



Centennials at

21

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# Global Centennials:

## The Next Wave of Influencers, Disruptors and Consumers

Millennials, or Gen Y, have long been a priority for brands and marketers. They were the first global generation, and their size and influence meant they could not be ignored. While Millennials are still important, it's time for brands to turn their attention to the next generation: Centennials, also known as Gen Z.

Centennials have already eclipsed Millennials as the global cohort driving trends and pushing industries forward, and they'll soon be a core consumer group across a variety of categories. As the oldest of the generation turns 21 this year, it's time to acknowledge how critical it is for brands to keep pace with their values, beliefs and expectations to avoid being left behind.





# Meet the Centennials:

## The Facts

Why 1997? The mid-to-late 90s saw a global decline in birth rates, along with signals that parenting attitudes were changing. Evidence emerged suggesting that babies born in the late 1990s wouldn't necessarily grow into the same world—or become the same sorts of people—as Millennials. Cultural and demographic shifts, largely overlooked at the time, suggest a tipping point in 1997.

Born 1997- present,  
Ages 0-21 in 2018

35% of the global  
population

Higher concentration  
of Centennials in:  
Africa  
Middle East  
Southeast Asia  
Latin America

Mobile natives: The oldest  
Centennial was 10 years  
old when the iPhone was  
released.

Formative years shaped  
by: slow growth,  
disruption, resource  
scarcity, universal  
connectivity



## Core Values:

### Vigilant

Global Centennials aren't looking to shy away from the realities of the world. They recognize that social, environmental, political and financial concerns abound, and that hiding from them won't make them go away.

**85%** of Centennials say they're planning to put money away for their family's future in the next 12 months, the same as the global average<sup>1</sup>.

### Resourceful

Global Centennials aren't leaving their fate to larger powers; instead they're taking the future into their own hands by developing the skills needed to give them a sense of stability in an unstable world. Expecting a future in which resources become only scarcer, Centennials embrace a hacker mindset and develop creative problem-solving skills.

**76%** of Centennials say they're constantly striving to improve themselves and their abilities in as many ways as possible, 4 points higher than the global average<sup>1</sup>.

### Open

Global Centennials expect and value diversity across a variety of factors, including culture, politics, gender, race, sexuality and ability. They live by the motto "you do you", giving themselves and others permission to be different and express those differences however they see fit.

**74%** of Centennials say that feeling comfortable expressing who you are is extremely/very important, 5 points higher than the global average<sup>1</sup>.





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## Building on foundations, yet carving their own path

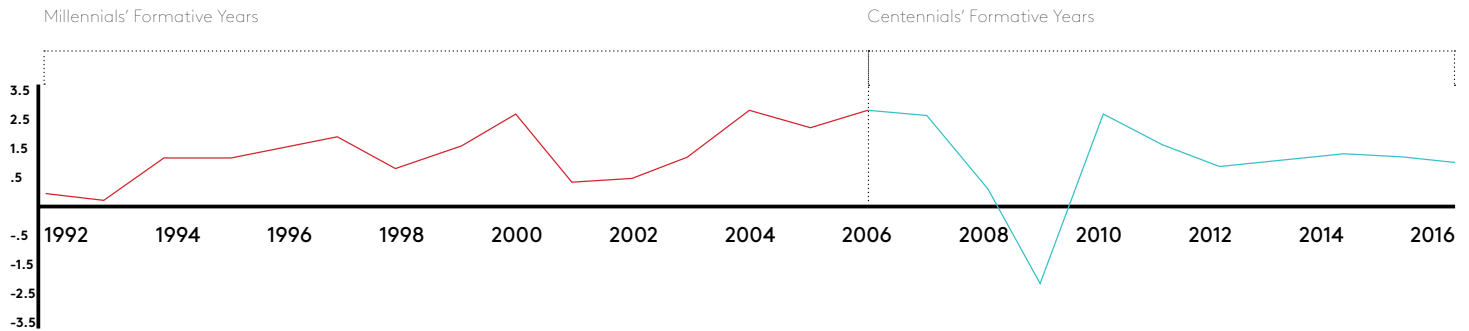
Centennials, as with the generations that came before, are being shaped by their formative years. Growing up in a time of resource scarcity and disruption has shaped Centennials' approach to the marketplace and their broader world. This is in sharp contrast to the formative years that Millennials experienced. In many markets, Millennials were shaped by the beginning of discovery and opportunity through globalization, and the excitement around how quickly technology evolved during their formative years, but most remember a time before the internet. Centennials, on the other hand, have been shaped by lack of control in a disruptive world, exposure to diverse ideas and the ability and pressure to always be connected; they are digital dependents, never having known a world without Google.

