



GENERATION Z:

THE SHOPPING AND WORK HABITS OF RETAIL'S CHIEF DISRUPTORS

AT A GLANCE

Meet Generation Z. Impatient, frugal and with ambitions to save the world, the first generation of true digital natives demand a simple retail experience and substantial discounts from brands that have strong ethics. And yet, confounding expectations, they might not be quite as attached to online shopping as stereotypes suggest. Categorized as consumers born in 1996 or later, this rapidly growing consumer demographic is shaking up retail in a big way.

Gen Z has never known a world without mobile technology. Compare this with their older millennial cohorts who used floppy disks at university and remember a time before Facebook, and this defines how each generation acts both online and off.

Gen Z will comprise 32% of the global population in 2019, passing millennials (31.5%) for the first time, according to Bloomberg data. This Retail Week report, produced in association with prescriptive analytics company Profitect, aims to help retailers better understand this group as consumers and employees and offer guidance on how to harness the spending power of a generation that could swipe before they could talk.

WE'LL HELP YOU GET TO KNOW THIS TECH-SAVVY DEMOGRAPHIC THROUGH IN-DEPTH RESEARCH WITH 1,000 CONSUMERS, SO YOU CAN FIND OUT:

- Gen Z's shopping, technology and social media habits
- What influences them to choose a retailer and make a purchase
- How to create successful strategies to target this demographic
- How to engage Gen Z as part of the retail workforce

METHODOLOGY

Retail Week, in association with Profitect, surveyed 1,000 consumers aged 18 to 22 in October 2018. This age range is classed as Generation Z.

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- Invest in the in-store experience.
- Embrace the return.
- Prioritise a strong omnichannel strategy.
- Invest in smart task-management solutions.

THE GEN Z SNAPSHOT



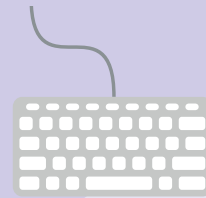
BORN IN **1996** OR LATER



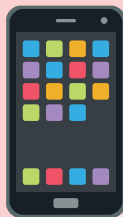
32% OF THE GLOBAL POPULATION IN 2019



INFLUENCED HEAVILY BY **PRICE** AND **CONVENIENCE**



PREFER **DIGITAL MARKETING** TO PRINT ADS



ENGAGE WITH ONLINE CONTENT FOR MORE THAN **10 HOURS** A DAY



22% MORE LIKELY TO USE AD BLOCKERS THAN THE AVERAGE UK ADULT

RETAIL WEEK FOREWORD



ISOBEL CHILLMAN
CREATIVE STRATEGIST, RETAIL WEEK

Digitally savvy, demanding and desperate for experiences, Generation Z are shaking up retail, both as consumers and workers.

Categorised as born in 1996 or later, this rapidly growing consumer demographic are becoming widely viewed as retail's chief disruptors. When it comes to digital shopping, they're accelerating the attitudes and expectations first identified among millennials.

Known as impatient with a short attention span, and a willingness to hunt for the perfect product or price, their levels of loyalty are deemed to be far below that of older demographics. They demand instant information, instant communication, and – above all – instant gratification.

This Retail Week report, in association with SaaS company Profitect, will uncover the shopping, working and technology habits of Gen Z, helping retailers to create successful strategies to target this tech-savvy and often misjudged demographic.

Born into a post-digital world, their relationship with technology is significant. Learning to swipe before they could talk,

technology sits at the centre of their lives rather than being an accessory to it – an important thing to note for retailers hiring this age group.

More than half (56%) of the Gen Z respondents surveyed for this report have worked in retail, but only 30% view it as a career path they would like to follow. Supporting Gen Z workers with the right technology is essential to changing their view of the industry. For example, 39% of those surveyed say a company app would make working in retail easier or more fun.

Gen Z consumers are far more complicated than simply being the online-obsessed drones they are made out to be. Their need for instant gratification translates to their in-store experiences too, which is the preferred shopping method for a quarter of this demographic, with another 38% viewing in store and online equally.

Retailers targeting this age group need to ensure they provide a world-class in-store experience, as well as a seamless and simple path to purchase online. Embracing these ideas quickly will be the key to keeping Gen Z shoppers happy, engaged and spending.



