



What can we learn from Millennials?

The context - based on a study of 1000 Millennials carried out in November 2017

17 April 2018

Millennials – a few facts

The biggest UK population group

Will form 75% of UK employees by 2020

Set to inherit from their baby boomer parents

The first digital natives

Starting families later; likely to have to work into their 70's

What will be the impact of this on savings and investments and the way companies will need to do business now and in the future?



Bdifferent's study of ABC1 Millennials

A blended qualitative and quantitative study

Qualitative

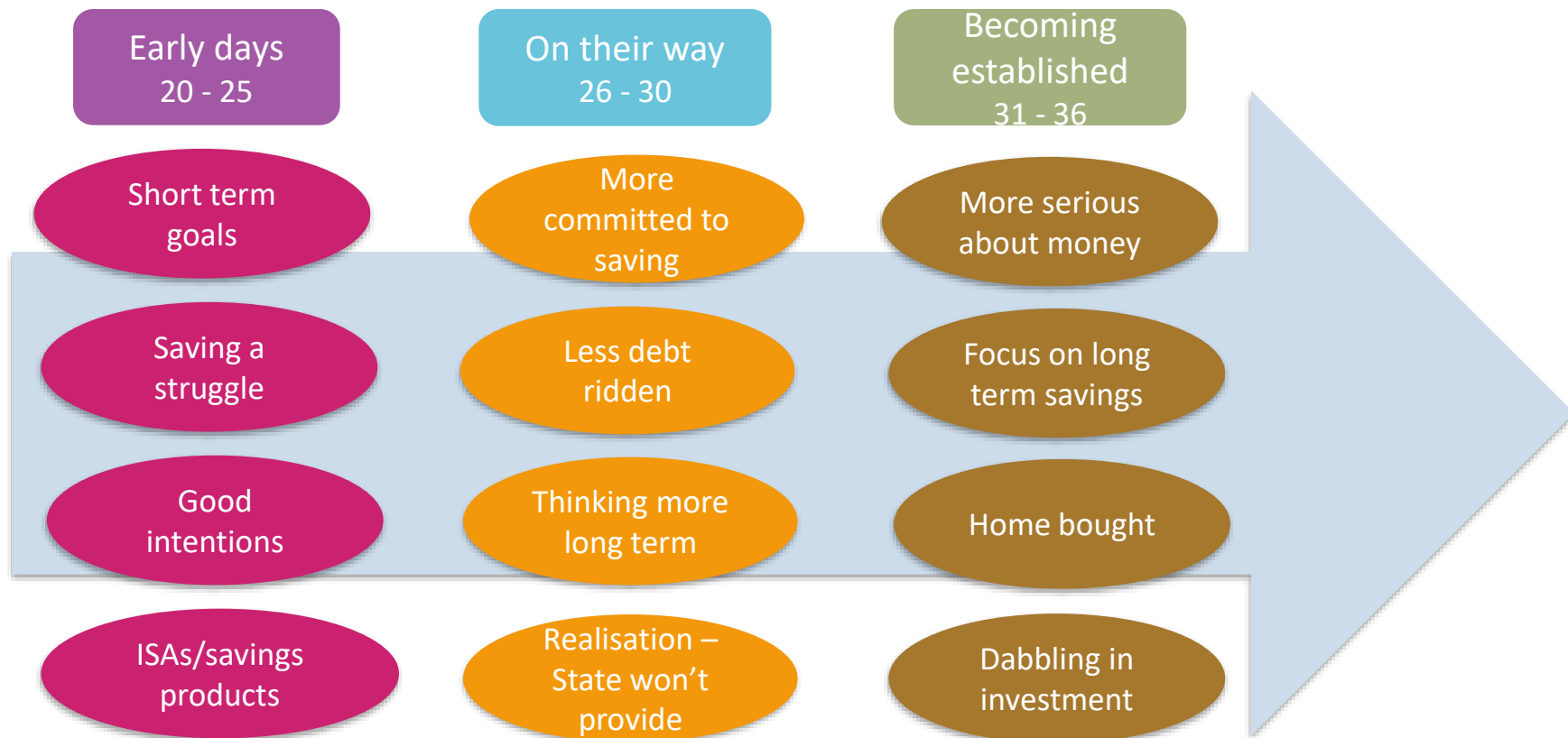
- 8 focus groups in Glasgow, Birmingham, Brighton, Crawley and London

