



Delivering consumer clarity

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Why Ask Y?

Meet the Millennials: Generation Why?

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CI SUMMARY: CI SUMMARY: If you had to pick one word to summarize Gen Y, it would be interactive. Weaned on the Internet and reality TV, Millennials expect to be entertained and involved, to shape an outcome vs. await one. They're copious consumers who blur the lines between real life and reel life, seamlessly working anytime from anywhere.

Meet the Millennials, also known as Generation Y, Generation Next, Echo Boomers or the Digital Generation – one of the most confounding, connected, confident and collaborative age cohorts on the planet. Shaped by influences ranging from Columbine to cell phones, terrorism to text messaging, merged families to corporate mergers, they bring a buoyant outlook to life. To many, Millennials are reminiscent of the Baby Boomers—both generations notable for their enormous size and cultural influence.

Gen Y is the beneficiary of being born in the most child-centric era in U.S. history, defined by “baby on board” signs and helicopter parents hovering over every soccer game and piano lesson. Their experience stands in stark contrast to Gen X, the so-called latchkey kids left to their own devices after school, whose parents engaged at arm’s length, via phone.

Life on demand

Gen Y has one thing in common with Gen X—both have little use for hierarchies and authority. The world is literally their playground, and they are equally at ease gaming online with a counterpart in China as they are texting friends in the middle of *High School Musical*. With noticeably short attention spans, Gen Y is accustomed to “on demand” everything, conditioned by limitless choices in programming, media options and immersive, interactive experiences. For marketers and employers, the challenge will be keeping pace in the race to engage Gen Y consumers and employees.

Gen Y is accustomed to “on demand” everything...

Roughly 70 million strong, Gen Y is the most ethnically diverse of any American generation. According to the 2006 American Community Survey, Gen Y comprises 60% White, 15% Black Non-Hispanic, 18% Hispanic and 4% Asian. Compare that to the Boomer cohort composition of 72% White, 11% Black Non-Hispanic, 10% Hispanic and 4% Asian.

Web-wise shoppers

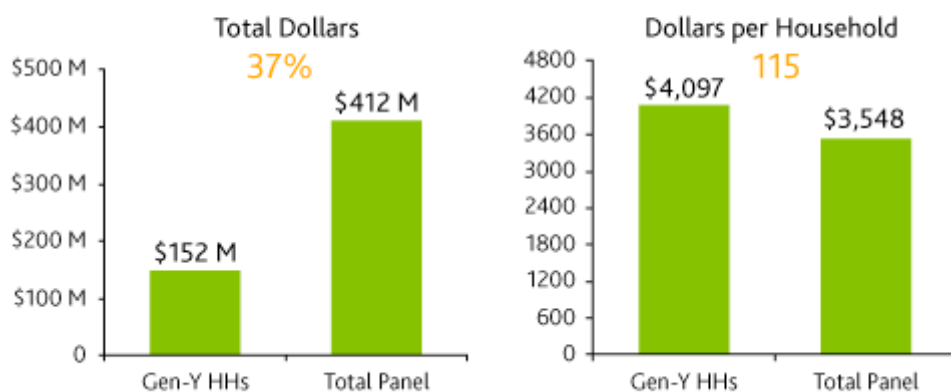
The 2007 Nielsen Global Omnibus Survey looked at online shoppers around the world and found that approximately half of consumers under age 24 made an Internet purchase in the previous month, and 100% had made an online purchase over the six months preceding the survey. Top sellers included clothing/accessories, books, videos/DVDs/games, electronic equipment, airline tickets/ reservations, music downloads and tickets to events.

Half of consumers under age 24 made an Internet purchase...

As a domestic buying influence, the Nielsen Homescan Panel determined that U.S. households with at least one Gen Y member represent the third largest buying group, accounting for 37% of total dollars, 31% of total trips and 15% more dollars than the average U.S. household.

Households With a Gen-Y Spend a Significant Amount Versus the Average Household

Gen-Y HHs represent 37% of total dollars (and 31% of trips) during the period and spends 15% more than the average US HHs



Source: Nielsen Homescan Panel 52 weeks ending 12/29/07

During 2007, Gen Y households spent close to \$1,600 in the dry grocery department alone. Peek in to a Gen Y household basket and you're likely to find dry mixes, frozen pizzas/ snacks/hors d'oeuvres, stationery/school supplies and shelf stable juices and drinks.

Stoked to surf

With snacks at the ready, the typical Gen Y-er hunkers down to surf the web an average of 22 times per month for more than 25 hours total, scanning an astonishing 1,426 web pages. Popular sites (Nielsen Online rank orders by unique audience percentage) include Bungie Studios, Code My Layout, Flirtingquiz.com, TinyPic.com, SparkNotes.com, Urfortunerevealed.com, Aeropostale.com, AOL RED, WhateverLife.com and Hollister Co. Content for these top-rated sites is a perfect reflection of eclectic Gen Y interests, ranging from gaming to free MySpace page layouts, from a flirting skills test to photo and video sharing, from study guides to fortune-telling.

