

# Millennials

## Unravelling the Habits of Generation Y in Brazil

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- **Generation Y and Why It Matters.** Brazilian Millennials already represent 34% of the country's population and roughly 50% of its current workforce (or 70% by 2030). Their attitudes are early indicators of future trends, and therefore companies that pay attention today can gain valuable insights into tomorrow's opportunities.
- **The Millennial Butterfly Effect in the U.S.** We note that changing trends in some industries can be partially attributed to Millennials' consumer behaviors and preferences. We present a few case studies, such as cable TV vs. streaming TV, soda vs. water consumption, and owning vs. renting a property. There is also a Millennial ETF in the U.S. that has been consistently outperforming the S&P 500 index.
- **Unravelling the Habits of Generation Y in Brazil.** Brazilian Millennials tend to attribute more value to the ownership of items such as cars and houses than we've seen in the U.S. and other countries. In Brazil, a preference for online shopping and delivery distinguishes the Millennials from other generations, while we haven't flagged significant differences in terms of wellness and use of social media.

**Generation Y and Why It Matters.** Very little has been discussed about the Brazilian Millennial as a consumer; most of the research on this generation has been concentrated on the U.S. Millennial. With Generation Y gaining ground in the Brazilian labor force and income, forward-looking companies need to adapt their strategies for these new customers. Millennials' attitudes are early indicators of future trends, and therefore companies that pay attention today can gain valuable insights into tomorrow's opportunities. Brazilian Millennials already represent 34% of the country's population and roughly 50% of its workforce. On top of that, we project that their share in the workforce tends to grow significantly ahead; they are expected to comprise more than 70% of the country's workforce by 2030.

**The Millennial Butterfly Effect in the U.S.** U.S. Millennials tend to be tech-savvy, favor wellness, and prefer services/experiences over ownership. We note that changing trends in some industries cannot be entirely attributed to Millennials (there are many variables that could also impact these trends), but there are a few case studies worth highlighting in the U.S., such as: i) the preference for streaming TV among the youngest generations; ii) the reduction of soda consumption and the increasing consumption of water; iii) a growing trend of renting property instead of owning it; and iv) rising concerns about environmental impact and increasing interest in green companies. We also note that there is a Millennial ETF in U.S. (MILN) that has been outperforming the S&P 500 Index since 2017.

**Unravelling the Habits of Generation Y in Brazil.** We conducted a proprietary survey focused on understanding the behavior of the Brazilian Millennial. Via this analysis, we seek to provide some valuable insights on how the tastes and preferences of the Brazilian Millennial differ from those of other generations and also to pinpoint the main differences between our Brazilian sample and Millennials in the U.S. and other countries. Among the insights that we gained on the Brazilian Millennials, we highlight: i) they tend to attribute more value to the ownership of items such as cars and houses than we've seen in the U.S. and other countries; ii) the convenience of being able to buy a product online is an important factor in their decision-making process, a change from older generations; and iii) their concept of Wellness is a bit different than U.S. Millennials', with food habits being their main consideration in maintaining health.

<b>Section 1</b>	Generation Y and Why It Matters .....	4
<b>Section 2</b>	The Millennial Butterfly Effect in the U.S.....	10
<b>Section 3</b>	Unravelling the Habits of Generation Y in Brazil.....	17

## **Section 1**

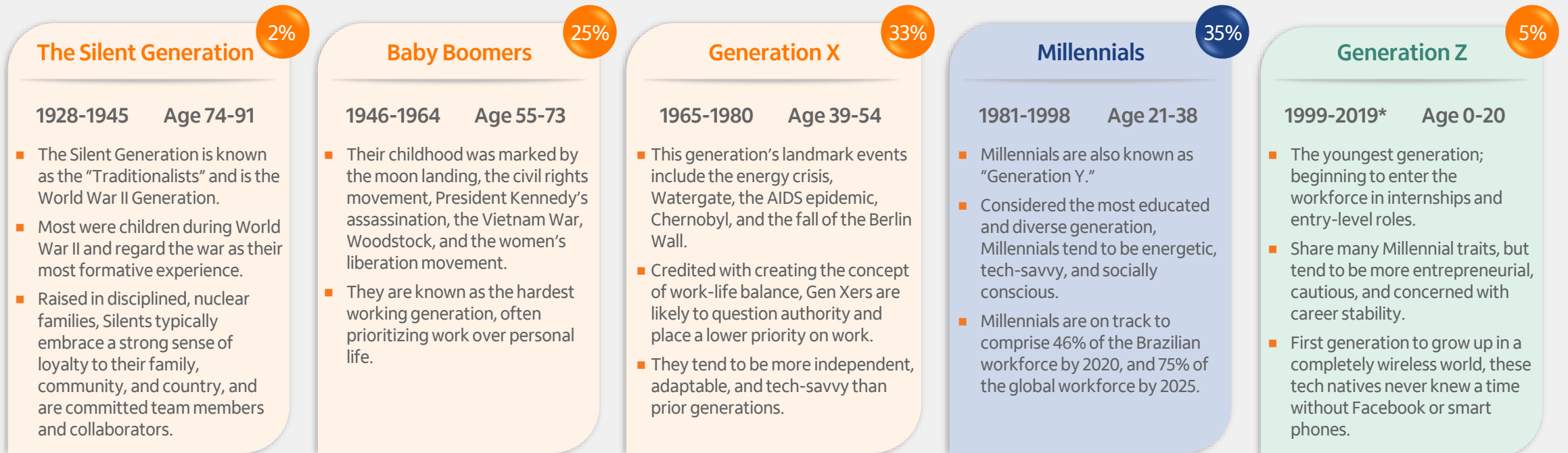
# Generation Y and Why It Matters

## The Generation Playbook Definition

### The Millennials Series: A Closer Look at Generation Y

- **Unravelling the habits of Generation Y.** We are launching our Millennials report series, with the aim of discussing potential changes that this generation could bring to various industries, and ultimately, to the Brazilian listed companies. In this first edition, we delve deeper into the Millennials, using a broader approach, to show who are they, why companies should be prepared for their consumer behaviors, and whether there are major differences between Brazil's Millennials and those in the United States.
- **Defining the five big generations.** We have seen five big generations since 1928, which are: i) The Silent Generation, ii) Baby Boomers, iii) Generation X, iv) Millennials, and v) Generation Z. We are focusing our analysis on the Millennials (or Generation Y), because they will be making up an increasing share of the Brazilian workforce over the next few years.

### The Five Big Generations: Overview and Typical Patterns (and percentage of the U.S. labor force)



## The Millennials Cross-Check

### The U.S. Millennials: General Attitudes and Behaviors as a Reference for the Brazilian Millennials

- **The Millennial consumer.** Very little has been learned about the Brazilian Millennials as consumers, because most of the research on this generation has been concentrated on U.S. Millennials. With this generation gaining ground in the Brazilian labor force and income, forward-looking companies need to adapt their strategies for these new customers. We believe that Millennials' attitudes are early indicators of future trends, and therefore companies that pay attention today can gain valuable insights into tomorrow's opportunities and get a head start on capturing a larger share of the Millennial wallet. In that sense, we delve deeper into some Millennial trends analyzed in the U.S. to understand whether these are the same in Brazil.
- **The four main Millennial attitudes and behaviors.** Using a BCG study on U.S. Millennials as a reference, Millennials exhibit four main attitudes and behaviors.



“I want it **fast**, and I want it **now**.”

% That Prefer Upscale Fast-Food Chains Without Table Service

81%



71%



Millennials

Non-Millennials

- Millennial consumers are always in a hurry, and it is critical that companies determine how to get them to spend time developing a relationship with a brand.



“I trust my **friends** more than **corporates**”

% That Read User Reviews and Research Products While Shopping

50%



21%



Millennials

Non-Millennials

- Millennials tend to pursue multiple sources of information, especially from non-corporate channels, and they are likely to consult friends before making purchase decisions.



“I’m a **social** creature – both **online** and **offline**”

% That Use Social-Media Platforms

79%



59%



Millennials

Non-Millennials

- Millennials use social-media platforms more than non-Millennials, and they maintain significantly larger networks than non-Millennials (e.g., on Facebook).



“I can make the **world** a **better** place”

% That Purchase Items Associated With a Particular Cause

37%



30%



Millennials

Non-Millennials

- Millennials believe that working for causes is an integral part of life, and they are drawn to big issues. They expect companies to care about social issues.

# Generation Y And Why It Matters

## The Millennials Within

### The Millennials Inside the Millennials: Different Trends and Ideals Within Generation Y

- Six main types of Millennials. U.S. Millennials can be divided into six main categories/types. We believe that the same categories can be likely applied to the Brazilian Millennials.



#### Hip-ennial

29%

*"I can make the world a better place"*

- Cautious consumer, globally aware, charitable, and information hungry.
- Greatest user of social media, but does not push/contribute content.
- Female dominated, below-average employment (many are students and homemakers).



#### Millennial Mom

22%

*"I love to work out, travel and pamper my baby"*

- Wealthy, family-oriented, works out, confident, and digitally savvy.
- High online intensity, highly social and information hungry.
- Older, highest income.



#### Anti-Millennial

16%

*"I'm too busy taking care of my business and my family to worry about much else"*

- Locally minded, conservative.
- Does not spend more for green products and services.
- Seeks comfort and familiarity over excitement.



#### Gadget Guru

13%

*"It's a great day to be me"*

- Successful, wired, free-spirited, confident, and at ease.
- Feels this is his best decade, greatest device ownership, contributes to content.
- Male dominated, above-average income, single.



#### Clean and Green Millennial

10%

*"I take care of myself and the world around me"*

- Impressionable, cause-driven, healthy, green and positive.
- Greatest contributor of content, usually cause related.
- Male dominated, youngest.



#### Old-School Millennial

10%

*"Connecting on Facebook is too impersonal, let's meet up for coffee instead!"*

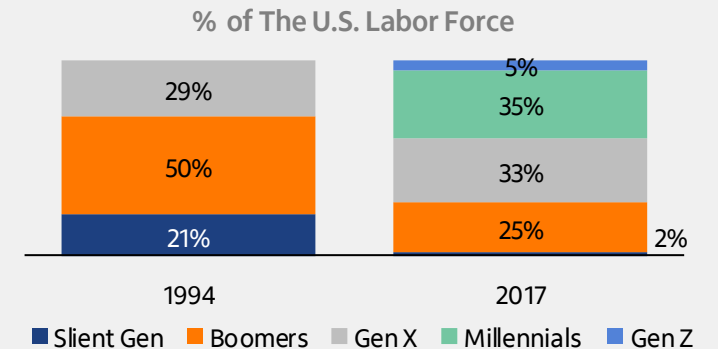
- Not wired, cautious consumer, and charitable.
- Confident, independent, and self-directed.
- Spends least amount of time online, reads.
- Male dominated, older.

