

Millennial Shopper report

# Wired for more.



Understanding how Millennials  
drive media and tech adoption.

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## About our data.

Roundel™, via Fuel Cycle, surveyed 1,300 Millennials (ages 27-42) and 1,300 Gen Z adults (ages 18+) in April 2023. Respondent included both the general population as well as those who shop at Target at least once a month on average.

For survey questions that state, “Select all that apply,” respondents could multi-select so results will not add up to 100%.

For survey questions related to “Target shoppers,” we recorded a “yes” to shopping at Target at least once a month on average.

Roundel received additional insights on Millennials from our partners at Dentsu, Innovid, and LTK (formerly rewardStyle and LIKEtoKNOW.it).

All data for Target guests refers to those surveyed. Unless noted on the sources (back cover), the surveyed Millennial guests represents a total of 1,300 individuals and when referring to Gen Z, another 1,300 individuals.

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Introduction to the Target Millennial

# The “Lost Generation” is anything but.

Just like Y2k, most of what was written about Millennials in the late 90s was a bust. Among the many predictions for those born between 1981 and 1996? Millennials would:

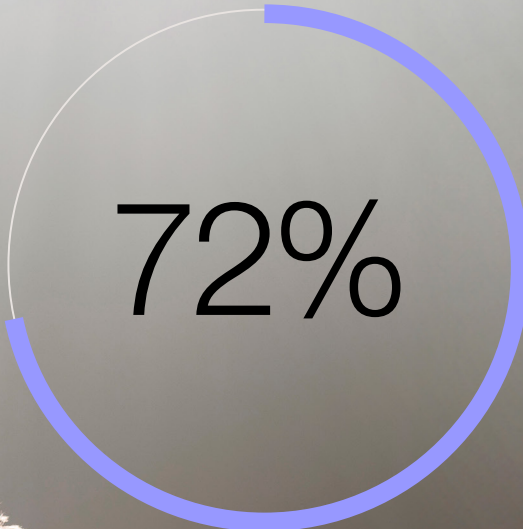
- have more traditional values.
- place a greater emphasis on experiences over material items.
- remain tech-obsessed.
- be stuck renting forever due to coming of age during the Great Recession.
- have a less positive outlook on life than their parents.

While they’re still big on experiences and tech, the rest of the predictions for the so-called “Lost Generation” simply didn’t pan out. Today, the Millennials we talked to are holding their own and thriving.

That doesn’t mean they didn’t surprise us, however. When comparing Millennials who shop at Target to their Gen Z counterparts (ages 18-26), a few things stood out.

## In this report, we’ll:

- Meet Target’s Millennial guests.
- See how they differ from Gen Z.
- Look at how they view life and family.
- Explore their use of tech and media.
- Help you understand how to design messaging that reaches them personally.



72%

of Millennials guests say digital ads help them discover new brands and (69%) see digital ads as a helpful purchase reminder.\*



# Online and in charge.

In 2023, the youngest Millennials turn 27 and the oldest Millennials are in their early forties.

After two decades in the spotlight, they not only command attention. They've earned it.

Millennials are digital natives and represent the largest portion of the workforce. By comparison, the younger Gen Z generation will only account for roughly a third of the workforce by 2030. The oversized purchasing power of Millennials means what they think and how they feel has a profound impact on every aspect of life.

While we know a lot about Millennials' purchasing behavior at Target, other behaviors are equally important. How they're feeling (financial outlook and quality of life), current shopping preferences, what media they're using, and how they are embracing emerging tech all influence what brands they're receptive to receiving messages from.

For brands that get the right mix of messaging and touchpoints, it can pay off. Millennials who shop at Target drive higher spend and more trips, compared to Gen Z and Gen X, and will for years to come.

# #1 in annual spend

Millennials represent the highest-spending generation at Target in 2023.<sup>1</sup>



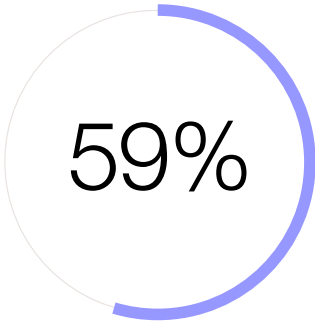
# Family values: The kids (and parents) are doing alright.

Two out of three (66%) Millennial Target shoppers identify as parents.\*

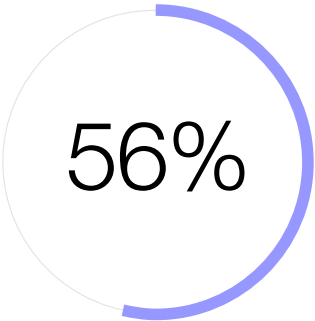
With a 15-year age gap between the oldest and youngest Millennials, they cross the spectrum of the parenting journey. Some are sending kids off to college. Others are bringing newborns home. What they have in common is a shared definition of success.

