



## CONSUMER RESEARCH REPORT

# Generational Shifts in Marketing Preferences

The marketing preferences of Baby Boomers, Gen X, Millennials and Gen Z reveals why companies need to invest in D2C marketing



## Introduction:

Over the past decade, advertisers have adapted to the boom of technology and the introduction of various new marketing channels and tactics. At the time that the digital innovation floodgates opened on marketers, the habits of Baby Boomers and Gen X were considered “the norm,” while Millennials were deemed “digitally savvy,” and Gen Z wasn’t even on the radar.

Fast forward to 2021, and the generational tides have changed. Baby Boomers are spending less as they retire, Gen X is more financially powerful than ever, Millennials are building careers and families and hold much higher spending power, and Gen Z represents the trendsetters. Amid these shifting dynamics, purchasing behavior has become even more differentiated. From a marketer’s perspective, effectively communicating with shoppers has never been more challenging, given that each generation’s buying habits vary significantly.

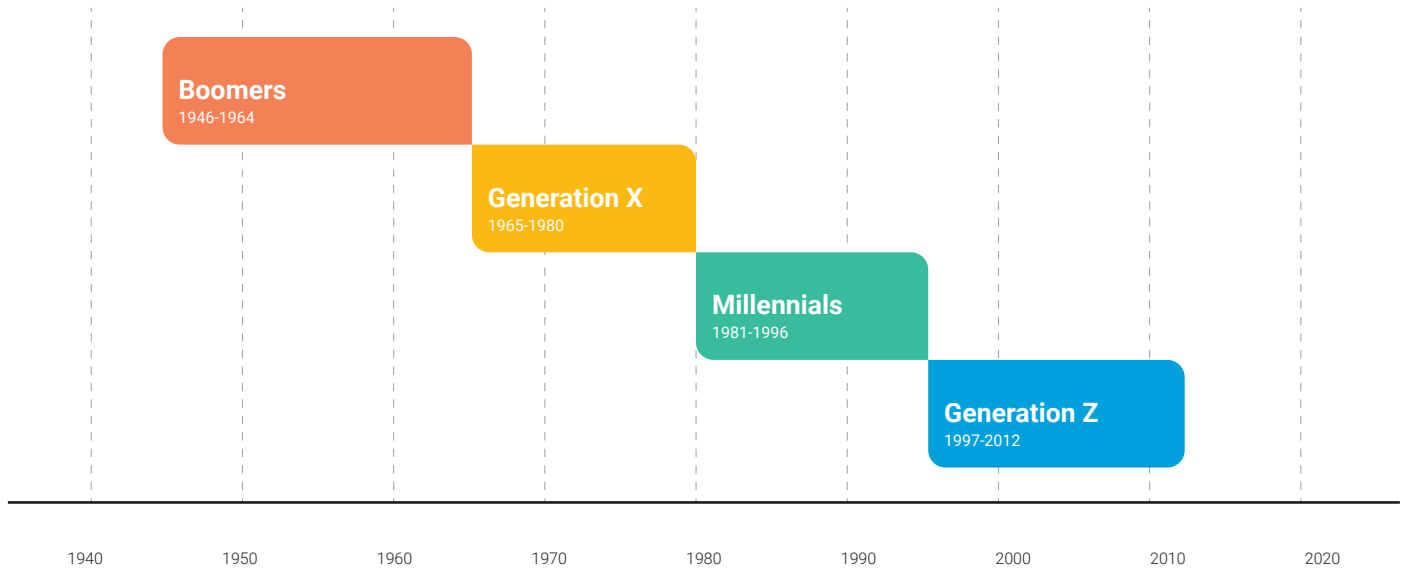
Along with that, each generation wants to be marketed to differently – via different channels and with different messaging and levels of personalization. That’s why more advertisers are turning to direct-to-consumer (D2C) tactics to learn more about consumers, what makes them tick and how to connect with them to form long-lasting relationships.

The following report, based on a Data Axle survey of more than 1,000 consumers, provides new insights into how today’s Gen Z, Millennial, Gen X and Baby Boomer consumers prefer to interact with brands and what motivates their brand loyalty. Based on these findings, we’ll explore the latest best practices for how advertisers can connect with them in meaningful ways.



