

BUSINESS MODELS

Sustainable Brands Issue in Focus

[CHANNELS](#) | [Behavior Change](#) [Leadership](#) [Products & Design](#) [Supply Chain](#) [Marketing & Comms](#) [New Metrics](#) | [MORE](#)

Sprouts Farmers Market: A Case Study in Capturing the Loyalty of Discriminating Millennials

by [Charlton Reynders](#), [Patrick McVeigh](#)

March 20, 2015



Image credit: [Business Wire](#)

Related: [Business Models](#), [Foods](#), [Whole](#), [Agriculture](#), [Consumer Products](#), [Finance/Insurance/Investment](#), [Food/Beverage](#),

The financial landscape is rapidly changing thanks to new guests who have recently pulled up a seat at the investment table: Millennials.

The generation has come into its own, with well-earned spending and investment power that it wields with great discretion. Millennials are placing their capital differently than previous generations, and they often demand that their investments meet socially progressive criteria. The nation's first socially networked generation is eager for opportunities that are equally focused on generating returns and strengthening a more responsible bottom line.

As such, before making investment decisions, Millennials typically judge a company or industry against three key areas that indicate its impact: positive social change, leadership with a social compass, and financial transparency.

While it appears to be second nature for this generation to let its values guide its investment decisions, previous generations (such as Baby Boomers) did not readily adopt the same philosophy in the early stages of their investment lives. However, that could change as Millennial money flows into socially responsible investments. Their capital will fuel Wall Street's growing tendency to [reward those companies with a sound social strategy](#), which could bridge the gap for skeptical investors who still believe that investing with a social lens means sacrificing returns.

Moreover, Millennials are investing in companies and industries that go the distance to *prove* they are [geared to be socially constructive](#), as opposed to those that lean on buzzwords that present the illusion of a socially responsible mission. Marketing can be a powerful tool, and those prone to "greenwashing" use social responsibility's popularity to sell products and services. Millennials are the most socially conscious generation to date, though; they typically recognize authenticity and avoid falling prey to greenwashing.

One young company that has built its brand to satisfy the appetite of the millennial investor is **Sprouts Farmers Market**. The grocery chain's dedication to transparency and competitive pricing appeals directly to this next wave of shoppers; Gen X-ers and baby boomers flocked to **Whole Foods** for healthy snacks, but today's younger shoppers are looking to Sprouts for healthy eating options, recipes, and information on how their products are sourced. Given that Millennials were raised to expect that all answers should be available through a quick Google search, it's no surprise that they gravitate towards brands that clearly communicate where their products are sourced and which ingredients they contain.

Sprouts is particularly attractive to Millennials because the store enables consumers to eat well without astronomical up-charges; the emphasis on affordability makes it stand apart from its competitors. While other big-name grocery stores upcharge organic or gluten-free options, Sprouts extends its value proposition by consistently delivering lower prices on these traditionally

GET THE LATEST NEWS SENT TO YOUR INBOX

Email

SIGN UP NOW

Now Trending in News & Views

[World's Largest Palm Oil Trader Gives Forest Destroyers Nowhere to Hide](#)

[Why Environmental Changes Are a Growing Public Health Crisis](#)

[Trending: Regenerative Sourcing, Circular Models Revamping Fashion](#)

LATEST NEWS FROM OUR MEMBERS

December 11th, 2018

[Ørsted wins the Energy Transition Award 2018](#)
[Ørsted](#)

December 10th, 2018

[Three Sustainability Trends Gaining Momentum for 2019](#) [Rolland](#)

December 10th, 2018

[Nestlé Waters North America Will Achieve 25% Recycled Plastic in its Packaging by 2021, Commits to Reaching 50% by 2025](#) [Nestlé Waters North America](#)

+

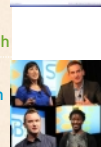
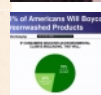
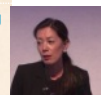
MOST RECENTLY VIEWED IN THE LIBRARY

[Using Your Value Network to Bring Innovation to Life](#)
[Event Video]
[Saori Dubourg](#)

[How to Make Advertising Claims That Consumers Will Trust: A Marketers' Guide to the FTC Green Guides](#)
[Webinar]
[Jacquelyn Ottman](#) [Rebecca Griffith](#)

[Trends and Tremors in the Investor Landscape: New Forces in a New Era](#)
[Audio]

[Vincent Paul Herman](#) [Siciliano Darya Allen-Attar](#) [Conrad MacKerron](#)



MORE

Tweet

0

Like

Share

Share

Email

premium products.

