



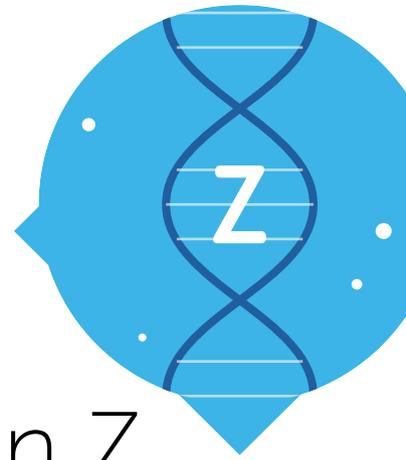
Z MARKS THE SPOT: GET YOUR BRAND READY FOR GENERATION Z

selligent

Do you remember where you were in 2000?

If you don't because you were, say, busy being born, or still in diapers, then you're part of Generation Z (or iGeneration, Digital Natives, Gen Tech, Net Gen, Gen Next, the Plurals—even the TwoKays), and you're about to become the newest obsession of marketers around the globe.

Smart marketers are already getting out ahead and figuring out how their brands will have to behave in order to meet the needs of the audience to come. In this paper, we'll show you how your brand can start preparing for the kids who will be your best customers—or your worst nightmare. Are you ready for Gen Z?



Meet Gen Z

Generation Z, those presently under the age of 18 or thereabouts, have never lived in a world without digital technology. They expect all screens to be haptic, they expect all communication to be instantaneous, they expect—and accept—that they are part of an interconnected community, a community that includes the brands they favor. Gen Z expects brands to anticipate their needs through technology: they expect their refrigerators to be able to replenish their favorite brand of chocolate milk automatically from the closest online grocer, their bike tires to tell their phone when the pressure is low, their e-textbooks to automatically download updates as the facts on the ground change. What seems like magic to many older people is commonplace/commonsense for them. They expect things to work, to work quickly, and to work together. Their world view is of a network—of people and of things.

Having been raised in the world of the selfie, the blog, Facebook and the myriad of other technologies used for documenting one's life, Gen Z wants to have something meaningful to record. They're looking for the extraordinary, the authentic—things and experiences that will set them apart not because of their cost but because of their worth. They want to change the world, and they're prepared to train themselves to do just that.

Generation Z is the most racially diverse of any generation (at least in the USA), and in terms of identity politics, they are highly liberal, accepting of gender and religious differences.

And these aren't the only ways they differ from generations before them. Raised in a world at war against "terror," and in troubled economic times, Gen Z is hyper-aware of privacy, security, making smart purchase decisions, and being entrepreneurial with their talents. This obviously poses a challenge to brand marketers, who must learn how to forge what Forbes' 2014 Cassandra Report on Generation Z calls "intimate and honest relationships" with these fast-moving young skeptics and pragmatists.¹

¹ "Gen Z." The Cassandra Report. Winter/Spring 2015. The Intelligence Group. <http://www.cassandra.co/report/>

The Generational Landscape: Interaction Preferences

Let's put Generation Z in context by taking a look at how the rest of us use digital media to negotiate our personal, public and consumer lives. Sociologists and marketers divide us into three major groups, with the following approximate birth ranges: the Baby Boomers (born 1946-1964), Generation X (born 1965-1984) and the Millennials (or Generation Y) (born 1984-2000).

Marketers have been working for decades to define strategies that acknowledge and respond to the particular methods by which each of these audiences consume information. It's a pretty broad undertaking, so let's focus specifically on platforms as a point of differentiation.

Baby Boomers, especially those at the older age ranges, tend to value personal relationships over digital ones—and may think of digital communications as a nice way to augment the more familiar print, phone and/or personal contact. However, the majority of them are shopping and making purchases online.² And 70 percent of boomers have some sort of presence on Facebook (GlobalWebIndex, 2014); 40% are active users.³

Generation X was the first large group to have a daily experience of the Internet—and they use it to do research, to read the news, and as an alternative to traditional viewing platforms like TVs and movie screens. They love to stream video, helping to make YouTube the third-most visited site worldwide. They're all over Facebook—95% of them have a Facebook account—and social networking sites. 80% of them will buy something online.⁴

