

Editorial: *Retailers' Imperative of Ensuring Millennials Engaging and Relevant Brands'*

Customer Journeys

This summer we continued to find time to read interesting opinions and articles, such as:

- the introduction to the Drucker Forum 2019, entitled “*The Power of Ecosystems - Managing in a Networked World*”, by Richard Straub, remarking also the quote of Charles Handy, Social Philosopher (“*What we really need is a business reformation*”) on the occasion of the Closing Address at the 9th Global Peter Drucker Forum 2017;
- an article of the McKinsey’s representatives entitled “*Getting personal about change*”, and highlighting from the very beginning “*The need to shift mind-sets is the biggest block to successful transformations. The key lies in making the shift both individual and institutional - at the same time*”; (Keller and Schaninger, 2019)
- another article entitled “Consumer Feelings: The Next Frontier in Market Research”, by Catherine Rickwood. (Rickwood, 2019)

And our thoughts were going towards the marketers’ conversations with different Generations.

In March this year CB Insights explored key consumer areas that U.S. millennials have been accused of “killing”, showing why the millennial generation (millennials, Gen Y) is so different, by looking for brands which prioritize convenience, personalization, and sustainability, as a result of these brands’ struggling to adapt to the changes in consumer preferences, taking advantage of the opportunity for creative transformation offered by the shifting markets. This report of CB Insights underlined, for instance, that millennials prefer to do their shopping online, but they (50% of them) also prefer going to physical store locations. And in contrast to the traditional departments stores (which are expensive and have limited selection), the well-known mass merchants (Amazon, Walmart, Target etc.) are benefiting from a small increase in millennial spending because of their price sensitivity and convenience. What means that to survive, the traditional departments stores need to better listen to millennials, adapting accordingly to the identified expectations, keeping pace with the changes in the consumer behavior. (CB Insights, 2019)

Recently, another report of CB Insights explored some of the industries (*Activities & hobbies*: Camping, Fitness, Travel; *Consumer goods*: Fast casual dining, Coffee, Frozen foods, Seltzer, Houseplants, Skincare; *Transportation*: Automotive, Micromobility; *Finance*: Personal finance), which could massively benefit from the rise of this millennial generation, because of the companies’ reorganization and reprioritization by embracing both millennials’ changing preferences, and new technology allowing an unprecedented discoverability and customer connections. There were revealed among other aspects that millennials prefer more authentic travel experiences (being attracted by music festivals, cultural and culinary events, multi-day

dance parties etc.), being price-sensitive and eager for healthy and fresh food options etc., cold brew and nitrogen-infused beverages etc., seltzers and flavored sparkling waters, eating on the go etc., looking for mobile ordering and in-store pickup, seeking out greenery to enhance their living spaces, and compared to any other generation buying far more skincare products, while as motorists preferring smaller, more efficient, and more affordable sedans, without neglecting millennial consumers' preference for micromobility services and for using web and mobile personal finance apps (they representing the vast majority of users, relying on mobile banking and standalone budgeting apps). (CB Insights, 2019) And very recently, CB Insights reported on how millennials are disrupting personal finance (AI-powered virtual spending services being, for instance, a millennial-driven trend in the budgeting and saving space), proving to be a fiscally conscientious generation, using both online and mobile channels for banking, being more open to banking alternatives (offerings from Google, Amazon, Apple etc.) and to alternative investment vehicles (such as cryptocurrency) or to point-of-sale lending alternatives. (CB Insights, 2019)

This made us recall:

- an article published by the Romanian-American University's representatives and one of their foreign academic partners, in 2017, in "Amfiteatru Economic", (Haydam, Purcarea, Edu and Negricea, 2017) this article's authors highlighting from the very beginning some millennials' behavioral features prompted by the extant literature (such as: better educated than other generational groups, confident, very communicative, relying heavily on technology to interact and for entertainment, seeking excitement, entertainment and new experiences, choosing brands based on identity and comfort despite the fact that loyalty is not always certain, selecting products frequently on the basis of their emotions and shopping venues based on their rational considerations etc.), and expressing the opinion that these behavioral features should be assessed within the context of this generation's heterogeneity (knowing that individuals' preferences and behavior are influenced by their attitudes, generating market segments inside generational groups, as it was demonstrated in 2010 by the Australian P. Glover);

- another article published by The Next Brick, in 2018, and entitled "*Millennials have the most buying power of any generation*", and in which retailers are seen as curators of experience for millennials (who love a strong sense of community).

