



NBCUniversal

22<sup>nd</sup>  
February

# ENGAGING THE NEXT GENERATION OF BUYERS

## UNIVERSAL TRUTHS



### First Multicultural Majority Generation

While Millennials are a vastly more diverse group than Boomers or Gen Xers, Gen Z is the first generation to truly experience a multicultural majority. They've grown up with diversity as a given rather than an aspiration.



### Digital Native and Data Savvy

Generation Z was born into a digitally powered and connected world. Even more so than Millennials, they've grown up expecting technology to, at baseline, enable and improve every aspect of their lives.



### High Expectations for Brands

Brands are a meaningful building block of the young consumer's identity. In addition to providing high quality, well priced goods and services, brands are expected to validate their sense of self and of social causes.



# OUR AGENDA

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Why the young consumer?

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Understanding the next generation of auto buyers

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Best practices for brands

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NBCU solutions for winning with young consumers

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# WHY THE YOUNG CONSUMER

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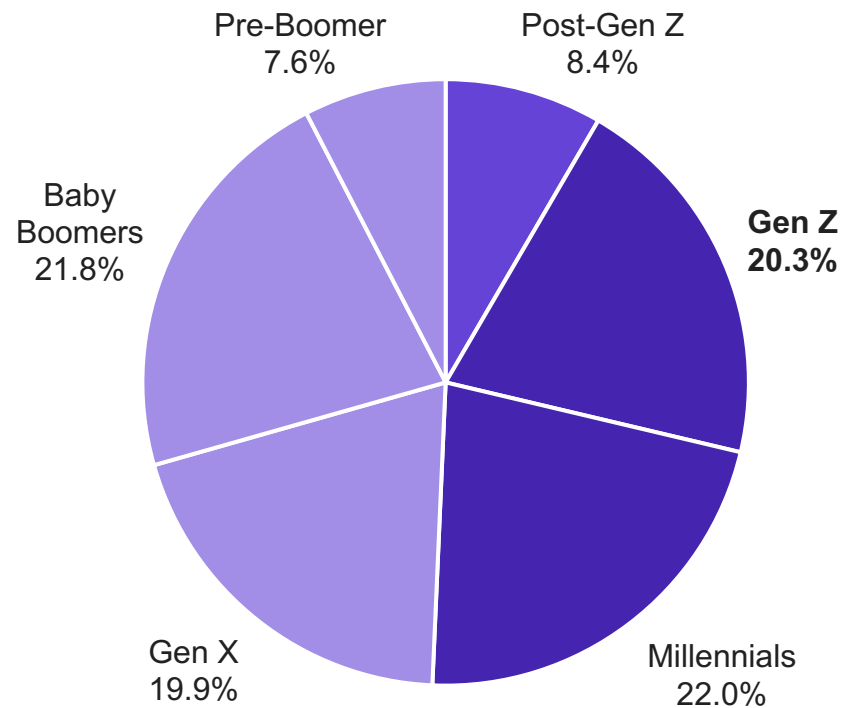
Our advertisers need to win with the  
next generation of consumers



# Today's market is ruled by the young consumer

## Share of US Population by Generation

estimated as of June 2020<sup>2</sup>



# 40%

of global consumers in 2020  
will be part of Gen Z<sup>1</sup>

# 74.9M

estimated peak US millennial  
population at (in 2033)<sup>3</sup>

# Their influence and spend power continue to swell as they age into adulthood

BANK OF AMERICA CONSIDERS GEN Z TO BE THE

“

**MOST DISRUPTIVE TO ECONOMIES, MARKETS AND SOCIAL SYSTEMS.** ”

- LAUMA TIMANS-KALNS, STRATEGIST @ BOA<sup>3</sup>

\$143B

Gen Z's global spend power in 2020<sup>1</sup>

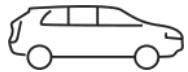
\$600B

Household purchasing influence of Gen Z<sup>2</sup>

\$33T

Gen Z's global income by 2030<sup>3</sup>

# By 2025, in just four years, all members of Gen Z will be adults who make their own key purchase decisions



## **AUTO**

First time buying or leasing their own car



## **TELECOM**

Paying their own phone bill



## **FINANCE**

Establishing and managing their own credit



## **FOOD & GROCERY**

Being responsible for their own meals



## **HOUSEHOLD ITEMS**

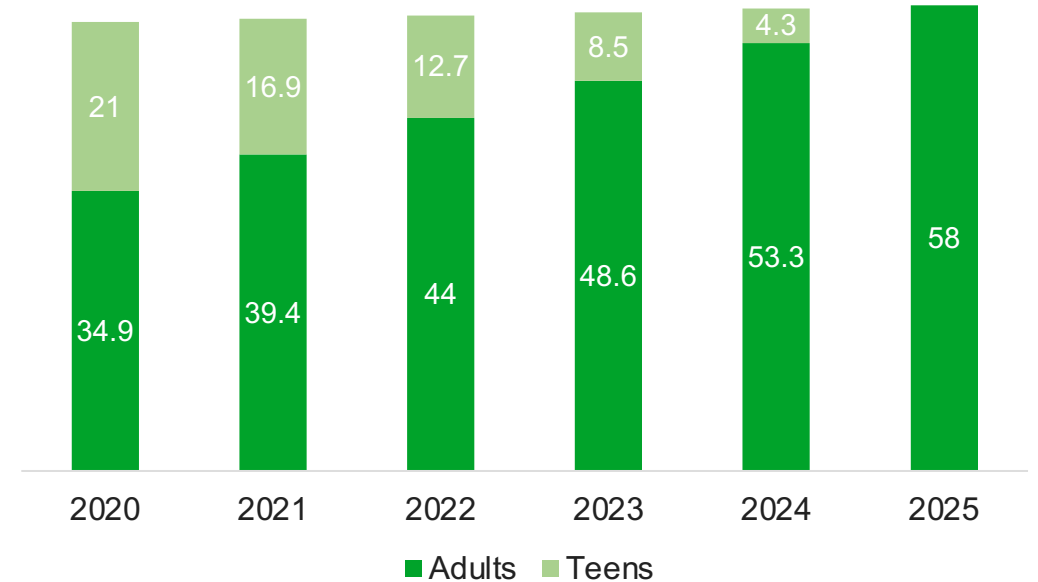
Maintaining their own home for the first time



