Roaring Forties

The new rules for marketing to Millennials

Davidson We Grow

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One of the largest generations in history is about to move into its prime spending years. Millennials are poised to reshape the economy; their unique experiences will change the ways we buy and sell, forcing companies to examine how they do business for decades to come.

GOLDMAN SACHS

Millennials are buying cars, investing in property, having families and for marketers this means they are establishing long-term relationships with brands that resonate with them.

KATHRYN CARTER GM A/NZ, SNAP [2]

Meet the Australian Millennial - the most influential generation of our time

- Born 1981-1996, Millennials are 26 – 41 years old
- Representing 29% of the population, Millennials are expected to grow by 17 per cent over the next 10 years to 8.3 million people in 2026
- They are the biggest spending generation or our time
- In 2020, Millennials accounted for 35% of the total spend by Australian consumers and this will rise to 38% by 2030
- Australia is on the verge of its largest ever handover of wealth, with $3.5 trillion in assets set to pass from baby boomers to millennials over the next 20 years

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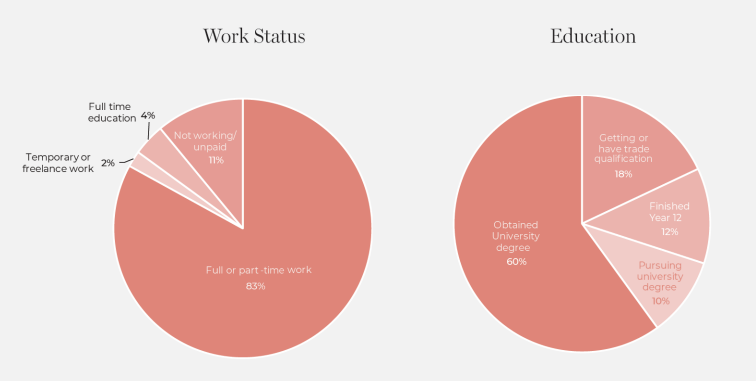
The most educated and employed generation

- 70% of Millennials have a degree or are in the process of obtaining one
- They make up 34% of the Australian workforce and 83% of them are working full or part-time
- 33% who are trying to manage several different careers simultaneously



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Millennials and their relationship with food & beverages.

"Why do you think millennials are so into food? It's the way they relate to each other."

LIDIA BASTIANICH, CELEBRITY CHEF

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Millennials are a mass of contradictions

- 23% are regular wine drinkers
- 33% are already on a diet
- 37% grow their own vegetables
- 38% ate at a fast-food outlet/food court in the last week
- 40% order food delivery services more than once a week
- 62% are actually eating healthier than before the pandemic
- 72% prefer to snack on something sweet over something savoury
- 76% are trying to prioritise healthy food choices

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But they do express their values through food choices

- 30% pursue plant-based eating to try and live more sustainably
- Millennials will pay a premium for food and grocery products if they:
  - Are Australian made (70%)
  - Ethically sourced (67%)
  - Have plastic free packaging (65%)
  - Support a charity (63%)

And price isn't the only purchase consideration

- Whilst price carries the lion's share of the pulling power, 61% is carried by other factors including;
  - Quality (18%)
  - Australian made (15%)
  - Availability (15%)
  - Health rating (9%)
  - Local sourced (4%)

Grocery Choice Criteria (%)

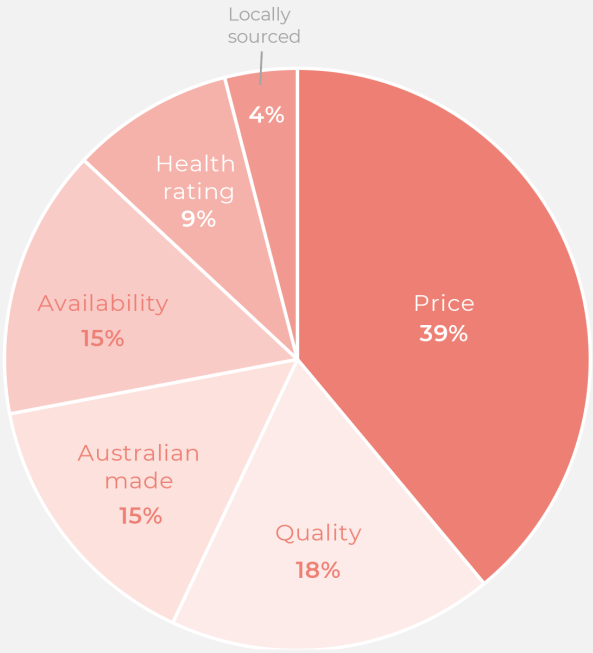


Figure 22. *Chart showing the common factors that contribute to millennial's choice of grocery purchases (July, 2021)* [109]

