

Generation ALPHA:

Preparing for the future consumer

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FOREWORD



**Hugh Fletcher, Head of Thought Leadership (EMEA)
and UK Marketing at Wunderman Thompson Commerce**

Today's children are different from the generations that have gone before.

They've grown up with streaming, social media and screens on every available device. Information, entertainment and human connection has always been just a click away.

This has had a massive impact on how they live – and how they shop.

But are retailers prepared for the needs of Generation Alpha, the 6-16-year olds entering the stores in five to ten years' time?

The answer, for the most part, is no.

Many organizations are struggling to initiate strategies that will make them relevant for this future generation of customers. And all the while, retail innovators like Amazon are leading the way with one-day delivery, lightning fast payments, value-adding loyalty schemes and content creation – setting the benchmark for customer expectations.

To compete in this world, retailers must look beyond their quarterly, half and annual targets. Adopting a long-term view is the only way to meet the expectations of Generation Alpha when these shoppers come of age.

With this in mind, Wunderman Thompson Commerce set out to discover more about Alphas, the next generation of consumers who are currently aged between 6 and 16.

We spoke to over 4,000 individuals in this age bracket, half in the UK and half in the US, to learn more about their views on everything from influencers and Amazon, to deliveries and the shop floor.

In this report, we've set out our findings, including:

- **Who Generation Alpha are today and who they are likely to become in the next ten years**
- **What is shaping Alphas' attitudes towards brands and buying**
- **How this generation feels about retail technology**
- **What Alphas want from their shopping experience**

Where possible, we've broken down the research by region or by age category within the generation:

**13-16-YEAR OLDS ARE
MAXI-ALPHAS,
9-12-YEAR OLDS ARE
MIDI-ALPHAS AND
6-9-YEAR OLDS ARE
MINI-ALPHAS.**

Alongside our research findings, we've added guidance from our own team of industry thought leaders and experts, and a chapter-by-chapter action plan.

By the end of this report, you'll be prepared to create a future-ready shopping experience capable of meeting the needs of the new generation.

Read on to find out more.



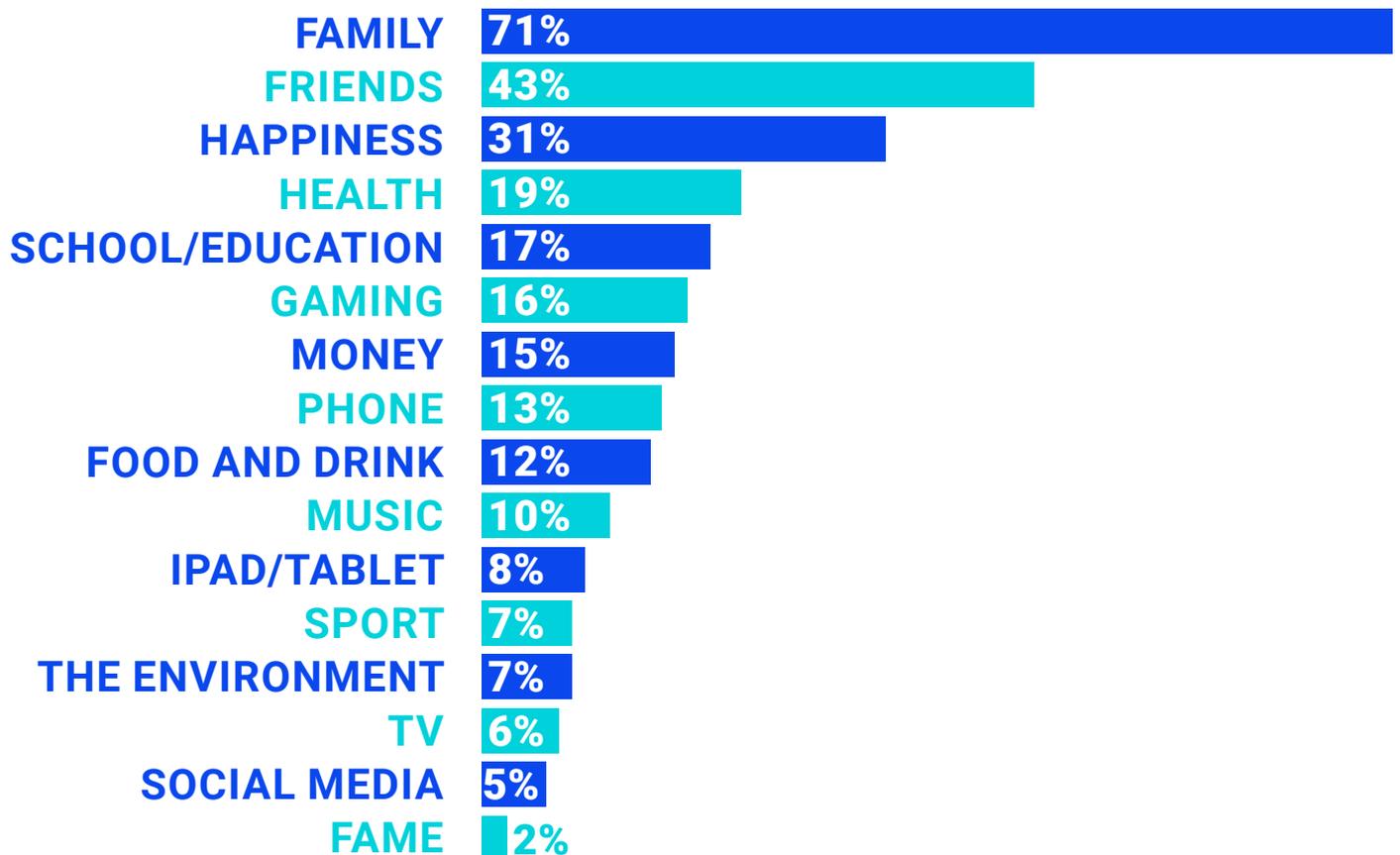
INTRODUCING GENERATION ALPHA

WHAT YOU NEED TO KNOW

- Generation Alpha are characterized by their strong values, which will dictate who they buy from.
- Alphas are looking forward to having their own spending power and are already excited about making their own purchasing decisions.
- Digital hasn't won over outdoor pursuits just yet – children still enjoy life away from screens; so, while they may be digital natives, their relationship with digital isn't exclusive.

Before we can understand Alphas as shoppers, we need to understand them as people.

It appears that the Alpha generation are a thoughtful bunch, characterized by their strong values. When asked what's most important in life, they list:





Significantly, digital gadgets fall into the second half of the priority list. So, while Alphas do value their phone or their tablet, they understand family and friends to be more important. Just 15% said money was important and only 2% answered fame – results which certainly restore your faith in humanity and the upcoming generations.

While Alphas are unwilling to place consumption over friends and family, they are excited about making their own purchasing decisions. 82% can't wait to have their own money so they can buy things without asking their parents. But how will they make their purchasing decisions? Principles will still play an important role, with 18% of Alphas saying they would prefer to buy products that are sustainable and not plastic.

