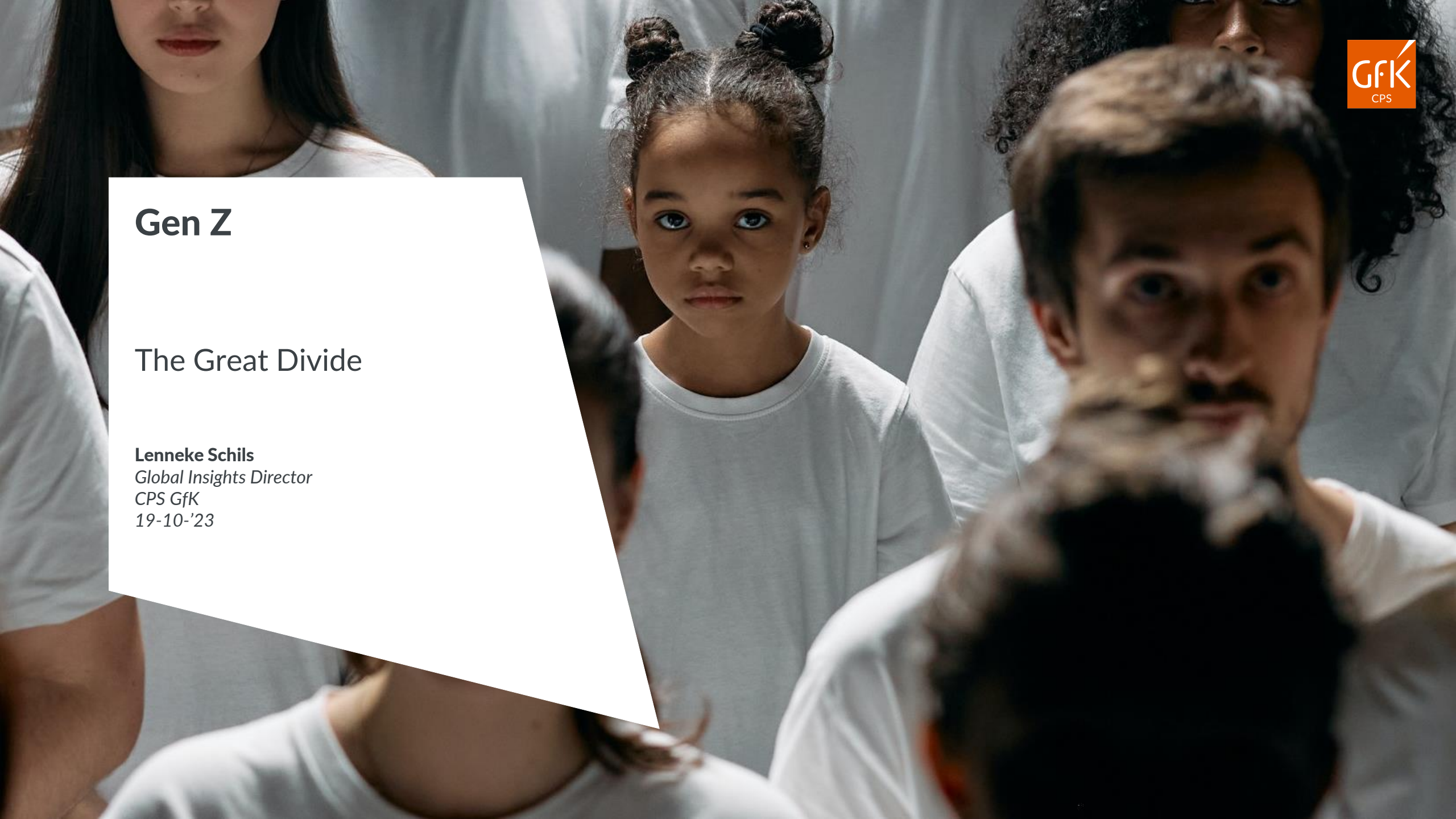


Gen Z

The Great Divide

Lenneke Schils
Global Insights Director
CPS GfK
19-10-'23

...being a young shopper

...being a young shopper today

Gen Z's formative years during permacrisis

Navigating a highly complex world

	Silent before 1952	Babyboomer 1952-1966	Generation X 1967-1981	Millennials 1982-1996	Gen Z 1997-2011
	Restriction	Postmaterialism	Hedonism	Ethic aesthetics	Planetary Health
1977 Silent Revolution		11-25 years old			
1989 Fall of Berlin Wall			8-22 years old		
2001 09/11				5-19 years old	
2008 Financial crisis				12-26 years old	
2018 Frid. for Future					7-21 years old
2020 Covid					9-23 years old
2022 Ukraine war					11-25 years old
2023 Inflation					12-26 years old

