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# Is Your Brand Ready To Take On Gen-Z?

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5 challenges brands face in engaging  
Gen-Z and how to solve them.

**VIVALDI**

JUNE — 2019



Introduction to Gen-Z —

# Who is **Gen-Z?**

A diverse group — hugely open-minded while valuing their roots.

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With ages ranging from 7-24, Gen-Z has a unique perspective on the world. They are true digital natives, growing up in an era of weakening institutions.



Introduction to Gen-Z —

# Who is Gen-Z?

Gen-Z is influencing the purchasing behaviors of people of all ages and incomes, and reframing the way people consume and relate to brands.

40%

of the world's population will be comprised of Gen-Z by 2020, making them the largest consumer group.

\$600 Billion

in US annual spending is influenced by Gen-Z

93%

of household purchases are influenced by Gen-Z



Engaging Gen-Z —

# Meeting **Expectations**



Engaging Gen-Z —

# Meeting Expectations

Gen-Z has incredibly high expectations for brands. Here are 5 opportunity areas to play in:



## Access Over Ownership

For Gen-Z, consumption means having access to products or services, not necessarily owning them.



## Hyper- Personalization

Gen-Z expects to be understood on a personal level and have products and services tailored to them.



## Anchored In Ethics

Gen-Z considers sustainability when making a purchase and wants brands to be driven by a social purpose.



## Seamless Experiences

Gen-Z demands an integrated customer experience at every touchpoint, with no barriers to purchase.



## Capturing Attention

Gen-Z decides in seconds if something is worth their attention.

# Meeting Expectations

Some examples of brands that are meeting Gen-Z's high expectations:



**Access Over Ownership**

**TIER**

Efficient and affordable transportation options to make mobility accessible and improve urban sustainability.



**Hyper-Personalization**

**Spotify**

Music platform with personalized playlists to fit listeners' taste, e.g., discover weekly lists, release radar.



**Anchored In Ethics**

**MIGROS**

Migros launched the sub-brand YOU to credibly offer sustainable products with natural ingredients.



**Seamless Experiences**

**Revolut**

Paperless digital bank with simplified processes and ease of use throughout the customer experience.



**Capturing Attention**

**OREO**

Oreo has highly memorable and engaging communication activations, e.g., "Oreo people: show your playful side" campaign.



# Meeting Expectations

Businesses need to become more integrated to engage Gen-Z.

|                                    | From —<br><b>Isolated</b>  | To —<br><b>Integrated</b>    |
|------------------------------------|---|---|
| <b>Strategy</b>                    | <b>Sales-Led:</b> Brand triggers an immediate sale  | → <b>Consumer-Led:</b> Brand understands the consumer's lifestyle and routines  |
| <b>Product Usage</b>               | <b>Focus on a Single Need:</b> Product is solving a specific need without looking at the broader context      | → <b>Fully-Embedded:</b> Brand offers services beyond the initial category and is naturally integrated into consumers' life to maximize its "Share of Life" |
| <b>Brand-Consumer Relationship</b> | <b>Transactional:</b> Brand gets paid and customer gets a product   | → <b>Valuable:</b> Brand is rewarded with higher levels of customer loyalty while customers are provided with excellent goods and services                  |
| <b>Customer Experience</b>         | <b>Siloed:</b> Digital as an independent channel  | → <b>Seamlessly Integrated:</b> Customer journey is omnichannel and utilizes platform approaches  |
| <b>Communication</b>               | <b>Generic:</b> Product relies on mass media and generic messaging to communicate to a wide audience          | → <b>Micro-Targeted:</b> Product is personalized and has direct and intimate messaging with the consumer  |

Engaging Gen-Z —

# Your Brand's Challenges



Engaging Gen-Z —

# Your Brand's Challenges

In order to grow with Gen-Z, the resulting challenges require action and tailored solutions.



## Increase in Context-Based Ecosystems

The conventional pipeline model is being challenged: by 2025, 30% of the world economy will be platform-based.



