

# #PARENTING

Connected and loyal, millennial parents have clear ideas of how they want to shop

by FIONA SOLTES



It's been said for a while that the presence of those millennial "kids" changes everything.

Recently, however, the thought has taken on a whole new meaning. Millennials — typically identified as those born between 1981 and the mid-1990s — now account for about one in five mothers nationwide. As of 2016, 50 percent of children had millennial parents, according to the Pew Research Center.

The presence of millennials already has turned the workforce upside down, challenged the way other generations view connectedness and technology and shifted the collective

mindset about what it means to "adult."

But as many millennials move into this new life phase, the introduction of their own children is setting them distinctively apart from the non-parents in their age group. Recent studies are showing differences in how they gather information about products and services, how they define and seek "adventure," how loyal they are to brands, how much they value convenience and how willing they are to adopt new technologies and retail models.

They also tend to be more educated and have higher household incomes. Considering there are now more than 17 million moms in this generation, according to National Center for Health Statistics data, it's worth taking note.

"Millennials have sometimes been a challenging generation," says Katherine Cullen, director of retail and consumer insights for the National Retail Federation. "But they continue to be an important spending group, and we must pay attention to how they are evolving."

Earlier this year, NRF explored the behaviors and mindset of the millennial parent. The research, released in NRF's Spring 2018 Consumer Review report, included a survey of 3,002 U.S. consumers age 18 and older; it was conducted January 30-February 18.

Researchers in general had already noticed marked differences between older and younger millennials; some even consider them separate groups, Cullen says. It's true that older millennials are more likely to be "settling down" with kids. But the differences between parents and non-parents are starker than those related solely to age.

Phil Rist, executive vice president of strategic initiatives at Prosper Insights & Analytics and frequent NRF collaborator, has seen similar findings in his studies.

"The child will change purchase patterns forever," he says. "Not only for children's clothes, toys and food, but also for big ticket items." According to Prosper's 2018 Media Behaviors and Influence Study, 12 percent of millennial moms are planning on buying a house, compared with just 6 percent for millennial women without children. The same difference is also seen in autos, Rist says: 21 percent of millennial moms are planning on buying an automobile, compared with 13 percent for millennial women without children.

### **LABELS AND LEARNING AND SHOPPING, OH MY!**

When millennials first arrived on the scene, researchers and marketers were quick to apply generalities and stereotypes to make sense of this generation's unique behaviors. It fast earned a reputation for being self-centered, entitled and in need of constant recognition — but also for being collaborative, well-connected, multitasking, transparent and socially conscious. These labels came despite protests from those in the age group who said they didn't want to be lumped all together.

In that respect, not much has changed. Rist says he still sees marketers trying to group the members

of this generation into similar behaviors, much to their detriment. And millennials still push back. To make a rather ironic generalization, millennials greatly value individualism and personalization.

This remains the case as millennials become parents, and those parents will work to explore the solutions, products, services and experiences that uniquely are right for them. Phone in hand, this segment of the population will carefully research options — and then stick by what works.

Juggling jobs and kids, millennial parents' mobile connection represents convenience through virtually every aspect of the shopping journey. In addition to using mobile for finding products and comparing prices, they are more likely to use mobile for researching features and reviews, placing orders, making payments, leaving reviews, contacting customer service and processing returns.

"This is a generation that is high-information and connected," Cullen says. "Understand that this is just their way of shopping, and you can't ignore it. Embrace it and integrate it into the experience, whether it's through optimized mobile sites, or creating an experience that works from a brand or product perspective, or ensuring Wi-Fi in-store, or mobile payment checkout. Understand this is where customers are going, so it's where you have to be."

There is one way that millennial moms are less engaged with technology than others: Prosper's Rist says he was surprised to find that millennial moms cut coupons more from traditional ad inserts than from digital coupon options. "It's possible," he says, "that her mom and grandmother are passing the budget-stretching traditions down to the new mom along with other child care advice."

