

MILLENNIAL



A Look At How
Promotional Products
Measure Up To
Millennial Expectations

SPOTLIGHT

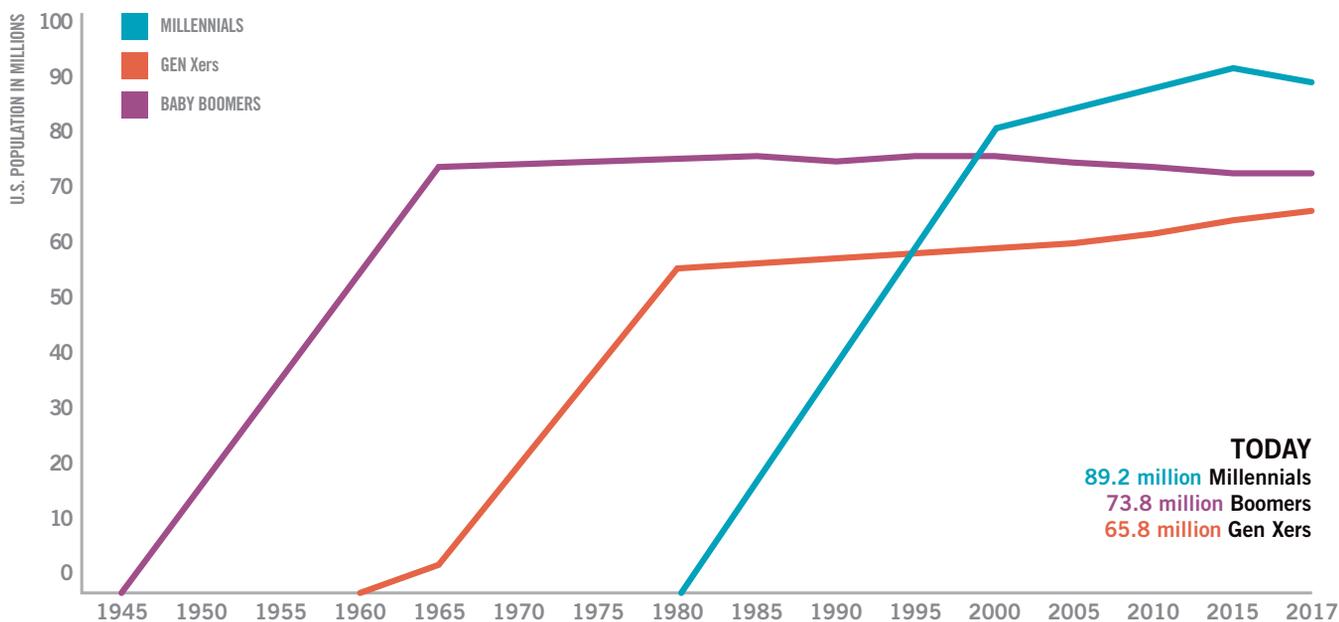
Connecting With The Most Powerful Consumer Generation

by Moumita Das

The health of the American economy rests in the hands of consumers in their prime spending years. Their attitudes, behaviors and spending habits are reflective of their formative years, and are shaped by the political, economic and social climate of that time period. For marketers, Millennials are the most important generation to come along in the past 100 years—perhaps ever. The oldest Millennials are reaching the age of 35 and beginning to make life-changing purchases. As this generation of consumers moves into its prime spending years, Millennials will continue to disrupt how the world communicates as they drive large-scale changes in the marketplace.



A Generational Snapshot



Source: U.S. Census Bureau

Today, the Millennial generation is the largest consumer group in U.S. history, and it continues to grow in size because of the increase in immigration.