## Generic Products are Less Attractive

58% of Gen-Zers say they are willing to pay more for personalized offerings.



## Transparent Reviews

About 80% of Gen-Zers refuse to buy goods from companies involved in scandals.



## Create Value Driven Experiences

Gen-Z seeks instant gratification and they are not afraid to move on if a brand is too slow to deliver.



## Being Worth Their Attention

The average Gen-Zer has the attention span of about 8 seconds.

Engaging Gen-Z —

# Your Brand's Challenges

1. **Increase in Context-Based Ecosystems**
2. Generic Products are Less Attractive
3. Transparent Reviews
4. Create Value Driven Experiences
5. Being Worth Their Attention



OPPORTUNITY

# Enable direct access to products.

- Make products accessible
- Generate network effects
- Search, create and exploit platform potentials

Engaging Gen-Z —

## Your Brand's Challenges

1. Increase in Context-Based Ecosystems
- 2. Generic Products are Less Attractive**
3. Transparent Reviews
4. Create Value Driven Experiences
5. Being Worth Their Attention



OPPORTUNITY

# Have a one-to-one relationship at scale.

- Find segmentation axes around experience type and consumer value sets
- Customize the product and personalize the service around new segments

Engaging Gen-Z —

## Your Brand's Challenges

1. Increase in Context-Based Ecosystems
2. Generic Products are Less Attractive
- 3. Transparent Reviews**
4. Create Value Driven Experiences
5. Being Worth Their Attention



OPPORTUNITY

# Create purpose-driven brands.

- Clearly identify topics to take a position on and then establish your social purpose
- Actively moderate consumer reviews in real-time to boost your credibility

Engaging Gen-Z —

## Your Brand's Challenges

1. Increase in Context-Based Ecosystems
2. Generic Products are Less Attractive
3. Transparent Reviews
- 4. Create Value Driven Experiences**
5. Being Worth Their Attention



OPPORTUNITY

# Turn experiences into rituals.

- Create connected & holistic ecosystems
- Develop a branded and seamless omnichannel shopping experience

Engaging Gen-Z —

## Your Brand's **Challenges**

1. Increase in Context-Based Ecosystems
2. Generic Products are Less Attractive
3. Transparent Reviews
4. Create Value Driven Experiences
- 5. Being Worth Their Attention**



OPPORTUNITY

# Build a two-way real-time dialogue.

- Create engaging content & get to the point with your brand message
- Use visual snackable content like infographics and relatable videos

# Your Brand's Challenges

In order to grow with Gen-Z, the resulting challenges require action and tailored solutions. Vivaldi helps companies address challenges by turning them into growth opportunities.



Increase in Context-Based Ecosystems



## Enable Direct Access To Products

- Make product accessible
- Generate network effects
- Search, create and exploit platform potentials



Generic Products are Less Attractive



## Have A One-To-One Relationship At Scale

- Find segmentation axes around experience type and consumer value sets
- Customize the product and personalize the service around new segments



Transparent Reviews



## Create Purpose-Driven Brands

- Clearly identify the topics on which to take a position and develop social purpose
- Actively moderate consumer reviews in real-time to boost your credibility



Create Value Driven Experiences



## Turn Experiences Into Rituals

- Create connected and holistic ecosystems
- Develop a branded and seamless omnichannel shopping experience



Being Worth Their Attention



## Encourage Real-Time Dialogue

- Create engaging content and get to the point with your brand message
- Leverage visual, snackable content like infographics and relatable videos

Engaging Gen-Z —

# Your Brand's **Opportunity**

And how Vivaldi can help.



