

NPAFE

A word to the wise among corporate marketers

Millennials Are **NOT** Much Different From The Rest Of Us

Topline Summary



*I look forward to an America which will
reward achievement in the arts as we
reward achievement in business or
statecraft. I look forward to an America
which will steadily raise the standards of
artistic accomplishment and which will
steadily enlarge cultural opportunities for
all of our citizens. And I look forward to
an America which commands respect
throughout the world not only for its
strength but for its civilization as well.*

President John F. Kennedy
October 26, 1963, Amherst College

This Topline Summary is drawn from the NPAFE White Paper "Millennials Are Not Much Different From The Rest Of Us", released by the National Performing Arts Funding Exchange on August 30, 2017. The full White paper includes charts and data drawn from cited sources. Copies of this Topline Summary and the White Paper can be downloaded from www.npafe.org; click on "News" in the main menu.

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NPAFE

The National Performing Arts Funding Exchange, NPAFE, is the country's only not-for-profit partnering exclusively with private sector businesses committed to advancing the performing arts, channeling funding to up-and-coming performing artists acclaimed primarily for compelling original work. This financial support comes from corporate donors intent on associating their brands with "the next generation of best" performing artists, people already applauded by loyal and discerning audiences. NPAFE also provides marketing and fiscal agent services to these artists at no charge. NPAFE is a certified 501 c 3 charitable organization registered in Washington, DC, USA

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No matter how they might “look” to themselves or to others, Millennials are not much different than the rest of us, not by a long shot.

THE BOTTOM LINE RIGHT UP FRONT

NPAFE asserts that Millennials are very much like the rest of us in terms of their wants and needs and that this has major implications for how companies large and small should — and should not — be spending their budget time and money marketing to them.

Millennials may “look different”, we propose. But no matter how they might “look” to themselves or to others, Millennials are not much different than the rest of us, not by a long shot.

Two months ago, we came across a single statistic that hinted at this reality. While 82% of Millennials “craved” more live experiences like events, festivals, live performances, said Eventbrite, fully 70% of *all* consumers “craved” the same thing.

Seven out of ten versus eight out of ten of us? In fact, *those two percentages are so close as to say (especially to marketers) that the 12-percentage point difference between otherwise high percentages is statistically insignificant when it comes to how marketing dollars are spent.*

WHAT WE'VE UNCOVERED

We went back to basics to ask whether Millennials are really different and why the evidence is mounting that their once-exclusive playground — social media — is no longer theirs alone and is not working for marketers quite the way it was expected.

The answer? Social media is not working the way it was expected because Millennials are not responding the way they were expected to respond.

We reached that conclusion by researching some of the best large company, small company, and consulting world analyses to uncover where the new consensus lies regarding the way Millennials (and everyone else) uses social media.

Seven truths emerged.

Truth #1. Conventional wisdom still prevailing in the marketing world is that Millennials are different and far more committed to a “shared economy” that in fact imprisons them more than it empowers them. The companion assertion

It is especially misleading to think that Millennials favor the "shared economy". The truth is that they don't like sharing any more than the rest of us and instead are forced to "share" because of debt ... more often than not, college debt.

is that Millennials are so addicted to social media that this is the only way to reach them. Yet the growing failure rate in making this happen is obvious: mounting data that companies themselves are releasing in fact show that the failure rate to increase Millennials' customer loyalty using social media is increasing at near out-of-control cost to brands large and small.

Truth #2. It is especially misleading to think that Millennials favor the "shared economy". The truth is that they don't like sharing any more than the rest of us and instead are forced to "share" because debt, more often than not college debt — even community college debt — has made it almost impossible for too many of them to have their own homes, apartments, cars ... or kids.

Truth #3. The most compelling data show that Millennials' aspirations are really no different than the rest of ours. Millennials' real expectations are universally shared by people in all geographic and age segments, and across all demographic groups.

Truth #4. Social media is no longer the exclusive playground for Millennials. All demographic segments are increasingly turning to social media for personal communication and sharing of ideas and special moments. GenXers now beat Millennials hands down at this.

