

Engage:GenY

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Millennials Could be Your Next Growth Opportunity

by Mike Doherty, 4 hours ago

As brands evolve and consumers change, most marketers realize that their most loyal consumers today may not provide the growth they need for tomorrow, and that it's important to continually bring new customers into the fold. Could Millennials be your next growth opportunity?

Considering that the oldest Millennials are already getting married and becoming the heads of households, if you haven't already targeted this generation, now is an important time to introduce them to your brand. In fact, at the CPG Summit in Chicago, SymphonyIRI Group speculated that Millennials represent a \$50 billion growth opportunity for package goods brands alone.

Do Millennials even care about brands and, if so, what qualities in a brand do they find attractive? The good news is that Millennials are actually quite brand loyal, but when considering how to position your brand with this generation, there are some key things to consider:

How familiar is your brand?

This generation is always "on" and strapped for time as they move through a life stage distinguished by unprecedented upheaval and personal change. But Millennials also maintain strong kinships with their boomer parents and look to them for direction on which brands to believe in and trust. As a result, Millennial brand loyalty is often driven by familiarity. In fact, GfK Roper found that Gen Y-ers define themselves as "brand shoppers," consumers who stick to the brands they know.

Smart marketers will recognize this behavior as an opportunity to connect with Millennials AND their parents. Attracting one doesn't mean alienating the other. Campaigns like Dove's "Real Beauty" worked across generations and Toyota's new "meet the parents" minivan ads nicely acknowledge the familiarity of growing up with a minivan while also connecting with the Gen Y parents of today.

Connecting with both generations can have an added positive effect. Because Millennials are close with their parents, as they age, they are exerting more influence on their parents' purchasing decisions and moving product adoption from children to parents.

Are your brand's values clear and aligned?

Because Gen Y-ers are at an age where they are still formulating their belief systems, they are attracted to well-defined and authentic brands that help to strengthen their values and reinforce the identity they are building as a generation independent of their family. In essence, brands create a sense of community for Gen Y-ers and can even help bring order to their world.

Brands that want to stand out with this generation should offer a vision for how they see the world and offer opportunities for Gen Y to get involved and help make an impact.

Marketers can also celebrate their values in ways that align with where Gen Y-ers are in their life stage: First job/social network, parenthood/optimism, first home/economics, etc.

Is the value you offer clear?

In general, Millennials believe they will achieve "the good life," but given the recent economic turmoil, they are experiencing a struggle between their entitlement ideals and their financial reality. They still see possessions as essential to a good life and they are willing to pay for higher quality if they will save money in the long run. In fact, they aren't as likely as older adults to trade down even in difficult times.

Brands can help bridge the gap between Gen Y-er's desire to spend and their need to save by building savings opportunities into other products. Credit card companies, for example, have done this with "rounding up" incentives that purchase balances towards savings accounts. And while Millennials value great function, but they also want style, too. Brands that can offer cheap-chic or affordable luxuries will help Gen Y-ers straddle the gap between their material desires and need to be frugal.

Millennials could be your next growth opportunity if you can appeal to the right sensibilities today. Gen Y-ers are looking for brands that offer confidence and familiarity, that solidify and reinforce their values and that provide smart solutions to the either/or obstacles they face.



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Mike Doherty is president of Cole & Weber United. He is a marketer with more than 25 years of experience creating effective growth strategies for a diverse group of clients. Working on both the agency and client sides of the business, Mike's passion lies in helping clients find new ways to go beyond the boundaries of traditional advertising to effectively engage customers in branded experiences.



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