Going back in time, it is also worth mentioning an interesting approach of B.C.G.'s representatives with regard to "How Millennials Are Changing the Face of Marketing Forever", in which there were underlined, among other aspects, that compared to other generations *millennials: have their own spending habits, brand preferences, values, personalities, and general outlook on life; engage with brands far more extensively, personally, and emotionally, and by using Internet, social media, and mobile devices, and also by influencing the purchases of others through their feedback expressed both offline and online; expect a mutual relationship with companies and their brands (this being called by BCG the reciprocity principle, described here as having five key elements: reach, relevance, reputation, relation, and referral; marketers*

needing to align their strategies, initiatives, and investments around this reciprocity principle when targeting GenY); become vocal critics spreading (viral) the negative word when confronted with inadequate CX; are leading indicators of both large-scale changes in future consumer behavior (influencing other generations), and of the new so-called “status currency”. (Barton, Koslow and Beauchamp, 2014)

Coming back to this year, we also noted in March the opinion expressed by the Strategy lead for Infor’s Retail and Fashion business, who see millennials as instant satisfaction seekers (considering that essential in keeping them coming back as customers is to ensure the prompt delivery time), and pledge for using tech to tailor CX, giving them personalized treatment. (Rowe, 2019) But speaking about personalization let us quote John Ross, President & CEO of The Independent Grocers Alliance (IGA): *“Ask any millennial and they will tell you, “I’m not a consumer. I’m a person”. What this means is that FMCG brands’ customer journeys have to be engaging and, above all else, relevant”*. Within the same generous framework offered by The Consumers Good Forum (and we are eager to meet again, in October 2019, our Friend Ruediger Hagedorn, Director, End-to-End Value Chain, CGF, on the occasion of the Academic & Business Partnership 2019 SCM 4 ECR Conference, Targoviste, Romania, with the theme “Technology and Innovation in SCM for Creating New Value for Consumers”), IGA President & CEO did not forget to remember us that: *“The smartphone has become the primary portal through which millennials engage with the world around them... they have access to far more information than the previous generation... The result? Purchasing behavior becomes fragmented and there is a disintegration of traditional consumption patterns, which marketers and salespeople have relied on for decades”*. (Ross, 2018)

But we are in a world in movement... What comes next for marketers? Because as Alvin Toffler said long before... the future already has begun... Three months ago we find out, for example: a new study by Snapchat and JWT Intelligence entitled *“Into Z Future”*, generation Z (ages 13 to 22 years old) being considered the most digitally creative generation to date, the hyper-connected...; (JWT Intelligence, 2019) an article entitled *“Forget millennials and Gen Z, the rise of ‘Generation Alpha’ is on the horizon”* made reference to Generation Alpha as the first generation born in a truly digital world (a report of Beano Studios of over 2,000 Generation Alpha kids and their parents around the UK), this younger *Generation Alpha* being seen by the CEO at Beano Studios as: *“the generation that will seek to bend the digital world to their needs and ambitions and not be defined or consumed by it”*. (Parsons, 2019) It is well-known that the phrase “Generation Alpha” was coined by the Australian social researcher Mark McCrindle, and that in his opinion “Generation Alpha will be the most formally educated generation ever, the most technology-supplied generation ever, and globally the wealthiest generation ever”. (Pasquarelli and Schultz, 2019)

Allow us to finally recall a 2016 article written by the reputed Don Peppers and entitled *“Use technology to demonstrate empathy to customers”*. He concluded as follows: “You

shouldn't need a reason to have a conversation with a customer". (Peppers, 2016) We agree with him.

