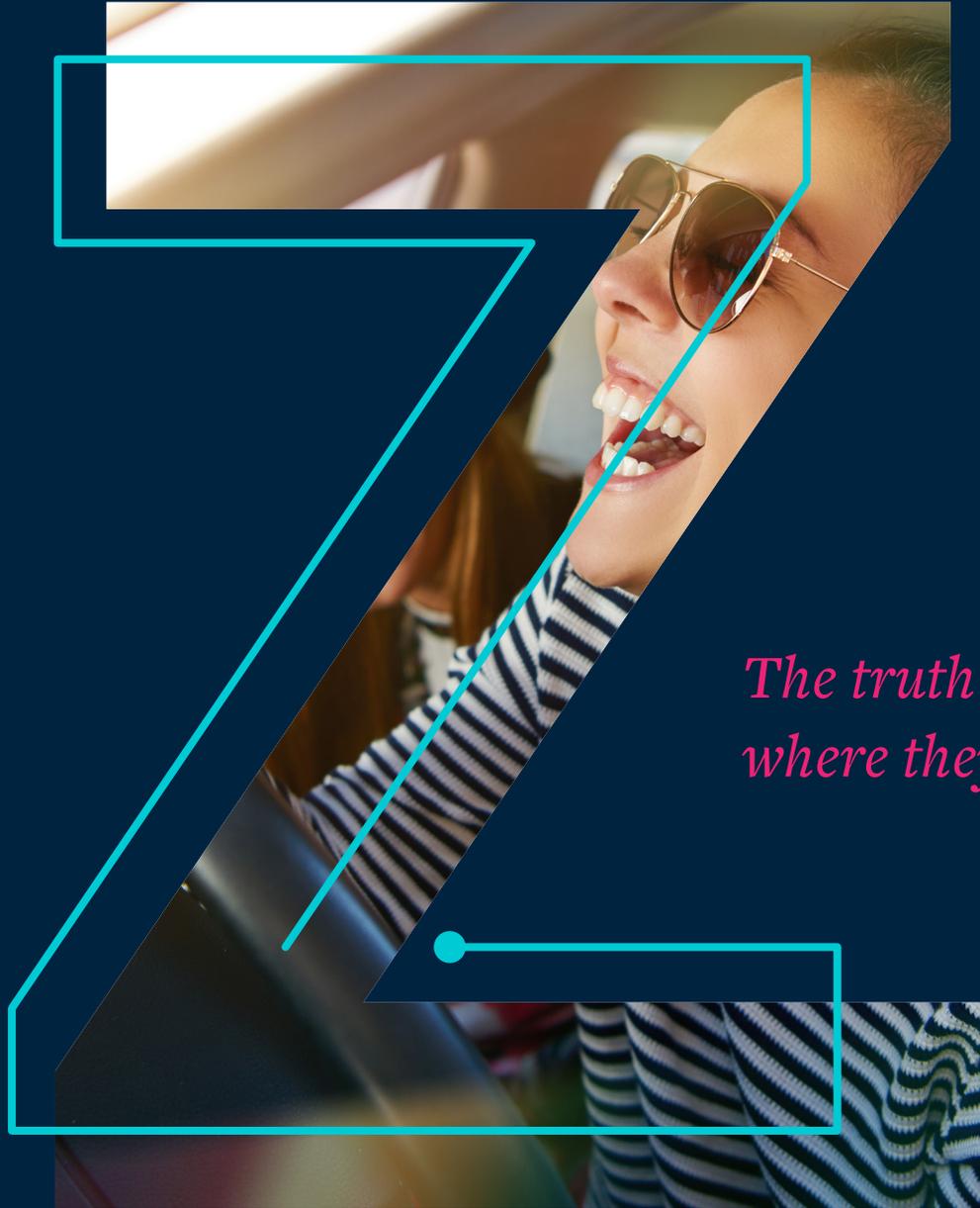


Generation Z...IRL



*The truth about who they are,
where they go, and what they do*

August 2018

FOURSQUARE
in partnership with
CARAT

Forever Young



There's a ton of buzz about reaching Millennials these days, as the generation ages into later adulthood and infiltrates further into the workforce. But there's another cohort that's equally important to think about—**Generation Z**. Gen Z, defined as consumers born 1997 to 2003, (currently 15 to 21 years old), represents today's teenagers and young adults who are quickly morphing into the most digitally-savvy generation the world has ever seen. If you haven't started thinking about adapting your business to address this unique generation—the time is now.

Why is Gen Z crucial for brands and businesses to understand? For starters, they are an incredibly large and influential generation with a surprising load of **direct spending power**, accounting for nearly \$143 billion in direct spending by 2020.