This generation demands instant information, instant communication and – above all – instant gratification



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VIEWPOINT



GUY YEHIAV

CHIEF EXECUTIVE, PROFITECT

As outlined in this report, Gen Z are telling us a story. Retailers creating a better shopping experience through investments in stores, embracing returns, prioritising a strong omnichannel strategy and investing in smart task-management solutions will find themselves ahead of the competition and in a great position for future growth. But to service and support Gen Z, a new approach is needed that takes advantage of the data being generated and collected to serve this emerging demographic.

At Profitect, understanding data and providing actionable outcomes through analytics, rather than reports, is at the centre of everything we do. With a dedicated focus on the retail and consumer packaged goods market, we understand the immense volume of data retailers and brands generate on a daily basis. From SKU-level product information to point-of-sale data, our award-winning solution processes more than 1.2 billion transaction data feeds daily.

Getting to the heart of the story is incredibly difficult for retailers and brands. Sorting through mountains of data and daily reports causes tremendous strain on

the business. Often the amount of reports and data analysis needed pulls employees away from the necessary work required to succeed — such as product design, merchandising, marketing and more. It also creates a significant amount of inefficiency at the store if employees are stuck in the back room trying to analyse reports, rather than assisting customers on the shopfloor to increase consumer satisfaction and sales.

Profitect is proud to sponsor this exclusive UK Gen Z survey because we believe using data and providing actionable outcomes in the form of prescriptive analytics tells the right story. Gaining a better understanding of the shopping and work habits of Gen Z is the first step. Prescriptive analytics offers a practical approach to working with data and analytics to capture the loyalty of Gen Z to drive sales and margin improvements.

Our prescriptive analytics solution, currently in use by retailers such as Asda, Boots and Abercrombie & Fitch, provides retailers with the right actions to take in order to minimise confusion around reports. This empowers employees – from executives to store associates – to focus on revenue-producing activities.



A new approach is needed that takes advantage of the data being generated



PROFITECT

Profitect's prescriptive analytics solution leverages pattern detection and machine learning to identify opportunities that impact sales and margin. Profitect takes retail and CPG company data to identify areas for improvement including: inventory accuracy, out-of-stocks, pricing accuracy, unsellable merchandise and assortment discrepancies. Profitect customers typically realise a 2-5% increase in sales, better consumer experience, 10-15% basis point margin improvement and labour productivity improvement within six months.

To learn more about Profitect visit www.profitect.com

CHAPTER 1: WHAT MAKES GEN Z TICK?



Fans of discounts and tailored retail experiences, Gen Z are practically minded, vocal and favour simplicity

Gen Z grew up during the global financial crisis. As children, they watched as austerity hit, the world tightened its belt and millennial graduates struggled to find jobs – which likely accounts for their frugal attitude. According to our research, no factor will encourage young consumers to press the ‘buy’ button faster than a hefty discount.

One often-presumed consequence of years of mobile technology access is that Gen Z are impatient – there is an immediacy behind their decisions, driving them towards online shopping. Yet our findings show that Gen Z aren’t repelled by physical shops – they simply want their offline experiences to be as easy and as tailored as they have become accustomed to online.

“Retailers that leverage data to prioritise in-store service will win out with Gen Z,” says Guy Yehiav, chief executive of retail technology software company Profitect.

“The most successful retailers will go a step further, making their stores a destination by adding new services such as restaurants and designer pop-ups.

“By transitioning from just another retail store to a neighbourhood hangout, Gen Z shoppers are encouraged to spend more time at the location and, by extension, spend more money.”

The Irregular Report, published by Gen Z think tank Irregular Labs, notes that the demographic favours brands that care about people rather than profit, but adopting concepts such as diversity to sell products without living up to those principles will alienate these savvy shoppers.

Adam Flanagan, co-founder of Gen Z consultancy firm Future Labs, warns: “If the brand suffers any PR crisis that calls into question this alignment of values, then there may be an irreparable loss of trust.”

Founded by Flanagan and business partner Harry Beard (who are 17 and 18 years old respectively), Future Labs is focused on helping brands appeal to teenagers strategically and digitally.

Beard notes that Gen Z want authenticity from brands, which is why influencer marketing speaks to this demographic.

Online and tech preferences

Recent research from Adobe shows that Gen Z are, unsurprisingly, the UK’s biggest content consumers. They clock up an average of 10.6 hours a day engaging with content online, compared with 8.5 hours for millennials.

Indeed, Beard notes that Gen Z are never truly offline. Being online is “an ongoing process where the Gen Z-er donates 30 seconds of their time frequently throughout the day”, he says.

