8 Retail Trends Through a Millennial Lens
NPD’s Chief Industry Advisor, Retail, Marshal Cohen, recently came up with **eight ways Millennial consumers differ from older consumers** when it comes to the kinds of products they buy (and why).

We asked a select group of analysts and rising stars at NPD — including some actual Millennials — to weigh in on how they see these differences playing out in their respective industries. We asked them to focus on separating myths from reality, so we can discern what’s going on inside the minds and households of consumers born between 1986 and 1996.
Meet the Panel

the INDUSTRY EXPERTS

Marshal Cohen
Chief Industry Advisor, Retail

Stephen Baker
Vice President, Industry Advisor, Technology and Mobile

Juli Lennett
Senior Vice President, Industry Advisor, Toys

David Portalatin
Vice President and Food Industry Advisor

Matt Powell
Vice President, Senior Industry Advisor, Sports

John Buffone
Executive Director, Industry Analyst, Connected Intelligence

the MILLENNIALS

Rosa Chan
Account Manager, Foodservice

Ryan Finn
Director, Consumer and Commercial Technology

Amanda Gonzalez
Manager, Makeup Industry Analyst

Elizabeth Lafontaine
Manager and Industry Analyst, Retail

Michial Miller
Account Manager, Books
1. **Millennials are retail explorers — seeking out new items, brands, and uses for existing products**

“Millennials are constantly interviewing brands, meaning that a brand has to prove itself, every day. For Boomers, there were fewer shopping choices, shopping outlets, and sources of product information. For Millennials, those elements are infinite. On top of that, these elements are always available on their smartphones.”

*Matt Powell / Vice President, Senior Industry Advisor, Sports*

“Millennials are more tech forward than other consumer groups. They are willing to try new products and technologies and can be the driving force behind growth in new products and categories. Once they have embraced it, other markets follow. Thinner and lighter, better screens, and nicer fit and finish are much more appealing to this group of consumers, even for PCs and other work-productivity tools. In fact, Millennial consumers are forcing these types of changes, not just in consumer-focused products, but also in business-to-business segments.”

*Stephen Baker / Vice President, Industry Advisor, Technology and Mobile*

“Millennials’ exploratory, social-media influenced approach to product discovery is trickling down to their children, who are discovering new items and new brands in new ways. Toy consumers today are not only discovering products through TV advertising and friends, but they are also watching unboxing videos and watching kids play with toys online. It has become so prevalent that some companies are earmarking more of their marketing dollars for these types of online efforts than for traditional TV advertising.”

*Juli Lennett / Senior Vice President, Industry Advisor, Toys*
2 / Millennials like to build memories more than they like more things

“The bookstores that are really thriving right now have entrenched themselves in communities and become community gathering places. They’re hosting poetry nights and movie nights and discussions. And they become more like a hub of culture, than just a retail store. I think there’s something to be said for relationship building and being more connected.”

Michial Miller / Account Manager, Books

“Millennials tend to spend more on experiences and travel, and also like to document and share those experiences. This leads to more smartphones, cameras, and GoPros to capture the moments — and always being connected to share them.”

Ryan Finn / Director, Consumer and Commercial Technology

“Like the rest of the retail market, apparel is experiencing sales declines, exacerbated by Millennials and other consumers shifting their spending to new categories and more experiential, memory-focused opportunities, like travel.”

Elizabeth Lafontaine / Manager and Industry Analyst, Retail

“Millennials want to be connected while we’re traveling, so we can share experiences with others.”

Ryan Finn / Director, Consumer and Commercial Technology
3 / Price, while important, is second to function

“Younger adults, including the Millennial generation, are the main drivers of the shift to fresh foods and beverages. The surprise element is that Millennials are in a life stage when people typically consume lower quantities of fresh items in favor of more time-saving and convenient options.”

David Portalatin  /  Vice President and Food Industry Advisor

“Millennial parents are willing to spend the money needed to bring joy to their children, especially during the holidays. They will also go to all kinds of lengths to find that one toy that their child wants — sometimes spending double or triple the usual price to get it.”

Juli Lennett  /  Senior Vice President, Industry Advisor, Toys

“Millennial consumers are more interested in convenience and more conscious of prices compared to other groups. This is especially true when it comes to something like books, which might be easier to just purchase online.”

Michial Miller  /  Account Manager, Books

“Millennials love to feel good about what they eat — and they’re willing to pay more for healthy food.”

Rosa Chan  /  Account Manager, Foodservice
Many Millennials have never known a world without the internet. Because of that, they are more connected to each other than any previous generation. This means they share everything. When they want to know something or get an opinion, they consult their peer group. As a result, Millennials’ peer groups are much, much larger than those of the Boomers.”

Matt Powell / Vice President, Senior Industry Advisor, Sports

To keep ahead of consumers’ changing tastes, and offer them what they are looking for, we need to keep our eye on the new breed of retail-innovation channels. One example is the model used by Rent the Runway, which began a few years ago by offering consumers the ability to rent fancy dresses for weddings and other special occasions on a short-term basis, so they’re not forced to buy and own something they might end up wearing just once.”