Millennials experienced some economic volatility during their formative years, but the volatility they experienced resulted in positive momentum for the economy overall, and for their individual expectations for the future. The volatility Centennials are witnessing has more negative results, with the hollowing out of the middle class in many markets and, subsequently, ever-widening income disparity. Centennials will have to be smarter and more strategic about planning for their future just to stay even, let alone achieve relative affluence.





## Global GDP growth per capita (annual %)<sup>2</sup>



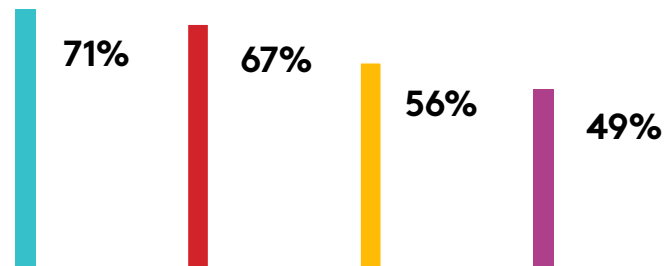
Despite an array of differences, global Centennials and Millennials do share some common traits and values. Both demand more from the brands they choose: they are purpose-driven, looking for the 'why' behind the brand. They are digitally-driven and seek out experiences. Centennials will build upon the post-materialist mindset of Millennials. Millennials might have laid the foundation, but expect Centennials to intensify the focus where they share the same values<sup>3</sup>.

68% of younger consumers (Centennials + Millennials) regularly look for opportunities to bring new experiences into their lives, a full 16 points higher than older consumers. Many brands have addressed this by adding experiences to interactions with the brand via pop-up shops, limited-edition products, or access to premium content following a purchase. But 56% of younger consumers<sup>4</sup> also say that prioritizing experiences over material possessions is important to their personal life.

Brands will have to look for new opportunities to find experience-driven growth, which may not directly tie to their historical product offering. Millennials have led the experience revolution, but global Centennials will push it even further. The experience economy will not be a separate marketplace or an add-on; it will be an expectation that is embedded into everything we do.

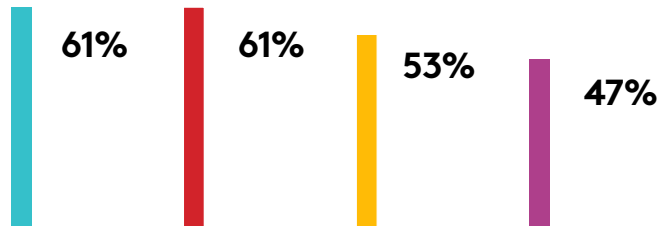
Centennials Millennials Middle Aged Aging

## Experience- driven needs



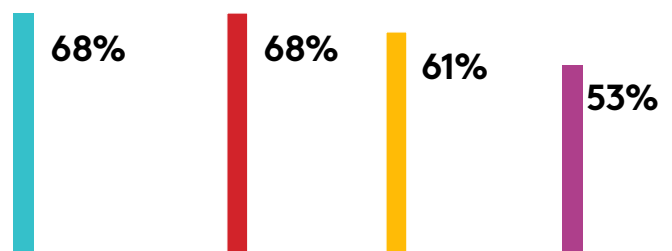
% who agree "I am always looking for new experiences and sensations that will liven up my every day activities" (top-2 box)

## Purpose-driven expectations



% who agree "I like brands that have a point of view and stand for something" (top-2 box)

## Digitally - driven lives



% who agree "the internet is my main source of news and entertainment" (top-3 box, among those with internet access)





# Connecting with Centennials

Think “mobile first”, but not “mobile because”

Centennials are used to getting information and entertainment when, where and how they want it, with 80% globally reporting using a mobile phone to access the internet<sup>5</sup>.

