UPDATE AVAILABLE:

GENERATION Z

Intel, Insight and Ingenious Marketing Strategies
Marketers, meet Gen Z: your coolest, tech-savviest, connected-est, most elusive marketing challenge to-date.

They’ve been called Millennials on steroids, but Gen Z views marketers with a smidge more skepticism than their predecessors. By lumping them together, your ability to create sincere connections becomes all the more challenging. They do share certain traits with Millennials, but given the unique world they’ve grown up in, Gen Z’s nuances demand attention if your brand plans to make it into their exclusive club. As you formulate a game plan for winning over the world’s most elusive generation, we hope you use this report as your marketing spirit guide to lead the way.
Laughlin Constable went beyond the headlines to truly understand Gen Z at their core. We uncovered tendencies, patterns and trends to help us put a framework around Gen Z. We specifically mined for insights in three core areas:

- Gen Z’s Worldview and Approach to Life
- Gen Z’s Needs and Desires around Culture and Travel
- Gen Z’s Purchase Motivators
Our Methodology

25 digital ethnographies

1,100 Gen Z’ers interviewed

500 Millennials interviewed

To unearth these insights, Laughlin Constable took a two-pronged research approach:

Qualitative:
Working with our research partner, Over the Shoulder, we conducted 25 digital ethnographies with a representative sample of Gen Z’ers across the U.S. Our respondents downloaded an app that provided us with insights in the form of videos, audio recordings, phone screenshots and written responses. This allowed us to shadow study participants over the course of eight days, giving us an understanding of just about every aspect of their lives.

Quantitative:
Using our qualitative findings as a guide, the second phase of research was an extensive online quantitative study with over 1,100 Gen Z respondents. This allowed us to validate or refute findings from the qualitative research. To give ourselves a frame of reference, we also compared the Gen Z survey responses with responses from 500 Millennials.
When defining an entire generation, it’s irresponsible to say every single person who’s part of that generation is the same. However, a few things definitely influence who Gen Z’ers are as a whole, and how they see the world.
The Basics

RACIAL MAKEUP OF GENERATION

- 55% Non-Hispanic White
- 24% Hispanic
- 14% African-American
- 4% Asian
- 4% Multiracial/other

Born between 1995-2007
17% of U.S. population
$44 billion spending power
Gen X Parents? Enough Said:
Known as the Latchkey Kids, Gen X is, for the most part, the parental generation of Gen Z. And like any other parent-child relationship, the apple doesn’t fall far from the tree. Gen Z shares many of their parents’ traits: they’re a healthy balance of nonconformist, independent, rebellious and cynical.

The Great Recession:
The recession sparked massive entrepreneurial tendencies in both Millennials and Gen Z. Many employers predict more teens will go straight into the workforce rather than pursuing higher education. Gen Z saw older siblings and even parents struggle to find work post-college. They’ve seen debt wreak havoc with college graduates before them and are aware that there are no guarantees in the real world.

While they may not believe in the “American Dream,” 72% of teens say they want to start a business someday. With the world at their fingertips (their devices), Gen Z knows they can teach themselves whatever they want to and start monetizing.

About 9/11:
Gen Z was very young or not born when the September 11 terrorist attacks occurred, so there’s no generational memory of a time when the US was not at war with global terrorism. This has resulted in feelings of unsettlement and lower optimism about the direction of our country.

A Culture of Acceptance:
- Gay marriage legalized
- Gender identification less binary
- Last non-Hispanic White majority
- Awareness of bullying, widespread efforts to fight it

Acceptance, open-mindedness, and supportive attitudes are hallmarks amongst Gen Z; they’re considered some of the most attractive traits that one can have.
Born Like This

Gen Z has had devices in their hands since they left the womb. A 5-year-old Gen Z’er is as good as, if not better than, a 25-year-old Millennial (and usually better than a Gen X or Baby Boomer) at navigating a device. This familiarity (and dependency) results in a few characteristic traits for Gen Z:

Less Focused
In a fast-paced world with continuous updates, Gen Z processes information faster than other generations. Apps like Snapchat demand light-speed reactions and results—so their attention spans are significantly lower than Millennials’.

Best Multi-Taskers
Gen Z might be watching TV, listening to music, sending Snapchats back and forth, checking Instagram, all while doing homework. They can quickly shift between work and play, with multiple distractions going on in the background.

#sorrynotsorry

Gen Z’ers get a bad rap for constantly being on their phones. While true that they love their devices, they are also aware of an over-reliance on tech. They’re hyper aware of spending too much time on a device and want to self-regulate.

