

Behold the B2B Millennial

Charting the B2B Millennial path to purchase, and figuring out what *really* influences their buying decisions

Stop waiting for Millennials to arrive at the B2B table. They're already here.

More than one in three American workers are now Millennials and these digital natives don't respond to marketing the same way as their Gen X and Boomer predecessors.

"Last year, people really began to think about the power of Millennials in B2B and the fact that they are ready to be influencers," says Mike Neumeier, principal, Arketi Group. "We spent the last 20 years ringing our hands about the Baby Boomers and now we need to create messages for a younger group."

Image wise and brand wise, demographics are changing, he adds. "The stock photo of the young guy in the business suit doesn't resonate today—that guy is 55 now. That's not how Millennials work. They don't wear suits and ties."

"There's no silver bullet to reach this audience," notes Michael Sichmeller, vice president/director of customer experience design at Gage. "A mix of channels and approaches is your best bet in most cases to figure out what works best. You can't just hop on the trends."

GET REAL

One mistake is when brands try to connect with Millennials in a way that seems manufactured. "You can't just hop on this trend and try to be 'fake Millennial' in a way that isn't authentic," says Sichmeller.

"Authenticity has to come through," agrees Melody Gintert, director of market and consumer insights for Alliance Data. "This generation will hold you accountable—they might tolerate a service mistake multiple times, but you can't break a promise to them based



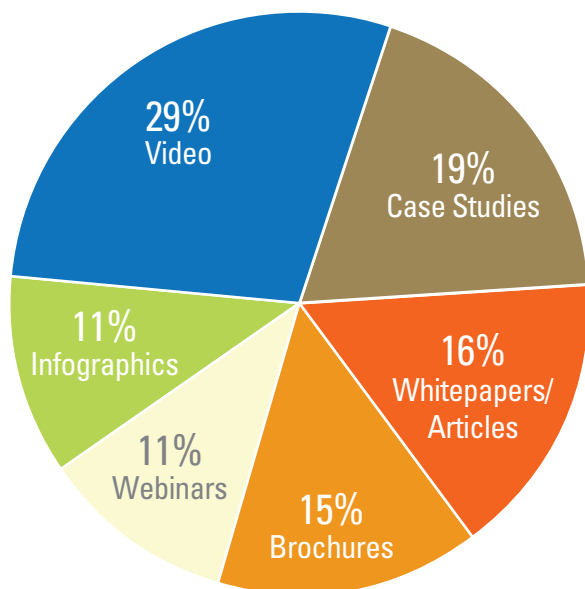
on morality or values."

B2B marketers have the challenge of needing to be approachable, but still hands off, notes Heather Wadlinger, director, customer experience/research and strategy, Sacunas.

To connect with Millennials, B2B marketers should look beyond personas to behaviors. "B2B is a com-

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What types of content do Millennials prefer when making B2B purchasing decisions?



Source: Sacunas, "The Next Generation of B2B: How the Millennial Business Buyer is Changing B2B Sales & Marketing"

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plex environment and you need to break out the buyer experience across channels, and consider how they research products and their experience [with your brand]," she says.

THE HUMAN TOUCH

"Because they're so digital savvy, many people think of Millennials as a whole new breed of people and that's a mistake," says Kim Finnerty, vice president, strategic consulting, Epsilon. "They're people like everyone else and there are subgroups of them—when you look at them by lifestage, they look similar to other generations."

Millennials want to do their own research and are open to high touch later in the process. "Millennials are consensus decision makers—Boomers and Gen X will make decisions on their own. Millennials want the support of their team," Wadlinger says.

Humanizing the brand is a common B2C way to connect with Millennials, and many B2B brands haven't mastered this yet. "Messaging that resonates with Millennials has a lot to do with social causes and philanthropy," she continues.

"They may be digital natives, but personal interaction is important for them," says Neumeier. "They're not

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HEINEKEN DRAFTS MOBILE MARKETING

To connect with Millennial bar and restaurant operators, Heineken Kirin Japan created a mobile app for sales reps and brand ambassadors.

The app, introduced in early 2015, helped Heineken's reps share marketing and promotional opportunities with its 25,000 bar and restaurant clients in Japan, says Derek Pollock, president of mobile marketing platform Proscape.

"There are more Millennials now than Baby Boomers, so when you go to market, you have to think mobile," says Pollock. "You don't want to lose the brand battle, because they're going to have the biggest buying power over the next 20 years."

Because Millennials like to collaborate, it's important to give them a way to share their insights. "They want relationships to be two-way and you need to listen to them," he says. "You need to be open and honest—the minute something isn't authentic, they'll turn away."

