



Management
Consulting
Group

MCG Gen Z Awareness Matrix - How to successfully gain Gen Z's awareness?

Written By: Bobby Huang, Tom Nguyen, Justin Ng, Katelyn Tam, Spencer Chang

Edited By: Sooraj Ruparelia, Safwan Patel

November, 2022

Awareness Among Generation Z

Since the pandemic's beginning, researchers and marketers alike have discovered a drastic difference in how consumers purchase, compared to how they once did. Modern digitalization has provided companies with the opportunity to reach consumers on a much larger scale, through different channels of marketing digitization such as Instagram, Snapchat, Facebook, TikTok, etc. Companies utilize such platforms to reach the new generation - Gen Z, who are consumers that are interested in online-driven approaches, social causes, and personalization and will invest in a product that not only matches their personal value but one that can be sustainable and efficient for the foreseeable future.

Social Media's promotional effect:

Through this age of digitalization, Gen Z consumers have begun to expand their options and the purchasing power in which they pursue. A recent study conducted by [SalesForce](#), a leading firm in customer relations and marketing automation, expressed that 60% of Gen Z consumers are now discovering and purchasing their products through social media channels. According to research from [Response Media](#), brands that have implemented digitized marketing strategies have benefited from an increase in revenue of 45% on average, while social media campaigns in applications such as Instagram and TikTok accounted for 30% of those increases. In addition, a study conducted by [Google](#) found that YouTube Short-Films that play before, after, or between videos, is emerging as one of the most effective ways to reach Gen Z on a much larger scale due to the influx of viewers, along with other top social media platforms such as TikTok, Instagram, Facebook, and so on. This influx in viewers across platforms is due to the [50% of Gen Z consumers who utilize social networking platforms on a daily basis](#).

What resonates with us?

Another study reported by [First Insight](#), a data-driven marketing analytics platform, stated that Gen Z consumers are more willing to purchase a product in which the company shares the same values and goals as the consumer, and are willing to pay 10% higher for a premium in order to support such a company. Furthermore, the ability for Gen Z consumers to personalize and customize their products provides them with the incentive to purchase. A study provided by [McKinsey and Company](#) stated how Gen Z consumers are 80% more likely to purchase a product should they be able to create a more personalized and tailored version for themselves that they can utilize for their specific needs and wants. By offering a more tailored experience for the consumer, they will be more inclined to purchase again as they will remember the experience of which they had with that organization.

Over time, marketing strategies that have become the most prevalent among the successes of organizations have been sustainability, personalization, and the aspect of consumer relations ([SalesForce](#)). In order for any business to be attractive to Gen Z, firms must be able to constantly adapt their marketing strategies in order to retain consumers, and inevitably increase revenues in the long term.

Marketing in Action

As of 2022, Gen Z has [\\$600 billion USD](#) in spending power and makes up [40% of the world's consumers](#). Their buying power will only continue to increase when the Gen Z audience gets older and earns sustainable incomes. Here are some examples of brands with successful Gen Z marketing strategies:

Patagonia on sustainability:

According to [YPulse](#), [Patagonia](#) is among Gen Z's top 15 favorite fashion brands. The B Corp-certified brand is often known for its environmental sustainability efforts. Above and beyond just showing support, Patagonia is loved by Gen Z for its complete transparency about its waste, suppliers, and environmental goals. Most recently in September, [Patagonia's founder Yvon Chouinard, announced his ownership transfer to "planet Earth"](#) and all future profits will be donated to fight the climate and extinction crisis. "Earth is now our only shareholder", the 83-year-old businessman wrote in his open letter. The announcement was featured in many major media outlets around the world such as [Forbes](#), [NY Times](#)... and was applauded by [many social media users](#), including influencers.

