

Move over Millennials, there's a new online shopper in town

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@torysonthebeach



2020



In case you were kidnapped by aliens for the past 18 months



2019

2020

16% ▶ **41%**

(\$574.89B)

(\$812.77B)

Growth

26.6% ▶ **57.4%**

BOPIS growth

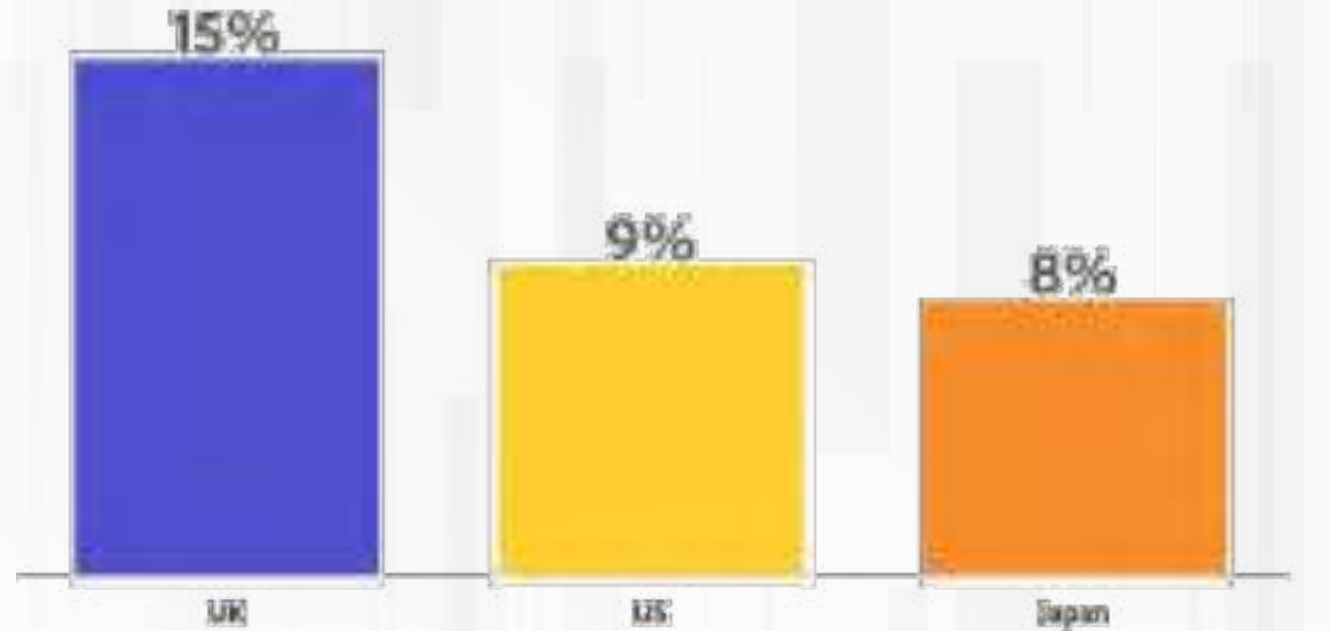
29 ▶ **50+**

\$2B+ online spending days

Source: Adobe Digital Economy Index

New shoppers are driving the growth of online spend

- UK e-commerce attracted **the most new consumers online in 2020**, with 15% of consumers that reported having shopped in 2021 never having purchased anything online prior to March 2020.
- In the US, 9% of online shoppers are new to this activity.
- Across the world, the demographics of new shoppers skews young, with the greater share of young shoppers reporting being new to e-commerce.



Percent of Consumers that Shopped Online in 2021 but Never Shopped Before March 2020
Source: Adobe DQ Survey

Who are these new shoppers: Meet Gen Z

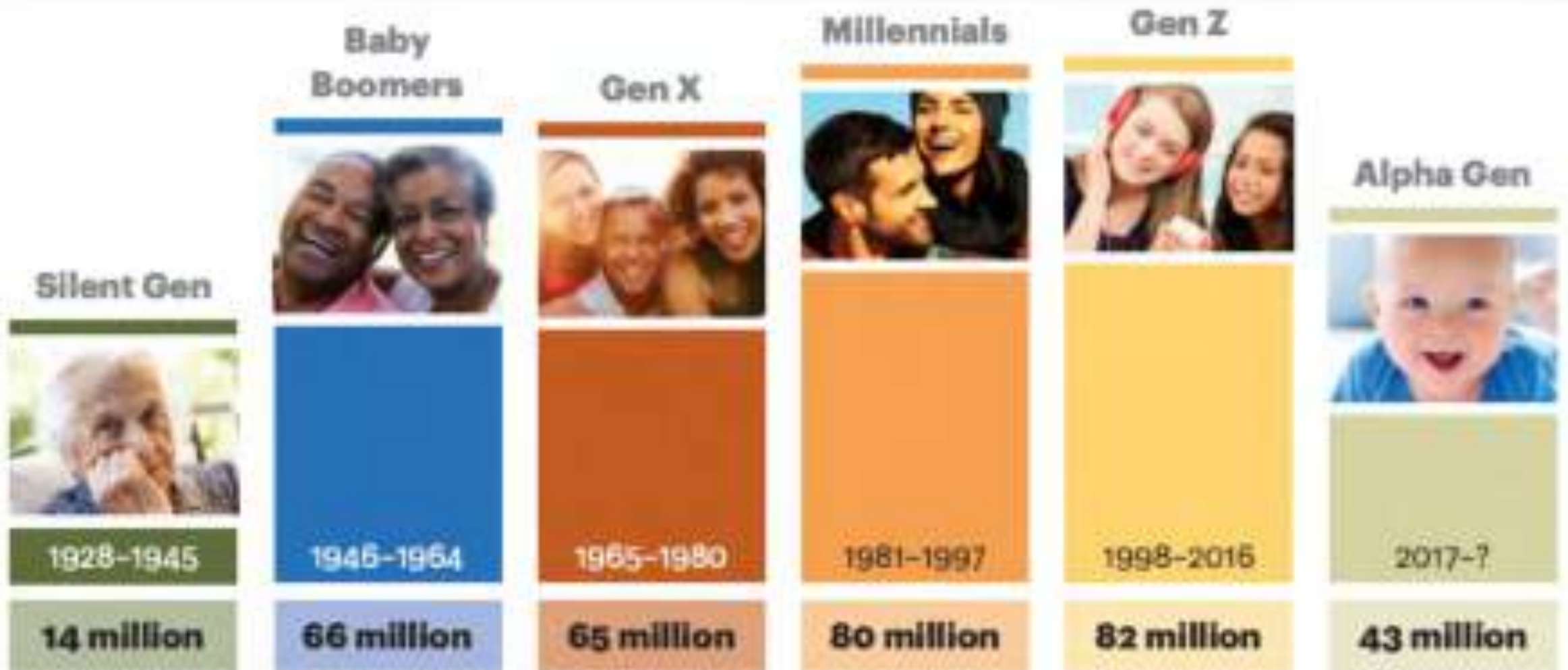




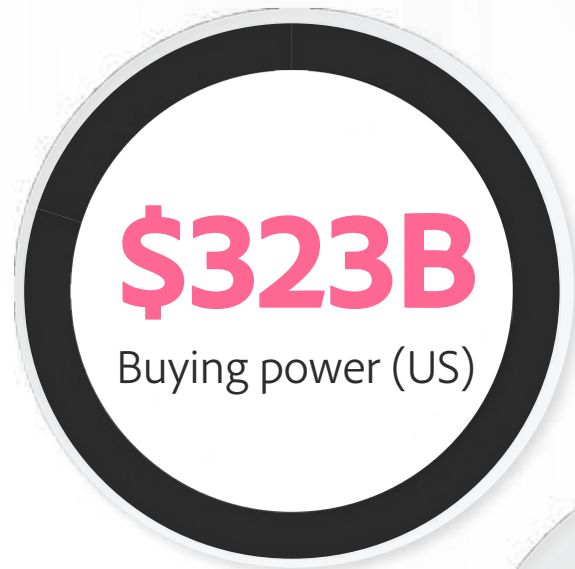
Gen Z

- Born between 1998 and 2016
- Account for 40% of consumers in the US and Europe
- True digital natives: grew up swiping before they could talk
- **Ultra-focused** by necessity: most marketed to & sophisticated filters
- Stereotyped as tech-addicted, social justice warriors
- Cautious & hardened by economic and social turbulence
- Value personal resilience, financial conservatism and hard work

