

Research 1 Phase 2: online shopping behaviors in each demographics

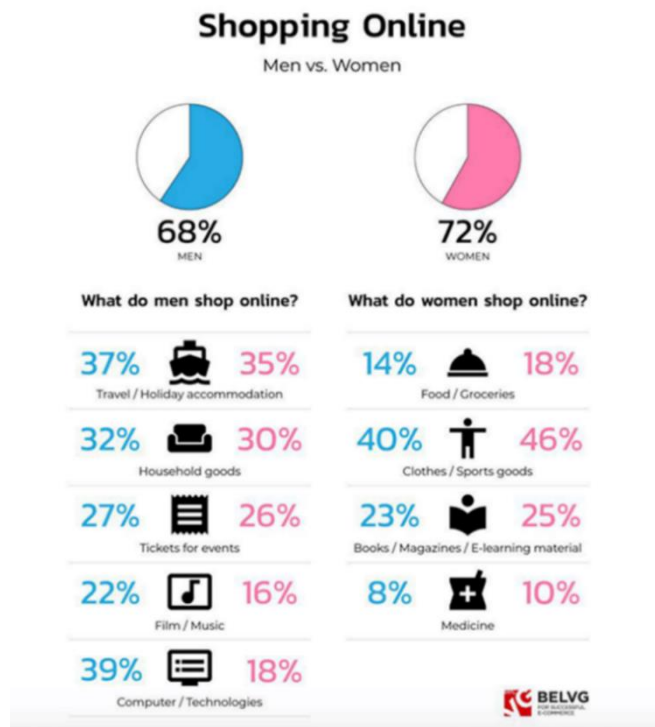
Demographics include:

- GenZ (<25 yrs)
 - Pre-teens & Teens (13-18 years old)
 - Students attend post-secondary institutions
- Millennial (25-35)
- GenX (36-54)
- Boomers (55-75)

General online shopping trend:

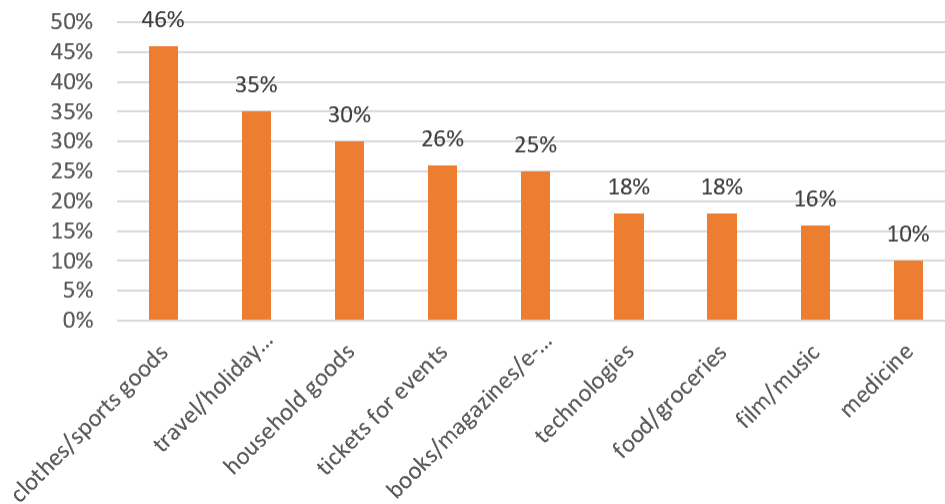
Insight:

- More women shop online than men
- on average, the **men spent more** per transaction— US\$220 vs. US\$151 for women—on their most recent purchase
- Top 3 online shopping categories for women are: **apparel, travel/holiday accommodation, and household goods**
- Top 3 online shopping categories for men are: **apparel, computer/technologies, and travel/holiday accommodation**
- Men and women both report spending **5 hours/week** shopping online ([source](#))
- Food/groceries are not in the top 5 categories and the proportion is relatively small (18% for Women and 14% for Men)

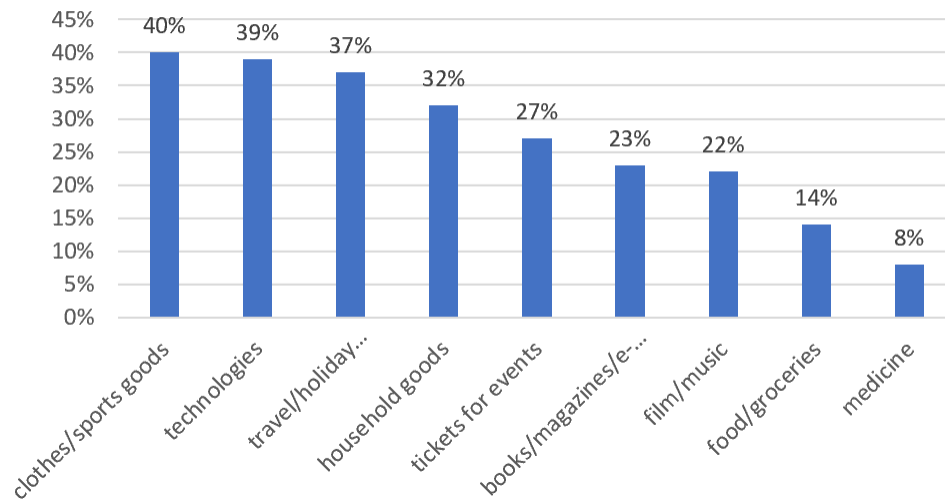


- data collected prior to covid-19

Women top online shopping categories



Men top online shopping categories



[Source](#)

