

DIGIDAY



youth



100,000 likes

youth 😂😂😂

[View all 100,000 comments](#)

digiday stealing this... 🙌🙌

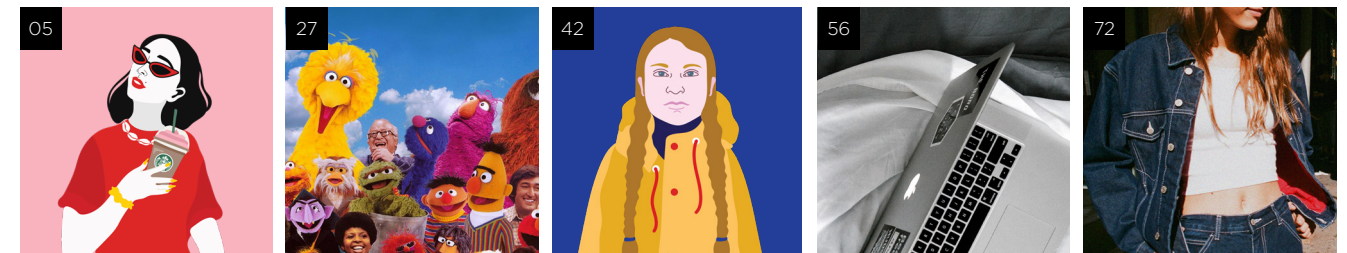
youth4life you stole this from twitter 🙄

generationZ why did i laugh at this 🙄

genz nice 🔥

youth4life so stealing this

SPRING 2020



GLOSSY

Exploring the evolution of
fashion and beauty

Glossy.co

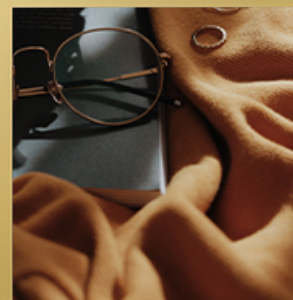
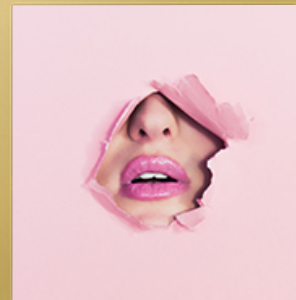


TABLE OF CONTENTS

04 Editor's Note: They're Here

HOT TAKES

- 05 Build a Zoomer
- 07 The Hustle Enablers
- 08 How Well Do You Know Gen Z?
- 09 The Kids Are All Gucci
- 10 How to Be Cool on Instagram
- 11 Side Hustles

MEDIA

- 14 Young Founders
- 19 TikTok Royalty
- 21 Love in Saudi
- 24 Privacy Tearsheet
- 25 Direct-to-Children
- 27 Child's Play
- 31 What My Kids Watch
- 33 David Dobrick Says
- 35 Omar Raja, Yo

CULTURE

- 42 What's Trending
- 45 Gen Vegan
- 46 Inside Extinction Rebellion
- 47 OK Millennial
- 49 The Saddest Generation
- 51 Eat, Sleep, Content
- 53 The New Athletes

WORK

- 56 Freelance Freedom
- 59 How I Work: Taylor Lorenz
- 61 The Rules of Internships
- 64 Help Wanted

SHOPPING

- 68 The New QVC
- 72 The Cult of Brandy Melville
- 75 Teens Love Malls
- 79 Toy Story
- 81 The Coronavirus Acceleration

FOUNDER AND CEO
NICK FRIESE

PRESIDENT AND EDITOR-IN-CHIEF
BRIAN MORRISSEY

EDITORIAL

MANAGING DIRECTOR, EDITORIAL PRODUCTS
SHAREEN PATHAK

MANAGING DIRECTOR, MEMBERSHIP PRODUCTS
JACK MARSHALL

MANAGING EDITOR, EUROPE, DIGIDAY
JESSICA DAVIES

UK BRANDS EDITOR, DIGIDAY
SEB JOSEPH

UK MEDIA EDITOR, DIGIDAY
LUCINDA SOUTHERN

MARKETING EDITOR, DIGIDAY
KRISTINA MONLLOS

SENIOR CORRESPONDENT, DIGIDAY
LARA O'REILLY

SENIOR REPORTERS, DIGIDAY
TIM PETERSON, MAX WILLENS

REPORTERS, DIGIDAY
KAYLEIGH BARBER

EDITOR-IN-CHIEF, GLOSSY
JILL MANOFF

EXECUTIVE EDITOR, GLOSSY
PRIYA RAO

SENIOR REPORTER, GLOSSY
KATIE RICHARDS

REPORTERS, GLOSSY
DANNY PARISI, EMMA SANDLER

SENIOR REPORTER, MODERN RETAIL
CALE GUTHRIE WEISSMAN

REPORTERS, MODERN RETAIL
ANNA HANSEL, GABRIELA BARKHO

SENIOR PODCAST PRODUCER
PIERRE BIENAIMÉ

EVENT PROGRAMMING MANAGER
HOPE REICHARD

EVENT PROGRAMMING COORDINATOR
CAYLEY PLOTKIN

MEMBERSHIP PRODUCTS COORDINATOR
NIYA SINCKLER

PRODUCT

DIRECTOR, AUDIENCE AND PRODUCT
AARON GOTTLIEB

AUDIENCE GROWTH ASSOCIATE
CAROLINE PHINNEY

ASSOCIATE PRODUCT MANAGER
KATIE JOHNSON

DESIGN

CREATIVE DIRECTOR
IVY LIU

UI/UX DESIGNER
JULIA CHOI

DESIGNER
KEVIN KIM

EVENTS

GENERAL MANAGER
MEGAN KNAPP

EVENT MANAGER
ELAINE WONG

EVENT COORDINATOR
AUDREY POWELL

BRAND DEVELOPMENT

EVP, GLOBAL BRAND DEVELOPMENT
NANCY PICKER

VP GLOBAL BRAND DEVELOPMENT
GERRY HOUSER

BRAND DEVELOPMENT MANAGER
EDDIE KRANKOWSKI

FINANCE

CFO
JOHN SOL

FINANCE MANAGER
MARY ANN BOYD

STAFF ACCOUNTANT
SARON TIRUNEH
KAITLYN KROLICK

BUSINESS OPERATIONS

CHIEF STRATEGY OFFICER
DAVID AMRANI

VP SALES, DIGIDAY
MIKE CHOMA

VP, CLIENT ENGAGEMENT/BUSINESS DEVELOPMENT
NEIL STROW

VP SALES, GLOSSY & MODERNRETAIL
SHAMBRY MCGEE

SENIOR DIRECTOR, CLIENT ENGAGEMENT
MARY DUMONT

DIRECTOR, CLIENT ENGAGEMENT
ANDREW CARLIN, ANTHONY CAPALBO, JESSICA SUGERMAN

CLIENT SERVICES DIRECTOR
JONATHAN MESSINA

ACCOUNT MANAGERS
MATT RENALDO
ROSE CARROLL

SENIOR MANAGER, CLIENT ENGAGEMENT, UK
CHRIS WILLIAMS

CLIENT ENGAGEMENT MANAGERS
ALEX BLUMBERG
MAGGY FERMO

GLOSSY & MODERNRETAIL SALES REP
RACHEL SUDARMA

BUSINESS DEVELOPMENT MANAGER, PAID PROGRAMS
ERICA TAYLOR

CLIENT ENGAGEMENT COORDINATOR
SAMUEL REED

BUSINESS DEVELOPMENT ASSOCIATE
JACK O'BRIEN

DIGITAL OPERATIONS MANAGER
VERONICA ZEGARRA

DIGITAL MARKETING COORDINATOR
MIKE RIVAS

CUSTOM PRODUCTION

HEAD OF PRODUCTION
JAMES O'BRIEN

HEAD OF COMMERCIAL CONTENT, EUROPE
MINDI CHAHAL

SENIOR EDITOR
DAVID TEICH

COPYWRITER
SAMANTHA DUPLER

PROJECT COORDINATOR
URI CHARLES

MARKETING

VP, MARKETING & GROWTH
MIKE MADARASZ

SENIOR PRODUCT MARKETING MANAGER, AWARDS
MELISSA HAYES

MARKETING MANAGER
SUMMER LANGTON

MARKETING ASSISTANT
TREVOR GRIGORUK

OPERATIONS

VP, HR OFFICE OPERATIONS
ANDREA SONTZ

CULTURE AND OFFICE COORDINATOR
CIENNA MAZZELLA

They're Here

By Shareen Pathak



Older generations are fond of bemoaning the sad state of affairs in the generations following them. Boomers found Generation X lazy and slothlike, buoyed by a healthy economy and relative peacetime. Gen X thought millennials, addicted to their screens and Facebooks, are entitled and judgmental.

(It goes the other way to, see: “OK, Boomer,” aptly defined in our Gen Z dictionary toward the front of this issue.)

But generational myths are usually flawed, and perhaps nowhere will they be proven more wrong than Generation Z, the youngest generation to now enter the workforce. Gen Zers have shown a penchant for activism — from climate change to gun control to other examples of a conscience. They’re changing how media is created and consumed, they shop differently from generations preceding them, and they are pushing workplaces and workforces to change.

In this latest issue of Digiday magazine, we explored how youth is transforming the way we live, work and shop. In Media, Cale Weissman profiled

Omar Raja, the founder of Instagram account House of Highlights who ESPN is now betting on to attract young fans, while Tim Peterson talked to media execs’ kids to ask what they watch.

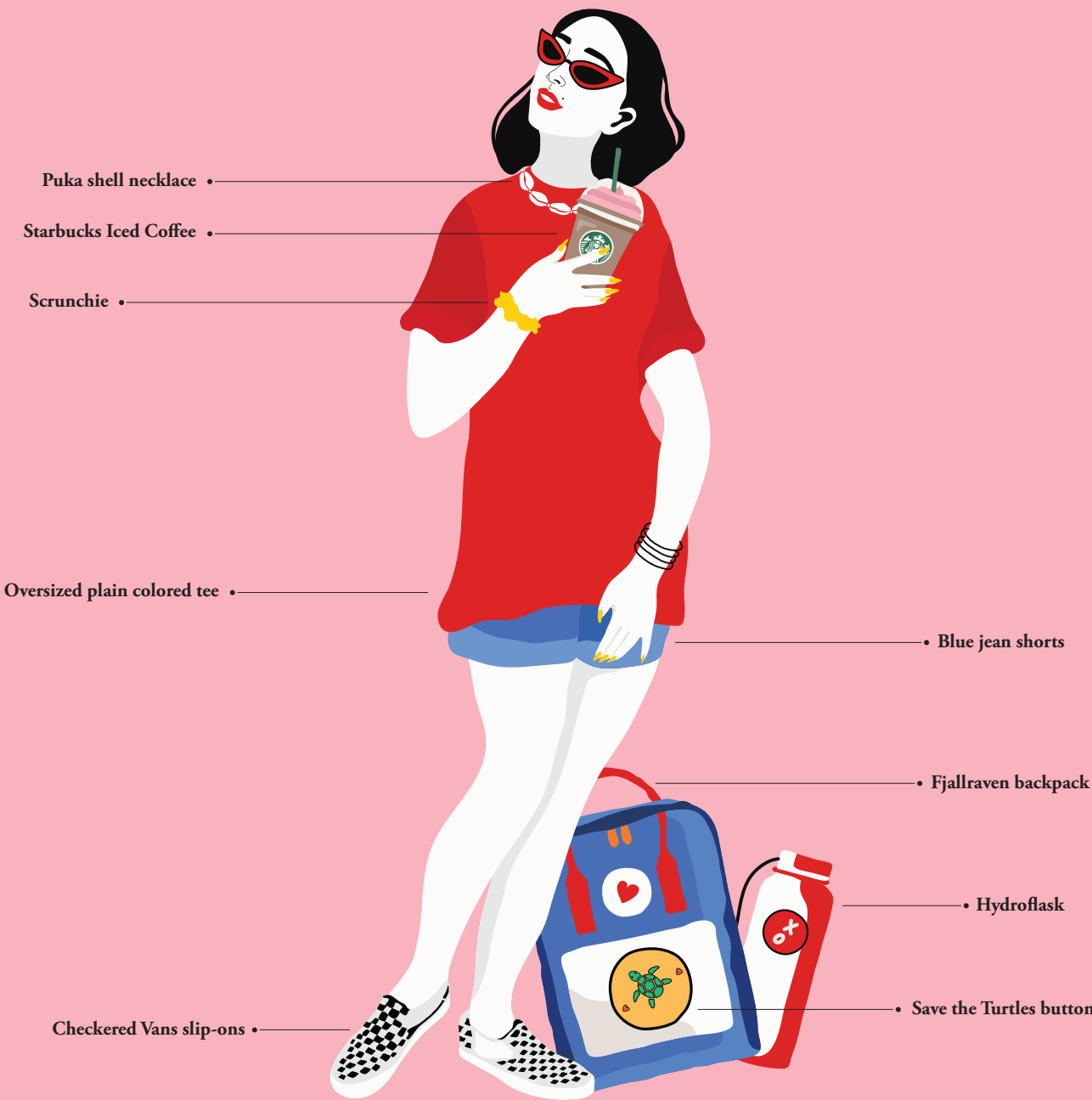
In Culture, I explored why this generation feels so anxious, while Danny Parisi wrote about esports mania and its effect on Gen Z fashion. Anna Hensel found out what the new teen jobs are (the days of summers spent at Dairy Queen are behind us) and we also took a deep dive into how Gen Z shops at malls. Jill Manoff, meanwhile, spent the afternoon at Brandy Melville, this generation’s Abercrombie & Fitch.

We’ve also conducted some original Generation Z research to ask them what influences them, why they want to be friends with their coworkers and what they expect from their bosses.

Youth have always had a massive impact on the mores and morals of society. This particular generation is no different. We hope you enjoy the 17th issue of Digiday Media magazine. As always, thank you for reading. ▣

Build a Zoomer

Make your own Gen Z.
By Hope Reichard



She has to stay up to date on all environmental rights movements on Twitter while simultaneously getting the perfect selfie edited in her favorite filter app.



He has to make sure his hair and smile are perfect before recording a cringey lip-sync video for all of his fans on TikTok.

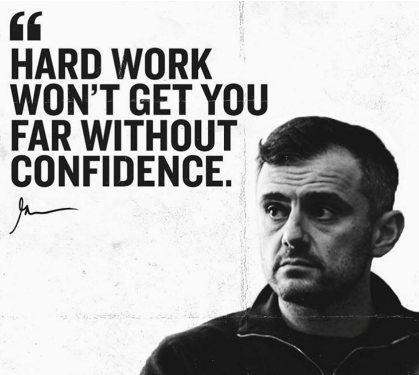


#Hustle Heros

These entrepreneur influencers are helping hustle culture go viral -- for good or bad.

By Jack Marshall

So-called “hustle porn” has seen something of a backlash over the past year, with prominent journalists, entrepreneurs and mental health experts suggesting that the culture of working more isn’t necessarily something to be celebrated. But that hasn’t stopped the growth in popularity of popular entrepreneur influencers and #Hustle promoters across social media, who continue to capture the imagination of online audiences with pithy motivational quotes and 140 character business advice. Here’s a look at some of the personalities and accounts that resonate most with the hustle-curious.



Gary Vaynerchuk
Instagram followers: 7.7 million
YouTube subscribers: 2.6 million
Books published: 5

Entrepreneur Gary Vaynerchuk has emerged as the poster child of online hustle culture in recent years. The entrepreneur behind digital agency Vaynermedia and online retailer Winelibrary.com has amassed a sizable and rabid following of aspiring entrepreneurs who flock to social media to consume his unique brand of motivational quotes, business mantras and memes. Vaynerchuk says he often creates upwards of 60 pieces of content a day, aided by a team of videographers who often follows him throughout his day. Recent Gary Vee social media highlights include an Instagram post on why you should “Be grateful, not a dickface,” a YouTube video explaining why “The only things stopping you are your own excuses” and LinkedIn

articles on how to make memes and attract followers on social media platforms.



Tai Lopez
Instagram followers: 2.9 million
YouTube subscribers: 1.3 million

In a similar vein to Gary Vaynerchuk, Tai Lopez’s speciality is sharing loosely business-related and motivational videos on Instagram and YouTube, but with a heavier focus on ways to get rich. His Instagram account promotes messages such as: “Sacrifice creates wealth,” while some of his most popular YouTube videos include: “Should you drop out of college?,” “3 tips for finding your destiny” and “How to start your own social media marketing agency.” All three videos feature him talking in front of an orange Lamborghini. Lopez’s philosophy centers around the idea that accumulation of knowledge results in more opportunities to attain what he describes as “The good life.” Lopez describes himself as an investor, partner and advisor to over 20 multimillion-dollar businesses.



Grant Cardone
Instagram followers: 2.7 million
YouTube subscribers: 1.3 million
Books published: 7+

Grant Cardone is a motivational speaker and author who has turned his attention to social media in recent years. His Instagram feed is now littered with genre-defining,

hustle-related motivational quotes alongside images of jet planes, expensive cars and packed crowds. Recent updates include an image of Cardone on a plane dubbed with the slogan: “Sacrifice today so you don’t have to compromise tomorrow” and a second featuring him lighting a cigar with a lit hundred-dollar bill, subtitled: “The rich invest time and money. The poor waste both.” Cardone’s website describes him as “a bestselling author, world’s #1 sales trainer, renowned speaker, international social media influencer and real-estate mogul.”



6amSuccess
Instagram followers: 1.8 million

San Francisco-based Victor Hathaway has amassed nearly 2 million Instagram followers with his 6amsuccess Instagram account, which mostly features stock imagery overlaid with simple motivational quotes such as: “To be the best you, you have to work overtime,” and: “Focus on one goal and do whatever it takes to accomplish it.” The goal, according to the account, is to “inspire 1 billion.”

How Well Do You Know Gen Z?

Test yourself on the Gen Z outlook.
By Jack Marshall

1

What percentage of the U.S. population is considered Gen Z?

a

9%

b

18%

c

20%

d

24%

e

27%

2

Which of the following are not regularly used to describe Gen-Z?

a

Thrifty

b

Self-oriented

c

Brand-Wary

d

Ethical

e

Materialistic

3

Which of the following is the only behavior teens in the U.S. have exhibited more of over the past 20 years.

a

Watching television

b

Marijuana use

c

Playing video games

d

Sexual intercourse

e

Alcohol consumption

4

Which of these do 60% of Gen Z say they prefer over the other?

a

Cool products

b

Cool experiences

5

What percentage of Gen Z say they want to be meat-free by 2021?

a

12%

b

35%

c

46%

6

What percentage of Gen Z high school students say they intend to start a business?

a

29%

b

51%

c

72%

7

60% of Gen Z in the U.S. and U.K. say being “well-off” is important to them

a

True

b

False

8

Which three of the following did Gen Z respondents rank as the most important issues facing the world?

a

Climate change

b

Pollution

c

Terrorism

d

Loss of natural resources

e

Racial inequality

f

Access to safe water

Answers

4

A

3

C

2

B, E

1

E

8

A, B, C

7

A

6

C

5

B

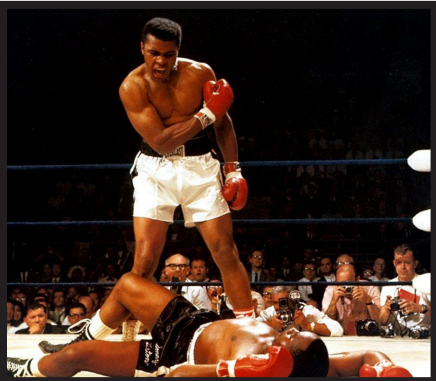
Sources: 1: Socialnomics; 3: CDC; 4,6,7: Cassandra; 5: Finder.com; 8: Amnesty International

The Kids Are All Gucci

A quick reference guide to navigating Gen Z vernacular. *By Emma Sandler*



Big Mood
an expression used to describe something as relatable. The Daily Dot recorded it as an evolution of "mood," and is often paired with images and videos. Example: "Wearing your pajamas to the office is a big mood."



GOAT
acronym for "greatest of all time." Multiple sources point to Lonnie Ali, Muhammad Ali's wife, originating it by incorporating Greatest of All Time, Inc. in 1992 to protect Ali's intellectual property. Example "Muhammad Ali is the GOAT."



OK BOOMER
OK BOOMER
OK BOOMER
OK BOOMER
OK BOOMER

Snack
a favorable appearance. Sometimes written as "snacc," the usage became popular in 2017, according to Dictionary.com. Example: "Lookin' like a snack today."



Receipts
evidence or proof, particularly social media posts or text messages. Originated from a Whitney Houston interview in 2002. Example: "You definitely wrote that. I have the receipts."

OK, boomer
a dismissal of an older person who seems to be out of touch. Some people have suggested this phrase is ageist. Nonetheless, it's a Generation Z equivalent of "whatever."



Eboy or egirl culture:
a subculture of internet users with a video gamer or emo persona. First appeared in Urban Dictionary in 2009, becoming a definitive style on TikTok in 2019.



Drip
Descriptor of an outfit with intense swag. "Drip" is referenced in rap music from the 1990s, but Google Trends reveals an increase in searches beginning in late 2017.

Instafamous

Dos and don'ts, according to Gen Z
By Jill Manoff

Five Gen-Z Instagram users, ages 14 to 18 and with follower counts of 440 to 87,000, share their current guidelines for maintaining a likeable presence on the platform, from dodging "tacky" hashtags to restricting super-personal posts to finstas.



Don't stick to one account
Sabine Borthwick, an 18-year-old New Yorker, has five active Instagram accounts. "I have my main personal account [1,500 followers, @lambobeaniee]; I have my finsta, which has, like, 100 followers who are all close friends — it's where I post funny photos that I don't really want my mom seeing; and I have a super-super private finsta, which is just my two closest friends," she says. "I also have an account dedicated to my horseback riding, because my trainer wants that, and I have a business account because I manage a new fashion company's social media."

Bridget Heartlein, a 20-year-old Missouri resident with a main account following of 830 (@bridget.heartlein), also has a "secret Instagram," followed by 30 close friends, which she launched in high school for not-safe-for-mom pictures. She uses a third account as a portfolio for her artwork — it includes information on requesting commissions. Maddy Plotkin, a 15-year-old with 440 followers (@maddyplotkinn), says she's had multiple private accounts. She's currently down to one, followed by close friends.



Don't overpost
Fiona Frills, a 16-year-old, California-based YouTuber with 87,000 Instagram followers (@fionafrills) currently posts to her main feed an average of three times a month. Marin Thebault, a 14-year-old in New York with 990 followers (@marint0501), says she posts "every few weeks or months." Heartlein posts to her feed every two to three weeks, and to Stories every one to two months. Each agree that posting to a personal account once a day should be the limit, to keep it interesting. Both Borthwick and Thebault call Instagram more of "a weekend thing." Borthwick limits her screen time to two hours a day "to have a life."