Cullen admits her own initial surprise at how willing millennial parents are to embrace new retail models. On second look, she says it makes perfect sense — particularly when it comes to processes that make their lives "easier and more convenient."

"They're embracing those at faster rates than parents of other generations," Cullen says. "The other thing that was surprising is how loyal they view themselves, and how much they care about what a brand stands for. That really sets them apart even from their peers without children."

The survey showed that 50 percent of millennial parents always research a brand or retailer's views on topics that matter to them personally. Only 19 percent of millennial non-parents and 27 percent of other parents say the same.

"It makes sense, then, that once you've gone through this process, you will feel very strongly

Millennials greatly value individualism and personalization. This remains the case as they become parents, and those parents will work to explore the solutions, products, services and experiences that uniquely are right for them.

about the brands you've decided to shop," Cullen says. "You're going to believe that they represent you, that they fulfill your needs, and you might then perceive yourself as being more loyal to them." Nearly 45 percent of millennial parents say they will only shop brands and retailers that reflect

COURTESY OF KIDBOX



their social or political values, compared with 15 percent of millennial non-parents and 23 percent of other parents.

It's an interesting concept, she and others say, for a generation previously labeled as "fickle."

"The perception is still that millennials are single, living their best life and not really settling down," Cullen says. "And we often still treat them as that way, as though they're fickle consumers who just spend on themselves. But I think that view is starting to change, particularly as we talk

about the next generation, Gen Z, who is just starting to enter adulthood and beginning to supplant millennials in that sense. We now need to view millennials through a different lens."

Part of that lens simply must be about experience.

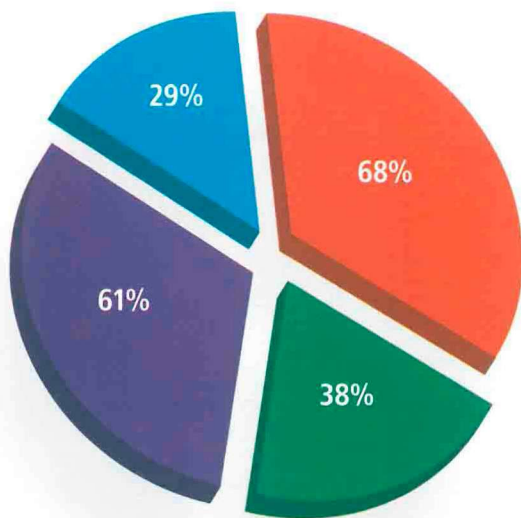
"The experience piece is a trend we're seeing

across the industry," Cullen says. "Experience is comprised of a few things. One is convenience, and we know that is important to this segment, and to millennials as a whole. If you're not delivering a convenient and seamless experience, you're going to lose customers. They will walk out of your door or click away from your site."

Convenience encompasses factors such as easy checkout, ease of navigation, online and offline experiences, free shipping and fulfillment. With millennial parents, however, experiential shopping

### Do you use your smartphone for any of the following activities?

MILLENNIAL MOMS



Making a purchase

Writing a customer review

Receiving text messages with special offers

Paying for a transaction at a store checkout counter (i.e., mobile payment, mobile wallet, etc.)

Source: Prosper Insights & Analytics 2018 Media Behaviors Influence Study, comparing roughly 1,200 millennial moms to an equal number of millennial women who are not moms

also has a lot to do with the social aspects: 53 percent of millennial parents are interested in attending a retail event or experience, more than double that of millennials without kids. Millennial parents also are more likely than millennial non-parents to see these events as opportunities to learn or receive expert advice or to have something to share on social media.

Cullen speaks of a baby store in Minnesota that appeals to these parents by offering story time and play time, giving parents as much of an ability to connect as the kids. Naturally, they can “pick up a new toy or outfit while they’re there,” she says. “That builds that community and broader connection, which can tie into loyalty, in addition to getting people in your door.”

