



A Step by Step Guide to Marketing to Gen Z



Connecting to The Next Generation

zogo

Consider the billboard.

You can date the first billboard back to 1830 (B Media Group, 2019), when advertisers would pay artists to paint enormous ad spreads on the sides of buildings in the hopes of catching the eye of passerby.

After the installation of the highway system, advertisers realized they could make an impact by catching driver's attention — and back when the only thing you could do in your car was listen to the radio, they were a lot more likely to notice. Marketers tried to quite literally drive traffic to their business.

Today, there are about 350,000 billboards in the United States (Statista, 2020). But the next time you're driving down the highway, preoccupied with a playlist or podcast, take a peek at your passengers. Just for a second.

Chances are, they'll be looking at their phone.

Marketing has always been about connecting with your audience in the right place and at the right time. Fifty years ago, it was an enormous poster on the side of the highway. Today, people are spending most of their time in a new kind of fast lane — and if your credit union is going to be successful, you'll need to adopt new strategies that connect you to the next generation of consumers.

Meet Gen Z.

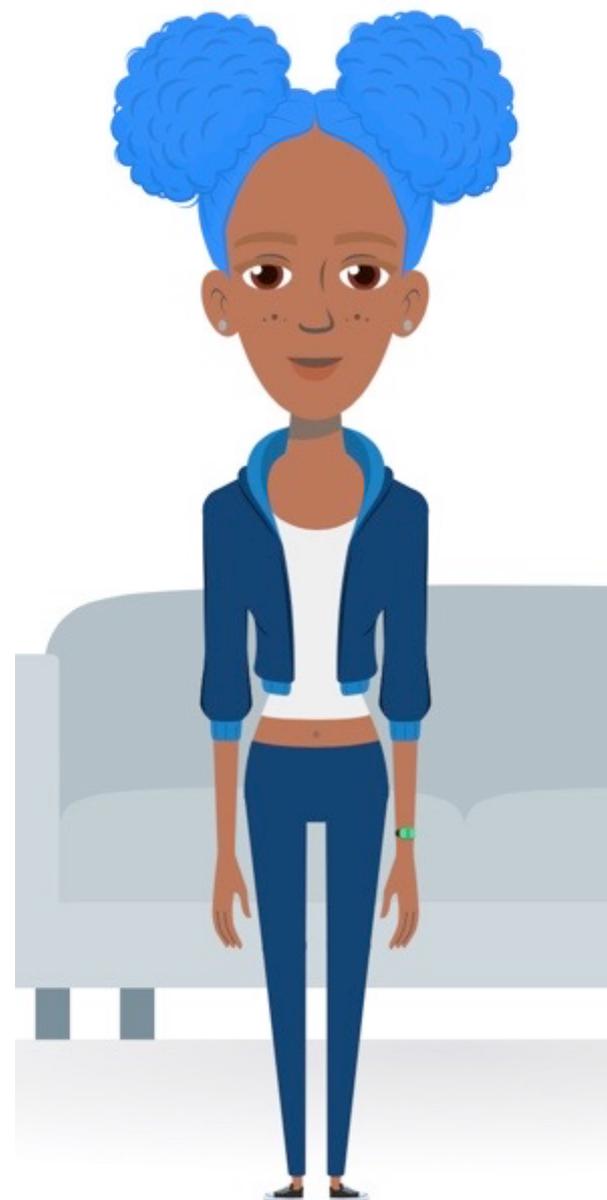
Step 1: Integrating Gen Z into your credit union's marketing strategy

The majority of credit union members are past their prime borrowing years, well into middle age or older. While this core market is undoubtedly important for your business, it's important to ensure that your institution is also looking toward the future.



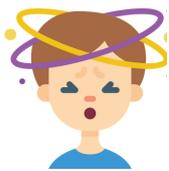
The first step to engaging young adults in the credit union movement is to actually include this group in your marketing plan. This may sound incredibly simple and straightforward, but you'd be surprised how many credit unions do not even consider young adults in developing their marketing strategy!

**Don't know anything about Gen Z?
We've got you covered.**





Gen Z: Meet Zo



Their view of finance has been shaped by events like the Great Recession and now, the COVID-19 pandemic. Research shows that large numbers of Gen Zers struggle with anxiety.



While millennials are still generally optimistic about finances, many agree that Gen Z is more pragmatic when it comes to spending — and they're opening savings accounts at younger ages.



They're attending college in higher numbers, and on their way to becoming the most well-educated generation, according to a report from Deloitte.

Gen Z: A quick introduction.

The Pew Research Center defines Gen Z as anyone born after the year 1996. In other words, Gen Z can best be described as today's teens and twenty-somethings that are just kicking off their financial lives and starting to leverage some real purchasing power.

Gen Zers will likely view finance much differently than the generations before them. Most grew up during the Great Recession, and even more are reeling from the economic effects of the COVID-19 pandemic: half of Gen Zers ages 18-23 reported that they or someone in their household had lost their job or taken a pay cut because of the outbreak (Pew Research Center, 2020).



