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Millennials as Consumers:
Can Businesses Survive As Is?

A Thesis
Presented to
The Faculty and the Honors Program
Of the University of San Diego

By
Ashley Nicole Genoese
Business Administration
2016

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Who are Millennials?

Demographics

Millennials are categorized by the United States Census Bureau as people born between the years 1982 and 2000. In a June 2015 article, the United States Census Bureau stated that Millennials represent 83.1 million people, which is more than one quarter of the United States' population.ⁱ In the year 2016, Millennials are between the ages 16 to 34. Millennials are far more diverse than any generation preceding them and are unique in many respects. Since Millennials have proved to be more unique than other generations, and therefore much less predictable, there has been a great deal of scholastic research studying the habits, preferences, and mannerisms of this group of people. The U.S. Chamber of Commerce Foundation is one organization that has conducted research on the Millennial generation. The research agrees with the idea that Millennials are truly the most diverse generation in our nation's history. Millennials have a much higher tolerance to those of different races and demographic groups different than the ones they identify with. Part of the reason for this is likely due to the fact that many Millennials identify with many minority demographic groups and the prevalence of minority groups is much more than in previous generations. The June 2015 US Census article reports 44.2 percentage of Millennials are part of a minority race or ethnic group.ⁱⁱ "Millennials: Next Consumer Target" article by Stephanie Nickell reports that in 2012 the ethnicity of Millennials was recorded at: 61% White, 19% Hispanic, 14% African American, 5% Asian American, 1% other.ⁱⁱⁱ These groups are not limited to racial minorities but include various religious groups, the LGBTQ community, those with disabilities, and many more minority demographic groups that were less prevalent in past generations.

Typical Behavioral Characteristics of Millennials

While Millennials are inclusive of others in their community, the U.S. Chamber of Commerce Foundation research also states that Millennials are typically self-absorbed and overly self-confident in respect to themselves as individuals. As masters of self-expression, 75% of Millennials have a profile on a social networking site and 20% have posted a video of themselves online.^{iv} Millennials also have a preference towards making themselves stand out in society through various means. Congruent with the self-absorbed attitude, Millennials have a strong desire to feel unique and stand out amongst their peers; in short they want to be noticed. 38% of Millennials have one to six tattoos on their bodies and 23% have piercings in places other than earlobes.^v This use of tattoos and unique piercings are ways to distinguish an individual's body from another individual's – something Millennials have been known to desire despite any pain that accompanies these marks. This idea of self-absorption and the tendency for Millennials to be overly self-confident reflects in their job search and criteria. According to the research done on “Understanding the Millennial Generation” in 2015 by Sharon A DeVaney, PhD, “It's not a question of whether or not [Millennials] are right for the job, it's a question of is the job right for them.”^{vi} (DeVaney 27)

Millennials are probably most known for their ability to “multitask.” While “brain science tells us multitasking is a myth, [it is] more likely [Millennials] are apt to switching tasks quickly enough to appear to be doing them simultaneously.”^{vii} This is typically seen when a Millennial appears to have the ability to watch television, hold a conversation over text message, and do homework. The U.S. Chamber of Commerce Foundation research holds that the evidence of the ability of Millennials to multitask actually suggests brains are evolving. They believe that Millennials have been able to “retrain their brain to reduce the performance deterioration of

multitasking by increasing the speed of information the brain processes.”^{viii} “Having grown up with mobile and digital technology as part of their everyday lives, they switch their attention between media platforms 27 times per hour.”^{ix}

“While all generations have experienced technological advances, the sheer amount of computational power and access to information that Millennials have had at their fingertips since grade-school is unparalleled.”^x Millennials “are “digital natives”—the only generation for which these new technologies are not something they’ve had to adapt to. Not surprisingly, they are the most avid users.”^{xi} Millennials spend incredible amounts of their time on digital platforms, especially the Internet and social media. Throughout this report, this will become evident in the ways these tendencies alter the course of consumer behavior. “Three-quarters of Millennials have an account on a social networking site, compared with only half of Generation Xers and less than a third of the Baby Boomers”^{xii} Digital presence is no longer just a personal lifestyle choice, but it directly affects how businesses should operate. Having social media presence is the best way to enter a Millennial’s personal life, which is how they also want to view their relationships with companies – as personal relationships.

Millennials are very invested in relationships with their families, friends, and community as a whole. “Millennials are not just virtually connected via social networks; they value the role that they play in their communities.”^{xiii} “In sum, quality of life appears to be a focus of this generation: Millennials value staying close to family and friends, having free time for recreation, and working in creative jobs.”^{xiv} These relationships with friends and families impact their consumer habits as will be discussed later in the presentation. Eventbrite sponsored a study reporting that, “More than three in four millennials (78%) would choose to spend money on an experience or event over buying something desirable. Millennials want to spend their money being with others.”^{xv}

Unique Challenges Millennials Face

Events that Shaped Millennials View of the World

When viewing the Millennial generation as a whole, and how their background will affect their consumer purchasing power and how they view businesses, it is important to understand the world they were raised in. Millennials were raised in a world of much tragedy, both human-constructed and naturally occurring. In 2001, Millennials were just young children when the tragic events of September 11th occurred, reframing views on this issue that was relatively unspoken. After these tragedies, Millennials along with the rest of the world, were forced to become much more perceptive of security threats from terrorists both inside and beyond the country's borders. Security measures included increased security at airports and other transportation platforms that would allow travel between country's borders. In this respect, Millennials can barely remember the days in which they didn't have to remove liquids from their carryon luggage and take off their shoes as they pass through metal detectors. Growing up in this heightened-security environment is a change from past generations and is reflected in many Millennials as they are much more understanding of international crises and global social issues such as the war on terrorism.

In addition to violence on a global scale, mass school shootings have been a domestic threat that Millennials are keenly aware of and affected by as the media coverage of these has made it impossible to avoid seeing. The first school shooting that impacted the lives of Millennials was on April 20, 1999 at Columbine High School in Littleton, Colorado^{xvi} when almost all of Millennials were attending grade school of some sort. Since that day, mass shootings in the United States have tragically not been as uncommon of an event as one would hope. Virginia Tech in 2007, Sandy Hook Elementary School in Connecticut in 2012,

Chattanooga, Tennessee Navy Reserve center in 2015,^{xvii} and sadly many other shootings in the United States have shown that the threat is incredibly real. Millennials especially have been very receptive of these events considering much of the violence was started by and affected people in their own generation. As young as elementary school, Millennials were taught about gun violence and the actions to take if a hostile shooter situation were to occur with mandated drills each year. This was not in the curriculum of any other generation, as it never appeared to be a threat. Millennials are the first to be educated on these tragic kinds of events and they take it very seriously.

There are several other events that have shaped this generation, including natural disasters that have been very prevalent in Millennials lives due to increased mass media coverage with advances in technology. Hurricane Katrina in 2005 struck the Gulf Coast leaving catastrophe for hundreds of thousands of people.^{xviii} Many witnessed the 2011 earthquake that caused a terribly destructive tsunami to flood Japan from their television sets. Millennials especially have shown great interest in helping those affected by these events, often participating in Habitat for Humanity trips or becoming Red Cross volunteers. There have been many unfortunate events in Millennials' upbringings that should be considered when trying to understand how this generation will perform when coming into their prime years of purchasing power.

Financial Status

Millennials face many challenges as a generation than others have in history. One of the most significant obstacles that Millennials have experienced is they are among the hardest hit in the economic downturn.^{xix} This generation has or will soon encounter the slow job market combined with a large sum of college loan debt, for those who enrolled in a college. According

to the 2014 statistic of College Board, 60% of students who earned a Bachelor's degree in the years 2012-2013 from both public and private nonprofit institutions graduated with debt.^{xx} The Cho, Kiss, and Yu study of 2015 reported that this average student loan debt was \$27,300.^{xxi} Elite Daily Millennial Consumer Study of 2015 found that, "currently, student loan debt is \$1.2 trillion dollars, and tuition costs have surged 500 percent since 1985."^{xxii} U.S. Chamber of Commerce Foundation research states, "For the first time ever in America, there is now more student loan debt than credit card debt."^{xxiii} This sum of financial debt is only the average and with rising university costs is only likely to increase. In *Millennials and Finance: The "Amazon Generation"* by Neal E. Cutler, PhD, he stated that the Census Bureau "Young Adults Then and Now" project concluded, "Millennials are the first generation in the modern era to have higher levels of student loan debt, poverty and unemployment, and lower levels of wealth and personal income than their two immediate predecessor generations (Gen Xers and Boomers) had at the same stage of their life cycles."^{xxiv} Currently, trying to find a job is a hard enough task with a degree from a four-year accredited college or university, the likelihood of obtaining a job with only a degree from a community college or even without a degree is even worse. "Students recognize that more education leads to higher earnings through life, they are finding ways to finance education."^{xxv} This generation is determined to obtain higher education, even with the skyrocketing tuition rates, by any means possible, even if it means being in debt for the next 20 years or more.

