



Is your business ready for Gen Z?

By Marcie Merriman

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Generation Z is coming on fast with new attitudes and expectations of organizations that covet their business.

Gen Z, led by today's teens and tweens, is coming of age today, and they are not just another Millennials story. More aware, self-reliant, pragmatic and driven, they are savvy and demanding customers with tastes and preferences unlike those of any other generation.

Gen Z is already spending, and having a big impact on household purchasing decisions, according to EY's report **Rise of Gen Z: new challenges for retailers**. But they're spending power is growing rapidly: in four years, they will make up roughly 25% of the workforce around the world.

Businesses hoping to connect with these consumers need to learn who they are and what makes them tick.

Online reality

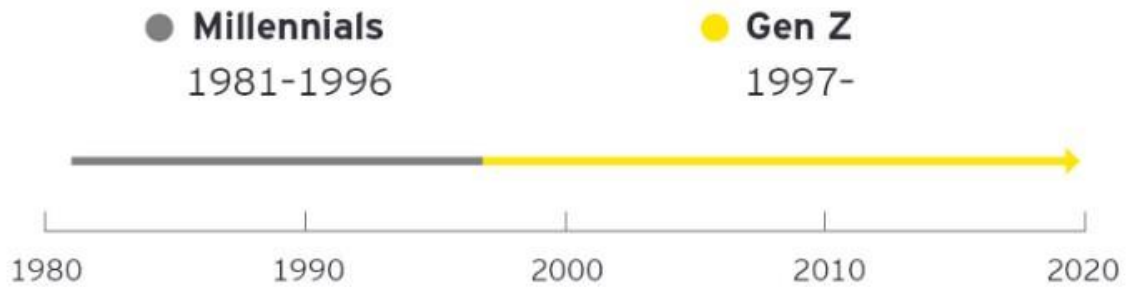
Millennials adapted to the rise of social media and mobile, but Gen Z was born into it. They are the first to grow up with easy access to a world of information and instant social connection.

Raised in tough economic times, Gen Z has only known a post-9/11 world and a school life that includes routine lockdown drills. It's no surprise these young people are much more industrious and pragmatic than their predecessors.

Gen Z has a taste for realism, too, and they like to follow real people online rather than celebrities offline.

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Gen Z vs. Millennials

When they were born¹Top influencers²

- **Gen Z** is most influenced by online video bloggers, “real people” they relate to.
- **Millennials** are most influenced by primarily offline celebrities they admire.

● Mark Zuckerberg	● Smosh
● Justin Bieber	● PewDiePie
● Taylor Swift	● The Fine Brothers
● Lady Gaga	● KSI
● Steve Jobs	● Ryan Higa

¹ “What if the next big disrupter is not a what but a who?,” EY.

² “Millennials Reveal Who Represents Their Generation,” *Huffington Post*, November 2012.

Gen Z expects you to deliver

Even more than Millennials, Gen Z wants products delivered. In-store pickup is much less appealing than for any other generation. This makes grabbing and holding their attention more challenging.