Elizabeth Lafontaine / Manager and Industry Analyst, Retail

Millennials are slightly more willing than others to trade privacy for convenience — that means sharing personal information with apps like Google maps. Younger consumers care more about convenience in apps and products, and they are less worried corporations will misuse the data silently gleaned from them.”

Ryan Finn / Director, Consumer and Commercial Technology
Nesting redefined — Millennials are doing more at home

“Home automation represented four of the top six growing technology categories over the 2017 holiday season in the U.S., with home automation kits and smart entry boasting the largest growth. And maybe unsurprisingly, a lot of this smart-home growth was driven by Millennials. Our Connected Intelligence team tells us smart home product ownership by people between the ages of 18 and 34 more than doubled to 27 percent in 2017, which is also double the penetration in the total market.”

Ryan Finn / Director, Consumer and Commercial Technology

“If there’s a retail whitespace, Millennials are going to try to fill it themselves. They’re not going to wait for retailers or brands to fill the need for them. An example of this type of industry play is LuLaRoe, a multi-level marketing company similar to Avon or Mary Kay. The company specializes in knits and women’s sportswear. Its business model appeals to Millennials, because it allows them to create their own schedules. They can be consultants at home, and they also — in a sense — own and control their own fashion businesses, which is something they find very empowering.”

Elizabeth Lafontaine / Manager and Industry Analyst, Retail

“One area to keep an eye on is the delivery and digital space. Although they comprise just 2 percent of total foodservice traffic, digital orders are driving double-digit growth.”

Rosa Chan / Account Manager, Foodservice
Millennial consumers are more selective about their purchases. They take the time to consider how they will spend their hard-earned dollars. They think long and hard about what they are going to buy before making a purchase. It’s not about purchasing things just because they can. It’s not just the acquisition of stuff, it’s the value received from the purchase.”

**Marshal Cohen** / Chief Industry Advisor, Retail

Millennials were hit hard by the Great Recession. Good-paying jobs have been hard to find. Many are saddled with massive college debt. This has created a frugal generation, and Millennials are always looking for value; however, don’t read frugal as cheap. Millennials may be cautious with their purchases and research them extensively, but if they decide a more expensive option is the best solution, that’s the decision they will make. Millennials want value for their hard-earned money.”

**Matt Powell** / Vice President, Senior Industry Advisor, Sports

Millennial consumers are very conscious of where they spend their money. As a result they examine brands with much greater scrutiny and aim to purchase from brands that resonate with them on a deeper level than just a product and quality.”

**Amanda Gonzalez** / Manager, Makeup Industry Analyst

“The purchase must solve a need, in addition to looking good.”

**Stephen Baker** / Vice President, Industry Advisor, Technology and Mobile
“Millennial games consumers sometimes upload videos of themselves playing various games, which can go viral. This, in turn, helps market the games to others. This trend has now expanded well beyond games. For instance, toy companies are looking for product ideas that push consumers to post their play on YouTube.”

**Juli Lennett** / Senior Vice President, Industry Advisor, Toys

“When Millennials are excited about something, they want to share it. Especially because we grew up in the age of social media — when you get something that you’re excited about, you want to share it with your community. You are definitely more apt to post it on Instagram or Facebook or tell your friends about it.”

**Elizabeth Lafontaine** / Manager and Industry Analyst, Retail

“Now we have these platforms, like Instagram and Snapchat, that allow us to showcase our own makeup skills or how to make our own do-it-yourself facial scrub. For Millennials, it’s about creating a sense of self and really owning the idea of who we are — and then being able to portray who we are on our own terms, rather than relying on brands to tell us who we should be or what we should aim to be.”

**Amanda Gonzalez** / Manager, Makeup Industry Analyst
Millennial consumers aren’t necessarily evaluating the value of their purchases in relation to their size. They realize that the bigger handbag isn’t necessarily the better value. Their decisions are instead based on end benefits and usefulness.”

Marshal Cohen / Chief Industry Advisor, Retail

Millennials are highly engaged video consumers with much of their usage focused on mobile devices. For example, consumers aged 18 to 34 over-index the norm for video calling, taking, posting and uploading videos, and watching streaming video on their smartphones. They are leading the transition toward DirecTV Now, Hulu with Live TV, and other streaming pay TV services. Indeed, these services have built user interfaces for a viewing experience that spans TVs and mobile devices. Millennial content consumption trends point to an engagement pattern that blends TV with mobile — one that remains dedicated to TV screens in the primary viewing location and mobile viewing on smaller screens in secondary rooms and on-the-go.”

John Buffone / Executive Director, Industry Analyst, Connected Intelligence

Questions? Contact your NPD account representative, call us at 866-444-1411 or email contactnpd@npd.com.