By 2027 there will be 6 generations of online shoppers



Gen Z by the numbers

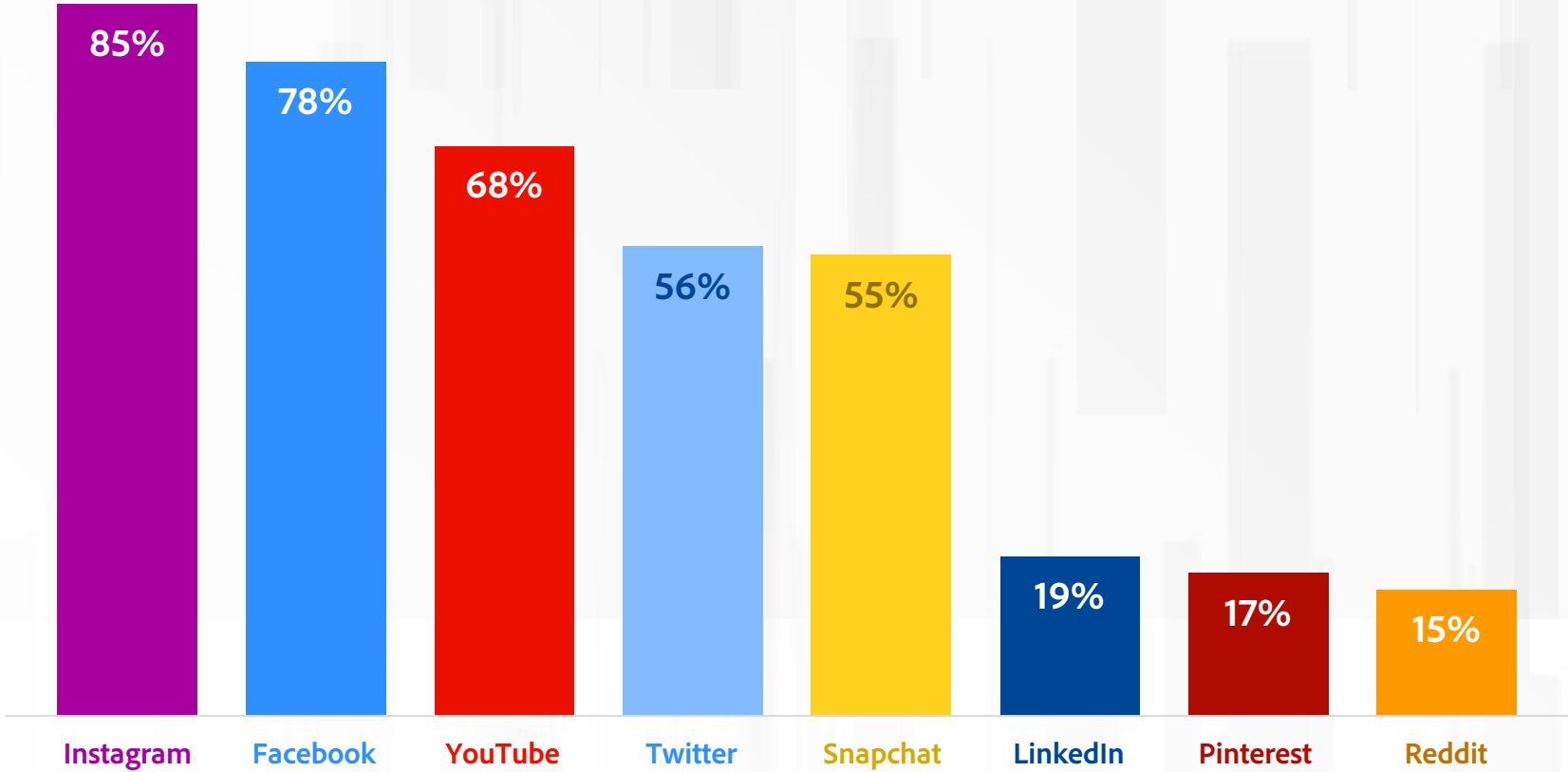


Gen Z | Very active on social media



71%
of TikTok users are
Gen Z

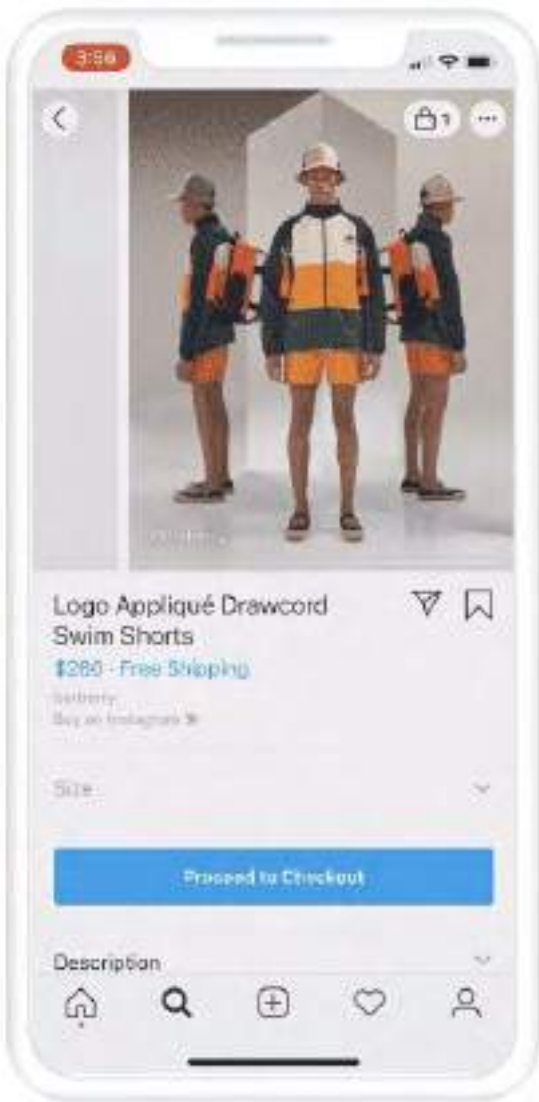
Social Media Apps Used by U.K. Gen Z & Millennial TikTok Users



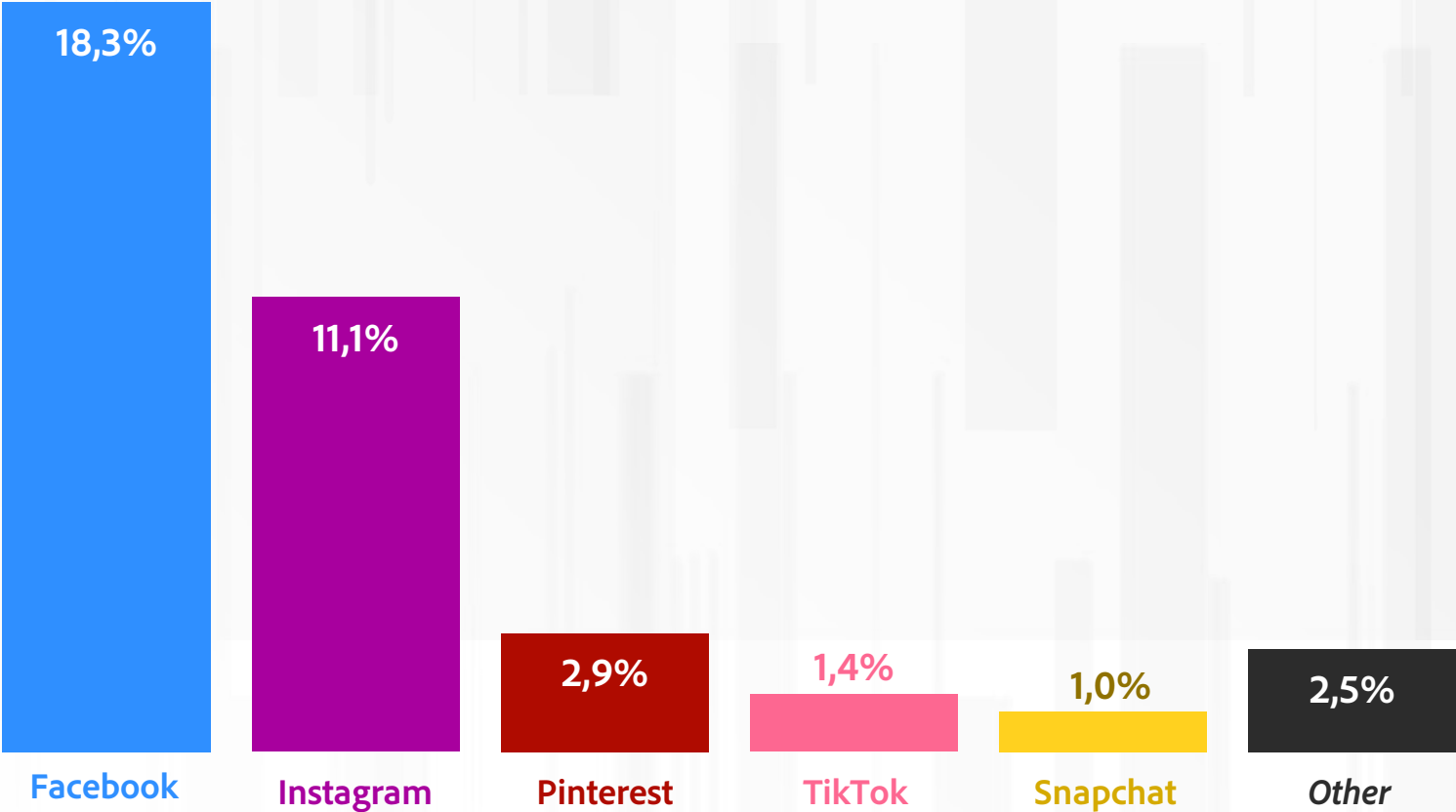
Source: eMarketer & VidMob, 2020



Social networks are investing heavily in native eCommerce



U.S. Adults Who Have Made a Purchase via Social Media Platform



Source: eMarketer, June 2020



How do we prepare for

GENERATION Z

?





