

KEEPING *up with* Gen Z



Fall 2019 Consumer View

Generation Z consumers hold significant buying power, and the retail industry has a laser focus on the cohort. Members of Gen Z (born 1995 and later) are still mostly in their teen and pre-teen years, but they're already exerting influence over household family spending and shopping behavior.

Now that this age group is getting older, NRF checked in with Gen Z to see how they influence household purchases.

Nearly nine in 10 parents say their children influence at least some aspect of their purchases - either for household items or for the kids themselves.



87% say their children influence purchase decisions



Over 4 in 5 parents say they involve their children in purchases more than their own parents did with them



48% of purchases specifically for the child are influenced by Gen Zers



36% of purchases for the household are influenced by Gen Zers

Gen Z is responsible for a fundamental shift in the way families shop. This is having an impact on the retail industry.

What aspects of the purchase, if any, does your child influence? Showing top 3.

52%

The specific brands I consider

48%

The product features that are important to us



41%

The specific retailers I consider

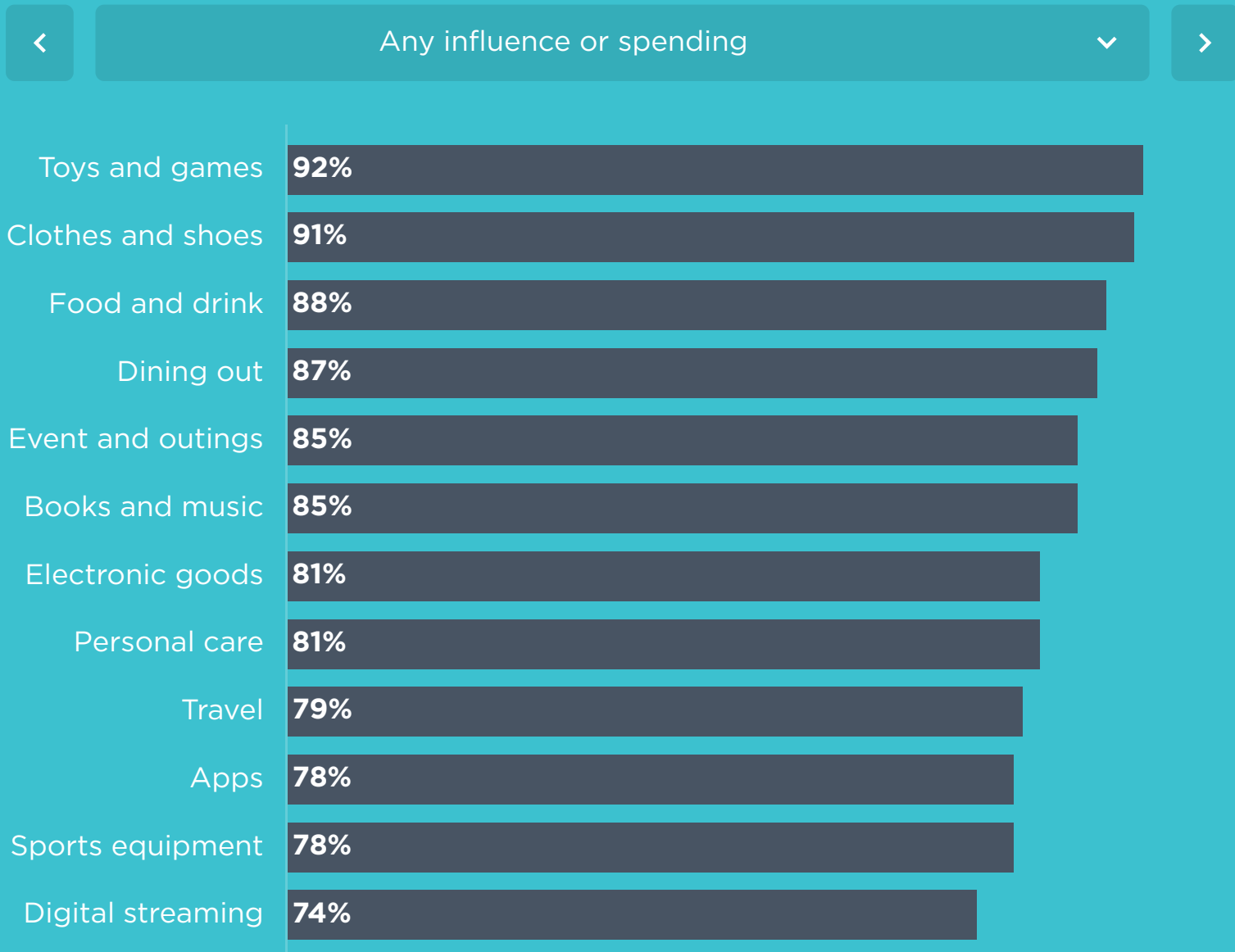
Gen Z isn't only influencing a significant amount of household purchases. They're also spending their own money.

