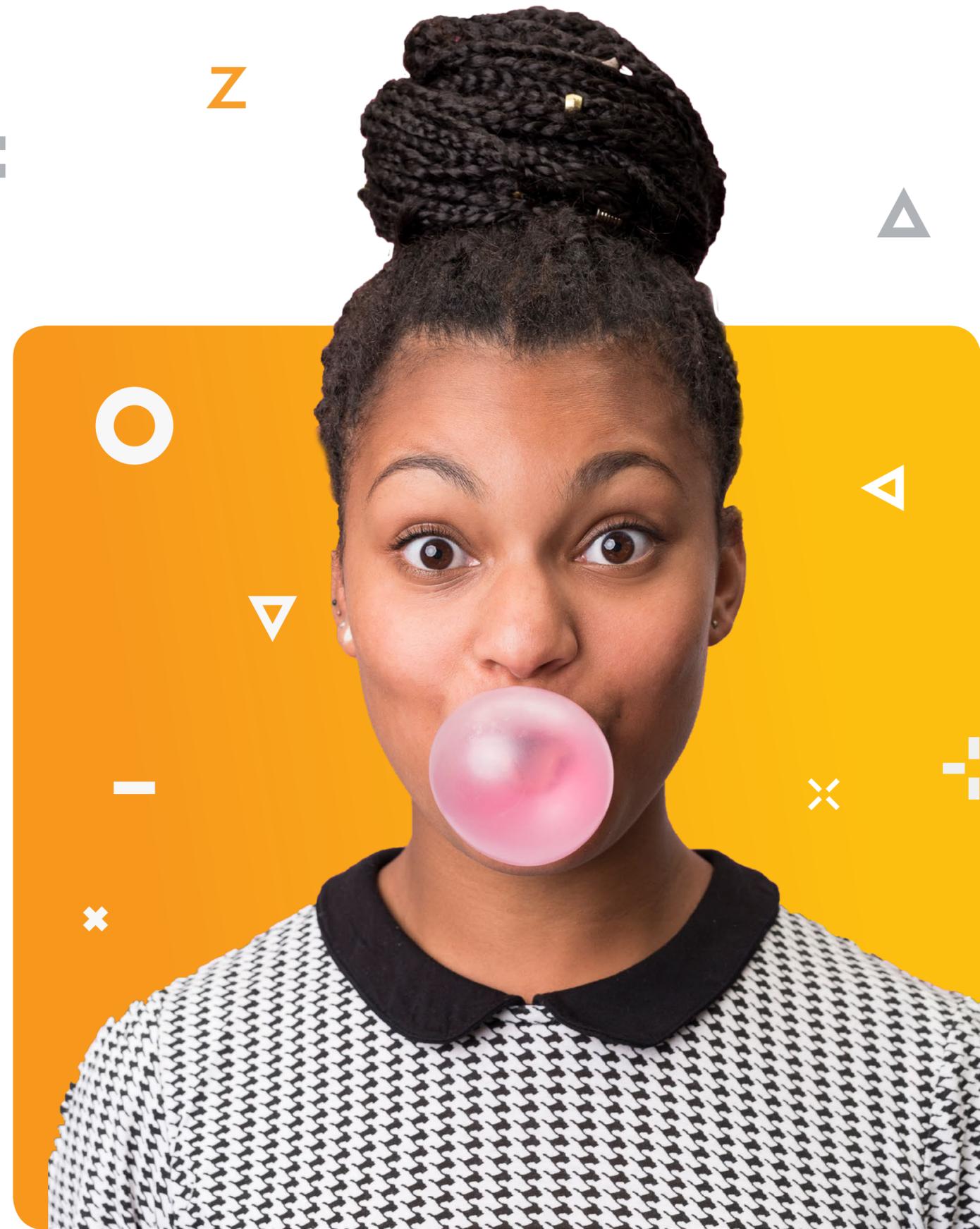




Gen Z Report



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.

Z

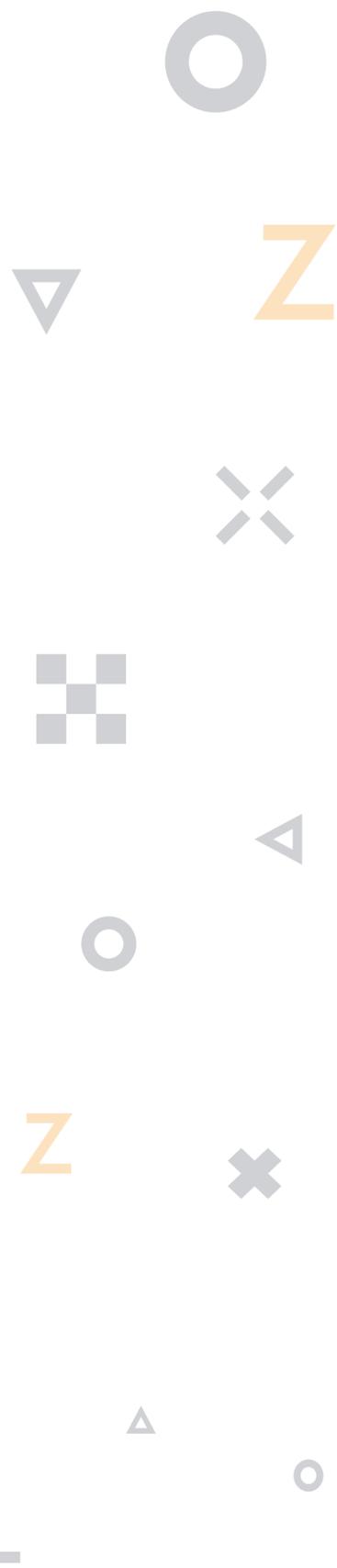


Z



Contents

- 1 Who is Gen Z?**
Get to know the newest generation of influential shoppers.
- 2 How social and mobile shape their lives**
Or, why content and connectivity reign supreme.
- 3 Real-world retail matters to them? #Definitely**
Good-looking stores and unique products are on-trend.
- 4 Appealing to Gen Z**
The path to purchase is paved with personalization.
- 5 What Gen Z wants from retailers and brands**
Top takeaways for marketers who want to win.



