Talking to Strangers: Millennials Trust People over Brands

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This socially-dependent generation will change how you do business.

That guy texting his boss?
Your business depends on him.

It’s true. By 2017, Millennials – currently in their mid-teens to mid-30s – will have more spending power than any other generation.¹

Constantly connected and dependent on social, they shop in a whole new way – and brands must sell to them accordingly, or miss this tidal wave of opportunity.

This generation (sometimes referred to as Generation Y) was born between roughly 1977 and 1995, and has come of age being advertised to more than any generation in history. Baby Boomers may have seen magazine ads or billboards – Millennials see those, plus non-stop ads on their smart phones and Facebook.

Their reliance on social disrupts all areas of business. They’re connected and endlessly curious about what others are doing – and it flows right into how they shop. Like most generations, they trust opinions from consumers more than what brands say about themselves. Early social media adopters, they often understand social better than the brands trying to reach them. So Millennials make their own rules of commerce, and it’s time for brands to catch up… or perish.

Millennials experts from The Center for Generational Kinetics, Bazaarvoice, and Kelton Research uncovered groundbreaking insights about how Millennials and Boomers use social to shop.

Bottom line: Millennials buy differently. Are you selling to them differently?

². US Census Bureau
Step away from the “buy” button: Millennials won’t buy without input from others

Consumers trust customer content over any other info.
Most consumers, regardless of age, go to the internet to research purchases. And most of them look for user-generated content (UGC) to help them buy. According to the survey, over half (51%) of Americans trust UGC more than other information on a company website (16%) or news articles about the company (14%) when looking for information about a brand, product, or service.

Without consumer input, Millennials don’t buy – almost anything.
Eighty-four percent of Millennials report that UGC on company websites has at least some influence on what they buy, compared to 70% of Boomers. In fact, there are many purchase decisions – big and small – that Millennials won’t make without UGC.

Design your in-store experience for Boomers. While Millennials are slightly more likely to buy online (52%) than in stores (48%) after doing online research, 71% of Boomers say they will still buy in stores after getting information from the web. Extend online research tools into your aisles.

How much does user-generated content play in your purchase decisions?

**MILLENIALS**
- 3% NONE
- 13% A LITTLE
- 25% A LOT
- 59% SOME

**BOOMERS**
- 9% NONE
- 21% A LITTLE
- 21% A LOT
- 49% SOME

84%
70%
**Take action:** Put consumer opinions front and center. Everywhere. Ask consumers to give you feedback. Millennials want to share, so get them talking and respond. Then share these conversations everywhere – anywhere they can buy your products online or in stores. Make sure to optimize everything for mobile and tablet computing. And make sure you make it easy for them to share their insights about your products via social.

Top purchases that millennials won’t complete without user-generated content.

- **44%** Major Electronics
- **40%** Cars
- **39%** Hotels
- **32%** Travel Accommodations
- **29%** Credit Cards
- **29%** Insurance
Strangers with benefits: Millennials trust anonymous consumers

Millennials are more likely than Baby Boomers to trust likeminded or experienced consumers over people they know. Don’t get us wrong – Millennials want to hear from friends and family. When it comes time click “buy” and enter their payment information, the opinions of strangers like them – especially those who have direct experience with a product – have more heft than they do for Boomers. Forty-four percent of Millennials are more likely to trust experienced consumers (who happen to be strangers). And 51% of Millennials say consumer opinions found on a company’s website have a greater impact on purchase decisions than recommendations from family and friends.

Millennials get social to find experts. When looking for opinions about products to buy, Millennials are more than three times as likely than Boomers (22% vs. 7%) to turn to social channels. They’re on the hunt for feedback from experts and people with common interests – not just personal connections.

When making a purchase, which of the following is most likely to influence your opinion?

**RECOMMENDATIONS FROM FRIENDS & FAMILY**

- **Millennials:** 49%
- **Boomers:** 66%

**RECOMMENDATIONS FROM STRANGERS THROUGH UGC ON A COMPANY WEBSITE**

- **Millennials:** 51%
- **Boomers:** 34%
Millennials want to engage with brands, even if they question brands’ motives for gathering feedback

Consumers believe companies only care about how customer opinions make them look to other shoppers – they don’t really take feedback seriously. Consumers question the motives of companies that collect customer opinions. About the same amount of Boomers (73%) and Millennials (71%) say companies care about customer opinions simply because they impact how other consumers will view the brand, rather than truly caring what their customers think.

