

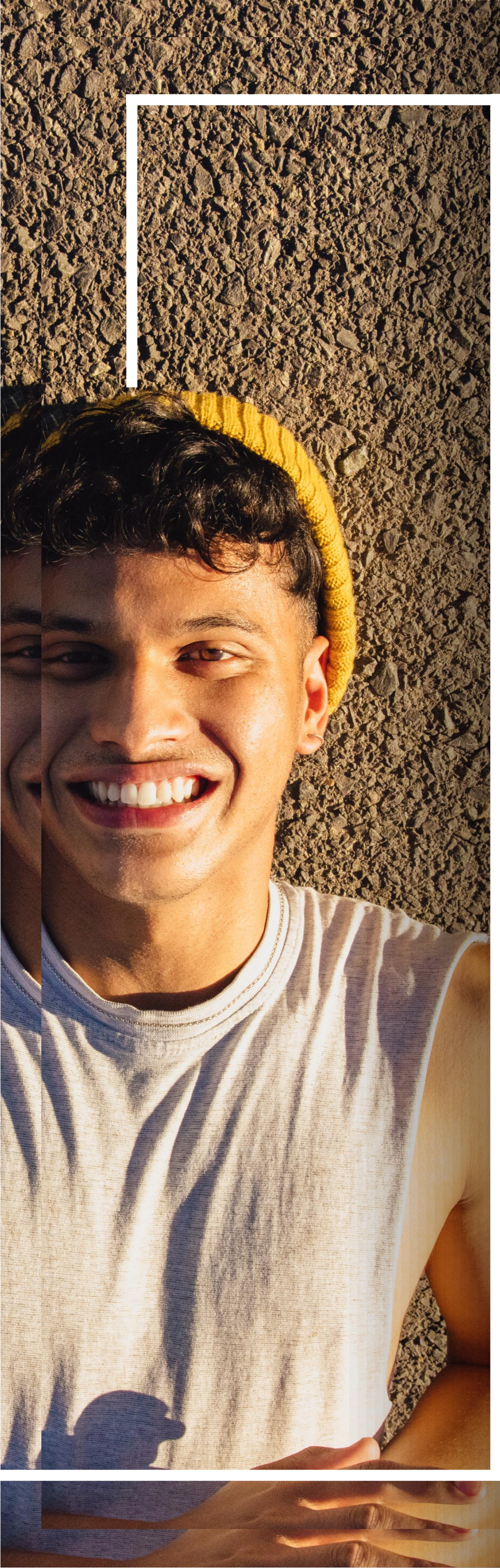
ZENO GROUP

2023

STATE OF THE GENERATION

THE LATEST FINDINGS ON GEN-Z

Z



HELLO

If, by a quirk of fate, you were born after 1997, then the world is yours. Don't just take our word for it: scholars, thought leaders and the self-appointed experts of LinkedIn are united in their admiration.

According to these big brains, Gen Z constitutes the single most important demographic in the world today. And all of them – to a man, woman (and the 72 genders in between) – are resolutely committed to “diversity”, “authenticity” and the overwhelming force of social media.

Yeah, right. Sure they are.

Are we really supposed to believe that two billion people, from all the far-flung corners of the world, can be summed up in a few pithy buzzwords? That they all march to the same drum?

Of course they don't. That's why we at Zeno have been taking a closer, dare we say more realistic, look at Gen Z. And here is the news: they really aren't all that different to the generations that preceded them.

Yes, they do certain things differently to Millennials, Gen Xers and Boomers, but that is a product of their environment, not some new breed of super-human.

It's a given that the first generation to grow up as digital natives will have their own perspective on the world. But they have far more in common with past generations than the “experts” would have you believe.

They're no more laid back than their parents. No more ambitious or opportunistic. No more vulnerable, apathetic or desperate to feel at home than any of us. Think about it in terms of nature versus nurture.

All humans share 99% of their genome, regardless of age. And we all know better than to underestimate the power of DNA.

As for the characteristics that supposedly separate Gen Z from their forebears, is the mood of rebellion we see today any different to that of the brylcreemed rebels of the 1950s?



HELLO

The “Great Resignation” exploded from a Gen Z TikTok account criticising the traditional working day. But Gen Xers made the same point three decades ago with the “do what you love and you’ll never work a day in your life” mantra.

Funnily enough, the majority of ‘Quiet Quitters’ since the pandemic have been Millennial men.