The pandemic inspired a love for local

- 49% of Millennials feel attached to their local community
- 96% feel that the importance they attach to shopping locally has increased since the pandemic
- 70% expect to continue to make an extra effort to support local businesses after the pandemic

And a renewed hope for the environment

- Over one in three Millennials (36%) are extremely concerned about climate change
- Before the pandemic, 54% felt that we had already reached the point of no return
- However, now, 66% feel that the positive impact shutdowns had on the environmental, made them feel more optimistic about the future
- 50% try to purchase environmentally friendly products of which plastic products are a particular focus (34%)

Millennials are the most health-conscious generation

(But not necessarily the healthiest)

- 44% females and 65% of males have a BMI 25+ (Classified as ‘overweight’)
- 76% of Millennials are trying to prioritise healthy food choices
- 40% are trying to lose weight
- 37% are planning to try a new diet in the next 12 months
- Among them they expect to try an average of two

Current Health Goals (%)

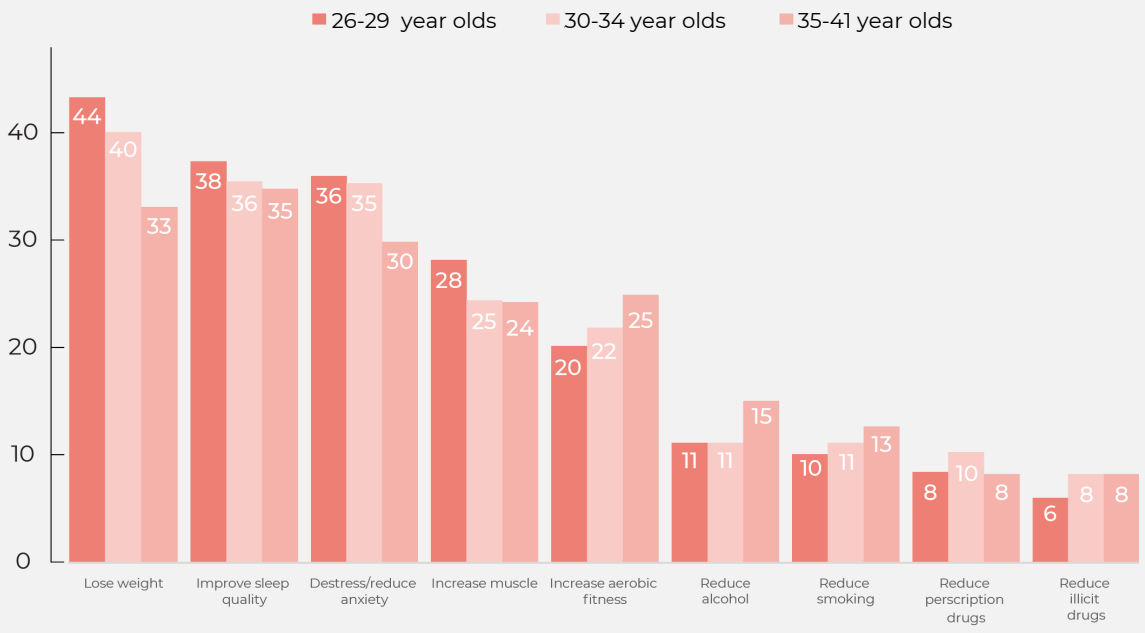
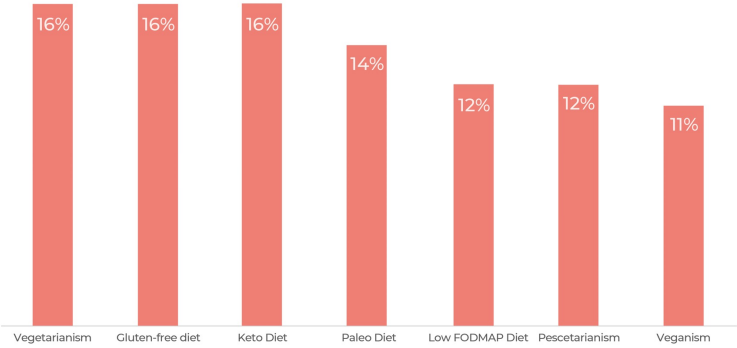


Figure 9. *Graph showing the various health goals amongst millennials (2021)* [59]

Millennials see food as medicine

- They are not sure what will work, so they will try multiple alternatives
- Products should aim to fit into as many different types of diets as possible, e.g. Gluten-free AND low FODMAP.



