



Marketing to Gen Z





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Introduction

Marketing to Gen Z

For years, marketers have been focused on Millennials as the rising stars of business decision-making and consumer spending. Meanwhile, Generation Z were often left in the shadows of marketing research, sometimes dismissed as teens obsessed with their smartphones.

But Generation Z has been quietly growing into a massive influence in the market. Above and beyond its economic clout, this is also the most diverse generation in American history, with strongly held and untraditional views on gender and identity.

If your brand relies on a younger audience, it's time to get to know Generation Z—where they came from, how they think, how they spend their time and money, and the ways they like to engage with brands of all kinds.

Generation Z
was born after

1997



Generation Z already wields

\$44 million

in buying power¹


Generation Z
will make up

40%

of all consumers
by 2020



Who is Gen Z?

A photograph of two young women walking away from the camera on a dirt path. They are both wearing backpacks. The image is overlaid with a semi-transparent red filter. The path is lined with trees and foliage, and a house is visible in the background on the left.

Similar to Millennials

The cutoff birth date for Generation Z varies, but the Pew Research Center draws a line after 1997. The oldest members of this cohort are turning 22 in 2019, but most are in their teens or younger.² At first glance, this generation looks a little like Millennials, whose members are now mostly in their 20s and 30s. Both groups share similar affinities with technology and social media, and many of the same political leanings and beliefs about the value of increasing racial and social equity in society.³

Came of age during economic and political turmoil

Naturally, though, Generation Z also has its own set of unique experiences and characteristics. For one, these young adults grew up during the Great Recession of the late 2000s and their coming of age has been marked by economic insecurity. They've also seen political turmoil surrounding the elections of the Obama and Trump administrations.

Values stability and security

Although Generation Z has often been characterized as the "entrepreneurial generation," as a generation gravitating toward startups over the 9-to-5, the data suggests that it's more complicated than that. One study found that they were largely "risk-averse, practical and pragmatic" in their career choices.⁴ The same study also found that Gen Z favored financial stability and careers in growth areas where automation was less likely to take jobs, like in education, medicine and sales.

While the entrepreneurial spirit might be a good starting point for understanding Gen Z, don't underestimate their desire for security.

For Gen Z, identity is social and contextual

Gen Z self-identifies as being loyal, compassionate, thoughtful, open-minded, responsible and determined.⁶ They also believe in “situational identities,” the idea of presenting the identity they think will be most relevant to a particular audience, platform or situation.⁷

With their digital native status and deep familiarity with social media, they are comfortable with tailoring their identities to specific contexts.

When it comes to voicing these “situational identities” Generation Z is unique. They spend more time on mobile devices (11 hours per week) and streaming content (23 hours per week) than any other generation.⁸ While most Gen X and Millennials can be found on Facebook, only 36% of Gen Z use the platform at least once a week.⁹

Generation Z is wildly curious. They conduct more Google searches than any other age group—an average of 63 searches per week.

Instead, you'll find most of Gen Z on YouTube (their favorite user experience), Instagram and Snapchat. According to Business Insider, **65%** of Gen Z checks Instagram on a daily basis, **62%** checks YouTube daily, followed by Snapchat at **51%**.¹⁰ Clearly, visual content is king—or queen—with Generation Z.

“I don’t personally like the advice ‘Be Yourself’ because there are so many elements of a person...I have my friends’ side, I have my student side, I have my business side, I have my creative side.”

—Maddy C., 16⁵





Challenges of Marketing to Gen Z

Relevancy matters

The media has sometimes portrayed Gen Z as having a shockingly low attention span. But according to Fast Company, it's less of an attention issue than a relevance issue.¹¹ Gen Z has an "eight-second filter," requiring information to prove its relevance fast, or they'll remove it from their mental landscape

Cut through the noise

Because this generation has grown up in the digital flood of information, they have developed smart ways to cut through the noise.

60% of Gen Z shoppers won't use apps or websites that load slowly or are difficult to navigate.¹²

60% of Gen Z shoppers will hang up if their call to a business isn't answered in 45 seconds.¹³

Influencers and curators

Online, Gen Z leans on trending pages within apps to gather the most relevant results, and they often turn to influencers and curators to help narrow the field of what matters.