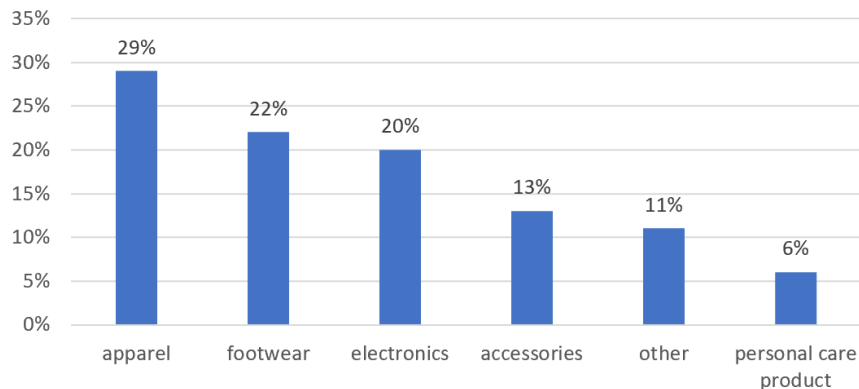
Pre-teens & Teens (13-18 years old)

Insights:

- **Apparel, footwear, electronics** are the top 3 categories that teen are willing to shop online with ([source](#))
- Teens have the most recreational money to spend compared to other age group, with an average of **\$104/week**
- Teen girls are more recreational shoppers ([source](#))
- **78%** of teen girls and **82%** of teen boys shop online
- **25%** of girls and **37%** of boys prefer shopping online over shopping in stores
- Teen yearly income 2018: \$2600/person ([source](#))
- Spending percentage based on categories (online & in store purchase)



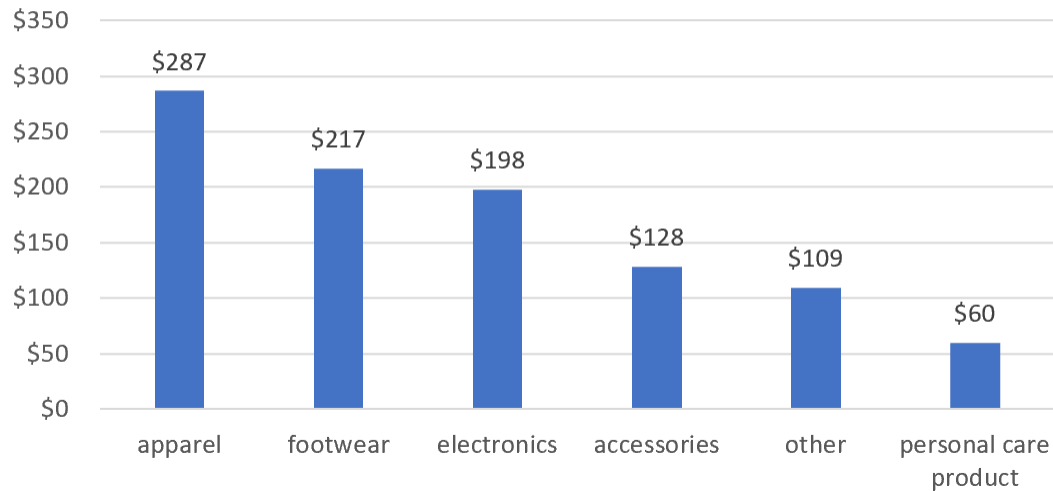
Teens top online spending categories by percentage of spending



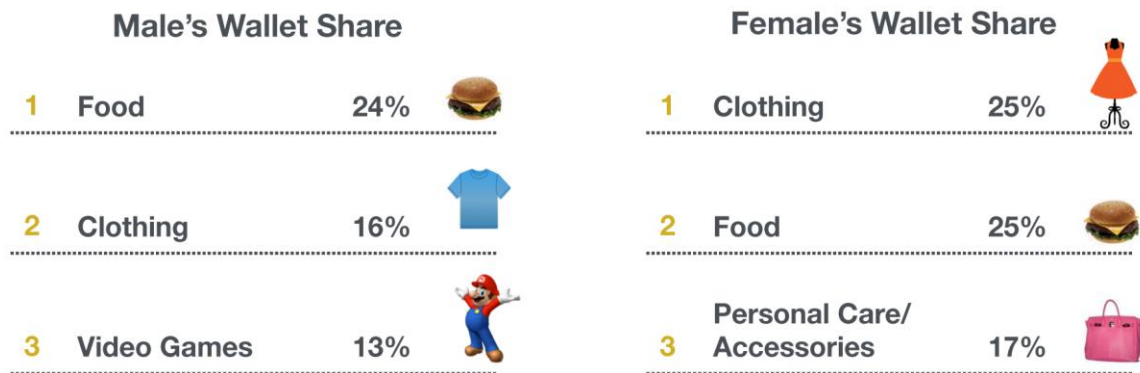
- Based on the given data, I estimated how much teens are spending per category online

