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The Millennial Generation's Impact on Small Business Marketing Landscapes

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INTRODUCTION

With the rise of a new generation, businesses are encountering an ever-changing market unlike any history has seen before. Generation Y presents a profound opportunity for small businesses in many ways, as this generation's values and means of communication are different from any before. It is all the more important that business owners recognize the tremendous power this changing landscape can have on marketing techniques, and implement them carefully in order to capture the market share necessary to stay alive in the competitive marketplace. This article attempts to analyze the changing business landscape influenced by the Millennial Generation and how this generation impacts the competitiveness and marketing exploits of small businesses. This paper also seeks to further understand the Millennials "mind-set" and includes a more in-depth look at some setbacks and successful media strategies for targeting Generation Y. Resources for this is a compilation of scholarly articles, blog posts by respected marketing experts, and research studies which all truly exemplify how small businesses may harness their full potential with Millennials in the market place to ultimately greater compete with larger corporation and other competition in the market.

WHY MILLENNIALS MATTER

Millennials, or Generation Y, the group of individuals born between the years 1980 and 2000, is turning the business world - and how they advertise - on its head (Kassaye, Hutto, 2016). This generation is now 27 percent of the population and currently accounts for \$100 billion dollars in buyer power, a number expected to grow to \$1.4 trillion dollars by the year 2020, according to a study by the Hartman Group (Buchanan). According to the U.S. Census Bureau, Millennials now outnumber Baby Boomers as the nation's largest generation, which means that for businesses today, "there is simply no other approach...than the millennial

approach” (Davis, 2016). Small business and large business alike cannot survive by overlooking this younger group of consumers, a generation that is redefining business success and whose interest to marketers cannot be overstated. Reaching Millennials is vital for three reasons: “the economic impact by them, the social change brought about by them, and the demographic cohort’s influence on the adoption of different internet technologies” (Kasaye, Hutto, 2016). These necessary changes to marketing techniques may prove difficult, but business owners’ focus must change if they wish to have staying power in the market.

WHO ARE MILLENNIALS

The concept of the millennial generation is based on the cyclical theory of history (Strauss and Howe). Cyclical theory defends the idea that phases of four generational archetypes recur in order and of similar duration throughout history. These four archetypes are prophet, nomad, hero, and artist. The Generation Y is characterized as the “hero” archetype and can be described as “intuitive thinkers notable for their founding tendencies” (Lingelbach, et al). This generation has lived through many historical events that have affected them tremendously. The events ranging from these years have had a deep influence on the mindset of a Millennials customers and on the ways they interact in market. Three pinnacle forces have drastically impacted the millennial generation: the economic condition, global influence, and the rise of technology.

For one, Millennials lived through one of “the largest recessions since the 1930’s and have come of age in a period of low returns” (Brumbaugh). Generation Y - possibly resulting directly from the recession they lived through - are actually very wary with their income. In fact, according to Brumbaugh, esteemed owner of a financial practice, Millennials desire a sense of security by setting aside money so as to have high insurance (2016). Therefore, it is vital that a business creates a high level of trust with this age group because Millennials want to know where

their money is going and if supporting this business is a worthy investment for them. Otherwise, optimism is widely seen among the generation, and Millennials seem to be very trusting of others; often they rely heavily on others, believing in team work and collaboration.

Secondly, Millennials lived through one of the most massively shattering terrorist attacks in American history. *Where were you on 9-11?*, is a common question in this age group. Millennials are civic-minded and wish to change the world, often leaving positions with companies if they feel they are not making an impact in their roles (Davis, 2016). These “digital natives” crave a sense of world-wide community and acceptance, but they do not commonly find it in a church community - Millennials are largely non-religious with only 16 percent stating they attend a religious service regularly (2016). The attacks on the twin towers demanded a recognition of worldly powers and drew greater attention to globalization, and this was only further influence by technology growth.

