

# How to win Gen Z's business: The next generation of luxury

Attract, engage, and retain luxury retailer's most valuable audience



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### Introduction

Retailers in the luxury segment have a new kid on the block who's making big waves in the industry: **Gen Z.** 

For this younger generation, the appeal of luxury brands—including in the fashion and apparel industry, beauty and cosmetics, and other personal luxury brands—is growing strong, and they're putting big dollars behind their interest.

With Gen Z becoming increasingly invested in high-end products, luxury retailers have a big opportunity to tap into this audience for big sales growth. But what exactly does Gen Z care about, and how do you market to them successfully?

In this guide, we'll cover everything luxury retailers need to know about Gen Z, what motivates them to buy, and how you can attract them to your store.

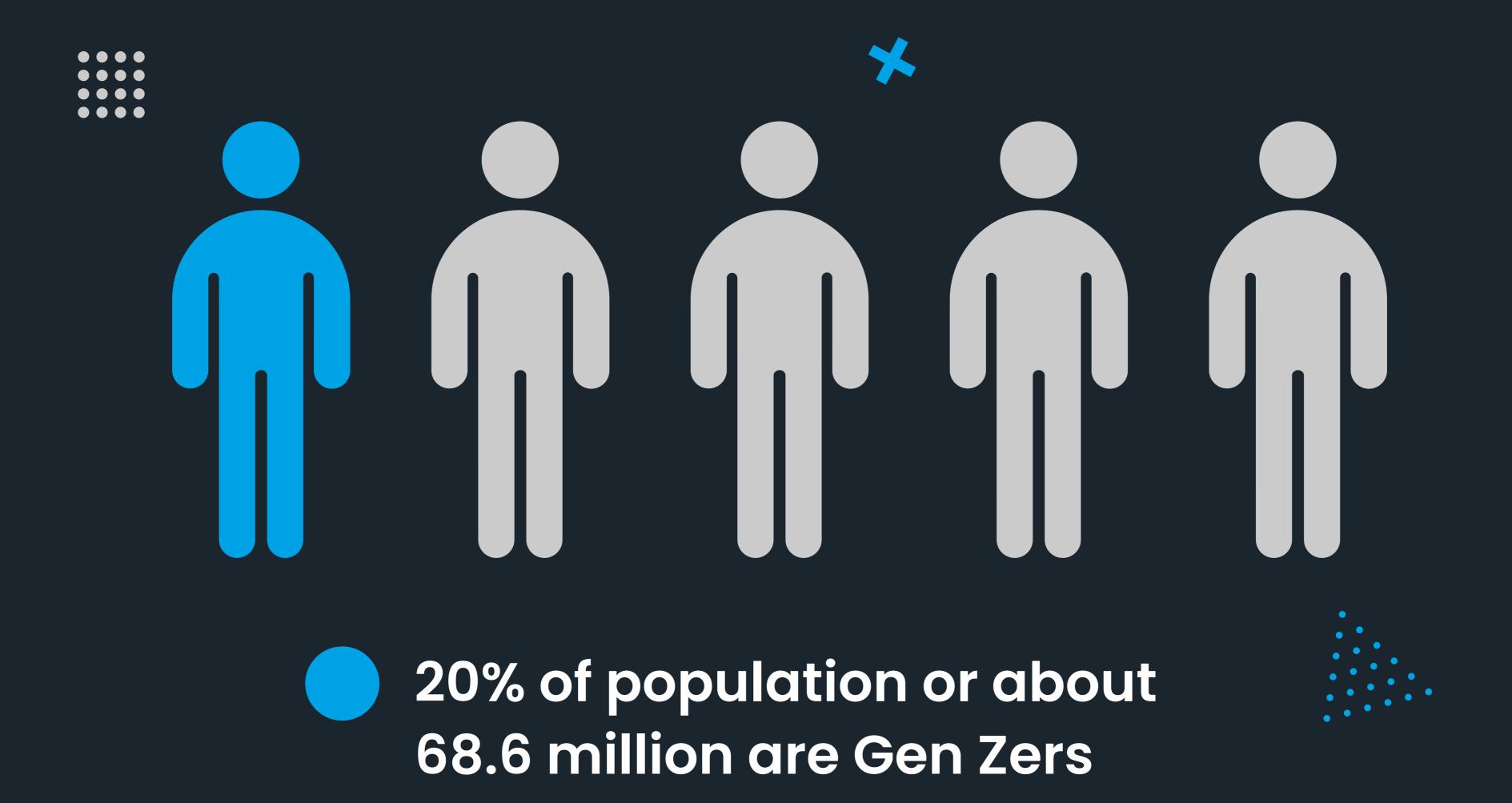


### Who is in Generation Z?

Generation Z, or Gen Zers, is the generation following Generation Y, or the Millennials, and preceding Generation Alpha.

The birth years where a Gen Zer falls differ slightly based on who you ask, but generally speaking, most researchers agree that those born between the mid to late 1990s up to the early 2010s are considered part of Generation Z.

Recent U.S. Census data estimates that there are roughly 68.6 million Gen Zers in the United States, or about 20% of the country's total population.



