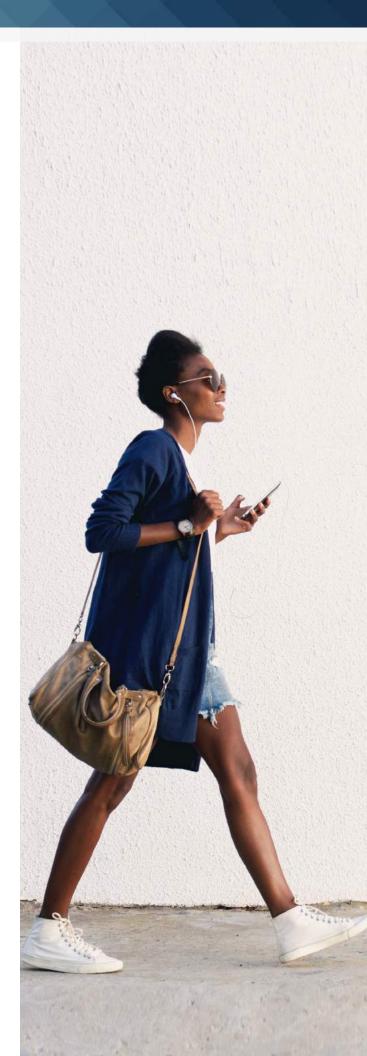
THE MARKETER'S GUIDE TO AFRICAN-AMERICAN MILLENNIALS



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INTRODUCTION

Millennials, who make up almost a quarter of the total American population, are the most diverse generation in U.S. history.¹ Too often, however, they're lumped together and thought of as one big group of young people. African-American Millennials, who make up 14% of all Millennials, are an especially differentiated group who have distinct habits and preferences when compared to the demographic as a whole.

Not only do African-American Millennials have a significant impact on mainstream American culture, they have a large and growing spending power of their own. In fact, total African-American spend is projected to reach \$1.4 trillion by 2020 – a 275% increase since 1990.² Millennials make up just over a quarter of the African-American population, and will account for a significant percentage of that spending power.

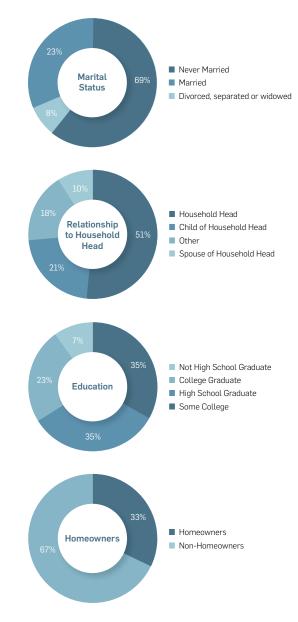
Total African-American spend is projected to reach \$1.4 trillion by 2020 – a 275% increase since 1990

In 2019, it's not enough to market to Millennials as a singular group; marketing campaigns must reach African-American Millennials in ways that speak to them directly. In the pages that follow, we'll outline some key habits and partialities that any marketer hoping to reach this coveted group of influencers and spenders would want to know. As the data in this study illustrates, a people-based advertising approach that leverages registered user profiles to drive deterministic targeting and deliver insights like dining preference, purchase habits and media consumption can be used to connect with African-American Millennials.

¹ The Millennial Generation: A Demographic Bridge to America's Future, The Brookings Institution, 2018 | ² Multicultural Economy Report, Selig Center for Economic Growth, 2018

Source: Brookings Institution analysis of U.S. Census Bureau Current Population Survey, Annual Social and Economic Supplement 2015 and 2015 American Community Survey. **Note:** Because of how the census survey is structured, the above chart includes analysis of ages 24-35





RETAIL PREFERENCES

The spending power of African-Americans as a whole has only increased in recent years. This is especially true for African-American Millennials as they age into their peak earning years. (While the exact definition of "Millennial" differs depending on who you ask, the U.S. Census identifies Millennials as those born between 1982 and 2000. That means most Millennials are currently in their 20s and 30s.)

TOP APPAREL AND BIG BOX RETAILERS

When it comes to some of America's major retailers, **Amazon** leads the way among African-American Millennials. This is the case both in terms of how many are making purchases from the online retailer as well as how many shopping "visits" per quarter they're making. It makes sense that shopping visits per quarter at Amazon significantly outpace trips to any of the other retailers we examined. After all, like most Millennials, African-American Millennials are an increasingly digitally savvy group. That's something to keep in mind when developing your marketing strategy.

