



How to engage with and convert the **Generation Z** shopper



Key takeaways

- Generation Z are savvy consumers in terms of price and quality of products
- They care about security and privacy
- High street shopping is a social activity, a hobby shared with friends rather than being strictly related to the purchase of a product
- Shopping online is a more specific purchase-related activity
- Browsing products online is a time filler activity for Generation Z
- 30% browse products online several times per day
- Generation z browse products from their mobile phone, but they buy from their laptop
- They are risky consumers: buying online can be a gamble, but they are willing to take the risk
- They care about others' opinions, but they always try to have an independent point of view
- They want to be listened to and to interact with brands and companies
- Co-creation and engagement are the key to successful engagement with Generation Z consumers

Who are Generation Z?

Generation Z are people born in the 90s and raised in the 2000s. They're 16-24 years old right now.

They make up 10% of the UK population and were born in the era of social media and the internet.

They've grown up immersed in digital and

technology, surrounded by smartphones, tablets and laptop computers.

They are digital natives and they move fluidly through the digital and physical world, without making a conscious distinction between them. They experience the digital world as natural - they've never known anything else!



**What if
there's no
Google?
"I don't know,
Google it!"**

Heavy mobile users

Generation Z spend a lot of time on their mobiles. Over half (almost 60%) reported using their mobile phone for more than 6 hours per day.

They spend most of their time on social media

A lot of their time is spent on social media.

37% use social media and text messages to interact and communicate with friends for more than 6 hours per day.

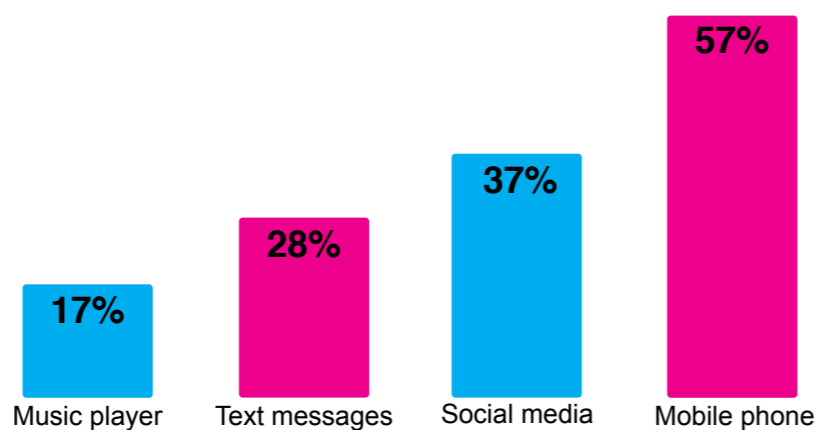
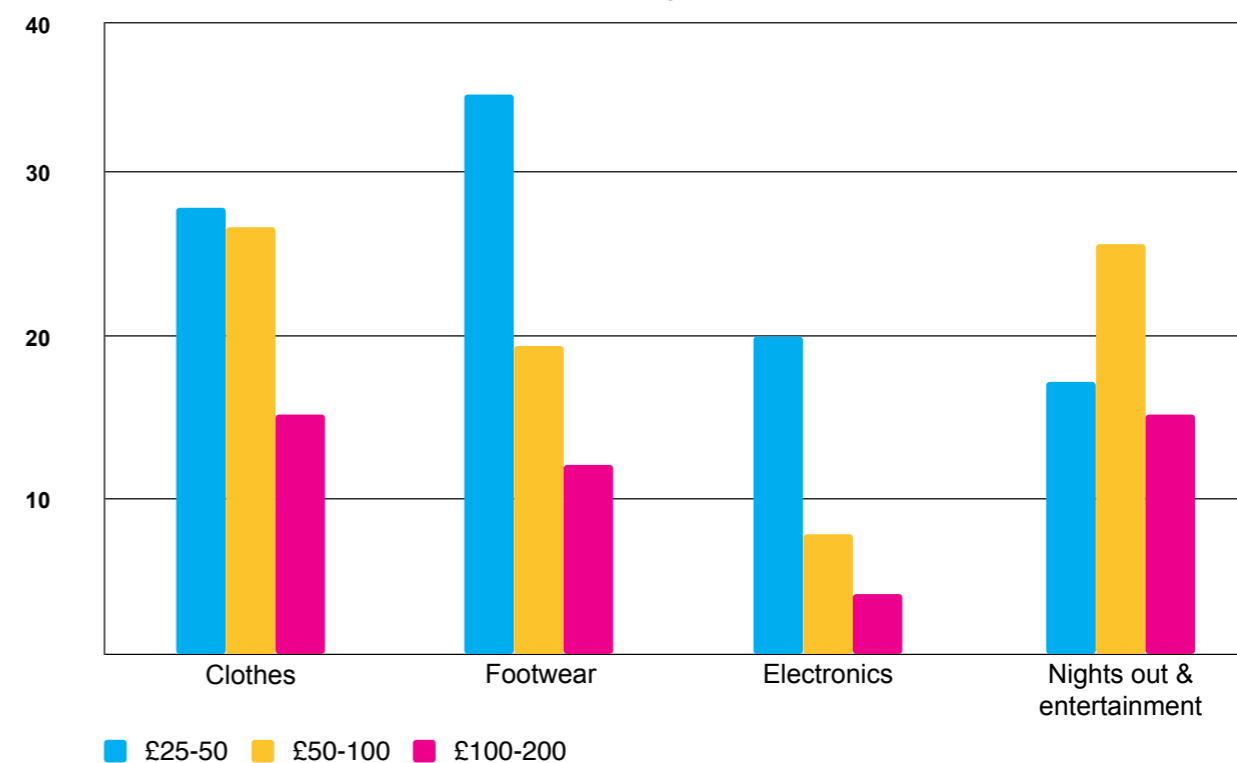