Millennial parents who shop at Target want to ensure they're meeting the basic needs of their family (food, clothing, housing). They also define success as being able to provide for others.

For brands that focus on families, messaging should be both practical and emotional. Think about the moments that will appeal to Millennial parents—a small, backyard gathering with influencer-worthy lighting or a family beach vacation—and how your brand can be a natural part of that moment.



define success as feeling safe and secure, with my basic needs met.



define success as being able to provide for someone else (i.e. kids or parents).



Media placements with family appeal—including brand-safe placements—can help increase engagement. For your ad creative, think about how your brand fits into key moments and how it can lean into Millennial's definition of personal success.

Pinterest is one ad-supported platform that's big on both inspiration and relevancy for those planning big life moments (house buying, baby, travel) and family moments (parties, baking, seasonal celebrations).

\*Survey size of 1,300 Millennials



# Financial security: Growing households strain budgets.

Millennials who shop at Target self-reported their household incomes within three distinct ranges.



More than two-thirds (69%) of our Millennial guests are at or above U.S. median income, yet only slightly more than half of the Millennials we spoke with feel financially secure.\*

While the economy and lingering impact of the pandemic are certainly a part of it, 3 in 10 say family growth has impacted their feelings of financial security. For the youngest Millennials, this will continue to be a pressure for years to come.

The same amount of those Millennials surveyed (30%) felt an upcoming/recent large purchase has impacted financial security. Unlike their Gen Z counterparts, large purchases are likely to

have a significant price tag, like new furniture, a European vacation, or a house. For CPGs, this means continuing to align with a retailer that delivers both value and quality is key.

With the oldest Millennials nearing peak-earning power, financial security is a trend to watch closely. Their financial outlook may change considerably in the coming years. On top of that, 44% of those we surveyed say having a fulfilling career is part of their definition of success. A positive view of work life can help add to their marketability.

53%  
of Millennials who shop at Target responded that they feel somewhat or strongly agree that they feel financial security, compared to 39% of Gen Z.

Aligning your brand with a retailer who creates in-store and online experiences, while also delivering value and quality, can have a halo effect for your brand. Using media to amplify retailer savings events can also draw in value-conscious consumers and give your brand sales a boost during key calendar months.



\*Survey size of 1,300 Millennials



# Big box is big with Millennials.

As a generation, Millennials are no different than Gen X, Gen Z, and even Boomers when it comes to convenience.

They place a premium on it. But as a generation that places a large emphasis on the experience, Millennials expect where and how they shop to offer more than just convenience. Millennials expect where and how they shop to add elements of delight and discovery to their day.

Their weekly shopping behaviors show just how often they seek out a variety of experiences. While we certainly expected big box stores to be popular with Millennials, even we were surprised at how much traction pop-ups and livestreams have. Across the board,

they're championing different experiences and as we'll discuss in the next chapter, that extends to media and tech, too.

That doesn't mean that everything has to be high-tech—or even high-touch. Calling out fulfillment options in your ads can help drive conversion among convenience-seeking Millennials. Think beyond ship-to-home options to Drive Up or in-store pickup to bring shoppers to their preferred retailer.



Target loyalists.

# 76%

of Millennials shop in-store or online at Target on a monthly basis, with almost 3 in 10 (29%) of that same group shopping at Target weekly or more often.\*

\*Survey size of 1,300 Millennials

## Weekly shopping behaviors by channel.





# Expecting a lot. And shopping around to ensure they get it.

While affordability and improving quality of life is important to Millennials, one purchase category ranked higher: product safety and quality.



83% of the Millennial shoppers we spoke to say high-quality, safe products are very/ extremely important when deciding what to purchase. Given that almost 4 in 10 (38%) of Millennials also prioritize buying sustainable brands, the focus on how products are made is right in line with their values.<sup>2</sup>

The sweet spot for Millennial shoppers—and for brands—is when they can pair the product attributes they want with a retail experience they enjoy. This affinity is especially clear when looking at Target loyalists.