## The Millennial Spillover

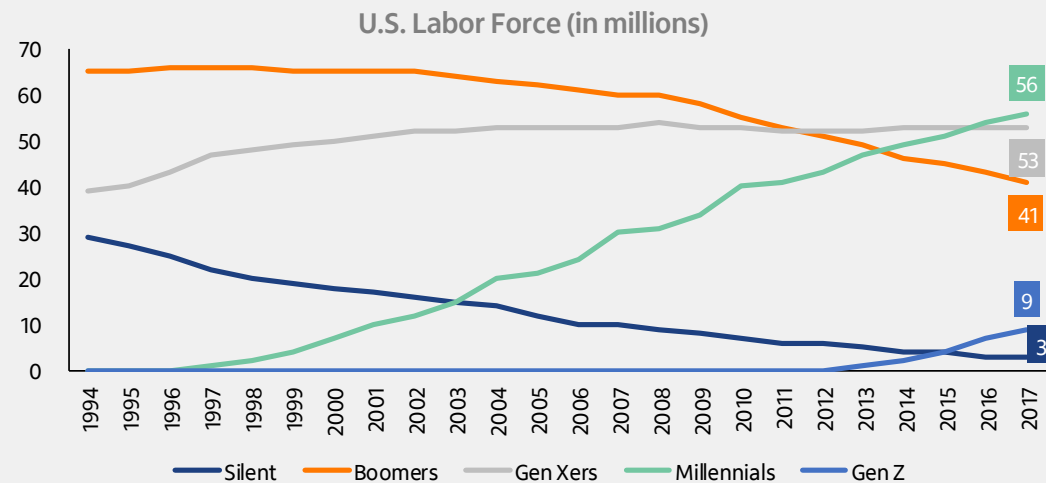
### The Growing Millennial Influence: Why Does It Matter?

- Millennials have been gaining share within the U.S. labor force.** Most of the youngest members of the Millennial generation are still economically dependent on their parents, though older Millennials are starting to enter their peak of spending years and increasing their relevance inside the labor force. Using the U.S. as a reference, Millennials became the largest generation in the labor force in 2016, outnumbering Generation X (Gen Xers). As of 2017, Millennials represented more than one-third of the U.S. workforce and they will keep growing, based on the projections for the U.S. population, until 2050.
- Why does looking at the Millennials matter?** Taking as reference the studies on U.S. Millennials, the expectations of this generation are different than those of previous generations. This underlined, we believe that companies will need to rethink their brands, products, business models, and marketing strategies, accordingly. Companies that overlook the Millennial generation are more likely to suffer disruptions and to lose share over time in a highly competitive market. At the same time, we believe that the Millennial generation could unveil new business opportunities and favor new start-ups.

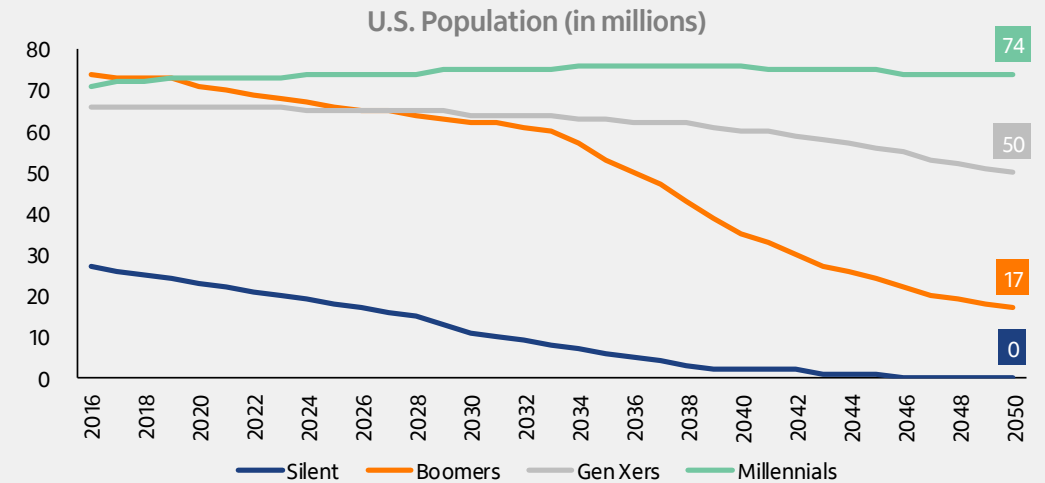
### More Than a Third of the Workforce Is Millennials and They Will Keep Growing...



### Millennials Became the Largest Generation in The Labor Force in 2016...



### ...And Their Population Will Outnumber Other Generations for a Long Time



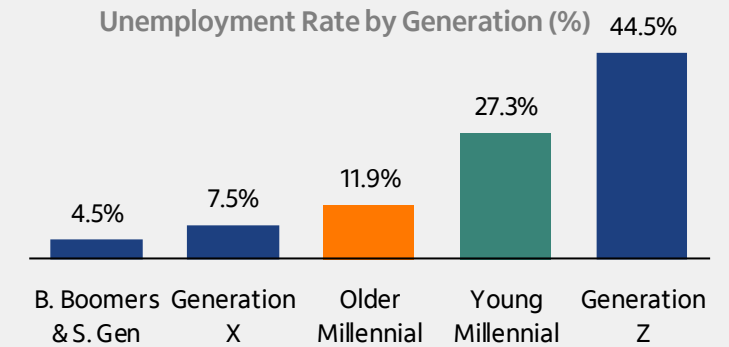
Source: Itaú BBA, BCG, Pew Research Center, U.S. Census Bureau.

## The Relevance of The Brazilian Millennial

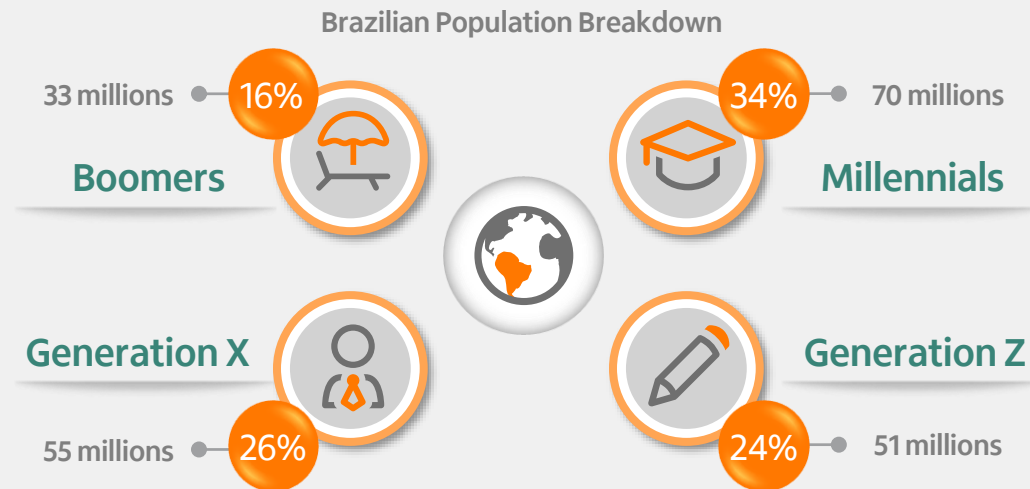
### And What About Brazil? The Millennials Generation Within the Brazilian Landscape

- **The Millennials are the largest generation in Brazil.** A better understanding of the consumer habits and preferences of the Brazilian Millennial should be of paramount importance in companies' strategies. Cross-checking our gender breakdown with data from IBGE (Brazilian Bureau of Statistics), Millennials already represent 34% of the country's population and roughly 50% of its current workforce. On top of that, we project that their share in the workforce tends to grow significantly ahead; they are expected to comprise more than 70% of the country's workforce by 2030.
- **Unemployment is naturally higher among the young Millennials.** Taking the data from IBGE, the unemployment rate among the young Millennials (19-24 years old) stands at 27.3%, naturally above the older Millennials (11.9%) and the country's average (12.7%), given that they are in a stage of entering the labor market. It is interesting to note that the gig economy (i.e., a labor market characterized by the prevalence of short-term contracts or freelance work as opposed to permanent jobs) could distort unemployment rates ahead given its increasing importance among the younger generations.

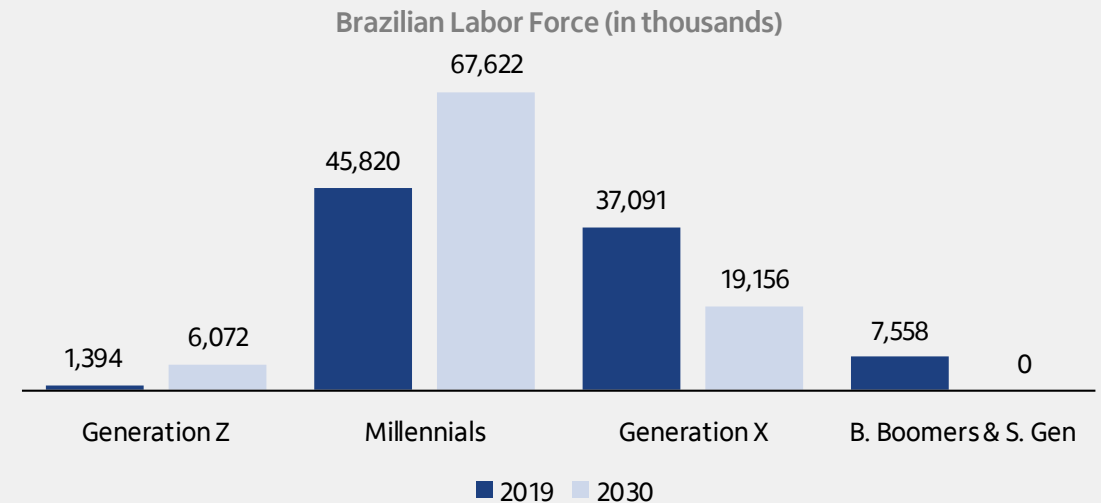
### Unemployment Rate Among Young Millennials Is High; the Gig Economy Could Affect These Numbers



### Millennials Are Already the Largest Generation in Brazil...



### ...And They Are Expected to Represent Around 70% of the Workforce By 2030



Source: Itaú BBA and IBGE.

## **Section 2**

The *Millennial Butterfly*  
Effect in the U.S.

