Cazenovia College

Selling the Experience:

Identifying Brand Loyalty Shifts in Millennials

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Claims of loyalty and association between Generation X and any brand to which they feel a connection have led brand agencies to target Generation X as their main audience for years. However, today this generation is no longer the main consumer demographic in the eyes of a marketer. As Generation Y, or Millennials, leave college and fully enter the consumer marketplace, the conventional wisdom is that this new demographic does not have the same loyalty as their Gen X counterpart. While some analytical data may support this theory, the reality is that millennials, although still interested in developing brand relationships like their predecessors, are redefining the brand-consumer relationship through experiential marketing.

According to Investopedia, a company that provides financial education and analysis, brand loyalty is “a pattern of consumer behavior where consumers become committed to brands and make repeat purchases from the same brands over time. Loyal customers consistently purchase from their preferred brands, regardless of convenience or price.” Although maintaining brand loyalty may not be the highest concern of a brand, it is essential for one very fundamental reason: cost. Interestingly enough, brand loyalty is more than just an intangible concept; it is an essential tool in maintaining existing customers. If a brand has an established consumer base that will continue to purchase its products, no effort needs to be made in order to ensure their patterned purchases continue. Therefore, marketers and advertisers need not spend their cash towards advertisements targeted toward their loyal consumers. Rather they can focus their advertising and funds toward attracting new potential demographics. In addition, brand loyal customers are potentially the best product representatives that there are; see Figure 1. (Khamwon). This is associated with the idea behind word of mouth advertising in which consumers can either promote positive or negative messages of a brand to their fellow family and friends. Therefore, if an individual loves a brand, they are more likely to become brand loyal as seen in H_1. In continuation, H_2 shows that if an individual is brand loyal, they are more likely to promote positive feedback on the brand. However, this can also be achieved without brand loyalty as shown in H_3. Nevertheless, if a company obtains a strong consumer base that not only loves the brand and is brand loyal, the company in turn will save money due to a free form of advertisement from its consumers.

Figure 1: A Conceptual Framework and Hypothesis

Imagine walking into a local grocery store. The loud chaos of carts clanking and scanners chirping travel the aisles. The consumer has the sole intention of purchasing laundry detergent, and she knows exactly where it is located. Upon reaching the aisle, she reaches for the $17.94, 150 fluid ounce liquid pump Tide detergent. However, simultaneously she notices that All's 184.5 fluid ounce liquid pump detergent cost significantly less, valuing at $12.87. While one might assume it would be more economically conscious to purchase the All detergent, without hesitation, she grabs the Tide bottle, cashes out, and heads home to complete her laundry. The previous scenario similarly represents the shopping habits of Maggie, a brand conscious consumer who remains loyal to Tide as well as several other brands. At the age of 51, Maggie is within the target demographic of Generation X, the most traditionally brand loyal generation of our time (DeTomi, Personal Interview).

For the purpose of this research, it is important to note that Generation X, also known as Gen X, is a demographic cohort whose members were born between the years 1965 and 1980 (The Generations). Members of Gen X were the children of the largest generation ever seen, the Baby Boomers who were born between the years 1946 and 1964 (The Generations). Although

Baby Boomers were loyal to brands during the years in which they were the primary source of spending, studies have shown the extent of their loyalty was not quite as deep as their children's. In a study conducted by CrowdTwist, a private consumer engagement and loyalty research company, 46.4% of Baby Boomers reported that they expect themselves to be "extremely likely" to remain loyal to their brands; however, 17.1% agreed that they are "extremely willing" to change the brands from which they normally buy from. This is in comparison to their Generation X counterpart who were less likely to change their brand loyal habits. In fact, 15.8% of Baby Boomers were more likely to change their brand affiliation than Gen X consumers (Reports 9).

This raises two important questions: when does brand loyalty begin, and how does it change from generation to generation? In the following quotation, we are placed in the mindset of a child who does not yet comprehend the idea of brand loyalty. However, her behaviors show that she has a subconscious understanding behind it.

> Juliana Rose Tully knew exactly where she wanted her cart to stop in the cookie aisle of her local ShopRite in Livingston, N.J. The assertive 3-year-old was on a mission for chocolate Teddy Grahams. But just as she was about to secure her prized snack, she spotted her hero, Dora the Explorer, on a different box. Teddy didn't stand a chance. "I want those," she proclaimed (Comiteau).

