

STRATEGIC CONSIDERATIONS ON HOW BRANDS SHOULD DEAL WITH GENERATION Z

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Abstract

Nowadays, Generation Z is the most complex and critical generation from all times, aspects that deeply affect their buying decision process. It is estimated that by 2020, Gen Zs will come to be the largest group of consumers globally. Based on the needs and behavioural understanding of this consumer group, this paper aims to identify the rules and processes through which, brands acquire and retain this highly pretentious and informed group of buyers.

Keywords: *generation Z, younger target, brand rules, digital natives*

JEL classification: *M31*

1. Introduction

As previous generations get older, marketers have started to focus their attention on the new generation of consumers - Z generation, born after 1995 and known by several other names as: Digital Natives, Digital integrators, Zeds, Zees, Bubble-wrap kids The new millennials, Screenagers, iGen, Generation M - multitasking, Generation C - Connected Generation, Teens, Tweens, Click `n go kids, etc. (Budac C., Baltador L., 2014).

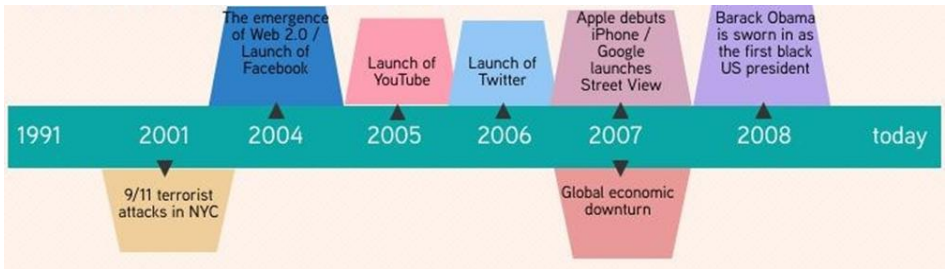
2. Characteristics of this audience that brands should take into consideration

From interaction with members of Z Generation one can easily find their practical sense, skill and intelligence, permanent connection and

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commitment to the world, issues which are more present than in any previous generation. There are many reasons and events that led here: fragmentation of media, development of the Internet (the emergence of Web 2.0 and the launch of Facebook in 2004, the launch of YouTube in 2005, the launch of Twitter in 2006, the release of iPhone and the launch of Street View by Google in 2007, etc.), the rhythm of life, global issues (terrorism, economic changes, climate change, etc.) (see Figure 1).

Figure 1: Global Events that marked Generation Z



The researches which have been carried out show that young people start to use the Internet and other technologies at an earlier age. Moreover, the lack of technical critical and social skills can be a real risk for them. (Livingstone et al, 2011).

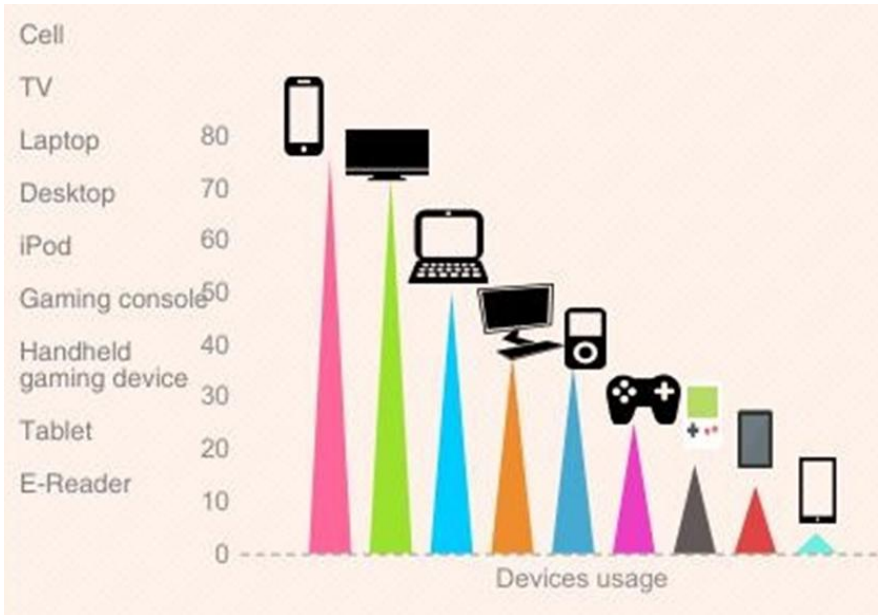
Young people aged over 12 prefer a variety of online activities from watching videos, online games, searching for information, for homework and socializing with other young people in virtual worlds, activities that fit in the language they use, "native language" (Prensky, 2005).

