands are currently winning the race to Millennials' loyalty? The answers to the many questions we asked ourselves and our peers are in the pages that follow.
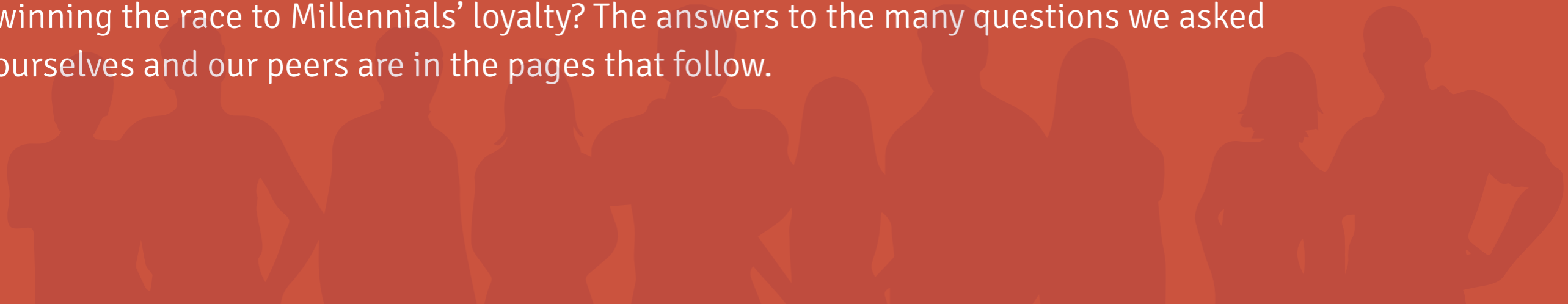
Objectives

(1) **Gather wide range of information to guide post-SXSW research**

(2) **Connect with relevant panelists and professional attendees**

(3) **Leverage our Millennial perspective**

SXSW
INTERACTIVE

What does 14 college students at SXSW Interactive look like?

110+ Panels

784 collective miles walked

540 collective minutes waiting to see Grumpy Cat

$922.46 in Uber Rides

140+ tacos consumed

4.5 hours of sleep per night

Our Social Presence at SXSW Interactive…

Tweets	395
Impressions	131,504
Profile Visits	3,539
Mentions	139
New Followers	164

Source: analytics.twitter.com

#UIUCxSXSW

TRENDS FROM
SXSW INTERACTIVE

Humor

Social Media & Web

Live Streaming

Beacons

Gamification

Quantified Self

Humor

Millennials are a generation that has replaced music with humor as their main form of self-expression. Research provided by both Chegg and Comedy Central have indicated that Millennials are 80% more likely to recall an advertisement if it makes them laugh.

However, Millennials are also especially critical of advertisements that try too hard with humor only to crash and burn. If used correctly, humor can act as an entry point to engage their audience in an effective way.

Millennials are unique in that they are comfortable with seeing humor in just about any subject. While Generation X has been associated with sarcasm, the Millennials value absurd comedy. Millennials want to see random, absurd humor in everyday situations.

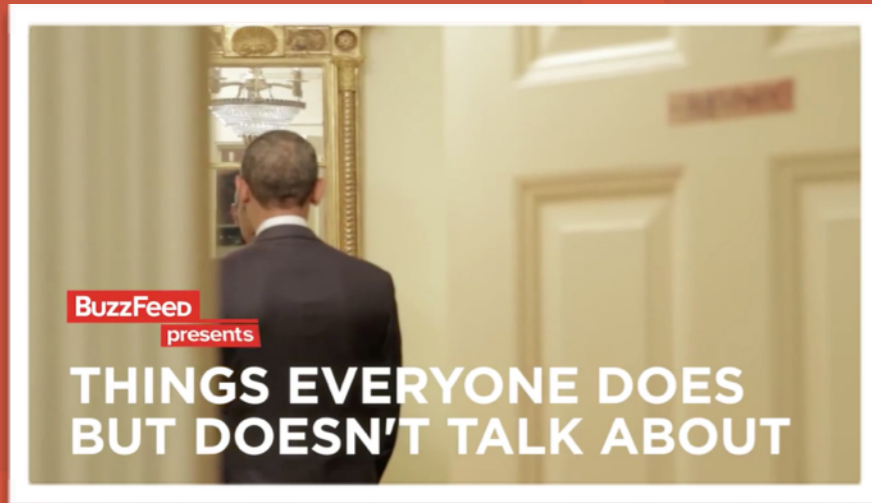Millennials are **"Comedy Natives"** meaning they are "young people who use comedy to connect with others, get ahead in the world, express themselves, and define who they are."