Despite this, Gen Z are fiercely protective of their online data. In order to avoid detection by prospective employers in online searches, they are also increasingly doubling up on social profiles, having a ‘rinsta’ (real Instagram account) as well as a ‘finsta’ (a fake one).

Incognito social networks such as Sarahah and Minds are popular with Gen Z, allowing them to reduce their digital footprint while remaining present online.

This is a generation who are very aware of their digital footprint and want to be vocal not only about negative experiences but positive ones as well. In fact, survey results show that nearly three quarters of Gen Z consumers (72%) will leave a positive online review of a retailer or product when they have a good shopping experience.

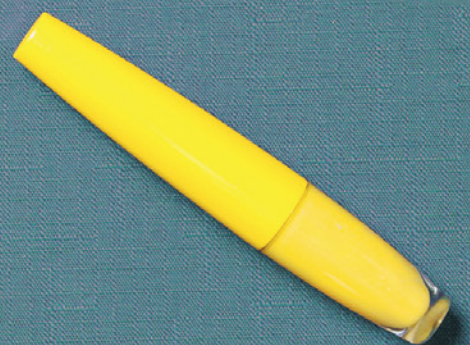
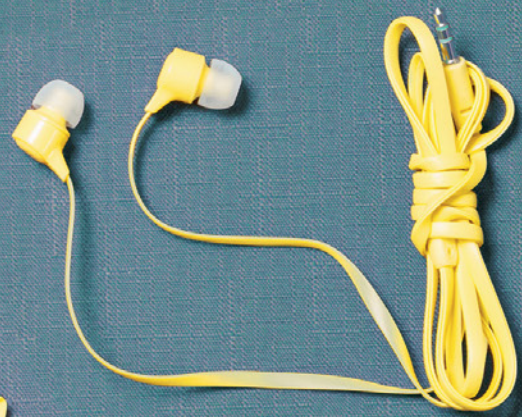
AI-powered software such as sentiment analysis can comb through online data such as reviews and comments, isolating buzzwords and key themes that retailers value, such as customer satisfaction and pricing.

“The data containing these key themes is then analysed for consumer intent, creating a rating score for stores and products based on various KPIs. This insight gives retailers an opportunity to create a better experience for all shoppers,” explains Yehiav.

The software can detect subtle differences in language to understand consumer sentiment. Yehiav explains. “Think about the phrases ‘I bought those cheap shoes’ and ‘I bought those shoes cheap’. Although they use the same words, one has a negative intent, while the other a positive one,” he says.

Retailers that know how to mine review data for sentiment analysis will have greater visibility into what is happening in stores, and can avoid a possible PR nightmare.

CHAPTER 2: SHOPPING HABITS REVEALED



They may be the switched-on generation, but Gen Z-ers still value a real-life retail experience in a physical store

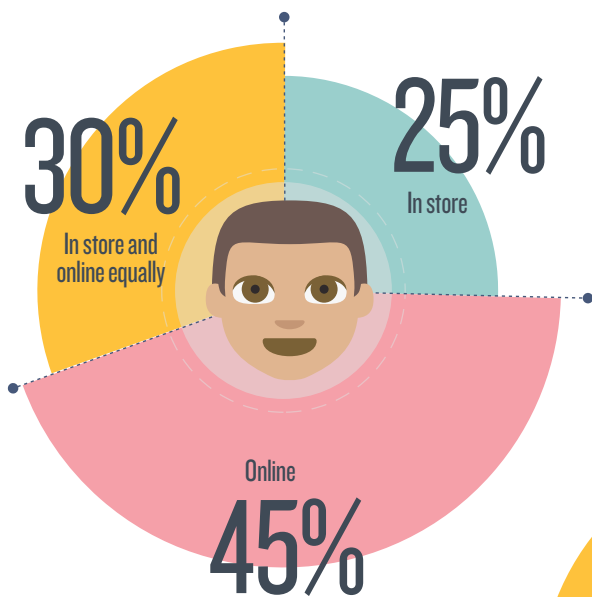
Picture a Gen Z consumer during a shopping spree and you may well imagine them hunched over their phone. Yet, while the demographic has embraced online retail, our research suggests that physical stores still add significant value. Indeed, 62% of those surveyed highlight in store as their preferred shopping destination or equal to shopping online, with just 38% of respondents favouring online shopping alone. Broken down by gender, the results show that 45% of males prefer to shop online, compared with just 31% of women.