YouTube

YouTube plays a large role in Gen Z’s lives. Aside from consistently scoring very high on the “cool” chart for Gen Z, YouTube influences many aspects of their lives. Gen Z turns to their favorite YouTube channels and influencers when looking for new products to try, foods to eat, places to go, etc.

YouTube is the perfect platform for Gen Z to consume content given that videos are often shorter than programs of the past (on television), and have shorter ads as well.
Priorities, Values and Sabbaticals: The Gen Z World

The ‘what’ of Gen Z beliefs and values is consistent with their Millennial peers, but the ‘how’ is different. Ideals of authenticity, relationships and health are all critical, but how they achieve them differs from Millennials.
Never Too Young for Long-Term Values

The two generations differ in what they rank as their most important long term value—Gen Z looks outward to strong, supportive social connections, and Millennials look inward to discover their truth and put their best self forward. This difference can be attributed in part to age, but also tells us that Gen Z values a sense of belonging. On the other hand, Millennials have a more individualistic worldview.

The long-term values that each generation cares least about reinforces their different worldviews. Millennials rank “status” low—much lower than Gen Z does. This suggests that Gen Z’ers are more ambitious and may be more motivated by external markers of status than Millennials. They value how others see them, while Millennials may be more generally disenfranchised by the “rat race” and aware of the pitfalls of seeking status markers, like nice jobs, an expensive car or house or even a degree from a good school.

Both Millennials and Gen Z are moving away from traditional gender roles and religion—they’re not seen as important long-term areas of focus. More and more, younger generations are non-judgmental and celebrate diversity. They can access a wider range of identities thanks to internet and social media, and have a broader view of how they can define themselves (or not).

**GEN Z VALUES**
- Friendship: having close, supportive friends

**MILLENNIAL VALUES**
- Authenticity: being true to oneself
To Gen X, screen time can be seen as antisocial behavior. But to Gen Z, the area between offline and on becomes greyer every day.

Gen Z engages in social behaviors and relationships both seen and unseen. They still value and see the benefits of “traditional” in-person social interactions, but they have a different, larger toolkit for communicating. And these new tools are no less real, valid or meaningful.

What can brands do? Easy. Offer tools to help Gen Z grow relationships in real life (IRL) and in digital forms. It’s not enough to know that Gen Z is on Facebook or Instagram—it’s knowing HOW Gen Z uses these platforms. Staying relevant means helping to facilitate social interactions. Can your brand create a space for relationship building—even simply in the comments section of a post? Or, can you bridge the gap between online and offline worlds by encouraging them to meet up or inspire them when they’re together?

“Hanging out online [means] tagging my friends in random memes and sending them snapchats.”

- Shelbie

How do they define friendship? The definition has expanded, thanks to social media and Gen Z’s digital fluency.

- 1 in 3 Gen Z’ers say they know someone is a friend if they tag each other in memes (Only 1 in 6 Millennials said the same)
- Tag each other = commenting on a post with their friend’s username, so their friend gets a notification about the post
- Sharing these pieces is like an inside joke that shows you’re thinking about someone and care about them
“I’ve made so many internet friends through YouTube...and I really want to go to this one convention called Playlist Live which is where a lot of creators come to...I could meet a lot of my internet friends.”

- Charlie
Fewer Likes, More Moderation

What would a generation be without a few entertaining contradictions? Online and social media interactions might be considered no different than traditional IRL interactions, but that doesn’t mean they won’t self-regulate when it comes to finding a golden balance between the two.

They’re always connected, meaning they’re drinking from a fire hose and have access to everything. But they’re keenly aware of the potential pitfalls of overusing their tools. Many say they have a hard time tuning out, and even feel addicted to technology. This is a paradox of Gen Z—they understand the value and worth of digital platforms, but they know they’re prone to overuse them and need to moderate.

Gen Z’ers understand the relationship between technology and mental health. They are introspective, self-aware and aspire to a healthier relationship with their digital tools. There’s no tech barriers to the information they seek, which is why they have to set their own boundaries and self-regulate. They understand the dangers of tech overuse or misuse and take breaks or “digital detoxes” from social media when they feel it gets in the way of other responsibilities—to preserve their sanity and mental health. In fact, they prioritize mental health above physical fitness or healthy eating, and even above romantic relationships.

- 68% feel “guilty” or “conflicted” about time spent on their phones
- 58% have taken a break from social media
- 55% say mental health is important
“I prefer hanging out in person... it’s easier to understand each other. A lot of times, there’s miscommunication over text, you’re not sure what someone’s saying or what tone of voice they’re saying it in.”