- Comedy Central

Click to Watch

Click to Watch

Social Media & Web

Click to Watch

Millennials love viral content, but may not think about the post for more time than it takes to actually view the content.

Brands should not just aim for viral posts, but strive to produce content with a "stickiness" to continue spreading and engaging more users.

Buzzfeed is a good example that creates this "stickiness". They spot rising topics that may have a shareable potential, create quality content around these topics, and effectively use all their distribution channels to spread it. The simplicity and surprise of this process creates the stickiness.

For example, their "Things Everybody Does But Doesn't Talk About, Featuring President Obama" video was viewed over 50 million times from Buzzfeed Video without even being directly uploaded to YouTube. From that, Buzzfeed was able to keep the video alive by creating memes, GIFs, and other highly shareable content.

Beacons

Beacons are key to personalizing the brand and consumer experience. There are a variety of environments where beacons can be used, with retail spaces gaining the most attention. For example, retailers can track customers throughout the store to learn more about shopping habits. Beacons amplify the experience of customers, particularly Millennials who want to engage and interact with brands on a deeper level.

Jennifer Bordner, who works with Old Navy's mobile marketing, says that "data is cool but the customer experience comes first." The key is to make the interaction seamless and use tech to make the experience feel natural. Screens shouldn't get in the way of the consumer experience, but should enhance it.

There is a fine line between being overbearing and making the experience natural. Sohab Pirayesh, the SVP Designer at In Market explained that one push notification was great and engagement went up 600%, but the second push notification led to app deletion.

The key is to **not disrupt** the customer on the path to purchase, but to make it a **delightful surprise.**

Live Streaming

The hottest topic at SXSW was live streaming with the recent debut of apps like Meerkat and Periscope. Although live streaming has been around for years these apps disrupt the landscape by shifting the focus to individuals, through a mobile platform.

What differentiates Meerkat and Periscope from previous live streaming models is that they are Twitter-centric. When you start streaming, it's instantly posted to Twitter where viewers can easily share. Meerkat takes this a step further where every comment made while watching the stream becomes a tweet. We also saw some speakers use it while speaking, As Julia Louis-Dreyfus walked across stage, she was simultaneously live-streaming her experience from Meerkat.

"**IF THE LAST** DECADE WAS ABOUT **SHARING** THE **NEXT** DECADE IS ABOUT **PARTICIPATING**"