Figure 1

Fashion and entertainment dominate their spending

Figure 2



Over 60% browse products online several times a day or more

13% browse 5-10 times a day and 14% browse products more than 10 times a day!

For Gen Z, browsing things they might want to buy online is a frequent activity.

The key is to convert these browsers into buyers!

Killing time is the key browsing trigger

Travel. When they are travelling on public transport (e.g. tram, bus, train) they look for things to do to fill the time.

Boredom. When they are bored at home or away from the home.

When there is **“nothing else to do”**.

They browse and check several times a day for **“new arrivals”** or **“sales and discounts”** on their favourite websites.

and they browse products a lot!

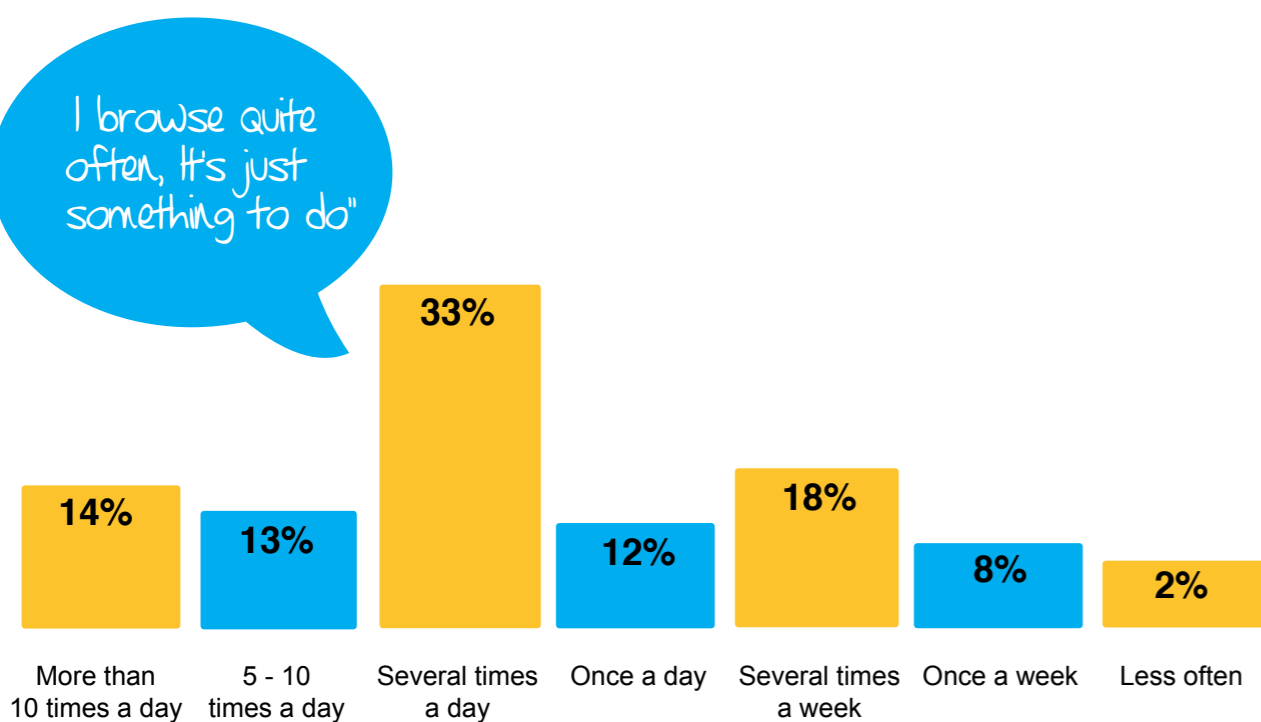
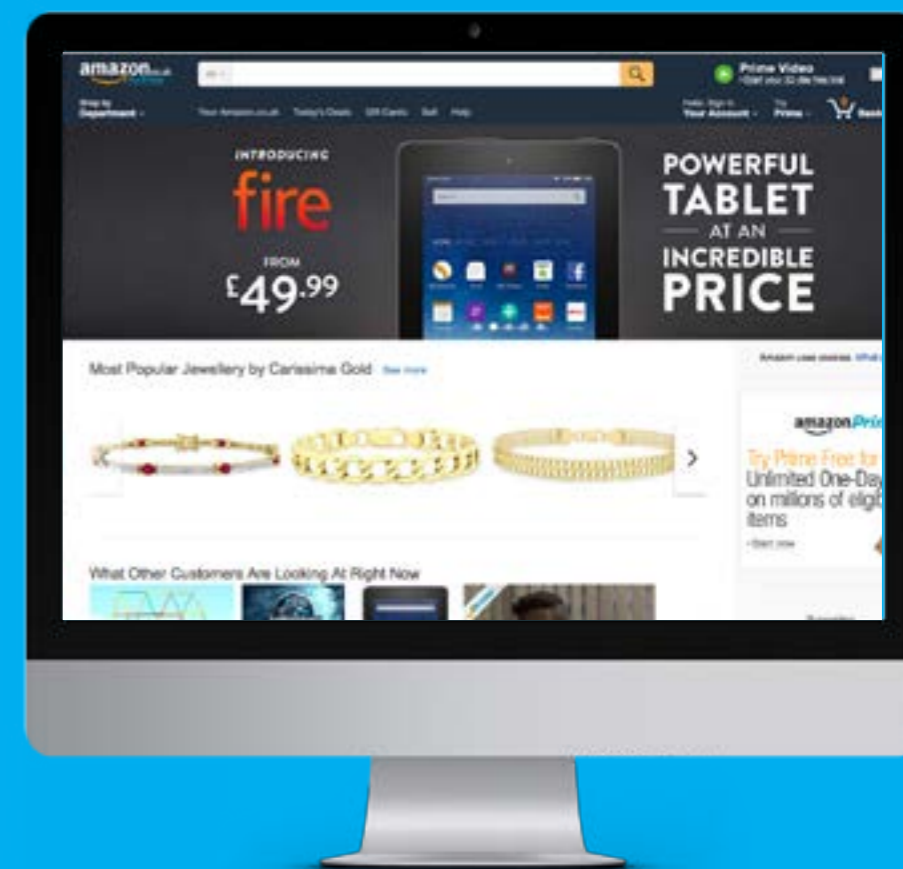
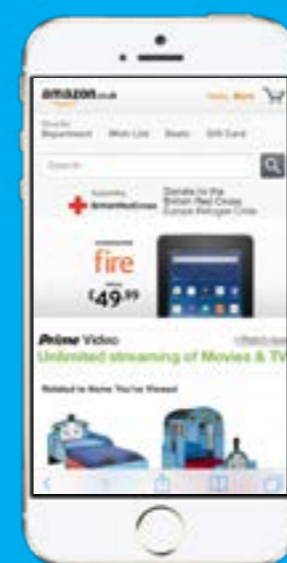


Figure 3

They browse on mobile but prefer to buy on desktop

Generation z browse products on their mobile phone, but when it comes to buying, they tend to switch to their laptop computer.

- Easier to type in their payment details with the physical keyboard. Provides greater reassurance and peace of mind for security.
- Easier to research the product and compare prices. Can open more than one tab at the same time to aid in the research and comparison process.
- Larger screen. Clearer image(s) of the product.



Purchases are dominated by the high street and desktop

Although generation z are heavy mobile users for browsing products, they are still switching to the high street and desktop to make their purchase. When it comes to using digital platforms to shop for products, generation z preferred to use a desktop laptop computer. They say the larger screen size lets them see images and videos of products in greater detail, compare prices quicker and to checkout more easily.