Subscription boxes are another strong area for creating experiences, Cullen says. In addition to the convenience of items being sent straight to the door, they also allow time of family togetherness and excitement as toys, clothing or other items are unboxed. Kidbox, for example, wins not only for its personalized boxes of apparel, but also because it appeals to the mission-minded by donating new items to kids in need. Then there’s The Honest Company, which continues its popular focus of providing nontoxic, eco-friendly baby and beauty products.

As for experiences outside the home, NRF’s research showed that millennial parents are more than twice as likely as millennial non-parents and parents in other age groups to have increased spending on experiences like travel, movies and dining out than in the previous year.

Even in that, there are further distinctions.

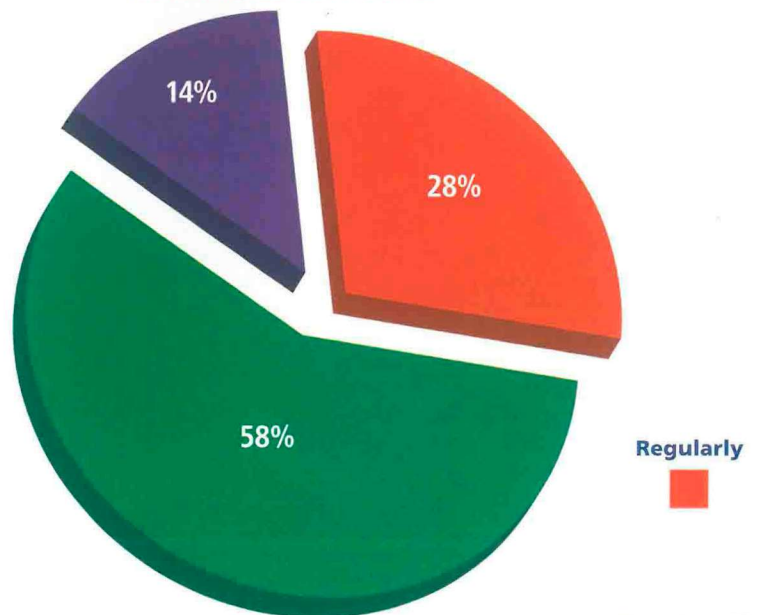
Jeff Fromm, partner at ad agency Barkley and author of three books including *Millennials with Kids: Marketing to this Powerful and Surprisingly Different Generation of Parents*, says millennials have long been associated with the idea of “adventure.” Kids, however, change how it is defined.

“Adventure is still a powerful theme for this generation, but the ability to go to Asia for two weeks with my buddies is now changed to a weekend getaway with my family,” Fromm says. “It’s still an adventure. It’s just not a trip to Asia, it’s a road trip to Gettysburg.” The theme of adventure also plays out in food, fashion and other areas. With baby food, for example, there’s Yumi, a science-based, chef-curated, nutritionally dense early childhood meal delivery program.

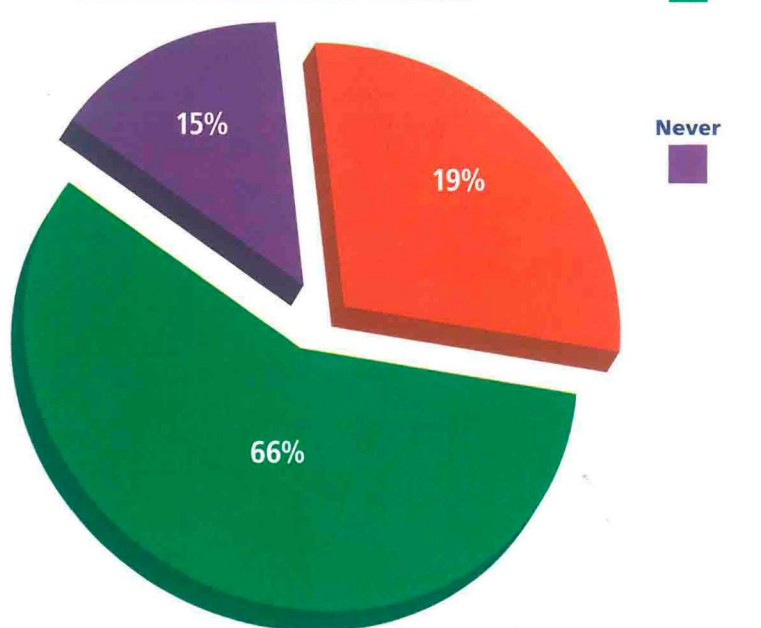
NRF’s report cites statistics from Resonance Consultancy, pointing out that 44 percent of millennials bring their kids on vacation — their own way.

