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Longitudinal study of digital marketing strategies targeting Millennials

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Abstract
Purpose – The purpose of this study is to determine which digital marketing strategies are preferred by Millennials and are effective in influencing their behavior. There is potential growth and value in using digital marketing aimed at Millennials, but the marketing strategies must be perceived positively by this online generation.

Design/methodology/approach – Data were collected over a three-year period (2009 to 2011) by surveying Millennials at a prominent southwest US university.

Findings – Results indicate that Millennials have a definite preference for certain forms of online advertising. There are digital marketing strategies that are considerably more effective in grabbing the attention of Millennials, motivating repeat visits to a web site, and encouraging Millennials to write online reviews.

Practical implications – By taking into consideration the preferences of Millennials, the effectiveness of online communications and digital marketing aimed at this market segment can be increased. Recommendations are made regarding types of online advertising to use, how companies should design their web sites, how to motivate repeat visits to web sites, and how to encourage Millennials to write online reviews. Millennials are reading and being influenced by online reviews.

Originality/value – Even though online advertising is the fastest growing advertising medium, only a small percentage of total advertising expenditures are currently being devoted to the internet. There is potential growth and value in using digital marketing aimed at Millennials, but the marketing strategies must be perceived positively by this generation.

Keywords Digital marketing, Millennials, Internet marketing, Online reviews, Marketing strategy

Paper type Research paper

An executive summary for managers and executive readers can be found at the end of this article.

Introduction

Millennials are going online for shopping, source of news, entertainment, and social networking. Due to their profuse usage of digital media, digital marketing is an effective manner for communicating with Millennials. Digital marketing is considered to be the most promising venue for reaching this generation (Okazaki et al., 2007). Digital Marketing is the practice of promoting products and services using digital distribution channels via computers, mobile phones, smart phones, or other digital devices. Computers and mobile devices are common tools for Millennials; even regarded as essential. While there have been numerous studies about online advertising, there has been little academic research focused on what types of digital marketing strategies are preferred by Millennials and which ones influence their behavior.

The purpose of this study is to examine how Millennials respond to online marketing strategies. Four research questions were answered:

1. What forms of online advertising do Millennials prefer?
2. Which web site features grab the attention of Millennials?
3. How can marketers prompt Millennials to repeatedly visit a web site?
4. What motivates Millennials to write online reviews?

Surveying Millennials over a three-year period, findings identify preferences and trends in online behavior. There is a need for research that identifies digital marketing strategies that attract and engage Millennials. Even though online advertising is the fastest growing advertising medium, only 13 percent of total advertising expenditures are currently being devoted to the internet (The Economist, 2010). There is potential for future growth and value in digital marketing, but marketing strategies must be appealing to the consumer.

The online generation: a literature review

Millennials are the biggest generational group since the baby boomers. Their hefty size and buying power are making them attractive targets for many consumer industries. Estimates are that half of all spending is a result of purchases made by Millennials (Marketing Breakthroughs Inc, 2008). Having grown up socializing and making purchases online, this generation’s usage of e-commerce will continue to grow along with their discretionary income. Millennials have been identified as a driving force behind online shopping.

Some researchers have found this generation to have a high propensity for being market mavens (Gerzema and D’Antonio, 2011). Market mavens are consumers with general product knowledge that act as disseminators of product information. Millennials, like market mavens, are eager to share their
expertise and opinions with other consumers. According to a survey by eMarketer (2010), Millennials are talking about products and services online more than the general population. Of Millennials, 56 percent talk about products and services through social networking sites.

Millennials often look to peers to determine the merit of a product or service. This generation considers the opinions of their peers or fellow consumers to be more credible than product or service. This generation considers the opinions of their peers or fellow consumers to be more credible than traditional media or company sources of information. One study found consumer reviews to be trusted twelve times more often than descriptions that come from a manufacturer (BazaarVoice, 2011). Word of mouth (WOM) is seen as more credible than advertising as it is perceived as having passed through the evaluation of “people like me” (Allsop et al., 2007). According to Keller (2007), WOM has become the most influential communication channel. WOM that travels via internet may be referred to as electronic word of mouth (eWOM).