Clothes

The purchase of clothes is dominated almost equally by the high street (35%) and desktop (33%). However overall buying online wins with a total of 65% of clothing purchases coming from desktop, tablet and mobile devices.

Electronics

60% prefer to buy electronics products online, as they can find more specific items and specialist shops.

Food

When buying food, the high street is much preferred, with 66% preferring to buy food in-person so they can check the quality and freshness of the product.

Holidays/Travel

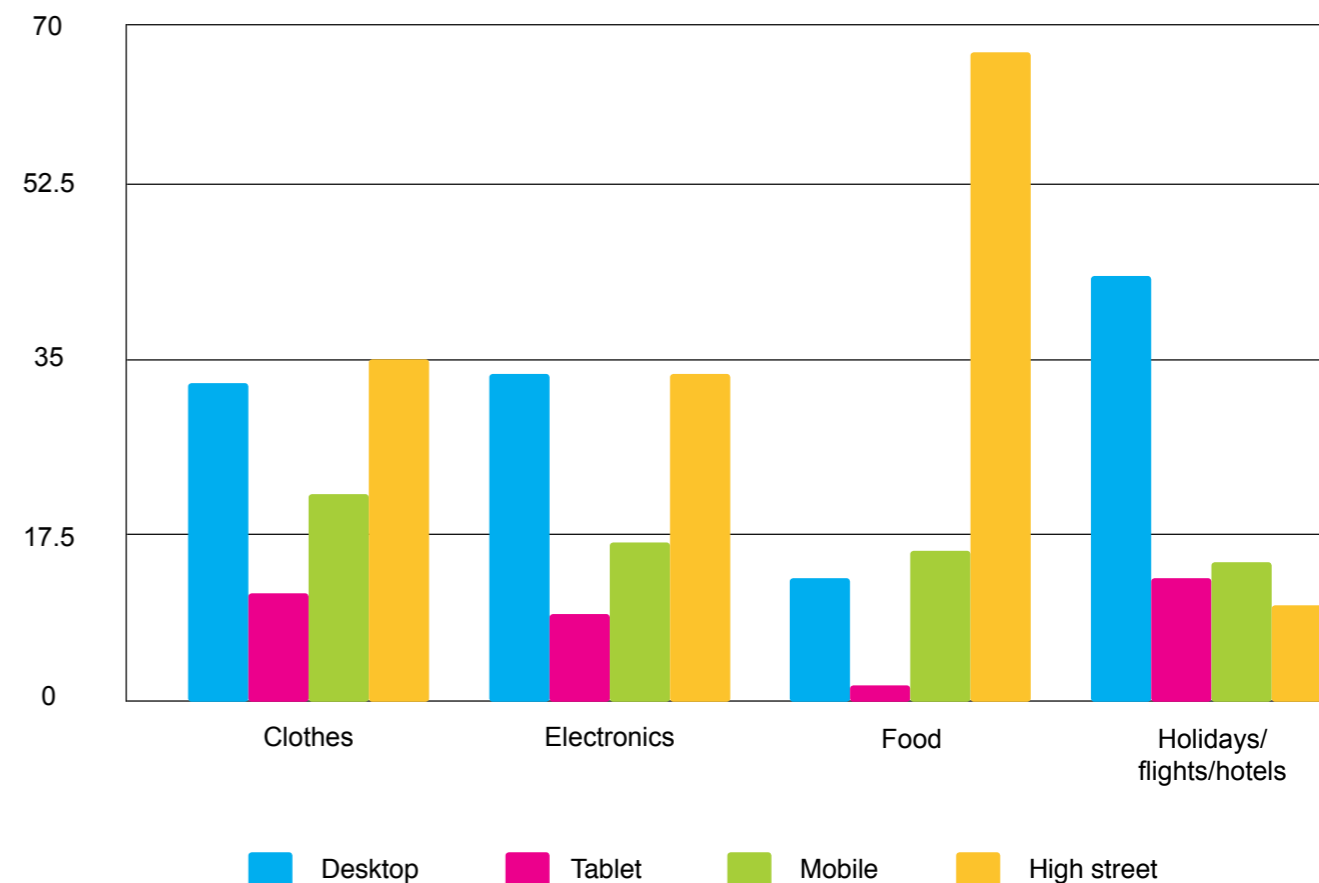
Holidays and travel are mostly purchased online. With generation z being price savvy consumers, this comes as little surprise as online is often where the best travel bargains can be found. In total, 70% prefer to book their holidays, flights and hotels online.

