



# Marketing to Gen Z

A Fresh Approach to Reach  
a New Generation of Consumers

# Table of Contents

|    |                                                                                                                                                                                                                      |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 02 | Introduction                                                                                                                                                                                                         |
| 05 | The Next Generation:<br>Changing Course for a New<br>Mindset                                                                                                                                                         |
| 07 | Tech in Perspective:<br>Understanding the<br>“Post-Technology” Generation                                                                                                                                            |
| 10 | The Pendulum Swings:<br>Understanding Gen Z’s<br>Practical Side <ul style="list-style-type: none"><li>- Gen Z Goes Shopping</li><li>- The Media Habits of Gen Z</li><li>- The Gender Distinctions of Gen Z</li></ul> |
| 15 | Top 10 Takeaways from the<br>Experts: Putting Generational<br>Insights into Action                                                                                                                                   |

## INTRODUCTION

# Gen Z is rewriting the rules of engagement when it comes to technology, shopping, media, brand loyalty, and more.

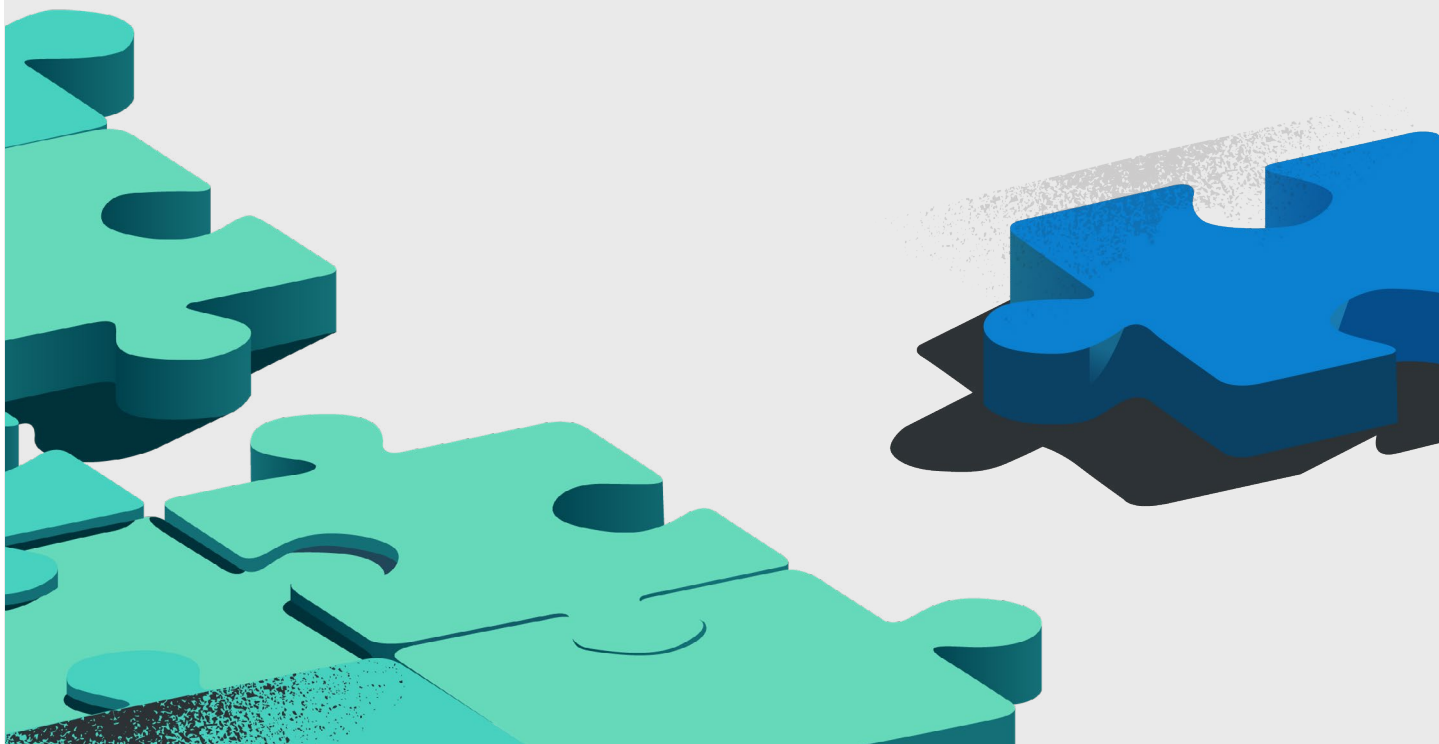
How can marketers evolve to meet these expectations? This report examines new data around Gen Z's motivations, behaviors, and preferences—and provides strategic ways for marketers to engage and drive them to action.

The Generation Z sea change is upon us.

**Marketers who aren't evolving their strategies to engage this younger generation are already falling behind.** A body of research is emerging that shows how Gen Z is different from their predecessors, but the nature of those differences and the implications for brands have remained largely hypothetical—until now.