As in the instance mentioned above, youth are showing brand predilection sooner than ever. In fact, Jim McNeal, a retired professor of marketing at Texas A&M University, has concluded that children become "brand-conscious" as early as two years old. Moreover, they can also find a relationship between a brand and their personality. In other words, children believe that the product itself will allow them to fit in or be trendsetters amongst their peers. The case above illustrates this by showing how Juliana feels about Dora. Although she has never had the cookies before and is unaware if she will like them, Juliana knows she wants the cookies only due to the personal affiliation she has with her beloved explorer. This mature form of brand-conscious behavior usually begins around the age of three to three-and-a-half (Comiteau). This information should come as no shock as our nation has grown up in a brand-aware society.

Conversely, is it possible that kids are simply following in their parents' footsteps? This is the belief of Phyllis Ehrlich, Senior Vice President of promotions marketing for Cartoon Network (Comiteau). Similarly to Ehrlich, Melanie Wiese and Liezl-Marié Kruger, marketing management professors at the University of Pretoria, conducted a study entitled "Parental Influence On Consumer and Purchase Behavior of Generation Y" with the intention of determining "whether a [parental figure] could indeed be seen as good role models to follow and subsequently find whether these role models could significantly influence the consumer and purchasing behavior of Generation Y" (Kruger 23). Wiese and Kruger speak of the importance of how these product and service selections are a direct result of "consumer socialisation [sic]." That is, the development of young individuals, absorbing the knowledge, behaviors and required skills to become functioning consumers in the marketplace (Kruger 22). While there is a wide range of possible influencers who could shape such behaviors of young and upcoming consumers, the most arguable agents are considered "parents, peers, the mass media, retail stores, brands and even celebrities" through the use of advertising, promotional materials, and endorsements (Kruger 23). Therefore, if there is such a wide set of influential representatives shaping the behaviors of upcoming consumers, why is it that parents are deemed the most responsible for this effect?

According to Kruger and Wiese, the majority of our actions in terms of consumer behavior are developed as children (23). In the literature review of this study, two professors, Ying Fan and Yixuan Li from the Brunel Business School in London, argue that “an individual’s perception and beliefs about a significant other are formed during childhood and that the process of forming the specific perception of the significant other during this time will be replicated in situations, as the individual grows older” (Kruger 23). In short, observation is the key factor that influences children to engage in their parents’ consumption practices towards both products and services in the early and later stages of their livelihood. Nevertheless, by stating that young individuals learn their consumer behaviors and attitudes from their parents, it is justifiable that parents play an important part in developing the young consumer and their consumption attitudes in the marketplace. Fan and Li agree that parents are the primary socialisation [sic] agent, designating that “[children] would, in time, be able to act as an independent consumer— due to the transfer of knowledge and skills observed in the parents’ consuming behavior,” and that “[s]hopping habits, as well as product and store preferences, are passed on from generation to generation by the parents, and therefore, they influence the child’s consumer [behavior]” (Kruger 24). Via the use of Weise and Kruger’s literature review, they were well prepared for a study of their own.

The study titled, “Parental Influence on Consumer and Purchase [Behavior] of Generation Y,” hypothesized the passing of beliefs and brand loyalty down from one generation to the next and was confirmed to a certain extent. After evaluating 369 university students representing the younger cohort of Generation Y: individuals aged between eighteen to twenty-five as of 2016, they found it evident that these students’ actions in the marketplace are learned via observed behavior and match previously calculated studies that also indicate that “consumption patterns of students correspond with those that students learned in their families” (Kruger 26, 28). However, while they hypothesized that the influence of a parent would directly impact the purchase behavior of their children, an intermediate variable was discovered: consumer behavior.

As mentioned and illustrated in Figure 2, it was originally believed that the influence of a parent, or parental role model influence, would immediately relate to the same purchase behaviors in their children, as seen in Ha1. However, it was found that the parental influence will have a direct impact on the children's consumer behavior *if* the children had a positive relationship with their parents. For example, if one had good experiences with their mother, and their mother shopped at Wegman's, the child is more than likely to prefer shopping at Wegman's in comparison to another grocery establishment. As shown in the model, Ha2, there is a strong correlation between the consumer behavior of the child and the parent so long as the child held positive views of said parent. Evidentially, given a positive relationship between consumer behavior and purchasing behavior, the child would more than likely make similar purchases as seen in the Ha3 model. Conclusively, in accordance with Kruger and Wiese, "these findings suggest that the parental role model influence is an important variable in Generation Y consumer and purchase behaviors" (28). In fact, according to Marketing Charts, an online database and publication site of marketing stats and analytics, sixty-three percent of millennials say that they use or are loyal to many of the same brands that their parents were or are (Millennials).