- Note: the top online shopping categories are data from 2013 - the percentage is very likely to be higher for 2020, but the overall categories are likely to stay the same

teens estimated spending on each category based on income



- top spending categories (in store & online) for female and male teens (2018)

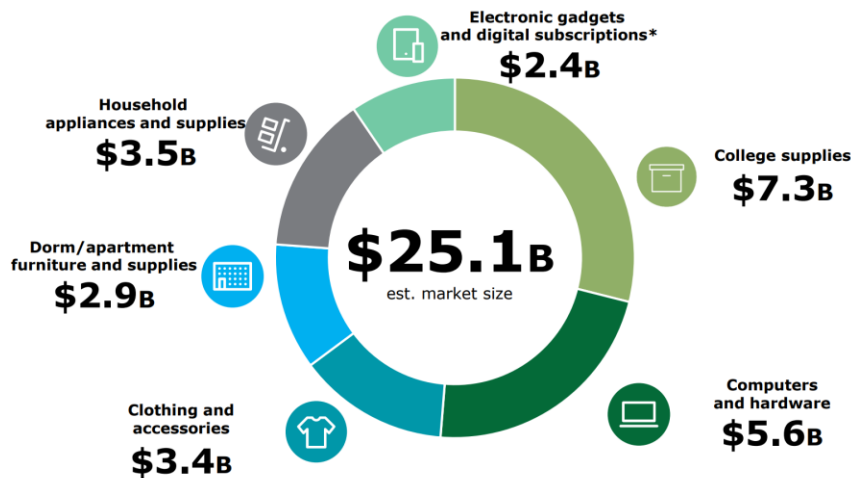


- shopping frequencies
 - Can't find much information on shopping frequencies yet. – will continue researching







Students attend post-secondary institutions

Insight:

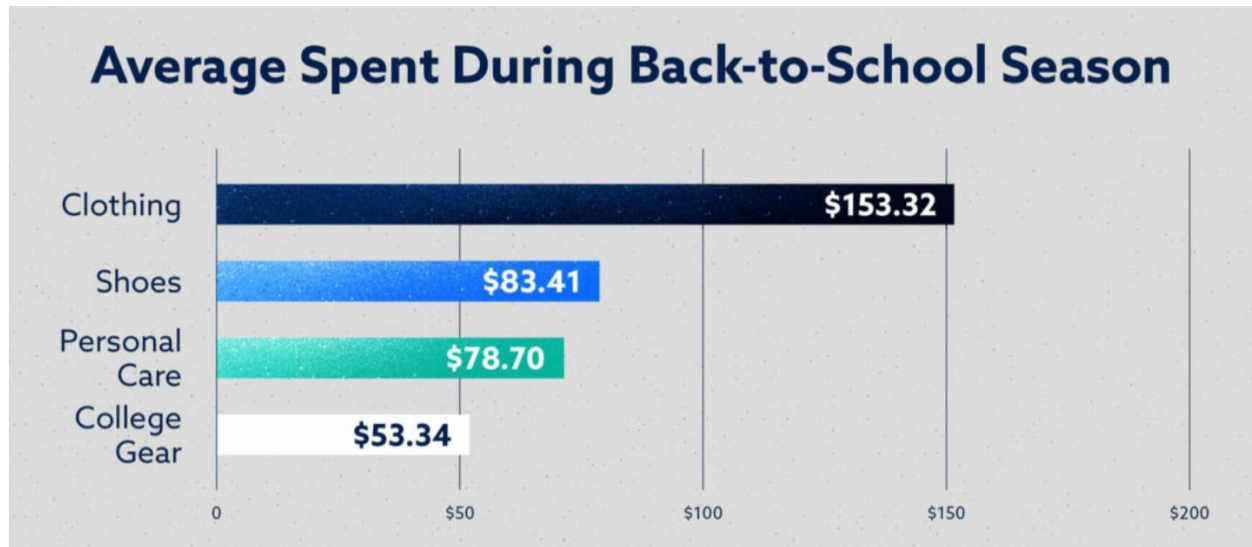
- Given the consideration that college students and teenagers are both GenZ, they are very likely to have similar online shopping habits & preferred categories
- A student spends more than **\$13,000/year** on average, **19%** of which is **discretionary**. That adds up to a substantial **\$211/month** of **discretionary spending**. ([source](#))



- top shopping categories (online&in-store): from the percentage of shoppers purchasing number, we can see that **college supplies**, **clothing**, and **household appliances and supplies** have the highest percentage.