But what will encourage frugal Gen Z to part with their cash? Unsurprisingly, discounts and offers are the biggest driver,

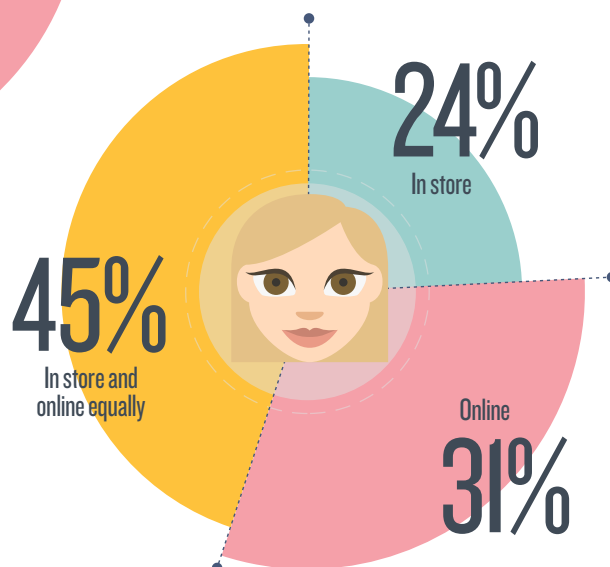
with 30% underlining this as their top reason to spend more. The results also suggest that retailers should aim to capitalise on Gen Z's impulsive nature; almost a third cited browsing in store as their biggest driver for spending more money.

Yet it would be catastrophic to overlook the online demands of these digital natives. Online advertising via email blasts, web ads and retailer websites (19%), and social media posts from influencers and ads (13%) are head and shoulders above print ads (5%) when it comes to encouraging Gen Z to buy. When the results for online advertising and social media are combined, digital becomes the strongest influence on Gen Z at 32% – strongly indicating retailers need to present a complementary omnichannel strategy, seamlessly blending online and offline.

Retailers need to leverage data in a prescriptive way to enable them to offer greater targeted marketing, drive customer



WHAT IS YOUR PREFERRED METHOD FOR SHOPPING?



loyalty, and improve promotion execution. We asked Gen Z for the two biggest reasons they would shop at a particular retailer. Some 59% cite good promotions and discounts as one of their reasons, while 42% name convenient location as a major factor. Product quality (41%) follows close behind.

What puts them off?

While just 7% of those surveyed cite a quality customer service experience as a reason for shopping at a certain retailer, when asked what would stop them shopping at their favourite store, almost half (48%) say poor customer service. Women are more likely to take bad service to heart, with 59% saying they would abandon a brand after a poor experience, compared with 36% of men.

The findings suggest that Gen Z simply expect good customer service. Doing it well might not keep them shopping with you, but failures in this area will certainly deter them. Even in store, Gen Z still expect a tailored experience similar to what they receive online. The significance of positive interactions between staff members and shoppers in physical stores, therefore, must not be underestimated.

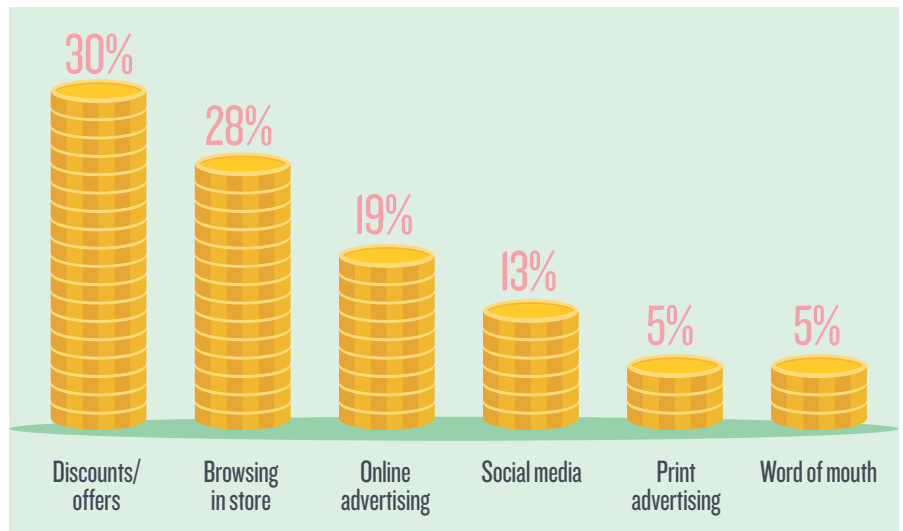
This is another opportunity where data can lead to actions, Profitect's Yehiav explains. "If a retailer notices that a store has a high rate of single-item transactions, it may mean store associates are not upselling or cross-selling," he says.