# The Millennial Butterfly Effect in the U.S.

## The Millennial Case Studies

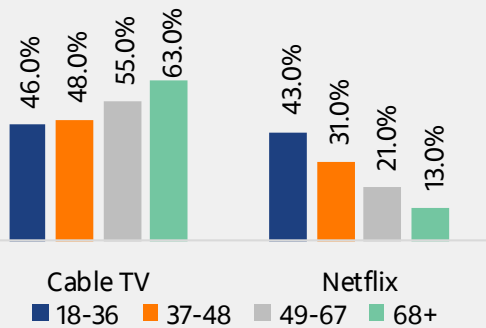
### U.S. Case Studies: Quick Examples of Industries That Have Been Affected by Millennials

- A few U.S. trends that could be linked to Millennials. U.S. Millennials tend to be tech-savvy, favor wellness, and prefer services/experiences over ownership. We note that changing trends in some industries cannot be entirely attributed to Millennials (there are many variables that could also impact these trends), but there are a few case studies worth highlighting in the U.S., such as: i) the preference for streaming TV among the youngest generations; ii) the reduction of soda consumption and the increasing consumption of water; iii) a growing trend of renting property instead of owning it; and iv) rising concerns about environmental impact and increasing interest in green companies.



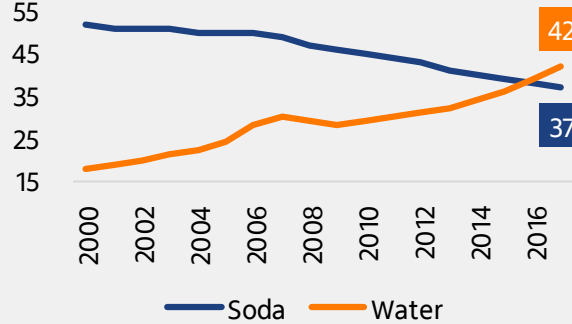
#### Cable TV vs. Streaming Video

% Adults who subscribe to the following paid-TV service (by age)



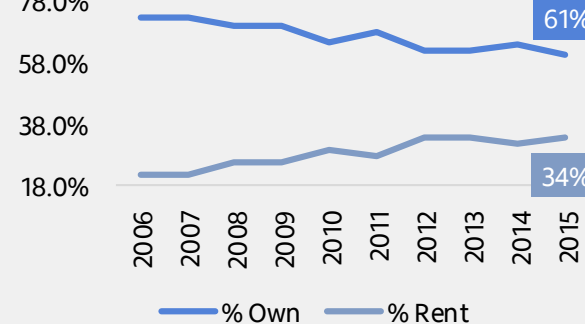
#### Soda vs. Water Consumption

Beverage Consumption per Capita (in Gallons)



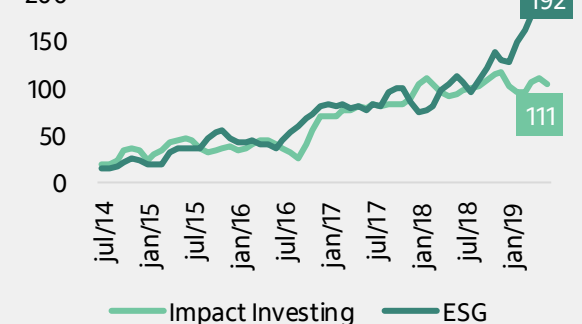
#### Own vs. Rent a Property

Do you Own or Rent Your Primary Residence?



#### Environmental, Social and Government

News Mentions of "Impact Investing" and "ESG"



Companies/  
Startups



Source: Itaú BBA, Statista, Beverage Marketing Corp, Gallup, and CB Insights.

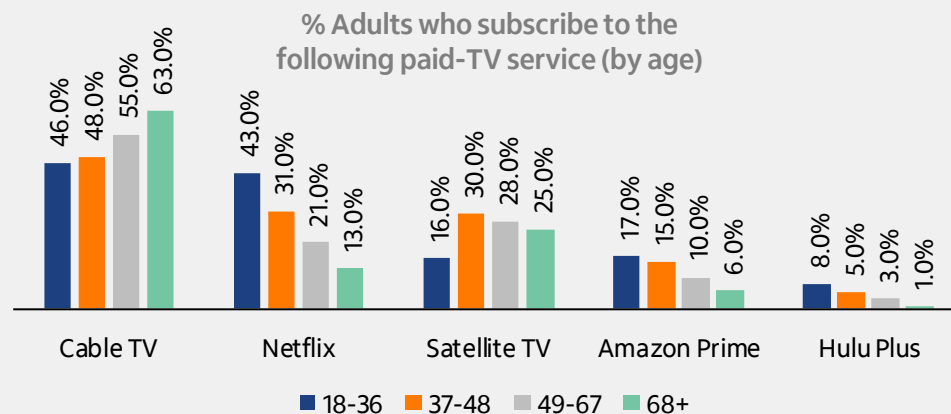
# The Millennial Butterfly Effect in the U.S.

## The Millennial Case Studies

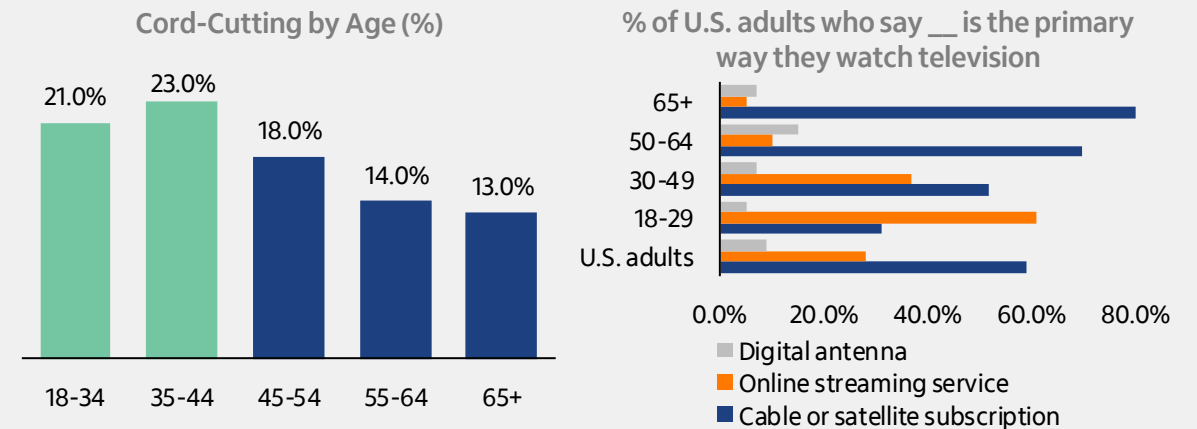
### Case Study #1 – Cable TV vs. Streaming Video

- The streaming-video threat.** The cord-cutting phenomenon in the U.S. coincides with Millennials' entry into the cable market and the arrival of early versions of streaming services like Netflix, Hulu and Amazon Prime Video in the mid-to-late 2000s. Millennials are not the only generation abandoning traditional cable TV, but there is a clear trend of preference for streaming services among the younger generations.
- The underlying reasons.** The positive momentum of streaming services in U.S. is likely supported by i) lower costs: streaming subscriptions (e.g., Netflix and Hulu) range from USD 7.99-39.99/month, much lower than the average of USD 85.00/month for cable subscriptions, which is important for a generation struggling to pay off student loans and to find gainful employment; and ii) customization: streaming services give viewers the freedom to watch what they want, when they want – an appealing feature for a busy generation that values convenience, speed and personalization.

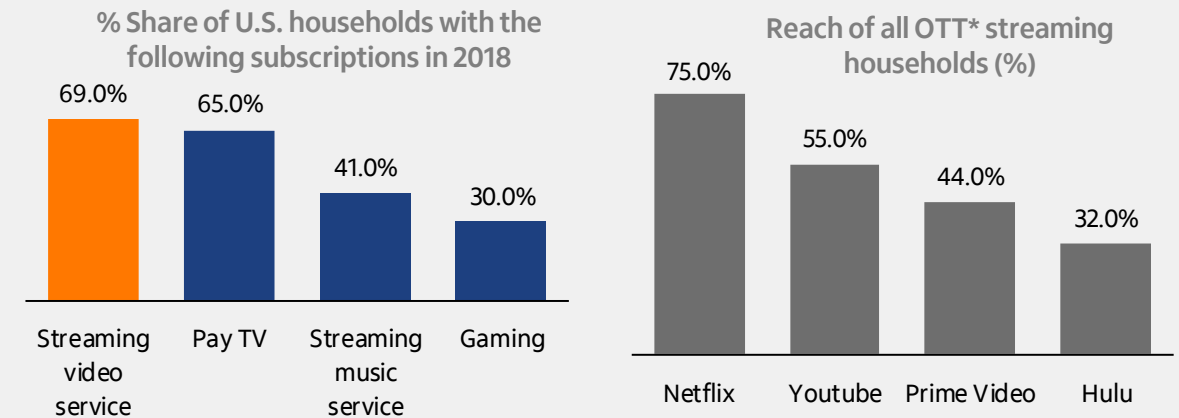
### Cable TV Has Been Losing Ground to Streaming Among Younger Generations...



### Millennials Are Not the Only Generation Abandoning Traditional Cable...



### Streaming Services Overtook Pay TV in U.S.; Netflix Leads, but There Is Competition...



Source: Itaú BBA, CB Insights, Statista, Pew Research and Deloitte. \* OTT (over-the-top) is defined as any video streamed on a device that connects to a TV, or functionality within the TV itself, to facilitate the delivery of Internet-based video content

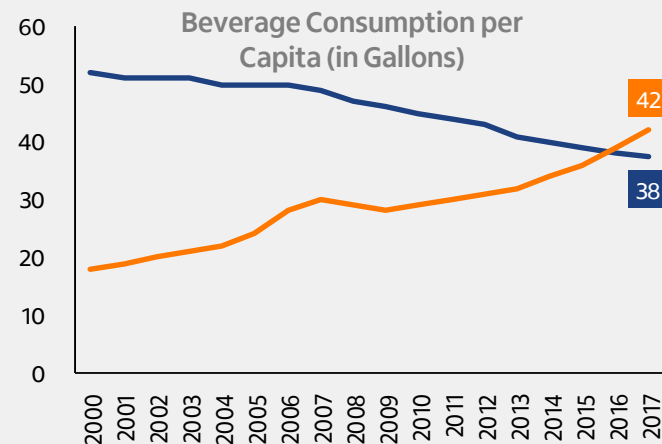
# The Millennial Butterfly Effect in the U.S.

