

Are You Ready for Gen Z?
Designing Customer Care for and by Digital Natives



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Why You Should Care about Gen Z

Descriptions vary, but Forbes defines the generation after Millennials, Generation Z, as people born from the mid-1990s to the early 2000s. Gen Z makes up 25 percent of the U.S. population, making them a larger cohort than the Baby Boomers or Millennials. Using a definition of those born from 1995 – 2010, Sapient estimates that globally Gen Z is 2 billion strong, making up 27 percent of the population.

They may be young, but these consumers have colossal buying power. This “post-Millennial generation” influences everything from their families’ food purchases to clothing, electronics, household goods and even furniture.

Gen Z is also a growing part of our existing and future workforce. They will be looking for “gig economy” employment opportunities - environments where opportunities exist for temporary positions and organizations contract with independent workers for short-term engagements.

In this paper we will explore what experiences and consumer behaviors define Gen Z and what they want from the companies with which they do business. We will also discuss how contact centers can begin developing the processes and systems that will enable them to support the real-time schedules and agent assessment that will be required in the increasingly gig economy. Finally, we’ll explore how designing customer care and agent experiences for Gen Z creates an environment for a larger audience, the Gen Z “at heart.”

Gen Zers are Not Millennials

You, like many others, may think that Gen Z is just like another name for Millennials. Or you may realize that they are a different generation but think that they behave just like Millennials. And that may also lead you to think, “Haven’t we been talking about the Millennials for YEARS? I’m sick of hearing and reading about Millennials.”

There are good reasons why this attitude is somewhat prevalent. It is generally perceived that Millennials were raised to believe that they were special, more special than everyone else. In team sports, everyone got a trophy, not for excelling at the sport, but just for showing up. Millennials were somehow raised to be narcissistic. They were constantly told how special they were and that they could become anything they dreamed of. But no one told them how hard they would have to work to become great.

But just as Boomers were different than their parents, the so-called Silent Generation, each of the generations that exist in the population today have their own unique characteristics. Though there is no one, universally accepted set of dates for when one generation ended, and another began, the table here can serve as a guide for purposes of this paper’s discussion.

Now that we have established that Gen Zers are a different group from Millennials, let’s describe *how* they are different.

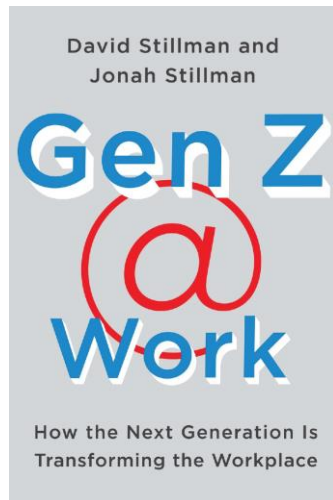
Gen Z @ Work

As the leading edge of Gen Z is graduating from college and entering the workforce, research and literature is being published that can help companies understand how to market to and hire members of Gen Z. A great

The Generations				
Generation Name	Births Start	Births End	Youngest Age Today	Oldest Age Today
The Silent Generation	1925	1945	73	93
Baby Boomer	1946	1964	54	72
Generation X	1965	1985	39	53
Millennials	1980	1994	24	38
Gen Z	1995	2012	6	23
Gen Alpha	2013	2025	1	5

Adapted from CareerPlanner.com

resource is a book published in 2017, [Gen Z @ Work, How the Next Generation is Transforming the Workplace](#). A generations expert and author of *When Generations Collide* and *The M-Factor*, David Stillman, teamed with his seventeen-year-old son, Jonah, to introduce the next influential demographic group to join the workforce in this first book about Gen Z in the workplace.



Gen Z @ Work is based on the first studies of Gen Z's workplace attitudes, gleaned from surveying Gen Zers across the United States who were 15–21 years old. The questions focused on their workplace attitudes. In addition, the book includes information from interviews with hundreds of CEOs and thought leaders on generational issues as well as cutting-edge case studies. The goal of *Gen Z @ Work* is to offer insight into how best to recruit, retain, motivate, and manage Gen Zers.

In the section on [Gen Z Consumer Influence](#), we'll examine how information from the book offers valuable insight into Gen Zers as consumers, and therefore recipients of customer care and marketing campaigns. We'll discuss how contact centers can develop strategies for providing the kind of service Gen Zers not only want but expect.

In section [Preparing for Gen Z Employees](#), we'll apply the points made by Stillman and Stillman directly to the contact center. We'll answer questions about how to hire Gen Zers as agents, what kind of schedules and work environments Gen Zers will favor and how they will expect their careers to progress.

The Parent Trap

One hypothesis made in *Gen Z @ Work* is that we can learn a lot about a generation from looking at the generation that raised them. A generation will react to how they were raised themselves – and then do some things the same and in some areas believe that there is a better way.

