THE NEW KIDS ON THE BLOCK HAVE ARRIVED...
This book has been written to offer you a robust snapshot of who Generation Z are and what they might become. It’s written in such a way that it can be read in one sitting or dipped in and out of, section by section, depending on the specific industry of interest. A number of icons, as listed below, have been created to help you navigate your way around the book. We hope you enjoy it.

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As an innovation agency we have spent the last seven years striving to understand what moves and shakes the generations around us. We do this in the pursuit of creating value from the new, looking for opportunities that others might miss, and spotting the contradictions and anomalies in the way people make sense of their lives.

This book is about looking around the next corner, taking a peek at a new generation which is currently emerging. Coined Generation Z, this new breed is about to launch itself into the public psyche, as they move from childhood to adolescence, and start to make decisions that will have a massive impact on us all.

Our book is inspired by the culmination of years of research focusing on the attitudes and behaviours of the Baby Boomer, X and Y generations, their evolution, and how they have influenced Generation Z. In writing this book, we made a decision to bring together fresh research into Generation Z lives, focusing on how they engage with all aspects of life including money, education, food, digital technology, family, and their future aspirations. Like a modern day hackathon, we gave ourselves just 48 hours to bring together our insights, ideas and thoughts as a creative team. It represents the start of the conversation – ‘thought starters’ for how this generation might evolve in the future. It’s brought to you as a collective team effort; it’s not meant as the final blueprint, merely a great place to begin.

Mark Cowan
Happen® Co-founder

We hope you enjoy reading it as much as we enjoyed creating it!
The reason you can map the future behaviours of a generation that hasn’t even hit its teenage years yet is because it will form part of a long-established pattern of societal behaviour. The foundation for this model of repeating generational patterns was first formulated by sociology researchers in the US.¹

Looking back through the last 600 years of Western history revealed a regular pulse of crises and societal recalibrations. The duration of these 'crisis pulses' consistently turned out to be four generations apart. This repetition occurs through the interplay between four quite different generational archetypes: Heroes, Artists, Prophets and Nomads.

Right at the heart of this interplay is the transfer of influence from parents to their offspring. The way you were raised by your parents will in turn influence the way you raise your own children. Heroes raise Artists, the Artists grow up to raise Prophets, and so on.

Some generations of parents repeat what they experienced as children, while others end up doing the opposite. These twists and turns come to affect how people behave through the rest of their lives.

According to this model, there are four key life stages that combine to create the overall societal behaviour pattern: The growing-up years from 0-20; the early adult and parenting years from 21-40; the mature adult years from 41-60; where we get to take on direct leadership and decision making roles in society. Finally the years beyond 60, where our influence becomes less direct, as grandparents, advisors and the like.

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Just in case you might want to position yourself in this picture, the Baby Boomers are Prophets, Generation X are Nomads, Generation Y are Heroes and, the focus of our topic in this book, Generation Z, are the Artists.

If you’re thinking to yourself, ‘this can’t be true’, you’re in the same boat as us, because that’s what we’ve been thinking for the last 15 years! The fact that during this period we haven’t been able to disprove the model, means that we think it is a useful starting point when it comes to mapping what the future might look like. A significant part of our ongoing attempt to disprove the model is that we have found it applies in almost all of the developed world, including India, China, Brazil, Australia, and Eastern Europe. Anyone of a similarly sceptical nature might wish to check out the TrenDNA series of books and the assortment of papers and articles we’ve published on the subject.
Another important element underpinning the generation cycle model is that societal events happen randomly, but society’s reaction to those events is often generationally conditioned. Some events, like nuclear disasters or wars and invasions, come to take on enormous significance – whereas others disappear from society’s collective awareness. The end of the Second World War in 1945 was highly significant, but from a purely generational perspective, its end marked the return home of combat troops and then a subsequent baby boom.

Enter a generation of indulged Baby Boomers, and the start of a new ‘high point’ in society.

We can take these turning points in society as a means of constructing a map of generational interactions in calendar year terms. Calendar years thus form the horizontal axis on this map. The vertical axis denotes the age of an individual, and so when we plot age against year, we obtain a sequence of parallel diagonal lines denoting the transitions between one generation and the next.

You can find yourself on this map by looking up your birth year on the horizontal axis and then drawing a diagonal line from this point. The map shows how a typical member of your generation then changes over the course of getting older.

Generation Z, on this model, is the Artist generation born in the wake of the infamous date, 9/11, an event that marked the commencement of a crisis period in history. What the map shows us is that their equivalent previous Artist generation was the Silent generation born during the previous equivalent crisis period – the years between the 1929 Wall Street Crash through the Depression of the 1930s. (No surprise here, then, that we hear much talk in the media of us living through a period like the 1930s).
Having constructed this basic model, we can then start to overlay other societal patterns in order to test for the existence of a generational cause. One of the most frequent of these generational effects is a periodic oscillation that occurs between one type of behaviour and its opposite. Some periods in history are very focused on the individual – the greedy ‘me’ decade that typified the 1980s for example – whereas others are much more about individual sacrifice for the good of the collective.

Child nurture is another oscillating pattern. If you’re a member of Generation X, chances are you had parents that both worked (or were divorced), and so you experienced a lot of freedom. Today, we see the precise opposite of that trend. Many of the things that Baby Boomer parents did to their Generation X offspring, would be deemed highly inappropriate today. Right now, in fact, we’re close to the end of this child-nurture pendulum swing. Generation Z kids have been raised in an environment that is as highly protected (suffocated) as it will ever get. The system is in effect self-reinforced. Media and government alike put pressure on parents to ensure they know precisely where their kids are and what they’re doing at every waking moment. This ‘suffocation’ of our Generation Z kids has inevitable implications for their impending teenage and adult years. One of which, if history repeats, is the realisation that the over-protection has not been a good thing. This will then result in the pendulum swinging back the other way once again.

In addition to growing up in a period of high nurture, our Generation Z kids also find themselves at a point in history when the pendulum swing from ‘me’ to ‘we’ is moving strongly towards the ‘we’ state. Assuming history is allowed to pan out as it has in past cycles, Generation Z will grow up during a Crisis period that will demand of them the significant sacrifice of their individual desires and wishes for the collective needs of society.

The under/over - protect and me/we pendulum swings are seen to be the dominant pair, but they in turn come to drive other swings that also help us to construct a clearer picture of who Generation Z are likely to become.

As an example, gender difference follows the me/we curve in a way that means we’re heading towards a period where, perhaps to the chagrin of the women’s liberation movement, girls are girls and boys are boys once again.

Tolerance for risk is the exact opposite of the me/we oscillation – the greater the emphasis on the ‘we’ – the lower the tolerance for risk. Generation Z, in other words, will tend to reach adulthood during a period when risk-taking is not looked upon favourably.

The world of art tends to oscillate between challenging and safe. This oscillation lags the me/we curve by about five years.

Artist generations (such as Generation Z), are so called because they tend to be the ones that produce, historically, the most challenging, thought provoking art – be it literature, film, or even new and emerging artforms.
The other big thing the generation map tells us about the future of Generation Z teenagers is that they grow up experiencing a period of crisis. Exactly as happened to the previous Artist generation raised during the Depression years of the 1930s. These were the ‘children should be seen and not heard’ years. Society is probably more enlightened in this regard this time around, but if the cycle repeats, as it appears to be doing, the Crisis deepens and parents and politicians have more and more pressing issues that simply have to be attended to.

While it’s not possible to predict with any kind of accuracy what the next set of societal crises will be (there are several candidates discussed in the TrenDNA book), it is possible to hypothesise, with a fair degree of accuracy, that sometime between 2020 and 2025 one or more of the unknown crises will come to a head and have to be resolved. In effect, society is forced to re-calibrate itself and ‘jump’ to another s-curve on the graph.

The culmination of this Crisis period has a general impact on how Generation Z comes to view the world.

Again, there’s no absolute rule here that says ‘this is the way things will be’. Part of the original Strauss & Howe book’s rationale was that, ‘if we know the crisis is coming, we can mitigate its consequences’.

Probably the safest, most reliable, way of thinking about the ‘crisis’ prediction of the model, is that it presents us with a possible scenario for consideration. We might not believe that it will happen – especially when at this moment in time politicians are trying to convince us things are getting better in the wake of the global financial crisis. However, the smart money is on the people and organisations that plan for the worst, rather than the best. In any crisis, there are always winners and losers. The significance of publishing this Generation Z book now is that it gives readers the best opportunity to place themselves, and their offspring, on the winners’ side of the story.

