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Gen Z is Talking. Are you Listening?

#3 of PwC Europe Consumer Insights Series

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A About this study

Over the past ten years, we've been conducting an annual survey of global consumption and shopping habits. We're publishing a series of studies to provide a detailed focus on specific topics and consumer groups.

- *Surviving the Retail Apocalypse – What to learn from 'clicks-to-bricks'*[1]
- *A Major Shift for Shopping: How Digital Trends and Technology are Transforming Customer Behaviour in Europe*[2]
- *Gen Z is Talking. Are you Listening?*

In this study, we will be focusing on Generation Z – by which we are referring to consumers born from 1995 onwards. We want to provide companies in the automotive, financial services, healthcare, hospitality, logistics, media, consumer goods and retail industries with an understanding of how young consumers think and behave. Our study is based on a survey of almost 10,000 representative consumers in Europe, which we conducted in the summer of 2018. It covered nearly 2,000 consumers aged between 18 and 24.

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[1] Cf. PwC, Surviving the Retail Apocalypse – What to learn from 'clicks-to-bricks', www.pwc.de/de/human-resources/studie-surviving-the-retail-apocalypse.pdf.

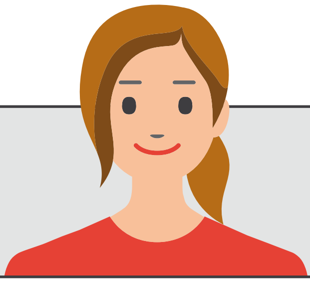
[2] Cf. PwC, A Major Shift for Shopping: How Digital Trends and Technology are Transforming Customer Behaviour in Europe, www.pwc.de/de/handel-und-konsumguter/pwc-study-a-major-shift-for-shopping-how-digital-trends-are-transforming-customer-behaviour-in-europe.pdf.

B Introduction

Companies are still struggling to meet the needs of millennials – and the next generation is already knocking on the door. Consumers in Generation Z were born in 1995 or later, and grew up in a world where the internet is an indispensable part of our lives and has generated new forms of consumer behaviour. Unsurprisingly, this younger generation is more tech-savvy and demanding than any other generation. For them, life without smartphones and social media would be unimaginable.

And this generation is now conquering the market, setting new standards and forcing companies to rethink their business strategies. In order to help you understand the needs of Gen Z, we would like to introduce you to Lisa. We are going to accompany Lisa on a typical day in her life using the insights from our Global Consumer Insights Survey data. Join us!

C Listen to Gen Z

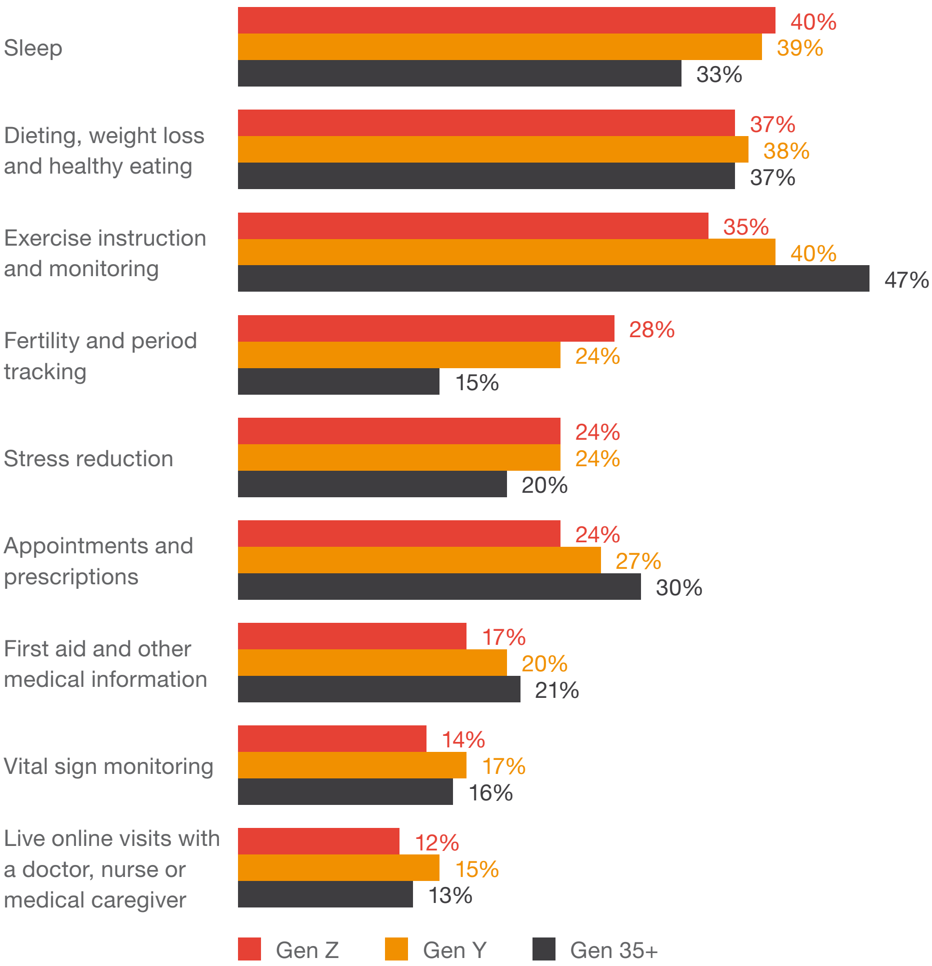


7am – Lisa wakes up and checks her smartwatch to see how well she slept.

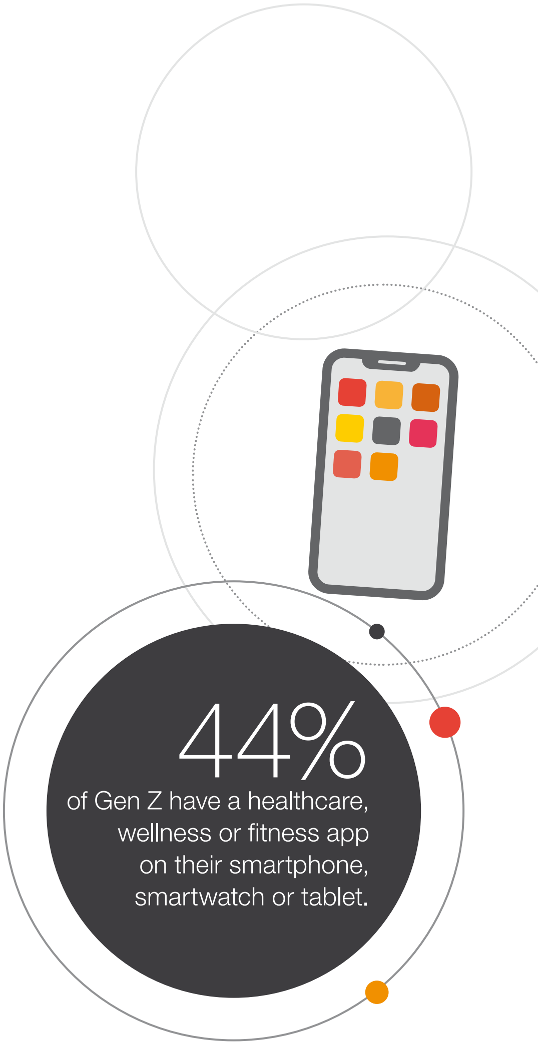
Generation Z has a strong level of awareness when it comes to health and wellbeing. In our study, almost half of Gen Z (44%) have an application on their smartphone, smartwatch or tablet to track their health, wellness or fitness. They use these apps to track sleep (40%), for dieting, weight loss and healthy eating (37%), exercise instruction and monitoring (35%), and for fertility and period tracking (28%). Among consumers over the age of 35, by comparison, only 28% have a health application on their electronic device, and they mainly use these apps for exercise instruction and monitoring (47%), dieting, weight loss and healthy eating (37%), and tracking sleep (33%).

Across all generations, the most popular health, wellness or fitness app among women is for dieting, weight loss and healthy eating (41%), among men for exercise instruction and monitoring (41%).

Fig. 1 Please indicate which of the following types of apps, if any, you use.



Gen Z: n = 843; Gen Y: n = 1,021; Gen 35+: n = 1,592

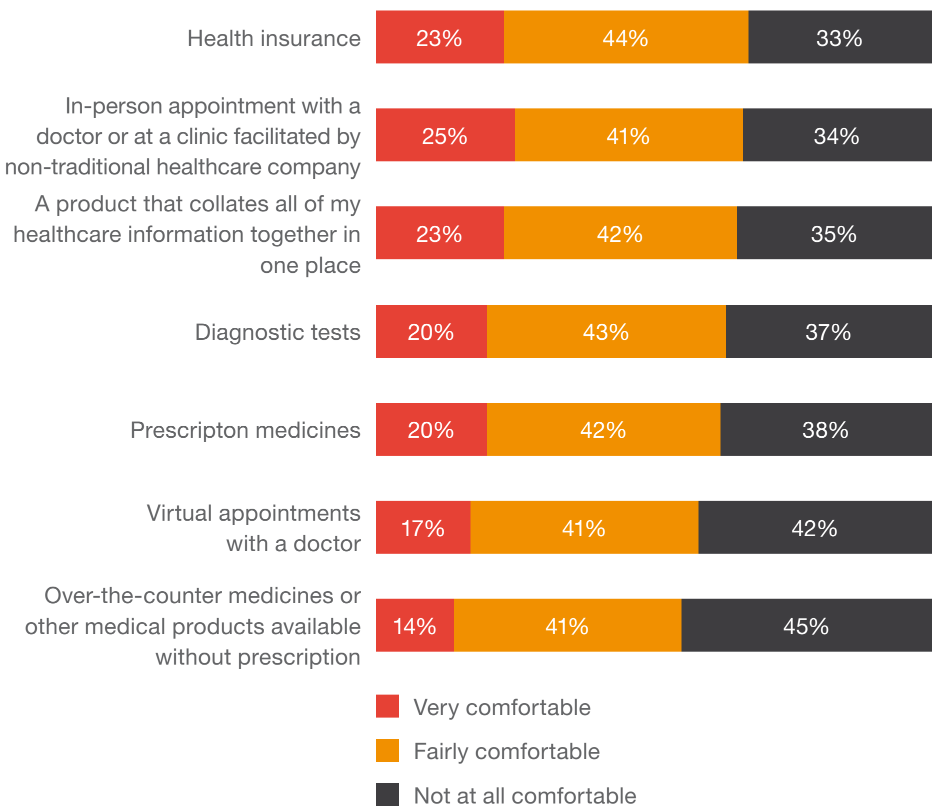


Key insights

- Generation Z places particular importance on convenience when it comes to apps and digital products. High usability is therefore one of the central criteria for the development of such products. This is an area on which companies should definitely focus.
- The fact that Gen Z consumers check and track their own health data daily shows that they are very health-conscious. Companies – especially those in the traditional healthcare industry – should therefore place a stronger focus on developing preventive offers in the future. Artificial intelligence and predictive analytics can help to collect various health-related data to make predictions about the user's own health. However, these apps don't replace the appointment with a doctor, but can help to get more information about a patient's health condition.
- Gen Z especially demands technologies that can be tailored precisely to individual needs. In the future, companies in the healthcare industry should therefore focus on developing solutions that users can adapt flexibly according to their needs.
- As convenience is key for Gen Z consumers, companies must make sure to design their apps and digital products to be as intuitive as possible. Design thinking and rapid prototyping help companies to get consumers' feedback at an early stage of development and refine apps and products accordingly.

As Gen Z is much more technology-driven than other generations, they are more open to digital healthcare services than other generations. A number of non-traditional healthcare companies – such as Amazon, Apple, Facebook, Google and Microsoft – have announced plans to enter the healthcare market. As Gen Z is far more tech-savvy than other generations, we asked Gen Z consumers how comfortable they would feel accessing healthcare products and services from such companies. The results clearly show that most respondents would feel comfortable getting health insurance (67%), visiting a doctor at a clinic in-person facilitated by a non-traditional healthcare company (66%) and accessing products that collate all healthcare information together in one place 65%).

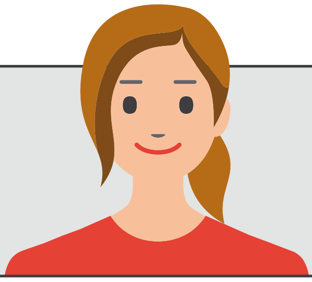
Fig. 2 To what extent would you feel comfortable accessing healthcare products or services from non-traditional healthcare companies (eg, Amazon, Apple, Facebook, Google, Microsoft)?



