The *new* consumer *journey*

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Methodology

new   conZumer journey

As digital technologies continue to evolve and shape the way consumers interact with brands, it's becoming increasingly important for businesses to understand how to properly approach the next generations; the past few years have represented a significant shift in how younger audiences consume products and services, with niche communities, social media and e-commerce platforms playing a central role in the current new consumer journey and, moreover, the real-time interaction across these platforms, which is presented as the centrepiece of whole dynamic.

According to Statista, in 2022 users aged 16 to 24 (and even up to 34) spent an average of 7 hours a day on the internet, 7 hours during which they are exposed to advertising, conversations with friends, social media content and, of course, all of this translates into a possible connection to a moment of purchase. Actually, these days, the process of a purchase touches or ends at some point digital channels, and this is the clear indicator that brands need to be engaging with consumers through social media and other online platforms if they want to remain relevant, although this isn't new, right?

The principal issue remains in how to achieve that, taking into consideration that social media users actively use or visit an average of 6 different social platforms each month, and spend an average of 2.5 h per day using social media, and there are around 15 social media channels with more than 400 millions active users monthly. We all know how hard it is to stand out and engage with this kind of content overflow and overstimulated users.

With all these as an starting point, from Samy Alliance we aim to create a new roadmap, which resembles more like a maze with multiple wayouts, to understand the new, intersected dynamic that is the new conZumer Journey, with the younger generations and the way they can go from the first news about a specific product or service until the final purchase decision.

Our goal is to tell brands what is changing in their consumers habits, to put a name to what is already happening from years now and set a new lens that allows us all to understand these patterns and behaviours, because these changes have a direct impact on the marketing strategy they define.

To do this, we conducted and analysed a series of surveys to consumers from various backgrounds to cover multiple outcomes and platforms, ran extensive desk research, interviewed top-notch brands representatives from different industries and geographies and gathered the know-how of our own experts to gain and connect insights from every perspective: brands, users and agency.

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How Gen-Z looks like

02
How
Gen-Z looks like

The younger consumer segment is drastically changing their communication and, therefore, consumption habits. They are understanding and interacting with the world differently and that impacts their way of connecting with brands as well. We are, of course, talking about Generation Z, but also about the cluster called Zillennials, and it is very likely that the transformations that we are going to explain in this study will apply even more intensely when the Alpha generation starts to gain more purchasing power.

To really understand the deep transformation that the customer funnel has had already and how it will shape in near future we would like to give you some insight into how Gen Z and Zillennials are like and, more importantly, why you should care about them; although, if you want to go deeper into these new generations, you can download our latest report The Savvy Consumer: a new mindset.
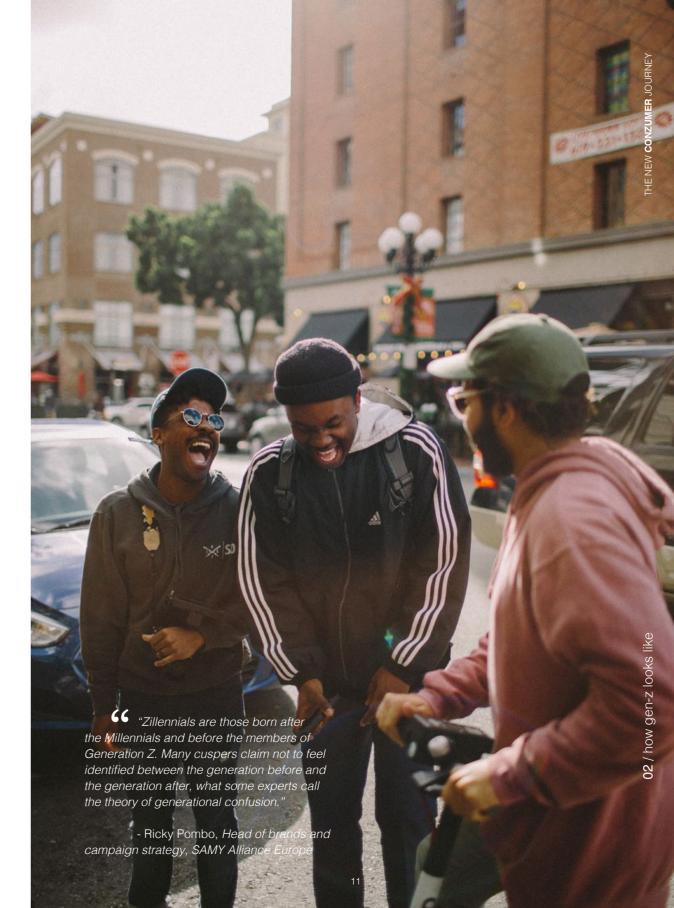
Now, let's get started:

54%
are fully employed, which means they are in the sweet spot of purchasing power

Zillenials
are worthy of a niche marketing, considering sheer size and purchasing power alone

48%
of Zillennials **live with their parents**, so they are unlikely to pay mortgage or rent, let alone utilities

They represent about ## 20.35%
of the US population, and in the next 10 years they will make up the majority of the racially diverse population

" *"Zillennials are those born after the Millennials and before the members of Generation Z. Many cuspers claim not to feel identified between the generation before and the generation after, what some experts call the theory of generational confusion."*

- Ricky Pombo, Head of brands and campaign strategy, SAMY Alliance Europe

Information overload plays a big role in the whole new scenario, as younger users are fed up with it, they are becoming more protective and cautious with their digital activity, rejecting what they feel that's unnecessary content or plain advertising. In this digital-chaos, niche communities and their platforms become an essential part of the strategy, as these spaces are the way a brand can be present and integrated with the user's daily life in a non-intrusive way, learning and interacting with the community. In the end, brands need to find a way to connect with users seamlessly and hassle-free. And that's why we are here.

THE NEED OF HUMAN TOUCH

The main changes the industry has noticed have to do with the human touch, at different levels. This generation is much more sensitive to inclusivity and diversity - not as empty words, they mean it: 62% of US adults said that diversity in a brand's advertising had at least some impact on the way they perceived that brand's products and services.

This need of a human-touch is manifested in the type of content and how the users are seeking for it. The first remarkable characteristic is the need for inclusion, authenticity and transparency; they need a place to belong, with truly and caring content that resonates with them.

58% of Gen-Z shoppers have purchased a fashion item outside of their gender identity, compared to 40% of Millenials or 22% of Gen Xers showing a deep sense and need for **inclusivity and gender fluidity**

62% of Gen-Zers are more inclined to purchase from **sustainable brands**, which is a sign of their morals and values, attitudes they expect to see from the brands as well.
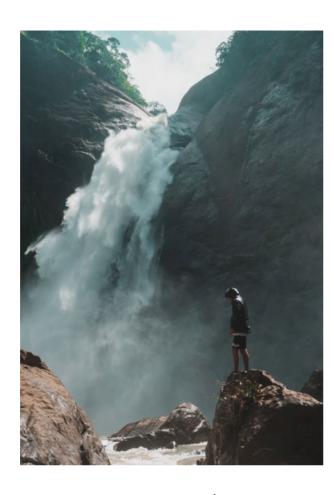

66 *We are clearly shifting from brand centralised communities to decentralised niche communities, in which users are the rules makers.*

Amaia Alvarez Country Manager, SAMY Alliance Spain

THE OLD METHOD NEEDS TO BE QUESTIONED

When we think about the consumer journey, we already know what it looks like; the classic conversion funnel that goes from awareness to advocacy and contemplates certain scenarios where a brand can play a strategic activity to gain consumers. Before 2023, the consumer journey map looked something similar to this:
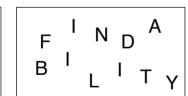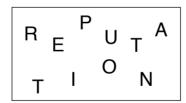

