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Numerator's Generations Hub: Shifting Powers Within Generations

SHIFTING POWERS: 30% OF SALES COME FROM GEN Z AND MILLENNIALS

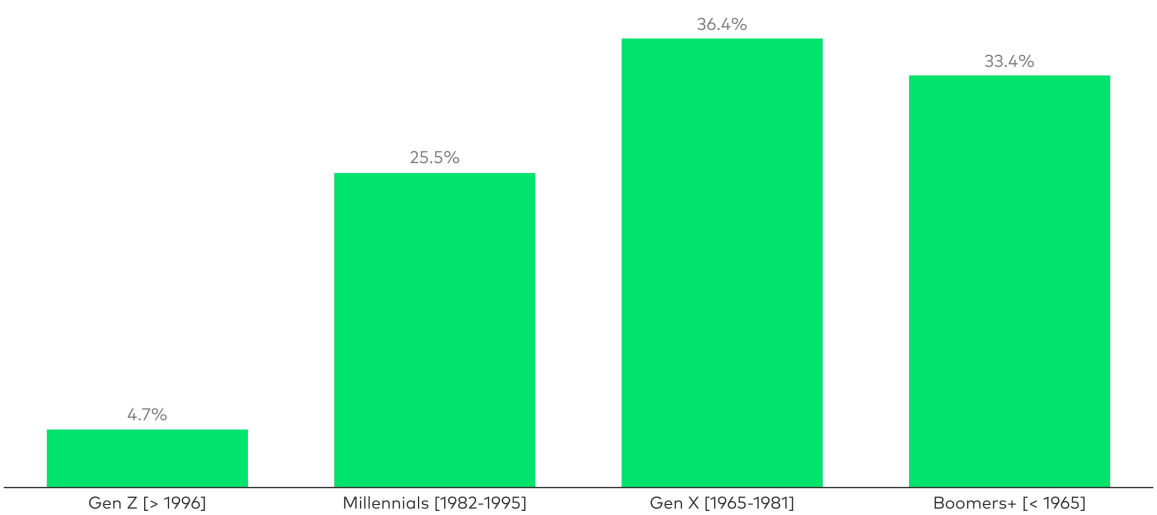
Boomers and Gen X still make up the largest consumer group in terms of US sales for CPG and general merchandise, holding 70% of share. **However, retailers and consumer brands need to keep a close and granular eye on the younger generations. Adult Gen Z and Millennial households are becoming powerhouses for the consumer and retail industry as they now account for 30% of US sales.**

In just five years alone, adult Gen Z household share of sales has grown significantly from 3.3% in 2019 to 4.7% in 2023. In fact, Gen Z sales within CPG have grown by over $9.6 billion year over year. Millennials have also showcased immense growth in the past few years. Millennials have contributed to over 1 in 4 (25.5%) spending dollars and have grown steadily year over year.

With significant differences in purchasing behaviors, technology usage and brand perception, marketing plans require visibility into who these consumers are, what drives their shopping and why.

Share of Total Sales by Age Generation

% of Sales | Total US | CPG & General Merchandise | Rolling 12 Months by Year



Sectors include: Baby, Grocery, Health & Beauty, Household, Pet, Electronics, Home & Garden, Office, Sports, Tools & Home Improvement & Toys.
Source: Numerator

DIGITAL DIFFERENCES: GEN Z SHOPPING HABITS DIFFER FROM MILLENNIALS ONLINE.

The assumption for many is that the younger the household, the more likely they will shop online. While many news outlets herald Gen Z as being digital natives, they are not the generation that is shopping the most online for CPG – yet.

Millennials allocate the most of their CPG spending to online with 17% of dollars going to online channels. As expected, Boomers+ only contributed 10% of CPG spending to online. Eighty-six percent of Gen Z CPG spending is done in-store, which is equal to that of Gen X households.