Gen Z: n = 1,868

Key insights

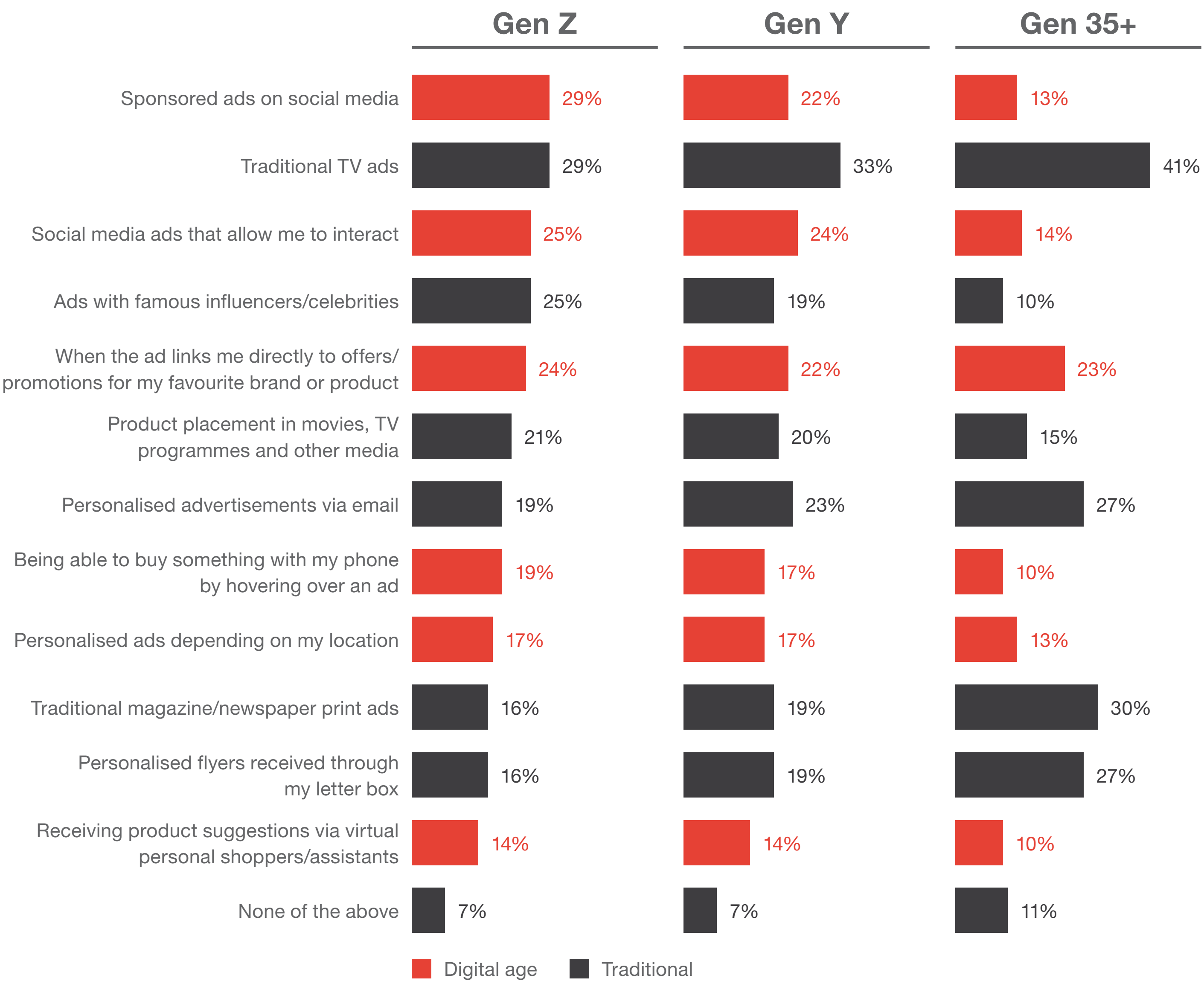
- Big technology companies like Amazon, Apple and Google understand that they are dealing with responsible consumers. They take what they have learned from their many years of experience in the technology market and apply this to the healthcare sector. This is an absolutely essential factor in success when dealing with young and tech-savvy people in Generation Z. Companies from the healthcare sector should also keep this in mind when developing new products or services.
- Similarly, technology companies that want to enter the healthcare market would also benefit from partnerships because the regulation and structures of the healthcare market are unique.
- At the same time, many digital technologies require a high level of healthcare expertise. It's important to take a balanced approach and give patients the support they need to use new products effectively.



8.15am – Over breakfast, Lisa checks Instagram for new posts from her friends. She looks for inspiration from influencers and brands because she plans to go shopping in the afternoon.

We asked consumers what types of advertisements they find most influential. The results showed a shift from traditional to digital media. For one third of Gen Z consumers (29%), sponsored ads on social media and traditional TV ads are the most influential form of advertising, followed by social media ads that allow interaction and ads with famous influencers or celebrities. In comparison, older consumers prefer traditional media: almost half of consumers aged 35 or over (41%) stated that traditional TV ads are the most influential, followed by traditional magazines or newspaper print ads (30%), personalised advertisements via email (27%) and personalised flyers received through their letter box (27%).

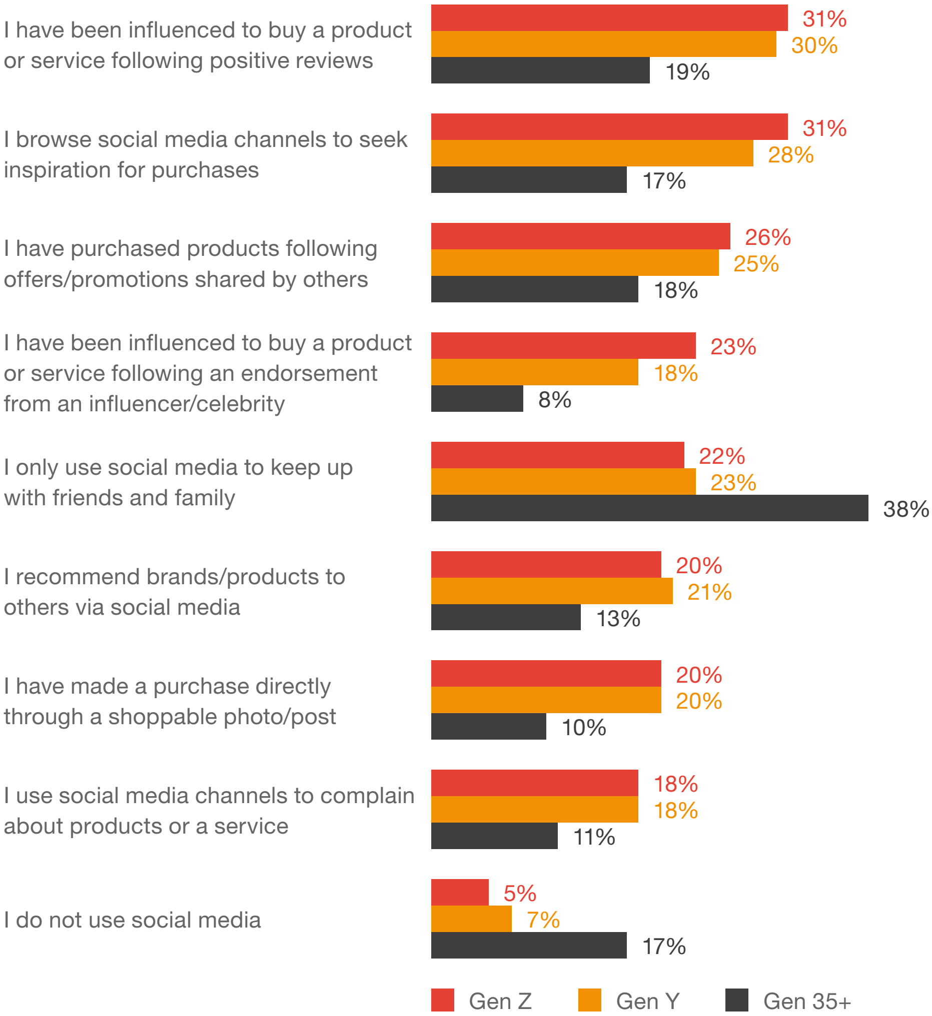
Fig. 3 Which types of advertisements do you find most influential?



Gen Z: n = 1,868; Gen Y: n = 2,207; Gen 35+: n = 5,621

With regard to how social media influences the shopping behaviour of young consumers, a quarter (31%) of Gen Z consumers stated that they were influenced to buy a product or service after reading positive reviews on social media or that they browse social media channels to seek inspiration for purchases. A further 26% have purchased products following offers or promotions shared by others, and 23% were influenced to buy a product or service following an endorsement from an influencer or celebrity (23%). For consumers aged 35 and over, social media have less relevance for shopping decisions, being primarily important for staying in contact with friends and family (38%).

Fig. 4 Thinking about social media channels and how you use them, which of the following activities describes your online behaviour?

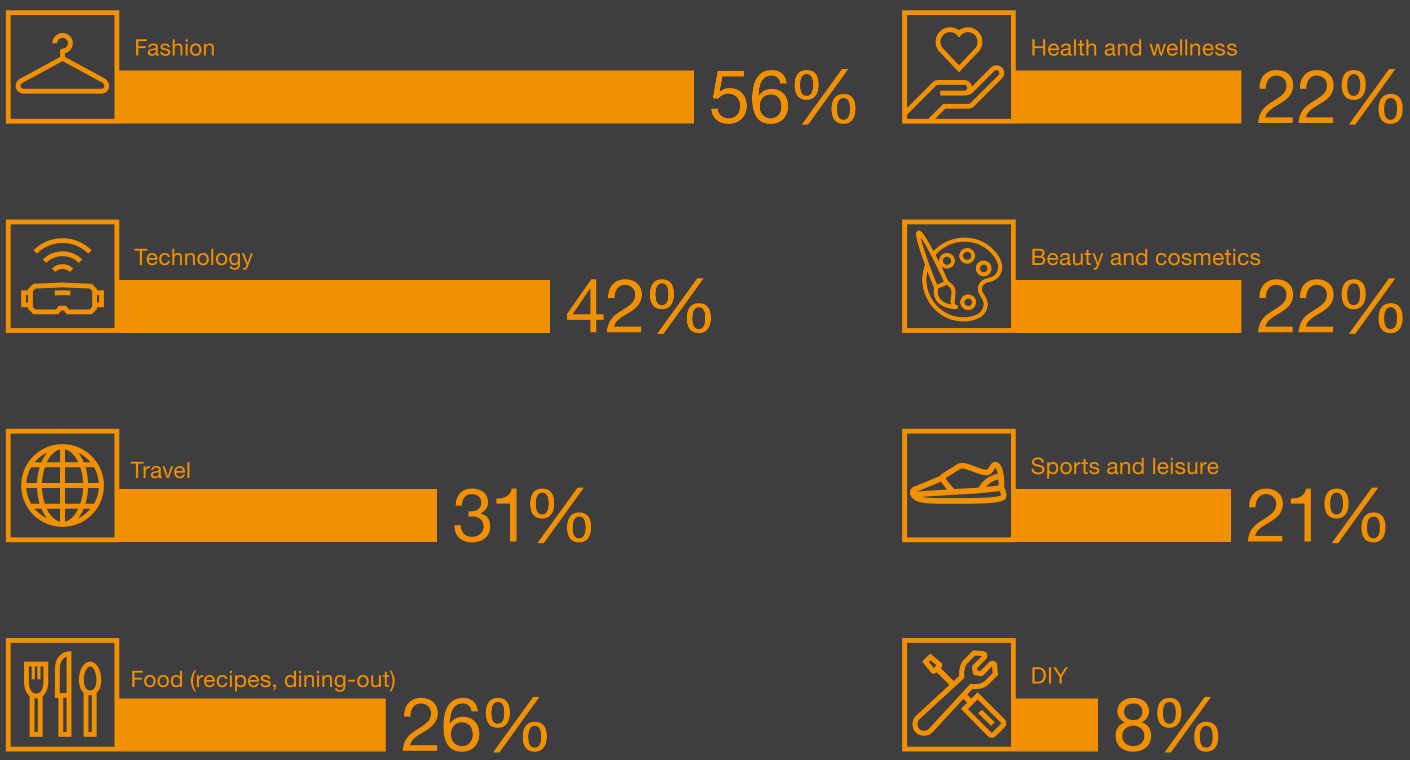


Gen Z: n = 1,868; Gen Y: n = 2,207; Gen 35+: n = 5,621

95%
of Gen Z consumers use social media.

For the majority of Gen Z consumers, social media has the largest influence on their shopping behaviour related to fashion (56%), technology (42%), travel (31%) and food, such as cooking recipes and dining out (26%).