But the possibility of constant connectivity doesn't mean they want to be on their devices all the same. Just over a third of global Centennials say they use their phone too much, about the same as global Millennials.

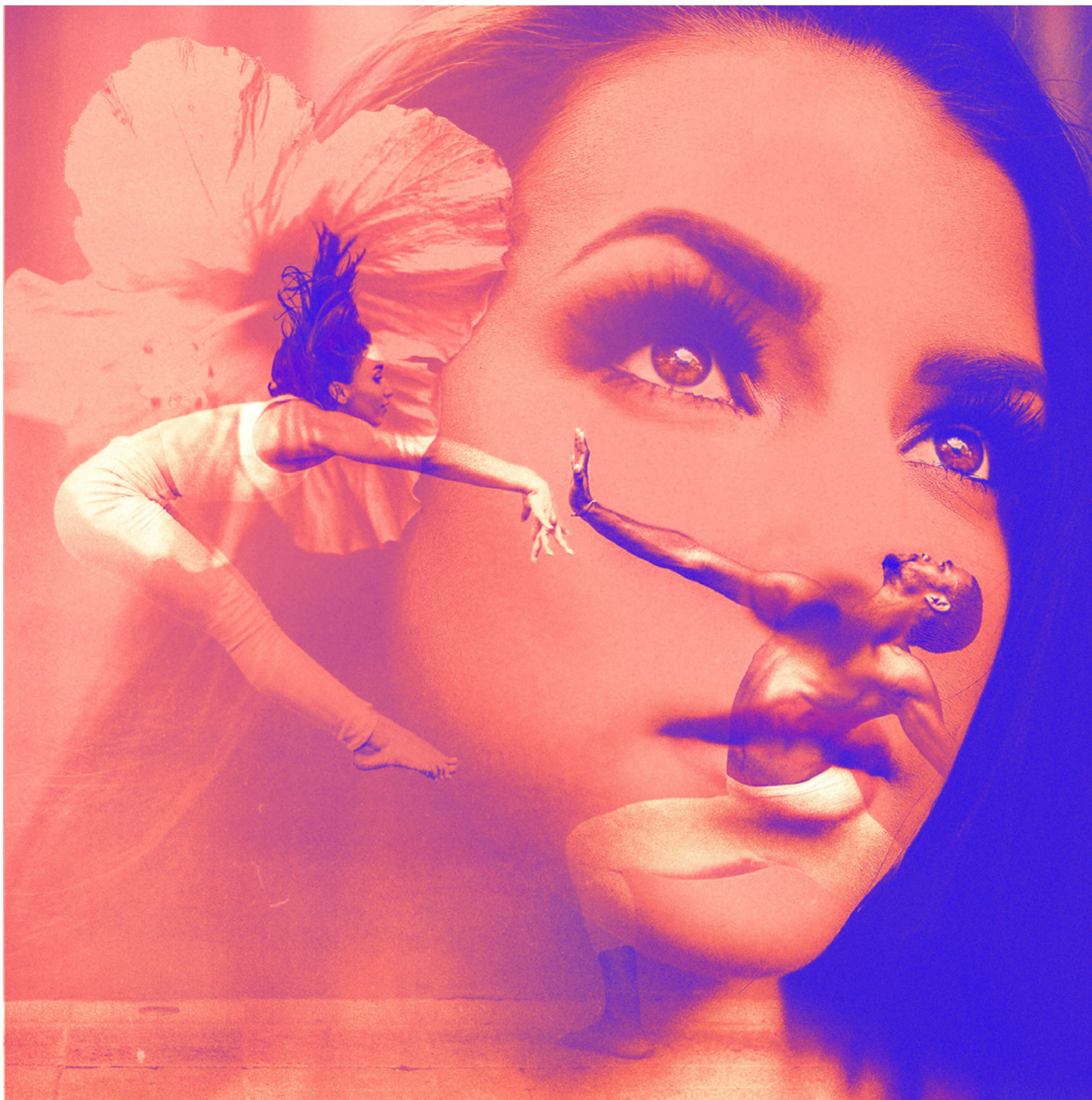
Given Centennials' awareness of the amount of time they spend on their devices, and a desire among some to reduce that time, it is critical for brands to offer true value as a trade-off to time spent engaging with them. Brands looking to connect with Centennials must think “mobile first” when building out content and commerce platforms, but more mobile for the sake of it does not appeal to this pragmatic generation.