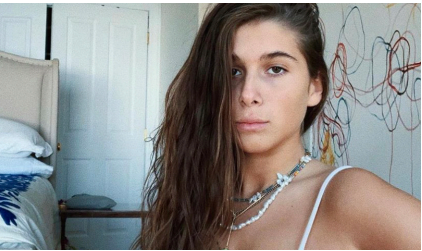


Do use hashtags and emojis sparingly
Heartlein calls hashtags "tacky," and Frills says they're "not a thing" anymore. "It's more like the mom group that uses hashtags," says Borthwick. "When my friends and I see a hashtag, it's unappealing. When a company uses a lot of hashtags, you know they're trying to gain followers. More than two hashtags by anyone is invasive." As for emojis, only cute versions — like hearts and "blushy faces" — are in, says Frills. Using too many emojis is a mistake, she says, and nobody uses the thumbs-up anymore.



Don't confuse a Stories post for a Feed post
According to the group weighing in, the following belong in Stories only: selfies, boomerangs, reposts of friends' posts,

reposts of TikTok posts, food pictures and inspirational quotes. Pictures that are feed-worthy are those of the Instagram account holder and their friends (this should account for two-thirds of the feed, says Heartlein); of the account holder only, but not a selfie; and of pretty scenery and sunsets. The latter gets fewer likes, says Frills, so should be kept to a minimum.



Don't use Instagram filters
According to Heartlein, the "perfect, polished" Instagram look has reached its peak, and Gen-Z Instagrammers have started posting more natural, raw images to their main accounts. Borthwick, for one, says she prefers to post raw images over those with an Instagram filter. However, all interviewed said they regularly use VSCO's more subtle filters on their Instagram photos. The app's tools let you change the tint, says Thebault. Frills calls VSCO's tool a "not-a-full-filter filter."

Do be a courteous follower and followee
Thebault, who follows 885 Instagram accounts, says she opens all Stories in her feed, plus comments on those posted by close friends. She also likes every post in her main feed. All interviewed say they post a series of Stories dedicated to friends on their birthdays — for instance, stamped with "Happy" on one picture, followed by "birthday" on the next. That kind of "spamming" is OK, says Plotkin, though she says posting multiple pics of a vacation, for example, should be confined to the Highlights section versus Stories.

Don't hit "Follow" with abandon
It's important to follow fewer accounts than follow you, all agree. And avoid following a ton of celebrities. Heartlein says she follows up to five celebrities at a time, changing them out as they get boring. Thebault says she doesn't follow company or celeb accounts, as a rule, though she just followed Urban Outfitters as part of a giveaway. The one celeb exception, according to Plotkin: Billie Eilish. "She's an icon, and she posts fun things."

Side Hustles

These young people take side gigs to survive — and innovate

By **Lucinda Southern**



Mimi Gehin, 22, an assistant to director Keith McCarthy of Stink Films.

Side hustle: founder of Heaux jewelry company

When Mimi Gehin started making jewelry during her gap year in Japan, she did not expect that more than 60% of her clientele would be male.

“That was really unexpected,” she says. “I had set out [my jewelry company, Heaux] to create something for girls and women,” she adds. Yet, “it’s always the guy who asks for something custom-made. The style is similar to Lil Uzi Vert: bright and almost nonbinary.” As her customer base has changed to include more men, she plans to promote a more unisex aesthetic in her product shots and also use a more diverse range of models.

Heaux was born of equal parts inspiration, boredom and a sheer desire to create, Gehin says. It’s both a passion as well as a hobby that funds her groceries. She spotted a niche in offering “affordable” custom-made jewelry; the majority of her items cost less than \$35. Gehin produces

three product lines: Y2K has a 1990s millennial girl vibe. Aeon is inspired by the blend of hip-hop and punk exhibited by artists like Billie Eilish and Travis Scott. Madams is aimed at an older demographic.

“People love that it’s unique,” she says of her jewelry. “In a world full of high street fashion where you can turn up to a party in the same shoes as someone [else], wearing jewelry no one else has can be exciting.”

Lately she is devoting some time to marketing and connecting with feminist groups and tracking down events where she can promote her wares.

“The skills you gain from it are transferable,” she adds. “I have full creative direction over photo shoots, the aesthetic, the photography.”



Sydney Rene, 21, a social media executive for IPG Mediabrands agency Reprise.

Side hustle: founder of Ezra Initiative

This April, Sydney Rene will take off one afternoon each week to coach young black girls of Carribean heritage enrolled at London schools. Her goal: to promote social mobility and build helpful interpersonal networks for them. That’s the mission of Ezra Initiative, the nonprofit educational organization she founded.

Rene, who is of Saint Lucian and Barbados heritage, launched the organization last summer after hearing that black children of Caribbean descent comprise one of the largest underperforming groups of students in London schools. Based on their exam grades, they are 9.3 months behind their white London school peers for years of schooling by the time they graduate, according to a study in the Education Policy Institute Annual Report of 2019.

“What’s going on in secondary schools that they get so far behind?” she asks. “It’s about their influences, the people they surround themselves with and the opportunities they take.”

Ezra Initiative plans to offer in April two separate five-week programs at four London schools to promote and develop the academic, social and professional success of male and female black students of Carribean descent. Thanks to IPG Mediabrands’ volunteer-day allowance and flexible hours, Rene and her Ezra Initiative cofounder, Monique Roy, have been able to develop the courses and build relationships with the schools. The courses are free for students to attend but the costs of running the courses are covered by a range of sponsorships and a small fee paid by participating schools.

“If people think they are good at something, they will start a business offering those services,” Rene says, regarding the growing trend of younger people taking up side hustles. While attending the University of Birmingham she co-founded the



Caribbean Union student organization. “With social media and the tech advancements, the barrier to entry is much lower. It’s easier to turn your passion into a business.”



Jonathan Bitel, 27, audiovisual manager at IPG Mediabrands agency UM London.

Side hustle: a magician

Even though he has practiced magic since he was a kid, Jonathan Bitel never imagined that speaking to the magicians hired for his employer’s holiday party would lead to his consulting for the troupe on “Britain’s Got Talent,” which reached the finals in 2018.

He has performed his unique form of “mind magic,” as he calls it, at festivals, weddings, bar mitzvahs and corporate gigs since age 18. His prices start at \$260. He can even execute a nifty trick over the phone.

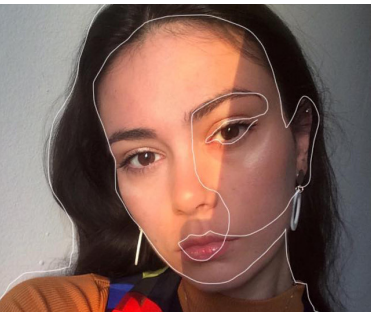
“For me, it’s about enjoyment and escape,” he says. “You get people to feel like they haven’t since they were a kid. When you get someone 20 years my senior telling me how [a trick] works, there’s that

astonishment,” he adds. “And you miss it when [that feeling is] gone. Magic is like an empty safe; once you know the secret, it’s deflating. My job is to make sure the safe is encrusted with jewels.”

At UM London, Bitel put his magic skills to work during a pitch of an ad campaign for a movie about magicians. The result: His team came up with a billboard that supposedly could read minds.

These days he also enlists his wizardry to create icebreaker activities so he and his clients can become better acquainted. His advertising agency has encouraged him to pursue his passion, he says, noting that “other industries are moving in that direction” as well.

Developing a new magic trick takes him about five months from invention to performance — and then perfection, he says. “There’s a term called ‘magician fooler,’ where you can end up making a boring trick. But it’s more fun to make an entertaining piece, and people in the know still can’t work it out.”



Chrissie Fusco-House, 23, an account executive at The&Partnership London for its Toyota account.

Side hustle: Illustrator

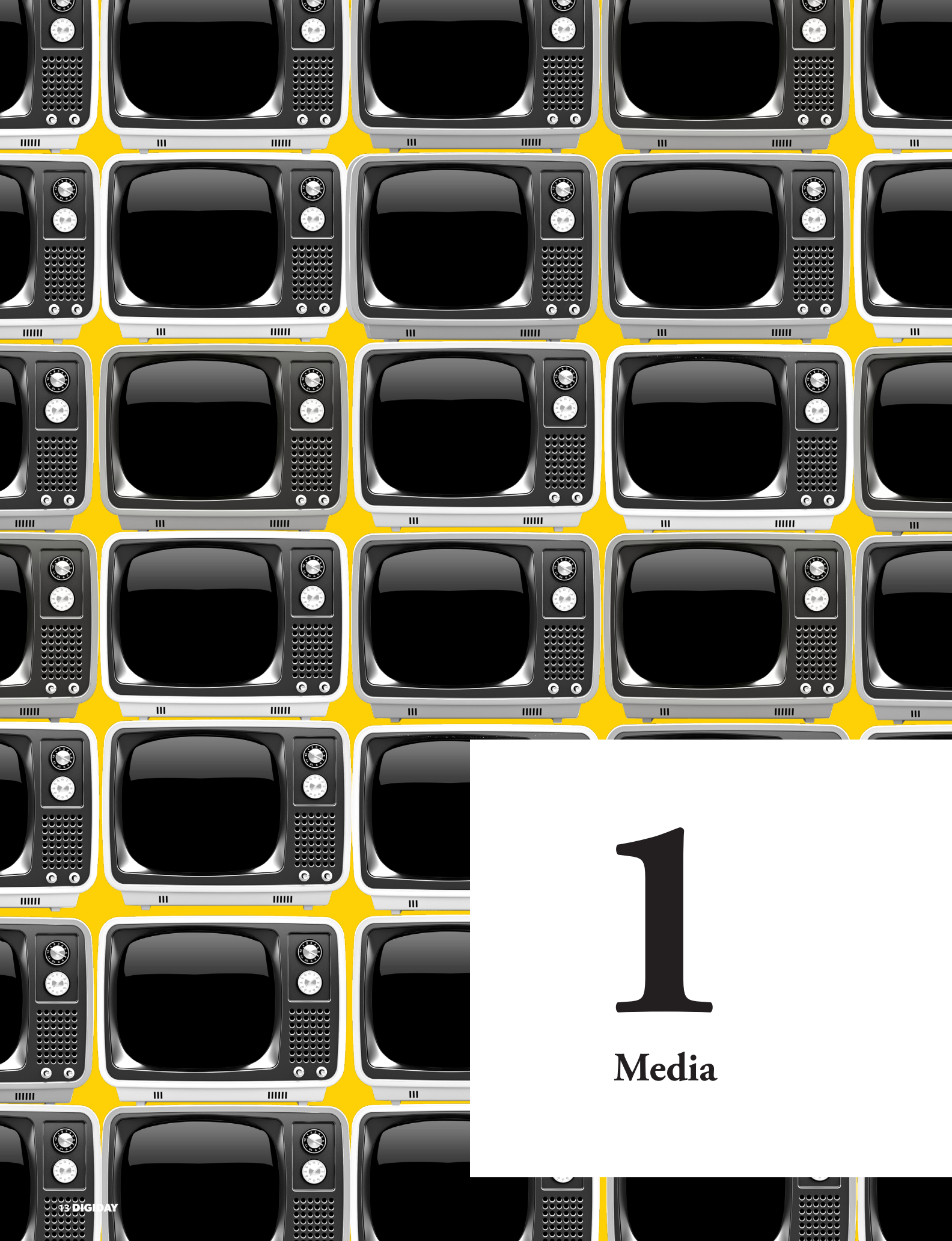
Even though he has practiced magic since he was a kid, Jonathan Bitel never imagined that speaking to the magicians hired for his employer’s holiday party would lead to his consulting for the troupe on “Britain’s Got Talent,” which reached the finals in 2018.

He has performed his unique form of “mind magic,” as he calls it, at festivals, weddings, bar mitzvahs and corporate gigs since age 18. His prices start at \$260. He can even execute a nifty trick over the phone.

“For me, it’s about enjoyment and escape,” he says. “You get people to feel like they haven’t since they were a kid. When you get someone 20 years my senior telling me how [a trick] works, there’s that

14%

of Gen Zs have one side hustle, according to Digiday Research



Fountain of Youth

Meet seven young founders transforming media.
By Kayleigh Barber

Media isn't for the faint of heart, especially these days. But don't tell that to these seven young founders.

Nushin Rashidian, 32, and Alyson Martin, 34, met at the Graduate School of Journalism at Columbia University in 2009 and after a trip together to Venice Beach, California, during winter break, Martin said she was first exposed to the open consumption of recreational cannabis, leaving her constantly asking, "How is this legal?"

From there, both Martin and Rashidian couldn't let go of the nagging feeling of wondering what the differences were between local, state and federal cannabis laws, which led to an over six-month-long road trip after graduation across all of the states that had legalized medical cannabis to learn about the budding industry. Out of that came a book titled "A New Leaf: The End of Cannabis Prohibition," which they published in February 2014 and a month prior to that, recreational cannabis was legalized for the first time in Colorado.

Understanding that there was much more left to the story and beyond what they were able to fit into their book, since book publishing is very slow, they decided to continue writing about this industry in a more nimble format.

"Book publishing can be quite glacial and the landscape of cannabis law reform is moving so fast," said Martin.

From there, they got a small grant from the Brown Institute for Media Innovation that enabled them to play with the editorial model and led to them receiving another grant in 2015 from the Made in NY Media Center, which is when Rashidian says the idea really began to take shape. That is when they realized that they were interested in covering the business of cannabis and pursuing a reader revenue model because they were unsure



of where the ethical lines were in terms of accepting cannabis advertising dollars, she says. They might entertain sponsorship revenue in the future, but for now, reader revenue is the focus for monetization.

Then a more robust grant came in 2017, bringing their total amount raised to six-figures, that enabled them to launch in their current iteration of a daily newsletter in the summer of 2018. The payroll finally went up in fall 2019, which allowed them to monetize the business fully since they've never monetized the newsletter. In the meantime, before the revenue began coming in, Martin says that operating off of the remaining grant money and keeping their day jobs teaching at Columbia University gave the support they needed to run their business.

Now, Cannabis Wire has two products; a free weekly newsletter and a paid daily newsletter. Their team consists

of four full-time paid staffers, however they operate with a network of a dozen or so contributors at any given time who are on the ground in the areas that are experiencing changes in their cannabis laws.

While they wouldn't disclose the exact number of subscribers that they have, the free weekly is in the thousands range and has an open rate between 30% to 35%. The daily has been changing pretty much every week but has an open rate of essentially 100%, considering the cost that readers are spending on it.

The paid product is priced at \$960 annually or \$100 per month, though Rashidian says landing on that price point was a challenge. "Pricing is the hardest part of putting up the paywall," she says. "You have to look at other comparable products and we were in-line with a lot of other similar paid cannabis products out there, in fact, cheaper than several of them."

1
Media



Liv Little, founder of gal-dem

Frustrated with the lack of representation of women and non-binary people of color in media and academia, Liv Little decided to create her own publication. In September 2015, during her final year of school, Little put all of her efforts into launching the London-based company. She had a small team at the time who believed in the mission of the publication and helped her write and edit the content,

all without making a dollar.

Now, gal-dem has 10 full-time employees, though she's looking to add two additional staffers this year. And as of February 2019, Little, who is 26 years old, was finally able to pay herself as the CEO of the company, something she wasn't able to do for a year even though she was working for gal-dem full time.

The first iteration of gal-dem was exclusively online, but Little said that

her team's goal was always to produce an annual print edition that wasn't necessarily a cornerstone of the publisher's business model, but served as a themed archive of the year.

"Launching something in the digital space is relatively cost free, which made it an accessible way to start," Little says. "It's a format that people can engage with and engage with the content for free, which is important to us in terms of accessibility of content."

Finally moving into print, however, was the one project that she couldn't fund on her own. Little ended up raising money from her family members to create the premier issue in September 2016 that had a 1,000 copy run. Each year since then, the magazine's circulation has gradually increased to 8,000 copies sold at newsstands in 2019. As for digital traffic, gal-dem.com is now at half a million page views per month coming from approximately 300,000 unique visitors, she says.

Like most entrepreneurs, Little wore many hats while growing her business, initially running the editorial side until she was able to hire out a team that would enable her to pass off some of that responsibility. Now, she works closely with the commercial team as well as oversees the development of gal-dem's video content. She is also tasked with leading the company's investing efforts (the company had a pre-seed round of funding with three angel investors before it launched in an official capacity in February 2019) and looking for opportunities to diversify revenue.

In 2020, one of her main priorities for continuing on gal-dem's path of growth is to put an emphasis on video, including working on a collaboration with Channel 4 TV in the U.K. for Black History Month. Additionally, while there isn't a paywall on the site and she doesn't intend on changing that anytime soon, Little said she wants to figure out a membership model that offers additional perks like event access and curated content. Finally, since she said a quarter of gal-dem's readers are in the United States, she wants to figure out how to grow the publication's footprint overseas. That will likely include hiring editorial support in the U.S., but she said that might be a 2021 goal.

Alex Lieberman and Austin Rief, co-founders of Morning Brew

During his senior year of college at the University of Michigan in 2014, Alex Lieberman, 26, had a full-time job offer at Morgan Stanley and only two classes on his schedule to keep him busy before graduation. However, instead of leaning back like many college seniors would do in that situation, he looked for ways to keep his mind sharp and started working with classmates in the business school to help them prep for job interviews. While doing that, he would ask each person how they keep up with the business world and nearly every single answer he got back was "I read the Wall Street Journal, but it's dense and dry and I don't have enough time in my day to read it cover to cover."

After hearing that 50 or so times, during the winter break going into 2015, it dawned on him to create his own news delivery product that would help to storytell the business world in a way that engages and inspires students. He didn't have an editorial background, but each morning, he would create a daily round-up of the top business news called Market Corner and email it out to a listserv that people individually asked to be signed up for.

Then, after reaching out to that audience base of just a few hundred readers for advice on what the product could do better, Austin Rief reached out and offered to help. "Austin single handedly pushed forward the product more than anyone else who was a reader," he said. He then came on as a cofounder and helped to construct the vision of the updated newsletter, which was retitled Morning Brew and officially launched in March 2015.

Lieberman graduated in 2015 and moved on to his full-time job, which prohibited him from writing for Morning Brew, and Rief was facing a full course load, so in order to keep the newsletter afloat, they said they had to rely on a network of college-student interns.

Then in 2017, once Rief graduated, Lieberman resigned from Morgan Stanley and they both took the leap to make Morning Brew their full-time jobs. They raised the first round of funding for the company that same year, bringing in \$750,000, and made their first editorial hire with that money.

Since then, the company has experienced rapid growth, increasing its revenue to \$13 million in 2019 and expanding its subscriber base on its main daily newsletter to almost two million as of the first quarter in 2020. Additionally, the company now has over 30 employees and expanded beyond the Morning Brew business vertical and now has two additional business-to-business newsletters along with a podcast and a pop-up political newsletter. The plan is to also launch two other business-to-business newsletters this year.

"It was difficult at times for people to take us seriously when we walked into a Fortune 25 or 50 company, but the numbers spoke for themselves," Rief says. "Now, I see age as an advantage because we don't have that legacy media background. We come to this with a fresh point of view and we're not as biased by 10 or 15 years of media experience."

14%
of young millennials
say Twitch is one
of their favorite
sources of content



Daniella Pierson, founder of The Newsette

As a sophomore at Boston University in 2015, Daniella Pierson realized how little time women had left in their days after balancing work, school, their personal lives and staying up to date on breaking news that things like lifestyle and entertainment felt like a luxury.

Because of that, Pierson says she wanted to create an oasis for women's inboxes that gave them an opportunity to not only stay up to date on those non-essential yet important elements of a woman's life but also share stories of female empowerment.

Within a day of coming up with the idea, she launched her first newsletter that went out to a total of eight people and was riddled with typos, she says, but felt like a relief that she finally found something that she cared about doing. While she wasn't a writer or had any background in journalism or blogging, she says she consumed every book, podcast and YouTube video that she could in order to learn how to successfully launch her own media company.

By the time she graduated from college in 2017, she says The Newsette had 100,000 subscribers and then she started hiring people, solely on the profits the media company was making on its own and a small familial loan of \$15,000 that she says she paid back in the first month that the newsletter made money.

"We never took an investment," she says. "But we've always been profitable."

Now, it's been five years since its launch and The Newsette has more than 500,000 active newsletter subscribers and over four million views per month. Pierson, who is now 24 years old, says that her company is set to receive its first-ever investment, which will be a seven-figure investment at an eight-figure evaluation for the company.

Other successes that Pierson and The Newsette have had to date include hiring a full-time staff of eight people, gaining fashion designer Diane von Fürstenberg as a mentor and earning the entirety of its 2019 revenues within the first month-and-a-half of 2020. This is partially thanks to her emphasis on reimagining sponsorship campaigns beyond display ads, which includes a significant partnership with Amazon featuring female-founded businesses and creating an editorial product for von



Fürstenberg's brand called The Weekly Wrap.

The format of The Newsette newsletter hasn't changed much from the premier issue, but now the media brand has its own website and is produced by an editorial team of two and Pierson can spend her 7:30 a.m. to 10 p.m. days focusing on ways to grow and diversify the business.

"It's unhealthy, but if you want to be an entrepreneur, you have to look at yourself in the mirror and say, 'I will not have a life for the next at least two years,' and be OK with that. Because in order for you to succeed in this volatile and crazy world of business, you need to dedicate every ounce of energy you have inside of you to growing your business," she says.

46%
of millennials say
they want to work for
a company that shares
their values according
to Digiday Research

Adam White, founder of Front Office Sports

As a freshman at the University of Miami in 2014, Adam White, a sports administration major at the time, was assigned to do a bunch of informational interviews with people who worked in the sports industry for one of his classes. Realizing that this was a valuable way to not only learn about the industry but to also make connections, White says he continued to interview people well beyond the scope of that project, clocking 110 interviews by the end of his first year.

During that time, he started placing the interviews on a Wix website that he built himself, which was originally called Executive Report, but later rebranded to Front Office Sports. While the company was incorporated in late 2014 and he made some advertising money in 2016, White says that he viewed it as a hobby for most of college.

As he was approaching graduation in 2017, Front Office Sports had already launched its Rising 25 award program and had earned some advertising revenue, but he said that it still felt like a hobby for him. With little savings and no full-time job opportunities lined up, he decided to pour his time into his website.

To date, White's company raised \$750,000 through one round of funding, which closed at the end of 2018. He said that those resources were immediately put toward hiring since at the time, there weren't any full-time employees. Now the company has 14 full-time staffers.

White says the site now gets between 400,000 and 500,000 pageviews per month, up from closer to 100,000 at the beginning of the year. It's newsletter grew from 8,000 subscribers to 21,000 in 2019 and the Rising 25 awards received more than 500 nominations. And last year, the company went from low six-figures to almost seven-figures in revenue and White said they are on pace to more than double that number this year.