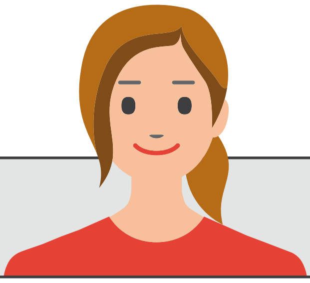
Fig. 5 In which of the following categories do you feel social media has influenced your purchase decisions most?



Gen Z: n = 1,243

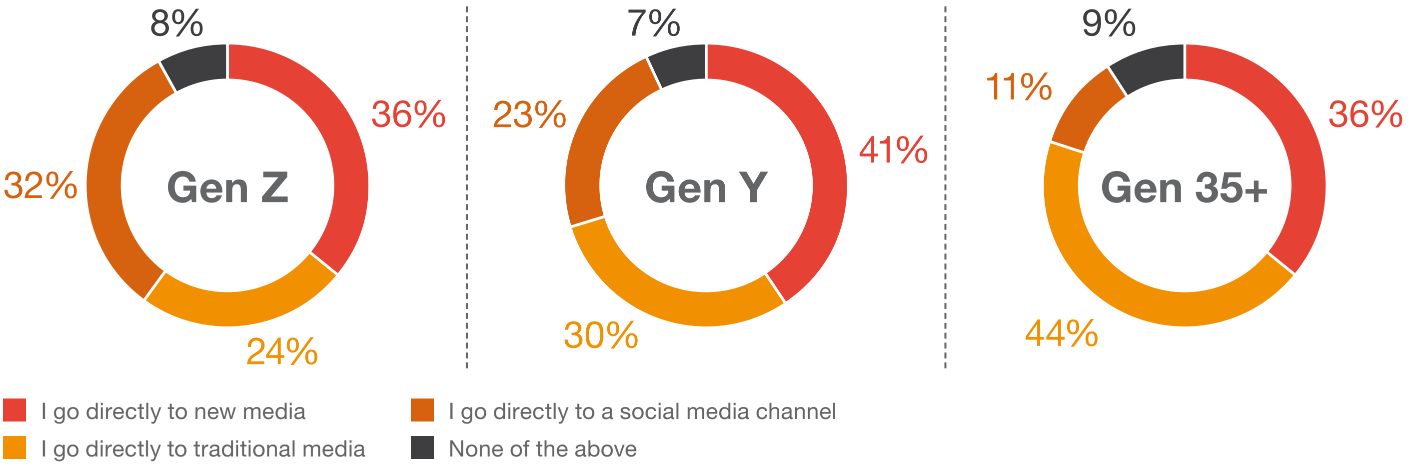
Key insights

- Traditional advertising is not an option for convincing Gen Z to buy a product or service. The marketing strategy should focus on relevant social media platforms such as Snapchat, YouTube or Instagram, which play a crucial role in the everyday life of Gen Z consumers.
- Gen Z decides within only a few seconds whether the content is relevant and whether or not they want to engage with a brand. The content should, of course, be adapted to mobile devices, and presented in a short and concise way, motivating the younger generation to interact with the brand.
- Gen Z values positive product ratings and product placements by influencers. The positioning of an authentic influencer who represents the brand and with whom the target group can identify helps to strengthen brand trust and credibility.



9am – While checking her social media channels, Lisa also looks at the news to stay up-to-date with current affairs.

Fig. 6 Which source do you turn to first for news or current affairs?



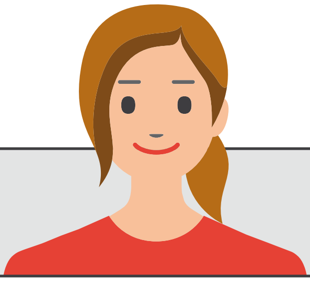
Gen Z: n = 1,868; Gen Y: n = 2,207; Gen 35+: n = 5,621

The transition from traditional media (newspapers, magazines, TV and radio) towards new media (websites, podcasts or blogs) is also reflected in the consumption of current affairs. Our survey shows that Gen Z consumers mainly use new media (36%) or social media channels (32%) to stay up-to-date with current affairs. Traditional media channels are only used by a quarter of respondents (24%). Half of consumers aged 35 or over use traditional media as their first choice (44%), followed by new media (36%) and social media channels (11%).

Major traditional media companies are responding to the rising trend of new media by operating more actively on social media to spread their content. In fact, many have created their own social media channels and provide online media libraries. On top of this, newspapers and news agencies are following in the footsteps of Spotify and iTunes by offering increasingly popular podcasts.

Key insights

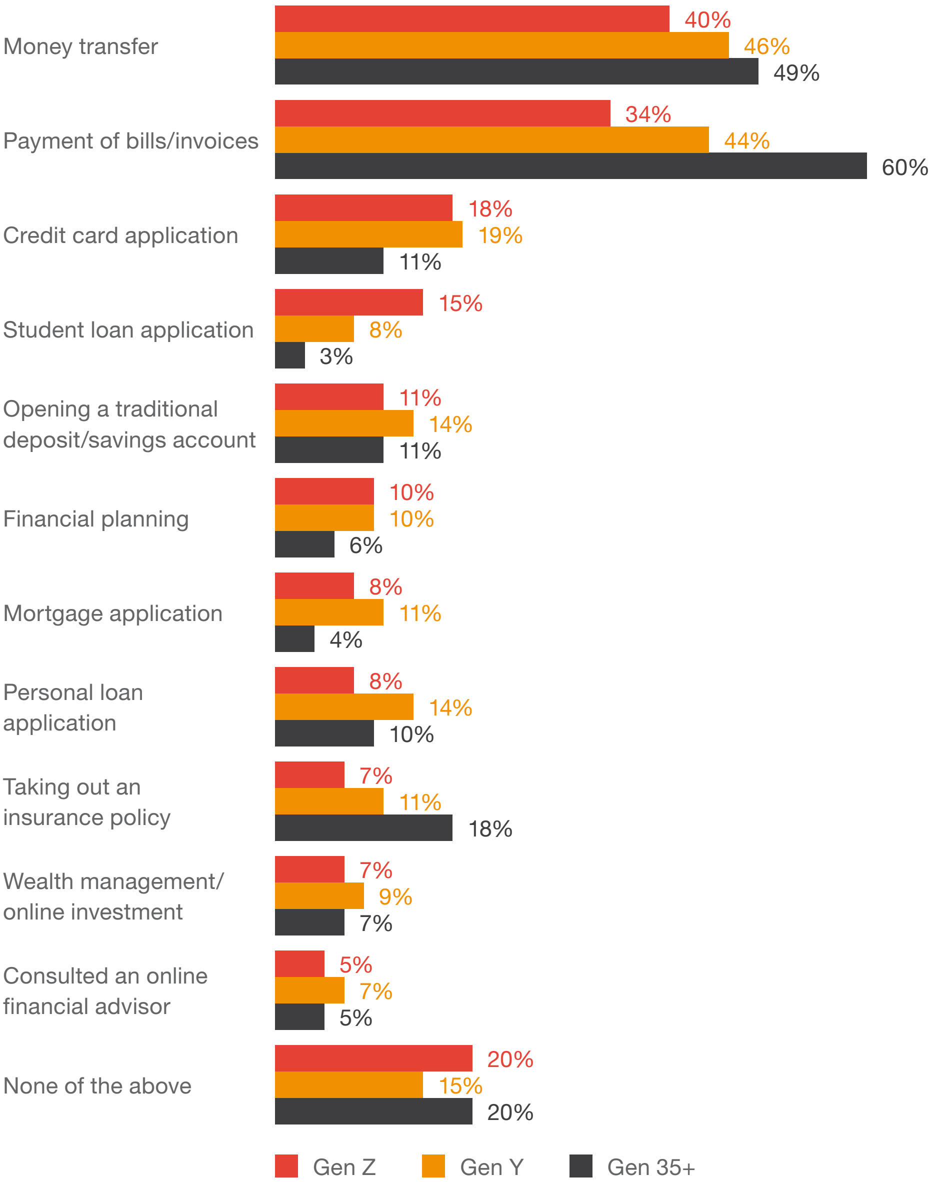
- Media companies should focus on personalised and on-demand distribution of their content. This includes a solid social media presence with links to the company's own media library to bring customers into their advertising spaces.
- Due to the increasing popularity of podcasts, media companies should evaluate whether to distribute their podcasts through apps like Spotify or to invest in their own podcast app. This would have the advantage of generating advertising revenue for the company.



11am – As Lisa wants to apply for a credit card, she decides to contact her digital financial advisor right away.

Technology is transforming the way consumers shop – and also changing the way they use financial services. For this reason, banks and financial institutions need to rethink the way they target the younger generation and should use digital channels to offer personalised services for young people. Our survey asked Gen Z consumers which financial activities they conduct online. The results show that they mainly use online channels to transfer money (40%), pay invoices (34%) and apply for credit cards (18%).

Fig. 7 In the last 12 months, which of the following financial activities have you undertaken through digital channels (online)?



Gen Z: n = 1,868; Gen Y: n = 2,207; Gen 35+: n = 5,621

Digital and virtual currencies like Bitcoin could enable users to pay for products and services electronically, without using local currencies. Our study shows that the majority (80%) of Gen Z are aware of these currencies. Almost a third (28%) would consider investing in a digital currency, while 26% would consider using a digital currency to make purchases. By contrast, consumers aged 35 or over are more sceptical when it comes to digital currencies: more than half of respondents in this age group say they do not see themselves using or investing in a digital currency in the future.

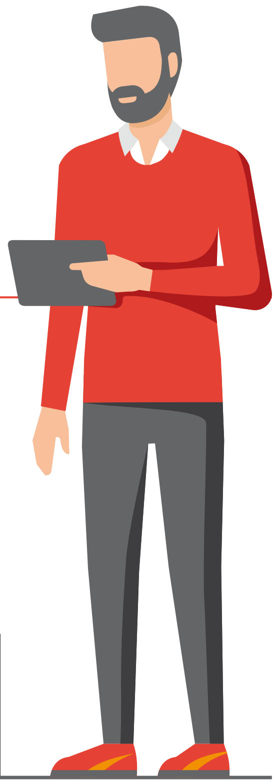
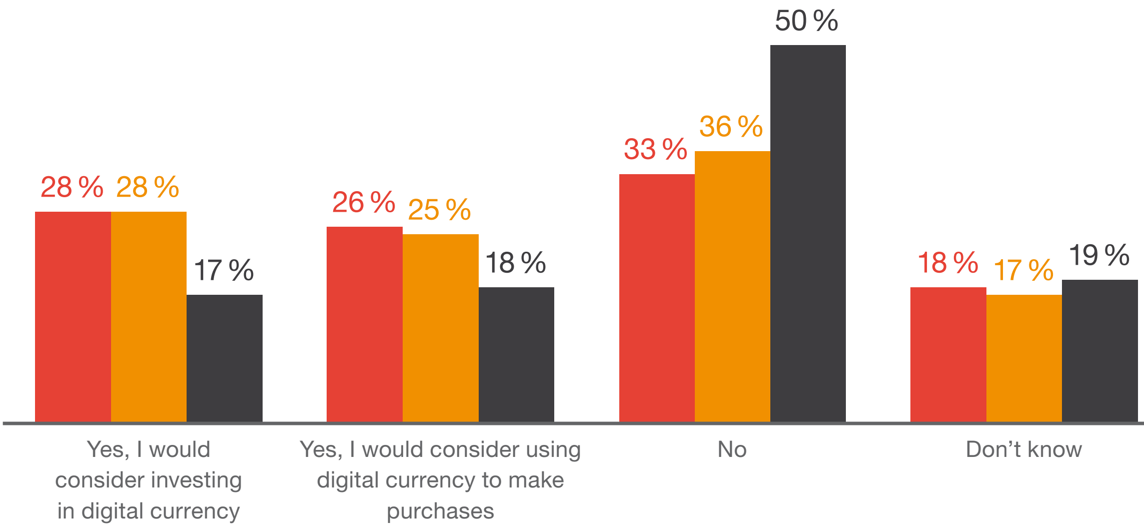


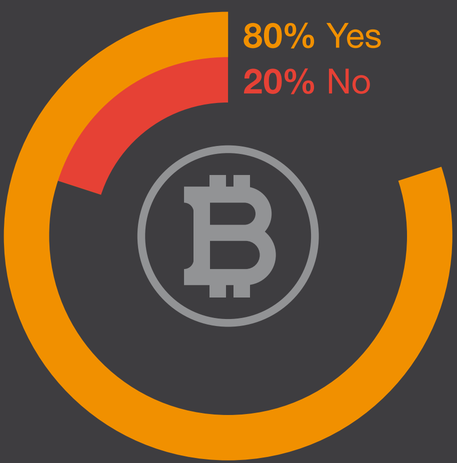
Fig. 8 Could you see yourself using or investing in a digital currency in the future?