- Priscilla
Gen Z places more emphasis on face-to-face interactions than Millennials and thinks they’re just as important as connecting online. They’re digitally-minded and spend a lot of time there. But they still crave a balance. Sometimes they want more face-to-face and less time on devices.

This leads them to drastically curate their online world. They’ll delete an app if they don’t use it and they watch how much time they spend online. Brands need to be transparent in terms of the commitment required to interact with an app or a brand. Be up front—how long a read is it? How long does it take to register? Setting expectations is important.

- Brands win when they offer the best of both worlds—online and digital. Can your brand help people meet up in real life? Can it help them get active or get outside?
- Gen Z is already finding ways to balance. Be a part of that conversation and assist them, otherwise you could get the axe.
- Can you help them unplug? Relax? De-stress? Or help them be aware of their habits?

“\textit{I feel like I get too addicted to it...I know if I use it in good quantities it wouldn’t be like that, and it would just be a nice thing...But I personally struggle.}”

- Priscilla
Gen Z’ers are inherently curious. Whether it’s trying new cuisine, learning about cultures other than their own or exploring a new city, Gen Z wants to immerse themselves. This desire to learn and see the world from others’ perspectives isn’t just a function of their age. According to our research, they are more likely than Millennials to seek out experiences such as travel as a means of discovering or experiencing something new. Brands have an opportunity to connect with Gen Z through their pursuit of becoming global citizens.
Exposure Drives Curiosity

As we seek to understand the drivers of Gen Z’s cultural curiosity, let’s look at the world they grew up in. We’ve identified some key factors that have shaped their worldview and created a globally minded generation.

Gen Z will be the last non-Hispanic White majority. But race is just the tip of the iceberg. Gen Z is diverse in every way imaginable. We asked our Gen Z respondents to describe how their friend group is “diverse.” You name it, they live it. This diversity is one of the main drivers behind their interest in other cultures.

In what ways is your friend group diverse? Select all that apply.
Culturally Curious

Pictures Are Just the Start

The other driver of their cultural curiosity is having had a tablet or a phone in their hands for essentially their entire lives. Gen Z has always had the world at their fingertips. We know the average Gen Z’er got their first phone at the age of 13 (or 10, depending on whom you ask). But it’s not just about playing games. 64% of Gen Z’ers have internet access via their own laptop or tablet, compared to just 42% in 2012. Whether watching YouTube, keeping tabs on travel bloggers or engaging with friends’ travel photos, Gen Z’s horizons extend far beyond their city or town. But the imagery and stories Gen Z sees online are just the spark. The next logical step is to actually experience these places and things firsthand. Travel costs money, but there are fewer perceived barriers to Gen Z going out in the world and creating.
“I think that everyone should travel outside of their country at least once to get a broader picture of the world, because there’s so much out there. There’s so much that you just don’t understand if the only thing you know is living in the United States.”

– Emily
To Gen Z, intrepid travellers are like the explorers of yore. They’re literally opening up new, previously unknown worlds to our dear Gen Z’ers. Growing up with the exploits of these fearless (and photogenic) globetrotters everywhere on social media, the seed’s been planted. Gen Z must see for itself what this world has to offer.

Inspiration on Demand

For cultural and travel inspiration, social media is one of the most influential outlets in Gen Z’ers’ life. 39% of young people get a social media account at 11.4 years. 11% got a social media account when they were younger than 10. Little effort is needed for cultural and travel inspiration—it simply comes to them in a feed. When we asked Gen Z where most of their inspiration on social platforms came from, they indicated it came from people they already know, like friends or relatives. With this in mind, as marketers, the more we can encourage our brand loyalists (regardless of category) to advocate for our brand, the more influence they’ll have over others.

Fingertip Influencers

Travel and cultural influence is all around, but when it comes to the nuts and bolts of it, how does Gen Z actually get this information into their hands? Our research shows that, surprisingly, the image-dominated platforms of Instagram and Pinterest are the most common source for travel inspiration. Snapchat and Facebook are not far behind.

Personal Growth and/or Humble-Bragging

Gen Z is on a quest for cultural and travel experiences that are gratifying and offer opportunities for personal growth. But let’s not kid ourselves—these experiences have badge value among their peers as well. A third of our respondents claimed they post more while on vacation. Interestingly, when asked about their friends’ posting and story-updating habits on social media, two thirds (63%) said they knew a friend who posted or overshared on social media while on vacation.

Have you ever experienced a friend posting/sharing too much on social media from their vacation?