Via the app, sales and brand reps are able to share a wealth of information, such as the latest Heineken television campaigns, what branded apparel is available to buy to outfit bar staff, and upcoming promotions related to big events like the World Cup. The app is updated weekly with new content and campaigns, and users can personalize the app experience to cater to different customer's interests.

Perhaps most importantly for the brand, reps are able to collect data about their accounts via the app to help



inform future marketing decisions. This can include everything from the demographics of a bar's patrons to the average ticket for customers, both in terms of dollars spent and food and drink consumed. This can help reps make recommendations about variables like what size glass might be best for a restaurant to use or how many pours they should be getting from each keg.

"The app reshaped [our] data flow and [resulted] in gaining continuously vital market insights," said Dominique N. Jung, general manager, Heineken Kirin Japan.

"Millennial [business people] don't just want you going for their wallet—they want to know how you can help them," says Pollock.

ON THE JOB

THE CHALLENGES OF HIRING—AND RETAINING—MILLENNIAL MARKETERS IN B2B

Many marketing organizations have gone through this scenario: You hire a terrific new young employee, and invest time in training them about your industry and processes....and then they jump ship 18 months later.

Millennials in particular have a reputation for not sticking with an employer for very long. Is there a secret to retaining good marketers in this demographic?

"You need to keep them engaged," says Michael Sichmeller, vice president/director of customer experience design at Gage. "They tend to be more optimistic but they can get disengaged. They're used to being bombarded with information at all times—it's how they live their lives."

Millennials like independence, says Sichmeller. "It reminds me of the Silicon Valley sort of attitude—they like to collaborate in the workplace and look at work as secondary to lifestyle. The workplace is evolving."

Of course, some of the challenges ascribed to Millennials exist simply because of their lifestage, notes Mike Neumeier, principal, Arketi Group. "Anyone who starts a job in their early 20s probably isn't going to stay for 10 years."

Over half of Alliance Data's employee population is comprised of Millennials, notes Melody Gintert, director of market and consumer insights for Alliance Data. To court up and coming employees, the company has a paid internship program. "It's kind of like a 12 week interview process, where they get to participate in different parts of our organization."

"Millennials have high expectations of their workplace," she says. "People want the space to be brave if they have ideas to share."

"I don't think Millennials feel as entitled as rumored—they're not stepping on the job and looking to get promoted on day two," notes Kim Finnerty, vice president, strategic consulting, Epsilon. "But I do think that it is helpful to offer smaller rewards along the way. Instead of waiting for two-years for the next promotion, offer a certification



to give them feedback. That's valuable to them—a lot of Boomers didn't get feedback from parents or supervisors. Millennials were raised with that."

Millennials are also time-shifted, she says. "Some people might complain about Millennials not working a 9-5 schedule, but they've really figured out how to make that digital life work for them. They can do their shopping at 3 am while feeding the baby and work at 9 pm when the baby is sleeping," she says.

And, young marketers in this demographic don't start at a company thinking that if it works out they could be there until they retire. "They don't have the same philosophy as the Baby Boomers," says Heather Wadlinger, director, customer experience/research and strategy, Sacunas.

This group is attracted to companies where employees are seen as an asset rather than a risk or expense center. "They want to work someplace that is genuine and feel like they are working towards some social good," Wadlinger says. "They want to be somewhere where they can be innovative and explore."

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just jumping on social in the discovery stage when researching technology options, which is reassuring."

THE B2B MILLENNIAL PURCHASE PATH

A new survey by Arketi Group found that 61% of Millennials describe their role in technology purchases within their organization as decision-maker and 34% report having budget and/or final sign-off authority on enterprise technology purchases of \$10,000 or more. By comparison, 23% of Baby Boomers and 27% of Gen X report the same budget and sign-off authority.

Millennials' most frequently used sources of information include: industry analysts (38%), vendor face-

to-face meetings (36%) and vendor websites (33%). A greater number of Baby Boomers rely on industry analysts (50%), followed by colleagues (49%) and vendor face-to-face meetings (48%). The top of Gen X's list includes colleagues and vendor websites (both at 40%), and analyst and trade shows (both 38%) when it comes to information sources that most influence enterprise technology buying.

