nosto

# From Gen "Me" to Gen "See"

## Dissecting the Generational Connections Between Brand and Consumer

# Table of Contents



# Introduction

Whether you're a brand that caters to a specific demographic or sells to a broader range of consumers, one thing holds true: no two roads to checkout are ever the same.

This is common knowledge for retailers in general, but even more so from a generational perspective. As consumers age and evolve, so do their views on what matters to them (and what is most likely to sway their decision) when making a purchase decision. The elements that inspire and convert one generation of consumer don't always apply to others. This means everything from:

- The channels/platforms where a product is advertised
- The content brands use to relay their message
- The influence of brand leaders and founders
- How consumers view the opinions of their peers

## Survey Methodology

To understand the nuances in generational shopping habits and identify what brands need to create commerce experiences that truly resonate with each generation of consumer, Nosto surveyed 2,000 consumers between the ages of 18-60. Respondents were asked a series of questions aimed at identifying the extent to which they interact commerce brands across a variety of marketing tactics and channels, including:

- Social proof and customer identity
- Email marketing
- Social media
- SMS
- Brand content
- Online events and communities

Survey results are grouped by age demographic (18-29, 30-44, 45-60) as well as by gender in order to identify any overlaps in consumer behavior among women, men and non-binary individuals.

# Social Proof and Consumer Identity

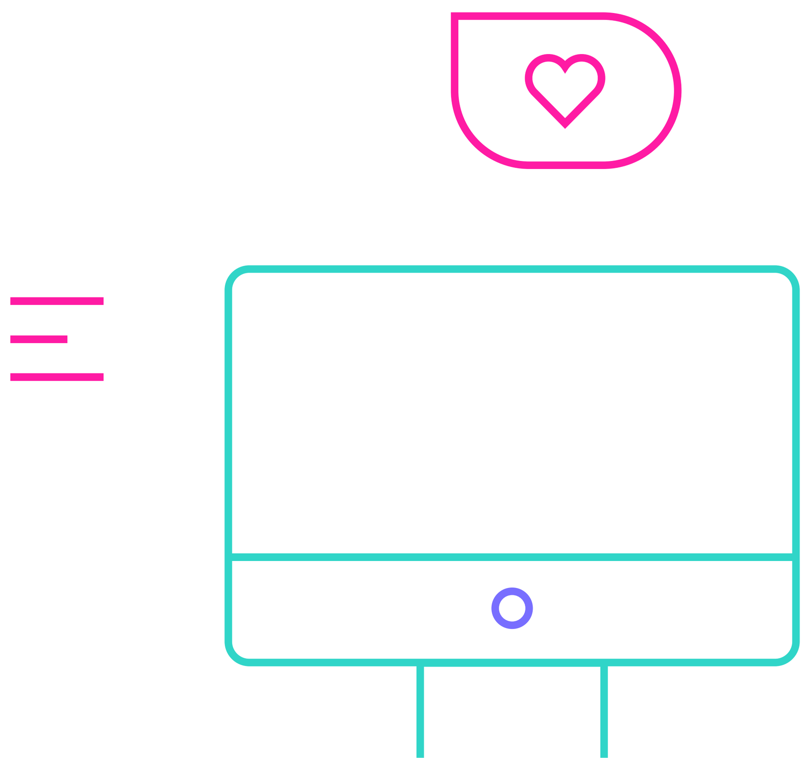
Social proof comes in a number of forms: from onsite product reviews to social media content and word-of-mouth testimonials. For some consumers, it can be the last nudge they need to hit the ‘buy’ button, while others prefer to make their own opinions before trusting the experiences of others.

When it comes to the value and selling power of social proof, older generations of consumers are less swayed by what other shoppers have to say about a brand or a product in order to make a buying decision. Nearly half (45%) of consumers ages 45-60 disagree or strongly disagree that they seek out the opinions or thoughts of other consumers before buying from a brand. This sentiment holds true for consumer identity, as well - the desire to connect with like-minded customers of a brand to steer a buying decision. When looking at the factors that influence a purchase, nearly half (49%) of consumers ages 45-60 are less likely to look towards identifying with other customers.

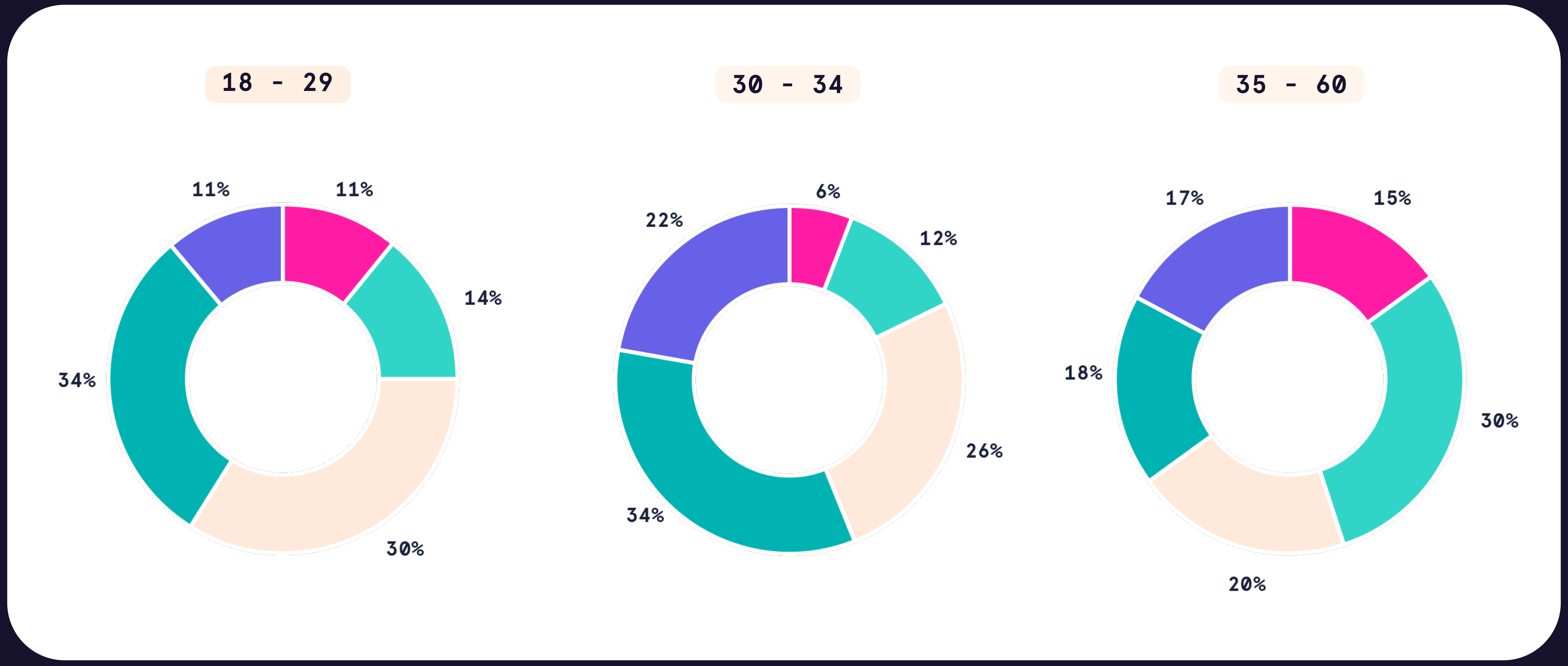
**“As we start to analyze how younger generations react to social proof and consumer identity, the sentiment trends upward.”**