© CPS GfK

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%**

GfK Behavior Change survey, 11 concerns, 18 countries, April/May 2023

© CPS GfK

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

	Young		Older	
Mindset	ENJOY	Use time meaningfully	ACTIVE	Be active and enjoy life
	SUPPORT	Simplify and optimise tasks	HERITAGE	Heritage and roots are important
	DIFFERENT	Striving for and defining self-realisation	EXPERIENCED	Habits are learned but not entrenched
	BE PART OF THE GAME	Be liked by others and belong	DOWN TO EARTH	Not pleasing others but only yourself
Mega trends	TRENDY	Premium manufacturer and retailer own brands	SETTLED	Medium brands and price entry retailer own brands dominate
	NORMALITY	Sustainability is self-evident - but budget	CONVERSION	Sustainability becoming more relevant – guided by guilt
	LIFESTYLE	Health means going without - cheat moments	BALANCE	Health means balance – moments of pleasure

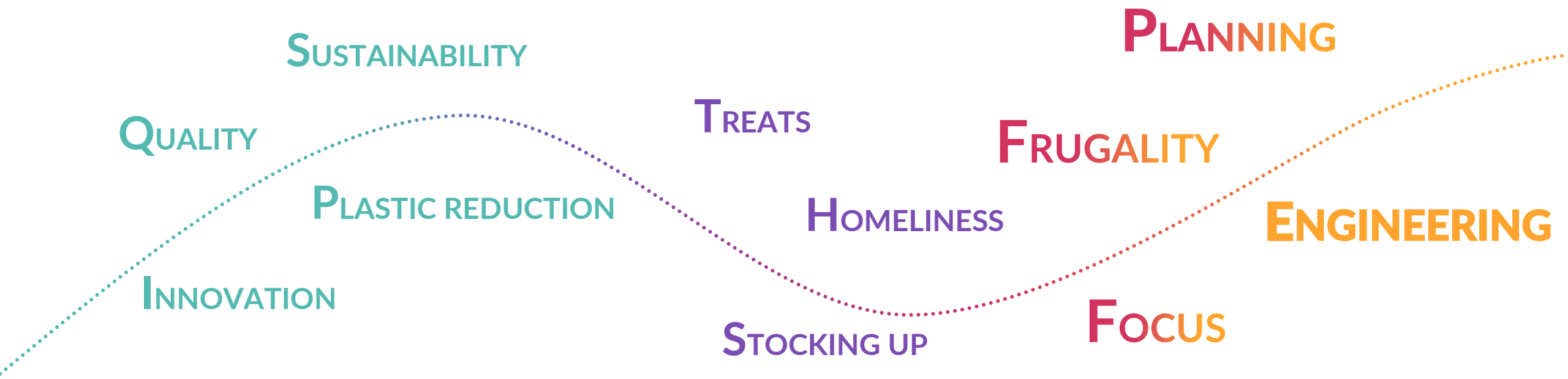
Source: GfK Consumer Panel FMCG | Paint A Picture

© GfK

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 …



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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

Source: CPS GfK + harmonized statements FY ‘22

© GfK

“Cost-of-living will affect my behavior”
42%
52%
29%
49%
Out-of-Home
In home
Gen Z
Boomers+

