



SUMMER 2017

MILLENNIALS ON MILLENNIALS

DIGITAL MUSIC AND DIGITAL COMMUNICATION

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This report represents a selection of highlights from our second Millennials on Millennials report, which focuses on digital music and digital communication.

Nielsen's Millennials on Millennials report series seeks to help brands and marketers better understand the differentiated behaviors of this extensive and impactful generation—one whose influence is steadily growing. Now the largest generation in the U.S., Millennials have disposable incomes and are starting to wield their spending prowess—and that prowess often begins with digital engagement.

This report series provides insight into that digital engagement. And more uniquely, the creators of this series are Nielsen Millennials. After all, who better to share the experiences of this up-and-coming generation than associates who are most familiar with the lifestyles our data tracks?

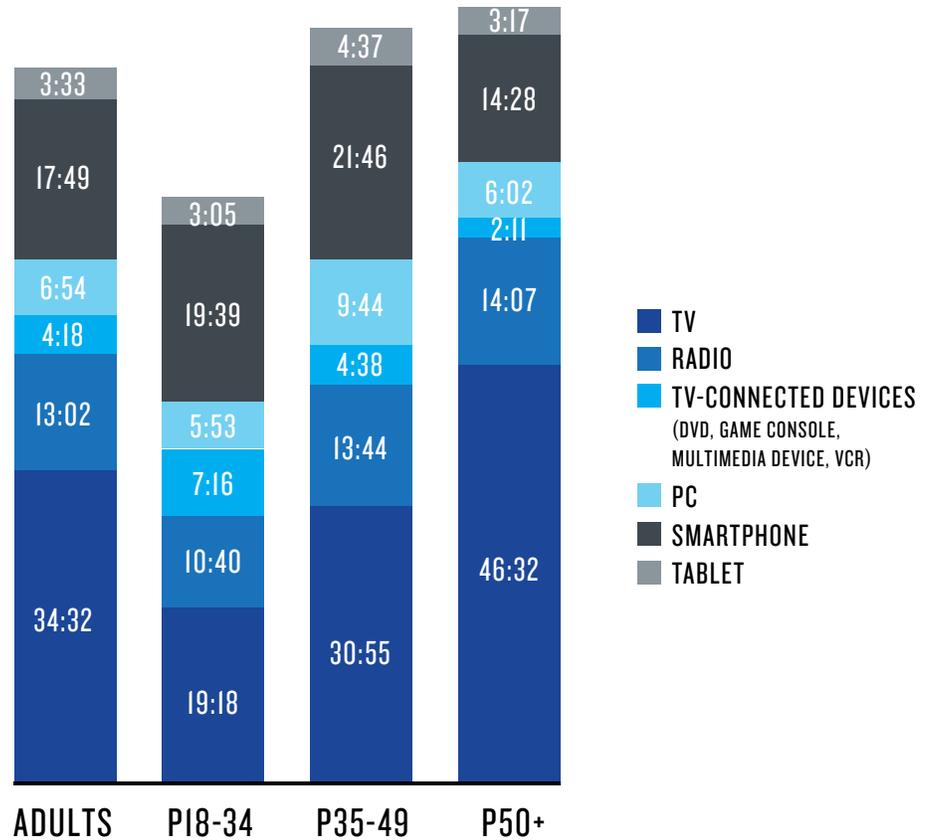
This “lite” report features a glimpse into some of the high-level findings of the second report in the series, along with select findings from the first report, which focused on viewing behavior and social media stars.

If you are interested in purchasing the full report, please email MillennialReport@nielsen.com.

It wasn't too long ago that brands, companies and marketers were busy planning for the arrival of the Millennial consumer. Today, the time to plan has passed, and 18-34 year-olds are now full-fledged consumers with completely unique consumer characteristics. For brands, this poses both challenge and opportunity. While Millennials are a massive demographic with growing spending prowess, the way they spend, shop, consume media and interact with one another—and brands—is anything but familiar from a historical perspective.

As the world is well aware, the uniqueness of Millennial consumers stems from their awareness and adoption of digital technology, especially their mobile devices. And in many ways, Millennials' digital engagement is the jumping off point for many of their consumer behaviors. In turn, each digital channel represents a key engagement point for brands, marketers and advertisers to interact with this budding group of consumers.

TIME SPENT WITH MEDIA WEEKLY HOURS:MINUTES OF USAGE



Source: Q4 2017 Nielsen Comparable Metrics Report.

