

Features

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What Does Generation Z Want?

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Beautiful design has become the focus centerpiece for all successful consumer brands. Human beings have an attractiveness bias; we perceive beautiful things as being better. All else being equal, we prefer beautiful things, and we believe beautiful things function better.

The question is how different generations perceive beauty and design. Now is the time, as designers and marketers, to turn our full attention on what the next generation of consumers want. Welcome, Generation Z!

Who Are They?

Generation Z is the demographic cohort after the Millennials. As with past generations, there are no agreed-upon dates for when the Gen Z cohort starts or ends by demographers and researchers. However, the generally accepted birth year for this group is 2000.

This year, the first wave of 17 and 18-year-old Gen Z members are heading to college and are starting to make their first major décor purchases. By 2020, they'll become the largest consumer group worldwide, which will account for 40% of all consumers. The needs and habits of this group will inform not only the next generation of shoppers, but also shape the future of retail.

In comparison to Millennials, who witnessed the rise of social media and instant access to information on the web, members of Gen Z have always been digital. Pragmatic 12- to 18-year-olds from the generation are digitally fluent and insatiable for new content. They value creation, collaboration and authenticity. As the digital multitaskers of the present, Gen Z members are distinguished from tech-savvy Millennials as a tech-natural generation. They're tuned into five screens: a TV, desktop or laptop, iPad or tablet, mobile phone and wearables, such as the Apple watch, all at once.

Millennials are only tuned into a maximum of three screens at a time, while Gen Z has no issue switching back and forth on these platforms multiple times a day. On average, the Gen Zers are spending nearly seven hours a day on screen. They really seek a separate screen companion to overlay with their real-world experiences.

Gen Z's favored apps are Snapchat, Instagram, YouTube and Facebook. When it comes to television

consumption, Gen Z watches between two and four hours of YouTube and less than one hour of traditional television per day. They're also twice as likely to use YouTube as Millennials and a lot less likely to use Facebook, reinforcing their independent, self-taught nature.

According to Deep Focus's 2015 Cassandra Report, 55% of Gen Z members would rather create what they want than buy it and YouTube tutorials are their main teachers. Marketers should be aware that 85% of Gen Z are more likely to visit YouTube than any other social site and 40% would prefer their favorite brands communicate with them there rather than on any other platform.

Generation Z is a little more cautious when thinking about how everything is "going to be great" because they've been grounded in a sense of reality by their parents, who are by and large Generation Xers. The Gen Xers have been deemed cynical rebels in some ways. Today's new teenagers are less pampered and more worried about money, having grown up with the 2008 financial crisis. They embrace the sharing economy and like to buy less, but better quality.

Changing Priorities

Generation Z wants to have an impact on the world. This is a generation of activists who use the power of the hashtag to find their own communities and champion change. As the most ethnically diverse generation, Gen Z is more likely to have social circles that include multiple ethnic groups, races and religions, so there is a strong focus on equality and freedom of individuality.

What's more, Generation Z cares deeply about the environment and climate change. Brands that embrace a "circular economy," focusing on transparency, sustainability and ethical corporate behavior, along with products that provide personalization and individual self-expression, will win the favor of Gen Z.

The enormous amount of information they have access to means they're savvy shoppers and often turn to trusted curators for the most relevant experience. They have the power to hop between retailers—at physical and online stores—comparing prices and sharing pictures as they go.

Small Living Spaces

Average dorm rooms in the United States hover at around 228 sq. ft. and a shared apartment in big city centers are not much larger. Students must get creative with small-space solutions. Fortunately for Gen Z consumers, flexible, modular furniture and storage are becoming mainstream, such as beds with hidden drawers or seating that can fold away.

Also, there are new companies in the Green Industry that recognize this trend for small living spaces décor. LiveTrends is one of these leading brands that focuses on small footprint collections and super-easy care plants. From vertical applications to a wide variety of display methods, LiveTrends has the ability to appeal to these young consumers and cater to their décor needs.

Influencers and Limited Edition

Unlike Millennials who are known to block ads, Gen Zers are more likely to respond to them, but they want to be engaged by real people. A big change is that most Gen Zers want to see influencers rather than celebrities in ads. Celebrity-centered branding strategies are perceived as "staged" and are virtually useless

for this new generation.

Brands are also embracing new ways of selling and marketing to Gen Z. The belief that “best things should never be easy to get, otherwise what’s their value?” is driving a new “drop culture”—the hype surrounding the limited release of new products. Some of the most successful products in the future will be the ones constantly changing, at limited quantities, and with a constant element of surprise.

Gen Zers do not want a hard sell. They’re looking for participation and a two-way dialogue. Marketers need to offer compelling experiences that are more about aspirational browsing and less about a direct push for transactions. Though Gen Z discovers new products and brands online, they still prefer brick-and-mortar retail. The most successful retail brands will be the ones that find ways to merge YouTube inspiration and the in-store purchase experience.

Honesty and Pragmatism

Gen Z respects a brand when it’s honest and transparent about how the brand works and where it sources its products. This group is the most self-educated generation in history, and if it has a question about something, they can immediately go to their mobile devices and ask Siri.

Although Gen Z is price-conscious, most Gen Z teens prefer cool products over cool experiences, as opposed to Millennials, who highly value experiences.

The most important thing for Gen Z is the branded content to feel high-quality and organic. Their ability to smell “fake” is exceptionally well-developed. Since most of Gen Z say they want to make a global impact, they’ll embrace brands that stand for something. We need to have a real story that connects to the emotional side of a Gen Zer that wants to make a difference in the world.

The understanding of how design is perceived by each generation is becoming of paramount importance. We, at LiveTrends, are observing Generation Z’s entrance in the marketplace with much anticipation and admiration. The shift away from “more, better, faster, cheaper” to “authentic, creative, caring, honest” will deliver a true breath of fresh air in our industry.

What Marketers Can Learn

Be authentic: Gen Z members have an eight-second filter when it comes to sifting through content online. They can spot pretense instantly.

Teach them something: YouTube is their preferred social platform, as it plays into their hunger for creation. They’d rather create than purchase and YouTube tutorials are their teachers.

Align with their values: Gen Z members are pragmatic and place making a difference in the world as a top priority. Market a product to them that’s affordable and cause-driven.

Market with them and not to them: They value the ability to collaborate with brands. Make them part of core activities, such as naming a product, or ask them to join a social-media campaign. **GP**



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