

Keeping up with Millennial Consumers



Understanding your target market and remaining in-the-know on spending trends is key to marketing. For **Financial Institutions** to keep up with the cutting-edge of consumerism, watching the spending trends of **Millennials** is a **key factor**.



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Whether it be local, regional or even a national brand, people are traditionally drawn to things they know. Consumers in the Millennial demographic (born between 1981-1996), however, have been steering away from large, corporate brands in favor of smaller, less recognizable companies. Known as the Reverse Branding Trend, younger consumers are less prone to promoting big companies with flashy logos and catchy slogans.

Spending trends suggest that affordability and value are of vital importance, closely followed by brands that tell inspiring stories and speak to Millennials ethically. A recent article from Forbes states that, "Generally, Millennials choose to vote with their wallets for brands that tell inspiring stories, conduct business ethically or contribute to their personal brands." However, a Millennial consumer is known to be brand loyal, once they are won over.

Millennials Want an Experience

Millennials want to buy local and are steadily spending more on experiences than stuff. While total discretionary spending has nearly doubled in the past 15 years, money spent on travel, eating out and recreation has far exceeded expenditure on household goods, cars and other physical items, according to studies from HSBC Bank and the Bureau of Economic Analysis.



Millennials Millennials Use Cash

Millennials use cash and ATMs on a daily basis. In fact, a study by the Federal Reserve showed that Millennials use cash more than other demographic in the United States. And, nearly 50% of transactions under \$25 are in cash and 60% under \$10 are paid in cash, according to that same study.

Survey results from Banking.com suggest that Millennials "view the ATM as central to how they manage their money and go about their daily lives." In another study by BI Intelligence, it showed that Millennials prefer to do their banking online or via an ATM, with around 60% of those surveyed reporting they do not visit a financial institution branch on a regular basis.



Millennials Prefer Surcharge-Free ATMs

Another interest of Millennials are surcharge-free ATM transactions. The single biggest reason Millennials move their checking accounts to other financial institutions is to get access to free ATMs, according to data from marketing research company Phoenix Synergistics. The survey of 1,000 people, found that 46% of millennials who moved their checking accounts to other institutions in the last two years said they did so for the surcharge-free ATMs.

These trends are a true opportunity for banks and credit unions fighting to win the hearts and minds of Millennials.

A few ways financial institutions can win over Millennials include:



- **Branded ATMs in the Community:**

Partnering with a local ATM operator to provide more surcharge-free ATM locations is a terrific way of serving cardholders of all ages. It also helps to increase brand exposure and is typically an affordable way of expanding an ATM fleet.

- **Event ATMs:**

Sponsoring or placing a branded ATMs at local events is one method to take into consideration. A recent white paper from Star Financial details the benefits of using branded ATMs at local events to increase brand exposure and win the hearts of younger cardholders.

- **Surcharge-Free ATMs:**

Banks and credit unions that want to cater to Millennials may want to consider joining a surcharge-free network. There are a number of surcharge-free regional or nationwide networks available including Allpoint, MoneyPass and Co-Op for credit unions.

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For more information on the benefits of branding, and other ATM services, contact Star Financial today.