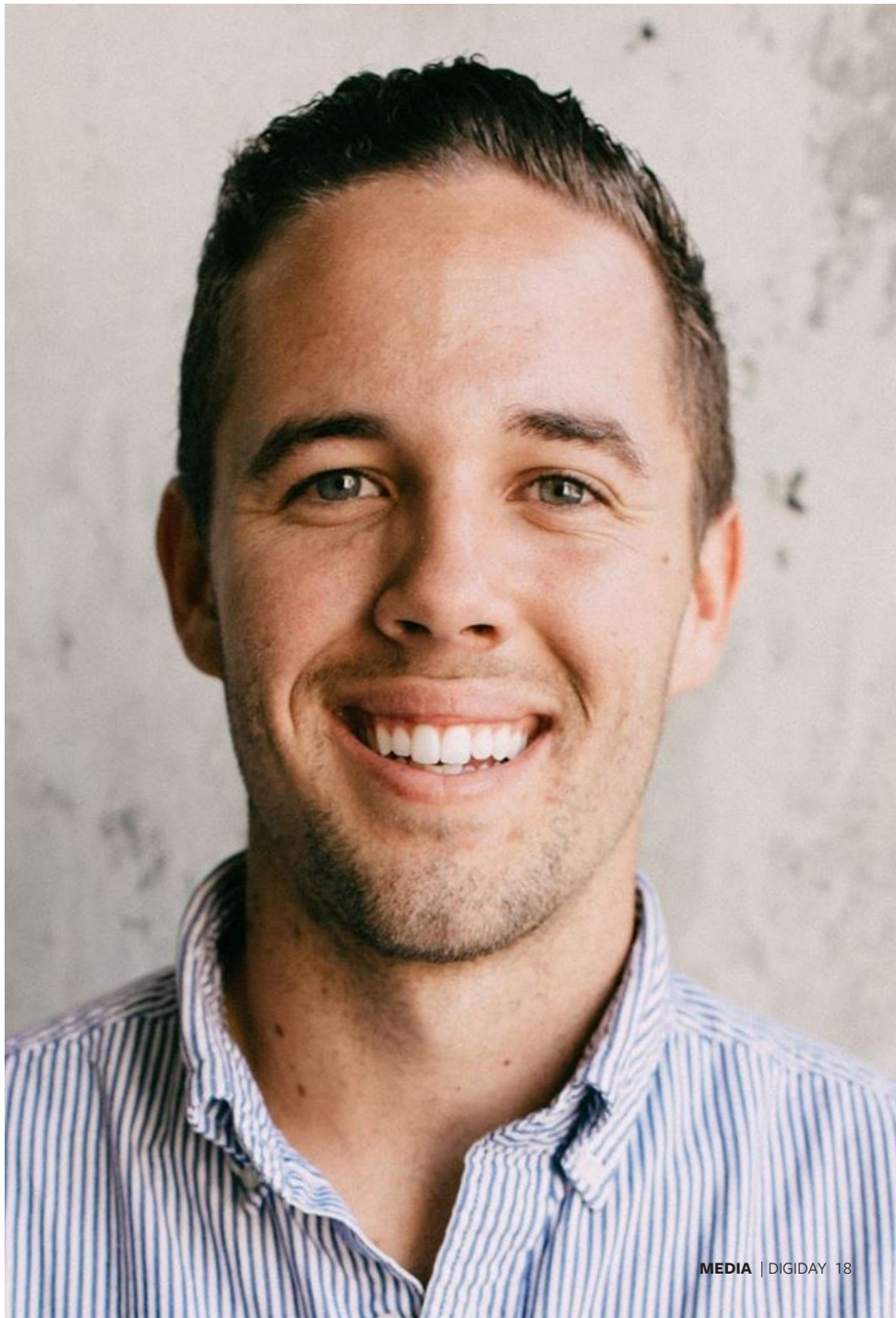
Advertising and events are the primary revenue drivers for the company at the moment with the latter part bringing in a mix of sponsorships, ticket sales and licensing revenue. The Rising 25 awards were created after White heard feedback from lower-level industry people who say they worked the hardest but were the most underappreciated. Now, that event franchise is estimated to be a

mid-six-figure business for the company in 2020.

Currently, White, who is now 25 years old, says the goal is to continue growing his audience by keeping content free and accessible, but he said that if in the next two to three years the audience has been maxed out and his team has tapped out all of its ad channels, the idea is to create a membership model, similar to the likes of Politico Pro.

"I would rather build something I can sell for \$5,000 to every team league, organization or investment company than try to sell \$250 individual subscriptions to people," White says. ■

7%
of young millennials
say their company's
reputation is the
most important
factor to them



TikTok Royalty

Meet the rising stars of the short-form video app who are taking the world by storm.

By Deanna Ting



Photo Credit: Sabra Dipping Co.

Most adults have probably never heard of Loren Gray. But plenty of teens know all about the TikTok celebrity with 38.4 million followers. What exactly makes a creator like Gray soar in popularity is somewhat of a mystery, but those who “understand trends and become early adopters are more likely to gain more traction,” says Ariadna Jacob, CEO of Influences. Creators’ strategies may vary, yet “one thing that makes someone on TikTok stand out is their ability to create authentic content that people want to watch over and over,” adds Jacob, who runs an influencer marketing agency. Here’s a short overview of the TikTok stars who are developing huge fan bases.

● For now at least, **Loren Gray** (@lorengray) is the undisputed queen of TikTok, with more than 38.4 million followers. Having first started posting on Musical.ly in 2015, the 17-year-old singer has amassed a huge following on the platform that’s been renamed TikTok. Most of her videos showcase her lip-synching and dancing skills, and her TikTok fame helped her land a 2018 Virgin Records deal.

● Magician **Zach King** (@zachking) is the reigning king of TikTok with 32.8 million followers. Known for his creative videos that feature sleights of hand and visual illusions, he first achieved fame on YouTube and Vine. The 29-year-old father of two has also appeared in Oreo, BMW, Cinnamon Toast Crunch and Chipotle ads on TikTok.

● Singer and actress **Ariel Martin** (@babyariel) has 30.2 million TikTok followers. The 20-year-old has parlayed her TikTok success into spearheading a variety of ventures: She has launched an anti-bullying campaign, called #ArielMovement, and starred in a Disney Channel film, “Zombies 2.”

● **Riyaz Aly** (@riyaz.14) is a 17-year-old social media sensation who lives in Bhutan. Many of his nearly 28 million followers watch him collaborate with other TikTok influencers via #DuetwithRiyaz. Evoking comparisons to Justin Bieber, Aly often films comedic skits that include his lip-synching and dancing.

● Since **Charli D’Amelio** (@charlidamelio) posted her first TikTok video in May, she has appeared in a Super Bowl ad for Sabra and danced

backstage with Jennifer Lopez (her idol). The 15-year-old with nearly 23 million followers is a member of the Hype House collective, along with her sister Dixie who has drawn nearly 9 million followers to her account (@dixiedamelio).

● Twenty-seven-year-old **Spencer Polanco Knight** (@spencerx) calls himself a “mouth music man” and his TikTok videos show off his beatbox skills. While TikTok is the platform where he attracts the most followers (19 million), he also has a sizable audience on YouTube (1.3 million).

● **Joelle Joanie “Jojo” Siwa** first won acclaim by appearing on Nickelodeon and two seasons of Lifetime’s “Dance Moms.” The dancer and singer, now 17, has 17.4 million followers of her TikTok account (@itsjojosiwa). Recognized for her hair bows and colorful outfits, Siwa’s fans refer to themselves as the “Siwanatorz.” She even scored a merchandising deal with JC Penney.

● Identical twinfluencers **Alan** and **Alex Stokes** fill their TikTok videos with comedy sketches and choreographed dances. The 22-year-olds participated in Chipotle’s TikTok Timeout campaign, which ran during this year’s Super Bowl match. Nearly 15 million followers track their joint account (@stokestwins).

● A member of the Los Angeles-based TikTok collective Hype House, **Addison Rae Easterling** (@addisonre) is known for her choreographed dance moves and lip-synching skills. With 13

million followers, she also appeared in the TikTok Timeout campaign promoted by **Chipotle** during the Super Bowl. Her mother, Sheri Easterling (@sherinicolee), posts content on TikTok similar to her daughter’s and is a self-professed “cool mom” with nearly 2 million followers on the app.

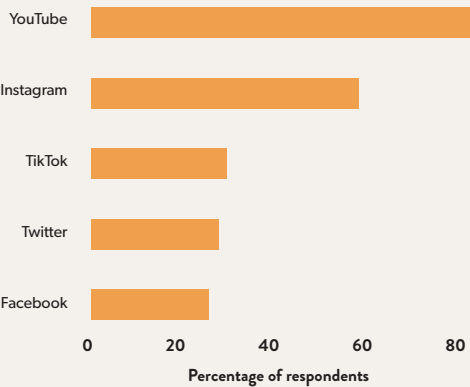
● Both Addison Rae and Charli D’Amelio have appeared in the videos of **Flighthouse**, whose owners call it a TikTok-first media company. And the company’s TikTok account (@flighthouse) has some 22.4 million followers. Flighthouse’s posts seem more like short TV episodes, with regular formats like “Dance Charades,” “Face Morph” and “Finish the TikTok Lyric.”



Photo Credit: Disney Channel

YouTube is the most popular source of content for Gen Z

Pick your top 3 sources of content



Source: Digiday, January 2020.
Sample: 250 Gen Zs.

Just Deserts

With Lovin Saudi and Smashi TV, Augustus is trying to build a youth-oriented media company in the fast-changing Saudi market. **By Lucinda Southern**

When the crown prince of Saudi Arabia was accused of allegedly hacking Jeff Bezos's phone in January, thousands of tweets with the hashtag #Boycottamazon surfaced on Saudi social media quickly.

"When that happened, I was interested to see how that was reacted to on a local level," says Richard Fitzgerald, Irish-born founder of youth-focussed media brand Lovin Saudi, part of holding group Augustus which launched in 2016.

In most cases, the tweets included pictures of users deleting the Amazon and Souq apps, both shopping services owned by Jeff Bezos. In the Kingdom of Saudi Arabia there's a pride in local companies and, like other regions, the business community bemoans that domestic advertising dollars often wind up in Silicon Valley pockets. According to Fitzgerald, Lovin Saudi is a media company for Saudis about Saudis.

"Lovin Saudi is about loving your life," he says. "We are building a new media company in this region, something like GroupNine but in a very Middle Eastern way. All of what we have done is in support of the ecosystem here."

Lovin Saudi launched in 2017 when it was still feasible and fashionable to build a media brand on Facebook. It typically publishes 15 stories a day in verticals like food, lifestyle and news all with a heavy use of emojis, befitting for its nearly half a million followers across Facebook, Instagram and Twitter as well as a Snapchat following.

Social media use is booming in

Saudi partly because of the quickly-changing youth: 60% of people are under 30. The crown prince, 34-year-old Mohammed bin Salman bin Abdulaziz Al Saud, colloquially known as MbS, is driving reform and winning favor: Women can legally drive, cinemas have reopened and the economic transformation program called "Vision 2030" is underway. (He's also held responsible for the killing of Washington Pot columnist Jamal Khashoggi.)

"The royals follow us," says Fitzgerald, "they DM us and are very involved in technology. Here younger people are more interested in economic job progress [than generations before], they often have second jobs and work in the gig economy. It's not in the international press but young people are interested in proving themselves and wanting a better life."

This view of the audience led Augustus to launch Smashi TV in 2019, an Arabic-language streaming video channel focused on local business, influencers and entrepreneurs. On Snap, Smashi TV's third and best performing Snapchat show "Influencers Crushing It" has been watched by 2.3 million people since its launch in January.

Two years in, Lovin Saudi itself hasn't broken even but did make a profit in the fourth quarter 2019. Parent company Augustus's revenue for 2019 was \$2.9 million with \$282,000 profit, said Fitzgerald. For Lovin Saudi, 80% of revenue comes from branded content,



making up around 20% of its content from 270 active brand clients including fast-food chain KFC and consumer goods brand Unilever. Prices for branded content on its social accounts range from \$1,440 (for an Instagram Live video reaching 25,000 followers) to \$3,300 (for an Instagram account takeover for a night fetching 50,000 post views).

Now, Augustus has 25 full-time employees, 20 staffers in Dubai where it publishes Lovin Dubai, and five in Riyadh, the Saudi capital. Augustus has

ambitions to be the media company of choice for the Middle East and plans to roll out to the other regional markets making up the Gulf Cooperation Council and the Levant.

Naturally, it hasn't all been plain sailing. As elsewhere, macro market conditions have been tricky. In the Middle East, North Africa, Afghanistan region, total ad spend has dropped approximately 35% since 2015. Ad spend was around \$3.3 billion in 2018, according to agency Omnicom Media Group.

Fitzgerald chalks up a few failures like hiring senior industry staff that don't fit the past-paced work life. Now, only two of Augustus employees had a job when they were hired and these weren't in the media industry. It's also avoided venture capital funding in order to retain some of its flexibility as a young company.

Early on, Augustus tried to be a social media agency and a publisher before refocusing just on media. It also dabbled in being the sales house representative for a globally recognised software-as-a-service company yet failed to make a single sale in 12 months. It was also tricky to get agencies to buy into the type of native advertising popularized by BuzzFeed four years ago.

Recognizing the nuances within the regions is crucial. In July 2019, 18 months after Lovin Saudi launched it made the switch from publishing in English to Arabic in order to reach the 33 million local internet users. It also changed branding colors from red to green and adopted more local humor, a change that led to traffic growth, said Fitzgerald.

Then there are Saudi Arabia's media guidelines which some Western publishers would find at best limiting and at worse draconian.

"I don't think there's a real understanding of the media guidelines," says Fitzgerald. "In terms of your neighbor and defamation, people say why don't you write a negative review of a restaurant? That's likely to harm someone's chance of a livelihood, that's against Sharia law and against the media guidelines."

Lovin Saudi is sensitive about the leadership, the prosperity of the regions and respectful of Islam. Fitzgerald counters that partly as a result online environments feel safer: There's little cyber crime, trolling or real negativity.

"We want to do good work rather than be blocked," he says. "The only censorship that's happened to us has been from corporate PR people."

Perceptions of the local media need reassessing, said Fitzgerald.

"People should look closer at what is happening in the media here," he says. "Dubai is a big media city and there's a lot of investment. [Actors] Will Smith, Jacki Chan and Ryan Reynolds all want to do films here. We are a privately owned company, it's not all state-owned media here." ■



GLOSSY MODERN
COMMERCE FORUM

April 7
New York, NY

DIGIDAY FUTURE OF TV
SUMMIT

April 15-17
Palm Springs, CA

MODERN RETAIL
SUMMIT

April 20-22
Miami, FL

GLOSSY SUMMIT:
FUTURE OF FASHION
AND LUXURY

May 4-6
Miami, FL

DIGIDAY
PROGRAMMATIC
MARKETING SUMMIT

May 27-29
Scottsdale, AZ

FUTURE OF WORK
FORUM

June 15
New York, NY

DIGIDAY BRAND
SUMMIT

July 8-10
Napa, CA

AMAZON STRATEGIES

August 18-19
New York, NY

Private Eyes

What marketers, publishers need to know about kids and ad regulation. *By Lara O'Reilly*

The global market for advertising targeting kids will be worth \$1.7 billion by 2021, PwC has estimated. But the complex web of data regulation can be a minefield for the publishers and advertisers that aim to reach kids online.

Last year Google reached a \$170-million settlement with the U.S. Federal Trade Commission and New York attorney general that had alleged YouTube had illegally collected children’s personal data without their parents’ permission. That’s the largest assessment to date arising from enforcement of the U.S. Children’s Online Privacy Protection Act.

The U.S. Children’s Online Privacy Protection Act (COPPA)

Who is affected: Children younger than 13

Key requirements: Operators of commercial websites or online services directed toward children younger than 13 and that use, collect or disclose their personal information must obtain “verifiable parental consent” before doing so. Personal identifiers cannot be used for behavioral advertising but can be deployed to support certain internal operations.

Latest debate: After implementing a new policy in January, YouTube is requiring creators to correctly categorize if their videos are “made for kids” or not. Videos signposted as made for children cannot carry targeted ads. Some YouTube creators fear this could result in their ending up with less income.

The California Consumer Privacy Act (CCPA)

Who is affected: Kids younger than 16

Key requirements: Before selling their personal online data, businesses are required to obtain opt-in consent from California residents who are 13 to 16 and verified parental consent for kids younger than 13. The CCPA defines a “sale” very broadly to include the transfer, exchange or making available California residents’ personal information for any “other valuable consideration.”

Latest debate: “Folks are still trying to figure out how this law fits them generally and whether or not they are ‘selling’ data,” says attorney Christian Auty of Bryan Cave Leighton Paisner. Uncertainty prevails in online targeted advertising circles, where information is passed between vendors but not necessarily “sold” in the traditional sense.

Europe’s General Data Protection Regulation (GDPR)

Who is affected: Children younger than 16

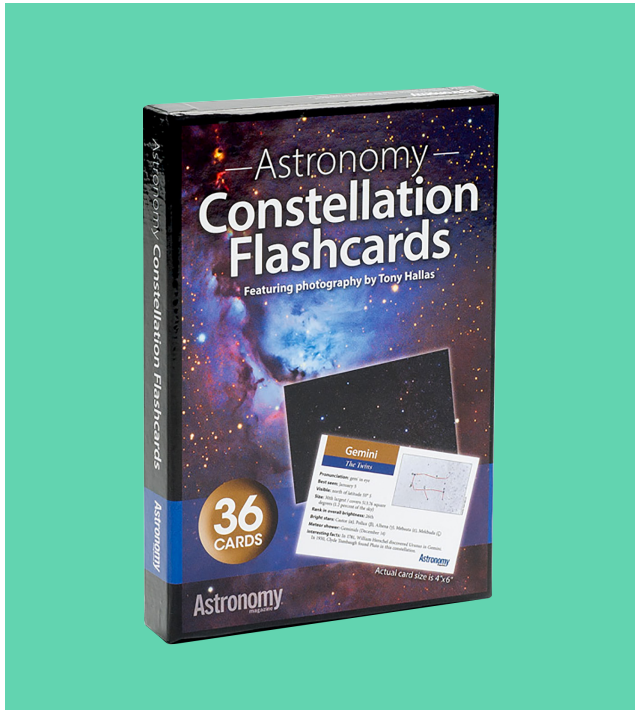
Key requirements: Online data “controllers” must have a lawful basis before collecting a child’s personal data, such as the consent of a parent. (Data collection is also allowed for contracts and legal matters, public tasks and “vital” and “legitimate” interests.) The organizations handling such data must provide easy-to-understand privacy notices explaining how they plan to use it. Some countries require parental consent only in connection with the data of children younger than 15 — or even 14 or 13.

Latest debate: U.K. and Irish data protection authorities say they plan to make protection of children’s personal data a key regulatory priority in 2020. In January, Elizabeth Denham, the U.K.’s information commissioner, warned digital companies that she has already granted them the maximum allowable transition period of 12 months, saying, “Those companies that do not make the required changes risk regulatory action.”

Direct-to-Children

How publishers are selling products to kids.
By Kayleigh Barber

Publishers whose customer demographics don't typically include children are realizing that the members of the youngest generations represent potential readers and consumers who can help diversify their revenue streams. While many kids might not quite be able to order a subscription or pay for a ticket to a daylong event, parents who read these publications are perhaps willing to spend money on the products and experiences that their favorite publishers are creating for their children.



Kalmbach bets on toys, especially science gadgets

A hobbyist publisher whose titles include Astronomy, Discover, Trains and Model Railroader magazines, Kalmbach Media already had a growing e-commerce business with its My Science Shop. But executives at the company noticed, however, that parents and educators were eager to purchase science toys for the children in their

lives, says the publisher's e-commerce marketing director, Sarah Gerhardt. Thus, a year and a half ago, Kalmbach Media's science division launched its own toy line. The company now offers 200 toys and kid-geared products for sale, and every month, Gerhardt's team tries to add 20 to 30 new items while discontinuing only five, she says. Kalmbach makes roughly 20% of the kid-focused products, including flash cards, posters and a meteorite kit. The rest of these products are made by third-party companies and

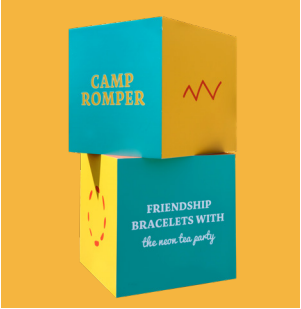
are purchased wholesale by Kalmbach and then resold on its website. The science-focused members of the publisher's editorial team help curate the selection of these third-party items and write and edit the content for the text-heavy products, such as the flash cards. This year Gerhardt wants to create a toy line for the model and railroading division, she says. "We're struggling with an aging audience," she says, adding that for her company to attract new customers, it must "start appealing more to kids." Railroad conductor hats, books about trains and wooden whistles are all products that Kalmbach would consider adding to its inventory; entry-level model products, made by third-party manufacturers, are a natural fit for Kalmbach's customer base, she says. Over the past three years, Kalmbach's e-commerce revenue grew 20%. And after the company added the toy line in 2018, its holiday season sales increased 15% in 2019, compared with the prior year's tally. In 2019, the sales of Kalmbach-manufactured science, technology, engineering and math (STEM) products increased 168% as compared with such sales in 2018. Today, more than 30% of Kalmbach's digital revenue is derived from e-commerce.



Road & Track seeks traction with its R&T Crew kids subscription kit

Last spring when Hearst Magazines' chief marketing officer Michelle PanZ'er began her new role at Hearst Autos, her job was to find new consumer "touchpoints" for the titles and figure out how to connect people of younger generations to Road & Track, she recalls. "I kept hearing Road & Track readers talk about how they started reading [the magazine] as a kid and how they started bringing their children to the events and reading the magazines together," PanZ'er says. Last summer she hit upon the idea of creating a product specifically for children and engaging with younger readers on their own magazine and subscription kit, she adds. Five months later the first R&T Crew magazine and subscription box were ready for sale. Each bimonthly kit is science, technology, engineering, art and mathematics-inspired and includes at least five items, including something to wear, a contraption to build and an outlined activity to do. The first box titled "Snowed In," shipped in January with a pair of socks, a beanie with "R&T Crew" embroidered on it, a model car set, a poster to color and trading cards, along with the eight-page activity magazine. Each box costs \$40 or \$225 as part of an annual subscription. Consumers can also pay \$25 for an annual subscription to the magazine. "The goal without any marketing is to get to 1,000 subscriptions," PanZ'er says. By early February, PanZ'er's team was on track to reach that objective exclusively

through the use of internal advertising, she says. "The goal with R&T Crew is to seed the subscription, but there is a world where it can take on life of its own, with TV and product licensing," she adds.