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

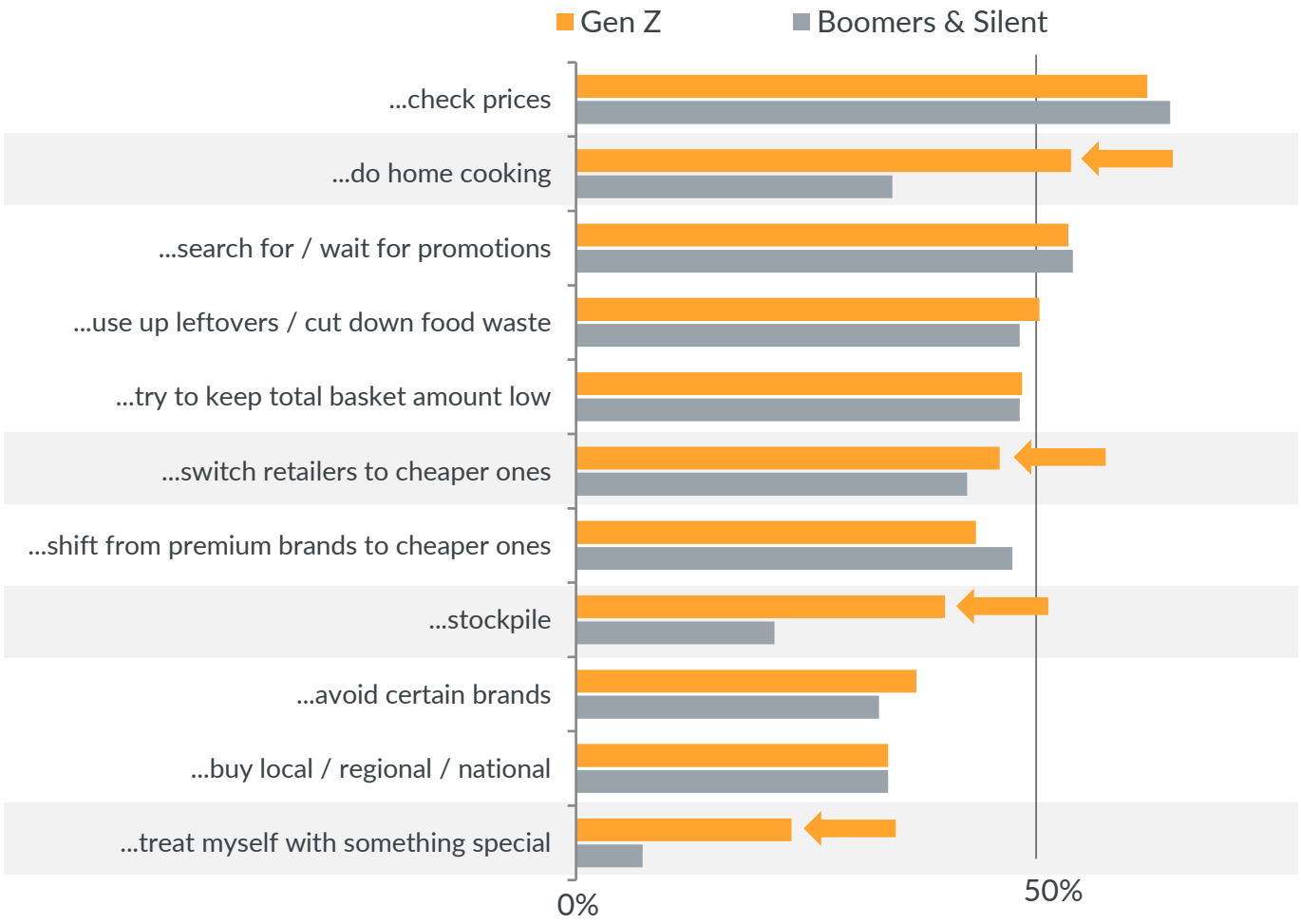
Source: CPS GfK Behavior Change

© CPS GfK

Behavior change by Gen Z boosts in home market

