

Gen Z

The Great Divide

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...being a young shopper



...being a young shopper today



Gen Z's formative years during permacrisis

Navigating a highly complex world



Silent
before 1952



Restriction

Babyboomer
1952-1966



Postmaterialism

Generation X
1967-1981



Hedonism

Millennials
1982-1996



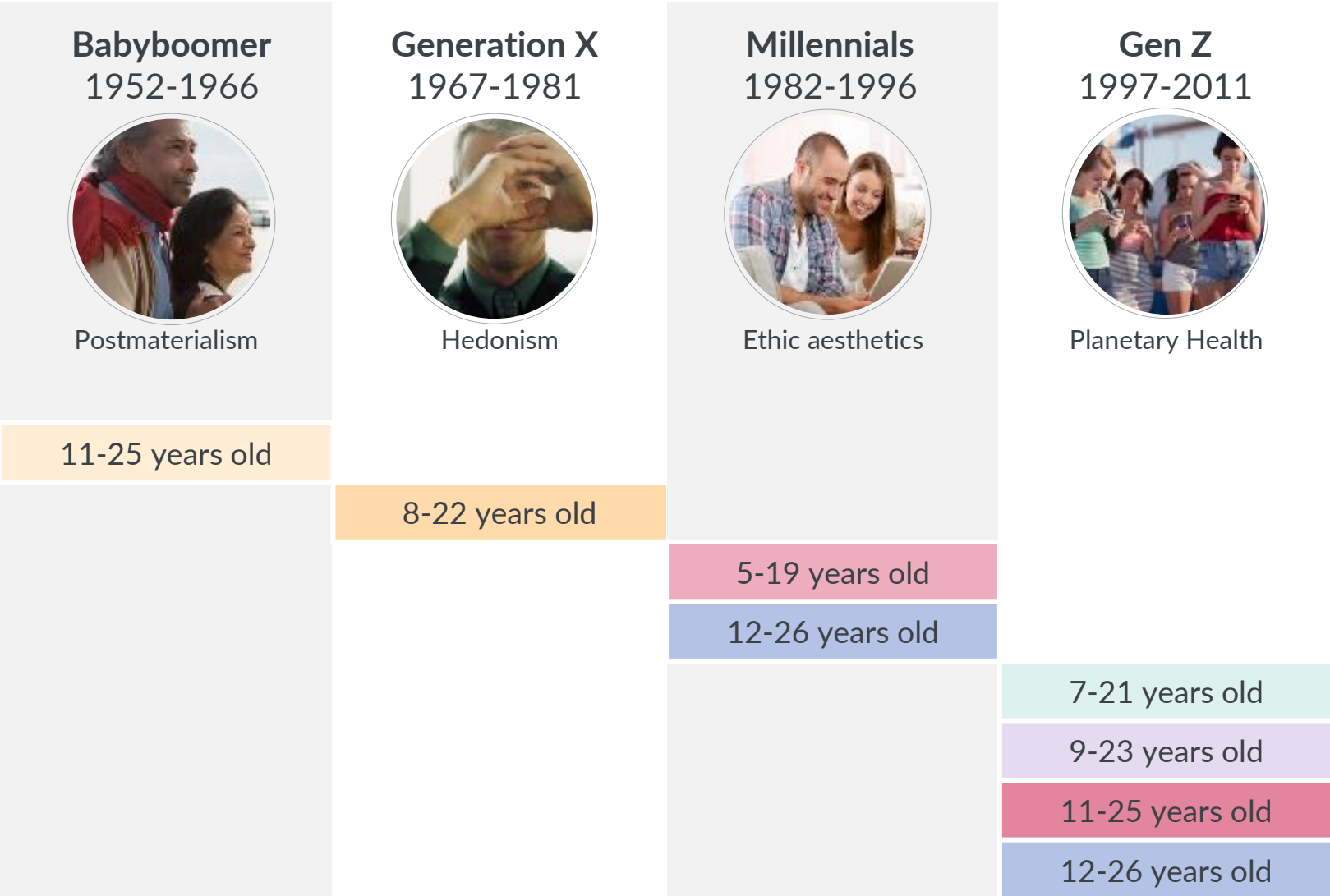
Ethic aesthetics

Gen Z
1997-2011



Planetary Health

- 1977 Silent Revolution
- 1989 Fall of Berlin Wall
- 2001 09/11
- 2008 Financial crisis
- 2018 Frid. for Future
- 2020 Covid
- 2022 Ukraine war
- 2023 Inflation



