



Marketing to Generation Z

September 2019

The New Kids in Town

A new generation has reached the age of spending, and they are vastly different than any generation that has come before.

So what do marketers and advertisers need to know about GenZ?

Read on to find out:

- Who they are and why they're important
- Buying behaviors and preferences
- How to strategically reach them



Source: Freepik



Who is GenZ?

According to the Pew Research Center, those born between 1997 and 2010 fall into the category of GenZ, which means the oldest members are 22 this year.

They are the first generation to grow up in a fully digital world. They have a different set of expectations and strategic marketing plans must not lose sight of this fact.



Defining Characteristics of GenZ:

- Fiscally Responsible
- Independent
- Focused
- Determined
- Hardworking
- Competitive
- Entrepreneurial



Why is GenZ So Important?

- Youth culture is impacting American consumer culture across generations much more broadly than ever before. The next generation provides insight into what's next for industries.
- GenZ is one of the most powerful consumer forces in the market today:
 - Their buying power is \$44 billion and expands to \$600 billion when considering the influence they have on their parents' spending.
- GenZ will represent 40% of American consumers by 2020.



How Does GenZ Differ From Millennials?

GenZers are **not** Millennials and they want everyone to know they are unique.

Millennials

Generation Z

Saw the beginnings of the digital age, but spent their early childhood with “old school” media	Grew up fully online, preferring mobile technology to TV and radio
Often rely on parents for financial help (e.g. living at home after college)	Came of age during the recession and watched their parents get hit hard economically, therefore are more frugal
Like to work collaboratively and thrive on feedback	Entrepreneurial, and are more likely to start working as young teens
Short attention spans	Even shorter attention spans
Raised in the “everyone gets a trophy” age	A gradual return to the pre-trophy era



Shifting Values

Privacy Matters

Privacy matters more to GenZ.
They are very careful and intentional about managing their online reputation.

Traditional Values

GenZ is fundamentally moving towards more traditional values.
They are old souls in young bodies.

Competitive Behavior

GenZ will be more competitive.
This is in contrast to Millennials' collaborative behaviors.



How Does GenZ Decide What to Buy?

Quality and Value:

- GenZ wants to know they are getting the most for their money.

Identity:

- GenZ considers if the brand fits their unique identity and/or if the product reflects their own values.

Peers:

- They crowd-source their purchase decisions and seek the opinion of their peers before (and after) buying.

Accessibility:

- They prefer to purchase products or services that are available in a mobile-friendly and mobile-first fashion.

Hyper-Convenience:

- A step up from accessibility, GenZ prefers just-in-time products/services that can be consumed instantly.
 - They are big fans of BOPUS (buy online, pickup in store), due to the quick turnaround it allows for retrieving their items.



What Attracts GenZ to Certain Brands?

Taking a stand on important issues

- GenZ practices what they preach and they expect brands to do the same.

Reflecting a more realistic portrayal of life

- Marketing messages that depict a non-diverse or utopian world won't resonate with GenZ.

Creating authentic two-way conversations

- GenZ wants to co-create with brands. Don't market to them; market with them.



Traditional Advertising Doesn't Cut It With GenZ, So Now What?

This generation blocks out or avoids TV commercials, lengthy pre-rolls and other traditional ads, so let's take a deeper look at ways to reach them.



True Digital Natives

2 in 5 GenZers prioritize a WiFi connection over a working bathroom!

GenZ, sometimes referred to as “screenagers,” have never known life without the Internet. They **depend** on their smartphones, with 61% using their phones for 5 hours or more a day. This includes **tons** of time on YouTube and Snapchat.

