Starcom

DATA INTELLIGENCE

HUMANGRAPHEXPERIENCE

June 2022

Purchase Map

GEN Z VS. MILLENNIALS

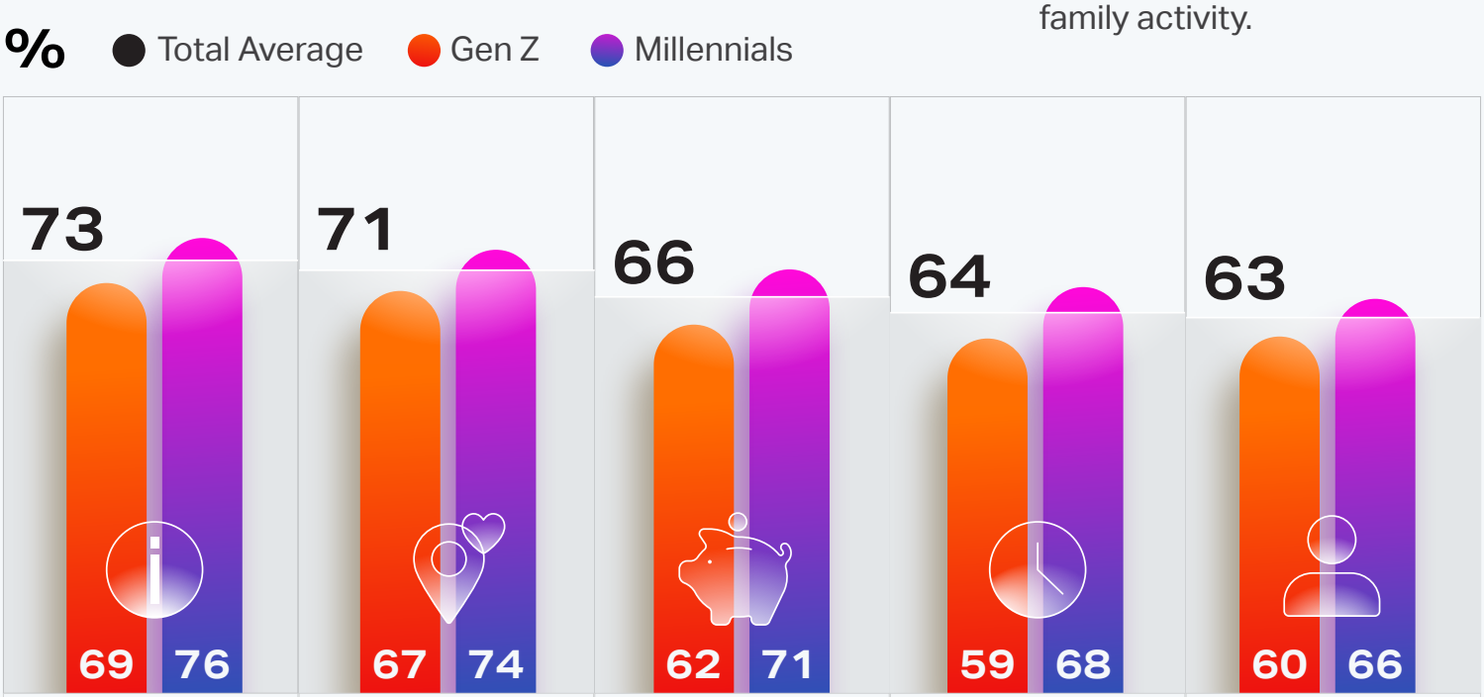
SHOPPING BEHAVIOR

TOP 15 STATEMENTS

7 out of 10 shoppers from Gen Z and Millennials prefer to get informed before making an acquisition.

