

White Paper

Generation Z— A Critical Generation for Brands





WHO IS GENERATION Z?

- Born between 1997 and 2012
- 67.8 million Gen Zers in the U.S.
- Represented 20.2% of the population
- Recognized as first social media and digital natives

The Pivotal Generation grew up in a world influenced by:

- Post 9/11 awareness of terrorism
- The Great Recession
- The existence of Google and YouTube
- Easy availability of cell phones, tablets, and WiFi
- NSA surveillance issues
- School shootings

Their values are similar to the Greatest Generation:

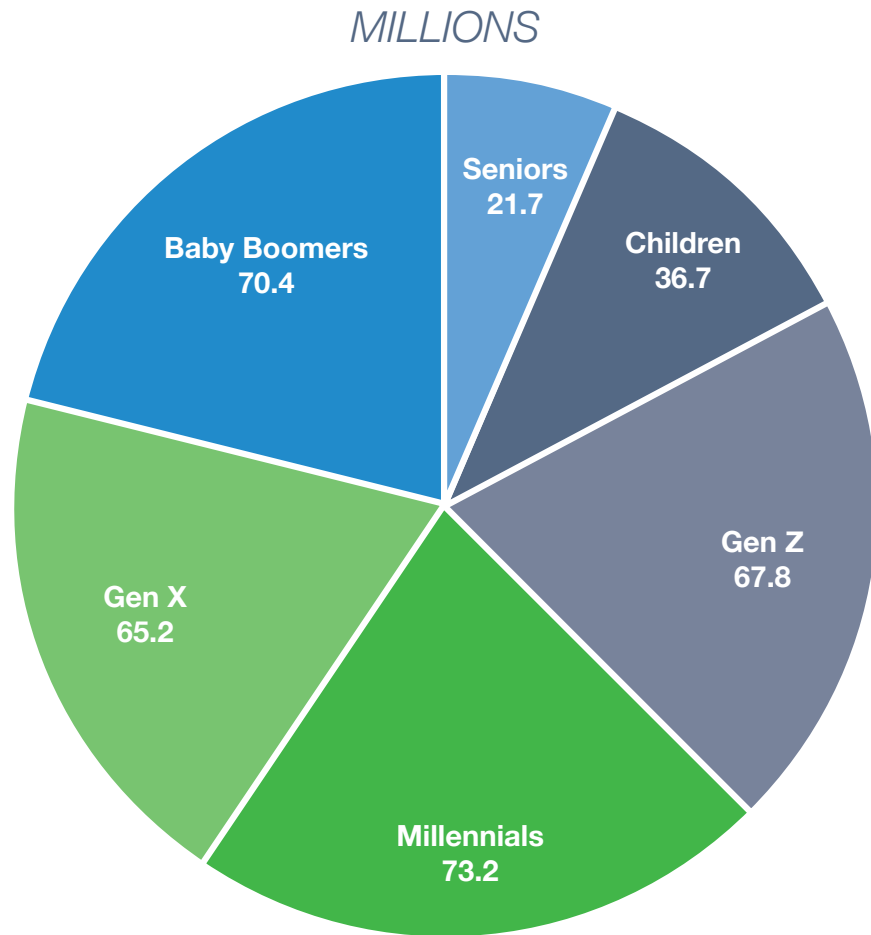
- Want to work for their success
- Have more traditional views on money, education, and career advancement
- Have a greater respect and appreciation for the elderly

Their beliefs lean liberal, nearly radical:

Equality is non-negotiable, especially when related to race, gender, identity, and sexuality.



