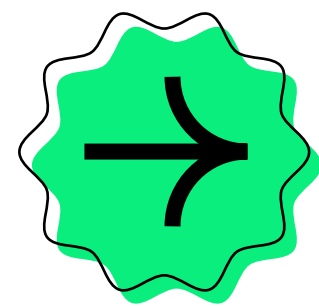


Retail, Gaming & the Next Generation

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AN EPIC GAMES COMPANY



The new ways that Gen Alpha & Gen Z are engaging with retail brands



The future of retail marketing: Reaching Gen Alpha and Gen Z through gaming and beyond



Our world dramatically changed in recent years, and retail discovery, industry trends, and audience behaviors have transformed along with it. Retail brands looking to stay plugged in and grow market share need to make sure they're not overlooking a hugely influential audience: Gen Alpha and Gen Z youth.

Reaching the next generation is essential to both short- and long-term success—youth have a massive say in what their parents buy, where they get it, and how much is spent. This influence only grows with age as their personal spending power increases.

This report explores youth audiences' influence and new digital habits, values, and preferences when it comes to retail, and why in-game activations are at the heart of the new media mix that marketers can use to reach them.

Methodology

MarketCast, on behalf of SuperAwesome, conducted a survey in the United States, United Kingdom, France, and Germany among Gen Alpha and Gen Z youth and their parents. Fieldwork took place between 7/01/22 - 7/15/22, and the category modules included Apparel, Footwear, Electronics, and Toys.

This report includes responses from 1,600 Gen Alpha kids (ages 6-12) and Gen Z teens (ages 13-19), and 1,200 parents from the US and UK.

Key findings

 **1** 80% of youth have decision-making power.

The majority of kids and teens have sole or joint decision-making power with their parents when it comes to retail purchases. As young people enter their teenage years, **their spending money doubles** and they begin to make their own purchasing decisions.

2 Emotions are the top purchase driver.

Over half of retail purchases are made because they **generate feelings of happiness for both parents and their children**, outranking more functional drivers like usefulness or longevity.

About SuperAwesome

SuperAwesome is building a safer internet for the next generation. Used by hundreds of brands and content owners, our award-winning technology enables safe, authentic digital engagement with Gen Alpha and Gen Z.



3 Over 8 in 10 youth play video games.

Interacting with games generates positive feelings. Kids and teens say the **top three benefits of choosing in-game items** are that it allows them to be creative, gives them purchase autonomy, and produces excitement.

4 In-game exposure drives in-store behavior.

The items kids and teens see in games inspire them to want items IRL. **Two in five kids** say that they like to buy the same items that their avatars have in-game.

Gaming is at the epicenter of a new media mix to reach youth audiences

Athleta Girl Limitless You Integration in Roblox



Gaming
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With 83% of youth playing video games and almost 9 in 10 saying they watch game-related content,

new opportunities to reach them are emerging within the gaming ecosystem. Brands can start building strong, lifelong relationships with younger generations by meeting them where they spend their time: in and around the games they love.


90% of kids and teens in the US and UK identify as gamers.


In fact, according to [new research from Bain & Company](#), young gamers now spend about 12.5 hours per week on video games, more than any other form of media. Without a gaming strategy, even retailers who focus on a mostly digital media mix could be missing the opportunity to create meaningful digital engagement.

See some ways Gen Alpha & Gen Z spend their time



How often do you/does your child do these things?

US					
	Some and All of the Time	6-9 year olds	10-12 year olds	13-15 year olds	16-19 year olds
Play video games on a console		66%	78%	74%	60%
Play video games on a laptop		34%	43%	52%	52%
Play video games on mobile		85%	85%	79%	72%
Stream movies and shows		89%	91%	91%	92%
Watch YouTube videos		90%	90%	88%	86%

UK					
	Some and All of the Time	6-9 year olds	10-12 year olds	13-15 year olds	16-19 year olds
Play video games on a console		63%	79%	74%	57%
Play video games on a laptop		27%	36%	42%	48%
Play video games on mobile		72%	85%	78%	69%
Stream movies and shows		88%	90%	87%	88%
Watch YouTube videos		82%	84%	84%	86%

Question: How often do you/does your child do these things? Showing responses: All the time. Based among all: kids n=800, parents n=600 per market

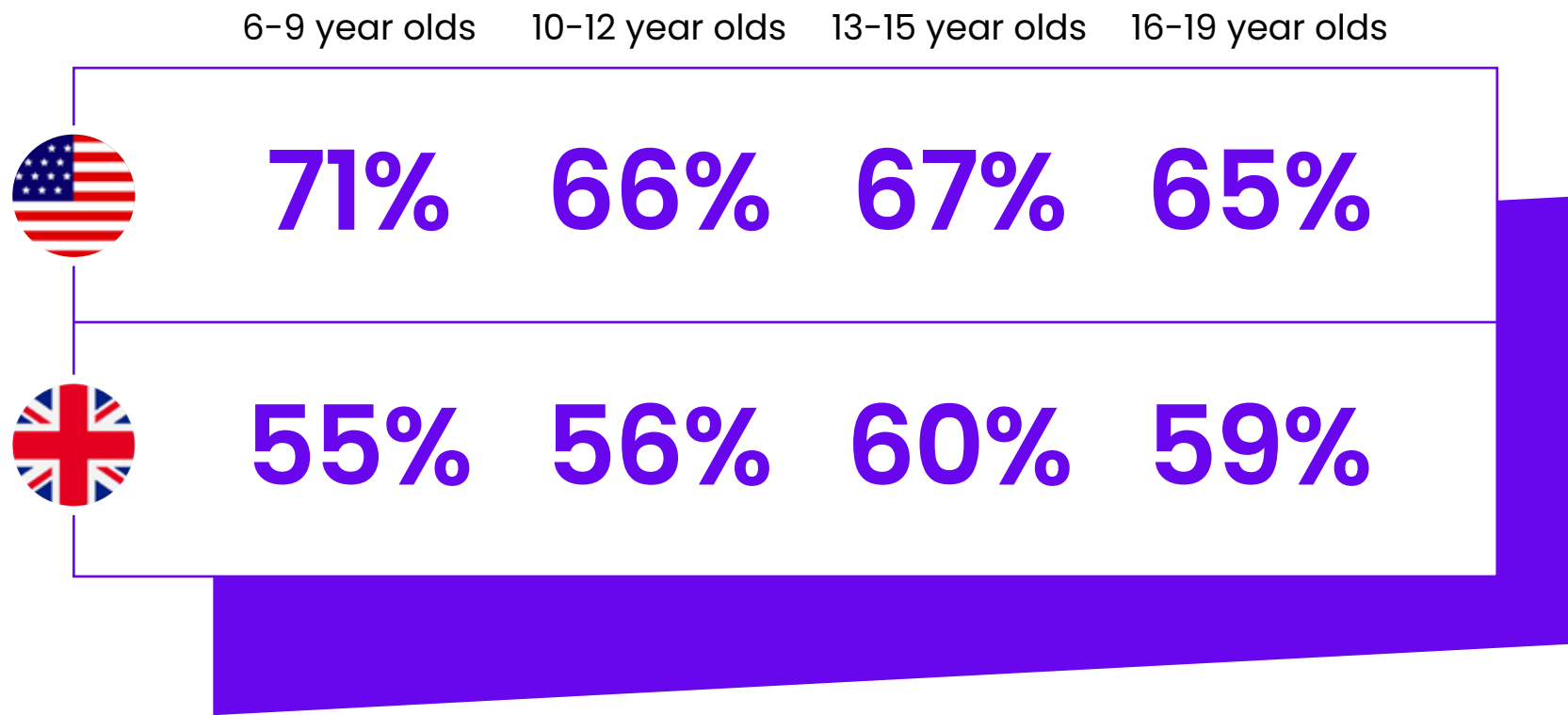
Meet the audiences shaping **the** **future of retail**