The internet allows Millennials to exert control over the free market by expressing their opinions through numerous venues that potentially influence a multitude of consumers and marketers. Social media, company web sites, and interactive technologies are empowering Millennials to be more active in the promotion and advancement of products and brands. This online generation is very willing to write reviews, provide product feedback, and promote their favorite brands. Consumer-generated commercials, podcasts, and blogs are on the rise with the aid of web sites such as YouTube, V-Cam, and Google Video.

Some marketers may avoid consumer reviews because of the belief that consumers spread more negative WOM than positive. Research is emerging that point to the opposite. East et al. (2007) investigate multiple studies and concluded that positive WOM occurs approximately three times as often as negative WOM. Since online reviews can be a valuable asset for a company, marketers are proactively trying to induce consumers to spread the word about their products. Providing consumers a venue to voice their opinions has become a business in itself. In return for consumer-generated content, some organizations pay cash, give points, or provide some other form of recognition. By 2013, almost 52 percent of US internet users will have created user-generated content (BazaarVoice, 2011).

Marketers are rethinking their marketing strategies aimed at Millennials. The communication styles that were successful with their parents are being rejected by this generation. Having grown up in an even more media-saturated, brand-conscious world than their parents, they respond to marketing messages differently. This generation prefers buying from companies that help people, communities, and the environment.

Past research has shown some forms of online advertising, such as banner advertising, to be effective in influencing consumer behavior and enhancing ad perception and recall. Personalization has been shown to increase the level of loyalty a consumer feels toward a retailer. Millennials respond to personalized messages.

On the other hand, some research studies have described online advertising as irritating, intrusive, and ineffective. Digital marketing that is viewed in a negative manner can cause consumers to adopt a negative view of the brand being advertised or the web site that contains the annoying ads (Truong and Simmons, 2010). Consumers may find online advertising or promotions exasperating if they impede the person’s ability to accomplish a task. “Banner blindness” is the term used to describe how a consumer will purposefully avoid looking at an online banner ad in order to keep their focus on the job at hand. Another reason consumers may be less responsive to online advertising is that they are inundated with ads. An abundance of annoying online clutter can cause consumers to avoid digit marketing all together.

Research design and hypotheses

To determine which digital marketing strategies are preferred by Millennials and effective in influencing behavior, data was collected over a three-year period from Millennials in a behavioral lab at a prominent southwest US university. The years included 2009, 2010, and 2011. The respondents were students between the ages of 19 and 23. The exact birth years signifying Millennials will vary depending upon the source, but all groupings include the five-year span represented in this survey. For each year, males accounted for 43 to 45 percent of the respondents, while females accounted for 55 to 57 percent. The exact number of respondents for each year was 571 in 2009, 586 in 2010, and 227 in 2011.

Various forms of digital marketing strategies currently being used were examined in the study. The strategies were selected based upon exploratory research using a convenience sample of 70 Millennials at the same southwest US university. This group listed the most common marketing strategies they encounter online in regard to advertising and web site design. Based on a review of literature, the following hypotheses were formulated. Research shows that consumers do not like messages that are annoying or interfere with their work. Believing that Millennials favor advertisements that are less intrusive, the initial thought would be that side-panel ads are most preferred. However, with the advent of the recession and the rise in the usage of coupons by consumers, H1 regards Millennials’ involvement with this trend in consumer behavior.

\[ H1. \] Millennials will increasingly prefer coupons as a mode of online advertising.

A valuable benefit of using digital media is the capacity for a business to offer consumers a personalized relationship. Since Millennials respond to personalized messages, \[ H2 \] was formulated.

\[ H2. \] Personalization will be the most successful web site feature for grabbing the attention of Millennials.

Loyal customers have always been the backbone of a business. In regard to motivating Millennials to repeatedly visit a web site, \[ H3 \] reflects the desire of consumers to save money and reduce expenditures during the current recession.

\[ H3. \] Competitive pricing will be a strong incentive for Millennials to repeatedly visit a web site.

One way to increase product awareness, build a reputation, or gain customers is to have Millennials write online reviews. So, how does one motivate a Millennial to write a review? Personal gain has always been a motivating factor in people’s lives. Marketers are leveraging this human trait by offering incentives to consumers who will write online peer reviews. With this in mind, \[ H4 \] was formulated.

\[ H4. \] Millennials are motivated to write online reviews if there is a personal benefit involved.
**H1: preferred forms of online advertising**

Common forms of online advertising were analyzed, specifically, pop-up ads, side-panel ads, coupons, email updates, advertising in the form of a game, and video advertisements. Respondents were allowed to select three types of advertising that they most prefer.

