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Brands must rethink targeting to embrace personalisation

Brands looking to embrace a mass personalisation approach to marketing need to rethink their generational targeting strategy in order to drive consumer engagement and business growth.

Targeting by age is still the accepted practice across many advertising categories. However, with fundamental shifts in media consumption and trading, combined with significant changes in life stages and consumer behaviour, Zenith believes that targeting by a traditional demographic approach is no longer effective when the goal is serving relevant advertising and personalisation of experiences at scale.

In its latest report, *Generation Z is Not the Next Big Thing*, Zenith advocates rethinking targeting to take a 'perennial' approach. The term was coined by marketing guru Gina Pell, and, embracing this, Zenith believes that marketers need to shift their focus from age in favour of mindset, behavioural change and disposable income.

In the report, Zenith argues that targeting by age is no longer effective when many cultures around the world are seeing changes in the pattern of life events. As creatures of habit, we are most receptive to new brands when experiencing a life change. Historically, some of the most defining changes happened before the age of 35, but now as we are living longer and having more and different life changes, just targeting the young is no longer appropriate. As estimated by The Human Mortality Database in 2018, half the babies born in wealthier countries since 2000 may reach their 100th birthdays.

The rules are also changing when it comes to disposable income. Today, many young people around the world are struggling to find work and don't have the same frivolous behaviours or spending habits of previous generations. According to the Bureau of Labor Statistics, 16 to 19 year olds will represent just 26% of labour participation in 2024, compared to 52% in 2000. Equally, older generations are becoming ever more determined to enjoy life, embrace new things and have more money to spend.

The statistics on a variety of measures, including alcohol consumption and sexual intercourse, show that today's young people are not the hedonistic disruptors of previous generations. Rather than trendsetters, they are more conformists trying to make the most within the system.

"We are seeing that some of the most effective marketing approaches, while labelled as appealing to a specific generation, are actually engaging like-minded people of all generations. Rethinking targeting is going to be critical for marketers who want to serve relevant advertising and embrace personalisation at scale," said Ben Lukawski, Global Head of Strategy at Zenith.

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About Zenith

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