

Savanta:

How can telecom providers inspire brand loyalty in future generations?

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Make better decisions

# Introduction

**20% of UK mobile users have never changed provider. This surprising statistic is compounded by a further 35% only changing once every 3 years or less<sup>1</sup>. With UK mobile users reluctant to switch, a key challenge for telecom providers is attracting customers who are new to the market – before they establish network loyalty – this means appealing to upcoming generations. But how can telecom providers position their brand to appeal to the next generation? First you need to know what makes these audiences tick.**

Savanta's Youth Practice and under 30s panel has one core focus: **understanding the next generation**. Each generation demands something different. Millennials wanted brands to be authentic and genuine while Gen Z are holding brands to account. How will Generation Alpha (who were born from 2010 onwards) change the game?

Combining the Gen Alpha and Gen Z expertise of YouthSight (acquired by Savanta in 2021) with Savanta's telecoms focus, we provide a unique client proposition focused on delivering next generation insights to our global list of clients.

**On the following slides we will answer:**


- What's important to upcoming generations when it comes to mobiles?
- What brand elements should telecom providers leverage?
- Which channels offer the best reach?
- And how telecom providers can keep the next generation in mind when designing products and services.

# Why the same approach won't work for future generations

Gen Z is the generation that's changing everything. Those born around the late 1990s and early 2010s – from teens to those in their late twenties – are the generation disrupting how businesses market, sell, build brands and recruit. Heavily influenced by the widespread use of mobiles and smartphones, Gen Z has grown up in a world saturated by technology like no other generation before, and the same will be true for Gen Alpha.

**You can't connect with future generations from the boardroom; it takes data and insight.**



A close-up photograph of a person's hand holding a black smartphone. The background is blurred, showing other people and social media icons like hearts, thumbs up, and various emojis (smiling face, surprised face, heart eyes) floating in the air, suggesting a social media or digital marketing context.

The top 6 things to bear  
in mind when marketing  
products and services  
for the next generation

# 01 Values

Ethical considerations of 16-24-year-olds have an impact on their purchasing decisions. 42% of young adults express a strong preference for buying exclusively from companies they perceive as ethical. They increasingly prioritise supporting brands that align with their ideals. It's not unusual for this audience to boycott brands due to ethical concerns; one in three young adults (34%) have consciously chosen not to purchase a brand's products due to ethical concerns.

To avoid boycotts and maintain a positive brand image, it's important for companies to address concerns related to worker treatment (43%), human rights violations (41%), and environmental protection (40%). These factors encompass the top three reasons why young adults have previously boycotted brands.

Additionally, over half of young adults (54%) exhibit a strong motivation to speak out against issues they disagree with and expect brands to do likewise. This demand for brand activism highlights the growing expectation for companies to take a stand on societal and environmental matters. Young consumers seek authenticity and meaningful engagement from brands, valuing those that actively address and advocate for causes that align with their own values.





## 02 Frictionless UX (User Experience)

Brands need to quickly grab the attention of this cohort of digital natives. You have seconds before impatience sets in, so the experience needs to be seamless. It's important to highlight the way a network can meet their expectations when it comes to UX. We can also learn from companies like Abercrombie & Fitch, which added smart 'Share2Pay' features to its website so that teens can share their basket with parents who hold the purse strings and do the buying.<sup>2</sup> This was developed to avoid basket abandonment issues where teens would add to baskets without being able to pay the bill!

## 03 Personalisation

Upcoming generations value personalisation and are happy for data to be held on them – if – it's used for their benefit. This could partly be driven by their need for a smooth UX. It could also be down to their limited concern or awareness of the potential data risks. Growing up in the digital era, this audience is used to sharing their lives on social media. But there's a caveat here: this could potentially change in the advent of AI and onslaught of deep fakes.

<sup>2</sup> <https://www.linkedin.com/pulse/how-make-online-shopping-hassle-free-teenager-fitch-ritesh/>

## 04 Price

Already hyper price sensitive, Gen Z are happy to sign up to a newsletter for a one-off discount. This sensitivity is compounded by the cost-of-living crisis, with nearly half (45%) of young people saying it is their top political concern.

'Reasonable price' is what 16-24-year-olds value most in a brand (49%), highlighting their desire for affordability. The primary reason young adults prefer to shop online vs. in store is because it's easier to compare prices between retailers (say 64%).

## 05 Trust

Over a third of Gen Z have been exposed to deep fakes online spreading misinformation. There has been a noteworthy shift in the level of trust young adults place in companies in 2023. 41% of this demographic indicate their trust in companies has reached an all-time low. This represents a substantial increase compared to 2019 when only 28% of young adults expressed this sentiment.