As we start to analyze how younger generations react to social proof and consumer identity, the sentiment trends upward — with consumers 30-44 more likely to lean one way or another in terms of the desire to identify with other consumers, yet among the most likely age group to actively seek social proof when evaluating a brand (56%).

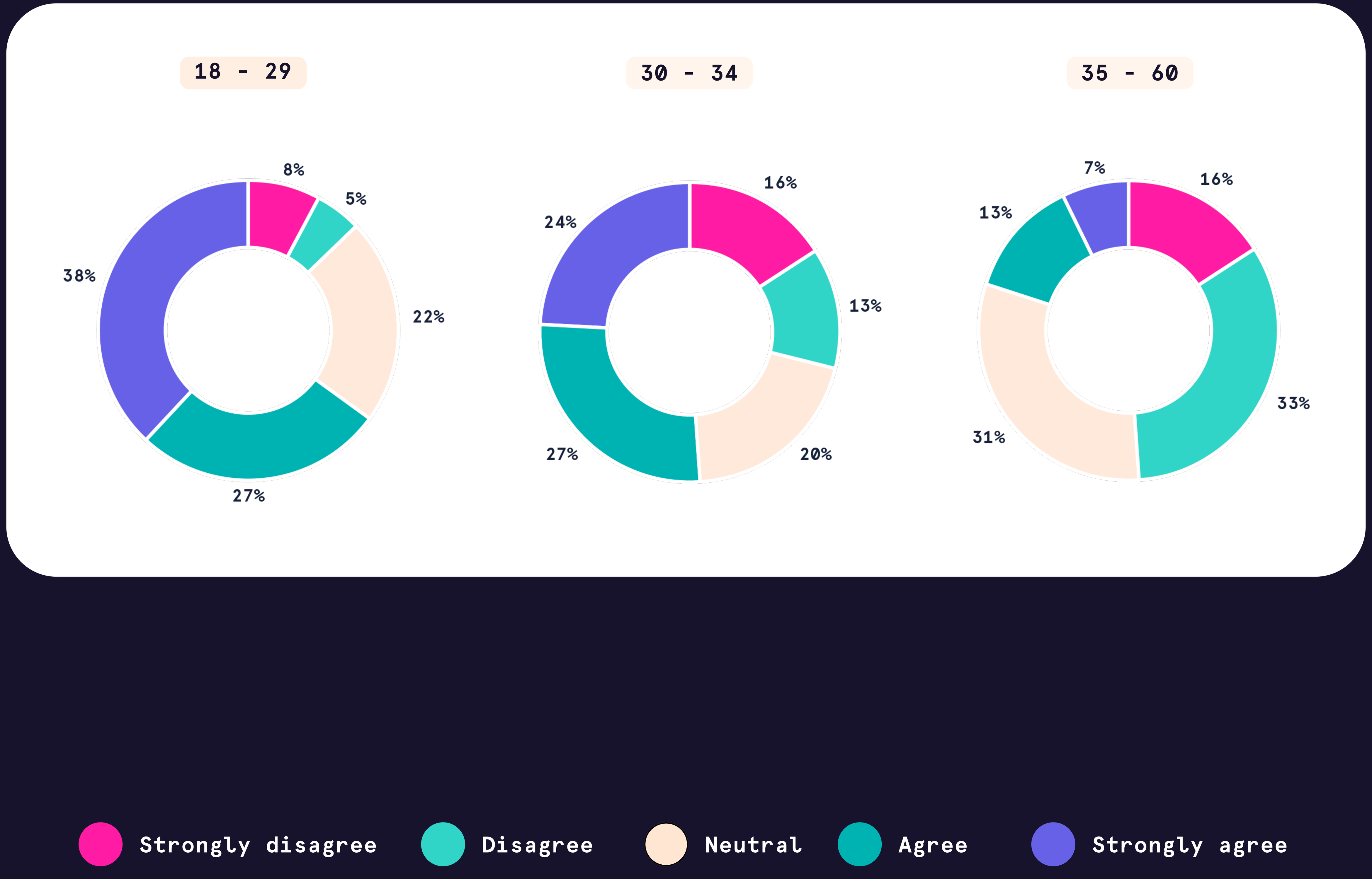
Younger consumers, specifically those ages 18-29 (65%) are finding it increasingly more important to identify with other customers of a brand before they choose to become a customer themselves, though less likely than 30-44 year olds to actively seek out the opinions of other customers before buying (41%). This means that while they do care enough to hear what other customers have to say, how they find and absorb this information differs from other generations (a topic we’ll cover in a later section).



I actively seek out the opinions and thoughts of other consumers before purchasing from a brand way because they are far more valuable to me than what a brand directly has to say.




How much I identify with other customers of a brand plays just as much of a role in my decision to buy from a brand as how much I like the products.



# Product-First vs. Content-First

We're entering an age where brands are leaning more into communalization — building hubs where consumers can network with like-minded shoppers and discover helpful product content. These communities offer a more organic approach to brand promotion, relying less on advertisements and brand-led product education. Activewear brands like Gymshark and Lululemon have mastered this balance, offering active lifestyle content that reinforces the value of their products without sounding overly "salesy". If other brands are able to get it right, content-driven communities have the potential to become the dream retention machine.