Category	Share of total B2C spend#	Average category spend*	% of shoppers purchasing
 College supplies	29%	\$453	87%
 Computers and hardware	22%	\$759	40%
 Clothing and accessories	14%	\$266	70%
 Household appliances and supplies	14%	\$263	73%
 Dorm/apartment furniture and supplies	11%	\$321	49%
 Electronic gadgets and digital subscriptions	9%	\$379	34%

- 50% of college students plan on using online only retailers to shop
- Average online spending per transaction is \$375
 - Note: this data is collected for back-to-school season
- Average spent during back to school season
 - Students tend to spend more during back to school (fall) season, thus, on average, student might spend a little less than the given number below



- Shopping frequency: On average, at least once per month ([source](#))

Millennials

Insights:

- Millennials in 2019 make **60%** of their purchases online
- Shopping frequency: 81.3% of millennials said they shop online at least once a month ([source](#))
 - Browsing frequency: U.S. Millennials were reported to spend 211 minutes accessing apps or the internet via smartphone per day, compared to only 31 minutes of daily desktop internet usage. ([source](#))
- Millennials spend an average of **\$75 per online visit** and an average of \$57 per in-store visit ([source](#))
- Millennial women:
 - 94% **spend more than an hour a day** shopping online
- **Last online order categories** purchased segmented by generation (comparison between millennial, genX, baby boomers, greatest gen) ([source](#))

MILLENNIAL	GENERATION X	BABY BOOMERS	GREATEST GEN
Diapers	Vitamins etc.	Vitamins etc.	Vitamins etc.
Vitamins etc.	Chips	Pet Treats	Pet Treats
Toilet Paper	Toilet Paper	Pet Supplies	Toilet Paper
Chips	Cosmetics	Dog Food (dry)	OTC Remedies
Wipes	Shampoo etc.	Toilet Paper	Dog Food (dry)

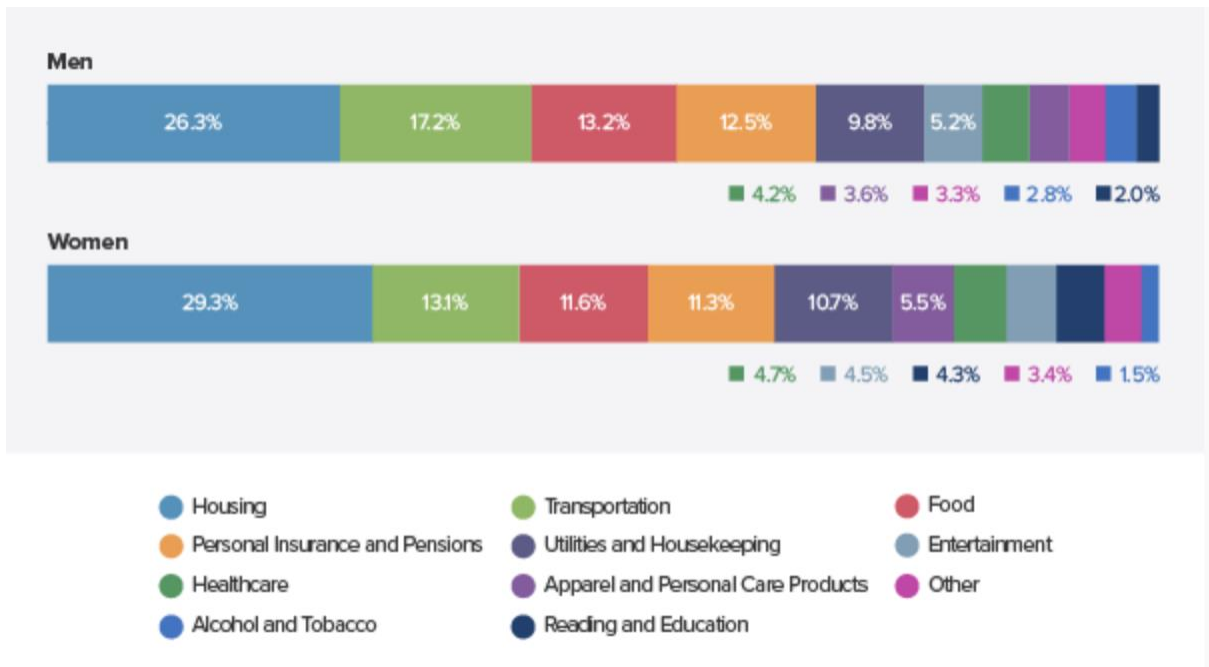
- What consumers value when shopping online segmented by generation ([source](#))

	All	Millennials	Gen Xers	Baby Boomers
Low Prices	87.0%	85.4%	86.7%	90.6%
Free Shipping	85.3%	82.8%	84.1%	90.4%
Website is Easy to Use	80.4%	79.8%	80.6%	82.8%
Flexible Returns Policy	76.6%	73.7%	76.5%	80.7%
Pick Up or Return at Store	59.5%	59.1%	62.1%	58.8%
Toll-Free "Live" Customer Service	50.7%	43.8%	50.5%	55.9%
Same-Day Delivery	37.8%	44.7%	40.6%	29.5%