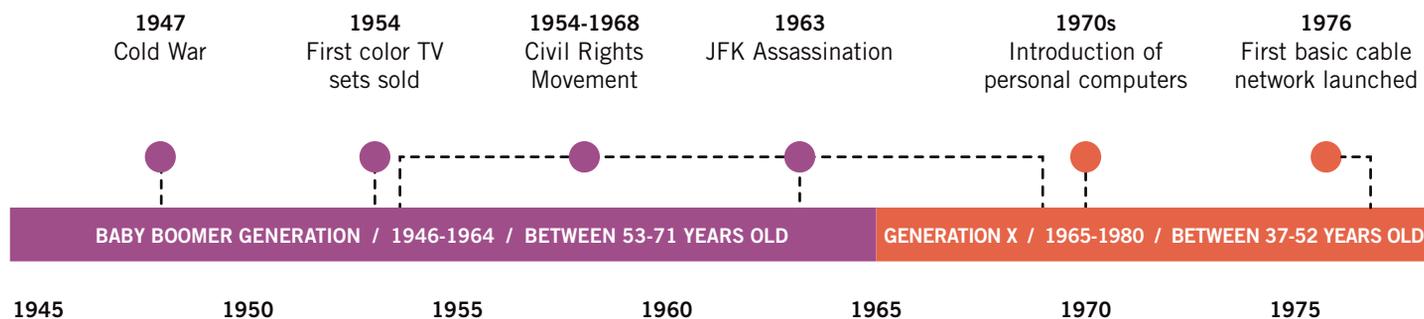
The Changing Consumer Landscape

Occasionally referred to as 'Echo Boomers,' Millennials seek to echo the behavior of the Boomer generation; however, many feel they don't yet have the means to follow their parents'

behavior. Millennials have grown up in a time of rapid change, giving them a set of priorities and expectations sharply different from previous generations. Their coming of age is marked by an era of demographic transformation, technological breakthroughs and economic upheaval that is influencing how they live and what they value. And for marketers, understanding what those values look like is essential to envisioning what the future of consumerism may be.

Today, the Millennial generation is the largest consumer group in U.S. history, and it continues to grow in size because of the increase in immigration.

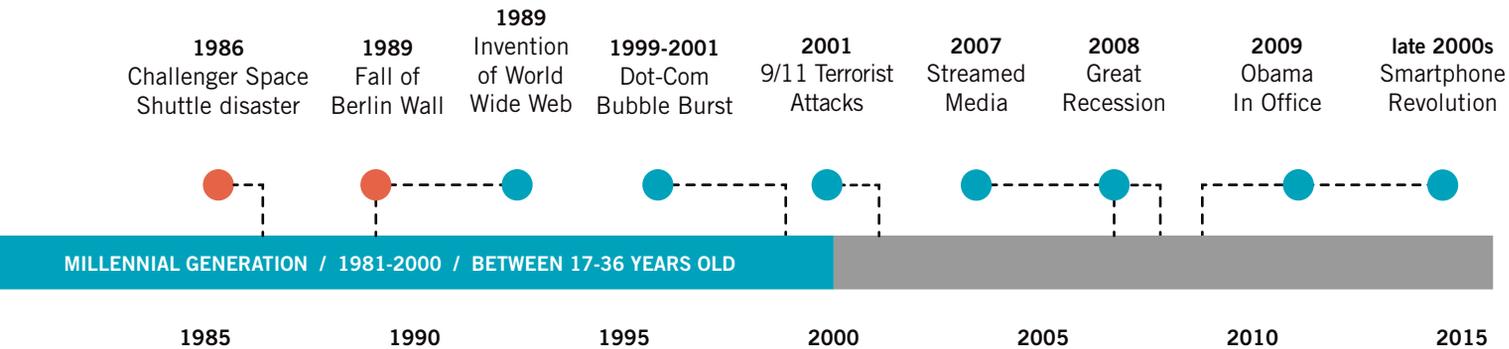
The Changing Consumer Landscape



The Changing Consumer Perspective

PAST		PRESENT
Self-Improvement	Millennials don't want to fix their weaknesses — they want to find opportunities to develop their strengths	Optimization
My Job	Millennials don't just work for a paycheck — they want purpose; their work must have meaning	My Purpose
Boss	Millennials don't want bosses — they want coaches	Mentor
Ownership	Millennials don't want to own assets — they prefer a marketplace with shared access	Access
Brand Loyalty	Millennials don't feel innately loyal — they are driven through engaging experiences	Brand Experience

Source: "How Millennials Want To Work And Live" Gallup (2016)



So, What Does The Modern Millennial Look Like?



They Are Connected

Millennials Have Information At Their Fingertips.

Smartphone ownership is highest among Millennials ages 18-24, 98 percent of whom own smartphones. Millennials ages 25-34 are right on their heels with a 97-percent ownership rate. Americans seem to be merging many of the things they once did on task-specific devices into their smartphones, and ditching the other devices. This can lead to one thing: dependence on smartphones for online access. Millennials' affinity for technology is reshaping consumerism as we know it. With instant access to product information and reviews, Millennials are turning to brands that offer the most relevant information at a maximum convenience.

