



READY FOR

THE ZOOMERS?

Gen Z report: South Africa edition

SHORT ON TIME?

5 REPORT TAKE-AWAYS

1

GEN Z x MENTAL WELL-BEING

Growing up during a recession with high levels of unemployment has an impact on Gen Z's mental health. This 'it's OK to not be OK' generation expects brands to take on the role of coach, supporting them in prioritizing and discussing the topic of mental health.

2

GEN Z x FINANCE

Redefining how to make money, Zoomers are self-educating in finance. South African Gen Z are frontrunners in investing in cryptocurrencies, which shows their openness for new financial products. They expect from brands that they give accessible and actionable advice to support them in building financial resilience.

3

GEN Z x METAVERSE

Embracing and shaping the metaverse – together with their Gen Y counterparts – this always-on generation wants brands to create exciting experiences by seamlessly integrating the online and offline worlds.

4

GEN Z x BRANDS

Having a strong focus on injustice, Gen Z wants brands to pursue social and environmental issues. 54% of South African Gen Z even refuses to buy from non-sustainable brands. At the same time, they expect brands to provide a personalized, playful experience.

5

GEN Z x SUSTAINABLE FUTURE

Gen Z is determined to create a better future, with socio-economic issues such as poverty, the economic crisis and racism being high on their agenda. And they expect the same from brands. One-off actions are a no-go; this generation wants to see ongoing social impact.



REPORT NAVIGATION

ARE YOU READY FOR THE ZOOMERS?

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ARE YOU READY FOR THE ZOOMERS?

Today, Gen Z is the world's largest generational cohort, accounting for one third of the global population. Also known as post-Millennials, the iGeneration, or Zoomers, they have the fastest-growing disposable income, which is expected to reach \$33 trillion over the next decade. No matter what you call this generation, your business's future is likely to depend on them.

Who is Gen Z?

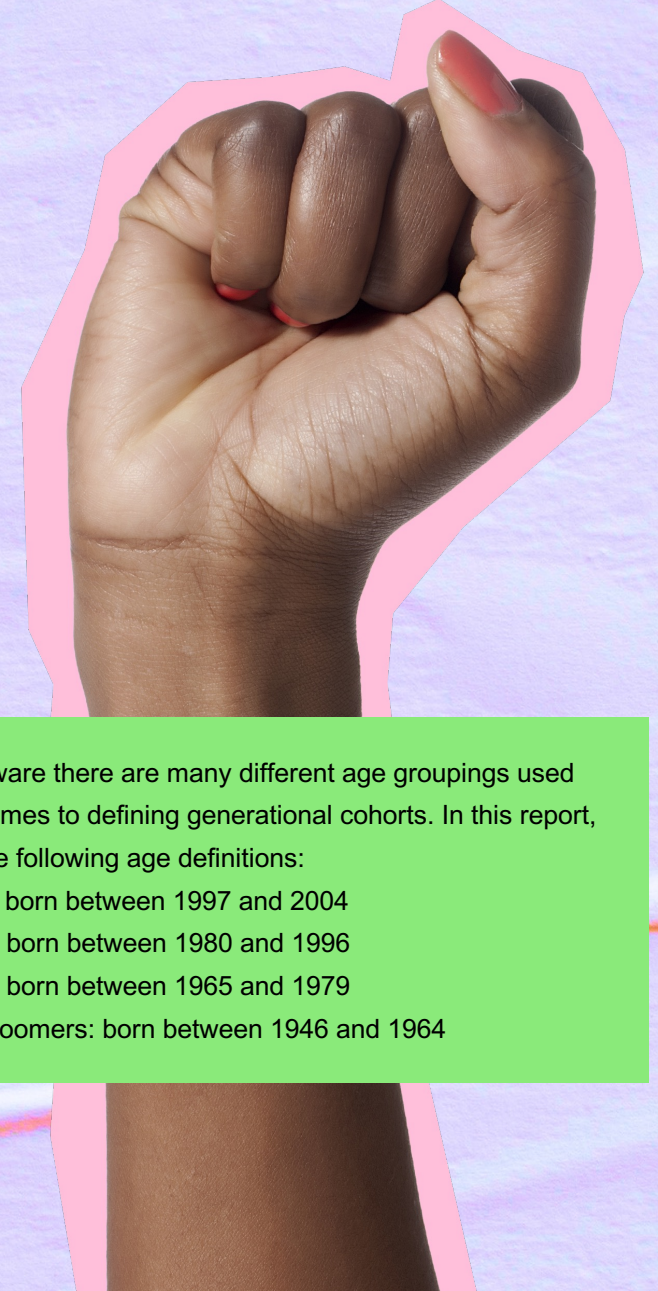
Born into a tech-enabled world, this digitally native generation is social-media-literate, always-on, and hyper-informed. Online platforms are their means to be in the know, to stay connected, and above all, they allow them to amplify their voice. With movements like #MeToo, Black Lives Matter, or #AmINext, this generation is not afraid to question authority and call out injustice.

