

GEN Z:

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*Big Spenders*  
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Retailers and brands have no time to waste in solving the challenges of marketing to members of Gen Z. The cohort already makes up **25%** of the U.S. population and will account for **40%** of all consumers by 2020, according to [Altitude](#). Growing up during the Great Recession makes this a generation of frugal, thoughtful consumers who are less immediately inclined to trust a new brand.

“That is one of the reasons why you see Gen Z looking for brands they have a connection with,” said Greg Portell, Partner at A.T. Kearney. “They want brands that have authenticity, and they’re more likely to challenge that authenticity. They’re not going to take it at face value.”

Gen Z consists of consumers born between **1996 and 2006**, currently encompassing both teenagers and young adults. Retailers need to be aware of the kinds of messages that resonate with their youngest customer base if they want to form a valuable connection that could last a lifetime. Before putting together a marketing campaign, they should keep some basic preferences in mind:

- **Mobile is the platform of choice.** Whether they are starting their research or comparing prices in-store, **Gen Z lives on devices**. The first step in any successful marketing campaign is creating content optimized for this platform.
- **The physical store is still important.** While the youngest generation is also the most tech-savvy, its members still prefer shopping at physical stores for most goods. The key is to offer an **unforgettable experience** while meeting their demand for efficiency.
- **Not all social media is equal.** Gen Z may love social media, but not every platform and interaction will grab their attention. Authenticity is paramount, as is targeting **the right service for the right demographic**.
- **Gen Z waits for no one.** No shopper likes waiting, but Gen Z has zero tolerance for delays. Retailers need to tailor their outreach to slip through a well-tuned filter — ads now have **eight seconds** to explain why their target should care.
- **They are all individuals.** Gen Z is the most diverse cohort in the U.S. in terms of **both ethnicity and sexuality**. Every member of the generation expects retailers to know who they are, and personalization efforts should reflect this.



“When we’re thinking about mobile, retailers need to be agile to connect with Gen Z.”

- ALLISON STONE, PwC

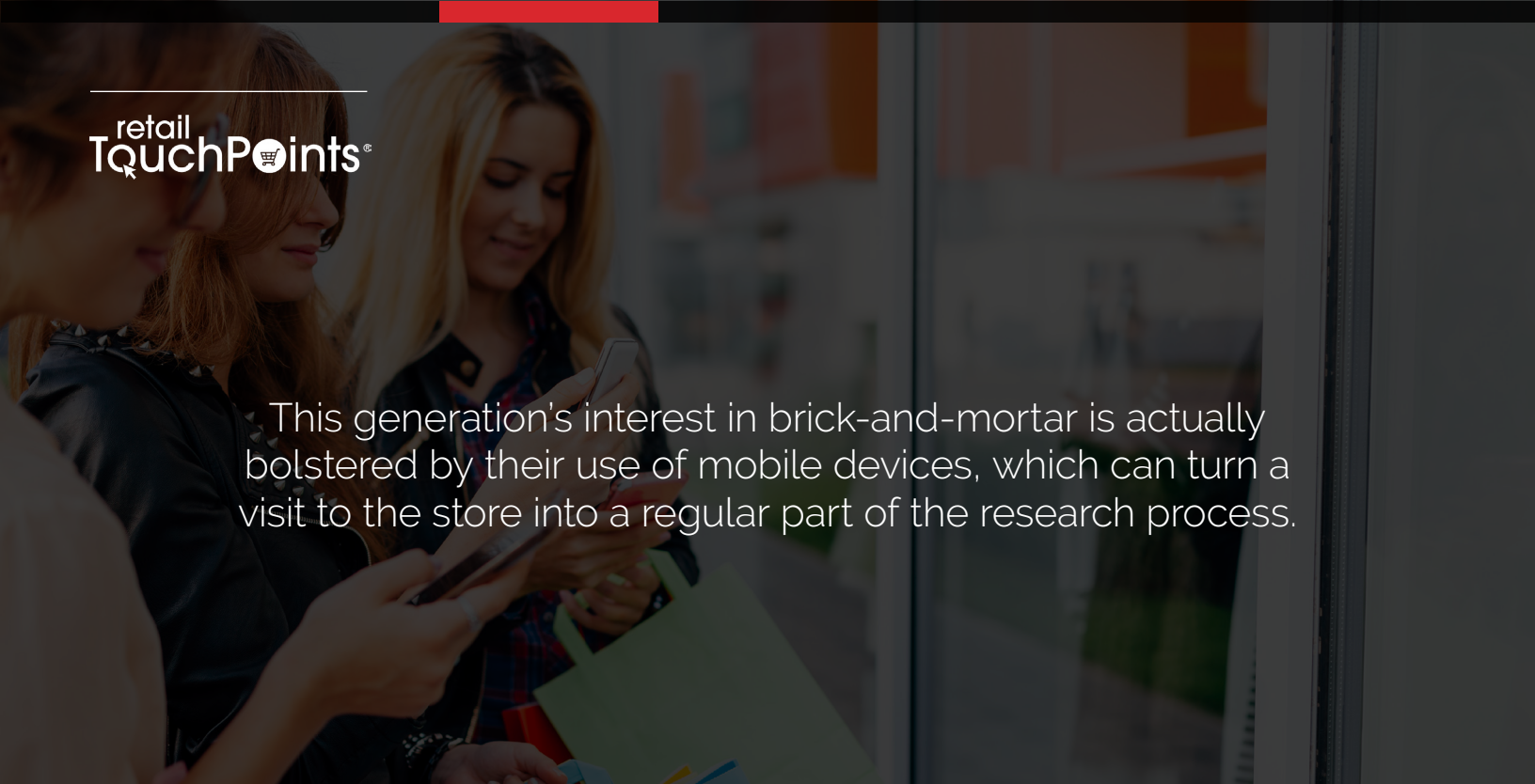
## FOR GEN Z, MOBILE DEVICES ARE EVERYTHING