"Gen Z is less optimistic and more pragmatic when it comes to spending."

Some other key financial differences have started to take shape, as well. Compared to their millennial counterparts, Gen Z is less optimistic and more pragmatic when it comes to spending (Fast Company, 2016). They're opening savings accounts at younger ages, and they're on track to be the most debt-laden generation to date (Visual Capitalist, 2018).

And interestingly enough, many Gen Zers don't know what a credit union is. At Zogo, we know this for sure — because we asked them ourselves!

Why should this generation matter to your credit union?

By connecting with young adults today, credit unions can build the next generation of members and ensure success for years to come — or they can risk aging with their oldest members and growing increasingly irrelevant.

Ready to start intentionally building Gen Z into your credit union's plans for the future? Let's get started.

Step One: Key Takeaways

1. Evaluate your credit union's current marketing plan.

Does it include strategies or tactics for reaching new and younger consumers? If not, schedule a meeting and set aside a small portion of your marketing budget to tackle this opportunity. The ROI will be well worth it!

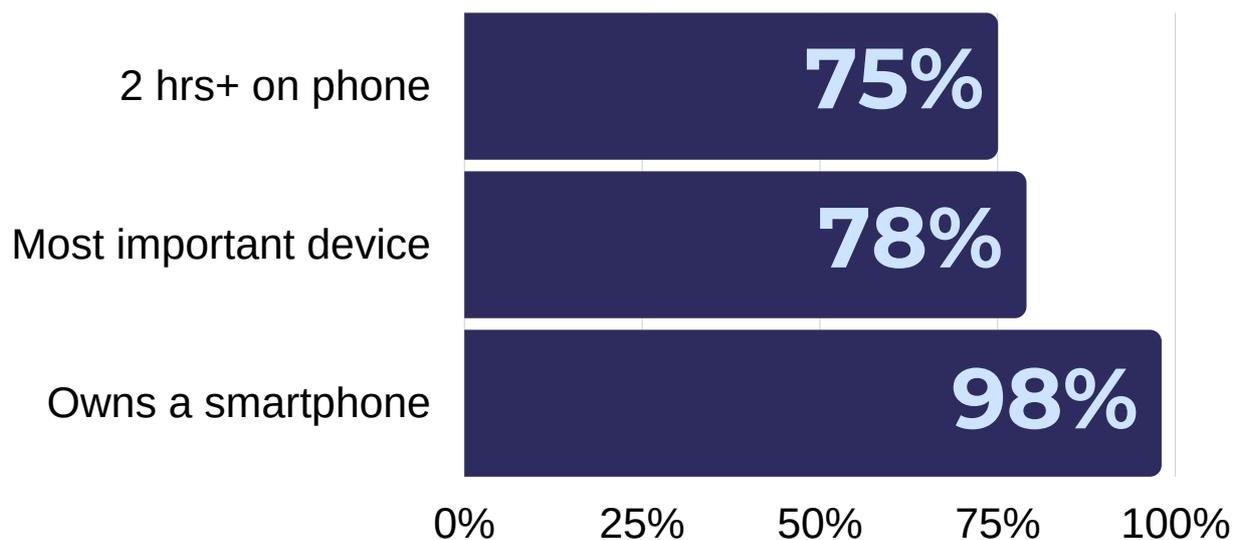
2. Take a look at your credit union's current product offerings.

Do you offer a youth savings account? Student checking accounts? Do your middle-aged members have a way to include their children in their family's relationship with your credit union?

Step 2: Delivering value via Gen Z's favorite accessory.

As we mentioned before, marketing is about meeting potential members where they already are — and today, that's on their phones.

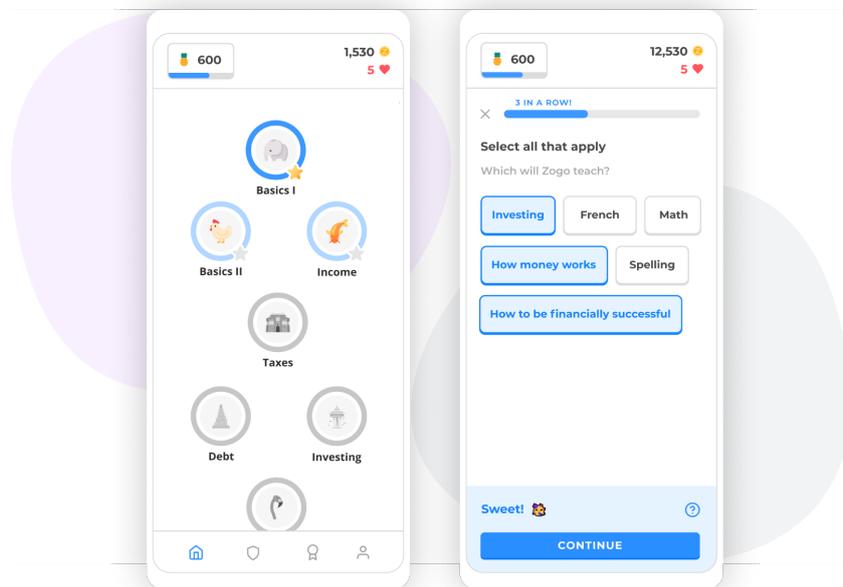
Gen Z on Smartphones



79% of smartphone users have their phone on or near them for all but two hours of their day (Int. Data Corp., 2013). Among Gen Z these numbers are even higher: 95% of Gen Zers own a smartphone, and 78% of them consider their phone to be their most important device for going online (Snap Inc., 2019).