-SIMA SISTANI
MEERKAT, VP OF MEDIA
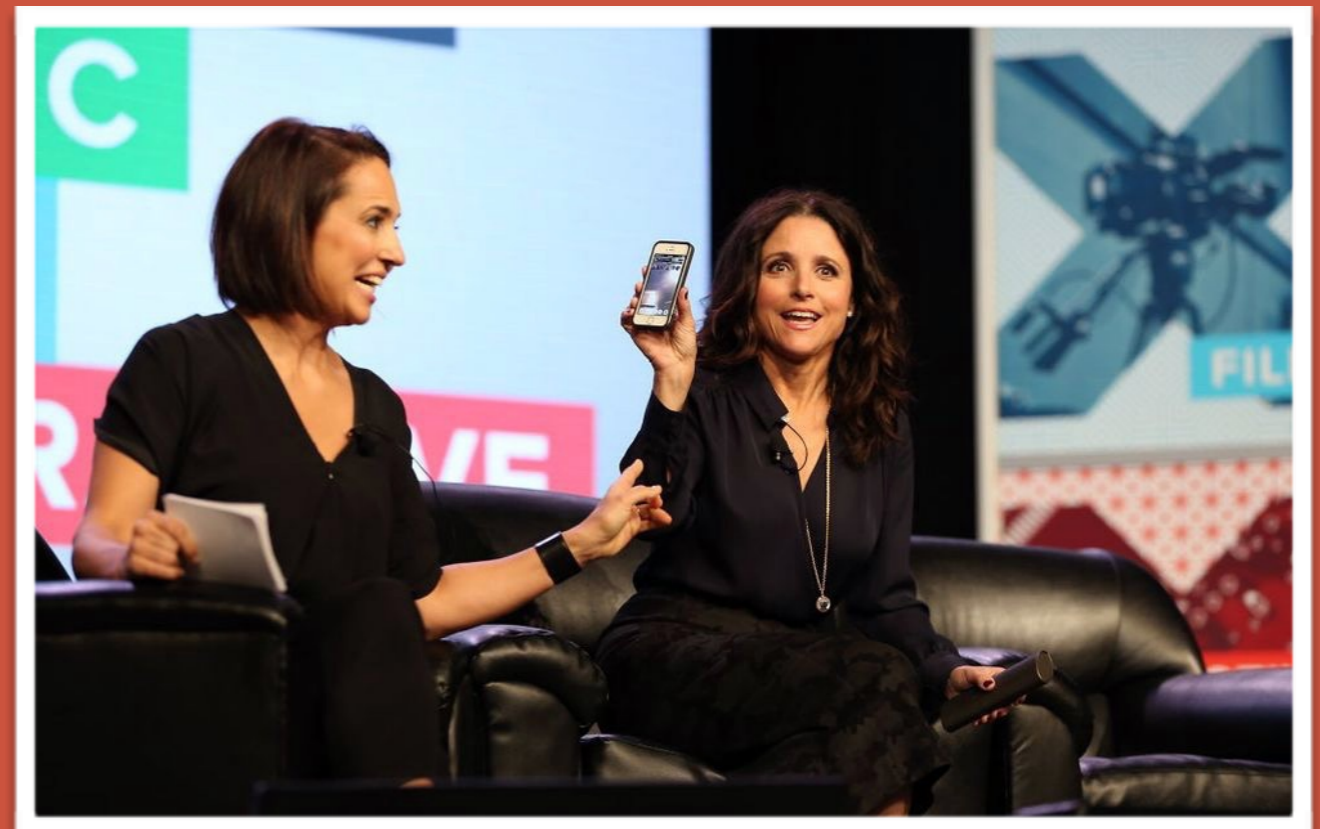
Gamification
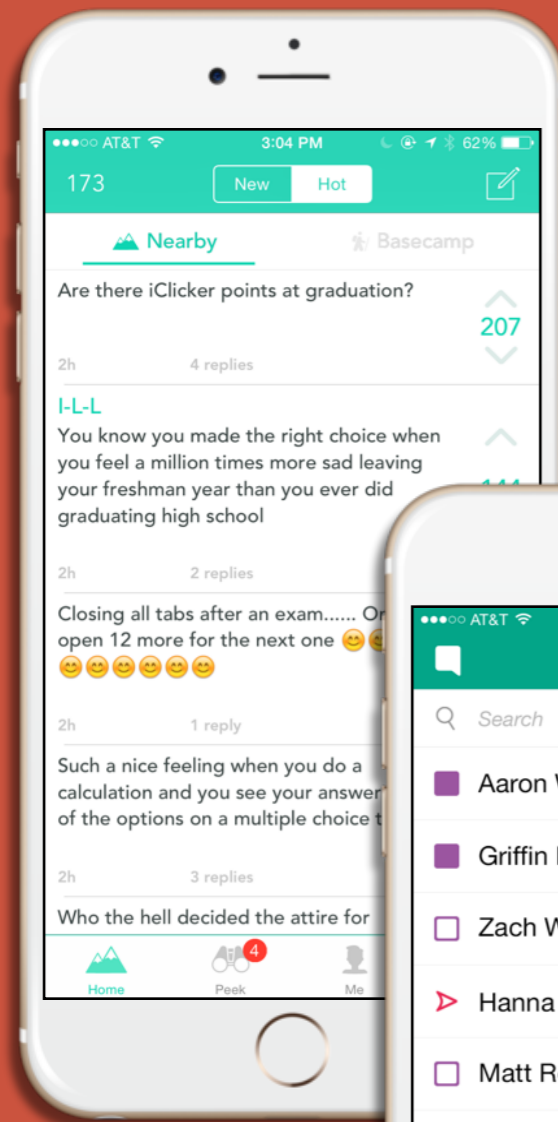
Yik Yak App
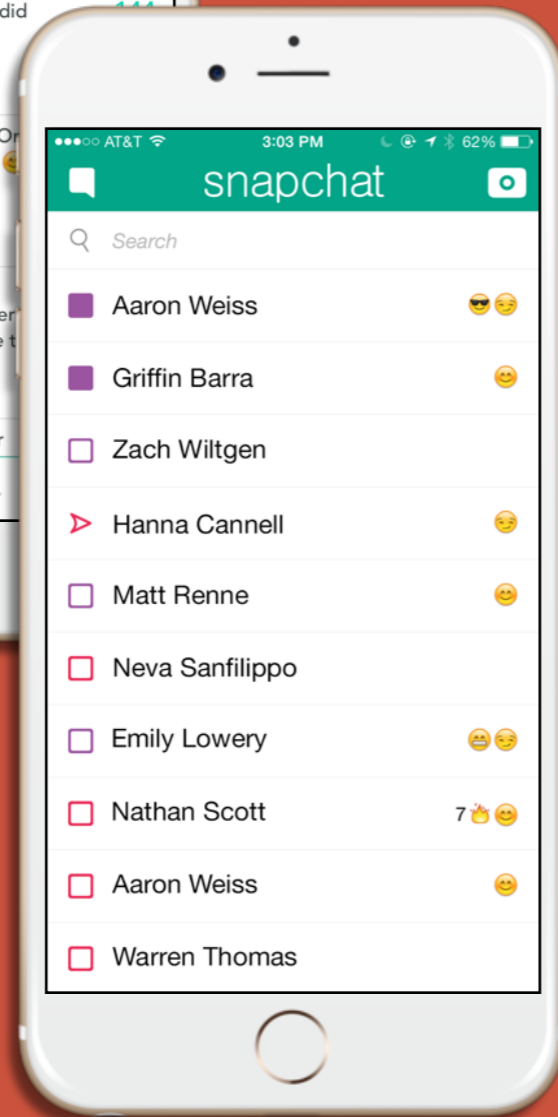
Snapchat App

