

# Medallia Market Research Suite

## Understanding Gen Z



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# Market Research Suite

1

## Quantitative Analysis

Tap into consumer insights at scale with massive panels, real-time data, and unblinded visibility on competitors.



Transaction  
panel



Foot traffic  
panel



Visit-based  
surveys



Syndicated  
surveys



One-click  
analysis

2

## Qualitative Analysis

Capture video surveys and uncover trends with AI-powered analysis tools.



Video  
surveys



Capture  
anywhere



Transcription  
analysis



Filter &  
categorize



Easily edit  
and share

3

## Self-Serve Surveys

Create, edit and distribute your own surveys. Analyze results with powerful reporting tools and dashboards.



Survey  
builder



Distribute  
anywhere



Powerful  
reporting



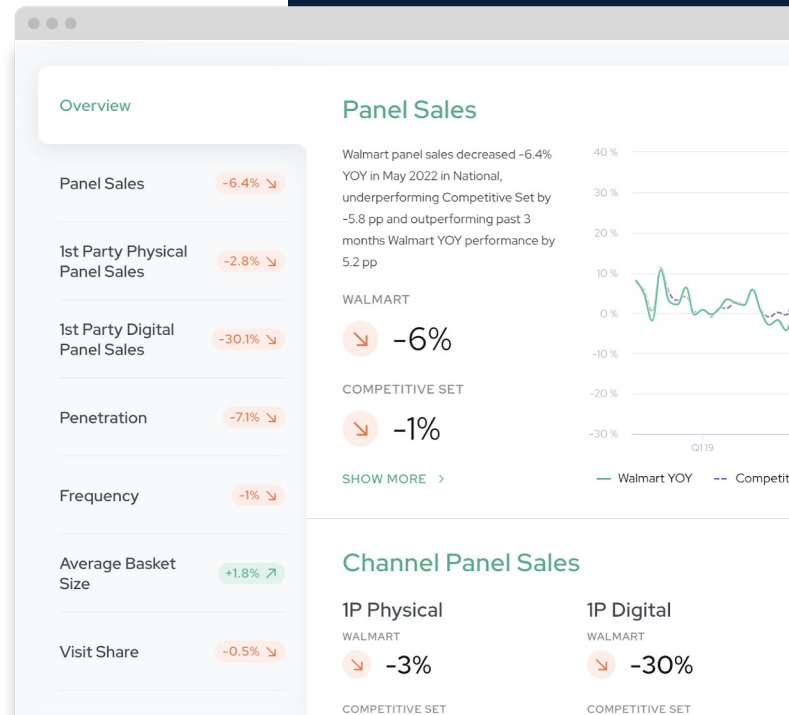
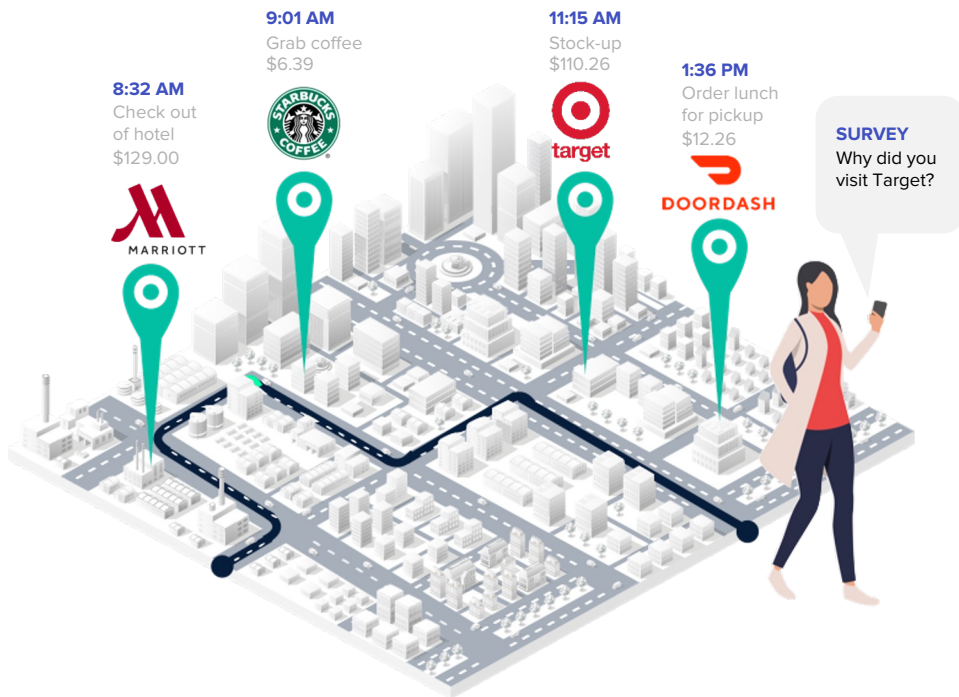
Easy-to-use  
dashboards



Expert  
support

Harness richer insights at scale so you can take action with confidence

# Real-world behaviors. One-click analysis.



# Session Contents

## Understanding Gen Z

- The self-identity of Gen Z
- The Gen Z lifestyle
- How Gen Z makes purchase decisions
- The Gen Z shopper journey
- Gen Z and restaurants
- Gen Z and the workforce

# Business strategists are obsessed with winning Generation Zers, or “Zoomers” (born between the mid/late 1990s and early 2010s)

Example recent headlines:

HOME > TECH

## Mark Cuban says Gen Z will go down in history as 'greatest' generation

Sam Tabahr | Sep 17, 2022, 7:03 AM

FILM | HOLLYWOOD

### Have film and TV got Gen Z all wrong?



## Sustainability focus make Gen Z, millennial buyers prime contract customers

Generation Z and millennial buyers age 18-40 cite sustainability more than price as a reason for purchasing vehicles, and they think purchases should last more than 10 years, according to Ally Financial.

**B** Bloomberg.com

## Business Schools Teach ESG to Win Gen Z

As MBA programs play catch-up with CEOs and move beyond shareholder capitalism, they have yet to change the core curriculum.

### Gen Z loves shopping hauls. Can they ever be sustainable?

Younger generations can't get enough of watching people try on "hauls" of clothing on TikTok and YouTube. Previously associated with ultra-fast

DIVE BRIEF

## ESPN launches creator network to attract Gen Z

Published Sept. 19, 2022

# The self-identity of Gen Z: In their own words

# Video responses of Gen Zers in their own words

Sample of responses to question:

**Earlier you indicated you are under the age of 27, which makes you a member of “Gen Z”. Other than age alone, what do you think makes Gen Zers different than the generations above it (like Millennials, Gen Xers, or Baby Boomers)?**

**Please share in your own words in the following 30-60 second video recording.**



# What Gen Z feels makes them different

Of the various ways Gen Z could be different from prior generations, the exposure to technology from such an early age and its corresponding impact is what is most cited by Gen Zers themselves.

**“You indicated you are under the age of 27, which makes you a member of “Gen Z”. Other than age alone, what do you think makes Gen Zers different than the generations above it (like Millennials, Gen Xers, or Baby Boomers)? Please share in your own words.”** Sampling of responses:

“Gen Zers are the first generation to grow up with the current technology, making them more adept and more accustomed to doing things online.”

“What makes us different is the way we grew up with technology. It has shaped our lives and changed the way we see the world, for good or bad.”

“We've learned, FAST, how to learn, how to adapt, how to do our own research.”

“We don't put up with issues or attitudes from employers or Karen's when it isn't warranted. We are not 'lazy' like everyone says, we are just extremely tired of being disrespected by the older generations”

“We are heavily exposed to social media which makes us more outgoing and eager to voice our opinions.”

“I was born in 1997. I absolutely don't identify with gen Z or really understand their sayings. I definitely fit in with the millennials more.”

“We're more outspoken and passionate about things that are important to us. We care more about breaking the pattern.”

“Gen Z tend to be more inclusive and accepting but there are some 'saviors' that can be a bit too sensitive.”

## Top Themes, ordered by number of mentions:

1. “technology”
2. “social media”
3. “open minded”
4. “smarter”
5. “accepting”
6. “mental health”
7. “environment”





# The Gen Z lifestyle

# Gen Z is less likely to consume traditional media

Other areas where Gen Z is lower in incidence include grocery shopping and driving. Targeting Gen Z specifically may involve moving ads away from TV, radio, print, and billboard because of this.

