



# THE CHANGING FACE OF RETAIL:

Connecting with Gen X, Millennials, and Gen Z

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## Intro

The retail landscape is undergoing rapid and unprecedented transformation, fueled by technological advancements and evolving consumer behaviors and expectations. Brands must keep up to stay relevant and remain competitive in today's fast-paced world.

However, adapting to these changes is not a straightforward process, as each generation has unique needs, values, and expectations that brands need to take into account when developing marketing and retail strategies.

Zeta has conducted extensive research to examine the latest trends, such as the emergence of "phygital" retail, as the lines between digital and physical continue to blur, as well as sustainability, experiential retail, loyalty programs, and livestreaming. In this report, we will explore how brands can leverage these trends to create retail experiences tailored to each generation's unique needs.

# TOP TRENDS TO WATCH:

## From “Phygital” Retail to Sustainability and Beyond



### “Phygital” Retail

As modern shopping experiences transcend the barriers of physical and digital spaces, the emergence of “phygital” retail is one of the most prominent developments today. This trend encompasses a true omnichannel approach that incorporates in-the-moment connectivity with the right product, price, and promotion.

Digital commerce continues to gain momentum, with smartphone retail commerce sales projected to exceed [\\$400 billion in 2024](#). But as we emerge from the pandemic, consumers combine digital and offline habits to reach new levels of convenience. This has given way to new models such as buy online, pick up in-store (BOPIS) that enable customers to check out in a few clicks and pick up their items from a brick-and-mortar location. Beyond BOPIS, retailers are engaging their consumers with digital content in stores as well as QR codes to redirect to online sales for either endless aisle strategy or additional curated content by previous buyers. Same-day deliveries are also becoming increasingly common. Speed is of the essence, and today’s customer does not want to be kept waiting.

#### ZETA INSIGHTS

##### Shoppers Gonna Shop

Generation to generation, in-person shopping is declining while online shopping increases. But surprise—multi-brand shopping still increases by generation.

### Self-Serve

Customers are becoming increasingly independent in their shopping experience seeking out self-serve options. This has led to the rise of self-serve kiosks, mobile checkout options, and enhanced in-store Wi-Fi. Additionally, mobile app features like wayfinding and augmented reality are becoming more popular, giving customers the ability to navigate stores and access information independently.

## QR Codes

QR codes have gained popularity because of their ability to connect offline and online experiences seamlessly, providing quick access to information and creating engaging experiences for customers. The COVID-19 pandemic accelerated the adoption of QR codes as a touchless payment and menu ordering solution, making them a convenient and necessary part of daily life. QR codes helped open the aperture of older consumers in understanding how the technology works, making way for broadening conversions for boomers. QR codes are here to stay and will continue to evolve with new use cases and applications, like CTV ads.

## Sustainability and Recommerce

Sustainability is more than just a trend. Today's customer takes their environmental impact seriously and expects brands to demonstrate a genuine commitment to sustainability. This has led to the emergence of new retail trends and new revenue streams, such as pre-loved and refurbished product ranges, and the growth of recommerce platforms. However, different generations have differing perspectives and priorities when it comes to sustainability. Brands must gain a deep understanding of the generational nuances and integrate sustainable practices into their operations.

## Experiential Retail

Experiential retail is becoming increasingly important for brands as they seek to differentiate themselves and provide memorable, engaging experiences for customers. Take Nike's flagship store in New York City, which features a basketball court, a soccer field, and a treadmill for customers to test out their products. Or Sephora's Beauty TIP (Teach, Inspire, Play) Workshops, which offer interactive classes on makeup application, skincare, and fragrance. By creating immersive environments and incorporating interactive elements, businesses can connect with customers on a deeper level. Being able to separate your brand in a way that is hard to copy with online only retailers is key. If you can humanize the experience online making way for unique experiences there as well, that is a win-win for a brand.

## Loyalty Programs

Loyalty programs and a customer-centric approach are crucial for building and maintaining long-term relationships with customers. Loyalty programs incentivize customers to keep coming back by offering rewards, access, recognition, and exclusive benefits—and can also incorporate elements of experiential retail. Customer-centric policies like easy returns demonstrate a commitment to customer satisfaction and build trust. Loyalty programs are pivotal in retaining your customer base.

## Livestreaming & Curated Closets

Livestreaming has become an increasingly popular tool for brands such as Macy's, Nordstrom, H&M, and Walmart to engage with customers and promote their products. Using platforms like Instagram Live and Facebook Live, retailers showcase their products in real-time, answer customer questions, and create a sense of urgency to drive sales.

