

SOFTWARE AND TECHNOLOGY

Gen Z craves real-time, in-app engagement: report

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Younger consumers are looking for more real-time engagement on mobile apps and services. Image credit: Unsplash

By NORA HOWE

Many younger consumers are beginning to require augmented and virtual reality technology in their retail experiences, especially after this technology took off during the COVID-19 pandemic.

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Over the last year, 87 percent of the Gen Z cohort used mobile apps with built-in interactive live video streaming or video calling features, according to new research from real-time engagement platform as a service (RTE PaaS) company [Agora](#). To expand their audiences and grow revenue, brands and retailers should meet these young shoppers where they are, using real-time engagement such as livestreaming and extended reality within their apps and platforms.

"Gen Z is particularly savvy and forward-thinking about their experience in apps and services," said Tony Zhao, founder and CEO of Agora, Santa Clara. "These data points show that they want RTE technology and features integrated across the platforms they use."

Agora commissioned a survey of more than 1,000 U.S. Gen Z respondents in August 2021 to understand the group's demand and preferences for RTE technology.

Real-time engagement

RTE refers to interactive, collaborative and shared digital experiences that occur through technology such as live video and audio and augmented and virtual reality.

According to Agora, consumers increasingly want RTE video or audio features in the apps they use.

In terms of gaming, 69 percent of Gen Z agreed that interactive video and audio within gaming apps is important.

Italian fashion label Gucci partnered with online gaming platform Roblox for an interactive virtual exhibit celebrating Gucci Garden Archetypes.



A Roblox avatar exploring the digitized Gucci Gardens Archetypes exhibit. Image credit: Gucci/Roblox

The virtual Gucci Garden space was available on Roblox through May 31, and replicated the physical, multimedia experience that had recently debuted in Florence. Users could explore the immersive space through avatars as well as purchase exclusive, limited-edition avatar items ([see story](#)).

Additionally, research found that more than half, 62 percent, of Gen Z has tried interactive live audio streaming apps.

Earlier this year, Toyota Corp.'s Lexus and livestreaming platform Twitch user Fuslie hosted a livestream where Lexus invited more than 554,000 viewers to vote on their favorite interior and exterior vehicle modifications for a custom car ([see story](#)).

When it comes to shopping, nearly 3 in 4 Gen Z consumers, 70 percent, said they would prefer retailers to offer augmented and virtual reality in their apps to be able to test and try products at home before purchasing.

In April, Swiss watchmaker IWC Schaffhausen unveiled a smartphone app that allows customers to try on its timepieces virtually.

The mobile app represents a new channel by which consumers may engage with IWC digitally, with the main feature being a virtual watch try-on based on augmented reality (AR) technology. Customers can point the camera of their smartphone at their wrist where they will then be able to see a watch true to its actual size ([see story](#)).

Agora found that 63 percent of Gen Z consumers still find front-facing AR filters as a key factor in maintaining interest within a social media app or platform.

[View this post on Instagram](#)

A post shared by Valentino (@maisonvalentino)

Valentino launched the VG Roman Stud filter on Instagram, which places a larger-than-life Roman Stud bag in the user's image frame

Agora has released this new data ahead of its RTE2021 virtual conference, which will take place Sept. 1-2, 2021. The conference intends to explore RTE technologies through discussions regarding innovations in video, voice and streaming.

Rise of social shopping

Where there is a peak in video streaming and digital interaction, commerce opportunities do not fall far behind.

Live commerce has proven successful in China and other parts of Asia, and is rapidly spreading to Western markets, indicating it could hold enormous potential for brands and ecommerce platforms.

According to McKinsey, sales originating from live commerce could account for 10 to 20 percent of all ecommerce by 2026. The channel can help brands, retailers and marketplaces primarily in two areas: accelerating conversion and improving brand appeal.

These experiences can be both entertaining and immersive, keeping viewers watching longer. For instance, time-limited tactics such as one-off coupons can be used to generate a sense of urgency.

If executed properly, live commerce could potentially increase a brand's appeal and distinctiveness, and pull in additional web traffic. It can strengthen positioning among existing customers and attract new ones, especially young people keen on innovative shopping formats and experiences ([see story](#)).

Social media platform Snap Inc. partnered with Southern California-based online retailer Verishop to launch Verishop Mini. The new curated shopping experience, which lives exclusively within the Snapchat app, allows users to discover and shop fashion and beauty products without leaving the app.

Verishop Mini, which is accessible through Snapchat's rocket icon within chat and search, will feature a rotating selection of cult-favorite fashion labels ([see story](#)).

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