

How to Engage and Market to Millennials

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Millennials (those born between 1981 and 1998) rank as the largest generation ever, and they're now taking center stage in both the workforce and the marketplace. Already the majority population at many companies, they stand poised to become a tremendous influence on the future of work and the most important consumer generation in history, with an estimated \$170 billion in spending power.

And they are significantly impacting the world around them—not the least of which is how they will drastically change the composition of the workforce. By 2020, the U.S. workforce will flip from 50 percent baby boomers and 25 percent millennials to 25 percent baby boomers and 50 percent millennials.

But millennials have unique priorities and this creates challenges for employers. Their view of the world is different than any previous generation, and we need to understand how to build millennials' trust, increase their engagement, market to and win their business, as they will soon become the majority of our employees, our business customers and consumers.

To help navigate this new world order, we'll explore some of the foundational attitudes, beliefs and values that define this unique generation, as detailed in the research study, *Understanding Millennials: What Businesses Must Know about America's Most Unique Generation* by Dr. Frank Mulhern, of the FORUM at Northwestern University.

Who Are the Millennials?

Millennials are Plugged In

Perhaps the most significant characteristic of the millennial generation is their role as the first generation raised on technology.

They grew up immersed in the digital era and feel comfortable working with the intricacies of the Internet, mobile technology and social media. Outpacing all older generations in social networking and cell phone use, they consider technology as an extension of their bodies. They keep smart phones, iPads and laptops close by and multitasking is second nature to these digital natives.

Millennials Value Authenticity and Ethics

Considered by many as the most socially conscious generation since the 1960s, millennials tend to be much more tolerant and altruistic. Having witnessed a variety of corporate scandals firsthand, they actively seek authentic leaders and ethical corporate policies as they enter and progress through their careers. They look for inspiration and value accountability. If today's business leaders want to connect with millennials, they should embrace clear missions, ethical corporate values and accountability. Millennials want to believe in the organizations they work for and the brands they support, so transparency, authenticity and involvement in altruistic causes rank as important business strategies.

Millennials Want to Succeed

Millennials expect great things for themselves. Molded by their upbringing into "achievement junkies," they have an ingrained sense of purpose and an inherent drive to succeed. Willing to work hard in order to achieve and advance in the workplace, they also crave structure and a clear career path. Managers should not only tell, but also show millennials what success looks like. Measurable goals, concrete benchmarks and regular training that help millennials maintain cutting-edge skill sets and achieve

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professional goals will all help managers get better results from their newest workers. In short, millennials want strong leadership and clear instructions.

Millennials Have a Distinctive Work Style

Having come of age with mobile technology at their fingertips, millennials view their time as a valuable resource so they multitask in order not to waste it. They are used to being connected to mobile technology at all times and fully expect to communicate directly with family and friends while at work. They believe their 'always-connected' state actually outweighs any loss of concentration and makes them more productive. To facilitate the transition of millennials into the workplace, companies should integrate up-to-date technology as part of the overall infrastructure.

Because millennials live so much of their lives through technology, they view work as an activity that just needs to get done. Unlike the generations before them, they don't particularly value 'face' or 'desk' time. This new orientation doesn't easily fit traditional work arrangements, so forward-thinking companies will benefit from establishing flexible, informal, engaging processes and work environments.

Performance Improvement

Millennials crave meaningful, challenging work so they can personally feel they make a difference. To help keep them from getting bored, managers may want to keep millennials in the loop with frequent communication about how the particular tasks they perform contribute to the company's strategic goals.

Millennials Focus on Relationships

Millennials readily admit they prioritize relationships over career and have established their own networks/communities. Because of their attitudes toward relationships, millennials more often than not seek flexible hours, working conditions and career paths. Companies, in turn, must develop flexible work arrangements that allow for new expectations about work-life balance.

Representing a strong shift from a "me" to a "we" environment, millennials prefer operating as team players who engage in informal relationships with their colleagues. While they don't respect hierarchies, they do desire strong leaders who express a sincere interest in them.

Millennials believe they are special and want their managers to recognize their specific strengths. In fact, a close relationship between supervisor and employee may actually help ensure that millennials develop loyalty to their companies and meet their own performance goals. Not surprisingly, mentoring relationships can work well with this group as long as the mentors check in often to make sure their protégés stay on track with projects and have the necessary resources to feel sufficiently supported.

Millennials are Informal

Millennials personify informality. They dress informally and prefer informal work environments where they can readily interact with coworkers and supervisors. Accustomed to the frequent and informal communications predicated by the world of mobile communications, millennials expect similar approaches in their work settings.

Many businesses have taken note by re-designing the physical work environment.

Open and shared workplaces with good connectivity and capacity for mobility suit millennials. Companies should invest in up-to-date technological solutions such as cloud computing, video conferencing, collaboration tools, virtual private networks, etc. Asking millennials to help with the technology transitions and share their knowledge will help assure the technology fits the new workforce.

