ELITE DAILY

Millennial Consumer Trends

Millennials influenced most by blogs, respond to native over traditional ads and family inheritance/students loans have no impact on their spending habits.

2015

On October 26, 2014, 1,300 Millennials from Elite Daily's database of readers and contributors were surveyed on various consumer-related topics. The study was implemented to obtain a better understanding of our audience's consumer behavior, social media consumption and media expectations. The results have shed light on some notions we had already held about Millennials. For example, it has always been our belief that Millennials look for authenticity when consuming content.

It is interesting to note the behavioral shifts from generation to generation and, more specifically, from Gen X to Millennials. We surveyed Millennials on a wide variety of topics, including one of the biggest issues facing Millennials today: student loan debt and the resulting personal-finance issues. Millennials were among the hardest hit in the economic downturn; they carry an enormous amount of student loan debt and face a job market in recession. Currently, student loan debt is $1.2 trillion dollars, and tuition costs have surged 500 percent since 1985.

Brands frequently pose the question of how to engage Millennials. We specifically looked to see which social networks influenced Millennial spending and how that spending was broken down; our survey covered everything from savings and rent to entertainment and loans.

We found that Millennials comprise a vocal and active generation that wants to have a prominent voice in regard to issues and products that affect daily life, including cars and mobile phones. The "social generation" is heavily connected to brands and one another other, aiding in the fluidity of conversation between business and consumer, and also peer-to-peer interaction.

Elite Daily is the premier online news platform for and by Millennials, the leading source for breaking news and entertainment for the future leaders of our generation, with an audience of over 74 million monthly unique visitors. We are releasing this first study in order to identify Millennial-consumer trends and also enable brands to maximize their relationship with Millennials. We believe that Millennials are valuable to brands because they are early adopters and active brand ambassadors on social media.

OVERVIEW

Special thanks to Dan Schawbel of Millennial Branding for partnering with us on this study. Schawbel has worked on several research studies focused on millennials in the past years and sees the value of working with Elite Daily to help brands become more aware and equipped to work with millennials.

METHODOLOGY

Elite Daily and Millennial Branding conducted a public opinion survey among people of the Millennial Demographic. The study was conducted via a web survey utilizing the service Survey Monkey, an independent survey technology service company with "10 years of experience in survey methodology and web technology." Interviews were conducted from October 14 to October 19, 2014 among a nationally representative sample of 1,302 Elite Daily readers and contributor respondents age 16 and older. Of those respondents, 1,134 were between the ages of 18-35. The margin of error for the total sample is +/- 2.71% at the 95% confidence level. The margin of error for 18-35 respondents is +/-2.91% at the 95% confidence level.

This study is designed to capture, from a random sample of millennial readers/subscribers of Elite Daily, baseline information about the Millennial consumer spending and then a snapshot of their digital media consumption and taste.

For this survey, Elite Daily distributed the survey to their newsletter subscribers and 5 Facebook groups who were identified as Elite Daily readers via Facebook polls. The purpose of the study was introduced to potential respondents and the nature of participation explained. The completion rate to the respondents was 60% per cent. Meaning that 60% answered ALL 42 questions and the remaining 40% answered some but not all.

Eligible Respondent

The survey was administered to any person age 16 and older who is a registered subscriber of the Elite Daily Newsletter and/or a member of Elite Daily's contributing network. The survey utilized a self-administered question to verify the respondent's age eligibility.

Sampling Methodology

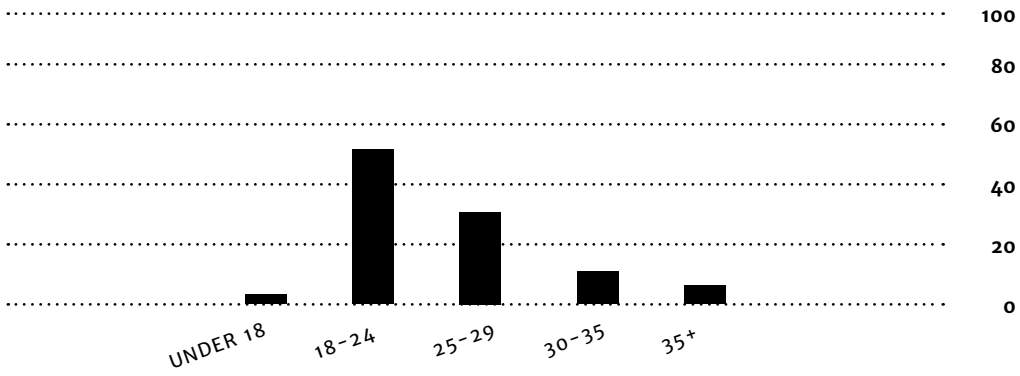
An Opinion Poll methodology was used for the survey via the Internet. We utilized a sample of the Millennial population (Approx. 86,000,000 according to the U.S. Census).

