

KANTAR

The Retail Reveal: Future-proofing for Gen Z to Alpha

Shaping retail strategies for the
next decade

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REGION: GLOBAL

Introduction

As Gen Z and Alpha transition into adulthood over the next decade, their influence in the retail sector is set to grow significantly.

This report delves into how their evolving priorities and behaviours will transform retail strategies. We provide a comprehensive guide for brands and retailers to develop long-term strategies that resonate with these future consumers using our **six key themes**.



Read on for actionable insights and practical approaches to stay ahead in the evolving future retail landscape, where Gen Z and Alpha will be the dominant consumer forces.

In 2035 Gen Z and Alpha will be 43% of the population and 50% of the workforce.

Executive summary

OVERVIEW

By 2035, Gen Z and Alpha will comprise 50% of the workforce, significantly influencing the retail sector. While core human needs remain constant, attitudes and behaviours are shaped by external circumstances. Both generations are coming of age in a time of unprecedented global connectivity, technological advancements, economic turmoil, and political polarization. They seek meaning and connection, and their purchasing decisions are deeply intertwined with their worldview. This report explores how their evolving priorities and behaviours will transform retail strategies. We provide a comprehensive guide for brands and retailers, using the Kantar six key themes to develop long-term strategies that resonate with these future consumers. Understanding and adapting to these shifts will be crucial for staying ahead in the competitive retail landscape.

WHAT YOU CAN EXPECT?

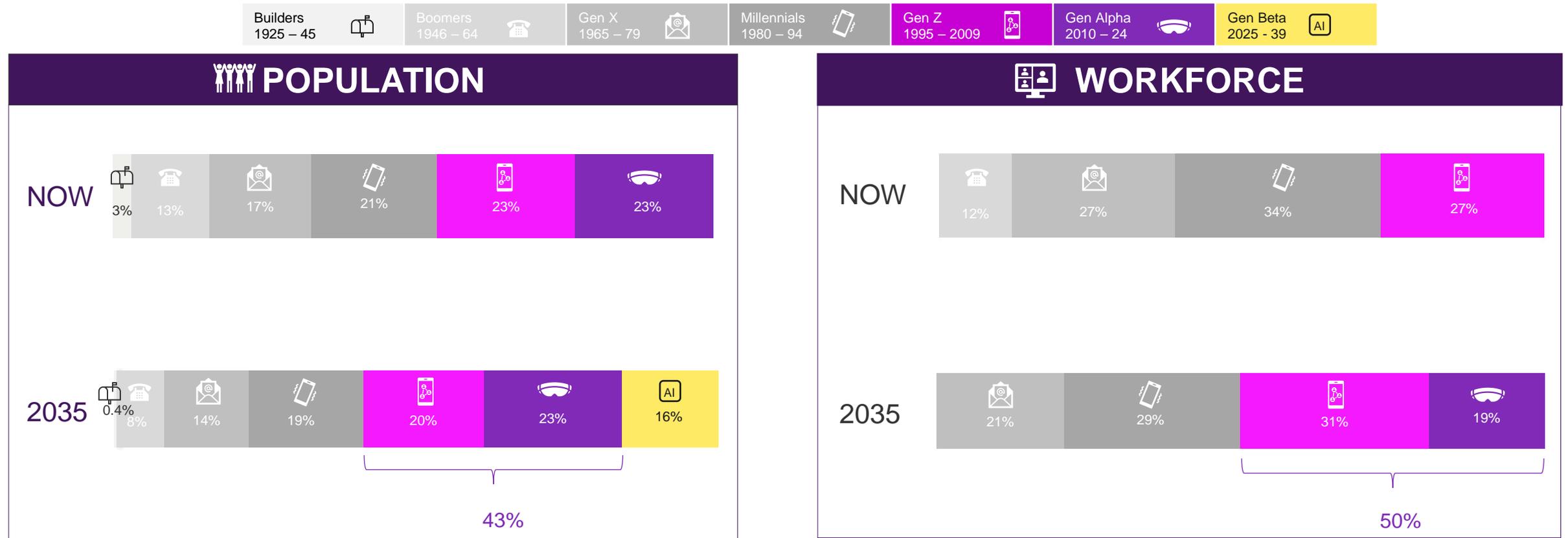
-  **Planning on uncertainty:** Retailers have to curry favour with empathy, apt messaging and nuanced solutions.
-  **Shifting power dynamics:** Between expansion and transformation, actors are navigating and adapting to new cohorts
-  **Striking a balance:** Digital matters to this cohort, but brick-and-mortar stores should not be neglected
-  **Value as a virtue:** Demand for authenticity and sustainability will transform the future of retail
-  **Digital revolution:** Digital technologies will be critical in shaping the shopping experience and defining success
-  **Sustainable pledges:** Actions need to speak louder than words as expectations on retailers and brands increase.

KEY TAKEAWAYS

- From personalization to prediction –** Gen Z and Alpha expect predictive experiences via AI and technology that anticipate their preferences, driving a truly hyper-personalized offer.
- Embrace product innovation –** In an era of globalized retail, product innovation is crucial as educated consumers prioritize performance over prestige, prompting retailers to invest in unique, data-driven product development and packaging to attract younger consumers.
- Storytelling over sales pitches –** Gen Z and Alpha prefer organic marketing and influencer partnerships over direct advertising, necessitating brands and retailers to craft meaningful stories and long-term connections to avoid advertising fatigue.
- Achieving an equilibrium: People and the Planet –** Both cohorts prioritize sustainability and ethics, supporting transparent brands that balance supporting people and protecting the planet, requiring brands to clearly communicate their ethical efforts.
- From transactions to community-enabled commerce –** These generations value community and shared values in shopping, urging brands to foster engagement, personalised experiences and social initiatives.

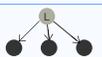
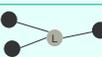
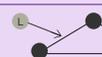
Get ready for the big transition

By 2035 43% of the population will be Gen Z and Alpha, and will be 50% of the workforce



What defines generations?

