SHOPPING WITH STRANGERS: GROCERY SHOPPING BEHAVIORS OF GENERATION Z

MADELYN OLSEN
PREPARED FOR THE LEE HONORS COLLEGE
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AGENDA

• Introduction
• Research Objectives
• Background Information
• Methods
• Results
• Limitations
• Recommendations
• Further Research
WHO, WHY, AND HOW?

• Generation Z
  • 1995-Present (Mintel, 2016)
• Why are they important?
  • Diverse (Mintel, 2016)
  • iGeneration (Mintel, 2016)
• How is this different than all of the other studies?
  • Concentration in grocery shopping
  • Shopping with Strangers
THE PURPOSE OF THIS RESEARCH IS TO DEVELOP A GENERAL PROFILE OF THE GROCERY SHOPPING BEHAVIOR OF GENERATION Z AND DETERMINE IF GENERATION Z HAS A UNIVERSAL SHOPPING PATH WITHIN THE STORES THAT THEY GROCERY SHOP.
WHAT DO WE KNOW?

• Generation Z “takes in information quickly and loses interest just as fast”’. (Alex Williams, NYT, 2015)

• Suggests to breakdown the digital world from reality (Deena Ghazarian, Dealerscope, 2016)

• The challenge for traditional retailers is to get them into the store (Ampel, Residential System, 2005)

• They respond best to retailers that reciprocate trust, sincerity, and mutual respect (Nichols, Raska & Flint, Journal of Consumer Behavior, 2015)

• There is no specific way to target the entire generation (Jain, Vatsa, & Jagani, Romanian Journal of Marketing, 2014)
WHAT DO WE KNOW CONTINUED

• Generation Z embraces diversity → “to each their own” mentality (Mintel, 2016)

• The Silent Generation vs. Generation Z (Neil Howe [interviewed by Alex Williams], NYT, 2015)

• “Do you agree with the following statement? I am sick of hearing about Millennials” (Mintel, 2016)

• Generation Z is pushing Millennials out of the key 18-34 age range (“What You Need to Know”, 2016)
METHODS

• Participants
• Selection Process
• Interview Questions
• Grocery Shopping
  • Videos
• Post Interview
• Collection of Receipts
  • Allowed for Basket Analysis
<table>
<thead>
<tr>
<th>Participant</th>
<th>Pseudonym</th>
<th>Gender</th>
<th>Age</th>
<th>College</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Liam</td>
<td>Male</td>
<td>20</td>
<td>College of Business</td>
</tr>
<tr>
<td>2</td>
<td>Emma</td>
<td>Female</td>
<td>18</td>
<td>College of Arts and Sciences</td>
</tr>
<tr>
<td>3</td>
<td>Olivia</td>
<td>Female</td>
<td>20</td>
<td>College of Arts and Sciences</td>
</tr>
<tr>
<td>4</td>
<td>Ava</td>
<td>Female</td>
<td>19</td>
<td>College of Arts and Sciences</td>
</tr>
<tr>
<td>5</td>
<td>Isabella</td>
<td>Female</td>
<td>18</td>
<td>College of Arts and Sciences</td>
</tr>
<tr>
<td>6</td>
<td>Sophia</td>
<td>Female</td>
<td>20</td>
<td>College of Business</td>
</tr>
<tr>
<td>7</td>
<td>Mia</td>
<td>Female</td>
<td>19</td>
<td>College of Fine Arts</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>College of Arts and Sciences</td>
</tr>
<tr>
<td>8</td>
<td>Noah</td>
<td>Male</td>
<td>19</td>
<td>College of Business</td>
</tr>
<tr>
<td>9</td>
<td>Charlotte</td>
<td>Female</td>
<td>20</td>
<td>College of Health and Human Services</td>
</tr>
<tr>
<td>10</td>
<td>Amelia</td>
<td>Female</td>
<td>19</td>
<td>College of Education and Human Development</td>
</tr>
</tbody>
</table>
Number of Students in Various Colleges at Western Michigan University

Subjects That Belong to College

- College of Business
- College of Arts and Sciences
- College of Fine Arts
- College of Education and Human Development
- College of Health and Human Services

[Bar chart showing the number of students in each college]
Living Situations of Subjects

- On Campus:
  - Apartment/House: 2
  - Dorms: 3

- Off Campus:
  - Apartment/House: 7
  - Dorms: 0
Age of Research Participants

- 18 Years Old
- 19 Years Old
- 20 Years Old

Average Age: 19.2 Years Old
Male to Female Ratio: 2:8
STORE PREFERENCES

• Size
• Employees
• Amenities/ Services
• Signage
• Self Checkouts
• All inclusive
• Coupons
• Method of Payment
  • Retailer’s Credit Cards
If the store has everything I need, I am content (Emma, 18).

