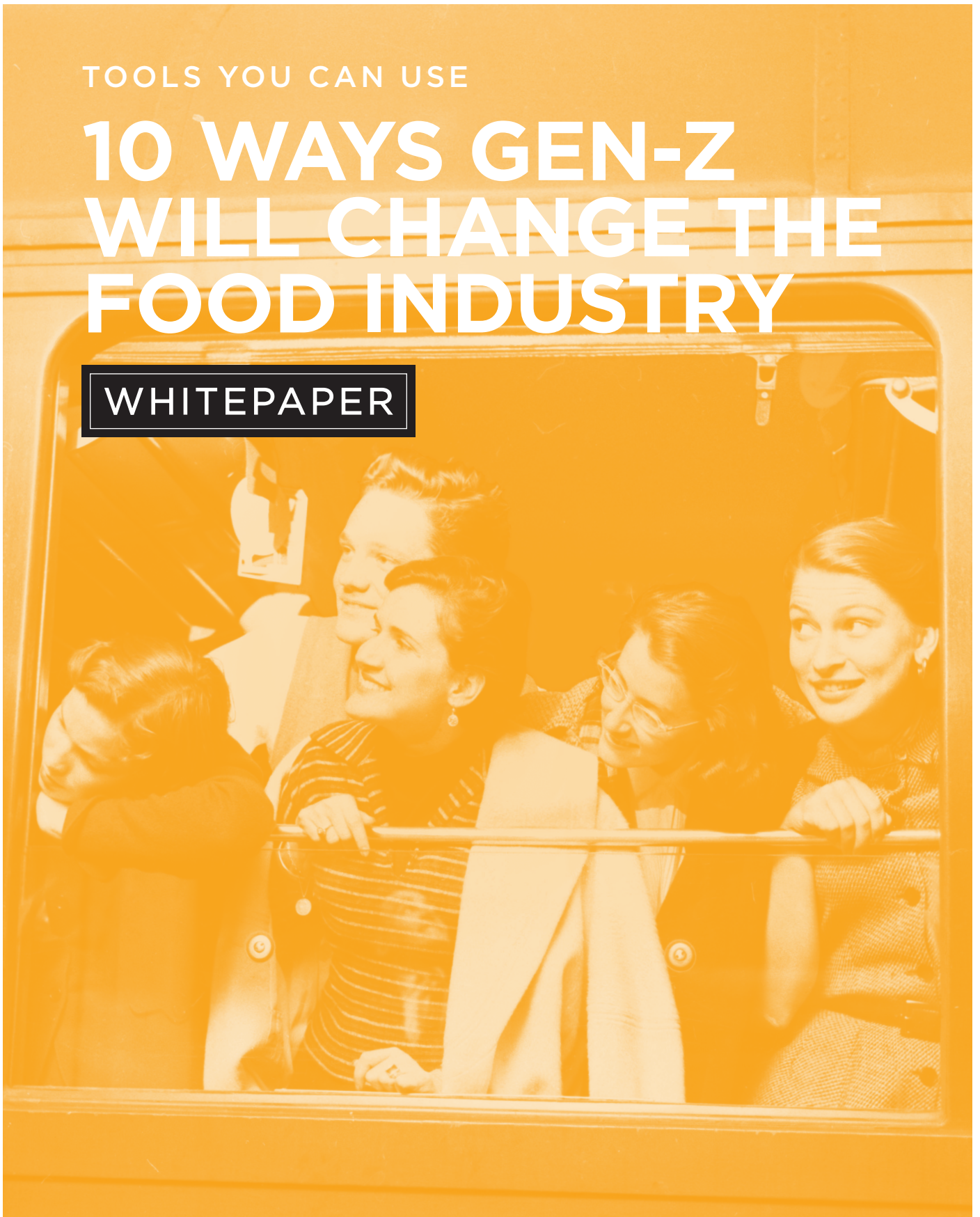


TOOLS YOU CAN USE

# 10 WAYS GEN-Z WILL CHANGE THE FOOD INDUSTRY

WHITEPAPER



WATER STREET  
Marketing for Manufacturers

# MAKE WAY FOR GEN-Z

The future is here, and it has shown up armed with unlimited knowledge, Chipotle and cell phones. This tolerant and ethnically diverse group is typically called Generation Z, iGen, or Post-Millennials. The defining factor of this newest generation of shoppers is they were born between the mid-1990s to mid-2000s. They make up 25% of the U.S. population, making them a larger buying brigade than the Baby Boomers or Millennials.