1

We must understand how Gen Z want to pay

Traditional online payment methods don't serve unbanked Gen Z'ers

Payment Method:

Credit Card (MpBraintree)

My billing and shipping address are the same

John doe
River Cross Street, AP # 2986
New York, 10001

9876543210



Pay with card



Card Number

**** * * * *

Expiration Date (MM/YY)

MM/YY

CVV (3 digits)

Authorize And Pay

Order Summary

Cart Subtotal \$42.00

Shipping \$35.00

Flat Rate - Fixed

Order Total \$77.00

1 Item in Cart



Beaumont Summit Kit

\$42.00

Qty: 1

[View Details](#)

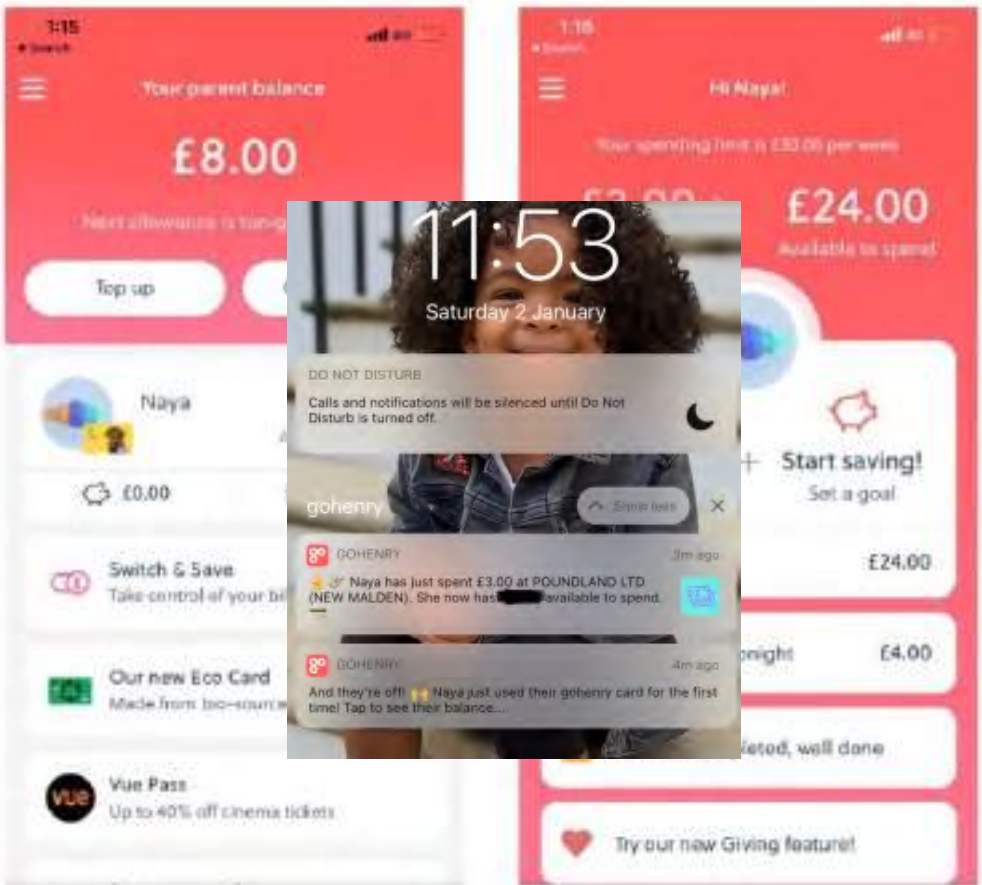
Ship To:

John doe
River Cross Street, AP # 2986
New York, 10001

9876543210



Under 18's are increasingly empowered to bank and shop independently



What mum & dad see

What the kids see



Set limit debit card

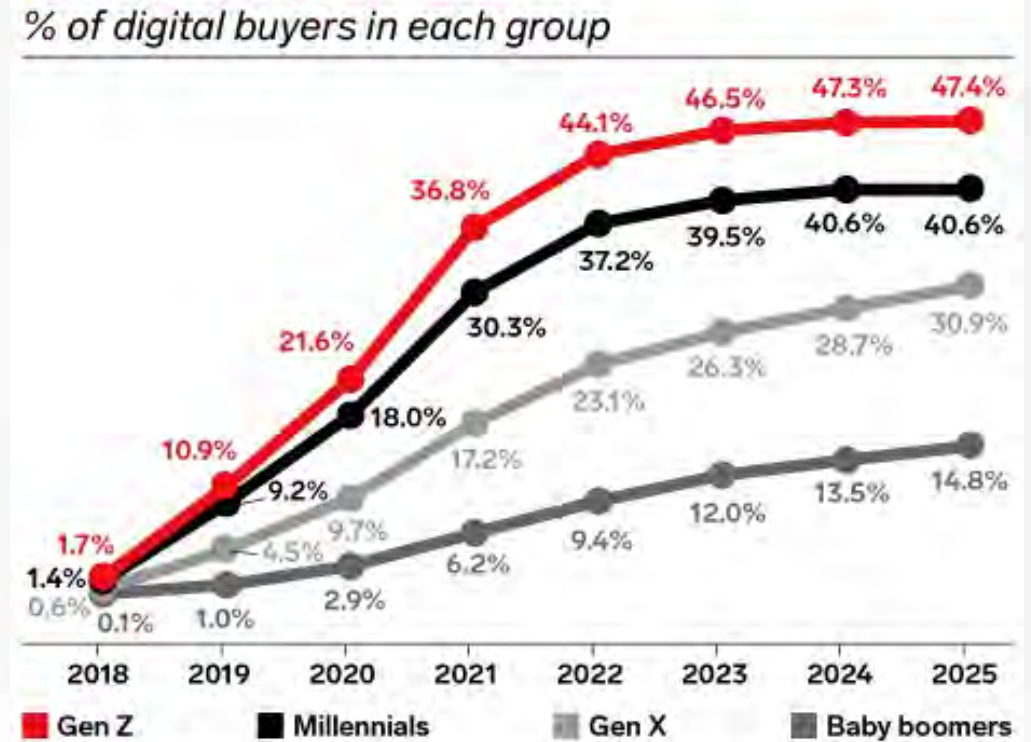
Buy Now Pay Later becomes a primary payment method for Gen Z



45% of US adults use BNPL to make purchases that otherwise wouldn't fit into their budget.

By the end of 2022, **44% of Gen Z digital buyers** will have used BNPL services at least once that year, compared with only 37.2% of millennials.

US Buy Now, Pay Later (BNPL) User Penetration, by Generation, 2018-2025



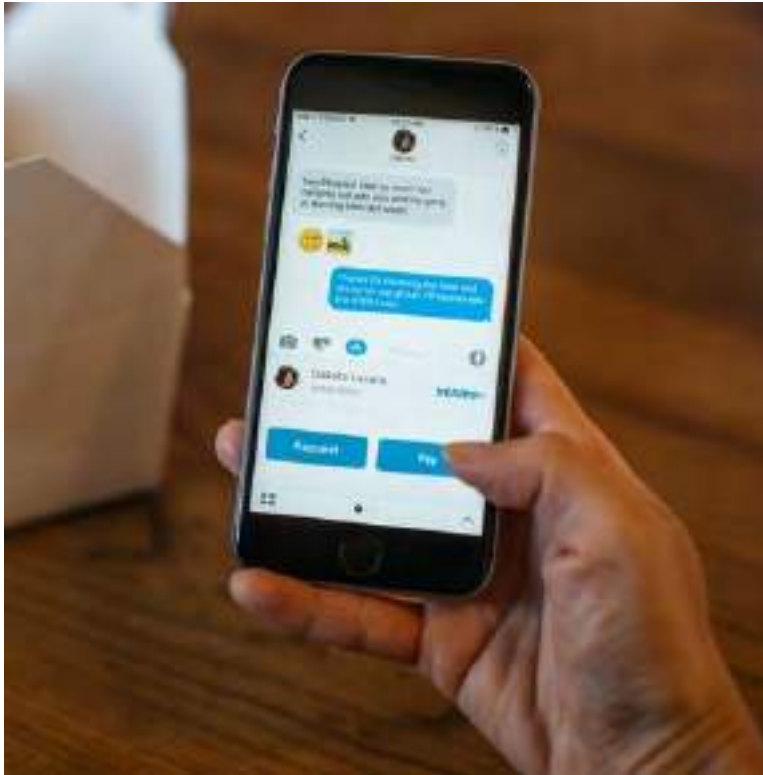
Note: internet users who have accessed a BNPL account digitally and have made a payment toward a purchase at least once in the past year; includes purchases of goods and services; Gen Z are individuals born between 1997 and 2012; millennials are individuals born between 1981 and 1996; Gen X are individuals born between 1965 and 1980; baby boomers are individuals born between 1946 and 1964