More than any other generation, Gen Z interacts with the world through devices. This can be seen in how they want to receive ads: Gen Z consumers are **22%** more likely to prefer offers made through in-app notifications than Millennials, and **23%** more likely to prefer notifications made through social media apps, according to [Forrester](#).

Smartphones are practically another appendage for this generation; one study found a large share of Gen Z’ers display symptoms of personal distress when away from their device, according to Mike Bristol, VP Personalization, Retail Software Division at [Symphony RetailAI](#).

This reliance on devices means Gen Z-focused marketing campaigns should emphasize mobile as their primary platform, with the visuals designed accordingly. This can give retailers additional flexibility if done well, as they can [use contextual and location-based marketing](#) to deliver effective ads both at home and in-store.

“When we’re thinking about mobile, retailers need to be agile to connect with Gen Z,” said Allison Stone, Retail and Consumer Manager at [PwC](#). “They need strategies both in-store and online, so at any point Gen Z can interact with a retailer through their mobile device.”

A photograph of three young women, likely Gen Z, looking at a smartphone together. They are in a retail or office setting, with a blurred background showing shelves and products.

This generation's interest in brick-and-mortar is actually bolstered by their use of mobile devices, which can turn a visit to the store into a regular part of the research process.

## DIGITAL AND BRICK-AND-MORTAR MUST WORK TOGETHER

Despite Gen Z's penchant for technology, the cohort still prefers shopping at physical stores. During the 2017 holiday season, **81%** of young Gen Z'ers (ages 13-16) chose stores as their single most preferred way to shop, according to a [survey by PwC](#). This rate was double that for laptops or desktops, and more than **3X** the smartphone option. By comparison, consumers 17 and older planned to split their holiday shopping evenly between in-store and online.

This generation's interest in brick-and-mortar is actually bolstered by their use of mobile devices, which can turn a visit to the store into a regular part of the research process, according to Bristol. Retailers should put an emphasis on their omnichannel capabilities, since options like buy online/pick up in-store cater to Gen Z's "get it now" mindset.