## Recent activities: Gen Z vs. other generations

“Which of the following have you done in the past 3 days?” # are incidence vs. other generation average (1.0x = on par)

### Gen Z **LESS** likely to have...



**0.5x**

Read a news or magazine article online (18% vs. 34%)



**0.7x**

Watched live cable / satellite TV (28% vs. 42%)



**0.6x**

Listened to a radio station live (26% vs. 46%)



**0.7x**

Read a news / magazine article with a physical copy (10% vs. 15%)



**0.6x**

Driven in a car (41% vs. 71%)



**0.7x**

Purchased groceries (went to the store) (51% vs. 68%)

### Gen Z **MORE** likely to have...



**1.2x**

Listened to music / podcast from a streaming service (61% vs. 52%)



**1.2x**

Taken public transit (e.g. bus, subway, etc.) (15% vs. 12%)



**1.9x**

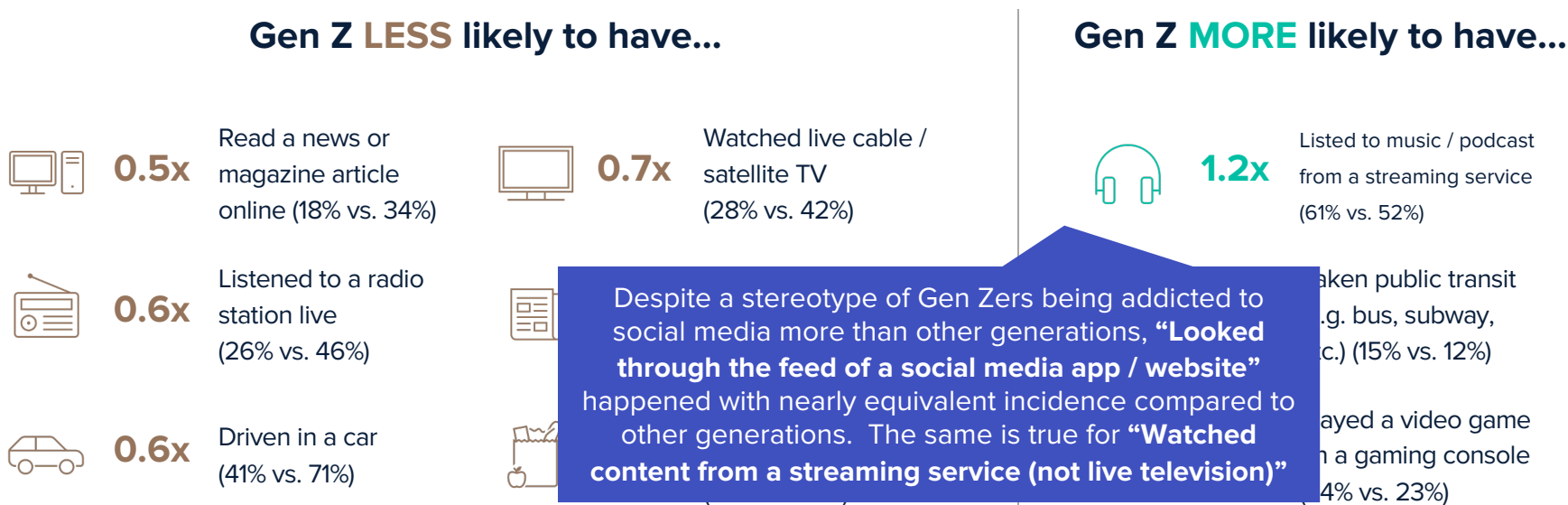
Played a video game on a gaming console (44% vs. 23%)

# Gen Z is less likely to consume traditional media

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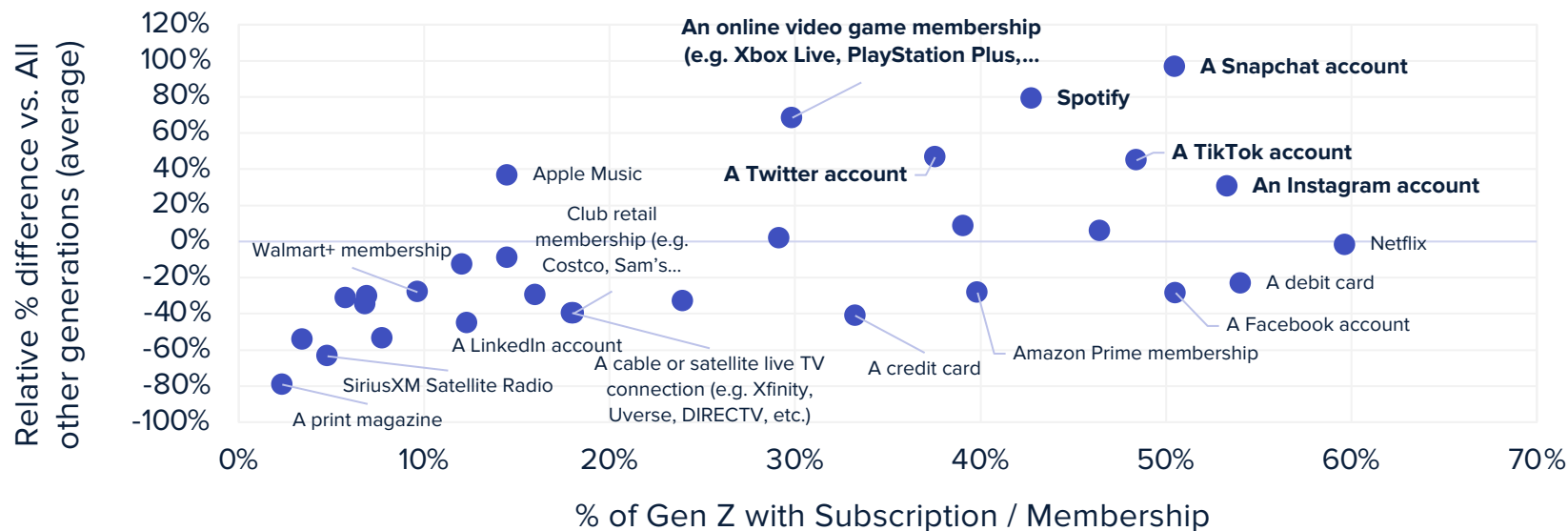


# Gen Z is heavier into gaming and *some* social media

Gen Z overindexes other generations in having accounts / subscriptions for platforms like Snapchat and TikTok, but underindexes in Facebook and also retail memberships for Club or Amazon.

## Subscriptions / memberships held by Gen Z, vs. other generations

Which of the following subscriptions / services do you currently have, either because it is yours or because another member of your household has it?



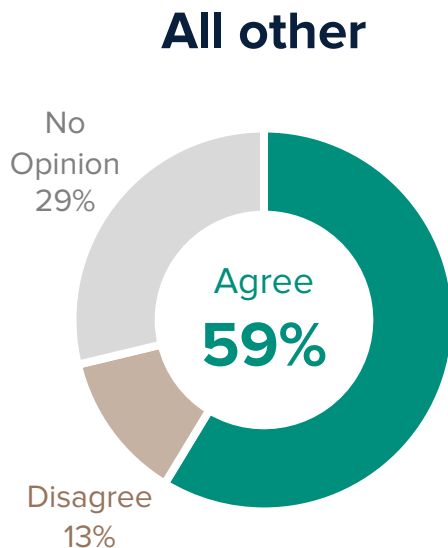
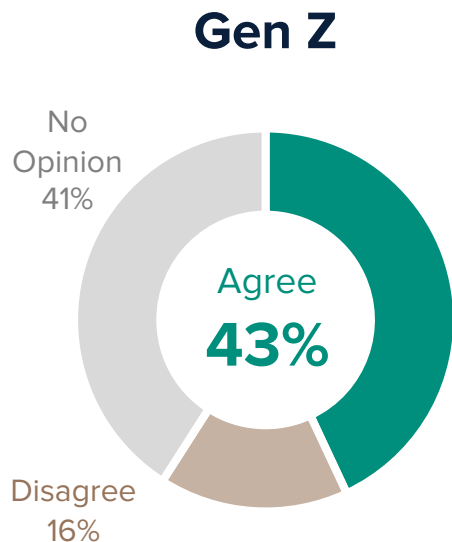
# How Gen Z makes purchase decisions

# Earning Gen Z loyalty can't be taken for granted

Gen Zers are noticeably less likely to feel a brand can truly earn their loyalty and eliminate browsing / research elsewhere when shopping.

**“A brand can truly earn my loyalty and make me not think about shopping elsewhere”**

% of respondents by answer choice, for each respondent group



**Gen Z vs.  
All other**

**-16ppt** Agree

**+3ppt** Disagree

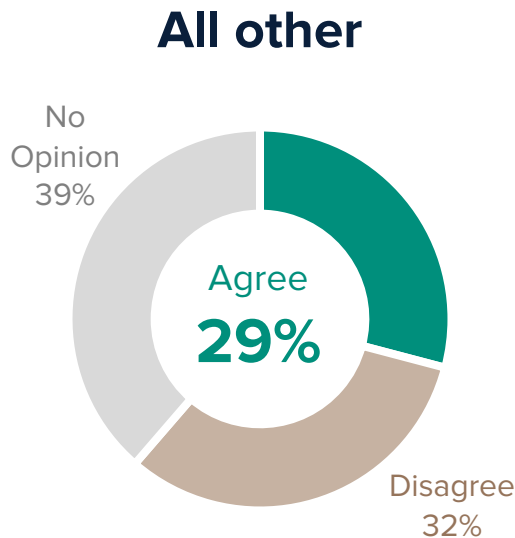
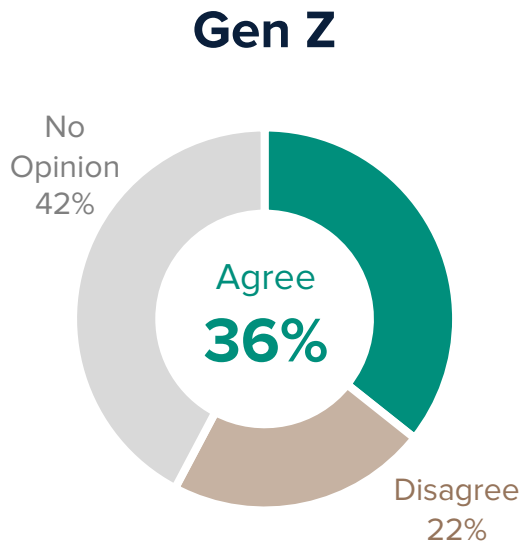
**-19ppt** Net Difference

# Gen Zers also want to see brands use their vocal reach

They overindex other generations in believing it is the place of brands to take stances on public issues that are not directly related to the products they sell.