Source: The Nielsen Company (November 2016)



They Are Smart

Millennials Are The Most Educated Generation To Date.

More than 63 percent of Millennials have a bachelor's degree. Why is this so important? Because educational attainment is highly correlated to economic success. Not to mention, consumer spending accounts for 70 percent of the economy; the higher earnings for many college graduates allow higher spending, and in turn, economic growth.

Source: Pew Research Center (March 2015)



They Are Diverse

The Millennial generation is the most diverse generation the U.S. has ever seen, second only to Generation Z, whose members have not yet entered the workforce. In 2014, the U.S. Census Bureau reported Millennials in minority ethnic groups reaching 50.2 percent, becoming the majority for the first time in history. This culturally diverse upbringing has played a big role in making Millennials significantly more comfortable talking about diversity and inclusion than older generations. Millennials see diversity as the blending of different backgrounds, experiences and perspectives, and believe emphasizing their differences helps them bring value to the workplace. In fact, almost one in two Millennials reported not pursuing an employer that doesn't maintain or encourage a diverse and inclusive working environment.

Source: "Millennials At Work," Institute for Public Relations (December 2016)





They Move Up Or They Will Move Out

Millennials are not willing to stick around if they do not believe they can grow, even if it means growing out of a company. They change jobs more often than any generation in history—and that's not necessarily a bad thing. Flexibility is one of their calling cards, an attribute that makes it possible to change job titles, organizations or even careers on the fly. The average tenure of a Millennial employee is two years. In comparison, the average tenure for Gen X employees is five years, and seven years for Baby Boomers.

Source: "How Millennials Want To Work And Live," Gallup (2016)



They Are A Powerful Force

Millennials Comprise The Largest Generation In The Workforce.

More than one in three American professionals are Millennials, comprising the largest share of the U.S. workforce. With more than half still in an age of transition from college to the working world, the Millennial generation's presence in the workforce is likely to continue to grow year after year. In fact, Millennials are projected to account for 70 percent of the workforce by 2025.

Due to rapid Baby Boomer retirement, Millennials will be given high levels of responsibility earlier in their careers than previous generations.

Source: Pew Research Center, May 2015



They Are The Worst Paid

As the most educated group to have entered the workforce, Millennials should, in theory, be the highest-paid cohort of young adults in American history. Surprisingly, that's not the case. The U.S. economy has been recovering at a slow pace since 2008—the first full year of the Great Recession. Due to this and staggering amounts of student debt, Millennials have been reluctant to mirror their parents' spending behaviors. Instead, they're turning to a new set of services that provide access to products without the burdens of ownership, steering the emergence of a sharing economy.

Source: Goldman Sachs Global Investment Research

"25 years from now, car sharing will be the norm, and car ownership an anomaly."

— Jeremy Rifkin, author and economist

PPB's December 2016 cover story previewed findings from PPAI's 2017 *Consumer Study* highlighting five key performance metrics called the "5 Rs of Promotional Products." These metrics were designed to measure the role of promotional products as an advertising channel by evaluating the brand impact of reach, recall, resonance, reaction and relativity across demographic segments. On these pages, we take a more in-depth look at the study results to see how promotional products really measure up to the Millennial consumer—the largest purchasing generation today.

REACH

Promotional Products Reach Millennials

Consumers these days are overloaded and overwhelmed with information. As statistician Nate Silver put it, “Every day, three times per second, we produce the equivalent amount of data that the Library of Congress has in its entire print collection.” Brands, more than ever, are faced with the challenge of cutting through the clutter and effectively engaging with their target audience. Promotional products not only reach their intended audience, but provide opportunities to heighten brand exposure with increased ad frequency, length and limits.

PPAI study findings reveal that 100 percent of Millennial respondents have received a promotional product in their lifetime. In fact, nearly one third reported receiving between three to five promotional products in the past six months. With every Millennial owning a promotional product, brands now have a new, promising channel to drive their message and reach this powerful consumer generation.