There are 4 distinct generations in commerce



 **Gen X**
1969-1983

 **Gen Z**
1994-2002

 **Boomers**
1945-1968

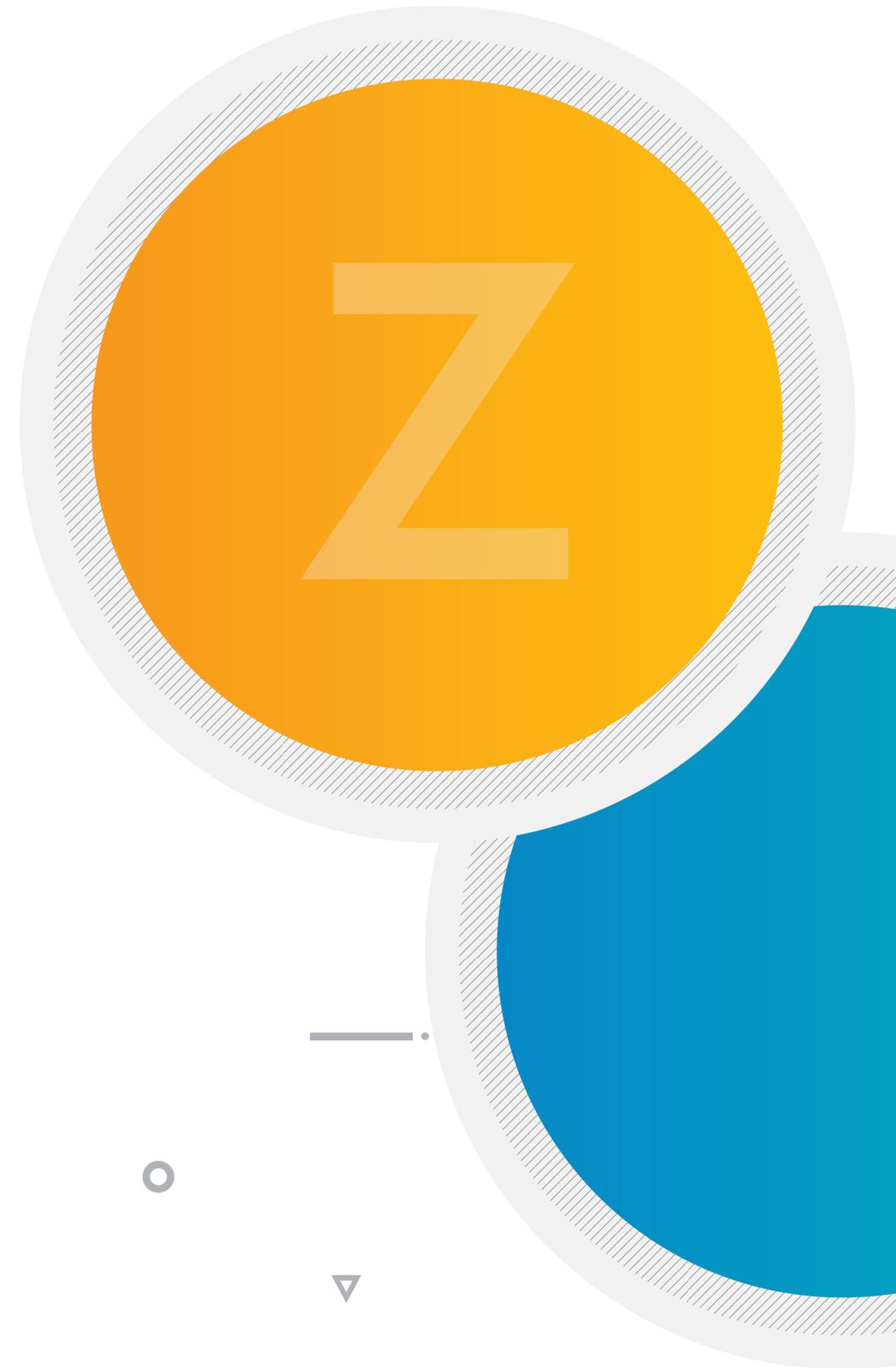
 **Millennials**
1984-1993

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

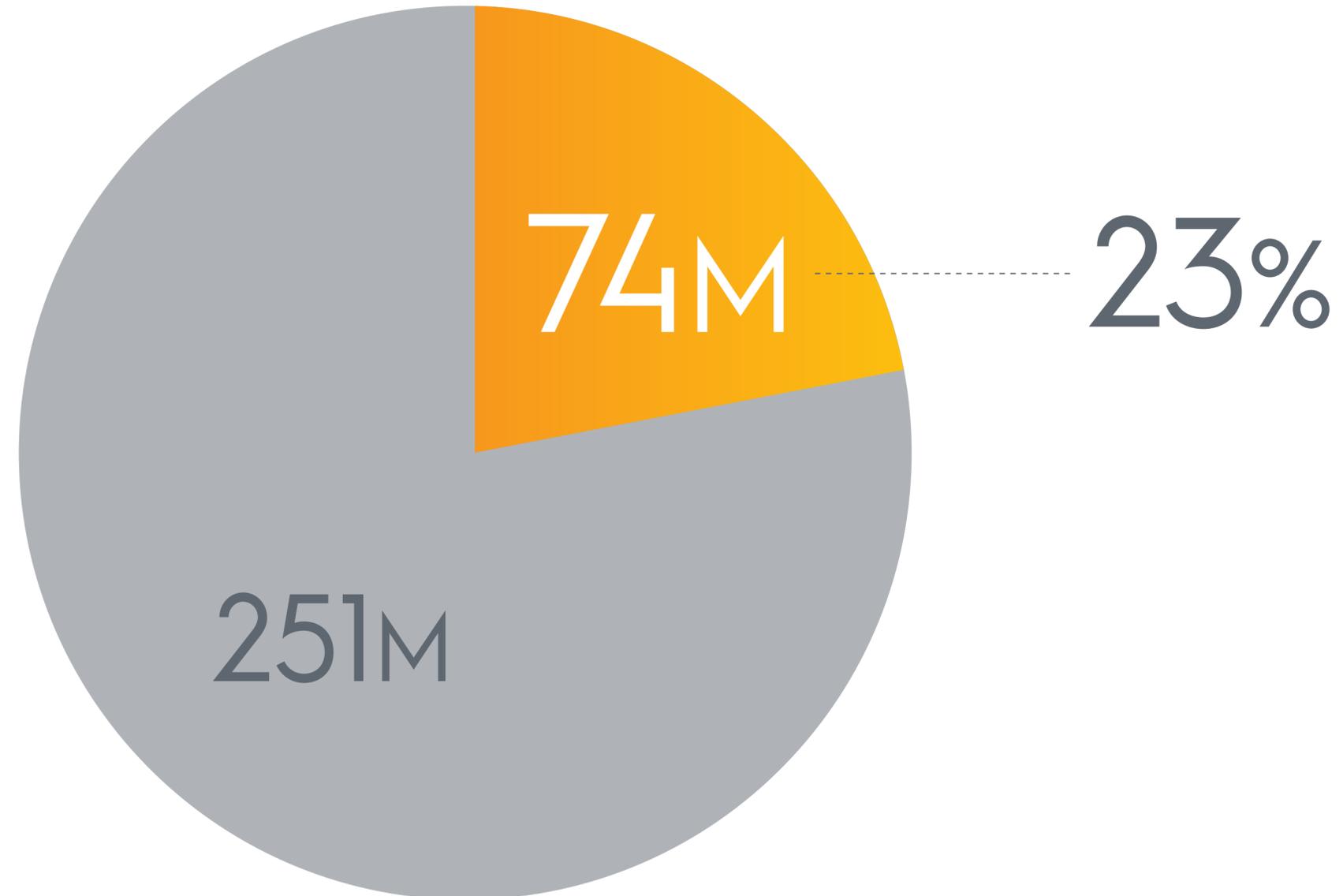
They have strong opinions – formed by peer and social influencers and, due to their facility with technology, they help older generations navigate the connected world. They are in a crucial stage of development for brand preferences as they enter independent life and are open to new retailers and retail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