"modern"   consumer journey

Contributes to next person's decision

A W A R E N E S S >>

F I N D A B I L I T Y >>

R E P U T A T I O N >>

C O N V E R S I O N >> << A D V O C A C Y

Interest & Awareness

+ Social / Search advertising
+ Email / Text Marketing
+ Loyalty programs
+ YouTube / Video ads
+ Television
+ BIlboard
+ Online display advertising
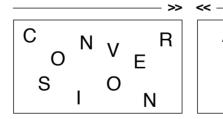+ Newspaper / Magazine
+ Radio
+ Word of mouth

Search

+ Organic Search
+ PPC
+ Maps
+ Directories
+ Apps
+ "Near me"
+ GPS

Reputation

+ Blogs & Articles
+ Reviews
+ Social Media
+ Word of mouth

Purchase

+ Website
+ Online booking
+ Purchase via app
+ In-store purchase
+ Salesperson
+ Marketing Materials

Experience

+ Post-purchase expectations vs, reallity
+ Social Post
+ Write a Review
+ Blog
+ Word of mouth

For Gen-Zers, Gen-Alphas and most likely the generations to come, there is no such thing as a traditional strategy that works if we consider this funnel, and the thing is that it has been so inherently attached to our day-to-day work that it hasn't been questioned again.

Users don't behave "just" like this anymore, as in today, social media channels are strongly different among each other, in terms of format and content; the rise of the influencers and content creators is making brands reconsider their years-long established strategies and the role each platform represents. With all this in mind, we need to be able to respond to two specific questions: where are the new users, and how do we reach them?

Having a small, minimised line on the consumer journey stating that the awareness can happen on social media is not even close to the amount of information a brand needs, today, to prepare a proper digital strategy. The ground is settled, and we need to learn the different paths and roads that are ahead, and how they're crossed in this maze that reflects to be the consumer journey but from their own upside down.

03
The new conZumer
journey

03

New
ConZumer Journey:

the upside   down funnel

The ConZumer Journey, the title we chose because it all started with the Gen-Z study and now coverages to the rest that generations that are coming, follows the same stages as the traditional funnel: awareness, matching findability&reputation into consideration, conversion, and advocacy. However, what it significantly changes are the spaces that gain prominence. In the following discussion, we will delve into those new channels, formats, or spaces that play a game-changing role in the new ConZumer Journey and how they interact with each other in real time.

As outlined in our report, The Savvy Consumer: A New Mindset, brand strategies must consider multiple platforms with unique formats, styles of communication, and varying levels and formats of content. Whilst TikTok and Meta are the leaders today, other platforms like Twitch, Reddit,

Discord, Telegram, Amazon, AliExpress, Vinted and Wallapop serve distinct purposes and play essential roles in the evolving conZumer journey, as well e-commerce and other platforms, particularly among Gen-Z and younger demographics. To surf this wave successfully, marketers need to take into account, as specific as possible, the preferences, desires, and needs of this target audience when developing their brand strategy across such a diverse range of platforms.

All channels are interconnected, and their relevance in different parts of the funnel depends on the strategy. This means that every platform can play a different role depending on the purpose, but they are not, by any means, limited to one goal.

Now, let's explore what's new in the upside down funnel.

Awareness

Not to miss

+ TikTok
+ Instagram
+ Twitch
+ Streaming- Netflix - HBO
+ Spotify - podcast
+ Youtube
+ Gaming

Complementary channels

+ e-mail marketing
+ Video ads. BTL&ATL
+ Personal recommendation
+ Whatsapp
+ iMessage
+ Text

Consideration

Findability   Reputation

Not to miss

+ Reddit
+ Discord
+ TikTok
+ Youtube
+ Pinterest
+ Instagram
+ Wallapop
+ Vinted
+ Telegram

Complementary channels

+ Amazon
+ GPS and organic search
+ Facebook / Meta
+ Google reviews

Conversion

second hand and leasing

Not to miss

+ TikTok
+ Wallapop
+ Vinted
+ Niche ecommerce
+ Social commerce

Complementary channels

+ Amazon
+ AliExpress
+ Instagram
+ In store

+ Advocacy

Not to miss

+ Instagram
+ TikTok
+ Twitter

Complementary channels

+ YouTube
+ Discord
+ Reddit
+ E-mail marketing
+ Apps
+ CRM

Awareness

This is, clearly, a pattern we have seen in TikTok, which promotes the quality content over the amount of followers or videos an account might have, or even Pinterest, where the search starts with a product rather than a specific brand.

> " *Most people who use Pinterest arrive with the intention to buy. Rather than competing for sales (as is the case on other platforms), our goal is to get customers to choose you consciously and in a positive environment. And it pays off: shoppers on Pinterest spend twice as much per month compared to users of other platforms.*

- Ana Venzal, Content Creation Lead, Pinterest Southern Europe

OPEN TO OPENNESS

Today's users are much more owners of the content they consume, therefore they decide on everything they want to see or not, this creating a huge opportunity for platforms that allows on demand content (such as Twitch, streaming platforms and Spotify).

75% of UK consumers have tried a new shopping behaviour online (choosing online over offline, a different brand or retailer, or even through different platforms) with 36% of them trying a new product brand.

73% of consumers who tried a different brand said they would continue to seek out new brands in the future; meaning that users are losing some interest in the "brand" relation to the value of their purchases, which creates a new space where the king will be the content that engages with the audience, since they're looking for value over brand recognition.

Where have you discovered products or services that have interested you recently?

TikTok	*60%*
Spotify	*26%*
Youtube	*33%*
Twitch	*9%*
Streaming platforms	*4%*
Reddit	*4%*
Physical shop	*32%*
Discord & Telegram	*6%*
Personal recommendation	*56%*

*Survey conducted by Samy Alliance to +100 Gen-Zers worldwide

THE (NEW SARCHING) WAY

TikTok as the new search engine

Gen-Z chooses TikTok as their main source of information due to its accessibility (37%), affordability (33%), and approachability (23%), according to Forbes. The trust factor plays a significant role as well, as influencers on TikTok are seen as equals and friends, using easy-to-understand language and relatable communication codes. This resonates with young generations who seek comfort and connection on social media platforms, unlike the impersonal experience of conducting a one-sided search on Google.
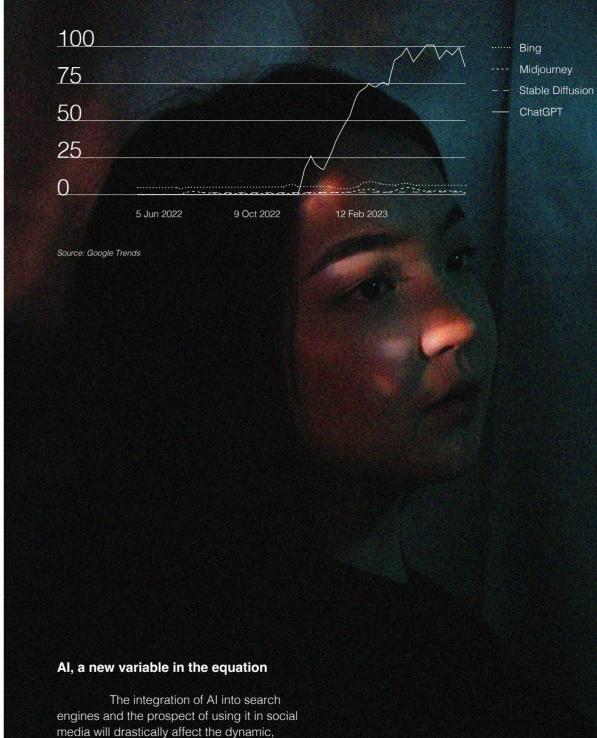
Furthermore, Reuters Institute's Digital News Report 2022 reveals that 39% of individuals aged 18 to 24 consider social media as their primary news source. When considering the vast user base of TikTok, over 900 million active users per month, it becomes evident that a substantial number of young users rely on TikTok for news more than any other search method.