Millennials, born between 1980-2000, are more ethnically and racially diverse than previous generations; they are highly-educated, well-connected and purpose-driven.

The demographic analysis of the survey assesses the characteristics of Millennials, born between 1980-1996, as they begin to express their individuality while simultaneously obtaining the economic ability to embrace their newly found adulthood.

What is your age?

PERCENTAGE BREAKDOWN
1,211 ANSWERED · **91** SKIPPED

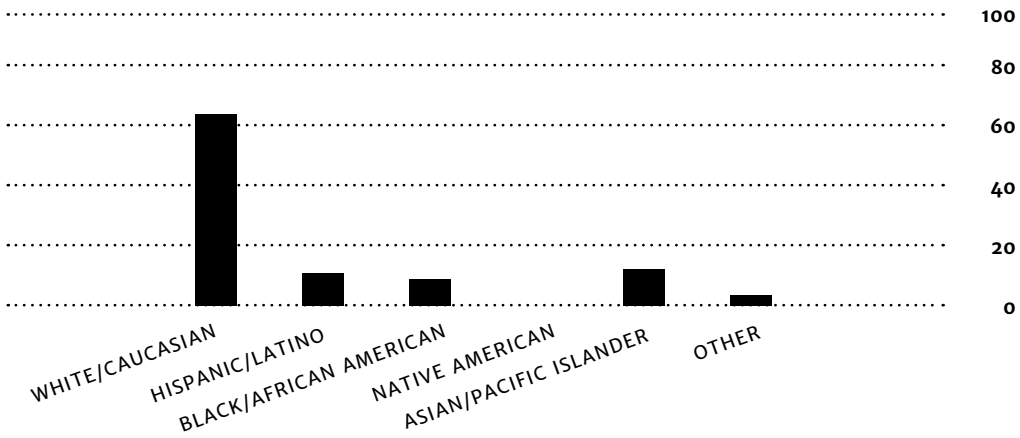


RACE AND ETHNICITY

Of the Millennials surveyed, about six in ten (64%) are non-Hispanic whites. One in ten participants is Hispanic (11%), which proves similar to Asian/ Pacific Islander (12%); 7% identify as African American, with the remainder identifying themselves as mixed race.

What is your ethnicity?

PERCENTAGE BREAKDOWN
1,302 ANSWERED · **0** SKIPPED

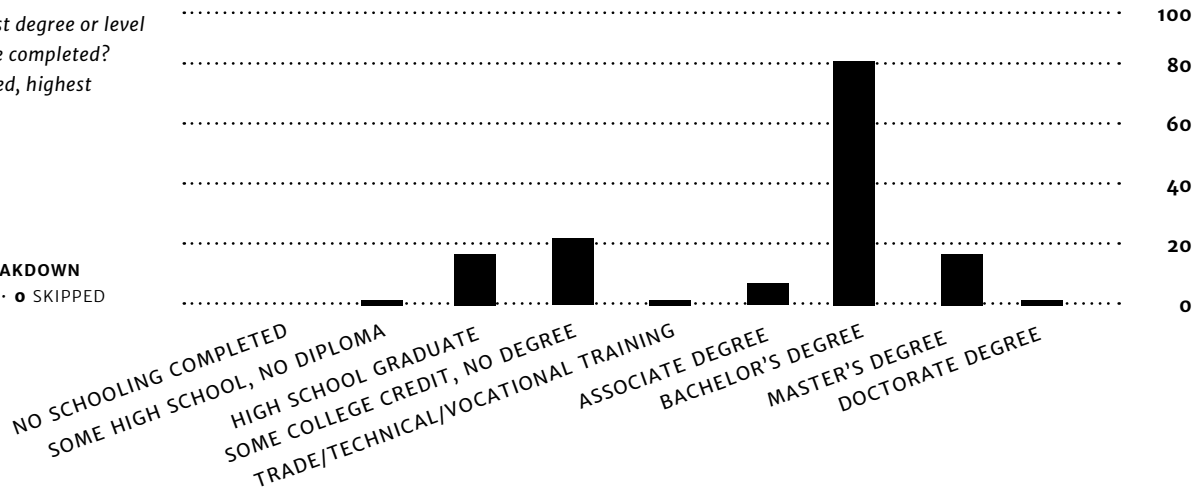


EDUCATION, MARITAL AND EMPLOYMENT STATUS

Millennials are the most educated generation in history: 6 in 10 have a 4-year bachelor's degree, 1 in 10 has a master's or PhD and 1 in 4 is currently enrolled as a full-time student at a university or college.