Gen Z is huge



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



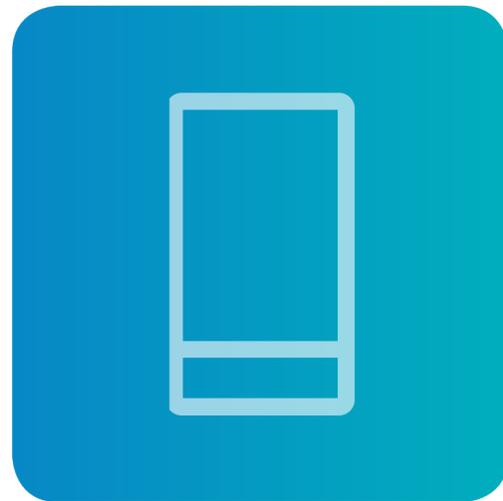
Source: The Hartman Group



They have significant spending power



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



Consumer Electronics

\$182 | \$125

Online Spend | Offline Spend



Apparel

\$164 | \$155

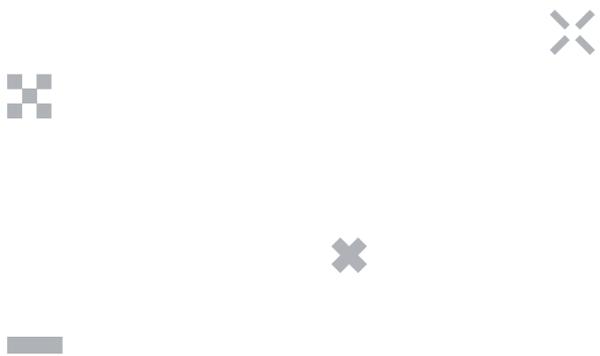
Online Spend | Offline Spend



Toys/Games/Sporting Goods

\$124 | \$94

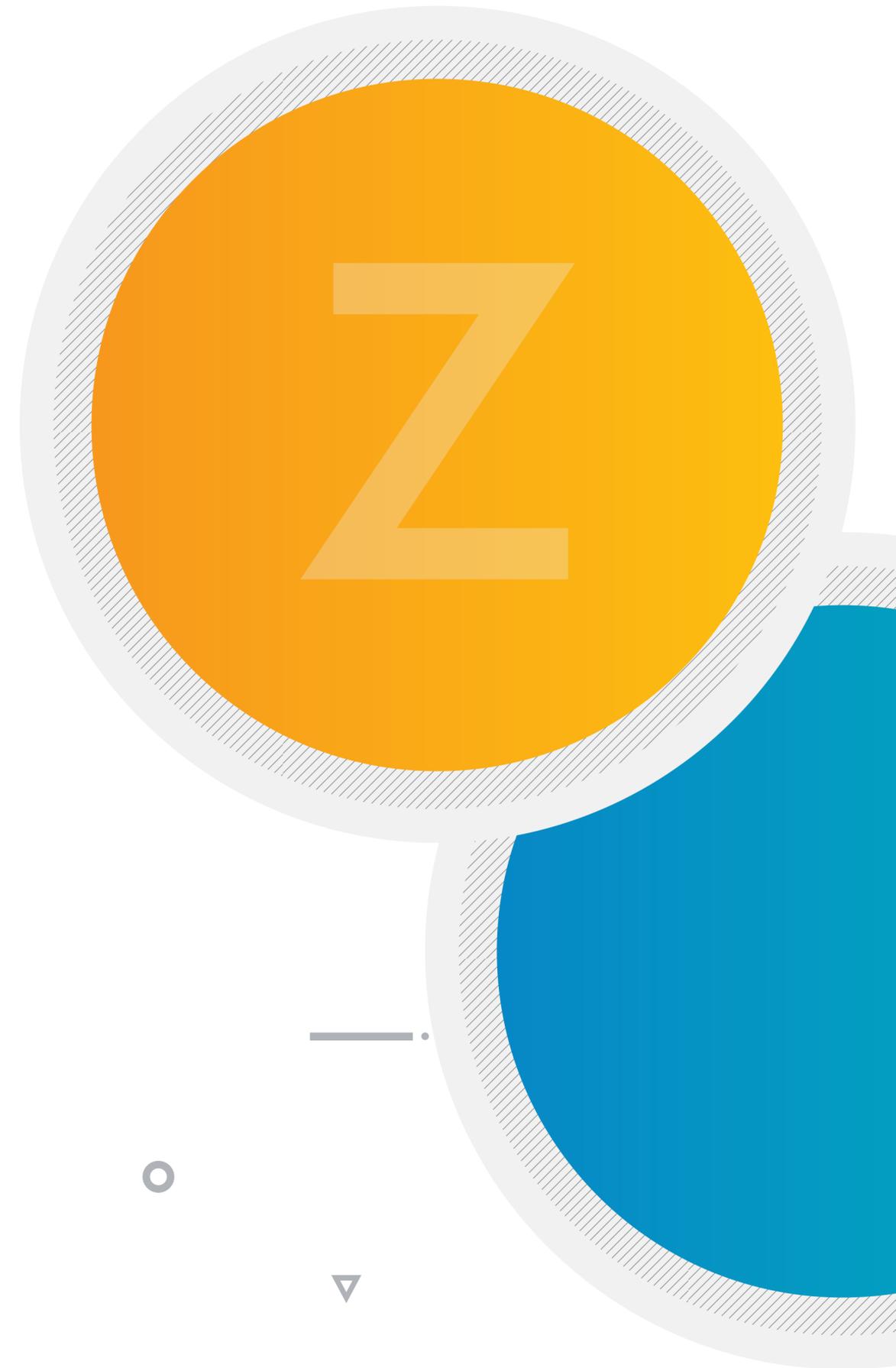
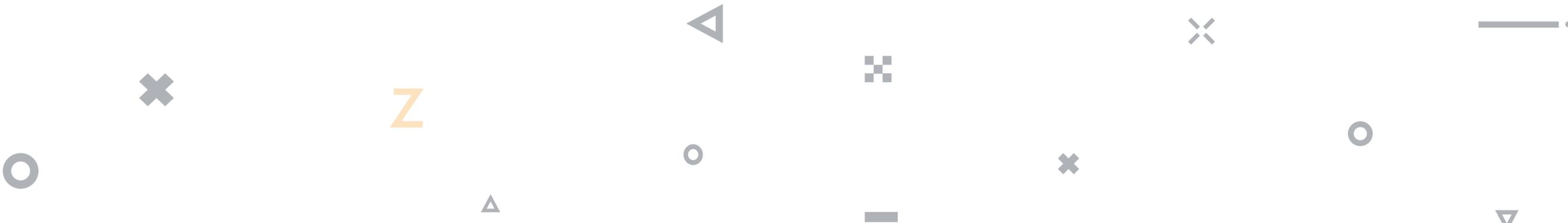
Online Spend | Offline Spend