In advertising, the term “effective frequency” is used to describe the number of times a consumer must be exposed to branding or an advertising message before the marketer gets the desired response. “Effective frequency might mean that a single advertising exposure is able to influence the purchase of a brand,” notes John Philip Jones, an American

advertising professor and author. “But the phrase was really coined to communicate the idea that there must be enough concentration of media weight to cross a certain threshold—that there has to be enough of it before the consumer buys a product to influence their choice.” One thing stands true: messages are more effective when repeated, and every day, the average Millennial is in contact with a promotional product at all times.

Promotional products allow brands to engage Millennials **at all times EVERY SINGLE DAY.**

While other advertising channels simply communicate a message or reinforce branding, promotional products also play a functional role within the consumer lifestyle. Promotional products allow brands to directly affect Millennials’ daily lives and maximize reach by innately integrating into their everyday routines. The average Millennial is most likely to walk around with a promotional product everywhere they go, subsequently expanding a brand’s reach to anyone who comes in contact while the product is exposed. Two in three Millennials wear or carry a promotional product day-to-day. Millennial men are more likely to store

promotional products in their vehicle or bedroom, while women are more apt to keep items in the kitchen or bathroom.

8 in 10 RE-GIFT

1 in 3 DONATE

Advertising that gets shared by the intended recipient magnifies the brand’s reach and exposure in a single campaign. Millennials are more likely to pass along a promotional product than any other generation. In fact, eight in 10 will give the item to someone they know, and one in three will donate a promotional product after it’s used.

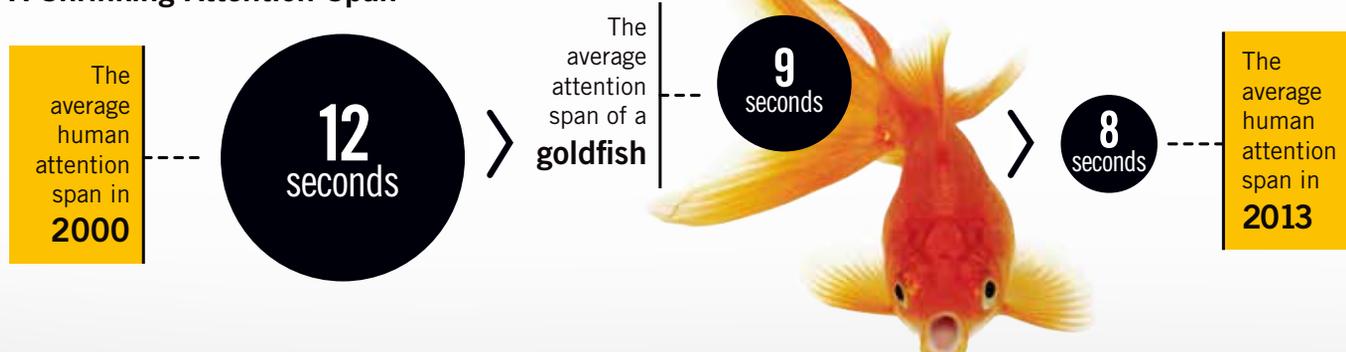
RECALL

Promotional Products Are Built To Stick

A Shrinking Attention Span

Once you reach your target audience, it’s important to be remembered, because being remembered helps build consumer awareness, which is the basis for any relationship with the brand. It is also a necessary step in the complete customer journey—the foundation upon which purchasing lies. With the average human

A Shrinking Attention Span



attention span shrinking 33 percent in a little over 10 years, the market for consumer attention has become increasingly competitive, and experts anticipate it only to get worse. Marketers often find themselves chasing the “right moments” to best influence the consumer path to purchase, making brand recall the fuel to success.

Millennials expect to be engaged. As a generation native to an era marked by rapid transformation and in turn, an increased number of advertising touchpoints, they are well acquainted with the ad game. Gallup recently reported that one in four Millennials is fully engaged, either emotionally or psychologically, to a brand, marking the lowest consumer engagement level over previous generations. This inevitably requires more mechanical advertising to be delivered at the right moments and shifts brand strategy to rely on environmental receptivity, driving automatic impressions that ultimately stick. Promotional products are built to do just that.

8 in 10
MILLENNIALS KEEP
PROMOTIONAL
PRODUCTS >1 YR



The longer a promotional product is kept by a consumer, the more opportunity a brand has to seamlessly become a part of day-to-day behaviors and gain the user’s familiarity over time. Study findings reveal about eight in 10 Millennials will keep a promotional product longer than one year; the majority keep it upwards of five years. A surprising 13 percent reported owning a promotional product for more than 11 years—for some that’s nearly half their lifetime.



