

The Beauty of Brand Loyalty

– a case study of how marketers view Millennials' brand loyalty in the beauty industry

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Abstract

The generation of Millennials is becoming a very important segment in today's beauty market, because of their large size, purchasing power and engagement on social media. The Millennial consumers are heavy buyers of beauty products, but heavy buyers are not always loyal to the beauty brands. The concept of what is considered beautiful constantly changes, and there is an aspect of trendiness to the use of cosmetic products. Brands launch new products on a regular basis to follow fashion and because the product life-cycle often is short, and purchasing what is trendy right now might not leave much room for loyalty, as other brands or products are soon trendier.

There are constricting views on whether it is possible to achieve brand loyalty among Millennials. Many question the possibility of gaining brand loyalty among this generation, others state that while they could possibly be loyal, this usually only lasts for a short period of time. Although several attempts to establish whether Millennials are in fact brand loyal have been made, few have looked at how marketers view brand loyalty when marketing to Millennials. Therefore, the purpose of this study is to add understanding of how companies in the beauty industry can work to create brand loyalty among Millennials, through a case study of the world leading beauty company, L'Oréal.

This exploratory study takes on an inductive research approach, as it aims to add understanding in the field of brand loyalty among the generation Millennials. In order to answer the research questions, five semi-structured interviews were conducted on marketers who are experts in the field of marketing towards Millennials.

The results of this study showed that the generation Millennials is an important target group in the beauty industry of today, due to their large size and strong power of choice. There is a congruence between the Millennial self-image and brand image, which proves the importance of a positive brand image. The findings also showed that it is important for companies to speak the language of Millennials but still keep a coherent balance among brands. Offering an experience to Millennials makes them more perceptible to brand loyalty, if the experience is positive, and co-creating brand personalities can help in this endeavor as well. Other valuable findings showed the importance of authenticity and credibility together with of a full range brand portfolio, due to lower incentives to switch between brands. This study contributes with understanding to how marketers in the beauty industry can work towards achieving brand loyalty among the generation Millennials, by giving examples of how five experienced marketers at L'Oréal works with this challenge. Furthermore, the results of this study contribute to the research gap and are applicable in the research area of brand loyalty in the beauty industry. The study uncovered that digital marketing works without paid media, but paid media without digital marketing is not an option. Therefore, one of our recommendations to companies in the beauty industry is to always use digital media while marketing towards the generation Millennials.

Key words: Brand loyalty, Millennials, brand management, marketing, beauty industry, beauty marketing

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1. Introduction

This chapter aims to introduce the empirical and theoretical background this study's area of research. The background discussion is followed by the identification of the research gap and leads to the purpose of this study. Research questions are outlined and in the end delimitations are stated to clarify the objectives of this study.

1.1. Background

Headlines such as “How Millennials Are Changing Beauty” (Cirisano, 2017) and “Millennials Dominate US Beauty Market” (McCarthy, 2016) are a common sight in today's news landscape. Mentioned frequently, the generation of Millennials is becoming a very important segment in today's beauty market, because of their large size, purchasing power and engagement on social media. According to Fromm and Garton (2013, p. 15) Millennials are people who are born between the years 1977 and 1995, and they are now larger as a group than the Baby Boomers (born 1946-1964) and three times the size of Generation X (born 1965-1976).

In 2016, 44 percent of Millennial women (18 to 34 years old) were heavy buyers of makeup, buying 10+ cosmetics products per year. They are buying the most out of all the generations (TABS Analytics, 2016, p. 3). Buying 6 or more products per year, 35 respectively 32 percent of the Millennials (aged 18-24 respectively 25-34) represents heavy buyers of skincare (TABS Analytics, 2016, p. 7). Thus, it is clear that Millennials are an important consumer group to catch for beauty companies. The beauty industry is a fast-moving market when it comes to trends and Millennial women between the ages of 25 and 34 is the segment that spend the most money on cosmetic products. However, Kurt Jetta, Founder and CEO at TABS Group argues that “The heaviest cosmetics shoppers demonstrate no brand loyalty, purchasing more than 8 brands, on average, and shopping at many more outlets than lighter buyers” (Beauty Packaging, 2014).

The Millennial consumers are heavy buyers of beauty products, but heavy buyers are not loyal to beauty brands. When consumers of beauty products become older, they buy less products (TABS Analytics, 2016, p. 3) and while not being specific to consumers in the Millennial generation, consumers of beauty products tend to buy several brands (TABS Analytics, 2016, p. 8-9). This indicates that the beauty business either deals with disloyal consumers or consumers that are loyal to a specific number of brands (Franzen & Moriarty, 2009, p. 322), proving that raising brand loyalty among consumers is of interest to the entire beauty industry, and thus demonstrating a practical need for studies on the subject.

If consumers become less loyal with age and Millennials are not loyal to begin with, as well as decrease their consumption of beauty products with age, beauty companies are fighting an uphill battle. Spending efforts on branding is one way that the literature suggests using to improve brand loyalty. Brand loyalty cannot be achieved without branding, as without a clear view of what values a brand stands for, the consumer cannot even consider if the brand is coherent with their own values and desired image (Lazarevic, 2012, p. 47).

According to Kuschel and Petsitis (2001), the concept of what is considered beautiful constantly changes, and there is an aspect of trendiness to the use of cosmetic products: “Present-day concepts of beauty are based on a desire for the face to appear as natural and well-groomed as possible. Shades considered appropriate for this purpose vary greatly depending upon current fashion and the type of person involved”. Brands launch new products on a regular basis to follow fashion, and the product life-cycle is often short – sometimes as short as three months (Kumar et al., 2006, p. 292). Marketing and brand strategy is thus important to keep consumers from deserting a brand when trends change. This is especially important considering that ignoring the variety in purchasing behaviors of different audiences can cause severe damage to a brand (Fromm & Garton, 2013, p. 46). Ignoring the characteristics of Millennials can be a major oversight; it was recently claimed that a certain beauty brand “(...) speaks the language of the millennial shopper” (Borchardt, 2017), which was the explanation for why it was stealing away consumers from other brands. This suggests that Millennials are so different from previous generations that companies need to learn new ways of approaching this group, and Fromm and Garton (2013, p. 46) argue that Millennials respond to a different kind of marketing than other generations. According to Parment (2012, p. 8) it is crucial to develop strategies regarding Millennials, as they are the future of consumption. According to Papista and Dimitriadis (2012, p. 49) cosmetics brands have a lot of meaning connected to them, and they are important tools for the consumer in expressing who they are.

It has been suggested that branding is a cornerstone in the efforts of reaching Millennials, as they use brands to express themselves (Lazarevic, 2012, p. 47). Ordun (2015, p. 53) reasons that Millennials equate trends with prestige; in fact, they purchase certain brands to project a trendy social image (Lazarevic, 2012, p. 47). This resonates with keeping consumers close when new trends cry out for their attention and the competition is trying to allure them with new products. Logic states that it is possible to oppose this by heavy efforts put on creating a strong brand, but this is a simplified explanation. Purchasing what is trendy right now might not leave much room for loyalty as other brands or products are soon trendier. Particularly since this group is especially conscious about how their purchases affect their social status among their peer group (Fernandez & Lean, 2009, p. 74), brand loyalty can be hard to achieve. Marketers affect how brands are shaped, and Papista and Dimitriadis (2012, p. 49) state that “understanding how consumers form brand loyalty as they shop for and consume cosmetics brands, managers can develop marketing strategies to effectively appeal to consumers” (Papista & Dimitriadis, 2012, p. 49). Furthermore, marketers need to understand what specifically motivates brand loyalty in a certain category (Franzen & Moriarty, 2009, p. 327). All of this jointly, explain why it is relevant to look at their perceptions of how to create brand loyalty among Millennials. According to Smith (2012, p. 89) “marketers are rethinking the marketing strategies and venues geared toward this generation”, referring to the Millennials. Which further points at the usefulness of studying how marketers are reasoning when they create strategies towards Millennials.

Many studies have been conducted on Millennials’ brand loyalty, but there are constricting views on whether it is possible to achieve brand loyalty with this group. Many question the possibility of gaining brand loyalty among Millennials; Lazarevic (2012, p. 45) even goes as far as calling Millennials “(...) notoriously disloyal to brands”. Others state that while they could possibly be loyal, this usually only lasts for a short period of time (Syrett & Lamminman, 2004, p. 65). Furthermore, Millennials do not

respond to traditional marketing and therefore new approaches must be used in the marketing strategy (Lazarevic, 2012, p. 45).

A different standpoint is brought forward by Wolburg and Pokrywczynski (2001), who note that Millennials are as loyal (or rather, disloyal) as their previous generation, Generation X. Others claim that Millennials are in fact even more loyal than other generations (Smith, 2015), and very easy to reach due to early exposure to a consumer oriented society (Brand, 2000, cited in Bush et al., 2004, p. 109).

Although several attempts to establish whether Millennials are in fact brand loyal have been made, few have looked at how marketers view brand loyalty when marketing to Millennials. Additionally, most articles focus on understanding Millennials' attitudes and behavior rather than the company's perspective. Therefore, this thesis will focus on how companies work with this issue in order to add understanding on brand loyalty and marketing to Millennials. Furthermore, there is to our knowledge only a few papers on beauty marketing strategies, which is why this study also aim to collect some recommendations for how brand loyalty can be created among Millennials in this industry. In order to define this study, we have decided to limit the study to the beauty industry by examining the world leading company in the global beauty market.

1.2. Purpose

The purpose of this study is to add understanding of how companies in the beauty industry can work to create brand loyalty among Millennials, through a case study of L'Oréal.

In order to do so, the following research questions will be answered:

- How do marketers perceive the generation Millennials?
- How do marketers target Millennials and what marketing activities do they believe Millennials respond positively to?
- How do marketers in the beauty industry work with brand management to earn brand loyalty among Millennial consumers?
- How do marketers ensure brand loyalty when challenged by fast moving trends in the beauty industry?

1.3 Delimitations

The aim of this study is not to generalize how the whole beauty industry work with this subject. We seek to add understanding on how companies *can* work to create brand loyalty among Millennials rather than to establish *how* all beauty companies work. To define this study, we chose to only interview experts in the field of marketing to Millennials, from Sweden and Denmark, that work with either local or Nordic marketing. Therefore, this is study is limited to the beauty industry in the Nordics, but the recommendations can be applied with caution in other regions.

We only focus on the Millennial generation in this study. Other generations are mentioned, but function as a reference point when discussing Millennials. The reason for this is twofold; Millennials are said to be especially disloyal and are therefore especially

interesting to look at in the loyalty context; and the other generations have been around longer and thus marketing towards them is already more established and researched.

Furthermore, a lot of studies have been made on Millennials and loyalty, focusing on consumer behavior. Therefore, we chose to study the subject from the other side, getting the marketers' perspective on how to create brand loyalty among Millennials. Thus, this study does not aim to add to the research field of consumer behavior.

2. Theoretical Framework

In the below chapter, the theoretical framework of this study is presented. The chapter begins with general theories about the Millennial generation followed by theories regarding image and identity, connected to Millennials. The chapter brings up existing knowledge of marketing strategies, branding and brand loyalty towards the generation Millennials. In order to move the study forward, our own standpoints and interpretations of theories are clarified throughout the chapter.

2.1 Millennials

As mentioned in the background chapter of this study, Millennials are people born between the years 1977 and 1995 (Fromm & Garton, 2013, p. 15). In America, 68 million babies were born between 1977 and 1994, and including immigration the number raise to 78 million. This makes Millennials the largest living generation in America (The New Strategist Editors, 2015, p. 1). A study by Schewe et al. (2013, p. 14) seeks answers to the question if Millennials are the same all over the world. Their results show that Millennials in some ways are the same across borders, yet there are clear differences as well. Although, Schewe et al. (2013, p. 4) argue that an understanding of the similarities and differences in the values of Millennials cross-culturally can be helpful for marketers when determining if a global strategy is appropriate or if a differentiated strategy is more suitable. As many studies are conducted on American Millennials and less is known about Millennials across borders, we consider the theories about American Millennials relevant to our study.

According to The New Strategist Editors (2015, p. 2), Millennials are defined by three main characteristics; first, Millennials are ethnically and racially diverse by being very accepting of minorities. Second, thanks to divorce, day care, single parents and technological revolution, Millennials are independent. Third, Millennials feel powerful. Despite hard times in finding a job and economic downturns, Millennials stay optimistic and see opportunities where others see problems.

The most distinctive feature of Millennials is their use of technology (Pew Research Center, 2010, p. 13). The author claims that three-quarters of them are active users of social media and 20 percent of all Millennials have posted a video of themselves online (Pew Research Center, 2010, p. 1). By being a generation that is born into the fast-moving development of internet and technologies, DeMaria (2013, p. 1654) suggests there is an opportunity for Millennials to be a transformational generation.

2.1.1 Attitudes of Millennials

One of the characteristics that makes Millennials so special is that they want to be included as partners in the brands they love, this could be explained by what Fromm and Garton (2013, p. 19) calls the participation economy. This means that Millennials want to interact with the brand and co-create; in other words, they seek “return on involvement” rather than “return on investment” from the companies. Millennials respond negatively to one-way communication because they are innately engaged in the media channels and wants the companies to interact with them (Bradley, 2010, p. 22).

Another strong reason for marketers to keep the communication open with Millennials, is that they trust word-of-mouth recommendations more than any other channel of marketing. Therefore, it is important for companies to stay authentic in order to attract this generation (Bradley, 2010, p. 22). They value quality in the products they buy and want them tailored and customized according to their own preferences (Bradley, 2010, p. 22). The well-known fact that preferences among this generation changes in a fast pace, makes it even more important for companies to have an ongoing conversation with the Millennials.

2.1.2 Purchasing Power of Millennials

Since the year 2000 the income of Millennials has slowly been decreasing and according to The New Strategist Editors (2015, p. 146) Millennials are still struggling to recover from the Great Recession. Between the years 2000 and 2013, Millennials aged 25-34 saw their median income level fall by 12.3 percent. For Millennials below the age of 25, the income level fell 8.9 percent in the same period after adjusting for inflation.

In 2013, the Millennial generation was 19 to 36 years old and the oldest were now approaching middle age, as they were entering their late thirties. As the youngest in this generation still were teenagers and the oldest reaching 40, the variations of income level were larger than in any other generation (The New Strategist Editors, 2015, p. 148). Typically, income level rises when young adults graduate from college, start their career or even when they get married and income usually peaks in middle age (The New Strategist Editors, 2015, p. 148).

The question about how the great recession impacted Millennials is important to consider for today's brand marketers. How did this economic downturn affect them as consumers? Are they spending less? According to Fromm and Garton (2013, p. 27) Millennials are struggling to find a job after finishing high school and college. Pew Research Centre (2010) argues that "Fully 37 percent of 18- to 29-year-olds are unemployed or out of the workforce, the highest share among this age group in more than three decades". This affects the cosmetics companies, as with the low spending, it is even more important to have a strong brand to beat the competition. Still, Millennials show great signs of optimism in this time of economic struggle. Pew Research Centre (2010) also found that nine out of ten Millennials believe that they eventually will reach their long-term financial goal and that they currently have enough money to get by.

According to a Forbes article, "Millennials are currently the largest demographic purchasing new technologies gadgets and fashion apparel" (Fromm & Garton, 2013, p. 28). This resonates with a study made about status consumption between generational cohorts, which found no significant impact of generational cohorts and demographic variables of gender, income or education in relation to status consumption (Eastman & Liu, 2012, p. 99). This could be interpreted as if Millennials are motivated to consume status related items, despite their limited income-level. Furthermore, the results even showed that Millennials may be the most appropriate generational cohort to target when it comes to the status market (Eastman & Liu, 2012, p. 99). From these studies, it seems like the economic downturn has had a limited effect on the Millennials so far and that the generation is permeated with optimism about the future.

2.2 Image & Identity

As mentioned above, Millennials might be the most appropriate generational cohort to target when it comes to the status market (Eastman & Liu, 2012, p. 99). Their active use of social media gives them unlimited ways of showing who they are in terms of image, identity and status. Products such as fashion apparel, beauty products and new technologies are items which can be used by Millennials to enhance their image, identity and status. Because of this, we believe that it is important for marketers to stay updated on who the Millennials are and what they expect from brands.

2.2.1 Self-Image Congruence

Today, the ways for humans to express themselves are basically unlimited. You can express yourself through the way you dress, what kind of food you eat, where you go on holiday, any way you want through the social media channels. All these opportunities of expression often result in people choosing a product, service or a place because they personally can relate to it, because they like its image. Furthermore, buying a desirable product may give the consumer beliefs that somehow the great qualities of the product will reflect upon their own actual life (Solomon et al., 2013, p. 5).

Because of the similarities between consumers' values and the things they purchase, the self-image congruence model suggests that consumers choose products when the attributes match the consumers' aspect of the self (Solomon et al., 2013, p. 159). Furthermore, the model assumes that over time, a relationship between the consumer and product is formed. Therefore, we can create bonds with products, the same way we can create bonds with other people (Solomon et al., 2013, p. 159).

