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# Meet the Newcomers: Millennial SBOs



Financial Services marketers who target small business owners traditionally focus on a few core needs: control, convenience, ease and access to credit. These are universal in their appeal to SBOs and remain in play. However, marketing to the “new” SBO requires more to engage the segment. Millennial small business owners and entrepreneurs grew up with technology. They place high value on transparency and demand that the brands they do business with are also doing good. In addition, while not risk-averse, these SBOs do look before they leap.<sup>1</sup>

## By the Numbers

**30%**  
of SBOs  
are Millennials

The cohort is growing in significance having now reached 30% of the U.S. small business population. The Millennial segment’s upper age range is only now reaching 40 years of age, and they have a unique point of view and **digital-first mindset**.<sup>2</sup>

**25%**  
of small  
business spend

Of all spending tracked in 2020 by U.S. small businesses, **25% is attributed to the Millennial segment**.<sup>3</sup>

**10,000,000**  
new business starts

For the first time in four decades, **business starts reversed course in 2020/21**. This remarkable growth came as a “new breed” of SBOs – Millennial and Gen X segments – launched businesses during the pandemic.<sup>5</sup>

**32T**  
wealth transfer

Over the next decade, we can expect a huge transfer of wealth – \$32 trillion – to pass from Boomers to Millennials. Since a full **60% view themselves as entrepreneurs**, they will likely use new wealth to start or further invest in their business.<sup>3</sup>

**28%**  
are female

Millennial female SBOs are growing as a share of the total. In fact, that’s **12% higher than the U.S. average** and 5% higher than the female SBO Boomer segment.<sup>4</sup>

# Jump-start your Millennial SBO marketing with 6 emerging best practices

recommended by Media Logic

Marketing messages that focus on ease, convenience and control remain important, but Millennial SBOs bring to light additional, new considerations. Millennials are not averse to the effort required to switch banks: Addressing these 6 best practices will help attract and retain them.

- 1 “One-size-fits-all” marketing will not work best.** Instead, make it a priority to use data and insights and a lens into SBO behaviors to customize outreach and messaging. You know well that personalization is highly valued and expected by customers, but most brands are failing to deliver on this because they struggle with marketing efficiencies.
- 2 We know SBOs want trusted advisors for their banking and payment needs,** but becoming a trusted advisor brand relies on demonstrating that you know SBOs, that their needs are important to you and that your solutions are relevant. Relevancy may require partnering with a fintech who can help fill gaps.
- 3 Integration is the only option.** As the data shows, the Millennial SBO is less tolerant of fractured relationships that rely on them to seek solutions from multiple providers.<sup>5</sup> Integrate offerings and truly move to a “relationship” – not a product – framework.
- 4 Lead with digital** and speak to the proof points that include “real time” and instant and always on – each is a Millennial expectation. In fact, some marketers refer to this segment as digitally-focused newcomers.
- 5 Speak to them without gimmicks or posturing.** The ideal Millennial SBO marketing voice is both energetic and empowering.
- 6 Make room in communications to frequently speak to your corporate purpose.** “Purpose-based” marketing is important to Millennials particularly when selecting a company to align with.<sup>5</sup> How do you contribute to the common good? Are you trustworthy, inclusive, authentic?

<sup>1</sup> <https://www.fastcompany.com/90466437/new-research-reveals-the-truth-about-millennial-small-business-owners>

<sup>2</sup> BAI Business Strategies: Executive Report. Big Stakes in Small Business Banking. October 2021

<sup>3</sup> <https://www.fastcompany.com/90466428/millennial-small-business-owners-are-a-plentiful-and-profitable-audience>

<sup>4</sup> <https://www.forbes.com/sites/bernhardschroeder/2021/06/26/advice-and-insights-for-millennial-entrepreneurs--from-a-millennial-entrepreneur/?sh=233fc77e1e51>

<sup>5</sup> <https://thefinancialbrand.com/122814/what-millennial-gen-z-business-owners-want-from-banks/>

Media Logic has helped some of the top financial brands in the world develop effective marketing strategies. To find out how we can help your company, call our Financial Services lead:

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