Gen Z and online ads

Generation Z also has a low threshold for overt sales pitches. According to one study, Gen Z is significantly more likely to skip online ads than Millennials or Gen X.¹⁴ As a group, they are also more turned off by invasive, interruptive online and mobile formats.

What emerges from these patterns is that Generation Z is resistant to traditional sales and marketing approaches. This is a generation that craves authenticity and the ability to express their multiple identities. Marketers and advertisers who are going to get through the eight-second filter will need to arm themselves with smart, engaging and authentic tactics.

How Gen Z relates to brands

Shaped by the Great Recession, the conventional wisdom is that Gen Z doesn't want to pay full price for anything.

According to Business Insider¹⁶, Gen Z, whose average shopper is currently 17, picks which brands to buy from based on:

- Price (60%)
- Shared values (18%)
- Social media presence (9%)
- Friends' influence (7%)

When asked which characteristics made them more positive toward ads, Gen Z's top 4 answers were:

- Is funny or humorous (72%)
- Has good music (58%)
- Tells an interesting story (56%)
- Uses special effects (26%)



What about brand loyalty?

On the surface, this suggests that Gen Z is less loyal to brands over time, favoring cost over image. Some brands, however, have been able to cut through Gen Z's price sensitivity to build a following around earning trust and creating transparency. Brands like Everlane and Toms have been ahead of the pack, but more established brands are also realizing they need to work harder to earn loyalty from younger adults. After Aerie, American Eagle's lifestyle and underwear brand, banned photo retouching in its ads, the company has seen rising revenues, powered by its younger customers.¹⁵

How do they shop?

Generation Z likes to move seamlessly between the digital and physical worlds, especially when it comes to shopping. Eighty percent say they enjoy shopping in stores when they have time, but 75% prefer to handle most of their shopping online out of convenience.

The top elements that entice them into stores are store design, unique merchandise, displays showing products in use, and having ways to try out products.

Once in the store, expect Gen Z (67% of them) to use their phones to research items they plan to buy.¹⁷ Deciding whether to buy a product in a store or online, Gen Z-ers put availability, value and experience at the top of their list.

According to the National Retail Federation, the top devices used by Generation Z are¹⁹:

- Mobile/smartphone – 75%
- Laptop computer – 45%
- Desktop computer – 30%
- Tablet – 10%
- Xbox/gaming console – 8%
- Interactive/smart TV – 3%
- Wearable devices – 1%



65% want to get a lot for their money

(with discounts, coupons and a rewards program)

65% want very few products to ever be out of stock



56% want the store experience to be fun¹⁸



A young man and woman are seen from behind, sitting on a weathered metal pier railing. They are looking out at a calm body of water under a soft, overcast sky. The man is wearing a striped tank top, and the woman is wearing a plaid hoodie. The scene is peaceful and evokes a sense of contemplation or shared experience.

Putting the Gen Z Profile Together

33% of Gen Z report buying something in the last month after seeing it on social





Reaching and Engaging Generation Z

It should be obvious by now that traditional marketing and sales tactics won't cut it when it comes to reaching and engaging Generation Z. Next are our top strategies for cutting through the noise in the Gen Z world.

Think Digital First, Then Optimize for Mobile Experiences

Obviously, with Gen Z spending so much time on screens and in apps, the digital realm is where you need to start your marketing efforts. Optimizing all your efforts for smartphones and tablets will also ensure that you provide Gen Z with the seamless mobile experiences they demand.

Not only does the delivery need to be fast and glitch-free, it also needs to play to the Gen Z sensibility. Check out some things to think about at right.


Be Authentic, Be Transparent

Gen Z has often been called “True Gen” because of its relentless search for truth and meaning in the world. In their lives, but also in the way they spend their money.

Consumption is more than access to goods and services for Gen Z, it’s also an expression of identity (which can change based on context) and an ethical enterprise.

So just because Gen Z loves a convenient bargain doesn’t mean they’re willing to sacrifice their values in order to take advantage of a deal.