What is the highest degree or level of school you have completed? If currently enrolled, highest degree received.

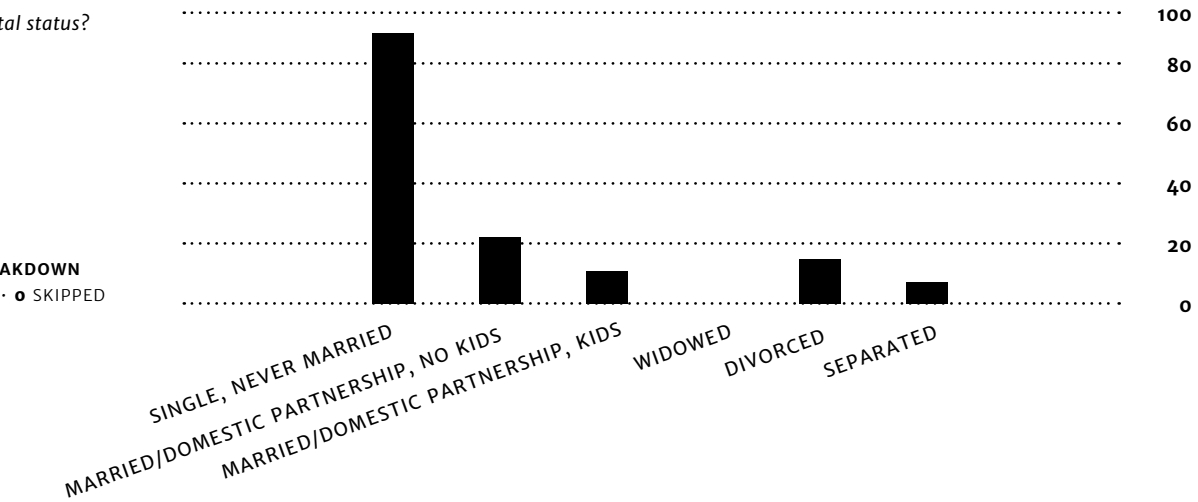
PERCENTAGE BREAKDOWN
1,302 ANSWERED · **0** SKIPPED



It is no surprise that Millennials are postponing marriage, with 8 in 10 classifying themselves as single; 1 in 10 married Millennials is putting off having children and an unprecedented 4% of Millennials are married with children.

What is your marital status?

PERCENTAGE BREAKDOWN
1,302 ANSWERED · **0** SKIPPED

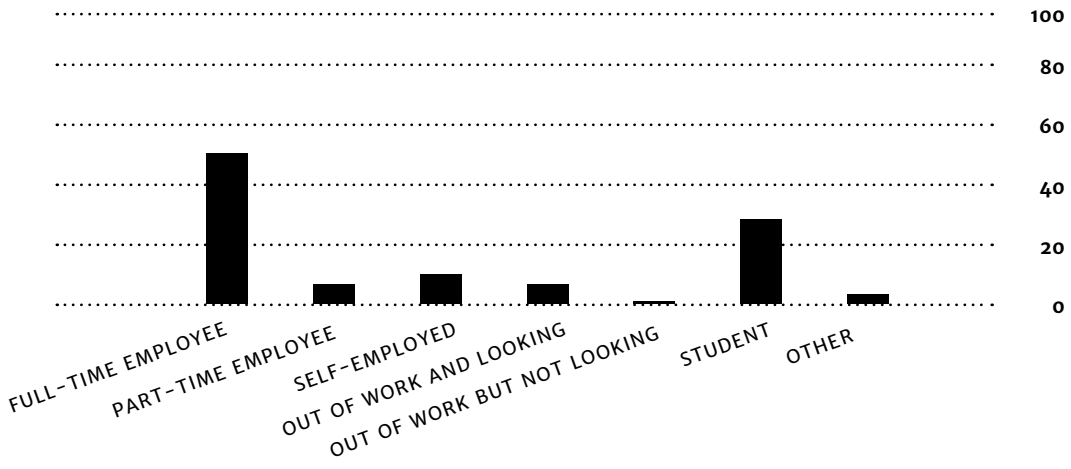


This trend may correlate to Millennials being under-employed and graduating with heavy student loan debts as they enter the workforce. Fifty-percent of millennials have a full-time job, while 8% have part-time employment and 1 in 10 is self-employed or working as a freelancer.