Gamification is the use of game thinking and game mechanics in non-game contexts. It's often used to engage users in solving problems and increase users' self contributions.

The most popular concept is the idea of scoring and rating. The number of followers you have, how many likes you receive, up voting & down voting, even Snapchat has a score.

Gamification isn't all that new, but it's becoming much more prevalent.

It's only a matter of time before every one and everything is quantified with a score or a rating.

Quantified Self

Quantified Self first came on the scene in 2006, and 8 years later, advertisers are still trying to figure out this trend. By definition, quantified self refers to the use of technology to collect data on a person's daily life. Popular data collected includes biometrics (blood oxygen levels, sleep patterns, etc.), bodily inputs (food intake, air quality, etc.) and performance levels (steps taken, stress levels, etc).

Quantified Self's strongest presence is seen in the fitness industry. Being early adopters of technology, Millennials make up 46% of the QS fitness market. Although you see Millennials running around with their FitBit or Nike Fuel, advertisers haven't been able to fully latch onto the trend - at least from a direct standpoint.

The **data** collected by QS technologies is a goldmine for advertisers, and will play a critical role in guiding the **analysis of our audiences** in the future.

PRIMARY
RESEARCH

Focus Group

Recruitment Sample

8-12 Participants

Prompted discussion around favored and unfavored brands

FOCUS GROUP
Millennials on Millennials
Exploring your attitudes towards brands, technology, and social media.

Food and drink will be provided for participants.
7:00pm Tuesday, April 21st
Greg Hall Room 4
Register at:
http://goo.gl/forms/Xfsv6VFuvF

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Insights

1 Brands don't occupy Millennials' minds

With the insights gained from attending SXSW, we conducted focus groups. These focus groups shaped our quantitative research, and laid the foundation for our key take-aways on Millennials.

The first major stand out when speaking with Millennials is that brands do not inherently occupy Millennial's minds. When asked to write out favorite and least favorite brands, we found that many Millennials struggled to produce answers. However, later in discussion when prompted about specific brands, the participants were able to form detailed explanations for their likes or dislikes of the brand. It would seem that brand opinions are latent and only surface when prompted by a specific brand reference, experience, or emotion.

Insights

2 Brand loyalty has many facets

As our focus group conversation evolved, it became clear that consumers have strong loyalty to brands for differing reasons. The main themes that arose revolved around convenience, price, quality and corporate social responsibility (CSR).

Participants' reasons for their loyalty did not necessarily translate to purchase behavior. Though they express strong opinions for one brand (either positive or negative), that might not be the brand they actually end up interacting with or purchasing from on a given occasion.

