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Millennials in the aisles: How CPG brands capture lifelong loyalty

WHITE PAPER • AUGUST 2012

Millennials in the aisles: How CPG brands capture lifelong loyalty

Innovation, mobile, and social create CPG brand loyalty

Millennials aren't just a fast-growing generation. They're shaping how everyone shops. By serving them well, you're also serving all consumers well.

By 2017, these young consumers (currently age 17-34), will have more spending power than any other generation.¹ They demand mobile, social, and personalized experiences when they shop.

Meanwhile, they're still experimenting with a variety of everyday products and brands. While they spend 28% more than the average consumer at mass merchant stores,² most haven't yet formed brand loyalties. Brands that act now to serve their developing needs will create brand champions — and can keep them for life.

Capture Millennials via mobile at the zero moment of truth

Millennials trust their "tribes" over brands; they're almost twice as likely as other shoppers to rely on input from others when buying.³ Their tribe includes their social graph (people they know in person or online) and strangers online who share their interests on social networks (interest graph). Millennials carry this tribe with them on their smartphones, everywhere they go.

"As a Millennial, I know I've stood in a cereal aisle, felt overwhelmed by the options, and responded by taking a picture of the 11 varieties of the cereal I was sent to the store to buy," says Jason Dorsey, Millennials marketing expert and best-selling author of *Y-Size Your Business*. "I posted on Twitter asking for

help on which one to pick! This is not only normal — it was the first action I thought to take."

Connect mobile Millennials with opinions from their tribe

Millennials have grown up exposed to more advertising than previous generations — they're skeptical of marketing. They trust relevant, authentic opinions from real product users they can relate to. Eighty-four percent of Millennials say user-generated content has at least some influence on what they buy.² And 73% say it's important to read others' opinions before food purchases.⁴

"You're trying to tell the consumer that they're making the right decision, that this is a product that they don't need to worry about," says Mary O'Connell, Director, Global Marketing and PR for Clorox. "That it's going to deliver because they're hearing it from their friends, they're hearing it from the consumer. And they're hearing it not in [the brand's] voice, but in the consumer's voice."⁵

Via mobile, CPG brands can deliver these opinions directly in the aisle. Through product packaging or in-store displays, brands can allow Millennial shoppers to look up products by bar code, QR code, image recognition, or RFID, and serve consumer-written opinions to help them find the best products for their needs. In-store displays in particular are 36% more influential to Millennials than the average shopper.²

- Let them search for the specific attributes they find most important. Let them filter toothpastes and consumer feedback for mentions of cavity protection, whitening, or fresh breath, for example. Or filter laundry detergents by stain removal, scent, or color safeness.
- Use in-store displays and product packaging to promote these features. For example, create an in-aisle display with a bar code offering reviews and Q&A for their deodorant brands, narrowing the consumer's selection to the manufacturer's brand portfolio.

Millennials are creating the way everyone shops. Capture these young shoppers to ensure satisfying all consumers.

Create dynamic, surprising mobile experiences

Almost 50% of Millennial grocery shoppers say they want to be the very first to try new technology. And 40% say they use their smartphone or tablet while shopping in stores.⁶

Offer mobile experiences that showcase innovation while connecting Millennials to shopper opinions. They're much more likely than the average shopper to be influenced by smartphone applications (262% more likely), mobile advertising (+294%), and recommendations or information from blogs or social networking sites (+247%).²

- Power your app with augmented reality for in-store shopping, with RFID or image recognition. For example, imagine a shopper viewing the shampoo aisle through her phone's camera: display star ratings next to all brands, specifically from people like herself. Let her filter by hair type, color, scent, specific needs like dryness or split-end repair, etc., to find the highest-rated and most relevant product for her.
- Consider a shopper in the cereal aisle, using an augmented reality app. He's already filtered to find high-fiber, low-fat cereals, and wonders whether the healthy choices actually taste good. Using his interest graph, highlight cereals his friends have already purchased, and let him ask them via social or SMS what they thought — all without leaving the branded app.

Foster brand affinity with helpful, relevant content

Millennials experience delayed adulthood — they're moving out later, graduating later, getting married later, having kids later. They also haven't yet become loyal to specific brands. With the right tactics, brands can create lifetime advocates.

Delight Millennials by teaching


Connect your brand with the emotional satisfaction Millennials feel as they "grow up." They're wary of marketing, and ask, "Why should we listen to you?"