# Your Brand's Opportunity

## Challenge(s)

The conventional pipeline model is being challenged. By 2025, 30% of the world economy will be platform-based

**Industry:** Consumer Goods

**Size:** €700 million turnover

## Key Questions

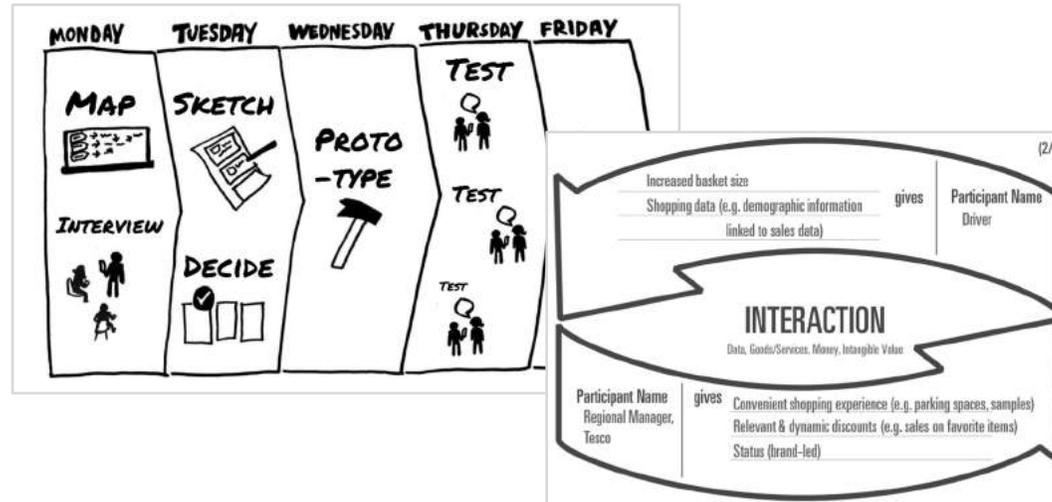
1. How can you use platform models to increase reach within your audience?
2. Are you exploring business opportunities in adjacent categories?
3. Are you collecting useful data that serves both your company and your customers?

## 🔒 Enable Direct Access To Products

Explore platform potentials to increase the accessibility of products and services for Gen-Z.

## Sample Approach\*

1. **Opportunity Framing:** situation analysis, unconventional wisdom workshop, ecosystem creation (incl. participant & interaction identification), persona creation, scenario ideation
2. **Prioritization Of Scenarios:** monetization estimation, feasibility evaluation, selection of winning scenarios
3. **Platform Prototyping:** consumer co-creation, lead consumer (e.g. validation), refinement of concept



## Results

**Project Scope:** Develop a platform business model to combine unfulfilled needs with events and expand experience beyond core product

- Increased awareness for client and platform participants.
- Direct access to end-customers used to get deep insights about needs and behaviors.

# Your Brand's Opportunity

## Challenge(s)

1. 58% of Gen-Z say they are willing to pay more for personalized offerings
2. 46% of Gen-Z stop visiting a website if it does not anticipate what they need, like or want

**Industry:** Consumer Goods

**Size:** €25 billion turnover

## Key Questions

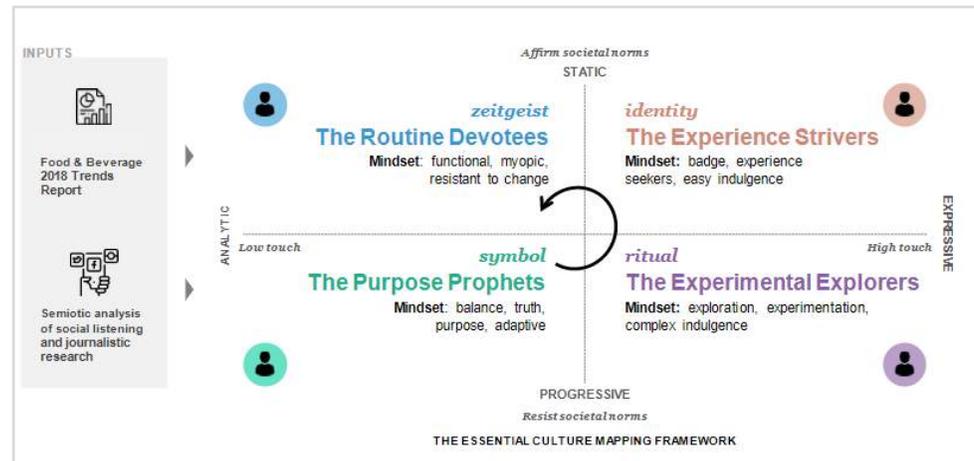
1. How do you collect data of this borderless and globalized consumers?
2. What is the right level of segmentation and how to be inclusive at scale?
3. How to adjust offerings to chosen segments?