Greatly affecting the collective state of mind

Especially mental health a particular concern for Gen Z



Top concerns Boomers / Silent

- | | |
|---------------------------|-----|
| 1. Economic concerns | 49% |
| 2. Physical health | 43% |
| 3. Climate change | 37% |
| 4. My own/family safety | 35% |
| 5. Energy supply concerns | 27% |



Top concerns Gen Z

- | | |
|-------------------------|-----|
| 1. Economic concerns | 46% |
| 2. Climate change | 32% |
| 3. My own/family safety | 32% |
| 4. Waste and pollution | 27% |
| 5. Mental health | 26% |

The different mindsets lead to a lot of complexity

Gen Z looking for a rewarding life with many facets



Young

Self-realisation and self-discovery



Older

Entrenched and settled

Mindset

ENJOY	Use time meaningfully
SUPPORT	Simplify and optimise tasks
DIFFERENT	Striving for and defining self-realisation
BE PART OF THE GAME	Be liked by others and belong

ACTIVE	Be active and enjoy life
HERITAGE	Heritage and roots are important
EXPERIENCED	Habits are learned but not entrenched
DOWN TO EARTH	Not pleasing others but only yourself

Mega trends

TRENDY	Premium manufacturer and retailer own brands
NORMALITY	Sustainability is self-evident - but budget
LIFESTYLE	Health means going without - cheat moments



SETTLED	Medium brands and price entry retailer own brands dominate
CONVERSION	Sustainability becoming more relevant - guided by guilt
BALANCE	Health means balance - moments of pleasure

Pragmatism will stick

As new-born shoppers, they take and learn something from every crisis



2018/2019

2020/ 2021

2022

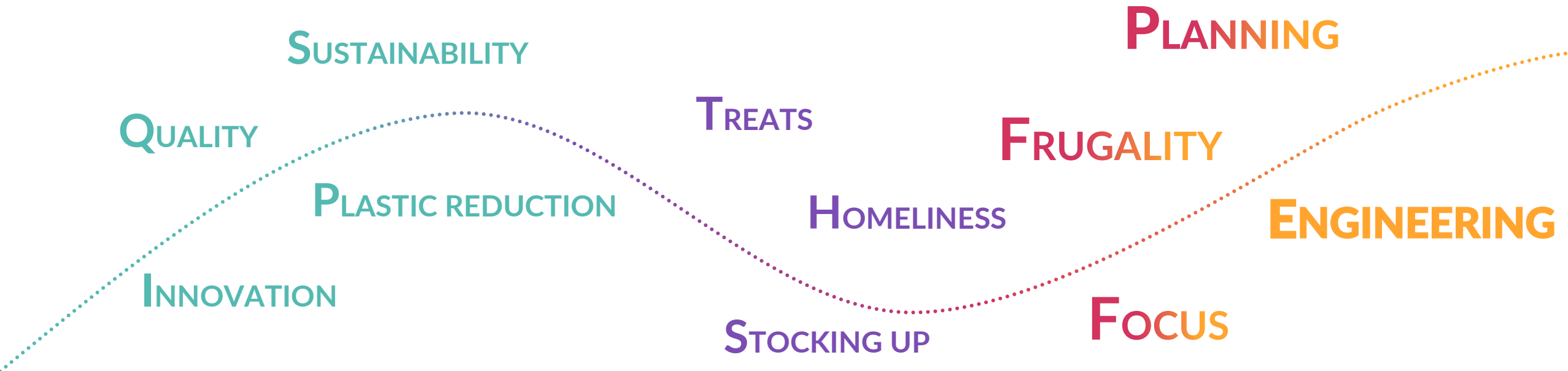
2023

Quality and Sustainability

Sustainability and Premium

Price and Pragmatism

Pragmatism and ...