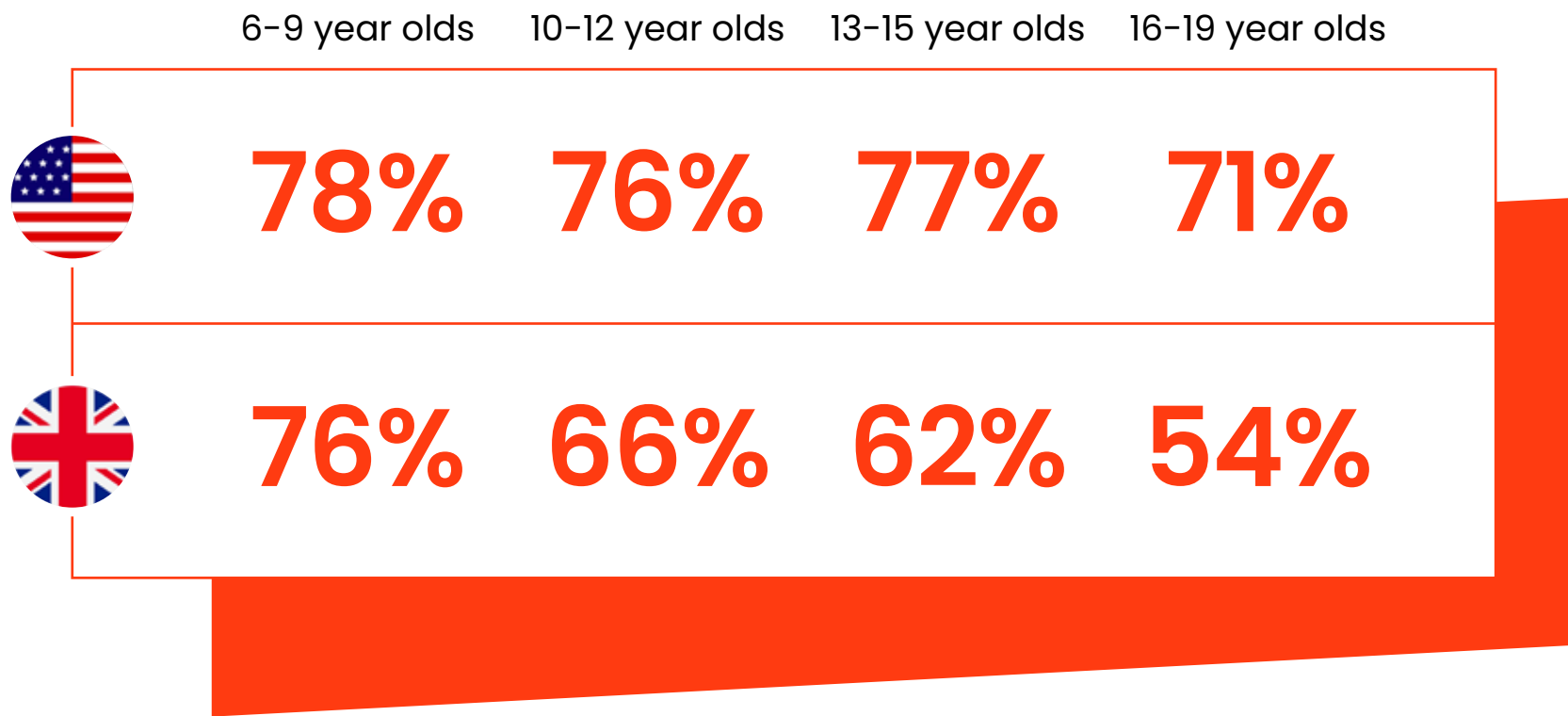
Three universal retail themes across Gen Alpha and Gen Z