So, finally, what are some of the possible implications of the ‘crisis-coming-to-a-head’ for Generation Z? Perhaps the overriding one is the fact our over-protective/suffocation results in a post-crisis generation of adults that have few of the skills necessary to thrive in a re-calibrated world.

Artist generation adults are ‘sensitive’ throughout their 20s and 30s. Sensitive in that they are able to see the world from other peoples’ perspectives, but also sensitive in that they are quite vulnerable when life throws up challenges and difficulties.

But, all that is still to come. In the next chapter we look to draw a more detailed picture of their current ‘suffocated’ upbringing.

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Who are... Generation Z

BORN AFTER 2001

15 HOMES IN THEIR LIFETIME

2 Billion GLOBALLY

“They are digital & social natives”

CREATIVE

OVERPROTECTED

PRESSURED

COMMUNITARIAN

WORLDLY

PRAGMATIC

iGen’s | 2K’s | dot.com kids

11/hyphen.case18 YR OLDS

SEND

OF 11/hyphen.case16 YEAR OLDS HAVE A SMARTPHONE IN THE UK

OF UK CHILDREN SPEAK FOR +45 MINUTES PER DAY ON THE PHONE

OF 11-16 YEAR OLDS HAVE A SMARTPHONE IN THE UK

AVERAGE 11-18 YR OLDS SEND 41 TEXTS PER WEEK

AVERAGE WOMAN WILL HAVE 28 CHILDREN AT YEARS OLD

AVERAGE 6 CAREERS 17 JOBS

AVGCAREERS

2001

2 Billion

2001

98 YEARS

EXPECTED

AVERAGE

28

6

17

YEARS

WOMAN

CHILDREN

2

2 Billion

GLOBALLY

10%

90%

10%
**GEN Z: CHARACTERISTICS**

In our infographic, we’ve identified seven key characteristics of Gen Z. These are based on our understanding of their personalities, dispositions and interactions with the world around them. We’ve observed these through our desk research and by talking to experts, but they really came to life and became exciting when we talked to them directly.

**OVERPROTECTED**

In Denmark, they’ve aptly dubbed Gen Z, ‘the curling generation’. Known as such because their parents have been diligently sweeping away the ice that lies in their path, as they glide effortlessly towards their future. One Barcelona-based teacher told us how a mum in her class could not afford their school trip, and so, as opposed to mentioning any financial constraints, simply told her kids that she’d prepared a family day at the beach instead.

We also saw an influx of assuring kids that they’re ‘special’. An estimated 50% of children in the UK are diagnosed with an allergic condition and as one US-based teacher put it, ‘everyone gets a ribbon these days’.

Thanks to anxious parents, Gen Z live largely in a bubble and are discouraged from dipping a toe into the perilous ocean that is ‘the real world’.

**PRAGMATIC**

Commonly known as ‘the young foggies’, Gen Z possess more than a healthy dose of pragmatism.

Whereas Gen Y are defined by a heroic, full-transparency approach to social media, Gen Z share judiciously (and always with their geo-locator off). In this matter-of-fact way, they are not immediately impressed by ties and titles, though are very happy to give respect to those they believe deserve it. This isn’t because they’re sceptics, but simply because they are used to filtering through and evaluating large amounts of data each time they search for an answer. They’re very aware of life’s boundaries. Indeed, one policeman in Glasgow told us how kids know, and regularly evoke, their right to silence.

**WORLDLY**

When asked ‘which characteristic do Gen Z display more than children of your generation?’ 59% of our global survey cited ‘worldly’. The average Gen Z child will have travelled to eleven countries by 16-years-of-age, but more than this from a very young age they will have a truly global perspective. They’re very culturally accepting, and already have large, mixed-culture friendship groups. The 4-year-old son of a beautician we spoke to already spoke four languages, and although he wasn’t yet even constructing full sentences he was able to switch easily between Swahili and French when his grandmother came to tea.

Due to social platforms, Gen Z kids have grown up hearing the views of and communicating with people from all over the world.

**CREATIVE**

Let’s be clear, Gen Z are active, not passive, consumers. When they’re spotted glued to their tablets, it’s all too easy to underestimate their activities. But in reality, they’re socialising, creating content and most importantly challenging themselves and each other. They don’t just watch YouTube, they own their own YouTube channels and are making creative waves in the wider world. One 9-year-old we met hacked into his school website, then replicated and hosted an identical version announcing that school had been cancelled for the day. The result – pandemonium!! If brands can get them on board, they become loyalists and co-creators and engage on previously unprecedented levels (see page 21).

**CONNECTED**

For a Gen Z child, everything they do goes through a platform. A regular telephone conversation is no longer enough, it’s Facetime. Alas, even regular conversation is sometimes no longer enough, as over 1/3rd of children admit to using technology to communicate with family members in the same house as them. We conducted a peer group interview with four 12-year-olds, and without skipping a beat and while still talking animatedly, they’d pull up images or videos to illustrate their point. It was so automated, it was as though the smartphone was an extension of their body. However, as they strongly develop their skills for navigating and using information, their base level of factual knowledge often remains naïve.

**PRESSURED**

Gone are the days when you would knock on a friend’s door to see if they wanted to come and play. Odds are on that a Gen Z kid may have been booked up weeks ago. As parents experience increased anxiety around securing their child’s future, they’ve reacted with a bolstered program of activities from instrumental lessons, to ballet, wider sports, and supplementary academic tuition to language courses. Indeed, some parents confess to mentally writing their child’s university form, as A’s are no longer enough without having canoed Everest. One teacher we met asked a 6-year-old to spend five minutes researching an unanswered question from class that day. ‘I don’t have five minutes tonight’, came the response.

**COMMUNITARIAN**

Gen Z are a ‘we’ generation, with teamwork skills having been strongly embedded in the national curriculum. Their communitarian inclinations are due to rebelling against a sheltered upbringing. Mum and dad constantly monitor them, so when they are let off the leash, it tends to be in the direction of other people, and more precisely their peers. They frequently cite YouTube tutorials (i.e. makeup tips), showing that they’d rather learn from their peer group than their parents.

If thrown into situations with strangers, their mutual uncertainty will create strong peer-group bonds among Gen Z.
WHAT IT MEANS TO BE A DIGITAL NATIVE

Never before has a generation been as digitally savvy as Generation Z. Born into an age where technology surrounds them from birth, they find themselves socially connected at all stages of life. But, what does this mean for Generation Z and how is it affecting the way they grow up?

A recurring theme of our research – and heard from many of the people we spoke to – was the idea that the ‘streets are empty’. Children of today are more likely to be holed up inside playing video games, or browsing the Internet, than playing in the local park. But rather than acting against this, parents (who live in the age of so many tabloid missing-children stories), have been proactively encouraging this sort of behaviour as a way of protecting their children. The act of ‘playing out’ unaccompanied by a person of responsibility, has now sadly become a thing of the past.

Generation Z are also the first generation to have the ability to be truly connected 24/7. Access to technology via smartphones, tablets and unlimited WiFi has seen the rapid rise of the social media age, and the dominance that it plays in these young people’s lives.

WHO ARE GENERATION Z?

Generation Z is empowered to connect with people, and will be the first generation to have an active online profile throughout their lifetime (from baby pictures posted by their parents, all the way through to their own personal profiles as they grow up). This complete openness, in terms of privacy, may feel unnerving to some (especially as there is no guaranteed delete button), but the Generation Z generation we spoke to have little concerns over the true impact of this. Parents of Generation Z, on the other hand, have a different view and often speak of fearing technology and the impact it has on their children’s lives (both now and in the future). Interestingly many of these parents also admitted that they use technology as a way of controlling their children, with the biggest punishment in their household being to turn off the WiFi.

OTHER IMPLICATIONS

- **Bitesize Culture:** With instant access to everything being easier than ever, Generation Z are proving to be a tough crowd to please. Everything they consume online needs to justify its value in terms of time spent and how they are benefitting.

- **All the Answers:** Generation Z have access to the answers to most of life’s questions at the touch of a button (via the power of Google), as well as ‘how to’ YouTube videos to solve most of life’s challenges.

- **Constant Pressure:** It is undisputable to say that many things have become easier for the digital natives (anyone who has ever had to use an AA map versus a SatNav will tell you that). However, we heard from many parents, that rather than pressures diminishing, they have just been pushed to higher levels, such as getting a top job or getting into the best university.