Stockpiling and home cooking, rather than cutting

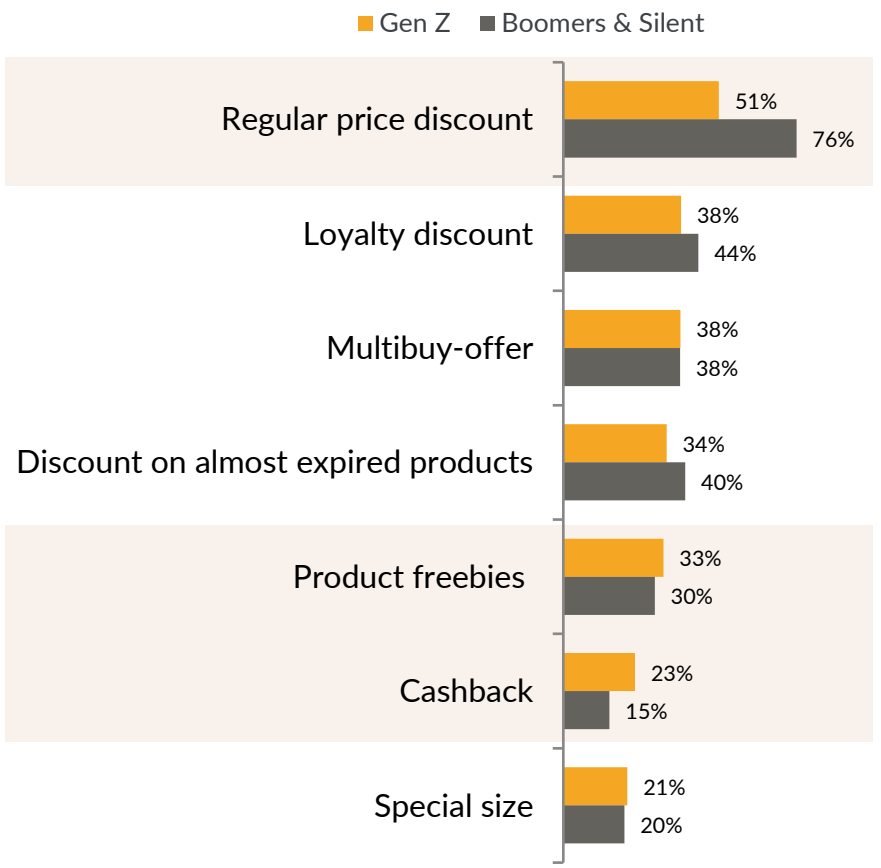
I plan to do (much) more...



Source: CPS GfK Behavior Change

Sweet deals?