The Millennial Memory

Because of their extended shelf life and their ability to be used in people’s everyday routines, promotional products allow consumers an opportunity to absorb the content at the pace and in the amount of time they choose to consume the message. This presents a greater opportunity for brands to have a distraction-free engagement with Millennials and gain higher brand recall. It’s no surprise that 87 percent of Millennials remember the brand and 58 percent remember the message from a promotional product they have received.

RESONANCE

Promotional Products Resonate

While it’s important to be remembered, it is also important to resonate with your target audience. Advertising that creates favorable impressions helps consumers connect with the brand on a personal level and creates the necessary foundation for a lasting relationship.

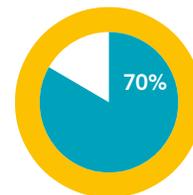
1%
said a compelling
advertisement would
make them trust a
brand more.

The Millennial Perspective

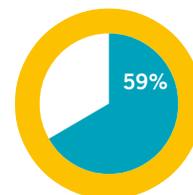
It’s no secret that Millennials are opposed to traditional forms of advertising and

openly reject them. A recent Facebook study reported a 25-percent decrease in Millennial users in 2014—revealing unwanted tracking and advertisements as the root cause. In fact, according to a study conducted by Elite Daily, a popular digital news platform for Millennials, only one percent of Millennials said a compelling advertisement would make them trust a brand more. So, what does it take for a brand to connect with a Millennial consumer?

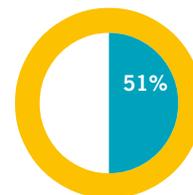
Advertising Qualities Important to Millennials



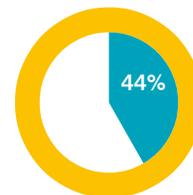
Visually Appealing



Clear & Concise



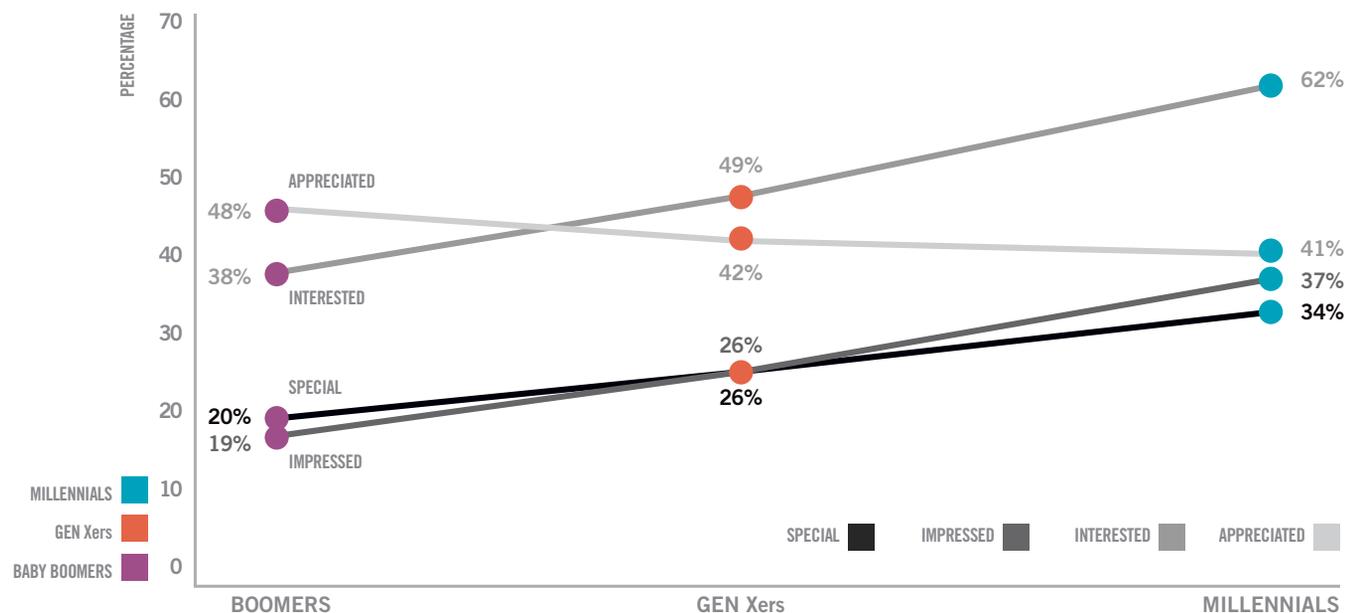
Thought Provoking



Personally Relatable

Brand advertising has traditionally been concerned with touching the hearts of audiences to bond consumers to the brands they grew to love. Successful