Finally, the rise of technology has clearly altered the activities and relationships of Generation Y. Gumpert and Cathcart propose that each generation is equipped with certain “media grammars and literacies” in youth which impact the ways of thinking and are, thus, reflected in a generation’s values and habits (Serazio, 2013). Facebook was founded in 2004; this interactive online community set the beginnings of an endless online society. In July of 2007, Apple introduced the iPhone, and many variations followed, allowing easy access to these online groups and constant interaction (and online marketing potential) at all times. Partially resulting from the advancement of technology, Millennials have adapted to a fast-paced world and are multi-taskers, which makes them efficient workers. The rise of technology has also shaped Millennials into having a “nomadic communication style”, meaning they have many friends who they expect to remain in constant touch with (Sweeney, 2006). The generation expects

communication mobility through various devices, so they may keep in contact at all times, and go where they wish without feeling separated from their community.

Millennials are often described by other generations as coddled, attention-seeking, entitled, impatient, and poorly read (largely due to 140 character Tweets). On the other hand, this generation places a strong value on having a work-life balance, team collaboration, and close parental involvement (Devaney). Moreover, a popular Pew study characterized the generation as “confident, self-expressive, liberal, upbeat and open to change” (Pew Research, 2010). Regardless of reputation, Millennials have very distinctive traits in comparison to past generations, resulting from their life events, both positive and negative in nature. With these impactful generational events, Millennials are very specific in their attributes. The psychology of Millennials is absolutely necessary to understand if businesses want to have success with this generation, earning a portion of the millennial generation’s massive buyer power. Throughout the course of this analysis, we will attempt to delve further in order to greater understand how these powerful attributes impact marketing landscapes and buyer choices.

SMALL BUSINESS

A necessary distinction that must be made is the difference between a “small business” and a “large business”. The Small Business Administration protects the aims of small businesses throughout the United States under Public Law 85-536, also known as the “Small Business Act”. The SBA works to strengthen the economy by support small business owners today; the SBA defines these small businesses as “an entity that is not dominant in its industry and has independent owners” (Richards-Gustafson). Small business is commonly defined as a company who employs equal to or less than 500 employees. Small to mid-sized companies earn less than 500M dollars a year, but as companies grow yearly, this number continues to change. There are

also many other factors considered such as size standard, affiliations, government contracts, and industry variations; as the market continues to change, so do the averages of business size. For the sake of discussion in this paper, however, a small business will be identified as independently owned, not dominant, less than 500 employees, and brings in less than 500M a year.

The means of marketing for small and large businesses is incredibly different, but with the changing market landscape, brought on by the millennial generation, great advantages can be seen for small business, specifically. These advantages could very well level out the playing field between small business and large corporation, if small business initiates specific tactics for Generation Y. Small businesses can play to their advantages by emphasizing their 1) humanity, 2) novelty, and 3) flexibility. Small business owners must utilize the unique skills they bring to the table that large businesses are not as capable. In the remaining portion of this paper, an analysis will attempt to explain these advantages for small business, and the best way to incorporate them into a small business's marketing plan with a thorough investigation of brand personality/human-appeal and how to harness this with social media marketing. Combining the knowledge of the millennial generation and today's changing market landscape, we address some clear advantages small businesses have and should further encourage to have greater competitiveness.

SMALL BUSINESS TRENDS

In the United States, the number of small businesses is gaining traction, increasing a whopping 49% since 1982 and continues to grow today (Newswire). Millennials are some of the biggest advocates of small businesses, whether that be by showing support for the businesses or creating startup businesses themselves. Stemming from Millennials' "founding tendencies", a desire to open their own businesses has attributed to this rise (Lingelbach, et al.). Millennials

often start up their own ventures, when they are unsatisfied with their current positions.

According to Glenda Eoyang and Royce Holladay, co-authors of *Adaptive Action: Leveraging Uncertainty in Your Organization*, “if [Millennials] can’t find an outlet for their passion for making a difference in your company, they’ll leave and take that incredibly valuable capital somewhere else” (Davis, 2016). Notably, Millennial entrepreneurs have been responsible for the establishment of many new industries such as social media (Facebook) or reinventing existing industries such as software (Wordpress) and retailing (Groupon) (Lingelbach, et al.). This rise in millennial support of small business is further shown in the BNP Paribas Global Entrepreneur Report. In these findings, Generation Y has launched twice as many new businesses as Baby Boomers have – for every 3 or 4 businesses started by Boomers, 8 are founded by Millennials (Petrilla, 2016). While competition between these many startup businesses will be on the rise, competitive forces between small businesses and large corporations remain ever-present. Today, more than ever before, the competitiveness of small business versus large business is apparent. James Anthony, CEO of HERO Group stated, “As buzz terms stemming from the millennial generation like ‘shop local’ continue to catch fire, small businesses remain at a tremendous advantage for wooing millennial consumers.” (2016).