## Do you give advice to others about products or services you have purchased?

### MILLENNIAL MOMS



### MILLENNIAL NON-MOMS



Source: Prosper Insights & Analytics 2018 Media Behaviors Influence Study, comparing roughly 1,200 millennial moms to an equal number of millennial women who are not moms

“If they’re going to a new location and bringing their children, they don’t want to pack that stroller or that crib,” Cullen says. “They want to land in their destination and get it there. This is a generation that’s very comfortable with Airbnb, with renting someone else’s home. So they’re also going to rent a stroller. That’s where we see the rental market coming in.” Companies like

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— NRF, Spring 2018  
Consumer View

BabyQuip (formerly known as Babierge) and Babies Getaway are meeting those needs.

Prosper's research focused specifically on moms, and Cullen says NRF's research did not delineate according to the gender of the primary shopper.

Fromm, however, has been continuing his own studies of millennial parents with an eye toward millennial dads. Nearly one in four millennial families with a stay-at-home parent, he says, has a stay-at-home dad. As millennial women are earning more and more, he says, they might no longer be the obvious choice for traditional roles.

"If you think about millennial family structures versus traditional family structure, the traditional structure was male-dominant," he says. "The caveman went out and brought home food and ruled the house. That structure lived all the way through the Industrial Revolution in some form. But then we have this new structure that takes place in families, where basically everyone has a voice, decision-making is chaotic and the center of the bull's-eye in terms of purchase influence is an affluent female consumer."

### 'USEFUL IS THE NEW COOL'

For those willing to pay attention — whether retailers, brands or other consumers — millennial parents have much to teach.

"They look for brands to be more useful," Fromm says. "Useful is the new cool, and that could be anything from providing just-in-time content to a just-in-time buyer to helping me solve a problem. If you're The Home Depot and you're selling me a tool, you need to make sure that you have videos that show me how to use that tool to solve my problem. It's no longer enough for a brand to merely sell me a good or service. Rather, useful brands simplify my life."

Fromm's best advice for retailers would be to "start by understanding what consumer need states you're trying to meet. Get close to the consumer and understand exactly who the direct and indirect alternatives are for that need state. Then, if you do a good job of understanding the need state, you can work on your product and service combination. Price is still a big driver for consumers in a lot of categories, but not all."

Rist says retailers should be "focusing their digital marketing efforts specific to the different groups and not trying to generalize." Technology gives brands and retailers the opportunity to provide variable offers based on things that are of specific interest, and it can be used to create customer service akin to the personalization of the 1950s, he says. "That's when the department store clerk understood the shopper and knew what she would like. Technology allows us to do these things right now, but most marketers aren't taking advantage."

As for Cullen, she notes that when it's time to experiment with new retail models or innovative ideas, millennial parents might be an ideal target customer. Hit the right spot, and they could prove both early adopters and strong advocates.

It would be too easy, she says, to follow the past narrative and assume there's no use in trying to engage millennial parents as loyal customers.

"I think there's a temptation to assume that your loyal customers are your older base, to cater to them and to assume there's no way to win millennials or millennial parents. As we know, loyal customers are more valuable. You might have to work harder to get them. But once you have them — with millennial parents in particular — once you earn their affections, they will choose you above even cheaper or more convenient options." **STORES**

Fiona Soltes, a freelancer based near Nashville, Tenn., loves a good bargain almost as much as she loves a good story.