

Six Keys to Connecting With Millennials

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JERSEY CITY, N.J. — As members of the millennial generation currently represent a third of all convenience store traffic despite making up only one-fourth of the total population, it is vital that c-store retailers understand what these consumers want, how they want it, and how best to fulfill the needs of this critically important demographic.

Convenience Store News and General Mills Convenience & Foodservice explored this topic in a free June 8 webcast titled "Connecting With Millennials on Their Terms." CSNews Editorial Director Don Longo moderated the event, while General Mills' Michelle DeLamielleure, global consumer insights senior manager, and Kelly Kees, global consumer insights researcher, shared key findings from the company's Consumer Insights team.

"Millennials are the largest demographic visiting convenience stores today and they are an important target audience for retailers," Longo said. "From reshaping the definition of snacking to redefining the role of technology in the shopping experience, they are driving change in the c-store channel, as well as opening up new opportunities."

Although it's dangerous to treat the millennial generation as a homogenous group that can be represented by a single "typical millennial," research shows that millennials do exhibit consumer desires and shopping patterns that differ from older generations. They can generally be divided into two groups: younger millennials (ages 20-28) and older millennials (ages 29-37).

Overall, millennials are tech savvy, highly educated but financially strapped, and more ethnically diverse than any previous generation in history. They also show an increased informality, prefer customized food and beverages, and expect to receive everything instantly.

"They're used to getting everything faster and better, and food is no exception," said DeLamielleure.

Through a combination of quantitative data, qualitative discussions and social media scraping, General Mills identified six different millennial trends that c-store operators should understand.

1. The Realer, The Better

Millennials want transparency in all areas of their lives, including the food they eat. This means products that are less processed, a shorter list of ingredients they recognize, and to eat with purpose, even if that purpose is indulgent.

In the 1980s and early 1990s, there was a trend of avoiding supposedly harmful substances like fat, cholesterol and sodium in food. In the mid '90s to early 2000s, the better-for-you era of adding beneficial ingredients such as whole grains arose. Today is the "real" food era — millennials want to get back to the basics of food that is inherently good for you.

This has led to evolution in products like snack and cereal bars, as well as quick-service chains that offer full meals.

2. Flexitarians

Instead of sticking to the three-meals-per-day plan, the new eating model is frequent snacks throughout the day. Members of all generations are showing signs of changing their eating routines, but millennials in particular are extremely flexible.

Factors behind this change include the alternative work/school/social schedules that millennials have, as well as their on-the-go lifestyles, which blur the lines between snacks and meals. Smaller, more casual and frequent meals lead to increased snacking. Four in 10 adults say their idea of "snack foods" is broader than it was even just two years ago.

C-stores can cater to this flexible schedule by offering more substantial snacks and products that let consumers mix and match snacks to create meals, particularly proteins, fruits and carbs.

Interestingly, the snack/meal shift goes both ways; quick-service and fast-casual chains are increasingly offering "mini meals" that can function as snacks.

3. Sustained Energy

As busy as their lives can be, millennials are seeking out energy in the form of functional beverages such as energy drinks and bottled coffee, and products that incorporate protein and complex carbs such as beef jerky.

Mood enhancement and the need for energy are among the top reasons they snack.

New and unique flavors, including hot and spicy tastes, are another way millennials seek out a jolt of energy. They are also more likely to consider such flavors important than general snack shoppers.

4. Going Global

Simply put, millennials are a multicultural generation, as 42 percent of them are Hispanic, Asian or African-American. Generation Z, the generation following millennials, will exceed the 50-percent multicultural mark.

Accordingly, multicultural influences impact all areas of their lives. Food in particular is any easy path to multicultural exposure, and millennials are increasingly looking for ethnic cuisine that lets them try something new and different. Millennials are more likely than baby boomers to list "trying new kinds of ethnic cuisine" and "anything new and different" as things they really enjoy.

Multiple ethnic flavors, such as sriracha, have already gone mainstream. General Mills anticipates regional global snacks like dried kimchi, snack-size sushi and samosas will be the next "new and exotic" snack foods.

5. Always On

Mobile device penetration is extreme among millennials, ranging from 78 percent to 87 percent for smartphones across the various ethnicities. And more than 50 percent of shoppers are willing to use their devices while shopping in the stores. Additionally, mobile apps rank third on the list of top c-store trip influencers, ahead of even word-of-mouth and coupons.

Millennials who connect with c-stores through an app, website, email or text messages say receiving coupons, getting updates on new products, and finding out about sales and deals are the things they like most about their online interactions with the c-store.

Retailers must keep in mind that their online content should be both relevant and engaging. Additionally, they should remember that due to the wide variety of mobile devices and ways to access the Internet, their website should be designed to function on any kind of screen.

6. Connect Me

Not only are millennials tech savvy, but technology touches nearly every aspect of their lives. With connection comes power. They have hundreds of "friends" with whom to share their experiences.

Two-thirds of millennials follow brands on social media, and they trust the information they receive on social media more than any other channel. It's very important for retailers to have an online strategy that resonates with millennials; one that incorporates the "Secret S.A.U.C.E. of Social" tenets: swagger, amusing, updates, contests/freebies and engagement.

Retailers shouldn't hesitate to examine what is working for other brands that have found social media success.

"There are a bunch of people doing this really well," said Kees. "Look at what they're doing and copy it with pride."

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