## 20% more likely

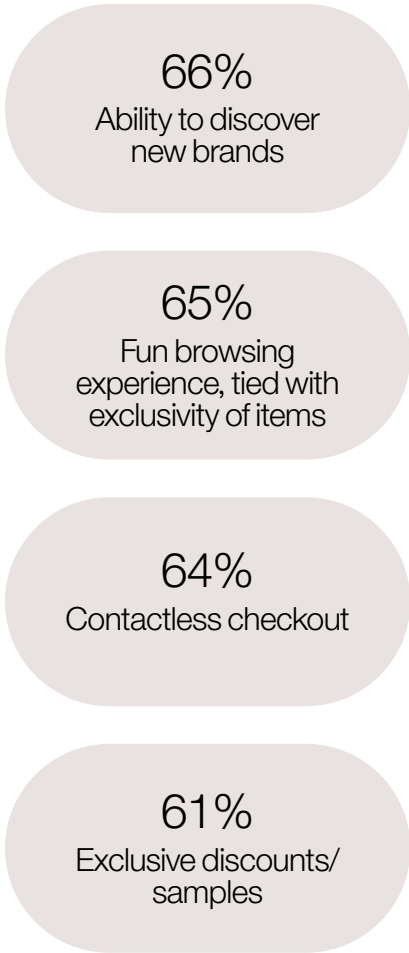
Millennial Target guests are more likely to say that exclusive discounts or samples drive them to shop online compared to Millennials who don't shop at Target.\*

\*Survey size of 1,300 Millennials

### Top drivers for in-store visits.



### Top drivers for online purchases.



Look for opportunities with your preferred retailer to lean into media that helps support a fun and inspiring experience for consumers—like sampling in-store or physical trials that brings shoppers and staff together. In an online environment, look to brand pages that lean into fun and engaging storytelling and effectively enhance digital browsing experiences for consumers.





# Fast to adopt, even as they get older.

Early adopters skew younger and tend to be social opinion leaders.

Surprisingly though, it's not the younger Gen Z leading the charge to try, and ultimately embrace, new tech and media. It's Millennials.

More so than Gen Z, Gen X—and yes, Boomers—Millennials currently use a range of tech while shopping, according to 2023 research done by dentsu.<sup>2</sup>

Brands looking to create unique shopping experiences should focus their efforts on appealing to Millennials to capture those "first to try," with the added benefit of knowing tech-friendly portions of Gen Z and Gen X will be next to adopt.

Tech used by Millennial shoppers.<sup>2</sup>

31%  
visual search

23%  
chatbot

23%  
Buy Now, Pay Later

22%  
AR/VR 'try on' tools

20%  
AR customization tool

#1

## Mobile apps

Millennial Target parents state retail apps are their favorite shopping method for a convenient, enjoyable and inspiring experience.





# Shoppable CTV: The next frontier for widespread Millennial adoption.

The majority of Millennials who shop at Target view digital advertising favorably. That affinity for advertising extends to shoppable CTV.

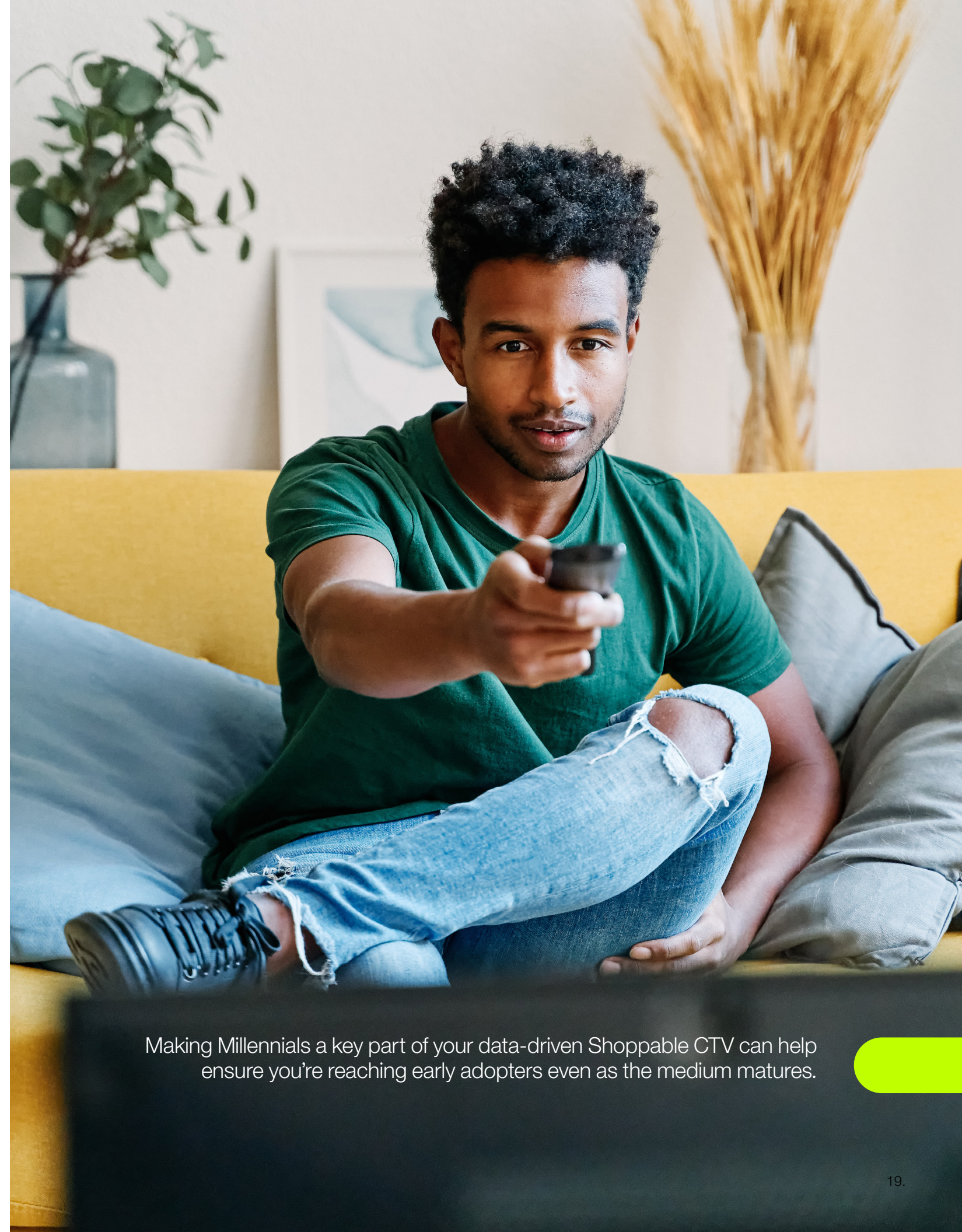
As with other media and tech, Millennials fully embrace platform enhancements more than any other adult generation, including the younger Gen Z. In a 2023 survey, 68% of Millennials said they would consider using streaming platforms to purchase products used or worn by their favorite characters.<sup>2</sup>

