

# Loyal, long-term relationship building with Gen Z

 ByLee Naik

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Just when you're starting to get the hang of millennials, here comes Generation Z. Their oldest members may only just be starting to enter tertiary education, but they pack a purchasing punch that far outweighs their age. According to [Sunday Times Generation Next](#) research, the youth have an annual spending power of R134 billion a year, as well as an average of 66% influence on household spend.



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What does this rising new force in the market look like? Well, they tend to be socially conscious, taking equality and fairness seriously. They're on [multiple social platforms](#). They don't respond well to traditional marketing, preferring to be [part of the experience](#). And they are digital natives first and foremost, having never known a world without iPhones and Facebook.

Okay, so if these young people are digital natives, this means they'd prefer to do all their shopping via online platforms, right? So we can do away with malls and focus on spiffy online showrooms.

Not so fast. According to research [by Fitch](#), Gen Z buyers are actually pretty tactile – they enjoy being able to touch products. Contrary to what you might think about digital natives, these young shoppers actually enjoy going to physical stores, and even plan multiple excursions with friends. They'll do this after a great deal of research and brand engagement online, of course, and expect a seamless experience the whole way through.

There's increasingly more research on Gen Z out there, and it's certainly a good start for crafting strategies that understand your customer. But that data can only go so far. South African [Gen Z consumers](#) are going to differ from their overseas counterparts in a variety of subtle ways. And, of course, broad segmentation such as this has its own set of limitations. If you're depending on guesswork, blogs or even isolated studies to understand your customers, you're not going to truly know them.

So how do you get to the heart of what they want? There are three main steps.

## Listen to them

As the father of two decidedly Gen Z kids, I can testify to how outspoken they are. [The research](#) backs me up – this generation is not afraid to express their individuality and make their opinions known. And as the first generation of truly digital natives, they know exactly how to amplify their voice.

The flipside of this is that listening to their concerns can often highlight critical gaps in your services or products. The more vocal your audience, the greater the opportunity to engage with them about what works and what doesn't. Done authentically, it's a strategy that could literally [save your company](#) from bankruptcy.

## Build trust

Gen Z, more than any other demographic, [don't trust brands](#). You can't just throw a product or service at them and expect them to buy into it. They're indifferent to [traditional advertising](#), and have been filtering out digital advertising like paid media and sponsored content since they were tiny. What's more, one size fits all loyalty programmes, shopper cards, events and promotions don't have [much of an impact](#). All of the typical strategies retailers use to nurture loyalty just aren't going to cut it.

To get Gen Zs to care, you have to build long-term relationships with them by creating seamless experiences relevant to them as individuals. That means really getting to know them through tactics like microsegmentation and [hyperpersonalisation](#). And just as in real life, great relationships are built on transparency and [open communication](#).

## Introduce yourself

Okay, so let's say you've ticked all the boxes above – you've put in place processes to gather the right data, you've painstakingly analysed and adjusted your compliance strategies, and you're personalising your offerings towards your new young customers. What happens if they're still staying away?

Chances are you've spent all this time getting to know them and tailored your products to their needs, without putting yourself out there in return. While understanding your customers is undoubtedly important, knowing your own brand and being able to communicate those values is just as critical. It's difficult to create an emotional connection with anyone if you're the quiet guy in the corner who never speaks to anyone at the party.

Like the ABBA song '*Knowing Me, Knowing You*', the relationship between the customer and brand is a two-way street. If you really want to build an audience of loyal customers, don't forget to clearly delineate what you have to offer.

## Generation hope

The effectiveness of the advice above doesn't just end at Gen Z. The same trends that have shaped this generation into what they are today are influencing everyone out there. So don't knock on young people, even if you don't quite get them at times. There's a lot they can teach you about engaging with your customers. What are you doing to start learning from them?

## ABOUT LEE NAIK

Lee Naik is the CEO of TransUnion Africa.

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