

What does 'Growing Up Digitally' mean for Gen Z

And what are the implications?

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3 September 2018



Who are Gen Z?

What are they like?

What makes them different?

What is the issue?

Why does it happen?

How can we resolve



Generation



iGen
n

Screenagers
s

Generation
Connected

Digi
Innovators

The
Zeds

Centennials

Dot Com
Kids

Gen Z: The iGen



From 1995 ...

...to 2010



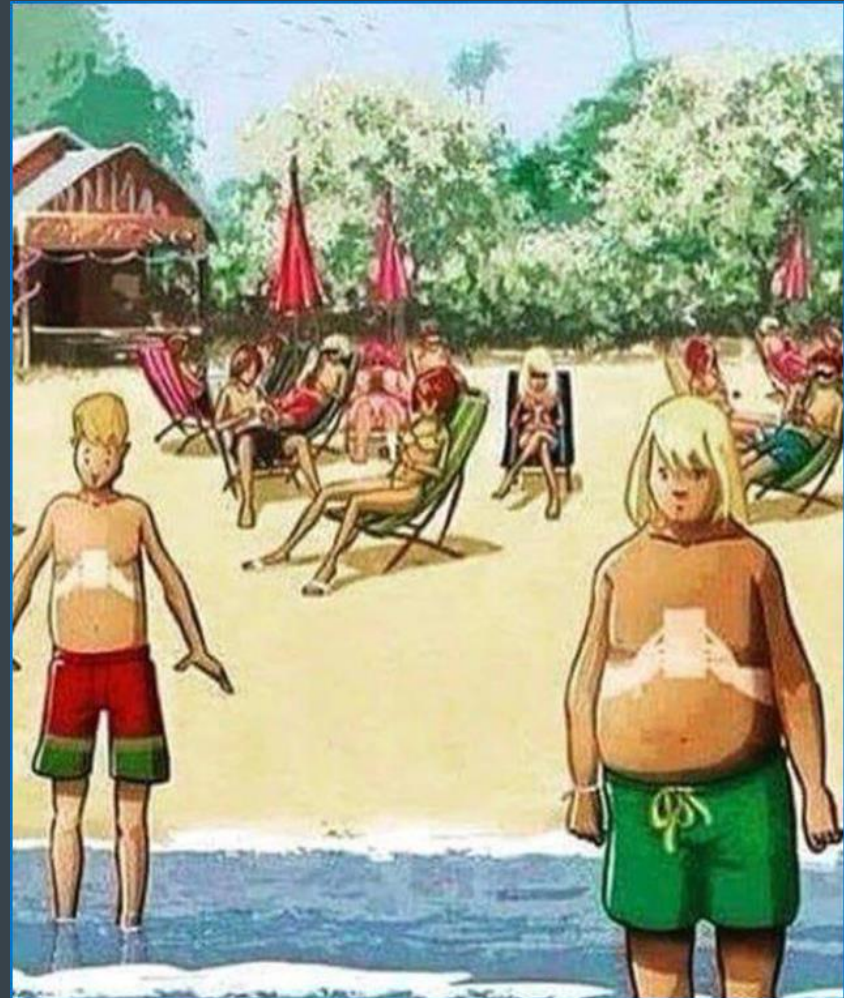
My parents haven't cleaned my room in weeks.

And they say **we're** lazy.

I've Become My Parents.com

Rootstock
11-3-2013

Tan lines of the new generation



We mock and judge...