Most rewarding promotions



Source: CPS GfK Behavior Change

© CPS GfK

Kicking it with Gen Z

Shopping preferences: combining convenience & inspiration

I know what I want / need

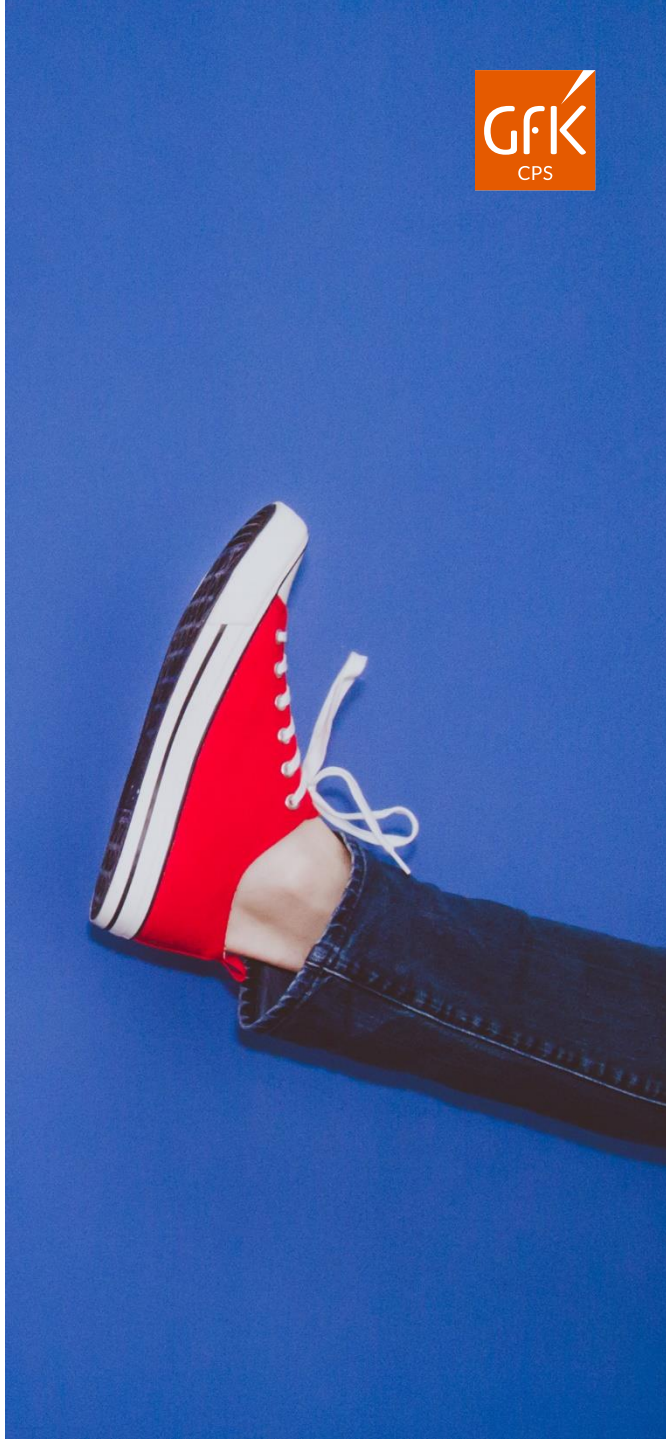
- ✗ Seals & stamps
- ✓ Usage & feedback

Surprise me

- ✗ Lists & shopping around
- ✓ Promo & personalization

Thinking BIG

- ✗ Ingredients & local
- ✓ Improvement & reputation



Source: CPS GfK 2023 Harmonized Statements and Behavior Change

Rewarding experience not all about me

Fun, functional and responsible

Sustainability

Sustainability has been around ever since I started grocery shopping

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“

Health

Lifestyle:

Cheat

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“

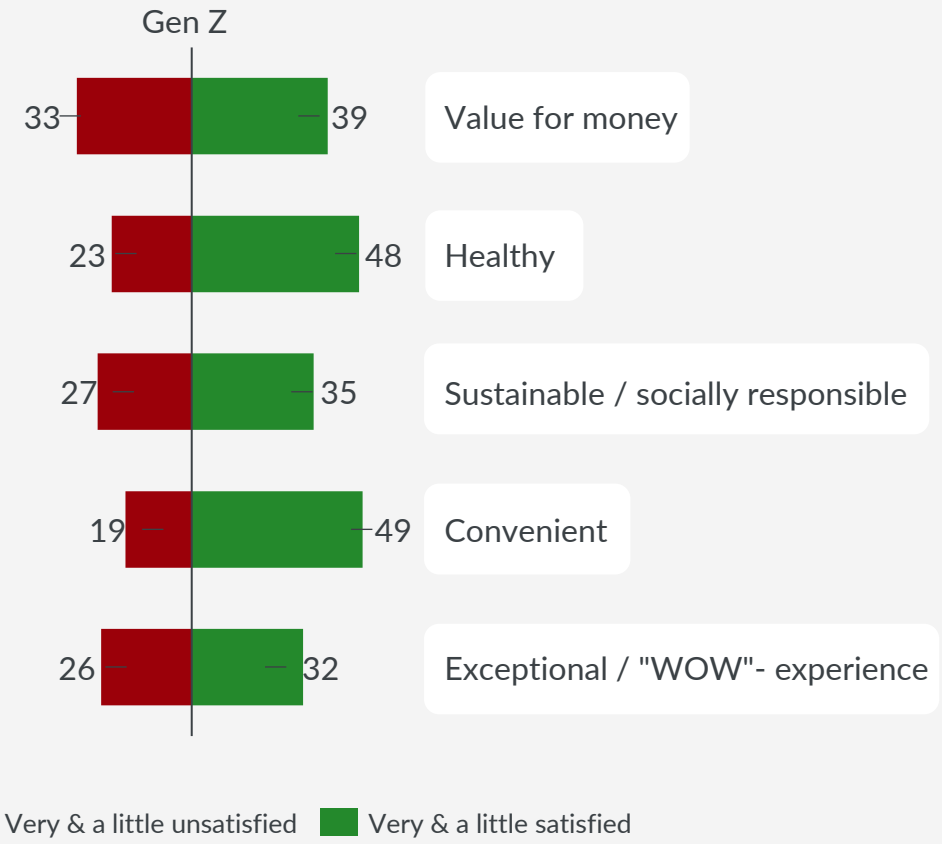
Source: DE GfK Consumer Panel CP+ 2.0 | Shoppers -29 years vs, 50-59 years | Qualitative CPS GfK Study