Retailer	% of African-American Millennial Shoppers	Average Quarterly Spend	Average Shopping Visits Per Quarter	Average Spend Per Transaction
amazon	35%	\$304.29	8.5	\$35.95
O TARGET	23%	\$188.07	3.6	\$52.02
JCPenney	8%	\$152.58	2.4	\$64.79
KOHĽS	4%	\$95.96	1.5	\$66.06
NORDSTROM	3%	\$408.05	3.0	\$136.51

BEAUTY HABITS

The global color cosmetics industry is worth an estimated \$48.3 billion³, and African-American Millennials are heavy buyers. In fact, African-American Millennials are 24% more likely than other Millennials to be higher spenders on cosmetics and toiletries.

When shopping for beauty products, African-American Millennials are frequent shoppers at both Ulta and Sephora, but quarterly spend 15% more at Sephora. Here's how their purchasing habits break down at two of the nation's top beauty stores.

AVERAGE QUARTERLY SPEND

ULTA	\$97.47	
SEPHORA		\$111.82

AVERAGE SPEND PER TRANSACTION

ULTA	\$61.94	
SEPHORA	\$68.93	

³ Global Colour Cosmetics Sales to Exceed US\$ 48BN, Mintel, 2018

HOME IMPROVEMENT SPENDING

Although Millennial homeownership rates are down when compared to previous generations, **about a third of African-Americans aged 24-35 do own homes.** They therefore visit two of the country's largest home-improvement retailers rather regularly. Here's their purchasing behavior at Home Depot and Lowe's.

AVERAGE QUARTERLY SPEND

HOME DEPOT	\$323.51
LOWE'S	\$326.51

AVERAGE NUMBER OF VISITS PER QUARTER

HOME DEPOT	3.1
LOWE'S	3.0

AVERAGE SPEND PER TRANSACTION

HOME DEPOT	\$102.92	
LOWE'S	\$109.53	

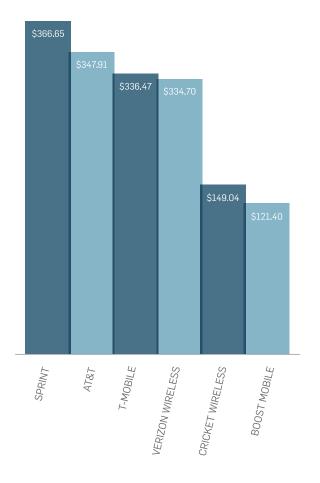
TOP MOBILE PROVIDERS

African-Americans lead the way in ownership of smartphones and tablets when compared to the total U.S. population, as well as in use of messaging apps, audio streaming services and ideation apps like Instagram and Pinterest.⁴ Given these habits, effectively integrating cross-device initiatives can make a big impact when advertising to African-American Millennials.

When African-American Millennials sign on with a provider:

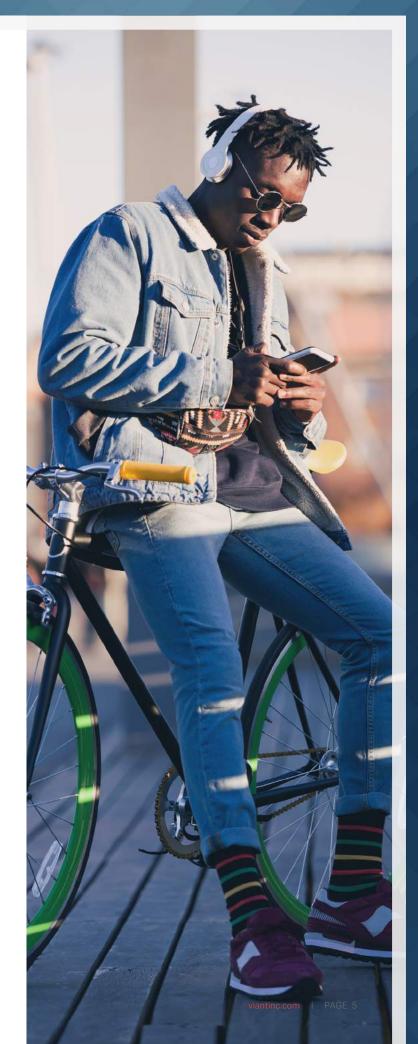
- They are 38% more likely than other Millennials to use T-Mobile and 20% more likely to use Sprint
- They are 28% <u>less</u> likely than other Millennials to use Verizon

Below, African-American Millennials' average quarterly spend at top mobile providers.