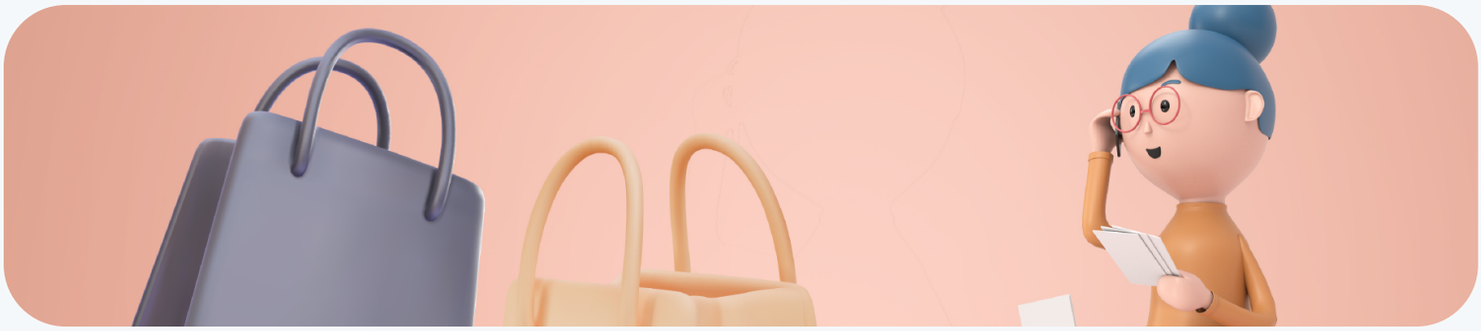
If they have a previous good experience with a store/brand they usually return to it to make other purchases also.

While for Millennials shopping is a more rational activity, they wait to raise money for products they plan to buy and prefer to wait longer for what they want, Gen Z are a little bit spontaneous when it comes to shopping and see it as a family activity.



I like to get informed before buying a product/service	I usually buy from the same stores (either online or physical) that I have bought from before if I have been satisfied with past experiences.	I raise money for certain products/services	I prefer to wait longer to buy the product I want, rather than rush out and buy something else	I only buy products and services that represent me / suit my personality
1	2	3	4	5
63	61	60	60	58
60 65	60 61	60 61	55 64	56 59
I like fast shopping and as less complicated as possible	I prefer to buy new, in-store products, NOT second hand	I usually make recommendations to family/friends when it comes to shopping	I shop only when I need a product/ service	Shopping of any kind relaxes me
6	7	8	9	10
56	54	53	53	51
56 55	48 60	47 59	49 57	47 55

Shopping is a family activity	I feel good when I am the person in the group that people come to for shopping advice	I like to shop more for my loved ones than for me personally	I know from the start what I want to buy and I don't change my decision	I think going shopping without the purpose of buying is a waste of time.
11	12	13	14	15



