The background of the page is a photograph of a group of young people, likely Gen Z, sitting on a bench. They are dressed in casual, contemporary clothing like jackets and jeans. Several individuals are looking at their smartphones. One person in the foreground has a skateboard with red wheels resting on the ground. The overall atmosphere is that of a modern, tech-savvy youth culture.

**Gen Z, the big picture:  
Everything businesses  
need to know to connect  
with a digital-first,  
consumer-conscious,  
experience-craving generation**

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An NCR white paper

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## Set aside stereotypes and make way for a new generation

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Plenty of Gen Z stereotypes exist—they're tech-dependent, overly sensitive and so on. But this generation of 11-to-25-year-olds is casting aside those generalizations with a desire to create their own destiny. Instead of accepting things the way they are, Gen Z isn't ashamed to embrace their emotions and differences and fight for what they believe in.

Gen Z is poised to take great leaps into a more socially conscious and tech-driven future. Born into a digital age, this generation's attitudes and passions are amplified by the backdrop of a world in flux. The events of the past year have only reinforced the group's values.

To understand Gen Z's characteristics—their values, behavior and the experiences they crave—is to understand what factors shape the group's spending. Learn about this generation and you'll have the knowledge you need to craft messaging that resonates with these customers now and in the years to come.



## Who is Gen Z, and what makes them the way they are?

Every generation has an inherent disconnect with their predecessors—and Gen Z is no different. Their unique expectations and “woke” culture have sometimes caused older generations to wrongfully view them as lazy or entitled.

These qualities don't reflect Gen Z. Using technological prowess to make life and work easier and more efficient isn't laziness. Gen Z's expectation that society—from the government to the workplace to the businesses Gen Z buys from—acts in ways that ensure a fair and equitable future doesn't come from a place of entitlement.

The traditional, linear life trajectory of the baby boomer—go to school, get a job, buy a house and raise a family—just isn't in the cards for many Gen Zers. Instead, they want to forge their own paths, **taking the reins on their careers** and diversifying their experiences.

So who exactly is the latest generation of consumers, how are they shaping the present and what impact will they have in the future?



## Young, influential and headstrong

Gen Z's precise age range is up for debate, but it's largely agreed that they were **born between 1996 and roughly 2010**. Though a significant portion of them are nowhere near old enough to be considered full-fledged consumers, don't let their young age fool you. Gen Zers who are already of working (and spending) age are an economic force to be reckoned with.



Gen Z makes up around **30% of the global population**.



They're slated to overtake millennials as the largest consumer group by 2026.



As of 2020, Gen Z boasts a collective annual buying power of **\$143 billion in the U.S. alone**.

Businesses shouldn't wait to prepare for Gen Z as consumers—their influence is already apparent.

Gen Zers aren't just valuable to businesses as consumers. By 2030, the number of **Gen Zers in the workforce will triple**, furthering their influence on the economy as a whole.

Ardently outspoken and headstrong, they refuse to back down about issues they care deeply about, and they use digital channels to extend their influence and community. **Deloitte's Global 2021 Millennial and Gen Z Survey** found that 40% have taken stances publicly on major issues—a strong indication that as more of this generation matures, those numbers will rise.



## A digitally native generation

Gen Z was practically born online. Most of them have little to no memory of life before high-speed internet became ubiquitous. Naturally, the majority of this **generation is accustomed to** the pervasive use of social media, the availability of vast amounts of instantaneous information and the integration of digital experiences into everyday life.

**Ninety-eight percent of Gen Z owns smartphones**, meaning even the youngest of them are well-acquainted with the hardware that drives digital-first experiences. Their devices have shaped the way they interact with the world—and that impacts their buyer journey in a big way.

**For Gen Z, adopting new platforms, apps and digital trends is second nature.**

Gen Zers use their smartphones and “always-on” mentality to stay up to date and engage with their favorite brands. They can shop, study, work or entertain themselves from anywhere, at any time. For Gen Z, adopting new platforms, apps and digital trends is second nature. This gives them a tremendous amount of power as they mature into the largest consumer population and as work becomes more and more digitally dependent.

Gen Z's digital affinities have drawbacks, though. Their short attention spans are a byproduct of their tech use and rapid consumption of information online, making **Gen Z the most impatient generation** to date. They can discover and forget brands in the blink of an eye. Businesses need to work extra hard to keep the attention of these young consumers by meeting them everywhere they are and appealing to what's most important to them: their values.



## Value-driven to their core

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Many world-changing events have taken place during Gen Z's formative years—wars on terror, the ongoing (and worsening) climate catastrophe, the rise of Amazon and Facebook, protests against injustice, economic recessions, the birth of the iPhone and, most recently, an unprecedented global pandemic.

These events have molded Gen Z's values as a socially-minded generation. They understand the responsibilities laid out before them and **accept that it will take tremendous dedication, cooperation and communication** to make sure the future remains bright.

