



Holiday Trends and Preferences Among Millennials

Millennial Shopping & Rewards Study

Much has been written and explored to try to truly understand the Millennial population, but understanding their motivations and preferences during the holiday season is especially important. This multi-billion dollar shopping period can spell success, or failure, for many companies and brands, so it's vital to have an understanding of the largest generation of shoppers.

New research unveiled in this study by Virtual Incentives covers a targeted study of U.S. consumers 18–65+ and their Holiday shopping plans and drivers, especially the use of gift cards and rewards as part of the mix, but with a focus on comparing the results of Millennials (Ages 18–34) specifically. The results were surprising and enlightening, with many key differences identified that will be important for marketers and retailers to understand in order to successfully engage this population.

METHODOLOGY

Using Google Consumer Surveys we conducted a ten-question online survey of U.S. adults over the age of 18. The total study sample size was 500, but due to the nature of the GCS sampling system for some questions the individual base size was as many as 867 responses. In all cases, the analysis was based on the individual question base size versus the completion of the total survey. The sample was randomly balanced by gender, age, income, geography, urban city, income and parental status. While we collected data from several generations, we looked specifically at millennial findings for the purpose of this paper.

KEY RESEARCH FINDINGS

- Millennials will do more than 50 percent of their holiday shopping online, and over 40 percent will use a mobile payment system for all purchases.
- Almost half of Millennials prefer to receive, and nearly 40 percent prefer to give virtual gift cards or virtual Visa® cards.
- Thirty percent prefer to receive instant rebates or incentives virtually as well, and 40 percent consider that to be important to their purchase decision making.

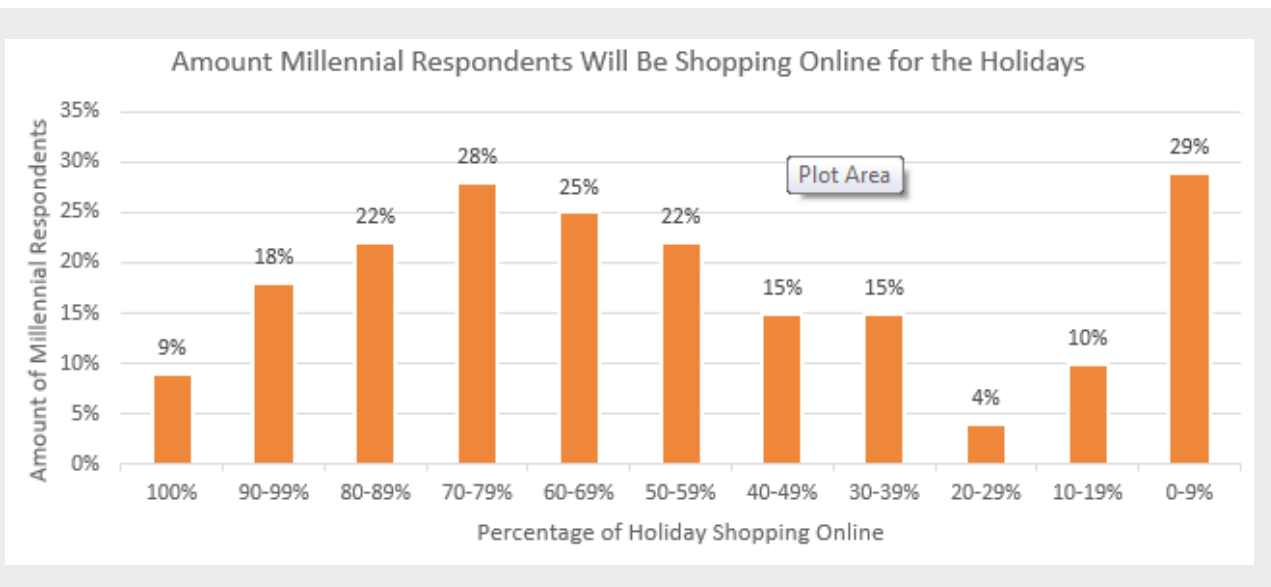
MOBILE AND THE MILLENNIAL



Millennials are leading the charge when it comes to time spent on mobile. From apps of all kinds to basic communication, this on-the-move generation looks to their smartphones for access to the world. For the holiday season, this trend continues. Our study found that nearly half of Millennial respondents who currently use Mobile Wallet (40 percent—and rising—of this generation use mobile payment solutions) plan to give gift cards this holiday season. When it comes to incentives, 1 in 3 Millennials prefer to receive rebates and rewards instantly on their mobile device.

HOLIDAY SHOPPING

Millennials—an estimated 83 million strong—are driving increased holiday spending this season. This new “largest generation” has a huge impact on the economy and examining their habits can give us significant insight into the busiest shopping season of the year. How are these influential consumers planning to spend budgets this year? Overall, Millennials will split their holiday budget right down the middle with 50 percent online purchases and 50 percent at traditional department stores. One-third of our respondents in the Millennial demographic said that they would do 70 percent of their shopping online.



GIVING, GETTING AND GIFTING

So what is this influential generation giving—and getting—for the holidays this year? The majority of Millennials still like to receive physical gifts, but more and more (50 percent) like to receive digital retailer gift cards or Visa prepaid cards. For a digitally connected consumer, virtual makes perfect sense.

In fact, nearly 40 percent of Millennials prefer to give or receive virtual cards, and the same percentage of Millennial shoppers plan to give some kind of gift card this holiday season. Our study indicates that cash is no longer king: more Millennials like a choice of brand-specific gift card or Visa gift cards that they can spend anywhere.

REBATES AND REWARDS

Incentives are a huge driver of shopping behavior during the holiday season. Consumers are seeking the biggest return on their spend in order to maximize budgets for year-end. Almost 40 percent of Millennials consider rebates, rewards, or cash back offers somewhat or very important when they are shopping for the holidays, and purchasing decisions are made around whether or not these incentives are offered.

CLOSING THOUGHTS

Understanding what motivates and resonates with the sought-after Millennial market is crucial to success for brands during the 600+ billion dollar holiday shopping season. Based on our research, we recommend that brands prioritize several items to reach this powerful demographic:

Connect on mobile. Meeting these customers on their preferred platform is vital - their love affair with mobile continues to grow as shopping and other standard consumer behaviors becomes more seamless through their devices.

Offer thoughtful incentives with purchases. Our respondents strongly indicated that rewards play a role in their purchasing decisions.

Consider gift cards. Year after year, consumers are saying they like to give and get gift cards (both virtual and physical) over the holidays. 2016 is no different, so work these rewards into holiday promotional strategies.

Want to learn more?

Reach out to Virtual Incentives at
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