In this report, we'll uncover the true "IRL" behaviors of Gen Z using Foursquare's proprietary location technology and behavioral insights, along with Carat's intel about values and motivations. We'll also bust some of the biggest myths you may have been told with some factual, data-driven truths.

In this report, we'll break down:

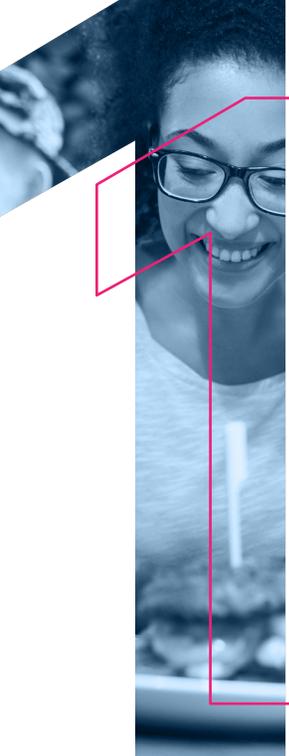
Myth #1: Gen Z is completely obsessed with healthy and organic food **Pg 3**

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Myth #3: Gen Z spends all of their free time sitting at home on their phones **Pg 7**

Strategies for reaching Gen Z your brand can start using right away **Pg 9**

Editor's Note: Foursquare analyzes foot traffic patterns from millions of Americans that make up our always-on panel. Foursquare measures 3+ billion place confirmations per month globally. All data is either anonymized, pseudonymized, or aggregated, and is normalized against U.S. Census data to remove age, gender and geographical bias. Indexed numbers in this report indicate percentage more likely than the average U.S. consumer to frequent a specific venue or place. This co-branded report also leverages Carat, 2017-18 DAN M1 Panel Benchmark. Additional source (for this page only): Millennial Marketing



st Myth

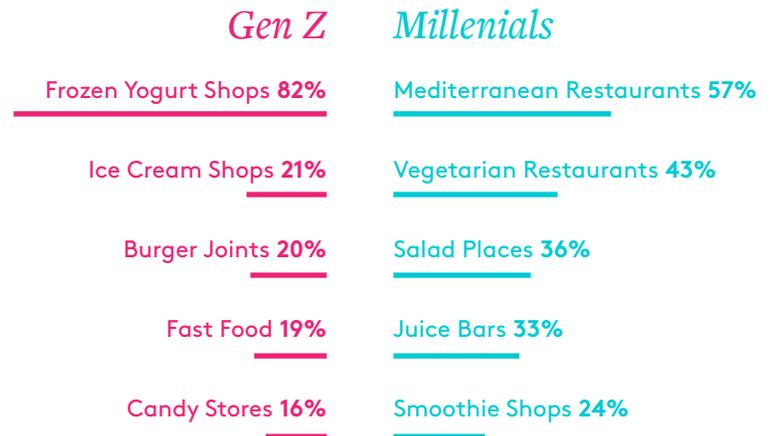
Gen Z is completely obsessed with healthy and organic food

There's no denying the power of sharing one's lifestyle via social media has contributed to an influx of diets and crazes—not to mention the expanding trend of homegrown, farm grown, and organic foods.

Despite becoming a young adult in today's era of **mindful eating**, Gen Z is actually more likely than other generations to visit some of America's most beloved **fast food and casual dining chains**. See below for their top picks, plus how they compare to Millennials.

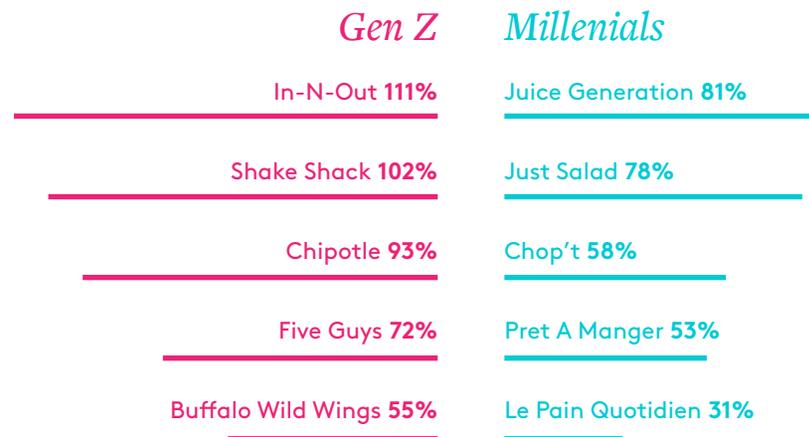
Popular Food Categories

They're more likely than the average U.S. consumer to visit...