Gen Z's values are the core determiners of **what they want to see from both employers** and the **brands they love**. Companies must earn the generation's respect by being authentic. Embrace values that both your brand and Gen Z genuinely believe in, and slowly but surely, you'll earn this group's trust.



## Authentic, transparent, individualistic: How brands can appeal to Gen Z values

What sets this generation apart the most is its fierce sense of social justice. Gen Zers want to see businesses mirror their values, and **they'll "join" brands that lead the charge** in making the world a better place.

Just make sure your motivations are sincere. Gen Zers will see through any disingenuous marketing practices and take their business elsewhere, so avoid hopping on social issues just because they're trendy. Be transparent about how and why you support specific issues, and if you make a mistake, own up to it.

On the bright side, once a brand earns Gen Z's loyalty, these consumers are often **highly engaged and in it for the long run**. They enjoy a sense of ownership and community with brands that understand their individual interests and values.

**This means that in addition to making purchases, they'll also:**

- Advocate for the brand
- Consume, share and create the brand's content
- Submit ideas and give positive feedback

Meaningful relationships with Gen Z consumers go beyond dollar values—they have the potential to transform into something more personal.

**Gen Zers want to see businesses mirror their values, and they'll "join" brands that lead the charge in **making the world a better place.****



## Inject purpose and cause into your marketing

Gen Z tends to avoid conventional advertising. **Sixty-five percent use adblockers** to do so, and those who don't skip ads as soon as they possibly can. Promoting your business on social channels is sure to get solid visibility among young consumers and might win some sales, but it won't unlock the true long-term value of Gen Zers as loyal brand advocates.

Instead, the group prefers promotions that are tied to larger issues. Align your marketing with important causes and back up that messaging with meaningful action. It'll show Gen Zers that your brand "walks the talk."

Imagine a young consumer who is passionate about climate change. They're searching for ways they can contribute their time and effort to the cause when suddenly they discover an article or post about how your business goes above and beyond to support sustainability. This content will likely spark a deeper connection between that individual and your brand—much more so than if they'd simply scrolled past a digital ad.

### Some effective (and simple) ways to add purpose to your marketing include:

- Creating video, blogs and social posts outlining the causes your brand supports.
- Sharing results of your personal, social and environmental efforts. If you host an event or fundraiser, don't be afraid to boast about its success. Gen Z wants to see measurable results for important issues.
- Collaborating with non-profits and charities, and giving customers the option to contribute a portion of their purchase to the cause.

***"Marketing with a purpose means making a promise to your customers. And making that promise straightforward and genuine shows your commitment to what they believe in. That authenticity goes a long way with consumers—especially younger generations who favor value-centric brands."***



## Make sustainability a cornerstone of your business

Alongside millennials, Gen Zers will inherit the consequences of industry on the environment. **Deloitte's Global 2021 Millennial and Gen Z Survey** discovered that climate change was the most important issue for Gen Z, and this concern impacts every aspect of their lives—what they eat, where they work and, of course, the brands they choose to buy from. Gen Z collectively prefers to buy from sustainable brands when compared with previous generations, with **10% willing to spend more** on sustainable products.

To win with Gen Z, make it known that you back eco-friendliness from the supply chain to the end product. Source from sustainable suppliers, use responsible shipping and fulfillment methods, environmentally-friendly packaging and stay vocal about climate change in your brand messaging and marketing.

*“Gen Z believes brands have an obligation to **take** a stand on environmental issues. From developing company-wide environmental policies to making smart climate-related investments, Gen Z wants to see actionable plans and measurable progress.”*

*- Isabel LoDuca, [GreenBiz](#)*



## Foster a diverse and inclusive culture

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Diversity and inclusion are embedded in Gen Zers' lives. In its December 2020 report, consumer insights platform quantilope discovered that **more than two-thirds of Gen Zers** consider diversity and inclusion one of the most important topics for brands to address.

The same study found that 51% of Gen Z want to see more diversity represented in marketing and branding—a major opportunity for businesses to demonstrate shared values through cause marketing.

Starbucks did a great job highlighting diversity and inclusion with their **#WhatsYourName** campaign in 2020. In it, they followed a young transgender man named James who no longer identified with his birth name, Jemma. Using one of their coffee shops as the setting—where baristas ask for customers' names with each order—the campaign showcased how James eventually finds confidence in his new identity.

This campaign's sensitivity and awareness hit home with Gen Z by demonstrating empathy and understanding of different lifestyles.

**Gen Zers also like to see** more diversity in the workplace. **Seventy-seven percent of Gen Z workers** say an organization's level of diversity influences whether or not they'll work there.



## Appreciate what makes them unique

“Generation Snowflake” emerged in the 2010s as a derogatory name for millennials and Gen Zers with **“an inflated sense of uniqueness.”** But this doesn’t bother Gen Z. They welcome what makes them unique to the point that it influences the products they buy.

Whereas many millennials enjoy showing off luxury items and premium brand names, Gen Z values self expression. They’ll **look for products that convey their personal sense of style and being.** If they find that in luxury brands, they’re willing to pay for it, but they’ll also **make or alter their own clothes** to fit the bill.