# Why should luxury brands market to Gen Z?

For those selling in the luxury market, understanding what makes Gen Zers tick is key to unlocking their huge spending power. Gen Zers are quickly making up a large portion of the country's luxury consumers, from everything to beauty, fashion, cosmetics, jewelry, and more.

Here are just a few reasons luxury brands should put their marketing and selling power behind Gen Z:

#### Younger generations are a big part of the luxury market

Bain & Co reports that members of Generation Y and Z accounted for all of the luxury market's growth in 2022. What's more, spending by Gen Z and Gen Alpha is expected to make up a third of the luxury market through 2030.



#### Gen Z has big buying power

Despite their young age, the Gen Z cohort collectively has a good chunk of cash to spend. According to a **Bloomberg** report, Gen Zers have an estimated \$360 billion in disposable income.



#### Online sales give young people access to brands

Gen Z is making luxury purchases at a younger age than previous generations— as early as 15, Forbes reports. That's five years earlier than the previous generation.

This is largely because they have easy access to brands in the palm of their hands. Online luxury shopping websites and social media pages are big with Gen Z.



# How luxury brands can target Gen Z customers

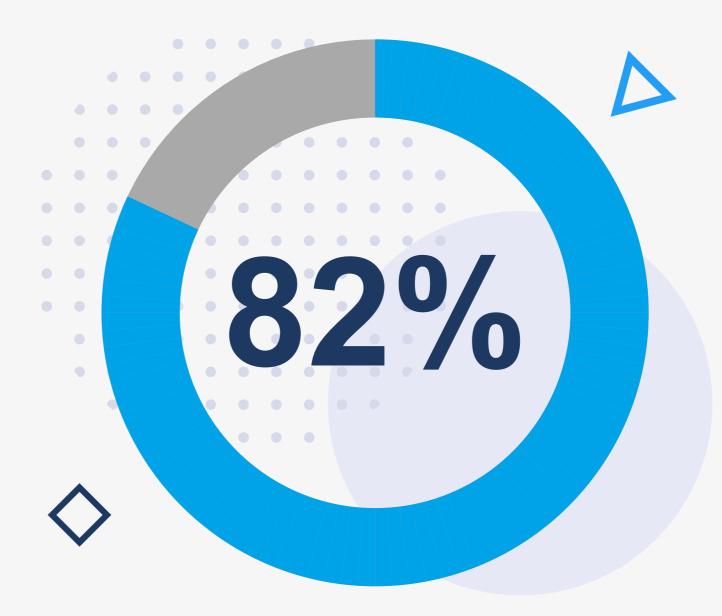
Now that we've covered who Gen Z is and why they're such important luxury consumers to watch, let's talk about how you can successfully tap into their appeal of luxury brands for your business's benefit.