As Millennials now represent the second-largest generation in the U.S.—a generation that is now starting to flex its growing spending capacity—insight into how these young adults use technology is paramount to brands’ ability to engage with them. Without this insight, marketers will likely be unsuccessful in their ability to influence how this generation ultimately spends its money.

Across the board, Millennials approach the digital universe differently than other consumers. Notably, Millennials are an unfocused audience, and they are less likely to stay loyal to specific media the way other generations are. But that doesn’t mean they’re consuming less content. To the contrary, Millennials are engaged with digital services during all waking hours of the day, and many keep their devices close at hand—and turned on—when they sleep.

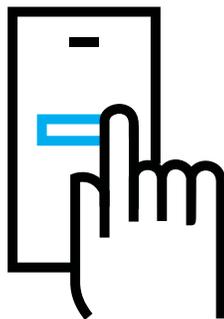
CONTEXT FOR MODERN CONVERSATION

Any conversation about Millennials and digital engagement would be largely deficient without an exploration into mobile usage and communication. Our most recent Comparable Metrics Report found that Millennials 18-34 spent 78 billion minutes in the average week using their smartphones (app and web) in the first quarter of 2017. That breaks down to 1,062 minutes per Millennial. Comparatively, consumers 35-49 spent 73 billion minutes in the average week, 1196 minutes per person.

Overall engagement with the top social communication platforms is high among Millennials. These platforms reach more of this generation than any other, and Millennials use them more frequently. These consumers are fickle, however, and their choices—in modes of communication and other digital engagement—fluctuate more than with other consumers.

Social reach is still growing among Millennials. However reach is growing slower because Millennials are already reaching mass adoption of these tools. But while platform-specific growth rates vary, Millennials are happy to broaden the number of services and apps they use as new options hit the market. In fact, 70% of American Millennials report using two or more apps for messaging. Comparatively, only 42% of consumers 35 and older use two or more.

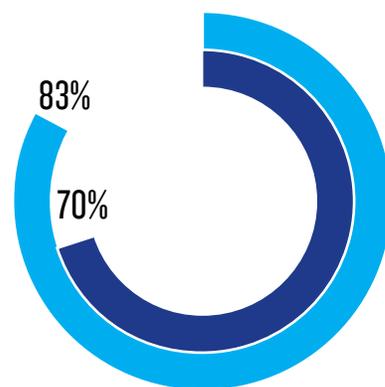
In line with their use of social media, Millennials take a “social” approach to their use of messaging apps. Notably, they’re 8% more likely than users 35 and older to use messaging apps for group conversations. They’re also 13% less likely to use messaging apps for 1:1 messaging than users 35 and older.



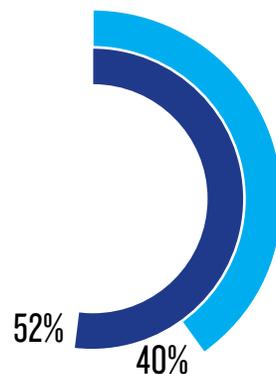
MESSAGING APP USAGE SEPTEMBER 2016

■ 18-34 ■ 35+

1:1 MESSAGING



GROUP MESSAGING



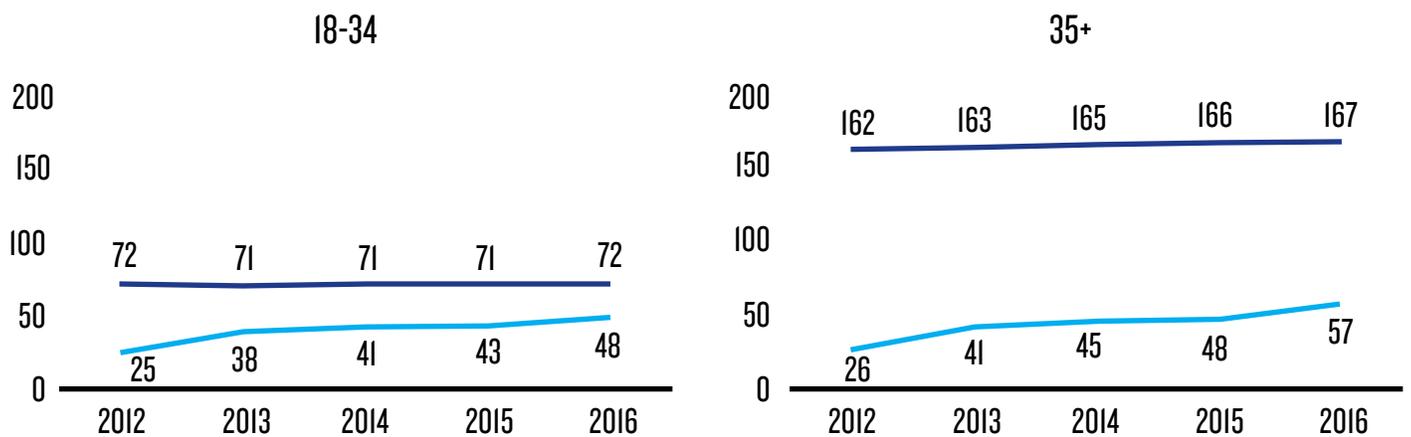
Read As: Seventy percent of Millennials age 18-34 report engaging in 1:1 messaging. Forty percent of consumers age 35+ use group messaging.