Brands can utilize Gen Z’s willingness to engage and share feedback to tailor their products to these unique preferences. Brands must show their Gen Z customers that they see them as individuals instead of lumping them into an identity-less demographic.

*“Gen Z is definitely willing to spend on luxury, which is different than what you hear a lot of times out in the press. The difference is that Gen Z doesn’t think of luxury as a name brand that they want to slap onto their bag or their shirt and wear as a badge. They’re really looking for unique items that set them apart.”*

*- Emma Spagnuolo, associate partner, [McKinsey](#)*

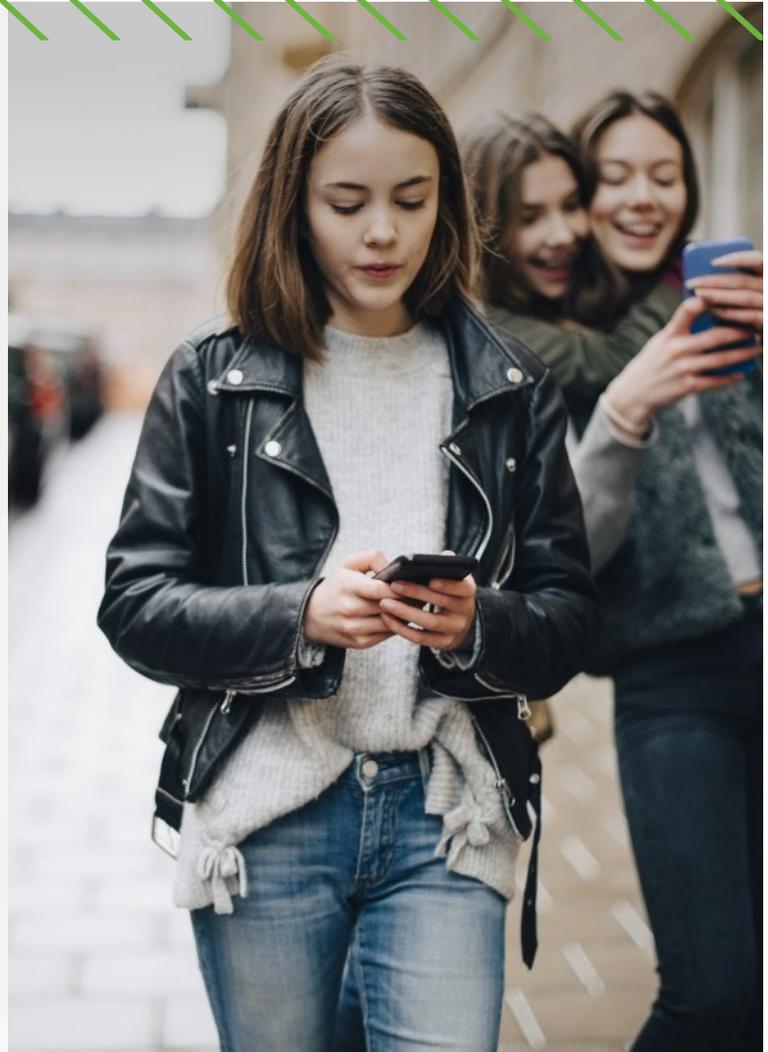


## Get to know Gen Z's flexible, digital lifestyle

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To understand Gen Z's purchasing decisions, you have to recognize that the internet drives their lifestyle.

A recent study conducted by generational marketing research firm the **Center for Generational Kinetics** found that Gen Zers **"cannot go more than four hours** without internet access before they feel uncomfortable." It makes sense, then, that a lot of what Gen Z does takes place in the online realm. The internet shapes how Gen Z engages with friends, family and businesses on a consistent basis.



## Offer flexible shopping experiences

Gen Z's spending habits are all over the map. They love the in-store experience, but they still want e-commerce and social shopping. They also leverage the internet, including user-generated content, reviews and social media interactions to determine where they'll spend their hard-earned dollars.



**Gen Z actually prefers shopping in-store.** Joint research from the **National Retail Federation and IBM** found that 98% of Gen Z prefers to shop in physical stores most of the time. There's just something about experiencing products in person that gives them more confidence in what they're buying. The pandemic all but eliminated the opportunity to do this, but that doesn't mean we won't see the **Gen Z masses returning to shopping centers** with renewed enthusiasm soon enough—so make sure your in-store experience is on point.



**But e-commerce offers the convenience, availability and choice they crave.** We've established that Gen Z spends a lot of time online, and e-commerce goes hand in hand with that characteristic. **Digital window shopping** has become something of a pastime for young consumers, allowing them to comfortably browse pages upon pages of products from the comfort of their homes.



**They do extensive research before making a purchase decision.** Show them you have nothing to hide by making every aspect of your online presence open and honest, especially by displaying reviews and testimonials from real customers. This boosts Gen Zers' confidence in buying from you as **they gather information from your website, social media and review sites as well as in-store.**

## Gen Z was born into social media

The first Gen Zers were still children when Facebook first launched. Social media has been a pivotal part of their lives from the start. Social platforms have impacted the way they form and maintain personal relationships, spend their downtime and view the dynamic between businesses and consumers.



### **Gen Z likes to combine their shopping and social media experiences.**

The lines between social media and shopping are blurred through **social commerce**—and Gen Zers can't get enough. **Accenture research** shows that two out of three Gen Z consumers want to buy directly through social media, so brands can make use of shoppable posts and integrated social webshops to meet them where they are.



### **The majority of Gen Z considers social media an essential part of their lives.**

A comprehensive **Sprout Social** study on how different generations use social media discovered Gen Z simply can't do without it—with two-thirds believing social media to be a necessity. With so much of Gen Z's time and attention spent on social channels, it's the perfect place for brands to make closer connections and build loyalty with their social Gen Z audience.



### **They love interacting with their favorite brands on social media.**

Sprout Social also found that most of Gen Z—**76%**, to be exact—want to casually engage with the brands they support. Not only does this incentivize brands to release great social content, but it's also an excellent chance to put **conversational marketing** into effect. Conversational marketing allows customers to chat with your brand instantly through social media, leading to stronger relationships and useful feedback.



### **Gen Z prefers personalization over privacy.**

Social media is a haven for marketers looking to collect data and offer personalized ads—and Gen Z is right on board. Torque Mag found that **Gen Z is 25% more likely (than other generations) to enable tracking settings on their internet browser** to optimize the ads they see, and half of Gen Zers would actually stop using a website or social platform if it didn't predict what they liked or wanted. Many Gen Zers will happily spread information across multiple sites and platforms if it means they'll receive a unique and personalized experience.

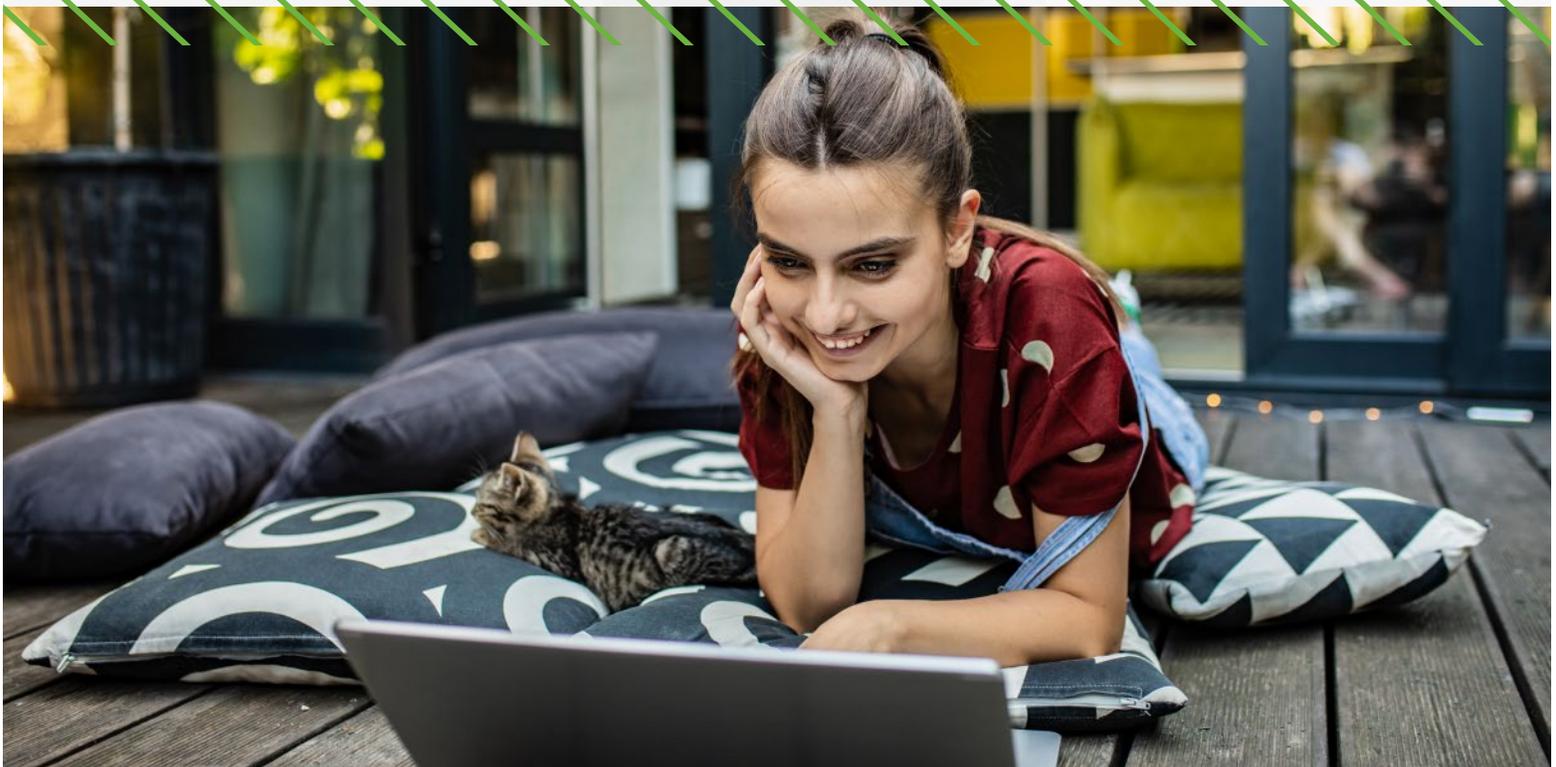
## Short, positive videos resonate with Gen Z