## The Millennial Case Studies

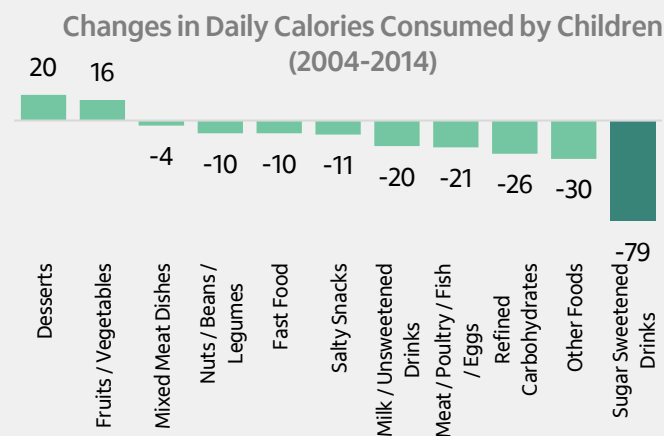
### Case Study #2 – Soda vs. Water Consumption

- **Soda is down, bottled water is up.** Soda consumption is at its lowest level in over 17 years, reaching 38 gallons/person/year at the end of 2017. At the same time, the intake of carbonated beverages among children has also declined sharply, indicating that this downtrend is likely to continue going forward.
- **The healthy Millennial spillover.** The increase in health-related concerns among Millennials and consequent decrease in soda consumption made room for healthier substitutes to take carbonated beverages' place. We highlight bottled water as one of the main substitutes. Research shows an increasing interest in bottled water enhanced with vitamins and minerals, and premium brands, creating a market niche that did not go unnoticed by the big soda companies, which have announced several acquisitions aimed at diversifying their businesses.
- **An opportunity for new entrants.** VitaminWater, Recess, CanO Water, Svalbardi and Boxed Water have been gaining market share by investing in differentiating factors that range from alternative packaging to premium quality. A case in point, Svalbardi sells water extracted from polar icebergs for prices as high as EUR 80/750 ml.

### Soda Consumption Has Been Declining Since 2000, While Bottled Water Intake Has Gained Share...



### Sugar-Sweetened Drinks Have Been Losing Ground in Calories Consumed by Children in U.S.



### Large Soda Companies Have Been Diversifying Their Businesses Through Several Acquisitions...

Acquisitions made by Coca-Cola, PepsiCo and Dr. Pepper (USD in Millions)



Source: Itaú BBA, Beverage Marketing Corp, University of North Carolina Food Research Center, Mintel, WSJ, NY Times, Investopedia, CNBC, CNN, Boulder Daily Camera and CB Insights

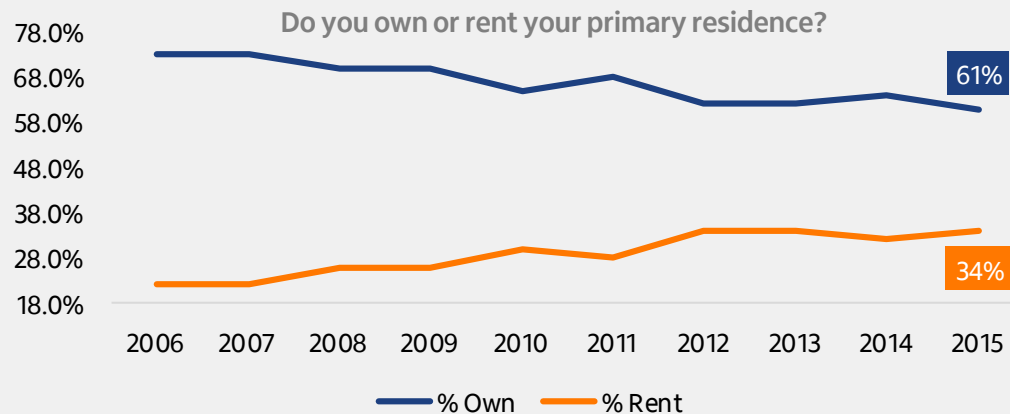
# The Millennial Butterfly Effect in the U.S.

## The Millennial Case Studies

### Case Study #3 – Own vs. Rent a Property

- **Access, not ownership in the property space.** Most of the research papers about the U.S. Millennials tend to highlight that they have a preference for experiences and services over owning goods and property, for example. Property rental has been increasing in the U.S. since the 2008 crisis, and it is evident that younger generations (Millennials and Generation Z) rent more homes than the older generations.
- **Not necessarily a Millennial effect.** Millennials are one variable in a big equation for the increase in U.S. property rentals. Taking as reference a study from Pew Research, the share of Millennials that don't intend to buy a home is fairly small (11%). The main reasons for postponing the purchase decision are student debt and the down payment, given that the Generations Y and Z tend to save less and most of them seem to want to get married before buying a home. This also suggests that a preference for flexibility is playing a role in Millennials delaying homeownership.

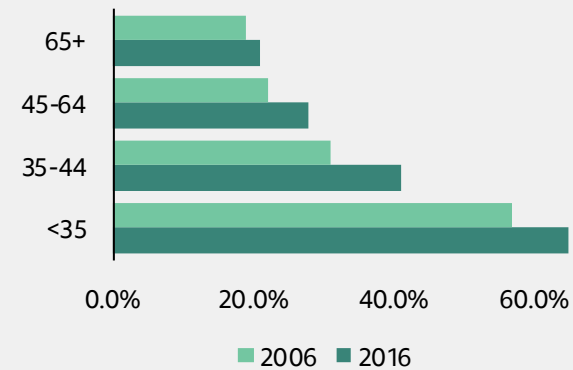
### Rent Has Been Gaining Traction Over Homeownership Since the 2008 Crisis...



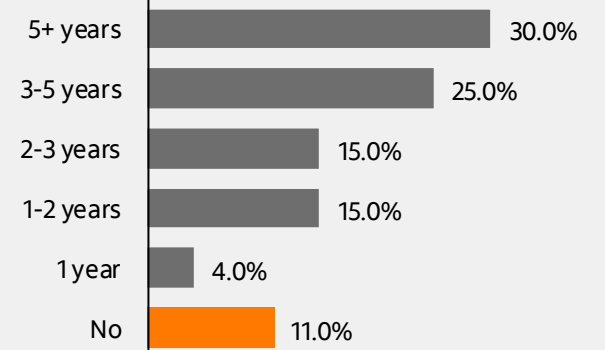
Source: Itaú BBA, ApartmentList, PropertyShark, Pew Research Center.

### Almost Two-Thirds of Households Headed by Young Adults Are Rentals, Though They Still Plan to Buy an Apartment Going Forward...

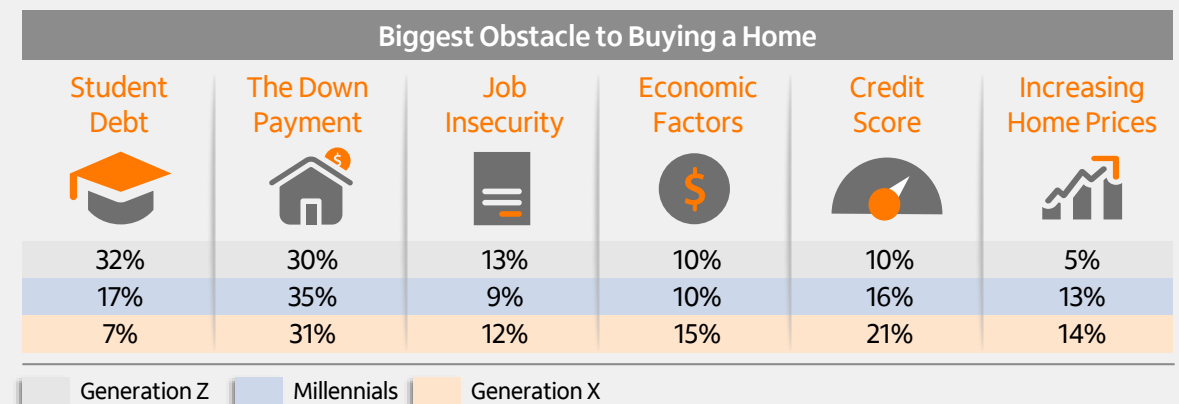
% of households that rent their home, by householder's age



Do you plan to buy a home? If so, when?



### Student Debt and Down Payment Are the Main Obstacles for Generations Y & Z

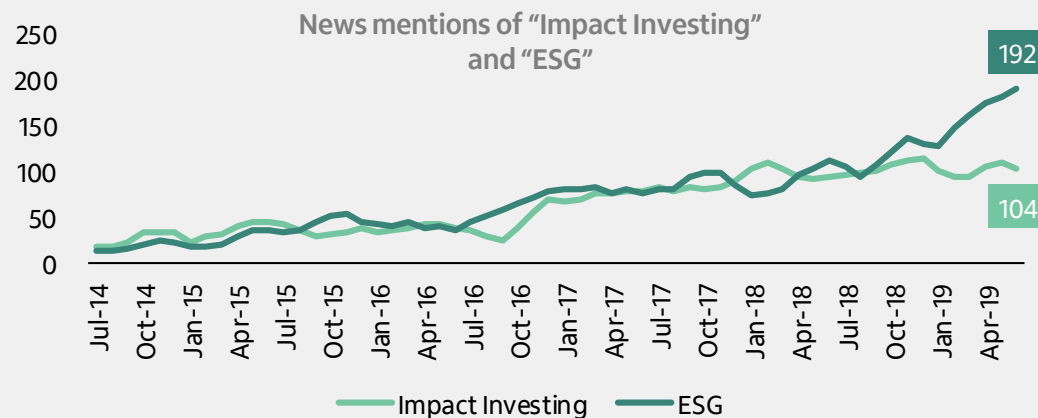


## The Millennial Case Studies

### Case Study #4 – Environmental, Social and Government

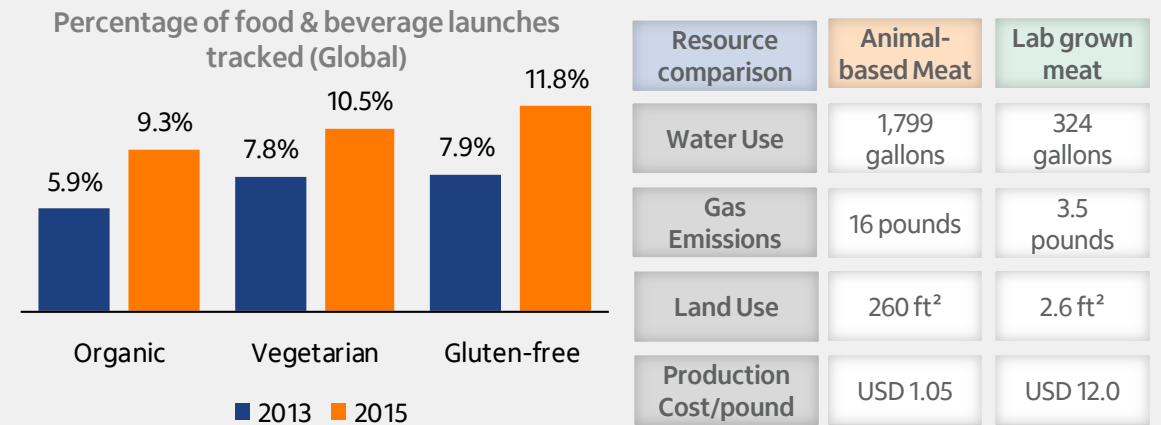
- Ethical Impact investing and ESG (environmental, social and governance) mindset.** Millennials are involved in the idea that their investments and the brands that they have relationships/interact with will have a positive global impact when it comes to issues such as sustainability and climate change. As a matter of fact, the trend toward ethical impact investing began several years ago, but the topic has never been as popular as it is today.
- The food & beverage industry in the spotlight.** Millennials have had an impact on the food & beverage industry; this generation is concerned about how the products they consume are affecting the environment. We have been seeing companies launch a growing number of organic and vegetarian products. One of the trends to highlight in the U.S. is the increasing number of meatless alternatives to burgers, with Impossible Foods and Beyond Burger leading the way.