- Convenience
- Bigger store = more money
I think employees should be pretty hands off. Maybe ask once if I am finding everything okay. They do not need to ask again, buy they should be open enough that I would not feel intimidated to ask them where something is (Amelia, 19).
STORE PREFERENCES - AMENITIES

Bottle Return
Deli Counter
Sampling
Coinstar
Seafood Counter
Redbox
Self Checkouts
Coffee Shops
ATM
STORE PREFERENCES - SERVICES

• Employee availability
  • Answering a question
  • Providing a quick checkout experience
• Friendly
I like good signage because I do not have to work as hard to find the things that I am looking for (Ava, 19).

The signage should be visible, easy to read, and accessible for all customers (Emma, 18).
PREFERENCES- SELF CHECKOUT

• Most participants are divided on the subject
  • Small orders = self checkouts
• They enjoy self checkouts because of less interaction with people and they feel more in control
• Cashiers make checking out more convenient & fast = downfall is waiting in line
STORE PREFERENCES- METHOD OF PAYMENT
I told myself I would, but I found it to be so time consuming that I did not feel that I was saving very much money doing it. Instead I just try and limit myself to buying only what I need to buy. I prefer Everyday Low Pricing (EDLP) (Isabella, 18).
I would want to shop all inclusive. I feel that shopping by department would involve more trips. I feel like the whole point of a supermarket is to bring a bunch of stuff all together to make it convenient. I like that (Noah, 19).
PREFERENCES ON USING TECHNOLOGY - APPS

Would You Like to Use an App While Grocery Shopping?

- Unaware of the apps
- Do not use them regularly
  - Not using their own account
- Distraction = complicate the process
Groceries
Shampoo and conditioner
Mousse
Printer paper
Milk
Yogurt
Paper towel
Cereal
Chicken
Bagels
V8 juice
PREFERENCES OF TECHNOLOGY: E-SHOPPING

Preorder → Delivery

I would possibly try it, but I am leaning towards no. I would rather grab the items myself. I would prefer to take my time looking at apples in person. I prefer to grab my own products (Noah, 19).

Preorder → Pickup

If I had to go pick it up, why wouldn’t I just go shopping at the store myself (Ava, 19).
PREFERENCES ON USING TECHNOLOGY

- Tablets for products
- Kiosks
- Electronic price tags
- Amazon warehouse
PREFERENCES OF SUSTAINABILITY

How Important are Your Grocery Store's Sustainabily Practices?
PREFERENCES OF SUSTAINABILITY

How Would You Like Your Store to Practice Sustainability?

- Use locally sourced products
- Recycle cardboard/plastic bags
- No waste/alternative waste
- Encourage bottle return
- Use "green" shipping methods
- Encourage reusable bags/containers
PREFERENCES ON ADVERTISING

Do Advertisements Affect Where You Grocery Shop?

- They do not see advertisements
- Go to the store with the sale for only one item
PREFERENCES ON ADVERTISING

What Platforms Do You Want to See Advertisements from Grocery Retailers?

- Instagram
- Twitter
- Facebook
- None

They can go for it, but I am probably not going to pay attention to it (Noah, 19).

I am okay with the occasional ad here or there like on Pandora or if it pops up on Instagram every now and then. I would not want it to be overwhelmingly obnoxious because I feel social media is not the place for advertisements (Isabella, 18).
[In store advertising] doesn’t matter to me because I have blinders (Noah, 19).
Are On The Go/Premade Foods/Meals Important?

- Premade
  - Not Important
  - Important

- On The Go
  - Not Important
  - Important
PREFERENCES ON PRODUCTS - PRODUCT PACKAGING

[Packaging recyclability is] important. I am big on recycling, but I am not the greatest at picking out things that are recyclable. Whatever I do purchase I try my best to recycle its packaging (Charlotte, 20).
HOW SELF AWARE IS GENERATION Z?

