

Jefferies Millennial Habits Survey Series: Phase 1 2019

JEFFERIES MILLENNIAL HABITS SURVEY SERIES

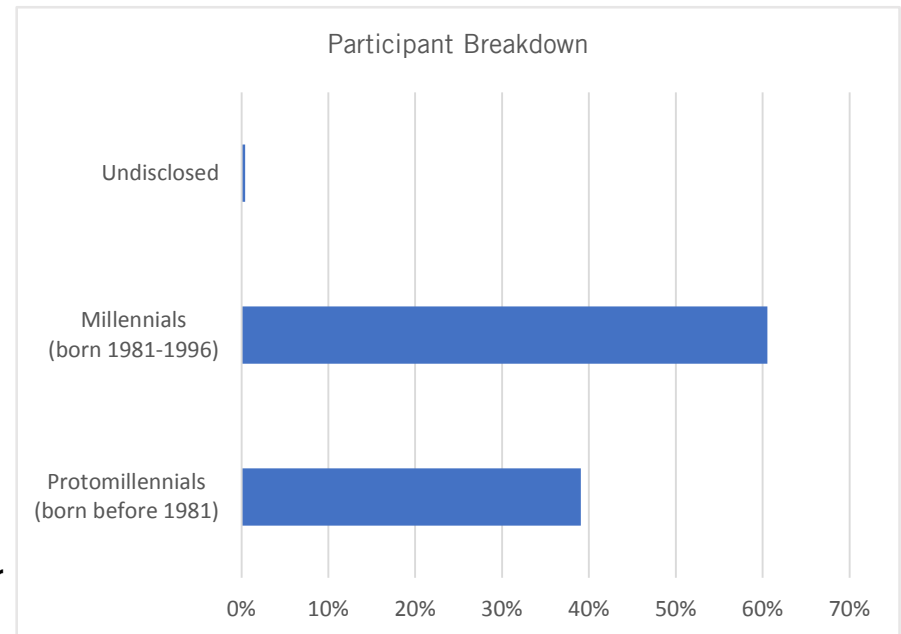
Millennials (born 1981-1996) are **increasingly senior decision makers, leaders, and founders of alternatives funds.**

The Jefferies Capital Intelligence team has launched a series of surveys to understand **generational differences in how information is created, consumed, and valued.**

This first phase focuses specifically on content consumption vis-a-vis social media, news, apps and devices.

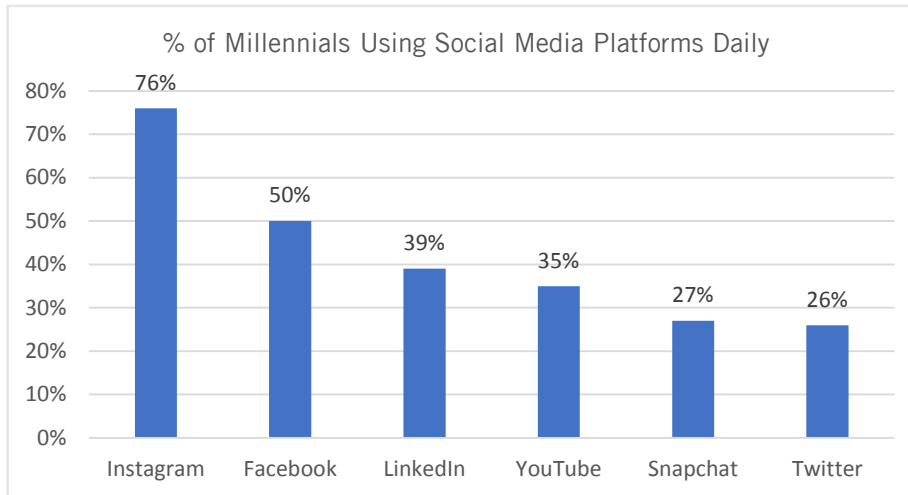
The **Jefferies Millennial Social Media and Content Survey** polled nearly 250 people and explored:

1. What are the **differences in social media usage** between “protomillennials” (those born before 1981) and millennials (born in or after 1981)?
2. Do these differences occur **in both personal and professional spheres**?
3. Do these differences impact **how information is consumed and valued**?
 - a. Do these difference impact **when information is consumed and valued**?
4. What are the **emerging forms of media most leveraged** by each group, and how frequently?
5. What does this tell us about who the **winners and losers of next generation content creation and dissemination for alternatives funds** will be?