Truth #5. Like Millennials themselves, everyone else is increasingly turned off by commercial content getting in our way — *in your way* — when you use social media.

Truth #6. What has always made *all* customers loyal — or not — is their trust — or lack of trust — in what a brand stands for. They have always wanted to know how a brand relates to them right where they live, work and play. Local. Hometown. All consumers, Millennials included, want to feel confident that whatever a brand stands for today will be the same as what it stands for tomorrow. And they want that message from people they respect and trust, not by people they merely admire.

Truth #7. Consumers' loyalty comes automatically once a brand has their trust. The higher the breakage rate (for example: points earned but never redeemed by the points holder), the less consumer trusts the brand. True 30 years ago. True today. True 30 years from now. And beyond.

Each of these numbers is a tip of an iceberg. Pay close attention to where the words "consumer" or "customer" appear as the demographic rather than "Millennials".

THE NUMBERS

Each of these numbers (many more are found in the full NPAFE White Paper) is a tip of an iceberg. Look past them to the sources, listed in the endnotes. Above all, pay close attention to where the words "consumer" or "customer" appear as the demographic rather than "Millennials".

89%

of consumers say "Brand me": my purchases reflect what I stand for and believe in. They are loyal to brands that share their values. (Wunderman)ⁱ

82%

&
70%

Millennials crave more experiences: more than 8 in 10 (82%) attended in a variety of live experiences in the past year, ranging from parties, concerts, festivals, performing arts and races and themed sports — and more so than other older generations (70%). (Eventbrite)ⁱⁱ

70%

Up by 70%. Since 1987, the share of consumer spending on live experiences and events relative to total U.S. consumer spending increased 70%. People want to experience more, and businesses are evolving and entering the market to meet that demand. (Eventbrite)

62%

of consumers, almost two-thirds, believe the best brands succeed in making their lives easier. And that doesn't just mean great products, either. (Wunderman)

56%

of consumers are more loyal to brands that "Get me". These 56% feel more loyal to brands that show a deep understanding of their priorities and preferences. (Wunderman)

55%

of US consumers recommend brands or organizations to which they are loyal to their family and friends. (Eventbrite)

Only 20.3 percent of marketers say they have quantitatively proven the impact of social media on their business. But there is no data model that can reliably produce credible quantitative results from raw data that is subjectively qualitative.

HOW DOES SOCIAL MEDIA FIT IN?

Social Media is no longer the exclusive playground for Millennials. Plenty of data now available to marketers and researchers point to a rapidly closing gap between the time Millennials allot to social media and that given over by people both younger and older than Millennials.

Data abounds, for example, that GenXers use their smartphones more than Millennials,ⁱⁱⁱ and that the rate of use by Baby Boomers is growing much faster than Millennials, the latter's use having actually remained static over the past two years.

The questions that arise are: do these social media devotees click on digital ads when they use social media, or do those ads simply get in their way?

The answers seem to be: No, most are not clicking on those ads. Yes, the ads do get in everyone's way. And yes, this trend will continue over the long haul.

Worse, the perception from inside companies as to the effectiveness of social media remains both low and static.

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SMARTPHONES DON'T MAKE MUCH DIFFERENCE

How do smartphones figure into the holy grail of marketing, which is: acquire new customers, deepen their loyalty, and make them repeat customers.

More importantly, do Millennials use smartphones in ways that call for marketers to tailor digital ads first and foremost to them?

We think not. And we're not alone.

¹ other than models measuring raw data about opinion rather than fact.

Generation X (ages 35-49) spends the most time on social media: almost 7 hours per week versus Millennials, who come in second, spending just over 6 hours per week.

On January 27, 2017, The New York Times reported on a new Nielsen study,^{iv} writing that Nielsen's findings "underscores how ubiquitous the smartphone has become."

Nielsen's findings^v found that in the United States, 97 percent of people 18 to 34, and 94 percent of people 35 to 49, had access to smartphones. Seventy-seven percent of those 50 and older also used smartphones, the report found.