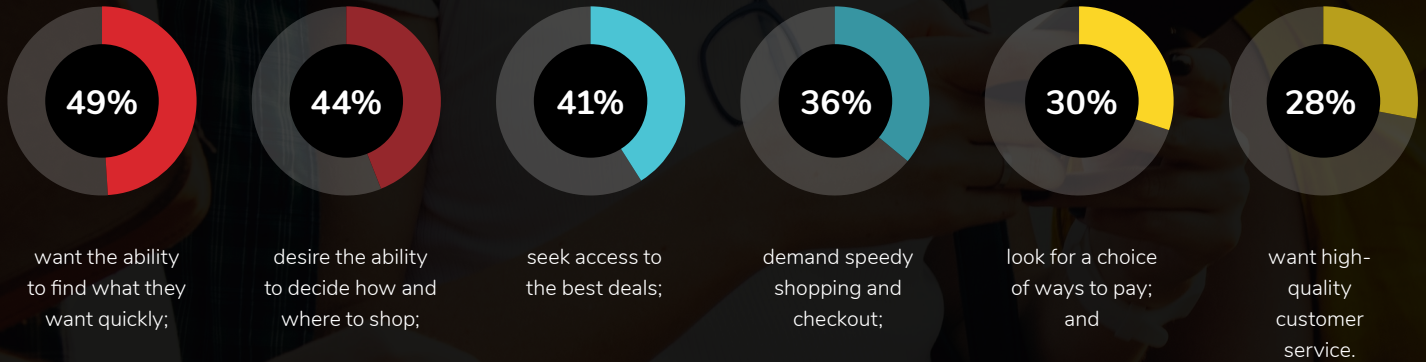
"It's critical to have that omnichannel presence, and even more important to be relevant to that individual and to have that integrated with your in-store experience," said Bristol. "These are people that have lots of information at their fingertips."

Like Millennials, members of Gen Z particular enjoy stores that offer unique experiences, according to Stone. Some malls and retailers have been drawing shoppers with social media areas where they can take pictures with friends, and dedicated transportation spots where customers can wait for a ride from Uber or Lyft.



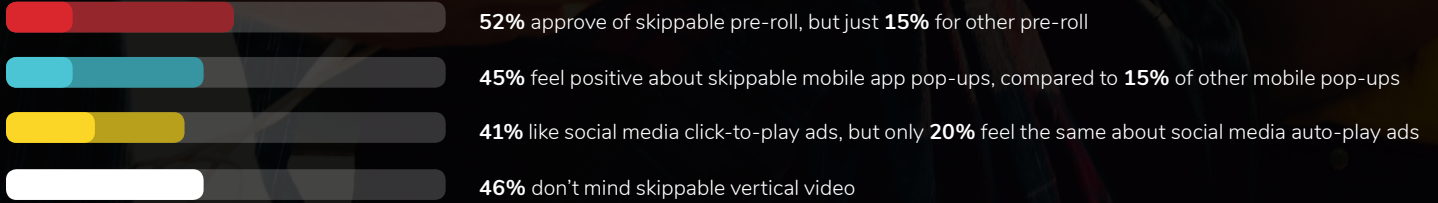
## GEN Z BY THE NUMBERS

MEMBERS OF GEN Z WANT NUMEROUS THINGS WHEN THEY SHOP, REGARDLESS OF CHANNEL:



Source: What do Gen Z shoppers really want?, [National Retail Federation and IBM](#)

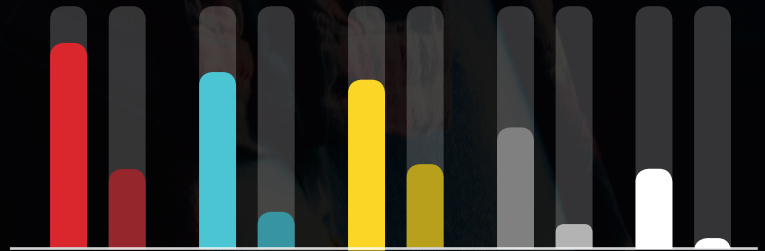
### GEN Z HAS NO PATIENCE FOR ADS THAT CAN'T BE SKIPPED




Source: Gen Z: Marketing solutions for the next largest generation, [Brogan & Partners](#)

### MOST YOUNG MEMBERS OF GEN Z USE MULTIPLE SOCIAL MEDIA PLATFORMS

- 85% of teens use YouTube; 32% use it most often
- 72% of teens use Instagram; 15% use it most often
- 69% of teens use Snapchat; 35% use it most often
- 51% of teens use Facebook; 10% use it most often
- 32% of teens use Twitter; 3% use it most often



Source: Teens, Social Media & Technology 2018, [Pew Research Center](#)



“We know that with Gen Z it’s not email, it’s not text, it’s social. Right now, it’s Snapchat and Whisper, but you have to pay attention to that in the future as well.”

