



How to market effectively to Millennials

Ola Mobolade

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Author(s): **Ola Mobolade**
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Jump to:

[Speed Read](#) | [Definitions](#) | [Where to start](#) | [Essentials](#) | [Checklist](#) | [Case studies](#)

Speed read

Based on their size and distinct demographic composition, attitudes, values, motivations, and media consumption, Millennials are a generational cohort of increasing importance to marketers. Their relatively new entry into the global work force, and attractive buying power, have been key drivers, fueling the race to create Millennial-relevant strategies and content. However, as with any new marketing target, Millennial myths and misconceptions abound, making it difficult to identify true generation-specific insights. And even after true-to-life insights are identified, developing creative that reads as authentic and non-pandering is a challenge for outsiders to this culture and mindset.

This article outlines best practices for effectively marketing to Millennials, based on qualitative research insights, quantitative data, and in-market experiences of brands attempting to forge relationships with Millennials, to varying degrees of success. Five key principles are outlined here, each accompanied by a Case Study from a Global brand.

Definitions

For the purposes of this paper, Millennials are defined as persons born between 1981 and 2000, or those who are between the ages of 16 and 35 in 2016.

Where to start

While there is a great deal of variation in the specific years that define the Millennial segment, demographers and marketers agree on the primary defining characteristic of this group: they are the first generational cohort to come of age in the digital age. This fact alone indicates a distinct mindset and way of interacting with the world around them, but compounded with the unique social, historical and cultural context enveloping their journey to adulthood, this group is unquestionably unique from the Generation X and Boomer segments which precede them, and Generation Z which follows.

A thorough examination of Millennial best practices should begin with the factors behind their importance to marketers. According to some projections, Millennials will comprise 50% of the global workforce by 2020, and will soon outnumber their

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Generation X predecessors.¹ And in some global markets, such as the US, they are already the largest generational cohort (92 million US Millennials, compared to 61 million Generation X'ers and 77 million Baby Boomers).² By all accounts, their size alone is justification for the elevated focus on understanding this audience's nuances and motivations.

However, there are also demographic characteristics that are cause for caution when it comes to putting all of one's eggs into the proverbial Millennial basket. For example, due to lower rates of employment and shrinking incomes, Millennials have less disposable income than previous generations. Related to this point, Millennials are also more burdened with debt than their generational predecessors, further limiting their spending power. And despite their high population overall, in certain global markets where birth rates are lower than the global average, they remain on short supply.

A final caveat to be considered is the crucial distinction between age/life-stage drivers versus those which are truly generational in nature. Today, Millennials are young adults, and as such, exhibit youthful attitudes and behaviors that are not unique to consumers in their generation. For example, their emphasized focus on career aspiration and starting families would ring as true for Generation X and Boomer cohorts, when those consumers were young adults, as they do for today's Millennials. Conversely, the fact that Millennials are more likely to get married and have children at a later age is a generation-specific insight. In sum, care should be taken to avoid confusing insights related to the 'young adult' perspective, with Millennial-specific insights.

Essentials

As with all qualitative analyses, the principles outlined in this paper are directional and not conclusive. While these guidelines have proven effective for many marketers, strong consumer insights are the 'X factor' driving successful Millennial strategies and communications. To ensure optimal response to Millennial-targeted marketing, primary market research framed within the relevant category, translated into clear action steps, and assessed by a representative Millennial audience, is key to actualizing these best practices.

Success Principle #1 – Communicate a higher brand purpose

In the ongoing race to differentiate in a cluttered marketing landscape, a clearly articulated Brand Purpose is an increasingly important element of a successful brand's identity. In his book, *Grow: How Ideals Power Growth and Profit at the World's Greatest Companies*, former Global Marketing Officer of Procter & Gamble, Jim Stengel, defines [Brand Purpose](#) as "a business's essential reason for being, the higher-order benefit it brings to the world." Stengel goes on to explain that "a brand ideal of improving people's lives is the only sustainable way to recruit, unite, and inspire the thoughts, feelings, and actions of the people a business touches, from employees to customers."³ This is especially true for Millennials – more than other groups, they believe they can make a difference in the world around them, and are drawn to brands that share that value. Research shows that more than 85% of Millennial consumers are influenced by a brand's social responsibility efforts when it comes to purchase decisions and likelihood to recommend a brand to others. And 73% are willing to try a new product if the brand supports a good cause.⁴ So a strong Brand Purpose is not just about the 'feel-good' factor, but actually translates to bottom line growth among Millennial audiences. For the greatest impact, these ideals should permeate every consumer-facing touchpoint — from the company's manufacturing and labor practices, to local and global causes it supports. While the overarching ideal should be lofty enough to resonate across all audiences, brands seeking a connection with Millennials should ensure that specific social responsibility initiatives align with issues relevant to them. Providing opportunities for Millennials to passively or actively contribute to these causes often provides an added engagement boost. Finally, the manner

and tone in which the purpose is communicated should reflect the aspirational brand ideals of Millennial consumers: sincere, humble and socially responsible.