Survey results strongly supported H1: Millennials will increasingly prefer online coupons. Not only were coupons the favorite form of online advertising, but also the percentage of respondents selecting it increased each year (from 73 percent to 88 percent). This resulted in coupons having a substantial lead over any other mode of online advertising. The economic downturn that began in 2008 undoubtedly had an impact on coupons’ increasing popularity. By 2011, consumers have shifted their buying behavior to spend less and use more coupons.

As shown in Table I, side-panel ads remained the second choice in preferred online advertising. It did not have a huge rise in popularity like coupons, but remained fairly consistent with 74 percent of the respondents choosing it in the final year.

An interesting trend was the substantial increase in Millennials’ preference for email updates. This mode of sending marketing messages was preferred by half of the respondents in the first year. By the third year, almost three-fourths of Millennials preferred email updates as a form of online advertising. This large rise in popularity caused email updates to be virtually tied with side-panel ads as the second most preferred method of online advertising.

With 73 percent of the Millennials favoring email updates, there was a sizeable gap between it and the next favorite form of online advertising. The appeal of ads on YouTube steadily decreased over the three-year span, dwindling from 53 percent to 39 percent of Millennials who favor it as a mode of online advertising. While some advertisements on YouTube are intentionally sought out by the consumer, some ads are not. During the span of this study, short advertisements started being placed at the beginning of select YouTube videos. The consumer is forced to watch the advertisement before viewing the main video. Having ads intrude upon a YouTube video may be an annoying impediment to what the consumer is trying to accomplish. This may be especially true in regard to videos that are educational in nature; YouTube has also become a popular site for gleaning information.

Millennials have shown a waning desire to see ads in the form of a game. In the initial year, 39 percent of respondents liked this strategy, but it diminished to 24 percent by the third year. As for pop-up ads, the overwhelming dislike for this form of advertisement remained constant each year. Only 4 percent or less of the respondents prefer pop-up ads. This is consistent with past research that states pop-up ads are annoying. The overall ranking of the various forms of online advertising remained consistent throughout the three years, lending validity to their assigned status in the eyes of Millennials.

**H2: web site features that grab attention**

While roughly half of the respondents said that personalization on a web site grabs their attention, H2 was not supported because personalization is not the most successful web site feature for grabbing the attention of Millennials. The web site feature that consistently and overwhelmingly catches the eyes of Millennials is the use of graphics. Respondents were asked to look at a list of web site features and select up to three that were most likely to grab their attention. Graphics was selected by almost three-fourths of the respondents each year. This is a lead in excess of 20 percent over the second ranked feature.

The effectiveness of personalization grew over the three-year period, but only slightly. In the first year, 47 percent of respondents reported it as attention grabbing, while 53 percent selected it in the last year. This brought personalization into second place as an attention grabbing strategy.

Three other web site features closely contend for second place: a simple, professional layout, an interactive site, and bright colors. These features seize the attention of approximately half of the respondents. As shown in Table II, the percentage of Millennials selecting these features varied somewhat over the three-year period, but not substantially.

An interesting finding was the increased effectiveness of a simple, professional web site layout. This may support the idea of consumers wanting to de-clutter their online exposure. The number of respondents preferring a simple, professional layout actually decreased the second year and then came back strong with 50 percent of Millennials selecting it.

The least attention-grabbing feature is the use of the word “free.” However, the word “free” does serve a purpose, as identified by the next survey question, free gifts will prompt repeat visits to a web site.

**H3.** Strategies that prompt repeat visits to a web site.

Respondents were given a list and asked to choose up to three items that have an effect on their decision to repeatedly visit a

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**Table I Preferred online advertising**

<table>
<thead>
<tr>
<th>Type of advertising</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coupons</td>
<td>51</td>
<td>59</td>
<td>73</td>
</tr>
<tr>
<td>Side-panel ads</td>
<td>70</td>
<td>73</td>
<td>74</td>
</tr>
<tr>
<td>Email updates</td>
<td>51</td>
<td>59</td>
<td>73</td>
</tr>
<tr>
<td>Ads on YouTube</td>
<td>53</td>
<td>49</td>
<td>39</td>
</tr>
<tr>
<td>Ads in game form</td>
<td>39</td>
<td>38</td>
<td>24</td>
</tr>
<tr>
<td>Pop-up ads</td>
<td>4</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

