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## **04** HOW TO CONNECT WITH MILLENNIALS

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1

..... HOW TO .....

**CONNECT**

..... WITH .....

**MILLENNIALS**

# Background

The Millennials Project arose to respond to the changing profile of our customers and our desire to offer them compelling experiences. A new way of life, of understanding the economy and using resources, has profiled a generation that radically questions the way companies address their customers. The market-driven formula of delivering products that are subsequently adjusted to the customer with subversive marketing techniques no longer makes sense. New generations have a vast amount of information available at their fingertips. They can compare, choose, and decide what and how they want it. They are mobile, social, connected and are shouting for a new kind of relationship with banks.

In the way of transforming BBVA into a truly customer-oriented company that understands what really matters to their customers, the Millennials project is contributing to changing mindsets within the bank. We want to impact the way we address our customers, to design products and services to suit them, and to accompany them throughout their life path. In the following pages the reader will enter the world of a new generation calling for companies to change and move forward with their mentality, habits and ways of living.

## 1.2 A Bussines Need

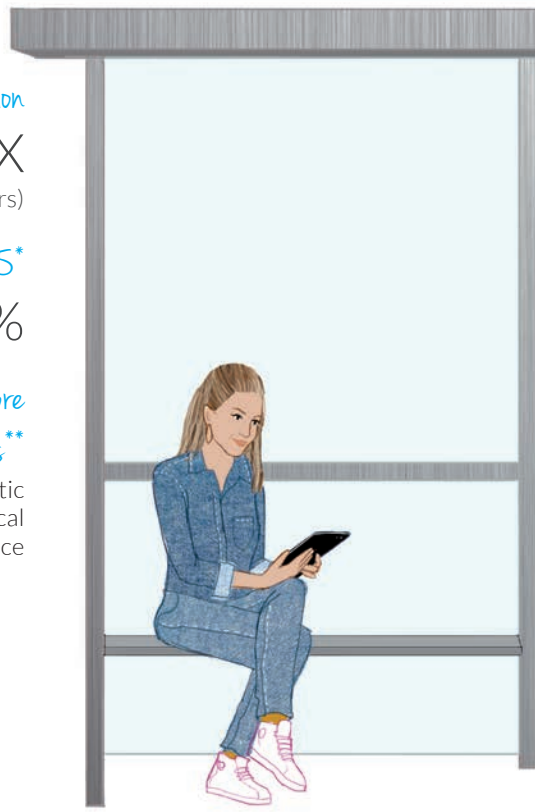
They represent a large portion of the population, and are the future customer base of our company. Understanding millennials is key. The behavior, values and attitudes exhibited by millennials will soon be 'adopted' by older generations who are beginning to see the value of connectivity and mobility. We must be ready to understand our changing clients.



*Generation*  
**Millenials**  
(16/34 yrs)

*Global Population 2015\**  
**30%**

*Select core values/attitudes\*\**  
Self-confidence  
Part of a global community  
Extremely tech savvy  
Spiritual and fun



*Generation*  
**Gen X**  
(35/50 yrs)

*Global Population 2015\**  
**21%**

*Select core values/attitudes\*\**  
Entrepreneurial and pragmatic  
Skeptical / cynical  
Pursue life balance

## Their values, attitudes and behavior set them apart from previous generations.

### Less interested in owning a car.

Prefer public transportation that does not interfere with their texting.

### More open about their life,

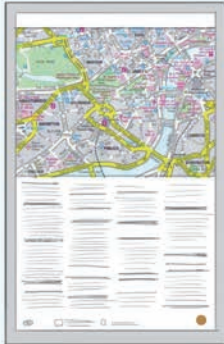
less worried about privacy. Like to share and speak freely about how much they make.

### Extended adolescence.

Keep the party going!  
Have fun. It's ok to live with your parents.

### Less need for conspicuous presentation,

every day is Casual Friday



*Generation*

**Boomer**

(51/69 yrs)

*Global Population 2015\**

**16%**

*Select core values/attitudes\*\**

Anything is possible  
Equal rights and opportunities  
Personal growth and gratification

1.3

## The Study

A global study that brings together the inputs of Millennials from three different geographies.

