

The Gen Z Playbook: How to Earn Brand Loyalty from Toyota's Future Consumer

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- who is Gen Z?
- social media and mobile trends
- consumer habits
- automotive habits and trends
- recommendations for Toyota
- case study: who's doing it right?

who are we talking to?

Gen Y

(1980 - 1994)

23.2% of U.S population

Gen Z

(1995 - 2010)

17.8% of U.S population

11 - 24 years old

Gen Alpha

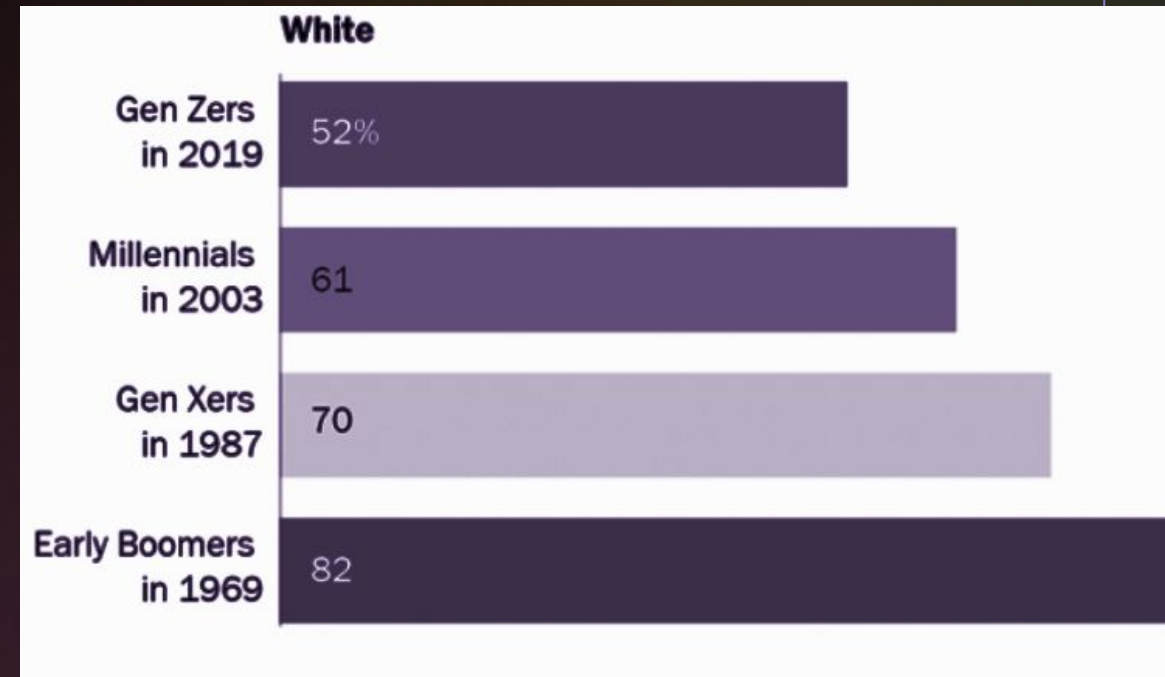
(2011 - present)

13.4% of U.S population

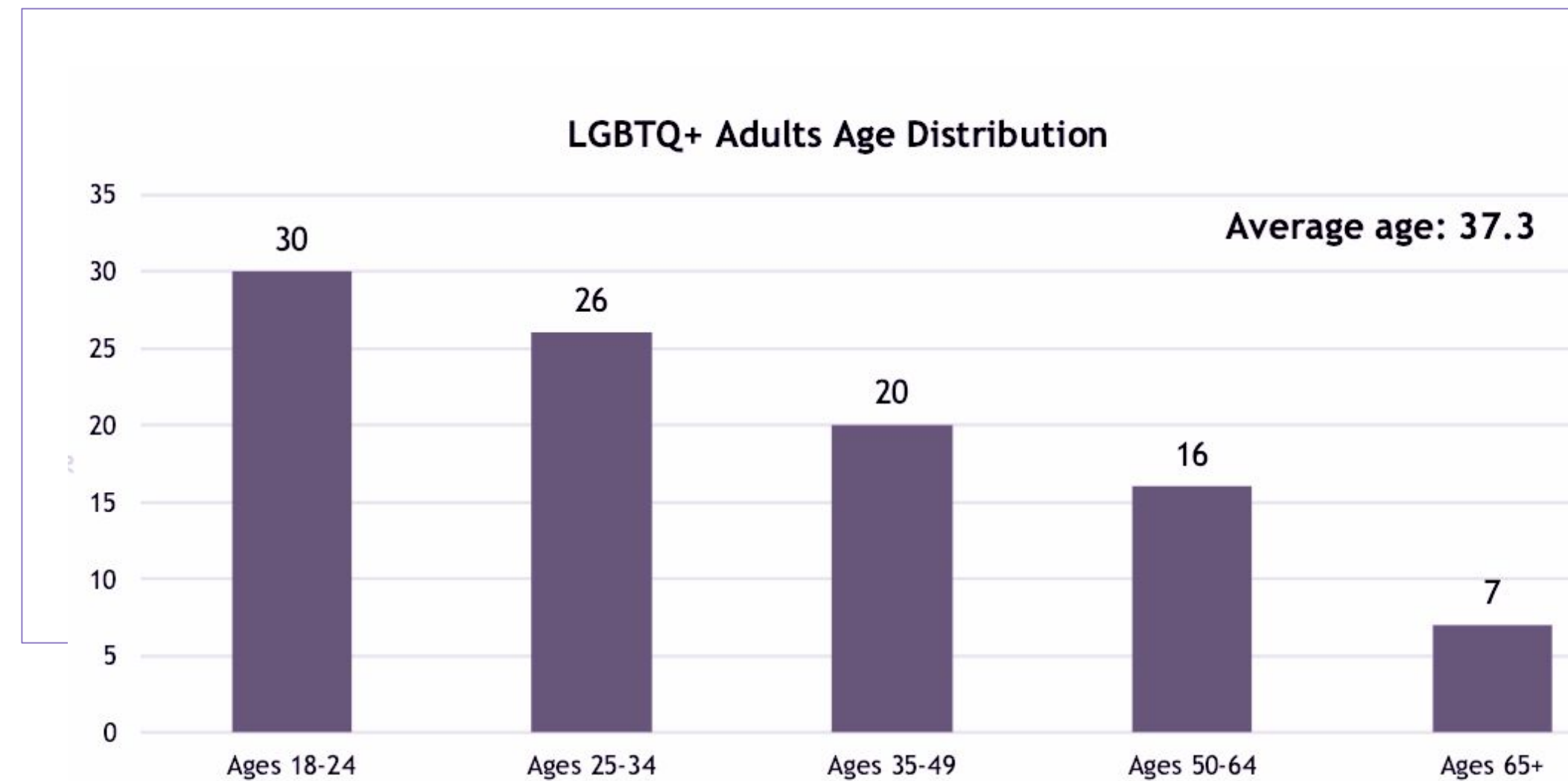
gen z’s demographic breakdown

Gen Z is the most racially diverse generation, with **48%** of them identifying as non-white in 2018.

1 in 4 members
of Gen Z are
Hispanic



30% of Gen Z adults identify as LGBTQ+, signifying a cultural shift towards more acceptance of nontraditional sexual orientations.



Teens
13-17 yr olds
49.1%

split generation

a 50/50 split exists between this generation in 2021

Adults
18-24 yr olds
50.9%

teenZ
13 - 17 year olds

As this audience navigates their teen years and entering adulthood, Toyota has the opportunity to reach them on an emotional level, and keep Toyota top-of-mind for the future.

teenZ

do they influence the family car-buying process?

YES. And Toyota needs to utilize this.

- 45% influence which vehicle the family purchases or leases.
- pester power is the top tactic according to 71% of the parents.

adultZ

18-24 year olds

18 to 24 year olds are in a strange place in their lives. They're starting and graduating college, finding new jobs, moving to new cities, and figuring out who they want to be as adults. Toyota can appeal to this audience by understanding what it is they want from brands and automotive brands today.

adultZ

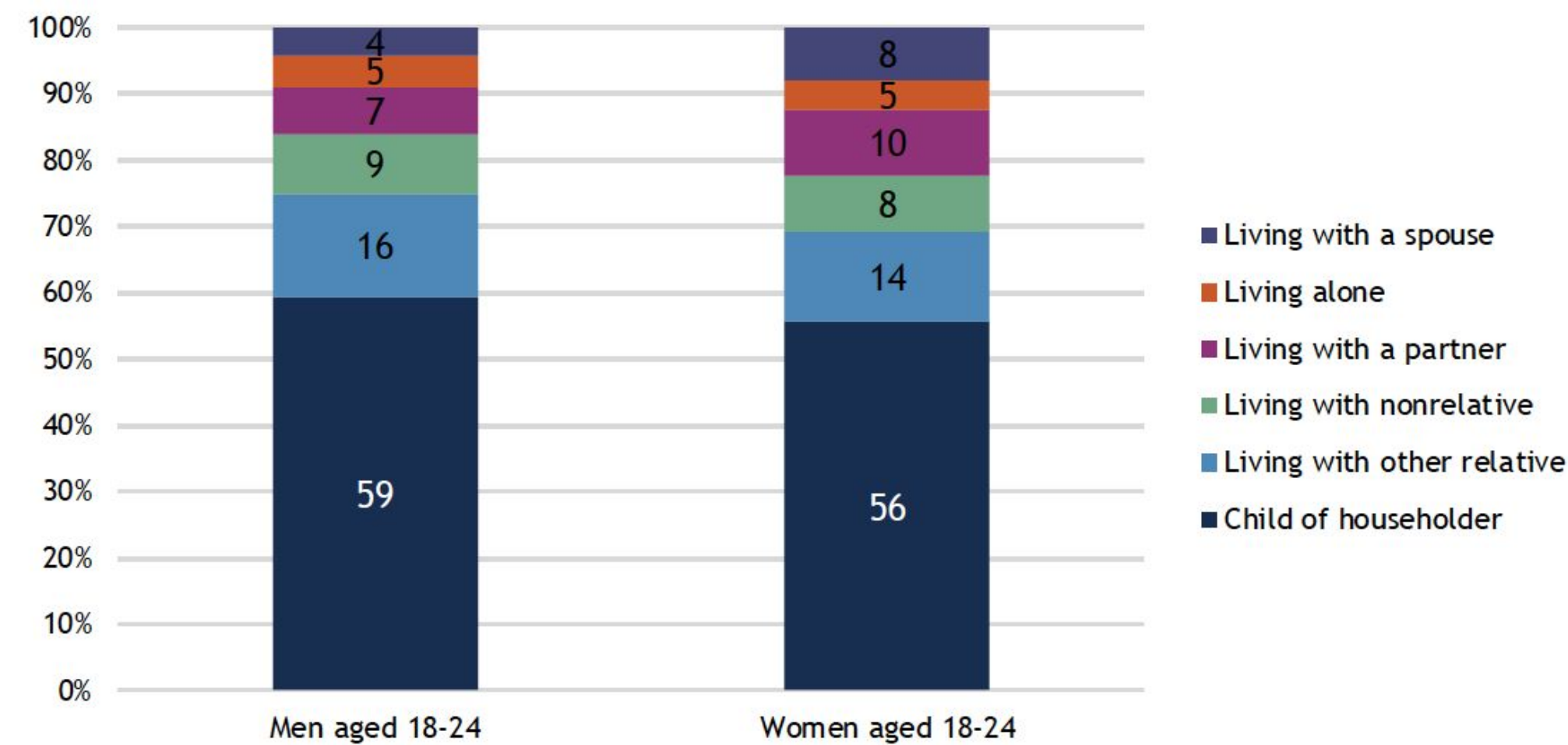
demographics and where they
are in life

Mean disposable income per. year in the US: \$26, 565

- This number is significantly lower than older generations, signifying that gen z doesn't have a large disposable income right now, but will make up the majority of the economy in 10 years

Like millennials in 2008, gen z is struggling to find their footing in the job market

FIGURE 11: LIVING ARRANGEMENTS OF ADULTS 18 TO 24 YEARS OLD, 2020



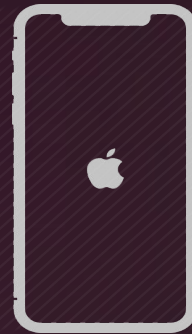
adultZ prioritize **career and financial advancements** before traditional milestones such as marriage, a family, and home ownership.

what defines gen z (without boxing them in)?

gen z breakdown: how can we define this generation?