Growing up against the backdrop of social upheaval, climate change, and a global health crisis, this is a generation that struggles with mental well-being, but they don't hold back when talking about it. With many coming of age during the pandemic, the past two years put a mark on their lives and outlook on the future.

So, what characterizes these Zoomers, and how are they different from the generations before them? In this report, we shed a light on what makes Gen Z tick and what they expect from brands.

We are aware there are many different age groupings used when it comes to defining generational cohorts. In this report, we use the following age definitions:

- Gen Z: born between 1997 and 2004
- Gen Y: born between 1980 and 1996
- Gen X: born between 1965 and 1979
- Baby boomers: born between 1946 and 1964



REPORT METHODOLOGY

To gain insight into Gen Z's attitude and behaviour, and how this differs from previous generations, we ran a global proprietary quantitative research piece with the four largest generational cohorts - Gen Z, Gen Y, Gen X and baby boomers.

The focus of this report is on the South African market, where we surveyed 1,002 consumers in June 2022: 400 Gen Z, 201 Gen Y, 202 Gen X and 199 baby boomers. In this report we will zoom in on generations separately, as well as highlight significant differences between the next generations (Gen Z and Gen Y) versus non-next generations (Gen X and baby boomers). The sample is nationally representative on ethnicity and includes respondents from different provinces and socio-economic background.

	Gen Z	Gen Y	Gen X	Baby boomers
Born between	1997 – 2004 *	1980 – 1996	1965 – 1979	1946 – 1964
Sample size	400	201	202	199

** Taking into account ethical research guidelines, the survey focused on 18 years and older*





01 GEN Z x MENTAL WELL-BEING

STRESS, HAPPINESS & PANDEMIC



MENTAL WELL-BEING

IT'S OK NOT TO BE OK

45% of South African Gen Zers feel stressed, which is in line with the older generations, yet the reasons linked to their stress do differ.

While the current **financial climate is a top stressor** for both young and old(er), Millennials and Gen Z are especially struggling more with their **job or studies (49%)**, **family situation (41%)**, and **having too many responsibilities (36%)**. For Gen Z specifically, being confronted with disrupted education or job prospects is one of their top sources of stress (29%).

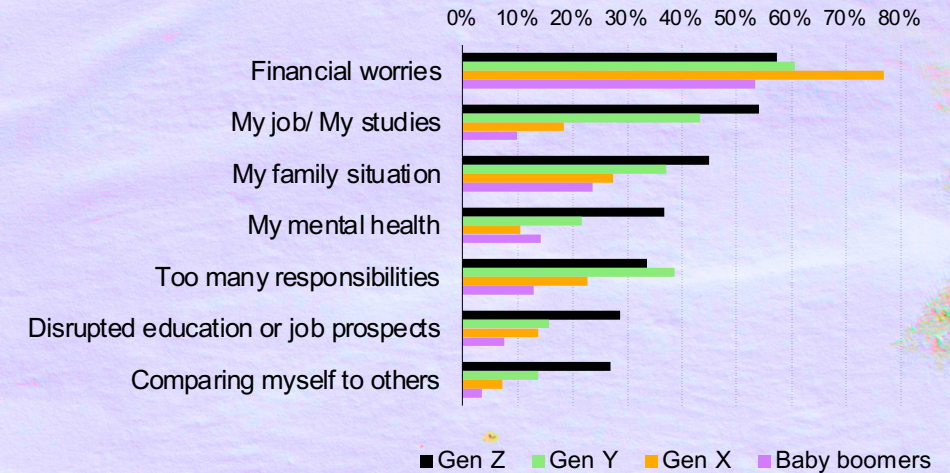
This also has an **impact on their mental health** with 37% of the Zoomers indicating this as a big stressor (vs 22% Gen Y, 11% Gen X and 14% baby boomers). Yet, this 'it's ok to not be ok' generation does not shy away from talking about their struggles. Today's youth is all about dropping taboos and being open about their mental health.