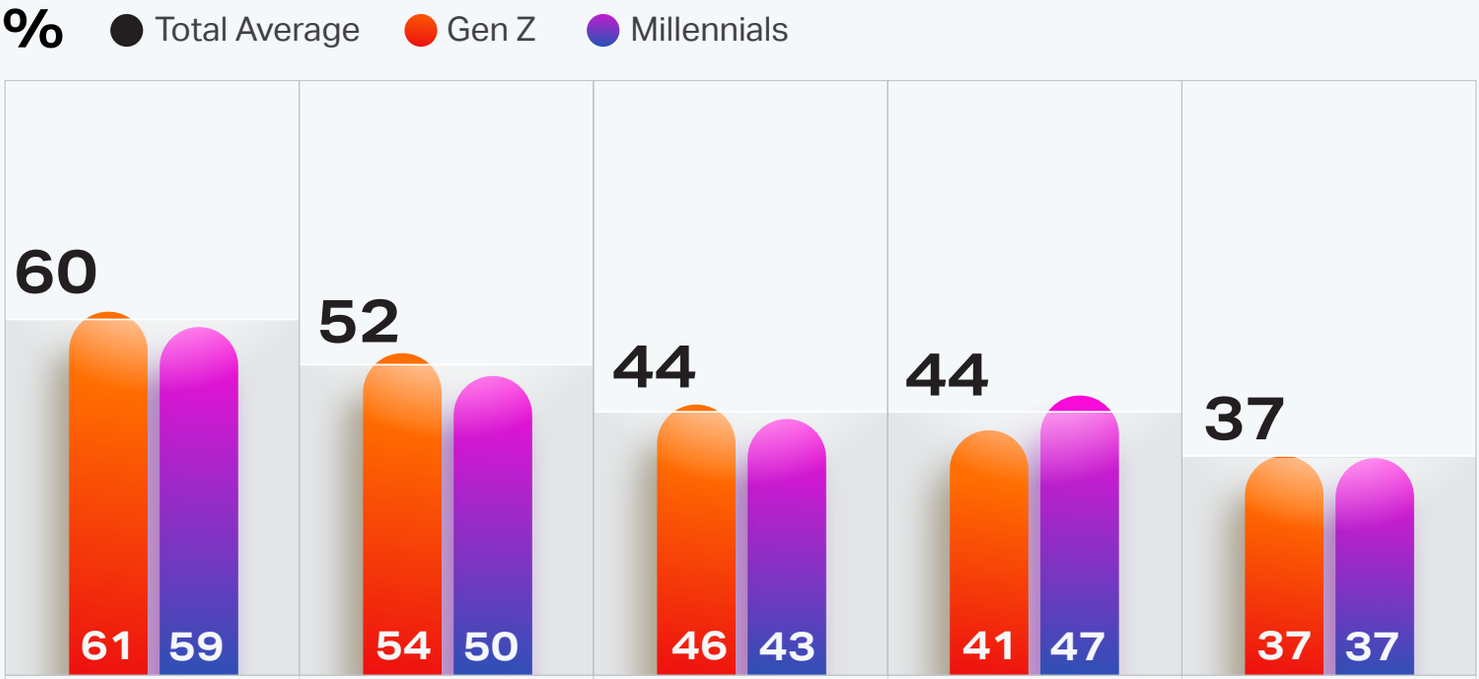
PARENTS SHOPPING TIPS

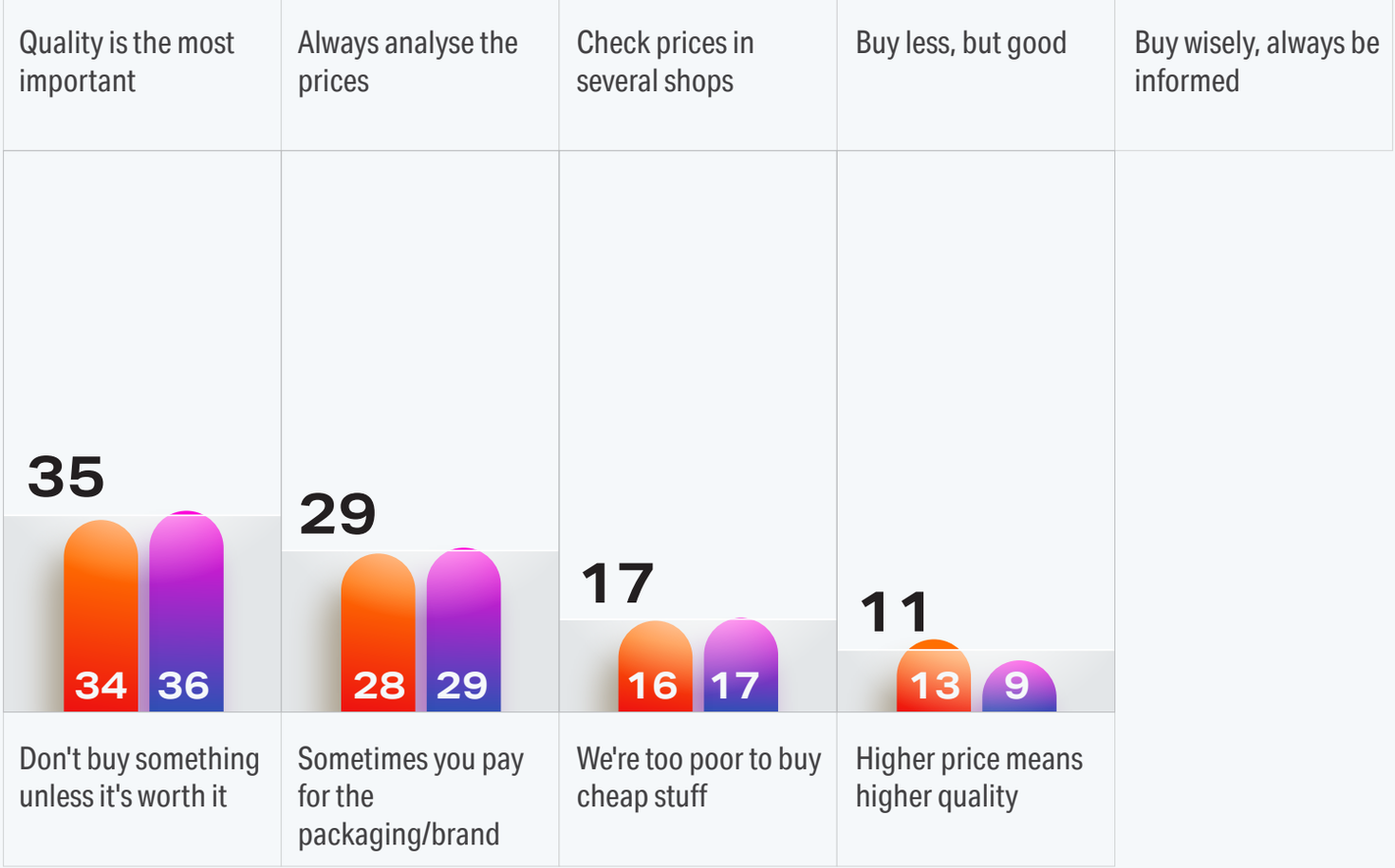
From a small age parents try to teach their kids about shopping responsibilities and what to pay attention to.

