



# How Gen Z Could Become Private Label's Biggest Fans Yet

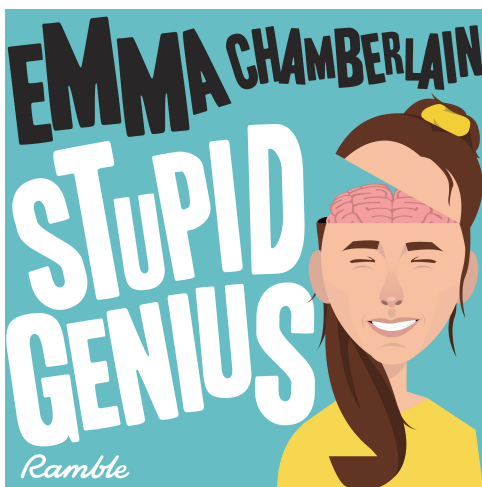
## **New kids on the block**

Fueled by unbridled individualism and a desire for higher purpose, Gen Z is forcing brands to take a hard look at relationship building. Made up of those born between 1997 and 2012, Gen Z ranges from 7-22 years old and are a highly diverse group that wields tremendous cultural influence. Next year, they will surpass Millennials as the largest current generation, making up 40% of consumers and boasting an estimated \$29 billion in buying power.<sup>1</sup> And with the oldest of them just now landing their first jobs, that number is about to go up. This moment presents an opportunity for private label brands to stake out unique ways to connect with these idealistic young consumers. Here's how.



## **Instantly convey better value with design**

Gen Z has lower brand loyalty than previous generations<sup>2</sup> and because they are not yet big earners, they are price sensitive. This presents an obvious opportunity for private label brands, but offering a lower price is not enough. As digital natives, they have short attention spans for marketing and favor visuals over words. So, if you want to get their attention, you've got to quickly and succinctly communicate product value *and* quality. Leverage the power of design via packaging, in-store displays, and digital channels to attract their attention and earn their loyalty.



## **Be where they are**

85% of Gen Z learn about new products on social media<sup>3</sup> via posts, reviews, and ratings from friends and influencers. In fact, Gen Z is two times more likely than Millennials to turn to YouTube before making a purchase.<sup>4</sup> So it's imperative that private label brands have a social media presence that serves up visually stimulating, bite-sized content with genuine value. Partnerships with influencers (like 18-year-old content creator Emma Chamberlain) or demo and tutorial videos that feature private label products are the types of content that can open up a line of communication because they connect to Gen Z's interests and passions.

## Invite them in

Despite the overall market trend toward online sales, 67% of Gen Z prefer to make most of their purchases in brick and mortar stores.<sup>5</sup> The opportunity to interact with products before buying them is a treat, and they like to touch, feel, and see what they're buying. Also, many in Gen Z may not yet have access to the credit cards required for online shopping. Exclusive private label brands can provide in-store experiences as a unique point of difference to keep them coming back for more. Explore ways to personally engage with Gen Z, whether it be via text messaging, way-finding, augmented reality, or even invitations to co-create new products that tap into their collaborative and creative nature like Target is doing with the introduction of a secret app called Studio Connect.



## Take a stand

Known by some as Philanthropeens,<sup>6</sup> Gen Z has rallied around brands and companies they perceive as having shared common values and a desire to make the world better—as opposed to existing solely to make money. To make a real connection with this high-minded generation, private label brands should look for ways to support relatable causes with a connection to their offer, such as gun violence (like Levi's is doing), hunger, homelessness, bullying, and animal welfare.

## Game on

Currently, few private label brands that uniquely cater to Gen Z exist. A notable exception is Target, with its newly launched Wild Fable clothing line for teens and young women, and its fashion-forward, strategically priced, tech accessories brand, HeyDay. Both were designed exclusively for Gen Z.

So, where to start if you're responsible for a private label brand that's looking to make inroads with Gen Z? Start by evaluating your private label strategy and ensure you are where Gen Z is most likely to interact with brands — at shelf and online. Then optimize design and create easily accessible content, so they can learn about your brand and then use that information in-store to guide selection of your private brand.



Works Cited:

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