*Note: Total does not add to 100 percent; respondents could specify up to three choices*

**Table II Web site features that grab attention**

<table>
<thead>
<tr>
<th>Feature</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graphics</td>
<td>73</td>
<td>74</td>
<td>74</td>
</tr>
<tr>
<td>Personalization</td>
<td>47</td>
<td>53</td>
<td>53</td>
</tr>
<tr>
<td>Simple, professional layout</td>
<td>43</td>
<td>38</td>
<td>50</td>
</tr>
<tr>
<td>Interactive</td>
<td>51</td>
<td>49</td>
<td>48</td>
</tr>
<tr>
<td>Bright colors</td>
<td>54</td>
<td>55</td>
<td>46</td>
</tr>
<tr>
<td>“Free” (the word)</td>
<td>29</td>
<td>31</td>
<td>30</td>
</tr>
</tbody>
</table>

*Note: Total does not add to 100 percent; respondents could specify up to three choices*
Incentives to repeatedly visit a web site

Unlike the findings of the first two survey questions, there is not a single overriding approach for soliciting repeat visits. There are many ways to motivate Millennials to repeatedly visit a web site.

Hypothesis 3 stated that competitive pricing will act as a strong incentive for Millennials to repeatedly visit a web site. Competitive pricing did hold onto first place as the most effective strategy for prompting repeat visits, chosen by 71 percent of the respondents in the last year. However, other two strategies, good shipping rates and coupons, were a close second with 65 percent of the respondents choosing them.

Approximately half of the respondents accredited their repeat visits to rewards and free gifts. Personalization closely followed with 46 percent of the respondents selecting it.

As shown in Table III, the list of strategies actually kept their same ranking for all three years. An interesting finding within that ranking is that the strategies that decreased as incentives for repeat visits are non-cost items: updated product information, return policy, and interactive web site. The strategy with the largest increase as an incentive is coupons, going from 58 percent to 65 percent. This coincides with the finding that coupons are the most preferred form of online advertising.

As reported earlier, an interactive web site grabs the attention of half of Millennials, however, an interactive web site does not successfully prompt repeat visits. Only 27 percent of respondents are motivated to repeatedly visit a web site that is interactive. This same percentage is motivated by email updates. An earlier finding showed that three-fourths of Millennials prefer email updates as a form of online advertising, however, email updates are not a strong incentive for repeat visits to a web site.

**H4: writing online reviews**

H4 was confirmed; Millennials are motivated to write online reviews if there is a personal benefit involved. However, it is not the strongest motivator. An interesting trend emerged within the three-year time span of this study. Millennials became increasingly vocal in the marketplace through the use of social media and web sites to spread their opinions about products and companies. As a result, the survey question pertaining to this issue was modified after the first year.

Additional statements were included that relate to the customer’s satisfaction level along with the customer’s interaction with other consumers or the company itself. Respondents answered questions regarding online reviews using a Likert scale; with 1 representing “strongly disagree” and 5 representing “strongly agree.”

The strongest motivation for writing online reviews is an extreme dissatisfaction with the product or company (3.66). Not far behind is extreme satisfaction with the product (3.49) and personal benefit (3.47). All three of these motivators had significantly different means from neutral (3). The results are shown in Table IV.

An intriguing trend is the declining enthusiasm over receiving discounts, coupons, or rewards for writing reviews. There was strong agreement the first two years that these incentives succeed as motivators. This coincided with a statistically significant gender difference in how these concessions are viewed. Offering a discount, coupon, or reward in return for writing an online review was more of a motivator for females than males. However, there was not a gender difference in the third year. Further, being motivated by discounts, coupons, or rewards drastically declined in the third year. Perhaps Millennials are less motivated by rewards because they have become easier to attain. Companies who are struggling to gain a share of the customer’s wallet are offering discounts, coupons, and other rewards in more abundance.

Findings show Millennials to be indifferent about whether company personnel read their reviews. Knowing that other consumers will read their reviews or being able to give and receive feedback were not motivating factors either.

There was a notable steady decline in agreement that one is motivated to write reviews if the process is easy. This may signal that the process of writing reviews has become easier and is considered standard procedure today. With the increasing speed and access of the internet, Millennials can easily post reviews on numerous web sites.