Gen Z is brought up with PL and has “loyalty issues”

Brand choice is not a given

Gen Z PL share

3-5%

higher than average
gap is increasing

Retailer own brands
important for store choice

65%

(vs 61% av)

“Branded products are better than no name products”

Gen Z:

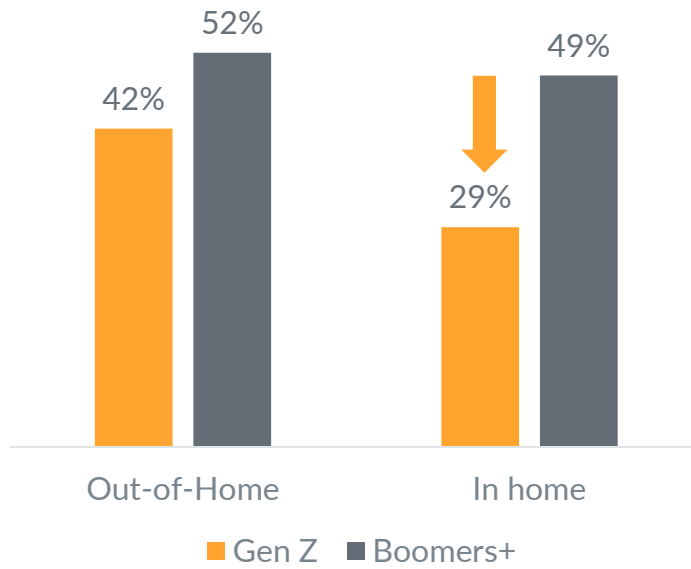
19%

agrees

45%

disagrees

“Cost-of-living will affect my behavior”





Gen Z brings the 'happy factor'

Less worried about C-o-L, less (brand) blame



I am **happy** I found new ways to save money

25%

ix 146



I am **angry** at brands/retailers for raising prices

30%

ix 76



I **understand** brands need to charge higher prices

30%

ix 131

Behavior change by Gen Z boosts in home market

Stockpiling and home cooking, rather than cutting



I plan to do (much) more...



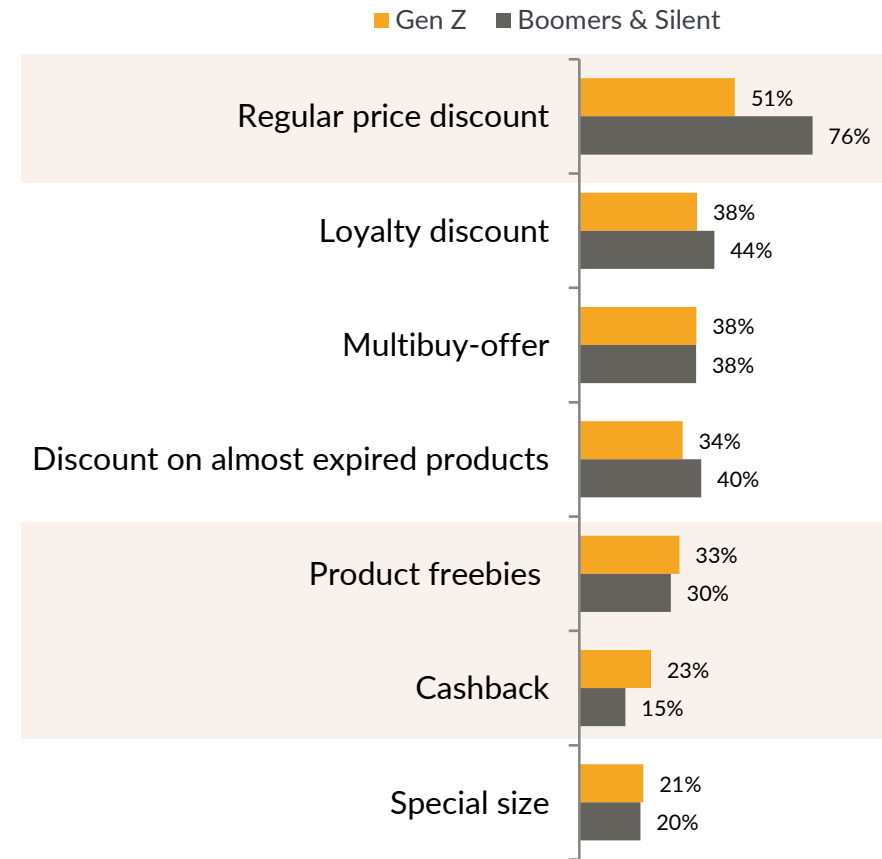
Source: CPS GfK Behavior Change



Sweet deals?