U.S. POPULATION SHARE, BY GENERATION, 2021



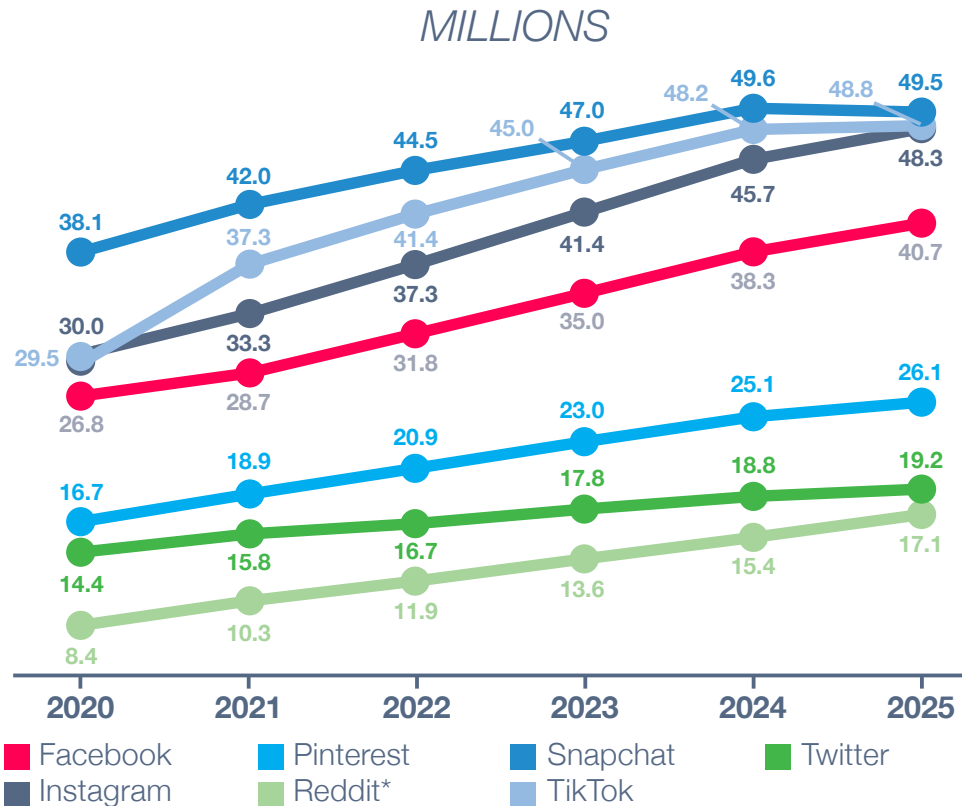
GEN Z VALUES

- Members of Gen Z have distinct core values, including authenticity, achievement, and self-direction; they are vocal about causes, from racial and social justice to climate change. Gen Zers are creating movements and mobilizing others to act, leveraging their technological know-how.
- Gen Zers are establishing a new age of creativity. This generation wants to be the producer-user; they don't want to be a passive audience.
- Having experienced a global recession in childhood and withstood the effects of a massive global pandemic, Gen Zers' visceral need for safety and security permeates all aspects of their lives.

Note: Ages 0-100; Children=born after 2012; Gen Z=1997-2012; Millennials=1981-1996; Gen X=1965-1980; Baby Boomers=1946-1964; Seniors=1928-1945



U.S. GEN Z SOCIAL MEDIA USERS, BY PLATFORM



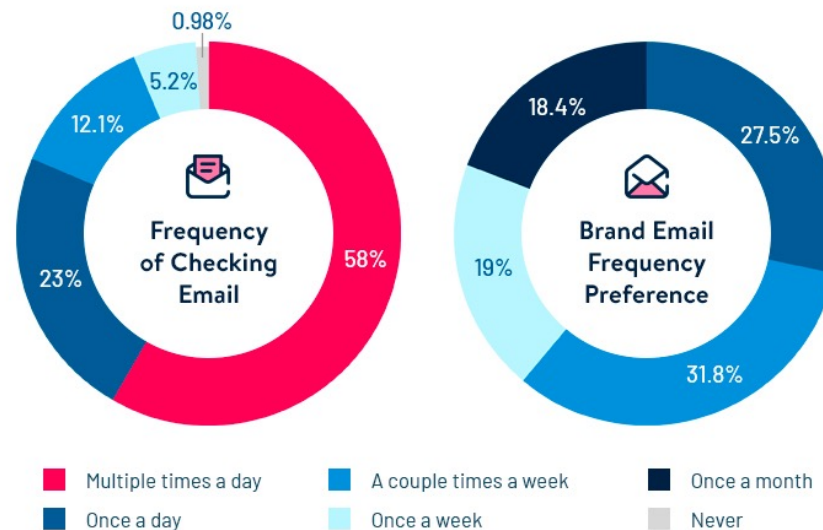
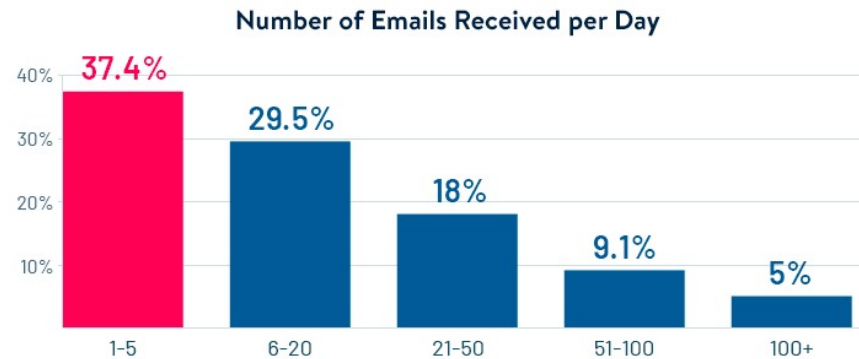
Note: Individuals born between 1997 and 2012 who access their account via any device at least once per month; *logged-in users

