NOT YOUR AVERAGE

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GEN Z REPORT

How Gen Z is pioneering cultural
communities: The new audience
model for inclusive brand
performance marketing

+ʌSSEMBLY

INTRODUCTION

A NEW FORM OF IDENTITY

To understand how different generations, races, and ethnicities are shaping new identities, Assembly partnered with ThinkNow, a minority-owned, cross-cultural research firm, to conduct a study among 1,200 Americans across all demographic groups:

- 400 people in each generation (Gen Z, Millennial, Gen X)

- 400 people from each multicultural cohort (White, Asian, Hispanic, Black)

Through this proprietary research, Assembly found that Gen Z is forming communities that transcend race, ethnicity, and even generations.

The reason? **Gen Z** have experienced countless "once in a lifetime" identity shifts over the past 10-15 years: a great recession, natural disaster, and COVID. Also: the smartphone boom, social media adoption, and AI is just getting started.

Previously, these once-in-a-lifetime shifts shaped our collective identity. However, in this massive pace of change, we need to rethink how people identify and how brands can target them effectively.

KEY FINDING

GEN Z'S UNIQUE OUTLOOK:

Gen Z has grown up "native" to massive societal and technological shifts and are paving the way for how older generations act, aspire, and succeed.

66%
Of Millennials look to Gen Z for inspo

55%
Of Gen X look to Gen Z for inspo

GEN Z'S OUTLOOK

4 CODES OF CONDUCT

GEN Z'S UNIQUE OUTLOOK PROVIDES A GUIDE FOR MARKETERS TO FOSTER GENUINE CONNECTIONS AND TRUST

1 CONSUME NEW *AND* OLD MEDIA

Yes, they're more likely to seek out influencers **(23%, 126i)** and gaming **(16%, 140i)** for product inspiration, but they still look to billboards **(14%)** and direct email communication **(17%)** from brands.

2 TURN TO WORD-OF-MOUTH OPINIONS

For high consideration purchases, they are more likely to be influenced by others. E.g. - for technology products they are **80%** more likely to look to celebrities and **40%** more likely to look to siblings.

3 PURPOSE WITH A BACKBONE

They don't want brands to give lip service to DEI without knowing it's ingrained in their product and organization. While they are less likely to expect DEI marketing, they won't hesitate to boycott if there is a misstep or perceived performative advocacy **(41% have boycotted vs. 33% total).**

4 SUPPORT HERITAGE AND COMMUNITY CAUSES

Though it doesn't define them, ethnic identity is an important factor when Gen Z is considering donating to a cause. Heritage and community become **30%** more important when considering donations.

UNITED BY A SHARED SET OF VALUES

VALUES GROUND OUR OUTLOOK AND BEHAVIOR

"Personal and brand values act to prime people's mindsets, which directly affect their behavior."

-Harvard Business Review

2X MORE LIKELY

to say they share values vs. other generations or ethnicities.

Gen Z's outlook is underpinned by their embrace of the values they share with their peers. The connections they forge and the communities in which they circulate are fueled by shared values. Therefore, inclusive marketing is more than embracing ethnic identity; it's supporting the common belief structures within Gen Z.

"Which Of The Following Values Do You Identify Most With?"