To help marketers put the Gen Z difference into real-world context, **CM Group** recently partnered with F'inn on a cross-generational survey of more than 1,000 consumers, the results of which were analyzed by our panel of retail and media experts to reveal meaningful insights and action plans for brands.

Across the board, our research revealed that these consumers aren't just turbo-charged millennials. Millennials represent a generation of idealists who share online, shop on mobile, focus on sustainability and inclusion, and are optimistic about the future.



But now, Gen Z is charting new territory. They've been particularly impacted over the past two years, making them more pragmatic than their predecessors. By contrast, this new generation is more practical and ambitious than emotional and idealistic. They're focused on education and success, and they use technology to get what they want.

Insights include the following:

- **The supply chain is about more than logistics now. It's an essential part of marketing to Gen Z.**
- **AR, VR, and other emerging technologies are cool – but only if they're being employed to deliver true enhancements to the customer experience.**
- **Gen Z demands a “post-technology” omnichannel experience across literally every touchpoint.**
- **Gen Z might be the most ad-adverse generation living today, but they're also the most receptive to value-oriented messaging and tactics.**
- **Young consumers crave in-person experiences more than brands think – but they show up expecting much more than just an opportunity to make a purchase.**

**More than any prior generation, Gen Z expects:**

- **Personalized communications from companies**
- **Seamless experiences across all channels, online and in-person**



These findings emphasize the vital importance of a data-driven customer experience.

At the same time that Gen Z emerges as a key target audience, brands are evolving their capabilities, and these two things will be inextricably linked.

**A focus on customer-centric marketing driven by zero- and first-party data, and automated AI-driven personalization is the best way to reach Gen Z.**

## PART ONE

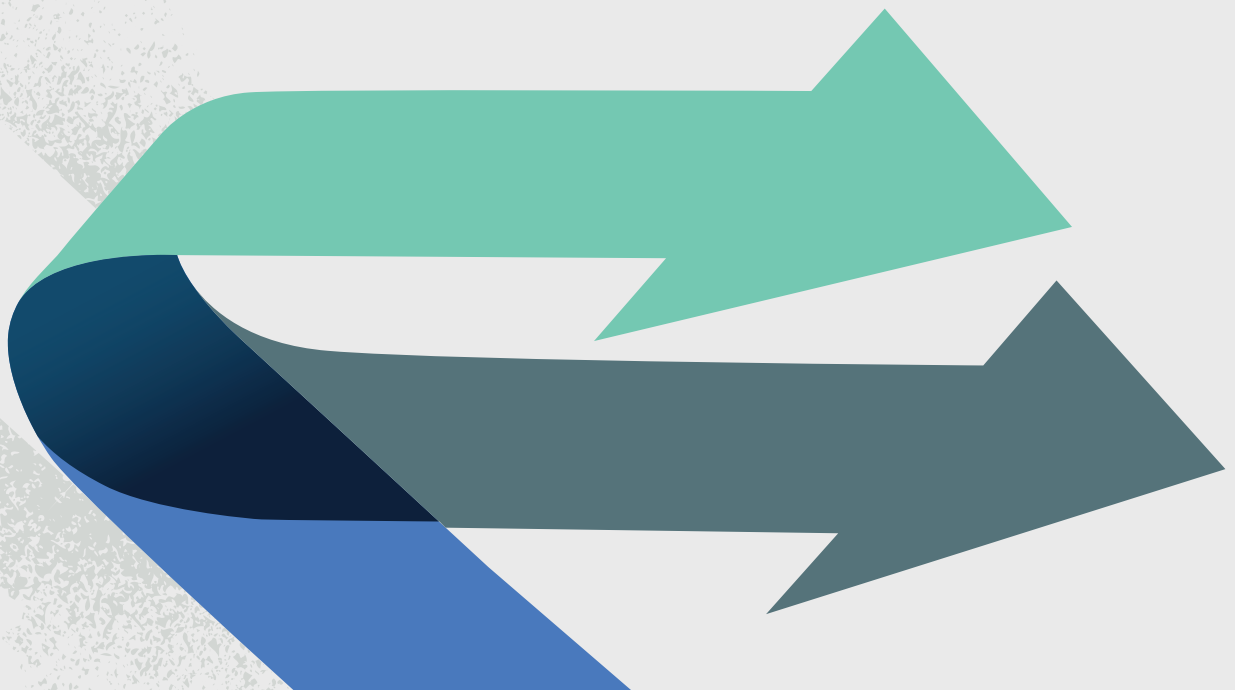
# The Next Generation: Changing Course for a New Mindset

Marketers: Get ready for some messaging whiplash. You've likely spent the past two years adapting to new expectations around brand values and propositions in a turbulent world. From the effects of the pandemic to new urgency regarding diversity and inclusion to the ever-escalating impact of climate change, marketers have been pivoting around highly charged topics that have reshaped their approach to messaging, advertising, and overall customer experience.