Emotional Response To Promotional Products



advertising that resonates with consumers prompts emotions to steer them back to the brand. But today’s consumers have more options than ever. They don’t just consume; they create their own content and curate that of others. There is no longer one large platform holding the majority of consumer influence, and traditional marketing methods are becoming less and less effective. We are now faced with a consumer group seeking to enrich themselves and explore their interests so they can build and pursue their purpose. Millennials will respond to content that resonates with them; something that will catch their eye, clearly delivering the message.

Actively engaging Millennial consumers and influencing their thoughts can be a daunting task; however, promotional products provide an opportunity to make it easier for the brand-consumer relationship to grow even stronger. Not only do Millennials like receiving them, but promotional products are making them feel more than appreciated; they make them feel special and impressed, and they are sparking their curiosities to learn more

about the brand. These key emotions guide consumer perception of a brand. In fact, 88 percent of Millennials have a more favorable impression of the brand as a result of receiving a promotional product.

88%
have a more favorable impression of the brand after receiving a promotional product.

REACTION Promotional Products Reap The Greatest Return

Advertising channels are the most important tools used by brands to reach a targeted audience and ensure that their message resonates positively so that it ultimately generates the desired reaction: the consumer becomes their customer. Millennials choose brands that

engage them based on their passions and interests more often than they choose those that simply urge them to buy the product being advertised. As a result, their path to purchase is actually their path to purpose, ultimately generating a greater return on a given investment. Consumers driven by purpose are more likely to repeat a purchase than those influenced by hearing one convincing message.

For years, the usefulness of a promotional product served as the leading feature and benefit of promotional products. Though that has not changed within the Millennial rationale, the study found other qualities that have emerged and shifted the value consumers place on promotional products. Millennials keep promotional products because they are designed to fit their style and communicate a message with which they are familiar.

The functionality of promotional products adds purpose and appeal to the interests of the most connected generation in history. With most Millennials willing to spend a little more on a product they believe in, this finding is particularly

important. Having a treasure trove of information at their fingertips, brands now have the ability to engage deeper and build consumer trust. Branded promotional products have a limit on the amount of content they can share—and this can be their appeal as it allows brands to spark curiosity and drive consumers to learn more. Not surprisingly, after receiving a promotional product, 87 percent of Millennials said they looked up the brand.

87% RESEARCH THE BRAND

Successful advertising prompts reaction leading to an added value for consumers. Value builds trust, and trust builds a loyal following for the brand. Millennials find more value in promotional products over the other generations and 31 percent claim promotional products would *definitely* alter their path to a continuous purchase.

RELATIVITY

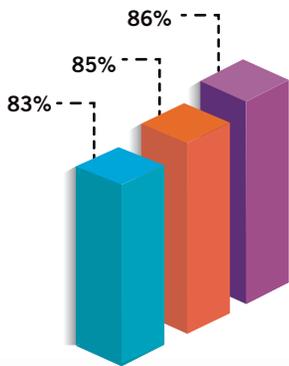
Promotional Products Are The Most Highly Regarded Form Of Advertising

Advertising has experienced some major milestones in its history. With the emergence of the printing press in the 1440s, television in the 1940s and the latest advancements in technology, brands have been presented with an endless stream of opportunities to deliver their message. Today, successful brand strategy relies deeply on ad-relativity insights when weighing where to invest advertising dollars to best engage Millennial consumers. So how do promotional products compare?

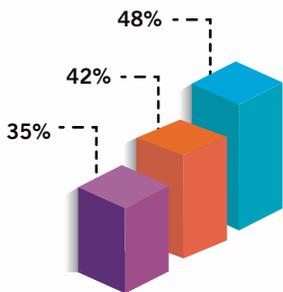
Millennials ranked promotional products the most effective advertising channel—higher than broadcast, online, mobile and print—to provide an incentive to take action. And that's not all. Online news platform Elite Daily reports that 88 percent of Millennials said they are more likely to do business with a brand as a result of receiving a promotional product, compared to 62 percent who said brand engagement via social media will likely lead to them becoming loyal customers.

