

AdAge

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GEN Z: DECODING THE DIGITAL GENERATION

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UNiDAYS

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When it comes to the latest in digital technology, Gen Z is on the leading edge. Born after 1997, this generation has been growing up side by side with the internet. Everything they do is digital, from connecting with friends, to learning at school, to gaming and entertainment—and it all depends on the gadgets they buy. For marketers that want to connect with this group, digital often feels like the only channel worth connecting on.

Or is it?

A new survey in conjunction with global Student Affinity Network UNiDAYS finds Gen Zers are more complex than the marketing myths would have us believe—and also more unified, with respondents from the U.S., the U.K., Australia and New Zealand generally responding to survey questions similarly. Gen Zers, no matter where they live, take digital in stride—and for granted—as opposed to previous generations that find digital technology new and exciting. While certain digital items are essential life-savers for Zers (98 percent own a smartphone, 94 percent have laptops), many aren't. Only 14 percent own a smartwatch and only 18 percent use fitness trackers.

In other words, they're part cutting-edge and part traditionalist. They may love browsing online, but studies show they still enjoy shopping at brick-and-mortar stores. They may get news via social media but overwhelmingly prefer print books over digital ones.

For marketers, this kind of information is critical. Zers made up 26 percent of the U.S. population as of 2017—and control up to \$143 billion in U.S. spending power, as estimated

by Millennial Marketing. Given the growing power of Gen Z, marketers need to connect with them, stat.

Myth vs. reality

To find out more about this group, UNiDAYS surveyed 22,723 college-age respondents from the U.S., the U.K., Australia and New Zealand about their technology usage and purchasing habits. What it found reinforces the fact that marketers can no longer depend on the time-honored tactics that worked with Millennials, Gen Xers and Baby Boomers. A carefully balanced, omni-channel and personalized approach is needed to make a lasting connection with this highly influential consumer group.

To help marketers, we've identified five widespread misperceptions. We're countering those myths by giving you stats that accurately reflect college-age Gen Zers' tech habits.

1. You may think: Gen Zers—the so-called iGen—are “diginative,” so they'll respond better to digital messaging than any other form of media.

Here's the reality: It's more complex than an “It's Complicated” relationship status on Facebook. With their entire lives dominated by online activity and its constant stream of ads and messaging, they usually ignore digital noise unless it's relevant. For example:

- Sixty-four percent don't listen to podcasts.
- Fifty-six percent don't click on ads when browsing websites.
- Eighty-four percent pay attention to out-of-home advertising.

Engaging Gen Z digitally just isn't enough. Marketers need to dive not only into specific digital channels, but into specific digital platforms as well. For example, you might think Facebook Live would be a great place to reach Gen Zers. Wrong. Eh. Buzzer sound. Seventy-four percent of survey respondents said they don't watch Facebook Live shows or video streaming shows. Those who do opt for events, concerts and influencers.

Engaging Gen Z on "social media" is a generic, sure-to-fail strategy. It would be like saying "shopping malls" were a good way of engaging Baby Boomers or members of the Silent Generation. Nice recommendation and all, but can we please be more specific?

With Gen Z, we see the same need for specificity come into play. They may not be keen about website ads, but 84 percent said they pay attention to digital ads in familiar media placements such as trains, malls, airports and taxis.

Key takeaway: Whether they're online or off, Gen Z is all over the place when it comes to engagement with brands. Don't take a one-size-fits-all approach when speaking to their interests—odds are you'll be wasting valuable ad dollars speaking to a whole lot of empty air. What's more, do not depend on "cutting-edge technologies" as your go-to, fix-it-all savior when engaging Gen Zers. You need to make sure you're creating content tailored to Gen Z, and that you're using not only the channels but the actual platforms they frequent.