STRESS LEVELS



45%
OF GEN Z
FEELS
STRESSED

TOP SOURCES OF STRESS



MISS SOUTH AFRICA x MINDFUL MONDAYS

This focus on mental well-being from the next generations can inspire brands to take on the role of life coach: supporting youngsters in prioritizing their mental health and encouraging discussions around the topic.

Mental well-being is a topic close to the heart of Miss South Africa 2020, Shudufhadzo Musida. In collaboration with the South African Depression and Anxiety Group (Sadag) she launched the initiative 'Mindful Mondays', a weekly IGTV Live show to raise awareness on mental health. Her sessions reach more than 40,000 people a week.



MENTAL WELL-BEING

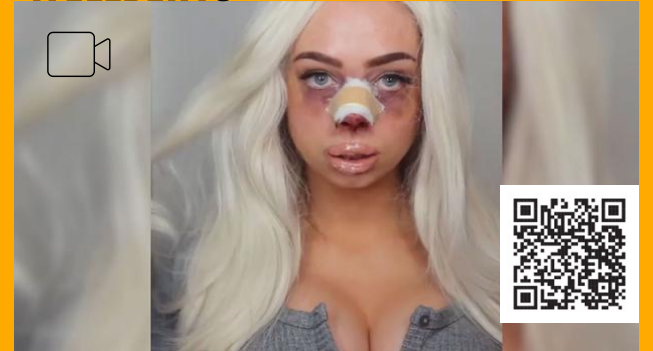
CONFIDENCE CRISIS

With social media being an inherent part of their lives, **comparing themselves to others** (20%) and **external expectations** (14%) add to the stress equation of the next generations. This results in a 'confidence crisis', with 45% of Gen Z and 36% of Gen Y **indicating they often lack self-assurance**, where this is 24% amongst the older generational cohorts.

Moreover, the unrealistic depictions and filtered images put **a lot of pressure on looks for today's youth** (78%). As a result, the next generations try to **show the best version of themselves online** (52%). Yet, while Gen Y is still trying to confirm to European-centric beauty standards, **Gen Z is starting to take steps in liberating themselves from that ideal, focusing more on natural beauty and a healthy skin glow.**

78%
OF GEN Z
FEELS THE
PRESSURE
ON LOOKS

SOCIAL MEDIA x MENTAL WELLBEING



In the thought-provoking video 'Am I pretty now', makeup artist Karolina Maria – a Gen Z herself – raises awareness on the negative impact of social media on people's self image. She says: "Don't you ever compare yourself to someone else and think you are less, because only YOU are you, and you are BEAUTIFUL just the way you are."



MAYBELLINE NEW YORK x #BRAVETOGETHER

By partnering with leading South African non-profit organisations like Sadag, Maybelline New York aims to break down the stigma around anxiety and depression via its #BraveTogether programme. Through this programme, the brand provides easily accessible support and resources (e.g. counselling via WhatsApp), and fosters a culture that lets those who are struggling know that they are not alone and that there is help available.





02 GEN Z x FINANCE

FROM FIN-FLUENCERS TO NFT ART



GEN Z x FINANCE

DREAMING OF FINANCIAL SUCCESS

The pandemic and the resulting recession with high youth employment rates have an **impact on how South African Gen Z and Millennials look at their career and work**. More than their older counterparts, the next generations see their job just as a way to make a living (57% vs 33% non-next generation). This also explains why 42% of the younger generations indicates **money and status symbols are important** to them (vs 21% non-next generation). Taking their future in their own hands, more than their older counterparts, Gens Z & Y have a side hustle (55%) and dream about starting their own business one day (84%).

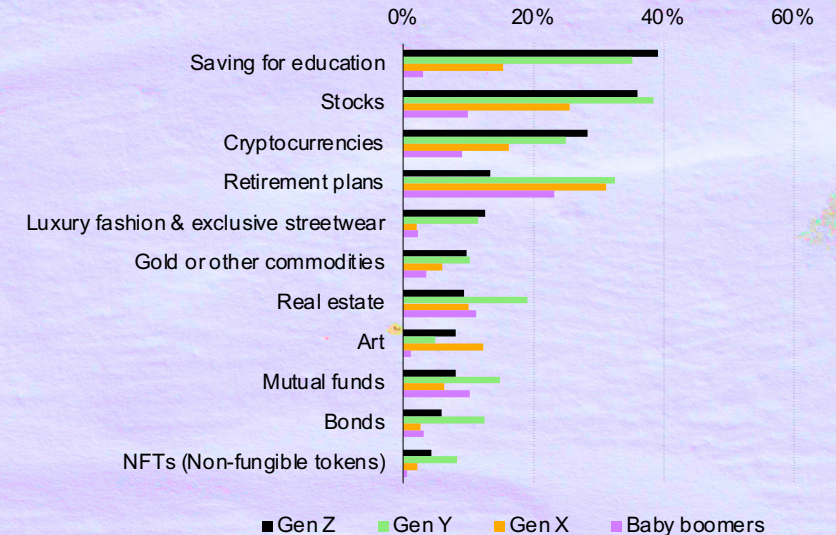
Even if their disposable income does not (yet) reach the heights of that of Millennials, Gen Z is closing in on Gen Y when it comes to financial investments. **73% of Gen Z made an investment** in the past year (81% Gen Y), and another 73% report having an increased appetite in financial planning (78% Gen Y). Overall, the next generations have invested significantly more than their parents in the past year (77% vs 53% non-next generation).

