

THE WALL STREET JOURNAL

America's Retailers Have a New Target Customer: The 26-Year-Old Millennial

This age bracket, bigger than any other, is pushing companies to revamp marketing and products, including a lot of remedial education

By *Ellen Byron*

Oct. 9, 2017 10:26 a.m. ET

[The Scotts Miracle-Gro](#) Co. has started offering gardening lessons for young homeowners that cover basic tips—really, really basic—like making sure sunlight can reach plants.

“These are simple things we wouldn’t have really thought to do or needed to do 15 to 20 years ago,” says Jim King, senior vice president of corporate affairs for Scotts. “But this is a group who may not have grown up putting their hands in the dirt growing their vegetable garden in mom and dad’s backyard.”

The biggest single age cohort today in the U.S. is 26-year-olds, who number 4.8 million, according to Torsten Slok, chief international economist for [Deutsche Bank](#). People 25, 27 and 24 follow close behind, in that order. Many are on the verge of life-defining moments such as choosing a career, buying a house and having children. [Companies looking to grab a piece of that business](#), however, have run into a problem. This generation, with its over-scheduled childhoods, tech-dependent lifestyles and delayed adulthood, is radically different from previous ones. They’re so different, in fact, that companies are developing new products, overhauling marketing and launching educational programs—all with the goal of luring the archetypal 26-year-old.

“They grew up playing soccer, having dance recitals and playing an Xbox,” says Scott’s Mr. King. “They probably didn’t spend as much time helping mom and dad out in the yard as their predecessors or their predecessors’ predecessors.”

Wave of Young Consumers

Companies such as Scotts, [Home Depot](#) Inc., [Procter & Gamble](#) Co., [Williams-Sonoma](#) Inc.’s West Elm and the [Sherwin-Williams](#) Co. are hosting classes and online tutorials to teach such basic skills as how to mow the lawn, use a tape measure, mop a floor, hammer a nail and pick a paint color.

Lawn-mower engine maker [Briggs & Stratton](#) Corp. built a professional studio inside its Milwaukee office last year to make how-to videos. Power-tool maker Andreas Stihl AG calls these new consumers “Willie Wannabes,” compared to their elders, who are “Eddie Experts.”

Millennials as a whole are America's latest demographic bubble, overtaking the baby boom generation and, like them, [transforming popular culture, retailing, media and lifestyles](#). They make up about 42% of all home buyers today, and 71% of all first-time home buyers, according to [Zillow Group](#). Some 86% of [millennial home buyers](#) reported making at least one improvement to their home in the past year, more than any other generation, Zillow says.

The group of 93 million comprises people born roughly between 1980 and 2000. Baby boomers, born between 1946 and 1964, numbered 78.8 million at their peak and today have 74 million, according to 2016 U.S. Census Bureau population estimates.

Nick Bruno, 26, recruited his father to help assemble a wardrobe for the studio apartment he recently rented in New York City's Harlem neighborhood. He spent the past year living with his parents to save money.

In addition to a new dining table, chairs and a TV stand, the sales representative has bought an arsenal of supplies, including laundry detergent, window cleaner, dish soap and a Swiffer mop for the apartment's wood floors, instead of the mop and bucket Mr. Bruno used on his parents' floors growing up. "I had to read the instructions," he says.

P&G, which makes Swiffer, found millennials clean their homes differently from older generations. "We find that the younger generation is a bit more crunched for time and less likely to do a big, deep clean," says Kevin Wenzel, an associate brand director for P&G's North America surface care business.

Instead, millennials are more likely to clean as needed, which P&G calls "maintenance" cleaning. Swiffer advertisements this year highlight how its mops and dusters help "in the moment."

P&G research also showed that some 44% of millennials say they will move in the next year. "Spending as well as interest in different solutions really peaks in those first few weeks [of moving]," Mr. Wenzel says. "It's a critical point to influence."

It established a "new mover" program and sends about four million consumers who have recently moved coupons and product samples such as a Mr. Clean Magic Eraser, Swiffer duster, Tide detergent pods, Downy fragrance beads and even Old Spice deodorant.

[J.C. Penney](#) Co. says the group is willing to hire others for projects. The retailer has pushed into home services, including furnace and air-conditioning repair, water-treatment systems and bathroom renovations, and expanded its window-covering installation.

“They’re much more of a ‘Do-It-for-Me’ type of customer than a ‘Do-It-Yourself’ customer,” says Joe McFarland, executive vice president of J.C. Penney stores. “You don’t need a ladder or a power drill, you don’t even have to wonder if you measured your window right.”

Home-furnishings retailer West Elm offers service packages, which start at \$129, to provide plumbing and electrical work, painting, installing a television and hanging wall art and mirrors.

Millions Ready to Spend

Home Depot executives want to establish stores as an education center, so young adults can learn household maintenance for themselves. Snagging a new homeowner’s first purchases, says Ted Decker, Home Depot executive vice president of merchandising, helps drive return trips and represents potentially “thousands and thousands of dollars” in lifetime sales.

The company credited home purchases by young adults as a factor in its 9.5% rise in net income in its most recent quarter and raised its sales and profit expectations for the rest of the year.

In June the company introduced a series of online workshops, including videos on [how to use a tape measure](#) and how to hide cords, that were so basic some executives worried they were condescending. “You have to start somewhere,” Mr. Decker says.