They are the most formally educated generation ever, the most technology-supplied generation ever, and the most globally fluid generation ever. Gen-Z has never known a world without the internet, and the younger ones have never known a world without smartphones. Google has always existed in their world; there is no question that can't be answered. The first generation to grow up entirely in the digital age, they want to know it all, taste it all, and have it all—right now.

Generation Z spends an average of up to 5 hours a day online, by 2020, they will command 40% of consumer shopping. This generation will affect the economy and food manufacturers dramatically, considering their favorite items to spend their money on (36%) are food and drinks according to [Visa]. They are a foodie buying force that needs to be reckoned with, ASAP.

## GENERATION Z SHOPPING HABITS



**36%**

OF INCOME IS SPENT  
ON **FOOD & DRINKS**



# 10 DETAILS FOOD MANUFACTURERS NEED TO KNOW ABOUT GENERATION Z:

## 01. BRAND LOYAL? NOT SO MUCH

Gen-Z could care less about staying loyal to a brand for loyalty's sake. They are not interested in having a brand make them "feel" a certain way, convey a particular status, or help them express who they are. You won't find many of this generation wearing brand names plastered on their goods. Also, in a global economy with so many choices, they see little reason to stay loyal. They make decisions based on what fits their needs, aligns with their ethics, solves their problem, and is most convenient. Brand trust will need to be built and nurtured by alternative marketing platforms, experiences, and technologies.

## 02. TRANSPARENT

These young folks are smart and very savvy. They want transparency in every way when it comes to the products they buy. Whether it's labeling, sourcing, ownership, messaging, or even a social media campaign, they are interested in products that reflect reality — not a false version of a "perfect life." They can find out about your product and company culture in a matter of seconds. Shoddy reviews, company culture, ethics in sourcing can all be found online, and they research — a lot. They even lean toward [mid-tier social media influencers](#) over celebrities. They trust their peers to be telling them what is good, over any person or brand. Brands are going to be expected to be genuine and transparent to stand out. We have a lot more to say about this - check out our white paper on [Transparency](#) where we break down how to attain the trust you need from your consumers.

## 03. FAST & CONVENIENT IS SUPREME

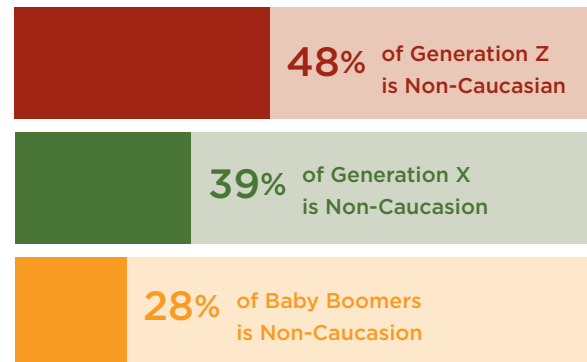
They are living in an on-demand economy, where anything they want is available at the touch of their fingertips. Brands who can deliver faster and more conveniently will rise above the rest. Marketplaces that fulfill consumer demand via immediate access and facilitate convenient provisioning of goods and services are the future of retail. Even when it comes to CPG's they want quality goods but the ease and convenience of home preparation.

## GENERATION Z SHOPPING HABITS

# 50%

LOOKS ON THEIR PHONE  
FOR A **BETTER PRICE** WHILE  
**SHOPPING** AT A RETAIL STORE

## WIDENING THE DIVERSITY GAP



### 04. GLOBAL TASTE BUDS & ETHNICALLY DIVERSE

More and more of the world is coming online, and Generation Z views themselves as global citizens. With that diverse exposure, comes the openness and curiosity of “global flavors.” The demand for these innovative flavors will grow, with globalization. The Census Bureau reports that 48% of Generation Z is non-Caucasian. Being part of the most racially diverse generation in America will be significant to this generation in having the ability to connect to marketing campaigns.