### *Onsite BBVA*

---

**3**

Countries

**4**

Cities

**258**

Millennials

**24**

Insight sessions

### *"Millennials Now" Community Stats*

---

**+1000**

Members

**316**

Articles

**1471**

Likes

**40**

Insights

### *External BBVA\**

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**71**

User interviews

**28**

Expert interviews

**13**

Immersive activities

### *A user-centered story*

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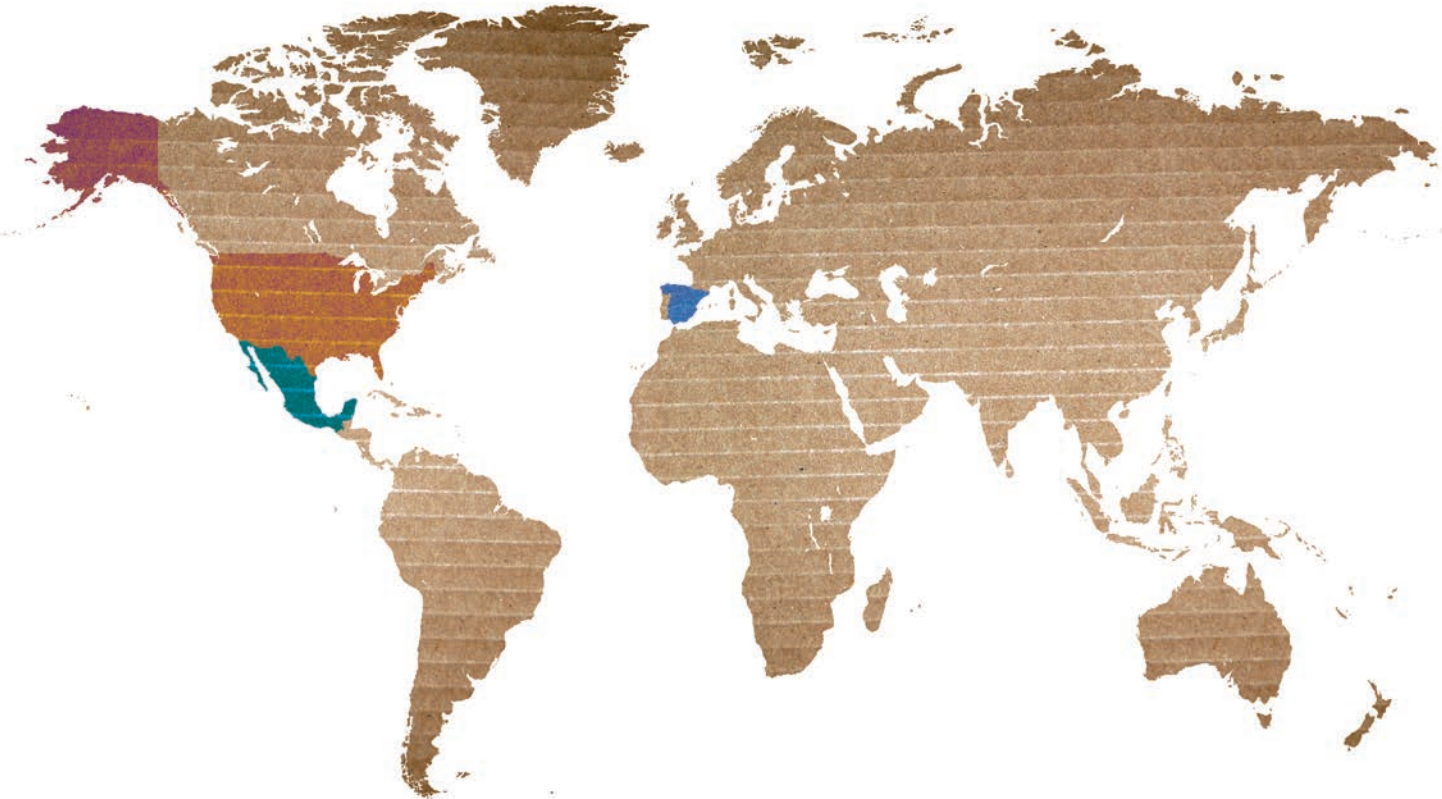
Millennials between 25-30 years of age

Financially independent or transitioning to financial independence

\*'Always in beta' is a study organized by Claro Partners and Anthemis Group and financed by BBVA, among other companies.



Sessions organized by BBVA in **Madrid, Mexico City, Houston and Birmingham.**



Here's a summary of what happened...





1.3.1

# Lifestyle, Values and Behaviors

On May 6, 2015 more than 20 Millennials were gathered in Hat Bar in Madrid for a group activity. There were 6 boxes distributed throughout the bar where each participant could insert images that came to mind as they read each box.

What do they ...

LISTEN TO?

Music (Spotify)

Becoming independent is complicated

Powerful people are not to be trusted

Expenditure has to be controlled

There is great inequality in the world

SAY and DO?

Buy: online and offline

Rebel against the establishment

Spend time in entertainment or hobbies: music, TV shows, traveling, sports, videogames

Use lots of apps

Interact through social networks and apps

Organize their life in the short term

Enjoy trying new experiences

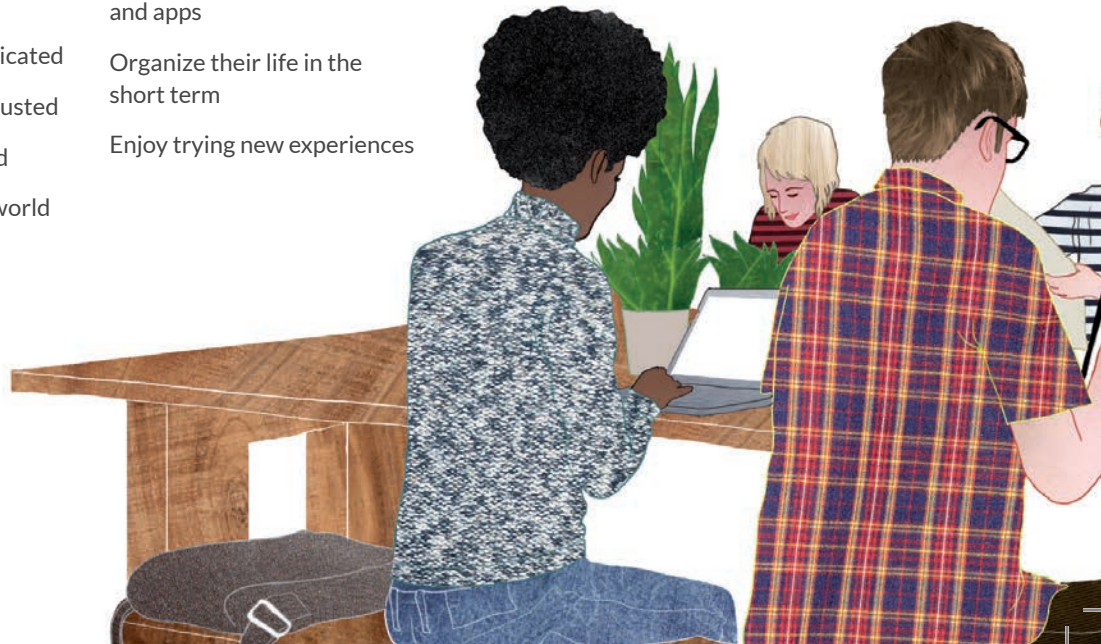
SEE?

