



How Retailers Create Loyalty

with GenZ & Millennials

With a Special Report

How GenZ & Millennials' Shopping Habits Have Changed Following the COVID-19 Pandemic.

 Salesfloor

HOW RETAILERS CREATE LOYALTY WITH GEN Z & MILLENNIALS USING MOBILE IN-STORE TECHNOLOGIES

Gen Z and Millennials are known to be the “always-connected” generations, with Millennials having lived through the growth of the Internet and Gen Z not even knowing a world without Google.

But how does this affect the way they shop and their expectations from retailers? Do they only shop online, or do they also visit stores? Are they the culprits behind the numerous store closures of recent years? And how can retailers appeal to them to increase sales and store visits?

We wrote this ebook prior to Covid-19 and will summarize at the end how the pandemic has changed Millennial and GenZ expectations and engagement and what retailers need to do to capture this audience.

While they definitely do their share of online shopping, most Millennials and Gen Z actually **prefer to shop in store.**

However, their expectations are high. They will be loyal to brands who are able to provide them with **personalized service, relevant recommendations, and a convenient shopping experience.** Retailers who can achieve this seamlessly across all touchpoints will be the ones who stand out to these two generations.



A photograph of two women in a clothing store. The woman on the left has curly hair and is wearing a dark blue blazer. The woman on the right has long dark hair and is wearing a yellow sweater. They are both looking at a pink turtleneck sweater that the woman on the right is holding up. In the background, there are clothing racks with various items, including a blue polo shirt.

Why Retailers are Reworking their Strategies to Cater to Millennials & Gen Z

Together, Millennials and Gen Z **make up 52% of the total global population** and represent close to **\$350B U.S. annually** in combined spending power.

Gen Z (those born after 1995) alone **represent 26% of the population** and have an annual **spending power of up to \$143B- and growing.**

There are some different characteristics between the two generations, like the devices they primarily use to shop (Millennials prefer desktop computers while Gen Z prefers mobile devices), their favored payment types, and time spent shopping online vs. in-store. But they are similar in many ways. They are the most tech-savvy of the four generations coexisting today (including Baby Boomers and Generation X) and have similar shopping habits. But most importantly, they created a whole **new standard of expectations** for both in-store and online service. Brands looking to capture their loyalty can employ clienteling strategies and mobile store technologies that will appeal to both.

1 Create Memorable, Personalized Experiences In Stores

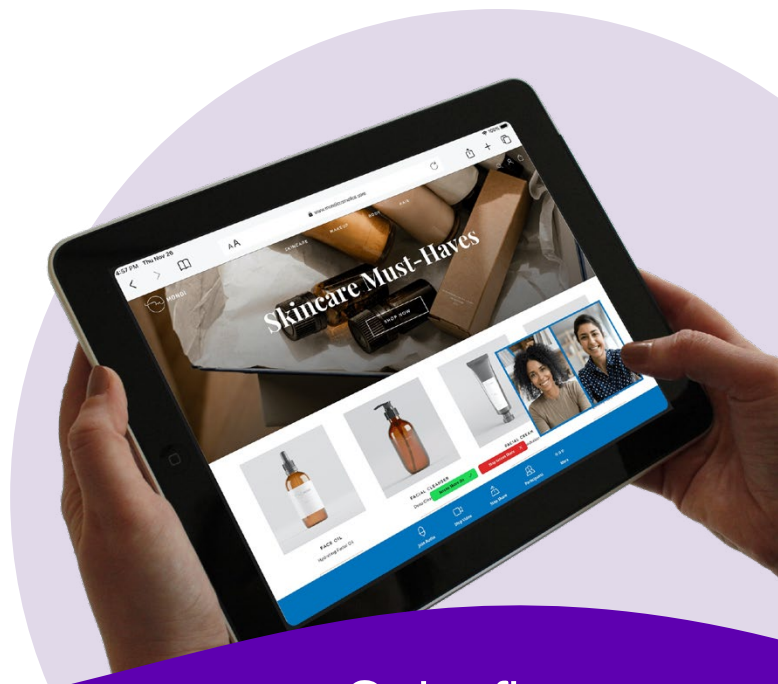
Millennials make **60% of their purchases online**, and **75% of Gen Z likes shopping online** when they can out of convenience.

Despite this, they still like to visit stores: 65% of Gen Z consumers and 59% of Millennials like to be able to touch the products before buying them.

The key is to make their store visits fun. More than half (56%) of Gen Z stresses the need for shopping experiences to “not be boring”, and 57% of Millennials visit stores because they enjoy the experience.