A 2014 Pew survey "found that only 42% of Millennials now identify themselves as 'middle class.' This was down significantly from 2008 when 53% said they were middle class. Fully 46% of Millennials describe themselves as lower or lower-middle class in the recent survey, up from 25% in 2008"^{xxvi}

Hypothesis

With each new generation, differences occur that change the way businesses need to operate. However, Millennials are a generation that is completely different than past generations in more than just fads; their entire lifestyle choices are different. Businesses typically have to change their marketing schemes and maybe update their product lines for newer generations of consumers but with Millennials, it's a whole different world. Their desires and expectations are so far off than those of previous generations, that companies should look into changing entire business strategies in addition to product lines and marketing tactics. Millennial annual purchasing power widely ranges between \$125 billion to \$890 billion with their peak buying power still decades away.^{xxvii}

My hypothesis is that when Millennials reach their peak purchasing power years, certain businesses and industries will become futile and ultimately go out of business due to being behind in technology innovation and not understanding Millennials' needs as soon to be their primary consumers. Specifically I hypothesized that the following businesses and industries will be affected if they do not change from their current business strategies:

- Automobile Industry
- Public Transportation
- Real Estate
- Physical Store Fronts
- Television Industry
- Radio Industry
- Travel Agencies
- Newspapers / Magazines
- Financial Planning
- GPS manufacturers
- Traditional Phone Industry
- News Industry

Consumer Online Survey

Logistics of Survey

My additional consumer research was in the form of an online survey, entitled “Millennial Consumer Research Survey.” I used a paid subscription to the website Survey Planet and collected survey responses from the March 10, 2016 to April 1, 2016. My 28 survey questions, that are detailed further later, were specifically created for all generations to answer as I wanted not only Millennial feedback for their consumer habits, but also other generations’ responses so I can compare their opinions with the Millennials. I phrased each question to be relevant for the future choices of consumers and also if they already made these decisions in the past. I chose to keep my surveyed research to the three main generations with the most consumer purchasing power at this time, which are Baby Boomers, Generation X, and Millennials.

In order to gain the most responses, I posted the survey to various social media platforms and sent it personally to family and friends via email. The first few days were exceptionally beneficial for gaining results and others shared my post as well. In order to incentivize people to take my survey, I included a random drawing for Starbucks Coffee gift cards in my message. Though I only planned on giving out one Starbucks gift card, I received an enormous amount of responses and increased it to three random winners. I used a random number generator online to choose which survey responders were winners, if they chose to leave their email address on the survey.

My main concern in gaining survey responses was, being that I am a Millennial myself and have a network of mostly Millennial peers, that my data would be skewed with an abundance of Millennial responses. I used various networks from my home community as well as faculty at my undergraduate university, University of San Diego, to also incorporate responses from other generations and it was very successful in my opinion. My goal was to gain 100

responses and I surpassed this number two-fold by receiving 220 responses within the time frame specified earlier. The breakdown of my responses was: 98 Millennials (44% of total responses), 46 from Generation X (21% of total responses), and 76 Baby Boomers (35% of total responses). This means that a little under half of my responses were from Millennials, which was great for my analysis, as I wanted a good percentage to be about the Millennial generation, since my research was geared towards them, but had enough other responses to accurately make comparisons.

Limitations to Survey

While my consumer research survey helped complement the academic research and studies, there are several limitations that will be addressed here. The first is that while responders to my survey may have answered as honestly as they could, the truth is that consumers' minds can change for a variety of reasons. While maybe a survey response seemed accurate at the time of taking it, when it comes to actual purchases, the consumer might act differently. Similar to this, if a responder believes they will act a certain way in the future, there might be other obstacles that prevent their beliefs from being acted upon. For example, a Millennial might respond to my survey saying that they prefer to live in a large city, but when the time comes to purchase an apartment or house, living in a large city might not be as financially feasible and thus the Millennial's survey response would differ from their actual course of action.

Secondly, while my survey had a great number and variety of responses it is important to point out that my personal network is quite narrow at this stage in my life. The majority of responders are either from the University of San Diego or my small hometown of Warren, New Jersey. Both of these small communities have quite narrow demographics in terms of income, experience, and other qualities that make for possibly skewed results. It is important to know this while analyzing my survey results to show that they are in no way a complete and accurate

description of the entire nation, but rather are trends that are occurring that correlate with national data and statistics. Similar to the demographics, the majority of my survey responses are from the Northeast and West regions of the United States; the two regions I associate with and have the most connections with, and therefore the most survey takers.

Survey Questions

My 28 survey questions with their respective answer choices are as follows:

1. What generation do you belong to?
 - Millennials (born between 1981-2000)
 - Generation X (born between 1965-1980)
 - Baby Boomers (born between 1946-1964)
2. Where do you currently call “home”?
 - Northeast
 - South
 - Midwest
 - West
 - Northwest
 - International
3. What is your ideal marital age? (Or when were you first married?)
 - Before 18 years old
 - 18-24 years old
 - 25-30 years old
 - 31-34 years old
 - 35-40 years old
 - 40+ years old
4. Do you currently own a car? (Not lease)
 - Yes
 - No
5. How vital is a car in your life?
 - A car is necessary for my lifestyle
 - A car is useful for my life but not necessary
 - A car isn’t useful in my life
6. Which do you prefer: renting/leasing or owning a vehicle?
 - Renting / Leasing
 - Owning
 - Other
7. Do you currently own a handheld GPS? (Not one programmed into a car or mobile device)
 - Yes
 - No

8. Are you familiar with companies that offer transportation like Zipcar, Uber, and Lyft?
 - Yes
 - No
9. (For the purposes of this survey, here are brief descriptions of the companies: Zipcar offers the opportunity to rent cars by the hour for low prices. Uber and Lyft offer a taxi-like service that pick you up and drop you off for a fare cheaper than most taxis.) Now that you know about the aforementioned companies, does it change your opinion on the necessity of a car?
 - Why or why not?
10. How do you typically watch TV?
 - Turn on the television and watch whatever is on
 - Turn on the television and watch a recorded show
 - Turn on the television and use a program like Netflix
 - Watch television on another device such as a laptop or tablet
 - I do not watch TV
11. How do you typically listen to music?
 - Radio station
 - Online radio station (a radio station website)
 - Streaming applications like Pandora or Spotify
 - iTunes / personal MP3s or CDs
 - I do not listen to music
12. Where do you typically learn about the latest news? (select as many as apply)
 - Television
 - Newspaper
 - Mobile Applications
 - Emails
 - Radio
 - Facebook
 - Search Engines (ex. Google, Yahoo!)
13. If wondering what Super Tuesday was, which news story would you choose to read first?
 - BuzzFeed
 - The New York Times
 - Elite Daily
 - CNN Politics
 - The Wall Street Journal
 - First news article in a Google search
14. When you receive a check, how do you usually deposit it into your bank account?
 - Go to your local bank
 - Find an ATM that is not attached to a bank
 - Take a picture on mobile device and submit online
15. What is the first large purchase you intend to make with your own earned money? –or–
What was the first large purchase you made with your own earned money?
 - A car
 - A house or apartment

