UNLOCKING BRAND LOYALTY & PREFERENCES

Among Gen Z & Millennial Consumers

PREPARED BY
COMPOSE[D]

Year after year, seasoned marketers are chasing the same goal: customer loyalty. This behavior sits at the point of every brand acquisition pyramid, regardless of vertical. But, as we enter the era of Gen Z as the predominant demographic, consumer analysts are signaling the demise of this once-predictable behavior.

As the channels for marketing and conversion continue to expand and become more immediate, there is little debate that true loyalty is harder than ever to earn. Product efficacy and quality remain critical to brand success while evolving consumer priorities see Sustainability and Cause Marketing playing a bigger role among both Millennial and Gen Z groups, which collectively make up the majority of today's consumers.

Of the 500 consumers Compose[d] surveyed across the US, we found that both generations have loyalist tendencies (87%), but a significant majority (62%) are also open to brand discovery. Additionally, female-identifying consumers are more loyal across generations (70%), with Gen Z women being the most loyal consumer in the set.

Authenticity is key not only in what the product docs and what a brand stands for, but also in marketing and discover channels, where hyper-visual mediums that showcase real people (Instagram and YouTube came out on top), are critical to telling this narrative. Additionally, if a brand does not give back to charities and/or social causes, that is a glaring oversight in the eyes of today's consumer (76%), and will likely influence the decision to purchase. **Given this group's purchasing power and guiding principles, it is critical that brands adjust their sales and marketing tactics** to address the key issues that directly influence consumer behavior today: not only must the product work but also be appropriately priced, widely available, and sustainably made for real people.

PURCHASE, REPEAT

9 out of 10

consistently purchase from the same fashion & accessories *brands, as well as the same beauty & grooming products 50% of the time or more.*

75%

Self-identify As ***Brand Loyal***

2 in 3

WOMEN *consistently shop the same fashion & accessories brands at least 70% of the time.*

THE GENERATIONAL SPLIT

73% GEN Z / 66% MILLENNIALS

3 in 4

WOMEN *consistently shop the same beauty & skincare brands at least 70% of the time.*

THE GENERATIONAL SPLIT

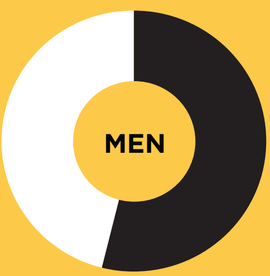
77% GEN Z / 69% MILLENNIALS

SOMETHING NEW

GEN Z WOMEN *are **Most Brand Loyal***

<10% *say they consistently shop different retailers & brands across fashion & beauty.*

40% *of* **WOMEN** *say they're always on the lookout for new fashion & beauty brands to discover.*



54% *more likely than* **WOMEN** *to shop different products on a consistent basis.*

say they purchase new grooming products **50%** *of the time or every time they make a purchase.*

AFFINITY TRIGGERS

#1 PRODUCT EFFICACY

70% *cite as the top factor that leads to a repeat purchase.*

41% + **52%**
MILLENNIALS GEN Z

Seek out clothes & accessories that are ***unique / others won't be wearing.***

56% *say price is the leading factor that drives an initial purchase.*

90% *say they will pay more for products that they* ***feel work better & are of better quality.***

78% *say they* ***will not repurchase*** *a product if they didn't love it, even if the product was cheaper than alternatives.*

AFFINITY TRIGGERS

*Among Men The Value of Efficacy **Varies Significantly** Across Generations*

MILLENNIALS **34%** *more likely to prioritize efficacy than* **GEN Z**.

GEN Z **15%** *more likely to be price conscious than* **MILLENNIALS**.

80% *said they prefer to shop brands that give back.*

5% *say brands giving back will make them buy consistently.*

WHY THEY'LL BUY AGAIN AND AGAIN

	ALL	WOMEN	MEN
PRODUCT WORKS THE BEST FOR ME	69%	78%	61%
PRICE IS RIGHT	53%	53%	54%
CONVENIENT/AVAILABLE EVERYWHERE	37%	36%	38%
SUSTAINABILITY: SOURCED/MADE	19%	21%	17%
SALES OR SPECIAL PROMOTION	16%	20%	13%
PRODUCT IS ORGANIC	16%	21%	11%
AVAILABILITY OF COUPONS	8%	6%	9%
LOYALTY PROGRAM MEMBERSHIP	5%	6%	5%
DONATION TRIGGER	5%	5%	5%

THE POWER OF PURPOSE

76% *of* **MILLENNIAL + GEN Z** *consumers would pay more for a sustainable product.*

80% WOMEN

72% MEN

86% GEN Z + **84%** MILLENNIALS *say that sustainability influences their purchase decision, even if it isn't their primary motivator to buy.*

23% GEN Z *more likely than* **MILLENNIALS** *to seek out sustainable products.*

60% GEN Z + MILLENNIALS *say they value a product's origin story & take into consideration how a product is made/sourced.*

75% GEN Z + MILLENNIALS *say they favor brands that offset their environmental impact.*

THE POWER OF PURPOSE

65% + **70%**

GEN Z · MILLENNIALS

think that the products they buy have too much packaging.

1 in 3

GEN Z *say they favor any brand that donates to a political candidate they support.*

24%

MILLENNIALS

less likely to want brands involved in politics.

70%

MILLENNIAL + GEN Z WOMEN
would refuse to buy a brand they know tests on animals.

NOT TESTED ON ANIMALS

< 50%

MEN

are less likely to purchase products that test on animals.