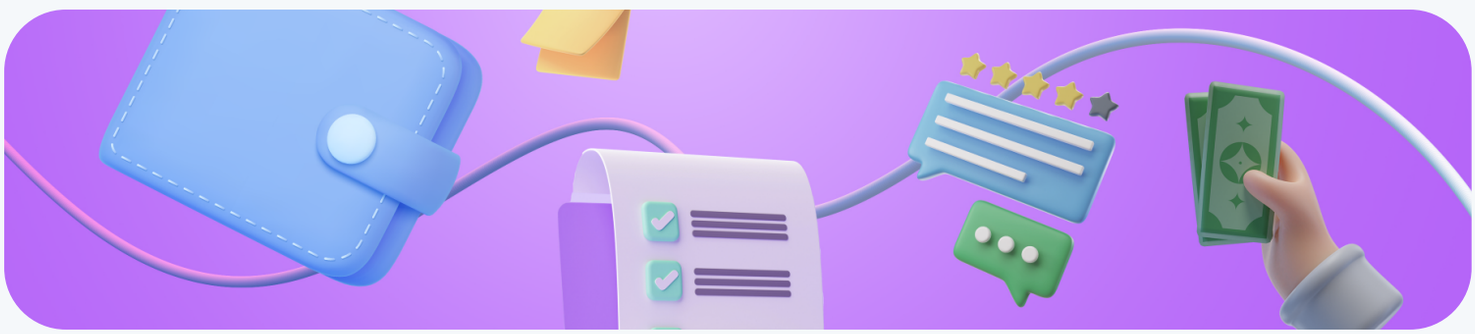
No matter the generation, product quality and prices come first, when parents teach their kids to shop.

"Buy less, but good"", it's a shopping tip that half of Millennials were raised with.

We observed that none of the younger generations perceive "a higher price as being a proof of higher quality". It is important that brands communicate a value reframed benefit in order to justify higher prices.