When we look at all Target guests surveyed—not just Millennials—just over a third (34%) are open to scanning a QR code while streaming.<sup>3</sup>

Shoppable ads can stand out among streaming apps' ad pods. And paired with the ability to use retail media data to segment audiences, we

fully expect Shoppable CTV to be an area of opportunity for brands to create experiences that take streamers from passive viewing to inspired to purchase.

When surveyed, nearly 1/4 of Millennials guests who shop at Target have purchased a product they learned about from a streaming services ad.<sup>3</sup>



Making Millennials a key part of your data-driven Shoppable CTV can help ensure you're reaching early adopters even as the medium matures.



# Social usage: Scrolling down and speaking up.

Millennials are frequent social shoppers, with almost a quarter revealing they shop on the platforms weekly.\*

More than any other generation, they're also using social platforms to share both what they think and what brands they love. Recent dentsu research shows that 46% of Millennials share personal reviews, and 43% share links to brands.<sup>2</sup>

That positive word of mouth can be big for brands, with 37% of Millennials (and 35% of Gen Z) social shoppers saying they discovered brands through a friend's post.<sup>2</sup>

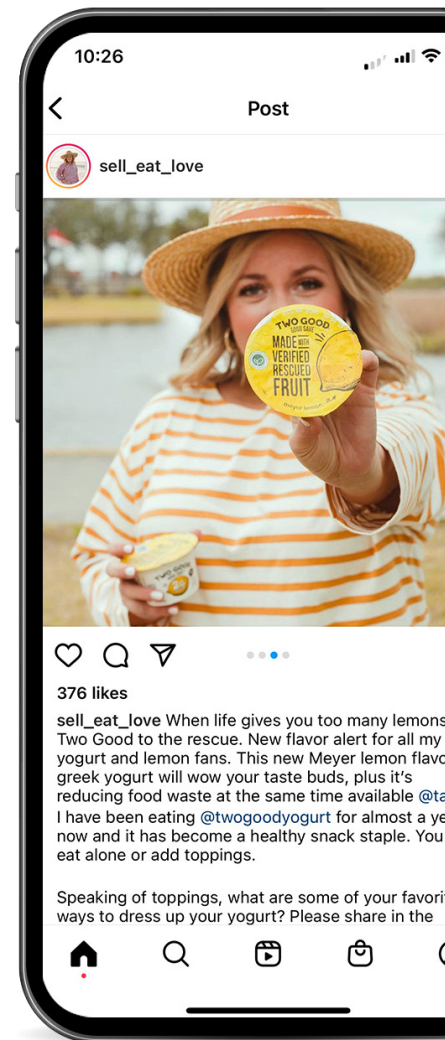
Social shoppers are also taking advantage of what else the platforms have to offer, with 54% saying they watch live streams, 49% engaging with them, and 35% creating their own livestreams.<sup>2</sup>

2x as many Millennials surveyed ranked Facebook as their top social media platform over Gen Z. When it comes to purchases, though, Instagram leads the way.



