

New Generation, New Era!

GENERATION Z



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Hotel



Generation Z is the next generation of market growth

Millennials

- **Born between
1980 - 1996**
- **Age 22-38**
- **1.95 Billion – 26.3%
of world population**

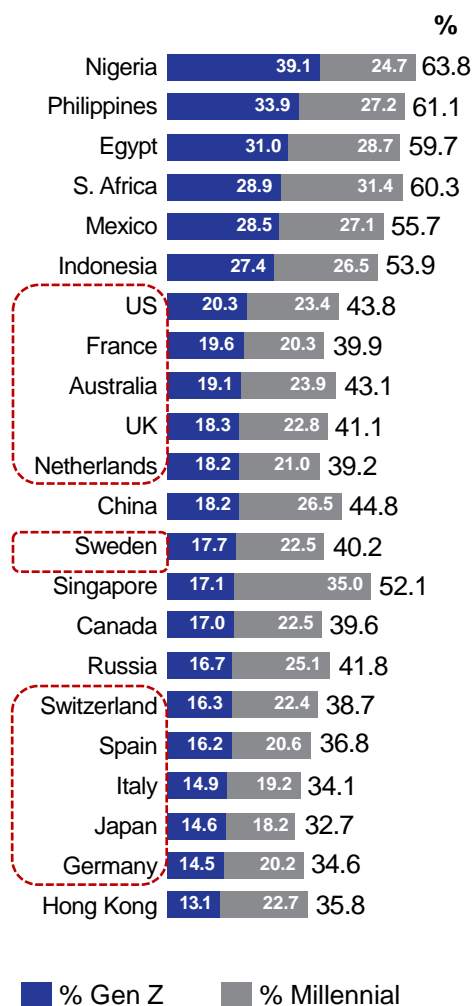
Gen Z

- **Born between
1997-2012**
- **Age 6-21**
- **1.94 Billion – 26.1%
of world population**

By 2020, Gen Z will be the largest group of consumers worldwide

In 2020, Gen Z will make up 40% of the US, Europe and BRIC countries, and 10% in the rest of the world.

Gen Z vs. Millennials as % of National pop. by market (sorted highest to lowest based on % Gen Z)





**Unlike
Millennials,
Gen Zs were
born into a
digital world
and assume
it has always
existed**

They are a generation of extremes – more mature, precocious and more worldly than their predecessors, but they also more fickle and flighty.

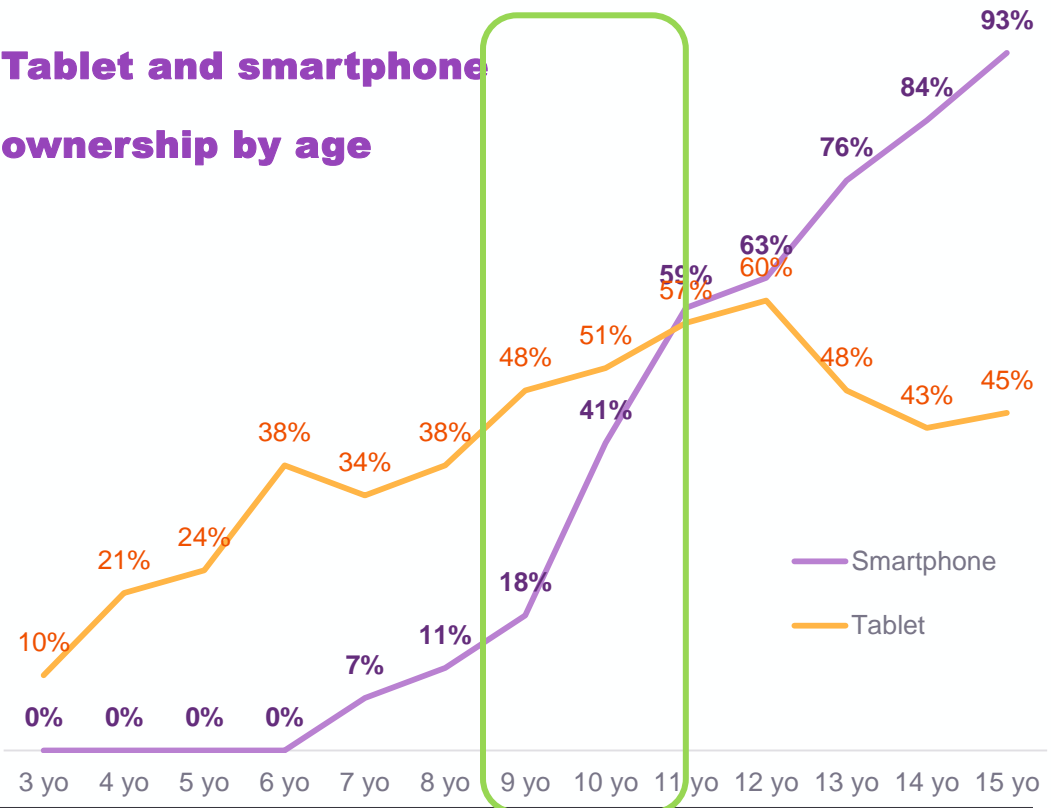


Age of 10-11 is when Gen Z get smartphone obsessed

Device ownership changes very rapidly in just a couple of years

Tablet ownership actually declines after age 12

Tablet and smartphone ownership by age

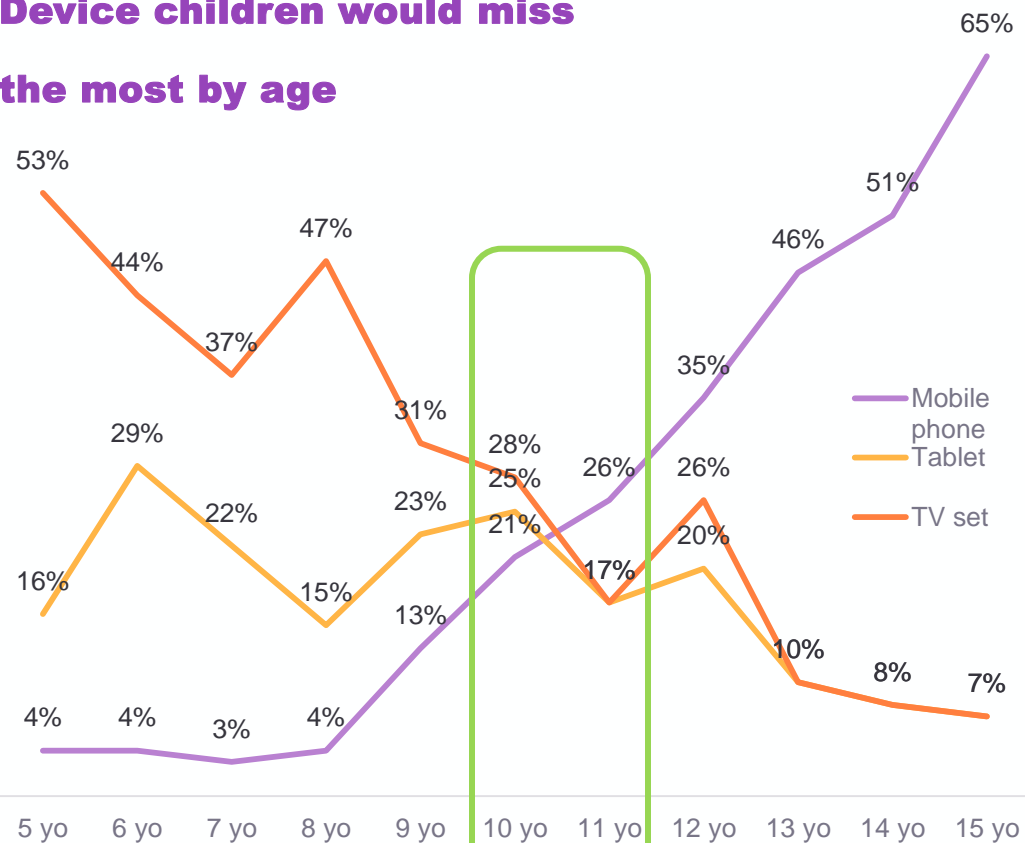


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Tablets are never Generation Z's favourite device

Device children would miss the most by age



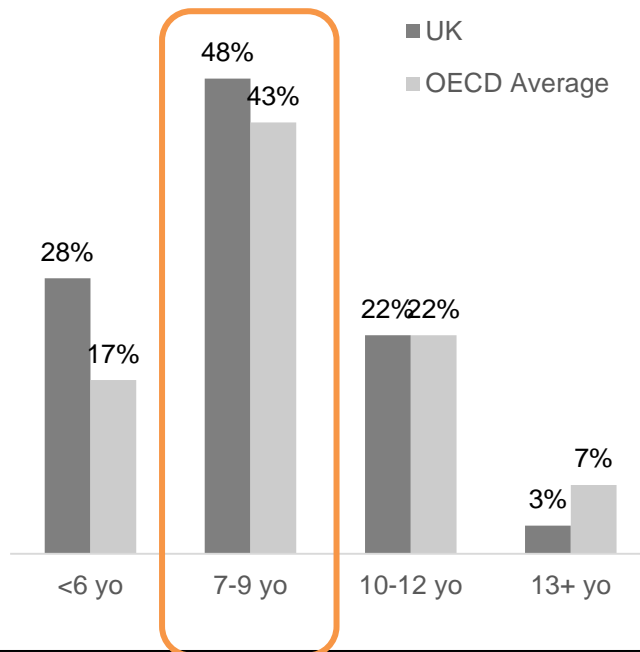
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Children shift from TV to internet between ages 8 to 11 – generating demand for their own internet devices

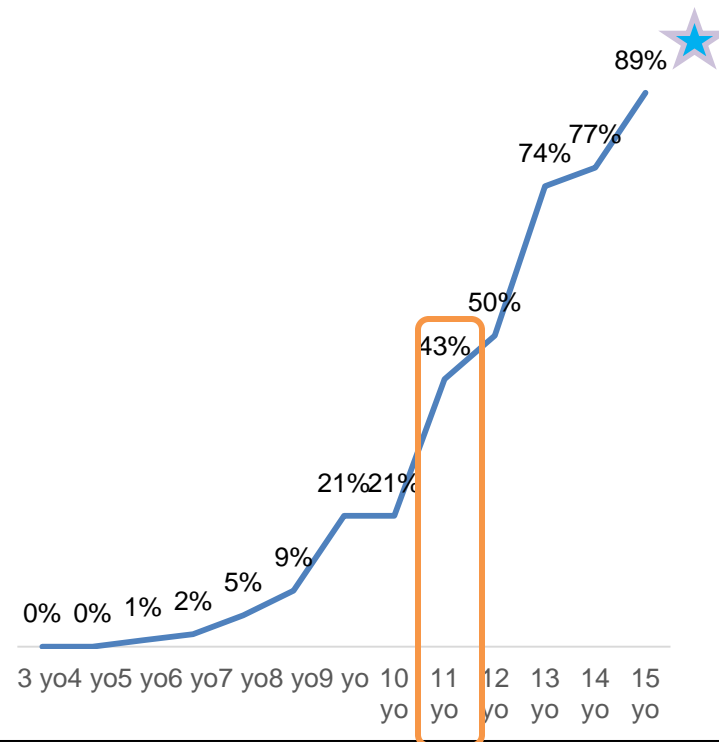
#1. First use the internet: age 8

#2. First social media account: age 11

Age at which young people started using the internet, UK & OECD average



% of children having a social media profile, by age



Brought up with device in hand, Gen Z is fluent in social media from childhood

They spend **2.68 hours/day**
with social media, higher than
all other age groups, including
Millennials (2.54 hours/day).



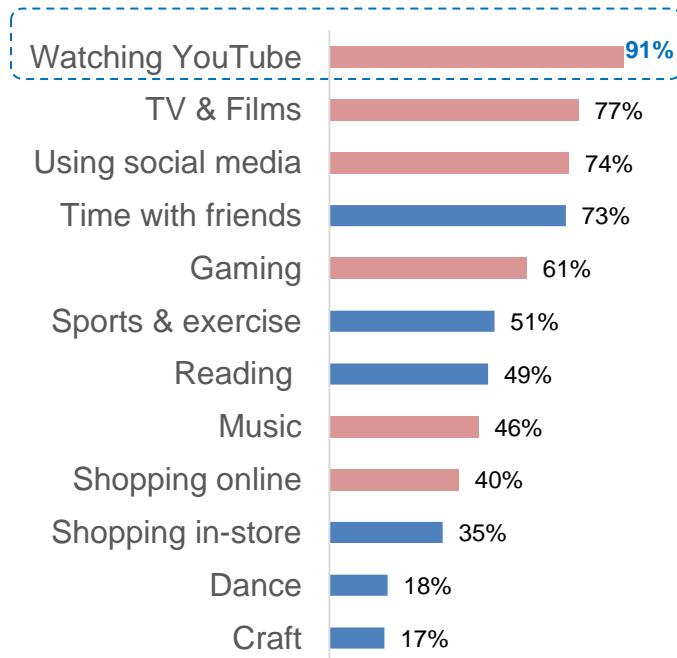
Source: Starcom PACE panel.

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Media time for Generation Z is social time – every device & service needs to be designed for group usage

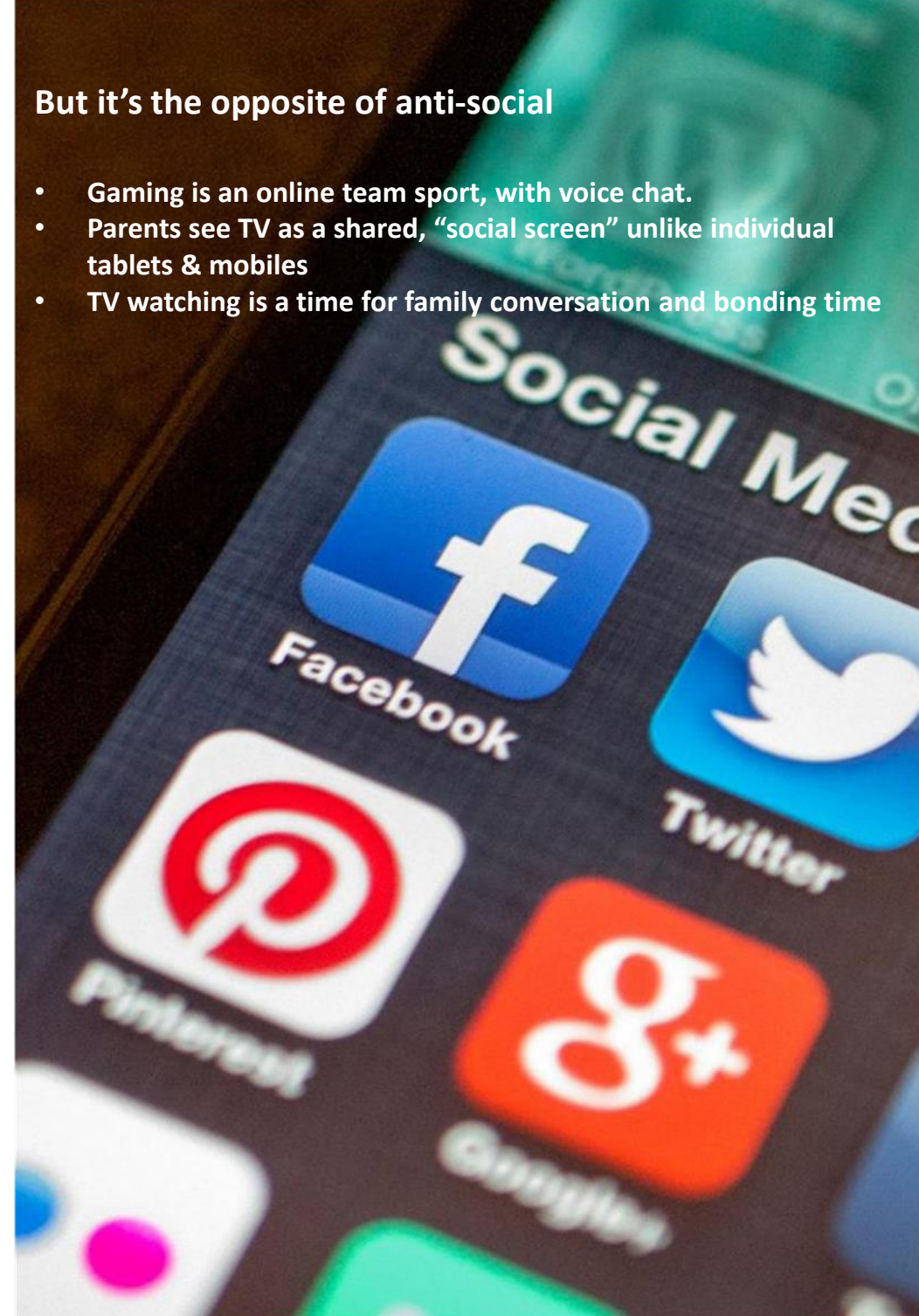
Media usage is the main way
Generation Z spend their time....