**“Brands should be vocal about social or political issues, even if unrelated to their industry”**

% of respondents by answer choice, for each respondent group



### Gen Z vs. All other

**+7ppt** Agree

**-10ppt** Disagree

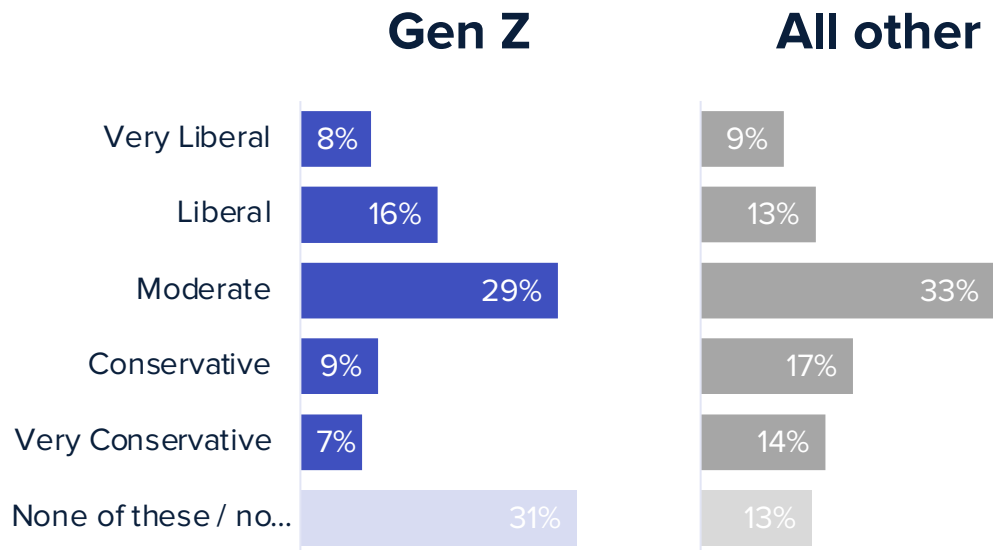
**+17ppt** Net Difference

# Gen Z does lean more liberal

This might influence the kind of stances for corporations to take on social issues if appealing to Gen Z.

## Self-identified Political Affiliation

“Which best describes how you identify politically?”



For every **1** conservative Gen Zer, there are **1.5** liberal Gen Zers. For just Gen Zers aged 18+, this ratio also holds true and the proportion of apolitical / unidentified drops from 31% to 22%.

On average for other generations, for every **1** conservative there are only **0.7** liberals.

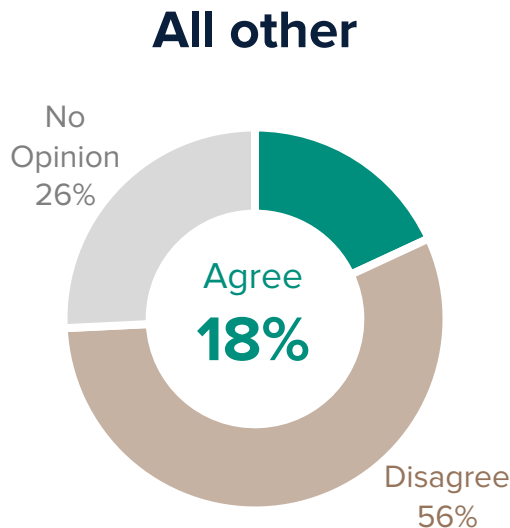
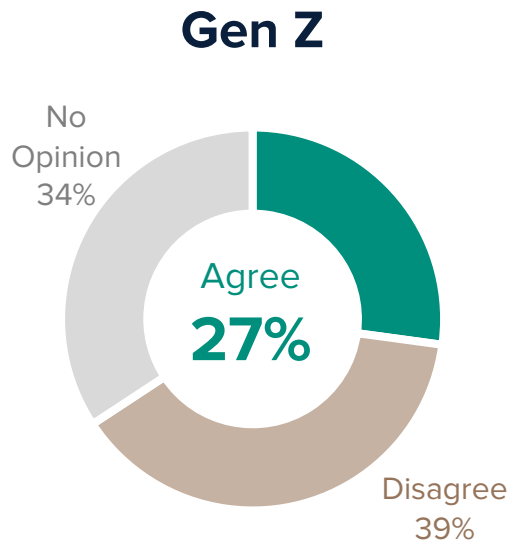


# Driving Gen Z awareness / trial: celebs / influencers help

A large difference exists between Gen Z and other generations in their self-perception that celebrities make a difference in how they choose products.

**“I am more likely to try a brand if it is affiliated with a celebrity I like”**

% of respondents by answer choice, for each respondent group



### Gen Z vs. All other

**+9ppt** Agree

**-17ppt** Disagree

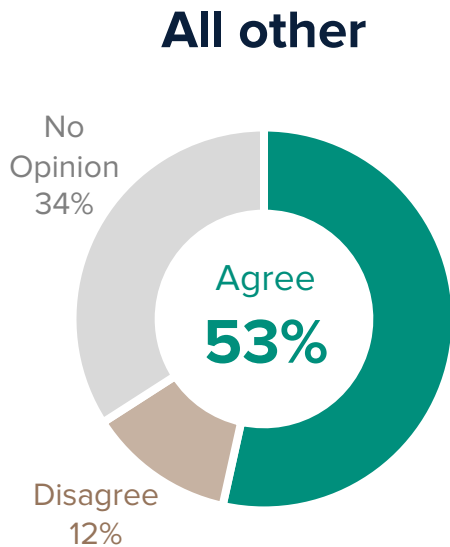
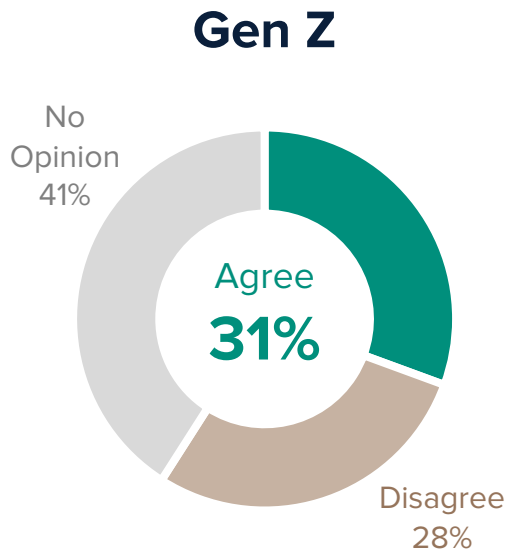
**+26ppt** Net Difference

# What matters less: Products being made in the USA

Gen Z is far less likely to care about products being manufactured in the US vs. elsewhere.