Surprisingly, the heavy social media user group isn't Millennials. In fact, Generation X (ages 35-49) spends the most time on social media: almost 7 hours per week (5.8% of their time awake) versus Millennials, who come in second, spending just over 6 hours per week (5% of time awake).

Moreover, HOW people use their smartphones when "tuned in" to social media is startling. While the figures show that, across the board, people of all ages use their smartphones more and more to shop, the data also show that Millennials' use of their smartphones, as with everyone else, is NOT primarily used for shopping at all.

The very same month, January, 2017, Pew Research issued a Data Sheet^{vi} with equally persuasive data confirming that if there ever was a moment where Millennials reigned supreme in using smartphones for social media use, it's over now.

THE CENSUS BUREAU REPORT SHOWS THAT MILLENNIALS ARE NOT SO DIFFERENT

The U.S. Census Report cited at the beginning of the full White Paper provides valuable insight into what makes Millennials tick. Its data should be centermost in the planning undertaken by today's marketers. Much of the language in this section is drawn directly from that Report.

Most of today's Americans believe that educational and economic accomplishments are extremely important milestones of adulthood.² In

² We note: not unlike 20, 30, or 50 years ago.

Over half of Americans believe that marrying and having children are not very important in order to become an adult. "...not very important in order to become an adult..." in no sense means "...not important...", a point the Report implies but does not explicitly state.

contrast, marriage and parenthood rank low: over half of Americans believe that marrying and having children are not very important in order to become an adult. *(We note, however, that "...not very important in order to become an adult..." in no sense means "...not important...", a point the Report implies but does not explicitly state).*

Instead, continues the Report, the highest ranked milestones these days among Millennials are educational and economic. Finishing school ranks the highest, with more than 60 percent of people saying that doing so is extremely important to becoming an adult.³

This emphasis on education underlies the rising student debt that many young people carry. In 2013, 41 percent of young families had student debt, up from 17 percent in 1989. Not only do more young families have student debt, they are deeper in debt, too. The Census Bureau report says that the amount owed on student loans nearly tripled, rising from a median of \$6,000 to \$17,300 across the same period (in 2013 dollars) *(We note: other data say that the average debt in 2017 is around \$37,000.)*

Economic security ranks second in the transition to adulthood. About half of adults believe that having a full-time job and being able to financially support a family are extremely important to becoming an adult.

As for marriage...

Although most Americans (not just Millennials) think that the ideal age people should marry is 25, only about a quarter of adults (around 24 percent) have actually done so by that age.

For the most part, we can still find the same high levels of marriage and parenthood from the 1970s; we just should look at older ages today. In 1976,

³ We repeat: whether finishing school or achieving a given income level is important "in becoming an adult" (itself a somewhat subjective term lacking any benchmark other than one's own opinion), these Census Bureau estimates say nothing about whether finishing school etc. are "important" to people. But there is plenty of data suggesting that they *are* and have been for a long, long time, reaching back decades. See for example <http://www.pewsocialtrends.org/2015/12/17/1-the-american-family-today/>

Although young people are delaying marriage, they are not putting off romantic relationships. Not only are they living together without being married, they are doing so at the same age that earlier generations were settling down to marry.

over two-thirds of women, some 69 percent, were mothers by the time they were 25 to 29 years old. To find that same proportion today we should look among women who are aged 30 to 34.

What these trends indicate is that young adults are not necessarily giving up on marriage. They are waiting longer. And, if Americans' attitudes are any indication, they expect young people to be done with school and economically secure before marrying.

Although young people are delaying marriage, they are not putting off romantic relationships. Over the last 40 years, the number of young people living with a boyfriend or girlfriend has increased more than 12 times, making it the fastest growing living arrangement among young adults.

Not only are they living together without being married, they are doing so at the same age that earlier generations were settling down to marry.

The economic reality of it all?

Who young adults live with goes hand in hand with their economic security. Young people tend to put off marriage and parenthood when they are worried about their financial well-being, such as during a recession or when they are unemployed.