TikTok's algorithm plays a crucial role in filtering content based on users' interests and showing them not only what they already like but also related content based on their searches and interactions.

This feature is particularly helpful for a generation exposed to numerous online stimuli daily. Instead of feeling overwhelmed by the need to search, read extensively, and invest extra time, users can simply open TikTok and trust their favourite influencers' recommendations, whether it's about skincare products or other preferences.

There is another variable in the equation, and of course it's AI. Although it has been integrated in products only and so far only Bing from Microsoft is being tested with Internet access in some countries, we need to keep a close eye on this trend.

Source: Google Trends

AI, a new variable in the equation

The integration of AI into search engines and the prospect of using it in social media will drastically affect the dynamic, offering to these savvy consumers the tool they need to create new decision-making habits in a snap, and we need to prepare for the moment when we have to shape new strategies, online and offline, to not miss the value in their lives.

THE CONTENT

Connecting through podcasts

It is clear that Gen-Z, Zillennials, and Alphas have diverse content preferences and seek engaging experiences across multiple platforms. In addition to traditional forms of media consumption and ads exposure, brands have been leveraging other formats and platforms; for instance, podcasts have become a popular medium for storytelling and information consumption among younger generations, since they appreciate authentic and engaging content. This format provides an opportunity for brands to create a space to promote their values and provide information about their product or services, enhancing their awareness.

THE CASES

Podcast **Gatorade**

The Secret to Victory by Gatorade

An interviews program who invited some of the most successful sports personalities in the world, including Serena Williams, Eli Manning, Matt Ryan and J.J. Watt, combining the entertainment value of the celebrities with inspiring and motivational messages to keep improving personally and professionally.

Podcast **Trader Joe's**

Inside Trader Joe's by Trader Joe's

They brought everyday activities to life in a way that feels personal and relatable. From seasonal shopping lists and staff picks to taste tests and inventory stocking, they gave an inside look into the brand everyone loves.

Podcast **Sephora**

#Lipstories by Sephora Collection

Each episode features an inspiring, influential woman that has been a trailblazer, connecting their best-selling product to a feel-good, inspiring message.

Podcast **McDonald's**

The Sauce by McDonald's

They created it to solve a PR problem, and launched the website WeWantTheSauce.com to announce a three-episode podcast called 'The Sauce' where they tell the complete story of the incident with the relaunch of the Szechuan sauce, and reveal how to make it at home.

Podcast ## Zendium

2 Minutes of Zen by Zendium

The natural toothpaste brand took advantage of the time people spend brushing their teeth by offering short guided episodes of various activities, including guided meditation and breathwork.

Podcast ## General Electric

The Message by General Electric (GE)

A science fiction program, in a journalistic style, where scientists work to decode extraterrestrial messages using real technology developed and sold by GE.

THE CONTENT

Connecting through brand entertainment

On the other hand, we have streaming platforms like Netflix, Hulu, and Amazon Prime Video, which have transformed the way people consume entertainment. While primarily subscription-based and ad-free, these platforms still incorporate trailers, promotional content, and brand integrations. Brands can and should explore partnerships with these platforms to create brand entertainment or seamlessly integrate their products into their shows, allowing for non conventional and effective product placement and brand exposure. This form of brand entertainment enables brands to reach a large and engaged audience through immersive storytelling and visual experiences.

THE CASES

Entertainment Netflix

Netflix has been the king of brand entertainment in the streaming industry, with sky rocking campaigns such as the alliance with Vans and Stranger Things or Rebook with Money Heist, Ibai Llanos to promote the new PlayStation 5, and documentaries series, such as Drive to Survive to promote Formula 1.
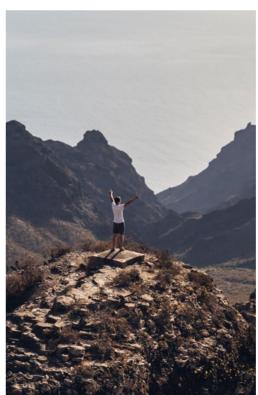
Entertainment Amazon Prime

"El Oso" the documentary that helped to rebrand the famous fashion brand TOUS, or "Influencers, sobreviviendo a las redes", the documentary that shows the reality behind the influencers life.

Entertainment Rakuten TV

The alliance between RakutenTV and Canary Islands Tourism and the creation of the adventure reality show called Discovery Canary Island, which streamed in over 40 European countries to promote the destination for travellers.

THE CONTENT

Connecting through streamers

There is a special mention we must address in the streaming segment, and it is Twitch: the live streaming platform which initially focused on gaming content has expanded to include streams of other activities such as music, art, and real-life events. Gen-Z, Zillennials, and Alphas actively engage with the Twitch community, making it an ideal platform for brands to tap into this niche audience.

Sponsoring or collaborating with popular Twitch streamers allows brands to raise awareness among a tech-savvy and highly engaged demographic. Additionally, running targeted advertisements on Twitch provides an opportunity to reach a dedicated user base, particularly for gaming-related or tech-oriented products.
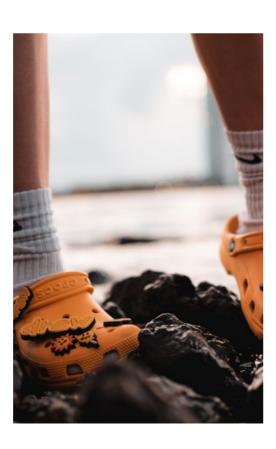
3.72M new followers

0.57% CTR - IG

406K stream views on Twitch

THE CASE

Streamers **Crocs**

The brand made gamified content by creating an in-stream Twitch game with seven influencers playing the game and giving away Crocs, positioning it as a credible and authentic brand in the gaming space, increasing brand awareness, credibility, and traffic to e-commerce.

Consideration

First, by acknowledging this situation, as brands we need to compile information about our users and create communications based on those needs and desires, on this stage specifically. In the previous state, it was just about opening the door for them, now we need to give them reasons to get inside; that's why in our ConZumer Journey we are combining the findability and reputation properties, and calling it Consideration, since here is where the user needs to find every tiny reason to choose us.

80%_____ say they **switch between online search and video reviews** when considering a purchase.

55%_____ search for a product on Google and then go directly to Youtube before buying.

Only 27%_____ prefers to go physically to a store.

This data paints a clear picture: efficiency reigns supreme when it comes to shoppers' preferences. The convenience and comfort of online shopping, along with the ability to compare prices and read reviews before pulling the trigger, are just too enticing, establishing the online, crossing platforms as the more effective way to build consideration.

A MATCH MADE IN HEAVEN WITH FINDABILITY AND REPUTATION

In traditional understanding, a user could go to a directory to find a brand and then look for reviews on blogs or ask their friends for advice to check the reputation of the brand. These days, both activities happen in the same moment, in parallel. In order to provide the user the smoothest experience possible, brands can't just make themselves visibles, they also need to provide proof of the quality of their offer in the process.

The question relies on: how, if we already know, for a fact, that users are not as trusting as before with brand's advertising?

McKinsey & Co reported that 82% of Gen-Z trust their family and friends for advice on products more than any other source, including brands themselves.

RECOMMEDATIONS: WHOM DO GEN-Z TRUST?

Over 75% of our survey respondents affirmed that they use platforms like TikTok, Discord or Reddit to search for recommendations and reviews before purchasing. On top of that, 61% of Gen Zers buy based on a recommendation from a family member, friend or influencer on social media, while only 31% of consumers buy based on recommendations made directly by the brand.