The unique millennial mindset and the advancement of technology has, in a way, leveled out the playing field for anyone and everyone to compete for market share. If a small business owner plays their marketing exploits correctly, they will have an easier time staking claim to a portion of market share, and there are many ways small business may take advantage of rising technologies in order to attract Millennials’ attention.

THE RISE OF SOCIAL MEDIA

With the drastic growth in technology, the way Millennials view and, more importantly, *process* advertisements has tremendously altered. A small-business owner in Stillwater, stated, “I don’t even bother trying to market to young people anymore, they don’t read.” This business owner specifically mentioned his failed attempts at reaching Generation Y through college newspaper advertisements. This statement alone shows the difficulty current business owners are having with reaching this age group. Generation Y’s attitudes toward traditional marketing has shifted into a purely digitized platform of digital marketing, or, “the practice of promoting products and services using digital distribution channels via computers, mobile phones, smart phones, or other digital devices” K.K. Smith (2012). Today, Millennials are bombarded daily by a flood of advertisements, compiled from digital and traditional marketing efforts. The flow of information is pervasive and persuasive; an individual sees 5000 marketing messages a day (Svatek, 2010). Assuming a person sleeps for eight hours of a day, this would mean members of Generation Y come in contact with a new marketing message roughly every 12 seconds.

The number of internet users around the world is over 2 billion and continues to increase, expecting to double every one to five years. Social media has become popular among all generations; approximately 65% of adults use some form of social media (Albinson, Bitner, 2015). The expanse of opportunity in social media is undoubted, and additionally, research has shown that a majority of users agree that businesses should use it to interact with them. Over half of these current social media users feel a deeper connection with companies who interact with them over social media (Cone Communications, 2008). At this point in history, it is no surprise that the power of the internet must be implemented in order for a business to have success, and the unbounded power of social media is an obvious route for small business marketers.

In spite of this clarity, it has been discovered that small businesses in “different industries have begun adopting social media marketing at different rates”; however, many still do not place social media marketing as their top priority when reaching out to customers (Neti, 2011). Another study based in Chicago by Brand Muscle, showed that the primary reasons small businesses are avoiding marketing online is simply because it is either too “complicated” or too “time consuming” (PR, Newswire). Grey areas regarding the digital stratosphere are becoming greater understood as time passes, but statistics show small businesses must make efforts into the areas of social media if they wish to compete in the market.

Social media presents a means for a business, no matter what size, to generate exposure, increase traffic, and sell products to a massive audience with a reduction in overall marketing expenses. Social media has truly given a way for small businesses to go from “hard to reach” to “available everywhere”. Currently, 75 percent of businesses, both large and small, have a company page on some social networking site, and of these, 69 percent post status updates or articles of interest on social media sites (Neti, 2011). Social media provides business owners a means of more easily identifying target groups who respond to their marketing efforts, and through this, business may pin influencers among these groups who can potentially “become a brand evangelist and help in organic growth of a brand” (Neti). Finally social media allows business owners to get immediate feedback from their customers. 54 percent of businesses current employ social media as mean of monitoring feedback about their businesses, and this has proven very positive for results (Neti, 2011). One study shows that any negative feedback should never be deleted on a business’s social media (Tanyel, et al). Millennials are constantly watched a small business’s every move, and they take notice of how a company reacts to negative

feedback. Small businesses should improve their business with transparency and respond to negative feedback with understanding and clear care.

CHALLENGES OF SOCIAL MEDIA

Surprisingly, despite the fact that online advertising is growing at a “rate five times faster than other media combined” (Kassaye, Hutto, 2016), only 1 percent of the millennial generation claims they are influenced in any way by advertisements in their buyer-decision-making (Kassaye, Hutto, 2016). There is still much room for improvement, and marketers will have to constantly adjust and grow with the ever-changing market.