66%

**WANT TO
BUY FROM
COMPANIES THAT
ARE TRYING TO
DO GOOD IN THE
WORLD**

There's a tendency to view Alphas as 'digitally native' and therefore wedded to their screens. Notably though — as we'll see later in the report — the digital world hasn't won out yet, as children would prefer to split their time equally between the indoors and outdoors (47%).

A further 27% would rather spend time outside, just beating the 26% who want to stay indoors. And, interestingly, 46% of children would like to work outdoors when they grow up. This omnichannel approach to life, spanning digital and analog, is a recurring theme later in the report when it comes to shopping habits too.

Alphas think a lot about their future career, even though it's a long way off. The majority would like their work to have a positive impact on the world. 59% would like to work somewhere saving lives, while 51% want a job where they can use technology to make a difference, a figure which is markedly higher for boys (61%) than girls (43%).

In a trend we're seeing more of among younger people, sustainability again looms large: 63% would like to work somewhere helping to save the planet. Mini-Alphas feel most strongly about an

environmental career, with 67% of 6-9-year olds saying saving the planet will be their job focus. American children are also most interested in this type of work, with 66% of children in the US choosing this vs 60% in the UK.

This focus on values is matched by a similar level of positivity when it comes to organizational ethics. Unsurprisingly, Alphas want to buy from places that match their values and that behave responsibly towards the environment and society at large. Two thirds (66%) of kids like to buy from companies that are trying to do good in the world.

The attitudes of this emerging generation raise some interesting questions for the future of eCommerce. Retailers need to appreciate what differentiates Alphas from their elders. As the first fully digitally-native peer group, Alphas will be pre-conditioned to expect great service through any online channel they choose.

But it's their focus on values and ethics that will really make a difference. To secure this generation of shoppers, retailers will need to embrace Alphas' principles — even when this seems to run counter to the drive for profit.

WHAT YOU NEED TO DO:

- Don't focus on Alphas as 'digital natives'. They have grown up in a tech-saturated world, but this doesn't mean they've abandoned quality time with loved ones and the outdoors — you must think omnichannel and not forget the physical world; ensuring you deliver consistency of product, information and service across the digital and analog channels.
- Make sure to appeal to Alphas as human beings. Tell a story about your organization and why Alphas should buy into it. This is a key factor of What Amazon Can't Do (WACD).
- Consider the role of sustainability in your business. Alphas want to feel confident that they're supporting environmentally friendly organizations — is this something you can offer them?
- Alphas want it all... great friends, health, strong family life and a balanced and successful career. Essentially, they are demanding — and this will translate into their expectations about commerce.

THE POWER OF INFLUENCERS

WHAT YOU NEED TO KNOW:

- Over half of our Alpha respondents want to buy something if their favorite YouTube or Instagram star is using, wearing or consuming it.
- Influencers have relegated family members to third position when it comes to affecting children's buying habits.
- 14% of Alphas would like to see influencers have their own retail outlets.
- Online videos are the channels with the most influence over children.



Friends and family have always exerted influence over our buying habits. You see someone wearing or using something cool, whether that's in the playground, on the bus or at a party, and you go and buy it yourself. That's how trends work.

But young people today are being influenced by a wider range of factors than ever before and more of these factors are external. We've moved far beyond the bus and the playground. Now, children are influenced by social media platforms, programmatic advertising and on-demand TV. This means that brands need to be across multiple channels – and more importantly, the right channels – to ensure they're finding their target audience.

As it stands currently, Alphas are too young to take control of their own finances. So, it's unsurprising that they are influenced by the people who do: their parents. 53% are likely to shop in the same way as their parents, which means if their mum and dad purchase online, so will they. And if our previous [Future Shopper report](#) is anything to go by, then Gen Alpha are likely to turn to Amazon for their purchases, to emulate their parents; our 2019 research found that 58% of online purchases in the US and 35% in the UK are made via Amazon.

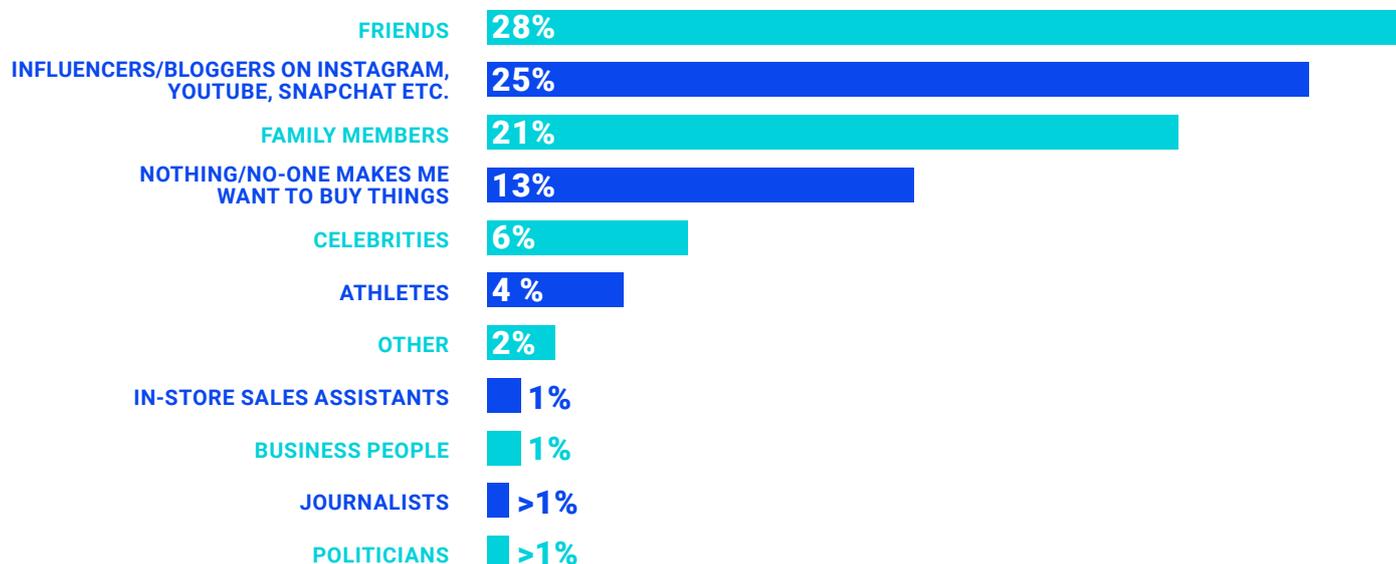


But when it comes to deciding what they want to buy, children are influenced by a number of different factors – and influencers are chief among them. Only 3% more children cite friends as a bigger influence than influencers or bloggers. And, perhaps most significantly, Alphas regard influencers as more important than family by 4%. Astonishingly, influencers have relegated family members to third position when it comes to shaping the shopping preferences of children.

Interestingly, influencers and bloggers on social media affect all age groups to the same extent, showing that the pulling power of influencers starts at an alarmingly early age:

- 6-9-year olds (25%)
- 10-12-year olds (26%)
- 13-16-year olds (24%)

What you'd like to buy; who most influences you?