Despite how strongly they felt about the price, quality, convenience or CSR of a brand, at any given point in the consumer journey one of the four would take precedence over all others.

Insights

3   Privacy as currency

Millennials have grown up in the age of data. They are aware that information is being collected on them, but they don't always know the specifics. During our focus groups we gleaned several insights into how Millennials view their privacy.

Although the Millennials in our focus group know data is being collected, they don't know how, when, or why. Many Millennials utilize services that provide value to their lives, but they are unaware that much of this value comes from data collection. When the participants were informed of how these benefits stemmed from data collected on them, some of their opinions changed.

They came to the conclusion that privacy is currency. Depending on what the data is being used for, and what the return in utility is to them, they support or denounce the use of their data.

Millennials crave the benefits of data. It is important to be honest with them, and above all ensure that your benefits are never outweighed by the possibility of their data being compromised.

Survey

The insights we obtained from our qualitative research were used to create a survey that explored the aspects of price, quality, convenience, and CSR in the context of five industries: Clothing, Food, Transportation, Technology, and Personal Care Products. The majority of questions used 1 to 5 rating scale, 1 being associated with low importance and 5 with high importance.

1 —|—|—|— **5**

Not at all important   **Extremely important**
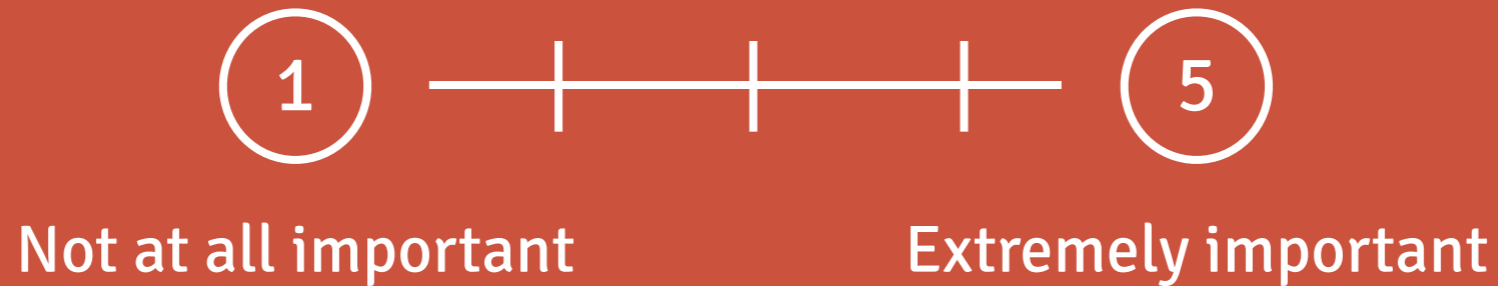
Clothing   Personal Style, Athletic

Food   Groceries, Fast Food

Technology   Smartphones/Tablets, Laptops

Transportation   Automobiles, Bicycles

Personal Care Products   Toiletries, Make-up/Hair care

Survey

The specs:

The survey consisted of 31 topical questions as well as demographic information. The survey was completed by persons age 18-25. To increase the specificity and coverage of our results, the survey featured five randomly assigned blocks of questions that involved only one product category per respondent.

Recruitment Sample

Respondents:
Age 18-25
Benchmark Age 30+

Distribution:

We made use of Amazon Mechanical Turk, which incentivized each respondent with $1.00 upon completion. We also collected organic responses by distributing the survey through social media.

Survey

In order to benchmark our core data from the 18-25 respondents, we sent out an identical survey to participants exceeding 30 years of age. We have dubbed the Millennials that we are focusing on "post-Bulls Championships Millennials," meaning they reached adolescence after the Chicago Bulls reign of championships. Our 30+ group of participants have been dubbed "pre-Bulls Championship Millennials." While a few of the respondents exceeded 50 years old, the core of our 30+ sample dwelled in the 30-40 range, putting them at adolescence or older during the Bulls peak of existence.

Age: 18-25

Post

Benchmark Age: 30+

Pre

Summaries of the responses to each set of industry specific questions are provided in the appendix of this report, along with an example of questions for each industry.

Results:

The survey was live for nine days. In that time, we collected over 300 valid responses, with about a 2:1 ratio of post-Bulls and pre-Bulls, respectively.

Survey

Insights:

It is clear that price is a very dominant factor for Millennials, with the inclusion of sales, discounts, and rewards programs. They place value on the exchange - how much am I spending, what am I getting, what am I getting beyond the purchase (rewards)?