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Game on!

Xbox 360 commanded play during 28 days per month among 10-26 year olds, possibly due in part to the higher attach rate of the platform. Attach rate refers to the number of games owned along with the system and assumes the greater number of games owned, the more the system is used. Other likely factors in the success of Xbox 360 are the strong library of games available (including Halo 3 released in the fourth quarter of 2007) and the large installed base of the platform (over 62% share of next generation console usage).

Next Generation Games

Age 10 – 26	Usage Min %	Daily Avg Num Sessions	Average Session Minutes	Average Usage Days
Xbox 360	62.73	2.20	74	27.92
PlayStation 3	12.33	2.12	72	21.06
Wii	24.94	2.07	53	19.66
All	100.00	2.15	67	24.88

Age 27+	Usage Min %	Daily Avg Num Sessions	Average Session Minutes	Average Usage Days
PlayStation 3	19.93	2.57	52	21.65
Xbox 360	51.65	2.20	55	19.34
Wii	28.43	1.80	47	11.98
All	100.00	2.11	52	16.42

Source: Nielsen Games, GamePlay Metrics April 2007 – February 2008

In contrast, PlayStation 3 logged the highest number of usage days (21+) among the 27 and older crowd, likely appealing not only to video gamers, but to tech-conscious, Blue-ray early adopters. Wii lagged on usage days with the older demographic, possibly due to the fact that Wii video games tend to appeal to a younger crowd.

American idyll

Where will you find Gen Y on Tuesday and Wednesday nights? Eyes glued to *American Idol* for the finalist performances, text voting for their favorite singers, blogging about each set and watching the results round. The Fox network owned eight of the 2007 top ten shows appealing to the 9–24 year old demographic, per Nielsen Media Research.

Top Program Ranking for 2007

Persons 9-24

Combined National TV, Broadcast, Cable and Syndication
(excluding Disney Channel)

Originator Name	Program Name	US Average Audience Pct Persons 9 – 24
FOX	American Idol – Wednesday	8.5
FOX	American Idol – Tuesday	8.4
FOX	Family Guy	4.3
FOX	House	4.2
FOX	American Dad	3.8
FOX	Family Guy – Sun 9:30 PM	3.7
20th Television	Family Guy – MF-Syn (AT)	3.6
FOX	Simpsons	3.5
FOX	Simpsons – Sun 8:30 PM	3.5
ABC	Grey's Anatomy – Thu 9 PM	3.3
NBC	Heroes	3.3
ABC	Lost	3.3

Source: Nielsen Media Research

Also a factor in Millennial viewing: ABC's *Lost* and *Grey's Anatomy* and NBC's *Heroes*, where, it turns out, the cheerleader has been saved.

Media madness

Consistent with American tradition, Gen Y is just as interested in cars and driving as their predecessors, although perhaps more likely to opt for a hybrid vehicle. In an effort to appeal to this wheel base, car companies spent more than \$433.6 million on TV advertising targeting Millennials. Phone companies were a close second in ad expenditures, budgeting more than \$410.4 million on targeted Gen Y commercials.

Moving to the big screen and big picture, Nielsen Entertainment found that four in ten movie-going youth ages 12–26 identify as “early attenders”, jockeying to see new movies within the first 10 days of release, a rate 20% higher than average. Roughly the same relative percentage rate applies to Gen Y’s overall theater habits, which include taking in 9.5 movies per year and five of the summer 2007 releases. Must-see genres for Millennials include comedy and action adventure, followed by suspense, animation, horror and sci-fi/fantasy.

Four in ten see new movies within the first 10 days of release...

Spirited consumers

Along with sophisticated media consumption patterns comes a more sophisticated palate. By tracking alcoholic beverage purchase behavior, Nielsen discovered that beer consumption dropped 12 percentage points in the 1997–2007 period among consumers age 21–30, with wine and spirit sales picking up the slack. Although the same pattern is evidenced for drinkers over 30, the change was only half as fast for that cohort at 6%.

Nevertheless, beer remains the beverage of choice for Millennials. On a dollar basis, beer accounts for 47% of Gen Y alcoholic beverage spending, and on a volume basis, 83% of purchases. Millennials are almost twice as likely as older consumers to purchase imported beers and almost three times as likely to pick up a craft beer.

Beer remains the beverage of choice for Millennials...

Immediate needs

The big take-away about Gen Y is immediacy. They see it. They want it. They want it customized. They want it now. They text it to their friends. And then they want it changed. Product life cycles will be compressed beyond precedent. Customers will literally design their own products. Aesthetics matter, but environmental considerations rule. Honesty will be the only allowable policy, because within minutes, vigilant bloggers will have spread the viral word about corporate transgressions.

It’s a new age of media and a new generation of challenging consumers with money to spend, a discerning eye, and an electronic neural network that never rests.

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