Bustle Digital Group welcomes the kids to Camp Romper

After acquiring event company Flavorpill in 2018, Bustle Digital Group made investments "to double down on events and experiential" activities, so it could reap new streams of revenue and create more sponsorship opportunities, says the publisher's chief revenue officer, Jason Wagenheim. That year Bustle staged its first daylong Saturday Rule Breakers concert festival in Brooklyn's Prospect Park. This led to a "business problem" that the city required reserving the park for a Sunday cleanup as well, he says. Instead of extending Rule Breakers for an additional day, the publisher's team opted to add a real-life event for its millennial mother-focused title Romper, Wagenheim says. In September Romper held its first daylong Camp Romper event, with sponsored activities for kids and parents that attracted more than 2,000 attendees. "We don't have content for children, but the moms are the ones buying tickets," says Emma Rosenblum, editor-in-chief of Bustle Digital Group's

lifestyle brands. "Millennial moms likely won't be able to go to Rule Breakers," what with the challenge of finding a babysitter on a Saturday night. So her team strived to give Romper's readers a way to engage with Bustle's titles with their kids in tow. Romper is one of Bustle's most profitable brands, with 2019 revenue in the low eight figures, Wagenheim says. And that year, 19% of Romper's overall revenue came from Camp Romper. Monetized through a mix of ticket sales and partnerships, Camp Romper was designed so consumer ticket prices would be "as accessible as possible," costing just \$10 for adults and \$5 for children, he says. This year the company is investing funds to expand Camp Romper to run every Saturday from Memorial Day to Labor Day. Jack Bishop, chief creative officer of America's Test Kitchen, says the publisher started in the fall of 2018 to create content for children in the form of cookbooks. One of his company's core strengths is its public television



The kids' menu of America's Test Kitchen menu: Young Chefs' Club

programming, which tends to have an older audience. After seeing the company's cookbooks, such as "The Complete Cookbook for Young Chefs" appear on a New York Times best seller list for 41 weeks, America's Test Kitchen launched its first subscription kit: a monthly STEM skills and cooking kit called the Young Chefs' Club. Priced at \$25.99 a month or \$240 for a year's subscription, each box includes a kitchen tool or a nonperishable food item for a kid to keep, along with six recipes as well as a science experiment or art project. The young subscribers also receive access to a digital site with videos and additional recipes. Children 7 to 12 years old are the demographic targeted for this kit, but Bishop adds each box involves a family activity that engages parents as well to help, or "at the very least, do the grocery shopping." "There was the added benefit of thinking about the revenue streams of products that we could sell to parents," says Bishop. "Maybe they'd buy our keto book or watch videos in addition to buying the subscription kit." In total, the kids business has generated "north of the \$1 million mark" within 18 months of launching, Bishop says. And since this unit launched in October, the number of subscriptions has increased 100% from month to month.



The Dodo gets into books with the help of Scholastic

The Dodo has taken on several licensing deals to extend its intellectual property, such as its animal stars and series, beyond its owned and operated platforms. This includes a three-book deal with Scholastic and extends the "Comeback Kids," "Little but Fierce" and "Odd Couples" franchises into print. Currently, there are over 300,000 copies of The Dodo books in print that are available through Scholastic's book fairs and clubs and select books are on sale with trade retailers, like Amazon and Barnes & Noble. Its first two books, "Pumpkin's Story" and "Little But Fierce," went on sale in September 2019. The third book, "50 Odd Couples" was made available for purchase in February, and the fourth book, "Nubby's Story" will be out in September. Finally, a fifth, yet-to-be-named book, is scheduled for 2021. "Last year we made a concerted effort to entertain and educate children with the best animal stories and to help foster the animal lovers of tomorrow," says YuJung Kim, president of The Dodo. ■



Child's Play

The streaming wars have come for the children in an effort to keep their adult subscribers. **By Tim Peterson**

A 45-year-old will not likely subscribe to a streaming service to watch “Cloudy With a Chance of Meatballs.” However, such kid-friendly programming could keep them from canceling their subscription as the streaming wars intensify. At least that’s the bet that ViacomCBS is making.

Since its October 2014 launch, CBS All Access has attracted millions of subscribers through adult-oriented fare, such as CBS’s linear shows and original programs like “The Good Fight.” On average, those subscribers are 45 years old, and a healthy share likely have kids, according to Jeff Grossman, evp of content strategy and operations for CBS All Access and CBS Entertainment Digital. Given

that, in November 2019 CBS All Access began to add kids and family programming “with the specific intent of it being a retention tool for us,” says Grossman.

As competition mounts for streaming audiences’ attention and budgets, ViacomCBS has recognized that it must appeal to all members of a household, not only the ones with bank accounts. And the media conglomerate is not the only entrant in the streaming wars to identify kids and family programming as an especially valuable asset in their arsenals.

WarnerMedia could have contented itself to fill HBO Max with the company’s own catalog that ranges from “Looney Toons” and Hanna-Barbera shows to

modern fare like Cartoon Network’s “Adventure Time.” Nonetheless, signaling the importance of a robust kids and family library in today’s streaming market, the company signed a deal to make HBO Max the exclusive streaming home for “Sesame Street.” Securing the iconic children’s series was “one of the first things on my to-do list,” says HBO Max chief content officer Kevin Reilly.

Similarly to WarnerMedia and ViacomCBS, NBCUniversal’s Peacock will feature programming from the company’s animation studio DreamWorks Animation. Meanwhile, Netflix is upping its slate of animated movies in an apparent effort to offset the loss of programming from The

Walt Disney Company, which has used its catalog of family-friendly movies and TV shows to accrue more than 28 million subscribers for Disney+.

“Nobody can come close to beating Disney because they have the most family-friendly crown jewels of content in the world,” says Peter Csathy, founder of media advisory firm Creatv Media.

However, streaming rivals do not need to beat Disney’s library, nor are they necessarily trying to do so. Instead their aim is to offer enough kids and family programming to supplement all the other shows and movies on their services and satisfy as many members of a family as possible to keep a subscription account active month after month.

“Retention is going to be the No. 1 challenge for a lot of these services, so [kids and family programming] is a great way to anchor a service,” says Eunice Shin, a partner at consulting firm Prophet.

Not only do kids have a reputation for regularly rewatching their favorite shows and movies and tuning into every offshoot, but they also hold sway. “The person paying the bill may be a tougher customer for their own service, but they’re going to really, really think twice about canceling a service that has things their kids want,” Reilly says.

Family fare

Streaming services stand an even better shot of retaining subscribers if they can offer shows that appeal to kids and their parents alike.

While kids are commonly thought to be glued to their phones, “the reality for all of these streaming services is family-friendly content gets the lion’s share of viewing,” Csathy says. Roughly 60% of Netflix’s worldwide audience tunes into the streaming service’s kids and family programming each month, Netflix’s animation boss Melissa Cobb told The New York Times in October 2019.

Netflix’s cooking competition show “Nailed It!” appears to have ignited interest among streamers in programming that can appeal to the whole family. While not obviously a family show, “it’s well known in the marketplace that kids were gravitating

to that show as well as adults,” says Rhett Bachner, cofounder of B17 Entertainment, which is producing a kids crafting competition show “Craftopia” for HBO Max. “I think the success of that show created an appetite [for co-viewing content] with other streamers.”

That appetite has created a boom time for production companies. Eureka Productions, which has produced family-oriented reality competition shows such as Fox’s “MasterChef Junior” and ABC’s “Holey Moley,” has been receiving more interest in pitches for “family co-viewing shows,” said Paul Franklin, co-CEO of Eureka Productions.

Eyes on YouTube

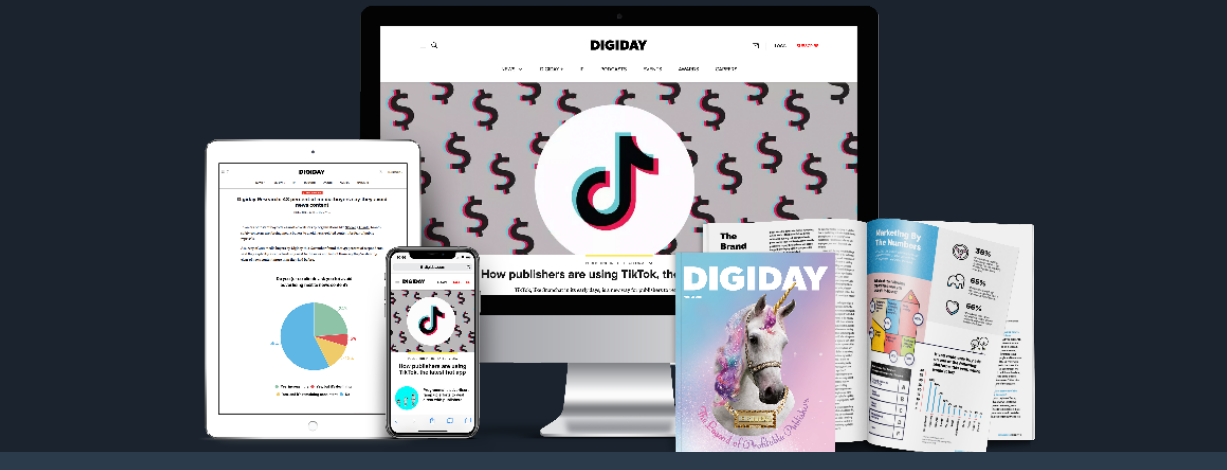
Subscription-based streamers are not the only ones trying to appeal to families. So are free, ad-supported services that can be more attractive to budget-conscious households. Walmart’s Vudu has focused on families with its foray into original programming last year. Also last year Roku added kids and family programming to its Roku Channel. And then there’s YouTube, which plans to spend \$100 million over the next three years on original children’s programming.

“YouTube is the No. 1 competition in the kids’ space, and we’ll do a fair amount of marketing and seeding over there,” says Reilly.

Given YouTube’s popularity among children, any parent who is pressed to determine how many streaming services may fit their budget could throw up their hands and say that YouTube will suffice. By contrast, a parent may be concerned about YouTube’s ability to cordon off their child from inappropriate content and look to redirect the child’s attention to services carrying libraries of TV shows that have been vetted by networks’ standards and practices departments.

Some streaming services have sought to split the difference. For example, Hulu struck a deal in 2018 to repackage YouTube videos from Pocket.watch, an entertainment company that works with popular kid-centric creators like Ryan Kaji, into TV-length episodes. After ordering 90 episodes’ worth of programming in 2018, Hulu increased the order in 2019 to 177 episodes, according to David Williams, svp and gm of channels at Pocket.watch.

“Kids’ content is the ultimate churn fighter,” Williams says. After all, it takes 18 years to churn a child. ■



Make smarter decisions with Digiday+

Subscribe to Digiday+ for access to unlimited content, exclusive research and more

digiday.com/subscribe

What My Kids Watch

Industry execs often cite their kids' media habits to demonstrate their expertise on emerging trends. But do they actually use their kids to inform their work? Actually, yes.

By Tim Peterson

<3



Chris Williams, CEO of Pocket.watch

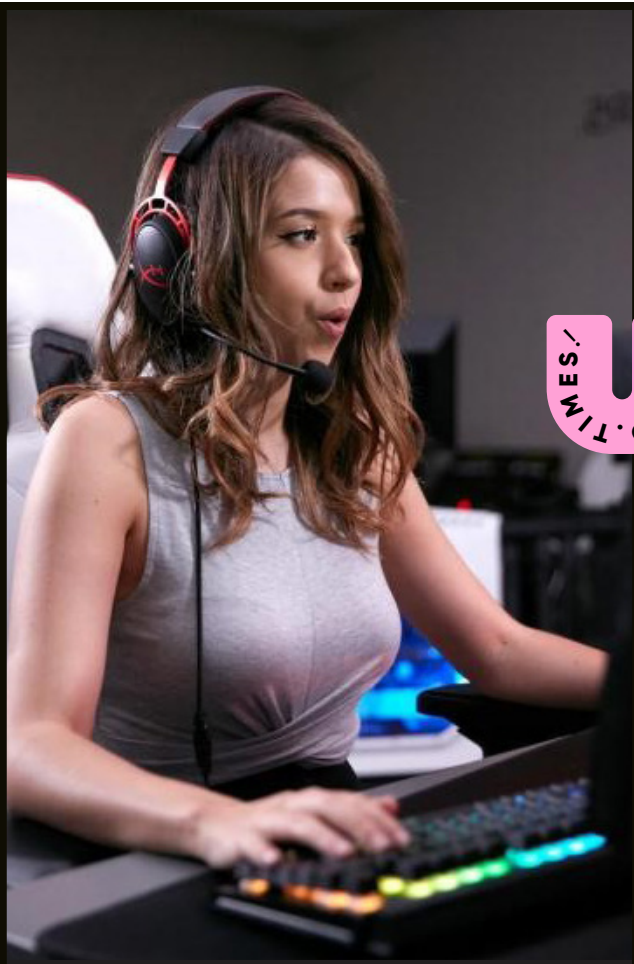
"My kids are the reason I started pocket.watch! I would see how they watched videos almost exclusively on mobile devices from platforms that I didn't have as a kid like YouTube and realized that most media companies were still operating as if kids only watched TV. Opportunity struck!"

TV!



Craig Parks, gm of brands at Jukin Media

"I often use my four kids ages 9 to 14 as my own focus group. Watching how differently our kids consume content has helped confirm our platform agnostic strategy, since even kids under the same roof don't consume media the same."



Sam Wick, head of UTA Ventures

"My kids spend hours watching Twitch and YouTube Gaming. Streamers like Pokimane are their generation's Serena Williams. This observation prompted UTA's investment into the Cloud9 esports organization, the acquisition of esports companies Press X and Everyday Influencers, and the formation of our Esports division."



Rob Horler, president of Whalar

"Last year we pulled together a report on influencer and creator trends in 2020. I asked my 17-year-old son to come in for the day to talk with the team who were putting together the report. It challenged some of our own assumptions about what to include."

Jason Sperling, svp and chief of creative development at RPA

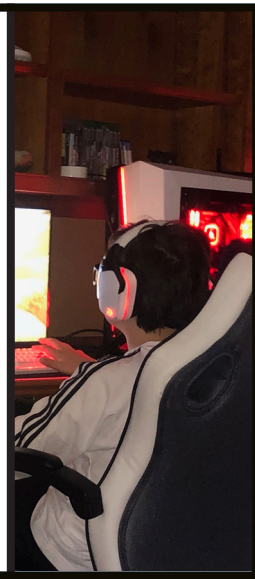
"Apple's Screen Time is a great way for me to see the trends. I can see what media channels my three teenage kids are most into and exactly how much time they're spending on them (right now TikTok is handily beating the others)."

AWESOME!



Rachel Baumgarten, chief strategy officer at Group Nine

"As part of a pitch to a tech brand looking to reach a Gen Z audience, we wanted to generate brand love and demonstrate product benefits through the talent that embodies generational passion points. The 'talent' I know my kids view as credible, like Adelaine Morin and Shroud, were the first wave of talent we built our storytelling around."



Zach Schiff Abrams, COO of Exploding Kittens

"Watching my 13-year-old daughter play a complex (and tough) cooperative board game that is marketed to someone twice her age made me reassess its difficulty. Now we have an expert bot that is super difficult in the premium app and is one of the features that we get the most love for."



FUN!

Chris Brandt, CMO of Chipotle

"In 2018, I saw my teenage boys and all their friends playing Fortnite. We found some top Fortnite players who were big Chipotle fans and we signed on as a sponsor six weeks later!"

<3

BONUS!



Unscripted

YouTube star David Dobrik wants advertisers to learn to trust the creator. **By Kristina Monllos**

David Dobrik, a 23-year-old YouTuber with 15.9 million subscribers, changed the way SeatGeek works with influencers by convincing the company to be a character in his videos. Since then, Dobrik has been able to use that content to get other brands, like EA Games, to do the same thing. Dobrik explains how he's branching out from YouTube and if he'd get married again for a prank.

This interview has been edited and condensed for clarity.

You have a unique set up with brands, particularly SeatGeek. How'd you convince them to let you do what you want instead of doing what they want?

I explained that the way to do it would be to have it where every time I did something with [SeatGeek] the end of the promo would be where someone gets something or receives something. Something happens where the viewer associates the brand deal with something positive rather than it being a waste of time. Now, when people see a SeatGeek promo, they're like, "Oh, something cool is coming" rather than, "Ugh, another ad that will waste my time." All it took was trying one video.

Is that what you use in your pitch to other advertisers?

100%. Every time I do anything with brands I always use SeatGeek as my example. On my main channel I'll never do an ad unless it pertains to the video.

How does being a character in your videos help a brand?

People aren't necessarily like, "I love SeatGeek for the tickets" but they love SeatGeek because they're supporting creators. If they're getting behind their

favorite creator, then they're going to want to support them too.

You've given away a lot of cars in your videos.

Every time I give away a car I'm like, "This is my last car. I don't want to be known as this car guy." At the same time, something new always comes up where someone needs a car or could use one. We've been doing a lot of other things lately. I've been really into the idea of giving people money for [college] tuition. I posted a video where we gave \$25,000 to a DACA [or Deferred Action for Childhood Arrivals] recipient. That was really cool. It's close to a cause of mine. I'm always so on the fence about getting into politics but I felt like that was the safest and most effective way to talk about DACA where it's still entertaining and it wasn't forcing an idea down people's throats.

Do you think your approach works, if it does, because younger audiences don't want to watch the typical "sponsored by" content? Yeah. You really tune out for the 30 seconds an ad is on. You hear what the ad is about and who cares about the other bullshit messaging.

That's the worst about advertisers, when they don't understand [how to work with us.] You're giving it to a YouTuber because YouTubers are personalities and they know their channels best. Don't give them a script. Give them a couple of things they should hit but really let them make it their own because [if you give them a script] it's not going to ever be as good as that person making it their own.

A few years ago, YouTube changed its algorithm to be more brand safe and that decreased what you were making on the platform. Do you think about changing your content to make more money on YouTube?

No! Never! That's not even me being like, "This is my content, I'd never change for corporations." That's not even me being lame and talking like some dumb artistic idiot. The reason people watch my videos is because they're exactly what I make

them. If I'm going to take out certain things to match an agenda or match a rubric of things, they won't be my videos and in the end that's going to hurt me a lot more than it's going to help me.

Do you think about what you're going to do if YouTube isn't working for you anymore?

I don't really know if the future is being on NBC or YouTube or being on Netflix. I think it's all so up in the air. I am trying to branch out and do new things and create stuff that will live on platforms other than YouTube. But who knows where the main audience will be in even a year. TikTok came out of nowhere and in six months became the biggest thing kids watch. It is the brand new Nickelodeon. The kids that are on it are straight up Nickelodeon stars and you can't argue about it. That's where all the eyes are. It'd be crazy for me to be like, "I'm gonna get a show on TBS and screw my YouTube channel."

You're now a judge for a reality competition show, "America's Most Musical Family." Is that part of your plan to branch out?

One of the reasons I did that was that I want to get to a place where I can have mainstream celebrities on my channel. It's difficult for people to trust YouTubers without them having a bit of a traditional background.

What do you wish marketers understood about younger generations and working with influencers?

I wish they looked at content more and didn't look at numbers. I wish they looked at engagement and looked at creators individually. It's not a numbers thing.

You married your friend Jason Nash's 75-year-old mom, Lorraine. Do you think you'll get married again for a prank?

My next one has to be legit. I'm looking. If you have anybody, please let me know. I'm on the market now. I'm fully divorced. Whoever's nice enough to me, that's all it takes. ■

Omar Coming Yo!

Omar Raja, basketball lover, doesn't know who Michael Jordan is. OK, he knows who Michael Jordan is, but he doesn't really know who MJ is.

"Yo, I know Jordan was really good at basketball," Raja says, sitting at the large university-like cafeteria inside ESPN's Bristol, CT, headquarters in between bites of a slice of pizza. "My dad always tells me these really cool stories, but I don't know much about him."

This may seem like a throwaway line, but it gets at Raja's underlying thesis, and why he's on the verge of media stardom of the most modern kind. Raja, 25, has been able to harness social media to better explicate sports celebrity than any other person out there. He began with his Instagram handle House of Highlights, which compiled user-generated clips from sporting events — moments, memes and everything in between. It started when he was 19 as a silly account for young sports fans. Two years later it had amassed a cult following, and the attention of Bleacher Report. The Turner-owned sports-media company plucked Raja from Florida, brought him to New York, to do one thing and one thing only: post. Over a couple of years, House of Highlights grew to exceed 10 million followers and get the attention of athletes and celebrities, including LeBron James, Cristiano Ronaldo, Nikki Minaj and The Rock -- all of whom dipped into the comments.

It got ESPN's attention too. In 2019, ESPN began talking with Raja about potentially coming over to its side. If it wasn't quite Roger Clemens going from the Red Sox to the Yankees -- Raja probably has no idea what this comparison is about -- but it was close. The idea was for him to take over the SportsCenter account and form it into his own. When asked about how it came to be, all Raja

says is "I met the right people," and so he did. He inked a deal reportedly in the multimillions, and four people from his team from Bleacher Report ended up jumping ship and going to ESPN too (that is, every person who ever posted for the House of Highlights account between September 2014 and December 2019).

Derrick Jones Jr. may know how to slam dunk a rubber ball, but Omar Raja can wield the Instagram app on his iPhone with just as much finesse. Where many media accounts view social as a way to repurpose and distribute already-made content, Raja has people talking directly to him and sending him exclusive clips from games they attended. He has a voice made for the internet — one that his tens of millions of fans respond to via DMs and comments. "He carries with him something that is unique," says Ryan Spoon, ESPN's svp of social and digital content. "This ability to speak to an audience." ESPN certainly has the eyeballs, but it brought on Raja specifically to drive engagement.

House of Highlights was proof that younger people on social networks craved relatable, less produced content of the athletes they love. It features iPhone footage taken by people in nosebleed seats, as well as more personal or silly scenes of the sports personalities not playing. It also focused predominantly on basketball and football, allowing the players to be seen not just as athletes with sweet moves, but celebrities participating in celebrity culture. House of Highlights was more about the culture of popular sports — and how younger people related to the ballers in the space — as much as it was about individual games and points. Raja's move to ESPN is an attempt to transfer that vibe and voice to a 41-year-old TV show. It's the sports network's way of trying to signal to different types of sports fans that

House of Highlights creator Omar Raja has a new job at ESPN. Are the two ready to be married?

By Cale Guthrie Weissman

it wants their business too.

Now, only a few months in, Raja's impact is already palpable. His first month was January 2020, and the SportsCenter Instagram account saw 160% engagement growth in that month compared to the previous year. Thirty-one ESPN digital posts that month broke the record for total engagement — of that much — 27 of them came specifically from the SportsCenter handle with Raja at the helm. (This was also the same month of Kobe Bryant's passing, it should be noted, but many of these posts were non-Kobe related.) Followers went up by over half a million, and Raja is the first to point out that it was all organic, none paid. The playbook Raja is using for SportsCenter is generally the same; find the best, most relatable moments that speak as much to the sports' cultures as they do the actual games. But this time the project is much vaster, given ESPN's endless sports expanse and access to sports footage; Raja is no longer an NBA instagrammer, he is trying to transform the network's online persona into something younger and memeable.