Activities Gen Z (11-18)
enjoy



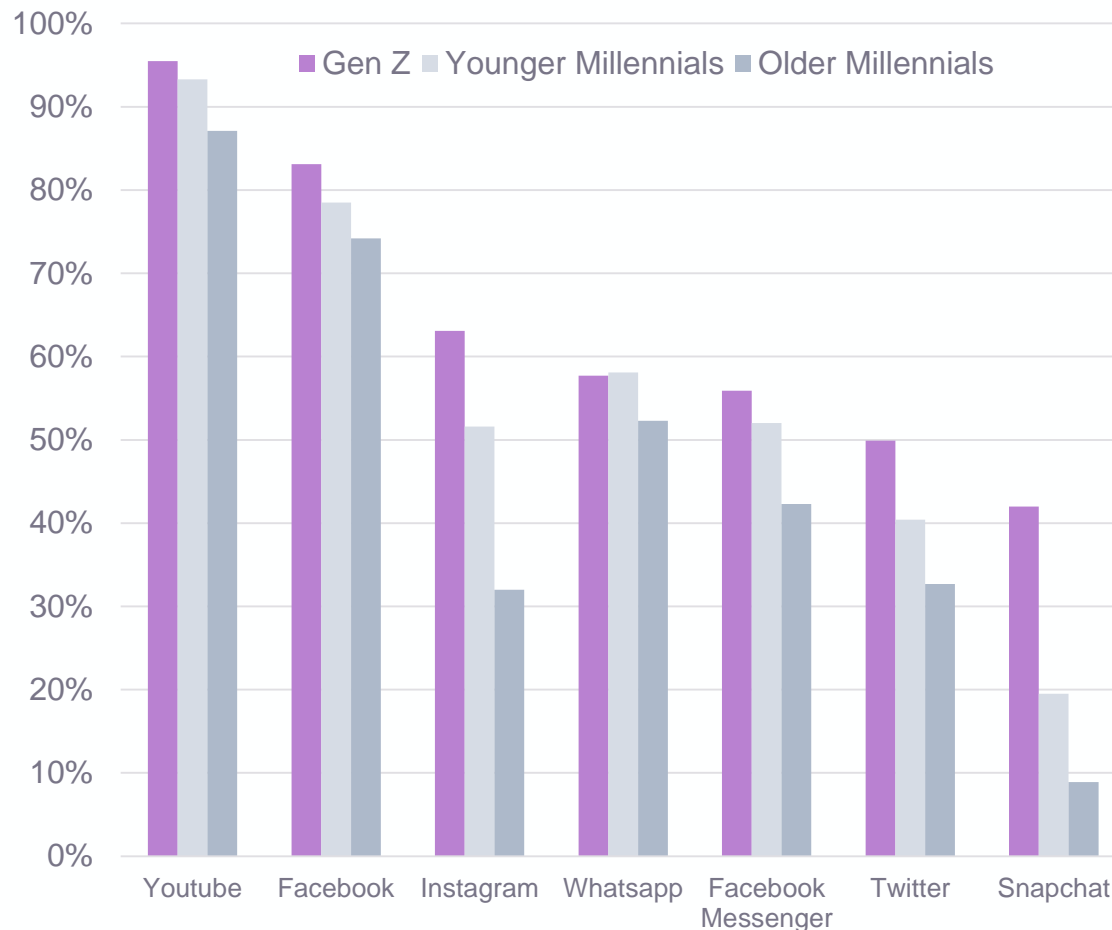
But it's the opposite of anti-social

- Gaming is an online team sport, with voice chat.
- Parents see TV as a shared, "social screen" unlike individual tablets & mobiles
- TV watching is a time for family conversation and bonding time



Gen Z have complex social media ecosystems to manage complex social relationships.

