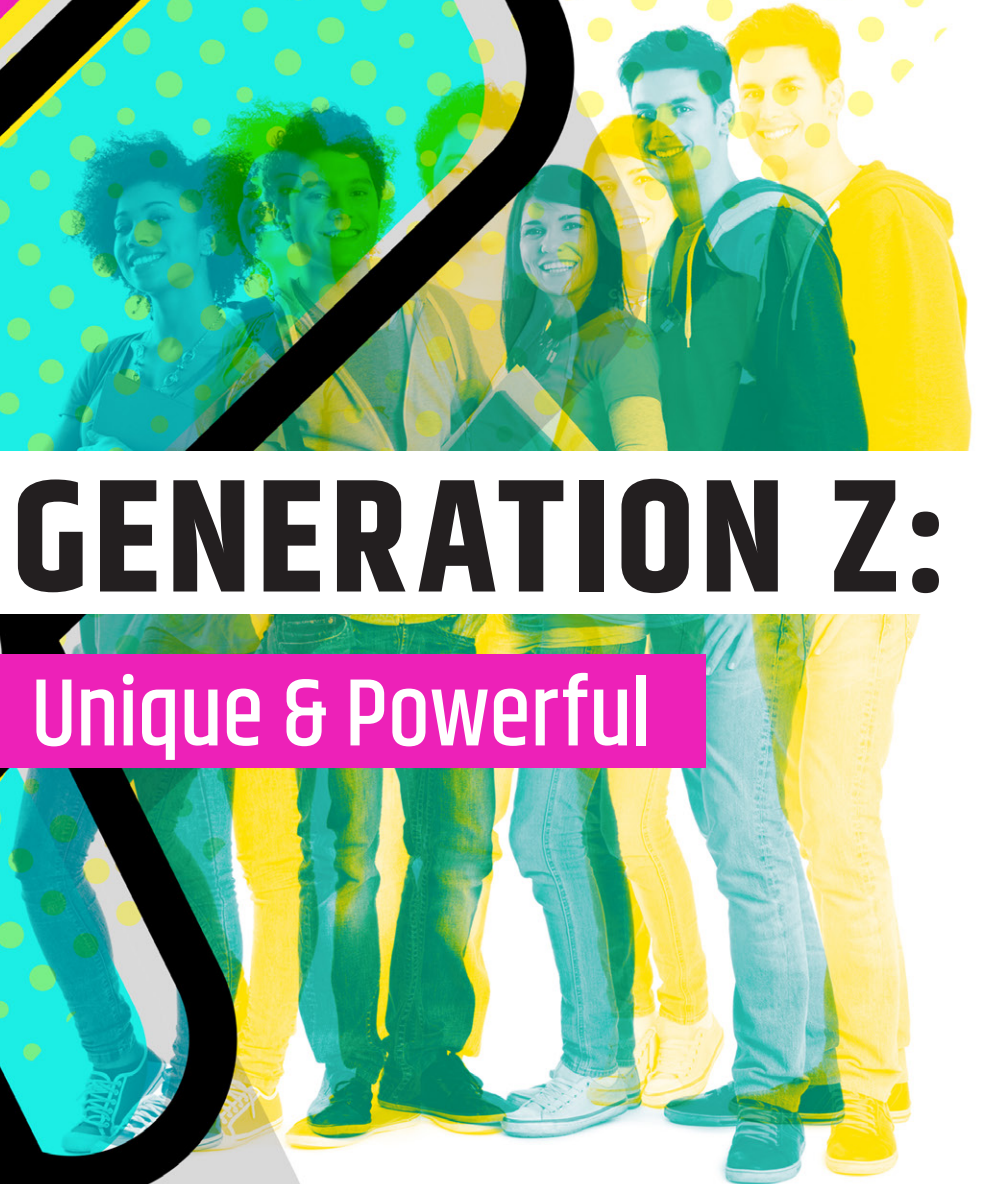


GENERATION Z:

Unique & Powerful





Who are the members of Generation Z?

What are their values?

How are they different from other generations?

And what will they be like when they take over?

This generation is not Millennials 2.0. Rather, they are a force that makes sophisticated choices about identity, purpose, and values. They've spent their lives surrounded by digital content and they know how to filter anything that lacks the right tone, language, and relevancy.

In short, Gen Z is unique and powerful in ways that we're just beginning to see. They navigate the digital world with power and ease, creating their own rules of engagement rather than looking to adults for guidance. They see through anything that's not authentic and hold the power to change society through digital platforms.

To gain insight into this generation, MNI Targeted Media Inc. commissioned a study of Gen Z behavior, surveying students at major universities about their media consumption. We found that 90% rely on media to stay in touch with what's going on in the world, 72% say that cost is the most important factor when making a purchase, and that over 50% feel that knowing a brand is socially conscious influences purchase decisions.