The world is audiovisual

Too much advertisement

Youtube / TV shows and online movies

co<working



## THINK and FEEL?

We should take care of the world

The future is uncertain

Simplicity is a value

Ends do not justify means

Concerned about the present

Friends are very important

Optimistic

Personal growth is essential

Anxious

Digital world

Carpe diem

Cell-phones are indispensable

Immediacy is possible

Family is fundamental

## Put forth the effort

They work for low salaries

Recycle

Engage in charity

DIY

Study

Take care of yourself

## RESULTS

Enjoy, do what you  
love most

Social balance

I build/customize/  
learn on my own

Care for the environment  
I enrich myself

Healthy body,  
healthy mind



The project was conducted globally. Three countries were selected:  
Spain, Mexico and the U.S.A.

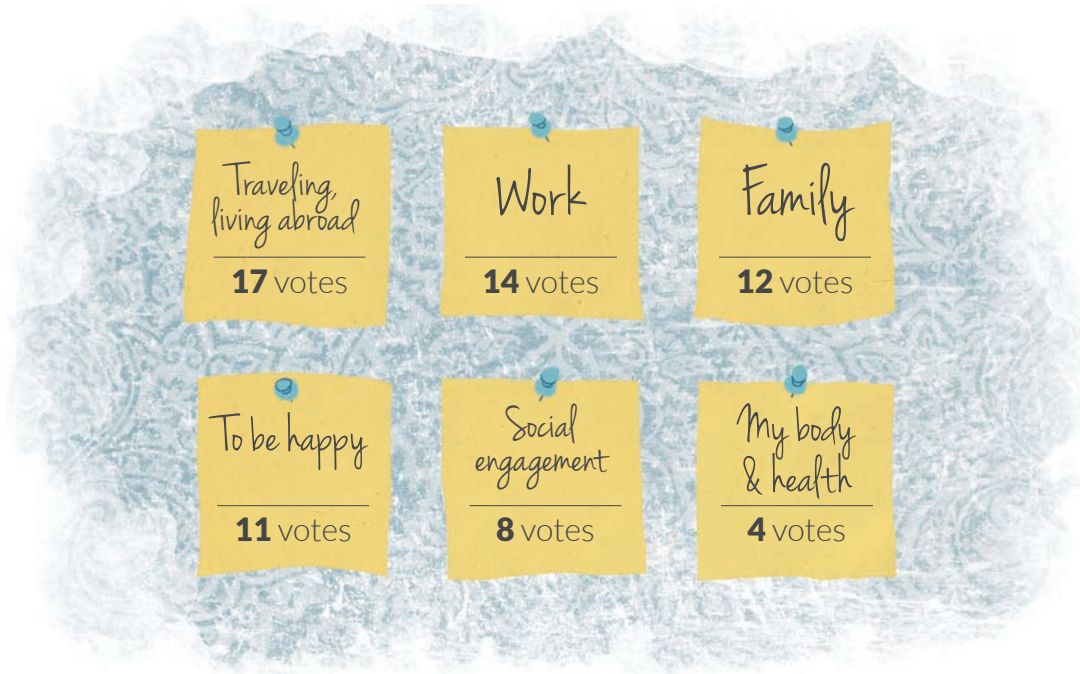


# Spain

On April 15, 2015 a session was held at the CIBBVA.

The activity consisted in taking out post-its and writing their dreams and where they saw themselves in ten years. These are their votes.

## WHAT MOVES MILLENNIALS?



# WHAT DO THEY LOVE?



They are committed to social causes



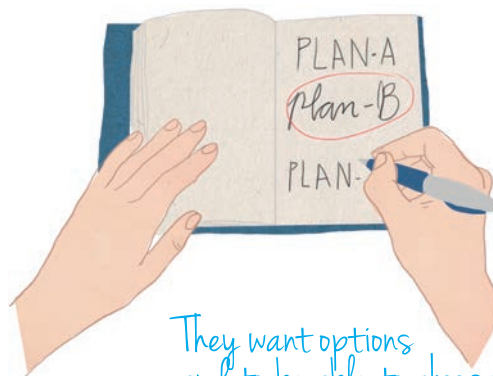
Search for a sense of belonging. Community



They like to be different from the status quo



Family diversity



They want options and to be able to choose





# USA

Two sessions were organized in the USA:

May 26, 2015 in Houston's The West End with 27 attendees.

May 27, 2015 in Birmingham's Innovation Depot, with 34 attendees.