Of the ads placed on the Internet, many are completely ignored due to *desensitization*. Desensitization is when a person is completely desensitized to a marketing advertisement; they only see the content they wish to see and do not take notice of the remaining information on a screen, sign, etc. Generation Y has evolved to ignore many advertisements thrown in their direction, almost as if the ad is invisible. Millennials ignore these numerous ads by means of muting the television, pre-recording episodes and fast-forwarding through ads, or simply scrolling past them online or on social media, for example. Advertisers attempt many formats and strategies, and yet, Millennials, dubbed “The Unreachables” remain elusive, and data on what is working is difficult to collect (Kassaye, Husso, 2014). Brands continue to scramble to ascertain how to maintain and measure awareness through social media.

In addition to desensitization, a study from Microsoft Corporation realized another effect of a digitized lifestyle: “...since the year 2000 (about when the mobile revolution began) the average attention span dropped from 12 seconds to eight seconds” (Svatek, 2016). Business must find a way to not only *engage* a desensitized Millennial, but get their attention *fast*.

Third, the advertisements Generation Y do notice, they do not react positively to them. For internet marketing specifically, a study of Millennial college students showed participants were “more likely to agree” that advertising on the internet “insults the intelligence of consumers” (Tanyel, Stuart, Griffin). These findings prove to small businesses that, however popular marketing on social media marketing may be, it may create “feelings of ill will” towards a brand, decreasing brand loyalty. Small businesses must develop a way to showcase their product without impairing a consumer’s attitude toward a brand.

So, in spite of the apparent setbacks of the generation, how can small businesses get young customers talking about their products? In order to truly join forces with this generation, a small business must truly understand the Millennial generation and what a millennial customer looks for in a business, engaging them fully in relationship and personal content. These three major issues prove a great challenge for advertisers to not only ensure that digital advertising is ethical, but how to track engagement and also to improve attitudes toward advertising (Tanyel, Stuart, Griffin, 2013). In the remaining portion of this paper, we will discuss three ways small businesses may work with Millennials and the changing marketing landscape to both leverage themselves against larger businesses and possibly rise above them in the end.

1. MAKING YOUR SMALL BUSINESS HUMAN

Unlike past generations who admire reputation, stability, standardization, and what a company’s products can do for them, Millennials more so want to know how they fit in with a business’s story. Small businesses must cultivate community within their branded spaces to account for Generation Y consumers. A true relationship-building approach must replace “the ‘ownership’ type of mentality for brands” (Walter, 2013). Businesses can approach marketing efforts between their brand and their customers much like a romantic relationship. In Nilofar

Merchant's book, *11 Rules for Creating Value in the #SocialEra*, she describes that the reality of marketing is much like a marriage. In marketing exploits, "both parties are agreeing to something in the middle to create an exchange. That's why marketing in the social era means understanding this truth: until we care and we know one another – we're not listening to you." (Walter, 2013).

For a small business, brand "personality" and "character" is more important than ever due to Millennial drive. Based off of a study done at Princeton University, researchers found that humans respond to brands similarly to how they perceive, judge, and behave around one another. Chris Malone, one of the researchers of this study, summarized the finding by saying, "In short, people were the first brands, faces were the first logos" (Malone 2010). This idea is fundamental in success for small business as the study further shows that:

"The profession of brand management, and in large measure the advertising industry, has been built on the delivery, measurement and communication of the features and benefits of each product or service. These are certainly important, but it turns out they're an incomplete subset of the much broader and more powerful categories ... What this indicates is that brands and companies that deliver on critical warmth-related and competence-related traits, rather than limiting themselves to traditional features and benefits, will create stronger and longer-lasting bonds of customer loyalty." (2010)

This concept is all the more significant as Millennials tend to care more about how they may relate to content than the actual content itself. For small businesses, a transparent and warm approach plays a huge role in shifting a Millennial relationship from awareness to full engagement. In fact, studies show that if a Millennial trusts a brand, they are 7 times more likely to provide a business with their personal information (Albinson, Bitner, na). This is further supported by Bäckman and Bergström's (2013) study on the use of Instagram in marketing,

which notes that users desire unique and personal posts from the companies they follow rather than pure marketing tactics (Albinson, Bitner).