- MIKE BRISTOL, SYMPHONY RETAILAI

## KEEP IT REAL ON SOCIAL MEDIA

While social media use spans the entire age spectrum, Gen Z, like Millennials before them, are more receptive to outreach through this channel than older consumers. More than **80%** of consumers under the age of 35 are influenced by social media when looking for inspiration, compared to **52%** over the age of 35, according to Stone.

However, it’s not enough for a retailer to blast its message across multiple platforms and wait for a positive response. Most users have a preferred social media app, and choosing the right one can drastically change the size of the potential audience. For example, **50%** of teens use Facebook, compared to **85%** who use YouTube, according to the [Pew Research Center](#).

“You need to communicate on the preferred channels of your target audience,” said Bristol. “We know that with Gen Z it’s not email, it’s not text, it’s social. Right now, it’s Snapchat and [Whisper](#), but you have to pay attention to that in the future as well.”

The social media posts must be authentic as well, even when coming from influencers. Research by PwC found that neither Gen Z nor Millennials are much more inclined to make a purchase after seeing a sponsored post from an influencer. However, if the influencer mentions how the product aligns with their values, more than **50%** of the generation would be more likely to buy that product. Nearly two thirds, **65%**, would be more likely to purchase a product they see an influencer wearing or regularly using.

“Because this is the generation that really grew up with the smartphones and social media, they’re less brand loyal,” said Stone. “They’ve always had peer reviews and social media to sway their decisions, so they want someone who is posting authentically. They can see right through those paid posts.”



If an ad requires magnification or scrolling, it makes it harder for the viewer to follow through and make a purchase, which will likely cause the reader to keep scrolling.

## **YOU HAVE EIGHT SECONDS TO REACH GEN Z. GO!**

Reaching Gen Z through traditional methods can be an exercise in futility: **69%** of the generation believe ads in general are disruptive, and **41%** use ad blocking software, according to Altitude. Additionally, Gen Z has developed an “eight-second filter,” which is the amount of time the average consumer is willing to give a video ad before tuning out.

“Nobody has time for a 30-second commercial nowadays. It becomes very important, from a marketing standpoint, to respect the consumer enough not to clutter their content feed,” said Portell. “The easiest way to do that is to be relevant in eight seconds.”

The key to getting Gen Z’s attention with static ads is to keep the nature of a four-inch mobile screen in mind, with the relevant information and logo readily visible. If an ad requires magnification or scrolling, it makes it harder for the viewer to follow through and make a purchase, which will likely cause the reader to keep scrolling.

For video and other visual content, retailers need to use their eight seconds to tell a story, according to Stone. An ad that matches their core values in some way will grab the audience’s attention and keep them interested, stopping them from skipping over the rest of the content.

Marketers need to recognize that they aren't serving ads aimed at a cohesive group of similar people, but a collection of individuals.

## **MORE THAN EVER, THIS GENERATION IS A GROUP OF INDIVIDUALS**

The lines that have traditionally been used to subdivide previous generations along ethnicity and gender lines are fading with Gen Z. In addition to being the most diverse age group in terms of race and sexual orientation, its members are much more likely to define themselves on their own terms, rather than accept a label handed to them from outside sources.

“You can see it when marketers start to talk about how this minority or that minority is going to increase,” said Portell. “The reality is those minorities, and those definitions, are a legacy. There’s such a push by Gen Z to be defined on their own terms, and it makes it very hard for retailers to analyze them in a way that’s actionable.”

This behavior manifests itself in a generation that demands personalization on an unprecedented level, and wants it from their very first interaction with a given retailer. Marketers need to recognize that they aren't serving ads aimed at a cohesive group of similar people, but a collection of individuals.

The ads [Tommy Bahama](#) serves its repeat customers do a good job of grabbing their attention, according to Portell. The retailer sends out personalized tweets and emails to its shoppers based on their shopping patterns, and when they click through they are brought to a page that features sizes and assortments already known to appeal to them. The company integrates personalization strategies throughout the entire shopper journey, rather than using the data solely for curation efforts or on the checkout page.

The individuality of Gen Z's members is perhaps the key to any marketing strategy focused on this demographic. Personalized social media interactions and promises of interesting in-store experiences can be used to create ads that hold the recipient's attention, regardless of where these marketing messages are being seen. With Gen Z's spending power on the rise, retailers that reach them now can catch the attention of customers who will be around for decades.



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Bryan Wassel covers the retail industry at large, with a focus on contextual marketing, technological innovation and omnichannel developments.

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