

A photograph of three young women with long hair, smiling and looking towards the camera. They are in a clothing store, with racks of clothes visible in the background. The woman on the left is wearing a light-colored top, the middle woman is wearing a dark top, and the woman on the right is wearing a maroon top. The text 'FROM A TO GEN Z' is overlaid in large, white, bold, sans-serif font across the middle of the image.

FROM A TO GEN Z

Shopping with the Future Generation

AMPCAPITAL 

INSIGHTS.IDEAS.RESULTS.

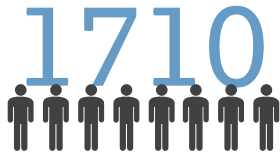
INTRODUCTION

In 2017, achieving success in the retail industry involves accepting that the future is here and in full force — just look at your customers! Generation Z are your Future Shoppers and it's critically important to keep them top of mind as they've emerged as the key contributors towards change in the retail space.

Future Shoppers, our leading, adult Gen Zs, are the next generation of shoppers who have provided us with their key insights. They're between 18-22 years of age, are already earning an income, but are one step away from starting their full-time careers. Ultimately, they're the future consumers who will influence the direction of retail.

This year, to develop the annual AMP Capital Shopping Centres (AMPCSC) Recommended Retail Practice Report, we gave the power to young Australian and New Zealand shoppers, who provided insights into their current spending habits, experiences and expectations, with the aim of understanding where the future of shopping is headed.

Sydney's Macquarie Centre was an in-situ venue for research, with three paired in-centre immersions



1,710 people from Australia and New Zealand, including a boost of Future Shoppers took part in the nationally representative research

86 Future Shoppers logged in to take part in an additional online discussion board



Four key themes were found and provide exciting opportunities for smart retailers!

Despite the hype around e-commerce, traditional shopping is not dead. Future Shoppers have told us how important the internet is for their lifestyle and the benefits it can bring to the in-store retail experience. We've also uncovered their expectations for brands and retailers to remain authentic and relevant to them. By thinking outside the box, smart retailers can prepare themselves for the road towards success, continuing to engage Current Shoppers, who are Australian and New Zealand shoppers over 22 years old, while developing a long-term relationship with Future Shoppers too.

A woman with long brown hair is smiling and talking on a mobile phone. She is wearing a dark top. The background is a blurred store interior with clothing racks. Large, semi-transparent quotation marks are overlaid on the image, framing the text.

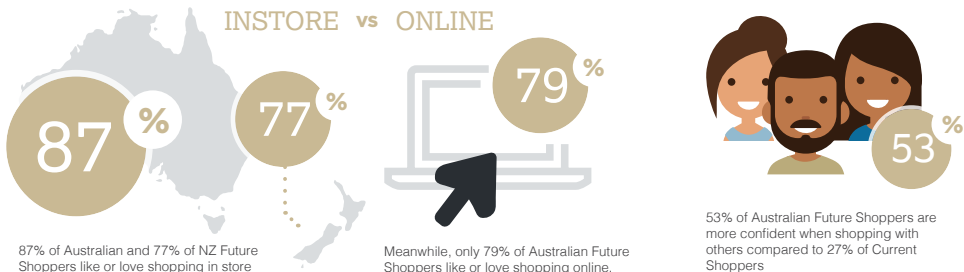
**MANY
INDIVIDUALS
USE SHOPPING
IN STORE AS
A MEANS OF
SOCIALISING
WITH ONE
ANOTHER.**

DON'T PANIC

TRADITIONAL SHOPPING IS NOT DEAD

Nothing beats shopping in a shop!

Despite the lure of online shopping, Future Shoppers still prefer to shop in-store just as much, if not more than Current Shoppers. This is because they're social creatures, drawn to the face-to-face, touch-and-feel contact that in-store shopping provides. Yes, Future Shoppers are still avid e-commerce customers, but smart retailers are attracting Future Shoppers by focusing on the tangible benefits of in-store shopping. This includes making shopping a social event through fun experiences like Snapchat filters and in-store photobooths, to exclusive workshops groups can enjoy in-store.