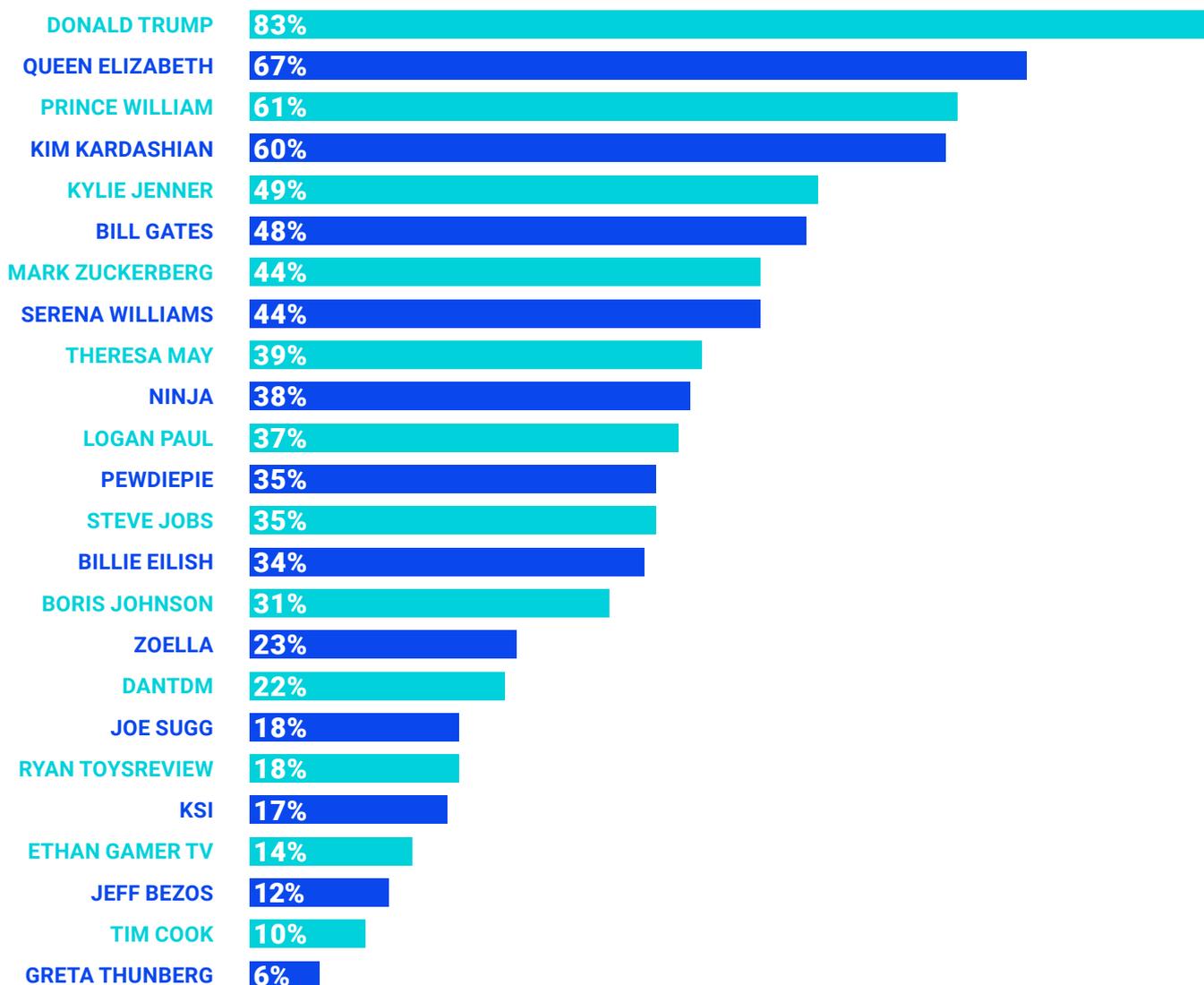
Parents must, therefore, take note of who is influencing their children and what they are being influenced to do. On the flipside, organizations and brands must partner with effective but responsible influencers to spread their messages.

The importance of influencers is underlined by the fact that over half (55%) of kids want to buy something if their favorite YouTube or Instagram star is using, wearing or consuming it. And this follows to its natural conclusion: 14% of children say the thing they would most like to change about shopping would be for influencers and social media stars to have their own retail outlet. This goes beyond endorsements or collaborations: in this new paradigm, influencers wouldn't be representing other retailers, but directly establishing their own. This could result in a huge shift in the retail environment as influencers transition from endorsements, to partnerships, to retailers.

When it comes to influencers who have captured the attention of Alphas, it seems that native influencers rule the roost. We asked Alphas which influencers they had heard of out of a wide range of industries, professions and platforms. Native online influencers scored more highly than heads of big brands, retailers or marketplaces. However, reality TV stars who made their name on traditional TV, but who now have a social media presence like Kim Kardashian and Kylie Jenner, scored even higher.

What does this tell us? It tells us that the people who leave the strongest impression are those who span channels. This recurring theme of omnichannel is one that keeps on coming back. It shows that if well-known personalities can be present across all the interfaces that a consumer uses, they are more influential.

Which of these people have you heard of?



14%

OF CHILDREN SAY THEY WOULD LIKE TO SEE INFLUENCERS HAVE THEIR OWN RETAIL OUTLETS



While Amazon's dominance in the world of commerce is high (more on that later), Jeff Bezos – CEO and founder of the biggest online retailer in the world – remains relatively unknown when it comes to Generation Alpha. He is less well known to children than every other influencer or celebrity on the list except Tim Cook and Greta Thunberg – not that this will bother him much. This says quite

a lot about the powerful position of influencers in the retail world.

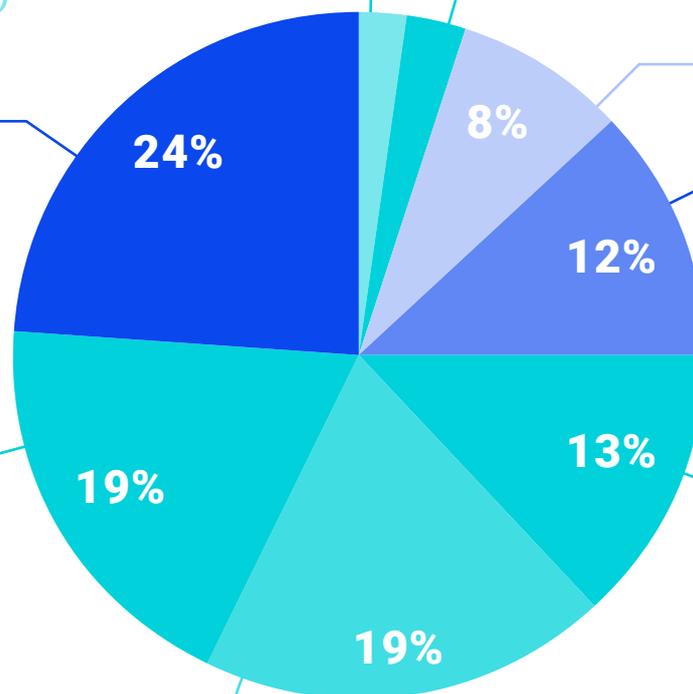
So, it's clear who influences the Alpha generation. Now it's time to ask what influences them. Video, or more specifically online video, it turns out, is top of the list, with almost a quarter of children choosing this as their biggest influence.