- AUTHENTICITY
- PROFESSIONAL/CAREER
- ENVIRONMENT
  - Gen Z are 37% more likely vs. other age groups to value "Environment"
- OPEN-MINDEDNESS
- EQUALITY/INCLUSIVITY
- OPTIMISM
- COMMUNITY
- FAMILY
  - 50%+ of all generations value "Family"
- RESPECT
- RELIGION/FAITH
- EDUCATION
- PERSONAL GROWTH
- SELF-RELIANCE
- FINANCIAL SUCCESS
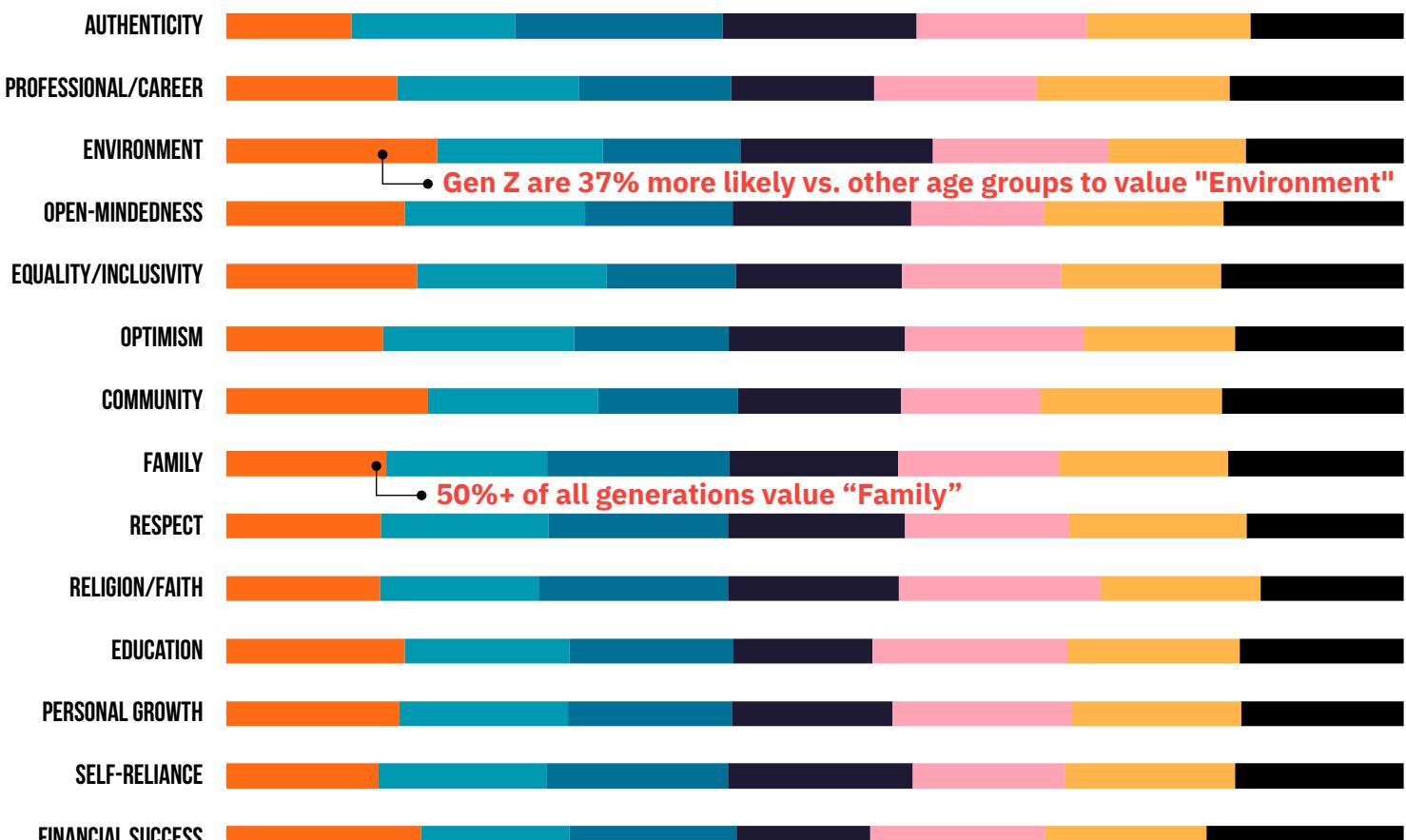
● GENZ ● MILLENNIAL ● GENX ● WHITE ● BLACK ● HISPANIC ● ASIAN

GEN Z'S
UNIQUE VALUE SYSTEM IMPACTS BRAND CONNECTIONS

We were curious to see if values (and how they connect) are more closely associated with certain categories. We statistically mapped associations below and some unexpected findings emerged.