Source: eMarketer, May 2021

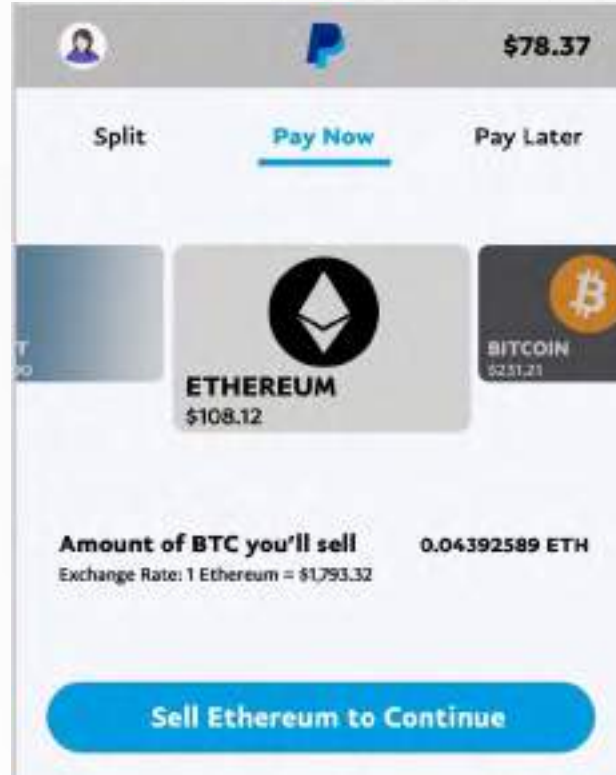


Gen Z | Embracing crypto currencies and P2P payments

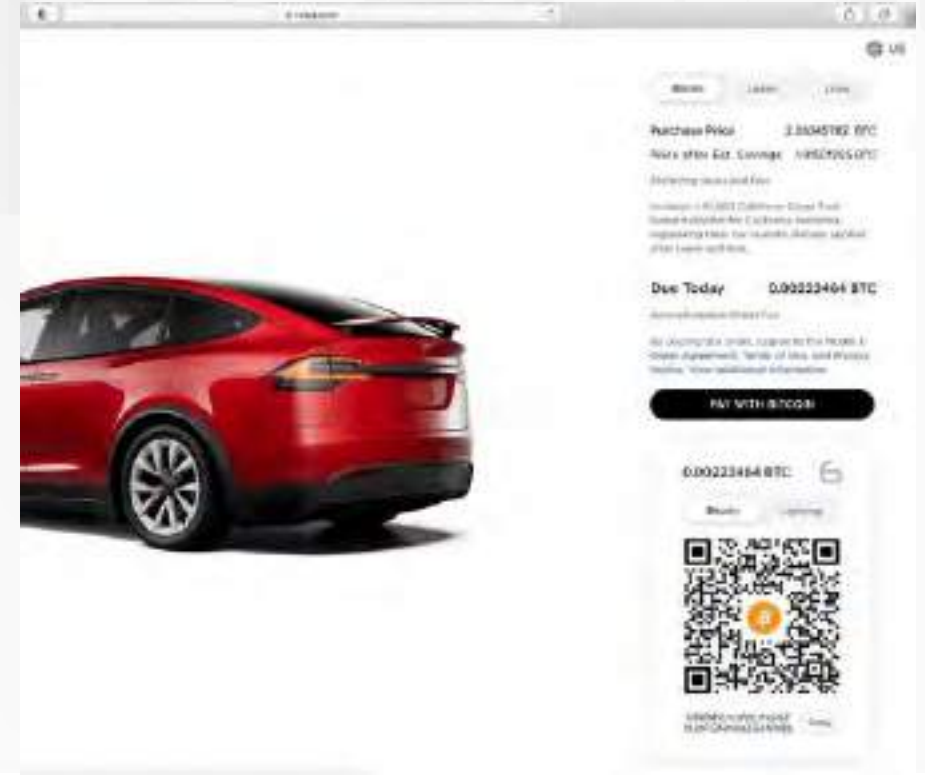
46% of Gen Z investors have invested in Bitcoin



> 300,000 US small businesses now accept Venmo as a means of payment. PayPal forecasting \$1b in Venmo eCommerce transactions in 2021



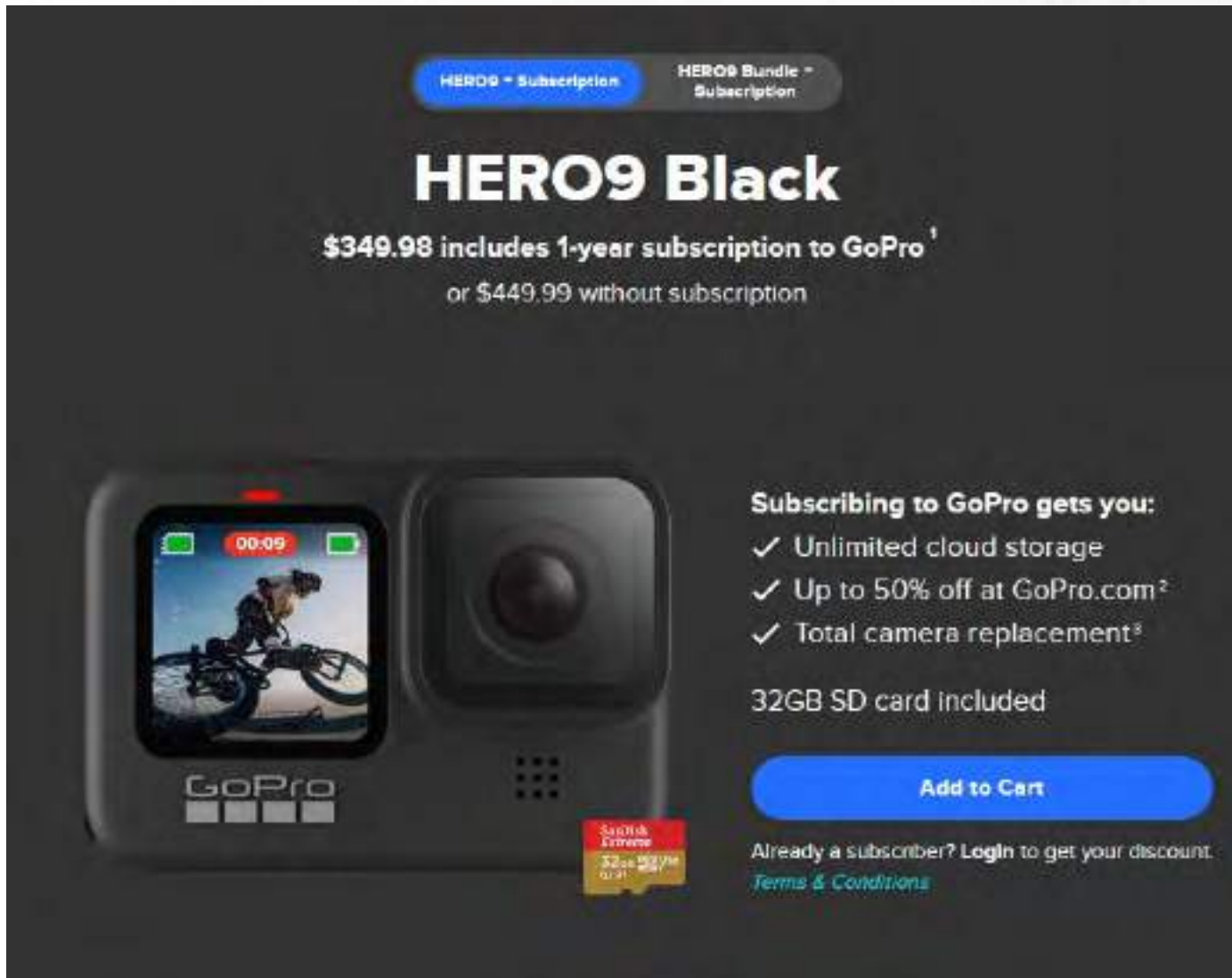
PayPal users can now pay for goods with Bitcoin, Ethereum & other crypto currencies



A few online retailers now accept Bitcoin as a payment method



Gen Z | Prefer “unlimited renting” over owning



The image is a screenshot of the GoPro HERO9 Black product page. At the top, there are two tabs: 'HERO9 + Subscription' (selected) and 'HERO9 Bundle + Subscription'. The main heading is 'HERO9 Black'. Below it, the price is listed as '\$349.98 includes 1-year subscription to GoPro¹ or \$449.99 without subscription'. On the left, there is a large image of the GoPro camera with a 32GB SD card shown below it. On the right, there is a list of benefits for subscribing to GoPro, including unlimited cloud storage, up to 50% off at GoPro.com, and total camera replacement. A blue 'Add to Cart' button is prominently displayed. At the bottom right, there is a link for 'Already a subscriber? Login to get your discount.' and a link for 'Terms & Conditions'.