## 46%

Target guests (all ages) are 46% more likely to purchase products from ads on Instagram versus other sites/social media platforms.<sup>4</sup>



Using a mix of social platforms can help brands inspire and engage with Target Millennials on their favorite content. With the popularity of how-to videos and “hacks,” brands can also think about untraditional advertising that helps users discover new ways of using their products.

\*Survey size of 1,300 Millennials



# Trusted voices: Millennials lead the way in following.

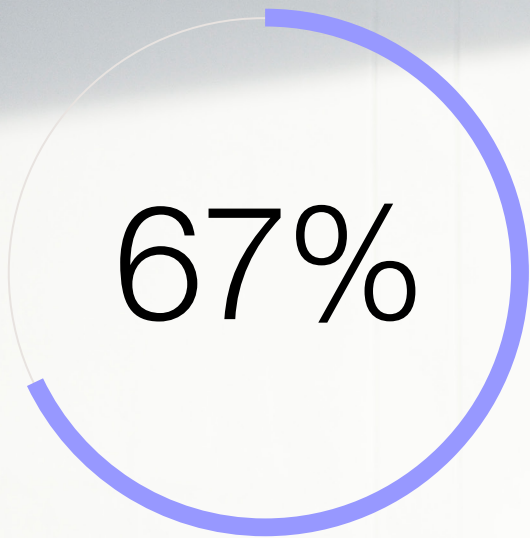
Can someone with followers numbering in the thousands or millions still be authentic? For Millennials, it's a hard YES.

While they frequently look to friends and family for purchase advice, they look to content creators (influencers). Across aisles and CPG categories, they're buying based on recommendations

from influencer marketing campaigns, then sharing their finds with friends and families. This share mentality can give ROAS an unseen but welcome boost.

## Top 10 shopped categories from creators by Millennials.<sup>5</sup>

- |                                |                          |
|--------------------------------|--------------------------|
| 1 Beauty/Personal care         | 6 All natural & organic  |
| 2 Clothes, shoes & accessories | 7 Baby                   |
| 3 Electronics                  | 8 Grocery                |
| 4 Video games                  | 9 Beer, wine & spirits   |
| 5 Cleaning supplies            | 10 Movies, music & books |



of Millennials make in-store and online purchases from influencer recommendations.<sup>5</sup>



The ability to drive conversion both in-store and online makes influencer marketing especially valuable for brands. While macro-influencers (100K-1M followers) have the reach many brands want, going smaller can pay off. With social users demanding more and more authenticity, think about how micro-influencers (1K to 100K followers) and even nano-influencers (under 1K followers) might play a role in your next campaign.



## Conclusion

Millennials aren't  
just wired for more.  
They're ready for more.

Four key areas define the Millennial mindset. Just as important, they can help define your retail media approach.

- 1 Work life**  
As the oldest Millennials inch toward peak earning potential, 44% of those we surveyed say having a fulfilling career is part of their definition of success, 19 percentage points over the younger Gen Z. In contrast, only 25% of the Gen Z we spoke to felt the same way. With many professional industries still championing work from home, this gives a wide range of brands—from food & beverage to decor—an opportunity to rethink how work and home lives intersect, and how they can be a part the new work-from-home world.
- 2 Personal life**  
Another equally important measure of success for Millennials is strong personal relationships. Almost 6 in 10 (59%) cited it as important, an increase of 13 percentage points over their Gen Z counterparts. Brands that find a way to speak to the needs of the family, or give inspiration for gatherings of friends, can look to grow brand relationships. Looking to media that has shareable potential can be beneficial as well.
- 3 Tech**  
In addition to psychographic insights, media and tech use can tell you a lot about Millennials. The Millennials we spoke to are embracing a range of media and tech, both for enjoyment and for shopping. Brands need to meet them where they are, in a way that furthers both their experience and their perception of your brand.
- 4 Shopping**  
Millennials want a better quality of life and that manifests in how and what they shop for. Quality brands with values that align with theirs, paired with a retailer that creates an experience they love, hits the sweet spot.

Additional tips: To get the most out of Roundel solutions that reach the Millennial Target guest directly, the next four pages have strategies that span the funnel.



# Social and streaming strategies.

## Social ads

Pinterest ranks #1 for brand safety and #1 in overall brand trust.<sup>5</sup> Use Social by Roundel™ Pinterest display ads to inspire guests during key holiday, seasonal (i.e. back-to-school), or life moments (new baby, new house). Target Creative can even work with your brand to create ads in the Target look and feel to increase effectiveness.

## YouTube bumper ads

94% of surveyed Target guests watch videos on YouTube, which is 26% higher than the overall U.S. population.<sup>7</sup> With Roundel's bumper ads on YouTube, you can leverage first-party data to reach unique Target guest segments—including Millennials and Millennial parents—with the ability to tailor your buy based on behavior and past purchases. Think about how your ads can be more relevant based on what's popular on the platform, whether it's featuring a meal prep idea or an idea to bring the family together.