Success Principle #2 – Be authentic and transparent

For any brand seeking a connection with the marketing-savvy youth target, skepticism is a formidable barrier to credibility and loyalty. The BS-meter for Millennials is often on high alert, and these consumers can often see through the most well-intentioned efforts to seem hip and trendy. It's a common misconception that Millennials are more likely to prefer brands that look and sound like 'one of them'. In fact, inauthentic attempts to mimic youth slang or style, by brands that aren't native to this space often backfire. Rather than trying to act like their young audiences, effective brands courting the Millennial cohort are well-advised to identify the elements of their authentic heritage which resonate strongly with these consumers. For older brands, this may mean leveraging their long-standing history via nostalgia, rather than an elaborate restage overwrought with "youthfulness" cues. Other brands have successfully connected with the high Millennial value on authenticity and simplicity by portraying 'real consumers' in ads that feature candid reactions to the brand or message, via social media posts, focus group snippets, or clips from 'vox pop' interviews. On a similar token, brands that don't acknowledge and address 'elephant in the room' barriers to consideration tend to be criticized by Millennials for pandering or underestimating their intelligence. While a marketing misstep or product flaw can be a PR nightmare in the near-term, it can also provide opportunities to humanize the brand, if addressed head-on by real brand representatives, with minimal spin.

Success Principle #3 – Leverage digital content and social media smartly

It's no secret that Millennials are heavy users of digital content and social media. In fact, it's a defining characteristic of their generation — Pew Research reports that 90% of 18-29 year-olds are active users of some sort of social media.⁵ But effectively connecting with Millennials on social media takes more than a Facebook page and ads on a brand's YouTube channel. Although the medium is highly relevant, identifying the right content, conversation, and platforms is essential to actually forging meaningful relationships with Millennials. In a global study and report titled *The Language of Love in Social Media: New Rules for Brand Engagement*, researchers at Firefly Millward Brown laid out several best practices for engaging the heavily Millennial-driven digital native audience:⁶

1. **Give the consumers a degree of control.** To operate effectively, brands must relinquish some of the control they have held for so many years. They have to let the consumer set the terms for ongoing conversation – how often, how deep, etc.
2. **Let them find you / come to you.** Millennial consumers want to ensure that nothing alters their social media experience or turns it into something its' not "supposed to be", and they want to preserve the sense of discovery that makes social media fun.
3. **Be interesting.** Companies need to move away from the traditional content model and use the consumer as the content creator. Ultimately, content that entertains – or information that is presented in a unique way – works best.
4. **Listen first, then talk – create a dialogue.** Millennials want dialogue – a conversation – where brands listen to what they have to say rather than just pushing their messages without taking into account what consumers think, feel and want.
5. **Be relevant.** Millennial consumers want to see content that relates to their lives, their interests, their desires, and their needs. It means making every post, link or article, personally relevant and meaning to each individual.
6. **Be open and honest.** Millennials want brands to be candid. They don't trust and respect brands that do not post "the

good and the bad" on their fan pages. They expect an "open book" approach where brands tell consumers who they are, what they expect/want from them, and what exactly they're offering.

7. **Be accountable and humanize.** Brands often suffer in social media because they don't have anyone that answers to the consumer. It is so important for brands to find ways to humanize themselves – and the best way is to have real people who speak on behalf of the brand in social media.
8. **Talk like a friend, not a corporate entity.** Millennials want brands to communicate in simple, casual language that is conversational. Don't try to sell, but rather talk in a friendly, casual way about finding ways to meet the needs of the consumer.
9. **Let the consumer talk for you.** The best-case scenario for brands is that Millennial consumers take the initiative and advocate for a brand. For this to happen, brands must create the opportunity for consumers to spread the word.
10. **Offer something of value.** Millennials are far more likely to respond to brands that offer them something real and tangible, preferably without something in return.