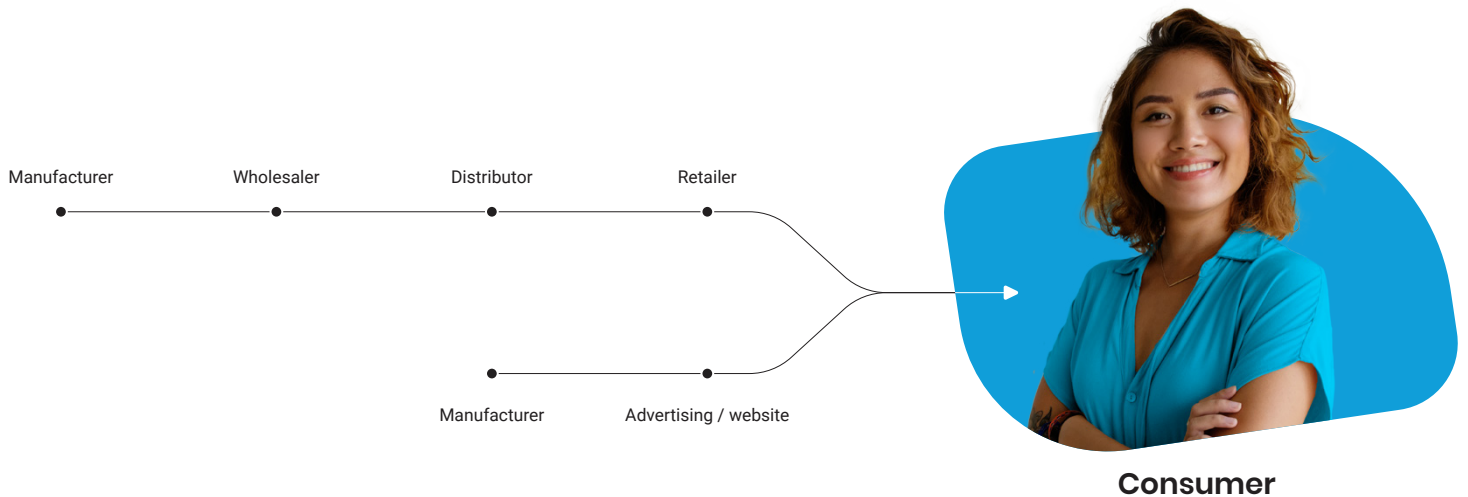


For the purposes of our survey, we allowed consumers to self-select their generation. The generally accepted years of birth for each generation are below:



## What is D2C?

Direct-to-consumer (also known as D2C or DTC) is all about how companies are connecting with their targeted audiences.



Decades ago, many consumer brands relied on middlemen to get their products into the hands of their customers. With high-speed internet and overnight shipping, everything changed. Enter D2C, which bypasses retailers and other middlemen to sell directly to specified target audiences.

D2C marketing forms a direct relationship with customers and prospects, either as a means of gathering intelligence on them or selling directly to them. With D2C marketing tactics, companies are able to build close emotional bonds with their customers. They know exactly who their customer is, what they need and how to speak to them.

Some industries that are now moving into D2C marketing in full force include lower-cost CPG brands, which have historically struggled to get the customer intelligence they need from their retail partners, as well healthcare insurance and property & casualty insurance companies, whose industries have been shaken up by new entrants.



# Three key takeaways

A few key truths emerged from our cross-generational survey, including the following:

## Your customers want to hear from you

96% of consumers feel loyal to a brand, and 84% engage with advertising from brands they are loyal to when they receive communications from them.

Your customers are ready to hear what you have to say – but they want it to be personalized and relevant to their needs and lifestyles.



## Email is the No. 1 channel for all generations except Gen Z, which prefers social media

Taking an omnichannel approach to marketing is wise, but you also need to take the demographics of your target audience into account. There are huge differences between generations when it comes to channel preference, and you need solid data on your prospects in order to optimize your campaigns.



## Personalization is the key to engaging current customers, especially when it comes to the Food & Beverage category

Want to drive engagement and retention? Personalize your messaging. 81% of all consumers want to receive personalized communications from brands they buy from. When asked what industry they want personalized ads in, interestingly their number one category was food and beverage. Keeping customers engaged will lead to a higher LTV and cultivate brand loyalty.