RADIO ADVERTS (1%)

ONLINE VIDEOS

TV ADVERTS

SOCIAL MEDIA POSTS



CATALOGS (3%)

ONLINE ADVERTS

NOTHING INFLUENCES ME TO WANT TO BUY THINGS

PICTURES ON WEBSITES AND APPS

What we've found is a curious gender split. Boys are much more likely to be influenced by online videos than girls (29% vs 20%), while girls feel the effect of social media more strongly (23% vs 13%). And, while online videos are slightly more influential in America for kids than in the UK (26% vs 22%), children are much more swayed by TV adverts in the UK than in the US (22% vs 15%).

The difference in preferences, based on gender and geography, demonstrate that decisions about content, media and channel cannot be blindly applied to Generation Alpha, but must be selected based on more precise audience segments.

While video, TV and online is the most influential, social media is not to be overlooked. The majority of Alphas (57%) say seeing adverts on social media makes them want to buy those products. And this is especially effective for Midi-Alphas, as 59% of 10-12-year olds feel most strongly about this.

And the influence of social media content only becomes stronger as children grow older; with 13-16-year olds three times more likely (32%) to say that social media posts influence their purchasing decisions than 6-9-year olds (9%) and twice more likely than 10-12-year olds (15%).

Social media is also a self-perpetuating machine, with children tagging each other on social platforms, so they in turn can be influenced. 41% of kids tag their friends on Instagram if they see something they might buy. And it's the Maxi-Alphas who are most likely to do this (49%).



Industry insight – Chloe Cox, Consultant at Wunderman Thompson Commerce

The Alpha Generation is overloaded with messages from brands. Choosing the right channels – including relevant trusted advisors like online influencers – will be critical if you want to cut through all the noise to reach the next generation of shoppers.

But just as important is ensuring that the journey from social media to site is seamless. Without this seamless transition, retailers won't be able to harness the pulling power of influencers to convert Alphas into customers.

57%

WILL PURCHASE FROM ADVERTS ON SOCIAL MEDIA



WHAT YOU NEED TO DO:

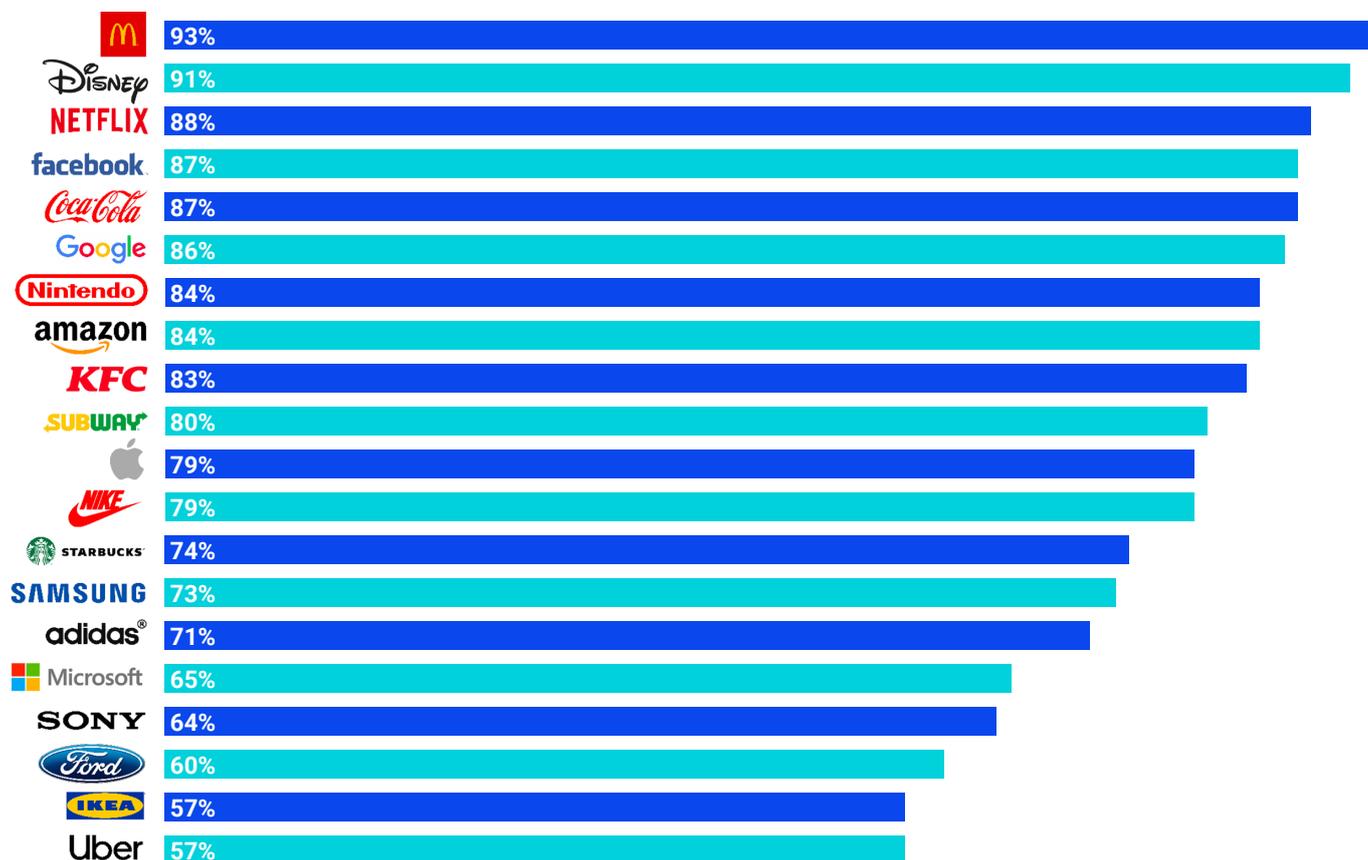
- As we've seen, influencers are vital to shaping the tastes and preferences of Alphas. This means you need to develop your influencer strategy now.
- Social media is key in the Alpha Generation consumption journey. But the natural next step is social commerce. So, now is the time to start investing in and planning for social commerce, which will be an essential channel for the future.
- Cross-channel content is key with the strongest results coming from consistent influencing across channels. Think about how your influencing strategy is delivered digitally across channels and outside of digital channels too.
- Partner with the "right" influencers and think about how you could start to "white label" products for them.
- Provide the infrastructure and business acumen they might need to build their own retail empires – and make sure that you get a slice of the action.

BRANDS & AMAZON'S ENDURANCE

WHAT YOU NEED TO KNOW:

- From a young age, children are aware of brands and begin to recognize and even form a relationship with the brands they see.
- The majority of children have heard of Amazon and 72% like it as a company.
- Two thirds of Alphas want to buy from companies that are trying to do good in the world – meaning that all companies in the future will need to put ethics and morals at the center of their business.

Which of the following companies have you heard of?





The interesting thing is that tech brands are infiltrating the list of classic retailers. For Alphas, Google is only slightly less recognizable than Coca-Cola, which would have been unimaginable two generations ago.