% of online community visitors in the U.S. who visit for the following reasons

77% ____ discover **new things**

66% ____ connect with people who have **similar interests**

62% ____ find funny/entertaining **content**

60% ____ **keep up** with the news/current events

60% ____ **ask a question** to people knowledgeable about a topic

55% ____ to seek **honest advice**

54% ____ **get a recommendation** for a product/service to buy

49% ____ **to have a safe space** to share ideas, thoughts, etc

44% ____ to have **genuine conversations** with others

38% ____ share **advice**

Actually, looking at the reasons why people reach out to different platforms, we understand that they are desperately seeking connection and trust. They will rely on the opinions of like-minded people to complete the journey much more than what a plain ad will tell. But not only that, they are of course extremely aware of the usage of influencers, and reject everything that seems fake, that's why it's indispensable to choose the correct person to drive the message, as well as allowing them to get involved in the content generation.

" *"We have used UGC, nano-influencers and content creators to make videos where authenticity predominates, so that generation Z feels more identified. We have analysed and verified that, in this way, our content has a greater impact on the audience, as they consume our message through channels that generate their maximum credibility: their trusted prescribers"*

- Francesca Musacchio, Head of Marketing, PR & Partnerships at Miravia

DISCORD

<u>For what purpose</u> do users use discord?

30% use discord
for **entertainment & info.**

70% use discord
for **entertainment.**

<u>With whom</u> do they use Discord?

100% with their friends.

Discord <u>usage</u>
90% **daily**
100% **weekly**

Also, Discord <u>has gained a reputation as a platform for online communities and gaming enthusiasts</u>. It is known for providing a space where users can connect, chat, and engage in voice and text conversations, having a special emphasis on community-building, privacy, and security. <u>The challenge in this platform is to be authentic and respectful when engaging with the Discord community, as users value transparency and genuine interactions more than anything here.</u>

BRANDS ON DISCORD

+ Gucci
+ Jack in the Box
+ Chipotle
+ StockX
+ Samsung
+ Dressx
+ Adidas
+ Sephora
+ Youtube.

THE CONTENT MATCH

These events tend to happen in decentralised spaces and we are waiting to see an increase of their usage in the upcoming years, precisely because users want to feel in control of the situation and believe they're choosing to be there, consuming the content and filtering according to their own thoughts. The main places where all this change in consumer behaviour is happening are Discord (154 million MAus), Twitch (140 million MAUs) and Reddit (430 million MAUs and +100M active communities).

In this stage, as we said, the presentation of the content has a huge weight on the user's perception; the format in terms of content can vary from language to duration and adaptability to the platforms that drive more of the conversation.

<u>Although the traditional reputation platforms like Amazon and Google are still thriving on this matter, what it's important to consider is how the strategy goes to social media.</u>

<u>Discord's</u> findability is facilitated through its server structure and search features, empowering users to search for servers based on specific keywords or tags, enabling them to discover and join servers that cater to their interests, hobbies, or specific topics. From the brand's perspective, <u>Discord's search functionality works as a great tool to identify and engage with communities that align with the audience;</u> also, there is a chance of forging partnerships with existing popular Discord servers or influencers, which can amplify the brand's discoverability and extend its reach to a wider audience.
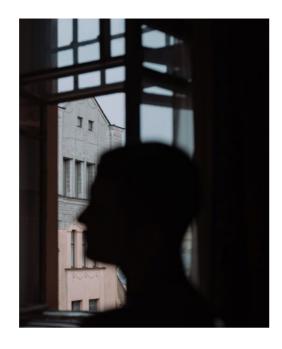
REDDIT

Reddit users can effortlessly search for specific topics, keywords, or communities of interest within Reddit's vast ecosystem. The platform's subreddit system allows users to discover and join communities that align with their specific interests. This categorisation offers a fantastic opportunity for brands to precisely target their desired audience by participating in relevant subreddits or even creating their own subreddit communities, as many have been doing already.

In the case of Reddit, its reputation is based on the quality and credibility of its content, as it heavily relies on user-generated posts and discussions. It has a reputation for being a platform where users can find niche communities, share knowledge, and engage in lively conversations. However, it is important for brands to navigate Reddit cautiously and follow community guidelines to maintain a positive reputation and avoid backlash from the community; it's their rules that we, as brands, need to follow. As the old-time tradition of creating a one sided ad is long gone, brands who are willing to enter the user's space will be rewarded with life-time opinions of the superfans who can be almost experts on the industry.

BRANDS ON REDDIT

+ Toyota
+ Nissan
+ The Economist
+ Audi
+ SpaceX
+ Nordstrom
+ Glamour Magazine
+ Lenovo
+ Maker's Mark

TIKTOK

TikTok's algorithm-driven content discovery system is a game-changer, since it meticulously analyses user behaviour, engagement patterns, and interests to curate and deliver personalised content to each user's For You page. This discoverability feature fosters a fertile ground for brands to amplify its reach, but this is strongly connected to the content itself, since the platform rewards almost individually the videos and the consistency of publication, more than the broad number of followers.

It has established itself as a platform for short-form video content, creativity, and entertainment. Its reputation is centred around its engaging and addictive nature, with users creating and consuming a wide range of content from dances and challenges to comedy skits and educational videos. TikTok content is dedicated to show the real face of every profile, including brands, so it needs to think outside the box to understand how to navigate the real engaging content, this translates to open the strategy for influencers to jump in, doing video reviews, unboxing and testing in-real-time.

Understanding the importance of establishing a strong presence on TikTok becomes crucial for brands aiming to engage with this audience. TikTok serves as a vital channel for connecting and communicating with them swiftly, allowing brands to tap into their preferences and behaviours effectively. However, merely having a profile on the platform is not sufficient. As we explained, Gen-Z relies on TikTok not only as an entertainment hub but also as their go-to search engine. They seek out content from influencers and individuals they perceive as trustworthy sources.

IAB (Interactive Advertising Bureau) published a study on travelling in Spain where they highlighted that the most trusted reference when it came to travelling destinations were families, friends and personal recommendations, with 46%, and that travelling social media accounts owned only 12,3% of the share. Although the #TRAVEL on Instagram has 681M posts and the related content has 8.8B visualisations on TikTok, Gen-Zers still need a "trustworthy" source to decide where to go.

THE APPROACH

One of the key factors is the role of the influencers: there is currently a trend of comparing how a tourist destination appears on social media versus its reality, and this is the proof that the need for greater authenticity is becoming increasingly evident, as people are no longer easily convinced by the showcase of idyllic locations. The role of influencers, now referred to as the "de-influencer" trend, is shifting towards showcasing the reality of destinations to provide audiences with the most accurate information possible, emphasising the importance of transparency and supporting, once again, users won't stand lies.

Hence, brands must adopt a multi-faceted approach to make a meaningful impact. This entails not only maintaining an active presence on their own TikTok channel but also collaborating with influencers who already capture the attention of Gen-Z. By partnering with local influencers, brands can leverage the trust and rapport these individuals have established with their audience, since Gen-Z tends to place more trust in the recommendations and opinions of these influencers, considering them as authentic and relatable sources, rather than relying solely on branded content intended to promote products or services.

Furthermore, across and beyond the functionality of these platforms, user-generated content (UGC) holds significant appeal for younger generations. Authentic and relatable content resonates with them, and they enjoy seeing real people using and interacting with products or services, with strategies including Twitch livestream reviews as the living proof of it. Brands can encourage and showcase UGC by running campaigns or contests that encourage users to create and share content related to their brand, fostering a sense of community and allowing brands to harness the creativity and enthusiasm of their audience.