Base=users of Facebook Messenger, Gchat/Google Hangouts, Text/SMS/Message/WhatsApp

DIGITAL MUSIC RISES, ADDING TO TOTAL AUDIO CONSUMPTION

Digital music is also a hot topic throughout the media realm, particularly with respect to the means in which Millennials are consuming it. While there's no denying the impact of digital music, Nielsen data from the fourth quarter suggests that the increase in digital consumption is not reducing traditional radio tune-in. Notably, while the reach of digital radio has increased among both Millennials and consumers 35 and older since 2012, the reach of broadcast radio has not lost its audience! In fact, according to Nielsen's Q1 2017 Total Audience Report, weekly reach among Millennials is 93%!

BROADCAST AND DIGITAL RADIO AVERAGE MONTHLY REACH AVERAGE MONTHLY REACH (MILLIONS)



BROADCAST RADIO



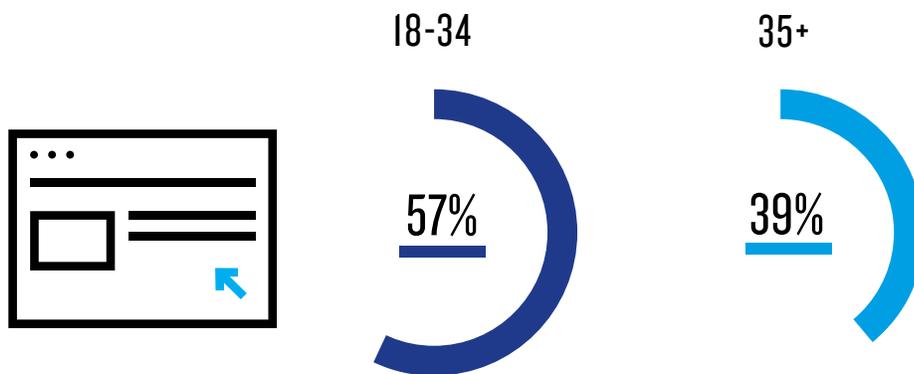
DIGITAL RADIO

Read As: Broadcast radio had 72 million listeners among ages 18-34 in 2016 while Digital radio had 48 million listeners.
Sources: Nielsen Total Audience Report, Scarborough USA.

But the story is bigger than just reach (i.e., how many people tune in during a given period). When we look at engagement, we see that Millennials are spending about the same amount of time listening to traditional radio as they were a year ago—even with a wealth of new media fighting for engagement time. In an average week, according to the fourth-quarter Nielsen Total Audience report, 18-24 year-olds spend 10 hours and 14 minutes each week listening to the radio, which is about an hour less than 25-34 year-olds (11:17).

At the same time, on-demand streaming gives Millennials another option while on the go! Nielsen's 2016 Year-End Music report noted that total audio streams spiked 76.4% last year, as Americans listened to almost 252 total audio streams. Much of that comes from Millennials, as almost 60% say they use two or more apps to stream music, compared with just under 40% of consumers 35 and older. Consumers 35 and older are also more likely to remain loyal to a single app or streaming service than Millennials.