From dinners to toys, families are gathering input from their Gen Zers. Whether they're influencing family spending or using their own money, Gen Z is most likely to have an influence on clothes, outings, toys and food purchases. When it comes to spending their allowance or hard-earned money from their first jobs, these first true digital natives contribute most to entertainment purchases such as apps, books/music and toys/games.

Compared with a decade ago, the amount of their own money pre-teens and teens planned to contribute to back-to-school spending has grown significantly.

	Age	2009	2019
	Pre-teens	\$11.94	\$26.40
	Teenagers	\$30.88	\$36.71

Top categories where children either influence spending or spend their own money

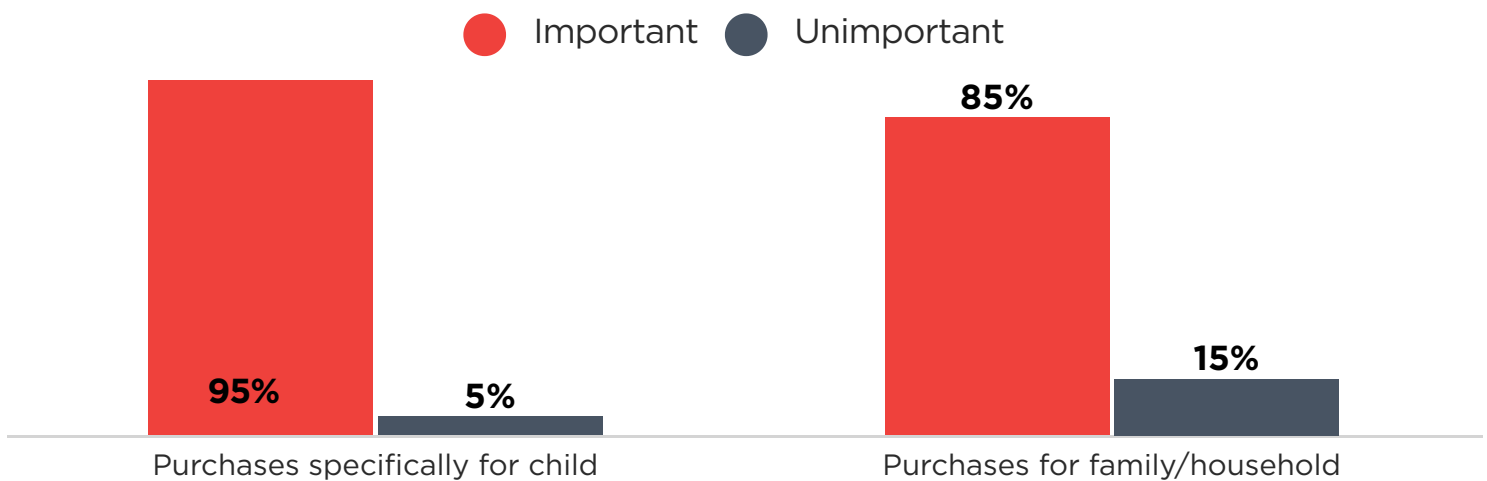


Gen Zers might not always expect to be involved in purchase decisions, but parents find it important.

On average, Gen Zers are involved in about a third of their family's household purchases. Closer to half (48%) are included in purchasing decisions when buying items specifically for the child.

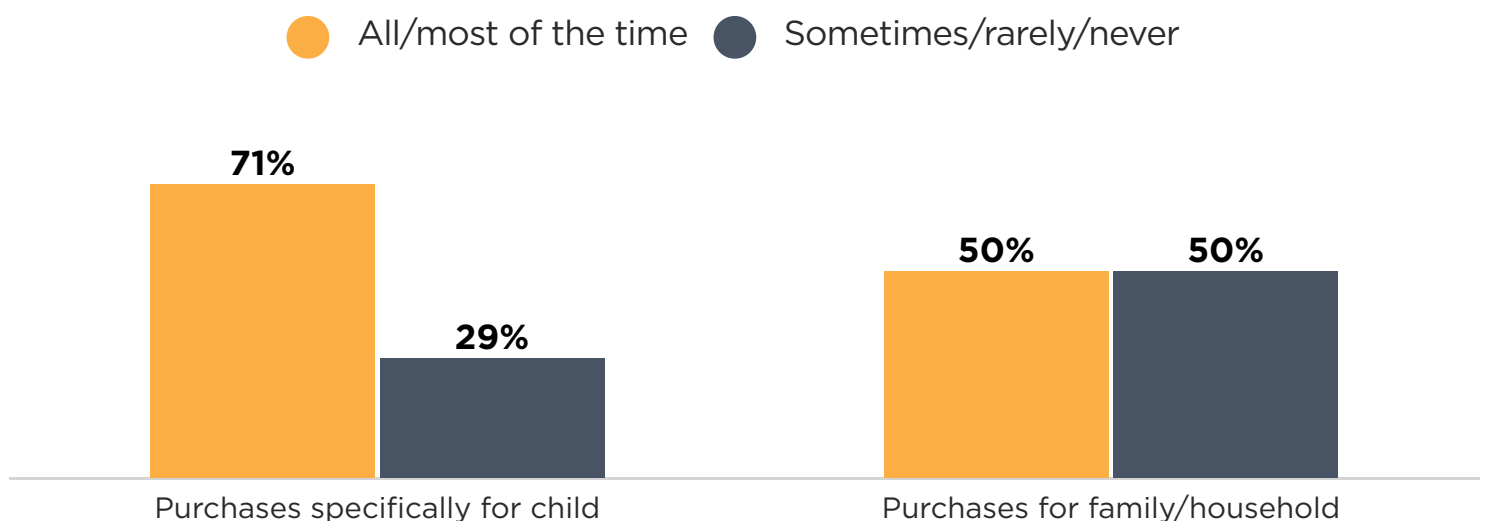
The overwhelming majority of parents feel it's important to include their children in purchases both for the family and the Gen Zers.