Here’s the point: Gen Z are not a monolith. Labelling them as a dramatic break from the past assumes they are one amorphous blob, which they decidedly are not.

So don’t waste time trying to solve mythical universal problems or understand them as a homogenous entity.

In a world of continuous distraction – current estimates put the connected human at 5,000 points of contact a day – smart people (and brands) put their efforts into creating quality interactions.

It’s okay not to know everything. Embrace the uncertainty and celebrate the blissful ignorance of youth.

Don’t hate Gen Z because they’re not you.

Be curious, consistently, and work harder to understand what sets them apart from each other, rather than the false assumption that they are somehow a different breed of human.

Wondering where to start? Here are three key observations to whet your whistle.

COMMUNITY & BELONGING

KEEPING CONNECTED: CREATING DIGITAL COMMUNITIES

Digital connectivity plays a key role in bringing people together. More than three quarters of internet users say that the most important group they're part of operates online. Gen Z crave community and connection like everyone else and are using the collective power of digital communities to create a kinder, safer, more welcoming internet for all.

Gen Z audiences are moving away from traditional social media in favour of inward-facing community platforms. Why?

Our research found that 1 in 20 Gen Z have no close friends; however, of those that do, 50% spend time in person with them at least once a week. When asked what makes a good friend, responses included support, trust, kindness, the ability to listen, dependability, respect, and loyalty.

Social apps with communities at their heart, such as Twitch and Discord, are giving Gen Z the boost they need to feel confident online. Two thirds of them state they feel more confident using these social apps over more traditional feed-centric alternatives like Instagram and Twitter.

Recent research found that uniqueness is a priority for Gen Z. Concerned with progress rather than success, they crave community and connection.

By using social media, they have been able to form micro-communities online to help mobilise support for new causes and issues. Some 81% say they rely on online communities to inform and teach them about real world issues and what they can do to help.

Discord

Brands on Discord should focus on two things. First, providing experiences that are unique and cannot be replicated elsewhere. Second, they should facilitate connections and conversations amongst community members.

It's this deeper sense of community that has brands such as StockX, Skittles and Chipotle flocking to the platform. The CMO of StockX, Deena Bahri, explained in Adweek: "The customer is looking for more—more engagement, more dialogue, more input—and Discord is one of the platforms offering that."

With over 150 Million monthly active users, the most active Discord servers have chats occurring across multiple channels 24/7. The pace at which conversations occur within Discord tends to be much quicker than other platforms.

Mastodon

Mastodon is a free, open-source social media service that lets users interact with each other and share content. It's designed to be a decentralised alternative to Twitter and other popular social media platforms controlled by a single company.

With hashtags for content and the ability to follow and interact with other users, Mastodon features are similar to how Twitter operates. Its decentralised nature, however, means there's no central authority or company controlling the platform. Instead, moderating is handed down to smaller authorities, which makes room for a greater degree of freedom within the network.

This Twitter alternative, which is becoming a growing player within the 'Fediverse', provides an opportunity for the right brands to express their unique voice and engage with a crowded market, who are turning away from invasive ad/targeting models.

Twitch

Twitch is mainly a platform for gamers to watch and perform live play-throughs and commentary (7.6 million Twitch accounts streamed once a month in 2022). However, there are other programs such as talk shows, cooking shows, sporting events and gaming conventions that also pop up on the site. Twitch enables fans to connect with streamers and allows users to watch content they're interested in on a platform that supports long-form, live broadcasts. In fact, it's common for streams to last for an hour or two.

Twitch fans are passionate and loyal followers of their favourite streamers, so through authentic collaboration and partnership, the opportunities to connect and amplify are many.

Somewhere Good

Somewhere Good is a voice note platform for community conversations – the key word being community. The app consists of worlds, or essentially voice note chat rooms, where a new prompt is released daily. Users can respond to these topics by recording their own voice notes.

Snapchat

Whilst older groups have begun to abandon the platform, Gen Z have continued to use Snapchat for over a decade. Research shows that they love the ability to post impulsive and authentic content, whilst also being able to keep up with trends and events via the apps 'Discovery' function.

50% of Gen Z Brits are sceptical of the news and information they see online, with only 1 in 4 saying they know which sources of information they can trust.