- An expensive luxury item (handbag, clothing, etc.)
 - An experience (travel, vacation, etc.)
 - I will not / did not make a large purchase
16. How do customer ratings affect how you make purchases? (Comments to this response are appreciated.)
- 1= I always look at customer reviews when purchasing something I am unsure of.
- 2= I sometimes look at customer reviews for products and services.
- 3= I do not look at customer reviews
- Before buying a large purchase (ex. car, vacation, etc.)
 - When deciding on a restaurant to dine at
 - For online clothes purchases
 - When looking into services (ex. mechanic, dog sitter, etc.)
 - All online purchases
17. Do you feel comfortable purchasing products from your mobile device?
- Yes
 - No
 - I do not own a mobile device
18. Do you own a cell phone and landline?
- Only a cell phone
 - Only a landline
 - I own both a cell phone and landline
19. As a college student (or of college student age: 18-22) are you (or were you) thinking of your retirement savings?
- Yes
 - No
20. As a college student (or of college student age: 18-22) do you (or did you) think you will work for more than one company / organization?
- No, probably just 1
 - Yes, 1-3 companies in my life
 - Yes, 4-6 companies in my life
 - Yes, 7+ companies in my life
21. Do you believe a college degree is essential for obtaining a job?
- Yes
 - No
 - Maybe (explain)
22. Do you believe graduate school education (or any degree higher than a Bachelor's degree) is necessary for attaining a better job?
- Yes
 - No
 - Maybe (explain)
23. Did you, or will you, graduate with college debt?
- Yes
 - No
24. Where would you like to live? –or– Where do you currently live?
- A large city

- Suburbs
 - The countryside
 - International
 - Other
25. Which do you prefer: renting or owning a dwelling (house, apartment, etc.)
- Renting
 - Owning
 - Other
26. How many hours of week do you:
- Use the Internet?
 - Watch television? (on any device or form)
 - Read a magazine?
 - Read the newspaper?
 - Listen to the radio? (or streaming music)
27. Do you believe you are a good multitasker?
- Yes
 - No
 - Sometimes (explain)
28. Additional comments on this survey or other relevant to my study are much appreciated! (optional)

Survey Results by Focus Area

Behavioral Differences

Demographics Questions

The first two questions of my survey were for analyzing demographics of my survey responders. Their results are listed below but are not necessarily valuable by themselves. I used these demographic answers to filter my results through Microsoft Excel in determining how demographics affected the rest of the survey question responses. The results are charted below:

Figure 1

Marital Age Preferences

“Millennials and Finance: The ‘Amazon’ Generation” reports through their research that the current median age of first marriage in US is 27 for women and 29 for men, as opposed to in 1990 it was 24 for women and 26 for men.^{xxviii} In Stephanie Nickell’s “Millennials: Next Consumer Target,” published in 2012 statistics from Pew Research Center’s 2010 research stated that of Millennials, 75% have never been married or are single, 21% have been married, and 4% separated or divorced. To keep in mind, in 2010 Millennials were between the ages of 10-29 so this accounts for the large percentage that have never been married or are single. Nickell also stated that “This is a generation that is more likely to put off marriage and a family, for financial as well as personal reasons. These are young professionals; career, networking and personal fulfillment come first.”^{xxix} These words are accurate in thinking back to Millennials and their habits and priorities earlier stated in this report. Survey question #3 addressed this question directly to the responders in asking, “What is your ideal marital age? (Or when were you first married?)” The responses are charted below:

One thing of note before continuing with the results is that many Millennials have not been married yet as opposed to the majority of Generation X and almost all of Baby Boomers. This sways the data as Millennials might have an “ideal” marriage age but the future might hold different circumstances for them whereas Generation X and Baby Boomers may have this response set in stone, as they might have already been married. From the charted results we see that the overwhelming majority of Millennials believe that ideal marital age is ages 25-30. This is interesting as it is a much smaller percentage for Generation X and Baby Boomers at 48% and 54% respectively. It’s also important to note that we are seeing smaller percentages of people listing 18-24 as an ideal marriage age from earlier generations. 32% of Baby Boomers, who are now all older than 18-24, have gotten married in this age range as well as 17% of Generation X, also older than this age range. While only 7% of Millennials believe that this is their ideal marriage age, many of who are still in this age group.

Another point to note is that Millennials only see three age ranges as ideal marriage ages whereas Baby Boomers and Generation X sees four or all of them, respectively. What this tells us is that Millennials have a very limited view of what they expect in terms of marriage, and

none of the ones surveyed believe marrying over the age of 34 is ideal. While this may be their preferred marriage age, it also might change with unforeseen circumstances that Millennials face in their future like financial status, employment, and other unpredictable events of the sort. Millennials have a very idealized view of the future, and their ideal marriage age comes into this. Many older generations see Millennials as dreamers and impractical, believing that whatever they wish will come true. Unfortunately for some of these idealist Millennials, there will be circumstances that will prevent them from predicting their future exactly as it will be laid out, which might be one reason while their marriage age is so precise – they cannot predict events that will lead them from their forecasted future.

Multitasking Abilities

Nickell's article writes, "Millennials are known for multi-tasking, short attention spans and having a constant need for stimulation,"^{xxx} which is an accurate description. Millennials are typically thought of to be good multitaskers, as the influx of constant technology has shaped them to learn how to seemingly do multiple tasks at the same time. As mentioned earlier, science proves this is actually misleading as the brain cannot multitask but rather can be trained to switch tasks very quickly. My online survey question #27 asks this question to all generations to see how each generation believes they work. The survey question is written as, "Do you believe you are a good multitasker?" and below are the charted responses.

Figure 3

The responses were very interesting as Millennials had the smallest percentage believe they were good multitaskers, though research tells us they are actually the best among the three generations surveyed. One reason is that Millennials could be comparing themselves to peers in their generation who are “expert multitaskers.” In contrast, Baby Boomers and Generation Xers believe they are very multitask-oriented though compared to those in the Millennial generation, this actually may not be accurate.

Work Culture

Research shows that while Millennials are brand loyal to companies that they purchase from, it is a different story when it comes to their loyalty as an employee. The traditional view of older generations is that an employee typically works for one or very few companies their entire lives, dedicating their career to a specific company. Survey question #20 asks, “As a college student (or of college student age: 18-22) do you (or did you) think you will work for more than one company / organization?” with the charted responses listed below:

Figure 4

Though the change among generations is not as large as predicted, there are a much higher percentage of Millennials believing they will work for over 4 companies than Baby Boomers. Similarly while only 2% of Millennials answered with “No, probably only 1 company,” 26% of Baby Boomers chose this response. This shows the change of work culture from working at only one company to moving around, as academic research shows Millennials prefer.

Experiences vs. Possessions

One aspect of the Millennial generation that prompts significant consumer behavioral changes is their decreased desire with material objects – different than past generations. Millennials have a tendency to value experiences and opportunities over owning material items. My survey question #15 directly asks the question to survey responders, “What is the first large purchase you intend to make with your own earned money? –or– What was the first large purchase you made with your own earned money?” The results are charted below:

Figure 5

These charts were of the most interesting in my research, in my opinion. As you can see by the right two charts, in the past two generations Baby Boomers and Generation X, a car was the first purchase for the majority of those generations. 55% of Baby Boomers and 63% of those surveyed from Generation X purchased a car first, while only 20% of Millennials made this as their first large purchase, or intend to make it. Interestingly enough, 40% of Millennials purchased or intend to purchase an experience as their first large purchase with their own money. A study sponsored by Eventbrite said, “Since 1987 the share of consumer spending on live experiences and events relative to total U.S. consumer spending increased 70%”^{xxxi}

These responses are very telling of the newest generation and where they will be choosing to spend their money. Similarly to what was described in the academic research mentioned earlier, Millennials are more into their experiences while they’re young than things they can obtain later in life. Millennials, more than other generations are interested in traveling while young, if they can, and counting their memories more than their material objects. This is huge insight for businesses as it goes to show where Millennials will be spending their hard

earned dollars. Businesses that typically count on young consumers to purchase a car or property as their first independent purchase might be missing out with this newest generations while travel companies and those in tourism could flourish. From personal experience as a Millennial with many of the same aged peers, there is a striking number of Millennials who want to travel, even if its domestically, right out of graduation. I have friends from California traveling to places like New York City, Mexico, and even as far as Europe and Asia. With the help of this research I even convinced my own parents to have us take a family trip to Italy as a “graduation present” to me. These are just a few of the places in my own network that Millennials are traveling to, though the trend is the same across the nation for this generation.