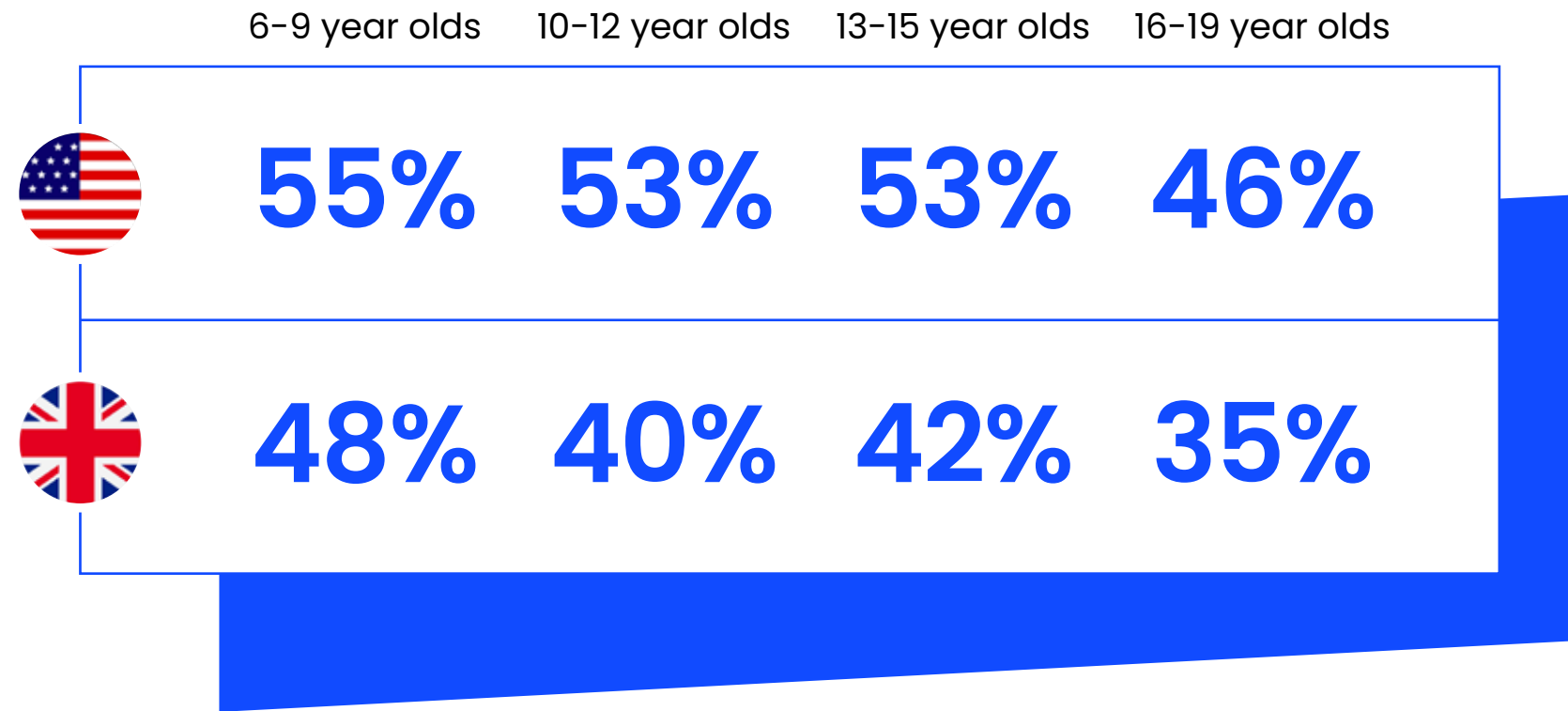
More than 3 in 5 US youth and half of UK youth say shopping is one of their favorite things to do.



Designing or personalizing their things is prioritized at every age, especially among younger kids.



One in two US youth and one in four UK youth identify as trendsetters.



Question: On the slider below, indicate how much the sentences sound like you/your child. Responses shown: A lot or a little like me/your child. Based among all: kids n=800, parents n=600 per market

Pen portraits

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KID

Emma 6 years old



Emma still plays a lot with her physical toys (like her Magic Mixies cauldron), and she also loves crafting and art both at school and at home. She spends time in the digital world too, streaming shows with her parents, watching YouTube videos on her tablet, and, more recently, playing Mario with her brother on their Nintendo Switch. She has just started to ask for Robux to play in her favorite Roblox Games.

TWEEN

Jayden 11 years old



Jayden still likes watching movies with his family and YouTube videos, but is spending as much time gaming as he's allowed. He relies on his parents for spending money, which Jayden frequently uses to purchase game power-ups or accessories for his avatars. He loves gaming on his PlayStation 5 and often plays online with friends.

YOUNG TEEN

Ava 14 years old



Ava just got a new iPhone and uses it to see what her friends are doing on TikTok and BeReal and watch her favorite YouTubers. She also plays Xbox with her siblings. Ava loves to shop in-store and online, and while her mom is still purchasing most of what she needs, she gets a generous monthly allowance that allows her to buy clothes and shoes she sees on her friends or favorite influencers.

OLDER TEEN

Michael 18 years old



Michael sees himself as a trendsetter and thinks everyday people like him are creating today's biggest trends. He's highly active on social media, especially TikTok, which he uses to express himself in fun, creative ways, as well as view content that aligns with his beliefs and values. Michael likes gaming on different devices—he uses his laptop to game with friends and watches gaming streams on his smartphone.

82% of youth
have sole or joint
decision-making
purchase power
with parents



As youth audiences transition into new life stages, their independence, self-awareness, influence, and purchasing power grow with them