Curated closets—bespoke collections of clothing and accessories hand-picked by stylists and influencers—often feature in livestreaming events, as retailers seek to offer more personalized shopping experiences. Together, livestreaming and curated closets are transforming the retail industry by offering customers new ways to shop and connect with brands. Retailers need to go back to BOTH push and pull marketing. Curated closets are a great way to connect with the community of people that buy at a retailer.

Overall, the face of retail is changing. Brands must embrace these trends and changes in consumer habits to build meaningful connections with consumers and create long-term loyalty. In the next section, we will explore how brands can adapt the shopping experience to meet the unique needs of each generation.



The US livestream shopping market is estimated to be worth \$68 billion by 2026. Coresight Research has estimated that the US livestreaming market hit \$20 billion in 2022.

# HOW TO CONNECT WITH EACH GENERATION



Here is an executive overview of what makes each generation unique, and how best to connect with them.

## Gen Z

### Born 1997-2012

Tech-savvy, ethnically diverse & inclusive, Socially conscious.

#### Top 3 Ways to Connect

- Make your stores engaging
- Speed it up
- Listen to what they have to say

#### Most Likely to Say

“

I love going to stores that feel like an experience. If a store has cool displays, interactive features, and a fun atmosphere, I'm more likely to spend time there and maybe even buy something.

## Millennial

### Born 1981-1996

21.8% of population, big debt & less household wealth, starting families late if at all.

#### Top 3 Ways to Connect

- Ecommerce experiences
- Always make it personal and relevant
- Make it easy to do business with you

#### Most Likely to Say

“

I enjoy shopping online, but a clunky app or complicated returns process can be a major turn-off. When a company makes the process as seamless as possible, it shows they care.

## Gen X

### Born 1965-1980

19.3% of population, above average income, survived 3 recessions.

#### Top 3 Ways to Connect

- Be honest and transparent
- Reward customer loyalty
- Leverage social media

#### Most Likely to Say

“

I like it when a company is upfront and honest about its products or services. I'm loyal to my favorite brands, but I also like to know that my loyalty is appreciated.

# Deep-Dive: Connecting with Gen Z

## Who is Gen Z?

Gen Z is the youngest generation in the workforce and consumer market and currently makes up 20.2% of the population. They were born into a world where technology is ubiquitous and essential, which has shaped their communication, consumption habits, and perspectives on the world.

## What Matters Most to Gen Z?

### 'Phygital' Retail

Despite being digital natives, [47% of Gen Z](#) customers prefer to shop in-store rather than online, more than any other generation. However, they heavily pre-shop before visiting the brick-and-mortar store, using various digital tools such as mobile, social media, and friend-sourcing. Consumers are tired of being pushed ads that are irrelevant to them. This idea of being part of a community where 'someone like me' has a testimonial or a comment on a product is more what I am in tune with. Additionally, 77% of Gen Z prefer buying in-store but still use various digital channels for an integrated experience. This on-demand generation is also known for having the least patience and is embracing the emerging trend of "buy now pay later."

### Authenticity

Gen Z values authenticity in brands and companies. 95% prioritize authenticity over most other product or company attributes, such as design or social impact. They want to see the real, genuine aspects of a brand and not just the polished, corporate image. [82% prefer to buy](#) from a brand that uses real customers in advertising, as this demonstrates that the brand is willing to celebrate the diversity of its customer base. In a nutshell, Gen Z customers want to know exactly what they are buying and who they are buying from—warts and all.

### Sustainability & Social Responsibility

Gen Z is hyper-aware of the impact that businesses have on the environment and society as a whole. They are drawn to brands that use visual storytelling to showcase ethical practices and demonstrate social responsibility. Gen Z also values the input of ethical influencers and activists who align with their own values, and are more likely to support a brand that partners with these individuals or groups. The burden is on media and technology to fast-track what brands say and do, and Gen Z is watching closely.

## ZETA INSIGHTS

### Who's Sustaining Whom?

Most generations are consistent in their affinity to shop sustainable eCommerce. Only recently has the growth of sustainable eCommerce options impacted behavior.



### Value for Money

The youngest generation has the least spending power and is known for being highly price-conscious. During the pandemic, 6 in 10 became more conscious of their spending on fashion items. They prioritize quality over quantity and are willing to save up and spend more for a high-quality product that will last longer. However, they are also frugal, and will search for cheaper alternatives if necessary. Using mobile phones to look up alternatives is a core way in creating the decision path for these values: 'Can I buy this cheaper?' And 'what is the quality like?'

### ZETA INSIGHTS

#### Changing Values

High-end luxury shopping peaked with Gen X, whereas Gen Z and Millennials share the same affinity for value brands as wartime and depression-era shoppers.