Duolingo's digital trend promotion:

Between Q1 2021 and Q1 2022, Duolingo's quarterly revenue [increased from \\$55 million to \\$81 million USD](#). While many strategies contributed towards this achievement, the rise of TikTok popularity ([most downloaded app of 2021](#)) played a major role in interacting with the Gen Z audience. Duolingo has been at the forefront of TikTok marketing, paving the way for Gen Z B2C interactions via the platform. Starting their account in 2021, the brand currently has [5 million followers and 100 million likes](#). Through videos around Duo the Owl, Duolingo has given the character a humanized and distinct online personality that many Gen Zs love. With the account being run by a Gen Z – [Zaria Parvez](#), the account is known for its unhinged content that allows Duolingo to have a playful, culturally appropriate, and quirky brand voice. Whether through authentic POVs, Dua Lipa fangirling moments, funny memes, trending audios, or even involving internal executives, the account never fails to entertain its Gen Z consumers.

Social Media interaction with Ryanair:

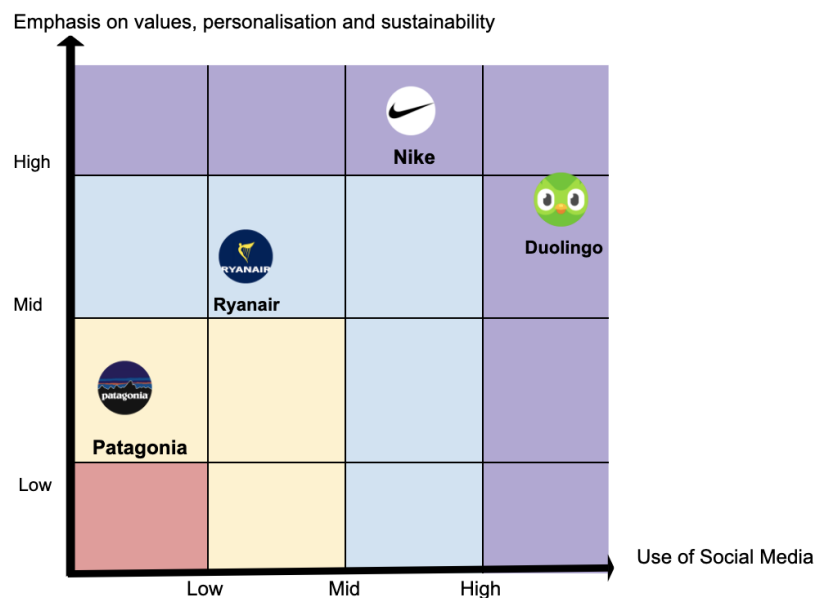
When considering raising awareness from Gen Z customers through social media platforms, the British low-cost airline [Ryanair](#) is one of the best examples. Using Twitter and a marketing strategy that specifically tailors to Gen Z customers, they utilized the common self-deprecating humor, viral trends, and building "human connections" by directly engaging with the customers. An example of their self-deprecating humor was when a customer complained about their window seat by their exit row seat, Ryanair's Twitter replied by reposting the customer's picture with a circle drawn around the exit door's small window, instead of apologizing. The reply accumulated more than 55 million views, as well as great media coverage, ranging from news articles to talk shows. This seemingly unapologetic reply was able to greatly raise the awareness of the brand, and solidify its image as an incredibly cheap airline. The combination of informality, sense of humor, and humanization create higher attraction to their target market - Gen Z by heavily shifting their marketing focus from traditional channels to social media.

Nike's values:

Another brand that is able to resonate well among Gen Z is Nike, which is becoming Gen Z's second highest-rated brand overall according to the scoring system of [YPulse](#), a company dedicated to

researching Gen Z and millennial trends. A notable aspect of their marketing strategy is to engage and raise awareness of social causes that resonated the most among Gen Zs - mental health. With their “No Off Season” podcast, they interviewed professional athletes regarding their mental health with the aim of removing the stigma of asking for help. They have also tapped into the Metaverse, being one of the first brands to have a permanent presence in Roblox, directly engaging with Gen Z and millennials on digital platforms. This marketing strategy paid off, with more and more Gen Z and millennials viewing Nike as a luxury brand that they want to own.