This generation also spends an average of more than FOUR hours per day on their phone (Snap. Inc., 2019). How's that compared to a two-second glance at a billboard?

It's clear that your credit union needs to reach young adults on their mobile devices. But how can you use this tactic to forge deeper connections?



The answer is simple: offer them value in their native digital environment..

Let's talk about one method of offering digital value while playing to your credit union's unique strengths: ***financial education.***

Value goes mobile: Combining smartphone marketing with financial education

As a credit union, you are uniquely positioned to help the people in your community achieve financial wellness. You can utilize this strength to get Gen Z engaged in both your brand and core mission.

Consumers interested in financial education are also extremely valuable leads.

Young adults interested in or open to the idea of financial education have self-selected as future customers for financial services. By serving as a trustworthy guide and source of information, credit unions build a relationship with these consumers and are perfectly positioned to offer relevant products and services at a later date.



The success of mobile educational apps such as Zogo or Duolingo prove that today's consumers are becoming increasingly interested in mobile learning. Combine the self-selecting power of financial education services and the reach of smartphone marketing, and you've got a winning formula for reaching Gen Z and bringing them into the credit union movement.

On top of all this, credit unions have the opportunity to fill an existing gap in an education system that rarely, if ever, provides young adults with the skills they need to be successful in the world of finance. In a 2017 survey that asked adults aged 18-24 for a high school course that would have benefited them in their adult lives, 51% said they wished they could have taken a class in money management (National Financial Edu. Council, 2017).

"51% of adults (ages 18-24) said they wished they could have taken a class in money management"



In your community, who better to help young people take control of their financial future than you?

Step Two: Key Takeaways

1. Optimize your website for mobile viewing.

Before you can drive traffic to your credit union via smartphone marketing, make sure that the space your credit union currently occupies on the internet is clear, well-designed and accessible via smartphone! Google prioritizes mobile-friendly sites in search results, and a good-looking website on any device will make your business appear modern and relevant.

2. Make mobile a must for your credit union's online presence.

Apps connect you to the community in a new way. Sponsor content you value highly for your members and community and prove your value to GenZ.

Consider reaching out to the team at Zogo — after all, Zogo was founded by Gen Zers, and educating Gen Z via a gamified app is what we do!

Step 3: Cultivate authenticity.

Some credit union executives are confused when we offer this particular piece of advice for attracting Gen Z. You may be thinking: What does authenticity have to do with finance?

More than you may think.

Gen Zers are less likely to be “brand enthusiasts” than other generations, but when they do feel a connection to a brand or business, it is more likely to be a meaningful one. This generation can recognize pandering or misdirection from a mile away, and instead value **authenticity** and **transparency** in the brands they engage with (National Retail Federation & IBM, 2017).

“Gen Z is 3X more likely to agree that the purpose of business is to serve society”

Gen Zers are three times more likely than other generations to agree that the purpose of a business is to “serve communities and society”(BBMG, 2019). They want to know where their money is going, as well as who and what it’s supporting.

And get this: for similar reasons, lots of Gen Zers are highly skeptical of big banks. Remember, this is a generation that came of age during the Great Recession! As one expert put it: “Gen Z has this notion of not liking big banks. They don’t like what they stand for” (American Banker). Many Gen Zers bank with these institutions simply because they don’t know that they have any other option — in an informal survey conducted by Zogo, 76% of college students didn’t even know what a credit union was!

“Gen Z has this notion of not liking big banks. They don’t like what they stand for.”



We already know that credit unions work to empower their members and build a better financial future for their community. To get Gen Z engaged, communicate that message genuinely!

Step Three: Key Takeaways

1. Revamp your newsletter.

Your credit union's newsletter is an excellent platform to begin cultivating an authentic online presence and build deeper relationships with your current members. Check out simple, conversational examples such as Morning Brew or theSkimm.

2. Reimagine referrals.

Gen Z highly values the opinion of friends and family when it comes to brands and businesses. Brainstorm incentives your credit union may be able to offer current members who refer family or friends. Promote referral incentives digitally! You can't get any more authentic than the sincere referral of a peer.

Concluding notes:

The oldest Gen Zers are approaching their mid-twenties this year. This generation is just starting to make their way into the adult world, and with it they'll bring their own beliefs, habits, desires and preferences.

Is your institution ready to bring these young people into the credit union movement?

And the next time you give your spouse, child or friend a ride in your car, do us a favor. Take a peek at the passenger seat. Are they looking at their phone?

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