Success Principle #4 – Reward loyalty with unique experiences and exclusive access

Brand loyalty is one of the most widely sought after and most elusive measures of effective brand engagement. Fortunately for marketers, Millennials are more likely to be brand loyal than their generational predecessors, due in part to the built-in advocacy mechanism that Social Media provides. 64% of Millennials claim they are as loyal as, or more loyal than, their parents.⁷ But that doesn't mean their loyalty is easily won. At one point, loyalty programs offering discounts and coupons were heavily relied upon, based on the belief that they would drive repeat purchase, which would inevitably lead to loyalty. But a growing emphasis on other Millennial loyalty-drivers, like a purpose-led cause marketing and engaging digital/social content, has led some brands to rethink both the strategy and execution of the traditional loyalty program paradigm. For starters, many brands are considering loyalty programs as more effective in rewarding, and ultimately, retaining and deepening Millennial customers that are already repeat customers, as opposed to creating loyalty. In addition to this strategic shift, Millennial-targeted brands are also rethinking the nature of perks used to recognize their loyal Customers. While offering discounts and other monetary savings to loyalty program members can provide short term returns, they run the risk of devaluing the brand's image, and don't address the emotional underpinnings of true loyalty. Millennials are more likely to be motivated and engaged at an emotional level when a brand recognizes their loyalty with: unique, personalized experiences; a simple, flexible earning and redemption scheme; digital and mobile engagement touchpoints; options which allow them to choose from a range of perks; and exclusive access or privileges that convey special status.

Success Principle #5 – Reflect diversity beyond traditional multicultural casting

The increasing ethnic diversity of markets around the world has been a hot topic in the global marketing community, as brands grapple with the implications of the evolving cultural fabric. This steady march toward a "New Majority" landscape is mirrored in both emerging and established markets, worldwide. In the US, for example, children born in 2016 are more likely than not to be non-White, representing a historical tipping point in the nation's cultural composition. But we need not look too far into the future to understand that this shift requires a reassessment of culture's role in shifted strategies for effective brand strategy. Today's Millennials represent the most diverse adult population the modern age has seen. And while many brands have strategies in place for understanding how and when to apply a culturally targeted and/or inclusive lens to their marketing efforts, many are underleveraging opportunities to connect, by addressing diversity through casting alone. In the 2011 book, *Marketing to the New Majority: Strategies for a Diverse World*, the authors present data which suggests that diverse and targeted casting does provide a notable bump in ad enjoyment, but that increase is magnified significantly when a culturally

relevant insight also comes through in the ad.⁸

And this holistic take on cultural inclusiveness is not just for the benefit of non-White groups. Increasingly, White Millennials are critical of advertising that fails to reflect the ethnic diversity around them, often dismissing them as old-fashioned and out-of-touch. And complicating matters further, Millennials of all backgrounds often see through formulaic 'one of each' diversity casting, as a clumsy 'outsider' approach. In addition to the cultural insight issue, there is a broader-spanning take on diversity that is commonly overlooked: Today's Millennial population is not only multicultural in terms of singular ethnic identity, but also presents several other types of diversity that are commonly underrepresented. For example, it's a little known fact that multi-racial consumers are the fastest growing ethnic group in the US, today. And going beyond ethnicity, the family and household structure is shifting as Millennials wait longer to get married and have children (if they do at all), and in general, are redefining what the "typical" family unit looks like. Depicting a variety of body types and differently-abled people, is also noted and appreciated by Millennial consumers. In summary, brands with their pulse on the multi-layered nature of Millennial diversity are standing out among the clutter of marketing noise, and making a bold and modern statement about their understanding of this generation.

Reminder checklist

Although there is no 'magic recipe' for effectively marketing to Millennials, integrating a few tried and true "ingredients" into a Millennial-targeted strategy is likely to boost the potential for success:

1. Communicate a higher brand purpose
2. Be authentic and transparent
3. Leverage digital content smartly
4. Recognize loyalty with experiences and exclusive access
5. Reflect diversity beyond traditional multicultural casting

Case studies

Communicating a higher brand purpose:

Case Study: [Tom's Shoes – 'One for One' Global Giving Initiative](#)

Toms' 'One for One' global initiative is one of the most successful examples of purpose-led brands engaging Millennials in a higher cause. With every purchase of the brand's shoes or eyeglasses, a pair is donated to a child in need across 70 countries. The original Millennial marketing push was focused on social media, college campuses, and interactive events, resulting in tremendous buzz among this target, and ultimately huge growth for the brand. In less than 10 years, Tom's skyrocketed from a fledgling startup to a \$625 million brand.