Non-conformists



“Phonosapians” or Digital
Natives



Weight of the world on their
shoulders

Non-conformists

- Express themselves through their niche interests
- 'Undefined ID': they don't define themselves in one way
- Express individual truths
- Actively work to be radically inclusive
- Gen Z indexes significantly higher than other generations on perceiving themselves as creative, unique, and lonely

Digital Natives

- Grew up with the rise of mobile and social media. They don't know a world without it.
- Gen Z get the majority of their information and news from social media, a shift from previous generations
- Having access to unlimited information has created a “no BS” mentality with this generation. There's no excuse to not be educated on certain topics.

Weight of the World

- Gen Z are being tasked with fixing the future
- Older generations are emphasizing how Gen Z will be the generation to take on the climate crisis, fight back against systems of racism and inequality, while living in an economy that only keeps increasing and creating unlivable costs

social media trends and habits

social media trends and habits: digital natives

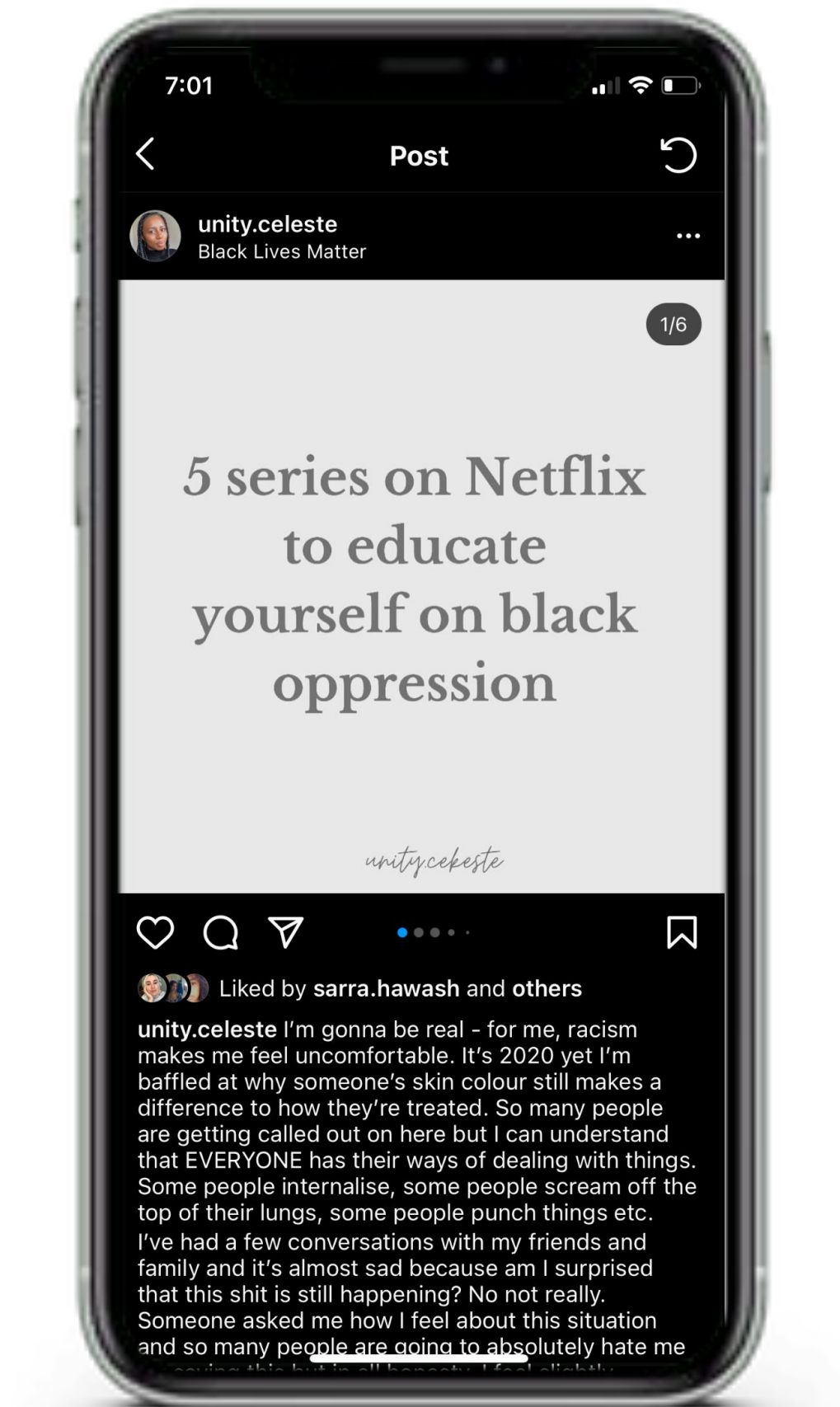
gen z, aka **digital natives**, hold little to no memory of a world before smartphones. they have shifted and redefined the ways in which social media is used for **expression, education, activism, and more.**



social media trends and habits: a shift in social media use

while social media is great for sharing photos, gen z have used it to educate the masses and spread information on political and social movements.

as conversations spark up about DEI, social inequality, systemic racism, mental health and climate action, gen z has used social media in order to mass educate online users on issues not only pertaining to the west, but worldwide.



social media trends and habits: a shift in social media use



this has created a “no BS” mentality within the generation. there isn’t an excuse to be uneducated on social and political topics. everything you need to know is on social media.

adultZ and teenZ have similar statistics on daily social media use.



62% of adult gen z use Youtube multiple times a day, while 60% of teen gen z use Youtube multiple times a day.



55% of adult gen z use Instagram multiple times a day, while 42% of teen gen z use Instagram multiple times a day.









50% of adult gen z use Snapchat multiple times a day, while 35% of teen gen z use Snapchat multiple times a day.



46% of adult gen z use Tiktok multiple times a day, while 41% of teen gen z use Tiktok multiple times a day.

engagement on previously popular social media platforms
such as Tumblr, Pinterest, and Reddit is decreasing among gen
Z.

	<u>18-20</u>	<u>21-24</u>
	54%	71%
	82%	78%
	55%	41%
	15%	40%
	82%	79%
	51%	55%

Within adultZ, social media usage changes slightly within older and professional platforms.

Linkedin and Facebook increase as age increases. This also correlates to career growth and connectivity to older generations.



Twitch has taken gen z and young millennials by storm

21% of Twitch users are between ages **13 - 17**, and over **50%** the users on the platform are **18 - 34**.

Gen z views Twitch as an **engaging and exciting** environment where they can do anything from home workouts, virtual concerts, stream their favorite gamers, and further enhance their interaction with their **favourite streamer, athlete, or brand**.

social media trends and habits: social media associations

“Which of the following do you associate with each social media platform? Please select all that apply per platform.”

	YouTube	TikTok	Instagram	Twitter	Facebook	LinkedIn
	%	%	%	%	%	%
Entertaining	69	57	52	37	32	6
Educational content	41	24	14	15	12	14
Good place to learn about brands	37	24	30	15	16	11
Content shows people's real life	33	24	26	17	23	6
Has a positive community	31	24	22	12	11	14
Good for news	30	17	22	27	23	7
Trustworthy	29	20	19	13	12	15
Innovative	24	21	18	12	10	12
Censored	20	14	17	15	16	4
Outdated	8	7	6	9	21	9
Not good for my self-esteem	7	11	20	8	11	4

Base: 362 internet users aged 18-24

Source: Lightspeed/Mintel

adult gen z view Youtube and Instagram as good places to learn about brands.

41% of teens and 34% of adults also view social media as a good tool to share concerns with brands.

social media associations

we asked individuals from both demographics of gen z what behaviors they associate with each social media platform. here's what they said!

social media habit associations

“My teachers make us use **Facebook** for class pages and updates, but I don’t use it other than that. I use **Instagram** to share information about social activism, and sometimes buy cute jewelry and clothes from small businesses (my wallet is crying).”

sarah a.
age: 14

“I use **Twitter** to stay connected and updated on recent published research, and to be able to share my own research with my scientific community. I also use **Instagram** and **Tiktok** to follow influencers and celebrities that I like, and post content for friends and family.”

dana z.
age: 20

“I use **Tiktok** for fun and informative content, like fashion, places to shop, brands to try, places to visit, etc. I typically scroll through **Twitter** to get updates on current events and funny memes.”

enam b.
age: 23

“Honestly, if I need info on what specific product or brand is best for something I want, I go through my saved **Instagram** posts or find out what **Tiktok** is selling out at the moment. Google rarely sees me anymore.”

mohammed a.
age: 19

how does gen z compare to previous generations?