MAIN PURCHASE JOURNEY STAGES

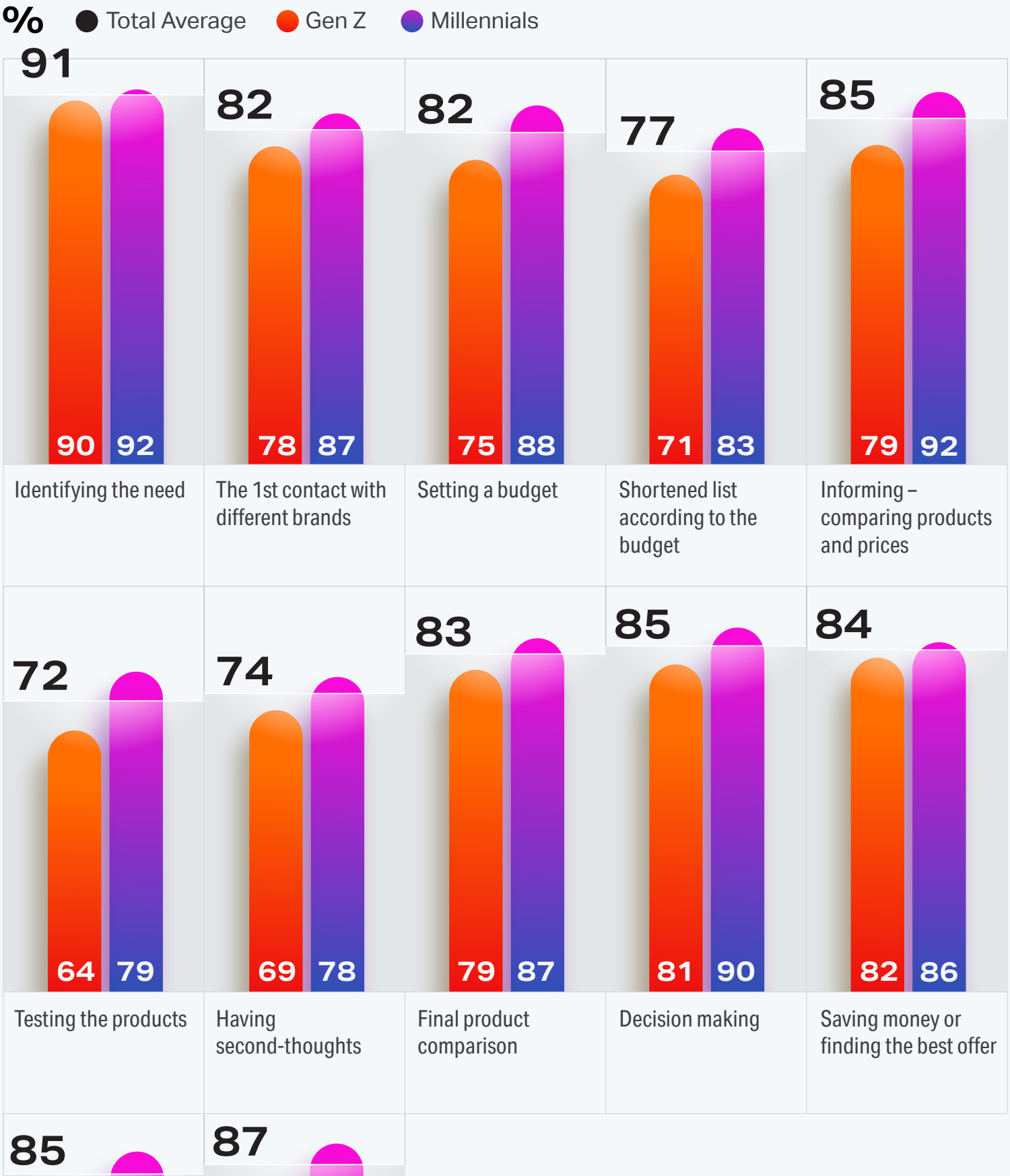
% WENT THROUGH THE ACQUISITION STAGE

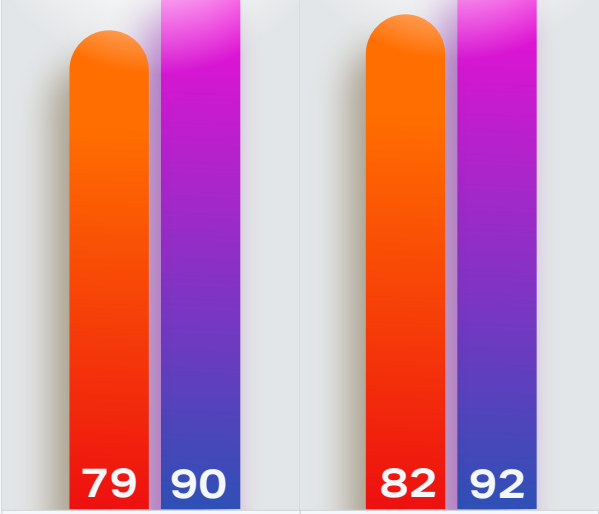
In comparison with Gen Z, Millennials are more aware about the purchase journey stages they are going through when making an acquisition. At this point Gen Z seem more decided shoppers, most probably as they form their brand preferences at younger ages vs. Millennials, being exposed from childhood to a large amount of commercial

However there are also other reasons, that can explain why Gen Z don't get always through all acquisition stages:

- **setting a budget,** as most probably some purchases are made by their parents
- **shortened list according to the budget,** is not that big burden as in Millennials case, who buy mostly products they don't have or need
- **informing-comparing products and prices:** they tend to take more spontaneous shopping decisions than Millennials information.

- **testing the products,** they don't have the same patience and pressure of making the right choice as Millennials. Their attachment is lower, as they seek the next new product launched.
- some of them are not the **final decision makers**





Purchase	Loyalty and recommendation

PURCHASE JOURNEY FOR

LOWER VALUE GOODS

Reduced Financial Risk

GEN Z SHOPPERS

* Gen Z that bought in the past 4 weeks: food, beverages (alcohol & non-alcohol), personal care, sweets, cosmetics, fashion, toys, books, accessories, cleaning products etc.

1 Identifying the need

Are buying when they see **a product they like** or **a good sale offer**.

1st contact with different brands can be while **shopping with their friends**. They expect the brands they purchase from to be: **innovative (always new products), to be fun, to be recommended by influencers/people they admire and be engaging with all kind of prize contests.**

2 The 1st contact