Of those surveyed, only 4% are unemployed and looking for work, which suggests that the workforce is hiring Millennial talent. As previously mentioned, 1 in 4 Millennials is currently a full-time student and 5% classify themselves as "other" with responses ranging from "Full-time student with part-time work" to "Volunteering and Interning."

Employment Status: Are you currently...?

PERCENTAGE BREAKDOWN
1,302 ANSWERED · **0** SKIPPED



IDENTITY, PRIORITIES, AND OUTLOOK

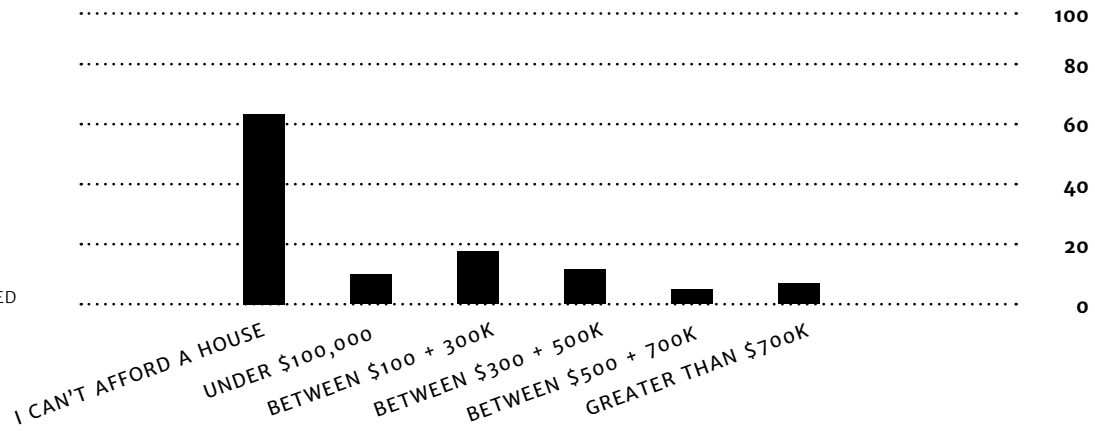
The Millennial generation proclaims itself to be a unique, creative and purpose-driven generation. This is made evident by its record-breaking volunteering hours, the amount of non-profits it has founded and the number of socially-focused entrepreneurial companies this generation has produced. It is evident that Millennials value identity, finance and social issues that impact them directly.

Millennials comprise the first generation to believe it will not be able to afford its own housing. At this moment, 6 in 10 Millennials say that they

cannot afford housing, which sheds light on the economic stability of this generation.

Approximately how expensive of a house can you afford (or have you bought)?

PERCENTAGE BREAKDOWN
1,181 ANSWERED · **121** SKIPPED

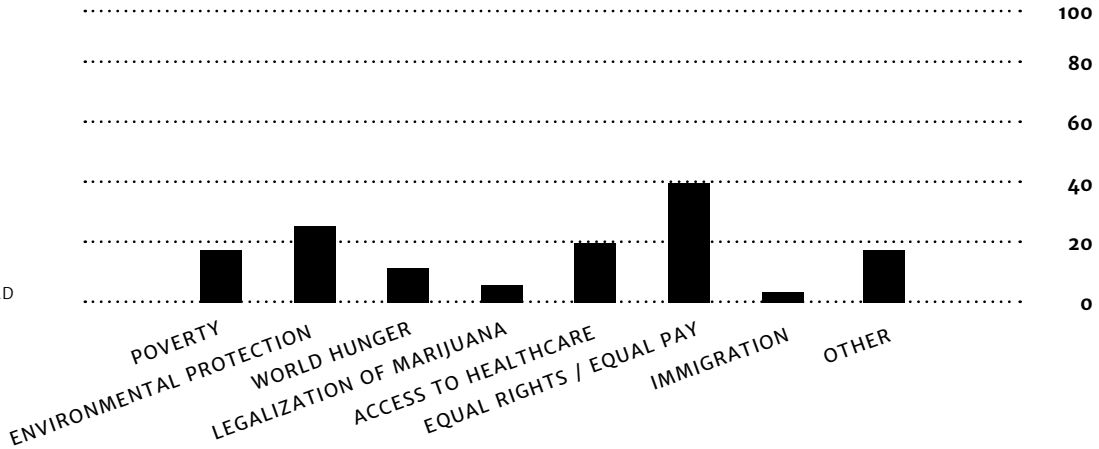


This, however, does not impede on the direction that they undertake for their civic engagement. When asked if about their knowledge of current events and civic issues, 9 in 10 Millennials said that they were somewhat or very informed; we can attribute this level of cognizance to the generation's ability to be always connected.