Yes 62%
No 37%
The Family’s New Travel Agent, The Kids

Gen Z is opinionated. And they have tools to get their opinions heard. When it comes to the cultural and travel experiences they crave, Gen Z knows how to get heard by those who call the shots: their parents. According to our research, two-thirds (65%) of Gen Z has influence over a portion of their family’s travel plans. Specifically, two kinds of influence:

**The What**

Being a Gen Z’er, “how” is not a problem. They’re likely not the ones footing the bill, but they’re definitely the ones making travel suggestions. The things they claim to have the most influence over are:

- The destination itself
- The food or cuisine
- The activities

This craving for cultural immersion is something they take control over, even when it comes to family travel.

**The How**

They wield their opinions, but their tactics are totally Gen Z.

- 75% present their opinions in person
- 75% present their opinions digitally (think: texts, emails, and even PowerPoint presentations to make their case)

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<td>Activities</td>
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<td>The destination itself</td>
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*When planning family vacations/trips, which aspects of planning would you say you have influencer over? (Select any/all that apply)*
Maybe This, Definitely That: Brands That Define Gen Z

How do you advertise to a group that hates advertising? The Gen Z distrust of brands has sent marketers scrambling to crack the code. For a generation that was born being sold to from all angles, why do they choose to listen to some brands and not others?
Brands—Be Social, Not on Social

First, consider the rising power of micro-influencers and the shift away from A-list celebrity endorsements. This subset of influencers knows how to communicate with their highly engaged audience in a way that truly resonates. Second, consider that authenticity isn’t a secondary requirement for Gen Z consumers—it’s a necessity. Lastly, Gen Z is very careful about purchasing decisions. They need to be certain that the product benefit outweighs the cost, and they value practicality.

Clothing Must-Haves
Nike, Victoria’s Secret, Forever 21, Brandy Melville, H&M, Adidas, American Eagle

Brands with a strong celebrity influence and social media presence have a big impact for Gen Z. Victoria’s Secret and Adidas leverage big names like Kendall Jenner, Gigi Hadid, Karlie Kloss and Kylie Jenner.

Favorite Content
AwesomenessTV, Nickelodeon, Disney Channel, Teen Vogue

Go-To Beauty
Anastasia, Kylie Cosmetics, CoverGirl

The rise of makeup influencers is taking over the way beauty brands market to Gen Z. For example, CoverGirl signed James Charles as the first male covergirl, which sparked other beauty brands to amp up the diversity in their marketing materials. Rimmel London signed 17-year old British YouTuber Lewys Ball in January of 2017, while Rihanna’s Fenty Beauty launched in late 2017, specializing in diverse makeup options for different skin tones. Gender “norms” hardly exist among this target, further fueling the “makeup is for everyone” movement.

Social Media Presence
Snapchat, Instagram, music.ly, Houseparty

Social media stars with multimillion followers and communities continue to invoke aspirational qualities. King Bach, Amandla Stenberg, Baby Ariel, Connor Franta. Apps like (previously) Vine and now music.ly allow anyone to showcase their talents online and skyrocket to fame.
Gen Z expects more for their money. They’re skeptical of advertising and tech savvy enough to see through the BS. They value functional product benefits and choose practical reasons for choosing one brand over another.

While most Gen Z’ers say they haven’t purchased anything because of an ad on social media, 46% of our respondents said that they’ve seen things on social media (from a friend or a celebrity) that prompted them to purchase something. If the promoter spoke highly of a product in an authentic way, the respondent was likely to make a purchase. Importantly, Gen Z has redefined the definition of a “celebrity.” Social media and micro-influencers are Gen Z’s celebrities. When they get a recommendation from them, it’s like getting a recommendation from a close friend and doesn’t feel like an advertisement.

Access to websites that “have everything,” specifically Amazon, are big purchase motivators. One respondent said, “Amazon has everything—I’ll buy whatever I can get from there.” As digital natives, Gen Z’ers expect a seamless online shopping experience.

The “art of borrowing” is more common among this generation. Teens expect accessibility. There’s less risk in access vs. ownership. For example, subscription services like Spotify allow month-to-month subscriptions with no major upfront cost or commitment. Beauty subscriptions like Ipsy and Birchbox allow product sampling, with free shipping and returns that are vital to any ecommerce brand. When sampling a product isn’t allowed, virtual (and augmented) reality and digital simulators give customers the opportunity to trial a product.

“I have bought makeup items that have been recommended by people on social media and I will continue to.”