The findings were as following:

## WHAT MOVES MILLENIALS?





## WHAT DO THEY LOVE?



They care about  
the environment



they like things to be personalized and centered on them



They like to have  
everything they need  
on their cell phone

They like to travel

Marklovers

LinkedIn

tinder



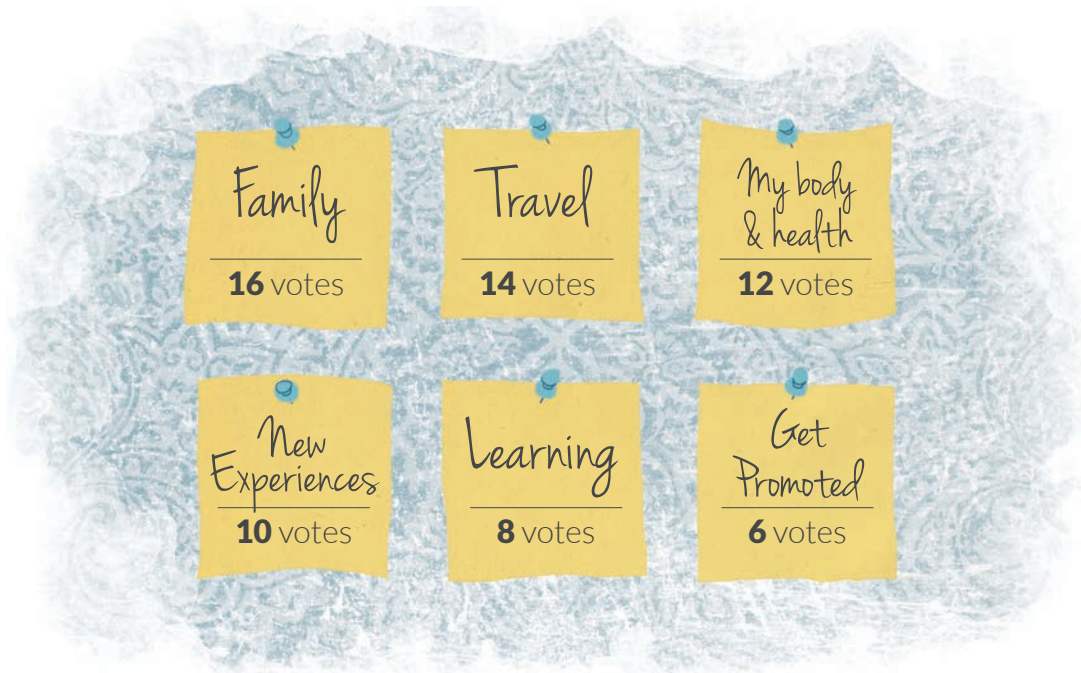


# Mexico

One session was organized in Mexico:

The session took place on May 11 in Mexico City, with 45 Millennials attending. The results were as follows:

## WHAT MOVES MILLENNIALS?



## WHAT DO THEY LOVE?



Being with their friends



Enjoy their free time



They like to travel



Sports



Feeling free

Marklovers



LinkedIn





*waiting in long lines...*

*They don't like being tricked,*

## THIS IS WHAT THEY HATE

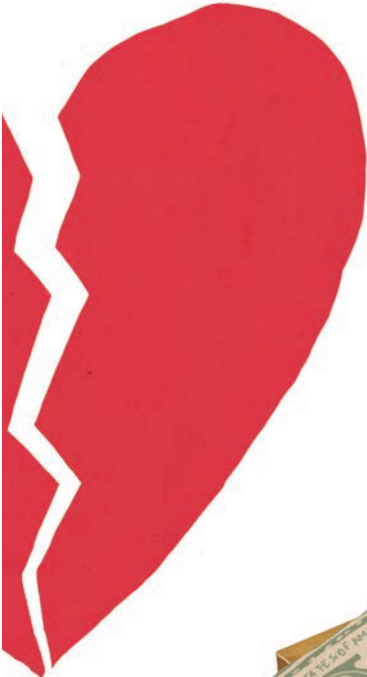


*they want everything*





*They don't like it when things are imposed on them*



# IN ALL LOCATIONS

*and they don't like feeling isolated from others.*



*They don't trust banks*





Play

**WHERE**  
— CAN WE —  
**FIND**  
**THEM?**

Work



Online



70% Say that their friends are the most important thing in their life and hence they spend most of their free time together.



Also, they spend more time than any other generation on social and environmental work.

Play  
In my free time...



Traveling is another key interest. 73% enjoy last-minute trips and 69% of Millennials have no trouble making up some excuse to miss work and take a few days off.\*



Playing sports comes in third.

\* % in Spain

WHERE CAN WE FIND THEM?



They only work on what they like.



The most aspirational professions



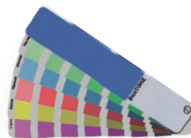
Engineer  
15%



Videogame tester  
13%



Doctor  
9%



Graphic designer  
8%



Chef  
8%

59% consider themselves very well educated and prepared.

They represent 17.3% of the population (LFS 2015, youth from 16-29 years of age)

Employment rates: 58% (half have temporary contracts) 23% emancipated (most are women)





These generations are the **most influenced by social media**, both in positive as well as in negative terms.



2 out of 3 would register anywhere to get coupons and good deals.



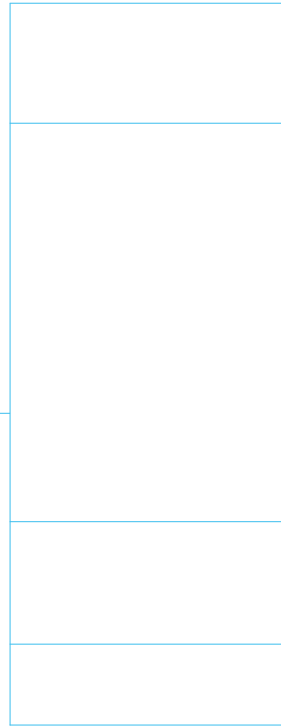
49% consider that they are **addicted to their "online life."** (56% female, 42% male).



Almost 9 out of 10 own a smartphone. One out of five uses the cell phone exclusively and one out of three uses 4 devices throughout the day. Comfort, ease and speed are key things for them.

1.3.2

# Relationship with money



## Millennials and banks

- They see them as impersonal and distant institutions which they repudiate. They feel frustrated and lost when they interact with them.

- **They think that:**

---

What banks offer is misleading.