GEN Z MEDIA USAGE

- Gen Z grew up with technology at their fingertips; they are the first generation to have 24/7 access to the internet, connected devices, and social media since birth. Their world is seamless, without the physical and digital distinctions and biases other generations experienced.
- Gen Zers are accustomed to the discovery aspect of social media and to the personalization of the various platforms online. 73% of Gen Z follow one or more brands on social media and are 59% more likely to follow a brand account on social media compared to other age groups.
- 71% of Gen Zers watch more than three hours of online videos every day. While YouTube is the go-to source for video content, TikTok is fast catching up as a video hub, too.



NUMBER OF EMAILS RECEIVED PER DAY

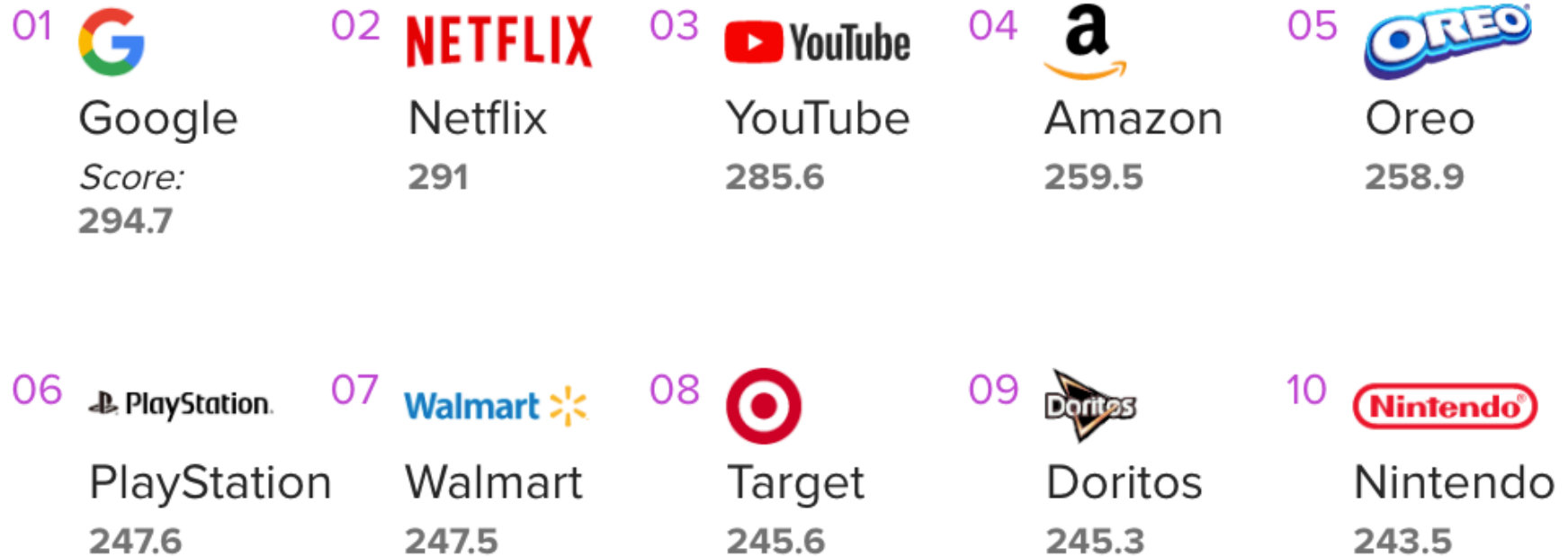


GEN Z COMMUNICATION

- Gen Z is a lot more comfortable living a public life through social media and are more willing to part with their data if it means a more personalized customer experience. They rank their online privacy as being less important to them than other generations.