- 2 billion globally
- 31% of the workforce by 2025
- 5 careers, 17 jobs, 15 homes
- Will develop industries that might make our lives easier

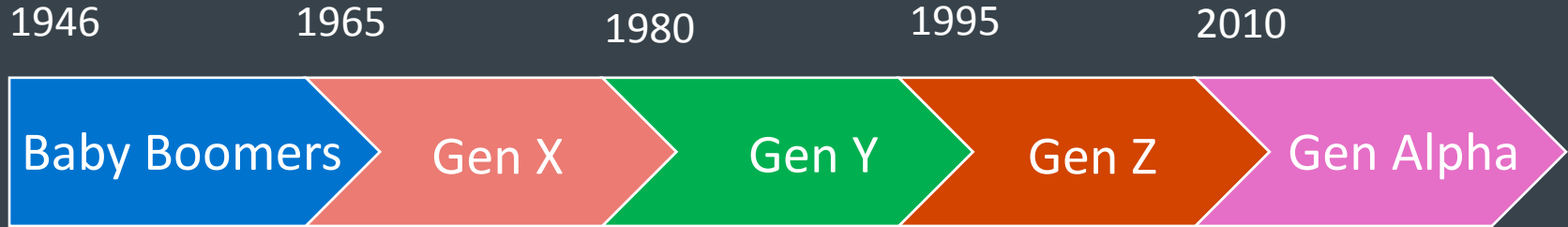
“Our fight for an evolved Singapore will continue to warrant dirty looks from the generations before, but I’m confident in what we’re doing. I can only hope it amounts to something – just as how the baby boomers gave us a clean and modern country to live in.

As the butt of everyone’s critics and jokes, we must not subject generation Z to the same fate. Let’s stop the generational hatred. No more mocking our juniors for having less of a childhood because of their tablets.

We must not fear the change that comes with the upcoming generation of youths. We must be willing to lend them the support when it’s their turn to lead the nation”

A Millennial

The Generation Game



Old and judging.
Rebels.
Loads of them.
Parents to Gen Y

Analog to digital.
Lazy, pop culture.
Post boomers
Lost/latchkey gen.

Millennials.
Tech dependent
Assertive, needy,
depressed

!

Pioneer Gen

Work life balance
Entrepreneurs

Generation



The first 'born digital Generation'



Have grown up in a **connected world.**

Unlike millennials, Gen Z never experienced a world without digital access.

Negative things



- They look down not up*
- No sense of 'reality'
- Don't appreciate the world, nature
- No attention span
- Relationships suffer

*Mobile natives. 95% of teens have mobile phones compared to 73% in 2014

Positive things

- Less smoking, less drinking, less teenage pregnancy – antithesis of BBs
- More embracing, more pragmatic, more optimistic, more truth seeking, more giving, more private
- They expect better: trustworthiness, truth, relatability
- They're savvy

- And they're young



Interesting Gen Z stats

- Entrepreneurs: 55% want to start their own company mostly to help solve world problems.
 - In SE Asia much higher: Indonesia (88%), Thailand (69%), Malaysia (66%), and Vietnam (63%).
- Work over college. 60% globally. Even higher in Asia
 - 59% will seek companies willing to educate staff with no degree, and you have a picture of a global group of teenagers willing to look beyond the traditional path to worldly success.
- The average Gen-Z teenager uses 4.1 social-media channels, with the Asia-Pacific regional average at 3.4. Respondents from China and Indonesia (with averages of 3.1 and 2.9, respectively) were the most selective users of social media, while Singapore's average of 5.8 put it on top (along with Norway)

Glimpse into Gen Z in the region

Vietnam

- Prefer to be inside
- Live by the mobile phone
- Don't trust the internet but live by it
- Not concerned with just themselves
- Perpetual children
- Confident and knowledgeable

Malaysia

- Digitally popular, physically awkward
- Live by the mobile phone
- Don't trust the internet but live by it
- Not concerned with just themselves
- Perpetual children
- Confident and knowledgeable

Digital in South Asia

Key Digital Statistics from:

Singapore, Malaysia, Vietnam, Thailand, Indonesia, Philippines

Total
Population



573.81

MILLION

Active
Internet Users



350.61

MILLION

Active Social
Media Users



331.8

MILLION

Unique Mobile
Connections



390.82

MILLION

Insight: SE Asia has a huge population that are active social media users

Top Social Media Platforms in SE Asia

Country	Facebook	Twitter	LinkedIn
Singapore	3.74 million	1.2 million	1.15 million
Malaysia	16.8 million	7.2 million	4.56 million
Indonesia	53.3 million	35.1 million	20.8 million
Vietnam	33.55 million	13.2 million	7.15 million
Thailand	38.25 million	19.38 million	9.18 million
Philippines	38.19 million	20.1 million	12.73 million
Total	183.83 million	96.18 million	55.57 million