## **TECH**

Deciding which laptop to buy for college

## **Gen Z Population Projections** 2020-2025, in millions



# Young consumers are most likely to buy a car soon and most likely to have an immediate need for one

**23%**

of young consumers say they plan to purchase a vehicle within the next six months<sup>1</sup>

## **SPENDING & INFLUENCING**

Gen Z is spending more and influencing more than millennials were at the same age<sup>2</sup>

**31%**

of people without a car intend to buy one in the next six months, 45% of those will be Millennials<sup>3</sup>

## **IMMEDIATE NEED**

Young consumers are the most likely group to have an immediate need for a vehicle<sup>1</sup>





# Earning young consumers' trust and loyalty will foster longer term success

## INVEST NOW

Gen Zers and Millennials outnumber other generations, older generations still wield more buying power

## LEVERAGE LATER

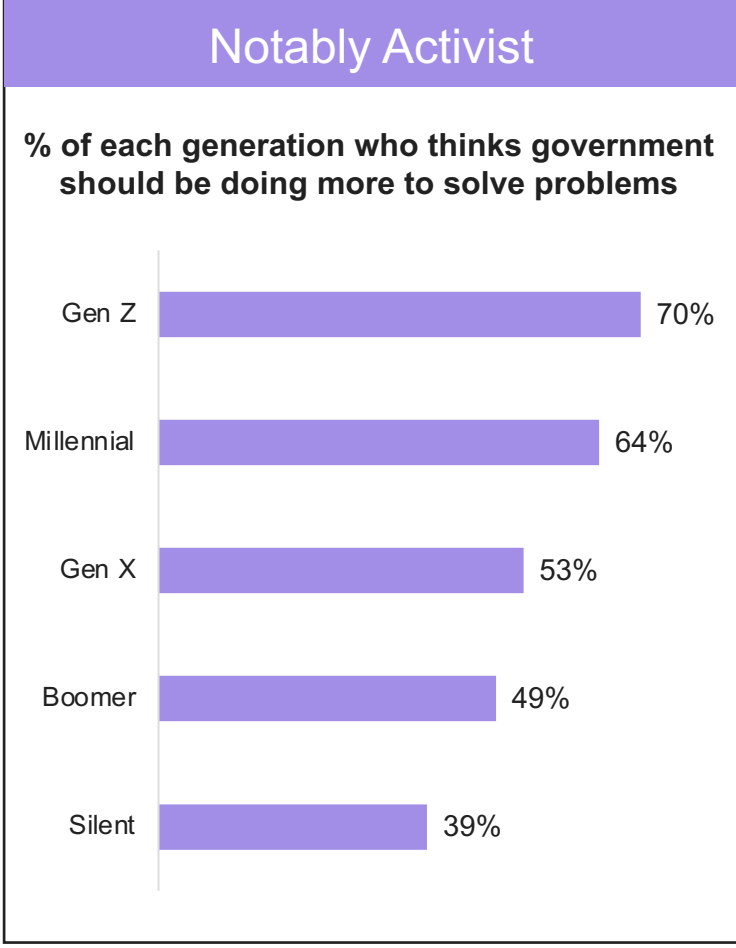
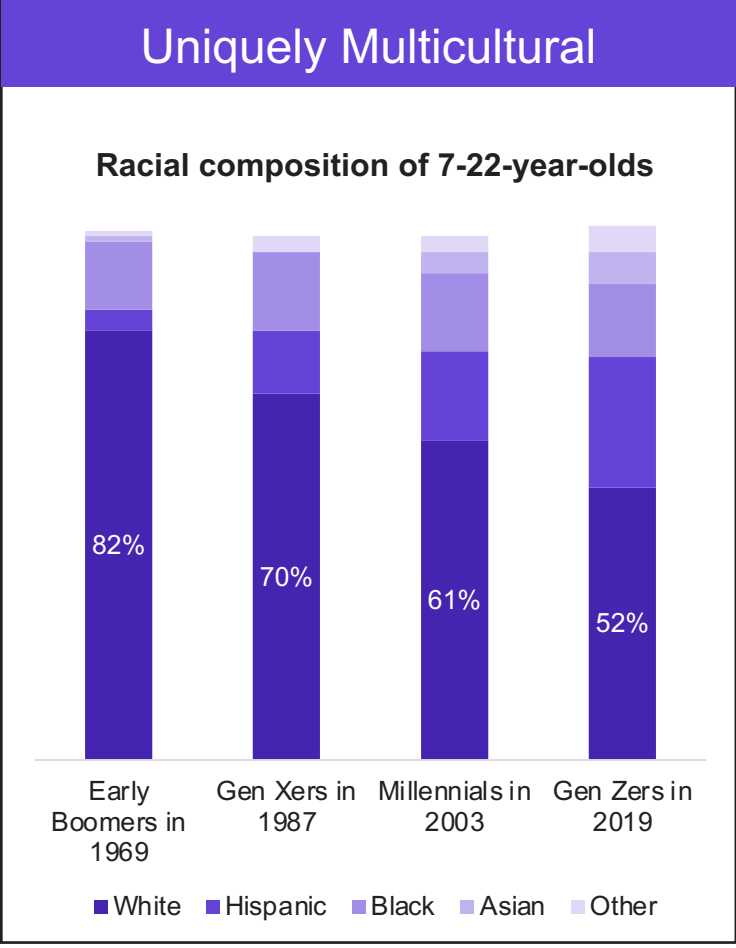
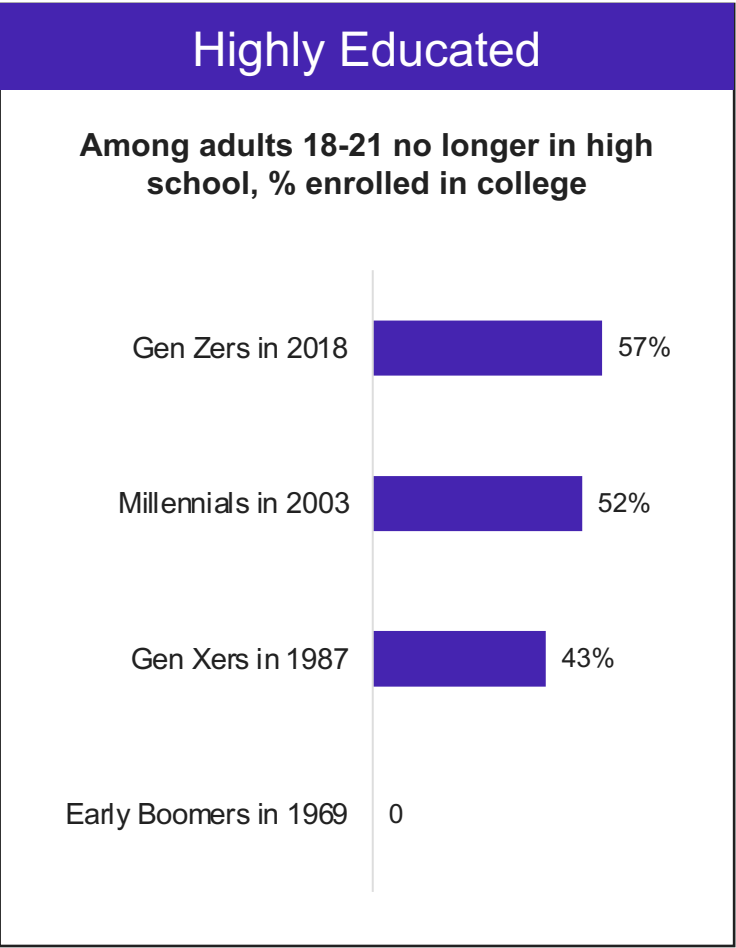
As they mature in age and in their careers, their financial stability and buying power should grow as well

