

A Marketer's Guide to Reaching Each Consumer Generation

A look at the factors that influence purchase decisions for Centennials, Millennials, Generation X and Baby Boomers in and out of the holiday season

Introduction

Over the last decade, marketers have adapted to the boom of technology and the introduction of various new marketing channels while considering how different generations of consumers are responding to these changes. Popular views of each generation used to be broadly generalized: The habits of Baby Boomers and Gen X were considered “the norm,” while Millennials were deemed “digitally savvy,” and Centennials were not yet on the radar.

Fast forward to 2017, and the tides have changed. Baby Boomers are spending less as they retire, Generation X is more financially powerful than ever¹, and Millennials are now building careers and families and hold much higher spending power² than they did just a few years ago. And as Centennials enter the mix, shopping behavior has become more differentiated.

The problem that marketers face in effectively communicating with shoppers in every age group is that each generation's buying habits, from research to purchase, vary significantly due to the evolution of technology over the last decade. Along with that, each generation holds a different set of expectations for what marketers should deliver. Further complicating matters, these expectations vary by channel as well.

The following report, based on a Data Axle survey of more than 1,000 consumers who have received a marketing email in the past year, outlines shopper personas for Centennials, Millennials, Generation X and Baby Boomers, and provides an analysis of how each generation responds to marketing communications in and out of the holiday season. This report serves as a guidebook for marketers looking to reach and engage shoppers from each generation.



Section 1

Generational shopper profiles

Centennials: the experience generation

This youngest group of shoppers wants authentic brand experiences across all channels, and values quality over price or convenience. As digital natives, Centennials (consumers under the age of 21) don't engage in the traditional customer service channels (such as phone or email), but they still expect personalized interactions with brands that understand their needs.

Shopper profile



Brand loyalty

More than half of Centennials (57 percent) say quality drives their loyalty to a brand more than any other factor, even more so than price (55 percent) – nearly 10 percent higher than any other generation. All other generations value price the most.

Purchase drivers

Half of Centennials (50 percent) based their last purchase decision on product quality, more than any other generation. This age group was also influenced more than other generations by free shipping (59 percent), brand prestige (11 percent) and special experiences like in-store events (4 percent).

Channel preferences

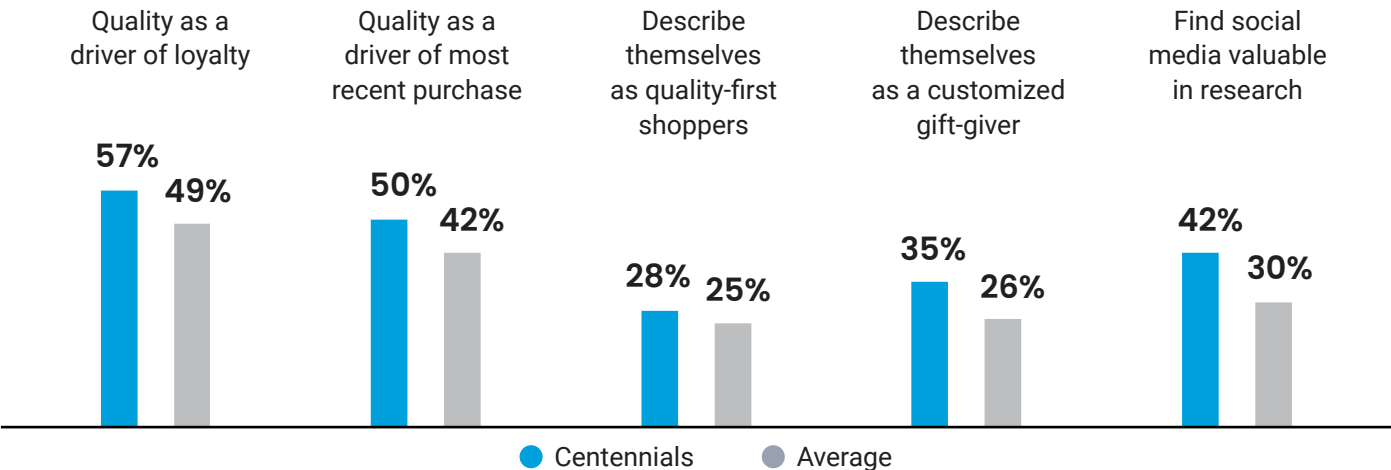
Centennials value email least out of all generations (46 percent), ranking it below mobile apps (56 percent) and display advertising (56 percent). They find social almost equally as important as email (42 percent).like in-store events (4 percent).

Gift-giving style

When it comes to buying gifts for others, Centennials prefer to find customized gifts for everyone they know (35 percent) rather than hunt for bargains or make decisions based on convenience.

Shopping habits

More than a quarter of Centennials describe themselves as quality-first shoppers (28 percent), second only to Millennials.



Millennials: brand loyalists

Millennials (ages 22 to 37) stick with the companies they know and trust, demonstrating the most brand loyalty of all the generations. This means they are most open to marketing messages – assuming their interactions are personalized, brands stay true to their promises and their customer loyalty is rewarded.

Shopper profile



Brand loyalty

While they care most about price, Millennials are more likely than other generations to remain loyal to a brand because of its loyalty rewards (22 percent) and its company reputation or philosophy (15 percent).

Purchase drivers

Millennials care about loyalty rewards more than other generations, with 15 percent saying points influenced their most recent purchase.

Channel preferences

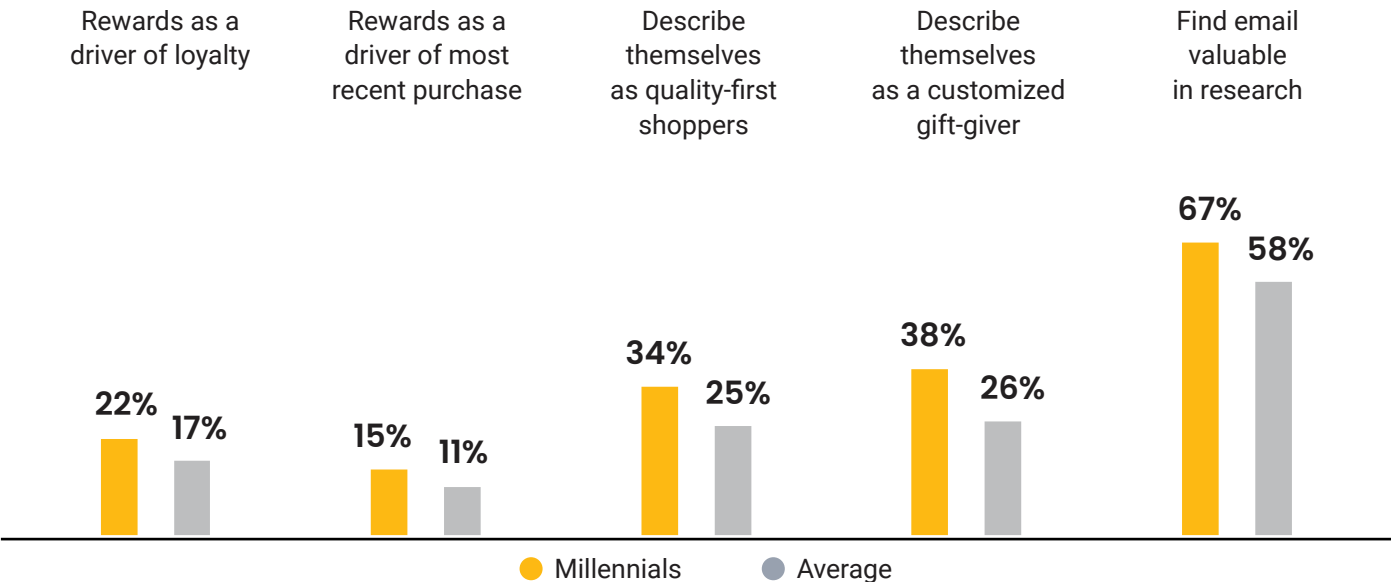
Millennials are more likely than any generation to find email (67 percent) and mobile apps (61 percent) important when making a purchase decision. Like Centennials, they also value social media (50 percent).