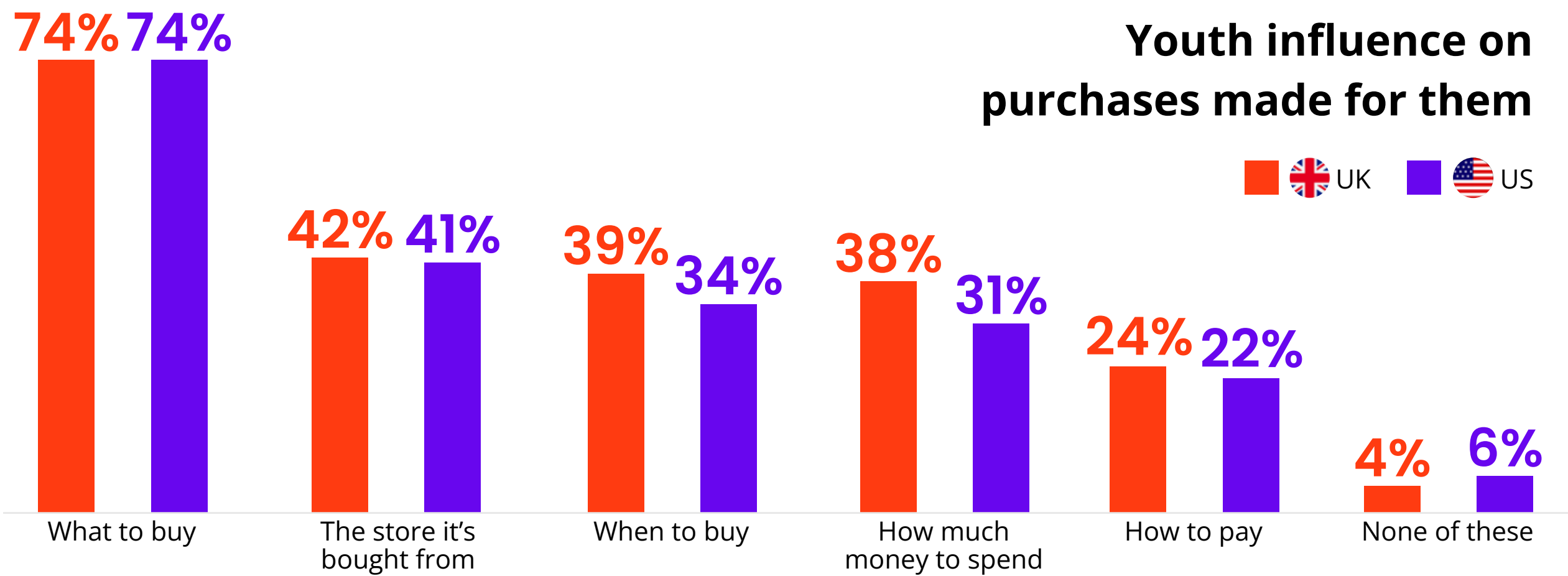
1 in 5 UK parents

strongly agree with the statement “I ask for my child’s thoughts and opinions when buying something for the whole family”



1 in 4 US parents

strongly agree with the statement “I ask for my child’s thoughts and opinions when buying something for the whole family”



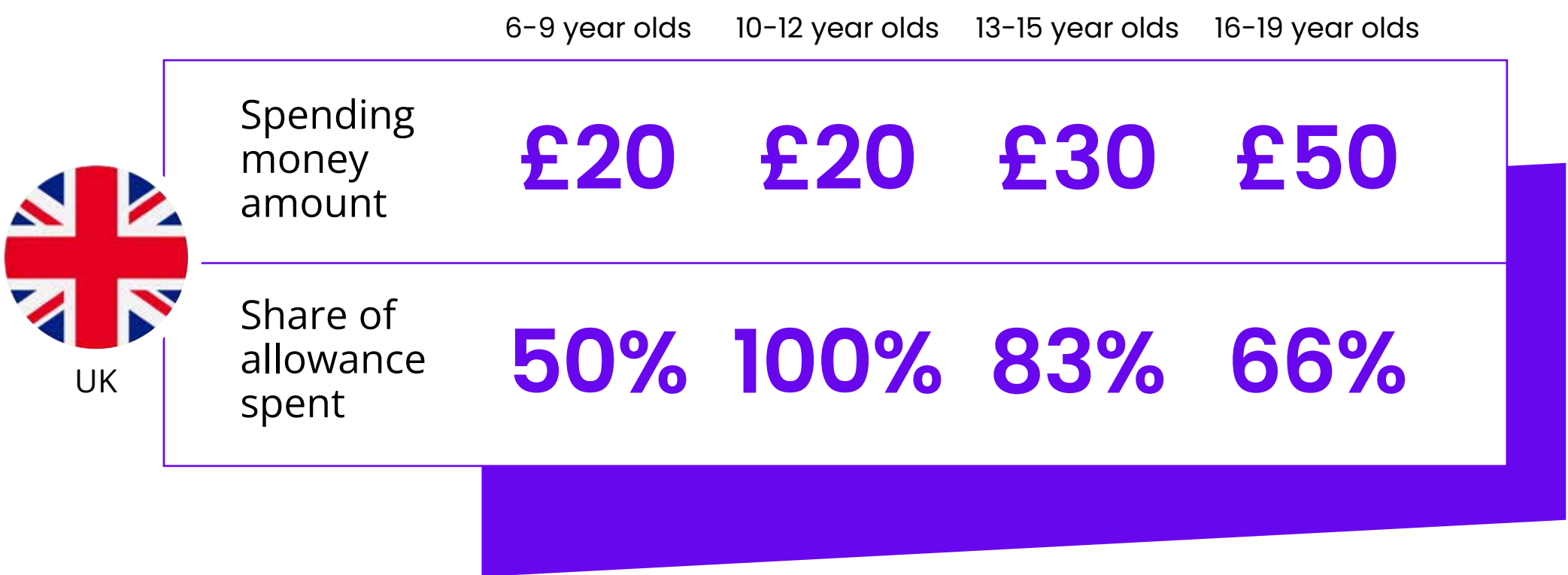
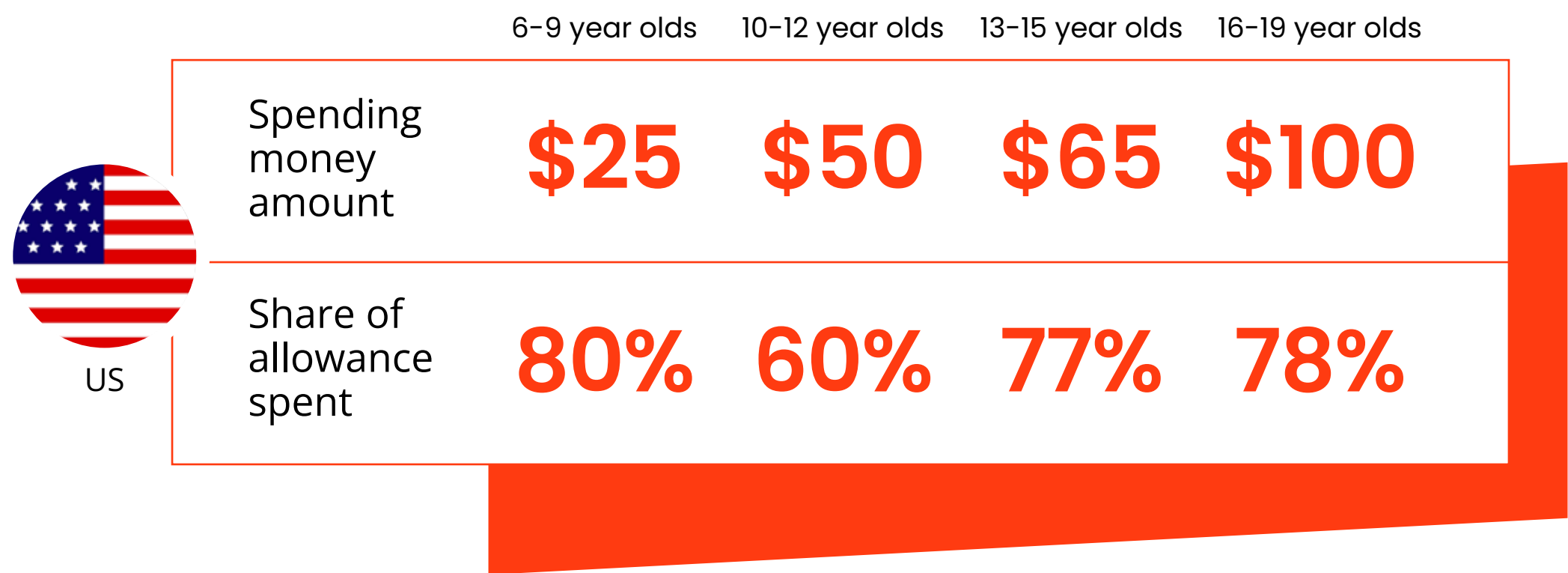
Overall, parents report that their kids of all ages have a big say in what, when, where, how, and for how much something is bought. **Only 5% of parents** say their kids don’t influence any of these decisions.