Also, when zooming in on Gen Z's investment portfolio, there are many similarities with Gen Y. While more traditional products like **education funds** (39%) and **stocks** (36%) take a big share in Gen Z's portfolio, new investment products like **cryptocurrencies** (28%) are also high on their list. And its importance is only expected to grow, with 38% of Gen Z saying they will invest in crypto in the coming year, and 60% indicating they would like to be paid or get an allowance in crypto.

73%
**OF GEN Z
HAS
INVESTED
IN THE
PAST YEAR**



TOP INVESTMENT PRODUCTS



SNEAKERHEADS BOOST RESALE MARKET

One of Gen Z's new favourite asset classes are *sneakers* (or 'tekkies' as they are often called in South Africa). During the pandemic, the sneaker resale market boomed, giving Gen Z a lucrative side hustle. Cowen Equity Research even estimates that the sneaker market could be worth \$30 billion by 2030. Yearly events such as Sneaker Exchange have become an integral part of South Africa's sneaker culture. It brings together sneaker lovers to show off their impressive collections, get inspired and trade their sneakers.



GEN Z x FINANCE

DIGITAL FUELING FINANCIAL LITERACY

As the pandemic highlighted the need of having a budget and building emergency savings, all generations indicate their interest in financial planning and/or investing has increased in the last 2 years (73% Gen Z, 78% Gen Y, 79% Gen X, and 51% baby boomers). Yet, Gens Z and Y are the first generations with an incredibly **high level of financial literacy** at a (very) young age. Rather than following expensive business courses, they **self-educate online**, for example by following influencers on social media, aka fin-fluencers, for financial advice (37% next generation vs 15% non-next generation).

THE RISE OF THE 'FIN-FLUENCER'

Gens Z and Y increasingly consult social media such as TikTok – or should we say **FinTok**, or **StockTok** – for financial education. While social media **empowers these generations** to take financial literacy in their own hands, following so-called 'fin-fluencers' also comes with a huge **risk of misinformation**. Without any financial background or legitimation, anyone can present themselves as an expert and trick them.

39%
OF GEN Z
**FOLLOWS
INFLUENCERS
FOR
FINANCIAL
ADVICE**

BETTR x A NEW CULTURE OF MONEY

Gen Z expects brands to support them with building financial resilience by providing accessible and actionable advice.

Banking challenger, Bettr.App, launched its vision of #ANewCultureOfMoney in September 2020 with the original song #WeDeserveBettr – an anthem for the young, creative and entrepreneurial. The digital banking app will offer South Africans smarter, easier, self-managed tools to keep spending in check, and grow savings faster for zero monthly fees. Bettr.App is set to merge the worlds of gaming, content creation and banking.





03 GEN Z x METAVERSE

WHAT IS IT LIKE ON THE OTHER SIDE?



GEN Z x METAVERSE

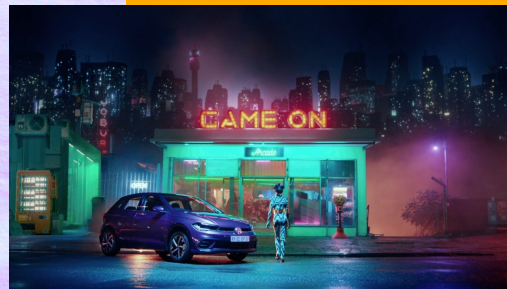
CONQUERING THE METAVERSE

Seamlessly blending physical and digital worlds, Gen Zers are true digital natives. For this 'always-on' generation, social media plays a central role in their everyday lives. **39% even feels anxious if they (must) disconnect for a day**, which is similar for Gen Y (34%) and significantly higher in compared to the older generations (20% Gen X, 13% baby boomers).

