

SOFTWARE AND TECHNOLOGY

## Gen Z has significant role in shaping the digital economy: Snapchat

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*Younger people have the highest digital competency average, putting them in good positions to adapt to growing demands for digital skills. Image credit: Snap, Inc.*

By NORA HOWE

As the first generation to have grown up with technology, Gen Z is uniquely poised to quickly recover from the pandemic and capitalize on the growing demand for digital skills.

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Over the past year, younger individuals have had to navigate disruptions to their education, career prospects, mental health and wellbeing.

However, as the first generation to have grown up with technology, Gen Z is uniquely poised to quickly recover from the pandemic and capitalize on the growing demand for digital skills. Through their newest [report](#), Snapchat and Oxford Economics partnered to examine the role of Gen Z in driving the post-pandemic digital economy.

"While the pandemic has arguably disrupted this group more than any other, we are inspired by the world that they are trying to create," said Claire Valoti, international vice presidents at Snap, Inc., in the report. "All the time we see the ingenuity and huge potential of Gen Z from our youngest colleagues to people who use [Snapchat] every day their approach to challenges and problem-solving, their creativity, adaptability and drive to use technology for good is an inspiration.

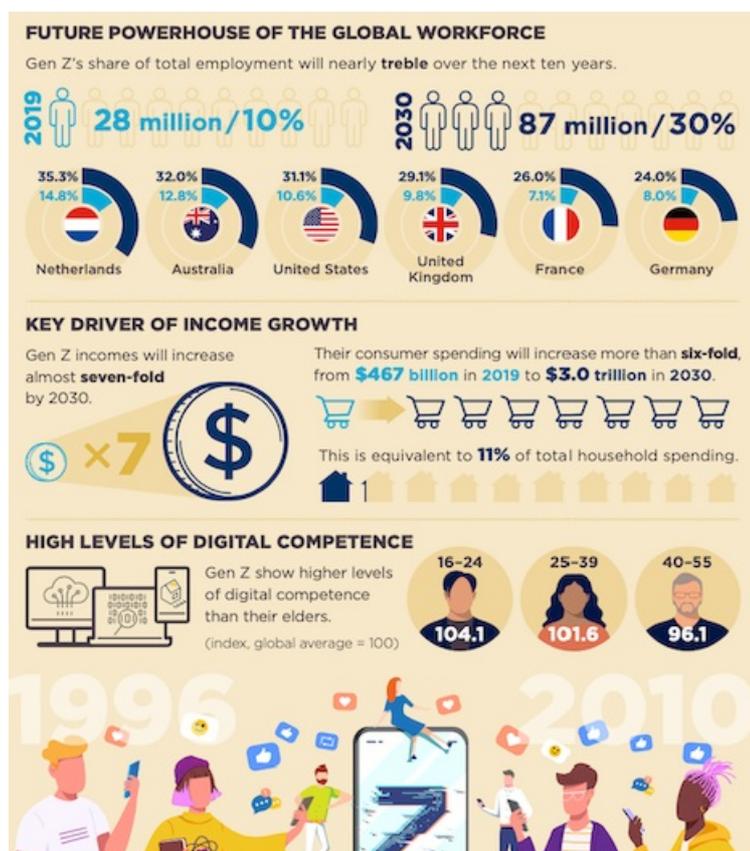
"By recognizing and understanding these trends, we hope to raise awareness both at Snap and across the wider tech industry about Gen Z's unique capabilities and how we can capitalize on the creativity and adaptability of young people, in particular, to drive the recovery and the digital economy in the future."

The research presented in the report was collected in six markets: Australia, France, Germany, the Netherlands, the United Kingdom and the United States. It includes a mix of new field research, analysis of an extensive range of data sources, including job postings and web scraping, as well surveys and expert insights from entrepreneurs and policy experts.

Gen Z is key

By 2030, Gen Z will make up almost a third of the workforce, rising from 10 percent in 2019 to 30 percent in 2030.

Based on Snapchat and Oxford Economics' digital competence index survey, Gen Z averaged 2.5 percent higher than Millennials and 8 percent higher than Gen X.



Gen Z's share of employment is expected to triple by 2030. Image credit: Snap, Inc.

The study projects that Gen Z will become an engine of consumer spending, supporting \$3.1 trillion of spending in the six markets by 2030. Their disposable incomes will increase by \$2.74 trillion, from \$460 billion in 2019 to \$3.2 trillion in 2030.

The study highlighted three traits among Gen Z individuals that will likely benefit them in the future workplace: agility, creativity and curiosity.

The COVID-19 pandemic had a significant impact on the labor market, forcing millions into unemployment or temporary furloughs. However, the report identifies four structural trends that will form in its wake: an educational attainment gap in regards to online learning; a rise digital in digital across all facets of daily life; a new wave of automation; and a sectoral disrupter.

The study highlights the accelerated potential of automation, specifically how augmented reality will shape business.

AR is expected to grow beyond the ecommerce and marketing industries and transform how individuals experience healthcare, education, architecture, entertainment and manufacturing. Jobs in the AR space are becoming increasingly more popular and require a blend of technical skills and creativity that will ultimately favor Gen Z applicants.

The research predicted that AR will expand four-fold by 2023 due to a combination of five key factors: the use of AR in retail; its adaptability across a wide range of sectors; 5G-enhanced utility; low adoption barriers; and its ability to transform marketing and branding strategies.

According to analyses in the report, Gen Z has a much stronger natural affinity with AR technology, which was confirmed when Gen Z scored 17 percent higher than Millennials in AR competency and 34 percent higher than Gen X.

The report also noted how the use of social platforms has grown exponentially and how the importance of this medium for brands to engage with and influence their customers rose as well.



*Gen Z is well suited to adapt to digital changes in the future. Image credit: Snap, Inc.*

Based on their research, Snapchat and Oxford Economics are optimistic about the future and have recommendations to businesses, educators and policymakers to help young people fully seize the opportunity to shift to a more digital economy.

They suggest closing the attainment gap in the short-term, while rethinking traditional models of education in the long term, as well as supporting economic recovery without impeding structural adjustment.

#### The AR experience

Many luxury brands started implementing augmented reality technology in response to store closures and lockdown measures in efforts to stay connected with consumers. Companies within the beauty industry have especially leaned on this innovative technology.

At the end of 2020, tech giant Google worked with **Perfect Corp.** and L'Oreal-owned **ModiFace** to create a new feature allowing consumers to digitally try on cosmetic products through the search function on mobile devices. By using the front-facing camera on their phones, users are able to visualize products on themselves as well as on models with similar skin tones ([see story](#)).

A month ago, French fashion house Chanel introduced a lipstick color-matching tool **Lipscanner**, which uses artificial intelligence and virtual try-on technology to match any colors to its nearest shade.

Developed by Chanel's Makeup Creation Studio, in collaboration with **CX Lab**, Lipscanner allows users to upload or scan an image of any red, pink, plum or orange color from a street sign to the petal of a flower. In return, the app provides a range of Chanel lipsticks in the same shade.

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