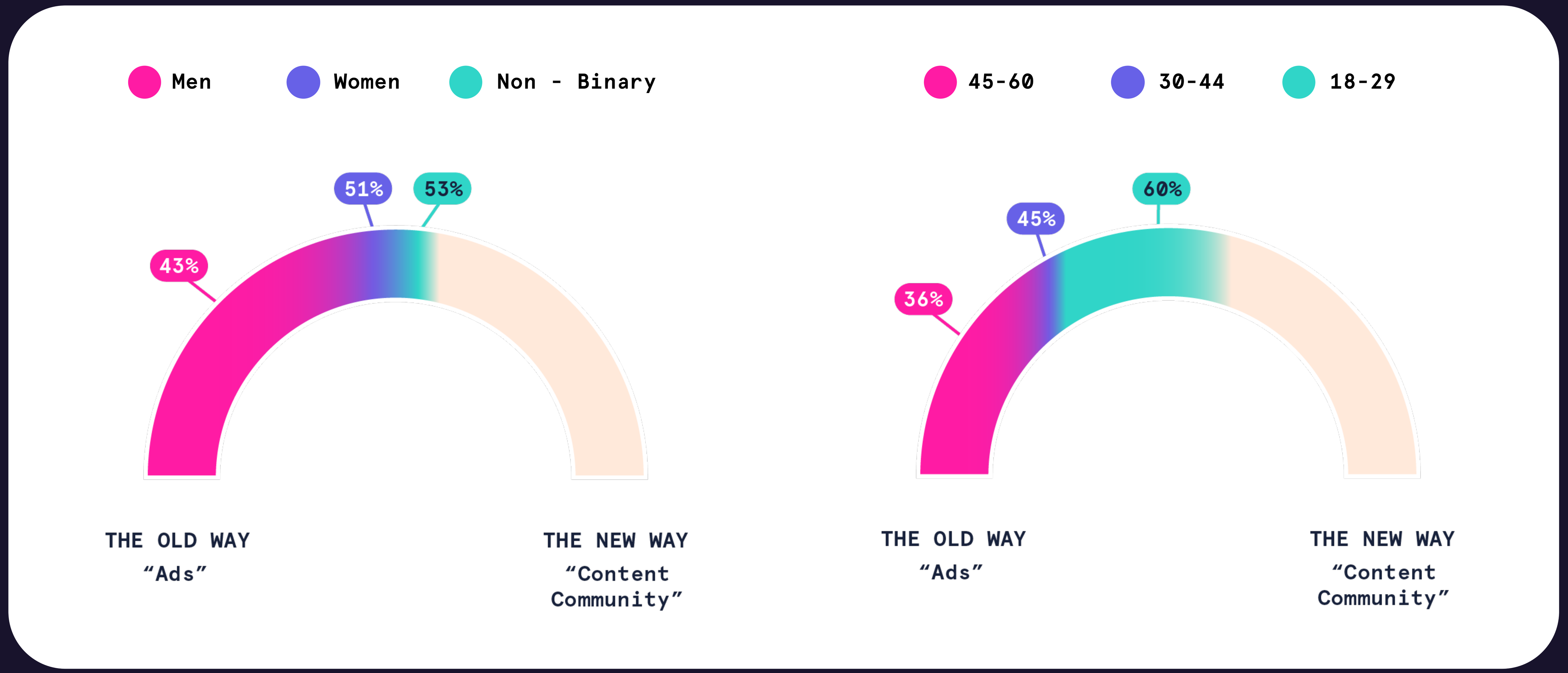
One thing to keep in mind: Communities and content-focused shopping experiences are a fairly recent development, and this fact reflects in the data we uncovered. When asked if valuable content and access to community around a brand play a bigger role in the decision to purchase vs advertisements and brand-led product education, 64% of consumers ages 45-60 either disagreed with or were neutral.

Meanwhile, consumers under age 45 feel the opposite way, finding the content a brand produces to be a better indicator of how they feel about the brand (53% for consumers ages 30-44). Consumers 18-29 lead the charge in this regard, among the most likely to lean towards content and community to influence their purchase decisions (60%) as well as develop love of a brand based on the content they're offered (59%).

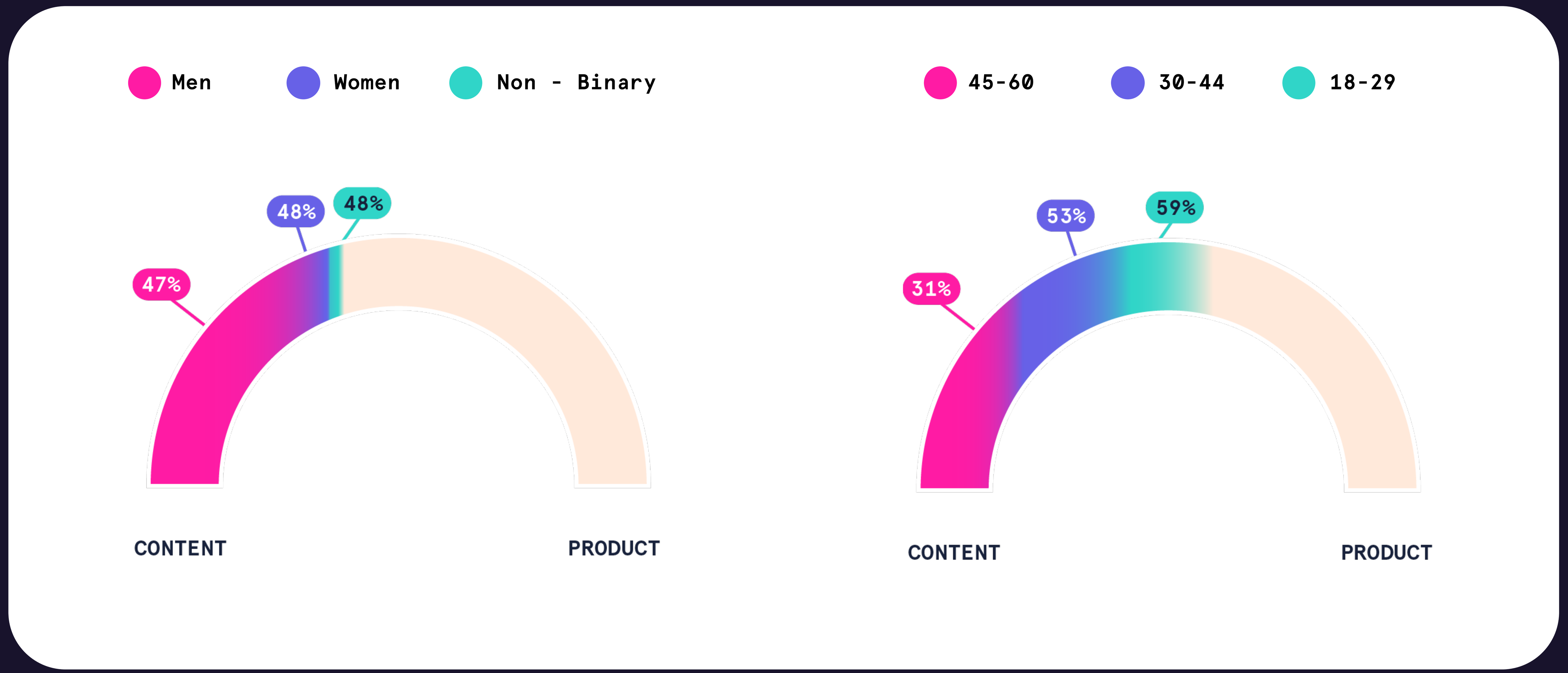
When breaking down this data by gender, women are more likely than men to lean towards content and community (51% vs 43%, respectively). However, both men and women are equally likely to agree that the content a brand produces will facilitate their loyalty more than the products it produces.