According to Arketi's report, "Not Your Father's Buying Decision: How Three Generations of B2B Technology Buyers Decide What to Purchase," at the start of a typical B2B buying cycle, 29% of Millennials most often seek information from analysts and colleagues. As a buyer moves from identifying the problem to researching available solutions, the data shows Mil-

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SOCIAL CONNECTION

SURE, B2B MILLENNIALS ARE SOCIAL, BUT DON'T OVERLOOK OTHER CHANNELS

Epsilon's #marketingtomillennials report shows that 39% of Millennial retail spending is done digitally, and 31% of Millennials have had recent Facebook activity in the last week. But it isn't about how much Millennials use social media, as it is how much faith they put into it, says Kim Finnerty, vice president, strategic consulting, Epsilon. "They put more weight on a Facebook post or a YouTube celebrity to influence the process. Millennials are used to seeing a lot more varied content in unusual places."

B2C brands have done a good job over the last decade of creating engaging content in a variety of formats to share via social. "I don't see as much of that happening in business-to-business and it's a good opportunity to share industry education," says Finnerty.

While often not positioned as a major B2B marketing channel, Facebook was cited as the most important channel for B2B research in Sacunas' "The Next Generation of B2B" report; 40% of those surveyed said they use it. Next was YouTube (17%), Google+ (12%), LinkedIn (7%), Twitter (6%), or other (3%). A third of respondents use LinkedIn on a weekly basis; 63% use it overall.

"Reviews, word of mouth and video in particular are important in social to convey what your brand has to offer," says Heather Wadlinger, director, customer experience/research and strategy, Sacunas. "Show how your prod-

ucts actually work, rather than just talking at them."

But don't forget the tried and true, says Finnerty.

Millennials are about more than social. "There's a tendency to discount some of the more old school approaches like email, and it's a mistake to leave those tools behind. Millennials multitask when it comes to looking for information."

"It's true that they use multiple devices more but they do pay attention to print too—our Customer Focus research shows that in acquisition 77% pay attention to direct mail, and 51% pay attention to email," agrees Linda Antos, corporate market development analyst, Quad/Graphics.

"Vendor websites are also important," notes Neumeier. "They want to judge what you are putting out there—of course, that doesn't mean they believe all of it."

"Millennials might not spend a lot of time there, but they will use your main web presence to decide if your brand should be on the short list," adds Wadlinger.



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lennials seek increasingly more interpersonal interactions. In this phase, about a quarter of Millennials turn to colleagues face-to-face meetings with vendors. When they've got their shortlist, Millennials are focused on face-to-face meetings (24%), colleague opinions (23%) or live demos (21%).

"Two interesting trends that stand out from the data. First, Millennials are less reliant on any one information source than the other two cohorts. Second, it appears face-to-face interactions, not social media channels like Facebook, are important to Millennials making major technology business decisions," notes Arketi's Neumeier.

STARTING WITH SEARCH

Search is the top way Millennials begin their research process, starting off with generic terms and then narrowing down their queries. They go beyond product attributes, Wadlinger says, looking at the companies themselves and the people who work for them. "They even look at GlassDoor to see if these are the types of people they want to work with."

In fact, a new research study from Sacunas, "The Next Generation of B2B: How the Millennial Business Buyer is Changing B2B Sales & Marketing," found that

"B2B IS A COMPLEX ENVIRONMENT AND YOU NEED TO BREAK OUT THE BUYER EXPERIENCE ACROSS CHANNELS, AND CONSIDER HOW THEY RESEARCH PRODUCTS AND THEIR EXPERIENCE [WITH YOUR BRAND]."

—HEATHER WADLINGER, SACUNAS

over a third of Millennials see GlassDoor as important to their decision making process.

Sacunas surveyed over 2,000 Millennials about their B2B social media and buying habits. Not surprisingly, the youngest Millennial cohort surveyed (ages 20-24) cited social as being more important to the decision making process than older cohorts (ages 25-29 and 30-35), and view social causes as more important than older Millennials.

In 2015, there were 55.2 million Millennials in the U.S. workforce, a number that will grow to 74 million by 2025. Of the Millennials surveyed by Sacunas, 73% were involved in purchase decisions at their compa-

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nies and about a third were the sole decision maker for their department.

A quarter of respondents said search was the most important channel for researching new products and services, while 11% said social. Twenty percent said vendor websites, 17% peers or colleagues, 12% salespeople, 11% industry publications and 4% trade shows.

What are Millennials looking for in a B2B vendor? The top priority was ease of doing business (35%), followed by willingness to work collaboratively with their organization (33%), and industry/marketplace experience (31%), according to the IBM Institute for Business Value Millennial Survey.

How did this compare to Gen X and Baby Boomers? In the IBM study, Generation X gave the ability to deliver products/services to their satisfaction (44%) top priority, followed by reputation (35%) and expertise (34%). Boomers cited an ability to respond quickly (42%), commitment to social/environmental responsibility (33%), a willingness to work collaboratively (31%) and use of latest technologies (31%) as their top vendor concerns.



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