Kressmann et al. (2006, p. 962) argue that self-congruity plays a very important role in brand loyalty. Furthermore, the author suggests some marketing strategies for companies; brands should always have a clear brand personality and it should be tailored accordingly

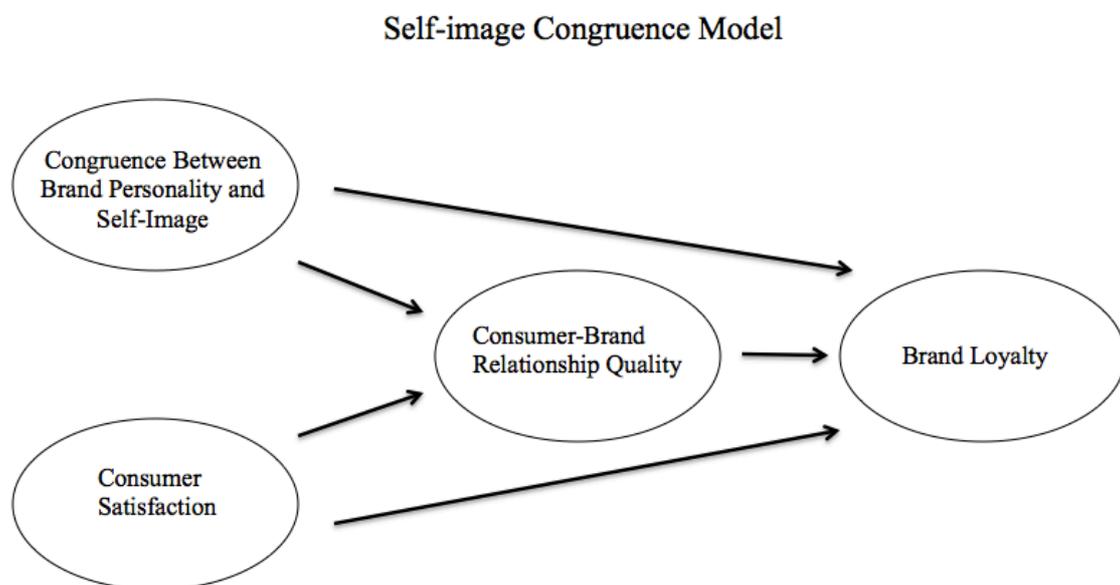


Figure 1. Self-image Congruence Model (Park et al., 2005, p. 42).

to the ideal self of the target consumer. In order to achieve this, brand managers need to identify the self-concept of their target group and shape their brand personality to match the ideal self of the consumers. Kressmann et al. (2006, p. 962) advise brand managers to recognize the brand-relationship quality between the company and consumers as a predictor of brand loyalty, which aligns with the self-image congruence model.

The figure (1) above aims to give a clearer view of the mechanisms of the self-image congruence model, as this theory is an important part of achieving brand loyalty. Figure 1 shows that when congruence between a customer's self-image and the brand's personality exists, it leads to a consumer-brand relationship quality. An important factor is also that an underlying consumer satisfaction need to exist.

2.2.2 Image, Identity & Status of Millennials

According to a report from The Futures Company, “Boomers valued exclusiveness; For Millennials, it is all about inclusiveness” (Fromm & Garton, 2013, p. 84). Millennials are, like any other generational group, social animals who want to fit in, being liked and belong to a group. This could be interpreted as if Millennials want to belong to some kind of reference group. A reference group is defined as an actual or imaginary group which having significant relevance upon an individual's evaluations, aspirations or behavior (Solomon et al., 2013, p. 395). A reference group for a Millennial could be his or her closest friends, influencers on social media, classmates, or colleagues, that somehow affect their behavior.

A study made on Millennial consumers' status consumption of handbags, provided evidence that handbags are a way for Millennials consumers to prove their identity and status to others (Grotts & Johnson, 2013, p. 290). This suggests that Millennials use material items to be accepted and taken in by a group. However, Grotts and Johnson (2013, p. 291) mean that Millennials do not use material things with the purpose of seeking acceptance within a reference group. The author means that most Millennials are already accepted by their reference group and instead focus on seeking distinction and recognition within this group.

However, Fromm and Garton (2013, p. 87) argue Millennials care about what their social circles, as well as influencers, think about them. Since Millennials spend countless hours online, they are empowered to engage and participate in the process of building brands as well as tearing them down. The strong power of reference groups among Millennials may therefore be critical to companies. Fromm and Garton (2013, p. 87) claim that companies need to monitor what is being said about them and be open to participate in the conversation.

A study by Wood (2004) looking at brand loyalty among young people belonging to the group Millennials, pointed at the importance of what a brand communicates about them: “(...) their jeans and trainers say something about them as a person, i.e. brand as a reflection of self-image” (Wood, 2004, p. 20). The study looked at various categories including soap, coffee, trainers, breakfast cereal, jeans and toothpaste, but the self-image was only important in the case of trainers and jeans. Further, the brand image was also more important when selecting brands in these product categories than in the rest (Wood,

2004, p. 19-20). Although this has implications for marketing in the fashion industry, it could also be argued that it extends to the beauty industry; using beauty products is a way of self-expression and enhancing image in a similar way.

2.3 Marketing strategy

The business of marketing has changed rapidly over the last decade; traditional media such as newspapers and TV commercials has been pushed aside by social media advertising and collaborations with influencers. Because of this shift, recognizing what channels the target group of a company is navigating, is more important than ever. As mentioned, Fromm and Garton (2013, p. 46) argues that Millennials respond to a different kind of marketing than other generations, and this chapter will discuss theories regarding what kind of marketing activities they respond to.

2.3.1 Generation marketing

It is common praxis in marketing to segment the market into different groups, called segmentation. The segmentation can be made with several factors in mind, it could be based on gender, household income, size of household, and so on. It can also be based on belonging to a certain generation. The segments are then evaluated and the most attractive are chosen to be the ones that the communication efforts are directed to (Kotler, 2009). The so-called generation segmentation is nothing new in neither practical marketing nor marketing research, and is often mentioned in the marketing literature as one possible base of segmentation. The generation phenomenon has even been explicitly used in advertisements; by launching its “My Generation” commercial in the 1980’s, PepsiCo positioned itself as the brand for the young generation, suggesting Coca-Cola was for old people (Herrera, 2009). Segmentation using generation as a factor is based on the notion that generations are different from each other in certain aspects. It is common to choose certain channels in the marketing mix when marketing to generations, where older generations are often excluded from social media channels and few try to reach young people in traditional newspapers.

Connectivity and usage of the internet has risen dramatically over the last decade, which has changed the way of marketing in several ways. The generations of today have easier access to obtaining information, they can engage in online communities and shop online. According to Brandon Evans, managing partner and chief strategy officer for Mr Youth, “Millennials clearly have a different view on business, marketing and communication – much of which stems from being immersed in social technologies from a fairly young age” (Bradley, 2010, p. 22). With this being said repeatedly, it is fairly clear that generational segmentation is something that companies and marketers have in mind while marketing their products.

The Generational Cohort Theory was first proposed by Inglehart (1977), as a way to divide the population into different segments; generational cohorts (Lissitsa & Kol, 2016, p. 305). Carpenter et al. (2012, p. 421) support the theory of generational cohorts found in the extant literature. They suggest that younger generations, such as Millennials, are more open to globalization than older generations, and show great interest in learning about lifestyles in different countries. From a strategic marketing perspective, Carpenter

et al. (2012, p. 421) propose that companies who seek to expand internationally could reach great success in targeting younger cohort groups, as they show a strong resemblance for global culture and trends. Because of this, the authors argue that there is no need to adapt an existing brand when the target group is of a younger generational cohort. In contrast, when targeting consumers from the older generational cohorts, global companies need to consider adapting their brands to become in line with local customs and culture (Carpenter et al., 2012, p. 422).

Another study made by Lissitsa & Kol (2016, p. 304) also supports the use of generational cohort theory as a marketing tool. For instance, their results showed that among Generation X, the probability of online shopping decreases with age. While among Millennials, the probability of online shopping increases with age (Lissitsa & Kol, 2016, p. 310). It is therefore suggested that marketers need to take a different approach when it comes to the generation of Millennials compared to older generations (Lissitsa & Kol, 2016, p. 311). Moreover, to be considered as a purchasing option by Millennials, the brands must become a part of their lives, give added value and make sure to give the consumers an actual experience. This is supported by Moore and Carpenter (2008, p. 333) who recommend that when targeting Millennials, it is advisable to create an experience where they can enjoy themselves. This is due to the fact that Millennials enjoys shopping more than other generations, and also consider it a hobby or something they like to do in their free time. One suggested strategy is to introduce new products continually as they shop often.

2.3.2 Social Media & Influencer Marketing

As mentioned in the previous section, in order to be considered as a purchasing option, Lissitsa and Kol (2016, p. 311) mean that brands have to become a part of the Millennials lives, add value, and make sure to give the consumers an actual experience. Social media and influencer marketing have opened a new world of opportunities regarding these factors, as these channels are a big part of the Millennial generation's everyday life. Parment (2012, p. 116) claims that it is easier today to reach consumers – especially younger people – through what he calls “conceptual channels – brand ambassadors, co-branding events, Facebook groups, blogs and product placement”.

According to Sterne et al. (2010, p. xvii), social media is defined as “consumer-generated content distributed through easy-to-access online tools”. Social media is a tool which gives companies opportunities to create relationships with customers, employees, communities and other stakeholders. However, some firms simply use social media as a channel of communication to push their information onto customers (Felix et al., 2016, p. 123). This resonates with Cader and Al Tenaiji (2013, p. 558), whose findings shows that many companies mainly use social media to promote their products, services and events. However, they mean that the actual main purpose of social media networks is to create a platform for people to interact and communicate with each other. In this way, social media allows the companies to engage, listen and converse with their customers. As previously mentioned, Millennials respond negatively to one-way communication because they are innately engaged in the media channels and wants the companies to interact with them (Bradley, 2010, p. 22). This points out the importance of how companies not only should use social media as a channel to push products, brands and

information on to customers, but also to engage and get involved in the discussions with them.

Fromm and Garton (2013, p. 87) argue that Millennials mostly are influenced by their group of friends and rely on comments from them, both on- and offline. However, the latest boom in marketing trends is the influencer marketing strategy. It has appeared in the latest years and very limited research is made in the area. As mentioned, Carpenter et al. (2012, p. 421) suggest that Millennials are more open than older generations to globalization and show great interest in learning about lifestyles in different countries. This could be a reason for the growing interest of bloggers and influencers as the younger generations today follow the lives of their influencer-friends across borders.

Social media influencers represent a new third-party endorser who affect the attitudes of their audience through their blogs, Instagram, YouTube, etcetera (Freberg et al., 2010, p. 90). According to Straley (2010), successful social media marketing is not only about receiving thousands of followers but rather to identify the most influential members of a company's audience. If a company identifies this influential member, it can create opportunities for the company to engage the influencer with special offers and unique content and indirectly engage thousands of other parties who are a part of this influencer's network.

Influencer marketing is frequently seen on blogs and Instagram, especially in today's fashion and beauty sector. It is not uncommon that brands collaborate with outstanding profiles within fashion and beauty as consumers follow their "fashionable" blogger friends. As mentioned before, Millennials trust word-of-mouth recommendations from peers (Bradley, 2010, p. 22) and according to Colliander and Dahlén (2011, p. 318) there is a similarity between social media marketing and word-of-mouth. In each case, the authors argue that the information from the sender is supposedly authentic and the sender's credibility is more important than in traditional media. This is an opportunity for companies to show their products to customers in an authentic way and Colliander and Dahlén (2011, p. 318) mean that as long as the bloggers are genuine in relation to the brands, their readers form friendships with the brands as well. Still, we believe that social media marketing and word-of-mouth do not guarantee authenticity since much of the information coming from these channels today are in fact sponsored.

2.4 The Brand

Since many companies in the beauty industry carries many brands, it is helpful to define what a brand is. According to Kapferer (2012, p. 12) a brand is "a name that symbolizes a long-term engagement, crusade or commitment to a unique set of values, embedded into products, services and behaviors, which make the organization, person or product stand apart or stand out". Thus, although one company carry and market several brands, the consumer can clearly identify what differentiates each brand and will not believe they are the same.

A brand can be divided into three parts; brand assets, brand strength and brand value. Brand assets affects the consumer's perception of a brand, such as brand awareness, image and relationship with consumers. This can be explained as the past altercations a consumer has had with the brand, including their own experiences and what others have

told them. The brand asset affects the brand strength, which is a measure of the strength of a brand asset in a specific setting, such as a specific market. Examples of this are brand loyalty and market share measures. This relates to the current state of a brand. Finally, the brand value reflects whether it is possible to make any profits on the brand, and is a projection of the future value of the brand (Kapferer, 2012, p. 14-15).

2.4.1. Brand Identity and Brand Image

The relationship between a brand and the brand identity has been explained as: “A brand is not the name of a product. It is the vision that drives the creation of products and services under that name. That vision, the key belief of the brands and its core values is called identity. It drives vibrant brands able to create advocates, a real cult and loyalty” (Kapferer, 2012, p. 149).

When considering how a marketer should communicate with their target group, it is important to recognize the difference between the marketer’s intended message and the message the consumer perceives. Kapferer (2012, p. 151) explains the difference between the brand identity and the brand image. The brand identity is the brand’s self-image, the values that are communicated by the company (the sender), to the consumer (the receiver) in Figure 2 below. Kotler and Keller (2009, p. 426) define brand image as: “The visual or verbal expressions of a brand which leads to the psychological or emotional association that the brand aspires to maintain in the minds of the consumer”.

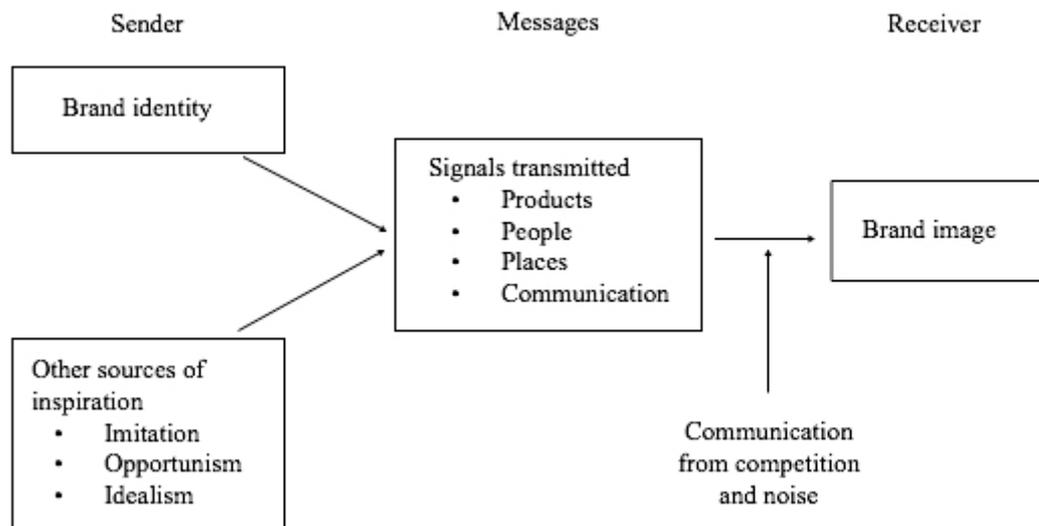


Figure 2. Identity and image (Kapferer, 2012, p. 152).

Brand identity projects the brand image, but while it is ideal that the two are identical, this is not always the case, as illustrated by the other sources of inspiration and the communication from competition and noise in Figure 2. Therefore, it is crucial for a brand to know their identity before trying to affect their image among consumers, as it might otherwise lead to an incoherent relationship between the brand image and identity (Kapferer, 2012, p. 151). Thus, it seems reasonable that marketing efforts towards Millennials must be planned as far as back to the brand values in order for the identity and image to be coherent. According to Kapferer (2012, p. 152) it is important to make

sure the values are important to the intended perceiver, as they otherwise do not pay attention to the message or to the brand.

2.4.2 Core values

It is clear from the above reasoning why it is important to create and define the brand identity before starting to communicate with consumers. Core values are crucial in creating the brand identity (Urde, 2009) and thus the signals transmitted.

Urde (2003, p. 1035) states that “(...) core values can be defined as all-embracing terms that sum up the identity of the brand as well as being the guiding principles for all internal and external brand building processes”. This means building the values into the product as well as being present in all communication (2003, p. 1019). In all communication with consumers, core values should be translated into messages that consumers find attractive, as well as be present in all products. If this process is implemented successfully, the brand will acquire a meaning and content that is in line with the brand identity (Urde, 2003, p. 1033). According to Urde (2003, p. 1031), the choice of core values and how they are communicated defines the brand personality.

Urde (2003) argues that even though a core value should be a lasting factor, it must also be dynamic and continually adapted and developed. Therefore, tweaking the brand identity according to changing values and attitudes of the target group can sometimes be relevant.

2.4.3 Brand Personality

Brand personality is related to the core values, as the core values and how they are communicated makes up the brand personality (Urde, 2003, p. 1031). Brand personality can be defined as: "the set of human characteristics associated with a brand" (Aaker, 1997, p. 347). Much like with human personalities, the brand personality is “(...) a way for consumers to formulate specific impressions of a particular brand, in which consumers may relate to the brand in a very personal way” (Guthrie & Kim, 2009, p. 129). A matching relationship between the (perceived) brand personality and the consumer’s self-image leads to a product preference, purchase intention, product usage and loyalty (Sirgy, 1982, p. 291).

Brand personality is a tool for marketers to differentiate a brand from its competition, even though the brands are identical (Franzen & Moriarty, 2009, p. 257). Further, this effect is crucial in industries where there are little tangible differences between brands (Khraim, 2011, p. 125). This especially reasons with the beauty industry as many brands offer similar products and where competition is fierce. Thus, the brand personality is strategically important, as it can help in developing a relationship between the consumer and the brand. Furthermore, it is tactically important as it provides a tool when the brand is communicating with consumers: “Brand personality gives the brand a face, adds emotion to a lifeless object, makes communication more personal and appealing, and creates a bond when the personality is likeable” (Franzen & Moriarty, 2009, p. 253). Things such as which products a brand carry, how the products are packaged, and how the brand is advertised is used to construct the brand personality (Franzen and Moriarty,

2009, p. 240). Giving a brand a personality that appeals to consumers and speaks to its self-image can therefore be what makes the difference for a brand.

2.4.4 Distinction between the concepts

The brand identity, brand image, and the brand personality are intertwined, and as such they affect each other. But in order to have a meaningful discussion it is necessary to define how they differ, not the least as Franzen and Moriarty (2009, p. 240) explains: “research forces us to set boundaries” and the importance of “determining the reach of the concept”.

The difference between brand identity and brand image has already been discussed; the brand identity is the marketer’s or the organization’s view of what the brand stands for, while the brand image is the consumer’s view of the same (Kapferer, 2012). Brand personality makes up a part of the brand image, or as Franzen and Moriarty (2009, p. 241) put it: “brand personality associations (young, dynamic, etc.) are the attribute values that contribute to the brand image”.