### Ethical Impact Investing and ESG Have Been Gaining Traction in News...



Source: Itaú BBA, CB Insights, Innova Market Insights.

### The Food & Beverage Sector Has Been Changing to Fit Millennials' Consumption Patterns; Organic and Vegetarian Options Have Been Growing on Environmental Concerns



### ...and Could Be Reflecting Millennials' Increasing Interest in Environmental Issues



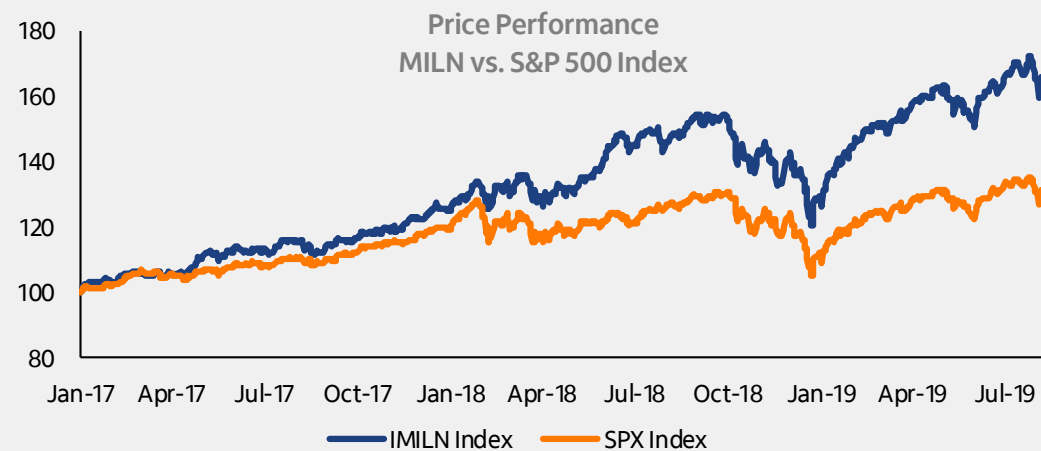
# The Millennial Butterfly Effect in the U.S.

## The Millennial Case Studies

### A Special Case Study – The Millennial Thematic ETF

- **Adapt to thrive.** As we've seen in our case studies, Millennials' spending habits can quickly shape industries and disrupt long-established business models. Accordingly, it's fair to assume that they could also represent a growth opportunity for those who manage to blend in, and could directly impact the price performance of listed companies.
- **The Millennial thematic ETF.** The performance of the Global X Millennials Thematic ETF (MILN) could serve as an example of how companies could thrive from catering to Millennial preferences. The MILN seeks to invest in companies that have a high likelihood of benefiting from the rising spending power and unique preferences of this generation and, since its inception, the fund has performed exceptionally well in terms of returns, beating the major U.S. stock indexes by a wide margin.

### The Millennial ETF Has Been Outperforming the S&P 500 Index Since 2017...



Source: Itaú BBA, CB Insights, Innova Market Insights and Bloomberg.

### The MILN ETF Includes Starbucks, Walt Disney, Twitter and Facebook...

#### Top 10 Holdings – MILN ETF

Company	% of AuM	YTD - %
Starbucks Corp	3.7%	47.0%
Fiserv Inc.	3.5%	42.4%
Walt Disney Co	3.4%	24.8%
Costco Wholesale Corp	3.2%	35.1%
Twitter Inc.	3.2%	43.5%
Ebay Inc.	3.1%	44.9%
Intuit Inc.	3.1%	39.8%
Equity Residential	3.1%	22.0%
Booking Holdings	3.1%	13.2%
Facebook Inc.	3.1%	44.0%

## **Section 3**

# Unravelling the Habits of Generation Y in Brazil

## The Brazilian Millennial Through a Magnifying Glass

### Itaú BBA's Proprietary Research: Unveiling the Habits of Generation Y in Brazil

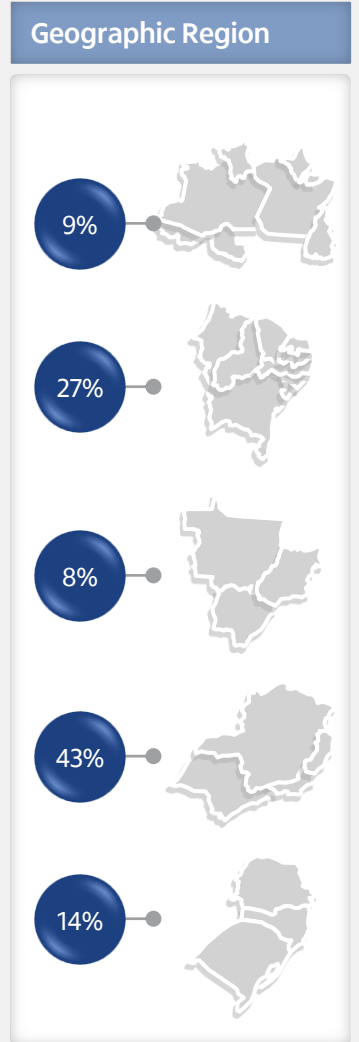
- **Introducing Itaú's Generation Y study.** In this section we introduce our proprietary survey focused on understanding the behavior of the Brazilian Millennial. Via this analysis, we seek to provide some valuable insights on how does the tastes and preferences of the Brazilian Millennial differs from other generations and also to pinpoint the main differences between our Brazilian sample with studies carried out with Millennials abroad.
- **A glance at our database.** Our proprietary survey was conducted by Dynata, using a database that includes 508 interviews with different generations (Baby Boomers, Generation X, Millennials, and Generation Z). Over this section, we analyze the Brazilian Millennials habits (and its differences with U.S. and other countries) through four main pillars: i) Digital Natives; ii) Access, Not Ownership; iii) Shopping and Brands; and iv) Wellness.

Gender	
Male	50%
Female	50%
Marital Status	
Single, never married	40%
Married	42%
Living with partner	10%
Divorced	8%
Residential Location	
City/Urban	96%
Rural	4%

Race/Ethnicity	
White/Caucasian	56%
Black	9%
Asian	2%
Brown	33%
Other	1%
Age	
Younger than 18 years old	3%
18-39 years old	58%
40-59 years old	30%
60 years old and older	9%

Personal Income	
Less than BRL 1 MW	20%
BRL 1-4 MW	47%
BRL 5-9 MW	21%
BRL 10-15 MW	7%
More than BRL 15 MW	4%
Employment Status	
Employed full time	46%
Employed part time	18%
Student	10%
Not working	26%

Highest Education Level	
Middle School (incomplete)	1%
Middle School (complete)	2%
High School (incomplete)	7%
High School (complete)	40%
University (incomplete)	16%
University (complete)	23%
Post-graduate/MBA	10%
Where Do You Live?	
Own Apartment/House	69%
Rent/With Parents	31%



## The Brazilian Millennial Through a Magnifying Glass

### The Brazilian Millennials at a Glance: Key Takeaways From Our Proprietary Survey

- **Main messages from our proprietary survey.** Brazilian Millennials tend to attribute more value to the ownership of items such as cars and houses than we've seen in the U.S. and other countries. Looking solely at the Brazilian landscape, a preference for online shopping and delivery distinguishes the Millennial from the other generations in the country.
- **Same old song and dance.** It's worth highlighting that the Brazilian generations did not show significant differences from each other in most areas of our survey. When questioned about the use of social media and housing ownership, for example, the generations had answers that differed a maximum of 400 bps from each other, suggesting that, in Brazil, consumption habits might not be as linked to generations as in other countries.

### Ownership Prevails and Online Counts



#### Ownership Prevails

- Brazilian Millennials tend to attribute more value to the ownership of items such as cars and houses than we've seen in the U.S. and other countries.
- 51% and 89% of the Brazilian Millennials said that owning a car and a house, respectively, is extremely important (vs. 15% and 40% in global samples).
- This could be useful information for automakers, given that despite being heavy users of ride hailing, Brazilian Millennials still value the ownership of a car.



#### Online Counts

- The preference for online shopping and food delivery was the most significant difference between Millennials and other generations in Brazil.
- Roughly 50% of the Millennials and Generation Z interviewed said that the convenience of being able to buy a product online is an important factor in their decision-making process (this drops to 26% for older generations).



#### Social Beings

- The Brazilian Millennial stands out as a heavy user of social media and video games.
- Although our proprietary research flagged that the widespread use of social media is not exclusive to Brazilian Millennials, we note that the outcome of our sample differs by a wide margin from previous results in other regions.