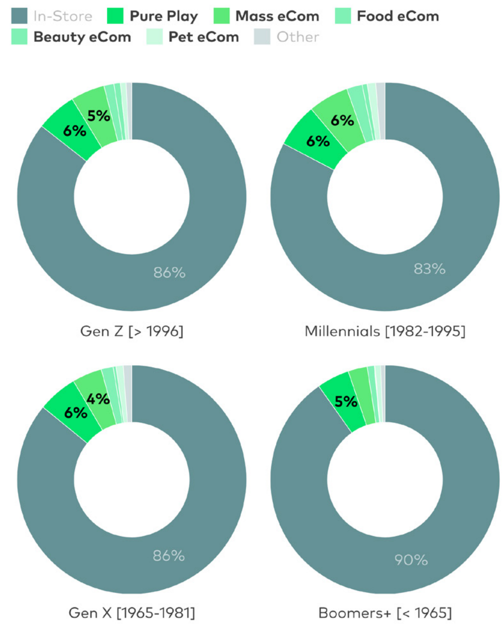
However, brand and sale leaders cannot assume Gen Z and Gen X behavior online is the same. Although Gen Z and Gen X households share similar rates of spending online, the channels and retailers they shop online for varies.

General merchandise is a completely different story and showcases why business leaders need to recognize the importance of getting omnichannel visibility into channel performance by generation.

While Millennials are using online the most, Gen Z outpaces Gen X in placing more of their general merchandise spend online. Additionally, Gen Z contributed the largest amount of their general merchandise share to the electronics channel. Boomers, while having the lowest share online for general merchandise, still contributed 3 in 10 of their general merchandise dollars to online.

CPG Share of Sales Across Channels

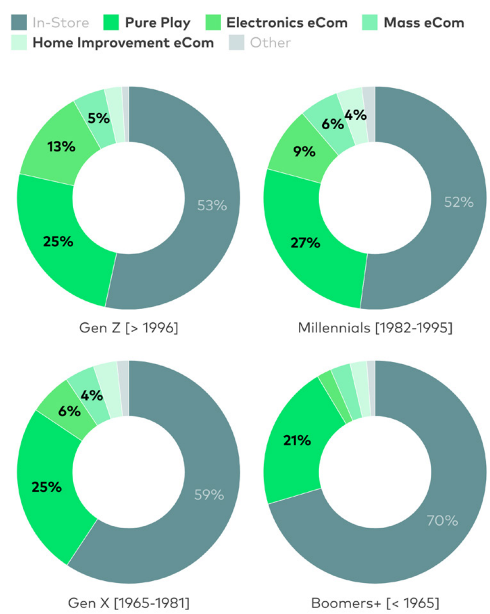
% of Sales Latest 12 Months Ending 12/31/2023



CPG defined as Baby, Grocery, Health & Beauty, Household & Pet.
Source: Numerator

General Merchandise Share of Sales Across Channels

% of Sales | Latest 12 Months Ending 12/31/2023



General merchandise defined as Electronics, Home & Garden, Office, Sports, Tools & Home Improvement & Toys.
Source: Numerator

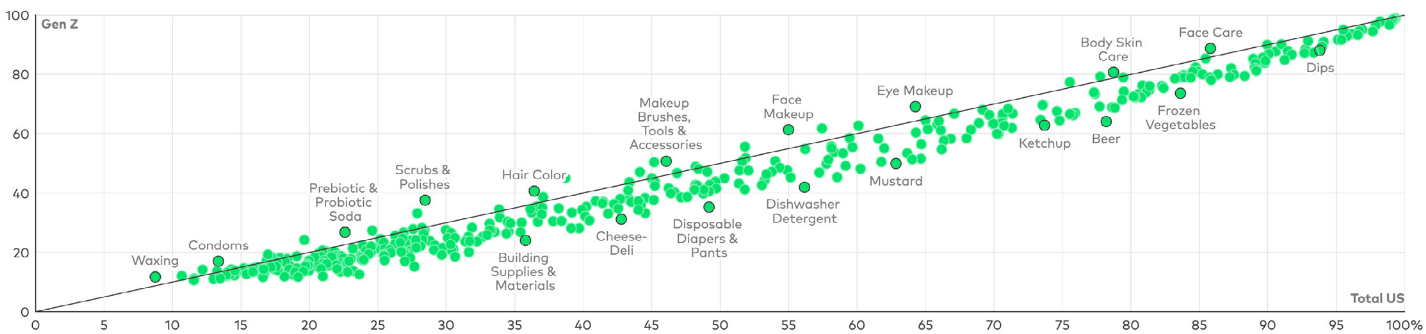
THE CATEGORIES PURCHASED ACROSS GENERATIONS TELLS A STORY OF CHANGE.