Attitudes to smart devices

- Baby Boomers see phones, tablets, and other devices as distractions, Millennials use them to collaborate and innovate in real time.
- Gen-Xers social sharing as an unhealthy mix of the personal and professional
- Millennials see it as a way to gather input and learn from others. Collaborating in real time
- Gen Y understand, embrace and are evolving with our exponentially expanding digital world.
- Instead of judging their behaviour, we need to better leverage it

Compared to Millennials

- Gen Z do it to fill time; have fun, be entertained. Gen Y to stay in touch
- Gen Z less social media platforms but more time on them
- Gen Z - Instagram and Snapchat. Gen Y - Facebook and Twitter
- Both like snackable but Gen Z want unobtrusive content



Digital in Singapore

Singapore Consumer Digital Statistics:



59%

Singapore's social penetration rate more than double the global average (26%)



2.1
HOURS

Average number of hours per day spent by social media users in Singapore on all social media channels



46.2%

% of Singaporean who first research product reviews, user experiences and comments through social media such as Facebook

Social Media Singapore 2015: HashMeta

<http://www.hashmeta.com/social-media-singapore-infographic/>

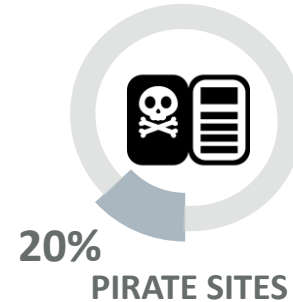
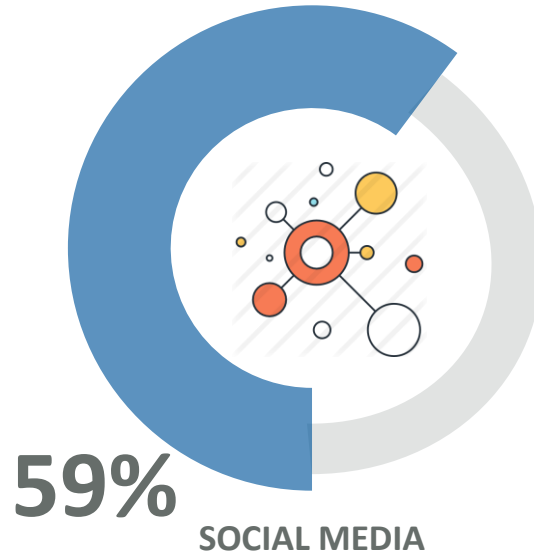
Singapore among most active on Social Media :Today Online

<http://www.todayonline.com/tech/singapore-among-most-active-social-media-report>

metia

Digital in Singapore

Singapore Youth Digital Statistics:



Over-the-top video viewing was concentrated on online videos and social networks, such as Facebook and Instagram.

OTT Video Consumer Study 2015: IMDA

<https://www.imda.gov.sg/-/media/imda/files/inner/about-us/newsroom/mda/documents/for-public-release-ott-video-consumer-study-2015-51.pdf?la=en>

Does any of this make Gen Z more likely to share or copy illegally?

7 out of 10 young Singaporeans aged 16-24 are actively downloading music movies and TV illegally

- 6 out of 10 adults aged 16-64 have admitted piracy download
- 45% – 50% of all respondents admitted access to unlicensed sites
- Ranked 9th globally for online piracy



The Pirate Bay WARNING!
Lawsuits and Huge Fines in Singapore!

Do NOT download any torrent before hiding your IP with a VPN.

Your IP:

[Hide Your IP Now](#)

Governments, hackers and corporations can record your activity whenever you're online. A VPN gives you back your privacy.