Brand identity represents who the brand is, while the brand personality is developed based on this; “the radiation of identity” (Franzen & Moriarty, 2009, p. 241-242). The brand identity is the internal identification of what the brand stands for, and is the base of all marketing activities. The personality is present outside of the organization. If there is no clear internal view of who the brand is (brand identity), the brand personality can come across as forced. To refer back to Figure 2, the brand identity is the sender’s view of the brand personality, while the receiver's view is the actual personality (Franzen & Moriarty, 2009, p. 241). There is also a distinction between sender concept and sender ideal in terms of brand personality; the brand personality that marketers perceive is the former, and the brand personality that the marketers want is the latter (Franzen & Moriarty, 2009, p. 245).

2.5 Brand loyalty

Brand identity and brand image, as well as core values and self-congruence, relates to brand loyalty as an existing bond or relationship with a brand primarily based on a sharing of values is demanded (Franzen & Moriarty, 2009, p. 327). Jacoby and Chestnut (1978, p. 80) define brand loyalty as: “The biased, behavioral response, expressed over time, by some decision-making unit, with respect to one or more alternative brands out of a set of such brands, and is a function of psychological processes”. Loyalty is one of the measures that can be used to measure how strong a brand is compared to its competitors (Kapferer, 2012, p. 14) and helps companies retain their consumers and get them to re-purchase a brand. This is a cost-efficient strategy, as it costs more to attract a new customer than to convince an established customer to purchase again (Ergin et al., 2005, p. 16).

According to Wood (2004, p. 9), brand loyalty is an important part of strategic marketing. Similarly, Shen and Bissel (2013, p. 629) mean that “The ultimate goal of creating and developing branding strategies is to enhance customers’ brand loyalty”. Ergin et al. (2005, p. 16) claim that companies’ success depends on it, claiming that “Brand loyalty provides companies with strong, competitive weapons. The concept of brand loyalty is so

important that managers must give it sufficient consideration before they plan and implement their marketing strategies” (Ergin et al., 2005, p. 16).

Weilbacher (1993, p. 90) means that brand loyalty is very difficult to achieve as there are many similar products on the market today. He states that “If the perceived differences among brands are not great, there is little or no reason for consumers to become loyal to particular brands”. This is especially true in the case of cosmetics, where brands launch new products on a regular basis, and the product life-cycle is often short – sometimes as short as three months (Kumar et al., 2006, p. 292). However, some argue that consumers switch among certain brands in a category, i.e. they are loyal to a number of brands but they would not consider all brands in that category. The reason why they choose a particular brand at a certain purchase can depend on if it is available in a particular store or if there is a price promotion or some other offer. Other factors that affect the selection is service, previous experiences with the brand and how many brands are on the market (Franzen & Moriarty, 2009, p. 322).

2.5.1 The loyalty loop

Edelman and Singer (2015a, p. 90-91) claims that in the modern marketplace, the consumer is “in the driver’s seat”, with marketers needing to regain control over the consumer journey. Here, the consumer has so many products to choose from both online and in stores, and the consumer has access to a lot of information. This makes it is harder than previously to convince a consumer to purchase a specific brand or product (Court et al., 2009).

Court et al. (2009) discuss the consumer decision journey, of which the loyalty loop is a part. Consumers encounter brands from all sorts of touch points, which becomes important information when they are in a buying situation (Court et al. 2009): “Those accumulated impressions then become crucial because they shape the initial-consideration set: the small number of brands consumers regard at the outset as potential purchasing options”. According to Court et al. (2009), the decision-making journey is circular, “with four primary phases representing potential battlegrounds where marketers can win or lose”. The below Figure 3 shows the loyalty loop, which is part of the consumer journey, and represent the two latter steps of the consumer journey; buying the brand, and experiencing the brand after the purchase.

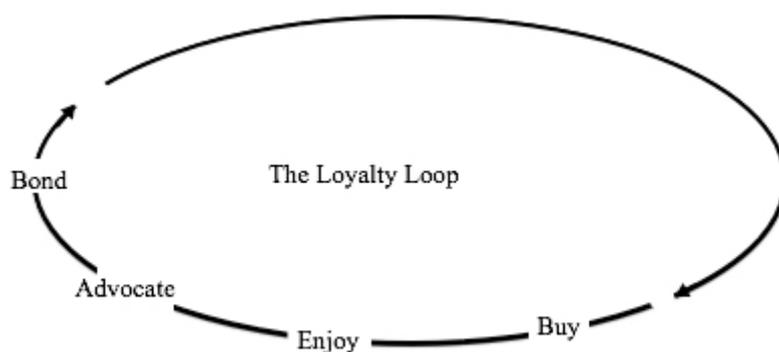


Figure 3. The Loyalty Loop. Adapted from Edelman and Singer (2015a, p. 90).

Once a consumer has decided to buy a product, they have to consider what brand to purchase. This is what is called brand consideration in the circular consumer decision journey. As there are so many products on the market today, consumers initially tend to only consider the brands they already know but once they start to evaluate brands more actively, they sometimes add more to their selection, according to Court et al. (2009). What Court et al. (2009) found that challenges the traditional view of the consumer process, is that brands the consumer does not actually already know, can be considered and be chosen, instead of the brands that the consumer is aware of. This means that there are new consumer touch points that marketers can use to their advantage.

Once the consumer has chosen which brand to buy, the battle is not over. The post-purchase experience, represented in the loyalty loop in Figure 3 by the steps “enjoy”, “advocate” and “bond”, affects what decision the consumer will make once it is time to buy a similar product (Court et al., 2009). There are many touch points after the purchase that affects brand loyalty, such as information that helps the consumer in their active evaluation or information online that the consumer can consult once they have purchased a product (Court et al., 2009). However, according to Court et al. (2009), a marketer cannot choose whether they should invest in pre- or post-purchase activities. In order to create loyalty, the touch points should be strategically chosen to influence the consumer all through consideration to closure. In essential, the loyalty loop is “a feedback loop” and consumers keep evaluating their purchases even after they have bought the product. This means that brands and products continuously need to deliver a superior performance and experience to the consumer, as they otherwise will start considering other brands (Edelman & Singer, 2015b).

2.5.2 Brand loyalty among Millennials

Lazarevic (2012) has suggested a model for brand loyalty among Millennial consumers. To increase brand loyalty among Millennials, traditional marketing efforts are suggested, but applied in new ways (Lazarevic, 2012, p. 47). Figure 4 describes the steps that needs to be in place in order to achieve brand loyalty among Millennials;

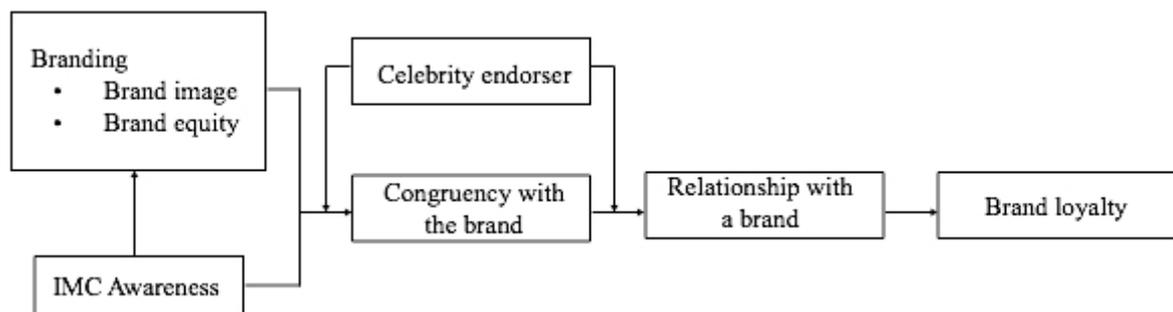


Figure 4. Brand loyalty model for generation Y (Lazarevic, 2012, p. 49).

Figure 4 is used to summarize and link together what has already been discussed in the theoretical framework. It will be discussed briefly to add understanding to how the theoretical framework is linked together, and touch upon brand loyalty in relation to Millennials specifically.

Brand image allows consumers to judge a brand; the consumer can create their own idea of the brand, projected on products or services, and create a relationship with it. This is important, as consumers will not give the brand a second look unless the image they associate with the brand is positive. An attractive brand image that reflects the consumer's own values helps achieve congruence between the brand and the Millennial, as can be seen in Figure 4. Brand equity is also a part of branding, defined as: "The differential effect that consumer knowledge about a brand has on the customer's response to marketing activity" (Keller, 1999, p. 102). Brand loyalty is the core of brand equity, according to Aaker (1991, p. 39): "If customers are indifferent to the brand and, in fact, buy with respect to features, price, and convenience with little concern to the brand name, there is likely little equity". The brand equity is positive when a consumer likes a product or a communication better, or believes something is worth a higher price, because they know which brand it is, in relation to not knowing the brand (Keller, 1999, p. 102). However, according to Aaker (1991, p. 43) if the loyalty is connected to a product rather than a brand, there is no equity.

There is still lacking some knowledge on how to work with brand equity and Millennials (Bolton et al., 2013, p. 258), but it is an important part of achieving brand loyalty among Millennials, according to Lazarevic (2012, p. 49), because they "(...) will believe that a particular brand is better than anything else on the market". Considering that Millennials are more likely to buy a product when the brand is considered prestigious, as well as caring less about quality, compared to older generations (Moore & Carpenter, 2008, p. 333), achieving the added value that characterizes brand equity is very important (Lazarevic, 2012, p. 49). In addition, brand equity is significant with Millennials as they value success and showing it off with brands (Lazarevic, 2012, p. 50).

Integrated marketing communications (IMC) can be described as marketing with the customer in focus in all activities. The goal of integrated marketing communications is to make sure that a brand's "(...) messages 'look and sound alike' to customers exposed to them" (Eagle et al., 2007, p. 957). According to Lazarevic (2012, p. 50), the need for a consistent brand message across all platforms is especially high when targeting Millennials. They are more likely to notice inconsistencies with their many touch points with a brand, due to their often, heavy use of the internet and habit of sharing online content with friends. Authenticity is important to this group, and a brand is risking coming across as fake if it communicates conflicting or contradicting values (Lazarevic, 2012, p. 50-51). Therefore, integrated marketing communications is a vital part of the marketing strategy as the core identity of the brand can otherwise be compromised (Lazarevic, 2012, p. 50).

Apart from creating the grounds for authenticity, integrated marketing communications is a means for raising brand awareness. This is not an easy task as it requires catching the attention of the Millennial. Emphasizing quality as a core value will, according to Lazarevic (2012, p. 50), speak to the generation's need for expressing their success through brands. This could be something that grabs their attention. According to Lazarevic (2012, p. 51) there is another function of the brand awareness, and the consistency of brand messages that is integrated marketing communication. Without others knowing the brand and its values and without consistent values, the Millennial can't signal its self-image through brands to its surroundings with any meaningfulness.

Branding and integrated marketing communications influence the degree to which the consumer believes a brand's value matches its own identity. Recommended actions to achieve this match is to support causes that is important to this generation, such as being socially responsible. If congruence is achieved, a relationship with the brand can be created (Lazarevic, 2012, p. 51-52). A Millennial that has a sense of congruence with its self-image and the brand, is more likely to form an emotional relationship with the brand (Lazarevic, 2012, p. 54). Relationship marketing is according to Morgan and Hunt (1994, p. 34) "(...) all marketing activities directed toward establishing, developing, and maintaining successful relational exchanges". A brand relationship also concerns what the consumer thinks about the brand in relation to itself; Blackston (2000, p. 102) gives the example of a patient that likes his doctor, but assumes the doctor thinks he is a boring hypochondriac. As a result, the patient starts to dislike the doctor. In the case of brands, it is important that the brand communicates not only the right brand image, but also the right attitude and behavior toward the consumer if it is supposed to have a good relationship with the brand (Blackston, 2000, p. 102). Sebor (2006, p. 26) argues that Millennials have been raised with hearing repeatedly that they are special, and they expect brands to treat them the same way. If treated otherwise, the brand relationship might suffer, and Lazarevic (2012, p. 54) mentions loyalty programs as a way to make the Millennial consumer feel special. Lazarevic (2012, p. 54) summarizes: "If a relationship is established between the generation Y consumer and the brand this can overcome the typical disloyal nature of generation Y as long as the brand continues to meet the values and the identity of the generation Y consumer".

Brands can use celebrity endorsers to help achieve brand loyalty among Millennials, since the celebrity is easier to identify with since it is a person with a perceived personality (Lazarevic, 2012, p. 53). Further, celebrities are often used as a reference point: Marketers targeting this group might focus on celebrity idols as a marketing method for selling products, so that consumers can see what is stylish and have a comparison point (Noble et al., 2009, p. 627). In addition to traditional celebrities such as movie stars, this is also a part that fashion, beauty and lifestyle influencers play in social media. Thus, the celebrity endorser helps create congruence between the Millennial's self-image and the brand, as well as build a relationship with the brand. This is key in creating brand loyalty among Millennials.

2.6 The beauty industry

The beauty, or cosmetics, industry consists of makeup, hair care, and skincare products, as well as fragrances, in all price ranges from low-priced mass market products to luxury products. These specific areas each have different history and people started using them during different time periods. Louis XIV was for example key in spreading the use of perfume in Europe in the 17th century, using it on linens, clothing and food. However, as with several of the categories, the craft itself is much older (Jones, 2015, p. 16-17). While being a quite old industry, the beauty industry was transformed into what it looks like today during the 20th century (Jones, 2015).

For a long time, beauty brands have surrounded themselves with exclusivity and glamour in their marketing efforts, shown in for example the use of glossy packaging. When marketing to Millennials, however, one strategy that has been successful is humorous communication and advertising. This was previously unimaginable: "beauty brands

always kept a straight face, as though looking good was nothing to joke about” (Dormon, 2016, p. 56). When marketing to Millennials, brands should be sparse with heavy airbrushing, objectification and using unattainable body images. All this points towards authenticity (Dormon, 2016, p. 56), which previously mentioned is important to Millennials. Dormon (2016, p. 57) mentions how one beauty brand has successfully targeted Millennials by communicating that the way they choose to use beauty products is their own choice.

3. Research Methodology

This chapter begins with a theoretical view of the chosen methods of this study. Then the practical point of view is brought up by a description of how the data has been collected and analyzed. Throughout this chapter advantages and disadvantages of the chosen method is discussed. To secure the quality of this study the chapter ends with a discussion of ethical considerations and quality criteria.

3.1 Research Philosophy

This study attempts to add understanding to how companies in the beauty industry can create brand loyalty among Millennials, which means that this study takes on a constructivist perspective. This is due to the aim of the study being to interpret the phenomenon rather than trying to explain it (Guba & Lincoln, 1994, p. 112). It is important to consider what is actually being said in a study and contemplate whether one is describing the world with the belief that it is the ultimate truth or not. A part of this is the concept of ontology, which can be described as asking the question of what reality is and if it can be described in only one way or several. With the constructivist paradigm comes the relativist ontology, described by Guba and Lincoln (1994, p. 110-111) as mental constructions that are “(...) socially and experientially based, local and specific in nature (although elements are often shared among many individuals and even across cultures), and dependent for their form and content on the individual persons or groups holding the constructions”.

Furthermore, opposing views of what knowledge is and how it explains our reality, exists; a concept called epistemology. Guba and Lincoln (1994, p. 108) explains: “If a “real” world is assumed, then what can be known about it is ‘how things really are’ and ‘how things really work.’”. In constructivism, knowledge is created in a joint effort between the researcher and the respondents (Guba & Lincoln, 1994, p. 111). As we interview marketers and apply theories to this data in the analysis, we do not attempt to explain the phenomenon as it is objectively, but rather what it means when highlighted and interpreted in a certain way. Therefore, we do not aim at describing an all-around way of marketing to Millennials.

3.2 Research Approach

According to Saunders et al. (2009 p. 124), the research approach is an important part to the design of the research project. Therefore, it is critical to identify where on the scale between a deductive and inductive research approach this study lands. A deductive research approach can be explained by several characteristics. For instance, deduction research explains causal relationships between variables. In order to do this, a hypothesis is developed and later on tested by gathering quantitative or qualitative data. In the end, the results of a deductive study should be able to be generalized (Saunders et al., 2009, p. 125). An inductive study aims to get a greater understanding of the research problem through performing interviews which then will be analyzed. The results of the analysis would in the end be the formulation of a new theory (Saunders et al., 2009, p. 126). As this study aims to add understanding on how companies in the beauty industry can create brand loyalty among Millennials through branding and marketing activities, we decided

that leaning towards an inductive research approach is the most suitable approach for this study. However, we want to clarify that because of the limited timeframe, the results of our study will not formulate a complete new theory but rather add understanding to the limited existing theories. According to Saunders et al. (2009, p. 127), the inductive research approach comes with the risk that no new theory will appear. We have taken this into consideration from the start, and this is not the purpose of this study; as mentioned, we however argue that we will be able to provide more understanding to the field.

According to Saunders et al. (2009, p. 127), it is appropriate to work on the inductive side of the research approach spectrum if the topic is new, in debate and there is little existing knowledge. The theories on whether Millennials are brand loyal or not are limited and very much in debate, and therefore we argue that more knowledge and understanding on the topic is needed. Research of an inductive approach is likely to be concerned about the context of the place where the study is taking place. Furthermore, a small number of subjects is more appropriate than a large number, which is better suited for a deductive approach (Saunders et al., 2009, p. 126). As we are performing our research on one company in the beauty industry, we argue that the inductive research approach aligns with our study, since we want to understand the context of how the marketing strategies are decided upon more in-depth. Regarding our limited timeframe, a small number of subjects to investigate is appropriate for this study's aim.

It should further be noted that this study has an element of an abductive approach, which is going back and adding more theory to explain the empirical data. We did this in order to discuss our findings in a broader perspective and further interpret the empirical data. In the discussion chapter, we discuss patterns that emerged from this analysis.

3.3 Research Design

An exploratory study is searching to find out “what is happening; to seek new insights; to ask questions and to assess phenomena in a new light” (Robson, 2002, p. 59). As our study aims to add understanding to existing theories we argue that our study is of the exploratory kind. Saunders et al. (2009, p. 140) point out that an exploratory study is adaptable and flexible to change, which will be an advantage for our research due to the limited timeframe, and why there has been an element of abduction in this study.