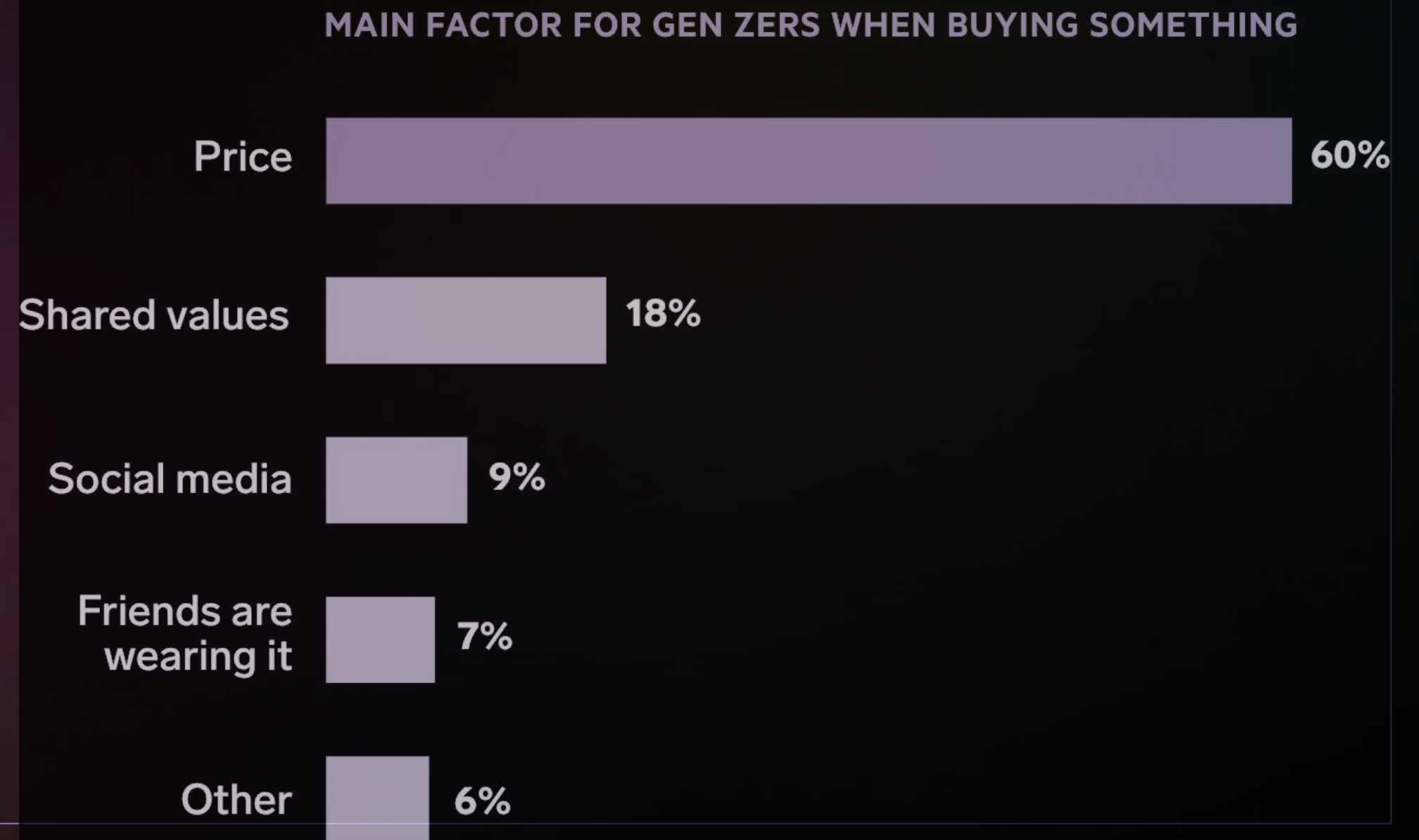
how do they differ from previous generations?

- **their consumption focuses on ethics and uniqueness**
 - compared to the brands and luxury gen X prefers, and experiences gen Y looks for
- **gen Z is community oriented, looking out for those around them**
 - previous generation like gen X and Y have been noted for their individualistic lifestyle
- **as digital natives, their consumer habits have shifted to new venues, such as social shopping**
 - previous generation have the highest numbers in online shopping, however, gen Z has utilized new forms of consumerism with their phones
- **gen z have accepted algorithms, using them as tools to define their personalities.**
 - these social media advancements don't scare them in the ways previous generations are wary of social media listening tools

consumer trends

while other factors are important...

Price is ultimately what makes or breaks gen z purchases. Gen Z wants brands that align with their values and allow them to show off their uniqueness. However, at the end of the day, affordability is the main motive.

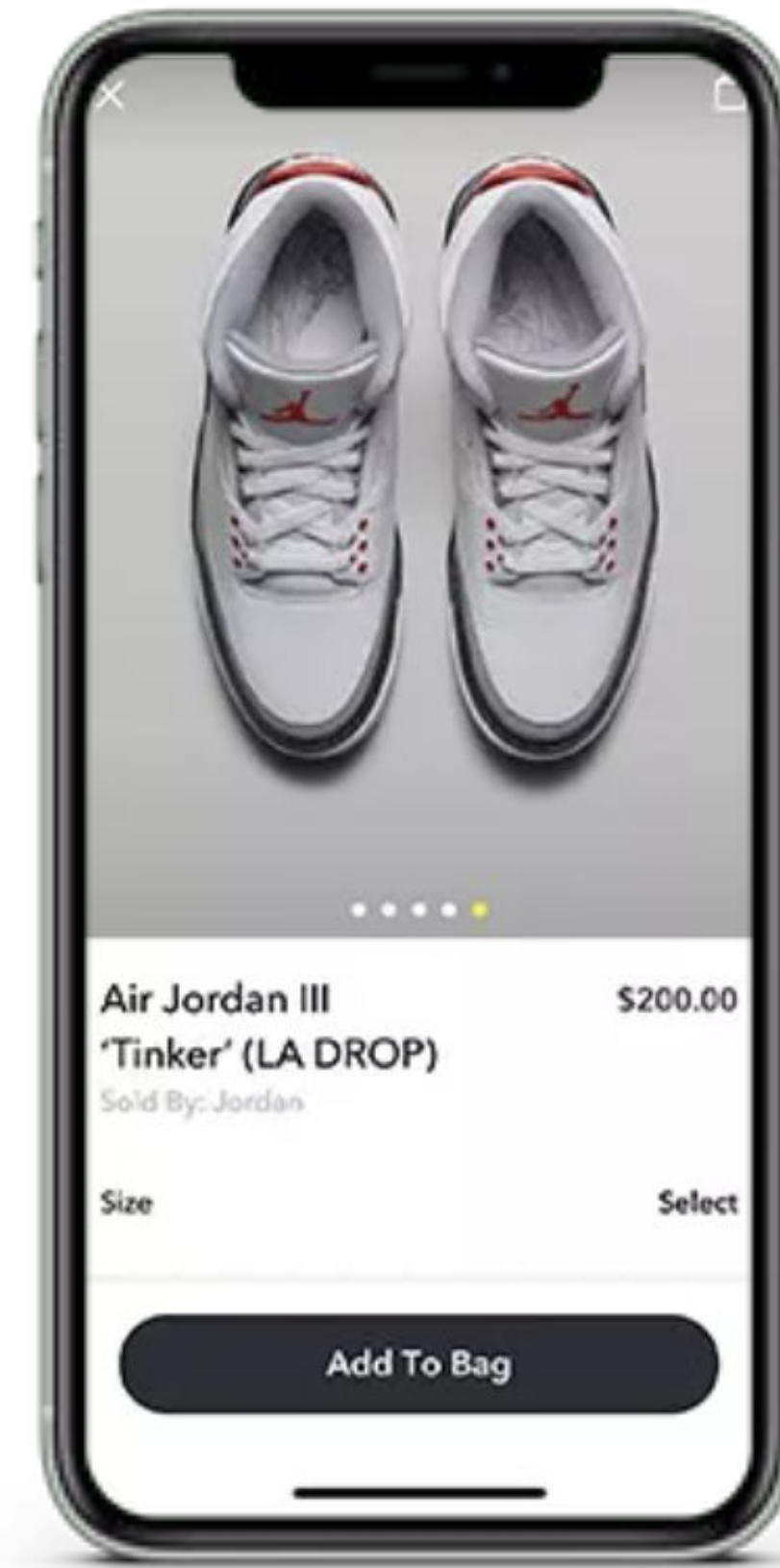


Source: Business Insider

consumer trends: a shift in traditional e-commerce

gen z have moved beyond the e-commerce favored by millennials.

their online consumer habits have shifted towards social commerce, purchasing from within social media apps with algorithms that cater to their interests.



Source:
<https://www.forbes.com/sites/forbesagencycouncil/2021/05/17/gen-z-and-the-rise-of-social-commerce/?sh=17bd8b0f251d>

automotive trends and habits

in 2021, being young and just starting out their careers heavily affects gen z's automotive choices.

- **59%** of Gen Z report household ownership of a **sedan** vs 39% who own a CUV/SUV.
- The financial ramifications of the COVID-19 pandemic will cause financially strapped young consumers to turn toward more **economical vehicles, like sedans.**
- Gen Z are of course younger and earlier in their careers, thus will have greater financial restrictions and are much more likely to purchase a **used vehicle over a new one.**

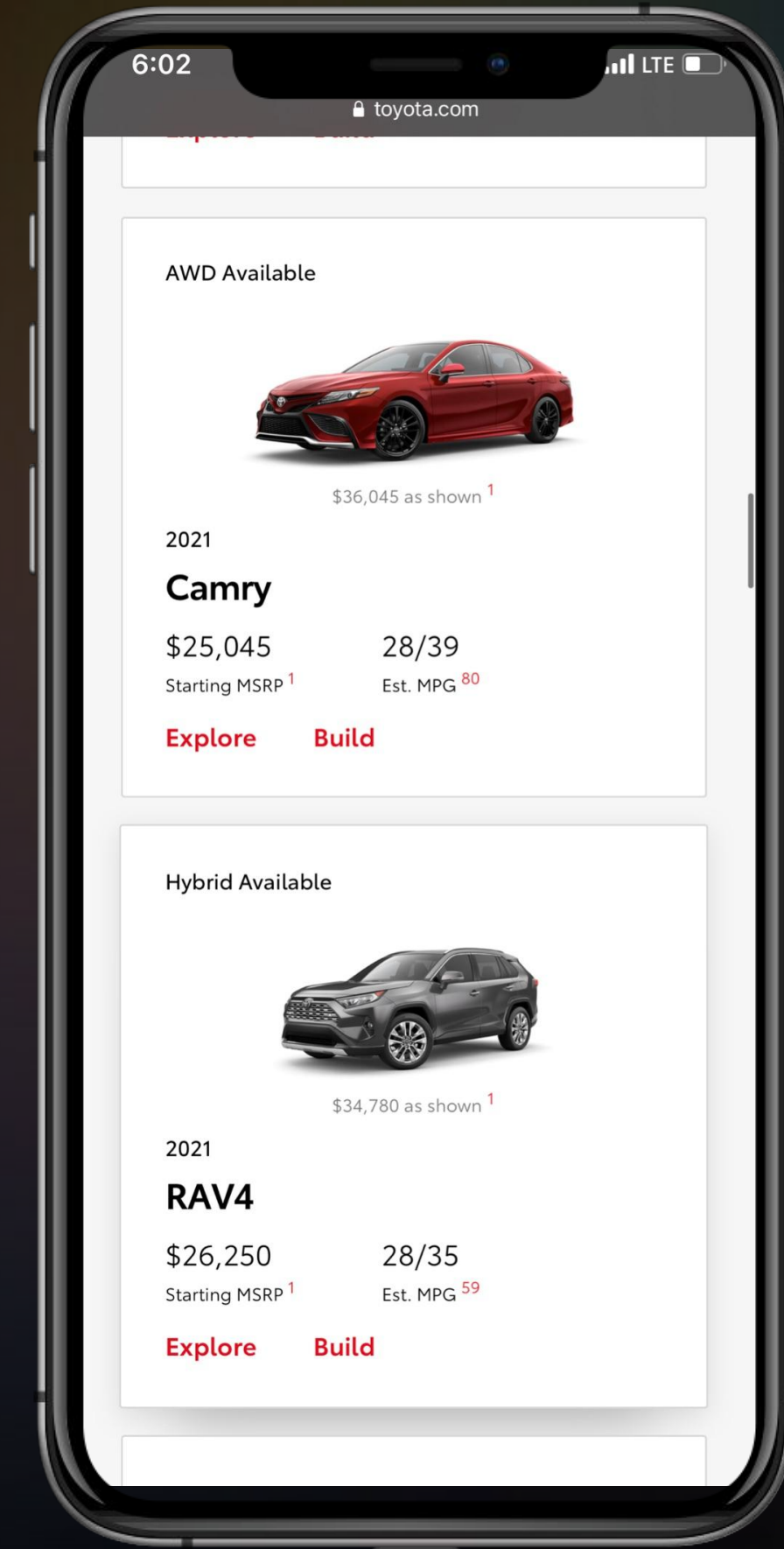
AdultZ Automotive Plans within 12 months