Base: 7,553 US Internet users aged 18+

Source: Prosper Insights & Analytics

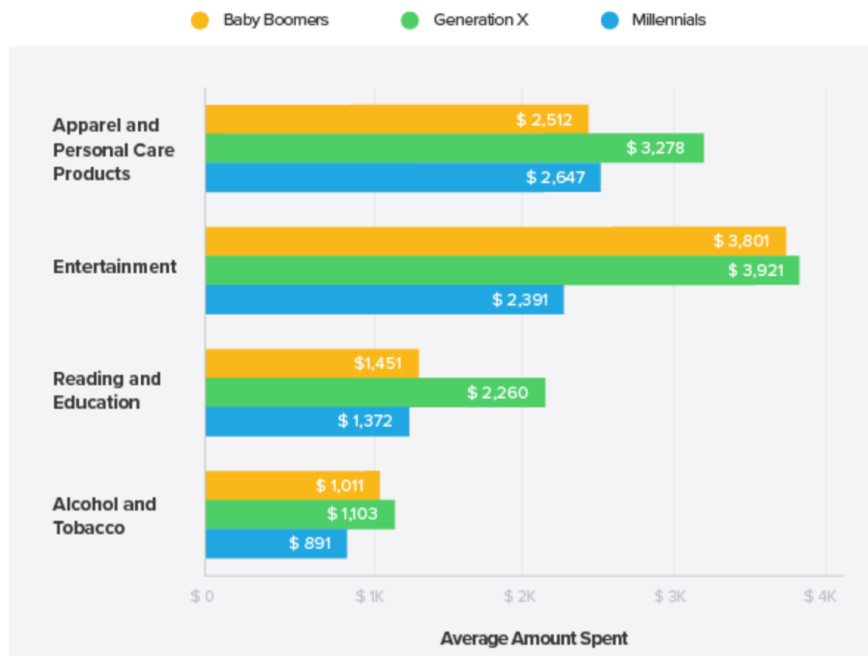
- From the graph above, **baby related products**, **health related products**, and **groceries** are the most common **last online purchase** for millennials.
- Allocation of millennial spending separated by sex in percentage ([source](#))



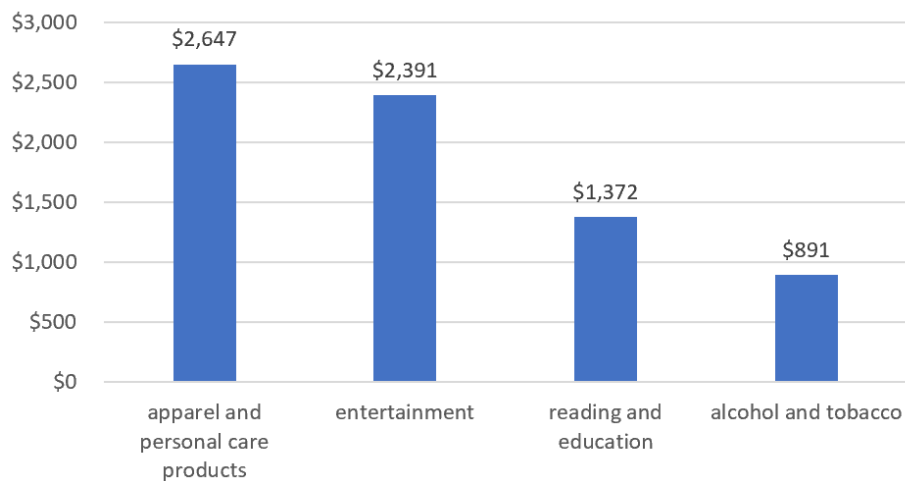
- Average spending on categories (online + in-store) separated by each generation 2018([source](#))

Spending Category	Baby Boomers	Generation X	Millennials
Housing	\$ 11,159	\$ 14,193	\$ 11,415
Utilities and Housekeeping	\$ 8,844	\$ 9,856	\$ 6,914
Food	\$ 7,889	\$ 9,826	\$ 7,061
Healthcare	\$ 6,025	\$ 4,786	\$ 2,831
Transportation	\$ 10,044	\$ 11,775	\$ 9,435
Apparel and Personal Care Products	\$ 2,512	\$ 3,278	\$ 2,647
Entertainment	\$ 3,801	\$ 3,921	\$ 2,391
Reading and Education	\$ 1,451	\$ 2,260	\$ 1,372
Alcohol and Tobacco	\$ 1,011	\$ 1,103	\$ 891
Personal Insurance and Pensions	\$ 7,210	\$ 10,570	\$ 6,355
Other	\$ 3,379	\$ 3,115	\$ 1,562
Total Annual Spending	\$63,325	\$ 74,683	\$ 52,874
Annual Savings ¹	\$ 4,625	\$ 14,111	\$ 5,754
Post-Tax Income	\$ 67,950	\$ 88,794	\$ 58,628