When asked to name the most important civic issue, roughly a quarter of Millennials said equal rights and equal pay (27%) was the most important issue, followed by protection of the environment (19%) and access to healthcare (14%).

Which issue is most important to you?

PERCENTAGE BREAKDOWN
812 ANSWERED · **490** SKIPPED



Millennials are passionate and purpose-driven; they like to contribute their time, money and effort to causes that are bigger than themselves. They expect this personal sentiment of giving back to society to be reflected in corporations and businesses, with 1 in 2 Millennials stating that it is very important and 2 in 5 in agreement that it is important/fairly important for companies to give back to society.

PERSONAL FINANCE & STUDENT LOANS

Millennials may not necessarily be happy with the current economic downturn — as they are simultaneously forced to absorb the brunt of the 2008 financial crisis, a recession and massive student loan burdens — however, they remain cautiously hopeful about their financial futures.

The majority of Millennials surveyed (77%) agree that the bad economy has impacted their ability to save and spend money, and believe that they won't get social security at age 66 (62%). Despite the $30 billion inheritance that Accenture predicts will transfer from Baby Boomers to Millennials in the upcoming years, 57% said that the money wouldn't change their spending habits.

Furthermore, 1 in 3 Millennials is already paying off student loans with his current job and parental support (23%). More than half of Millennials believe that they are already knowledgeable about managing their own finances and only 8% believe they have no knowledge whatsoever.

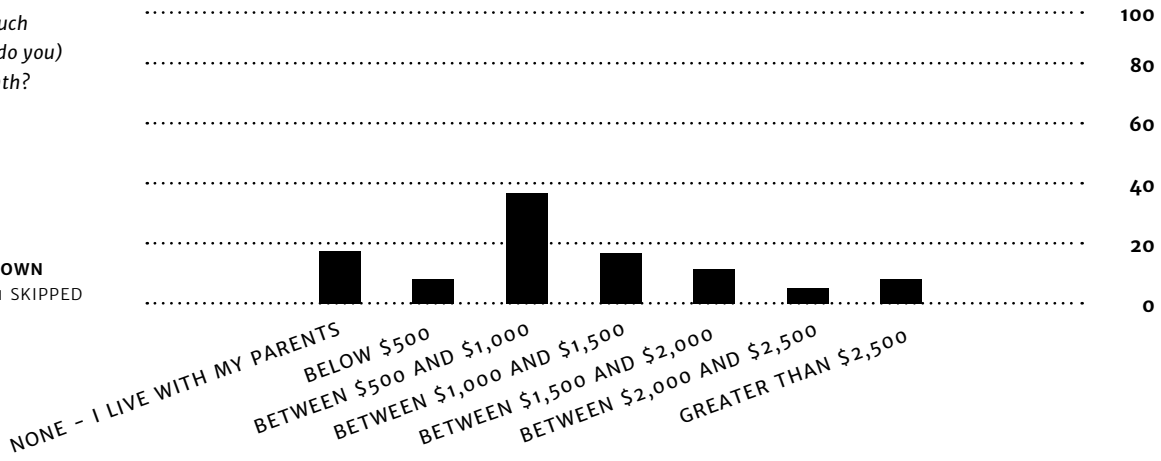
1 in 2 is putting between 10-20% of his income into savings accounts, but 1 in 4 Millennials is currently not saving any money. While 3 in 4 Millennials spend between 10-20% of their income on "fun" activities, 1 in 3 Millennials puts the same 10-20% toward healthcare cost.

[1] The "Greater" Wealth Transfer : Capitalizing on Transgenerational Wealth Transfer by Accenture 2012 http://www.accenture.com/SiteCollectionDocuments/PDF/Accenture-CM-AWAMS-Wealth-Transfer-Final-June2012-Web-Version.pdf

As the demand for home ownership declines and the demand for rent increases, it comes as no surprise that an overwhelming 96% of Millennials spend up to 50% of their income on rent. In order to keep rent cost down, Millennials are willing to room with 2 or more people (77%).