IMAGES, NOT WORDS

If you want to communicate with Millennials, you need to think in pictures



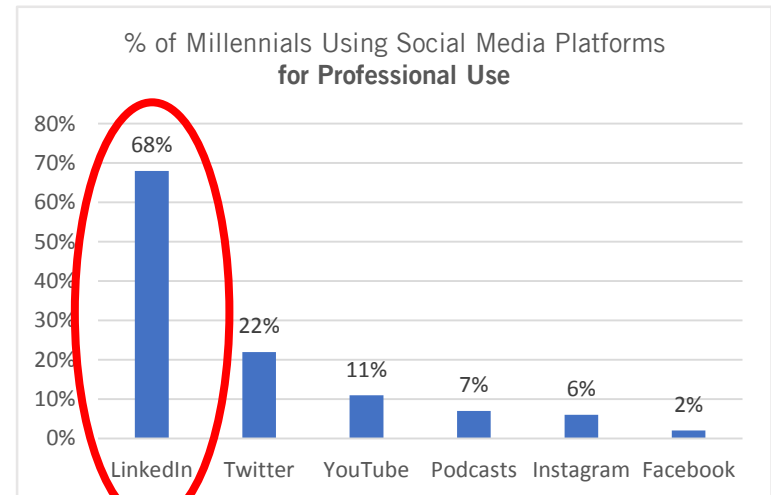
Millennials **overwhelmingly** favor Instagram over other forms of social media.

Instagram accounts are opportunities to have a **daily touchpoint with millennials**.

This is why **Morgan Stanley, Goldman Sachs, J.P. Morgan, BlackRock, and the Carlyle Group** all maintain accounts on the platform.

Of particular note:

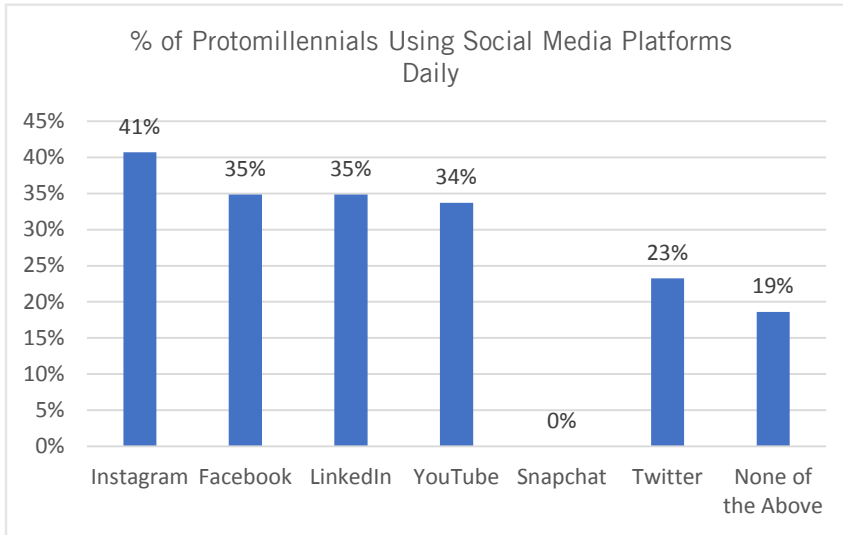
- Despite headlines about “dumping Facebook” and multiple controversies, **the medium persists** - after Instagram, millennials most frequently report checking Facebook **daily**. Facebook still just *matters* (as could be seen in its 4Q2018 earnings).
- **Stereotypes around millennials’ obsession with their careers may be true.** Though YouTube is anecdotally one of Gen Z’s go-to sources of content for everything from education and politics to cooking advice, **it does not hold millennials’ attention like LinkedIn** does.
- **Is Twitter too negative?** Only about a quarter of millennials report using Twitter daily. What is it about words that lets us trend negative, while Instagram and other image-centric mediums focus on the more positive...or at least mundane?
- A small and rapidly growing section of the landscape: **audio and podcasts**, which we discuss in depth later.



Getting to know you: LinkedIn is the social media platform of choice for **professional networking** amongst those born in or after the year 1981.

WHATEVER OLD PEOPLE DO...

