

U.S. and Chinese Millennials: A Comparison of Large and Dynamic Consumer Groups

by Michael Vanaskie

Much has been said about the millennial generation and both the challenges and opportunities it presents for the gaming industry. While many pundits group millennials from around the world into one group, The Innovation Group believes it is important to explore and understand the differences and similarities between millennial groups from different regions. To that end, this article examines U.S. and Chinese millennials—two of the largest consumer groups in the world—and how they compare to each other.

The Changing Face of U.S. Consumers

It is estimated that U.S. millennials will be spending \$200 billion annually by 2017 and \$10 trillion over their lifetimes¹. This group of customers, which is approximately 80 million strong in the U.S., will soon have purchasing power that is stronger than the “baby boomer” generation. Recognizing the value-potential of millennial consumers, it is no surprise that companies across all industries, including gaming, are spending significant resources to determine the best strategies to extract value from this consumer group. There are several key characteristics of the millennial consumers in the U.S. that must be understood in order to develop products and services that meet their wants and needs:

- U.S. millennials expect technology to work and they favor mobile technology over other forms;
- It is widely known that millennials are a social generation and they often socialize while they are consuming (or while deciding to consume);
- Millennial consumers collaborate and cooperate with both each other and brands, when possible; and
- Millennial consumers are looking for adventure².

Chinese vs. U.S. Millennials: How Do They Compare?

It may be tempting to reduce millennials worldwide into one individual group and assume that they have the same characteristics throughout the world. However, even as the world becomes increasingly flat due to technological and industrial advances over the past several decades, there are still distinct cultural differences throughout the world, especially when comparing East and West.

One of the most obvious differences between U.S. and Chinese millennials is their respective sizes; there are an estimated 318 million Chinese aged 15 to 29. At 318 million, Chinese millennials outnumber U.S. millennials by nearly four times, approximately the same size as the entire population of the U.S. Pairing the group’s massive size with Chinese shifting economy, Chinese millennials are expected to lead the country’s economic evolution to a consumption-driven economy. As China continues to transform its economy, it is logical that its millennial consumers are expected to be a driving force behind the consumption changes. It is not as clear-cut, however, whether the consumption patterns of Chinese millennials will mirror those of U.S. millennials. The following are key characteristics of Chinese millennial consumers and how they compare to their U.S. counterparts:

- Similar to U.S. millennials, Chinese millennials love mobile technology; 50% of Chinese millennial phone users check their phones every 15 minutes;
- Chinese millennial consumers are more likely to enjoy entertainment at home compared to U.S. millennials; Chinese millennials are often referred to as “zhai,” which can be translated as “homebody;”
- When Chinese millennial consumers do leave home, they enjoy traveling abroad; millennials contribute approximately 40% of China’s outbound travel³.

¹ <http://www.forbes.com/sites/micahsolomon/2014/12/29/5-traits-that-define-the-80-million-millennial-customers-coming-your-way/#a425eca2a81f>

² Forbes, Micah Solomon

How Can Both Domestic and Asian Gaming Operators Attract These Consumer Groups?

While there are some notable differences between the two consumer groups, there are also commonalities between U.S. and Chinese millennials that gaming operators should recognize. First and foremost, technology enhancements will be key in attracting both U.S. and Chinese millennials. Moreover, incorporating a mobile experience to their respective entertainment and gaming offerings would likely serve gaming operators well. Next, adventurous and foreign themes will likely attract these consumer groups. Both U.S. and Chinese millennials enjoy trying new things. This commonality should be kept in mind as operators develop new resorts and renovate and expand upon existing developments. The final and perhaps best strategy gaming operators can employ in attracting U.S. and Chinese millennials is to listen to them. Actively engaging millennial customers and listening to what they want will undoubtedly help gaming operators develop products and services that fit their respective millennial consumer groups.

As millennials around the world continue to earn and spend more, The Innovation Group will remain committed to tracking and identifying their underlying consumption trends. As always, we will continue to consider these factors with foresight when providing our industry-leading services to our clients.

³ <https://medium.com/@GGVCapital/200-million-trendsetters-china-s-millennials-are-shaping-the-global-economy-f52c392d54bb#.v4yh49u4k>