Gift-giving style

Like Centennials, Millennials consider themselves thoughtful gift-givers, with 38 percent spending the time to find unique presents for family and friends.

Shopping habits

A third of Millennials describe themselves as quality-first shoppers (34 percent) – on par with those who say they consider price first (34 percent).



Generation X: bargain hunters

Often considered the forgotten generation, Generation X (ages 38 to 52) is full of deal seekers. They want good buys on quality products, and they expect a convenient path to purchase. This group of consumers is most likely to be influenced by price and cares less about brand loyalty than other generations.

Shopper profile



Gift-giving style

When it comes to shopping for others, Generation X consumers are the most likely to be bargain hunters (36 percent), although a quarter (25 percent) say they seek out unique gifts for loved ones. This also reflects the tendencies of both the younger and older generations.

Purchase drivers

While price matters to all generations, it matters most to Generation X, with 85 percent reporting that discounts influenced their last purchase. But like their younger counterparts, quality also matters; a little less than half of Generation X consumers recently made a purchase based on product quality (45 percent).

Shopping habits

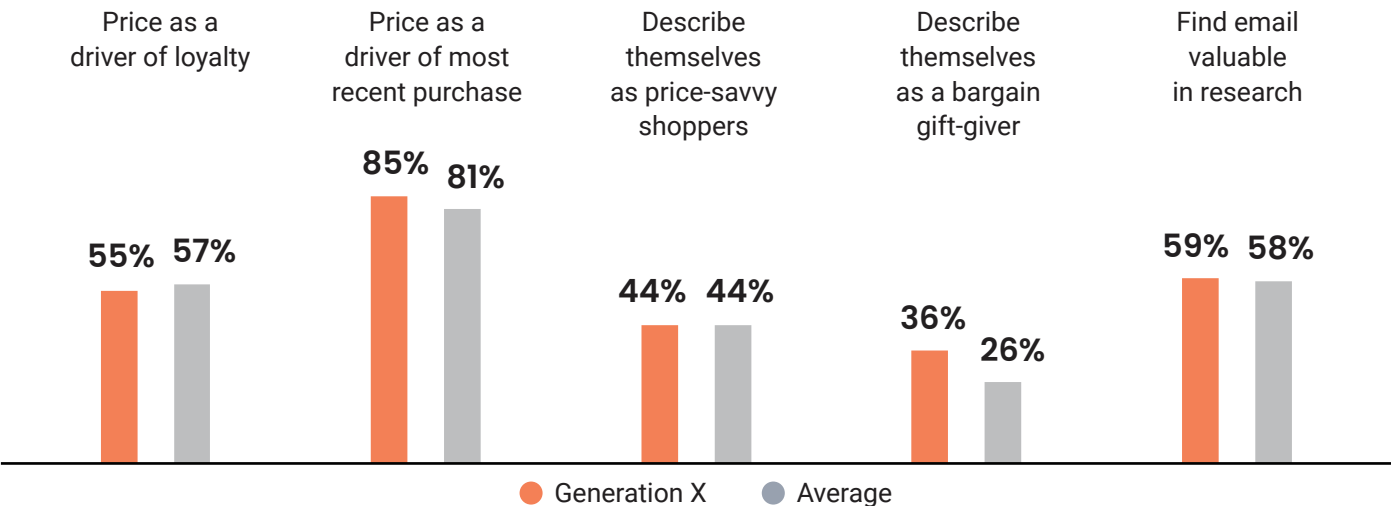
Again, Generation X shoppers straddle the younger and older generations, calling themselves price-savvy (44 percent) like Baby Boomers but also quality-driven (25 percent) like Centennials and Millennials.

Brand loyalty

When it comes to brand loyalty, Gen Xers are a mix of younger and older generations. They place highest value on price (55 percent), followed by quality (45 percent) and convenience (23 percent).

Channel preferences

Generation X values email (59 percent), but is less interested in other digital channels like social or display.



Baby Boomers: price-savvy shoppers

Baby Boomers (ages 53 to 71) are the most traditional consumers, shopping with brands that offer wide selections at discounted prices. Not motivated by loyalty programs or unique brand experiences, this generation wants to see a variety of well-priced products that meet their immediate needs.

Shopper profile



Gift-giving style

Baby Boomers are the least likely to buy gifts for others around the holidays (12 percent); when they do, this generation of shoppers mainly looks for bargains (33 percent).

Purchase drivers

Convenience also influenced Baby Boomers the most for recent purchases (36 percent), while they are also most likely to consider whether a product meets their immediate needs (25 percent). Baby Boomers care less about quality than any other generation.

Shopping habits

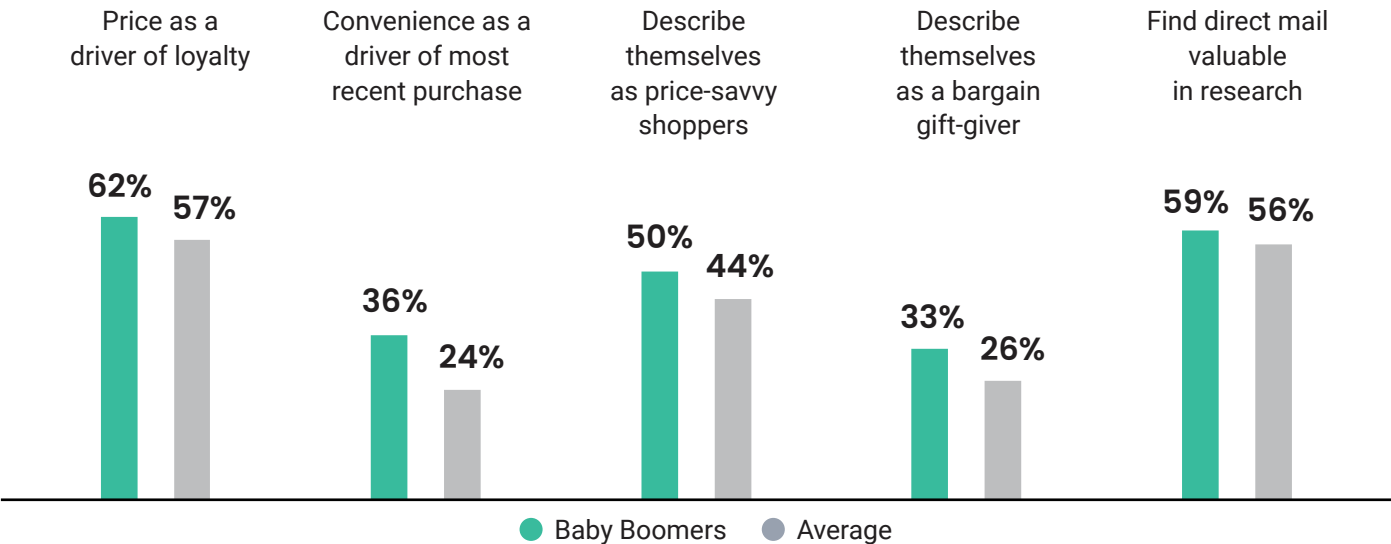
Half of Baby Boomers call themselves price-savvy shoppers (50 percent), far more than younger generations, and they are least likely to say they are quality-first shoppers (16 percent).