For example, Boomers – especially in North America - grew up in a nation of immigrants, who wanted to conform or fit in. Boomers grew up in households that were very strict. Roles were very clear. Men brought home the bacon and women cooked it. When Boomers became moms and dads, they rebelled against how they were raised which resulted in a less rigid, more permissive parenting style. The timeline of Boomers becoming parents also paralleled the free love and pop psychology movements. Boomers became the groovy parents. No surprise then that Boomers created a Millennial generation that thought whatever they decided to do, they would be great at it. They are communicative and collaborative as well as optimistic and idealistic, looking for meaning in everything they do.

Just as you can learn a lot about Millennials by understanding how they were raised by Boomers, looking at Generation X parents can shed light on their children, Gen Z.

- Unlike the Boomers, Xers didn't grow up with parents focused on drilling rigid structures into them. Gen Xers craved any parenting at all – they were the first generation of latchkey kids, coming home from school to an empty house.
- Often Gen Xers had to adapt to two separate homes. Single-parent and blended families were increasingly the norm, so Xers learned that families come in all shapes and sizes.
- Technology – both the expanded number of channels on cable television or early video games – became a new kind of babysitter. In her book [Marketing to Generation X](#), Karen Ritchie says that by the age of twenty, the average Gen Xer had watched 23,000 hours of television.
- During their teen years of the 1980s, the economy went into a tailspin, and for the first time there was a generation that was told they would likely not do as well as their parents.

Gen Xer childhoods resulted in an independent and survival mentality that was loaded with a healthy dose of skepticism. As they grew older, this would color how Gen Xers raised their own children, Gen Z.

- Gen Xers wanted to create the homes they didn't have growing up. They got married later in life because they wanted to be sure. And it worked. For example, divorce rates are down in the [US](#) and the [UK](#) since 2000.
- Xers wanted to be around more and not leave Gen Z kids at home alone. They chose to have one parent stay at home, and it was not always the woman.
- Gen Xers are just as comfortable with technology as their Gen Z kids, with the result that there are now more similarities between parents and children than ever before. This applies to music and clothes to the activities they engage in.

Seven Key Gen Z Traits

The parenting characteristics of their Gen X parents, in combination with recent macro-economic trends, have shaped the Gen Zers that are now influencing household purchases, making buying decisions of their own and entering the workforce. These are the key Gen Z traits described by Stillman and Stillman based on their extensive research.

Phigital

Gen Z is the first generation born into a world where every physical aspect (people and places) has a digital equivalent. For Gen Z, the real world and the virtual world naturally overlap. Virtual is simply part of their reality.

Hyper-Custom

Gen Z has always worked hard at identifying and customizing their own brand for the world to know. Their ability to customize everything has created an expectation that there is an intimate understanding of their behaviors and desires. From job titles to career paths, the pressure to customize has been turned up.

Realistic

Growing up during the aftermath of 9/11, with terrorism part of everyday life, as well as living through a severe recession early on, has created a very pragmatic mindset when it comes to planning and preparing for the future.

FOMO – Fear of Missing Out

Gen Z suffers from an intense fear of missing out on anything. The good news is that they will stay on top of all trends and competition. The bad news is that Gen Z will always worry that they aren't moving ahead fast enough and in the right direction.

WEconomists

From Uber to Airbnb, Gen Z has only known a world with a shared economy. Gen Z will push the workplace to break down internal and external silos to leverage the collective in new convenient and cost-effective ways. Gen Z will expect to partner with their employers to fix the wrongs they are seeing in the world. Ninety-three percent of Gen Z says that a company's impact on society affects their decision to work there.

DIY – Do It Yourself

Gen Z is the do-it-yourself generation. Having grown up with YouTube, which can teach them how to do just about anything, Gen Z believes that they can do just about anything themselves. On top of that, they have been encouraged by their independent Gen X parents not to follow traditional paths. Gen Z is fiercely independent and will collide head-on with so many of the collaborative cultures that Millennials have fought for. Seventy-one percent of Gen Z said they believe the phrase “if you want it done right, then do it yourself!”

Driven

With parents who drilled into them that participation is not a real award and that there are winners and losers, a recession that pulled the rug out from their predecessors, and a rate of change that is hard to keep up with, Gen Z is a driven generation. Gen Z is ready and hungry to roll up their sleeves. They will be more competitive as well as private than previous generations.

In the sections that follow, we will see how understanding these seven traits can help companies provide Gen Z personalized customer care as well as understand and prepare for what Gen Z is looking for in their careers.

Delighting the Gen Z Consumer

The influence of Gen Z in consumer purchases has been evident for over a decade. According to a Forbes article in January 2018, *How Much Financial Influence Does Gen Z Have?*, the cohort group born between 1995 and 2012 is already on track to become the largest generation of consumers by the year 2020. It is estimated they account for \$29 to \$143 billion in direct spending.

