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Gerri Knilans

Millennials: My Way or the Highway

This generation trusts peers over institutions/vendors

By Gerri Knilans



Marketers salivate at the mere mention of the Millennials generation. With 77 million consumers in the group, they are the second largest generation in the United States today. According to the Pew Research Center, Millennials will become the largest generation, surpassing the Baby Boomers by the year 2020, and will go from the existing 27 percent to 36 percent of the US population.

Millennials may be a large generation, but numbers alone don't create sales. The uniqueness of the generation separates it from the Baby Boomers (1946-1964) and its immediate predecessor, Generation X (1964-1980). The marketing challenge is to capture the essence of the generation by knowing how they think, not only as a group, but also as individuals.

Millennials break from all previous descriptors in several key areas. According to the Pew Research Center, this generation is the least religiously connected, the most ethnically diverse, the least married, and faces the worst economy since the Great Depression. And yet, both the Pew Research Institute and *The Millennials* authors, Jess and Thom Rainer, report this generation

has a somewhat illogical, but unshaken, confidence in the future. **The Best and Worst of Times for Marketers**

Millennials have greater access to more information than any previous generation. The Internet defines them. Social Media consumes them. Communication connects them. Success often hinges on the fragile yet powerful buzz that can either make or break a brand. The foundation for marketing to this \$1.68 trillion group comes from understanding their values, rethinking the elements of the traditional 4P marketing mix, and re-defining customer service.

In short, this generation trusts their peers more than the institutions or vendors that want to sell to them. This translates into what marketers call User-Generated Content Forums. The Millennials call it YouTube, Facebook, Twitter, and Yelp. In a Time Magazine article, "Trust No One But Twitter," (Feb.16, 2014) the author underscores the trend that today's young adults don't easily believe big government or big companies.

Lastly, the confluence of the recession, the late start on careers, and their unrealistic optimism about their future world, yet realistic as-



assessment about government retirement programs, give this generation one more defining characteristic: they're careful with their money. Bloomberg Business Week (April 25, 2014) states the average annual salary (\$34,500) of a college graduate with a bachelor's degree today is the lowest starting pay since 1998. And that same graduate owes an average of \$30,000 in college loans. These consumers buy what they need, and what they want, but they buy more cautiously.

Selling to this generation, sometimes called 'Generation Me', is trickier than ever because the rules change every day. According to Randy Wimenta, Marketing Manager, at Anthony, a Dover Corporation subsidiary, "Change is coming sooner than most people think." And companies are simply not prepared.

Their Way

Millennials largely discount political parties and religion while they place high value on happiness, passion, diversity, family, friends, and experiences. Their mindset, "You-Only-Live-Once" (YOLO) separates them from Boomers, and may invite like-minded marketing campaigns. At the same time, these young people want to make a difference in the world, care about the planet, and try to buy from good corporate citizens.

The Recession, 9/11, and the Columbine school shooting give them a heightened sense of mortality that Boomers didn't have, and makes them more willing to change jobs and be happy rather than putting up with jobs that are not worthwhile, challenging, or meaningful.

The Rules have Changed

Millennials buy from trusted sources. Ron Lawrence Vice President, Organization Development at VF Corporation says, "High-end, polished marketing is okay, but it must be sincere. The marketing must be aimed at their social media platforms." This generation trusts their social media connections, both near and far, but there's a catch. Research E. Marketer advises companies that Millennials use different social media platforms for different products. Technology choices are posted more often on Facebook. Hair products experiences might be shared on Twitter, Facebook, and Pinterest.

Millennials, also Generation Y, buy the best value. Lawrence says, "They may buy a 'brand' jacket not only to look hip, but also if it has quality and longevity. And they are the world's first digital natives, so they still want the coolest and best technology." What else? They buy investments! CEO Adam Nash of Wealthfront, which helps young technology workers convert company stock into a diversified portfolio, (Forbes August 16, 2014 issue) says Millennials currently have \$2 trillion in liquid assets under their control, which is expected to grow to \$7 trillion by the end of the decade.

How it's Done

Wimenta says, "Implement technology in their purchase process (i.e. leverage GroupOn for specials, click/pick-up programs, or home delivery via online). Provide a unique shopping experience and/or a localized, neighborhood event. Create positive buzz through the social media sphere — not buy-our-product ads, but value and peer-group infomercials."

In addition, re-think the traditional marketing mix 4Ps, Product, Place, Price Promotion. Consider "S.A.V.E." instead. Product > Solutions, Place > Access, Price > Value, Promotion > Education (Harvard Business Review Jan-Feb 2013 issue). In the HBR article, authors Ettenson, Conrado, and Knowles aim their model at B2B marketing, but it is just as relevant for the B2C marketplace. For Mil-

lennials, in particular, 'Solutions speak louder than 'Products' which is the foundation for a paradigm shift to a more customer-centric relationship and shopping/buying experience.

Finally, make sure the social media conversation is ongoing and consistent. If you're not talking to them, someone else surely is. Build value, by educating them about benefits, in other words, how using your product/service saves money or will last a long time. Buy attention by branding the experience: Help them to continue to feel good about their purchase by making sure your company has a good global reputation, by building the best buzz, and by facilitating the conversation.

Mind the Generation Gap

Change happens more quickly than ever before. A marketing campaign, whether it's good or bad, can go viral with alarming speed. For marketing, governing, and hiring, minding the generation gap becomes more important every day.

The Millennials have their helicopter parents, the Baby Boomers, to thank for both their unwitting trust in the future, and their closeness to their families. They have 9/11 and the 2008 recession to thank for their mistrust of governments and institutions. They have technology to thank for their connectedness with friends near and far. And they have their belief in the future to thank for their ability to value experiences with products and how they spend their time. In short: be prepared for anything. Ron Lawrence states it this way, "The world will conform to this generation."

Marketers that earn Millennials' trust, inform and educate, and sell 'through' not 'to' via well-managed social media platforms and deliver the perfect 'You Only Live Once' experiences with the products and services they sell will be successful. **SSE**



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