This data is also very telling of the Millennial mindset as consumers in general. I would argue that a car and house or apartment are of the “practical” purchases on the list of responses, while an experience and luxury item are “frivolous.” If you use these criteria, we find that 79% of Baby Boomers and 78% of those in Generation X first purchased something practical as their first purchase while 48%, almost half, of Millennials decided to purchase something frivolous. These striking statistics show where this generation will be choosing to spend their money and feed into understanding the Millennial as a consumer. Businesses should be aware of this because it is highly differentiated from past generations and might not be the “logical” choice of consumers that they have seen throughout history.

Financial Status

Millennials’ Education and Student Debt

I asked questions concerning student debt and financials among Millennials in my survey as my academic research showed this is a looming concern for this particular generation.

“Millennials are the most educated generation in history,” however, “the cost of education is burdening them with years of lingering debt.” (Cutler)^{xxxii} Dr. DeVaney, in her publication

“Understanding the Millennial Generation” agrees in saying that Millennials “may exceed educational levels of previous generations as time passes and they complete their education.” 68% of Millennials are enrolled in college with 58% entering 4-year institutions and will receive a Bachelor’s degree within 6 years. However, college prices are rising more rapidly than the prices of other goods and services despite the fact that more students and families struggle to pay for higher education, enrollments are still increasing.

Figure 6

The above charts show the survey responses for question #23, “Did you, or will you, graduate with college debt?” These are relatively comparable charts, which is actually misleading. Only 46% of Millennials believe they will graduate with college debt but academic research from the College Board (in 2014) writes that 60% of students who earned their Bachelor’s degree in 2012-2013 will graduate with student debt.^{xxxiii} Since 2014, tuition rates have only increased and it’s likely that the percentage of student debt has remained constant or increased as well. This will come as a shock to Millennials who might not think they have student debt but actually will in the future. As stated earlier in the report, in 2015 there was \$1.2 trillion recorded as student debt in America. Since this statistic, Fox Business News came out

with a more recent article claiming that American student loan debt now has been raised to \$1.27 trillion and is only growing.^{xxxiv}

Figure 7

So why are Millennials willing to go into immense amounts of student debt? I asked the question: “Do you believe a college degree is essential for obtaining a job?” (Survey Question #21) and above are the results. 64% of Millennials compared to 50% Generation X and 54% of Baby Boomers believe a college degree is essential for obtaining a job. I thought it was curious that Generation X had a smaller percentage than Baby Boomers in believing a college degree is essential for obtaining a job. This could account for several reasons but one that I particularly believe is influential is the amount of successful and famous CEOs of this generation that did not complete college. Founder of Dell computers Michael Dell (born 1965), Founder of Facebook Mark Zuckerberg (born 1984, borderline Millennial and Gen X), Founder of Twitter Evan Williams (born 1972), and Founder of Napster Sean Parker (born 1979) are all successful CEOs and founders of Generation X who did not graduate from college and receive a degree.^{xxxv} These uniquely successful individuals are where I attribute the low percentage of Generation X’s belief

that a college degree is essential. Millennials similarly are influenced by people, especially Mark Zuckerberg, but are more competitive in nature and believe that these degrees are essential for what income level they want to receive in their peak working years, which is higher than previous generations to begin with. As a follow-up question to this, I also asked “Do you believe graduate school education (or any degree higher than a Bachelor’s degree) is necessary for attaining a better job?” (Survey Question #22)

Figure 8

Similarly to the previous results for survey question #21, the generations are relatively balanced in their belief of whether a graduate college degree is necessary for attaining a better job. Interestingly enough though, Generation X, who previously wrote that a college degree was not necessary for obtaining a job now has the most percentage of responses for believing a graduate degree will obtain a better job. This tells us that Generation X believes you can get a job without a degree but if you want a great job, a Bachelor’s and graduate degree are required. 41% of both Millennials and Baby Boomers reported that a graduate degree is necessary for a better job, but there is a good majority that believes it is not absolutely necessary.

Millennials and Retirement

With Millennials being in much more debt than previous generations they have financial hardships in the future. This in mind, Millennials are also well aware that financial planning is important from mistakes previous generations have made as well as the financial recession and economic downturn they grew up in. “Their difficult economic circumstances in part reflect the impact of the Great Recession (2007-2009) and in part the longer-term effects of globalization and rapid technological change on the American workforce. The timing of these macro-economic trends has been especially hard on older Millennials, many of whom were just entering the workforce in 2007 when the economy sank into a deep recession from which it has yet to fully recover.”^{xxxvi} Survey question #19 was presented in direct response to see how aware generations are or were about their future finances. “As a college student (or of college student age: 18-22) are you (or were you) thinking of your retirement savings?” The results are charted below:

The charted results from the online survey show the progression of awareness of future finances among the three generations surveyed. While 86% of Baby Boomers were not thinking of their future finances during the age range of 18-22, this percentage is lessened to 53% for

Millennials. Millennials might be more aware of their future finances from all of the current debt that they are currently compiling and how that will play out in their future, or they might just be more fiscally responsible. By having this awareness of future finances, Millennials will be more informed when it comes time for their peak purchasing power and will act more responsibly with their money if they are planning for a comfortable future.

Some predictions that can be made from these results are in the fields of financial planning and the general future of the American economy. USA Today article by McWhinnie stated three consequences of Baby Boomers due to their poor financial planning early on in their lives. “1. Having to work longer or forever, 2. Getting by with less, 3. Harboring mixed feelings.”^{xxxvii} The hard truth that Baby Boomers are experiencing now is that during their current or upcoming years of retirement that they have been looking forward to, they might not actually be financially stable. McWhinnie attributes this lack of funds to 401(k) plans and loans. “Forty percent of Boomers believe the Great Recession has not yet ended, and 13% say they ‘may never recover.’”^{xxxviii} Baby Boomers mostly consist of parents to the Millennial generation, so Millennials are beginning to learn by their parents’ mistakes and looking at their retirements at such young ages. This means that businesses should look into providing valuable retirement packages for Millennials, as they are more aware of their future finances than any other generation. Financial planning service companies should look towards this next generation as their newest consumers even though they are younger than typically they have been in the past. Financial planners should take this generation seriously as Millennials are very serious about their money and their future. In addition to this, the American economy could improve significantly with the financially conscious new generation. If Millennials can properly plan out

their futures and responsibly handle money, we could see a great future economy in which money is spent wisely fostering economic growth.

Industry Changes

Banking Industry

An industry that might not have been predicted to change is the banking industry, specifically in physical bank tellers and locations. In the world of technological advance and onset of online banking, the jobs of many are being outperformed by computers and other forms of technology, and bank tellers are not immune to this. I asked survey question #14 to understand more of the necessity of physical bank locations: “When you receive a check, how do you usually deposit it into your bank account?” The results are charted below:

Figure 10

While there are many operations that occur at physical bank locations other than depositing checks, to simplify the larger scope of online banking I reduced it to this one common task. The significant changes in responses here actually are split between Baby Boomers and Generation X, unlike most of the other results for survey questions. 70% of Baby Boomers go to a local bank to deposit a check while only about 50% of Generation X and Millennials do. This

is not a significant enough change to accurately say the jobs of bank tellers are at risk, but it is definitely a change in behaviors typically associated with personal interaction at local banks. Over half of Millennials reported that they deposit checks in ways that do not include interactions with physical people, and this might be a growing trend in the future as technology makes it even easier to operate without employees at physical locations.

Real Estate

The results below are for survey question #24, “Where would you like to live? –or – Where do you currently live?” I predicted that Baby Boomers and Generation X would be relatively similar while Millennials would have a wider variety of preferences, which is what was confirmed by my survey results.

Figure 11

Baby Boomers and Generation X are relatively similar in their choices of preferred living location. Just over 80% in both generations prefer to live in the suburbs while an incredibly small 3-4% prefer a city. Millennials cut the suburb desire in half and equally weight it with city living. 42% of Millennials want to live in the suburbs and 42% want to live in the city. In addition to this, 7% of Millennials wish to live internationally which is a category non existent for Baby

Boomers and barely chosen for Generation X. This helped prove my prediction that Millennials would choose a widely diverse set of preferences with their choice of living.

