Marketing to Millennials

HOW CONVENIENCE STORE CHAINS CAN REEL IN THE NATION’S LARGEST DEMOGRAPHIC

HINT: Give Them Choices and Appeal to Their Appetites
Millennials—now the U.S.’s largest living demographic according to the Pew Research Center—are all grown up and the most influential demographic in the convenience store marketplace. They have the wallet power to prove it and are projected to spend $200 billion this year alone.

And as the first generation armed with digital devices often before they could drive, they’re always connected. As a result, they’re accustomed to a seamless self-service, on-demand retail experience. At the same time, they expect an authentic, personalized customer experience.

We know our audience well. Some fun facts about our Millennial app users:

1. These 18-34-year-olds make up a third of GasBuddy users, or approximately four million of the drivers who are searching for their Perfect Pit Stop™ every month.

2. These GasBuddies have serious potential to spend, earning 11% more than the general public in the same age range.

3. GasBuddy Millennials are also more cost-conscious and like to receive relevant and timely deals and promotions.

4. When they do spend, they are apt to spend on food and beverages. This category outranks all others measured through our third party audience insights, including clothing, household products, sports and more.

5. Millennials who are GasBuddy users are 20% more likely than other Millennials to have an active lifestyle and 100% more likely to identify as being constantly “on-the-go.”

These insights into the Millennial GasBuddy audience are critical for convenience retailers to understand to actively court and retain this growing population. But how can retailers translate these insights into action?

We’re seeing new marketing and customer experience strategies being embraced by retailers and Millennial consumer alike in the areas of:

1. Brand Advocacy
2. Social Media
3. Experiential Commerce
BRAND ADVOCACY

Today’s 18-34-year-olds might be students, moms and/or stockbrokers, but they are all highly dependent on receiving information on their mobile devices. As a result, traditional branding strategies should be augmented by curating your Internet and mobile app reputation. Millennials look to your online presence to get to know your company, what you sell, and what other consumers think of you.

One way convenience stores are standing out is by tapping into Millennials’ preference for smaller, local brands and clean labels (fewer ingredients). Consider 36 Lyn in Minneapolis (pictured). They’ve reinvented the convenience store model by offering a variety of products, from chai and coffee to hot sauce and granola, made by small, local producers. They’ve demonstrated how quality, locally-produced products can help turn a store into a destination and drive sales. Through social media they do a great job conveying their hip/fun image. In addition, the store’s owner, Lonnie, continuously updates prices on GasBuddy and similar venues. Proactively managing their online presence feeds into a stellar customer experience.

SOCIAL MEDIA

Millennials consistently look to social media for reviews and impressions for just about all purchases. When they move or travel to a new city they look to Google Maps and other online resources such as GasBuddy to find stores. Millennials also spend a lot of time on Facebook and Instagram. In fact, a Facebook survey found that Millennials comprise the vast majority of Instagram users.

GasBuddy Convenience Store and Retail Trends Analyst/Evangelist Frank Beard recounts a story about Love’s Travel Stops that left a lasting impression with him. The company posted on Instagram about an Arizona trucker who used his loyalty program rewards points to purchase $500 worth of kids’ jackets for a local coat drive. Rather than do what some brands do and post for the hundredth time about 10-cent discounts on big gulps and pizza, Love’s promoted a customer who used his store rewards to purchase a pile of jackets to donate to needy children.
EXPERIENTIAL COMMERCE

Though highly dependent on their smartphones, Millennials still prefer to shop in brick and mortar stores (according to Accenture) for food. It’s what happens in the store that determines if Millennials will be repeat customers.

While they appreciate the “convenience” of a convenience store, Kum & Go, the nearly 60-year-old Des Moines, Iowa-based convenience store chain might as well consider a name change to Kum & Stay. Their new “marketplace” stores (pictured) feature indoor and outdoor seating, free Wi-Fi and device charging stations, made-to-order grilled sandwiches, and a beer cooler with a domestic, imported and craft beer selection – complete with growlers to take home. Sounds like heaven to the average Millennial.

They are hardly alone. Last year QuikTrip opened its first non-fuel store in midtown Atlanta, appealing to Uber-taking Millennials with healthy, made-to-order food options and outdoor seating on Peachtree Avenue. Similarly, Sheetz opened a 15,000-square-foot store at the University Place apartment complex at West Virginia University, providing one-stop-shopping, fresh food options, and a coffee, espresso and smoothie bar staffed by baristas.