Brand loyalty

Baby Boomers led the generations in three categories when it comes to factors that drive brand loyalty: price (62 percent), convenience (30 percent) and product variety (21 percent).

Channel preferences

Baby Boomers rank direct mail higher than any other generation (59 percent), while 59 percent also say they value email. Only 19 percent say they value social.





Section 2

Channels by generation

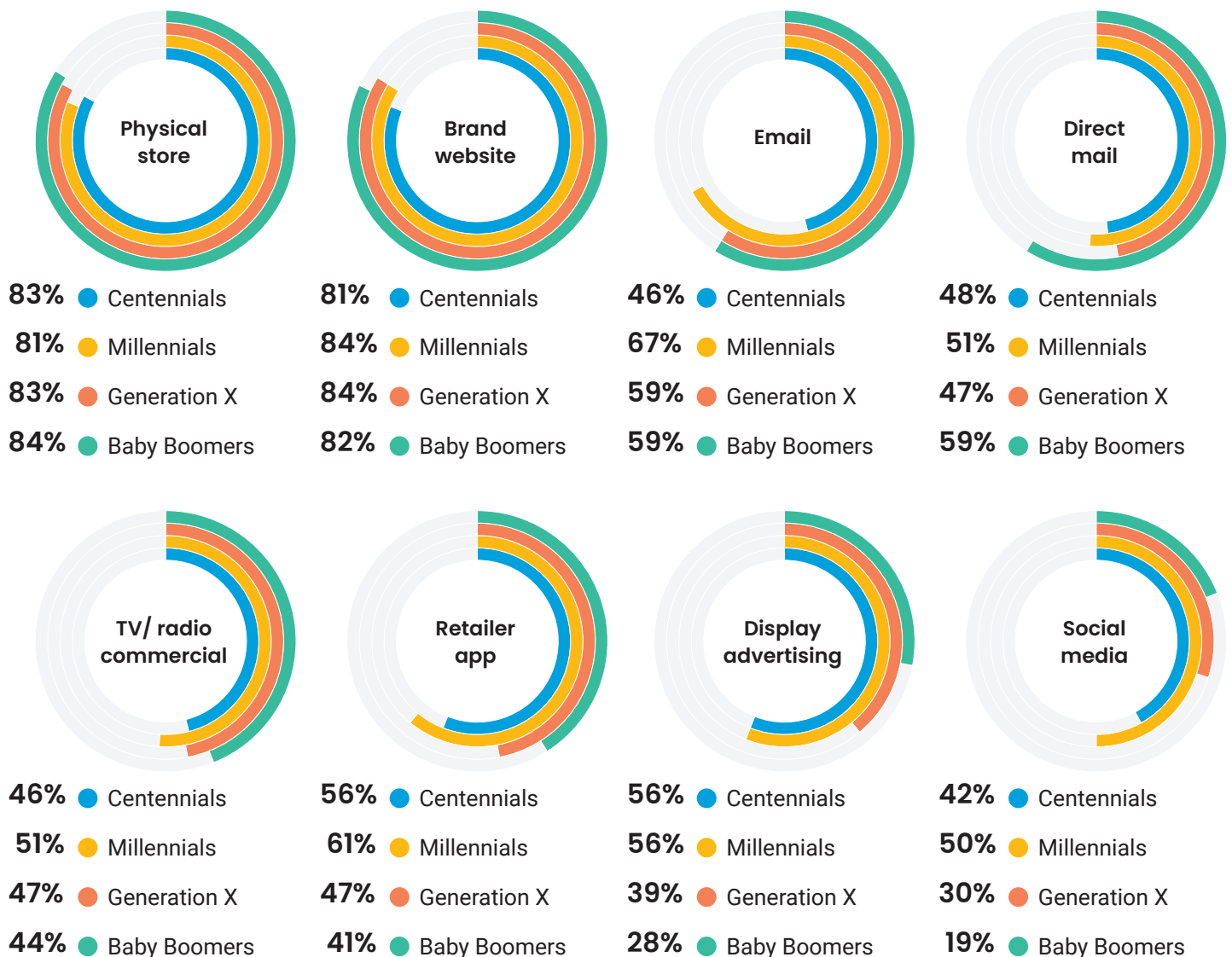
Channel leaders by generation

While the shopper profiles should inform how brands sell to different generations, marketers should also analyze the preferred channels of each group. For example, it's no coincidence that Centennials (who value experiences) also gravitate toward social media channels where they can interact 1:1 with brands. Or, that brand-loyal Millennials are most likely to act after receiving an email with a personalized message.

While some of the survey findings reflect the digital divide between the generations, there are also some surprises, like Centennials' affinity for brick-and-mortar stores and waning interest in email. It's these nuances that buck technology trends and better exemplify the values of each generation. For marketers, understanding these dual drivers of tech and values is the key to engaging each generation.

Overall, consumers of all ages consider physical stores and a brand's website equally important when researching a product or service before making a purchase. Beyond this similarity, however, is a wide gap between the channels each generation prefers, particularly when it comes to email and social media.

Consumers who consider each channel important during research, by generation





Email

All consumers consider email to be an important part of their shopping experiences, but when broken down by generation, it's clear that each age group has a unique relationship with the channel.



Key findings

- Millennials find email more important to their shopping decisions than other generations: 67 percent say a brand's email is important for their decision to purchase, and in the past three months, 83 percent have made a purchase after clicking on an email.
- Centennials value email less than all other generations: Only 46 percent find email important in their purchase process, and 60 percent have made a purchase from email in the past three months.
- Generation X and Baby Boomers value email equally: 59 percent of both age groups say email is important for their purchase decisions, but more Generation X shoppers have made recent purchases as a result of an email (77 percent vs. 62 percent).