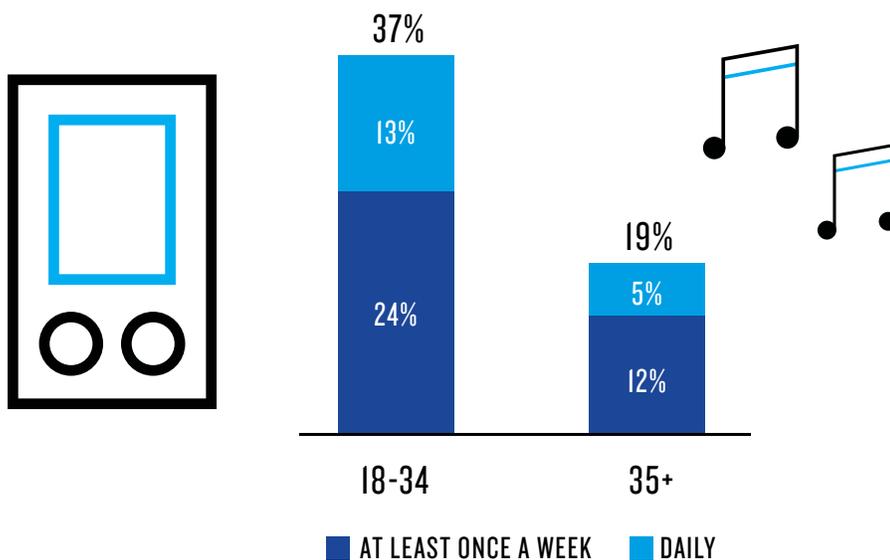
USE MULTIPLE MUSIC APPS FOR STREAMING SEPTEMBER 2016



Read As: Fifty seven percent of Millennials age 18-34 use 2 or more apps for streaming.

Podcasts make up another significant opportunity for marketers to engage with young Americans. Thirty-seven percent of Millennials report listening to podcasts at least once a each week, while 13% say they listen every day, which is significantly higher than the 5% of consumers 35 and older who listen daily.

FREQUENCY OF LISTENING TO PODCASTS PERCENT OF DEMOGRAPHIC



Read As: Thirty-seven percent of millennials age 18-34 listen to podcasts at least once a week.

So the reality of today's media scenario is that the addition of new offerings has actually inspired increased consumption. According to the first quarter 2017 Nielsen Total Audience Report, tune-in across traditional AM/FM radio is 93% of Millennials listening each week, and Nielsen's Q1 2017 Comparable Metrics Report shows that radio reaches more people 18-34 than any other platform. The data speaks to the immense connection young consumers have with media in general, and their desire to increase their consumption of quality content rather than forcing themselves to reduce consumption across one medium to feed a need with another.

A UNIQUE APPROACH TO MEDIA AND COMMUNICATIONS

Millennials approach digital content consumption differently from the rest of the population. More specifically, Millennials are an unfocused audience, not particularly loyal to just one digital music or communication service. But this doesn't mean Millennials are consuming less content. They're engaged with digital services throughout the day. And while there are plenty of digital services for consumers to choose from, Millennials aren't opting for one or the other. They're choosing many.

Millennials are all about making room in their lives for technology. As we see new digital music and communication options come to market, those new options aren't cannibalizing existing ones.

METHODOLOGY:

The Millennials on Millennials Report is led by Nielsen Millennial associates and analyzes the unique nature of this demographic group by leveraging Nielsen data-sets and fielding a custom survey to understand the "why's" behind the data trends. In this report Millennials are defined as persons 18-34. In future volumes of the report, Millennials will be defined as persons 21-36. The report includes data from Nielsen Total Media Fusion, Nielsen Custom Survey, Electronic mobile Measurement Panel (EMM), and Nielsen's Music 360 Report and Nielsen's Q4 2016 and Q1 2017 Total Audience Report. Broadcast radio measurement includes Portable People Meter (PPM) and RADAR.

ABOUT NIELSEN

Nielsen Holdings plc (NYSE: NLSN) is a global performance management company that provides a comprehensive understanding of what consumers watch and buy. Nielsen's Watch segment provides media and advertising clients with Nielsen Total Audience measurement services for all devices on which content — video, audio and text — is consumed. The Buy segment offers consumer packaged goods manufacturers and retailers the industry's only global view of retail performance measurement. By integrating information from its Watch and Buy segments and other data sources, Nielsen also provides its clients with analytics that help improve performance. Nielsen, an S&P 500 company, has operations in over 100 countries, covering more than 90% of the world's population. For more information, visit www.nielsen.com.



The background of the entire page is a vibrant blue color with a 3D, wavy, undulating pattern that resembles water ripples or a textured surface. The waves are layered, creating a sense of depth and movement.

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