VALUES CAN REFRAME CATEGORIES.

For instance, the connection between "religion/faith" and luxury reveals a clear potential for shifting brand passion to brand evangelism.

VALUES CONNECT SEEMINGLY UNCONNECTED CATEGORIES.

When looking through the prism of "family" values – technology and home improvement are reframed as products and services that enhance the family experience.

VALUES DRIVE PURCHASE INTENT.

Being "Open-Minded" increases purchase intent in tech, CPG, entertainment.

Self-Reliance

Community

HOME IMPROVEMENT

HEALTHCARE

TECH

Environment   Profesional / Career

TRAVEL AND LEISURE

Family

FINANCE / INSURANCE

Personal Growth

LUXURY   Religion / Faith

Respect   ENTERTAINMENT   AND MEDIA

CPG   APPAREL

Financial Success

Open-Minded

Equality / Inclusivity

Optimism

Education

NON PROFIT

Authenticity

GEN Z IDENTIFIES WITH
"CULTURAL COMMUNITIES"

6

Gen Z's values, when mapped against category intent, reveal 6 potential cultural communities for marketers to engage. Each of these cultural communities represent a diverse composition of Gen Z.

Once aligned on the communities to engage, Assembly's job is to unpack the individual identities that reside within it and tailor messaging and media to spark connections and drive conversions.

ENVIRONMENT OPTIMIZERS
"I WANT TO MAKE THE BEST OF WHAT'S AROUND FOR THOSE AROUND WHO MATTER MOST"

Self-Reliance

CURIOUS COLLECTIVES
"I WANT TO UNDERSTAND HOW OTHERS CONNECT TO MY PERSONAL IDENTITY"

Community

HOME IMPROVEMENT

SUCCESS GALVANIZERS
"I WANT TO ADVANCE MY PERSONAL AND SOCIETAL AMBITIONS"

HEALTHCARE

TECH

Environment ● Profesional / Career

TRAVEL AND LEISURE

Family

FINANCE / INSURANCE

Personal Growth

Religion / Faith

Respect

ENTERTAINMENT AND MEDIA

LUXURY

CPG

APPAREL

Financial Success

Open-Minded

FAITHFUL DEVOTEES
"I WANT TO SHOW MY PASSION AND PERSONALITY ON EXCLUSIVE TERMS"

Equality / Inclusivity

Optimism

Education

Authenticity

NON PROFIT

EXTERNAL ENLIVENERS
"I WANT TO SHOW THE WORLD MY BEST SELF TO UPLIFT MYSELF AND ALL AROUND ME"

SOCIETAL LEADERS
"I WANT TO SHARE MY EXPERIENCE TO HELP LEARN ABOUT HOW I CAN MAKE THE WORLD BETTER"

A NEW APPROACH MEANS LEAVING BEHIND RELICS

Terms that gave lip service to inclusive marketing and didn't truly address it should be thrown in the trash.

INSTEAD OF THIS

TOTAL MARKET APPROACH

LIFE STAGE TARGETS

GENERAL MARKET VS. HISPANIC MARKET

BUYING DEMO

CONSIDER THIS

A COMMUNITY-BASED MODEL THAT'S INTRINSICALLY INCLUSIVE

Cultural communities serve as the building blocks for growth where shared values hold greater importance than age, race, or ethnicity.

TAPPING INTO CULTURAL COMMUNITIES TO DRIVE BRAND GROWTH

MAKING IT ACTIONABLE MEANS PROVING YOUR VALUE

We've introduced a new way to think of and engage Gen Z and beyond. Before jumping to activation or tactics, it is critical to think about how to create value with each of the 6 cultural communities.