The diets Australian Millennials plan to try in 2022

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But they love NOT having to cook

- 38% ate at a fast-food outlet/food court in the last week
- Spend an average of $79/month on fast food
- 40% order food delivery services more than once a week
- They regularly indulge in “unhealthy” fast foods
- Home delivery is part of their lifestyle and a valid alternative to home cooking (it’s not a treat)

Key take outs

- Market “indulgence” along with “good for you”
- Focus on being satisfying rather than exotic
- Opportunity for premium pricing IF you can provide **very** high levels of ease and indulgence

Favourite Dine In Foods (%)

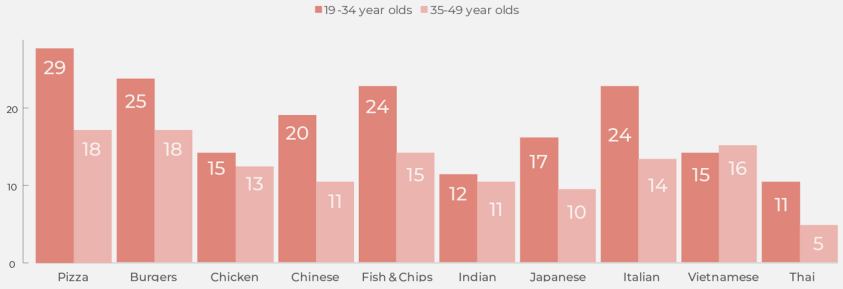

Figure 13. *Graph showing the favourite dine in foods among millennials (2020)* [77]

Favourite Take Away Foods (%)

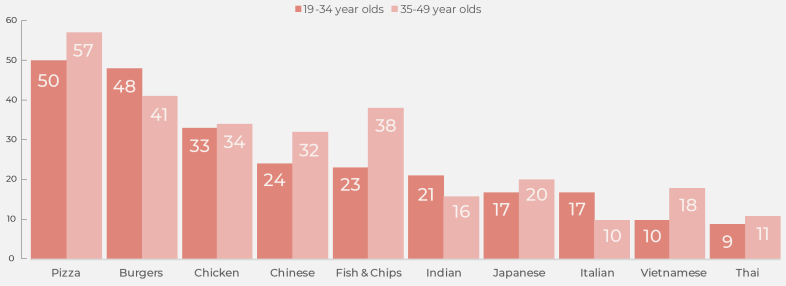

Figure 12. *Graph showing the favourite take away foods among millennials (2020)* [76]

Millennials say they prefer shopping online

Only 48% of Millennials prefer to purchase their groceries in-store

And 48% have already bought groceries via their mobile phone in the last 6 months

Post-pandemic;

- 50% expect to do more online shopping
- 38% to do more click and collect, and
- 44% to make fewer trips to the shops

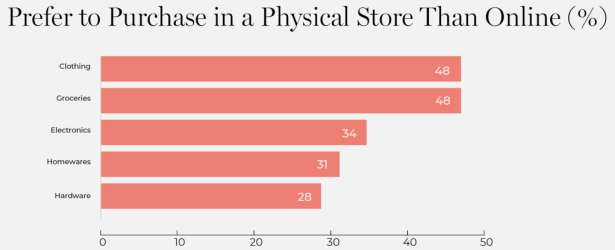

Figure 22. *Graph showing which purchases millennials prefer to purchase in-store vs online (2021)*[116]

And research is key

Having grown up in a digital world with easy access to information, Millennials take a serious approach to shopping research.

- Before spending $100 on an item;
  - 92% will compare prices
  - 78% will read product reviews, and
  - 72% will continue researching while in-store

Communication needs to encompass multiple channels...