For ESPN, the decision to bring on Raja seems natural. It has been building out its digital programming for the last couple of years. The ESPN app now sees on average more than 21 million unique users per month, and its social accounts have a combined 248 million followers (which is about double what Turner/Bleacher Report). The numbers are certainly trending in the right direction, but the ESPN app needs momentum — and someone who speaks to a specific audience — to keep it that way. Which is to say: Raja is ESPN's ticket to the younger crowd looking less for sports commentary and more for memes and highlights. Even his job-change announcement illustrates this; when Raja



posted his new gig, his Instagram became mobbed with comments and DMs. Most said congratulations, some asked for a job, others marveled at the job change. It took him three days to sift through the messages — all of which represent an untapped, mostly younger, fan base now eager to consume SportsCenter content.

While the decision to part ways with his first real job was certainly difficult, Raja also keenly understood the opportunity. What ESPN represented was access and firepower — something Bleacher Report simply didn't have. "Here's the thing," says Raja, "we never had the access to the athletes." Conversely, he goes on, "the top people you want to work with, ESPN is working with." The athlete world is his oyster; "it was too good of an opportunity," Raja concludes.

This SportsCenter opportunity also lets Raja expand into domains he's never before touched. House of Highlights was predominantly a basketball-focused

account; SportsCenter covers everything athlete related. He's going to UFC fights, college football games, and other events House of Highlights likely wouldn't touch. It's an education for him, as well as an opportunity to increase social media fans who want to follow Raja's unique online voice. The question remains: can his HoH success scale enough for an international TV network? Raja considers himself talent, not an Instagrammer — and ESPN agrees. The next twelve months will test how well this digital celebrity can translate for a legacy media business.

For now, Raja's plans are to continue getting his feet wet and understanding how things work at the new mothership. He says he's giving himself a year to understand how all the different leagues and schedules work before he sets ambitious goals. Right off the bat, however, things seem to be looking OK. Engagement is up, so too are followers; meanwhile, ESPN digital saw a 29% year-

over-year increase in people ages 13 to 24.

In keeping with his charismatic online personality, Raja also wants to make his presence known internally too. "They gave me the nickname the Mayor at Bleacher Report," he says because, "I probably know 80-90% of all the names." With 4,000-plus people at his new job, he has a stretch goal. "I probably won't know 90% of the ESPN names," he says. "But I am trying." 📺

28%
of Gen Z say TikTok is
in their top 3 sources
of content, according
to Digiday Research



FUTURE OF WORK FORUM

PRESENTED BY
DIGIDAY | **GLOSSY** | **ModernRetail**

Coming Soon



Four signs you have a content gap

(and how you can fix it)

By *Eli Chapman, SVP Strategy, Celtra*

Faced with the complexity of today’s digital landscape, marketers are caught in a vicious cycle of low campaign volume, costly production rounds, endless revisions and missed advertising opportunities.

Why did things become so difficult? It’s a combination of antiquated (and often manual) ways of producing content combined with budget restrictions. Brands need more content than ever but they are struggling to meet demands around volume, scale, speed and high-quality output.

This phenomenon can be thought of as a type of content gap, in this case an internal production delta between

the amount of content brands need to market and message to consumers and the resources they possess to produce and scale it — and it’s growing greater by the day. According to a Forrester report commissioned by Celtra, 70 percent of brands are already devoting more time to content creation for their campaigns than they would prefer; and for many the content production gap can’t be solved by merely throwing more money or hours at the problem.

So, what does this gap mean for marketers? How can they bridge it? Below are four common symptoms of the content production gap and how marketing teams can fix it.

1

Content output is too low (and the team needs more capacity)

While digital has given brands unparalleled opportunities to deliver personalized messages across platforms, many marketing teams lack the bandwidth to cover all of the ground those opportunities now represent. As a result, brands are failing to deliver against their media and messaging strategy. Digital advertising goals are nearly impossible to achieve without tactics that can speed up production. For example, according to the Celtra Data Insights team, reusing assets by templating creative, rather than creating all of the variations manually, saves 75–80 percent on production time. By introducing automation and separating content from design, teams can design a strong asset and then scale it across numerous variations.

2

It’s difficult to produce excellent creative in the time available

The average person is served more than 1,700 digital ads per month. A marketing team’s signal drowns in all that noise unless it can generate creative that helps their brands stand out. However, when there’s a scant amount of time for getting campaigns out the door, creative quality almost inevitably takes a hit. There’s another challenging piece here too: creative consistency. Design, quality and cohesive branding are necessary to maintain this factor across all markets, all the time. Off-brand — or worse, off-putting — content will have an impact on a brand’s bottom line. Conversely, according to a Harvard Business Review report, consistent branding across all platforms increases revenue by up to 23 percent. Similarly, and also from the Harvard Business Review: “A euro invested in a highly creative ad campaign had, on average, nearly double the sales impact of a euro spent on a non-creative campaign.”

When scaling campaigns and content, maintaining true consistency and high-quality creative can be taxing. What can help bridge this part of the content production gap is to look for automated solutions that give teams margins to generate new creative that cuts through noise, all the while controlling for human error, and ensuring that elements like text, style and translations are ladder up. If automation isn’t an option in-house, then the team should look to partnerships that can add technology to the mix.

3

Advertising opportunities are slipping away

Ideally, top-performing marketing teams should take an agile approach where they can test, learn and iterate on creative continuously. In practice though, most are busy just trying to deliver the basics for their media teams and agencies. In those cases, the shortage of content leads to missed opportunities. Marketers end up lacking the capacity to launch campaigns fast enough or try out new concepts. Again, technology can help, allowing the team to manage the technical side of production more easily and faster while granting full visibility onto each campaign asset. When the team isn’t preoccupied with repetitive tasks — when they can cut steps and time spent on feedback rounds, for example, identifying real-time toolsets for editing, commenting and previewing content — they can better focus on inventive and engaging content.

4

Your creative is too generic

According to Marketo, 63 percent of respondents are highly annoyed by the way brands continue to rely on the old-fashioned strategy of repeatedly blasting mass messages. Even when a marketing team is satisfied with content volume and creative quality, it still needs to ensure that

its ads and messaging include the level of relevancy that consumers expect. Most companies are well-aware that this is an area in which they can always seek improvement. According to the Forrester study that Celtra commissioned, 61 percent of organizations reported that improving creative relevancy is their organization’s digital advertising creative goal over the next year. However, the more personalization marketing teams add, the more variations those advertisers will need to create to keep up with that strategy.

Marketers are shifting their focus from improving longer-standing content production methods towards developing new ones entirely. New technology doesn’t just facilitate digital advertising; it establishes a new process overall, one that offers unparalleled production speed. Again, adding technology and strong tech partnerships into these efforts means opening wider margins for creativity and context-rich tactics. Software and platforms have become primary tools that help marketers bridge their content production gaps, empowering them to deliver at the speed of media..

“By templating creative, rather than creating all of the variations manually, saves 75–80 percent on production time.”



2

Culture

What's Trending

Experts decode Generation Z.

By Deanna Ting

Now that members of Generation Z are entering the workforce and beginning to flex their purchasing power, marketers want to better understand these individuals who were born from 1995 to 2012. Seven Gen Z marketers and entrepreneurs share their insights from the frontlines.

Climate anxiety

The cold, hard truth about climate change and its impact has not been lost on many Gen Z'ers and it's influencing the brands they support and the items they buy.

"We feel like we have the world on our shoulders as far as issues like climate change go," says Andy McCune, cofounder of Unfold. "Other generations have neglected this and passed this onto us. When we make purchasing decisions, sustainability is very important to us," adds McCune, whose mobile design tool kit firm was recently acquired by Squarespace.

Companies that are pursuing sustainability need to market themselves appropriately, says Tiffany Zhong, CEO of Zebra IQ. "Anyone can make a brand today and drop-ship something. But Gen Z will go with the most sustainable and efficient brand that's most aligned with their own brand," notes Zhong, whose company offers a real-time Gen Z insights platform.

For Gen Z'ers, the idea of sustainability isn't just limited to eco-consciousness; it extends to a more general longing for things that endure, according to Drake Austin Rehfeld. "Gen Z cares about purchasing things that last and that matter and have a story behind them that they can relate to as well. It's thinking through the mindset of what this means for a lasting planet and... for a lasting collection of my own," says Rehfeld. He serves as director of product for Ntwrk, which has an app that livestreams shopping opportunities.

1



2



The Amazon Prime (Now) generation

Gen Z'ers have been growing up in an online world of such wide-ranging e-commerce opportunities, they are accustomed to receiving instant gratification in ways not experienced by preceding generations.

“We’re like the Amazon Prime now generation,” McCune says. “We’re used to overnight shipping for free; we’re used to live chat for customer support. We’re used to getting things now; when we buy something, we want it tomorrow, if not today.”

Companies would be smart to cater to Gen Z’s desire for immediacy and instant gratification, McCune says.

On the flip side, though, companies that know how to play the long game can benefit, too, Goel suggests. Businesses can find opportunity by figuring out a way to surprise or delight Gen Z, even by using an older form of communication such as direct mail, he adds.

“Mailing a letter to a Gen Z’er makes a brand stand out,” Goel says. “They’re not getting letters. It’s a territory that’s not being touched at all. Too many brands are too busy trying to play games on the same playground: the internet.”

Virtually omnipresent

So connected are Gen Z’ers to their technology, almost 24/7, they appear to be nearly always online, virtually omnipresent.

“Having information be readily available and be able to consume it at all times makes Gen Z very savvy with what things are happening, and knowing and forming judgments about something,” says Ishan Goel, founder of marketing agency Goel Strategies. “Nothing slips by. They always keep their fingers on the pulse.”

McCune explains, “We’re consuming so much information all day constantly at a rate that humans have never really consumed information before.” He observes, “We have so many people who are trying to reach us every minute of every day,” citing as result a need to capture Gen Z’ers’ attention in less than eight seconds.

While some people have mistakenly characterized Gen Z’ers as having short attention spans, they are just swiftly discerning what’s genuine — and what’s not, asserts Madison Bregman, founder of youth marketing consultancy Girl Z. “It’s our BS meter,” says Bregman, who runs a youth marketing consultancy.

“We can determine within a few seconds if something is worth our time,” she says. “Our biggest turnoffs are things that are fake, inauthentic, corny or trying too hard.”

Renfeld links his generation’s desire to filter out what’s phony to its openness to cancel culture: Gen Z is quick to pass judgments because “we understand the opportunity cost of media,” he says. In other words, don’t waste their time and don’t try to deceive them, he adds.

3



Platform fluency

Marketers need to do more than merely meet Gen Z’ers on the social platforms they use every day. To really reach them, companies need to learn how to speak the language of each platform and personalize the messaging, say Gen Z marketing experts.

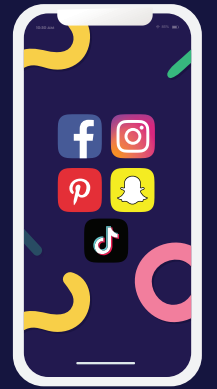
“The personalization standard is so low” these days, says Gen Z marketing consultant Connor Blakley. “Brands are so bad at talking to Gen Z in the first place.” Yet “youth culture dictates a lot of things, including using the cultural references that we use. They need to talk to us on the same wavelength.”

To Bregman, every platform has its purpose: Facebook is a platform used by

older audiences and posts there are “not as relevant” to Gen Z. Although many of her peers have at one point deleted their Facebook accounts or might not have initially had one, they are deciding to reactivate or sign up for accounts upon entering college, she says. Gen Z’s use of Snapchat “is starting to fade” but still lingers, she adds. Companies that are serious about their desire to communicate with Gen Z’ers should be using Instagram and TikTok, she maintains.

TikTok is especially relevant to Gen Z because it’s quick to use and the platform invites Gen Z’ers to pursue their desires to be entrepreneurs or influencers, Bergman says. “It’s easier to build a following on a platform like TikTok than on YouTube,” she claims.

4



5



Respect for the hustle

And the entrepreneurial spirit that can be found among many Gen Z’ers is informing their desire to become influencers and creators.

“Companies should really start thinking about the fact that people who might have 2,000 followers are influencers themselves in their own right who are strongly influencing their own communities,” Zhong says. A company working with one of these micro-influencers “might be more powerful than working with the influencer who has the most followers on Instagram,” she adds.

The more specialized the content, the more Gen Z’ers will appreciate it in some cases, Blakley says. “For every subject and niche, there’s a subject master for it and people will start producing content at scale in those niches,” he notes. “The line between influencer and celebrity is extremely blurred.”

Gen Z employees want flexibility and they want to work for organizations that value them and that they can trust, Rehfeld claims. “To hire Gen Z, it’s not about having a pingpong table and kombucha on tap,” he says. “It comes down to trust and authenticity, and that plays into the entire ecosystem of a Gen Z’er’s life: [providing]

enough rope where they can make impact and enough guardrails where they don’t fall over edge but can still move forward.”

For Gen Z’ers who are entering the workplace, it’s crucial that employers provide an environment that welcomes entrepreneurship, says Swish Goswami, CEO of Trufan. “Our generation is the generation right now that’s most at risk when it comes to mental health,” says Goswami, citing the deleterious effects of social media. “Personalized care for employees or weekly check-ins where you make your employees feel like they’re part of a bigger ecosystem and having open-door policies will be extremely crucial to people in my generation.”



Gen Vegan

Brands are shifting to meet the expectations of an increasingly vegan generation. **By Jack Marshall**

Millennials have flocked to veganism over the past 20 years. Gen Z is carrying on the plant-based baton, leaving brands selling non-animal products struggling to adapt to their expectations.

Studies suggest around 80% of Gen-Zers expect to consume fewer animal-related products in the coming year, over 30% intend to be on entirely meat-free diets by 2021 and 44% think being vegan is cooler than smoking. But Gen Z’s culture and attitudes surrounding plant-based products are very different than those of their elders, and what’s resonated with Millennials isn’t going to cut it with a new generation of consumers for whom availability of non-animal-based products is expected.

The most pronounced shift marketers are making to better appeal to Gen Z customers is a simple one: altering their branding and messaging from positioning their offerings as different from the norm, to presenting them instead as the new normal.

Research by the World Resources Institute’s Better Buying Lab found that the label “vegan” can hinder sales of plant-based food items, for example, while “vegetarian” is often viewed as synonymous with unsatisfying. Younger consumers, it found, viewed plant-based a secondary concern versus a primary selling point.

Many vegan brands are now reorienting their marketing to emphasize what their products do contain, rather than what they don’t. As plant-based options go mainstream, they’re increasingly competing with non-vegan brands for attention and purchase consideration, particularly among Gen Z audiences. It’s increasingly about blending in with the mainstream market, rather than standing out from it.

Bruce Friedrich, executive director of the Good Food Institute argues that brands should avoid including references to vegan or vegetarian altogether to better appeal to evolving consumer tastes and a broader market, particularly among younger consumers for whom that distinction is less pronounced.

Brands are increasingly heeding that advice. Brazilian plant-based food startup Vegan Ja rebranded simply to Beleaf last year for, for example, in attempt to broaden its products’ appeal. Meanwhile in the U.S., brands such as Impossible have largely avoided describing their products as vegan, emphasizing instead language such as “meat made from plants.”

“For Gen Z their motivations are different. Millennials needed to be educated and convinced, but with Gen Z they already know. The celebrities and the people they look up to are vegan, their parents and friends are vegan, it’s a part of their culture,” says Lori Amos, founder and president of marketing agency Scout22, which specializes in working with plant-based products and “conscious capitalist” brands.

As a result, marketers are having to rethink the way they position plant-based brands and products. That includes newer upstarts attempting to capitalize on the plant-based boom, but also “legacy” brands hoping to recast their products for changed expectations and a more generally plant-based world.

While it’s clear that tastes and expectations of younger consumers are evolving, some argue that brands are behind the ball largely because of the partners they’ve chosen to work with to market their products.

Unsurprisingly, the uptick in interest

in plant-based products quickly gave rise to a raft of agencies and experts specializing in “vegan marketing”, often with their major selling point being that they themselves were vegan and knew how to speak to the target market. This model may have had its advantages early on as smaller brands attempted to gain traction with niche markets, but Amos argues this approach is -- and was -- shortsighted.

“As the space gets more competitive, plant-based firms are now waking up to the fact that they have to hire people who know what they’re doing. People who have real experience in building brands,” Amos says.

But as plant-based brands continue to get snapped up by legacy companies, go public, and are viewed along other mainstream brands by younger consumers, that shift is accelerating. For many younger consumers, vegan brands are just brands. ■



The Crusaders

Cherry blossom season is a popular time in Washington, D.C. Tourists descend on the capital to take a look at the beautiful first signs of spring.

But for Extinction Rebellion, a global group of climate change activists, it’s a time for action. Cherry blossoms are blooming earlier due to climate change, says 18-year-old Sophia Kianni, a member of the D.C. chapter. And the group is figuring out what to do.

In recent weeks, the group has been brainstorming catchy slogans to post online and use for the event. “One of our ideas was [to use a common phrase of ours] ‘No blank on a dead planet,’” says Kianni. “So we were like, ‘There’s going to be no flowers on a dead planet.’ And then having like a pink XR logo and then putting that on social media. That way we create viral-worthy content that people can easily share on their [Instagram] Stories.”

The global grassroots movement of activists is known for fighting climate change with non-violent direct action — and making sure to do so in headline-grabbing ways. In early March, for example, activists who are part of the Hong Kong branch held a dinner party in the South China Sea to highlight the rising sea levels. And in Melbourne, also in early March, activists buried their heads in the sand at Inverloch Beach; doing so was reportedly a symbol of the inaction legislators have taken to reduce Australia’s carbon emissions and reliance on fossil fuels. The point? To keep climate change in the news as long as necessary to inspire action to fight it among legislators as well as people across the world.

The multi-generational movement, which was founded in May 2018 and has hundreds of thousands of members in 70 branches across 350 cities, many of whom are Gen-Z and millennials, also uses its own channels on social media to keep the effects of climate change top of mind. On Instagram, where Extinction Rebellion has over 655,000 followers, the group posts protest photos, details for upcoming actions, art created by members and news about climate change. On Twitter, where the movement has over 352,600 followers, a similar approach is used. The channels are

also used to communicate and reiterate the group’s principles and demands, including to get governments to “tell the truth” about climate change, “act now” and create a “citizen’s assembly” on climate change.

“It creates a public face for the organization,” says Henry Pratt, a 22-year-old member of the Washington, D.C., chapter of the U.S. branch of Extinction Rebellion, of the social media accounts. “A good 40 to 50% of our efforts goes into these digital realms. We have a very core brand and every single bit of our social media copy all fits within that.”

The movement, which has no leadership and works as a flat organization, has worked to create an easily recognizable brand with a cohesive message by working together on various encrypted chat apps, like Keybase and Matter Most, to make sure that the content is consistent on the accounts. Creating content for the accounts is done on a volunteer basis, according to members. Typically someone will share a potential Instagram or Twitter post to the group’s chat channels and the group will workshop it from there, with the primary concerns being inclusive language, as well as the intent of the post and whether or not it will resonate with followers.

“Everything is very much a group effort,” says Kianni. “We never want just one person to be in control of the social media. If you want to pitch in and help with the social media then you totally have the ability to do so.”

In workshopping the posts, Extinction Rebellion aims to be as inclusive and as attention-grabbing as

How Extinction Rebellion is using social media and marketing to grow a movement. **By Kristina Monllos**

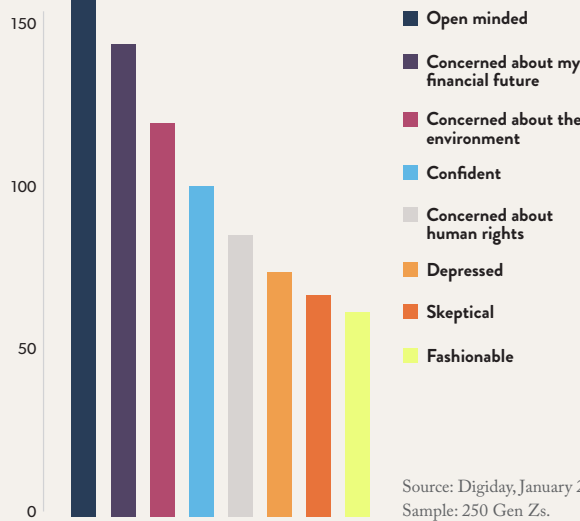
possible. “We spend a lot of time on wording,” says Kianni. “A lot of our social media centers around thinking of catchy slogans and stuff for events that we’re planning.”

“Something that’s really key to Extinction Rebellion is that we have shared resources, shared ideas, share values and that comes across in our media,” says Farzona Comnas, a 20-year-old member of the D.C. branch, adding that the movement has caught on quickly because many are already worried about the environment. “People are already concerned with the climate crisis and we tend to use a lot of language that goes like, ‘It’s your moral obligation to future generations’ [to do something].”

“We’re being raised in this political climate where we are hyper aware of everything that’s happening, we know what climate change is going to do to the planet,” says Kianni, when asked why Extinction Rebellion is popular among younger generations and on social media. “We just want to make sure that our generation is going to have a future. And we’re also thinking about future generations.” ■

Gen Zs consider themselves open-minded, and worried about their futures

Which of the following describes you?



Source: Digiday, January 2020. Sample: 250 Gen Zs.

OK Millennial



Dopamine fasting

Just get rid of all the things in your life that give you pleasure. Dopamine fasting, which is really a stimulation fast, removes any kind of input that would release dopamine in the brain. First circulated as an idea by a Redditor named Greg Kamphuis, who argued for a fast from “TV, refined sugar, alcohol, processed fats, nicotine, caffeine and porn,” the concept has now extended from Silicon Valley to younger millennials, who use it to focus, tellingly, on fasting from Instagram and Facebook and the dopamine released after getting a rush of likes on your posts.



Salary transparency

Salaries used to be the last great taboo. Knowing how much your friends, or for that matter, coworkers make was a pretty foreign concept to many Gen Xers, and even most older millennials. That’s

changing. A growing understanding of inequities has led to calls for partial or full transparency at companies. Some have complied: Uber, BBC and Google have all sought to make compensation data public. But more interestingly, younger generations are far more open about their salaries with friends and coworkers. Knowing how much others make is akin to knowing anything else about your friends, they say. “What’s the big deal?” wondered one young Gen Z’er.



Beg, borrow, steal

Despite their love of secondhand, Gen Z thinks of debt very differently from the generations that preceded it. While student loans are on many of their minds, and they’re willing to take on jobs that will help them pay off that debt, they’re also more willing to actually take on debt for items they want. About 41% eligible had credit cards in 2019, while only 34% of millennials who reached that age in 2012 did. “Micro-loans” from startups like Klarna and Afterpay, which let customers take on small loans for items like expensive jeans or luxury clothing have made the idea of debt feel like something you take on for what you really want.