Gen Z Gen Y Gen 35+

Gen Z: n = 1,868; Gen Y: n = 2,207; Gen 35+: n = 5,621

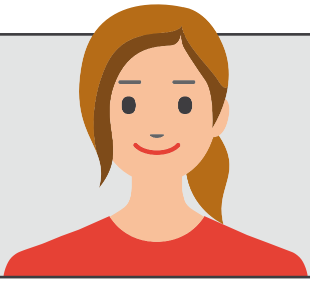
Fig. 9 Are you aware of digital currencies?



Gen Z: n = 1,868

Key insights

- It’s vitally important for banks and other financial service providers to expand their range of digital, online and mobile services. They should also introduce additional trusted services, such as identity services, in these channels to ensure customer loyalty among Gen Z consumers.
- State-of-the-art data and analytics tools enable financial products to be customised, and consumers’ needs can be identified based on their behaviour.
- Integrating payment functions in a seamless and user-friendly way across all channels (eg, at the point of sale or via mobile devices), and using standards and interfaces like PSD2, FinTS or blockchain will be decisive success factors for payment solutions.
- Owing to rising data privacy requirements and third-party marketing barriers, identity credentials provided by banks or other financial institutions will take on a leading role in consumer-driven processes by leveraging previously verified identity data.

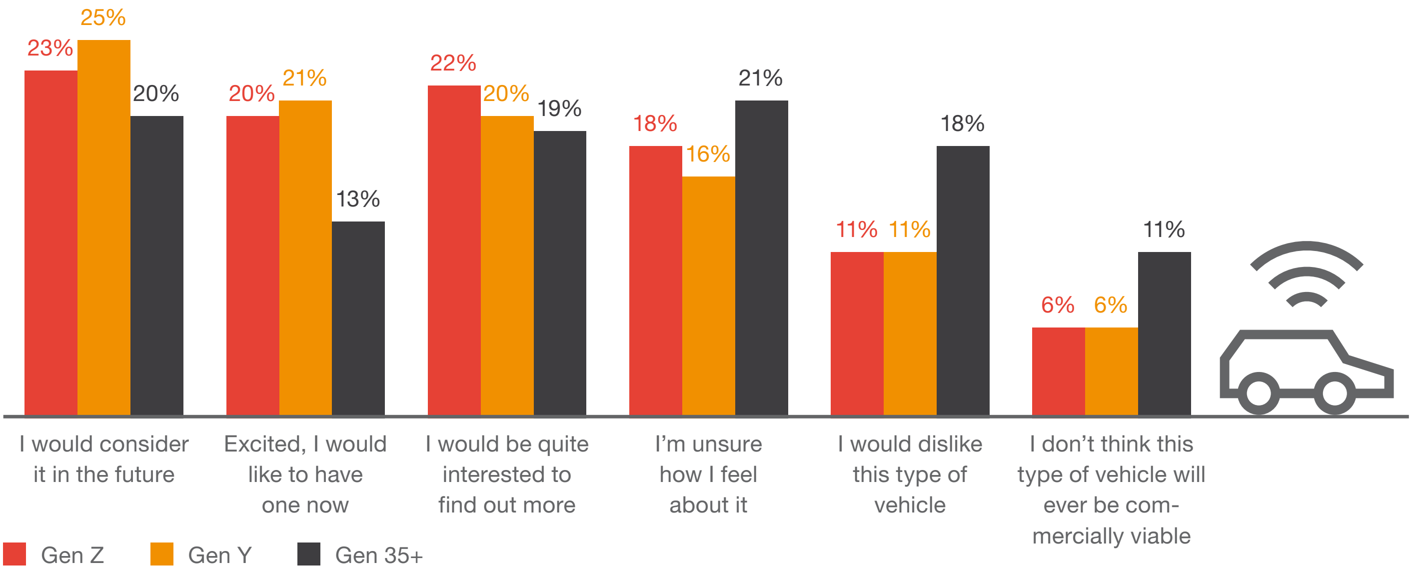


12pm – Lisa wants to go to the city centre. After checking transit times on her routing app, she decides to rent a car. She finds four available cars in her area – but which car should she choose? To make the right decision, Lisa thinks about the features that are most important to her.

As technology advances, vehicles will continue their journey towards becoming electric, fully connected and autonomous. Cars that are fully autonomous or automated (also referred to as driverless vehicles) are designed to perform all the functions of a normal car, removing the need for human interaction. While these vehicles can also be guided by a human if required, they are able to navigate roads and traffic situations autonomously, and also obey traffic rules and respond to potential hazards, including other vehicles, pedestrians and cyclists.

Apart from a quieter and more comfortable ride, electric vehicles are considered environmentally friendlier and more socially acceptable than conventional vehicles – if offering the right amount of emotional attraction.

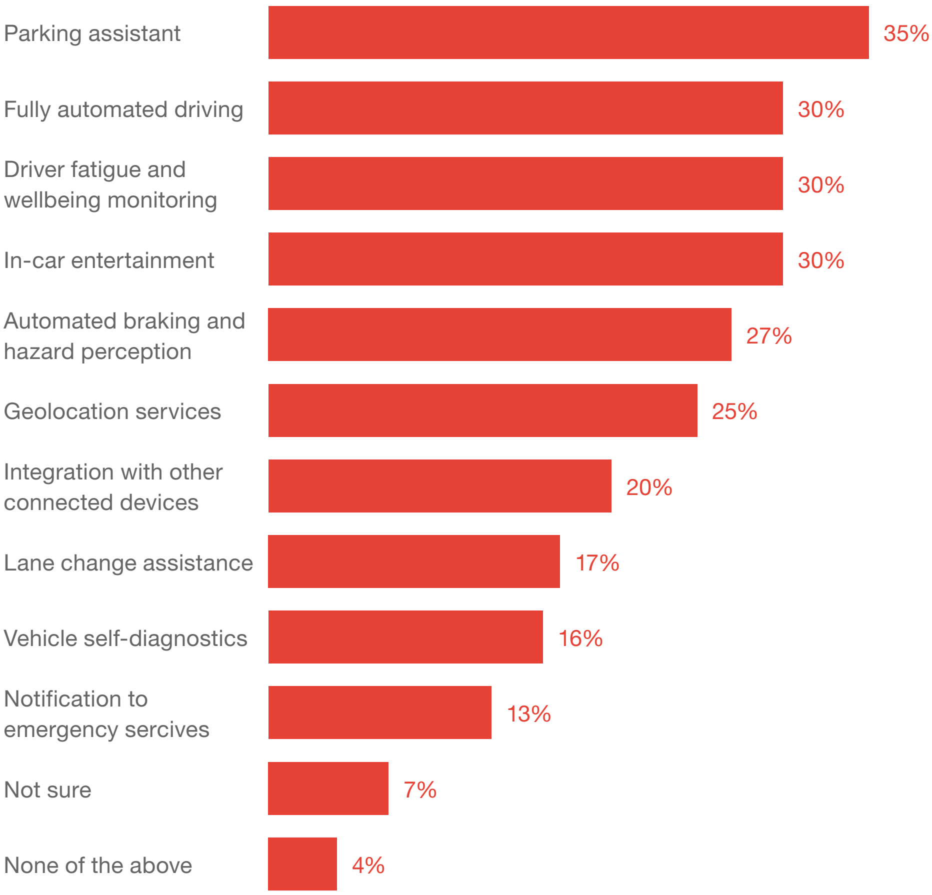
Fig. 10 Which of the following statements best describes how you feel about an autonomous vehicle?



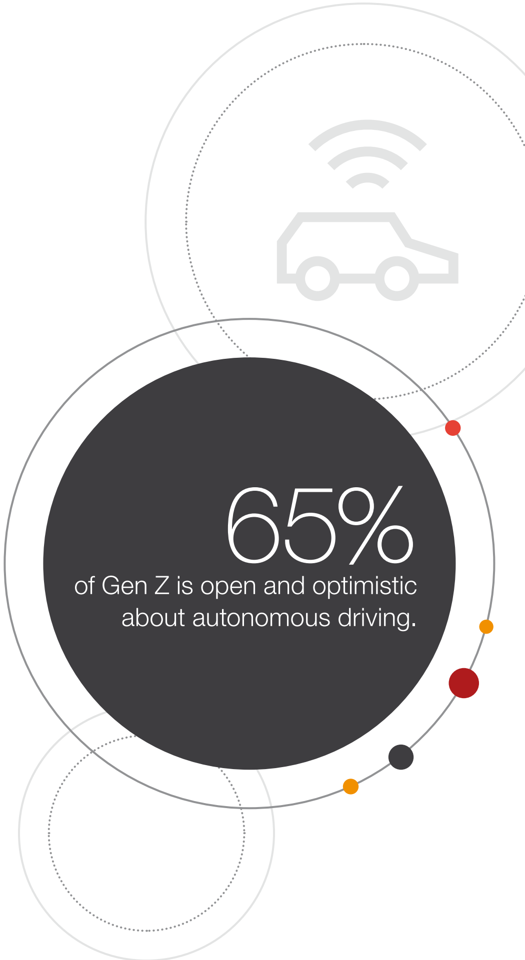
Gen Z: n = 1,868; Gen Y: n = 2,207; Gen 35+: n = 5,621

In our study, we asked consumers how they feel about autonomous vehicles. Most of the younger generations Z (65%) and Y (66%) are open and optimistic about autonomous driving. This contrasts with consumers aged 35 or older, who have mixed feelings when it comes to autonomous driving: half (50%) of this generation are sceptical and still require convincing. Next to a parking assistant and fully automated driving, the most attractive features of a car for Gen Z would be monitoring of driver fatigue and wellbeing (30%), in-car entertainment (30%) as well as automated braking and hazard perception (27%). Entertainment will be an especially important factor in combination with geolocation services (25%) and connectivity (20%), as there will be a new touchpoint for individualised marketing.

Fig. 11 Which of the following features are most important to you when driving and autonomous car?