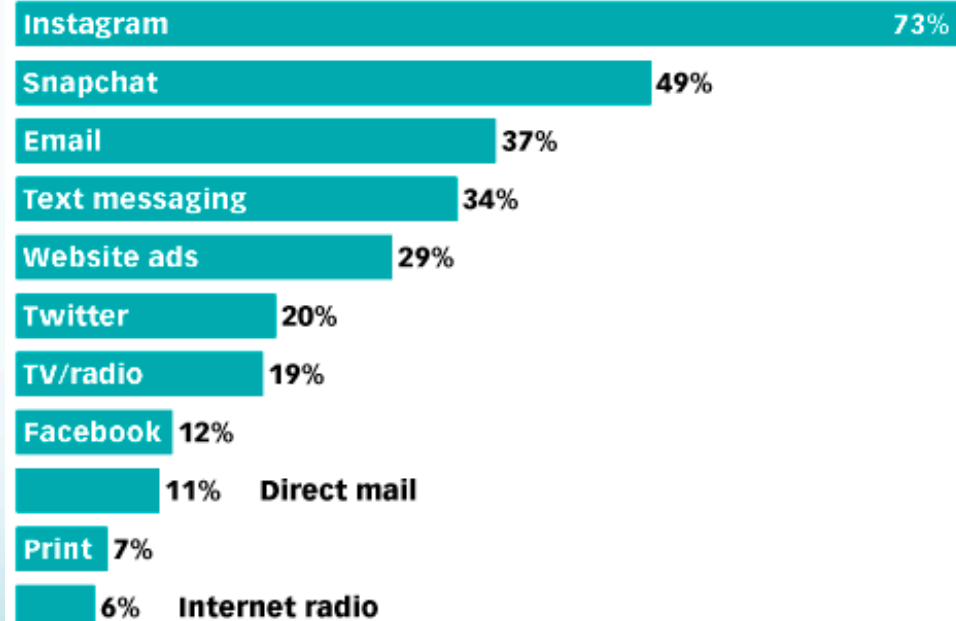
This may be the true gateway for getting through to them, but the attention span is short, so keep videos and articles to a “snackable” size.



Social Media Matters

Best Ways for a Retailer/Brand to Communicate About New Products/Promotions According to US Teens, Spring 2019

% of respondents



Note: teens with an average age of 16; respondents chose top 3
Source: Piper Jaffray, "Taking Stock with Teens: Spring 2019," April 8, 2019

Social media is the standard method of communication for GenZ. While the favorite platform is Snapchat, this generation prefers to engage with brands most on Instagram.

The visual-first nature of social networks can influence GenZers' purchases, but simply posting promotional content is not enough:

- Brands must interact with GenZ by producing helpful content for them, inspiring them, or answering their questions and responding to product feedback.
- Positive brand interactions with GenZers on social media can drive in-store traffic: 69% will visit a store based on a retailer's social media posts.



Authentic Approaches Go a Long Way



GenZ loves to see real people of different backgrounds and body types, like in this Instagram post from one of their most beloved brands, Nike.

- **84%** of GenZers have stronger trust for companies who use real customers in their ads.
- **67%** prefer seeing real people in ads.
- **60%** of teens support brands that take a stand on issues they believe in, such as human rights, race and sexual orientation.
- **85%** of teens are likely to purchase from a brand that supports a social cause, over a brand that does not.



Influencers: Leading and Following

- GenZ is more likely to first listen to a friend or real peer online to help make purchasing decisions.
- They also trust the opinions and reviews of influencers with massive followings on YouTube and social media.
- GenZ does their *own* fair share of influencing:
 - 70% say they influence family decisions on buying household goods, groceries, planning vacations, etc.



Popular influencer, Maddie Ziegler, promoting Fabletics on Instagram



Shopping is an Experience

65%+ of GenZers prefer to shop in-store.

Although GenZ is fully immersed in the mobile world, they still like to shop in brick and mortar stores.

Their love of in-store shopping is due to a few different factors:

- A way to spend time with friends
- Appeals to their instant gratification mentality
- Opportunities to post about their shopping experiences on Snapchat and other social platforms

They especially respond to “experiential marketing.”

- For GenZ, it is all about the human interaction and connection. Incorporate an event or pop-up shop that aligns with your values, and it will go a long way in building brand loyalty and driving sales.
- They still do love Amazon and browse online when looking for good deals. After all, many GenZers have entry-level salaries or allowance from their parents as incomes.
- **And remember**, they still crave an experience while shopping online. Include interactive content and hook their attention.



You Can't Afford to Ignore GenZ Any Longer

Although marketing departments have been hyper-focused on marketing to Millennials, brands need to realize that GenZ is now a force to be reckoned with. Their spending power and influence will only continue to grow in the coming years, so it is important to figure out how to best target their unique nature.

- Use interactive content.
- YouTube, Snapchat and Instagram will guarantee eyes on you.
- Hook up with influencers.
- Focus on short videos over long-form articles.
- Always be authentic.
- Promote social responsibility.
- Create meaningful, unforgettable experiences for them.
- *And whatever you do, don't call them Millennials!*





Contact us for a more in-depth conversation or to discuss our services.

Check Out Our Site: smbmediaconsulting.com
Phone: 917-596-2737
Email: stefanie@smbmediaconsulting.com

Follow us on:

