Understanding Gen Z

Member exclusive by Sarah Todd. Produced by Chika Dunga
Purchasing power

Appealing to younger consumers is as important as ever for businesses. Gen Z—typically categorized as anyone born after either 1995 or 1996—has never known life without smartphones and social media. And, with the help of social platforms, teens have managed to wrest power away from brands and traditional cultural gatekeepers. Companies hoping to appeal to this demographic will have to follow Gen Z’s lead.

- 40% Percentage of global consumers today comprised of Gen Z
- $150 billion Spending power of Gen Z in the US alone
- 9/10 Share of Gen Z consumers who believe companies have a responsibility to address environmental and social issues
Gatekeepers

Gen Z is “the first generation who create what they consume and consume what they create,” in the words of consultant Chloe Combi. They are more likely to watch their peers’ YouTube channels than tune in to traditional TV shows. They get information about the world from Instagram and Snapchat instead of newspapers, books, and magazines. They operate within their own digital ecosystem, outside of many mainstream influences.

How often teens say they’re online

<table>
<thead>
<tr>
<th>Year</th>
<th>Almost constantly</th>
<th>Several times a day</th>
<th>Less often</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
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Environment

One of the traits that distinguishes Gen Z is its concern with climate change and the environment. In 2019, investment bank Piper Sandler surveyed 9,500 American teens about the most important social or political issue of the day and found that the number-one issue was the environment. A 2019 poll by trend forecaster WGSN revealed that 95% of people between the ages of 18 and 25 were willing to change their habits and lifestyles to combat climate change.

What Gen Z thinks about the environment

<table>
<thead>
<tr>
<th>Question</th>
<th>Brands</th>
<th>Governments</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Who is currently more effective in fighting climate change?</td>
<td>75%</td>
<td>25%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are you willing to spend more on sustainable products?</td>
<td>84%</td>
<td>16%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do you believe we are currently experiencing a climate crisis?</td>
<td></td>
<td></td>
<td>96%</td>
<td>4%</td>
</tr>
<tr>
<td>Are you willing to change your habits and lifestyle to combat global warming?</td>
<td>95%</td>
<td>5%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Many young people are turning to secondhand shopping in order to stay true to their environmental beliefs while building affordable, varied, and unique wardrobes – something that matters a lot in the age of social media. Industry analysts also predict that Gen Z will be increasingly interested in clothing rentals: Brands including H&M, Urban Outfitters, and American Eagle are already following in the footsteps of Rent the Runway.

What percentage of each generation shops secondhand?

- **Boomers**
- **Gen X**
- **Millennials**
- **Gen Z**

![Chart showing percentage of each generation who shop secondhand in 2019 vs. 2017.](chart.png)
Greenwashing

Gen Z values eco – consciousness but this group is also prepared to call out brands that market themselves as environmentally friendly while engaging in contradictory practices. H&M attracted unwanted attention in 2019 when it was grilled by Norwegian regulators over the marketing of its conscious collection as sustainable. As Quartz’s Marc Bain has written, while the clothing in question was made from materials like recycled polyester or citrus peel, “its low cost, high-volume business model is arguably at odds with its sustainability goals.”

Eco labels created around the world
Rethinking gendered consumption

Gen Z is more comfortable with the idea of gender fluidity and gender non-conformity than previous generations. This is evident in the rise of YouTube stars like 21-year-old James Charles (also a CoverGirl spokesperson). To cater to this demographic, companies may market more products as gender-neutral.

- 35% Gen Zers who say they know someone who uses a gender-neutral pronoun
- 59% Gen Zers who say online forms should include options besides “man” or “woman”
- 44% Gen Zers who say they shop exclusively in their own gender category
Girls and young women are also challenging mainstream beauty standards. In Piper Sandler’s 2019 poll, 20% of female teens said that they never wear makeup, compared to just 12% two years ago. Meanwhile, the boom in body-positive accounts on social media, popular with Gen Zers, promote a more inclusive idea of beauty that goes far beyond the white, thin models of yore.”

“People are just becoming more comfortable in their own skin and not having to cover something up. The beauty world is moving toward inclusivity. It’s not about covering up your acne, it’s about treating it.”

Erinn Murphy, Piper Sandler managing director and senior research analyst
**TikTok for the win**

Instagram still has plenty of sway — but for many young people, TikTok is where the real social-media action is at. TikTok boasts more than 800 million monthly active users worldwide as of October 2019, 41% of whom are between the ages of 16 and 24. The site’s emphasis on cleverness and brevity in the form of 15-second video clips makes it perfectly suited to Gen Z’s short digital attention spans.

Eitan Bernath, a 18-year-old chef and former Chopped competitor, shares recipes and cooking videos on TikTok and Instagram. He attributes his success on TikTok to a strategy that stops people from scrolling past his videos.

“

I try to do something in the first five seconds that grabs the audience’s attention.”

Eitan Bernath
The coronavirus pandemic

The coronavirus pandemic will be a watershed moment in the lives of Gen Z. A few possible effects, based on historical precedent and psychological evidence? This already-thrifty generation could become even more wary of spending if the recession drags on. Young people witnessing governments scramble to put together relief packages may be newly radicalized in the fight for stronger social safety nets. And Gen Zers in countries that fail to fight effectively may experience long-lasting dips in social trust.
Global connections

Cultural differences mean that Gen Z’s experiences and priorities will inevitably vary depending on the country in question. But social media’s ability to spread trends around the world means that Gen Z consumers still have a lot more in common than any previous generation. With teens around the world watching each other constantly on social media, telling each other what’s cool and what matters with little regard for what traditional powerbrokers think, companies may have little choice but to do their bidding.

Gen Z’s social media engagement

How Gen Z expresses themselves on online
Want to know more? Read Quartz coverage of Gen Z

1. **Gen Z consumers are making companies bend to their will** — Once upon a time, brands had a fair amount of influence over what teenagers thought was cool. Not anymore.

2. **How Gen Z will be shaped by the coronavirus pandemic** — Rampant ageism will not be quashed without some structural interventions.

3. **Gen Z defines job security completely differently from the rest of us** — Google’s chief education evangelist Jaime Casap on the broken workplace structure.

4. **Will tech addiction mean the rise or demise of the Gen Z workforce?** — A natural affinity with technology also comes with a downside.

5. **Generation Z’s views on gender are what set it apart in the US** — They’re more comfortable with people not identifying as either a man or a woman.

You’ll also enjoy our member exclusive field guide, **What Gen Z Wants**.