**“It is important that the products I buy are manufactured in the United States”**

% of respondents by answer choice, for each respondent group



**Gen Z vs.  
All other**

**-22ppt Agree**

**+16ppt Disagree**

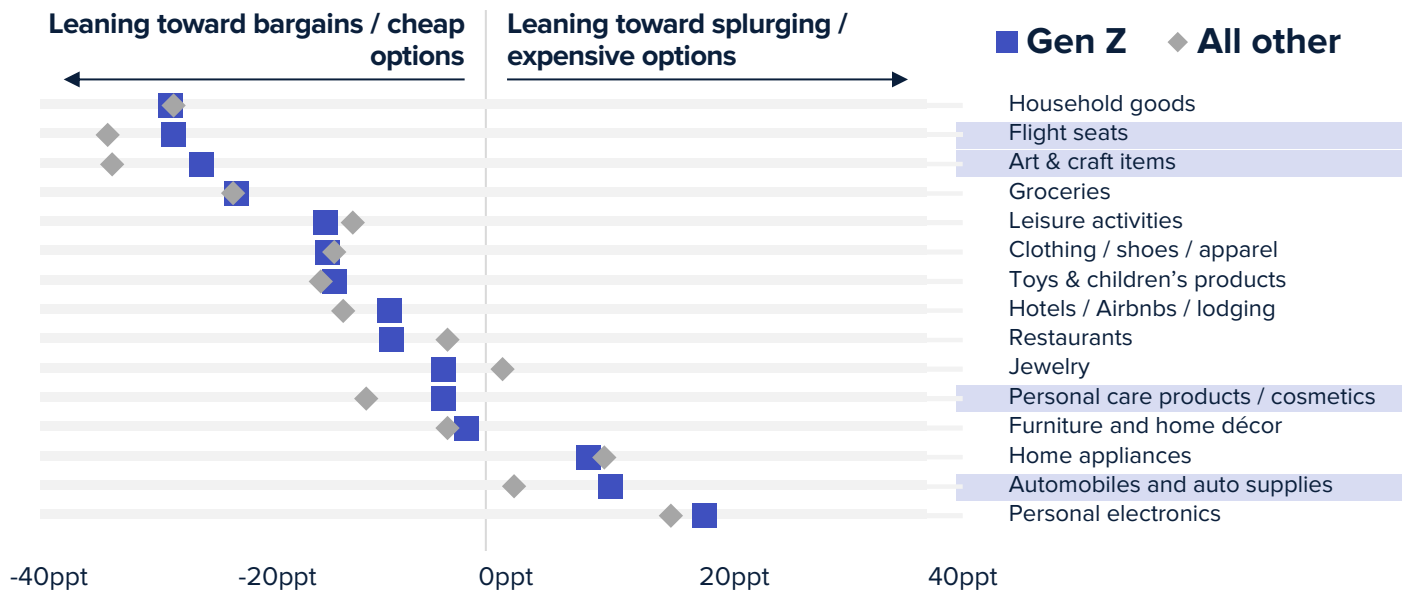
**-40ppt Net Difference**

# Gen Z is more inclined to splurge on some products

Though similar to other generations in choosing which products are best to bargain hunt vs. splurge, Gen Z's preferences lean slightly more toward expensive options for flights, crafts, cosmetics, and cars.

## How the generations think about spending money, by type of product

“What is your belief about how to spend money for each of the following types of products?” Among those who have ever shopped for each product category. Values = % selecting “splurge” / “expensive” minus % selecting “bargains” / “cheap”.



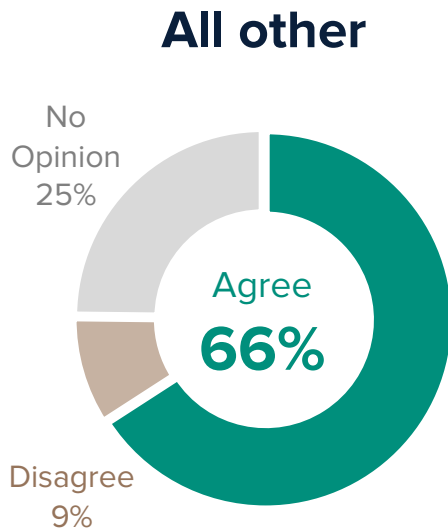
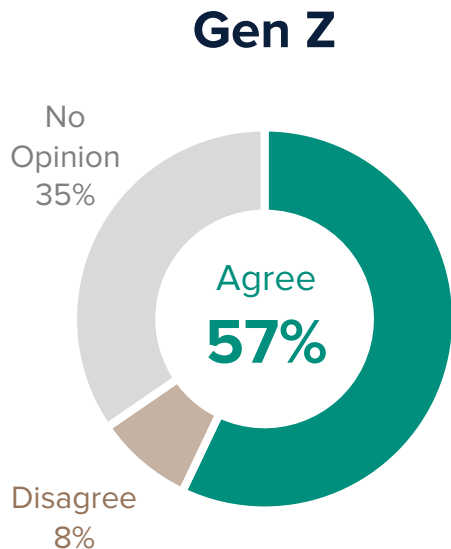
These 4 highlighted represent the biggest spread between Gen Z and the average of All other generations

# However, a retail risk is that Gen Zers aren't big into gifts

They're less likely than other generations to feel it is important to buy gifts for loved ones around holidays / birthdays, suggesting unless their views change as Gen Z ages, activities like Black Friday could decline.

## "It is important to buy gifts for loved ones on birthdays and the December holidays"

% of respondents by answer choice, for each respondent group



### Gen Z vs. All other

**-9ppt** Agree

**+1ppt** Disagree

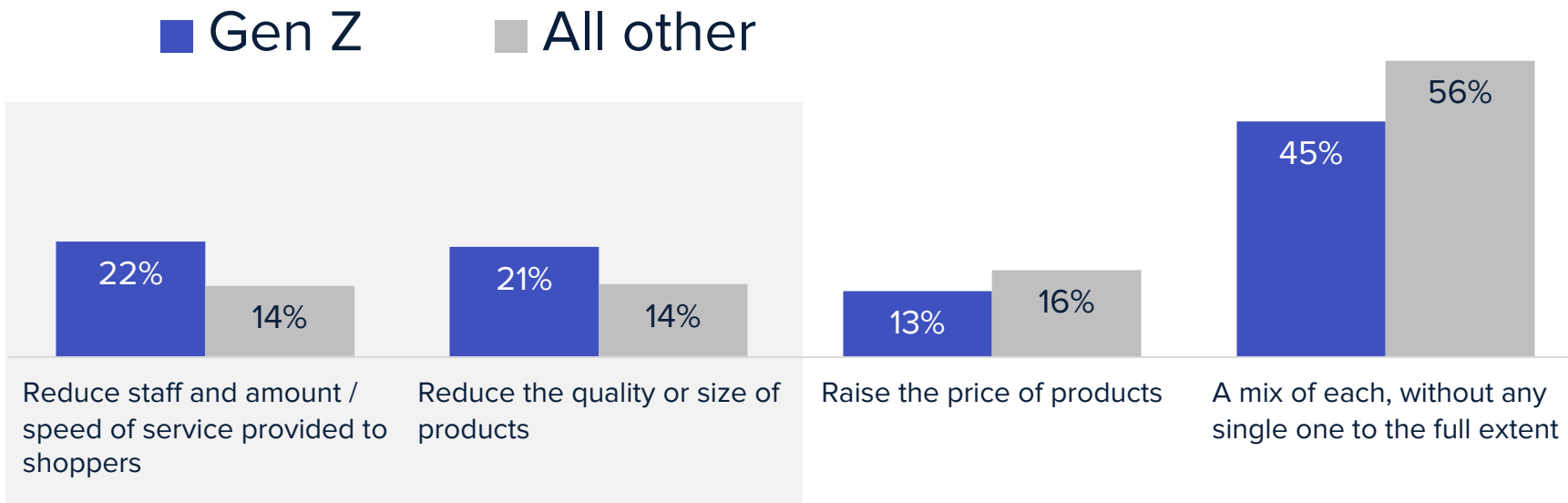
**-8ppt** Net Difference

# Non-Gen Z wants a blended retail approach to inflation

This differs from Gen Z, who are more likely to want retailers to sacrifice service and product quality before raising price. However, Gen Z does support a mixed approach more than other solutions as well.

## Preferred way retailers would adapt to inflation

“You may have seen over the past year that prices for products have gone up substantially. Assuming retailers also have higher costs which have forced them to raise prices, what would you most prefer retailers do in the current environment? Select the choice that best applies”



# When choosing retailers, shipping esp. matters to Gen Z

Gen Z may differ most from other generations in choosing where to shop by especially caring about speed and price of shipping options, even if product cost itself isn't better.

## Drivers of choice for retailers

“When you shop for products at a retailer, what most often drives you to choose that retailer over others?”

	Gen Z	All other
<b>Best value for the money</b>	32%	39%
Most convenient location to me	24%	26%
Lowest prices overall	24%	29%
Quality of products carried	15%	19%
Variety of products and sizes to choose from	15%	15%
<b>Fastest / cheapest shipping options</b>	14%	10%
A deal / promotion	13%	16%
Specific brands carried	11%	9%
Having the best service	11%	10%
Loyalty / rewards / subscription program	10%	13%
Having the most items in-stock	10%	12%
Trusting their cleanliness / safety policies the most	9%	8%
Having my preferred way of receiving products (e.g. order-ahead curbside, delivery, etc.)	9%	9%

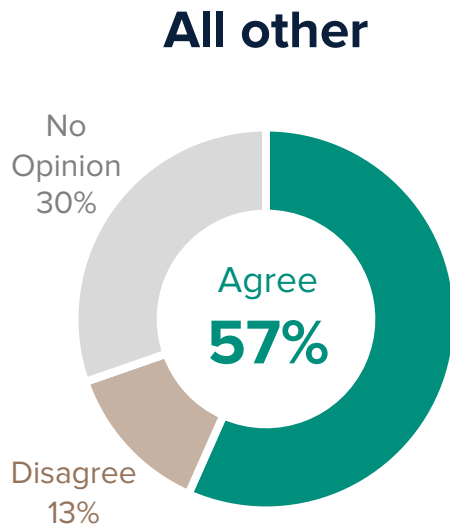
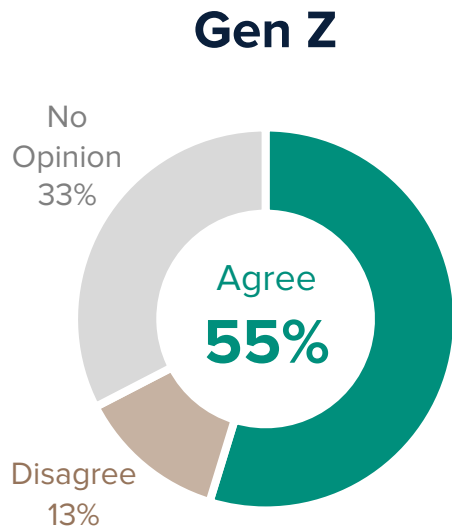
	Gen Z	All other
Wanting to support a business that has good values / stands for causes	8%	6%
Return / exchange policies	7%	6%
Other people I am with wanting to shop there	6%	4%
Hours of operation	6%	9%
Nicest atmosphere and layout	6%	8%
Wanting to support a local business	6%	5%
Partnership with a credit card / payment system I use (e.g. Buy Now Pay Later)	5%	4%
Crowdedness of stores	5%	6%
Noticing it from advertising or when driving / walking by	4%	2%
Parking available	4%	8%
Best website / mobile app interface	4%	4%
Other	4%	2%

# But e-com presence isn't the only thing that matters

Gen Z is much like earlier generations in recognizing retailers for their physical presence and trusting them more than an online only retailer.