Best practice

Beauty retailers, **Mecca Cosmetica** and **Mecca Maxima**, provide valuable in-store experiences that bring the products to life through its highly personalised customer services. Make-up artists, skincare specialists and fragrance experts are located in every store, so that customers have access to bespoke beauty advice and expertise. Mecca also hosts exclusive social events, including group make-up lessons with global make-up artists, masterclasses and product launches, inviting loyal customers to get up close and personal with the world's leading experts.

A woman with long brown hair is sitting on a light-colored chair, looking down at a laptop computer. She is wearing a white t-shirt and white shorts. In the foreground, there is a glass vase filled with purple flowers. The background is a bright, out-of-focus indoor setting. Large, semi-transparent quotation marks are overlaid on the image, framing the text.

**WHILE I
RESEARCH
ONLINE, MAKE
COMPARISONS
AND BROWSE,
I LIKE BEING
ABLE TO
HANDLE THE
PRODUCT.**

ONLINE AND BRICKS-AND-MORTAR WORK TOGETHER

The internet, your opportunistic friend

Future Shoppers, who are time-poor, use the internet to support their busy lives. In fact, the internet plays a role throughout Future Shoppers' entire shopping experience - they're 'pre-shopping' in their spare time, even continuing their research in-store. Smart retailers are embracing the internet by aligning their in-store and online offerings, leveraging the information shared by shoppers to create new and inspiring relationships with them. This includes sending geo-targeted alerts from the brand's app to remind customers of products saved in their online wish-list, or surprising shoppers with in-store offers that are reflective of their online behaviour.

Best practice

Using radio-frequency identification technology, tablets and TV screens, **Nike** has created an engaging, omni-channel in-store experience through its Action Sports digital installation. Showcasing the product when placed on a sensor platform, shoppers are given access to more product information, images and stock availabilities. If a particular product isn't available at the time, shoppers can share their details to be notified through email or SMS when the product has arrived.

61%

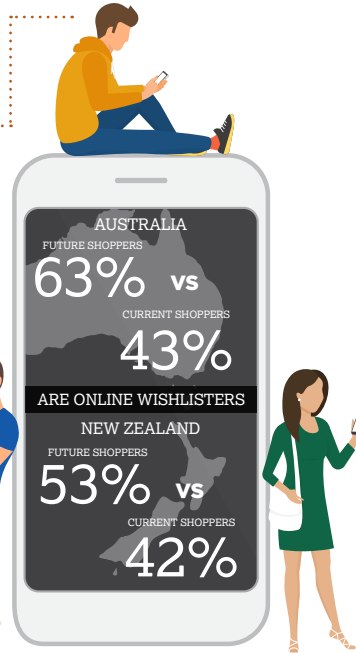
61% of Australian Future Shoppers are likely to research online while in-store compared to just 36% of Current Shoppers

83%

83% of Australian and 83% of New Zealand Future Shoppers would like to check stock availability online compared to 78% of Current Shoppers from Australia and 74% from New Zealand

32%

32% of Australian and New Zealand Future Shoppers say they lack free time to go shopping in comparison to Current Shoppers (vs 24% of AU and 25% of NZ Current Shoppers)



A woman wearing a straw hat and a striped t-shirt is leaning over a wooden counter in a retail store, organizing items. In the foreground, a tablet computer is mounted on a stand. The background shows clothing racks and another person working. The scene is brightly lit, suggesting a clean and organized retail environment.

**LUSH'S CUSTOMER
SERVICE AND
PRODUCTS
ARE AMAZING
AND THEY ARE
ENVIRONMENTALLY
AND SOCIALLY
CONSCIOUS.**

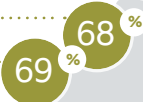
DON'T JUST SELL ME SOMETHING, MEAN SOMETHING TO ME

Be a part of their world

Highly engaged with global issues, Future Shoppers value strong ethics and companies whose purpose goes beyond just selling products and services. For them it's important to show authenticity in everything you do and be a sustainable and ethically conscious brand. Smart retailers have achieved this by identifying and supporting social and environmental causes through partnerships with like-minded charities, introducing sustainable and/or ethical products or employing sales assistants who are passionate about the same social causes.

Prefer brands that give back

AU FUTURE SHOPPERS.....



AU CURRENT SHOPPERS.....



AU FUTURE SHOPPERS.....



AU CURRENT SHOPPERS.....