As a result, decisions about who to live with and whether and when to marry reflect the economic circumstances of young people.⁴

There are now more young women than young men with a college degree, whereas in 1975 educational attainment among young men outpaced that of women. The driving force behind the increase, however, has been the rise of young women in the labor force. Whereas the share of men aged 25 to 34 who were employed is about the same today as it was in 1975, *the share of young women who were employed has risen from just under one-half to over two-thirds.*

⁴ A more gentele way of stating something we said at the beginning, namely that the so-called "shared economy" imprisons Millennials more than it empowers them.

In our world of rapidly changing technology, Millennials may have been quick to exploit technology to satisfy their wants and needs, but the rest of us have pretty much caught up.

Over the last four decades, young women have made considerable economic gains. The median income of women aged 25 to 34 who were working rose from \$23,000 to \$29,000 between 1975 and today (in 2015 dollars. At the same time, the share of young women who earned \$60,000 or more grew from about 2 percent to 13 percent — a minority, but still a sizeable change. Even with this change, however, the median income of young women is still \$11,000 lower than the income of young men.

While young women made gains, some young men fell behind. Since 1975, young men have swelled the ranks at the bottom of the income distribution. Some 41 percent of all men aged 25 to 34 have incomes less than \$30,000 today, up from 25 percent in 1975.⁵

WHAT WE BELIEVE ALL THIS MEANS

Let's start with this: If you are a corporate marketer, you will do well by yourself and your company to challenge any and all conventional wisdom — like that reported by USA Today on April 19, 2017 — that “Millennials differ from other generations in almost every regard.”

They don't.

Millennials have wants and needs pretty much the same as all the rest of us. In our world of rapidly changing technology, Millennials may have been quick to exploit technology to satisfy their wants and needs, but the rest of us have pretty much caught up.

Marketers especially must also accept that Millennials are no more in love with digital ads than the rest of us, that they despise them perhaps more than the rest of us, and that their brand loyalty is anchored exactly the same way as everyone else's: *in trust of the brand and the values that brand represents.*

⁵ Of note: this single statistic is perhaps the most troubling of all in the 2017 Census Bureau Report. It may well explain today's ALT-Right rage in the United States, identical in most every respect to the resentment felt among Germany's post-World-War-One population that led to the 1930s Nazi rise to power in Germany. (Dollar figures are 2015 dollars.)

*If you tell Millennials that they are just the same as the rest of us, they will react negatively or even hostilely.
So, don't tell them!
Instead, act on what it means.
Market to Millennials the same way as to everyone else.*

Of course, if you tell Millennials that they are just the same as the rest of us, they will react negatively or even hostilely.

So, don't tell them! Instead, act on what it means. Market to Millennials the same way as to everyone else — a money-saving marketing strategy that will increase the ROI of every marketing dollar spent.

Keep in mind also that it is a major leap of faith to assume that because Millennials do not watch television and instead turn to their smartphones, they will be any more inclined to watch ads delivered digitally than the rest of us may be inclined to watch ads delivered on the radio or TV. There is no data whatsoever proving that they will, and plenty of data proving that they won't.

Finally, with the rapidly-closing gap marking the use of smartphones by millennials vs. everyone else, the opportunity is ever greater for creating social media messaging, no matter on what platform, that successfully conveys why a particular brand can and should be trusted.

Building quality into the brand. Marketing the core value to consumers of trusting in that quality. That is how to win and keep the holy grail of marketing.

Always has been. Always will be.

ⁱ <https://www.wantedness.com/> (Wunderman)

ⁱⁱ <https://www.eventbrite.com/blog/academy/Millennials-fueling-experience-economy/>

ⁱⁱⁱ See 2016 Nielsen Social Media Report: "A Look at the Social Landscape" <http://www.nielsen.com/us/en/insights/reports/2017/2016-nielsen-social-media-report.html>, parts of which are reproduced in this document

^{iv} https://www.nytimes.com/2017/01/27/technology/millennial-social-media-usage.html?_r=0

^v <http://www.nielsen.com/content/dam/corporate/us/en/reports-downloads/2017-reports/2016-nielsen-social-media-report.pdf>

^{vi} <http://www.pewinternet.org/fact-sheet/social-media/>; SEE ALSO <http://www.pewinternet.org/fact-sheet/mobile/>



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