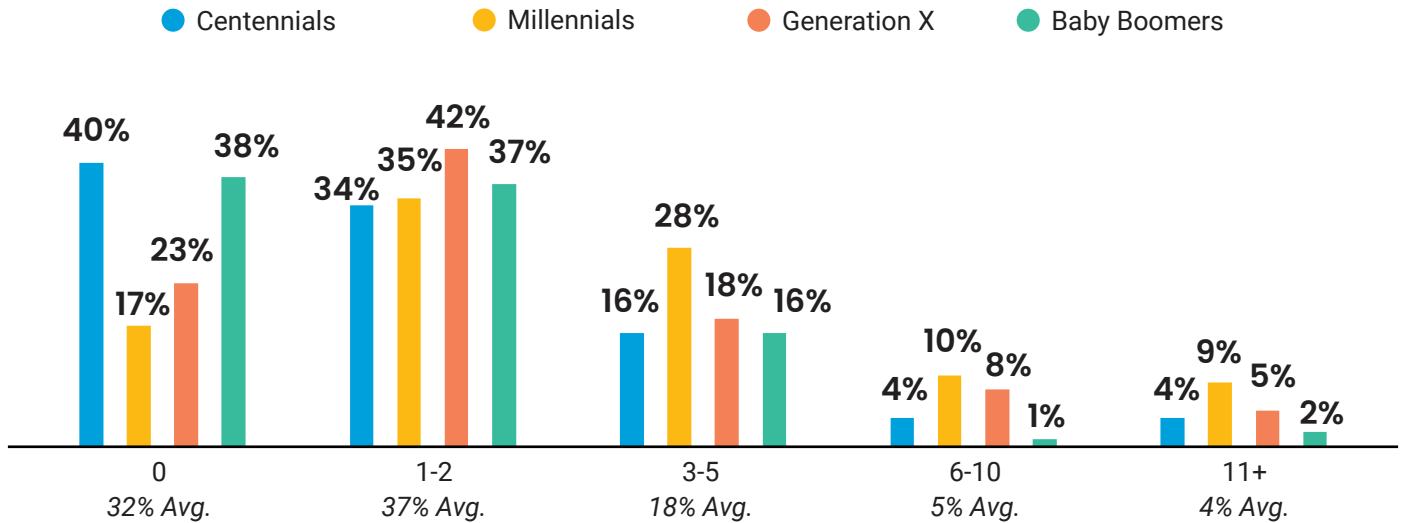
Frequency of email purchases

Overall, more than two-thirds of consumers (68 percent) have made a purchase in the last three months after receiving a brand email. Millennials lead the way, followed closely by Generation X shoppers, while Centennials and Baby Boomers lag quite a bit behind. Almost half of Millennials (47 percent) have made three or more purchases as a result of an email, twice as many as Centennials.

The significant gap in email use between Millennials and Centennials reflects the technology that drove communication when each generation was coming of age. Millennials grew up alongside email and have used it in academic and professional settings their entire lives. Centennials, on the other hand, were born into a world with an exploding number of communication channels, and they prefer the immediate and shared experience of social media.

Generation X and Baby Boomers find email equally important to their shopping journeys, but Generation X is more likely to have recently made a purchase as a result of email. Baby Boomers make fewer email purchases than other generations, but they still value the channel for research.

How many times in the past three months have you made a purchase because of a marketing email you received?



Email purchase drivers

When it comes to purchasing as a result of a marketing email, all generations value discounts and brand reputation but they diverge when it comes to other contributing factors. For example, Centennials make more email-driven purchases than other generations due to the fact that the brand offers an easy online/mobile experience (85 percent provided this rationale), Millennials make email purchases based on loyalty more than any other group (70 percent) and older generations (Generation X and Baby Boomers) are influenced more by the ease of doing business (92 percent for both age groups).

Personalization plays differently with each generation as well. While Millennials and Centennials are most likely to be influenced by personalized content (49 percent and 45 percent, respectively) and product recommendations (56 percent and 53 percent, respectively), those two marketing strategies matter much less to Generation X and Baby Boomer shoppers. The findings emphasize the importance of personalizing brand interactions with younger generations.

When you're deciding whether or not to purchase from a brand's email, do you find the following factors important?



Email purchase drivers, by Generation

64% ● Centennials
70% ● Millennials
62% ● Generation X
58% ● Baby Boomers



53% ● Centennials
56% ● Millennials
46% ● Generation X
37% ● Baby Boomers



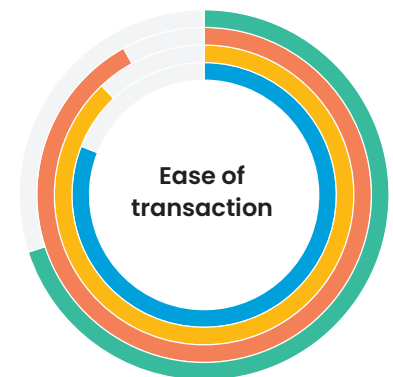
45% ● Centennials
49% ● Millennials
37% ● Generation X
24% ● Baby Boomers



85% ● Centennials
81% ● Millennials
77% ● Generation X
68% ● Baby Boomers



59% ● Centennials
71% ● Millennials
68% ● Generation X
70% ● Baby Boomers



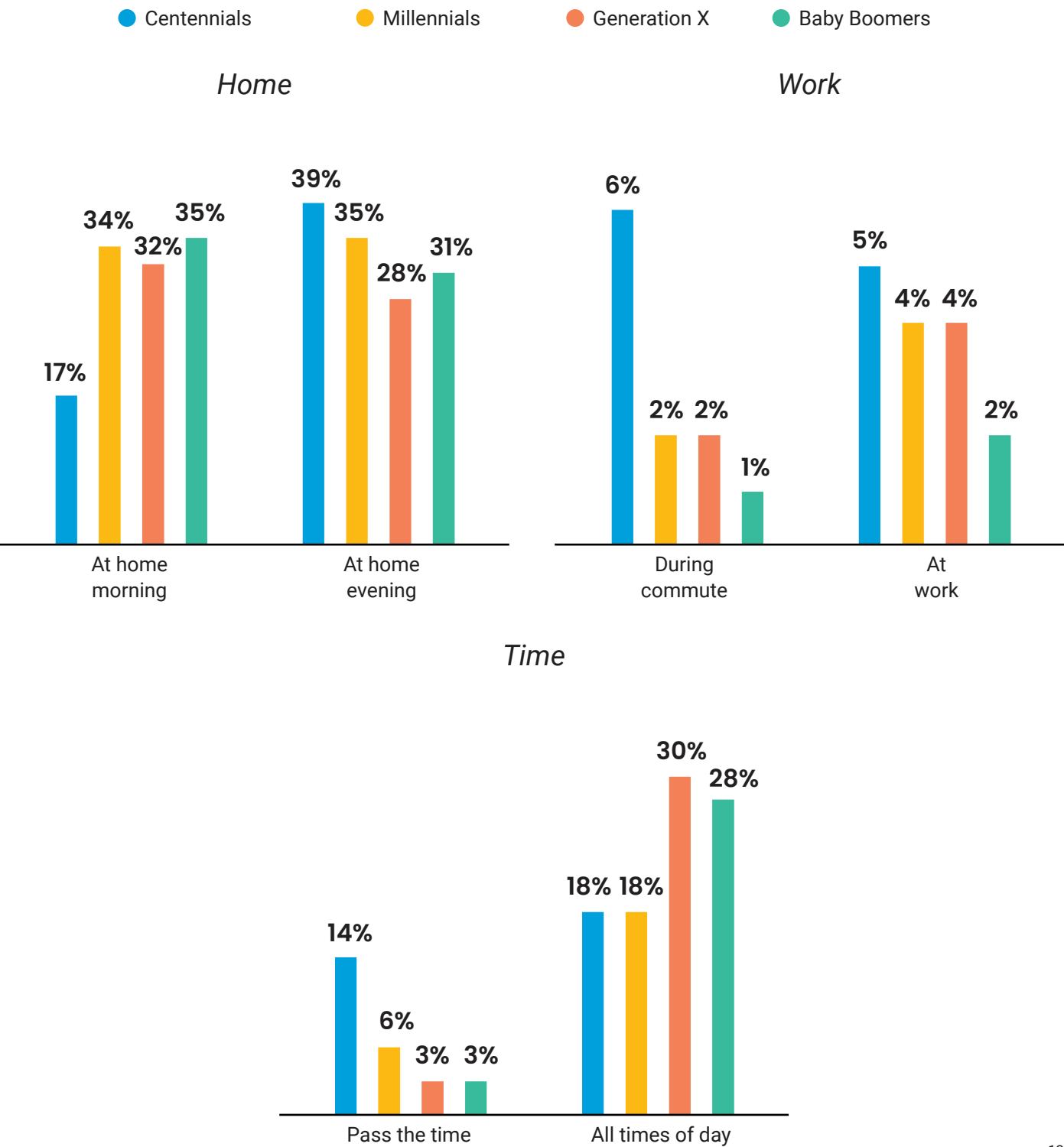
81% ● Centennials
88% ● Millennials
92% ● Generation X
92% ● Baby Boomers