Rather than interrupting with forced messages, invite Millennials in by being useful, helpful, and relevant. As Chris Anderson, editor in chief of WIRED magazine, puts it: "I'll be interested if you'll be interesting."⁷


- Consider a Millennial shopper in a grocery store. As he passes packaged pasta, the brand could send a push notification with a coupon, then offer a choice of pasta recipes. The recipe includes written instructions and a link to a video. It offers an ingredient list, and guides the shopper to the ingredients throughout the store. The app thus upsells the shopper from pasta to an entire meal — made with products in the brand's portfolio or from partner brands.


But you don't have to do all the teaching; connect shoppers so they can teach each other. Hidden Valley Ranch asked consumers to share their favorite recipes using the dressing. Other consumers search the recipes, vote on which taste best, and share their own versions — creating a helpful cooking community around the brand.⁵


- For example, a detergent brand could include a URL on the bottle that leads to brand- and consumer-created videos showing how to do laundry, or a consumer Q&A community with advice for treating difficult stains.



California Crab Salad

 5 / 5

 Add to Recipe Box

 8.5x11 3x5

[Read more reviews below](#)

Servings: 4

Main Ingredient: [Seafood](#)

Popular Collections: [Gluten Free](#), [Simple Salads](#)

Cuisine: [American](#), [Californian](#)

Meals & Dishes: [Dinner](#), [Lunch](#), [Salads](#)

Products: [Hidden Valley® Salad Dressing and Seasoning Mix](#)

Keep them tuned in with trusted and personalized content

"Millennials know when they are being marketed to, and they don't like it," says Brad Hanna of Barkley USA, a Kansas City integrated ad agency.³ Conversational advertising will win out — especially when backed by opinions from actual consumers. Rubbermaid featured review content and star ratings in a print ad with a coupon, and saw a 10% lift in coupon redemption over a similar ad.⁸

Febreze television ads feature real consumers who are blindfolded and taken into disgustingly filthy rooms that have been treated with Febreze. They're asked to describe the smell of the room, and proclaim pleasing scents of fresh grass, spring flowers, island breezes, and so on. When the blindfold is removed, they're genuinely shocked at the grime around them.

Doritos takes another approach by co-creating Super Bowl TV commercials with consumers. Fans of the brand then vote for the best ad from a short list of finalists — bringing fans into the entire advertising experience.

- Whenever possible, feature real consumers in ads and marketing content. Use their written feedback in print and display ads. Encourage video feedback, and use it in television and online video spots.

A brand can pre-sort reviews on product pages based on information gathered on the visitor. For example, a college student may see reviews first from other consumers identified as students.

- As you learn more about a shopper via purchase history, mobile app usage, online feedback, and the interest graph, tailor experiences to that individual. Use dynamic display and mobile ads to serve products the shopper is likely to enjoy alongside opinions from people with similar needs and tastes.

Millennials are also suspect of blanket advertising targeting the lowest common denominator. They're

proud of their individuality, and expect brands to meet their needs as individuals and connect with them on an emotional level. Over half of Millennials buy brands that reflect their style and personality. And 63% say that knowing a company is "mindful of its social responsibilities" makes them more likely to buy from its brands. Over half (58%) are even willing to pay higher prices when part of their spend goes to help causes they support.³

- Engage Millennials through causes and interests they genuinely care about. Interest graphs and other research reveals the traits that define them and the causes they support. Connect your brand to these passion points.

Close the loyalty loop by giving them an audience: your brand and other consumers

It's no surprise: Millennials interact with brands via social more than other shoppers. They're nearly 40% more likely to find brands they like on Facebook or Twitter, and 80% more likely to prefer brands that are active in social.⁶

But attention is not engagement — and Millennials want to be engaged. CPG brands' efforts in social have largely been focused on getting people talking, rather than on gathering useful data. The conversations brands start with Millennials shouldn't simply be about creating chatter — they should aim to learn more about the young consumers and help the brand make smarter decisions.

"Millennials don't just want to buy and receive a coupon at the checkout," says Dorsey. "They want to be heard before and after. In our interviews with Millennial consumers they told us that they wanted to be able to suggest new products to companies where they are already loyal. In a sense, they wanted to make their own buying experience even better — they just needed brands to tell them where to go to share their voice."