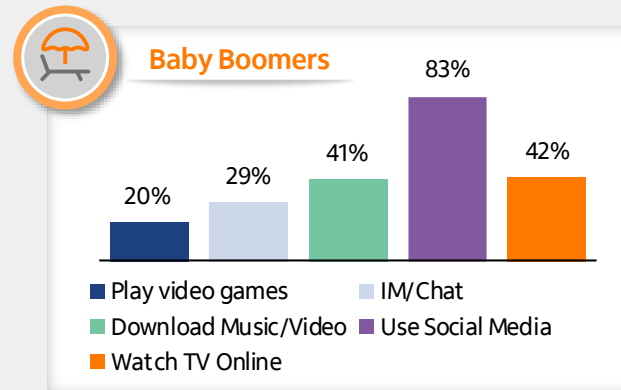
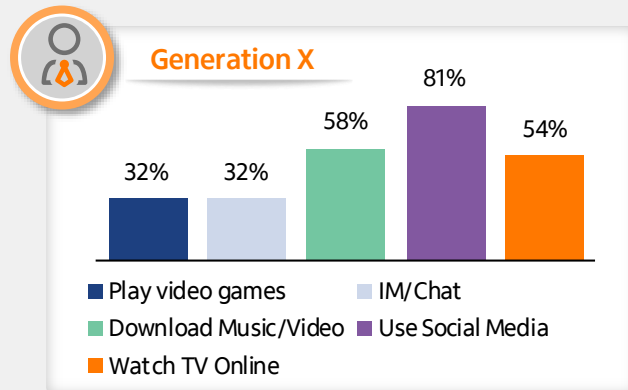
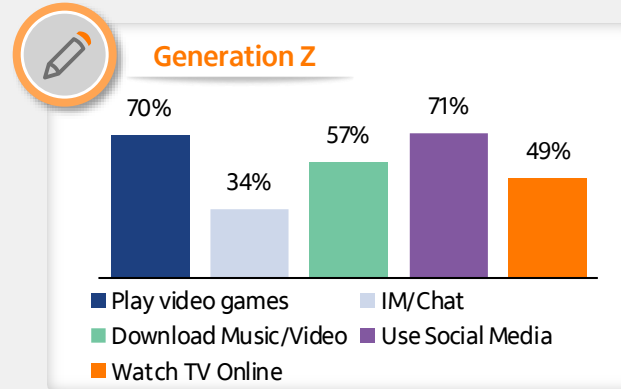
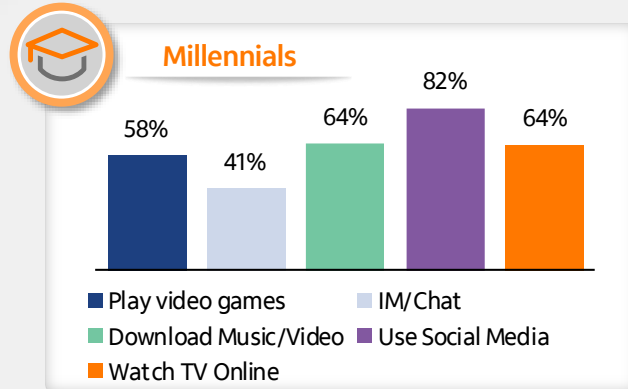
#### Food Habits

- Eating well is a must for being healthy. The Brazilian Millennial and other generations chose "eating right" as the best definition of being healthy in our proprietary survey. We note that the pattern is different than in the U.S., given that their Millennials' consideration of being healthy is directly related to not falling sick.
- It is interesting to note that the Brazilian Millennials have a higher frequency of red-meat consumption than other generations.

## The Brazilian Millennial Through a Magnifying Glass

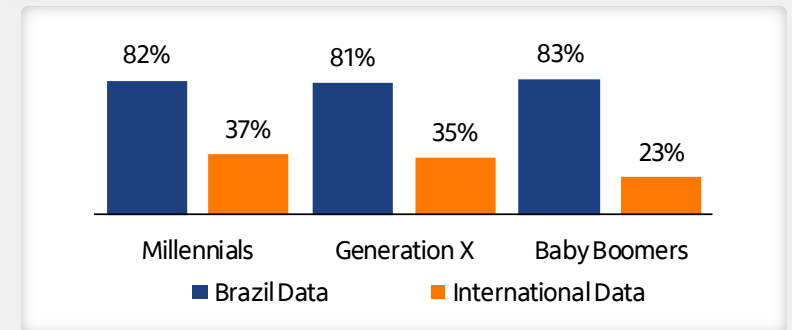
### Block #1 – Digital Natives: Heavy Users of Social Media and Gamers in Their Essence

#### Which of These Online Activities Do You Practice?



■ **The social network.** The Brazilian Millennial stands out as a heavy user of social media and video games. Although our proprietary research flagged that the widespread use of social media is not exclusive solely to Brazilian Millennials, we note that the outcome of our sample differs by a wide margin from previous results in other regions. As a case in point, a research carried by Prosper Insights & Analytics showed that, globally, 38% of the Millennials were heavy users of social media, while in Brazil this reaches an impressive 82%.

#### Brazil vs. Other Countries: Use of Social Media

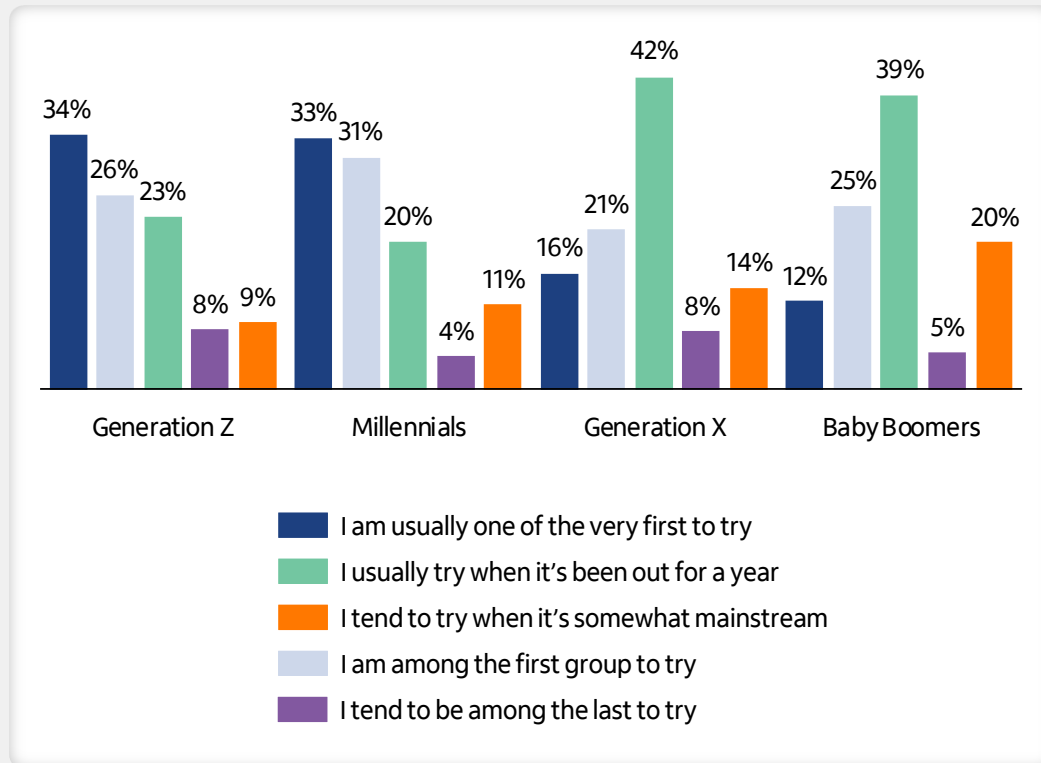


## The Brazilian Millennial Through a Magnifying Glass

### Block #1 – Digital Natives: A Tech-Savvy and Online-Connected Generation



#### Which Alternative Better Addresses Your Likelihood to Test a New Technology?

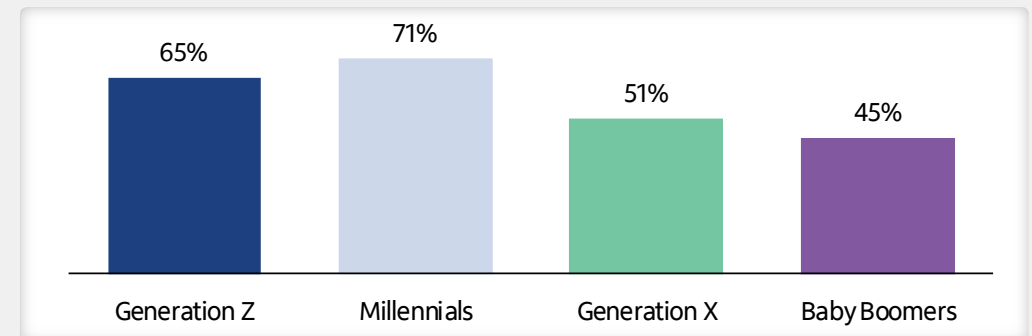


- **A tech-savvy generation.** According to our proprietary survey, younger generations (Generation Z and Millennials) are among the first groups to test a new technology, while older generations tend to be later adopters of new technologies. The trend in Brazil is very similar to that observed in research done in the UK, for example.
- **A more frequent online shopper.** Brazilian Millennials are the generation that has the highest frequency of buying goods and products online. As a case in point, 71% of the Millennials in our survey bought something online during the last month, well above the older generations such as Generation X and Baby Boomers (51% and 45%, respectively). This shows that retailers and shopping malls need to continually adapt and improve their online-to-offline (O2O) strategies to capture an online-connected generation.



#### When Was the Last Time That You Bought Online?

% That Purchased Online Over the Last Month

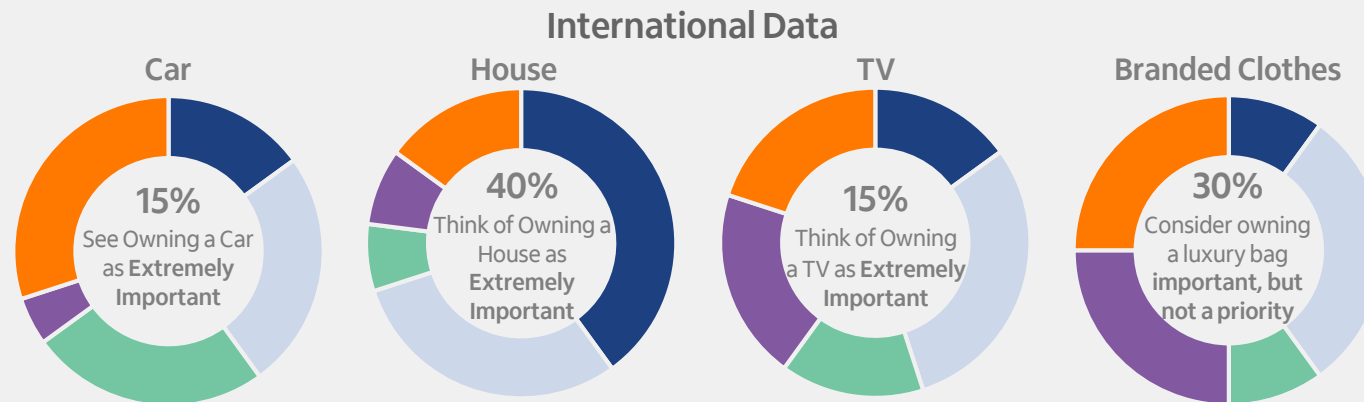
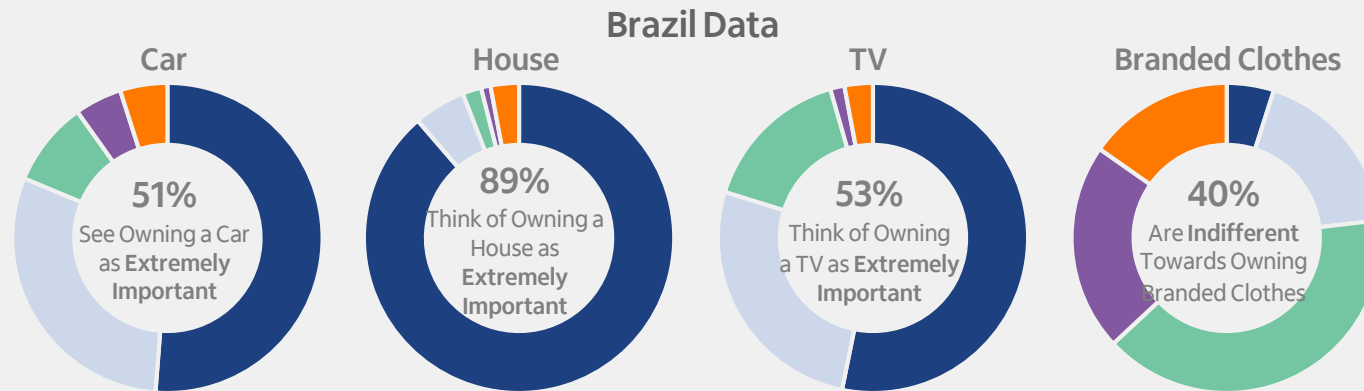