And Alphas aren't just recognizing brands: they are also starting to pick favorites. Half of all respondents (50%) have a favorite brand, with boys slightly more likely to (52% vs 49%) than girls. Interestingly, kids in the US are also more likely to have a favorite brand (54%) than kids in the UK (47%).

All of this is good news for brands, who are increasingly under threat from eCommerce giants that focus on service first, and brand recognition second. Brands must harness and nurture these connections with their Alpha audiences, to insulate themselves from the risks posed by marketplaces, retailers and even influencers in the future.

For Generation Alpha, Amazon is among the most recognized and well-liked brands. An astonishing 90% of 13-16-year olds have heard of Amazon, closely followed by 88% of 10-12-year olds and 74% of 6-9-year olds. The trend here is clear:

the older you are, the more likely you are to know of Amazon – albeit the knowledge amongst mini-Alphas is still very high. This means that the online behemoth is doing an excellent job of capturing the Alpha generation as they move closer to purchasing age. In fact, more young people are aware of Amazon than they are Apple and Nike, two of the biggest traditional brands in the world.

While Amazon has been planning for the future, it has also been conditioning a whole new set of customers to use its services – not only is the awareness of Amazon high, so too is the understanding of what it is and what it does. When asked what Amazon is most famous for, 62% said shopping, while 17% said quick delivery, 6% said voice assistants and 5% said TV shows and movies. Only 6% weren't sure.

And this awareness translates into the use of Amazon's services. A quarter of our Alpha respondents say that they buy most of their purchases from Amazon (26%), second only to the supermarket. Maxi-Alphas actually use Amazon the least: 13-16-year olds and their parents are less likely to shop on Amazon (22%), compared to 30% of 10-12-year olds and 28% of 6-9-year olds.

23%

OF CHILDREN SAY THAT THE ONE THING THEY WOULD MOST LIKE TO CHANGE ABOUT SHOPPING IS BEING ABLE TO BUY EVERYTHING FROM ONE PLACE

In terms of awareness of Amazon's services, a vast majority (70%) of children know what Amazon Prime is and 63% know what it does. What's more, almost half (46%) have access to an Amazon Prime account, a figure which is higher in the US (49%) than the UK (42%). With a key question for direct-to-consumer brands being "how do I get my potential customers not to default to Amazon?", this figure is a worry for brands who now must not only offer ease, speed and convenience, but also value-adding services like prioritized delivery and content.

One important element of Amazon's appeal for Generation Alpha seems to be the sheer variety of products and services on offer. 23% of children say that the one thing they would most like to change about shopping is being able to buy everything from one place; an expectation that is only likely to grow over time, considering that 62% of adults in our Future Shopper 2019 report also said they were excited about being able to order all their purchases through one retailer.

While Jeff Bezos is convinced that customers are only loyal to Amazon up until the point that someone offers them a better level of service, 72% of the Alpha generation actually "likes" Amazon as a company. Mini-Alphas are the least keen, but even so the great majority (65%) report feeling positive about the brand. Over three quarters (76%) of Midi-Alphas and Maxi-Alphas like Amazon too. This means Amazon is developing equity in its own brand, whether it believes this to be of value or not.

However, two thirds (66%) of kids like to buy from companies that are trying to do good in the world. This attitude is strongest among Alphas at the top-end of the age spectrum: 63% of Mini-Alphas agree that they should only buy from companies trying to do good, while 67% of Midi-Alphas and 68% of Maxi-Alphas feel the same. And it seems that American children are more ethically and morally conscious than British ones, with 72% of kids in the US agreeing with this statement vs only 61% in the UK.

Alphas' ethical focus does cast some doubt over Amazon's long-term appeal, since the company has already faced questions about working conditions, tax evasion and treatment of suppliers.

But Amazon is always innovating and it's likely we will see big changes as the retailer shifts to accommodate the needs of emerging generations. Where there's a gap in the market today, there may not necessarily be one tomorrow.



Industry Insight — Eric Heller, Chief Knowledge Officer, WPP Center of Excellence for Amazon

Amazon's presence and influence in modern-day commerce is inescapable, and these statistics indicate that it has done a first-class job in ensuring that it remains central to the future of commerce — be that via Generation Alpha replicating the behavior of its parents, through awareness, or its ease speed and convenience.

Like present day shoppers, Generation Alpha clearly values the sheer convenience and variety of products on offer at Amazon. This means Amazon

will continue to be an important partner for brands and organizations to consider and to complement their own online presence.

But at the same time, it's worth noting the Alpha emphasis on ethical behavior. Brands and organizations should recognize they can gain ground with the future generation by acting in a way that's socially responsible — especially where large corporations don't. But don't think that the likes of Amazon aren't thinking about this. With the customer at the center of everything it does, it will react to this apparent chink in its armor if it perceives that it might lose business as a result.

WHAT YOU NEED TO DO:

- With the Alpha generation, there appears to be no indication that Amazon's Western dominance online will cease anytime soon. Therefore, it's vital to have a robust and well thought out Amazon sales plan as part of your balanced eCommerce channel strategy.
- Key to Generation Alpha's understanding of Amazon's offering is "shopping" and "quick delivery" — to take on Amazon, or at very least operate alongside it, organizations must invest in the ability to deliver their products quickly and in line with customer expectations.
- Engagement online is also supplemented with value-added services — other organizations, particularly those seeking to operate direct-to-consumer, must work out what added value they can give to customers.
- Whether the Alpha generation believe Prime to be about delivery, the fact is that it is a value-adding CRM program, and probably the best out there. Organizations should learn from what Amazon has done and develop CRM programs that can compete.

TECHNOLOGIES OF TOMORROW'S SHOPPER

WHAT YOU NEED TO KNOW:

- The supposed “digitally native” generation is more analog than you might expect — with physical shopping remaining a prominent part of their shopping experience.
- With over half of kids talking to Alexa already, comfort with voice interaction is only going to get stronger.



Technology has shaped, shifted and disrupted much of what we do and see today; from banking and dating to watching TV and communicating, not many industries have been left unturned.