Quantitative

- 1,000 online survey



Broad trends in the Millennial financial journey

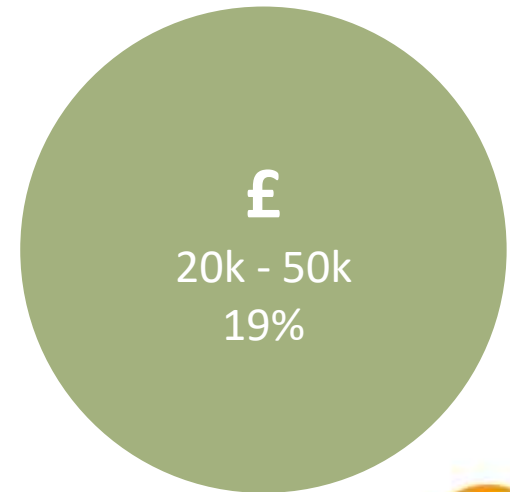
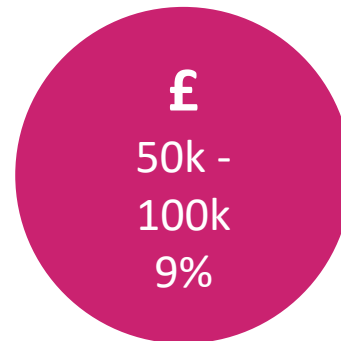


98% think it important to plan for their financial future
(68% VERY important, 30% quite important)



Levels of savings and investments are reasonable

BUT, many haven't taken the leap from savings to investment



Q Which category best describes your total savings and investments?
Base: All completes (1005)



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Why not take the leap from saving to investing?

Three quarters have not 'invested', for a variety of reasons

Risk

I don't like putting money in something I don't fully understand
On their way; financially confident

You could lose all your money
Early days; financially unconfident

Lack of knowledge and understanding

I like the idea of investing to make a real return but I don't like the idea of tying it up and not having access
Becoming established; financially confident

Accessibility in short term

I don't think I would be strict enough with myself to constantly keep an eye on it
On their way; financially unconfident

Requiring more effort than saving

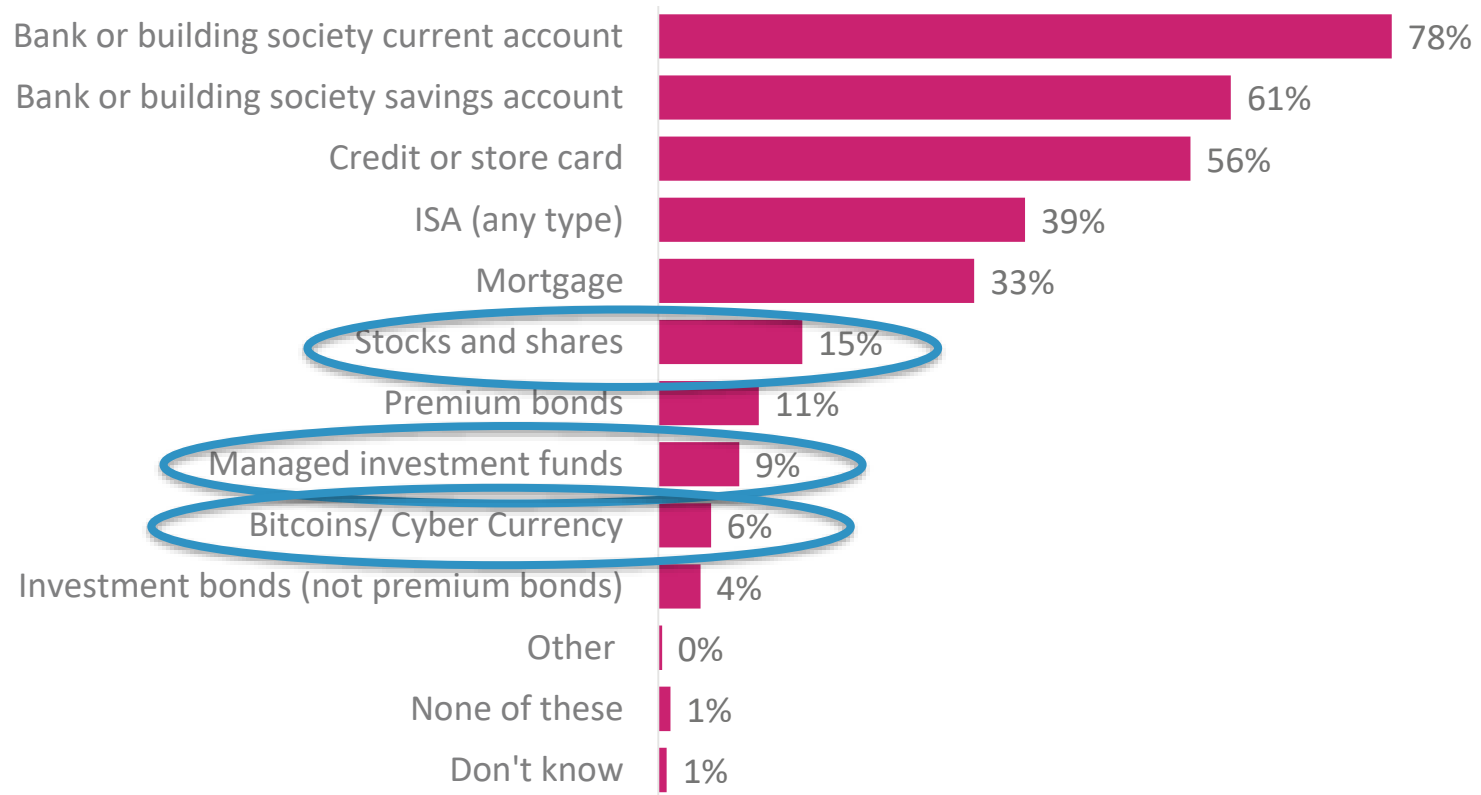
If your money is somewhere in the FTSE, it's there but one day it could not be there
Becoming established; financially unconfident

