

Millennial Insights: A Collection Of Foundational Research

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5 KEY MILLENNIAL INSIGHTS

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As we develop the vision for the Marriott Digital Community, the following Millennial insights will serve as core tenets

We know that Millennials...

- 1** Believe quality is king
- 2** Expect instant gratification
- 3** Deal in an experience economy
- 4** Are always on, constantly connected
- 5** Rely heavily on the recommendations of their peers

Quality is King to the Millennial Consumer

Millennials demand extraordinarily high quality from the products and services they use - they will not tolerate mediocrity or offerings that lack true value

Quality is the most important factor when considering whether or not to buy a product

92% say that quality is important or very important in their purchase decision

High-quality products are the **#1** thing they want from a brand

55% say that quality is what keeps them loyal to a brand



IMPLICATION

The Marriot Digital Community must provide true & unique value - it cannot simply imitate existing services like Yelp or TripAdvisor

Sources: Starwood's "The Future of Travel" Study; Moosylvania's Millennial Study, AIMIA's "Born This Way: US Millennial Loyalty Survey"

Millennials Are Impatient and Expect Instant Gratification

Given their notoriously short attention spans, it is no surprise that Millennials expect - even *demand* - instant gratification. If a product or service is unable to meet their needs immediately, they'll find a more responsive alternative

78% expect to earn a reward within three months of enrolling in a rewards program

84% consider 'ease of use' in their purchase decisions

They prefer smaller, **more frequent** rewards to larger, harder-to-earn rewards

IMPLICATION

Participating in the Marriott Digital Community must be effortless. Users must be able to earn rewards rapidly and redeem them frequently.

Sources: Deloitte's "A Restoration in Hotel Loyalty"; Starwood's "The Future of Travel"; Emarketer's "How Loyal Millennials Travel"

Millennials Are Eager to Transact in the Experience Economy

Millennials value and crave novel experiences, which they leverage as a form of social currency

6 out of 10 would rather spend their money on experiences than material things

Their **#2** suggestion to improve hotel loyalty programs was to offer **experience-based** rewards

64% would like to try everything from opera to rock-climbing

75% want to travel abroad as much as possible



IMPLICATION

The Marriott Digital Community must provide social currency by facilitating the discovery of new and exciting experiences

Sources: MMGY Global; Deloitte's "A Restoration in Hotel Loyalty"; Barkley's "American Millennials: Deciphering the Enigma Generation"

Millennials Are 'Always On' and Constantly Connected

Millennials have unprecedented access to digital devices and content - and they avail themselves of it constantly

7.1 is the average number of devices to which they have access

They spend an average of **17.8** hours per day consuming media (How? Multi-tasking.)

Low-end estimates suggest that they check their phones **43** times per day - high-end estimates top out at **150** times per day

IMPLICATION



There is much competition for Millennial attention. Marriott Digital Community must cut through the noise by providing the right information, at the right time, on the right device

Sources: AdWeek's "Millennial's and Brands" infographic; Crowdtap via entrepreneur.com; Crowdtap via entrepreneur.com; Kleiner Perkins Caufield & Byers via ABCnews.com

Millennials Rely Heavily on the Recommendations of Their Peers

Whether reading user-submitted reviews or talking to friends and family, Millennials place very high value on the opinions and recommendations of peers.

Word-of-mouth is the most frequently cited influence on purchase decisions - **90%** say it has an impact

78% say that online reviews influence their purchase decisions

58% read product reviews on their mobile device in-store



IMPLICATION

The Marriott Digital Community must incorporate a social component

Sources: Starwood's "The Future of Travel" Study; AIMIA's "Born This Way: US Millennial Loyalty Survey"

A GENERAL PRIMER ON MILLENNIALS

Millennials Are Numerous, Tech-savvy, and Increasingly Affluent

74.3 million number of Millennials in the U.S.,^A
or about 24% of the total population

7.1 number of devices to which they have access^B

17.8 average hours per day spent consuming media^C

2.5x more likely to be an early adopter of technology
than non-Millennials^D

43-150 number of times they check their phone per
day^{E,F}

\$170 billion

Current annual
spending power^A

\$1.4 trillion

Projected annual
spending power by 2020^B



Millennials see themselves as...^G

- 1** Independent
- 2** Ambitious
- 3** Optimistic

Millennial Purchase Decisions Are Driven By Peers & Perceived Quality

Whether talking to friends or reading online reviews, Millennial purchase decisions are often guided by peers. When evaluating a product, Millennials look for the 'Apple trifecta:' quality, ease of use, and design.

Top Attributes Considered In Purchase Decisions^G



1. **Quality** - 92%
2. **Ease of use** - 85%
3. **Design aesthetic** - 80%
4. **Price** - 75%

Top 2 factors that influence purchase decisions:^G

- 1 Word of mouth - 90%
- 2 Online reviews - 77.61%

55% say that quality is what keeps them loyal to a brand^H

51% buy brands that reflect their style/personality^D

61% rate products and services on the web - significantly more than non-Millennials^D

Percentages indicate Top 2 Box responses

Millennials Have High Standards for Brands

They will not settle for brands with mediocre offerings - they demand innovative, high-quality products that they would recommend to their peers. And they don't appreciate when brands talk down to them.