Gen Z consumes media—primarily video—in a frenzy. YouTube dominates, with **70% of Gen Z** watching more than two hours of video on the platform per day. But just because they watch videos at length doesn't mean they prefer long videos. The opposite is true: brief, punchy videos are what Gen Z watches most.

**Gen Z likes rapidly consumable video content.** As attention spans shift from minutes to seconds, it's important to make that viewing time count. **Snackable videos**—typically under a minute in length—are the answer to **Gen Z's viewing preferences**. Brands that focus on creating this style of content will reach and maintain engagement with this fast-paced generation.

**Positivity and fun are a must.** For all their hard-headedness, Gen Zers still sometimes need an emotional pick-me-up. Uplifting content that inspires them or makes them laugh and feel excited is an excellent way to make your content the most memorable. When Gen Zers get a positive vibe from your brand, they're more likely to engage with and follow your social activity—a big step toward becoming loyal customers and brand advocates. Instagram's "We Make Today" campaign was a great example. It was empowering and nailed the messaging without taking itself too seriously—exactly the type of content Gen Z relates to.

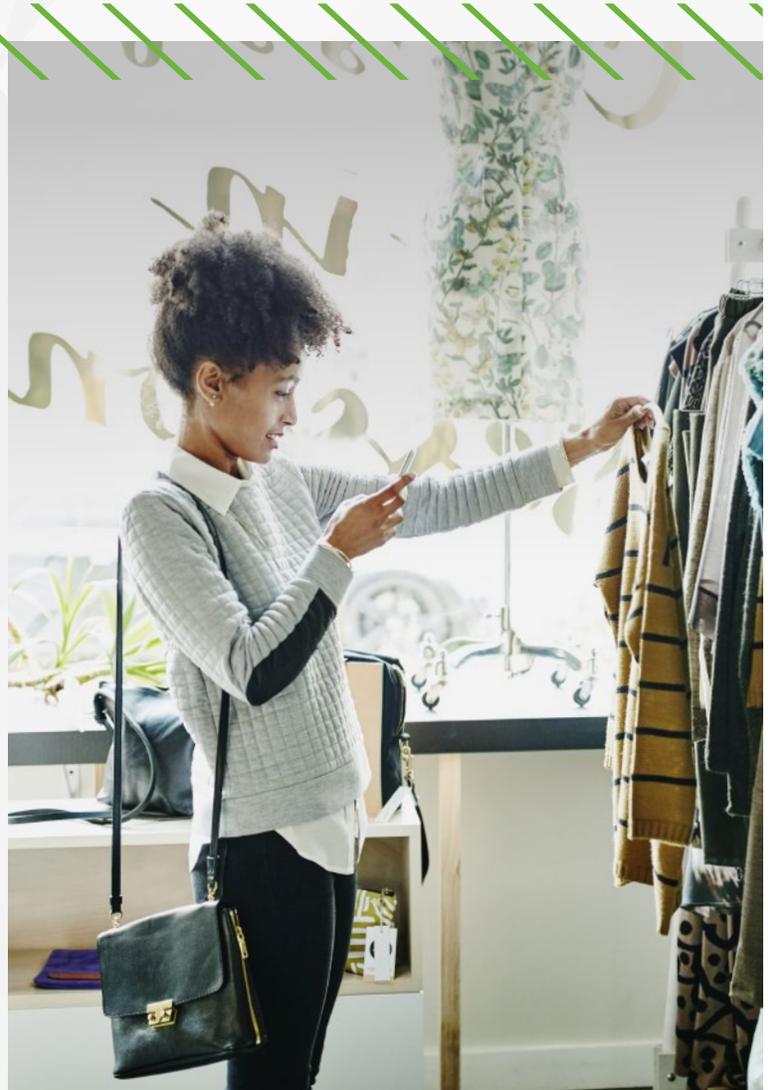
**Gen Z doesn't just watch videos on one platform.** They're not just consuming content on YouTube. **Other platforms have gained enormous popularity** because they're specifically designed to deliver video in the format Gen Z wants. Snackable video mediums like **TikTok, Snapchat and Instagram** enable Gen Z users to consume a lot of content in a short amount of time and in an engaging, interactive way. Make sure to mix up channels for your video content to maximize reach.



## Digitization and personalization define the experiences Gen Z craves

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Once you understand Gen Z's lifestyle, it's important to also understand what experiences they love. These experiences tend to blur the lines between the online and offline world. Gen Zers want to walk into a retail store, restaurant or bank—smartphone in hand—and immerse themselves in how technology supplements the traditional on-premises experience.



## Blended retail experiences let Gen Z immerse themselves while shopping

A blended physical and digital reality is what **Gen Z wants while shopping**. They want to interact with brands online and then experience their products in-store—with a technological twist.

Take augmented reality (AR) technology, for example. When Gen Z consumers begin their product searches on a website, AR enables them to digitally **“try before they buy”** by overlaying products through their smartphone cameras. If they wanted to see what a pair of shoes looked like with several outfits they already own, they could do so from the comfort of their home.

AR goes further in stores by helping shoppers locate products. Gen Zers can pull out their smartphones and view virtual maps leading them to the physical products they're interested in. Once they find them, they can point their cameras at the items to view details in real-time.

E-commerce sites can also create blended experiences by using online browsing data to digitally send personalized product recommendations. Gen Zers who prefer physical shopping can then opt to “buy online, pick up in-store”—a policy many retail stores offer today.

**Gen Zers want their devices to be a central part of their shopping experience**



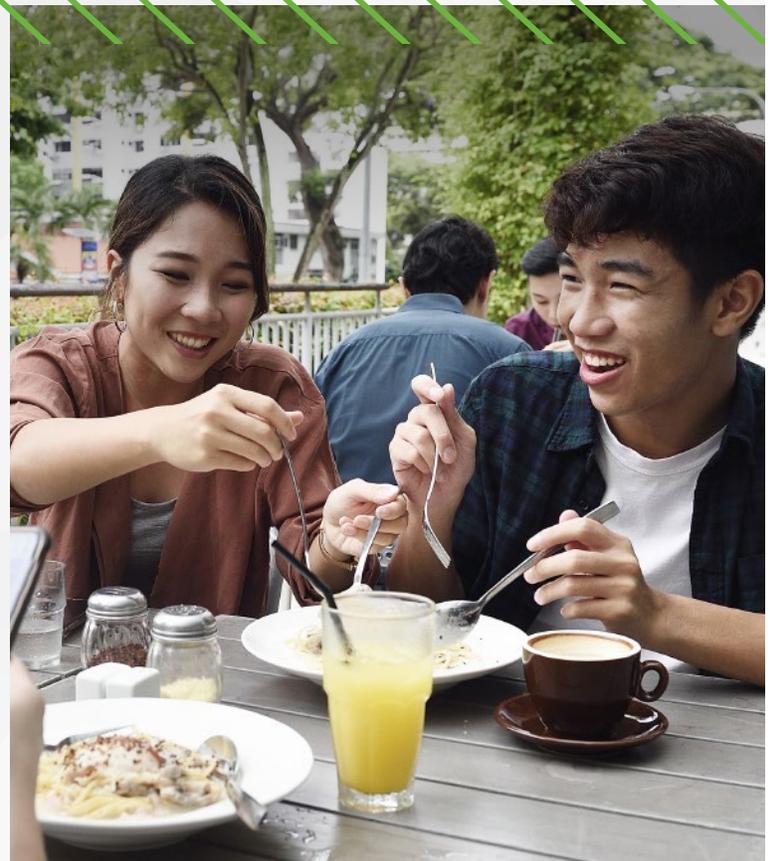
## Digitally-equipped dining brings tech to the table

The integration of digital devices into the dining experience is the biggest play restaurants have to appeal to Gen Z on-site. **Fifty-five percent of Gen Zers** want to use at-table tablets or their mobile devices to place orders and make payments.

Aside from the practical health and safety benefits, putting power in customers' hands adds to the overall experience. Enabling their devices to complete discovery, browsing, ordering and payment fit perfectly into the experience Gen Z craves. And with **food being Gen Z's top spending priority**, it's important to make every dining experience count.

Contactless experiences offer them flexibility and balance between traditional table service and the convenience of technology. Upon arrival, they can use their smartphones to view the menu in great detail before fully customizing their order—increasing efficiency and minimizing errors. Gen Z diners can then pay right from their devices, rounding off their satisfying digital and personal dining experience.

Like retail, augmented reality can elevate the dining experience as well. Hungry Gen Zers can explore restaurants virtually, observing the layout and ambiance before making a reservation. Gen Z loves to try new and unique cuisines, so they can also use AR to see how the food looks and even learn about its history before they actually place their order.



