

Decoding Gen Y means recoding your business model



Roland
Berger



Are you ready to exploit the potential of Millennials? Did you know that they will be the cohort with the largest spending power by 2020 and that they create up to 95% of your online brand content?

Your business model will only survive in the long haul by growing your existing customer base, while simultaneously attracting a younger audience, namely Generation Y – the cohort born between 1981 and 2000. They are also known as the freest spending, hardest to catch and most powerful trendsetter generation in history.

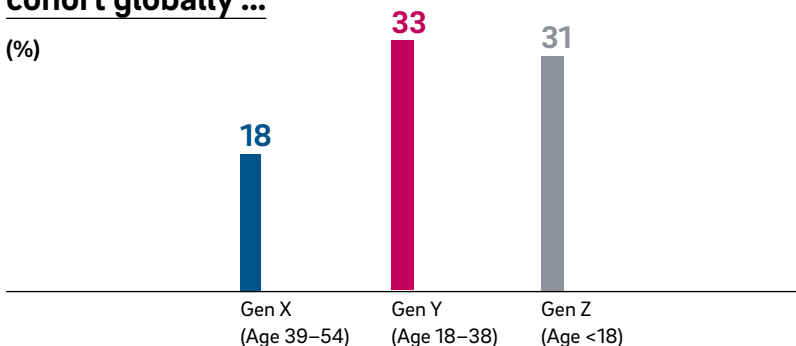
Roland Berger has compared the consumption patterns of Generations X, Y and Z in Europe, Asia and America and conducted one of the largest studies on this topic. The data generated not only intriguing insights into their values and habits, but also shows that they are different than you thought and that they are strongly heterogeneous.

You will find a first glimpse of selected results on the following pages.

Gen Y: Numerous, eager to buy and keen to consume

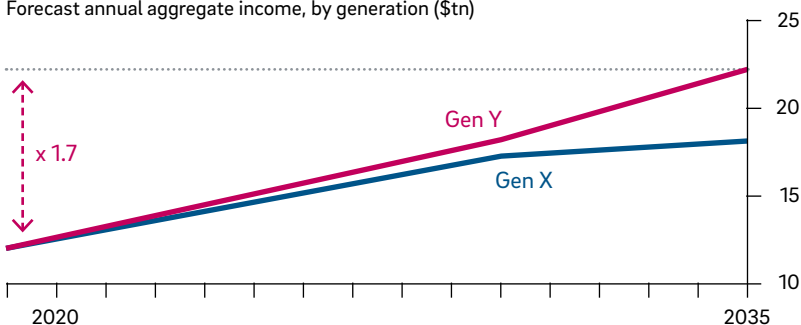
Millennials are currently the biggest cohort globally ...

(%)



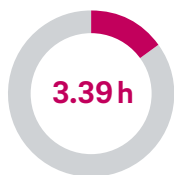
... and will soon have the biggest wallet

Forecast annual aggregate income, by generation (\$tn)

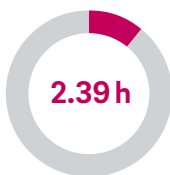


Never without their smartphone

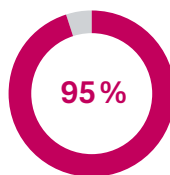
It's being used intensely to discuss, evaluate and recommend your products, your brands and your stores



Spend on average 3.39h on their phone



Thereof 2.39h on social media networks



Create up to 95% of your brand contents

Decoding Gen Y

There are many myths surrounding Generation Y.

For our study, we wanted to know: What are Millennials really like?

And in particular: What does this mean for your business model?

We asked...

4,000

Respondents

3

Geographies:
Europe,
Asia, America

3

Generations:
Gen X, Gen Y, Gen Z



600,000

Data points

The most important results

1

Gen Y is different than you thought

2

There is no one Generation Y. Business models have to cater to multiple segments

3

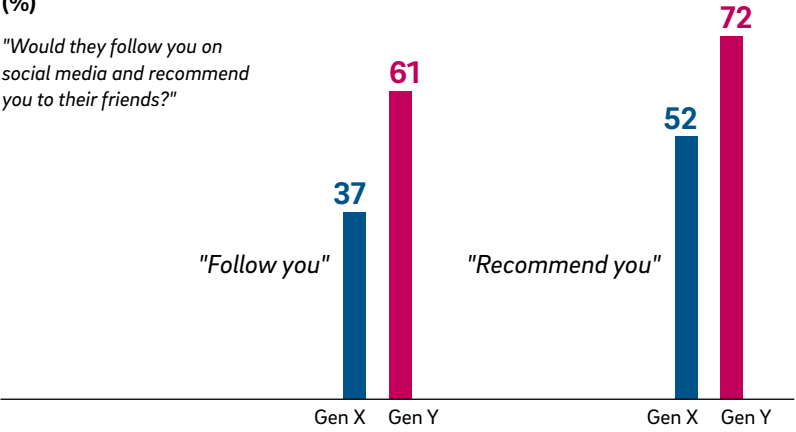
Millennials will recode your business model

Gen X and Gen Y – a comparison

Millennials: the generation of followers and influencers ...