HERO9 + Subscription HERO9 Bundle + Subscription

HERO9 Black

\$349.98 includes 1-year subscription to GoPro¹
or \$449.99 without subscription

Subscribing to GoPro gets you:

- ✓ Unlimited cloud storage
- ✓ Up to 50% off at GoPro.com²
- ✓ Total camera replacement³

32GB SD card included

[Add to Cart](#)

Already a subscriber? [Login to get your discount.](#)
[Terms & Conditions](#)

- GoPro driving more efficient, higher margin D2C subscription-centric business
- 90% of camera purchases + subscription at GoPro.com
- Working toward 2 million GoPro subscribers by end of 2021 → \$100 million of ARR & operating margin of 50% +
- Subscribers who sign up at the time of camera purchase on GoPro.com:
 - Significantly more likely to purchase accessories and lifestyle gear
 - Have higher annual retention rates than customers who subscribe separately.

Nicholas Woodman founder and CEO, Q1 2021 Earnings Call



2

**We must understand Gen Z focus on
the greater good**

PERSON *of the* YEAR

TIME



**GRETA
THUNBERG**

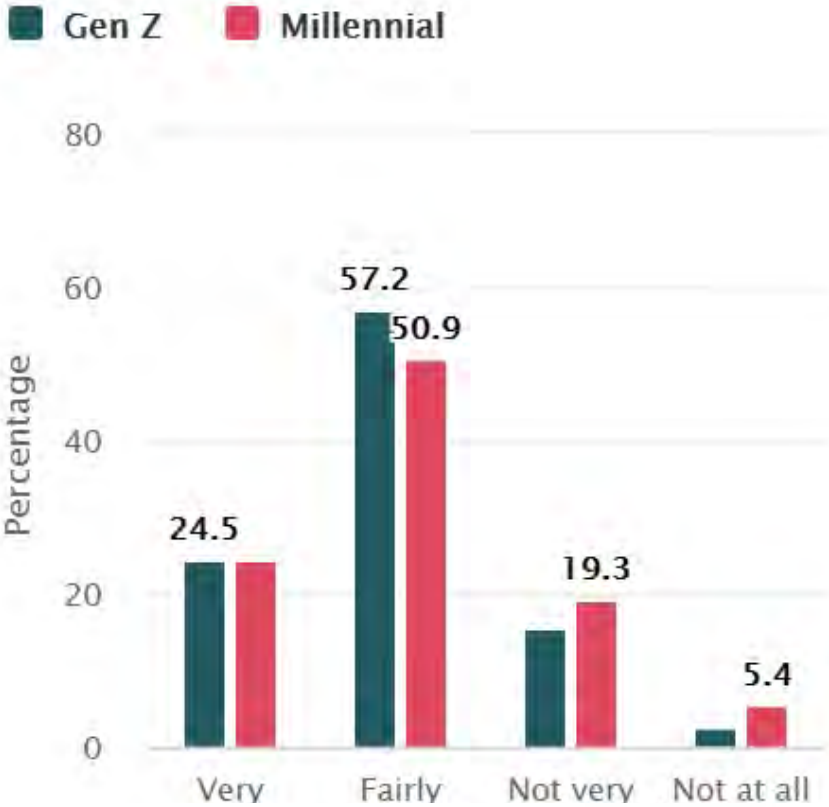
—
THE POWER
OF YOUTH

Gen Z | hold brands to a higher standard of corporate social responsibility

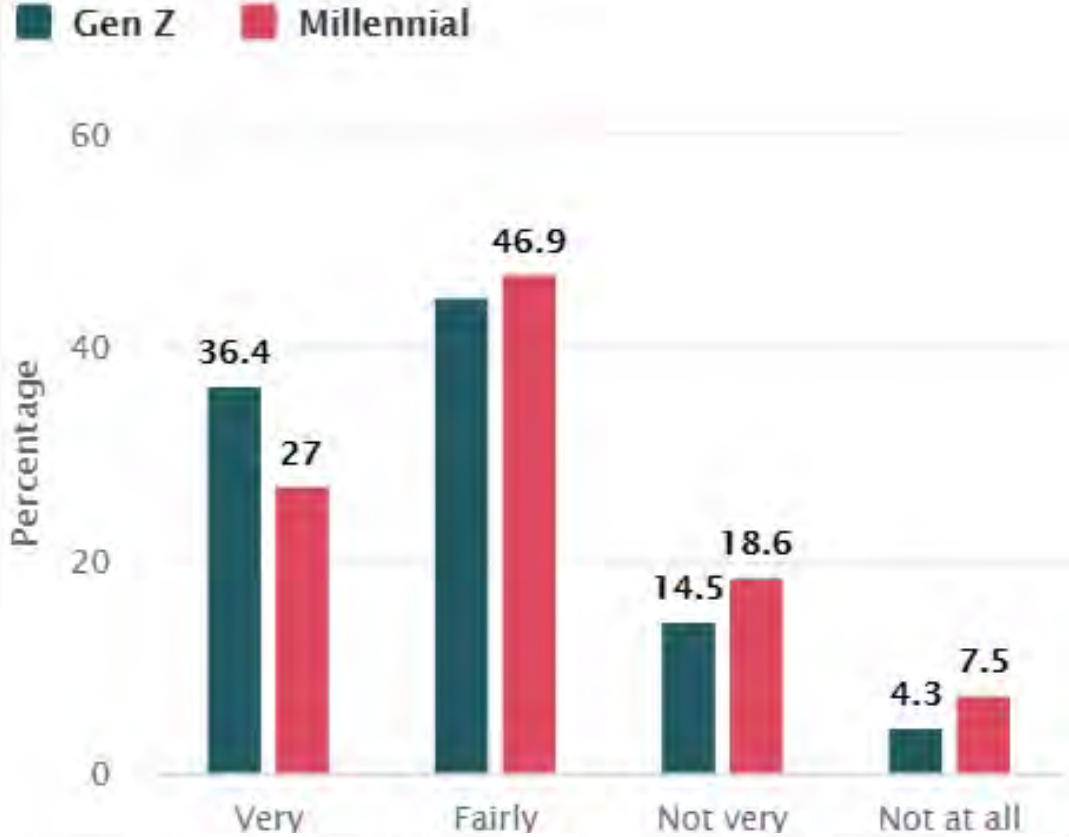


Gen Z | more environmentally and socially conscious than millennials

How important is it that a brand shows it is environmentally sustainable?



How important is it that a brand shows it is pro-equality and pro-diversity?



Source: *Drapers online Gen Z and Millennials 2020*



Gen Z | demand truth and authenticity

patagonia

DON'T BUY THIS JACKET



COMMON THREADS INITIATIVE
Together we can reduce our environmental footprint.

[TAKE THE PLEDGE](#)



BUY IT USED



WORNWEAR.COM

RENEW AT PATAGONIA.COM
QUALITY GEAR THAT WILL LAST AND CAN BE PASSED ON.



WEAR IT



REPAIR, CARE & SHARE IT!

FIX SOMETHING AND MAKE IT INTO IT. ALWAYS REPAIR AND CARE FOR IT AND CELEBRATE YOUR WORNWEAR STORES.



TRADE IT IN



WE WASH IT, YOU GET PAID

TRADE IN AT ANY PATAGONIA RETAIL LOCATION AND RECEIVE CREDIT TO PUT IT TOWARDS ANOTHER NEW OR USED GARMENT.