- **Narcissism:** The age of the selfie and the rise of accidental narcissism was by far the biggest concern for Generation Z parents – but while the never ending cycle of photo taking, uploading and commenting on social media may seem tiresome to Generation Y and Generation X, it is now the social norm for Generation Z.

‘THE AVERAGE 8-YEAR-OLD HAS OVER 4 HOURS OF SCREEN TIME PER DAY’
WHO INFLUENCES GENERATION Z?

What’s extremely clear when we discuss those who influence Generation Z is that traditional parameters for success have changed significantly. In this short section we’ll explore Generation Z’s unique mindset toward success, define how the goal posts have moved, and finally share the guiding principles of brands who have won big with this audience.

Generation Z have grown up in a ’it could be you culture’, catching the tail-end of the Generation Y celebrity culture, in which someone is pulled out of the crowd and turned into a superstar overnight. Beyond the harem of talent shows such as The X Factor, who have spawned some of today’s top populist music, YouTube discoveries are now commonplace. The most prevalent of these to date being Justin Bieber, who was spotted on YouTube at the age of 10 by talent manager, Scooter Braun and singer, Usher. Today he has a net worth of $130 million.

Unsurprisingly then, in the space of a single generation, there has been a shift in children’s career aspirations, with traditional careers losing out to the search for stardom. However, due to Generation Z’s pragmatic nature, these unrealistic aspirations are likely to be tempered by their growing maturity.

Glitz and glamour can even turn philanthropic. In early 2014, 19-year-old cancer sufferer, Stephen Sutton, set out to raise £10,000 for the Teenage Cancer Trust and set up a blog, Stephen’s Story. Once word of his efforts spread, and millions were inspired by his courage and kindness, he raised an incredible £4.2 million.

‘Digital Celebrities’ are also starting to emerge among Generation Z themselves, in a multitude of industries. There’s the 5-year-old fashion muse, Alonso Mateo, discovered by stylist to the stars, Ugo Mozie. Mateo now has five channels dedicated to his style. In technology, Thomas Suarez the 12-year-old app developer recently gave a TED talk. Thomas taught himself to build apps, and currently has two top-sellers in the app store.

YouTube ‘influencers’ are also becoming major power players, offering advice and witticisms on all of life’s situations. As far as Generation Z is concerned, why read when you can watch? Each daily YouTube user in the US spends an average of 59 minutes on the site, showing the extent of their engagement. Sam Pepper, whose channel has 1.7 million viewers said: “Why would you want to be on TV? Doesn’t everyone on TV hope that they’re broadcasting through YouTube in five years’ time?”

Thanks to global success stories, such as Mark Zuckerberg, who co-founded Facebook aged 20, and Pete Cashmore, who founded Mashable aged 19, CEO’s in hoodies are now the norm and as such Generation Z’s age expectations for success have lowered.

In summary, for Generation Z kids, influences can come from close adults, as they traditionally have done, but also thanks to YouTube and social media, a 10-year-old can be as influential from his bedroom as a world leader can from his lectern.

WHO ARE GENERATION Z?

WHO INFLUENCES GENERATION Z?

YOUTUBE INFLUENCERS ARE ALSO BECOMING MAJOR POWER PLAYERS

BRAND SUCCESS STORIES

Diet Coke: As an addition to the seminal 1994 ‘Diet Coke break ad’, the brand setup an interactive booth at the O2 Arena during a Katy Perry concert. Revellers had to flirt with a hunk behind the glass in order to receive a free Diet Coke. The authenticity shone through for Generation Z girls, who enjoyed the fun and the ‘for them’ challenge.

Evian: This brand ran a unique campaign with the clever use of a CGI dancing baby. Traditionally not on the Generation Z radar, Evian managed to cut through. The ‘Baby and Me’ app took the experience to the next level, personalising the experience and encouraging young people to engage.
Every generation can experience a time of great change, particularly during periods of unprecedented and extraordinary events. These can be particularly felt by children of a crisis period, such as Generation Z.

The Silent Generation, the last Artist generation prior to Generation Z, were formed as the order of the previous period of history was torn up during the chaos and violence of the Great Depression and World War 2, then replaced with the new order of the post-war consensus.

Generation Z are also being raised during an era of rapid and decisive change. The post 9/11 period has seen traditional Western super powers challenged by the new Eastern giants, the meltdown on Wall Street and the crisis on main street that followed, the fragmentation of power across the Middle East, inter-religious tension and inequality rising at unprecedented levels. The disruption of this social turbulence has been amplified by the exponential growth of the digital realm.

For Generation Z the world is becoming ever-more fragmented, yet ever more connected.

In this chapter, we explore the emerging trends that are, and will be, critical in forming the mindsets, behaviours and expectations of Generation Z. Firstly the macro-trends emerging at the global and societal level, and then the microtrends driving the consumer behaviour within seven key industries.

By understanding the movements in the world of Generation Z, we can begin to plot their future course and plan for how we may need to adapt to meet their needs.
MACRO TRENDS

● DATA, DATA, EVERYWHERE
The Internet is a world of big numbers, but consider this – 90% of all the information ever produced has been created in the past two years. We are in the age of big data, where more than ever, all human activity is documented and stored. Being able to analyse this data holds big rewards. The McKinsey Global Institute recently estimated that the US healthcare system could save $300bn a year – $1,000 per American – through optimised crunching of the data produced by everything from clinical trials, to health insurance transactions to ‘smart’ running shoes. However, how we navigate this mass of information is a problem for people and organisations alike. For Generation Z, facing data deluge, they’ll be crying out for tools for filtering the data, so only the truly valuable reaches them.

● THE AGE OF OPEN
Generation Z have the best claim of being the first truly connected generation, thanks to the ever widening and accelerating reach of the Internet. Last year, Google’s Eric Schmidt predicted that everyone would have Internet access by 2020. One upshot of this unprecedented level of connectivity is forcing transparency – with the deepest, darkest, recesses of people and organisations being open to the light. Depending on which side of the transparency you are on, it can either be a seismic shift in the power dynamic between the powerful and the weak (think of a ‘glassdoor’ allowing employees a warts-and-all view of businesses and transparency in the wages of compatriots), or distressing and catastrophic invasion of privacy (think stealing someone’s online identity). Generation Z is developing in a world going through this nadir of trust may be a long forgotten childhood memory by the time Generation Z are voters and consumers.

● CRISIS OF TRUST
The post-recession period has seen a succession of major global institutions lining up to be stripped of all public confidence. Hot on the heels of the general mismanagement of the global financial system (mismanged to the point it nearly took down the rest of society), we have also seen food companies, energy companies, government and the media under scrutiny – the horse meat and Chinese fake baby milk scandals, Nigerian energy bribery scandals and phone hacking – to mention but a few. This has seen trust in institutions plummet, for instance, polls show trust in the US federal government is at an all-time low. Following a year in which the political paralysis led to a government shutdown, 80% of Americans say that they’d throw out the entire Congress and start over. However, as crisis periods are usually followed by periods of communitarianism and strong institutions, this nadir of trust may be a long forgotten childhood memory by the time Generation Z are voters and consumers.

● FROM UNIPOLAR TO MULTI-POLAR
It has been predicted that by 2025, 50% of the global economy will be based in Asia. This will result in what Amitav Acharya, the UNESCO Chair in Transnational Challenges and Governance, has dubbed the “Multiplex World” where no power is dominant, but a few. This has seen trust in institutions plummet, for instance, polls show trust in the US federal government is at an all-time low. Following a year in which the political paralysis led to a government shutdown, 80% of Americans say that they’d throw out the entire Congress and start over. However, as crisis periods are usually followed by periods of communitarianism and strong institutions, this nadir of trust may be a long forgotten childhood memory by the time Generation Z are voters and consumers.

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Food is increasingly seen as more than just a hot meal for sustenance. Now people view food habits as an indicator on their approach to life and as a form of status in society. Eating well is a reflection of living well. This trend has been accentuated by the public outrage across the world at the series of food contamination scandals. People are now not just concerned about the taste, they are concerned about the story behind their food.

**ARTISANAL AND CRAFT FOOD & DRINK**

One particularly strong aspect of the general character of Generation Z seems to be their need for authenticity. Perhaps because the world is dominated by ever-growing intangible and replicated data, the average value of information decreases (just think of the thousands of never-again seen pictures, clogging up the average hard drive, which come to mean nothing). This unsurprisingly drives a search for things with a real value attached to them – products made with time, effort, and a story and process behind them which make them unique and special. The rise of artisanal food & drink is a classic example of this, and is likely to grow as a reaction to the ever-increasing ubiquity of technology.