(%)

"Would they follow you on social media and recommend you to their friends?"



... open to shop your brands online

(%)

Especially direct-to-consumer models will be on the rise for Gen Y

Online channels

Online segments

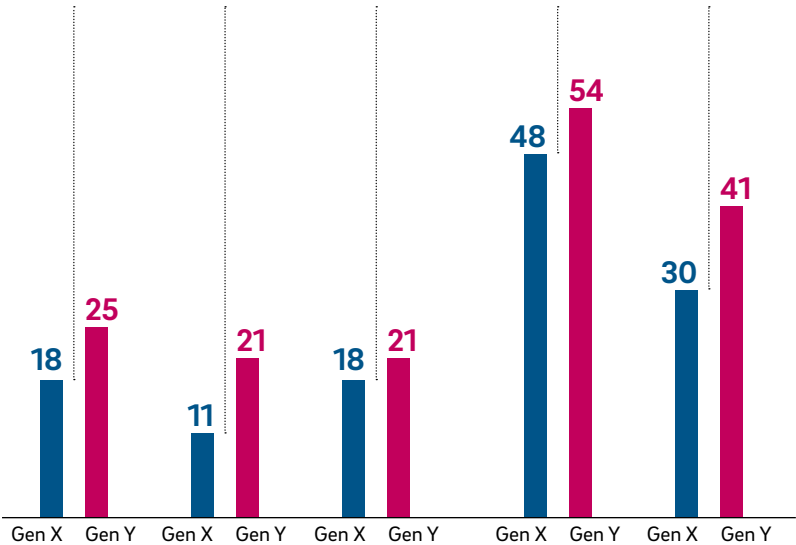
Retailer online shops/apps

Brand online shops/apps

Market places

Buy beauty/cosmetics online

Buy luxury/fashion online



Main differences in expectations towards shopping everyday items between Gen Y and Gen X

(%)

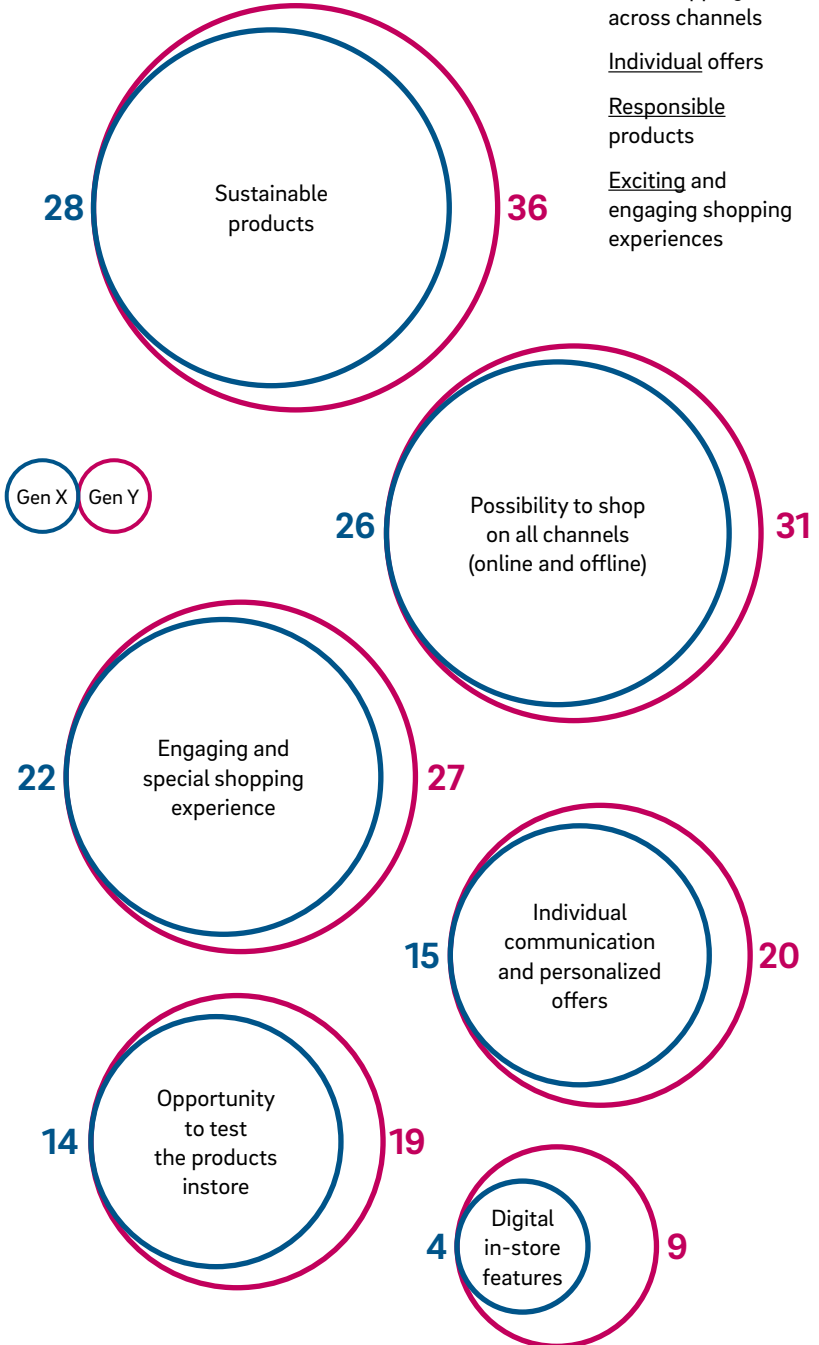
They want ...