But Gen Z’s impact on the market doesn’t stop there. Ninety-three percent of parents today say their children influence family and household purchases, according to a report by cultural strategy firm [CASSANDRA](#), meaning a significant portion of overall market spend is because of Gen Z.

Get Phigital

The very first Gen Z trait, phigital, is going to be key in delighting Gen Zers. This generation doesn’t draw a distinction between the physical and digital worlds and are comfortable in both. Raised in a world of mobile devices and technology, Gen Z has expectations about how organizations should function.

Stillman and Stillman write that 65 percent of Gen Z reports sleeping with their smartphones on or near their bed. Phigitals wonder why all organizations don’t just “get” mobile and optimize for it in every aspect of their operations. After all, when you can buy stuff on Amazon’s app and have it delivered in the afternoon (assuming you live in the right place, of course), you begin to wonder why every aspect of your life doesn’t function in the same way.

And yet, far too few companies have tightly integrated customer care with their mobile applications. Where there may have been excuses in a premises contact center world, in a cloud contact center environment, APIs are now available to make delivery of omnichannel customer care to smartphones as simple as connecting company mobile apps to your contact center and CRM application.

Solutions like integrated chat can deliver a unified user experience across any device connected to the internet including desktops, smart phones, and tablets. Live help dialogues offer live chat or callbacks. Available mobile APIs enable ‘click to chat’ or ‘request a callback’ to be embedded into your organization’s mobile app.

Hyper-Custom Means Know Me

In late 2017, [WP Engine](#) surveyed over 1,200 people in the U.S. ages 14 – 59 and published its findings in a report entitled, “The Future of Digital Experiences.” The results reinforce the Hyper-Custom Gen Z trait identified by Stillman and Stillman:

- Gen Z is 25 percent more likely than other generations to provide personal information to gain a more predictive, personalized digital experience. Though all generations value security, Generation Z is more concerned about personalization and having an experience that is tailored to their needs and wants, than keeping their information private.
- In five years, 62 percent of Gen Z believe that websites will know what you are looking for before you tell them.
- Half of Gen Z would stop visiting a website if it didn’t anticipate what they needed, liked or wanted.
- 55 percent of Gen Z believes that in the next five years websites will become more human in experience by exhibiting personalized emotions when you visit and interact with them.

“Know me” also means know about the journey that the Gen Zer is on. It is now a well-established fact that rarely do consumers begin their customer journey with a voice call or a chat. Some event has triggered the interaction, perhaps a customer service issue or the need to ask a question about an impending purchase. Gen Zers not only want but *expect* companies to use the information they have to serve them better.

The good news in these results and predictions is that already the technology to deliver the kinds of experiences expected by Generation Z exist and will be even more generally available over the next few years as artificial intelligence-driven applications become more widely deployed. What these survey results predict is that companies that work now to begin planning for and delivering AI-driven, personalized and predictive experiences will be the big winners with Gen Z.

DIY: Let Me Self-Serve

Not to belabor the point, but Gen Zers are the original digital natives, more comfortable with a smartphone than a landline. They prefer a tablet to a magazine, have never known life without Google, and YouTube is their preferred entertainment channel. It almost goes without saying that they rarely use the phone, preferring to communicate via text, a messaging application like Facebook Messenger or via some other social media channel.

It’s the combination of Gen Z’s tech-savviness and their “let me do myself” trait that informs companies on how best to create the ideal customer experiences – via self-service. And while there are lots of great self-service technologies available, not enough is being done to create robust digital self-service alternatives.

As described by [Dimension Data in their 2017 Global Customer Experience Benchmarking Report](#), the “uncomfortable truth” is that organizations around the world are failing to implement effective digital strategies. As a result, customer experience solutions are disjointed, and digital is not displacing traditional phone interactions at the speed that their customers are demanding.

As Gen Z increasingly influences consumer purchase volume, businesses must turn their attention to creating more and better digital, personalized self-service solutions. Note that these same expectations apply to all generations – but earlier generations will more easily fall back on the practices of the past, e.g., voice calls. Gen Zers will be more likely to abandon your brand if they can't find the experiences they expect.

Preparing for Gen Z Employees

The world of work has typically been slow to adapt to digital solutions and will be challenged like never before when it comes to finding its place in the phigital world. In Stillman and Stillman's book, 91 percent of Gen Zers said that a company's technological sophistication would impact their decision to work there.

While their Phigital trait influences how Gen Z will behave in the work place, it will be necessary to focus on some of the other Gen Z traits as well to ensure successful hiring and retention of these new members of the workforce.

Fear of Missing Out

There are a few ways that the FOMO trait manifests in the work place. Gen Z doesn't want to miss anything, which can be great for organizations that need to stay abreast of trends. But their FOMO can also create distraction and anxiety, preventing Gen Z from focusing on any one thing.

