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How Financial Institutions Can Win Over Gen Z

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While targeting Generation Z is a top priority for most financial marketers, few have implemented a specific Gen Z marketing strategy to maximize their success. The fact is that marketing to Gen Z isn't the same as targeting millennials - so applying the same tactics will ensure a fast fail.

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Gen Z is the first generation of true digital natives. Most have never known a world without a smartphone and importantly for financial institutions, this generation has become a very influential economic force in the market. Successful financial marketers must understand who this generation is, what they value, and how to win their business (we'll talk about loyalty later). Without truly understanding Gen Z and marketing to what they value, financial marketers will lose out on an incredible opportunity to grow and change.

So who exactly is Gen Z?

First things first - Generation Z is not just "younger millennials." Born between 1997 and 2012, there are nearly 69 million members of Gen Z in the U.S, according to the U.S. Census Bureau. This generation is currently between the ages of 13 and 28 – a critical age group for most financial marketers.

Popularly known as Zoomers (playing off the term boomers and their fast-paced lifestyle), Gen Z is a lot more unique than you might assume, requiring thoughtful strategies to generate interest and engagement.

- The age span of this generation means that they are at different phases of either later childhood or into adulthood. That said, segmenting them into smaller age spans will be essential when developing a marketing plan for them (more on that to come).

- The older end of this generation is highly coveted because many are getting married, having children and buying homes (read: opportunities for value-focused banking/lending and mortgages), and some are even becoming decision-makers at work, too (read: business banking relationships).

Financial considerations for Gen Z

The banking tendencies of generation Z are distinct from any generation before them, so before developing a marketing plan for them, you need to first understand them.

- 78% of Gen Z have just one bank account (source) and 52% of Gen Z have a digital-only bank account (source).

- They are more likely to switch banks 2-3 times more often than their parents (source).

- Not surprisingly, 2/3 of those in Gen Z use mobile apps as their primary banking method (source).

- This generation is interested in saving and investing, but at the same time they struggle to have enough money to actually save. They will favor brands that recognize this strain. (source)

- Knowing this, Gen Z prefers debit cards as their primary payment method. In fact, 49% say they would use a credit card or loans only as a last resort, which indicates more cautious borrowing habits than previous generations. (source)

By understanding these key considerations, financial marketers can better grasp the unique characteristics of this generation and tailor their products, services, and marketing strategies accordingly.

Marketing to Gen Z

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Generation Z has grown up in a world that is saturated with marketing messaging, but they have simultaneously developed an unrivaled instinct for authenticity. Marketers who don't cater to their unique values and preferences will miss the mark.

- Gen Z digital buyers are projected to grow from 83.3% in 2025 to 90.3% by 2029, faster than any other generation.

- Gen Z prefers to do extensive research before buying. They will use search and AI engines, social media, talk with family and friends, and read reviews before making any major decision.

- 90% of Gen Zers are social media users – using social media for information, discovery, and commerce. (source)

    - YouTube: More than half of Gen Z users use YouTube now more than they did in the past year, and creator-first, long-form content resonates best with this generation on this channel. (source).

    - Instagram and Tiktok: Almost ¾ of this generation is on Instagram, slightly more than TikTok (69.8%), though TikTok users spend more time on the platform. Products are often discovered through TikTok and Instagram - so it's important that marketers be aware of the importance to reaching this generation.

    - Reddit: Nearly 62% of 18-24 year olds in the U.S. are unique Reddit visitors. This platform is unique for its candid, community-driven conversation (source). This is important for financial marketers because of brand sentiment considerations.

- Nearly all Gen Zers are digital video viewers (source). Short-form vertical video is preferred – explaining why TikTok, Instagram and YouTube are so popular.

- Authenticity is paramount to this generation, so it's no surprise that user-generated content resonates better than more professional content (source). This also explains why social media is so dominant.

- This generation prefers both digital and physical touchpoints so while convenience is a priority, balancing both is paramount.

- Balancing work and life is important to Gen Z – not because they are lazier than other generations – but because they prioritize their own growth and satisfaction more than generations that came before them.

- Mental health is also extremely important to them – and many are prone to anxiety – so it's important to understand this dynamic when formulating a marketing approach (source).

- Approximately ¼ of Gen Z identify as Hispanic so being sensitive to the demographics of this audience will go a long way (source).

- And, since they are just starting out in life, this is a very price conscious generation. This should help inform the type of messaging that would have appeal but also explains why brand loyalty isn't as important to them.

Current, key financial challenges for Gen Z

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Traditional financial playbooks don't apply to this generation, and certainly not right now. To succeed, marketers must pivot their messaging to address the specific economic realities of today's Generation Z consumers.

- This generation is extremely concerned about the increased cost of living and the cost of housing - which put valid financial pressures on them.

- At the same time, they are aware that the "American Dream" their parents may have enjoyed feels out of reach. Social media platforms like TikTok and Instagram only sharpen this sting (whether what they see on these platforms is reality or not).

- Everything in their lives is immediate, and money is moved at the swipe of a phone. So balancing banking convenience with sophisticated, meaningful, secure and personalized solutions is paramount.

Gen Z-friendly content strategy

To connect with this vital generation, financial marketers need to understand what type of content to produce. Doing the same thing you've always done will simply not work. But the good news is that creating meaningful content doesn't have to be a huge investment either.

- Gen Z is looking at unpolished, user-generated content all day long, so creating content that mimics this will connect with them better. This is a generation that values real people and genuine endorsements, so consider how you can start to put together a plan that engages this audience – such as meme-like or influencer-inspired content, popular culture references and trending written and/or visual formats (e.g. POV: our bank helps you save while you spend).

- Take a look at your reviews and see if you can pinpoint statements that would resonate with Gen Z – and better yet find ways to solicit reviews specifically from this audience -- that can be shared across tactics. This authenticity is incredibly powerful.

- For Gen Z, a brand's social impact is a major competitive advantage. Banks and credit unions that showcase their impact at a local level will better connect with this audience than brands who do not share these values. Show them that you care about what matters to them – not just about your institution's bottom line.

As a powerful economic and social force, winning new Generation Z customers can be a vital growth strategy for your bank or credit union. Do your research and create a Gen Z specific marketing plan so that you can earn their trust, and ultimately their long-term business.