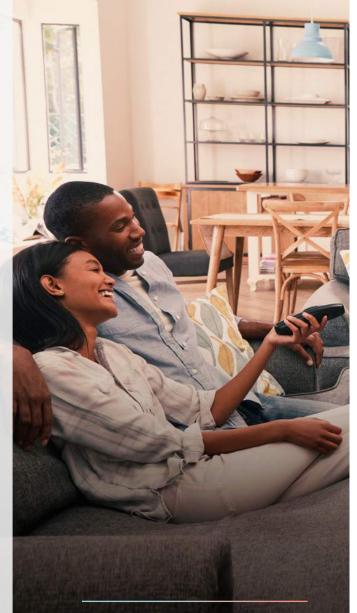


AVERAGE QUARTERLY SPEND AT MOBILE RETAILERS

⁴ From Consumers to Creators: The Digital Lives of Black Consumers, Nielsen Diverse Intelligence Series, 2018



FAVORITE TV SHOWS & NETWORKS



HULU LEADS THE WAY

African-American Millennials are less likely than other Millennials to stream TV shows – but that doesn't mean they're not doing it. And when they do watch OTT content, African-American Millennials are 13% more likely to use Hulu Plus.



African-American Millennials prefer to engage with media that speaks to them directly. In fact, 62% of African-Americans say they feel "really good" about watching programming that includes celebrities who share their ethnic background.⁵ Their TV show preferences back that up. African-American Millennials are ...

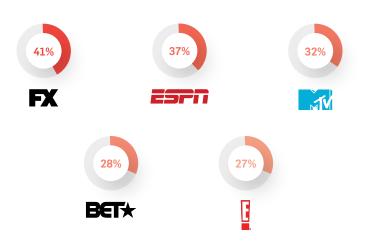
- 133% more likely than other Millennials to watch **Power**
- 74% more likely than other Millennials to watch Empire
- 40% more likely than other Millennials to watch **Blackish**
- 32% more likely than other Millennials to watch The Wendy Williams Show
- 22% more likely than other Millennials to watch **First Take**

This is a trend that exists even when comparing African-American Millennials to older African-Americans. When compared to older African-Americans, African-American Millennials are ...

- 14% more likely to watch Nick Cannon Presents: Wild 'n Out
- 12% more likely to watch Love and Hip Hop: Hollywood
- 11% more likely to watch **Basketball Wives**

African-American Millennials watch network TV (NBC, FOX, CBS and ABC) at about the same rates as other Millennials. But certain other channels are particularly appealing to African-American Millennials. FX, which airs *Atlanta* (created by and starring Donald Glover, an African-American Millennial himself), leads the way with 41% of the demographic tuning in.





 $\pmb{\textit{Note:}}$ This chart reflects the percentage of African-American Millennials that watch each network

⁵ Nielsen Scarborough USA+ 2015 Release 2 (August 2014-October 2015)

PREFERRED SNACKS & DRINKS

Based on our findings, African-American Millennials are social drinkers, more likely to be enjoying a beer, glass of wine or cocktail when they're away from home – they're actually 25% less likely to drink in their own homes. When compared to other Millennials, African-American Millennials are 11% more likely to drink alcoholic beverages at someone else's house and 12% more likely to consume alcohol in a bar or club.

When beer is the beverage of choice, two brands stand out to African-American Millennials: Heineken and Natural brands.

30% MORE LIKELY TO PURCHASE

🛨 Heineken

32% MORE LIKELY TO PURCHASE

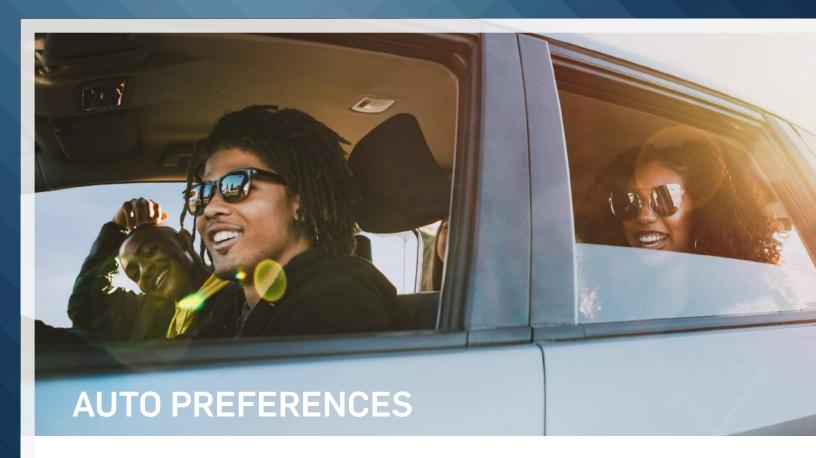


And what about the snack foods African-American Millennials are munching on, either when they're hosting friends or hanging around with family in front of the TV? They're 78% more likely than other Millennials to purchase **Ruffles**, followed by **Cheetos** and **Wise**.