Consumers hold different needs across various generations, and their actual purchasing reflects those shifts. Different brands will need to take different strategies by generation. As consumers enter into becoming primary household purchasers, they seek personal care items first.

Gen Z households are more likely to purchase beauty products such as face and eye makeup and feminine care. On the converse, Gen Z households aren't looking to make updates to their home, if they have one, anytime soon as they are under-developed in home improvement categories compared to the total US. Millennials see many of the same purchasing trends as Gen Z, but as Millennials grow their families, several baby categories overindex with the cohort, such as bottle feeding and children's vitamins & supplements.

Gen Z Household Penetration Against Total US Penetration

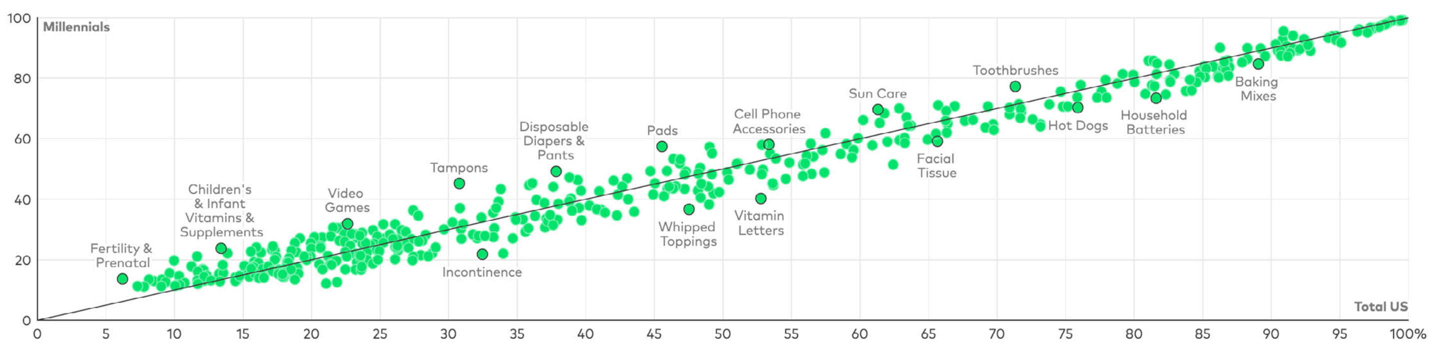
% of Households | Gen Z Indexed to Total US | Categories with >10% Gen Z Penetration | Latest 12 Months Ending 12/31/2023



Source: Numerator

Millennials Household Penetration Against Total US Penetration

% of Households | Millennials Indexed to Total US | Categories with >10% Millennials Penetration | Latest 12 Months Ending 12/31/2023