Most rewarding promotions



Kicking it with Gen Z

Shopping preferences: combining convenience & inspiration

I know what I want / need



Seals & stamps



Usage & feedback

Surprise me



Lists & shopping around



Promo & personalization

Thinking BIG



Ingredients & local



Improvement & reputation



Rewarding experience not all about me

Fun, functional and responsible



Sustainability has been around ever since I started grocery shopping

Sustainability

Ever since sustainability became a topic, I often find myself with a guilty conscience and having to justify myself



„I should not eat strawberries in winter, but I have my weak moments“

„We try to be good people, without the radicalism of the youth“

Lifestyle:

Cheat

Health

Balance:

Enjoy



Why not?

„I don't always want to eat the same. If I don't try something new, I can't discover new things“



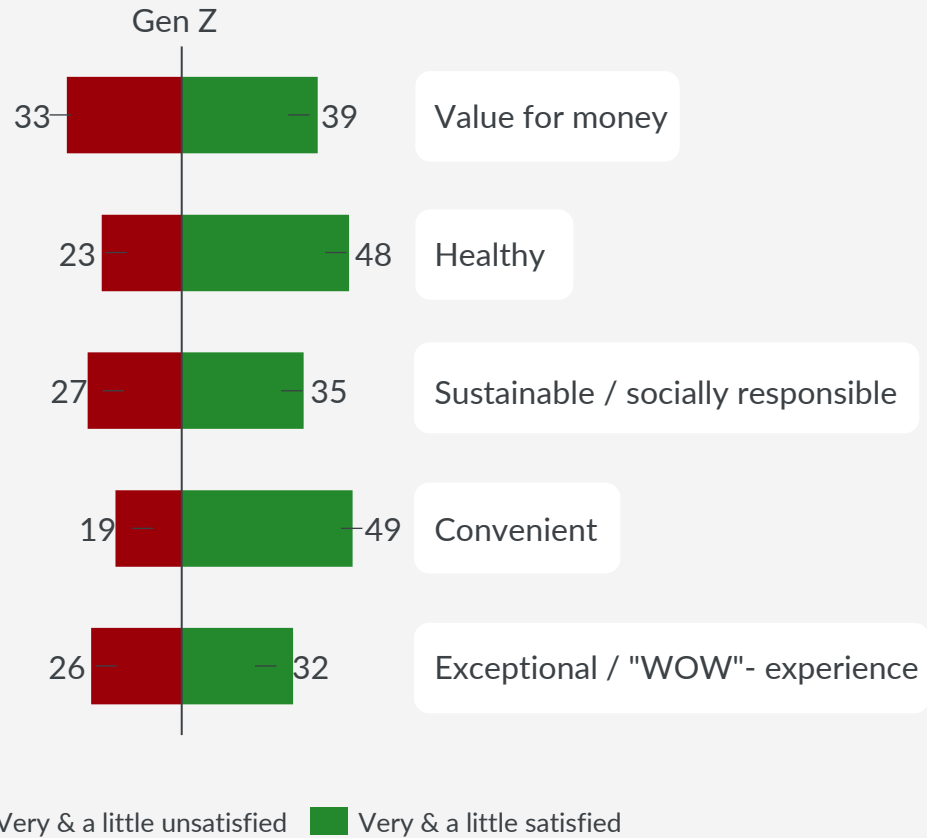
Why?