Absence of control



Current accounts, cards, savings and investments

Bank/building society savings accounts dominate with true investment-type products only being held by a minority. Cyber currency makes an appearance



Q Which of these financial, savings or investment products do you currently have, including those you hold on your own or any you hold jointly with others?

Base: All completes (1005)



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Perceptions of investment houses doesn't help

Some negative descriptions used by respondents fueled by films, media and parent experiences of 2008 crash

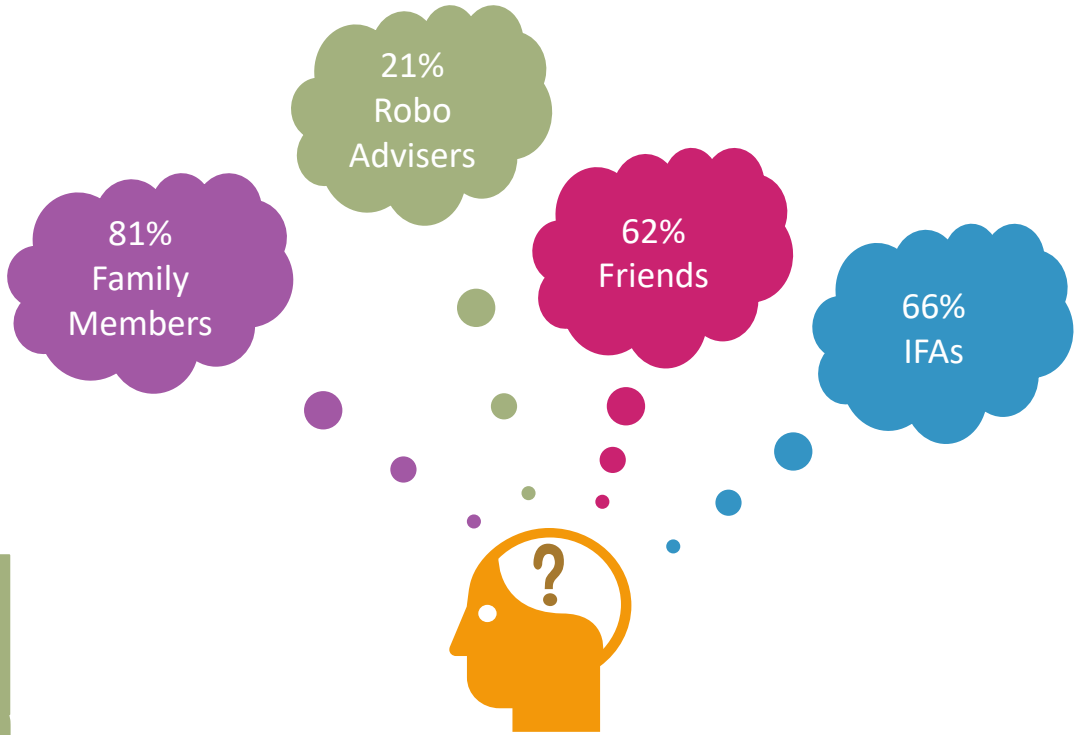
Kings-of-the-city London-based
The-Big-Short Corporate Mystical-language
Faceless
 Conglomerates **Wolf-of-Wall-Street**
 In-it-for-the-money **Deliberately-make-complicated**
 The experts Use-financial-jargon International
Boring-but-intelligent Sleazy Old
 Make-their-money-off-of-other-people Flash
No-idea-what-they-do