## Influencer campaigns

Our testing directionally shows Influencers by Roundel™ can drive mid- to lower-funnel impact. Brands can realize greater engagement and sales performance when complementing other channels across the Roundel ecosystem (lower funnel media tactics) versus running media without Influencers by Roundel. Creator content from your Influencers campaign can be extended into image and display ads on Social by Roundel™, helping you maintain authentic content and extending the trust shoppers have for influencer marketing.

## Connected TV

With the range of streaming options, ensuring your brand appears in a brand-safe environment can help ensure that trust built isn't lost. Partnering with a trusted retailer can also help. Recent research shows our guests are 4x more likely to trust ads from Target over brands they have not purchased from previously.<sup>8</sup> With creative options on messaging, images, and call-to-actions, Shoppable CTV through CTV by Roundel™ offers a great test and learn opportunity.

Social platforms ranked by weekly usage of Millennial Target shoppers.

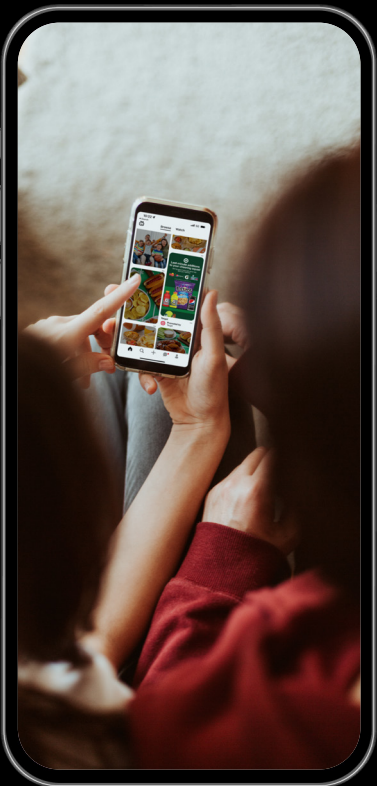
#1 YouTube

#2 Facebook

#3 Instagram

#4 Tik Tok

#5 Pinterest



57%

more likely for Millennials to rank streaming TV content as their top media platform over Gen Z in our recent survey.





# Off-site search, programmatic, and display strategies.

Using first-party data, Roundel can help you reach guests on their favorite content, then direct them to your brand's page at Target.

## Programmatic and display

Engage with new customers who don't know about your brand or product. Or refine your targeting to reach lapsed loyalists through unique offers.

With Bullseye Marketplace, our curated set of premium publishers, you can increase both awareness and consideration with Millennials on the content they love. Using Bullseye Marketplace comes with the added benefit of protection against fraud and brand-safe inventory. Programmatic by Roundel™ also gives you the creative flexibility to either drive relevant audiences to Target.com or to retailer-neutral landing pages to generate interest.