**HYPER-LOCAL AND ‘GROW-YOUR-OWN’**

The trend towards sourcing local food doesn’t look to be waning; driven by a desire for communitarianism and with ever-increasing demands for sustainable and ecologically sound farming methods, we will see Generation Z shoppers choosing to buy as locally as possible. Demand for allotments is still rising, with 57 people waiting for every 100 plots, having risen from four for every 100 in 1996, “grow-your-own” is on the rise. This will keep Generation Z happy by delivering zero food miles, and will also help reduce increasing grocery bills in the future. Food producers and retailers need to address Generation Z.

**SHARED FOOD, SHARED EXPERIENCES**

We know that Generation Z seek to curate their everyday experiences via social media like Pinterest and Tumbler, and with 57% of all Pinterest pins related to food it looks as if sharing ideas around food is also high on the agenda. From capturing and sharing photos of meals, to sharing reviews of restaurants and favourite recipes, engagement with food and related foodie experiences is on the rise amongst Generation Z. This is brought to life through the food experiences they share, as they seek to outdo their peers with adventurous forays into food. Generation Z are looking for food producers and restaurants to help them demonstrate their individualistic nature.

**EVIL SUGAR**

Sugar has become the new hated food stuff, MPs are beginning to talk of a ‘war on sugar’ and there is a reasonable chance that sooner or later, sugar may well start to be taxed just as tobacco is. This is indicative of a rising consensus that a more pro-active and nannying approach is required to tackle the obesity problems within many developed countries. It is also suggestive of a more holistic approach being taken to wellbeing. Parents are thinking more and more about how they feed their children, and as these children grow up, they will increasingly be conscious of the nutritional quality and dangers of the food they eat.
FOOD TRACEABILITY & PROVENANCE
The recent horsemeat scandal had an immediate impact on consumer demands around traceability of food, but looking to the future, how demanding will Generation Z be when it comes to knowing the journey the foods and drinks they are consuming have been on? Traceability is defined as “the ability to trace food back to origin, thus bestowing upon the consumer peace of mind and confidence in the food they buy.” We know that Generation Z have increasing demands around transparency and authenticity, and the producers who seek to address this need for confidence and reassurance around food production, will be best placed to attract future Generation Z shoppers. The “farm to fork” trend started in the US, and has since made its way across the pond to the UK. Earlier this year, Tesco responded by launching the Eat Happy Project and Farm to Fork initiative, with the ambition of helping the next generation develop a better relationship with food. They are offering every primary school in the UK the chance to see where their food comes from, learning how food is grown and made, by exploring suppliers’ factories and farms, as well as going behind-the-scenes at their supermarkets.

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Generation Z’s search for authenticity is going to be the big influence over their relationship with food as they seek to buy, create, consume and share food in ways that builds their sense of self – for them it will be all about the story – the story of the farmer who raised the rare breed pork they are cooking, the story of the sourdough culture they maintain, the story of the chef that fought the odds to start the niche street food restaurant, the story of the kale they grew for their superfoods dinner party.

Food businesses will need to become story tellers to connect with Generation Z, and persuade them to buy in to their narrative. They will also need to discover how to empower Generation Z to find their own narrative in self-expression around food, be it as producers, creators or consumers. And needless to say, all of this needs to be highly shareable so they can project this self-image to their peers. If this is done successfully in the future, food could challenge the arts as the dominant mode of self-expression.
FROM CURE TO PREVENTION
Pressures on traditional healthcare, from an aging population and rising costs, will result in a massive shift of focus towards prevention rather than cure. The United States currently spends more than $2.5 trillion on health care each year, but invests just four cents out of every dollar in prevention and public health awareness, but healthcare in the US is big business. Funding for healthcare will inevitably become more stretched and increasingly, individuals will be encouraged to take responsibility for maintaining their own health. This could impact on Generation Z in one of two ways: It could mean they grow up significantly healthier than their parents – or it could mean that many are left isolated, unable to afford treatment for lifestyle-related conditions.

QUANTIFIED HEALTH
The Social Natives that are Generation Z are growing up with huge expectations around products and services that are tailored to their specific needs – and health is no exception. The trend for bespoke advice and individual solutions will be transformed by smart, often wearable, technology which supplies intelligent diagnosis to people about their health and wellbeing needs. For example, OMsignal are launching a compression shirt which can monitor an individual’s heart rate, breathing and movement, sending data to the wearer’s mobile phone, where they can track and analyse information. Innovations such as this will expose people to a brilliant array of new health and wellbeing solutions.

IT’S ALL IN THE MIND
The World Health Organisation forecasts that by 2020 depression will be the second leading contributor to the global burden of disease, and one in four families worldwide is likely to have a family member with a behavioural or mental disorder. This means that Generation Z will be exposed to mental illness to a far greater degree than previous generations for whom it was kept under wraps and considered something embarrassing or shameful. As a result, we can expect Generation Z to truly embrace the notion of ‘holistic’ health and to explore the power of the mind in terms of its positive and negative impact on health and wellbeing.

HEALTH

Obesity and related diseases have been the most prominent health issue facing the developed world in recent years. However, indications are the battle of the bulge is now well on the way to being under control, and today’s children will grow up with a much better understanding of food and the impact it has on their health. So, what are the key factors which will impact on the health and wellbeing of Generation Z?
THE PREVALENCE OF ALLERGIC DISEASES WORLDWIDE IS RISING DRAMATICALLY

In the 1970s, 15 percent of children had an allergy. Today the figure is nearer 40 percent.

ALLERGIC TO EVERYTHING
The prevalence of allergic diseases (asthma, eczema, food, insects, drugs etc.), worldwide is rising dramatically – this increase is especially problematic in children, who are bearing the greatest burden of the rising trend which has occurred over the last two decades. The World Health Organization states that hundreds of millions of subjects in the world suffer from rhinitis and it is estimated that 300 million have asthma. This affects the quality of life of these individuals and as a result, ever more sophisticated remedies are being sought. In contrast, some parents are moving away from overt hygiene measures which have left their children sensitive to germs and allergens.

EDUCATED IN HEALTH
The increase in mass produced food, combined with lifestyles which are significantly more sedentary, has resulted in a whole host of people who have little interest or knowledge of what they consume and the impact on their health and wellbeing. Concerted efforts to improve labelling and offer healthier versions of processed foods, together with initiatives to increase physical activity have resulted in slowing the obesity crisis. Generation Z are being equipped with a significantly improved understanding of what constitutes a healthy lifestyle, through better education on food and even biology. The expectations are this is a generation who will be able to sustain a healthy lifestyle over the longer-term.

THE WORLD OF GEN Z

The implications of these trends in health and wellbeing throw up some interesting challenges for businesses and brands. On the one hand, technology will transform our ability to monitor our health and self diagnose with an increasing degree of accuracy, yet we will need help in deciphering the myriad of often contradictory information in deciding the best course of action as a result. While scientific and technological advances will continue to work towards effective cures for serious diseases, the rising cost of treatments for lifestyle related and non life-threatening conditions may put these treatments out of reach for many. Vastly improved knowledge of how to stay healthy over time will put Generation Z in the driving seat when it comes to demanding more from healthcare professionals, drug companies, and food producers alike.

CHALLENGES

 HOW TO CAPITALISE ON THE FORTHCOMING EXPLOSION OF INTEREST IN MENTAL HEALTH SERVICES AND SOLUTIONS?

 HOW TO MARRY THE DESIRE FOR INDIVIDUALLY-TAILORED HEALTHCARE SOLUTIONS WITH THE COMMERCIAL ADVANTAGES OF MASS PRODUCTION?
Every generation has defining features and characteristics which make them unique. These are created around group memberships, common beliefs and behaviours, and a location in history. The defining aspect of Generation Z will be digital technology. The current pace of technological change is unprecedented, and this will alter lifestyles within the lifespan of Generation Z. Staying on the crest of this wave will require foresight, planning and care, to ensure the opportunities that technologic growth brings will not be missed.

**DIGITAL TECHNOLOGY**

**SOCIAL MEDIA AS THE INFORMATION SOURCE**

Social media’s exponential growth since 2004 has seen it evolve into many other things. Beyond a virtual space for a curated second-self, Generation Z children see it as a primary information source. Forty-four percent of college-bound high school students reported using social networking sites to gather impressions and information about colleges, and for half of them, it impacted on their decisions about where to apply. Whereas word of mouth could spread through large groups, social media opens up a far larger data source, capable of disseminating information at far higher speeds. This information is also almost impossible to censor or control, as seen in the case of Ryan Giggs’ super injunction. Nevertheless this use of social media is predicted to continue growing rapidly. Already a massive 90% of all online purchases made are influenced by social media and this trend is not going to stop. In the future any decisions – from deciding where to work, what products to buy, what areas to live in, and the schools to send their children to, are likely to be arbitrated by the court of social media.