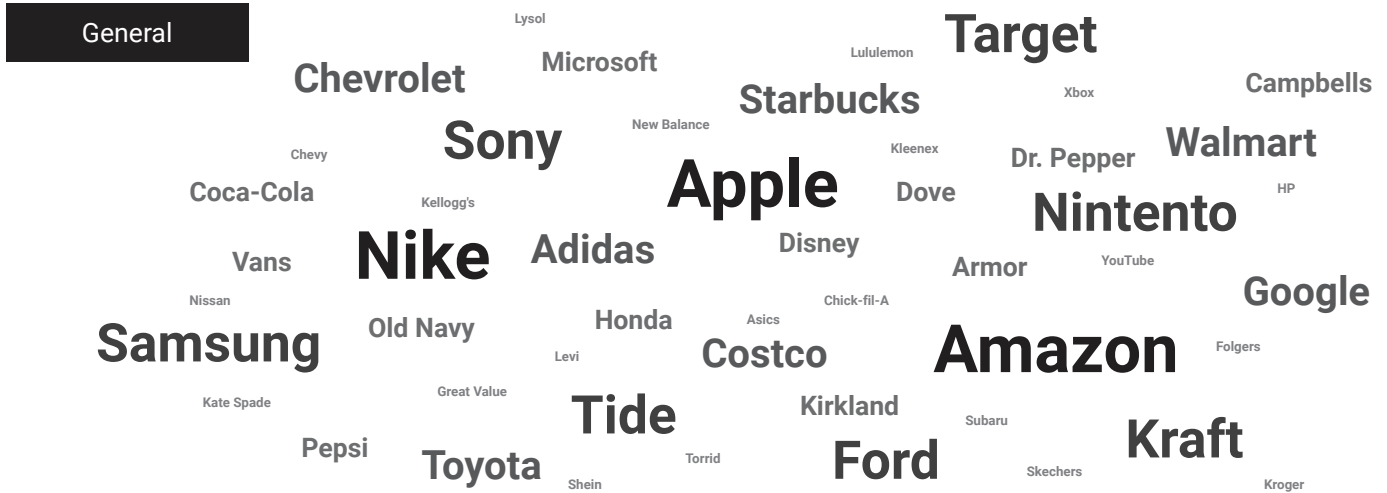




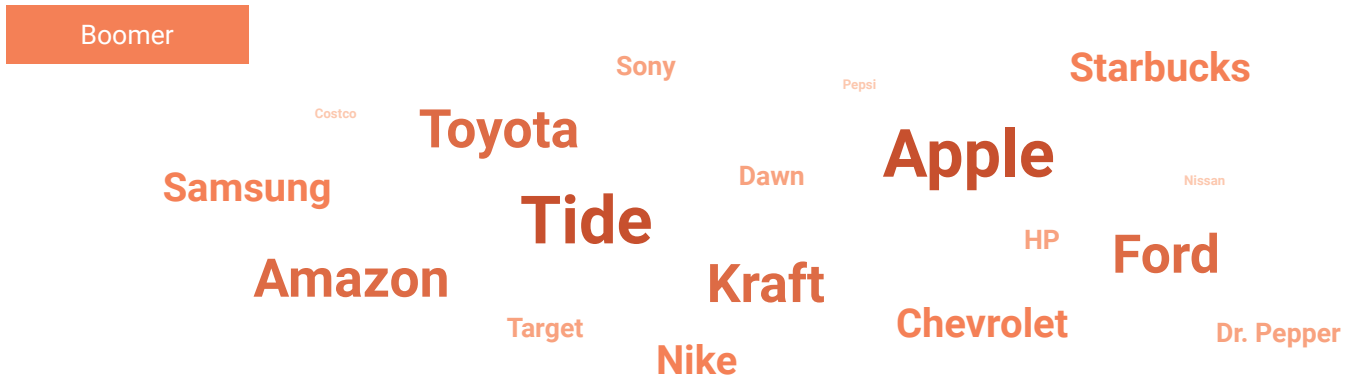
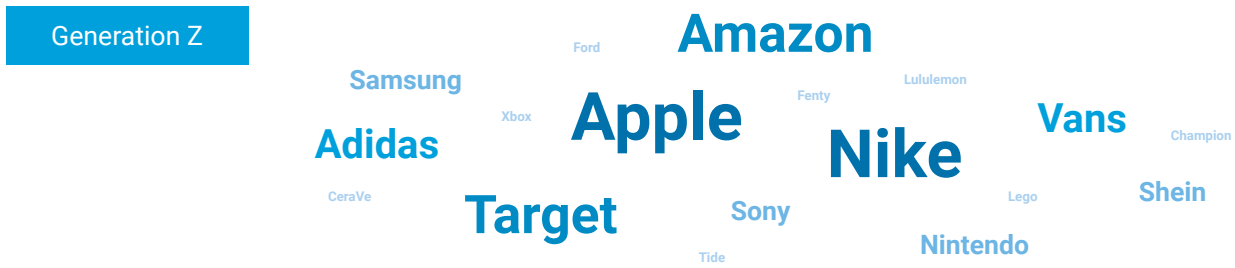
# Digging into the data:

What our survey reveals about generational preferences

**Brand loyalty by generation:** We asked consumers what brands they felt a sense of loyalty to. This open-ended question allowed survey recipients to fill in the blank with any company of their choice. This is what they said:



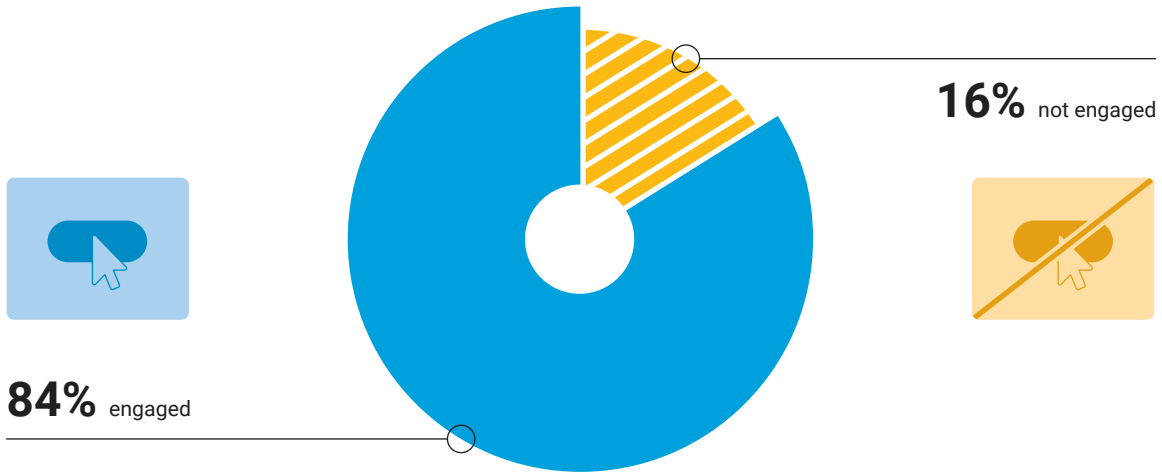
Huge brands like Nike, Apple, Amazon were named by consumers of all ages.