ORDER IN CHAOS

TIKTOK AS A SEARCH TOOL

Where is the first place you would head to find a delicious and nutritious recipe for dinner or a place for lunch that's close to your office? If your answer is Google Maps, or some form of food blog, then I'm sorry to say that you're showing your age...

Recent studies by Google have revealed that for many 18-24-year-olds, social media is their first port of call for research and discovery. Rather than tracking down CNN Traveller's top locations to visit this winter, or scrolling through paragraphs about the minutiae of how this food blogger perfected their Vodka Pasta recipe, Gen Z is compiling boards on TikTok or hopping onto Instagram Reels to find the perfect quick recipe.

At a recent conference, Senior Vice President Prabhakar Raghavan, who runs Google's Knowledge & Information organisation, noted that, "something like almost 40% of young people, when they're looking for a place for lunch, they don't go to Google Maps or Search. They go to TikTok or Instagram."

1 in 3 Gen-Zers are regularly using TikTok for search, whereas only 1 in 6 younger millennials are doing so - meaning that the practice has doubled between generational neighbours. Why? Because it plays into that need for quick discovery and choice, amongst an ocean of targeting, advertising and long-winded information that takes time to digest.

So, how can we build our searchability within this space? When brands are looking to create content for social or seeking to influence younger audiences, it's important to see social media as they do: as a search engine. If you're considering creating a how-to video for YouTube, you should be creating a short, snackable edit for TikTok too - they want to see a 360 view into a destination, experience or product (keywords: vibe and aesthetic).

WHAT IS 'DE-INFLUENCING'?

Though many people pretend to be above it, almost everyone who has ever used the internet has been influenced. TikTok, Instagram, Twitter, Twitch, Facebook, YouTube are filled with people telling you what to buy and why you simply MUST buy it now!

In this highly oversaturated, ad-filled environment, it was inevitable that many people would start to call it out... This lip kit is OVERPRICED and poor quality... This money-saving app is spammy and NOT worth the download... This slimming tea certainly doesn't shed the pounds and tastes like DIRT.

Enter: de-influencing, a trend that has taken over TikTok, with the #deinfluencing hashtag racking up 160 million views in 2023 alone. While influencers tell you why you need a product, de-influencers convince you of the opposite.

Our research found that only 8% of Gen Z trust the word of celebrities and influencers, which puts them in the same category as politicians and brands, who they view with deep suspicion.

In general, Gen Z are an audience that are already prepared to boycott a brand if needs be, with corporate wrongdoings such as being environmentally unfriendly, poor working conditions for employees or corporate greed being seen as prime reasons to forego making a purchase.

Additionally, the brewing global recession is already affecting the way advertisers and brands approach influencer campaigns. Audiences are increasingly sensitive to showboating or obnoxious displays of wealth during a cost-of-living crisis.

What does this mean for the future of influencer marketing?

- 'Influence' isn't just a reach/numbers game any more
- Passion, innovation, creativity and credibility should be key factors
- Brand partnerships over one-time #sponcon deals
- When influencers have more freedom to choose with whom to work, brands should find those who align with their values and build long-term relationships with them

ORDER IN CHAOS

*Based on our research,
1 in 5 have delayed
major life decisions on
account of current
turmoil and uncertainty*

ORDER IN CHAOS

NEW WORLD ESCAPISM

After a difficult few years, our world still isn't short of challenges. Amid global economic pressures, an escalating climate crisis, a war in Europe and increasing austerity, brands are meeting consumers where they're at when it comes to content: a need for escape.

Brands and campaigns are embracing visual styles that reflect both our chaotic social climate and collective coping strategies. From channelling a sense of spiritual refuge and childlike joy to embracing the optimism and promise of new frontiers in technology and outer space, these are the escapism-infused trends permeating digital content as we head into 2023.

Mysticism goes mainstream. Consumer appetite for the metaphysical has soared, particularly among Gen Z and millennial audiences with substantial spending power. Mystical practices such as astrology, auras, and crystals are seen as a form of self-care which is a major point of interest for these audiences. Because, after all, Gen Z is the generation with the most elevated levels of stress and anxiety.

Finding stability in the past. Gen Z tend to look at nostalgia through rose tinted glasses, with a longing for fashion, entertainment and trends - seeking comfort and connection to the past. Today, Gen Z embraces the vintage and resale market, making the "Y2K" hashtag a popular search on Depop and many resale platforms. Additionally, Gen Z are also moving away from some forms of digital technology and search for things that are very analogue, causing a re-emergence in disposable cameras, chain book stores... Even 'Friends' (TV Show), is having a revival.