WE HAVE IDENTIFIED 3 CRITICAL STEPS TO ARRIVE AT ACTIONABLE OUTCOMES.
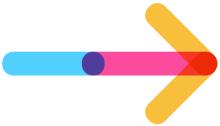
1 → **FIND**

Understand the communities relevant to your brand, including the values, demo-based cohorts, and media that define them.
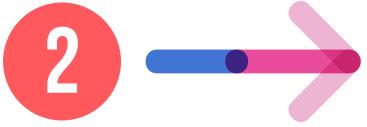
2 → **CHANGE**

Ask some hard questions about how you might adjust your total marketing approach to become more inclusive and culturally relevant.

3 → **GROW**

Identify the go-to-market principles that will guide how your brand shows up through different messaging, media, content, and more.

CULTURAL COMMUNITIES ARE THE NEW CONSUMER CURRENCY

While each group has prevalent values and category intent, how the nuances manifest across race and age reveal the magic – forms of engagement that tap into multicultural insights, while not alienating others.

ENVIRONMENT OPTIMIZERS

"I want to make the best of what's around for those around who matter most"

SUCCESS GALVANIZERS

"I want to get advance my personal and society ambitions"

FAITHFUL DEVOTEES

"I want to show my passion and personality on exclusive terms"

CURIOUS COLLECTIVES

"I want to understand how others connect to my personal identity"

EXTERNAL ENLIVENERS

"I want to show the world my best self to uplift myself and all around me"

SOCIETAL LEADERS

"I want to share my experience to help learn about how I can make the world better"

| UNDERPINNING VALUES	DEMOGRAPHIC NUANCE	CONNECTION OUTLETS
Self-Reliance Family	• More Black and Hispanic • South Geos	• Influencer • In-Store • Direct
Environment Career	• More White and Asian • Northeast and Pacific geos • High HHI	• Event • Online reviews
Faith Financial Success	• Higher HHI • Northeast/Pacific geo skew	• WOM • Search • In-Game
Community Respect	• Higher HHI • Northeast/Pacific geo	• Event • Print • In-Game
Optimism Open-Mindedness Personal growth	• Lower HHI • More Black, Asian, Hispanic	• YouTube/Video • eComm Sites
Equality Education	• Lower HHI • More Black, Asian, Hispanic • East Coast geo	• TV • Social • Influencer

ASKING "WHY" REVEALS ACTIONABLE INSIGHTS FOR MESSAGING AND CONTENT

Asking "why" a given value resonates reveals that Gen Z values are intricately intertwined. The below visual takes our survey responses and runs them through AI nature language processing recognition models to compute and correlate similarities. It shows that any value (or color) is not thought of on isolated terms but is in fact a complex mosaic of intertwined values. For instance – "Open-Mindedness and Community" are connected through a bigger ambition of equal opportunity (example 1).

The takeaway? You cannot single out certain values. Rather, think of how multiple values can drive intent and help formulate messaging areas. For instance, using example 3 below, how would your fashion sneaker brand speak to the tension between individual expression and society expectations?

1 "EVERYONE DESERVERS EQUAL OPPORTUNITY"

Religion (9.3%)

Open Mindedness (7.4%) Community (3.3%)

Environment (4.8%)

2 "MY FAMILY NEEDS ME"

Self-Reliance (7.4%)

Family (16%)

Education (5.3%)

Optimism (5.3%)

Professional Achievement (4.0%)

Authenticity (7.7%)

Personal Growth (12%)

3 "YOU HAVE TO BE YOU AND NOT WHAT SOCIETY WANTS OF YOU"

Respect (12%)

2
CHANGE

A MORE INCLUSIVE GEN Z ENGAGEMENT STRATEGY

The role of your brand and media's job is to build cultural currency with media and messaging that simultaneously sparks collective belonging and speaks to individual nuances.