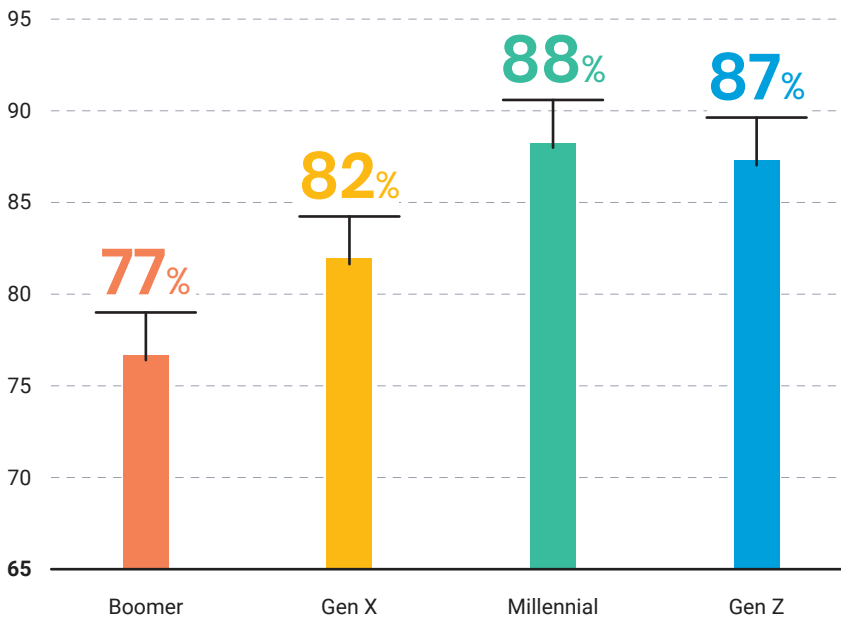
Regardless of the specific brand, 84% of all respondents said that they tend to be engaged when they see an ad from a brand they are loyal to. That means your loyal customers are ready and waiting to hear from you. Don't neglect them in favor of costly acquisition campaigns. We all know it's more cost effective to keep an existing customer than attract a new one.

### Are you engaged when you see an ad or communication from a brand you are loyal to?



Just make sure to keep communications relevant. 81% of consumers want to see personalized advertising from a brand they are already loyal to. Personalization is important across all generations, but especially when it comes to Millennials and Gen Z.

### Percent of consumers that want personalization from brands they are loyal to



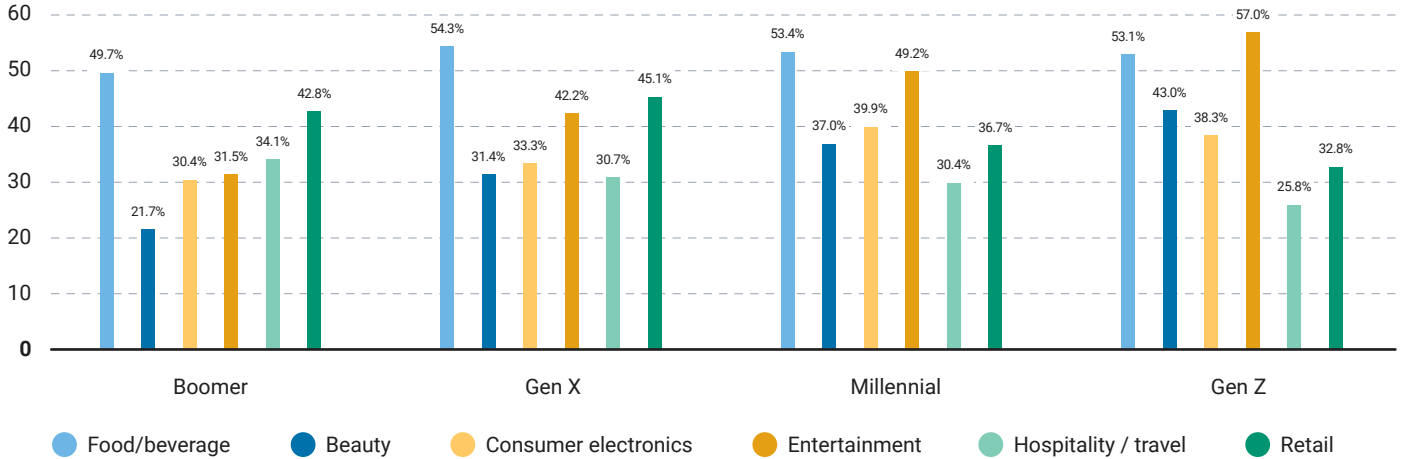
88%  
of millennials  
want personalized  
advertising