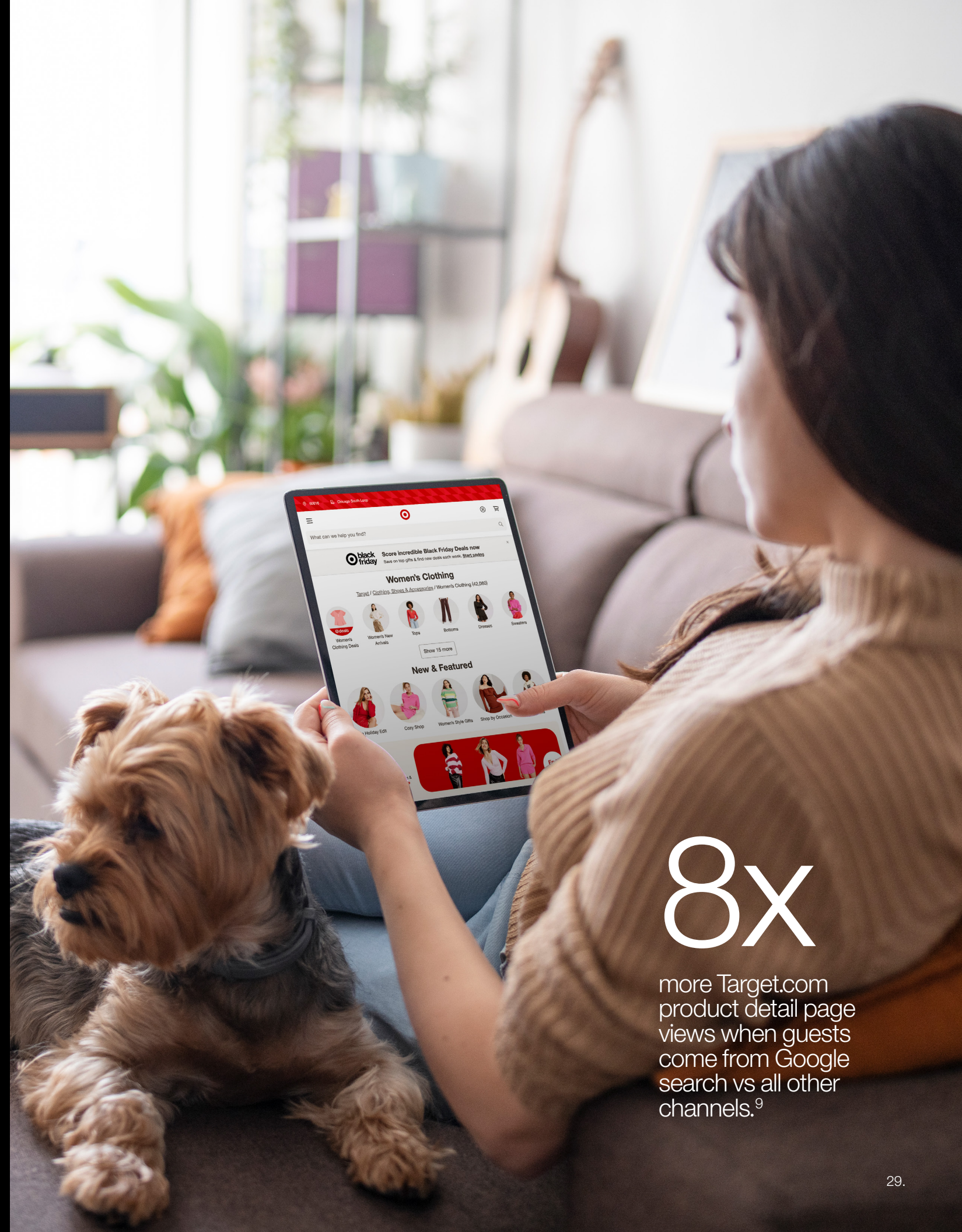
## Google search

Continuously capture high-intent hand raisers by leveraging Target's product feed and first-party data. By taking an always-on Google Search strategy, you create a foundational layer to ensure you capitalize on your brand marketing efforts and meet the consumer where they need your products the most.

Finally, ensure your item listings with Target are up-to-date with the latest consumer trends. Use clear highlights and descriptions to encourage purchases of that "perfect match."

## Pinterest search

Increase the relevancy of your Pinterest pins by ensuring your hero creative includes products consistent with the theme or season. Make smart use of the copy to highlight any promotions. Finally, consider including Target branding (Drive Up icon) to appeal to convenience-seeking shoppers.



# 8x

more Target.com product detail page views when guests come from Google search vs all other channels.<sup>9</sup>



# Target platform strategies.

Overall value is important to Millennial shoppers, but so are convenience and an enjoyable experience.

With Target delivering all three, you can reach loyal and engaged Millennials while they browse, surf, and shop.

Target Circle™ Rewards can help further extend your messaging through exclusive offers that build preference while appealing to value-conscious and deal-loving shoppers. With 100M+ Target Circle members, think about pairing Circle™ offers with Target Product Ads or display ads.<sup>10</sup> It's a great way to amplify your offer within the app. Multichannel media that drives Circle™ members to the app is another good strategy. The brands we work with are seeing success when promoting their promos (Circle deal, Target gift card with purchase deal, BOGO deal, etc.) ahead of Target Circle™ Weeks. With Circle™ members receiving additional free membership deals (i.e. Apple Music, Apple TV, iCloud and joint-point building with Ulta Beauty at Target), Circle™ Week has added appeal to value seekers.



## Sponsored on-site search

In-store shoppers, including 85% of Millennials, say they use their mobile devices to help make purchase decisions while they're in the Target aisle.<sup>8</sup> For Millennials shopping by price or deals, brands can increase bids towards promoting products that meet the definition of value (deals/ offers auto show up on ads). Target Product Ads by Roundel™ make it easy to add in relevant sale or deal keywords for targeting.

### Key moments

Lean into seasonal items and promotional periods by heavying up above and beyond always-on strategies to connect in key moments.

### Measurement

Target Product Ads offers sales reporting that includes both in-store and online attribution so you can truly understand how your media is making an impact wherever guests are purchasing.