---

They won't need banks in the future (1 out of 3).

---

All banks are the same. There is no difference between them (more than half think this).

---

- They are more likely to respond to a financial offer posted on Google, Apple, Amazon or Paypal than from their own bank.
- Their relationship to their bank is distant and indifferent.
- They do, however, recognize that banks are useful in the security and ease they provide for shopping and saving. In fact, 9 out of 10 use their banking products for making purchases.

Millennials choose a bank depending on...

...their online services ...a convenient distance ..

*Reasons to stay:*

Good online services

Affordable commissions

Good branch locations

Trust that their information is safe

Safe ATMs

Good service apps



e ...reasonable commissions ...loyalty programs

### *Reasons to leave:*

- Expensive commissions
- Unsatisfactory loyalty programs
- Mistrust the bank
- Don't trust that their information is safe
- Poor online services



## Millennials and money

*How do they spend it?*

**Online** purchases are growing exponentially, especially for traveling, one of the main aspirations of Millennials.

However, the internet is used mainly to compare.

**THEY ALWAYS COMPARE!**

As for clothing, they prefer to try things on, despite the convenience of online sales.

They want quality **BUT THEY WANT IT CHEAP!**



## How do they save it?

They **hardly save**, but when they do, it's usually for projects or plans they wish to undertake. Savings are in any case, **short to medium-term**.

Very few think of saving to buy a house or flat.



### 1.3.3

# Personas

Despite the fact that Millennials do not like to be labeled, we may distinguish several typologies. The Boston Consulting Group distinguishes **six kinds of people**\*





## HIP-ENNIAL

*"I am going to make the world a better place."*

Cautious consumer, aware of global causes, charitable, eager to learn.

Frequent user of social networks but doesn't add content or contribute.

Optimistic, likes to travel, loves nature and living the moment.

There are more females than males and their salaries are lower than most.



## MILLENNIAL MOMS

*"I like to work out, travel, and take care of my baby."*

Economically stable, family person, likes to exercise, confident, digitally-aware.

Outgoing, highly social, eager to learn. She loves using the social media to be connected.

May feel isolated from others in her daily routine.

Adults, these Millennials have greater purchasing power.

Cheerful, practical and concerned about security.



## ANTI-MILLENNIAL

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"I'm too busy taking care of my business and my family. I don't have time for distractions."

Conservative.

Not interested in "eco-friendly" products.

Dislikes change, prefers routine.

Surfs the net to read global news.

Not too interested in environmental causes and doesn't identify with Millennials.

This group is dominated by females, most of them are Hispanic or from Western European countries.



## ECO-MILLENNIAL

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"I care about myself and the world around me."

They fight for causes they believe in, causes that are fair, healthy and positive.

Content contributor, usually related to a cause.

Most are male, the youngest of the Millennials, mainly Hispanics and full-time students.

Don't smoke, many are vegetarian. Concerned about the environment, which in turn influences the products they consume.

They want to connect with people who are like them.



## TECHNO GURU

*"Life without technology would be boring"*

Successful, connected 24/7, free-spirited and confident.

Confident and meticulous on the job.

Likes to be up-to-date with the latest trends in technology. Owns multiple devices and create online content.

Confident when shopping on the internet, tend to follow blogger's tips.

Mostly male, higher income than average and single.



## OLD-SCHOOL MILLENNIAL

*"Facebook is so impersonal. I'd rather meet in person!"*

Not very connected. Feel a bit lost with all the technological advances and don't like how impersonal social media can be. They prefer being more personal.

Cautious and charitable consumers. Prioritize personalized quality over quantity.

Confident and independent.

The elder Millennials, most are Hispanics.

1.3.4

# Insights

*"INSIGHTS developed through the synthesis of information gathered through empathy and research."*



**"Life changes constantly.  
I need to keep my  
options open."**

*"I'm not sure of what I will do in the future, so I experiment and keep my options open."*



**"I do it my way."**

*"I discover new ways of managing my life and finances."*

*"I couldn't work for a company, you can't have your own ideas in that kind of environment."*

*"I do things my own way that make me feel good."*



**"Life is full of choices.  
I need help to DECIDE."**

*"I need to experience things to know what I want."*



**"I need to have fun NOW."**

*"I want to live my life to the full now."*

*"I need money now to meet my immediate needs."*



**"Leveraging my  
assets."**

*"I leverage my skills and social connections to meet my goals."*

*"I want my own startup."*



**“Invest in myself.”**

*“Learning is a big part of my life.”*

*“The most important thing to me is the potential to grow.”*

*“I don’t want to work a 9 to 5 job. Investing in my skills is investing in my backup plan.”*



**“We are different from other generations. We are a tribe where I need to belong.”**

*“My friends are my family.”*

*“I find holiday destinations reading blogs, checking out social networks, peer experiences. I don’t want to go where all the tourists go. We do cooler things.”*



**“I’m afraid to miss out.”**

*“I love getting recommendations from other users to find interesting places to visit.”*

*“I want to explore the world and experience things. It’s my time to do things.”*