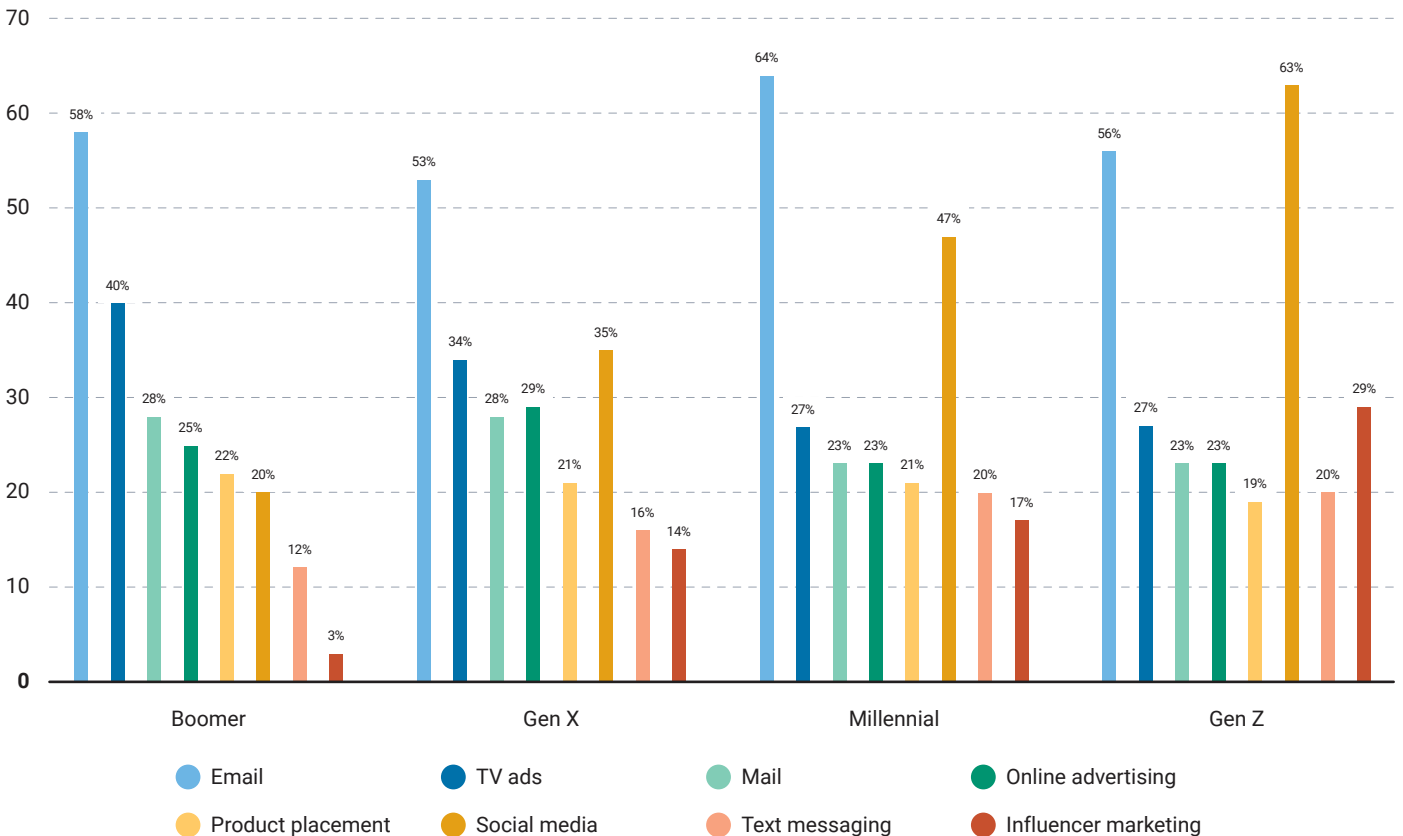
## Generational personalization preferences, by industry

When we asked consumers what industry they most wanted personalized communications from, Boomers, Gen X and Millennials all ranked the Food and Beverage industry as their No. 1 pick. Meanwhile, 57% of Gen Z choose Entertainment as their No. 1, with F&B as a close second.



## Generational channel preferences

Not surprisingly, there are differences among generations when it comes to the channels they are active on. We asked every generation how they want to interact with brands, and here's what we found.