Key influencers on investment decisions

And the role of IFA vs Robo Adviser

Influencers of investment decisions



31% have used an IFA



37% intend to use an IFA

11% have used a Robo Adviser



19% intend to use a Robo Adviser



How Millennials want to be communicated with

Straightforward and unintimidating

Make the process straightforward, but not too simple

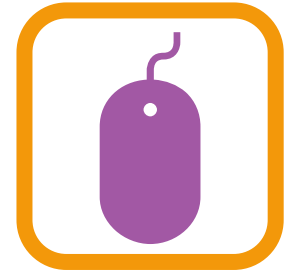
- Many thought they would be more inclined to invest if the process itself was straightforward and simple
 - But NOT overly simplistic (three clicks and you've invested), this would cause suspicion that all essential considerations had not been covered

Encourage an investment frame of mind

- A few thought that an investing frame of mind might be encouraged by initially dipping toes in the water with small amounts (as with Moneybox)
 - Many are keen to learn and an investment game app to allow learning without the making of costly mistakes was thought to be positive

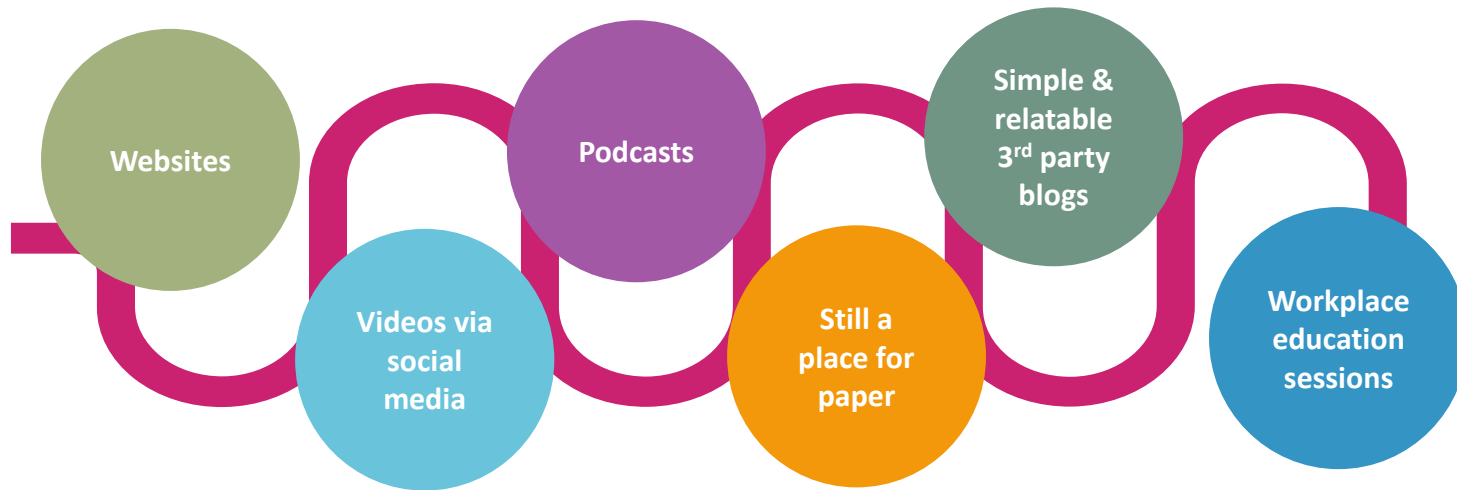
App based monitoring and email updates

- They want to be able to monitor their investments via the use of apps, but also want to be kept informed with monthly updates by email or text once an investment was up and running