- Average spending on wants

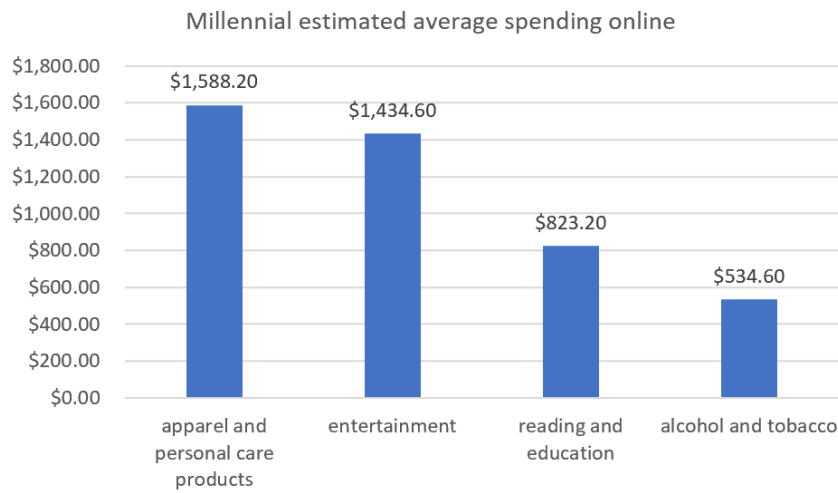


Millennial average amount spent in each category



- Entertainment: fees and admissions; television, radio and sound equipment; pets; toys, hobbies and playground equipment; and other entertainment supplies, equipment and services
- Alcohol and tobacco: Millennials spent an average of **\$560 on alcohol** and \$331 on tobacco products and smoking supplies in 2018

- Based on the previous data, 60% of millennials make their purchase online, estimated spending for online purchase for each category:



Gen X (36-54)

- Similar to Millennials, about **56%** of Gen Xers prefers to shop online
- They spend an average of **\$190 per transaction**, and they make an average of **19 online transactions per year** ([source](#))
- Gen X has the **highest** spending in almost all categories comparing to other age groups

How Consumer Spending Varies by Generation (2017)



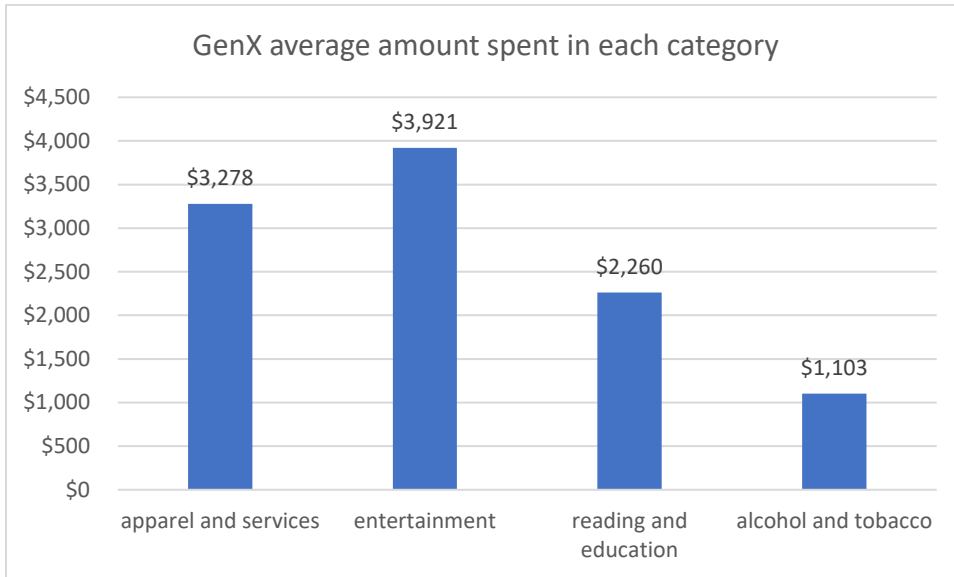
	% Share of Annual Expenditures					Dollar Spend				
	Millennial	Gen X	Baby Boomer	Silent	Greatest Generation	Millennial	Gen X	Baby Boomer	Silent	Greatest Generation
Food	13.5	13.0	12.4	13.3	10.3	\$6,903	\$9,407	\$7,802	\$5,946	\$4,311
Key subcategory: Food at home	7.2	7.1	7.2	8.2	6.0	\$3,680	\$5,178	\$4,557	\$3,647	\$2,500
Key subcategory: Food away from home	6.3	5.8	5.1	5.1	4.3	\$3,223	\$4,229	\$3,245	\$2,299	\$1,811
Alcoholic Beverages	1.0	0.9	0.9	0.9	0.6	\$521	\$633	\$595	\$397	\$271
Housing	35.7	32.7	31.5	33.4	48.3	\$18,309	\$23,721	\$19,856	\$14,963	\$20,205
Key subcategory: Owned dwellings	8.6	12.2	12.9	11.3	9.8	\$4,415	\$8,824	\$8,115	\$5,073	\$4,106
Key subcategory: Rented dwellings	13.2	6.6	3.6	5.4	19.9	\$6,754	\$4,812	\$2,280	\$2,438	\$8,319
Key subcategory: Cellular phone service	2.1	2.1	1.8	1.1	0.7	\$1,062	\$1,494	\$1,117	\$511	\$280
Key subcategory: Furniture	1.0	0.9	0.8	0.8	0.3	\$505	\$621	\$514	\$353	\$109
Key subcategory: Major appliances	0.4	0.5	0.5	0.5	0.2	\$228	\$334	\$297	\$242	\$69
Apparel and Services	3.7	3.2	2.7	2.2	1.9	\$1,908	\$2,336	\$1,730	\$995	\$778
Key subcategory: Footwear	0.8	0.7	0.5	0.4	0.7	\$410	\$500	\$338	\$185	\$295
Transportation	16.8	16.1	15.9	14.4	7.7	\$8,629	\$11,646	\$10,020	\$6,437	\$3,222
Key subcategory: Vehicle purchases (net outlay)	7.5	7.1	6.6	5.0	0.6	\$3,825	\$5,165	\$4,147	\$2,241	\$261
Key subcategory: Public and other transportation	1.2	1.2	1.2	1.1	1.0	\$610	\$851	\$762	\$512	\$398
Healthcare	5.6	6.5	9.4	14.8	14.4	\$2,894	\$4,714	\$5,921	\$6,619	\$6,011
Key subcategory: Health insurance	4.0	4.5	6.4	10.5	10.1	\$2,043	\$3,243	\$4,052	\$4,688	\$4,228
Key subcategory: Drugs	0.4	0.6	1.0	1.8	1.6	\$201	\$413	\$622	\$819	\$649
Entertainment	4.9	5.8	5.4	4.7	2.1	\$2,496	\$4,194	\$3,425	\$2,110	\$893
Key subcategory: Fees and Admissions	1.1	1.6	1.1	1.1	0.5	\$575	\$1,144	\$680	\$496	\$190
Key subcategory: Pets	0.9	1.3	1.3	1.1	0.2	\$449	\$923	\$837	\$486	\$70
Personal Care Products and Services	1.2	1.3	1.2	1.4	1.0	\$616	\$970	\$767	\$630	\$436
Personal Insurance and Pensions	11.1	12.6	11.8	5.8	1.8	\$5,720	\$9,129	\$7,438	\$2,589	\$755