They use social media even more than Millennials – so it needs to be a key marketing & service channel



Each channel has a role in managing their social relationships

- Dozens of **WhatsApp** group conversations, each among a different social circle
- **Facebook** is for families, events and Groups. Keep in touch with friends after leaving school
- **Main Instagram** for “living your best life”. Teens delete photos that don’t get enough likes
- **Second, private Instagram** (“Finsta”: Fake Instagram) showing real life
- **Snapchat ‘streaks’** for maintaining best friendships through silly, candid photos

Social is their playground

While Gen Z has **adopted mass platforms** like Facebook, Instagram, and Twitter, there are other platforms that they inspired the creation of and have made their social playground.



In the Moment

Unlike Instagram, posts on Snapchat are not meant to be picture perfect.

Gen Zs gravitate to the platform because it allows them to share spontaneous life moments through visuals and augmented reality. Snapchat tends to be home base for Gen Z.

% of users under 24 years old

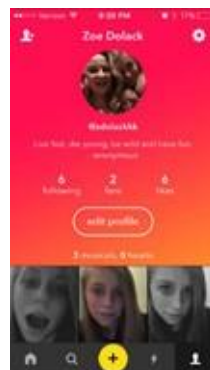
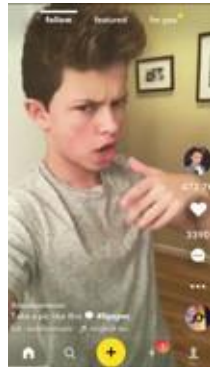
- Germany **82%**
- Singapore **80%**
- Brazil **77%**
- UK **63%**
- US **58%**





Content Creation

Makers at heart, Musical.ly has become the social video app of choice for Gen Z. With over **40 million** active users strong, mostly teens, the platform is used to create short music videos, easily shared through social with their friends.



**But how can You
or
Brands
approach
Z?**

As children grow up, their primary influencers change



PARENT-CENTRIC

- Age 5-8



FRIENDS-CENTRIC

- Age 9-11



SEEKING INDEPENDENCE

- Age 12+

Having always been there, brands are a natural part of Gen Z's social space

**This dynamic
redefines
searchability,
happening anytime
and anywhere.**

Social platforms, vlogs/
blogs, video sites and mobile
apps are the environments
that Gen Zs spend the most
time on and naturally gravitate
towards when actively seeking
brand information.

Online sources used when actively looking for more
information about brands, products, or services

	Gen X	Millennial	Gen Z	Gen X	Millennial	Gen Z
	% Reach			Index		
Vlogs	5	11	13	58	125	148
Micro-blogs (e.g. Twitter)	8	16	18	64	124	139
Video sites	13	21	22	75	119	128
Mobile Apps	16	26	27	74	120	125
Social Networks	31	39	40	88	112	115
Online Pinboards (e.g. Pinterest)	7	10	9	79	117	112
Question & Answer sites	15	19	19	89	108	110
Messaging/Live Chat services	11	15	14	85	116	109
Blogs on products/brands	14	18	16	89	114	102
Forums/Message Boards	15	19	16	90	114	96
Discount Voucher/Coupon sites	18	19	16	97	107	90
Consumer Reviews	40	36	32	109	97	88
Search Engines	58	50	45	111	94	86
Product/Brand sites	37	32	29	111	95	86
Specialist/Independent Review sites	17	17	13	105	103	80
Price Comparison sites	34	27	21	116	94	73

Brands Beware: Gen Zs are different from Millennials in how they engage with brands on social

They are more likely than Millennials to...



YouTube

	Gen Z	Millennial	Index vs. Millennials
Watch a consumer review of a product	22%	18%	136
Watch a video by a brand	24%	18%	137
Watch a video by a vlogger or celeb	29%	18%	158



Instagram

	Gen Z	Millennial	Index vs. Millennials
Follow a brand	18%	13%	141
Visit brand Instagram page	17%	11%	153
Comment on brand/photo video	12%	9%	134
Click through on sponsored post	9%	7%	139