"Gen-Zers have opened the door to new opportunities to generate content and openness, as they are a generation that is constantly looking for experiences, that is eager to try new things and above all that is not afraid to speak its mind. It is a group that has very particular communication codes and is different from other age groups, which has meant rethinking the way we talk to them. For example, we started to create shorter digital assets, with a different type of production that resembles organic content so that it doesn't look like an advertisement. In addition, we have collaborated with influencers where we give them a brief based on a process of co-creation of content and let them propose the content that makes the most sense for their audience."

– Natalia Soto
Digital & Media Lead at Unilever Mexico

Conversion

<u>59%</u> of surveyed shoppers consider the ability to shop on mobile as a crucial factor when deciding which brand or retailer to purchase from.

<u>56%</u> of in-store shoppers have utilised their smartphones to shop or research items while physically present in a store within the past week.

<u>66%</u> of shoppers prefer **online shopping.**

CONVERSIONS HAPPEN IN SOCIAL

In February 2021 the consulting and accounting firm's PWC launched their Global Consumer Insights Pulse Survey, aiming to understand user's shopping habits; here they reported a strong <u>shift to online shopping as people were first confined by lockdowns, and then many continued to work from home. Other trends in this shift towards digital consumption include online shoppers being keen to find the best price, choosing more healthy options and being more eco-friendly by shopping locally where possible.</u>

<u>The survey revealed a 15-30% overall growth in consumers who made purchases online across a wide range of product categories.</u> Many of these categories have seen a double-digit percentage increase in online shopping intent. While talking about the lockdown may seem outdated, it is imperative to understand the extent to which our behaviour has changed in just a few years. <u>Evidence of this can be seen in the fact that</u>

<u>the use of smartphones for shopping has more than doubled since 2018, according to the World Economic Forum</u>
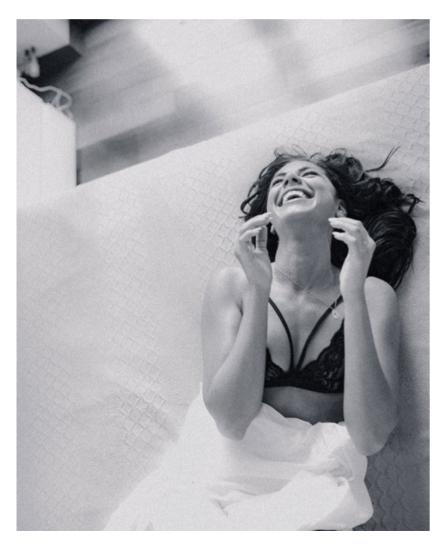
This highlights the prevalence of mobile devices as a tool for consumers to gather information, compare prices, and make informed purchasing decisions even when shopping in brick-and-mortar establishments.
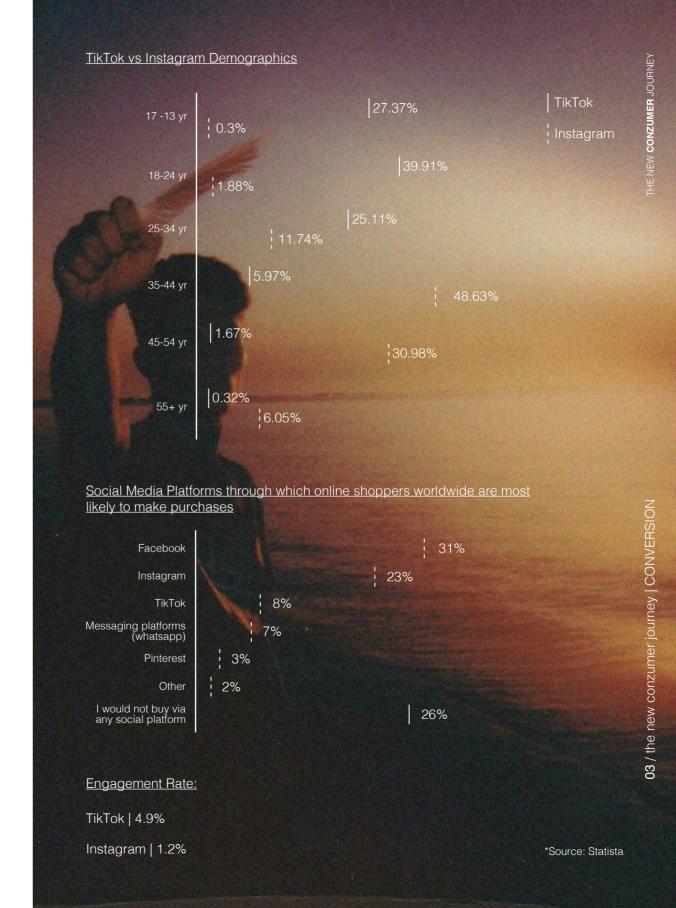
Turning our attention to social commerce, it is worth noting that social commerce in China is projected to account for approximately 14.3% of all eCommerce in 2023. In contrast, the United States currently stands at 4.9%, according to BusinessWire. This shows how China has witnessed significant growth and adoption of social commerce platforms, with consumers increasingly making purchases directly through social media channels, and that the rest of the world is following that lead.

WHY IS SOCIAL RELEVANT ON THIS STAGE?

In terms of user numbers, TikTok is positioning itself to become the king of the social media landscape, potentially surpassing even Instagram. Its appeal is particularly strong among future generations, as they exhibit a greater loyalty to the platform compared to Instagram; actually, TikTok boasts a higher engagement rate, which translates into increased shopping actions, as engaged users are more likely to explore and make purchases through the platform, with a careful note on: it does not have a purchase option in-platform… yet.

If we now think that TikTok has too much prominence in terms of social media, that is even without the integrated purchase option; the potential for it as a social commerce is more than evident, and it's already happening without the option itself: currently, TikTok ranks third in terms of shop interest among social media platforms. Its popularity and engagement rates suggest that it possesses untapped potential to facilitate shopping experiences directly within the platform.

TikTok vs Instagram Demographics

| TikTok
| Instagram

Age	TikTok	Instagram
17 -13 yr	0.3%	27.37%
18-24 yr	1.88%	39.91%
25-34 yr	11.74%	25.11%
35-44 yr	5.97%	48.63%
45-54 yr	1.67%	30.98%
55+ yr	0.32% / 6.05%	

Social Media Platforms through which online shoppers worldwide are most likely to make purchases

Facebook	31%
Instagram	23%
TikTok	8%
Messaging platforms (whatsapp)	7%
Pinterest	3%
Other	2%
I would not buy via any social platform	26%

Engagement Rate:

TikTok | 4.9%

Instagram | 1.2%

*Source: Statista

THE OTHER WAYS OUT

In today's consumer landscape, the journey towards making a purchase has expanded beyond the traditional notion of buying brand new products. Consumers now have multiple avenues to fulfil their needs, with the "purchase" stage offering two alternative options: opting for second-hand items or exploring leasing arrangements. These alternatives have gained popularity due to both ecological and monetary considerations.

This trend is fueled by various factors, including the desire to save money and the growing awareness of environmental responsibility. For many consumers, purchasing second-hand products offers an opportunity to obtain items at a more affordable price point compared to buying new. Moreover, it aligns with the growing sustainability movement, as it reduces waste and extends the lifecycle of goods, contributing to a more responsible approach to consumption; something we all know is a main concern for the Gen-Z and Zillennails.

Brands need to provide users with an eco-friendly alternative to consume their products, creating a coherent approach that can coexist with the traditional sales model.

On the other hand, leasing has also emerged as a viable option for a portion of consumers. According to the survey, 12% of respondents have chosen leasing over outright purchasing at least once. Leasing provides an alternative way to access desired products without the long-term commitment and financial burden associated with ownership. Platforms dedicated to facilitating leasing arrangements have emerged, such as Wallapop and Vinted in Europe, offering consumers the convenience of accessing a wide range of products on a temporary basis. These platforms provide a flexible solution for those who prefer to have temporary access to items, especially for products that may have a limited usage period or frequent upgrades, such as electronics or certain types of equipment.
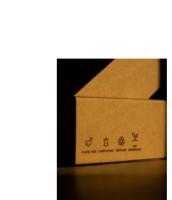
62% of respondents **have bought second-hand items.**

Second-hand is expected to be 2x bigger than fast-fashion by 2030.