..but most importantly digital

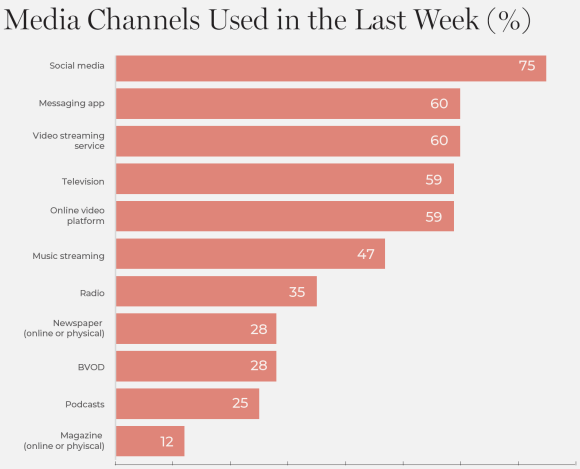

Figure 14. *Graph showing the distribution of various media channels used by millennials in a week (July 2021)*[79]

Social Media Platforms Used at Least Weekly (%)

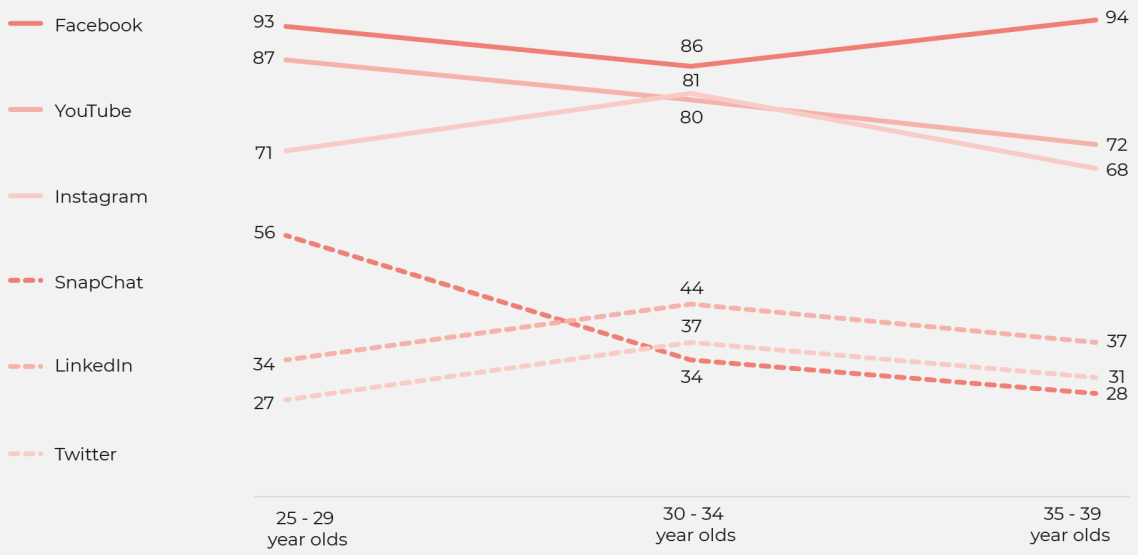

Figure 15. *Chart comparing the use of various media channels across millennial age groups per week (2020)* [81]

Discount codes are key

- 50% of Australian customers said they hate paying the full price
- 64% Millennials admit they *always* look for sales or discount codes when shopping online
- More than one in three Millennials have added something to their cart but waited for a voucher before completing the purchase
- 73% of Millennial shoppers are more likely to use online discount and promo codes than paper
- The most popular platforms are; CashRewards (23%), Shopback (17%), Honey (12%) and Finder.com.au (9%)
- Honey is more popular with the younger gen (29%)

“Millennials are more aware of society's many challenges than previous generations and less willing to accept maximizing shareholder value as a sufficient goal for their work. They are looking for a broader social purpose and want to work somewhere that has such a purpose”

MICHAEL PORTER[28]

“It is what a brand stands for, more than what it is selling, that will determine a Millennial’s purchasing decision.”

KATHRYN CARTER, GM A/NZ, SOUTHEAST ASIA AND HONG KONG, SNAP[154]

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Making a difference, makes a difference

- Millennials see themselves as agents of change
- 60% believe that their generation has done more than any other to address discrimination and inequity
- 86% say that a company's social and environmental efforts are moderately to extremely important important in deciding what to purchase and from whom
- 55% have made purchase decisions based on the environment, ethics or fair-trade in the last 12 months.
- 67% will pay a premium for food and grocery products that are ethically sourced.

Download the
full report here

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