## Have A One-To-One Relationship At Scale

Define the right segmentation to offer personalized offerings.

## Sample Approach\*

1. **Demand Need States:** desk research, consumer data collection, in-depth interviews, evaluation of consumption behaviors and moments
2. **Cultural Mapping:** derive consumer archetypes with each different mindsets
3. **Growth Platforms:** development of growth platforms by looking at how the archetype-specific trends impact behavior across demand need states
4. **Ideation:** growth platforms serve as foundation to ideate innovation and personalise current offerings



## Results

**Project Scope:** Identify the stories and anticipate the behaviours that will shape the future of the coffee category and inspire disruptive innovation platforms and personalized offerings

- **2X innovation pipeline** with new product & platform concepts
- Product innovation to serve specific needs of target group

# Your Brand's Opportunity

Redefine your brand elements towards a meaningful brand positioning.

## Challenge(s)

1. About 80% of Gen-Z refuses to buy goods from companies involved in scandals
2. 60% of Gen-Z wants their jobs to impact the world

**Industry:** B2B

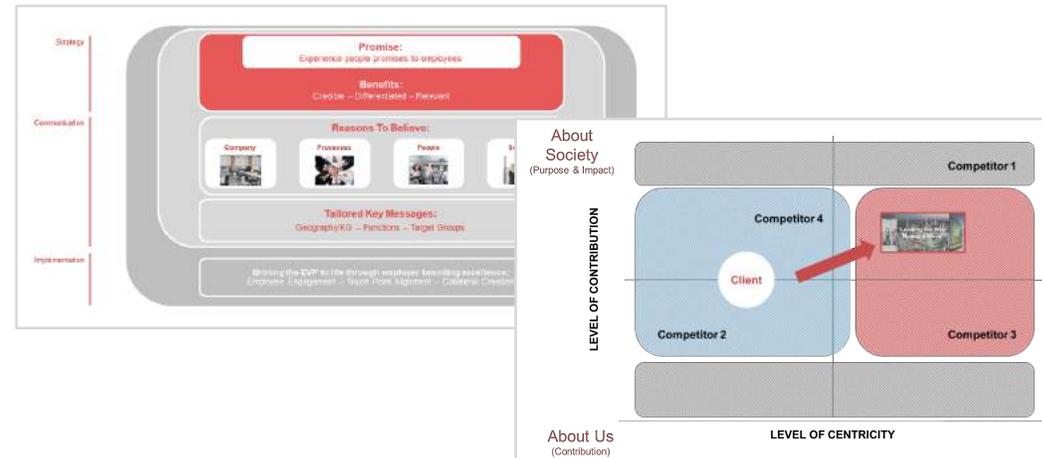
**Size:** €11 billion turnover

## Key Questions

1. Is your brand's purpose relevant for your audience?
2. Is your purpose bold and distinctive?

## Sample Approach\*

1. **Audit:** research to gain insights on target markets, competition, customer, demands and trends
2. **Driver Analysis:** derive target groups' emotional and rational decision drivers to choose an employer/brand
3. **Purpose Territories:** explore purpose territories that are in line with the brand's DNA and translate into a strategic compass
4. **Brand Activation:** review employee journey maps and activate positioning across touchpoints



## Results

**Project Scope:** Develop a purposeful employee value proposition to raise attractiveness among younger professionals

- Created a final employee positioning direction along with strategic guidelines. Employee value proposition became a core element of the global brand positioning
- Successful global roll-out in **4 regions**

# Your Brand's Opportunity

## Challenge(s)

1. Gen-Z wants instant gratification and they are not afraid to move on if a brand is too slow to deliver
2. 60% of Gen-Z will not use slow loading websites and apps and 62% will not use hard to navigate apps