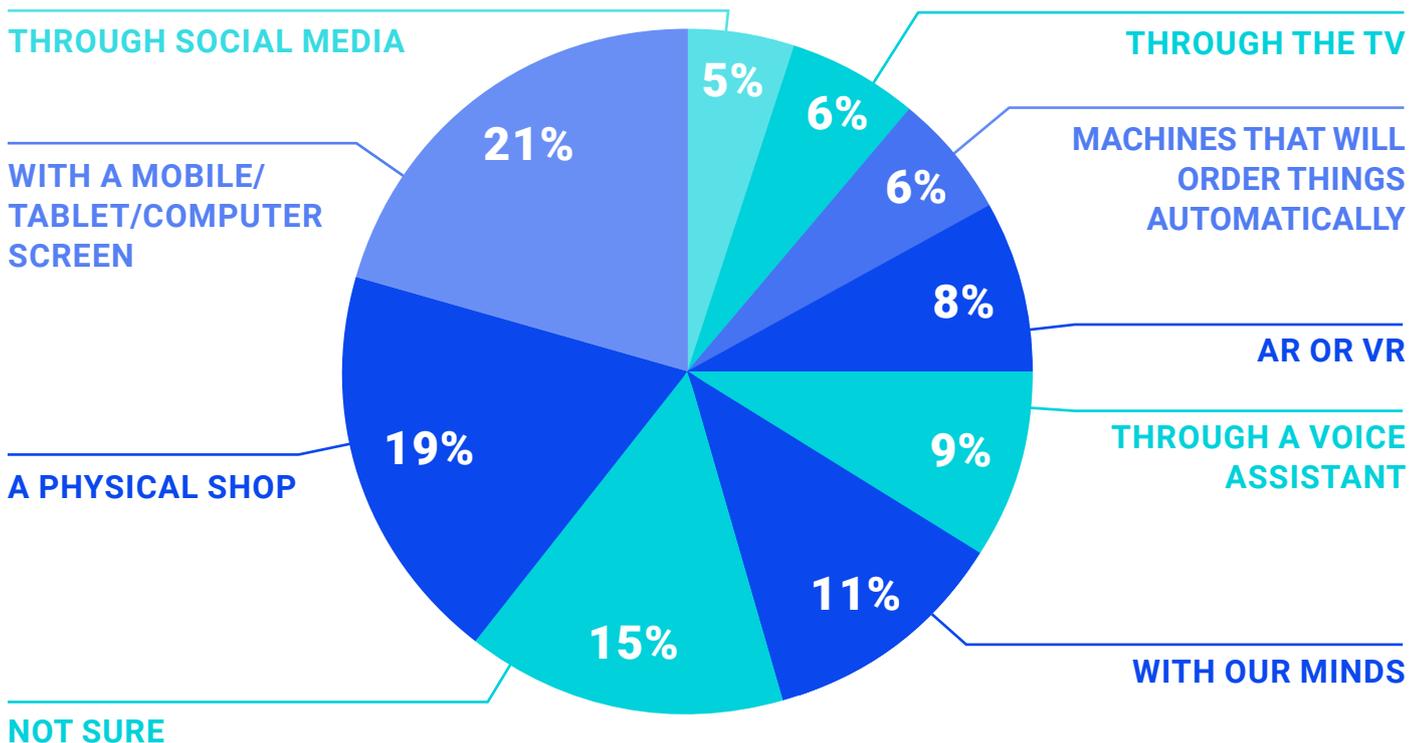
Retail is no exception. Attributes as simple as speedy online payments have rocketed eCommerce into the stratosphere and, looking further ahead into the future, there is promise of more exciting innovations to come. And children will be right at the heart of using them.

So, while children and their parents still buy most of their things from a supermarket (29%), Amazon is close behind, with 26% of children shopping on the eCommerce giant via laptop/desktop/app. The next most popular shopping destinations were on the high street (13%) and on a website that isn't Amazon (11%). The blend between digital and physical is clear, and while the shift to online shopping has been significant, in-store purchasing still sits on top of the table. This is even more evidence of how important it is for retailers to get the balance across digital and analog channels right; and understand that physical retail hasn't had its death knell yet. But in saying that, Alphas do expect technology to form an increasingly bigger part of their shopping experience in future.

29%

OF CHILDREN AND THEIR PARENTS STILL BUY MOST OF THEIR THINGS FROM A SUPERMARKET

How would you most like to shop in 10-20 years' time?



Interestingly, 6-9-year olds are more futuristic and ambitious in their thinking, with 15% wanting to shop with our minds in the future, in comparison to 11% of 10-12-year olds and 5% of 13-16-year olds. In comparison, 13-16-year olds could be seen as having a more traditional approach to shopping, with a quarter (25%) saying they would most want to purchase in a physical store, rather than through their screens. This is compared to 16% of both 6-9-year olds and 10-12-year olds.

While the numbers may reflect the fact that younger minds are more imaginative, mini-Alphas' openness towards new and innovative methods of purchasing should be a welcome invitation for retailers, marketplaces and brands to think outside the box when it comes to how the next generations want commerce to work in the future.

When considering what they would most like to change about shopping today, three in ten children pointed to a model like Programmatic Commerce™ (whereby machines will automatically order items based on pre-set preferences): "companies will send me things they think I would like to try or use, even without asking". A further one in ten said: "everything would be automatically ordered for me". This suggests that Programmatic Commerce™ will be well-received among this age group when it's rolled out.

Voice assistants and interacting with brands via voice is also gaining traction with the Alpha generation; however, there is still some way to go in perfecting this approach to commerce. More than half of Alphas (51%) like to talk to Alexa, but only one in ten say their preferred method of shopping will be through a voice assistant. Even though a majority enjoy communicating through voice, confidence in the technology still has some way to go. Only 39% of children trust Alexa and 43% were "not sure" if they did or not. Clearly there's more work to be done to encourage Alphas to purchase via voice, but the seeds have already been sown for a future where screens are less important to online purchasing.

Already, usage of Alexa is high. Nearly a quarter (22%) of children have used Alexa or a voice assistant to purchase online and 41% of children

intend to shop through Alexa when they are older. This trend is more pronounced amongst Mini-Alpha respondents: 6-9-year olds are most likely to do this (47%), followed by 10-12-year olds (43%) then 13-16-year olds (32%).

Similarly, today's children are happy to embrace the digital world when it comes to owning and consuming products. Looking at shopping online, 55% would rather buy or download something digitally e.g. via a Kindle/tablet/Netflix than buy a book or DVD. The fact that the majority are comfortable with the idea of buying products in a digital format shows how far eCommerce has come in recent years; and should act as a lesson for organizations on how transitioning from physical to digital products can place them at the forefront of commerce in the future.

But at the same time, the high street – and traditional bricks and mortar retail – holds a significant sway. Three quarters of Gen Alpha (75%) like the experience of going to an actual shop, while 47% enjoy shopping on the high street. Only 38% prefer buying/being bought something online rather than in shops. It seems that the experience of trying things out is important to children: when considering the one thing they would change about retail, over a quarter (27%) of children said, "every shop would have an area where I could use the gadgets or play with the toys". This goes to show that, for physical retailing to remain relevant, it must either be an experience or innovative; or, ideally, both.

In the face of these numbers, it seems that a digital-only offering could alienate the many future shoppers who still value the physical store and overall high street experience. In fact, children are asking for an alignment of the physical store with the digital one, as 74% like seeing the same thing in a shop and online. Technology could even bring the physical shopping experience into the home, as 22% of children agreed that: "using virtual reality, I could visit any of my favorite shops without needing to go there myself".

In this way, combining the best of both worlds seems to be the winning formula for the Alpha generation.

41%

OF CHILDREN INTEND TO SHOP THROUGH ALEXA WHEN THEY GET OLDER



Industry Insight — Naji El-Arifi, Head of Innovation at Wunderman Thompson Commerce

Technology — and the convenience and exciting experiences it can offer — is clearly at the heart of Alphas' visions for the future of shopping.