The research design is the structure of the study that guides and controls how a certain method is used (Bryman, 2011, p. 48). According to Saunders et al. (2009, p. 147), a case study is a suitable way of exploring existing theory. Furthermore, the results from a case study can challenge existing theory and provide new research questions. Robson (2002, p. 178) defines a case study as “a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real-life context using multiple sources of evidence. As we have decided to limit our study to the beauty industry and examine one company in this business, a case study is thus a suitable research design for our study.

Stake (1995, p. 65) points out that case studies are used “(...) to obtain the descriptions and interpretations of others”, which makes it a suitable tool to collect and interpret the marketer's perspective, which this study aims to do. Furthermore, Saunders et al. (2009, p. 146) highlight the case study's ability to answer questions as “why?”, “what?” and

“how?” This is another reason for why a case study is a suitable research design for our study, as we are seeking answers to the research questions: *How* do marketers perceive the generation Millennials?; *How* do marketers target Millennials and *what* marketing activities do they believe Millennials respond positively to?; *How* do marketers in the beauty industry work with brand management to earn brand loyalty among Millennial consumers? and *How* do marketers ensure brand loyalty when challenged by fast moving trends in the beauty industry?

How inductive case research is justified depends on the nature of the research question. For phenomenon-driven research questions, the researcher should clarify the importance of the phenomenon and the lack of trustable existing theory (Eisenhardt & Graebner, 2007, p. 26). Further, the research question should be broad in order to give the researcher more flexibility, and the justification of the study rests on the phenomenon’s importance and the lack of theory explaining it (Eisenhardt & Graebner, 2007, p. 26). We believe that the phenomenon of brand loyalty among Millennials needs to be researched further because of the contradictory views on whether it is achievable or not. As the Millennials are such a powerful generation, we also argue that this research is of great important to companies, especially in the beauty industry where switching costs are low and the product life cycle is short. Just as Eisenhardt and Graebner (2007) recommend, we have formed our research questions in broad terms to give the study more flexibility.

As several attempts to establish whether Millennials are in fact brand loyal have been made, there are many theories regarding this topic to explore. The choice of studying the phenomenon with an exemplifying case is based on the fact that there are already existing theories on the subject of brand loyalty, Millennials, branding, and marketing strategy. Therefore, it is necessary to apply the theories to a case in order to have a better understanding of them and how they relate to each other. This also relates to the approach that leans towards the inductive; in order to add understanding to the existing theories we reason that they need to be applied to a real case. The reasoning behind choosing the beauty industry and Millennials, beside our own interest in the subject, is because we find that beauty is something that has been redefined with the globalization and influences from all over the world, as well as the way consumers behave around brands. Despite this, few have looked at how marketers view brand loyalty when marketing to Millennials. By looking at brand loyalty from this point of view we believe that we could add understanding to existing theory.

Case studies are often criticized about whether it is possible to generalize the results of the study or not. In a time where statistical logic and tests of probability dominate the context of generalization, case studies are often dismissed (Lee et al., 2007 p. 172). But according to Lukka and Kasanen (1995, p. 83) there is potential to generalize from high quality case studies. However, it should be noted that since we only examine one company, we consider that our study will rather provide a deeper understanding and generate knowledge that is transferable, instead of generalizing about the beauty industry as a whole.

3.4 Data Collection

In qualitative research, interviews are likely to be the most used method (Bryman, 2011, p. 412). According to Saunders et al. (2009, p. 140), one way of conducting an exploratory

research is by interviewing experts in the topic. This aligns with the view of Eisenhardt and Graebner (2007, p. 28) who argue that the best way of dealing with the challenge of bias when collecting interview data, is to use highly knowledgeable people who view the phenomena from diverse perspectives. As our study is of the exploratory nature, we have decided to perform interviews with five experienced experts in the field of marketing to Millennials, who all works at L'Oréal, to collect our data. Furthermore, they work in diverse beauty categories and in two different countries, which gives us the different perspectives just discussed.

There are three different types of qualitative interviews, structured interviews, semi-structured interviews and unstructured or in-depth interviews (Saunders et al., 2009 p. 320). Semi-structured interviews are often structured by themes and questions which will be covered throughout the interview. As we wanted our questions in the interview guide to reflect on our theory chapter, we decided to develop the questions in themes connected to the different sections in the theory. According to Saunders et al. (2009, p. 324), semi-structured interviews are most appropriate when the questions are open-ended. We have therefore mostly designed our questions as open-ended questions in order to get deeper and more describing answers from the respondents. The few closed questions were directly followed by an additional question, i.e. “why, why not?”.

We decided to send out the questions to the respondents at least two days before the interviews so that they could prepare for the interview. We are aware that this potentially may have caused some bias as the respondents might not answer the questions directly by heart. However, it also gave them time to find answers that could provide us with deeper understanding, as they had time to find more details in their memory this way. Sending the questions in advance was appreciated by the respondents, and possibly also made them more comfortable in the situation and in providing answers when the interview took place.

The interviews were performed face to face or, because of distance, by telephone. We do not believe this made any difference to the kind of answers we got from the respondents, as they were all thorough in their answers and took their time to present us with their view in both cases. In the beginning of each interview we asked the respondents if we were allowed to record the conversation and informed them that their responses would be treated with the highest possible confidentiality. Due to the sensitivity of them sharing their strategies with us, we also asked to what extent we could share what category and brand they work with, and what position they have. They allowed us to disclose what position they have at L'Oréal, but any other specific information will be left out for business purposes. The duration of the interviews was between 28 to 48 minutes and the respondents could at any time choose not to answer the question.

3.4.1 Selection of company

As mentioned previously, the company that was the subject of this case study is L'Oréal, the world leading company in the beauty industry. The reason for choosing L'Oréal is because the company possesses a lot of knowledge and experience on how to market their products towards different generations, and are constantly working to improve brand loyalty among their customers. Furthermore, marketers at L'Oréal are involved in both

the operational parts of marketing and in brand development, which allows us to not only learn about their work with the brand, but also their work with the marketing activities.

Saunders et al. (2009, p. 176) explain how a combination of genuine interest in a topic and an easy access to the respondents in an organization should help the process of providing research of good quality. We both have a genuine interest in the beauty industry as both consumers and marketers, and we therefore believe that L'Oréal is an interesting company to examine. The fact that one of us work there also eased the process of collecting data as we had easier access to the experts in question. Although, we are aware that since one of us is working at the company, this could cause some bias by one of us being influenced by the company. However, we argue that this is not problematic in this case since we not are writing this study for the company but rather about the company. Still, we have tried to have an objective mindset throughout the whole study.

There is a limited amount of studies conducted on companies that actively works with targeting Millennials, who also are successful in their approach. Most existing articles are from marketing practitioners, published in trade publications, describing their marketing approach rather than discussing it. Therefore, performing a case study on L'Oréal gave us the opportunity to apply marketing theories, where few have, to the subject and build on already existing theory with our results. Further, L'Oréal operates in all beauty categories, as well as owns several brands in each section, which can show nuances in the way they work with marketing toward Millennials although the respondents all belong to the same parent company. The data collected thus provides a relatively broad empirical material even though we only collect data from one company.

3.4.2 Selection of respondents

To be able to answer the research questions, the selection of respondents was a fundamental part of the study. Bryman (2011, p. 350) explains purposive sampling as selecting respondents based on the formulated research questions. According to Remyi et al. (2005, p. 104) the preferred method with the constructivist perspective is to use a small sample as this enables an in-depth investigation, which makes the small sample of a case study appropriate. As our research questions seek answers to how marketers work to create brand loyalty among Millennials, it was very important to find respondents who possess knowledge and experience within this area; which means that they can give in-depth insight. Hence, we selected five experts within the topic Millennials and brand loyalty who all work at a division at L'Oréal that directly targets Millennials. Since these respondents have a deep knowledge in the topic we argue that five interviews is an appropriate selection for our study. It also should be mentioned that the number of the Millennial marketing experts at L'Oréal in the Nordics are not so large, and in this context five respondents are larger than it might seem.

The selected respondents work at L'Oréal Sweden & L'Oréal Denmark and are all working with Millennial marketing related questions. We chose two respondents from Sweden and three from Denmark to get a broader picture of how L'Oréal work with Millennials, both on a local basis and in the Nordic countries. A requirement we had was that they should have been working at their current position for at least six months, in order to give trustworthy answers. While we will not disclose which brands or for which categories the respondents work, their roles are Category Leaders and Product Managers.

For the purpose of understanding the marketers' perspectives better in the remaining chapters of this study, it should be established what these roles entail as well as how they differ. The definition of Category Leader is a local position in the marketing department and they are responsible for a whole category with different brands included. A Product Manager has a Nordic position in the marketing department and are responsible for one brand and sub-category. There is also a difference in responsibilities for Category Leaders and Product Managers. Product Managers focus primarily on marketing strategy, media planning and developing of media communication. Category Leaders are customer and sales centric and are responsible for the operational part, e.g. negotiating with local customers, launching the products, setting the local prices, preparing promo-campaigns in line with Nordic marketing strategy and media planned.

We decided to interview three Product Managers and two Category Leaders, in order to approach our research questions from two different angles and get a broader set of data. The Product Managers provided us with knowledge and experience about how to create brand loyalty with Millennials through different media tools. While the Category Leaders provided more knowledge on how to create brand loyalty Millennials on a local level through the actual products, prices and promotional campaigns. The table below presents the five respondents who participated in our study, they will in the remaining parts of the study be referred to as below.

Respondents	Work Title	Time at current position	Time at L'Oréal	Country	Duration of interview
Category Leader 1	Senior Category Leader	2 years	10,5 years	Sweden	30 minutes
Category Leader 2	Category Leader	1 year	1,5 years	Sweden	48 minutes
Product Manager 1	Senior Nordic Product Manager	10 months	3 years	Denmark	28 minutes
Product Manager 2	Senior Nordic Product Manager	Almost 1 year	3,5 years	Denmark	28 minutes
Product Manager 3	Junior Nordic Product Manager	1 year	2 years	Denmark	38 minutes

Table 1. Overview of respondents.

3.5 Data Analysis

According to Bryman (2011, p. 523), coding is the starting point for most qualitative analysis of data. As our study takes on an inductive approach, the procedure of analyzing the qualitative data was less structured and relied more on our own interpretations than if our study would have taken on a complete deductive approach. According to Saunders et al. (2009, p. 490), there is no standard process when analyzing qualitative data, but there are three main types of processes; summarizing (condensation) of meanings, categorization (grouping) of meanings, or structuring (ordering) of meanings using narrative.

All our interviews were audio recorded and in order to analyze the collected data we transcribed the interviews. As transcription is very time consuming we transcribed the interviews shortly after they took place. According to Vaughn and Turner (2015, p. 43) it can be helpful to organize the data question by question in order to identify meaningful themes in large amounts of text data. As we already had structured our interview guide according to themes related to the theoretical framework, it came naturally to structure the collected data the same way while transcribing it.

It is important to develop a general analytical strategy before collecting data (Yin, 2009, p. 129). When presenting and analyzing the data we mainly went theme by theme in line with how the theoretical framework was structured, as suggested by Yin (2009, p. 130) who claims that relying on theoretical propositions is the preferred way to analyze data in case studies. As the questions were quite broad the marketers sometimes started talking about topics that were more related to our other themes. As a general rule, we decided to present these under the theme that is the closest rather than being locked in by when the marketer talked about it. In other cases, the respondents started by answering the question but also linked it to previous questions. We decided on where to present this type of data on a case-to-case basis, based on where it had the most natural fit.

While analyzing the data in the empirical findings to find similarities and dissimilarities, the main analysis was conducted in the analysis chapter.

3.6 Ethical Considerations

Ethics refers to whether the behavior while conducting a study is appropriate and to the rights of the people involved in the study (Saunders et al., 2009, p. 183-184). Throughout the whole process of writing this thesis, we have had the ethical guidelines in mind to avoid harm of anyone participating in our study, L'Oréal as a company, and the reputation of our University.

Some of the fundamental ethical questions within research might concern the free will, integrity, confidentiality and anonymity (Bryman, 2011, p. 132). In our case the most important ethical principle that we have taken into consideration is the confidentiality requirement. This means that all the respondents participating in our study will be treated with the highest possible confidentiality. According to Shaw (2003, p. 15), problems of confidentiality are sharper in qualitative research than in quantitative research, since the quantitative researchers can deal with confidentiality issues in the sampling process and through technical safeguards. Lincoln and Guba (1989, p. 233) even goes as far as stating

that confidentiality and anonymity cannot be guaranteed in qualitative research. Moreover, Shaw (2003, p. 15) raises the concern that researchers should not underestimate the ethical risks this brings to qualitative research. Because of this issue, we informed the respondents participating in our study that they would be treated with the highest possible confidentiality, still not promising them complete confidentiality. This information was handed to them together with the interview guide, before the interview took place. We believe this gave them an opportunity to look over and evaluate the questions, before making their final decision whether to participate in the study or not. To avoid that the respondents in any way would feel pressured to pursue with the participation in our study, we explained that if they were not comfortable answering some, or all, of our questions, this was not a problem.

Even if qualitative studies might have to deal with ethical issues, Shaw (2003, p. 26) means that qualitative research is neither more nor less ethical than quantitative research. Still, qualitative interviews put the researcher in a powerful position as he or she have formulated the questions, which could discomfort the respondent (Saunders et al., 2009, p. 187). To avoid inducing this feeling among our respondents, we sent the questions to them before the interview. The respondents could also choose not to answer a certain question or disrupt the interview whenever they wanted to. We also informed the respondents that any information they shared with us regarding categories, campaigns or products, would not be mentioned by name or disclosed in other ways.

3.7 Quality Criteria

Validity, reliability and replicability are frequently used terms regarding quality criteria. Although, in qualitative research there is a minor focus on questions regarding measurement (Bryman, 2011, p. 352). Two other alternative criterion for assessment of qualitative research is trustworthiness and authenticity. Making sure there is a high standard of a study is crucial in research. Therefore, these quality criterions and how they have been met in this study will be discussed below.

3.7.1 Validity

Stake (1995, p. 108) points out that there is a need for measuring and interpreting data with accuracy. Maxwell (1992, p. 279) states that: “Validity has long been a key issue in debates over the legitimacy of qualitative research; if qualitative studies cannot consistently produce valid results, than policies, programs, or predictions based on these studies cannot be relied on”. Hence, there is a need to address the validity of this study.

If the purpose of a study is to generate understanding of a social phenomenon, as it is in our study, the understanding that is generated is valid if the interviewee is a part of the phenomenon (Stenbacka, 2011, p. 552). In our study, one way to achieve validity was to include respondents that had been with L'Oréal for minimum six months, as we believe they would have become “part of the phenomenon” during this period. We also asked about how long they had been in their current position, thus involved in marketing to Millennials, to find out what amount of time they had worked with this issue. This was a way to make sure that they were indeed the experts we were looking for. Further, the interviewee must be able to speak freely, which means that validity exists “when using

the method of non-forcing interviews with strategically well-chosen informants” (Stenbacka, 2011, p. 552). We did, as already discussed, choose our marketers strategically, and as we also gave them the option of ending the interview at any time, and gave them the questions before the interview would take place, the validity has been met. In addition, the questions were mostly open, which gives the marketer the option to interpret and answer the question freely.

Maxwell (1992, p. 279) discusses different types of validity. Descriptive validity concerns being truthful in presenting data; this means only presenting data that one gathered, and not fabricating data (Maxwell, 1992, p. 285). In our case this means that we have not changed, or added any made-up, quotes from our interviews with the marketers. We have of course also only interviewed marketers that are working with Millennials, as interviewing other marketers about how they work would be misleading to the purpose of this study and challenge the validity.

In addition to giving us more freedom to focus on the respondent and the interview at hand rather than being distracted by writing things down, recording our interviews was also a way to further enhance our descriptive validity. Maxwell (1992, p. 285-286) exemplifies the relevance of this choice: “If you report that an informant made a particular statement in an interview, is this correct? Did he or she really make that statement, or did you mis-hear, mis-transcribe, or mis-remember his or her words?”. This way we could go back and transcribe our interviews, rather than trusting our memory, as first step of ensuring validity. Moreover, as a second step of ensuring validity, we have been able to go back to the recordings repeatedly to make sure the interviews were in fact transcribed in a correct manner.

Going back to the recordings and listening again have been a way for us to ensure validity in an additional aspect. By taking this measure, we have been able to listen to the tone of voice of the respondent, to make sure that any subtleties or jokes were not missed. A respondent making a joke that is interpreted as a serious statement would threaten what is called the interpretative validity. The interpretive validity involves portraying the interviewee’s intended meaning and not twist it into something different or something we know they did not mean to say (Maxwell, 1992, p. 288). We have made efforts to not interpret the interviewees’ responses in an arbitrary way in our analysis; we have focused on the actual meaning behind the statement rather than trying to bend it into something that strengthens our results. Furthermore, we have been very careful to use the quotes in a way that is only representing the way they were intended, and to not distort its meaning in any way.

3.7.2 Reliability and Replication

Bryman and Bell (2011, p. 41) describes reliability as: “Reliability is concerned with the question of whether the results of a study are repeatable”. According to Maxwell (1992, p. 288), it is connected to validity in the sense that if the reliability is not there, the validity is hurt. If the data is not measured or interpreted equally, or if the data produced is inconsistent, this question how reliable the studies are (Bryman & Bell, 2011, p. 41).

Reliability is closely connected to the concept of replication. A study that is replicable is a study that can be repeated in detail by another researcher. According to Bryman and

Bell (2011, p. 41) one reason for replicating a study is to see if the results of the study were circumstantial or if the conclusions from the data were far-fetched. In order to replicate a study, the researchers have to be transparent and describe the way the study was performed in detail. If some details were left out, the study replicating the original study will not be performed in the exact same way – thus, the study is not replicable. This could lead to different results, i.e. the results were not reliable.