„I don't have to try something just because it's new“

Five dimensions: health and convenience most fulfilled

Shoppers dissatisfied with value for money; also "WOW" experience is lacking

How satisfied are you with the overall offer of everyday goods when it comes to these features



Winners' corner

Aspects have relatively high influencing power with Gen Z



As (future) shoppers, they make inherent lifestyle choices

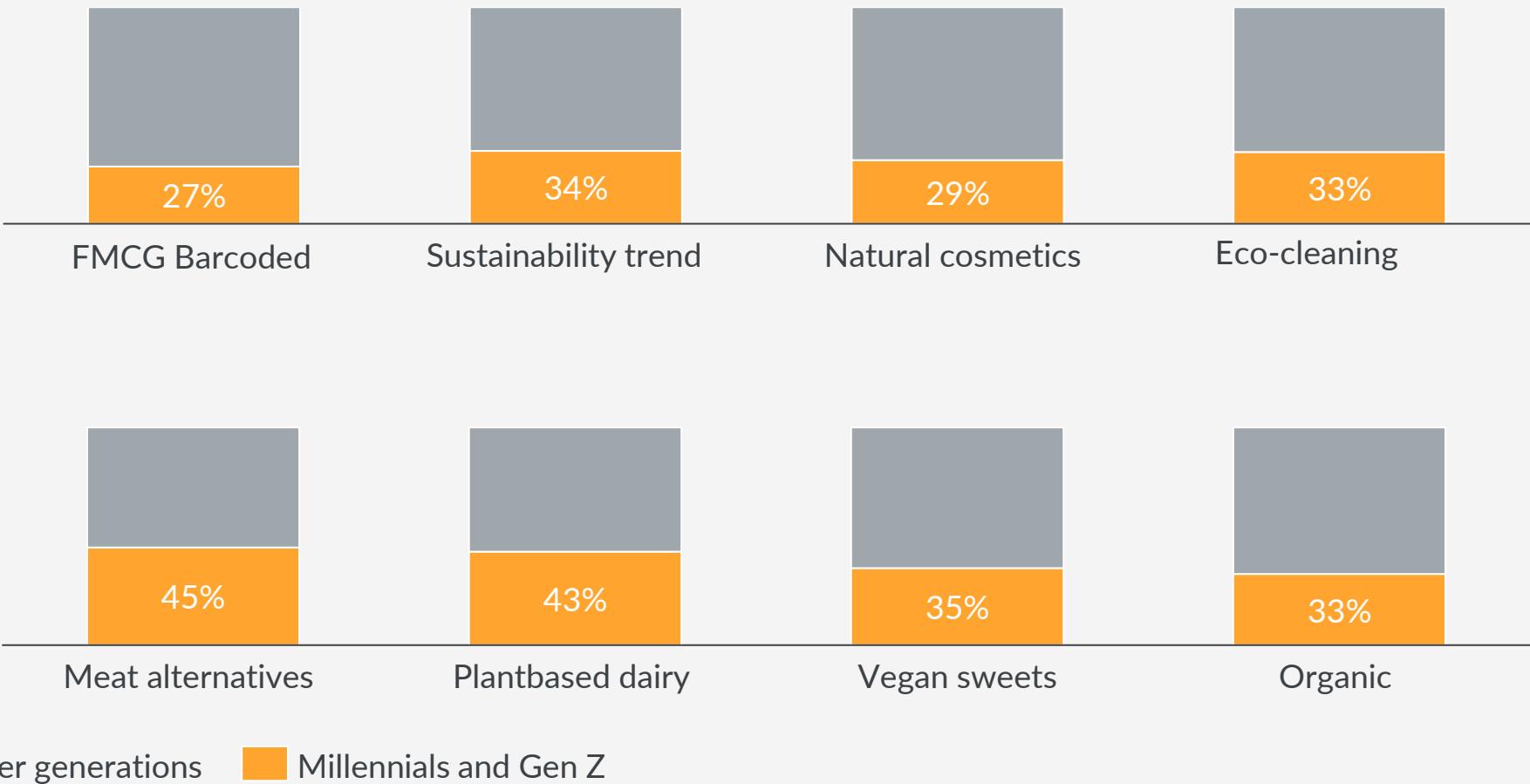
Sustainable-health offer like organic, natural personal care, plantbased, vegan alternatives