One reason for this wide discrepancy is because travel and communication is much more convenient than in past generations. Many of the past generations simply stayed in their hometown or home state because it was familiar and convenient, and typically close to family who also have not moved from their original locations. With the age of technology and travel making connecting to people across the globe so easy, there is less hesitation to moving far away, as it will still be easy to connect. Millennials also have the tendency to want to experience more of the world than previous generations. For Millennials, moving is another opportunity to explore and engage in unique experiences, which is attractive to this generation. Large cities are especially known for their bustling and exciting lifestyle, filled with different cultures and incredible experiences that draw Millennials towards them. It is also a trend of younger people throughout the generations to want to be in the “action” before they “settle down” and start a family later in life. However with Millennials this trend is elongated and more prominent than previous generations.

There are several implications and foreseen predictions that arise from the results of this survey question. First, it shows that we will see a trend of young people moving into cities, away from their preceding generations. This implies that Millennials will most likely be interested in renting apartments as opposed to buying a house in the suburbs like older generations have wanted to, as these are the properties most prevalent in large cities. This changes the landscape for those in the real estate business, especially realtors. To begin, realtors in rural communities will see a decline in demand at least in the next several years before Millennials want to “settle down” and look for a more family-oriented neighborhood. This also implies that Millennials will

be seeking to rent apartments in large cities which may not even include a realtor's assistance at all. The prevalent trend in renting apartments is that renters seek availability through landlords and apartment complex representatives. This would completely exclude realtors that might specialize in city apartment properties. In addition to this trend, there are also several real estate geared mobile applications that are becoming more prevalent and used by prospective renters. Some of popular significance are those like the Hotpads.com app, the Zillow.com app, and the Realtor.com app.^{xxxix} While some of these may require realtors to settle the deals, the act of showing properties individually and the duties of realtors seeking out the correctly fitting homes for new buyers is being largely eliminated thus making it unnecessary to have a large number of realtors in this area. This was one of the results that I predicted would occur; however I also expected this to correlate with the Millennials' need of a car. I predicted that since a large portion of Millennials want to live in cities, they would have less of a desire to own a car because a car is more of an inconvenience in most cities than a convenience. However, as described in more detail in the next section about the Automobile industry, this is not necessarily what my survey responses showed. In addition to trend showed by the surveys that Millennials tend to want to live in large cities as much as the suburbs, survey question #25 gives more insight into if Millennials would like to own or rent their houses or apartments. The question is written: "Which do you prefer: renting or owning a dwelling (house, apartment, etc.)" the charted responses are below:

Figure 12

We see here that Generation X and Baby Boomers are relatively similar in their preference to own their “homes” rather than renting / leasing, Millennials still have a majority that prefer to own, but a much smaller percentage than the previous two generations. Only 66% of Millennials prefer to own their “homes” and 31% actually prefer to rent. This is important information for the real estate industry as it shows that Millennials should be targeted in rented apartments and leases as they do not have as much of a desire to own the entire property which is a stark contrast from past homeowner behavior.

Automobile Industry

I predicted that the automobile industry would see drastic change and a decline in personal automobile sales because of several factors affecting the Millennial generation. The first is that Millennials, according to survey results and popular trends, want to live in large urban cities. This would mean that the necessity of a personal car would be much less as cars are more of an inconvenience in large cities due to the lack of space. I also predicted the decline in car sales because of the Millennials’ urge towards helping the environment and being conscious of

pollutants. More than any other generation, Millennials care about the state of our ecological planet and many choose not to drive cars as ways to help prevent pollution. With this popular trend prevalent in the minds of many Millennials, I also believed the necessity of a car would change to being useful but not necessary. “If there are reasonable, nearby alternatives to owning – say, paying for a Zip Car membership, or taking the subway – why commit to the expense?”^{xl} Another reason I predicted the decline in the automobile industry was from academic research agreeing to this belief. Davidson’s article “10 Things Millennials Won’t Spend Money On” says, “According to the Atlantic, ‘In 2010, adults between the ages of 21 and 34 bought just 27 percent of all new vehicles sold in America, down from the peak of 38 percent in 1985.’^{xli}” Survey question #5 asked, “How vital is a car in your life?” My results from the survey are charted below.

Figure 13

The left chart shows the results for Millennials, which is that 66% find a car absolutely necessary in their life. So this makes me wonder why for the previous question about real estate, 42% want to live in the city but 66% think a car is absolutely necessary. In my predictions, I

believed that more Millennials would not find a car necessary but that more would find it useful, because of the nature of living in a big city. I was looking to find a correlation between living preference and car necessity but I did not find this relationship. Goldfarb's article, "8 Things Millennials Want – and Don't Want..." in The Washington Post alludes to this as well, "Nearly a third of Millennials say they do not plan to buy a car.... Millennials are gravitating toward cities, where they can use public transit, car-sharing services, Uber, taxis, biking and their feet to get around."^{xlii}

This being said, the charts still show clearly the difference between the previous generations that almost unanimously said a car was necessary in their lives. My original hypothesis for this industry was that car dealers and manufacturers would see a small, not drastic but still noticeable, decline in demand for cars in upcoming years. However, based off the data I received from the surveys, it does not seem like there is enough of a disinterest in cars for automobile industries to be worried.

Survey question #4 asked responders, "Do you currently own a car? (Not lease)" to gauge the current necessity and utilization of cars. The results are charted below:

Figure 14

As you can see from the results of this question, the majority of Generation X and Baby Boomers currently own a car, displaying their results for this question in the high 90 percentages. This also implies that they have a large need for their cars over a long period of time if they choose to own them as opposed to renting and leasing and see the benefits in such an investment. Only 56% of Millennials currently own cars, which can be expected as most of them do not have the capital to purchase their own car. It also shows the lessened need in owning a car at this young age as there are many forms of alternative transportation available to them, or they simply do not need to get to as many places as the older generations do.

To gauge the use of alternative transportation and the ultimate impact it might have on the automobile industry, survey questions #8 asked, “Are you familiar with companies that offer transportation like Zipcar, Uber, and Lyft?” The results are charted below:

Figure 15

The results of this question were as predicted for Millennials – all of the surveyed Millennials knew what these alternative methods of transportation was. It was interesting to see that the large majority of Generation X and Baby Boomers also knew what these companies

were as they are typically thought of as “young” and progressive. However, while they may know what the companies are, or have simply heard of them in the news, it was important to see if any of the generations were at all phased by this new source of transportation, as it affects car purchasing tendencies.

In addition to the previous question, there was a follow-up statement resulting in a question to form survey question #9. The statement was used to inform those who did not know of the companies before this survey and asked if knowing about them changed their necessity of a car. “For the purposes of this survey, here are brief descriptions of the companies: Zipcar offers the opportunity to rent cars by the hour for low prices. Uber and Lyft offer a taxi-like service that pick you up and drop you off for a fare cheaper than most taxis.) Now that you know about the aforementioned companies, does it change your opinion on the necessity of a car? Why or why not?” The results are charted below:

Figure 16

While Baby Boomers and those from Generation X were not likely to be swayed by alternative uses of transportation, 12% of Millennials answered that yes, having uses of alternate

transportation such as companies like Uber, Lyft, and Zipcar would change their mind about the necessity of a car. Some of the Millennial “Yes” responses for this question included, “Yes because there are new ways to get to your destination. At the same time, those apps do not serve a more permanent purpose. People that work everyday and live in a place that almost requires a car (like SD [San Diego]) can't use those services long term;” “One of the main reasons I haven't necessarily needed a car since I came to college is because of the existence of these services, and my parents see it the same way.” These responses show that Millennials as the next generation are still very reliant on cars, but do have some positive opinions about alternative transportation from companies like Uber, Lyft, and Zipcar. While these opinions are not definite and many still believe cars are essential at some point in one’s life, there is surely an interest by Millennials for these types of services.