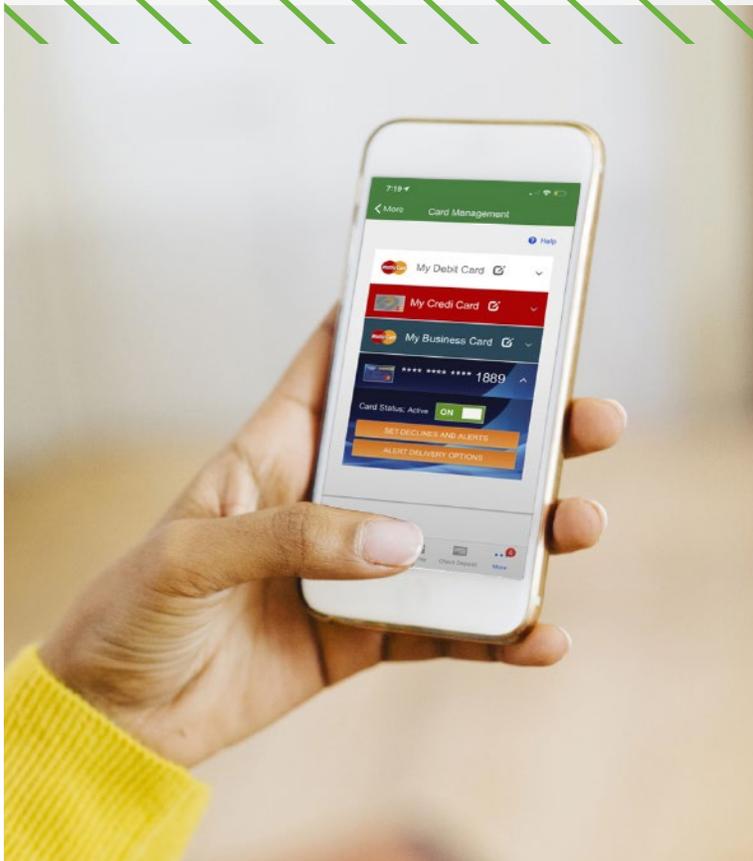
## Feature-rich personalized banking best suits Gen Z's diverse financial needs

**Gen Zers are financially savvy** and deeply involved in the management of their banking activity. They tend to keep track of their finances through apps, but they still appreciate personalization and the human touch that only in-person financial advice offers.

Financial institutions appealing to Gen Z should make sure they have a strong **mobile infrastructure in place**, so they can deliver a frictionless, always-on banking experience. Gen Zers want to be able to pay bills, access their personal financial information and get answers to their banking-related questions on the go.

This generation also wants financial options that fit their unique situations. **Zafin's 2020 Consumer Banking Survey** found 64% of Gen Zers look for a custom banking experience that offers product and service suggestions specific to what they need.

Finally, Gen Z wants flexibility in how they receive financial advice. They want to consult real-life professionals for more significant and life-altering decisions, but they also embrace digital methods as they do with retail and dining. The rise of ITMs and virtual consulting is a great fit for what Gen Z expects from a flexible banking experience, **along with AR integration** to strike a true balance between physical and digital banking.