For brands that are willing and able to speak to Gen Z—and listen to them—the rewards will be profound. The key, of course, is to know their language.

This paper will highlight the valuable information and rules that will guide marketers in capturing this audience.

**They're born between
1995 and 2012.**

**There are
72.8 million of them,**

**making up a quarter of
the U.S. population.**

Source: GenZGuru.com.

**By 2020, they
will account for**

**40% of
all consumers.**

Source: GenZGuru.com.

89%

**consider themselves
price-conscious shoppers.**

Source: GenZGuru.com.

98%

**buy in a store
some or most
of the time**

Source: National Retail Federation.

WHO IS GEN Z?

**They are
change agents.**

What's important to them?

- Open-mindedness
- Social impact
- Inclusion
- Authenticity
- Value

They influence nearly

**\$44 Billion in
discretionary
spending.**

Source: Intel.

**60% have a savings account,
more than any other generation at this age.**

Source: GenZGuru.com.

Imagine if you'd never known life without a smartphone, or tried to remember a fact without Siri or Google giving you the answer.

For Generation Z, this is reality. They can't envision a world without the internet, smartphones, and Wi-Fi, because they never had to. They grew up with Google as a verb and YouTube as a replacement for TV. As they moved through adolescence and formed their personal identities, they've done so with the presence of Instagram, Facebook, Snapchat, Twitter, SMS, and more.

To them, the digital world has a language all its own. If a message connects with them, they will follow it. But if that message loses consistency or relevance or offends, they will abandon it as fast as they can unfollow a Twitter account and use their influence to get followers to do the same.

As consumers, they are skilled at assessing what they need as opposed to what they want, and they make purchases based on meticulous research, relying on their peers and online community for guidance. Their formative years were dominated by the Great Recession, in which they saw their Generation X parents' net worth fall by over 40%. As a result, Gen Z "knows how to live in survival mode," David Stillman, Gen Z expert and founder of GenZGuru.com, told us in an exclusive interview.

As workers, they are willing to work hard and they want the best education—providing it equips them with useful skills for the workplace.

In their social views, they are highly open-minded, and they value equality and inclusivity on issues of race, gender identity, and sexuality. They want change on controversial topics like gun control, and they are not shy about making their voices heard.

As individuals, they want to be unique, particularly when presenting themselves online. Yet they are deeply connected to their parents, friends, and online communities, and they care about how they're perceived. In other words, they want to stand out while still fitting in.

They may seem full of contradictions, but to them it's just life. This is Gen Z.

"They saw their parents' net worth fall by over 40%. Gen Z knows how to live in survival mode."



— David Stillman, Gen Z Expert & Founder, GenZGuru.com.

HOW GEN Z USES SOCIAL MEDIA

FACEBOOK

to get general social updates

TWITTER

to get the latest news

INSTAGRAM

to showcase their aspirational selves

SNAPCHAT

to share real-life moments



THE 7 KEY TRAITS OF GEN Z

Stay ahead of the curve with these snapshots of Gen Z traits.

1. THEY ARE SOCIAL MEDIA FLUENT

Gen Z-ers are digital natives, meaning they live and breathe social media in a way that no other generation does. Its importance in their lives is huge, as an influence and as a tool: some Gen Z-ers check their social media accounts up to 100 times per day, and 52% of Gen Z-ers have given out their social media handle instead of a phone number (Source: Mintel).

The way they use social is also key. Gen Z-ers are not tweeting about what they had for lunch. Instead, they use social media to cultivate identities and tell stories, often aimed at specific audiences. They know how to drive a narrative to the right people and create engagement. They're natural marketers.

Social is where they make key decisions—including decisions about what to buy. And the people they look to are social media influencers. "Social media influencers really do have the power to convince Gen Z to make purchases," says Jonah Stillman, a Gen Z-er, author and speaker who cofounded GenZGuru.com with his father. "We are connecting with these influencers on a much deeper level than traditional ads."

"Social media influencers really do have the power to convince Gen Z to make purchases."
- Jonah Stillman, Gen Z-er and Co-Founder of GenZGuru.com.

2. THEY ARE PICKY, BUT SUBJECT TO FOMO

You may have heard about Gen Z's shrinking attention spans, but the truth is that this generation has developed highly evolved filters to process information faster than prior generations. They are used to sites and apps vying for their attention, so they've gotten skilled at making quick choices about what to pay attention to and consume. Once they choose where to put their attention, they can be laser-focused, committed, and hard-working.

"This generation is always 'on' and they expect everything to be available in seconds," says Vicki Brakl, VP Marketing at MNI Targeted Media Inc. "They are used to on-demand information 24/7."