- As with prior generations, Gen Z greatly values email as a valid and essential communication channel; 81% say they check their email at least once a day, and 65% prefer email more than all other media combined. 2/3 of Gen Z members say that an email has persuaded them to make a purchase.
- While Gen Z avoids ads more than any other generation, they are less likely to object to ads that are relevant to their needs and lifestyle. In this regard, they prefer native ads more than other generations.



GEN Z'S MOST LOVED BRANDS

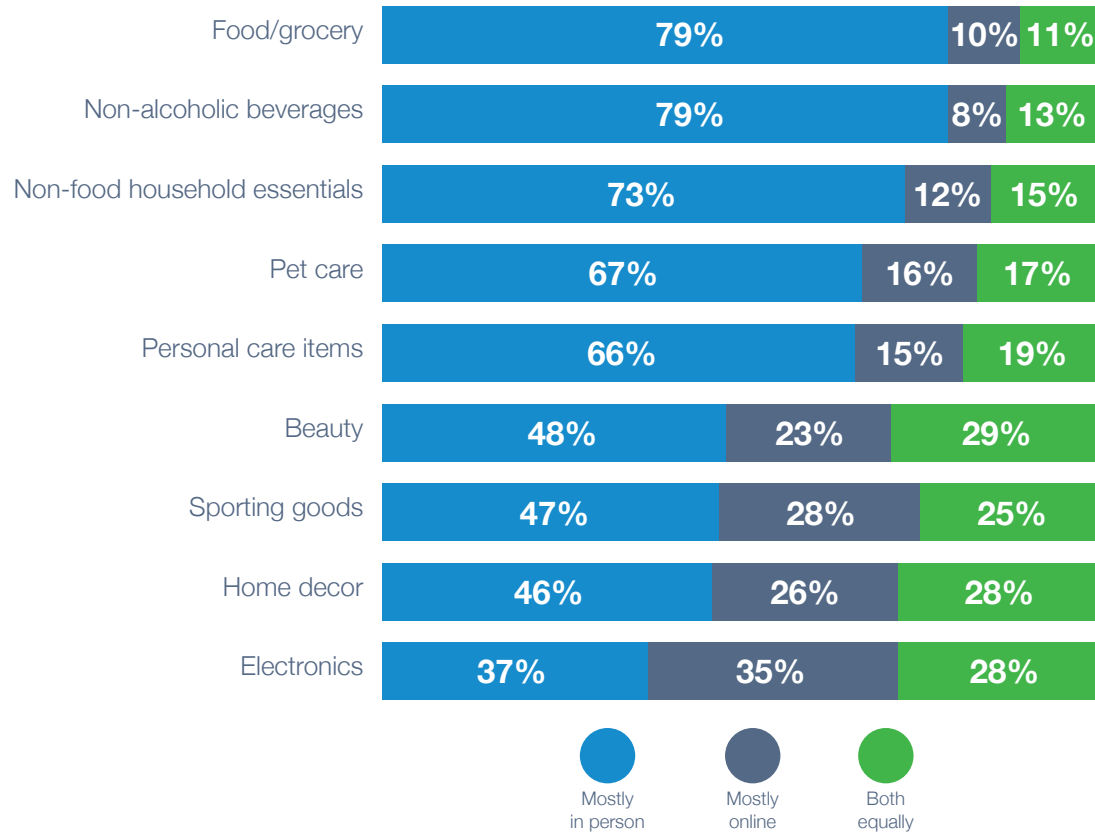


GEN Z VIEW ON BRANDS

- Gen Zers expect Brands to use their influence (reach, money, and scale) to create the change. The common causes they unite around include Climate Change, COVID-19, and Social Justice.
- 70% of all Gen Zers globally are involved in a social or political cause, and 9 in 10 want the brands they buy to get involved in causes that better the world.
- 63% buy/use brands that take a stance on social issues they care about (vs. 49% of adults); 85% say trusting a brand is critical for purchase.