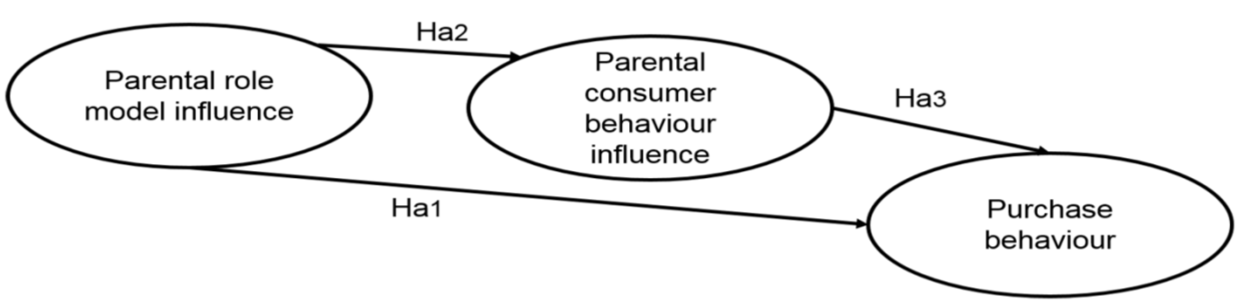

Figure 2: Conceptual Framework of Parental Role Model Influence

However, some marketing data suggests the opposite, that brand loyalty has begun receding over time. According to Jack Loechner, the Editor of The Center for Media Research's daily Research Brief at MediaPost, a study conducted by Daymon Worldwide global concluded that twenty-nine percent of millennials will make repeat purchases from the same brand, which is a whole six percent less than their preceding Gen X counterpart (Loechner). Concerning this topic, defining the Millennial generation is substantial to this research. Millennials, also known as Generation Y, or Gen Y, is a cohort of individuals born between 1981 to 1997 (The Generations). As of 2018, millennials are aged between twenty-one and thirty-seven, a time in which this demographic is entering the consumer marketplace full time. This means marketers are going to begin shifting their attention more heavily toward this new demographic. According to the American Marketing Association, Generation X (at 81 million American consumers) takes up 31% of the nation's household income. This leaves room to argue that due to Gen X's high spending power and loyalty toward brands, they should remain the top priority in the eyes of a marketer (Markelz). However, it has been cited multiple times that in this year, Gen Y will have the spending power of $200 billion; the highest spending power seen in any generation (Schroeder). As shown in Figure 3, it is speculated that millennials will even surpass the baby boomers as the largest generation in American history in 2019 at seventy-three million (Fry). With these

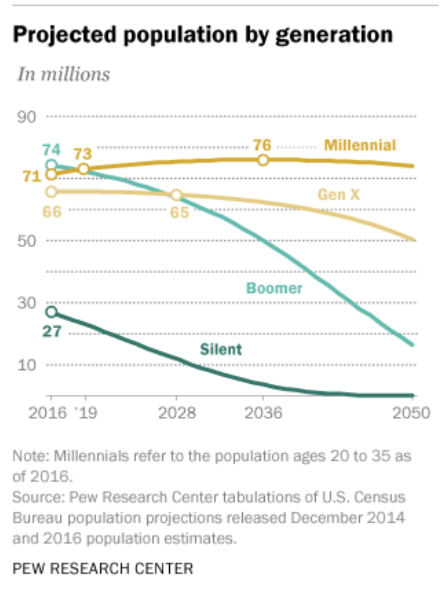

Figure 3: Generation Growth

numbers in mind, it is difficult to agree with previous acknowledgments arguing to focus the market toward Generation X.

Beginning in 2006, an economic crisis known as the Great Recession began making national headway as housing prices began falling according to Kimberly Amadeo, an international expert on the global and U.S. economy and President of World Money Watch. The result of this $8 trillion housing bubble caused the Gen X and Boomer generations to lose their jobs, stocks, real estate and more. This made these two generations the most impacted by the effects of the recession. However, millennials were influenced too by the financial crisis of 2008 even if they did not personally lose their personal livelihood like their predecessors. Millennials witnessed their older counterparts foreclose their homes, pinch pennies, and even embrace the verge of bankruptcy. These consequences are still in effect ten years after its starting as recognized in a study conducted by Merrill Edge, a part of Bank of America's retail banking division. They state: “the Great Recession continues to impact how younger generations approach their finances” (3). Furthermore, it was found that an overwhelming 85% of those surveyed will “play it safe” in terms of their financial investments, including life-changing milestones like purchasing real estate, a 78% hold, pursuing their higher educational plans, a 58% hold, and beginning families, a 53% hold (Merrill). In this sense, a hold means waiting on perusing financial investments. However, these are not the only instances in which the spending habits of millennials are monitored.