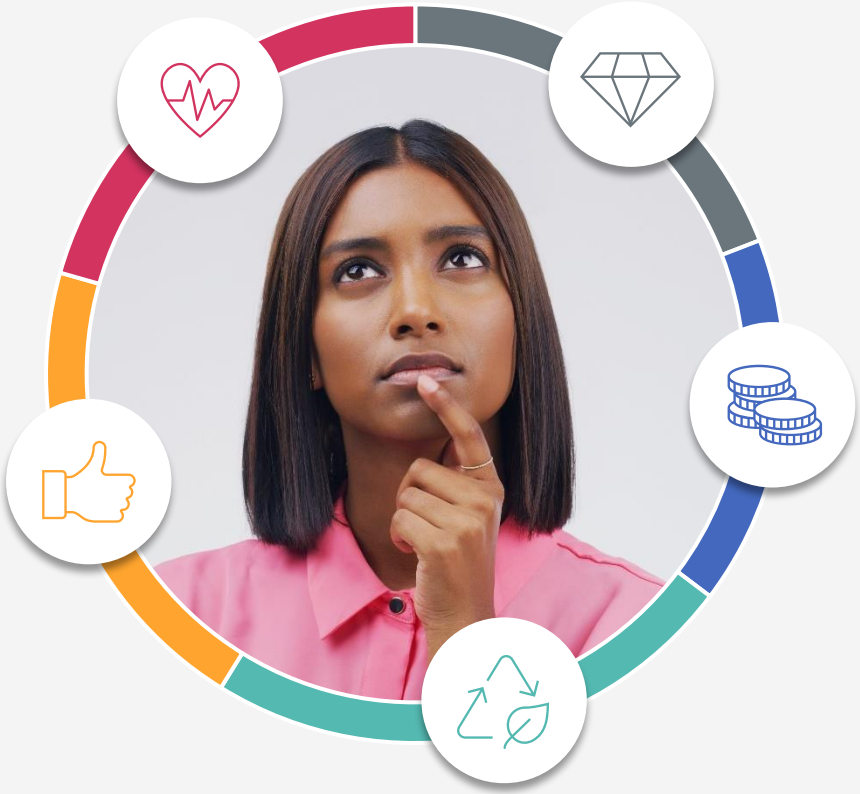
© CPS GfK

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





Source: CPS GfK Behavior Change

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Winners' corner

Aspects have relatively high influencing power with Gen Z

~~Labelling system~~

~~Ultra-fresh~~

Suitable for plant-based lifestyle

Luxury packaging

Improves quality of sleep

Limited editions

Builds muscle strength

Handmade

Exotic

Time saving

Innovative

Easy to carry

Personalized promotions

Easy to (re)store

Bulk pack options