How important is it to you to involve your children in:



Significantly fewer said their children expect to be involved all or most of the time.

How often, if ever, does your child/children expect to be involved in purchasing decisions?



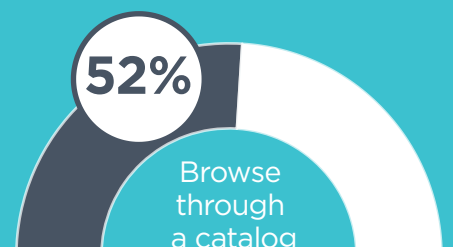
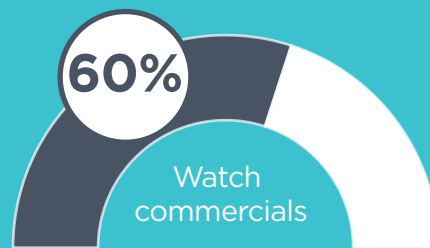
Children's involvement along the path-to-purchase

Parents are including their children in every step of the purchasing journey, but most involvement happens in the early phases. The most common time to begin involving Gen Zers is at the front end — when researching products and price-checking before making a purchase.



Children are involved in a number of ways. Typically they assist by viewing products in stores and online, as well as gathering information from product reviews and adding items directly to their parents' shopping carts.

How parents involve their children:



"When I was little, they didn't have the internet so we couldn't research products ahead of time. Now my son looks at stuff online on his own and saves me time by finding what and where to purchase it, plus the average price for the item."

-Gen Z parent-

The importance of children's involvement and how parents view the retailer's role

Most parents say they involve their children because they'll be users of the item, and because their opinion matters to them.

Why do you involve your child/children in purchase decisions? Showing top 3.



57%

Because they will be using the item



57%

Because their opinion matters to me



56%

To teach decision making

Many also mentioned that it's a way to bond with their Gen Zers, and parents are looking for retailers to help them involve their children. Although 87% already feel brands make it easy to include their kids, there's still room for improvement.



Over 4 in 5 say they're more likely to shop at a retailer that makes it easy for them to involve their children

80% wish retailers made it even easier to involve their kids in purchase decisions, and 84% are more likely to shop at a retailer that does.

Conclusion

The increasing influence children have on family spending will have a direct impact on the ever-evolving retail landscape. Retailers have the opportunity to tap into this behavior and support all-inclusive family shopping. In fact, some already have:



Walmart recently enlisted children (the true toy connoisseurs) to try out a variety of games and gadgets with the end goal of choosing their favorites for the upcoming holiday season. As Anne Kehoe, vice president of toys at Walmart, put it: "Our goal is to make it as easy as possible for parents to find the perfect toys for their children."



Aeropostale offers a wish list function, where kids can create a list of desired items, add to it throughout the year and share it with family members. Parents can then check out their children's top items and make purchases accordingly.



Target and **Disney** are partnering to create a retailtainment experience families can enjoy together. Disney will open shops within Target locations that offer merchandise, interactive displays, music and stations to take photos and watch Disney movie clips together.

For additional insights, visit nrf.com/consumerview.



About the Consumer View

The Consumer View is a recurring report issued by NRF that gauges consumer behavior and shopping trends related to stores, online channels, customer loyalty, technology and other topics. Using Toluna Analytics the study surveyed 2,926 U.S. adults (aged 18+) April 24 — May 17, 2019. The consumer poll has a margin of error of plus or minus 2 percentage points. For more information, visit: nrf.com/consumerview.

About NRF

The National Retail Federation, the world's largest retail trade association, passionately advocates for the people, brands, policies and ideas that help retail thrive. From its headquarters in Washington, D.C., NRF empowers the industry that powers the economy. Retail is the nation's largest private-sector employer, contributing \$2.6 trillion to annual GDP and supporting one in four U.S. jobs — 42 million working Americans. For over a century, NRF has been a voice for every retailer and every retail job, educating, inspiring and communicating the powerful impact retail has on local communities and global economies.