**BESPOKE, INSTANT PROMOTIONS**

We know that despite the passing of the recession, ‘bargaining chic’ temperament is here to stay. But coupon collecting, though not without its superfans, does not fill the average shopper with excitement and delight. Enter **Scanit!**, a new app which allows retailers to push tailored promotions to shoppers via a knowledge of their existing preferences, what aisle they’re in and what’s currently in their trolley. For example, if you bought a piece of fish it might direct a discount voucher for chips straight to your phone. Hellman’s wanted to open the eyes of Brazilians, who saw mayonnaise only as a sandwich filling. Using similar technology they launched the ‘intelligent trolley’, and as shoppers were deciding what to buy at various points in their shop, it suggested a new recipe that incorporates Hellmann’s on the spot. Moving forward, we’ll see promotions become increasingly gamified as retailers seek to challenge and excite shoppers, enhancing their in-store experience over that of clicks-and-mortar.

**TECHOHOLISM**

For Generation X there was drug abuse, for Generation Z there is techoholism. In the UK 46% carry devices with current Internet connection for over ten hours per day. Born in a world where technology is omnipresent and there are more mobile phones than toothbrushes, and even some toothbrushes are WiFi connected, this is perhaps not surprising. In fact some companies have increasingly looked to tap into the problem of uncontrolled technology usage by implementing limiting and locking software. In comparison to Generation Y, this generation have greater know-how about how technology affects them and are better equipped to deal with the consequences of over-use. The image of a table full of children or young adults, all of whom are engrossed by their phones, has become a hallmark of modern life.
WEARABLE TECHNOLOGY

Wearable tech is set to take off and will enable real-time information to be delivered in such a seamless way it will feel like a sixth sense. Amazon have recently opened their own wearable tech store, selling everything from the now infamous Google Glass, to more niche products such as Oakley’s special GPS-enabled Ski Goggles, which allow skiers to monitor and share speed and performance. Wearable tech will make it more possible to monitor and control all aspects of our life. The influence of this technology on individuals is likely to be profound, for example this technology has the potential to diagnose health problems before they become threatening, saving lives and money. However, it is also likely to change, at a more fundamental level, they way we define who we are and the limits of ‘self’. As technology becomes incorporated into us, so our definitions of ourselves become more intangible. Technology will not just be in our lives, but in our bodies.

INTERNET OF THINGS

There are almost two billion devices connected to the Internet today. By 2020 it is predicted that there will be 50 billion things connected to the Internet, almost three times that of the predicted population. Forget iPhones and laptops, by 2020 Generation Z will be receiving direct performance updates from their devices – think watches, toothbrushes, cars... even cows will be transmitting their performance to their owners. This means that almost everything Generation Z uses will be automated, controllable and trackable at the touch of button. The level of intelligence that they will demand from their products will be greater than ever before. However, it is perhaps on a societal level that the we can expect to see the biggest influence from the ‘Internet of things’. With greater information available about almost every aspect of life, the world will be easier to model and understand and, perhaps most significantly, control. Planning for and understanding human impulses and the world around them is likely to become less of an art and more of a rigorous science.

Technology has been integrated into all aspects of our lives. We wear it, we socialise with it, we rely on it. How this is managed throughout the 21st century will define much of what the world will become. Generation Z are at the frontier of a Brave New World, which for now is significant for the duality that technology is creating between actual and virtual.

However it seems that technology will soon begin to bridge these gaps. The dreams of virtual reality are plausible, however it is more likely that it is technology which will move into our world than the other way round. In business these developments will finally allow for a focused and scientific model of how and why humans make decisions. It is no longer the means of production which matter, but the data that defines us.

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EVEN COWS WILL BE TRANSMITTING THEIR PERFORMANCE TO THEIR OWNERS

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CHALLENGES

► HOW CAN COMPANIES PROVIDE PRODUCTS AND SERVICES THAT OFFER THE PERCEPTION OF CONTROL, EVEN THOUGH THERE’S SO MUCH DATA THAT IT SYSTEMS ARE PROBABLY BEST PLACED TO BE IN CONTROL?

► HOW TO MANAGE THE MISMATCHES IN RATES OF CHANGE BETWEEN THE VIRTUAL AND REAL WORLDS?

► HOW TO BALANCE THE TRANSPARENCY AND OPENNESS THAT SOCIAL MEDIA BRINGS WITH THE NEED FOR PRIVACY?
HOME & FAMILY LIFE

The impact of the family in early childhood dictates the way a generation will develop in the future. Generation Z is growing up in a fragmented environment where changing family arrangements are impacting the family and home dynamic. The rhythm of the home, who occupies it, and the way parents care for kids, is shifting. Kids are growing up in a developmental ecosystem of extended family, school, new and second parents – which all operate with a new set of rules.

CHANGING DEFINITION OF THE FAMILY

The sense of what a family is has broadened for Generation Z, as they live through the decline of the dominance of the nuclear family and the rise of divorced, single, and recomposed family units. In the 60 years from 1961 to 2021, households consisting of a couple with children will have declined from about half of all households to around a fifth. They see more mums at work and more dads at home than ever before, creating a more adaptable view of gender roles. Grandparents are more likely to be alive throughout their childhood (even if they may be at a distance). Family is deeply important to Generation Z, as a term for the unit they grow up in, and the family network of individuals they are connected to, but may not live with. It does not have to equal biological mum and dad plus two kids, to be valid any more.

HELICOPTER PARENTING AND COTTON WOOL KIDS

“In only a generation, children have become less connected to nature and less free,” according to pediatrician, Chris Feudtner of Children’s Hospital of Philadelphia. He says: “Today’s children rarely, if ever, are permitted to roam wild or play outdoors alone, out of sight of watchful, worried parents. Schools are eliminating recess while installing vending machines in school cafeterias.”

“Helicopter parents’ seek to protect their children from harm, and maintain the blissful state of childhood by hovering over them, ready to intervene in the child’s interest and shield them from any risk. Play-dates and playground visits are supervised and parents are quick to contact schools and colleges to argue in favour of their child, seeking to protect them from what might be the natural consequences of their actions. As a result, children have less experience of risk and failure and are not learning the skills they need to deal with it. Neil Montgomery, a psychologist at Keene State College in New Hampshire, commented to NBC on the results of a recent study of students with helicopter parents: “We have a person who is dependent, who is vulnerable, who is self-conscious, who is anxious, who is impulsive, not open to new actions or ideas; is that going to make a student?”

BOOMERANG CHILDREN

Connected to the trend of helicopter parenting is the trend of deferred milestones, which sees marriage, having children, buying property and death, all happening at a later stage. Between these two trends fits the trend of boomerang children. These are young adults who fly the nest, only to find themselves ill-equipped to deal with the world at large and adult responsibilities. One solution is to fly back home again, to receive another large dose of parental support, before finally being ready to make a go of independent adult life in their late 30’s or early 40’s. In the US approximately 13% of adult children move back home after having left once. The necessity of this “adult in training phase” has led psychologist, Jeffrey Arnett, to suggest a new classification to bridge the gap from adolescence to adulthood – emerging adults, a phase in which young people have to come to grips with managing the responsibilities that they had previously been sheltered from.
PARENTAL ANXIETY

Generation Y/millenials have the highest rates of reported stress, anxiety and depression amongst any of the generations. This is a sign of the increasing public awareness of these conditions, but also indicates the pressure they feel themselves to be under.

This background of stress is combined with the fact that the number of people parenting one child (their first or their only child) is higher than it has ever been. This may well mean that parents never get over the state of ‘first child anxiety’, normally swiftly brought to an end by the arrival of siblings to shift the parental focus and shock them out of this anxiety.

Anxiety is increased by an elevated concern to be doing the right thing for the children. The market for parenting gurus and schools of advice is huge, but they seldom seem to agree, which means that parents seeking guidance and answers often cannot find the absolute reassurance they need.

THE EMPOWERED CHILD

One of the in-mode schools of parenting at present advocates the ‘RIE approach’ (Resources for Infant Educarers). The title of their latest book, Baby knows best, summarises this approach to child rearing, apparently widely advocated by Hollywood celebs. A mum blogger elaborates on the theme of raising empowered children: “First and foremost, we must listen to, honor and respect the thoughts and feelings of our children,” writes Susan Haid.