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%

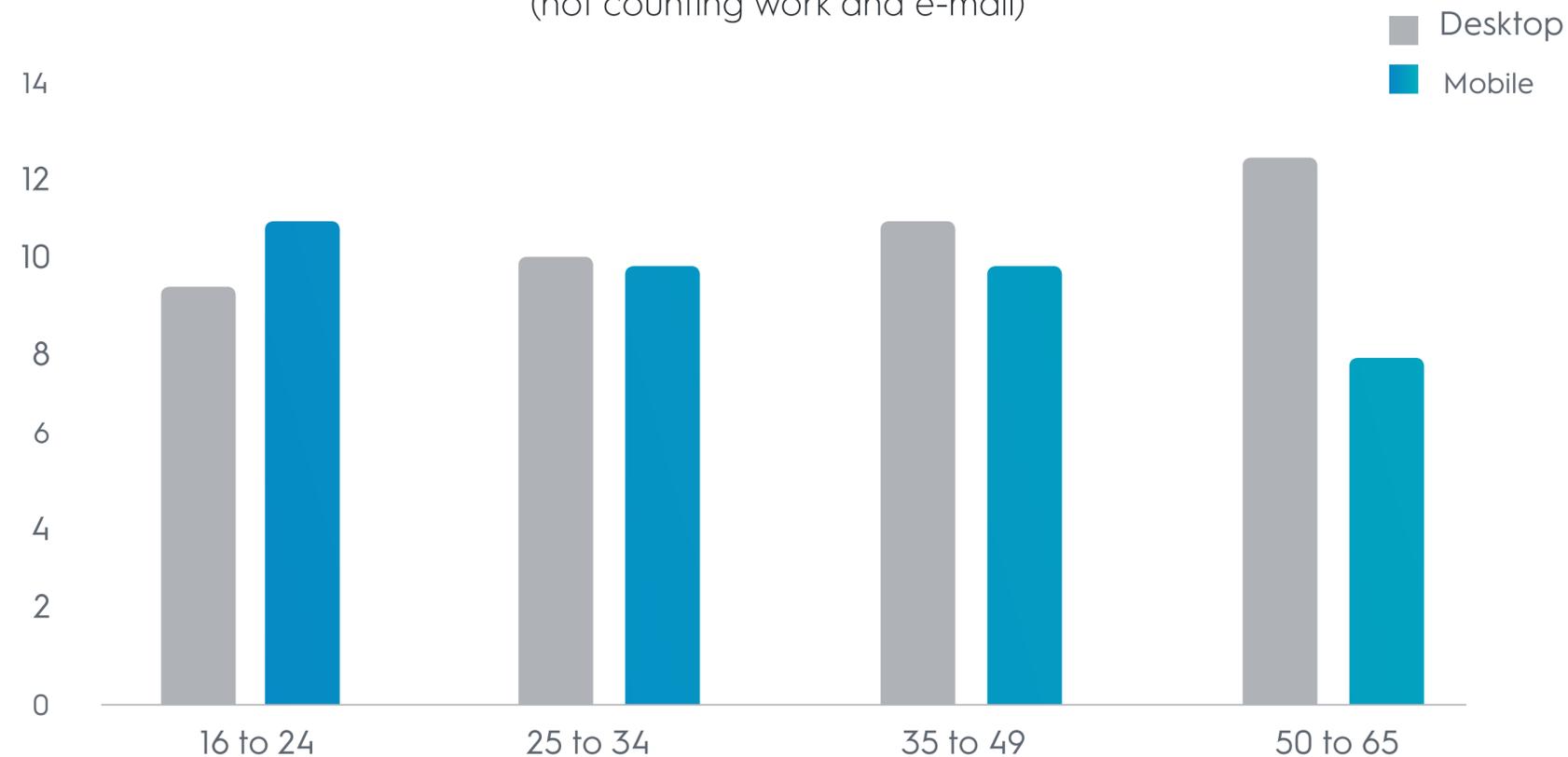


They are at the forefront of the mobile commerce revolution

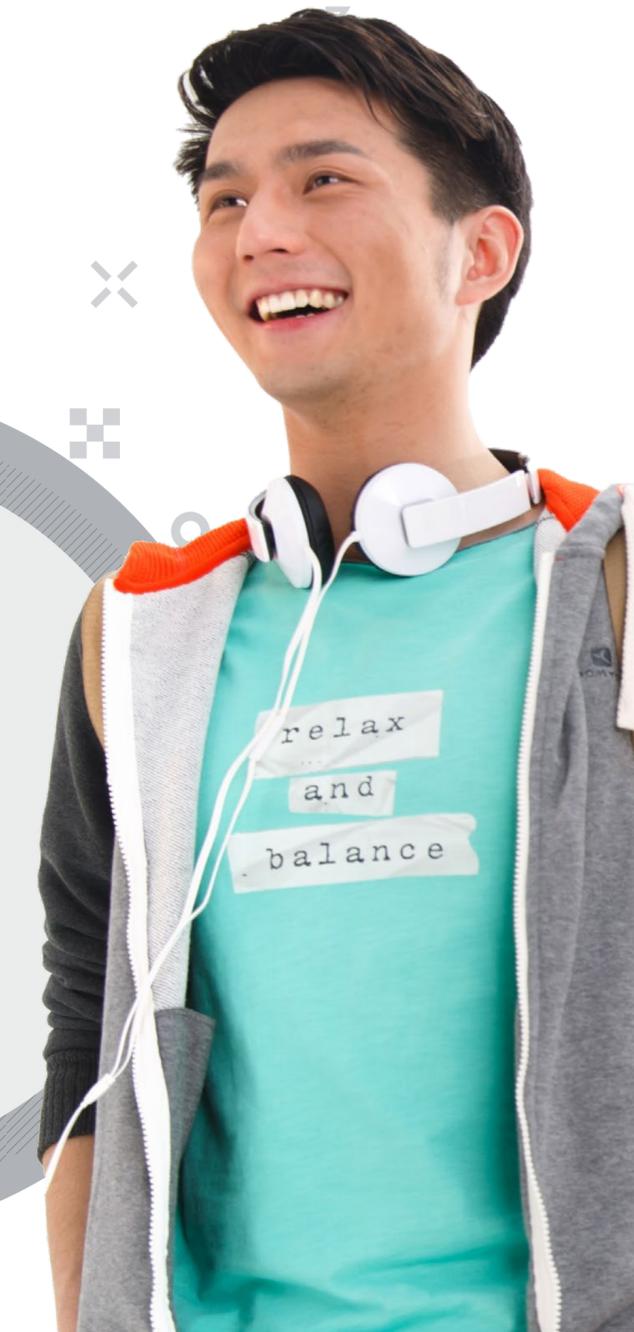
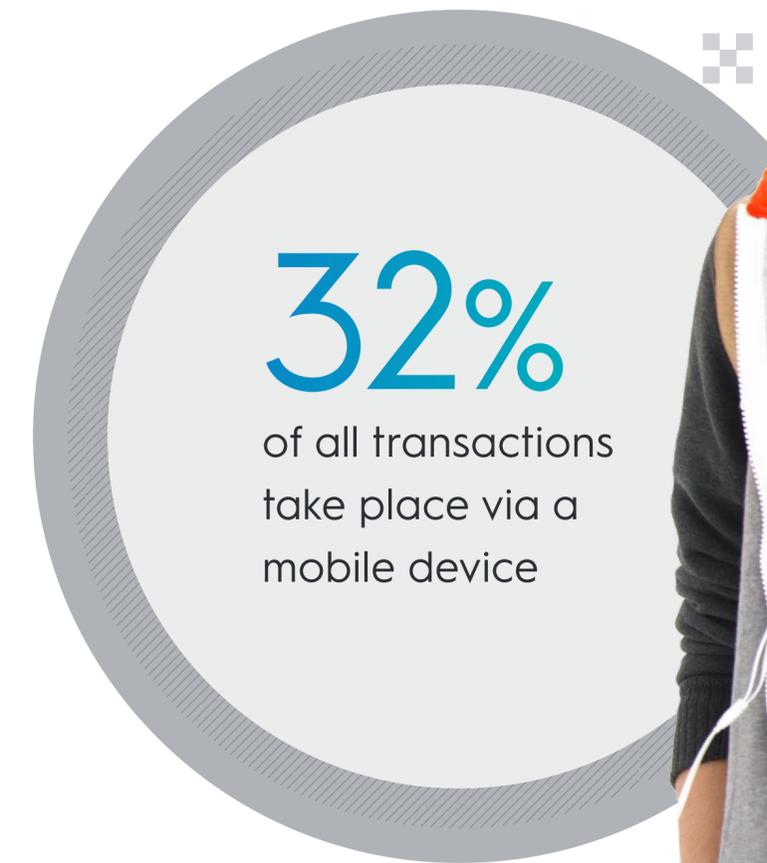