With the inclusion of technology, information is delivered at our fingertips, causing our consumer experiences to become enhanced. In an age where seven out of eight millennials hold a smartphone in their pockets, it is easy to imagine the numerous portals of accessibility that are granted in terms of readily being able to make shopping decisions. This is especially true with features such as Apple Pay and Samsung Pay that are accessible in an instant via touch ID or facial recognition (Marketing). However, according to Richard Kestenbaum, an author, professor, and businessman with degrees from both New York University and Harvard, a near eighty percent of millennials purchase behavior is driven from price (Kestenbaum). This ultimately attributes to a less loyal demographic as more than two-thirds of those surveyed said they would, “switch their brand allegiance if by doing so they can earn anywhere from a dime to $1, or more, per-gallon-off on gas” (Logsdon). While this demographic is highly focused on interactivity on social media, it comes to no surprise that they find themselves following brands on at least one networking platform. However, their reasoning is not to engage with the brand and its products, but rather to increase the likelihood of receiving loyalty rewards and discounts. In fact, in the report by CouponFollow, quoted by Richard, it was found that seventy-five percent of these users will willingly switch brands in order to receive a discount larger than thirty percent. This is in comparison to the seven percent of millennial individuals who actually engage in their social platforms to become involved with the brand and its product’s mission (Kestenbaum).

With only a maximum of thirty-two years apart, it is surprising Gen X and millennials have such polarizing viewpoints. The question becomes why there is such a difference of viewpoints within these two generations? Loyalty programs originated to deepen loyalty and trust between the brand and consumer. Beginning in the late eighteenth century, “premium marketing” allowed early American Merchants to hand out copper coins with purchases, later allowing consumers to trade them in for products on future purchases (McEachern). A similar concept became popular among the Baby Boomer generation in America and Europe with the Sperry & Hutchinson Company Green Stamps Rewards Program. The program ran from the early nineteenth century, with resounding popularity from the 1930s well into the 1980s. The stamps were distributed in a variety of retailers to be used as rewards for shoppers. In order to do so, they would dampen the adhesive side of the stamps and adhere them to special S&H booklets that would later be traded in at an S&H location for their rewards or be ordered via catalogs (Kazek). This methodology laid out the design for modern-day loyalty programs consumers have learned to love. With twenty-nine loyalty memberships per household on average, loyalty programs today are used in an effort to save cash rather than as a motive to return consumers to a brand and deepen their loyalty as these programs originally intended (White). Nonetheless, comparing the millennial generation to that of your traditional punch-card “Gen X-er” is imperative to this argument as it is undoubtedly evident that trends are continuously evolving. Perhaps it is justifiable to state that millennials’ continual search for a better deal revolves around their desire for instant gratification.

The previous acknowledgements are not the only methodologies presuming the end of brand loyalty, however. Another piece of data suggests brand loyalty is dead by stating “90 percent of common household goods brands are losing market share in certain low-growth categories” (DeMers). According to an article written in *Forbes* by Jayson DeMers, the founder and CEO of a Seattle based content-marketing firm, AudienceBloom, the suggestion on why individuals choose to believe the idea behind the death of brand loyalty is derived from three principles: the information age, the changing nature of work, and corporate distrust. The information age, otherwise known as the digital age or computer age, refers to a technological and historical phenomenon that we are currently residing in, “in which information has become a commodity that is quickly and widely disseminated and [made] easily available especially through the use of computer technology” (Information). Like generations, time periods such as these do not have clear starting and ending points; however, it is estimated that this period began roughly around that of the invention of the internet, between 1960 and 1970 (Andrews). Due to this technological achievement, the world has become more connected to one another than ever before, allowing us not only to shop over the web but to have options on *how* we shop over the web. This results in more options to choose from, such as name brands and generic brands that offer the same products, and as a result of that the ability to find cheaper alternatives for their initial web shopping extravaganza (DeMers). Keeping in mind the polarizing viewpoints of Gen X and millennials, it comes as no surprise that the information age may have left brand loyalty out to dry.

In referring back to DeMers' article, "Is the Concept of Brand Loyalty Dying?" the second matter which suggests the end of brand loyalty is coined as "the changing nature of work." In other words, it is more common of the millennial cohort to be adventurous in terms of their careers. For example, while it was common for those in Generation X to find a job, become established, and *"stay put"* until retirement, members of the Millennial Generation are more than likely going to hop from one company to the next making slight career shifts— either moving up the ladder or trying something new altogether. DeMers argues that millennials too have taken an interest in self-employment, which hypothetically reduces the importance of brand loyalty to the majority as they stay away from working with larger corporations (DeMers).