Parenting, economic conditions, political events, and technology shape the outlook of each generation

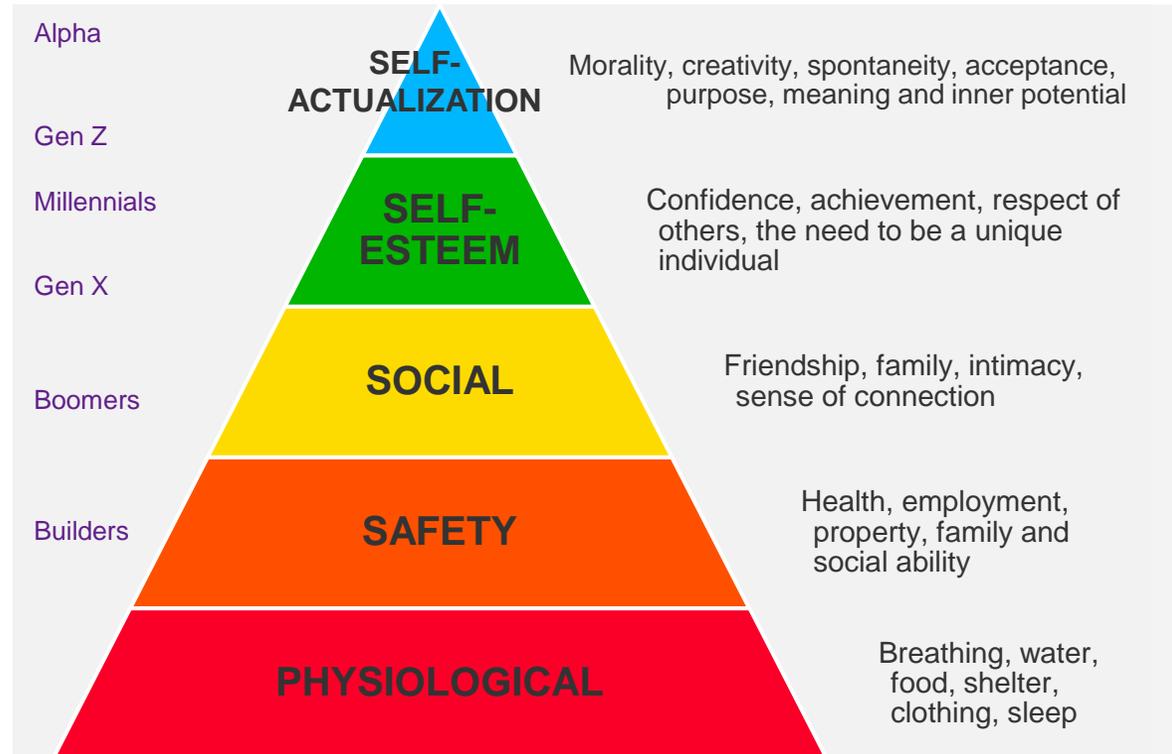
World Population (billions)	1920 1.6B	1940 2.3B	1960 3.0B	1980 4.4B	2000 6.1B	2020 7.7B
	Builders Born 1925 – 1945	Boomers Born 1946 – 1964	Gen X Born 1965 – 1979	Millennials Born 1980 – 1994	Gen Z Born 1997 – 2009	Gen Alpha Born 2010 – 2024
Defining events and cultural influences	World War II Rationing Rock'n'Roll Nuclear families Fixed gender roles – especially for women	Cold War Moon landing Economic boom "Swinging Sixties" Youth culture/Woodstock Rise of the teenager	End of the Cold War Fall of Berlin Wall Watergate Latch-key kids Rising levels of divorce Introduction of the first PC	9/11 & Invasion of Iraq Privatisation Video games Reality TV/Internet Helicopter parenting – Parented by Boomers	Financial Crash Climate crisis Smartphones Social media Gentle parenting Parented by Gen X	Covid-19/lockdowns Permacrisis Social justice Political polarization 'iPad kids' Parented by Millennials
Key Technology						
Aspiration	Home ownership	Job security	Work-life balance	Freedom & flexibility	Security & stability	Achieve potential
Stereotypes/ myths	Conservative, patriotic, Thrifty, hardworking	Competitive, self-centred, community minded	Cynical, Self-reliant, pessimistic, Independent	Creative, anxious, entitled relationship centred	Frugal, self-care focused, blunt, anxious	Demanding consumers, inclusive, short attention span, future focused
Attitude to technology	Largely disengaged	Early adaptors	Digital immigrants	Digital pioneers	Always online	Immersed online
Leadership style/ Ideal leader	 Commander/Controlling	 Directing/Thinker	 Coordinating/Doer	 Guiding/Supporter	 Empowering/Collaborator	 Inspiring/Co-creator
Payments	Cash	Cash/Cheque	Cash/Credit card	Credit card/Cash	Digital/Credit Card	Digital/Virtual
Influence advice	Officials	Experts	Practitioners	Peers- forums	Social media	Influencers
Marketing	Print (traditional)	Broadcast (mass)	Direct (targeted)	Direct (social)	In Situ (real-time)	Everywhere, all at once

* The above is most applicable to OECD countries, but has global application for later generations

Circumstances change – but humans remain the same

From basic needs to self-actualization: How generations adapt

Maslow's hierarchy of needs



In 1943, Abraham Maslow presented his theory of human motivation, often depicted as a pyramid of universal human needs, starting with the most essential physiological needs at the base. As core needs become less precarious it allows humans the opportunity to consider needs further up the pyramid.

Against the backdrop of a century marked by economic turmoil, global conflicts, technological advancements, and societal shifts, human core needs have remained constant, even as their interpretation changes. **Modern life increasingly allows people to focus on the upper part of Maslow's pyramid more than ever before.**

While the Builders (born 1925-1945) faced significant global conflicts, food insecurity, and other challenges, the Boomers (1946-1965) were born into a period of economic growth that lasted throughout the 1970s. This era saw rising consumerism and a focus on social needs. With the advent of large-scale technology and societal shifts, **Gen Z and Alpha focus on acceptance, purpose, and morality—needs related to self-actualization.** We increasingly see this affect their decision-making, including purchasing.

Despite these shifts, core needs remain constant, even if their interpretation evolves. For instance, while Boomers aspired to home ownership (physiological/safety need), this concern persists among Gen Z in an era of increasing home unaffordability.

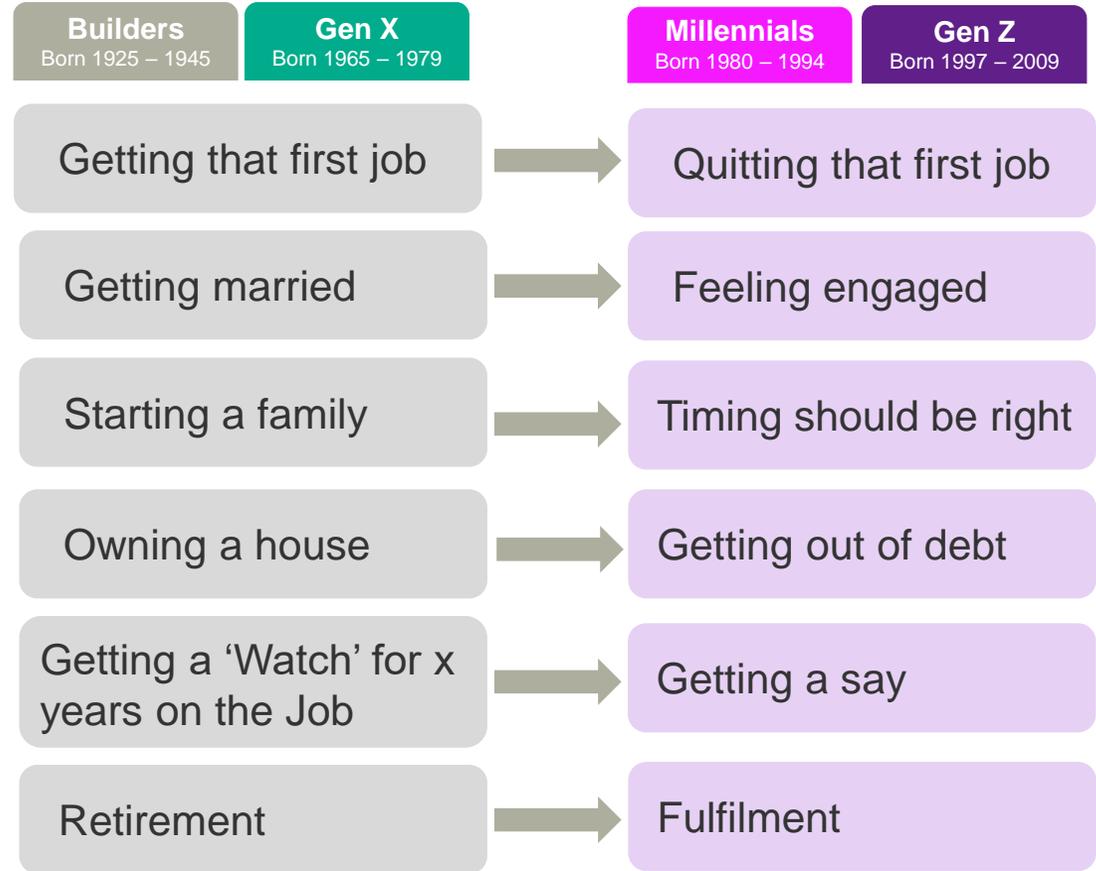
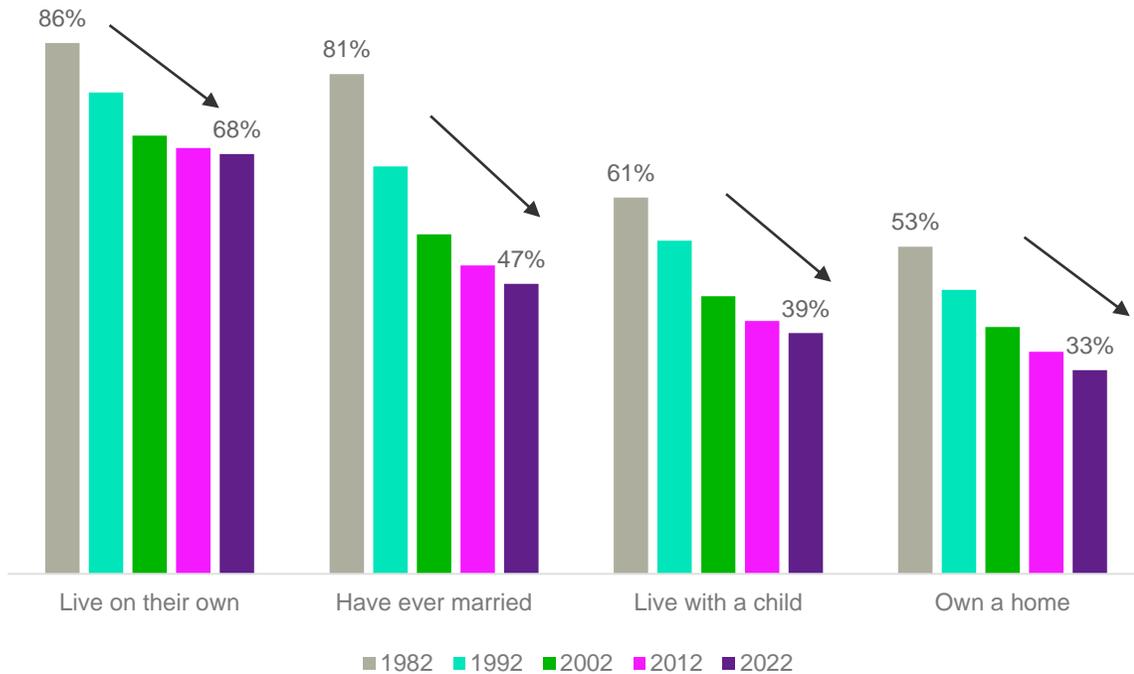
Gen Z and Alpha also express a need for community and connection (social); however, unlike previous generations, many value online connections as much as real-world relationships. **Though there are stark differences in outlook and behaviour between generations, it's important to remember that at their core, human needs remain the same.**

Navigating new life paths, shifting away from the past generations' norms

Milestones have evolved across generations, carrying different values and meanings

The New Milestones

Percentage of 30-year olds hitting 'adult' milestones



Meet Generation Z

Gen Z will shape the future with their digital skills and diverse perspectives

Gen Z

1995-2009

The oldest Gen Z members are currently 27 years old. They are digital natives, having grown up with technology.

2 BILLION

Gen Z numbers around 2 billion globally, making up 23% of the global population, also being a significant force in shaping future trends

USD3.2 TR

By 2030, Gen Z's economic influence is expected to reach USD3.2 trillion



NEED TO KNOWS

Values

Gen Z is highly connected, spending significant time online and on social media.

They prioritize sustainability, diversity, and inclusivity in their choices.

Gen Z values experiences over possessions and prefers brands that align with their values.

Purchasing drivers



MYTHBUSTING

Myth #1: Gen Z is not interested in physical retail and brick-and-mortar stores, increasingly preferring online means of shopping.

Reality: Gen Z shoppers are more likely to buy new items in-store, especially in particular categories. When it comes to purchasing habits, to better appeal to this cohort, offering a true omnichannel value proposition is key—one that blends digital with physical, creating truly memorable experience both in-store and online.

Myth #2 : Given the huge influence of social media on Gen Z, this group is often perceived as a 'Keeping up with the trends' generation, which translates to being harder to lock in loyalty.

Reality: Gen Z is looking beyond tangible products and actually trying to understand the 'mission' and 'purpose' of a company they purchase from. Brand loyalty has never been more relevant, albeit changing different form and shape—one that encompasses values, purpose and a 'give back' mentality, rather than a mere financial transaction.

Meet Generation Alpha

Generation Alpha: Driven by technology and eager to make a positive impact

Gen Alpha

2010-2024



The oldest Gen Alpha's are currently 14 years old. They are sometimes called 'mini-millennials', as the majority of them have millennial parents.

2 BILLION

Gen Alpha will number around 2.5 billion people—the largest generation ever.

USD5.46 TR

By 2029 Gen Alpha's economic footprint is forecast to reach USD5.46 trillion.

NEED TO KNOWS

Values



Gen Alpha also align with Gen Z concerns around sustainability with 30% US Alphas saying they want to grow up to help the people or planet.



75% of 8–10-year-olds say they are thinking about mental health and identify disconnecting from technology as a way to support mental wellbeing.



It's likely Gen Alpha will exhibit some millennial traits, like nostalgia and greater brand loyalty, while Gen Z were influenced by their Gen X parent's cynicism and anti-consumerism.

Purchasing drivers



Price



ESG



**Values/Nostalgia
Give
back**



**Story
telling**



Convenience

MYTHBUSTING

Myth #1: In-store shopping does not appeal to Gen Alpha

Reality: By 2025, 28% of Alpha spending is forecast to be via physical retail, with 63% online and 15% via social commerce. 69% enjoy shopping in-store vs 63% online, highlighting the importance of offering enjoyable store experiences.

Myth#2: Gen Alpha are too young to develop brand preferences

Reality: Gen Alpha are highly brand aware, partly influenced by their Millennial parents. We see this in their clear preferences for skincare brands. The success of 'mini brands' is a key vehicle for brands to increase awareness with younger shoppers. Similar to Gen Z, they are more considered in the brands they champion, and it will be important that brands align with their values.

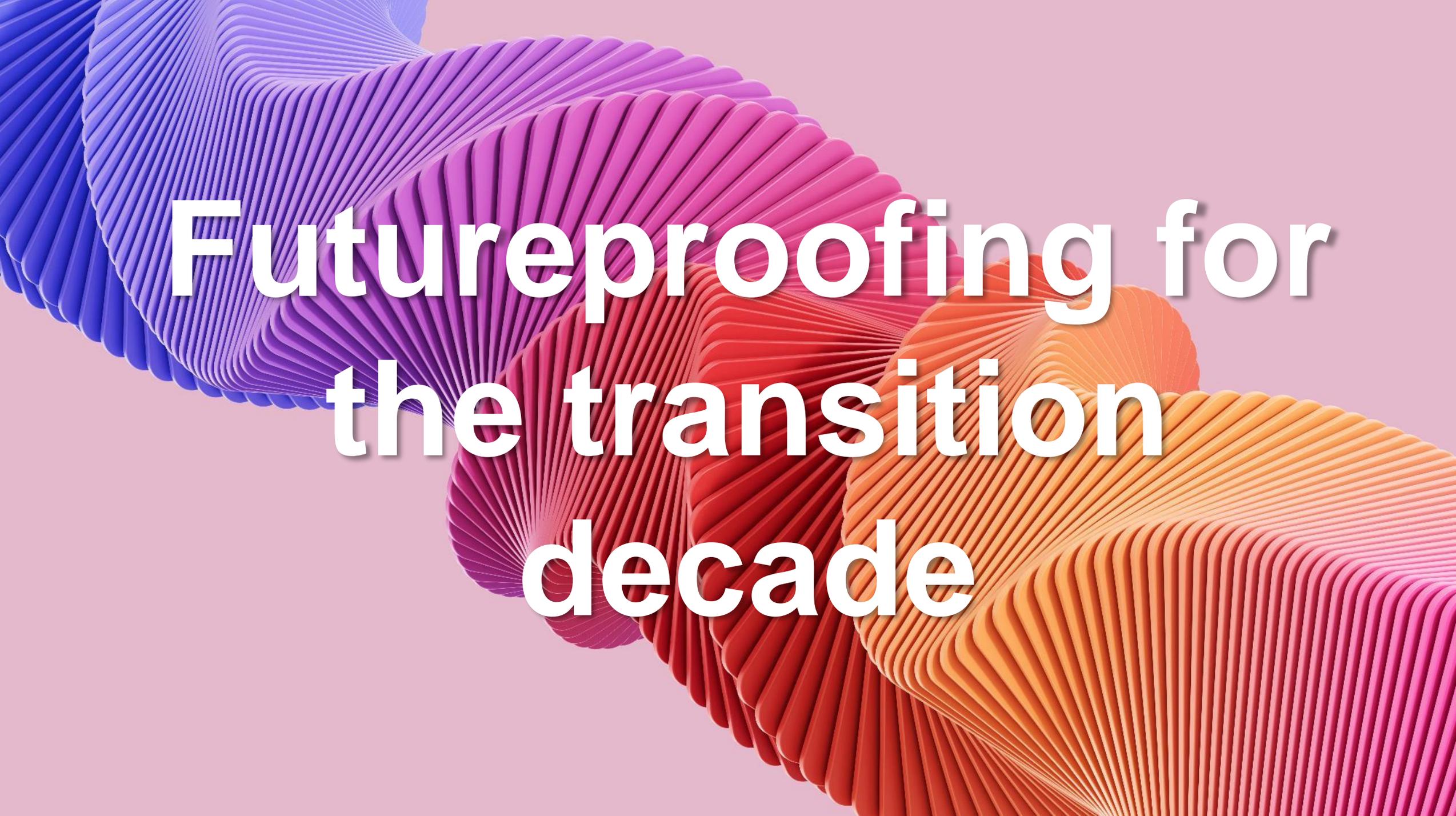
Myth#3: Gen Alpha are tech-savvy

Reality: While it's true Gen Alpha have been immersed in technology from a young age, they are more aware than ever of their mental health. 74% go outside or reduce their technology usage to manage mental health. Gen Alpha are used to apps, algorithms and wearables as opposed to google search. They will increasingly expect predictive suggestions over personalization and quality over quantity in their scrolling time.

Adapting the narrative: An ever-evolving path-to-purchase

The youngest consumer generations are upending companies' expectations





Futureproofing for the transition decade

Kantar's six themes for thriving in the Gen Z and Alpha transition era

1

Planning on uncertainty



- Budget conscious consumer
- Be pragmatic & transparent

Retailers have to curry favour with empathy, apt messaging and nuanced solutions

2

Shifting power dynamics



- Product differentiation
- Brands under pressure
- Understand Gen Alpha

Between expansion and transformation, actors are navigating and adapting to new cohorts

3

Striking a balance



- Invest in virtue
- Ramp up omni strategies
- Beware RMN saturation

Digital matters to this cohort, but stores should not be neglected

4

Value as a virtue



- Authenticity and socially responsible values
- Omni is non-negotiable
- Limitless touchpoints to connect

Demand for authenticity and sustainability will transform the future of retail

5

Digital revolution



- Transformation continues
- Elevating experience
- Seamless is table stakes

Digital technologies will be critical in shaping the shopping experience and defining success

6

Sustainable pledges



- Intensifying sentiment
- Pledges vs. prices
- Voting with wallet and loyalty

Actions need to speak louder than words as expectations on retailers and brands increase

Planning on uncertainty

Retailers have to curry Gen Z's favour with empathy, apt messaging and nuanced solutions

OVERVIEW

The youngest Gen Z and the oldest Gen Alpha will distinctly remember a time in their childhood when they could not leave the house due to the pandemic.

As adults, they will also recall their parents' worrying about the spread of global conflict, high inflation and affordability challenges. They will have experienced some form of austerity in their homes between 2020 and 2025/6 and the concept of navigating uncertainty will be the hallmark of their teen and early adult life.

Positively, they will have benefited from spending a lot of time with their parents as a high proportion of them have switched to working hybrid or fully working from home. The outcome is a generation that will likely be mindful about fiscal responsibility and proactive about political engagement. They will certainly not take stability for granted despite.

FUTURE-PROOFING STRATEGIES

Gen Z will forever have uncertainty in their memory bank which will shape their outlook on how to handle their money. Retailers and brands will need to:

- Provide **pragmatic solutions** while being very transparent
- **Flex the tone** when engaging with younger cohorts as they transition across life-stages, bearing in mind what shapes their psyche
- Consider **behaviours** that will become **entrenched for life** e.g. 69% of the Gen Z said they set a budget for themselves, compared with 42% of baby boomers

Gen Z's critical view of the economy and strong inclination to save money will drive retailers to be more communicative about pricing and affordability. On the one hand it can be subdued serious messaging (e.g. Sainsbury's assurance on price) or fun but still addressing affordability concerns (e.g. Aldi's messaging and trolling of competitors).

Sainsbury's boss writes to shoppers to give assurance on price



Retailers will consider how best to serve a growing cohort that will mostly work from home. This will drive a change in peak times for shopping and new hero categories both online and offline.



With up to 10 times higher conversion rates among younger audiences, integrating live commerce will yield significant benefits.

Shifting power dynamics

Between expansion and transformation, actors are navigating and adapting to new cohorts

OVERVIEW:

Gen Z is reshaping market dynamics with their focus on authenticity, sustainability, and social responsibility. Their preferences drive significant changes, including a surge in new brands due to lower entry barriers and direct-to-consumer sales via digital platforms.

Brands such as Temu appeal to Gen Z due to their affordability and ease of access via online platforms, contributing to their international expansion, while retailers enhance private labels to attract value-focused consumers.

Gen Z's trends include less alcohol consumption and a preference for cooking from scratch, reflecting slow living and work-from-home lifestyles. Social media, influencer marketing, and authentic content are crucial for engaging this demographic.

FUTURE-PROOFING STRATEGIES:

In a decade, Gen Z and Generation Alpha will dominate the consumer base, with Alpha reaching majority and Gen Z entering their 40s and starting families.

- **Focus on product differentiation:** Brands must innovate and differentiate their products to stand out in a competitive market shaped by Gen Z's emphasis on authenticity and sustainability.
- **Understanding Generation Alpha:** As Generation Alpha matures, influenced by millennial values, brands should anticipate their preferences for health, wellness, and ethical consumption. This demographic shift will redefine market demands and consumer behaviours.
- **Stay agile and responsive:** Continuously monitor and adapt to evolving consumer trends and behaviours.

RETAILERS AND BRANDS NAVIGATE THROUGH NEW POWER DYNAMICS

APPEALING TO GEN Z; TEMU'S RAPID GROWTH: Temu, launched in September 2022, rapidly expanded internationally, entering the US, Australia, New Zealand, and multiple European countries by April 2023. Its January 2024 entry into South Africa marked its presence in 49 countries, reflecting a bold ambition to lead the global ecommerce market swiftly. Temu is currently the most downloaded free app across many European markets. It was already popular enough in the US to be the most downloaded iPhone app in 2023.



BRANDS ADAPTING TO GEN Z: Glossier, introduced in 2014, gained popularity with Millennials for its minimalist skincare and makeup. Facing setbacks like the closure of Glossier Play and declining sales, the brand adapted. Recent moves include entering Sephora, expanding global shipping, and launching new products more frequently. These changes aim to appeal to Gen Z's expectations for inclusivity, sustainability, and accessible beauty options.

RETAILERS' TRANSFORMATION FOR NEW GENERATION:

Decathlon, the French sports giant founded in 1976, has repositioned itself with a new brand strategy focused on affordability and quality. Decathlon underwent a two-year transformation aligning 85 in-house brands under a unified identity, emphasizing inclusivity and enjoyment in sports. This overhaul aims to appeal to budget-conscious consumers, including Gen Z, by offering accessible yet high-quality products



Striking a balance

Digital matters to this cohort, but stores should not be neglected

OVERVIEW:

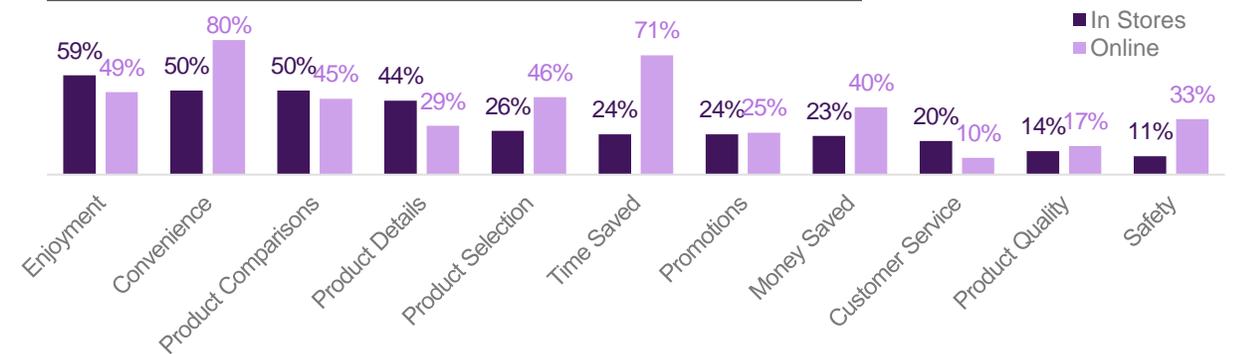
As the next decade unfolds, Gen Z and Alpha will prioritize convenience, sustainability and personalized experiences in their shopping habits. These tech-savvy cohorts will increasingly favour ecommerce and mobile shopping, expecting seamless integration between online and offline. Stores will need to enhance digital engagement, offering app-based loyalty programs, augmented reality for virtual try-ons, and instant checkout options. Sustainability will be crucial, with consumers seeking eco-friendly products and brands committed to environmental responsibility. Retailers must adopt green practices, from sustainable packaging to energy-efficient stores. Personalization will also be key; using data analytics, stores can tailor marketing, product recommendations and in-store experiences to individual preferences. Emphasizing unique, immersive shopping experiences will help attract these discerning shoppers and foster brand loyalty.

FUTURE-PROOFING STRATEGIES

- This applies particularly to supply chain/manufacturing sustainability. Virtuous products are assured long-term success and will be worth the cost and effort now to eventuate this. Flag progress made towards 'cleaner' products via social platforms to message around goals and outcomes.
- Stores will not lose relevance, but omnichannel activation will become increasingly important. Fulfilment needs and costs must be factored into future brand strategy, with considerations around PPA, packaging and ease of transport all requiring consideration.
- Be wary of oversaturating retail media in-store or online. Generations that have been raised in a world of advertising will likely be more attuned to marketing methods and more cynical about product claims that feel unrealistic or overly manipulative.

RISE OF DIGITAL COMMERCE WILL NOT MAKE STORES IRRELEVANT

US Shoppers: Reasons for Shopping Online vs. In-Store (%)



7-Eleven in SE Asia has boosted its reach with younger shoppers by making its stores destinations for those wanting to hang out and socialize. It provides plentiful seating and dining space, and regularly stages events to draw in shoppers (advertised via its prolific social media presence). 65% of its shoppers are aged under 30.



Tesco became the latest retailer to tap social trends, introducing in-store salad creation bays, inspired by TikTok healthy eating trends. Similar assortments adjustments are now commonplace.

Value as a Virtue

Demand for authenticity and sustainability will transform the future of retail

OVERVIEW:

Gen Z's shopping habits are deeply influenced by their vocal commitment to values such as authenticity, sustainability, and social responsibility. This generation's demand for convenience has fuelled the rise of quick commerce, while their quest for a sense of community has driven them to online platforms. Looking ahead, it remains to be seen whether Gen Z and Gen Alpha will continue to be as vocal about their values and whether these values will evolve. Retailers must adapt by identifying and aligning with these values through personalized and authentic experiences. Brands can meet these expectations by leveraging data to understand consumer behaviours and by ensuring their missions resonate with Gen Z's principles

FUTURE-PROOFING STRATEGIES

- Gen Z values brands that are authentic and socially responsible. Retailers should integrate these values into their strategies, support relevant causes, and be transparent about their efforts. Using social media to highlight these initiatives and sharing authentic stories will help build strong connections with Gen Z.
- Gen Z expects seamless online and offline shopping experiences. Retailers will continue to invest in omnichannel strategies that offer personalized interactions, frictionless checkouts, and mobile commerce technologies. This will ensure a consistent and relevant brand experience across all touchpoints.
- Quick commerce aligns with Gen Z's need for convenience. Retailers will adopt flexible supply chains and decentralized manufacturing. Building online communities and engaging with Gen Z on social media will further enhance loyalty. Innovative approaches like gamification and time-sensitive promotions will also be more commonplace.

In the past three months, Gen Z have chosen products based on:



American Eagle's Aerie brand has become a favourite among Gen Z consumers. The #AerieREAL Campaign focused on body positivity, diversity, and self-love by featuring models with different body shapes and colours, and committing to not retouching model images. They conducted extensive focus groups among young people to gather feedback on what they want, demonstrating a commitment to understanding and meeting Gen Z's needs

Gymshark's flagship store on appeals to Gen-Z shoppers by offering a gym, workspaces, and podcast studios fostering social interactions and wellness, reflecting Gen-Z's values of authenticity and inclusivity. By integrating digital elements into the physical experience, Gymshark resonates with their audience's demand for experiential, multifunctional retail settings.



Digital Revolution

New technologies will be critical in shaping the shopping experience and defining success

OVERVIEW:

Both generations are growing up in a digital world where technology permeates every aspect of life. For these consumers, omnichannel shopping is the norm, spanning online stores to social commerce. They are comfortable with technology and demand seamless, fast, and convenient shopping experiences across all platforms.

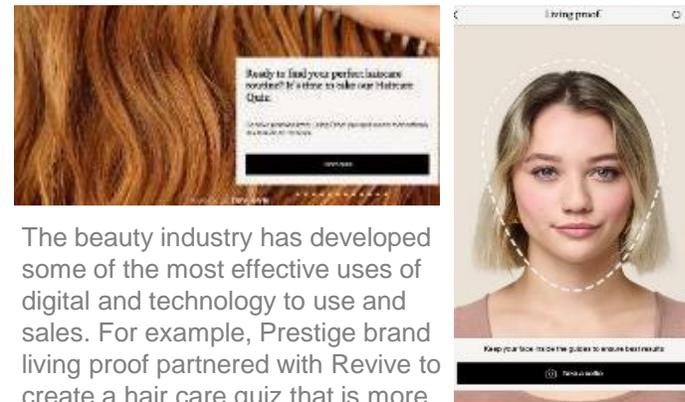
Social media plays a pivotal role in their purchasing decisions, with influencers and peer recommendations carrying more weight than traditional advertising. Retail media is also on this trajectory. The adoption of AR and VR in retail is increasing, offering immersive shopping experiences like virtual try-ons. Personalization and customization are highly valued and more accessible in a tech-ready world, allowing products and services to be tailored to individual preferences.

FUTURE-PROOFING STRATEGIES

- Ensure a seamless shopping experience. Retailers and brands must prioritize seamless, fast, and convenient technology integration across their business. This includes revamping the digital shopping experience with necessary investments to stay future-proofed. User-friendliness is paramount. A key focus should be on creating a smooth blend between online and offline shopping and integrating innovative technologies like AR and VR to enhance the shopping experience.
- Personalize the customer journey. Gen Z and Gen Alpha resonate with a more targeted/ tailored approach. Retailers should further utilize data analytics to understand customer preferences and behaviours. Offer personalized recommendations, discounts, and marketing (social media) that resonates with individuals. Engagement should reward loyalty and subscription models should be considered for shopper ease.

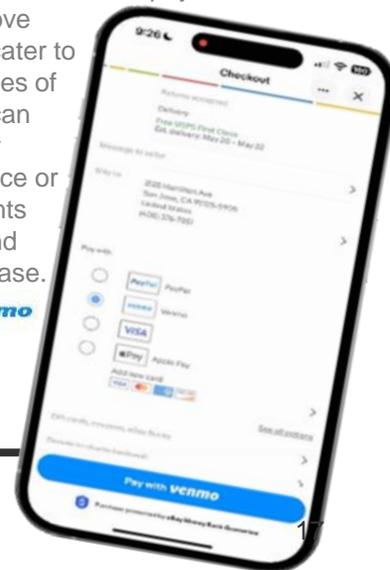
RETAILERS INVESTING IN DIGITAL AND TECHNOLOGY TO FUTURE-PROOF THEIR BUSINESSES FOR TOMORROW

Ahold Delhaize has launched a new tech studio, AD/01, in Bucharest, aiming to hire approximately 250 top tech talents in the upcoming years to bolster its digital and technological capabilities across its European brands. AD/01 is set to play a crucial role within Ahold Delhaize's digital, data, and tech ecosystem, focusing on diverse projects ranging from web and app development to strategic initiatives in ecommerce, infrastructure, data, loyalty, and core retail.



The beauty industry has developed some of the most effective uses of digital and technology to use and sales. For example, Prestige brand living proof partnered with Revive to create a hair care quiz that is more personalized than an average beauty survey and incorporated AI and VR to boost the shopper experience. Other channels will look to adapt some practices.

eBay has announced the addition of the Venmo digital wallet to its payment options, a move designed to cater to the preferences of Gen Z, who can now use their Venmo balance or linked accounts for a quick and secure purchase.