Email timing

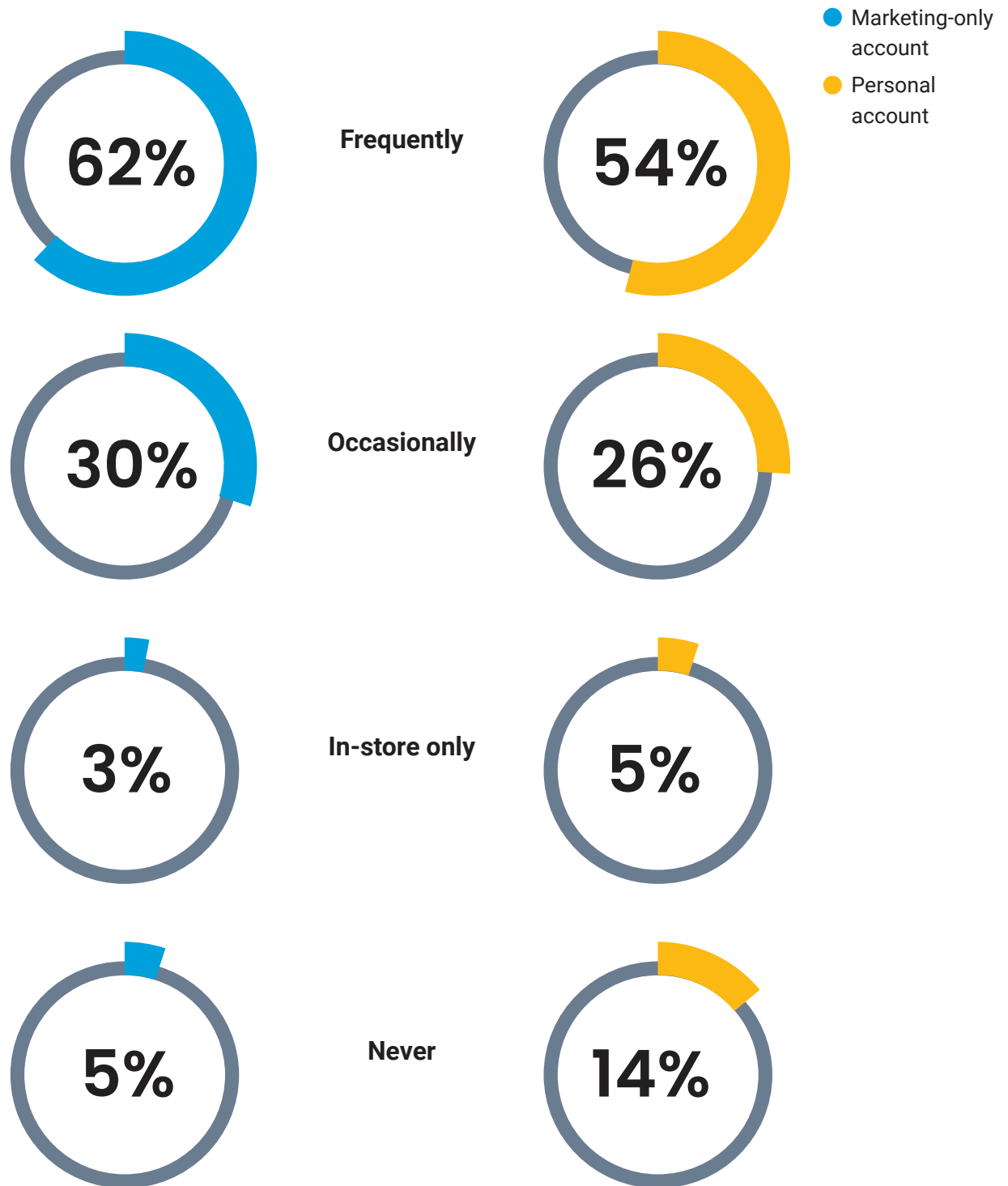
The most popular times for consumers to check their email for brand messages are at home in the morning (32 percent) and evening (31 percent), but a quarter of all shoppers do so throughout the day. The biggest exception is Centennials, who check email more than other generations while on the go, including while commuting (6 percent) and in situations where they want to pass the time, such as waiting in line (14 percent). This is consistent with other findings that suggest email is not a priority for the youngest shoppers. Brands catering to Centennials should therefore keep a close eye on the most popular times for opens and clicks, and schedule emails accordingly.

Perhaps because they have been inundated with email, more than a third of consumers (36 percent) have opened separate email accounts just for brand communications – a number that jumps to 58 percent for Millennials and drops to 26 percent for Baby Boomers. But the goal doesn't seem to be avoiding brand emails; consumers with marketing-only email accounts check their inbox more frequently compared to consumers who only use their personal email addresses. That's good news for brands because it means consumers want to see brand messages but don't want to clog up their personal inboxes.

When are you most likely to check for brand emails or promotions?



How often do you check your email for promotions?



Takeaways

- Send triggered emails to target hard-to-reach generations like Centennials. These personalized, timely messages are more likely to engage them and elicit immediate response.
- Be careful not to over-segment your email marketing approach. While these generations do interact differently with email, every campaign deployed should be personalized.
- For older generations, stick to traditional wisdom about timing to catch them at key email-monitoring times - and keep them coming back with relevant content.



Social media

Social media habits also vary significantly across generations. Centennials and Millennials report greater interest in social media for shopping purposes than Generation X and Boomers. This should come as no surprise, as younger generations grew up in the age of social media.

Key findings

- More than 80 percent of Centennials and 74 percent of Millennials say social media influences their shopping, compared to 58 percent of Generation X and 41 percent of Baby Boomers.
- Forty-four percent of Centennials find Instagram influential, and 21 percent find Snapchat influential in their purchase decisions -- twice as much as Millennials do.
- Facebook is important for all generations: Even 38 percent of Baby Boomers find it influential.



Social media purchase influence

More than half of all consumers (57 percent) say social media influences their shopping, led by Facebook at 44 percent. Social media becomes increasingly influential among the youngest two generations, with networks other than Facebook playing a much bigger role.

When asked about specific social sites, Centennials favor Snapchat and Instagram more than all other generations. Millennials, on the other hand, prefer Facebook more than any other age group. Use of Snapchat is almost nonexistent among Generation X and Baby Boomer shoppers. Interestingly, Pinterest plays a relatively equal role across generations, and should be an integral part of any visually driven brand's strategy.

Which social networks are most influential in your shopping outside of the holiday season?