MCG Gen Z Matrix and its components



MCG created a marketing matrix based on our findings after analyzing factors that influence Gen Z's awareness and successful marketing models from renowned companies such as Duolingo and Ryanair. The awareness matrix's primary goal is to assist businesses that want to capture a wider influx of Generation Z as their targeted consumer and provide guidance on how to increase brand awareness.

The X-axis:

Following research on Generation Z, a cohort that is more digitally savvy and socially conscious than any previous generation. With smartphones and easy access to social media, marketing to Generation Z is no longer centered on traditional media such as television and radio. Furthermore, the decrease in in-person social interactions following COVID-19 pushed an increasing number of people to use social media not only as their primary mode of communication, but also to obtain product information and make purchasing decisions.

Based on the such discovery, our marketing team has selected the usage of social media marketing as the x-axis for the matrix. It is essential to create a focus and higher investment in trending platforms such as Instagram, YouTube, and TikTok in order to reach a bigger Gen Z consumer group. This way, it is able to determine that the higher the usage (positive to the right) of social media advertisement, the greater the awareness the brand will be able to create among its target group. As

illustrated in the matrix, companies such as Duolingo and Ryanair were able to launch successful campaigns through high social media adoption and viral trend creation with their follower base.

The Y-axis:

Furthermore, the number of voices raised in support of social movements by Gen Zers shows that brands that take a stand on public issues and align with the values they uphold are appealing to target consumers. Businesses that can show support for these goals and plan initiatives to achieve them are often valued more than those that are involved in the opposite direction (Ex. high carbon footprint). Personalization based on preferences is also a big decision factor for this target group, as they prefer well-fitting products to generic ones. The tailored approach gives clients the impression that their unique characteristics are being taken into account and improves the humanization aspect of a business.

After analyzing successful cases from Patagonia and Nike, the marketing team determined that promoting these topics is critical to raising awareness among this generation. Based on this analysis, we developed the matrix's y-axis as the marketing focus on topics such as sustainability, personalization, and value promotion that companies demonstrate in their campaigns. As illustrated in the graph, these companies leveraged social platform in their marketing campaigns as well as aligning their values with Gen Z tend to gain the most awareness among Gen Z.

MCG Action Step:

Seeing as having a positioning matrix alone may not be enough for businesses to know where to focus their resources and begin their marketing campaign, we have created 5 detailed action steps as our recommendation. This can be summarized as follows:

1. Understanding the compatibility of your brand with Gen Z
 - a. Before initiating the campaign, any business must evaluate if their company objective, product offering, and target audience match Gen Z's behavior, values, and needs.
2. Choose the most appropriate social media platform(s) to promote
 - a. Instagram - is the most popular app for brand discovery. The platform reaches a broad audience and can utilize influencers to improve brand exposure to a younger audience.
 - b. Snapchat - most used to talk with friends, share photos, and share videos. The sharing of videos and digitized images can influence consumers to become associated with a brand and share it with their friends or family.
 - c. Twitter - most used to discover breaking news stories in the world. It provides brands with a platform to reach a large audience and allows them to put information on their products out on a much larger scale using Twitter's brand awareness algorithm.
 - d. Facebook - is most used for connecting with friends, their families, and co-workers. The app also provides an opportunity to utilize its digital marketplace for private and public sellers to push a product or purchase a product that they can use.
 - e. YouTube - the most useful app for reviews and recommendations. A brand can utilize the platform to reach individuals through short films or personalized ads that correspond with select videos to reach a more targeted audience.
3. Identify your (and your competitors) positioning on Gen Z Matrix
 - a. Where is the company located?

- i. Red, Yellow, Blue & Purple
 - b. What is the current awareness that it is achieving?
- 4. Evaluate your strength, weaknesses, and areas of improvement
 - a. Red = Low awareness: require focus/investment on both axis
 - b. Yellow = Average awareness: select one of the axis as the focus
 - c. Orange = High awareness: focus on the remaining axis and
 - d. Green = Perfect awareness: how to maintain the level of awareness?
- 5. Tackle the areas of improvement and the firm wants to achieve
 - a. A wider social media marketing campaign
 - b. Introduce initiatives to support social causes
 - c. Provide tailored personalization experience