

UNDERSTANDING MILLENNIALS AND ENABLING THEIR SHOPPING PROCESS

MR S.NAVEEN* MRS.P.SUDHA**

*Student., Department of Management Science, S.A. Engineering College, Chennai.

**AsstProf., Department of Management Science, S.A. Engineering College, Chennai.

ABSTRACT:

Dynamic is the word that comes to our mind when we think of the world we live in. It is not the same while we wake up and go to bed. The changes are drastic that one cannot lead a normal life without these changes. The ever growing information technology accompanied by globalization leading the changes that we see often in day-to-day life. These changes are not difficult but challenging to adopt by nature in living environment. With the same conditions prevailing in business environment, one can think of the challenges that the management face in these environment. Globalization has led to dramatic changes in the competitive dynamics of every industry. Physical boundaries no longer defines the market. Information technology has reduced the response times. The consumer and the customer are better informed than before. These sweeping changes resulting in global level of competitiveness are the core of several challenges facing Management of Businesses and the people associated with the business. The most important factor in any business is understanding the questions of what we do? How we do? And to whom we do?. The management of the business may follow many strategies of overcoming the challenges, but the real strategy lies with the basic principle of understanding the existing consumers and their behaviours. Apart from this, the management must also be flexible enough to adapt to technological environment that the time demands. This paper insights the understanding of existing millennial consumers, their behaviour towards retail shopping and the technological changes that the retail management can adopt for reviving their existing market. The solutions are not restricted to the one discussed in this paper but will be an insight to the retail management seeking the change.

Key words: Millennial, globalization, challenges, information technology, e-commerce

INTRODUCTION:

The millennial are a generation of young people. Characterized by the use and adaptation of technology in their daily lives, as well as values, life experiences,

motivations, and common buying behaviours. This generation was born between 1980 and 2000 (Lee & Kotler, 2016), they are currently between 17 and 37 years old, which according to the geographical area or different theoretical

positions this generational range can vary. They are currently developing as a social group who have been influenced by the changes they have had in their lives from childhood to adulthood.



This generation was born in an emerging world of technology, and these figures represent the self-reported common use of all forms of social media and communication including television, cell phone use, Internet use, computer tablets, laptops, music, text messages, video games and social programs. Therefore, the current population of college students is digitally more active than any previous generation since they are permanently connected to each other through digital media.

MILLENNIAL CONSUMER BEHAVIOUR:

A) THEY'RE BORN OMNICHANNEL CONSUMERS:

They are Omni channel by nature and will approach retailers with Omni channel expectations whether or not an individual retailer is optimized for the experience. They always or sometimes use technology while shopping. They also expect in-store pickup, generous online return policies in-store, visibility into store inventory and a corresponding app. Millennial consumers want the ability to find any information about any product in the store almost instantly. And if something's not in stock, they expect to be able to order it right there and have it delivered to their home the following day.

B) THEY HAVE NO PATIENCE FOR TECHNOLOGY THAT DOESN'T WORK:

Many millennial didn't have to endure the agony of slow dial-up internet and spotty web service. Whether it's an app, a website or an in-store kiosk, they expect technology to work flawlessly from the start. They would remain loyal to brands that are "up to date with technology. Millennial are tech-dependent and always expect technology to work quickly and easily.

C) THEY HAVE HIGH EXPECTATIONS FOR THE CUSTOMER EXPERIENCE:

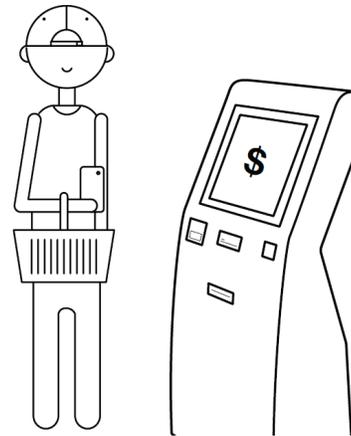


millennial have high expectations around customer service. For them, that service transcends simply delivering a smooth transaction to delivering a personalized experience. Millennial expect retailers to have recommendations, options and the products they crave. They also want that service replicated across all channels. Their touch points with customer experience are also more likely to be driven through technology than through face-to-face experiences. Mostly they prefer social media for customer experience over

the web, phone or online chat. They're also far less forgiving of poor service, with a quarter of them saying they'd boycott a company after one bad experience.

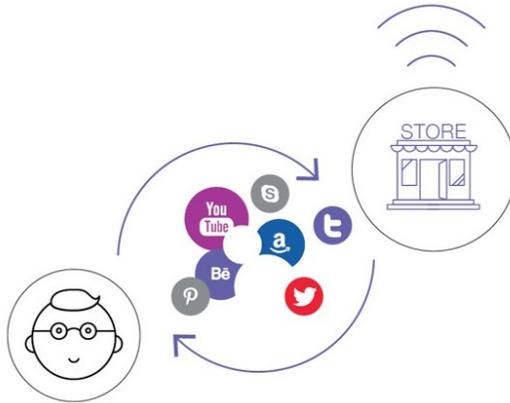
D) THEY EXPECT SPEED AND CONVENIENCE:

Always on the go, millennial expect speed and convenience in the retail world. They typically don't like to wait in lines or wait



Picture 3: Millennial self-checkout

very long for purchases to be shipped, and if an item is out of stock, they'll likely go somewhere else. Millennial are also leading the charge to self-checkout through their desire to get out of the store as quickly as possible.