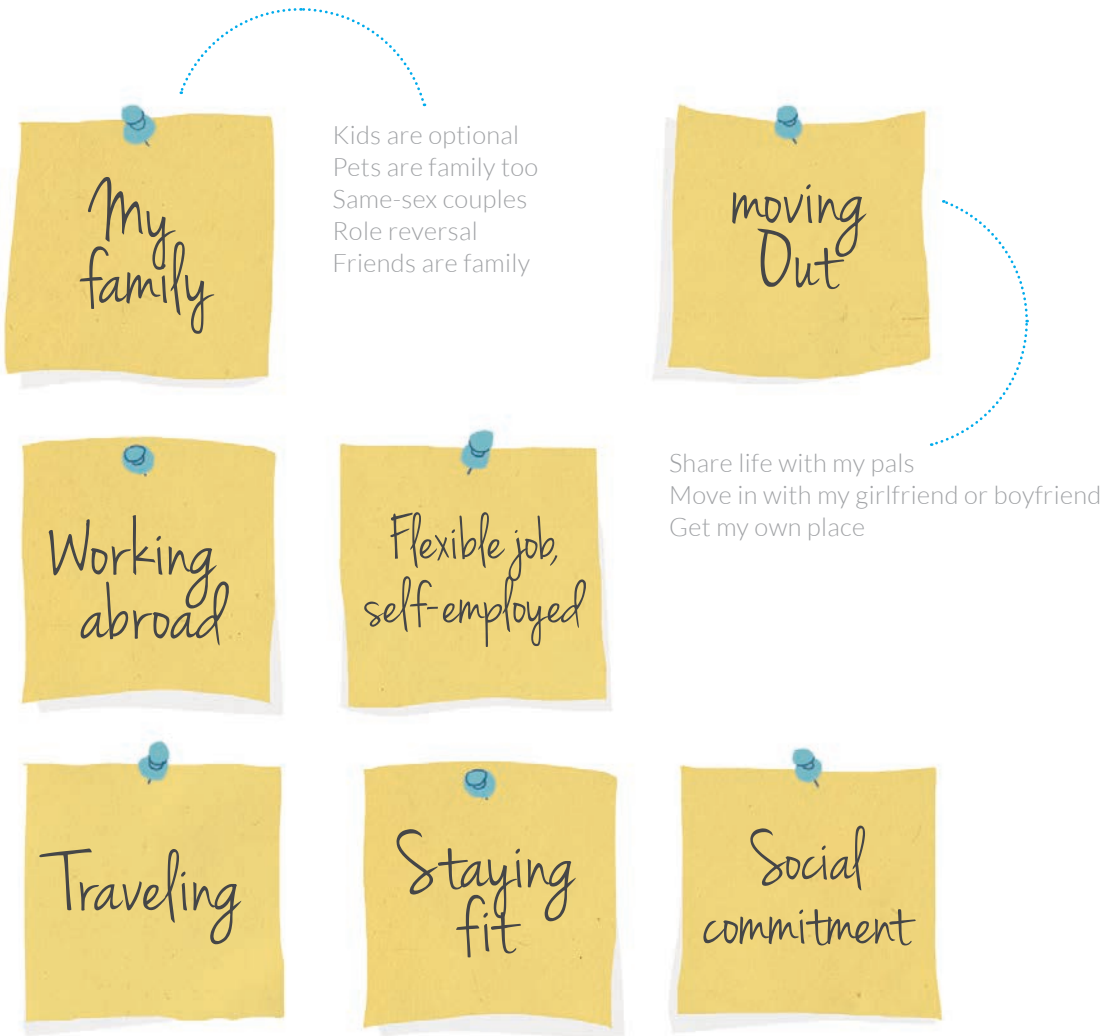


**“With so many options, I prioritize functional and emotional satisfaction. Everything I do has to have a purpose.”**

*“I am an architect and I’m trying to open up city spaces for others to enjoy.”*

*“I’m concerned about natural disasters and our impact on the climate. I want to have a good impact.”*

# Desires and Aspirations



# How can banks connect with Millennials?

This relationship must be based on new banking experiences and values.



	Then	Now
<b>Trust</b>	Authoritative	Shared
<b>Engagement</b>	Loyalty	Relevance
<b>Planning</b>	Planning	Preparing
<b>Financial Management</b>	Delegation	Working together
<b>Communication</b>	Information	Meaning

# Rachel

(26) is a PhD student in Madrid, like many Millennials, the bank is not the first place she'd go to for financial information.





## This is how we build **trust**

Trust in institutions is being challenged by competing sources, experiences and intentions. She is more likely to go to her peers knowing they have her best interest in mind.

The bank is no longer the center of their financial ecosystem.

As their own context is ever-changing, they frequently seek to learn from others who have been through a similar experience. This is in part what makes co-working hubs for entrepreneurs so popular.

Their trust increases when they see that both parties are mutually benefited and are increasingly drawn to offers where they feel that both parties are 'in the same boat.'

They trust in shared experiences.

They trust shared interests.

They trust in the intentions of their network.

## Keys to building **shared experiences** and **interests**

Peer advice  
Explain "why"  
Win-win propositions  
Give them a Role

## How can we **engage them?**

It is easy for banks to lose their customer relationships, as with Joey (25, Singapore), whose bad credit card experience turned her away from banking.

Apple is so relevant in the daily life of James, a sound engineer, that “I depend more on Apple than on my girlfriend. Apple has done more for me than my parents have.”

Bitcoin is an example of a financial service engaging Digital Natives emotionally, to the extent that many are lobbying and attending community events.