Fast shopping across channels

Individual offers

Responsible products

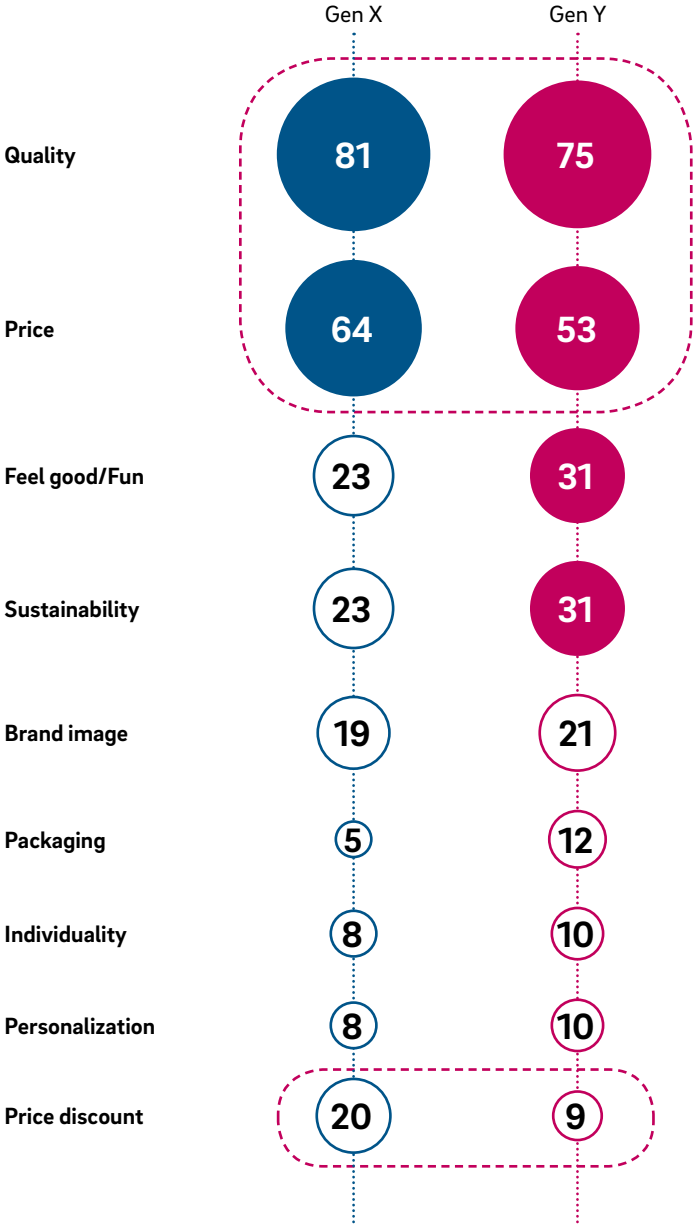
Exciting and engaging shopping experiences