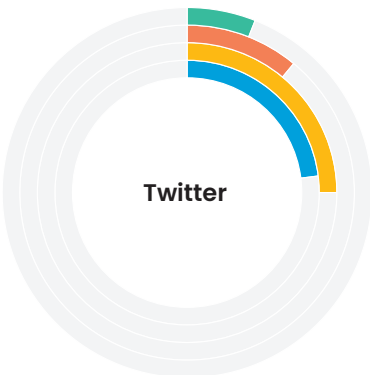
- 51% Centennials
- 66% Millennials
- 44% Generation X
- 38% Baby Boomers



- 44% Centennials
- 21% Millennials
- 15% Generation X
- 3% Baby Boomers



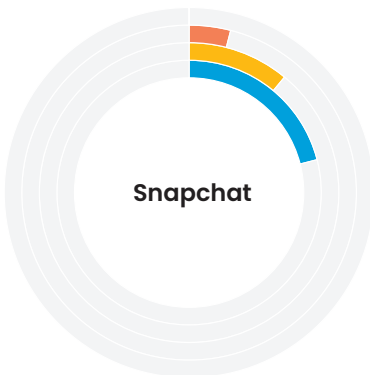
- 32% Centennials
- 22% Millennials
- 14% Generation X
- 12% Baby Boomers



- 23% Centennials
- 25% Millennials
- 11% Generation X
- 6% Baby Boomers



- 16% Centennials
- 13% Millennials
- 14% Generation X
- 12% Baby Boomers



- 21% Centennials
- 11% Millennials
- 4% Generation X
- 0% Baby Boomers

Facebook plays a significant role in the shopping experience for all generations, even among Generation X and Baby Boomers who say they're generally not influenced by social media. And Facebook remains important for Centennials; in fact, most teenagers still have Facebook accounts despite many studies reporting that they find it less interesting than Snapchat and Instagram.³

Marketers targeting Centennials and Millennials should direct equal spend toward both email and social to truly engage these consumers. But remember that Millennials still value email the most. The key to success will be seamlessly integrating the two channels (consistent messaging and offers) to provide a truly cross-channel experience.

Takeaways

- When it comes to social strategy, focus is key. A customized approach for two social networks is better than a blanket strategy for five.
- All generations, even Centennials and Baby Boomers, use Facebook. All brands must have a well-developed Facebook presence.
- If looking to reach Centennials, it's imperative to incorporate Snapchat and/or Instagram along with Facebook.
- Pinterest can be used to reach shoppers of all generations; 15 percent in each age group said they find Pinterest influential for their shopping.





In-store vs. online

As younger generations earn more spending power and ecommerce becomes the norm, it's easy to think the in-store experience is dying; however, the research shows that shoppers across all generations find online and in-store presence equally important.



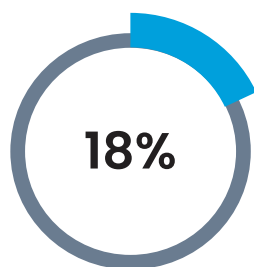
Key findings

- More than 80 percent of respondents in all age groups report that they find a brand's website important when making purchase decisions. Respondents across all age groups rate a brand's ecommerce site equally as important as its in-store offering.
- Millennials are more likely than any generation to have made a purchase on Amazon in the past month (79 percent), followed by Generation X at 69 percent.

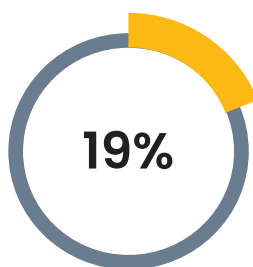
The in-store experiences

While marketers may assume that Centennials and Millennials are digital-only shoppers, these age groups responded the same as older generations when asked about the importance of the in-store experience. Similarly, Baby Boomers, a generation marketers might assume is more averse to online shopping, find brand ecommerce sites as important as the in-store experience.

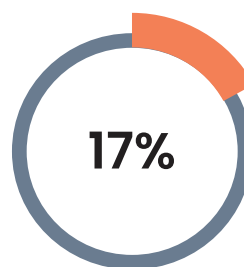
In-store experiences as one of the top three drivers of brand loyalty



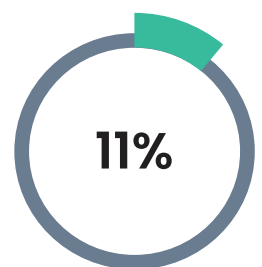
Centennials



Millennials



Generation X



Baby Boomers

In a promising sign for brick-and-mortar retailers, the youngest shoppers value the in-store experience the most. Nearly one in five Centennials (18 percent) and Millennials (19 percent) say the in-store experience is one of the top three factors that drive brand loyalty, compared to only 11 percent of Baby Boomers.

Influence of Amazon

Given the rapid growth of Amazon over the last decade, it's no surprise that 63 percent of consumers have made a purchase on the ecommerce platform over the past month. This trend is championed by Millennials, with a staggering 79 percent of Millennial shoppers having made a purchase from Amazon in the past 30 days, followed by Generation X with 69 percent. The number drops to 62 percent for experience-driven Centennials and hits 54 percent for Baby Boomers.

When asked why they shop on Amazon, Millennial shoppers are more likely than any other age group to say they do so because of Amazon Prime benefits, which aligns with their preference for loyalty messaging and programs. Baby Boomers, by contrast, are the most likely to value Amazon's convenience and product selection.



Centennials who don't shop on Amazon appear to buy from other retailers due to the experience they offer. Almost a third of the youngest shoppers (31 percent) shop at other retailers because they enjoy the in-store shopping experience, more than any other generation.

Takeaways

- All product information on your site should be accurate and consistent with what was promoted within email or other channels.
- Marketers should refine communications for all generations to drive consumers to the physical store by including store hours and nearby locations.
- For Centennials, messaging about nearby stores and in-store offers should be included in Snapchat and Instagram content and based on real-time location. For others, email is most important.

Direct Mail

Direct mail is certainly not dead. In fact, roughly half of respondents in all age groups feel that direct mail helps them make purchase decisions. More than half of Millennials (60 percent), Gen Xers (56 percent) and Baby Boomers (59 percent) find direct mail important in their purchase decisions. Centennials aren't far behind at 47 percent.

Direct mail can be effective when targeting all age groups so long as it's integrated with social, email and other channels. When reaching Millennials and Centennials with direct mail, make sure it includes codes that can be redeemed online and via mobile. For Gen Xers and Baby Boomers, marketers should devise strategies that span across channels, including direct mail where applicable.