EXTERNAL ENLIVENER

COLLECTIVE

"I want to make the best of what's around for those around who matter most"

INDIVIDUAL

Speak fluidly to the unique qualities (heritage, age, etc.) that make a community beautifully diverse
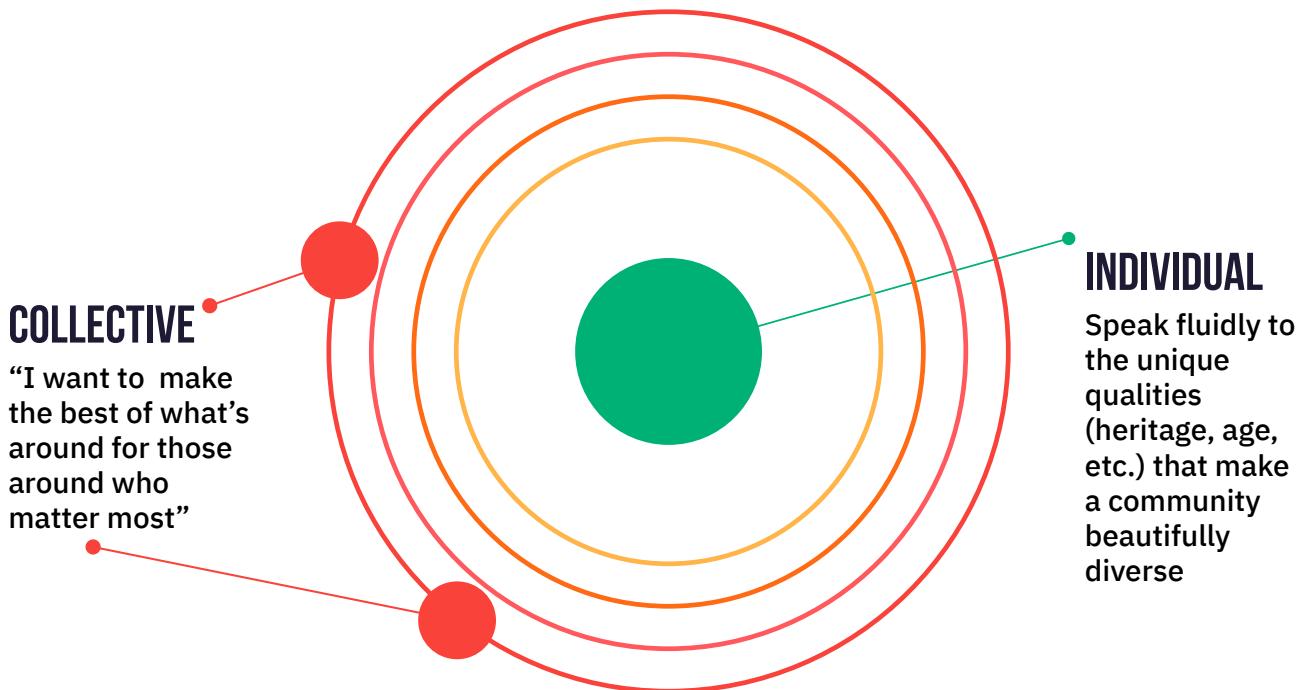
A new engagement strategy requires shifting your approach to brand management and media planning. If done correctly, it can extend a brand's reach, clout, and ROI.