with different brands

39%
saw the product at the shelf/in store

26%
have seen an online ad with the brand/product, while watching a video or Online TV

3 Setting a budget

Setting the budget is the second most important stage from purchase journey among Gen Z, just after identifying the need.

75% of them are experiencing this stage when buying a product/service.

The lack of a comfortable income, is for 35% of **Gen Z a barrier towards the final acquisition decision.**

4 Informing – comparing products and prices

24%
read online comments of consumers

20%
enter on brands websites

5 Shortened list according to the budget

6 Testing the products

7 Second thoughts (3rd list)

69% of Gen Z tend to have second thoughts during acquisition process.

Most of these second thoughts are based also on emotional triggers: **brand is not credible (29%), the product is too old (27%), doesn't share same values as me (22%).**

8

Comparing the finalist brands

9 Decision making

Aspects that contributes towards the final buying decision after being comfortable with the budget, are: **the urgency with which they need the product (27%); being a category based on physical contact, seeing the product/test it is essential (24%) and flexible payment methods (24%) .**

10 Saving money or finding the best offer

11 Purchase

Most often they split the decision with somebody else (partner or family)

Food, sweets, non-alcoholic beverages, coffee and personal care products are bought by most Gen Z.

For 38% is an in-store purchase;
For 33% is both in-store and online purchase.

56% chose to buy it in-store as they can benefit from the product immediately.

Main paying method is cash.

12 Loyalty and recommendation

Checking if they are satisfied with the product after the purchase can be a trigger for loyalty and recommendation. They appreciate brands who care.