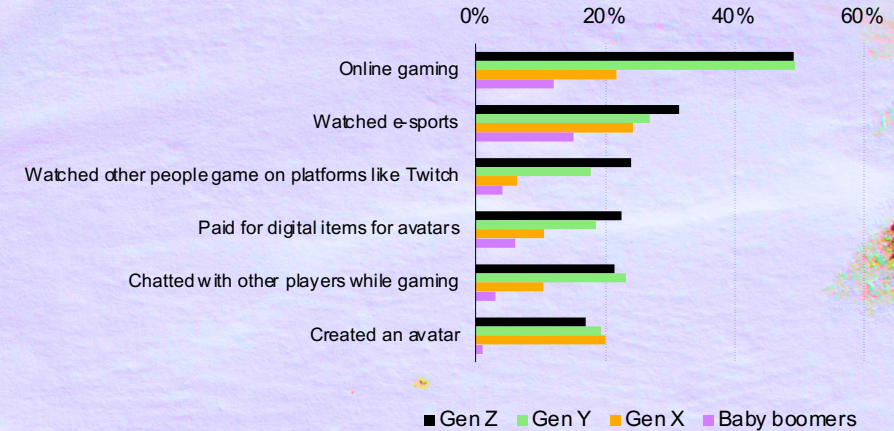
Being a **visual- and video-driven** generation, YouTube, Facebook, TikTok, Instagram and Snapchat are the most popular platforms for Gen Z in South Africa. While they turn to YouTube for **entertainment and tutorials**, TikTok provides a creative outlet for **memes and viral content**. Together with Instagram, the latter is also used for **digital activism**. Under the hashtag #FreedomToBeMe on TikTok, for instance, this generation of digital natives expressed what Freedom Day in South Africa means for them in creative ways.

Next to these more traditional social-media platforms, Gen Z is **exploring the metaverse**, together with their Millennial counterparts. Hanging out with friends in virtual worlds, creating an avatar and spending money on virtual outfits is nothing extraordinary to them: the next generations are 'meta-ready'. In fact, 77% of Gen Z has already engaged in metaverse activities, ranging from online gaming (49%), or watching e-sports (32%) to creating avatars (17%). And the Millennials do not stay behind with 74% of them having experience with metaverse activities.

77%
**OF GEN Z
HAS
ENGAGED
IN
METAVERSE
ACTIVITIES**



PARTICIPATION IN METAVERSE ACTIVITIES



VOLKSWAGEN SA x NFT TREASURE HUNT

Gen Z embraces brands that are present in the metaverse, but also enjoy offline interactions. The future will be about creating exciting experiences that seamlessly integrate the online and offline worlds.

Volkswagen South Africa entered the metaverse with an NFT treasure hunt, launching a campaign to promote the safety and intelligence features of its latest Polo model, the IQ.DRIVE. Fusing the world of online gaming with reality, 'Game On' brings interactive storytelling to life via a treasure hunt for hidden NFTs. The first to uncover the secrets will be rewarded with a selection of real and virtual prizes, including a PS5 and tuition by the Volkswagen Advanced Driving Academy.



GEN Z x METAVERSE

SOCIALIZING VIA SOCIAL MEDIA

Putting social interactions on hold, the pandemic amplified Gen Z's time online. Gen Z goes online even more to stay connected with the world and escape their everyday reality. For example, by **watching a movie or series with friends 'apart-together'**, which is something 40% of this generation does regularly, in comparison to older generations. But they also make new friends in this digital space, something they have in common with Gen Y. In fact, 63% of the next generations state they have **online friends they never met face-to-face**. 30% even says **hanging out with friends online is just as good as seeing them in person**. More than their older counterparts, the youngest generations believe **everyone is equal in a virtual world** (50% next generations vs 36% non-next generations).



40%
OF GEN Z
WATCHES
MOVIES
OR SERIES
'APART-TOGETHER'



THE COST OF SOCIAL MEDIA

Our research shows that across generations more than 4 in 5 feel **social-media companies have too much power**. Yet, when it comes to the (long-term) consequences of publicly posted content on social media, the next generations are less wary than their older counterparts (69% next generations vs 80% non-next generations). Similar for data use, 64% of the next generations **distrust how social-media companies use their data** while this is significantly higher for the non-next generations with 75%.

Yet, Gen Z is not naïve when it comes to protecting their privacy, with 49% of Gen Z using **encrypted messaging apps**, which even rises to 54% for Gen Y and 59% for Gen X. Likewise, they are critical for the 'picture perfect' mentality on social media and are **actively looking for more 'realness'**. No wonder the hashtag #nofilter has over 4 billion views on TikTok and more than 288 million posts on Instagram. More than any other generation, Gen Z follows social media influencers they can relate to (48%).