## The Brazilian Millennial Through a Magnifying Glass

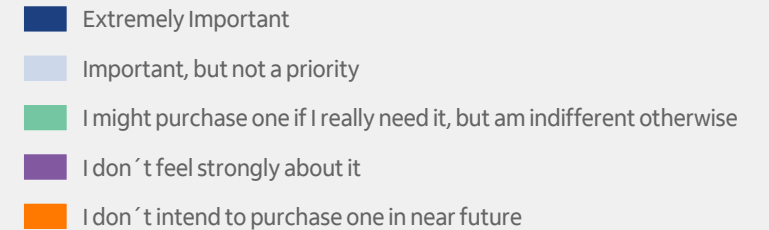
### Block #2 – Access, Not Ownership: In Brazil, It Is the Other Way Around



#### How Important Is It for You to Own the Following?



- **Ownership over access.** More than half of the Brazilian Millennials interviewed said they believe that owning a car, a house and a TV is extremely important. International research suggests that owning these items is only seen as important to 15%, 40% and 15% of Millennials, respectively.
- **Shared economy could still have to wait.** Brazilian Millennials' taste for ownership could imply that a shared economy could take longer to materialize in the country. Despite Uber's high penetration in Brazil, Millennials still value their cars and intend to purchase them anyway. Residential-for-income players, such as Airbnb, could face difficulties expanding their businesses in the country, as 89% of the interviewed Millennials find home ownership extremely important.

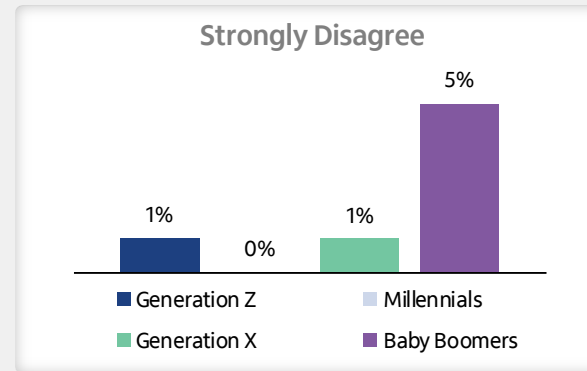
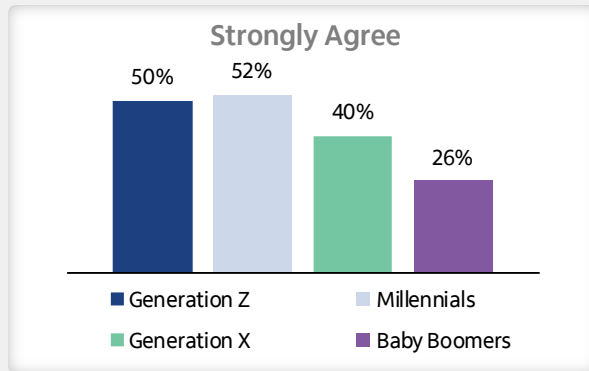


## The Brazilian Millennial Through a Magnifying Glass

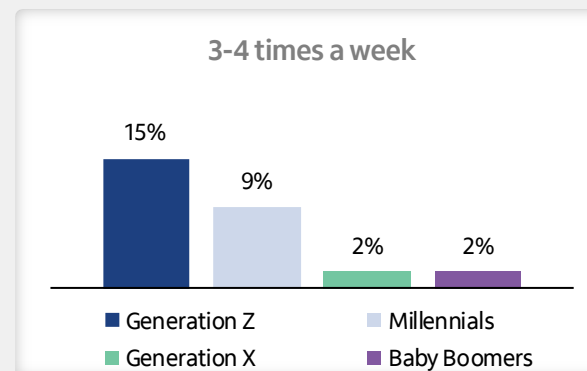
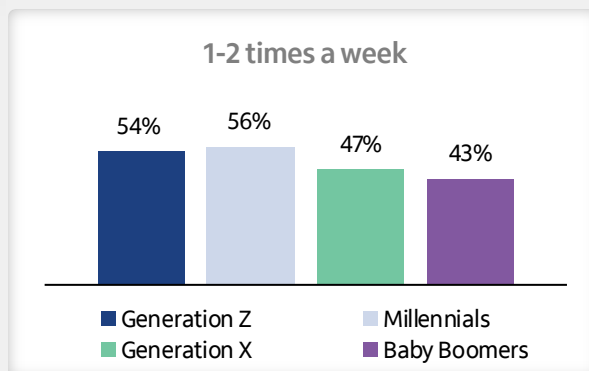
### Block #3 – Shopping and Food Delivery: Heavy Users of Online Shopping and Food-Delivery Apps



#### Is the Convenience of Online Shopping is Important for Your Purchase?



#### How Often Do You Use Food-Delivery Apps?



- Online shopping counts.** Similar to what we've seen abroad, our proprietary research showed that Brazilian Millennials tend to attribute more value to online shopping than other generations. Roughly 50% of the Millennials and Generation Z interviewed stressed that the convenience of being able to buy a product online is an important factor under their decision-making process. Not surprisingly, this amount drops considerably for older generations, reaching a low 26% for the Baby Boomers.
- Delivery in progress.** Millennials' preference for online shopping could be perceived in several industries, though food delivery is probably one of the most obvious examples. From our sample, Millennials and Gen Z are heavy users of delivery apps, particularly when it comes to ordering on a recurrent basis (9% of the Millennials used apps 3-4 times a week, vs. 2% for Generation X).



#### Homemade Food

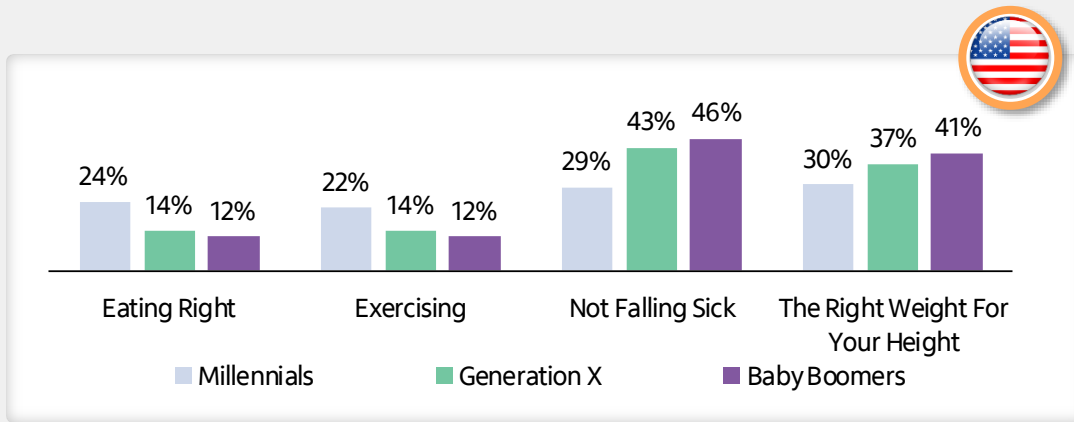
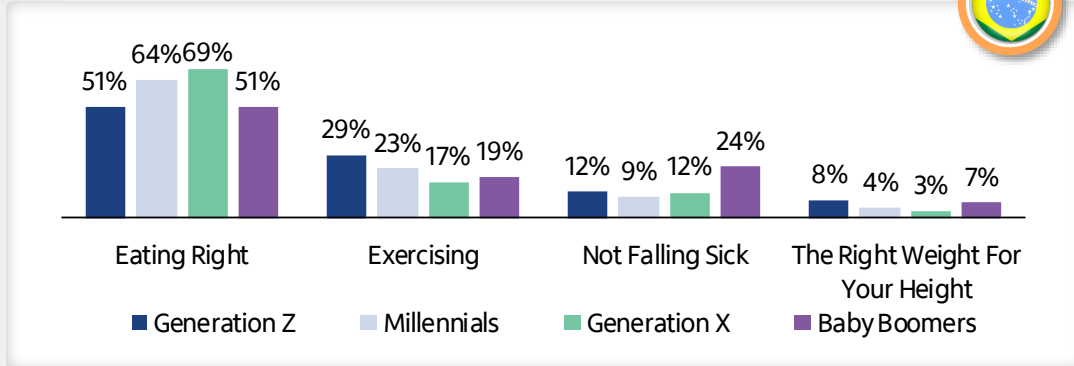
% of People who eat homemade food more than five times a week

- Millennials: 67%
- Generation Z: 63%
- Generation X: 73%
- Boomers: 75%

## The Brazilian Millennial Through a Magnifying Glass

### Block #4 – Wellness: Eating Well Is Crucial and Red Meat Consumption Stands Still

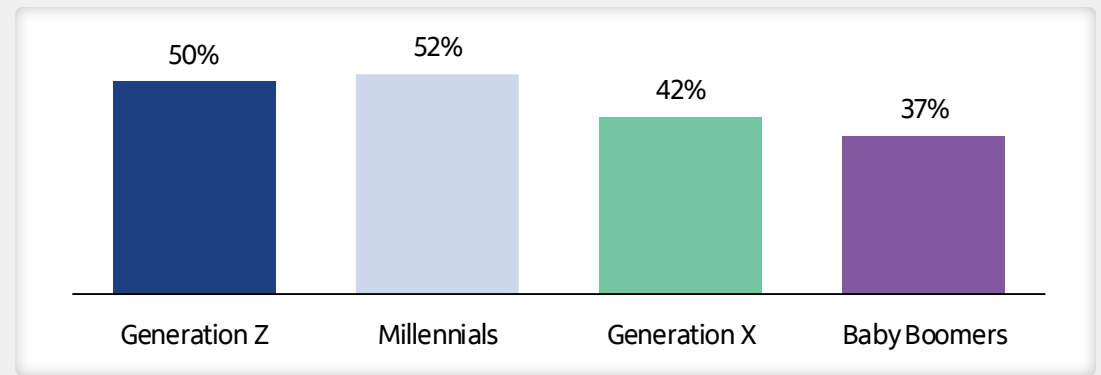
#### What Is Your Definition of Being Healthy?