76% of first-time buyers plan to **increase their spend on second-hand** in the next 5 years.

*Source: GlobalData Market Sizing Estimatest and GlobalData Consumer Survey.

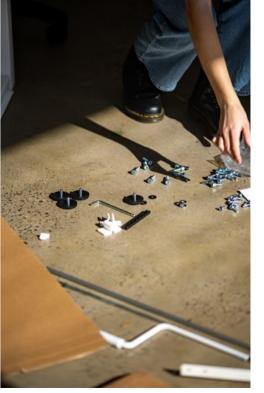" *"Sustainability has had a relevant impact in our business, this is reflected in consumer engagement with the brand. In addition, we have noticed the emergence of new platforms where users talk about the products, in addition to the already established ones like instagram or twitter, there is TikTok, which is the platform that is growing par excellence and everyone wants to be there regardless of age, and it is where we can learn a lot from them and their interests."*

Nicolás Torres, Chief of Digital Media and Marketing at Bimbo Chile

THE CASE

Second-hand   Ikea

A great example of this approach is seen in Ikea, which continues to sell its products while committing to having all materials recycled by 2030. On top of that, Ikea has already implemented the option of second-hand products for those who are interested. In other words, while maintaining their current sales model, Ikea has a clear purpose to change it and has already made the 2nd hand option available for environmentally conscious consumers.

Advocacy

THE CASES

Brand-trust ## TikTok

As a case of a bad situation to be in, on May 23, 2023, the Chilean journalist Juan Vallejos Croquevielle, located in Madrid, posted a TikTok explained how his debit card was blocked due to a "risk" on his transactions habits (buying coffee on the same place each day for a month). In the span of 4 days, the user posted another 4 videos explaining what has been happening in a "humoristic" way, from being contacted from the bank due to the reach of his videos (from 80K to 2M views) to the frustration of the situation, how VISA actually helped him and so on. He never told anyone to not trust the brand, but he did say:

" *I accessed all the regular channels, by twitter, by phone, but they only reacted because my video went viral, so the bank of chile cares more about their reputation than helping their customers (...) Of course I am going to go back to the bank once I'm in Chile, but to close my account with them.*
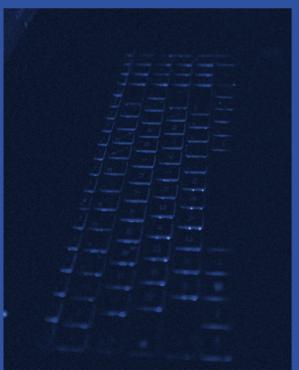
- Juan Vallejos Croquevielle.

Here is where all comes together: the nurturing and harnessing the loyalty and satisfaction of existing customers. It is a stage where customers become brand advocates and willingly share their positive experiences with others. To aim for this, brands need to focus on building strong relationships based on exceptional customer support and communication skills, and encouraging customers to leave reviews and referrals; here the goal is to create a community of loyal customers who actively promote and endorse the brand. The thing here is that this is not "an option", because if the stage is ignored or poorly managed, it could easily backfire on a brand.

This precise video has over 5 thousand comments, most of them from other chileans commenting their experiences as well, and due to the unfortunate situation, it's very likely that this content stands in the future, affecting the brand reputation and doing the opposite to the advocacy creation.

From the other point of view, the perfect example of how to create advocacy comes with Samsung, and it's a great show of how this upside down funnel works, because although it's represented on a straight line, this is more like an on-going spiral. Actually, we don't need to wait for the purchase to convert the users into ambassadors.

Brand-lover ## DiscordxSamsung

Samsung is one of the first electronics brands in launching its server on the digital gaming community platform Discord. By launching its server on Discord, Samsung aims to establish a dedicated space for their users within the thriving digital gaming community.

By providing a platform for participants to share their opinions, ideas, and experiences about Samsung products, the brand encourages engagement and facilitates valuable feedback, whilst also gauging customer sentiments, identifying their specific needs, and gaining insights that can inform their product development and service planning.

Moreover, the server offers participants access to exclusive promotions, events and unique opportunities, creating a sense of reward and value for being part of the Samsung community. This strategy aims to strengthen the bond between the brand and its users, fostering brand loyalty and increasing the likelihood of future product or service adoption.

Here, we cannot separate the content from the platforms, since they must be dedicated to give the users reasons to come back.

04
Brand's
POV

04

Brand's
POV

MIRAVIA

Francesca Musacchio, *Head of Marketing, PR and Partnerships at Miravia*

We are seeing a considerable increase in UGC on platforms such as TikTok and Twitch but we would also like to be able to monitor the noise on other platforms such as BeReal. Although we only launched the marketplace a few months ago, on TikTok, we already have more than 82 million views with the hashtag #miraMIRAVIA. On platforms like Twitch, we are working to create noise through different content creators, currently reaching more than 230,000 views on videos that talk about Miravia products.

BIMBO USA

Ashley Sheets, *Paid Media Strategy Lead, Sweet Baked Goods, Cookies, & Bakehouse at Bimbo USA*

For a company to continue into the future, it's important that it nourishes or grows a future client base. Focusing on younger consumers allows a company to develop an early on relationship to extract the highest life time value as possible. It will be just as important to message to Gen Alpha when they start to make purchasing decisions. Currently, we do not have separate campaigns for Gen Z. I do think that is a miss and something that will need to be addressed in the future.

Most of our new products are found on the shelf vs. online. Each new generation impacts the media behaviours of the generation before them. GEN Z has made us re-evaluated some of our more "tried and true" platforms like Facebook and shift focus to newer platforms like TikTok and Twitch. These platforms are "young" but have huge scale against our other targets.

UNILEVER MÉXICO

Natalia Soto, *Digital & Media Lead at Unilever Mexico*

Definitely, generating ad hoc content for each of the digital platforms and with visual codes that are attractive to Gen Z, has increased the amount of interactions we have with them and a greater closeness, in addition to insights that in turn build future communication campaigns. Additionally, we see that this is a generation that appreciates the transparency and authenticity of content as well as being interested in the purpose of Unilever's brands and their values
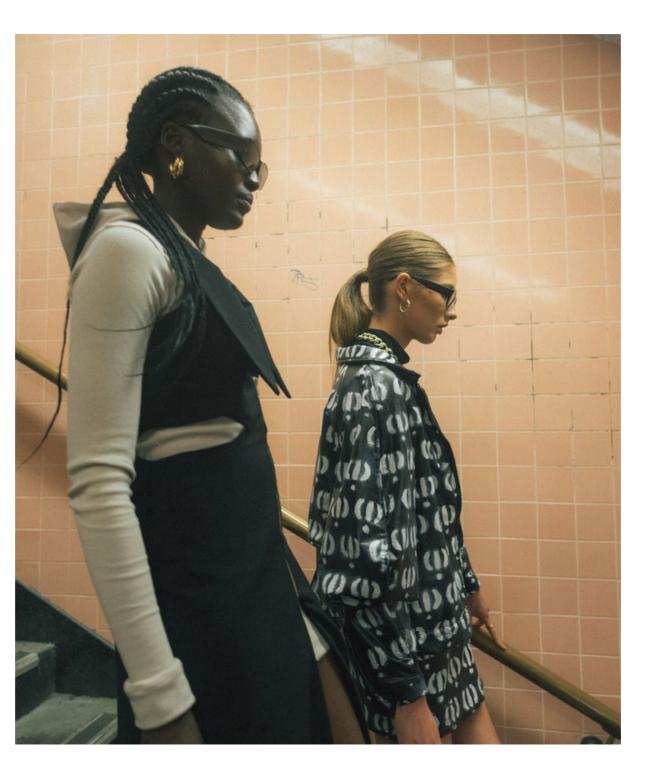
PINTEREST

Ana Venzal, *Creator Lead - Southern Europe*

Gen Z is the fastest growing demographic on Pinterest. From internal research, we found that half of Gen Z respondents agreed that negative online experiences are becoming more common. In addition, more than half (53%) believe that online platforms and social networks have a responsibility to create positive spaces. At Pinterest, over the past decade, we have made deliberate choices to design a more positive, safe and inspiring place online. The study with UC Berkeley's Greater Good Science Center confirms the positivity of our platform and the emotional benefit to our users. And this has had an impact: we've seen growth among Gen-Z categories such as event planning (+52%), men's fashion (+40%) and beauty (+37%) (global Pinterest data, Q1 2023 vs Q1 2022) and overall searches by Gen-Z users grew 34% in the last year.