2. You may think: Gen Z won't pay for apps.

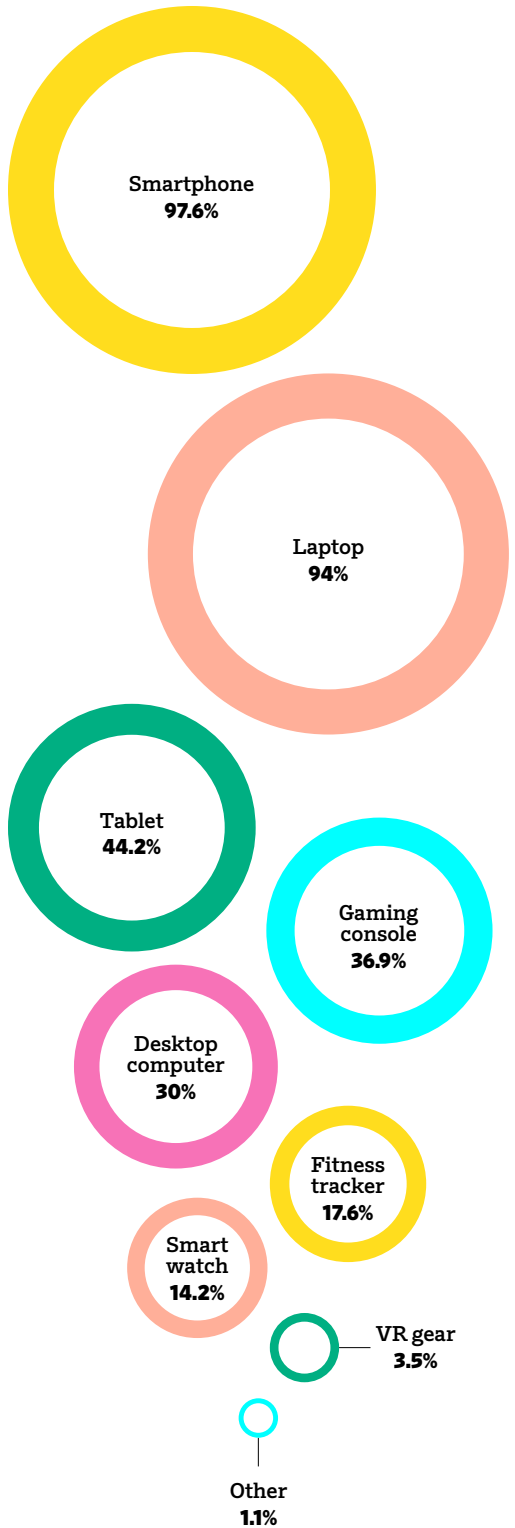
Reality: Here's the thing: Gen Zers have their own money, and that's largely due to the fact that most college-age Zers have some form of employment and income. Since it's their money, it makes sense that they use it on things that offer them something they value—including apps.

Overall, 89 percent of survey respondents said they use one to 10 apps per day. But which ones are they willing to pay for?

- Sixty-six percent of Gen Zers will pay for music apps.
- Thirty-one percent will pay for game and entertainment apps.
- Twenty-four percent are willing to pay for health apps.

Gen Z's digital connections

Which devices do you own?



Source: UNIDAYS 2018 Tech Survey, answers multiselect, all respondents.

Finally, 18 percent said they'll pay for apps that help them with utility and productivity. These practical apps—the type that help them navigate college—are prime examples of the kind of value they're looking for.

Key takeaway: Don't assume Gen Z won't pay for apps they value. They're willing to click "Purchase" if your app will help them achieve personal goals and pursue passions (and/or unlock higher levels).

3. You may think: Gen Z is slowly forgetting about traditional media formats like TV sets and paperback books.

Reality: In certain cases, Gen Zers' preferred tech and media choices have been around for a very long time.

This generation has been connected nearly since the cradle. That said, they easily straddle that line between digital and nondigital, embracing aspects of life earlier generations have always known.

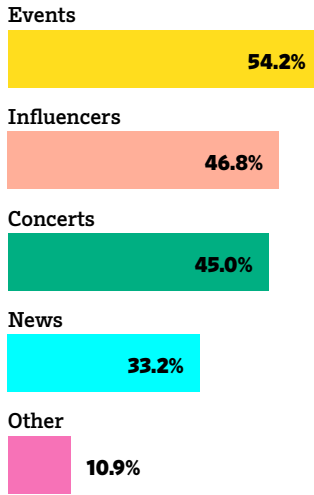
Television may be the most common ground they have with their parents. According to the UNiDAYS survey, 61 percent of Zs have fully switched to streaming services as opposed to 28 percent who watch cable TV. Yet the streaming services they prefer are in line with those watched by Gen Xers and Millennials, with 83 percent of Gen Z watching Netflix, 22 percent choosing Amazon Instant Video and 18 percent opting for YouTube TV.

Furthermore, 48 percent of Gen Zers report watching these services on their laptops versus only 32 percent watching them on TVs. At the same time, only 10 percent prefer to watch via mobile. Viewing habits for the U.S. and U.K. were similar as far as watching TV on laptop, at 41 percent and 43 percent, respectively, versus only 38 percent and 34 percent for standard television. In Australia and New Zealand, Gen Zers watched primarily via laptop at 55 percent and 69 percent, respectively.