Question: What are things that your child has a say in when it comes to stuff to buy for them? Based on parent n=600 per market

Young people have their own disposable income and are spending it on the things they love



Youth purchase power (Monthly)

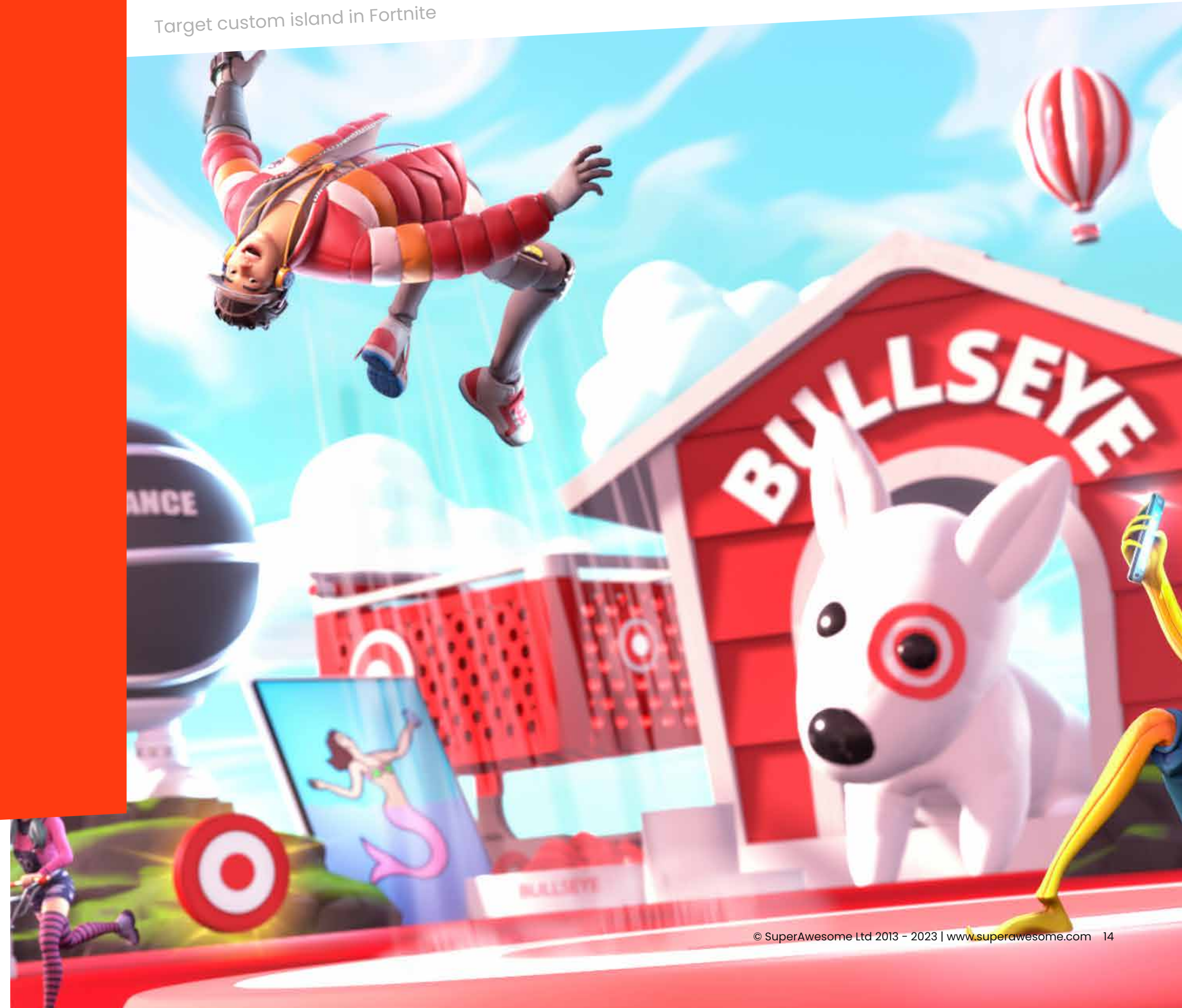


Question: How much of your own money do you/your child's own money do they spend per month on stuff for you/them. Based among all: kids n=800, parents n=600 per market

Question: How much money do you/does your child have to spend on stuff you/they want to buy? Based among all: kids n=800, parents n=600 per market

The strong emotions generated by gaming are driving IRL purchases

Target custom island in Fortnite



Shopping is an emotional experience that triggers positive feelings in a majority of youth

In fact, when it comes to shopping, **nothing matters more than young audiences' happiness** - both parents and their children state it's the most important reason for making a purchase.