Gen Z spends more time on their mobile devices than any other generation.

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



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

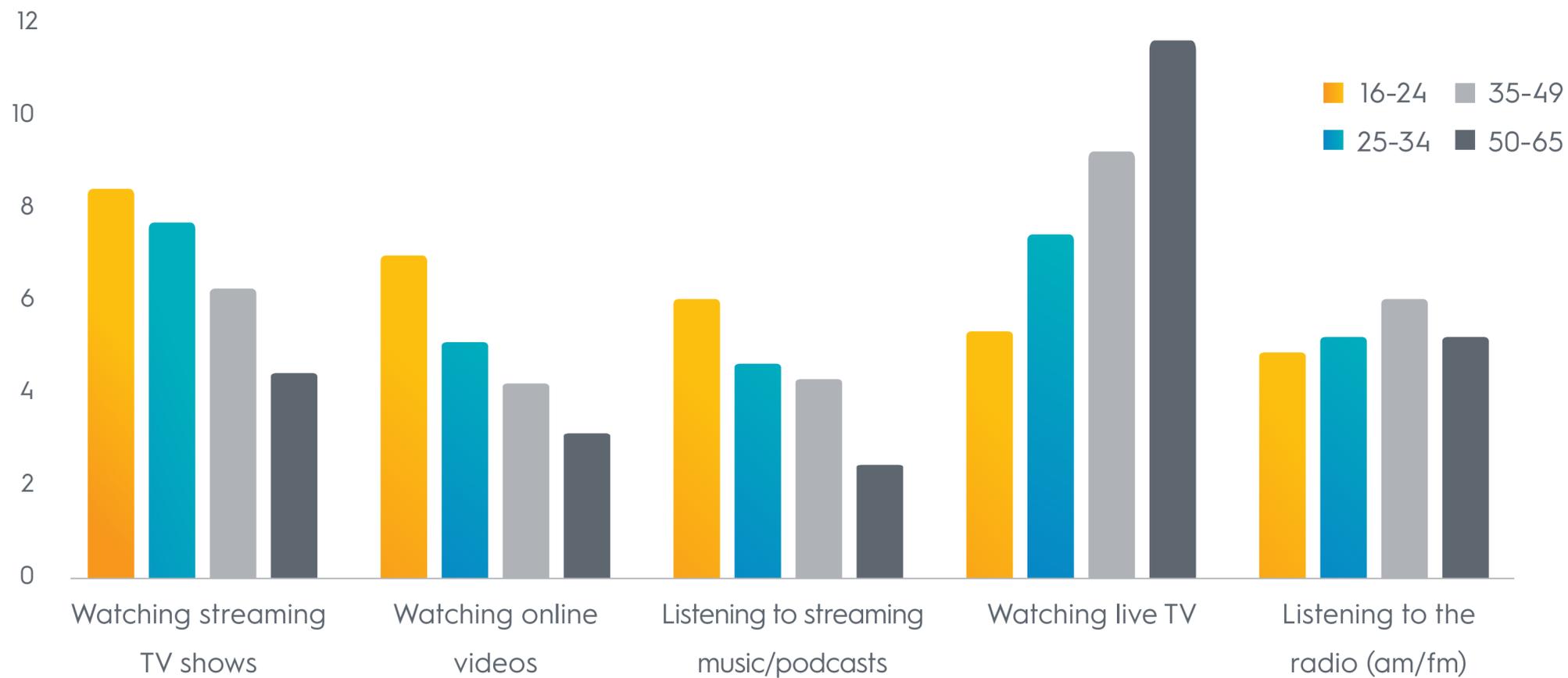


They stream more content than other generations



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

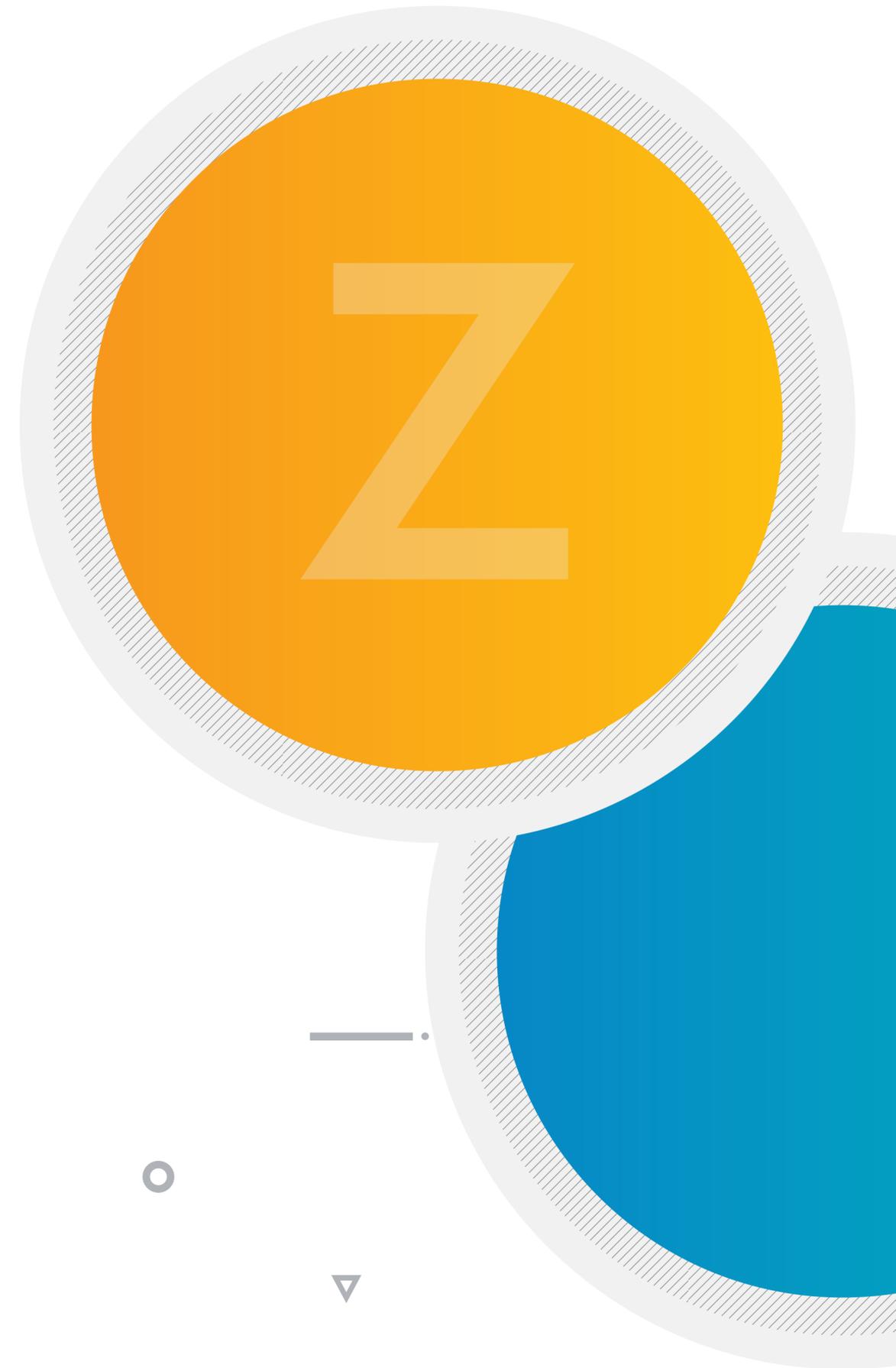


Source: Criteo Shopper Story, US 2017 | n = 430

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.



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



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