Analyze and act on Millennials' feedback

Millennials want to be heard — and they want to have a real impact. Only 28% of Millennials believe companies actually care what their customers think, yet 64% want companies to offer more ways for them to share feedback.⁴ And Millennial grocery shoppers are 20% more likely than other shoppers to rate products online.⁶

Millennials want to work together with brands to create mutual value. “They want to truly engage with brands at every level, from product development to marketing,” says Hanna.³ Millennial feedback reveals insights to drive smarter decisions across the business — product improvements, insight into what matters most to power better marketing, needs you didn’t know they had that can drive innovation.

- Encourage Millennials to share their feedback everywhere possible. Analyze these conversations to reveal trends, and act on them to improve your decisions. Don’t silo this information in marketing teams — spread it throughout the business to inform every team.
- Let consumers know when you take action on their feedback. Millennials want to be heard, and are more likely to give feedback to brands they feel actually listen and act as a result. When their conversations drive change in your business, thank them by letting them know.

This feedback can even be more effective than market research. Research told Rubbermaid that consumers valued bacteria-resistance, so they changed the formula for their rubber sink mats to repel bacteria. But the change made the mats more susceptible to stains, and negative reviews poured in. Rubbermaid changed the mats back, and sent new mats to reviewers, thanking them for their feedback. “You made my day!” responded one reviewer. “I am so happy to hear that my ‘single voice’ may have made a difference.”⁵

Foster ongoing relationships through loyalty programs

Millennials are budget-conscious, but price isn’t the only factor in their purchases. It’s more about value: are they getting the best product possible for their money? Loyalty programs turn spending into an investment. As the Millennial spends more, he becomes more valuable to the brand — and reaps the rewards of that relationship. Millennials are 31% more likely than the average shopper to be swayed by discounts earned through shopper loyalty cards from CPG brands.²

Use loyalty programs to reward Millennials for buying and contributing feedback. Rewards don’t have to be discounts or free products. Millennials are driven by exclusivity, recognition, and opportunities to become influencers.

- Feed their desire for exclusive experiences. Target your most active buyers and contributors with pre-launch product sampling, and gather their feedback. Feature them in advertising. Host customer appreciation events, or send them to events you sponsor — for example, Red Bull sponsors the X Games.
- Make your best Millennial consumers feel like experts and trendsetters. Send them samples to share with friends — not in direct payment for reviews, but based on their engagement level and loyalty. Give them reports on how many people read their feedback and vote it helpful. Reward them with badges on your site, identifying them as top contributors or insiders.

When launching a new line of hair products aimed at repairing split ends, Nexxus reached out to brand advocates who had requested samples, written feedback in the past, and had indicated having split ends. They invited these consumers to an exclusive pre-launch trial of the new line, and asked for their feedback. Reviews were overwhelmingly positive, and Nexxus launched the line with earned media already in place, using it in display and print ads, on the brand’s Facebook page, and on major retailer sites.⁵

Act now to capture Millennials, and satisfy all consumers

In every industry, technology adoption flows upward from young to old. As brands start to deliver the shopping experiences Millennials seek, more consumers will start shopping the way these younger consumers prefer to shop. Brands can't ignore this generation and their unique shopping habits. Capture their loyalty now, and keep it for life.

About Bazaarvoice

Bazaarvoice, a leading social software and data analytics company, brings the voice of customers to the center of business strategy for more than 700 global clients including Best Buy, Costco, Dell, Macy's, P&G, Panasonic, QVC, and USAA.

Bazaarvoice helps clients create social communities on their brand websites and Facebook pages where customers can engage in conversations. These conversations can be syndicated across Bazaarvoice's global network of client websites and mobile devices, which allows manufacturers to connect directly with customers. The social data derived from online word of mouth translates into actionable insights that improve marketing, sales, customer service, and product development. Headquartered in Austin, Texas, Bazaarvoice has offices in Amsterdam, London, Munich, Paris, Stockholm, and Sydney. For more information, visit bazaarvoice.com, read the blog at bazaarvoice.com/blog, and follow on Twitter at twitter.com/bazaarvoice.

About The Center

The Center for Generational Kinetics unlocks the power of generations. Our talent is converting generational trends and the latest research into marketplace insights and opportunities. We give each generation a voice that companies can leverage. The outcome is cutting-edge thought leadership, keynotes, and consulting that drive the generational conversation.

At The Center for Generational Kinetics we make every generation more valuable. Learn more at GenHQ.com, via Facebook.com/JasonRyanDorsey, and at GenHQ.com/blog.



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