The youth are all right. Here’s what’s on their minds now.
By Shareen Pathak



Vintage redux

Old is hot. Gen Z’ers are more likely to be comfortable with wearing other people’s clothes — and selling their own — than anyone else. The rise of technology is one factor: Sites like Poshmark and TheRealReal have made it easier than ever to buy used clothing. The other factor is a growing understanding of sustainability issues and the effects fast fashion has had on the planet. Plus, 25% of Gen Z’ers, according to a recent survey, are saving up to buy an item they can afford. Shopping secondhand feeds into all three of these forces (and for many, is also a way to make some extra cash on the side).



The fixer generation

From the student debt crisis to climate change to gun control, this is a generation of fixers. Gen Z boasts some of the most youth-led activism the world has ever seen,

from Greta Thunberg’s climate change marches to the Extinction Rebellion to the Parkland survivors group, led by vocal leaders like David Hogg. If millennials started the “woke” trend with movements like Black Lives Matter, it’s Gen Z who are saying “hell, yes.”



Digital nomadism

The defining trait of the youngest generation is comfort with technology. This is a generation that grew up, literally, with the internet. That’s led to a group that’s far more comfortable with physical mobility even as they crave stability. That means more work from home and remote work options, and in extreme cases, work that takes place from literally anywhere in the world, on a timeline that suits them.



Side hustles

Young Young millennials and Gen Z are far more comfortable with the idea of two jobs — one that may act as a career, the other as a way to fulfill passions — than others. Work is structured, but its edges are not: For younger generations, the lines blur, and

the idea of a job doesn’t remain singular. About 76% of Gen Z’ers surveyed by Monster last year said they are responsible for their own career, while 58% of them said they’re willing to work nights and weekends to make it happen. (Those numbers are much lower for millennials, and very low for Gen X.) That means more selling sneakers, painting artwork for sale, and even Uber driving on the side.



Vaping

Who ever thought smoking would make a comeback? E-cigarettes, specifically Juuls, are the accessory of choice, particularly among Gen Z, who over index on vaping compared with every other generation (and aren’t using it to quit smoking). It’s a real anomaly considering the rest of Gen Z habits — Gen Z are more sober, do fewer drugs and in the U.K. and Europe, have brought teen pregnancy rates to historical lows. The vaping? Some, like Nayla, a 16-year-old from New York, says it’s about coping. “We don’t do a lot of other stuff. But the vaping, it’s my way of dealing with the rest of the shit.”



The age of anxiety

Maybe it’s climate change, maybe it’s politics, maybe it’s something else. But Gen Z’ers are both more nihilistic and more anxious about the state of the world than anyone else before them. They’re likelier to rank themselves as more depressed and less positive about the future. It shows up in culture too, with the preponderance of “we’re all going to die” memes and “life is meaningless” tropes common on TV, in music and on the internet.



Diversity

Gen Z will be the most demographically diverse cohort ever. Nearly half of them will be people of color, found the Pew Research Center. A majority of them will be non-Hispanic white. They also have very different views on gender and identity — gender is likelier to be fluid than static, identities can be multivarious. A combination of these factors also puts them on track to be better educated than any prior generation before them. And all of this is something to be celebrated — and to be used to make a mark. “I explained to my parents what intersectionality was,” says 19-year-old Yasmine. “It’s different.”

The Saddest Generation

Gen Z has higher anxiety and depression rates than any group before it. Here's how they manage.

By Shareen Pathak



Alex is a 22-year-old social media manager for a startup. Six months ago, while standing in a crowded No. 3 express train on the way to work, he had a panic attack.

“I was staring at my phone, trying to simultaneously respond to a Slack message from my boss but also scrolling through Instagram and texting a friend when I thought I was going to die,” says Alex (who didn’t wish to use his last name because he doesn’t want to be known as “the depressed guy” at work). “I literally thought I was being crushed under what felt like a mountain of work, overwhelmed, and messages were coming at me from everywhere, and I just wanted to die.”

It’s a common feeling for Becky, a 20-year-old college student. “I’m anxious all the time,” she says. What about? “Being in school. Feeling pressure to have a social life. Politics. My friend is studying abroad in Spain and I read a story on Twitter about someone who got their kidney stolen in Spain. The coronavirus. Everyone I know has cancer.”

Young people — and for that matter, old people — everyone is anxious. Everyone has too much to do. The U.S. is the most overworked nation in the world.

But the specific strains of depression, anxiety and nihilism are unique to Generation Z, the cohort born between 1996 and 2016, many of whom are now graduating college and entering the workforce for the first time. It even shows up on TikTok, that platform favored by the youth, where a new genre of videos are about making yourself feel better: “I woke up depressed, here’s what I did,” is a popular class of content. It’s used as a way to bond with others on the same medication: “Yo, where my Citalopram girls at?” asked juliakempner08 in one video.

Studies show that depression, anxiety and thoughts of suicide are increasingly more common in this cohort than ones before. A 2019 study showed undergraduate students of the Gen Z cohort had double the rates of those issues than others.

There is of course the argument that this generation is more likely to be open about mental health issues than others, meaning that everyone’s always been anxious, they just talk more about it. But it doesn’t account for, argues Psychology Today, the increased suicide rates.

Greg Lukianoff is the co-author, with Jonathan Haidt of “The Coddling of the American Mind: How Good Intentions and Bad Ideas Are Setting up a Generation

for Failure.” “There has been a dramatic surge in anxiety, and depression among young people over the last 10 years versus the 15 before that. Because of changes in medical trends and cultural taboos, it’s hard to compare depression and anxiety reports from much earlier than that meaningfully. To the extent teen suicide rates are a proxy for teen distress, we do know that the suicide rates for older teens peaked in 1991, and we’re very near those peaks now,” he says.

For Lukianoff (and Haidt) the big factor is tech and the preponderance of social media, which he says takes high school-style bullying into the real world and beyond. “When I tell people to imagine the worst of junior high school 24 hours a day forever, it rightfully gives people a shudder.”

After his panic attack, Alex the social media manager went to his mom, who took him to a therapist, and was diagnosed with depression. He was prescribed medication, and has since taken to 30 minutes of meditation a day. He’s also — perhaps most importantly — gone off all (personal) social media. “It’s ironic since my entire existence depends on it, but I had to. A whole group of us have.”

It’s what Lukianoff has observed as well: “Social media allows people to gather together in like-minded groups, and this includes people who are more depressed or anxious ‘finding each other.’ Research into real-world social groups shows that depression can spread among people in a social relationship; if much of the peer group is anxious and depressed, you are more likely to be, as well.”

Plus, it creates feelings of FOMO, stress and therefore, sadness. Becky says she spends much of her time at night refreshing. “I refresh and see what other people are doing. It’s a way of checking in. Do I look as good? What’s she wearing? Can I afford it? How does she have friends?”

Jessica, a 20-year-old student at Pace University says she hears about people counting posts. “I haven’t posted in two months. Do people think I’ve done nothing?”

There are a few historical shadows under which millennials grew up that have little to no significance for Gen Z, also contributing, potentially to a different way of looking at the world. Most millennials were young children during the 9/11 terror attacks. Millennials came of age, and many

entered the workforce, during a recession. They helped elect the first black president in history. Technological evolution was fast and rollicky during their adolescence and young adulthood.

For Gen Z, all of that is table stakes. Most haven’t known an America that isn’t at war, and they unlike every generation before them, were born into, almost, a social media age.

Sunny, a 22-year-old employee in corporate finance, says it started for her in college as well, where her peer group sat around burnishing their LinkedIn profiles. Social media, she says, feels like a constant status update — how high is your status?

And it continues on into the workforce as well. “I would say my anxiety has changed,” she says. “The college anxiety was about academia. College had a blank dream of a job I was chasing. Now I want a dream career. There is a lot of pressure of constant next steps. I’ve been working for like a month, but I’m already thinking of what happens next. It’s nonstop. Sometimes I can’t breathe.” ■

“
Do I look as good? What’s she wearing? Can I afford it? How does she have friends?

Roommates

The rise of houses and penthouses where influencers create content together.

By Katie Richards

Influencer houses are increasing in popularity in 2020 among Instagram and TikTok stars, following the lead of YouTuber mansions like Jake Paul's Team 10 home, started in 2017.

Most of these homes start as a place for collectives of influencers to create content together. Sometimes, like TikTok's Hype House, some live in the home full time, while the rest stop by to work and hang out with their friends. While the Hype House is less focused on creating an ambiance, more thought typically goes into the design and decoration of an Instagram home. One company, Village Studio, scours the country to find the best homes and apartments, with the best natural light and open space, and fills the space with modern furniture. Then, they bring influencers in free of charge, to shoot content and tag the brand in their subsequent posts. Brands also come in and use the space, for a fee. In January, the company opened its latest penthouse, a three-bedroom, three-and-a-half bath penthouse along the South Williamsburg waterfront. Here's what it looks like inside.

1

Village Studio has roughly \$40,000 worth of decorations on display or stashed in prop closets so influencers can style the home however they want.

Photo Courtesy of Village Studio

2

Despite having three bedrooms, no one actually lives in this home. At any given time only one room is actually styled as a bedroom.

3

Brands, that end up paying between \$3,000 and \$15,000 for the space, and influencers can move furniture in and out, restyle any bookshelf or bring in their own props.

4

Every Village Studio home needs to have a well-lit, open kitchen for food bloggers to get the perfect cooking shots.

5

DTC furniture company Maiden Home provided most furniture in the home. In exchange, the company gets free marketing from brands and influencers.

The New Athletes

Professional esports players are becoming style icons -- and brands are taking notice.

By **Danny Parisi**



On a cold day in early February, thousands of people crammed themselves into the Hammerstein Ballroom in New York City and spent two hours cheering (and jeering) as 12 people played video games on a stage.

It was one of the first matches of the season for the Overwatch League — essentially the NBA for competitive playing of the enormously popular 2015 shooter game Overwatch — between the New York Excelsior and the Boston Uprising and it had all the hallmarks of the season opener for any sports league: Fans decked out in their team colors and jerseys, spirited commentators fawning over impressive plays and generous chants of “Boston sucks.”

So it’s no surprise that just like many other sports leagues, the players in the world of esports have become celebrities themselves, some of whom with hundreds of thousands of followers on social media. These players, who command massive influence among their devoted young fans, have become valuable selling points for fashion and apparel, scoring sponsorship deals with streetwear and athletic apparel brands and becoming the faces of their own lines of apparel.

The evidence for this was clear from the merch booth at the season opener, which was almost completely sold out by the end of the first match.

“It’s crazy how popular it’s gotten,” said John (who declined to give his last name), who was working behind the counter at the match. “On the first day, we sold out completely upstairs. The most popular stuff tends to be tied to specific players.” He pointed to a sweatshirt emblazoned with the name of popular player Bang Sung-hyeon, also known as Jjonak, which had been flying off the shelves.

That esports has been a focus for fashion brands isn’t news. Brands as varied as Adidas, Louis Vuitton and Champion have all shown interest in working with either esports organizations or specific teams and players. Andbox, the company that operates New York Excelsior, counts CFDA-award-winning Maxwell Osborne, of streetwear brand Public School, as its creative director. Osborn echoed the idea that esports is becoming fertile ground for fashion.

“It’s clearly a big opportunity for us,” Osborne said. “It’s been really eye-opening to me to see how passionate this community is and how underserved its been by fashion.”

Andbox has made good on that intention, using the popularity of its players to promote apparel sales and even creating specific lines in collaboration with individual players. Dillon “Attach” Price, a popular player for another Andbox-owned esports team the New York Subliners, has done promotions for Puma in the past and is working on his own apparel line right now with the help of Andbox’s head of product Collette Gangemi, herself a fashion veteran who worked in the footwear world for years.

“In the past, I had done a few collabs with a company called Electronic Gamers League that a lot of players were doing shirts or hoodies with, but there wasn’t much to it,” Price said. “Working with Andbox has been a lot better. They know what they’re doing and it’s making me more confident to eventually go out and do apparel on my own as well.”

Andbox has done collections in partnership with several players from teams it owns, with the latest being a collection with Subliners player Tommy “ZooMaa” Paparatto, which launched in late February.



Tommy Paparatto, credit: Andbox

Gangemi said that much of esports or gaming apparel in the early days of the sport, around six years ago, was juvenile and overly focused on logos. One of her goals with Andbox is using her own background in fashion and bringing in genuine fashion luminaries like Osborne to make something that’s a bit more stylish and streetwear-influenced, which she says is important for one of esports’ primary demographics: Gen Z.

“I lived through that explosive growth of the skateboarding industry,” Gangemi said. “People like [pro skater and media personality] Rob Dyrdek were making eight-figure salaries. The same thing is starting to happen in esports.”

Price, one of the most popular players in the Call of Duty League, first started competing professionally in 2014 and he’s only 23 now. He estimates that the vast majority of his fans (he has close to half a million followers on Twitter) are in the 16 to 24 age range.

The support among younger consumers is attractive for fashion brands looking to tap into Gen Z’s collective \$143 billion in spending power, according to data from Millennial Marketing. Gen Z are also the biggest audience for esports, more than twice as likely to watch esports than any other age group. And their love for esports is only growing. Total revenue for the entire esports industry in 2018

was \$906 million, with \$694 million of that coming from brand investments, according to Newzoo.

And if brands want to capitalize on that, it’s clear what they need to do. It’s not just esports as a whole that’s worth a look, but the celebrity players that drive it and their legions of young fans.

“I wish I could show you pictures of tournaments I went to in 2013 and compare it to some of them now,” Price said. “There’d be like 50 people scattered in the stands. Now we’re in huge arenas where professional sports teams play and the fans are just insane about it. It’s crazy what this whole scene has become.” ■

Wake up.
Kick ass.
Repeat.

3

Work

Freelance Freedom

Why Gen Z and millennials would rather freelance than work full time at agencies. **By Kristina Monllos**



Earlier this year, after working for nearly two years full time at a digital marketing agency as a media buyer and manager, 24-year-old Savannah Sanchez had enough. Sanchez, who had been doing some freelance on the side along with her full-time job, realized the math didn't add up.

The benefits of freelancing — working from home, setting her own schedule, not having to manage workplace politics — outweighed the cons — no benefits, hustling for work, getting clients to pay on time — so she made the jump.

“It got to an inflection point where I was making more money freelance versus the salary of a full-time job,” says Sanchez. “As cheesy as it sounds, I’m excited to be in charge of my own life. There’s only room for so much growth at an agency; I don’t have interest in working somewhere for 10 years and climbing to the vice-president level. [Being freelance,] I can get to the earning potential I want while still being in control of what I’m taking on.”

Sanchez is one among a number of workers leaving full-time agency jobs to go freelance (Digiday interviewed six and heard from dozens). The trend is particularly accelerated among Gen Z and young millennials: Younger employees say

they are opting for freelance work over office jobs at agencies to have more control over their lives, to gain a better work/life balance and to do so while they can, before housing payments or children require more stability. Some say that agency culture can be overwhelming and demoralizing with long hours, low pay, lack of promotion opportunities that leads to burnout and that freelancing can be a way out. Of course, the realities of the business and instability of freelancing may prove difficult for freelancers to manage and many recognize that this could be a scenario where freelancing is a viable option now but not a long-term plan.

“[At agencies] the culture is to work more than 40-hours a week,” says 30-year-old copywriter Sam Stevens. “It’s not a healthy work/life balance. Agencies hire young on purpose. I had an HR director tell me that because I didn’t have a family to go home they thought I’d be more willing to stay at the office late.” For Stevens, the expectation to work well beyond 40 hours a week coupled with low pay, led her to freelance rather than continue to work full time. “You get jaded after a while,” she says. “When there’s a viable way out, I think [younger generations] want to take it.”

In October 2019, the Freelancers Union released its sixth annual “Freelancing in America” survey, which found that 35% of the U.S. workforce, or 57 million people, worked as freelancers in 2019 and that 60% of those started freelancing by choice. That same report found that younger generations are more likely to freelance, with 53% of Gen Z professionals and 40% of millennials surveyed reporting that they do freelance work.

“Generationally, people want flexibility, they don’t want to be stuck doing one thing forever,” says 28-year-old digital marketing and content strategist Mike Scaturo, when asked why Gen Z and millennials seem to be more interested in freelance work than previous generations. “We also have more access to information to help us do it. You can Google how to do taxes, look online to find new business.” Outside of digital marketing, Scaturo spends time on photography, bolstering his skills and looking for freelance photography gigs on the side.

Simon Fenwick, evp of talent, equity and inclusion at the 4A’s said that the agency organization is seeing an uptick of freelancers, particularly within Gen Z. At the same time, the rise in freelancing might also be attributed to the changes in the industry as the increase in project-work arrangements has made agencies more reliant and open to working with freelancers, explained Fenwick, adding that with the uptick in project work full-time jobs at agencies may be seen as less stable and that may make them less attractive.

The changing nature of the industry has also left some younger agency employees unhappy, explained agency recruiter Christie Cordes. “Agencies have lost their cachet,” said Cordes. “[Some of them] are turning into fast content shops for clients: Do this for cheaper and cheaper and fast. [Younger generations] are very aware of that so they only want to work for the big shops known for great creative, the Wieden+Kennedy’s, the Droga5’s, the TBWA’s.”

For some, it’s beyond agencies losing cache but that the culture of agencies doesn’t feel inclusive or welcoming whereas freelancing allows employees to interact with cultures that suit them. For one former agency employee, a 29-year-old black man who asked for anonymity as to avoid losing out on future job opportunities, the path to freelancing began with being “disillusioned with

agency culture,” he says, adding that when it comes to diversity and inclusion agencies often talk about their efforts but don’t work to make sure that the culture is truly inclusive.

“The industry has been trying to address culture issues and they’re still working on it,” says Fenwick. “Part of the reason you see particularly people of color opting for freelance, is that they look at the industry and they don’t see anyone like them leading the organization. Our [Multicultural Advertising Intern Program] community gives that feedback.” Fenwick added that the industry needs to do more to address those issues.

Going freelance has helped some younger employees manage stress and mental-health needs. “Not to sound super dramatic, but the future is really uncertain,” says Scaturo, citing news about climate change as a driver of anxiety. “The thought of sitting at some place I don’t want to work, don’t enjoy and doing that until retirement... that’s anxiety inducing as well. Overall, my mental health and well-being is better now. I’m not burnt out. I’m more

excited about the work I’m doing now than when I was at my agency.”

Still, even as younger employees may be unhappy in agencies, whatever the reason may be, Cordes cautions that it’s difficult to establish a healthy freelance career in advertising, especially in the current market. In her position, Cordes often meets with talent when they are looking to land a full-time gig to get back to some of the stability of employment at an agency. “While the economy is booming, our industry is hemorrhaging,” says Cordes. “Quickly the young ones realize there’s not a lot of money to be made. The competition for freelance is huge. Agencies are cherry picking the best of the best for freelance.”

Some recognize that they may get to a point where they need to work full-time at agencies again as freelancing is tricky to manage. With no guaranteed income, no health care and no certainty that the work will come as well as the stress of billing clients and waiting to be paid, there is a sense that being full-time freelance may not be feasible in the long-term among some freelancers.

Those new to freelancing also initially find it challenging to manage doing the job assignments they’ve typically done while working full time at agencies — media buying or creative or strategy, whatever that may be — and simultaneously learning how to manage a business. Writing contracts, pursuing new clients, sending invoices and managing bills can add extra hours of work and anxiety for those who haven’t figured out the ropes of freelancing.

Another issue: Figuring out how much to charge. Without transparency into what others are charging for a particular project or whether or not to bill for a flat fee versus number of hours can not only be another added stress but a way that many freelancers lose out on money. “When you work for yourself the challenge is that there’s always someone cheaper,” says seasoned freelance media buyer 37-year-old Duane Brown. “[Agencies and brands] think people are interchangeable and will hire whoever. I don’t waste my time with people who want the cheapest option. They’re going to be the worst clients.”

Brown recommends that freelancers

look at their rates and consider if they’re not charging enough. “Unless you’re a straight white male, you undervalue yourself,” says Brown. “Charge more. Never be afraid to say \$120 an hour when it’s \$100 an hour. Mark it up. They’ll want to negotiate. If they don’t negotiate, they don’t want you bad enough. Leave room to negotiate.”

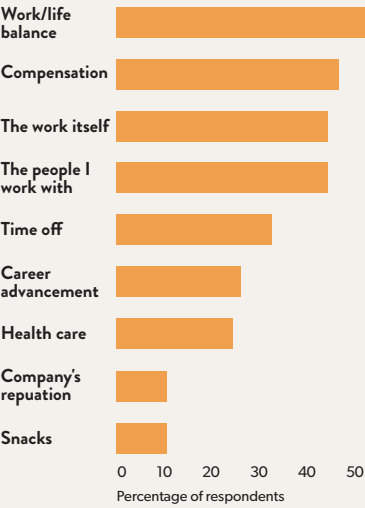
For some, dealing with the realities of the business as well as managing the day-to-day of the projects they are on may prove untenable for the long-term and they recognize that.

“It’d be irresponsible to not consider going back again,” says Scaturo. “That said, something else always seems to come in. I’m at a point where I could double down and get after it or start looking at more full-time gigs. Long term, can I see myself doing this when I’m 40? Realistically probably not.”

That being said, when it comes to planning for the future, many current freelancers hope to continue doing so. “I want to make this work for as long as I can,” says Stevens. “Hopefully I can turn this into a real business and in the next five to 10 years can hire employees.”

Millennials prize work-life balance above all

Which has the biggest impact on your happiness at work?



Source: Digiday, January 2020.

Sample: 218 Young millennials under 29



How I Work: Taylor Lorenz

By Kayleigh Barber

The moment that the New York Times's technology reporter Taylor Lorenz's alarm goes off at 6:30 a.m., she is on the internet trying to get caught up on the latest in internet culture and memes. When she's not traveling to Los Angeles or Atlanta to make human connections with her sources, she spends her 10 a.m. to 6 p.m. days in the office oscillating between interviewing teenagers or writing viral features of the famous figures on the internet.

This is how Lorenz unearths and writes her must-read stories on digital culture.



On the challenges of covering internet culture...

“The biggest, most challenging thing about my job is getting teenagers to talk to me on the phone and getting them to let you into their house and follow them around. To have a photographer come is overwhelming; a lot of kids don't want anything to do with it, especially if their parents aren't fully aware of what they are doing. I really do not call myself a teen reporter, mostly because most of the stuff that I write about has nothing to do with teenagers. I've been writing about this stuff for a long time and only in the past two years did people associate my beat with teenagers. Before my beat was always associated with millennials.”

On developing sources...

“I have written about that stuff and treated people who make a living off the internet as very valid from the beginning, which most people in mainstream media weren't doing back in 2012 and 2013.