#### Have a solid online presence

First, when trying to attract Gen Z luxury shoppers, you've got to have a digital presence, including a website, social media pages, and a listing on sites like Google and Apple maps.

Omnichannel retailing—a business strategy that aims to provide a consistent retail experience across all channels customers access your business from—is what Gen Zers expect.

And don't forget about your online reviews. When looking for a brand to shop with, Gen Z does their homework. A report with <u>Adolescent Content</u> found that 82% of Gen Zers research a brand before making a purchase, and that includes reading up on your reviews.



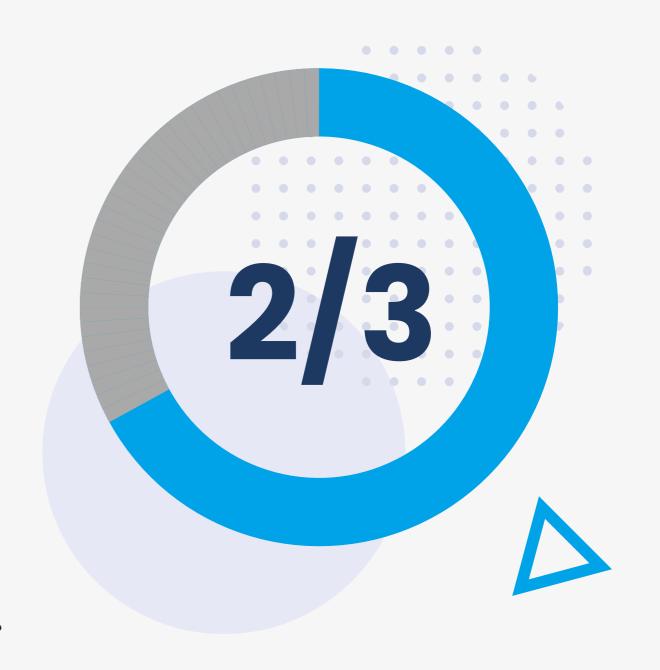
In short, if you want to see an increase in luxury spending with your Gen Z customers, you've got to be selling your products where they're shopping.

#### Engage with them on the right channels

In addition to selling your luxury products on digital channels, you also need to engage with your Gen Z customers through virtual means. Your approach to customer service can't be limited to only in-store interactions.

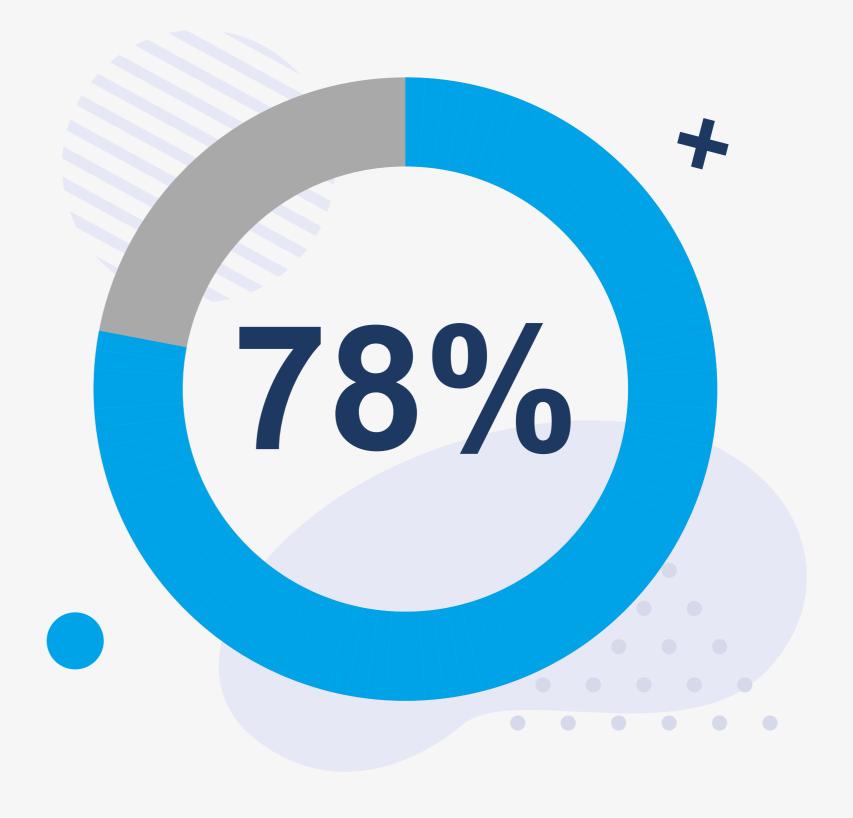
This means regularly posting on social media, joining online groups and communities in the luxury segment, responding to online reviews, and following up often via email and even text.