When it comes to news, this generation receives most of its information from social media (80 percent) and apps (55 percent). In the U.K., Australia and New Zealand, even though the majority get their news from social media, around 51 percent still watch TV. However, 74 percent of global respondents do not watch live-streaming shows. Digital news

Gen Z and streaming video

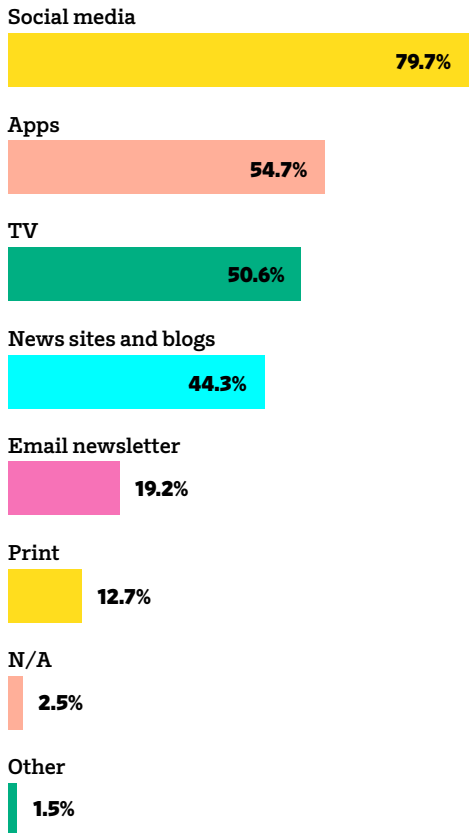
What type of live streaming shows do you watch?



Source: UNiDAYS 2018 Tech Survey, answers multiselect, based on 4,984 respondents who said they watch Facebook Live shows and/or live-video-streaming shows.

Gen Z and current affairs

How do you consume news?



Source: UNiDAYS 2018 Tech Survey, answers multiselect, all respondents.

shows and entertainment sites need to take this into consideration as time goes on.

Perhaps the biggest surprise of all? In this supposedly all-digital, always-on crowd, 77 percent read printed books—a surprisingly large number, given all the Kindles, Nooks and tablets out there.

Key takeaway: Many brands find it hard to engage this younger demographic. Some might even go so far as to believe that a mobile-only, digital-only, virtual reality-only drone-delivery strategy is the one true path forward. But don't believe (all of) the hype. The fact is Gen Zers still read printed books and shop at brick-and-mortar stores—even if 58 percent check online product reviews and 59 percent compare prices online before hitting the mall. Brands need to be cognizant of the nuances of Gen Z—and do their marketing research omnivorously.

4. You may think: Gen Z doesn't care about data privacy. They're all about sharing and selfies and Instagram.

Reality: While a slight majority of marketers believe Gen Zers value their digital

privacy, there's a strong and vocal minority who don't. But as the survey results show, the facts couldn't be more clear: Gen Zers value their basic online privacy by an overwhelming margin.

Consider these stats:

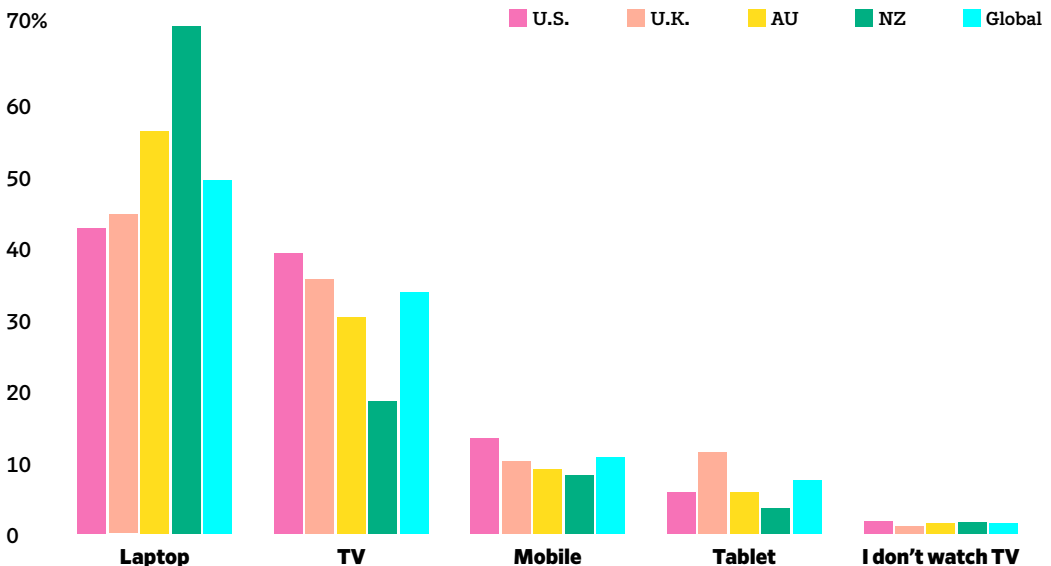
- Fifty-eight percent don't trust Facebook with their personal data.
- Seventy-eight percent let only certain apps (but not all) know their geo-location.