SHOPPING IN PERSON OR ONLINE?

Q: When you shop for each of the following, do you typically go online, in-store, or an equal mix of both?



Source: Gen Z Shopping Habits Study (Path to Purchase Institute, March 2022)

GEN Z SHOPPING AND BUYING BEHAVIOR

- With 13.6 million Gen Zers already employed, Gen Z already has an estimated collective buying power nearing \$150 billion. As more Gen Zers join the workforce (they expect to account for 30% of the workforce by 2030), this figure will grow, making them a significant opportunity for brands that understand their shopping and buying behaviors.
- Gen Z enjoys the discovery of products and explores a wider variety of sources for information (online and offline). They're more likely than older generations to seek deals and freebies and make purchases that help them showcase their individuality.
- Gen Z consumers are 2x more likely to shop on mobile devices than Millennials and over 32% of Gen Z transactions happen on a mobile device.



EMERGING GUIDELINES FOR COMMUNICATION & MARKETING



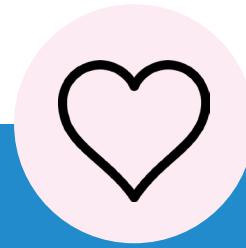
CONNECT THROUGH IMAGES

- Emojis, symbols, pictures, videos
- Text should complement, not be the main focus



USE SNACKABLE CONTENT

- Be succinct—get to the point quickly
- Think fast—they enjoy fast banter and discussion



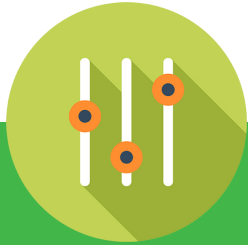
BE AUTHENTIC

- Give them real, personal interactions
- Humanize your brand—they love day in the life, behind the scenes, real life images of brands
- Be real and authentic so they can be unique



SEE THEM AS DIVERSE

- Focus on similarities not differences
- Don't alienate or oppose
- Encourage and foster an inclusive environment and community



GIVE THEM CONTROL OF HOW THEY RECEIVE YOUR CONTENT

- Let them decide their preferences
- Brand interruptions are not welcome
- Make content they want to watch and share and they'll welcome the interaction



FEED THEIR CURIOSITY AND INSPIRE THEM

- Collaborate with them
- Create with them not just for them
- Educate so they can build expertise
- Don't talk down to them
- Give them a social cause to support



ENTER INTO CULTURAL AND SOCIAL CONVERSATIONS ONLY WHEN YOU HAVE A RIGHT TO BE THERE

- Is the conversation relevant to your brand's identity (beliefs, culture, what your organization stands for and is truly a part of)? If not, don't try to insert your brand where it has no relevant voice or authority



BE PREPARED TO COMMUNICATE WITH THEM ACROSS MULTIPLE PLATFORMS

- Tailor content by platform—the general message can be the same, but the content should be specific to the platform
- Responsive design is critical
- Stay current—know what platforms are being used and for what
- Social is critical—they are far less likely than prior audiences to go straight to a website
- Make your brand feel like it belongs in the platform and you have more freedom to interact naturally with your audiences



UNDERSTAND THEM. FOCUS ON THE INTERACTION

- Talk with them, not at them
- Genuinely become a part of the community you want to reach
- Engage, listen, and understand
- Include people who reflect your target in decisions about products and marketing
- They can spot fake



DELIVER INSTANT GRATIFICATION

- They're used to the immediate delivery of the internet age
- 30% of users will abandon content after 5 seconds if it doesn't deliver something of interest or value



REWARD LOYALTY

- They're usually willing to give their information if they'll get something
- More complex, gamified incentives work well if used correctly and executed well



DELIVER A SEAMLESS EXPERIENCE ACROSS

- Platforms
- Devices
- In person interactions

BE PREPARED TO FOCUS ON GEN Z

Be the brand Generation Z expects you to be. They are passionate about changing the world and expect brands to be as well. If you don't embrace and act on the idea of improving the world around you, they will move on to a brand that will.

“If marketers focus on Generation Zers over Millennials, using them as the barometer, they’re likely to please other generations as well.”
—MNI



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