



Changing Needs of Millennial Customers:

Role of social responsibility perception and Instagram engagement in determining purchase intention

Dr. Chitra Srivastava Dabas, Sarah McCracken, Karina Romero, Sarah Chung,
California State Polytechnic University, Pomona

Keywords: Apparel Brand Value, Instagram Engagement, Brand accessibility, Perceived Social Responsibility, Millennials

Introduction: Millennials are the biggest generation cohort group in US today comprising of more than 83.1 million people (US Census report, 2015). With estimated spending power of \$2.45 trillion, they spend approximately \$600 billion on the apparel industry (Donnelly and Scaff, 2013). Yet many brands targeting this consumer group, like Abercrombie and Fitch, Wet Seal and Aeropostale have struggled to resonate with them. Brands that have been successful in capturing the short attention span of Millennial's are those that have engaged them and provided something to stand for. Given the enormous size of the millennial population and their enormous spending power, it is of interest to research and practice to understand factors shaping their attitudes and preference towards products. Objective of this research is to investigate the influence of social responsibility perception and Instagram engagement on purchase decisions of the Millennials.

Literature review and Hypotheses: The environmentally friendly or 'green' movement has made an impact on the millennials. They seek brands that have a positive environmental impact (Smith, 2014). Social responsibility has become an important consideration for brand selection. They are more likely to spend on brands that support a cause, willing to switch to brands associated with a cause and are willing to take a paycut to work for a responsible company (Cone Communications, 2015). Brands like Pacific Foods and Columbia Sportswear have designed social media campaign to open the discussion of social responsibility with millennials. Social responsibility perception contribute towards brand selection (Nielsen Global Insights, 2014). Being digital natives, they steer towards social media to consume information regarding a brand's social responsibility efforts. They research as well as influence information of others over social media. According to Cone Communication's report (2015), more than 50% of millennials use social media to engage in communication related to social responsibility issues and efforts.

Instagram is one of the fastest growing social media vehicle with more than 300 million users worldwide and 73% of those are millennials (Clasen, 2015). They live with Instagram, sleep with Instagram and wake up with Instagram. Instagram has become a medium for visual storytelling where Millennials enjoy interacting with brands and following them. Picture based vivid interaction with brands create high brand engagement. Research suggests that consumers who experience constant brand involvement will generate interest and value related to the brand or product (Young, 2010). Brand engagement reduces the perceived distance with the brand and consumers find the brand and its products more reachable. They notice brand's product when around them and perceive better accessibility to the brand.

The perceived brand value, brand accessibility and Instagram engagement together will then influence purchase decisions of Millennials.

H1: Millennials are more likely to engage with brands on Instagram if they perceive brand to be socially responsible.

H2: Perceived social responsibility of a Brand will positively influence perceived apparel brand value for Millennials.

H3: Instagram engagement with brand will positively influence purchase intention towards that brand for Millennials.

H4: Millennial's Instagram engagement with brand will positively influence perceived brand accessibility.

H4: (a) Perceived brand accessibility; (b) Instagram Engagement and; (c) Perceived brand value will positively influence purchase intention towards the brand for Millennials

Method: An online self-administered survey methodology was employed. Student sample represented the Millennials, population of interest for this study. Reliable and valid measures from existing literature were used to develop measurement items for constructs in the hypothesized model and modified to fit the context of the study. All items were measured on five-point Likert scales and the reliabilities of the measures ranged from .61 to .96. The survey was pre-test and edited before the final data collection. In total 109 responses were collected with 101 usable responses. The proposed model was tested using structural equation modeling in AMOS 24.0. The structural model exhibited an acceptable fit with the following indices: $\chi^2 = 7.255$ with $df=4$, $p = .123$, CFI = .964, TLI = .911, RMR = .062, and RMSEA = .09.

Result and Conclusion: Six relationships proposed in the model were all significant. Results indicate that millennials are more likely to engage with socially responsible brands on Instagram and they also perceive a higher brand value for such brands. Instagram engagement and brand value in turn influence their future purchase intentions. Instagram engagement also influences perceived brand accessibility, which further contributes to purchase intentions. As the presence and purchasing power of the Millennials continues to grow, the findings of this study indicates several implications for marketers. It is no longer enough to have social responsibility as a section on the annual report. Millennial generation is asking questions, researching social media and paying attention to brands that are delivering on social responsibility promises. They are actively using social media, Instagram in particular, to follow brands and to engage with them. Their attitudes and behavior is shaped by their connection with the brand on social media. Brands should pay more attention to this phenomenon and facilitate information to millennials that can help in creating brand value.

References:

Smith, K. T. (2014). Millennials' Interpretations of Green Terminology. *Academy of Marketing Studies Journal*, 18(1), 55-68.

Clasen, A. (2015, April 22). Why Instagram is so important to Millennials. Instagram Marketing. Retrieved from <http://blog.iconosquare.com/instagram-important-millennials/>

Young, H., & Lennon, S. J. (2010). Effects of site design on consumer emotions: Role of product involvement. *Journal of Research in Interactive Marketing*, 4(2), 80-96.

doi:<http://dx.doi.org.proxy.library.cpp.edu/10.1108/17505931011051641>

Nielsen Global Insights (2014, June 23). Investing in the future. Retrieved from <http://www.nielsen.com/us/en/insights/news/2014/investing-in-the-future-millennials-are-willing-to-pay-extra-for-a-good-cause.html>

Cone Communications (2015, n.d.). 2015 Cone Communications Millennial CSR Study. Retrieved from <http://www.conecomm.com/research-blog/2015-cone-communications-millennial-csr-study>