**Their bank doesn't have a prioritized status among the businesses in their life.**

**They seek ongoing relevance, both functional and emotional.**

**They have a low tolerance to frustration with services.**

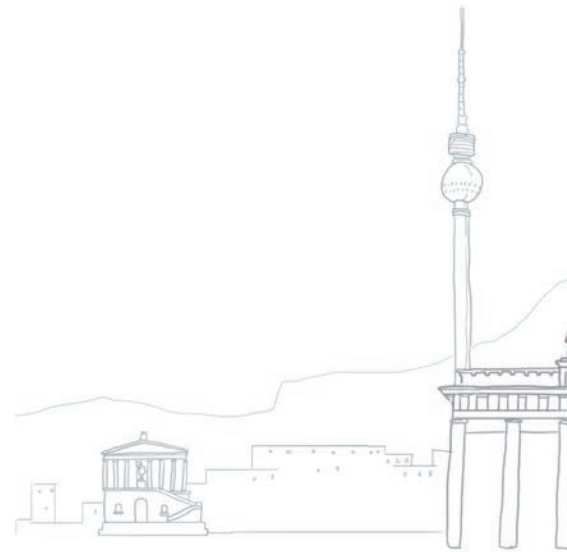
## Keys to **creating relevance**

Contextualized offers

Personalized offers

Fundational value

Emotional connection



# Muireann

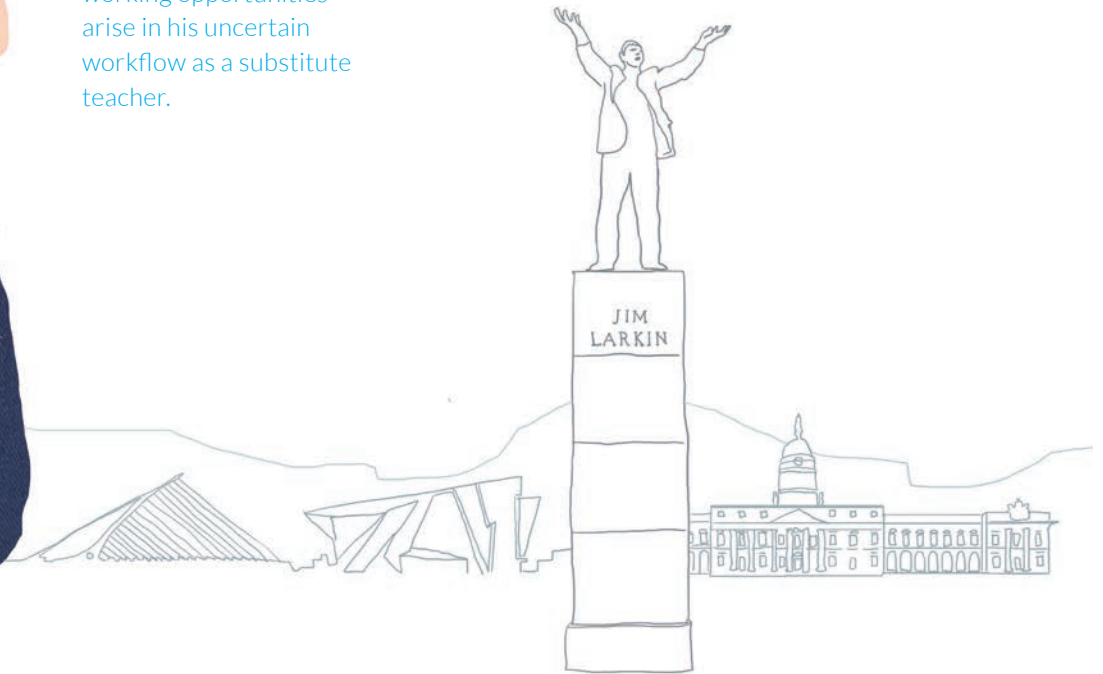
(20, Berlin) is a student who is “loyal to the best offer.” Her bank doesn’t hold a privileged place in her life.





## John

John (30, Dublin) constantly updates his teaching qualifications so he can react to whatever working opportunities arise in his uncertain workflow as a substitute teacher.



## How can we help them **plan**?

Their fragmented life path means they are often moving between financial phases and have little visibility into the future.

This is affecting their view of traditional commitments to long-term saving, investing or borrowing, as they don't know how their life circumstances may change.

Instead, they prefer new approaches to preparing for the future.

They move back and forth between financial phases.

They shy away from financial offers that tie them down.

They invest in themselves before investing in things.

They access information just in time.

## Keys to helping them **prepare**

*Just in time*

*Smoothing effect*

*Network-based  
assessment models*

## How can we help them **manage their money?**

Digital natives are used to creating their own solutions, often mixing and matching available tools and fragmented offers and adapting it to their specific context.

We saw several self-made solutions that create friction in their services, such as Thomas (22, Dublin), who keeps his money in bitcoin to add an extra step before he can spend cash.

They are willing and are increasingly able to become a semi-expert thanks to a new wave of enabling offers throughout their live phases.

**They create their own solutions.**

**They prefer to be a semi-expert than to delegate to someone else.**

**They use inconvenience as a means of self-control.**

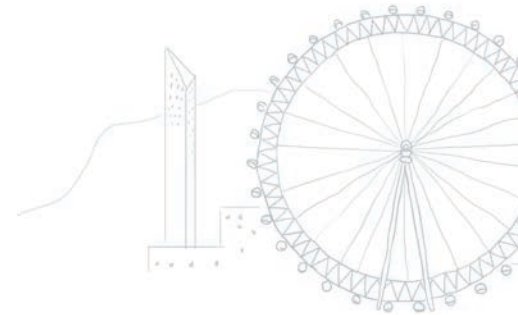
## Keys to **enabling them**

Learn by Doing

Make DIY easy

Help them become an expert

Help them have self-control



# Benny

(27, London) creates his own solutions because “I don’t want to trust a broker and lose, like my dad did. I took this investment course to be able to manage my own finances.”



# Juan

Juan (22, Mexico City) looks to the “why” behind a bank rather than the “what” of the product details. He decided to bank with BBVA in Mexico because it was “the safe bank.”





## How can we **communicate** in a way they understand?

Digital natives are adding meaning to their money in order to make sense of their financial data.