Most popular brands amongst Gen Z:



How they buy is determined by what they are buying

Figure 4



Independence is very important

Gen z care about other peoples opinions, but they always build their own independent view before buying anything. They don't want to be too advised or guided, they prefer to find out information themselves in order to evaluate and choose a product.

High street shopping is a social activity, online is a sole activity with greater purpose

Shopping in the high street is...

A social activity, a hobby and something to do in their spare time with friends and family.

Shopping online is...

A sole activity, a time killer for spare time, it is also focussed on the purchase of a very specific product.



“Shopping means a girls day out. It’s going out with friends and my sister, and I imagine it’ll be the same in ten years.”

Female, age 20

High street

Generation Z tend to buy in the high street when they have an immediate need for a product. However, if the price is much better online, if delivery and returns are quick and simple and the website is secure, they are more likely to buy online.



- Immediate access to products
- More secure
- Direct tactile and physical experience



- Takes time
- Shops can be messy
- Can be busy, lots of people
- Frustrating and tedious
- Limited stock, lack of sizes

“You walk around and people are pushing and if you like something maybe it’s the last one and someone else picks it up. You walk out of the shop dissappointed...”

“I don’t like high street shopping!”

Online

Shopping online enables price comparison amongst different websites to find the best value for money, before making a purchase decision. It is mostly a less impulsive purchase.



- Convenient (no journey time)
- Greater choice
- Ideal for specific products
- Comfort (at home)



- Can be a gamble e.g. misleading photos
- It is seen as riskier (fraud)
- Greater choice can mean harder decisions



They enjoy sharing but on their terms

Generation Z have grown up immersed in the social media era and they are used to sharing and interacting with their online network. They also love sharing with friends and family what they wish to buy, and whilst they are browsing products, they will often suggest things that their network might like.

They like to share

- Text messages or instant chat apps
- Emails
- Face-to-face
- Social media

They seek a second opinion

They care about and actively seek the opinions of family and friends, and they firmly trust consumer reviews of 'people like them'.

Private sharing is preferred

They love social media but prefer to use private chat and direct messages to share information related to their purchases.

Celebrities are influential

They follow celebrities, but they actively interact with them, listening to their opinions, being inspired but not passively influenced.

Circle of influence

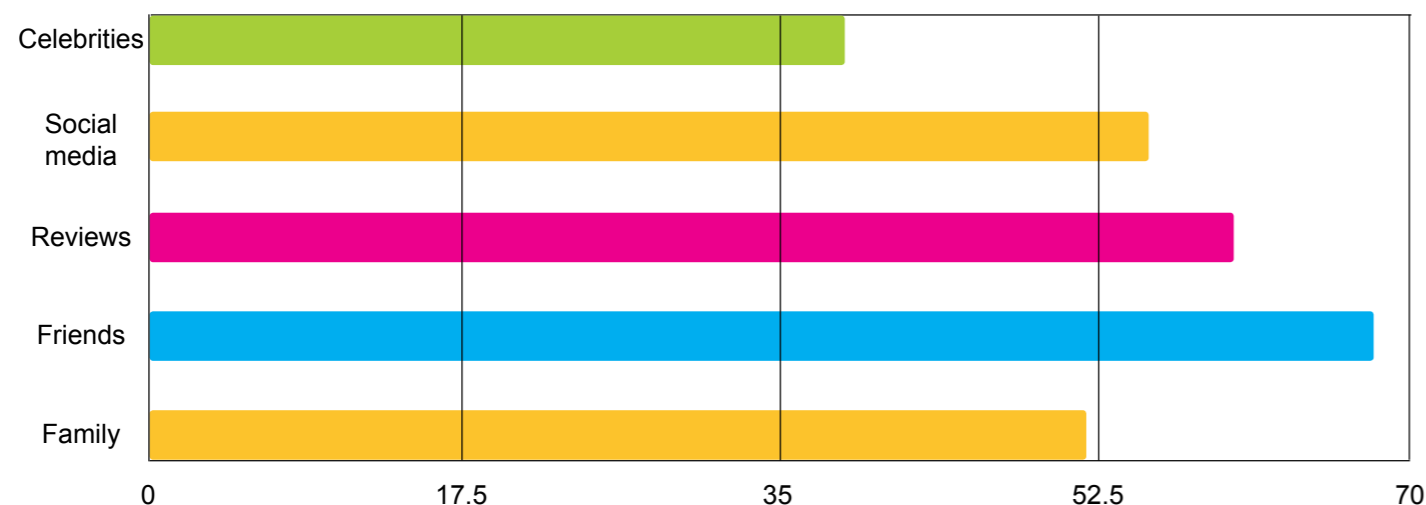


Figure 6

“I don't want to put on Facebook that I got a new pair of shoes.”