**“I trust a store more when I know it has a physical location and isn't just online”**

% of respondents by answer choice, for each respondent group



### Gen Z vs. All other

**-2ppt** Agree

**-0ppt** Disagree

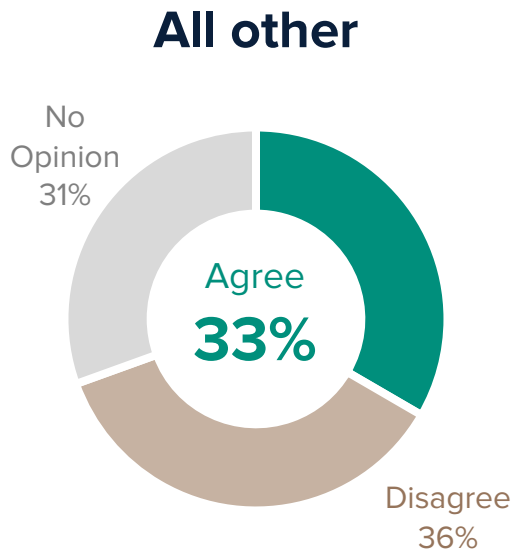
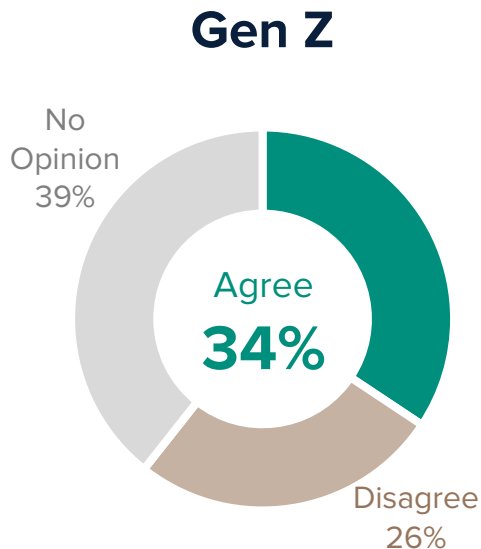
**-2ppt** Net Difference

# Gen Z is also holding onto COVID caution a bit longer

Though not major endorsers of retailers keeping mask-wearing requirements or other COVID-19 policies, Gen Z is a little different than older generations by being less likely to be against those policies.

## “COVID-19 precautions like mask-wearing should still be required by stores”

% of respondents by answer choice, for each respondent group



### Gen Z vs. All other

+1ppt Agree

+10ppt Disagree

+11ppt Net Difference



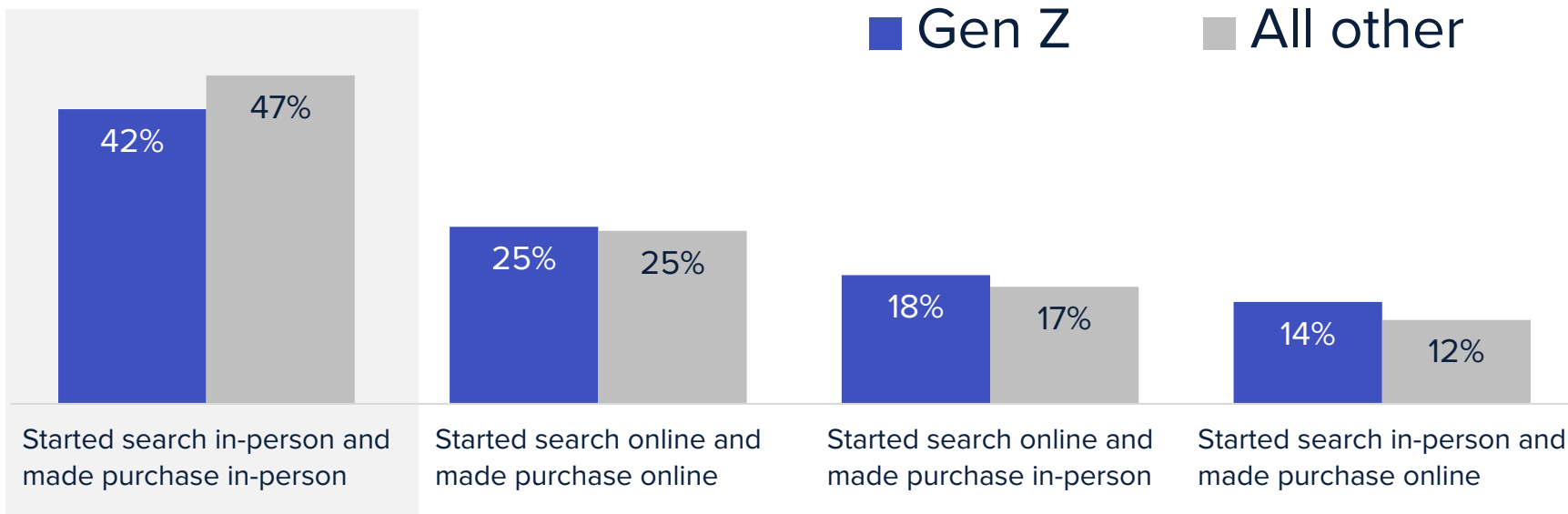
# The Gen Z shopper journey

# The Gen Z path is slightly more online or omnichannel

Though not by major differences, Gen Zers more often begin and/or finish their shopping path online instead of completely browsing and buying in a store. However, fully in-store is still most common.

## Shopper journey path for most recent purchase

“For what you last purchased, what best describes your journey as a shopper leading up to it?”



# When starting online, Gen Z is more time and knowledge-constrained to visit a store

## Reason for starting online, among those that did

“You mentioned you began your search process online. Why did you start there instead of going to a store in-person?”

Among those who started journey online for most recent item purchased.



# When starting in-person, Gen Z is more likely to do so because of shipping barriers or needing employee help

## Reason for starting in-person, among those that did

“You mentioned you began your search process in-person at the store. Why did you start there instead of starting online?”

Among those who started journey in-person for most recent item purchased.

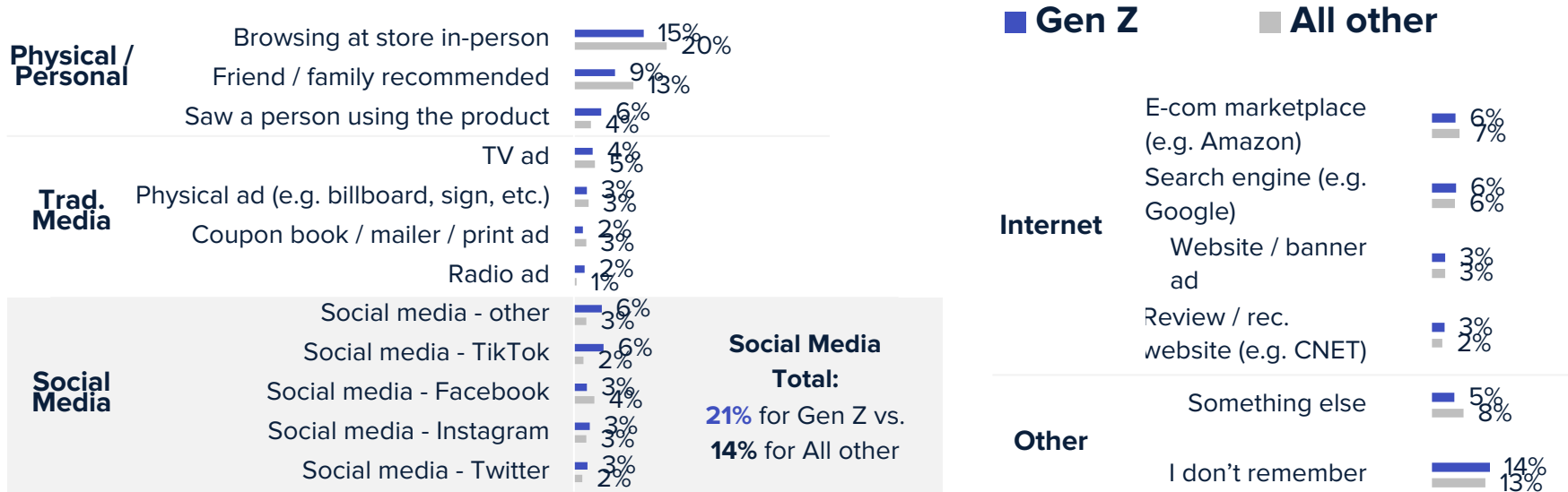


# Social media is 50% more likely to be how Gen Z found out about product than it is for other generations

TikTok is 3x as likely as it is for other generations, and more common than Facebook or Instagram

## How purchaser found out about item

“For what you last purchased, do you remember how you first found out about that brand of product specifically? Select the choice that best applies.”