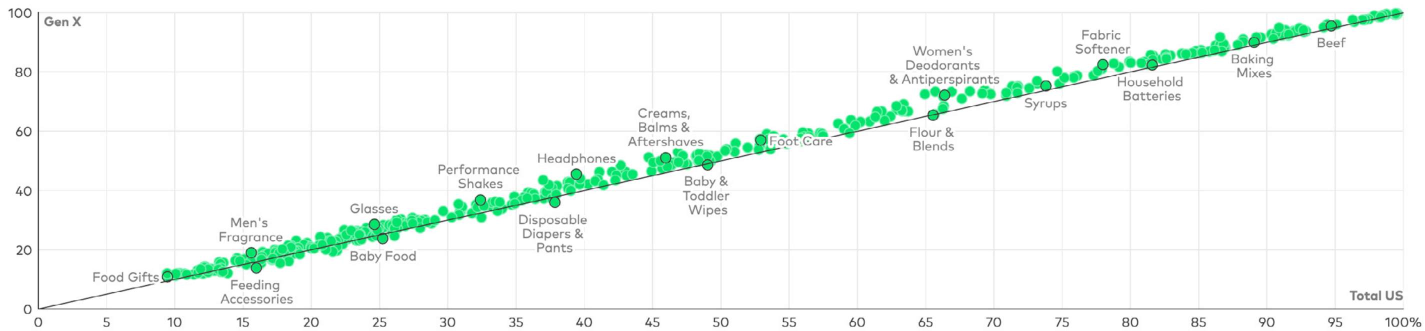


Source: Numerator

Older generations such as Gen X align to total US trends with some categories such as performance shakes and foot care slightly outperforming total US in regards to penetration. Boomers see more variety in what they purchase with expected health products overindexing like eye health, but pet supplies and gardening equipment showcase opportunities in unexpected categories.

Gen X Household Penetration Against Total US Penetration

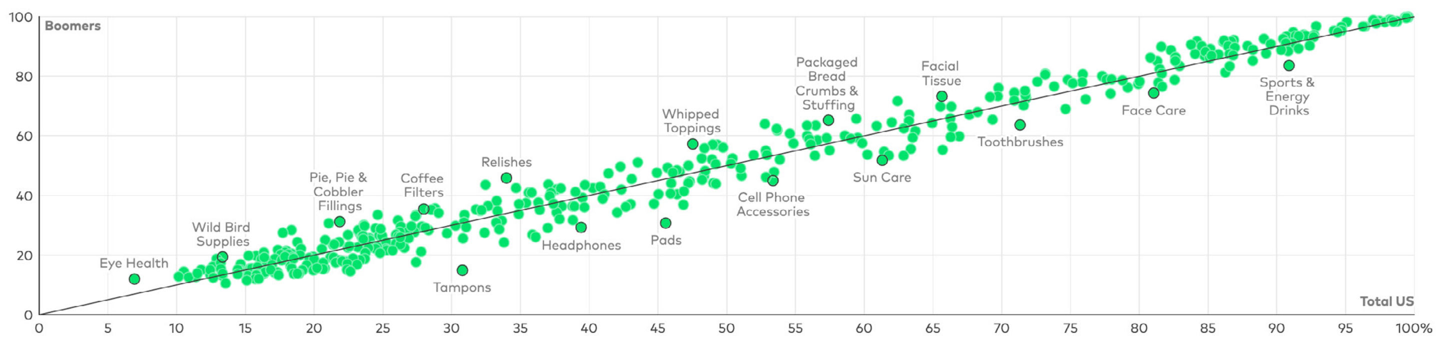
% of Households | Gen X Indexed to Total US | Categories with >10% Gen X Penetration | Latest 12 Months Ending 12/31/2023



Source: Numerator

Boomers Household Penetration Against Total US Penetration

% of Households | Boomers Indexed to Total US | Categories with >10% Boomers Penetration | Latest 12 Months Ending 12/31/2023



Source: Numerator

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Want to see how your brand stacks up across generations?

Over 72M+ Gen Z trips captured with digital and in-store methods.

150K static panelists to discover historical and in-depth shopping behaviors across 44K tracked retailers.

500K+ purchase-verfied panelists to survey based on purchasing behaviors and understand the why behind the buy.

Numerator uncovers your consumer to inspire you for growth. Get in touch with us to learn more.