When we compare the quantitative results with our qualitative findings, we see a parallel between the important purchase factors and the individual expressions of brand loyalty.

It is difficult to ask a Millennial what is important when they purchase. Every purchase has a different motivation, and if their loyalty expressions are any indication - you can expect their motivations to fluctuate at nearly every purchase.

What's more, beyond the buzzwords and new technology, the core values of a consumer have transcended the test of time, while still being very dependent on specific psychographics.

PARADIGM SHIFT

Paradigm Shift

As we've explored the current trends in media and compared them with what makes a Millennial well, a millennial, it has become apparent that there is no clear-cut answer on how to address them. Millennials have grown up in a landscape of infinite variables. The media we consume shapes us into incredibly unique individuals, whose opinions and habits can't be generalized.

One certainty is that as advertisers we need to change our focus from the broad to the individual. We should embrace the individualities of the consumer, and recognize how these individuals form communities within a market. Evaluations need to be made on a case-by-case basis; we cannot afford to lay blanket statements over markets.

Millennial Evaluative Criteria

Location — Community

Individual

Exchange — Content
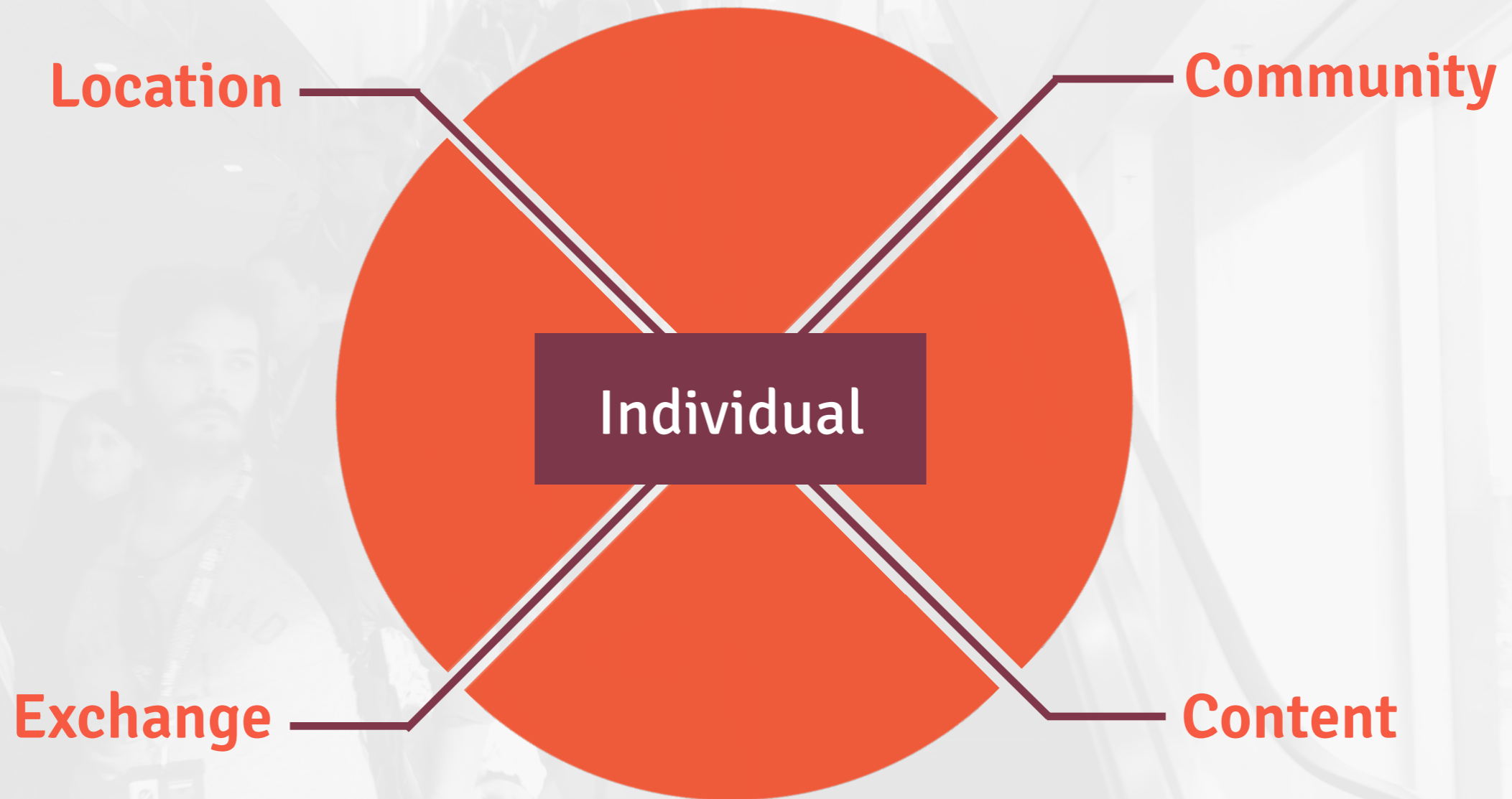
We've come up with evaluative criteria for brands to use when approaching the the Millennial market. We also feel strongly that these criteria go beyond just the Millennial market, and should be used for past generations and future markets. The focus of the criteria is the individual - remember it when addressing all other areas.

