

Marketing To Millennials

5 Things EVERY MARKETER SHOULD KNOW





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Millennials, the generation born beginning in 1980 (and defined for the purposes of this analysis as adults ages 18-34), are an extremely unique demographic segment with digital media consumption habits that vary greatly from older generations. While those age 35 and older still comprise the majority of media audiences in the U.S., Millennials account for a disproportionate share of total screen time and provide a useful glimpse at what the future of media consumption will look like. As time goes on, the different viewing habits and behaviors of Millennials will only become more mainstream.

While most Millennials remember a time before the consumer internet, the majority came of age as the web came into existence and evolved into what we know it as today. Because their media consumption habits serve as a leading indicator for the broader media landscape, understanding how to market to this valuable demographic is vital to brands, agencies and media companies seeking to stay ahead of the curve.

With that in mind, here are ***five things*** every marketer should know about marketing to Millennials.

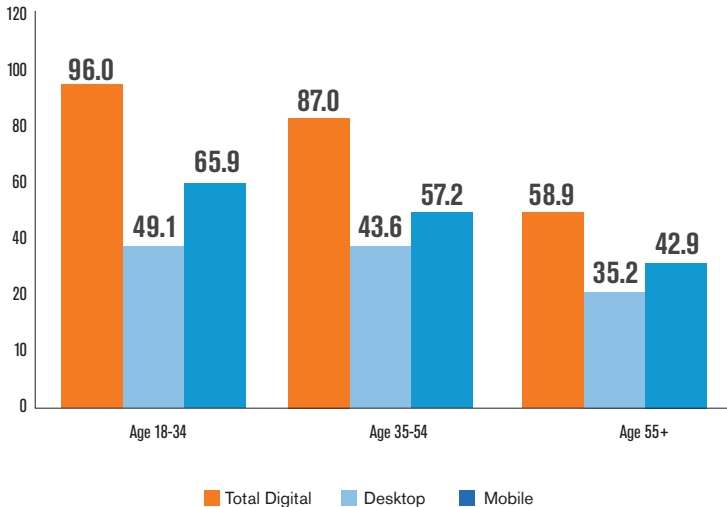
#1

MILLENNIALS SPEND A FULL DAY OF EVERY WEEK ONLINE, AND ARE **mobile heavy** IN THEIR USAGE

Millennials spend a good portion of their lives online. In fact, they spent an average of 96 hours – the equivalent of four full days – online during the month of November across both desktop and mobile internet platforms. While mobile internet users account for a smaller user base, Millennials who engage via mobile spend considerably more time (66 hours a month) than desktop internet users (49 hours a month). Across both desktop and mobile internet platforms, Millennials far outpace the usage rates of 35-54 year-olds and 55+ year-olds.

Average Monthly Time Spent in Hours per User by Media Platform

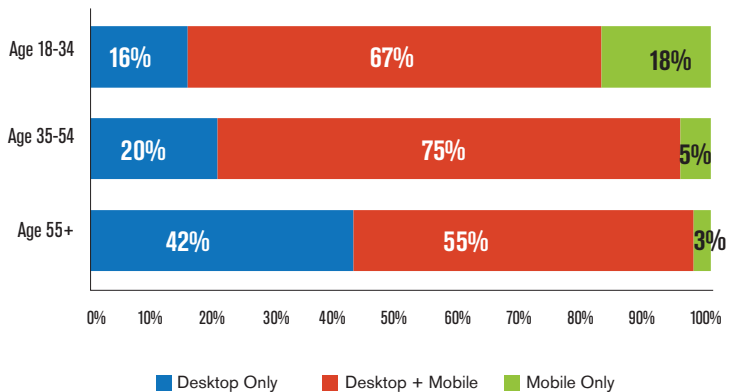
comScore Media Metrix Multi-Platform, U.S., Age 18+, November 2013



Millennials are clearly a highly mobile bunch, and by virtually every metric they are more reachable and engage more often on this medium. In fact, marketers who do not leverage mobile as a primary digital marketing platform for Millennials may miss a large segment of them entirely. Nearly one out of every five Millennials (18 percent) are mobile-only internet users, a percentage that far exceeds that of 35-54 year-olds (5 percent) and those age 55 and older (3 percent). In addition, 67 percent of Millennials are multi-platform (i.e. desktop and mobile) internet users, meaning that nearly 85 percent of this age group access the internet via mobile – again, far exceeding the percentage of the older age segments.