Both generations believe consumers care more than companies. The majority of Millennials (73%) and Boomers (70%) agree that other consumers care more about their opinions than companies do – and that’s why they continue to share their opinions online.

But Millennials still want to be part of the conversation. Despite believing companies don’t care about their opinions, Millennials still want to communicate with them. These younger consumers feel more strongly than Boomers (64% vs. 53%) that companies should offer more ways to share their opinions online in the future – and they’ll continue to participate.

Take action: Prove you care. Respond directly to customers’ input, answer their questions, and engage with them on social media. Take action on the insights feedback reveals – these can inform and improve marketing, product development, customer service, and many other areas of your business. Then spread the word – let customers know you’ve taken action. When they know you care, they’ll come back with more feedback, and these conversations create a valuable loyalty cycle.

A brand’s motives are irrelevant to millennials.

- 71% of Millennials continue to share opinions because they feel other consumers value those opinions.
- 64% of Millennials feel that companies should offer more ways to share their opinions online in the future – and they’ll continue to participate.
- 87% of Millennials believe that companies shouldn’t edit customer feedback by correcting spelling or grammar errors – intact feedback is more helpful to other consumers.

Take action: Organize consumer opinions by social and interest graphs. Serve up the opinions of everyone in a shoppers’ social graph right in the purchase path – so it’s easy to see what friends think. And also show opinions from other consumers like them, based on your shopper’s interests. They see you get them, are savvy about social, and know they want to see input from other consumers. A free-wheeling Millennial shopping for computer games will prefer user reviews and stories from fellow, anonymous gamers versus his Facebook friends who prefer console games. Let them see input from everyone, making it easy for them to get a quick view of what everyone thinks.
Three steps, big returns: start the conversation now

Simply asking for opinions just isn’t enough anymore. To make big gains with Millennials now – and win their wallet share and loyalty – take action here:

1 **Make customer opinions the hero.** Let shoppers know you want their opinions, and display them everywhere in the purchase cycle. Remember, Millennials won’t buy until they get the trusted info they crave.

2 **Let Millennials see opinions from people who matter most to them.** Give them the insights they need from experts, people like them, and their friends – highlighting those who share their interests and have experience with the product.

3 **Take action on Millennials’ suggestions.** Everyone wants to be heard. When you improve products or change policies based on first-person consumer input, spread the word. Create two-way conversations that build loyalty.

About the methodology

This survey was conducted among 1,013 nationally representative Americans ages 18 and over by Kelton Research between August 25 and September 5, 2011 using an email invitation and an online survey. Quotas are set to ensure reliable and accurate representation of the total U.S. population ages 18 and over.

Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results.

In this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 3.1 percentage points from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.

Winning Millennials takes a whole new way of selling. How is your brand working to become more social, transparent, and engaging? Start the conversation with Millennials now.
About Bazaarvoice

Bazaarvoice enables the world’s biggest brands to capture, analyze, and most importantly, act upon social data to drive true, customer-centric change.

Bazaarvoice helps clients replace guesswork with precise, always-on insight about their products, services, and customers. The result? Our clients create products that customers crave, provide service based on what customers want, deliver targeted marketing messages that get real attention and, therefore, enjoy a distinct competitive advantage. All because brands listen and act on what matters to the people who matter the most.

Bazaarvoice turns data into doing.
Learn more at bazaarvoice.com, via Twitter at @bazaarvoice, and at bazaarvoice.com/blog.

About the Center for Generational Kinetics

The Center for Generational Kinetics converts generational trends and predictabilities into breakthrough opportunities.

We study what works to make the most of every generation in the marketplace and workplace. We then look at why it works and how you can benefit from that knowledge. The outcome is cutting-edge content, training, and thought leadership designed for leaders who demand results. This is what we do. It’s all we do.

At The Center for Generational Kinetics we focus all our efforts on delivering tangible ROI for our clients around the world.


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