80% globally using a mobile phone to access the internet

## “I think I use my mobile phone too much”<sup>6</sup>

Centennials	Millennials	
34%	32%	Global
35%	35%	UK
38%	39%	USA
42%	34%	China
48%	41%	Brazil
34%	31%	France
35%	36%	Spain





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With so many user-friendly apps and platforms available, Centennials will be quick to move on if your experience doesn't provide what they want or need.

In addition, Centennials have the desire and the tools to skip over any advertising they deem intrusive. 63% say they've installed an ad blocker on their mobile phone or desktop because "ads interrupt me when I want to do something else"; that's 4 points higher than adults<sup>8</sup>.

When ads do pop up, global Centennials skip quickly; up to three seconds faster than older consumers.<sup>8</sup>

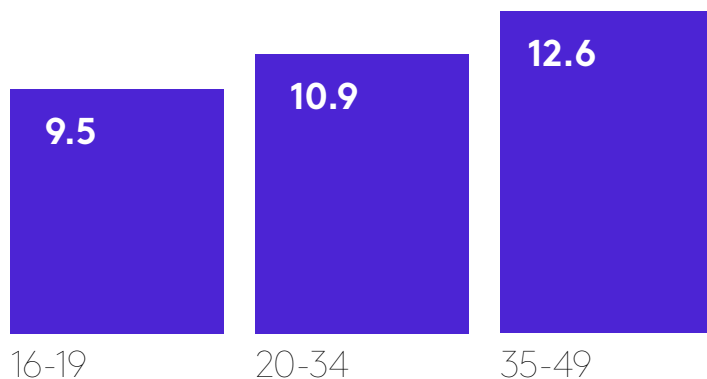
Therefore, understanding the unique value-add you can provide, whether that's convenience, personalization, privacy or ideally a combination as well as usage patterns, is critical to building a mobile strategy that appeals to Centennials. Relying on paid ads will not give brands the exposure they need to inform or engage this group of savvy consumers.

60% "I will not use an app or website that is too slow to load<sup>7</sup>"

62% "I will not use an app or website that is hard to navigate<sup>7</sup>"

63% say they've installed an ad blocker on their mobile phone or desktop

### Observed: Skip time among skippers (Seconds)



Based on 12 YouTube ads







## Understand that Social is more than socializing

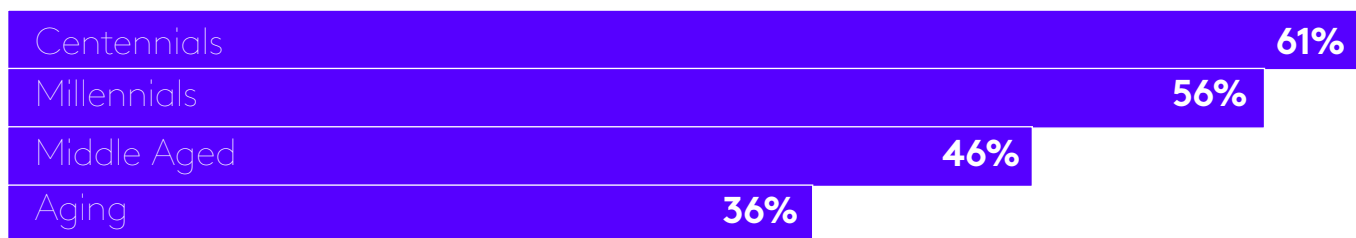
Social media plays a critical role in Centennials' lives. Teens of the past needed to leave home if they wanted to explore the outside world. Today, social media makes that world just a tap away. Centennials are the generation that's most active on social media, and they're not just passive observers: for some, connecting on social is the way to say something to anyone. They're more likely to say something online than other generations, but beyond that, they're also the most likely to identify with their online selves<sup>9</sup>.