45%

said the cost-of-living crisis was their top political concern



## 06 Representation

As the most racially diverse generations so far, Gen Z and Gen Alpha have heightened empathy to marginalised groups. The desire for diversity, inclusivity and representation among 16-24-year-olds is a prevailing sentiment, with 76% either agreeing or strongly agreeing that they seek to be surrounded by different people, cultures, ideas, and lifestyles. This underscores the importance of embracing diversity as a core brand value.



# 76%

Agreed or strongly agreed that they seek to be surrounded by different people, cultures, ideas, and lifestyles.



# Practical ways telecom providers can leverage these insights to win over future customers

Mobiles (and smartphones in particular) have become essential tools for constant communication, connection, and content for this digital-native audience. Here's how telecom providers can inspire brand loyalty in future generations.





## Create 'shadow boards' to keep future generation's needs in mind

Young voices need to be at the heart of decision-making. Whilst General Electric first pioneered the idea in 1999, brands are increasingly creating shadow boards and incorporating 'reverse mentoring' approaches for their young audience stakeholders.<sup>3</sup> Creating shadow boards will hold brands accountable and enable them to share Gen Alpha and Z perspectives most authentically and ensure their voice is at the heart of company decisions.

The wider awareness future generations have for marginalised groups means they appreciate when brands design products with additional needs in mind i.e., packaging designed to be easy to use for people with accessibility issues; inclusion is key.

To resonate with environmental values, brands should prioritise sustainable packaging solutions for smartphones and mobiles, and accessory boxes and other packaging. With 42% of young adults currently engaging in one or two environmentally friendly practices, and another 38% saying they've adopted quite a few environmentally friendly habits, incorporating eco-friendly materials, minimising waste and maximising recycling opportunities are important. By doing this, brands can demonstrate their commitment to sustainability and alignment with future generations ethics and values.

<sup>3</sup> <https://www.bbc.com/worklife/article/20221110-reverse-mentorship-how-young-workers-are-teaching-bosses>

## Take an authentic stand

Is there a role for your brand to lobby the government to protect people online by mitigating disinformation? What about championing the role of sustainability in the sector? We know how much young adults value brands that take a stand, so don't be afraid to have an opinion on topics that align with their values while also being relevant for your brand.

As previously mentioned, representation is important for this audience. People from ethnic minority backgrounds within the Gen Z demographic are more likely to agree that the only person you can trust is yourself (54%) compared to those from a white background (41%). At the root, this is caused by structural racism within British society, and as a result, young people from ethnic minority backgrounds are also less trusting of others and institutions. Consider the additional challenges different groups face and ensure your marketing campaigns reflect the entire UK population.





## **Avoid the pitfalls of 'performative action'**

Upcoming generations are super savvy, so avoid inauthentic engagement at all costs. Companies that try to give Gen Z a voice, don't always succeed. Puma held a sustainability conference with a Gen Z audience to show how they are engaging Gen Z. However, 71% of Gen Z attendees felt their voice was not heard. Refreshingly, Puma took this feedback on board and began a new initiative, which they called 'Regeneration'. The company invited four environmental activists to say how they would approach environmental or social topics, as candid consultants, giving Gen Z a legitimate voice in change.

Transparency and authenticity are critical. Brands and leaders need to own their mistakes. Performative, inauthentic campaigns get noticed for all the wrong reasons. And Gen Z aren't shy about calling it out.

# How telecoms providers can reach future generations

## Social media

There's greater engagement on social media channels where content is watched, not read. In 2023, YouTube is the most liked of the social media platforms, with 82% saying they either love it or like it, followed by Instagram (65%), Snapchat (45%) and TikTok (44%).

## Formats

In addition to visual or bite-sized content hitting the spot, this audience is also open to new tech. When asked whether ChatGPT will change the world, 49% of young adults agreed that it would, while 37% say it's already improved their lives. This highlights Gen Z's enthusiasm for innovative tech solutions and their willingness to embrace AI. Leveraging AI technologies could be a powerful way to innovate and enhance future generation's customer experience.

## Brand collaborations

We know young people love seeing two brands teaming up, as it adds to the personality of a brand. Are there any natural collaboration opportunities you can think of for your brand?

## (De)influencers

HubSpot conducted research that found that 33% of Gen Z had made a purchase based on a recommendation from an influencer in the past three months.<sup>4</sup>