Generation Y: Different than you thought

Quality is the most relevant buying criteria,
price only comes second

(%)

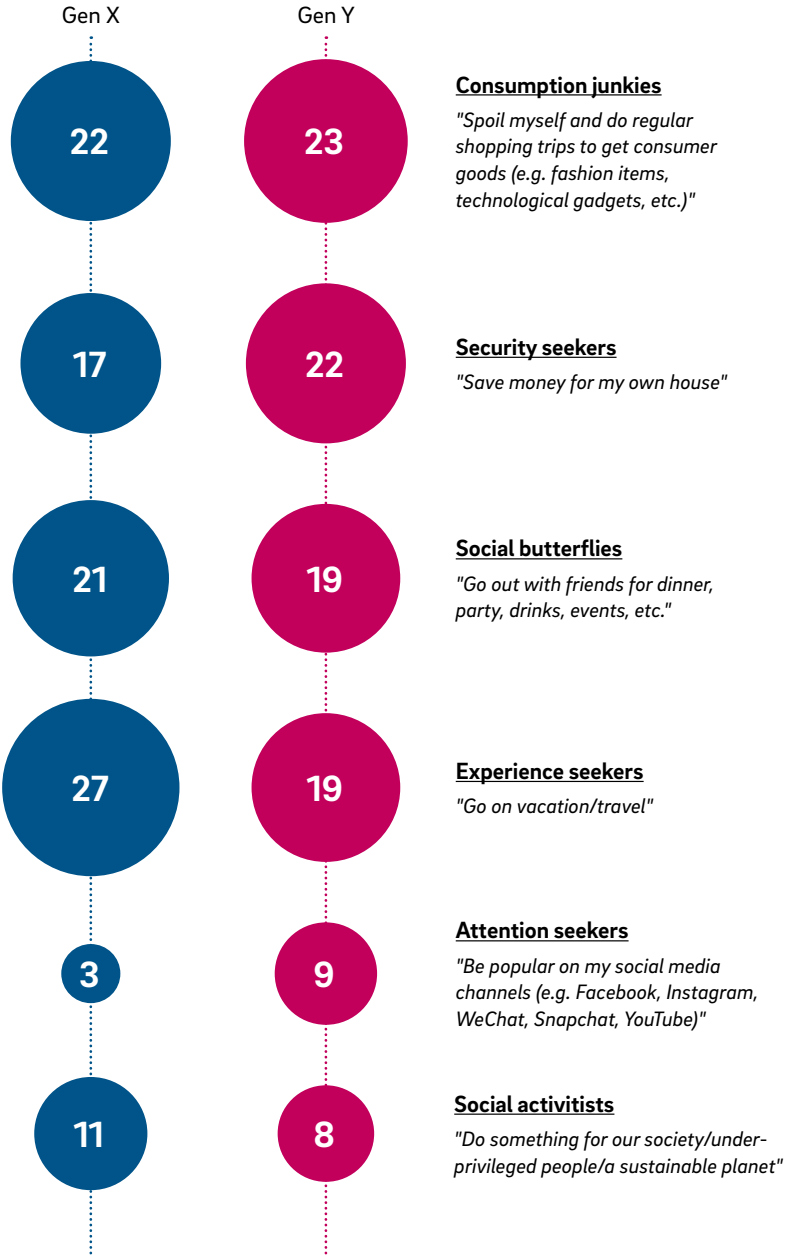


Facts and fiction

Gen Y only wants to travel the world? Gen X are the real experience seekers and Gen Y are mainly consumption junkies!

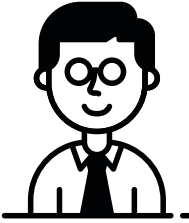
(%)

"What is your current life priority?"