Male, age 20

Online payments

Security aware but risk taking

The checkout process should be quick and simple without asking for too much personal information and payment details. Gen z prefer using Paypal as they feel it's safer.

They take risks when shopping online

They know the risks of shopping online, they care about security and privacy; they need to feel in control of and to trust a website before making a purchase decision but they do take risks.

Firs impressions matter - they trust their gut instinct. They have an immediate trustworthiness (or distrust) feeling when they browse a website for the first time.

Functionality that engages

Gen Z's primary goal is to find the best value for money.

Website layout is important to increase trust, consolidated by social proof; "the more people that use the website, the safer it will be".

Information and pictures of the product, sales and discounts and security information are top of the things they want to see on e-commerce sites.

They least want to see links to social-networks, top ten bestsellers and advice and tips.

Gen Z prefer emails but are more likely to read texts

Email

Preferred but not read.

They prefer to receive emails from brands, because they feel that their privacy has been preserved. However, they also prefer emails because they are easier to ignore and to leave unread. Of course this poses problems for brands!

Text Messages

Disliked but always read.

They always read text messages, but they feel text messages from a company are an intrusion (and because of this, sometimes they leave the wrong phone number). Text messages are considered a more intimate and personal medium, used with friends and family.

"I always check to see if it's a protected payment because it's access into my account"



I always read messages, but I don't want a company messaging me. I message with my friends, not with a company

Summary

Gen Z are savvy consumers. They are empowered individuals who know what they want. They are the mobile generation - they browse products on their mobile several times a day just to kill time. For them, browsing products is a hobby.

When it comes to buying, like millennials, they prefer to switch to desktop so they can see more details and compare easily. They dislike long forms and just want to checkout quickly. When online payments advance, Gen Z's mobile purchases will increase significantly.

Despite the rise in online shopping, Gen Z still love the high street. However, for them it is a social activity - a day out with friends. Brands will need to consider

how to engage shoppers as a group within the retail environment. In contrast, online shopping remains a sole activity, involving friends for a second opinion.

Communicating with Gen Z can be difficult. They prefer emails but won't read them. They read texts but don't like brands sending them. When it comes to sharing, they prefer to do so privately with individuals as opposed to sharing publicly for everyone to see.

They aren't passive buyers, they want to feel connected to the brands they buy from. Your challenge is to engage them.

Gen Z know what they want and they want it now!

When online payments advance, Gen Z's mobile purchases will increase significantly

Method

In the first phase of the research a quantitative survey was conducted. The sample consisted of 35% of male and 65% of female participants with ages ranging from 16 to 24.

In-depth qualitative interviews, card sorts and a number of focus groups were then carried out with a sample of participants from the questionnaire to gather deeper insights.

18 tips to increase your Generation Z conversion

- 1 Have a section of your site dedicated to newly added products as regular browsers only ever check this section
- 2 Focus on creating the best mobile customer experience and optimising it continuously
- 3 Include more pictures of the products
- 4 Focus on the product more rather than the model
- 5 Include more details on sizes
- 6 Include reviews and ratings
- 7 Great customer service: instant chat, caring and friendly customer support
- 8 Have a two-way relationship with them; more interaction and engagement
- 9 Your website should look and feel secure - focus on increasing trust
- 10 Provide privacy and security policies (even if they aren't read)
- 11 Your checkout process should be quick and simple
- 12 Don't ask for too much personal information
- 13 Limit the amount of payment details required
- 14 Provide a Paypal payment option
- 15 Ensure your delivery is free or balanced in relation to the product price
- 16 Provide easy access to delivery information whilst browsing
- 17 Delivery and returns should be quick and simple
- 18 Ensure your conversion isn't being hindered by offline factors such as poor packaging, delivery and customer service

Want to know more?

We increase your revenue by focussing on improving and optimising the 360 experiences customers have with both your digital and offline channels. Indepth research and evidence based, creative design are key to achieving this.

- Increase your conversion
- Informed, strategic, evidence-based business decisions
- Easily gain buy-in from stakeholders
- Improve your NPS score
- Improve your online review rating
- Increase repeat customers

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