But at the same time, it's interesting that the majority of children want to see online channels work alongside physical stores — and indeed better alignment between the two. These findings underline the need for retailers to take a truly omnichannel approach to engaging with the next generation of shoppers, and be ready to use new technologies not simply to replace the physical store but to complement it.

WHAT YOU NEED TO DO:

- Bridge the digital and analog shopping channels by offering choice when it comes to where customers want to buy.
- Experience and innovation are key drivers when shopping in-store. Kids want innovative experiences and this is what retailers need to invest in.
- Customers value being able to buy the same product physically and digitally. Organizations need to think about how they can “digitize” their products (think of DVDs and digital downloads and streaming).
- It's vital that organizations plan and build their voice strategies. With 22% of kids having already purchased via Alexa, it won't be long until voice becomes the predominant form of purchasing for all Alphas.
- Seemingly, the mini-Alphas are also keen to see further iterations of zero-UI (i.e. screenless or faceless interfaces), so organizations that want to excel in the future should not halt their strategy with voice, but should plan even further ahead and think about the brain computer interface (BCI).

DEFINED BY DELIVERY

WHAT YOU NEED TO KNOW:

- Children are less patient, and are only happy to wait 2.23 days on average for an online delivery to arrive – much lower than the 2.95 days adults are willing to accept.
- Delivery times shape where, and with which, retailers Alphas will shop, as 20% will never buy from somewhere that can't deliver the next day.
- Delivery is a very emotional experience for Alphas: 90% feel happy when something ordered online arrives and 47% of children share photos of their order once they've received it.
- But they also experience frustration when they are forced to wait.
- Organizations must harness the positives and mitigate the frustrations in the delivery experience.

The frustration of waiting for a delivery is an experience most consumers have had to endure – but most adults these days know that this used to be part and parcel of ordering online. Children, however, are not accustomed to waiting. In fact, 83% wish their purchases would arrive faster once they have been ordered.

But what does “quick delivery” mean to Generation Alpha? They are happy to wait 2.23 days on something that has been ordered online. Interestingly, as Alphas get older, there is some variation in levels of patience among age groups, with Mini-Alphas being the least patient:

- **6-9-year olds = 1.91 days on average**
- **10-12-year olds = 2.21 days**
- **13-16-year olds = 2.59 days**

Kids in the US are prepared to wait slightly longer than UK children, with a US average of 2.3 days vs 2.17 days in the UK. Geography may be at work here: the US is a much larger nation and consequently deliveries have far further to travel. Interestingly, the overall mean of 2.23 days delivery time is much lower than our recent Future Shopper 2019 survey, where adult consumers in the UK and US were prepared to wait 2.95 days overall. Clearly, the Alpha Generation has elevated expectations compared to their parents.

In fact, for some children, the speed of deliveries will even determine where they shop. A fifth (20%) will never buy from somewhere that can't deliver the next day, and a third (33%) say that if they can't get something immediately, they lose interest. When asked about the one thing that they would change about buying things, children's most popular answer was that “all items would be delivered within



83%
**OF CHILDREN
WISH THEIR
PURCHASES
WOULD ARRIVE
FASTER ONCE
THEY HAVE
BEEN ORDERED**

two hours". Almost a third (32%) of Alphas selected this answer, which highlights just how important delivery really is. This is an extremely tall order... and one which again forces us to rethink physical products vs digital products and their delivery.

Children clearly associate strong emotions with the shopping experience, whether that's relishing the excitement of the wait – or feeling deep frustration when things go wrong. An astonishing 90% feel happy when something ordered online arrives, a figure which is consistent across nationality, age and gender. But this happiness is tempered with negative emotions: over half (52%) feel annoyed when something isn't delivered the next day. Businesses must address this frustration and ensure their delivery logistics are up to scratch to cater to the demands of an exacting new generation of shoppers.

One element of the delivery experience that brands must also consider is that of 'unboxing'. While less than half (48%) care about how the box looks when it arrives – with Mini-Alphas saying they care least about this (44%) – a similar figure (47%) share photos of the experience after they've received their order. American kids are more likely to do this than British children, with the figures standing at 51% in the US and 43% in the UK. The act of receiving and unveiling their delivery is all part of the experience, and brands should keep this in mind when deciding how to present their products to Gen Alphas.

Considering their love of speedy delivery, it's no surprise that children are excited about the technologies that might make the process faster. Almost half of Alphas (49%) are looking forward to having orders delivered by robots/programmed delivery services, while a similar number (48%) are looking forward to having orders delivered by drones. Interestingly, 13-16-year olds are least excited by this (40%), which reflects other data showing that they still enjoy, and sometimes prefer, physical experiences.



Industry Insight – Krantik Das, Head of Strategy at Wunderman Thompson Commerce

The views of Generation Alpha confirm what many retailers already know: today's delivery times often determine purchasing decisions. And, looking at the attitudes of Generation Alpha, it's clear that customer expectations are only going to grow as our new shoppers enter the marketplace.

This means it will be critical for retailers to create a seamless back-end system, which can fulfil orders as quickly and reliably as possible, and is ready to take advantage of new logistics technologies like drones and robotics once they become available. Retailers need to put themselves in a position to offer a fast, technology-enabled delivery – or risk losing out.

WHAT YOU NEED TO DO:

- As expected, despite the huge leaps in the speed of delivery, the Alpha Generation just wants stuff faster. Investment and innovation in delivery is therefore vital.
- Much of the infrastructure to meet these expectations requires reliance on third parties. How can organizations own and operate the supply chain themselves, and even provide these services to others?
- Ordering and waiting is "emotional" and not just transactional. How can these emotions and experiences be harnessed more positively during the waiting phase?

AN ALPHA FUTURE

Retailers must anticipate the desires of today's young people, five to ten years into the future, or they will risk losing the next generation of consumers before they even begin shopping.

It's an intimidating prospect. Expectations have never been higher and they're growing at the same rate as the children who hold them.

Businesses who prepare now will ensure they're ready to meet Alphas' needs when they come of age. This means:

- **Building an omnichannel offering is essential, including:**
 - Developing an Amazon strategy
 - A complimentary direct-to-consumer offering**And remember, physical retailing is not dead!**
- **Having a social media and social influencer strategy is vital.**
- **Prepare for the future of social... social commerce... with an even more fragmented channel mix and the entry of a new breed of "influencer retailers".**
- **Create and implement a voice (and zero-UI) plan.**
- **Think differently about how to purchase your products and about the products themselves – how can friction points be addressed by digitising all or part of the product and its experience?**
- **Invest in infrastructure to avoid reliance on third parties and hit the customer expectation benchmark around services like delivery.**

Clearly, Alphas are looking for a rich and exciting shopping experience, accessible both online and in-store. They invest in the emotional rollercoaster of delivery and expect not to have to wait. They follow the trends set by influencers and they already enjoy the convenience and choice offered by Amazon. And all of this is underpinned by a new emphasis on ethics and sustainability.

This emerging generation has given retailers a lot to consider. But this is where the opportunity lies.

Hopefully, the advice and insight in this report has helped to both challenge and inspire your thinking, and will help you develop an action plan for the years ahead.

At this moment in time, retail businesses have to make a choice. Will you remain as you are and miss out on the changes brought about by a whole new type of shopper?

