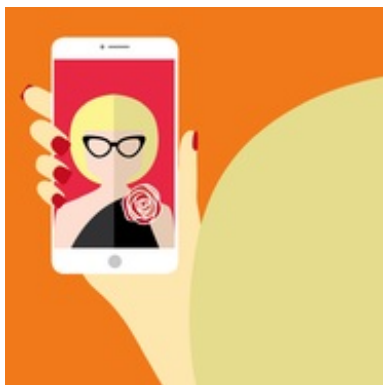


RESEARCH

New routes to loyalty rely on seamless, consumer-focused engagement: report

September 25, 2014



Marketers should embrace the Hashtag Nation

By JEN KING

To create a lasting impression and build loyalty amongst younger consumers, marketers no longer need to tout “youth values,” according to a new survey by Havas Worldwide.

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Instead of positioning campaigns as a means to separate generations, marketing efforts will more successfully attract younger consumers by giving them the means to stand out among their peers in a positive way. These efforts will then lead to brand loyalty.

“While affluent high-end consumers constitute a large share of brand purchases, aspirational consumers, specifically HENRYs (high-end but not rich yet), serve as a key demographic for most luxury brands,” said Thomas Serrano, founder and president of Havas Luxe, New York. “These consumers, while 20 percent of the United States population, constitute 40 percent of U.S. consumer spending and are both up and coming and aspirational.

“As the study explains, brands can help HENRYs navigate social media, and for luxury brands specifically, improve individuals’ social status,” he said.

“By defining themselves through their engagement on social feeds of luxury brands, these

consumers can not only help make a luxury brand 'cool,' but more important, keep it relevant in today's market."

Havas Worldwide partnered with Market Probe International in early 2014 to conduct the **"Hashtag Nation: Marketing to the Selfie Generation"** survey. Havas Worldwide and Market Probe International surveyed 10,574 individuals ages 16 and older in 29 markets including Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Ireland, Italy, Japan, Malaysia, Mexico, the Netherlands, Poland, Portugal, Puerto Rico, Saudi Arabia, Singapore, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, the United Kingdom, the United States and Vietnam.

The survey sample was 20 percent leading "Prosumers," or leading influencers and market drivers, and 80 percent mainstream consumers.

A brand for one

The millennial generation gravitates towards brands that offer valuable experiences instead of material things. Although point of sale is still an objective for marketers, this demographic is more open to brands that create emotional connections, conversations and have functionality in their daily lives.

Brands that will fare best in this type of consumer climate will become an integral part of the daily lives of consumers. According to Havas Worldwide's survey results, the best way to achieve this is to contribute to the social experience, become a vibrant aspect of pop culture, create interactive technological touchpoints that are helpful and imaginative and offer products and services that are accessible and have bespoke options.

Essentially, brands should not approach younger consumers with a one-size fits all model, but rather embrace individuality by being a "brand for each one."



Personalized mobile approach, art courtesy of Havas Worldwide

"Brands need to focus on utility and engagement, particularly through digital experiences," Mr. Serrano said. "Making life easier, quicker, more seamless and more meaningful are the new routes to loyalty.

"Luxury brands are moving away from focusing on print media and retail stores, to customized digital content and ecommerce," he said. "Luxury brands have to walk the

tightrope between disappearing in a competitive and cluttered ecommerce space and defining themselves as exclusive and high-end.

"[Therefore,] luxury brands want to engage their consumers through social media but without becoming too accessible."

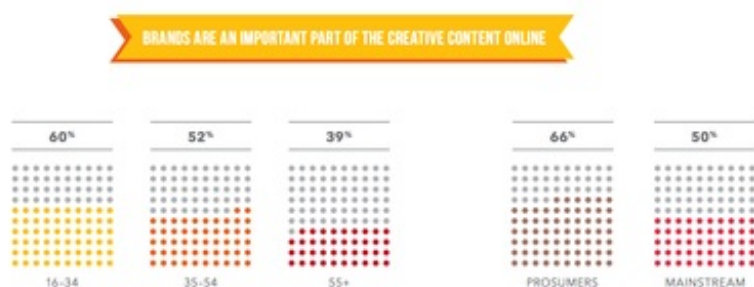
The survey sheds light on how brands can properly market to younger generations to ensure that their brand has a growing consumer base as these individuals mature.