In the case of our study, we have described the way we carried out the study in as much detail as possible to ensure replication. In the case of marketing to Millennials in the beauty industry, there have been little previous research but some articles from practitioners have been published. However, we have made sure to include some of the advice from these articles as well as from studies on how to market towards Millennials, in this study.

2.7.3 Trustworthiness

Some researchers mean that criterions such as reliability and validity should not be used when discussing qualitative research. Rather, other criterions should be used to evaluate qualitative studies as they, in contrast to quantitative research, do not take on a positivist perspective. Therefore, trustworthiness is sometimes used as a criterion, which parallel criterions discussed in quantitative research, but are adapted to the nature of the qualitative research (Guba & Lincoln, 1994, p. 114).

Trustworthiness is about using methods that secure that the process was made correctly, and is divided into credibility, transferability, dependability and confirmability. Credibility, as well as transferability, are the equivalent to validity. According to Guba and Lincoln (1989, p. 236-237), credibility is concerned with “establishing the match between the constructed realities of respondents (or stakeholders) and those realities as represented by the evaluator and attributed to various stakeholders”. Transferability on the other hand, concerns to what extent the results a study can be used in other settings, based on whether the respondent’s answers match or overlap (Guba & Lincoln, 1989, p. 241). A way to do this is to provide a data set that is as complete as possible, so that others can judge the degree of transferability (Guba & Lincoln, 1989, p. 241). This is the reason why we present a broad data set in our empirical findings, and also comment on whether the marketers have similar or opposing views on the matter. We do however not attach the transcribed interviews in this study, which can be argued is lowering our trustworthiness – it might suggest that we have something to hide. We however made the decision to leave them out as they contain some details that we believe could reveal brand-specific strategies.

Dependability parallels reliability, “in that it is concerned with the stability of the data overtime” (Guba & Lincoln, 1989, p. 242). When the data is not stable over time, the reason behind it is often that the person being interviewed is bored, exhausted or pressed too hard (Guba & Lincoln, 1989, p. 242). This was an act of balance in our study, as we wanted to conduct comprehensive interviews in order to get deep insight, but we also needed to consider the dependability when conducting the interviews. Therefore, we kept the interviews under one hour, as well as gave them access to the questions beforehand so that they had more time to consider their answers. This, we reason, would cancel out the risk of conducting interviews where the marketers were too exhausted. Furthermore,

all the marketers were very passionate about the subject and did not appear to hold back in their answers. A few times they interrupted when we were moving on to the next question so that they could expand on their answers, which we see as an indication of dependability.

Confirmability is the matter of making sure that the results presented “(...) are rooted in context and person apart from the evaluator and not simply figments of the evaluator’s imagination” (Guba & Lincoln, 1989, p. 243). This has already been discussed in-depth in the discussion about validity.

4. Empirical Findings

In this chapter, the empirical findings of this study are presented. The chapter is structured according to the themes in the interview guide in order to increase the readability. These findings constitute the basis of the analysis chapter and the most important findings are highlighted by quotations.

4.1 About L'Oréal

The company of choice is, as previously mentioned, the world leading company in the beauty industry, L'Oréal. The mission of L'Oréal is to offer all women and men worldwide the best of cosmetics innovation in terms of quality, efficacy and safety. Their strategy to achieve this is to meet the diversity of beauty needs and desires all over the world. According to the company, beauty is universal. Beauty does not look the same all over the world, what an African woman consider beautiful might differ from what an Asian woman refers to as beauty. By adding diversity to its teams and the richness and the complementarity of its brand portfolio, L'Oréal is constantly working on the project of offering beauty for all (L'Oréal, 2017).

L'Oréal makes major investments every year in research and innovation, as they reinvest 3,4% of their turnover every year into beauty innovation this really is the center of their model of growth. L'Oréal perform research and innovation all over the world and have research centers in Europe, United States, Japan, China, Brazil and India. The reason for this is to understand the habits of different markets, needs and preferences of local populations within beauty. This extended research method together with marketing makes it possible for L'Oréal to provide the market cosmetic products that are adapted to different skin types, hair types, cultures and generations (L'Oréal, 2017).

4.2 Millennials

As mentioned in the method chapter, we made five interviews with marketers at L'Oréal, two Category Leaders from Sweden and three Product Managers from Denmark. The duration of the interviews was in an interval between 28 minutes to 48 minutes. The Product Managers and Category Leaders will from now on be referred to as “PM” and “CL”, all the respondents will be referred to as “the marketers”.

When we asked the question about how the marketers would describe the generation Millennials, they were quite consistent in their answers. They describe the generation Millennials as a new and large generation that is very attractive right now. According to CL1, they have grown up in a time of rapid change which makes them different from other generations. Furthermore, PM1 describes them as a demanding, questioning and challenging generation who has a greater awareness compared to other generations. All the marketers agree on the fact that the way Millennials express themselves is an important factor to consider, i.e. they create their own unique looks, they speak in pictures and they want to show that they are their own individual. Even though the generation might seem very individualistic, PM2 argues that they still want to belong to a group but

find their own niche to stand out. CL1 also points out that Millennials are very influenced by people who they look up to.

4.2.1 Attitudes & Purchasing Power of Millennials

Regarding the attitudes of the generation Millennials, PM1 says that Millennials are very aware about what they do, how they look and what they consume in comparison to other generations. Furthermore, CL1 means that they have a lot of character, want to be different and experiment with their looks and lifestyle, and are more daring than other generations. According to CL2 Millennials question a lot of things, which is great but also a challenge for the business to adapt to.

When it comes to the purchasing power of Millennials, there are some contradicting views among the marketers. PM1 believes that the generation Millennials have a strong purchasing power because they might not have children and possibly double incomes. The other marketers argue that it depends on the age of the Millennials; those born in the 80's are hopefully employed and have a higher purchasing power. Younger Millennials could be students or new to the professional world, and then the purchasing power drops. CL2 however brings another perspective to the question; (s)he considers the purchasing power among Millennials very strong, because of their access to information. (S)he says: *"They love information and information is key when it comes to purchasing power"*. Meaning that Millennials actively search for information through social media so they can compare different prices, brands or whatever it might be which creates a strong purchasing power.

4.2.2 Importance of the generation Millennials

All marketers agree that the generation Millennials is an important segment to L'Oréal and PM2 expresses it like this: *"I absolutely think it is an important segment, I am convinced it is, it probably is for all companies, because it is the next generation that will have a lot of money"*. To link it to purchasing power, PM2 believes that Millennials are the ones who will have the leading positions in society in the future, and if L'Oréal does not target them now the company will lose them when they are older. Both CL1 and PM1 agree that L'Oréal did not target Millennials before but have become a lot better the latest years. L'Oréal have now realized that the generation Millennials is a core segment if they want to grow as a company, and that Millennials have an indirect effect on the other generations above and below. PM2 confirms this by arguing that Millennials are the trendsetters in society right now, and consequently it is important to figure out what is right for this generation. PM1 even states that: *"It is our most important segment right now"*.

4.3 Image & Identity

When we asked the marketers if they take Millennials self-image into consideration when creating marketing and brand activities all of them were unanimous. They all do, and CL1 defines this as "social listening" which means that L'Oréal look at what they post on social media in order to see what the Millennials write and what they like. Furthermore, PM2

argues that it should be linked to their “inner personality”, their values, their beliefs. (S)he also thinks that it is very easy for Millennials to reject what they do not believe in or agree with, and that one need to go deep to try to understand what this is. PM2 ends the discussion on the topic by saying: “*you really have to understand their in-depth reasons for why they act in a certain way*”. PM3 explains how L'Oréal in the Nordic countries, when they create something for Millennials, have seen that they are much more down-to-earth than previous generations. The Millennials want the marketing to be more authentic and real rather than “Hollywood stars” showing the products. L'Oréal gets the local knowledge on the Millennial consumer by arranging different kinds of events and dinners to learn more about them. Furthermore, (s)he tells us about how they even create products together with the Millennial consumers, because they have seen that it works.

All of the marketers believe that it is important that L'Oréal's products suit the self-image of the Millennial customer. PM2 says that L'Oréal have specific projects regarding this and they are even rebuilding the image of one brand to better fit the Millennials. L'Oréal is also changing all its communication regarding this brand. CL2 highlights that there is a difference between if the product suits the self-image of the Millennials customer, or if it is the brand that fits the self-image; (s)he explains: “*For example, the brand that I work with is cruelty-free and because of this our customer wants to buy our brand and not the competitors, because they believe in the image that the brand has. So sometimes they love the brand and then find the products that they love, sometimes they find the products that they love and then start to like a brand*”. Furthermore, (s)he discusses how the brands and products that we use somehow are a reflection of ourselves and how the loyalty starts to build up if they get the Millennials to reuse these brands and products.

4.4 Marketing Strategy

Discussing the marketing strategy with the marketers, it was clear they all have specific strategies to reach Millennials. They all mention using digital channels, and that traditional media is not a big component of their strategy anymore, even though it is sometimes used to reinforce the message they use on social media. Social media is indeed a big piece of the puzzle for Millennial marketing, and CL1 mentions that they need to use “*a different type of communication, so it is not a lot of traditional media, more in digital media, a lot in social media*”.

Similarly, PM1 mentions: “*Primarily we use new channels, Millennials is the generation that started using social media, they are continuously socially connected and there is no point for us to push commercials to this target group. It is harder to do printed commercials through magazines, so our strategy is definitely to be where they are and in the right way*”. CL2 brings up the concept of “Brand community” and explains it as a quite new concept where the Millennials can meet and learn about the products they like. The Millennials have these communities on social media but L'Oréal arranges events for them to meet in real life. Influencers are usually invited to these events as the Millennials like to see the products being used by somebody they admire and of course, it makes the brand stronger.

When asking about if, and in that case how, L'Oréal segments the generation Millennials further the responses differ a bit between the Category Leaders in Sweden and the Product Managers in Denmark. In Sweden, the generation Millennials seem to be treated as one

segment while the Nordic office in Denmark, who target all the Nordic countries, segment the generation based on age. PM1 explains: *“In the start we treated them as one segment but since we classify Millennials as people between the ages of 18 to 35, there is quite a big difference between an 18-year old and a 35-year old. Usually we segment them in the groups 18-25 and 26-35”*.

4.4.1 Social media marketing

As we wanted to gain a deeper understanding of how L'Oréal actually work with social media towards Millennials we asked some questions regarding this topic. The marketers mention Facebook and Instagram as the primary channels to market their products, mainly through a lot of posts. Still, they do careful research of which social media their target group is using in order to push a little extra there. However, PM2 describes how they have to tread lightly on social media in order to not scare the Millennials away: *“We can't push too much on the products or push too much on brand, because I believe they find something that is more interesting pretty fast”*. CL2 explains how they use social media as a platform to communicate with their followers. (S)he argues that Millennials love this personal communication and that it is becoming more and more important, although it takes a lot of time for a big company like L'Oréal to personally answer all the comments. (S)he says: *“Everyone wants to feel heard, the Millennials demand it and it has become more challenging for companies to meet that”*. Still, the marketers agree that social media gives the company a more authentic feeling.

PM1 highlights the fact that the way L'Oréal market their products through social media has changed lately. Influencers are becoming a more and more important part of their communication. (S)he explains: *“Millennials don't want our products in their face so if the message is delivered by us, they might not pay attention to it. If we manage to communicate through influencers it gives a complete different credibility to the message”*. According to the marketers, L'Oréal market their products via influencers in a lot of different ways. In one project the influencers were a part of the core and represented the product on the packaging. L'Oréal also do send-outs to the influencers to hype their new products, but without paying them. PM3 tells us that they also have paid influencers which requires them to do tutorials or posts on their blogs or their Instagram accounts. CL2 argues that this strategy makes L'Oréal's platform bigger because they can use the platforms of the influencers. (S)he says: *“Before, you had your platform and it was hard to use other platforms, you had to pay a lot of money for it. But now, the influencers are helping us to do this”*.

Even the strategy of marketing through influencers has changed lately at L'Oréal. PM1 explains how they used to create big campaigns in cooperation with the influencers but in the end, it was not trustworthy enough for the Millennials. It becomes clear that the influencers are L'Oréal's new “supermodels” and that they add more authenticity to the marketing but still, the marketing has to be relevant and genuine to the people following the influencer.

When asking the marketers from what kind of marketing activities they get the most positive response, they all agree that digital media is the future, especially Instagram and Facebook. Also, the majority mention influencers as a core part of the marketing activities. They discuss the pros and cons about using influencers versus paid media, and

claim that paid media might still have a bigger reach, but influencers have their followers who are engaged with the products. PM2 says: *“If we regard engagement as positive response and use it as a KPI, I would definitely say that influencers are a good way to go”*. Furthermore, PM3 suggests that if you have the right product together with an authentic influencer post, that is the best way to market the product. But if the influencer does not like the product and it loses its authentic approach, it is better to market through paid media.

4.4.2 Strategy by brand/category

Regarding whether L'Oréal is using a general strategy to reach Millennials or if each brand/category has its own strategy, the marketers reason that the strategies differ between the different brands and categories. They mean that L'Oréal has one general strategy for the whole company which includes general knowledge about Millennials as a segment and how to target them. For the sub-brands, there are different strategies. CL2 says: *“Of course, we have different strategies to reach Millennials. Because in a range from 18 to 35 years-olds there is a big gap”*. The brand that (s)he works with is targeting the younger part of the Millennials, who are using different social media platforms than the older part of the generation. PM3 adds that L'Oréal have so many brands, they have pharmacy brands, professional brands, mass market brands and luxury products, (s)he says: *“It’s really brand by brand I would say. But in the end, a lot of brand uses influences, a lot of brands uses Instagram, so it’s not like it’s a huge difference in the end”*.

4.5 The Brand

When discussing why the marketers believe L'Oréal has been so successful, several mention the company’s heritage and tradition. PM1 mentions: *“It all started 110 years ago and it was kind of the start of the whole beauty industry, so there is a lot of credibility around this”*. Further, (s)he mentions that the company has a certain air of inspiration, the French heritage, the Paris identity, and of elegance, about it. PM2 mentions that the heritage is in fact a big part of the story, but that its actions in the modern world has helped it stay number 1: *“What L'Oréal has done really well is that it is a very historical company with a lot of heritage, but they have still managed to modernize this in a nice way, and digitalize and follow trends, which I think is also why they are successful”*. CL2 explains that L'Oréal looks at the market movements and spot trends, and sometimes purchased brands if the brand portfolio is not meeting the identified market trends. In the case of Millennials, *“L'Oréal saw a change in the market, a change towards Millennials, towards social media”*. Further, discussing the ways L'Oréal works reveals that the company is very good at listening to consumers. The secret sauce is according to this manager to take action, listening and adapting to market trends.

Regarding launches tailored to Millennials, the marketers mention both successful and unsuccessful launches that they have been part of. PM1 mentions that one reason why they started to target Millennials was to stay in the game, their competitors had started to grow because of their efforts towards Millennials and L'Oréal did not want to miss out on this potential.

4.5.1 Brand Identity and Brand Image

From the interviews comes a coherent impression that there has been a learning curve when branding to this generation. PM2 believes that the reason why they generally have successful launches is the way they build their campaigns. Several marketers explain that they have made launches towards Millennials that did not work, and that the way they talked to the target group was the reason. PM1 mentions not talking to the Millennials in the right way: *“We had a launch that was not successful because we didn’t speak the language of Millennials. We used the same kind of communication as to the older generation, and it just really didn’t work”*. They however autonomously conclude that they have started to get it right by now, and that they have had some successful launches when they stopped speaking to Millennials in the same way as to the older generations.

4.5.2 Core values

Discussing core values, they all do work with them in mind, and CL1 notes that their core values are different, which is a strength towards Millennials. There is also another aspect of using the core values in communication, according to PM1: *“We want to be attractive because Millennials wants to identify with the product and the brand. So we try to reach out to the target group and explain our core values”*. The marketers agree that it is important to match the core values and brand identity with the Millennial values, and that it is a challenge when this is not the case. PM2 explains that if you want to seem like a unique brand, it is a disadvantage to be part of a big corporation because it is harder to communicate a feeling of uniqueness and authenticity. CL2 explains that (s)he launched a brand that was very successful because *“We thought about targeting Millennials in every line, from marketing, to communication, to product development, to packaging, everything! The core of the brand is in every part of everything”*.

There is also an aspect of local consumer values that can affect how compatible the core values and brand identity are with the Millennial consumers’ values. According to PM1, this is often the case, as products are developed in Paris but marketed in the Nordics where Millennials are different than in France. This has had an effect on how well the communication has worked, according to PM1: *“There is a lot of examples of how we have communicated in a way that works better internationally than in the Nordics. My view is that in the Nordics people are even more fussy and in that case, we have to have communication that is even more on-point”*.

Some marketers also mention that it can be tricky to adapt core values to a new generation. CL2 explains: *“We have some brands here where the core is targeting the older generations, that has tried to adapt to these market changes, perhaps a bit too quickly and perhaps with a bit too many launches. We have seen that it doesn’t work to push launches that has been directed towards a segment that is actually not the core segment of the brand. So one way does not fit everyone”*. On the same topic, PM2 also discusses that there are issues connected to adapting core values to a modern world. A brand has to feel fresh and modern, but it also cannot change what it stands for. *“Some of our brands builds on heritage from Paris, very fashion-focused, catwalks... It can be hard to modernize these kind of “old” values in the beauty business, I think this is the biggest challenge for some of the L’Oréal brands. To really modernize and make sure that they are part of this new kind of beauty that we have today, instead of how it used to be”*. One

marketer suggests a solution to working with a brand with core values that do not match the Millennial values. (S)he implies similarly to CL2 that it is best to keep the core values as they are, but that one way to go is launching some products that catches a trend among Millennials. This marketer also explains that (s)he worked with a brand that was a bit old-fashioned and their approach was to make it more fun, adding a trendier feeling, being open about what the brand stands for, and being authentic when approaching consumers.

4.5.3 Brand Personality

Brand personalities is not a part of all the marketers' work with Millennials, but it is something that is present among both Category Leaders in Sweden and Product Managers in Denmark. Two marketers work with brand personalities and one is currently creating a brand personality for a brand targeting Millennials.

