

## Engaging Millennials—How to Win Their Brand Loyalty

by Elaine Fogel

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They're born between 1979 and 2001—the kids of Baby Boomers and the nation's most racially and ethnically diverse generation. They have strong opinions on which brands they'll buy and for which employers they'll work. They're going to have a huge impact on business and marketing, and the world may be better for it.

A recent national study is a marketing call to action. The 2006 Cone Millennial Cause Study of 1,800 respondents between 13 and 25 indicates that the 78 million in this demographic believe that it is their responsibility to make the world a better place; an overwhelming majority (78%) believes that companies have a responsibility to join them in their efforts.

Companies that want to engage this group will find the results staggering. Some 83% percent of Millennials will trust a company more if it is socially or environmentally responsible. And 74% are more likely to pay attention to a company's message when they see that it has a deep commitment to a cause. Yet the most outstanding finding is that almost 9 out of 10 Millennials will switch from one brand to another—price and quality being equal—if the second brand is associated with a good cause.

What does this mean to companies targeting this demographic now and those that wish to capture this segment in the next decade? It means taking corporate philanthropy very seriously. (See my previous article, "[Corporate Philanthropy That Fits All: How Any Business Can Do Good—and Benefit.](#)")

"To best reach Millennials, traditional marketing must evolve," says Anastasia Toomey, vice-president of Consumer Insights, a division of AMP Agency, the youth-focused marketing agency involved in the study with Cone, Inc. "Technology has given the Millennial generation complete access to what is happening around the globe. They are attuned to natural and social world-changing events and they have the knowledge and ability to support the causes they believe in. Due to the fractured landscape of media that these kids are wading around in, brands could truly benefit from finding a shared passion with their target."

According to the 2006 Cone Millennial Cause Study, *Socially and environmentally responsible businesses reap rewards from Millennials:*

- 83% will trust a company more if it is socially/environmentally responsible.
- 74% are more likely to pay attention to a company's message when they see that the company has a deep commitment to a cause.
- 69% consider a company's social/environmental commitment when deciding where to shop.
- 89% are likely or very likely to switch from one brand to another (price and quality being equal) if the second brand is associated with a good cause.
- 66% will consider a company's social/environmental commitment when deciding whether to recommend its products and services.

This demographic will also have an effect on employers. As Millennials continue to enter the workplace, they have high expectations of themselves *and* their employers. Almost eight out of ten

respondents working full time want to work for a company that cares about how it impacts and contributes to society. And over half say they would refuse to work for an irresponsible corporation.

*Millennials have high expectations of their employers (of the 28% who describe themselves as full-time employees):*

- 79% want to work for a company that cares about how it impacts and contributes to society.
- 69 % are aware of their employer's commitment to social/environmental causes.
- 64% say their company's social/environmental activities make them feel loyal to that company.
- 56% would refuse to work for an irresponsible corporation.
- Over 15 million Millennials are being proactive about their passion by volunteering their time at least once weekly. It is this sub-group that makes the most enthusiastic and committed brand ambassadors with almost nine out of ten purchasing a product in the past year that supports a cause.

"Companies need to provide hands-on cause-related experiences and then clearly and consistently share related societal impacts," says Carol Cone, chairman of Cone, Inc. "This engagement and communication will create a generation of brand ambassadors—ready to stand up and conquer pressing world issues while being loyal to the brands, companies, and employers that they trust most."

*"Doers" are a company's most loyal brand ambassadors and employees:*

- 42% who volunteer weekly describe their "ideal" work environment as a place that will help them make the world a better place, outranking all other factors, including high salary (41%) and flexible hours (37%).
- 87% who volunteer weekly have purchased a product that supports a cause in the past year; that number drops to 48% for non-volunteers.
- 71% who volunteer weekly are likely to speak out against a company that is NOT socially responsible as compared to 48% of non-volunteers.

It will be interesting to see how this generation shares their preferences and brand loyalties as they age. As a truly "networked" group, they will control the message with greater influence. Are we seeing the beginning of Borg-like behavior as in the fictional "collective" of Star Trek fame?

In a New York Times article published earlier this year, Jack McKenzie, a senior vice-president at Frank N. Magid Associates, a market research and consulting firm specializing in the news media and entertainment industries, said the single largest differentiator in this generation from previous generations is their social network.

"What we're seeing is a whole different relationship with marketing and advertising which obviously has ripple effects through the entire economy," McKenzie added. "Reliance and trust in nontraditional sources—meaning everyday people, their friends, their networks, the network they've created around them—has a much greater influence on their behaviors than traditional advertising." His company calls it the peer-to-group phenomenon—a digital-age manifestation of the grapevine.

To fully engage this demographic, companies and employers will need to keep on top of their corporate philanthropy strategies and cause-related marketing tactics, matching causes with

Millennials consumer demand. Cone adds that aligning the brand with a cause that is relevant, authentic, sustainable, and engaging will be effective.

The question that remains is whether Millennials will support companies that engage in cause-related activities for profit-making purposes and without a sense of authenticity.

Philip Kotler and Nancy Lee, authors of, *Corporate Social Responsibility: Doing the Most Good for Your Company and Your Cause*, recommend that companies involve more than one department in the decision-making process on which charities to support and should consider the issues that touch their customers, communities, and employees. Their approach would help build consensus and ensure that philanthropic efforts are genuine. Even though businesses are benefiting from these initiatives, the public may see through efforts that are one-sided or strictly for corporate gain.

It seems that the post-Enron, post-Sarbanes-Oxley period has officially taken root and socially conscious Millennials may be changing the face of business. Winning their brand loyalty will not only benefit the companies that engage in cause-related marketing practices but also have a huge impact on the missions of the nonprofit organizations and causes that are aligned with these products and services.

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**Elaine Fogel** is president & CMO of Solutions Marketing & Consulting LLC ([www.solutionsmc.net](http://www.solutionsmc.net)), a senior contributor to MarketingProfs.com, and a writer for the MarketingProfs Daily Fix ([www.mpdailyfix.com](http://www.mpdailyfix.com)). Reach Elaine at [elaine@solutionsmc.net](mailto:elaine@solutionsmc.net).

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