# UNDERSTANDING THE NEXT GENERATION OF AUTO BUYERS

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Younger consumers are truly digital natives, with little or no memory of the world as it existed before smartphones or the internet

# Gen Z embodies a distinct set of characteristics





# But their outlook largely echoes Millennial values

## Trend Drivers for Young Consumers



### Wellbeing

seeking physical and mental wellness



### Rights

feeling respected, protected, and supported



### Technology

finding solutions through tech in the physical and digital worlds



### Surroundings

feeling connected to the external environment



### Experiences

seeking and discovering stimulation



### Identity

understanding and expressing oneself and one's place in society

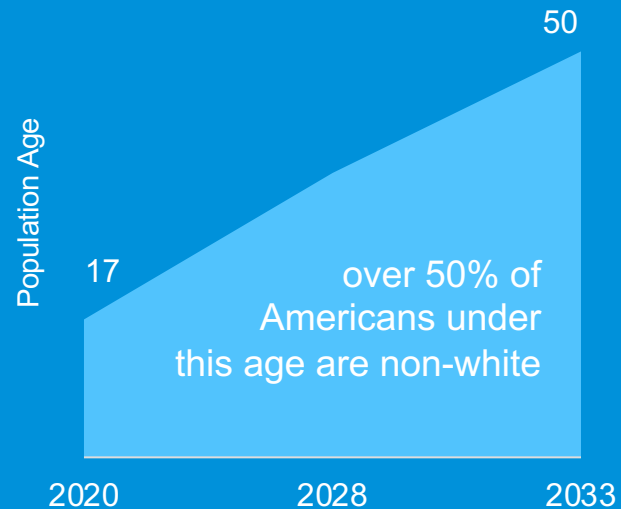


### Value

finding tangible, measurable benefits from investment

# Multiculturalism and digitization are a given, even more so for Gen Z

## America's Multicultural Majority is Growing Rapidly<sup>1</sup>



**73%**

of US children ages 11-13 years old own a smartphone<sup>2</sup>



**53%**

of A13-49 have stopped buying a brand because it offended them or disrespected their values<sup>1</sup>

**10 years old**

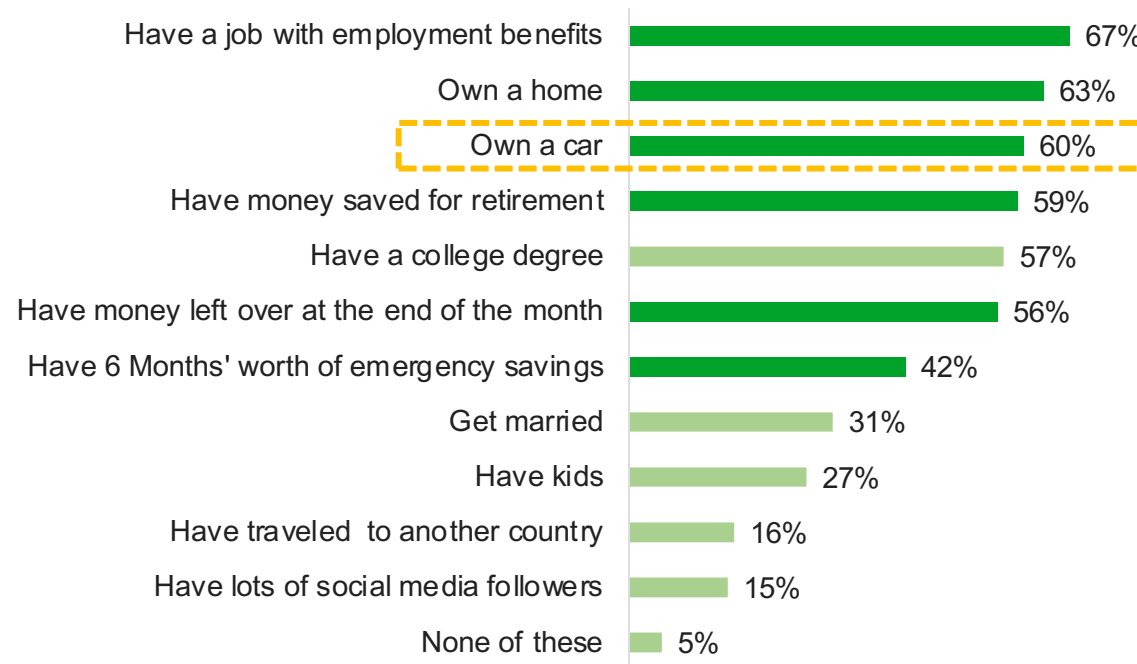
the age of the oldest Gen Zers when iPhone first hit the market in 2007