Parents and their children say that it's very important a purchase makes the child happy



67%

US



56%


UK




Question: How important are each of these things in helping you/your child choose what to buy? Based among all: kids n=800, parents n=600 per market

Top reasons for making purchases

(Response = Very Important)

		Triggers happiness	Can use it all the time	Enables self-expression
 <div>US</div>	Parents	64%	46%	46%
	Children (6-19)	69%	55%	45%

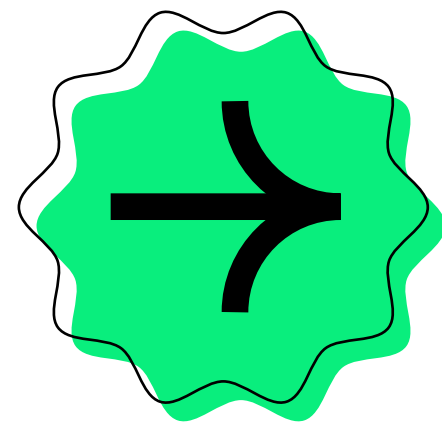
		Triggers happiness	Can use it all the time	Enables self-expression
 <div>UK</div>	Parents	59%	29%	37%
	Children (6-19)	53%	36%	28%

Question: How important are each of these things in helping you/your child choose what to buy? Based among all: kids n=800, parents n=600 per market

Positive feelings drive sales and long-term success



SuperAwesome's brand loyalty research shows that the key to building early loyalty with young audiences is to engage with them in ways that generate four key emotions:



Excitement

Get their attention
Be fun, entertaining, and playful.



Reassurance

Be accessible
Tap into shared family experiences.



Uniqueness

Be on trend
Stand out from the crowd.



Connection

Speak directly to them
Use their language so they feel heard.

Source: 'How kids and Young Teens have raised the stakes for brand loyalty' research by SuperAwesome

In-game experiences drive IRL purchases

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Buying in-game items (whether purchased with real money or in-game currency earned by engaging in the game) is almost second nature for the digitally native younger generations. More than half of kids and teens make/earn purchases in-game, mainly because these types of purchases generate creativity, excitement, and purchase autonomy.



Athleta Girl
Simone Biles
Integration in Roblox

Top Purchase Drivers for In-Game Items

1. Allows child to be creative
2. Child picks out item themselves
3. Child is excited about it



GAP Teen integration in Club Roblox



These drivers are so strong that **35% of young audiences in the US and 28% in the UK** actually prefer an in-game item over a physical one.

Question: There are lots of different reasons that people have for buying stuff. When you think about buying stuff in real life and stuff in games, what reasons are most important to you/your child? Based among all: kids n=800, parents n=600 per market

Not only is preference for digital in-game items growing, but trends are now emerging from this space, and gaming items are generating desire for their real-life counterparts

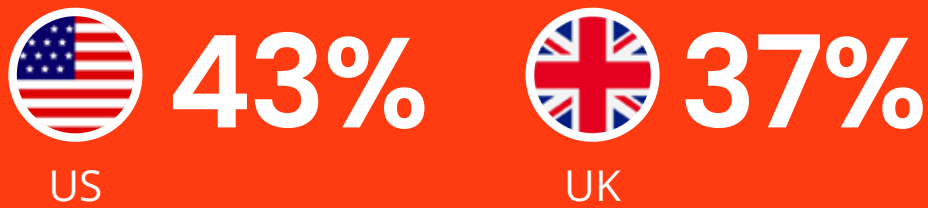
40% of kids and teens

like to buy the same items that their avatars have in-game.

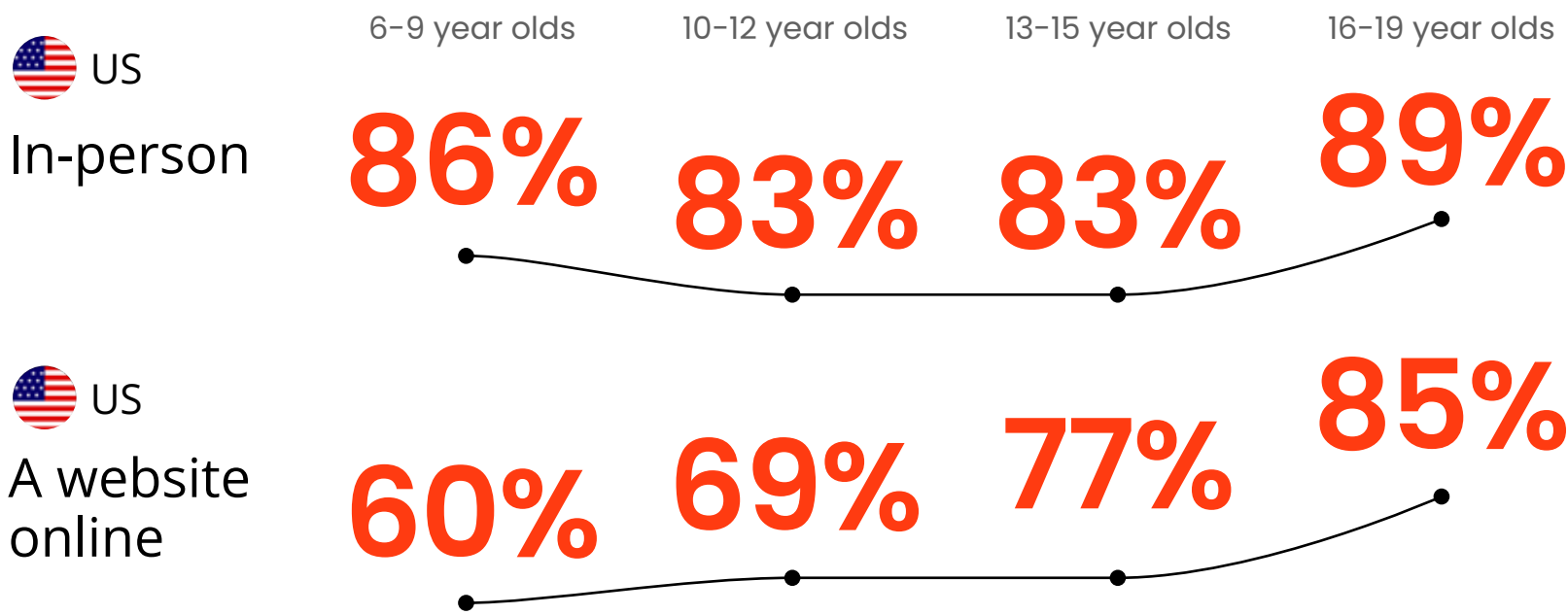
51% of young people

say that seeing a brand in-game would motivate them to buy something IRL or visit a brand’s store.