FROM		TO
Product-based role	>	Culture-based role
Brand-to-consumer advertising	>	Consumer-to-consumer conversation
Fragmented or ad hoc DEI/ESG efforts	>	Purpose-driven marketing as natural extension of Brand
Separate media insights by cohort	>	Unified community-based media insights
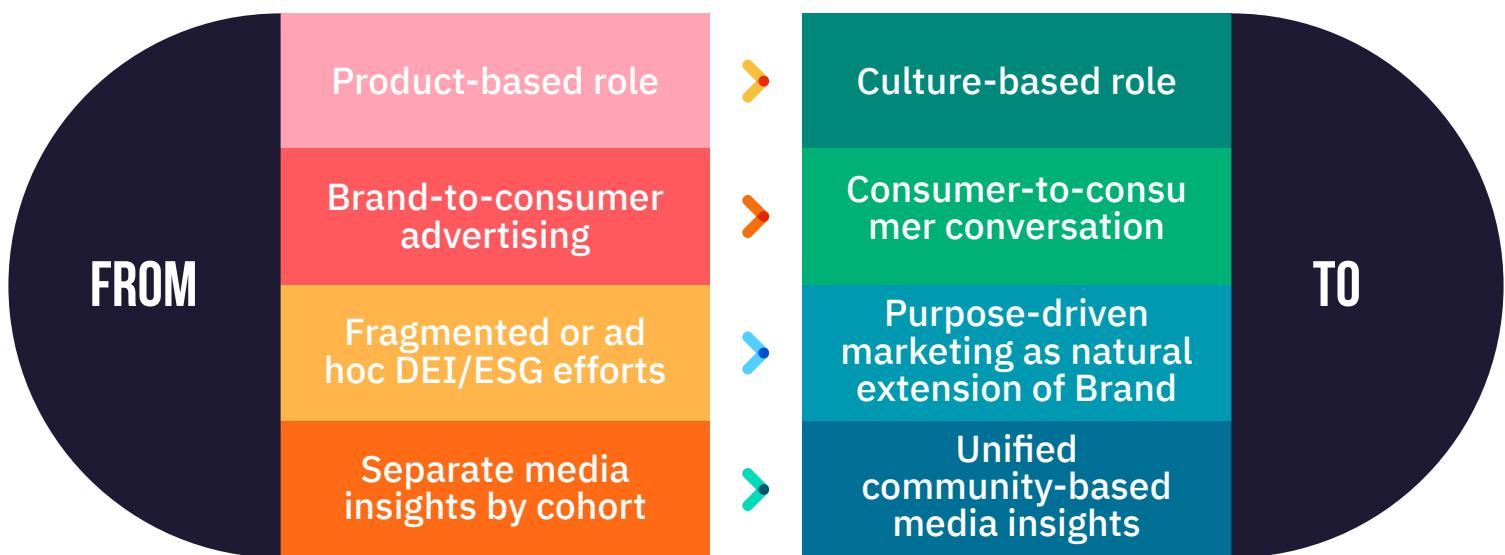
3
GROW

DRIVE BRAND PERFORMANCE WITH CULTURAL COMMUNITIES

Rethinking and reframing your audience approach to be community-based has the potential to unlock new areas of opportunity. As exemplified by "External Enliveners" – we found five principles to help unlock brand performance. These are the keys to embedding Gen Z and multicultural audiences into your planning process in an authentic and credible way that will not ring of "tokenism" in any form.

1 HAVE A CREDIBLE ROLE

Find the obvious and less obvious ways in which you view the world.

Determine how optimism, personal growth, and open-mindedness intersect with your brand promise and values.

2 EMBED BELONGING

Go beyond race and ethnicity to help increase connections and bonding through the lens of your community.

Provide paid, owned, earned outlets to connect over shared milestones (e.g. – how does OUR collective outfit upcycle?)

CROSS-CHANNEL DISCOVERY

Finding Gen Z audiences doesn't mean entering a new and unproven channel your existing core audience.

Leverage unifying journey insight that External Enliveners rely on "on-premise" for brand discovery across age/ethnicity cohorts.

IGNITE PASSION

Go beyond function by adding a layer of purchase motivation grounded in a human value that galvanizes.

Discover how your product can enliven expectations of a better future in both a personal and communal sense.

EMBED PURPOSE

Gen Z wants cause-related brands, not cause related campaigns, and won't hesitate to boycott if there is a performative misstep.

Connect your brand purpose to concrete (and fiscal) forms of societal enhancement. Do not simple state a belief in isolation.