From the ages 18-20

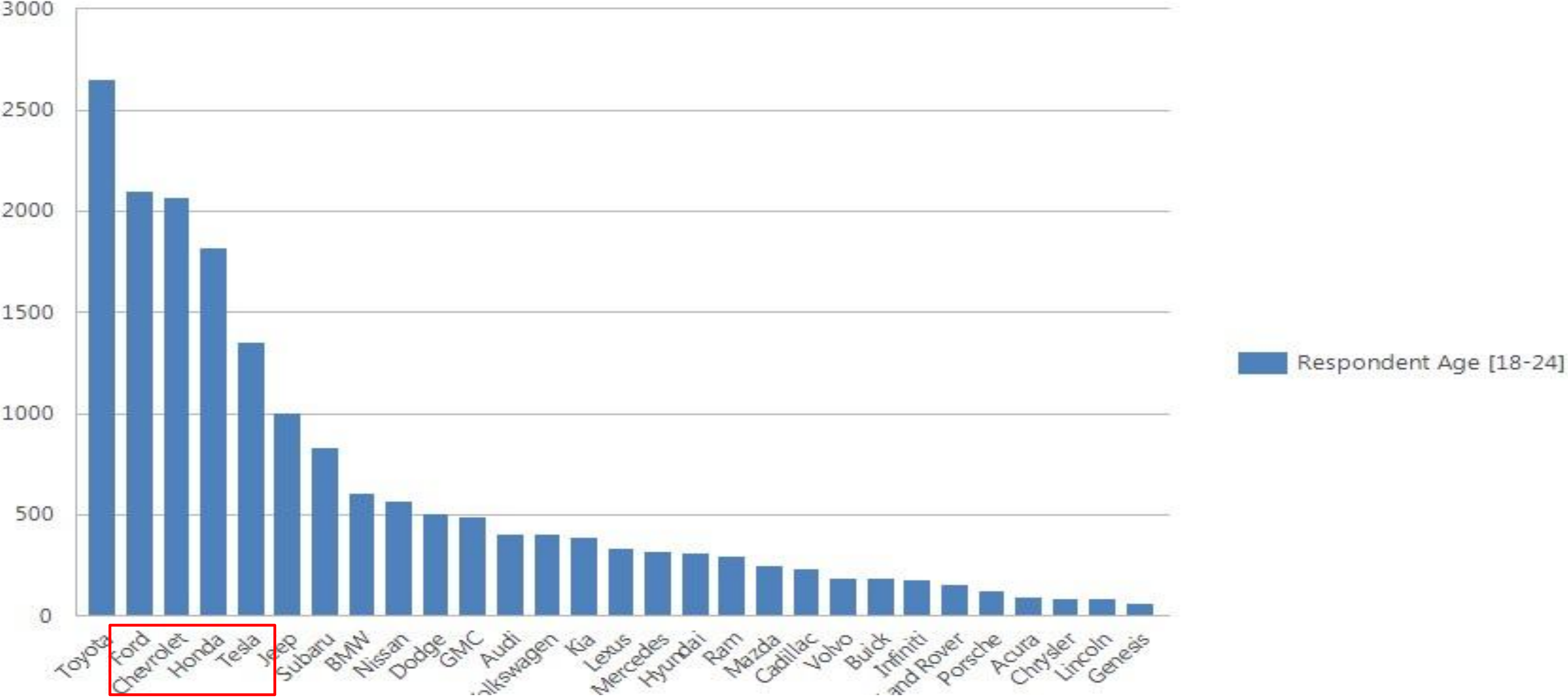
- 23% plan to buy or lease NEW auto
- 13% plan to buy or lease PRE-OWNED auto
- 2% interested in car subscription

From the ages 21-24

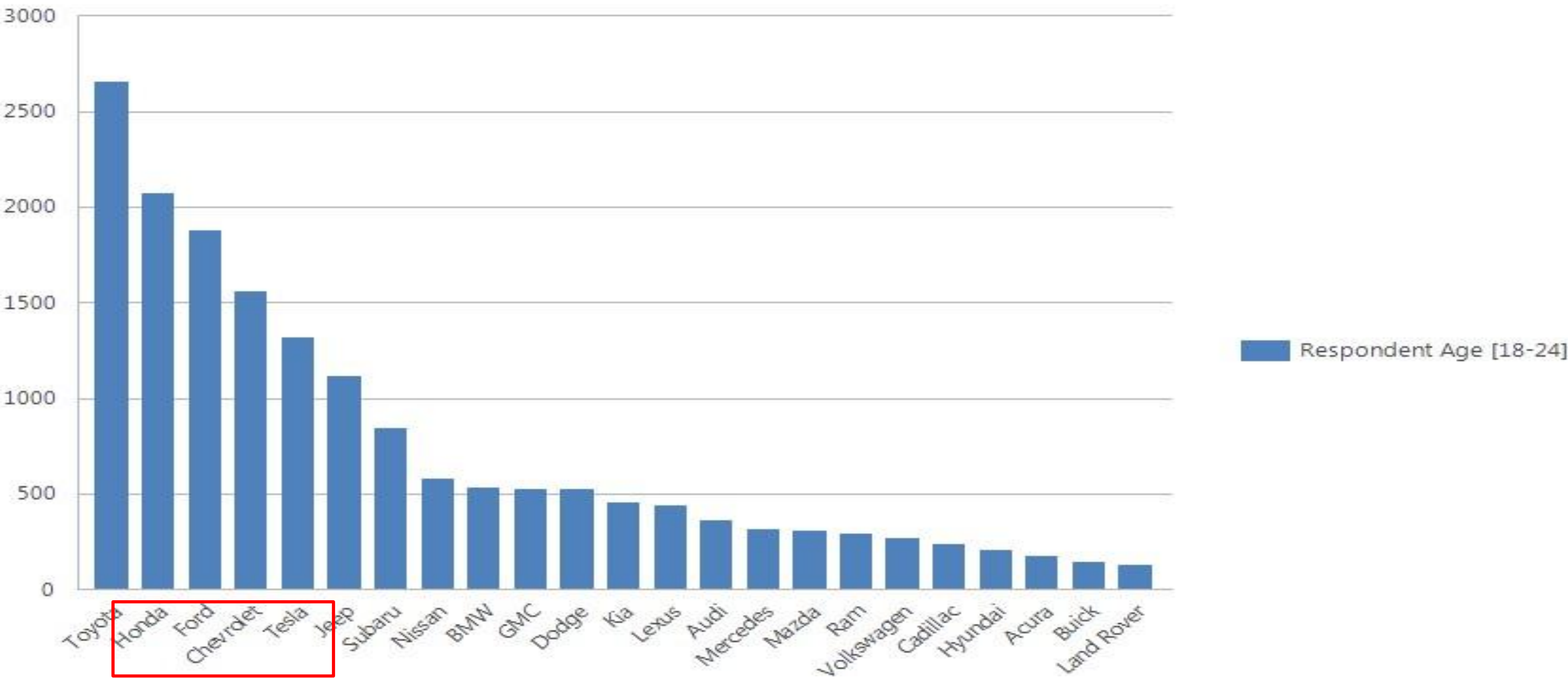
- 33% plan to buy or lease NEW auto
- 15% plan to buy or lease PRE-OWNED auto
- 3% interested in car subscription



AdultZ Competitive Decision Making Fall 2020



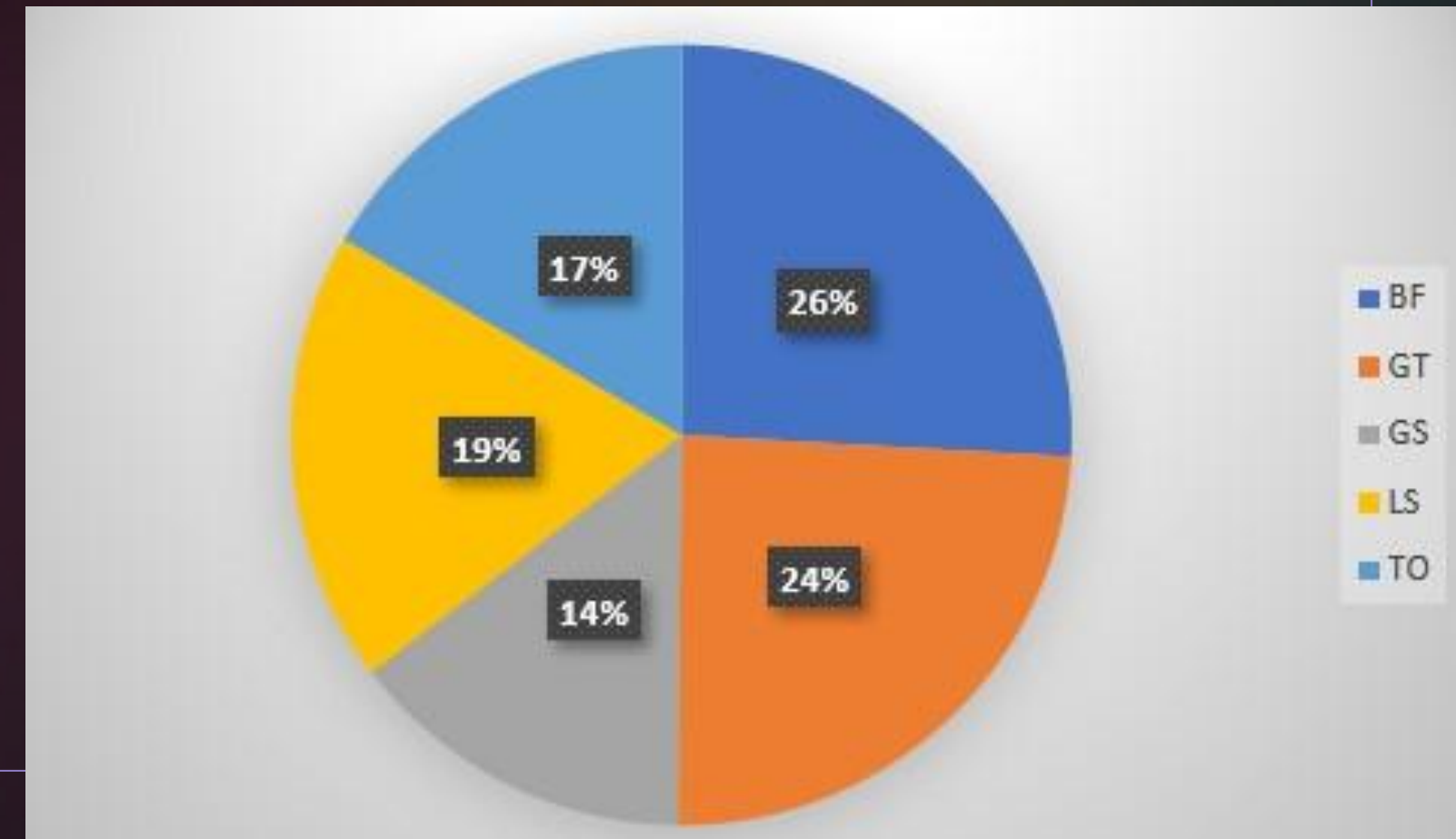
AdultZ Competitive Decision Making Spring 2021



Automotive Attitude Segmentation

- Basic and Functional
- Green and Trendy
- Green and Suitable
- Luxury and Style
- Transportation Only

24,000 Respondents between 18-24



what are AdultZ's avoiding and what are they considering?

