Attracting Millennial Consumers in the Digital Age

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Who are they and how are they different?

- According to Pew Research Center (2015) they spend twice as much time as boomers on self-care (dieting, therapy, working out), more likely to have a bachelor's degree (2016), to live at home longer, more liberal

Early 1980s - Early 2000s
Stores Closing

Payless ShoeSource - 400 stores
JC Penney - 138 stores
Macy's - 68 stores
Sears and K Mart - 150 stores
HH Gregg - 88 stores
Abercrombie & Fitch - 60 stores
Guess - 60 stores
The Limited - 250 stores
Wet Seal - 171 stores
American Apparel - 110 stores
BCBG - 120 stores
GameStop - 150 stores
Radio Shack - 550 stores
Staples - 70 stores
CVS - 70 stores
Gander Mountain - 32 stores
Family Christian - 240 stores

Source: Forbes (April 7, 2017) - Richard Kestenbaum
The Quarterly Retail E-Commerce sales estimate for the second quarter of 2017 is scheduled for release on August 17, 2017 at 10:00 A.M. EDT.
Image of the Consumer

• How could retail stores change in order to better appeal to millennials?
Understanding Millennials

• High-tech generation (Norum, 2003)

• Consumption-oriented/sophisticated when shopping (Jackson, Stoel, & Brantley, 2011; Wohlburg & Pokrywczynski, 2001)

• Status consumption higher with this cohort than with past generations (Eastman & Liu, 2012)

• Concerned with social responsibility and environmental issues (Barber, Taylor & Dodd, 2009; Smith, 2012)
Millennials as Consumers

• Want you to be available; sometimes online, sometimes in the store (Redprairie, 2012)

• Rely on social media but prefer stores

• Do not bombard them with advertisements; be strategic; do not overstep boundaries of privacy

• Recognize their preferences and make meaningful recommendations
Millennials: Thinking of your favorite retailer, why do you shop here?

- Brand loyal: 46%
- Price-conscious: 59%

Source:
PwC
© Statista 2016

Additional Information:
United States; PwC; February 2016; 1,000 Respondents; 18-34 years
How could retail stores changes to appeal to millennials?

- Customer Service - Extremely Important, Friendly but not Pushy
- Will buy Online and In-store - so there should be a seamless transition
- Retail space should be clean, bright and organized
- Should be able to find their favorite brands
- Price and sales matter
- Ethical in their management
- Advertising strategy and privacy concerns
- Natural, environmentally-friendly, and local and artisan products

Photograph: State Farm (statefarm.com)
Baby Boomers

Mass
Commercial
Global
Generic
Prestigious
Status

Photographer: thinkpanama.com (cropped)
Source: Forbes (April 7, 2017) - Richard Kestenbaum
Millennials and Gen Z

Locally-sourced
Ethically made, with fair salaries
Environmentally friendly
Artisanal
Authentic
Experiential

Photographer: Alagich Katya
Source: Forbes (April 7, 2017) - Richard Kestenbaum
References


