

In a struggling economy, market to Millennials or miss out

By [Bertie Jacobs](#), issued by [North-West University \(NWU\)](#)

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Their pockets help fuel our economy and their spending habits determine the success of many business endeavours. They were born between 1981 and 1996, they are called Millennials and, according to Prof Roland Goldberg from the Faculty of Economic and Management Sciences at the North-West University (NWU), retailers would be remiss to ignore their specific spending needs.



Prof Roland Goldberg

“Firstly, I would say there is an emphasis on experiences and creating memories. Millennials tend to prioritise spending on experiences like travel or dining out and attending events, rather than focusing on material possessions. Then there is online shopping. Millennials are known for their comfort and proficiency in using e-commerce platforms like Takealot or Amazon and are definitely more likely to shop online than previous generations. They are also known as digital natives. Having grown up with technology, they are very tech savvy and are greatly influenced by online reviews and social media recommendations when making buying decisions,” he says.

“Many Millennials are much more conscious of environmental and social issues, so they often prefer to support brands and products that align with their values, which include sustainable and ethically sourced items. They are also more debt conscious than other generations, and many prioritise saving or paying off existing debts over extravagant spending,” explains Prof Goldberg, who is an expert in consumer behaviour, market segmentation and place marketing at the faculty’s School of Marketing Management.

“There is definitely room for improvement in South Africa in terms of understanding and meeting Millennials’ specific needs and desires.”

According to him, there are a number of ways to better tap into the Millennial market: “The most important thing for retailers to do is to establish a user-friendly website or mobile app for online shopping, along with secure and convenient payment options. And there are so many well-known retailers that still do not have this option available, which is quite worrisome. Also, retailers should promote sustainability. They should offer eco-friendly and socially responsible products and communicate this offering or their commitment to sustainability to their valued customers,” says Prof Goldberg, who also enthused about the importance of using social media platforms.

“Retailers must engage on social media and utilise platforms such as Instagram and TikTok for influence, and create various marketing campaigns that are in line with the needs and the characteristics of Millennials. Instagram and TikTok are the most important, as Facebook is becoming a bit redundant. I see many retailers in South Africa that are still very much focused on Facebook, but they should start moving their focus.”

What should retailers avoid when engaging with Millennials?

“Retailers should avoid overly pushy sales tactics. Millennials prefer a more relaxed and informative shopping experience and may be turned off by aggressive sales tactics. Being a Millennial myself, I must agree. Something else to avoid, is neglecting an online and mobile presence – something that many retailers are definitely doing at the moment. Unfortunately, they are failing to adapt to e-commerce trends and this can result in missing out on Millennial customers. Also do not ignore sustainability, and avoid selling products that harm the environment or support unethical practices.”

The NWU is committed to helping achieve the United Nations' Sustainable Development Goals (SDGs), of which SDG 8 (Decent Work and Economic Growth) is one of the goals at the heart of the research in the Faculty of Economic and Management Sciences.

By focusing research that investigates the preferred retail format of Millennials in South Africa, as well the factors that impact shopping centre patronage among Millennials – to name but a few – Goldberg and the team at the School of Marketing Management are giving retailers the tools to promote sustained and inclusive economic growth.

ABOUT THE AUTHOR

Bertie Jacobs is an award-winning journalist who has been published extensively in a variety of national media publications. He is an alumnus of the North-West University where he completed his honours degree in journalism. He enjoys writing about current affairs, everything sociological, human-interest stories and sport. Bertie is a history and popular culture fanatic and spends most of his free time indulging in one of these pursuits... or traveling. Contact Bertie: [[Bertie.Jacobs@nwu.ac.za]]

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