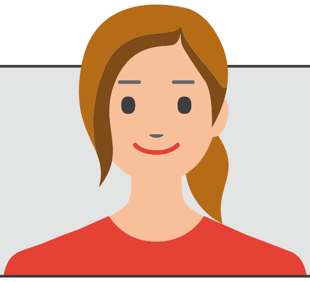


Gen Z: n = 1,868; Gen Y: n = 2,207; Gen 35+: n = 5,621



Key insights

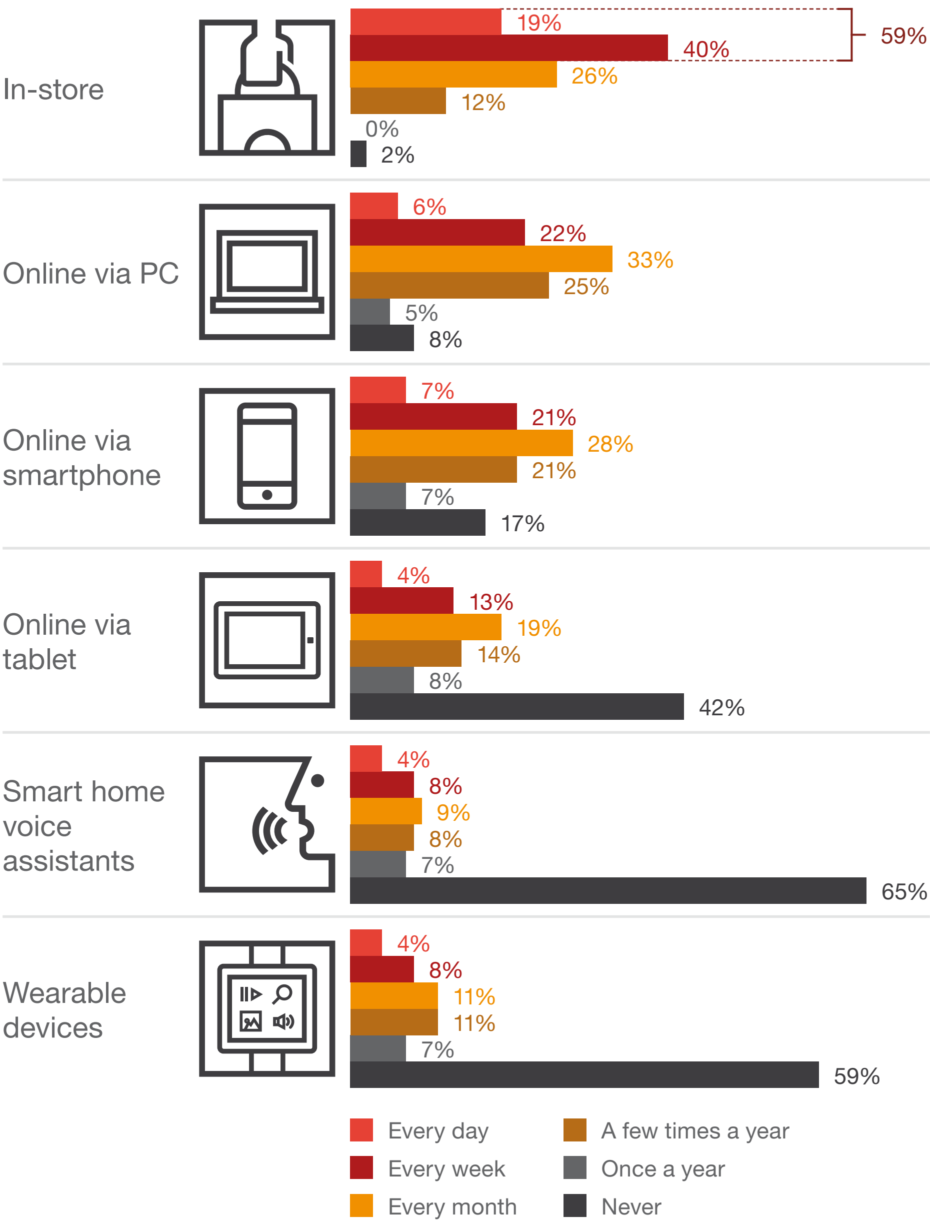
- Gen Z consumers are used to public transport and value their journey time for communication and entertainment – which means seamless connectivity is a key feature for any kind of transport.
- Because Gen Z consumers are so comfortable with public transport, this group must be re-introduced to the idea of individual mobility through attractive offers and seamless service packages that meet their requirements for environmental sustainability and coolness.
- Mobility offers must be affordable because Gen Z consumers still have limited spending capacities. Companies offering 'freemium' and on-demand packages would lower the entrance barriers and create awareness about their services.
- While traditional car brands still have a certain level of awareness, their positioning with Gen Z consumers should be focused on emotional factors because practical and technical perfection will be assumed. The virtual and physical brand experience must be fully integrated, seamless, convenient and responsive in real time.



12.30pm – When Lisa arrives in the city centre, she meets her friends to go shopping. While she tries on different skirts, she creates a social media story for her followers and asks them which skirt she should buy via a live poll.

Generation Z has grown up in a mobile-first environment where they have 24/7 access to the internet – so they can chat with friends, look up information or order products online at any time. But even though smartphones are an essential part of their lives, young people also love to shop in physical stores. In fact, Gen Z consumers visit stores more frequently than any other age group, with 59% stating that they go to a store at least once each week.

Fig. 12 How often do you buy products (eg, clothes, books, electronics) using the following shopping channels?



Gen Z: n = 1,868

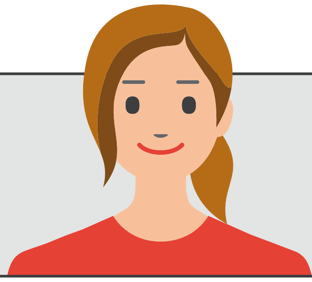
Fig. 13 Which of these attributes would significantly improve your in-store shopping experience?

Gen Z: n = 1,868; Gen Y: n = 2,207; Gen 35+: n = 5,621

Because stores are so important for young shoppers, we asked Gen Z respondents what would significantly improve their in-store shopping experience. It's clear that convenience is key for this generation. They prefer having the ability to navigate the store quickly and conveniently (37%), quick and easy payment methods (31%) and having in-store Wi-Fi with a fast and simple login process (31%). Compared to older generations, they place more importance on the use of technology to assist the shopping experience (20%) and personalised offers sent to their mobile device when shopping in-store (16%).

Key insights

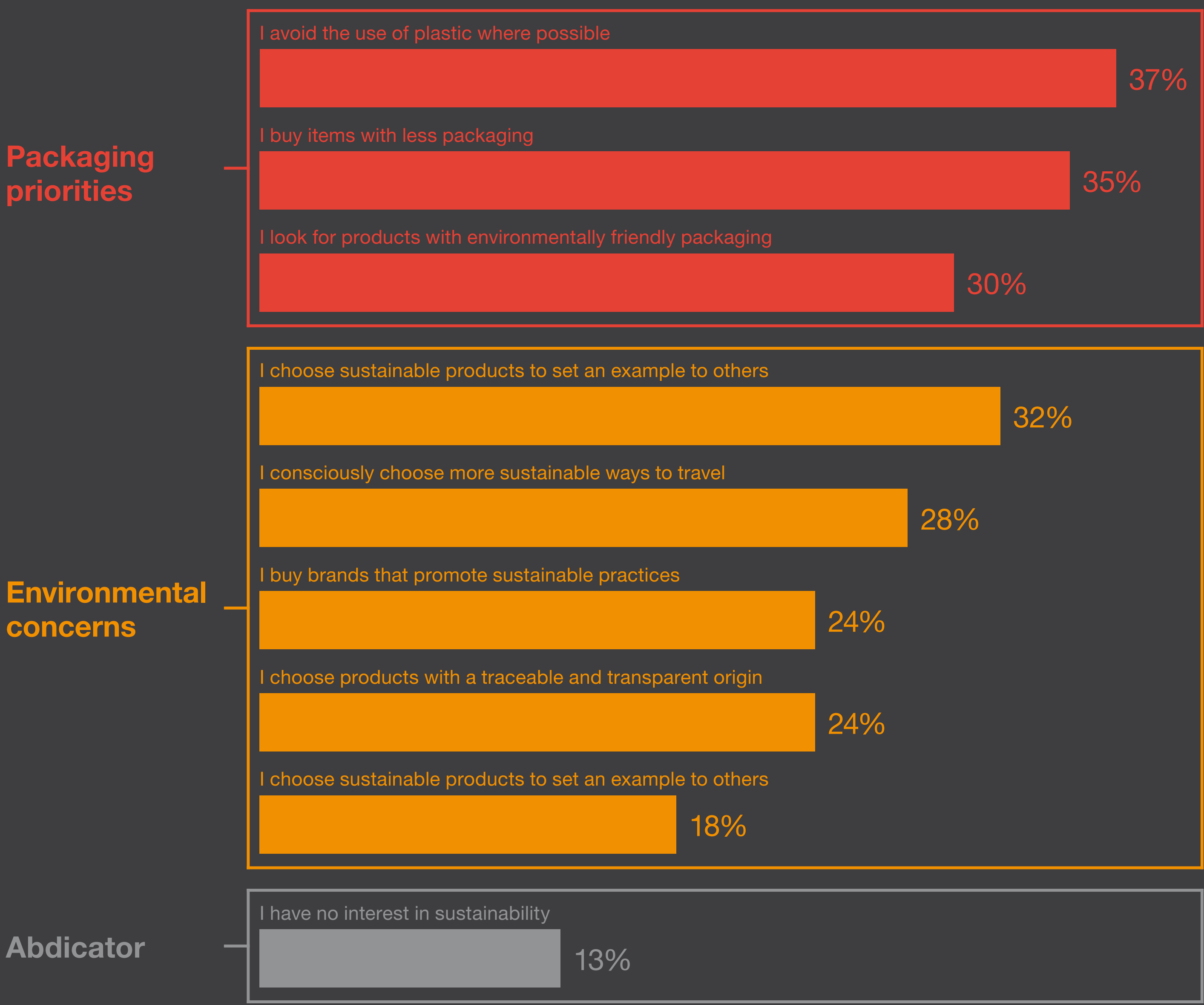
- Whether young consumers shop offline or online, they no longer differentiate between different channels. They expect a seamless connection across all touchpoints and a consistent customer experience.
- As the physical store is the preferred shopping channel for Gen Z, customer experience is key. Through an appealing store design that invites consumers to discover and try out products, as well as a link between offline and online through digital devices, apps and social media are key drivers for success.
- Technologies such as contactless payment via smartphone or self-service checkouts, where consumers scan their own goods and pay directly, can help to reduce waiting times at the checkout and event make the shopping experience more convenient.



2.30pm – Lisa also wants to buy fresh fruit and vegetables, so she visits a local store with organic and regional products.

Sustainability is important to young shoppers. We asked Gen Z consumers which statement best reflected their approach to sustainable shopping, and the results illustrate that Gen Z avoids the use of plastic where possible (37%), buys items with less packaging (35%) and chooses sustainable products to set an example to others (32%).

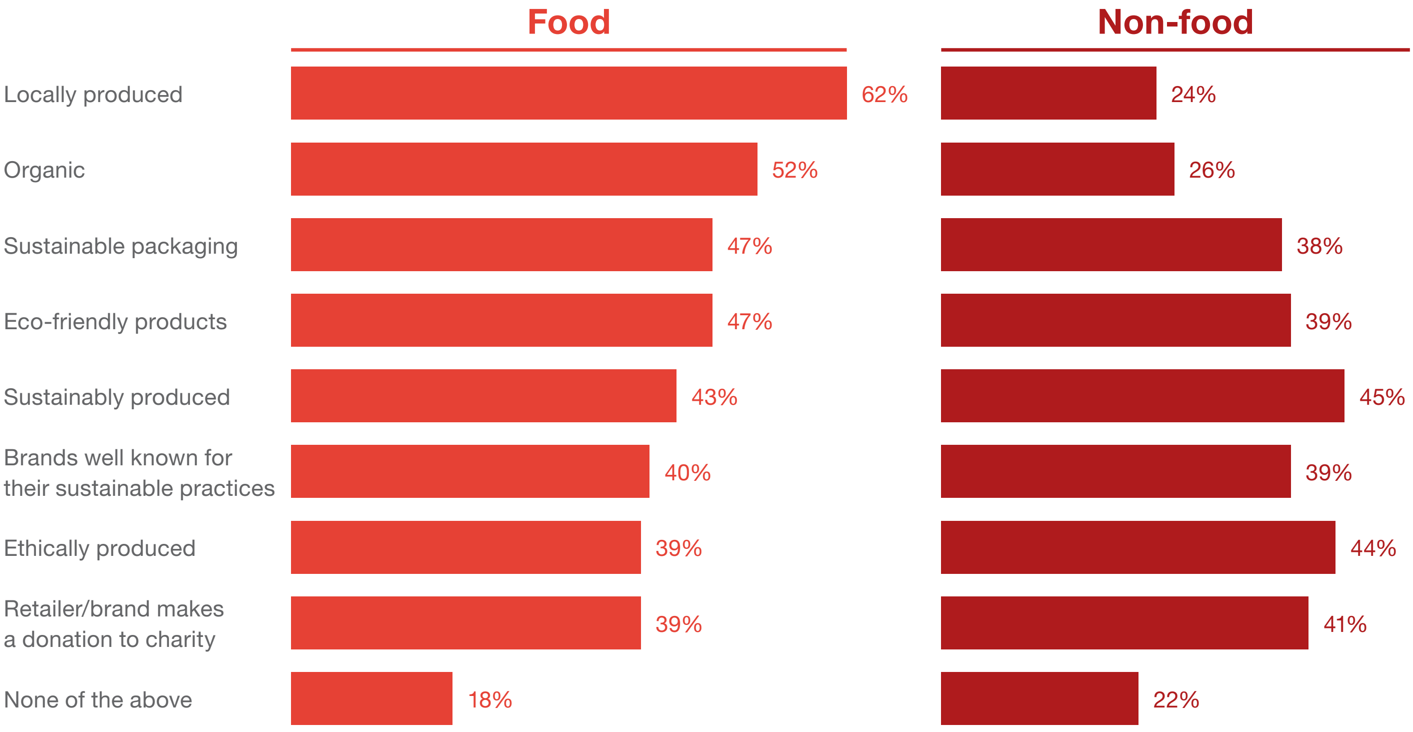
Fig. 14 Please indicate which statements best reflect how you purchase in a sustainable way



Gen Z: n = 1,868

But despite the importance of sustainability, would Gen Z consumers pay higher prices for sustainable products? Our survey shows that more than half of Gen Z would be willing to pay higher prices for food items that are produced locally (62%), organic food items (52%), food items with sustainable packaging (47%), and eco-friendly food (47%). When it comes to non-food items, Gen Z consumers would pay higher prices where the products are sustainable (45%) and ethically produced (44%), or where the brand donates to charity (41%).