They're also subject to impulse buying—if there's a fear of missing out (FOMO). "Exclusivity mixed with FOMO is a huge marketing technique for us," Jonah Stillman says. "Simple messages like 'Limited Time Only' or 'Few Left in Stock' work because we don't want to feel like we missed out. We can be paralyzed by FOMO and buy because of it."

3. THEY EXPECT CONVERSATION

Gen Z consumers aren't looking to be marketed to, and they don't respond to generic messaging that doesn't come across as authentic (more on that next). They want a two-way conversation in which brands demonstrate that they can speak the Gen Z language, understand his or her needs, and align with his or her values and worldview.

Brands that want to engage Gen Z successfully should target them with personalized messages. The brands that do this best understand and address Gen Z-ers' evolving behaviors and preferences, including the devices and platforms they prefer, and then cultivate long-term relationships. According to the MNI survey, some of the brands doing it right include Apple, Nike, Amazon, and Target.

4. THEY CARE ABOUT SOCIAL IMPACT

This generation is proactive about making the world a better place, and their brand loyalties and buying choices reflect this value system. According to the MNI survey, more than half of Gen Z-ers say that a brand showing dedication to social impact, by giving proceeds to charity, being environmentally conscious, having strong values, or projecting an impact-driven image, is an important factor when they make purchases.

So when a brand takes a strong stance, Gen Z-ers will come out strong on social media to praise them, like Mattel supporting same-sex marriage or Dick's Sporting Goods halting sales of assault rifles.



"Nearly half (47%) of Gen Z-ers use their phones while in-store to price check and contact family and friends for advice."

- National Retail Federation and IBM's Institute for Business Value.

“This generation understands that their voices are amplified by the social and digital media they use, and they use them to their advantage.”

— MNI’s Vicki Brakl

“This generation understands that their voices are amplified by the social and digital media they use, and they use them to their advantage. Marketers and politicians who consistently provide value and relevancy in their messaging, and their corporate actions, will earn their respect, dollar and vote,” says MNI’s Vicki Brakl.

5. THEY SEE IDENTITY AS FLUID

While earlier generations had clear life milestones that defined their identities, like marriage or buying a first home, Gen Z-ers see themselves as more fluid—they still have a strong sense of self, but they also know they can have more than one. In fact, it’s not unusual for Gen Z-ers to have one persona on Snapchat to share with friends, and another on Instagram for their parents to view, and then easily move from one to the other. It all depends on who they are reaching out to and when, but it’s always their authentic selves.

6. THEY ARE OPEN-MINDED

According to research from Boston Consulting Group, values that were strong for Baby Boomers—responsibility, determination, work ethic,

dependability, financial security, intelligence, and independence—are all mirrored in Gen Z. The majority of Gen Z-ers want a family and a primary relationship. When it comes to crafting that family, their views are more open than older generations. Gen Z considers gender identity, sexuality, and family structure to be choices and they see no reason to follow traditional models.

7. THEY RECOGNIZE THE BENEFITS OF PRINT

Gen Z may not distinguish between online and offline channels like other generations, but they do know there’s a difference between reading on-screen versus a printed page, and they pay attention longer when reading print. A recent survey found that 92% of college students would rather do their coursework in print than on tablets, and a Student Monitor survey found that 87% of student textbooks (purchase or rental) are for printed books. The same rules apply for media consumption: the MNI study found that Gen Z-ers spend more time reading physical newspapers and magazines without interruption than they do on social media, websites, and blogs.

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The 5 Laws of Marketing

to Gen

Engaging Gen Z isn't a matter of doing what's already been done. The playing field is different and the game has new rules.

To reach this audience, smart marketers will hone their message carefully, be strategic about where and how they communicate, and know the ins and outs of the channels available.

Follow these 5 rules to stay ahead of the curve.

1. Keep Your Content Platform-Specific

Social is your lifeline in reaching Gen Z, so having the right strategy is a must. Knowing where to put your efforts will give you the most bang for each marketing buck spent. These consumers navigate easily between Twitter, Facebook, Instagram, and Snapchat.

They instinctively know which one to use to tell a particular story, and they expect brands to do the same. It's critical that marketers know the rules of engagement for each platform, and cater content to fit each.

"The big mistake is to take the same message and blow it across all social channels," says David Stillman. "Gen Z wants to see that you understand them and how they use social media, and can speak to them in the language of each platform."

2. Be Authentic

Gen Z rewards brands for taking a strong stance on social issues —provided it's a stance that aligns with their views and values. Consider MTV's well-received campaign in favor of the National School Walkout, which incorporated a clear message plus a multimedia, user-generated content angle that highlighted the work of specific protestors.