- Eating well is a must for being healthy.** The Brazilian Millennial and other generations chose “eating right” as the best definition of being healthy in our proprietary survey. The definition isn’t crystal clear, in the sense that “eating right” can have a lot of different meanings, but we noted that the pattern is different than in the U.S., given that their Millennials’ consideration of being healthy is directly related to not falling sick.
- Red meat consumption frequency stands still.** It is interesting to note that the Brazilian Millennials have a higher frequency of red meat consumption than other generations. In our Proprietary Survey, we found that 52% of Millennials eat red meat more than three times a week, still above the older generations. This shows that red-meat consumption in Brazil hasn’t yet been materially affected by the meatless trend.

#### How Many Times per Week Do You Eat Red Meat?

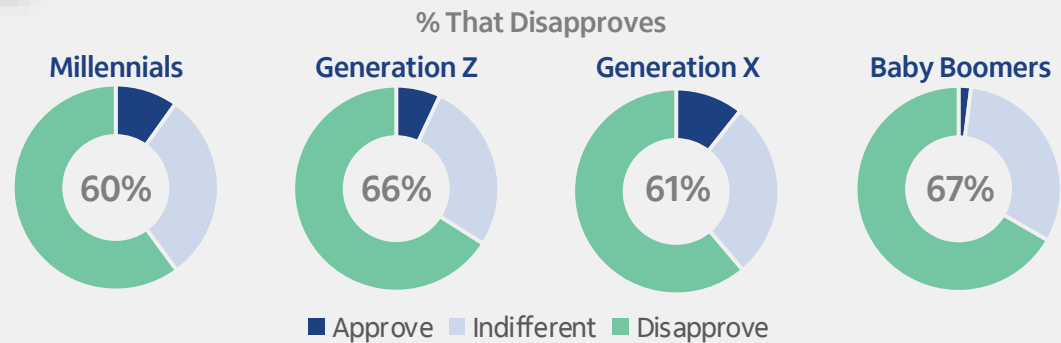
% That Eats More Than Three Times a Week



## The Brazilian Millennial Through a Magnifying Glass

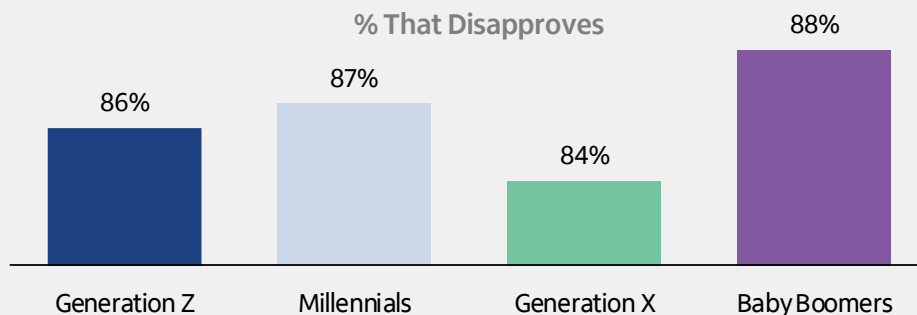
### Block #4 – Wellness: Drinking Alcohol Isn't as Bad as Smoking Cigarettes; E-Cigarettes Have Lower Pushbacks Among Younger Generations

#### What Is Your View on Drinking One or Two Alcoholic Beverages Nearly Every Day?

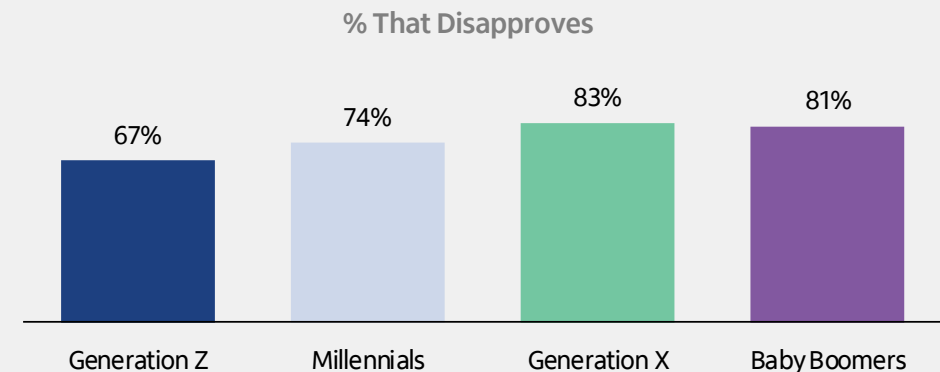


- Drinking is overall disapproved, but there are no major differences among generations. When asked about their view on people that drink one or more alcoholic beverages nearly every day, 60% of Millennials disapprove the practice. Nevertheless, we highlight that this rejection rate isn't materially different from that for other generations. Finally, we also highlight that drinking has lower rejection rates among Millennials than smoking cigarettes..
- Smoking isn't approved, but e-cigarettes have lower pushbacks. Brazilian Millennials disapprove smoking habits, similar to other generations (86% for Millennials, vs. 84%-88% for non-Millennials). However, e-cigarettes have a lower disapproval rating among younger generations (67% and 74% for Generation Z and Millennials, respectively).

#### What Is Your View on Smoking One or More Packs of Cigarettes per Day?



#### What Is Your View on Smoking E-Cigarettes?



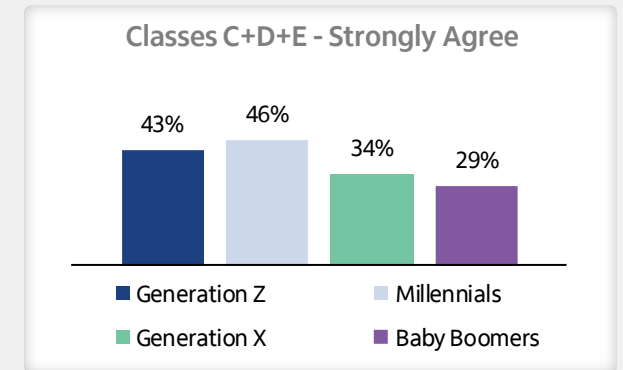
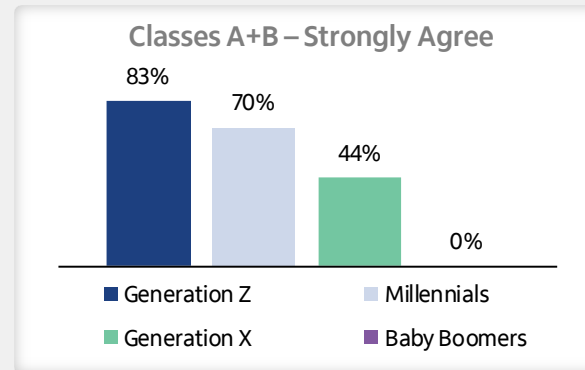
## The Brazilian Millennial Through a Magnifying Glass

### Differences Analyzed Between Social Classes

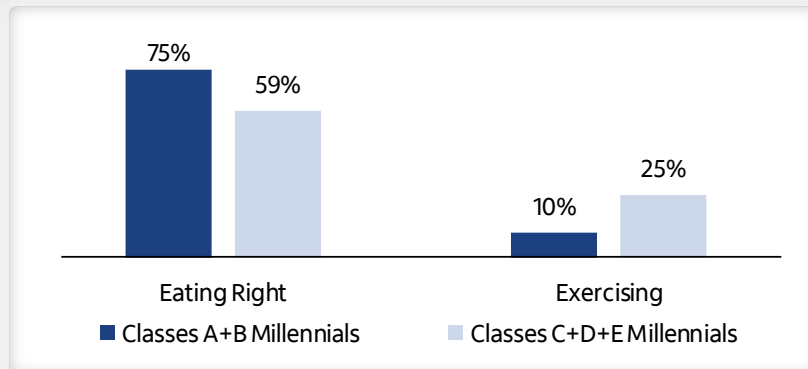
- Convenience is more important to those who can pay more for it. Our survey confirmed that Millennials with higher incomes care more about online shopping and order more food delivery. This difference could mean that the success of delivery services could be tied to their concentration in the geographical regions that concentrate higher purchasing power (e.g., the Southeast and Southern regions of Brazil).
- Different concepts for “healthy”. The most-selected answer on the definition of “being healthy” is still “eating right” among both lower- and higher-income Millennials. However, more lower-income Millennials tend to think of “exercising” as the definition of being healthy (25% vs. 10%).



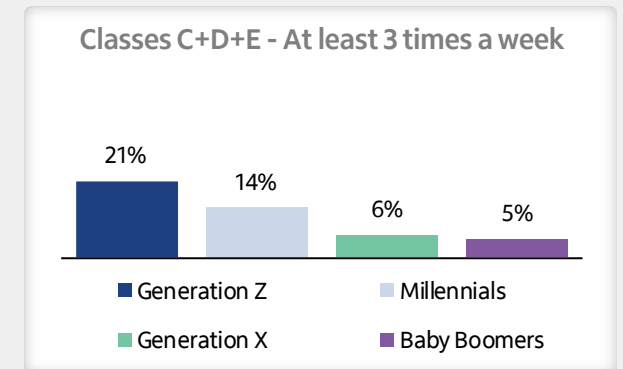
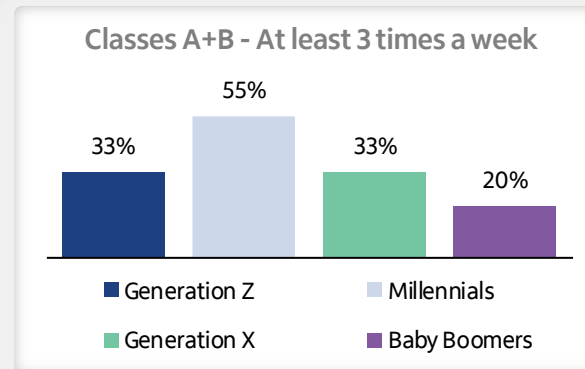
### Is the Convenience of Online Shopping Is Important for Your Purchase?



### What Is Your Definition of Being Healthy?



### How Often Do You Ask for Food Delivery?



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