User tips via e.g. QR

~~Dynamic pricing~~

Customization

Subscriptions / automated delivery

Organic

~~User-friendly~~

Animal welfare

Promotes equality

Good brand reputation

~~Free of unsustainable ingredients~~

Source: CPS GfK Behavior Change

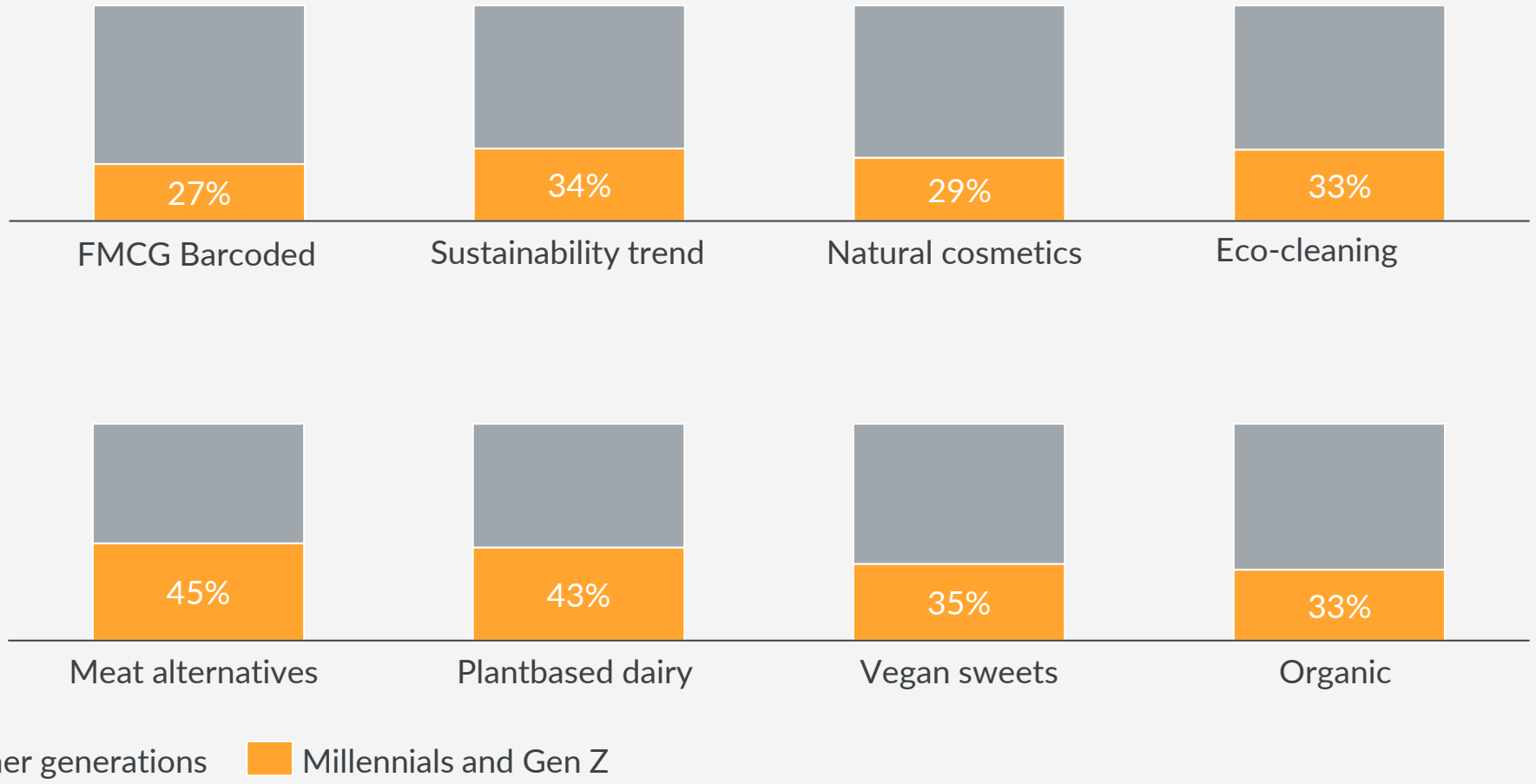
© CPS GfK

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"



Source: DE GfK Consumer Panel CP+ 2.0 | FMCG; MAT 3/2023

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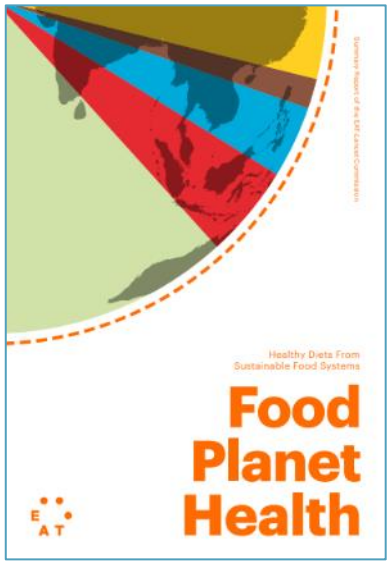
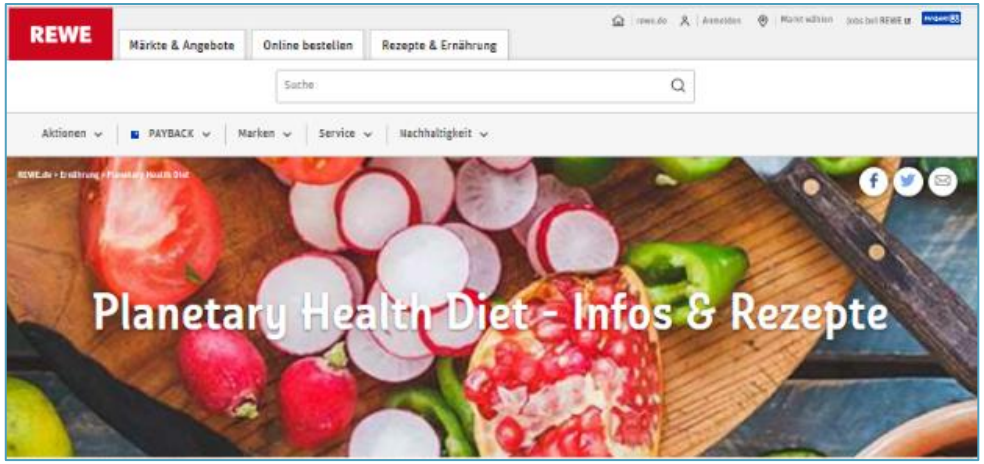
Planetary Health Diet