I don't really use email. My Instagram DMs is the first [thing I check] in the morning. It's just like email to me. It's my main inbox. My DMs are open on every platform and I try to respond to everyone. I want them to know I'm not some reporter up in an ivory tower. I'm on the internet with everyone else and I want to hear from everyone. The internet is basically run by teenagers. If you're on there enough, you end up coming into contact with them.

I comment on every single TikTok on the “For You” page, like ‘oh cool’ or ‘lol’ just to get the conversation going because that's how you meet people. Part of it helps being a woman, to be honest. I think it's much easier for me to slide into these people's DMs in a non-threatening way than from a male journalist in his 30s kind of DMing random teen girls. So I definitely use that to my advantage. I never talk to teenagers like I'm trying to be a teenager. I want them to know that I am a journalist even though I want them to feel casual enough that they could message me at any time.”

On traveling for stories...

“It feels in my heart that I'm traveling like half the time but probably that's not true. It's probably around 30%. I try to avoid traveling but the thing is, stories are so much better if you can go there. A travel day is basically a wash. I can't write unless I'm in a zone and I can't get in that kind of a zone if I've been in an airplane that day. I cannot work in an airplane. I'm terrified of flying and I can't ever relax.”

On her social media usage...

“Pretty much from the moment I wake up in the morning until I go to sleep I'm on my phone in some capacity. The times that I don't check the internet is when I'm writing because it's distracting.

I post [on TikTok]. I have like 150,000 followers now [editor's note: She has 225,000 followers]. I always try to

“
I want them to know I'm not some reporter up in an ivory tower.”

be active on everything because the thing is, if you DM someone and you have a completely empty profile, you look like a weirdo or a scammer. And also you want to understand the platform enough as a user that you have to be a poster, not just a lurker. It's a way to engage with your community.”

On unwinding and self care...

“I watch a horror movie almost every night. It's the only thing I can watch. I'm obsessed with horror movies and if I didn't work in media, I would try to work for Blumhouse Productions — maybe I still will work there at some point in like 10 years if I'm not a reporter anymore.

I read something on Vice about why some people love horror movies and it was saying something about if you have a lot of anxiety, it's a channel for that anxiety and that kind of made me think that that could be true. I have an insane level of anxiety so I think that I can only watch horror because it's the only thing that can keep my attention and keep me less stressed.

It is incredibly mentally taxing to deal with harassment and it's something that I deal with a lot online. I know that journalists are technically public figures, but I take every mean comment so personally. Some days I'm so depressed about some comment on the internet that I can't work.

That's just a fact of being a reporter on the internet these days. I don't even cover a controversial beat but if PewDiePie makes a video about you and suddenly you have all these people harassing you for days and it's just a lot to deal with.”



The Hustler Generation

How internet culture and Instagram changed the rules of internships. **By Priya Rao**

When 21-year-old Hunter College student Kenneth Pabon began looking for a fashion internship during his spring 2019 semester, he took a little bit of a different approach to finding his gig. Pabon did not use Hunter College's career advising office or scour online job boards like LinkedIn, where he does have a profile, or Indeed. Instead, he Instagram direct-messaged two of his favorite fashion influencers, Sophie and Charlotte Bickley, sisters behind the website and social media accounts Yin 2My Yang.

"I saw Sophie and Charlotte were looking for an intern to take pictures of them during New York Fashion Week, so I immediately DMed them and two days later, they hired me," says Pabon. "I didn't have any other prior internship experience, but they could see based on my Instagram that I was a trendy and stylish person."

It's a distinctly Gen Z approach, one that is changing the way people look for, and land internships. Historically, New York-based fashion companies have passed internships off to wealthy family

friends or those in the know, even when formalized HR departments exist. It was apparent even on TV: Between 2006 and 2008, Lauren Conrad, Whitney Port and Emily Weiss (now Glossier's founder and CEO) were featured on the reality TV show "The Hills" as interns at Teen Vogue. That undercurrent ran through the plotline of Bravo's "Gallery Girls" and "Girls," which both aired in 2012.

Since that time, New York has firmed up its laws on unpaid internships, by and large eliminating those that don't offer college credit or some level of compensation. But the rise of social networks have allowed a more diverse pool of intern talent — those that may not have trust funds or an Ivy League education to be considered for coveted fashion positions. In turn, interns are also able to ask for more.

Pabon, like many of his college-age peers, has recognized that social media platforms have broken down career barriers in once-guarded creative industries. Another student, Maia

Brown, a 20-year-old sophomore at Pace University, also found her freshman-year internship at wellness and health platform AllBodies via Instagram.

Though Pabon is an English major, he thought the opportunity to be behind the scenes of NYFW could be a savvy entry into the world of fashion. He was right. After working as the Bickleys’ unpaid intern for under a month (he did not receive college credit for this position with Hunter), Pabon was hired as their paid personal assistant. He works anywhere from 20 to 40 hours a week for the sisters while also maintaining a full college course load. Post-graduation, Pabon is interested in possibly pursuing an influencer career of his own or working as a buyer – his boss and mentor Charlotte Bickley previously worked as a buyer at Bergdorf Goodman. “Social media has given us a point of contact in an informal way,” says Pabon. “Sophie and Charlotte saw we had similar followers and could get a sense of who I was. They liked that I just went for it and emailed them, and that’s how I work for them today.”

Brown had a similar experience. As a freshman, she found many traditional and legacy employers did not want to hire an 18-year-old, but online platform AllBodies, with its progressive sexual wellness ethos, took a chance. Then again, Brown had six years of prior work experience: she previously wrote a style column at Baltimore-based newspaper, Capital Gazette and also wrote copy for Casper and WeWork. All of the aforementioned opportunities were paid.

Brown worked at AllBodies for six months as a paid intern, before being promoted to Digital Community Lead, where she came up with content ideas and led events. She stayed at the company for a full year going freelance.

The roles Pabon and Brown carved out for themselves demonstrate a new wave of creative opportunities in fashion and beauty. This is largely thanks to the power of the internet, particularly DTC-minded companies and influencers.

In response, traditional employers are changing too. Rachel Zoe, founder and Co-CEO of her namesake business, has taken a more fluid approach to internships, with mentors and one on one time. (It provides college credit, not salaries, to interns.)

But it’s still mostly the network that matters. Ryan Healy, a 21-year-old junior at Pace University, has had to rely on his real-life connections to get his fashion break.

“New York City internships are impossible to get. At first, I was looking on LinkedIn and then you see 4,000 people have already applied and you realize, there is no way the employer is looking through that many applications,” says Healy, who is studying to get a degree in integrated marketing and communications.

Healy scored his public relations and events internship with luxury fashion house Thom Browne through a former Pace graduate, where he has worked for the past six months. In exchange for his time with the company, Thom Browne paid for meals and transportation.

But times are changing, and as the barriers to getting jobs break down, Healy and Brown are now more reticent to take positions without some sort of payment.

“Internships are always posted as unpaid and a lot of people are not driven to get that kind of internship, especially in New York because the cost of living here as a student is absurd,” says Healy.

Instagram accounts like Intern Queen and Pace’s Professionals, which is a student-run organization that focuses on fashion, have been helpful to him in sifting

out paid opportunities.

“If I wanted to go be a banker at Merrill Lynch, I would be set at Pace, but we don’t have a fashion program and a lot of schools don’t, so it has been up to me to find my own opportunities.”

Brown agreed. “My school has a very specific system to get credit for internships, but I also cannot afford to spend my time and not make money to support myself,” she says. “When you live in New York, where you walk out your door and spend \$20 on literally anything, it is important to make sure that you’re financially comfortable. I don’t think companies realize that because of social media and the internet, many college students have been working for years and have valuable experience. I’m not just a young person pretending to be something in a blazer.”

20%
of Gen Z say they want to be entrepreneurs, according to Digiday Research



Help Wanted

As the concept of a summer job changes, businesses seek to woo Gen Z.

By Anna Hensel

When Charlotte, a 16-year-old high school student, wanted to make money, she didn’t get a job at the mall or wait tables at a local restaurant. Instead, she created an Instagram account to sell clothes she bought at Goodwill for a profit.

According to the U.S. Bureau of Labor Statistics, just 34.6% of teens had a summer job in 2018, compared to 56.5% in 1948. One of the biggest reasons why fewer teens are working is that many of them are taking courses instead over the summer to help them prep for college. In 2016, 42% of teens were enrolled in summer school.

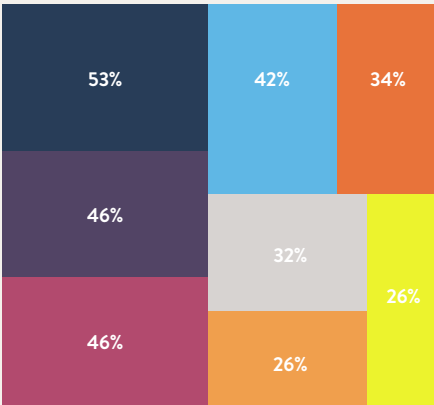
But there’s more ways than ever for teens to make money. Some teenagers are foregoing the typical 20 hours per week part-time job in favor of starting their own side hustles, like promoting sponsored content on their Instagram pages or selling secondhand clothes. As a result, businesses that rely on a lot of young employees are having to offer more perks in order to convince teenagers to work for them. Here’s how they are trying to win over Generation Z.

Retailers

Although some brands that used to be teen staples like The Limited and Aeropostale have struggled, other companies like American Eagle Outfitters, Inc. are still big employers of high

Here’s what Gen Z thinks about work

Which statements do you agree with?



Source: Digiday, January 2020.
Sample: 250 Gen Zs.

school and college students. 75% of AEO Inc.’s full-time and part-time store workers — which includes employees at both American Eagle and Aerie — are Gen Z.

“We are in the unique position of having our customers and our associates be in the same demographic,” said Stacy Siegal, executive vice president, general counsel at AEO Inc.

AEO Inc. has made a few small changes over the past year in order to make its store jobs more attractive to teens. The company renamed the role of store associate to “brand ambassador,” because “we really want to cultivate [the sense] that they are part of our team,” according to Siegal.

Last year, the company rolled out an app called Real Rewards to get more data on what perks brand ambassadors want. Ambassadors get rewarded within the app by their store manager or other employees for meeting their sales goals, or getting a good review from a customer. Once ambassadors accrue enough points (goals change depending on the store and season), they can reward their points in exchange for a number of perks, like a Starbucks gift card, or the ability to reserve a certain shift for the next week.

“It’s not a one-size-fits all, and that’s been really successful for us,” Siegal said.

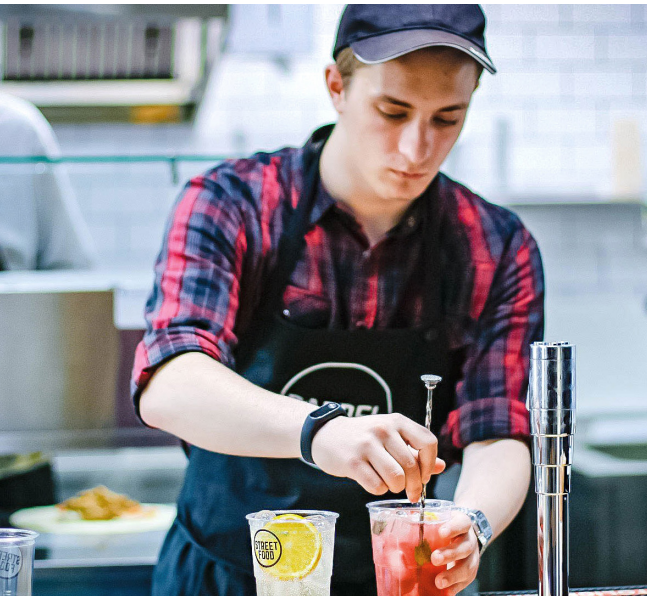
Restaurants

Food service is the only industry that has reported employing more teens during the summer than it did two decades ago. In July 2018, 2.1 million teens worked in the food services and accommodation sector — which includes hotels and restaurants — compared to 1.9 million in July 2000.

The fast food industry in particular, which relies heavily on teenage workers, has been forced to rethink how they recruit young people, as they try to find perks that will attract more workers beyond raising wages.

One benefit that a number of chains have settled on is tuition reimbursement. A startup called Guild Education partners with companies including Chipotle and Taco Bell to cover the cost of classes its employees wish to take within Guild Education’s network of non-profit colleges and universities.

“Taco Bell is often that all-important first job for young



people,” Ferril Onyett, Taco Bell’s senior director of global training said in an email. “We never want our team members, especially those who are juggling a full course-load and restaurant shifts, to have to choose between work and school.”

Other perks that Taco Bell has added over the year to recruit more workers include giving all workers one free shift per meal, and throwing “hiring parties” last year, which featured free food, photo booths and the ability for applicants to interview on the spot for jobs.

Resale platforms

ThredUp projected that 39% of Gen Z shoppers would buy secondhand clothing, apparel or footwear in 2019, so it’s no surprise then that many teenagers are also turning to resale platforms like ThredUp, as well as Poshmark and Depop to make money.

“When we think about Gen Z, they care about being unique,” said Marie Petrovicka, vp of International for Depop. “They don’t want to be [told] by big brands what to wear, or how to wear it, they want to curate their own profile.” Petrovicka said that about 90% of Depop’s active users are 26 or under.

Other teenagers are forgoing Poshmark and Depop in favor of selling clothes directly on Instagram. Charlotte, who runs an account called happyy.thrifts on Instagram, said she initially started selling clothes on Poshmark, but stopped that in May.

“I just know Instagram a lot better,” Charlotte, said. “Being a teen girl, most people in my school have it.”

Charlotte said she initially got into thrifting with her father, and by going to Goodwill on the weekends with friends. She posts pictures on her Instagram account of clothes available for purchase along with a starting price, and then allows followers 48 hours to place a “bid” on each item.

The person with the highest bid at the end of the 48 hours then pays that price for the item, which Charlotte ships directly to them after receiving payment through Venmo or PayPal.

Charlotte makes about \$300 to \$400 a month through her account, and for now, it’s her only job.

“I hope I can run [my account] at least until college,” Charlotte said. “It is not a job where you get paid right away, you have to put in your own money, but it’s worth it.”

DIGIDAY MEDIA
Upcoming Awards
2020

digiday.com/awards



GLOSSY FASHION
AWARDS

Last Chance Deadline:
March 27

DIGIDAY MEDIA
AWARDS

Last Chance Deadline:
April 10

GLOSSY AWARDS
EUROPE

Early Deadline: April 24

DIGIDAY
TECHNOLOGY
AWARDS

Early Deadline: June 12

DIGIDAY WORKLIFE
AWARDS

Early Deadline: July 10

DIGIDAY MARKETING
AND ADVERTISING
AWARDS EUROPE

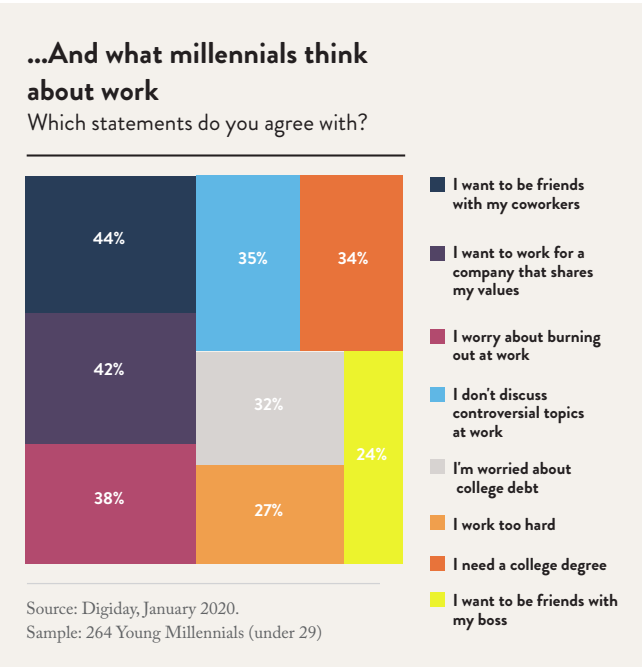
Early Deadline: July 21

DIGIDAY AWARDS

Early Deadline: August 7

MODERN RETAIL
AWARDS

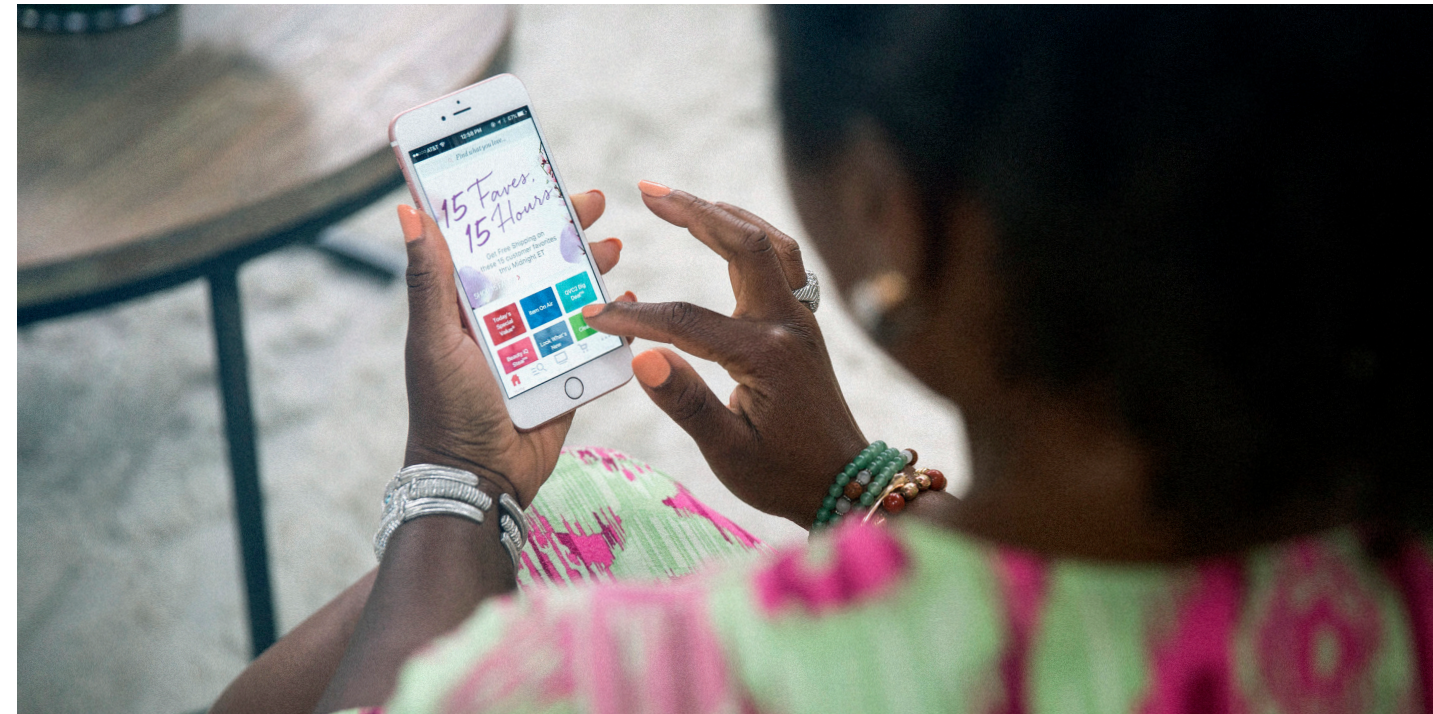
Early Deadline: August 21





The New QVC

Gen Z is driving a livestreaming boom.
By Katie Richards



On Nov. 11, 2018, Zhang Dayi, an influencer and entrepreneur in China who has over 20 million followers across several social media channels, sold 340 million yuan (\$48.5 million) worth of product in 24 hours for brands including her own apparel company Jupe Vendue and her makeup line Big Eve. Standing in front of an iPhone and bright stage lights, she came in and out of sight wearing new outfits while she — and members of her staff — described what she’s wearing, from size, fit, fabric feel and even smell, answering questions millions of viewers might ask.

That potent mix of livestreaming and shopping has become dramatically popular in China, especially when major influencers are involved. Alibaba’s Taobao Marketplace generated \$4.4 billion in sales in 2018 through livestreaming. “Chinese consumers’ comfort level with social e-commerce is significantly greater than their Western peers,” says Christian Damsen, Traackr’s svp of data partnerships. “Social e-commerce is not new to Chinese consumers, it’s been there all along. Livestreaming is simply an enhancement to the existing social experience.”

Companies like ShopShops are also catching on with the Chinese consumer. Founded by Liyia Wu, ShopShops is a livestreaming video-shopping marketplace with operations set

up in Beijing and New York. The nearly four-year-old company connects Chinese customers with international brands, hosting two- to three-hour livestreams inside U.S. retailers like Opening Ceremony, showing off the latest product and giving viewers a chance to shop through video. On average, these live events bring in \$8,000 for the brand partner per show.

And Gen Z, born into a digital world and comfortable with mobile, but also hankering for physical experiences, are driving much of the renewed interest in livestreaming. Gen Z is a big and important cohort: They have roughly \$143 billion in spending power in the U.S. annually and devote a ton of time to browsing products online and shopping on their phones, according to advertising agency Barkley. This could all add up to Gen Z’ers in the U.S. becoming a perfect target for livestreamed shopping experiences.

“Anywhere that young people hangout on their phones, eventually that becomes a shopping platform, from TikTok to Instagram,” says Sarah Unger, svp of cultural insights at Civic Entertainment Group. “Instagram is basically the new shopping mall for mobile.”

4

Shopping

Compared with China, U.S. shoppers have only just scratched the surface of this interactive form of shopping.

The concept of offering shopping opportunities via live television or video is of course not new in the U.S. Home Shopping Network launched in 1982, and QVC followed in 1986 — both with the premise of companies selling products to consumers through TV programs. Both QVC and HSN have remained leaders in the interactive shopping experience arena, with QVC cementing its relevance for younger consumers by adopting new technology and platforms. “As we think about our business, the core fundamentals of live shopping haven’t changed,” says Todd Sprinkle, QVC’s svp of brand, creative and product. “What has changed is where we reach the customer. As new platforms become available to us, we explore all of these streaming platforms.”

In 2018 QVC reached 96 million U.S. households through three television networks, 883 million digital sessions and 111 social media pages – and made \$6.3 billion in revenue, according to the company. QVC may still be a dominant player in interactive shopping, but new entrants include app providers focusing on livestreaming shopping and social media companies building out their commerce capabilities.

What’s happening in the U.S.

U.S. consumers are seeing all sorts of new ways to shop interactively. As Gen Z gains more spending power, brands and companies like QVC and Amazon are getting more savvy about new ways to connect with those shoppers. The U.S. is seeing a growth in apps built around shopping and purchasing via livestream, commerce powered by social media and evolution from legacy companies like QVC.

In February, direct-to-consumer platform Elliot shared its answer to the rise of livestreaming, with “DTC Live.” The channel will give brands that use Elliot the capabilities to sell products via shoppable live video.