The fact that they grew up with the internet, mobile phones, laptops and other electronic devices creates a different market where brands must compete to win the members of this generation.

Digital natives prefer user friendly and interactive media. (see Figure 2)

As Prensky said (2005), digital natives are "native speakers of technology, fluent in the digital language of computers, video games, and the Internet". Their main feature is that they grew up and interacted with technology created previously their time; this is why these technologies represent an important part in their inherent life style (Oblinger & Oblinger, 2005).

Figure 2: Daily use of electronic devices



Source: Sparks & Honey, Meet Generation Z

Following the inevitable growth of the influence of this generation, marketers will need to adapt their approach methods to this target. It has been noticed that what worked in previous generations no longer meets the expectations of this generation and visionary brands are already adapting themselves to the requirements (Figure 3).

Figure 3: Differences to be considered in generations approach

Generation Z	Millennial (Generation Y)
5 screens	2 screens
communicate with images	communicate with text
create things	share things
future-focused	focused on the present
realists	optimists
want to work for success	want to be discovered

Source: adapted after Sparks & Honey, Meet Generation Z

3. Generation Z – a new target market for brands

Therefore, for marketers, Gen Z represents a new challenge and also a need to adapt communication strategies to meet with constant changing digital buying behaviours.

Attracting and targeting this emergent public require campaigns oriented towards more channels, more visual, interactive and which can be shared. Marketers are increasingly in the need of focusing their campaigns at the intersection level of social, local and mobile in order to connect with this audience.

Due to a growing awareness of the negative impact, on environment, this segment of consumers pay more and more attention on buying green products. The youth of this generation who are the future of our society seem to have attitudes and beliefs that allow them to take into account when choosing green products. (Kanchanapibul, M., Lacka, E., Wang, X., Kai Chan, H. 2014)

Marketers have already become more focused on a new group of potential young consumers: generation Z, born after 1995. Although today they have come to reach barely the age of 20, marketers with vision have recognized the major influence of this group on household purchases and progressive brands; they have already studied these individuals and their preferences.

The versatility of these young people can be considered as an advantage in order not to turn into its victim later. Keeping the commitment of these young people is even more difficult nowadays when everyone is struggling to get their attention. This is the very point of view why we should consider the following:

- Marketing through social media and mobile will be a priority of a business strategy which involves optimizing websites for mobile phones and engaging customers through social media actions. We have come to this conclusion starting from the fact that Z generation is dependent on mobile technology and permanently connected to social networks. This generation uses mobile devices to access information related to the consumption of goods and services, to look for purchase alternatives or to make purchases and to interact with friends.

- For generation Z the value is very important. Improved products both in terms of design and manufacturing methods will increase the company's reputation among these consumers. To survive in the market and to

maintain the positions held, brands will have to make greater efforts to provide value to the customer.

- Honesty and transparency are requirements without which brands can attract severe penalties from Z generation. In social media, companies cannot hide negative comments or various controversies, but they must be able to cope with these challenges and manage conflicts.

- For a good connection of brands with the youth of this generation, it is necessary a deep knowledge of their unique tastes. These future consumers are unique in the sense that, on the one hand, they respect and value the personality, on the other hand, for them group acceptance is very important. It is about a balance that confuses previous generations. In this respect, it is not bad to consider hiring people from this generation in the brand marketing team, as long as the age will allow.