Gen Y: No homogenous group

There are big differences, especially between those born before and after 1990



Gen Y1

1981–1990

Paul, Age 38
Germany

Monthly net income: EUR 4.5k

2 kids, married

Home owner

Working 10+ years

Grew up with...
Gameboy
Nokia
Walkman
MTV

Gen Y2

1991–2000

Li, Age 19
China

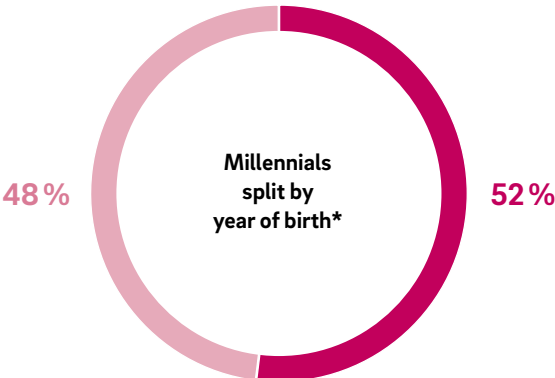
Typically no own income

No kids, single

Apartment tenant/Lives at home

First year at college

Grew up with...
Instagram
Uber
Pokemon
airbnb
WeChat

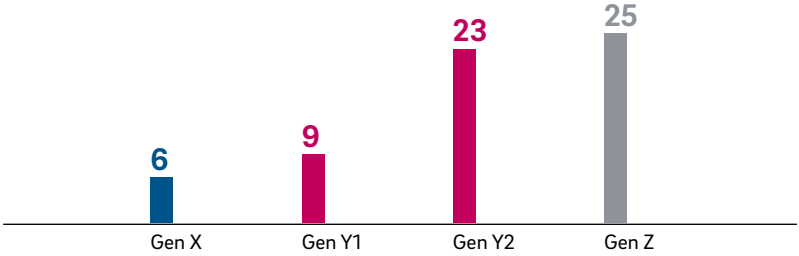


*distribution of age groups

Age-specific behavioral patterns: Example social media

(%)

How many times per day do you check your social media accounts?
"More than 20 times"

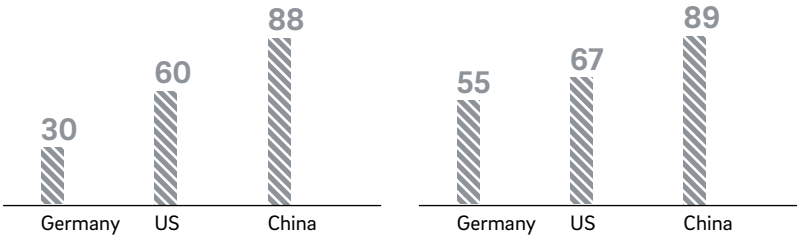


Regional differences I: Willingness to recommend brands

(%)

Would you follow your favorite brands on social media channels?

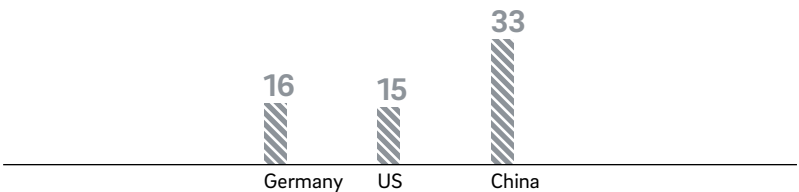
Would you recommend your favorite brands on social media channels to your friends?



Regional differences II: Importance of brands for buying decisions

(%)

Which criteria is the most relevant for you in your buying decisions?
"Brand Image"



Gen Y will recode your business model

Gen Y is looking for ...

1

... fast and efficient shopping opportunities

2

... personalized communication and experiences

3

... individual products, brands and stores that meet their needs

What does this mean for you?

You have to develop new growth ideas. Companies and brands have to champion customer experience online and offline.

Are you ready?

Information is only half of it. The right conclusions matter.

Get in touch and let's find out how relevant the 600,000 data points in our Millennials study are for your brands, your products, your stores, your channels and your markets.

- Would you like to receive more results from our study?
- Would you like to meet for a personal exchange on Gen Y?
- Would you like to take part in the upcoming FUTURE FMCG Round Tables in, e.g. Frankfurt, Düsseldorf, Zurich, Berlin, Dubai to engage with industry experts?
- Would you like to attend our Millennial event in Munich?
- Are you already leveraging the potential of Millennials today, e.g. via efficient social media marketing, direct to consumer models, hyper-innovations targeted to Gen Y, multichannel customer delight journeys, etc.?

Get in touch for an in-depth conversation about our study.

Your contacts at Roland Berger



Tobias Göbbel

Senior Partner

CEE Head of Consumer Goods, Sales & Marketing

tobias.goebbel@rolandberger.com

Tel: +49 160 7448113



Clemens Goeken

Principal

Lead Expert FMCG

clemens.goeken@rolandberger.com

Tel: +49 160 7448154



Helen Saadé

Senior Consultant

Gen Y Expert, Global Study Lead

helen.saade@rolandberger.com

Tel: +49 160 7448683

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Roland Berger GmbH
Sederanger 1
80538 Munich
Germany
+49 89 9230-0

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