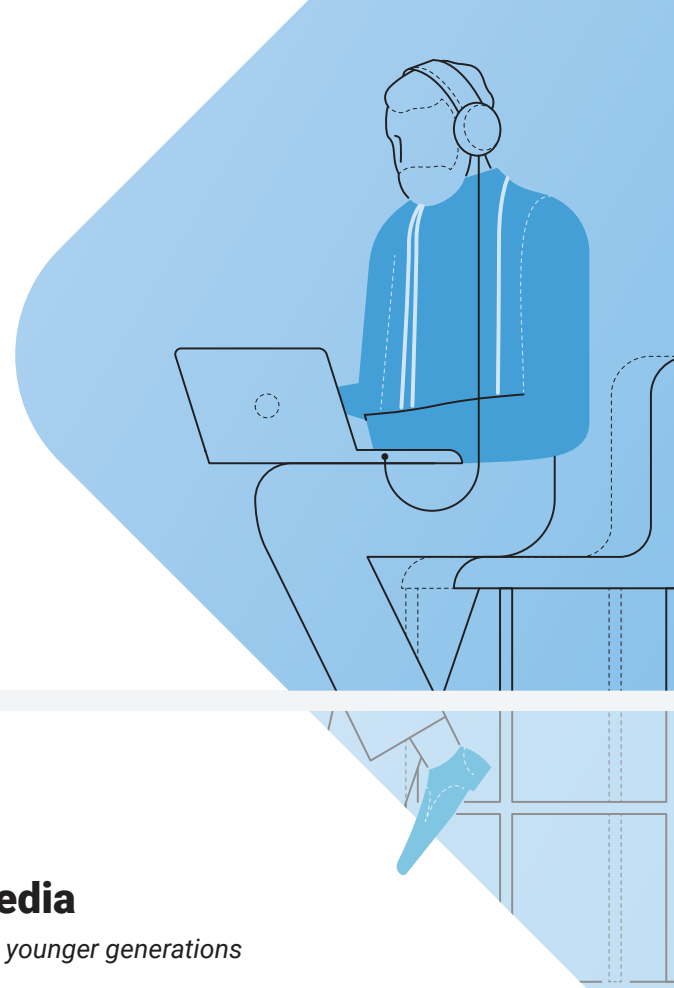




## Email

*The multigenerational rockstar*

If you are looking for a versatile channel, it's email. Every generation wants to communicate with brands over email. Millennials like email the most – with 64% saying it's their preferred channel. Gen Z likes email the least, but over 1 in 2 rank it as their most preferred channel.



## Social media

*Your key to the younger generations*

If your brand is looking to connect with Gen Z, social media is something you need to pour resources in to. 63% of Gen Zers want you to connect with them over social media. They are closely followed by Millennials – almost half want to hear from brands over social media. Unsurprisingly, less than 1 in 5 Boomers want to engage in social.

## Television advertising

*Connect with Boomers*

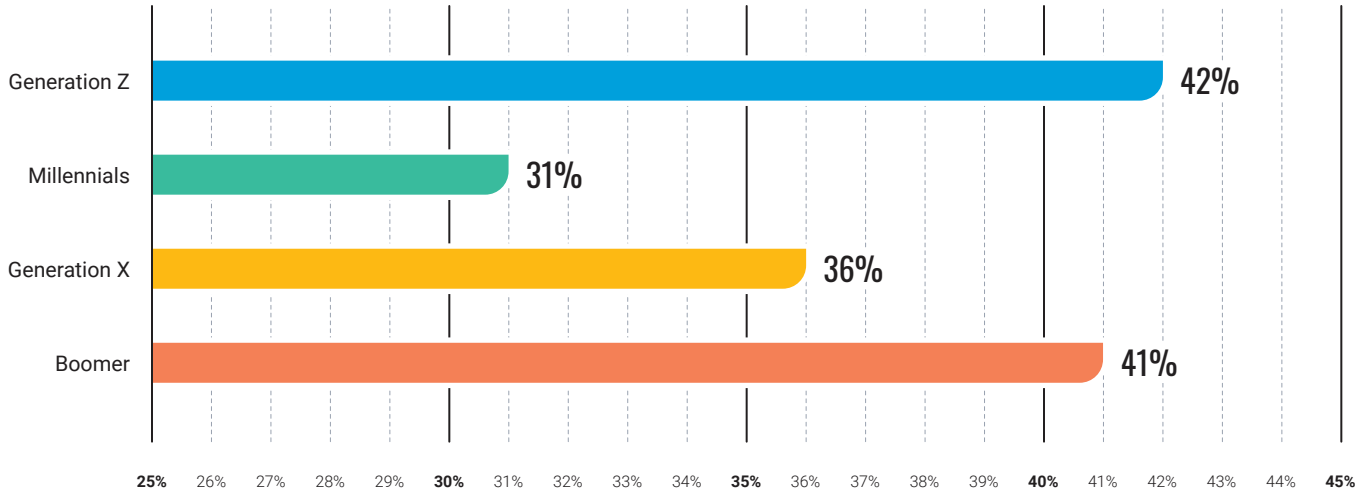
40% of Boomers want advertisers in their living rooms. While the rise of CTV means there's opportunities for brands to reach younger audience, tailoring direct response TV ads for an older audience is a good bet. Gen X is also willing to engage with television advertisers, with over 1 in 3 selecting the channel as their preferred way to hear from brands.





