Keep it simple, make it work

When it comes to experiences with brands, young consumers know what they want. Here’s how your organization can adapt to deliver on their preferences and take advantage of the youth boom economy.
Understanding young consumers’ preferences isn’t a matter of curiosity.

It’s smart business.

The digital lives of Generations Y and Z evolve quickly, and organizations need to move just as fast to follow the nuances of how they consume content, make purchases and think about privacy.

For media, communications, internet and over-the-top (OTT) companies, gaining insight into how young people live digitally has never been more strategic. What does this demographic powerhouse want? What’s the best way to serve Gen Y (often called millennials, those born between 1981 and 1996) and Gen Z (born post-1997)?

Part 1 of our three-part ebook provides an insider’s look into the connected lives of Generations Y and Z. You’ll gain a better understanding of how their unprecedented access to and immersion in all things digital is changing the game for how we live.

We also include real-world examples of companies that are putting data-rich insights to use by creating products and services that deliver experiences that “work simply and simply work,” whether in the home, on the go or at work.

Part 2 will explore Gen Now’s adoption of new content forms. Part 3 will examine attitudes toward privacy and the value exchange between consumers and brands.
The connected life of Gen Now
Keeping devices up to date is a priority.

Maintaining smart devices and phones requires a dedicated time expenditure.

Members of Gen Y and Gen Z respectively spend 158 and 159 hours per person per year maintaining their devices. This adds up to a collective 13.19 billion hours for Gen Y and 13.7 billion hours for Gen Z when extrapolated across each demographic.

Gen Y and Z are more attentive to keeping their devices updated than Gen X. This makes sense given the born-digital and born-mobile nature of Gen Now. Not to mention, 38% of Gen Z respondents report feeling highly stressed when unable to access the internet. Gen Z females are particularly prone to this discomfort, with 73% reporting feeling very tense or uneasy if their phone stops working correctly.
Gen Now is mostly optimistic about the internet’s impact.

Like Gen X before them, Generations Y and Z are largely positive about the internet’s future influence.

This is particularly true for Gen Y. With 79% of Gen Y respondents believing the internet’s influence on society will become more positive in the future, this cohort is more optimistic than Gen X (at 72%) and Gen Z (at 67%).

Probing more deeply into the youngest members of Gen Z (ages 15 to 18), however, the results are more nuanced. We found that a full third (33%) of these respondents said the internet will have a more negative influence on society. This group was the most pessimistic of all the generations, perhaps because they are more aware of the negative ways the internet can be used (fake news, trolling, cyberbullying) given their deep level of digital living.

In fact, the latest research shows that more than 55% of Gen Z individuals spend a whopping five hours or more on their phone every day. One-third of female respondents in that group spend 10 or more hours a day on their phones.
Given the impending arrival of 5G and the proliferation of IoT and smart products, the need for smooth, seamless connections will become an even greater part of the value proposition for media, communications, internet and OTT companies.

The growing interconnectedness of technology will likely require consumers to spend even more time maintaining their device’s operations and performance.

To get a better sense of the role the connected home will play in the lives of Gen Y and Z, we asked about their receptivity to service bundles. Nearly identical numbers — 39% for Gen Y and 38% for Gen Z — said they would be likely or very likely to pay for the setup, monitoring and repair of their connected home, similar to the way security services are packaged. More interestingly, 39% of those who are cable subscribers would be likely or very likely to pay for connected home maintenance service.
Getting results: how your brand can keep it simple and make it work
GETTING RESULTS

Differentiate your brand by putting data-driven insights to work.

Know what customers want, and create personalized products, services and experiences that leave them feeling valued.

Ask customers what they want — and get it to them fast

Communications company decreases prototype development time from 20 months to 20 weeks.

To stand out in a crowded marketplace, a major communications and media company sought to more quickly and accurately understand its customers’ needs and then go to market quickly with solutions. We worked with the business to conduct in-home ethnographic research, living with customers in major cities to see how they use the company’s products. We helped match customer needs with products in the company’s pipeline. Our rapid prototyping model slashed development time and led to four market-ready prototypes.