The Future of GPS

GPS, Global Positioning System, is a navigational system that shows maps virtually and can give directions on destinations. There are several GPS companies, but the most commonly known one are Garmin, Tom Tom, and Magellan, as these are companies that consistently rank in the best GPS systems for consumer purchase. The reason I asked this question was to understand how Millennials as the newest consumers would affect the GPS manufacturing industry. Individual portable GPS systems were beneficial to generations that previously used maps to locate the best routes but since this technology guidance has become immensely easier. However as technology progressed further, GPS navigational systems began appearing as mobile applications built into cellular devices and even in cars themselves. This eliminates the need for a portable GPS unit for all purposes if there is already on in a consumer’s car and if they leave, it is programmed on their cell phone. This survey question was to see who actually still has a portable GPS system and if Millennials were of these consumers. Survey question #7 asks, “Do

you currently own a handheld GPS? (Not one programmed into a car or mobile device)” results charted below:

Figure 17

As shown by the charted survey responses, Baby Boomers and Generation X similarly reported that about half owned an independent GPS and half did not. This could be for the reason that it was purchased earlier and they have not discarded of it yet, but might not actually be utilizing it as they used to. Millennials on the other hand reported that 79% did not own a handheld GPS unit and only a small 21% did. For the reasons mentioned earlier about the future of GPS integrated in other technological devices, Millennials tend to not have the need to purchase a separate GPS but rather use the free, typically Wi-Fi enabled GPS programs in their mobile devices or cars.

Telephone Industry

Survey question #18 asks, “Do you own a cell phone and landline?” to understand the current ownership of landlines and what role they play to the three generations. The purpose of this question is to show where the demand for landlines is going, and the results that are charted

below accurately portrayed what was to be predicted based on technological advance and the convenience of cell phones.

Figure 18

The results show what is to be expected for landline ownership. A large majority of Baby Boomers and Generation X own both landlines and cell phones for several reasons. One could be that they previously had a landline before cell phones became popular and affordable. Another is that they wish to separate their home life from their personal cell phone, which Millennials might not be entered into yet. Additionally, like will be mentioned in the next section about television watching habits, these generations could have the landline bundled with other home services that they need such as Wi-Fi and cable television making it practical though probably not necessary. In the future we might see more Millennials owning both cell phones and landlines but probably not nearly as many as in Generation X and Baby Boomers since cell phones are convenient enough to cover almost all of the same benefits that a landline provides.

Television Watching Habits

The television watching habits vary greatly among the generations and this was to be expected based on the differences in habits shown by the academic research. This is extremely influential to certain industries including cable television providers, manufacturers of televisions,

and the future of television networks. The charts below are the responses of the online consumer survey in charted form. The legend for all charts is below the charts and corresponds to the survey answer choices as follows: Green: Turn on TV and watch whatever is on; Purple: Turn on TV and watch a recorded show; Dark Blue: Watch TV on a separate device; Red: Turn on TV and use a program like Netflix; Light Blue: I don't watch TV.

Figure 19

On the right-most chart are the Baby Boomers' responses, in which the majority of them said they turn on the television and watch whatever is on. Generation X also turns on the TV but prefers to watch a recorded show, instead of what is currently playing. Millennials prefer to watch TV on another device such as a tablet or laptop. While the majority of Baby Boomers watch what is currently on their TVs, only 5% of Millennials do and while Millennials tend to prefer to watch TV on another device, there were no Baby Boomers who said that is how they typically watch TV.

There are consequences from these differing generational habits for companies in the television watching industry. Most notably is the Millennials' preference to watch television on a

separate device like a tablet or laptop. With this choice, there is really no use of a physical television set for Millennials in television watching. This is in stark contrast to past generations that utilized television sets and seen these products as luxurious and desired. With the newest generation, we may see a decline in sales because there is simply no practical use for an expensive television if most of them choose to watch their shows on separate devices that are compatible. Millennials' second preference of watching TV was to turn on a TV and use programs like Netflix or Hulu. This also eliminates a key aspect of television watching that Baby Boomers and Generation X likes to use: actual television networks. What we see here is clearly the trend of Millennials moving away from traditional TV watching and moving towards watching TV on separate devices and with unique programs that eliminate the need for physical TVs and purchasing cable television.

Cable providers have actually caught wind of these growing changes probably with the decline of sales and now are beginning to offer bundled cable packages with Internet, phone service, and television. For example, AT&T is currently offering a bundled package with "All Included DIRECTV + Internet Package + Digital Home Phone"^{xliii} and XFINITY is offering their Internet up to 200 Mbps with an included 140 channels and free HBO subscription.^{xliv} The HBO subscription and TV channels are probably an added bonus to consumers who simply want the faster Internet. However even if consumers do not want these television extras, they still have to pay for them, which is how XFINITY can justify their bundle "deal." Purchasing just Internet would be cheaper for the consumer but XFINITY does not have a deal for this, as they are still trying to find ways to make money off of television watching. The idea is that they can make the bundled price more than the single service price as instead of purchasing all of the services; customers typically only want Internet and maybe phone service. This strategy of bundling has

kept cable companies afloat for now, but if they don't provide a more useful service or product for Millennials, they're entire business could suffer.

Music Listening Habits

Similarly to television watching habits, I was very interested in how different generations listened to music. With technology making music streaming available virtually everywhere, and abundantly free, getting consumers to pay for music has been a new obstacle for those in the music industry. While this has been an issue for music producers and companies selling music alike, I will go more into depth with those companies that receive money from others' music, not the music artists and producers specifically. By this I mean companies such as radio networks, Apple Music, Spotify, Pandora, etc. that directly work with consumers for their services. Survey question #11 asks responders, "How do you typically listen to music?" Below are the charted responses:

Figure 20

The charted responses to survey question #11 accurately shows the gradual trends among the three generations and their respective music listening habits. The Baby Boomers chart on the far right shows the majority listen to radio stations with the second most preferred option being personal MP3s or iTunes equating to a total of 76% for these two options. This is to be expected as they are of the older forms of listening to music of the five listed options. The next generation, Generation X has a majority of preference, which is exactly half of the responders, for streaming applications like Pandora or Spotify. The radio station preference of Baby Boomers is only 32% of Generation X but is still larger than the Millennial percentage. The Millennial percentage of typically listening to music on radio stations is down to a small 12%, though it was the majority for Baby Boomers. This shows the gradual trend of leaving the typical music listening behavior by radio station.

For Millennials the most popular way of typically listening to music was a good majority of 64% reporting they use applications like Spotify or Pandora. Generation X chose this method of listening to music as well but not as much as Millennials and Baby Boomers only had 12% of responders say they typically listen to music this way. It is clearly a preference of the Millennial generation. What makes this option so enticing is partially that they are free services that can be used wherever Wi-Fi is available and there are alternate options to listen without commercials and advertisements. You can also mostly choose which songs you specifically would like to listen to, unlike online radio station websites that play whatever is on their schedule. This is also with typical radio stations that can only be listened to in a car or on a radio, which Millennials typically do not own. The option of listening to personal MP3s or iTunes music would likely have been popular in Millennials' earlier years but now with these companies like Pandora and

Spotify, you do not have to own the rights to songs you want to listen to and can utilize these services for free.

These habits of listening to music show where the industry is headed and companies that sell individual songs like iTunes should consider alternate revenue sources, as they might not be utilized for much longer. iTunes has already come up with the alternative iTunes Radio but so far this still does not seem to compete with Spotify and Pandora. However a recent Forbes article was correct in saying, “while it might still be young, the streaming music industry is already a crowded space.”^{xlv} There are other companies like Amazon, Samsung, and SoundCloud trying to fight for market share in the music streaming industry, but so far the giants of Spotify, Pandora, and iTunes are at the top. This is impactful for radio stations as well, as their main source of revenue is from commercials and advertisements. With cars having the ability to play applications like Spotify, Pandora, and iTunes from mobile devices, many current radio listeners might change to these options. SiriusXM was not an option listed on the responses but this is also a threat for radio stations as it provides a clearer and less commercialized version of what radio stations typically provide.