5

3

4

ASSEMBLY IS UNIQUELY EQUIPPED TO ACTIVATE

USING OUR "FIND, CHANGE, GROW" MODEL, WE CAN LEVERAGE THIS AUDIENCE APPROACH TO IMPACT:

PLANNING: Ingraining a more inclusive planning approach and strategies

AUDIENCE ENHANCEMENT: Fusing communities with 1P records and research

CONTENT: Unlocking content and partnership opportunities

TARGETING: Activating directly against a cultural community

ASSEMBLY'S APPROACH AND HOW IT RELATES TO DIVERSITY, EQUALITY, AND INCLUSION (DE&I)

As a purpose-driven agency, we strive to bring belonging and care to all strategy and planning. This is especially crucial in considering the audiences we target. Targeting, by definition is an exclusionary exercise, and a blunt force distinction that can never encompass all cultural, ethnic, and personal nuance. By pivoting to a cultural community approach, we are aiming to unify, codify and connect these disparate individual backgrounds, using values as a common characteristic. It will never be perfect, but we will always strive to connect, and not divide.

To uphold our commitment to inclusive and purpose-driven marketing, we have developed the following programs:

PARTNERS for PROGRESS

An inclusive investment program designed to directly support diverse-owned and operated businesses to infuse accountability and sustained investment across all aspects of the creative and media supply chain. Dedicated to delivering tangible outcomes, Assembly is committed to investing 25% of primary research through diverse owned and operated suppliers and increasing overall media spend to 10% over a three-year period.

ADVOCACY CONSULTING TECHNOLOGY

A proprietary platform that allows advertisers to better optimize their advocacy campaigns. By analyzing competitors' advertising strategies and identifying what parts of those advertising campaigns are specifically focused on advocacy/policy, brands are able to develop more impactful advocacy campaigns of their own.

CLEAN MEDIALAB

Assembly's technology-powered media decarbonization offering designed to help clients assess the carbon footprint of their campaigns and take meaningful steps to minimize the environmental impact from their campaigns. The offering supports clients with their own sustainability journeys, many of whom have set net zero targets.

+ASSEMBLY

ABOUT

Assembly is the modern global omnichannel media agency, bringing data, talent, and technology together to find the change that fuels growth for the best brands on the planet.
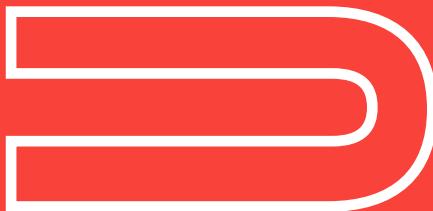
Our approach connects big, bold brand stories with integrated, global media capabilities that deliver performance and drive large-scale business growth.

Our work is powered by our proprietary, in-house technology solution, STAGE, and led by our global talent base of over 1,600 people around the world. We're purpose-driven at our core and pioneers in social and environmental impact in the agency world
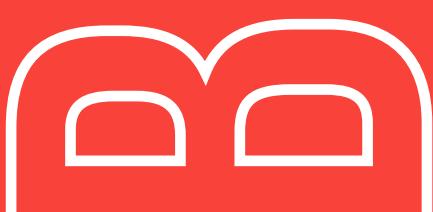
Assembly is a proud member of Stagwell, the challenger network built to transform marketing. For more information, visit: **assemblyglobal.com.**

CONTACT
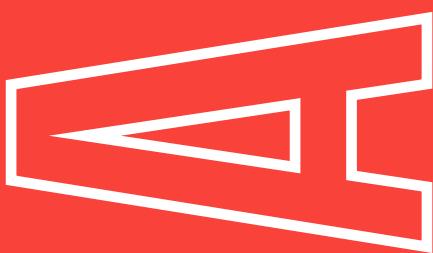
If you have any questions regarding this report or would like more information, please contact Sam Chernoff, VP, Insights & Connections at **sam.chernoff@assemblyglobal.com**