"By harnessing data analytics of these transactions, store managers can adjust employee schedules to pair colleagues with lower upsell numbers with those who have a higher average number of items per basket. This peer-to-peer training approach can quickly increase the average number of items per transaction overall, leading to a lift in sales."

The most cited reason for avoiding a retailer is if items are constantly out of stock (48%). However, 67% also say that if they checked the availability of a product online and then visited the store only to find the item out of stock, they would be annoyed but willing to give the retailer another chance. This suggests retailers must pay serious attention to the accuracy of their inventory.

Interestingly, 17% of respondents claim an in-store expert or consultant would be the main driver for them to shop with a particular retailer. Male Gen Z consumers are almost twice as likely to rely on an in-store expert, at 21%, compared with just

WHAT INFLUENCES YOU MOST TO SPEND MORE MONEY?



THE TOP REASONS WHY GEN Z CONSUMERS WOULD CHOOSE A PARTICULAR RETAILER:

- 1 Good promotions and deals
- 2 Convenient location
- 3 Product quality

THE TOP REASONS WHY GEN Z CONSUMERS WOULD STOP SHOPPING WITH A RETAILER:

- 1 Items constantly out of stock
- 2 Poor customer service
- 3 Data breach

12% of women. Furthermore, 26% of male Gen Z consumers highlight store associates as a leading reason for adding more to their basket, compared with 17% of women.

Men are also more than twice as likely as women to buy a product in store because a personal assistant is available. Online retailers must ensure that digital consultants are available to provide this bespoke guidance in the digital realm, leveraging data from previous interactions with the shopper to create a seamless experience.

The research also suggests that retailers need to capitalise on the generation's impulsivity to encourage add-on purchases. Some 55% of those surveyed cite 'feelings at the time' as the top reason they would add more products to their basket. Gen Z women appear to be more impulsive than men, with 62% naming this as the number one factor, while 'in-store displays' are the second biggest reason for Gen Z consumers to buy more.

Loyalty schemes, marketing and ecommerce data can all help determine which advertisements and displays will resonate most strongly with Gen Z shoppers in store. It's also essential that retailers align their online and in-store shopping experiences to ensure that both channels offer the same high-quality customer journeys.

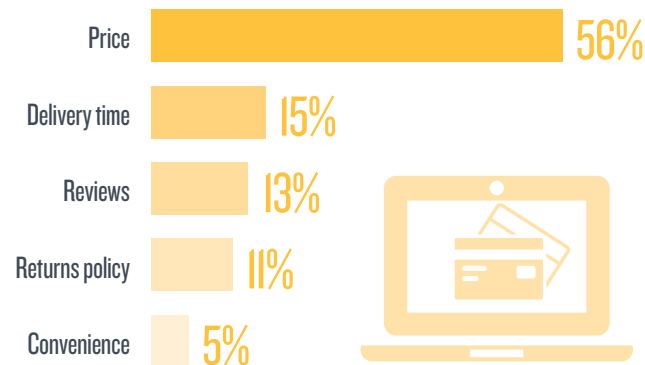
Money talks

Whether shopping online or in store, price was found – by a clear distance – to be the biggest factor influencing the purchasing decision. Some 56% of respondents name price as the top factor when shopping online, while 48% say the same when shopping in store. Again, Gen Z confound stereotypes regarding their attachment to digital, with just 5% naming convenience as the biggest factor when deciding to buy online.

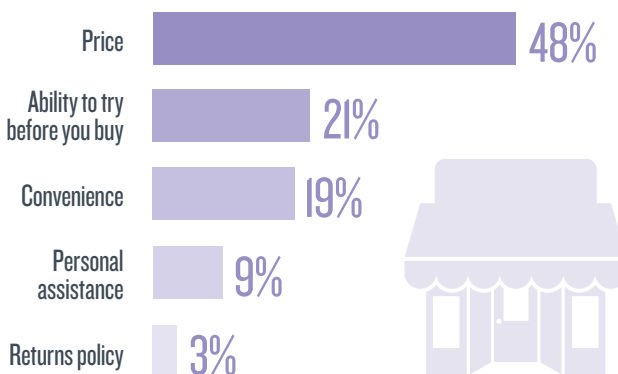
The results also revealed a potential quick win for retailers surrounding returns. Some 59% of those surveyed say they would either sometimes or always exchange a product for something else. By taking a prescriptive approach to data, and employing personalised product recommendations, retailers could look to win over the remaining 41%. Almost half (48%) say that when they need to return a product bought online, they prefer to do so in store – giving staff another opportunity to upsell. By contrast, just 12% say a drop-off point such as a locker is their favoured option. This speaks to Gen Z's demand for a simple, convenient shopping experience.