Popular Food Chains

They're more likely than the average U.S. consumer to visit...



More FAQ's



So... they indulge. Do they admit it?

7% of Gen Z states that they regularly visit fast food restaurants, which is 35% higher than the average consumer. 16% say they're passionate about going to fast food restaurants, which is a whopping 41% more than the average consumer.



Are they working out?

Yes... but they under-index at cycling studios by 38%, pilates studios by 33%, and yoga studios by 26%. Rather than paying for fitness, they're 9% more likely to visit basketball courts and 14% more likely to visit soccer fields. 19% claim to exercise regularly, and are 27% more likely than the average consumer to play sports.



Is there a geographic skew?

Urban-based Gen Z-ers are into healthier choices as compared to suburban and rural Gen Z-ers, who visit fast food spots more frequently and gyms less frequently. Even urban Gen Z-ers, however, visit healthier dining options and gyms less frequently than Millennials.



***Pro tip:** Stay on the heels of what's new by tapping into trends to identify Gen Z's affinities—like indulgent cheeseburgers or tacos—creating programs that cater to their tastes.*

Source: Foursquare data, 2017. Carat, 2017-18 DAN M1 Panel Benchmark. Indexed numbers indicate percentages more likely than the average consumer, across every age group.



nd

Myth

As digital natives, Gen Z prefers to shop online

One may assume that a Gen Z-er wouldn't bother setting foot into a brick-and-mortar store, when they've always had the luxury of having items delivered with just the click of a button. But that's actually not true—Gen Z absolutely does visit brick-and-mortar stores quite often.

What's clear about Gen Z's overall mindset is that they tend to **treat shopping as an experience**, leaning into brands that provide a sense of convenience. They also appreciate the **impact of new technology** in facilitating a personalized connection with their favorite brands. Check out some of their preferred brands and differentiators.

Popular Gen Z Retail Chains & Popular In-store Features

They're more likely than the average U.S. consumer to visit...

- 139% **Urban Outfitters** Recently added mobile POS
- 134% **Forever 21** AR capabilities added to app
- 51% **Zara** Self-service checkout, fitting room tech, diversity in creative
- 54% **Sephora** In-store tablets, added AR tech, concept stores
- 37% **Victoria's Secret** In-store mobile and video activations
- 27% **ULTA Beauty** Virtual try-on experience
- 22% **UNIQLO** Tech-enabled vending machines
- 19% **Nike** Mobile app, personalization studios, training sessions
- 17% **Nordstrom** Known for customer service
- 13% **IKEA** QR code to save time in line



SERIOUS STAYING POWER

These same brands remained in the top 10 among Gen Z year-over-year. Proof positive that taking the time to establish brand engagement opportunities beyond making a purchase is well worth the effort.

Gen Z In-store Mobile & Shopping Habits

They're more likely than the average U.S. consumer to visit...

53%

Check online to see if there is anything else they'd prefer to buy that is not currently available in-store

47%

Use their smartphones while shopping at brick-and-mortar locations to enhance the in-store experience

46%

Send messages pictures to family and friends to ask for feedback on potential purchases

52%

Compare the price of a product they are considering with its price at other retailers

51%

Search the web for a coupon, discount or promotion

47%

Let family and friends know where they are shopping

More FAQ's



Are they into fashion?

Social media has undoubtedly played a role in stylistic expression. 46% agree with the statement, "I consider myself to be a very stylish person," which is 28% more than average.



Do they visit malls?

Perhaps motivated by discount prices, a variety of sales, or more places to hang out Gen Z-ers are 38% more likely to visit Outlet Malls, and 23% more likely to visit shopping malls than the average US consumer.



Is there a geographic skew?

Gen Z across urban, suburban and rural areas are all more likely to visit outlet malls and shopping malls than the average consumer. They're also more likely than millennials in each geographic category.

***Pro tip:** Develop engaging, tech-enabled brick-and-mortar retail experiences to close the gap between the digital and physical worlds, creating an unparalleled shopping experience.*





3rd Myth

Gen Z spends all of their free time sitting at home on their phones

While Gen Z-ers certainly do spend time browsing on their phones, just because they're online doesn't mean they're not out and about. They're actually more likely than the average U.S. consumer to enjoy a **variety of leisure activities** outside of the home.

With a taste for real world experiences that go far beyond digital screens, Gen Z is also intellectually and culturally curious, confirming the stereotype that **they are more ambitious and entrepreneurial than Millennials**. When they do spend time participating in digital leisure, they're super into hyper-engaged activities, like gaming.

