

# Why brands need to pay attention to the needs of the millennials and create appropriate marketing strategies?

Is blue ocean strategy by brands being redefined as 'necessity' by millennials? This column highlights brands that have a millennial-oriented marketing strategy

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Millennials, also called Gen Y (defined as those born between 1982 and 2004) constitute 27% of global population, and 34% of Indian population, and play a dominant role in driving consumption demand in consumer markets in India. Millennials spend heavily on necessities, education utilities form their monthly incomes, but most of their additional incomes are spent on consumptions in entertainment, dining, apparels, accessories and electronics. About 60% of all guests who booked accommodation through Airbnb are millennials. They spend generously on personalised consumer experiences and hence brands that cater to their customized ETBrandEquity Published On Jun 19, 2019 at 05:55 AM IST Read by: 824 Industry Professionals Read by 824 Industry Professionals 14/02/2024, 19:47 BE This Week: Why brands need to pay attention to the needs of the millennials and create appropriate marketing strategies?, ET BrandEquity <https://brandequity.economictimes.indiatimes.com/news/marketing/why-brands-need-to-pay-attention-to-the-needs-of-the-millennials-and-create-appropriate-marketing-strategies/69844090> 3/20 tastes and fit into their lifestyles and values would thrive. For example, one-third of Indian millennials use fitness apps on their smartphones, and almost half think that healthy lifestyle is essential. For F&B category, moving into nutrition and health based foods and drinks would increase not only the category but also their respective market shares. For personal care segment, the growth would be driven by organic and nature-based products.

From time perspective, millennials are always short on time, so they are ready to pay a premium for convenience, despite having a preference for value-for-money products. In order to grow companies must focus on value systems of brands and the extent of customization they can offer. Brands must re-invent themselves to grow with millennials. For example, although Hamdard's Rooh Afza is more than a hundred year old brand, Hamdard re-invented the brand by coming out with fusion drink after adding fruit juices to target healthconscious "hipsters".

Older millennials also invest in real estate by buying property for themselves, with great penchant for loans. In response, several realty sector firms such as Assetz, Lodha among others are customising their properties to provide this demographic segment what they desire. So today, the residences built for millennials look very different from how they were built a decade ago. Today's residences come with Wi-fi zones, fitness facilities including beach volleyball, and also include several ecofriendly characteristics. Firms are realising that this group is not only tech-savvy but also culturally sensitive, well-travelled and value-oriented buyers with high disposable incomes. Market leaders such as Samsung have recently launched lines like Galaxy M-series with a starting price below Rs 10,000, and a maximum price going up to Rs 20,000 that would cater to the value-conscious millennials. This millennial-oriented marketing strategy is aimed to encourage brand out-switching from Chinese brands such as Xiaomi.

In India, the 400 million strong millennial segment in the age group 18- 36 years (median age 29-32 years) has a collective spending power of \$330 billion. This segment looks for low-attention span communication with instant gratification, in form of quick ways to solve their day-to-day problems. This is reflected in how new age startups communicate to millennials. For example, Swiggy targets them with messages such as, "Think Food Think Swiggy", or "Working Late? So are we" or even like, "Cooking gone wrong?" Such short messaging helps to connect with this segment faster, besides solving their immediate problems too. Millennials would also drive the "sharing economy" of the future, by shedding ownership and adopting sharing of services. Think UberPool. According to Goldman Sachs, car ownership would almost be dead in 25 years from now. "Digital natives" will drive technology-based purchase of the future, since the sharing economy itself depends on the internet and other technologies for its growth. However, 70% of millennials

live in hinterlands and rural areas, which contribute 30%-40% of revenues for many firms in India today. According to a Kantar IMRB study, rural millennials value better employment opportunities, improved education for their children, land ownership and stable jobs that also leads to their migration to cities. Firms cannot afford to ignore rural millennials that constitute the largest sub-segment within the group. So pay attention to millennials' real needs and re-invent brands rather than using this generational cohort as a marketing shortcut.

Source: <https://brandequity.economictimes.indiatimes.com/news/marketing/cannes-lions-2019-how-visa-leveraged-the-power-of-sound-to-create-its-marketing-strategy/69845291>