Today, brands have an imperative to rethink their marketing approach. In doing so, it's time they take a fresh look at Gen Z. The oldest in the bunch are graduating from college, getting jobs and starting their adult lives, and the influence of their spending power and media

habits is only going to grow. This critical point in their lives provides the perfect opportunity for brands to collect key data insights that can be used to segment and personalize outreach to ensure relevance now and in the future.

[Pew](#) defines Gen Z as people born between 1997 and 2012. Growing up in the shadow of the September 11 terrorist attacks, all they've ever known is the polarization that defines the current political environment. Gen Z entered the workforce in an economic recession, and they're the first generation for which social media and constant connectivity has always been an expectation.



Gen Z has grown up in a different world than the generations that preceded it. But importantly, it's also [experienced the past two years in a different way than other generations](#). It's not hyperbole to say that the world we live in has fundamentally transformed over the past 24 months. Consider:



### The workforce has never been more diverse.

As of 2020, [multiracial individuals and people of ethnic minorities constituted the majority of the U.S. population under age 18](#). By 2044, that statement will be true of the full population.

### The future of media is social and fragmented.

Today's primary [communications vehicles are participatory](#)—and there are more of them than ever. For brands, marketing and messaging at scale will never look the same.



### Technology is reshaping how we work.

The pace of technological disruption will continue to increase. In [the future of work](#), as AI and machine learning absorb a wider array of repetitive work responsibilities, we will see a shift away from rote tasks and toward technology skills, creative jobs, and empathy-focused human-to-human connections.

### The future of retail is “phygital.”

The [boundaries between physical and digital](#) shopping experiences have vanished. Success in an omnichannel world requires stellar in-person and online experiences—and the ability to transition from one to the other.



### Sustainability is now table stakes for business success.

Sustainability initiatives aren't a “nice-to-have” for businesses anymore. Today, [climate risk is investment risk](#), and the future belongs to the businesses that prioritize social and environmental responsibility.

This is the reality in which Gen Z is emerging as the primary driver of our workforce and economy. And it's in this new world that this bold yet grounded generation is positioned to redefine—well—just about everything.

To guide their media and marketing strategies in the coming years, brands need fresh insights around the generational differences that are reshaping the landscape, particularly as it relates to the growing influence of Gen Z. That's why we undertook this study. And here's what we found.

### Methodology

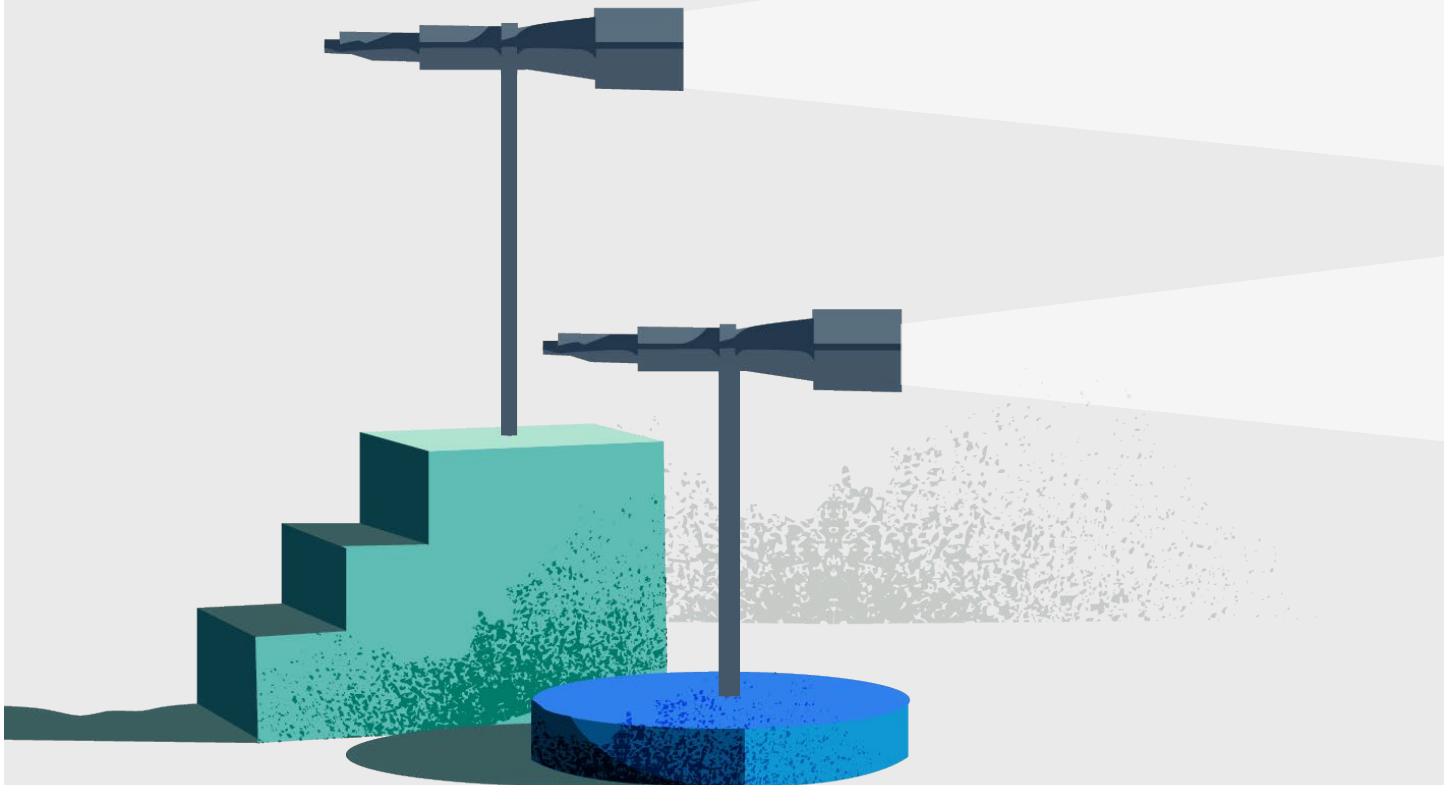
The purpose of this research, undertaken by CM Group in partnership with F'inn, was to gather insights into the consumer outlook for the next five years. For this study, we conducted 15-minute online quantitative surveys with more than 1,000 U.S. consumers, across all generations, between Sept. 30 and Oct. 7, 2021.