SPRINGFIELD

Rosario Treviño, *Directora de Marketing*

Social media is in many cases the new media for brands targeting Millennials, Zeta and Alpha generations. Precisely because of this, all brands invest in these platforms, even more so for small brands that have a small investment and that these platforms with low investments allow them to have a high reach. Social media have generated accessibility, proximity and visibility for brands that would not otherwise be visible. The RRSS have favoured and allowed the birth and growth of many brands, competition and a lot of value for the customer.

04 / brand's POV

KIA

Florian Fellner, *Marketing and Communication Senior Manager*

Our communication strategy is based on customising the communication received by each segment as much as possible, avoiding both using the same message for everyone and launching different messages to the same segment. A good example is our activity on social media, where we have created different profiles to differentiate the content we share there, focusing on content more related to the world of motorsport in the conventional profiles, while for segments such as Gen-Z, we are putting out content much more focused on lifestyle and inspiration, achieving very positive results in both cases, results that we do not get by mixing these contents.
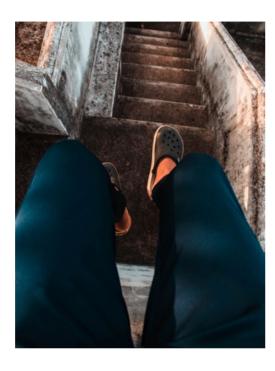
CUSTOMER
COLLECTIONS
AND PARCEL
DROP OFFS

CUSTOMER
PARKING

05
Conclusion

06
Conclusion

The conZumer journey has undergone significant transformations in recent years, largely driven by the pervasive influence of social media. Manuel Sánchez, Head of Social Media at Samy Alliance Iberia, emphasises the integral role of social media in the lives of younger generations, where almost every decision, whether big or small, has been shaped by its impact; right now the conZumer journey is deeply intertwined with the social media experience.

> " *During the first phases of the journey we are most likely to get a pull influence, discovering new brands or trends from our friends, influencers or social ads. But on the middle and lower parts of the funnel, users are more likely to get a push influence: digging on TikTok hashtags to discover reactions, sharing the desired purchase on WhatsApp to get recommendations or even directly visiting the brand social channels to convert.*
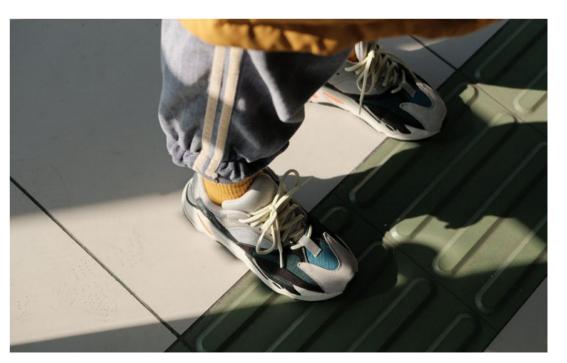>
> *Social media influence goes beyond ecommerce, it also affects physical experiences. We can see how this has influenced different industries such as retail packaging or even hospitality venues: it's not just about the product or experience itself, it's also about how it looks on social media.*
>
> Manuel Sánchez, Head of Social Media at SAMY Alliance Iberia.
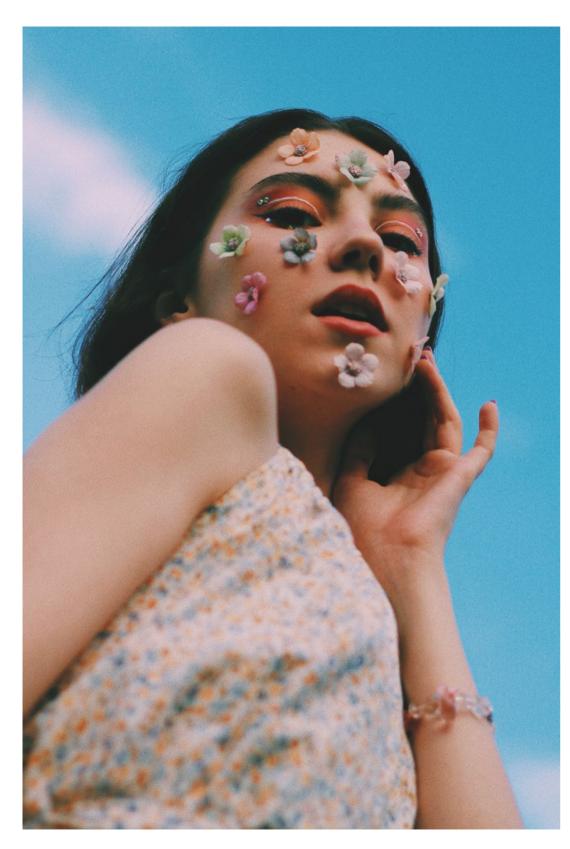
Gen Zers are digital natives who have grown up in an era of rapid technological advancements and constant exposure to various forms of media, as a result, they have developed a discerning eye for content and a desire for personalised experiences, that's why the adaptability and creativity of the content strategy are crucial in the conversion funnel.

Strategic connection between platforms is vital because Gen Zers are active users of multiple platforms simultaneously, and known for their short attention spans and preference for authentic, engaging, and visually appealing content. They seamlessly transition between platforms throughout their conZumer journey , seeking information, validation, and recommendations, therefore, connecting one platform to another ensures a cohesive brand experience and reinforces brand presence across various touch points which is a way to win their heart and mind; what starts on TikTok goes to Twitch, Reddit, Discord and finally ends up in a buying platform, which needs to provide after purchase experience as well. It must be a 360 experience.

> **"** *When it comes to creativity for younger generations, one of the key things to consider is making sure that the content developed is appropriate to the platform they are on. This goes beyond adapting main narratives into new specs, it requires understanding of optimal storytelling flows, timing, etc... This is especially important when considering all the emerging platforms, where user behaviour varies drastically from one to the other.*

Jayson Fittipaldi, Creative Director
at SHARE Creative, a SAMY Alliance agency

Now, with all the information we need to consider in the Gen Z conZumer journey , crafting effective marketing strategies relies heavily on the power of social intelligence and data. These tools allow brands to dive deep into the world of social media, online communities, and digital platforms to gain real-time insights into the needs, desires, and behaviours of users.

Data analysis takes things a step further, offering a treasure trove of information about Gen Z's online habits, preferences, and purchasing behaviours, which leads to discovering possible patterns, identifying key touchpoints in the journey, and gaining perspective of what truly drives Gen Z to convert; like having a roadmap to their hearts and minds.