Published by MarketingCharts.com in October 2018 | Data Source: Bureau of Labor Statistics

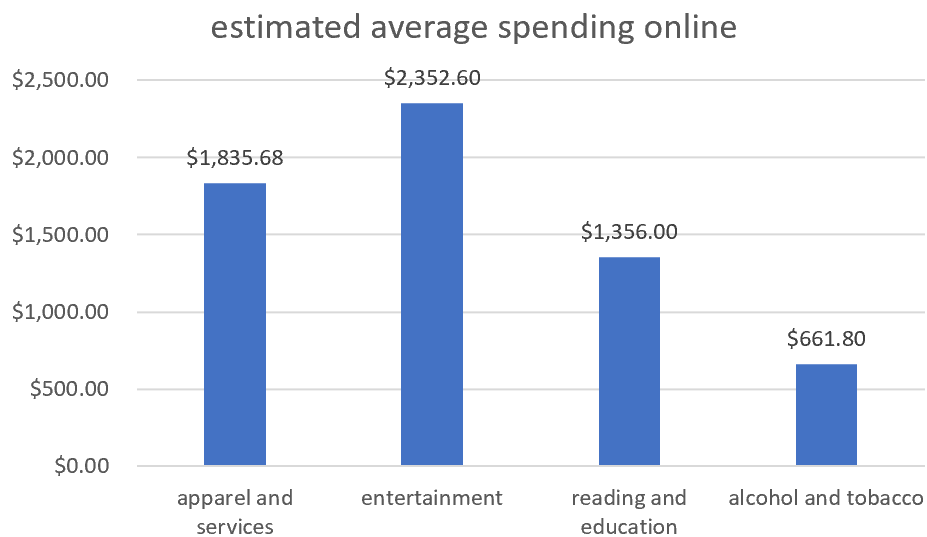
Generational definitions: Millennials (born 1981 or later); Gen Xers (born 1965-1980); Baby Boomers (born 1946-1964); Silents (born 1928-1945); and Greatest Generation (born 1927 or earlier).

