

Tips to help retailers reach Gen Alpha, Gen Z, and beyond this holiday season

Article

Gen Z is ready to spend this season. Millennials may be a bit cautious. YouTube is the place to go if brands want to get on Gen Alpha's radar. And for older consumers, trust is the key to

getting them to spend.

Here's how retailers can appeal to each generation as the holiday season readies for Cyber Five.

1. YouTube is the key to Gen Alpha's heart

YouTube plays a major role in both entertainment and product discovery among Gen Alpha.

- 54% of **Gen Alpha kids have their own tablets**, where they watch streaming video content from YouTube, Disney+, and Netflix, per a Morning Consult survey as reported by Insider.
- And what they see online, particularly around shopping and unboxing content, directly influences their retail choices, according to 56% of parents surveyed by Morning Consult.
- Over half (51%) of **Gen Alphas first hear about brands through YouTube videos**, per Razorfish.

Knowing that creators are essential for success, **YouTube has added new features** to help make it easier to market products on its platform.

- After successful tests in the US, YouTube rolled out a feature enabling creators to make a shopping button appear at relevant points in their videos, like when they're demonstrating a beauty product.
- Another feature lets creators tag affiliate products in bulk across their video libraries.

The holiday strategy: Brands that want to reach Gen Alpha must have a presence on YouTube, potentially using creators to help increase product awareness.

2. Give Gen Z a reason to splurge

Unlike other generations, Gen Z is ready to shop this holiday season.

- **Gen Z consumers are 44% more likely to increase their spending this holiday season** when compared with millennials, Gen Xers, and baby boomers, per new research by First Insights shared exclusively with Insider Intelligence.
- But that doesn't mean they're immune to deals. In fact, nearly half (48%) of **Gen Zers say they would start shopping earlier** if retailers rolled out deals and promotions earlier, compared with 28% of the total US population, according to Shopify.

- Gen Z consumers also plan to buy 70% more gift cards than older generations this holiday season, per Blackhawk Network.

The holiday strategy: Gen Zers may be looking for reasons to spend, but they appreciate a good deal. Use small perks like buy one, get one free gift cards or sample freebies to encourage them to treat themselves and their loved ones.

3. Find ways to help millennials manage their money

Millennials may be a little more cautious about their holiday spending this year.

- Some 37% of millennials say they “**want to cry when they think about how much the holidays will cost them** this year,” per a Qualtrics survey on behalf of Intuit Credit Karma reported by Retail Brew.
- To help spread costs out, 53% of millennials plan to use installment plans—like buy now, pay later (BNPL)—often this holiday season, according to a survey from PYMNTS.com.

Millennials aren't the only ones who will be taking advantage of alternative payment services this year. As consumers struggle to balance holiday spending with everyday costs, **BNPL spending will help drive a record \$17 billion** in online spending this holiday season, per Adobe.

The holiday strategy: To cater to cost-conscious consumers, brands should lean heavily on deals and discounts while also offering flexible payment options both in-store and online.

4. Trust is important to older consumers

Knowing and trusting a brand is the top factor influencing purchase decisions for US adults, particularly among those ages 55 and older, per an August 2023 CivicScience survey.

Brands that over-rely on AI during the holiday season probably won't earn that trust.

- 44% of US adults ages 45 to 59 and 31% of adults 60 and older don't trust businesses to use AI responsibly at all, according to a May 2023 Bentley University and Gallup survey.
- If a brand is using AI in customer interactions, the best way to earn the trust of Gen Xers and baby boomers is by giving them an option to opt out or talk to a person, per January 2023 Redpoint Global data.

The holiday strategy: It may be tempting to use AI to keep costs down during the holidays, but don't forget about the consumers who are still wary of the technology. Make sure that customers have a variety of ways to interact with your brand, including a good old-fashioned phone call.

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