Market research for the digital era: Connecting with Gen Z

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While the Covid-19 pandemic was a shock to the system for brands and businesses across the world, profoundly transforming the shopping and customer dynamics, another game-changing transformation was already altering the consumer landscape: the rise of Generation Z as a key consumer population.

Values-driven, enthusiastic and proactive, as Gen Z matures, it is quickly turning into a crucial piece of the consumer puzzle, with its needs and expectations becoming increasingly important in shaping brands' business decisions and strategies.

$33t

Gen Z's income is set to reach a combined $33 trillion over the next decade, surpassing the earning potential of millennials by 2031

(Euromonitor)

As more brands realise the business value of truly understanding Gen Z, many turn to market research to gain insight into this demographic's traits, motivations, values and spending habits, looking for ways to effectively connect with them. For researchers, in many cases this has meant reassessing methods and looking for the best ways to engage with a digitally native generation that appreciates businesses whose values go deeper than mere profit.

In this report, we explore the nature of Gen Z: what they are passionate about, what drives them as both individuals and consumers and what they expect from their interactions with brands and businesses. We also look at the ways in which the insights industry can meet Gen Zs where they are and help companies bridge the generation gap and tailor their approach to this younger, boundary-redefining, omnichannel population.

The world of Gen Z

For those born between 1997 and 2012, life has always had a distinct and elemental digital component, and this is an essential starting point for market researchers looking to capture the essence of Gen Z. Having come into the world just as the evolution of a range of technologies picked up speed, they are unfamiliar with a world where distances cannot be bridged with a few quick taps on their mobile phones.

8hrs

Gen Zs spend around eight hours a day online

(Datareportal)

16-24

The 16 to 24 age bracket is the group that spends the most time on the internet

(Datareportal)

100%

of those aged between 16 and 24 in Great Britain accessed the internet via mobile in 2019

(Statista)

However, Gen Zs don't perceive a categorical break between the offline and online worlds: they see life as a continuum of the two, where boundaries are blurred, and one can easily move between them. As McKinsey points out, they continuously flow between digital and physical communities and, for example, make no difference between friends made online and offline.

Their identity as a group shares this fluid quality: for this generation, it's not about ticking boxes and ascribing individuals to set categories, such as gender. Gen Zs "try on" different ways of being themselves, experimenting and testing different versions of their own selves, becoming real "identity nomads" (McKinsey). This aspect can become an especially relevant one to bear in mind in market research when conducting surveys or questionnaires, which need to be as inclusive and open as possible to help all respondents feel represented.

Their digital nature has also influenced their interests and what they do in their free time. Deeply visual, Gen Z is a big fan of video content, and film and cinema is one of their top interests, after music and food and drink (GWI*). Gen Zs have been instrumental in the rise of streaming, and online TV is now their preferred way to watch programmes and series (GWI). They are also the generation most likely to watch vlogs and turn to online video for educational purposes (Datareportal). Likewise, they are big fans of gaming, with 9 out of 10 say they play games on any device (GWI).

Gen Zs are curious about what goes on around them, with 55% saying they like to explore the world and 49% saying they are interested in other cultures and languages

(GWI)

Geographical boundaries are not an issue for this online oriented population: thanks to the internet's global reach, they can access information, products and entertainment in just about any language. Unsurprisingly, they are the generation most likely to use online translation tools (Datareportal); likewise, they tend to identify more with people their age rather than with people that speak the same language (GWI).

This interest in the world that surrounds them is not merely skin-deep: Gen Z is deeply concerned about the planet, with climate change emerging as their biggest worry (GWI) and social issues such as inclusivity and equality also ranking high among their priorities. They are a proactive, optimistic and involved generation, who believe in their power to act and make the world that surrounds them a better place.

75% of Gen Zs in the US think their generation is going to change the world

(WARC)

* GWI's research is based on online populations

The omnichannel experience: Gen Zs as consumers

The traits that set Gen Zs apart as individuals also define them as consumers: they seek brands that are aligned with their values and that are actively involved in the big global issues they are passionate about. In this sense, 85% believe brands should be about something more than profit (Wunderman Thompson).

60%

of Gen Zs in the US view their choice in brands as an expression of who they are

(WARC)

79%

want their money to go to a brand they believe in

(WARC)

Ultimately, picking a brand is closely linked to their identity. They want brands that are genuine and transparent in both their communications and their actions, and they are quick to pick up on a lack of authenticity, which can lead them to look for alternatives swiftly.

Because the internet breaks down geographical boundaries, international brands have a bigger opportunity to reach this globally focused and digitally native demographic. However, it is crucial for them to ensure that their content (especially the one relating to their values and mission) doesn't get lost in translation and its original genuineness is diminished once it is rendered into a different language.

Additionally, they don't want to passively buy from brands, but desire an active role in product development where possible. The US National Retail Federation found that more than 40% of Gen Z consumers would like to submit ideas for product design and participate in product reviews, if given the chance. Market research can play a key role in this, helping brands to successfully develop and launch new products based on feedback and comments from younger consumers.

In line with their ability to flow smoothly between online and offline environments, Gen Zs want brands that can match their phygital existence with omnichannel shopping experiences. Gen Zs expect the physical and digital aspects of their shopping journey to complement one another, enabling them to flow seamlessly and easily between dimensions. Gen Z doesn't shun brick-and-mortar shopping: on the contrary, 43% of older Gen Zs in the US prefer it to ecommerce (GWI). As Wunderman Thompson points out, above all, this demographic looks for convenience, using both online and offline channels as and when they suit best.