Sustainability pledges

Actions need to speak louder than words as expectations on retailers and brands increase

OVERVIEW:

Gen Z has long been leading the charge in environmental sustainability, expecting high standards of retailers. They prioritize holistic wellbeing, driving new missions and opportunities focused on health and wellness for people and the planet.

Alpha, the first sustainability-native generation, shows heightened interest in sustainability. This will drive retail investment in sustainable innovation and targeted consumer-focused activation. Rising expectations for channels like social commerce and convenience further support demand for eco and self-care missions with more personalization demand rising. Retailers are launching broader consumer initiatives surrounding environmental and personal well-being services and solutions. While price remains important, Gen Z and Gen Alpha's strong loyalty drivers and sustainability commitment reinforce a need for retailers to deliver innovative solutions more quickly and across multiple channels.

FUTURE-PROOFING STRATEGIES

- Both generations are more likely to purchase from retailers whose values align with their own, emphasizing a need to shift sustainability pledges into targeted, tangible actions. Retailers will look to brands to support on strategic goals and corporate targets.
- Gen Z is more price-sensitive but also embraces bigger and bolder innovation. Winning loyalty from Gen Z and Alpha is pivotal. Brands must use consumer data not only from traditional channels but also from emerging ones like social media and social commerce to fully engage with more digital first and sustainable native generations.
- Both cohorts are consuming information on consumer sustainability online. Therefore, retailers and brands must promote credible and accurate information to prevent risks of greenwashing, greenhushing, and potential commercial impacts.

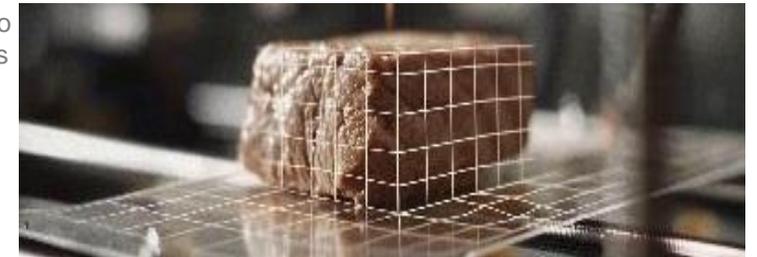
INNOVATING TO ATTRACT CONSCIOUS YOUNGER SHOPPERS

Boots, the UK's leading beauty retailer, is expanding its offerings with the addition of TikTok-trending brand Made by Mitchell. Launching online at boots.com and in 95 stores nationwide throughout July, Made by Mitchell, founded by makeup artist Mitchell Halliday in 2020, is renowned for its vibrant cosmetics, including the popular Blursh Balm and Curve Case. This move continues Boots' strategy of bringing trendy and sought-after beauty brands to its customers.



Kaufland Romania has introduced its virtual realm in the Roblox app, dubbed Kaufland World, offering users an array of games while earning Kaufland Card points. These games aim to educate younger generations on healthy eating habits and curbing food waste and gaining consumers subsequently earning loyalty

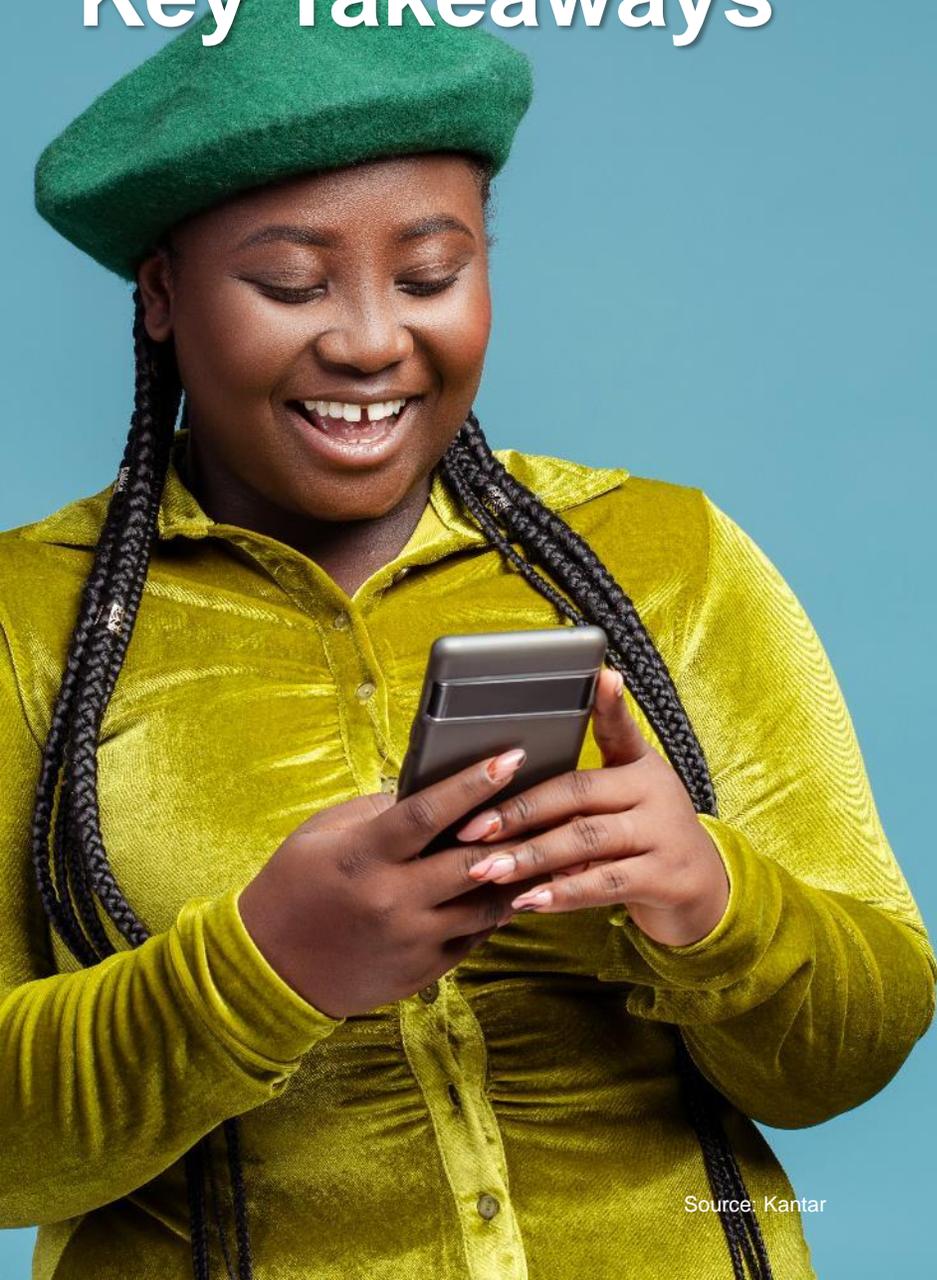
Gen Z and Gen Alpha are expected to be more accepting of new innovations and food trends according to the Cooperative predicted trends 2054. For examples, urban indoor farming and lab-grown meat will become mainstream, drastically altering traditional UK dishes.