# Gen Zs are unabashedly pragmatic about financial stability

Having lived through both a recession and a pandemic, Gen Zs see financial success as personal success and are comfortable acknowledging their aspirations for wealth

## Signs of Success in America % Adults 18-25, February 2020



6 of their 7 top signals of success are related to finances



# BEST PRACTICES FOR BRANDS

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Young consumers have high baseline expectations of advertisers – seamless connected experiences are a must, but not at the expense of their privacy

# As customers, Gen Zers expect a flawless, seamless experience

37%

of US Gen Zers say they've used a messaging app to contact a business<sup>1</sup>

68%

of Gen Zers read  $\geq 3$  reviews before buying something for the first time with their own \$<sup>2</sup>

61%

of Gen Zers say they have purchased a product online via mobile in the last month<sup>3</sup>

2 in 3

US Gen Zs said use BOPIS (buy online, pick up in store) to shop more conveniently<sup>1</sup>

34%

of Gen Zers say next-day delivery would encourage them to buy something online<sup>3</sup>

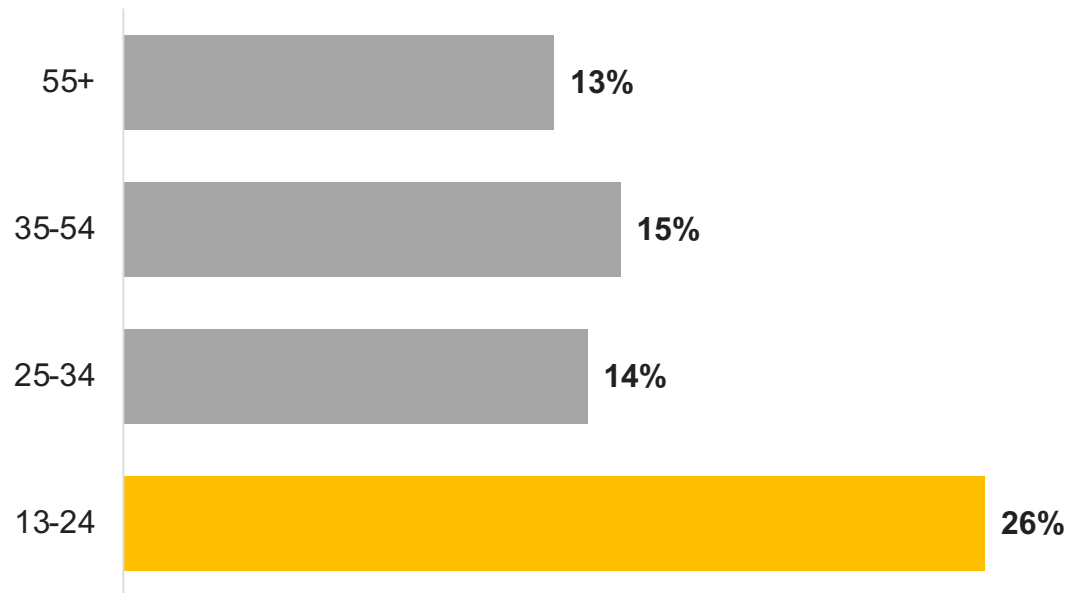
81%

of Gen Zers say they like to purchase in-store, often for product discovery and trial<sup>4</sup>

# As media consumers, they are weary of standard ads and are savvy enough to avoid them

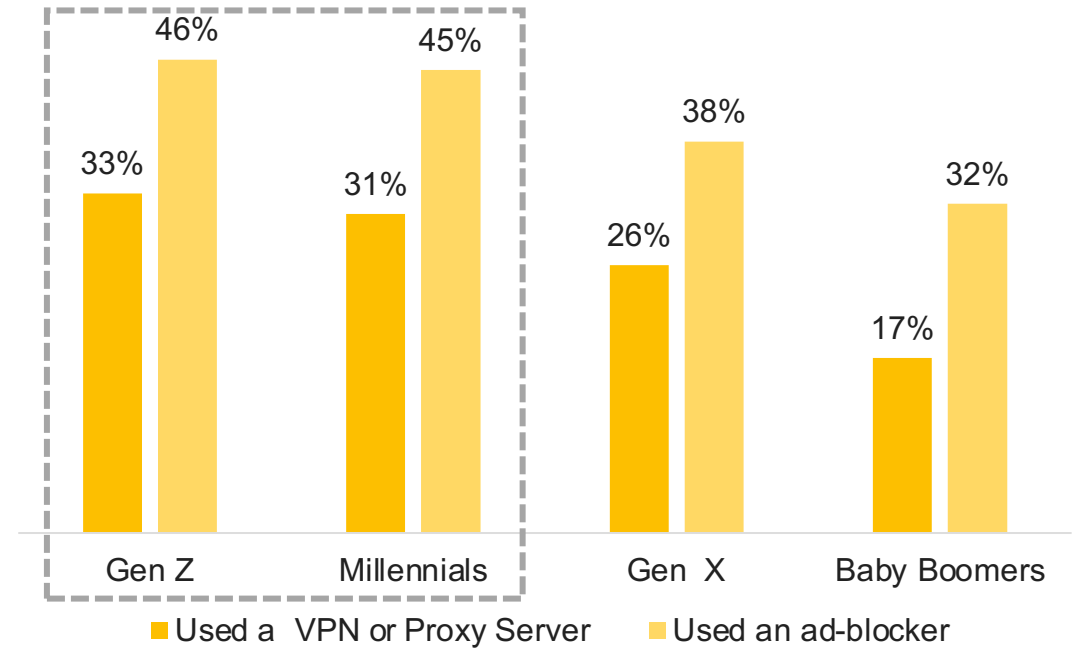
## % of Americans who think product placement is better than traditional ads<sup>1</sup>