Share of U.S. Digital Media Audience by Platform Usage

comScore Media Metrix Multi-Platform, U.S., Age 18+, November 2013



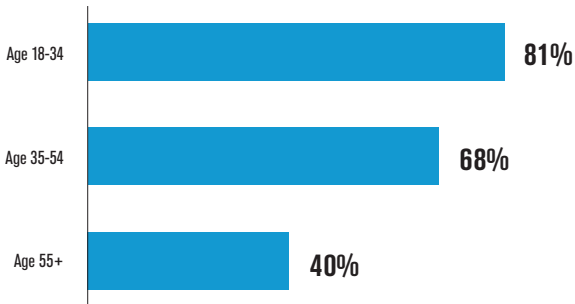
#2

MILLENNIALS MORE LIKELY OWN *smartphones* AND HAVE AFFINITY FOR IPHONES

There is a popular notion of Millennials living their lives on their smartphones, and the data suggest that this is very much the case. Millennials have a substantially higher rate of smartphone penetration with their age segment than their older counterparts, with more than four out of every five Millennials using a smartphone compared to just over two out of three 35-54 year-olds and two out of five 55+ year-olds.

U.S. Smartphone Penetration

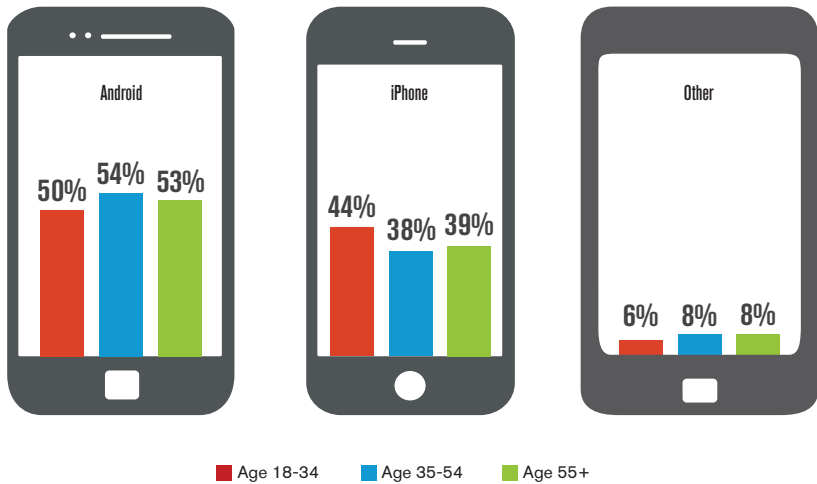
comScore MobiLens, U.S., Age 18+, 3 Month Average Ending November 2013



Among the smartphone owning population, a slight majority of Millennials (50 percent) are on the Android platform, but they have a higher than average affinity for Apple products. While 38 percent of 35-54 year-olds and 39 percent of 55+ year-old smartphone users own iPhones, 44 percent of Millennials use this platform.

U.S. Smartphone Platform Market Share

comScore MobiLens, U.S., Age 18+, 3 Month Average Ending November 2013



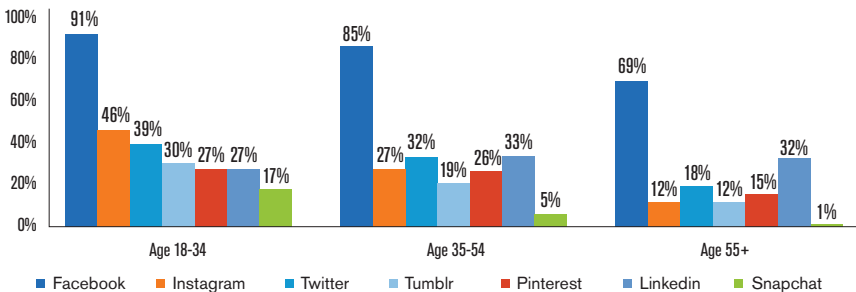
#3

MILLENNIALS' SOCIAL ACTIVITY IS MORE *fragmented*, BUT FACEBOOK STILL RULES

Aside from the sheer volume of time Millennials spend on social networking sites, the most differentiating aspect of their social media behavior is their fragmentation of usage beyond Facebook. Millennials are active on all seven of the selected major networks, skewing more heavily than their older counterparts on Instagram, Twitter, Tumblr, Pinterest and Snapchat. All but the very new and fast-growing Snapchat have at least 27 percent of this younger demographic visiting their site or app monthly, while only LinkedIn has a higher reach among the older age segments.

U.S. Penetration Among Selected Leading Social Networks*

comScore Media Metrix Multi-Platform, U.S., Age 18+, November 2013

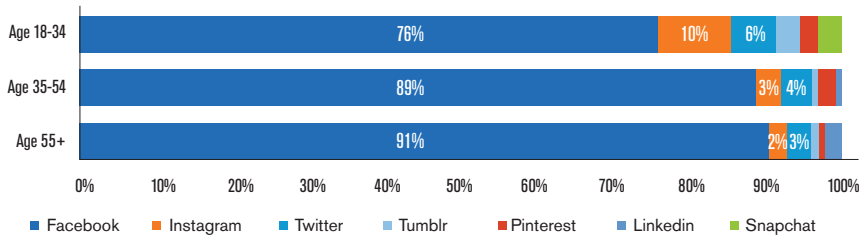


*Selected social networks based on those with at least 1 billion combined desktop, smartphone and tablet minutes in November 2013.