Instagram—the most-used social media platform by millennials—has the widest spread in usage between age cohorts, but it’s still #1

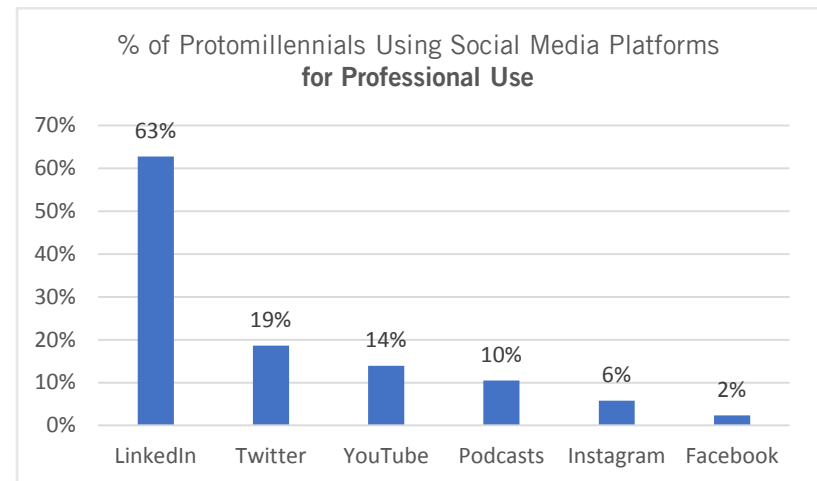


Also of note:

- The **top 4 most popular social media platforms are the same across generations**—Instagram, Facebook, LinkedIn, and YouTube. That said, millennials use the top 2 at a much higher frequency than protomillennials.
- LinkedIn has somehow achieved similar uptake amongst both millennials and protomillennials—**this represents one of the most fertile landscapes for effective and targeted bi-generational communication.**
- **Did YouTube skip a generation?** Interestingly, **more protomillennials than millennials report using YouTube.**
- Nearly a quarter of protomillennials admit to using **none of the most popular social media platforms.** We’re shocked they even took this electronic survey.

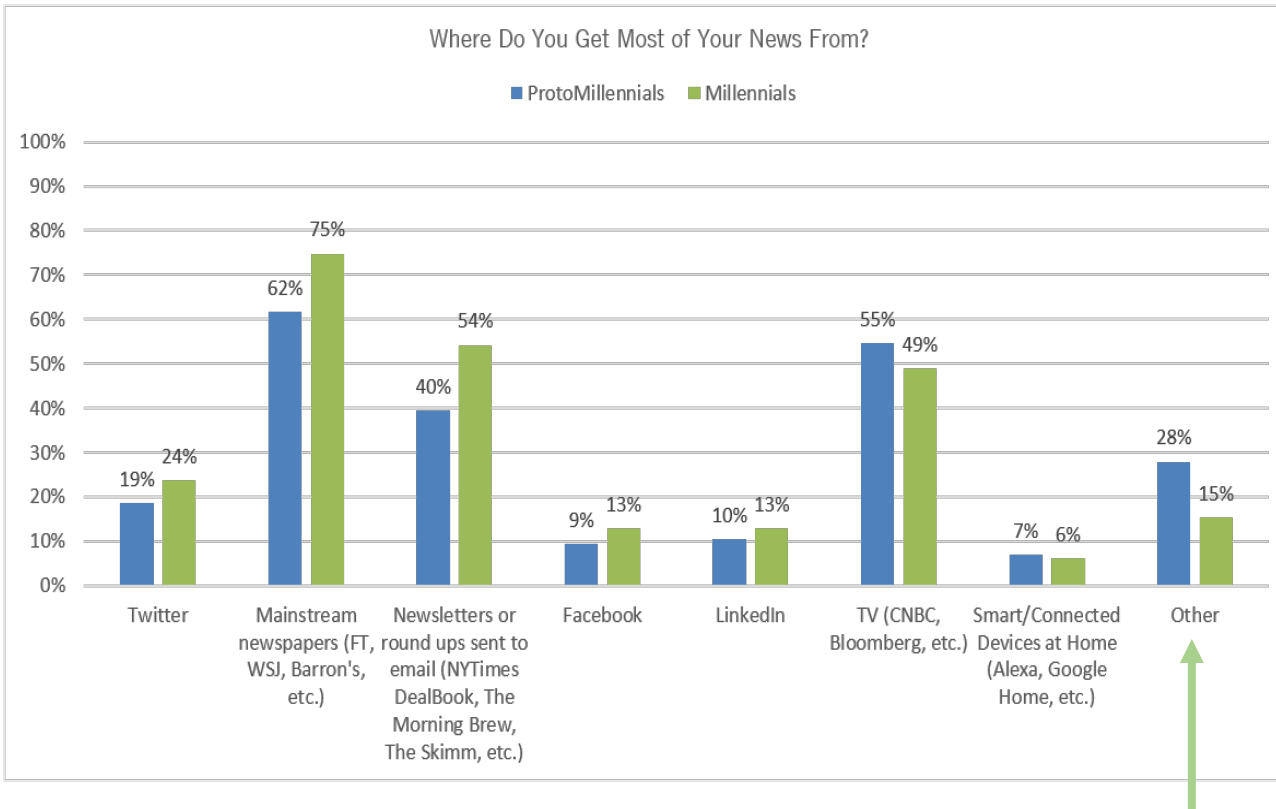
Average # Of Social Media Platforms Used Daily	
Protomillennials	Millennials
1.9	2.6