- Mia
Purpose and Purchase

Any purchase needs purpose, and Gen Z is more driven by purpose, passion and impact than previous generations. However, brands shouldn’t jump on the “purpose bandwagon” unless they actively resolve an issue—otherwise Gen Z will see right through it. Brands don’t necessarily need to be purpose-driven to attract a Gen Z customer base, as long as they offer a high-quality product with good customer service. Similar to other generations, Gen Z craves a “human touch,” so high-quality customer contact is crucial.
Show Me Real Life

When asked if she’s ever made a purchase as a result of social media ad, one of our respondents said,

“The kinds of girls that are shown wearing social media promoted clothing do not share my body type. Those clothes are usually never made with good quality. With both of those things considered, I never buy clothes off of social media.”

Gen Z places high value on having their uniqueness highlighted, not dimmed. They need to see themselves in brand messaging.

The use of User Generated Content (UGC) is at an all-time high. By highlighting UGC, brands spotlight and inspire their customers. Coca-Cola recently partnered with music.ly on its Share a Coke and a Song campaign, one of the first examples of sponsored content on this heavily Gen Z platform. Gen Z wants the ability to create their own, unique content. By featuring this content, a brand connects on a personal level and gives the consumer a voice.

Gen Z cares more about their appearance than previous generations because they know they could be photographed anytime and posted online. However, that doesn’t mean they want picture-perfect, polished appearances—they want their authentic, true selves in the feed.

Beautiful people have been synonymous with ads as long as advertising has existed. But just having a pretty face in an ad isn’t going to cut it with Gen Z. They don’t want over-polished, unrealistic beauty standards. They’d rather see someone just like them, which explains why micro-influencers are on the rise.
Amuse and Engage—Or Be Blocked

We asked our respondents to describe an advertisement that recently stood out to them. Almost all of them mentioned liking ads because they were funny. However, most of them couldn’t say what the ad was for, or confused it with a competitor. According to a study from Kantar Millward Brown’s AdReaction, between Gen X, Y and Z, Gen Z is three times more likely to be receptive to advertising involving humor. However, 69% of Gen Z uses an ad blocker, compared to 50% of people globally. They’re also more likely to avoid online advertising and skip online ads nearly three seconds sooner than older generations.

The solution to this complicated problem isn’t complicated at all—be creative. This doesn’t mean purchasing non-skippable content. It means creating content that Gen Z actually wants to consume. Brands need to work harder to deliver content that entertains and educates. Some key takeaways:

Stay True, Stay Real
Brands must avoid looking like opportunists while making sure values and purpose are incorporated into products and messaging. Again, avoid jumping on the “purpose bandwagon” unless actively involved in resolving an issue. As long as marketers continue to show that they offer a high-quality product with service, they don’t necessarily need to be purpose-driven. Being less trusting of brands, the need for authentic content is crucial.

Cultural Norms Are-A-Changing
To adapt to ever-changing cultural norms involving gender and race, brands need to embrace more fluid models and representatives. This means featuring people from all walks of life while avoiding stereotypical binary norms. Gen Z expects brands to know that they are more diverse than previous generations.

Invest In Access
Find a way to reach this target on a trial or sampling basis. Even if it’s a digital experience, Gen Z won’t invest in a product unless they are certain that the benefit outweighs the cost.

Give it Up, Let Them Get Down
Brands should consider ways to create open platforms to get consumers actively involved in the creation process. This might be helping facilitate live social sessions, or utilizing UGC to tell a brand story. Brands need to get comfortable relinquishing some control to Gen Z consumers by letting them choose their own path.
Love Them, Hate Them, Just Don’t Underestimate Them

They’re Diverse
Like the rise in platforms they use to consume content, there is no longer a one-size-fits-all version of a teenager. Racially, ethnically, sexually, Gen Z is surrounded by people from different walks of life. Our job is to celebrate and reflect their diversity.

They’re Constantly Connected
While this may not be much of a surprise, what is surprising, is just how aware they are of when it’s time to pull the plug.

They Crave a Culture Shock
Fueled by a constant stream of curiosity, this culturally diverse group yearns to meet people and explore places different from what they know.

They’re Influential
Their bank accounts may be less than glamorous, but the power they wield over the market will make a brand fall to its knees. By giving Gen Z reasons to trust your brand, you could even gain access to the big money and decision makers in their lives: Their parents.

They’re Redefining Friendships
Online, offline, people are people. Whether it’s in class or via direct message, Gen Z doesn’t differentiate how they interact with their peers. And they don’t really care.

They’re Real, and Expect Realness
With infinite access to the online world, comes infinite messaging from marketers trying to snag their attention. How do you cut through the clutter? Be real.
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