Generation Z are empowered children, brought up by parents who seek their opinions and are actively swayed by them in making purchasing decisions. Generation Z are growing up expecting to be listened to and consulted on their opinions and to play a role in decision making. The flip side of this, is a concern that the ‘empowered’ can easily turn into ‘little emperors’ – a spoilt generation.

For Generation Z, it will be usual to accept different formats and a broader definition of what constitutes a family, however, family will be highly important to them as a valued source of security and protection. Living in anxious times is also likely to give them a strong appreciation of the stability that a strong family can bring. The attention they receive from parents anxious to do their best will help create confident and empowered individuals.

However, the flip side to this extreme parental attention may well be that the transition to independent adulthood could be a bumpy ride for Generation Z. Over protective parents may impede Generation Z from learning how to stand on their own two feet as they continue to protect them and act for them as they grow older, effectively extending their childhood. There is real concern that this generation will not have had enough experience of failure and risk to really try at endeavours (such as innovation), where success is not guaranteed. Once they do fly the nest it will be interesting to see the effects on their over involved parents who may suffer extreme empty nest syndrome.

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Empowerment: A positive step forward for parenting or a generation of little emperors?
Always being ‘on’, ‘informed’ and ‘connected’ wherever you are in the world are three factors which are reframing the way we view travel and our leisure time. Generation X was the first generation to truly benefit from low-cost travel opening up places and experiences previously the preserve of true explorers and the wealthy. So, just what will leisure and travel mean to the Generation Z consumer?

NEED TO SHARE
Always ‘on’ and ‘connected’ heightens the need, and the ability, to share every moment and experience with others. We see methods of sharing appearing all around us – tweets, photos on Pinterest, blog updates or infinite other platforms that proliferate daily, and facilitate not just the online sharing of information, but also of experiences, whereby those with common interests can connect and meet to enjoy themselves as a group. It is precisely a trend like this that forms and influences the connected Generation Z. Leisure time and the ability to experience it with others will become an integral part of enjoying free time and holidays, allowing them to capture and savour collectively the moments they appreciate the most.

GENERATION Z: LEISURE TIME AND THE ABILITY TO EXPERIENCE IT WITH OTHERS WILL BECOME AN INTEGRAL PART OF ENJOYING FREE TIME

THE NEW CURATORS
As information, media, and all types of online platform proliferate beyond belief, we move towards a peak at which there is no longer a way to process such abundance, and filter out the irrelevant and undesirable from what we actually want to spend our time doing. While the Internet provided a tool for Generation X and Y to explore freely and to dip into bits of information at their will, Generation Z finds itself born into an excess of abundance, and so in desperate need of ways to separate the wheat from the chaff. As a result, individual taste is becoming directed, rather than the online streaming of whatever video or albums might be easily found, people are starting to pay for more exclusive systems that allow them to tailor what they want, such as Netflix and Spotify. Similarly, social media will also become more controlled, with a move away from adding everyone as a friend on Facebook, to smaller online social groups based on common interests for example. Rather than spending time exploring the breadth of options that might lie in store for them, Generation Z will be curators, carefully selecting what they take the time to enjoy.
END OF SURPRISE

With the ability to now share and report on every experience online, the element of surprise once found on walking into a ‘new’ restaurant, checking in to the first hotel stumbled across when abroad or even buying a last-minute ticket to an unknown show, is fast diminishing. Review sites such as Yelp and TripAdvisor increasingly allow people to ensure that they know exactly what they will be getting, so that their leisure and holiday time is guaranteed to be time well spent. With cheaper and easier travel having opened up the world and made the range of possible experiences feel almost infinite, Generation Z will react with a desire for planning and security, contributing to a generation characterised by pragmatism – if lacking what previous generations might lament as the thrill of the unknown.

AUTHENTIC EXPERIENCES

Rather than wanting to stay in hotels, eat in restaurants and buy products that are the same the world over, there is increasing desire for authenticity within the world of leisure and travel. Particularly within the travel industry, there is growing desire to truly experience the local culture of the country being visited, rather than being a cog in the wheel of mass tourism that foreigners have come to represent. Enter sites such as CouchSurfing or Airbnb where you enjoy the comfort of a local home, and have the chance to spend time with your host, experiencing life ‘on the inside’. Similarly there is EatWith and the growing trend of supper clubs, where you arrange to meet with a group online for authentic cuisine cooked by a welcoming host – indicative of what will be Generation Z’s increasingly communitarian and connected approach to leisure, where the ‘me’ disappears and the ‘we’ supersedes.

TIME FOR ALTRUISM

Yet perhaps nowhere is the generational shift from the ‘me’ decades of the 80s and 90s to the ‘we’ of the new millennium better illustrated than in the sharp rise in volunteering that has occurred since the birth of Generation Z. In the UK, since 2002, the voluntary sector’s workforce has seen an overall increase of around 234,000 employees, equalling a massive 41%. It is precisely this notion of needing to sacrifice for the wider community that will inform and influence Generation Z as they grow, with altruism becoming not simply what people want to do but actually something it is unacceptable not to do. Thus the value of what you do with your free time will no longer be sold to employers as a way in which you ‘grow as a person’, but rather as a way in which you ‘help the community grow’.

And so as these trends reveal, Generation Z will be firmly rooted in a ‘we’ culture, expressed in a desire to share experiences and above all the need to contribute to the wider good of society. And it is no small fact that the predicted peak of ‘we’ (in the ‘me’ and ‘we’ oscillation recorded across multiple generations) lies when the majority of Generation Z will be in their twenties. Yet set against this culture of community is a need to carefully curate, a tension that in fact reveals the inherently creative nature of Generation Z – for out of the proliferation of images and sounds in their lives they will take time and spend money to select what they truly enjoy and see as beautiful.

CHALLENGES

➤ AS THE DEMAND FOR AUTHENTICITY INCREASES, HOW WILL ESTABLISHED TRAVEL COMPANIES REFINE THEIR OFFER TO PROVIDE MORE ORIGINAL EXPERIENCES AND COMPETE?

➤ TO WIN WITH GENERATION Z, HOW CAN TRADITIONAL ‘PACKAGE’ TRAVEL AND LEISURE COMPANIES MAKE THEM FEEL MORE IN CONTROL OF THE PLANNING PROCESS?

➤ HOW CAN BRANDS BE MORE/ BETTER INVOLVED IN SHARING THE EXPERIENCE?
EDUCATION AND JOBS

Education is now universally accepted as the first step to having a well-skilled workforce capable of competing globally and supporting GDP growth. The recent rise of China is often put down to their focus on rigorous education from a young age, no matter what the cost to other aspects of life. Students no longer long for high-flying city jobs, but to cutting edge tech start-ups. Pragmatic Generation Z will look to swim with the current, embracing fluidity in their education and careers.

YOUTH UNEMPLOYMENT

74.5 million young people (aged 15-24), were unemployed in 2013, 13.1% of the age group. This is almost three times as high as the adult unemployment rate. Indeed, the youth to adult unemployment ratio has reached a historical peak. The influence of this crisis on Generation Z is irrefutable. Generation Z no longer expects to merely walk into their careers of choice. Whilst they aspire to the materialistic opulence of a celebrity obsessed culture, their actions and use of leisure time are becoming increasingly calculated to ensure that in future they are as employable as possible. No wonder they are increasingly embracing volunteering and charitable work in their leisure time.

ALWAYS ON, BACKLASH?

In recent years the boundaries between the different elements of life have been eroded by the pervasive nature of technology. No longer is the weekend a sacred space for family and socialising. Sunday night is the new Monday morning. Equally in most jobs, people are happy to make personal calls and sit on their work computer hitting refresh to ensure they are first in the ticket queue for festivals. But this trend has perhaps reached its zenith. Generation Z is surrounded by technology from a young age, understands its advantages and dangers, and will seek to tame its influence to ensure their own well being and space and time to switch off.
APPLICATION
From knowledge building to knowledge application – we live in a world where technology gives people constant access to virtually all the information they could ever want. The learning of facts will become increasingly irrelevant. Although this may have dangers for Generation Z if things turn against them, for the most part this has levelled the playing field. Every information source will be questioned, and checked, rather than blindly trusted. They will focus on learning the skills which allow them to act on the available knowledge rather than merely recall it.