# Gen Z and restaurants

# Gen Z similar to others in drivers of restaurant choice

Some minor differences include a slightly reduced importance of value or specific menu items, and slightly higher importance of advertising.

## Drivers of choice for restaurants

“When you get food from a restaurant, what most often drives you to choose that restaurant over others?” Max 3 selection.

	Gen Z	All other
Best tasting food	36%	37%
<b>Best value for the money</b>	27%	33%
Lowest prices overall	22%	20%
Most convenient location to me	22%	22%
<b>Type of cuisine / specific items I want</b>	20%	26%
A deal / promotion	15%	18%
Trusting their food handling / cleanliness the most	14%	12%
Having the best service	13%	12%
Having preferred way of ordering (e.g. drive-thru, delivery, etc.)	13%	12%
Other people I am with wanting food from that place	12%	13%

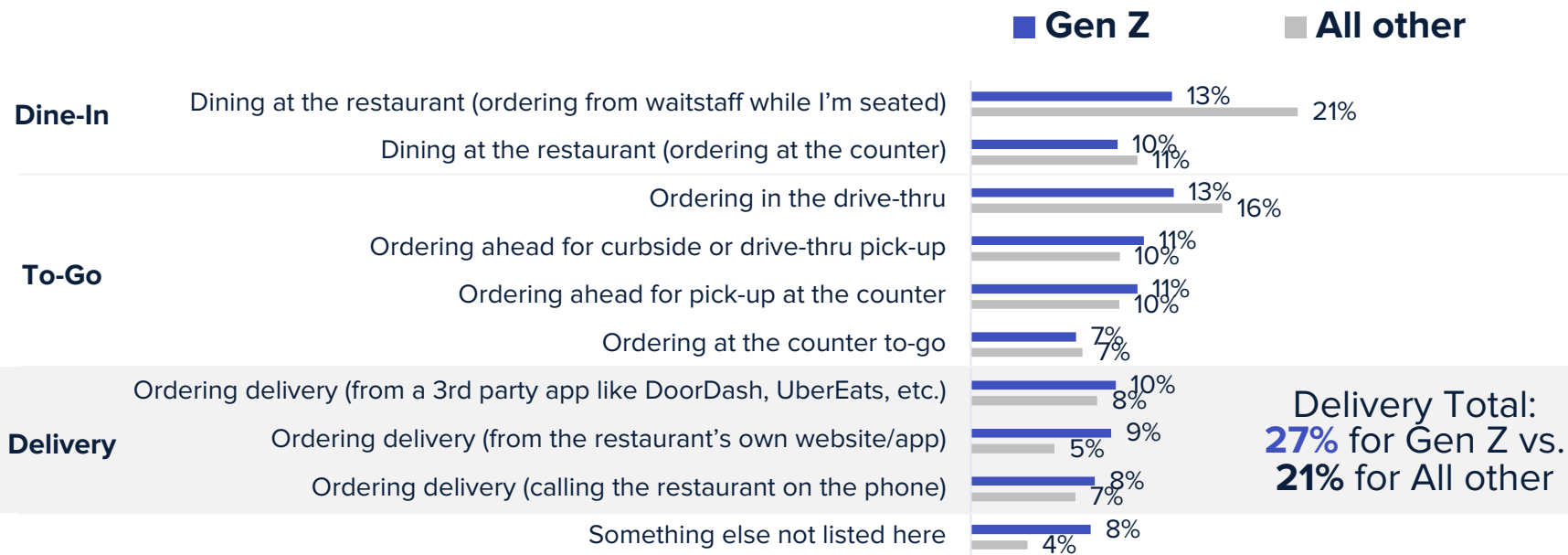
	Gen Z	All other
Loyalty / rewards / subscription program	10%	11%
<b>Healthier choice than other options</b>	9%	13%
Wanting to support a local business	8%	9%
Food best for keeping / storage later on	8%	6%
<b>Other</b>	7%	2%
Nicest atmosphere	6%	8%
<b>Noticing it from advertising or when driving / walking by</b>	6%	2%
Wanting to support a business that has good values / stands for causes	5%	4%
Partnership with a credit card / payment system I use	3%	2%

# But Gen Zers are especially big fans of delivery

Gen Zers underindex other generations in preferring to dine-in at full service restaurants, more often opting for delivery orders both through 3<sup>rd</sup> parties and directly through the restaurant.

## Restaurant order method preference

“Of all the ways to get food from a restaurant, which is your single most preferred way?”



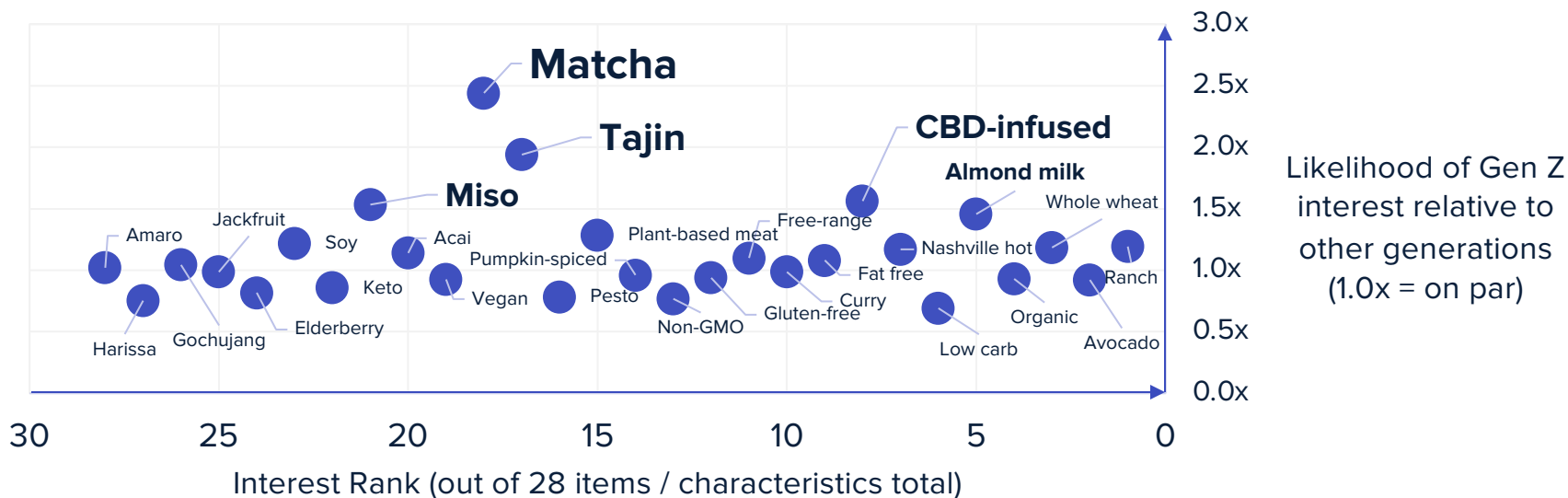


# Matcha, Tajin, CBD, & Miso are esp. compelling to Gen Z

Though these items are the ones where Gen Z overindexes in interest the most, interest is still highest for items that are also appealing to other generations, like Ranch or Avocado.

## Sought after menu items / characteristics

Which of the following, if any, are ingredients or phrases that make you more likely to choose a certain restaurant menu item if you see it in the description?