**56% of consumers younger than 45** find the content a brand produces to be more important to them identifying with the brand than the products.

Valuable content and access to community around a brand play a bigger role in your decision to purchase something from a brand than advertisements and brand-led product education.




The content that a brand provices for me is far more likely to make me love the brand than its products.



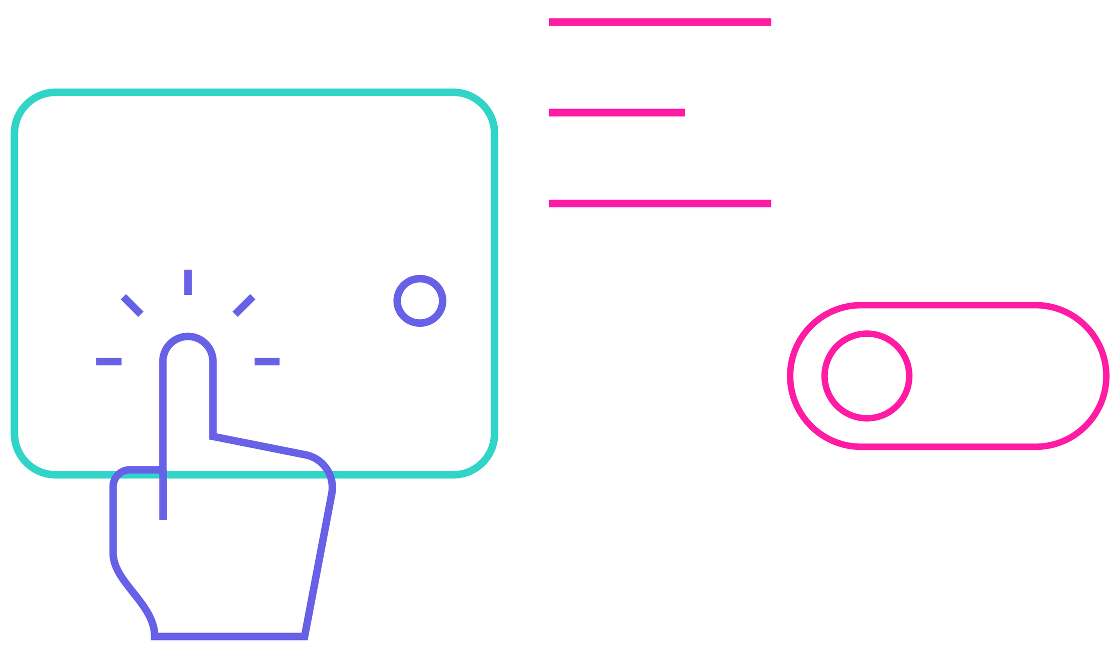
# Building Connections Through Content

From written articles and email newsletters to easily digestible social media updates, today's brands have more options than ever to distribute content to their customers. Brand content comes in many shapes and sizes, and one size certainly doesn't fit all. The format of a brand's content can impact how (and if) a consumer is converted into a loyal customer, with each generation of consumer digesting content in their own unique way. With so many content types available to use, how can brands narrow down their options to the ones that resonate the most?

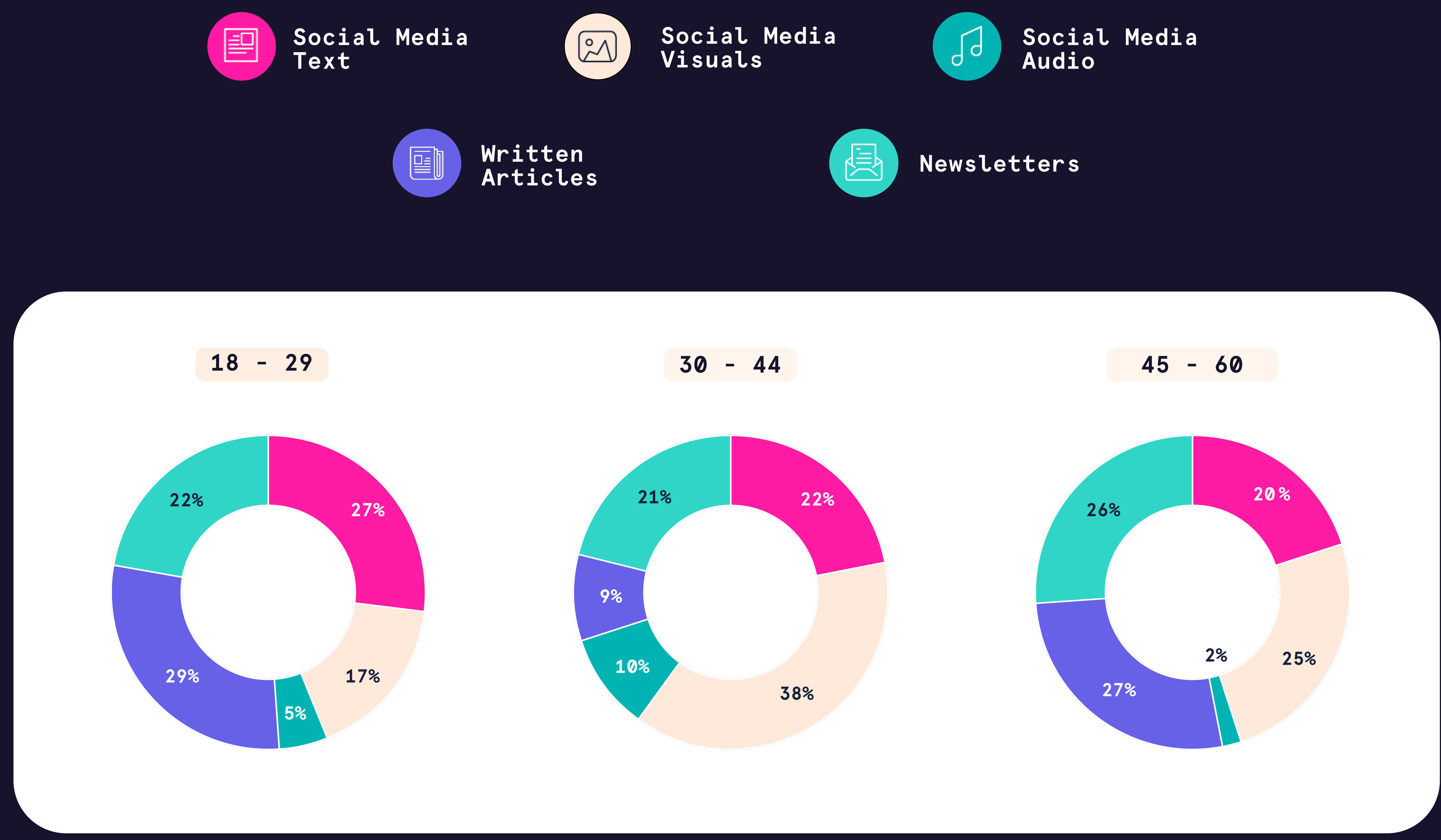
Our data shows that consumers ages 45-60 tend to favor written articles (27%) and newsletters (26%) as their sources of content — the latter more than younger generations. Social media (both text and visual) are pursued slightly less (20% and 25%, respectively) but are still relevant sources of content for these consumers. When subscribing to newsletters, the 45-60 group are most likely to use this content format as a more direct (and slightly less social) way to absorb information. 27% of these consumers use newsletters as a quick way to stay up to date, while 20% use them as a means of hearing about new products or offerings (20%).