## PART TWO

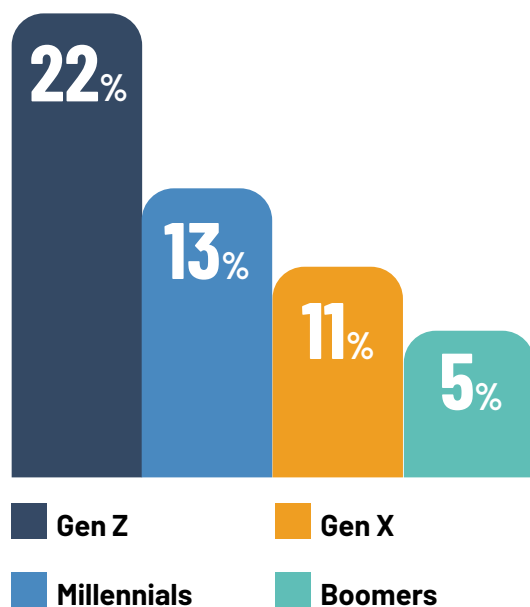
# Tech in Perspective: Understanding the “Post-Technology” Generation

Just because Gen Z has grown up with more access to technology than any other generation doesn't mean they're more obsessed or enthusiastic about it than older individuals. With so much technology available to them since birth (from Instagram to Apple Pay), they're comfortable taking what they want and leaving what they don't need. They're not about to marry a robot and never leave their rooms. In fact, they like in-person social interaction and shopping, and they aren't afraid to ditch technology for a better experience “IRL.”

The excitement and idealism that has colored digital growth and new technology in the past are fading, as is the danger of misinformation and misperception. In a sense, Gen Z and younger millennials have “mastered” technology. They use it to suit their convenience, and they're appropriately skeptical about tech capabilities and company motivations. According to our research:



## Have Used Apple Pay in the Last 6 Months



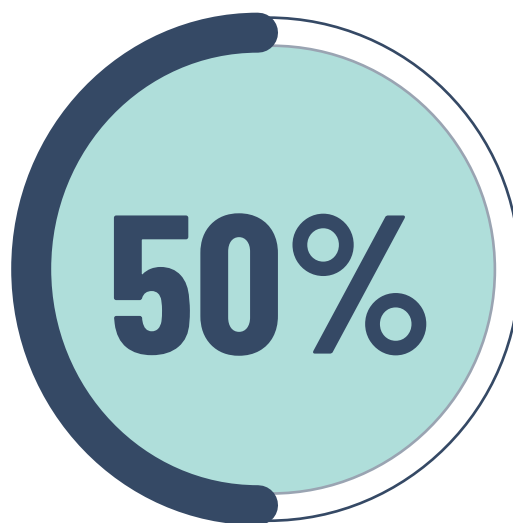
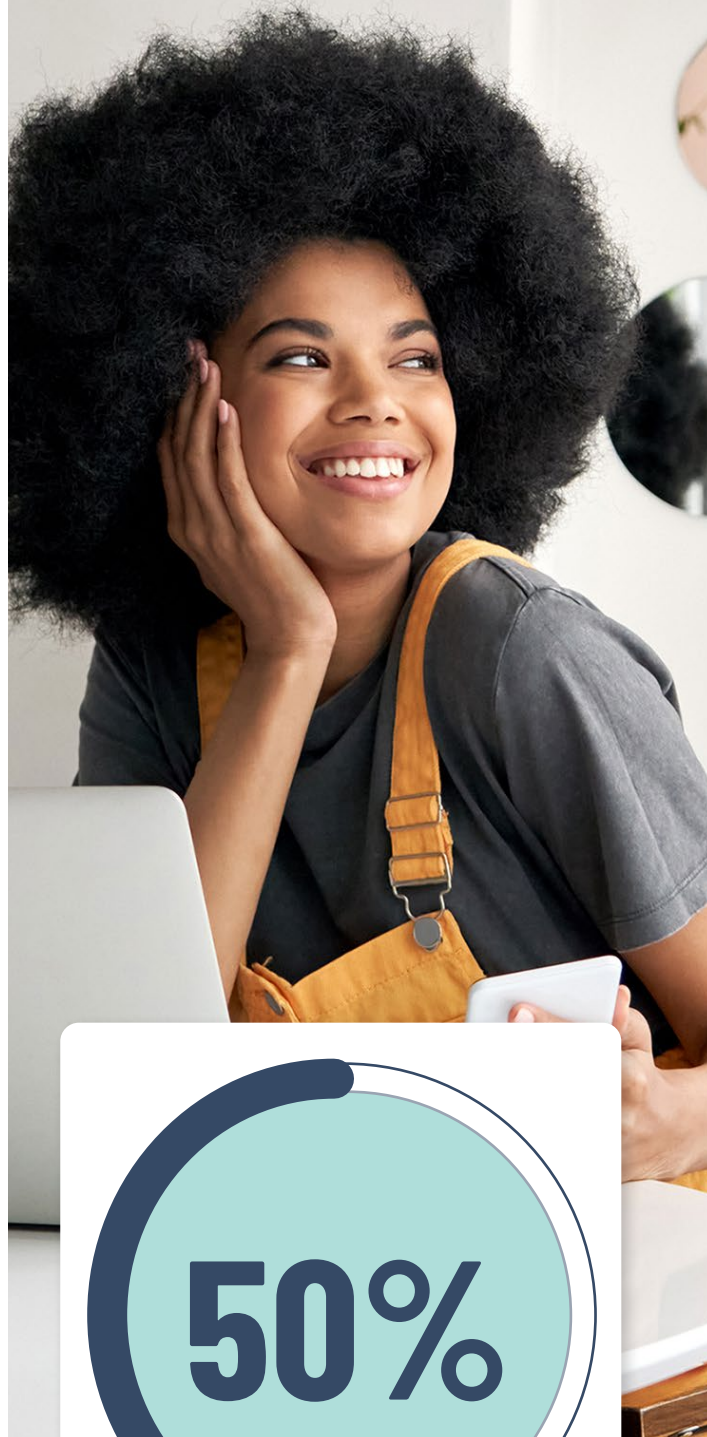
## Gen Z ranks their online privacy as being less important to them than other generations.

However, their usage of ad blockers and other web browser add-ons to prevent advertisers from tracking them is on par with others.



## Gen Z are more likely than other generations to have downloaded an app they saw advertised

or to have watched an ad in a video game to unlock a bonus.



## of Gen Z say they have control over their personal data.

However, they are more likely than other generations to admit that they don't know how much their personal data is worth.

While Gen Z avoids ads more than any other generation, they are less likely to object to ads that are relevant to their needs and lifestyle. In this regard, they prefer native ads more than other generations.

**Interestingly, they're also the generation that's most likely to make a purchase based on an ad, and**

**55%**

**of Gen Z thinks the ads are the best part of the Super Bowl.**

**Gen Z is less likely than other generations to object to companies having their personal data.**

In order to meet younger consumers on their level, **brands must become masters of technology**. More than anything, they need to be respectful of Gen Z's cautious approach to advertising and be prepared to deliver value in exchange for personal information at every turn. This requires agile omnichannel technologies that can collect insights and shift to accommodate individual preferences. For example, presenting recent online shopping behavior to an in-store associate to ensure that they can be as helpful as possible to a Gen Z customer looking for a specific item.



### PART THREE

## The Pendulum Swings: Understanding Gen Z's Practical Side

In addition to their sophisticated yet cautious approach to technology and advertising, Gen Z is proving to be a more practical and ambitious group than the generations that came before them. This means they're looking for a deeper level of authenticity and straight talk from the brands they patronize.

Here's where Gen Z stands out:



**of Gen Z consider a high-paying job to be a sign of success in their personal lives — 10% higher than any other generation.**

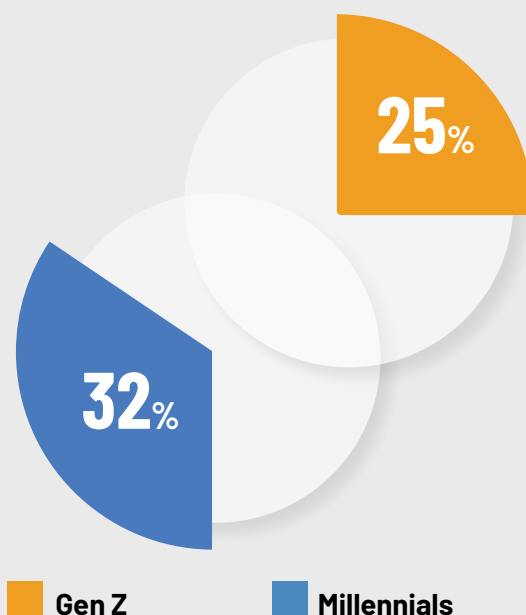


**18% of Gen Z want to be highly educated—**

**a full 8% higher than millennials.**

### Optimism about climate change

Gen Z is less optimistic than millennials about major societal challenges like climate change and gender and racial equality. For example, only 25% of Gen Z are optimistic about climate change, vs. 32% of millennials.