by age group



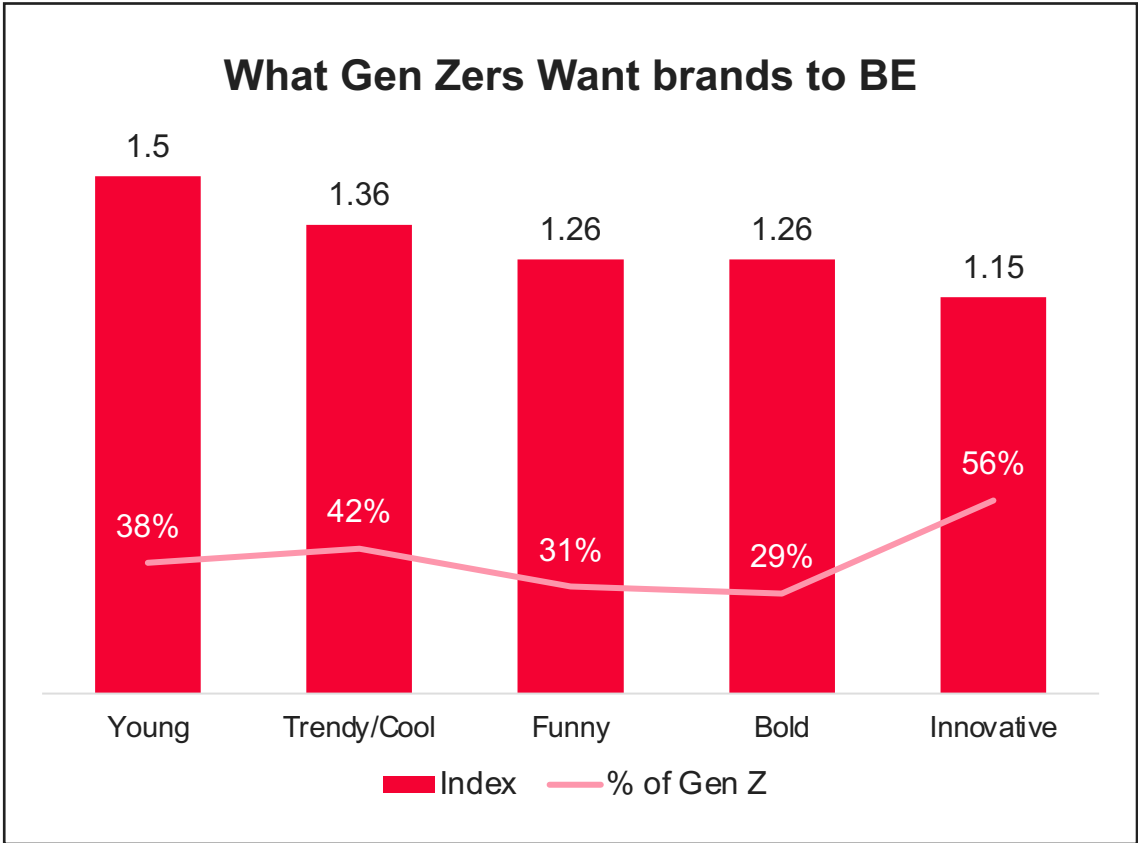
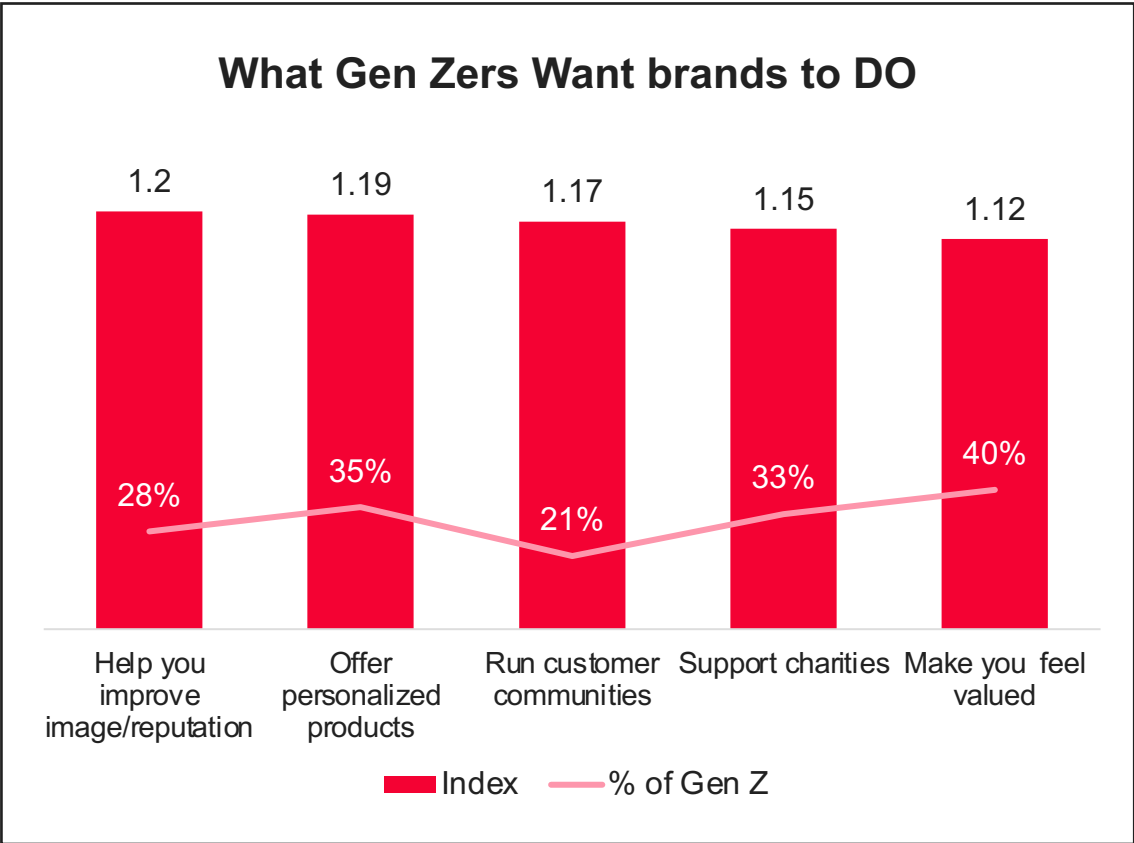
## % of internet users who did the following last month<sup>2</sup>