CL2 reveal that it is important to work with brand personalities to guide you when making decisions: *"When you create this figure it becomes a more natural way to create a strategy or understanding what the customer would need from us"*. It also helps the marketers to understand who the brand is for, according to PM3. (S)he mentions that it can be a struggle because the L'Oréal brands do sometimes overlap in terms of core values or target groups. Using brand personalities can then, according to this manager, and similar to CL2's statement, work as a differentiator and help one remember who one is talking to. Talking to one Millennial in the personality of a specific brand can differ a lot from another brand depending on who the brand is: *"In that way we really try to understand the lifestyle of that consumer. So if both brands target the same target group in terms of Millennials, one brand can be really different from the other one. So are you talking to these girls who like pink or are you talking to these girls that, I don't know, go to rock concerts?"*.

4.6 Brand Loyalty

All the marketers agree that brand loyalty is a very important factor for L'Oréal's marketing strategy. By achieving brand loyalty, they mean that the customers would come back to repurchase the products, so the more loyal the customers are, the stronger their brands get. PM2 claims that brand loyalty is especially important when it comes to the generation Millennials, as they have shown tendencies of quickly leaving a brand during the consumer journey. All the marketers have experienced this, and they claim that the customers of today are in fact not that brand loyal. CL2 states: *"Years ago, when you bought a product you kept on buying that same product over and over. But now, because it is a lot of information out there due to the new social media world, people want to try more. When people want to try more, it means that they do not always try your brand"*. CL2 further touches on the topic of what is the starting point of the brand loyalty, and mentions that sometimes brand loyalty indeed starts with the brand. But sometimes it starts with the consumer wanting to try products, liking them and then starting to like the brand, according to this marketer. (S)he describes the beauty industry as a dynamic market where brand loyalty is hard to get and very easy to lose.

Still, PM2 argues that there is a lot to gain if you are able to create brand loyalty among Millennials, since (s)he believes that once they like a brand, they are very brand loyal.

PM3 mentions awareness as a way of building brand loyalty, meaning that sometimes the customer itself might not be that loyal but with the awareness sometimes brand loyalty arises as well. CL3 adds that when a brand does what it says it does, it creates loyalty.

4.6.1 Strategies to achieve Brand Loyalty

Creating brand loyalty among Millennials seem to be easier said than done, and according to the marketers there is a constant work for improvement going on in this area. Thus, L'Oréal have developed several strategies to achieve brand loyalty among the generation Millennials.

Since Millennials like to experiment and try everything that is available, one of the strategies is to give them a full range of products so that they do not have to switch between brands. Not only is the width of the brand portfolio important, the quality of the products is another important factor mentioned by the marketers. According to PM2, L'Oréal is very focused on all steps of the consumer journey, from pre- to post-purchase, to be able to retain the customer. To stay coherent through the different brands and campaigns is another important strategy, PM1 says: *“One part of it is to have a similar communication, to keep on speaking the same language so the brand does not fluctuate and sprawl too much. You need your fixed brand-DNA”*.

PM3 explains that an overall strategy to create brand loyalty among Millennials is to use these new ways of talking to them. By this (s)he means that ten years back L'Oréal could just push out a product in a TV-commercial and expect brand loyalty to follow, but with Millennials this is not the case. (S)he says: *“So we want to use influencers, we want to be authentic, and yes it's hard but I think it's still very important, because now we also see that what is really interesting in terms of Millennials, is that they are the ones who are actually very passionate about brands as well, so they are very hard to catch, but they can be very passionate and loyal consumers”*.

CL2 believes that having a good dialogue with the Millennials is important to create brand loyalty, because they are actively looking for information. (S)he means that L'Oréal have to communicate this information to them, stating: *“Making a brand strong is not only about having strong core values, you need to actively prove that you still have this. That is something we always have in mind, every day when we work”*. CL2 ends the question by claiming that being true to what you do, that is key.

4.6.2 Challenges with Brand Loyalty

All of the marketers agree that it is a challenge to create brand loyalty among the generation Millennials. CL1 describes Millennials as advance users of their products and highly skilled in searching for information: *“If you don't have a certain product in your range they will just choose another brand. Also, if your brand is more expensive than others, I believe they will choose another brand. So it is very difficult with Millennials”*.

Furthermore, PM2 describes Millennials as a skeptical generation who is exposed to crazy amounts of information every day. PM1 agrees and adds that because Millennials are exposed to this large amount of marketing it is really hard to keep this target group loyal.

L'Oréal is working to be interesting, relevant and to deliver the right content at the right time, which according to the marketers is a big challenge. CL2 brings forward the fact that because of this unlimited access to information, Millennials are fast with trends. (S)he says: *“They use the product, they get bored with it and they want something new. So of course, it becomes harder, the beauty customers are not that loyal because the range of alternatives is huge”*. PM3 highlights the importance of catching the trends even if they die within two years, meaning that it is all about using the potential in the market right now, and meet the actual consumer need. In such cases, (s)he argues that the brand loyalty is an important objective right now but perhaps not in ten years' time.

Another challenge brought up by PM3, is the fact that many of the L'Oréal brands are created in Paris where they do not understand how the Nordic Millennials are consuming or respond to commercials. The Millennial consumers are always online and they see everything that happens, and by that (s)he means that one single mistake will spread really fast, and the brand could quickly lose its image forever. Despite these challenges, PM3 argues that there are ways of overcoming these obstacles, saying: *“With the right brand, with the right story behind it, with the right product, I mean it's challenging but it's not rocket science”*.

It is one thing achieving brand loyalty among Millennials, and another thing keeping them brand loyal. The marketers believe that it is a challenge to keep the Millennials brand loyal, but both PM1 and CL2 are optimistic and argue that if you in fact achieve brand loyalty, it is probably for the right reasons, and then they could be very loyal. Still, PM1 means that the threshold to this ideal scenario is high. PM2 shares this view, meaning that it is a challenge to keep the Millennials brand loyal but not as big of a challenge as winning them over in the first place. (S)he says: *“When they are already in the loop, I believe it is easier to continue to target them with the right information and interesting communication. When you've already found what kind of niche that works. It's generally a pretty difficult segment but once they have become loyal they stay loyal over a longer period of time – unless you really screw up as a brand!”* Still, CL2 ends this discussion by claiming that brand loyalty will always have the word challenge next to it, as it is hard to get and very easy to lose.

5. Analysis

Below the main empirical findings of this study are analyzed and related to the theories in the theoretical framework. Similarities and differences of the views of how marketers can create brand loyalty among the generation Millennials are identified. The chapter is structured by the same themes as in the Empirical Findings chapter and the analysis revolve around the key concepts of the Theoretical Framework.

5.1 Millennials

The theoretical framework and our empirical findings strongly indicates that the generation Millennials is a very attractive segment in today's market. As one of the marketers mentioned, Millennials have grown up in a time of rapid change, which makes them different from other generations. One way the Millennials differ from other generations could be, as DeMaria (2013, p. 1654) suggests, that they are a transformational generation. The fact that they have been born into the fast-moving development of internet and technologies could create many opportunities for companies in the today's market, as Millennials have shown to be very adaptable to change. Furthermore, the most distinctive characteristic of Millennials is their use of technology; three-quarters of them are active users on social media and 20 percent of all Millennials have posted a video of themselves online (Pew Research Center 2010). Our empirical findings demonstrate the importance of companies paying attention to this development, as all the marketers at L'Oréal agree on the fact that the way Millennials express themselves is an important factor to consider when marketing to them.

The marketers at L'Oréal described the generation Millennials as aware, demanding, questioning, and challenging, compared to other generations. In the theoretical framework, we could see tendencies of this as one of the most distinctive characteristics of Millennials is that they want to be included as partners in the brands they love (Fromm & Garton, 2013, p. 19). This strong need for engagement and involvement can naturally be challenging for companies in the beauty industry, as keeping it up is very time consuming. Bradley (2010, p. 22) argues that this demanding generation seek "return on involvement" rather than "return on investment". It confirms that the Millennials have a great awareness about the brands they buy and how they demand that the brands act in line with their values, or they will question it. The marketers also describe the Millennials as a generation who not only are different, but actually want to be different. Initially, they see them as a daring group who wants to experiment with their looks and lifestyles. This challenge the companies in the beauty industry on a product level. Bradley (2010, p. 22) argue that the Millennials value quality in the products they buy and want them tailored and customized according to their own preferences, which becomes very important as the beauty market contains an unlimited amount of options.

An interesting observation regarding the purchasing power of the Millennials was that the marketers seemed to have different views of what contributes to a strong purchasing power. Some of the marketers in our study look at the income of the Millennials when determining their purchasing power, while CL2 mean that purchasing power can also be generated by access to information. According to The New Strategist Editors (2015, p.

148) the variations of income level is larger among the generation Millennials than in any other generation. This is something that the marketers at L'Oréal have taken into account as they view Millennials born in the 80's as having a higher purchasing power than younger Millennials. This is as an argument for not treating this generation as one segment but to segment them even further.

According to The New Strategist Editors (2015, p. 146) the income of Millennials has slowly been decreasing since year 2000. Still, Millennials show great signs of optimism in this time of economic struggle. Pew Research Centre (2010) found that nine out of ten Millennials believe that they eventually will reach their long-term financial goal and that they currently have enough money to get by. One of the marketers at L'Oréal is clearly aware of this as (s)he pointed out that Millennials will be the ones with leading positions in society in the future, and if L'Oréal does not target them now the company will lose them when they are older – which is one of the motivations for having a brand loyalty strategy. This optimism about the future shows that it is important for companies in the beauty industry to view this segment as a key target group, despite their limited income. Their access to information ease the process of comparing different brands and prices to one another, so even if they are held back by their income, switching costs are low and options are unlimited in the beauty industry of today. Our empirical findings even show evidence of the importance of the generation Millennials, as all marketers at L'Oréal are unanimous that they are the trendsetters in society right now.

5.2 Image & Identity

The empirical findings show that part of the strategy of reaching Millennials is to engage in “social listening” – to review what Millennials post and write on social media. They do this to be able to link the brand with the consumer's inner personality. This strongly suggest that the view of the marketers is that social media is a way for Millennials to express who they are. This correlates with the theory, as it is believed that the products one use signals to others who one is (Solomon et al., 2013, p. 5). It can therefore be determined that they work towards a similarity between the brand image and the Millennial consumer image. Thus, as an important factor in how they work, it supports the notion of the self-image congruence model; marketers believe that consumers in the beauty industry choose products when there is a similarity of their self-image and the image of the beauty brand. The model also suggests that over time a bond is created between the consumer and the brand (Solomon et al., 2013, p. 159), which is what L'Oréal aims for.

By studying Millennials, L'Oréal tries to build its communication in a way that Millennials can relate to personally. This further suggest that they try to create a relationship between the brand and the Millennial consumer. Furthermore, the interviews showed that Millennials easily reject what they do not believe in, which supports that brand managers need to identify the self-concept of the target group and shape the brand accordingly (Kressman et al., 2006, p. 962). In the interviews, one of the Category Leaders mention that brands and products that we use are a reflection of ourselves, and that brand loyalty can be built if Millennials reuse them. This suggest that a relationship has been formed between the brand and the consumer, which aligns with the suggestion of Kressman et al. (2006, p. 962) that a way to assess brand loyalty is to look at the relationship between the consumer and the brand and how well their values match.

5.3 Marketing Strategy

While L'Oréal do engage in generation segmentation and targeting, the interviews uncovered that they often further segment this group. This can be based on age, lifestyle or interests as they note that their lifestyles can be different. Some might be in high school and some might have gotten their first promotion or child – someone who is 18 and 35 might not be so alike even though they belong to the same generation. Carpenter et al. (2012, p. 422) claim that for young generations, similar trends and a similar culture exist among the consumers; a generic Millennial consumer. This is challenged by the marketers at L'Oréal, who suggest that products and communication sometimes does not work because Millennials in the Nordics differ so much from Millennials in France, where the brand development is mainly made. While providing evidence for the generation segmentation as something that is in fact used in practice, this study also provides empirical data that challenges the belief that all individuals of a generation are, in fact, the same. This is further supported by studies that show that generations cannot be used as a single segmentation factor, but rather has to be used with other factors, such as for example the consumer's life-stage (Gurău, 2012, p. 113). While Millennials might be different in terms of where in the life cycle they are, and might want different brands – there would be very few brands on the market otherwise! – the marketers still indicate that Millennials can be reached in quite similar ways. One marketer for example reason that their overall strategies towards Millennials are pretty similar across brands in certain aspects.

In the theoretical framework, it is mentioned that in order for Millennials to consider a brand as a purchasing option, brands have to become part of their lives, add value to it, and give them an actual experience (Lissitsa & Kol, 2016, p. 311). L'Oréal has several activities that act in similar ways; inviting them to events, to co-create, etc. is a way to become a part of their lives, add value to it, and giving the Millennials an actual experience. Millennials want to feel included (Fromm & Garton, 2013, p. 84), and these activities are a way to do so. One marketer argues that Millennials love personal communication, and that the company puts a lot of effort into answering all comments from consumers on social media. (S)he says that “everyone wants to be heard”, which corresponds to what Sebor (2006, p. 26) argues is characteristic for Millennials; they think they are special, and they expect brands to treat them the same way. We argue that the reason why Millennials love personal communication is that it makes them feel special. Millennials value inclusiveness (Fromm and Garton, 2013, p. 84), and getting this kind of attention from a brand is a way for companies to treat the Millennial consumers as equals. This further resonates with the strategy of being transparent with Millennials that is mentioned by the marketers; by doing so, L'Oréal closes the gap between the brand and the consumer. Asking Millennials and Millennial influencers to co-create products also signals that Millennials are part of, and important to, the brand.

The empirical findings show that social media is a key channel at L'Oréal for marketing to Millennials, if not the key channel. L'Oréal mainly uses Facebook and Instagram to market their products and in building brands, and according to Felix et al. (2016, p. 123) many companies simply use social media to push products onto customers. However, the marketers mean that L'Oréal is careful in this sense and do not want to push their products too much through their social media channels, as customers might lose interest. Instead, they use their social media platforms to communicate with the Millennials which is precisely what Cader and Al Tenaiji (2013, p. 558) argues is the main purpose of social

media. It allows the companies to engage, listen and converse with their customers, which we believe creates authenticity.

Influencer-marketing is another path on L'Oréal's strategy roadmap and it is a growing trend among almost all consumer goods companies. The marketers mean that by using influencers their social media platforms becomes bigger and reaches more consumers, and the messages become more credible. According to Colliander and Dahlén (2011, p. 318), influencer marketing is an opportunity for companies to show their products in an authentic way. However, we argue that if the marketing is going to be perceived as authentic by the Millennials, it has to be genuine or they will see through it. This because, as mentioned before, the Millennials are so aware and informed that they immediately will know if the content in some way is sponsored. Our reasoning was confirmed by one of the marketers as (s)he explained how L'Oréal used to create big campaigns together with the influencers, but in the end, that was not trustworthy enough for the Millennials who did not like it. In the end, it all seems to come back to authenticity and credibility if the social media marketing is going to have a successful outcome in the beauty industry.

5.4 The Brand

The theory states that a well-defined brand is easy to distinguish from other brands (Kapferer, 2012, p. 12). According to one marketer, having a different core value is a strength and something that differentiates them on the market. Therefore, they work hard to differentiate brands that target similar target groups or have similar core values. One way of doing so is to create consumer profiles within the target group, and communicate in a way that attracts this kind of consumer profile by embodying the core values that is the brand personality (Urde, 2003, p. 1031).

The marketers all agreed that it is important to match the core values and brand identity with the Millennials' values, and that it is a challenge when this is not the case. Their view resonates with Kapferer (2012, p. 151) who argues that it is crucial for a brand to know its identity before trying to affect the image among consumers, as it might otherwise lead to an incoherent relationship between the brand image and identity. L'Oréal has a proven experience in this area, as they have had some unsuccessful product launches towards Millennials where they have tried to adapt an existing brand's core values to match the Millennial values. This could be interpreted as an example of a brand knowing their actual brand identity but still trying to change their brand image to be more attractive to the Millennial target group, but eventually ending up with an incoherent brand identity and brand image. Thus, the interviews with the marketers revealed the significance of the core values being coherent through every line of the brand, from the brand is born until it reaches its end-consumer.

Sirgy (1982, p. 291) means that a match between the brand personality and the consumer's self-image leads to a product preference, purchase intention, product usage and loyalty. One of the marketers shares this view as (s)he believes that brand personality can guide the marketers while creating strategies, and in understanding what the consumers need, and thus can communicate in a way that goes along with the consumer's self-image.

Another marketer highlights the effect of using brand personality as a way of differentiating brands from each other. (S)he means that by understanding the lifestyle of the consumer, two brands targeting the same group can still be very different. This reasoning aligns with Franzen and Moriarty (2009, p. 257) who argue that brand personality is a tool for marketers to differentiate a brand from its competition, and Khraim (2011, p. 125) even claims that this effect is crucial in industries where there are little tangible differences between brands. Clearly, L'Oréal is a large player in the beauty industry but they still have many competitors, constantly challenging them from every direction.

There are many brands that target the same type of consumers or have similar core values, sometimes even within L'Oréal according to one of the marketers, which further makes differentiating important. (S)he reasons that is not necessarily problematic when two brands are similar or targeting the same group, as they can still be very different in the mind of the consumer, if their personality and the way they demonstrate their core values in their "way of talking" differs. Since Millennials are becoming such an attractive generation to target, we believe that thinking of the brand as a brand personality in greater occurrence would have a positive impact on brand loyalty among Millennials. This is further confirmed by the fact that Millennials are "sick of being sold to" (Sebor, 2006, p. 26), which stresses the need for a brand personality that the Millennial consumer can relate to its own personality.

5.5 Brand Loyalty

The marketers all view brand loyalty as something that is important, which confirms the theories around brand loyalty (e.g. Wood, 2004, p. 9). The theories further express that if consumers do not view brands as different from each other, there is no brand loyalty, and the marketers reason similarly. There was a consensus among the marketers; they that all believe it is a challenge to create brand loyalty among this generation.