Getting the News

The next area of interest for my Millennial consumer research revolved around the news. The US Chamber of Commerce Foundation research reported that the main news sources for Millennials were as follows with their percentages. 65% of Millennials use the television to get their news, 59% use the Internet, 24% read from a newspaper and 18% reported as hearing it from a radio.^{xlvi} I wanted to follow up on this data and see if the Millennials I surveyed responded in the same way, but I added the options of Mobile Application, Emails, and separated Internet into Facebook and Search Engine as I felt these were too unique to be categorized under

just the Internet. My survey question #12 asks, “Where do you typically learn about the latest news? (select as many as apply)” Below are the charted results:

Figure 21

The blue bar is recorded for Millennial responses. The chart is listed in percentages, and as you remember, the question tells the user to “select all that apply” so the percentages are not in relation to each other but rather in relation to the total number of responses from that generation. While the US Chamber of Commerce Foundation reported 65% of Millennials get their news from television, less than 35% of Millennials responded for this in my consumer survey. The research also said 24% of Millennials get their information from newspapers, which was much less for my survey at just over 10%. I included the next choice, Mobile application as I believed this was a source that the US Chamber of Commerce Foundation research missed and I was proven correct by my survey research. About 60% of Millennials that I surveyed said they

get their news from an app, which is the second most popular answer. Email was the next added response and about 25% of Millennials said they received their news from emails. There are several companies that provide news via email for the consumer who is on the run and needs quick updates. Two of the more common ones are The Skim and 3 Things. The US Chamber of Commerce Foundation research next said that 18% of Millennials get their news from the radio while my survey showed less than 10% did. Finally for the last category reported in the research by the US Chamber of Commerce Foundation, Internet, I split into my last two response options: Facebook and Search Engines. The Foundation research reported 59% of Millennials using the Internet for their news and my survey responses reported 70% for Facebook and about 35% for Search Engines. This averages out to about 52%, which is quite similar to the research.

What this tells us about Millennials' news-obtaining habits are that they are largely only interested in instant news, sorted out articles, and news made popular by peers rather than them having to search for it. The two most popular answers were receiving their news from Facebook and Mobile App. Both of these platforms are used when scrolling quickly through a newsfeed as opposed to searching for news as the sole purpose of an activity. The main purpose of Facebook is not to act as a news source, but yet Millennials are already on this platform so finding news from the newsfeed is both convenient and likely reliable as it was shared by their friends. In this sense, someone else was sorting through the news, not the reader. In the case of Facebook it was by friends, sorted out the news of the day and in the case of mobile apps it was by the app's newsfeed. Connecting back to the Millennials' need for instantaneous results and immediate response, this makes sense, as they will not give their time towards news sources that make them sift through what they find relevant and want to learn. This is telling for how news sources

should relay new stories to the up and coming generation of Millennials: through quick reads, pictures, and relevant content only.

Survey question #13 was related to this idea of Millennials' preference of seeking news. The question posed was: "If wondering what Super Tuesday was, which news story would you choose to read first?" The results are charted below:

Figure 22

For this survey question I chose to put the answer choices in picture format. The reason the answer responses were in picture format was to obtain a more realistic response from the survey takers. If I simply used the titles of each news source, survey takers might feel compelled to choose a news source with a more reputable name whereas they might have truly chosen something less reputable but more interesting. For reference, the pictures below are what the survey takers saw when taking the survey and the answer options that they could choose.

BuzzFeed

The New York Times

Elite Daily

CNN Politics

The Wall Street Journal

First news article in a Google

The results were varied and interestingly did not seem to follow any gradual pattern among the generations. Of note is the large percentage by Baby Boomers in saying the first place they would look for information is the first article listed on a Google search results screen. The largest percentage, not by much though, for Generation X was 30% saying they would read the New York Times article first and this is similar to Millennials that 31% reported as the first they would read. One reason the New York Times article might be popular is because of the large infographic at the top of the article. Keeping with the Millennial tendency to want instantaneous

results, the New York Times article shows exactly what percentages apply to which states in a very clear and attractive single image. The info graphic alone is valuable information to anyone quickly trying to learn what Super Tuesday was and requires the least amount of reading.

Digital Presence

As mentioned earlier, one of the most unique features of Millennials as consumers is their digital presence that is stronger than any other previous generation. “In the book *Connecting to the Net.Generation: What Higher Education Professionals Need to Know About Today’s Students*, a survey of 7,705 college students in the U.S. revealed the following: 97% own a computer, 94% own a cellphone, 76% use instant messaging, 75% of college students have a Facebook account....”^{xlvi} These is the type of large digital presence Millennials have in the world, and companies should take note of their daily habits as it affects their consumer habits. Stephanie Nickell’s “Millennials: Next Consumer Target” gives various statistics of how Millennials typically spend their time. Nickell reported, “Hours using Internet per week: 39.7; Hours watching television per week: 14.6; Magazine issues read per month: 10.2; Hours listening to radio per week: 5.1”^{xlvi} In addition to these statistics she reported that in a 2011 study by Ipsos Mendolsohn, Millennials were “reported spending an average of almost 40 hours per week on the Internet.”^{xlvi} I tested these statistics in my online survey with question #26 asking, “How many hours per week do you: Use the Internet? Watch television? (on any device or form) Read a magazine? Read the newspaper? Listen to the radio? (or streaming music)” The averages of the results are charted below:

Figure 23

While it is generally difficult for people to accurately report how many hours they spend per week doing specific activities, the survey takers took the best estimates to show general trends among the different generations. All generations reported that they spend the most hours each week on the Internet. While Nickell reported about 40 hours per week by Millennials on the Internet the survey showed slightly less, about 34 hours – which could simply be a discrepancy from Millennials not accurately reporting results. Also in contrast to the article’s statistics, the survey reported Millennials spend an average of less than 10 hours watching television while Nickell reported Millennials spending about 14.6 hours per week doing this.

Of note is the very little time all generations spend reading magazines and newspapers. It could have been predicted that Millennials would spend very minimal hours of their lives reading magazines and newspapers, all of the generations reported averages of under 4 hours per week doing this activity. This shows just how fleeting these industries are even by older generations.

Publishers of magazines and newspapers should be aware of these changes in consumer activity because as of right now, none of the three largest generations of consumers spend time reading these.

Online Purchases

Another aspect of online shopping is the growing comfort in purchasing items on a mobile device such as a cell phone. Since mobile devices are of the newer forms of technology, there are often hesitations with the security of individual's credit card information by using these types of technologies. Hacking technology for consumers' secure financial information is always a threat when purchasing online especially for mobile devices. Companies are doing their best to make online shopping secure even for multiple devices, but I was curious on the opinions of the consumers that took my survey. Survey question #17 directly asked, "Do you feel comfortable purchasing products from your mobile device?" The results are charted below:

Figure 24

The difference between Millennials and Baby Boomers isn't particularly noticeable showing that despite hesitations and concerns with security, the majority of each generation actually are comfortable purchasing over mobile devices. With the learning curve to technology

from Baby Boomers, the prediction here was that they would show a majority that would not be comfortable with making purchase from a mobile device however they are just as comfortable as Millennials are. Generation X is actually almost unanimously comfortable with making these purchases, with just a small percentage saying they do not find comfort in this. This is important information for marketing purposes of businesses that sell online. Marketing specifically on platforms that are accessible to mobile devices might be more of an opportunity than just on laptops or computers. There are several differences in creating advertisements for computers than mobile devices, so companies should be aware of these differences and begin focusing on mobile devices also.