(FLEXIBLE) ONLINE EDUCATION
Learning is no longer confined to the classroom or an age group. In 2013, edX launched, which allowed students ‘to take the best courses from the world’s leading universities’, and attracted 370,000 students in its first semester. This new style of education allows not only more international cooperation in education, but also feeds a trend to lifelong learning and self-improvement. Generation Z may well have more educational options, but they’ll have to share these opportunities.

FORMS
Generation Z are learning that success in their working life can be built upon new forms of education. This is in part a backlash against the rocketing costs of higher education. In the US it has grown by 1120% in 35 years. A common Chinese term used to refer to the products of their schools is ‘gaofen dineng’, which essentially means ‘good at tests but bad at everything else’. Recently however, parents have been looking outside of their rigid education system and there has been huge growth in creativity classes. Technology has also allowed for more diverse skills and tastes to be catered for. Children can download apps to teach themselves how to build a computer or recognise the symptoms of meningitis.

WHilst the global financial crises has imbued children with a sense of realism about their prospects, technology has opened new doors, and new solutions. The world is changing faster than it ever has, life now is to some extent defined by its liquidity. Some predictions suggest that 65% of children entering school today will work in jobs that currently don’t exist. This uncertainty about the future makes the choices that children make about their education and potential careers more important. The challenge for these kids is to embrace the fluidity of the modern era, whilst also developing real and rigorous skills which make them employable. With the costs of education rising around the world, children will look to new mediums to develop themselves and stay on the cutting edge. They will enter the job market sceptical of received wisdom and looking to both harness and control the technical influences which are such a defining part of their lives. The Internet is no longer a place for cat videos but a place to learn, a place to share and a growing employment sector.

THE WORLD IS CHANGING FASTER THAN IT EVER HAS, LIFE NOW IS TO SOME EXTENT DEFINED BY ITS LIQUIDITY

CHALLENGES
▲ HOw CAN GENERATION Z’S MORE COMMUNITARIAN APPROACH TO LIFE BE HARNESSED AND USED BY BUSINESS TO DRIVE GROWTH?
▲ HOw WILL YOU TOP UP THEIR THEORETICAL KNOWLEDGE WITH THE PRACTICAL KNOWLEDGE THEY’LL NEED TO EXCEL IN THE JOBS OF THE FUTURE?
▲ HOw CAN WORKING LIFE BE RESTRUCTURED TO ALLOW FOR CONSTANT TOP-UP LEARNING THROUGHOUT WORKING LIFE TO KEEP PACE WITH RAPID TECHNOLOGICAL CHANGE?
In the light of the past few years, faith in the banking sector has plummeted. With newspapers and tub-thumping television, radio and Internet personalities calling for swift and severe reprisals against the financial freewheelers whose risk-taking caused the sector’s implosion, where will Generation Z place their trust? The shift from cash, to card, to digital, will demand more of banks in terms of the security of their money. With their innate sense of responsibility and caution, could we see Generation Z turn away from traditional banking?

ONLINE AND MOBILE SHOPPING

Online and mobile banking isn’t just for grown-ups anymore. With services like Oink.com, which claims itself to be a “virtual piggy bank” kids can save, spend, and shop online. If you’re a parent, that probably seems pretty unnerving, but with Oink, parents control all access, setting up account details, payment options, and best yet, must approve or reject all purchases their child makes.

For the older Generation Zs, online and mobile shopping is and will continue to be a huge part of the way products are purchased. For Generation Zs, it’s aspirational, and it’s more about the hunt. They spend more time creating wish lists, boards (think Pinterest) and filling their carts as opposed to actually purchasing. And since they’re browsing amongst so many retailers, across so many platforms, they’re spending time comparing prices as they go. So how do retailers respond? High user engagement – creating opportunities for Generation Zs to have just as interactive an experience online as they do in-store, if not more.

INCREASED COMPETITION AMONGST FINANCIAL INSTITUTIONS

Traditional financial institutions used to be a sure thing. An establishment with a concept was trusted. It could be complicated, but those rules and regulations are what kept us safe. This notion is disappearing as generations prior to Generation Z have lost money, and therefore trust in “big banks”.

Smaller players are entering the game, challenging the way traditional banks operate, and their concept appeals most to Generation Z consumers. Simplifying the way we spend, save and move money, ridding their materials of ‘bank speak’ and complicated terminology, and most of all, using iconography and symbols to communicate is what’s appealing to younger generations. While Generation Ys and Millennials communicate in short pieces of text, Generation Zs are taking it one step further with pictures and emoticons, and the financial sector is tapping into this.

Does that mean our ‘big banks’ will soon disappear? Likely not, but many are taking a fast-follower approach, considering what neo-banks and non-traditional banks are doing to appeal to this generation.

A CASHLESS WORLD

If we think we’re already starting to see a cashless society, by the time Generation Zs become financially independent, we’ll be noticing a substantial shift in how transactions are made. Mobile banking is on the rise, and we’ll continue to see a dramatic increase in the number of mobile transactions taking place as more Generation Zs gain access. Independent money transfer services, like PayPal and M-Pesa will become more prevalent as well, with new players entering the market in the next couple of years. Services like M-Pesa, developed originally by Vodafone in Africa, allow customers with limited access to send money to each other via SMS. As Generation Zs shift towards this type of transacting, a new type of banking customer will emerge, with new needs, changing the way customers interact with digital channels.
When it comes to saving and financial responsibility, Generation Z will be the most successful to date. In the world's most trying financial crisis since the Great Depression, Generation Zs have watched their parents and grandparents suffer through hard financial times. In witnessing this, they've learned to be smarter with money in order to afford post-secondary education, real estate, and retirement – all things they've seen their Generation X parents struggle to save for. They're cynical towards credit cards and acquired debt, because they've seen firsthand how hard it can be to get out of... and will look to re-cycle or up-cycle purchases to extend their life span. In 2012, 2/3rds of Generation Xs were not on track in having enough saved for retirement. With the instability in the job market for generations before them, 61% of US highschool students, when finishing their education, would rather work for themselves than someone else.

Crowdfunding sites like Kickstarter and Go Fund Me let users raise funds, or donate to particular causes. Originating as a concept for entrepreneurs looking to fund their start-ups, crowdfunding sites have gotten personal, with couples even signing up to fund their weddings, and Americans looking for assistance with their medical bills. Predicted to be the next true social change-makers, Generation Zs will embrace this as the next way to make a true difference. By the time they're able to truly embrace crowdfunding, it will be somewhat of a norm for start-ups and employment opportunities. Peer-to-peer (P2P) lending will allow Generation Zs to 'safely' invest and obtain funding, with payback and rewards deviating from the traditional forms of repayment and interest.

A speculative buzzword for Generation Z's attitude to banking and finance could well be 'punk'. With growing mistrust of traditional 'big banks' and a shift towards a desire for more personal financial services we can expect to see them seek ways to take as much control of their money as possible. Crowdfunding services embody a 'do-it-yourself' approach to acquiring capital and, in order to take the most advantage of it, users will have to demonstrate their financial responsibility; something which plays very much to Generation Z's strengths. With both confidence in financial stability and circumstances of transactions shifting towards Internet marketplaces, new problems arise; without the benefit of examining a product physically before buying, online retailers may have to explore new avenues of persuasion in order to nudge Generation Z online store browsers into actual purchases.

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Cashless payments are already taking place, and are just the beginning. What's next?
When working with trends across generations it’s important to consider how they work at a higher and lower order level. A higher-level trend like ‘Evil Sugar’, for example, can lead to a ripple effect across a population affecting attitudes and beliefs around food and wellbeing that can span a generation.

An exciting way of looking at these big trends is to consider how a ripple effect plays out and look at the trends it sparks or impacts as a consequence. ‘Evil Sugar’ may well lead to behaviours and attitudes in education and technology which may not immediately seem relevant, but could take on a significance in the future. Interesting things happen when we see conflicts in trends that seem equally relevant for a generation, but fundamentally are at odds with each other. So, if we take this ripple effect further and collide trends like quantified health and big data/small wisdom, we can start to speculate how we might solve the conflict for this and it can take us to whole new worlds, like personalised healthcare systems or dashboard living. Work with the trends in this book, examine what the ripple effect may be, and how they lead to new, interesting territories.
Over the last chapter we have documented a number of emerging trends, from a selection of industries, that will influence the way Generation Z grow and develop as a generational cohort over the coming years. In this final chapter, we look to explain how not just understanding these trends, but being able to spot the conflicts which lie between them, will really enable us give a more robust prediction and better plan for the future needs of Generation Z.