by generation

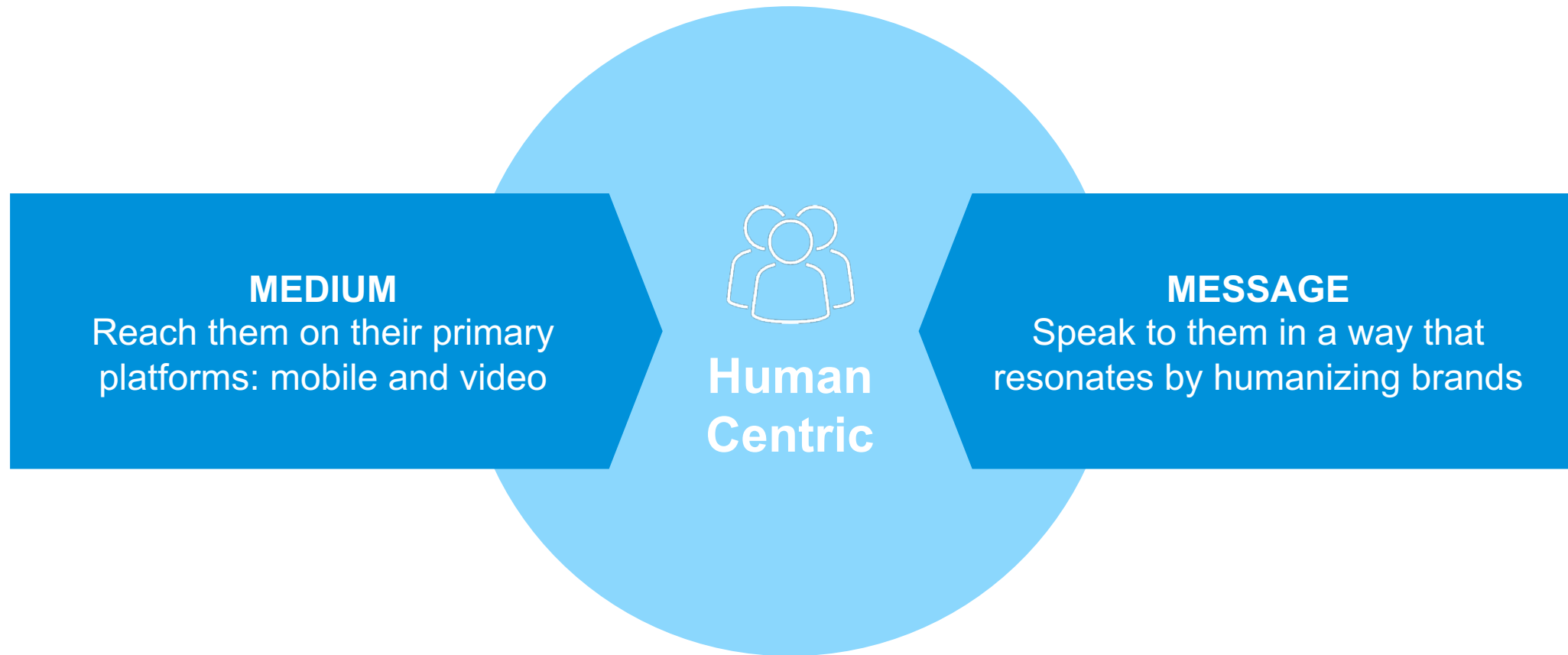




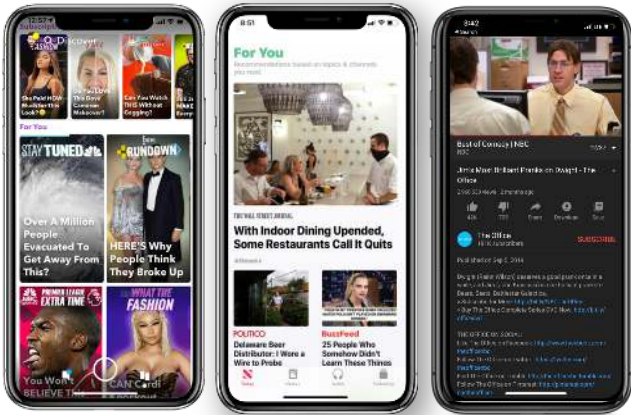
# They have extremely high expectations of brands



To win with younger consumers, brands need a tailored strategy that puts humanity in the center



# Their media consumption is rapidly evolving, and skews heavily towards video and mobile



**52%**

of Gen Zers discover new brands via social media, v. 16% on TV<sup>3</sup>

**43%**

of Gen Zers use mobile to watch subscription services, ahead of TV (27%)<sup>2</sup>