Lisa DeStefano, Home Depot vice president of marketing, initially hesitated looking over the list of proposed video lessons, chosen based on high-frequency online search queries. “Were we selling people short? Were these just too obvious?” she says she asked her team. On the tape-measure tutorial, “I said ‘come on, how many things can you say about it?’” Ms. DeStefano says.

In the end, Ms. DeStefano herself learned a new tape-measure trick: Attach the end of the tape to a nail and hold a pencil against the tape measure’s base to draw a perfect circle. More lessons are coming, Ms. DeStefano says, including how to hang Christmas lights.

On a recent Saturday, Nadera Algoo, 25, attended a ceiling-fan installation class at a Home Depot store in Manhattan. She has also attended the store’s workshop on painting and drywall repair.

Though the high-school chemistry teacher lives at home with her parents in Brooklyn, Ms. Algoo wants to learn to do basic repairs for when she eventually moves out, so she doesn’t have to hire help. “It’s so easy to get ripped off,” she says. “And it’s cool to know.”

Al Manigault, the Home Depot workshop captain leading the class, asked Ms. Algoo to attach the fan to an electrical box. He nodded as she twisted wire connectors into place. “Very nice,” he said, as the four other students—all middle-aged men—looked on.

John Goldbach, vice president of sales for Stoner Inc.’s auto, DIY and household brands, ramped up basic online training to demonstrate products including paint and varnish removers. Online sales have increased about 20% this year thanks to online education efforts, the company says.

Mr. Goldbach has started training his four adult children. “My kids really should know how to change their oil and change their tires. Jeez, why didn’t I teach them these things before?” he says. “Now that they are in their 20s, I’m trying.”

Baby boomers changed the consumer-products industry as they grew up, sending diaper sales soaring in the 1960s, buying power suits in the 1980s and luxury cars and handbags in the 2000s. Marketers promised goods and services that would enable boomers’ independent, free spirits.

Millennials are different, though, especially in the rate at which they achieve independence in adulthood. In 2016, just 24% of 25- to 34-year-olds had experienced all four of what the Census Bureau called major life milestones: having lived away from parents, having been married, having lived with a child and being in the labor force.

That compares to the same age group in 1975, when 45% had reached all of those milestones. “Today’s young adults look different from prior generations in almost every regard: how much education they have, their work experiences, when they start a family and even who they live with while growing up,” according to a Census report.

When considering the store’s furniture assortment, West Elm creative director Johanna Uurasjarvi keeps in mind the dream studio apartment she would furnish for her 21-year-old son.

The company is making tables, chairs, bookcases and sofas to better fit inside smaller starter homes and apartments, including a scaled-down sectional couch that can flip from right to left orientation so it accommodates the multiple moves common among young adults.

“I’ve been really stressed out about my son moving out,” she says of the college student, who lives in an off-campus apartment. “Have I even taught this kid how to vacuum?”

Targeting this demographic, J.C. Penney last year re-entered the appliance business after 33 years and now calls it one of its best-performing areas. Early on, J.C. Penney assumed that its best-selling refrigerators would be in the \$899 to \$999 price range. But the \$1,599 to \$1,799 models with stainless-steel or sleek black finishes and the latest door styles topped sales. Millennials were buying the pricier appliances as a quick cosmetic upgrade to their homes. “It’s millennials’ beginner way to remodel their kitchen,” Mr. McFarland says.

Briggs & Stratton collaborated with [Toro](#) Co. to introduce the Mow N’ Stow foldable mower, which takes up 70% less room than standard mowers. It is designed to appeal to owners of starter homes, which often have small garages, the company says. The Mow N’ Stow also doesn’t require users to know how to prime, choke or change the oil of its engine. “We want to be there when you’re ready to buy your first piece of equipment, when you first move into a house, all the way to the last piece of equipment you’re going to buy, whenever that is,” says Briggs & Stratton Chief Executive Todd Teske.

Scotts’s approach is driven by its discovery that millennials aren’t trying to achieve the lushest lawn or biggest flowers, as their elders are, executives say. They want to get something out of gardening, Mr. King says.

Scotts last year said it bought a stake in Bonnie Plants, a grower and supplier of vegetables and herbs, because sales of edible plants are strong among millennials, with a growth rate nine times the rate for baby boomers. Millennial households that participated in food gardening increased by four million during 2011 to 2015, equaling the rise of all other age groups combined over the same period, the company says.

Mindful of millennials’ propensity to scour product ingredients, Scotts also said it accelerated work to remove phosphorus from fertilizers and bee-killing neonicotinoids from pesticides.

Breanne Loes, a 26-year-old apparel buyer in Minneapolis, likes the idea of gardening, but it doesn’t come naturally yet. Her mother picked out two pots of flowers for her apartment’s outdoor patio, and reminded her during every phone call this summer to water them. “Last year, my flowers were dead by July,” Ms. Loes says. “Now, they’re pretty close to dying, but my mom was impressed they lasted this long.”

Ms. Loes enjoys do-it-yourself projects, and two summers ago built with her now-husband a wooden headboard in her parents’ garage, with help from an online tutorial, her dad, two older brothers and their tools.

The saw wasn’t working at first because the blade was backward. “That was embarrassing,” says Ms. Loes.

Write to Ellen Byron at ellen.byron@wsj.com

Appeared in the October 10, 2017, print edition as 'The Shopper Retailers Want Is 26 Years Old.'