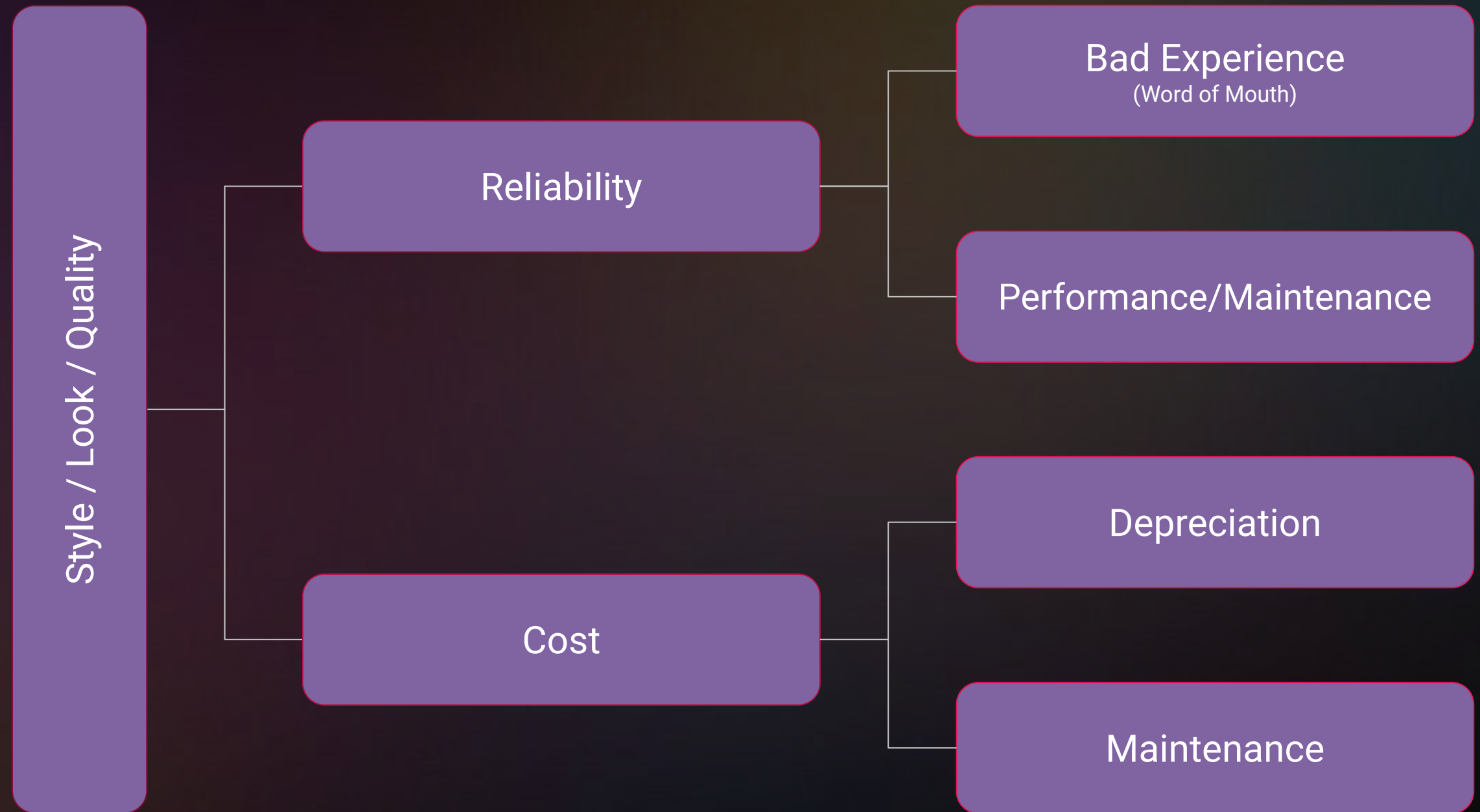
Models being Avoided

Subcompact Cars

- Toyota Yaris
- Volkswagen Golf
- Mazda 3
- Chevy Cruze
- Nissan Sentra
- Toyota C-HR
- Toyota Corolla

Trucks

- Nissan Titan (Performance)
- GMC Sierra (Reliability & Quality)
- Toyota Tundra (Cost)
- Ford F-Series (Style)
- Jeep Gladiator (Cost)



subcompact cars and trucks have the highest percentage of avoidance based on different reasonings

and now for the big question...

**how can toyota earn brand loyalty from
gen z?**

I. Build relationships with niche communities

We understand that Toyota's vehicles are often engineered with mass market appeal in mind. However, a mass market approach to communication with Gen Z **won't work**. This generation's value for nonconformity and unique self-expression indicates they don't want a car made for everybody, they want the car made specially for them. They want personalized messaging that speaks to their distinct passions. In order to speak the language of Gen Z Toyota needs plant roots within these niche communities Gen Z have cultivated. Partner with young content creators and influencers within these niche spaces, demonstrate Toyota is a genuine friend and collaborator. While niches like gaming, Kpop, and makeup art are popular amongst Gen Z right now it's important for Toyota to be proactive in their approach to stay in touch with what new niches emerge in the future.



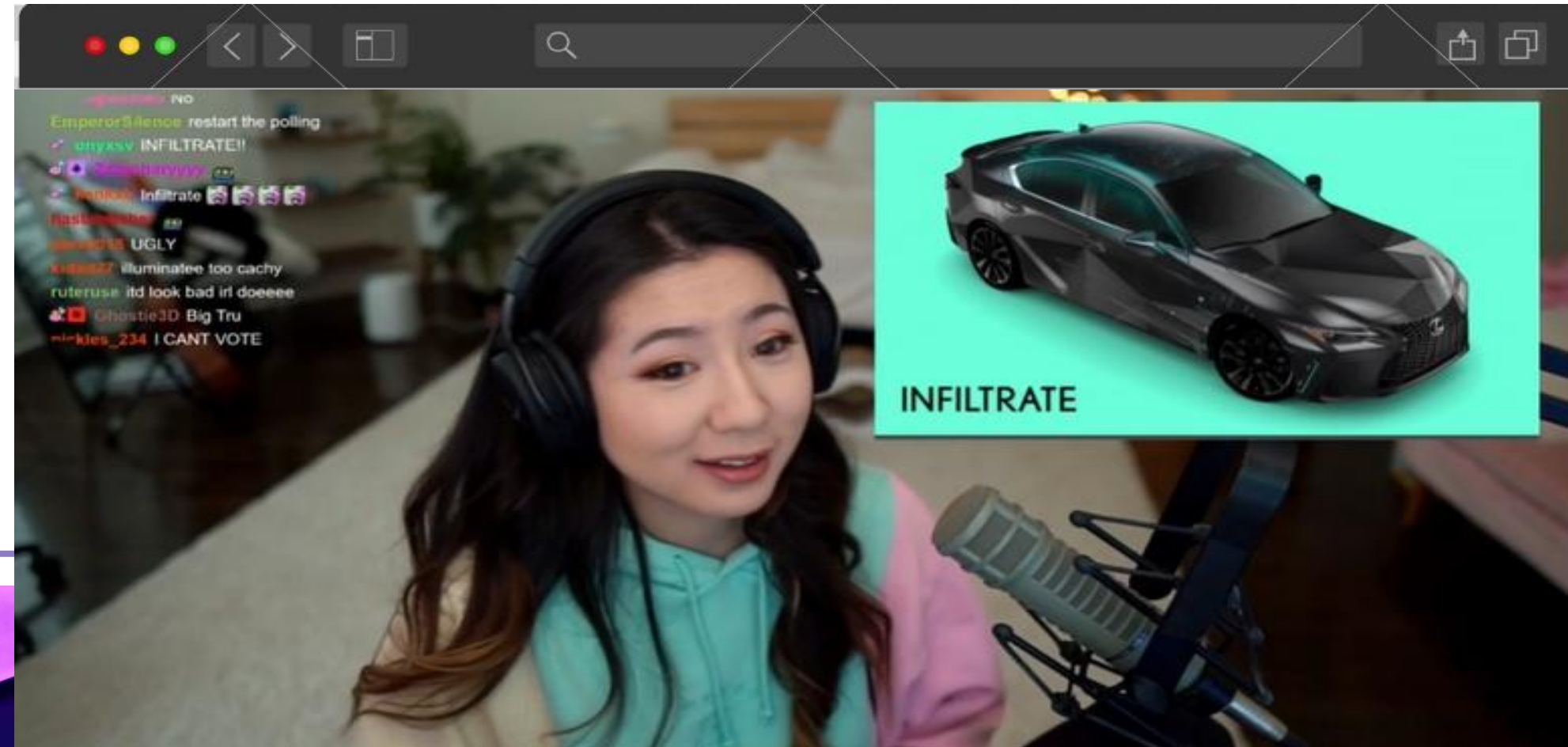
Lexus

Lexus has met Gen Z where they are: Twitch, and provided an engaging and educational experience on their IS sedan with the gaming community.