That same month, Amazon launched its answer to QVC’s programming with Amazon Live. The program covers everything from fashion,



beauty, home goods and kitchen items. Customers can watch these shows live and shop the featured products on Amazon’s website at the same time, or go back at a later time to rewatch the shows but still shop products featured in the video.

While not yet focused on livestreaming, Instagram is ramping up its commerce play as well, with Instagram Shopping, and continues to test Instagram Checkout – a feature currently in closed beta testing that allows customers to purchase products from certain companies directly within the Instagram app.

Instagram also allows all businesses to insert shoppable tags, both in Stories and in-feed posts. Such tags label a product, say as a “sundress,” and include its price. When users click on the tag, they are taken to a product page, within

Instagram, and can then click to purchase the sundress from the vendor’s website. A July 2019 report from The Manifest found 74% of U.S. Gen Z’ers polled use Instagram on a weekly basis.

TikTok, another social media platform popular among Gen Z’ers, is also ramping up its commerce capabilities. The platform started testing some features in November 2019, allowing certain users and brands to add links to e-commerce sites.

Other U.S.-based apps have moved into livestreaming, but haven’t seen it take off with consumers. In April, Dote, the provider of a social media-linked shopping app launched a new feature called Shopping Party. These 15-minute video streams showed influencers promoting their favorite Gen Z brands,

from Princess Polly to Brandy Mellville, that viewers could then purchase in-app. But going into 2020, Dote slowly started to disappear from the internet, closing down its iOS app and shutting down its website with no warning or note to users.

Gen Z’ers’ participation in shopping on mobile devices even via livestreamed events, doesn’t necessarily mean younger shoppers are abandoning physical retail. It’s simply bridging a gap between the physical and online world.

“While it’s often assumed Gen Z prefers digital shopping, they actually lead the pack in mall and brick-and-mortar [store] visits,” says Dave Fisch, gm at shopping rewards app Shopkick. “As consumers’ reliance on modern technology persists, malls and retailers have the opportunity to evolve in a parallel line.”

Here’s where Gen Z loves to shop

Source: Digiday, January 2020. Sample: 250 Gen Zs.



ModernRetail Podcast

Overheard on the Modern Retail Podcast

The Modern Retail Podcast features entrepreneurs in the retail space, including the buzzy world of DTC. Below are a few candid moments from their conversations with our managing editor, Shareen Pathak.

Learn more at modernretail.co/podcasts



Andrea Blieden
US General Manager, The Body Shop

“If you want to capitalize on the fact that over 30% of Americans are using Amazon, you gotta go there.”



Derek Lo
Co-Founder, Lo & Sons

“We were kind of an accidental DTC company. We started before the term even existed.”



Zak Normandin
Founder, Iris Nova

“The irony is it’s almost impossible to be exclusively direct-to-consumer, now you actually need retail to grow a brand.”



Janice Sullivan
President, Rebecca Taylor

“I’ve read a lot about technology in stores, and yet in the boutique experience, I don’t think [the consumer] is coming in for a technology experience. She wants to be talked to, she wants a warm environment, she wants expertise.”



Helena Price Hambrecht
Co-Founder, Haus

“I think if DTC is the only thing that makes your product interesting you are in big trouble.”



The Cult of Brandy Melville

The fashion retailer built a community of Gen Z diehards, despite its many practices that suggest it’s not trying to make friends. **By Jill Manoff**

After mere minutes of observing the entrance to a Brandy Melville store, it becomes easy to pinpoint which passersby will stop and walk in, based on looks alone. All are tweens or teens with friends or parents. All have shiny, beachy long hair. All are wearing variations on one six-piece uniform: Nike Air Force 1s or Converse sneakers, mom jeans or black leggings, a cropped shearling pullover or a cropped sweater. And they’re all rail-thin, by any standards.

At New York’s Greenwich Village store one February weekend, that included friends Maria, age 13, and Athena, 14. Maria bought a \$20 white cropped tee and \$5 star earrings, and Athena bought a \$32 navy cropped sweater. Both say they like shopping at Brandy Melville for its shirts and free stickers with purchase.

Then there were Rebecca, 12, and Taylor, 10, who were shopping with their moms and settled on sweatshirts. They had just heard about Brandy Melville from their dance-class friends. Despite the retailer’s notorious lack of a size range — tags are marked “one size” or “small” — they say they had no trouble finding styles that fit. They usually wear sizes 12 to 14 in kids’ clothes.

Another Maria, age 15, walked out of the store with two new sweaters and a mini skirt.

“Brandy Melville just blew up at my school,” she says. “A lot of my friends don’t like that it’s one size only. And I bought a pair of pants that I couldn’t fit into, which was a wake-up call about how ridiculous that is. But I know what styles will fit me.”

Sizing is just one area where Brandy Melville is rebelling against retail’s direction and prevailing ideals. Though it’s been widely reported that it’s Gen-Z demanding these shifts, the demographic hasn’t been deterred from shopping Brandy Melville. In fact, they’re scooping up the brand’s snug, cropped styles in droves, and proudly announcing their purchases through social media posts and tags.

While fashion companies are bending over backward to be more inclusive, sustainable, transparent and values-driven, Brandy Melville is churning out throwaway fashion with no sustainability goals to speak of, unapologetically Instagramming pictures of slim white girls exclusively, and directing press looking to share the company’s story to a generic email address that seemingly belongs to no one. Like its fast-fashion counterparts Zara and H&M, it’s also been accused of stealing independent designers’ artwork for use as clothing graphics.

The privately held company is not new, having started in Italy by retail vet Silvio Marsan and his son, Stephan, in 1970. But it wasn’t until 2009 that it moved its operations to California and opened its first U.S. store, near UCLA. Despite, true to form, going against the grain by doing zero advertising, it’s seen rapid growth in recent years. In 2014, analysts estimated the company was doing \$125 million in annual sales. Its 2018 sales were around \$300 million, according to The Fashion Law.

Much like fellow brands with cult followings, organic growth via Instagram is the brand’s secret sauce. Its account has 4 million followers, many of whom have adopted its signature unfiltered, imperfect, ’90s-nostalgic look for their own feeds. The look is a direct backlash to millennials’ ultra-polished aesthetic, defined by walls of all-pink photos and perfectly styled pictures of brunch. Plus it’s easy to recreate, which means a low barrier to entry into the brand’s tribe.

“Brandy Melville is one of those superstars in that space, in terms of the way they have built this community on a very recognizable aesthetic,” said Amber Atherton, founder and CEO of marketing platform Zyper. In January, Zyper ranked Brandy Melville No. 16 on its Community Index for 2020, a list of the most culturally relevant consumer brands that are building online communities. Glossier was No. 2, Allbirds was No. 7.

“You buy entry into the Brandy Melville community through the clothes, just like it works with Supreme streetwear,” said Atherton. “And you can instantly tell if someone is wearing Brandy Melville and if they’re shooting [an Instagram] to be in that Brandy Melville style, just like you can tell a Glossier customer through their aesthetic. It becomes their own.”

Helping to fuel its community are its 36 U.S. stores, which cater to those in the know. While brands are using stores as marketing tools, Brandy Melville’s are only subtly marked, and their shopping bags are solid black, no logo. And they don’t offer much of an experience for anyone other than Brandy Melville fans: Rather than techy activations and a curated inventory, they feature hardwood floors and a crowded thrift store vibe.



Photo Courtesy Brandy Melville

Brandy Melville ensures store associates gel with the Brandy Melville aesthetic. Many of the Glassdoor reviews on the company’s interview process are different takes on the following: “Asked for my Instagram and looked at it. No questions and no formal interview. Just ask for your Instagram and see if you ‘fit’ what they are looking for.”

Overall, Brandy Melville reads like Gen Z’s version of ’90s-era Abercrombie & Fitch, which centered on a retro look, hired models to work in-store and faced much backlash from moms and beyond, though largely for too-sexy ads.

Offering an alternative, serial entrepreneur Rachel Thebault is currently working on an anti-Brandy Melville brand of sorts, called Woodley and Lowe, set to launch in August.

“Brands run by adults assume that girls want to grow up faster than they really do,” she said, noting that her tween and teenage daughters’ shopping struggles inspired the line. “Plus no one is really hitting them with clothes that fit their lifestyle and fit them well. So they’re either wearing XL in kids’ or the smallest in women’s, usually Lululemon.”

If all goes according to her plan, young girls will discover and embrace Woodley and Lowe, and moms will approve of it based on its size inclusivity and social responsibility.

“Gen Z is not thinking through the ramifications of every purchase,” she said. “It’s attractive to them when a brand says they’re environmentally or socially responsible, but they’re not necessarily holding it against someone who’s not going the extra mile.”



Photo Courtesy Brandy Melville



31%
**of millennials under
29 say mall retailers
are their favorite
places to shop
according to
Digiday Research**

Mall Rats

Gen Z shoppers are rerouting the future of physical retail.

By Jill Manoff

At the American Eagle store in Natick Mall in Massachusetts, a selfie mirror topped with a sticker reading, “This is what the future looks like,” is proving a draw for teen shoppers.

“We want our kids to feel like they visited the brand versus visited a lot of product when they come to an AE store,” says Chad Kessler, American Eagle’s global brand president. “We’re always thinking about how to integrate creative expressions of our brand that they can interact with.”

American Eagle, which has experienced a steady increase in revenue, sees more than 228 million footsteps through its U.S. and Canada stores each year. Sixty percent of its sales come from

Gen Z customers, with 80% of those shopping in-store — more than any other generation.

As “retail apocalypse” rumors continue to fly, teenagers are reviving shopping centers’ foot traffic. Among the draws are a social experience, immediate gratification, a personal branding opportunity and a much-needed break from their mobile phones.

“It’s a myth that Gen Z only shops online,” says 16-year-old Fiona Frills. “I like going into stores: Hollister, Urban Outfitters, Brandy Melville. And all my friends buy stuff in person. We go to the mall, and we rarely buy things online.”

Chalk up a win for malls. In step with the rise of competing e-commerce, the malls that have held on have

undergone massive transitions, going from offering points of sale and a food court to orchestrating amusement parks. A shared aim is attracting Gen Z shoppers, with their estimated annual spending power of \$143 billion and generation-spanning social influence. The strategy of giving them a menu of activities beyond buying clothes is paying off.

Ghadi Hobeika, U.S. CMO and group CDO of Unibail-Rodamco-Westfield, which owns 39 operating malls in the U.S., says teens are a growing visitor demographic for the company, though they currently make up just 13% of its centers’ shoppers. To attract more Gen Z’ers, the company is actively working to move beyond the traditional shopping model by baking in more

experiences that are aimed at the demo and lend themselves to social interaction.

Already, Unibail-Rodamco-Westfield offers in many of its centers one of three virtual reality parks — Dreamscape, Sandbox VR or The Void. The malls also house exclusive, Instagrammable food concepts, like the Hello Kitty Cafe or Bake Cheese Tart, a cult favorite restaurant in Hokkaido, Japan. In late 2018, the Westfield Century City location hosted a pop-up with gaming company Finalmouse, where it dropped its collaboration with gamer Tyler “Ninja” Blevins, who made a personal appearance.

Likewise, Brookfield is using on-site activations as a Gen Z lure, hosting more than 100 free events at NYC-based Brookfield Place in 2019. That included

a taping of “Live at the Artists Den” featuring indie-pop band Echosmith, said Mark Kostic, vp at Brookfield Property Partners.

The prioritization of experiential features is trending among mall developers. At completion, American Dream, the 3.3 million-square-foot, New Jersey Meadowlands-based mall that has slowly been opening in stages since October 2019, will be 45% experiential retailers and 55% entertainment offerings, says Don Ghermezian, CEO of American Dream developer Triple Five Group. That includes the world’s steepest roller coaster and largest wave pool, and an indoor ski slope.

To attract Gen Z, each feature was designed to offer a unique, Instagrammable experience. Moving forward, American Dream plans to consistently produce events made to appeal to young shoppers and keep them coming back.

Among Carina Donoso’s takes on such events is pop-ups. As director of retail incubation at retail developer WS Development, she oversees all of the company’s retail concepts. That includes Boston Seaport’s The Current, a cluster of pop-up stores catering to Gen Z and their shopping behaviors. In the fall of 2019, it featured Glossier.

Donoso said, with Glossier, Gen Z shoppers were seeking the instant gratification of walking out with purchased products, but they also stopped at each of the nine, museum-like “tiny homes” Glossier set up, to try on products, “experience the world of the brand” and, of course, snap photos.

“Gen Z is digitally ‘on’ all the time, and they tell their community their life story and values through what they do,” she says. “When they’re shopping, it’s: ‘I’m a Glossier girl.’ Or, ‘I’ve been sustainable, and I shopped this store.’ Or, ‘I bought this clean beauty brand.’

According to a 2019 survey by global consulting firm Kearney, 81% of consumers ages 14 to 24 prefer to shop in-store, and 73% like to head to stores to discover new products. It’s retail therapy, in a way, with 58% saying they spend time in stores to disconnect from social media and digital devices. Even so, they’re not passing up the chance to document the process, if Instagram-worthy.

“Gen Z is reinventing brick-and-



mortar. They’re telling retailers: Get experimental. We want to stay and linger, and we want an experience, so give us something to do,” says Donoso. “At the same time, they’re posting and talking about the experience, and getting other consumer demographics excited about shopping again. They’re doing a great thing for retail.”

Overall, malls have their work cut out for them. Old retail is dying, with longstanding, too-slow-to-change stores dropping left and right. There were a record 9,300 store closures in the U.S. in 2019, which included mall-staple department stores like JCPenney and Lord & Taylor downsizing. Gen Z-focused Charlotte Russe closed 512

stores, while Topshop abandoned physical retail altogether. Major tenants including Macy’s and Sephora are now testing new, smaller format store concepts in neighborhoods, versus malls. The average mall vacancy rate reached 9.4% in the fourth quarter of 2019, marking an eight-year high, according to real estate research firm Reis.

Unibail-Rodamco-Westfield has taken to advertising heavily on Facebook and Instagram. “It’s essential for us to test new platforms this year such as TikTok,” says Hobeika.

And, luckily for malls, their existing tenants are working just as hard to attract Gen Z.

American Eagle, for its part, is

working to reflect its teen customer at every touchpoint. For example, it’s trialing a Gen Z-focused Be You store concept, which kicked off in 2018 in Las Vegas’ Showcase Mall. Shoppers can customize clothing, charge their phones, shop localized product and attend painting parties. More than 70% of all AE store associates are Gen Z’ers.

Brands relying on wholesale partners for sales are also strategizing to drive Gen Z to malls. For example, companies selling beauty products including Dior, Lancome and Nars have linked with services startup Blushup to drive Gen Z consumers to their department store beauty counters. Blushup

allows consumers to book makeup and skin-care services with their brand counter of choice at more than 300 store locations.

Currently, 60% of Blushup users are Gen Z, and many bring friends along to their appointments, says Marlice Johnson, CMO of Blushup. Blushup also offers services for groups and invites its ambassadors to stores for “makeup insider” events.

“We knew if we could get Gen Z’ers to buy into a process or experience versus a product, we could shift the dynamic and help bring back retail,” says Johnson, who noted that increasing Gen Z foot traffic is a main focus of Blushup’s pitch to retailers. ■

79%

of millennials think price is among the most important factors when making purchases.



Toy Story

The future of toy stores isn't selling you toys.

By **Cale Guthrie Weissman**

Ben Kaufman doesn't call Camp a toy store.

Sure, the store, which he co-founded and is CEO of, has plenty of shelves crammed with all sorts of toys, along with a smattering of clothes and other knickknacks. But it's when the 33-year-old walks toward the back of the space, asks one of his employees to "open the magic door," and then — after some theatrical fanfare — opens a thick section of wall inward to a brand new windowless room that it becomes clear why.

The space is big, full of mist, heralded by a big sign that says "TOY LAB." In the center is a raised racetrack. Kaufman walks around, pointing out buttons that say "don't push," (catnip to any smart kid, when pushed they lead to fun outcomes like disco balls popping out of the ceiling.)

Which brings Kaufman back to his point that Camp is not a toy store. Yes, Camp sell toys, but, Kaufman adds, that "we're a gift business; we're an apparel business; we're a general merchandise business." Most of all, it's kid-centered playhouse. And it sells coffee.

Camp is part of a growing trend of companies that focuses on aesthetic and experience first. 'Experience' is certainly a

marketing buzzword — one that essentially means dazzle the consumer until they're fooled into buying something — and Camp is a perfect example of it.

Camp, which has a flagship location in New York's Flatiron District, mostly does look like a toy store, with games and other items strategically placed throughout the space on shelves and displays. But a secret door, operated only by employees, leads people to the back area — a rotating fun zone patrolled by brand partnerships. The walls are still lined with toys and other items for purchase, but there are also places to play with the toys, buttons to press that will cause objects (like disco balls) to suddenly materialize. "We call ourselves a family experience," says Kaufman, pointing to the events Camp holds — workshops, toddler yoga, date-night drop-off.

Kid-focused retail establishments certainly aren't new. They go back as far as 1862, when FAO Schwarz first opened its doors in Baltimore. The company championed the idea of experiential retail centuries before such a concept existed. The experience was simply providing wonder for kids who would then nag their parents until they bought the expensive toys.

In a sense, FAO Schwarz was a pioneer in kids-focused marketing. Before the 1980s, children's marketing was much more scrutinized, meaning that toy stores and manufacturers had tighter reins on how they could advertise to kids. Stores like FAO Schwarz were marketing meccas — the one place where they could have a direct and unmediated line to toy-hungry kids.

Then came the "category killers," which were stores that focused on one area and offering extreme discounts — in toys — Toys 'R' Us and Toy Warehouse led the pack. Their rise made the entire toy industry much more competitive, driving down prices and handicapping more expensive options like FAO Schwarz. Sure, FAO Schwarz was nicer on the inside, but Toys 'R' Us had it all, albeit in a more warehouse-y environment. FAO Schwarz, in fact, only had a few years of profitability in the 1980s, according to a New York Times story from 1993.

But even the category killers weren't able to last; they ultimately got eaten up by bigger and powerful competition like Walmart and Amazon. These stores' trajectories followed consumer trends. In the beginning, people wanted a glitzy one-of-a-kind store. Then, competition began to lower prices. Then new competition offering more choices online and easy delivery made everything before even more obsolete. "If you want the game Sorry today, you can go on Amazon and have it in three hours," says Greg Portell, the global head of the consumer and retail practice at Kearney. "In the old days, it was 'I want to go to a place and I know they will have it.'" There's been a mindset shift regarding the need for a toy store.

In attempted self defence, these retailers ultimately made the same sins; "They took on debt they couldn't service," says Portell. In 2017, when Toys 'R' Us filed for bankruptcy, the store had amassed more than \$5 billion in debt.

That may be why Camp is allergic to the 'toy store' descriptor. Kaufman explains that only 20% of his business comes from toy sales. "We see that as a good thing," he says. Camp, in that sense, signals a slight strategy shift. Where toy stores once were the only place to find toys, which in and of itself surprised and delighted kids, Kaufman's store wants to be a destination besides the fact that it sells items. "There is nowhere for families to spend time together outside of the house," he says. Camp, then, sees dollar signs in being a neutral space that just happens to sell people (kids) things

(toys). "Our growth is driven by loyalty," he says.

It also helps that families are invited to hang out for free, which gives both Camp and its partnered brands eyeball real estate. The center of the back area, for example, contains a fun activity area for kids to play in that is raised slightly with built-in walls to provide eye level toy shelves for all who are watching on the periphery. "We are responding to what brands are looking for in terms of reaching this demographic of young families and designing — I don't want to call them ad products — but retail ad products that marry to their goals," says Kaufman. That is, he's built a business that when it's not selling toys is selling the attention of a captured and impressionable audience.

But it's still wholly unclear if this will work. Camp's big sell to investors — it's raised over \$10 million so far — is that it can reinvent a retail space that has historically never done well. "I think the jury's still out on how well they're going to do," Richard Gottlieb, chief executive of Global Toy Experts, a consulting firm, told the New York Times last December. "When you devote that much space to nonselling space, your challenges are greater in terms of turning a profit." Which is to say: Camp is a big experiment about whether experiential retail actually leads to never-before-seen profits.

Kaufman remains bullish on his financials. Currently, every Camp store is profitable but the entire operation isn't yet. "We don't have enough stores to cover our corporate costs yet," says Kaufman, "but we will soon." Once that happens, the concept of sustainable toy stores ('family-centric retail experiences') may finally exit Neverland. ■



The Coronavirus Acceleration

By **Brian Morrissey**



The cliché is the young get to the future first. We're seeing that play out now as the coronavirus accelerates trends already put in motion by the young.

Consider how the spread of COVID-19 is causing everyone to question many things taken for granted. Anyone in business knows the youngest generation of workers finds the rules and regulations of the office completely nonsensical. The idea of coming to one place every day to do work that can be done anywhere? Bizarre. The rise of digital nomads, which we covered in our last issue, reflects this rejection of office life that most of us of older generations simply took for granted. Thanks to the onslaught of the coronavirus, remote work is getting a boost -- by necessity.

How long this will last is, like seemingly everything to do with this virus, extremely unclear. But global crises like the coronavirus change habits. It's not too far-fetched for businesses to catch up to what young people were already onto: Why in the world do we have offices in a world of Slack, Zoom and DMs? The entire open office, which has caused low level revolt over the past several years symbolized by the ubiquity of headphones, will be called into question. After all, can you think of a better place to spread a virus? OK, there's cruise ships.

Outside work, older people have fretted for some time that young

generations seem to be anti-social.

DoorDashing in dinner and watching Netflix would seem a sad substitute to the bar culture that has defined socializing for older people. Now, it seems as though, yet again, the young ones were onto something with their preemptive self-isolation. If we all need to retreat from each other, the young won't seem to mind as much.

After all, millennials and Gen Z were already into home life. Witness the popularity of plants, knitting and cooking. The surge a couple years back of interest in hygge, the Scandinavian art of comfy things, seems a forerunner of our post-coronavirus life. If we're going to retreat, we might as well do so with a nice pair of socks and a hot mug of artisanal tea. Besides, the young are pragmatists about what the world has on offer, between the climate crisis, crushing student loan debt and soaring home prices. The normal markers of prosperity for previous generations -- owning a home, having kids -- seem unattainable, so better instead focus on having a rich interior life.

COVID-19 is not forever. Inevitably, we will re-emerge from our self-isolation -- even if we spend it working from coffee shops -- and go back to normal life. But life will likely change -- we all will be more mindful of needing to wash our hands for 20 seconds -- and that's probably not a bad thing. ▣

Convince people you know what a **DSP** is.

Get the Digiday Daily newsletter in your inbox.



digiday.com/newsletters

youth4life so stealing this

genz wow new ET movie poster looks fire ⚡⚡

youth4life me when i show up to class late 🕒

generationZ tfw you cant wait for friday beers 🍺

genz CEO of showing up 🤔

youth4life this deserves more hype 🤘

DIGIDAY