

News monitored for: Arvind Textile



News monitored for: Arvind Textile



TARGET: MILLENNIALS

The Me, Me, Me generation isn't an easy demographic to crack, but marketers are tapping their love for technology, fitness, and nostalgia to grab their attention—and money.

By
**GAURI CHAUHAN
AND ASHISH GUPTA**

Photographs by
NARENDRA BISHT

News monitored for: Arvind Textile



REMEMBER ROOH AFZA? That rose-flavoured summer drink your grandmother swore was the greatest thing since sliced bread? Well, if you were born after 1980—in other words, if you're a millennial—chances are you don't. You're probably sipping a flat white or iced latte in some bohemian café as you swipe your smartphone to check your Instagram or Facebook feed.

But the maker of the iconic Rooh Afza, Hamdard Laboratories, is trying to change that. The more than 100-year-old company, often associated with traditional Unani herbs and potions, is working hard to shake the general perception that Rooh Afza is for fuddy-duddies and make the forgotten drink cool again—quite simply, it's trying to make the drink millennial-friendly. Hamdard has revamped the traditional brand by adding fruit juices like pineapple and orange to get health-conscious hipsters to buy the new fusion drink. It's also getting ready to roll out a ready-to-drink Rooh Afza milkshake and a Rooh Afza topping much like Hershey's to connect with millennials.

But creating a new product isn't enough, you also have to get it to your target audience. And Hamdard is doing that by selling the new Rooh Afza directly in millennial central: hipster cafés. "We wanted to ensure that the drink is available in places that millennials love to hang around out, like in Barista, and packed them in Tetra Pak cartons that they could have when-

CONSUMER BEHAVIOUR

ever and wherever they liked," says Mansoor Ali, chief sales and marketing officer at Hamdard.

So, why does a traditional company want to market its products to the modern millennial generation? Simple, the number of millennials—or people born between 1980 and 2000—is huge and they live largely by one mantra: spend, spend, spend. Auditing and consultancy firm Deloitte pegs India's millennials at 440 million, which is nearly 34% of the country's population that nobody in the consumer business can afford to ignore. But what exactly is a millennial? The general stereotype is that of an entitled job-hopper who doesn't believe in saving for a rainy day. While that may not necessarily be true, the one thing that is true is that millennials are a marketer's dream. "India is a fast-growing nation and for any modern retailer who wishes to stay relevant, millennials are an important customer segment," says Kumar Rajagopalan, CEO, Retailers Association of India (RAI), in an RAI-Deloitte report titled 'Trend-setting Millennials: Redefining the Consumer Story'.

Love them or loathe them, you obviously can't ignore them. But these 20-somethings and 30-somethings aren't an easy market to crack because they aren't loyal to any brand. As a result, marketing experts have to get into their minds to sell to them. Simple, you'd think. After all, that's what marketing professionals have been doing for generations. Actually, not so simple. The quintessentially Me, Me, Me generation is hard to figure out: It is highly individualistic, it's always on the go, looks for convenience, is passionate about health and fitness, is socially conscious and deeply committed to issues like global warming and the environment, and it is a generation of digital natives. But those are traits that are common to millennials across the world; in addition, Indian millennials are also proud of their heritage and traditions. "They are more open, liberal, have no taboos and hence are more receptive to stories that have never been told in the past," says Madhukar Sabnavis, vice chairman and director-client relations at ad firm Ogilvy & Mather, India.

But the problem is you can't pigeonhole millennials. They are also a big paradox for brand marketers: They are highly individualistic but also believe in the sharing economy popularised by Uber and Airbnb. They are digital natives but they also crave real-life interaction. They are highly futuristic but also have a deep sense

**FORGET
BILLBOARDS
AND PRINT
ADS, YOU
NEED TO
ENGAGE WITH
MILLENNIALS
ON SOCIAL
MEDIA LIKE
FACEBOOK
AND
TWITTER.**

58
FORTUNEINDIA.COM // APRIL 2018

News monitored for: Arvind Textile



of nostalgia. A study commissioned by luxury goods company Titan on this demographic delves into this so-called "Millennial Paradox", or the contradiction in India's millennial population that is present across all aspects of their lives, from travel and tourism to their attitude towards work-life balance. "While they are intensely and determinedly individual in the way they obtain and use information, make choices and reach opinions, they are, simultaneously, the most collective generation on earth, sharing everything from activities to opinions and constantly seek endorsement for the same. This is what is termed as the 'Millennial Paradox,'" says the report.

So what can market mavens do to attract the undivided attention and loyalty of this fickle generation? Well, they have to play to its need for experimentation and individuality but also target its love for heritage and nostalgia. Hence, heritage brands have a better chance of success if they update their products and make them relevant for the new breed of millennials. No wonder then, even a legacy company like Hamdard is gradually transforming itself to cater to the changing tastes and buying behaviour of this generation of millennials. Hamdard's history dates back to 1907 when Hakim Hafiz Abdul Majeed, its founder-owner, decided to create a herbal drink from traditional Unani medicine to help Delhi's masses stay cool in summer. It's highly unusual for the traditional family-owned business—it is actually more of a trust because 85% of all profits earned by the commercial arm go to the Hamdard

Suresh Narayanan,
chairman and
managing director
of Nestlé India,
says their products
mostly cater to
youngsters.

Foundation—to target this generation but it's the only way forward.

Go to the Hamdard Laboratories corporate office in Old Delhi's chaotic Chandni Chowk and you see the difference. The three-storeyed building you'd imagine would be filled with traditional medicines made out of ingredients with unpronounceable names is a state-of-the-art wellness centre. And there's a Unani pharmacy as well as doctors for lifestyle and other ailments like respiratory, neurological, digestive, and other diseases. What is going on here? Hamdard has for decades only been identified with some of its traditional bestsellers like its summer fruit drink, Roof Afza, blood purifier Safi, cough table Sualin, and almond hair oil Rogan Badam Shirin.

No longer. Hamdard is gradually transforming itself to cater to the changing tastes and buying behaviour of both millennials and Gen Z or people born after 2000. It has 10 wellness centres, and another 15 are in the offing, that showcase the goodness of Unani across the country. Apart from that, it also sells its traditional products in the form of capsules and tablets to cater to millennials on the go. "Today, it is no longer uncool to call oneself patriotic, *desi* or to say that one likes home-cooked food or wear a Fabindia kurta to a party. It is all about who I am, the individual and not just a part of any group," says Ali, a marketing professional with stints at Procter & Gamble, Reckitt Benckiser, and Sony Music, who is busy re-orienting the company by launching innovative products and branding exercises to stay relevant for young, digitally-savvy consumers.

SOW HOW IS HE TRANSFORMING the company, we ask Ali, sitting in his third-floor corporate office, with pictures of classic rock bands like Pink Floyd, Led Zeppelin, and The Who pasted on the wall just behind. Simple, he says, by drawing deep insights from the behaviour of millennials through constant engagement with them on social media like Twitter and Facebook. Traditional billboards and print ads just don't cut it with millennials; you have to use innovative social media methods like creating hashtags or catchy online campaigns. "Before finalising any concepts or brand messages, we always test it out before a sample of rural and urban millennials through a detailed questionnaire, to understand what they think about the concept and capture the key words," says the

News monitored for: Arvind Textile

rock music fan, who was once a guitarist for a band called Bones and Feathers.

If Hamdard is tapping millennial love for nostalgia and tradition, Arvind, the Ahmedabad-based textile major, is focussed on their tech addiction and antipathy to formality. It stepped on the digital road six years ago when the now executive director, Kulin Lalbhai, returned to India from Harvard Business School and decided to shake up the 80-year-old company. "What we did was one of the boldest things in the company's history, set up a startup within the company itself, of 125 people, and spent nearly \$20 million in creating a technology stack—a hi-tech system that allowed the company to provide all the services that are available to a digital company in a brick-and-mortar company," says Lalbhai.