Millennials (the parents of Generation Z) have sometimes been called "the social media generation." They like to share things—they're power users of the Internet and you'll find them heavily invested in and active on Twitter and Facebook. They interact with brands often on these platforms. And they love their devices; according to ad agency Barkley, "[t]hey don't worry about what features will be available six months from now because there will be an even more powerful device available 12 months from now when they can afford to upgrade."⁵

And Generation Z? These kids—the oldest of whom are just learning to drive—have grown up in a world that's always had smart phones, YouTube, augmented reality and Facebook (which they consider way too cluttered with parents and teachers to be of any real use to them). They flock to Instagram, Snapchat, Vine, iMessage, Tumblr and Kik—conducting their social lives across a multitude of platforms, and preferring visuals to text. They are practically cyborgs when it comes to their mobile phones, which they use mostly for texting (via a plethora of emoji) rather than verbal conversation. Where their parents like to share things socially, Gen Z likes to create things to share. According to Nielsen 84% of them watch TV while using at least one internet-connected device.⁶ Their attention span is short and they use as many as five different screens during the day. They don't distinguish hugely between their online and offline worlds. They suffer from FOMO (Fear Of Missing Out) and consequently spend nearly half (41%) of their non-school day on a computer or mobile device, according to a recent Sparks & Honey study ("Meet Generation Z," 2014). And what they want—and expect—from brands is personalization. As Future Foundation notes, "Customization really matters in a world where creative adaptation is a state of being. The good news story for brands here is that this group welcomes personalized advertising."⁷

2 GfK Roper Consulting March 2013 survey for UnitedHealthcare: 79% of US internet users ages 60 to 65 cite shopping among their online activities. "For Digital Shopping, Baby Boomers Favor Desktop Over Mobile." eMarketer.com. August 14, 2013. Retrieved April 2, 2015 from <http://www.emarketer.com/Article/Digital-Shopping-Baby-Boomers-Favor-Desktop-Over-Mobile/1010130>

3 "70% of Online Baby Boomers Have a Facebook Account." Global Web Index. June 3, 2014. Retrieved April 2, 2015 from https://app.globalwebindex.net/products/chart_of_the_day/3rd-june-2014-70-percent-of-online-baby-boomers-have-a-facebook-account

4 Johnson, Dan. "Which generation is driving creative media disruption? X marks the spot." International News Media Association (INMA). March 2, 2014. Retrieved April 2, 2015 from <http://www.inma.org/blogs/value-content/post.cfm/which-generation-is-driving-creative-media-disruption-x-marks-the-spot>

5 Fromm, Jeff, et al. "American Millennials: Deciphering the Enigma Generation." Barkley, 2011. Retrieved April 2, 2015 from <https://www.barkleyus.com/AmericanMillennials.pdf>

6 What People Are Really Doing When They Pretend To Watch TV (Business Insider) By: Yarow, Jay. <http://www.businessinsider.com/second-screen-viewing-nielsen-2014-2>

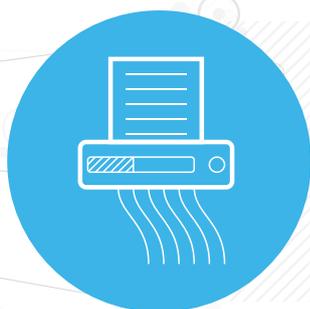
7 "Brands for GenZ: Trending with teens at SXSW." Future Foundation Blog. March 2015. Retrieved April 2, 2015 from <http://futurefoundation.net/brands-genz-trending-teens-sxsw/>

What do they want from us?



SPEED

- Older generations have a more relaxed relationship with time
- Baby Boomers are fine with receiving a coupon several days after a store visit, but Millennials expect it within seconds
- Generation Z wants the voucher to be delivered—to their phones—before they even realize they want it



SIMPLICITY

- Older generations have longer attention spans, want more information, and can tolerate more complicated communications
- Millennials read reviews and content published on social media
- Generation Z doesn't bother with documentation—they figure it out for themselves or hack a better solution



SERVICE

- Older generations expect a person to answer the phone and help them
- Millennials want quick and simple self-service support that doesn't require human interaction
- Generation Z wants to have their problem solved before they know they have a problem