Good for me, good for the planet

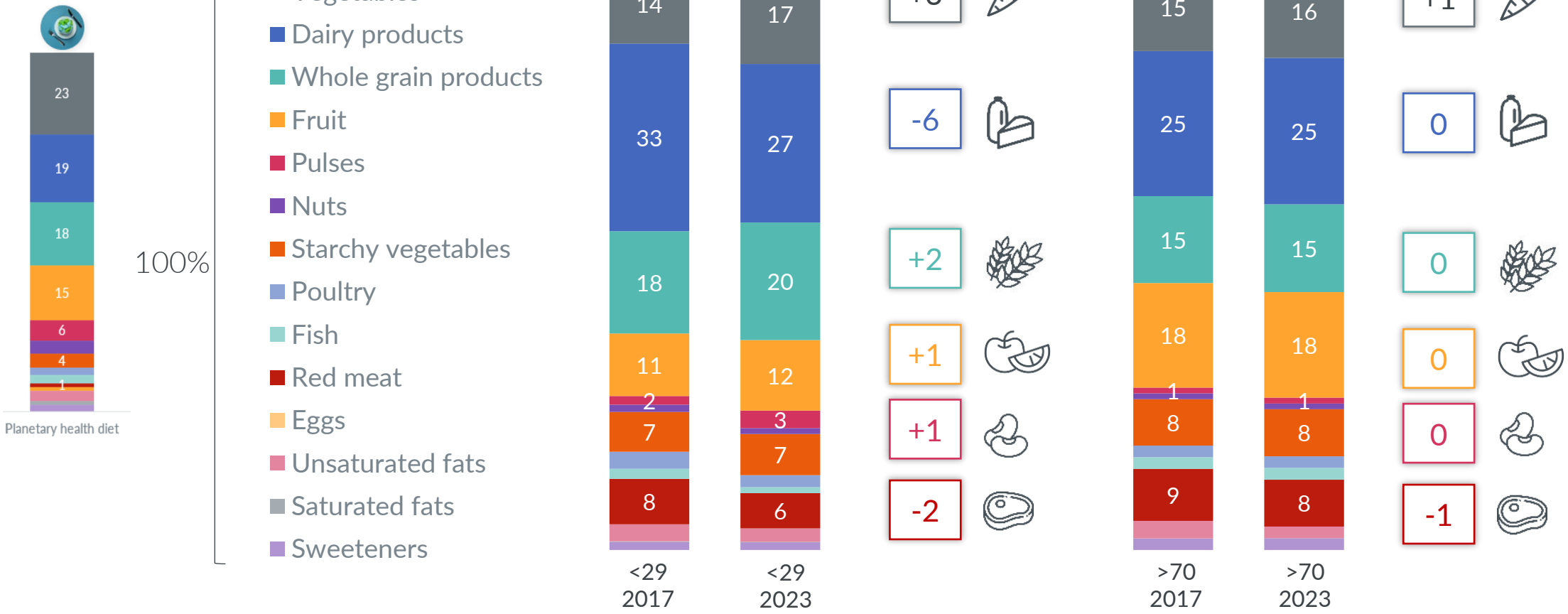




Within a few years remarkable change in young shoppers' diet

Holistic lifestyle change, closely connected with healthy living

Volume share



Source: DE GfK Consumer Panel CP+ 2.0 | FMCG; MAT 6/2023

© CPS GfK

#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

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Thank you

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gfk-cps.com/insights