Keys to Driving Incremental Growth With Gen Z

May 2020
A Note to Our Readers

At the time of this report’s publication, consumer sentiment, market demand and overall economic conditions had become volatile due to the COVID-19 pandemic. This report assesses the digital performance of brands in 2019 and hence the data does not capture the impact of the unfolding COVID-19 situation. These insights and takeaways are related to best practices for cost-efficiencies, content strategy and marketing channel optimization.

Please visit Gartner’s COVID-19 resource center to review our resources on how to protect your people, maintain operations and sustain your organization during the pandemic. We will continue to share more resources and updates over the coming days and weeks.

Our priority is the safety and well-being of our clients, employees and the communities we live in, and our thoughts are with those experiencing difficulty at this time.
**Introduction**

Gen Z consumers have embraced a pragmatic and proactive attitude as a result of growing up during a time of uncertainty and upheaval, which drives their desire for authenticity (see “Consumer Outlook: Gen Z in 2020”). To drive growth with Gen Z consumers, digital marketing leaders must consider the group’s distinct goals, values and cultural context. Marketers looking to be successful must prioritize value-aligned content and messaging across platforms ranging from social media to product packaging. As consumers across different age cohorts adjust to the uncertainty brought about by the COVID-19 crisis, digital marketing leaders should anticipate broader consumer preferences to trend toward Gen Z behavior, and plan accordingly.

**Key Findings**

- Certain areas of consumer behavior and preferences for Gen Z significantly differ from older generations (e.g., sustainability, inclusivity, payment preferences, etc.) and drive purchase behavior. Periods of crisis however, result in a shift toward value-driven preferences, regardless of consumer age.
- Luxury brands like Louis Vuitton, Givenchy and Gucci are developing increased comfort with informal brand expression on social channels. This points to an increased focus of less curated campaign content to meet generational preferences for encouraging engagement and adoption from younger audiences.
- Digital marketing leaders are taking UX and content inspiration, not just from retailer peers and beauty brands, but increasingly from social media platforms where consumer expectations are being shaped.

**Key Recommendations**

- Integrate flexibility and choice across the post-purchase experience (packaging and fulfillment options) as sustainability becomes more top of mind.
- Continue embracing non-traditional production and promotion models like influencers, UGC and offline events to keep pace with growing content demands and align with Gen Z’s preference for authenticity.
- Take the mobile-first mindset further. Move away from text-heavy navigation and merchandising with an eye toward swipeable content and visual filters.

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**Millennial vs. Gen Z: How to Think Across Generations**

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<thead>
<tr>
<th></th>
<th>Millennial</th>
<th>Gen Z</th>
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<tbody>
<tr>
<td><strong>Content Creation Preferences</strong></td>
<td>Curated and polished</td>
<td>Raw and “real” impromptu</td>
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<tr>
<td><strong>Build Campaigns Around</strong></td>
<td>Provide millennials with easy-to-share content</td>
<td>Make Gen Z feel part of an ongoing social scene online</td>
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<td><strong>View Toward Social Media</strong></td>
<td>Platform for self-promotion among their IRL circle</td>
<td>Primary conduit for all interpersonal connections</td>
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<td><strong>Digital Experiences</strong></td>
<td>Self-focus is reflected in their choice of digital experiences that are typically one-way (e.g., stories via podcasts)</td>
<td>Lives for online interactions and is drawn to digital experiences in service of conversations (video chat)</td>
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Gartner research is based on data-driven analysis. Our findings, rankings and recommendations are objective, unbiased and independent of membership.

Source: Gartner Iconoculture: “Make Maximum Marketing Impact by Differentiating Your Gen Z and Millennial Strategy,” July 2019
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