Why is this we hear you ask? Well lots of futurologists get the future wrong because they only extrapolate along current trends. However, sooner or later each trend hits a conflict, throwing it off its predicted trajectory path or stopping it in its tracks all together. Hence, what really drives how the future emerges is all about these trend conflicts and the innovations that solve them.

The most important conflicts and contradictions are the ones that emerge between different market and societal trends. That’s why we have put such a big emphasis on the identification of emerging trend conflicts in Chapter 3 of this book. We also know that it is the resolution of trend conflicts that acts as the seedcorn for new trends. When two, say, market trends head in divergent, conflicting directions, they create a vacuum, and, nature abhorring such things, tensions build up and build up until somehow the vacuum gets filled by a solution that helps resolve the conflict.

The more I measure, 
the more confused I get

EXAMPLES OF TREND CONFLICTS

Quantified Health versus The ‘Always On’ Backlash

There is a large trend towards instant, quantifiable health checking driven by lots of clever ‘wearable’ technology happening currently. If we were to extrapolate this trend, we could confidently say that everyone on the planet will be measuring every heartbeat, every breath, by the end of the decade. However, that probably won’t happen. Why? Because the backlash to the ‘always on’ culture will see people become overloaded with information, confused by the mountains of stats and concerned that the slightest drop in blood pressure means something serious. We are already seeing the overwhelmed A&E departments showing the beginnings of this conflict, but until it is resolved we believe the quantified health trend will be:

INEVITABLES

Of all of the possible conflicts and contradictions, the ones that end up falling in to the ‘inevitable’ category are those that relate to demographic trend patterns. The number of babies born in a given year, for example, inevitably tell us something about the number of students that will pass through our education system. Shifts in the birth-rate per female will tell us inevitable things about the level of pension burden that one generation will have to bear to pay for previous generations.

Here’s what these ‘inevitable’ features tell us about trends likely to affect Gen Z

Looking at birth-rates and life expectancy for the US and UK it is clear that a relatively small number of grown-up GenZers will have to support the retirement and pension needs of not just one but two larger generations.
A lesser known demographic phenomenon involves typical spend profile as a function of age. In all developed societies, this curve shows a peak spend rate in our late 40s. When society has growing numbers of people at this stage of life, the economy tends to grow. When society has decreasing numbers of people at this stage of life, economies need to shrink. With the Baby Boomer generation all past their late 40s now, the subsequent baby bust period means the West is currently in one of these decreasing periods. Generally speaking, governments don’t like shrinking economies and therefore put in place measures to counter the effect. Generally speaking, also, these measures tend to exacerbate the Crisis. Our current financial problems, in other words, have a clear causal link to demographics. The decreasing-late-40s problem continues in the West for the next 10 years.

**MAPPABLES**

The overall generational cycle model is an emergent result of many interactions, conflicts and conflict resolutions. There is no rule that says the various oscillations and crisis periods we have seen for the last 600 years are inevitable. The more we know about the cycle, the more likely we are able to break away from at least the worst of its consequences.

Right now, we’re in one of the predicted Crisis periods. We know that there are many growing conflicts and tensions in Society, but it is not so clear precisely which one of them might end up being the straw that breaks the camel’s back. We don’t and often can’t know the priority sequence of the conflicts in Society, but we can map the existence of such conflicts, and leave the innovators of the world to work out which ones they are best able to tackle.

The arrival of Generation Z brings along a whole series of mappable new conflicts for innovator’s to focus their attention on. We’ve attempted to highlight some of what we think are likely to be the most productive ones through the course of the book. The below shows how these work together and speculate on some kind of overall hierarchy of likely importance; assuming that by solving the more significant ‘big chunk’ trends conflicts would be more beneficial than solving many smaller chunk conflicts.

**UNKNOWNs**

While there is much that we already know or can reliably predict about the emerging life of our Generation Z teens, there is also still much that we can’t say with any kind of certainty. As such, these kinds of ‘unknown’ should be taken as a kind of warning sign, ‘whatever innovation project you’re working on’, in other words, ‘you need to be aware of these potential roadblocks’.

Here are some of the ‘known unknowns’ as they might come to have some kind of impact on Generation Z:

- Government legislation to ‘protect’ children – e.g. dietary obligations in schools
- Healthcare crises associated with high levels of societal fragility e.g. the coming anti-biotic crisis
- Healthcare system cost - expectation - capability iron - triangle
- White-collar work commoditisation
- 3D printing everything
- Self-writing software… and its impact on IT industry employment

As with all crises, there are inevitably winners and losers. Awareness is half the battle to ensuring you are one of the winners.
Finally, then, let’s put some of these inevitable, mappable, and ‘known unknowns’ together and speculate a little bit about some of the things different aspects of Gen Z we might expect to see in the future.

REBEL CHILDREN
All teenagers rebel against their parents but some generations do it more than others. Artist generations, like Gen Z, tend to have the most difficult of all of the rebellion periods. Looking at the generational cycle model we can expect to see the Gen Zers becoming increasingly rebellious over the course of the next few years when the first of the cohort start hitting their teens.

Why? Well their over-protected upbringing means that certain evil or sinful things – like energy drinks, alcohol – have been almost completely forbidden. Anything that’s been forbidden becomes highly tempting so when Gen Z teens escape from the leash, they’re likely to go wild.

But, whereas Society has been quite accepting of Gen Yers going wild, unfortunately for Gen Z, they’re more likely to run into a harsh backlash from both parents and the authorities. Their rebellion, in other words, gets squashed pretty quickly.

SENSITIVE ADULTS
The generational cycle model, if it continues to hold true (and all the evidence since 2001 seems to suggest it will), will see our Generation Z ‘Artists’ hitting their 20s at the end of a Societal Crisis period and start of a new High. In previous rounds of the cycle, early adult Artists have been characterised as ‘Sensitive’.

VISION OF THE FUTURE

From looking at this model we can predict what Generation Z will be like in the future as:

Employees:
- Gen Y was told ‘don’t settle, you can be whatever you want to be’. Gen Z don’t get those same choices. Compliance to the prevailing imperative will be the employer expectation.
- Strong desire/expectation that much work will be done for altruistic reasons
- Weak practical skills make them a difficult choice for many employers.
- Coming shortage of skilled trade workers means big opportunities for those with practical skills
- Indecisive/overwhelmed
- Impatient, lacking persistence when it comes to difficult tasks – their parents didn’t have it, so they’ve never seen it.
- Internally focused

Consumers:
- Overwhelmed with information/naive when it comes to meaningful decisions
- After initial teen rebellion, highly likely to defer to parental will
- Likely to defer to ‘official’ good advice/rule

Voters:
- Reflective
- Holistic thinking
- Altruistic/Willing and conditioned to sacrifice personal wishes for the greater good
- Likely to defer to elders
- Likely to be swayed by specific issues/factional/too many minorities/clusters to make an overall impact

Parents:
- Sensitive
- Backlash against over-protection
- Indulging
- Stressed
This book wouldn’t be what it is without the wonderful range of people who have helped to write, design, research, advise and support as they did. A huge thanks from all of the team at Happen® for your dedication and devotion to this project, all of your planning and research in the lead up and well done for surviving the 48 hours! It was a fantastic experience. Here’s to the next edition!

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Following a fifteen year career in the aerospace industry, Darrell began creating the Systematic Innovation Methodology. Over the last 20 years, the Method has researched over 4 million case studies and seen the publication of over 800 papers. Since 1999, upon realizing that most innovation attempts fail because teams defined the wrong problem, the emphasis of the research programme has been on building a between-the-lines understanding of consumer behavior. Following the publication of the TrenDNA book in 2009, Darrell’s team has been helping MNCs and government bodies around the world to make sense of why people say one thing and then do another.

DARRELL MANN

We are a creative partnership with a passion for design, strategy and communication. Our close-knit team takes great care to offer a friendly, bespoke service to our range of clients, including Happen®, Penguin Books, Hurst Media Company, IPC Media and Sage Pay. The Archetype Media Partnership team has a combined experience of over half a century in the media – and sometimes it feels like we have known each other that long!

While we believe commitment and creativity are key, we know the best results emerge through understanding, elegance and precision, and we believe the path to success lies in building relationships that inspire, adapt and grow, and this is what we aim to do with our clients – no matter how big or small.

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CYBER BULLYING RESEARCHER
As an innovation agency we have spent the last seven years striving to understand what moves and shakes the generations around us.

This book is inspired by years of research into Generation Z, focusing on how they engage with all aspects of their lives and their aspirations for the future.