Top 4 Things Wanted from a Brand^A

1. High-quality products - 75%
2. 'Recommendable' - 61%
3. Fits with their personality - 53%
4. Social responsibility - 40%

40% say brands don't take them seriously enough^B

45% say brands play an essential role in their lives^B

cf. 35% of adults ages 35-54 and 25% adults ages 50+

"What would you like to see companies spend more money on?"^G

1. Innovation & technology - 36%
2. Environmental sustainability - 32%
3. Local engagement - 12%

Percentages indicate Top 2 Box responses

Millennials Want Status on Their Terms, Not Yours

Being a harbinger of innovation & culture is a Millennial's preferred means of earning social clout - they'd rather *make* something popular than buy something that's already popular. They are also not particularly concerned with being an 'official' top-tier customer via special status products or exclusivity (at least not yet)

Millennials are **3.6x** more likely to share content on social networks than non-Millennials ^L

Least Important Attributes In a Purchase Decision^G

- 1** Popularity - 16%
- 2** Exclusivity - 14%

Only **26%** think having a special "status" credit card or membership program level is important^D

Percentages indicate Top 2 Box responses

Millennials Crave Novel Experiences - Especially Travel

Traveling is both a means of having new experiences and an end in itself - it embodies the experiential novelty that Millennials seek, and acts as a form of social currency.

6 out of 10 would rather spend their money on experiences than material things¹

70% would like to visit every continent in their lifetime - and would consider doing so an achievement^D

64% would like to try everything from opera to rock-climbing^D

75% would like to travel abroad as much as possible^D

77% enjoy eating a variety of different ethnic cuisines^D

Loyalty Programs Can Help Brands Develop a Relationship with Millennials

Most Millennials participate in some kind of loyalty program, and prefer brands that offer a loyalty program over those that do not

78%

...are more likely to choose a brand that offers a loyalty program over a brand that does not^H

...**expect to receive a reward within three months of participation**^H

...are likely to tell friends about a positive reward experience from a loyalty program^H

77% participate in some kind of loyalty program^H

45% will go out of their way to shop at stores offering rewards programs^D

76% would be or feel more loyal to a brand after earning a reward through a loyalty program^H

Millennials Are Loyal Once They Establish a Preferred Hotel

Millennials will spend more and stay with the hotel they prefer, but there are still many without established preferences

75% of millennial business travelers would stay with a valued hotel loyalty program, *even if they had lost all their points and status*^k

75% are not 'at risk' of switching their hotel preference^j
Evaluated using the the Switching Vulnerability Index (SVI)

45% of all US Millennials belonged to only one or no hotel loyalty programs^k

\$41

Additional amount, per night, that Millennial business travelers would spend to stay at a hotel in their preferred loyalty program^k

Meet the 'Newbie': A Young, Frequent Traveler With High Standards

A study by Deloitte identified four segments of travelers, one of which was the Newbie: a "Millennial traveler that stays in upscale and luxury hotels frequently for business and leisure...their travel preferences, behaviors and attitudes are distinctly different from those of other travelers"^J

Newbie Travelers are most interested in a hotel's **comfort**, as well as the hotel's ability to "**value them**" and "**understand their needs.**"^J

Millennials favor **easily accessible rewards** (e.g., merchandise, gift cards, and hotel upgrades) over more valuable reward that are harder to earn (e.g., flights)^K

Newbie travelers perceive hotel loyalty programs as **unimportant** and **undifferentiated**^{J*}

Newbie's Top 5 Improvement Opportunities for Hotel Loyalty Programs^J

1. Offer highest points per dollar spent
2. Rewards focused on providing experiences
3. Make them feel important
4. Provide unique rewards
5. Ease of redeeming points

^{*}When asked to rank the relative importance of 26 hotel attributes, loyalty programs were ranked 16th. Focus group data indicated that hotel loyalty programs were perceived as undifferentiated

Sources

- A. [Mooselyvania](#)
- B. Ad Week - Week of October 6th, 2014
- C. [Crowtap Via Entrepreneur: Millennials Spend 18 Hours a Day Consuming Media — And It's Mostly Content Created by Peers](#)
- D. [Barkley: Deciphering the Enigma Generation](#)
- E. [Entrepreneur: Millennials Check Their Phones 43 Times a Day. This Is What They're Looking For.](#)
- F. [ABC News: Cellphone Users Check Phones 150x/Day and Other Internet Fun Facts](#)
- G. [Starwood & Amherst: The Future of Travel](#)
- H. [AIMIA - Born This Way](#)
- I. [MMGY: Millennials and Travel](#)
- J. [Deloitte: A Restoration in Hotel Loyalty Report](#)
- K. [Emarketers: How Loyal Are Millennial Travelers?](#)
- L. [Share This: Millennials Are 2x as Likely to Purchase Products They Share about](#)