The final question, not chronologically speaking, that I addressed in my online survey was in reference to customer ratings on products online. Customer ratings are an onset of the digital presence and the connections formed over the Internet. Despite being strangers, people typically trust customer reviews and I wanted to understand how these are used in typical consumer habits by each generation. Survey question #16, “How do customer ratings affect how you make purchases? (Comments to this response are appreciated.) **1**= I always look at customer reviews when purchasing something I am unsure of. **2**= I sometimes look at customer reviews for products and services. **3**= I do not look at customer reviews” The responses are recorded in the table below:

	Large Purchases	Restaurants	Online Clothes	Services	All Online
Millennials					
Always Look	79%	31%	29%	62%	33%
Sometimes	6%	63%	45%	23%	56%
Don't Look	15%	6%	27%	14%	11%
Total	100%	100%	100%	100%	100%
Generation X					
Always Look	65%	33%	11%	59%	35%
Sometimes	28%	61%	54%	30%	59%
Don't Look	7%	7%	35%	11%	7%
Total	100%	100%	100%	100%	100%
Baby Boomers					
Always Look	74%	36%	24%	58%	33%
Sometimes	25%	54%	51%	36%	61%
Don't Look	1%	11%	25%	7%	7%
Total	100%	100%	100%	100%	100%

The results above in the table show the generations' reported responses when considering customer reviews before buying products. The highest for Millennials in "Always Look" is for large purchases such as cars or vacations, which is the same for Generation X and Baby Boomers. However for all online purchases, the majority for all generations was in the "sometimes look" response with very little responses for "don't look." This tells us that among the generations there are not large differences, but all generations seem to appreciate recommendations from complete strangers when they purchase something online. This is telling for businesses in that they must seek good reviews. Companies like Yelp are branded around the entire idea of customer reviews and rankings, and companies would be wise in making sure their customer reviews are positive as it might affect sales from future customers.

Conclusions

Though each section of the survey questions has its own conclusions, overall there were several aspects of enlightenment in this research on Millennials as Consumers. Previous

academic research on Millennials has predicted several outcomes through statistics and data and much of it has been synonymous with my own personal findings and online survey research.

In nearly every question of my online survey, the results of Baby Boomers and Generation X were relatively similar while we saw a great change when it came to the Millennial generation. From this we can determine that while each generation brings different obstacles for companies in terms of marketing and product lines, the Millennial generation is unlike one businesses have seen in the past. Their preferences and desires are unique and the charts demonstrated these stark differences. For the majority of the survey questions I posed, there were either gradual changes or abrupt differences and these should not go unnoticed by companies when deciding how to target Millennials as consumers. This is especially important since, as stated earlier, Millennials will be the largest generation in history with their peak purchasing power years still to come.

The questions I strategically formulated for my online consumer survey was to see specifically which businesses or industries would be greatly affected by Millennials as consumers and my conclusions are as follows. Some business and industries that will be greatly affected by Millennials are the real estate industry, all companies involved in the television and music industry, tourism industry, businesses involved in financial planning, newspapers and magazine industries, GPS manufacturers, and possibly the banking industry. Those businesses and industries that I predicted would be greatly affected but actually proved not to be drastically changed are the automobile industry, and the alternative transportation industry.

Recommendations for Businesses

I have provided some recommendations for businesses specifically relating to each question that I explained further in this report, but there are also general recommendations for all businesses that will soon be dealing with Millennials as primary consumers. A recommendation I

have for businesses looking to target Millennials is, in addition to using this research and similar research on Millennial behavior, is to begin seeing this new generation as a consumer as soon as possible, which is now. While the chief consumers are still Baby Boomers and Generation X, there are only a few more years until Millennials come into their full purchasing power and they are going to be spending their money at companies they are familiar with. Millennials are brand-loyal and support businesses that have social visions that resonate in the larger world. “Once Millennials lose faith in a brand, it’s nearly impossible to win them back. Keeping positive relationships are critical,”^l says the US Chamber of Commerce Foundation research on Millennials. It is not enough anymore for a company to be successful and have the best products – Millennials are looking at companies that stand for global social issues, are engaged in the local and global communities, and are relatable to them. Nickell’s article reported, “63% use social media to engage with brands, and more than half say that Facebook, blogs and brand videos on YouTube affect their opinions about products.”^{li} Millennials, as mentioned before, are consciously or subconsciously, self-centered and self-absorbent meaning they will appreciate companies that are alike in their own personalities. For businesses this means strategic marketing by finding the appropriate consumers for their products and marketing strictly towards them and their habits, hobbies, and desires. Forbes article by Schawbel agrees that Millennials are, “brand loyal” and “expect brands to give back to society” as two of their “10 New Findings About the Millennial Consumer.”^{lii} This is surely a different step for many companies, but in order to gain the Millennial as a consumer, it is necessary.

Another recommendation for businesses, similar to the previous one is look at their current product lines and, with the results of my survey questions, determine which products are no longer being used or do not have a future with Millennials. It is important to either improve

and innovate these current products or dismiss them entirely before they become a waste of operations and money. There are several products and current operations that might not prove useful to Millennials and as other generations grow out of their peak purchasing power years, certain products that have been useful for decades and longer will simply not be relevant. If possible, companies should also be looking to making their products more of an “experience” for Millennials in whatever way they can. This could be simple marketing tactics or a complete redesign of products and services. For example, the car manufacturer, Subaru, recently started marketing their cars as not only vehicles for daily use, but also a way to embark on an adventure.^{liii} This type of marketing keeps the same product yet turns it into a way for Millennials to get more of what they desire: experiences and memories.

A final recommendation for businesses is to look into technological innovations for all aspects of operations, especially those consumer facing. Millennials have a tendency for short attention spans, little patience, and a desire for instantaneous results. While having an easy-to-use online platform and interface for consumer usage is not a requirement, I would argue that in an industry with high competition, Millennials would surely choose a company that is “mobile.” If businesses could create some sort of digital presence in their customer-related activities, it would surely persuade Millennials to utilizing their business, whatever it may be, over another business that is strictly traditional. US Chamber of Commerce Foundation research reports, “In an 8-hour workday people spend 1 hour on social media,”^{liv} which is even greater for Millennials. This is a huge source of connection for companies and their consumers and businesses should look to be on social media even if their operations don’t directly utilize these platforms. Goldfarb’s Washington Post article agrees in saying, “Everybody knows that Millennials are the Facebook generation. But it’s not just about staying connected with friends.

Millennials look to social media to make decisions about brands they want to buy. That's a wake up call for companies still searching for strategies to reach people between the ages of 15 and 35."^{iv} I would argue that this is not only a wake up call, but will turn into a requirement for the future if companies wish to keep the Millennials as consumers. Millennials have a tendency to be connected but when it comes to dealing with people or a mobile application, the majority would choose to click a few buttons on their phone or laptop.

In conclusion, research from previous academic sources combined with my online consumer survey proved that Millennials are an incredibly unique generation that will become the largest consumer in the United States. There are several businesses and industries illustrated in this report that are at risk to becoming obsolete in the minds of this newest consumer and should look to change major strategies and operations in order to satisfy these new needs approaching in upcoming years. The purpose of this report is to inform companies of the trends occurring and mindsets of Millennials as they are not always "logical" and very different from previous generations. This research should be implemented as soon as feasible for companies if they want to be highly competitive in the future where Millennials are their largest, wealthiest, and most important consumers.

ⁱ US Census Bureau

ⁱⁱ Ibid.

ⁱⁱⁱ Nickell

^{iv} U.S. Chamber of Commerce Foundation

^v Ibid.

^{vi} DeVaney

^{vii} U.S. Chamber of Commerce Foundation

^{viii} Ibid.

^{ix} Ibid.

^x Social Security Administration

^{xi} Pew Research Center

^{xii} Social Security Administration

^{xiii} Ibid.

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- xiv Ibid.
xv Morgan
xvi Kohn
xvii Goldfarb
xviii History.com Staff
xix Elite Daily Staff
xx DeVaney
xxi Ibid.
xxii Elite Daily Staff
xxiii U.S. Chamber of Commerce Foundation
xxiv Cutler
xxv U.S. Chamber of Commerce Foundation
xxvi Cutler
xxvii U.S. Chamber of Commerce Foundation
xxviii Cutler
xxix Nickell
xxx Ibid.
xxxi Morgan
xxxii Cutler
xxxiii DeVaney
xxxiv Elavia
xxxv Smale
xxxvi Pre Research Center
xxxvii McWhinnie
xxxviii Ibid.
xxxix App Advice
xl The Atlantic
xli Davidson
xlii Goldfarb
xliii AT&T
xliv XFINITY
xlv McIntyre
xlvi U.S. Chamber of Commerce Foundation
xlvii Ritter
xlviii Nickell
xlix Ibid.
l U.S. Chamber of Commerce Foundation
li Nickell
lii Schawbel
liii Subaru Commercial 2016
liv U.S. Chamber of Commerce Foundation
lv Goldfarb

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