Picture4: Millennial influenced by social media

E) THEY'RE HEAVILY INFLUENCED BY REVIEWS AND SOCIAL MEDIA:

Millennial are more likely than other generations to rely on reviews and social media to influence their purchasing decisions. Nearly half of millennial are influenced in their purchasing decisions by social media. They are also more likely to be vocal about their patronage of retailers on social media, which can be beneficial or harmful, depending on their experience.

F) THEY'RE TIED TO THEIR PHONES:

Eighty-six percent of millennial own a smartphone and they're tied to them not only in their daily lives, but also on the retail floor. More than half of them prefer to download and use an app over

relying on a mobile web browser experience. Millennial also like alternative forms of payment, most of which are expedited through smartphones.

G) THEY ACTUALLY LIKE BRICK-AND-MORTAR STORES:

Despite their love for technology, most of millennial say they still prefer brick-and-mortar stores. But all channels remain critical for millennial because, while they may end their purchase at the brick-and-mortar location, the decision making happens online and through mobile. Millennial are also more likely to use their phones in the store to compare prices at other retailers. Many use their phones or computers on the go to check prices, then come into the store to make a purchase.

ENABLING THE SHOPPING PROCESS OF MILLENNIAL:



Retailers must continually evolve and leverage the latest technologies to reach both millennial and the consumers they lead. While e-commerce currently only makes up 10 percent of retail sales, it's growing at a rate of more than 25 percent, compared to only 6 percent for all retail sales. This means that any retailer that wants to capitalize on the rising prominence of the millennial shopper has to embrace technology and Omni channel operations. Like many industries, retail has always been in a constant state of evolution, guided by everything from transportation and lifestyle to technology and market trends. All the while, phone, catalogue and mail order retail has transitioned into web-based commerce as the primary avenue of non-brick-and-mortar commerce. Here are some of the optimization techniques that can be

followed by retailers for adapting to current environment.

A) ATTRACT:

As a generation that is constantly on the go and distracted by technology, effectively attracting millennial to the site or sales floor can be a challenging proposition. Marketing efforts should start by reaching millennial through their smartphones with

Picture 5: Millennial like brick and mortar stores

short, customized and targeted messaging.

I) DIGITAL SIGNAGE:

II) BEACONS:

III) APPS:

B) INTERACT:

Millennial are changing the nature of how retailers interact with consumers. They're less interested in traditional, in person customer service than they are in how technology can make the retail experience faster and more personalized. Retailers should leverage apps, digital signage and kiosks to deliver short, targeted messaging. Associates on the sales floor should also be equipped with wearable and mobile POS systems to assist

customers from anywhere with information about any product.

I) TABLETS AND MOBILE DEVICES FOR EMPLOYEES:

II) DIGITAL SIGNAGE AND KIOSKS:

III) BEACONS:

IV) WEARABLE:

V) NETWORK:

VI) APPS:

C) TRANSCACT:

When it comes to transacting purchases, millennial demand speed and convenience. In their fast-paced lives, they're always on

their needs for timeliness and convenience will fail to capture their spending dollars. Retailers should leverage technology to increase automation and innovation in the checkout experience.

I) MOBILE POS FOR STAFF

II) MOBILE PAYMENT ENABLEMENT

III) SELF-SERVICE KIOSKS



the go and expect technology and service to make things easier. Millennial have little patience for waiting in long lines or engaging in cumbersome and lengthy transactions. Retailers who fail to meet

D) IMPACT (THE BACK OFFICE)

The benefit of such heavily engaged Omni channel consumers is that they offer an abundance of information about everything from their product preferences to shopping

habits. To truly harness the power of technology for the millennial market, retailers need to capture the available data and establish a robust analytics program. Rewards programs and customer accounts coupled with POS systems, kiosks and

mobile technology can produce valuable information to increase customer spending and improve customer service. Integrated POS systems, sales floor tablets, scanners and other devices should be integrated to provide real-time inventory and consumer information across all channels. Retailers should use information to deliver real-time offers that are localized and influenced by past purchases and product preferences. This information can also be used to better anticipate changes in customer traffic patterns, to tailor product assortments on the store and regional level, and to optimize inventory.

I) TABLETS AND WEARABLE

II) NETWORKS

CONCLUSION:

Retail technology for millennial isn't about being cool, it's about "reducing friction" in the retail equation. Whether it's a beacon, an app or a wearable on the hip of sales

staff, he says the technology "has to be about providing a better customer experience." Every generation has its own characteristics. They have been affected by the changes of world and vice a versa they changed the world. Soon a new generation will rule the world and we have to prepare for it. We hope that our paper throws a spark about the millennial consumer behaviour and the optimization techniques for retailers to survive in the market.

BIBLIOGRAPHY

1. Kotler, P., & Armstrong, G. (2013). *Fundamentals of Marketing*.
2. Lee, N., & Kotler, P. (2016). *Social Marketing: Changing Behaviours for Good*.
3. Howe, N., & Strauss, W. (2000). *Millennials Raising*.
4. "Who are the Millennial shoppers? And what do they really want?" Accenture.
5. Taylor, Glenn, "Can Retailers Keep Pace with Millennial Consumers?" Retail Touch points, Feb. 2, 2016.
6. "The Retail CMO's Guide to the Omni shopper," MasterCard, 2015.

7. Mackenzie, Ian, Chris Meyer, and Steve Noble, “How retailers can keep up with consumers”.
8. Karr, A. (2014). Millennials Eager to Shop, Reluctant to Buy.
9. Omar, F. I. (2016). Gen Y: A study on social media use and outcomes. *Journal of Management & Muamalah.*