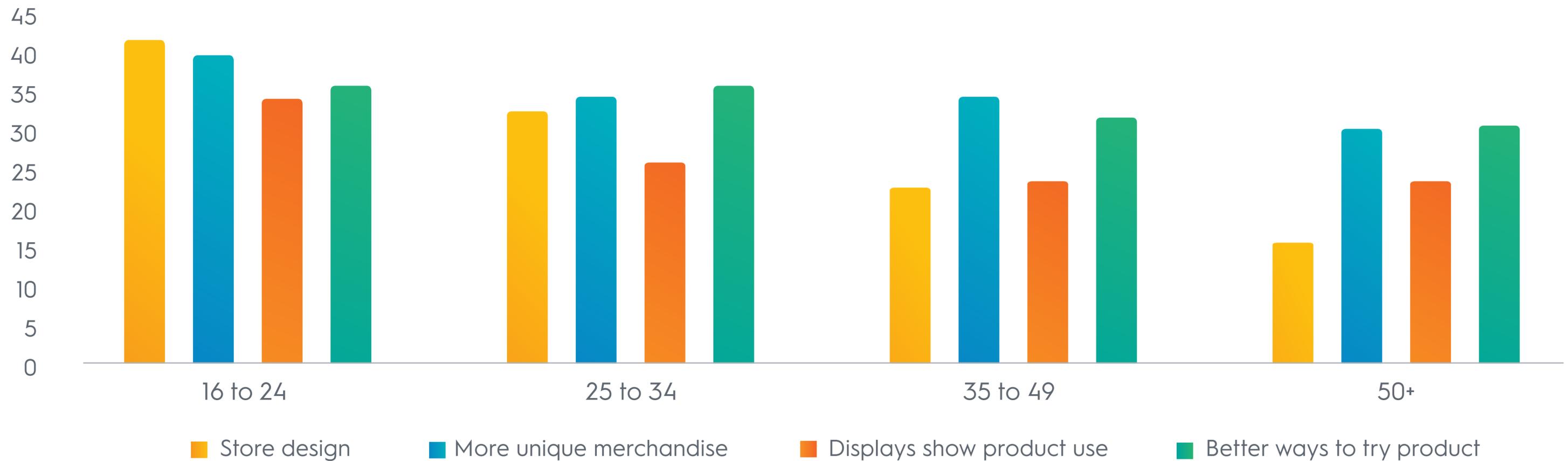
They want more from stores



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

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



34% Webrooming
Research online, buy in-store



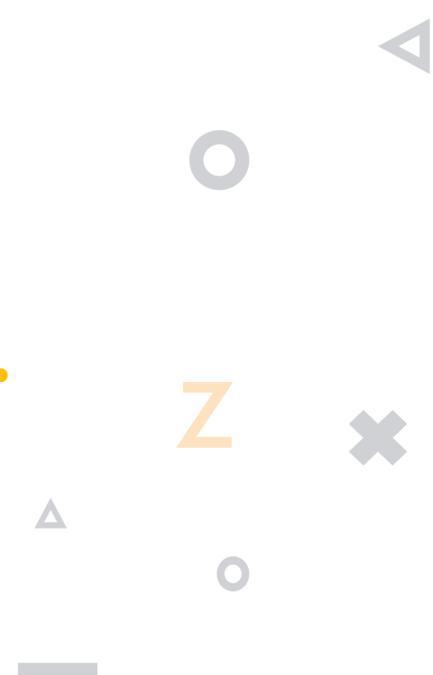
17% Click and Collect
Buy online, pick up at a store or kiosk



27% Scan and Scram
See in-store, buy in-store from another retailer online

15% Click and Ship
See in-store, buy in-store on retailer's mobile site/app

18% Showrooming
See it in-store, buy it online



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:



+9
points above
the average

51%

compare products within a site

30%

regularly visit multiple websites

28%

often put items in a cart without purchasing right away



The shopping experience is letting them down



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

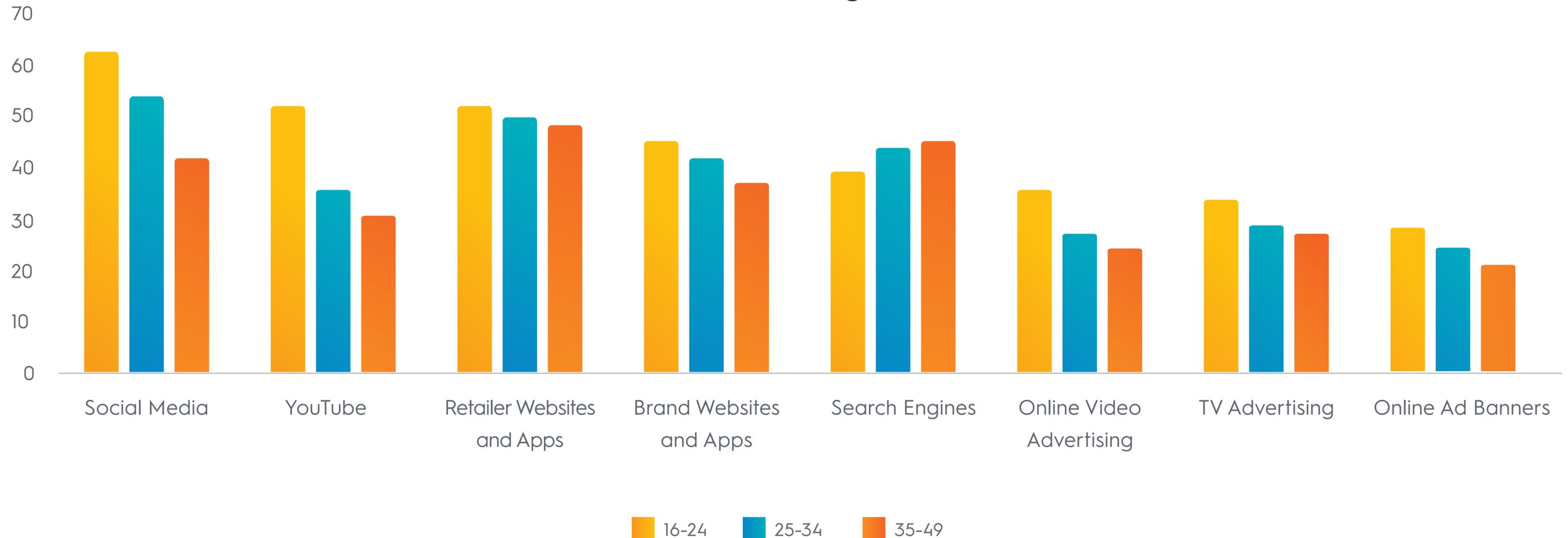
35% don't feel comfortable making purchases online



At the same time, retailer websites are becoming as influential as social media on Gen Z