- Health conscious
- Like/dislikes
- Influencers
- Cart size
- Stock outs
- Overbuy/under consume
HEALTH CONSCIOUSNESS

I try to stay away from super processed things as well as the sweets and snacks aisles. I try to get a lot of fresh foods that are quick, which can be difficult (Mia, 19).

I try to be [healthy]. I will get all the unhealthy food first and then I will look at it. After looking at the unhealthy products, I go put some healthier choices in my basket to make me feel better (Noah, 19).
DO THEY KNOW WHAT THEY LIKE- IN GENERAL?

• Feeling independent, productive, and enjoy getting product Recommendations from friends
• Shopping is relaxing
• Food makes them happy

Mia, 19
DO THEY KNOW WHAT THEY DISLIKE- IN GENERAL?

1. Shopping takes too much time
2. They spend too much money on food
3. They do not like waiting in line to checkout.

Emma, 18
DO THEY KNOW WHAT THEY LIKE WHEN WE WENT SHOPPING?

• They saved money
• Purchased everything they needed
• The shopping trip as a whole was a quick experience
• They did not have to wait in line.

Sophia, 20
DO THEY KNOW WHAT THEY DISLIKE- WHEN WE WENT SHOPPING?

- Were unable to find an item without asking for help
  - Some couldn’t find someone to help them
- Stocking carts were left unattended in the aisle
- Background noise was distracting
- Store was crowded

Charlotte, 20
WHAT INFLUENCES THEM TO BUY THEIR GROCERIES

1. They purchase items to replenish what they are missing at home
2. Item was on sale OR wanted to try a new item
3. They bought the product to contribute to their health conscious lifestyle

Olivia, 20
CART SIZE

2 of the participants felt self-conscious of their basket during the shopping process
  • Too many items
  • “College Kid”

Some did feel self-conscious, but the thought went away quickly.

I pile items on top of one another in my cart, so you cannot truly see everything. I am aware of what I have, not how many things (Female, 20).

Mia, 19
STOCK OUTS

I don’t think I would care if they were out of something. I would come back because I know they did not stop carrying the item. There was just none on the shelf when I went to purchase the item (Female, 19).

It is not the store’s fault that they do not have what I am looking for. It is probably a logistics problem of the parent company of a product. I would find a substitute for that day, and I would hope that it would be there next time I went shopping (Male, 19).
OVER PURCHASE/ UNDER CONSUME

• They forget about the item
• The food goes bad quickly
• Unanticipated schedule change
• Food waste is present every shopping trip
• Can’t tell because of roommates and friends

Isabella, 19
<table>
<thead>
<tr>
<th>Participant</th>
<th>Number of Items</th>
<th>Total Cost of Basket</th>
<th>Average Cost Per Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>27</td>
<td>$58.70</td>
<td>$2.17</td>
</tr>
<tr>
<td>2</td>
<td>16</td>
<td>$27.43</td>
<td>$1.74</td>
</tr>
<tr>
<td>3</td>
<td>11</td>
<td>$40.00</td>
<td>$3.64</td>
</tr>
<tr>
<td>4</td>
<td>32</td>
<td>$97.58</td>
<td>$3.05</td>
</tr>
<tr>
<td>5</td>
<td>20</td>
<td>$55.67</td>
<td>$2.78</td>
</tr>
<tr>
<td>6</td>
<td>27</td>
<td>$47.58</td>
<td>$1.76</td>
</tr>
<tr>
<td>7</td>
<td>45</td>
<td>$73.39</td>
<td>$1.53</td>
</tr>
<tr>
<td>8</td>
<td>34</td>
<td>$71.42</td>
<td>$2.10</td>
</tr>
<tr>
<td>9</td>
<td>24</td>
<td>$70.15</td>
<td>$2.92</td>
</tr>
<tr>
<td>10</td>
<td>21</td>
<td>$45.97</td>
<td>$2.19</td>
</tr>
<tr>
<td>Average</td>
<td>25.7 Items (26 Items Rounded)</td>
<td>$58.79</td>
<td>$2.26</td>
</tr>
</tbody>
</table>
## Basket Analysis - Frequency of Shopping Trips