Similar to consumers ages 45-60, the 30-44 group also view written articles as their main source of content, though they gravitate towards social media text (27%) more than the older generation. Social media visuals rank also among the lowest content types consumed (17%). When it comes to newsletter content, these consumers are mostly looking for quick ways to consume a lot of content and learn about an interesting subject (30%). Unlike the older generations, they are less interested in hearing about new products or offerings (10%). This data suggests that these consumers prefer more text-based content (51% total) rather than visual content (17% total).

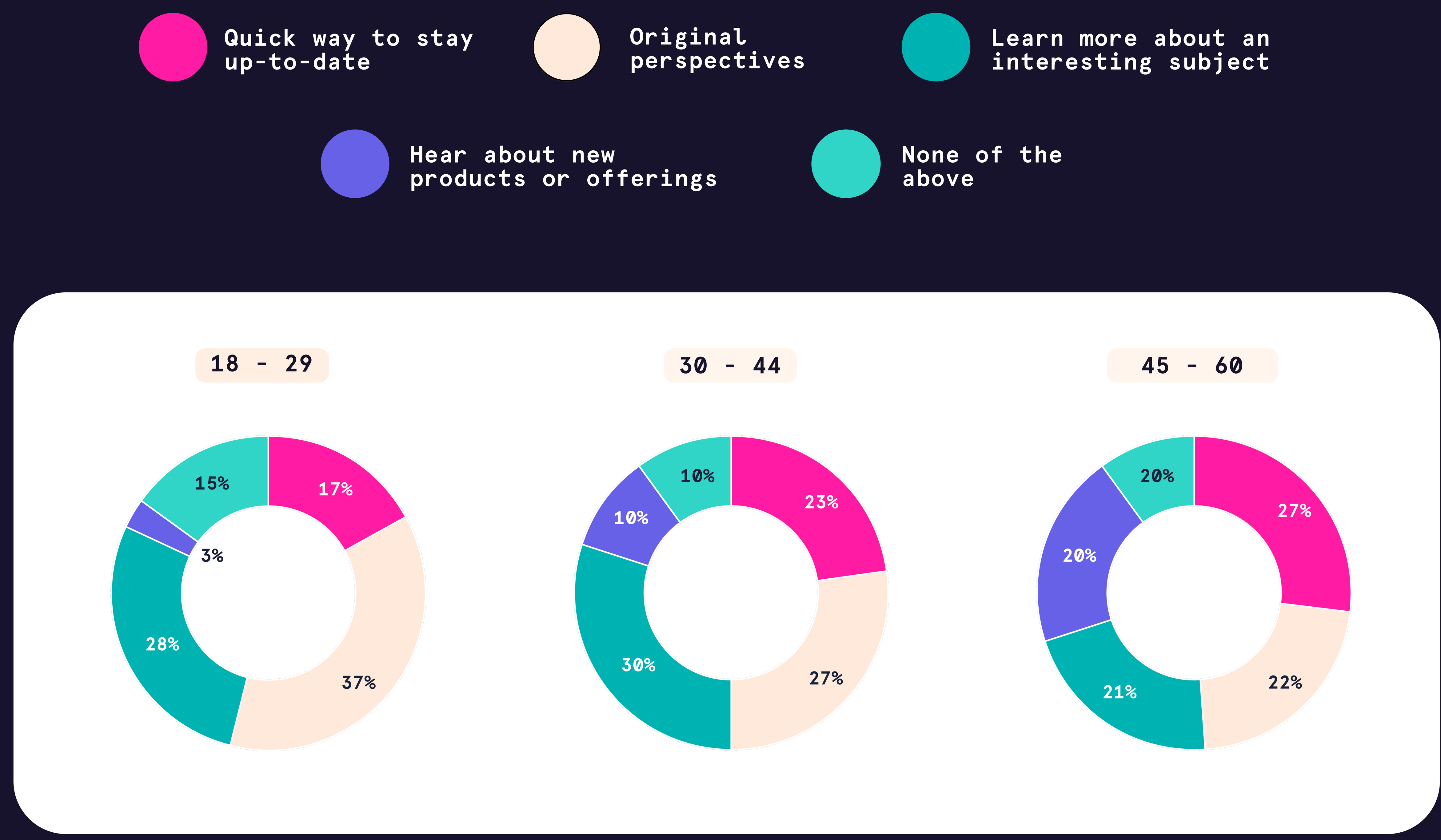
The largest shift to visual and social content is seen among consumers 18-29; only 9% read full written articles. Additionally, they are twice as likely to consume social media audio content than consumers 30-44 and five times as likely than consumers 45-60. Though it appears consumers 18-29 are the least likely to dedicate time and effort to long-form content, they do still subscribe to newsletters (21%) and are the most likely to use this channel to learn new perspectives or information (65%). They are also the least likely to subscribe to newsletters to hear about new products or offerings (3%).



## What type of content do you most consume?




## If you currently subscribe to any, what is the main reason you subscribe to newsletters?



# Top Channels for Product-Based Ads and Content

Brands are always looking for new ways to meet customers where they are - whether that's through email, social media or developing channels like voice chatrooms and SMS updates. While we've talked about the importance of more organic brand content, the reality is that ads and product placements are necessary to drive exposure. With that said, which channels should brands focus on to increase their ROAS and brand visibility? Let's look at the marketing channels and formats that each age group is most likely to engage with.