The "self" that Centennials curate online often does reflect their true values, style and aspirations. Centennials are growing up with the understanding that many aspects of their lives are simply open to the world: they expect to share and see others sharing what's happening. But privacy concerns are real. And in some ways, they may be subject to unique risks: parents in the UK share an average of 1,500 pictures of their children by the time they are five years old.

Valuing convenience but also anonymity, global Centennials will pay a premium for brands that gain their trust through creating zones of privacy and differentiate their offers based on how much data Centennials are willing to volunteer.

## "The things I post on social media say a lot/ something about me"

% agree





## Acknowledge that the social shopping revolution has arrived

Shopping in general has always been a social experience. It's a time to connect with friends and family and interact with the community. Centennials are expanding the definition of shopping to include their digital networks. People they have never met often have as much influence over their product choices as a trusted friend or family member.

But Centennial shopping isn't just about following influencers and taking their recommendations. This generation is taking advantage of instant input and shopping opportunities on their social networks.

Chinese social network Weibo has accelerated social shopping in China, allowing users to buy from both brands and individuals, with other users providing opinions on potential purchases. This phenomenon isn't restricted to traditional social networks either. U.S. based makeup artist Pat McGrath recently launched a new collection of cosmetics that are available to purchase on music streaming app Spotify.

Driven by social shopping trends and capabilities from Asia, global Centennials will make shopping through social media a mainstream experience, rewarding companies that make it the easiest to connect while buying (and shunning those that make it the hardest), all the while amplifying the reach and fame of the most trusted influencers.

As Centennials continue to build their social networks and expect inspiration to strike anywhere, at any time, brands will need to explore new distribution channels and ensure a seamless journey from "I want to learn more about that" to "I want that" to "I bought that".