In continuation, it too is often believed that the final nail in the coffin of brand loyalty is attributed to corporate distrust. The news today is filled with one negative occurrence after another, and it is not uncommon to come across a story of a "higher up" supporting or investing in immoral and unjustifiable causes. For example, founder and CEO of Jimmy John's Gourmet Sandwiches, Jimmy John Liautaud, was rightfully targeted after images were released of him posing with his pouched prey in 2015. Millennials value brands who are authentic, or a brand that stands for what they believe in, in all aspects of the company (Baird). Liautaud represents an unfortunate circumstance which caused his company to receive major backlash. Being that the CEO actively participates in trophy hunting, a large number of his consumers requested boycotts. This resulted in a loss of a consumer base that will not only stop purchasing their sandwiches due to a company-consumer dissonance of not wanting to associate themselves with the company, but will result in the spread of negative word of mouth advertising that could affect brand loyalty at large (Peterson). Regardless, actions such as these have provided members of the Millennial Generation with enough reasoning to draw a line between the corporate-consumer relationship in terms of trust according to Molly St. Louis, an executive-level creative consultant with a specialization in brand positioning. She states, “Millennials [do not] trust corporations, so it follows that [they are] dismissive of marketing efforts” (St. Louis).

It was previously mentioned in a study conducted by Daymon Worldwide Global that brand loyalty in millennials was down six percent from its proceeding Gen X counterpart. However, a large sum of evidence still supports the opposite. This raises an important question: how can a source with a large sum of statistical evidence find themselves contradicted with data favoring the existence of brand loyalty within millennials? The reality is simple; the information is not wrong. Brand loyalty is dead *when* compared to the Millennial Generation’s older counterparts. But it is otherwise alive and well, resulting in such claims being too direct. As time evolves, so do trends and lifestyle habits. The same goes for brand loyalty; it may not be what it used to be, but that does not mean it does not exist. Rather, it has merely shifted.

Instant gratification plays a major role in the eyes of the millennial consumer. In the perfect world of retail, consumers would purchase products and instantaneously receive them.

However, not everyone is fortunate enough to live in a thriving metropolitan-urban setting with varying degrees of brick and mortars at their convenience. Therefore, consumers turn to the internet in light of their purchasing needs. Take Amazon, the world's largest retailer among the e-commerce industry, for example. Beginning in 1995 as an online bookstore, CEO and founder Jeff Bezos envisioned "an everything store" and by the year 2005, had a program known as Amazon Prime, giving optimal customers speedy and guaranteed two-day shipping (Hartmans). However, as the millennial cohort sneaks its way to be the generation with the largest spending power, Amazon has realized its efforts are not satisfactory enough. This has led to the innovation of Amazon's Prime Air, "a future delivery system from Amazon designed to safely get packages to customers in 30 minutes or less using [drones]" (Prime). While currently in beta testing, Amazon is continuously showing their marketing intention to appeal to its demographic and ensure the gratification of its customers as instantaneously as possible. Moreover, while instant gratification shows a switch in marketing trends between the last few generations, Amazon has its own loyal followers with over one-hundred-million prime subscribers (Vanian). Additionally, according to Statista, a market research and business intelligence database company located in Hamburg, Germany, thirty-nine percent of those aged eighteen to thirty-four as of 2017, the Millennial Generation, are prime members; the highest of any cohort (Statista). Not to mention, according to the twenty-second annual Brand Keys Loyalty Leaders List, Amazon takes the lead for the most loyal consumer base in 2018 (Gazdik). With this information, it can be hard to deny the loyalty of the millennial demographic. However, further information must be explored.

In finding further support of brand loyalty in the behaviors of millennial consumers, a personal study titled "Measuring Consumer Habits in Generation Y," was conducted (DeTomi). In this study, it was hypothesized that this demographic would not only view themselves as brand loyal but show significant evidence toward indicating a seismic shift in brand loyalty trends. This shift identifies as moving from a sense of brand loyalty that is strictly derived from brand quality to an experience-based motive that influences purchasing behavior. Data was collected by means of an online survey with a total of 184 participants who fit the demographic criteria for participation: those aged between twenty-one and thirty-seven. These figures were then collected and analyzed via the use of Likert scales and a Ranking assessment. In evaluation, it was calculated that 51.63% of participants consider themselves to be brand loyal while 86.41% admit to continuously making repeat purchases from the same brand; a favorable dispute against previously cited information. Another intriguing speculation was found to be evident based on the previously analyzed study by Kruger and Wiese, where parental influences impacted the purchasing decisions of Generation Y. “Measuring Consumer Habits in Generation Y” found that 52.18% of participants still purchased the same brands that they grew familiar with in childhood. This is in comparison to 21.19% of participants who disagreed with the statement.