Approximately how much money would you (or do you) spend on rent per month?

PERCENTAGE BREAKDOWN
1,181 ANSWERED · **121** SKIPPED

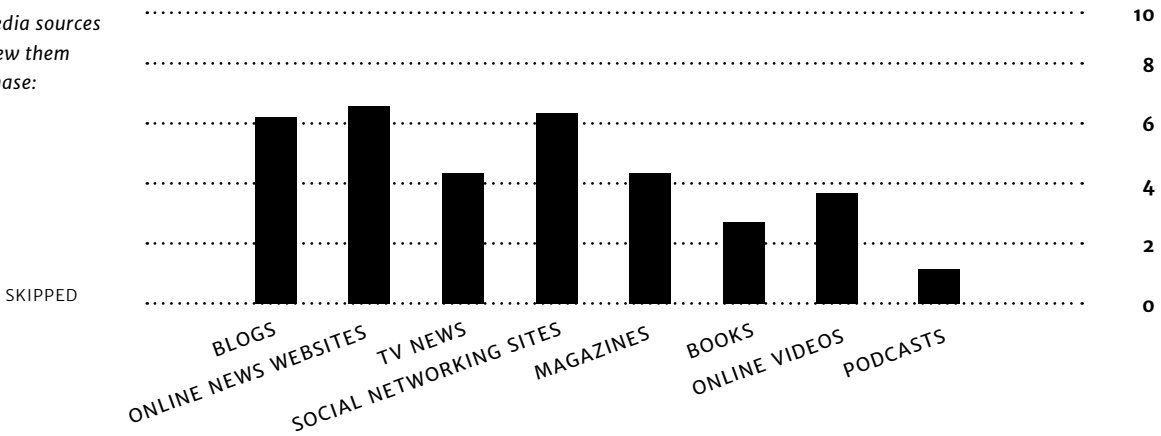


MEDIA, SOCIAL MEDIA, TECHNOLOGY AND CONSUMER BEHAVIOR

Unlike prior generations, Millennials rely mostly on blogs; 1 in 3 selected them as a top media source before making a purchase. Less than 3% of Millennials rank TV news, magazines and books (traditional media sources) as influencing their purchases and only 1 in 100 said that a compelling advertisement would make him trust a brand more.

Rank the following media sources by how often you review them before making a purchase:

RANK BREAKDOWN
878 ANSWERED · **424** SKIPPED

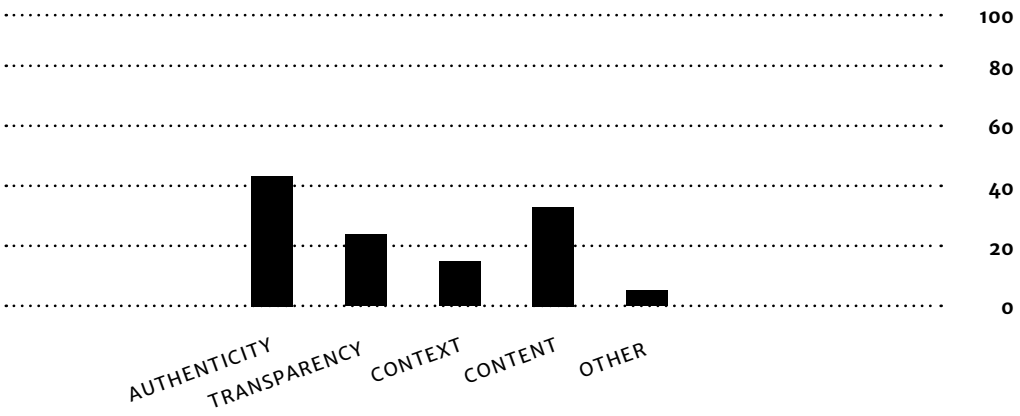


Millennials (58%) expect brands to publish content online before they make purchases and rank authenticity (43%) as more important than the content itself when consuming news (32%).

Millennials don't trust traditional media and advertising and are looking for the opinions of their friends (37%), parents (36%) and online experts (17%) before making purchases.

What matters most to you when consuming news?