Despite the social fragmentation among Millennials, one key fact remains true throughout all age segments: Facebook remains the strong leader in the competition for consumers' attention. If looking at the total time spent among the selected leading social networking sites, at least three-quarters of that time for each age group is spent on Facebook – its leadership position driven by the combination of very high penetration and high engagement per visitor. The 35-54 year-olds and 55+ year-olds both spend an even greater percentage of their online social activity on Facebook, approximately nine out of every ten minutes.

Percent Share of U.S. Total Minutes Among Selected Leading Social Networks

comScore Media Metrix Multi-Platform, U.S., Age 18+, November 2013

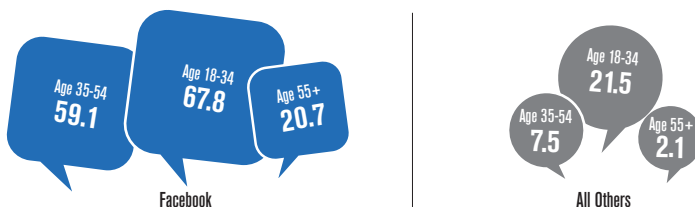


Although Millennials spend a relatively lower share of social media time on Facebook, it should be noted that they still spend more time overall on Facebook than the older demographics. This data runs counter to some of the current narrative about younger demographics leaving Facebook, a notion even articulated by President Obama in a January 2014 discussion with a group of 18-34 year-olds when he said that “it seems like [Millennials] don’t use Facebook anymore.” Perhaps what he should have said is that it seems like Millennials are expanding the use of social media to other services, but not necessarily at the expense of Facebook.

In other words, social media usage is not a zero-sum game and Facebook remains incredibly important for engaging this demographic. Most marketers aiming to reach Millennials should at least consider this channel as part of their marketing mix. That said, there are also substantial and growing opportunities to reach Millennials on several other social networks, with Instagram, Snapchat and Tumblr all significantly gaining in importance.

U.S. Total Minutes (Billions) – Facebook vs. All Other Selected Leading Social Networks

comScore Media Metrix Multi-Platform, U.S., Age 18+, November 2013



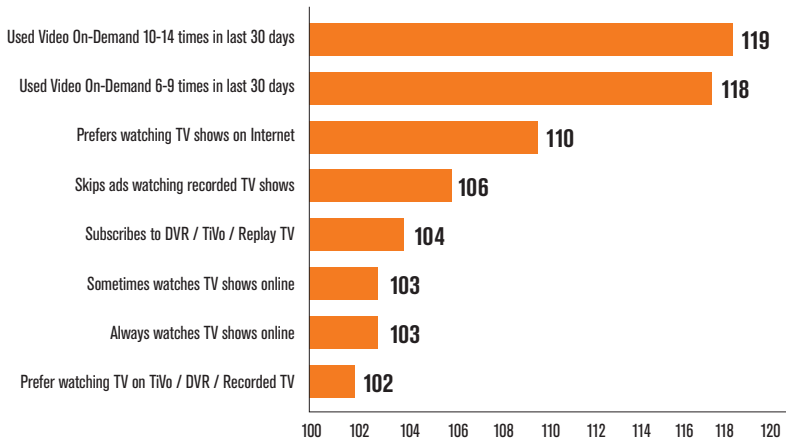
#4

MILLENNIALS WATCH TV ON THEIR OWN *schedule*, HARDER TO REACH WITH TV ADS

Millennials grew up with more TV viewing options than previous generations, and as a result they have very different video consumption habits. Millennials seek, and sometimes even expect, to watch TV when and where they desire. In effect, this younger generation more strongly prefers watching video on-demand and TV shows on the Internet than those 35 and older.

Index* of Millennials' TV Viewing Behavior vs. Total Adult Online Population

comScore Plan Metrix, U.S., Age 18-34, October 2013

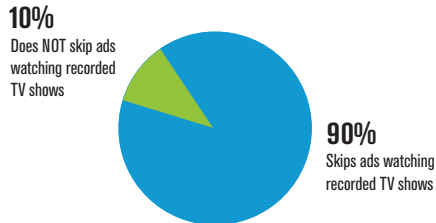


**Index = Percentage of 18-34 Year-Olds Engaging in the Behavior / Percentage of Total Adult Internet Population Engaging in the Behavior x 100. Index of 100 indicates average representation within a particular demographic segment.*

An increasingly challenging aspect of marketing to Millennials is that they are more difficult to reach via TV advertising than the older population. In fact, 90 percent skip ads when watching recorded TV, which indexes higher than the other age segments. All of this could sound daunting for advertisers, but it really just means that they have to get smarter about targeting their audience on the right platforms – particularly online video.