TOP 5 SNACK BRAND PREFERENCES OF AFRICAN-AMERICAN MILLENNIALS



Note: This chart reflects the percentage of African-American Millennials who are more likely to purchase these brands compared to other Millennials



According to the most recent National Household Travel Survey, fewer Americans are driving than the last time the survey had been conducted, back in 2009. However, the survey also showed one interesting finding in regard to Millennials: Driving has actually increased in the last decade for Millennials who earn less than \$50,000 a year. Most African-American Millennials (64%) fit that qualification, according to our research.

Breaking this down by vehicle type, African-American Millennials are 40% more likely than other Millennials to drive fullsize cars and 5% more likely to drive mid-size cars. They're also 13% less likely to drive SUVs, which is striking considering the increasing popularity of SUVs across the market as a whole.

PREFERRED RENTAL CAR COMPANIES

African-American Millennials have strong preferences when it comes to a pair of rental car providers. They are: **3.3x more likely** to rent from Enterprise | They are: **2.3x more likely** to rent from Hertz

AFRICAN-AMERICAN MILLENNIALS ARE ...



more likely to drive a



more likely to drive a

40%



27%

more likely to drive a





3.

5.

6.

7.

African-American Millennials, who make up 26% of the total African-American population and 14% of all Millennials, have a growing spending power.

Like most Millennials, African-American Millennials are fond of Amazon. They visit Amazon nearly as often as Target, JCPenney and Kohl's combined.

The global color cosmetics industry is worth an estimated \$48.3 billion, and African-American Millennials are heavy buyers. They are they 24% more likely to be higher spenders on cosmetics and toiletries than other Millennials, and spend an average of \$111.82 per quarter at Sephora.

African-American Millennials support TV shows and networks that feature celebrities who share their ethnic background. As such, they are 133% more likely to watch Power, 74% more likely to watch Empire and 40% more likely to watch Blackish than other Millennials.

When African-American Millennials stream OTT content, Hulu is the provider of choice – and they're willing to pay for a Hulu subscription. African-American Millennials are 13% more likely to use Hulu Plus than other Millennials.

Salty snacks are a favorite of African-American Millennials, who are 46% more likely than other Millennials to graze on them. They're 78% more likely to buy Ruffles and 75% more likely to buy Cheetos.

Despite overall decreases of the number of Millennials on the road, driving has actually *increased* in the last decade for Millennials who earn less than \$50,000 a year. Most African-American Millennials (64%) fit that qualification, and they're 57% more likely to drive a Cadillac than other Millennials.

CONCLUSION

It's no longer enough to market to Millennials as a whole. Millennials are the most diverse generation in American history, and as such, have different experiences that inform their habits and preferences. To that end, African-American Millennials are more likely to support products and services that they believe to be relevant to their lives. Knowing this, marketers must establish direct relationships with this differentiated group of influencers and spenders. With people-based marketing, that's possible.

As the data in this study illustrates, a people-based advertising approach that leverages registered user profiles to deliver deterministic targeting and insights like ages, incomes, purchase habits and media preferences can be used to create robust, multifaceted customer segments. By creating this rich, unique customer profile, marketers can deliver the right message at the right time to the right consumer across all of their devices – critical when hoping to reach African-American Millennials.

METHODOLOG

This research provides a multi-disciplinary look at African-American Millennials, driven by data from the Viant® Advertising Cloud. As one of the leading people-based advertising technology companies, Viant® has access to a rich database of more than 250 million registered users through the Viant Identity Management Platform (IMP), as well as a strong roster of 50 deterministically matched data partners. This analysis focused on a population of 29 million Millennials and seven million African-Americans, including nearly three million African-American Millennials. The primary sources for these findings are internal data mining of the Viant Advertising Cloud and its people-based connection to rich, deterministic data sets including credit card shopping data from hundreds of millions of retail transactions; TV viewing data from our network of over 12 million households; leveraging automated content recognition (ACR) technology; and other consumer data from various partners.

ABOUT VIANT

Viant Technology LLC is a premier people-based advertising technology company, enabling marketers to plan, execute, and measure their digital media investments through a cloud- based platform. Built on a foundation of people instead of cookies, the Viant Advertising Cloud provides marketers with access to over 250 million U.S. registered users, infusing accuracy, reach, and accountability into cross device advertising. Founded in 1999, Viant owns and operates Adelphic and is a member of the XUMO joint venture.

In February 2018, Meredith Corporation (NYSE: MDP) acquired Viant parent company Time Inc. (NYSE:TIME) and all its subsidiary companies, creating a cross channel ecosystem of nearly 175 million unduplicated American consumers every month, including 80 percent of U.S. Millennial women. Viant is a 2018 Inc. Magazine Best Workplaces award winner. For more information, please visit viantinc.com. Or contact: Daniella Krieger, VP, Marketing & Communications, dkrieger@viantinc.com.