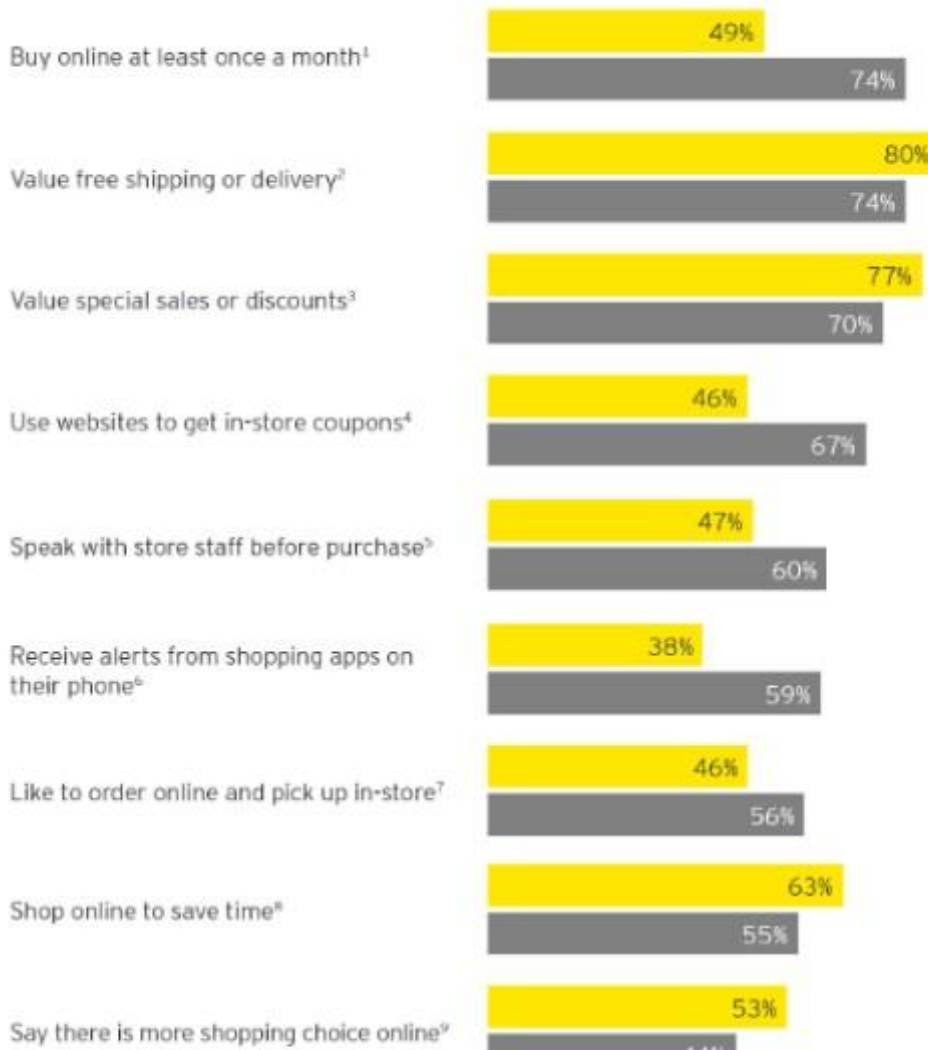
Ambitious and uber-productive, Gen Z demands efficient and hassle-free processes when shopping, from beginning to end.

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Gen Z vs. Millennials

Shopping attitudes

- **Gen Z** prefers shopping online and efficiency of processes over offers.
- **Millennials** buy online, but can be tempted in store through offers.





¹ "One tough customer: How Gen Z is challenging the competitive landscape and redefining omnichannel," EY.

² "Americas retail report: Redefining loyalty in retail," EY.

³ "Americas retail report: Redefining loyalty in retail," EY.

⁴ "One tough customer: How Gen Z is challenging the competitive landscape and redefining omnichannel," EY.

⁵ "One tough customer: How Gen Z is challenging the competitive landscape and redefining omnichannel," EY.

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⁹ "One tough customer: How Gen Z is challenging the competitive landscape and redefining omnichannel," EY.

¹⁰ "One tough customer: How Gen Z is challenging the competitive landscape and redefining omnichannel," EY.



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Loyalty hard-won

Gen Z values money and *saving* money. But unlike Millennials, Gen Z cares little for traditional reward programs and special offers. The internet has enabled these self-directed deal seekers, and they're used to getting what they want, with less hassle, at a good price.

Always wired in, Gen Z is accustomed to being highly informed. They use the internet for pre-purchase research more than any other generation.

Saving time and making the most of their money is a high priority — loyalty is not. Retailers are advised to demonstrate respect and loyalty before asking for it in return.

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Gen Z vs. Millennials

Loyalty and reward programs attitudes¹

- **Gen Z** prefers to seek out the best deals on their own and assess the total package.
- **Millennials** actively take advantage of rewards and special offers.



¹"Americas retail report: Redefining loyalty in retail," EY.

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Continual disruption

Generations are born from disruption, and disruptions are only going to come faster in a world of instant global communication and collaboration.

Brands not only need to give Gen Z shoppers what they want and how they want it. They also need to intuitively deliver on their evolving needs, allow them to be part of the solution and rapidly develop a relationship of mutual respect.

Summary

Businesses need to adopt a culture of innovation, where they seek to understand consumers and what drives them as human beings.

About this article

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