The social generation

Hand in hand with their digital nature, Gen Zs are the generation most likely to be found on social media. According to Datareportal, they spend some three hours on social networks every day, more than any other age group, and are active on eight different platforms on average each month.

According to GWI, Instagram is their favoured app, with TikTok rising rapidly among them, and YouTube firmly established as another key favourite for video content. Social is the place for everything from making friendships to discovering new products; however, the different platforms are used in specific ways. For example, while Instagram is the go-to network for posting and sharing photos or looking up products or brands, TikTok is the preferred destination for those looking for funny and entertaining content (GWI).

While the type of accounts most likely followed are those of friends, family and acquaintances, Gen Zs also engage with brands on social media, and they expect them to be present in that environment. For example, Sprout Social found that 56% of Gen Zs want to see brands use more of Instagram while 38% said the same about YouTube.

Despite their enthusiasm for social media, younger users are also acutely aware of the darker side of the likes of Instagram and TikTok.

According to research by GWI, Gen Z is 25% more likely than other age groups to say social media causes them anxiety.

For a generation that is deeply concerned with mental health, being on social media can become a challenging activity at times.

Tired of the picture-perfect, airbrushed or retouched images that are shared by the thousands every day across different platforms, Gen Zs look for more genuine and carefree content. They recognise that there is too much pressure to be perfect on social media and believe people should show more of their real selves online. For them, this quest for perfection is both unrealistic and unrelatable (GWI).

This duality surrounding social media can be a particularly important area to explore for market researchers working with brands that need to find the right balance between authenticity and aesthetics on social media – particularly in industries such as fashion or beauty. Understanding how their younger audiences feel about the content posted on social platforms is vital to become a positive presence and encourage effective connection.

Influencers are another key aspect of Gen Z's shopping journey and interaction with brands.

79% of Gen Zs in the UK and Ireland say they would make a purchase after seeing an influencer recommendation

(Sprout Social)

However, their search for a more authentic and realistic social media experience has led to the rise of a new breed of influencers — 'genuinfluencers' — whose goal is to offer advice and unbiased information on products rather than simply promote brands' articles.

Capturing Gen Z's digital DNA in market research

As the urgency to understand Gen Z grows among businesses and brands, the market research industry has become an increasingly important tool to unravel this demographic's consumer DNA.

In the quest to solve the Gen Z puzzle, searching for the most effective ways to connect with them, tailored to their preferences, likes and dislikes, can be a smart step to pave the way for obtaining insight into their private worlds. While traditional research methods such as focus groups can offer good results, given Gen Z's digital nature and their mobile-first approach to life, researchers might find that using digital tools and approaches can help them meet younger generations where they are — online.

On the next page, we list three methods that can help researchers gather insight into this age group.

Social listening

From celebrating purchases to complaining about customer service, users on social media interact with brands and businesses all the time — and this can be an invaluable treasure trove of data, especially when it comes to Gen Zs, who are natural social network adepts. Social listening can be an excellent tool to capture spontaneous opinions and exchanges with brands, giving valuable insight into shopping experiences and journeys, as well as shed light on pain points or unexplored areas of opportunity. Likewise, it can be an incredibly useful tool to unearth broader consumer trends and general sentiment towards a brand or product, which can be fundamental in helping a business shape its next steps.

Digital and mobile ethnographies

Ethnographic research has long been used to observe and gain unfiltered insight into consumers' behaviours in their natural settings. Digital and mobile ethnographies can help capture the richness of a generation whose life largely happens in a phygital continuum, where the digital bleeds naturally into the physical and vice versa. Participants can use their devices to take pictures and videos of themselves and their surroundings as they carry out different tasks or activities, record voice notes to share thoughts and feelings or write down notes or impressions using diary applications in real time. It also has the key advantage of utilising tools like mobile phones and apps, with which Gen Z is familiar and comfortable — a factor that is of no lesser importance when it comes to the success of a piece of research.

Mobile and online surveys and bulletin boards

Giving individuals the chance to respond to questions or prompts from anywhere and at their own pace can be an incentive for them to participate in research, especially when it comes to the mobile-friendly Gen Z. This is why digital bulletin boards can be a good idea to engage effectively with younger individuals. Likewise, short and to-the-point online surveys (for example triggered by a specific location or action) can help boost engagement among a generation whose attention is pulled in many different directions. Likewise, dialling up on visual content, such as GIFs or images, can help enhance the connection with a demographic who grew up using memes as a primary language to express their feelings.

As their spending power grows, Gen Zs have increasingly become a key demographic for businesses, and the need to understand where their priorities, needs and expectations — both as consumers and as individuals — lie has turned into an essential step to plot a business roadmap. To help brands do this, the market research industry needs to ensure it maintains a flexible and curious perspective that can adapt and cater to the preferences of a values-driven population who relies on technology and connectivity like food and air. A digital-first, social media focused approach that prioritises mobile interactions can be just the way to engage with Gen Zs as they grow into the next big generation of trendsetting, strategy-defining consumers.

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Sources: Datareportal| GWI | McKinsey | NRF | Sprout Social | Statista | WARC | Wunderman Thompson