**~4.6%**

CAGR of Gen Z CTV viewers from 2018-2022<sup>4</sup>

**75%**

of Millennials said a brand's social media presence impacts their purchase decisions<sup>1</sup>

**~16 hours**

average time per week that millennials spend on social media<sup>5</sup>

**~30 hours**

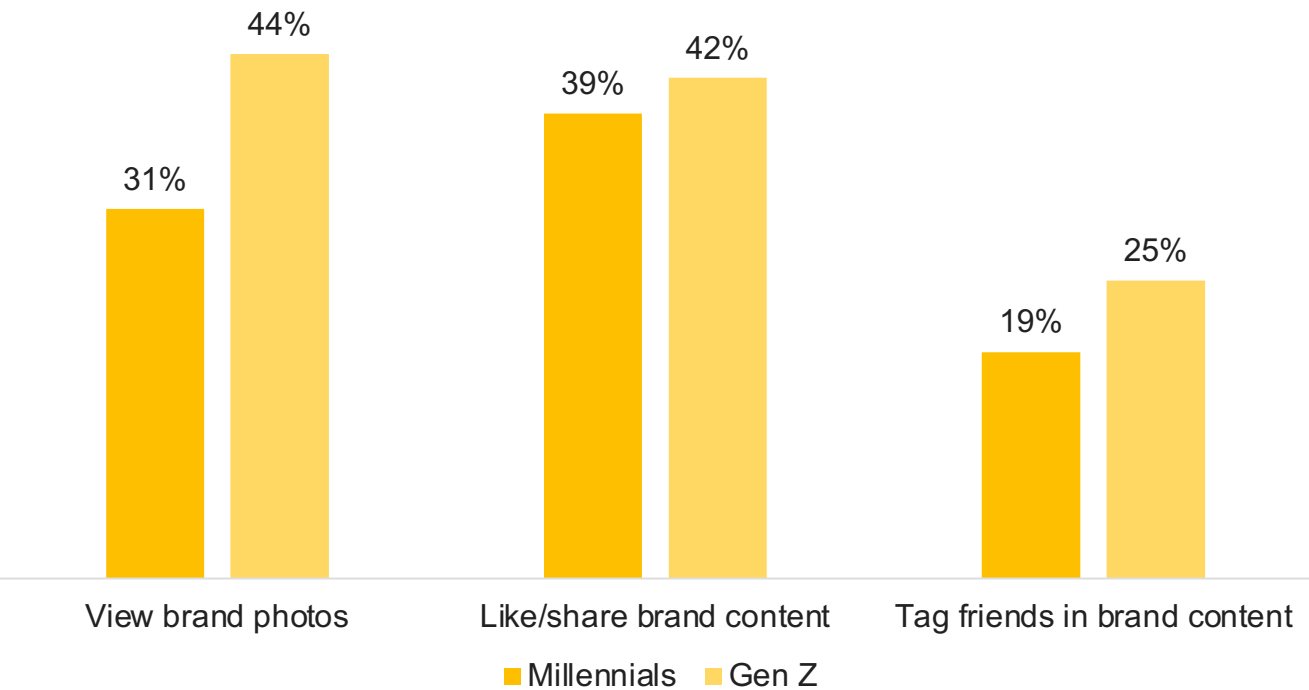
average time per week that millennials spend on online<sup>5</sup>



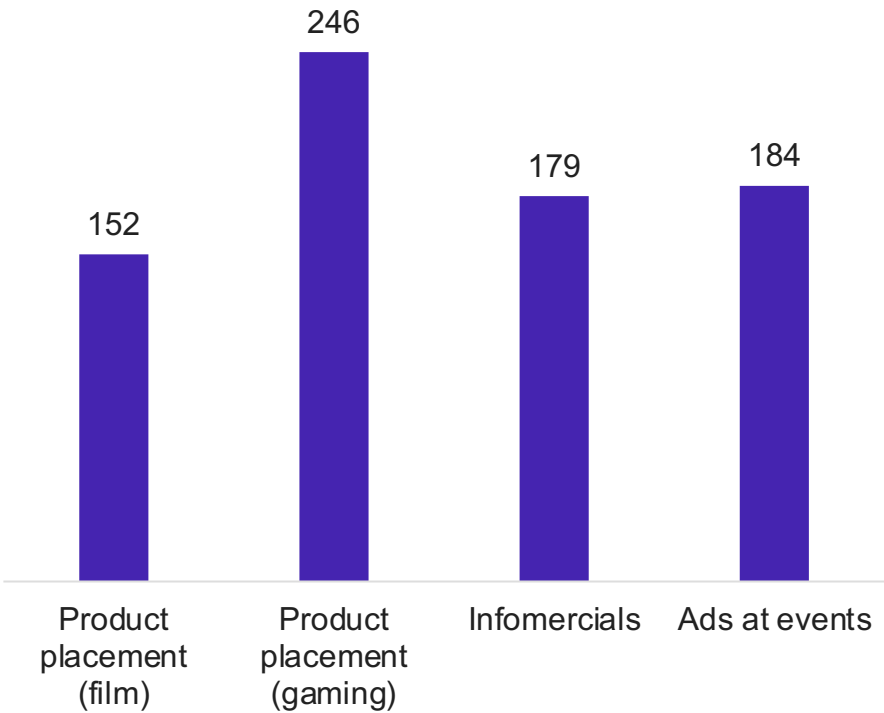


# Gen Zs gravitate towards branded content and experiences, preferring them over standard ad units

**Gen Zs are even more likely than Millennials to engage with branded content<sup>1</sup>**



**Gen Z interest expresses greater interest in native advertising**  
*by index relative to general population<sup>2</sup>*



# Gen Zs are enticed by what is considered relevant and “hot” by celebrities, influencers, and their peers



140

INDEX

“I am influenced by what is hot and what’s not”

118

INDEX

“I would pay extra for a product that is consistent with the image I want to convey”

154

INDEX

“A celebrity endorsement may influence me to buy a product”

