

5 Simple, Science-Backed Ways Entrepreneurs Can Connect With Gen Z

This age cohort already boasts \$500 billion in buying power. What have you done to appeal to them?

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Whether you're prepared for their impact or not, Gen Z is already here. This group, which makes up over one-fourth of the U.S. population and includes those born from the mid-1990s to the early 2000s, has already begun to enter the workplace and is becoming powerful consumer group.

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For entrepreneurs who want their business to stick around for the long haul, understanding how to connect with and appeal to this increasingly important demographic group will be vital for future success.

It shouldn't come as much of a surprise that Gen Z's marketing and media consumption preferences differ from those of the generations that have come before. This doesn't mean they're impossible to reach. It just means you need to alter the traditional approach to marketing – using the following five simple ways:

1. Cultivate authenticity with micro-influencers.

Influencer marketing has been on the rise for several years now, in large part due to Gen Z's preferences. Big-name celebrities can still influence buying decisions, but *micro-influencers* are playing an increasingly important role in digital marketing campaigns. With follower numbers typically under 100,000, these individuals tend to be more engaged with their passionate niche audiences.

Due to these closer connections, micro-influencers are viewed as being more trustworthy and relatable by Gen Z, and their influence can directly impact buying decisions. Campaigns that use micro-influencers and were studied by Hootlet typically increased their engagement rates by 60 percent, and that scenario increased brand awareness while generating sales and leads.

The right partnership can help you make a great first impression with Gen Z.

2. Leverage the power of digital 'third places.'

Where do Gen Z's members hang out? In a phone interview, Esther Crawford, CEO of Squad, told me. "Traditionally, we've associated 'third places' with physical locations like coffee shops," she said. "With Gen Z, however, there is an increasing transition to digital hangouts."

She continued: "For example, people connect by playing together on Fortnite, or in the case of our app, by screen sharing phone activity with friends. Entrepreneurs need to focus on reaching Gen Z in these digital third places where they hang out after school or work."

Entrepreneurs should be mindful of the fact that just because young people are physically alone while browsing on their phones, this doesn't mean that they want to be socially isolated. Content-sharing and other digital experiences are becoming increasingly important. So, savvy entrepreneurs will create new digital hangouts – see Facebook Spaces as an example – or find ways to integrate their own content with pre-existing third places.

3. Don't overlook brick and mortar.

Though the “third places” adopted by Gen Z are increasingly digital ones, this doesn't mean that they have no interest in visiting a brick and mortar storefront. In fact, multiple surveys have found that a large percentage of Gen Z shoppers prefer visiting a physical store for their primary shopping experience, finding it easier to browse, navigate the returns process or avoid shipping delays.

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As Christine Alemany noted in an article for *Entrepreneur*, many “digital-first” brands are already starting to adapt to this shift in buying preferences: “To satisfy this subgroup of younger consumers, the once-online-based eyeglass behemoth Warby Parker has opened brick-and-mortar stores to create that in-person browsing experience,” Alemany wrote. “Consequently, Warby Parker is set to hit the 100-store mark soon.”

4. Value-based marketing matters.

Gen Z is extremely socially conscious, and this also plays into their buying decisions, with over 50 percent of this group – according to an MNI Media report– saying that “knowing a brand is socially conscious influences their purchasing decisions.” Members of Gen Z want to engage with brands that

align with their values, and they appreciate value-driven messaging. They want to see brands that value diversity, inclusion and social progress.

For example, in Canada, Axe's #PraiseUp campaign encouraged young men to share positive praise for friends and others on social media, in an effort to distinguish itself from the negative traits typically associated with manhood and online behavior. Gillette's recent controversial ad highlighting the harm of toxic masculinity may not have appealed to everyone, but it is the type of socially conscious messaging that Gen Z will connect with.

5. Highlight your entrepreneurial spirit.

An Accounting Principals survey found that, compared to millennials, Gen Z was "55 percent more likely to want to start a business" – and that many had already demonstrated their entrepreneurial finesse through social media branding. Indeed, social media has proven to be the foundation for many successful Gen Z entrepreneurs; online, they've earned fame and success with projects ranging from fashion to product reviews.

Savvy brands will also connect with Gen Z's entrepreneurial spirit by highlighting those young people's experiences. As Syed Balkhi wrote on *Entrepreneur*, "City Girl Coffee Co. attracts a Generation Z audience and promotes entrepreneurship by utilizing hashtags on Instagram like #GirlBoss, #FemaleEntrepreneur, #FemaleOwned and #WomenEmpowerment.

"You could share your own story of how you started your business to inspire Gen Zers," Balkhi continued: "Create social media images showcasing young entrepreneurs, or choose young business owners as brand ambassadors. Cater your marketing messages to aspiring Gen Z entrepreneurs and you'll

be sure to capture their attention.”

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Sounds like good advice! Gen Z’s buying power, after all, already exceeds \$500 billion, and this number will only continue to grow as more members of this cohort reach adulthood. While not every entrepreneurial endeavor will have natural appeal for Gen Z, businesses that ignore this rising group do so at their peril. By implementing these strategies as part of your own marketing efforts, you can form stronger connections and ensure better results for your brand’s future.

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