(For more, see page 52 of our ebook “Digital answers, from beta to big.”)
Win with the want-it-now generation by responding quickly to customer needs.

Be ready: pivot quickly to enter new markets

Media organization launches new market entry in unprecedented four months’ time.

Spotting a lucrative opportunity, a major media and communications service provider partnered with us for a smart, fast entry into the $88 billion advertising market for small and medium businesses. Our team met with small business owners to learn more about how they make advertising decisions. Working side by side with our digital product engineering team, the company launched a specialized advertising portal for the SMB segment in four months — virtually unheard of for an enterprise-scale public launch.

(For more, see page 55 of our ebook “Digital answers, from beta to big.”)
A simplified approach puts customers at the center

CSP halves contact center calls and realizes $500 million in savings.

A European communications service provider turned to us to streamline systems and put customers at the center of fast new development processes. To speed time to market for applications and services, we transitioned the client to Agile DevOps development. We also modernized legacy systems to lower costs and promote easier integration. Outcomes included an eight-fold increase in problem resolution with the new mobile app.

(For more, see our case study.)
Next steps for your organization

As always, customers want reliable products and services.

But given the connected lives of Gen Y and Gen Z, seamlessness has never been more important. The products and services that succeed with these demographics offer a fluid, easy experience.

To zero in on what this means to customers, businesses need to dig much deeper into their customers’ likes and dislikes than ever before. They need to understand the details of connected behavior.

Businesses also need to pursue only the products and services that can deliver results. All generations want tech that works, but Gen Now is uniquely willing to pay more to ensure that it does. In fact, over one-third of Gen Now said they would pay $50 to $100 per month for a service that would set up, monitor and repair their smart devices. Done right, such services can increase customer retention and revenues, and provide valuable insights about potential new products and services.

We advise media, comms, internet and OTT organizations to take the following actions:

- **Use thick and thin data.** “Thick” data refers to human insights drawn from in-depth, in-person observation of customers. “Thin” data refers to large-scale analytics and number-crunching. It takes both types of data to reveal customers’ hidden expectations for everyday usage and outage scenarios. By pairing thick and thin data, organizations can better understand what their customers define as a well-functioning service and how to best communicate with them and resolve issues.

- **Conduct in-depth research into Gen Now’s perceived technology difficulties, and then prototype “white-glove” customer service.** One idea is to combine for-hire tech support (like Best Buy’s Geek Squad) and a personal IT department that keeps them connected.

- **Consider revising roles and incentives of those with direct customer contact.** By empowering field technicians, agents and sales reps to serve as connectivity consultants, organizations can not only better fix problems but also provide robust solutions that increase “stickiness” and sales.

Next steps for your organization
Methodology

- We worked with The Center for Generational Kinetics to develop a 30-question survey.
- The study was administered to 2,069 U.S. respondents ages 15–53.
- The sample was weighted to current U.S. Census data for age, gender and region.
- The survey was conducted online from September 17, 2018 to September 24, 2018.
- Figures are statistically significant at the 95% confidence level. Margin of error is +/- 3.1 percentage points.
About Cognizant Communications, Media & Technology

Cognizant’s Communications, Media & Technology (CMT) business unit helps clients transform into people-centric enterprises—enabling organizations to create new business models that deliver more personal and relevant customer experiences. We combine human insights with advanced technology to translate customer needs into differentiated content, products and services that power our clients’ futures. We apply domain expertise and digital know-how to help CMT companies optimize performance for today and accelerate digital transformation for tomorrow. Our technology innovations, proven solutions, product and software engineering expertise, creative interactive prowess and global delivery excellence enable businesses to scale to meet the needs of the market. Visit us at www.cognizant.com/cmt-solutions.

About Cognizant

Cognizant (Nasdaq-100: CTSH) is one of the world’s leading professional services companies, transforming clients’ business, operating and technology models for the digital era. Our unique industry-based, consultative approach helps clients envision, build and run more innovative and efficient businesses. Headquartered in the U.S., Cognizant is ranked 193 on the Fortune 500 and is consistently listed among the most admired companies in the world. Learn how Cognizant helps clients lead with digital at www.cognizant.com or follow us @Cognizant.