Gen Alpha and Gen Z like to buy the same items their avatars have in-game

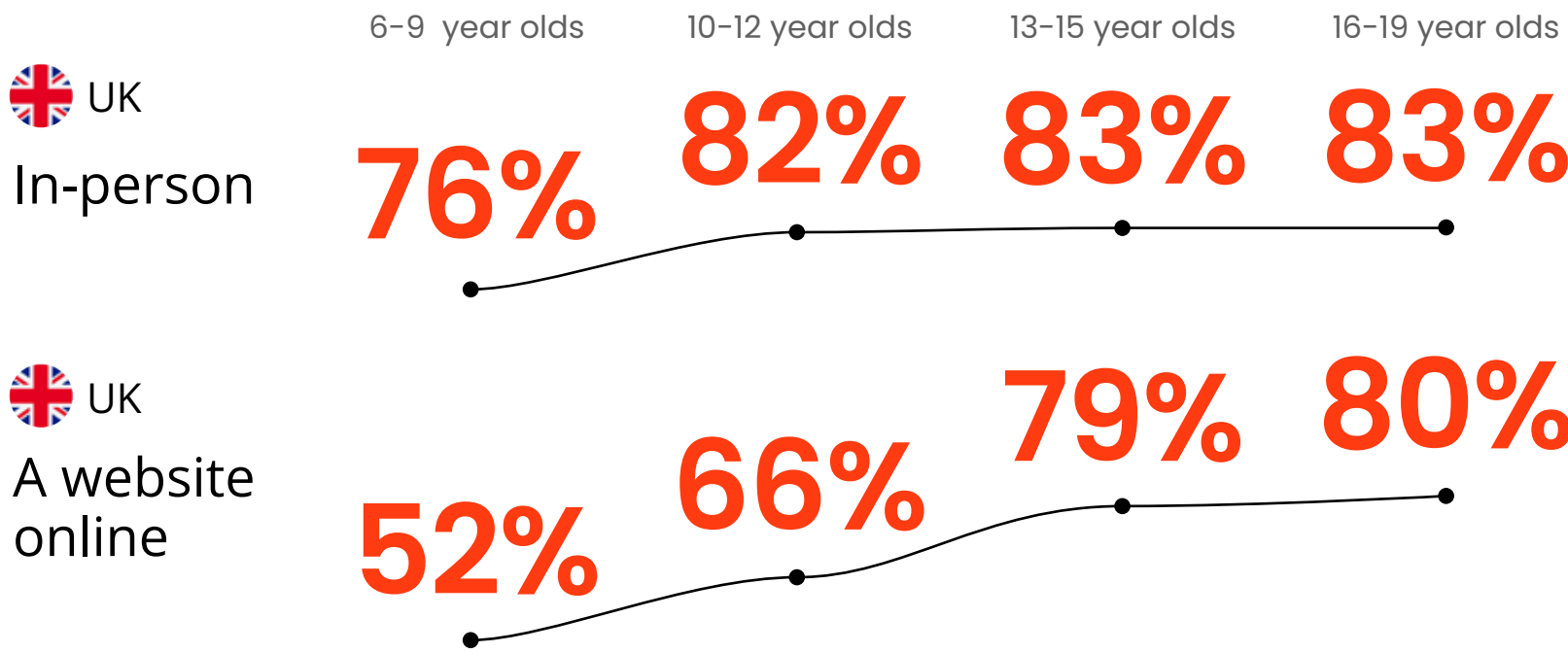


When these purchases happen, they usually take place in-store.



Where purchases are made

(Some and all of the time)



Question: How much would you say you buy/your child buys stuff from these places? Based among all: kids n=800, parents n=600 per market

These findings are also reflected in real-world examples



SuperAwesome recently ran a gaming activation that included a multifaceted 360° media and influencer campaign, successfully generating excitement and desire for the brand IRL.



12%

increase in consideration and purchase intent, post-campaign.

8 in 10 teens

liked that the branded clothes featured in the experience existed IRL.