The previous data is further supported by research article, “Millennial Parents are More Brand-Loyal than Other Parents.” A large sum of the Millennial Generation’s members are beginning families of their own as they approach their late twenties and early thirties. Some studies have concluded that millennials are not as brand loyal than previous generations; however, the National Retail Federation (NRF) suggests the opposite. In their analysis, it was found that half of the millennial parents remain loyal to their brand regardless of cheaper alternatives, and “52% remain loyal despite more convenient options” (Lukovitz). This is particularly important for marketers due to their increased spending power, especially when according to Lukovitz, millennials account for half of children’s parents today. Perhaps more importantly, however, how to gage millennial loyalty contrasts from previous generations.

In Lukovitz's research, it was noted that understanding the priorities of the millennial consumer is a must before comprehending how this demographic shops. Therefore, while it is been made relevant that the financial crisis has caused a shift in the values between Generation X and Y, the opposite holds true. According to the NRF's findings, convenience is a large contributor to this generation with data indicating "86% have used same-day shipping (versus 67% of other parents), and 40% use subscription services to receive automatic shipments of staples like diapers at discounted prices" (Lukovitz). In continuation, customer service is claimed to be of the utmost importance by Katherine Cullen, director of retail and consumer insights for NRF, with attention drawn to the fact that "brands and retailers must deliver on both price and quality" to appease this demographic (Lukovitz). This statistical information coincides with the personal study completed, with minor separating distinctions due to a larger pool of millennial participants that do not identify as millennial parents. These individuals identified the top three most valued entities in brand loyal behaviors to be quality, price, and accessibility, in said order as seen in Figure 4. The average ranking of the results concluded that while quality and price both are with utmost certainty the primary concerns of the millennial consumer, the suggestion in which price undermines the importance of quality is inaccurate as quality holds a 4.00 average in comparison to a 3.94 average of price (DeTomi).

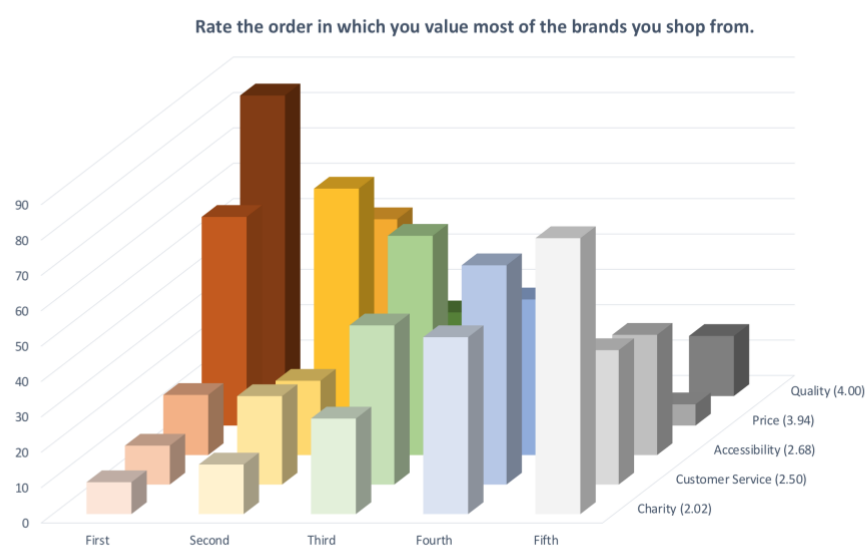

Figure 4: Brand Valuations

Customer service, while important to the consumer, holds vital importance on the marketing end as well. According to Larry Alton, an independent business consultant specializing in social media trends and entrepreneurship, “[r]esearch shows that customer acquisition costs 5 to 25 times more than retention does” in correspondence with a Harvard Business Review article. Nevertheless, if you have a strong retention rate, the cost of marketing diminishes due to a loyal consumer base. Alton goes on to attribute that in order to make this happen one must provide the best possible customer experience. In fact, 89% of customers will readily switch brands due to a bad customer experience indicating that the majority of customer losses are due to “service-related problems,” not cost (Alton). However, while numbers may attribute to customer retention, there are more qualities a brand must take into consideration to keep consumers interested.

This ideology is represented in the study’s findings as well. Of the 184 participants, 76.63% indicated that they prefer receiving an experience-based purchase, such as a trip, in comparison to a physical product, like a phone (DeTomi). This means that millennials gage a product or service by what they experience after receiving a product or service rather than solely judging a product on its performance. This idea leaves marketers, who are primarily grouped in older generations such as the Baby Boomers and Gen X, with a challenge as they have to learn to adjust to this new demographics needs as a consumer.