RINSE & REPEAT





3

Get creative with Gen Z engagement tactics

Influencer Marketing



“90% of respondents believe influencer marketing to be an effective form of marketing”

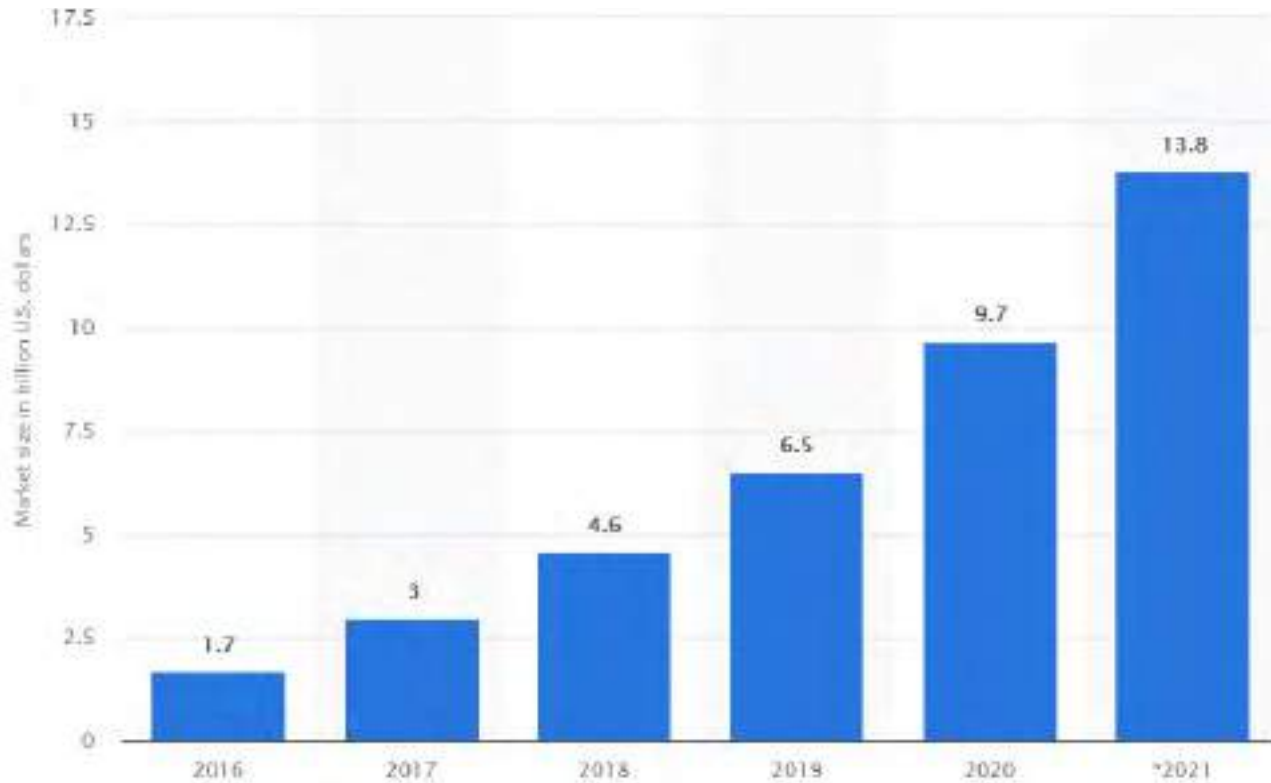
+

“72% believe that the quality of customers from influencer marketing campaigns is better than other marketing types.”

The Influencer Marketing Hub

The influencer market size has grown 8x in the past 6 years

Influencer marketing market size worldwide
from 2016 to 2021



Source: [Statista global influencer market size](#)

The Power of Social Media Hashtags

- **#amazonfinds** hashtag has generated more than 6.7 Billion views on TikTok
- **#TikTokmademebuyit** hashtag has generated more than 1.5 Billion views on TikTok

Brands will spend up to \$15B on influencer marketing by 2021

62%

Intend to increase their
influencer marketing
budget

93%

of parents say their
Gen Z children
influence their
household purchases

62%

Gen Z & Millennials
purchased on
smartphone thanks to
social media and
influencers

\$171B

Live-streaming
commerce in China
this year, doubling last
year

60%

of Gen Z like personalized
ads that provide value

The rise of nano and micro influencers

Influencer Type	# of Followers	Audience	Focus & Trust	Engagement Rate	US Marketers
Nano	<5k	Smaller, targeted audience	Highly specific High trust	5-8%	26% work with very often
Micro	5k-100K	Tight knit relationship with audience	Cover wide range of niches High trust	2-4%	64% work with very often
Macro	100K-1M	Large & diverse audience with broader reach	Well-established position in given community Medium trust	2%	16% work with very often
Mega / Celebrity	>1M	Vast & varied audience	Mass reach / awareness Low trust	1%	

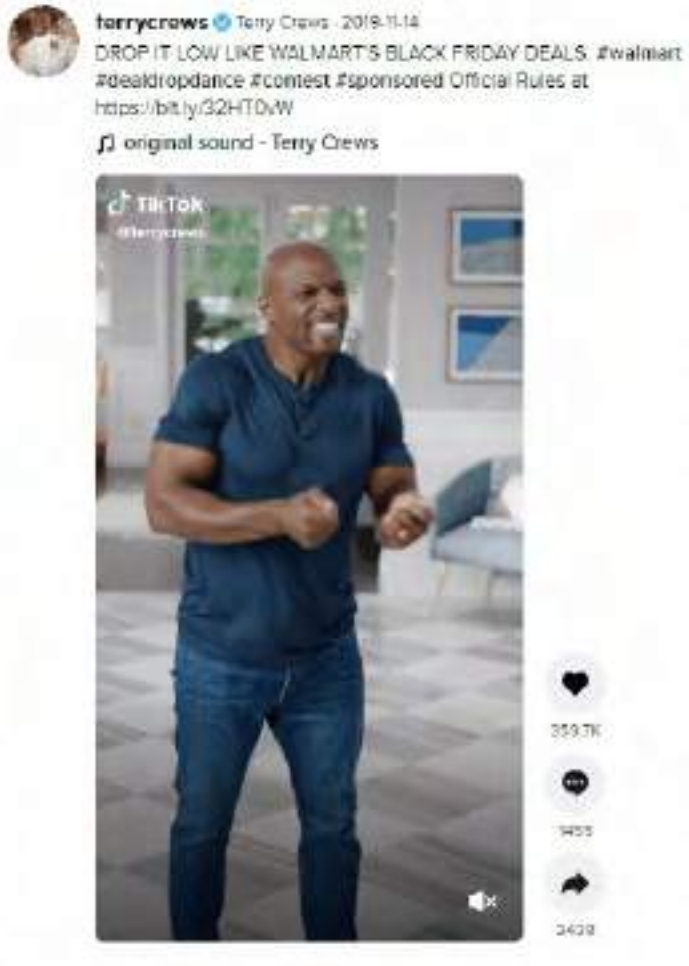


TikTok's first-ever reality show

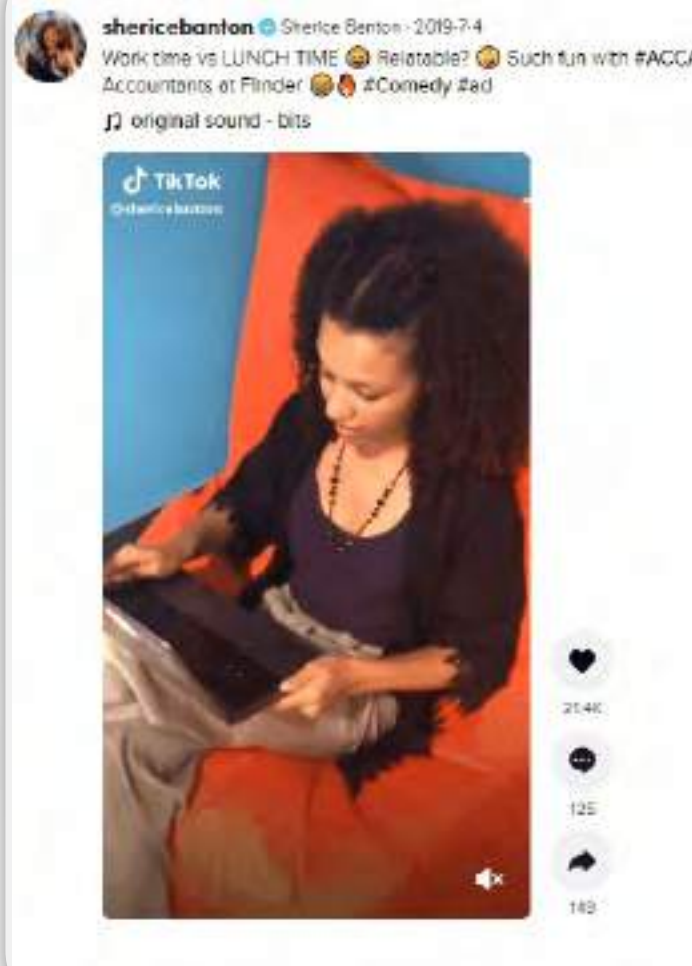
The screenshot shows the e.l.f. website with a navigation bar at the top containing categories like 'NEW', 'BEST SELLERS', 'EYES', 'LIPS', 'FACE', 'SKIN CARE', 'BRUSHES & TOOLS', 'E.L.F. DISCOVERY', and 'E.L.F. CARES'. The main content area is a promotional banner for a contest. The text on the banner reads: 'EYES. LIPS. FAMOUS.' in large, stylized letters. Below this, it says 'TikTok's first-ever reality show where three beauty lovers get the chance to level up their skills and become #EyesLipsFamous'. At the bottom of the banner, it states 'First came the contest, with over 3,000 entries from the TikTok community...'. The banner is decorated with several small, tilted images of people's faces, some with dramatic makeup. The e.l.f. logo is visible in the top left and center of the banner.