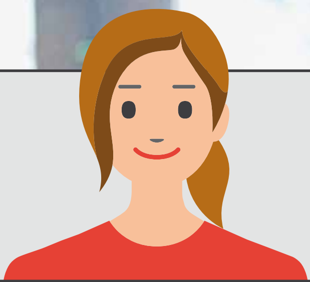
Fig. 15 Which of the following are you willing to pay a premium for when purchasing?



Gen Z: n = 1,868

Key insights

- A brands' ethics and behaviour concerning environmental and socio-political issues are important decision-making factors for Gen Z. A clear positioning of the brand and consistent communication of what the company stands for is essential.
- Gen Z is characterised by a high willingness to buy sustainable products and is also willing to pay a higher price for sustainable food and non-food items. Consumer goods manufacturers and retailers should align their product ranges accordingly to appeal to environmentally conscious consumers.
- Gen Z is increasingly focused on the issue of packaging. As there is a high level of consumer acceptance for innovative packaging approaches, retailers and consumer goods manufacturers need to take action by adopting sustainable packing concepts.



4pm – A friend recently told Lisa about his trip to Amsterdam. When she gets home, Lisa plans a trip with her best friend and uses Instagram to seek information about places to go in Amsterdam.

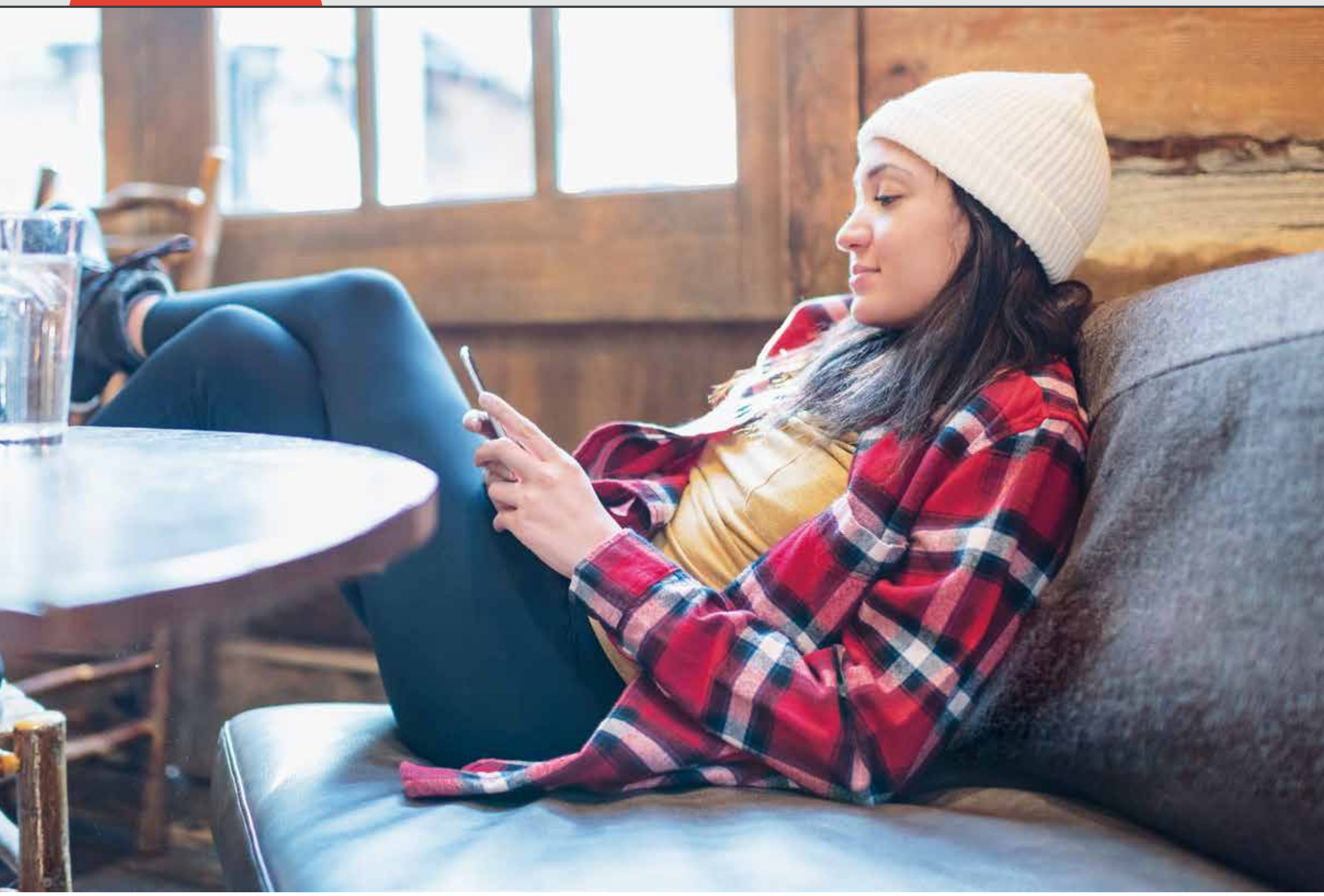
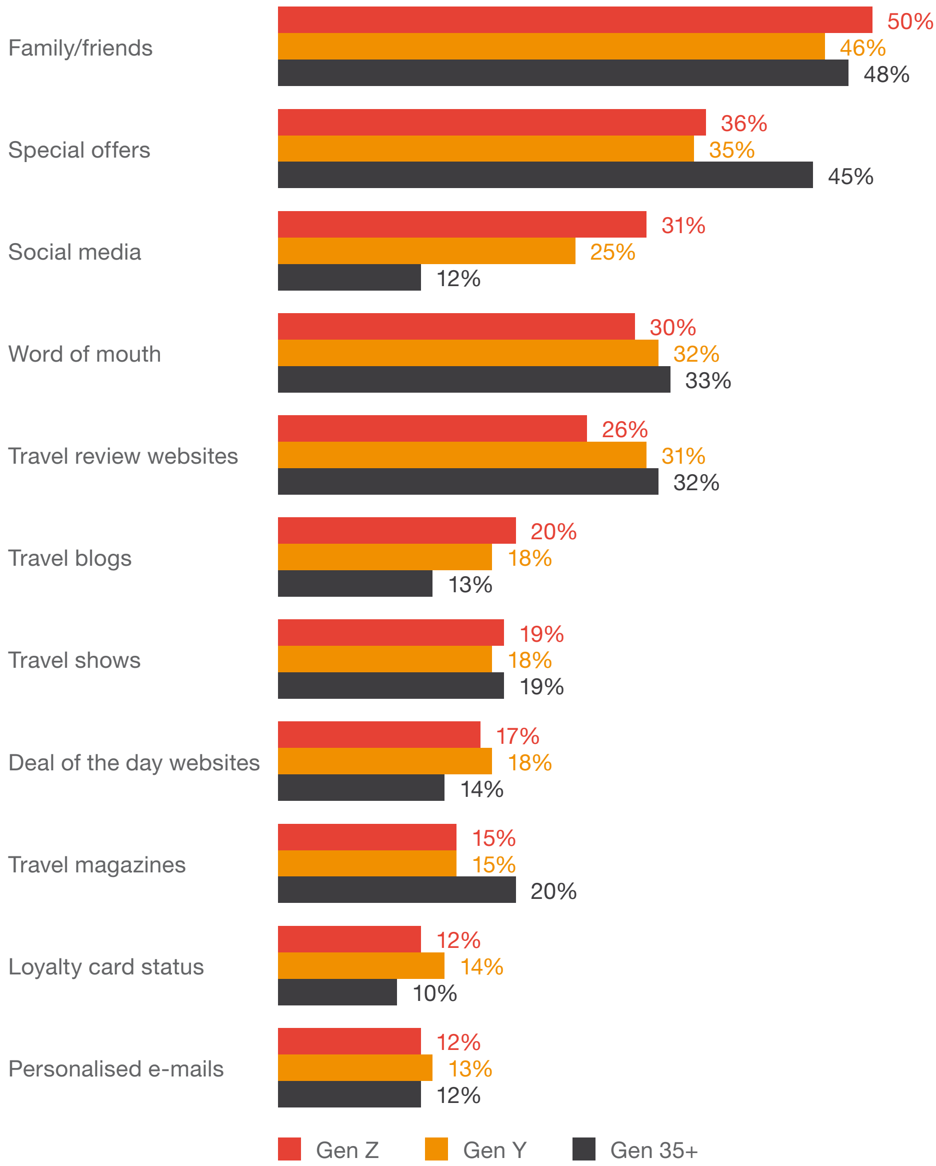


Fig. 16 Do any of the following influence your choice of leisure/holiday travel provider?



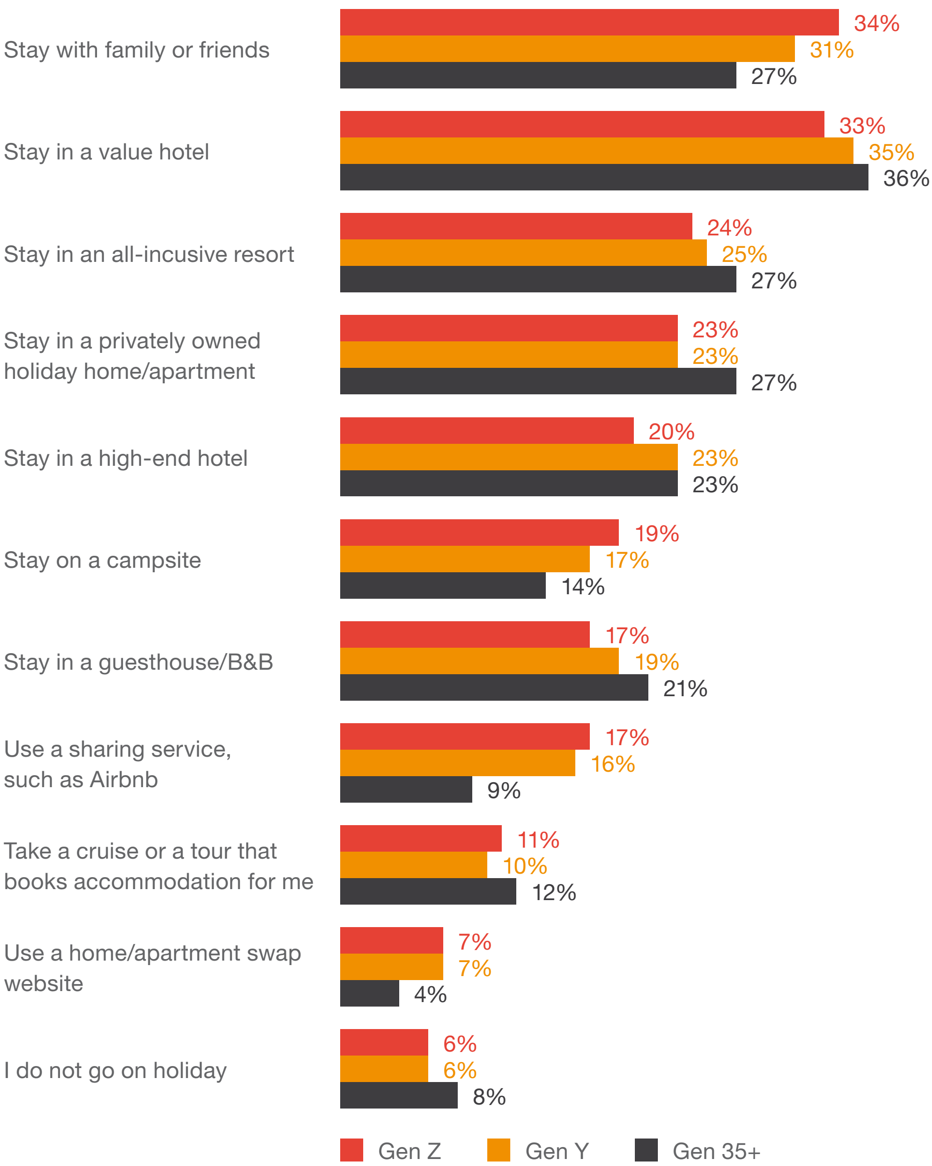
Gen Z: n = 1,868; Gen Y: n = 2,207; Gen 35+: n = 5,621

Gen Z is setting new trends in the travel and hospitality market – not only in relation to how they travel, but also how they gather information about their trip. The majority of consumers across all generations are influenced by family and friends, as well as by special offers, when choosing their travel provider. Compared to older generations, Gen Z is more influenced by social media (31%) and travel blogs (20%). For consumers aged 35 and over, travel review websites (32%) and travel magazines (20%) play an important role.

31%
of Gen Z is influenced by social media when choosing a travel provider.