Popular Gen Z Entertainment Activities

They're more likely than the average U.S. consumer to visit...

Theme Parks 50%

Aquariums 35%

Bowling Alleys 24%

Mini Golf Courses 24%

Movie Theaters 23%

Popular Gen Z Cultural Activities

They're more likely than the average U.S. consumer to visit...

Opera Houses 25%

Bookstores 24%

Art Museums 24%

Outdoor Sculptures 8%

Public Art 4%

Popular Gen Z Cultural Activities

They're more likely than the average U.S. consumer to visit...

Six Flags 186%

AMF Bowling 66%

Harkins Theaters 68%

Universal Parks 63%

Barnes & Noble 28%

More FAQ's



But they're into gaming... right?

24% of Gen Z says they regularly enjoy gaming, which is also 101% more than the average U.S. consumer. They're 40% more likely to shop at Gamestop, 33% more likely to stop by Dave & Buster's, and 18% more likely to visit arcades.



What about art?

Though they visit educational places for school trips, 20% of Gen Z-ers claim they are passionate about visiting museums, galleries, and exhibitions. Their passion for art is also 28% more than the average U.S. consumer.



How do they feel about their futures?

60% agree with the statement, "My career is very important to me." This answer falls 10% above the average U.S. consumer, thus implying that this generation has a very present sense of determination.



Pro tip: To ensure your brand is manifesting a meaningful connection, consider aligning with the diverse leisure interests of Gen Z that go beyond the screen.

Wiz Kids

In addition to breaking down myths about Gen Z and uncovering some surprising truths, let's unpack some helpful tactics. Be it through devising a campaign strategy, deciding on media placement, or just trying to stay relevant in a sea of competition, aligning with some key nuances within this generation will prime your brand to win over this audience.



We know this report was filled with a ton of information you can put to use, but here's the key takeaway that's important to know:

While digital and social behaviors are important, when it comes to targeting Generation Z, real world behavior matters. Engaging with Gen Z means paying attention to the places they go and the things that they do to truly understand who they are and what kind of content they'll respond to.

Tactics and strategies we can help you put into action:

FOURSQUARE

How to target and engage with Gen Z using location technology

Segment Audiences: Identify Gen Z consumers experiencing life changes, whether they're buying their first car or heading off to college, based on changes in foot traffic patterns, visit frequency, and brand affinities.

Influence Buyer Behavior: Reach key audiences within Gen Z, from athletes to gamers, based on their path to purchase, intercepting and influencing their journeys.

Proximity Target: Identify Gen Z consumers in and around store locations to drive them to purchase specific products.

Conquest Competitors: Target Gen Z consumers in and around their favorite stores and restaurants, winning them over with conquest messaging.

Deliver Moment-Based Messaging: Dynamically optimize messaging and creative to align with the appropriate moment, whether they're playing after-school sports or hanging out with friends at the mall.

Boost & Measure Shopping IRL: Monitor how cross platform advertising is driving Gen Z to store locations, optimizing campaign performance in real-time.

CARAT

How to connect with Gen Z emotionally

Think Ahead: Align the things they currently enjoy, such as gaming or going to the movies, with the things that they aspire to do like getting their dream job. This will allow Gen Z-ers to view your brand as both attentive and supportive, a critical functionality when establishing top-of-mind awareness.

Applaud Personal Style: Think of ways your brand can praise personal flair. Today's most flourishing businesses are all about providing customization opportunities that go beyond off-the-shelf products and services.

Enable Social Sharing: Crowdsourcing is hugely popular among this age group. Include opportunities for Gen Z to gather feedback from friends, which not only allows those customers to shop in a way that feels natural, but also broadens your brand reach.

What Drives Gen Z?

Hedonism

Having a good time, self-indulgence

16%

Stimulation

Adventure, taking risks, and feelings of excitement

17%

Achievement

Feeling successful and having others recognize personal accomplishments

24%



What does all of this mean for the future? With a substantial inclination for both fast food and shopping, could Gen Z drive the rebirth of mall culture? Or are these affinities simply a product of their life stage that they'll grow out of? We're staying tuned to find out.



FOURSQUARE

Foursquare powers location-based experiences, transforming businesses through insights about where people go in the real world. Learn more about how Foursquare location intelligence can help your business.

Reach out to ads@foursquare.com today.



CARAT

Carat redefines the level of ambition for media through an unparalleled capability to understand real people; their passions, motivations and behaviors. Learn more about how to use this knowledge to deliver immersive media experiences.

Email us at Carat.USMarketing@carat.com.