Many brands have adapted with innovative experiences including in-store events or services (think pedicures at DSW stores). Another effective strategy is to offer personalized service by **capturing customer information** and having it handy. This way, when they visit the store, associates can cater to their preferences (or surprise them with relevant discounts!). Both generations are actually willing to pay more for a product and share personal information with brands in exchange for personalized, relevant communications.

Mobile store technology and clienteling strategies will help provide personalized service by leveraging an important asset at the **center of the shopping experience**: store associates. They need to be equipped with detailed information on customer preferences, purchase history, and important dates or events. With this data, they can provide tailored, convenient service and relevant recommendations, which Millennials and Gen Z have come to expect. What’s more, they can do so beyond the store by connecting with customers online at every stage of their journey.

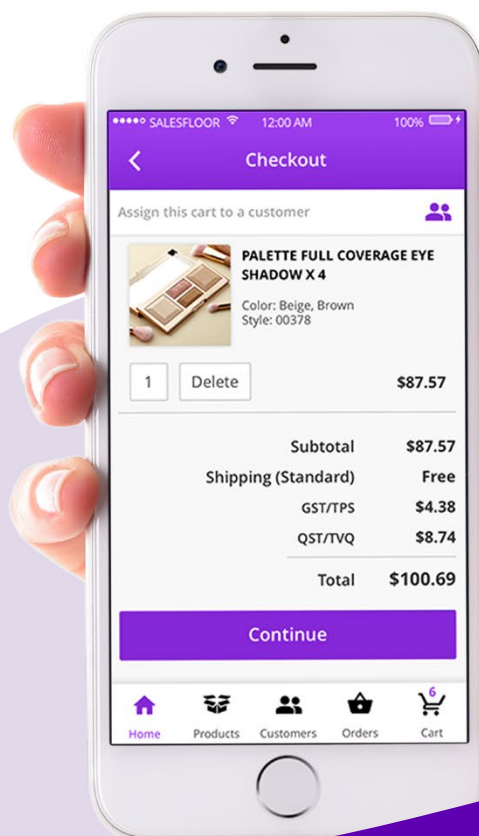


2 **Avoid Lineups** by Checking Out from Anywhere in the Store

Nobody likes to wait in line- especially not Millennials and Gen Z. Several recent studies show both generations seek instant gratification and have short attention spans (12 seconds for Millennials vs. 8 seconds for Gen Z).

This has a big impact on how retailers should cater to them in store: with a focus on speed and convenience.

They do not want to have to wait or even make their way to the counter to pay for products. To speed up the checkout process and avoid a frustrating experience, store associates should be able to process their transactions from anywhere on the sales floor **using mobile checkout** technology.



3 Provide **Real-Time** Inventory Availability at the Associate's Fingertips

Gen Z and Millennials expect more from associates than any previous generation. As connected consumers who are very comfortable doing product research online (40% of Millennials and 80% of Gen Z), they anticipate associates to have – at the minimum – the same level of knowledge.

Associates should be equipped with mobile tools that allow them to provide expert, personalized advice by accessing customer history as well as **real-time product availability across all stores and the web.**

This saves time from having to check availability in the back store. It also saves stores from having to make customers wait in line for an inventory search on a desktop POS.

A store associate who has access to global inventory information as well as clienteling tools can prepare virtual shopping carts and send them to customers through e-mail, SMS, or live chat. This opens up a whole new way of selling to connected, omnichannel customers.



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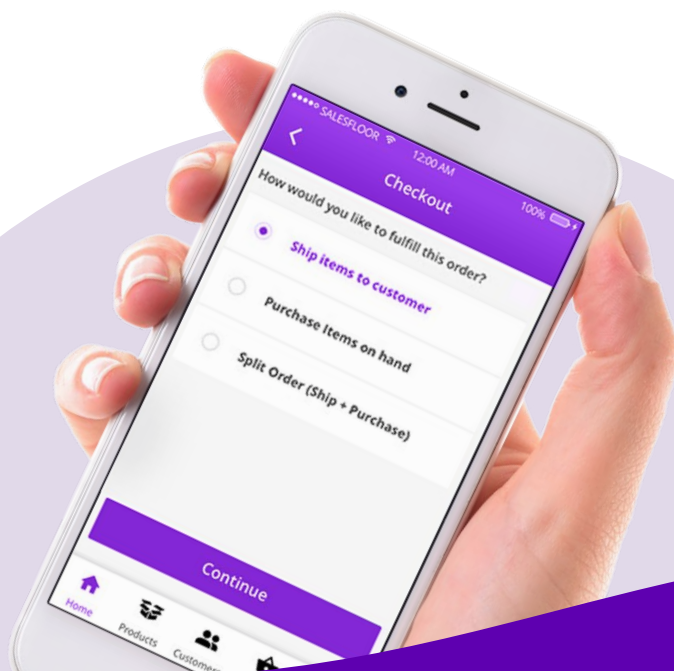
Save the Sale (from Anywhere!) with an Omnichannel Shopping Cart

We've all been in a situation where we cannot buy a product we want because it is out-of-stock. The retailer might not have had it in our size or preferred color. We leave the store disappointed, having had an experience that will be remembered for all the wrong reasons.