## Gen Z ranks authenticity as being more important

than almost any other product and company attribute.



**Gen Z, despite being early adopters of mobile wallets and certain other digital conveniences, is generally more cautious about tech adoption than millennials,**

with 55% wanting to wait until technology is proven to work compared to 47% of millennials.



## 38% of Gen Z prefers to rent or shop for items second-hand, versus

27% of millennials. Gen Z is also more likely than millennials to use coupons and promo codes when shopping.

### Gen Z Goes Shopping

Gen Z shoppers are distinct from other generations in their preferences—and perhaps not always in the way you would expect.



Not surprisingly, Gen Z has embraced digital and mobile shopping, with 75% shopping on their smartphones compared to 69% of millennials (and far lower percentages of Gen X and boomers). **That said, they're just as likely as other generations to seek out in-person experiences.**

Interestingly, Gen Z shows a higher preference for in-store shopping than millennials in multiple categories, including electronic devices (43% vs. 37%) and clothing (43% vs. 40%). Millennials have higher in-store preferences than Gen Z when it comes to health and beauty, as well as appliances.

This affinity for both online and in-person experiences underscores the need for brands and retailers to create hybrid “phygital” experiences that acknowledge the merger of commerce and

content. “Brick-and-mortar spaces, as well as pop-up initiatives, aren’t sales drivers anymore. They’re media moments,” says Monica Deretich, former VP of Marketing at TechStyle Fashion Group and proven leader specializing in strategic data-driven marketing centered around customer experience.

When it comes to making shopping decisions:

- **Gen Z is more likely than millennials to seek out the recommendations of online influencers they trust.**
- **Gen Z is most likely to get excited about brands that use ethically sourced materials in their products and care about their social impact.**
- **Gen Z is turned off by a lack of transparency when it comes to brands and products, so companies need to be forthcoming with information.**

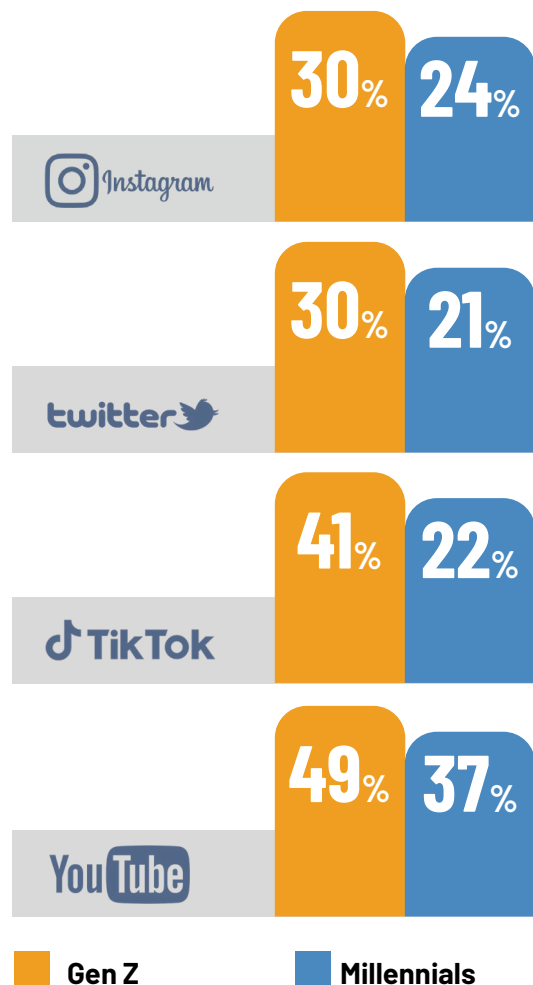
Gen Z is a generation that feels empowered to go their own way, and brands can support that by increasing their choice within the customer journey. For example, a media brand could ask newsletter subscribers if they’d prefer an SMS push message each morning rather than an email. Personalization works best when Gen Z feels engaged and sees the benefit of sharing preferences and information.

## The Media Habits of Gen Z

The media consumption patterns and preferences of Gen Z vary in notable (though not always predictable) ways when compared to millennials and older generations. Not surprisingly, Gen Z is more likely than other generations to rely on social media and influencers to stay informed.

Interestingly, 49% of Gen Z says they obtain their news and information from YouTube, compared to 37% of millennials. Also predictably, Gen Z tends to dominate when it comes to apps like TikTok, Snapchat and Twitch. What’s a bit more surprising is that they’re also ahead of millennials when it comes to reliance on Instagram and Twitter for news, despite those platforms having been around long enough to be squarely in the millennial wheelhouse.

### Reliance on Social Networks for News



It’s also interesting to note that both Gen Z and millennials are significantly more likely than the older generations to trust the information they receive on social networks.