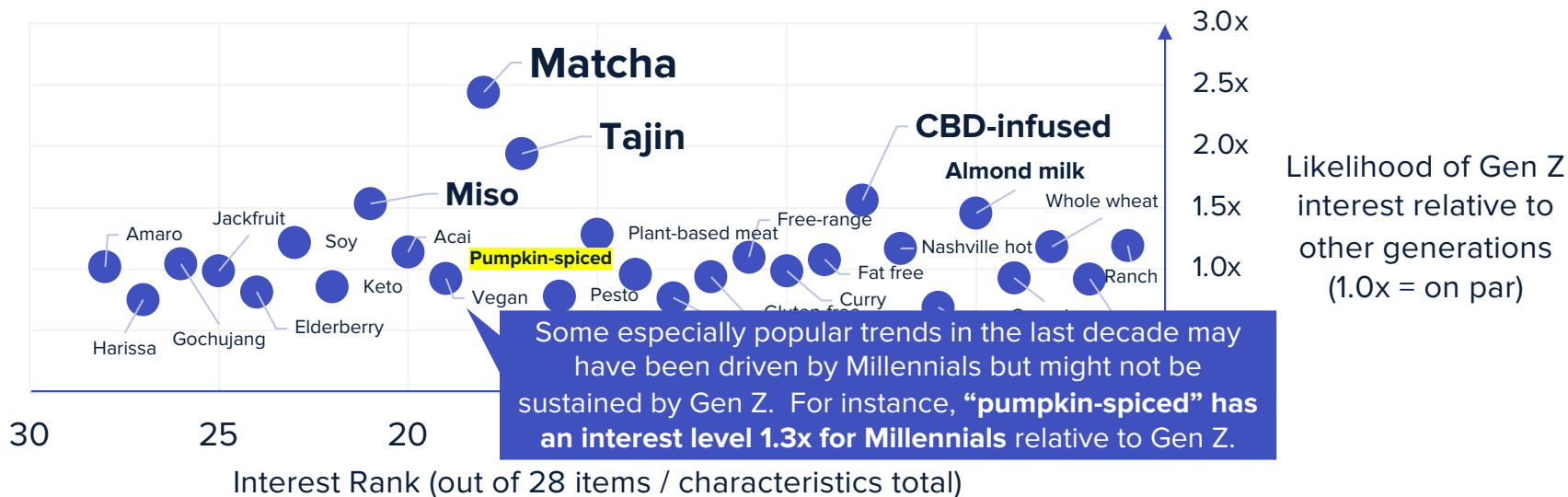


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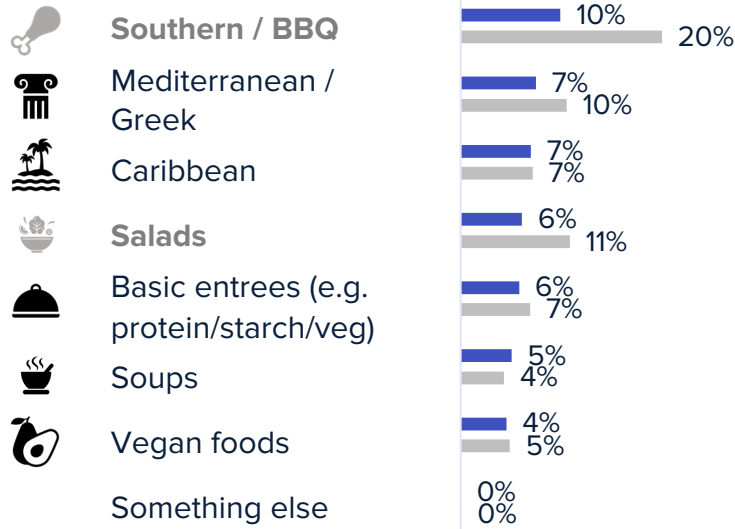
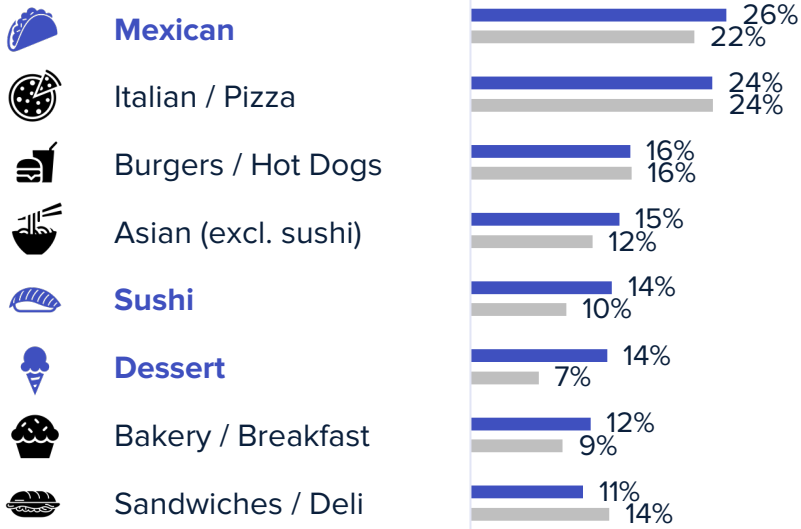


# Gen Z wants better Mexican restaurant options nearby

They also overindex other generations in wanting better Sushi options and Dessert options, caring less than the others about better Southern / BBQ options or Salad options.

## Better restaurants desired in local area

“If there could be a better selection of restaurants near where you live, what are the top one or two types of cuisine you wish were offered or were improved?”



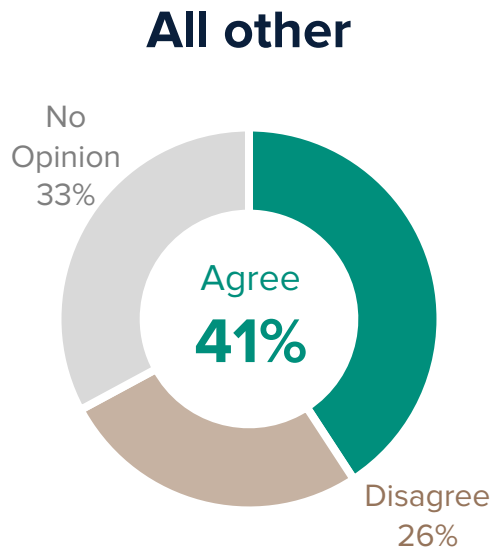
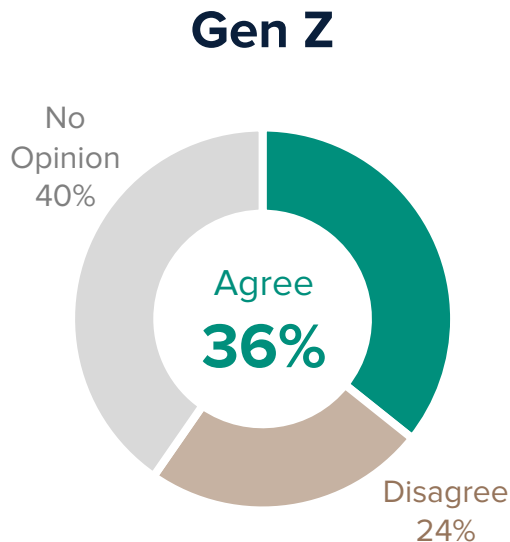
# Gen Z in the workforce

# Gen Z isn't necessarily sold on the college pitch

They are less likely than other generations to agree, and more likely to lack an opinion, on the notion that college is worth the cost.

## “The benefits of a college degree are worth the costs”

% of respondents by answer choice, for each respondent group



### Gen Z vs. All other

**-5ppt** Agree

**-2ppt** Disagree

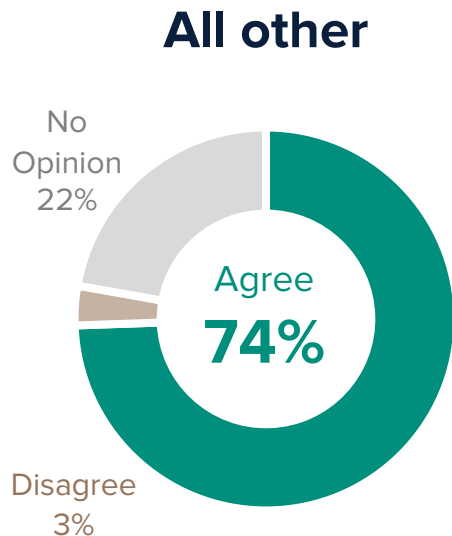
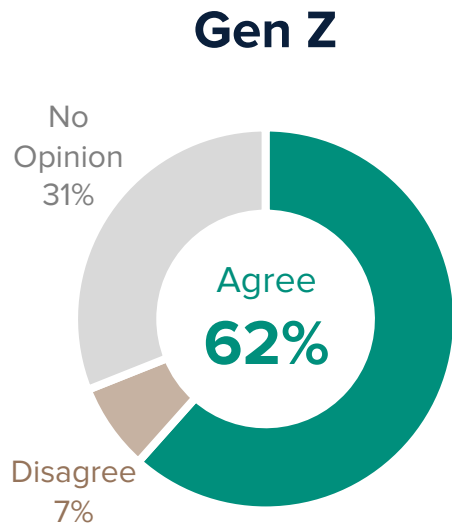
**-3ppt** Net Difference

# Gen Z is also not sold on starting work from the bottom

Gen Z is far less of a believer in getting early employment experience through a restaurant or retail job.