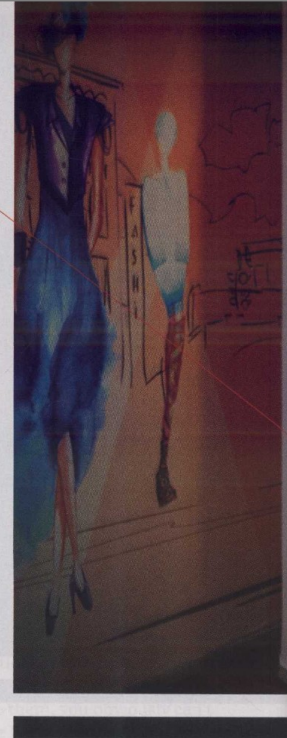
Today, Arvind's 30 stores are all digitally connected. They are actually like warehouses because through the company's app you can get complete information of all products available in every store, order online, and have them delivered at home the same day. For a generation that covets convenience and is glued to its mobile phones, such an arrangement makes sense. A recent survey by Deloitte shows that millennials spend an average 17 hours a week online.

J. Suresh, CEO and managing director of Bengaluru-based Arvind Lifestyle Brands and Arvind Retail, says the company serves millennials and Gen Z through what it calls the BCD formula, in which B is for brand, C for compliance, and D for digital. The company was quick to spot the growing trend of wearing casuals to work and decided to launch multiple brands, including casual denims, targeted specifically at millennials. "Today, we are a dominant market leader in casual denims with 28% of the market share, compared to just 12% of our nearest competitor," says Suresh.

As part of its focus on compliance, the company is aware of its responsibility to society and the environment, which resonates strongly with millennials. The company has developed zero water-discharge factories for brands like US Polo, Arrow, and True Blue; launched a Better Cotton Initiative (BCI), where cotton is sourced from farms that do not harm the environment. Moreover, it has joined hands with some factories to end one of the biggest causes of pollution—discarded old

CONSUMER BEHAVIOUR

J. Suresh, CEO of Arvind Lifestyle Brands and Arvind Retail, says the company spotted the growing trend of wearing casuals to work and launched several casual brands targeted specifically at millennials.



Massive market

440
MILLION
Number of
millennials in
India

34%
Percentage
of India's
population that
millennials
account for

28
Median age in
India, making
it one of the
youngest major
economies in
the world

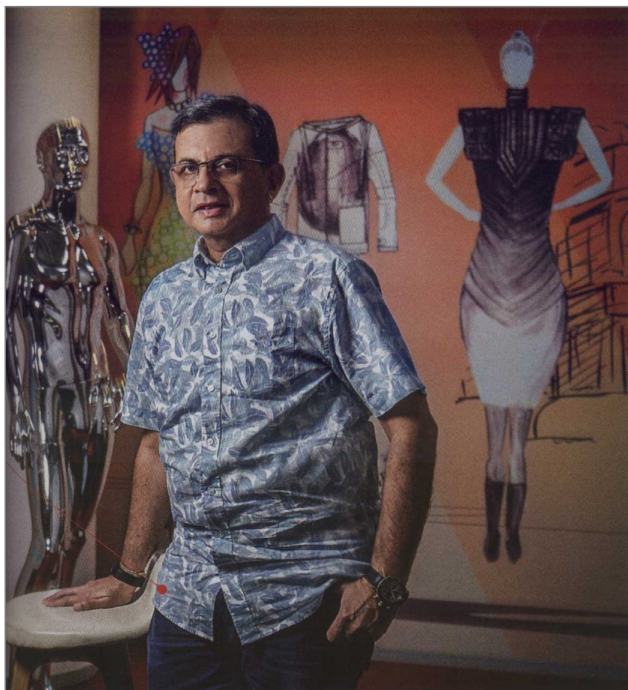
clothes. Factories collect old clothes from its departmental stores, Unlimited, and convert them into yarn to be used again for producing fabrics. "It was a well-thought-out marketing strategy directed towards the millennials because of our deep understanding of the value system of the younger generation and their concern for nature," says Suresh.