From the Gen Z member of the Stillman and Stillman team comes this observation. "Gen Z will likely want to pursue multiple paths at the same time." In the Gen Z @ Work study, 75 percent of Gen Z would be interesting in a situation in which they could have multiple roles within one place of employment.

From a contact center perspective, the FOMO trait likely means creating different kinds of training for Gen Zers, training that helps them focus on the task at hand. From a job description perspective, the goal should be to create positions where Gen Zers can learn and explore different roles in the organization. Instead of thinking in terms of full time agents, Gen Zers may become more engaged employees with a mix of front line customer interactions and back office work.

Weconomists Want to Bring Sharing to Careers

The sharing economy influences almost every aspect of the Gen Z life. Lyft co-founder and president John Zimmer has gone as far as to say that private car ownership will "all but end" in major U.S. cities by 2025—just eight years from now.

In the contact center this is going to mean ever more sophisticated demands on workforce management software (WFM). And the timing couldn't be better. Already, workforce optimization vendors like NICE are incorporating artificial intelligence and machine learning into the creation of agent schedules. More and more companies are already seeing the value of WFM for the scheduling of not just agents, but other titles within organizations. As AI continues to enhance WFM, organizations will be ready to meet the needs of schedule and job-shifting Gen Zers.

The increasing deployment of cloud-based contact centers – that require only a laptop and an internet connection - also dovetails well with the way Gen Zers want to work. The ability to make their own schedules will be aided by businesses that can assess their real-time staffing needs and allow agents to match their preferred hours to work with the needs of the business.

Scheduling flexibility will be important because more than any other generation, Gen Zers will want to have a "side gig." They often have skills or passions that they want to explore to supplement their salary with a side job. And be prepared. Gen Zers don't want to worry about

how their side gig be received by their full-time employers. They want to avoid any conflicts of interest with the full-time job and want their employers to embrace their side gigs.

Driven and Realistic

While Millennials have had to fight hard against a reputation for being “[slackers](#)” in the workplace, Gen Zers are being described as being driven and realistic – traits that on the face of it will be welcomed in the workplace.

But, as described by Gen Zer Jonah Stillman in [Gen Z @ Work](#), “For Gen Z, as soon as we have mastered a task, we assume we are ready to move on.” How, then, will companies keep Gen Zers once they have gone through the expense of hiring and training them? Jonah’s advice is, “The way to do this is to focus on pointing out how and what we are learning along the way is helping us prepare for our future and will always pay off.”

The Gen Z at Heart

It’s been said that the notification “the internet is down” sends shivers down the spine of a Gen Zer. Life is social media. A typical day would not be complete without posting an Insta story or a Snapchat. They love interacting with virtual friends and keep connected by posting videos, silly pictures and even live broadcasts of their lives.



While all these statements are certainly accurate about Gen Z, they are also true about members of all generations who have embraced a digital lifestyle. There are boomers who still struggle to add a new app to their smartphone – but they have smartphones and use them. For businesses today, it is not just about building great experiences for the members of Generation Z but understanding that many Boomers, Gen Xers and Millennials want the same options and experiences as Gen Zers.

One thing is certain; having seamless customer experiences are important for all generations. And today’s contact center workforce is comprised of members of every generation from Boomers to Gen Z, all of whom will value improved tools for employee engagement. Taking the steps described here to get ready for Generation Z, both in the workplace and as consumers, will have the added benefits of providing better digital and personalized options for customers and employees of all ages.

About NICE

NICE is the leading provider of both cloud and on-premises enterprise software solutions that enable organizations of all sizes to act smarter and respond faster to provide exceptional customer service. The company is committed to introducing visionary solutions that let customers respond effectively to the new era of the empowered consumer, the growing number of communication channels, and the challenges of the new millennial employee.

Our core offering, NICE inContact CXone, is a customer experience platform that combines smart omnichannel routing, advanced analytics, adaptive workforce optimization, robotic automation, and AI, all based on an open native cloud foundation. CXone helps organizations better understand their customers, engage their employees, and improve their processes to improve customer satisfaction and Net Promoter Score while increasing sales, reducing operational costs, identifying risks, preventing fraud, and ensuring compliance.

About McGee-Smith Analytics

Sheila McGee-Smith, the founder and principal analyst at McGee-Smith Analytics, is a leading customer experience industry analyst and strategic consultant with a proven track record in new product development, competitive assessment, market research, and sales strategies for customer care solutions and services. Her insight helps enterprises and solution providers develop strategies to meet the escalating demands of today's consumer and business customers. She is the contact center track chair for Enterprise Connect, and her views on the market can regularly be found on NoJitter.com and through her Twitter feed [@mcgeesmith](https://twitter.com/mcgeesmith).