**“A job at a restaurant or a store is a good opportunity for a young person starting their career”**

% of respondents by answer choice, for each respondent group



### Gen Z vs. All other

**-12ppt** Agree

**-4ppt** Disagree

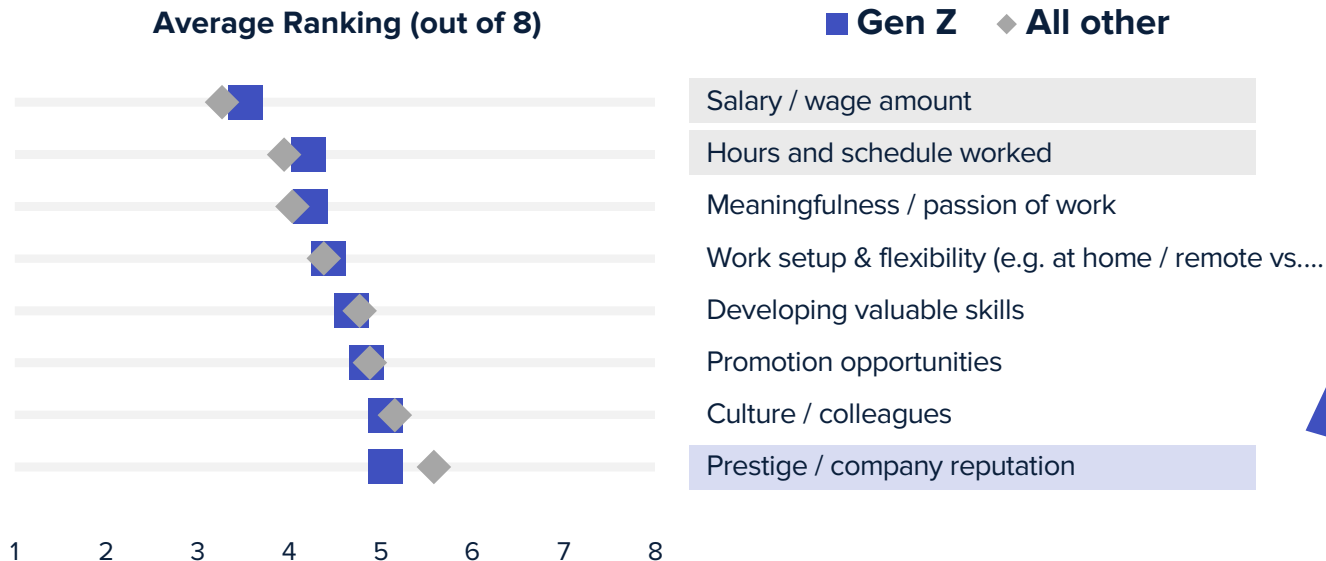
**-16ppt** Net Difference

# Gen Z job-seeking more balanced than just pay amount

Though the #1 factor for Gen Zers as it is for other generations, Salary / Wage Amount is ranked at the top slightly less often for Gen Zers, in favor of a variety of other factors instead.

## Ranking factors in choosing a job

“Where do the following characteristics rank in importance for choosing a job?”



Though Gen Zers care relatively more about prestige, it still ranks as one of the least important factors. They generally are motivated less than other generations are in the top 3 factors, however.

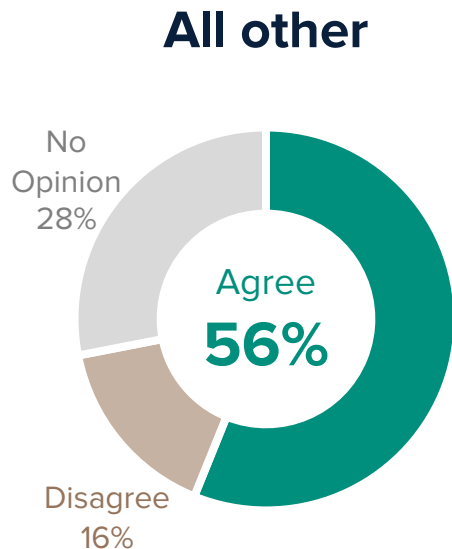
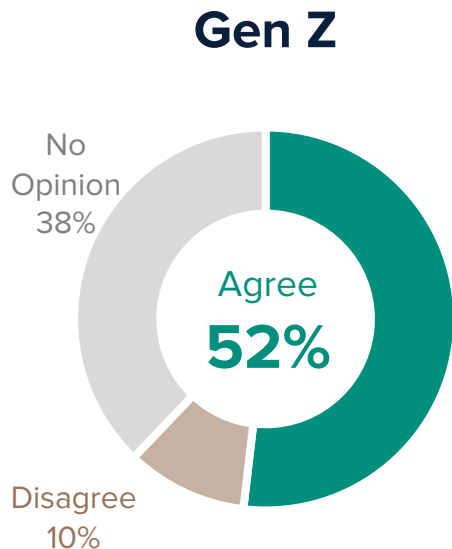
These findings hold true when looking at just aged 18+ Gen Z as well.

# Gen Z isn't pushing remote work more than others

The agreement / disagreement rates for allowing work-from-home don't differ much for Gen Z vs. other generations, with both groups more likely than not to support WFH permission.

**“A person shouldn't have to go into an office if their job can be done at home”**

% of respondents by answer choice, for each respondent group



### Gen Z vs. All other

**-4ppt** Agree

**-6ppt** Disagree

**+2ppt** Net Difference

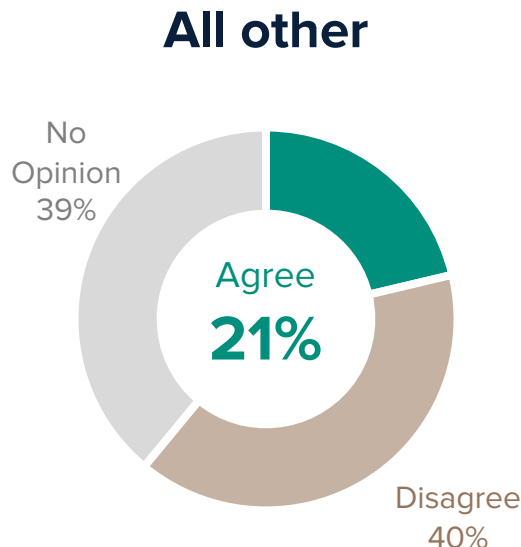
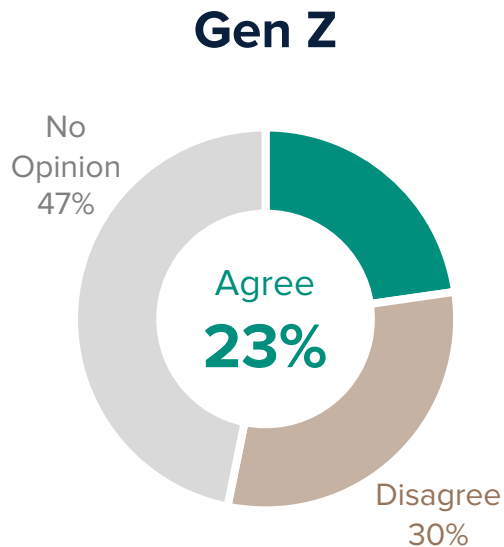


# Gen Z's liberal views don't connect to unions (so far)

Gen Z is less likely to have an opinion about employees being allowed to unionize, and is less disagreeable than other generations about corporations attempting to stop it.

**“It is fair for a corporation to stop its employees from unionizing”**

% of respondents by answer choice, for each respondent group



**Gen Z vs.  
All other**

**+2ppt** Agree

**-10ppt** Disagree

**+12ppt** Net Difference

# Recap

## Understanding Gen Z

- Gen Z self-reflects as being different from other generations mainly due to the unique lifelong influence of modern technology and sentiments about acceptance of others' differences and prioritization of mental health.
- **Lifestyle:** In terms of Gen Z behaviors, some of the most notable lifestyle differences are around the type of media consumed. Reduced use of traditional platforms like live TV and radio has been met with increased use of streaming services, especially overindexing in streaming audio like Spotify. In terms of social media, the rate of use across all generations (not just Gen Z) may now be high, but Gen Z is unique in their decreased emphasis on Facebook and higher emphasis on TikTok, Snapchat, and Instagram.
- **Shopping:** Gen Zers are more likely to be pleased with brands that take a stand on social issues (even if unrelated to their industry) and also ones that use celebrities to promote their products. They care far less about products being made in the US vs. elsewhere. Though more likely than other generations to feel certain product categories are worth “splurging on”, they do pose some risks to retailers by (1) being more skeptical about how loyal they could ever be to a brand, (2) being slightly more adverse to seeing gifts as necessary for occasions like holidays and birthdays, and (3) not, or not yet, embracing paid retail memberships for categories like Club or Amazon.
  - Their typical shopper journey skews more online-only or omnichannel, but not by much vs. previous generations and the single most common journey is still fully at brick-and-mortar in-person. When making choices about retailers, shipping terms (i.e. speed and cost) play an outsized role, both in terms of which retailer to choose for a shopping need and also whether to shop online vs. in-person. In terms of products, social media (and especially TikTok) play an outsized role too.
- **Restaurants:** Gen Z generally chooses where to eat for the same reasons as other generations, but does differ some on their wish list of future culinary trends. They're especially craving more Mexican, Sushi, and Dessert options in their local areas, caring less than prior generations about Southern / BBQ and Salads. Item-wise, matcha, miso, or CBD-infused items are among those that especially catch their eye.
- **Employment:** Gen Z prioritizes similar job characteristics as other generations (with salary being most important), but differs more in views on how good jobs are attainable. They are slightly less confident about the costs of college being worth it, or starting in low level jobs at restaurants or retailers being a good starting path. Those industries looking to resolve labor shortages by better attracting Gen Z workers may need to better reach them through the types of media they consume and re-position the value prop of that type of work to alleviate this.

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Questions?

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Thank You