The screenshot shows a TikTok video interface. At the top, it says 'TikTok' and '@elfyeah'. The video content features the text 'EYES.' in large white letters, followed by the e.l.f. logo and the tagline 'eyes.lips.face.' below it. The background is dark with some blurred elements.

Users submit TikTok entries on why they should be an influencer to win a year of e.l.f. products



#DealDropDance sponsored by Walmart generated 4.1B views to build awareness for Black Friday deals and a chance to win \$100 gift cards

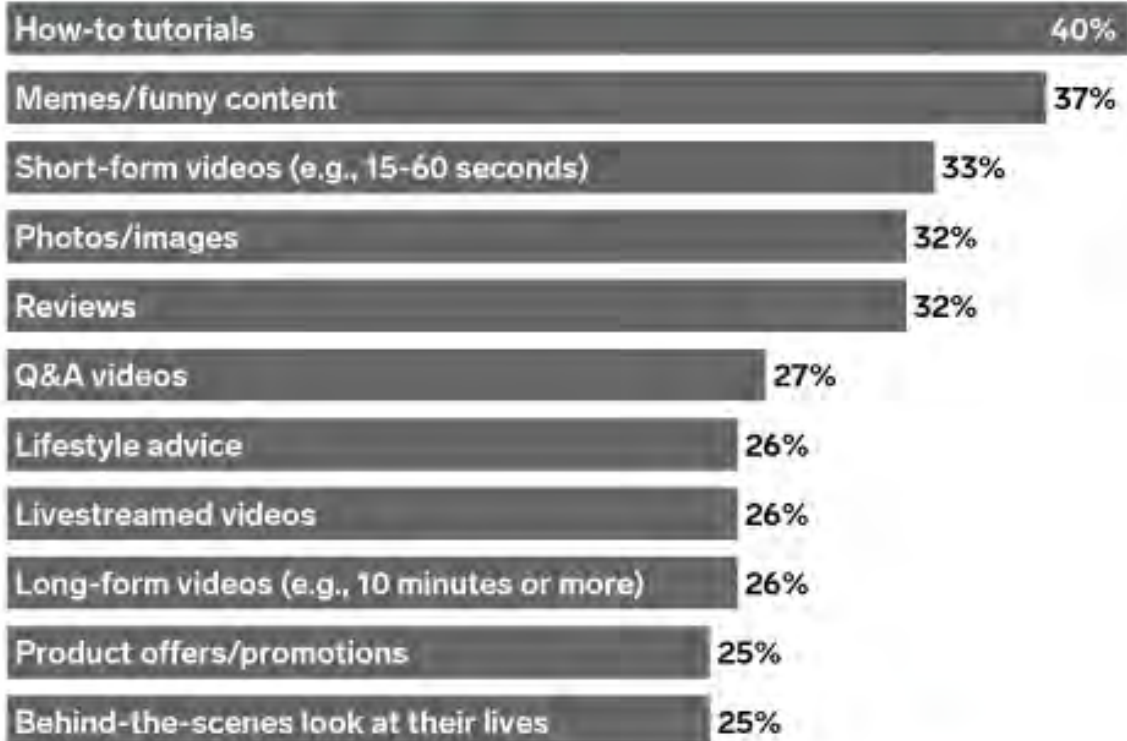


Association of Chartered Certified Accountants leveraged help from Fanbytes, an influencer marketing agency, to change Accounting stereotypes and has generated 1M+ views

Gen Z | Influencers are new source of trusted online content

What Types of Influencer Content Do US/UK Social Media Influencer Followers Want More of?

% of respondents, May 2020



Note: ages 16-64
Source: GlobalWebIndex and Influencer, "The Age of Influence," July 19, 2020

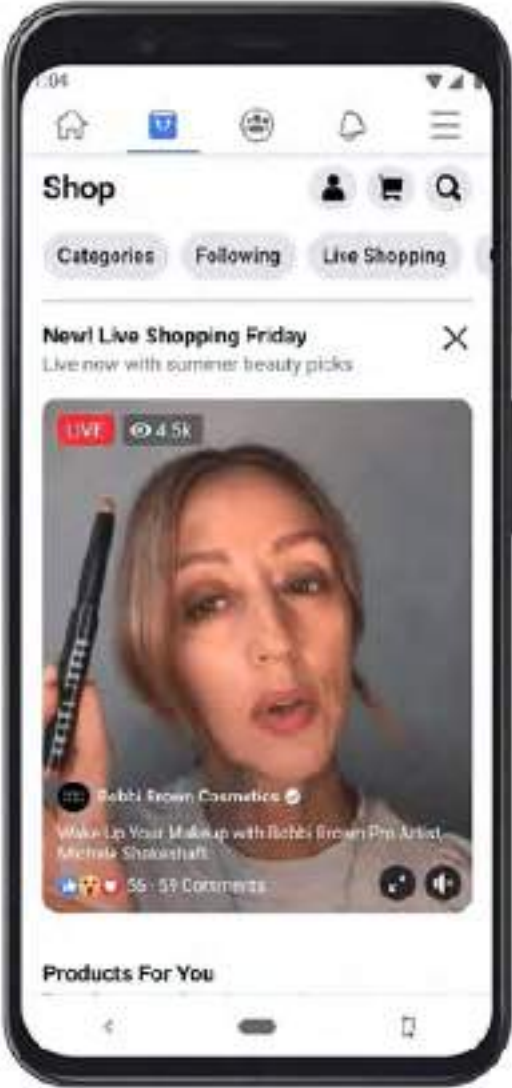
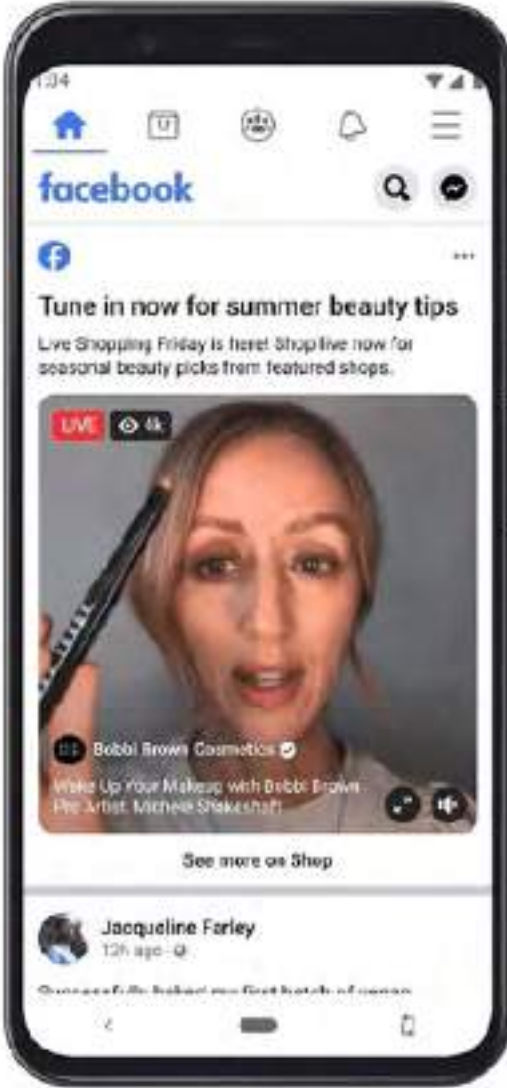
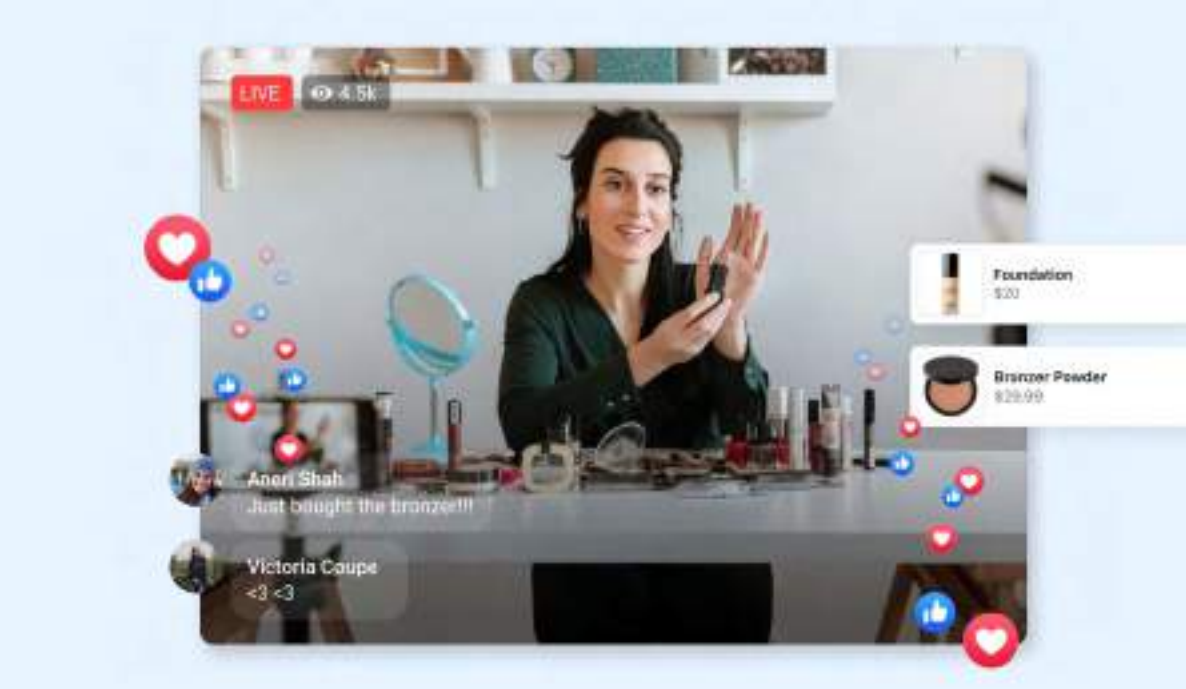