- Overall, millennials report being more engaged with **diverse social media platforms** than their protomillennial counterparts.
- That said, their **attention spans are finite**, and on average, they report that **only 2 to 3 different social media platforms receive their daily attention.**



MILLENNIALS: HUNGRIER FOR NEWS THAN YOU ARE

Millennials are more engaged with news across *all* digital platforms than protomillennials



- Millennials are voracious consumers of news, current events and politics – **across multiple platforms**
- They **out-consume more news** than their elders in **every medium** except live television
- **Smart home devices are a smaller but growing** medium through which news is sourced
- Maybe most surprising – millennials out-consume **mainstream newspapers by 13%**
- More than half of millennials report reading newsletters on a daily basis, but appetite remains mostly range bound (mostly 1-2 per day, up to 5). Here again, **millennials out-consume protomillennials by 14%**
- It's not all original: **aggregating, synthesizing and curating content** are strong drivers of successful platforms

Daily Newsletter Consumption		
	Protomillennials	Millennials
1-2	51%	54%
3-5	36%	30%
6-10	8%	8%
10+	6%	8%

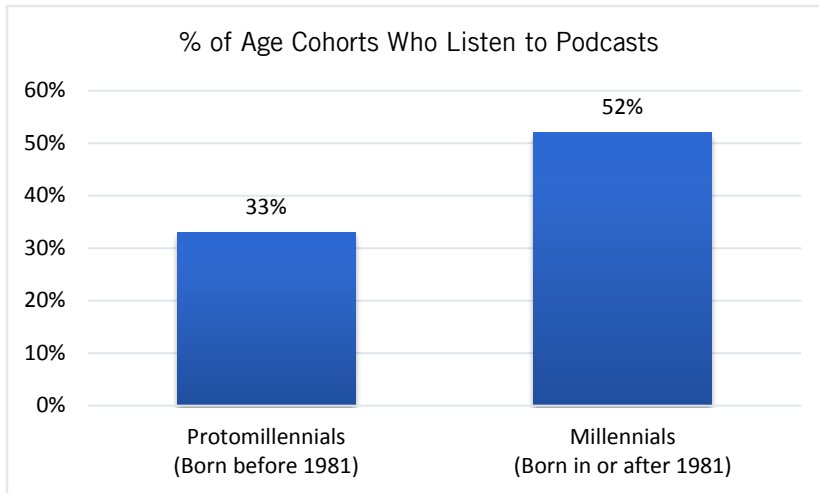
In 'Other' Words....

- AppleNews, GoogleNews, podcasts and Instagram all topped respondents' lists as go-to news sources.
- Aggregators are embraced in similar uptake patterns in both groups – ease of access and digestion is highly valued across all age groups
- **We all live on our phones**; mobile use has prompted a rise in newsletters, which we hypothesize are read on commutes.