Digital piracy

- Digital pirates continued to swarm over entertainment in 2017, even with the rise of legal streaming services like Netflix and Spotify.
- **300 billion** visits globally to piracy sites 2017, up 1.6% from 2016. But while illegal streaming and downloads of TV shows and music increased in 2017, film declined,
- TV accounted for more than one-third of the reported global piracy activity, with **106.9 billion** visits, followed by music (**73.9 billion**) and film (**53.2 billion**).
- About 87% percent of visits to piracy sites are via mobile devices, compared with 13% percent from desktop computers.

Why does it happen?

'I wouldn't pay for content that can be streamed online easily. Maybe creators can think of other ways to monetise their content'

Why Gen Z might consume pirate content

Enablers

- Internet
- Smart devices
- Social media
- Business stagnation

Psychographics

- Everyone is doing it
- It's cool: I'm a rebel

Influencers

- Peers:
 - Friends, School, Work
- Society, Governments, Cultures

Economics

- Genuinely cannot afford or price wrong
- Always take the free option



MUSIC

Music insights

- For 20 years, piracy was the disruptor in music. But things have changed.
- Streaming...it's easy to access and economics have made it affordable for many
- Coupled with the expansion of internet access and bandwidth, and smart devices, the trajectory is up
- But some evidence shows that global piracy visits increased in 2017. 15% YOY according to Muso. Is that significant or just a result of more people with more access opportunity?
 - Local market differences
- Clearly traditional models of entertainment consumption are reducing
- Content is also evolving...serialisation, playlists
- Social, attitudinal, economic and technological factors contribute to the continuing rise globally

Music – expensive to produce but cheap to re-produce

- In 2017 streaming revenue \$6.2b overtook \$5.2B physical format, arresting download piracy that hit CDs. Third straight year of growth and now recovering to two thirds of the 1999 peak
- But platforms are taking the biggest piece of the pie. Disparity with rights holders. Youtube paid \$857m and Spotify \$5.5b
- Globally still much to exploit/explore. Superstars can come from anywhere
- New music is far more accessible. Good music always relied on good marketing (WoM) and opportunity

- **Production, Distribution and Pricing models have to evolve in order to create new revenue models**

Music makers

Influencers

House
musicia
ns

Live acts

Recording
artists

Reproducti
on
Vinyl,
Tape, CD,
download,
streaming



Broadcasters

Retailer
s

Record
labels

Techies
Pirates

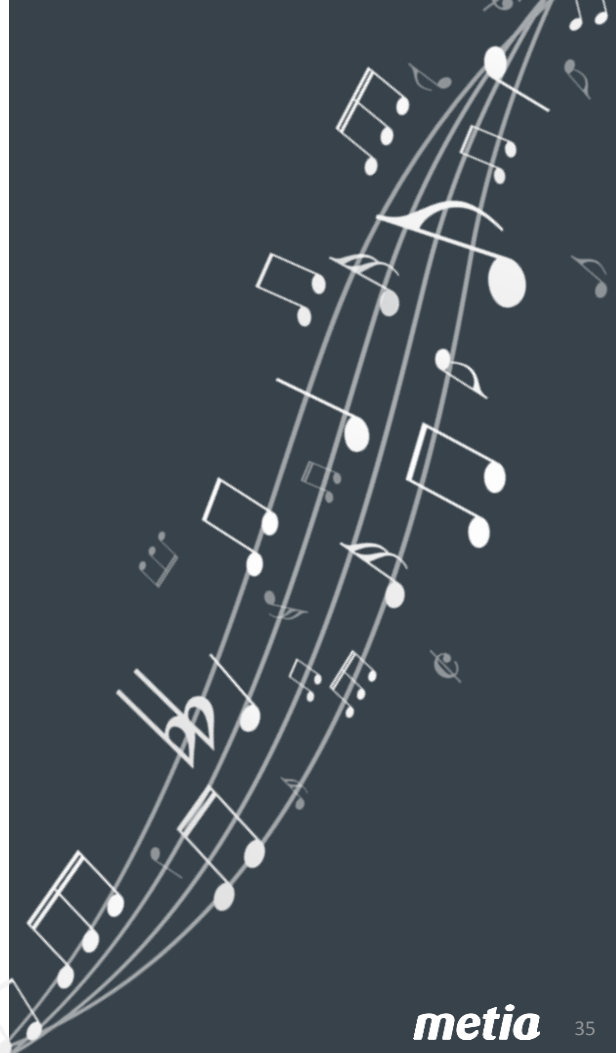
Conflict?