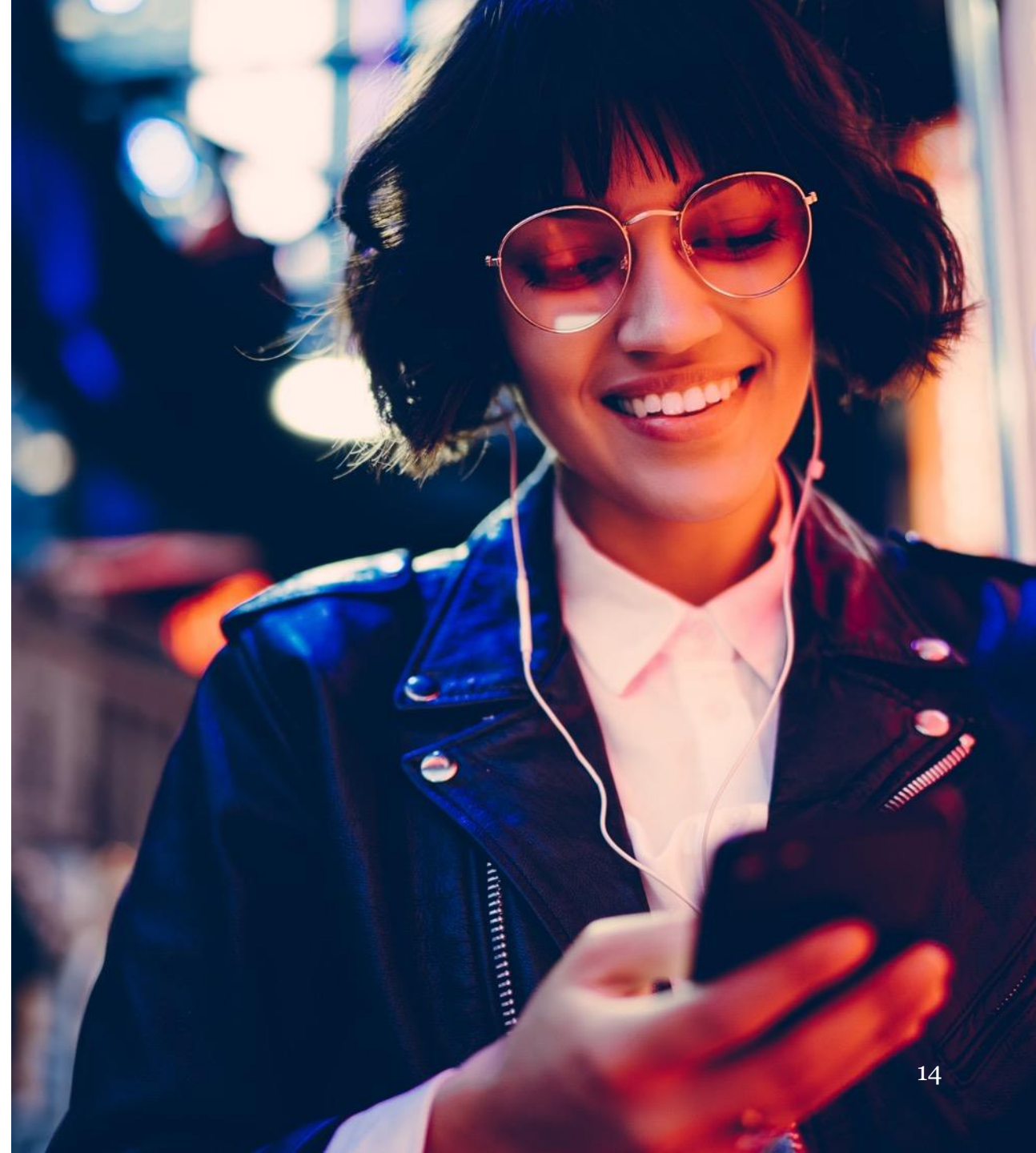
However, we've now reached a point where influencer saturation across channels has given rise to the phenomenon of the (de)influencer – someone that discourages consumers from buying certain products or services using the #deinfluencing tag – as a counter point that's attracted 816m views on TikTok alone.<sup>5</sup> With this in mind, brands must set a careful balance between successfully optimising influencers to market products, while avoiding alienating an already saturated space. Brands need to keep it real and focus on lasting connections – especially as the current transactional approach begins to undermine consumer trust.

# Summary: digital, diverse, and demanding

Generation Alpha are entering adulthood in one of the most challenging times and could turn out to be one of the most unique generational cohorts which has notable implications in terms of how businesses can target them. However, the wider young adult audience (i.e., Gen Z) should not be forgotten as each generation demands something different.

Future-facing businesses must focus on how Gen Alpha and Gen Z adults make decisions, what they value, and how trends influence the cultural barometer. As our whitepaper outlined, these next generations of young adults will be more diverse, engaged, and savvy than any previous generation. They will expect hyper personalisation of their interests and values – pushing beyond mainstream stereotypes of what young adults want – and will expect to see this in the brands, products, and services they use.

Savanta, through our knowledge of technology and future generations powered by our industry leading panel of under 30s, is here to help telecom providers understand these vitally important audiences and how you can best communicate your brand and target products and services that will resonate and inspire loyalty for years to come.



“

Understanding future generations now will enable telecom brands to position themselves to win long-lasting loyalty. Authentically representing values that appeal to upcoming generations will help brands to avoid looking like they are ‘following the money’ when future generations mature.

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Savanta is the full service global market research and data insight company that helps businesses make better decisions.

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