Nearly half (42%) of consumers ages 45-60 look towards email as the top channel to engage with ads and brand placement, followed by social media (33%). While consumers ages 30-44 also view email as the top marketing channel (32%), the effectiveness of social ads on these consumers dipped for this group (20%).

"When we look at the younger generation of consumers, email marketing starts to become less effective and community-driven channels like influencer marketing and social media come into play."

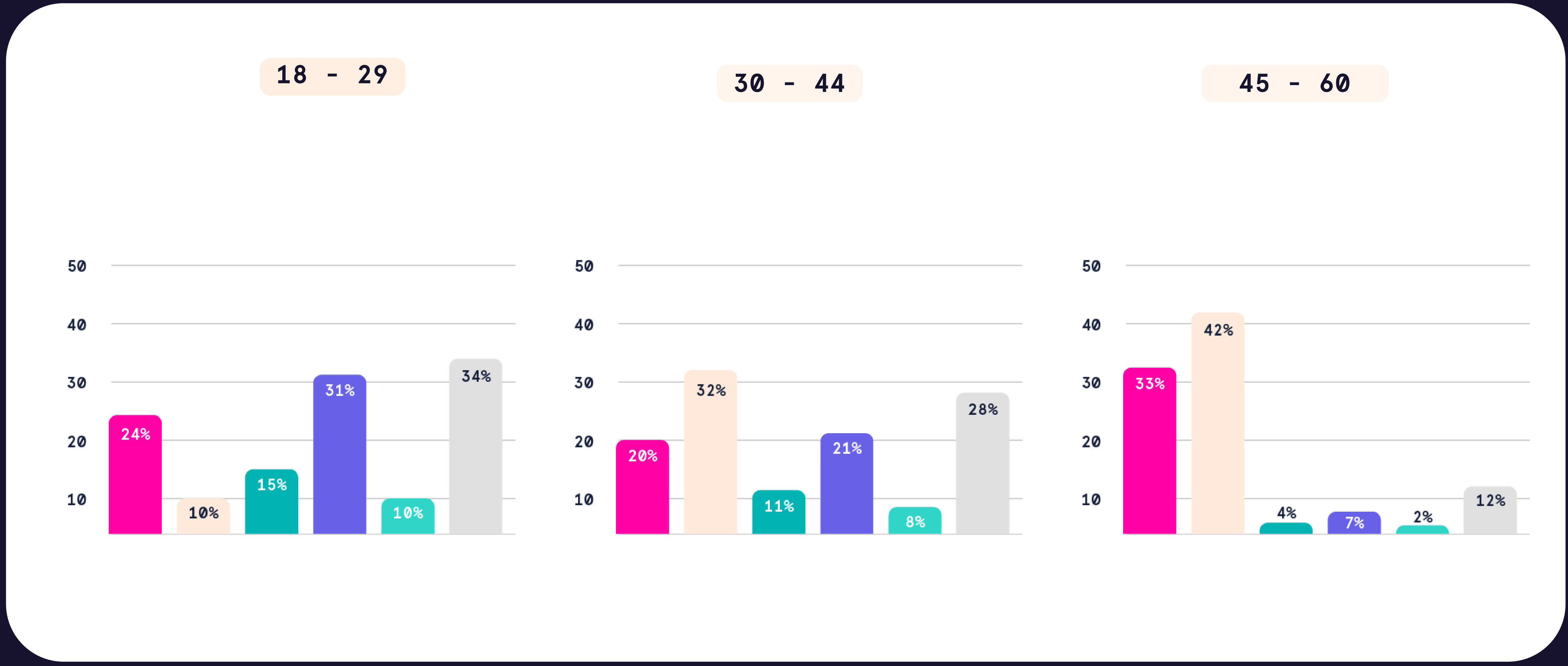
When we look at the younger generation of consumers, email marketing starts to become less effective and community-driven channels like influencer marketing and social media come into play more. Consumers 18-29 lead the way in terms of paying attention to influencers when consuming product-focused content or ads (31%). SMS marketing is also used the most among consumers in this age group, though this channel is still growing in popularity and not yet a leading marketing channel.

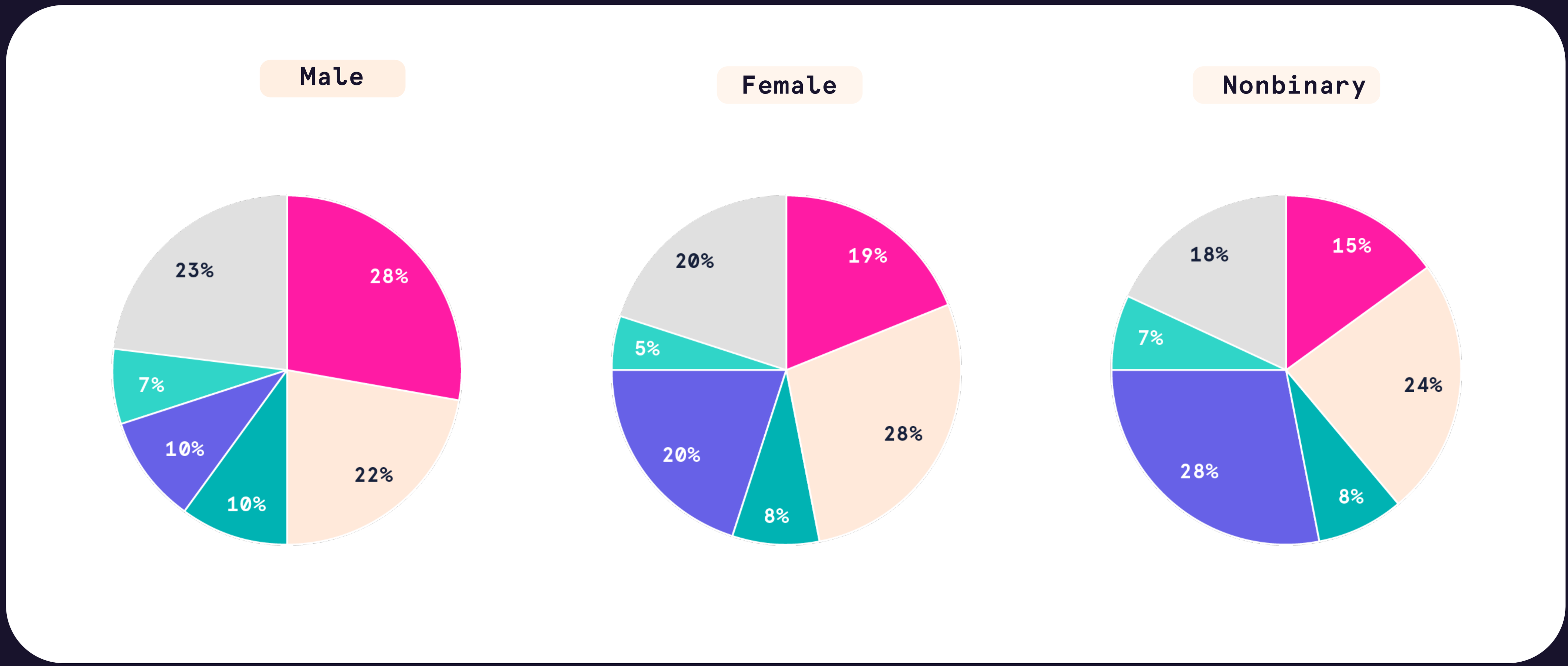
In terms of preferences by gender, men (28%) pay more attention to social media ads than women (19%), while women pay more attention to email marketing and influencers than men. However, nonbinary consumers are the most likely to pay attention to influencer marketing between the gender breakdown.

