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Lifestyle or Life Stage: Are we Misinterpreting Gen Z?

by Marie Driscoll
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When talk turns to engaging Gens X, Y and Z and their attitudes toward the consumption of products and services, one overused word often comes to mind: experiences.

At its second annual Luxury Roundtable 2017, Luxury Daily brought together roughly 100 marketers with more than a dozen panels and keynotes to focus on these younger cohorts.

If, as so many posit, today's youth don't want stuff and they truly have an alternative lifestyle, luxury and other brands will have to contend with reduced demand from developed nations for the next 20 or so years. On the other hand, if the consumption patterns of millennials and Gen Z merely reflect their life stage, the outlook for branded products is considerably better. So the question that ran through each discussion was: lifestyle or life stage?

Bob Shullman, founder and CEO of The Shullman Research Center, put it best during the panel, “How to Manage Generational Differences in Building a Luxury Brand,” saying, “It is our assessment that millennials are experiencing a life stage like previous generations. However, they are digital natives and, as such, are living a lifestyle that is materially different than all the generations that preceded them that revolves around their digital devices and social media channels.”

JP Kuehlwein, principal at Ueber-Brands, essentially concurs with Shullman, expressing on an “Experiences Over Acquisitions, Memories Over Stuff” panel, his surprise that every generation thinks it is unique in its cultural revolution and the change it drives.

“We see an intersect of the generational aspect—less materialistic, a cohort that wants experiences and to enjoy life before they have children and settle down and get greedy. But this is no different from the last generation,” Shullman said. “If anything, millennials are much more corporate, more consumer than the boomer generation that lost itself in India for a month at an ashram. Now millennials hop on a Norwegian Shuttle and go to Iceland for a weekend of fun; [it’s] much less of a lose-oneself/find oneself effort.”

But whatever the motivations, the actions, he said, are simply a cyclical thing, which we see with each new cohort at this life stage. As an example, he said though once-hot Abercrombie & Fitch is out of favor now, there’s still an Abercrombie effect. It’s now just something like a Joe and the Juice, juice bar. Youngsters are just buying juice instead of sweatshirts.

But just because we’ve seen these behaviors before doesn’t mean there’s not a challenge for today’s marketers. “On the other hand, everything has changed with the Internet and transparency,” Kuehlwein said. “There are new requirements around what it is to be authentic and inclusive and that brands need to address.”

Story telling, according the Kuehlwein, is just the beginning. Myth making takes the concept deeper but even that’s not where a brand will reap its biggest rewards. The store, and everyone from the C-suite to the mailroom has to buy in so the brand’s message is conveyed naturally and not just as a marketing ploy. “If you expect to earn a premium, this will be necessary in the evolution of the authenticity of the brand,” he said.

The demand for experiences is real

Meaningful and memorable experiences can and do drive consumer engagement, purchases and loyalty.

Thomas Serrano, president of Havas Luxe spoke to Coach’s ability to resonate with millennials by “Transforming the act of buying into an experience. This is happening increasingly through personalization in-store and it adds value as consumers feel that they celebrate their individual style while getting a unique product. The most important aspect is to make your consumers join your brand—with an emphasis on join—and feel that he or she belong to your community.”

Charline Santos, associate director of strategy at Walter Isaacson, picked up on the idea of community and brought a multi-cultural perspective to the discussion of lifestyle or life stage.

“We view it as a mindset and a life stage. We add an extra layer and see it as a combination of art, science and philosophy. We look at the values that drive who they are, the motivations, the drivers and tension points,” she said. “From a multi-cultural perception, we see more traveling among Black and Hispanic consumers. Community has a huge impact in the way they think about luxury.”

Santos pointed to the Nomadness Travel Tribe, as an example. This invitation-only social travel platform offers authenticity and community by requiring that members have a minimum number of stamps in their passport.

Millennials are not one homogenous group. Aaron Berger, VP Ketchum, co-leader GenZennial Expertise Group sees smaller factions who don't all share the same values.

“Millennials are incredibly diverse, with a heightened awareness about what is available and what is authentic. Life stage is the key definer in what they purchase. Brands that find a niche, understand their worth, and are self-aware enough to understand how they fit into a millennial's life stage will win their loyalty” Berger said.

Gen Z does drive purchases

In her keynote “Emerging Gen Z Powerhouse, The Driving Influence on New Consumer Spending Patterns,” Farla Efros, president of HRC Retail Advisory, said, “Connected from morning to night, Gen Z is the mini CEO in your house, influencing and driving purchase decisions from apparel and jewelry, to where and what to eat. Their parents have given them the power to be influencers.”

Who influences them? According to Efros, its social media, where their friends top the list at 95 percent of the time, followed by bloggers at 87 percent, with top models trailing at 47 percent. More than 90 percent of Gen Z have three or more apps running through the day, with more than 50 percent of this cohort on YouTube and Facebook daily.

The good news is that Gen Zers are bringing their millennial and Gen X parents back to the mall.

According to Efros, 72 percent of Gen Z consumers visit the mall monthly and 30 percent go every week; 56 percent spend more than 90 minutes at the mall visiting three to five shops. They use the Internet to research product and go to the mall to touch, try on and with the clear intention to buy (56 percent). Fifty percent shop with their parents, getting them back in the mall—if only to pay for their purchases.

Gen X, Y and Z are consummate shoppers with access to information and points of sales around the world at their fingertips. This makes them highly demanding in terms of quality, price and service.

Perhaps material satisfaction doesn't come easy with this level of product intelligence. For millennials, coming of age during weak economic times and experiencing the Great Recession of 2008-2009 has left scars on their psyche. Some postulate this cohort underspends their income level in response to seeing their parents and older siblings lose their jobs (and careers and social place and meaning), similar to the impact the Depression had on the Silent Generation. We can observe millennials opting for experiences over products, but we see that among Baby Boomers too. The good news is the early read on Gen Z is they love shopping (and stuff).

Marie Driscoll, CFA is an industry analyst focusing on apparel brands, retailers and luxury goods and providing consulting services to academia, industry, investors and non-profits through her firm, [Driscoll Advisors](#).