Over the last 10 years, urban living, availability of ride sharing services, and college debt payments have influenced the decision to own a car by millennials. However, an article in Automotive News is reporting that millennials now make up the fastest growing segment among vehicle buyers and will likely represent 40% of the U.S. new-vehicle market by the year 2020.

Millennials, also known as Generation Y, are made up of people born in the United States between the early 1980’s and the late 1990’s. In 2016 they purchased 4.1 million vehicles in the U.S., 29% of the market, per J.D. Power and Associate’s Power Information Network. Experts say that kind of buying strength is likely to influence automotive marketing and developments to a greater degree that any generation before them.

Mustafa Mohatarem, chief economist of General Motors points out that due to the Great Recession, millennials delayed entering the automotive market. When the U.S. economy faltered in 2008-09, millennials were having a difficult time finding jobs, and the cost of insurance was rising rapidly.

Mohatarem also noted that as the economy improved, millennials started buying cars. He said, “What we see is the share of new vehicles being bought (by millennials) is increasing significantly.” He noted that at GM, millennial sales rose from 14% in 2010 to 19% in 2016.

Jeff Schuster, senior vice president of forecasting at LMC Automotive agreed, noting that millennials have shaken off the effects of the recession. Schuster said “The millennial was the buyer that was first pushed out of the market with the recession. They were late coming back, but that have come back. We are past that issue.”

The J.D. Power Report pointed out that new-vehicle purchases by millennials is likely to grow at a faster rate than any other age group in the years to come. Since 2011, their share of U.S. retail new-vehicle sales rose nearly 9 percentage points, compared with baby boomers, whose share declined by 6 points in the same period. Tom King, vice president of PIN operations at J.D. Power said that “If you combine Gen Z and Gen Y, they are 30% now, a massive increase from just 20% in 2011. Gen Z is the post millennial age group.

A study from online shopping site Autotrader found that millennials are buying vehicles based on need rather than want. The group is graduating from college, landing jobs, buying homes, getting married and starting families. Millennials are largely buying compacts, some SUV’s and crossovers as entry vehicles. However, as the older millennials adjust their lifestyle, that could change. King pointed out “They are shifting from cars towards SUV’s.” He went on to say “they are responding and making that shift rapidly.”

Oprah still has a lot of marketing clout—as the public face of Weight Watchers (she owns a major stake in the company) membership grew 10% last year to better than 2.6 million, the first increase in membership since 2012. Revenue was up 3%, the gain coming mostly from meeting fees and online subscriptions. Publix had a good fourth quarter in an industry that has been held back by lower prices for many food items. The chain with more than 1100 stores in six Southeastern states had a 2.2% same-store increase in the fourth quarter and completed the fiscal year up 1.9%. It is currently working on entering Virginia as its seventh state this year. Ahold USA (Stop & Shop and Giant) had a 0.2% comp store sales decline, but claimed a market share increase. Sibling Delhaize America (Food Lion and Hannaford) was up 2.2%, despite an estimated 1.7% headwind from food deflation. McDonald’s says it’s on track in its plan to refranchise 4,000 company-owned restaurants and will reach that goal later this year, about a year ahead of schedule. It’s also suggesting a strategy shift away from trying to attract people who don’t eat there often in order to focus on its core customers, and will expand ordering kiosks and curbside service. More bad news coming from DineEquity in the middle of management turmoil (the Chief Financial Officer is now leaving after the CEO was replaced last week). Systemwide same-store sales were down 2.1% at International House Of Pancakes and off by 7.2% at Applebee’s in the fourth quarter, completing negative years at down 0.1% and down 5.0% respectively. Franchisees are expected to open about 75 new IHOP’s this year, but after closing 40-60 locations, the Applebee’s roster is likely to show a net decline for 2017. Dollar Tree stores reported a 2.3% same-store gain for its fourth fiscal quarter while the acquired Family Dollar stores were up a more modest 0.2%. In total the chain added 584 new stores last year and now has more than 14,000 locations in the U.S. and Canada. The clothing business has been difficult lately, especially for mall-oriented retailers, so a 0.4% quarterly same-store sales gain from American Eagle Outfitters beat expectations. The gain came mostly from the company’s intimates banner Aerie, while numbers were off slightly at the namesake brand. Another off-price clothing retailer has beaten the trend as Burlington Stores’ comps were up 4.6%, well ahead of expectations. With plans to open a net of 30 new locations this year and a projected same-store increase of 2-3%, it expects total sales to grow 7.5-8.5%.
CABLENET CHATTER
For the fifth straight month, Fox Business Network has topped CNBC in viewership. FBN averaged 218,000 viewers during the business day hours of 9:30 AM (ET) to 5 PM (ET) in February, an increase of 59% over the same month last year. Meanwhile, CNBC dropped from an average of 212,000 to 182,000 in the same measurement from Nielsen. Fox Business Network attributes the surge to a decision in 2015 to load its daytime lineup with its most prominent host.