Value share

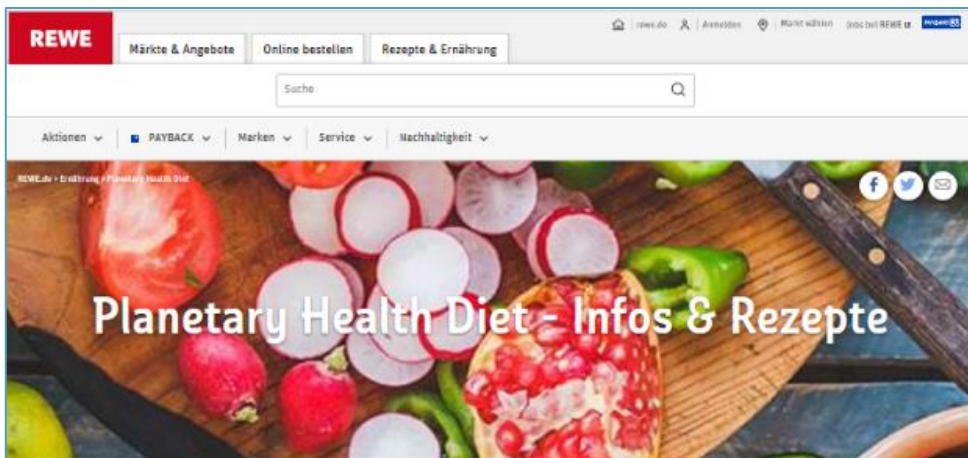
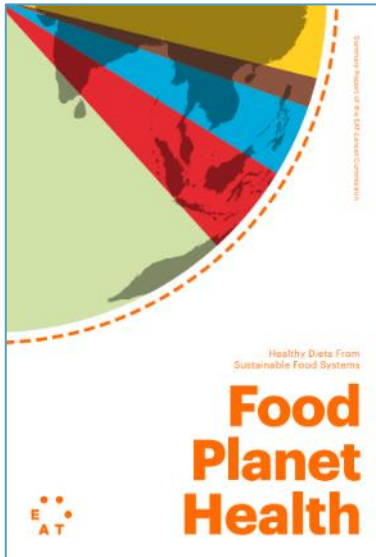


“Sustainability has been around ever since I started doing grocery shopping”



Planetary Health Diet

Good for me, good for the planet

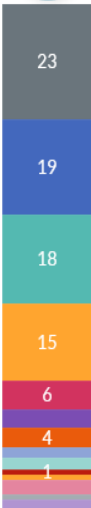


Within a few years remarkable change in young shoppers' diet

Holistic lifestyle change, closely connected with healthy living

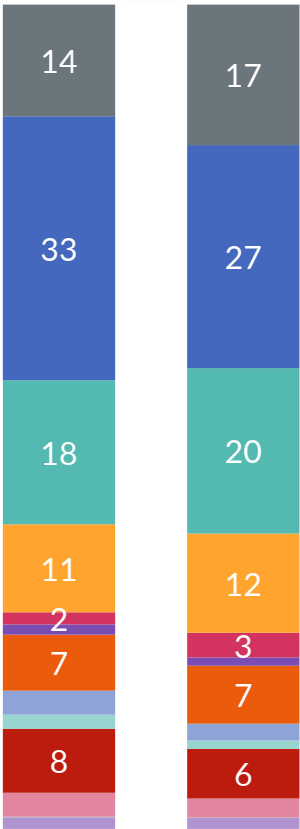


Volume share



100%

- Vegetables
- Dairy products
- Whole grain products
- Fruit
- Pulses
- Nuts
- Starchy vegetables
- Poultry
- Fish
- Red meat
- Eggs
- Unsaturated fats
- Saturated fats
- Sweeteners



<29
2017

<29
2023

+3



-6



+2



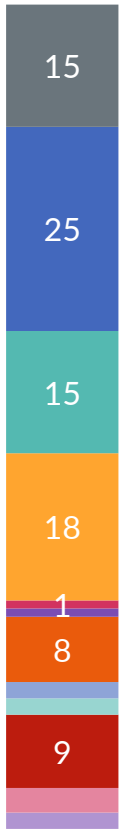
+1



+1



-2



>70
2017

>70
2023

+1



0



0



0



0



-1





#1

Build on **brand reputation** along path to purchase

#2

Holistic category vision: functional, emotional, responsible

#3

Prompt **trial**: not money saved but money well spent

#4

Gen Z **shopper inclusive**: feedback, recommendation, effort-saving

#5

Empower lifestyle change with promotions and rewards



Thank you

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