Many **retailers are still losing sales** because they cannot sell products from another store or from the web inventory.

Millennials and Gen Z, with their short attention spans and high demands for service, will especially feel frustrated when an item they want is out-of-stock. In fact, two-thirds (66%) of Gen Z shoppers will choose retail stores based on the probability of the item they're looking for being in stock.

Omnichannel shopping carts (containing items from other stores or the web inventory) can now be created by store associates using mobile store technology. Not only is it convenient for customers, but it allows retailers to **save the sale from anywhere**. This is especially important considering how quickly customers can search for competing products online using their phones.



5 Loyalty Requires Trust & Security of Personal Data

According to the latest banking research done by **UNiDAYS**, Millennials are credit card carriers, but their younger siblings are not. This is partly due to banking restrictions from the early 1990's and Gen Z's emphasis on staying debt-free. Digital payments are thus the norm for this younger group. Fifty percent of Millennials have also used contactless payments. This is a clear indication that retailers need to be able to take payments through digital interactions.

However, Millennials and Gen Z have concerns regarding the security of their personal and financial information. One of their biggest fears is unauthorized access to their data. It is important they feel reassured that their data is being used the way they intended.



6

Fulfill Orders from the Store (BOPIS)

Both Millennials and Gen Z like getting their product right away. They will go to a store to pick up their purchase rather than await delivery. This makes BOPIS (buy online- pick up in store) capability critical for retailers. This entails reserving the product for pickup and making in-store pickup convenient and fast for the customer.

Allowing shoppers to buy online and pick up in store requires efficient behind-the-scenes processes.

Mobile apps allow store associates to view orders routed to their store for fulfillment. They can then claim, pack and ship the orders. By leveraging their stores and associates in this way, retailers can get products to their customers faster. They simultaneously save on shipping costs by having their order management systems automatically assign shipments from the optimal location.



The Bottom Line



Millennials and Gen Z have put demands on retailers that **push them to be better.**



The two generations expect a **high level of service** and like instant gratification.



Retailers using mobile store technologies are more knowledgeable about their products than ever, with **visibility at the sales associate level.**



Empowering sales associates with mobile store technology and clienteling tools helps retailers meet the demands of Millennials and Gen Z.



What Has Changed with **COVID-19** and the New State of Retail

Since we published this whitepaper, a lot has changed with the pandemic – store closings and openings, new engagement rules and surprisingly less differences in shopping behaviors across generations than just a few months ago. Retailers were forced to go all digital and online for many months with massive furloughs of staff especially from their stores.

With these new challenges facing retailers, those that had a solution that leverage their Sales Associates and Store Managers and enabled them to stay connected to their customers and provide personalized service during the shutdown definitely came out of it stronger than those that didn't.

The industry is also showing that the “stickiness” of curbside pickup, omni-payments and contactless technology seems to be here to stay.

Here are a few questions we are hearing from our retail community regarding the shopping habits of Gen Z and Millennials following the COVID-19 pandemic.

1 Will they shop in-store again?

We stated earlier that these generations particularly Gen Z liked to go to stores. The good news is that this younger generation will return to stores to shop, according to a recent survey by Gen Z planet LLC in June 2020. The report states “that 73% of those surveyed said that as the country begins to reopen, they plan to go back into stores, particularly local ones, as much or even more than they did before COVID-19 began.”

2

Will online remain a strong channel?

Prior to the Pandemic, we stated that Millennials made 60% of their purchases online, and 75% of Gen Z liked shopping online when they could out of convenience. According to the latest Forbes COVID Impact report in April 2020, 34% of Gen Z plan on shopping more online in the future versus 53% of Millennials.

3

Are personalized services as we know them a thing of the past?

Creating memorable, personalized experiences is still very important but these experiences are all being rethought with a focus on digital engagement for these generations. This is also true for the other generations as the gap between the generations is minimized with the new services for curbside pickup, contactless engagement, and omni-services now the norm.

New digital experiences and personalized communications is more important than ever before. Personalized service is returning with added safety protocols and precautions front and center for these generations. Personalization is still the number one criteria to retain Millennial and Gen Z loyalty.

Knowing your customers and their preferences will enable retailers to deliver personalized communications and services whether through an online engagement or throughout the journey into the stores or at curbside for pickup. Gaining customer preferences could become easier with the customer managing more of their data online or via mobile with COVID-19.

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How important is mobile technology and real-time product availability?