Theodor Valentin Purcărea

Editor-in-Chief

References

- Barton, C., Koslow, L. and Beauchamp, C. (2014). How Millennials Are Changing the Face of Marketing Forever, BCG, January 15. Retrieved from <https://www.bcg.com/publications/2014/marketing-center-consumer-customer-insight-how-millennials-changing-marketing-forever.aspx>
- Haydam, N., Purcarea, T., Edu, T. and Negricea, I.C. (2017). Explaining Satisfaction at a Foreign Tourism Destination – an Intra-Generational Approach. Evidence within Generation Y from South Africa and Romania, *Amfiteatru Economic*, Volume: 19, No. 45/2017, pp. 528 – 542
- Keller, S. and Schaninger, B. (2019). Getting personal about change, *McKinsey Quarterly*, August. Retrieved from <https://www.mckinsey.com/business-functions/organization/our-insights/getting-personal-about-change?>
- Rickwood, C. (2019). Consumer Feelings: The Next Frontier in Market Research, *MarketingProfs*, July 31. Retrieved from <https://www.marketingprofs.com/articles/2019/41593/consumer-feelings-the-next-frontier-in-market-research?>
- Parsons, J. (2019). Forget millennials and Gen Z, the rise of 'Generation Alpha' is on the horizon, *Metro.co.uk*, 20 Jun. Retrieved from <https://metro.co.uk/2019/06/20/forget-millennials-gen-z-rise-generation-alpha-horizon>
- Pasquarelli, A. and Schultz, E.J. (2019). Move over Gen Z, Generation Alpha is the one to watch, *AdAge*. January 22. Retrieved from <https://adage.com/article/cmo-strategy/move-gen-z-generation-alpha-watch/>
- Peppers, D. (2016). Use Technology to Demonstrate Empathy to Customers, *1to1 Media*, Sep 23. Retrieved from <http://www.1to1media.com/technology/use-technology-demonstrate-empathy-customers>
- Purcarea, T. (2019). Virgil Popa at the SpringBoard Workshop, The Consumer Goods Forum, End-to-End Value Chain, Barcelona, 25th-26th June 2019, Transportation, Romanian Distribution Committee, September 7. Retrieved from <http://www.crd-aida.ro/2019/09/virgil-popa-at-the-springboard-workshop-the-consumer-goods-forum-end-to-end-value-chain-barcelona-25th-26th-june-2019-transportation/>
- Ross, J. (2018). How FMCG Brands Can Keep Up with Millennials, *The Consumers Good Forum*, September 5 . Retrieved from <https://www.theconsumergoodsforum.com/how-fmcg-brands-can-keep-up-with-millennials/>
- Rowe, E. (2019). Millennials: Roadblocks or Enablers of Success? *CustomerThink*, March 8. Retrieved from <http://customerthink.com/millennials-roadblocks-or-enablers-of-success/?>
- *** <https://www.druckerforum.org/home/>

*** 12 Industries Experts Say Millennials Are Killing — And Why They're Wrong, CB Insights, March 26, 2019. Retrieved from <https://www.cbinsights.com/research/millennials-killing-industries/>

*** 12 Industries That Will Thrive Thanks To Millennials, CB Insights, August 2019. Retrieved from <https://www.cbinsights.com/research/report/millennials-industries-thriving/>

*** From Investing To Budgeting, How Millennials Are Disrupting Personal Finance, CB Insights, September 10, 2019. Retrieved from <https://www.cbinsights.com/research/millennials-personal-finance/>

*** Millennials have the most buying power of any generation, The Next Brick, May 09, 2018. Retrieved from <https://www.thenextbrick.com/retail-consumer-trends/millennials-buying-power>

*** INTO Z FUTURE. Meet generation Z, the next generation of Super Creatives, June 2019. Retrieved from <https://www.jwtintelligence.com/trend-reports/into-z-future-understanding-generation-z/>