<table>
<thead>
<tr>
<th>Participant (Unassigned)</th>
<th>Minimum # of Day</th>
<th>Maximum # of days</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>2</td>
<td>21</td>
<td>28</td>
</tr>
<tr>
<td>3</td>
<td>14</td>
<td>14</td>
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<td>4</td>
<td>7</td>
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<tr>
<td>7</td>
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<tr>
<td>8</td>
<td>14</td>
<td>21</td>
</tr>
<tr>
<td>9</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>10</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>12.6 Days (13 Days Rounded)</strong></td>
<td><strong>15.4 Days (16 Days Rounded)</strong></td>
</tr>
</tbody>
</table>
COMMON SHOPPING PATH FOR ALDI
COMMON SHOPPING PATH FOR MEIJER
<table>
<thead>
<tr>
<th>Milk, Eggs &amp; Chilled Juice</th>
<th>Cheese</th>
<th>Meat</th>
<th>Seafood</th>
<th>Lunch Meat/Hotdogs</th>
<th>Mushrooms/Tofu</th>
<th>Bakery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper Towels &amp; Facial Tissue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Household Cleaners, Laundry Detergent &amp; Bleach</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PB&amp;J, Canned Fruits/Beans/Veggies, Trash Bags, and Foil</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spices, Baking Needs, Sugar/Oil, and Desserts &amp; Rice</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ketchup/Mustard, Dressings, Boxed Potatoes/Gravies, Packaged Dinners</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asian and Mexican Foods, Pasta/Tomatoes, and World Foods</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Breakfast Foods, Candy, and Pancake Mix</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Soup, Crackers, Cookies, and Canned Meat/Fish</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bulk Foods, Salty Snacks, Low Carb Food, and Popcorn</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Bread, Juice, Drink Boxes, Boxed Doughnuts</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Coffee/Tea, Water, New Aged Beverages, and Cocoa</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wine, Drink Mixes, Liquor, and Boxed Wine</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Old Fashioned Root Beer, Soft Drinks, Tonic Water, and Wine</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Beer, Wine, and Cold Beer</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Beer, Wine, and Cold Beer</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frozen Ice Cream, Desserts, Pot Pies, and Pizza</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Frozen Large Sizes, Potatoes, and Vegetables</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Herbs, Raw Greens, Lettuce, and Bagged Salads</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bakery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nuts</td>
</tr>
<tr>
<td>Fancy Cheese</td>
</tr>
<tr>
<td>Potatoes &amp; Onions</td>
</tr>
<tr>
<td>Toppings &amp; Bell Peppers</td>
</tr>
<tr>
<td>Salads &amp; Dressings</td>
</tr>
<tr>
<td>Bananas &amp; Oranges</td>
</tr>
<tr>
<td>Berries</td>
</tr>
<tr>
<td>Prepared Fruits &amp; Veggies</td>
</tr>
<tr>
<td>Apples</td>
</tr>
<tr>
<td>Oranges, Peas, &amp; Veggies</td>
</tr>
</tbody>
</table>

Deli
LIMITATIONS TO THIS STUDY

• Sample was not an equal balance of men and women
• Only method used to recruit was through the Lee Honors College
• All of the participants in the sample were college students
• I was present with them in the grocery store → Participants were unable to shop naturally
• Pre-interview questions made the participants more aware of their shopping experience
• The participants are more than likely not shopping with their own money
RECOMMENDATIONS

Integrate Smart Social Media Campaigns

Implement Some Technology Recommendations

Strategically Place Advertisements/ Products
MAKE USE OF MOBILE APPLICATION TECHNOLOGY

- Have a grocery list feature with coupon recommendation
- Allow customers to be able to see the store layout
- Allow for brand comparisons for nutritional facts, ingredients, and price
SMART SOCIAL MEDIA CAMPAIGNS

• Brand ambassadors at college events
• Create social media challenges with REAL prizes
  • Give suggestions for a Tasty Video
  • Winner gets to make one with their friends
• The key is to get their friends talking about it
• Starbucks Bingo
ADDITIONAL RESEARCH

• Comparison research
  • Week to week shopping
  • 10 year comparison
• Concentrate the focus of shopping on their eye movements
• Preferences broken down into individual studies
• Further analysis on why they are not integrating technology more
• Price sensitivity for college students
• Basket analysis by category
REFERENCES

• Amphel, F. J. (2005, September). Marketing to gen x, y, & z – it’s time to start selling to the kids and grandkids of our core customers. *Residential System*, 6(09), 58.


QUESTIONS?

Thank you for coming!

Who has the first question?