Not only will this help you build customer relationships with a younger audience, it will also do great things for your online luxury sales. **Statista** reports that in a survey of Millennials and Gen Zers, nearly two-thirds reported having made a purchase on their smartphone as a result of branded social media posts or content shared by influencers.



#### Always be genuine

When looking at Gen Z's values, at the top of the list is honesty. However, many young people don't believe brands are fully transparent about their words or actions. Adolescent Content reports that 78% of Gen Zers believe that brands are all talk and no action, and brands say things they simply don't mean.



So if you make a claim about any of your luxury listings, whether about its price, how it was made, or where it came from, it needs to be 100% the truth. No fine print or confusing language to hide realities. This also applies to how your retail sales associates talk to younger customers. The younger generation doesn't just want to be sold to. They want genuine retailers who care about them, their personal style, and what's best for them.

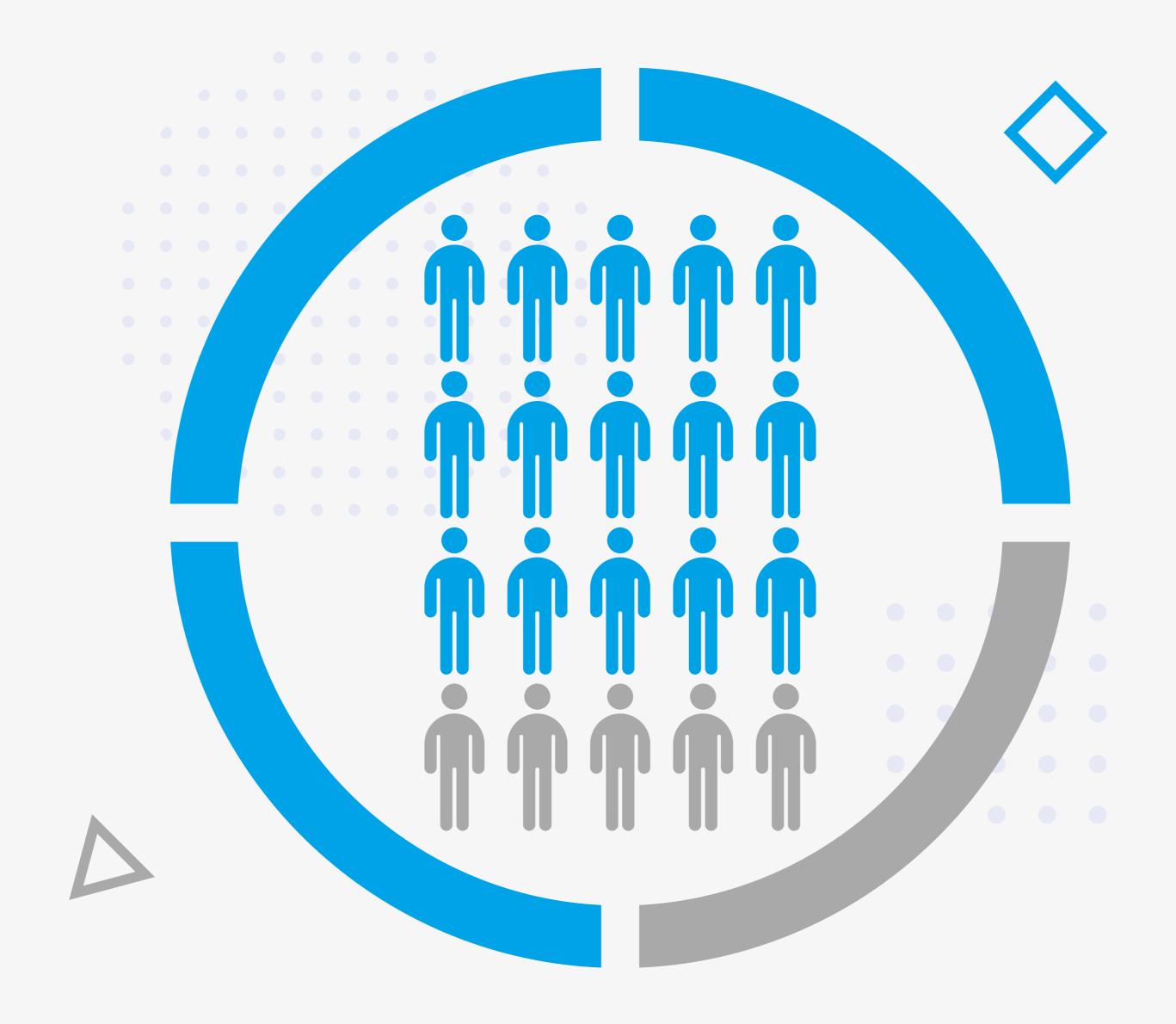
That's why training your team on relationship selling techniques will go a long way to connecting with your Gen Z audience and building a quality customer relationship.

