Gen Z Report
Based on the Criteo Shopper Story
Introduction
Move over Millennials — there’s a new generation of shoppers in stores.

Criteo surveyed thousands of members of Gen Z in the US, UK, France, Germany, Brazil, and Japan to understand what they think about shopping: what motivates them to shop and what they want from the retail experience. While all countries have different economic factors at play, members of Gen Z share a commonality in their love of real-world retail experience, albeit augmented by technology.

Key findings about Gen Z:
They have significant spending power.
They are the most likely to value real-world experiences.
They are the most likely to shop around.
They are the most dissatisfied with the online experience.
They expect relevance from products and marketing.
Who is Gen Z?
Get to know the newest generation of influential shoppers.

How social and mobile shape their lives
Or, why content and connectivity reign supreme.

Real-world retail matters to them? #Definitely
Good-looking stores and unique products are on-trend.

Appealing to Gen Z
The path to purchase is paved with personalization.

What Gen Z wants from retailers and brands
Top takeaways for marketers who want to win.
There are 4 distinct generations in commerce:

- **Boomers**: 1945-1968
- **Gen X**: 1969-1983
- **Millennials**: 1984-1993
- **Gen Z**: 1994-2002

Source: Definitions of these generations vary. For the purposes of this survey, Boomers = 50+, GenX = 35 – 49, Millennials = 25 – 34, Gen Z = 16 – 24
Who is Gen Z?

Get to know the newest generation of influential shoppers
What qualities does Gen Z embody?

Engaged & Empowered
They were children when social media came to the forefront and smartphones were introduced, and the new ways of connecting with each other have huge implications for marketers. They navigate the world with their phones and wouldn’t think of buying without consulting their online and offline network of friends.

Tech & Tactile
While the smartphone is their remote control for life, they desire a world beyond the screen. They are more tactile than older generations and personal experience of the world and products is their aim. Online shopping doesn’t fully deliver on their desires: touch and instant gratification.

Influential & Open
They have strong opinions – formed by peer and social influencers and, due to their facility with technology, they help older generations navigate the connected world. They are in a crucial stage of development for brand preferences as they enter independent life and are open to new retailers and retail concepts.
Gen Z is huge

They make up nearly one-quarter of the US population.

Source: The Hartman Group
They have significant spending power

Both online and off, the amount they spend across categories is strong.

<table>
<thead>
<tr>
<th>Category</th>
<th>Online Spend</th>
<th>Offline Spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Electronics</td>
<td>$182</td>
<td>$125</td>
</tr>
<tr>
<td>Apparel</td>
<td>$164</td>
<td>$155</td>
</tr>
<tr>
<td>Toys/Games/Sporting Goods</td>
<td>$124</td>
<td>$94</td>
</tr>
</tbody>
</table>

Source: Criteo Shopper Story, US 2017 | n=430
Numbers are average spend over a 6-month period.
How social and mobile shape their lives

Or, why content and connectivity reign supreme
Social and mobile are integral to their lives

Younger Gen Zers may love newer platforms like Snapchat and Instagram, but older Gen Zers still use Facebook a lot, too.

Percent of Gen Z using each platform several times a day:

- Snapchat: 52%
- Facebook: 55%
- Instagram: 52%
- Twitter: 23%

Source: Criteo Shopper Story, US 2017 | n = 430, where Gen Z = 16-24 year olds
They are at the forefront of the mobile commerce revolution

Gen Z spends more time on their mobile devices than any other generation.

Average Number of Hours of Online Access per Week
(not counting work and e-mail)

32% of all transactions take place via a mobile device

Source: Criteo Shopper Story, US 2017 | n = 2,500
They stream more content than other generations

From TV shows and online videos to music and podcasts, Gen Z loves to watch and listen from the web.

Average Number of Hours per Week with Video Content

Source: Criteo Shopper Story, US 2017 | n = 430

23 hours of video content is streamed per week by Gen Z.
Real-world retail matters to them? #Definitely

Good-looking stores and unique products are on-trend
Gen Z shopping habits vary

Gen Z craves the tactile nature of the in-store experience but gravitates to the convenience of online shopping.

80% look forward to shopping in stores when they have time
75% prefer to do as much online shopping as possible

67% use their phones in-store to research purchases they are considering
65% don't like to buy new things unless they can touch them

But the online experience is not as powerful as their desires to truly engage with products before they buy.

Source: Criteo Shopper Story, US 2017 | n = 430
Gen Z values real-world retail for experience and discovery

Gen Z is in a crucial period where they develop life long brand loyalties – if they are going to buy, they want to experience it first.