Beyond X, Y and Z

Gen Z earns around \$17 a week in allowance, for a collective clout of \$44 billion a year. If that's not reason enough to get serious about revamping your brand's marketing efforts to reach this audience more effectively, consider this: Gen Z may well be the end user of many of the products and brands they choose to allow into their lives—but they are not necessarily the purchasers. That role falls to their Millennial parents, parents who are deeply interested in their childrens' digital habits. By reaching out to teenagers, you're invariably also reaching out to their moms and dads—and, increasingly, their grandparents—who will appreciate your efforts to speak with authenticity and integrity to their young people. They'll also appreciate anything you can help them do digitally to relate to or score points with the strange new creatures in their house. "The real gold for marketers lies in uniting Gen Z and their parents, creating real conversation for those rare moments offline," says MediaPost ("Don't Forget About The Parents Of Generation Z."⁸

⁸ Talamantez, Allison and Danielle Wiley. "Don't Forget About the Parents of Generation Z." MediaPost.com. March 27, 2015. Retrieved April 2, 2015 from <http://www.mediapost.com/publications/article/246609/>



The Marketing Challenge

How's that for a marketing challenge? How do brands capture the attention and the loyalty of Generation Z, which is never in one place for very long, and is in very few of the established places in which companies and agencies have been investing heavily for a decade? How do you garner the respect of digital natives who think nothing of mashing up the virtual and the real? Who are probably more familiar and comfortable with technology than you are? How do you interact with a consumer who actually prefers creating over consuming? And how do you integrate this understanding of Gen Z as a radical new type of customer with your overall brand strategy?

For one thing, you've got to keep it short. Whatever you produce, it has to work across platforms—or better yet, it should take advantage of the unique benefits each platform offers. It should be shareable, mash-up-able, and visual; that means image-based social networks. It should be inspiring and empowering, and cater to the Gen Z longing for relevance, self-sufficiency and leadership. It should bring together the virtual and the real, connecting physical and digital experiences in a satisfying way.

Automated marketing may well hold the key to success with Gen Z. If executed poorly, automated marketing runs the risk of alienating this demographic, which values meaningful and authentic communication and has witnessed technology's dark side (cyber bullying, dark social, identity theft). And remember: Generation Z are still, for the most part, children. They need and desire to feel secure and not like someone is stalking their every online move.

But, if it's executed with tact, respect and imagination, automated marketing can weave a cohesive and complete brand story across this demographic's 5-screen typical communication ecosystem. It can also help brands speak to this widely diverse—in terms of race, gender, and class—audience in the specific ways that they expect.

To summarize, brands that wish to market effectively to Generation Z must be able to merge the online and offline worlds of teenagers, meeting them where they congregate; they are not going to seek out your brand, but will be impressed by your presence in their hangouts, virtual and otherwise. Model good behavior for them—your citizenship matters to this group, and they will judge you by the company you keep and by your larger social actions. Do everything you can to respond to them as individuals, not as “teenagers” or “girls,” etc. They are defining themselves according to new rules of their own making and will respond positively to brands that recognize their uniqueness.

In order to succeed in this quest, marketers need to have full, real-time visibility into customers' behavior and be able to track their activity across all touch points and devices. This holistic customer view coupled with technology that enables automatic segmentation and management of the communications cadence for different audiences, and that supports program modifications on the fly, will position your brand for successful interactions with Generation Z.



About Selligent

Selligent is a global marketing automation provider that powers audience engagement programs for more than 450 leading brands in retail, financial services, automotive, publishing and travel. Our solution empowers brands to create meaningful omnichannel communications across email, site optimization, social, mobile and customer care at a competitive price point that makes Selligent the best value in the market.

- Monitor and react to customer behavior in real time
- Tie all activity across all devices and touch points back to the individual
- Deliver personalized data-driven dynamic content to every customer in every communication
- Easily segment and manage the communications cadence for different audiences
- Adapt seamlessly as your customer continues to interact

The platform uses rich data analytics to provide 360-degree audience insights and offers customer journey mapping capabilities to deliver **optimal audience engagement** to customers and prospects alike. Serving brands in 19 countries across both Europe and the Americas, Selligent works with companies ranging from the mid-market to large enterprise, often partnering with its extensive network of agencies and MSPs.