These insights are absolutely necessary for small business owners to understand for it could revolutionize brand and social-media strategies. An article from *The Oracle* stated, “Authenticity no longer needs to be a feature of your content created for the Millennial audience. It needs to be the foundation” (Svatek). Businesses must emphasize humanity in their marketing platforms. When interacting with customers, small business must be sure to imagine your brand as a human, speaking to customers as if you’re having a conversation with a deep friend. This is what a millennial customer expects from an interaction. With this, a marketer must know their audience and adjust their tone of voice to whom they are speaking to in order to truly connect. According to Serazio, “Marketers seek, through new media platforms, to weave brand messages into the ‘cultural dialogue’ of youth, as one teen marketing firm announces on its website; or as an MTV vice president says of their aim ‘Social media is the telephone, and we’re the conversation.’” (2013). It is absolutely vital for small businesses to maintain this level of personality, even as they grow in size, so they may create stronger, longer-lasting bonds of customer loyalty.

BLOGGING

An immediate way to build long-lasting customer loyalty is by having a powerful digital presence through social networks and subsets, such as blogging. Small businesses must begin building their brand and customer relationship before a customer considers purchasing a product, at all. A small business should start building its customer community early – It is never too late to start collecting leads and building a brand. A business owner may even find alternate revenue streams, including speaking engagements and consulting, bridging the gap to product rollout. Importantly, blogging should be one of the first steps of incorporating a multi-dimensional online

marketing strategy. A blog is a platform used to grow a consumer's following before a potential customer even considers buying a product – creative, personal, content fosters a relationship. This relationship soon becomes a Millennial's desire to support, and is a foundation for current readers to become future customers. Also, blogs have a “shareable” attribute, and by sharing articles on social media, it is one of the fastest and easiest means of directing traffic to a business' website (Neti, 2011).

Blogs allow businesses to collaborate, manage their messages, and publish to sites that promote interaction from an audience. Blogging creates a level of transparency and authenticity for their brand that is of ultimate value to the younger generation. Blogging lets a small business's audience feel like they *know* you, and they want to be a part of a growing business's story. By combining product or industry information with personalization, small businesses may construct content for “specific interest group communities with tailor-made content” (Salz). Additionally, according to HubSpot, 1 in 10 blog posts are *compounding*, which means that organic search increases leads to a rise in a blog's traffic over time (2016). This tells marketers that blogging is one of the most influential outlets of marketing over an expanse of time, and more so, a blog is a highly shared piece of content. Over a blog's lifetime, “one compounding post creates as much traffic as six decaying posts” on social media. (HubSpot, 2016). Small business should seek out the opportunity to grow their brand story through blogging, writing updates regularly. Millennials wish to feel as though they can follow along with a business's story, and blogging is one of the most powerful way to do this. In fact, Five Across, Inc. believes blogging has altered small business site creation and that blogging “is poised to transform the way individuals and small companies communicate and collaborate on the Internet” (Salz).

Currently, 39% of all businesses (small and large) maintain a blog. Despite the clear advantages of blogging, many small businesses struggle with the idea of keeping up with an online presence with the depth of an online journal. Due to the clear advantages, it is highly recommended that small business invest in a content creator who can focus on this tremendous opportunity for potential growth.

USER-GENERATED CONTENT

There is no such thing as a business owning its brand anymore (Walter, 2013). Millennials wish to co-create with a business. According The Oracle, “Millennials are the content creation generation, with 46% posting content online that they themselves have created. Add in social sharing, and 60% of Millennials are engaged in the process of creating and publishing content.” (Svatek, 2016). *User-generated Content* is content generated directly from users who voluntarily contribute data, information, or media to social media platforms (Xuequn, 2017); this is one of the top ways businesses may interact and form bonds with their customers. Millennials want the ability to engage in a business’s content; they want to be the center of a brand’s story. By inviting Millennials, not only into a brand’s story, but to *create* that story, a customer is no longer merely making a transactional purchase; they feel they have “ownership of the brand”, increasing customer loyalty (Walter, 2012). A chairman of a youth agency clarifies the concept of user-generated content more so by stating:

“As marketers, what we’re trying to do is make sure that our programs allow our consumers to participate, whether it’s user-generated content or whether it’s a chance for a shot to fame, even in a small respect. Even if it’s just – to make one up on the fly – here’s a brand, we’re creating a theme song, you could win a chance to be the one to sing

it in our commercial... I think everyone feels that like they genuinely have a chance to have their five minutes in the sun.” (Serazio, 2013)

Facebook’s head of marketing stated, “We are putting advertising back in the hands of the people, so ads are less like ads and more like content and information.” (Serazio, 2013). This method counteracts Millennial desensitization as it increases interaction and promotes authenticity. According to research carried out by Ipsos MediaCT, 30 percent of Millennials’ time is spent digesting user-generated content, and UGC is 50 percent more trustworthy than other sources of content (Buchanan). This is huge for small business as UGC will further generate more trust in the business, potentially beating out any chance for large corporation to hold millennials’ attention.

User-generated Content has been widely put to use by many large corporations already, encouraging consumers to participate in the formation of their brand. For example, Ford put keys to their new Ford Fiesta in the hands of 100 Millennials, promising them 6 months behind the wheel - with the expectation of the winners to post on their various accounts and share their stories with their friends. A Ford spokesperson said, “It’s not about what we are saying at Ford. It’s about what other people are saying about us.” (Serazio, 2013). This is the overarching concept of user-generated content. Moreover, the popular blue jean brand, Levi’s, has drastically changed their marketing efforts throughout the years. One management member recalled, “We were a company that used to have tight control of the brand” Now, Levi’s lets Millennials lead the way, being a brand who is essentially a brand revolving around “co-creation, self-expression and originality” (Serazio, 2013).

Co-creation is the present and future of marketing. Millennials want to stamp their mark on something; whether they can create a theme song, post a photo wearing a business’ products,

have a conversation with a brand on Twitter, customers wish to express themselves – and they want the company to *recognize it*. User-generated content allows “digital natives” to get involved with a product on a deeper level; it allows Generation Y to “own” the brand. Small businesses should let their consumers lead their growth, remaining open and flexible through the processes, realizing the new channels that form through the co-creation relationship. According to Michael Serazio, “The characterizations of and promotional innovations aimed at Millennials portend the possibility of profound change in the advertising industry.” (Serazio, 2013).

A business’ response to UGC is important as well. In a recent survey by Kelton research, “The majority of Millennials (73%) ... agree that other consumers care more about their opinions than companies do – and that’s why they continue to share their opinions online” (Bazaarvoice, Center for Generational Kinetics, 2012). However, despite feeling like they are not fully being heard, Millennials still wish to share their opinion online, at 64%. The research sheds light on the importance of creating two-way conversations to increase loyalty and for small businesses to prove that they care. Businesses should encourage conversations by responding immediately to customer comments or telling customers they have changed a product after having heard a complaint. Small businesses are accessible to customers; small businesses must show that, as they grow, they wish to bring the Millennial along with them for the ride.

In summary, social media outlets are incredible opportunities for small businesses to increase get mass information out to a wide mass of people, but businesses must create a level of *human* authenticity, transparency, and interactivity if they want to see the most successful results. As a digital workshop declared, “People don’t share ads. People share content.”(Serazio, 2013). By employing relationship-oriented social media marketing efforts, small businesses receive an

equal amount of opportunity as do large businesses due to the ubiquitous reach of the internet, and, therefore it is even more vital for owners to incorporate these methods.

2. EMBRACING “SMALL” BUSINESS

An obvious disadvantage for small businesses is their budget and ability to access resources. Large businesses naturally have greater access to many partners, global resources, and relationships with business leaders around the world. However, small business may actually be able to frame this problem into something positive with millennials. Generation Y has a lack of trust in “big business”, according to a research study by Randall Research. Studies show Millennials simply “aren’t keen on big business” (Furgison, 2016). In regard to marketing efforts, Millennials place less value in the information provided about the product, and more about *how* the product connects to them. This generation also prefers knowing more about *where* their products or services come from and *who* that business is. This leads a small business to realize the importance of stressing the business’s humanity and community involvement in their marketing efforts.