MILLENNIALS SHOPPERS

1 Identifying

* Millennials that bought in the past 4 weeks: food, beverages (alcohol & non-alcohol), personal care, sweets, cosmetics, fashion, toys, books, accessories, cleaning products etc.

the need

They buy from necessity: **need the product and don't have it or replace an older/broken product. 36% are also offer hunters,** try to find products they like at a good deal.

They will look for brands that are **trustworthy (57%), with special offers for their consumers (51%), will understand their needs (46%) and to be true with their consumers (43%).**

2 The 1st contact with different brands

41% discovered the product through a TV ad.

28% Scrolling on social media they see a post/ad with the brand/ product.

3 Setting a budget

Millennials seem to be more **aware of setting a budget stage while shopping (88%),** even though they have a more stable financial situation and are more financially independent.

Insufficient incomes is the main purchase barrier for this age segment (40%) and determining them to be very selective with what they choose.

4 Informing – comparing products and prices

5 Shortened list according to the budget

36% use search engines for a double check.

35% listen to friends/ family/ colleagues recommendations.

6 Testing the products

Most of these second thoughts are based on

7 Second thoughts (3rd list)

Even more than Gen Z, 77% of Millennials tend to have second thoughts during acquisition process.

8 Comparing the finalist brands

rational triggers: **the product is too expensive (44%), lack of a sufficient budget (40%), they don't find special offers for the products they want (32%) or contradictory product information on different sources (22%).**

9 Decision making

Aspects that contributes towards the final buying decision after being comfortable with the budget, are: **a price that they can afford without being a burden (46%), quality products (39%), product appearance/package (27%) and consistent special offers (26%).**

10 Saving money or finding the best offer

They like to make a little online research before going in-store for the actual acquisition.

40% of them make purchases in physical stores

33% choose to buy products in-store as they like to interact with the shop staff: they help with advice, come with suggestions

Besides the day to day categories, Millennials bought in greater extent than Gen Z, cleaning products, pharmaceuticals and kids products.

Are main buying decidents

Main paying method is salary card

11 Purchase

12 Loyalty and recommendation

In order to drive loyalty brands must simplify Millennials next purchase decision, offering them additional benefits for re-purchase

PURCHASE JOURNEY FOR

HIGH VALUE GOODS

GEN Z SHOPPERS

* Gen Z that bought in the past 3 months: TV, electronics, smartphones, game consoles, home appliances, smart wearables, cars etc .

1 Identifying the need

Are buying from an upgrade need, to keep up with the latest trends, **if their preferred brand launched a new product. Don't want to miss a very good deal,** even though they don't need the product right now.

They will be attracted by a brand or a product **modern, original, fun, recommended by influencers/people they admire and which is visible in digital and social media .**

2 The 1st contact with different brands

31% saw an YouTube video

26% found out about the products from blogs

received newsletters with offers from brands they are following.

28% have seen an online ad with the brand/product, while watching a video or Online TV

21% find about brands from influencers stories

22% saw an Instagram ad.

3 Setting a budget

Setting the budget is even more important on this category as it implies a higher investment.

For 41% of Gen Z the main barrier is that the products from this categories are too expensive, that's why if they see a consistent discount/special offer they buy the product even though they don't need it.

4 Informing –

comparing products and prices

6 Testing the products

26%

visited price/ features comparison websites and 22% visited the brands' websites.

5 Shortened list according to the budget

7 Second thoughts (3rd list)

68% of Gen Z tend to have second thoughts during acquisition process and 78% take their time for comparing the finalist brands.

Most of these second thoughts are related to financial aspects: **it's too expensive (41%), they cannot pay in installments (29%) and no special offers/consistent discount (32%).**

They also have a struggle when it comes to product diversity (29%), is too difficult to chose as they want to have it all.