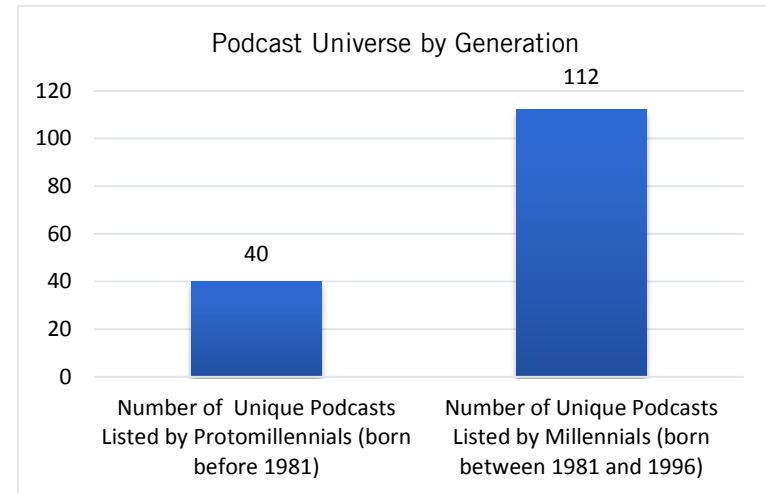
AUDIO: THE NEW FRONTIER FOR ENGAGEMENT

You can increasingly reach target audiences on their treadmills, during their commutes, and in their homes

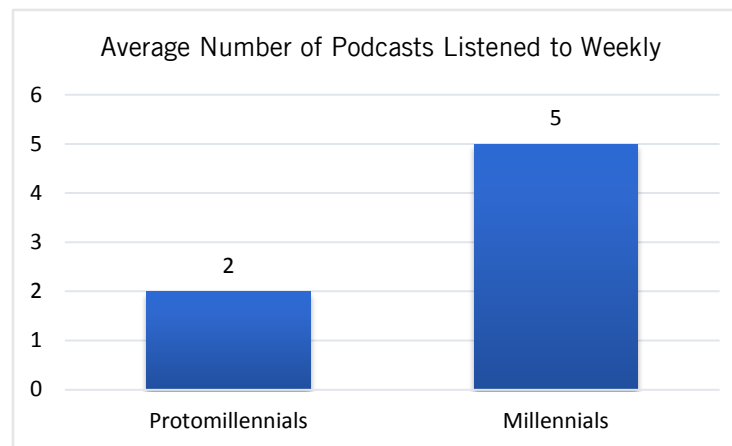
More millennials listen...



...to a more diverse list of shows...



...more often



MILLENNIALS' BROAD CURIOSITY EXHIBITED IN AUDIO

Millennials listen to more audio – and their interests are **broad and deep across genres**. Their ears, attention, and time is up for grabs by anyone with dynamic and captivating content.

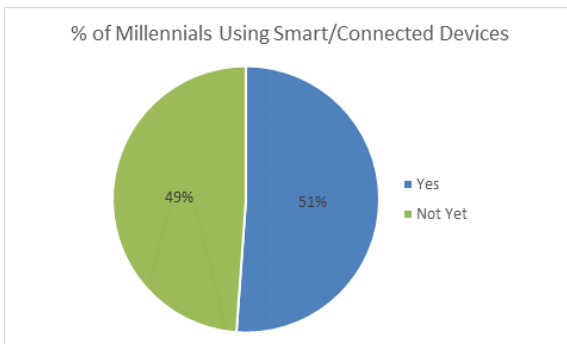
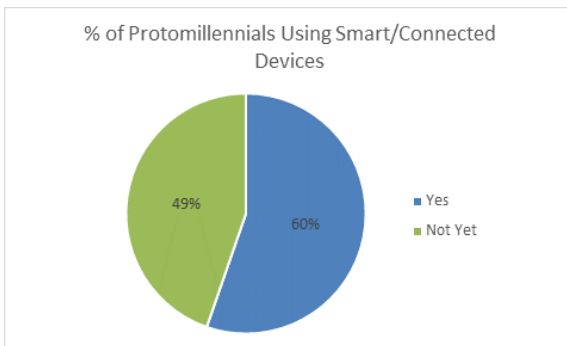
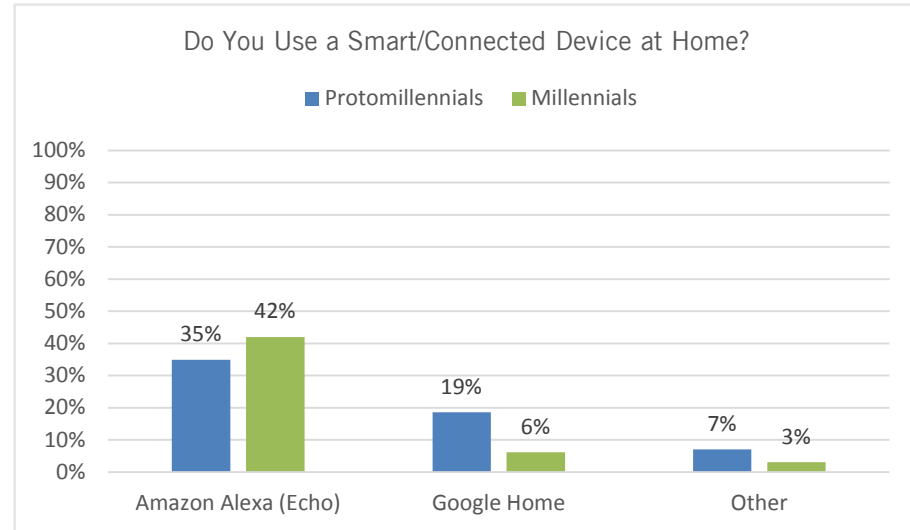
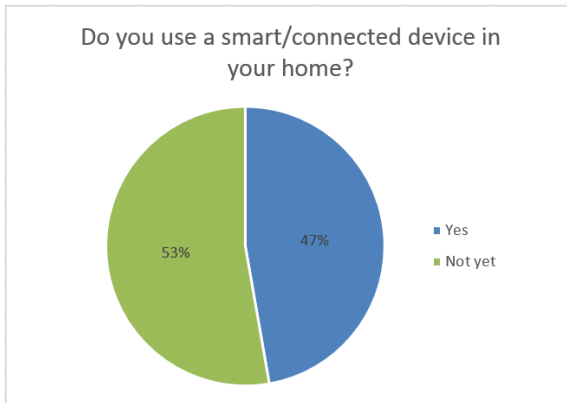
Millennial Podcast Breakdown by Interest