Or will you follow the lead of Generation Alpha and take your first steps into maturity – and an exciting future?





ABOUT WUNDERMAN THOMPSON COMMERCE

Wunderman Thompson Commerce is a global eCommerce consultancy that brings strategic clarity, technical know-how and creative inspiration to help retailers, manufacturers and brands deliver winning commerce capabilities across all major digital commerce channels: marketplaces (including Amazon), online retailers and DTC.

Our end-to-end offer includes strategy, people and technology enablement, plus channel execution. With over 1,500 commerce experts, and key strategic partnerships with Adobe, Salesforce, SAP, HCL and IBM, we help global organizations deliver capability, platforms and sales.

Wunderman Thompson Commerce is a WPP company. We are part of Wunderman Thompson, a creative, data and technology agency built to inspire growth for its clients. Wunderman Thompson brings together over 20,000 creatives, data scientists, strategists and technologists in 90 markets.

Clients include AkzoNobel, American Hotel Register Company, DFS, Halfords, Jumbo, Sainsbury's, Selfridges, Specialized, Ted Baker, Tempur and Xerox.

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SERVICES

To Support Brands and Retailers

ECOMMERCE STRATEGY

We help retailers and brands strategize for high-performance eCommerce through a suite of proven services.

Aiding enterprise-level organizations to transact more business online by designing and implementing high-performance, future-ready digital strategies. This starts with defining a balanced multichannel strategy, aligned to your vision, and the planning of high-performance solutions to support your ambition. [READ MORE](#)



How can we help you? [Connect](#) with our Head of Strategy in Europe, Krantik Das or our Chief Strategy Officer in North America, Adam Brown.



MARKETPLACE STRATEGY AND MANAGEMENT

Supporting and advising brands on how to increase results globally, at scale, on Amazon, Tmall and other online marketplaces.

Wunderman Thompson Commerce is the leading provider of global eCommerce marketplace services and the founding partner of the WPP ACE, a Center of Excellence for Amazon. We run the largest global consultancy helping brands succeed on Amazon, Tmall and other marketplaces. We have helped 550 brands excel on Amazon over the last decade and our 100+ experts across 25 nationalities are helping clients drive annual online revenue of more than \$2bn on Amazon's marketplace alone. We have the people, processes and tools to deliver industry leading performance for our clients. [READ MORE](#)



How can we help you? [Connect](#) with Helmut Rieder, our Head of WPP's Center of Excellence for Amazon in Europe, or Eric Heller, Chief Knowledge Officer, WPP Center of Excellence for Amazon in North America.



SOCIAL COMMERCE

Introducing a new revenue stream by helping brands capture and sell to new audiences through social media.

Social platforms have evolved and selling has become an active function in order to capture shoppers — particularly Gen Z and Generation Alpha. Consumers can now buy through the likes of Instagram, Facebook and Pinterest. Wunderman Thompson Commerce is working with leading retailers and brands to optimize engagement and trigger transactions on these social channels. [READ MORE](#)



How can we help you? [Connect](#) with our Social Commerce Consultant, Chloe Cox.

CUSTOMER EXPERIENCE

Inspiring transactions across the journey.

In putting the customer at the heart of every journey touchpoint, customer experience must not only work, but be outstanding — and inspire transaction. Our ability to create and support these customer journeys is born of science and commercially driven — we create optimized, multichannel customer journeys that drive engagement and transaction at every point. Key to this is our unique methodology known as “Commerce Experience Design” that exploits the synergies between Interface Design, User Experience Design and Service Design. [READ MORE](#)



How can we help you? [Connect](#) with our Director of Customer Experience, Rachel Smith.

INNOVATION AND FUTURE-READY TECHNOLOGY

Reviewing, testing, and deploying innovative technologies and solutions to keep businesses ahead and future-ready.

We explore, recommend and implement workable innovation, testing ideas, methodologies and leading-edge technologies to help businesses shape their own future and stay ahead. After all, how can you navigate the future of eCommerce without an understanding of the tech and trends shaping it? [READ MORE](#)



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ECOMMERCE PLATFORM TECHNOLOGY

Deploying and integrating best-in-class technology to support your eCommerce operations.

Through the implementation of world-leading commerce platforms underpinned by future-ready technologies, we're able to support the most ambitious client strategies. We've been doing this for more than 30 years – with hundreds of successful eCommerce platform implementations to our name, including the world's largest fashion and B2B platforms and grocery replatform. [READ MORE](#)



How can we help you? [Connect](#) with our Global CTO, Glen Burson.

CREATIVE SERVICES INC. DESIGN & BUILD

Inspiring powerful online customer experiences and stunning websites.

We see creative inspiration as the critical agent of change, actions and transactions across stunning customer journeys time and time again. And drawing on the arguably unparalleled creative heritage of our parent Wunderman Thompson, we're uniquely able to do this, applying our multiple award-winning creative credentials to front-end build, including websites, mobile sites, app builds and more. [READ MORE](#)



How can we help you? [Connect](#) with Mike Rokes, Head of Experience Design.

MANAGED SERVICES INCLUDING PEAK SELLING SUPPORT

Protecting your most important business asset – your eCommerce website – so you can focus on what you're great at!

Our managed services and applications are tailored specifically to client requirements and budgets, so they can concentrate on their core business, assured of powerful eCommerce performance through the support of highly experienced teams, including commerce architects and software engineers. A key service is our peak operations support. As one of the leading authorities on peak selling, we set up the UK's first dedicated peak support center and continue to support many of the biggest retailers through the Black Friday and Holiday sales periods. [READ MORE](#)



How can we help you? [Connect](#) with our Head of Managed Services, James Webster.

DIGITAL INTELLIGENCE

Delivering insight-driven change to help your business excel in the age of the customer.

Led by an expert team of implementation, data science and optimization analysts, we help multichannel organizations manage and interpret their data in order to support insight driven change. We also work with businesses to develop the tools and processes needed to become a data-led organization that gets results. [READ MORE](#)



How can we help you? [Connect](#) with our Head of Digital Intelligence, Chris Longman.

COMMERCE DATA MANAGEMENT

Helping consumers buy what they want, where they want it.

We acquire, optimise and redistribute product data to create data-driven solutions to assist consumers and businesses. Feed Management and BuyNow connects consumers to retailers and brands' products, on any channel, to maximise sales. Our technology enables performance monitoring, benchmarking globally to deliver insight. [READ MORE](#)



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PRODUCT INFORMATION MANAGEMENT

Creating the best customer experience across all touchpoints, promoting the best sales catalogue for every device.

We can help your business implement a PIM system by recognizing what your customers are looking for when they buy online. We offer deep knowledge of PIM strategy, solutions design, integration and implementation. We partner with retailers, manufacturers and distributors to help them improve their customer experience, product data, operational processes and profitability. [READ MORE](#)



How can we help you? [Connect](#) with our Global PIM consultant, Deniël Vijverberg.

METHODOLOGY

Research for this report was conducted by independent research consultancy Censuswide. A total of 4,003 children aged between 6-16 were interviewed online during July 2019; 2,002 in the UK and 2,001 in the US.

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