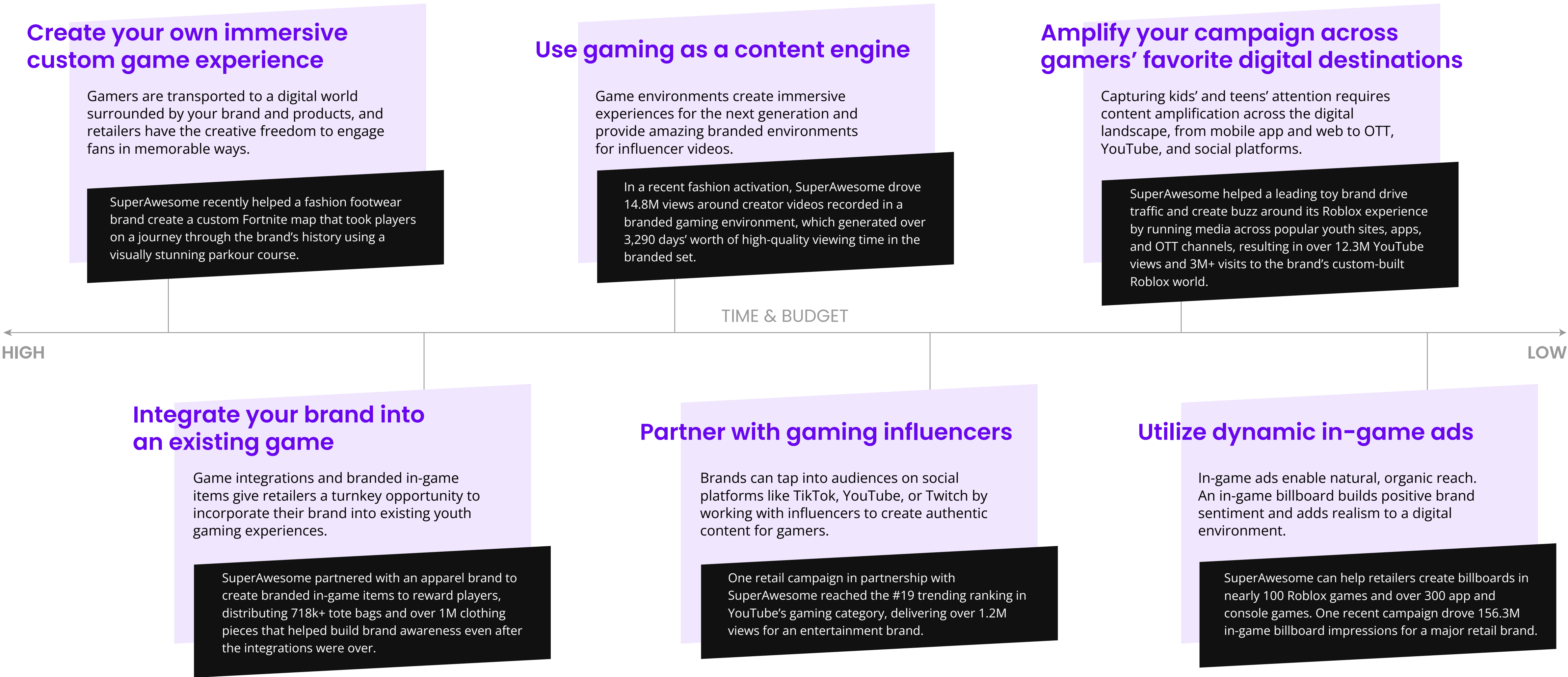



Source: Brand Lift Study from a leading retail brand

Six strategies retail brands can use to enter the gaming ecosystem



The new media mix supports a variety of strategies for engaging the next generation that work for a range of goals and budgets.





The gaming ecosystem is the most immersive, effective way for retail brands to engage influential youth audiences.

The most strategic, cohesive approach to reaching kids and teens through gaming combines innovative campaigns with transparent, authentic experiences that include clear disclosures.

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SuperAwesome helps retail brands responsibly and meaningfully engage youth audiences within the gaming ecosystem

Our solutions include:



SuperAwesome Gaming

Engage your youth audience in-game with custom game builds, integrations, and in-game placements.



AwesomeAds

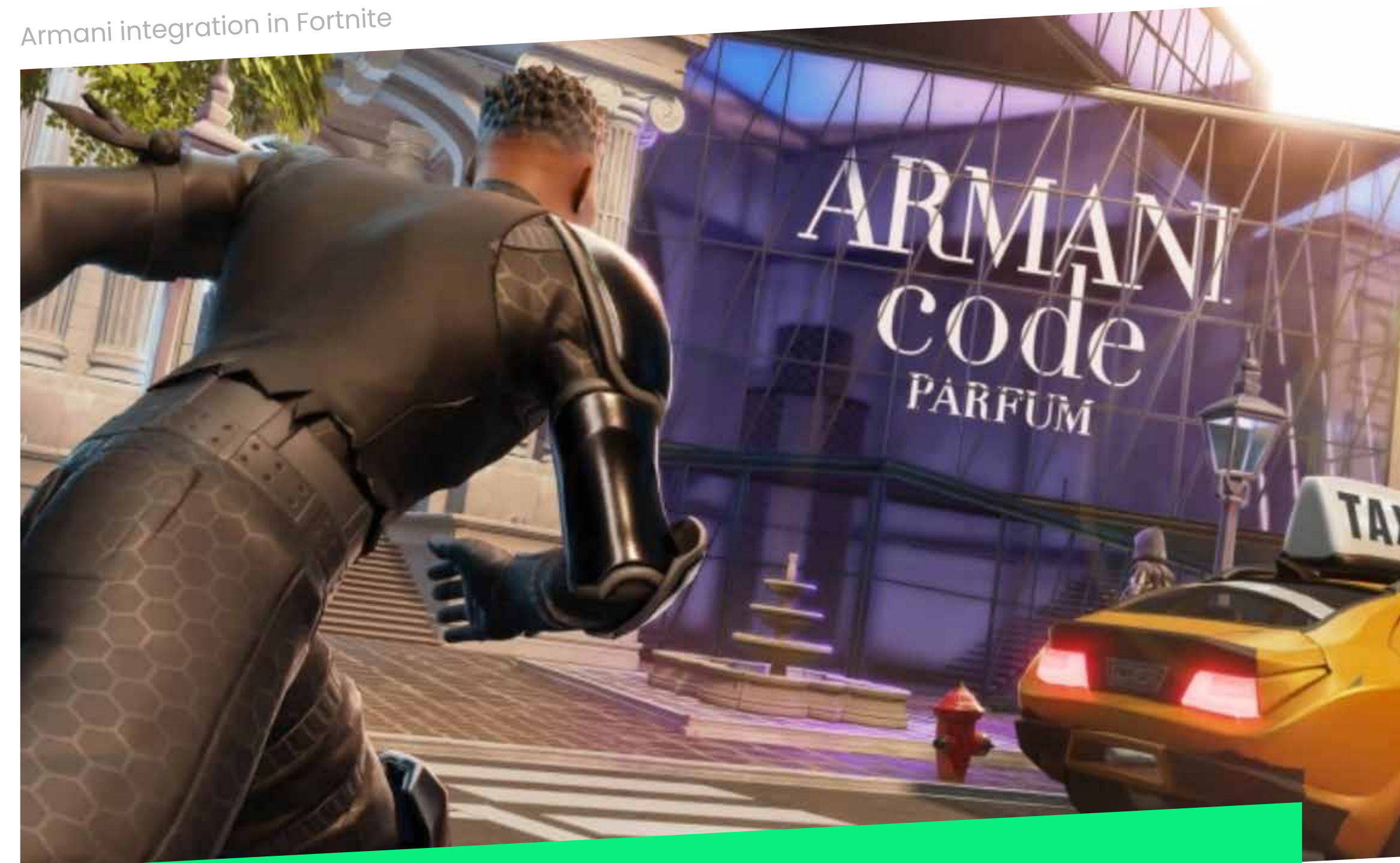
Reach your youth audience at scale with contextually targeted media across mobile, web, OTT, in-game, and social.



SuperAwesome Creators

Deliver high-engagement influencer content with fully-managed talent partnerships.

Armani integration in Fortnite



Looking for more data or a deep dive into your retail vertical?

Get in touch with SuperAwesome!

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