Maria Bartiromo, Stuart Varney, Neil Cavuto, Trish Regan and Liz Claman. The network also takes a broader view of business news by mixing in plenty of content about politics.

President Donald Trump’s election and the stock market surge, have been tailor-made for Fox Business……The ninth season of RuPaul’s Drag Race will air on VH1, moving over from Logo. The senior vice president of original programming and development for Logo, Pamela Post, said “Coming off RuPaul’s Emmy win and ratings record-breaking season of All Stars, the fandom around RuPaul’s Drag Race has continued to swell as we head into season nine.”

The shift will no doubt help the series reach a broader audience, given the recent success of VH1……USA Network has cancelled Eyewitness after just one season. The crime thriller debuted on the network last October and has struggled to find an audience. Over the first 10 episodes, Eyewitness averaged 636,000 total viewers and only a 0.17 18-49 Nielsen rating……FX’s Mayans MC, the spinoff of Sons of Anarchy has cast Antonio Jarimillo to play Michael “Riz” Ariza in the new series. His character is described as the even-tempered and charming vice president of the Mayans MC, and the former leader of the Mexican MC. Jarimillo will join a cast that includes Edward James Olmos and JD Pardo. Mayans MC was co-created by Kurt Sutter and Elgin James, with Sutter serving as executive producer and director of the pilot……Turner Sports has promoted Matt Hong to the newly created position of chief operating officer. Hong will be responsible for programming the division’s sports assets across TNT, TBS and truTV, in addition to leading the division’s day-to-day operations of the company’s digital portfolio……VH1 has hired Liz Fine for the position of senior vice president, original series at the network. Fine moves over from the vice president of programming and development at FYI where she helped develop shows like Married At First Sight……Shiri Appleby, star of the Lifetime scripted series UnReal, has signed a deal with A+E Studios to develop, create and produce original programming for the A+E portfolio of networks and other buyers. Along with the deal, Appleby will serve as a brand ambassador for A+E Studios and Lifetime, representing the brands at various events throughout the year……Fox News Channel beat the big four broadcast networks in viewership of President Donald Trump’s address to the Joint Session of Congress Tuesday night. The cable network posted a hefty 10.8 million viewers during the speech, topping the usual front runner NBC, which delivered 9.14 million. CBS logged 7.2 million, while ABC had 6.1 million and the Fox broadcast network managed 3.1 million.

CONSUMERS CAUTIOUS WITH TAX REFUNDS
Two-thirds of American are expecting tax refunds this year—but they won’t necessarily be rushing out to spend the cash. A record low number of Americans will spend their tax returns this year while the second-highest number on record will put the money into savings, according to the annual tax return survey released by the National Retail Federation (NRF) and Prosper Insights & Analytics.

“Financial security continues to be top-of-mind for all Americans, and consumers are hanging on to their tax refunds tighter than ever,” said NRF President and CEO Matthew Shay.

Of the 66% who expect a refund this season, only 20.9% of consumers will spend their refunds on everyday expenses, 8.7% will use them for major purchases such as a television, furniture or a car, and 7.6% will splurge on special treats like dining out, apparel or spa visits. The numbers are down from 22.4%, 9.2% and 8.3% last year, respectively, and are record lows in the history of the survey. The number planning to spend the money on vacations dropped to 10.7% from last year’s 11.4%, the lowest since 10.3% in 2013. In addition, 8.8% plan to use their refund on home improvements.

Rather than spending their refunds, 48% of consumers plan to put the money into savings, second only to last year’s record high 49.2%. In addition, 35.5% will use the money to pay down debt, up from 34.9% last year but far below the peak of 48% seen in 2009.

AMERICAN RESTAURANT COUNT IS DOWN
The total number of U.S. restaurants decreased by 2% from a year ago to 620,807 units, according to a count of U.S. commercial restaurant locations compiled each spring and fall by The NPD Group. With the decline in units, restaurant density (units per million population) is at its lowest level in the past ten years, dropping from 1,992 units per million in fall 2007 to 1,924 units per million in fall 2016. NPD’s count includes restaurants open as of September 30, 2016. Chains held their own, while the decline came in independently operated restaurants. Independent restaurant units decreased by 4% and density declined from 1,132 units per million a decade ago to 1,002 units per million in fall 2016, reports. On the flip side, NPD reports chain restaurant unit counts grew by 1% in the fall 2016 count—an increase to 297,351 units. Density of chain restaurants grew from 860 units per million in fall 2007 to 922 in fall 2016.

The decline in independent restaurant units came in both the quick service and full service segments. The higher concentration of independent units, however, is in the full service segment, which includes casual dining, midscale/family dining, and fine dining.

Total U.S. restaurant visits dipped slightly in the year ending December 2016, according to NPD. Quick service restaurant traffic, which represents 80% of total industry traffic, was flat last year.