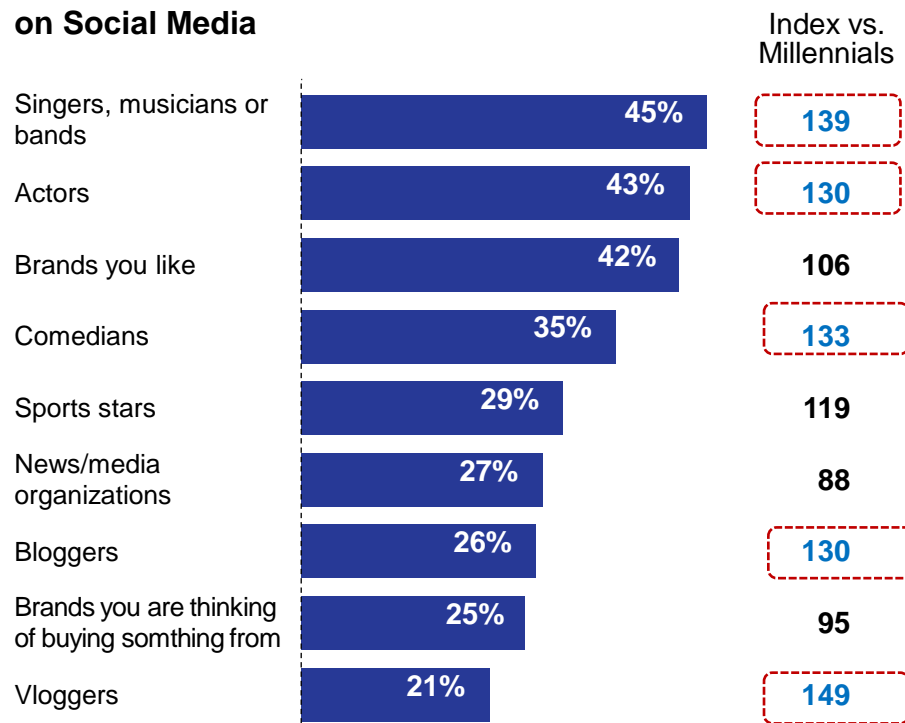


Snapchat

	Gen Z	Millennial	Index vs. Millennials
Follow a celeb or famous person	13%	7%	189
Read an article/post via Discover	7%	4%	182
Start following a brand	5%	4%	154

Social “celebrities” have tremendous influence on Gen Z, more so than they do on Millennials

Top People/Organizations Followed on Social Media



Gen Z are **49%** more likely to follow vloggers than Millennials are. They are **17%** more likely to use social media to follow celebrities.

And are 58% more likely to watch a video posted by a celebrity or a vlogger on YouTube in the last month.

Gen Zs have no qualms with unfollowing brands that fail to meet their expectations



Facebook

- 42% more likely to “un-like” a product or brand/stop following

Say Goodbye

Gen Z is more than **2X** as likely to stop using a brand because of poor features or responsiveness on social media.



Gen Z still prefer to shop in store for interactivity, enjoyment & discovery

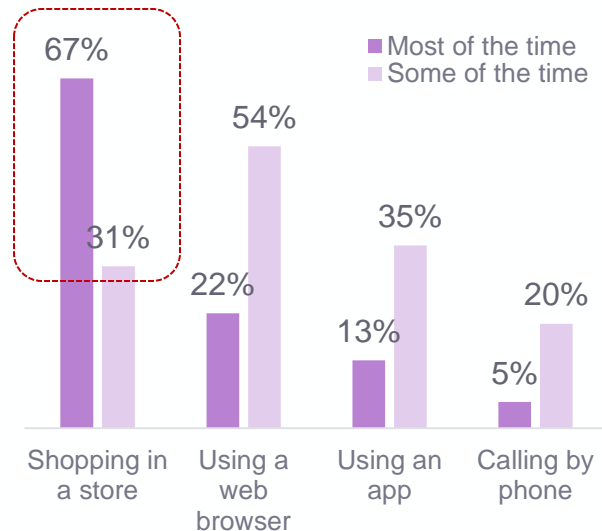
98% still want to shop in brick-and-mortar shops.

Lack of access to credit cards may be a factor.

Many retailers renovate their outlets in order to capture the shifting role of stores

as much about trying things out, leisure time and brand building through experiences – whether or not the final purchase is completed there

How Gen Zers typically like to make purchases (global, 13-21s)



Source: (Global) IBM (Uniquely Generation Z)



Key Takeaways

Expressions

Gen Z has a more complex and multilayered approach to how they create their micro-stories on social media than Millennials.

Influencers

The authenticity of social “celebrities” attracts a loyal following and has tremendous influence on Gen Z.

Discovery

GenZs are different from Millennials in how they engage with brands on social and won’t hesitate to abandon them if they don’t meet expectations.

Commerce

They move fluidly between physical and digital spaces, and expect no different from the commerce experience.