When Gen Z consumers travel, they prefer to stay with family or friends (34%) and would be more likely to stay on a campsite (19%) than older generations. By contrast, older generations prefer spending their holidays in all-inclusive (27%) or value hotels (36%). In general, younger consumers from Gen Z (17%) and Gen Y (16%) are more open to sharing services like Airbnb than consumers aged 35 and over (9%).

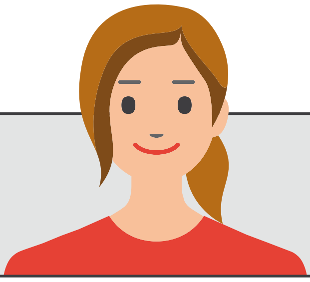
Fig. 17 Which of the following holiday accommodation types are you most likely to choose?



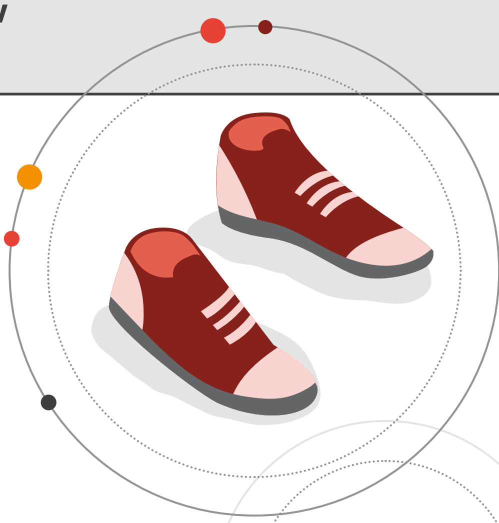
Gen Z: n = 1,868; Gen Y: n = 2,207; Gen 35+: n = 5,621

Key insights

- Gen Z consumers need to be attracted by different sales and service channels. Social media channels are becoming increasingly important for reaching this target group, especially when compared to consumers aged 35 and over.
- Online channels and booking trips via Online Travel Agencies (OTAs) will become more relevant. This includes related service and interaction channels like webchat, service avatars or AI-supported booking platforms.
- Short-term availability and 'bookability' of products will gain importance for tour operators. This will include the relevant pricing of travel packages. Younger consumers will decide on their travel plans within a shorter time frame than older consumers.

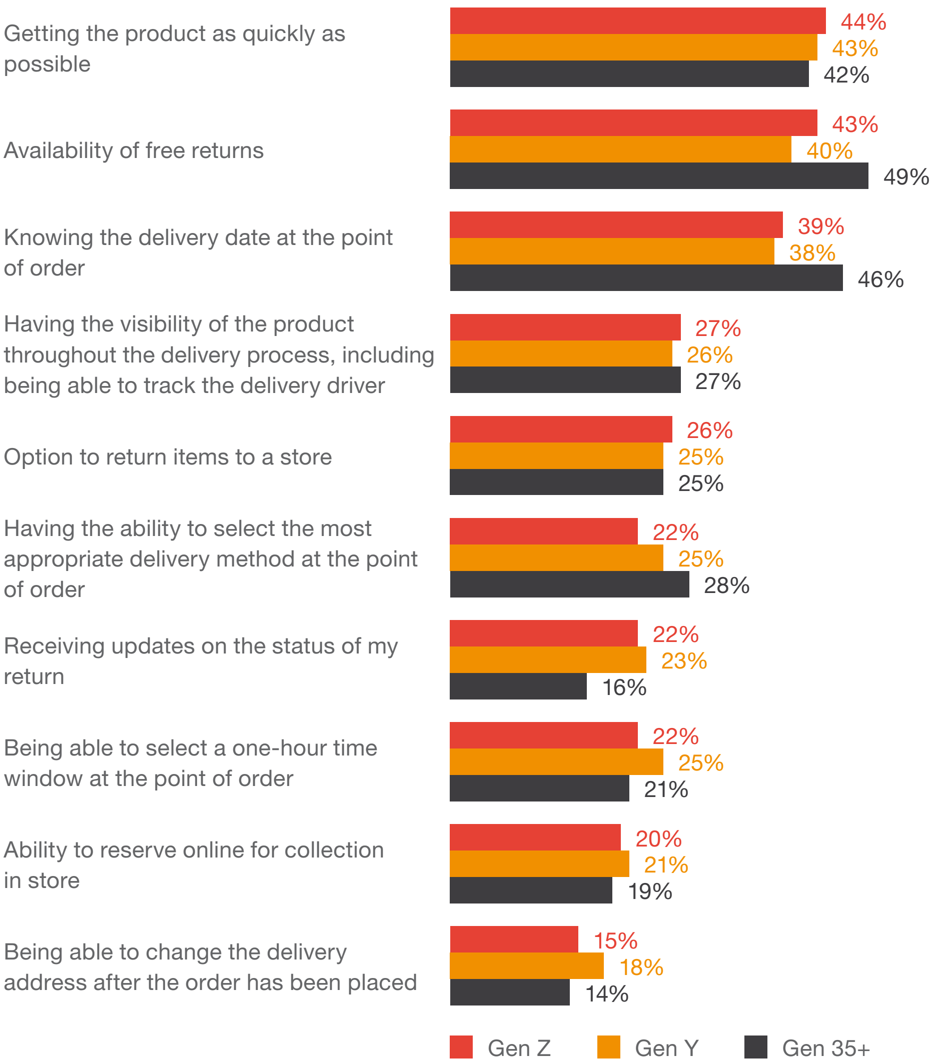


7pm – The doorbell rings and Lisa receives the parcel containing the new shoes she ordered earlier in the day.



Gen Z is very demanding when it comes to the delivery of their online purchases. Almost half of Gen Z consumers expect their order to arrive as quickly as possible (44%), and the option of free returns is important for 43%. On top of this, Gen Z expects additional services related to delivery, such as knowing the exact delivery date when placing an order (39%), having visibility of the product throughout the delivery process (27%) and having the option to return the items to a store (26%). The majority of consumers aged 35 and over expect the option of free returns (49%) and knowing the delivery date at the point of order (46%).

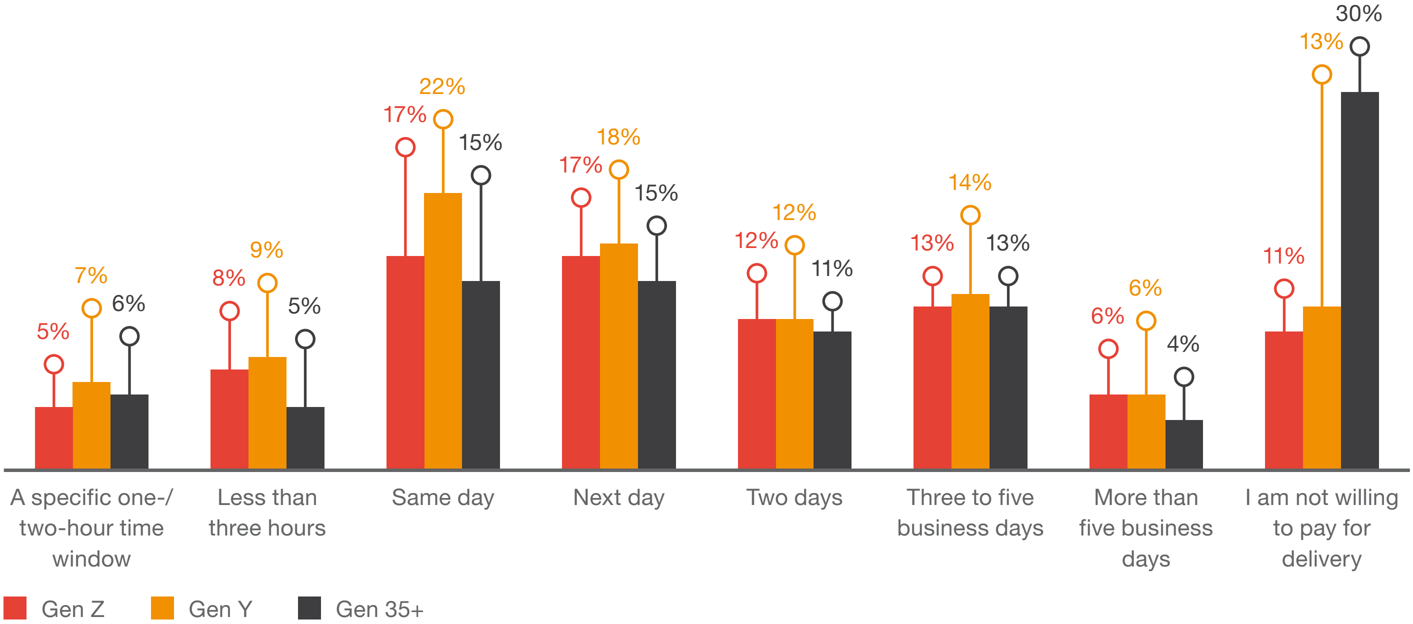
Fig. 18 Considering the delivery process for online orders, please rank the following statements in order of importance



Gen Z: n = 1,868; Gen Y: n = 2,207; Gen 35+: n = 5,621

However, speed and flexibility increase the cost of logistics. For this reason, we asked consumers how long they'd be prepared to wait while also paying a fee for delivery. Only 17% of young consumers are willing to pay for same-day delivery, 8% would pay for less than three-hour delivery, and only 5% would pay for a specific one- or two-hour time window of their choice. Gen Z consumers would be more willing to pay for delivery than older generations, as only 11% of Gen Z respondents stated that they are unwilling to pay for delivery compared to 30% of consumers aged 35 or over.

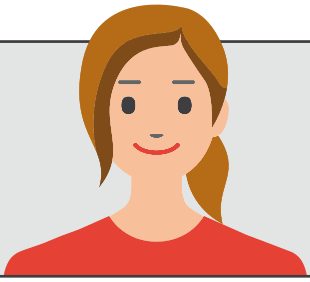
Fig. 19 For the majority of your purchases, what is the longest delivery lead time you are willing to pay a charge for?



Gen Z: n = 1,868; Gen Y: n = 2,207; Gen 35+: n = 5,621

Key insights

- As with older generations, Gen Z consumers also place high demands on parcel deliveries. Parcel service providers should make their services faster and more flexible.
- Younger generations are generally more willing to pay for additional services – an opportunity for parcel services. They should diversify their services and apply a differentiated pricing system. They can generate additional revenue, eg, by delivering within a selected time window, accepting returns or environmentally friendly deliveries.
- Gen Z is more willing to collect parcels from parcel shops or parcel stations. This opens up an opportunity for parcel service providers to implement pick-up models. It could become standard for consumers to collect their packages in this way, while home delivery could become a premium service that carries a surcharge.
- Young consumers are technology-oriented and expect continuous information about the status of their shipments. Parcel services should further optimise their information and communication channels to provide tracking information using apps, social media channels, live chats and chatbots.



8pm – **Lisa wants to relax in the evening. She logs into her streaming account to watch a movie or a TV series. The media platform gives her personalised recommendations based on the content she has watched previously, as well as the content she has added to her favourites list.**

Watching videos, TV or movies and listening to music on demand has become an essential part of everyday life for young consumers. They no longer have to limit themselves to the programmes that are being shown on TV at any given moment. Instead, they decide what they want to watch or listen to – anywhere and at any time. High-resolution online games combined with mixed reality are also attracting more and more people, especially young consumers.