Prefer brands that stand for something

Willing to pay more for sustainable products




59% AU FUTURE SHOPPERS

48% AU CURRENT SHOPPERS



Best practice

LUSH is a handmade cosmetics brand recognised for its ethical work and ongoing campaigns that spread awareness for animal cruelty. Its products are created using vegetarian or vegan recipes and feature ingredients from companies that do not commission tests on animals, but test on humans instead. The brand also remains true and authentic to the words "fresh" and "organic" not only through its products but through its marketing, using its employees to be featured in its in-store campaigns.

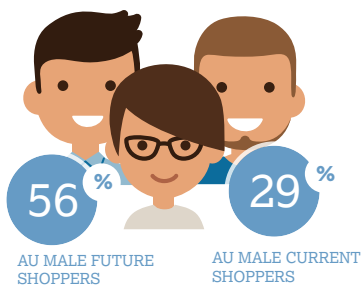
A man with a beard and short hair, wearing a red sweater, is looking down at his smartphone in a clothing store. He is standing in front of a rack of clothes. The background shows a well-lit store interior with more clothing racks and a white ceiling with recessed lighting. The text is overlaid on the image in a large, white, bold, sans-serif font, enclosed in large, semi-transparent quotation marks.

**AS A GUY, IT CAN BE A BIT
AWKWARD GOING INTO
A SHOP BY YOURSELF, SO
IT'S MUCH BETTER WITH
A GROUP. AND YOU CAN
GET RECOMMENDATIONS
FROM PEOPLE WHO
KNOW YOU OR HAVE
SIMILAR TASTES TO YOU.**

MALE FUTURE SHOPPERS ARE A WHOLE NEW BALLGAME

The new trendsetters have arrived

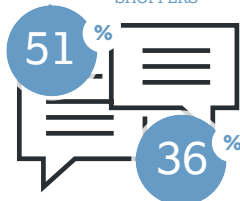
In 2016 we found that men love shopping. This year, our research found that young Australian men are more interested in staying ahead of popular trends than young Australian women! Male Future Shoppers love shopping in-store and online equally and are ready and willing to buy whenever they can. Although they've admitted they feel uncomfortable shopping in shopping centres, and prefer to shop with friends to feel more confident. To address this, smart retailers have focused on their customer service offering, ensuring their team provide a welcoming approach when engaging with this target market.



Australian male Future Shoppers are more confident when shopping with others compared to Australian male Current Shoppers

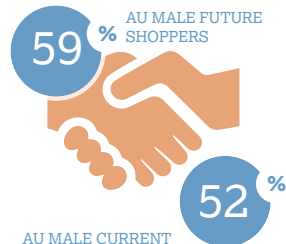
Believe shopping is a social experience

AU MALE FUTURE SHOPPERS



AU MALE CURRENT SHOPPERS

Like feeling welcomed and greeted in-store



AU MALE CURRENT SHOPPERS

Best practice

Culture Kings, a premium streetwear retailer, provides a unique in-store experience that attracts a male demographic. With Australia's leading DJs performing daily in-store, and a **Culture Kings** barbershop open every day, shoppers are made to feel welcome and comfortable within an environment that caters to their interests across music, sport and fashion.



We hope that you have found the 11th edition of the **AMP Capital Shopping Centres Recommended Retail Practice Report** to be a useful resource. It's apparent that in order to meet the demands of the Future Shopper, retailers and shopping centres need to engage with the digital world more often, as it provides new and exciting avenues to connect with both Current and Future Shoppers. Consider:



How you can engage male shoppers by making your customers feel relaxed in-store through person-to-person experiences

How you can make shopping in-store a more social experience for your shoppers

VS ONLINE OFFLINE

How you can leverage your online and offline offering to create an engaging and attentive relationship with your shoppers



How you can become a more authentic and sustainable brand, and connect to the real world we live in

By considering the above, brands, retailers and shopping centres can create an inspiring, exciting and convenient shopping experience for not only their Current Shoppers, but their time-poor, digitally connected Future Shoppers. We look forward to seeing how retailers and shopping centre owners adapt to the future and evolve into leaders in the retail space.

Mark Kirkland

Managing Director, AMP Capital Shopping Centres

For further information on this report visit the AMP Capital Shopping Centres Retail Hub at ampcapitalretail.com.au and [linkedin.com/company/amp-capital](https://www.linkedin.com/company/amp-capital)

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