Media Influence on Making Purchase Decisions

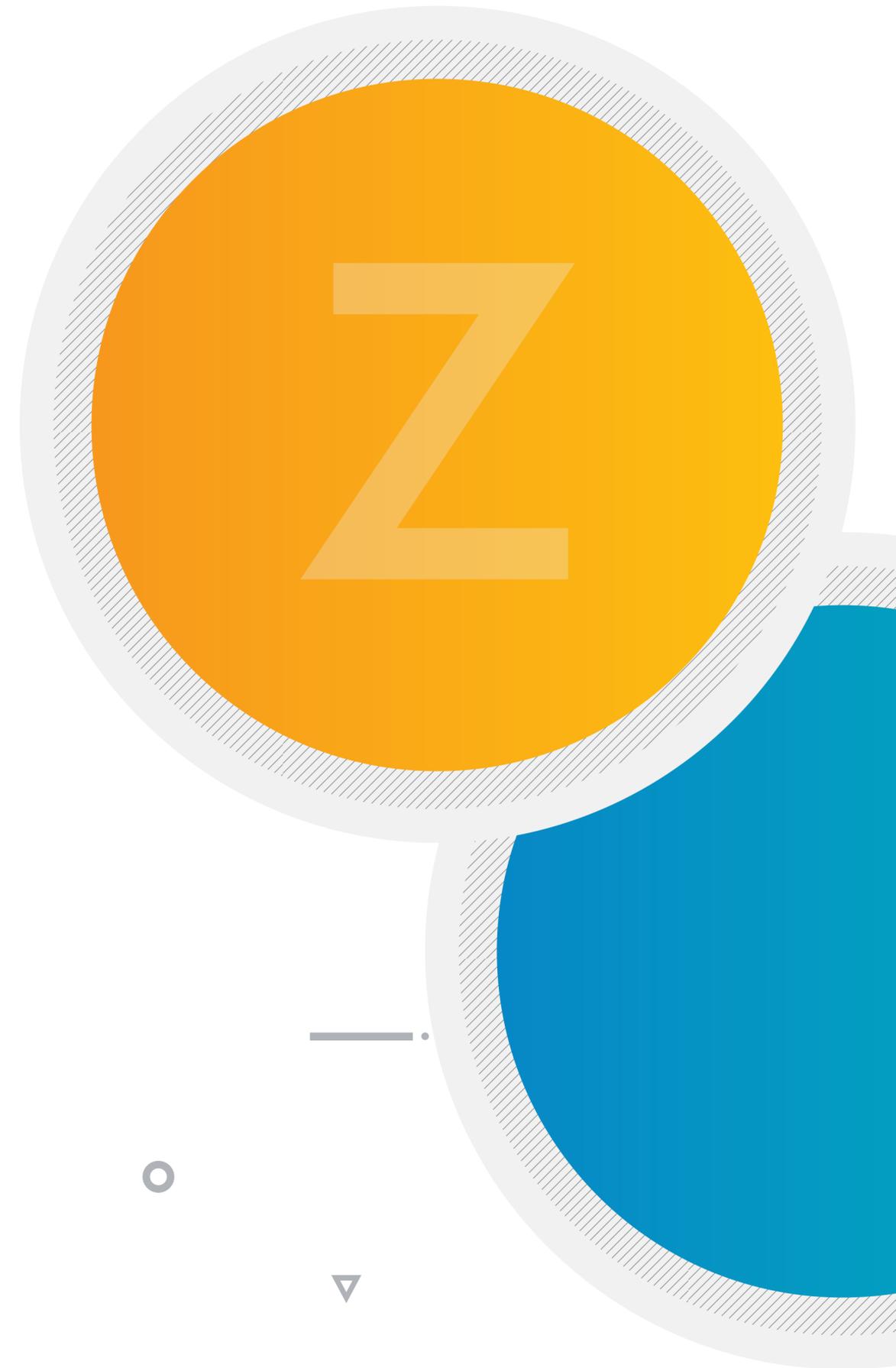


Source: Criteo Shopper Story, US 2017 | n = 2,500

Appealing to Gen Z



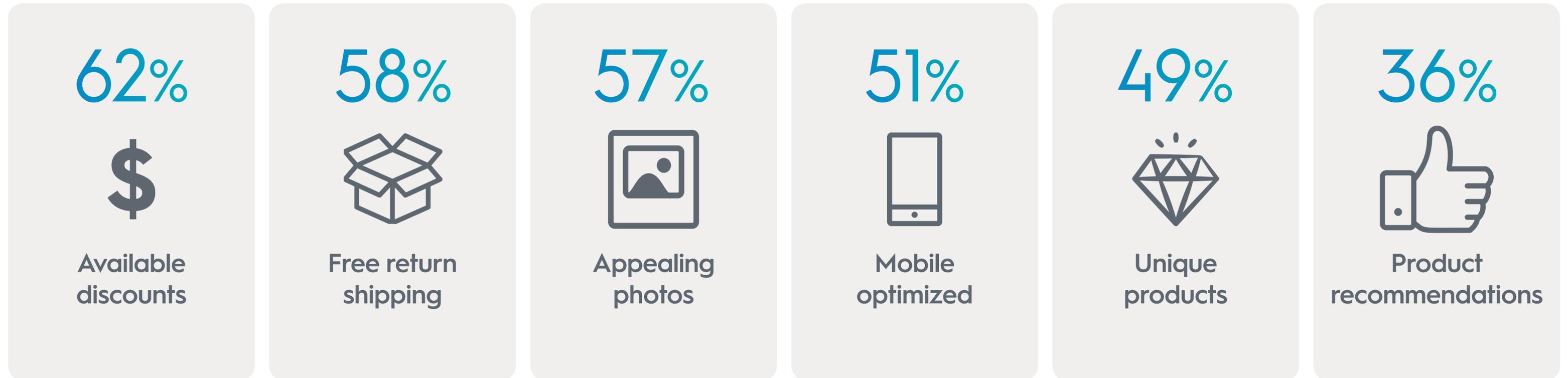
The path to purchase is paved with personalization



How eCommerce sites can improve conversion among Gen Z



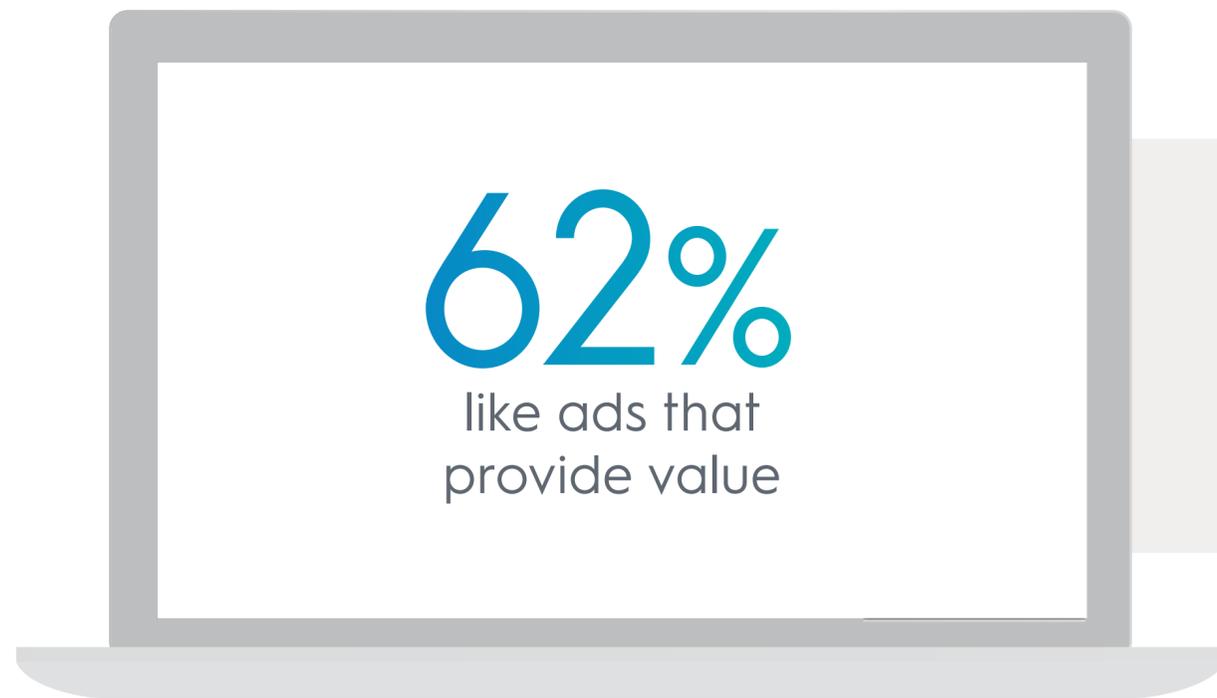
Percent of shoppers that say these website factors are very important:



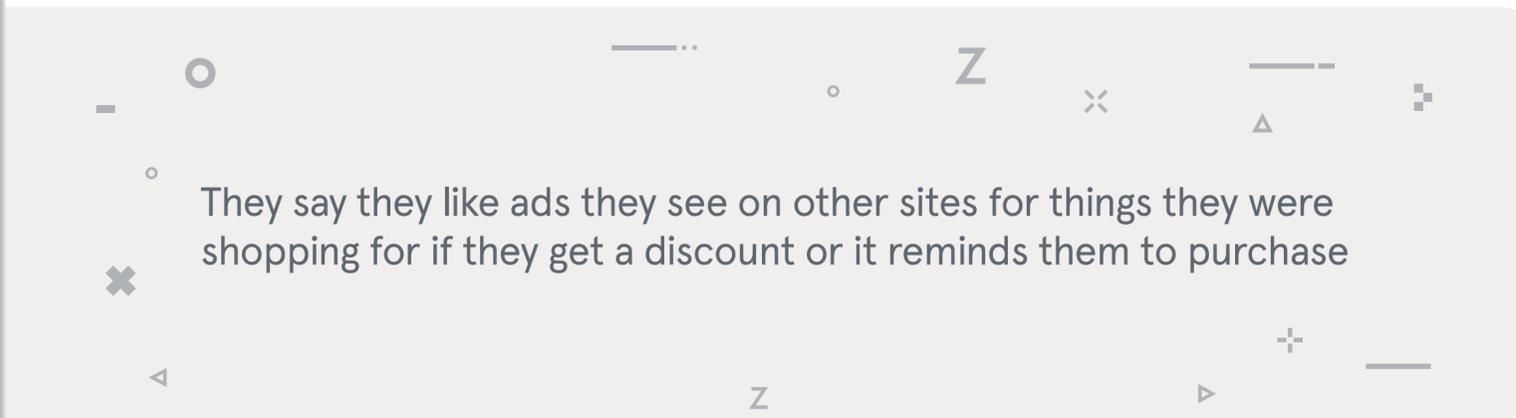
Source: Criteo Shopper Story, US 2017 | n = 430



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

Z

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



Z



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.

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.

"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.

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.

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.





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.

criteo.