One common trait among consumers of all age groups and genders: voice chatrooms ranked the lowest across the board. This channel still has a way to go before it makes a positive impact on product placement and advertising.

## What ~~marketing channel~~ do you most pay attention to advertisements or product placements or currently?

Social Media Ads
Email
SMS
Influencers
Voice Chatrooms
None of the Above



# The Influence of Brand Founders, Leaders and Stories

As we enter the age of communalization and creating more human connections between brand and consumer, marketing channels and formats are going beyond showing product, peer or influencer-based content. More and more brands are leveraging their company mission and the people behind the brand - from founders to leaders in the industry - to drive their message across. This can be seen across a variety of formats: from exclusive online events where consumers can interact directly with brand leaders, to platforms like Clubhouse and Twitter Spaces.

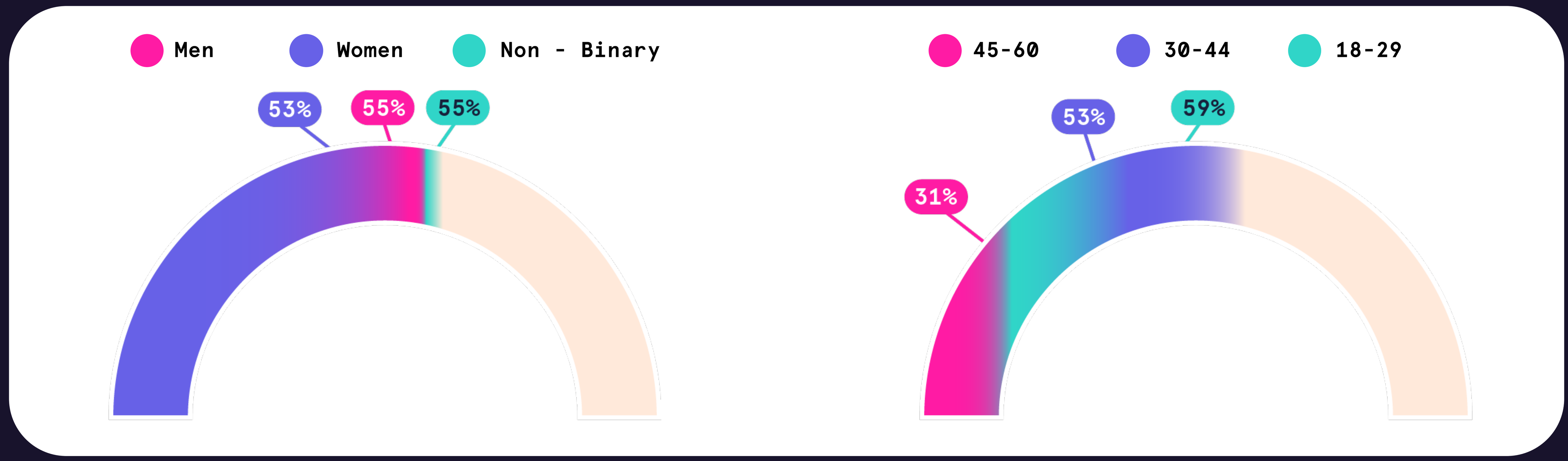
Let's look at the importance of brand story and mission on consumer purchasing decisions and the ways consumers are most likely to interact with brand leaders.

Survey results showed that, for consumers ages 45-60, the people behind a brand, story and mission resonate the least — with 72% of these consumers saying that these factors aren't as important to them. The ones who do value these factors tend to consume content from brand founders or leaders mostly via LinkedIn posts (29%) and messaging board communities (21%). In terms of attending online events that allow them to learn from and about the people behind brands that they're interested in, more than half (52%) of 45-60 year-old consumers do not take part in these events.