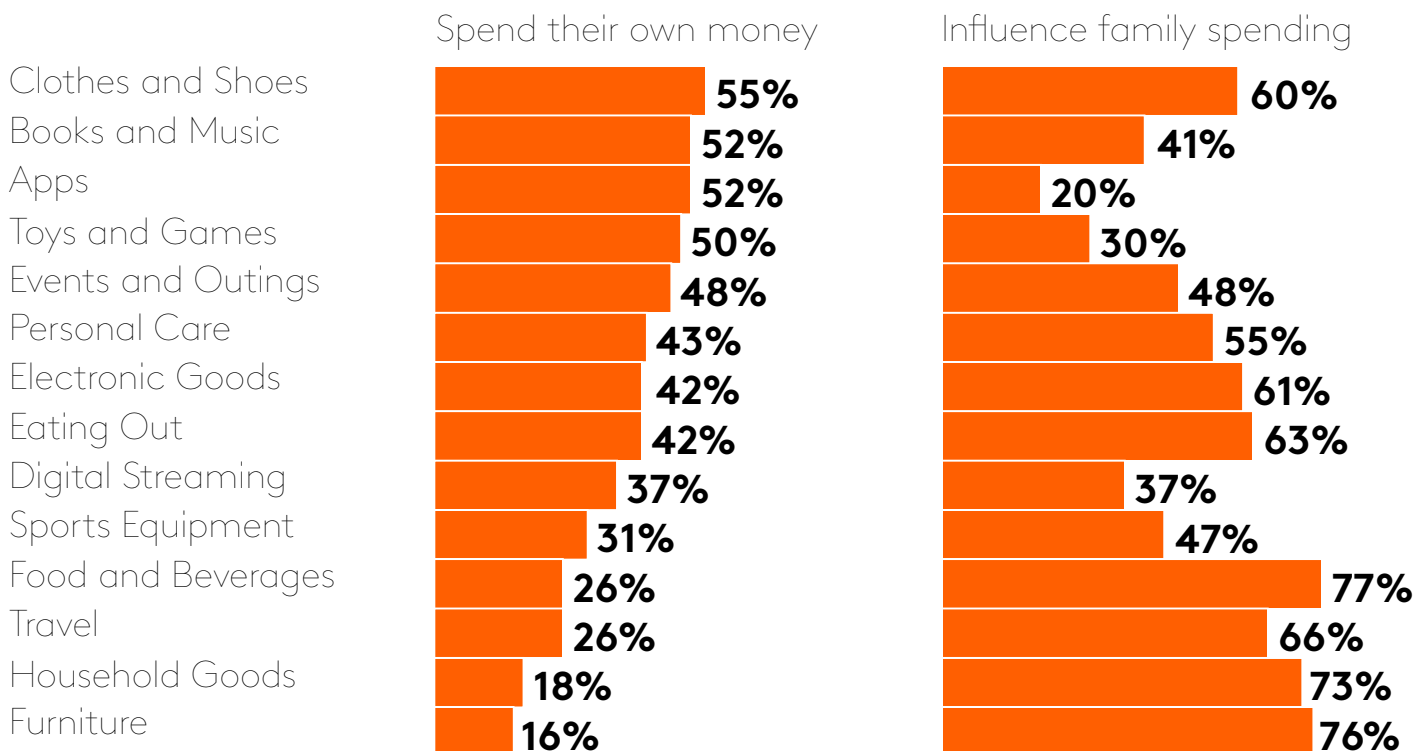


## Expect and prepare for outsized influence from Centennials and youthful markets

Centennials may be young, but often their technological skills outstrip their parents'. Many families look to their youngest members to gather product information, compare reviews and advise on the purchase process. This carries over into categories that young people historically have not been consulted on, including household goods and furniture.

Global Centennials are passionate about keeping up with what's going on in the world, and their beliefs drive their purchase decisions. Centennials often influence family decisions on products and retailers by informing their parents about brands that align with their values, and those that haven't kept up with their expectations.

### Centennials spend and influence the household across categories<sup>10</sup>:



Question: On which of the following categories do you spend your own money or influence how your parents spend their money?





Because of this involvement, Centennials are thinking about and developing opinions on a variety of categories earlier than previous generations. By the time they reach early adulthood, expect Centennials to have preconceived notions of your brand or category, and to remember good or bad experiences with it from a young age.

Additionally, markets with more youthful energy will begin to play an increased role in defining and developing global trends. The global population is overall ageing, with higher proportions of ageing populations in North America, Europe and developed Asia.

Markets in Africa, Latin America, the Middle East and developing Asia, conversely, are youth-driven, with young people often making up over 40% of the population. Expect these regions to be a source for fresh inspiration and rising influencers that shape the global marketplace, from food to personal care to fashion and technology. These markets offer white space for brands looking to reach young people. Traditionally youth-focused brands will need to look beyond established or traditional markets in order to achieve growth.

As Centennials age into young adulthood, they will reshape categories and upend industries. Brands that know where to look can begin to read the signs, and make predictions about how Centennials will influence their future. Understanding this generation's values and motivations is a key first step in setting yourself up for success as Centennials take the reins and drive global markets.

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Sourcing:

1. 2017 Kantar Consulting Global MONITOR , among 13-20 year olds, top 2-box
2. World Bank
3. 2017 Kantar Consulting Global MONITOR, top-2 box for Experiences and Purpose, top-3 box among those with internet access for Digital. Centennials reflect ages 13-20, Millennials ages 21-38, Middle Age ages 39-52, Aging ages 53+
4. 2017 Kantar Consulting Global MONITOR, top-2 box, among ages 13-38
5. 2017 Kantar Consulting Global MONITOR, among 13-20 year olds.
6. 2017/2018 Kantar TNS Connected Life, top-2 box, Centennials reflect ages 16-20, Millennials ages 21-38.
7. IBM
8. 2017 Kantar MillwardBrown AdReaction, "Engaging across generations," Centennials reflect ages 16-19, adults reflect ages 20-49
9. 2017 Kantar Consulting Global MONITOR, top-2 box, Centennials reflect ages 13-20, Millennials ages 21-38, Middle Age ages 39-52, Aging ages 53+
10. IBM

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