

Millennial Moms

How to reach the next generation of consumers



BY JENNIFER BRINGLE AND KYRA GEMBERLING

WE ARE LIVING IN THE AGE OF the Millennial.

Not since the Baby Boomers has one generation garnered so much attention and curious scrutiny; and not since the Boomers has one generation had the potential to so significantly change the retail landscape in this nation. And for the juvenile industry, their influence is just starting to be felt.

WHO ARE THEY?

Millennials are defined as those born between 1981 and 2000, and they were the first generation to reach the age of 18 in the new millennium. This year, the Millennial generation is projected to surpass the outsized Baby Boomer generation as the nation's largest living generation, according to the population projections released by the U.S. Census Bureau in December 2014. Millennials are projected to number 75.3 million, surpassing the projected 74.9 million Boomers.

And as Boomers age out of the workforce, with more of them retiring each year, Millennials are aging in. A recent Pew Research report stated that during the first quarter of 2015, Millennials became the largest percentage of the American labor force, with 53.5 million Millennials at work compared to 52.7 million Gen Xers and 45 million Baby Boomers.

But unlike the previous two generations, the Millennial generation is waiting longer to have children.

According to the latest data from the National Center for Health Statistics, the largest increase in birth rates over the past 10 years, at 13%, was in women ages 35 to 39. Conversely, the birth rate for mothers 20 to 24 decreased 20.6%, and for those 25 to 29, dropped 9%.

So why are women of this generation waiting longer to have children? Marsha Everton, principal corporate director and advisor at AIMSights, a market research firm specializing in generational marketing, said the change is the result of a shift in Millennial attitudes toward education and marriage.

"Marriage used to be what we called a cornerstone activity," Everton said. "People got married and they would work together to build their future. Now, marriage has really shifted to be more of a capstone, where people want to make sure that they are able to afford a marriage, that they're financially stable and that they will be a good economic partner."

Everton said that 90% of college educated women are married before having their first child, according to AIMSights research. This indicates that more women are not only waiting to get married and have children, they're

"Marriage used to be what we called a cornerstone activity. People got married and they would work together to build their future. Now, marriage has really shifted to be more of a capstone, where people want to make sure that they are able to afford a marriage, that they're financially stable and that they will be a good economic partner."

— MARSHA EVERTON, AIMSIGHTS

ensuring their potential for higher earnings.

"Those married couples who both have a college education have greater income. They've really become the new elite," she said.

According to the Bureau of Labor Statistics, the median weekly earnings of mothers with a bachelor's degree or higher is \$1,043. Mothers with some college or an associate degree earn \$657, those with a high school diploma earn \$573 and those with less than a high school diploma earn \$400. Since mothers who are better educated usually have more disposable income, this could bode well for the juvenile industry.

HOW THEY SHOP

Unlike previous generations, much of the Millennial generation is identified as "digital natives"—meaning they

are the first generation that hasn't had to adapt to new technologies. So, it's unsurprising that most Millennials utilize the internet and mobile apps not just for shopping, but also for brand information, product recommendations and to share their own reviews of products and brands.

Sixty-one percent of Millennials rate products and services on the web; compared with 46% of non-Millennials, according to a recent study by Barkley. The research shows that Millennials outpaced non-Millennials in contributing web content such as rating products, uploading content and having a blog.

"They're much more informed," said Joseph Shamie, president of Delta Children. "They have the internet at their fingertips, and they have more information in front of them than ever before. There are mommy



The Simmons Kids by Delta Children Chevron crib converts to a toddler bed, day bed and full-size bed.

continued from p12

bloggers galore, most of them doing a phenomenal job informing parents on best practices for raising kids, purchasing and other issues. And you go to sites like Amazon and you can read all the reviews in the world. Everyone wants to have a sounding board and give you information on whether they like a product and how they use it."

According to the Kids Today and Mom Central Consulting 2014 Children's Decorating Survey, 35% of moms under age 35 want to shop online for youth furniture. And even for those moms who purchase in a store rather than online, many of them peruse their options online first in order to have a solid idea of what they're looking for when they come into the store.

"With (the nursery segment) in particular, new mothers have their phones in their hands all the time," said David Biauce, general manager at Detroit-based retailer House of Bedroom Kids, which he said serves an age range from 25 to 45. "They're constantly comparing what they see and any trends that they like. We have 45 cribs on the floor, and a lot of the time, (the mothers) already have a preconceived notion of what they want. Then they come in here and they may or may not change direction."

Armed with that information, and in the case of many older Millennials, a higher income, this generation may be more likely to spend a little more for higher quality items.

"If she's had a career and had the opportunity to earn some money, she's probably had more experience and exposure to various aspects of the world," said Earl Wang, president of Legacy Classic Kids. "She's not necessarily looking for the cheapest thing. She's probably thinking, 'I get what I pay for, so I'm going to get something a little more durable and long-lasting.'"

Wang added that along with more experience comes the understanding that children go through stages, and their furniture must adapt as the child grows, making convertible furniture a popular choice among Millennial moms.

According to Kids Today and Mom Central Consulting's 2014 Children's Decorating Survey, 75% of moms under 30 have bought or want to buy a convertible crib, followed by 71% of moms ages 30 to 34 and 62% of moms ages 35 to 39. The survey also revealed that 71% of moms will spend more on a convertible crib, with 34% willing to spend an extra \$100 to \$199.

HOW TO REACH THEM

With this generation, it's more critical than ever to have a strong digital presence.

It's no longer enough just to have a website. The site must be active and updated, and backed up with a strong, active presence on social media.

"I think we are interacting with our end consumer a tremendous amount more than we ever did," said Doug Devine, president of NE Kids.



"Consumers now with their access to everything digital—email, Facebook, YouTube, looking at peer reviews of your product—they are contacting us sometimes prior to going to the retailer or after going to the retailer. So, I think more so than ever we have to be very cognizant of our contact with that consumer."

When interacting with Millennial parents via social media channels, it's important for both brands and retailers to use the platform as more than just a selling tool. Using social media channels to provide added value information, as well as customer service when Millennial consumers have a question or concern, will help endear them to the brand or store.

"Brands and retailers should be working with mommy bloggers, providing information on new products and sales, and then going many steps further and providing safety tips, health tips and more useful informa-

tion," Shamie said. "They have a bigger opportunity and responsibility to provide information to moms. And many of them are doing it and recognizing this. Even on their own websites and social media, it should not just be about selling product."

And social media isn't just a way for Millennials to receive messages from brands. The social media posts Millennials make about brands are often just as important to buying product, according to

research from eMarketer. More than two-thirds of Millennial social media users are at least somewhat influenced to make a purchase based on a friend's posts.

The amount of information available to Millennial parents can be overwhelming. Helping them distill the messages to discern which products will truly benefit them and their children will not only benefit the consumer, but the brand and/or retailer, as well. Millennial women are information seekers, and according to Everton, a successful marketing model should let them know what makes products special and what added value they're receiving by investing in it.

"This generation of mothers is so practical," she said. "They are all about value. They will pay a good price for your product, but they want to know that it's worth it." ■