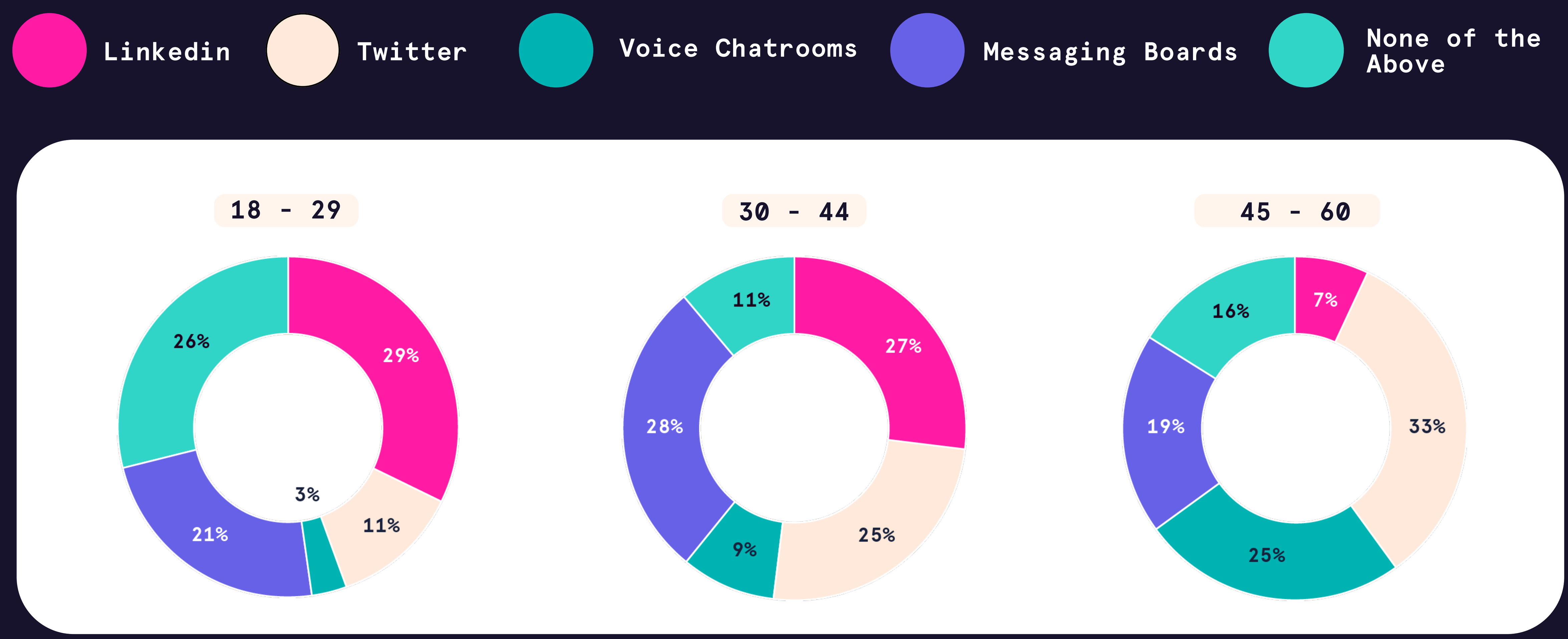
Consumers ages 30-44 were among the most likely (53%) to feel like the people behind a brand, story and mission is just as important to them as other customers. This group is also much more likely to consume content from thought leaders via messaging boards (the most likely among all age groups and LinkedIn. They are also most likely to engage with one or multiple formats to consume brand/leader-driven content (89% total). Unlike 45-60 year-olds, this age group is more interested in participating in online events where they can learn from/about the people behind a brand.

Similar to the 45-60 age group (and probably one of the few similarities these two generations share), consumers 18-29 (40%) are less likely to believe the people behind a brand (and their story and mission) are as important to their purchasing decision as the customers of the brand, yet they're increasingly willing to participate in events and interact with formats that expose them to this type of content. In terms of the specific formats they use to hear from brand founders and leaders, 18-29 year olds consume this content most on Twitter (33%) and on voice chatrooms like Clubhouse (25%). In fact, this generation leads the way in using voice chatrooms (25% vs 9% of consumers 30-44 and 3% of consumers 45-60). This indicates that while voice chatrooms are still on the rise, brands are most likely to see more interaction among younger consumers.

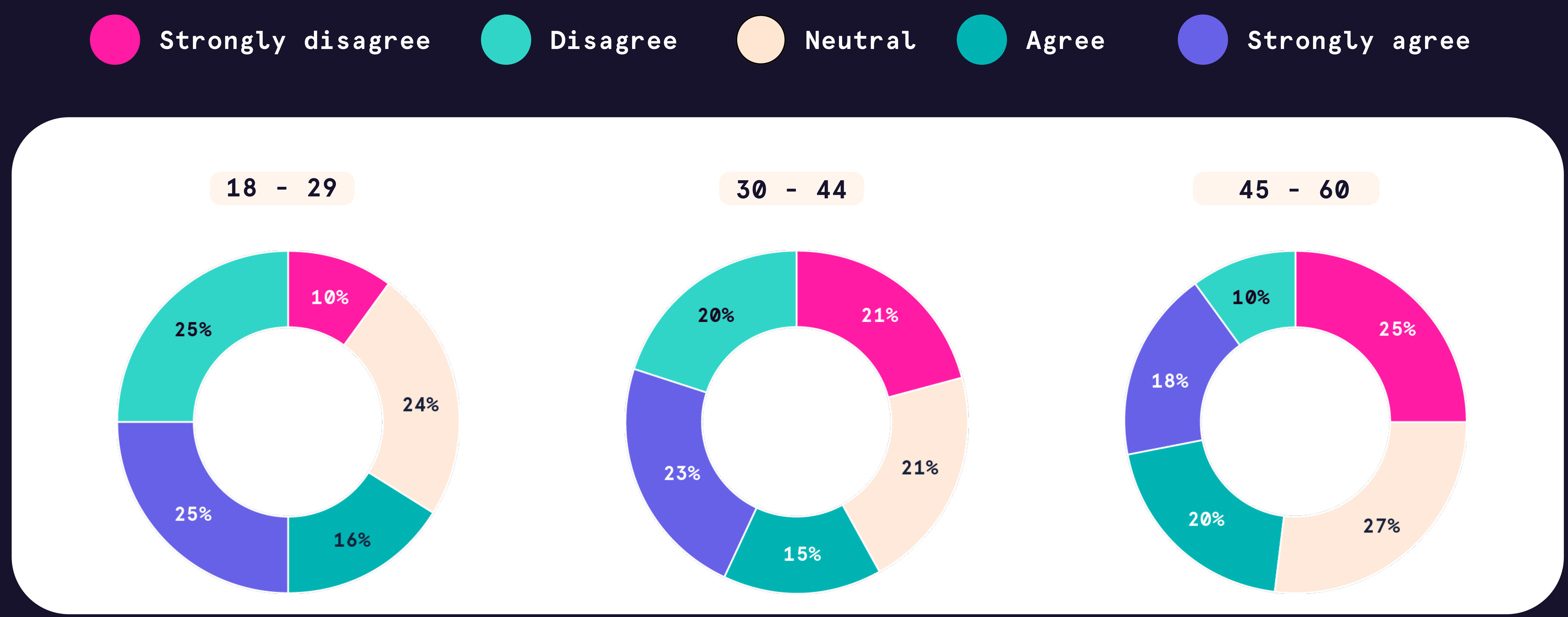
The people behind a brand, their story, and the mission they're on is just as important to me as the type of people who are customers.




Which of these formats do you most consume from brand leaders?




I attend or participate in online events that allow me to learn from and about the people behind brands that I am interested in.



## A consumer report by Nosto

Nosto enables retailers to deliver carefully merchandised, and meaningfully personalized, shopping experiences at every touch point, across every device. An AI-powered Commerce Experience Platform designed for ease of use, Nosto empowers retailers to build, launch and optimize 1:1 omnichannel commerce experiences without the need for dedicated IT resources or a lengthy implementation process. Leading commerce brands in over 100 countries use Nosto to grow their business and delight their customers. Nosto supports its clients from its offices in Helsinki, Berlin, Stockholm, London, New York, Los Angeles and Paris. To learn more, visit www.nosto.com.