MARKETING & DISCOVERY CHANNELS

71% WANT TO SEE REAL PEOPLE

"LIKE ME" *use/wear a product.*

WOMEN

80% *say that product trials in advertising often influence their purchase intent.*

54% *say they most often discover new products from watching commercials* ***but*** *their influence is diminishing among* **GEN Z**

Commercials seem to have a higher impact among **MILLENNIALS** *particularly*

MARKETING & DISCOVERY CHANNELS

WHERE DISCOVERY HAPPENS

GEN Z	MILLENNIALS
58%	34%
56%	32%
31%	41%
22%	8%
21%	7%

OOH and In-Store Marketing influences more than

35% OF MILLENNIALS AND GEN Z

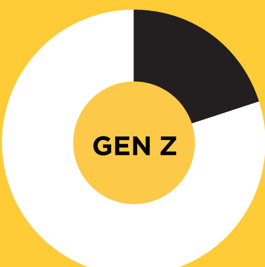
20% *will immediately lose interest if they don't like a brand's*

GEN Z

SHIFTING BASKET SIZE

As **GEN Z** begin to enter the workforce, earning consumer independence, there's a debate as to whether this will change the **RECENT DOWNWARD TREND IN THEIR YEAR TO YEAR SPENDING.**

50%+ *of* **MILLENNIALS + GEN Z** *say they shop for new fashion & beauty products every few months.*



20% *of respondents report using more than* **10** *beauty products in their routine*

x2 *more so than* **MILLENNIALS**

SHIFTING BASKET SIZE

GEN Z	MILLENNIAL
WOMEN *use* 5 *beauty products*	**WOMEN** *use* 10 *beauty products*
MEN *use* 5 *beauty products*	**MEN** *use* 3 *beauty products*

GEN Z AND MILLENNIALS

aquire 3+ *new wardrobe pieces per month*

47% OF GEN Z MEN ARE LIKELY TO PURCHASE

5+ *products every month compared to* **MILLENNIAL MEN**

GEN Z MEN *aquire* 5+ *new products every month*

GEN Z PURCHASE FREQUENCY

CLOTHES	WOMEN	MEN
WEEKLY	5%	5%
MONTHLY	31%	25%
EVERY FEW MONTHS	50%	52%
ONCE A YEAR	13%	18%

SHOES	WOMEN	MEN
WEEKLY	3%	4%
MONTHLY	5%	13%
EVERY FEW MONTHS	52%	39%
ONCE A YEAR	40%	44%

ACCESSORIES	WOMEN	MEN
WEEKLY	3%	7%
MONTHLY	17%	13%
EVERY FEW MONTHS	41%	35%
ONCE A YEAR	40%	45%

FRAGRANCE	WOMEN	MEN
WEEKLY	1%	5%
MONTHLY	6%	12%
EVERY FEW MONTHS	27%	24%
ONCE A YEAR	66%	59%

HAIR PRODUCTS	WOMEN	MEN
WEEKLY	4%	8%
MONTHLY	42%	38%
EVERY FEW MONTHS	44%	33%
ONCE A YEAR	10%	22%

SKINCARE	WOMEN	MEN
WEEKLY	5%	6%
MONTHLY	40%	24%
EVERY FEW MONTHS	42%	40%
ONCE A YEAR	13%	30%

OTHER BEAUTY/ PERSONAL CARE	WOMEN	MEN
WEEKLY	7%	10%
MONTHLY	39%	21%
EVERY FEW MONTHS	36%	24%
ONCE A YEAR	18%	44%

MILLENNIAL PURCHASE FREQUENCY

CLOTHES	WOMEN	MEN
WEEKLY	3%	2%
MONTHLY	26%	20%
EVERY FEW MONTHS	60%	51%
ONCE A YEAR	11%	27%

SHOES	WOMEN	MEN
WEEKLY	1%	1%
MONTHLY	9%	5%
EVERY FEW MONTHS	65%	37%
ONCE A YEAR	25%	56%

ACCESSORIES	WOMEN	MEN
WEEKLY	7%	3%
MONTHLY	15%	11%
EVERY FEW MONTHS	44%	40%
ONCE A YEAR	34%	47%

FRAGRANCE	WOMEN	MEN
WEEKLY	3%	1%
MONTHLY	8%	12%
EVERY FEW MONTHS	21%	24%
ONCE A YEAR	68%	63%

HAIR PRODUCTS	WOMEN	MEN
WEEKLY	4%	5%
MONTHLY	44%	22%
EVERY FEW MONTHS	39%	53%
ONCE A YEAR	13%	21%

SKINCARE	WOMEN	MEN
WEEKLY	3%	6%
MONTHLY	35%	21%
EVERY FEW MONTHS	51%	44%
ONCE A YEAR	11%	29%

OTHER BEAUTY/ PERSONAL CARE	WOMEN	MEN
WEEKLY	5%	8%
MONTHLY	40%	24%
EVERY FEW MONTHS	41%	31%
ONCE A YEAR	14%	37%

LOOKING FOR MORE?

Compose[d] is a digital creative services & strategy agency based in NYC, that is proud to partner with the top brands across Retail, Fashion, Beauty, and Lifestyle.

For a deeper dive on insights around your brand or for help crafting a campaign strategy leveraging these insights, please contact us:

info@composedcreative.com
646.775.2915

242 W. 30th Street, Suite 903
New York, NY 10001

Study Methodology
Fielded: Online survey, November 2019
Respondents: 500 US Adults - Gen Z (18-24 YO) and Millennials (28-34 YO)