- Sports
- Edutainment
- News
- Personality Driven
- Crime
- Politics
- Pop Culture
- Self Help
- Tech
- Financial Services
- Entrepreneurship
- Fiction
- Design & Architecture
- Health
- Music



GOOGLE AND AMAZON WANT TO OWN YOUR HOME...

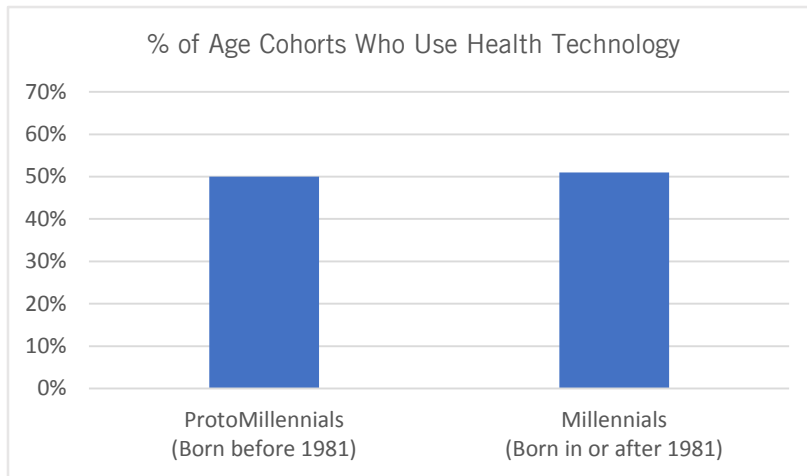
Smart home devices are already making their mark – across age groups



- **Smart and connected products** in the home are a media platform and source of news that is **growing in popularity amongst millennials and protomillennials** alike.
- About half of those surveyed already own and use a smart connected device, meaning that roughly another half of the population represents an untouched, addressable market of potential consumers.
- So far, **Amazon holds the most market share** amongst those surveyed in our poll. This means that while the company has been gathering **growth data from most major US metropolitan areas for its HQ2** plans, it has also been gathering **data on the micro level: about the inner workings of homes** all over the country...