Gen Zers favor Snapchat because of its ability to make messages disappear instantly once seen, using this app roughly 11 times per day to keep up with their friends. This is very different from earlier generations who still prefer Facebook and Twitter, which are far less anonymous.

Key takeaway: If Gen Zers find themselves flooded with unwanted spam, they'll quickly figure out who's selling their data—and they'll cut you out of their lives. Respect their data privacy like you'd respect their living rooms: Be cautious of how and where you're using their information. That goes tenfold in

How Gen Z watches TV

What's your preferred device for watching shows, programs, sports and movies?



Source: UNIDAYS 2018 Tech Survey, all respondents.

regards to third parties you're sharing their data with.

5. You may think: Gen Z is mobile-first—or even mobile-only—when it comes to shopping.

Reality: This generation is mobile-first in a whole bunch of ways—but buying things by smartphone alone isn't one of them.

Of those who said they use their mobile device for shopping, most meant they use their smartphones for all sorts of shopping-related activities:

- Sixty-four percent use them for browsing only.
- Fifty-nine percent do price comparisons.
- Fifty-eight percent look up product reviews.
- Fifty-two percent check item availability.
- Forty-six percent look for store locations.

When it comes to actually buying, 60 percent of all respondents prefer using a desktop when making purchases online versus 22 percent using a mobile browser, 15 percent using a mobile app and only 3 percent using a tablet. Overall, U.S. and U.K. respondents broke down along these lines—while Australian and New Zealand respondents were overwhelmingly (72 percent) desktop shoppers.

When contacting a brand, Zers revert to their traditional side. Their preferred method for reaching out, believe it or not, is trusty old email (40 percent) followed by speaking face to face in-store (21 percent). It's imperative that you respond to their demands promptly: [A study by Marchex](#) reveals Gen Zers are “60 percent more likely than the average consumer to hang up if the phone is not answered within 45 seconds.”

Key takeaway: A mobile-first strategy is extremely important for marketers. But marketers should still ensure they're covering all their bases—including mobile, desktop, in-store and customer phone support—when creating consumer touch points.

Summary

For Gen Z, a one-size approach definitely does not fit all. Marketers trying to lump all Gen Zers into the same digital “black box” will find themselves blindsided by their competitors.

Generation Z is a digital generation, but only in the sense that it's just another routine in their daily lives. The internet is merely another room in the house, a function of how they live and what they do.

Unlike earlier generations who might still be dumbfounded by the ease of accessing information or shopping online or tracking their exercise and health info digitally, Gen Zers consider online shopping and tracking their calories via smart devices as normal, but the same applies to their love for print books and shopping in brick-and-mortar stores with friends.

Connecting with these college-age consumers may be complex, but it's also rewarding. After all, they're accessible through more channels than previous generations and, if given prompt attention and real privacy considerations, can be reached in the moment more easily than their elders.

And we're not talking about just one set of Gen Zs in one country. These are macro trends that appear consistently no matter where Zers live—providing more evidence that this is the first truly global generation. Gen Z offers marketers a promising—and lucrative—relationship for brands that do the legwork necessary to reach them.

More than previous generations, Gen Z cares about the world and what brands stand for. Marketers that want to reach this influential generation face a balancing act of tailoring messaging to the medium it appears on while also ensuring that information incorporates what matters to Gen Z. In this era of fragmented media, connecting your marketing messaging matters.

Ad Age Custom Studio

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About UNiDAYS

UNiDAYS is the world's leading Student Affinity Network. We connect brands to more than 10 million Gen Z college students around the world, giving them the power to make every experience more valuable and rewarding. Our award-winning marketing platform provides student verification technology and integrated marketing solutions to some of the world's most recognizable brands, including Levi's, Adidas and Samsung. Founded in 2011 by CEO Josh Rathour, UNiDAYS has offices in London, New York and Sydney, and is headquartered in Nottingham, UK.

For more information, visit
www.myunidays.com/genz.