Fortunately, one company is doing it right. To many, Starbucks holds the key to success in the experiential marketing industry. In fact, it even has a national bestseller book about it: *The Starbucks Experience: 5 Principles for Turning Ordinary into Extraordinary* by Joseph A. Michelli. However, this should not come as much of a shock due to the fact that the shop’s value has increased 5,000% since 1992, shortly after its beginnings (Michelli, 4). The idea behind it all began with Howard Shultz, former CEO and recently retired chairman, who once asked himself, "'What would happen if you took the quality coffee bean tradition of Starbucks and merged it with the charm and romance of the European coffeehouse?' His answer: 'Starbucks could transform the traditional American coffee experience from the ordinary to the extraordinary'" (Michelli, 2).

Nevertheless, there is a reason Starbucks stands out from your typical coffee house. For one, they certainly have an exceptional understanding of the consumer marketplace. For example, rather than spending money on advertising, they are more focused on training initiatives to ensure quality customer service and interaction (Michelli, 8). This is an important piece of information due to the fact that the coffee chains primary target audience and loyal consumers represent a large portion of the Millennial Generation. As of 2017, the primary target audience of Starbucks were those aged between twenty-five to forty, acquiring forty-nine percent of its business. Closely following, those aged eighteen to twenty-four acquire a total of forty percent of sales, showing their marketing strategy resonates with that of the millennial cohort (Alam). Nevertheless, millennials tend to be skeptical toward advertising techniques. Research has shown that instead of listening to the messages sent through advertisers, millennials will use their resources such as word of mouth recommendations through friends, or social networking review sites to decide whether or not a product is worth purchasing (Newman). Regardless, this is a game changer for marketers who need to revise how to reach this demographic. Starbucks' marketing team, on the other hand, is ahead of the game.

Due to their focus on a well-trained team of individuals, Starbucks truly understands creating memorable experiences that will not only retain customers but in the long run generate loyal customers. These experiences can be anything small from placing a name on the cup, having an order remembered, or even saving one's life. One day, a distressed woman who had never been to a Starbucks struggled to choose her order and impulsively ordered a plain coffee. However, the barista, in turn, asked if she wanted something else in which the lady confessed she was overwhelmed and confused to the point in which she was on the verge of tears. The barista then took her training underway and whipped her up a Toffee Nut Latte, on the house, that she was certain she would enjoy. The customer was thrilled and left with a completely different vibe. Days later, a bouquet of flowers had arrived at the shop with a note explaining how this distressed woman was in a very dark moment, and that the staff at this Starbucks truly made her day and in turn saved her life (Michelli, 26).

This barista's story is an example of Starbuck's "Connect, Discover, Respond" approach in which employees make an effort to get to know their customers and ensure quality service in every customer interaction (Michelli 25). In a different Starbucks location in California, a few baristas noticed a large number of deaf customers who came in to order coffee. These baristas took the time out of work to take American Sign Language (ASL) classes so that they could better communicate with the deaf population. In turn, this has resulted in Starbuck's accumulating a large and loyal deaf population beyond that of California (Michelli, 38). In fact, Starbucks has recently opened its first all-deaf signing store in Washington D.C. "where 24 deaf, hard-of-hearing and hearing employees run the shop using ASL" (Siegel). While these are only a few prominent examples in which Starbucks has proven its effects on customer understanding, it truly goes to show that "[Starbucks is] not in the coffee business serving people, but in the people business serving coffee" (Michelli, 28). As it has been elaborated, it is not always about the product that derives a purchase, but it is the environment that flourishes ones return.

However, just because a company is successful at promoting good experiences does not mean it makes up for poor quality. As illustrated in Figure 4, it is clearly evident that the millennial cohort values quality above all other brand attributes (DeTomi). This too so happens to be one of Starbucks leading principles, which perhaps effects the loyal standing millennials have with the coffee chain. To ensure their coffee met its label of "the freshest coffee on the market," the Starbucks team devoted several years and countless innovations to ensure their coffee could be transmitted across the world, without losing its quality. In order to do so, they improved packaging materials as well as implemented a seven-cent valve that releases aromatic gas, a gas that defines coffee's freshness. Nevertheless, this resulted in the loss of several suppliers who were unable to meet the demands of the company. However, no matter the hurdles that were crossed, the passion behind maintaining the quality of coffee that tastes the same at any store location across the globe, did not deter Starbucks from their vision of coffee that could withstand a short-lived shelf life (Michelli 60, 61). It also is important to note that a seven-scent packaging investment is not the only reason Starbucks coffee is rich in its quality. According to Michelli, Starbucks pays an average of $1.26 per pound more than its rivals (160). Therefore, in comparing the price between a small black coffee at Dunkin' and a tall (small) black coffee at Starbucks, it is surprising to find that the *quality* coffee of Starbucks costs the *same* as the coffee at Dunkin' at $1.95 when viewing the mobile apps.