Engaging Millennials Begs Different Approaches

While millennials seek frequent, specific feedback, they don't accept direct criticism well. Managers should offer suggestions as part of regular feedback rather than waiting for scheduled performance reviews. With their need for frequent, positive feedback, millennials are well disposed to the use of recognition and reward programs as ways to spotlight their accomplishments. Companies have also found success by including peer recognition and specific celebrations as motivators.

Business leaders must be sensitive to the fact that Baby Boomers and Gen Xers might view the public recognition of millennials as excessive. To keep things in balance, companies should never resort to "one size fits all" recognition or incentive solutions. They may also find a leveling device by using a reverse mentoring approach in which millennials coach older generations about technology as a way to create bridges between boomers and millennials.

Communicating with and Marketing to Millennials

Experts predict that millennials will have more spending power within the next five years than any previous generation. Without a doubt, millennials have materialized as a key target across the marketing spectrum, but despite their significance in the marketplace, they don't respond well to traditional marketing approaches. In fact, millennials don't trust brands or regular advertising. A recent study by SocialChorus found:

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- 98 percent of millennials are more likely to engage with a friend's post over a brand's post
- 95 percent of millennials say that friends are the most credible source of product information
- 91 percent of millennials would consider purchasing a product if a friend recommended it
- 67 percent never click on sponsored stories
- Only six percent of millennials consider online advertising to be credible
- A recent study by Edelman discovered seven in 10 millennials believe it's their responsibility to share feedback with brands when they have a good or bad experience

Long gone are the days of traditional advertising when brands could push out messages to the masses. The impact of this new reality means that marketers must find tactics to connect with millennials in a softer way than traditional advertising. Some of the most effective marketing for this generation can occur in those situations where brands encourage and make it easy for millennials to share their own stories.

Performance Improvement

Instead of broad marketing approaches, companies should think in terms of “personalization.” They must find unique ways to market “with” rather than “at” millennials. They should aim to reinforce millennials’ belief in the idea that businesses and brands willingly “pay it forward” and want to help society, not just amass profits. If they want to build long-term relationships with millennials, brands must find ways to get millennials to publicly “like” the products their companies represent and help millennials share their stories with their peers.

Employers and brands would also be well-advised to speak authentically to the attitudes, beliefs, personalities and preferences of millennials in their communications and marketing copy, and incorporate specific visual imagery that resonates with this generation.

As colleagues, the person-to-person relationships that pave the way to corporate success are not an inherent strength in millennials who often incorrectly see their co-workers, supervisors and customers as just like them. To succeed in the workplace, millennials will require help in order to develop a better understanding of how to influence and persuade people; they must learn how to be more “other-focused.”

Millennials’ Expectations

Since millennials behave differently from the Boomers and Gen Xers who currently dominate the workforce and marketplace, both environments need to evolve to accommodate the diversity of the generations as the composition changes.

Business leaders need to understand the characteristics of the Millennial Generation: broad optimism, social tolerance and involvement, value of work-life balance, team orientation, desire for inclusion, inherent trust issues and embodiment of technological communications. Leaders and marketers ought to demonstrate they value and care about millennials and want to foster relationships with them. As a matter of fact, anyone who wants to successfully

market to this newest adult generation should fully comprehend that millennials:

- Use Google and other search engines to do their own research before purchasing
- Can be attracted through social media, blogs, electronic newsletters, etc.
- Often rely on video content for learning
- Trust testimonials from their peers and peer groups
- Want customized solutions that fit their lifestyles

Because of their relentless electronic research, millennials have different expectations from those of previous generations when it comes to making purchases and engaging in retail commerce. As customers, millennials know about, and expect, the best value from what is available. In this context, marketers will want to focus on creating specific messages and products that resonate with millennials.

Accommodating Millennials Requires Change

Millennials are affecting business across the board. In the workplace, decision makers should proactively address issues in workplace design, tools, processes and systems. To create a stable workforce, they must confront human resource and career planning issues as the vertical promotions millennials desire eventually become insufficient to fill the demand for this larger cohort of workers.

In business relationships, leaders should focus on effective ways to deal with the constant demand for and influx of new technology that impacts business operations and can change well-established personal relationships. By the same token, business leaders must find new ways to help millennials appreciate and master the traditional, face-to-face people skills that millennials miss in a world dominated by text messaging and online chats.

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The Millennial Generation is profoundly altering the customer marketing landscape in terms of both products and methods of purchase. Companies are already coping with the impact of peer-to-peer recommendations as they struggle to find new methods to build the deeper, rather than broader, brand-focused relationships required to succeed in the future.

Millennials are certainly different from any previous generation, and companies need to find creative new ways to build brand trust in order to earn their respect, loyalty and business. ■



- acknowledge
- appreciate
- award
- achieve

Performance Improvement

The Performance Improvement Council (PIC), a professional organization of performance marketing executives is a special industry group of the Incentive Marketing Association (www.incentivemarketing.org), is collectively focused on helping companies optimize their investment in human capital through proven and innovative reward and recognition solutions. To learn more about the Performance Improvement Council, please visit <http://www.thepicnow.org>

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