Millennial Evaluative Criteria

Individual

Community

Communities form when unique individuals come together. Psychographics, media exposure, and common experiences are what bind groups of similar people - not only demographics.

Content

Content that is not relevant to an individual is wasted space, or worse, a negative impact. Create content that is relevant to the specific communities of individuals that make up your market. Be sure to capitalize on user generated content as it is made for the consumer, by the consumer.

Millennial Evaluative Criteria

Location

The locations (both physical and media landscape) in which you interact with these individuals is vital. Know the intricacies of your consumers' media exposure. Tailor your content to align with the medium you are using, as well as where in the consumer journey your targets are. Additionally, if physical location data is part of the exchange between you and your market, be sure that it is upfront and with the consumers' interests in mind.

Individual

Exchange

Be aware of the exchange that is the foundation of your relationship with the consumer. They are expecting something from you, and you are expecting something from them. If you don't hold up your end of the bargain, they won't either. Know what each individual expects from your brand, and tailor the experiences/content you create to reflect this. They are trusting you to use their data to create a better product or experience for them. Don't deceive or manipulate them with the data you collect.

Millennial consumers require meticulous attention in the media landscape. Their relationships with brands are not active, but reactive; only stimulated by an experience with a brand. The attempt to generalize this demographic hinders the true potential that brands have to establish strong customer loyalty rooted in community, content, location, and exchange.

Appendix

Quantitative Survey Examples

Personal Care Products

Pre-Bulls and post-Bulls millennials feel the same way about price related to quality: the two aren't very related. They want the purchase process to be relatively quick and they don't need assistance or customer service. When price, quality and convenience are all equal between personal care brands, social responsibility of a company is highly important whereas recommendation of peers is not as important.

		N	Mean	Std. Deviation	Std. Error Mean
When you're shopping for makeup/hair care, how closely is price related to quality?	millennial	51	1.71	.460	.064
	not millennial	17	1.71	.470	.114

Transportation:

Pre-Bulls millennials value price more strongly than post-Bulls millennials in the transportation category, presumably because they are not yet equipped to purchase higher-priced automobiles. However, pre-Bulls and post-Bulls millennials both value convenience when purchasing vehicles. They agree that sales discounts and durability are very important when purchasing automobiles.

		N	Mean	Std. Deviation	Std. Error Mean
Think about purchasing transporation vehicles. Please rate the following based on their importanc...-Quality	millennial	57	4.28	.675	.089
	not millennial	9	4.44	.527	.176

Quantitative Survey Examples

Technology

The fact that pre-Bulls millennials value price more than post-Bulls millennials transcends technology as well. Still, the younger millennials prefer to go through the purchase process without assistance and do not care as much about customer service. This is likely due to the penetration of online shopping and review resources in their upbringing as a consumer. Millennials want the newest and best style for what they purchase.

		N	Mean	Std. Deviation	Std. Error Mean
How important are each of the following when you are shopping for smartphones/tablets?- Customer Service	millennial	30	3.67	1.061	.194
	not millennial	10	4.20	.632	.200

Food

Non-millennials have different standards of quality and customer service in grocery stores. Compared to post-Bulls Millennials, pre-Bulls Millennials care less about whether a grocery product seems "cheap" and more about discounts and rewards programs. When asked about fast food products, both groups value customer service similarly, while pre-Bulls Millennials find freshness very important compared to post-Bulls Millennials.