With a company like Starbucks that has a net worth of $30 Billion Dollars (Dennison), it would be expected that they put their money to good use. Through the use of Corporate Social Responsibility (CSR), Starbucks does just that. According to the University of Edinburgh in Scotland, "CSR aims to ensure that companies conduct their business in a way that is ethical. This means taking account of their social, economic and environmental impact, and consideration of human rights" (What is). In fact, Starbucks mission statement even alludes that they have "affected our neighborhood[s] and communities" (Michelli 4) by stating they "contribute positively to our communities and our environment" (Michelli 153). This may allude to why the coffee chain has such a large consumer base. Perhaps people like to associate themselves with good behavior because it creates an easy avenue to feel a positive connection with a socially conscious company *if* you create business with them. In doing this, one is then contributing to their cause making the consumer feel socially responsible as well.

While there are several examples in which Starbucks is socially responsible, there are three that stand out. The first revolves around wind energy in which the company's leaders have initiated a plan to replace five percent of the company's emissions with renewable wind energy. This is despite the fact that it would cost half as much if they were to stick solely to coal power. In doing so, they are helping the environment by cutting carbon dioxide emissions by two percent and are focused on giving back to the environment, rather than saving a profit (Michelli 31). Secondly, Sheeba Oriko, a Starbucks partner working in the Information Technology (IT) department, who applied to the corporate headquarters because of their socially conscious efforts, has proven to be a strong addition to the Starbucks team. Originally from East Africa, Oriko was familiar with the water epidemic of her homeland and the devastating impact it has on its people. Therefore, with her passion and understanding of the topic at hand, she and the leaders of Starbucks were able to work on providing clean water to children via their Ethos™ water brand. Therefore, when purchasing an Ethos™ water bottle at a local Starbucks location, a portion of the profit is given as charity (Michelli 158). As explained previously, if someone is at a Starbucks location and understands that the Ethos™ water bottle profits benefit those in need, it is probable that they would be more inclined to purchase the water with their coffee or meal than if they were unaware of its mission. This coincides with the previously mentioned personal study titled “Measuring Consumer Habits in Generation Y” that found 68.48% of millennials are more willing to purchase a product if it in turn supports a cause while only 9.78% disagreed (DeTomi).

The last major socially responsible attribution that Starbucks has done is by inventing paper cups that include ten percent recycled materials in an effort to contribute to environmental concerns. (Michelli 73). However, this book was written in 2007 and their environmental pursuits have not ended. This year, it was announced that the coffee chain would abandon its use of plastic straws, especially after viral videos have shown the impacts on marine wildlife. In turn, these straws will be replaced with sippy cups that will decrease the harm to the wildlife. While this won’t take full effect until 2020 and does not eliminate the full use of plasticware, it is taking an initiative to promote change in revamping our environment, especially when it is estimated that there will be more plastic than fish in the ocean by the year 2050 at our current rate (Nace). Nevertheless, these initiatives are among many of Starbucks socially responsible campaigns which resonate with millennials’ desire for social and environmental change (Shanks). This is important because “[p]eople prefer to do business with and work for socially conscious companies” and “companies that focus on environmental impact typically are valued up to five percent higher than comparable organizations without that focus” (Michelli 155). This evaluation not only provides the company with a larger profit to continue its efforts, but also creates a loyal consumer base who consciously chooses to continue business in order to invest themselves in the company’s cause. In fact, an individual who does not drink coffee began volunteering at Starbucks’ volunteer events simply because of their support to the chains mission (Michelli 73, 74). Nevertheless, in analyzing the previous material, it is evident that brand loyal millennials *choose* to be loyal based on the experience that they are provided in terms of both satisfaction and social activism.

While it has been argued time and time again that brand loyalty has been deconstructed by millennials, it is only fair to claim the opposite. It may be true that millennials have reshaped the values in which created the Gen X vision of brand loyalty, but as time and technology advance and new generations arise, so does the ideology behind brand loyalty. The shift between quality driven loyalty and experience-based loyalty not only has impacted the relationship between consumers and brands but has paved the way for a greener future lead by the millennial cohort. It is important to remember that while this is the current future of brand loyalty, it will only continue to evolve on a generational basis. However, this shift will only become more evident day by day as marketers continue to re-gage their target audiences.

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