...WHILE APPLE AND FITBIT ARE COMPETING FOR YOUR BODY (AND MIND)

At least half of all age groups report using some sort of health tracker

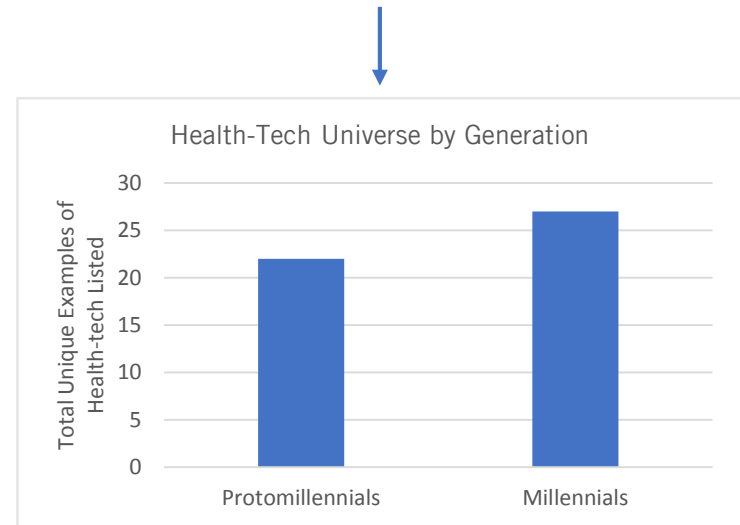


- **A Check-In with Apple a Day...** Currently, Apple owns the health-tech space. In both age cohorts, it was respondents' top choice for health-tech provider by a landslide. **Is Apple both old FAANG and the FAANG of the Future?**

Also of note:

- Favored health-tech providers come from diverse corners of the market, including names traditionally considered to play in the Infotech and Activewear spaces
- **Diets are dead.** When respondents wrote in about their health habits, they discussed step counters in their watches, daily mindfulness practices, and apps that track their workouts, not calorie counters. Now, when we think about health, we're thinking about sustainable, repeatable practices that permeate everyday routines.
- **If health is a way of life in 2019**, this has implications for healthcare, technology, and the convergence of the two going forward

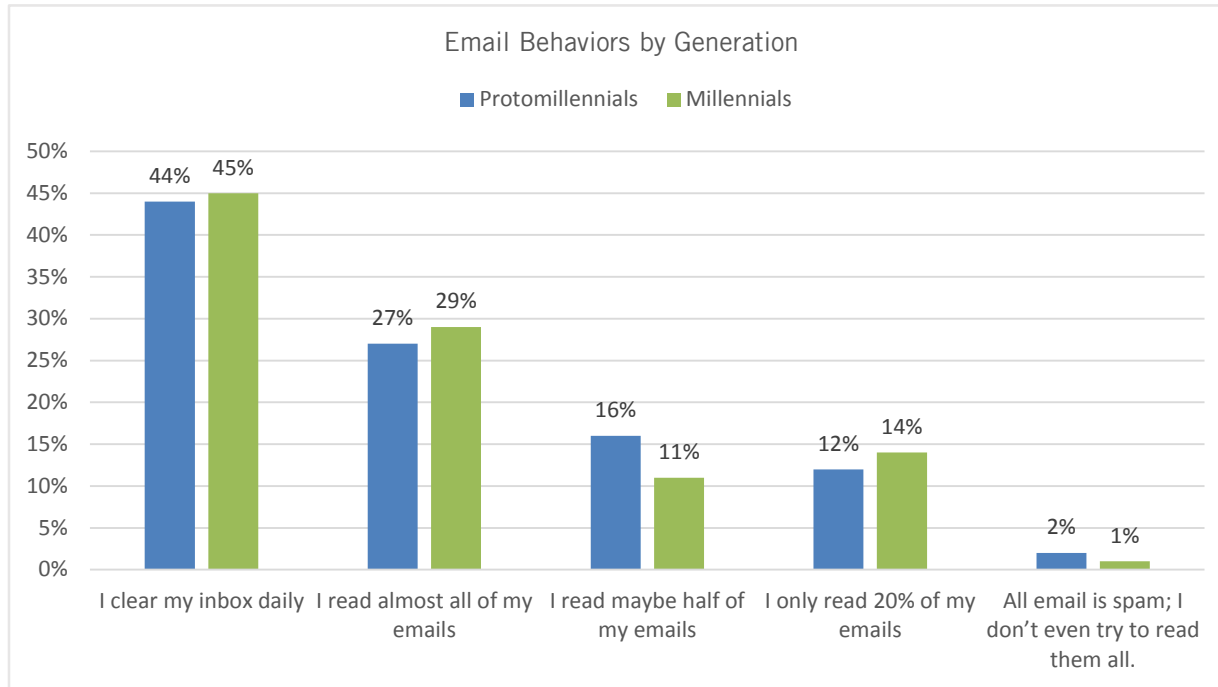
- **Is Healthcare the new FAANG?** Roughly 50% of respondents across age groups report using some form of "health-tech," and many providers toe the line between the traditional Healthcare and Tech GICS sectors.
- **With millennials, more is always more.** In keeping with their consumption patterns in podcasts, news, and social media, millennials report using and enjoying a more diverse universe of health technologies than protomillennials.