“Companies need to create and integrate as many online, offline, and virtual retail touchpoints as possible to create convenience and choice, including social commerce and more,” says Laura Carrier, a seasoned retail and technology consultant who has worked within retail brands including Saks Fifth Avenue and Macy’s, as well as at digital marketing firm, MediaMath.

In terms of advertising and brand communications:

- **Gen Z indicates the strongest overall ad avoidance among the generations, with notable exceptions.**
- **Gen Z reacts better to native ads than the other generations, and they’re less likely to mind being retargeted based on their recent searches or purchases.**
- **Gen Z is more likely than older generations to be OK with ads showing up on the smart devices in their homes.**
- **Gen Z shares millennials’ higher preference for interacting via social media, and they’re also more open to communicating via chatbots than other generations.**

“Video is a key format for Gen Z since they’re socialized to video (i.e., TikTok, TikTok and more TikTok), and it’s an immersive way for publishers to deliver messages with their marketing clients,” says Kerry Twibell, a former media executive who has worked at MediaLink, Hearst, Conde Nast, Newsweek, and News Corp.

“Additionally, on social networks, advertising is content, and it’s presented in a way that’s almost indistinguishable from editorial content. Gen Z is socialized to all of this. Publishers should consider their presence and voice on platforms, and how they can partner with their marketing clients to develop authentic integrations.”



## The Gender Distinctions of Gen Z

It’s worth noting yet another distinction from those that came before them: Gen Z has a far [more advanced and fluid understanding of gender than older generations](#), meaning they’re less likely to adhere to traditional gender stereotypes and breakdowns as they move through life.

That said, we did see interesting distinctions emerge between Gen Z members who identify as male versus those who identify as female. Among the notable distinctions, we found:

- **Gen Z males tend to be more altruistic than females (24% vs 10%).**
- **Gen Z females are more likely to shop in person than their male counterparts (52% vs. 33%), and they're also more likely to patronize local and small businesses (32% vs. 17%).**
- **Gen Z males and females love YouTube equally, but females tend to favor TikTok, Snapchat and Pinterest, while males prefer Twitter and Instagram.**
- **Gen Z females prefer to interact with companies via email more than males (36% vs. 26%). When there's a problem, females are more likely to pick up the phone and call a company, whereas males are more likely to turn to an online search.**
- **Gen Z males are more likely than females to make frequent purchases based on ads (43% vs. 27%).**

But here's what's most interesting about Gen Z: While gender is still relevant in terms of understanding an audience through analytics, Gen Z sees little reason behind explicit labels – and that includes gender. They think of gender as a spectrum, on which every individual should be able to decide where they sit for themselves.

Brands have taken note. For example, Victoria's Secret, the bastion of intimates for women, recently [launched its store of the future](#), removing all images of women in order to not push a specific image, which includes gender. The brand now also offers gender-neutral clothes and has started using male mannequins.

Meanwhile, [Nordstrom launched Phluid Project's "Green" label](#) using transmasculine and transfeminine mannequins. Such initiatives are heavily targeted to Gen Z, a large proportion of which shops outside of their gender.

"While the biggest differentiator of Gen Z is their diversity, the way that they think about diversity is in the context of the individual; each individual defines for themselves what and who they are," Carrier says. "They do not believe in labels. They are the post-race, post-gender, post-sexuality generation. Interestingly, they are comfortable with sharing personal information. So, what this means for marketers is that they need to ask and then personalize. And they need to think in terms of fluidity – of image, of message, of content and of product."



**Brands need to put the control in the consumer's hand to define and identify what best represents their preferences."**

**– Monica Deretich**

*Retail Industry Advisor*

"The way forward for marketers is not gender-based marketing, but marketing to the individuals we all are," adds Deretich. "Brands need to put the control in the consumer's hand to define and identify what best represents their preferences. Zero-party data – information provided explicitly by the consumer – is a great way for marketers to put their consumers in the driver's seat."

## PART FOUR

# Top 10 Takeaways from the Experts: Putting Generational Insights into Action

Without a doubt, Gen Z will continue to redefine the commerce and media landscapes—not to mention society and culture as a whole—in the coming years. So what best practices and go-forward strategies can marketers glean from these fresh insights into the attitudes and habits of today's young consumers?

We turned to CM Group's panel of industry specialists across media, retail and other sectors to weigh in on the implications of evolving consumer expectations for the coming five years.

## 01

**Brands must leverage data to unify commerce experiences.**

Gen Z is willing to exchange personal information for good experiences, but that means retailers and brands need to be tapping into the latest technologies to ensure that it's not just their marketing messages that are delivering value.



“Collecting and harnessing customer data in a privacy-compliant manner has never been more essential to brand success,” says Deretich. “But that data needs to be used to empower a unified commerce experience—one that delivers a strong value exchange for the customer while also fostering AI-enabled optimizations of marketing, as well as product development, commerce experiences, the supply chain, and more.”

