Retail, Gaming & the Next Generation

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. **83% 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. **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.

3. **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
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- **Scaled cross-platform video**: Video amplification and creator cutdowns across OTT, YouTube, web, and mobile apps.
- **In-game activations**: Custom game, integration, or sponsorship.
- **Social**: Branded creator content with major gaming talent sponsorships.
- **In-game reach**: In-game portals and dynamic billboards.
- **Mobile & web engagement**: Custom rich media minigames, filmstrips, and more.

**Your Youth Gaming Audience**
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.

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

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<tbody>
<tr>
<td>Play video games on a console</td>
<td>66%</td>
<td>78%</td>
<td>74%</td>
<td>60%</td>
<td>63%</td>
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<td>Play video games on a laptop</td>
<td>34%</td>
<td>43%</td>
<td>52%</td>
<td>52%</td>
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<td>36%</td>
<td>42%</td>
<td>48%</td>
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<tr>
<td>Play video games on mobile</td>
<td>85%</td>
<td>85%</td>
<td>79%</td>
<td>72%</td>
<td>72%</td>
<td>85%</td>
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<tr>
<td>Stream movies and shows</td>
<td>89%</td>
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<td>91%</td>
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<td>Watch YouTube videos</td>
<td>90%</td>
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Question: How often do you/does your child do these things? Showing responses: All the time. Based among all kids n=460; parents n=460 per market.
Meet the audiences shaping the future of retail
Three universal 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.

- US youth: 71%, 66%, 67%, 65%
- UK youth: 55%, 56%, 60%, 59%

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

- US youth: 78%, 76%, 77%, 71%
- UK youth: 76%, 66%, 62%, 54%

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

- US youth: 55%, 53%, 53%, 46%
- UK youth: 48%, 40%, 42%, 35%

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

Emma 9 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.

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.

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.

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.
83% of youth have sole or joint decision-making purchasing 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.

Youth influence on purchases made for them:
- What to buy: 74% (UK) 74% (US)
- The store it's bought from: 42% (UK) 41% (US)
- When to buy: 39% (UK) 34% (US)
- How much money to spend: 38% (UK) 31% (US)
- How to pay: 24% (UK) 22% (US)
- None of these: 4% (UK) 6% (US)

Question: What are things that your child has a say in when it comes to stuff to buy for them? Based on parents n=600 per market.
Authentic engagement in gaming drives IRL purchases
Four steps to authentic engagement

SuperAwesome's research shows that the key to engaging young audiences is to engage them in ways that drive:

- **Get their attention**: Be fun, entertaining, and playful.
- **Be accessible**: Tap into shared family experiences.
- **Be on trend**: Stand out from the crowd.
- **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

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.

Top Reasons For Acquiring In-Game Items

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

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.
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

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<th>US</th>
<th>UK</th>
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<tr>
<td>43%</td>
<td>37%</td>
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When these purchases happen, they usually take place in-store.

Where purchases are made
(Some and all of the time)

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<tr>
<th></th>
<th>In-person</th>
<th>A website online</th>
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<tbody>
<tr>
<td>US</td>
<td>85%</td>
<td>73%</td>
</tr>
<tr>
<td>UK</td>
<td>81%</td>
<td>69%</td>
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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.

Create your own immersive custom game experience

Gamers are transported to a digital world surrounded by your brand and products, and retailers have the creative freedom to engage fans in memorable ways.

SuperAwesome recently helped a fashion footwear brand create a custom Fortnite map that took players on a journey through the brand’s history using a visually stunning parkour course.

Use gaming as a content engine

Game environments create immersive experiences for the next generation and provide amazing branded environments for influencer videos.

In a recent fashion activation, SuperAwesome drove 14.8M views around creator videos recorded in a branded gaming environment, which generated over 3,290 days’ worth of high-quality viewing time in the branded set.

Integrate your brand into an existing game

Game integrations and branded in-game items give retailers a turnkey opportunity to incorporate their brand into existing youth gaming experiences.

SuperAwesome partnered with an apparel brand to create branded in-game items to reward players, distributing 718k+ tote bags and over 1M clothing pieces that helped build brand awareness even after the integrations were over.

Partner with gaming influencers

Brands can tap into audiences on social platforms like TikTok, YouTube, or Twitch by working with influencers to create authentic content for gamers.

One retail campaign in partnership with SuperAwesome reached the #19 trending ranking in YouTube’s gaming category, delivering over 1.2M views for an entertainment brand.

Amplify your campaign across gamers’ favorite digital destinations

Capturing kids’ and teens’ attention requires content amplification across the digital landscape, from mobile app and web to OTT, YouTube, and social platforms.

SuperAwesome helped a leading toy brand drive traffic and create buzz around its Roblox experience by running media across popular youth sites, apps, and OTT channels, resulting in over 12.3M YouTube views and 3M+ visits to the brand’s custom built Roblox world.

Utilize dynamic in-game ads

In-game ads enable natural, organic reach. An in-game billboard builds positive brand sentiment and adds realism to a digital environment.

SuperAwesome can help retailers create billboards in nearly 100 Roblox games and over 300 app and console games. One recent campaign drove 156.3M in-game billboard impressions for a major retail brand.
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.
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.

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

Get in touch with SuperAwesome!  

www.superawesome.com  
enquiries@superawesome.com