#### Make them feel like a VIP with personalized offers

Finally, all buyers of luxury products want to feel like a VIP, Gen Z included. After all, they're likely planning on spending a lot of money on high-end products if they're shopping with you. That means they'll want to put that money toward not only an excellent product, but also an excellent customer experience.

One of the best ways to ensure a high-quality customer experience is to personalize the shopping experience for your buyers. When you make a personalized offer on a type of product a buyer has bought in the past, you're far more likely to retain them long-term and encourage them to come back and shop with you.

Data from McKinsey & Company finds that personalization leads to a 10% to 15% increase in revenue, and over three-quarters of consumers said that receiving personalized communications was a key factor in prompting their consideration of a brand.



Majority of today's consumers look for personalization from brands

# How Clientbook can help you engage with luxury shoppers

If you want help connecting with Gen Z—or anyone shopping in the luxury space for that matter—Clientbook can help. Clientbook is a client management software built to help luxury retailers build long-term relationships with key customers by personalizing the customer experience and connecting with buyers on a personal level.

With software like Clientbook, your sales associates can easily collect and store client data, create custom wish lists for each client, and even text clients with personalized offers based on their purchasing history.

It's the perfect way to integrate the digital experience into what you're already doing in-store, allowing you to connect with Gen Z and enhance their customer experience.

# See why thousands of retailers use Clientbook nationwide

Book a demo to see our software in action

**Book a Demo** 

### Conclusion

Gen Z is a huge potential market for luxury retailers to tap into. By getting on the right channels, engaging in honest marketing, and personalizing the shopping experience, you'll be well on your way to attracting Gen Z shoppers to your store, both in-person and online.

If you're ready to see how Clientbook can help you better connect with your Gen Z clients, <u>schedule a demo today</u>.

### About Clientbook

Clientbook is a platform and mobile app that facilitates easy clienteling by retail sales associates. By using Clientbook, retailers gain visibility and control over the customer experience, resulting in more store visits, better sales conversion rates, and higher sales. Clientbook also drives relationship building by keeping track of the details in a client's life so that the sales associate can focus on the relationship and give the guidance clients want. To learn more, visit clientbook.com.