## Deep-Dive: Connecting with Millennials

### Who are Millennials?

Millennials are currently in their late twenties to early forties, making them the second youngest generation in the workforce and consumer market. They have grown up with technology but also remember life before social media. Tech-savvy, diverse, and socially conscious, millennials tend to value work-life balance and experiences over material possessions.

### What Matters Most to Millennials?

#### Authenticity

Millennials value authenticity in brands and companies. 90% of Millennials choose brands they believe are authentic, and 43% of Millennials prioritize authenticity of a brand over content. Millennials are also quick to spot inauthenticity, with 30% having unfollowed brands that seemed fake or insincere.

#### Sustainability & Social Responsibility

Millennials are socially conscious and 75% prefer to buy from brands that are environmentally sustainable. While they may not always engage in action, such as recycling, they still prioritize sustainable practices and societal justice in their purchasing decisions. In fact, 75% of Millennials believe that brands should give back to society rather than just focusing on profits.

#### Transparency

Transparency is of utmost importance. Millennial customers want to know exactly what they are buying and who they are buying from. 84% will shop at a brand if there is more transparency. They want more action instead of empty promises, which is why brands like Everlane have gained popularity with their "radical transparency" promise.

#### Value for Money

Millennials are the most price-sensitive of all generations, with low prices driving their choice of brands and retailers. They are always looking for a good deal, especially if

it can be easily scanned and saved on their mobile devices. 68% of Millennials report that targeted promotions are effective in persuading them to buy.

#### ZETA INSIGHTS

**Something in Common**  
Millennials and Gen Z share the same psychographic profile traits: Family Oriented, Cheerful, and Excitement. They share these traits with the Silent Generation (1901-1924)

## Deep-Dive: Connecting with Gen X

### Who is Gen X?

Gen X is currently in their mid-forties to early fifties. They are often characterized as independent, adaptable, and pragmatic, with a strong work ethic and a focus on self-reliance. Unlike Baby Boomers who lived through economic growth and Millennials who came of age in the digital era, Gen X experienced economic instability, social change, and technological advancements during their formative years, which shaped their values and attitudes.

### What Matters Most to Gen X?

#### Transparency

Gen X is the most conservative generation when it comes to shopping, and trust is paramount for them. They are skeptical of marketing tactics and want to see it to believe it. 69% of Gen Xers believe that transparency is important for brands, and they prefer brands that are open and honest with them.

#### Sustainability & Social Responsibility

While Gen Xers may be skeptical of brands' sustainability claims, they are becoming more eco-conscious and invest the most in sustainable causes compared to other generations. Over 90% of Gen X consumers say they would spend at least 10% more on any kind of sustainable product, whereas two years ago not even 35% of them were willing to do so. They tend to be more focused on local communities rather than the broader global picture.

#### Value for Money

Despite being financially stable and outspending all other generations, Gen X places a significant emphasis on getting the best value for their money. They are known for their extensive research and will not make a purchase until they are convinced that it is worth their investment. They make thorough use of search engines, online reviews, and social media networks to gather information before making a purchase.

#### Loyalty

Gen X is a generation that displays extreme brand loyalty, with 84% being either extremely, moderately, or quite loyal to retail brands. This loyalty is driven by the availability of both long- and short-term rewards that are personalized to their individual needs and preferences.

