Gen Z: How influence becomes power

What are the core behaviours, values and expectations driving Gen Z consumption and brand preferences? We look at three key sectors to find out.

Retail: The rise of phygital

Gen Z seek retail experiences that effortlessly mix the online and the real world and that align with their values. Only retailers that genuinely engage with these behaviours can hope to capture a significant share of the Gen Z market.

Aspirational browsers
Gen Z extensively browse and consult peers via social media between seeing and deciding on a purchase.

Phygital pioneers
Gen Z expect to jump seamlessly from a physical in-store experience to digital and back again.

Ethical consumers
Gen Z seek to drive change by buying from companies whose ethics match their own.

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<th>81%</th>
<th>46%</th>
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<td>of Generation Z are willing to switch from their favourite brand if they find a product of similar or better quality</td>
<td>will visit a store first to gather intelligence on a product before committing to buy, even among those who buy online</td>
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Source: Interactions Consumer Experience Marketing

Engaging with shoppers who have a shorter attention span but view consumption decisions through a sharper and hyper-informed lens, will be the big future challenge for food, fashion and general retailers.
Internet: Online and in control

Millennials were the first generation to use social media, but Gen Z are the first not to know any life without it. For them technology is normal, not revolutionary. But this also means their expectations of how social media and the internet should serve THEM are uncompromising.

1. Security
   Of all generations, Gen Z express the strongest desire to protect their personal data online.

2. Authenticity
   Gen Z seek content that has a purpose, feels unique and is worthy of being shared.

3. Snackability
   Gen Z prefer short content, with a particular preference for video.

4. Speed
   Gen Z expect seamless 24/7 connectivity. If something doesn’t work, they move on instantly.

Only those online business models that deliver privacy, authenticity, snackability and speed in equal measure are likely to find success with Gen Z’s savvy and uncompromising online users.

22% of 18 to 24 years olds are more likely than the average UK adult to use ad blockers
Source: Kantar Media

60% of Gen Z will not use an app or website that is too slow to load
Source: IBM
Financial Services: Sceptical savers

Like Millennials, Gen Z are sceptical of banks. But their new conservatism means they want to save and value financial knowledge – yet view debt with caution. They welcome tech giants as financial services providers. But many still place value on personal contact and in-branch experiences.

Expect digital to be centre stage
Gen Z expect a strong, secure mobile-first offering, with the potential usage of AI for personalisation.

Value transparency and trust
Innovative ways are needed to build loyalty among a cohort that is less brand-loyal, yet very brand-conscious.

Open to ‘cherry picking’
Gen Z are very open to using alternative providers and services if traditional ones fail to adapt.

Mainstream financial services companies have generally taken a ‘one size fits all’ approach for the mass market. Now, they may need to adopt generation-specific strategies to ward off competitors from ‘big tech’.

70% of Gen Z use mobile banking apps daily
Source: Accenture

56% discussed saving money with their parents in the last six months
Source: Center for Generational Kinetics (US research)

33% believe they won’t need a bank in five years’ time
Source: First Data

Engaging with a demanding demographic
The traits that characterise Generation Z can be surprising, combining a desire for security, authenticity and social value with an expectation of speed, convenience, personalisation and seamless service.

Many established retailers, brands and financial services companies will need to embrace fundamental change to their business models, use of technology and customer propositions if they are genuinely to resonate with this demanding – and very different – new audience.