

Under 35s set to lead festive spending spree with a focus on new technologies, delivery methods and environmentally friendly products

Retailers are under increased pressure to adopt new strategies to appeal to younger shoppers

Paris, November 25, 2019 – New research from [Capgemini](#) shows that 40% of those aged 18-34 are set to spend more on their holiday shopping in 2019 than last year, compared to an overall average of 28% for all age groups. While quality, cost and convenience continue to drive the majority of purchasing decisions, retailers are under increased pressure to adopt new strategies to appeal to younger shoppers.

The [research](#) found that key strategies to attract younger shoppers include channel diversification across online, in-store and voice; investment in making products and packaging more environmentally friendly; and using technology to improve the shopping and delivery experience.

The online survey explores the spending plans, shopping priorities and expectations of over 6,700 consumers across France, Germany, Spain, the UK and the US ahead of this year's festive shopping season which kicks off with Black Friday on November 29, 2019.

Environmental sustainability is an increased priority, but getting the basics right is still key

Consumers still consider variety/range of stock available (34%) and convenience of an outlet's location (21%) as the primary factors for choosing to shop with one retailer over another, when price is not a factor. Similarly, when asked to choose the top 3 factors that influence them when shopping for gifts for family and friends, respondents prioritized the quality of products and cost saving options – e.g. reductions, sales and discounts – equally at 54%, while the variety of products offered (50%) was the third most popular factor.

When asked about where they would most like to see retailers invest this season, maintaining or reducing current price levels of items (33%) was the most popular response. However, perhaps reflecting greater awareness of sustainability issues this year, selecting products/packaging which are environmentally friendly was a key consideration for 21% of all respondents and slightly more so for those aged 18-24 (24%). Across all countries, respondents in the UK were the most focused on sustainable packaging (29%), followed by Germany (21%) and France (19%), and the US and Spain (14% each).

Diverging generational expectations

Those aged 18–34 showed several key differences in their shopping priorities, compared to shoppers 35 and above.

The 18–34 demographic were less likely to use physical stores for their 2019 festive shopping and opt for retailers who offer access to multiple brands ¹ instead; 29% said they'd spend the

¹ Defined in the survey as a retailer that sells multiple different brands (e.g. Amazon, Wish, AliExpress, ASOS etc.)



most money in-store while 37% said they'd spend most money through a retailer with access to multiple brands. This compares to 39% and 32% respectively for the all-age group average.

Additionally, those aged 18–34 are more likely to use new technologies to improve their shopping experience. They had a higher preference for technologies such as automated checkouts (23% vs 16% on average), mobile wallet payments (21% vs 12% on average), in-store technologies such as virtual reality mirrors (22% vs 15% on average) and new methods of delivery – i.e. drones or in-car delivery (16% compared to 10% on average).

Importance of channel diversification

Physical stores are still set to receive the bulk of holiday spending with 39% of consumers planning to make most of their purchases in-store during the holiday season. Online retailers which offer access to multiple different brands, are also set to receive sizable shares of festive budgets this year with 32% planning to spend most of their money on these sites.

For retailers looking to capitalize on the opportunities of voice-based shopping, consumers would be more likely to use these platforms if they felt the experience would be secure (25%), if they were offered unique voice discounts (23%), and if they were confident it would be a straight-forward experience (20%). This is particularly key for retailers targeting younger shoppers (18-24-year olds), where the percentages rose to 29%, 33% and 27% respectively.

Delivery and convenience expectations

Not surprisingly, the month before the festive holidays is the peak shopping time for consumers, with 30% of shoppers typically starting their shopping from that point. While some online retailers continue to offer faster delivery options such as overnight and same day, consumers generally expect delivery/collection within three working days to be the norm (33%).

More broadly, technology-driven convenience will be key to improving the shopping experience. However, regional variances mean that retailers must adapt to local market demand, including shops using innovative technology in-store in Spain (31%) and France (18%); the ability to use mobile wallet payment for US consumers (17%); and self-service checkouts in the UK (15%).

"Festive season shopping is critical to a retailer's bottom line, and the spending plans of younger consumers will offer hope to retailers; however, retailers must adapt their strategy in order to win some much-needed wallet-share from this group," said Kees Jacobs, Vice President, Global Consumer Products and Retail Sector at Capgemini. *"Technology can help deliver the quality, cost and range that all consumer groups want, but retailers must think carefully about how they balance new investments with meeting the expectations of a younger generation, while keeping low prices front of mind too."*

To access the full findings and infographic, click [here](#).

**Research Methodology:**

All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 7755 adults across countries, of which 6718 shop for the holidays. Total sample size for France was 1032, of which 922 shop for the holidays. Total sample size for Germany was 2116, of which 1627 shop for the holidays. Total sample size for Spain was 1014, of which 960 shop for the holidays. Total sample size for UK was 2204, of which 1975 shop for the holidays. Total sample size for US was 1389, of which 1234 shop for the holidays. Fieldwork was undertaken between 8th - 18th November 2019. The survey was carried out online. The figures have been given an even weighting for each country to produce an 'average' value.

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