#### ZETA INSIGHTS

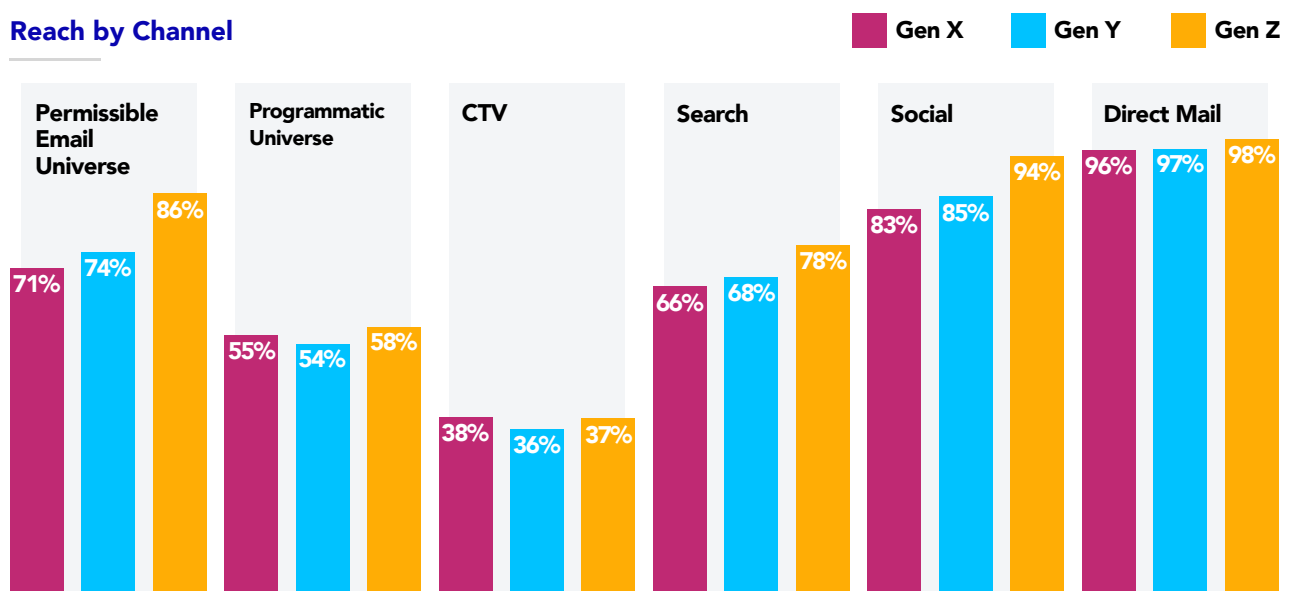
**Unapologetically X**  
Gen X reflects the most unique psychographic profile since 1901, with traits such as Real, Independent, Rugged, Reliable, Hardworking, and Secure.

# REACHING EACH GENERATION THROUGH THEIR PREFERRED CHANNELS



The three generations are not just different in terms of values and preferences. The channels they use to shop and engage with brands are different, too. Here is an overview of channel preferences by generation, measured by reach.

## Reach by Channel



**Direct Mail** is still the number one way to reach every generation, with social media and search following close behind

**Social** plays a key role in the lives of Millennials (85%) and Gen X (83%), but Gen Z is the most social generation, with an impressive 94% of the youngest generation being active on social.

**Search** isn't going anywhere, with 76% of Gen Z reachable via search, compared to 68% of Millennials and 66% of Gen X.

**Connected TV** shows the lowest reach across all generations. Gen Xers (38%) are most likely to be reached via CTV ads, followed by Gen Z (37%) and Millennials (36%).

# DIGITAL & RETAIL TRENDS BY GENERATION



## “Phygital” Retail: Online vs. In-Store

### Gen Z

Gen Z, the digital natives, view physical retail stores as more than just a place to buy products. For them, it's an opportunity to connect with brands on a personal level. They prefer shopping in stores as it allows them to experience the brand's vibe and interact with sales associates. However, before heading to the store, they do their research online. To connect with this generation, brands need to provide a seamless omnichannel experience that bridges the gap between physical and digital.

### Millennials

Millennials prefer to shop online and on their smartphones, seeking convenience and speed. Brands should optimize their mobile shopping experience and ensure the user experience on their site and app are seamless. Brands that emphasize these values can appeal to this generation by making it easy to do business with them. Curbside and BOPIS (Buy Online Pickup In-Store) are popular options among Millennials, who appreciate the convenience and time-saving benefits of these services.

### Gen X

Gen X is increasingly embracing online shopping. They were the highest online purchasers of fashion in 2021, and are the generation most likely to go direct-to-consumer (DTC). They engage extensively with content on YouTube and Facebook. However, they tend to be slower to adopt newer purchase and payment methods, such as voice recognition or self-checkout. Gen Xers value quality, reliability, and practicality. They want their shopping experience to be hassle-free, efficient, and honest. Cross-border power-shopping is popular among Gen Xers, who are willing to pay for premium products from other countries.

## BNPL

[55.1% of Gen Z customers](#) will use a buy now, pay later (BNPL) service at least once this year, compared to 48.6% of Millennials and 31% of Gen Xers.

## QR Codes

### Gen Z

Gen Z is a generation that grew up with technology and digital devices. They are the early adopters of QR codes and use them the most. By leveraging QR codes to create interactive experiences, brands bridge the gap between physical and digital worlds, which goes a long way toward connecting with Gen Z shoppers.

### Millennials

Millennials are a tech-savvy generation that values convenience and speed. They are interested in using QR codes for various purposes, from making payments to accessing information about products. 68% of Millennials want retailers to use QR codes more often.

### Gen X

Gen X were young adults when QR codes were first introduced in 1994. They were slower to adopt this technology, but now they are getting on board. 55% of Gen Xers want retailers to use QR codes more often.