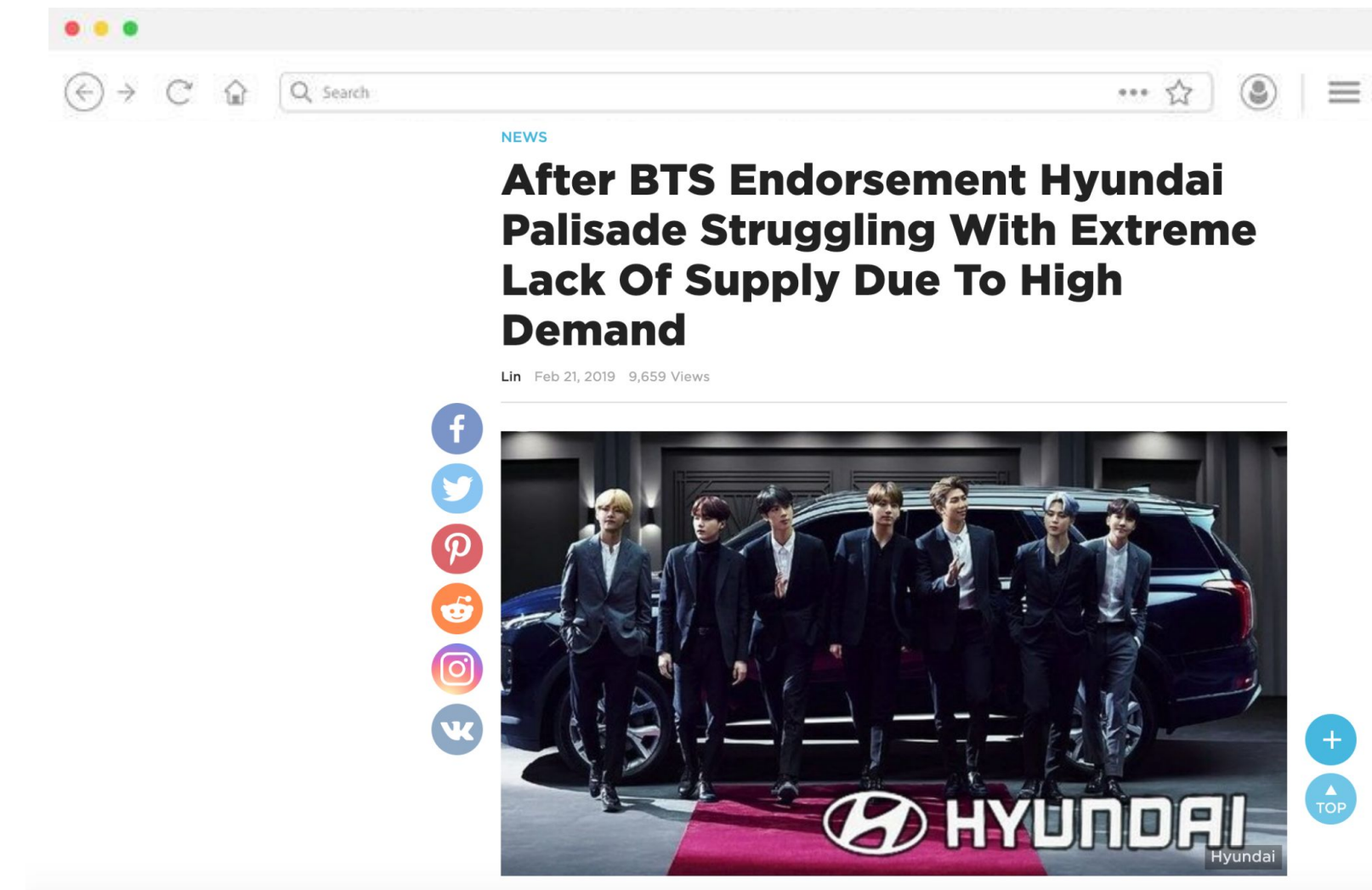
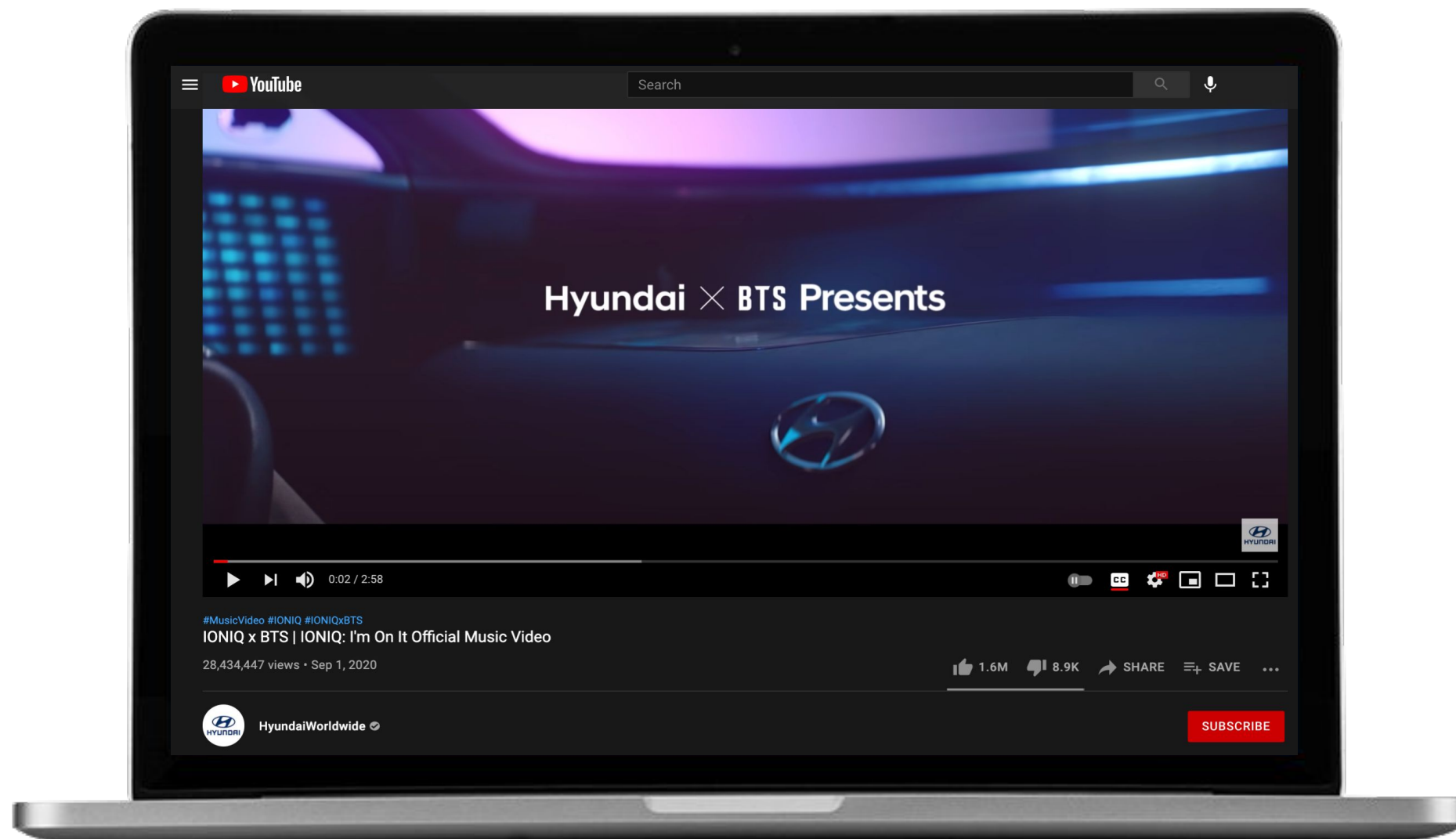
Build relationships with niche communities

Lexus collaborated with a prominent content creator in the gaming space to reach an engaged young audience. The stream received more than 554000 unique viewers who voted in live polls on details like lighting, in-car gaming consoles, a 3D-printed controller and the exterior of the car.



Hyundai

Hyundai has garnered insane engagement and sales from understanding the kpop fandom and community.



Communicate with the consumer in a way that excites them

By simply engaging a new, niche audience and their interests, Hyundai was able to release a music video with their new car that got 28 million views, while also struggling to keep up with sales demands.

2. Stay true to who you are

Just be yourself. When building these relationships with Gen Z it's important for consumers to feel like the brand is comfortable in its own skin. So keep being Unmistakably Toyota: inclusive, optimistic, human, relatable, confident. Our brand personality and values already align with that of Gen Z, they just don't know it yet. Some brands often feel pressure to reinvent their image just to fit in with young consumers but this truth-seeking generation can sniff out disingenuous communications from a mile away so keep it real. They want Toyota to be transparent about their impact and keep their promises. There's no need to flip the script to talk to Gen Z we just need to make some slight adjustments in our approach and become familiar with digital spaces we haven't entered yet.

let's explore how Ford
used storytelling to
stay true to their
brand values



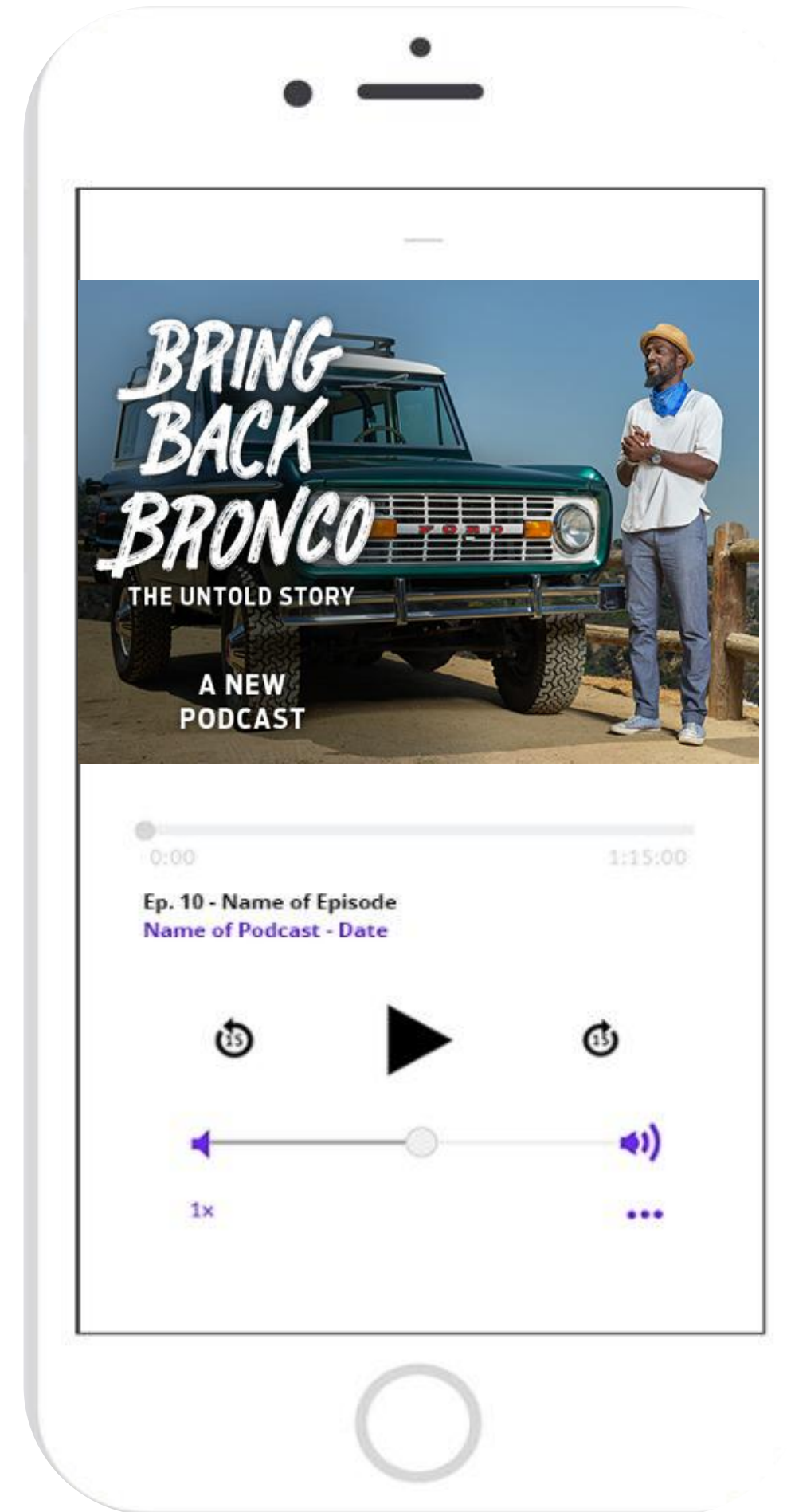
Ford

Ford has utilized brand storytelling in a unique and engaging way in order to stay true to their brand message and values.



authentic storytelling

Ford created “Bring Back Bronco” a podcast series that highlighted interviews with current and former employees, racers, and industry analysts. They created buzz and engagement, and utilized an increasing form of media amongst gen z: podcasts.



3. Be bold and stand for something

This generation is passionate and opinionated. 52% of Gen Z consumers say they want the brands that they use to be involved in activism. Young consumers believe brands can have a greater power and impact on society than politicians which is why they expect more from companies.