PRO TIP

Build Gen Z Into Your Team

Things move fast in the Gen Z world. To ensure you have the right message on the right medium at the right time, why not go to the source? "If you're targeting a Gen Z audience, you need a mobile-first and social-first mentality, and you have to stay in touch with the rapid changes in the environment," Former Global Brand President of Bobbi Brown Cosmetics and Bumble and Bumble Haircare at the Estée Lauder Companies, told us in an exclusive interview. "To do this, the best option is to have Gen Z employees helping craft your tone and messaging."

This tactic means not only hiring Gen Z-ers, but integrating them into your teams and giving them a voice, despite their junior roles. It's a shakeup in the traditional corporate structure, but it's a necessity if you want to ensure your messaging stays current and on-trend.

"To get the most from Gen Z staffers, you have to have a less structured, less level-conscious working environment, where ideas are able to generate from junior to senior and senior to junior," says Lichtenthal. "I even set up a system where each senior executive had an iMentor, a Gen Z staffer, to show him or her how to use Snapchat and Instagram. Having success is about learning and relying on a new younger set of people in the workforce to make the right decisions. The traditional marketing model and chain of command has had to change."

Three guidelines to ensure that your brand's communications are authentic:

- 1 Have a clear point-of-view that does not change based on the circumstances or platform.
- 2 Have a voice that is unique and authentic.
- 3 Show a willingness to take a stand on issues that are complex and even potentially controversial.

"To get the most from Gen Z staffers, you have to have a less structured, less level-conscious working environment, where ideas are able to generate from junior to senior and senior to junior."

- Peter Lichtenthal, Former Global Brand President of Bobbi Brown Cosmetics and Bumble and Bumble Haircare at the Estée Lauder Companies

3. Let Them Create Your Content

Gen Z-ers like to see their peers using a product, and they like to post content on their own channels and see that it gets noticed. Celebrity endorsements hold less sway than the recommendations of their favorite Instagram influencer, or even their friends at school. Same goes for experts—the claim that “8 out of 10 experts recommend” a product means very little to this generation.

Rule of thumb:

If you give Gen Z consumers opportunities to create user-generated content around your product or brand, they will. And when they do, it will pay dividends by driving engagement and creating brand identity. The less control you maintain over this content the better—allowing Gen Z to post as they see fit creates a more authentic picture of your brand (see Rule #2).

4. Don't Forget Price

This generation is frugal and choosy, and they have access to information about every product in the marketplace. According to the MNI study, 72% of Gen Z consumers say that cost is the most important factor when making a purchase. They know how to use the internet to price compare, and no amount of marketing can make them buy unless the price is right. Granted, they also want the best quality, so effective marketing will weave both into messaging.

5. Bring Digital Into The Real World

Digital and physical aren't separate to Gen Z—they work together. They've seen brands that started in e-commerce then moved to brick and mortar, like Warby Parker and Birchbox. And while 60% of Gen Z shoppers prefer to go into a store over shopping online, 75% of them also check a store's app while they're shopping there (Source: *GenZGuru.com*). Crafting your marketing to capture this audience and adding new features like AR to your app can go a long way.



Conclusion

Gen Z is challenging brands to adopt new ways of thinking about branding and marketing.

Marketing to Gen Z requires a shift in mindset, and marketers can either wring their hands or stay on top of the trends. With the right mindset and tools, capturing this generation's attention, loyalty, and dollars is possible.

Brands must be willing to listen to Gen Z voices, understand their preferences, and speak to them using the language and platforms they prefer.

Authenticity, opportunities for conversation and user-generated content, and capturing the right tone are all musts. Understanding the technology and how each platform is used is crucial—but be sure to keep in mind that while digital is a huge part of your relationship with Gen Z consumers, real-life interactions and integration of tech with brick-and-mortar are also smart plays.

Above all, Gen Z holds brands to a high

standard. Pick your message, make it strong and broadcast it across platforms. If it resonates with Gen Z, they'll let you know—and if they see value in what you're offering, they'll reward you.

MNI Targeted Media Inc.

From research and strategy to implementation and analysis, MNI Targeted Media Inc., delivers the print and digital products and services needed to efficiently and effectively reach audiences, across the country or across the street.

Methodology

In October 2017, MNI Targeted Media Inc. commissioned a Media Usage & Attitudes Study to learn more about the informational habits, interests, and activities of Generation Z.

The study was conducted online. To complete the study, MNI worked with the University of Mississippi and Purdue University to send an invite to students. The invite contained an offer to be entered into a drawing for a \$100 Visa gift card and linked to the survey site designed, maintained, and hosted by Harvey Research, Inc. 57,780 potential respondents received or were exposed to the invitation and 2,571 completed responses were received.

The statistical information based on all respondents may be accepted as accurate within a tolerance of +/- 1.9 percentage points at the 95% level of confidence.

Learn More

Visit us at mni.com or email janine.pollack@mni.com.