EMPHASIZE COMMUNITY

Serving as a member of their community, small businesses have the “local advantage”. A phrase popular with Generation Y is “Shop Local” and “Support Small Businesses”. Some 40 percent of Generation Y claims a preference for local goods and services, even if those goods and services are more expensive than mass market substitutes (Henderson). Richard Sweeney describes why young shoppers feel this way: “They [Millennials] like feeling connected to the products they buy, and no purchase connects better than one from the merchant just up the street” (2006). Millennials see a distinction in supporting their local brands versus supporting

corporate businesses. Millennials prefer to support the latest and greatest, but this also drives those individuals to find and buy products with great differentiation. For small businesses, it is vital to differentiate from the market; this way, Millennials will seek out the unique, and share their finds with friends. At times, all it takes is a home-court advantage to set your product apart from the rest. When administering market tactics, a small business should focus on the community.

Small business owners should remember once again that Millennials are community-oriented and “civic-minded”. Owners should incorporate background of the company such as the artists of the products or the brand’s history of formation. Small businesses should get involved in local community efforts, philanthropy, and foster relationships with community leaders. Finally, small businesses must embrace their community when marketing on social media. The Journal of Consumer Marketing states that businesses should “avoid getting too big too quickly; use furtiveness to drive social media-based bonding” (Lingelbach, et al., 2012). Building a solidly reliable foundation is fundamental to future growth for small businesses, and emphasizing a small business’s involvement in the community, both physically and online, is one way to truly foster the relationships with millennial customers.

RESOURCE SCARCITY

After a small business has harnessed a foundation of regularly engaged customers, through social media leverage, for example, they now must consider the next steps to go about distributing their products. A marketing technique which embraces a small business’s limited means involves *resource scarcity*, which is the idea that there are “theoretically limitless wants” and limited, or scarce resources (Investopedia). For small businesses, these scarce resources could actually be framed in a positive sense as, “rather than serving as an impediment, scarcity

enables a more innovative approach to leverage resources. Options include using resources considered ineffective, adopting those owned by partners or other organizations and making resources stretch further” (Lingelbach, et al). Resource scarcity attributes to the millennial desire to discover the unique and new, a Hero group attribute. New ventures and product launches can be facilitated by incremental stealth, an interesting marketing play (Lingelbach, et al). If small businesses have a product which is highly differentiated – whether by what it is or the meaning given to it through effective marketing exploits – they may wish to distribute their product by resource scarcity. Bernadette Jiwa explains the necessity of owning you brand story and embracing a business’s limitations by stating: “It’s about building something that people care about and want to buy into. It’s about framing your scarcity and dictating your value. It’s about thinking beyond the utility and functionality of products and services and striving for the creation of loyalty and meaningful bonds with your customers” (Malta Independent, 2016).

One current example of this is reality TV star, Kylie Jenner’s product line, Kylie Jenner Lip Kits. The Lip Kit lines were released in very scarce amounts, marketed on various social media outlets to extremely engaged Millennials. The product’s quality was not particularly different from other products on the market. Z. John Zhang, a professor of marketing at the Wharton School commented, “There are lots of substitutes if you want your lips to look a certain color, the problem is people aren’t buying functionality, they are buying desirability,” (Canal, 2016). The desirability of the product was obvious; the instant the limited product lines were dropped, countless millennials customers pounced on the product. With every release, the products were sold out within seconds, and Jenner continued this tactic as she continued creating more products and relaunching, all while constantly updating her devoted fans on her media platforms.

This case shows that have scarcity does not specifically become a weakness, if framed appropriately to your target market. For a small business, Zhang says, “This is a very good piece of marketing, scarcity is really going to do wonders for you in the marketplace. With something that people desire in short supply, you’re going to generate that frenzy” (2016). Small businesses have the opportunity to frame their lack of resources and size in a positive light, capitalizing on Generation Y’s distinctive preferences.