Section 3

Shifting holiday shopping habits

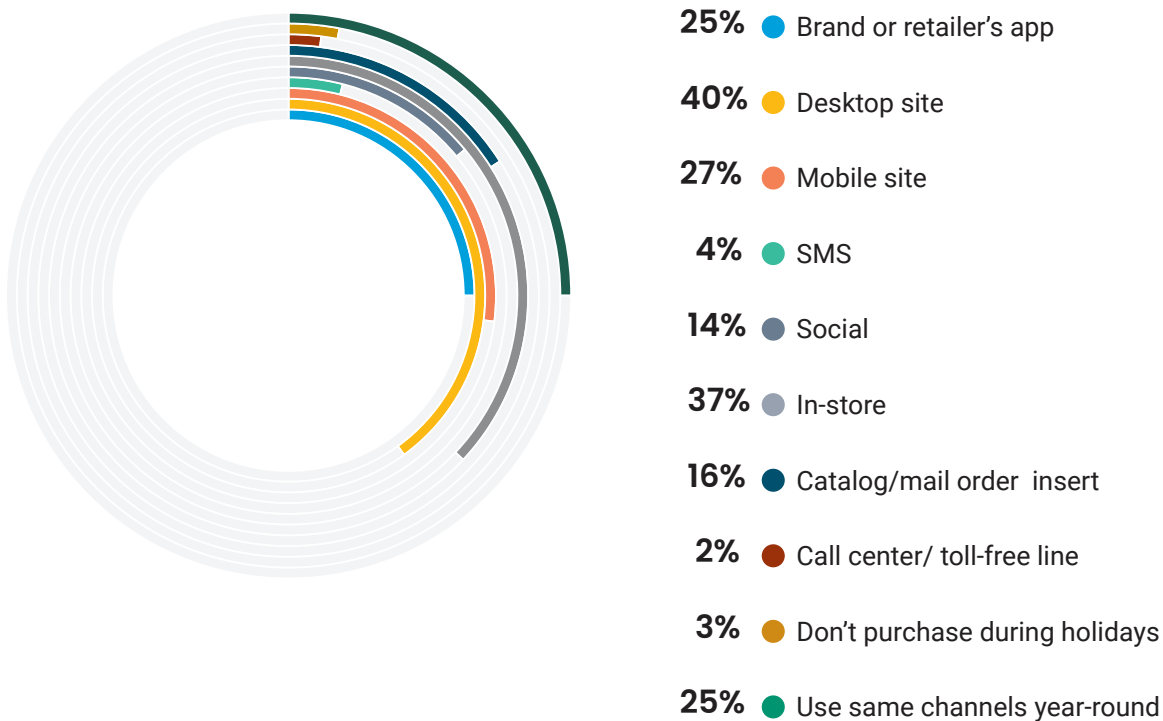
Even if brands have a good grasp on the shopping habits of different generations of their customers, it's important to remember that they can shift during the holiday season. While 40 percent of consumers across all generations say they visit a brand's ecommerce site most often during the holidays, the channel preferences beyond that vary significantly with age.

Holiday channel preferences

All generations say they refer to apps, desktop sites, mobile sites and physical locations more frequently during the holidays; however, Centennials provide a more interesting storyline. This age group shops in-store during the holidays more so than any other generation (45 percent). They're also twice as likely as Generation X to refer to mobile sites during the holidays (52 percent) and more likely than all generations to find social media influential during the holidays (26 percent). This juxtaposition indicates that Centennials are not loyal to one channel; instead, their holiday shopping habits are completely cross-channel. Boomers, by contrast, are the most likely to value Amazon's convenience and product selection.

Which of the following channels do you refer to more often during the holiday season than other times of the year?

Average of all generations



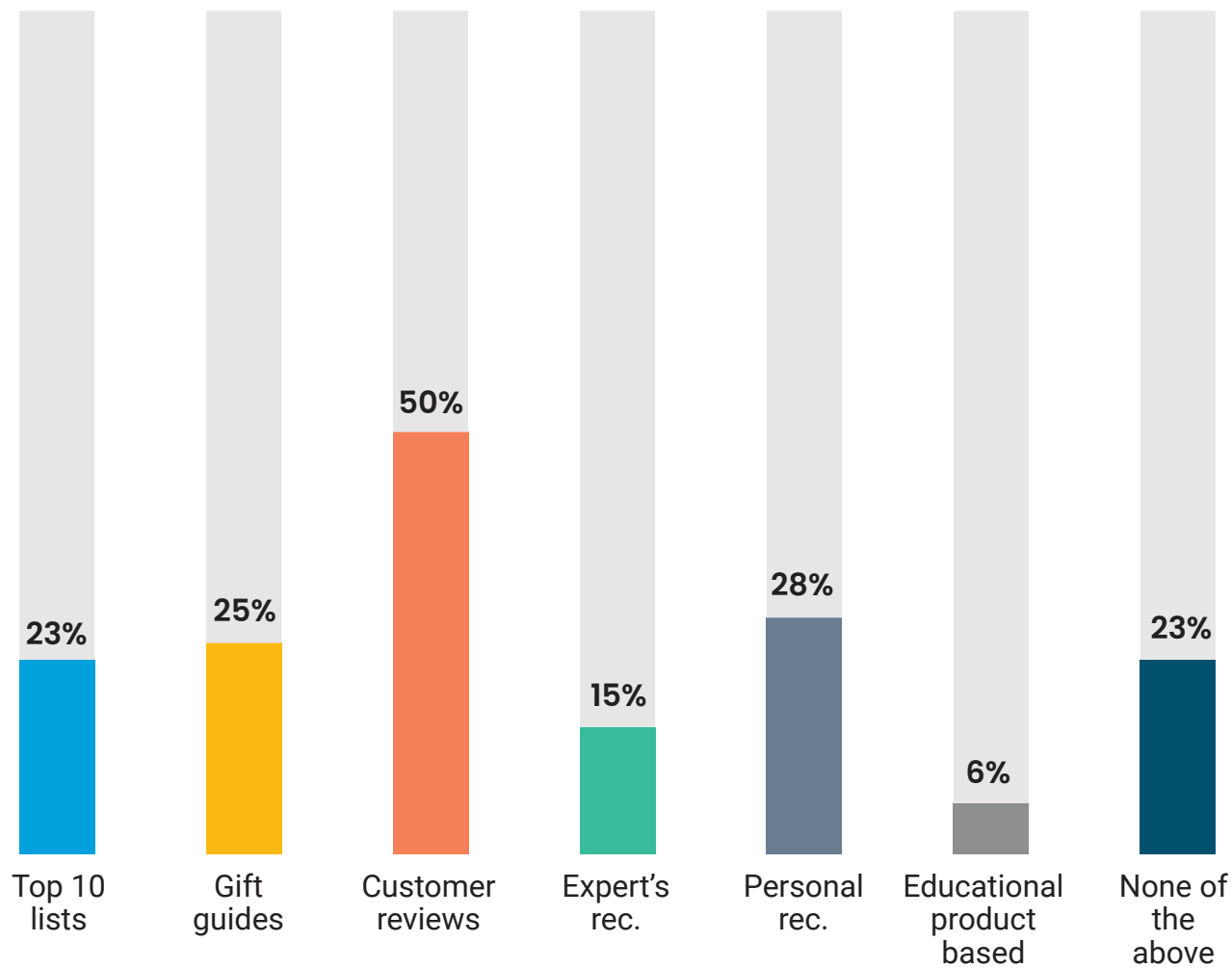
Influential holiday content

When asked what types of email content are most influential during the holidays, Baby Boomers expressed less interest in content overall than any other generation. In fact, more than one in three Baby Boomers said that content does not influence their holiday purchase decisions (32 percent) whatsoever. Millennials and Centennials, by contrast, are largely influenced by content.

Millennials are significantly more likely to say they want customer reviews within an email during the holidays than any other generation (65 percent), while Centennials report the highest interest in Top 10 Lists (41 percent -- nearly three times as high as Baby Boomers). Both Centennials and Millennials also report a greater interest in personalized recommendations than their older counterparts at 36 percent and 33 percent, respectively.

What types of content/information helps you the most when making your shopping decisions during the holiday season?