## 02

**Companies must adopt technologies that enable them to move at the speed of the customer.**

Gen Z's embrace of new social channels and commerce technologies puts pressure on brands to keep pace when it comes to options and experiences.

“That means acknowledging shifts in social channel preferences, with Gen Z leaning into TikTok, Snapchat and the Metaverse,” says Carrier. “Retailers also need to transform payment systems to embrace options like on-demand delivery, contactless payment, buy-now-pay-later, and other enhancements that bring more flexibility to the commerce experience.”

## 03

**Companies must include logistics and supply chain considerations in their customer experience planning.**

Gen Z's brand loyalty hinges on transparency and consistency across the full brand journey—[right up to the point where a product arrives on their doorstep](#). That means speedy, AI-driven logistics, and supply chain operations



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are as vital to brand success as strong customer relationship management.

“Marketers today need to look beyond messaging,” Deretich says. “When you own customer experience, considerations well beyond marketing matter deeply to your success—including automated fulfillment, cloud-based logistics technology, predictive planning, inventory visibility and next-day, same-day, or even same-hour fulfillment solutions.”

## 04

### **Marketers must plan for a world of converged content and commerce.**

To Gen Z, content and commerce experiences are becoming indistinguishable, and they expect the brands they patronize to deliver not only the products they need, but also the information and entertainment to go with them.

“Content is critical to creating relevant moments that matter and driving a sense of community with consumers,” Carrier says. “New social channels are quickly becoming avenues to drive both engagement and sales.”

“

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**- Laura Carrier**

*Retail and Technology Consultant*

## 05

### **Retailers must reimagine their physical customer experiences.**

Contrary to what some might have expected, Gen Z desires for in-person shopping experiences remain high. But their bar for such experiences is equally high.

“Retailers need to consider how they can create deeper customer relationships through experiential marketing,” Deretich says.

“Purpose-driven discovery, education, and entertainment are the real goals of in-person experiences. Media is now a cost of sales, and rent is now a cost of customer acquisition.”



## 06

### **Brands must define sustainability and communicate around it.**

Sustainability and social impact are matters of significant concern for Gen Z, and these factors deeply influence their purchasing decisions.

“How a company defines sustainability will vary by demographic, region, and individual, and retailers need to consider how and to what extent they address this issue when it comes to marketing, logistics, packaging, product and fabrication, business models, and more,” Carrier says. “Sustainability and related topics represent an important way to connect and build authentic relationships with consumers outside of the usual promotional communications.”

## 08

### **Companies need to think of media in terms of voices versus outlets.**

Gen Z puts more stock in the opinions and recommendations of influencers than past generations, and that’s heavily shaping how they approach media in general.

“Unbundling of content has been happening across media, and we anticipate that shift happening even more going forward, followed by some strategic rebundling (as evidenced by recent M&A),” says Twibell. “Individual voices are gaining prominence, and especially for younger generations, the idea of trust in media is shifting to voices even more than brands and media outlets.”

## 07

### **Media brands must take a stand.**

Gen Z wants brands to stand for something, and that includes their media brands.

“This generation is interested not only in the type of coverage or content a media organization provides, but also how they’re acting on it,” says Allison Mezzafonte, a former media executive who has worked at Bauer Media, DotDash, Hearst, AOL, and Elle Decor.

“This can include a reduction in a media organization’s carbon footprint via a remote workforce, as well as its actions on diversity, equity, and inclusion (DEI). Make no mistake: Gen Z is paying attention to these things.”



## 09

### **Companies need to prepare for subscription saturation.**

Younger generations, and Gen Z in particular, are embracing subscription models. But they're also money conscious and always looking for more value. That's going to require companies to consider how to rebundle media for a new generation, even as they elevate individual voices.

"There's already talk of subscription saturation in the market," Mezzafonte says. "As the market matures, there will be ongoing consolidation and new alliances with an eye toward providing a better CX for customers. Increasingly, media consumption may move toward a 'class pass' model."

## 10

### **Media and marketers must position themselves for the proliferation of AR and VR experiences.**

Gen Z is far more willing to embrace augmented and virtual reality options when it comes to daily experiences. Increasingly, media organizations and brands need to figure out where they can authentically participate in (or create) these new virtual spaces.

"Media consumption will move into a 3D experience instead of the current state of 2D consumption," Twibell says. "We're entering a new phase of ubiquitous 5G, and major tech platforms are investing in AR/VR content and hardware. This will reshape the media landscape, and Gen Z will be at the front of the adoption curve."



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## About CM Group

CM Group is a family of global marketing technology brands including Campaign Monitor, Emma, Vuture, Liveclicker, Sailthru, and Selligent. By joining together these leading brands, CM Group offers a variety of world-class solutions that can be used by marketers at any level. Headquartered in Nashville, TN, CM Group has United States offices in Los Angeles, New York City, Pittsburgh and San Francisco, and global offices in Australia, Belgium, United Kingdom, New Zealand, France, and Uruguay. Visit [\*\*CM Group\*\*](#) to learn more about our portfolio of martech companies.