3. FLEXIBILITY

INITIATE NEW MARKETING METHODS

Small businesses have the rare ability to react well to changing markets, adapting to what their customers are looking for or hopping onto trends. Whereas large businesses, are like giant battleships which take time to change course. “This is a definite upside for small businesses as such operators are invariably more flexible than larger rivals” (Lingelbach et al, 2012). Although global firms may have superior resources, they often become inflexible after several successful market entries and tend to stay with standard, and thus, predictable approaches when entering markets (Sukdial). Small businesses can literally take advantage of this by taking riskier paths of marketing with *less risk*.

As mentioned, Millennials are constantly seeking new territory, uniqueness, and a personal brand relationship. Small businesses should not just take newer, digital marketing direction, but, they should be the *first* to initiate inventive marketing methods. Every great business has come from a great idea, but every business continues to grow, based on an accumulation of many more. Small and medium businesses must see digital marketing as their

top priority and an investment toward their future, not shying away from potential opportunities and outlets where their brand story may be heard, accepted and shared.

UNIQUE VERSUS MASS APPEAL PRODUCTS.

Millennials have grown up with a huge array of options due to globalization and the internet's reach. Due to this, they believe "abundance is the birthright", and they expect a greater array of products and service selectivity (Sweeney, 2006). Yet, small businesses may not have the means of presenting such an array of products in comparison to large business, so how will does this help? Well, this abundance of options actually pushes Millennials to seek out more niche product lines, feeling less of a need to conform to others' buying patterns. Instead of heading to that big-box brand, this younger group issues an altered buyer behavior, wishing to have "ultimate consumer control: what they want, how and when they want it" (2006). The "Long-Tail Effect", dubbed by Chris Anderson, is "nothing more than infinite choice... Abundant, cheap distribution means the audience tends to distribute as widely as the choice. The idea is that more efficient, and economical distribution systems (e.g. via the internet) are making a much wider array of products and services more available and cost effective. Because Millennials grew up with a much wider array of services and products they expect them in every service..." (Sweeney, 2006). Resulting from this expectation for choice, young customers tend to not see many overarching winners in product category; it is much more anticipated that, when asking a Millennial about their favorite product, no specific type will prevail heavily as the majority (2006).

CUSTOMIZATION

Small businesses should embrace customization of their products to allow their customers to have an even greater unique appeal. Richard Sweeney of the New Jersey Institute of Technology states, “Once Millennials make their choices in products and services, they expect them to have as much personalization and customization features as possible to meet their changing needs, interests and tastes” (2006). Small businesses should invest in technology that allows them to monitor the purchasing habits and interests of Millennials so as to provide them with a personalized experience during every interaction (Segal, 2017). Millennials prefer to feel as though your business has them in mind as a person, and customization only leads to that deeper level of relationship. Since large businesses often have total standardization across all their products, small businesses should take advantage of this potential differentiation, and attract Millennials to them by customization of products.

In the end, by influencing the market by exploring new marketing methods early, focusing on a unique product, and allowing room for customization for specific customers, small businesses will have a greater ability to compete with others in the field. With the great expanse of choices young consumers are presented, they have greater selectivity than any generation before. This plays to small business’s benefit, for millennials do not conform to one type of product, but instead wish to seek out the unordinary, believing these products will set them apart from their peers. Remaining flexible by all means is small business’s key to getting the attention of Millennials in the marketplace.

CONCLUSION

There are a variety of situations in which small businesses can capitalize on Millennial preferences in order to leveling themselves against competitors in the market. Research and analysis of the rising Millennial generation shows small business owners that, instead of

mimicking their larger competition, they may benefit from embracing the advantages of the growing small business sector. Three potential options for small businesses to greater impact this already shifting market place is to focus on three core objectives: 1) humanization of your small business's marketing efforts 2) using small business size as an advantage, and 3) remaining flexible at all times. Understanding the psychology of the young consumer will play a vital role moving toward the future, as technologies continues to expand and the generation grows in demand. After analysis, there are definite patterns which hint consumer preference toward small businesses will only continue to rise and larger business may suffer, albeit to what extent that is unknown as of now. Through careful implementation of prescribed marketing tactics, small businesses owners will only help push this trend onward. Further research on the relationship between small business and Millennials should be completed in coming years, so as to realize the impact Generation Y continues to make as young consumers take hold of even greater amounts of buyer power.

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