How Millennials want to be communicated with

One generation but a range of individual preferences. Whatever the channel, they want to know what investments can achieve for them, in a non-complex and jargon-free way

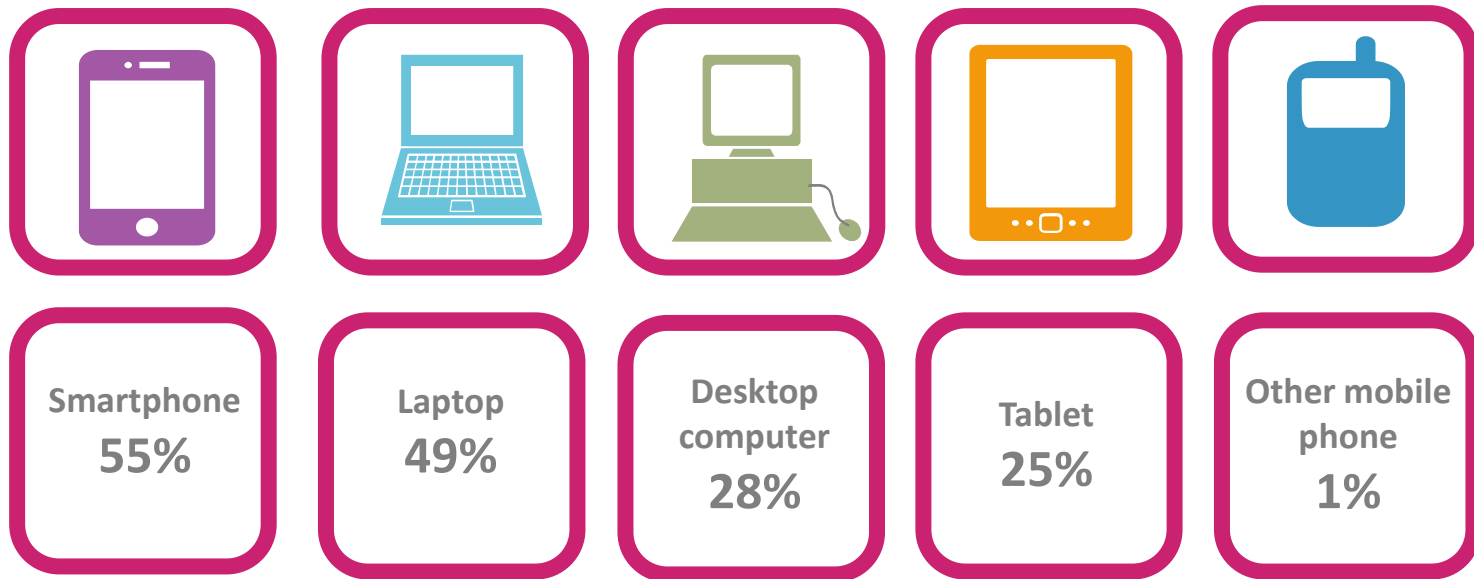


- Relevant and engaging, target my generation not the traditional 'rich, old people'
- Case studies, linked to real and relevant objectives



Devices used most often when using internet or apps

Smartphones and laptops lead when using internet/apps for sourcing information, managing transactions and communicating with investment providers



Q When using internet or app based services, which devices do you use most often to source information, manage your transactions or communicate with investment providers?

Base: All online or mobile users



Five key learnings

Financial goals for the first two (younger) age groups tend to be more short and medium term and they use savings products to achieve. Once secured, thoughts turn more to the long-term, although they still may not opt for investments over savings, 30% already have investment products and a further 10% could be quite easily convinced

The spectre of risk is much-feared and so focus on potential downside of investment dominates. The older and most confident groups are the most adventurous in terms of risk appetite, but a new and interesting investment vehicle, can attract their attention, even if unconfident and risk averse

Investments are daunting to some, they are an unknown territory that gives every appearance of being difficult to get to grips with and only for the affluent who can afford to lose...but they are willing to learn

The industry image in terms of trust, transparency and service is tarnished with companies sometimes seen as faceless conglomerates, partially as a result of media and film coverage

For major financial decisions, millennials may still wish to see someone face-to-face at the outset but then want to be able to easily track/transact online. They want a choice of media when it comes to sourcing information, but online dominates

And.....don't call us Millennials but target us with the appropriate message and media



Thank you for listening

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