

Millennials seek exclusive identity and indie business model: study

Unlike traditional business model, indie model focuses on sustainability, fair sourcing and work-life integration

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BUSINESSES targeting the millennial consumer market need to be aware of Generation Y's tech-savviness and their demands for authenticity and an exclusive identity, said Bernd Schmitt, pioneer executive director of the Nanyang Technological University's (NTU) Institute on Asian Consumer Insight (ACI) and current special adviser to ACI.

ACI conducted studies in India, China, Vietnam, Thailand and Indonesia in November 2016 – comprising ethnography research and immersive consumer group interviews – and found that millennials “want to look good and stay healthy, want crafted, customised unique products and solutions, (and) have strong needs for experience, exploration and self-expression”, noted Prof Schmitt.

The first roundtable of the 2017 ACI Asia Business Series took place on Monday. Titled Bridging the Millennial Gap with Asian Consumer In-

sight, it helped companies better position themselves to capitalise on opportunities in the millennial consumer market.

Organised by ACI, the event drew more than 60 delegates, comprising of business leaders, senior management and academic representatives.

The roundtable panel consisted of Xun Huang, ACI fellow and assistant professor of marketing and international business at Nanyang Business School, NTU; Tio Wee Leng, ACI fellow and assistant director (capability and industry) and programme chair (diploma in consumer behaviour and research) at the School of Management and Communication, Republic Polytechnic; and Steven Han, manager of global insights at The Lego Group.

Assistant Prof Xun juxtaposed millennials with the older generation, and pointed out the differential trends in media consumption. While the latter tends to rely heavily on traditional media such as television advertisements, only about one per cent of millennials trust these traditional forms of authority, she said.



Prof Schmitt noted that consumer group interviews found that millennials want experience, exploration and self-expression.

Millennials' unprecedented ease of access to technological devices have led to increased flows of information. There is a greater level of transparency in the online realm, where consumers can easily access and compare price options and obtain reviews. In addition, millennials are also much more enthusiastic about broadcasting their personal experi-

ences than the previous generation, allowing them to wield greater social influence over society.

Among millennials, the independent business model has been gaining traction. A stark contrast to the traditional corporate business model, the indie business model is a small local one, with a focus on sustainability, fair sourcing and an integration of work and life.

Exclusivity is paramount in millennials' consumption decisions as they seek to be owners of a unique identity. “They are willing to pay a premium for these products. They believe that price is tied to identity, and that identity is priceless at that”, said Ms Tio.

Added Lewis Lim, deputy director of ACI: “Through our research, we saw a potential in the millennials as an influential group of consumers in the region. Young consumers these days exert a great deal of opinion leadership, and whatever they buy and say can often shape the consumption habits of even the older consumers. Companies cannot afford to neglect the trend-setting power, if not the purchasing power, of the millennial consumers.”

The roundtable was supported by *The Business Times*.