GOING DIGITAL ISN'T ONLY about selling online. Arvind's BCD marketing strategy also engages with customers digitally. It uses algorithms and data analytics to zero in on customer taste and preferences. "We are strong digitally not just in terms of selling but also engaging with our customers even in the social media. It is also about sending e-mails or relevant links from our catalogue after studying their buying behaviour and through loyalty programmes," says Suresh.

In an effort to market to millennials and their individualism, the company is also customising and personalising its products. Once a customer's measurements are noted, the customer can personalise everything about his outfit, from the kind of collar to the buttons. "He even has the

SURESH NILOTPAL BARUAH

News monitored for: Arvind Textile



choice to have his name embroidered on his shirt or a different wash for his denim. That's the kind of personalisation and customisation we are talking about," says Suresh. "Customised tailoring and personalised messaging for each and every customer, especially for the millennials, for whom individualism and standing out in the crowd is a priority."

Hamdard and Arvind aren't the only ones tailoring their products to cater to millennials. Nestlé India, a company with a long history in the country, has also realised it cannot afford to ignore today's youth and its growing obsession with fitness and healthy diets. So apart from launching hipper versions of its older brands—such as peri-peri or green chilly Maggi or truffle-flavoured KitKat—the Swiss major is also marketing the health aspects of its products. With lifestyle diseases on the rise and the growing passion for healthy living, the packaged foods giant is positioning itself as a responsible brand which promotes sustainable and balanced living by spending nearly \$2 billion on research and development.

As part of this effort, in the past 10 to 15 years, the sodium content in Maggi has come down by more than 30%, and the sugar in its Milo drink is down 30%. "A lot of effort has gone into reducing the level of fats and sodium in our products to make our products healthier," says Suresh Narayanan, chairman and managing director of Nestlé India. "We have patented technologies, which can potentially reduce the sugar content by 50% in chocolates, without making any difference to the taste. While we may not have brought

the product to India, science and technology will play a role in improving nutrition and enhancing the efficacy of products."

Despite its long history and legacy, Nestlé is still a young company at heart at the end of the day. Most of its products naturally appeal to millennials, who are willing to pay more for quality because they have more money to spend as they aren't bogged down by monthly housing and car instalments. "If you look at our offerings like Nescafé, Maggi noodles, Munch, or KitKat, they mostly cater to the youngsters, which forms a large part of the consumer profile. Nestlé is a millennial company because it has 70% millennials on its rolls," says Narayanan, who has a master's in economics from Delhi School of Economics.

Nestlé India is also actively engaging with millennials on a regular basis on digital platforms. It is no longer just about listening to their views and concerns but also actively working on their recommendations. For example, Nestlé's Masala of India campaign used Google as a polling device to ask consumers to decide which flavour of Maggi they would like and then launched the product. Users had to choose four out of eight options and submit their vote to become eligible to participate in the contest.

But not everybody gets millennials. Sabnavis of O&M says today's marketing professionals often mistake experimentation or trying out new products for loyalty, but that doesn't always resonate with millennials. This generation, according to the Deloitte report, doesn't just value the quality of a product but also looks at other factors such as shopping experience, customer service and response, and query redressal.

Connecting with this paradoxical generation is a challenge. Santosh Desai of brand consultancy Future Brands says many brand and marketing professionals are not speaking the language of millennials or the trends that are fashioning their tastes and views. Sometimes the language is much too formal and conservative for the younger lot. "So marketing professionals have little clue about some very powerful sets of influences like what are they watching," he says. Today, as Desai points out, the concept of targeting has changed, and the meaning of relationship and brands has also changed altogether. And when what a customer wants has changed, it is time that marketing professionals changed too. ■