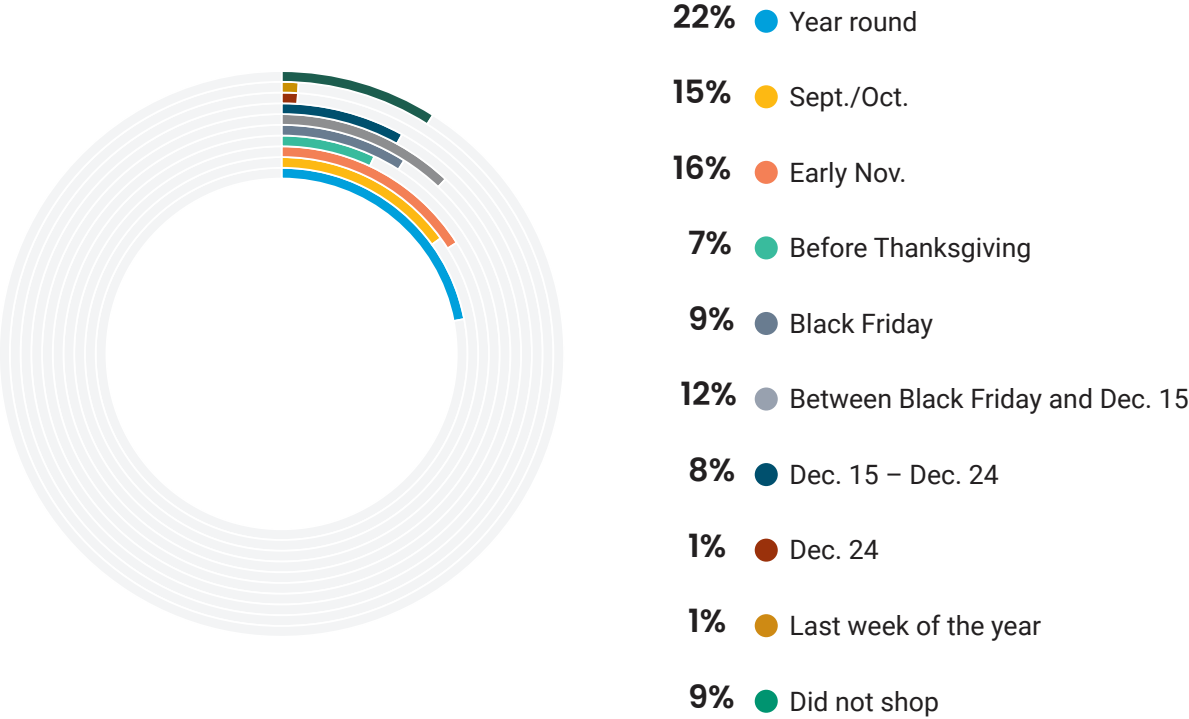
Average of all generations



Holiday shopping habits and timing

When asked when they typically begin their holiday shopping, Centennials report that they start late in the holiday season. A third of Centennials (33 percent) say they start their shopping after Black Friday, with 15 percent admitting to waiting until after December 15. By contrast, Millennials paint a significantly different holiday shopping picture. Thirty percent of Millennials say they shop year-round for gifts – nearly twice as high as the percentage of Centennials who reported this behavior. Generation X and Baby Boomers report doing the bulk of their shopping from September to November.

When did you start shopping for the holidays in 2016?
Average of all generations



When asked about their habits on specific holiday shopping days (like Black Friday or Cyber Monday), Baby Boomers report the least interest in making purchases on these days. In contrast, Millennials report the highest frequency of shopping holiday purchases, followed closely by Centennials. In fact, Centennials and Millennials are more than twice as likely to make Black Friday purchases as Baby Boomers.

Takeaways

- Cater to Centennials' desire for a seamless cross-channel experience with personalized offers that can be easily redeemed across channels. If they research online and receive a "10% off coupon," they might prefer to redeem it in-store.
- While Millennials don't confine holiday shopping to the holiday season, don't neglect Black Friday and Cyber Monday as Millennials are most likely to make a purchase during these events, even if it's not specifically for the holidays.
- Curate product reviews, gift guides and other content that will add value for shoppers and nudge them toward purchase. Leverage customer data to personalize brand communication before and after their site or in-store visit.





Conclusion

With four generations wielding significant spending power yet vastly different shopping habits, marketers need to target each age group with distinct messaging through different channels. While older generations tend to put price, selection and convenience above all else, younger shoppers want personalized, cross-channel experiences. What's more, go-to market strategies are often driven by stereotypes for each generation but as it turns out, many of these stereotypes might be misleading.

So what's a marketer to do? Start with identifying the type of messaging and channels that matter most to each generation within your audience and tailor your strategies accordingly. The following can help marketers better target each generation and maximize ROI:

Centennials

When targeting Centennials, cross-channel is key. These shoppers expect quality experiences across the board, including in-store and direct mail. But the kicker is that they're also more likely to use social media and mobile when shopping, because they consider these channels equally as important as email. This means that marketers must create a consistent and cohesive cross-channel experience with messaging that focuses on your product or services' quality, not price.

- Primary Channel: Instagram and Snapchat
- Secondary Channel: Mobile App or Website
- Messaging: Promote quality and authenticity over price

Millennials

Millennials are your brand's most loyal shoppers, despite the myth that these consumers are fickle. To keep them around, brands must offer special perks in exchange for loyalty, and personalize all interactions. When communicating, use email as your main content hub because these shoppers value email more than any other generation, but make sure all channels are aligned and consistent.

- Primary Channel: Email
- Secondary Channel: Facebook
- Messaging: Personalize content to encourage existing loyalty



Generation X

While often forgotten, Generation X wields more spending power than many brands may think, and they want to spend money -- so long as they're getting quality products at fair prices. What's more, they value email almost as much as Millennials, but they're more likely to say they want brands to offer easy paths to purchase. To motivate Generation X, promote good deals and do so through email. Additionally, facilitate an easy and intuitive path to purchase -- otherwise, you could lose their business forever.

- Primary Channel: Email
- Secondary Channel: Direct Mail
- Messaging: Promote quality products at good price points

Baby Boomers

These shoppers will not be motivated by mobile, social or personalized online experiences. While they have embraced email more than marketers might think, they're not interested in the experience -- they simply want to get what they need at the lowest price. They don't want to go to multiple brands or retailers to get what they need, so when you interact with these consumers by email or other channels, promote your product selection and recommend other product categories these shoppers might be looking for.

- Primary Channel: Direct Mail
- Secondary Channel: Email
- Messaging: Discounted prices and wide product selection

Methodology

In March of 2017 Data Axle surveyed 1,004 consumers who have received a marketing email in the past year. Age and income breakdowns are as follows:

Age

- **Centennial (18 – 21)** – 25%
- **Millennial (22 – 37)** – 25%
- **Generation X (38-52)** – 25%
- **Baby Boomer (53 – 71)** – 25%

Household income

- **Less than \$25,000** – 23%
- **\$25,000 - \$200,000** – 73%
- **More than \$200,000** – 3%

Sources

¹ <https://www.bloomberg.com/news/articles/2017-01-06/older-americans-are-retiring-in-droves>

² <https://www.accenture.com/us-en/insight-outlook-who-are-millennial-shoppers-what-do-they-really-want-retail>

³ <https://www.washingtonpost.com/news/the-intersect/wp/2015/02/21/why-teens-are-leaving-facebook-its-meaningless/>