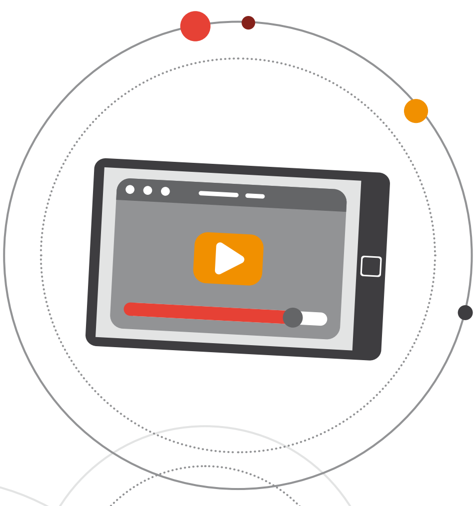
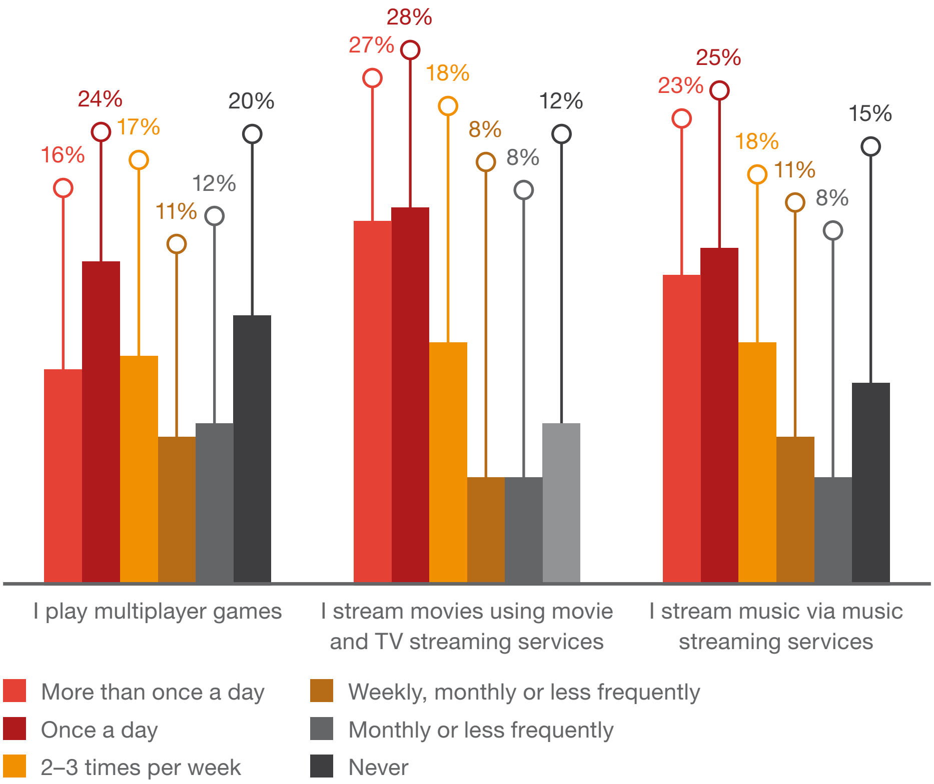
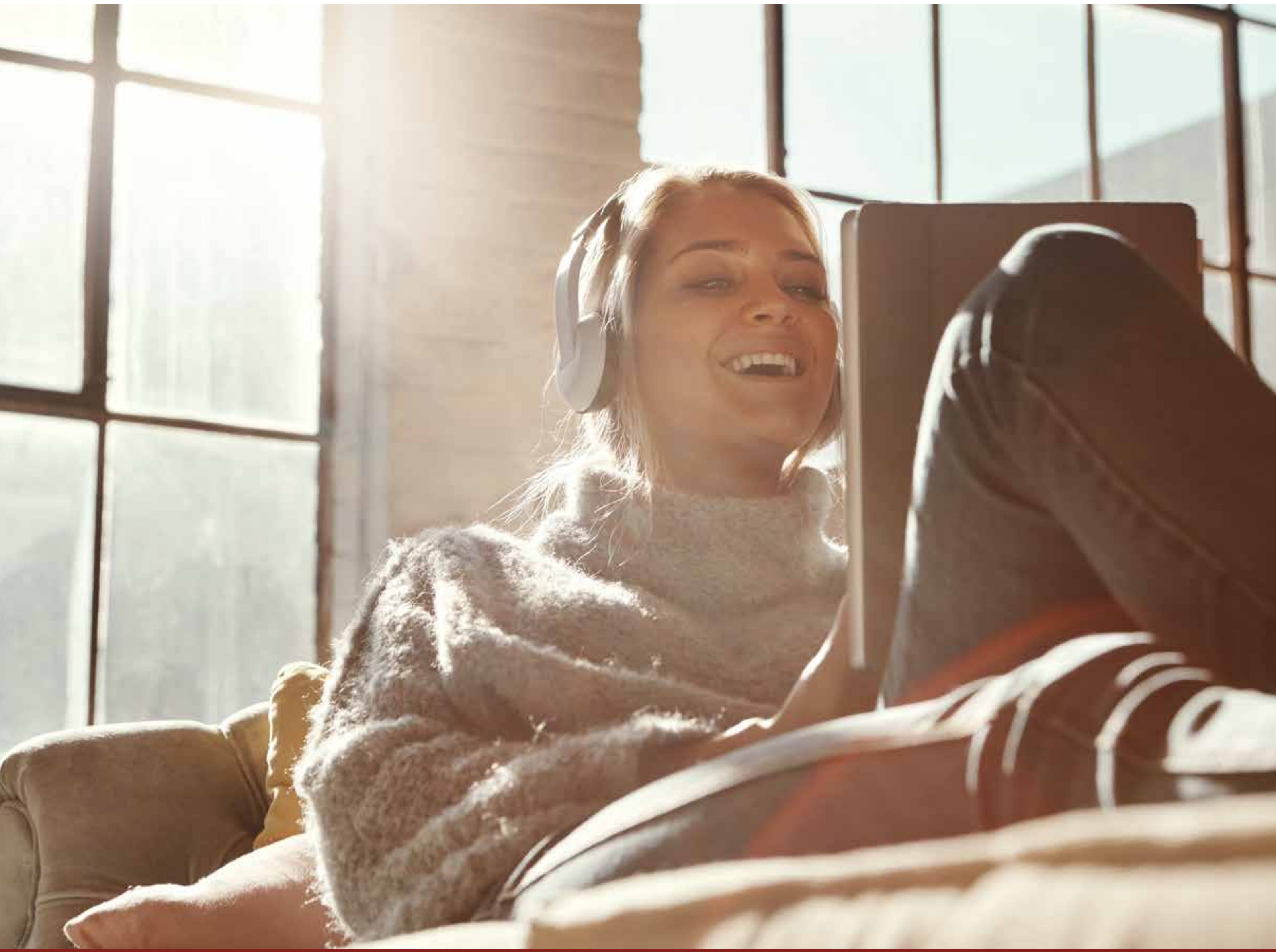


Fig. 20 How often do you use the following online entertainment/streaming services?



Gen Z: n = 1,868

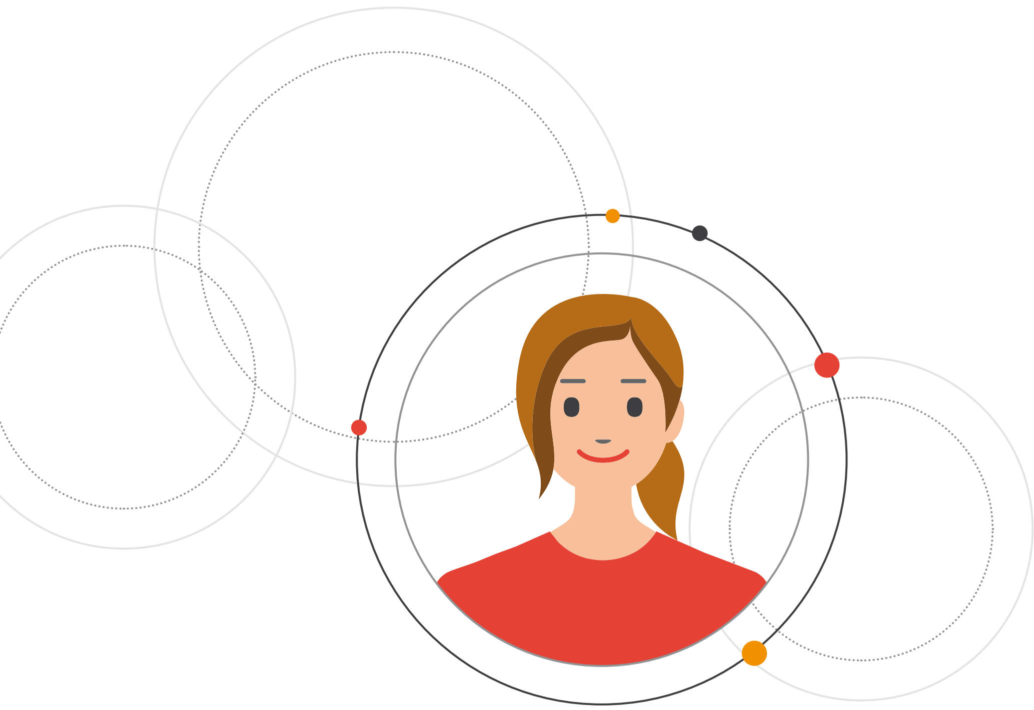
In our survey, 55% of Gen Z consumers indicated that they stream movies and TV through platforms such as Netflix or Amazon Prime at least once a day. Almost half (48%) of Gen Z stream music via services such as Spotify. The survey also shows that 40% of Gen Z consumers play online games at least once a day and another 17% play two to three times a week. This indicates that online gaming plays an important role in the daily lives of the majority of Gen Z consumers.



Key insights

- The online streaming market is highly attractive for new providers because it is dynamic and offers low barriers to market entry. Competition will shift as companies consolidate and as new companies enter the market. In-house production will become an essential differentiating feature.
- Personalisation of content through recommendation mechanisms in the user interface will continue to be very important because video-on-demand services are used intensively on all devices, including mobile devices.
- The further development of smart TVs and streaming sticks will make it necessary for all streaming services and media libraries to be listed on platforms such as Apple TV and Amazon Fire TV.
- The market for video games is showing a trend towards cloud gaming and fee-based gaming platforms. Players are moving to the centre of the gaming experience because cloud gaming offers players the chance to play independent of time, place and infrastructure.

D Key characteristics of Gen Z at a glance



Health and wellbeing for the mind, body – and planet

People in Gen Z place a unique strong focus on health and vitality. Our study showed that more than half of these consumers have an app on their smart device to track sleep patterns, exercise routine, diet or another aspect of wellbeing. This reveals exciting opportunities for companies to attract Gen Z with customisable and easy-to-use products and services related to this topic. And alongside focus on a health mind and body, people in Gen Z also care deeply about sustainability. More than half of consumers in this age group would be willing to pay a higher price for goods with an environmentally-friendly or ethical product profile.

Ahead of the trend for on-demand media

Unsurprisingly, Gen Z consumers are also passionate about digital media and expect almost limitless choice about what media they can access from their devices – wherever they are. Around one-third of people in this group use new media or social media channels to stay up-to-date about current affairs, with only 24 relying on traditional media. Media companies are already adopting to this trend by offering increasingly customisable content on demand through their own media libraries. And "on demand" is really a key term when trying to understand this generation: Two-thirds of young consumers indicated that they stream movies and TV from platforms like Netflix or Amazon Prime at least once a day, while almost half stream music via services like Spotify.

More than a store

Gen Z consumers are also far more influenced by digital advertising channels or online reviews than other consumers. On top of this, one-quarter of Gen Z respondents stated that they've been influenced by influencers or celebrities. Companies that want to appeal to these shoppers need to focus their marketing strategies on the right channels, endorsements and mobile-ready content – but they also need to keep in mind the surprising fact that this generation actually visits physical stores more frequently than any other age group. When they hit the shops, they want a customer experience that combines offline and online features, while they also place a huge importance on convenience when comes to navigating the store and paying for goods. In fact, our survey showed that Gen Z consumers are more interested in digital financial services or virtual currencies than other age groups. And once they've paid for products, they have high expectations for flexible and transparent delivery options.

Transforming travel and transport

Our survey also showed that Gen Z has unique expectations when it comes to getting from A to B. Young consumers are used to public transport and value journey times for communication and entertainment, which means seamless connectivity during travel is highly important for this group. Alongside this, Gen Z consumers don't place much value on the idea of owning a vehicle – so car companies will need to explore attractive offers, innovative technologies and fresh concepts to capture their attention. And even when these consumers are making decision about travel related to holidays rather than commuting, people in Gen Z want interactive service channels like webchats or AI-supported booking platforms to help them select the right destination.

Learn from Gen Z

Companies in every industry can open up exciting opportunities to build loyal relationships with this generation as soon as possible – by understanding how their values and preferences affect their day-to-day decisions. Listen to Gen Z. Learn from Gen Z. And adapt your business model to give Gen Z what they want, when they want it – before your competitors do.

Methodology

In the course of our annual Global Consumer Insights Survey, we interviewed almost 22,000 consumers across 27 countries about their shopping preferences. As a result, we are able to present insights into how and where consumers shop, and what they expect from retailers. We can provide you with detailed analysis of consumer behaviour in all 27 countries.

The Global Consumer Insights Survey provides valuable insights into the consumer behaviour of around 9,700 respondents in 11 countries in Europe.

Fig. 21 The "Europe Consumer Insights Survey" covers 9,700 respondents in 11 countries in Europe

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Our clients face diverse challenges, strive to put new ideas into practice and seek expert advice. They turn to us for comprehensive support and practical solutions that deliver maximum value. Whether for a global player, a family business or a public institution, we leverage all of our assets: experience, industry knowledge, high standards of quality, commitment to innovation and the resources of our expert network in 157 countries. Building a trusting and cooperative relationship with our clients is particularly important to us – the better we know and understand our clients' needs, the more effectively we can support them.

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