4. Non-tradition is the only tradition

Gen Z doesn't consume traditional media as much as previous generations. These digital natives use mobile for the majority of their daily tasks and entertainment, not only in terms of communication and social media, but buying habits, product research, and more. More than **40% of Gen Z** consumers said they look to social media to **learn about new cars**. Toyota needs to integrate itself within non-traditional platforms like Snapchat, TikTok and Twitch in order to reach Gen Z. Soon the non-traditional media of today will become the tradition of tomorrow which is why the brands needs to keep up with the times and be on the lookout for future technologies. Young consumers enjoy brands that stray away from tradition because Gen Z are experimentalists at heart and want to feel like they are a part of innovation. **Tradition is just a euphemism for complacency which is why non-tradition should be the only tradition Toyota chooses to follow.**

let's explore how Adidas shifted to mobile and listened to gen z's values and wants



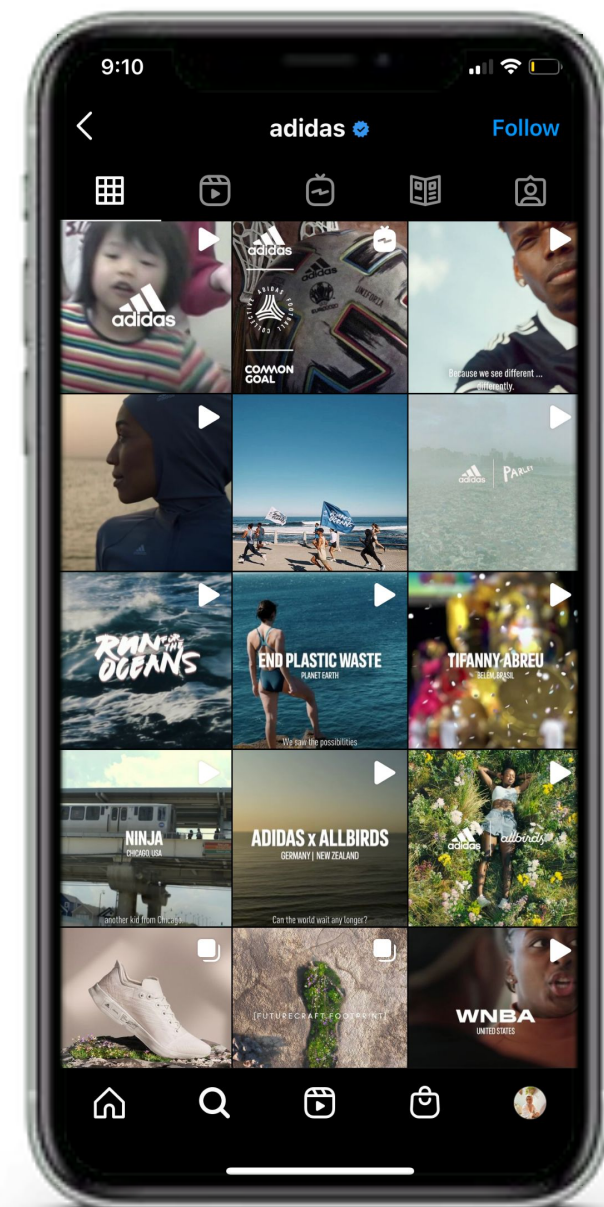
Adidas

Adidas has hit the mark with advertising to gen z by understanding their consumer behaviors and listening to their values as individuals.



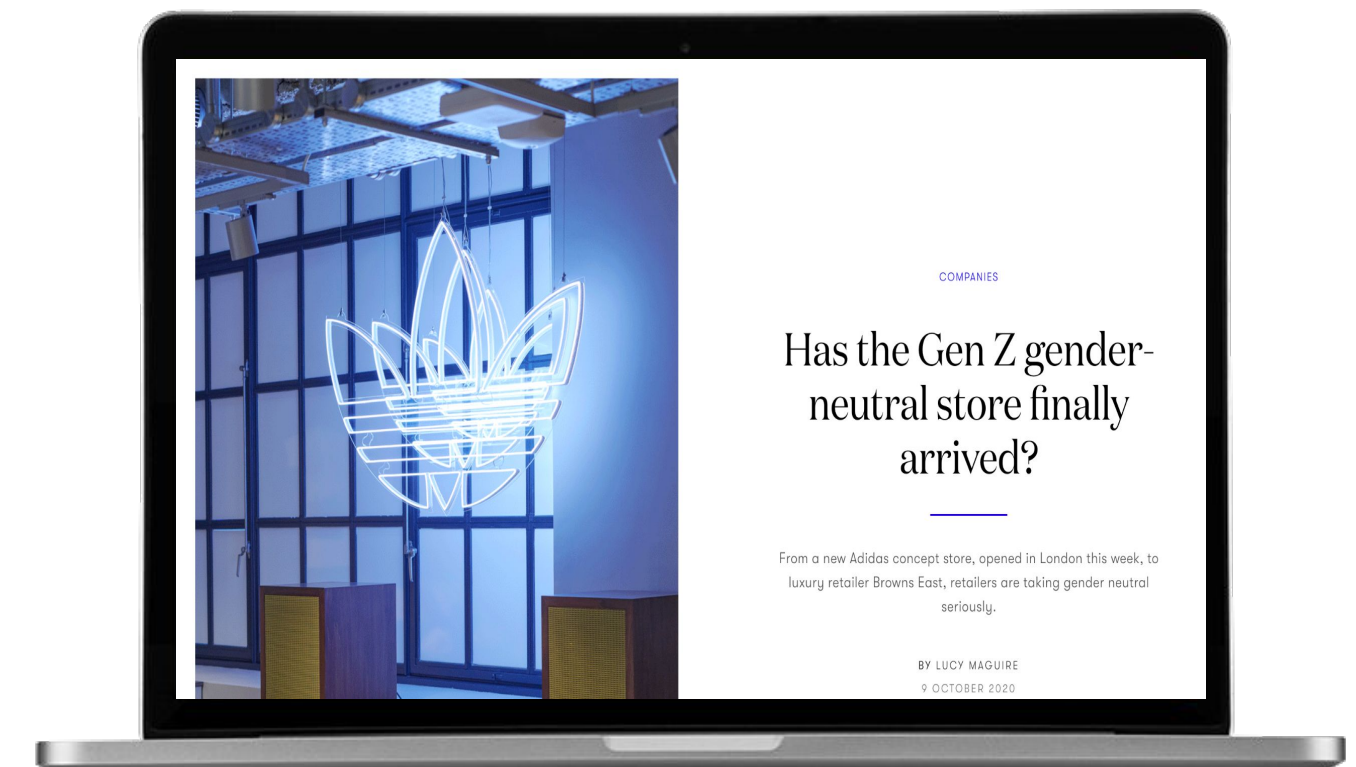
Non-tradition is the only tradition

Adidas understands Gen Z spends most of their time in non-traditional digital spaces. In 2017, they gave up TV advertising in favor of going digital and mobile to reach their loyal consumer.



listen to their values

Adidas kept open ears and an open mind when talking to gen z. They constantly send out messaging on issues that are important to them, from breaking gender stereotypes to climate action.



5. Digitize and simplify

The car purchasing process can be stressful and complicated for inexperienced buyers. Young consumers have been asking for a more digitized car purchasing process for years. This means incorporating features like virtual test drives, virtual walkthroughs, and maybe even virtual contract agreements and negotiations. A digitized car buying experience is needed now more than ever due to the safety concerns brought about by COVID-19.

let's explore how Tesla was able to digitize and make car buying as simple and efficient as possible



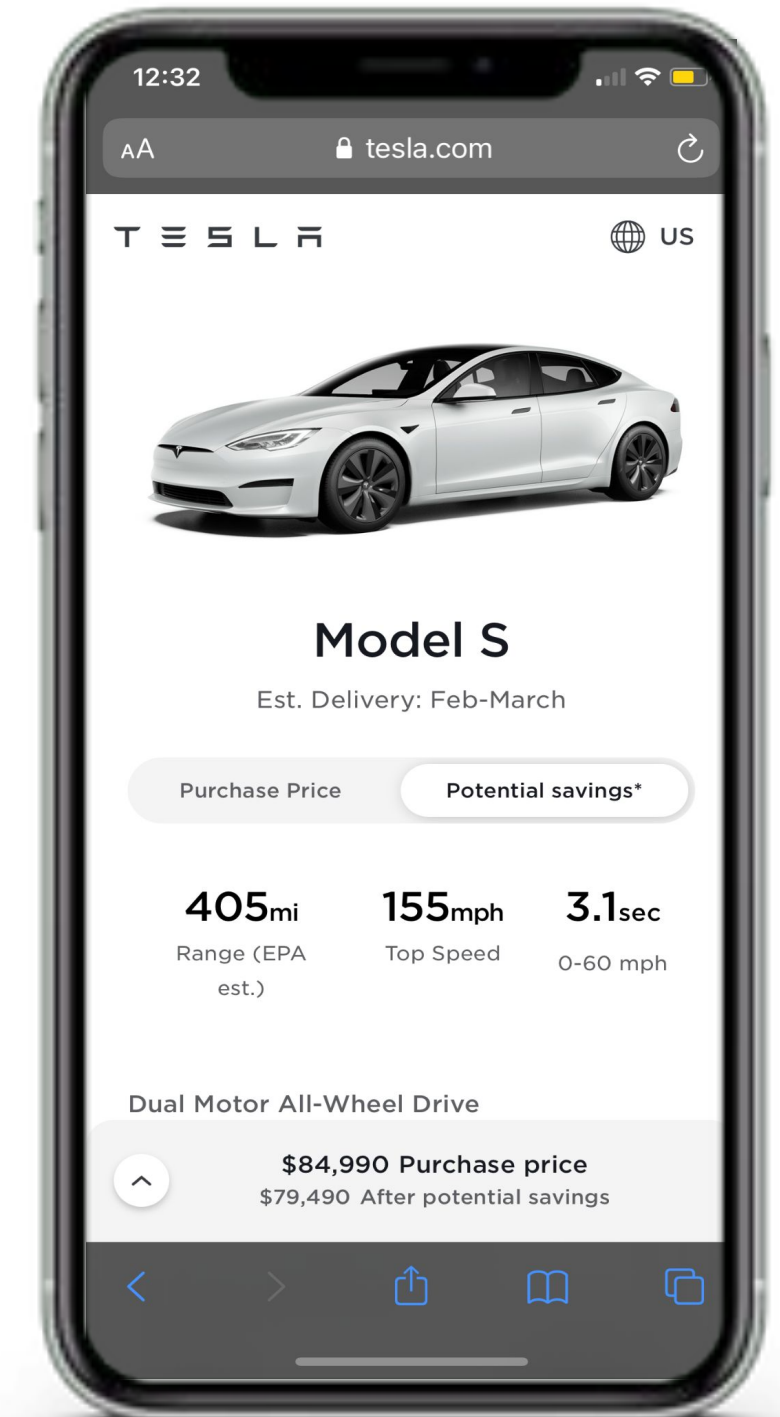
Tesla

Tesla has made it easy for consumers, and gen z, to purchase a brand new car in minutes.



quick, easy, digitized experience

Tesla has proven that the car buying process doesn't need to be stressful and time consuming. They've been dubbed the "cool car brand" amongst gen z for a reason.



6. Create spaces for self-expression

36% of Gen Z consumers already consider themselves internet influencers. Toyota can take advantage of this phenomenon by resharing content from Gen Z social media creators. No matter the size of the following this generation wants to be recognized for their uniqueness and creativity.