# FAVORITE CONTENT, BRANDS, & LOCATIONS BY GENERATION



Using exclusive data from the Zeta Data Cloud, we conducted an analysis to understand the content consumption, purchasing behavior, and physical location visits of Gen Z, Millennials, and Gen X. The Zeta Data Cloud consists of an identity graph of more than 225 million adults in the US, covering 90% of the population. Here is what we found out.

## Favorite Content Topics

Generational breakdown of the most popular content topics among US consumers, based on consumption.

### Gen Z

**Born 1997-2012**

- International
- Travel Pets
- Energy Drinks
- Online
- Education
- Technology
- Entertainment
- Sports
- Video Games

### Millennial

**Born 1981-1996**

- Children's Clothing
- Video Games
- Professional Wrestling
- Soft Drinks
- Games
- Bargains
- Office Supplies
- Entertainment

### Gen X

**Born 1965-1980**

- Children's Clothing
- Sports
- Government
- Laundry
- Payday Loans
- Pet Accessories
- NASCAR
- Health

# Favorite Brands

Generational breakdown of the most popular brands among US consumers, based on the number of transactions.

## Gen Z

**Born 1997-2012**

- DoorDash
- David's Bridal
- Spotify
- Planet Fitness
- HBO
- PlayStation Store
- Cosi
- UberEATS
- SeaWorld
- Zara
- Esurance
- GameStop
- Gold's Gym
- GNC
- GrubHub
- H&M
- Abercrombie & Fitch
- Hulu

## Millennial

**Born 1981-1996**

- Motherhood Maternity
- PlayStation Store
- Dave & Buster's
- DoorDash
- GameStop
- SeaWorld
- Planet Fitness
- David's Bridal
- Spotify
- Disney
- Esurance
- Disney+
- The Children's Place

## Gen X

**Born 1965-1980**

- Kay Jewelers
- Lane Bryant
- Coach
- Ashley Homestore
- Bath & Body Works
- Gander
- Old Navy
- Carter's
- FuboTV
- Famous Footwear
- Zulily
- Amazon
- Zales
- Michael Kors
- The Children's Place

## Favorite Places to Go

Generational breakdown of the most popular retail locations among US consumers, based on visitation.

### Gen Z

**Born 1997-2012**

- Cricket Wireless
- Academy
- Office Depot
- Rooms to Go
- 99 Cents Only Stores
- BassPro
- Edwin Watts
- Walmart
- Dollar General
- Gander Mountain
- Various Fast Food Restaurants

### Millennial

**Born 1981-1996**

- Famous Footwear
- CarQuest
- Ollie's Bargain Outlet
- Sears
- Meijer
- Gander Mountain
- Shoe Carnival
- Belle Tire
- Harbor Freight
- Dodge
- Cricket Wireless
- Various Hotels
- Various Fast Casual Restaurants
- Various Auto Repair

### Gen X

**Born 1965-1980**

- CarQuest
- Ford
- Regions Bank
- Sears
- JoAnn Fabrics
- Gander Mountain
- Dodge
- Napa Auto Parts
- Harbor Freight Tools
- Shoe Carnival
- Various Airports
- Various Hotels
- Various Fast Food Restaurants



# FINAL THOUGHTS



The retail industry is undergoing a significant shift as the pace of technology continues to advance. Meanwhile, each generation has unique needs, preferences, and expectations when it comes to the shopping experience. Retailers need to be thoughtful in the way they approach these differences in order to create effective marketing strategies.

For Gen Z, retailers must prioritize creating engaging and experiential in-store environments, offering fast and convenient transactions, while also actively listening to their feedback. Millennials, on the other hand, place a higher value on convenience, and enjoy consuming content that is relevant to their interests. For Gen X, retailers should focus on being transparent and honest, and rewarding customer loyalty.

By adopting these strategies, retailers can successfully connect with each generation and build a loyal customer base, which is critical to long-term success in the ever-evolving retail landscape.

## About Zeta

Zeta Global (NYSE: ZETA) is the AI-Powered Marketing Cloud that leverages advanced artificial intelligence (AI) and trillions of consumer signals to make it easier for marketers to acquire, grow, and retain customers more efficiently. Through the Zeta Marketing Platform (ZMP), our vision is to make sophisticated marketing simple by unifying identity, intelligence, and omnichannel activation into a single platform – powered by one of the industry’s largest proprietary databases and AI. Our enterprise customers across multiple verticals are empowered to personalize experiences with consumers at an individual level across every channel, delivering better results for marketing programs. Zeta was founded in 2007 by David A. Steinberg and John Sculley and is headquartered in New York City with offices around the world. To learn more, go to [www.zetaglobal.com](http://www.zetaglobal.com).