AFRICARARE x AFRICA'S FIRST METAVERSE

Africa's first metaverse, Africarare, was launched in October 2021. This 3D virtual reality immersive hub is developed by Mann Made, a Johannesburg-based innovation company. Africarare is fast building momentum as organisations and artists purchase virtual land to showcase African creativity and connect the continent to the global digital economy. One of those artists is media personality and reality star Boitumelo 'Boity' Thulo who hops onto Africarare with her first virtual-reality music video. According to Africarare, Thulo has a tribe of 10,000 avatars, a village that is currently being developed, and plans for virtual concerts underway.



A photograph of three young adults against a light purple background with soft, colorful light streaks. On the left is a man with long, dark, curly hair, a beard, and a black t-shirt, wearing a black baseball cap and a necklace with a small pendant. In the center is a woman with dark hair pulled back, wearing a bright yellow short-sleeved top and carrying a black tote bag with a large pink and red 'R' logo. On the right is a woman wearing a beige hijab, a green ribbed turtleneck sweater, and a white pleated skirt. Each person has a thick, stylized outline around them: pink for the man, green for the woman in the center, and purple for the woman on the right.

04 GEN Z x BRANDS

EXPECTATIONS TOWARDS BRANDS



GEN Z x BRANDS

BRANDS THAT TAKE A STAND

Like Millennials, Gen Z believes brands should take on an **active role in shaping a more sustainable and inclusive future**, and they expect brands to communicate about their efforts and impact. 54% even refuses to buy from non-sustainable brands. Another 51% believes that brands that don't communicate about sustainability are not sustainable, showing this generation's **call for radical transparency**. With the internet at their fingertips, Gen Z knows how fact-checking works, and they do not shy away from rejecting brands that don't align with their views.

71% of Gen Z wants brands to **give back to society**. In fact, more than their older counterparts, Gens Z and Y expect brands to create impact by **commenting on news, social and political events** (50%) and **engaging in conversations about what change is needed in society** (79%). This focus on social justice is also reflected in their spending behaviour, with 77% of Gen Z and 73% of Millennials willing to pay more for brands that use inclusive practices.

Yet, while Gen Z expects a lot from brands, **only 63% looks at brands to build a better new normal post-pandemic**. This points to how this generation embraces personal responsibility and believes in the power of individuals to create change.

55%
**OF GEN Z
IS WILLING
TO PAY
MORE FOR
BRANDS
THAT ARE
BLACK-
OWNED**

HIGHLIGHTS

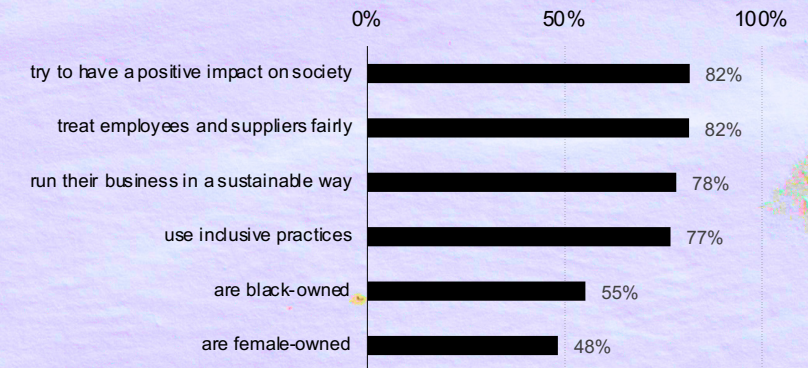


Black
-owned



Women
-Led

GEN Z'S WILLINGNESS TO PAY MORE FOR BRANDS THAT...



POWER TO THE BLACK AND FEMALE COMMUNITIES

Together with Millennials, Zoomers are all about empowering the black and female communities. 51% of the next generations are **willing to pay more for brands that are black-owned**, and for Gen Z specifically, this even rises to 55%. Another 43% of the next generations are willing to pay more for female-owned brands, which drops to 23% among non-next generations.

Google makes it easier than ever for these generations to find such businesses, by adding badges that represent black-owned and women-led businesses.



GEN Z x BRANDS

EXPECTATIONS BEYOND SUSTAINABILITY

Gen Z's expectations towards brands go beyond sustainability efforts. Together with Millennials, they are paying more attention to **personalisation and co-creation** when considering a purchase than the older generations (58% vs 41% non-next generation). Similar for **exclusivity** (46% vs 24% non-next generation) and **trendiness** (48% vs 29% non-next generation).