Percentage of Millennials Who Skip Ads Watching Recorded TV

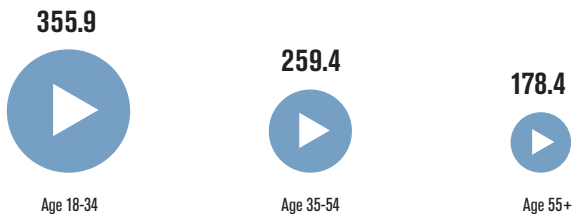
comScore Plan Metrix, U.S., Age 18-34, October 2013



Millennials are far more engaged viewers of online video than other age groups, watching an average of 356 online content videos per month, nearly 100 more than 35-54 year-olds and twice the number of videos as 55+ year-olds. Not only is online video attracting the time and attention of Millennials, but the medium itself is high-impact because it features sight, sound and motion packaged in a lean-forward experience that is also more targetable than traditional media.

U.S. Monthly Online Videos per Viewer

comScore Video Metrix, U.S., Age 18+, November 2013



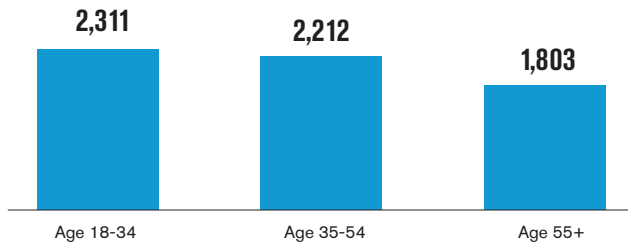
#5

MILLENNIALS VIEW MORE DIGITAL ADS, ARE BETTER *targeted* ON AVERAGE

Another reason for marketers to focus on digital platforms for advertising to Millennials is that they are more easily reached through these media. In terms of desktop-based display advertising, the average reach of Millennials among the Top 25 U.S. web properties is 27.9 percent, higher than for 35-54 year olds (27.3 percent) and 55+ year olds (25.4 percent). Not only are Millennials more likely to be reached by advertising on larger content networks, but they are also delivered a substantially higher overall frequency of ad impressions (2,311 per month) than 35-54 year-olds (2,212) and 55+ year-olds (1,803).

U.S. Monthly Online Display Ad Impressions per Person



comScore Ad Metrix, U.S., Age 18+, November 2013



The number of gross ad impressions provides an indicator of the volume of ads to which Millennials might be exposed, but it's also important to consider how difficult it is to target a specific audience. The reality is that Millennials are much easier to target compared to other age segments, making them an extremely desirable marketing segment. According to comScore's most recent vCE Benchmarks data, 18-34 year-olds exhibited the highest display ad targeting efficiency from among its peer groups. Specifically, campaigns directed to 18-34 year-old females were 35 percent in-target despite the segment accounting for just 16 percent of the total online pages viewed. Males 18-34 had an even higher in-target rate of 42 percent, despite accounting for 18 percent of the total online pages viewed.

U.S. Online Display Ad Targeting Efficiency Index*

comScore validated Campaign Essentials, U.S., Age 18+, November 2013

	Age & Gender Target	% In-Target	% Composition Pages Viewed	Targeting Efficiency Index
	Females 18-34	35%	16%	222
	Females 18-49	43%	30%	143
	Females 25-49	37%	24%	156
	Females 25-54	36%	29%	126
	Females 35-64	31%	26%	119
	Males 18-34	42%	18%	235
	Males 18-49	45%	32%	141
	Males 21-34	33%	15%	215
	Males 25-49	32%	25%	129
	Males 25-54	42%	29%	143

* Targeting Efficiency Index = percentage of ads in target for a demographic segment / segment's percentage of total online pages viewed x 100. An index of 100 indicates the expected targeting efficiency for ads that were randomly delivered with no attempts to target to the intended audiences.

CONCLUDING *Thoughts*

Given Millennials' unique digital behavior and growing importance as media consumers, marketers need to employ a focused strategy to successfully reach and influence this valuable demographic. While their media consumption habits may be somewhat anomalous today, they are certain to become the norm in the not-too-distant future. It's imperative that marketers activate effective Millennial marketing strategies immediately or else run the risk of losing the hearts and minds of this generation as they enter their highest earning years.

Whether it's Millennials' heavy digital media usage, unique smartphone preferences, fragmented social activity, selective TV viewing, or ease of digital targeting, there is nothing typical about how this generation consumes media. As they advance in age and influence, their rips in the fabric of the traditional media establishment will only become more pronounced. It's time to take this group seriously as the huge marketing threat – and opportunity – it represents. Marketers who lay the right groundwork for effectively communicating with this audience will assuredly be the best equipped for the future of digital.

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