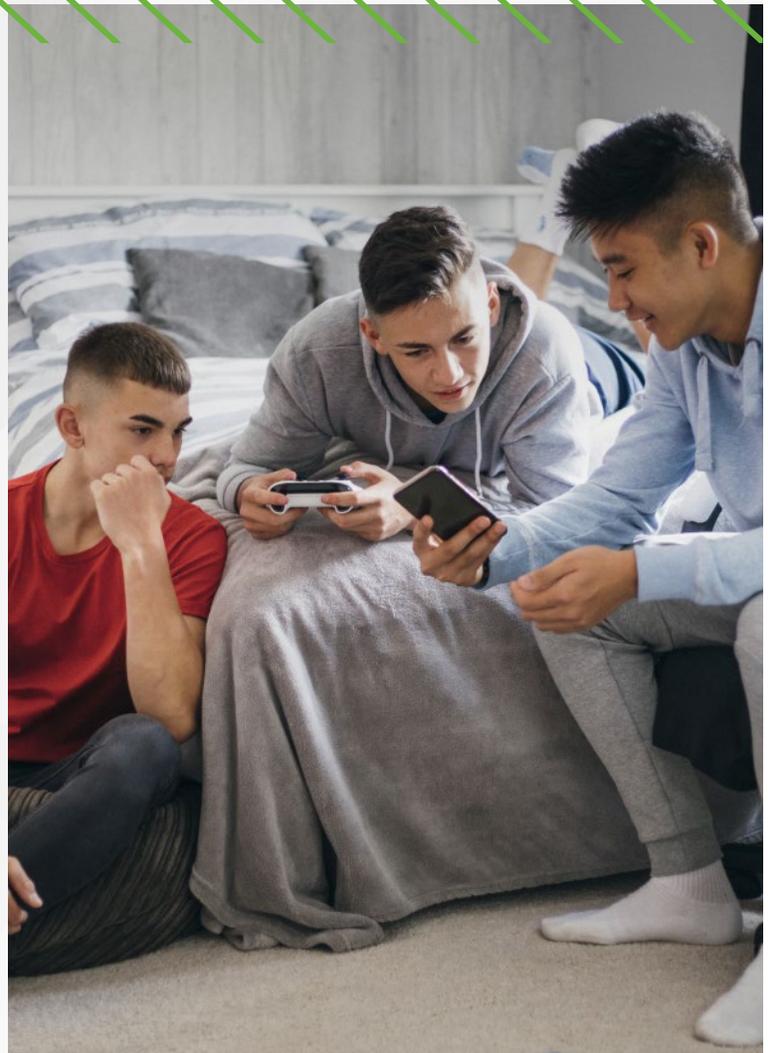


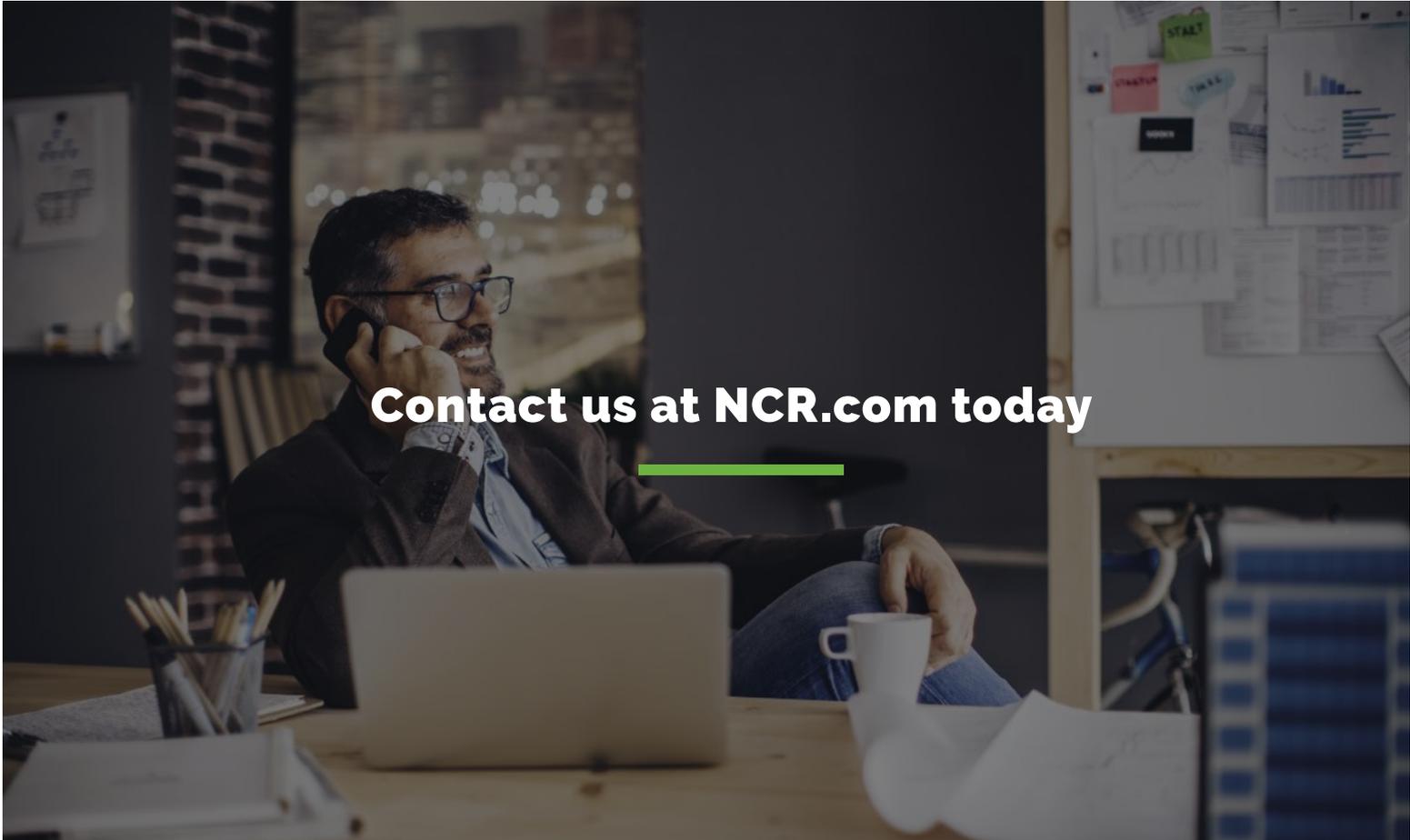
## Win over your entire customer base by catering to Gen Z

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It's true that many Gen Zers won't become consumers and employees for a long time. But even so, Gen Z already wields impressive influence. This generation is increasingly contributing to the economy and shaping cultures, so brands would do well to appeal to this group.

Appealing to Gen Zers won't just help you win them over—it will likely help you appeal to customers as a whole. People of all age groups appreciate values-driven brands that take the time to craft rewarding, personalized experiences. Follow what Gen Z wants and you'll deliver what the vast majority of consumers want.





**Contact us at [NCR.com](https://www.ncr.com) today**

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