What is your commitment to privacy and consumer data usage? What is your return and refund policy? What is the company’s record on social responsibility? All of these things can play a role as Gen Z looks to cast their dollar votes in the economy.



Companies and brands that want to appeal to Gen Z need to put some thought into what they stand for and how they express it.

How to Optimize your Content for Generation Z

Making an impact quickly (remember the 8-second rule!)

Snackable content across social channels

Adjusting your sales funnel to take advantages of social leads

Entertaining and/or informative videos or video ads. Take advantage of YouTube 6-second bumper ads or special effects/AR within Snapchat ads.

Using geotargeting to offer up location-based deals

Leveraging online games to increase engagement

Draw on the Power of Influencers and Micro-Influencers

This may be the first generation in decades to show less affinity for Hollywood's influence. Young adults regard typical celebrity shenanigans as inauthentic and unrelatable. Meanwhile, 70% of teenage YouTube subscribers say they relate to YouTube creators more than traditional celebrities.²¹

Brand influencers, on the other hand, routinely attract Gen Z's attention. Influencers determine their personal brand early on through posting authentic User-Generated Content (UGC), and build personal connections with their young followers. These brand influencers post about products they love because there is a personal connection, not because they're paid to do so.

Gen Z is also showing interest in micro-influencers, who focus on niche subjects and attract between 10,000 and 100,000 enthusiastic followers. Tapping into the power of influencers and micro-influencers might be easier than you think. The average influencer post on Instagram costs just \$300 and many micro-influencers will consider a post in exchange for sample merchandise.

Prioritize Convenience

Digital natives and busy multi-taskers, Gen Z insists on convenience at every turn. This generation doesn't just appreciate free two-day shipping; they expect it.

Timely delivery, giving options for taking a closer look at items in store (or with free returns), and ensuring the ecommerce experience contains as few clicks as possible are all ways that you can boost the appeal of your brand with this age group.

Put the idea of convenience front and center in your messaging.

The average influencer post on Instagram costs just \$300 and many micro-influencers will consider a post in exchange for sample merchandise.²²





79% trust a company more if the brand images aren't Photoshopped



84% trust a company more if they use actual customers in their ads²³



Collaborating with Customers, Leveraging User Generated Content (UGC)

Because Gen Z craves authenticity, honesty and openness, tapping into UGC can be a great way to attract their attention. Real images of customers using and loving your products, especially if they are in the Gen Z age bracket, can make an impact and help to build loyalty.

Remember that UGC is a collaboration with your customers, including the management of images and permissions.

Similarly, look for ways to harness the power of user reviews to put your brand in the best possible light with a generation that loves to research and comparison shop. (41% of Gen Z read at least 5 online reviews before making a purchase)²⁴.

And because Gen Z loves to give feedback, find ways to ask for their opinions and ideas as you engage with them, even when it comes to ideas for new product designs.

Every interaction is a chance to shine a bright light on your brand's core values and receptiveness to new ideas. and micro-influencers might be easier than you think.

The average influencer post on Instagram costs just \$300 and many micro-influencers will consider a post in exchange for sample merchandise.

Conclusion

The same old, go-to marketing approaches won't work when it comes to engaging Generation Z, the most diverse generation in American history. As digital natives, accomplished researchers, value-driven consumers and diehard multi-taskers, they expect more than ever from products, experiences and brands. Unresponsive apps and websites, one-size-fits all customer service or marketing campaigns, and the glossy, branded content that used to move the needle just won't make an impact with Gen Z. They expect authenticity, transparency, new levels of convenience, deep personalization and engagement with not just your brand, but its products, employees and customers. They want to see how you operate in the world – from your values in action to the User Generated Content that showcases why your products and brand matter in the first place. It's a tall order. But with Gen Z climbing to 40% of all consumers in 2020, it's an order that savvy marketers everywhere will happily embrace.

TINT is the most powerful platform for turning engaging User Generated Content (UGC) into trusted marketing campaigns. TINT lets you find, curate, own and display authentic user generated content across all your marketing campaigns, websites, apps and displays to increase trust.

Endnotes

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