71% enjoy shopping in stores to understand what's in style

80% like to try new retail stores

Source: Criteo Shopper Story, US 2017 | n = 430
They want more from stores

To Gen Z aesthetics, great store design and unique products matter.

Factors Motivating In-Store Visits

(percent of respondents)

| Source: Criteo Shopper Story, US 2017 | n = 2,500 |

- Store design
- More unique merchandise
- Displays show product use
- Better ways to try product
They are omnishopping in all modes regularly

They are more likely to regularly Scan & Scram, less likely to Click & Collect. They are also the most prepared shoppers: They are more likely to research online but buy in store.

### Percentage of Gen Z Shoppers Who Do These Activities Regularly

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Webrooming (Research online, buy in-store)</td>
<td>34%</td>
</tr>
<tr>
<td>Scan and Scram (See in-store, buy in-store from another retailer online)</td>
<td>27%</td>
</tr>
<tr>
<td>Click and Ship (See in-store, buy in-store on retailer’s mobile site/app)</td>
<td>15%</td>
</tr>
<tr>
<td>Showrooming (See it in-store, buy it online)</td>
<td>18%</td>
</tr>
<tr>
<td>Click and Collect (Buy online, pick up at a store or kiosk)</td>
<td>17%</td>
</tr>
</tbody>
</table>

Source: Criteo Shopper Story, US 2017 | n = 430
They like to shop around

Gen Z is on the hunt: They are more likely to comparison shop. When it comes to health & beauty products:

<table>
<thead>
<tr>
<th>Behavior</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regularly visit multiple websites</td>
<td>51%</td>
</tr>
<tr>
<td>Compare products within a site</td>
<td>+9</td>
</tr>
<tr>
<td>Regularly visit multiple websites</td>
<td>30%</td>
</tr>
<tr>
<td>Often put items in a cart without purchasing right away</td>
<td>28%</td>
</tr>
</tbody>
</table>

Source: Criteo Shopper Story, US 2017 | n = 430
The shopping experience is letting them down

38% find it difficult to find what they need or love online

35% don't feel comfortable making purchases online

Source: Criteo Shopper Story, US 2017 | n = 430
At the same time, retailer websites are becoming as influential as social media on Gen Z.

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**Media Influence on Making Purchase Decisions**

Source: Criteo Shopper Story, US 2017 | n = 2,500
Appealing to Gen Z

The path to purchase is paved with personalization
How eCommerce sites can improve conversion among Gen Z

Percent of shoppers that say these website factors are very important:

- Available discounts: 62%
- Free return shipping: 58%
- Appealing photos: 57%
- Mobile optimized: 51%
- Unique products: 49%
- Product recommendations: 36%

Source: Criteo Shopper Story, US 2017 | n = 430
Gen Z likes personalized everything, including ads

62% like ads that provide value

They say they like ads they see on other sites for things they were shopping for if they get a discount or it reminds them to purchase.

Source: Criteo Shopper Story, US 2017 | n = 430
What Gen Z wants from retailers and brands

Top takeaways for marketers who want to win
What do retailers and brands that embody Gen Z values offer?

1. Personalized experiences
2. Limited-edition merchandise
3. Unique products
4. Good-looking stores
5. Authentic brand stories
Keys to reaching Gen Z

Take advantage of real-world retail
They are young and mobile – they crave novelty and experience. Online-only retailers will extend their impact by entering the realm of “bricks” either through store-in-a-store or stand-alone efforts.

Improve the online experience
With online shopping not able to provide a tactile experience, up the quality of what you can control: spot on product descriptions with dynamic content, aesthetically pleasing images, 360° rotations, video demos geared to their age group, and reviews optimized for their skeptical minds.

Clean up and enhance store display/design
The Instagram generation lives by visuals and expects their retailers to make it cool, show how products are used, and feature them in their best light. They have to be desirable, accessible, touchable.

Use data to deliver a personalized experience
Their desire to have it tailored to them is delivered by technology: customized products as well as a customized marketing experience. But, do it well, with the right offer, dynamic content, etc.

“Uniquify” your merchandising mix
YouTube and social media present a window into millions of influencers – Gen Z doesn’t want to look like everyone else. Retailers would be wise to find way to bring new and different merchandise into the mix, and not be afraid to run out of it.
About Criteo

To learn more about how the Criteo Commerce Marketing Ecosystem drives sales and profits for thousands of brands, retailers, and publishers worldwide, visit Criteo.com/about.

For additional commerce marketing content, including the latest research on how shoppers are browsing and buying around the world, visit Criteo.com/insights.