The next generations also believe **brands should allow them to create products that reflect their identity** (62%), and they are willing to pay more for brands that **support them in their life goals** (74%). Overall, more than the older generations, they expect brands to **understand who they are and what they stand for** (76% vs 55% non-next generation).

ON A QUEST FOR HUMOUR AND PLAYFULNESS

In light of the pandemic, Gen Z also turned to brands for a spark of humour and playfulness, helping them cope with their gloomy reality. Like Millennials they are even **willing to pay more for brands that have a sense of humour and playfulness** (64%).



HEY GORGEOUS x PERSONALISED SUSTAINABLE SKINCARE

Brands can win Gen Z's hearts by showing they understand what this generation cares about, providing a personalised playful experience, while pursuing social and environmental impact.

Skincare brand 'Hey Gorgeous' uses PET-recycled containers and recycled packaging, and prints their labels on recycled paper. Next to that, they also encourage people to return the clean and empty jars to their stores in Cape Town and Durban. For each jar returned the brand donates R1 to CleanC, a non-profit that uses donations towards employment, education and environmental initiatives. But Hey Gorgeous also acknowledges that everyone's skin is different, and their experts provide consumers with personalized skincare recommendations based on the results of an online quiz.





05
GEN Z x
SUSTAINABLE
FUTURE

UNCERTAINTY & INCLUSIVITY



GEN Z x SUSTAINABLE FUTURE

FIGHTING INJUSTICE THROUGH THE POWER OF CLICKS

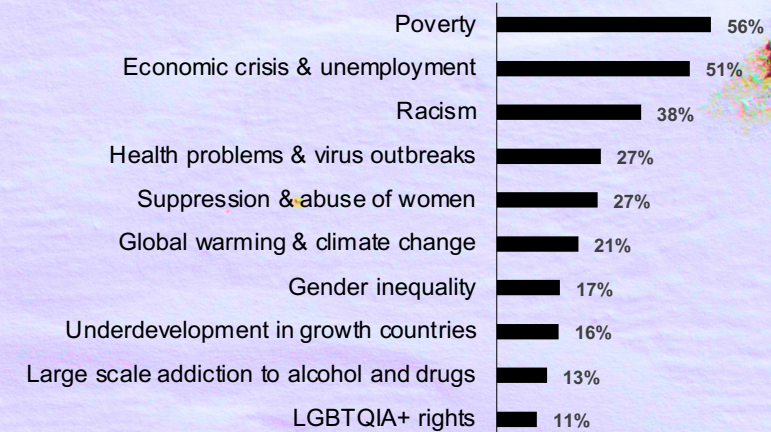
Living in the context of a pandemic recession, all generations in South Africa show high levels of **uncertainty about the future**. In fact, more than 1 in 2 of Gen Z struggles with a feeling of uncertainty, which is not surprising considering how the pandemic is causing a lot of turbulence in their journey towards adulthood.

Given the high numbers of youth unemployment in South Africa, the top global issues that keep Gen Z up at night focus on socio-economic concerns such as **poverty** (56%) and the **economic crisis** (51%).

Diversity and inclusion is another topic that is high on their agenda, and a concern they share with their Millennial allies. 38% of Gen Z considers **racism** a global issue and 58% feels racial diversity is a good thing for society. In fact, more than any other generation, they are willing to pay more for **black-owned brands** (55% Gen Z vs 45% Gen Y, 21% Gen X and 6% baby boomers). **Gender (stereotypes)** is another topic that is more present in the daily lives of Gen Z and Gen Y, as opposed to the older generations. 76% of Gen Z agrees there are still too many gender stereotypes, 50% states that gender identity is something that can change over time, and 47% personally knows someone who prefers to be addressed with gender-neutral pronouns.

51%
**OF GEN Z
FEELS
UNCERTAIN
ABOUT THE
FUTURE**

TOP GLOBAL ISSUES GEN Z WOULD TACKLE



INSTAGRAM x PRONOUNS

Gen Z is striving for gender liberation, and they value brands that acknowledge gender diversity and break gender stereotypes.

In May 2021, Instagram launched a feature allowing users to add up to four pronouns to their profile from a list of dozens of options including he, she, they, ze, ve, etc. Users can even submit a request for pronouns that are not available in the existing list.