		N	Mean	Std. Deviation	Std. Error Mean
How important are each of the following when you are shopping for groceries?- Customer Service	millennial	59	3.20	1.256	.164
	not millennial	18	3.83	.857	.202

Quantitative Survey Examples

Clothing

When asked about personal style clothing and athletic clothing. Pre-Bulls and post-Bulls Millennials responded similarly when rating price overall, but there was significant variance amongst different aspects of price, such as rebates and rewards programs.

	agenew	N	Mean	Std. Deviation	Std. Error Mean
How important are each of the following when you are shopping for personal style clothing?-Rewards Programs	millennial	48	3.08	1.200	.173
	not millennial	7	2.00	1.155	.436

Sources

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14	SXSW Panel – "When Humor Is More Powerful Than Truth" Speakers: Ben Huh – Founder/CEO at Cheezburger The Keys to Winning Millennials: CSR, Humor and Loyalty Rewards http://www.adweek.com/prnewser/the-keys-to-winning-millennials-csr-humor-and-loyalty-rewards/74501 In the Tastes of Young Men, Humor Is Most Prized, a Survey Finds http://www.nytimes.com/2012/02/20/business/media/comedy-central-survey-says-young-men-see-humor-as-essential.html?_r=0 Make 'Em Laugh: Sitcom Humor for Millennials http://www.popmatters.com/feature/164601-make-em-laugh-sitcom-humor-for-millennials/ Rebellion 2.0: Smart and Funny http://search.ebscohost.com.proxy2.library.illinois.edu/login.aspx?direct=true&db=a9h&AN=55448809&site=ehost-live Images: http://www.themill.com/media/331996/old%20spice%20-%20man%20your%20man%20could%20smell%20like%20-%20video.jpg http://b.fastcompany.net/multisite_files/cocreate/imagecache/1280/article_feature/1280-dollar-shave-club-promo-advertising.jpg
15	SXSW Panel - Lessons From Buzzfeed Speakers: Jonah Peretti, CEO of Buzzfeed SXSW Panel - The New TV Star: How to Build an Audience Online Speakers: Tyler Oakley, Tom Ryan, Michelle Castillo, Max Polisar Obama Video: http://www.buzzfeed.com/andrewgauthier/the-president-uses-a-selfie-stick#.smxzqWgqBz
16	SXSW Panel - Contextual Mobile UX in the a Beacon Wearable Age SXSW Panel: Winning The Battle For Digital Airspace Speakers: Chris Borek, Director of Enterprise Digital Marketing, Darden Restaurants Jeff Griffin, Executive Vice President of Retail, inMarket Lauren Johnson, Staff Writer, Adweek Michael Stich, CGO, Rockfish Museums Turn to Technology to Boost Attendance by Millennials http://www.nytimes.com/2015/03/19/arts/artsspecial/museums-turn-to-technology-to-boost-attendance-by-millennials.html GameStop deploys beacons to bring in millennials http://www.fierceretail.com/mobileretail/story/gamestop-deploys-beacons-bring-millennials/2015-01-16 The Influence of Social Networking Sites on Buying Behaviors of Millennials http://digitalcommons.kennesaw.edu/cgi/viewcontent.cgi?article=1020&context=amj

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17	SXSW Panel - The VEEP Speaks Speakers: Anne Fulenwider, Editor in Chief Marie Claire 　　　　　Julia Louis-Dreyfus, Actress, VEEP 　　　　　Matt Walsh, Actor, VEEP 　　　　　Sam Richardson, Actor, VEEP Image: https://cmga360movies.files.wordpress.com/2015/03/veep.jpg
18	SXSW Panel - #NoFilter, The pros and cons of constant connection. Speakers: Paul Tym, Founder Refresh App 　　　　　Krystine Batcho 　　　　　Prodess of Psych SXSW Panel - Battles at home: protecting and promoting the sharing economy Gamification by Design https://books.google.com/books?id=zZcpuMRpAB8C&lpg=PP1&pg=PR14&hl=en#v=onepage&q&f=false
25	Images: http://www.flaticon.com/free-icon/smartphone-tablet-and-television_73542 http://www.flaticon.com/free-icon/soap-for-hands_76031 http://www.flaticon.com/free-icon/sedan-car-side-view_48301 http://www.flaticon.com/free-icon/fast-food-burger-and-drink_62484