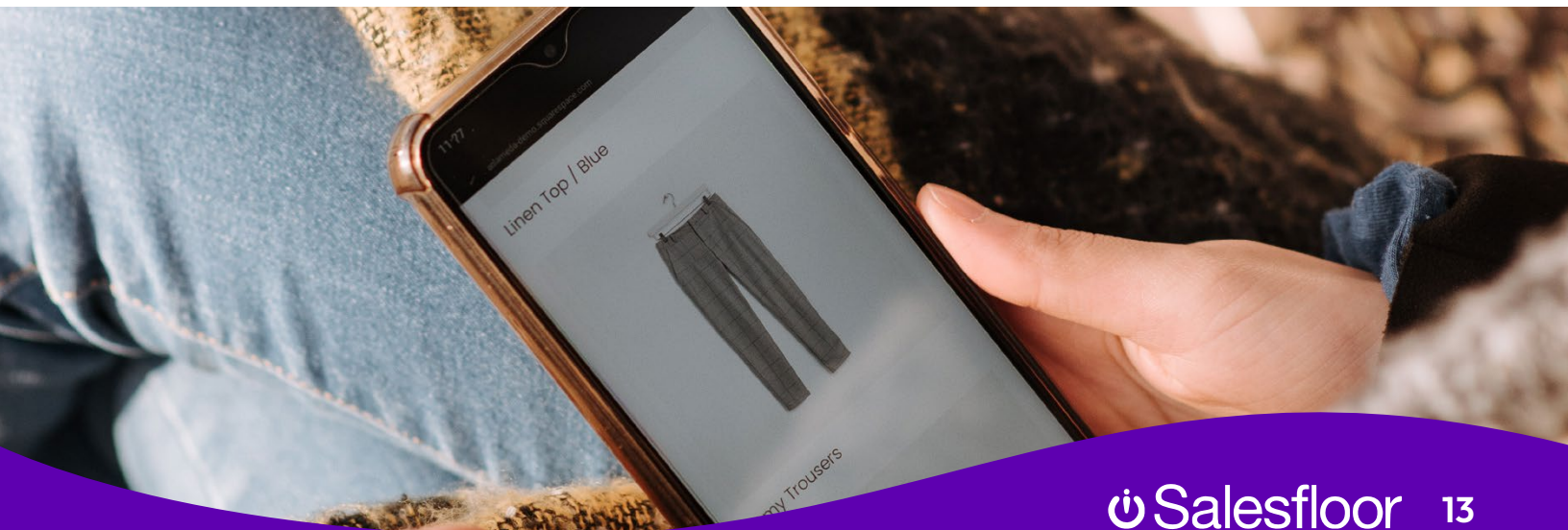
Omnichannel Shopping Cart is now a must for customers with the increase in mobile shopping following the pandemic. McKinsey reported an astonishing 80% of total consumers trying a new digital shopping method versus entering a store as a top behavior from the Pandemic.

According to a McKinsey Consumer Shopping Behavior study in August 2020, the accurate real-time availability of products for these generations is “most important to loyalty in addition to convenience, value and quality.”

Overall 36% of all consumers are switching brands at high rates following the COVID pandemic with Gen Z the most prone to switch based on product availability alone, the McKinsey research goes on to report.

This makes BOPIS (buy online- pick up in store or curbside) capability critical for retailers for these younger generations as well as more of the total consumers post-COVID with 60% of consumers reporting an intent to continue to use curbside pickup.

Mobile checkout available anywhere in the store has extended to a desire for contactless payment as a result of COVID-19 for all generations. It's no longer just a matter of speed to check out but safety as well. or via mobile with COVID-19.



The Bottom

Line

(Post COVID-19)




Every consumer is seeking contactless engagement, digital experiences, and personalized services whether instore, curbside or online. Generational differences have definitely blurred.

“ The largest shift in consumer behavior I have seen is the blurring of differences across not only Gen Z and Millennials, but all generations in the adoption of digital engagement, mobile shopping, contactless payments and new services such as curbside pickup. The pandemic has accelerated digital adoption across all consumers and retail engagement. The Salesfloor solution can provide a level of personal connection with the sales associate from online to instore and curbside which I believe is so important for customers today. ”

Paula Levy

Chief Strategy Officer, Demand Worldwide Group.





 **Send message**

To:

Hey there!

I know you were looking for that perfect Jean Jacket...
I think I might have something for you!

Take a look :)

Salesfloor is a solution that provides a unified approach for clienteling, mobile checkout, assisted selling and endless aisle. On a single app, store associates have all they need to:

1. Access customer information
2. Connect with them beyond the store
3. Provide convenient and seamless in-store experiences

This allows them to deliver service with an unparalleled level of personalization across all channels.

Request Demo

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