WHAT IS THE BIGGEST FACTOR IN DECIDING WHETHER OR NOT TO...

buy a product ONLINE?



buy a product IN STORE?



CHAPTER 3: WORK HABITS REVEALED



As more Gen Z-ers reach working age, what can retailers do to attract and retain these prospective employees?

The research sheds light on how workplaces will operate when more Gen Z-ers reach employment age. More than half of Gen Z respondents have worked in retail and 30% say they would consider the sector in the future.

Convenience is key, with some 54% saying they would choose to work at a particular retailer if it was located close to their home, school or university. Meanwhile, a quarter of respondents name apprenticeships and graduate schemes as one of their top two reasons for choosing to work at a certain retailer. Gen Z, it appears, seek guidance from their employers and gravitate towards brands that make it easy for them to work there.

The rewards for organisations that go out of their way to attract Gen Z talent could be significant. Accenture reports that 56% of Gen Z employees expect to stay at their first job for three years or more.

For employers looking to attract Gen Z,

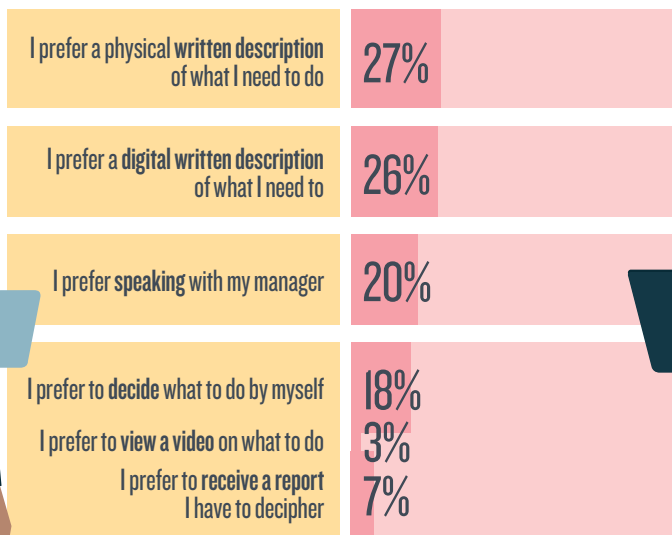
they need to be mindful that simplicity is key for this practically minded demographic.

We found that 44% currently receive their work tasks via meetings with their manager, but that just 20% favour this way of working. More than half (53%) would ideally receive a written description of their work tasks with an even split when it comes to a preference for a physical or digital document. In addition, 39% say a company app would make working in retail easier or more fun.

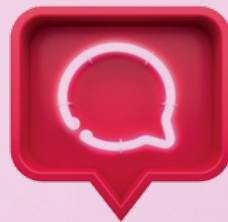
Employers looking to retain Gen Z talent can therefore do so by ensuring the instructions and reports given to these employees are prescriptive and easily understood, as clear communication will encourage efficiency and productivity.

According to Yehiav: “The best way to engage these digital natives as employees is through the use of innovative technology. Brands need to ensure their employees feel productive throughout the day, with clear actions on what to tackle and when.”

HOW DO YOU PREFER TO RECEIVE YOUR WORK TASKS?



CHAPTER 4: WINNING OVER GEN Z



Tapping in to the values of this influential generation, as well as their need for authenticity and omnipresent brands, is key

One brand well known for its successful targeting of Gen Z is Boohoo – the fast-fashion company that posted a rise in pre-tax profits of 97% from 2016 to 2017, at a time when UK retail sales were dropping at the fastest rate since 2010.

When it comes to targeting Gen Z shoppers, Boohoo's strategy centres around "speed and agility", ensuring it is first to market with the latest styles, with hundreds of new products, trends and capsule collections launching weekly.

Meanwhile, Superdrug embraced Gen Z's inclusive attitude when it opened a 'Beauty without bias' pop-up shop, containing make-up products for both men and women in one seamless space. Patrick Megarry, head of marketing at Superdrug, says: "We are seeing gender lines blurred with our younger customers."

Future Labs' Beard insists brands targeting this age group will need to focus their strategy around authenticity, as only genuinely authentic campaigns will appeal to Gen Z shoppers. Placing ethics at the heart of their long-term strategy will be key for retailers.