**Industry:** Services

**Size:** €170 mio. turnover

## Key Questions

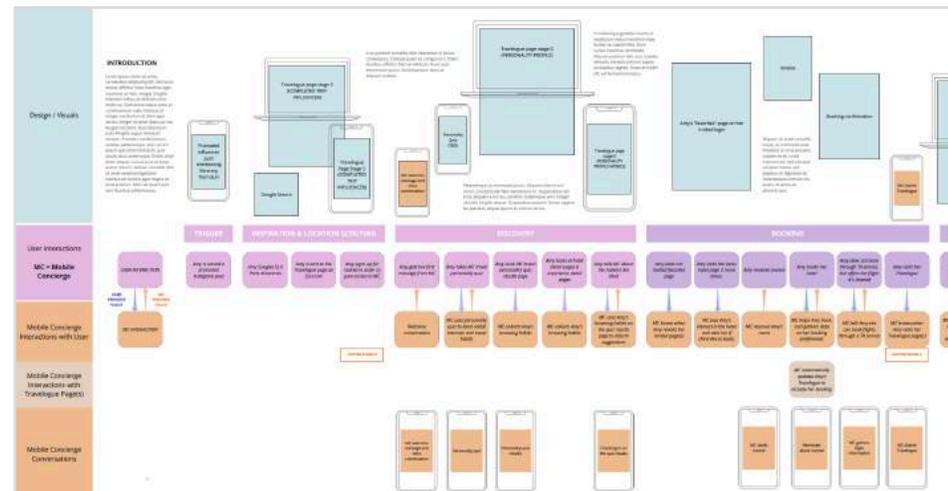
1. Do you offer a branded customer experience?
2. Do you understand the activities, occasions and rituals associated with the usage of your product?
3. Are you monetizing experiences around the usage of your product as well as using more tangential experiences to drive value to your brand?

## Turn Experiences Into Rituals

Create seamless brand experiences to become more immersed in your consumer's life.

## Sample Approach\*

1. **Disruptor Wall:** research-based overview on actors and trends that have a major impact on the dynamics of the industry and daily lives of consumers within each target group
2. **Customer Experience Map:** perspective on the customer segments of the company and their potential through the presentation of points of contact, feelings and pain points in the context of the consumer
3. **“How-Might-We” & Idea Seedling:** turn problems into possibilities through the right questions, set framework for ideas, monetization of prioritized ideas



## Results

**Project Scope:** Bring the travel customer booking experience into the 21st century to raise click-through-rate and conversion

- **18% increase in conversion**
- Branded customer experience and consistency across touchpoints
- New product development to inspire and assist customers throughout the customer journey

# Your Brand's Opportunity

## Encourage Real-Time Dialogue

Define a content strategy which speaks to each consumer individually.

### Challenge(s)

1. Marketing savvy, Gen-Z is cynical of big brands and is turning away from traditional media
2. Gen-Z has an average attention span of 8 seconds
3. Gen-Z spends up to 3 hours per day on social media