**Summary of Millennials’ responses to online marketing**

Millennials are talking about products and services online, being influenced and influencing others. This generation considers the opinions of fellow consumers to be more credible than traditional advertising. Becoming more active themselves in the promotion and advancement of products and brands, Millennials are having an impact on the marketplace. Online consumer reviews and WOM have the potential to reach hundreds and thousands of people.

Millennials are a new breed and marketers are rethinking the marketing strategies and venues geared toward this generation. With Millennials spending a hefty amount of time online, digital marketing is an effective manner for communicating with this generation. However, it must be done right. Digital marketing that is viewed in a negative manner can cause consumers to adopt a negative view of the brand being advertised or the web site that contains the irritating ads. This three-year study of Millennials found specific online marketing strategies to which this generation responds.

Coupons are overwhelmingly the favorite mode of online advertising by Millennials. There was a substantial increase in the popularity of email updates over the three-year period, which caused it to be the second most preferred form of

**Table III Incentives to repeatedly visit a web site**

<table>
<thead>
<tr>
<th>Incentive</th>
<th>% of respondents 2009</th>
<th>% of respondents 2010</th>
<th>% of respondents 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive prices</td>
<td>69</td>
<td>72</td>
<td>71</td>
</tr>
<tr>
<td>Good shipping rates</td>
<td>67</td>
<td>63</td>
<td>65</td>
</tr>
<tr>
<td>Coupons</td>
<td>58</td>
<td>60</td>
<td>65</td>
</tr>
<tr>
<td>Rewards for returning customers</td>
<td>52</td>
<td>59</td>
<td>52</td>
</tr>
<tr>
<td>Free gifts</td>
<td>52</td>
<td>49</td>
<td>50</td>
</tr>
<tr>
<td>Personalization</td>
<td>49</td>
<td>46</td>
<td>46</td>
</tr>
<tr>
<td>Updated product information</td>
<td>48</td>
<td>41</td>
<td>42</td>
</tr>
<tr>
<td>Favorable return policy</td>
<td>47</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Interactive web site</td>
<td>32</td>
<td>29</td>
<td>27</td>
</tr>
<tr>
<td>Email updates</td>
<td>26</td>
<td>26</td>
<td>27</td>
</tr>
</tbody>
</table>

**Note:** Total does not add to 100 percent; respondents could specify up to three choices.
Companies should connect with this new generation of Millennials; their social networks, search engines, and other favorite stomping grounds. Companies must find ways to pull this generation to their website and into a relationship. By taking into consideration the preferences of Millennials, the effectiveness of online communications and digital marketing aimed at this market segment can be increased.

Managerial implications and applications

The old pushed advertising approach is not highly effective with Millennials. Marketers are joining Millennials online, in their social networks, search engines, and other favorite stomping grounds. Companies must find ways to pull this generation to their websites and into a relationship. By taking into consideration the preferences of Millennials, the effectiveness of online communications and digital marketing aimed at this market segment can be increased.

Companies should connect with this new generation of consumers on their turf, the digital arena; this will facilitate successful communications. Marketing via the internet can level the playing field between large and small companies. Millennials are responsive to online coupons; a company should use this form of online advertising extensively. Also, businesses can effectively communicate with Millennials through email updates; they will be noticed. Do not use pop-up ads; this generation hates them. Almost 40 percent of Millennials still enjoy ads on YouTube; however, this form of advertising seems to be decreasing in effectiveness. While placing an ad at the start of a YouTube video may be an easy mode of advertising, it is worth noting that the ad has the potential to do more harm than good. Consumers become exasperated at advertising that impedes their ability to accomplish a task. Also, keep in mind that as consumer-generated content on YouTube increases, marketers face stiff competition in vying for a person's attention.

Spend the extra money to have superb graphics on a company website. Graphics are the one feature that overwhelmingly catches the eyes of Millennials. The use of bright colors is effective, but make sure the design is simple and professional looking. There is already too much "clutter" on the internet. Personalize the website. This generation likes the personal touch and the chance to network with the marketer. Make the website interactive so that Millennials can interact with the company and possibly have a part in the promotion and advancement of products and brands.

If you want Millennials to repeatedly visit your website, make sure your pricing is competitive. They, like other consumers during this time of economic distress, are looking for the best value. Value can also be provided through good shipping rates, coupons, rewards, free gifts, and a favorable return policy. Millennials also appreciate up-to-date product information on a website.