The *New* con**z**ume**r** *journey*

" *These shifts in the ConZumer journey are heavily tied to the broader cultural and societal changes. As a result of covid-19, Gen Z lost high-touch social spaces like their last year of high school or first year of college. This has created a desire for more meaningful experiences and intentional use of their time. Ones that allow them to build community and really connect over shared passion points.*
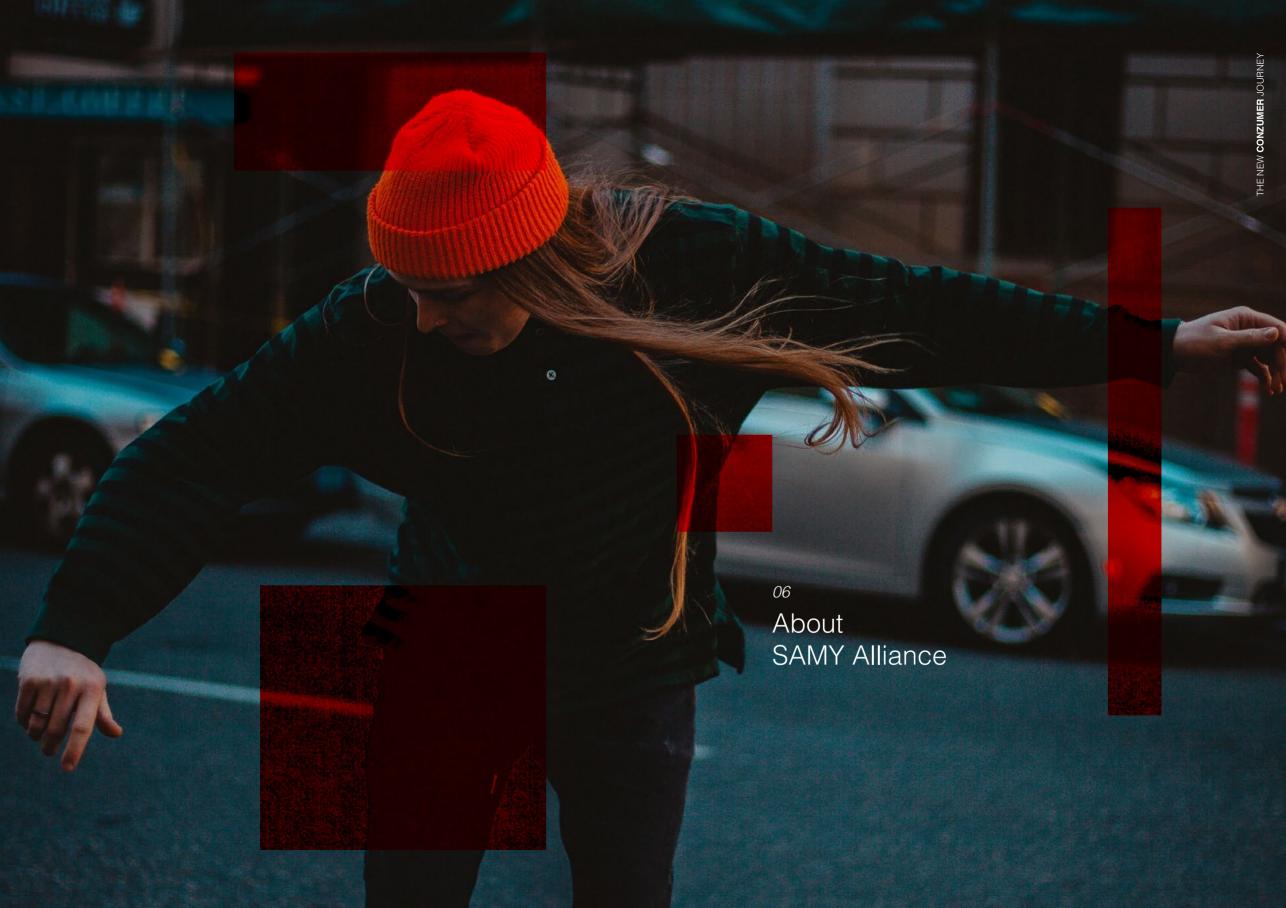
This will translate to digital and social through new platform exploration - an indicator of how legacy social platforms, like Twitter and Meta, are struggling to stay relevant. Those feeds are noisy and divisive for too many reasons. Instead, Gen Z will seek out new apps and spaces built to prioritise connection in a genuine way - like TikTok, Discord or Twitch.

These shifts make social intelligence even more valuable. It gives us a deeper understanding of what themes, which creators, or brands are impacting - maybe even - owning the conversation on a topic. This also gives us both quantitative and qualitative inputs to validate part of an evolving conzumer journey.

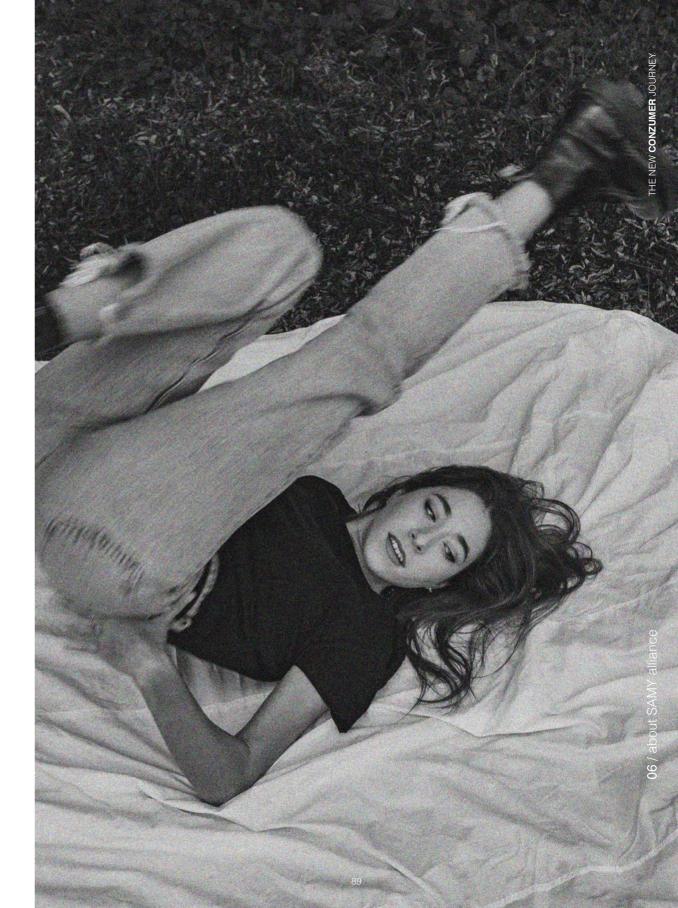Dee Nuncio, VP Strategy and Social at NOBOX, a SAMY Alliance agency

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About
SAMY Alliance

06

About
SAMY Alliance

SAMY Alliance is a global ecosystem of specialized and integrated marketing and communications solutions founded on consumer understanding and state–of-the-art-creativity.

An unparalleled immediate <u>access to the voice of the consumer</u> thanks to our <u>proprietary tech</u> allows us to use deeper insight to inform fearless creativity and strategic thinking, unveiling hidden opportunities that makes brands move forward.

Nominated by Financial Times one of the Top 1000 fastest growing European companies for 4 consecutive years and with over 400 professionals operating from 15 offices in over 55 markets, we develop socially and humanly impactful end to end campaigns aimed to build trust and community.

With over 10 years of experience and through our specialized solutions in Research, Social Media, Strategy, Creativity, Influencer Marketing, ePR and Paid Media, Samy Alliance has become the brand partner of choice of over 100 AAA customers such as Diageo, Microsoft, Formula 1, KIA, Tous , Netflix, INNEOS, L'Oreal, Beiersdorf, Reebok, The North Face, Unilever, or Samsung.

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