- Are people more inclined to download for free now than before?
- Is it easier than before?
- If you could stop someone consuming it for free, would they buy?

How can we resolve it

Issues to overcome

- It's free (or cheap)
- Often easier to access: not readily available in a region, or easy enough to access
- Lack of limits/disincentives stopping pirates
- Lack of understanding about the impact of piracy
- It's become the social norm
 - "I'm still a student, and I don't have a lot of money... Since I have an option that gives me the drama episodes earlier and for free, it's obvious why I'd choose that over something I have to wait longer and pay for"
- Money is tight
- Thrill of the chase



Carrot v Stick



Preventing digital music piracy

American Marketing Association: Sinha and Mandel

Negative incentives

v

Positive incentives

A consumer's Willingness to Pay



Negative Incentives

Based around the probability of being caught: uncertainty
Adverse consequences: punishment

Research showed that whilst a consumer's perceived risk of getting caught downloading illegally decreased their tendency to pirate... a 10% increase in perception of risk led to only 0.03% change in behaviour



Positive Incentives



Would piracy decrease if legal alternatives were ‘better’?

Enhanced functionality on a legal website decreases a consumer’s tendency to pirate a digital song

- Improved functionality
- Easier access
- Product differentiation – think playlists

Conclusion

- Is the rise of copyright breach the fault of the current young generation?
 - The young are usually poorer but this group seem more trustworthy
- Technology has been the enabler
 - Access to broadband and smart devices has grown significantly.
- Traditional v new markets
 - In the developed world, legal alternatives have grown. If priced right then they will succeed. Gen Z has shown traits that it cares about honesty, more so than perhaps other generations – they're not rebels like Gen X, nor do they display entitlement like Gen Y
- Business has to evolve: eg. revenue, distribution, pricing
 - Cinema
 - New artists

Conclusion

- Prevent it through
 - Technical
 - Legal
- Embrace it and encourage legal alternatives

- **Make the legal way the best way...better product, better experience**

Why don't you all fade away
Don't try dig what we all say
I'm not trying to cause a big sensation
I'm just talkin' 'bout my generation



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Sources

- Huffington Post
- Mccrindle
- Universum
- Decision Lab
- Muso
- Sycamore Research and Insight Asia 2014
- Cable and Satellite Broadcasting Ass of Asia
- *Why Gen Z Is on The A List for E-Cpmmerce Marketers*
- <https://www.forbes.com/sites/forbescommunicationscouncil/2018/07/03/why-gen-z-is-on-the-a-list-for-e-commerce-marketers/#7ea28dd7c7b4>
- *Time to Wake Up To The Next Consumer Powerhouse: Gen Z*
- <https://www.forbes.com/sites/forbesagencycouncil/2018/07/23/time-to-wake-up-to-the-next-consumer-powerhouse-gen-z/#57a8d1af53f4>

Conclusion

- Clearly the stats show that copyright breach is on the rise
- But is this the fault of the current young generation?
- Probably not. Technology has led the horse to water but what makes it drink?
- I don't think it is their attitude. Granted young people do this activity but that's generally because they've not much money
- Who are the new people downloading/copying illegally? Developing world most likely, as access to broadband and smart devices has grown
- In the developed world, legal alternatives have grown. If priced right then they will succeed. Gen Z has shown traits that it cares about honesty, more so than perhaps other generations – they're not rebels like Gen X, nor do they display entitlement like Gen Y
- The entertainment business needs to continue to evolve – as any industry does
- How do we stop them? Make the legal way the best way...but it must have better product, better experience