

THEY SAY THEY WANT A REVOLUTION

Valuing entrepreneurship and uniqueness, Generation Z is shaping the future of shopping

by FIONA SOLTES

For generations, white-haired heads have shaken at the thought of teens and their ways.

But what if the current set could somehow make things better for us all?

Retail and generational experts alike might chuckle at the idea. But attempting to deliver the things they value — face-to-face communication, personalization, mutual respect between associate and customer — could impact retail in decidedly positive ways.

Generation Z, born between the mid-1990s and early 2000s, has decidedly different values than their Millennial predecessors. They may still be young, but their impact is undeniable in what they purchase, as well as how they influence family expenditures.

Stores that reliably have served teens for generations have seriously struggled in recent year, with a number of store closings and bankruptcies. Millennials may be known for craving constant approval and feedback, but this younger set is chasing independence instead.

MAKING THINGS THEIR OWN

Research into Generation Z — including that of NRF and IBM — has consistently shown that it's not an issue of teens simply wanting to shop online.

Surprisingly, “Uniquely Gen Z,” an NRF/IBM study released in January, showed that 67 percent of respondents aged 13-21 do most of their shopping in-store; 31 percent do so some of the time.

So, what gives?

“These stores have been around for a long time,” says Wendy Liebmann, CEO at WSL Strategic Retail. “If a teenager has been with their older brother or sister or parent and gone to the mall, they’ve seen these stores there, and view them as the stores of another generation.

“That doesn’t mean they can’t be modernized. But ... they have not changed dramatically from the place you would have shopped 10 years ago. They are not speaking to a younger generation in their innovation, their social and community engagement, or in the way that this generation expects their products to be presented. They feel ‘old’ as the teenager walks by.”

The fact that these stores are in malls — no longer the de facto gathering spot for the age group — doesn’t help, either. (See “*Remaking the Great American Mall*” on page 25.) As this generation values entrepreneurship and uniqueness, Liebmann says, smaller stores, local stores, consignment shops and vintage stores and markets might well be more appealing.

Even more so if the items purchased can be embellished or personalized.

“Gen Z loves to create and produce,” says generations expert Nancy Nessel. She points to the way they pull together a video with music in five minutes — a task that would have taken other generations days.

“If they can do that with fashion in a store, that would be something they would love, too.”





“But what they found was that Gen Z wanted to make sure the bags were great quality and of course cool,” he says. “So now it’s, ‘These are great bags, and oh, by the way, every time you buy one, you are helping someone else.’”

ELIMINATING LINES

Stillman was in an Apple Store recently and used an Apple Pay app to scan and pay for his merchandise, avoiding the checkout line. As a Gen Xer, he still felt a bit nervous walking out, as if alarms would go off and he’d have to prove that he had paid.

His son didn’t think twice about it. There was no thought of being “caught.” The use of technology was already too deeply ingrained.

It’s an important point for the generation: Retailers may scramble to offer in-store tech to catch the attention of Gen Z, but the results aren’t automatic. “It has to be easy to use and very intuitive,” Stillman says. “You don’t exactly get a second chance to make a first impression when it comes to in-store tech.”

Gen Z hasn’t just blurred the line between technical and digital, Stillman says; that line has been eliminated altogether.

It’s one of the reasons retailers trying to reach the generation must have consistency across all touchpoints, with the ability to move fluidly between in-store, online and mobile.

“A Gen Zer might look at a bunch of things online, but want to touch and feel and go in-store to buy it,” he says. “Or go touch and feel and want to think about it, then go home and buy it online. Smart retailers will look at this not as an online or in-store purchase, but both, because there were multiple touchpoints.”

Too often, he says, retailers still separate their digital and physical presence; Gen Z won’t understand that notion.

Liebmann notes that by the time a shopper comes into a physical store, they likely already have a level of experience with and understanding of the brand. At that point, the on-site win comes from creating a level of personalization that allows them to feel they’re being uniquely called.

Because teens spend so much time online already, the bricks-and-mortar experience can be a decidedly social one — the idea of going to a “place” with others, Liebmann says — just not necessarily the more static-feeling mall.

GLOBAL CONNECTIONS

It’s important to note that Gen Z’s idea of “social” is much more multicultural — and

accepting — than that of any previous generation. As of 2013, the worldwide population of Gen Z was more than 1.9 billion, or 27 percent of the global population.

And most of that Gen Z age group lives in developing and under-developed countries. A 2014 study from SapientRazorfish, “Generation Z: Rules to Reach the Multinational Consumer,” stated that as much as 43 percent of Nigeria’s population, for example, was considered Gen Z.

As technology makes global connections easier than ever, young consumers are increasingly connecting with peers in other countries, influencing them and being influenced in return.

Instant access to other people through social media — and instant access to information — has played into this generation’s sense of independence. But it also has affected its attention span and need for constant innovation and immediacy.

“One thing we hear Gen Z accusing other generations of is that we overthink things,” Stillman says. “Innovation, for other generations, has been a very linear, thought-out process with many steps. You design it, you prototype it, you test it, you get feedback, you redo it, maybe you do a focus group.”

“But for Gen Z, there are two steps: Think of it. Make it. They’ve seen how fast things can happen.”

Technology isn’t just something Gen Z uses, Nessel says — it’s part of who they are.

One other thing about who they are — and who they’re not: Nessel’s experience is that the group is more personable — and a lot more motivated — than most others think. This is an ambitious age group, already creating companies and donating profits to charities while saving money for college.

And yes, they may be hard on retailers in the days to come. Retailers, in return, must focus on personal connections, providing value and offering seamless experiences.

As for those teens?

“It will be so interesting to see how they turn out,” Nessel says. “I think they’re going to be pretty successful.” **STORES**

Fiona Soltes, a freelancer based near Nashville, Tenn., loves a good bargain almost as much as she loves a good story.