Key Takeaways



Key Takeaways



Source: Kantar

1 From personalization to prediction

Gen Z and Alpha are setting new standards in retail expectations, moving beyond simple personalization to demand predictive experiences. They expect retail platforms and brands to leverage technology and AI to anticipate their preferences and deliver tailored recommendations seamlessly. For retailers, this means investing in advanced data analytics and AI-driven insights to stay ahead, creating shopping experiences that not only meet but exceed the anticipations of these tech-savvy consumers.

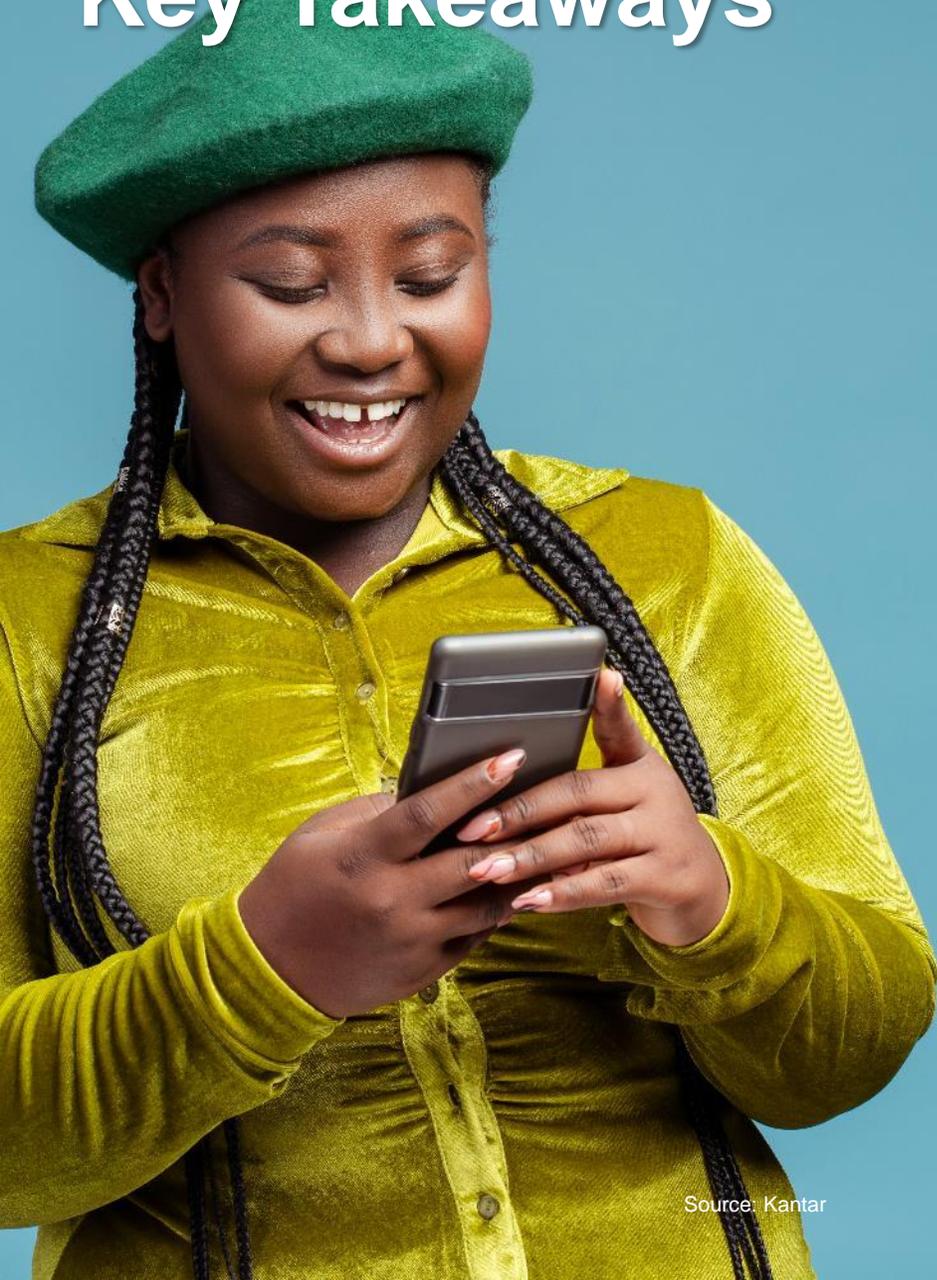
2 Embrace product innovation

In an era of globalized retail and increasing homogeneity, product innovation stands out as the key differentiator. With consumers more educated and focused on product performance, rather than relying on prestige brands, the rise of dupes highlights the need for unique offerings. Retailers must invest in innovative product development and packaging, using data-driven insights to align with emerging trends and interests. This approach will ensure they stay ahead in a competitive market, appealing to discerning Gen Z and Alpha consumers who value quality and innovation.

3 Storytelling over sales pitches

Gen Z and Alpha are increasingly sensitive to direct advertising, preferring organic marketing, often in partnership with influencers. With the rise of social media advertising, Retail Media Networks (RMN), and the return of ads on streaming platforms, there is a risk of advertising fatigue. Seamless storytelling will be essential, as these generations prioritize incorporating their values into purchasing decisions. Brands and retailers need to focus on crafting meaningful stories and long-term connections to resonate with these-future focused consumers.

Key Takeaways



Source: Kantar

4 **Achieving an equilibrium: people and the planet**

Gen Z and Gen Alpha are reshaping the retail landscape with their strong focus on sustainability and ethical values. They seek more from brands than just products, prioritizing transparency, ethical practices, and positive societal impact. These generations are willing to support brands and retailers that align with their values, favoring those that implement strong sustainable practices and actively contribute to social issues.

For them, they are looking to move away from the notion of 'people vs. the planet' and seek to achieve an equilibrium between supporting people and protecting the planet. Brands and retailers need to adopt transparent practices and clearly communicate their sustainability and ethical efforts. Actions need to speak louder than words indeed, which could lead to building stronger connections with these generations, while also enhancing brand loyalty and trust.

5 **From transactions to community-enabled commerce**

Gen Z and Gen Alpha are moving towards the notion of shopping is not just about buying products but about engaging with brands that foster a sense of community and shared values. These generations value interactions and experiences that connect them with like-minded individuals and support causes they care about.

Brands and retailers need to understand that to capture the loyalty of these consumers, they must create platforms for community engagement, offer personalized experiences, and actively participate in social and environmental initiatives. Emphasizing community-building and aligning with the ethical and social values of Gen Z and Gen Alpha can drive deeper connections and long-term loyalty.

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