A main finding in the survey is that younger consumers are much more willing to invite the brands they enjoy into the inner circle of their daily lives through social media. This is a stark contrast to older generations who have shied away from interacting with brands online.

The survey showed that nearly half of the respondents claimed that their favorite brands are "essential" to them, compared to only a quarter of respondents aged 55 or more. This does not mean that the younger respondents feel that the brand-consumer essential relationship goes both ways, with four in 10 respondents aged 16-34 feeling that brands do not take their generation seriously enough.

This may be because of consumer maturity and financial means, but marketers should take into account that these individuals will be established in the future. Establishing a connection during youth, often results in long term loyalty.

Branded social content is vital to strengthening this relationship as it develops. Sixty percent of young respondents felt that brand-generated creative content is an important aspect of the online experience.



Creative content chart, art courtesy of Havas Worldwide

To reach unfamiliar consumers, shareable content can propel brands beyond their own organic reach. Just as experiential marketing works in the physical space, creating content-driven experiences gives the consumer something to talk about and share within their social network.

Celebrity ambassadors selected to be the face of a campaign also drive young consumers toward a specific brand. According to the survey, celebrity involvement does not only attract consumers to a particular product, but these same cues helps form 51 percent of respondent's personalities and 50 percent of their attitudes.

When considering American pop culture, the data provided for the same questions from emerging markets were much higher.

Technology is obviously also a driving factor for marketers aiming to engage with younger consumers. According to Havas Worldwide's most recent Brand Momentum polling Samsung, Google, YouTube, PayPal and Facebook are the favored brands of millennials.



Any brand can successfully be a tech brand, art courtesy of Havas Worldwide

Although the aforementioned brands all have technological touch points in common, the survey suggests that any brand, no matter the industry sector, can become a tech brand. To do so, marketers must use digital technologies to create new and innovative experiences for young consumers.

This is especially true in the mobile realm, where young consumers are more likely to interact with brands.

For example, The Interactive Advertising Bureau reviewed the top 100 fashion brands chosen by Women's Wear Daily's and found that jeweler Tiffany & Co. is ahead of the pack.

The report found that 83 percent of the brands have mobile-optimized sites and 37 percent use responsive Web design to ensure a seamless experience across devices. The need for a strong mobile presence is particularly acute for fashion brands that have exceptionally mobile savvy consumers ([see story](#)).

Technology will allow for seamless interactions between brand and consumers.

“Luxury brands can and should make life easier and quicker for their consumers – especially those who are the most affluent,” said Mr. Serrano. “It’s not about reaching out to everyone, it’s about relating to a niche audience but engaging them deeply and in the digital space.

“The value here is not given to click through rates or eyeballs, but conversion rates and measurements of loyalty,” he said. “How can luxury brands leverage digital experiences to give more meaning to their clientele?”

Bespoke and branded

To appeal to this younger demographic of consumers marketers must source tactics that interweave customized digital content and bespoke options to make interactions personalized.

For instance, Italian fashion house Valentino pointed to its heritage with a new collection of customizable accessories in shades of the brand’s iconic red color.

Valentino’s Rouge Absolute Signature collection allows consumers to place personalized studs on pumps, handbags and small leather goods. This collection melds the trendy, ever popular Rockstud line with the house’s codes in a hands-on way for consumers ([see story](#)).

Forming a relationship that allows for young consumer input establishes loyalty and helps with present and future conversions.

“If we don’t cultivate a relationship with young consumers now, we will have no consumers in the future,” Mr. Serrano said. “Millennials not only carry tremendous purchasing power, they can help grow a brand.

Embedded Video: [//www.youtube.com/embed/M7wWRvj1sc4](https://www.youtube.com/embed/M7wWRvj1sc4)

“As the study indicates, younger responders like to engage in a brand and be part of brand building,” he said. “If young consumers feel good knowing the brands they own are being used by people they admire, this can build long lasting brand loyalty.”

Final Take

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