In fact, Sprouts' employees are tasked with making affordability their personal responsibility. According to [BloombergBusiness](#): "Each week, Sprouts' employees in 20 different markets check the produce of about 35 competitors, then lower or raise prices based on the findings."

Price flexibility in a booming market is just one way Sprouts continues to both interest millennial consumers and eliminate any threat of a growth slowdown.

Sprouts' model appeals so much to its customer demographic that demand has been skyrocketing. The company already has stores in 12 states, with new locations sprouting up (pun intended) all over the nation. The chain is expanding so rapidly that it may soon be able to go toe-to-toe with larger supermarket chains nationwide. As investors, we anticipate this brand's growth to continue in 2015, as it's a wonderful example of a company appealing to new demands from the next generation.

Sprouts Farmers Market is an excellent example of what Millennials are looking for as they put their investment dollars to work on Wall Street. They have grown up amidst economic downturns, global connectivity, and an emphasis on social change – all of which have created a new investing environment. Millennials are now in an excellent position, with the chance both to shape the landscape and to be empowered by it for decades to come.



Chat brings more than 20 years of experience in investment management and social venture investing to Reynders, McVeigh Capital Management. His passion for forward-thinking investment strategy rooted in fundamentals has provided a guidepost for his success to date. In addition... [\[Read more about Charlton Reynders\]](#)



Patrick is widely recognized as a pioneer in bringing traditional investment management together with socially responsible investing as President and Chief Investment Officer of Reynders, McVeigh Capital Management. With 26 years of experience in the industry, he was one of... [\[Read more about Patrick McVeigh\]](#)

Sign up for SB Newsletters



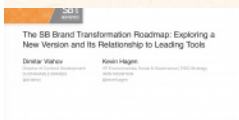
Get the latest personalized news, tools, and virtual media on a wide range of sustainable business topics in your inbox.

Email

[SIGN UP NOW](#)

LATEST CONTENT FROM THIS CHANNEL

LIBRARY



The SB Brand Transformation Roadmap: Exploring a New Version and Its Relationship to Leading Tools

LIBRARY



Using Blockchain Technology and Digital Currencies to Create New Types of Social and Environmental Value

LIBRARY



Learning from Leaders: Why and How Sustainable Living Brands Outperform Others in Growth and Profitability

LIBRARY



Good Life According to Thai Royal Wisdom

LIBRARY



The Business of Planting Trees: A Growing Investment Opportunity

NEWS & VIEWS



Foreign Trade Association Becomes amfori, Embraces Trade with Purpose

NEWS & VIEWS



**New Business Models
Disrupting Mobility in Latin
America**

LIBRARY



**Catalytics Powering Net
Positive Journeys: Concrete
Tactics, Projects and
Partnerships to Support Net
Positive Ambitions**

LIBRARY



**Live Well San Diego: A
Visionary Partnership to
Define and Measure 10
Quality-of-Life Metrics**

+MORE

Editorial Channels

- [Behavior Change](#)
- [Business Case](#)
- [Chemistry, Materials & Packaging](#)
- [Cleantech](#)
- [Collaboration](#)
- [Finance & Investment](#)
- [Marketing & Communications](#)
- [New Metrics](#)
- [Organizational Change](#)
- [Product, Service & Design Innovation](#)
- [Supply Chain](#)
- [The Next Economy](#)
- [Transformational Leadership](#)
- [Walking the Talk](#)
- [Waste Not](#)

Events

SB events are designed to inspire, engage and equip business professionals to fully leverage environmental and social innovation to drive business and brand value. [Find out more](#)

SB Downloads

Access reports, white papers, audio packs, and more - valuable learning tools whether you're new to sustainability or leading the charge. [View all downloads](#)

Newsletters

SB newsletters will help you create and maintain your company's competitive edge by adopting smarter, more sustainable business strategies and practices. [Find out more](#)

Library

100's of videos, research papers and more in one place for those new to sustainability or leading the change. [Visit our library](#)

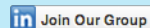
Corporate Membership

SB Corporate Membership represents an exceptional value in education and networking, both online and via access passes to private member events. [View memberships](#)

SB Careers

Come join us to contribute your talents, build your network, gain valuable work experience and credentials, and make a difference at the same time. [View current openings](#)

Get Connected



[Terms of Use](#) | [Privacy Policy](#) | [Write For Us](#) | [Contact Us](#)

Having any trouble with this site? [Email Us](#)

© 2007 -2018 Sustainable Life Media Inc. All Rights Reserved.



Produced by
Sustainable Life Media
Cultivating a Flourishing Future

[Provide feedback](#)