A marketer who motivates and facilitates online reviews can utilize the free-flow of consumer-generated content to promote a brand or company. Internet-empowered Millennials are ready to "jump on the bandwagon" if the digital message appeals to them, or shun a product if the message annoys them. Online reviews are very influential, especially with Millennials. Of course, satisfying the customer must be the first order of business in order to receive a positive review. Encourage Millennials to write online reviews by giving them a discount or coupon as an incentive. This generation responds well to rewards. A "freebie" may be a small price to pay in return for a positive review that is read by numerous internet shoppers. Millennials also appreciate up-to-date product information on a website.

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Table IV: Motivations for writing online reviews

<table>
<thead>
<tr>
<th>The following motivates me to write online reviews:</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am extremely dissatisfied with the product or company</td>
<td>n/a</td>
<td>3.70 *</td>
<td>3.66 *</td>
</tr>
<tr>
<td>I am extremely satisfied with the product or company</td>
<td>n/a</td>
<td>3.77 *</td>
<td>3.49 *</td>
</tr>
<tr>
<td>I receive a discount, coupon or reward for writing a review</td>
<td>4.14 *</td>
<td>4.01 *</td>
<td>3.47 *</td>
</tr>
<tr>
<td>I am assured that company personnel will read my review</td>
<td>n/a</td>
<td>3.23</td>
<td>3.15</td>
</tr>
<tr>
<td>It's easy and quick to write a review</td>
<td>3.75 *</td>
<td>3.45</td>
<td>3.04</td>
</tr>
<tr>
<td>I am able to give and receive feedback on reviews</td>
<td>n/a</td>
<td>3.02</td>
<td>2.83</td>
</tr>
<tr>
<td>I am assured that other consumers will read my review</td>
<td>n/a</td>
<td>2.95</td>
<td>2.82</td>
</tr>
<tr>
<td>I receive an email or Facebook message asking me to write a review</td>
<td>n/a</td>
<td>2.10 *</td>
<td>2.17 *</td>
</tr>
</tbody>
</table>

Notes: Mean on a scale of 1 to 5 where 1 is strongly disagree and 5 is strongly agree; *Responses were significantly different from neutral (3.0); Sig. = 0.000
References


About the author

Dr Katherine Taken Smith is an Assistant Professor of Marketing at Murray State University. She previously taught in the Mays Business School at Texas A&M University. Her research focuses on digital marketing and green marketing. Dr Smith’s research articles have appeared in a number of publications, including *Business Horizons, Journal of Strategic Marketing*, and *International Journal of Electronic Marketing and Retailing*. She serves on the editorial boards of six national journals. She has co-authored several books. In addition, she has made presentations at professional meetings in the USA and abroad. In 2010 she received the Outstanding Educator Award from the Academy of Educational Leadership. Katherine Taken Smith can be contacted at: dr.kathy.smith@gmail.com

Executive summary and implications for managers and executives

This summary has been provided to allow managers and executives a rapid appreciation of the content of this article. Those with a particular interest in the topic covered may then read the article in toto to take advantage of the more comprehensive description of the research undertaken and its results to get the full benefits of the material present.

The sizeable cohort referred to as Generation X or Millennials is of particular interest to marketers. These consumers boast considerable spending power and are thought to account for around half of the total purchases made.

Millennials have grown up in a digital world and frequently use the internet for their shopping activities. They in addition seek news and entertainment and engage with social networking platforms. With their disposable income set to keep increasing, many analysts predict that Millennials will continue to be mainstays of e-commerce.

Given the widespread adoption of computers, mobile phones, smart phones and other digital devices among this generation, firms are not surprisingly inclined to promote their products via electronic media channels. Digital marketing is regarded as the most appropriate means of connecting with Millennial consumers.

Research has suggested that Millennials are keen to interact with others on social networking sites in order to exchange information and opinion about products. Peer judgment and evaluation is valued and perceived as more credible than information provided by organizational sources or traditional media. As a result, word-of-mouth (WOM) recommendation from other consumers is highly influential. In addition to writing reviews and providing feedback, this generation is also eager to endorse their favorite products through web sites like Google Video and YouTube.