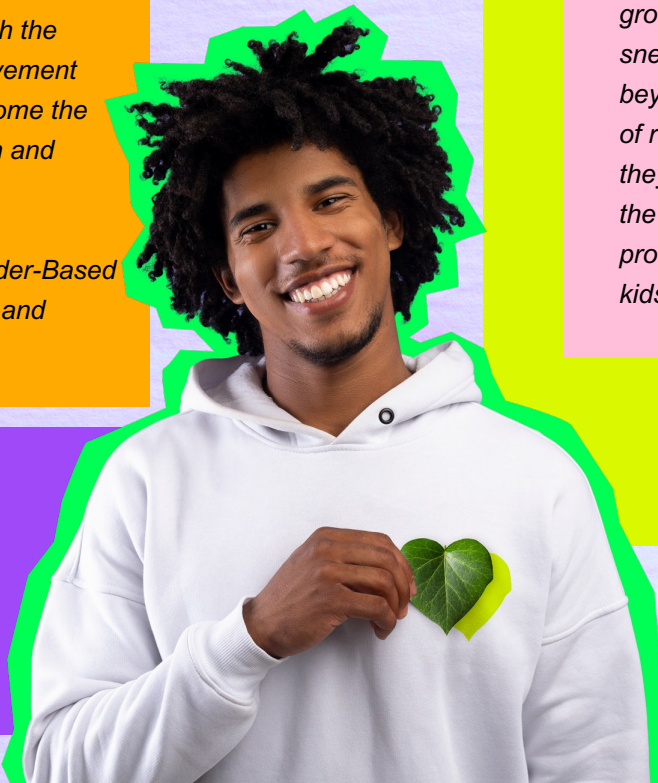
GEN Z x SUSTAINABLE FUTURE

FIGHTING INJUSTICE THROUGH 'CLICK-TIVISM'

Social media makes it easy for Gen Z to use the collective power of their clicks to make their voices heard. While boomers protested with sit-ins and picket signs, Gen Z and Millennials are clicking for change. In fact, 33% of Gen Z voices their opinion on social issues on social media, 26% participates in (online) protests, and 8% already organized an (online) fundraising. But they also roll up their sleeves; 22% cleaned up litter in the environment in the past months.

The rape and murder of Uyinene Mrwetyana, a 19-year old film and media studies student at the University of Cape Town, sparked a movement in South Africa. Women took to the streets asking, "Am I Next?" and social media lit up with the hashtag #AmINext. The women demanded answers which ignited the movement against gender-based violence in South Africa. As such, Uyinene has become the symbol of a renewed effort to prioritise the safety and well-being of women and children.

Since the protests, hefty sentences are handed out to perpetrators of Gender-Based Violence and Femicide (GBVF). Today, crimes committed against women and children are sentenced with life imprisonment.



DRIP FOOTWEAR x GIVING BACK

Gen Z challenges brands to demonstrate their ongoing social impact. Brands that try to jump the bandwagon with one-off actions risk being called out for green-washing or rainbow-washing.

Lekau Sehoana, Founder of Drip Footwear, started redesigning old sneakers in 2003 to escape poverty – adding denim cloth, recycled material and some polyurethane fabric to old sneakers. Today, Drip is a fast-growing brand that produces well-designed, trendy sneakers targeted at young people. But the brand goes beyond that. Since Sehoana built the business on the basis of recycled materials, Drip buys back old sneakers when they begin to tear and become unwearable. Moreover, via the 'Drip with Education' campaign, a percentage of the proceeds of every sale go towards making school shoes for kids.



IN-COMPANY PRESENTATIONS & WORKSHOPS

Looking for a fresh dose of inspiration on Gen Z for your company's marketing or innovation teams?

Starting from the insights from our 2022 global proprietary quantitative research, Joeri Van den Bergh's new keynote 'Are you OK, Zoomers?' highlights how Gen Z shapes future consumer behaviour and what this means for brands.

Available in different workshop and presentation formats, this new thought-provoking keynote spotlights five future-proof platforms for innovation, branding and marketing to the world's largest generational cohort.

So, are you ready for the Zoomers?

Email joeri.vandenbergh@insites-consulting.com for more information and bookings.



Joeri Van den Bergh is **Future Consumer Expert** at InSites Consulting and has extensive experience of all aspects of **marketing to teens and young adults**. His clients include global customers such as eBay, Coca-Cola, Spotify, Danone, IKEA, Heineken, Converse, Nestlé, AXA and Unilever, for whom he has provided advice on how to target the youth market. He is an **AMA-awarded global thought leader and marketing** author on the impact of NextGen on marketing, on business and on consumer trends.





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