

If You Want to Appeal to Millennials and Gen Z, Look Beyond the Latest Trends

Brands can capture the younger generations by establishing categories.

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Building a successful consumer brand for the Millennial or Gen Z market is undoubtedly a challenge. Both are notoriously fickle, and are often driven more by principles and self-education than by fixed habits or blind loyalty to a brand, much less the celebrity endorsing it.

This has significant implications for brands creating products aimed at this audience. Indeed, it's possible that many companies may have their branding strategy back-to-front. Instead of following the latest trends, startups with ambitions to create value in these markets should think about driving them.

Why brands should put category before trend

When launching a new brand, companies will typically aim to differentiate themselves from their competitors. But that brand will have little value if the category or market in which it's being sold isn't growing. This is especially important when it comes to Millennial and Gen Z consumers –

because they are decidedly less loyal to a singular brand, they take greater cues from the whole category of brands.

The habits and interests of Millennials and Gen Z are constantly in flux because there is so much more information thrown at them through social media and other channels. It's almost impossible for a company to predict what the next big thing will be in six months' time, let alone the next big brand strategy.

Companies that opt to follow these allegiance-shifting consumers down the rabbit hole will find themselves constantly having to reinvent their identity, which can lead to them bleeding market share. A better way to approach this audience is by inventing new consumer habits through categories of product and subsets of brands within these categories, rather than purely trying to time the market.

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Changing habits of the new generation

At the moment, big corporations have the infrastructure and resources to quickly turn out products that will capitalize on the latest trends. But, in saying that Millennials like this, and Gen Z likes that, brands can be in danger of seriously misunderstanding their target audiences and why they choose to buy what they do.

The habits of an entire generation are changing quicker than ever before. 22-year-olds, for example, are among the last to remember how speaking with their friends on the phone required them to call their parents first. 12-year-olds, on the other hand, probably don't even know what a landline is.

The way Millennial and Gen Z consumers interact with brands – and the stimuli that capture their attention spans – are

changing at an unprecedented rate. On the plus side, this effectively makes them a canvas on which brands can superimpose their trends.

As consumer attention spans shrink, the ability for firms to retain customers becomes more difficult and the lifecycle of brands gets shorter and shorter. This is where the category build comes in. The category presents an opportunity for industries to codify branding rules that are less vulnerable to changing trends. Done correctly, they can even create more value for firms over the long term.

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Putting categories into practice

A good example of the category build is in Scotch whisky. For a drink to be a scotch, the liquid cannot be less than 40% ABV. However, scotch loses alcoholic content as it ages. The older the scotch, the more precisely the master distiller had to be in predicting when it could sell. The ability of the category's distillers to predict – often decades in advance – that a certain scotch can be bottled and sold at 40% ABV at year 30 and not become worthless at year 28 is one of the reasons that premium Scotch whiskey has outperformed every other asset class over the last two decades.

This category rule has also contributed to the growth of the spirits industry despite declining sales volume. Millennials and Gen Z are drinking less, but they are spending more when they do. For them, it's not about getting drunk – it's about the experience. For Millennials and Gen Z consumers, brands are only fully appreciated when they see a brand in the context of its category.

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