Whether brand loyalty among Millennials is possible or not, we got ambiguous responses. One marketer mentioned in the interview that brand loyalty always will have the word challenge next to it, as it is hard to get and very easy to lose. The interviews however also uncovered a belief that brand loyalty among Millennials is hard but nonetheless possible. An argument was that if one manages to get Millennials to become brand loyal, they are likely to stay brand loyal, and that winning them over is a lot harder than it is to keep them. While they do indeed believe that Millennials are sometimes harder to get brand loyal, they are not less brand loyal than other generations. One interesting finding was that brand loyalty is always important, but not necessarily always a long-term objective. Rather, it is a way to draw the Millennial in temporarily and maximize the potential of a trend for as long as it lasts. This is similar to the view of Syrett and Lamminman (2004, p. 65); the Millennial consumer can be loyal, but only temporarily.

We asked the marketers at L'Oréal to discuss if they believe it is a challenge to create brand loyalty among consumers of the Millennial generation. We uncovered that one of the reasons why the marketers find Millennials challenging in terms of brand loyalty, is the amount of marketing stimulus and news about trends that they are exposed to every day; if a brand does not have a certain product, the consumer will just go with another brand that has the right product that matches the trend. Further, products that are priced

too high can be a motive to why Millennials sometimes choose another brand's products, the marketers reason. It is supported by the fact that some factors affecting why consumers choose a particular brand at a certain point are price promotion and availability (Franzen and Moriarty, 2009, p. 322). Further support can be seen in how price is a key purchase driver for Millennials when they buy beauty products (FUNG Global Retail & Tech, 2017).

Availability and price as important factors when Millennials are considering brands, suggest that consumers do not see a big difference between beauty brands, which Weilbacher (1993, p. 90) claims is one of the reasons why some consumers are not brand loyal. Franzen and Moriarty (2009, p. 322) further mention that when there are many brands on a market it can affect brand loyalty negatively, which is something the marketers also bring up in the interviews. One marketer claimed that beauty consumers are not very loyal because they have a huge range of alternatives in terms of both brands and products. (S)he expressed that the Millennials tend to try a product but gets bored fast, which is connected to the availability of products. (S)he explained: "They use the product, they get bored with it and they want something new", indicating that it is important for a brand to introduce new products continuously to keep up with trends, and that the life-cycle of beauty products is indeed short, as stated by Kumar et al. (2006, p. 292). We believe all of this pinpoints that if a brand does not have the product that the Millennial is looking for, (s)he will go with a brand that offers it in their line of products. The interviews also uncovered that it is important to catch trends fast and exploiting the potential that is there for a limited time, as previously mentioned, which further supports that the life-cycle is short in this industry, and something that affects how products are and should be launched.

When discussing how to keep the Millennials as consumers and get them to re-purchase, brand loyalty is central aspect, and something the marketers work continuously towards. They therefore agreed with the claim of Shen and Bissel (2013, p. 629), who mean that the end goal of branding is brand loyalty. The marketers had the opinion that it is challenging to get Millennials brand loyal, which agrees with the theories of Millennials as disloyal to brands (Lazarevic, 2012, p. 45). According to Ergin et al. (2005, p. 16) managers must plan their marketing strategies with brand loyalty in mind. The interviews showed that the marketers do, and they have a long-term approach to brand loyalty.

Some of the managers discuss the subject in terms that relate to the theory of the consumer journey. Edelman and Singer (2015a, p. 90-91) mean that the consumer is in charge of the consumer journey, and that in order for brand loyalty to be possible, marketers must regain their control. According to them, the reason why consumers have taken control is that there are so many products to choose from. The marketers at L'Oréal have tried to regain charge by implementing a long-term strategy to building brands where the consumer journey does not push too hard on purchasing. One marketer stated that (s)he believes that the Millennial generation easily drops out in the middle of the consumer journey, i.e. before or somewhere between the steps "buy" and "bond" in the loyalty loop, which then makes brand loyalty challenging. Court et al. (2009) call the consumer journey a battlefield, where each step has to be won in order for brand loyalty to appear, which undeniably does not happen when the consumer drops out mid-consumer journey.

In the light of this, the post-purchase experience is an important aspect of the journey to brand loyalty. According to Court et al. (2009) there are many new consumer touch points

that marketers can use to their advantage, and where the effect on brand loyalty can be large. One of the marketers explained their strategy as thought through and strategic, and that different kinds of touch points are designed for different purposes. This is consistent with how Court et al. (2009) explain that loyalty is created; strategically chosen to influence the consumer through the whole journey.

According to Franzen and Moriarty (2009, p. 322), a brand's strength, measured by for example brand loyalty, is affected by the consumer's perception of the brand, including the consumer's past altercations with the brand. This includes their own experiences of and what others have told them about the brand (Kapferer, 2012, p. 14-15). Thus, a consumer's level of loyalty towards a brand is affected by the quality of the experiences it has had with the brand. A bad experience with a brand, and indirectly a weak brand, can therefore be suggested is what makes the Millennial consumer drop out mid-consumer journey. Edelman and Singer (2015b) mean that brands need to deliver an experience that is better than what anyone else can provide in order for the consumer to not consider other brands. Millennials have shaped their expectations of the brand experience with their use of social media, and expect certain levels of service and engagement from the brands. If this is not met, the Millennials' brand loyalty is affected (Bolton et al. 2013, p. 246). The marketers in the study mentioned that they try to engage with Millennials in the consumer journey and keep them in the loyalty loop by, among other things, continue to target them with the right information, interesting communication, deliver the right content at the right time, as well as engage with them on social media. They also state that making one single mistake can ruin a brand forever, and with it the brand loyalty. All of this infers that their efforts to keep Millennials from leaving mid-consumer journey and creating and keeping brand loyalty is focused on activities that affect both the pre- and post-purchase experiences, as suggested by Court et al. (2009).

6. Discussion

In the below chapter the main findings of the study is discussed. In order to subsequently have a meaningful discussion about creating brand loyalty among Millennials, we first analyze and discuss the Brand loyalty model for generation Y simultaneously. This provides a ground to build on in the discussion that follows. The discussion will then focus on findings of how certain concepts relate to each other as well as identified themes on a broader level.

6.1 Brand Loyalty among Millennials

Lazarevic's (2012, p. 47) model to create brand loyalty among Millennials suggest that marketers cannot use traditional marketing methods when marketing to Millennials. The interviews uncovered that this is only partially true; while their main efforts towards Millennials are indeed digital, they still use paid media to reinforce the messages. We can conclude that when marketing towards Millennials, digital marketing works without paid media, but paid media without digital marketing is not an option.

The analysis showed that the marketers view a congruence between the consumer's self-image and the brand image as important, and that they shape their communication to reflect the consumer's self-image. Millennial consumers will according to Lazarevic (2012, p. 49) not even consider a brand if they do not have positive associations to it. This was reflected in the interviews, as they revealed that marketers consider Millennials as consumers that reject brands that communicate something that Millennials do not believe in or agree with. The first step of the consumer journey is for the brand to be (Court et al. 2009), and it is impossible to get the consumer to pass the first step into the loyalty loop if it does not like or consider the brand an option. This proves the importance of a positive brand image, as this is one of the first pieces that has to be there to be a considered brand.

From what we saw in the analysis, a strong brand is further important as companies must give a convincing reason to why the consumer should pick a particular brand. Otherwise price or availability are more important factors in the purchasing decision, and the brand has not provided the differential effect that a brand with high brand equity enjoys (Keller, 1999, p. 102). If consumers do not see brands as different from each other there can be no brand loyalty (Wood, 2004, p. 9) and thus the added value of a brand is of utter importance to be able to create brand loyalty. There are still lacking some knowledge gaps on how to work with brand equity and Millennials (Bolton et al., 2013, p. 258), but the analysis disclosed that the marketers at L'Oréal use core values and brand personalities as a way to differentiate their brands from other brands, which suggests that these are important ingredients in creating the differentiating effect, and in the end, brand equity and brand loyalty.

It is evident that L'Oréal tries to show consistency across all of their platforms, which is the purpose of integrated marketing communications (Eagle et al., 2007, p. 957). This is especially important in the case of Millennials as they notice inconsistencies very fast due to many brand touchpoints (Lazarevic, 2012, p. 50-51). A thought through and consistent consumer journey is essential in the case of Millennials, as discussed in the analysis chapter, and showing conflicting or inconsistent content will risk putting an end to the loyalty loop. Communicating the brand differently across platforms also comes across as

inauthentic, which contradicts Millennials' fondness of authentic brands (Lazarevic, 2012, p. 50-51). Relating this to the self-image of Millennials, buying a brand that is inauthentic also signals to the world that they themselves are inauthentic – something that is not desirable to this generation.

Achieving a self-image congruence between the brand and the Millennial leads to a relationship between the two (Lazarevic, 2012, p. 51-52). It is essential that the brand not only has the right image, but also behave toward the consumer in a thought-through, consistent and believable manner, as the Millennial can abandon the relationship otherwise (Blackston, 2000, p. 102). The marketers at L'Oréal mention that they work to have a two-way communication with Millennials on social media. It is important that they do not only communicate with the Millennials, but also that they do so in the right way and use the same tone of voice as the consumers. There is a need for consistency in the communication for the relationship to withhold, and to keep meeting the values and identity that drew them in in the first place. With an existing relationship and a mutual communication channel, it can be possible to achieve brand loyalty among Millennials (Lazarevic, 2012, p. 54).

The marketers at L'Oréal mention that using influencers raises credibility in communication, which confirms the step in Lazarevic's (2012) model of using celebrity endorsers to create a relationship between the consumer and the brand. L'Oréal strategically invites influencers to events targeted to, and visited by, Millennials, because Millennials like to see the products being used by somebody they admire. Seeing an "influencer-friend" in connection to the brand can make the consumer feel part of a reference group, and thus the self-congruence is strengthened Kressmann et al. (2006, p. 962). L'Oréal has seen that Millennials are highly influenced by people they look up to and that these days' celebrities is a reference point of what is stylish, which creates makes the brand or product presented desirable. This confirms that brand loyalty can be amplified by using a spokesperson that the Millennials identify with, as suggested by Lazarevic (2012). Thus, this study confirms the theory that celebrity endorser can help create congruence between the Millennial's self-image and the brand, as well as build a relationship with the brand.

6.2 The Millennial segment(s)

This study provides evidence that Millennials is an important segment to the beauty industry. The results however indicate that targeting Millennials based on generation belonging alone is not necessarily advisable for brands in the beauty industry. Our results indicate that it is *where* the Millennials are looking for information that mainly sets them apart from other generations, and that age, a similarity in information search and usage habits, and general attitudes are perhaps the most important reasons why they can be treated and discussed as one segment.

While the generation has similarities in some aspects, the Millennials are both similar and different across cultures (Schewe et al., 2013, p. 4), which indicates that the Millennial generation often need to be further sub-segmented. The L'Oréal marketers often sub-segment this generation into younger and older Millennials because their life stages can be very different. Another approach they use is dividing the Millennials into different consumer profiles, and this implies that Millennials might not be so alike even though

they belong to the same generation. While segmenting using generational belonging as a divider goes a long way, using the whole group as the target group, without dividing it further, can be difficult.

We however believe that Millennial similarities generally include the way they interact with brands. What feelings the consumer have when (s)he buys or uses the product can be vital in the process of forming attitudes toward a brand; what is referred to as a psychological benefit of a brand (Aaker, 1991, p. 119). A trend in theories about Millennials is that they like to be included and belong to a reference group, and brands can use this to create the psychological benefit of being a “Millennial brand”. One way to position a brand is to associate it with a type of consumer, which is usually effective because identifying a brand with its target segment can be a good way to appeal to this segment. One example of a cosmetics brand that used this strategy is Cover Girl who positioned itself as the brand for the girl next-door (Aaker, 1991, p. 123). We speculate that by being a beauty brand for Millennials, an emotional connection is created, and a long-term self-congruence can be formed, as while age, habits and attitudes change, generational belonging never does.

6.3 The Millennial language

When marketing to Millennials it is important to walk the Millennial walk, and meeting them on social media platforms, but talking the Millennial talk should not be overlooked. A success factor in marketing to Millennials is to talk the language of the Millennials (Borchardt, 2017). This study has identified a pattern of marketers adapting to the Millennial consumers in many ways, and the tone of voice and words used is one of them. Wilson (2016) claims that using the same words and expressions as your target market is “half the marketing battle won”, and Millennials are for example wearing rather than applying make-up. This study found that some of the launches L'Oréal made towards Millennials specifically were not successful because they did not speak the language of Millennials, which had a negative effect on credibility. After adjusting how they communicated with the Millennials and instead trying to speak their language, they have seen positive effects and proof that this approach works better. This indicates that speaking the “Millennial language” could be one way of encouraging this generation to choose a specific product or brand, and maybe even reuse it, because self-congruence is established.

However, one of the marketers at L'Oréal mentioned that one of their strategies is to stay coherent in communication through the different brands in their brand portfolio, in order to not sprawl and fluctuate too much. In the same brand portfolio, several generations can be targeted with different sub-lines, and fluctuating too much can weaken a brand and confuse the consumer. We believe that this will be one of the future great challenges for companies in the beauty industry targeting Millennials, especially if they have a wide brand portfolio. But if they succeed, finding a balance of speaking the right language to the Millennial customer but keeping a coherent brand communication (e.g. IMC), could move the company in the right direction of creating brand loyalty.

According to Sebor (2006, p. 26) many marketing campaigns targeting Millennials have flopped because the brands have tried to talk to them in “their own language”. Therefore, we argue that while it is important to adapt to Millennials and meeting them half-way, it

should not be forgotten that balance is the key. While adopting self-congruence-creating methods in creating brand loyalty is essential, the communication should still come across as authentic and indicate that the brand understands the Millennial consumer, not that it is trying hard to be a brand for the Millennial consumer.

6.4 Modern heritage

Humor was for a long time something that was not present in the communication from the beauty industry, it was a business that presented itself as very serious and this has been reflected in the beauty brand (Dormon, 2016, p. 56). The interviews showed that marketers are starting to partially shift away from the heavy and serious tone in order to stay current with the Millennial consumers. With this said, it should be noted that using humor is not necessarily right for all brands, but we notice a trend toward changing the feeling of the brand toward something lighter and more modern. This is reflected in how many companies in the beauty industry is claiming that modernizing their brands but staying true to their heritage. This study also uncovered that marketers at L'Oréal believe the company has stayed successful by facing the challenge of modernizing its brands without losing its core.

It is important to stay true to the brand in order to keep the consistency in brand messages across platforms (IMC). But if the brand is not attracting Millennials when it stays too true to "old" values, this is also problematic from a financial standpoint. One of the marketers mentioned during the interview how some of the brands at L'Oréal are built on heritage from Paris which does not really work in the modern beauty industry. (S)he also mentioned how it can be hard to modernize these kind of "old" brands to better fit the Millennial consumer. It is clearly a challenge that companies in today's beauty industry will encounter if they want to grasp and keep the attention of Millennials. As both researchers and the marketers at L'Oréal stress the importance of the core values of the brand, we believe that keeping the core stable and consistent across platforms is a key factor in creating brand loyalty. Changing it too much will only alienate consumers (Randall, 2000, p. 14). We however promote updating the interpretation of the core values as they need to be dynamic and continually adapted and developed (Urde, 2003). To exemplify this, being a humorous brand does not necessarily mean that a brand can use the same kind of expressions of humor today as was acceptable in society 20 years ago. Therefore, tweaking the brand identity according to changing values and attitudes of the target group can sometimes be relevant as all communication with consumers should translate core values into messages that consumers find attractive (Urde, 2003, p. 1033). Brands should be consistent in their core values but managers should also be open to fine-tuning a brand's core values with time, as brands cannot stand still while markets and the time does not (Randall, 2000, p. 14).

The marketers suggested that it is best to keep the core values but to modernize it through catching trends and launch products towards Millennials. However, the results of this study also showed that pushing too many trendy launches onto Millennials will neither be credible nor authentic in the eyes of this aware generation. According to Sebor (2006, p. 26) many marketing campaigns targeting Millennials have flopped because the brands have tried to talk to them in a too modern way, adapting their marketing in a way that feels forced and not true to the brand. Therefore, we argue that finding a balance between keeping the core values of a brand and still being creative and developing them through

modern launches, could be a solution to this issue. The values a consumer associate with a certain brand, i.e. what the brand means to them, can be a base for brand loyalty (Aaker, 1991, p. 110). When marketers interpret their brand's core values in a modern way, the brand can stay current but believable to this generation, and the brand is still presenting associations that can evoke brand loyalty.

6.5 Offering an experience

We live in an experience-driven world where consumers are looking for experiences that provide them with the stimulation they need (Llopis, 2014). When a brand can become a part of a consumer's life and offer an interesting and enjoyable experience, this becomes part of the brand image that the consumer associate with the brand (Aaker, 1991, 171). If a brand only focuses on trying to sell their products to the consumers, rather than finding ways to creatively engage with them and solve a need, the brand will be short-lived (Llopis, 2014). This study showed that marketers believe brand loyalty is something that has to be built long-term, which means that focusing too much on selling products will hurt the brand building process among Millennials. As mentioned in the empirical findings, L'Oréal does promotional activities that provides the Millennial consumers with an actual experience, e.g. events, meeting influencers and co-creating. We believe that these kinds of activities create added value for the Millennial consumer because they get to be involved and feel included in the brand-activities; which helps build loyalty.

According to Fromm and Garton (2013, p. 84) Millennials value inclusiveness and in order to feel included there has to be a two-way communication between the brand and the Millennial customer. As the marketers mentioned during the interviews, social media has given them a tool to more easily interact with their Millennial customers daily, even though it can be very time-consuming. We do argue that these time-consuming activities, as for instance replying on comments on Instagram, in the end will give the company return on investment, as the brand then becomes a part of the Millennials' everyday life.