Reasons Consumers Keep Promotional Products

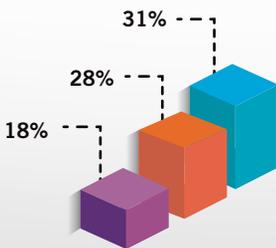
PRACTICAL PRODUCT FUNCTION



FIT MY STYLE AND/OR PERSONALITY



PERSONALLY RELATABLE MESSAGE



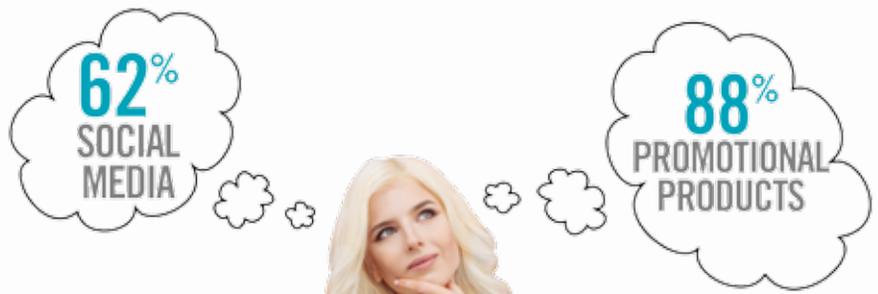
MILLENNIALS GEN Xers BABY BOOMERS

Would a promotional product increase your loyalty to the brand?

PERCENT INDICATING DEFINITELY YES



MILLENNIALS GEN Xers BABY BOOMERS





The Time Is Now To Connect With This Generation

It is evident from this research that the promotional products industry must commit itself to connecting with and engaging an entirely new consumer market. Millennials have already begun to challenge the way we do business and have even helped create new methods of market saturation. This will inevitably continue as the Millennial buying community increases in size. We know that promotional products work, we know we love what we do, and now we know that Millennials love and appreciate our products. Now, we must connect all the pieces to generate effective communication with younger consumers. PPAI is continuing to demonstrate how we as an industry are perceived by Millennials. Your Association understands that the present shift in the demographics is a significant contributor to the challenges faced our businesses, and we will make sure these changes affect each of us positively.

If you have seen any of my presentations about Millennials and the changing market, you know I say that 'business as usual' is anything but that because of this new generation. But, no matter the buyer, we are still in the same business of connecting people to products that deliver a message and tell a story. Our access to the young consumer market is going to look different than to any other buyer, but these consumers have not written off the promotional products industry, as findings from PPAI's 2017 Consumer Study shows. We will not only succeed with these new buyers, we will thrive.

To do this, I encourage you to think of our industry as more than products. You are marketing and advertising professionals who develop long-term relationships to deliver effective, time-tested storytelling. Your vehicle to achieve this success just happens to be promotional products. Millennials will buy from you, but you must take the first step. I encourage you to look more at the information and resources available through PPAI's generational diversity program (see below) and to use PPAI's research to have conversations with your peers, colleagues and customers about the continued effectiveness of promotional products.

—Seth Barnett, PPAI Diversity Development & Engagement Manager

Join The Conversation

To learn more about generational selling, diversity development or the Millennial market, visit: www.ppai.org/advocacy/diversity-engagement or join the conversation on social media using: [#ppaiNextGen](https://twitter.com/ppaiNextGen)

Most Effective Advertising Channels For Millennials



PROMOTIONAL PRODUCTS
Business Gifts, Giveaways,
Incentives, Awards



BROADCAST ADVERTISING
TV, Radio, Cinema,
Product Placement



ONLINE ADVERTISING
Internet, Email,
Social Media



MOBILE MARKETING
Messaging,
Applications



PRINT ADS
Magazines, Newspapers,
Direct Mail

Conclusion

Millennials are hungry to live out their passions, and the brands that can satisfy their appetites will reap the reward for years to come. Promotional products provide the best anchor to leverage brand reach, drive recall and fiercely resonate to engage the best reaction among Millennial consumers relative to any other advertising channel. **PPB**

Moumita Das is market research coordinator at PPAI.

For more exclusive PPAI Research and the complete detailed report on this study, visit www.ppai.org/members/research.