## The importance of brand reputation

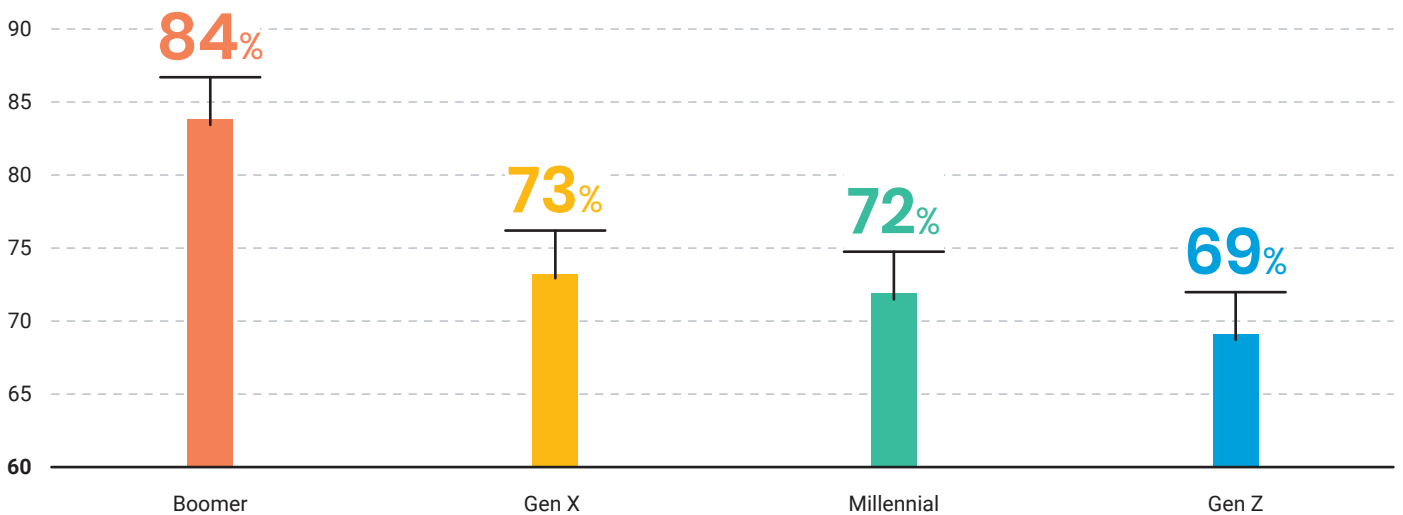
How important is brand reputation to consumers? The answer depends on who your target audience is. We found some of the largest differences in generations when we asked this question.



For those of you who think Boomers and Gen Z don't have anything in common – they do. Both generations are more likely to think a brand's reputation is "very important." Millennials are the least likely to put stock in a company's reputation.

## The importance of product quality

We asked consumers what companies would need to do to earn their trust – and the results were surprising. For example, while 84% of Boomers said a quality product would earn their trust, only 69% of Gen Z said the same.



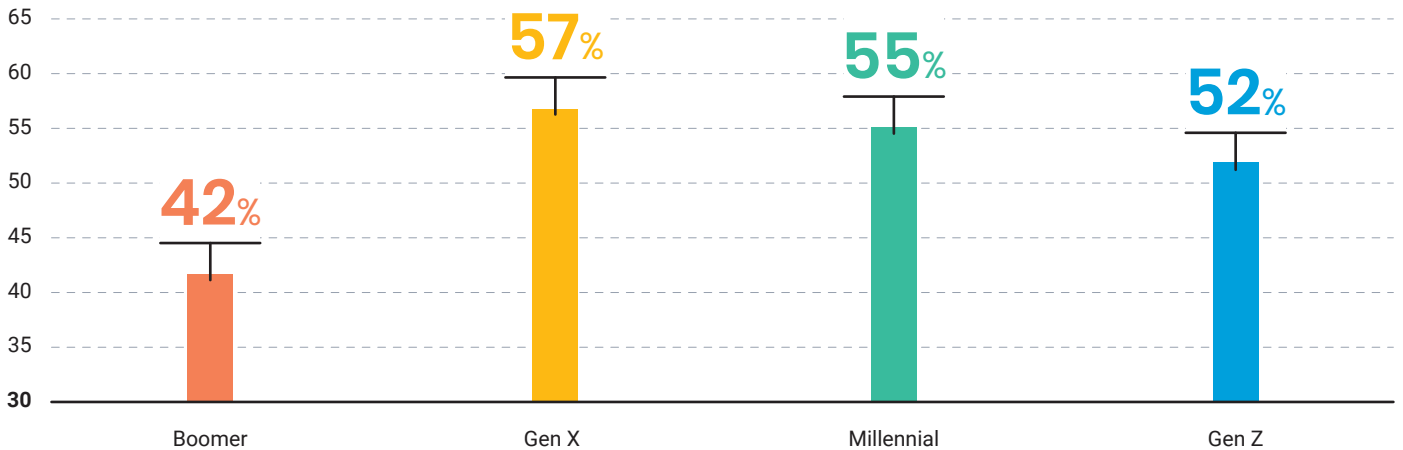
Despite the large gap between Boomers and Gen Z, customers overwhelmingly want companies to deliver a quality product in order to earn their trust and loyalty. Placing product quality at the core of your mission statement is a good way to keep your customers happy.





## The importance of loyalty and rewards programs

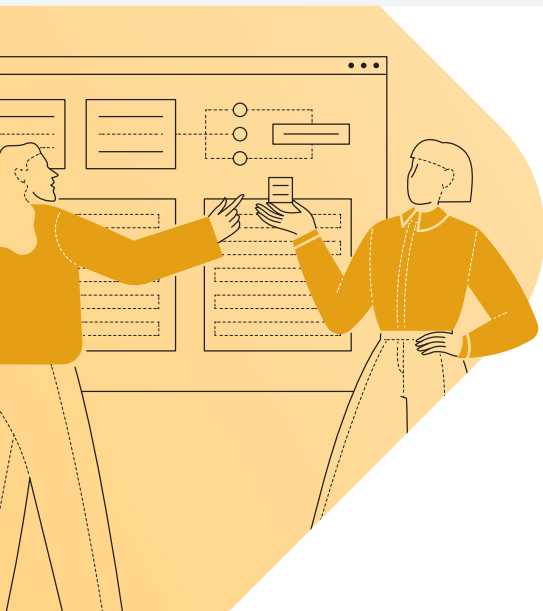
When it comes to these programs, targeting Gen X and Millennial audiences is your best bet. Gen X is most responsive to loyalty programs, with Millennials close behind. Surprisingly, Boomers place the least importance on these programs.