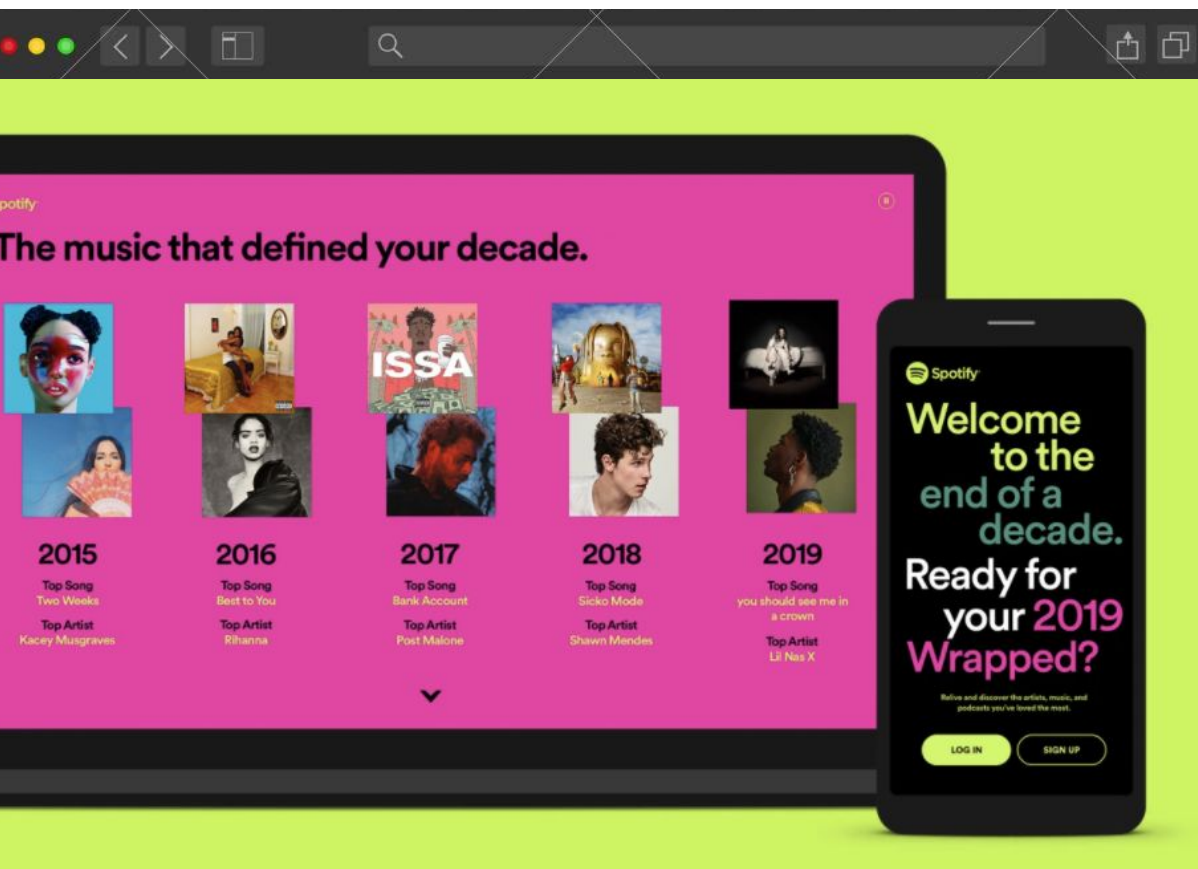
Spotify

Spotify has appealed to gen z's need for unique expression, by tailoring their music, playlists, and yearly wraps so that gen z can share their interests. they've also hit the mark on using nostalgia to talk to gen z.



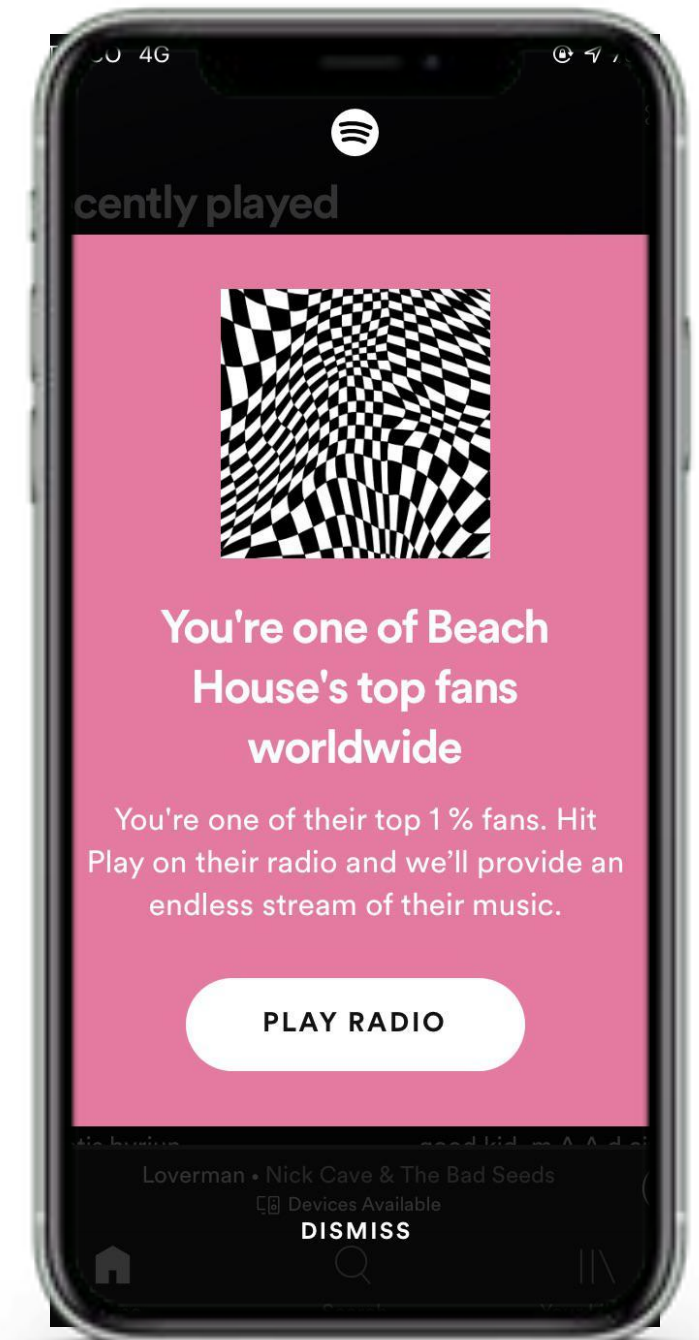
appealing to nostalgia

Spotify has created a lasting brand connection with gen z by reminding them of their journey with the brand over the year.



created a space for expression

Spotify has allowed users to share their unique music tastes through collabing with Instagram, and tapped into gen z's desire to be “stans” and one-of-a-kind consumers of media by celebrating if they are in the top % of listeners for an artist.

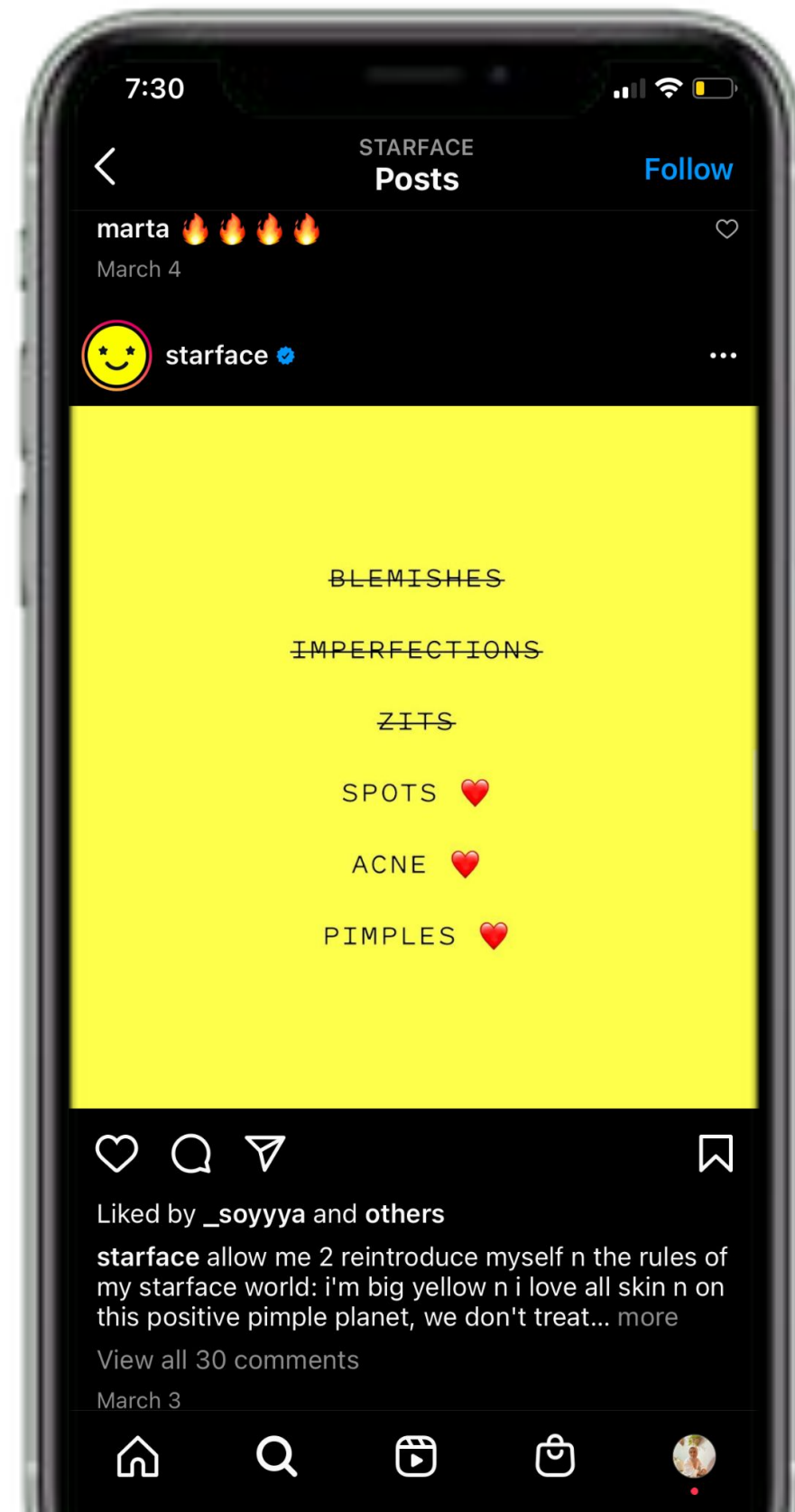


7. Take some pressure off their shoulders

As the most anxious generation, Gen Z needs to feel like someone is on their side. Toyota has an opportunity here to speak to their worries, and show how we can be there for them. Engaging with the brand should feel like an escape from stress and inspire positive emotion.

let's explore how Starface
and Mercedes took the
pressure off their
consumers shoulders





Starface

As a skincare brand, Starface utilized their social media presence to send a message to their consumer.



**creating a friend in
their consumer**

Starface has offered it's audience a much needed assurance, showing them that they have their backs, and taking some weight off of their shoulders.

Mercedes Benz

Mercedes has listened to the concerns of their audience, and sent a message on how their product can be of help.



understand the consumers struggles

Mercedes released 'King of the City' that highlighted the busy, stressful day of their consumer. They demonstrated how Mercedes was there to help ease that with their S class' new comfort feature.



*click play!

**and there you have it. a guide on how to
talk to the up-and-coming consumer, Gen
Z.**

thank you