Authenticity and transparency

Case Study: Domino's Pizza – 'Our Pizza Sucks' Campaign

In the end of 2009, Domino's responded to consistent consumer feedback about the lackluster taste of their pizza, with a bold and brutally honest move. Rather than trying to ignore the unsavory brand sentiment, or quietly and gradually address the issue with a behind-the-curtain quality improvement initiative, they attacked this barrier head-on by not only improving their

recipe and publically acknowledging their shortcomings, but making them the basis of an entire campaign, bluntly titled 'Our Pizza Sucks'. In addition to TV ads, the campaign's heavy emphasis on YouTube videos rounded out a reach strategy that aligned with Millennials' digital and social media consumption. This transparent and honest approach worked wonders in reversing the brand's declining credibility and share — by 2011 its stock grew 233%, towering over the mere 37% increase of competitor, Papa John's. Due, in part, to this success, the global brand was able to invest more heavily in international markets, opening over 1800 new stores across 10 countries in the four year period following this campaign.

Leveraging digital content and social media

Case Study: [Lowe's - #FixInSix Vine Campaign](#)

In 2013, Lowe's was laser-focused on differentiating itself from category leader Home Depot, in the eyes of the coveted Millennial audience. Comprehensive research among this segment revealed an elevated value on 'life-hacks' (clever fixes to daily life issues), and heavy usage of short-form digital video platforms like YouTube and Vine. At the intersection of these two insights, one of the most successful multi-channel Social Media campaigns was born. Lowe's and creative agency BBDO launched #FixInSix – a series of 100 quirky and entertaining stop-motion videos depicting helpful household hacks. And while the campaign debuted on Vine, its bite-sized and highly shareable format allowed for parallel launches on Lowe's Facebook, Twitter, Pinterest, YouTube and Tumblr pages. Not only did this make for a highly cost-effective campaign launch, the savvy use of Millennial-relevant content and context yielded impressive results, with over 56 million Vine views and a formidable 702% increase in Millennial brand engagement.

Rewarding loyalty with unique experiences and exclusive access

Case Study: Starwood Hotels and Resorts – Starwood Preferred Guest Program

Starwood is by no means the only global player in the Travel and Hospitality space that has invested significantly in pursuing Millennial consumers through its loyalty program. But they do stand out for the early adoption and comprehensiveness of such efforts. From mobile device-enabled keyless entry, to heavy emphasis on social media feedback, to offering members the option of points or a complimentary cocktail upon check-in, it's no wonder their Starwood Preferred Guest program is widely recognized as a best-in-class example of Millennial-targeted loyalty initiatives. In addition to the standard free nights rewards members can redeem accrued points for, their SPG Moments program allows members to choose from a wide range of unique and exclusive experiences like backstage access to concerts or professional athlete meet-and-greets at sporting events. And SPG Instant Rewards offers a varied menu of on-site redemption opportunities at lower point levels, for perks like room upgrades, spa services, luxury transportation, and food and drink. What remains to be seen is how Starwood's recently inked acquisition by Marriott International (a global competitor who has itself been investing heavily in Millennials through its Marriott Rewards program), will affect SPG members. What is definite, is the global powerhouse that will result from this merger – combined, the hotel group will boast more than 5,500 owned or franchised hotels, and 1.1 million rooms.

Reflecting diversity beyond traditional multicultural casting

Case Study: [Cheerio's – "Gracie"](#)

In 2013 Cheerio's US made waves by debuting a campaign featuring an interracial couple with a biracial daughter named Gracie. But it was neither the product nor the ad's content that was the subject of all the buzz. The simple, seemingly innocuous detail of casually featuring a mixed race family drew cheers and jeers from the consuming audience, forcing

marketers to take notice. While some trade publications and news outlets were drawn to the alleged "controversy" surrounding this ad, among consumers, the supporters far outnumbered the detractors. In one small casting decision, Cheerio's claimed a thought leadership position by simply normalizing a new kind of diversity that is emblematic of today's Millennial family. The spot was so successful, that General Mills rolled out a new spot featuring the family during the 2014 Superbowl.

Further Reading

Warc Topic Page: [Millennials & Youth](#)

Warc case studies: [Lifestage: Millennials & youth](#)

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About the authors

[Ola Mobolade](#), managing director at Firefly Millward Brown, is a marketing consultant, qualitative researcher and a recognized thought leader on the evolving cultural landscape in the US and global markets. Ola is the 2012 winner of WPP's prestigious Atticus Award for global achievement in Consumer Insight. She currently resides in New York City.

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