## The importance of deals

Everyone loves a good deal, but it's not surprising that the generation that has had the least amount of time to accumulate wealth wants to see good sales from brands. 65% of Gen Z respondents said that deals and sales were important to earning their trust. Boomers and Millennials were the least likely to respond to deals, but more than 50% still said this was important to them.

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## The importance of customer support

58% of consumers across all generations said that excellent customer support is key to earning their trust. It may not be intuitive, but rich data is the key to driving excellent customer support. The more you know about your customer, the more you can personalize conversations and interactions to make the customer feel understood and help to resolve their issues quickly.



## How to motivate consumers to engage with you

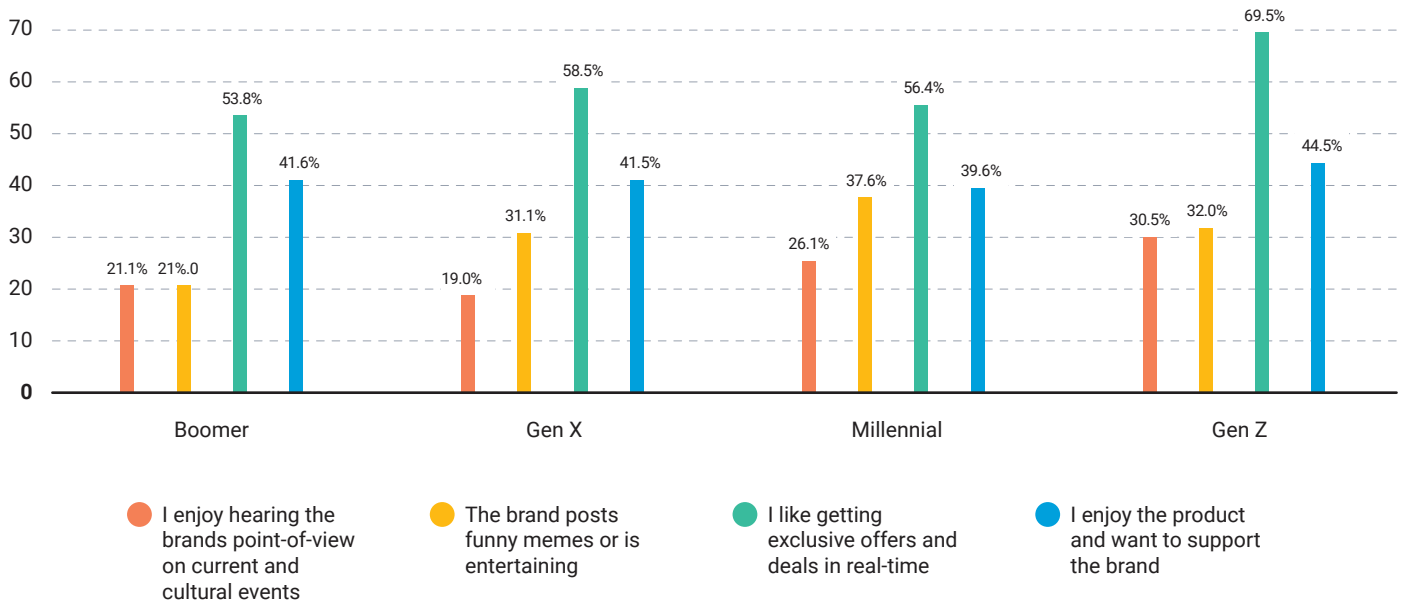
As a part of our cross-generational survey, we also investigated what motivates consumers to sign up for a company’s newsletter or follow them on social media. Across all generations, sales, deals and offers were the main motivations behind signing up for an email newsletter.

**59% of all consumers say they sign up for email newsletters to see sales, deals and offers.**



## Want to boost your social media following?

Here’s what you need to know:



All generations chose getting exclusive deals and offers in real-time as the No. 1 reason why they follow a brand on social media. However, when we drill down into the data, we see that 70% of all Gen Z respondents selected this as their main motivation. That’s a lot. Any company that wants to court this generation should make sure to post sales to their social media channels.

The second most popular reason to follow a brand on social media is that people enjoy a company’s product and therefore want to support the brand. In order to benefit from this knowledge, you need to have the right programs in place to make your customers feel valued enough to want to support you.



# Conclusion

In order to grow the relationship between your company and your customers, you need to know them inside and out. All your consumers are complex individuals who want to be advertised to about products that are relevant to them, with messaging tailored to their lifestyles, appearing in the channels they prefer.

Data is the key to powering your efforts to build a close bond with your consumers. The more you know about them, the more you can tailor your marketing strategy around their needs. Data Axle delivers the support, tools and strategies marketers need to connect with their members.

Let our team of direct-to-consumer experts design a D2C program tailored to your needs - one that increases brand awareness, sales and customer loyalty.

Have questions about how to get started in D2C?

We're here to help.

## Survey methodology

Data Axle employed SurveyMonkey to field this survey with 1,083 consumers, all aged 18 years or older and living in the United States.



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