8 Comparing the finalist brands

9 Decision making

Aspects that contributes towards the final buying decision after being comfortable with the budget, are: **high recommendation score (29%), product originality (28%), quick and easy return policy (26%), payment flexibility (24%), brand reputation/popularity (24%) and to be recommended by influencers they admire (18%).**

10 Saving money or finding the best offer

40%

buy this category of products exclusively online.

A category in which the final decision is influenced by friends/family opinion, but also the expert/ sales consultant.

62% bought a smartphone in the past 3 months;
33% bought a PC/laptop/tablet
18% bought a game console

Main paying methods are cash and online payments.

11 Purchase

They prefer to buy the product online thanks to e-shops platform features (43%), time saving (36%), better product visibility than in-store (33%).

12

Loyalty and recommendation

Joy and **happiness** are the emotions triggered by product satisfaction and they share the enthusiasm with their friends, recommending the product.

MILLENNIALS SHOPPERS

* Millennials that bought in the past 3 months: TV, electronics, smartphones, game consoles, home appliances, smart wearables, cars etc .

1 Identifying the need

They buy to pamper themselves: **something to make them feel good (29%), as a treat after they get their paycheck and as a reward when they have a success, because they deserve it (23%).**

2 The 1st contact with different brands

In the 1st contact with different brands, they will look for those brands who are: **innovative (39%), different from others (30%), deliver unique experiences (28%) and involved in CSR projects (24%).**

21% saw an online ad and clicked on it.

42% discovered the product through a TV ad.

18% interacted with the products and brands during festivals.

3 Setting a budget

26% don't buy it if there is no consistent discount.

Millennials are even more aware when setting the budget, 89% go through this acquisition stage.

4

Informing – comparing products and prices

34%

use search engines for a double check. They usually get informed about the product online, after that go in-store for testing and actual purchase.

5 Shortened list according to the budget

6 Testing the products

33%

listen to friends/ family/ colleagues recommendations.

7 Second thoughts (3rd list)

Being a high investment purchase, 80% of Millennials have second-thoughts.

Most of these second thoughts are based on: **lack of feedback from customers (39%), they don't like the influencer that promotes the product (25%), the product cannot be bought online (25%) and the inconsistent information (22%).**

8 Comparing the finalist brands

9 Decision making

Aspects that contributes towards the final buying decision after being comfortable with the budget, are: **quality (38%); being able to see it/test it (28%); being recommended by experts (27%); the brand involvement in causes they believe (CSR, sustenability-19%); the relationship they build with the brand (17%).**

10 Saving money or finding the best offer

38%

Most often they share the

Uses in greater extent the shopping use both acquisition channels.
Online because they don't like the crowded in-stores, find more special offers and is an effortless form of relaxing.
While in-store main benefit is the sale consultant expertise.

purchase decision with close ones.

card/credit.

11 Purchase

Home appliances (41%), TVs (37%), smart wearables (36%) and home furniture (34%) are the main categories bought in the past 3 months.

12 Loyalty and recommendation

Excitement will make them chose again the brand and talk about it with their friends/families.

WE CAN DELIVER EVEN MORE!

PER CATEGORY

GEN Z vs. MILLENNIALS

- Food & Beverages
- Personal care & cosmetics
- Pharmaceuticals
- Fashion
- Smartphone
- TV set
- Home appliances
- Electronics & smart wearables

Purchase Journey Map available at request

DETAILED INFORMATION ABOUT PURCHASE JOURNEY

GEN Z vs. MILLENNIALS

- Large consumption categories bought in the past month
- Durable categories both in the last 3 months
- Age they started shopping
- Parents tips in terms of shopping
- Shopping behavior, all statements
- Purchase journey stages
- The importance of each purchase journey stage;
- First contact with the product/service
- Main reasons for shopping a product/service
- Main drivers for the final decision
- Main barriers in finalizing the purchase decision
- Acquisition channel
- Main reasons for shopping in-store
- Main reasons for shopping online
- Timeframe for purchase journey per category
- With whom they take the final purchase decision based on categories
- Payment method
- Expectations from brands
- Post-purchase emotions

Extended report available at request

Ask for details from consumer@starcomww.com