## On-site display placements

In addition to sponsored search, you can add in relevant sale or deal keywords to search banners. Expanding your reach to specific seasonal or gifting audiences can also increase effectiveness. Finally, consider how you can use a variety of impactful placements to reach high-intent shoppers including:

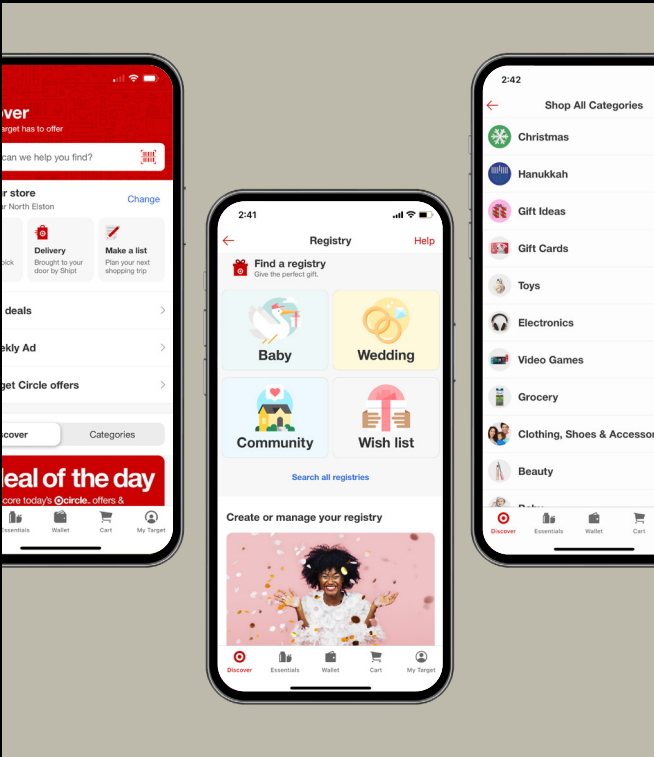
App Homepage  
Takeover

Category  
Pages

Gift Registry  
Pages/Listing Page

Multivendor  
campaigns (placed  
across pages)

Multivendor campaigns allow you to tap into Target branding and storytelling within display ads to connect with guests in key seasonal moments, including unexpected opportunities like spring break, allergy season, and winter cold & flu.



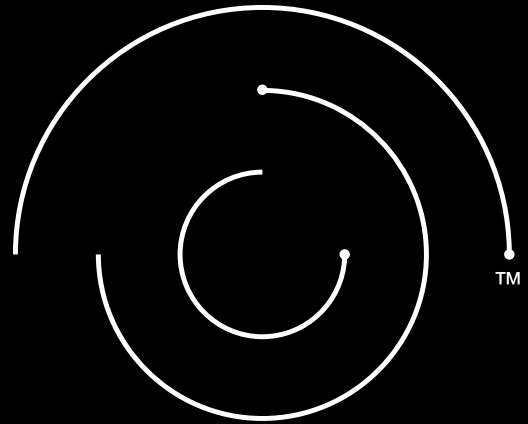
## Target.com product detail pages

Make sure value is conveyed in the page. Personal success outcome, i.e. Be a hit at the next BBQ, can help your brand connect emotionally. You can also never have enough reviews. Review help your product stand out as guests search and browse.

## Target innovations

With experiences that bridge the digital and physical, Target is consistently innovating the shopping experience. Together we're exploring new ways to engage shoppers, such as in-store screen testing. By making physical experiences more engaging with the scale of digital, we can delight more shoppers. It's part of our One Target approach where we work across multiple Target teams to create experiences that enhance what our guests consume and shop for across content. Let's talk about what we can do to help you inspire Target guests.





## The latest insights.

To get frequent insights on Target guests' media and shopping preferences, as well as product and partner announcements, follow us on LinkedIn @Roundel.

## About Roundel™

As Target's media network, we design curated experiences to create a better connection between brands and Target guests. We offer both self- and managed-service solutions that help brands create moments that are relevant, trusted, and helpful. All backed by our first-party data and measurement that proves value—whether that's on Target's own platforms (think Target.com), the top video and social platforms, Google, or 150+ brand-positive publisher sites.

Learn how Roundel can support your media strategies at [Roundel.com](https://Roundel.com).

### Sources

<sup>1</sup> Target internal data for guest spend October 2022 to October 2023

<sup>2</sup> dentsu Consumer Navigator - Retail & eCommerce 2023

<sup>3</sup> 2023 CTV x Commerce Innovid Report

<sup>4</sup> Roundel survey sent to 2,500 current Target shoppers May 2021

<sup>5</sup> LTK Shopper Study March 2023

<sup>6</sup> Insider Intelligence

<sup>7</sup> Roundel survey to 2.8k Target shoppers in April 2022. The U.S. population is 68%.

<sup>8</sup> Roundel survey sent to 2,600 current Target shoppers, June 2023

<sup>9</sup> First-party Google search data and Target.com data from Roundel, verified May 2023

<sup>10</sup> Target 2023 Internal Data