4

**We must be where Gen Z are
– don't expect them to come to us**

Gen Z | Live shopping is a fast-growing channel



Gen Z: Influencers behind the live shopping mania



Walmart | TikTok

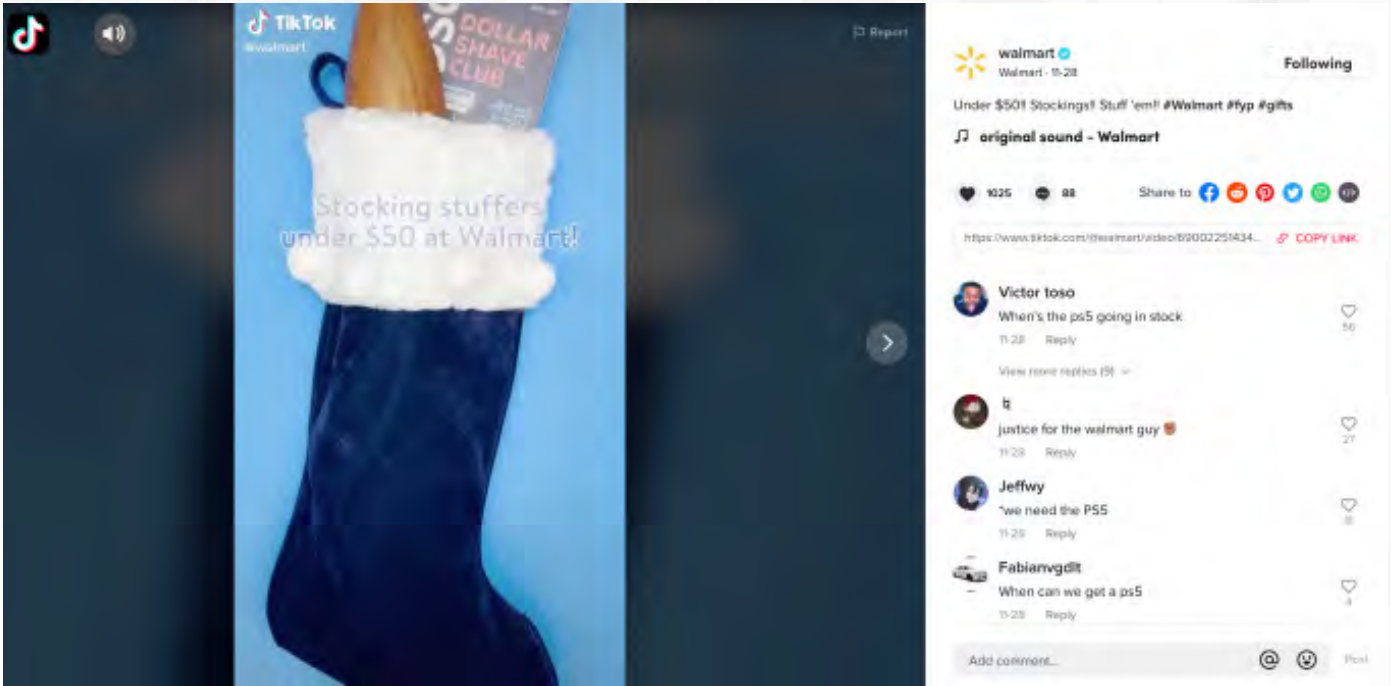
HOLIDAY SHOP-ALONG SPECTACULAR

Shop The Looks

Get your fave TikTok stars' top fashion picks from Walmart's Holiday Shop-Along Spectacular!

FEATURING

 HOST Michael Le @justmaiko	 Avani @avani	 Devan @devanondeck
 Savannah & Cole @savvlabrant, @thesupercole	 Andrea & Ali @andreespadatv	 Zahra @muslimthicc
 Taylor @tayhage	 Alex @alexcosta	 Whitney @whitneymadueke



TikTok Walmart

Stocking stuffers under \$50 at Walmart!

Under \$50! Stockings! Stuff 'em! #Walmart #fyp #gifts

original sound - Walmart

1025 88

Share to

<https://www.tiktok.com/@walmart/video/69002251434...> COPY LINK

Victor toso
When's the ps5 going in stock
11:28 Reply

ti
justice for the walmart guy
11:28 Reply

Jeffwy
we need the P55
11:28 Reply

Fabianvgdlit
When can we get a ps5
11:28 Reply

Add comment...



Gen Z | Live events brings together likeminded shoppers

The screenshot displays a live shopping event interface for ALDO. It is divided into three main sections:

- Chat (Left):** A vertical chat window with a header "Chat" and a right-pointing arrow. It contains several messages:
 - A purple promotional banner from "ALDO Shoes" with a right-pointing arrow, containing the text: "Use code 'LIVE15' for 15% off at checkout today."
 - A grey message from "Victoria SO CUTE".
 - Another purple promotional banner from "ALDO Shoes" with the text: "Use code 'LIVE15' for 15% off at checkout today."
 - A grey message from "Samantha Nice!!!".
 - A grey message from "Sherezade Haha".
 - A grey message from "black_santa KEKW".
 - A grey message from "Venessa" asking: "What's the name of the colourful bag beside the sneakers?".
 - A purple response banner from "ALDO Shoes" with a left-pointing arrow, containing the text: "That's our Erilissax top handle handbag!".
- Video Feed (Center):** A live video recording of a woman in a black suit and a man in a plaid shirt and purple pants standing in a shoe store. The store has shelves filled with various shoes. A "RECORDED" label is at the top left of the video, and the "ALDO" logo is at the bottom right. A video player control bar at the bottom shows a pause icon and the time "20:33 / 32:41".
- Shop (Right):** A vertical list of products with a left-pointing arrow at the top. Each item includes a small product image, a name, and a right-pointing arrow:
 - "Esclub Pastel Multi..."
 - "Laisbyyx White Wo..."
 - "Cilviel Light Purple..."
 - "Erilissax Light Purp..."



Gen Z | Virtual Festivals blend digital commerce, events and performances

FOMO is the key to success

- On NTWRK, a live video shopping platform, users tune in daily to shop exclusive merchandise, watch daily episodes from influencers/creators, and attend virtual festivals
- Digital events and musical performances have become the new normal after COVID-19
- Products are often showcased through shows hosted by celebrities or influencers

NTWRK



DAILY EPISODES

Watch shoppable content from world-class creators, broadcast directly to your smartphone.



EXCLUSIVE DROPS

Shop exclusive product drops and collaborations from your favorite brands and artists.



VIRTUAL FESTIVALS

Attend digital events featuring exclusive drops, live interactive panels, musical performances, and more.



COVETED DRAWINGS

Enter for a chance to purchase rare art, collectibles, and sneakers.



Thank you and anyone who wants to know more information about our local cases and receive a special gift from Adobe Commerce, scan this QR Code, or, go to our virtual booth