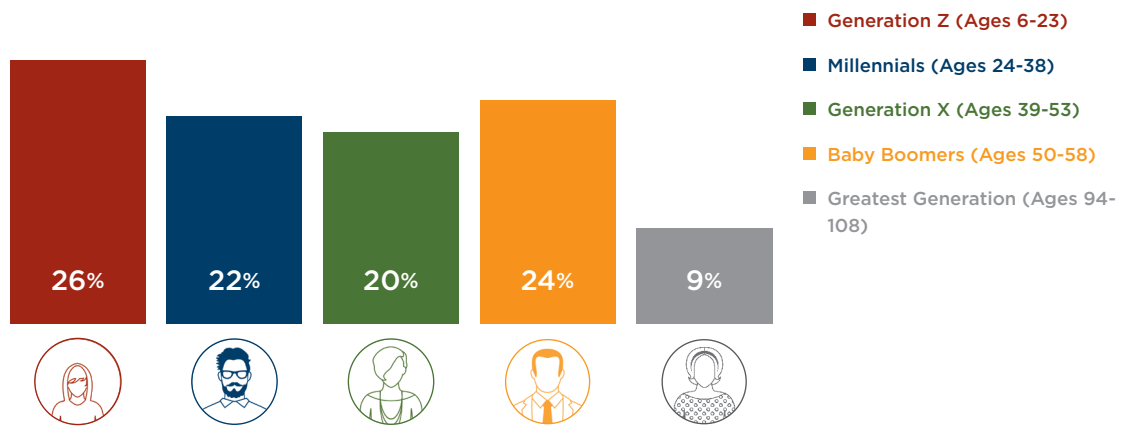
### 05. MONEY MATTERS

Remember this generation grew up during the great recession, and they know the value of a budget or DIY project. They are pretty driven to save, and being more budget conscious means cost is a huge determining factor for them; unlike their millennial organic food-loving pioneers, who will spend their entire paychecks at Whole Foods. Quality-made ingredients are important, but with the crowded and entrepreneurial food market, it has become more affordable for them to be accessible. They understand value and are well aware of what you can and should be getting for your money. 50% of Generation Z looks on their phone for a better price while shopping at a retail store.

## GENERATION Z SHOPPING HABITS

**61%**  
RESEARCH PRODUCTS  
ON A **CELL PHONE**  
WEEKLY

## BUYING POPULATION



### 06. TECHIES

The fact that this generation is tech-savvy is a given. They also view digital technology as more of a tool than an abstract communal playground. So, what does that mean for food manufacturers? For starters: To reach this generation, [you will need to be immersed in the digital world.](#)

- **61%** of Gen-Z researches product on a mobile phone at least weekly..
- **34%** want brands to reach them on social media [[Deep Focus](#)].
- **64%** are more likely than other generations to trust somewhat or completely the content on mobile apps from brands, as well as text messages from brands. [[Grail Research](#)]

Gaming culture, AR technologies, digital marketplace apps, and social media tools, will be part of this digital marketing frontier to resonate with this generation.

### 07. DO-GOODERS

Gen-Z is apprehensive about the world, and they want to make a difference in it. 26% of 16- to 19-year-olds currently volunteer, and 76% are concerned about humanity's impact on the planet. They want opportunities to effect positive change, and we can expect them to become generous givers to charitable organizations as adults. They will lean toward brands that make ethical decisions and give an opportunity to the consumer to make a positive impact. Just making stuff will not be enough, you want to stand for something.

### 08. AESTHETICS

As mentioned above, big brand labels aren't that valuable to this generation. We're in a time that is almost a design renaissance for packaging. Everyone has gorgeous and decadent branding now, but Gen-Z will not care as much about beautiful boxes as they will care about labeling that helps them quickly make a decision in an overly crowded market. Bold organizational colors, clean design, clearly descriptive and honest labeling will be what this generation will grab off the shelf. 60% would rather have a cool product than a cool experience [[Vision Critical](#)]. Just make sure they are clearly aware of what that product is on the shelf.