Online reviews can significantly boost the profile of a product or brand. In the past, marketers have deliberately ignored consumer-generated assessments in the mistaken belief that negative WOM was a likely outcome. However, evidence suggests that positive recommendations occur much more frequently. Many marketers now offer various rewards in an attempt to persuade consumers to act as ambassadors for their products.

Reaching Millennials demands careful consideration of what marketing strategies to use. The unique characteristics of this generation means that methods of communication employed in previous eras are unlikely to succeed. Millennials care about society and the environment and favor companies, which share these concerns.

There is some indication that personalizing messages is a way to capture the attention of this cohort. Such a strategy is also a way of increasing customer loyalty levels. Certain scholars have found online promotion through such as banner advertisements to be effective in this respect. While these advertising forms might improve understanding and recall of ads, participants in some studies commented on their annoyance and intrusiveness. Negative responses to digital marketing can trigger similar perceptions of the advertised brand. The potential to distract from important tasks is another minus, along with overuse of this technique. Total rejection of digital marketing can result under such circumstances.

Smith investigates these issues in a study involving Millennial consumers recruited from a major university in Southwestern United States. The study was conducted over three years from 2008 with student respondents between 19 and 23 years old. A total of 1,298 subjects were recruited and in each year females accounted for 55 to 57 percent of the sample and males 43 to 45 percent.

Findings indicated that:

• Coupons were easily the most preferred form of online advertising. This preference increased each year of the
study and could be due to the fallout from the economic downturn, which started in 2008;
• Side-panel advertisements and email updates were roughly equal in second spot. While the popularity of side-panel ads remained at a constant level, preference for email updates increased substantially throughout the study period;
• Preference for YouTube advertisements declined steadily, possibly due to the intrusive nature of ads, which appear before the viewer can access requested material;
• Ads in the form of a game also showed a decrease in popularity; and
• Least favored were pop-up ads, with only around 4 percent of respondents choosing the form.

Order of preference remained the same over the three years. When it came to web site features, which grab their attention:
• Use of graphics was overwhelmingly considered most effective each year;
• Subjects also placed a slightly increasing value on personalization;
• An interactive site, bright colors and a simple, professional layout were next in line. The latter suggests a desire among consumers to ‘de-clutter their online exposure’. During the study, minor variations in preference for these features were recorded; and
• Using the word ‘free’ was least effective.

No one factor worked best to encourage repeat visits to a web site. Subjects reported that competitive pricing, attractive shipping rates and coupons were most persuasive, followed by rewards, free gifts and personalization. A decrease in effect was recorded for updated product information and returns policy. Interactive web site followed the same pattern, inviting the conclusion that factors which initially grab a consumer’s attention won’t necessarily inspire further site visits. A similar finding for email updates provides further support for this claim.

Millennials are motivated to write reviews when;
• Their dissatisfaction or satisfaction with a product or organization is extreme;
• They will be compensated; and
• Discounts, coupons or rewards are offered. Females respond more than males to these factors, the impact of which weakened considerably in the final study year. One reason for this could be that the prevalence of different rewards has blunted their significance.

A simple process for review writing showed a steady reduction in importance. Knowledge that company personnel or other consumers might read reviews did not motivate subjects, who displayed similar indifference to the issue of giving or receiving feedback.

According to the author, digital marketing strategies aimed at Millennials will only succeed if the cohort regards them favorably. Marketers are urged to develop an internet presence in order to meet these consumers on their own territory. It is also claimed that online marketing can help small firms to compete on more equal terms with larger rivals.

Smith believes that boosting the efficiency of online marketing activities demands an acknowledgment of Millennial consumer preferences. She recommends extensive use of strategies that the present research indicates are most likely to elicit a desired reaction. Caution is likewise advised against advertising that might inhibit task completion. The increase in consumer-generated content on YouTube is a potential obstacle for advertisers hoping to attract consumer attention through this platform.

More feasible are investments to help enrich the company web site through graphics, colors and layout. Making the site more personalized and interactive can also pay dividends by enticing the consumer to become more involved in product and brand promotion.

The prominence of social networking among this generation highlights the influence of online consumer reviews on purchase decision making. Reviews are typically read by scores of online shoppers, so companies should offer rewards to Millennials in the form of discounts or coupons to persuade them to engage in writing them.

(A précis of the article “Longitudinal study of digital marketing strategies targeting Millennials”. Supplied by Marketing Consultants for Emerald.)
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