- For this generation, convenience and comfort no longer arouses the same practices as in the previous generations. For them, the interest lies in the possibility and ease to browse the Internet, to make purchases and get consultancy directly through mobile platforms (smartphones, tablets, etc.) and social networks. So, brands should consider these aspects in building their strategy.

- Brands will have to learn to respect customer privacy otherwise they will risk losing to the benefit of others who will know how to do it. Although many companies collect and use consumer data to build shopping experience, members of Z Generation will be more skilled in technology, knowing how to control the data they share better than anyone.

- Engaging these young people with brands should be done in both ways: not only by launching the question they are expecting an answer to but by creating virtual communities where members can easily add content, ask questions and exchange views with other members. Members of this generation are intelligent, passionate, well informed and interested to share their thoughts with those willing to listen. It is very important to know who they are, what they like, what are their hopes to create communities that maintain conversations that these young people are craving for.

- Testing new things with these young people will result in honest feedback related to what works and what does not work according to their expectations.

- Companies should consider offering green products and having a proactive attitude on the environment if they want to target generation Z. The

members of this generation take into account the environmental impact and carbon footprint of products and brands. By recycling programs and buy-back programs marketers can influence the target audience awareness and adoption of products.

Despite the fact that there are opinions according to which Z generation seems to be a huge challenge for businesses in general, for visionary brands they represent a huge market of consumers with increasingly higher purchasing power and who are not loyal to any mark that only is waiting to be courted.

4. The Impact of these changes on mix marketing

It is clear that the new features of this generation have a direct impact on all marketing activities.

In terms of the product, design is influenced by the fact that this generation prefers interactive and user friendly media tools. However, because Generation Z is multitasking, marketers should consider offering products that enable more applications only in a single device.

As far as generation Z is concerned, marketers must recognize that the potential consumers are the real experts on brands. They understand perfectly what it means to support products with a simple push of a button "like" what will inevitably result in a thorough research or a positive appraisal for the product.

For generation Z, the physical environment plays a role not so important given that their social circle is no longer limited by geographical barriers, a fact which has a direct impact on what marketers, this is what they traditionally call placement (place).

The ability of marketers is to understand that social media have redefined the concept of "place" for generation Z.

Promotion is the most familiar area for marketers when it comes to new approaches. Generation Z dependence of digital information sources as emotional connection with the digital environment requires the use this medium more effectively than it is done today via 'likes' on Facebook or twitter campaigns.

Since members of Generation Z trust social media, the recommendations of the group of friends, more than in traditional endorsements, marketers should create active campaigns focused on social, environmental or health issues.

These young people are focused on their own brands and they are not easily impressed by traditional marketing tactics being more aware of viral efficiency. In this new world, simplicity and transparency are those that matter.

Since a significant percentage of generation Z is present on the emerging markets, price plays an important role.

The behavior of Generation Z represents a significant change from the previous generation. Although they are more comfortable with the devices they own, they are more confident in digital information, more isolated from their physical environment, more aware of global issues; these young people have contradictory characteristics.

Successful brands are just starting to understand and impress this segment of consumers. Marketing addressing to this audience will be more and more present through digital platforms enabling a better connection, engagement and global communication than any other previous approaches.

5. Conclusions

Being the first of their kind, the digital natives of Generation Z, had unprecedented access to information, whenever they felt they needed to. Brands need to realize that the main challenge in this area is that these youngsters are fundamentally different; therefore, different strategies and marketing tactics ought to be applied. In order to connect to Gen Z, brands should redefine all Ps of marketing. The old rules of brand marketing no longer apply to this younger target because they are less concerned with brand loyalty. Such as, this target is more likely to buy a product recommended by a friend via social media, being indifferent to marketing campaigns.

To attract Gen Z as consumers, marketing tools should be concerned in creating fun and entertaining products, interesting, desirable, new & innovative that makes youth feel socially connected and contribute to the personal development.

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Acknowledgment

This work was supported by the strategic grant POSDRU/159/1.5/S/133255, Project ID 133255 (2014), co-financed by the European Social Fund within the Sectorial Operational Program Human Resources Development 2007-2013.