The marketers' caution of pushing products through social media aligns with the theoretical view of giving the customer an experience rather than just selling products. We believe that this is important for companies in the beauty industry to have in mind when using social media as a marketing tool. It has never been easier to push products through channels that reach a big crowd, but reaching a big crowd does not necessarily create a positive brand image. Rather, the Millennial wants to feel special (Sebor, 2006), and perceiving a brand message as impersonal will only push them away. As the Millennials are aware of how social media works, giving them an experience, communicating with them and give added value are components that we believe have to be present, in order to reach this generation.

Creating an experience on digital platforms is also important as the Millennials enjoy shopping more than other generations and consider it a hobby (Moore and Carpenter, 2008, p. 333). Failing to provide an experience that meets the expectations of the Millennial consumer will lead to a flawed consumer journey, and with them leaving before they have entered the loyalty loop. Therefore, we believe that it is not only on digital platforms that above discussion is applicable; it has to be present in all touch points between the beauty brand and with the Millennial consumer, including stores, the sales personnel and during promotional events.

6.6 Authenticity

Today, consumers have a difficult time trusting a brand's intentions (Llopis, 2014). They want to know what the brand stands for and what it values, and they want the brand to live it every day, in everything they do. Lazarevic (2012, p. 50-51) means that a brand risk coming across as fake if it communicates conflicting or contradicting values. During the interviews, all of the marketers kept coming back to the fact that they do need to be credible and authentic in the eyes of the Millennials, in order to be considered as a purchasing option. This reasoning stresses the importance of authenticity in today's market and aligns both with the theoretical framework and empirical findings of our study. We have briefly discussed authenticity in the Millennial language, the modern heritage and when discussing the brand loyalty model for the Millennial generation, which verifies that authenticity is important in several aspects.

We believe that authenticity is one of the key factors for brand loyalty to be able to appear. According to Llopis (2014) brands must authentically engage with consumers as they are becoming wiser about their purchasing habits and more mindful of living healthier lifestyles. As mentioned in the theoretical framework, Colliander and Dahlén (2011, p. 318) means that influencer marketing is an opportunity for companies to show their products in an authentic way and we have seen that L'Oréal reasons similarly – when the conditions are right.

Consumers have become more critical and cynical along with these social media trends, which changes how brands can earn loyalty and trust (Llopis, 2014). It is clear that these social media trends are a way for companies to market themselves in a way that seems more authentic and credible for the Millennial generation, but only if they manage it right. Using sponsored posts and creating big campaigns around the content, we believe could be factors that lower the authenticity. Still, going from campaigns with airbrushed models to working with influencers indicates that marketing trends are shifting to a, for this generation, more genuine and relatable way of marketing. But in order for brand loyalty to appear, we believe authenticity constantly needs to be present.

6.7 The power of information

We have discussed that self-image is important to the consumer, showing their identity to others through their use of brands. We see a pattern in brand loyalty and purchase power, in terms of access to information. When consumers find information online about which products are available or what brand currently has a price promotion, they have the power of choice and they are indeed “in the driver's seat” as Edelman and Singer (2015a, p. 90-91) claim. In the analysis, we found that brand loyalty can be affected by price and availability when there is not a strong enough difference established between brands in the mind of the consumer. In addition to these factors, we find that access to information is further something that affects the level brand loyalty among Millennials.

According to Smith (2015), Millennials are the most brand loyal consumers, which is caused by how they use social media to find social proof of what is accepted in their peer group. This means that one reason why Millennial consumers are more brand loyal is the vast amount of information they have access to due to their use of social media platforms. Specifically, the information about what their peers are doing is said to be the biggest

reason why. When consumers know of a brand, it can signal to them that this brand is successful, because *others* use it (Aaker, 1991, p. 66). Relating this to the power of reference groups, this suggests to Millennial consumers that this is a brand to consider for themselves. Millennials who notice what brands and products their peers thus use this information as a signal that this is a brand to that this should be included in their set of brands to consider when starting their consumer journey.

6.8 Dealing with trends in beauty

Trends are shifting fast in the beauty industry and new product launches occupies a lot of time of marketers in the beauty industry. As one of the marketers mentioned in the empirical findings, L'Oréal works with looking at market movements and spotting current trends. They revealed that if brands in their brand portfolio is not meeting the identified market trends, they have to take action, listen to their customers and adapt accordingly. To not be afraid of change seem to be a key factor in order for brands to survive in today's market, especially if the brand is targeting Millennials. Reinforced by Kumar et al. (2006, p. 292), who claim that if a brand does not have the product that the Millennial is looking for, (s)he will go with another brand that does offer it. As one of the marketers argued that the Millennials are the ones setting trends in society today, it becomes even more crucial to create loyalty among this generation. It further indicates that it is important to have brand loyal Millennials as customers in order to be part of driving the trends that Millennials set forward, placing the own brand in the spotlight.

When brand loyalty is low and the Millennials are willing switch to another brand if the brand's range of products does not contain the product they are looking for, it emphasizes how important for companies in the beauty industry to introduce new products continuously and keep up with or drive trends forward. because the life-cycle of beauty products are so short. These fast-moving trends indeed makes it a challenge for companies to achieve brand loyalty but also gives them an opportunity to grab the Millennial consumers' attention with trendy product-launches. The interviews uncovered a view that brand loyalty always is important, but not necessarily always a long-term objective. Rather, it is a way to draw the Millennial in temporarily and maximize the potential of a trend for as long as it lasts. However, we argue that even when a product is launched to maximize a short-term trend, this is still is part of building the brand long-term, and can be used as a platform for future launches. From these findings, we can conclude that the fast-moving trends in the beauty industry makes the concept of brand loyalty more complex, as some marketers argue that brand loyalty needs to be built on long-term strategies.

Another interesting aspect to consider in this dynamic industry is if the consumers buy the products because they are brand loyal, or just because they like the actual product. This could be connected to the theory about brand equity, as Aaker (1991, p. 39) claims that: "If customers are indifferent to the brand and, in fact, buy with respect to features, price, and convenience with little concern to the brand name, there is likely little equity". Contrary, the brand equity is positive when a consumer likes a product or a communication better, or believes something is worth a higher price, because they know which brand it is (Keller, 1999, p. 102). Both the theoretical framework and empirical findings of our study indicates that it is hard to achieve brand loyalty and thus brand equity among Millennials, as they seem to be inclined to switch between brands if it lacks

a desirable product. This resonates with the relationship between the brand personality and the consumer's self-image as a driver of product preference, purchase intention, product usage and loyalty (Sirgy, 1982, p. 291).

These findings highlight that it is important for companies in the beauty industry to offer a full range of products in their brand portfolio, to avoid the Millennials from switching to another brand. We believe that if the Millennials always can find the product they are looking for within the same brand, it lowers the incentives to choose another brand. In turn, it would give the added value of the brand that characterizes brand equity (Lazarevic, 2012, p. 49) – and in the long run, create brand loyalty.

6.9 Co-creation of brand personality

We found support for the theory of brand identity as a sender of brand meaning and the consumer as the receiver of brand image (Kapferer, 2012, p. 152) in this study. The marketers confirm that they use brand personalities as a guide when creating strategies, and the brand identity is the sender's view of the brand personality (Franzen & Moriarty, 2009, p. 241). However, there is also evidence of brand image as a driver of brand identity, i.e. the receiver's view of the brand personality as a driving force (Franzen & Moriarty, 2009, p. 241). The marketers mention that they shape brand personalities according to the consumer profile they target. As brand personality makes up a part of what brand image is (Franzen and Moriarty, 2009, p. 241), matching the actual brand personality (which is the consumer's view) with the internal view of the brand personality, suggests that it is the consumer view also shapes the brand personality, and thus the brand identity.

According to Franzen and Moriarty (2009, p. 241) a brand personality can come across as forced if there exists no clear internal view of who the brand is, i.e. no clear brand identity. Kressmann et al. (2006, p. 962) suggest brand personality should be tailored according to the ideal self of the target consumer to achieve congruence between the consumer's self-image and view of the brand image. In order to achieve this, brand managers need to identify the self-concept of their target group and shape their brand personality to match the ideal self of the consumers. We know that Millennials do not care for brands that are forced or inauthentic, which suggest that shaping brand identity after the consumers' view can work in the Millennial beauty market when there is a new brand or product line to be introduced, or when adjusting the core values of an existing brand in order to pass the test of time, as discussed in the modern heritage theme. As a brand personality is constructed by the core values and how they are communicated (Urde, 2003, p. 1031), this further indicates that the internal brand personality should adjust to the external in some cases – if the brand image is already perceived positively among Millennials. Especially as marketers must make sure the values are important to the intended perceiver, as they otherwise do not pay attention to the message or to the brand (Kapferer, 2012, p. 152).

Kressmann et al. (2006, p. 962) advise brand managers to recognize the brand relationship quality between the company and consumers as a predictor of brand loyalty. The empirical findings establish evidence that there is a well-functioning relationship between the brand and the consumer when the consumers are allowed to be part of creating what a brand stands for. We argue that Millennials want to be included, and as consumers

interpret brands in whatever way they want to either way, signaling that Millennials are invited to create what the brand stands for alongside the marketing teams is something that can help when creating brand loyalty with Millennials. This is supported by Randall (2000, p. 82), who underlines that two-way communication has to be integrated in the overall brand plan, which is also the purpose of IMC (Eagle et al., 2007, p. 957), and IMC is a part of creating brand loyalty among Millennials (Lazarevic, 2012). Further, brand identity and brand image is the same in an ideal world (Kapferer, 2012, p. 151). Thus, the brand identity can fulfill its purpose of being what creates “(...) advocates, a real cult and loyalty” (Kapferer, 2012, p. 149).

This two-way approach of adjusting the brand in cooperation with the consumer, is supported by the fact that Millennials respond negatively to one-way communication from companies and underlines that companies should not only use social media to push products, brands and information on to customers, but also to engage and get involved in the discussions with them (Bradley, 2010, p. 22). This suggest that the relationship in Kapferer’s (2012) model seen in Figure 2; Brand Identity → Message → Brand Image, is not necessarily the best approach in the case of Millennials. Rather, the Millennials can be both a receiver and a sender, and the marketers are both senders and receivers, co-creating what the brand stands for.

7. Conclusions

In this chapter, we will briefly summarize this study and re-visit the research questions. The most important findings of the study are presented which then leads to a discussion of the contributions to theory and the implications for managers.

7.1 The study

Reading the literature on Millennials uncovered that there is no consensus on whether brand loyalty is achievable among Millennials. While some believe that brand loyalty is easier to achieve with this group, others claim it is not possible at all, while a third group believe Millennials can be brand loyal for a short while. Combined with an interest in the beauty industry and learning that consumers of beauty are switching between many different brands, the contradictory views presented a research gap that we found interesting to pursue; how marketers of beauty brands deals with the subject of brand loyalty with Millennial consumers. This study aims to add understanding of how companies in the beauty industry can work to create brand loyalty among Millennials, by conducting a case study at the world's largest beauty company, L'Oréal. By using theories on self-image congruence, marketing strategy, branding and brand loyalty, and empirical findings collected in interviews with five experienced marketers in the Nordic region, we were able to uncover how marketers work towards achieving brand loyalty among Millennials.

This study aimed at answering the following questions:

- How do marketers perceive the generation Millennials?
- How do marketers target Millennials and what marketing activities do they believe Millennials respond positively to?
- How do marketers in the beauty industry work with brand management to earn brand loyalty among Millennial consumers?
- How do marketers ensure brand loyalty when challenged by fast moving trends in the beauty industry?

Throughout this thesis, we have discussed if brand loyalty is achievable with the Millennial generation. By analyzing how L'Oréal marketers work with marketing and branding toward Millennials, we have contributed to the research field of brand loyalty.

7.2 Important findings

By investigating how marketers view the generation Millennials, this study has found that the generation Millennials is an important target group in the beauty industry of today, due to their large size and strong power of choice. There is a congruence between the Millennial self-image and brand image, which proves the importance of a positive brand image. The findings also showed that it is important for companies to speak the language of Millennials but still keep a coherent balance between brands, as an inconsistent content will put an end to the loyalty loop.

Regarding brand management, it is important to find a balance between staying true to what a brand stands for and modernizing brands to fit the Millennial generation's values and attitudes. This can be done by adding modernity to the brand through modern or trendy products, but changing the core values to adapt to Millennials will only push them away from the brand.

Giving an experience to Millennials makes them more perceptible to brand loyalty if the experience is positive. Millennials want to be included into a group, and by communicating with them as an equal and making them feel special can be a step toward brand loyalty. It does not make sense to push too much on brand or products on social media platforms, as Millennials seek added value in all their touch points with a brand. By providing added value in the form that Millennials like; inspiring content, an opportunity to learn something useful, excellent service in-store, co-creation of brands or campaigns, or testing products before they are available in stores is suggested.

This study proposes an existing relationship between low brand loyalty and high purchase power, where access to information gives the Millennial consumer the power of choice. One reason why Millennial consumers sometimes are brand loyal is the vast amount of information they have access to due to their use of social media platforms where they can find information about what their peers are doing and what brands they like. Millennials use this information as a signal these brands should be included in their set of brands to consider when starting their consumer journey.

As trends are shifting fast in the beauty industry, the study has shown that it is important for companies to offer the Millennial generation a full range product portfolio. This because it will lower the Millennials incentives to switch between brands and also gives an added value to the brand, which in the long run could ensure brand loyalty.

A valuable finding of this study is that Millennials respond positively to authenticity and credibility and that these are key factors in creating brand loyalty among the Millennial generation. Influencer marketing can be a strategy for companies to market their products in an authentic and credible way but it needs to be genuine, or the Millennials will question it. This type of marketing also contributes to forming a relationship between the Millennial consumer and the brand.

Brand managers need to identify the self-concept of their target group by using a two-way communication, and shape their brand personality to match the ideal self of the consumers accordingly.

7.3 Theoretical contribution

The study provided evidence supporting Lazarevic's (2012) Brand Loyalty among Generation Y-model. Lazarevic (2012, p. 56) stresses that the model needs to be tested empirically. In our study, we asked marketers about the separate steps in the model and we found empirical evidence that support the importance for all the steps.

Through our qualitative study, we argue that we have contributed with understanding to how marketers in the beauty industry can work towards achieving brand loyalty among the generation Millennials. We have done this by giving examples of how five

experienced marketers at L'Oréal works with this challenge. The study highlights the areas of how marketers work with image and identity, marketing strategy and branding, all to in the end achieve brand loyalty among Millennials.

Several attempts to establish whether Millennials are in fact brand loyal have been made but few have looked at how marketers view brand loyalty when marketing to Millennials. By conducting interviews on five experienced marketers at the world leading company in the beauty industry, we argue that the results of this study contribute to the research gap and are applicable in the research area of brand loyalty in the beauty industry.

7.4 Practical implications

The findings of this study show that for Millennials, digital marketing works without using paid media, but paid media without digital marketing is not an option. Therefore, one of our recommendations to companies in the beauty industry is to always use digital media while marketing towards the generation Millennials. The findings of this study have also revealed the importance of a two-way communication between the company and the Millennial consumer. As this could be very time consuming, another recommendation is that companies should hire a community manager with these responsibilities, to keep the company engaged with the Millennials.

7.5 Limitations and future research

As this study has been conducted from a marketers' perspective, it is not generalizable as it lacks the evidence from the consumers point of view. However, the aim of this study was not to generalize but to add understanding to existing theories about how marketers work with brand loyalty. Also, as this study is delimited to the Nordic countries it could be applicable with caution in other regions. But still more research is needed on the field.

The fact that we only investigated one company and conducted five interviews could affect the reliability, as the results might not turn out exactly the same way if the study is repeated on a different company. Still, we argue that the results of this study are transferable as the study aims to add understanding on how marketers can create brand loyalty among Millennials, which there is more than one answer to.

The Brand Loyalty for Gen Y-model has been tested from the marketer's point of view in this study. However, if the model has empirical ground in consumer behavior connected has not been tested in this study. Therefore, our results only suggest that marketers in the beauty industry does indeed work with creating brand loyalty in the same manner as the model advises, and that in their opinion it is possible to create brand loyalty this way. The Brand Loyalty in Gen Y-model therefore must be further proven empirically from a consumer behavior perspective. Thus, we suggest for future research to empirically study The Brand Loyalty for Gen Y-model from a consumer behavior perspective.

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9. Appendix

9.1 Interview guide

Thank you for participating in this interview as a contribution to the data collection of our Master Thesis. We would like to inform you that this thesis will be published in the database of Umeå University and your answers will be treated with complete confidentiality.

General information

Position of respondent:

Time at current position:

Time at L'Oréal:

Date:

Duration:

Type of interview:

General questions about Millennials

How would you describe the generation Millennials?

How would you describe the attitudes of Millennials?

How would you describe the purchasing power of Millennials?

Why do you think the generation Millennials is an important segment to L'Oréal?

Image & Identity

Do you take Millennials' self-image into consideration when creating marketing/brand strategies and activities? Why/Why not?

Do you believe that it is important that your products suit the self-image of the Millennial customer? Why/Why not?

Marketing Strategy

Do you target Millennials specifically?

What are your overall strategies to target Millennials?

Do you treat the Millennial generation as one segment or do you segment this market further?

How do you use social media to market your products towards Millennials?

How do you use influencers to market your products towards Millennials?

From what kind of marketing activities do you get the most positive response from?

Does each brand or category have a certain strategy to reach Millennials or do you all use similar strategies (i.e. a general L'Oréal strategy)?

The Brand

What do you believe are the strengths of the brand L'Oréal and why do you believe it has become so successful?

Have you had any successful launches towards Millennials? Why were they a success or not a success?

What are "your" brand(s) core values and how do you use them when communicating with Millennials?

How do you market your brand towards Millennials if the core values/brand identity does not match the Millennials' values? (E.g. brand's values that are not directly attractive to Millennials).

Do you work with brand personalities? Why and how?

Do you consider specific Millennial values when creating the brand personality?

Brand Loyalty

Do you consider brand loyalty an important factor in your marketing strategy? Why/Why not?

What are your overall strategies to create brand loyalty among Millennials?

Do you have any specific loyalty-focused activities (e.g. loyalty card)?

Do you believe it is a challenge to create brand loyalty among Millennials? Why/ Why not?

Do you believe it is a challenge to keep the Millennials brand loyal? Why/Why not?