Rob and Jack (25, London), spend their money differently depending on which income stream they earned it from (say revenue from their startup for special purchases whereas the income from their day job goes toward covering the basics).

To make sense of the perceived overload of financial information, Greame (28, Cape Town) seeks simplicity - that's why he chose to bank with Capitec, which provides him with clear offers and a limited range of products.

They assign a different value to different types of money.

They compartmentalize money using qualitative tags.

They seek simplicity.

They prioritize the why over the what.

Keys to providing them with **meaning**

*Simplify the experience*

*Tell the story*

*Speak the mindset of the user*

# Millennials provide an opportunity for a k

*The key financial needs  
of Millennials are not  
revolutionary*

**Any online bank could offer  
these services:**

---

Storing and accessing their money

---

Transferring money to friends

---

A clear picture of the financial products  
available to them

---

An easy way to pay bills and automate  
transactions

---

Information on managing and reducing debt

---

Strategies to save and support their  
decision-making

---

Tips to avoid financial mistakes

---

# a bank that offers a different experience

*But the way they'd like to connect with their bank is different. Here in lies the opportunity!*

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70.83% of Millennials use mobile banking  
(Spain, U.S. and Mexico average)

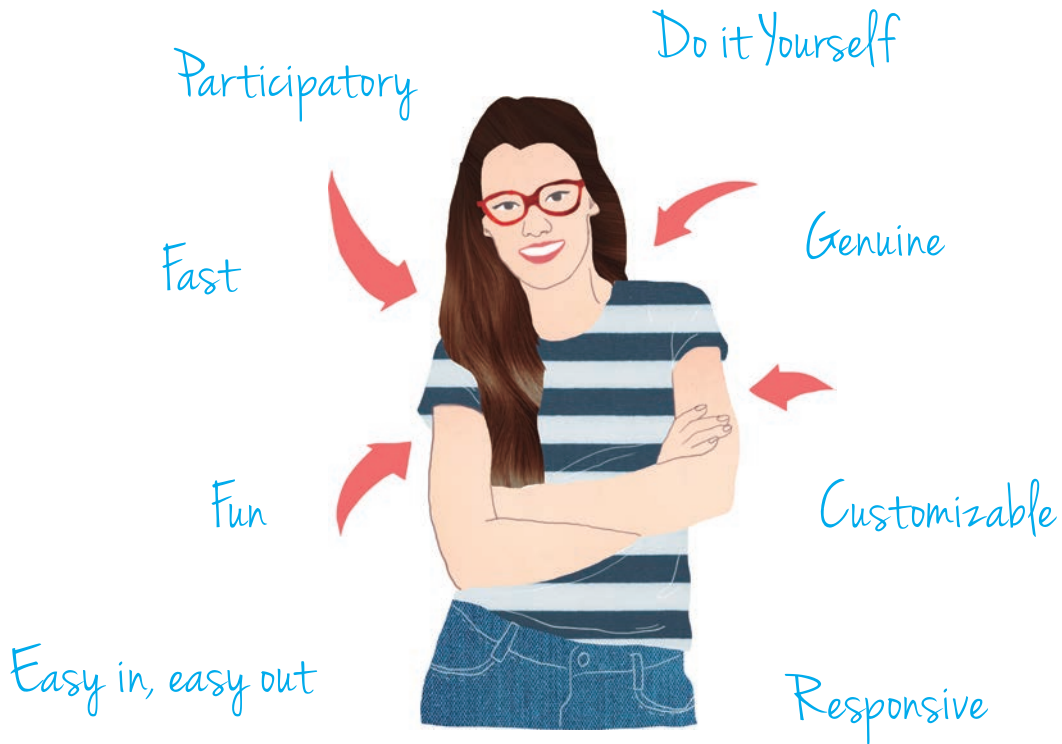
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**Mobile is just a symbol of the experience they seek: immediacy, design and a different relationship.**

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## Design principles for Millennials



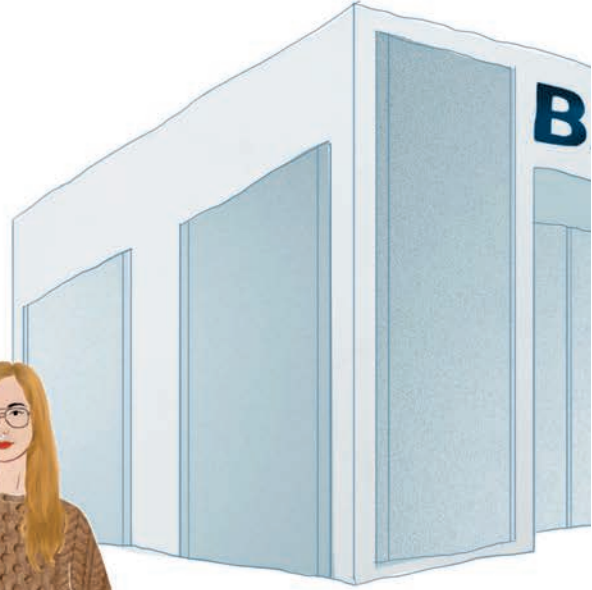
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Design for Millennials combines all of these factors

## A key to success with Millennials

Generate interest by fostering their lifestyle and life-cycle stages, making them feel that BBVA is “not just another bank.”







Our special appreciation to all employees of BBVA who contributed with their time, knowledge and experiences to this project. Their online contributions as well as their presence in workshops gave us the energy to believe our organization is already far in the digital transformation. Without them this study wouldn't have happened. With them we get closer to our dream of experiencing BBVA as an innovative, openminded and customer focus company.

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