PERCENTAGE BREAKDOWN
965 ANSWERED · **337** SKIPPED

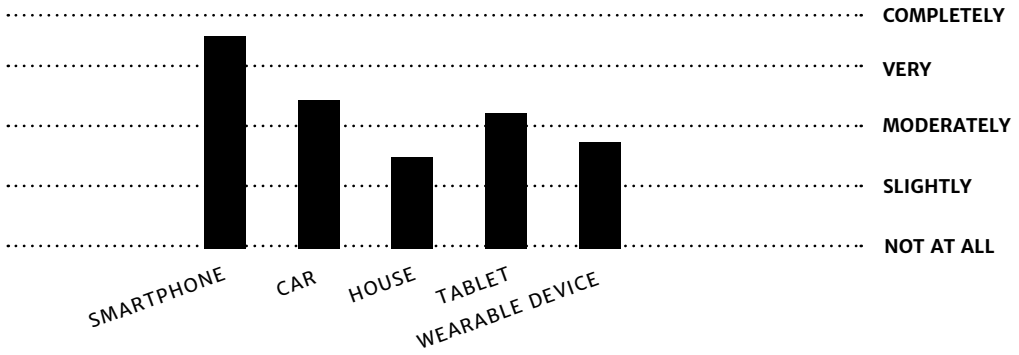


TECH & SOCIAL MEDIA

In today's digitally-connected world, tech devices are becoming more and more important to Millennials for media-consumption purposes; 87% of Millennials use between two and three tech devices at least once on a daily basis; 2 in 5 are either very or completely likely to purchase a tablet computer in the next five years, while 30% are gearing up to purchase some form of wearable devices. This use of state-of-the-art technology makes the Millennial generation the most connected generation thus far in history.

How likely are you to purchase the following in the next five years:

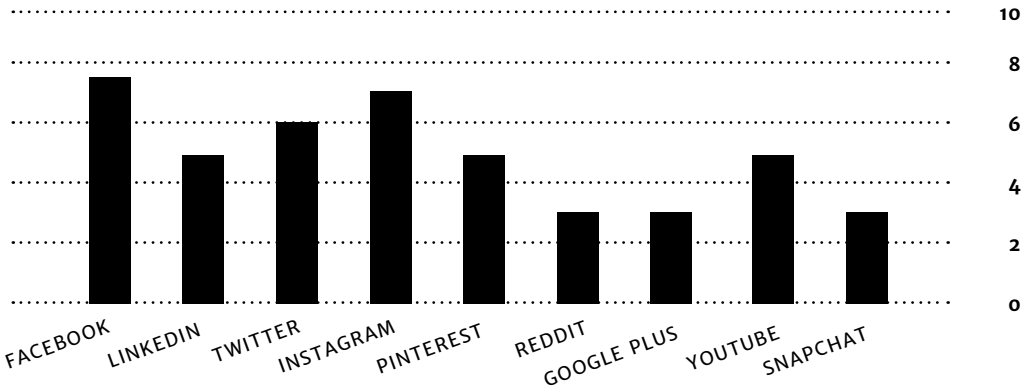
PERCENTAGE BREAKDOWN
1,195 ANSWERED · **107** SKIPPED



Millennials utilize their devices to stay connected with friends, family and colleagues through social media platforms. Facebook is the number one network that influences their spending habits (42%), followed by Instagram (21%), Pinterest (12%); with 6% each, LinkedIn and Twitter are tied. With over 1.2 billion users, Facebook is by far the largest social networks, and Millennials flock to it much more than competitors for purchases and relationship management.

Rank the following social networks by how much influence they've had on your spending habits over the past year:

PERCENTAGE BREAKDOWN
878 ANSWERED · **424** SKIPPED



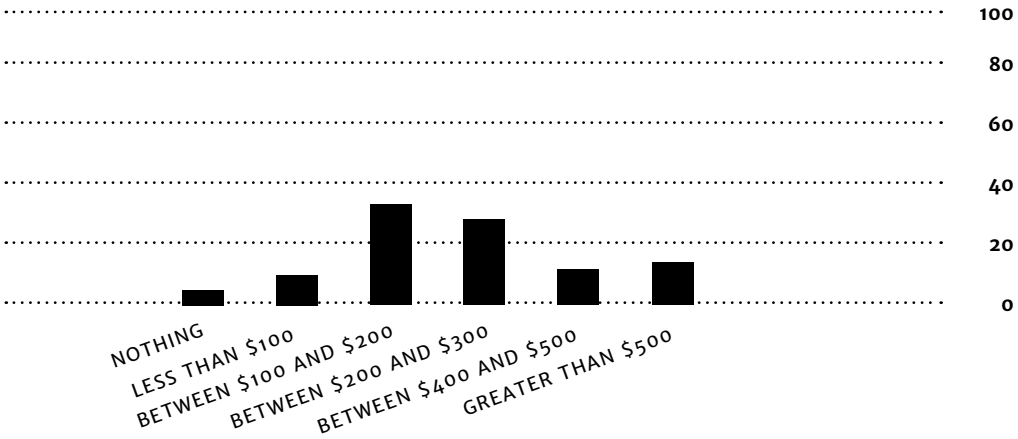
MOBILE PHONES

Phone ownership and access to digital media content on mobile apps are important to Millennials; 97% of Millennials are more interested in buying a smartphone than renting one. This supports the notion that Millennials want ownership of their media, data and information that is stored on their mobile devices.

Additionally, 64% have spent or would spend between $100 and $300 on a smartphone and 89% are either very or completely likely to purchase a smartphone in the next five years. Brands and media companies should be creating mobile app experiences to engage with the ever-rising mobile Millennial consumer; 2 in 5 Millennials are either very or completely likely to download a mobile app using their smartphones to access digital media content.

Approximately how much money would you (or did you) spend on your smartphone?

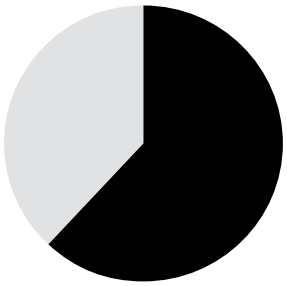
PERCENTAGE BREAKDOWN
1,181 ANSWERED · **121** SKIPPED



CONSUMER BEHAVIOR

Brand loyalty is important to Millennials and is earned based on product quality, a good customer experience and support for society; 60% said that they are often or always loyal to brands that they currently purchase; 48% said that the quality of the product is the most important attribute they check for before they decide what to purchase, which is more than twice that of price (21%). When asked about what influences them to share information about a brand online, 39% said "a quality product" and 30% said "a good customer experience."

If a brand engages you on social networks, such as answers one of your questions on Facebook, are you more likely to become a loyal customer?

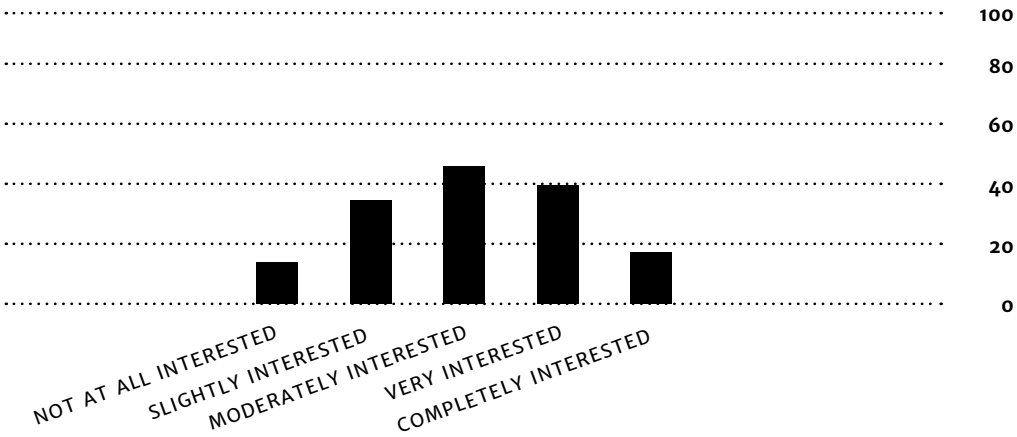


62% YES
38% NO

PERCENTAGE BREAKDOWN
1,302 ANSWERED · **0** SKIPPED

Millennials want brands to engage with them on social media and to be part of their product development team; 62% of Millennials say that if a brand engages with them on social networks, they are more likely to become a loyal customer; 43% say that Facebook is the social network that most influences their spending habits, followed by Instagram (22%) and Pinterest (12%). Brands should start, if they have not already, reaching out to Millennial consumers to assist them with development of future product or service; 42% of Millennials said they are interested in helping companies develop future products and services.

How interested are you in helping companies develop their next products or services?



PERCENTAGE BREAKDOWN
869 ANSWERED · **433** SKIPPED

An interesting highlight, which is good news for the automotive industry, was that 71% of Millennials would rather buy a car than lease one and 43% are either very or completely likely to purchase a car in the next five years.