### 09. LEADERS OF THE PACK

Restaurants like Chipotle or Panera are popular with Gen-Z because they're accessible, tech-friendly and use clean ingredients. Not to mention, they're fast. Gen-Z has an attention span of four to eight seconds, so patience is not a virtue to them. Plus, these fast casuals offer the ability to make mobile purchases. [Brandless](#) is another company who is nailing the Gen-Z market. They have a stripped down, functional and honest approach to packaging, and they offer quality products at affordable pricing. The buying experience is digitally streamlined, and their social media presence is smart.

### 10. OPEN HEARTS & MINDS

This generation is steeped in reality, yet according to research, they appear to be one of the kindest and most tolerant of recent generations. They care tremendously about the future of their world, and they are accepting of diversity, refusing to label and box people in. They don't seem to care as much about what you do, whom you love, or what you look like. They just want genuine and authentic when it comes to the brands they will support. They are willing to give you a chance if you can give them what they want and align with their values of tolerance and equality.

This is very exciting for the future of food manufacturers, as long as they can adjust with a quickly changing marketing world. Food brands are typically rooted in genuine stories, community and culture, and can easily find a connecting thread to this generation. Digital technology advancements will be rapidly changing the marketing landscape. The difference between a current 5-year-old and a 20-year-old's world will be vast due to innovation in technology. Knowing how to be strategic and adjust to this rapidly changing market will be imperative for food manufacturers. The reality is where Gen-Z goes, so goes the world.

## QUICK TIPS:

# THE DO'S AND DON'TS FOR MARKETING TO GEN-Z

### DO



#### SEARCH FIRST

Gen-Z never leaves home without their phone, and have never known a life without Google when they have questions. Make sure you're at the top of the search list when they need answers.



#### HAVE A GOOD ETHOS TO BACK UP YOUR BRAND

With Gen-Z, brand names aren't as important as having a good ethical background.



#### BE TRANSPARENT

Be Honest. With your labeling, sourcing, ownership, messaging, etc.



#### GO GLOBAL

Gen-Z sees themselves as global citizens. Take their curiosity and knowledge and give them diversity.



#### INVEST IN TECH

Gen-Z sees themselves as global citizens. Take their curiosity and knowledge and give them diversity.



#### STAND FOR SOMETHING

76% of Gen-Z is concerned about humanity's impact on the planet. They will lean towards brands that have a positive impact on the world.



#### KEEP IT QUICK

6-8 seconds is all you have for the attention span of Gen-Z. Use it wisely.

### DON'T



#### UNDERESTIMATE THE BUYING POWER OF GEN-Z.

By 2020 they will command 40% of consumer shopping.



#### INVEST IN CELEBRITY AMBASSADORS

Gen-Z is all about social media influencers. They relate to the influencers and think of them as their peers. They trust their opinion over someone who they only see in movies or TV shows.



#### SLEEP ON GEN-Z

They can have almost anything they want with the swipe of a finger. Be the brand that can deliver fast and convenient right to them.



#### DISREGARD THE DIYERS

The majority of Gen-Z is going to be budget conscious and big DIYers because of that. With a saturation of choices in most things they're buying, keep your pricing competitive.



#### DISREGARD AESTHETICS

Gen-Z wants to see clean, simple, clearly descriptive packaging. Don't overdo it with elaborate packaging that's not clear to the consumer what they're buying.



#### BOX THEM IN

They are open in their mind and hearts, and want the brands they buy from to reflect that belief too.

**Water Street is uniquely positioned to serve the marketing needs of manufacturers. We specialize in creating product launch campaigns for B2B2C brands.**

A strong identity and an effective tagline are great to have in the marketing toolbox, but we know it takes more than just good design to sell products. It takes clear, consistent messaging that confidently communicates your brand story, and its value proposition, all the way through the sales channel.

Consumer-facing content is not enough. Before a customer can stand in the store reaching for your product, you have to win that space on the shelf.

We understand the challenges facing a sales team that is more often than not selling your products to another seller. We help sales teams pitch their product, package, price, and program to retail merchants. We also develop sales programs for distributors who represent your brand and training tools for store associates who are on the front line of consumer interaction.

In the end, what we bring to the table are thoughtful solutions, inventive designs, and the tools you need to be successful.

*We've done it before, and we can do it for you.*

Retail, Distribution & Sales Team Tools  
Digital Marketing Campaigns  
Package Design • Point-of-Sale  
Catalogs • Events



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