Favorite Health-Tech Providers by Generation	
ProtoMillennials	Millennials
Apple FitBit MyFitnessPal Garmin Nike MyCigna	Apple MyFitnessPal Strava FitBit Garmin Huawei Health

EMAIL IS THE GREAT GENERATIONAL EQUALIZER

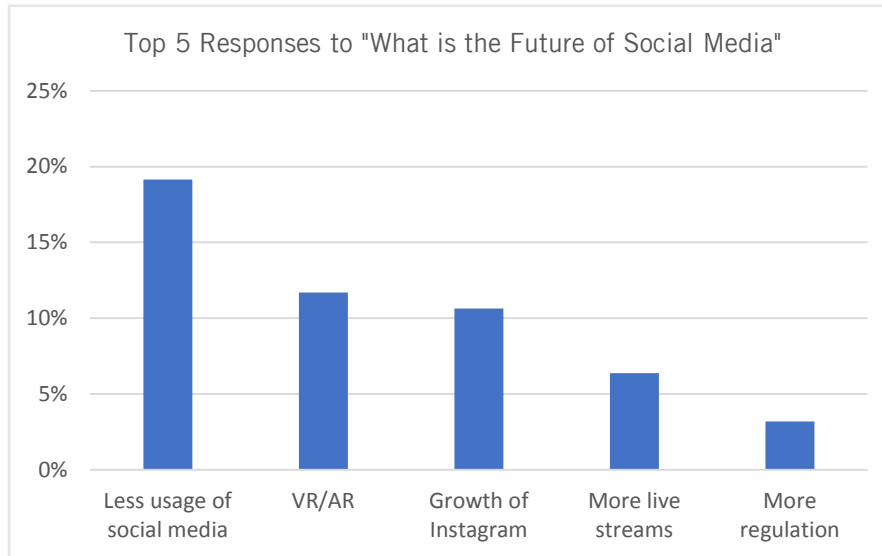
Email behaviors largely mimic each other across generations



- Less than 50% of the entire population makes an effort to read every email in their inbox. **What does this mean for people who send emails?**
- **If everyone's sending emails, is anyone?** The ugly truth: emails are no longer the most effective mode of communication. This is likely a **problem of sheer volume**. It can be hard to wade through daily new messages when they number in the hundreds.
- Notably, **few people totally ignore their inboxes**. Only 1% of respondents reported making little effort to read all of their emails.

THE FUTURE: MORE...OR LESS

Other than those convinced the future will be defined by *less* social media, most predict the future of tech is more of everything – from regulation and privacy to narcissism and podcasts



- Nearly 20% of all respondents believe the future of social media is **less of it**. Surprisingly, these responses were evenly distributed across age cohorts.
- There was considerable focus on the **expected growth of “instant commerce” or click-to-buy on Instagram**
- **VR/AR figures prominently in the future for some**; while others see more live streams and “interactive” social media platforms
- Overall, 80% of respondents see **more of everything** – balancing more regulation and privacy with greater use of platforms like Instagram and more integration of feeds across diverse forms of social media
- More than one remarked on the **transition from user-as-product to user-as-customer** as more individuals expect to get paid for “their” data

LOOKING INTO THE CRYSTAL BALL,
WHAT MAY DOMINATE THE FUTURE...

VR/AR
AI
Built in news fact checking
Consolidated feeds or integration across platforms
Convergence of tech and healthcare
Fake news
Getting paid for your data
Growth of Instagram
Growth of podcasts
Growth of the smart home
Health
Less usage of social media
Location-focused apps
More live streams
More narcissism!
More privacy
More regulation
More video
Other
Rise of voice driven devices
Use of social media in politics

LOOKING FORWARD

Next surveys in the Jefferies Millennial Demographic Series

- Jefferies Millennial Personal Data and Privacy Behaviors
- Jefferies Millennial Social Behaviors
- Jefferies Millennial Travel, Wellness, and Experience Behaviors



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