Experiential strategies

As Boohoo points out, Gen Z "live and breathe social media". "It's important we as a brand reach out to them in this space using our Instagram, for example, which has 5.8 million followers. We collaborate with relevant influencers that our customer relates and aspires to."

Superdrug, meanwhile, has increased its influencer meet-and-greets, with more than 8,000 experiential events held in store each year. The retailer also sponsored 2018 reality TV show *Love Island* – a frequently trending topic. It also appeals to the generation's zeal for bargains through its loyalty card, insights from which are used to tailor the consumer experience.

Superdrug's Megarry explains: "For Gen Z it is all about personalisation and our Health & Beautycard is a perfect way for us to get

to know them and their shopping habits, which in turn enables us to offer a bespoke personalised experience."

Yehiav also touts the importance of a seamless omnichannel journey in driving loyalty. "Picture a Gen Z shopper," he says. "Realising she has nothing to wear to a last-minute dinner invitation, she goes online and buys an outfit to pick up in store after work. In her email confirmation, the retailer includes a 20%-off coupon for in-store use only. Once in store, she sees a clutch that matches her outfit and, with the coupon, she grabs it and adds it to her bill. The importance of an effective omnichannel experience cannot be overstated."

Effective engagement

For brands that are utilising influencer marketing, Future Labs' Flanagan recommends handing creative control to the influencer themselves, noting "it's their creativity that has led to them engaging with Gen Z". Working with influencers in this way results in a more authentic campaign.

The first thing brands must realise when looking to engage Gen Z is that each member of the demographic is "their own person", and there are no one-size-fits-all values, says Flanagan. However, he notes, Gen Z seem to place more importance on the values they do hold than previous generations and this is reflected in the brands they choose to shop with or work for.

The search for authenticity also means brands need an intrinsic knowledge of youth culture – what's trending, which influencers are doing well and what causes are Gen Z supporting? These are the types of subjects brands need to understand inside-out for successful engagement.

"Winning the loyalty of the critical Gen Z demographic may seem challenging, but it doesn't have to be," says Profitect's Yehiav. "Smart investments in the right technology and an analytical understanding of Gen Z's expectations will capture the loyalty of this key demographic and drive results."



CASE STUDY: ASOS AND UNCOMMON

In collaboration with Uncommon Creative Studios, Asos launched clothing brand Collusion in October, targeted at 16- to 20-year-olds. The collection – which is ethically sourced, gender fluid, animal-free and more size inclusive – aligns perfectly with Gen Z's values. What's more, it feels authentic.

Behind the collection is an emotive campaign celebrating diversity. It highlights 100 stories from a group of Gen Z-ers who are poised to turn 18, combined in a six-minute film. Each is asked: "What do you wish for in the year you come of age?"

The trailer describes the campaign as a "portrait of a generation", and the new brand as "for the coming age". It depicts young people speaking about embracing differences and the downsides of social media, with the name 'Collusion' meaning 'to play together'.

So how has this collaboration managed to succeed on the authenticity scale where so many others have failed? Not only does the campaign contain the stories of 100 Gen Z-ers, but Asos and Uncommon worked with teenagers to ensure the label represents what Gen Z really want from their clothes. They understand that to effectively engage with this demographic, members of Gen Z – who they describe as "an audience who demand something different from the fashion industry" – must be intrinsic to the process.

The collaboration doesn't end there: as the "constantly evolving" brand develops, more Gen Z-ers will be invited to "reimagine and reshape" the collection. Asos explains: "The line-up of students, stylists, activists, image-makers, authors and YouTubers – each with their own influential online voices and diverse followings – have taken the label to places it could never have gone alone."

- » Align your brand with Generation Z's values and need for authenticity
- » Work with the target demographic to understand how to engage with them
- » Constantly evolve as a brand in order to maintain a presence with this group



CASE STUDY: AXE CANADA

Another brand that has successfully put Gen Z at the heart of its proposition is Axe Canada, with its widely applauded #PraiseUp campaign. The first step in the body spray brand's strategy was to survey its target audience – men between the ages of 15 and 25 – on their values surrounding masculinity. It found that men within this age group are more inclusive and accepting than their older peers, despite the fact that 70% of them had been told that a 'real man' behaves in a certain way.

It also revealed that Gen Z men are more likely to express affection and emotion, and underscored the importance of supportive male friendships.