140

INDEX

“I like to connect with brands through social networking sites”

# Auto brands need to demonstrate an understanding of younger shoppers' wants, needs, fears, and values

Relate to them as humans first, **consumers second**



## **Prioritizing Affordability & Safety**

Budget concerns largely impact auto purchase decisions; safety features take precedence over fun tech



## **Positioning Vehicles as Self Care**

Reframing the car as a safe space and driving as a tool for self-care aligns autos with the mental wellness young consumers crave



## **Honoring Community Development**

Auto brands can highlight how their industry is a job-creating and environment-saving category worth investing in



## **Aligning with their Core Social Values**

71% of consumers between the ages of 18-24 “prefer to be associated with companies/brands that respect [their] values”



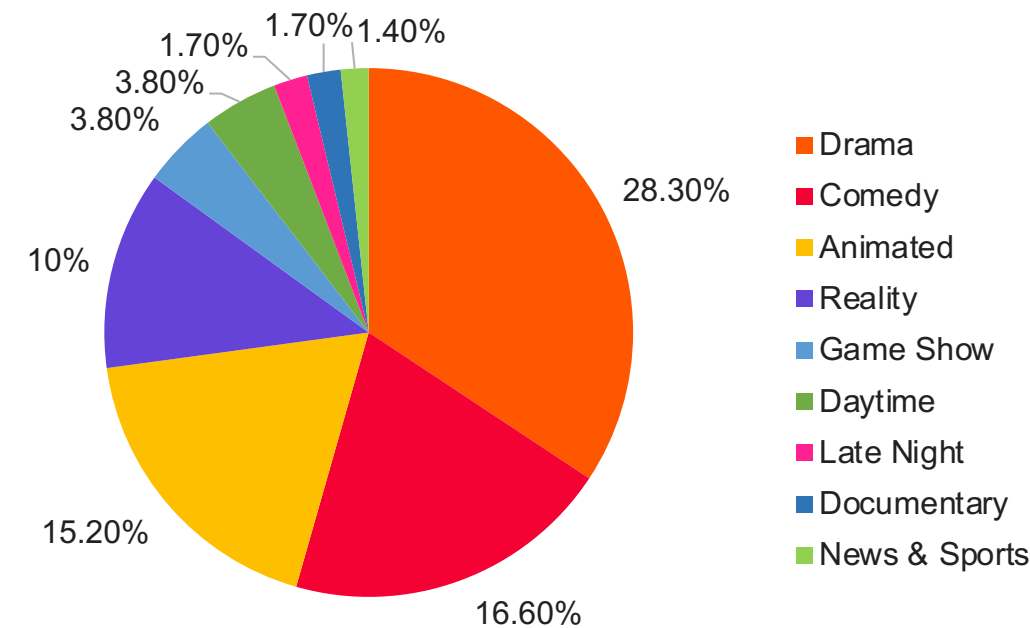
# NBCU SOLUTIONS FOR WINNING WITH YOUNG CONSUMERS

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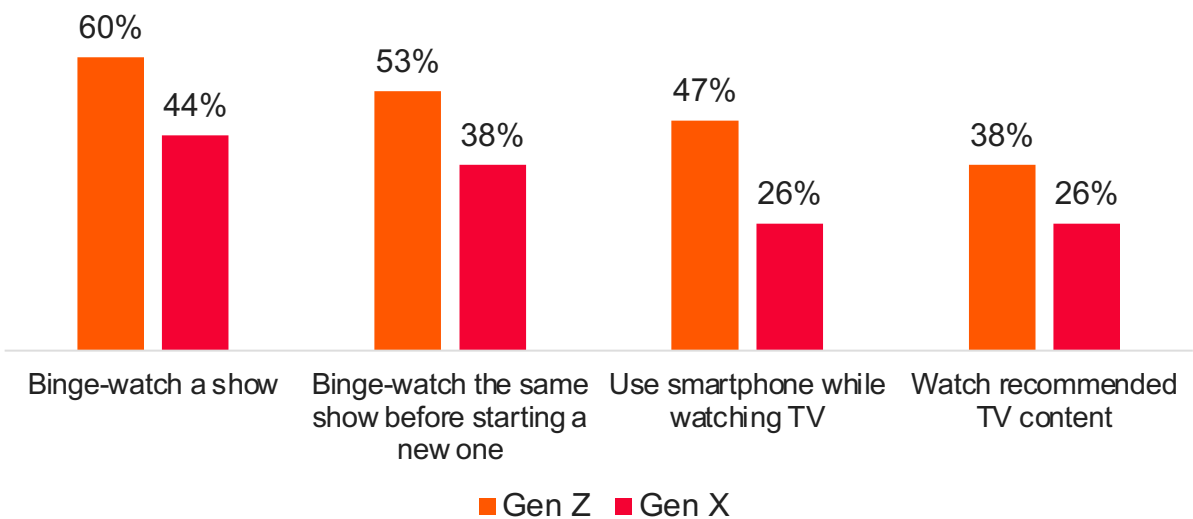
As a critical audience both for NBCU  
and its partners, young consumers are  
a focal point for One Platform

# Gen Zs cite TV and film as a passion point and are committed to watching and sharing their favorites

Share of Gen Z adults who said they watched the following TV genres<sup>1</sup>



Consumption Behavior by Generation<sup>2</sup>



59%

Gen Zs globally are strongly interested in film/cinema<sup>3</sup>

# As our own AUDIENCE

## Tailored Programming



## Digital-first Platforms



# As your prospective CUSTOMER

## Commercial Innovation



Take your messaging story beyond the :30 spot and tell your story through the lens of the entertainment lens young consumers know and love.

## The Talent Room



NBCU's talent relates to young consumers not just as characters on their favorite shows but as digital personalities and trusted sources for product knowledge and feedback.

## Advanced Targeting



Use your data or create custom segments of the emerging buyer, and reach them in the right content via contextual placements.



**THANK YOU!**