([source](#))

- Average spending on wants



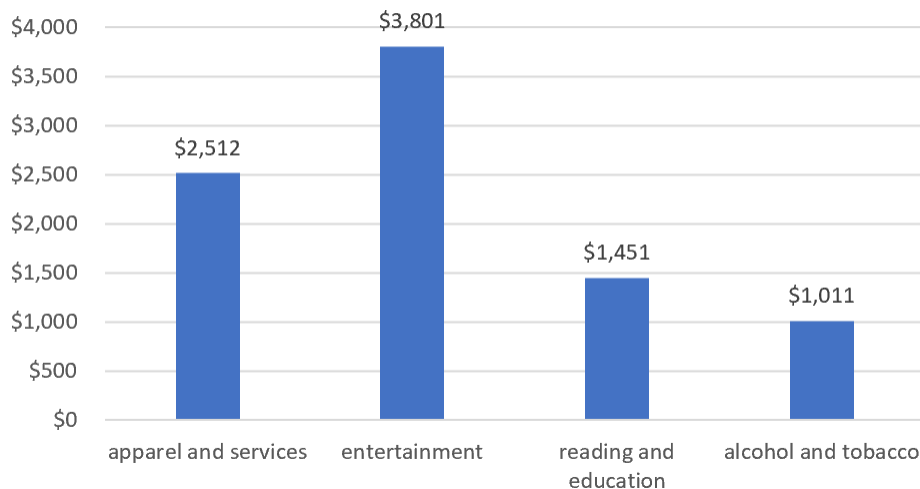
- Estimated spending in each category online



Boomers

- Boomers spend an average of **\$203** per transaction and they make an average of **15.1 online transactions** per year ([source](#))
- Key online shopping categories
 - o Pharmacy and healthcare products:
 - o Household goods and appliances
 - o Wine
 - o Books (physical and digital)
 - o Cosmetics and skin care

Baby boomers average amount spent in each category



Some interesting findings:

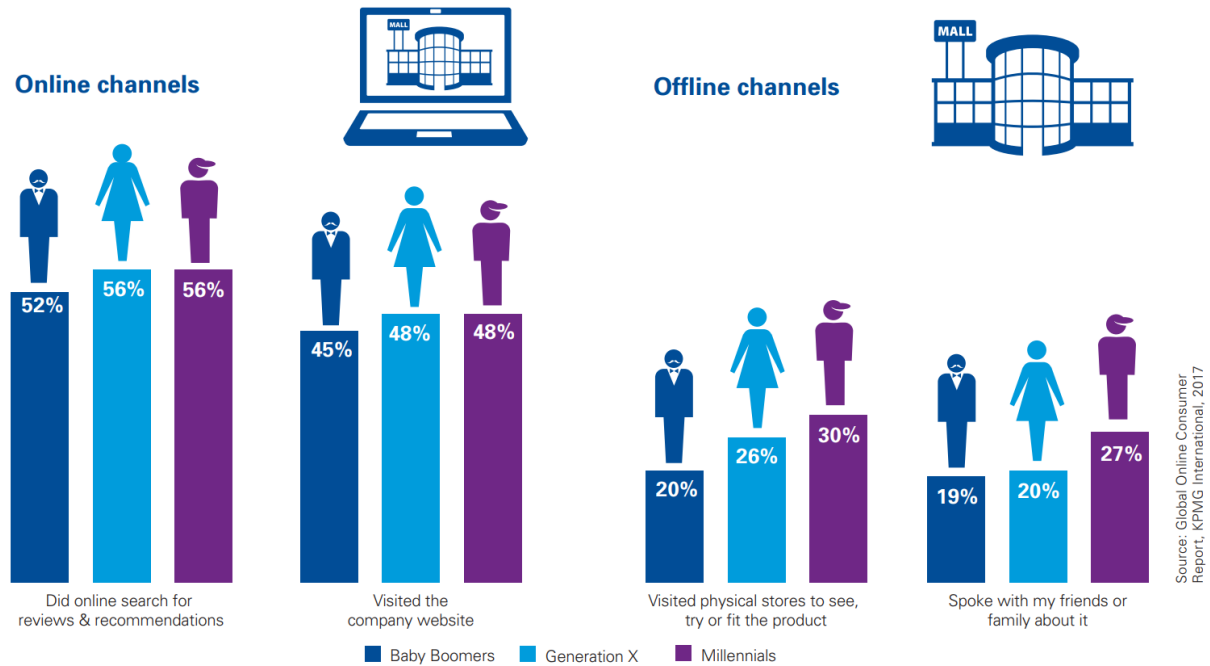
Marketplace shopper characteristics and trends ([source](#))

- Shoppers on marketplaces search for product online more often and spend more online, too.
- The marketplace shoppers is more likely than the average shopper to enjoy taking their time to find the right deal (62% v. 54%).
- More likely to research brands before making a purchase (61% v. 48%).
- Average amount spent per year on marketplaces: \$488.
- What marketplace shoppers buy: Book, movies, music (44%), Clothing, shoes and accessories (43%), Computers and electronics (34%), Health and beauty products (29%).

Millennials women:

- 54% of Millennial women said their biggest purchase in the next 12 months will be on **Experiences** (traveling, eating out, etc)
 - o Brands that create meaningful experiences with their consumers are most likely to attract more millennial women shoppers

Channels used to research online purchases ([source](#)):



- Based on the graph, Gen X and Millennials are **more likely** to do online search for reviews and recommendations as well as visiting company website compared to baby boomers
- Baby boomers and Gen X are less likely to visit physical stores to see, try or fit the product – which means that they might be more likely to buy online without caring too much about fitting