Intended to combat harmful stereotypes surrounding masculinity, #PraiseUp challenged its audience to video themselves complimenting their friends, and to post it on social media. To encourage Gen Z-ers

to take part, Axe also brought in sports influencers Kyle Lowry of basketball team the Toronto Raptors and baseball star Marcus Stroman of the Toronto Blue Jays.

Dan Alter, senior marketing director for personal care at Unilever, which owns Axe, says: "Our brand's bold new direction celebrates modern masculinity. We're committed to taking action and empowering youth to find their magic."

By gaining an insight into its audience through original research, the brand was better able to connect with male Gen Z-ers, engaging with them on an emotional level.

Using its social media 'challenge', it then put this audience at the heart of the campaign – ensuring the brand was engaging with Gen Z, rather than imposing on its consumers.

- >> **Survey your brand's audience to target them effectively**
- >> **Appreciate the value of social media or entertainment influencers**
- >> **Don't be afraid to take a bold and more modern direction to tap in to Gen Z**

A NEW
BOLD
LOOK

SAME
FLAVOR
YOU LOVE



CASE STUDY: SUNNYD

After receiving widespread criticism from consumer groups regarding the additives used to make SunnyD – including accusations that the drink made one child turn yellow – the brand relaunched in 2009 as a healthy drink option, with no artificial preservatives or added sugar.

But with sales declining substantially in recent years, as consumers opted for healthy or low-sugar alternative beverages, this year SunnyD made a decided shift in its marketing strategy.

Traditionally targeting mothers of children and young teens, the brand's most recent ad launched in August 2018 – its first national campaign since 2015 – and targets Gen Z consumers directly.

Rather than competing with other beverages on health benefits, the brand has instead chosen to target its key demographic's teen sensibilities, focusing on diversity

and individuality. Revamping its logo, website and social channels with a more youthful tone at the same time, the campaign is running via paid social platforms geared towards Gen Z, such as MTV, Spotify and YouTube. Extra-short ads, running six seconds or less, allow the brand to reach mobile-minded younger consumers.

Featuring the new brand tagline, 'Boldly original', the videos show a diverse group of teens drinking SunnyD in between activities ranging from acrobatics to being flown around by drones, with original music from DJ Kass, whose song *Scooby Doo Pa Pa* went viral in early 2018.

Targeting Gen Z's love of content and need for authenticity, the campaign included behind-the-scenes interviews with the featured teens, supplemented by interactive digital, social and influencer companion content.

- » Target Gen Z's key sensibilities, such as individuality and diversity
- » Utilise relevant marketing platforms and ensure campaigns are mobile-ready
- » Publish additional material alongside the main ad

NEXT STEPS FOR RETAILERS

Profitect chief executive Guy Yehiav outlines four steps retailers can take to engage with, and appeal to, Gen Z in order to drive sales and margin improvements



INVEST IN THE IN-STORE EXPERIENCE

As noted in this report, only **37%** of respondents indicate they prefer to shop online only. Retailers that prioritise product assortment and quality in-store service – both of which can be optimised by prescriptive analytics – will win with Gen Z. In-store shopping should feel like an experience, not a transaction.



EMBRACE THE RETURN

Returns are a pain point for many retailers because of additional supply chain costs, wear and tear, or seasonality. However, **48%** of Gen Z respondents prefer to return in store and, once there, retailers have a prime opportunity to upsell and cross-sell. Some **59%** of Gen Z-ers indicate that when they return something, they often exchange it for something else – retailers that leverage consumer data can profit on their returns by offering the right promotions when Gen Z shoppers go back to stores.



PRIORITISE A STRONG OMNICHANNEL STRATEGY

Almost two thirds (**65%**) of Gen Z-ers indicate they check if a product is in stock before visiting a store, with **15%** saying that if they saw an item was available only to then discover once in store it was out of stock, they would never shop at that retailer again. Inventory accuracy is crucial to ensuring a satisfying shopping experience. By pulling actionable insights from inventory data, the root cause of the problem can be identified, allowing retailers to send store managers opportunities for improvement. The right solution will deliver results quickly.



INVEST IN SMART TASK-MANAGEMENT SOLUTIONS

Retail is a stronghold for entry-level jobs with Gen Z-ers, with **56%** of respondents either currently or previously working for a retailer or grocer. But **58%** of those respondents claim the reports they work with are too complicated to understand, with an additional **25%** feeling unclear on how to act on them. By adopting prescriptive analytics, retailers can push simple, easy-to-understand instructions or assignments to employees, improving labour costs, retention and operational efficiencies.



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