Generation Z: Past, Present, and Future
Strictly Business

Purpose
The purpose of this report is to analyze the target audience of Macy’s Inc. and to provide Macy’s Inc. with a plan to better tailor to Generation Z (1995-current).

Current Situation
Macy’s has been having problems attracting the business of Generation Z customers, both online and in-store. This has led to a decline in total revenue and has contributed to the closing of 100 stores (nearly 15% of its store base) worldwide in 2016 and 2017.

There are several reasons as to why Macy’s is failing to appeal to Generation Z customers. (1) Generation Z has been shown to enjoy experiences. Macy’s fails to deliver an interesting experience to many young people because the store is often perceived as bland. (2) The product base that Macy’s provides is tailored more so towards adults. The company provides mostly formal clothing, which is something that people don’t typically buy several times a year (especially Generation Z). (3) Macy’s products are priced highly. This deters many Generation Z shoppers, as young people do not have the spending power that employed adults have.

How to appeal to Generation Z
In order for Macy’s to appeal to Generation Z, they must create a unique experience and environment that is solely geared towards the customers of Generation Z. Macy’s, as a fashion retailer, is aware and affected by the notorious fashion cycle where older generation styles make a comeback decades later. These trends are a throwback from years past, and they are very popular amongst the young adults at the time, with no exception to Generation Z. Introducing a Macy’s throwback pop-up store that would re-release clothes from older generations would appeal to the current vintage/thriving trend and give Generation Z a go-to spot to get involved in the fashion cycle. By bringing back these “vintage clothes” and creating a story to go along with it, Macy’s will separate itself from the retail crowd and become a popular destination for Generation Z.

Implementation
The implementation of a throwback pop-up store would include several changes in the Macy’s store and would involve Macy’s working with their clothing providers to create a new line of clothing that is based off of clothes that they once produced. (1) Macy’s needs to create a sub-store inside of each Macy’s that is dedicated to the pop-up store section. (2) Macy’s needs to hire interns to preview old catalogues and create a list of products that directly appeal to current Generation Z trends. (3) Macy’s needs to coordinate with their paired companies to produce the clothing that has been selected by fashion experts. Macy’s coordination with these companies is crucial to the success of the throwback store.