Over half of Gen Z social media users plan to get fashion or beauty inspiration from digital avatars or influencers in 2023

ORDER IN CHAOS

THE RISE OF THE AI INFLUENCER

Younger audiences crave new and unique experiences, making virtual influencers particularly appealing to brands keen to reach out and connect with new digital-native consumer audiences, build brand profiles and increase their online following.

Those aged 18-24 were most likely to have purchased a product that a virtual influencer promoted. There are many components that could be contributing to this increase in popularity of virtual influencers, but one worth noting is accessibility. The core purpose of an influencer is to reach as many people as possible, and the internet provided influencers with the opportunity to do so by producing content in a new and engaging way.

With no physical or geographical limitations, many virtual influencers have been able to grow their online presence at a lighting rate. Many companies have entered into partnerships with these influencers. Virtual influencers like Lu Do Magalu (6 million Instagram followers), Lil Miquela (3 million Instagram followers) and Guggimon (1.5 million Instagram followers) who have worked with notable brands and are some of the top contenders - with Lil Miquela even being named as one of the 25 most influential people on the internet by TIME.

THE MONETISATION OF CREATIVITY

According to Instagram's 2023 trend report, nearly two thirds of Gen Z plan to use social media to make money in 2023.

They found that respondents don't necessarily want to be full-time creators, but rather that 64% plan to monetise a project on social media in the near future, a noticeable change from last year's trend report. The report found that 87% of Gen Z agreed with the statement that "too many people are forced to work multiple jobs to make ends meet" and 71% agreed that they would rather have a meaningful job even if it means they made less money.

Our own research found that 2 in 5 Gen Z feel they have been screwed over by the state of the world.

Instagram's take away from the latest data: "Expect interests to transform into side hustles". Looks like the so-called anti-work generation is being welcomed with open-arms into hustle culture. But for younger members of Gen Z, perhaps posting on Instagram and TikTok as a part-time job is more favourable than baking in the sun as a lifeguard or juggling coffee orders. In a 2022 survey from Pew Research, 35% of teens said they used YouTube, TikTok, Instagram, Snapchat or Facebook "almost constantly". They might as well monetise that time spent online.

While this means more competition for people's attention, there are also more opportunities to partner and collaborate with smaller, digital creators that are on the rise, utilising their audiences to leverage relevant trends and develop authentic content... do you really need a costly production set-up, 10-people deep to create your next best performing piece of content?

SHORT FORM AND SCRAPPY

Further playing into the thinking that everybody is now a creator, short-form video content has taken over the internet. Data shows that the average TikTok user spends 1 hour and 27 mins a day watching content — that's close to a film worth of TikTok daily. Over 40% of the time we spend on Instagram is now spent watching Reels and YouTube Shorts rake in 15 billion views every day.

While Gen Z is infamous for having a short attention span, for a generation adrift in an overwhelming sea of content, it's less about paying attention and more about what breaks through the noise.

And it is clear why short engaging videos are so widespread. They are easy to create and inexpensive, feel more authentic and less over-produced, which results in some great user-generated style content.

These three players: TikTok, Instagram Reels and YouTube Shorts are in a seemingly endless race to win the short-form video game. While these services appear similar from the outside, when it comes to marketing, which one is right for your business?

This big-hitter platform focus isn't going anywhere, with both YouTube and Meta putting a lot of effort and funding into making shorts a viable model for creators. YouTube are currently offering a new monetisation model for Shorts to combat TikTok, while Instagram says its monetisation strategy for Reels is still being tested out and is continuously changing.

WHAT GEN-Z WANT TO SEE IN 2023

Actionable
Entertainment

Among people who took an
off-platform action as a result
of a TikTok,
92%

say the decision was driven by
a positive emotional response
to the content

Little
Luxe

#TreatYourself

= 2 Billion lifetime views

#UnwindWithMe

= 102 Million lifetime views

Community
Built Ideals

While only

30%

of Gen Z is old enough
to vote, teens use platforms
like Instagram to vote
with their wallets

New World
Escapism

90%

of Gen Z have watched a
video that helped them feel
like they were in a different
place

Space
For Joy

4 in 10

TikTok users say 'lifting their
spirits' is key in motivating
them to make a purchase

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TO FIND OUT MORE

PLEASE CONTACT

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