**Industry:** Services

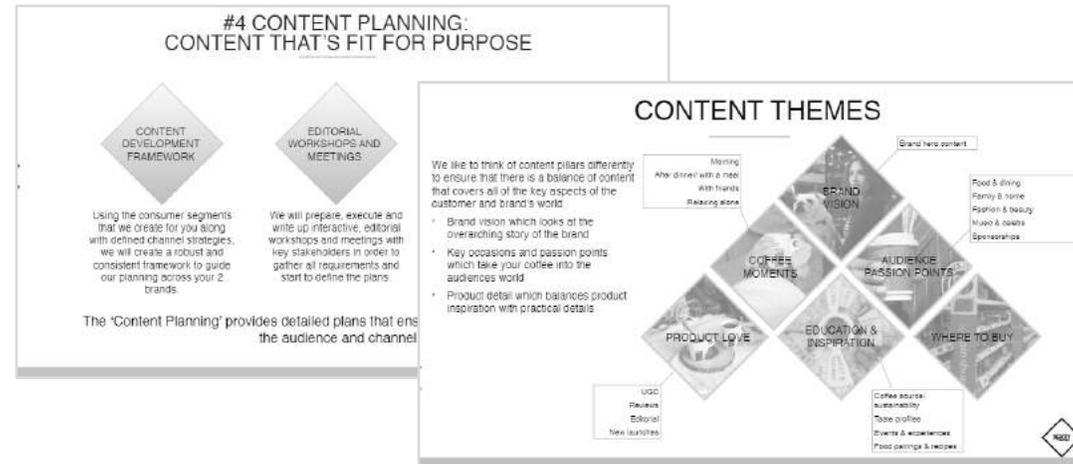
**Size:** €2 billion turnover

### Key Questions

1. Is the same content relevant to all audiences?
2. Are you having an initial dialogue with your customers?
3. Which media should you be using to present your content?
4. Do you provide the right content for your customers at the right time and place?

### Sample Approach\*

1. **Social First Content Framework:** define a combined organic and paid media strategy, based on pre-defined target groups by using personas
2. **Content Planning:** define content themes which balance your messages with entering their world; derive a human tone of voice and distinct purpose behind content
3. **Measurement Planning:** define and align KPIs with relevant marketing objectives to overall business strategy; optimize to achieve greater impact



### Results

**Project Scope:** Increase relevance for younger and affluent target group by growing coffee machine penetration while increasing premium perception and availability of coffee capsule portfolio.

- **210% increase** in content engagement
- Engaged wider audience through organic (growth of fan base) and paid (increase media). Increased consideration within younger and affluent shoppers

About Vivaldi —

# Solving Challenges

Unlock your growth potential. Here's how Vivaldi can tackle your business challenges and achieve immediate impact. Get in touch today to take advantage of those “slow” summer months.



## Enable Direct Access To Your Products

### Platform Workshop

Explore your future ecosystem to design platform ideas. Expand your offerings and services into adjacent categories and identify new revenue streams.

**Timing:** 2-3 weeks



## Have a One-to-One Relationship at Scale

### Offering Innovation

Leverage your customer data for smart and scalable micro-targeting. Personalize your current product offering and find inspiration for product innovation.

**Timing:** 2-3 weeks



## Create Purpose-Driven Brands

### Positioning Workshop

Identify your purpose and make it a core element of your brand's DNA and decision-making process. Entangle your purpose within your organization and articulate it across all touchpoints.

**Timing:** 3-4 weeks



## Turn Experiences Into Rituals

### Customer Journey

Increase the “share of life” by identifying new interaction fields with your customers to create seamless brand experiences.

**Timing:** 3-4 weeks



## Encourage Real-Time Dialogue

### Content Strategy

Establish real-time dialogue with your customers. Redesign your content strategy to engage in meaningful conversations.

**Timing:** 3-4 weeks

About Vivaldi —

# Solving Challenges

Our experience extends across many industries, and we've left a lasting impression on our clients. Here's what just a few have to say:



“Vivaldi really challenged us to leave at the door many of our norms and pipeline values in terms of product development – and think much more holistically in terms of value proposition.”



Our Clients at —  
**Pfizer, Inc.**

**MIGROS**

“We're finally where we should have been two years ago with our shopping mall strategy. The collaboration with Vivaldi empowered us to develop and execute several future-oriented projects.”



Our Clients at —  
**Migros**

**Jägermeister**

“Vivaldi's thinking and doing had a major impact within our firm, even at the Board Level. They helped us transform from a product-centric to a brand and consumer-centric organization, ready to engage with Gen-Z in a relevant way.”



Our Clients at —  
**Mast-Jägermeister SE**

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# Thank You

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Want to know more about how Vivaldi can help you engage the next most powerful generation?

Let's collaborate! Reach out at  
[Hello@vivaldigroup.com](mailto:Hello@vivaldigroup.com)



**VIVALDI\_**